Diamond Hill Global Fund Commentary

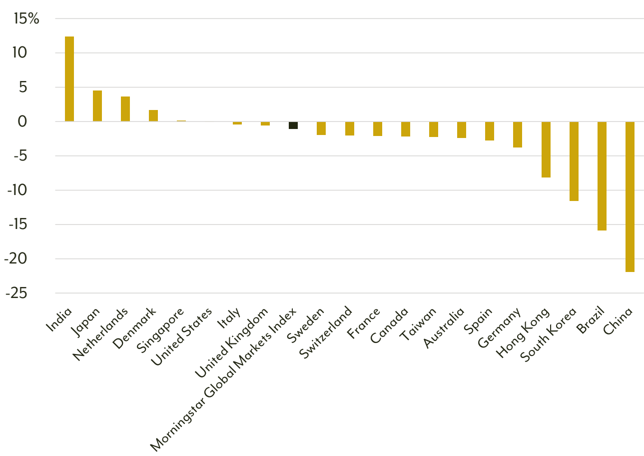
As of September 30, 2021

Market Commentary

Global equity markets ended the third quarter mixed, as investor concerns about global economic growth mounted due to the delta-variant resurgence in COVID-19 cases, rising inflation and supply chain disruptions. Stocks in India, Japan and the Netherlands advanced, while Chinese equities declined more than 20% over worries about the debt-laden property developer China Evergrande Group. Stocks in Brazil fell more than 15% as inflation continued to rise and the central bank raised interest rates by 100 basis points—its fourth rate hike this year.

Only three sectors in the Morningstar Global Markets Index advanced in Q3—the energy sector gained 3.3% on the heels of increasing demand for natural gas, while the financials and technology sectors returned 2.2% and 0.6%, respectively. Consumer discretionary stocks fared the worst during the quarter (down over -5%) as the delta variant hampered economic recoveries globally and stifled consumer confidence. Other laggards this quarter included the materials sector, which declined more than -4%, and the communication services sector, which fell -2.9%.

MORNINGSTAR GLOBAL MARKETS INDEX—3Q21



Source: FactSet, as of 9/30/2021. The chart above includes the Top 20 countries by weight in the Index and is sorted by total return.

TEAM

Grady Burkett, CFA
Portfolio Manager

Performance Discussion

In Q3, the portfolio trailed the Morningstar Global Markets Index, largely due to the underperformance of our stocks in the U.K., U.S. and Japan. On the positive side, we benefited from our lack of exposure to Brazil and from good relative performance of our lone holding in Mexico. From a sector perspective, our holdings in the consumer discretionary, communication services and financials sectors underperformed. Helping offset some of those headwinds was positive stock selection in the materials sector.

On an individual holdings' basis, top contributors to return included U.S. search engine Alphabet (Google's parent company) and U.S. online travel services provider Booking Holdings. Alphabet is a dominant internet advertising provider, and its management team is allocating capital to increase and defend its competitive advantages. We expect Google search and YouTube advertising—as well as the company's other initiatives around machine learning and cloud—to continue driving profitable revenue growth. While travel continues to be impacted by the COVID-19 pandemic, Booking has improved its market share in the U.S. and is poised to grow profitably when global travel recovers more fully.

Other top contributors in Q3 included U.S. software and IT services provider Microsoft, Japanese telecom services provider KDDI Corporation and U.S. consumer products manufacturer Procter & Gamble.

The portfolio's largest detractors included Chinese technology company Alibaba Group, Swiss watch and jewelry maker Swatch Group and U.S. mobile game developer Zynga. China's ongoing crackdown of top technology companies and increased regulatory scrutiny have created an overhang on Alibaba's share price this year, while Swatch's stock price underperformed despite a strong snapback in operating results. We continue to like the durability and pricing power of Swatch's higher-end brands, as well as its solid balance sheet.

Zynga's share price was hampered due to two recent headwinds. First, the company has experienced higher than expected churn on recently acquired users. Second, Apple's new privacy policies have meaningfully disrupted the marketing channels Zynga uses to acquire new users. We believe Zynga is well positioned to emerge from these issues if they prove transitory, but we are closely following its progress on both fronts.

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Other bottom contributors in the quarter were U.K.-based emerging markets asset manager Ashmore Group and Canadian telecom services provider Rogers Communications. Ashmore's shares underperformed despite Q2 net inflows and good historical investment performance. The firm maintains a solid balance sheet while returning capital at a steady rate. We continue to believe shares are significantly undervalued. Rogers' stock underperformed despite solid Q2 operating results. The sudden departure of the firm's long-time CFO was unexpected but unlikely to portend a change in the company's long-term fundamentals. Management expects its acquisition of rival Shaw Communications to close next year, which we believe will be accretive over the long run.

