Quarterly Commentary: Equity Funds

March 31, 2018

Small Cap Fund *(closed to new investors)*	**Global Fund**
Small-Mid Cap Fund *(closed to new investors)*	**Long-Short Fund** *(closed to new investors)*
Mid Cap Fund	**Financial Long-Short Fund**
Large Cap Fund	**Research Opportunities Fund**
All Cap Select Fund	

Our Mission

At Diamond Hill, ***we serve*** our clients by providing investment strategies that deliver lasting value through a shared commitment to our intrinsic value-based investment philosophy, long-term perspective, disciplined approach and alignment with our clients' interests.

VALUE

We believe market price and intrinsic value are independent in the short-term but tend to converge over time.

LONG-TERM

We maintain a long-term focus both in investment analysis and management of our business.

DISCIPLINE

We invest with discipline to increase potential return and protect capital.

PARTNERSHIP

We align our interests with those of our clients through significant personal investment in our strategies.

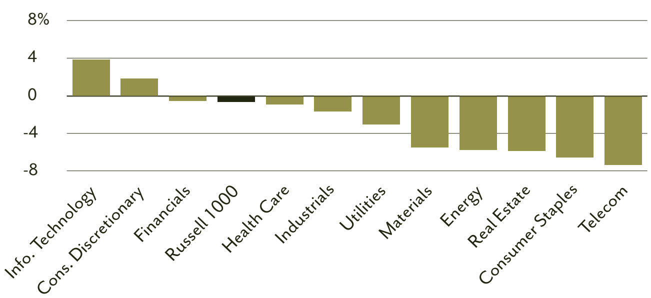
First Quarter 2018 Review: Equity Markets

As of March 31, 2018

U.S. equity markets began the year strong, with the Russell 1000 Index posting a 5.49% return in the month of January. However, stocks fell in February due to concerns about interest rates and increasing volatility, and they continued to fall in March surrounding fears of a global trade war. The Russell 1000 closed the quarter down 0.69%, the first quarterly decline since 2015.

Information technology was the best-performing sector during the quarter (+3.88%) despite a sharp selloff in late March driven by expectations that tighter regulations will impact the industry. Consumer discretionary was the only other sector in the Russell 1000 to post a positive return (+1.81%). Telecommunication services (-7.36%) and consumer staples (-6.57%) were the largest underperformers.

RUSSELL 1000 SECTOR RETURNS - 1Q18



Source: FactSet

Outlook

Corporate tax reform is likely to boost earnings growth in the near term with most U.S. companies benefiting from a reduced tax burden. In addition, repatriation of cash held overseas and a more competitive tax regime may lead to increased levels of investment in the United States. However, we believe that for many companies, these benefits will largely be competed away over the longer term.

Our research team continues to evaluate the impact of tax reform on a company-by-company basis and update our estimates of intrinsic value accordingly.

Assessing the impact of macroeconomic factors has been a more important part of estimating the long-term intrinsic value of companies in recent years; however, it is still just one of many factors that we consider. As always, bottom-up analysis is of primary importance in estimating the intrinsic value of an individual company, which includes both valuation and business fundamentals.

Low interest rates, high corporate profit margins, and steady economic growth with low inflation have continued to contribute to historically high stock valuations. High valuations make it more challenging for us to find opportunities to add new names to our equity portfolios. In this environment, where the discount to our estimate of intrinsic value is likely to be narrower, we have focused on maintaining or upgrading the quality of the names we own. When evaluating new and current positions with a smaller discount to our estimate of intrinsic value, we remain focused on assessing risk, which we define as permanent loss of capital.

At current valuation levels, we've historically seen annual stock market returns of 5% or less. We continue to expect positive but below-average equity market returns over the next five years. Prospective returns are likely to be tempered by the combination of above-average price/earnings multiples applied to already very strong levels of corporate profit margins.

We believe we can achieve better-than-market returns over the next five years through active portfolio management, and our primary focus is always on achieving value-added results for our existing clients. Our intrinsic value investment philosophy is shared by all of our portfolio managers and research analysts, allowing us to apply our investment discipline consistently across strategies.

Diamond Hill Small Cap Fund Commentary

As of March 31, 2018

(closed to new investors)

The Fund decreased 0.97% (Class I) during the quarter, compared to a 0.08% decrease in the Russell 2000 Index.

The Fund's holdings in the industrials, energy, and consumer staples sectors were the largest detractors from absolute return. The information technology and financials sectors contributed to absolute return.

The Fund's underperformance relative to the Index was primarily driven by security selection and an underweight position in the health care sector. Security selection in the information technology sector was the largest contributor to relative performance; however, this was partially offset by an underweight allocation. Security selection in the financials sector also contributed to relative return.

Best Performers

- Business software and services provider **DST Systems, Inc.** received an offer to be acquired by SS&C Technologies Holdings, Inc. for a 30% premium. The deal is anticipated to close in second-quarter 2018.

- Property and casualty insurance company **Validus Holdings Ltd.** announced an acquisition offer from AIG, representing a significant premium for shareholders.

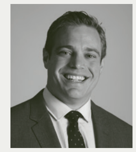
- Property and casualty insurance company **Navigators Group, Inc.** reported strong fourth-quarter results. After three quarters of reserve additions, Navigators put reserve releases in all lines of business which was received positively by the market.

- Shares of Puerto Rico-based banking and financial services company **Popular, Inc.** recovered after the company's fourth-quarter earnings reports showed that losses from Hurricane Maria will very likely be well below initial market forecasts.

- Rental car company **Avis Budget Group, Inc.** reported encouraging signs of an improving business environment including increased revenues and pricing in fourth-quarter 2017 and improved 2018 guidance.

PORTFOLIO MANAGEMENT

Tom Schindler, CFA
Portfolio Manager



Aaron Monroe, CFA
Asst. Portfolio Manager

Chris Welch, CFA
Asst. Portfolio Manager

Worst Performers

- The underperformance of oil and gas exploration and production company **Cimarex Energy Co.** likely reflects industry concerns around exposure to weaker regional natural gas prices and service cost inflation; however, we believe these issues will largely be resolved over the medium term.

- Processed and packaged goods company **B&G Foods, Inc.** delivered a weak quarterly earnings report.

- Shares of transportation products and services provider **Trinity Industries, Inc.** declined as the company's railcar deliveries continue to be in a relative trough in this cyclical industry. Trinity anticipates spinning off its inland barge, energy equipment, and construction products businesses by fourth-quarter 2018.

- Despite no fundamental changes, casino operator **Red Rock Resorts, Inc. (Cl A)** gave back a portion of its strong fourth-quarter stock performance. The company announced an acceleration of its remodel at The Palms and additional accelerated capital spending due to recent tax reform.

- Shares of aircraft rental and leasing services company **Aircastle Ltd.** declined as some investors were disappointed with near-term revenue growth guidance.

New Positions

- Real estate investment trust **American Campus Communities, Inc.**, the largest owner in the small-but-growing student housing industry, owns properties on or near U.S. university campuses and has a pipeline of on-campus developments through partnerships with major schools.

- **Bank of the Ozarks** is a high-quality regional banking franchise with a specialized real estate lending group that operates nationally. Investor concerns around an executive departure and the health of the commercial real estate industry created an opportunity to invest in this franchise that has outperformed peer banks on nearly every metric.

(closed to new investors)

- **Cal-Maine Foods, Inc.** is the largest producer and marketer of shell eggs in the United States. We believe Cal-Maine is a well-run, long term-oriented business with a strong balance sheet, good returns on capital, and underappreciated competitive advantages.

- We believe semiconductor materials company **Versum Materials, Inc.** is well-positioned to benefit from the growth in semiconductor chips over the long term and that the quality of the company's advanced materials business is underappreciated. Versum was spun out of industrial gas maker Air Products in late 2016.

Eliminated Positions

- We eliminated shares of real estate investment trust **Colony NorthStar, Inc. (Cl A)** as we became concerned about a potential dividend cut. The company's rapid pace of asset sales since closing the Northstar merger helped generate liquidity and focus on core business lines, but created a significant drag on earnings until the capital was reinvested.

- We eliminated cybersecurity solutions provider **Fortinet, Inc.** after shares appreciated past our estimate of intrinsic value.

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

	SINCE INCEPTION (12/29/00)	10-YR	5-YR	3-YR	1-YR	YTD	1Q18	EXPENSE RATIO GROSS	NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	10.52%	8.21%	8.57%	5.39%	8.62%	-1.04%	-1.04%	1.28%	1.27%
Class C	9.70	7.41	7.76	4.61	7.81	-1.23	-1.23	2.03	2.02
Class I	10.79	8.54	8.88	5.70	8.94	-0.97	-0.97	0.99	0.98
Class Y	10.68	8.48	9.01	5.81	9.07	-0.94	-0.94	0.87	0.86
BENCHMARK									
Russell 2000 Index	8.34	9.84	11.47	8.39	11.79	-0.08	-0.08	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	10.19	7.66	7.46	3.61	3.20	-5.97	-5.97	1.28	1.27
Class C	9.70	7.41	7.76	4.61	6.81	-2.21	-2.21	2.03	2.02

[1] The Fund may invest in another Diamond Hill Fund. Diamond Hill Capital Management, Inc. is required to permanently waive a portion of its management fee in the pro-rata amount of the management fee charged by the underlying Diamond Hill Fund.

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

The views expressed are those of the portfolio managers as of 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.*

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class C, Class I and Class Y shares include Class A share performance achieved prior to the creation of Class C, Class I and Class Y shares. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 2000 Index is an unmanaged market capitalization-weighted index comprised of the smallest 2,000 companies by market capitalization in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies by total market capitalization. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

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.

(closed to new investors)

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2018

Aircastle Ltd.	1.8%	**DST Systems, Inc.**	4.7%
American Campus Communities, Inc.	0.5	**Fortinet, Inc.**	0.0
Avis Budget Group, Inc.	3.7	**Navigators Group, Inc.**	2.6
B&G Foods, Inc.	1.2	**Popular, Inc.**	2.3
Bank of the Ozarks	1.1	**Red Rock Resorts, Inc. (Cl A)**	2.2
Cal-Maine Foods, Inc.	0.7	**Trinity Industries, Inc.**	2.4
Cimarex Energy Co.	2.2	**Validus Holdings Ltd.**	1.9
Colony NorthStar, Inc. (Cl A)	0.0	**Versum Materials, Inc.**	0.6

Mentioned securities not held in the Diamond Hill Small Cap Fund: Air Products and Chemicals, Inc., American International Group, Inc., SS&C Technologies Holdings, Inc.

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

Diamond Hill Small-Mid Cap Fund Commentary

As of March 31, 2018

(closed to new investors)

The Fund decreased 1.16% (Class I) during the quarter, compared to a 0.24% decrease in the Russell 2500 Index.

The Fund's holdings in the consumer discretionary, consumer staples, and energy sectors were the largest detractors from absolute return, while positions in the financials sector contributed to return.

The Fund's underperformance relative to the Index was primarily driven by security selection in the consumer discretionary and energy sectors. Security selection and an underweight allocation to the information technology sector also detracted from relative return. A combination of an overweight position and security selection in the consumer staples sector also detracted from return. Favorable security selection in the financials and real estate sectors contributed to relative return.

Best Performers

- Property and casualty insurance company **Validus Holdings Ltd.** announced an acquisition offer from AIG, representing a significant premium for shareholders.

- Commercial property and casualty insurance company **XL Group Ltd.** announced an acquisition offer from AXA, representing a significant premium for shareholders.

- Shares of shipping and transportation company **Kirby Corp.** outperformed as utilization levels continue to improve in the company's core inland tank barge segment, demand for tank barge shipments are expected to accelerate, and the company made a large acquisition of a tank barge competitor.

- Rental and leasing services company **Aaron's, Inc.** announced solid fourth-quarter 2017 results and 2018 guidance. The company also authorized a $500 million share repurchase program, though investments and potential acquisitions will likely compete for capital allocation.

PORTFOLIO MANAGEMENT

Chris Welch, CFA
Portfolio Manager

Jenny Hubbard, CFA
Asst. Portfolio Manager

Tom Schindler, CFA
Asst. Portfolio Manager

- Shares of payment processing services provider **Worldpay, Inc. (Cl A)** rose following the closing of its merger with Vantiv and the release of positive results and guidance for the combined company. The size and scope of the new firm brings attractive growth opportunities via new geographies and industry sectors.

