

Research Opportunities Fund

As of December 31, 2018



OBJECTIVE

Long-term capital appreciation by investing in companies selling for less than and shorting companies selling for more than our estimate of intrinsic value. Flexible mandate includes international and fixed income investments.

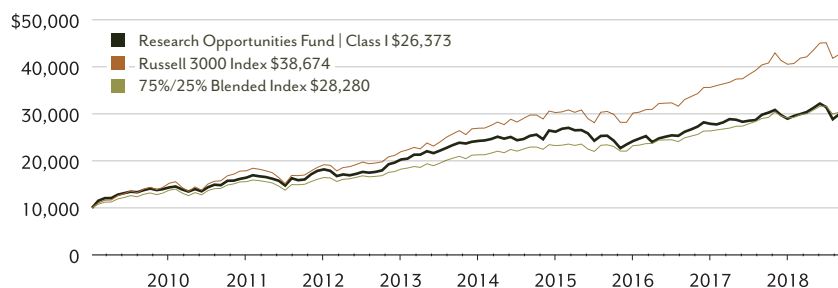
INVESTMENT STRATEGY

- To estimate intrinsic value, the business must be understandable, and we must be able to reasonably forecast its cash flows. For long positions, we seek businesses with sustainable competitive advantages, conservative balance sheets, and management with an ownership mentality. The inverse is often true for our short positions.
- Seek positive total returns on both long and short positions.

TEAM

The Research Opportunities Fund is co-managed by Diamond Hill Research Analysts, each of whom is responsible for a sleeve of securities within one of five sector teams.

GROWTH OF \$10,000 SINCE INCEPTION¹



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

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

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

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.

Side One. Not Valid Without Side Two.

PORTFOLIO GUIDELINES

Fund Guidelines

- Typically invests in domestic equities
- Flexible mandate allows for international equities up to 40% and fixed income investments up to 20%

Exposure Guidelines

- Maximum gross long position is 120%
- Maximum gross short position is 70%
- Maximum total gross exposure is 140%
- Typical net exposure = 60-95%

TOP TEN EXPOSURES

Vail Resorts, Inc. Cons. Discretionary	4.3%	Long
GlaxoSmithKline PLC Health Care	4.2	Long
Red Rock Resorts, Inc. (CIA) Cons. Discretionary	3.7	Long
United Continental Holdings, Inc. Industrials	3.3	Long
Hub Group, Inc. (CIA) Industrials	3.2	Long
Sensata Technologies Holding PLC Industrials	3.1	Long
Cognizant Technology Solutions Corp. (CIA) Info. Technology	2.9	Long
Allergan PLC Health Care	2.7	Long
BioScrip, Inc. Health Care	2.6	Long
Facebook, Inc. (CIA) Communication Services	2.4	Long
Total as % of Net Assets	32.4%	

BEST & WORST PERFORMERS²

SECURITY NAME	4Q18 CONTRIBUTION	POSITION AS OF 4Q18
Best		
Stamps.com, Inc.	0.4%	(1.3)% Short
Best Buy Co., Inc.	0.3	(0.4) Short
BioScrip, Inc.	0.2	2.6 Long
Grand Canyon Education, Inc.	0.2	(1.1) Short
Myriad Genetics, Inc.	0.2	0.0 Short
Worst		
Endo International PLC	-1.8%	1.8% Long
Vail Resorts, Inc.	-1.1	4.3 Long
Red Rock Resorts, Inc. (CIA)	-1.1	3.7 Long
Allergan PLC	-1.0	2.7 Long
Cimarex Energy Co.	-0.7	1.7 Long

