Quarterly Commentary: Equity Funds

September 30, 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.

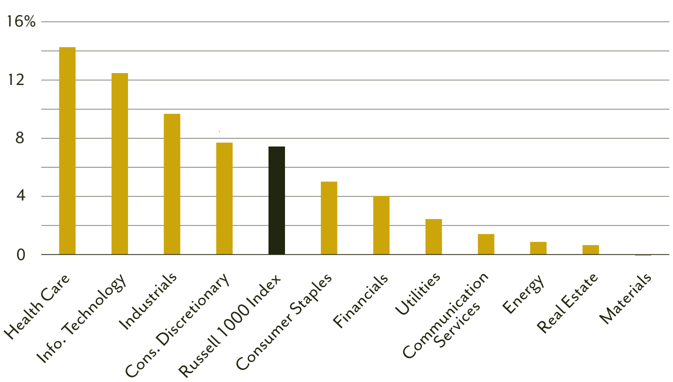
Third Quarter 2018 Review: Equity Markets

As of September 30, 2018

The Russell 1000 Index generated a 7.4% return during the third quarter, reaching a new all-time high in September. The quarter was the strongest for the Index since the 10.2% return in the fourth quarter of 2013. Volatility has receded and the market continues to largely shrug off rhetoric around tariffs, trade wars, and the potential for an inverted yield curve.

Health Care was the best performing sector during the quarter, up 14.3%, followed by a 12.5% increase in the Information Technology sector. Strong performance for shares of Apple and Microsoft continue to drive performance in the Information Technology space. Declines in Facebook and Netflix – a rare occurrence in recent years – dampened the return for the new Communication Services sector. Although Financials saw a respectable 4.0% return in the quarter, the sector once again underperformed the broader market. Finally, concerns over tariffs and higher input costs put pressure on the Materials sector, the only sector with a negative return in the quarter.

RUSSELL 1000 SECTOR RETURNS - 3Q18



Source: FactSet.

Reversing the trend from the first half of the year, large cap stocks meaningfully outperformed small cap stocks in the third quarter, with the Russell 1000 returning 7.4% compared to the Russell 2000 return of 3.6%. During the first half of the year, small caps rose amidst the possibility of a global trade war, as small caps generally do less business outside the United States. However, relative performance shifted back toward large caps as trade war rhetoric cooled late in the third quarter. Unchanged, however, was the continued outperformance of Growth over Value, with the Russell 1000 Growth Index returning 9.2%, outpacing the Russell 1000 Value Index by over 300 basis points.

The new Communication Services sector went into effect at the end of the third quarter, combining the Telecommunication Services sector (largely AT&T and Verizon Communications) with several companies from the Consumer Discretionary sector (i.e. Disney and Netflix) and the Information Technology sector (i.e. Facebook and Alphabet). This new sector will account for approximately 10% of the Russell 1000, reducing the Information Technology sector approximately 500 basis points to 21% and the Consumer Discretionary sector about 250 basis points to 11%. Interestingly, Amazon will now account for over 25% of the Consumer Discretionary sector, while Alphabet and Facebook will account for nearly half of the new Communication Services sector.

The strong third quarter pushed the year-to-date return for the Russell 1000 Index to 10.5%. Information Technology continues to lead the way, up 25.0%, followed by Consumer Discretionary and Health Care, up 17.7% and 17.2%, respectively. These three sectors are driving the overall market return, with no other sectors posting a double-digit return year-to-date. The Materials sector was down 3.3% on the above-mentioned concerns, while Consumer Staples declined by the same amount. Historically, companies in the Consumer Staples space were viewed as having stable cash flows and deep moats, but competition from Amazon and new brands selling direct to consumers online have started to erode these strengths.

Outlook

Corporate tax reform has already started to benefit U.S. companies. Repatriation of cash held overseas ticked up dramatically in the first half of the year, and we are already seeing that cash being utilized for share repurchases and acquisitions. Lower tax rates have also started to boost earnings growth. However, we believe that for many companies this benefit will largely be competed away over time. 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 more important 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.

The size of recently implemented tariffs is small relative to the total economy, and thus far it is not affecting how we are positioning the portfolios. Broadly speaking, we do think cooler heads will prevail but we view the impacts on individual companies as very difficult to handicap.

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 businesses to the 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 businesses 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.

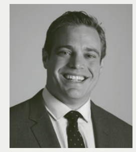
Diamond Hill Small Cap Fund Commentary

As of September 30, 2018

(closed to new investors)

PORTFOLIO MANAGEMENT

Tom Schindler, CFA
Portfolio Manager



Aaron Monroe, CFA
Asst. Portfolio Manager

Chris Welch, CFA
Asst. Portfolio Manager

The Fund increased 1.73% (Class I) during the quarter, compared to a 3.58% increase in the Russell 2000 Index.

The Fund's holdings in the financials, health care, and industrials sectors were the largest contributors to absolute return, while the consumer discretionary and energy sectors were the primary detractors from return.

The Fund's underperformance relative to the Index was primarily driven by security selection in the consumer discretionary sector. Security selection and an underweight position in the information technology sector also detracted from relative return. Security selection in the health care sector was a large contributor to relative return; however, it was partially offset by a significant underweight allocation to the sector. The double-digit cash position also detracted from relative return.

Best Performers

- Property and casualty insurance company **Navigators Group, Inc.** outperformed after announcing that it would be acquired by Hartford Financial Services Group, Inc., which we believe is a good outcome for shareholders.

- Shares of insurance company **ProAssurance Corp.** rallied amid strong quarterly results. Management commentary on the business was also markedly positive compared to the prior quarter.

- Shares of entertainment company **Live Nation Entertainment, Inc.** increased after reporting increased revenues and adjusted operating income. Meaningfully, the growth has been balanced as concerts, sponsorship, and ticketing all experienced strong growth.

- Shares of hospital owner and operator **LifePoint Health, Inc.** rose after the company was acquired by RCCH HealthCare Partners, which is owned by the private equity segment of Apollo Global Management. The transaction is expected to close during the fourth quarter of 2018.

- Rental and leasing services company **Aaron's, Inc.** outperformed after reporting strong Progressive Leasing revenues and improved credit metrics. Trends have stabilized in the Aaron's stores, with same store sales down marginally in the quarter but total revenues slightly positive. Management now expects same store sales to turn positive in the fourth quarter after showing negative trends for several years.

Worst Performers

- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** declined amid concerns regarding weakness in Las Vegas Strip room pricing and visitation during the latter half of the year. Additionally, large renovations at Palace Station and The Palms are closer to the Las Vegas Strip and are more susceptible to this weakness. Overall, the near-term volatility does not change our long-term thesis on the company.

- Shares of **Bank OZK**, a regional bank based in Arkansas, declined as loan growth was lower than expected due to a slowing commercial real estate market and accelerating repayments of existing loans. Fears over rising deposit costs have also weighed on shares amid concerns of net interest margin pressure.

- Shares of **BankUnited, Inc.**, a regional bank based in Florida, declined after the appointment of a new board member and the resignation of the board chairman led some to conclude that the probability of the franchise being sold is lower than expected. Uncertainty about the path of earnings through 2019 due to the expiration of FDIC loss share also caused investor caution.

- Underperformance of oil and gas exploration and production company **Cimarex Energy Co.** likely reflects concern about widening price differentials in 2019. We believe the widely-discussed infrastructure bottlenecks in the Permian Basin will be a 12- to 18-month event and that Cimarex is well-positioned to continue executing on development projects.

(closed to new investors)

- Freight transportation management company **Hub Group, Inc. (Cl A)** underperformed after the company sold its Mode division, which will be dilutive to earnings until the proceeds are re-deployed into M&A targets with a better strategic fit. Additionally, elevated new truck orders and some softening in truck pricing created concerns about the sustainability of the current pricing cycle in trucking and intermodal. We believe the lack of driver availability will constrain trucking capacity, and the pricing environment will allow the company to achieve and maintain higher operating margins.

New Positions

- We received shares of **WMIH Corp.**, a shell company with a large tax loss balance, when it completed the acquisition of our holding **Nationstar Mortgage Holdings, Inc.** There are no operational changes at Nationstar as it is simply under a new ownership structure.

- We received shares of oil and gas exploration and production company **Riviera Resources, Inc.** in a spin-off from holding Linn Energy, Inc. which was subsequently renamed **Roan Resources, Inc.** Riviera Resources now owns the exploration and production assets that have a more mature, lower decline profile in the Hugoton, East Texas, North Louisiana, Michigan/Illinois, the Uinta Basin, and the Mid-Continent regions. Riviera also owns Blue Mountain Midstream LLC, which is centered in the Merge play in the Anadarko Basin.

Eliminated Positions

- We eliminated our position in consumer products manufacturer **Edgewell Personal Care Co.** due to deteriorating fundamentals in the shave care business. Over the past year, Edgewell has continued to suffer due to pricing actions enacted by Gillette in response to the popularity of Dollar Shave Club and Harry's.

- We closed out our position in diversified industrial company **Hillenbrand, Inc.** when the stock price reached our estimate of intrinsic value.

- We sold our shares of property and casualty insurance company **Validus Holdings Ltd.** in an all-cash acquisition by AIG.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2018

	SINCE INCEPTION (12/29/00)	10-YR	5-YR	3-YR	1-YR	YTD	3Q18	EXPENSE RATIO GROSS	EXPENSE RATIO NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	10.40%	8.90%	6.98%	8.51%	6.01%	2.13	1.68%	1.28%	1.27%
Class I	10.67	9.23	7.28	8.83	6.30	2.35	1.73	0.99	0.98
BENCHMARK									
Russell 2000 Index	8.77	11.11	11.07	17.12	15.24	11.51	3.58	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	10.08	8.34	5.89	6.66	0.71	-2.96	-3.40	1.28	1.27

[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 September 30, 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 I shares include Class A share performance achieved prior to the creation of Class I shares. 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 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 SEPTEMBER 30, 2018

Aaron's, Inc.	1.5%	**Nationstar Mortgage Holdings, Inc.**	0.0%
Bank OZK	2.9	**Navigators Group, Inc.**	2.7
BankUnited, Inc.	2.2	**ProAssurance Corp.**	1.9
Cimarex Energy Co.	2.4	**Red Rock Resorts, Inc. (Cl A)**	2.7
Edgewell Personal Care Co.	0.0	**Riviera Resources, Inc.**	0.3
Hillenbrand, Inc.	0.0	**Roan Resources, Inc.**	0.3
Hub Group, Inc. (Cl A)	2.1	**Validus Holdings Ltd.**	0.0
LifePoint Health, Inc.	1.5	**WMIH Corp.**	1.7
Live Nation Entertainment, Inc.	4.0		

Mentioned securities not held in the Diamond Hill Small Cap Fund: American International Group, Inc., Apollo Global Management LLC, and Hartford Financial Services 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 Small-Mid Cap Fund Commentary

As of September 30, 2018

(closed to new investors)

The Fund increased 0.92% (Class I) during the quarter, compared to a 4.70% increase in the Russell 2500 Index.