Worst Performers

- The underperformance of oil and gas exploration and production company **Cimarex Energy Co.** likely reflects industry concerns around exposure to weaker regional natural gas prices and service cost inflation; however, we believe these issues will largely be resolved over the medium term.

- Processed and packaged goods company **B&G Foods, Inc.** delivered a weak quarterly earnings report amid concerns about volume and pricing pressures due to changing consumer tastes and pressure from retailer partners.

- Shares of homebuilder **NVR, Inc.** underperformed as housing stocks in general had a weak quarter due to fears of higher interest rates. NVR also missed consensus expectations due primarily to a weaker-than-expected backlog conversion; however, we still have confidence in the company's business and management team long term.

- Despite no fundamental changes, casino operator **Red Rock Resorts, Inc. (Cl A)** gave back a portion of its strong fourth-quarter stock performance. The company announced an acceleration of its remodel at The Palms and additional accelerated capital spending due to recent tax reform.

- Industrial manufacturing and engineering company **Colfax Corp.** reported disappointing fourth-quarter 2017 results and reduced operating guidance for 2018.

New Positions

- **Bank of the Ozarks** is a high-quality regional banking franchise with a specialized real estate lending group that operates nationally. Investor concerns around an executive departure and the health of the commercial real estate industry created an opportunity to invest in this franchise that has outperformed peer banks on nearly every metric.

- **Formula One Group** is a global motorsport racing league that was acquired by Liberty Media last year. Formula One's intellectual property is unique and extremely difficult to replicate, and its 350 million fan base remains massive. The business model provides high free cash flow generation and the sport is well-positioned to benefit from secular shifts in media as a whole. New management has a strong track record of monetizing sports and is focused on the long term.

- High-quality ski resort owner and operator **Vail Resorts, Inc.** owns difficult-to-replicate assets and offers them collectively to consumers at a very compelling value with its Epic Pass. The business has amassed this strategic network of assets over multiple years with each purchase enhancing the entire collection. Recent concerns regarding weather and a newly announced competitor pass created some volatility in the shares, enabling us to begin a position in this portfolio.

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

	SINCE INCEPTION (12/30/05)	10-YR	5-YR	3-YR	1-YR	YTD	1Q18	EXPENSE RATIO GROSS	EXPENSE RATIO NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	8.80%	10.30%	10.59%	6.90%	4.37%	-1.26%	-1.26%	1.23%	1.22%
Class C	8.01	9.49	9.76	6.11	3.64	-1.42	-1.42	1.98	1.97
Class I	9.16	10.63	10.91	7.21	4.73	-1.16	-1.16	0.94	0.93
Class Y	9.03	10.58	11.06	7.34	4.82	-1.11	-1.11	0.82	0.81
BENCHMARK									
Russell 2500 Index	8.89	10.28	11.55	8.15	12.31	-0.24	-0.24	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	8.35	9.73	9.47	5.07	-0.84	-6.19	-6.19	1.23	1.22
Class C	8.01	9.49	9.76	6.11	2.64	-2.41	-2.41	1.98	1.97

[1] The Fund may invest in another Diamond Hill Fund. Diamond Hill Capital Management, Inc. is required to permanently waive a portion of its management fee in the pro-rata amount of the management fee charged by the underlying Diamond Hill Fund.

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

The views expressed are those of the portfolio managers as of 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.*

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. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings 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.

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.

Eliminated Positions

- We eliminated shares of real estate investment trust **Colony NorthStar, Inc. (Cl A)** as we became concerned about a potential dividend cut. The company's rapid pace of asset sales since closing the NorthStar merger helped generate liquidity and focus on core business lines, but created a significant drag on earnings until the capital was reinvested.

- Household durables manufacturer **Whirlpool Corp.** was eliminated due to concerns about the company's competitive position.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2018

Aaron's, Inc.	1.8%	**NVR, Inc.**	2.1%
B&G Foods, Inc.	1.3	**Red Rock Resorts, Inc. (Cl A)**	2.4
Bank of the Ozarks	1.6	**Vail Resorts, Inc.**	0.2
Cimarex Energy Co.	3.1	**Validus Holdings Ltd.**	3.1
Colfax Corp.	1.6	**Whirlpool Corp.**	0.0
Colony NorthStar, Inc. (Cl A)	0.0	**Worldpay, Inc. (Cl A)**	2.4
Formula One Group	0.5	**XL Group Ltd.**	1.3
Kirby Corp.	2.5		

Mentioned securities not held in the Diamond Hill Small-Mid Cap Fund: American International Group, Inc., AXA SA, and Liberty Global PLC

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

Diamond Hill Mid Cap Fund Commentary

As of March 31, 2018

The Fund decreased 0.88% (Class I) during the quarter, compared to a 0.46% decrease in the Russell Midcap Index.

The Fund's holdings in the consumer discretionary, consumer staples, and energy sectors were the largest detractors from absolute return, while positions in the financials sectors were the primary contributor to return.

A combination of security selection and an underweight position in the information technology sector was the primary driver of underperformance relative to the Index. Security selection in the energy and consumer discretionary sectors also detracted from relative return, while security selection in the financials and real estate sectors contributed to relative return.

Best Performers

- Property and casualty insurance company **Validus Holdings Ltd.** announced an acquisition offer from AIG, representing a significant premium for shareholders.

- Commercial property and casualty insurance company **XL Group Ltd.** announced an acquisition offer from AXA, representing a significant premium for shareholders.

- Shares of shipping and transportation company **Kirby Corp.** outperformed as utilization levels continue to improve in the company's core inland tank barge segment, demand for tank barge shipments are expected to accelerate, and the company made a large acquisition of a tank barge competitor.

- Real estate investment company **Jones Lang LaSalle, Inc.** has performed well since a tough 2016, when the company's earnings declined from a combination of factors including lower incentive fees from their investment management segment and slowing transaction volume. Margins have stabilized and the company has generated very strong free cash flow and good earnings growth.

- Shares of medical device manufacturer **Boston Scientific Corp.** continue to outperform despite the recall of the company's Lotus aortic value. Fourth-quarter organic growth was strong and the remainder of the pipeline appears attractive.

PORTFOLIO MANAGEMENT

Chris Welch, CFA
Portfolio Manager

Chris Bingaman, CFA
Asst. Portfolio Manager

Jenny Hubbard, CFA
Asst. Portfolio Manager

Worst Performers

- The underperformance of oil and gas exploration and production company **Cimarex Energy Co.** likely reflects industry concerns around exposure to weaker regional natural gas prices and service cost inflation; however, we believe these issues will largely be resolved over the medium term.

- Shares of homebuilder **NVR, Inc.** underperformed as housing stocks in general had a weak quarter due to fears of higher interest rates. NVR also missed consensus expectations due primarily to a weaker-than-expected backlog conversion; however, we still have confidence in the company's business and management team long term.

- Despite no fundamental changes, casino operator **Red Rock Resorts, Inc. (Cl A)** gave back a portion of its strong fourth-quarter stock performance. The company announced an acceleration of its remodel at The Palms and additional accelerated capital spending due to recent tax reform.

- Processed and packaged goods company **B&G Foods, Inc.** delivered a weak quarterly earnings report amid concerns about volume and pricing pressures due to changing consumer tastes and pressure from retailer partners.

- Networking and communications company **Juniper Networks, Inc.** delivered disappointing fourth-quarter results and first-quarter guidance. While the company's router business is exposed to increasing competition and rapid technological change, we believe management is making progress towards addressing these challenges.

New Positions

- **Bank of the Ozarks** is a high-quality regional banking franchise with a specialized real estate lending group that operates nationally. Investor concerns around an executive departure and the health of the commercial real estate industry created an opportunity to invest in this franchise that has outperformed peer banks on nearly every metric.

- **Formula One Group** is a global motorsport racing league that was acquired by Liberty Media last year. Formula One's intellectual property is unique and extremely difficult to replicate, and its 350 million fan base remains massive. The business model provides high free cash flow generation and the sport is well-positioned to benefit from secular shifts in media as a whole. New management has a strong track record of monetizing sports and is focused on the long term.

- High-quality ski resort owner and operator **Vail Resorts, Inc.** owns difficult-to-replicate assets and offers them collectively to consumers at a very compelling value with its Epic Pass. The business has amassed this strategic network of assets over multiple years with each purchase enhancing the entire collection. Recent concerns regarding weather and a newly announced competitor pass created some volatility in the shares, enabling us to begin a position in this portfolio.

Eliminated Positions

- Regional bank **First Horizon National Corp.** was sold in order to invest capital in more attractive opportunities.

- Household durables manufacturer **Whirlpool Corp.** was eliminated due to concerns about the company's competitive position.

- Packaged foods manufacturer **TreeHouse Foods, Inc.** was eliminated after reporting another quarter of very weak results and deteriorating fundamentals.

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

	SINCE INCEPTION (12/31/13)	3-YR	1-YR	YTD	1Q18	EXPENSE RATIO GROSS	NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)							
Class A	8.12%	7.61%	5.97%	-1.02%	-1.02%	1.08%	1.07%
Class I	8.45	7.94	6.38	-0.88	-0.88	0.79	0.78
Class Y	8.56	8.05	6.44	-0.87	-0.87	0.67	0.66
BENCHMARK							
Russell Midcap Index	9.71	8.01	12.20	-0.46	-0.46	—	—
RETURNS AT POP (WITH SALES CHARGE)							
Class A	6.81	5.77	0.69	-5.98	-5.98	1.08	1.07

[1] The Fund may invest in another Diamond Hill Fund. Diamond Hill Capital Management, Inc. is required to permanently waive a portion of its management fee in the pro-rata amount of the management fee charged by the underlying Diamond Hill Fund.

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

The views expressed are those of the portfolio managers as of 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.*

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 5.00%; I shares and Y shares have no sales charge.

Fund holdings are subject to change without notice.

The Russell Midcap Index is an unmanaged market capitalization-weighted index measuring performance of the 800 smallest companies in the Russell 1000 Index. The Russell 1000 Index measures performance of the largest 1000 companies in the Russell 3000 Index. The Russell 3000 Index measures the performance 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.

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.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2018

B&G Foods, Inc.	0.6%	**Kirby Corp.**	2.3%
Bank of the Ozarks	1.6	**NVR, Inc.**	2.2
Boston Scientific Corp.	2.4	**Red Rock Resorts, Inc. (Cl A)**	2.3
Cimarex Energy Co.	3.4	**TreeHouse Foods, Inc.**	0.0
First Horizon National Corp.	0.0	**Vail Resorts, Inc.**	0.2
Formula One Group	0.5	**Validus Holdings Ltd.**	2.3
Jones Lang LaSalle, Inc.	1.1	**Whirlpool Corp.**	0.0
Juniper Networks, Inc.	1.5	**XL Group Ltd.**	1.0

Mentioned securities not held in the Diamond Hill Mid Cap Fund: American International Group, Inc., AXA SA, and Liberty Global PLC

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

Diamond Hill Large Cap Fund Commentary

As of March 31, 2018

The Fund decreased 3.79% (Class I) during the quarter, compared to a 0.69% decrease in the Russell 1000 Index.

The Fund's holdings in the energy, consumer discretionary, consumer staples, and financials sectors were the largest detractors from absolute return.

Security selection in the consumer discretionary and energy sectors was the primary driver of underperformance relative to the Index. Security selection and an underweight allocation to information security also detracted from relative return, while security selection in the health care and materials sectors modestly contributed to relative return.

Best Performers

- Software provider **Microsoft Corp.** reported strong quarterly earnings. The company also indicated that it now expects to achieve slight operating margin expansion in 2018, which was an improvement from expectations.

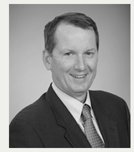
- Health care products manufacturer **Abbott Laboratories** continues to execute and its device pipeline remains well-stocked. The company is reducing debt ahead of schedule, improving balance sheet flexibility, and shielding itself from rising interest rates.

- Shares of payment processing services provider **Worldpay, Inc. (Cl A)** rose following the closing of its merger with Vantiv and the release of positive results and guidance for the combined company. The size and scope of the new firm brings attractive growth opportunities via new geographies and industry sectors.

