

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

As of March 31, 2018



OBJECTIVE

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

INVESTMENT STRATEGY

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

PORTFOLIO MANAGEMENT



Chris Welch, CFA
Portfolio Manager

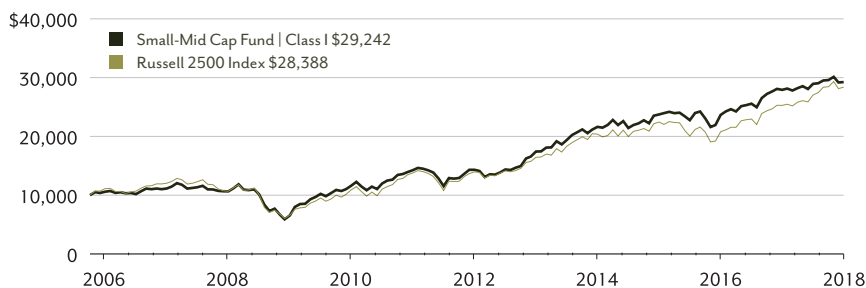


Jenny Hubbard, CFA
Asst. Portfolio Manager



Tom Schindler, CFA
Asst. Portfolio Manager

GROWTH OF \$10,000 SINCE INCEPTION¹



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

An investor should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus or summary prospectus contain this and other important information about the Fund(s) and are available at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by Foreside Financial Services, LLC (Member FINRA). Diamond Hill Capital Management, Inc., a registered investment adviser, serves as Investment Adviser to the Diamond Hill Funds and is paid a fee for its services. Diamond Hill Funds are not FDIC insured, may lose value, and have no bank guarantee.

Side One. Not Valid Without Side Two.

PORTFOLIO GUIDELINES

Fund Guidelines

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

Market Capitalization

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

TOP TEN EQUITY HOLDINGS

| Company | Industry | Weight |
|---------------------------------|---------------------|--------------|
| Willis Towers Watson PLC | Financials | 3.8% |
| BankUnited, Inc. | Financials | 3.5 |
| Cimarex Energy Co. | Energy | 3.1 |
| Validus Holdings, Ltd. | Financials | 3.1 |
| BorgWarner, Inc. | Cons. Discretionary | 2.9 |
| Axalta Coating Systems Ltd. | Materials | 2.6 |
| Post Holdings, Inc. | Consumer Staples | 2.6 |
| Kirby Corp. | Industrials | 2.5 |
| Worldpay, Inc. (CIA) | Info. Technology | 2.4 |
| Red Rock Resorts, Inc. (CIA) | Cons. Discretionary | 2.4 |
| Total as % of Net Assets | | 29.0% |

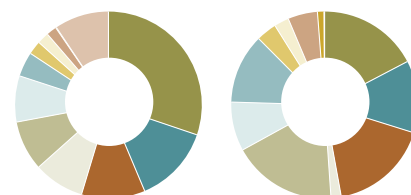
BEST & WORST PERFORMERS²

| SECURITY NAME | 1Q18 CONTRIBUTION | POSITION AS OF 1Q18 |
|------------------------------|-------------------|---------------------|
| Best | | |
| Validus Holdings Ltd. | 0.9% | 3.1% |
| XL Group Ltd. | 0.7 | 1.3 |
| Kirby Corp. | 0.3 | 2.5 |
| Aaron's, Inc. | 0.3 | 1.8 |
| Worldpay, Inc. (CIA) | 0.2 | 2.4 |
| Worst | | |
| Cimarex Energy Co. | -0.7% | 3.1% |
| B&G Foods, Inc. | -0.6 | 1.3 |
| NVR, Inc. | -0.5 | 2.1 |
| Red Rock Resorts, Inc. (CIA) | -0.4 | 2.4 |
| Colfax Corp. | -0.3 | 1.6 |

² The holdings identified do not represent all of the securities purchased, sold, or recommended for the adviser's clients. The reader should not assume that an investment in the securities identified was or will be profitable. To obtain the contribution calculation methodology and a complete list of every holding's contribution to the overall portfolio's performance during the measurement period, contact 855.255.8955 or info@diamond-hill.com.

