

Long-Short Fund

As of June 30, 2021



TICKERS

Investor: DIAMX Class Y: DIAIYX
Class I: DHLSX

TEAM

Chris Bingaman, CFA Nate Palmer, CFA, CPA
Portfolio Manager Portfolio Manager
Chuck Bath, CFA Brian Fontanella, CFA
Asst. Portfolio Manager Portfolio Specialist

PORTFOLIO GUIDELINES

Fund Guidelines

- Long-biased fund with typically 40-60 long positions and 20-45 short positions
- Total long positions are generally between 80-100% of net assets
- Total short positions are generally between 10-40% of net assets

Exposure Guidelines

- Maximum gross market exposure (long % + short %) = Up to 140%
- Target net market exposure (long % - short %) = 40-75%

INVESTMENT STRATEGY

- To estimate intrinsic value, the business must be understandable and we must be able to reasonably forecast its cash flows. For long positions, we seek businesses with sustainable competitive advantages, conservative balance sheets and management with an ownership mentality. The inverse is often true for our short positions.
- Seek to add value through stock selection on both long and short positions.
- The strategy maintains a long-bias; however the short positions reduce net exposure and therefore tend to reduce volatility compared to long-only funds.

TOP FIVE LONG EQUITY HOLDINGS

American International Group, Inc. Financials	3.8%
Berkshire Hathaway, Inc. (CI B) Financials	3.4
Facebook, Inc. (CI A) Communication Services	3.2
Alphabet, Inc. (CI A) Communication Services	3.1
KKR & Co., Inc. (CI A) Financials	3.0

TOP FIVE SHORT EQUITY HOLDINGS

Oracle Corp. Info. Technology	(1.8)%
Brown-Forman Corp. (CI B) Consumer Staples	(1.7)
Robert Half International, Inc. Industrials	(1.5)
Dick's Sporting Goods, Inc. Cons. Discretionary	(1.4)
WD-40 Co. Consumer Staples	(1.3)

BEST & WORST PERFORMERS¹

SECURITY NAME	2Q21 CONTRIBUTION	POSITION AS OF 2Q21
Best		
KKR & Co., Inc. (CI A)	0.6%	3.0% Long
Alphabet, Inc. (CI A)	0.5	3.1 Long
Facebook, Inc. (CI A)	0.5	3.2 Long
Microsoft Corp.	0.3	2.3 Long
Berkshire Hathaway, Inc. (CI B)	0.3	3.4 Long
Worst		
Dick's Sporting Goods, Inc.	-0.3%	(1.4)% Short
Cognizant Technology Solutions Corp. (CI A)	-0.2	2.0 Long
Waters Corp.	-0.2	(1.1) Short
Robert Half International, Inc.	-0.2	(1.5) Short
Oracle Corp.	-0.2	(1.8) Short

OVERALL MORNINGSTAR RATING^{TM,3}



The Overall Morningstar RatingTM among 179 Long-Short Equity funds is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year periods Morningstar Ratings as of 6/30/21.

MORNINGSTAR FEE LEVEL⁴ (CLASS I)



MORNINGSTAR CLASSIFICATION

Long-Short Equity

SECTOR ALLOCATION²

	LONG PORTFOLIO	RUSSELL 1000 INDEX	SHORT PORTFOLIO
Financials	27.4%	11.4%	(5.0)%
Communication Services	11.3	10.6	(1.0)
Health Care	11.3	13.1	(2.4)
Info. Technology	10.4	27.6	(5.0)
Industrials	9.9	9.1	(4.9)
Cons. Discretionary	6.8	12.3	(7.0)
Consumer Staples	4.7	5.5	(4.0)
Materials	3.6	2.4	(0.3)
Energy	3.2	2.7	0.0
Utilities	1.4	2.4	(1.2)
Real Estate	0.0	3.1	0.0
Cash & Other	10.1	0.0	0.0

SINCE INCEPTION UPSIDE/DOWNSIDE CAPTURE RATIO⁷ (CLASS I)

vs. Russell 1000 Index	74%/66%
vs. Russell 1000 Value Index	74%/67%

An investor should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus or summary prospectus contain this and other important information about the Fund(s) and are available 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. Diamond Hill Funds are not FDIC insured, may lose value, and have no bank guarantee.

¹ The holdings identified do not represent all of the securities purchased, sold, or recommended for the adviser's clients. The reader should not assume that an investment in the securities identified was or will be profitable. 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, contact 855.255.8955 or info@diamond-hill.com.

² Cash & Other may include cash, treasuries, money market funds, and short duration fixed income funds. Includes a 1.7% investment in the Diamond Hill Short Duration Securitized Bond Fund.

³ The Fund's Class I rating was 3 stars among 179, 3 stars among 151 and 4 stars among 49 funds for the 3-, 5-, and 10-year periods ended 6/30/21. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star.

⁴ The Morningstar Broad Fee Level data point compares the fund's prospectus adjusted operating net expense ratio to the prospectus adjusted operating net expense ratio of all the other funds within its Morningstar Category. See Morningstar for fee level grouping methodology.

Side One. Not Valid Without Side Two.