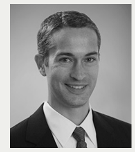
- Discount apparel retailer **TJX Cos., Inc.** reported strong fourth-quarter comparable store sales growth. In addition, TJX is a beneficiary of the Tax Cuts and Jobs Act and announced plans to use proceeds from its windfall to repurchase $2.5-$3 billion in company stock this fiscal year.

- Life sciences tools company **Thermo Fisher Scientific, Inc.** reported very strong earnings results. All end markets are strong and the company is benefiting from integrating acquisitions and new product launches.

PORTFOLIO MANAGEMENT



Chuck Bath, CFA
Portfolio Manager



Austin Hawley, CFA
Portfolio Manager

Chris Welch, CFA
Asst. Portfolio Manager

Worst Performers

- The underperformance of oil and gas exploration and production company **Cimarex Energy Co.** likely reflects industry concerns around exposure to weaker regional natural gas prices and service cost inflation; however, we believe these issues will largely be resolved over the medium term.

- The underperformance of oil and gas exploration and production company **Devon Energy Corp.** likely reflects concerns about regional natural gas prices along with confusion around 2018 production and capex guidance, which we believe were overly conservative. We do not see any reason to believe the company is seeing a meaningful degradation in operating results.

- Shares of banking and financial services company **Citigroup, Inc.** lagged as investors appeared to become increasingly focused on potential barriers to international trade.

- Shares of consumer products manufacturer **Procter & Gamble Co.** traded lower over fears of continued rising transportation costs and a possible inability to pass those cost increases on to retail customers.

- Life insurance company **MetLife, Inc.** pre-announced fourth-quarter results that were impacted by a material weakness in the company's process for handling claims in its U.S. group annuity business. This was a disappointing development and reflected poorly on management; however, the financial impact is minimal.

New Positions

- Beverage company **Constellation Brands, Inc. (Cl A)** presents a unique opportunity to gain exposure to a very high-quality portfolio of irreplaceable brands such as Corona, Modelo, Pacifico, Ballast Point, Meiomi, Black Box, Casa Noble, and High West.

- Social media company **Facebook, Inc. (Cl A)** is the largest social network in the world. The company also owns other large user base properties (Instagram, WhatsApp, and Messenger), all of which benefit from network effects. We initiated a position in the company based on our belief that the company's attractive network economics will remain in place over the long term, and that the current valuation reflects excessive pessimism related to uncertainties around regulation and fines that the company might face. We believe these issues are likely to be resolved without impairing the value of the business.

- Biotechnology company **Gilead Sciences, Inc.** is the market leader in drugs used for the treatment of human immunodeficiency virus (HIV) and hepatitis C virus (HCV). We are encouraged by management's use of capital to diversify into high-value areas of research including next-generation oncology therapies, immunology, and liver disease.

- Semiconductor manufacturer **Texas Instruments, Inc.** is the world's largest chipmaker in analog semiconductors. The company has a manufacturing advantage over its competitors and enjoys scale benefits, along with having a broad portfolio of products. The company also has an excellent capital allocation strategy and is a beneficiary of the U.S. Tax Cuts and Jobs Act.

Eliminated Positions

- We eliminated industrial supplies distributor **Fastenal Co.** as it reached our estimate of intrinsic value.

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

	SINCE INCEPTION (6/29/01)	10-YR	5-YR	3-YR	1-YR	YTD	1Q18	EXPENSE RATIO
RETURNS AT NAV (WITHOUT SALES CHARGE)								
Class A	8.30%	8.51%	11.97%	9.21%	8.50%	-3.86%	-3.86%	0.96%
Class C	7.47	7.69	11.12	8.39	7.67	-4.03	-4.03	1.71
Class I	8.58	8.84	12.27	9.54	8.84	-3.79	-3.79	0.67
Class Y	8.46	8.78	12.41	9.65	8.95	-3.75	-3.75	0.55
BENCHMARK								
Russell 1000 Index	7.07	9.61	13.17	10.39	13.98	-0.69	-0.69	—
RETURNS AT POP (WITH SALES CHARGE)								
Class A	7.97	7.95	10.82	7.36	3.07	-8.66	-8.66	0.96
Class C	7.47	7.69	11.12	8.39	6.67	-4.99	-4.99	1.71

Risk Disclosure: Overall equity market risks may affect the value of the fund.

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.*

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class C, Class I and Class Y shares include Class A share performance achieved prior to the creation of Class C, Class I, and Class Y shares. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 1000 Index is an unmanaged market capitalization-weighted index comprised of the largest 1,000 companies by market capitalization in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies by total market capitalization. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

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.

- Automobile manufacturer **Ford Motor Co.** and household durables manufacturer **Whirlpool Corp.** were eliminated in order to invest capital in more attractive opportunities.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2018

Abbott Laboratories	4.4%	**MetLife, Inc.**	3.0%
Cimarex Energy Co.	2.0	**Microsoft Corp.**	3.4
Citigroup, Inc.	3.9	**Procter & Gamble Co.**	2.1
Constellation Brands, Inc. (Cl A)	0.3	**Texas Instruments, Inc.**	1.0
Devon Energy Corp.	1.9	**Thermo Fisher Scientific, Inc.**	2.2
Facebook, Inc. (Cl A)	1.3	**TJX Cos., Inc.**	2.5
Fastenal Co.	0.0	**Whirlpool Corp.**	0.0
Ford Motor Co.	0.0	**Worldpay, Inc. (Cl A)**	1.8
Gilead Sciences, Inc.	0.6		

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

Diamond Hill All Cap Select Fund Commentary

As of March 31, 2018

The Fund decreased 1.18% (Class I) during the quarter, compared to a 0.64% decrease in the Russell 3000 Index.

The Fund's holding in the consumer staples, information technology, and consumer discretionary sectors were the primary detractors from absolute return, while the financials sector was the largest contributor.

The Fund's underperformance relative to the Index was primarily driven by security selection in the information technology sector along with an underweight allocation to the sector. Security selection in the consumer discretionary and energy sectors also detracted from relative return. A combination of security selection and an overweight allocation to the financials sectors was the largest contributor to relative return.

Best Performers

- Property and casualty insurance company **Validus Holdings Ltd.** announced an acquisition offer from AIG, representing a significant premium for shareholders.

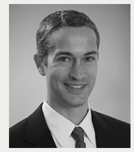
- Shares of shipping and transportation company **Kirby Corp.** outperformed as utilization levels continue to improve in the company's core inland tank barge segment, demand for tank barge shipments are expected to accelerate, and the company made a large acquisition of a tank barge competitor.

- Diversified media and entertainment company **Twenty-First Century Fox, Inc. (Cl B)** reported very strong quarterly earnings. Shares also rose as investors began to better understand the company's transaction to sell certain assets to Disney and speculation increased that another bidder may enter the fray.

- Health care products manufacturer **Abbott Laboratories** continues to execute and its device pipeline remains well-stocked. The company is reducing debt ahead of schedule, improving balance sheet flexibility, and shielding itself from rising interest rates.

- Data analytics company **Verisk Analytics, Inc.** reported fourth-quarter earnings that included strong performance in each of the industries the company serves. Additionally, with nearly 80% of revenue generated in the United States, the company will benefit from a meaningfully lower income tax rate.

PORTFOLIO MANAGEMENT



Austin Hawley, CFA
Portfolio Manager

Rick Snowdon, CFA
Portfolio Manager

Worst Performers

- Life insurance company **MetLife, Inc.** pre-announced fourth-quarter results that were impacted by a material weakness in the company's process for handling claims in its U.S. group annuity business. This was a disappointing development and reflected poorly on management; however, the financial impact is minimal.

- Contract manufacturer **Sanmina-SCI Corp.** reported weak quarterly results due to order cancellations and pushouts in their communications business, as well as slower-than-expected ramp of new programs.

- Despite no fundamental changes, casino operator **Red Rock Resorts, Inc. (Cl A)** gave back a portion of its strong fourth-quarter stock performance. The company announced an acceleration of its remodel at The Palms and additional accelerated capital spending due to recent tax reform.

- Banking and payment services provider **Discover Financial Services** is experiencing higher loan loss provisions related to increasing levels of credit card loan growth, which we view as relatively short term. Over the long run, the loan growth builds shareholder value and we are confident in the ability of management to employ sound underwriting and risk management practices consistent with the company's above-industry returns on capital.

- Shares of media and communications company **Liberty Global PLC (Cl A)** declined amid rumors of a potential sale of certain assets to Vodafone, which may have disappointed some shareholders who prefer a full sale of the company. Additionally, the Swiss segment is struggling amidst intense competitive pressures and an acquisition or partnership may be necessary to turn the business around.

New Positions

- **Bank of the Ozarks** is a high-quality regional banking franchise with a specialized real estate lending group that operates nationally. Investor concerns around an executive departure and the health of the commercial real estate industry created an opportunity to invest in this franchise that has outperformed peer banks on nearly every metric.

- **Cimarex Energy Co.** is a domestic exploration and production company focused on drilling for oil and gas in the Permian and Anadarko Basins. We believe the company has high-quality assets that are well-positioned to provide attractive reinvestment opportunities. The current focus on short-term factors such as service cost inflation and natural gas pricing risk has provided an attractive entry point based on our long-term analysis of the business.

- Social media company **Facebook, Inc. (Cl A)** is the largest social network in the world. The company also owns other large user base properties (Instagram, WhatsApp and Messenger), all of which benefit from network effects. We initiated a position in the company based on our belief that the company's attractive network economics will remain in place over the long term, and that the current valuation reflects excessive pessimism related to uncertainties around regulation and fines that the company might face. We believe these issues are likely to be resolved without impairing the value of the business.

- Biotechnology company **Gilead Sciences, Inc.** is the market leader in drugs used for the treatment of human immunodeficiency virus (HIV) and hepatitis C virus (HCV). We are encouraged by management's use of capital to diversify into high-value areas of research including next-generation oncology therapies, immunology, and liver disease.

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

	SINCE INCEPTION (12/30/05)	10-YR	5-YR	3-YR	1-YR	YTD	1Q18	EXPENSE RATIO GROSS	EXPENSE RATIO NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	8.22%	9.01%	12.29%	6.57%	13.01%	-1.25%	-1.25%	1.17%	1.16%
Class C	7.42	8.20	11.45	5.76	12.12	-1.46	-1.46	1.92	1.91
Class I	8.55	9.34	12.60	6.88	13.33	-1.18	-1.18	0.88	0.87
Class Y	8.43	9.27	12.73	6.98	13.37	-1.18	-1.18	0.76	0.75
BENCHMARK									
Russell 3000 Index	8.64	9.62	13.03	10.22	13.81	-0.64	-0.64	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	7.76	8.45	11.14	4.76	7.33	-6.17	-6.17	1.17	1.16
Class C	7.42	8.20	11.45	5.76	11.12	-2.44	-2.44	1.92	1.91

[1] The Fund may invest in another Diamond Hill Fund. Diamond Hill Capital Management, Inc. is required to permanently waive a portion of its management fee in the pro-rata amount of the management fee charged by the underlying Diamond Hill Fund.

Risk Disclosure: Because this Fund expects to hold a concentrated portfolio of a limited number of securities, a decline in the value of these investments would cause the Fund's value to decline to a greater degree than a less concentrated portfolio. There are specialized risks associated with small capitalization issues, such as market illiquidity and greater market volatility, than large capitalization issues.

The views expressed are those of the portfolio managers as of 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.*

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. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 3000 Index is an unmanaged market capitalization-weighted index 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.

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.

Eliminated Positions

- Agriculture equipment manufacturer **Deere & Co.** and industrial supplies distributor **Fastenal Co.** were sold as the shares approached our estimates of intrinsic value.

- Automobile manufacturer **Ford Motor Co.**, building and aerospace technology conglomerate **United Technologies Corp.**, and property and casualty insurance company **Validus Holdings Ltd.** were eliminated to make room for more attractive opportunities.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2018

Abbott Laboratories	2.7%	Kirby Corp.	2.3%
Bank of the Ozarks	1.5	Liberty Global PLC (Cl A)	2.2
Cimarex Energy Co.	2.5	MetLife, Inc.	4.9
Deere & Co.	0.0	Red Rock Resorts, Inc. (Cl A)	2.2
Discover Financial Services	4.8	Sanmina-SCI Corp.	1.7
Facebook, Inc. (Cl A)	2.0	Twenty-First Century Fox, Inc. (Cl B)	2.7
Fastenal Co.	0.0	United Technologies Corp.	0.0
Ford Motor Co.	0.0	Validus Holdings Ltd.	0.0
Gilead Sciences, Inc.	1.5	Verisk Analytics, Inc.	2.3

Mentioned securities not held in the Diamond Hill All Cap Select Fund: American International Group, Inc., Vodafone Group PLC, and Walt Disney Co.