The Fund's holdings in the health care, information technology, and industrials sectors were the largest contributors to absolute return, while the consumer discretionary sector was the largest detractor. Holdings in the real estate and energy sectors also detracted from return.

The Fund's underperformance relative to the Index was primarily driven by security selection in the consumer discretionary, industrials, and real estate sectors. An overweight allocation to financials coupled with poor security selection also detracted from relative return. Security selection in the health care sector was the largest contributor to relative return but was partially offset by a significantly underweight position in the sector.

Best Performers

- Electronic payment services provider **Worldpay, Inc.** outperformed after the company reported solid revenue and earnings. Management has identified revenue synergies related to the Vantiv-Worldpay merger and investors are encouraged by the international expansion opportunities in e-commerce.

- Shares of hospital owner and operator **LifePoint Health, Inc.** rose after the company was acquired by RCCH HealthCare Partners, which is owned by the private equity segment of Apollo Global Management. The transaction is expected to close during the fourth quarter of 2018.

- Medical device manufacturer **Boston Scientific Corp.** outperformed after the company reported better-than-expected quarterly results led by the U.S. launch of its Spectra WaveWriter for neuromodulation. The company is also making progress with the re-certification of its Lotus aortic valve and is pursuing reasonable acquisitions within urology.

- Food products manufacturer **Post Holdings, Inc.** outperformed after reporting solid quarterly results. The company continues to see strong, broad-based growth across its portfolio of businesses while also showcasing best-in-class capital allocation.

PORTFOLIO MANAGEMENT

Chris Welch, CFA
Portfolio Manager

Jenny Hubbard, CFA
Asst. Portfolio Manager

Tom Schindler, CFA
Asst. Portfolio Manager

- Rental and leasing services company **Aaron's, Inc.** outperformed after reporting strong Progressive Leasing revenues and improved credit metrics. Trends have stabilized in the Aaron's stores, with same store sales down marginally in the quarter but total revenues slightly positive. Management now expects same store sales to turn positive in the fourth quarter after showing negative trends for several years.

Worst Performers

- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** declined amid concerns regarding weakness in Las Vegas Strip room pricing and visitation during the latter half of the year. Additionally, large renovations at Palace Station and The Palms are closer to the Las Vegas Strip and are more susceptible to this weakness. Overall, the near-term volatility does not change our long-term thesis on the company.

- Shares of **BankUnited, Inc.**, a regional bank based in Florida, declined after the appointment of a new board member and the resignation of the board chairman led some to conclude that the probability of the franchise being sold is lower than expected. Uncertainty about the path of earnings through 2019 due to the expiration of FDIC loss share also caused investor caution.

- Shares of homebuilder **NVR, Inc.** declined, despite reporting generally good quarterly results. New orders came in lower than expected, and there is significant bearish sentiment surrounding the homebuilding industry due to the rise in interest rates and concerns regarding affordability.

- Underperformance of oil and gas exploration and production company **Cimarex Energy Co.** likely reflects concern about widening price differentials in 2019. We believe the widely-discussed infrastructure bottlenecks in the Permian Basin will be a 12- to 18-month event and that Cimarex is well-positioned to continue executing on development projects.

(closed to new investors)

- Shares of **Bank OZK**, a regional bank based in Arkansas, declined as loan growth was lower than expected due to a slowing commercial real estate market and accelerating repayments of existing loans. Fears over rising deposit costs have also weighed on shares amid concerns of net interest margin pressure.

New Positions

- Children's apparel manufacturer **Carter's, Inc.** has the largest share in children's clothing, a stable-demand category that performs well through-cycle. The stock has experienced price volatility due to near-term issues in its wholesale business after one of its larger partners, Toys R Us, closed. We used this opportunity to initiate a position in this high-quality business with a strong management team and a leading brand at a deep discount to our estimate of intrinsic value. We believe Carter's will work through the near-term volatility in its wholesale business, and continue to take share in the children's apparel category.

- We initiated a position in **RenaissanceRe Holdings Ltd.**, a Bermudian reinsurance company with a long history of value creation. The company has a strong underwriting track record, excellent management team, and unique assets across Bermuda and Lloyd's of London. The firm has unique intellectual property in catastrophe reinsurance allowing it to optimize reinsurance transactions across a range of vehicles.

- Electronics component manufacturer **Sensata Technologies Holding PLC** makes sensors and controls for automotive and industrial applications. Sensata is a very well-run business with above-average operating margins and attractive returns on invested capital.

- We received shares of **WMIH Corp.**, a shell company with a large tax loss balance, when it completed the acquisition of our holding **Nationstar Mortgage Holdings, Inc.** There are no operational changes at Nationstar as it is simply under a new ownership structure.

Eliminated Positions

- We sold our shares of property and casualty insurance company **Validus Holdings Ltd.** in an all-cash acquisition by AIG.

- AXA completed its all-cash acquisition of insurance company **XL Group Ltd.** in September.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2018

	SINCE INCEPTION (12/30/05)	10-YR	5-YR	3-YR	1-YR	YTD	3Q18	EXPENSE RATIO GROSS	EXPENSE RATIO NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	8.75%	11.25%	9.06%	9.75%	4.56%	2.38%	0.89%	1.23%	1.22%
Class I	9.10	11.59	9.37	10.07	4.87	2.58	0.92	0.94	0.93
BENCHMARK									
Russell 2500 Index	9.39	12.02	11.37	16.13	16.19	10.41	4.70	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	8.31	10.68	7.95	7.89	-0.66	-2.73	-4.17	1.23	1.22

[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.

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(closed to new investors)

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF SEPTEMBER 30, 2018

Aaron's, Inc.	1.1%	**Post Holdings, Inc.**	3.3%
Bank OZK	1.4	**Red Rock Resorts, Inc. (Cl A)**	2.5
BankUnited, Inc.	3.1	**RenaissanceRe Holdings Ltd.**	0.3
Boston Scientific Corp.	3.2	**Sensata Technologies Holding PLC**	0.5
Carter's, Inc.	1.0	**Validus Holdings Ltd.**	0.0
Cimarex Energy Co.	3.7	**WMIH Corp.**	1.8
LifePoint Health, Inc.	2.2	**Worldpay, Inc. (Cl A)**	2.9
Nationstar Mortgage Holdings, Inc.	0.0	**XL Group Ltd.**	0.0
NVR, Inc.	2.0		

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

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Diamond Hill Mid Cap Fund Commentary

As of September 30, 2018

The Fund increased 2.16% (Class I) during the quarter, compared to a 5.00% increase in the Russell Midcap Index.

The Fund's holdings in the industrials, health care, and information technology sectors were the largest contributors to absolute return. Positions in the real estate, consumer discretionary, and energy sectors detracted from return.

The Fund's underperformance relative to the Index was primarily driven by security selection in the consumer discretionary and real estate sectors. Security selection and an overweight position in the financials sector, as well as security selection in the energy sector also detracted from relative return. Security selection in the health care sector and the information technology sectors contributed to relative return; however, underweight allocations to those sectors largely offset this.

Best Performers

- Shares of hospital owner and operator **LifePoint Health, Inc.** rose after the company was acquired by RCCH HealthCare Partners, which is owned by the private equity segment of Apollo Global Management. The transaction is expected to close during the fourth quarter of 2018.
- Medical device manufacturer **Boston Scientific Corp.** outperformed after the company reported better-than-expected quarterly results led by the U.S. launch of its Spectra WaveWriter for neuromodulation. The company is also making progress with the re-certification of its Lotus aortic valve and is pursuing reasonable acquisitions within urology.
- Electronic payment services provider **Worldpay, Inc.** outperformed after the company reported solid revenue and earnings. Management has identified revenue synergies related to the Vantiv-Worldpay merger and investors are encouraged by the international expansion opportunities in e-commerce.
- Shares of airline operator **United Continental Holdings, Inc.** rose after the company reported better-than-expected earnings and increased full-year guidance despite materially higher fuel costs. Revenues continue to exceed expectations due to strong demand, as well as encouraging initial results from company-specific initiatives.

PORTFOLIO MANAGEMENT

Chris Welch, CFA
Portfolio Manager

Chris Bingaman, CFA
Asst. Portfolio Manager

Jenny Hubbard, CFA
Asst. Portfolio Manager

- Food products manufacturer **Post Holdings, Inc.** outperformed after reporting solid quarterly results. The company continues to see strong, broad-based growth across its portfolio of businesses while also showcasing best-in-class capital allocation.

Worst Performers

- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** declined amid concerns regarding weakness in Las Vegas Strip room pricing and visitation during the latter half of the year. Additionally, large renovations at Palace Station and The Palms are closer to the Las Vegas Strip and are more susceptible to this weakness. Overall, the near-term volatility does not change our long-term thesis on the company.
- Shares of **BankUnited, Inc.**, a regional bank based in Florida, declined after the appointment of a new board member and the resignation of the board chairman led some to conclude that the probability of the franchise being sold is lower than expected. Uncertainty about the path of earnings through 2019 due to the expiration of FDIC loss share also caused investor caution.
- Shares of homebuilder **NVR, Inc.** declined, despite reporting generally good quarterly results. New orders came in lower than expected, and there is significant bearish sentiment surrounding the homebuilding industry due to the rise in interest rates and concerns regarding affordability.
- Underperformance of oil and gas exploration and production company **Cimarex Energy Co.** likely reflects concern about widening price differentials in 2019. We believe the widely-discussed infrastructure bottlenecks in the Permian Basin will be a 12- to 18-month event and that Cimarex is well-positioned to continue executing on development projects.

- Real estate investment trust **CubeSmart** underperformed. Fundamentals started off the year ahead of expectations, leading to hope that development would tail off, allowing for an acceleration of internal growth in 2019. While 2018 internal growth is still modestly better than expected, the pace of new development has continued to be strong throughout this year, and now 2019 deliveries will be similar to 2018 and pressure fundamentals.

New Positions

- We initiated a position in **RenaissanceRe Holdings Ltd.**, a Bermudian reinsurance company with a long history of value creation. The company has a strong underwriting track record, excellent management team, and unique assets across Bermuda and Lloyd's of London. The firm has unique intellectual property in catastrophe reinsurance allowing it to optimize reinsurance transactions across a range of vehicles.

