

Micro Cap Composite

As of 30 Sep 2024

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 25–40 positions
- Maximum position size is 15%
- Top 10 holdings are typically greater than 40% of net assets

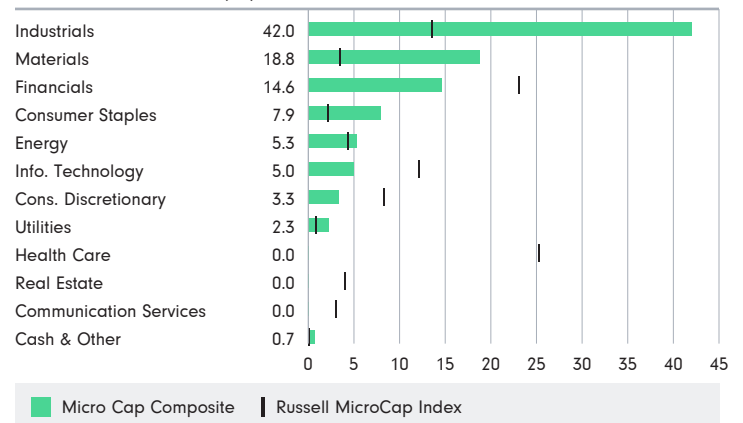
Market Capitalization

The portfolio typically invests in companies with a market capitalization below \$1 billion at the time of purchase.

Top Five Equity Holdings¹

	Insider Ownership (%)	Sector	% of Net Assets
Cement quarries and related operations including ready-mixed concrete	1.1	Materials	6.3
Manufacturing solutions for the aerospace, defense and industrial markets	16.1	Industrials	6.0
Critical equipment for defense, space, energy and chemical industries	5.7	Industrials	5.8
Enrichment company supplying fuel for commercial and government nuclear reactors	10.2	Energy	5.3
Industrial hazardous waste treatment company	19.6	Industrials	5.2
Total Holdings: 31			28.6

Sector Allocation (%)²



Portfolio Characteristics³

	Micro Cap Composite	Russell MicroCap Index
Median Forward P/E	18.4x	15.1x
Median Trailing P/E	16.8x	15.6x
Median Price/Book	1.7x	1.5x
Median Price/Sales	1.4x	1.8x
Minimum Market Cap	—	—
Maximum Market Cap	\$2.8B	\$4.6B
Median Market Capitalization	\$310MM	\$222MM
Weighted Average Market Cap.	\$531MM	\$675MM
Median Price/Cash Flow	9.8x	9.9x
Median LT Debt/Capital	14.8x	7.6x
Portfolio Turnover (1Y)	38%	—

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: FactSet.

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Period and Annualized Total Returns (%)	Since Inception (30 Sep 2021)	3Y	1Y	YTD	3Q24
Gross of Fees	14.74	14.74	27.63	15.88	7.31
Net of Fees	12.81	12.81	23.11	13.50	6.16
Russell MicroCap Index	-3.74	-3.74	24.63	7.38	8.29

Calendar Year Returns (%)	30 Sep 2021 - 31 Dec 2021	2022	2023
Gross of Fees	11.44	-9.30	28.98
Net of Fees	10.90	-9.85	28.21
Russell MicroCap Index	-2.66	-21.96	9.33

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