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

Diamond Hill Global Fund Commentary

As of March 31, 2018

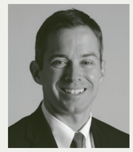
The Fund declined 1.22% (Class I) during the quarter, compared to a 0.89% decline in the Morningstar Global Markets Index.

The Fund's holdings in the consumer discretionary and information technology sectors were the primary detractors from absolute return, while positions in the financials sector were the largest contributor.

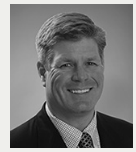
Security selection in the information technology sector along with an underweight allocation to the sector drove the Fund's underperformance relative to the Index. Security selection in the consumer discretionary and energy sectors also detracted from return. Conversely, security selection in the industrials, consumer staples, materials, and financials sectors contributed to relative return.

While markets are skittish, the global economy is currently performing quite well. In January, the World Bank projected that global real GDP will grow 3.1% in 2018, implying a slight increase from 2017. Encouragingly, every major economy is expected to deliver positive growth this year. North American economies are forecast to continue their slow but steady expansion. In Asia, moderating but still strong growth from China is expected to be complemented by accelerating growth from India. Beyond these two growing giants, many emerging economies have benefited from rising commodity prices, and the World Bank forecasts 4-5% annual GDP growth from developing countries over the next three years, compared to approximately 2% growth from advanced economies. If the World Bank's forecast proves accurate, and if interest rates remain near current levels, then global market valuations are likely reasonable. However, with the current economic expansion entering its tenth year, the likelihood of sustaining consistently strong economic growth coupled with relatively low interest rates for several years is arguably fairly low. So, while current fundamentals are clearly solid, the time horizon over which these fundamentals will remain strong is not clear at all. The elevated market volatility experienced in the first quarter is a reflection of these underlying conditions and uncertainties. Against this backdrop, we can't point to a specific country or sector in which valuations are uniformly attractive because of general macroeconomic conditions. Rather, the most attractively valued businesses held in the portfolio are discounted because of firm-specific factors.

PORTFOLIO MANAGEMENT



Grady Burkett, CFA
Portfolio Manager



Rick Snowdon, CFA
Portfolio Manager

Best Performers

- Property and casualty insurance company **Validus Holdings Ltd.** announced an acquisition offer from AIG, representing a significant premium for shareholders.

- Securities exchange operator **Euronext N.V.** completed its acquisition of the Irish Stock Exchange. The acquisition furthers Euronext's efforts to diversify products and capabilities as it creates a pan-European platform, particularly in cities that benefit from Brexit. Management has expressed interest in further M&A given the firm's strong financial position and cash flow generation capabilities, and investors continue to reward those strategic efforts.

- Pharmaceutical company **GlaxoSmithKline PLC** delivered strong fourth-quarter results, with sales up across all three key businesses. The company has three new drug launches underway, and the new management team is showing a keen sense for capital management.

- Shares of shipping and transportation company **Kirby Corp.** outperformed as utilization levels continue to improve in the company's core inland tank barge segment, demand for tank barge shipments are expected to accelerate, and the company made a large acquisition of a tank barge competitor.

- Diversified media and entertainment company **Twenty-First Century Fox, Inc. (Cl B)** reported very strong quarterly earnings. Shares also rose as investors began to better understand the company's transaction to sell certain assets to Disney and speculation increased that another bidder may enter the fray.

Worst Performers

- Contract manufacturer **Sanmina-SCI Corp.** reported weak quarterly results due to order cancellations and pushouts in their communications business, as well as slower-than-expected ramp of new programs.

- Shares of media and communications company **Liberty Global PLC (Cl A)** declined amid rumors of a potential sale of certain assets to Vodafone, which may have disappointed some shareholders who prefer a full sale of the company. Additionally, the Swiss segment is struggling amidst intense competitive pressures and an acquisition or partnership may be necessary to turn the business around.

- Life insurance company **MetLife, Inc.** pre-announced fourth-quarter results that were impacted by a material weakness in the company's process for handling claims in its U.S. group annuity business. This was a disappointing development and reflected poorly on management; however, the financial impact is minimal.

- Automobile manufacturer **Ford Motor Co.** released disappointing fourth-quarter earnings and recent comments from management has generated some uncertainty surrounding their future plans.

- Despite no fundamental changes, casino operator **Red Rock Resorts, Inc. (Cl A)** gave back a portion of its strong fourth-quarter stock performance. The company announced an acceleration of its remodel at The Palms and additional accelerated capital spending due to recent tax reform.

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

	SINCE INCEPTION (12/31/2013)	3-YR	1-YR	YTD	1Q18	EXPENSE RATIO
RETURNS AT NAV (WITHOUT SALES CHARGE)						
Class A	7.41%	7.65%	17.42%	-1.30%	-1.30%	1.21%
Class I	7.74	7.97	17.77	-1.22	-1.22	0.92
Class Y	7.86	8.10	17.94	-1.15	-1.15	0.80
BENCHMARK						
Morningstar Global Markets Index	7.38	8.24	15.00	-0.89	-0.89	—
RETURNS AT POP (WITH SALES CHARGE)						
Class A	6.12	5.82	11.56	-6.24	-6.24	1.21

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

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The Morningstar Global Markets Index is an unmanaged, float market capitalization weighted index of more than 7,000 securities that is designed to cover 97% of the equity market capitalization of developed and emerging markets. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

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.

New Positions

- We initiated a position in food products manufacturer **Post Holdings, Inc.**, a company we have owned for many years in other portfolios.

- Social media company **Facebook, Inc. (Cl A)** is the largest social network in the world. The company also owns other large user base properties (Instagram, WhatsApp and Messenger), all of which benefit from network effects. We initiated a position in the company based on our belief that the company's attractive network economics will remain in place over the long term, and that the current valuation reflects excessive pessimism related to uncertainties around regulation and fines that the company might face. We believe these issues are likely to be resolved without impairing the value of the business.

- Biotechnology company **Gilead Sciences, Inc.** is the market leader in drugs used for the treatment of human immunodeficiency virus (HIV) and hepatitis C virus (HCV). We are encouraged by management's use of capital to diversify into high-value areas of research including next-generation oncology therapies, immunology, and liver disease.

- **First Republic Bank** is high-quality regional bank franchise with a laser focus on customer service. This focus combined with a pristine credit history has led to an impressive long-term track record of growing intrinsic value.

- We initiated a position in **BT Group PLC ADR**. BT Group is the largest communication services provider in the United Kingdom and is the only operator that owns both nationwide fixed-line and mobile networks. Shares have come under pressure due to concerns about BT's pension deficit, regulatory uncertainty, and elevated capital spending. We expect the firm to successfully manage through these issues over the next several years.

- **Cimarex Energy Co.** is a domestic exploration and production company focused on drilling for oil and gas in the Permian and Anadarko Basins. We believe the company has high-quality assets that are well-positioned to provide attractive reinvestment opportunities. The current focus on short-term factors such as service cost inflation and natural gas pricing risk has provided an attractive entry point based on our long-term analysis of the business.

Eliminated Positions

- We received shares of auto parts manufacturer **Delphi Technologies PLC** following the spinoff from Delphi Automotive (now Aptiv). The position was eliminated due to other names in the portfolio having similar market exposure and growth profile.

- The following companies were sold in order to fund more attractive opportunities: discount retailer **Dollar General Corp.**, automobile manufacturer **Ford Motor Co.**, Japanese telecommunications operator **KDDI Corp.**, building and aerospace technology conglomerate **United Technologies Corp.**, and property and casualty insurance company **Validus Holdings Ltd.**

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2018

BT Group PLC ADR	1.5%	**KDDI Corp.**	0.0%
Cimarex Energy Co.	1.5	**Kirby Corp.**	2.0
Delphi Technologies PLC	0.0	**Liberty Global PLC (Cl A)**	3.2
Dollar General Corp.	0.0	**MetLife, Inc.**	3.9
Euronext N.V.	2.7	**Post Holdings, Inc.**	2.6
Facebook, Inc. (Cl A)	2.1	**Red Rock Resorts, Inc. (Cl A)**	1.7
First Republic Bank	1.9	**Sanmina-SCI Corp.**	2.0
Ford Motor Co.	0.0	**Twenty-First Century Fox, Inc. (Cl B)**	2.4
Gilead Sciences, Inc.	2.0	**United Technologies Corp.**	0.0
GlaxoSmithKline PLC	3.1	**Validus Holdings Ltd.**	0.0

Mentioned securities not held in the Diamond Hill Global Fund: American International Group, Inc., Aptiv PLC, Vodafone Group PLC, and Walt Disney Co.

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

Diamond Hill Long-Short Fund Commentary

As of March 31, 2018

(closed to new investors)

The Fund decreased 2.05% (Class I) during the quarter, compared to a 0.69% decrease in the long-only Russell 1000 Index and a 0.22% decrease in the blended benchmark (60% Russell 1000 Index/40% ICE Bank of America Merrill Lynch U.S. Treasury Bill 0-3 Month Index).

Both the Fund's long portfolio and short portfolio detracted from absolute return. Holdings in the financials, energy, and consumer discretionary sectors were the largest detractors in the long portfolio. Short positions in the information technology and industrials sectors were the main detractors, partially offset by short positions in the consumer discretionary sector.

The Fund's underperformance relative to the long-only benchmark was primarily driven by security selection in the energy and consumer discretionary sectors as well as the combination of an underweight position and security selection in the information technology sector. Security selection in the health care and industrials sectors contributed to relative return.

The Fund's net exposure at the end of the quarter was 62%.

Best Performers

Long Portfolio

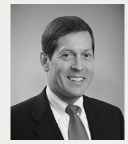
- Shares of Puerto Rico-based banking and financial services company **Popular, Inc.** recovered after the company's fourth-quarter earnings reports showed that losses from Hurricane Maria will very likely be well below initial market forecasts.

- Information technology services provider **Cognizant Technology Solutions Corp. (Cl A)** reported strong fourth-quarter 2017 earnings and provided full-year 2018 guidance that included a favorable combination of revenue growth and operating margin expansion.

- Shares of payment processing services provider **Worldpay, Inc. (Cl A)** rose following the closing of its merger with Vantiv and the release of positive results and guidance for the combined company. The size and scope of the new firm brings attractive growth opportunities via new geographies and industry sectors.

PORTFOLIO MANAGEMENT

Chris Bingaman, CFA
Portfolio Manager



Ric Dillon, CFA
Portfolio Manager

Jason Downey, CFA
Portfolio Manager

Chuck Bath, CFA
Asst. Portfolio Manager

- Shares of shipping and transportation company **Kirby Corp.** outperformed as utilization levels continue to improve in the company's core inland tank barge segment, demand for tank barge shipments are expected to accelerate, and the company made a large acquisition of a tank barge competitor.

- Software provider **Microsoft Corp.** reported strong quarterly earnings. The company also indicated that it now expects to achieve slight operating margin expansion in 2018, which was an improvement from expectations.

Short Portfolio

- The five best performers were long positions.

Worst Performers

Long Portfolio

- The underperformance of oil and gas exploration and production company **Cimarex Energy Co.** likely reflects industry concerns around exposure to weaker regional natural gas prices and service cost inflation; however, we believe these issues will largely be resolved over the medium term.

- Shares of banking and financial services company **Citigroup, Inc.** lagged as investors appeared to become increasingly focused on potential barriers to international trade.

- Despite reporting solid quarterly results, shares of **Comcast Corp. (Cl A)** declined due to concerns over the company's potential bid for Sky. While we are wary of a potential bidding war that could destroy value, we believe Sky fits well into Comcast's long-term strategy.

- Networking and communications company **Juniper Networks, Inc.** delivered disappointing fourth-quarter results and first-quarter guidance. While the company's router business is exposed to increasing competition and rapid technological change, we believe management is making progress towards addressing these challenges.

