

DIAMOND HILL

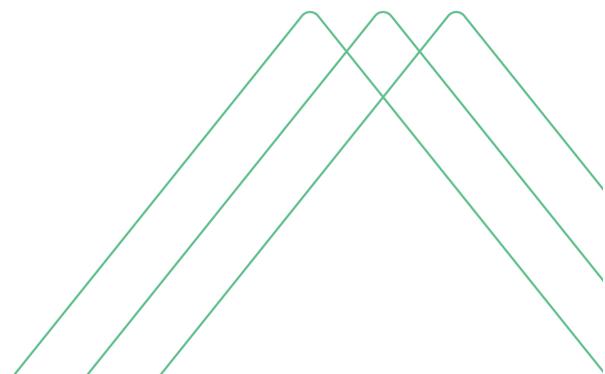
INVESTED IN THE LONG RUN

325 John H. McConnell Blvd
Suite 200
Columbus, Ohio 43215
614.255.3333
diamond-hill.com

Diamond Hill Capital Management, Inc. Form ADV Part 2A – Disclosure Brochure February 28, 2026

This Brochure provides information about the qualifications and business practices of Diamond Hill Capital Management, Inc., an investment adviser registered with the US Securities and Exchange Commission (“SEC”). If you have any questions about the contents of this Brochure, please contact us at 614-255-3333. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that an investment adviser has a certain level of skill or training.

Additional information about Diamond Hill Capital Management, Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov.



Item 2. Material Changes

This item describes only material changes to this Brochure since our last annual amendment on February 28, 2025:

Item 4 (Advisory Business) has been updated to include information regarding the definitive agreement that Diamond Hill Investment Group, Inc. (the parent of Diamond Hill Capital Management, Inc.) and First Eagle Investment Management, LLC have entered into, subject to the satisfaction of customary closing conditions, including approval by Diamond Hill Investment Group, Inc.'s common shareholders, mutual fund shareholder-related approvals, and regulatory approvals.

In Item 12 (Brokerage Practices), the Model Delivery and Trade Allocation section has been updated to note that while Diamond Hill Capital Management, Inc. typically provides model change notifications after placing orders for discretionary accounts, some model delivery clients can receive notifications concurrently with those orders.

Table of Contents

Item 1. Cover..... 1
Item 2. Material Changes2
Item 3. Table of Contents3
Item 4. Advisory Business4
Item 5. Fees and Compensation6
Item 6. Performance-Based Fees and Side-By-Side Management.....8
Item 7. Types of Clients8
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss9
Item 9. Disciplinary History17
Item 10. Other Financial Industry Activities & Affiliations17
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .18
Item 12. Brokerage Practices20
Item 13. Review of Accounts.....24
Item 14. Client Referrals and Other Compensation25
Item 15. Custody.....25
Item 16. Investment Discretion25
Item 17. Voting Client Securities26
Item 18. Financial Information26
Voluntary Disclosure of Personal Investments27

Item 4. Advisory Business

The Company

Diamond Hill Capital Management, Inc. (“Diamond Hill”, “us”, or “we”) is a wholly-owned subsidiary of Diamond Hill Investment Group, Inc. (“DHIL”), a publicly traded company listed on Nasdaq and trading under the ticker symbol DHIL. Diamond Hill registered as an investment adviser with the SEC in 1988, and DHIL was incorporated in 1990.

As of December 31, 2025, employees and directors (insiders) of DHIL and its subsidiary owned approximately 21% of the shares outstanding, while non-affiliated investors owned the remaining 79% of the shares. As a publicly traded company, the ownership percentage of DHIL changes on a regular basis.

On December 10, 2025, DHIL and First Eagle Investment Management, LLC (“First Eagle”) entered into a definitive agreement under which First Eagle will acquire all outstanding shares of DHIL (the “Transaction” or “Change of Control Transaction”). Closing of the Transaction is contingent on satisfying the closing conditions in our agreement with First Eagle, including approval by DHIL’s shareholders, the mutual fund, closed-end fund and exchange-traded fund shareholders, other clients, and regulatory approvals. On January 28, 2026, DHIL filed a corporate proxy statement with the Securities and Exchange Commission (“SEC”) in connection with the Transaction. On February 4, 2026, the funds registered under the Investment Company Act of 1940, as amended, filed their related proxy materials with the SEC. Per those filings, the meeting of DHIL’s shareholders to approve the Transaction is set for March 3, 2026, and the meetings of the registered fund shareholders to approve the Transaction are set for April 17, 2026. If obtained, we would hope to be in a position to satisfy that closing condition and close the Transaction in the second quarter of 2026.

First Eagle is an independent, privately owned investment management firm headquartered in New York with approximately \$181 billion in assets under management as of December 31, 2025. Dedicated to providing prudent stewardship of client assets, the firm focuses on active, fundamental and benchmark-agnostic investing, with a strong emphasis on downside mitigation. With a heritage dating back to 1864, First Eagle strives to help clients avoid permanent impairment of capital and earn attractive returns through widely varied economic cycles. The firm’s investment capabilities include equity, fixed income, alternative credit and multi-asset strategies.

Private equity funds managed by Genstar Capital, a leading private equity firm focused on investments in targeted segments of the financial services, software, healthcare and industrials industries, have a majority economic interest in First Eagle.

Investment Services

Diamond Hill provides investment management services to individual and institutional investors through open-end mutual funds, a closed-end registered investment company, an exchange-traded fund (“ETF”), a private fund, separately managed accounts, collective investment trusts (“CITs”), other pooled vehicles including sub-advised funds, and model delivery programs. Diamond Hill offers nine equity investment strategies and seven fixed income investment strategies. (Item 8 provides more information about our investment strategies.) We do not provide financial planning services, and we do not advise our clients in

the selection of other investment advisers or mutual funds not managed by Diamond Hill. Our clients choose one or more of our investment strategies to meet their needs. Upon request, Diamond Hill will work with clients to accommodate client-specific restrictions on any of our investment strategies.

Our portfolio strategies include investments in US and non-US common stocks, investment-grade and non-investment-grade corporate bonds, asset-backed securities (“ABS”), mortgage-related and mortgage-backed securities (“MBS”), US government and agency securities, US dollar-denominated debt of non-US issuers, convertible securities (including stocks and convertible corporate bonds), other structured instruments and open- and closed-end investment companies (including ETFs).

Wrap Fee Programs

Diamond Hill participates as an investment adviser in several wrap fee programs that are offered by third-party wrap program sponsors (typically brokers). A wrap fee program is an investment advisory program under which a client typically pays a single fee to the program sponsor based on assets under management (“AUM”). Fees paid are not based directly upon transactions in the client’s account or the execution of client transactions. Wrap fee program clients typically select Diamond Hill from a list of investment advisers presented to them by representatives of the program sponsor. Wrap fee program clients are typically high-net-worth individuals or small institutions. The program sponsor determines the fee to charge to the wrap fee program clients and has primary responsibility for client communications and service. Diamond Hill provides investment management services to the clients. The program sponsor is typically the executing broker of client portfolio transactions, and in most cases, provides custodial services for the client’s assets for the single fee paid by the client to the program sponsor. Diamond Hill is paid a portion of the wrap fee management fee for its services by the program sponsor. Wrap fee accounts are considered directed brokerage accounts. When determining whether to participate in a wrap fee program you should consider, among other things, Diamond Hill’s brokerage practices and the fees charged by the program sponsor in relation to the expected trading volume. (Item 12 provides more information about our brokerage practices, including our treatment of directed brokerage accounts.)

