

Core Bond Composite

As of September 30, 2018



OBJECTIVE

Maximize total return consistent with the preservation of capital by investing in a diversified portfolio of intermediate and long-term fixed income securities.

INVESTMENT STRATEGY

- Identify opportunities with a bottom-up, intrinsic value-focused approach to active investment management and disciplined risk control.
- Perform risk/reward analysis to evaluate credit risk, interest rate risk, prepayment risk, and security structure.
- Invest in securities we believe offer attractive prospects for income and/or capital appreciation relative to the risk borne.

PORTFOLIO MANAGEMENT



Henry Song, CFA
Portfolio Manager



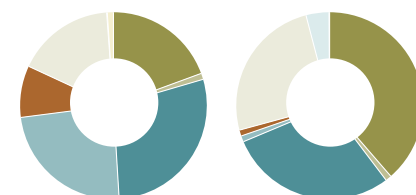
Mark Jackson, CFA
Portfolio Manager

PORTFOLIO GUIDELINES

The portfolio generally invests at least 80% of its assets in a diversified portfolio of investment grade, fixed income securities and may invest a significant portion or all of its assets in mortgage-related and mortgage-backed securities. The portfolio will typically maintain an average portfolio duration within 20% of the duration of the Bloomberg Barclays U.S. Aggregate Bond Index.

SECTOR ALLOCATION

Core Bond Composite vs. Bloomberg Barclays U.S. Aggregate Index



Core Bond Composite	Bloomberg Barclays U.S. Aggregate Index
Treasury 19.3%	Treasury 38.0%
Agency 1.2%	Agency 1.5%
Agency RMBS/CMBS ² 27.9%	Agency RMBS/CMBS ² 28.8%
Asset-Backed Securities 23.6%	Asset-Backed Securities 0.5%
Non-Agency RMBS/CMBS ² 9.4%	Non-Agency RMBS/CMBS ² 1.2%
Corporate Credit 17.0%	Corporate Credit 25.1%
Non-Corporate Credit 0.0%	Non-Corporate Credit 4.9%
Cash & Other ³ 1.6%	Cash & Other ³ 0.0%

CREDIT QUALITY¹

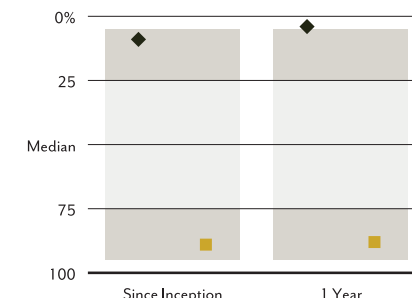
QUALITY RATING	% OF PORTFOLIO
AAA	57.4%
AA	5.2
A	14.7
BBB	21.5
Not Rated	1.2

¹ Security quality ratings are derived from underlying portfolio securities by using the middle rating of Standard & Poor's, Moody's, and Fitch. If only two of Standard & Poor's, Moody's, and Fitch rates a security the available rating is used. For securities that are not rated by Standard & Poor's, Moody's, or Fitch a rating from a secondary Nationally Recognized Statistical Rating Organization ("NRSRO") may be used. Ratings by any agency represent an opinion only, not a recommendation to buy or sell. Securities that are not rated by any agencies are reflected as Not Rated "NR".

DURATION BREAKDOWN

	CORE BOND COMPOSITE	BLOOMBERG BARCLAYS U.S. AGGREGATE INDEX
Less than one	17.3%	0.2%
1-3	18.2	23.4
3-5	17.8	25.4
5-7	18.7	28.9
7-10	14.7	7.7
10-20	12.6	14.4
20+	0.7	0.0

PEER GROUP QUARTILE RANKINGS⁴



Diamond Hill Percentile:

9th

4th

- ◆ Diamond Hill Core Bond Composite
- Bloomberg Barclays U.S. Aggregate Index

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS

Inception Date: July 31, 2016

	SINCE INCEPTION	1-YR	YTD	3Q18
CORE BOND COMPOSITE				
Gross of Fees	0.85	0.34	-0.23	0.20
Net of Fees	0.55	0.04	-0.47	0.12
BENCHMARK				
Bloomberg Barclays U.S. Aggregate Index	-0.61	-1.22	-1.60	0.02

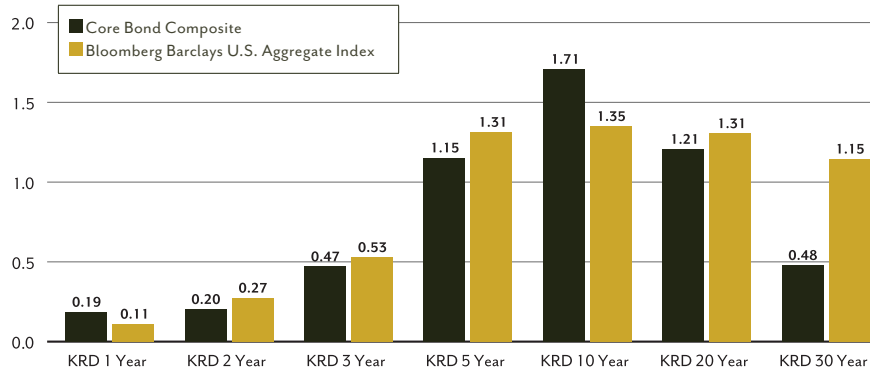
² Residential Mortgage-Backed Securities/Commercial Mortgage-Backed Securities.

