

Mid Cap Composite

As of 31 Dec 2022

DIAMOND HILL

INVESTED IN THE LONG RUN

Team

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Philosophy and Process Highlights

Under our intrinsic value philosophy, we:

- Treat every investment as a partial ownership interest in that company
- Seek to invest at a discount to intrinsic value
- Possess a long-term investment temperament
- Recognize that market price and intrinsic value tend to converge over a reasonable period of time

Portfolio Guidelines

- Typically 40–60 positions
- Maximum position size is 7%
- Top 10 holdings are typically greater than 25% of net assets
- Maximum industry exposure is 20%
- Maximum sector exposure is 30%

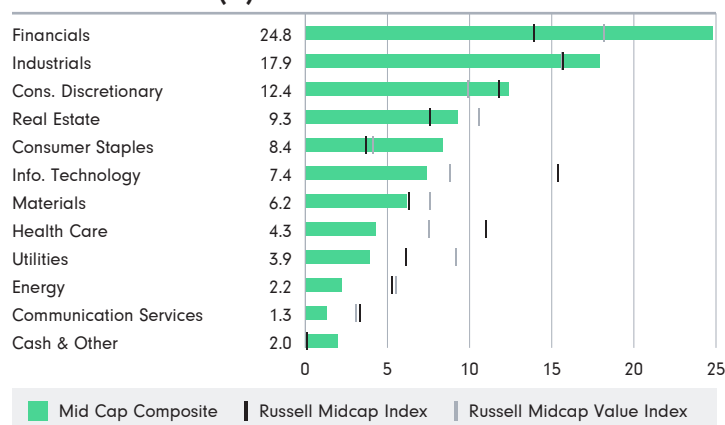
Market Capitalization

The portfolio typically invests in companies with a market capitalization between \$1.5 billion and \$20 billion (or, if greater, the maximum market capitalization of companies generally within the capitalization range of the Russell Midcap Index) at the time of purchase.

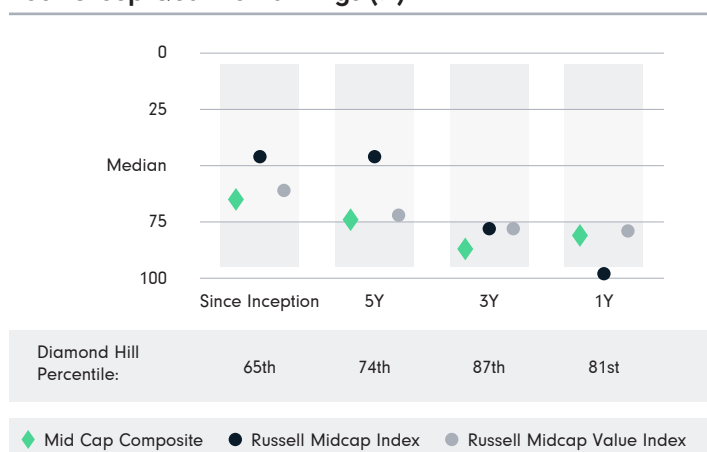
Top Ten Equity Holdings¹

	Sector	% of Net Assets
Red Rock Resorts, Inc. (CI A)	Cons. Discretionary	4.3
WESCO International, Inc.	Industrials	4.3
Post Holdings, Inc.	Consumer Staples	3.5
American International Group, Inc.	Financials	3.3
Freeport-McMoRan, Inc.	Materials	3.3
NVR, Inc.	Cons. Discretionary	3.1
CubeSmart	Real Estate	3.0
Check Point Software Technologies Ltd.	Info. Technology	3.0
Parker-Hannifin Corp.	Industrials	3.0
SVB Financial Group	Financials	3.0
Total as % of Net Assets		33.8
Total Holdings		55

Sector Allocation (%)²



Peer Group Quartile Rankings (%)³



Best and Worst Performers (%)¹

	Ending Weight
Best	
Freeport-McMoRan, Inc.	3.3
American International Group, Inc.	3.3
Red Rock Resorts, Inc. (CI A)	4.3
ESAB Corp.	2.3
Lancaster Colony Corp.	2.4
Worst	
SVB Financial Group	3.0
First Republic Bank	2.5
Regal Rexnord Corp.	2.1
Douglas Emmett, Inc.	0.6
Hanesbrands, Inc.	0.8

¹ Securities referenced may not be representative of all portfolio holdings. The reader should not assume that an investment in the securities was or will be profitable.

² Cash & Other may include cash, treasuries, money market funds and short duration fixed income funds.

³ Source: eVestment. Ranking within eVestment US Mid Cap Value equity universe based on monthly returns gross of fees. Ranking data calculated on 20 January 2023 (as of 31 December 2022) and is subject to change as additional firms within the category submit data. Diamond Hill pays an annual fee to eVestment to access their platform and to use their data, including peer group rankings, in marketing materials. Diamond Hill does not pay for the ranking.

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Portfolio Characteristics vs Benchmark⁴

	Mid Cap Composite	Russell Midcap Index	Russell Midcap Value Index
Median Forward P/E	14.0x	17.6x	16.0x
Median Trailing P/E	15.3x	19.3x	18.1x
Median Price/Book	2.0x	2.8x	2.4x
Median Price/Sales	1.9x	2.3x	2.0x
Median Market Capitalization	\$7.9B	\$8.7B	\$8.3B
Weighted Average Market Cap.	\$15.1B	\$21.0B	\$19.7B
Portfolio Turnover (5Y)	36%	—	—
Active Share ⁵ vs Core ⁶ /Value ⁷ Benchmark	96%/94%	—	—
Upside/Downside Capture Ratio ⁸ vs Core Benchmark ⁶	94%/99%	—	—
Upside/Downside Capture Ratio ⁸ vs Value Benchmark ⁷	99%/100%	—	—

⁴Source: FactSet.

⁵Source: FactSet. Active share measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the difference.

⁶The Russell Midcap Index is the core benchmark.

⁷The Russell Midcap Value Index is the value benchmark.

⁸Source: eVestment based on monthly returns (gross of fees) from 1 January 2014 – 31 December 2022.

Period and Annualized Total Returns (%)

	Since Inception (31 Dec 2013)	5Y	3Y	1Y	YTD	4Q22
Gross of Fees	7.61	5.62	4.67	-12.50	-12.50	10.62
Net of Fees	6.81	4.87	3.94	-13.12	-13.12	10.42
Russell Midcap Index	8.59	7.10	5.88	-17.32	-17.32	9.18
Russell Midcap Value Index	7.78	5.72	5.82	-12.03	-12.03	10.45

Calendar Year Returns (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gross of Fees	8.83	1.61	19.62	11.31	-9.55	26.73	-1.00	32.38	-12.50
Net of Fees	7.96	0.80	18.66	10.46	-10.21	25.84	-1.69	31.45	-13.12
Russell Midcap Index	13.22	-2.44	13.80	18.52	-9.06	30.54	17.10	22.58	-17.32
Russell Midcap Value Index	14.75	-4.78	20.00	13.34	-12.29	27.06	4.96	28.34	-12.03

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