

Small Cap Composite

As of 31 Mar 2023

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 50–80 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%

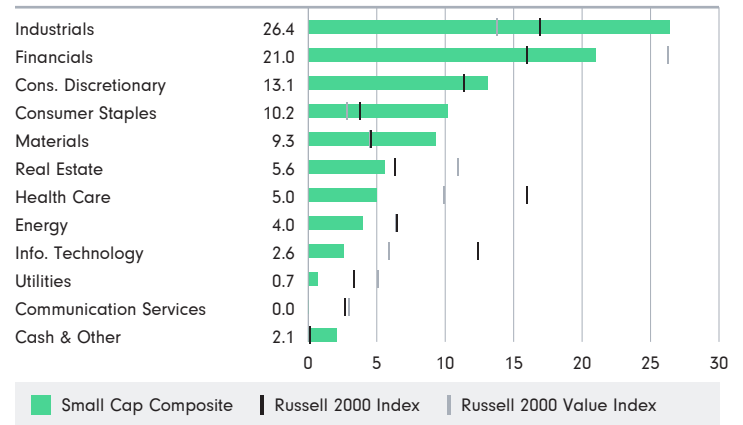
Market Capitalization

The portfolio typically invests in companies with a market capitalization below \$3 billion (or, if greater, the maximum market capitalization of companies generally within the capitalization range of the Russell 2000 Index) at the time of purchase.

Top Ten Equity Holdings¹

| | Sector | % of Net Assets |
|-------------------------------|---------------------|-----------------|
| Red Rock Resorts, Inc. (CI A) | Cons. Discretionary | 5.9 |
| WESCO International, Inc. | Industrials | 4.3 |
| WNS (Holdings) Ltd. | Industrials | 3.7 |
| Bank OZK | Financials | 3.5 |
| Civitas Resources, Inc. | Energy | 3.4 |
| Cal-Maine Foods, Inc. | Consumer Staples | 3.3 |
| Enovis Corp. | Health Care | 3.1 |
| Allegiant Travel Co. | Industrials | 3.0 |
| ESAB Corp. | Industrials | 2.9 |
| Live Oak Bancshares, Inc. | Financials | 2.9 |
| Total as % of Net Assets | | 36.1 |
| Total Holdings | | 54 |

Sector Allocation (%)²



Peer Group Quartile Rankings (%)³



Best and Worst Performers (%)¹

| | Ending Weight |
|--|---------------|
| Best | |
| WESCO International, Inc. | 4.3 |
| Red Rock Resorts, Inc. (CI A) | 5.9 |
| Civitas Resources, Inc. | 3.4 |
| Green Brick Partners, Inc. | 1.6 |
| ESAB Corp. | 2.9 |
| Worst | |
| Live Oak Bancshares, Inc. | 2.9 |
| First Interstate BancSystem, Inc. (CI A) | 1.8 |
| Bank OZK | 3.5 |
| BOK Financial Corp. | 1.8 |
| Webster Financial Corp. | 2.0 |

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 Small 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.

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Portfolio Characteristics vs Benchmark⁴

| | Small Cap Composite | Russell 2000 Index | Russell 2000 Value Index |
|--|---------------------|--------------------|--------------------------|
| Median Forward P/E | 13.5x | 13.8x | 11.8x |
| Median Trailing P/E | 15.0x | 14.0x | 11.7x |
| Median Price/Book | 1.6x | 1.7x | 1.3x |
| Median Price/Sales | 1.5x | 1.8x | 1.6x |
| Median Market Capitalization | \$2.5B | \$0.9B | \$0.8B |
| Weighted Average Market Cap. | \$3.3B | \$2.9B | \$2.4B |
| Portfolio Turnover (5Y) | 27% | — | — |
| Active Share ⁵ vs Core ⁶ /Value ⁷ Benchmark | 98%/97% | — | — |
| Upside/Downside Capture Ratio ⁸ vs Core Benchmark ⁶ | 88%/81% | — | — |
| Upside/Downside Capture Ratio ⁸ vs Value Benchmark ⁷ | 91%/85% | — | — |

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 2000 Index is the core benchmark.

⁷The Russell 2000 Value Index is the value benchmark.

⁸Source: eVestment based on monthly returns (gross of fees) from 1 January 2001 – 31 March 2023.

| Period and Annualized Total Returns (%) | Since Inception (31 Dec 2000) | 20Y | 15Y | 10Y | 5Y | 3Y | 1Y | YTD | 1Q23 |
|---|----------------------------------|-------|------|------|------|-------|--------|-------|-------|
| Gross of Fees | 10.60 | 11.47 | 8.34 | 7.85 | 5.72 | 24.68 | -4.19 | 6.58 | 6.58 |
| Net of Fees | 9.51 | 10.38 | 7.29 | 6.83 | 4.76 | 23.56 | -5.05 | 6.33 | 6.33 |
| Russell 2000 Index | 7.52 | 9.76 | 8.10 | 8.04 | 4.71 | 17.51 | -11.61 | 2.74 | 2.74 |
| Russell 2000 Value Index | 8.06 | 9.24 | 7.24 | 7.22 | 4.55 | 21.01 | -12.96 | -0.66 | -0.66 |

| Calendar Year Returns (%) | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------|--------|-------|-------|-------|-------|-------|------|-------|-------|-------|--------|-------|-------|-------|--------|
| Gross of Fees | -25.03 | 30.96 | 24.76 | -5.90 | 14.32 | 41.64 | 5.99 | -2.44 | 15.61 | 12.05 | -14.03 | 22.92 | 0.77 | 34.17 | -13.90 |
| Net of Fees | -25.78 | 29.65 | 23.51 | -6.84 | 13.18 | 40.22 | 4.93 | -3.42 | 14.45 | 10.93 | -14.85 | 21.82 | -0.14 | 32.97 | -14.67 |
| Russell 2000 Index | -33.79 | 27.17 | 26.85 | -4.18 | 16.35 | 38.82 | 4.89 | -4.41 | 21.31 | 14.65 | -11.01 | 25.52 | 19.96 | 14.82 | -20.44 |
| Russell 2000 Value Index | -28.92 | 20.58 | 24.50 | -5.50 | 18.05 | 34.52 | 4.22 | -7.47 | 31.74 | 7.84 | -12.86 | 22.39 | 4.63 | 28.27 | -14.48 |

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