

Small-Mid Cap Fund *(closed to new investors)*

As of December 31, 2017



OBJECTIVE

Long-term capital appreciation by investing in companies selling for less than our estimate of intrinsic value.

INVESTMENT STRATEGY

- To estimate intrinsic value, the business must be understandable, and we must be able to reasonably forecast its cash flows. We seek businesses with sustainable competitive advantages, conservative balance sheets, and management with an ownership mentality.
- Investments are sold when the stock price reaches our estimate of intrinsic value, our estimate of intrinsic value is revised such that there is no longer a discount to intrinsic value, a holding reaches our stated maximum position size, or to raise proceeds for a more attractive opportunity.

PORTFOLIO MANAGEMENT



Chris Welch, CFA
Portfolio Manager

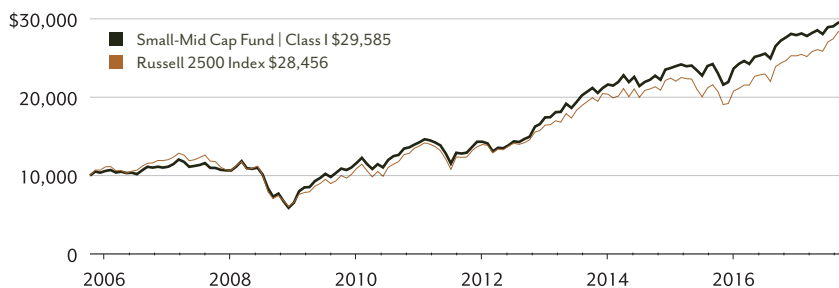


Jenny Hubbard, CFA
Asst. Portfolio Manager



Tom Schindler, CFA
Asst. Portfolio Manager

GROWTH OF \$10,000 SINCE INCEPTION¹



¹The chart represents a comparison of a hypothetical \$10,000 investment and the reinvestment of dividends and capital gains in Class I shares versus the benchmark(s). The Index is unmanaged and does not incur fees. The Fund's performance is before taxes and reflects the deduction of fees and expenses.

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 BHIL Distributors, 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.

Side One. Not Valid Without Side Two.

PORTFOLIO GUIDELINES

Fund Guidelines

- Typically 50-70 positions
- Maximum sector exposure is 30%

Market Capitalization

The Fund typically invests at least 80% of its net assets in small and medium capitalization companies, defined as those companies with a market capitalization between \$500 million and \$10 billion (or, if greater, the maximum market capitalization of companies generally within the capitalization range of the Russell 2500 Index) at the time of purchase.

TOP TEN EQUITY HOLDINGS

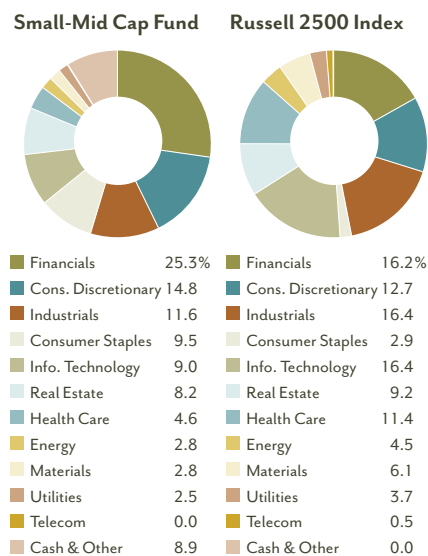
Company	Industry	Weight
Willis Towers Watson PLC	Financials	3.7%
BankUnited, Inc.	Financials	3.6
BorgWarner, Inc.	Cons. Discretionary	2.9
Cimarex Energy Co.	Energy	2.8
Axalta Coating Systems Ltd.	Materials	2.8
Red Rock Resorts, Inc. (CI A)	Cons. Discretionary	2.7
Hub Group, Inc. (CI A)	Industrials	2.6
NVR, Inc.	Cons. Discretionary	2.5
Post Holdings, Inc.	Consumer Staples	2.4
CubeSmart	Real Estate	2.4
Total as % of Net Assets		28.4%