(closed to new investors)

Short Portfolio

- Shares of postsecondary education services provider **Grand Canyon Education, Inc.** rose after the company announced its intent to convert to a non-profit entity. Competition continues to increase and we do not believe the company's proposed new structure meaningfully alters its long-range growth potential.

New Positions

Long Portfolio

- Beverage company **Constellation Brands, Inc. (Cl A)** presents a unique opportunity to gain exposure to a very high-quality portfolio of irreplaceable brands such as Corona, Modelo, Pacifico, Ballast Point, Meiomi, Black Box, Casa Noble, and High West.

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

	SINCE INCEPTION (6/30/00)[1]	10-YR	5-YR	3-YR	1-YR	YTD	1Q18	EXPENSE RATIO GROSS	EXPENSE RATIO NET[2,3]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	6.45%	4.07%	6.36%	3.97%	0.61%	-2.10%	-2.10%	1.96%	1.95%
Class C	5.64	3.29	5.57	3.20	-0.11	-2.26	-2.26	2.71	2.70
Class I	6.71	4.38	6.65	4.27	0.93	-2.05	-2.05	1.67	1.66
Class Y	6.60	4.34	6.79	4.38	1.02	-2.00	-2.00	1.55	1.54
BENCHMARK									
Russell 1000 Index	5.69	9.61	13.17	10.39	13.98	-0.69	-0.69	—	—
60%/40% Blended Index	4.29	6.09	7.97	6.45	8.72	-0.22	-0.22	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	6.14	3.54	5.27	2.21	-4.43	-7.01	-7.01	1.96	1.95
Class C	5.64	3.29	5.57	3.20	-1.09	-3.23	-3.23	2.71	2.70

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

[2] Includes dividend expense relating to short sales. If dividend expenses relating to short sales were excluded, the Expense Ratio for the Long-Short Fund would have been 1.38% for Class A, 2.13% for Class C, 1.09% for Class I, and 0.97% for Class Y.

[3] The Fund may invest in another Diamond Hill Fund. Diamond Hill Capital Management, Inc. is required to permanently waive a portion of its management fee in the pro-rata amount of the management fee charged by the underlying Diamond Hill Fund.

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

The 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.*

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class C, Class I and Class Y shares include Class A share performance achieved prior to the creation of Class C, Class I and Class Y shares. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 1000 Index is an unmanaged market capitalization-weighted index comprised of the largest 1,000 companies by market capitalization in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies by total market capitalization. The blended index represents a 60% weighting of the Russell 1000 Index and a 40% weighting of the ICE BofA Merrill Lynch U.S. T-Bill 0-3 Month Index. The ICE BofA Merrill Lynch U.S. T-Bill 0-3 Month Index is comprised of U.S. dollar denominated U.S. Treasury Bills with a term to maturity of less than 3 months. These indexes do not incur fees and expenses (which would lower returns) and are 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. ICE Data was not involved in the creation of the blended index.

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.

(closed to new investors)

- We initiated a position in oil and gas exploration and production company **Devon Energy Corp.** as management recently articulated a more disciplined capital investment strategy along with a potential sizeable divestiture program that can help focus the business around attractive core assets. We believe Devon holds an attractive scalable acreage position in both the Delaware Basin as well as the Anadarko Basin that should drive meaningful improvement in returns on invested capital over time..

Short Portfolio

- We shorted health care services company **Encompass Health Corp.** which potentially faces Medicare reimbursement pressure for both its inpatient rehabilitation and home health segments. In addition, with consensus modeling flat operating margins, we believe the risk/reward is skewed toward the downside.

- We again established a short position in apparel company **Lululemon Athletica, Inc.** when the valuation reached a point where the stock price is discounting revenue growth and margin levels that we don't believe are sustainable over the longer term. While Lululemon is still growing well and remains a relevant brand, the athletic wear category is highly competitive and the company's store base is saturated in its core markets in the U.S. and Canada.

Eliminated Positions

Long Portfolio

- We sold rental car company **Avis Budget Group, Inc.** and household durables manufacturer **Whirlpool Corp.** to invest in more attractive opportunities. We eliminated agriculture equipment manufacturer **Deere & Co.** and industrial supplies distributor **Fastenal Co.** as the stock prices reached our estimates of intrinsic value.

Short Portfolio

- We covered our position in cloud networking company **Arista Networks, Inc.** as fundamentals had meaningfully outperformed our expectations throughout our holding period, and we see no clear evidence that the company's competitive position is weakening.

- Our fundamental thesis on aerospace and defense company **Boeing Co.** was not playing out as margins continued to exceed our expectations.

- We covered our remaining short position in health care equipment and supplies manufacturer **IDEXX Laboratories, Inc.** following the company's favorable fourth-quarter report.

- We covered a position in food products company **Lamb Weston Holdings, Inc.** after judging that the fundamentals had improved.

- The following short positions were covered as the stocks approached our estimates of intrinsic value: pharmaceutical company **Merck & Co., Inc.**, consumer goods company **Colgate-Palmolive Co.**, and packaged food manufacturer **Conagra Brands, Inc.**

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2018

Arista Networks, Inc.	0.0%	Short	Fastenal Co.	0.0%	Long
Avis Budget Group, Inc.	0.0	Long	Grand Canyon Education, Inc.	(1.9)	Short
Boeing Co.	0.0	Short	IDEXX Laboratories, Inc.	0.0	Short
Cimarex Energy Co.	2.3	Long	Juniper Networks, Inc.	1.5	Long
Citigroup, Inc.	3.7	Long	Kirby Corp.	1.5	Long
Cognizant Technology Solutions Corp. (Cl A)	2.0	Long	Lamb Weston Holdings, Inc.	0.0	Short
Colgate-Palmolive Co.	0.0	Short	Lululemon Athletica, Inc.	(0.3)	Short
Comcast Corp. (Cl A)	1.9	Long	Merck & Co., Inc.	0.0	Short
Conagra Brands, Inc.	0.0	Short	Microsoft Corp.	3.0	Long
Constellation Brands, Inc. (Cl A)	0.4	Long	Popular, Inc.	1.7	Long
Deere & Co.	0.0	Long	Whirlpool Corp.	0.0	Long
Devon Energy Corp.	1.0	Long	Worldpay, Inc. (Cl A)	2.0	Long
Encompass Health Corp.	(0.3)	Short			

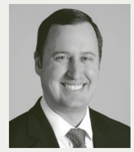
Mentioned securities not held in the Diamond Hill Long-Short Fund: Sky PLC

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

Diamond Hill Financial Long-Short Fund Commentary

As of March 31, 2018

PORTFOLIO MANAGEMENT



Josh Barber, CFA
Portfolio Manager

John Loesch, CFA
Portfolio Manager

Krishna Mohanraj, CFA
Portfolio Manager

Tyler Ventura, CFA
Portfolio Manager

The Fund decreased 2.51% (Class I) during the quarter, compared to a 0.50% decrease in the long-only Russell 3000 Financials Index and a 0.30% decrease in the blended benchmark (80% Russell 3000 Financials Index/20% ICE Bank of America Merrill Lynch U.S. Treasury Bill 0-3 Month Index).

The Russell 3000 Financials Index modestly outperformed the broader Russell 3000 Index during the quarter, though both indices turned negative for the first time in several quarters. While trillions of dollars in monetary stimulus provided by the Federal Reserve, Bank of Japan, and European Central Bank had dampened volatility in recent years, the market witnessed the return of volatility in the first quarter. After a dormant 2017, the Cboe Volatility Index started to rise in January and spiked in February to levels not seen since early 2016. As markets navigate the wind down of central bank stimulus, yields have been unpredictable. The yield on the 10-year U.S. Treasury approached 3%, a level it had not reached since 2013, before retreating to 2.75% by the end of March. The gap between the 2-year and 10-year Treasury recently sank to its narrowest since 2007, which is typically a sign of weakening sentiment about the prospects for long-term growth. At the same time, we are seeing some fears of a pickup in inflation. The Fed increased the federal funds rate five times between fourth-quarter 2016 and first-quarter 2018, from 0.50% to 1.75%, including a 0.25% increase on March 21, 2018. With the market anticipating further interest rate increases, financial investors are also digesting the impacts of higher borrowing and deposit costs and the impact on overall economic activity.

Large and mid-cap banks as well as payments, brokers, and exchanges outperformed, as those sectors benefited from a combination of corporate tax reform, steadily increasing interest rates, talk of moderate regulatory relief, and favorable expense/fundamental trends. Asset managers, life insurance, consumer finance, and commercial real estate investment trusts lagged due to fears related to the pace of interest rate increases, overall market sensitivity, inflation expectations, and economic cyclicality.

We continue to believe that the strength of the economy – as evidenced by low unemployment claims, strong consumer confidence, increased CEO confidence, and rising but moderate inflation combined with good company fundamentals and strong balance sheets – creates an opportunity to find attractive multi-year investments in the financials sector. Valuations remain attractive and capital return levels favorable in the face of steadily increasing interest rates, lower taxes, and potentially lower overall regulatory burdens. We continue to expect strong growth in earnings-per-share and attractive total return yields for the sector.

Best Performers

Long Portfolio

- Property and casualty insurance company **Validus Holdings Ltd.** announced an acquisition offer from AIG, representing a significant premium for shareholders.

- Shares of Puerto Rico-based banking and financial services company **Popular, Inc.** recovered after the company's fourth-quarter earnings reports showed that losses from Hurricane Maria will very likely be well below initial market forecasts.

- Shares of banking and financial services company **First Republic Bank** recovered after initial concerns about their net interest margin from the flattening yield curve in late 2017. Management has also said they will have a more watchful eye on expense growth in the near term.

- Shares of regional bank **SVB Financial Group** rose as the interest rate outlook and health of the innovation economy continue to benefit the company. The franchise remains very well-positioned for this market environment.

Short Portfolio

- Property and casualty insurance company **Mercury General Corp.** reported weak fourth-quarter results which were impacted by both high catastrophe losses and adverse development.

Worst Performers

Long Portfolio

- Commercial insurer **Atlas Financial Holdings, Inc.** pre-announced disappointing fourth-quarter results as it had to increase reserves significantly for business written in prior years. While the company continues to benefit from strong demand and pricing in commercial auto, it is disappointing that management has been unable to put past reserve issues to rest.

- Asset management firm **Franklin Resources, Inc.** continues to struggle to stem outflows. On the positive side, the company continues to generate significant cash and all of its international cash is now available for shareholders given the changes in U.S. tax laws.

- Life insurance company **MetLife, Inc.** pre-announced fourth-quarter results that were impacted by a material weakness in the company's process for handling claims in its U.S. group annuity business. This was a disappointing development and reflected poorly on management; however, the financial impact is minimal.

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

	SINCE INCEPTION[1] (8/1/97)	10-YR	5-YR	3-YR	1-YR	YTD	1Q18	EXPENSE RATIO[2]
RETURNS AT NAV (WITHOUT SALES CHARGE)								
Class A	7.36%	5.77%	9.77%	7.50%	6.37%	-2.59%	-2.59%	1.86%
Class C	6.59	4.96	8.95	6.69	5.59	-2.75	-2.75	2.61
Class I	7.56	6.11	10.07	7.83	6.69	-2.51	-2.51	1.57
BENCHMARK								
Russell 3000 Financials Index	6.02	6.48	14.17	12.45	15.85	-0.50	-0.50	—
80%/20% Blended Index	5.55	5.64	11.38	10.09	12.81	-0.30	-0.30	—
RETURNS AT POP (WITH SALES CHARGE)								
Class A	7.09	5.23	8.64	5.68	1.05	-7.47	-7.47	1.86
Class C	6.59	4.96	8.95	6.69	4.59	-3.72	-3.72	2.61

[1] The Fund was long-only from inception through April 2006.

[2] Includes dividend expense relating to short sales. If dividend expenses relating to short sales were excluded, the Expense Ratio for the Financial Long-Short Fund would have been 1.41% for Class A, 2.16% for Class C, and 1.12% for Class I.

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

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.*

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class C and Class I shares include Class A share performance achieved prior to the creation of Class C and Class I. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 3000 Financials Index consists of Russell 3000 companies involved in banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance, financial investments, and real estate, including REITS. The blended index represents a 80% weighting of the Russell 3000 Financials Index and a 20% weighting of the ICE BofA Merrill Lynch U.S. T-Bill 0-3 Month Index. The ICE BofA Merrill Lynch U.S. T-Bill 0-3 Month Index is comprised of U.S. dollar denominated U.S. Treasury Bills with a term to maturity of less than 3 months. These indexes do not incur fees and expenses (which would lower the return) and are 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. ICE Data was not involved in the creation of the blended index.

