

Mid Cap Composite

As of 31 Mar 2023

DIAMOND HILL

INVESTED IN THE LONG RUN

Team

Chris Welch, CFA
Portfolio Manager

Chris Bingaman, CFA
Asst. Portfolio Manager

Kristen Sheffield, CFA, CIPM
Portfolio Specialist

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%

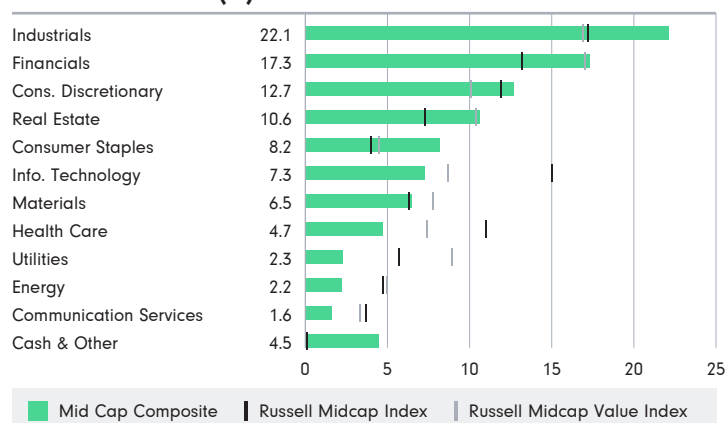
Market Capitalization

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.

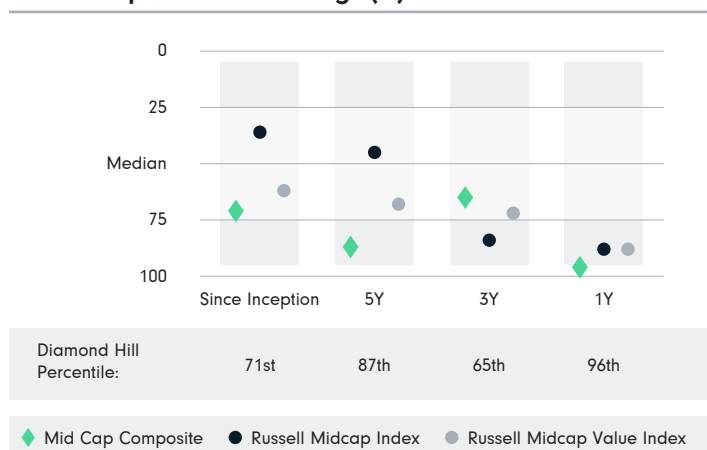
Top Ten Equity Holdings¹

	Sector	% of Net Assets
WESCO International, Inc.	Industrials	5.3
Red Rock Resorts, Inc. (CI A)	Cons. Discretionary	4.9
NVR, Inc.	Cons. Discretionary	3.9
Post Holdings, Inc.	Consumer Staples	3.6
Freeport-McMoRan, Inc.	Materials	3.6
CubeSmart	Real Estate	3.5
Parker-Hannifin Corp.	Industrials	3.5
Check Point Software Technologies Ltd.	Info. Technology	3.2
ESAB Corp.	Industrials	2.9
Ashland Global Holdings, Inc.	Materials	2.9
Total as % of Net Assets		37.3
Total Holdings		53

Sector Allocation (%)²



Peer Group Quartile Rankings (%)³



Best and Worst Performers (%)¹

	Ending Weight
Best	
WESCO International, Inc.	5.3
NVR, Inc.	3.9
Red Rock Resorts, Inc. (CI A)	4.9
ESAB Corp.	2.9
CubeSmart	3.5
Worst	
SVB Financial Group	0.0
First Republic Bank	0.0
American International Group, Inc.	2.7
Webster Financial Corp.	2.4
Bank OZK	1.7

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 19 April 2023 (as of 31 March 2023) 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.

Mid Cap Composite

As of 31 Mar 2023

Portfolio Characteristics vs Benchmark⁴

	Mid Cap Composite	Russell Midcap Index	Russell Midcap Value Index
Median Forward P/E	15.2x	17.9x	16.5x
Median Trailing P/E	17.9x	19.9x	18.9x
Median Price/Book	1.8x	2.9x	2.4x
Median Price/Sales	1.7x	2.2x	1.9x
Median Market Capitalization	\$7.6B	\$9.5B	\$8.9B
Weighted Average Market Cap.	\$16.2B	\$22.5B	\$20.2B
Portfolio Turnover (5Y)	36%	—	—
Active Share ⁵ vs Core ⁶ /Value ⁷ Benchmark	96%/94%	—	—
Upside/Downside Capture Ratio ⁸ vs Core Benchmark ⁶	96%/103%	—	—
Upside/Downside Capture Ratio ⁸ vs Value Benchmark ⁷	100%/102%	—	—

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 March 2023.

Period and Annualized Total Returns (%)

	Since Inception (31 Dec 2013)	5Y	3Y	1Y	YTD	1Q23
Gross of Fees	7.18	5.38	21.37	-12.09	-1.83	-1.83
Net of Fees	6.39	4.64	20.52	-12.71	-2.00	-2.00
Russell Midcap Index	8.81	8.05	19.20	-8.78	4.06	4.06
Russell Midcap Value Index	7.71	6.54	20.69	-9.22	1.32	1.32

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

Diamond Hill Capital Management, Inc. (DHCM) is a registered investment adviser and wholly owned subsidiary of Diamond Hill Investment Group, Inc.; registration does not imply a certain level of skill or training. Diamond Hill provides investment management services to individuals and institutional investors through mutual funds and separate accounts. DHCM claims compliance with the Global Investment Performance Standards (GIPS®). The Mid Cap Composite is comprised of all discretionary, non-fee and fee-paying, non-wrap accounts managed according to the Mid Cap strategy, including those clients no longer with the firm. The strategy's investment objective is to achieve long-term capital appreciation by investing in companies within the market capitalization range of the strategy that are selling for less than our estimate of intrinsic value. The Mid Cap strategy 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. The Russell Midcap Index measures the performance of roughly 800 US mid-cap companies. The Russell Midcap Value Index measures the performance of US mid-cap companies with lower price/book ratios and forecasted growth values. The indexes are unmanaged, market capitalization weighted, include net reinvested dividends, do not reflect fees or expenses (which would lower the return) and are not available for direct investment. Index data source: London Stock Exchange Group PLC. See diamond-hill.com/disclosures for a full copy of the disclaimer. To receive a complete list and description of all Diamond Hill composites and/or a GIPS® report, contact Scott Stapleton at 614.255.3529, ssapleton@diamond-hill.com or 325 John H. McConnell Blvd., Suite 200, Columbus, OH 43215. The performance data quoted represents past performance; past performance does not guarantee future results. Composite results reflect the reinvestment of dividends, capital gains and other earnings when appropriate. Net returns are calculated by reducing the gross returns by the highest stated fee in the composite fee schedule. Only transaction costs are deducted from gross of fees returns. Prior to 30 September 2022, actual fees were used in calculating net returns. All net returns were changed retroactively to reflect the highest fee in the composite fee schedule. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The US Dollar is the currency used to express performance.