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

	SINCE INCEPTION									EXPENSE RATIO	
	20-YR	15-YR	10-YR	5-YR	3-YR	1-YR	YTD	2Q21	GROSS	NET ⁵	
LONG-SHORT FUND											
Investor (DIAMX)	6.78	6.05	5.32	7.64	8.62	9.26	29.60	13.17	4.09	1.84%	1.83%
Class I (DHLSX)	7.05	6.33	5.65	7.93	8.94	9.57	29.98	13.32	4.15	1.55	1.54
Class Y (DIAYX)	6.97	6.26	5.59	8.06	9.05	9.69	30.15	13.41	4.20	1.43	1.42
BENCHMARKS											
Russell 1000 Index	7.62	8.90	10.89	14.90	17.99	19.16	43.07	14.95	8.54	—	—
60%/40% Blended Index	5.44	6.09	7.15	9.21	11.27	12.17	24.46	8.80	5.08	—	—
Russell 1000 Value Index	7.85	7.73	8.01	11.61	11.87	12.42	43.68	17.05	5.21	—	—

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. Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class I shares and Class Y shares include Investor share performance achieved prior to the creation of Class I shares and Class Y shares.

⁵ Includes dividend expense relating to short sales. If dividend expenses relating to short sales were excluded, the Expense Ratio for the Long-Short Fund would have been 1.37% for Investor, 1.08% for Class I, and 0.96% for Class Y. The Fund may invest in another Diamond Hill Fund. Diamond Hill Capital Management, Inc. is required to permanently waive a portion of its management fee in the pro-rata amount of the management fee charged by the underlying Diamond Hill Fund.

CALENDAR YEAR RETURNS (%)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Class I	17.37	3.59	-23.36	18.39	0.03	3.29	8.77	23.19	7.55	-1.40	10.55	5.99	-7.04	23.11	-0.27
Russell 1000 Index	15.46	5.77	-37.60	28.43	16.10	1.50	16.42	33.11	13.24	0.92	12.05	21.69	-4.78	31.43	20.96
60%/40% Blended Index	11.13	5.48	-23.47	16.98	9.90	1.22	9.75	18.93	7.86	0.75	7.32	12.92	-1.92	19.15	13.30
Russell 1000 Value Index	22.25	-0.17	-36.85	19.69	15.51	0.39	17.51	32.53	13.45	-3.83	17.34	13.66	-8.27	26.54	2.80

Risk Disclosure: The Fund uses short selling which incurs significant additional risk. Theoretically, stocks sold short have the risk of unlimited losses. Overall equity market risks may affect the value of the fund.

The Fund was long-only from inception through June 2002.

Fund holdings, sector allocations and portfolio statistics subject to change without notice.

The Russell 1000 Index is an unmanaged market capitalization-weighted index comprised of the largest 1,000 companies by market capitalization in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies by total market capitalization. The blended index represents a 60% weighting of the Russell 1000 Index and a 40% weighting of the ICE BofA U.S. T-Bill 0-3 Month Index. The ICE BofA U.S. T-Bill 0-3 Month Index is comprised of U.S. dollar denominated U.S. Treasury Bills with a term to maturity of less than 3 months. The Russell 1000 Value Index is an unmanaged market-capitalization weighted index measuring the performance of the large cap value segment of the U.S. equity universe including those Russell 1000 Index companies with lower expected growth values. The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates ("ICE Data") and/or its third party suppliers and has been licensed for use by Diamond Hill Capital Management, Inc. ICE Data and its third party suppliers accept no liability in connection with its use. See diamond-hill.com for a full copy of the disclaimer. ICE Data was not involved in the creation of the blended index. These indices do not incur fees and expenses (which would lower returns) and are not available for direct investment.

© 2021 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

⁶ This calculation is the lesser of long buys plus short sales or long sales plus short covers divided by the average gross value of portfolio securities excluding cash equivalents.

⁷ **Risk Statistic Definitions:** **Standard Deviation** measures the volatility of the Fund's returns. **Beta** measures the Fund's sensitivity to market movements. **Sharpe Ratio** uses the Fund's standard deviation and average excess return over the risk-free rate to determine reward per unit of risk. **Alpha** measures excess return relative to the market that is attributable to active portfolio management. **R-squared** represents the percentage of the portfolio's movements that can be explained by general market movements. **Upside / Downside Capture Ratio** measures a manager's ability to generate excess return above the benchmark return in up markets and retain more of the excess return in down markets. Statistics for periods less than one year are not annualized.

Side Two. Not Valid Without Side One.

PORTFOLIO STATISTICS

Inception	June 30, 2000
Management Fee	0.90%
Total Net Assets	\$2.1B
Distributions	Annual
Median Market Capitalization - Long / (Short)	\$58.2B / (\$9.4B)
Portfolio Turnover (12 months trailing) ⁶	29%
Number of Long / (Short) Holdings in Portfolio	54 / (37)
Long / (Short) Holdings (% of Net Assets)	89.9% / (30.8%)
Gross Exposure (Long + Short)	121%
Net Exposure (Long - Short)	59%

FIVE-YEAR RISK STATISTICS⁷ (CLASS I)

	VS. RUSSELL 1000 INDEX	VS. RUSSELL 1000 VALUE INDEX
Standard Deviation (%)	13.76	13.76
Beta (%)	0.81	0.81
Sharpe Ratio	0.61	0.61
Alpha (%)	-5.04	-0.93
R-squared (%)	81.25	91.86