Model Delivery Programs

Diamond Hill provides model portfolio delivery services to sponsors of model delivery programs by furnishing the program sponsor with a model portfolio for the selected Diamond Hill investment strategy. In these instances, Diamond Hill does not have discretionary investment authority over individual client accounts. Another investment manager, typically the program sponsor or its designee, is the discretionary investment manager and is responsible for implementing the model, exercising investment discretion, and monitoring the client accounts.

The program sponsor determines the fee to charge the model delivery program client. Diamond Hill is paid a portion of the model delivery program fee for its services by the program sponsor at a pre-determined rate based on the assets under advisement (“AUA”) in the program.

Assets Under Management

As of December 31, 2025, Diamond Hill had \$29.4 billion in regulatory AUM. All of these assets were discretionary assets. We also have \$1.8 billion of AUA in model delivery programs as described above. Diamond Hill does not have discretion or trading authority over these assets.

Item 5. Fees and Compensation

Compensation for Advisory Services

Diamond Hill determines its management fees for each investment strategy based on the value that we expect to add for clients invested in that strategy over rolling five-year periods. Fees vary by investment strategy and are generally calculated based on a percentage of AUM. Below are our separate account standard fee schedules:

Tier	Small Cap	Small-Mid Cap	Mid Cap
First \$20 million	0.90%	0.85%	0.70%
Above \$20 million	0.80%	0.75%	0.60%
Minimum Account Size	\$10 million	\$10 million	\$10 million

Tier	Large Cap	Large Cap Concentrated	Select
First \$20 million	0.60%	0.60%	0.80%
Above \$20 million	0.50%	0.50%	0.70%
Minimum Account Size	\$10 million	\$10 million	\$10 million

Tier	International
First \$50 million	0.75%
Above \$50 million	0.65%
Minimum Account Size	\$50 million

	Micro Cap
Fee	2.00%
Minimum Account Size	\$25 million

	Long-Short
Fee	1.00%
Minimum Account Size	\$100 million

Tier	Short Duration Securitized Bond
First \$200 million	0.45%
Above \$200 million	0.35%
Minimum Account Size	\$200 million

Tier	Short Duration Investment Grade
First \$100 million	0.35%
Above \$100 million	0.25%
Minimum Account Size	\$100 million

Tier	Securitized Total Return
First \$100 million	0.70%
Above \$100 million	0.60%
Minimum Account Size	\$50 million

Tier	Core Bond	Core Plus Bond	Intermediate Bond
First \$100 million	0.30%	0.40%	0.30%
Next \$100 million	0.20%	0.30%	0.20%
Above \$200 million	0.15%	0.20%	0.15%
Minimum Account Size	\$100 million	\$100 million	\$100 million

(Item 8 provides a description of the investment strategies that are available as a separate account.)

Diamond Hill reserves the right to negotiate fees and account minimums. Some clients pay more or less than others depending on certain factors including, but not limited to, the type and size of the account, the range of additional services provided to the client and the total amount of assets managed for a single client. Clients with an account value that is less than the minimums listed above may pay more than our standard fees. The fees that we charge for investment advisory services are specified in an agreement between Diamond Hill and each individual client.

Fee Assessment

To the extent a separate account is invested in a Diamond Hill open-end mutual fund or ETF (each, a “Diamond Hill Fund”), no management fee is charged on the invested portion. However, these funds incur management and other fees as disclosed in their respective prospectuses. (Item 10 provides more information about Diamond Hill’s involvement with these funds.)

Payment of Fees

Management fees are generally billed and payable quarterly in arrears. Fees are generally based on the value of the separate account as of the last business day of the quarter (or average of the month-end values) and are normally adjusted for material cash flows. When an account is opened or terminated, the fee is prorated to the opening or termination date. Diamond Hill provides clients with fee invoices that contain the amount of the fee, the value of the assets in the account on which the fee was based and the fee calculation.

If authorized by a particular client, Diamond Hill will instruct the client’s custodian to deduct Diamond Hill’s management fees directly from the client’s custodian account. In this situation, Diamond Hill will send a copy of the invoice details directly to the client and the custodian, unless we have received instructions from a client stating they do not want to receive copies of invoices. It is Diamond Hill’s understanding, as communicated to the client and its custodian, that the custodian sends quarterly (or more frequent) statements directly to the client or its representative showing all assets and transactions in the account, including fees paid to Diamond Hill.

Other Fees or Expenses

Clients pay other expenses in addition to the fees paid to Diamond Hill. For example, clients pay brokerage commissions, transaction fees, custodial fees, transfer taxes, wire transfer fees and other fees and taxes charged to brokerage or custodial accounts and securities transactions, which are unrelated to the fees collected by Diamond Hill. (Item 12 provides more information on our brokerage practices.)

Cash balances in client separate accounts may be invested in unaffiliated short-term investment funds (“STIFs”), which include money market funds, designated by a client or its custodian. Diamond Hill does not attempt to assess the quality of the underlying assets of a STIF selected by a client or its custodian. Diamond Hill does not provide any advisory fee credit for client assets invested in a STIF, which means that such assets will bear not only their proportionate share of the expenses of the STIF, but also management fees charged by Diamond Hill.

Additional Compensation

Diamond Hill and its employees do not accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-By-Side Management

Performance-Based Fees

Diamond Hill receives performance-based fees from its private fund.¹

The receipt of performance-based fees creates a conflict of interest. Diamond Hill can potentially receive higher fees from accounts with a performance-based compensation structure than from those accounts that pay a fixed asset-based fee as described in Item 5. For example, Diamond Hill has an incentive to direct the best investment ideas to an account that pays a performance-based fee or to allocate or sequence trades in favor of the performance-based fee account. To mitigate this conflict, Diamond Hill has implemented policies and procedures to ensure investment opportunities are allocated in a fair and equitable manner that does not systemically favor one account over any other.

Side-By-Side Management

Potential conflicts of interest can arise from side-by-side management of client accounts. For example, conflicts in the allocation of investment opportunities or conflicts due to different fees. Fees charged to client accounts differ depending upon a number of factors as described in Item 5. As a result, a client may pay higher fees than another client in the same strategy. These differences create a conflict that a portfolio manager ("PM") may favor the higher fee-paying account over the other or allocate more time to the management of one account over another. Diamond Hill has implemented policies and procedures designed to ensure that all clients are treated fairly and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Diamond Hill manages both long-only and long-short accounts, creating a potential conflict if the same security is held long in one account and sold short in another. To manage this conflict, Diamond Hill has a policy that prohibits holding a security long in one client account while shorting it in another.

Item 7: Types of Clients

Diamond Hill provides investment management services to a wide variety of clients, including institutions, registered investment companies (open-end mutual funds, a closed-end registered investment company, and an ETF), a private fund, CITs, financial institutions, financial intermediaries, annuity funds, other pooled investment vehicles including sub-advised funds, charitable institutions, high-net-worth investors, foundations, trusts, state and municipal government entities, endowment funds, insurance companies, corporations, hospitals, corporate pension and profit-sharing plans and Taft-Hartley plans. Diamond Hill

¹ A performance-based fee is an advisory fee based on a percentage of capital gains on, or capital appreciation of, client assets. Performance-based fees paid to investment advisers can be significantly higher than fixed asset-based fees paid on traditional accounts.

also offers investment advisory services either directly or indirectly to the clients of wrap program sponsors. Item 4 provides a discussion on wrap fee programs. Item 5 provides a discussion on our fees and account minimum sizes.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Diamond Hill Investment Strategies

We offer nine equity and seven fixed income investment strategies.