- Electronics component manufacturer **Sensata Technologies Holding PLC** makes sensors and controls for automotive and industrial applications. Sensata is a very well-run business with above-average operating margins and attractive returns on invested capital. We believe that Sensata's shares are trading at a discount as the market is underestimating the long-term earnings potential of the business.

- We received shares of **WMIH Corp.**, a shell company with a large tax loss balance, when it completed the acquisition of our holding **Nationstar Mortgage Holdings, Inc.** There are no operational changes at Nationstar as it is simply under a new ownership structure.

Eliminated Positions

- We sold our shares of property and casualty insurance company **Validus Holdings Ltd.** in an all-cash acquisition by AIG.

- AXA completed its all-cash acquisition of insurance company **XL Group Ltd.** in September.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2018

	SINCE INCEPTION (12/31/13)	3-YR	1-YR	YTD	3Q18	EXPENSE RATIO GROSS	EXPENSE RATIO NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)							
Class A	8.24%	11.10%	7.28%	3.44%	2.02%	1.08%	1.07%
Class I	8.56	11.44	7.67	3.72	2.16	0.79	0.78
BENCHMARK							
Russell Midcap Index	10.41	14.52	13.98	7.46	5.00	—	—
RETURNS AT POP (WITH SALES CHARGE)							
Class A	7.06	9.21	1.94	-1.74	-3.09	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 September 30, 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 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 SEPTEMBER 30, 2018

BankUnited, Inc.	3.0%	**Red Rock Resorts, Inc. (Cl A)**	2.6%
Boston Scientific Corp.	3.2	**RenaissanceRe Holdings Ltd.**	0.3
Cimarex Energy Co.	4.0	**Sensata Technologies Holding PLC**	0.5
CubeSmart	2.1	**United Continental Holdings, Inc.**	2.1
LifePoint Health, Inc.	2.3	**Validus Holdings Ltd.**	0.0
Nationstar Mortgage Holdings, Inc.	0.0	**WMIH Corp.**	1.3
NVR, Inc.	2.1	**Worldpay, Inc. (Cl A)**	2.5
Post Holdings, Inc.	3.0	**XL Group Ltd.**	0.0

Mentioned securities not held in the Diamond Hill Mid Cap Fund: Apollo Global Management LLC, American International Group, Inc., AXA SA, and Lloyds Banking Group 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 September 30, 2018

The Fund increased 7.62% (Class I) during the quarter, compared to a 7.42% increase in the Russell 1000 Index.

The Fund's holdings in most sectors contributed to absolute return led by the health care, financials, industrials, and information technology sectors. Positions in the energy sector were slight detractors.

The Fund's outperformance relative to the Index was primarily driven by security selection in the industrials, health care, and financials sectors. Security selection in the information technology sector was a large contributor to relative return, but this was offset by an underweight allocation to the sector. Security selection in the energy sector also detracted from relative return.

Best Performers

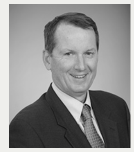
- Health care products manufacturer **Abbott Laboratories** outperformed as the company continues to post strong results across all divisions. Abbott also reported exceptionally robust clinical data for MitraClip, its mitral valve repair product. The company's strong performance has also translated into lower-than-anticipated leverage following the St. Jude and Alere acquisitions.

- Biopharmaceutical company **Pfizer, Inc.** outperformed after the company reported decent quarterly results, with solid revenue growth and increased earnings expectations for the year, as well as an improved pipeline outlook.

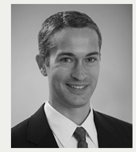
- Shares of discount apparel retailer **TJX Cos., Inc.** rose as the company continues to take market share and produce strong quarterly results. The company experienced broad-based growth, with all businesses and geographies reporting positive results driven by increased traffic.

- Shares of software provider **Microsoft Corp.** rose after the company reported earnings that included strong revenue growth and operating margin expansion, resulting in earnings that were above consensus expectations.

PORTFOLIO MANAGEMENT



Chuck Bath, CFA
Portfolio Manager



Austin Hawley, CFA
Portfolio Manager

Chris Welch, CFA
Asst. Portfolio Manager

- Diversified holding company **Berkshire Hathaway, Inc. (Cl B)** outperformed after reporting strong earnings across several of its most important subsidiaries, including GEICO and its large manufacturing businesses. In addition, the company announced an adjustment to its share repurchase policy that allows a repurchase any time that Warren Buffett and Charlie Munger agree that the stock is at a meaningful discount to intrinsic value.

Worst Performers

- Shares of social media company **Facebook, Inc. (Cl A)** declined as the company provided a downside outlook for the second half of 2018 and guided for declines in operating margins as it invests heavily in improving security and privacy on its social-media and messaging platforms. Facebook is trading at a discount to our estimate of intrinsic value and we expect the company to retain its attractive network economics and manage user privacy concerns well without impairing the value of the business over the long term.

- Underperformance of oil and gas exploration and production companies **Devon Energy Corp.** and **Cimarex Energy Co.** likely reflect concern about widening price differentials in 2019. We believe the widely-discussed infrastructure bottlenecks in the Permian Basin will be a 12- to 18-month event and that Cimarex and Devon are well-positioned to continue executing on development projects.

- Consumer apparel manufacturer **Hanesbrands, Inc.** underperformed. While quarterly results reflected some signs of stabilization in the core Innerwear segment, investors were spooked by the announcement that Target is not going to renew a contract with the company.

- Shares of diversified media and entertainment company **Twenty-First Century Fox, Inc. (Cl B)** declined as the bidding war for Fox assets came to an end. Disney beat Comcast for the assets and received shareholder approval from Fox.

New Positions

- Alcoholic beverage manufacturer **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.

- We initiated a position in pharmacy health care services provider **CVS Health Corp.** which was trading at a significant discount to our conservative estimates of intrinsic value following Amazon's acquisition of PillPack. CVS is in the process of acquiring Aetna, a current holding in several funds.

- **NVR, Inc.** is the fourth-largest homebuilder in the U.S. by volume and concentrates its efforts primarily in the Mid-Atlantic. While it operates in a cyclical and competitive industry, the combination of NVR's land-light strategy, leading local market share, efficient construction process, and excellent employee retention allows them to achieve high returns on capital over the long term while minimizing inventory risk. During good times, we believe NVR will be able to grow and benefit from housing tail winds. During bad times, management has proven to be excellent opportunistic capital allocators through repurchasing shares at attractive prices, entering new markets, and taking advantage of competitor distress.

Eliminated Positions

- We eliminated our position in traditional asset management company **Franklin Resources, Inc.** and brewing company **Molson Coors Brewing Co. (Cl B)** to redeploy the capital into more attractive opportunities and higher conviction ideas.

- We exited our position in diversified media and entertainment company **Twenty-First Century Fox, Inc. (Cl B)** to reduce our exposure to regulatory risk from the Disney transaction and to the disrupted U.S. media environment.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2018

	SINCE INCEPTION (6/29/01)	10-YR	5-YR	3-YR	1-YR	YTD	3Q18	EXPENSE RATIO
RETURNS AT NAV (WITHOUT SALES CHARGE)								
Class A	8.56%	10.57%	11.29%	14.84%	10.20%	4.35%	7.56%	0.96%
Class I	8.84	10.90	11.60	15.17	10.53	4.55	7.62	0.67
BENCHMARK								
Russell 1000 Index	7.52	12.09	13.67	17.07	17.76	10.49	7.42	—
RETURNS AT POP (WITH SALES CHARGE)								
Class A	8.24	10.01	10.15	12.88	4.69	-0.86	2.18	0.96

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

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Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class I shares include Class A share performance achieved prior to the creation of Class I shares. 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 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.

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MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF SEPTEMBER 30, 2018

Abbott Laboratories	4.4%	**Franklin Resources, Inc.**	0.0%
Aetna, Inc.	3.5	**Hanesbrands, Inc.**	1.0
Berkshire Hathaway, Inc. (Cl B)	3.1	**Microsoft Corp.**	2.8
Cimarex Energy Co.	1.9	**Molson Coors Brewing Co. (Cl B)**	0.0
Comcast Corp.	1.8	**NVR, Inc.**	1.2
Constellation Brands, Inc. (Cl A)	0.5	**Pfizer, Inc.**	2.7
CVS Health Corp.	1.5	**TJX Cos., Inc.**	3.0
Devon Energy Corp.	2.8	**Twenty-First Century Fox, Inc. (Cl B)**	0.0
Facebook, Inc. (Cl A)	2.0	**Walt Disney Co.**	1.6

Mentioned securities not held in the Diamond Hill Large Cap Fund: Amazon.com, Inc. and Target Corp.

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 Fund increased 3.76% (Class I) during the quarter, compared to a 7.12% increase in the Russell 3000 Index.

The Fund's holdings in the financials, industrials, and health care sectors were the largest contributors to absolute return. Holdings in the communication services, energy, and consumer discretionary sectors were the primary detractors from absolute return.

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

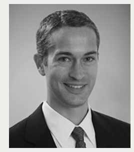
Best Performers

- Shares of airline operator **United Continental Holdings, Inc.** rose after the company reported better-than-expected earnings and increased full-year guidance despite materially higher fuel costs. Revenues continue to exceed expectations due to strong demand, as well as encouraging initial results from company-specific initiatives.

- Diversified holding company **Berkshire Hathaway, Inc. (Cl B)** outperformed after reporting strong earnings across several of its most important subsidiaries, including GEICO and its large manufacturing businesses. In addition, the company announced an adjustment to its share repurchase policy that allows a repurchase any time that Warren Buffett and Charlie Munger agree that the stock is at a meaningful discount to intrinsic value.

- Health care products manufacturer **Abbott Laboratories** outperformed as the company continues to post strong results across all divisions. Abbott also reported exceptionally robust clinical data for MitraClip, its mitral valve repair product. The company's strong performance has also translated into lower-than-anticipated leverage following the St. Jude and Alere acquisitions.

PORTFOLIO MANAGEMENT



Austin Hawley, CFA
Portfolio Manager

Rick Snowdon, CFA
Portfolio Manager

- Shares of insurance company **ProAssurance Corp.** rallied amid strong quarterly results. Management commentary on the business was also markedly positive compared to the prior quarter.

- Shares of life insurance company **MetLife, Inc.** rallied on rising interest rates and strong quarterly results across all its growth businesses. Capital return continues to be strong, with additional capital return planned for the remainder of the year.

