

# Valuation-Weighted 500 ETF (DHVV)

As of September 30, 2018



## KEY FEATURES & BENEFITS

- Broad market exposure through intrinsic value capitalization
- Alternative to market capitalization

## INDEX OBJECTIVE

Generate excess return relative to a comparable U.S. equity market capitalization-weighted strategy over long-term periods (5 years or longer).

## INDEX DESCRIPTION

The Index is composed of approximately 500 of the largest U.S.-listed equity securities weighted by intrinsic value capitalization. The Index uses a proprietary, patent-pending valuation methodology developed by Diamond Hill Capital Management, Inc. to evaluate the 700 largest U.S.-listed equity securities by market capitalization.

Fundamental company data and consensus earnings per share estimates are used to estimate cash flows and determine terminal value at the end of five years. Cash flows are discounted to estimate intrinsic value and determine the intrinsic value capitalization for each of the 700 companies in the starting universe. A portfolio of the 500 largest companies by intrinsic value capitalization is created, eliminating the bottom 200. Each company is then weighted according to its intrinsic value capitalization as a percentage of the total portfolio capitalization. The Index is rebalanced and reconstituted quarterly to incorporate new data into the intrinsic value calculation.

## FUND OBJECTIVE

The Diamond Hill Valuation-Weighted 500 ETF (the "Fund") seeks to track the price and total return, before fees and expenses, of the Diamond Hill Valuation-Weighted 500 index (the "Index").

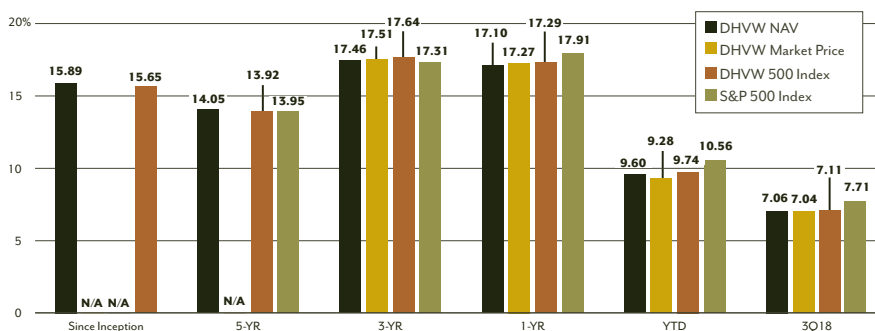
## TOP TEN HOLDINGS

Amazon.com, Inc.	Cons. Discretionary	3.9%
Apple, Inc.	Info. Technology	3.8
Microsoft Corp.	Info. Technology	2.7
Alphabet, Inc. (CI A)	Communication Services	2.4
Facebook, Inc. (CI A)	Communication Services	2.1
Berkshire Hathaway, Inc. (CI B)	Financials	1.8
JPMorgan Chase & Co.	Financials	1.5
Exxon Mobil Corp.	Energy	1.4
Walmart, Inc.	Cons. Discretionary	1.3
Bank of America Corp.	Financials	1.3
<b>Total as % of Net Assets</b>		<b>22.3%</b>
<b>Total Number of Holdings</b>		<b>500</b>

## SECTOR ALLOCATION

Information Technology	20.5%
Financials	15.9
Consumer Discretionary	12.3
Health Care	12.1
Communication Services	10.1
Industrials	10.0
Energy	7.0
Consumer Staples	5.4
Materials	3.0
Utilities	1.9
Real Estate	1.5
Cash & Equiv.	0.3

## PERIOD AND AVERAGE ANNUAL TOTAL RETURNS (%) AS OF SEPTEMBER 30, 2018<sup>4</sup>



Prior to 5/11/2015, the performance shown is that of the predecessor partnership and is not performance of the fund.

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 sold or redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. For performance data current to the most recent month end, please visit [diamond-hill.com](http://diamond-hill.com).

Side One. Not Valid Without Side Two.

DIAMOND HILL® CAPITAL MANAGEMENT, INC. | [DIAMOND-HILL.COM](http://DIAMOND-HILL.COM) | 855.255.8955 | 325 JOHN H. MCCONNELL BLVD | SUITE 200 | COLUMBUS, OHIO 43215

## FUND FACTS

Inception <sup>1</sup>	December 30, 2011
Exchange	NYSE ARCA
Fund Ticker	DHVV
Total Net Assets	\$24.1M
CUSIP	26922A875
Distribution Frequency	Annual

<sup>1</sup>This is the inception date for the Diamond Hill Valuation-Weighted 500, L.P., a private fund that was converted into the Diamond Hill Valuation-Weighted 500 ETF on May 11, 2015.