Equity Strategies – Strategy Descriptions

Micro Cap Strategy – Invests in primarily US equity securities of micro capitalization companies selling at prices below our estimate of intrinsic value.

Small Cap Strategy – Invests in primarily US equity securities of small capitalization companies selling at prices below our estimate of intrinsic value.

Small-Mid Cap Strategy – Invests in primarily US equity securities of small and medium capitalization companies selling at prices below our estimate of intrinsic value.

Mid Cap Strategy – Invests in primarily US equity securities of medium capitalization companies selling at prices below our estimate of intrinsic value.

Large Cap Strategy – Invests in primarily US equity securities of large capitalization companies selling at prices below our estimate of intrinsic value.

Large Cap Concentrated Strategy – Invests in a concentrated portfolio of primarily US equity securities derived from the holdings in the Large Cap strategy selling at prices below our estimate of intrinsic value.

Select Strategy – Invests in a concentrated portfolio of primarily US equity securities of companies across a broad range of market capitalization selling at prices below our estimate of intrinsic value.

International Strategy – Invests in non-US equity securities of companies across a broad range of market capitalization selling at prices below our estimate of intrinsic value.

Long-Short Strategy – Invests in (and sells short) primarily US equity securities of companies selling at prices below (or above) our estimate of intrinsic value.

Equity Strategies – Investment Process

We follow a disciplined, bottom-up process designed to identify companies selling at a distinct discount to our estimate of long-term intrinsic value.

Generate ideas through fundamental analysis: Investment ideas come directly from bottom up, fundamental analysis performed by our analysts and portfolio managers who have followed companies and

industries, in many cases, for decades. This experience gives our investment team members deep knowledge about companies' competitive positions and valuation levels.

Estimate intrinsic value: Once we believe a particular investment is worth pursuing, we develop an estimate of intrinsic value, performing deep due diligence. After gaining a thorough understanding of the business, including understanding all material risks and opportunities, we develop a detailed model of at least five years of cash flow projections for the business to estimate intrinsic value. We may also consider private market values based on prices that informed buyers have paid for control positions, when appropriate.

Build and manage the portfolio: Portfolio managers are responsible for buy/sell decisions and position sizing, and the weight of an individual position is based on the discount (or premium, for short holdings) to intrinsic value and the conviction in our estimate of intrinsic value. On an ongoing basis, we continually assess the market environment and news relevant to our holdings, evaluate our intrinsic value estimates, add to or trim positions as we deem appropriate, and evaluate new investment ideas.

Analyze and refine our process: We continually analyze our investment process by examining mistakes we may have made, asking what lessons we have learned and determining whether our process should be refined.

Equity Strategies – Investment Risks

The material risks associated with some or all of our equity strategies are:

Concentration Risk – Some of our strategies concentrate their investments in a small number of securities. The small number of securities held may not be diversified across all sectors or industries as compared to a broad index, such as the S&P 500 or Russell 3000 Indices. As a result, the value of a client account may vary considerably in response to changes in the market value of individual securities, industries or sectors and lead to higher volatility.

Equity Market Risk – Overall stock market risks may affect the value of the investments in equity strategies. Factors such as US economic growth and market conditions, interest rates, political events, pandemics and natural disasters affect the equity markets.

Management Risk – Our judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole, and our intrinsic value approach may fail to produce the intended results.

Micro, Small and Mid Cap Company Risk – Investments in micro, small and medium capitalization companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, micro, small and medium capitalization companies may be more vulnerable to economic, market and industry changes. As a result, share price changes may be more sudden or erratic than the prices of other equity securities, especially over the short term. Because smaller companies may have limited product lines, markets or financial resources, or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than larger capitalization companies.

Non-US and Emerging Market Risk – Certain equity strategies may invest in non-US securities and US securities of companies domiciled in non-US countries that may experience more rapid and extreme changes in value than a strategy that invests exclusively in securities of US companies. These companies may be subject to additional risks, including political and economic risks, civil conflicts and war, pandemics, natural disasters, greater volatility, expropriation and nationalization risks, currency fluctuations, higher transaction costs, delayed settlement, possible non-US controls on investment and less stringent investor protection and disclosure standards of non-US markets. The departure of one or more other countries from the European Union may have significant political and financial consequences for global markets. These risks are magnified in emerging markets as events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. The market for the securities of issuers in emerging markets is typically small and low, and nonexistent trading volumes in those securities may result in a lack of liquidity and price volatility.

Fixed Income Strategies – Strategy Descriptions

Short Duration Securitized Bond Strategy – Seeks to maximize total return consistent with the preservation of capital by investing in securitized assets including ABS, MBS and collateralized mortgage-backed securities. This strategy can invest up to 15% of its assets in below-investment grade securities at the time of purchase and generally maintains an average portfolio duration of one to two, with a maximum of three.

Short Duration Investment Grade Strategy – Seeks to maximize total return consistent with the preservation of capital by investing in securitized assets, including ABS, MBS and collateralized mortgage-backed securities. This strategy invests in a diversified portfolio of investment grade fixed income securities and generally maintains an average portfolio duration of less than three.

Core Bond Strategy – Seeks to maximize total return consistent with the preservation of capital by investing in a diversified portfolio of investment-grade intermediate and long-term fixed income securities with a focus on securities and spread sectors we believe to be undervalued.

Core Plus Bond Strategy – Seeks to maximize total return consistent with the preservation of capital by investing in a diversified portfolio of investment-grade fixed income securities and below investment-grade securitized bonds with a focus on securities and spread sectors we believe to be undervalued.

Intermediate Bond Strategy – Seeks to maximize total return consistent with the preservation of capital by investing in a diversified portfolio of investment-grade intermediate fixed income securities with a focus on securities and spread sectors we believe to be undervalued.

Securitized Credit Strategy² - Seeks to maximize total return consistent with the preservation of capital by investing in securitized bond investments including secured loans backed by commercial real estate, residential real estate, commercial or consumer loans, and securitizations such as agency and non-agency mortgage-backed securities (including commercial mortgage-backed securities (“CMBS”), residential

² The Securitized Credit strategy is only available to investors through a closed-end registered investment company managed by Diamond Hill.

mortgage-backed securities (“RMBS”), and collateralized mortgage obligations (“CMOs”), ABS and other similar securities and related instruments.

Securitized Total Return Strategy – Seeks to maximize total return consistent with the preservation of capital by investing in securitized bond investments. This strategy generally maintains an average portfolio duration of plus or minus two of the duration of the Bloomberg US Securitized MBS, ABS, CMBS Index and may invest up to 15% of its assets in below investment-grade securities.

Fixed Income Strategies – Investment Process

Our investment process is driven by: (1) security selection, (2) sector allocation, (3) yield curve positioning and (4) duration management in concert with the overall maintenance of a high-quality portfolio. We seek to generate excess return through the selection of undervalued securities and spread sectors.

Idea generation: We primarily focus on identifying undervalued securities, which may result in owning many securities that are not included in each strategy’s benchmark index. PMs and analysts continually monitor and analyze potential securities to determine suitability.

Security selection: Our primary focus is on the selection of individual issues with an emphasis on identifying undervalued securities. Individual securities are selected following a risk/reward evaluation of interest rate risk, credit risk and an examination of the complex technical structure of the security. We use quantitative valuation methodologies to identify securities we believe to be undervalued, fairly valued and overvalued.

PMs for the Short Duration strategies primarily invest in securitized bond investments. Securitized bond investments are also referred to as “structured product securities” or “structured products” and include secured loans backed by commercial real estate, residential real estate, commercial or consumer loans and securitizations such as agency and non-agency mortgage-backed securities (including CMBS, RMBS and CMOs), ABS and other similar securities and related instruments. PMs for the Core Bond strategy may also consider including corporate bonds, Treasury securities and agency bonds in the portfolio.

