

# Intermediate Bond Composite

As of 30 Sep 2023

# DIAMOND HILL

INVESTED IN THE LONG RUN

## Team

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## Philosophy and Process Highlights

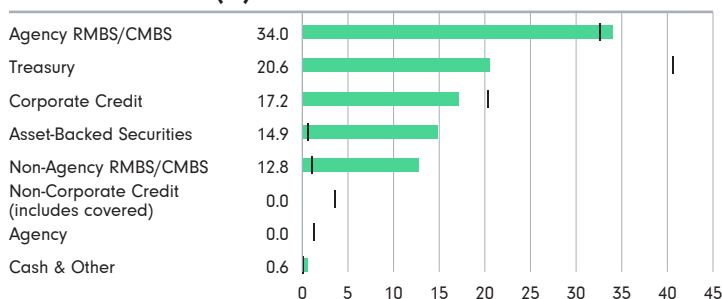
We believe successful, long-term fixed income investing starts with small, individual security decisions.

- We look for undervalued securities and spread sectors that offer incremental yield and total return relative to the index.
- With a focus on securitized products, we have the potential to achieve higher credit quality while maintaining a yield advantage over government or corporate credit-focused strategies.
- We regularly look outside the benchmark for value-add opportunities.

## Portfolio Guidelines

The portfolio generally invests at least 80% of its assets in a diversified portfolio of investment grade, fixed income securities and may invest a significant portion or all of its assets in mortgage-related and mortgage-backed securities. The portfolio will typically maintain an average portfolio duration within 20% of the duration of the Bloomberg US Intermediate Aggregate Bond Index.

## Sector Allocation (%)<sup>1</sup>



■ Intermediate Bond Composite  
■ Bloomberg US Intermediate Aggregate Bond Index

## Duration Breakdown (%)

Duration	Intermediate Bond Composite (%)	Bloomberg US Intermediate Aggregate Bond Index (%)
Less than one	14.2	1.6
1-3	19.9	28.8
3-5	31.8	27.8
5-7	23.4	28.3
7-10	9.1	13.5
10-20	1.6	0.0
20+	0.0	0.0

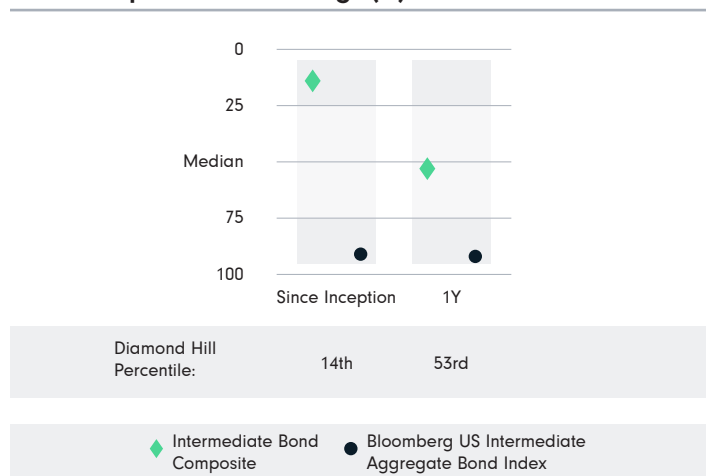
## Key Rate Duration (%)

Key Rate	Intermediate Bond Composite (%)	Bloomberg US Intermediate Aggregate Bond Index (%)
1Y	0.10	0.12
2Y	0.17	0.30
3Y	0.50	0.57
5Y	1.54	1.53
10Y	1.52	1.42
20Y	0.34	0.41
30Y	0.02	0.04

## Credit Quality Rating<sup>2</sup>

Rating	% of Portfolio
AAA	38.7
AA	26.0
A	14.1
BBB	17.2
BB	0.3
B	0.0
CCC & Below	0.0
Not Rated	3.8

## Peer Group Quartile Rankings (%)<sup>3</sup>



<sup>1</sup> Cash & Other may include cash and money market funds. RMBS: Residential Mortgage-Backed Securities, CMBS: Commercial Mortgage-Backed Securities.

<sup>2</sup> Security quality ratings are derived from underlying portfolio securities by using the middle rating of Standard & Poor's, Moody's and Fitch. If only two of Standard & Poor's, Moody's and Fitch rates a security the higher of the two is selected. If only one of Standard & Poor's, Moody's and Fitch rates a security the available rating is used. For securities that are not rated by Standard & Poor's, Moody's or Fitch a rating from a secondary Nationally Recognized Statistical Rating Organization ("NRSRO") may be used. Ratings by any agency represent an opinion only, not a recommendation to buy or sell. Securities that are not rated by any agencies are reflected as Not Rated "NR."

<sup>3</sup> Source: eVestment. Ranking within eVestment US Intermediate Duration - Gov/Cred Fixed Income universe based on monthly returns gross of fees. Ranking data calculated on 19 October 2023 (as of 30 September 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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As of 30 Sep 2023

Portfolio Characteristics	Bloomberg US Intermediate Aggregate Bond Index		Since Inception Risk Statistics <sup>4</sup>	Bloomberg US Intermediate Aggregate Bond Index	
	Intermediate Bond Composite	Intermediate Aggregate Bond Index		Intermediate Bond Composite	Intermediate Aggregate Bond Index
Number of holdings	284	9,989	Standard Deviation (%)	4.51	5.54
Yield to Maturity (%)	6.66	5.36	Sharpe Ratio	-1.33	-1.37
Yield to Worst (%)	6.66	5.36	Beta (%)	0.63	N/A
Effective Duration	4.18	4.62	R-squared (%)	95.35	N/A
Weighted Average Life (years)	5.17	5.58	Information Ratio	1.33	N/A
Convexity	0.12	0.23			
Option-Adjusted Spread	174	48			

<sup>4</sup>Relative to the Bloomberg US Intermediate Aggregate Bond Index.

## Period and Annualized Total Returns (%)

	Since Inception (31 Jul 2021)	1Y	YTD	3Q23
Gross of Fees	-3.53	2.48	1.40	-0.65
Net of Fees	-3.81	2.18	1.18	-0.72
Bloomberg US Intermediate Aggregate Bond Index	-5.16	1.42	-0.30	-1.89

## Calendar Year Returns (%)

	31 Jul 2021 - 31 Dec 2021	2022
Gross of Fees	-1.02	-7.83
Net of Fees	-1.14	-8.09
Bloomberg US Intermediate Aggregate Bond Index	-1.17	-9.51

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