BEST & WORST PERFORMERS²

SECURITY NAME	4Q17 CONTRIBUTION	POSITION AS OF 4Q17
Best		
Red Rock Resorts, Inc. (CI A)	0.9%	2.7%
NVR, Inc.	0.5	2.5
BankUnited, Inc.	0.5	3.6
Axalta Coating Systems Ltd.	0.3	2.8
Jones Lang LaSalle, Inc.	0.3	1.7
Worst		
Boston Scientific Corp.	-0.4%	2.0%
Newell Brands, Inc.	-0.4	0.0
LifePoint Health, Inc.	-0.3	1.8
First Republic Bank	-0.3	1.5
Post Holdings, Inc.	-0.3	2.4

²The 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.

SECTOR ALLOCATION³



³Cash & Other may include cash, treasuries, money market funds, and short duration fixed income funds.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF DECEMBER 31, 2017

	SINCE INCEPTION	10-YR	5-YR	3-YR	1-YR	YTD	4Q17
RETURNS AT NAV (WITHOUT SALES CHARGE)							
Class A	9.11%	10.09%	14.30%	8.83%	8.35%	8.35%	2.13%
Class C	8.31	9.28	13.45	8.02	7.49	7.49	1.93
Class I	9.46	10.43	14.61	9.16	8.63	8.63	2.23
Class Y	9.33	10.36	14.78	9.27	8.77	8.77	2.23
BENCHMARK							
Russell 2500 Index	9.10	9.22	14.33	10.07	16.81	16.81	5.24
RETURNS AT POP (WITH SALES CHARGE)							
Class A	8.64	9.53	13.14	6.99	2.95	2.95	-2.97
Class C	8.31	9.28	13.45	8.02	6.49	6.49	0.94

CALENDAR YEAR RETURNS (%)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Class I	-29.77	41.36	23.43	-3.86	15.74	41.64	7.36	1.32	18.18	8.63
Russell 2500 Index	-36.79	34.39	26.71	-2.51	17.88	36.80	7.07	-2.90	17.59	16.81

FEES AND EXPENSES

	CLASS A	CLASS C	CLASS I	CLASS Y
Ticker	DHMAX	DHMCX	DHMIX	DHMYX
CUSIP	25264S817	25264S791	25264S783	25264S684
Minimum Initial Investment	\$2,500	\$2,500	\$2,500	\$500,000
Maximum Front-End Sales Charge	5.00%	None	None	None
Contingent Deferred Sales Charge	None	1.00%	None	None
Management Fee	0.75%	0.75%	0.75%	0.75%
Distribution Fee (12b-1)	0.25%	1.00%	None	None
Other Expenses	0.24%	0.24%	0.19%	0.09%
Expense Ratio	1.24%	1.99%	0.94%	0.84%

PORTFOLIO STATISTICS

Inception	December 30, 2005
Total Net Assets	\$2.5B
Distributions	Annual
Median Market Capitalization	\$5.8B
Portfolio Turnover (12 months trailing)	15%
Active Share ⁴	96%
Number of Equity Holdings in Portfolio	58

SINCE INCEPTION RISK STATISTICS⁴
(CLASS I SHARES)

Standard Deviation (%)	16.88
Beta (%)	0.91
Sharpe Ratio	0.56
Alpha (%)	0.99
R-squared (%)	91.11
Upside / Downside Capture Ratio (%)	91 / 86

MORNINGSTAR CLASSIFICATION

Mid-Cap Value

LIPPER CLASSIFICATION

Mid-Cap Core

Risk Disclosure: There are specialized risks associated with small capitalization issues, such as market illiquidity and greater market volatility, than large capitalization issues.

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 Y shares include Class A share performance achieved prior to the creation of Class Y shares. These total return figures may reflect the waiver of a portion of a Fund's advisory or administrative fees for certain periods. Without such waiver of fees, the total returns would have been lower.

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

The Russell 2500 Index is an unmanaged market capitalization-weighted index comprised of the smallest 2,500 companies by market capitalization in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies by total market capitalization. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

⁴ **Key Definitions:** **Active Share** measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the risk. **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.