Portfolio construction: Although bottom-up analysis and security selection is of primary importance, we also pay close attention to sector and sub-sector valuations and weightings in portfolio construction. Duration is carefully managed to help control interest rate risk in fixed income portfolios; however, we use it sparingly as an active portfolio management tool. In conjunction with the portfolio duration decision, we identify broad interest rate trends and supply and demand relationships that may influence the shape of the yield curve. For a given duration target, our yield curve strategy seeks to find optimal exposures along the yield curve.

Fixed Income Strategies – Investment Risks

The material risks associated with some or all of our fixed income strategies are:

Asset-Backed, Mortgage-Related and Mortgage-Backed Securities Risk – The fixed income strategies may invest in ABS, MBS and mortgage-related securities, including so-called “subprime” mortgages that are subject to certain other risks including prepayment and call risks. When mortgages and other obligations

are prepaid and when securities are called, the strategy may have to reinvest in securities with a lower yield or fail to recover additional amounts (*i.e.*, premiums) paid for securities with higher interest rates. In such case, it could result in an unexpected capital loss and/or a decrease in the amount of dividends and yield. In periods of rising interest rates, the strategy may be subject to extension risk and may receive principal later than expected. As a result, in periods of rising interest rates, the strategy may exhibit additional volatility. During periods of difficult or frozen credit markets, significant changes in interest rates or deteriorating economic conditions, such securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid.

CMOs and stripped mortgage-backed securities, including those structured as interest only (“IOs”) and principal only (“POs”), are more volatile and may be more sensitive to the rate of prepayments than other mortgage-related securities. CMOs are issued in multiple classes, and each class may have its own interest rate and/or final payment date. A class with an earlier final payment date may have certain preferences in receiving principal payments or earning interest. As a result, the value of some classes in which the strategy invests may be more volatile and may be subject to higher risk of non-payment. The risk of default, as described under “Credit Risk,” for sub-prime mortgages is higher than other types of MBS. The structure of some of these securities may be complex and there may be less available information than other types of debt securities.

The value of IO and PO MBS are more volatile than other types of mortgage-related securities. They are sensitive not only to changes in interest rates, but also to the rate of prepayments. A rapid or unexpected increase in prepayments can significantly depress the price of interest-only securities, while a rapid or unexpected decrease could have the same effect on principal-only securities. In addition, these instruments may be illiquid because there may be a drop in trading volume, an inability to find a ready buyer, or the imposition of legal restrictions on the resale of securities. The strategy will be exposed to additional risk to the extent that it uses inverse floaters and inverse IOs, which are debt securities with interest rates that reset in the opposite direction from the market rate to which the security is indexed. These securities are more volatile and more sensitive to interest rate changes than other types of debt securities. If interest rates move in a manner not anticipated by Diamond Hill, the strategy could lose all or substantially all of its investment in inverse IOs.

Consumer Loans Risk – Investments in consumer loans expose client accounts to additional risks beyond those normally associated with more traditional debt instruments. The client accounts’ ability to receive payments in connection with the loan depends primarily on the financial condition of the borrower and whether or not a loan is secured by collateral, although there is no assurance that the collateral securing a loan will be sufficient to satisfy the loan obligation. In addition, bank loans often have contractual restrictions on resale, which can delay the sale and adversely impact the sale price. Transactions involving bank loans may have significantly longer settlement periods than more traditional investments (*e.g.*, settlement can take longer than 7 days) and often involve borrowers whose financial condition is troubled or highly leveraged. These facets of bank loans increase the risk that the client account may not receive its proceeds in a timely manner or that the client account may incur losses in order to pay redemption proceeds to its shareholders. In addition, consumer loans are not registered under the federal securities laws like stocks and bonds, so investors in these loans have less protection against improper practices than investors in registered securities.

Credit Risk – There is a risk that issuers and counterparties will not make payments on the securities and repurchase agreements they issue. Such default could result in losses to client accounts. In addition, the credit quality of securities may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security which may affect liquidity and our ability to sell the security. Credit ratings are opinions and may be downgraded. Downgrades or the perception of increased credit risk may reduce the market value and liquidity of a security and may increase volatility.

Fixed Income Risk – Fixed income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of fixed income securities generally declines. On the other hand, if rates fall, the value of the fixed income securities generally increases. The strategies may invest in variable and floating rate securities. Although these instruments are generally less sensitive to interest rate changes than fixed rate instruments, the value of variable and floating rate securities may decline if their interest rates do not rise as quickly or as much as general interest rates. Fixed income securities with greater interest rate sensitivity and longer maturities tend to produce higher yields but are subject to greater fluctuations in value. Usually, changes in the value of fixed income securities will not affect cash income generated but may affect the value of the investment.

Government Securities Risk – The fixed income strategies may invest in securities issued or guaranteed by the US government or its agencies and instrumentalities. These securities may be backed by the credit of the government as a whole or only by the issuing agency. US Treasury bonds, notes and bills and some agency securities, such as those issued by the Federal Housing Administration and Government National Mortgage Association, are backed by the full faith and credit of the US government as to payment of principal and interest and are the highest quality government securities. Other securities issued by US government agencies or instrumentalities, such as securities issued by the Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation, are supported only by the credit of the agency that issued them, and not by the US government. Securities issued by the Federal Farm Credit System, the Federal Land Banks and the Federal National Mortgage Association are supported by the agency's right to borrow money from the US Department of the Treasury under certain circumstances but are not backed by the full faith and credit of the US government. No assurance can be given that the US government would provide financial support to its agencies and instrumentalities if not required to do so by law.

High Yield Securities Risk – Some of the fixed income strategies invest in fixed income securities rated below investment grade, also known as high yield securities or junk bonds. High yield securities provide greater income and opportunity for gain but entail greater risk of loss of principal. High yield securities are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. These investments may be issued by companies which are highly leveraged, less creditworthy or financially distressed. Investments in securities of issuers in default or financial distress may be difficult to value or sell. Such investments may be subject to bankruptcy, restructuring, or other proceedings that may involve prolonged holding periods and increased legal and operational complexity. Although these securities provide a higher yield than higher-rated debt securities, the high degree of risk involved in these investments can result in substantial or total loss. The market for high yield securities is less active than the market for higher quality securities, and the market price of these securities can change suddenly and unexpectedly. Based on measures such as dealer inventories and average trade size, the high yield market has become less liquid at the same time as it has grown markedly and become more concentrated under the control of the largest investors. During future periods of market stress, liquidity conditions in the high yield market may be even worse than prior periods of market stress.

Illiquid Securities Risk – The strategies can invest in illiquid securities. The price paid for the purchase of illiquid securities or received for the resale may be lower than the price paid or received for similar securities with a more liquid market. Liquidity risk may result from the lack of an active market or a reduced number and capacity of traditional market participants to make a market in fixed income securities and may be magnified during times of market stress.

Inflation Risk – Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade will be reduced to compensate for the fact that the income they produce is worth less. This potential decrease in market value would be the measure of inflation risk.

Management Risk – Our judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect, and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole, and our intrinsic value approach may fail to produce the intended results.

