

# Small Cap Composite

As of 30 Sep 2023

# DIAMOND HILL

INVESTED IN THE LONG RUN

## Team

**Aaron Monroe, CFA**  
Portfolio Manager

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Asst. Portfolio Manager

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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 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%

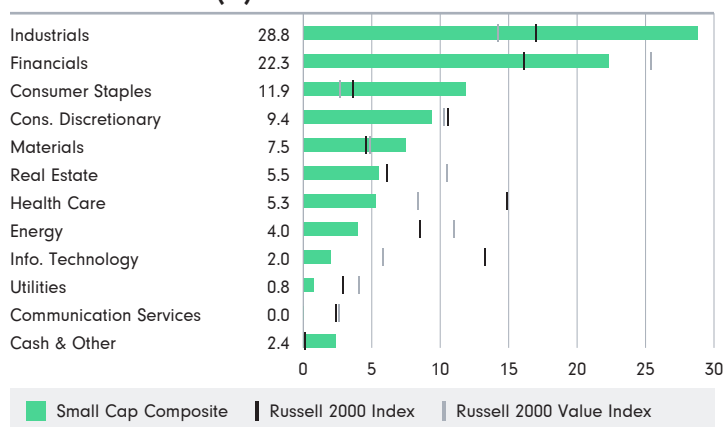
## Market Capitalization

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.

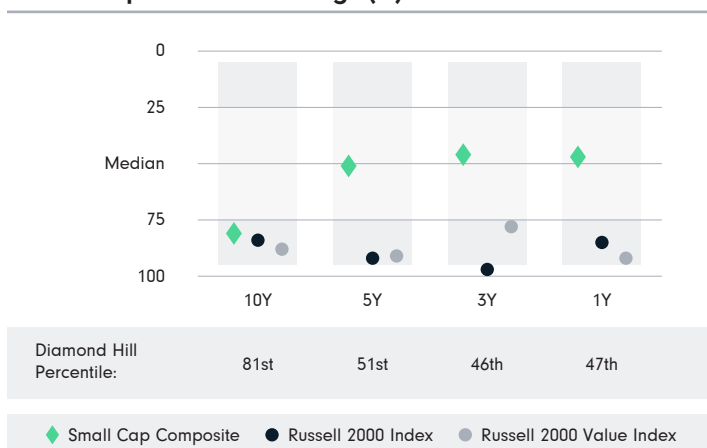
## Top Ten Equity Holdings<sup>1</sup>

	Sector	% of Net Assets
Red Rock Resorts, Inc. (CI A)	Cons. Discretionary	5.3
Live Oak Bancshares, Inc.	Financials	4.0
Ashland Global Holdings, Inc.	Materials	3.9
WNS (Holdings) Ltd.	Industrials	3.6
First Advantage Corp.	Industrials	3.6
Cal-Maine Foods, Inc.	Consumer Staples	3.5
Bank OZK	Financials	3.5
Lancaster Colony Corp.	Consumer Staples	3.3
Mr. Cooper Group, Inc.	Financials	3.3
Enovis Corp.	Health Care	3.3
Total as % of Net Assets		37.4
Total Holdings		53

## Sector Allocation (%)<sup>2</sup>



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



## Best and Worst Performers (%)<sup>1</sup>

	Ending Weight
<b>Best</b>	
Centrus Energy Corp. (CI A)	1.5
Civitas Resources, Inc.	2.5
Live Oak Bancshares, Inc.	4.0
Cal-Maine Foods, Inc.	3.5
FTAI Aviation Ltd.	2.5
<b>Worst</b>	
Allegiant Travel Co.	3.1
Rimini Street, Inc. (CI A)	1.1
Red Rock Resorts, Inc. (CI A)	5.3
Enovis Corp.	3.3
Lancaster Colony Corp.	3.3

<sup>1</sup> 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.

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

<sup>3</sup> Source: eVestment. Ranking within eVestment US Small Cap Value equity 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.

# Small Cap Composite

As of 30 Sep 2023

## Portfolio Characteristics vs Benchmark<sup>4</sup>

	Small Cap Composite	Russell 2000 Index	Russell 2000 Value Index
Median Forward P/E	16.1x	13.8x	11.8x
Median Trailing P/E	18.4x	13.4x	10.9x
Median Price/Book	1.5x	1.7x	1.3x
Median Price/Sales	1.6x	1.7x	1.6x
Median Market Capitalization	\$2.3B	\$0.8B	\$0.7B
Weighted Average Market Cap.	\$3.1B	\$2.8B	\$2.4B
Portfolio Turnover (5Y)	28%	—	—
Active Share <sup>5</sup> vs Core <sup>6</sup> /Value <sup>7</sup> Benchmark	98%/98%	—	—
Upside/Downside Capture Ratio <sup>8</sup> vs Core Benchmark <sup>6</sup>	88%/81%	—	—
Upside/Downside Capture Ratio <sup>8</sup> vs Value Benchmark <sup>7</sup>	91%/85%	—	—

<sup>4</sup>Source: FactSet.

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

<sup>6</sup>The Russell 2000 Index is the core benchmark.

<sup>7</sup>The Russell 2000 Value Index is the value benchmark.

<sup>8</sup>Source: eVestment based on monthly returns (gross of fees) from 1 January 2001 – 30 September 2023.

Period and Annualized Total Returns (%)	Since Inception (31 Dec 2000)	20Y	15Y	10Y	5Y	3Y	1Y	YTD	3Q23
Gross of Fees	10.39	9.50	8.59	6.74	5.10	16.40	15.25	7.49	-5.39
Net of Fees	9.31	8.43	7.54	5.73	4.16	15.35	14.22	6.76	-5.60
Russell 2000 Index	7.34	8.13	8.13	6.65	2.40	7.16	8.93	2.54	-5.13
Russell 2000 Value Index	7.88	7.73	7.16	6.19	2.59	13.32	7.84	-0.53	-2.96

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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