Worst Performers

- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** declined amid concerns regarding weakness in Las Vegas Strip room pricing and visitation during the latter half of the year. Additionally, large renovations at Palace Station and The Palms are closer to the Las Vegas Strip and are more susceptible to this weakness. Overall, the near-term volatility does not change our long-term thesis on the company.

- Shares of **Bank OZK**, a regional bank based in Arkansas, declined as loan growth was lower than expected due to a slowing commercial real estate market and accelerating repayments of existing loans. Fears over rising deposit costs have also weighed on shares amid concerns of net interest margin pressure.

- Shares of social media company **Facebook, Inc. (Cl A)** declined as the company provided a downside outlook for the second half of 2018 and guided for declines in operating margins as it invests heavily in improving security and privacy on its social-media and messaging platforms. Facebook is trading at a discount to our estimate of intrinsic value and we expect the company to retain its attractive network economics and manage user privacy concerns well without impairing the value of the business over the long term.

- Underperformance of oil and gas exploration and production company **Cimarex Energy Co.** likely reflects concern about widening price differentials in 2019. We believe the widely discussed infrastructure bottlenecks in the Permian Basin will be a 12- to 18-month event and that Cimarex is well-positioned to continue executing on development projects.

- Shares of diversified media and entertainment company **Twenty-First Century Fox, Inc. (Cl B)** declined as the bidding war for Fox assets came to an end. Disney beat Comcast for the assets and received shareholder approval from Fox.

New Positions

- We added a position in pharmaceutical company **GlaxoSmithKline PLC**. We have held the company in other funds and like its attractive valuation and potential for improvement in its return profile. The arrival of Emma Walmsley as CEO and other recent management changes also prompted the addition to this fund.

- **Formula One Group** is a global motorsport racing league acquired by Liberty Media last year. Formula One's intellectual property is unique and extremely difficult to replicate, and its 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.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2018

	SINCE INCEPTION (12/30/05)	10-YR	5-YR	3-YR	1-YR	YTD	3Q18	EXPENSE RATIO GROSS	EXPENSE RATIO NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	8.35%	10.55%	10.58%	11.42%	12.68%	4.37%	3.66%	1.17%	1.16%
Class I	8.68	10.89	10.88	11.74	12.96	4.59	3.76	0.88	0.87
BENCHMARK									
Russell 3000 Index	9.20	12.01	13.46	17.07	17.58	10.57	7.12	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	7.91	9.99	9.45	9.52	7.05	-0.83	-1.53	1.17	1.16

[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.

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Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. 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%; I 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.

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- **NVR, Inc.** is the fourth-largest homebuilder in the U.S. by volume and concentrates its efforts primarily in the Mid-Atlantic. While it operates in a cyclical and competitive industry, the combination of NVR's land-light strategy, leading local market share, efficient construction process, and excellent employee retention allows them to achieve high returns on capital over the long term while minimizing inventory risk. During good times, we believe NVR will be able to grow and benefit from housing tail winds. During bad times, management has proven to be excellent opportunistic capital allocators through repurchasing shares at attractive prices, entering new markets, and taking advantage of competitor distress.

- **Sherwin-Williams Co.** Paint Stores Group is one of the strongest businesses in the coatings sector and caters to the professional painting contractor in the United States, which has been taking share from the DIY (do-it-yourself) painter over the past several decades. This trend has led to market share gains for Sherwin Williams which we believe is likely to continue. Investor worries over persistently rising raw material costs presented an opportunity to invest in a dominant franchise at a discount to intrinsic value. We believe the company will more than recover these rising costs over the next several years with pricing and from cost savings from the Valspar merger.

- We received shares of **WMIH Corp.**, a shell company with a large tax loss balance, when it completed the acquisition of our holding **Nationstar Mortgage Holdings, Inc.** There are no operational changes at Nationstar as it is simply under a new ownership structure.

Eliminated Positions

- Our thesis was not playing out as we anticipated for media and communications company **Liberty Global PLC (Cl A)**. In particular, poor execution in the U.K. and Ireland segment appears indicative of a weaker competitive advantage than we expected, while Switzerland and Belgium operate in very competitive markets already. Liberty Global is also highly levered and faces regulatory risk regarding the Vodafone transaction.

- We eliminated our position in brewing company **Molson Coors Brewing Co. (Cl B)** to fund higher conviction ideas.

- We exited our position in diversified media and entertainment company **Twenty-First Century Fox, Inc. (Cl B)** to reduce our exposure to regulatory risk from the Disney transaction and to the disrupted U.S. media environment.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF SEPTEMBER 30, 2018

Abbott Laboratories	2.0%	Molson Coors Brewing Co. (Cl B)	0.0%
Bank OZK	3.5	Nationstar Mortgage Holdings, Inc.	0.0
Berkshire Hathaway, Inc. (Cl B)	5.2	NVR, Inc.	1.5
Cimarex Energy Co.	3.5	ProAssurance Corp.	1.5
Facebook, Inc. (Cl A)	2.6	Red Rock Resorts, Inc. (Cl A)	3.5
Formula One Group	1.5	Sherwin-Williams Co.	1.0
GlaxoSmithKline PLC	2.0	Twenty-First Century Fox, Inc. (Cl B)	0.0
Liberty Global PLC (Cl A)	0.0	United Continental Holdings, Inc.	4.0
MetLife, Inc.	5.3	WMIH Corp.	2.4

Mentioned securities not held in the Diamond Hill All Cap Select Fund: Comcast Corp., 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 September 30, 2018

The Fund increased 1.45% (Class I) during the quarter, compared to a 4.03% increase in the Morningstar Global Markets Index.

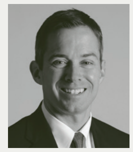
The Fund's holdings in the financials, health care, and industrials sectors were the largest contributors to absolute return. Positions in the consumer discretionary and communication services sectors were the largest detractors from absolute return.

The Fund's underperformance relative to the Index was primarily driven by a combination of security selection and an underweight position in the information technology sector, as well as security selection in the consumer discretionary and energy sectors. Security selection in the financials sector and a lack of exposure to the real estate sector modestly contributed to relative return.

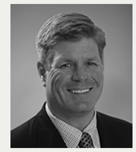
During the third quarter, U.S. equity markets outperformed almost all major developed and emerging markets, while the U.S. dollar appreciated against most currencies. The combination of rising oil prices, U.S. dollar strength, trade tensions and some idiosyncratic political risk has led to increasing uncertainty surrounding the intermediate-term prospects for many emerging economies. Although the portfolio maintains relatively low direct exposure to emerging economies, several of the businesses we own generate substantial revenue from countries facing elevated risk, and the portfolio is therefore not immune. Still, our portfolio companies with the most significant emerging market exposure are resilient businesses that generate substantial free cash flow and maintain investment grade balance sheets.

While we are aware of the recent dispersion of regional returns and are looking for opportunities to increase our non-U.S. exposure, the median discount to intrinsic value of our U.S. holdings remains about the same as the median discount of our non-U.S. holdings. As such, the portfolio remained approximately 60% exposed to U.S. equities at the end of the third quarter. As always, any potential shifts in country allocation will be driven by bottom up security selection, rather than by macroeconomic conditions.

PORTFOLIO MANAGEMENT



Grady Burkett, CFA
Portfolio Manager



Rick Snowdon, CFA
Portfolio Manager

Best Performers

- Shares of airline operator **United Continental Holdings, Inc.** rose after the company reported better-than-expected earnings and increased full-year guidance despite materially higher fuel costs. Revenues continue to exceed expectations due to strong demand, as well as encouraging initial results from company-specific initiatives.

- Medical device manufacturer **Shandong Weigao Group Medical Polymer Co. Ltd. (Cl H)** outperformed. The company is successfully navigating the changing reimbursement landscape in China as the dominant medical device consumables firm. Organic revenue growth was strong, and the integration of Argon, its first U.S. acquisition, is proceeding as expected.

- Shares of insurance company **Scor SE** rose after receiving a takeover offer from French insurer Covea. While the offer was rebuffed, we believe this transaction highlights the value of the company.

- Diversified holding company **Berkshire Hathaway, Inc. (Cl B)** outperformed after reporting strong earnings across several of its most important subsidiaries, including GEICO and its large manufacturing businesses. In addition, the company announced an adjustment to its share repurchase policy that allows a repurchase any time that Warren Buffett and Charlie Munger agree that the stock is at a meaningful discount to intrinsic value.

- Shares of life insurance company **MetLife, Inc.** rallied on rising interest rates and strong quarterly results across all its growth businesses. Capital return continues to be strong, with additional capital return planned for the remainder of the year.

Worst Performers

- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** declined amid concerns regarding weakness in Las Vegas Strip room pricing and visitation during the latter half of the year. Additionally, large renovations at Palace Station and The Palms are closer to the Las Vegas Strip and are more susceptible to this weakness. Overall, the near-term volatility does not change our long-term thesis on the company.

- Kitchen products manufacturer **Howden Joinery Group PLC** underperformed after the company reported good sales growth but saw weaker margins. Additionally, there appears to be a general malaise around U.K. stocks amidst ongoing Brexit concerns. Howden continues to gain market share and widen its moat, investing in its supply chain, technology, and other projects that should enable the company to maintain its lead in the U.K. kitchen market.

- Life sciences company **Bayer AG** underperformed. After the closure of its merger with Monsanto, shares were hit with negative news about Monsanto's Roundup herbicide product. A jury ruled in favor of a groundskeeper who claimed that exposure to Roundup was a contributing factor in his developing non-Hodgkin's lymphoma. Damages were awarded and could represent a significant potential liability to the company, which may face numerous similar plaintiffs.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2018

	SINCE INCEPTION (12/31/2013)	3-YR	1-YR	YTD	3Q18	EXPENSE RATIO
RETURNS AT NAV (WITHOUT SALES CHARGE)						
Class A	7.19%	12.65%	7.49%	1.32%	1.38%	1.21%
Class I	7.51	12.99	7.80	1.53	1.45	0.92
BENCHMARK						
Morningstar Global Markets Index	7.59	13.39	9.69	3.66	4.03	—
RETURNS AT POP (WITH SALES CHARGE)						
Class A	6.03	10.75	2.14	-3.76	-3.66	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 September 30, 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 assets of the Global Partnership were converted, based on their value on January 2, 2018, into assets 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 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.

- Private banking service company **Julius Baer Gruppe AG** underperformed as European bank stocks were pressured amid political and economic uncertainty in the region. We believe the company continues to display strong fundamentals and sound capital levels with the ability to opportunistically invest in growth initiatives or increase shareholder return.