Non-US and Emerging Markets Risk – The fixed income strategies may invest in non-US securities and US securities of companies domiciled in non-US countries that may experience more rapid and extreme changes in value than securities of US companies. These companies may be subject to additional risks, including political and economic risks, civil conflicts and war, pandemics, natural disasters, greater volatility, expropriation and nationalization risks, currency fluctuations, higher transaction costs, delayed settlement, possible non-US controls on investments and less stringent investor protection and disclosure standards of non-US markets. The departure of one or more other countries from the European Union may have significant political and financial consequences for global markets. These risks are magnified in emerging markets as events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. The market for the securities of issuers in emerging markets is typically small and low, and nonexistent trading volumes in those securities may result in a lack of liquidity and price volatility.

Prepayment and Call Risk – The fixed income strategies may invest in securities where the issuer may repay principal in advance, especially when yields fall. Changes in the rate at which prepayments occur can affect the return on investment of these securities. When debt obligations are prepaid or when securities are called, the proceeds may be reinvested in securities with a lower yield. The account also may fail to recover additional amounts (*i.e.*, premiums) paid for securities with higher coupons, resulting in an unexpected capital loss.

Valuation and Pricing Service Risk – Valuations for certain securities may be based on third-party pricing services, dealer quotes, or models that use assumptions and estimates. Such prices may differ from the price at which the security could be sold, particularly during periods of market stress, and pricing methodologies may change without notice, which may cause the value of securities in client accounts to be materially affected.

Other Risks

Business Continuity/Key Personnel Risk – Certain events, such as natural disasters, public health events, acts of war or terrorism, power or communications outages, and other disruptions, may impair Diamond Hill's ability to operate or provide services. In addition, the loss or unavailability of key personnel could adversely affect our ability to implement investment processes and serve clients. Although Diamond Hill maintains business continuity and disaster recovery plans, such plans may not be fully effective in all circumstances.

Cybersecurity Risk – The computer systems, networks and devices used by Diamond Hill and its service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized by Diamond Hill and its service providers, systems, networks or devices potentially can be breached due to both intentional and unintentional events. Diamond Hill and the client accounts we manage could be negatively impacted as a result of a cybersecurity breach.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which Diamond Hill invests, counterparties with which Diamond Hill engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies, other financial institutions and other parties.

Cybersecurity breaches can include, among other things, unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; ransomware; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches may cause disruptions and impact Diamond Hill's business operations, potentially resulting in financial losses; may negatively impact the financial condition of an issuer, counterparty or other market participant; impediments to trading; the inability of Diamond Hill and its service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. In addition, substantial costs may be incurred by these entities to prevent any cybersecurity breaches in the future. Diamond Hill does not control the cybersecurity systems of issuers or third-party service providers.

Data Sources Risk - We rely on information from third parties that includes, but is not limited to, financial statement data, pricing services, benchmarks and index providers, and other market data. Such information may be incomplete, inaccurate, delayed, or subject to methodological changes, which could adversely affect investment decisions, performance reporting, risk management, and valuations.

Evolving Technology Risk (including Artificial Intelligence) – Diamond Hill and its service providers may use evolving technologies (including artificial intelligence, machine learning, and similar tools) in operations, research, trading, and/or risk management. Such technologies may be subject to rapid change and uncertain or evolving regulations and may involve design flaws, unintended outcomes, model errors, data quality limitations, and cybersecurity vulnerabilities. Increased use of these technologies by market participants, counterparties, and service providers may contribute to market volatility, operational disruptions, or other adverse impacts on client accounts.

Performance Risk – All investing involves risks, including the permanent loss of capital. Diamond Hill does not guarantee the future performance of a strategy or a client’s account, the success of any investment decision or strategy or the success of the overall management of a strategy or an account.

Regulatory Risk – Laws, rules and regulations affecting the management of strategies or client accounts change from time to time, and we are currently operating in an environment of significant regulatory reform. We cannot predict the effects, if any, of future legal and regulatory changes on our business or the services we provide.

Third-Party Risk – We depend on third parties, which may include custodians, brokers, pricing vendors, administrators, technology vendors, and other service providers, to support client servicing and investment operations. Errors, systems failures, business disruptions, insolvency, or other failures by such third parties may adversely affect client accounts, including through delays in trading or settlement, failures in recordkeeping, or inaccurate reporting.

Item 9. Disciplinary History

Investment advisers registered with the SEC are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Diamond Hill or the integrity of the firm’s management in this item. Registered investment advisers are required to report all disciplinary events regardless of whether they are material in Part 1A of Form ADV. Diamond Hill has no legal or disciplinary events of any kind to report.

Item 10. Other Financial Industry Activities & Affiliations

As noted in Item 4, Diamond Hill is a wholly-owned subsidiary of DHIL.

Certain employees hold licenses with the Financial Industry Regulatory Authority and are registered representatives of Foreside Financial Services, LLC, an unaffiliated limited purpose broker that provides statutory underwriting services to mutual fund companies, including the Diamond Hill Funds and the Diamond Hill Securitized Credit Fund. Neither Diamond Hill nor any of its employees receive any compensation from Foreside Financial Services, LLC.

Mutual Funds

Diamond Hill serves as the investment adviser and administrator to the Diamond Hill Funds, a series of open-end mutual funds and an ETF, and Diamond Hill Securitized Credit Fund, a closed-end registered investment company (collectively, the “Diamond Hill Registered Funds”). Certain persons listed in Schedule A of Diamond Hill’s Part 1A of Form ADV are officers of the Diamond Hill Registered Funds. As officers, these persons are involved in the day-to-day management of the Diamond Hill Registered Funds. To avoid any potential conflicts of interest, these persons are subject to Diamond Hill’s Code of Ethics and are each supervised by independent Boards of Trustees.

In addition, the respective Boards of Trustees of the Diamond Hill Registered Funds supervise the advisory services and each administrative services agreement between Diamond Hill and the Diamond Hill Registered Funds, as applicable.

Diamond Hill does not believe these services create material conflicts of interest between Diamond Hill and its other clients.

Private Fund

Diamond Hill is the Managing Member of Diamond Hill Fund GP, LLC. Diamond Hill Fund GP, LLC is the general partner of Diamond Hill Micro Cap Fund, LP (the "Private Fund").³

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics & Personal Trading

Diamond Hill has adopted a Code of Ethics for all of its employees describing our high standards of business conduct, fiduciary duty to our clients and rules surrounding personal securities trading by our employees.

The Code of Ethics prohibits employees from purchasing individual equity and most fixed income securities. It also includes restrictions on purchasing third-party mutual funds in the Morningstar categories with which we compete.

The Code of Ethics includes guidelines related to the reporting of personal securities holdings and trading activity. All Diamond Hill employees must accept the terms of the Code of Ethics upon employment, on an annual basis thereafter, or any time the Code of Ethics is amended.

In addition, the Code of Ethics restricts outside business activities that may create conflicts of interest. A copy of the Code of Ethics is on our website and is available to clients and prospective clients upon request.

Diamond Hill employees occasionally receive gifts and/or entertainment in connection with their employment at Diamond Hill. To mitigate potential conflicts of interest, Diamond Hill has adopted a Gifts and Entertainment Policy requiring employees to prioritize client interests and to report gifts and entertainment that they give or receive in accordance with the policy. Employees are permitted to accept nominal gifts or occasional customary entertainment but must avoid significant gifts or excessive or inappropriate entertainment that could influence their decisions.