Portfolio Activity

Activity in Q3 was limited as valuations continue to be on the higher end of fair, making it more challenging to find quality businesses trading at a discount to our intrinsic value estimates. We initiated a new position in Freeport-McMoRan, a copper-focused mining company with high-quality assets globally. As global demand for electrification and construction increases, the supply of new copper-producing projects has lagged. This supply-demand dynamic has created an attractive opportunity to invest in a strong business that is oriented toward strengthening end markets.

We also reinvested in former holding Fuchs Petrolub, a German specialty lubricants producer, which we previously sold in Q4 2020 as its share price reached our intrinsic value (IV) estimate. Recent share price weakness brought Fuchs' valuation back down to an attractive discount. Fuchs is a well-run business that generates high returns on capital and maintains a solid balance sheet. We believe Fuchs has solid growth prospects in the U.S. and Asia Pacific. To help fund these purchases, we sold U.K.-based IT services provider Sage Group.

Market Outlook

Vaccination progress globally has allowed economies to reopen, leading to a sharp economic recovery. While we expect the recovery will continue into 2022, an uptick in coronavirus cases, supply chain issues and higher input costs may slow the earnings recovery for many businesses around the world. In some areas, price increases due to short-term supply/demand imbalances may eventually prove transitory, while others may persist for a longer period. To the extent this is sustained, rising inflation and higher interest rates could be a headwind for equity markets and are risks we are monitoring closely.

International equity markets seem to fully reflect the economic progress but remain more attractive on a relative basis than those in the U.S., providing international investors a more opportunistic pond to fish in for new investment ideas. Our primary focus is always on achieving value-added results for our existing clients, and we believe we can achieve better-than-market returns over the next five years through active portfolio management.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF SEPTEMBER 30, 2021

Alibaba Group	3.6%	**KDDI Corp.**	2.1%
Alphabet, Inc. (Cl A)	2.5	**Microsoft Corp.**	0.5
Ashmore Group PLC	4.3	**Procter & Gamble Co.**	2.7
Booking Holdings, Inc.	2.1	**Rogers Communications, Inc. (Cl B)**	4.7
Freeport-McMoRan, Inc.	1.0	**Swatch Group Ltd.**	2.4
Fuchs Petrolub	2.0	**Zynga, Inc. (Cl A)**	1.5

PERIOD AND ANNUALIZED TOTAL RETURNS (%) AS OF SEPTEMBER 30, 2021

	SINCE INCEPTION (12/31/13)	5-YR	3-YR	1-YR	YTD	3Q21	EXPENSE RATIO
GLOBAL FUND							
Class I	6.70%	10.02%	5.40%	24.74%	5.12%	-5.49%	0.84%
BENCHMARK							
Morningstar Global Markets Index	9.39	12.98	12.29	28.27	11.06	-1.07	—

Risk Disclosure: The Fund invests in non-U.S. securities. Investing in non-U.S. securities may entail risk due to foreign economic and political developments; this risk may be higher when investing in emerging markets. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. There are specialized risks associated with small capitalization issues, such as market illiquidity and greater market volatility, than large capitalization issues.

The views expressed are those of the portfolio managers as of September 30, 2021, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

The performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's current performance may be lower or higher than the performance data quoted. Investors may obtain performance information current to the most recent month-end, within 7 business days, at diamond-hill.com.

The quoted performance for the Fund reflects the past performance of Diamond Hill Global Fund L.P. (the "Global Partnership"), a private fund managed with full investment authority by the fund's Adviser. The Fund is managed in all material respects in a manner equivalent to the management of the predecessor unregistered fund. The performance of the Global Partnership has been restated to reflect the net expenses and maximum applicable sales charge of the fund for its initial years of investment operations. The Global Partnership was not registered under the Investment Company Act of 1940 and therefore was not subject to certain investment restrictions imposed by the 1940 Act. If the Global Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Performance is measured from December 31, 2013, the inception of the Global Partnership and is not the performance of the fund. The assets of the Global Partnership were converted, based on their value on December 29, 2017, into assets of the fund. The Global Partnership's past performance is not necessarily an indication of how the fund will perform in the future either before or after taxes.

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized.

Fund holdings subject to change without notice.

The Morningstar Global Markets Index is a net total return index designed to provide exposure to the top 97% of equity market capitalization in both developed and emerging markets. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

Index data source: Morningstar, Inc. See diamond-hill.com/disclosures for a full copy of the disclaimer.

It should not be assumed that an investment in the securities identified was or will be profitable. The holdings identified do not represent all of the securities purchased, sold, or recommended for the adviser's clients. To obtain the contribution calculation methodology and a complete list of every holding's contribution to the overall portfolio's performance during the measurement period, please contact 855.255.8955 or info@diamond-hill.com.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Fund(s) can be found in the Fund's(s) prospectus or summary prospectus which can be obtained at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by Foreside Financial Services, LLC (Member FINRA). Diamond Hill Capital Management, Inc., a registered investment adviser, serves as Investment Adviser to the Diamond Hill Funds and is paid a fee for its services. Like all mutual funds, Diamond Hill Funds are not FDIC insured, may lose value, and have no bank guarantee.