## INDEX FACTS

Index Inception	June 28, 2013
Bloomberg Ticker	DHVV Index
Reconstitution & Rebalance Frequency	Quarterly

## PORTFOLIO CHARACTERISTICS<sup>†</sup>

Median P/E Ratio	22.3x
Median P/B Ratio	3.6x
Median Price/Sales	2.5x
Median Price/Cash Flow	14.2x
Maximum Market Capitalization	\$1.2T
Minimum Market Capitalization	\$1.8B

## SINCE INCEPTION RISK STATISTICS<sup>†</sup>

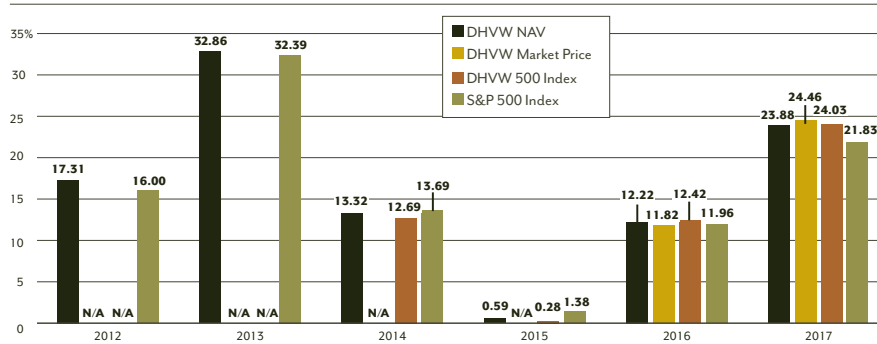
	DHVV 500 ETF	S&P 500 INDEX
Standard Deviation (%)	9.90	9.62
Alpha (%) <sup>2</sup>	-0.13	N/A
Beta (%) <sup>2</sup>	1.02	N/A

<sup>2</sup>Relative to the S&P 500 Index.

## OPERATING EXPENSES

Management Fee	0.45%
Less Fee Waiver <sup>3</sup>	0.35%
<b>Total Annual Fund Operating Expenses After Fee Waiver</b>	<b>0.10%</b>

<sup>3</sup>The Fund's investment adviser has agreed to waive 35 basis points (0.35%) of its management fees for the Fund until at least April 30, 2020. This agreement may be terminated only by, or with the consent of, the Fund's Board of Trustees.

CALENDAR YEAR RETURNS (%)<sup>4</sup>BEST & WORST PERFORMERS<sup>5</sup>

SECURITY NAME	3Q18 CONTRIBUTION	POSITION SIZE AS OF 9/30/18
<b>Best</b>		
Apple, Inc.	0.9%	3.8%
Amazon.com, Inc.	0.6	3.9
Microsoft Corp.	0.4	2.7
Berkshire Hathaway, Inc. (CI B)	0.3	1.8
Visa, Inc. (CI A)	0.2	1.3
<b>Worst</b>		
Facebook, Inc. (CI A)	-0.4%	2.1%
Western Digital Corp.	-0.1	0.1
Micron Technology, Inc.	-0.1	0.6
General Electric Co.	-0.1	0.3
Wells Fargo & Co.	-0.1	1.2

<sup>5</sup> 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.

**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 sold or redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. For performance data current to the most recent month end, please visit [diamond-hill.com](http://diamond-hill.com).

<sup>4</sup> The quoted performance for the Fund reflects the past performance of Diamond Hill Valuation-Weighted 500, L.P., a private fund that has used the same Index methodology as the Fund since the Partnership's inception. The assets of the Partnership were converted into assets of the fund upon the commencement of operation of the fund. The performance of the Partnership has been restated to reflect the net expenses and maximum applicable sales charge of the fund for its initial years of investment operations. Performance is measured from December 30, 2011, the inception of the Partnership and is not the performance of the fund. The Partnership was not registered under the Investment Company Act of 1940 (the "1940 Act") and, from its inception on December 30, 2011 was not subject to certain investment restrictions, diversification requirements and other restrictions of the 1940 Act or Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), which, if they had been applicable, might have adversely affected the Partnership's performance. The Partnership's past performance is not necessarily an indication of how the Fund will perform in the future.

**Risk Disclosure:** The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. The Index relies heavily on proprietary quantitative models as well as information and data supplied by third parties ("Models and Data"). Because the Index is composed based on such Models and Data, when such Models and Data prove to be incorrect or incomplete, the Index and Fund may not perform as expected. As with all index funds, the performance of the Fund and its Index may differ from each other for a variety of reasons. For example, the Fund incurs operating expenses and portfolio transaction costs not incurred by the Index. In addition, the Fund may not be fully invested in the securities of the Index at all times or may hold securities not included in the Index.

Investments involve risk. Principal loss is possible. The Fund has the same risks as the underlying securities traded on the exchange through the day. Redemptions are limited and often commissions are charged on each trade, and ETFs may trade at a premium or discount to their net asset value.

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus and summary prospectus contains this and other important information about the fund and are available at [diamond-hill.com](http://diamond-hill.com) or by calling 800.617.0004. Read it carefully before investing.

The Diamond Hill Valuation-Weighted 500 ETF is distributed by Quasar Distributors, LLC.

The Diamond Hill Valuation-Weighted 500 (the "Index") is an Index of Diamond Hill Capital Management, Inc. and is calculated and distributed by Solactive AG. The Index applies a version of the Diamond Hill Investment Model to estimate the intrinsic value of each company. An investment cannot be made directly into an index.

Fund holdings and allocations are subject to change at any time.

The S&P 500 Index is a market capitalization-weighted index focused on the large-cap segment of the market. The index is comprised of 500 of the top companies in leading industries in the U.S. economy.

<sup>†</sup> **Key Definitions:** P/E Ratio is price divided by trailing twelve months earnings per share (negative earnings per share values excluded). P/B Ratio is price divided by book value per share (negative book values excluded). Price/Sales is price divided by trailing twelve months sales per share. Price/Cash Flow is price divided by trailing twelve months operating cash flow per share. Standard Deviation measures the volatility of the Fund's returns. Alpha measures excess return relative to the market that is attributable to active portfolio management. Beta measures the Fund's sensitivity to market movements.

**Side Two. Not Valid Without Side One.**