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.

- Shares of **iStar, Inc.** suffered along with other real estate investment companies, which was the worst-performing sector in the quarter thanks to slowing fundamentals and the rapid rise in the 10-year Treasury yield. iStar's results were largely in line and we remain encouraged by the company undertaking a strategic review of their legacy asset book

- Banking and payment services provider **Discover Financial Services** is experiencing higher loan loss provisions related to increasing levels of credit card loan growth, which we view as relatively short term. Over the long run, the loan growth builds shareholder value and we are confident in the ability of management to employ sound underwriting and risk management practices consistent with the company's above-industry returns on capital.

Short Portfolio

- The five worst performers were long positions.

New Positions

Long Portfolio

- **Bank of the Ozarks** is a high-quality regional banking franchise with a specialized real estate lending group that operates nationally. Investor concerns around an executive departure and the health of the commercial real estate industry created an opportunity to invest in this franchise that has outperformed peer banks on nearly every metric.

- We initiated a position in Spanish bank **Banco Bilbao Vizcaya Argentaria, S.A. ADR**. In addition to its market-leading position in Spain, the firm has significant presence in several high-growth, high-return markets around the world. BBVA is also an early adopter of banking digitalization and has invested in upgrading its technology and infrastructure; therefore, the company is very well-positioned to fend off any potential threat from banking disintermediation longer term.

- We added residential real estate investment trust **Mid-America Apartment Communities, Inc.** as shares were trading at an attractive valuation following disappointing 2018 revenue guidance. The company has seen slower revenue as a result of their late 2016 merger with Post Properties; however, we believe the company's strong balance sheet, operating platform, and differentiated market exposure result in a high-quality company and good long-term cash flow compounding.

- Payment technology company **First Data Corp. (Cl A)** is the largest payment processor in the world and is still recovering from a very difficult leveraged buyout in 2007. The company has shored up its management team, which has deleveraged the balance sheet and reduced the firm's interest expense burden in recent years. Cash flow generation is significant and the shares are attractively valued compared to other processing peers.

- **Global Indemnity Ltd. (Cl A)** is a small specialty property and casualty insurance company that has had consistent profitable growth and a history of strong underwriting and conservative reserves. Return on equity has been understated due to holding excess capital and we believe the shares are attractive.

Short Portfolio

- We did not add any short positions during the quarter..

Eliminated Positions

Long Portfolio

- We eliminated shares of real estate investment trust **Colony NorthStar, Inc. (Cl A)** as we became concerned about a potential dividend cut. The company's rapid pace of asset sales since closing the Northstar merger helped generate liquidity and focus on core business lines, but created a significant drag on earnings until the capital was reinvested.

- While we believe real estate investment company **Jones Lang LaSalle, Inc.** remains a strong long-term franchise, its earnings and stock tend to be volatile and it has significantly outperforming other real estate sub-sectors in 2017 and 2018-to-date. We exited the position and reinvested the proceeds into more attractive names.

Short Portfolio

- Following the company's weak fourth-quarter results, shares of property and casualty insurance company **Mercury General Corp.** approached our estimate of intrinsic value and we eliminated our short position.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2018

Atlas Financial Holdings, Inc.	1.2%	Long	**iStar, Inc.**	3.8%	Long
Banco Bilbao Vizcaya Argentaria, S.A. ADR	1.8	Long	**Jones Lang LaSalle, Inc.**	0.0	Long
Bank of the Ozarks	2.9	Long	**Mercury General Corp.**	0.0	Short
Colony NorthStar, Inc. (Cl A)	0.0	Long	**MetLife, Inc.**	4.1	Long
Discover Financial Services	5.1	Long	**Mid-America Apartment Communities, Inc.**	1.6	Long
First Data Corp. (Cl A)	1.6	Long	**Popular, Inc.**	3.0	Long
First Republic Bank	3.3	Long	**SVB Financial Group**	3.9	Long
Franklin Resources, Inc.	2.8	Long	**Validus Holdings Ltd.**	3.0	Long
Global Indemnity Ltd. (Cl A)	0.8	Long			

Mentioned securities not held in the Diamond Hill Financial Long-Short Fund: American International Group, Inc.

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

Diamond Hill Research Opportunities Fund Commentary

As of March 31, 2018

The Fund decreased 4.28% (Class I) during the quarter, compared to a 0.64% decrease in the long-only Russell 3000 Index and a 0.36% decrease in the blended benchmark (75% Russell 3000 Index/25% ICE Bank of America Merrill Lynch U.S. Treasury Bill 0-3 Month Index).

The Fund's long portfolio was the primary detractor from absolute return led by holdings in the consumer discretionary and financials sectors, partially offset by positions in the information technology sector. The short portfolio also detracted from return led by positions in the information technology, health care, and industrials sectors.

The Fund's underperformance relative to the long-only benchmark was primarily driven by security selection in the consumer discretionary and financials sectors. Security selection in the consumer staples sector also detracted from relative return; however, this was offset by the negligible allocation to the sector. An underweight allocation to the energy sector also contributed to relative return.

The Fund's net exposure was 90% at the end of the quarter.

Best Performers

Long Portfolio

- Information technology services provider **Cognizant Technology Solutions Corp. (Cl A)** reported strong fourth-quarter earnings and provided 2018 guidance that included a favorable combination of revenue growth and operating margin expansion.
- Pharmaceutical company **GlaxoSmithKline PLC** delivered strong fourth-quarter results, with sales up across all three key businesses. The company has three new drug launches underway, and the new management team is showing a keen sense for capital management.
- Shares of ski resort owner and operator **Vail Resorts, Inc.** rebounded from a depressed stock price entering the quarter due to weather concerns at multiple locations. The company has navigated the ski season well though snow has been difficult to come by this year.

PORTFOLIO MANAGEMENT

The Research Opportunities Fund is co-managed by Diamond Hill Research Analysts.

- Shares of airline operator **United Continental Holdings, Inc.** rose as the demand and revenue environment remains strong and the company increased revenue and margin guidance for the first quarter. Despite a meaningful pullback when the company announced its capacity growth plans for the next few years, the stock rebounded as management made its case as to why this planned capacity growth will not lead to a meaningful deterioration to industry pricing.
- Shares of information technology services company **WNS (Holdings) Ltd. ADR** rose after the company reported strong quarterly earnings results which reinforced the notion that management should be able to continue to generate attractive growth in the company's recurring revenue base.

Short Portfolio

- The five best performers were long positions.

Worst Performers

Long Portfolio

- Despite no fundamental changes, casino operator **Red Rock Resorts, Inc. (Cl A)** gave back a portion of its strong fourth-quarter stock performance. The company announced an acceleration of its remodel at The Palms and additional accelerated capital spending due to recent tax reform.
- Shares of homebuilder **NVR, Inc.** underperformed as housing stocks in general had a weak quarter due to fears of higher interest rates. NVR also missed consensus expectations due primarily to a weaker-than-expected backlog conversion; however, we still have confidence in the company's business and management team long term.
- Commercial insurer **Atlas Financial Holdings, Inc.** pre-announced disappointing fourth-quarter results as it had to increase reserves significantly for business written in prior years. While the company continues to benefit from strong demand and pricing in commercial auto, it is disappointing that management has been unable to put past reserve issues to rest

- Shares of freight transportation management company **Hub Group, Inc. (Cl A)** declined amid disappointing 2018 guidance following a strong fourth-quarter 2017. We were encouraged by the company's revenue guidance and did not anticipate material pricing improvement until the second half of 2018 due to the timing of when they can renegotiate their contractual pricing.
- Telecommunication services provider **Cincinnati Bell, Inc.** delivered fourth-quarter results and 2018 guidance that was moderately disappointing. The company's wireline segment continues to deliver consistent performance, while the firm's IT services business is performing poorly. We believe acquisitions have increased financial and business risk; however, the company's market position is durable and shares trade well below our estimate of intrinsic value.

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

	SINCE INCEPTION (3/31/09)	5-YR	3-YR	1-YR	YTD	1Q18	EXPENSE RATIO[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)							
Class A	12.25	7.08	3.11	3.60	-4.33	-4.33	1.80%
Class C	11.41	6.28	2.33	2.82	-4.51	-4.51	2.55
Class I	12.55	7.37	3.41	3.88	-4.28	-4.28	1.51
Class Y	12.70	7.51	3.52	4.01	-4.27	-4.27	1.39
BENCHMARK							
Russell 3000 Index	16.83	13.03	10.22	13.81	-0.64	-0.64	—
75%/25% Blended Index	12.62	9.81	7.81	10.55	-0.36	-0.36	—
RETURNS AT POP (WITH SALES CHARGE)							
Class A	11.61	5.99	1.36	-1.59	-9.11	-9.11	1.80
Class C	11.41	6.28	2.33	1.82	-5.46	-5.46	2.55

[1]Includes dividend expense relating to short sales. If dividend expenses relating to short sales were excluded, the Expense Ratio for the Research Opportunities Fund would have been 1.41% for Class A, 2.16% for Class C, 1.12% for Class I, and 1.00% for Class Y.

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

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 Research Partners, L.P. (the "Research 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 Research Partnership were converted into assets of the fund prior to commencement of operation of the fund. The performance of the Research 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 Research 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 Research Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Performance is measured from March 31, 2009, the inception of the Research Partnership and is not the performance of the fund. The Research 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 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 3000 Index is an unmanaged market capitalization-weighted index comprised of the 3,000 largest U.S. companies by total market capitalization. The blended index represents a 75% weighting of the Russell 3000 Index and a 25% weighting of the ICE BofA Merrill Lynch U.S. T-Bill 0-3 Month Index. The ICE BofA Merrill Lynch U.S. T-Bill 0-3 Month Index is comprised of U.S. dollar denominated U.S. Treasury Bills with a term to maturity of less than 3 months. These indexes do not incur fees and expenses (which would lower the return) and are not available for direct investment.

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.

Short Portfolio

- The five worst performers were long positions.

New Positions

Long Portfolio

- **Bank of the Ozarks** is a high-quality regional banking franchise with a specialized real estate lending group that operates nationally. Investor concerns around an executive departure and the health of the commercial real estate industry created an opportunity to invest in this franchise that has outperformed peer banks on nearly every metric.

- **Sanmina-SCI Corp.** is a contract manufacturer that has been gradually diversifying away from traditional electronics manufacturing into more stable, longer cycle and growth-oriented industrial, medical and defense end markets. We believe shares of Sanmina are undervalued relative to its long-term fundamentals.

- Social media company **Facebook, Inc. (Cl A)** is the largest social network in the world. The company also owns other large user base properties (Instagram, WhatsApp, and Messenger), all of which benefit from network effects. We initiated a position in the company based on our belief that the company's attractive network economics will remain in place over the long term, and that the current valuation reflects excessive pessimism related to uncertainties around regulation and fines that the company might face. We believe these issues are likely to be resolved without impairing the value of the business.

- **Cal-Maine Foods, Inc.** is the largest producer and marketer of shell eggs in the United States. We believe Cal-Maine is a well-run, long term-oriented business with a strong balance sheet, good returns on capital, and underappreciated competitive advantages.

- Semiconductor manufacturer **Texas Instruments, Inc.** is the world's largest chipmaker in analog semiconductors. The company has a manufacturing advantage over its competitors and enjoys scale benefits, along with having a broad portfolio of products. The company also has an excellent capital allocation strategy and is a beneficiary of the U.S. Tax Cuts and Jobs Act.

- We initiated a long position in national wireless carrier **T-Mobile US, Inc.** We believe T-Mobile will benefit from significant margin expansion as it realizes operating leverage on its growth investments through a continued, but moderating, pace of phone subscriber share gain from larger national carriers. T-Mobile is on track to generate cash equal to a sizeable percentage of its current market capitalization, and management has announced plans for a large share repurchase in the near term.

- **Shandong Weigao Group Medical Polymer Co. Ltd. (Cl H)** is one of the largest medical device manufacturers in China. While the country's new policies aimed at curbing multiple layers of distributors may temporarily depress sales, we believe the combination of an underpenetrated market and a large direct sales force translates into strong organic growth. Diversifying revenues across products and geographies should help reduce China-specific risk and improve the multiple.