Investment Capacity

Diamond Hill's investment management fees are generally calculated based on a percentage of AUM, which creates an inherent conflict: greater AUM leads to higher revenue for Diamond Hill but has the potential to negatively impact performance for existing clients. Therefore, PMs have the authority to close

³ The Private Fund is only offered on a private placement basis to accredited or qualified investors. As discussed in Items 5 and 6, Diamond Hill could earn either a management fee or both a management fee and a performance-based incentive fee for serving as investment manager to the Private Fund.

the strategies they manage before assets reach a size where they believe it will impact their ability to add value for clients based on the strategy's investment return goals. The key consideration in estimating a strategy's capacity is determining what asset size may hinder a PM's ability to achieve the strategy's investment objectives. The investment team re-evaluates each strategy's capacity on a regular basis. Capacity estimates are inclusive of all investment vehicle types. Additionally, PMs are compensated based on investment results over rolling five-year periods, and they invest alongside clients with significant personal investments in the strategies they manage. (Item 18 includes our voluntary disclosure of personal investments.)

Investments in Securities Issued by Institutional Clients

From time to time, Diamond Hill invests in publicly traded securities issued by its institutional clients. Diamond Hill's fundamental investment analysis process mitigates the risk that portfolio decision-making would consider the existence of a client relationship with Diamond Hill when determining to invest client assets in securities issued by an institutional client.

Participation in Client Transactions

Diamond Hill recommends to its clients the purchase or sale of the Diamond Hill Registered Funds. Diamond Hill serves as the investment adviser and administrator for, and receives fees from, the Diamond Hill Registered Funds. Therefore, a conflict of interest exists related to the potential duplication or layering of fees. To eliminate this conflict, we do not charge a separate advisory fee to clients on their assets which are invested in the Diamond Hill Registered Funds.

A portion of Diamond Hill's corporate investment portfolio is invested in the Diamond Hill Registered Funds and the Private Fund for each of which Diamond Hill serves as an investment adviser, administrator, general partner and/or manager. Employees also have the ability to own shares of the Diamond Hill Registered Funds and interests in the Private Fund. We do not believe that these investments create a conflict of interest between Diamond Hill and its advisory clients due to the pooled nature of the investments. Diamond Hill does not invest its corporate investment portfolio in any individual securities that are eligible to be held in one of our strategies or client portfolios.

Diamond Hill allows cross trading between two separate accounts involving equity securities when certain conditions are met. A cross trade occurs when an investment adviser effects a trade between two or more of its advisory clients' accounts but does not charge a fee for effecting the transaction. Cross trades present an inherent conflict of interest because Diamond Hill represents the interests of both the selling party and the buying party in the same transaction. As a result, clients for whom Diamond Hill executes cross trades bear the risk that one or more clients in the cross trade may be treated more favorably by Diamond Hill than another party.

Diamond Hill has adopted a Cross Trades Policy to address potential conflicts of interest that may arise from effecting cross trades between client accounts. This policy prohibits cross trades involving fixed-income securities, as well as cross trades in the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), accounts, performance-based fee accounts, and Diamond Hill's own account.

Political Contributions

It is Diamond Hill's policy not to make, and to prohibit its employees from making on behalf of Diamond Hill, any political contributions for the purpose of influencing an existing or potential client, a public official or their agency. However, employees are permitted to make personal political contributions in accordance with the requirements and restrictions of applicable law and Diamond Hill's policies. To help ensure compliance with SEC rules, and many state and local pay-to-play rules, Diamond Hill employees must obtain prior approval from our compliance department before they make any contributions to a political candidate, government official, political party or political action committee.

Item 12: Brokerage Practices

Broker Selection & Best Execution

For most clients, Diamond Hill has the authority and discretion to make all determinations as to securities to be bought and sold, the amounts of the securities bought or sold, the broker to be used and commissions and other fees to be paid. As part of its discretionary responsibilities in executing trades on behalf of clients, Diamond Hill seeks best execution under the circumstances of each trade. In limited circumstances, clients can request or select their own brokers subject to Diamond Hill's directed brokerage policy described below.

The primary consideration in placing a portfolio transaction with a particular broker is obtaining the most favorable prices for each client under the circumstances of each particular transaction. More specifically, Diamond Hill will consider the full range and quality of the services offered by a broker. The determination to place a trade with a particular broker will be based on certain considerations, including but not limited to: price competitiveness, execution capability, brokerage and research products, trading expertise in relevant financial instruments, liquidity provision, execution accuracy, commission rates, reputation, integrity, dispute resolution fairness, financial responsibility, and responsiveness in settling trades.

Diamond Hill has established a Best Execution Committee that has the authority to create and modify policies that govern our trading practices. The Best Execution Committee includes representatives from investments, trading, operations, compliance, and legal. The Best Execution Committee meets at least quarterly and oversees trade execution compliance, establishes and reviews trading policies, manages commission arrangements, approves and monitors brokers, allocates research budgets, and ensures accurate client disclosures.

Diamond Hill's traders execute trades with approved brokers and leverage various trade execution management systems to ensure efficient trade management, including fair and equitable order allocation while seeking best execution.

Certain brokers that Diamond Hill uses to execute client trades are also clients of Diamond Hill and/or refer clients to Diamond Hill, which creates a conflict of interest. To mitigate this conflict, we have controls in place for monitoring trade execution in our clients' portfolios, including reviewing trades for best execution.

Execution Practices for Contribution and Withdrawal of Client Assets

Diamond Hill may limit the acceptance of a client's previously acquired securities (*i.e.*, legacy positions or securities) for account funding or contribution purposes. Where accepted, Diamond Hill evaluates legacy

positions and will sell all or a portion of such securities to the extent that such securities would not be included in Diamond Hill's model portfolio holdings for such account (unless such securities are subject to another arrangement). Depending on the size and characteristics of the legacy position and the then-prevailing markets and other factors, the client may receive a sale price that is less favorable than if the transaction involved a more marketable or liquid position. The client will be responsible for all tax liabilities that result from any sale of legacy positions. Similarly, Diamond Hill may be unable to sell securities to raise cash, or to accommodate a terminating account's request to sell securities, as quickly, or at favorable prices, as it might have been able to do under normal ongoing management or normal market conditions. Depending on market movements and liquidity, such delays could have an adverse impact on the client account.

Research and Brokerage Benefits

In allocating brokerage, Diamond Hill takes into consideration the receipt of research and brokerage services, consistent with its obligation to seek best execution for client transactions. As permitted by Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"), Diamond Hill is permitted to cause its clients to pay a broker that provides "brokerage and research services" (as defined by Section 28(e)) to Diamond Hill a commission for effecting a securities transaction for clients in excess of the commission other brokers would have charged for the transaction; provided that, Diamond Hill determines in good faith that the higher commission is reasonable in relation to the value of the brokerage and research services provided by the executing broker viewed in terms of either a particular transaction or Diamond Hill's overall responsibility to all its clients. The broker may directly provide brokerage and research services to Diamond Hill or may purchase them from a third party for Diamond Hill. When Diamond Hill uses client commissions to obtain brokerage and research services, Diamond Hill receives a benefit because it does not have to produce or pay for the research, products or services itself.

The term "brokerage and research services" includes advice as to: (i) the value of securities, (ii) the advisability of investing in, purchasing or selling securities, (iii) the availability of securities and (iv) purchasers or sellers of securities that furnish analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts. It also includes effecting securities transactions and performing functions incidental thereto (such as clearance and settlement) or required in connection therewith by applicable rules.

The Best Execution Committee reviews the brokerage and research services funded by client commissions (collectively, "Research") to ensure compliance with Section 28(e)'s safe harbor. This includes verifying that they qualify as eligible research or brokerage, assessing their relevance to Diamond Hill's investment decision-making, and determining in good faith that the costs are reasonable relative to their value.

Diamond Hill has entered into client commission agreements with brokers that are involved from time to time in executing, clearing or settling securities transactions on behalf of clients (collectively, "CCA Brokers"), which provide for the CCA Brokers to pay a portion of the commissions paid by Diamond Hill's clients for securities transactions ("CCA Commissions") to providers of research services.