- Shares of social media company **Facebook, Inc. (Cl A)** declined as the company provided a downside outlook for the second half of 2018 and guided for declines in operating margins as it invests heavily in improving security and privacy on its social-media and messaging platforms. Facebook is trading at a discount to our estimate of intrinsic value and we expect the company to retain its attractive network economics and manage user privacy concerns well without impairing the value of the business over the long term.

New Positions

- **Bank OZK** 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 added shares of automotive product and services provider **Continental AG** when the stock sold off in response to significant cuts to its 2018 guidance. The Global Fund has previously owned this company which is exposed to attractive segments of the auto industry. There is some uncertainty as the business goes through a restructuring which will see a partial IPO of its Powertrain business, but overall it is still a solid company with attractive growth prospects.

- **NVR, Inc.** is the fourth-largest homebuilder in the U.S. by volume and concentrates its efforts primarily in the Mid-Atlantic. While it operates in a cyclical and competitive industry, the combination of NVR's land-light strategy, leading local market share, efficient construction process, and excellent employee retention allows them to achieve high returns on capital over the long-term while minimizing inventory risk. During good times, we believe NVR will be able to grow and benefit from housing tail winds. During bad times, management has proven to be excellent opportunistic capital allocators through repurchasing shares at attractive prices, entering new markets, and taking advantage of competitor distress.

Eliminated Positions

- We eliminated our position in vehicle component manufacturer **Aptiv PLC**, which we now consider a domestic equity, in favor of more international exposure.

- Our thesis was not playing out as we anticipated for media and communications company **Liberty Global PLC (Cl A)**. In particular, poor execution in the U.K. and Ireland segment appears indicative of a weaker competitive advantage than we expected, while Switzerland and Belgium operate in very competitive markets already. Liberty Global is also highly levered and faces regulatory risk regarding the Vodafone transaction.

- We exited our position in diversified media and entertainment company **Twenty-First Century Fox, Inc. (Cl B)** to reduce our exposure to regulatory risk from the Disney transaction and to the disrupted U.S. media environment.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF SEPTEMBER 30, 2018

Aptiv PLC	0.0%	Liberty Global PLC (Cl A)	0.0%
Bank OZK	2.3	MetLife, Inc.	4.2
Bayer AG	1.5	NVR, Inc.	1.2
Berkshire Hathaway, Inc. (Cl B)	4.0	Red Rock Resorts, Inc. (Cl A)	2.7
Continental AG	1.9	Scor SE	2.9
Facebook, Inc. (Cl A)	2.0	Shandong Weigao Group Medical Polymer Co. Ltd. (Cl H)	2.2
Howden Joinery Group PLC	4.0	Twenty-First Century Fox, Inc. (Cl B)	0.0
Julius Baer Gruppe AG	2.0	United Continental Holdings, Inc.	3.7

Mentioned securities not held in the Diamond Hill Global Fund: 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 September 30, 2018

(closed to new investors)

The Fund increased 5.59% (Class I) during the quarter, compared to a 7.42% increase in the long-only Russell 1000 Index and a 4.62% increase in the blended benchmark (60% Russell 1000 Index/40% ICE Bank of America Merrill Lynch U.S. Treasury Bill 0-3 Month Index).

The Fund's long portfolio contributed to absolute return led by holdings in the industrials, information technology, financials, and health care sectors. The short portfolio modestly detracted from absolute return led by short positions in the industrials sector.

The Fund's underperformance relative to the long-only benchmark was primarily driven by security selection in the energy and consumer staples sectors, as well as an underweight allocation to the information technology sector. Favorable security selection in the health care sector was offset by an underweight position in the sector. Security selection combined with an overweight position in the industrials sector was the largest contributor to relative return.

The Fund's net exposure at the end of the quarter was 62.9%.

Best Performers

Long Portfolio

- Shares of airline operator **United Continental Holdings, Inc.** rose after the company reported better-than-expected earnings and increased full-year guidance despite materially higher fuel costs. Revenues continue to exceed expectations due to strong demand, as well as encouraging initial results from company-specific initiatives.

- Health care products manufacturer **Abbott Laboratories** outperformed as the company continues to post strong results across all divisions. Abbott also reported exceptionally robust clinical data for MitraClip, its mitral valve repair product. The company's strong performance has also translated into lower-than-anticipated leverage following the St. Jude and Alere acquisitions.

- Shares of consumer electronics manufacturer **Apple, Inc.** increased as the company reported strong quarterly results, with solid sales of its smartphones, services, and other products.

PORTFOLIO MANAGEMENT

Chris Bingaman, CFA
Portfolio Manager

Jason Downey, CFA
Portfolio Manager

Chuck Bath, CFA
Asst. Portfolio Manager

Nate Palmer, CFA, CPA
Asst. Portfolio Manager

- Electronic payment services provider **Worldpay, Inc. (Cl A)** outperformed after the company reported solid revenue and earnings. Management has identified revenue synergies related to the Vantiv-Worldpay merger and investors are encouraged by the international expansion opportunities in e-commerce.

- Shares of software provider **Microsoft Corp.** rose after the company reported earnings that included strong revenue growth and operating margin expansion, resulting in earnings that were above consensus expectations.

Short Portfolio

- The five best performers were long positions.

Worst Performers

Long Portfolio

- Shares of **BankUnited, Inc.**, a regional bank based in Florida, declined after the appointment of a new board member and the resignation of the board chairman led some to conclude that the probability of the franchise being sold is lower than expected. Uncertainty about the path of earnings through 2019 due to the expiration of FDIC loss share also caused investor caution.

- Shares of social media company **Facebook, Inc. (Cl A)** declined as the company provided a downside outlook for the second half of 2018 and guided for declines in operating margins as it invests heavily in improving security and privacy on its social-media and messaging platforms. Facebook is trading at a discount to our estimate of intrinsic value and we expect the company to retain its attractive network economics and manage user privacy concerns well without impairing the value of the business over the long term.

- Underperformance of oil and gas exploration and production company **Cimarex Energy Co.** likely reflects concern about widening price differentials in 2019. We believe the widely-discussed infrastructure bottlenecks in the Permian Basin will be a 12- to 18-month event and that Cimarex is well-positioned to continue executing on development projects.

(closed to new investors)

Short Portfolio

- Shares of industrial distributor **W.W. Grainger, Inc.** rose as a strong industrial economy and lower product prices spurred solid organic revenue growth. We believe secular headwinds facing the industrial distribution industry from price transparency have been masked by cyclical strength in the industrial economy, and that the trend for long-term margins in this business is lower.
- Shares of consumer electronics retailer **Best Buy Co., Inc.** rose after the company reported strong revenue growth. The company took market share, and results were broad-based with all categories and geographies showing positive growth. We believe recent outsized growth will eventually normalize while competitive pressures remain, which will continue to weigh on margins over time.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2018

	SINCE INCEPTION (6/30/00)[1]	10-YR	5-YR	3-YR	1-YR	YTD	3Q18	EXPENSE RATIO GROSS	EXPENSE RATIO NET[2,3]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	6.60%	5.67%	6.24%	7.85%	6.55%	3.65%	5.58%	1.96%	1.95%
Class I	6.86	5.98	6.53	8.16	6.86	3.83	5.59	1.67	1.66
BENCHMARK									
Russell 1000 Index	6.15	12.09	13.67	17.07	17.76	10.49	7.42	—	—
60%/40% Blended Index	4.55	7.51	8.33	10.39	11.10	6.80	4.62	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	6.29	5.13	5.16	6.02	1.21	-1.55	0.30	1.96	1.95

[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 and 1.09% for Class I.

[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.

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Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class I shares include Class A share performance achieved prior to the creation of Class I shares. 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 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)

New Positions

Long Portfolio

- We initiated a position in pharmacy health care services provider **CVS Health Corp.** which was trading at a significant discount to our conservative estimates of intrinsic value following Amazon's acquisition of PillPack. CVS is in the process of acquiring Aetna, a current holding in several funds.

- Electronics component manufacturer **Sensata Technologies Holding PLC** makes sensors and controls for automotive and industrial applications. Sensata is a very well-run business with above-average operating margins and attractive returns on invested capital. We believe that Sensata's shares are trading at a discount as the market is underestimating the long-term earnings potential of the business.

- 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 for its shareholders.

Short Portfolio

- We initiated a short position in alcoholic beverage manufacturer **Brown-Forman Corp. (Cl B)**, the maker of Jack Daniels Tennessee whiskey, as the stretched valuation does not reflect our expectation of decelerating growth over the next several years due to changing trends in the alcoholic spirits industry.

- We initiated a new short position in networking and communications company **Cisco Systems, Inc.** While we have a favorable opinion of management's strategy to sell more software and generate more recurring revenue, we think the current market price reflects too much optimism.

- Missouri-based **Commerce Bancshares, Inc.** is a well-run regional bank which trades at a premium to our estimate of intrinsic value. We started a short position as we believe the bank's slowing loan growth, normalizing credit costs, and average-quality footprint would only support below average earnings growth and question the premium valuation.

- **Integra LifeSciences Holding Corp.** is a medical device company primarily focused on wound care and related products. It recently acquired Johnson & Johnson's underperforming neurology business and is reorganizing its sales force as a result. While this offers some potential for disruption, the crux of our thesis is that wound care is challenged from a reimbursement perspective. Integra's cash generation is minimal, and its balance sheet is levered towards the higher end of the group.

- We re-initiated a short position in oil and gas exploration and production company **Southwestern Energy Co.** primarily due to our evolving views of the natural gas industry. Southwestern is a well-managed business in the process of selling its legacy Fayetteville asset which will lead to a "pure-play" Appalachian gas producer. We believe growing low-cost natural gas from the Permian and Haynesville basins could put pressure on natural gas prices and subsequently impact the company's growth profile.

- Electric car manufacturer **Tesla, Inc.** has had difficulty hitting production targets on its mass-market Model 3 and is getting dangerously low on cash. These issues arise at a time when more competition is coming to market. Even if Tesla meets its production goals, the company will likely still need significant capital infusion, as its current production facility appears to be at capacity, before adding a planned fourth model and expanding sales overseas.

Eliminated Positions

Long Portfolio

- We eliminated our long position in **Kimberly-Clark Corp.** to fund investments in higher conviction ideas.