- Investment holding company **Fairfax India Holdings Corp.** invests in a small number of high-quality companies, both public and private, in a manner similar to private equity firms but backed by permanent capital from equity investors.

- **Stericycle, Inc.** is the largest provider of regulated medical waste management. The company provides a full roster of services to its customers from front-end waste collection to transportation and treatment at the company's facilities. Stericycle also owns Shred-It, a leading provider of shredding services, and has a growing international business.

- We bought a position in industrial machinery and engineering company **Colfax Corp.** when the stock sold off after the company reported disappointing fourth-quarter results and reducing their operating guidance for 2018. The company is currently struggling with some temporary headwinds but we believe the recent stock weakness creates an attractive opportunity for long-term investors.

- Specialty chemical and materials producer **W.R. Grace & Co.** is a leading provider of catalysts and additives for both the refining and polyolefin industries. Recent market volatility has provided us the opportunity to buy a very good business with a solid management team at a discount to its intrinsic value.

- We added residential real estate investment trust **Mid-America Apartment Communities, Inc.** as shares were trading at an attractive valuation following disappointing 2018 revenue guidance. The company has seen slower revenue as a result of their late 2016 merger with Post Properties; however, we believe the company's strong balance sheet, operating platform, and differentiated market exposure result in a high-quality company and good long-term cash flow compounding.

- We purchased bonds of diversified telecommunications company **Frontier Communications Corp. 9.25% due 2021** at what we viewed as an attractive yield and position in the capital structure. Shortly after our purchase, Frontier tendered our notes at a premium. We used the proceeds to purchase second lien-secured **8.5% due 2026** notes also issued by Frontier.

- Medical device manufacturer **Natus Medical, Inc.** is a leading provider of newborn care services, including products related to the detection, diagnosis and monitoring of common newborn disorders. More recently the company has expanded into neurology, providing products to assess neurological dysfunction, epilepsy, sleep disorders and neuromuscular diseases. We then sold the stock during the quarter as it approached our estimate of intrinsic value.

Short Portfolio

- We initiated a short position in specialty retailer **Bed Bath & Beyond, Inc.** due to ongoing competition from the likes of Amazon and Wayfair and the resulting negative impact on company margins. Declining margins will continue to pressure cash flow and returns. Bed Bath & Beyond was slow to realize the importance of developing an online presence and continues to play from behind while concurrently dealing with negative store traffic.

- We again established a short position in apparel company **Lululemon Athletica, Inc.** when the valuation reached a point where the stock price is discounting revenue growth and margin levels that we don't believe are sustainable over the longer term. While Lululemon is still growing well and remains a relevant brand, the athletic wear category is highly competitive and the company's store base is saturated in its core markets in the U.S. and Canada.

Eliminated Positions

Long Portfolio

- The following positions were sold during the quarter to make room for more attractive opportunities: global electronic equipment distributor **Avnet, Inc.**, processed and packaged goods manufacturer **B&G Foods, Inc.**, pharmacy benefit manager **Express Scripts Holding Co.**, automobile manufacturer **Ford Motor Co.**, food products manufacturer **Post Holdings, Inc.**, flow components manufacturer **SPX Flow, Inc.**, real estate investment trust **Tanger Factory Outlet Centers, Inc.**, and specialty pharmaceutical company **Valeant Pharmaceuticals International, Inc.**

- We eliminated industrial supplies distributor **Fastenal Co.** as the business reached our estimate of intrinsic value.

- Packaged foods manufacturer **TreeHouse Foods, Inc.** was eliminated after reporting another quarter of very weak results and deteriorating fundamentals.

Short Portfolio

- We eliminated our short position in biotechnology company **Bioverativ, Inc.** upon the announcement that the company would be acquired by French pharmaceutical company Sanofi.

- We covered our short position in oilfield services company **RPC, Inc.** as the premium to our estimate of intrinsic value narrowed.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2018

Atlas Financial Holdings, Inc.	0.5%	Long	**Mid-America Apartment Communities, Inc.**	0.3%	Long
Avnet, Inc.	0.0	Long	**Natus Medical, Inc.**	0.0	Long
B&G Foods, Inc.	0.0	Long	**NVR, Inc.**	2.7	Long
Bank of the Ozarks	1.6	Long	**Post Holdings, Inc.**	0.0	Long
Bed Bath & Beyond, Inc.	(0.1)	Short	**Red Rock Resorts, Inc. (Cl A)**	5.2	Long
Bioverativ, Inc.	0.0	Short	**RPC, Inc.**	0.0	Short
Cal-Maine Foods, Inc.	1.0	Long	**Sanmina-SCI Corp.**	1.4	Long
Cincinnati Bell, Inc.	0.9	Long	**Shandong Weigao Group Medical Polymer Co. Ltd.**	0.5	Long
Cognizant Technology Solutions Corp. (Cl A)	3.8	Long	**SPX Flow, Inc.**	0.0	Long
Colfax Corp.	0.4	Long	**Stericycle, Inc.**	0.4	Long
Express Scripts Holding Co.	0.0	Long	**Tanger Factory Outlet Centers, Inc.**	0.0	Long
Facebook, Inc. (Cl A)	1.0	Long	**Texas Instruments, Inc.**	0.9	Long
Fairfax India Holdings Corp.	0.5	Long	**T-Mobile US, Inc.**	0.7	Long
Fastenal Co.	0.0	Long	**TreeHouse Foods, Inc.**	0.0	Long
Ford Motor Co.	0.0	Long	**United Continental Holdings, Inc.**	6.4	Long
Frontier Communications Corp. 8.5% due 2026	0.8	Long	**Vail Resorts, Inc.**	5.7	Long
Frontier Communications Corp. 9.25% due 2021	0.0	Long	**Valeant Pharmaceuticals International, Inc.**	0.0	Long
GlaxoSmithKline PLC ADR	3.8	Long	**W. R. Grace & Co.**	0.4	Long
Hub Group, Inc. (Cl A)	3.2	Long	**WNS (Holdings) Ltd. ADR**	1.5	Long
Lululemon Athletica, Inc.	(0.6)	Short			

Mentioned securities not held in the Diamond Hill Research Opportunities Fund: Amazon.com, Inc., Wayfair, Inc. and Sanofi

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

Diamond Hill Funds Performance Update*

*Figures do not reflect sales charges. If they did, the returns would be lower.

	Ticker Symbol	CUSIP Number	Since Inception	10-YR	5-YR	3-YR	1-YR	YTD	1Q18	Maximum Front-End Sales Charge	Contingent Deferred Sales Charge	Management Fee	Distribution Fee (12b-1)	Other Expenses	Expense Ratio Gross	Expense Ratio Net	Overall Morningstar Rating
	PERIOD & AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2018									FEES & EXPENSES							MORNINGSTAR
LONG – ONLY EQUITY																	
SMALL CAP[1,2] *(closed to new investors)* (Inception Date 12/29/00) | Morningstar: Small Value | Lipper: Small-Cap Core																	
Class A	DHSCX	25264S304	10.52%	8.21%	8.57%	5.39%	8.62%	-1.04%	-1.04%	5.00%	—	0.80%	0.25%	0.23%	1.28%	1.27%	★★★★ The Overall Morningstar Rating out of 348 Small Value Funds as of 3/31/2018.
Class C	DHSMX	25264K103	9.70	7.41	7.76	4.61	7.81	-1.23	-1.23	—	1.00%	0.80	1.00	0.23	2.03	2.02	
Class I	DHSIX	25264S858	10.79	8.54	8.88	5.70	8.94	-0.97	-0.97	—	—	0.80	—	0.19	0.99	0.98	
Class Y	DHSYX	25264S692	10.68	8.48	9.01	5.81	9.07	-0.94	-0.94	—	—	0.80	—	0.07	0.87	0.86	
Benchmark	Russell 2000 Index		8.34	9.84	11.47	8.39	11.79	-0.08	-0.08								
SMALL-MID CAP[1,2] *(closed to new investors)* (Inception Date 12/30/05) | Morningstar: Mid-Cap Value | Lipper: Mid-Cap Core																	
Class A	DHMAX	25264S817	8.80%	10.30%	10.59%	6.90%	4.37%	-1.26%	-1.26%	5.00%	—	0.75%	0.25%	0.23%	1.23%	1.22%	★★★★ The Overall Morningstar Rating out of 361 Mid-Cap Value Funds as of 3/31/2018.
Class C	DHMCX	25264S791	8.01	9.49	9.76	6.11	3.64	-1.42	-1.42	—	1.00%	0.75	1.00	0.23	1.98	1.97	
Class I	DHMIX	25264S783	9.16	10.63	10.91	7.21	4.73	-1.16	-1.16	—	—	0.75	—	0.19	0.94	0.93	
Class Y	DHMYX	25264S684	9.03	10.58	11.06	7.34	4.82	-1.11	-1.11	—	—	0.75	—	0.07	0.82	0.81	
Benchmark	Russell 2500 Index		8.89	10.28	11.55	8.15	12.31	-0.24	-0.24								
MID CAP[1,2] (Inception Date 12/31/13) | Morningstar: Mid-Cap Value | Lipper: Mid-Cap Core																	
Class A	DHPAX	25264S635	8.12%	—	—	7.61%	5.97%	-1.02%	-1.02%	5.00%	—	0.60%	0.25%	0.23%	1.08%	1.07%	★★★★ The Overall Morningstar Rating out of 361 Mid-Cap Value Funds as of 3/31/2018
Class I	DHPIX	25264S619	8.45	—	—	7.94	6.38	-0.88	-0.88	—	—	0.60	—	0.19	0.79	0.78	
Class Y	DHPYX	25264S593	8.56	—	—	8.05	6.44	-0.87	-0.87	—	—	0.60	—	0.07	0.67	0.66	
Benchmark	Russell Midcap Index		9.71	—	—	8.01	12.20	-0.46	-0.46								
LARGE CAP[3] (Inception Date 6/29/01) | Morningstar: Large Value | Lipper: Large-Cap Core																	
Class A	DHLAX	25264S502	8.30%	8.51%	11.97%	9.21%	8.50%	-3.86%	-3.86%	5.00%	—	0.50%	0.25%	0.21%	0.96%	0.96%	★★★★ The Overall Morningstar Rating out of 1,086 Large Value Funds as of 3/31/2018.
Class C	DHLCX	25264S601	7.47	7.69	11.12	8.39	7.67	-4.03	-4.03	—	1.00%	0.50	1.00	0.21	1.71	1.71	
Class I	DHLRX	25264S841	8.58	8.84	12.27	9.54	8.84	-3.79	-3.79	—	—	0.50	—	0.17	0.67	0.67	
Class Y	DHLYX	25264S676	8.46	8.78	12.41	9.65	8.95	-3.75	-3.75	—	—	0.50	—	0.05	0.55	0.55	
Benchmark	Russell 1000 Index		7.07	9.61	13.17	10.39	13.98	-0.69	-0.69								
ALL CAP SELECT[1,2] (Inception Date 12/30/05) | Morningstar: Large Blend | Lipper: Multi-Cap Core																	
Class A	DHTAX	25264S775	8.22%	9.01%	12.29%	6.57%	13.01%	-1.25%	-1.25%	5.00%	—	0.70%	0.25%	0.22%	1.17%	1.16%	★★★ The Overall Morningstar Rating out of 1,204 Large Blend Funds as of 3/31/2018.
Class C	DHTCX	25264S767	7.42	8.20	11.45	5.76	12.12	-1.46	-1.46	—	1.00%	0.70	1.00	0.22	1.92	1.91	
Class I	DHLTX	25264S759	8.55	9.34	12.60	6.88	13.33	-1.18	-1.18	—	—	0.70	—	0.18	0.88	0.87	
Class Y	DHTYX	25264S668	8.43	9.27	12.73	6.98	13.37	-1.18	-1.18	—	—	0.70	—	0.06	0.76	0.75	
Benchmark	Russell 3000 Index		8.64	9.62	13.03	10.22	13.81	-0.64	-0.64								
GLOBAL[2,4,8] (Inception Date 12/31/13) | Morningstar: World Large Stock | Lipper: Global Multi-Cap Value																	
Class A	DHGBX	25264S486	7.41%	—	—	7.65%	17.42%	-1.30%	-1.30%	5.00%	—	0.70%	0.25%	0.26%	1.21%	1.21%	Morningstar Rating™ Not Available
Class I	DHGIX	25264S478	7.74	—	—	7.97	17.77	-1.22	-1.22	—	—	0.70	—	0.22	0.92	0.92	
Class Y	DHGYX	25264S460	7.86	—	—	8.10	17.94	-1.15	-1.15	—	—	0.70	—	0.10	0.80	0.80	
Benchmark	Morngingstar Global Markets Index		7.38	—	—	8.24	15.00	-0.89	-0.89								

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. Refer to each Fund on pages 3, 6, 9, 12, 15, 18, 21, 24, and 28 for standard performance.

