

Short Duration Securitized Bond Composite

As of 31 Mar 2024

DIAMOND HILL

INVESTED IN THE LONG RUN

Team

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Philosophy and Process Highlights

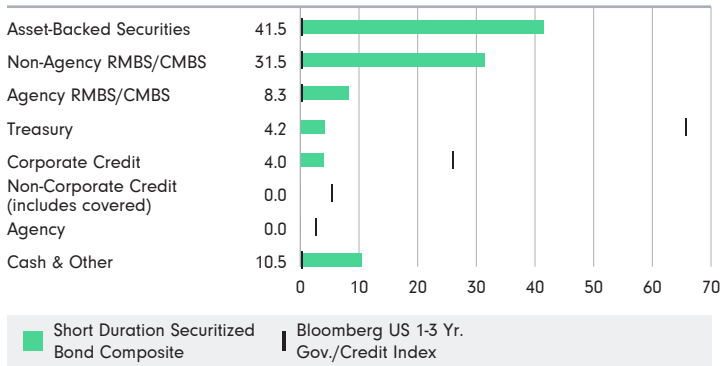
We believe successful, long-term fixed income investing starts with small, individual security decisions.

- 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 securitized bond investments. The portfolio may invest up to 15% of its assets in below-investment grade securities at the time of purchase and will typically maintain an average portfolio duration of one to two, with a maximum of three.

Sector Allocation (%)¹



Duration Breakdown (%)

| Duration | Short Duration Securitized Bond Composite (%) | Bloomberg US 1-3 Yr. Gov./Credit Index (%) |
|---------------|---|--|
| Less than one | 52.8 | 6.8 |
| 1-3 | 40.2 | 93.2 |
| 3-5 | 6.8 | 0.0 |
| 5-7 | 0.2 | 0.0 |
| 7-10 | 0.0 | 0.0 |
| 10-20 | 0.0 | 0.0 |
| 20+ | 0.0 | 0.0 |

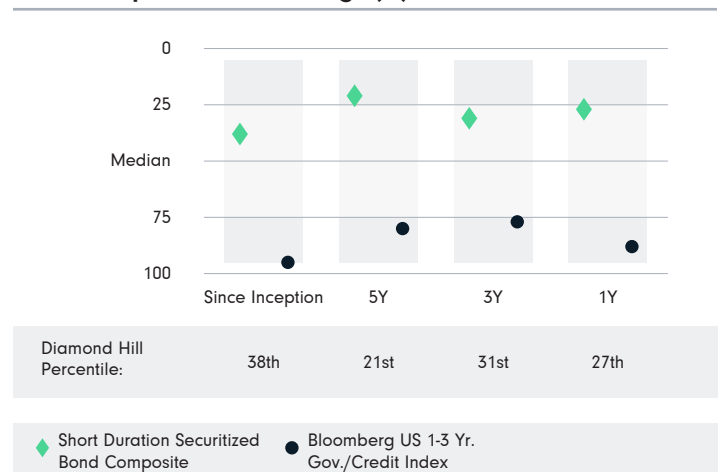
Key Rate Duration (%)

| Key Rate | Short Duration Securitized Bond Composite (%) | Bloomberg US 1-3 Yr. Gov./Credit Index (%) |
|----------|---|--|
| 1Y | 0.26 | 0.36 |
| 2Y | 0.30 | 0.89 |
| 3Y | 0.32 | 0.54 |
| 5Y | 0.18 | 0.00 |
| 10Y | 0.06 | 0.00 |
| 20Y | 0.01 | 0.00 |
| 30Y | 0.00 | 0.00 |

Credit Quality Rating²

| Credit Quality Rating | % of Portfolio |
|-----------------------|----------------|
| AAA | 18.3 |
| AA | 21.6 |
| A | 13.9 |
| BBB | 22.0 |
| BB | 8.5 |
| B | 2.0 |
| CCC & Below | 0.2 |
| Not Rated | 13.6 |

Peer Group Quartile Rankings (%)⁵



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

² 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."

⁵ Source: eVestment. Ranking within eVestment US Securitized Fixed Income - Non-Traditional universe based on monthly returns gross of fees. Ranking data calculated on 18 April 2024 (as of 31 March 2024) 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.

Short Duration Securitized Bond Composite

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| Portfolio Characteristics | Short Duration Securitized Bond Composite | | Bloomberg US 1-3 Yr. Gov./Credit Index | | Five-Year Risk Statistics ⁴ | Short Duration Securitized Bond Composite | | Bloomberg US 1-3 Yr. Gov./Credit Index | |
|-------------------------------|---|--|--|--|--|---|--|--|--|
| | | | | | | | | | |
| Number of holdings | 427 | | 2,026 | | Beta (%) | 0.58 | | N/A | |
| Yield to Maturity (%) | 8.53 | | 4.85 | | R-squared (%) | 4.70 | | N/A | |
| Yield to Worst (%) | 8.51 | | 4.85 | | Information Ratio | 0.51 | | N/A | |
| Effective Duration | 1.17 | | 1.84 | | Standard Deviation (%) | 4.97 | | 1.86 | |
| Weighted Average Life (years) | 2.01 | | 1.96 | | Sharpe Ratio | 0.36 | | -0.38 | |
| Convexity | 0.00 | | 0.04 | | | | | | |
| Option-Adjusted Spread | 365 | | 17 | | | | | | |

⁴Relative to the Bloomberg US 1-3 Yr. Gov./Credit Index.

| Period and Annualized Total Returns (%) | Since Inception (31 Jul 2016) | 5Y | 3Y | 1Y | YTD | 1Q24 |
|---|-------------------------------|------|------|------|------|------|
| Gross of Fees | 3.97 | 3.86 | 3.42 | 9.81 | 2.40 | 2.40 |
| Net of Fees | 3.50 | 3.39 | 2.95 | 9.31 | 2.28 | 2.28 |
| Bloomberg US 1-3 Yr. Gov./Credit Index | 1.31 | 1.36 | 0.25 | 3.49 | 0.42 | 0.42 |

| Calendar Year Returns (%) | 31 Jul 2016 - 31 Dec 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------------------|------|------|------|------|-------|-------|------|
| Gross of Fees | 0.87 | 4.89 | 3.77 | 5.34 | 3.65 | 3.27 | -2.88 | 9.48 |
| Net of Fees | 0.68 | 4.42 | 3.31 | 4.87 | 3.18 | 2.80 | -3.31 | 8.98 |
| Bloomberg US 1-3 Yr. Gov./Credit Index | -0.38 | 0.84 | 1.60 | 4.03 | 3.33 | -0.47 | -3.69 | 4.61 |

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