Short Portfolio

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

(closed to new investors)

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF SEPTEMBER 30, 2018

Abbott Laboratories	2.7 %	Long	**Integra LifeSciences Holdings Corp.**	(0.6)%	Short
Apple, Inc.	1.9	Long	**Kimberly-Clark Corp.**	0.0	Long
BankUnited, Inc.	2.1	Long	**Microsoft Corp.**	2.5	Long
Best Buy Co., Inc.	(2.0)	Short	**Sensata Technologies Holding PLC**	0.9	Long
Brown-Forman Corp. (Cl B)	(0.3)	Short	**Southwestern Energy Co.**	(0.2)	Short
Cimarex Energy Co.	2.8	Long	**Tesla, Inc.**	(0.3)	Short
Cisco Systems, Inc.	(0.8)	Short	**Texas Instruments, Inc.**	0.8	Long
Commerce Bancshares, Inc.	(0.2)	Short	**United Continental Holdings, Inc.**	3.8	Long
CVS Health Corp.	0.7	Long	**W.W. Grainger, Inc.**	(1.3)	Short
Facebook, Inc. (Cl A)	1.7	Long	**Worldpay, Inc. (Cl A)**	2.0	Long

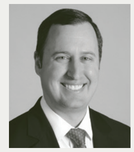
Mentioned securities not held in the Diamond Hill Long-Short Fund: Aetna, Inc., Amazon.com, Inc., and Johnson & Johnson.

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 September 30, 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 increased 0.70% (Class I) during the quarter, compared to a 4.30% increase in the long-only Russell 3000 Financials Index and a 3.54% increase 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 underperformed the broader Russell 3000 Index during the quarter. Payment companies, life insurers, property and casualty insurers, business services and consumer lenders were relatively strong during the quarter while homebuilders, brokers and mid-cap banks were relatively weaker. The financial sector has been volatile as of late, largely reacting to changes in yield, performing better when the yield curve steepens and struggling when it moves in the opposite direction. The overall environment in the U.S. is still largely positive.

Consumer confidence hit an 18-year high in September, a positive indicator for spending going into the holiday shopping season, as job growth and a strong U.S. economic outlook have largely overcome negative sentiment around a trade and tariff war. U.S. economic output grew at a robust 4.2% annual rate in the second quarter, largely because of the best consumer spending in nearly four years. The third-quarter GDP is expected to continue this trend. Both the Federal Open Market Committee and the Congressional Budget Office forecast the unemployment rate remaining below 4% and inflation staying near 2% through the end of 2020. Housing is a soft spot in an otherwise robust economy. Home price gains slowed in July, according to the S&P CoreLogic Case-Shiller National Home Price Index.

The yield on the 10-year U.S. Treasury rose back above 3.0% to end the third quarter at 3.05%, the highest absolute level seen since 2011. The increase from 2.84% seen at the end of the second quarter is largely the result of the rally going into the September 25 FOMC meeting in which the Fed increased the Fed Funds target by another 25 bps (to 2.25%), the third rate hike in 2018. Expectations are for a fourth hike to occur in December 2018 and for three rate hikes in 2019, though this is data dependent as the market continues to watch inflation data and overall U.S. economic growth metrics. In addition to having raised its interest-rate target two percentage points since the end of 2015, the Fed has also shrunk its balance sheet by about 6% since it switched from “quantitative easing” to “quantitative tightening” last year. The impacts on the shape and structure of the yield curve will continue to play out as this is a relatively unique time compared to historical precedents.

We are of the view that the U.S. economy is making gradual progression through its business cycle and some mid- to late-cycle dynamics are more evident. Corporate profit margins have declined from peak levels, but corporate tax cuts and restrained wage growth have allowed margins to stay high and corporate profit growth to remain firm. Financial stocks will likely continue to react to the fact that longer-term rates appear to be capped while the Fed is continuing to raise short rates. Much of the good news regarding interest rates and regulatory reform is priced into the stocks. Inflation could move up more than expected where U.S. fiscal policy has added stimulus through tax reform and deficit spending late in the business cycle. Increased focus is now on deposit costs, and increased net interest margin pressure, along with slowing loan growth, and the potential for credit normalization, i.e. a “soft landing” vs. recessionary stress.

Overall, we remain encouraged by improving consumer finances, modestly increasing interest rates, and an overall reduction in some regulatory burdens. We remain cognizant that rapidly higher interest rates, a flattening yield curve, and real long-lasting trade concerns could dampen the financial sector. We continue to find opportunities and invest based upon our five-year views of individual company fundamentals and see a number of stocks with significant discounts to estimates of intrinsic value.

Best Performers

Long Portfolio

- Diversified holding company **Berkshire Hathaway, Inc. (Cl B)** outperformed after reporting strong earnings across several of its most important subsidiaries, including GEICO and its large manufacturing businesses. In addition, the company announced an adjustment to its share repurchase policy that allows a repurchase any time that Warren Buffett and Charlie Munger agree that the stock is at a meaningful discount to intrinsic value.
- Shares of banking and payment services provider **Discover Financial Services** rose after the company reported solid quarterly results driven by strong credit card loan growth and favorable trends in credit performance. Expenses remain well controlled as the company operates with high levels of efficiency and relatively high returns on equity.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2018

	SINCE INCEPTION[1] (8/1/97)	10-YR	5-YR	3-YR	1-YR	YTD	3Q18	EXPENSE RATIO[2]
RETURNS AT NAV (WITHOUT SALES CHARGE)								
Class A	7.27%	8.84%	7.66%	10.34%	2.52%	-0.97%	0.66%	1.86%
Class I	7.46	9.16	7.96	10.64	2.78	-0.77	0.70	1.57
BENCHMARK								
Russell 3000 Financials Index	6.13	8.56	13.39	16.09	11.89	4.74	4.30	—
80%/20% Blended Index	5.63	7.25	10.80	12.99	9.80	4.08	3.54	—
RETURNS AT POP (WITH SALES CHARGE)								
Class A	7.00	8.27	6.56	8.47	-2.59	-5.93	-4.38	1.86

[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 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.

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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 I shares include Class A share performance achieved prior to the creation of 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%; 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.

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- Shares of business services company **First Data Corp. (Cl A)** rose after the company reported solid quarterly results driven by organic growth in its North America Global Business Solutions segment. The company has renewed relationships with several large bank partners and has a strong business backlog with international expansion opportunity.
- Shares of life insurance company **MetLife, Inc.** rallied on rising interest rates and strong quarterly results across all growth businesses. Capital return continues to be strong, with additional capital return planned for the remainder of the year.
- Electronic payment services provider **Worldpay, Inc. (Cl A)** outperformed after the company reported solid revenue and earnings. Management has identified revenue synergies related to the Vantiv-Worldpay merger and investors are encouraged by the international expansion opportunities in e-commerce.

Short Portfolio

- The five best performers were long holdings.

Worst Performers

Long Portfolio

- Shares of **Bank OZK**, a regional bank based in Arkansas, declined as loan growth was lower than expected due to a slowing commercial real estate market and accelerating repayments of existing loans. Fears over rising deposit costs have also weighed on shares amid concerns of net interest margin pressure.
- Shares of **BankUnited, Inc.**, a Florida-based regional bank, declined after the appointment of a new board member and the resignation of the board chairman led some to conclude that the probability of the franchise being sold is lower than expected. Uncertainty about the path of earnings through 2019 due to the expiration of FDIC loss share also caused investor caution.
- Banking and financial services company **Banco Bilbao Vizcaya Argentaria S.A.** underperformed as a result of the company's exposure to Turkey. Sanctions and tariffs imposed by the U.S., as well as Turkey's own macroeconomic imbalances, led to sharp depreciation of the Turkish Lira and a decline in Turkish assets. We believe that the market has over-penalized BBVA for its limited exposure to Turkish assets and continue to believe in the long-term growth potential of BBVA, especially at current valuation levels.

Short Portfolio

- Shares of insurance companies **Selective Insurance Group, Inc.** and **Cincinnati Financial Corp.** rallied on the back of strong quarterly results which were helped by lower-than-expected catastrophe losses and strong premium growth.

New Positions

Long Portfolio

- **Artisan Partners Asset Management, Inc. (Cl A)** has a unique multi-manager business model. We purchased the shares after a series of perceived weak quarters and subsequent price declines provided an opportunity to own this high-quality business below our estimate of intrinsic value.
- We received shares of **WMIH Corp.**, a shell company with a large tax loss balance, when it completed the acquisition of our holding **Nationstar Mortgage Holdings, Inc.** There are no operational changes at Nationstar as it is simply under a new ownership structure.

Short Portfolio

- Missouri-based **Commerce Bancshares, Inc.** is a well-run regional bank which trades at a premium to our estimate of intrinsic value. We started a short position as we believe the bank's slowing loan growth, normalizing credit costs, and average-quality footprint would only support below-average earnings growth and question the premium valuation.

Eliminated Positions

Long Portfolio

- We eliminated shares of property and casualty insurance company **Atlas Financial Holdings, Inc.** to deploy capital into more attractive opportunities.

Short Portfolio

- We covered our position in property and casualty insurance company **Hanover Insurance Group, Inc.** to redeploy capital into more attractive opportunities.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF SEPTEMBER 30, 2018

Artisan Partners Asset Management, Inc. (Cl A)	1.6%	Long	**Discover Financial Services**	5.6	Long
Atlas Financial Holdings, Inc.	0.0	Long	**First Data Corp. (Cl A)**	2.8	Long
Banco Bilbao Vizcaya Argentaria, S.A.	2.5	Long	**Hanover Insurance Group, Inc.**	0.0	Short
Bank OZK	3.0	Long	**MetLife, Inc.**	5.1	Long
BankUnited, Inc.	3.6	Long	**Nationstar Mortgage Holdings, Inc.**	0.0	Long
Berkshire Hathaway, Inc. (Cl B)	6.8	Long	**Selective Insurance Group, Inc.**	(1.3)	Short
Cincinnati Financial Corp.	(2.6)	Short	**WMIH Corp.**	5.6	Long
Commerce Bancshares, Inc.	(1.0)	Short	**Worldpay, Inc. (Cl A)**	1.4	Long

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 September 30, 2018

The Fund increased 3.47% (Class I) during the quarter, compared to a 7.12% increase in the long-only Russell 3000 Index and a 5.44% increase 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 contributed to absolute return led by holdings in the health care and industrials sectors. Conversely, short positions in those same sectors were some of the largest detractors to absolute return. Long positions in the consumer discretionary sector were the primary detractors from return.

The Fund's underperformance relative to the long-only benchmark was primarily driven by security selection in the information technology and consumer discretionary sectors. Favorable selection and an overweight position in the health care sector was the primary contributor to relative return.

The Fund's net exposure was 87.3% at the end of the quarter.