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

Please review GIPS® performance disclosure on the reverse side.

Side One. Not Valid Without Side Two.

⁴ Source: eVestment Analytics. Ranking within eVestment U.S. Core Fixed Income universe based on monthly returns gross of fees. Ranking data calculated on 10/18/18 (as of 9/30/18) and is subject to change as additional firms within the category submit data.

KEY RATE DURATION⁵

⁵ Key Rate Duration (KRD) measures the contribution to duration to the entire portfolio from each part of the yield curve.

CALENDAR YEAR RETURNS (%)

	July 31, 2016 - December 31, 2016	2017
CORE BOND COMPOSITE		
Gross of Fees	-2.45	4.64
Net of Fees	-2.56	4.33
BENCHMARK		
Bloomberg Barclays U.S. Aggregate Index	-3.14	3.54

PORTFOLIO CHARACTERISTICS

	CORE BOND COMPOSITE	BLOOMBERG BARCLAYS U.S. AGGREGATE INDEX
Number of holdings	349	10,112
Yield to Maturity (%)	3.84	3.46
Yield to Worst (%)	3.75	3.46
Effective Duration	5.42	6.03
Weighted Average Life (years)	6.98	8.42
Convexity	0.38	0.36
Option-Adjusted Spread	92	39

SINCE INCEPTION RISK STATISTICS

	CORE BOND COMPOSITE	BLOOMBERG BARCLAYS U.S. AGGREGATE INDEX
Standard Deviation (%)	2.50	2.58
Sharpe Ratio	-0.30	-0.68
Beta ⁶ (%)	0.96	—
R-squared (%)	97.69	—
Information Ratio	2.55	—

⁶ Relative to the Bloomberg Barclays U.S. Aggregate Index.

Diamond Hill Capital Management Inc. (DHCM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Diamond Hill has been independently verified for the period 5/31/00 – 6/30/18. Diamond Hill's current verification firm is ACA Compliance Group. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Diamond Hill is a registered investment adviser and wholly owned subsidiary of Diamond Hill Investment Group, Inc.; registration does not imply a certain level of skill or training. Diamond Hill provides investment management services to individuals and institutional investors through mutual funds, separate accounts, exchange traded funds and private investment funds. A complete list and description of all composites and policies for valuing portfolios, calculating and reporting returns, and preparing compliant presentations are available upon request. The Core Bond Composite is comprised of discretionary non-fee and fee paying non-wrap accounts with a market value over \$10M managed according to the firm's Core Bond fixed income strategy. The strategy's investment objective is to maximize total return with the preservation of capital by investing in a diversified portfolio of intermediate and long-term debt securities. The portfolio generally invests at least 80% of its assets in a diversified portfolio of investment grade, fixed income securities and may invest a significant portion or all of its assets in mortgage-related and mortgage-backed securities. The portfolio will typically maintain an average portfolio duration within 20% of the duration of the Bloomberg Barclays U.S. Aggregate Index. The portfolio may invest a significant portion or all of its assets in asset-backed, mortgage-related and mortgage-backed securities at the discretion of Diamond Hill Capital Management, Inc. (the "Adviser"). The Composite results reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. Composite returns and benchmark returns are presented gross of withholding taxes on dividends, interest income and capital gains. Returns are calculated using U.S. Dollars. Net returns are calculated by reducing the gross returns by either the actual client fee paid or the highest stated fee in the Composite fee schedule, depending on the type of client and account, and are reduced by estimated accrued performance based fees where applicable. Only transaction costs are deducted from gross of fees returns. The Bloomberg Barclays U.S. Aggregate Index is an unmanaged index representing the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through, and asset-backed securities. Our selection process may lead to portfolios that differ markedly from the benchmarks presented. Returns may be more volatile than, and/or may not be correlated to these indices, which are for comparative purposes only. The Firm's standard fee schedule for Core Bond separate accounts is as follows: First \$50,000,000 = 0.29%; Next \$50,000,000 = 0.22%; Balance = 0.18%. The dispersion measure is the asset weighted standard deviation of the annual portfolio returns. Only portfolios represented in the Composite for the entire year are included in the calculation. The calculation is not performed if the Composite contains 5 or fewer accounts for the full year. No alteration of composites as presented here has occurred because of changes in personnel at any time. **Past performance is not a guarantee of future results.** GIPS is a trademark of CFA Institute. CFA Institute has not been involved in the preparation or review of this report/ advertisement. In July 2018 an error was discovered in the 2016 partial calendar year returns of the Core Bond Composite fact sheet which presented both the net and gross returns as positive instead of negative. The correction changed the net return from 2.56% to -2.56% and the gross return from 2.45% to -2.45%.

AS OF YEAR-END	DHCM	CORE BOND COMPOSITE				3-YR ANNUALIZED STANDARD DEVIATION (GROSS OF FEES)	
		Assets Under Management	Number of Accounts	Assets Under Management	Dispersion (Gross of Fees)	Core Bond Composite	Bloomberg Barclays U.S. Aggregate Index
2017	\$22.3B	5 or fewer	\$43.8M	NA ⁷	NA ⁸	NA ⁸	
2016	19.4B	5 or fewer	39.7M	NA ⁷	NA ⁸	NA ⁸	

⁷ NA = Not Applicable

⁸ Statistics are not presented because 36 monthly returns are not available. This composite was created in July 2016.

Side Two. Not Valid Without Side One.