

# Micro Cap Composite

As of 31 Mar 2026

**DIAMOND HILL**  
A First Eagle Investments Company

## Team

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Portfolio Manager

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Portfolio Manager

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Portfolio Manager

## Philosophy and Process Highlights

Under our intrinsic value philosophy, we:

- Treat every investment as a partial ownership interest in that company
- Seek to always invest with a margin of safety
- 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

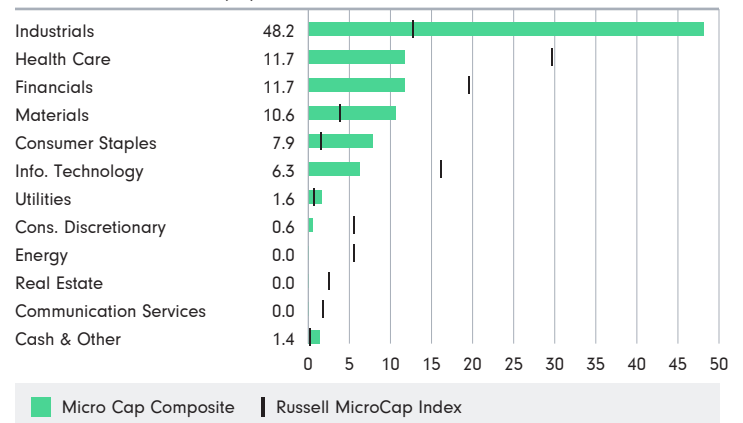
## Market Capitalization

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

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

	Insider Ownership (%)	Sector	% of Net Assets
Manufacturing solutions for the aerospace, defense and industrial markets	7.2	Industrials	6.3
Critical equipment for defense, space, energy and chemical industries	6.1	Industrials	5.9
Critical infrastructure assets for customers in the transportation, energy and industrial products industries	8.4	Industrials	5.8
Specializing in precision products in the motion, controls and power quality industries	15.2	Industrials	5.6
Provider of healthcare solutions focused on pain management, recovery and enteral feeding	3.8	Health Care	5.0
Total Holdings: 31			28.6

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



## Portfolio Characteristics<sup>3,4</sup>

	Micro Cap Composite	Russell MicroCap Index
Median Forward P/E	16.9x	12.7x
Median Trailing P/E	20.1x	14.6x
Median Price/Book	2.3x	1.5x
Median Price/Sales	1.7x	1.9x
Minimum Market Cap	\$28MM	—
Maximum Market Cap	\$4.2B	\$8.1B
Median Market Capitalization	\$489MM	\$260MM
Weighted Average Market Cap.	\$756MM	\$1.6B
Median Price/Cash Flow	10.9x	9.7x
Median LT Debt/Capital	15.0x	8.0x
Portfolio Turnover (1Y)	45%	—

Margin of safety is a principle of investing in which an investor only purchases securities when their market price is significantly below their intrinsic value. In other words, when the market price of a security is significantly below your estimation of its intrinsic value, the difference is the margin of safety.

<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: FactSet.

<sup>4</sup>Data, where applicable, is shown gross of fees and should be viewed in conjunction with the net of fee returns included in this document.

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Period and Annualized Total Returns (%)	Since Inception (30 Sep 2021)	3Y	1Y	YTD	1Q26
Gross of Fees	22.00	31.73	71.45	6.12	6.12
Net of Fees	18.34	26.39	60.31	4.02	4.02
Russell MicroCap Index	3.72	16.88	45.78	1.49	1.49

Calendar Year Returns (%)	30 Sep 2021 - 31 Dec 2021	2022	2023	2024	2025
Gross of Fees	11.44	-9.30	28.98	28.27	37.73
Net of Fees	10.90	-9.83	26.50	23.63	31.20
Russell MicroCap Index	-2.66	-21.96	9.33	13.70	22.98

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