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

SECTOR ALLOCATION³

	LONG PORTFOLIO	RUSSELL 3000 INDEX	SHORT PORTFOLIO
Industrials	21.5%	9.9%	(1.1)%
Health Care	17.5	15.1	(3.4)
Cons. Discretionary	16.8	10.8	(6.6)
Financials	14.6	13.9	(3.4)
Info. Technology	12.6	19.9	(2.9)
Communication Services	10.2	9.1	(0.6)
Materials	4.4	3.0	(0.1)
Real Estate	3.1	3.9	(0.3)
Energy	1.7	5.0	(0.0)
Consumer Staples	1.7	6.1	(0.2)
Utilities	0.0	3.3	(0.6)
Cash & Other	0.0	0.0	0.0

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

	SINCE INCEPTION	5-YR	3-YR	1-YR	YTD	4Q18
RETURNS AT NAV (WITHOUT SALES CHARGE)						
Class I	10.46%	2.02%	2.77%	-12.86%	-12.86%	-16.13%
BENCHMARK						
Russell 3000 Index	14.88	7.91	8.97	-5.24	-5.24	-14.30
75%/25% Blended Index	11.25	6.16	7.05	-3.31	-3.31	-10.67

CALENDAR YEAR RETURNS (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Class I	11.59	1.83	12.03	32.76	7.21	-5.00	9.89	13.34	-12.86
Russell 3000 Index	16.93	1.03	16.42	33.55	12.56	0.48	12.74	21.13	-5.24
75%/25% Blended Index	12.88	1.03	12.23	24.41	9.37	0.51	9.60	15.74	-3.31

FEES AND EXPENSES

	CLASS I
Ticker	DROIX
CUSIP	252645726
Minimum Initial Investment	\$2,500
Maximum Front-End Sales Charge	None
Contingent Deferred Sales Charge	None
Management Fee	0.95%
Distribution Fee (12b-1)	None
Other Expenses	0.56%
Expense Ratio⁴	1.51%

⁴ 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 1.12% for Class I.

PORTFOLIO STATISTICS

Inception	March 31, 2009
Total Net Assets	\$55M
Distributions	Annual
Median Market Capitalization —	
Long / (Short)	\$10.9B / (\$5.0B)
Portfolio Turnover (12 months trailing)⁵	70%
Number of Long / (Short)	
Exposures in Portfolio	92 / (44)
Long / (Short) Exposures	
(% of Net Assets)	104.2% / (19.3)%
Gross Exposure (Long + Short)	123%
Net Exposure (Long – Short)	85%

⁵ This calculation is the lesser of long buys plus short sales or long sales plus short covers divided by the average gross value of portfolio securities excluding cash equivalents.

SINCE INCEPTION RISK STATISTICS⁶
(CLASS I SHARES)

Standard Deviation (%)	12.40
Beta (%)	0.84
Sharpe Ratio	0.83
Alpha (%)	-1.80
R-squared (%)	79.44
Upside / Downside Capture Ratio (%)	78 / 86

PORTFOLIO BREAKDOWN

	NET EXPOSURE
U.S. Stocks	69.5%
Non-U.S. Stocks	15.3

MORNINGSTAR CLASSIFICATION

Long-Short Equity

LIPPER CLASSIFICATION

Alternative Long/Short Equity

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 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 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.

Fund holdings, sector allocations, and portfolio statistics 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 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. These indexes do not incur fees and expenses (which would lower the return) and is not available for direct investment.

⁶ **Risk Statistic Definitions:** **Standard Deviation** measures the volatility of the Fund's returns. **Beta** measures the Fund's sensitivity to market movements. **Sharpe Ratio** uses the Fund's standard deviation and average excess return over the risk-free rate to determine reward per unit of risk. **Alpha** measures excess return relative to the market that is attributable to active portfolio management. **R-squared** represents the percentage of the portfolio's movements that can be explained by general market movements. **Upside / Downside Capture Ratio** measures a manager's ability to generate excess return above the benchmark return in up markets and retain more of the excess return in down markets. Statistics for periods less than one year are not annualized. Risk Statistics are relative to the Russell 3000 Index.

Side Two. Not Valid Without Side One.