SECTOR ALLOCATION³

Small-Mid Cap Fund | Russell 2500 Index



| Small-Mid Cap Fund | Russell 2500 Index |
|--------------------------|--------------------------|
| Financials 27.9% | Financials 16.6% |
| Cons. Discretionary 13.0 | Cons. Discretionary 12.3 |
| Industrials 10.8 | Industrials 16.6 |
| Consumer Staples 8.8 | Consumer Staples 2.7 |
| Info. Technology 8.7 | Info. Technology 17.3 |
| Real Estate 8.1 | Real Estate 8.7 |
| Health Care 4.8 | Health Care 11.9 |
| Energy 3.1 | Energy 4.3 |
| Utilities 2.8 | Utilities 3.4 |
| Materials 2.6 | Materials 5.7 |
| Telecom 0.0 | Telecom 0.5 |
| Cash & Other 9.4 | Cash & Other 0.0 |

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

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

| | SINCE INCEPTION | 10-YR | 5-YR | 3-YR | 1-YR | YTD | 1Q18 |
|---------------------------------------|--------------------|--------|--------|-------|-------|--------|--------|
| RETURNS AT NAV (WITHOUT SALES CHARGE) | | | | | | | |
| Class A | 8.80% | 10.30% | 10.59% | 6.90% | 4.37% | -1.26% | -1.26% |
| Class C | 8.01 | 9.49 | 9.76 | 6.11 | 3.64 | -1.42 | -1.42 |
| Class I | 9.16 | 10.63 | 10.91 | 7.21 | 4.73 | -1.16 | -1.16 |
| Class Y | 9.03 | 10.58 | 11.06 | 7.34 | 4.82 | -1.11 | -1.11 |
| 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 |
| Class C | 8.01 | 9.49 | 9.76 | 6.11 | 2.64 | -2.41 | -2.41 |

CALENDAR YEAR RETURNS (%)

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

FEES AND EXPENSES

| | CLASS A | CLASS C | CLASS I | CLASS Y |
|----------------------------------|-----------|-----------|-----------|-----------|
| Ticker | DHMAX | DHMCX | DHMIX | DHMYX |
| CUSIP | 25264S817 | 25264S791 | 25264S783 | 25264S684 |
| Minimum Initial Investment | \$2,500 | \$2,500 | \$2,500 | \$500,000 |
| Maximum Front-End Sales Charge | 5.00% | None | None | None |
| Contingent Deferred Sales Charge | None | 1.00% | None | None |
| Management Fee | 0.75% | 0.75% | 0.75% | 0.75% |
| Distribution Fee (12b-1) | 0.25% | 1.00% | None | None |
| Other Expenses | 0.23% | 0.23% | 0.19% | 0.07% |
| Gross Expense Ratio | 1.23% | 1.98% | 0.94% | 0.82% |
| Net Expense Ratio ⁴ | 1.22% | 1.97% | 0.93% | 0.81% |

⁴ 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.

PORTFOLIO STATISTICS

| | |
|---|-------------------|
| Inception | December 30, 2005 |
| Total Net Assets | \$2.4B |
| Distributions | Annual |
| Median Market Capitalization | \$5.8B |
| Portfolio Turnover (12 months trailing) | 19% |
| Active Share ⁵ | 96% |
| Number of Equity Holdings in Portfolio | 59 |

SINCE INCEPTION RISK STATISTICS⁵
(CLASS I SHARES)

| | |
|-------------------------------------|---------|
| Standard Deviation (%) | 16.75 |
| Beta (%) | 0.91 |
| Sharpe Ratio | 0.54 |
| Alpha (%) | 0.90 |
| R-squared (%) | 91.11 |
| Upside / Downside Capture Ratio (%) | 90 / 85 |

MORNINGSTAR CLASSIFICATION

Mid-Cap Value

LIPPER CLASSIFICATION

Mid-Cap Core

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class Y shares include Class A share performance achieved prior to the creation of Class Y shares. These total return figures may reflect the waiver of a portion of a Fund's advisory or administrative fees for certain periods. Without such waiver of fees, the total returns would have been lower.

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

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

⁵ **Key Definitions:** **Active Share** measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the risk. **Standard Deviation** measures the volatility of the Fund's returns. **Beta** measures the Fund's sensitivity to market movements. **Sharpe Ratio** uses the Fund's standard deviation and average excess return over the risk-free rate to determine reward per unit of risk. **Alpha** measures excess return relative to the market that is attributable to active portfolio management. **R-squared** represents the percentage of the portfolio's movements that can be explained by general market movements. **Upside / Downside Capture Ratio** measures a manager's ability to generate excess return above the benchmark return in up markets and retain more of the excess return in down markets. Statistics for periods less than one year are not annualized.

Side Two. Not Valid Without Side One.