Performance returns assume reinvestment of all distributions. Returns for the periods less than one year are not annualized. Class C, I and Y shares include performance based on Class A shares for the Small Cap Fund, Small-Mid Cap Fund, Large Cap Fund, All Cap Select Fund, Long-Short Fund, Financial Long-Short Fund, and Corporate Credit Fund which was achieved prior to the creation of Class C, I and 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.

[1] The Fund may invest in another Diamond Hill Fund. Diamond Hill Capital Management, Inc. is required to permanently waive a portion of its management fee in the pro-rata amount of the management fee charged by the underlying Diamond Hill Fund.

[2] There are special risks associated with small capitalization issues such as market illiquidity and greater market volatility than large capitalization issues.

[3] Overall equity market risks may affect the value of the fund.

[4] The quoted performance for the Global Fund reflects the past performance of Diamond Hill Global Fund L.P. (the "Global Partnership"), a private fund managed with full investment authority by the fund's Adviser. The Fund is managed in all material respects in a manner equivalent to the management of the predecessor unregistered fund. The assets of the Global Partnership were converted into assets of the fund prior to commencement of operation of the fund. The performance of the Global Partnership has been restated to reflect the net expenses and maximum applicable sales charge of the fund for its initial years of investment operations. The Global Partnership was not registered under the Investment Company Act of 1940 and therefore was not subject to certain investment restrictions imposed by the 1940 Act. If the Global Partnership

Diamond Hill Funds Performance Update*

*Figures do not reflect sales charges. If they did, the returns would be lower.

	Ticker Symbol	CUSIP Number	Since Inception	10-YR	5-YR	3-YR	1-YR	YTD	1Q18	Maximum Front-End Sales Charge	Contingent Deferred Sales Charge	Management Fee	Distribution Fee (12b-1)	Other Expenses	Expense Ratio Gross	Expense Ratio Net	Overall Morningstar Ratingy
	PERIOD & AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2018									FEES & EXPENSES							MORNINGSTAR
ALTERNATIVES																	
LONG-SHORT[1,3,5,6] *(closed to new investors)* (Inception Date 6/30/00) | Morningstar: Long-Short Equity | Lipper: Alternative Long/Short Equity																	
Class A	DIAMX	25264S403	6.45%	4.07%	6.36%	3.97%	0.61%	-2.10%	-2.10%	5.00%	—	0.90%	0.25%	0.81%	1.96%	1.95%	
Class C	DHFCX	25264E107	5.64	3.29	5.57	3.20	-0.11	-2.26	-2.26	—	1.00%	0.90	1.00	0.81	2.71	2.70	★★★ The Overall Morningstar Rating out of 191 Long-Short Equity Funds as of 3/31/2018.
Class I	DHLSX	25264S833	6.71	4.38	6.65	4.27	0.93	-2.05	-2.05	—	—	0.90	—	0.77	1.67	1.66	
Class Y	DIAYX	25264S650	6.60	4.34	6.79	4.38	1.02	-2.00	-2.00	—	—	0.90	—	0.65	1.55	1.54	
Benchmark	Russell 1000 Index		5.69	9.61	13.17	10.39	13.98	-0.69	-0.69								
Benchmark	60% Russell 1000 Index / 40% ICE BofAML U.S. T-Bill 0-3 Month Index		4.29	6.09	7.97	6.45	8.72	-0.22	-0.22								
FINANCIAL LONG-SHORT[2,5,7,9] (Inception Date 8/1/97) | Morningstar: Financial | Lipper: Financial Services																	
Class A	BANCX	25264S106	7.36%	5.77%	9.77%	7.50%	6.37%	-2.59%	-2.59%	5.00%	—	0.95%	0.25%	0.66%	1.86%	1.86%	
Class C	BSGCX	25264S205	6.59	4.96	8.95	6.69	5.59	-2.75	-2.75	—	1.00%	0.95	1.00	0.66	2.61	2.61	★★★ The Overall Morningstar Rating out of 98 Financial Funds as of 3/31/2018.
Class I	DHFSX	25264S825	7.56	6.11	10.07	7.83	6.69	-2.51	-2.51	—	—	0.95	—	0.62	1.57	1.57	
Benchmark	Russell 3000 Financials Index		6.02	6.48	14.17	12.45	15.85	-0.50	-0.50								
Benchmark	80% Russell 3000 Financials Index / 20% ICE BofAML U.S. T-Bill 0-3 Month Index		5.55	5.64	11.38	10.09	12.81	-0.30	-0.30								
RESEARCH OPPORTUNITIES[2,8,9] (Inception Date 3/31/09) | Morningstar: Long-Short Equity | Lipper: Alternative Long/Short Equity																	
Class A	DHROX	25264S742	12.25%	—	7.08%	3.11%	3.60%	-4.33%	-4.33%	5.00%	—	0.95%	0.25%	0.60%	1.80%	1.80%	
Class C	DROCX	25264S734	11.41	—	6.28	2.33	2.82	-4.51	-4.51	—	1.00%	0.95	1.00	0.60	2.55	2.55	★★★★ The Overall Morningstar Rating out of 191 Long-Short Equity Funds as of 3/31/2018.
Class I	DROIX	25264S726	12.55	—	7.37	3.41	3.88	-4.28	-4.28	—	—	0.95	—	0.56	1.51	1.51	
Class Y	DROYX	25264S718	12.70	—	7.51	3.52	4.01	-4.27	-4.27	—	—	0.95	—	0.44	1.39	1.39	
Benchmark	Russell 3000 Index		16.83	—	13.03	10.22	13.81	-0.64	-0.64								
Benchmark	75% Russell 3000 Index / 25% ICE BofAML U.S. T-Bill 0-3 Month Index		12.62	—	9.81	7.81	10.55	-0.36	-0.36								

had been registered under the 1940 Act, its performance may have been adversely affected. Performance is measured from December 31, 2013, the inception of the Global Partnership and is not the performance of the fund. The Global Partnership's past performance is not necessarily an indication of how the fund will perform in the future either before or after taxes.

[5] The Long-Short Fund, Financial Long-Short Fund, and the Research Opportunities Fund use short selling which incurs significant additional risk. Theoretically, stocks sold short have unlimited risk. The Expense Ratio includes dividend expense relating to short sales. If dividend expenses relating to short sales were excluded, the Expense Ratio for the Long-Short Fund would have been 1.38% for Class A, 2.13% for Class C, 1.09% for Class I, and 0.97% for Class Y, and for the Financial Long-Short Fund would have been 1.41% for Class A, 2.16% for Class C, and 1.12% for Class I, and for the Research Opportunities Fund would have been 1.41% for Class A, 2.16% for Class C, 1.12 % for Class I, and 1.00% for Class Y.

[6] The Long-Short Fund was long-only from inception through June 2002.

[7] The Financial Long-Short Fund was long-only from inception through April 2006.

[8] The quoted performance for the Fund reflects the past performance of Diamond Hill Research Partners, L.P. (the "Research 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 fund's objectives, policies, guidelines and restrictions are in all material respects equivalent to the predecessor, and the fund was created for reasons entirely unrelated to the establishment of a performance record. The assets of the Research Partnership were converted into assets of the fund prior to commencement of operation of the fund. The performance of the Research 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 Research 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 Research Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Performance is measured from March 31, 2009, the inception of the Research Partnership and is not the performance of the fund. The Research Partnership's past performance is not necessarily an indication of how the fund will perform in the future either before or after taxes.

[9] The Global Fund, Financial Long-Short Fund, and Research Opportunities Fund invest in non-U.S. securities. Investing in non-U.S. securities may entail risk due to foreign economic and political developments; this risk may be higher when investing in emerging markets. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns.

Refer to performance disclosure information on page 32.

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.

The Russell unmanaged market capitalization-weighted equity indices seek to benchmark the entire U.S. stock market. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies by total market capitalization. The Russell 1000 Index is comprised of the largest 1,000 companies by market capitalization in the Russell 3000 Index. The Russell 2000 Index represents the next 2,000 companies by market capitalization in the Russell 3000 Index. The Russell 2500 Index is comprised of the smallest 2,500 companies by market capitalization in the Russell 3000 Index. The Russell Midcap Index represents the 800 smallest companies in the Russell 1000 Index. The 60%/40% blended index represents a 60% weighting of the Russell 1000 Index and a 40% weighting of the ICE BofAML U.S. T-Bill 0-3 Month Index. The 80%/20% blended index represents a 80% weighting of the Russell 3000 Financials Index and a 20% weighting of the ICE BofAML U.S. T-Bill 0-3 Month Index. The 75%/25% blended index represents a 75% weighting of the Russell 3000 Index and a 25% weighting of the ICE BofAML U.S. T-Bill 0-3 Month Index. The ICE BofAML U.S. T-Bill 0-3 Month Index is comprised of U.S. dollar denominated U.S. Treasury Bills with a term to maturity of less than 3 months. The Russell 3000 Financials Index consists of Russell 3000 companies involved in banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance, financial investments, and real estate, including REITS. The Morningstar Global Markets Index is an unmanaged, float market capitalization weighted index of more than 7,000 securities that is designed to cover 97% of the equity market capitalization of developed and emerging markets. These indices do not incur fees and expenses (which would lower the return) and are 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. ICE Data was not involved in the creation of the blended index.

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Small Cap Fund The Overall Morningstar Rating™ is based on 348 small value funds as of 3/31/18. The Fund's Class I rating was 3 stars among 348, 3 stars among 301, and 4 stars among 209 small value funds for the 3-, 5-, and 10-year periods ended 3/31/18, respectively.

Small-Mid Cap Fund The Overall Morningstar Rating™ is based on 361 mid-cap value funds as of 3/31/18. The Fund's Class I rating was 3 stars among 361, 4 stars among 309, and 4 stars among 225 mid-cap value funds for the 3-, 5-, and 10-year periods ended 3/31/18, respectively.

Mid Cap Fund The Overall Morningstar Rating™ is based on 361 mid-cap value funds as of 3/31/18. The Fund's Class I rating was 4 stars among 361 funds for the 3-year period ended 3/31/18.

Large Cap Fund The Overall Morningstar Rating™ is based on 1,086 large value funds as of 3/31/18. The Fund's Class I rating was 4 stars among 1,086, 5 stars among 958, and 4 stars among 687 large value funds for the 3-, 5-, and 10-year periods ended 3/31/18, respectively.

All Cap Select Fund The Overall Morningstar Rating™ is based on 1,204 large blend funds as of 3/31/18. The Fund's Class I rating was 2 stars among 1,204, 3 stars among 1,077, and 3 stars among 802 large blend funds for the 3-, 5-, and 10-year periods ended 3/31/18, respectively.

Global Fund Morningstar Rating not available.

Long-Short Fund The Overall Morningstar Rating™ is based on 191 long-short equity funds as of 3/31/18. The Fund's Class I rating was 3 stars among 191, 4 stars among 101, and 3 stars among 28 long-short equity funds for the 3-, 5-, and 10-year periods ended 3/31/18, respectively.

Financial Long-Short Fund The Overall Morningstar Rating™ is based on 98 financial funds as of 3/31/18. The Fund's Class I rating was 2 stars among 98, 2 stars among 93, and 3 stars among 72 financial funds for the 3-, 5-, and 10-year periods ended 3/31/18, respectively.

Research Opportunities Fund The Overall Morningstar Rating™ is based on 191 long-short equity funds as of 3/31/18. The Fund's Class I rating was 3 stars among 191 and 4 stars among 101 long-short equity funds for the 3- and 5-year periods ended 3/31/18, respectively.

Refer to performance disclosure information on page 32.