Best Performers

Long Portfolio

- Pharmaceutical company **Endo International PLC** outperformed after the company reported solid quarterly results, raising financial targets and demonstrating progress in its turnaround initiatives. We continue to see upside in the shares at an attractive valuation for an increasingly durable set of franchises being developed by an underappreciated management team.

- Shares of airline operator **United Continental Holdings, Inc.** rose after the company reported better-than-expected earnings and increased full-year guidance despite materially higher fuel costs. Revenues continue to exceed expectations due to strong demand, as well as encouraging initial results from company-specific initiatives.

- Shares of data analytics company **Verisk Analytics, Inc.** rose after reporting solid quarterly earnings that included strong revenue and earnings growth. Results in the Insurance portion of the business, which constitutes over 70% of revenue and over 80% of earnings, were particularly favorable.

PORTFOLIO MANAGEMENT

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

- Pharmaceutical company **Allergan PLC** outperformed after reporting solid quarterly results, with both revenues and earnings increasing. We continue to like the outlook for the stock going forward, despite investor skepticism about the sustainability of growth in the aesthetics business and an unwillingness to ascribe much value to the company's improving pipeline prospects.

- Shares of consumer goods manufacturer **V.F. Corp.** rose after the company reported strong revenue and profit trends in its Action and Outdoor brands (Vans, The North Face, Timberland). Additionally, the company has achieved a nice balance between wholesale and its direct-to-consumer business and continues to focus on optimizing its portfolio by selling less attractive brands and redeploying capital to higher growth opportunities.

Short Portfolio

- The five best performers were long positions.

Worst Performers

Long Portfolio

- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** declined amid concerns regarding weakness in Las Vegas Strip room pricing and visitation during the latter half of the year. Additionally, large renovations at Palace Station and The Palms are closer to the Las Vegas Strip and are more susceptible to this weakness. Overall, the near-term volatility does not change our long-term thesis on the company.

- Shares of homebuilder **NVR, Inc.** declined, despite reporting generally good quarterly results. New orders came in lower than expected, and there is significant bearish sentiment surrounding the homebuilding industry due to the rise in interest rates and concerns regarding affordability.

- Shares of **Bank OZK**, a regional bank based in Arkansas, declined as loan growth was lower than expected due to a slowing commercial real estate market and accelerating repayments of existing loans. Fears over rising deposit costs have also weighed on shares amid concerns of net interest margin pressure.

- Freight transportation management company **Hub Group, Inc. (Cl A)** underperformed after the company sold its Mode division, which will be dilutive to earnings until the proceeds are re-deployed into M&A targets with a better strategic fit. Additionally, elevated new truck orders and some softening in truck pricing created concerns about the sustainability of the current pricing cycle in trucking and intermodal. We believe the lack of driver availability will constrain trucking capacity, and the pricing environment will allow the company to achieve and maintain higher operating margins.
- Shares of **BankUnited, Inc.**, a regional bank based in Florida, declined after the appointment of a new board member and the resignation of the board chairman led some to conclude that the probability of the franchise being sold is lower than expected. Uncertainty about the path of earnings through 2019 due to the expiration of FDIC loss share also caused investor caution.

Short Portfolio

- The five worst performers were long positions.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2018

	SINCE INCEPTION (3/31/09)	5-YR	3-YR	1-YR	YTD	3Q18	EXPENSE RATIO[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)							
Class A	12.51%	6.95%	8.70%	9.83%	3.69%	3.39%	1.80%
Class I	12.82	7.24	9.01	10.17	3.90	3.47	1.51
BENCHMARK							
Russell 3000 Index	17.19	13.46	17.07	17.58	10.57	7.12	—
75%/25% Blended Index	12.90	10.17	12.87	13.44	8.24	5.44	—
RETURNS AT POP (WITH SALES CHARGE)							
Class A	11.91	5.86	6.86	4.35	-1.49	-1.77	1.80

[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 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 September 30, 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 assets of the Research Partnership were converted, based on their value on December 30, 2011, into assets of the fund prior to commencement of operations 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%; I 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.

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.

New Positions

Long Portfolio

- We initiated a position in pharmacy health care services provider **CVS Health Corp.** which was trading at a significant discount to our conservative estimates of intrinsic value following Amazon's acquisition of PillPack. CVS is in the process of acquiring Aetna, a current holding in several funds.

- **Bollore S.A.** is a family-controlled conglomerate based in France. We believe the company's segments: transportation and logistics, communications, and electricity storage and solutions have nice tailwinds which can improve cash flow growth relative to the recent past. We are especially intrigued by the opportunity around its ports business that is concentrated along the Western coast of Africa.

- **Formula One Group** is a global motorsport racing league acquired by Liberty Media last year. Formula One's intellectual property is unique and extremely difficult to replicate and its 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.

- We initiated a position in eyewear manufacturer **Essilor International S.A.** which is merging with Luxottica. The combined entity will have the largest global market share in eye and sunglasses lenses and frames. We believe the market is currently undervaluing the potential distribution and cost synergies from the merger and the resulting competitive position which should support steady growth and attractive returns over time.

- **Milacron Holdings Corp.** is a leading provider of plastic processing equipment. It is especially strong in the hot runner product category, which is a high-quality recurring revenue business that accounts for roughly 60% of the company's profit. The industry should enjoy strong growth tailwinds as emerging markets adopt more Western-style consumption habits and plastic gains share from other materials. Investor concern surrounding the cyclical nature of the plastic processing equipment industry and the company's elevated debt level is providing an attractive buying opportunity. Milacron could improve margins through a recent restructuring and its continuous improvement efforts. We believe its hot runner business will be less cyclical than feared and free cash flow will be strong, allowing the company to pay down a significant portion of debt.

- **Sherwin-Williams Co.** Paint Stores Group is one of the strongest businesses in the coatings sector and caters to the professional painting contractor in the United States, which has been taking share from the DIY (do-it-yourself) painter over the past several decades. This trend has led to market share gains for Sherwin Williams which we believe is likely to continue. Investor worries over persistently rising raw material costs presented an opportunity to invest in a dominant franchise at a discount to intrinsic value. We believe the company will more than recover these rising costs over the next several years with pricing and from cost savings from the Valspar merger.

- Internet and digital services provider **Tencent Holdings Ltd.** provides various internet-related services and owns dominant ecosystems in China. These include messaging, social networking, payment services, gaming, and mobile app stores. Its ecosystem of services benefit from scale and the switching costs for its users (in the form of network effects and habit formation). Over the next few years, we expect Tencent to better monetize its ecosystems of social networking services (WeChat and QQ) and payment services (WeChat Pay, QQ Pay, and others). Recent Chinese regulatory policies have prevented Tencent from monetizing its new video games; however, we expect this will be a short-term headwind and that the company's gaming revenues will normalize in the next couple of years.

- We received shares of **WMIH Corp.**, a shell company with a large tax loss balance, when it completed the acquisition of our holding **Nationstar Mortgage Holdings, Inc.** There are no operational changes at Nationstar as it is simply under a new ownership structure.

Short Portfolio

- We initiated a new short position in networking and communications company **Cisco Systems, Inc.** While we have a favorable opinion of management's strategy to sell more software and generate more recurring revenue, we think the current market price reflects too much optimism.

- Missouri-based **Commerce Bancshares, Inc.** is a well-run regional bank which trades at a premium to our estimate of intrinsic value. We started a short position as we believe the bank's slowing loan growth, normalizing credit costs, and average-quality footprint would only support below average earnings growth and question the premium valuation.

- **Integra LifeSciences Holding Corp.** is a medical device company primarily focused on wound care and related products. It recently acquired Johnson & Johnson's underperforming neurology business and is reorganizing its sales force as a result. While this offers some potential for disruption, the crux of our thesis is that wound care is challenged from a reimbursement perspective. Integra's cash generation is minimal, and its balance sheet is levered towards the higher end of the group.

- We re-initiated a short position in oil and gas exploration and production company **Southwestern Energy Co.** primarily due to our evolving views of the natural gas industry. Southwestern is a well-managed business that is in the process of selling its legacy Fayetteville asset which will lead to a "pure-play" Appalachian gas producer. We believe growing low-cost natural gas from the Permian and Haynesville basins could put pressure on natural gas prices and subsequently impact the company's growth profile.

Eliminated Positions

Long Portfolio

- We eliminated shares of property and casualty insurance company **Atlas Financial Holdings, Inc.** to deploy capital into more attractive opportunities.

- We eliminated positions in telecommunications services provider **Cincinnati Bell, Inc.** and networking and communications technology provider **Juniper Networks, Inc.** to fund more attractive investment opportunities.

- Our thesis was not playing out as we anticipated for media and communications company **Liberty Global PLC (Cl A)**. In particular, poor execution in the U.K. and Ireland segment appears indicative of a weaker competitive advantage than we expected, while Switzerland and Belgium operate in very competitive markets already. Liberty Global is also highly levered and faces regulatory risk regarding the Vodafone transaction.

- We exited our investment in oil and gas well servicing company **Welltec A/S 9.5% due 2022** bonds to reallocate proceeds into more attractive investment opportunities. Our favorable view of Welltec's business and opportunity remains intact and we continue to hold the bonds in our fixed income strategies.