Because these research service providers play no role in executing client securities transactions, any research prepared by that research service provider typically constitutes third-party research. Diamond Hill uses brokerage commissions, including CCA Commissions from client portfolio transactions, to acquire Research, subject to the procedures and limitations provided in this discussion.

From time to time, Diamond Hill prepares a list of providers of research services that have been deemed by Diamond Hill to provide valuable research (collectively, "Research Firms") as determined by Diamond Hill's investment staff. CCA Brokers are eligible to be included in the list of Research Firms. All trades with Research Firms will be effected in accordance with Diamond Hill's obligation to seek best execution for its client accounts. Diamond Hill uses a vote by its investment team staff as a guide for allocating CCA Commissions. Compensation for research may also be made pursuant to commissions paid on trades executed by a Research Firm who is registered with the SEC as a broker (each, a "Research Broker"). Under normal circumstances, CCA Brokers are compensated for research solely through trade commissions. To the extent that payments for research to a Research Broker other than a CCA Broker are made pursuant to trade commissions, Diamond Hill will reduce the amount of CCA Commissions to be paid to that Research Broker for its research. However, Diamond Hill will reduce the amount of CCA Commissions to be paid to that Research Broker by less than the full amount of trade commissions paid to that Research Broker. Neither Diamond Hill nor any client has an obligation to any Research Firm if the amount of trade commissions and CCA Commissions paid to the Research Firm is less than the applicable non-binding target. Diamond Hill reserves the right to pay cash to a Research Firm from its own resources in an amount the Adviser determines in its discretion.

The products and services acquired by Diamond Hill in connection with such arrangements are intended to comply with Section 28(e) and the SEC's related interpretive guidance. Diamond Hill will not cause its clients to use trade commissions or CCA Commissions for purposes other than for eligible brokerage and research services.

Clients desiring to prohibit Diamond Hill from generating CCA Commissions on transactions in their accounts should consider that they will generally pay the same commission rates as accounts that are not prohibited from generating CCA Commissions.

Research received from brokers is supplemental to Diamond Hill's own research efforts. As a practical matter, in some cases, Diamond Hill could not, on its own, generate all of the research that brokers provide without materially increasing expenses. The management fee paid by Diamond Hill's clients is not reduced because of Diamond Hill's receipt of Research. To the extent the clients' portfolio transactions are used to obtain Research, the brokerage commissions paid by the clients might exceed those that might otherwise be paid for execution only. The brokerage and research services furnished by brokers is useful and of value to Diamond Hill in servicing any or all of Diamond Hill's clients and may not necessarily be used by Diamond Hill in connection with the accounts that actually paid commissions, nor in proportion to the amount of commissions paid by accounts, to the broker providing the services.

Receipt of Research from brokers who execute client trades creates conflicts of interest. Since Diamond Hill uses client brokerage commissions to obtain Research, it receives a benefit because it does not have to produce or pay for the research, products or services itself. Consequently, Diamond Hill has an incentive to select or recommend a broker based on its desire to receive research, products or services rather than a desire to obtain the most favorable execution. To mitigate this conflict, Diamond Hill's Best Execution Committee oversees the use of commissions.

Directed Brokerage & Aggregated Trades

Although we discourage clients from directing trades to a particular broker (“directed brokerage”), we do have clients who request directed trades. Diamond Hill’s accommodation of directed brokerage creates a conflict (between those clients who have given Diamond Hill full discretion and those who have directed trading through a specific broker) related to the ordering of trade execution and potential market impact. Diamond Hill’s policy is to execute transactions for directed brokerage accounts following the execution of portfolio transactions in other client accounts where Diamond Hill has full discretion to execute trades. Diamond Hill may also place the trade with an executing broker on our approved list and “step out” the trade to the directed broker. In this case, the directed brokerage client may incur additional charges or pay extra commissions. Clients who request or require directed trades may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs and may also receive less favorable prices and execution.

Diamond Hill has a Trade Allocation Policy that allows us to select brokers for accounts where the client has given us full discretion. Trades in discretionary accounts are grouped together and traded first. Directed brokerage accounts - where clients request to use specific brokers or participate in wrap programs that limit trading to a designated broker - are grouped together and placed in random order by broker. (Item 4 provides more details about Wrap Fee Programs). Diamond Hill executes directed brokerage account trades after all discretionary trades in the same security have been completed. As a result, the price of a particular security may move away from the desired execution price prior to completing all directed brokerage account trades, which may cause directed brokerage accounts to not receive the same portfolio weighting in a security as other client accounts where Diamond Hill has full discretion to execute trades. When a trade is partially completed, the shares are allocated on a pro-rata basis to the appropriate client accounts. All grouped trades are allocated to the participating accounts at average cost.

The more client assets we manage and directed brokerage relationships we accommodate, the greater the potential market impact cost will be to client portfolios. Market impact cost is a measure of market liquidity that reflects the non-explicit transaction costs incurred in the execution of portfolio transactions. These costs are mitigated by several things including, but not limited to, the resources Diamond Hill receives for the management of these assets and the deployment of such resources to attract and retain the employees to manage the assets.

Services for Other Clients

Diamond Hill may give advice to, and take action for, itself or clients, including registered investment companies and other pooled investment vehicles, which differs from advice given to, or the timing or nature of action taken for, other clients. Specific asset allocations within client accounts may differ from those in other accounts managed by Diamond Hill due to various factors including, but not limited to, the availability of certain investments, market conditions or the amount of client funds available for investment or reinvestment. Diamond Hill is not obligated to initiate any transactions for clients in any security that Diamond Hill may purchase or sell for its own accounts or the accounts of any other client.

Model Delivery and Trade Rotation

Diamond Hill provides its strategy model portfolios to sponsors of model delivery programs on a periodic basis (no less frequently than monthly). In these cases, the program sponsor has investment discretion and is responsible for the selection of brokers and the execution of transactions for its participant accounts. Diamond Hill is not aware of when the program sponsor executes transactions. As a result, both Diamond Hill and the program sponsors may be executing trades in the same security at the same time. Therefore, Diamond Hill's provision of model portfolios to model delivery programs creates a conflict because Diamond Hill clients and clients of the model delivery sponsor may be competing to trade the same securities.

Diamond Hill generally provides notification of model portfolio changes on a delayed basis compared to placing orders for the accounts over which it has full investment discretion. Some model portfolio clients can receive notifications of changes to the model portfolio concurrently with Diamond Hill placing orders for its discretionary account clients, provided the client's trading desk demonstrates, to Diamond Hill's satisfaction, appropriate transparency, execution capability, communication protocols, operational support, and reporting functionality, as requested by Diamond Hill.

Trade Errors

Diamond Hill has adopted a Trade Error Correction Policy to promptly correct trade errors and ensure clients are not harmed. For trades where Diamond Hill has determined to be at fault or where no fault can be determined, we will cover any losses resulting from the error. If it is determined that the client is at fault, we may, at our discretion, cover the loss or pass it on (in whole or in part) to the client. Diamond Hill retains sole discretion in determining whether a trade error has occurred, its cause and the resulting financial impact.

Typically, net gains from correcting an error that has settled in a client account will be retained by the client. Net gains from errors settled in Diamond Hill's error account will be retained by Diamond Hill to offset future net losses within the calendar year. Diamond Hill donates any cumulative net gains remaining at year end to charity.

