

*All Fund returns based on Class I shares.*

The Fund generated a 0.59% total return during the first quarter compared to -0.91% for the ICE Bank of America Merrill Lynch U.S. High Yield Index. Since inception on December 4, 2014, the Fund has generated an annualized total return of 7.73% compared to 5.27% for the High Yield Index.

The High Yield Index began the year with a yield to worst (YTW) of 5.84% and option-adjusted spread (OAS) of 363 basis points and ended the quarter with a 6.35% YTW and OAS of 372 basis points.

Financial markets have been sensitive to signs of wage inflation as that could ultimately lead to a more aggressive Federal Reserve. Also, markets may test the new Fed chair to get a better sense of when the Fed will try to suppress volatility. Volatility is difficult to forecast but with the aging of the economic and Fed rate hike cycles and the impending global quantitative tightening, we expect (and always want to be prepared for) more frequent bouts of volatility.

The high yield market is still priced for low defaults and muted volatility. We will be patient and wait for our opportunity to purchase bonds at substantial discounts to intrinsic value. For now, it is more important to protect capital in a low yield and spread environment.

## PORTFOLIO MANAGEMENT



Bill Zox, CFA  
Portfolio Manager



John McClain, CFA  
Portfolio Manager



Suken Patel, CFA  
Asst. Portfolio Manager



## PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2018

	SINCE INCEPTION (12/4/14)	3-YR	1-YR	YTD	1Q18	EXPENSE RATIO
RETURNS AT NAV (WITHOUT SALES CHARGE)						
<b>Class A</b>	7.43%	6.99%	6.71%	0.62%	0.62%	0.96%
<b>Class I</b>	7.73	7.29	7.00	0.59	0.59	0.67
<b>Class Y</b>	7.84	7.40	7.12	0.61	0.61	0.55
BENCHMARK						
<b>ICE BofAML U.S. High Yield Index</b>	5.27	5.18	3.69	-0.91	-0.91	—
RETURNS AT POP (WITH SALES CHARGE)						
<b>Class A</b>	6.29	5.72	3.01	-2.90	-2.90	0.96

Must be preceded or accompanied by a [prospectus](#).

**Risk Disclosure:** The value of fixed-income securities varies inversely with interest rates; as interest rates rise, the market value of fixed-income securities will decline. Lower quality debt (i.e.: “High Yield”) securities involve greater risk of default or price changes due to potential changes in the issuer’s credit quality.

The views expressed are those of the portfolio managers as of March 31, 2018, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

The quoted performance for the Fund reflects the past performance of the Diamond Hill High Yield Fund, L.P. (the “High Yield Partnership”), a private fund managed with full investment authority by the fund’s Adviser. The Fund is managed in all material respects in a manner equivalent to the management of the predecessor unregistered fund. The assets of the High Yield Partnership were converted into assets of the fund prior to commencement of operation of the fund. The performance of the High Yield Partnership has been restated to reflect the net expenses and maximum applicable sales charge of the fund for its initial years of investment operations. The High Yield Partnership was not registered under the Investment Company Act of 1940 and therefore was not subject to certain investment restrictions imposed by the 1940 Act. If the High Yield Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Performance is measured from December 4, 2014, the inception of the High Yield Partnership and is not the performance of the fund. The High Yield Partnership’s past performance is not necessarily an indication of how the fund will perform in the future either before or after taxes.

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 3.50%; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The ICE BofA Merrill Lynch U.S. High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

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.

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