Short Portfolio

- We covered our short position in specialty apparel retailer **Children's Place, Inc.** when the shares reached our estimate of intrinsic value.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF SEPTEMBER 30, 2018

Aetna, Inc.	0.9%	Long	Integra LifeSciences Holdings Corp.	(0.5)%	Short
Allergan PLC	2.7	Long	Juniper Networks, Inc.	0.0	Long
Atlas Financial Holdings, Inc.	0.0	Long	Liberty Global PLC (Cl A)	0.0	Long
Bank OZK	1.6	Long	Milacron Holdings Corp.	0.2	Long
BankUnited, Inc.	1.5	Long	Nationstar Mortgage Holdings, Inc.	0.0	Long
Bollore S.A.	0.7	Long	NVR, Inc.	2.3	Long
Children's Place, Inc.	0.0	Short	Red Rock Resorts, Inc. (Cl A)	4.5	Long
Cincinnati Bell, Inc.	0.0	Long	Sherwin-Williams Co.	0.5	Long
Cisco Systems, Inc.	(0.7)	Short	Southwestern Energy Co.	(0.2)	Short
Commerce Bancshares, Inc.	(0.3)	Short	Tencent Holdings Ltd.	0.6	Long
CVS Health Corp.	0.9	Long	United Continental Holdings, Inc.	5.3	Long
Endo International PLC	4.5	Long	V.F. Corp.	1.8	Long
Essilor International S.A.	0.7	Long	Verisk Analytics, Inc.	3.1	Long
Formula One Group	1.6	Long	Welltec A/S 9.5% due 2022	0.0	Long
Hub Group, Inc. (Cl A)	3.1	Long	WMIH Corp.	1.6	Long

Mentioned securities not held in the Diamond Hill Research Opportunities Fund: Amazon.com, Inc., Johnson & Johnson, Luxottica Group S.A., and Vodafone Group 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 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	3Q18	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 SEPTEMBER 30, 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	10.40%	8.90%	6.98%	8.51%	6.01%	2.13%	1.68%	5.00%	—	0.80%	0.25%	0.23%	1.28%	1.27%	★★★ The Overall Morningstar Rating™ out of 362 Small Value Funds as of 9/30/2018.
Class I	DHSIX	25264S858	10.67	9.23	7.28	8.83	6.30	2.35	1.73	—	—	0.80	—	0.19	0.99	0.98	
Benchmark	Russell 2000 Index		8.77	11.11	11.07	17.12	15.24	11.51	3.58								
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	8.75%	11.25%	9.06%	9.75%	4.56%	2.38%	0.89%	5.00%	—	0.75%	0.25%	0.23%	1.23%	1.22%	★★★ The Overall Morningstar Rating™ out of 373 Mid-Cap Value Funds as of 9/30/2018.
Class I	DHMIX	25264S783	9.10	11.59	9.37	10.07	4.87	2.58	0.92	—	—	0.75	—	0.19	0.94	0.93	
Benchmark	Russell 2500 Index		9.39	12.02	11.37	16.13	16.19	10.41	4.70								
MID CAP[1,2] (Inception Date 12/31/13) | Morningstar: Mid-Cap Value | Lipper: Mid-Cap Core																	
Class A	DHPAX	25264S635	8.24%	—	—	11.10%	7.28%	3.44%	2.02%	5.00%	—	0.60%	0.25%	0.23%	1.08%	1.07%	★★★ The Overall Morningstar Rating™ out of 373 Mid-Cap Value Funds as of 9/30/2018.
Class I	DHPIX	25264S619	8.56	—	—	11.44	7.67	3.72	2.16	—	—	0.60	—	0.19	0.79	0.78	
Benchmark	Russell Midcap Index		10.41	—	—	14.52	13.98	7.46	5.00								
LARGE CAP[3] (Inception Date 6/29/01) | Morningstar: Large Value | Lipper: Large-Cap Core																	
Class A	DHLAX	25264S502	8.56%	10.57%	11.29%	14.84%	10.20%	4.35%	7.56%	5.00%	—	0.50%	0.25%	0.21%	0.96%	0.96%	★★★★ The Overall Morningstar Rating™ out of 1,109 Large Value Funds as of 9/30/2018.
Class I	DHLRX	25264S841	8.84	10.90	11.60	15.17	10.53	4.55	7.62	—	—	0.50	—	0.17	0.67	0.67	
Benchmark	Russell 1000 Index		7.52	12.09	13.67	17.07	17.76	10.49	7.42								
ALL CAP SELECT[1,2] (Inception Date 12/30/05) | Morningstar: Large Blend | Lipper: Multi-Cap Core																	
Class A	DHTAX	25264S775	8.35%	10.55%	10.58%	11.42%	12.68%	4.37%	3.66%	5.00%	—	0.70%	0.25%	0.22%	1.17%	1.16%	★★ The Overall Morningstar Rating™ out of 1,196 Large Blend Funds as of 9/30/2018.
Class I	DHLTX	25264S759	8.68	10.89	10.88	11.74	12.96	4.59	3.76	—	—	0.70	—	0.18	0.88	0.87	
Benchmark	Russell 3000 Index		9.20	12.01	13.46	17.07	17.58	10.57	7.12								
GLOBAL[2,4,5] (Inception Date 12/31/13) | Morningstar: World Large Stock | Lipper: Global Multi-Cap Value																	
Class A	DHGBX	25264S486	7.19%	—	—	12.65%	7.49%	1.32%	1.38%	5.00%	—	0.70%	0.25%	0.26%	1.21%	1.21%	Morningstar Rating™ Not Available
Class I	DHGIX	25264S478	7.51	—	—	12.99	7.80	1.53	1.45	—	—	0.70	—	0.22	0.92	0.92	
Benchmark	Morningstar Global Markets Index		7.59	—	—	13.39	9.69	3.66	4.03								

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 4, 7, 10, 13, 16, 19, 22, 26, and 30 for standard performance.

Performance returns assume reinvestment of all distributions. Returns for the periods less than one year are not annualized. The total return figures shown "With Sales Charge" reflect the maximum sales charge applicable to each class. Class I shares include performance based on Class A shares for the Small Cap Fund, Large Cap Fund, Long-Short Fund, and Financial Long-Short Fund, which was achieved prior to the creation of Class I shares. These total return figures may reflect the waiver of a portion of a Fund's advisory or administrative fees for certain periods. In such instances, and without such waiver of fees, the total return 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 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 assets of the Global Partnership were converted, based on their value on January 2, 2018, into assets 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 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.

[6] 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 and 1.09% for Class I and for the Financial Long-Short Fund would have been 1.41% for Class A and 1.12% for Class I, and for the Research Opportunities Fund would have been 1.41% for Class A and 1.12 % for Class I.

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

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	3Q18	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 SEPTEMBER 30, 2018							FEES & EXPENSES							MORNINGSTAR
ALTERNATIVES																	
LONG-SHORT[1,3,6,7] *(closed to new investors)* (Inception Date 6/30/00) | Morningstar: Long-Short Equity | Lipper: Alternative Long/Short Equity																	
Class A	DIAMX	25264S403	6.60%	5.67%	6.24%	7.85%	6.55%	3.65%	5.58%	5.00%	—	0.90%	0.25%	0.81%	1.96%	1.95%	★★★★
Class I	DHLSX	25264S833	6.86	5.98	6.53	8.16	6.86	3.83	5.59	—	—	0.90	—	0.77	1.67	1.66	The Overall Morningstar Rating™ out of 194 Long-Short Equity Funds as of 9/30/2018.
Benchmark	Russell 1000 Index		6.15	12.09	13.67	17.07	17.76	10.49	7.42								
	60% Russell 1000 Index / 40% ICE BofAML U.S. T-Bill 0-3 Mo Index		4.55	7.51	8.33	10.39	11.10	6.80	4.62								
FINANCIAL LONG-SHORT[2,5,6,8] (Inception Date 8/1/97) | Morningstar: Financial | Lipper: Financial Services																	
Class A	BANCX	25264S106	7.27%	8.84%	7.66%	10.34%	2.52%	-0.97%	0.66%	5.00%	—	0.95%	0.25%	0.66%	1.86%	1.86%	★★★
Class I	DHFSX	25264S825	7.46	9.16	7.96	10.64	2.78	-0.77	0.70	—	—	0.95	—	0.62	1.57	1.57	The Overall Morningstar Rating™ out of 96 Financial Funds as of 9/30/2018.
Benchmark	Russell 3000 Financials Index		6.13	8.56	13.39	16.09	11.89	4.74	4.30								
	80% Russell 3000 Financials Index / 20% ICE BofAML U.S. T-Bill 0-3 Mo Index		5.63	7.25	10.80	12.99	9.80	4.08	3.54								
RESEARCH OPPORTUNITIES[2,5,6,9] (Inception Date 3/31/09) | Morningstar: Long-Short Equity | Lipper: Alternative Long/Short Equity																	
Class A	DHROX	25264S742	12.51%	—	6.95%	8.70%	9.83%	3.69%	3.39%	5.00%	—	0.95%	0.25%	0.60%	1.80%	1.80%	★★★★
Class I	DROIX	25264S726	12.82	—	7.24	9.01	10.17	3.90	3.47	—	—	0.95	—	0.56	1.51	1.51	The Overall Morningstar Rating™ out of 194 Long-Short Equity Funds as of 9/30/2018.
Benchmark	Russell 3000 Index		17.19	—	13.46	17.07	17.58	10.57	7.12								
	75% Russell 3000 Index / 25% ICE BofAML U.S. T-Bill 0-3 Mo Index		12.90	—	10.17	12.87	13.44	8.24	5.44								

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

[9] 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 assets of the Research Partnership were converted, based on their value on December 30, 2011, into assets of the fund prior to commencement of operations 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.

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 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. 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.

Refer to performance disclosure information on page 33.

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 362 small value funds as of 9/30/18. The Fund's Class I rating was 1 stars among 362, 3 stars among 317, and 4 stars among 226 small value funds for the 3-, 5-, and 10-year periods ended 9/30/18, respectively.

Small-Mid Cap Fund The Overall Morningstar Rating™ is based on 373 mid-cap value funds as of 9/30/18. The Fund's Class I rating was 2 stars among 373, 3 stars among 315, and 4 stars among 228 mid-cap value funds for the 3-, 5-, and 10-year periods ended 9/30/18, respectively.

Mid Cap Fund The Overall Morningstar Rating™ is based on 373 mid-cap value funds as of 9/30/18. The Fund's Class I rating was 3 stars among 373 funds for the 3-year period ended 9/30/18.

Diamond Hill Funds Performance Update

Large Cap Fund The Overall Morningstar Rating™ is based on 1,109 large value funds as of 9/30/18. The Fund's Class I rating was 4 stars among 1,109, 4 stars among 948, and 4 stars among 696 large value funds for the 3-, 5-, and 10-year periods ended 9/30/18, respectively.

All Cap Select Fund The Overall Morningstar Rating™ is based on 1,196 large blend funds as of 9/30/18. The Fund's Class I rating was 1 stars among 1,196, 2 stars among 1,058, and 3 stars among 794 large blend funds for the 3-, 5-, and 10-year periods ended 9/30/18, respectively.

Long-Short Fund The Overall Morningstar Rating™ is based on 194 long-short equity funds as of 9/30/18. The Fund's Class I rating was 4 stars among 194, 4 stars among 105, and 4 stars among 29 long-short equity funds for the 3-, 5-, and 10-year periods ended 9/30/18, respectively.

Financial Long-Short Fund The Overall Morningstar Rating™ is based on 96 financial funds as of 9/30/18. The Fund's Class I rating was 2 stars among 96, 2 stars among 91, and 3 stars among 70 financial funds for the 3-, 5-, and 10-year periods ended 9/30/18, respectively.

Research Opportunities Fund The Overall Morningstar Rating™ is based on 194 long-short equity funds as of 9/30/18. The Fund's Class I rating was 4 stars among 194 and 4 stars among 105 funds for the 3- and 5-year periods ended 9/30/18, respectively.

Refer to performance disclosure information on page 33.

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