Item 13: Review of Accounts

Diamond Hill reviews client accounts on a regular basis (no less frequently than quarterly). Equity PMs perform a periodic review of each client account during which every position is compared to the model weights for the respective investment strategy. Fixed income PMs perform a periodic review of each client account to ensure the account is properly positioned relative to client objectives and restrictions. Client accounts are also monitored by our compliance department to ensure compliance with client objectives and restrictions.

Diamond Hill provides periodic written reports to its separate account clients, unless we have received instructions from a client stating they do not want to receive written reports. These written reports typically contain holdings data, investment results and other statistical data related to the client's account, and the reports can be customized depending on the client's needs.

Clients of Wrap Fee Programs and in other similar programs receive reports directly from program sponsors, not from Diamond Hill.

Item 14: Client Referrals and Other Compensation

Certain arrangements with investment consultants, brokers or other investment professionals, which are described below, while not involving compensation for client referrals, nevertheless create a conflict of interest or the appearance of a conflict of interest.

Diamond Hill makes payments to investment consultants or other investment professionals for analytical services, to attend conferences or for research in their (or their affiliate's) capacity as brokers executing trades on behalf of Diamond Hill clients. These entities also refer clients to Diamond Hill. To avoid potential conflicts of interest, individuals or entities that have been referred to Diamond Hill should request that the entity disclose any pre-existing or former relationships with Diamond Hill and any potential conflicts of interest in connection with the referral.

While there are currently no solicitor arrangements in place, Diamond Hill does have a legacy solicitor arrangement whereby we continue to compensate a former solicitor.

Item 15: Custody

Diamond Hill separate account clients select their own custodians to hold the cash and securities in their accounts. A client custodian may be a broker, bank or other financial institution that satisfies the SEC's definition of "qualified custodian." Diamond Hill is not a qualified custodian and does not provide custody services. Clients will receive statements directly from the qualified custodians at least quarterly. We urge clients to carefully review those statements and compare the custodial records to the reports that we provide them. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Diamond Hill is deemed to have custody of the Private Fund's assets since it serves as managing member of the general partner. Investors in the Private Fund will receive the fund's annual audited financial statements within 120 days of the fund's fiscal year-end. Such investors should review these statements carefully. If investors in the Private Fund do not receive audited financial statements in a timely manner, they should contact Diamond Hill immediately.

Item 16: Investment Discretion

All clients enter into a written investment management agreement with Diamond Hill prior to receiving investment management services. These agreements give us authority to manage the client's account and place trades, subject to the investment objectives and guidelines for the account.

Diamond Hill usually receives and accepts discretionary authority to manage the assets in each client's account. We adhere to the investment limitations and restrictions that are outlined in each account's investment management agreement.

Item 17: Voting Client Securities

Diamond Hill maintains a proxy voting policy, procedures and guidelines designed to ensure that proxies are voted in a manner that maximizes the long-term value of the securities held in our clients' accounts. While we will allow clients to vote the proxies in their own accounts if they prefer, in most cases we accept authority to vote proxies for our clients. For those clients that retain the ability to vote proxies themselves, clients will not receive information about their proxies from Diamond Hill and should instead receive proxies from their custodian, transfer agent or other third-party service provider such as their proxy service provider.

When voting proxies, we pay particular attention to the following matters in exercising our proxy voting responsibilities for our clients:

Accountability. Each company should have effective controls in place to hold those entrusted with managing a company's business accountable for their actions. Company management should be accountable to its board of directors and the board should be accountable to shareholders.

Alignment of Management and Shareholder Interests. Each company should seek to align the interests of management and the board of directors with the interests of the company's shareholders. For example, we believe that compensation should be designed to reward management for creating value for the shareholders of the company.

Transparency. Each company should provide timely disclosure of important information about its business operations and financial performance to enable investors to evaluate the company's performance and to make informed decisions about the purchase and sale of the company's securities.

When we recognize a conflict of interest that impedes our ability to impartially vote a proxy, we will deliver the proxy to the client to be voted. We do not utilize third-party proxy voting services. If a client wishes to direct Diamond Hill to vote in a certain manner for a particular proxy, they should provide such direction in writing to Diamond Hill at least two weeks prior to the shareholder meeting date. A copy of our proxy voting policies and procedures is available on our website and upon request. Information regarding the votes cast by Diamond Hill with regard to a client's securities is available upon request.

Item 18. Financial Information

Diamond Hill does not require or solicit prepayment of any fees from clients. Diamond Hill has no financial condition or commitment that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding. Diamond Hill Investment Group, Inc. files quarterly and annual financial statements with the SEC. These are available through the SEC and on our website at <http://ir.diamond-hill.com>.

Voluntary Disclosure of Personal Investments

Alignment of interests with those of our clients is a foundational value of Diamond Hill. One way we align our interests with those of our clients is through significant personal investment in our strategies. Our Code of Ethics prohibits employees from purchasing individual equity and most taxable fixed income securities, minimizing conflicts of interest. The Code of Ethics also prohibits the purchase of third-party mutual funds in the Morningstar categories with which we compete. Because of our investment team's shared investment philosophy and contribution to all strategies, we believe our collective investments across all of our Diamond Hill strategies are the most meaningful indication of our alignment of interests with those of our clients. Each of our PMs has a significant personal investment in each strategy they manage. The tables below represent the dollar range of investments owned by PMs and certain officers as of December 31, 2025. These tables include shares beneficially owned through Diamond Hill's 401(k) Plan and deferred compensation plans. The following page discloses personal holdings across all Diamond Hill strategies.

Strategy	Portfolio Manager	DOLLAR RANGE OF INVESTMENTS				
		\$10,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000
Micro Cap	Aaron Monroe					X
	John Loesch					X
	Tyler Ventura				X	
Small Cap	Aaron Monroe					X
Small-Mid Cap	Anthony Philipp			X		
	Chris Welch					X
Mid Cap	Anthony Philipp			X		
	Chris Welch					X
Large Cap	Austin Hawley					X
Large Cap Concentrated	Austin Hawley					X
Select	Austin Hawley					X
	Rick Snowdon					X
International	Krishna Mohanraj					X
Long-Short	Chris Bingaman					X
	Nate Palmer					X
Short Duration Securitized Bond	Mark Jackson					X
	Henry Song					X

Strategy	Portfolio Manager	DOLLAR RANGE OF INVESTMENTS				
		\$10,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000
Core Bond	Mark Jackson				X	
	Henry Song					X
Core Plus	Arthur Cheng			X		
	Mark Jackson			X		
	Henry Song			X		
Securitized Credit	Henry Song					X

The below discloses personal holdings of PMs and certain officers across all Diamond Hill strategies as of December 31, 2025.

Individual	Primary Title	DOLLAR RANGE OF INVESTMENTS IN ALL DIAMOND HILL STRATEGIES				
		\$10,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000
Chris Bingaman	Portfolio Manager					X
Arthur Cheng	Portfolio Manager			X		
Austin Hawley	Portfolio Manager					X
Mark Jackson	Portfolio Manager					X
Krishna Mohanraj	Portfolio Manager					X
Aaron Monroe	Portfolio Manager					X
Nate Palmer	Portfolio Manager					X
Anthony Philipp	Portfolio Manager			X		
Rick Snowdon	Portfolio Manager					X
Henry Song	Portfolio Manager					X
Chris Welch	Portfolio Manager					X
Heather Brilliant	Chief Executive Officer					X
Tom Line	Chief Financial Officer					X
Jo Ann Quinif	Chief Client Officer					X
All Research Staff Collectively (25 Employees)		Over \$20 million				
All Investment Team Staff Collectively (48 Employees)		Over \$200 million				
All Employees Collectively (120 Employees)		Over \$235 million				