Quarterly Commentary: Equity Funds

March 31, 2019

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.

First Quarter 2019 Review: Equity Markets

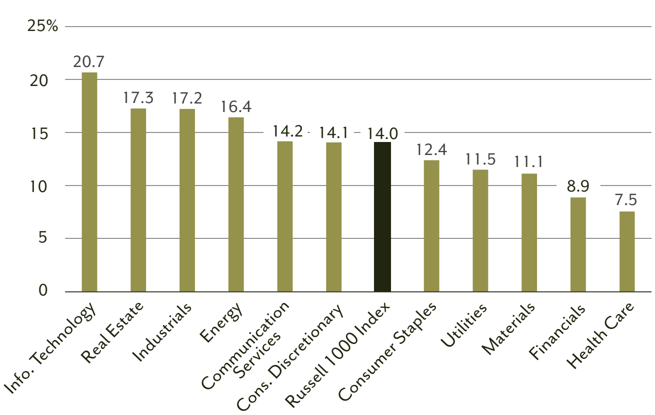
As of March 31, 2019

The first quarter was the best in nearly a decade for the Russell 1000 Index, returning 14.0% and recovering nearly all of the double-digit decline in the fourth quarter of 2018. Concern that the Federal Reserve would tighten monetary policy too far contributed to last quarter's sell-off, but Chairman Powell's comments in January about being "patient and flexible" seem to have allayed those fears. The Index ended the quarter just 3% below its all-time high in September 2018.

Sector performance largely reversed from the fourth quarter. Cyclicals outperformed the broader market and certain defensive sectors lagged, but sector returns were fairly strong across the board. With its large reliance on China, information technology was once again the strongest performing sector as optimism grew around a trade deal being reached. Economically-sensitive sectors like industrials and energy also performed well, with the latter helped by the recent surge in oil prices.

Some of the defensive areas of the market, including health care (+7.5%), utilities (+11.5%), and consumer staples (+12.4%) underperformed during the quarter, but these returns were still quite healthy and every sector was positive during the quarter.

RUSSELL 1000 INDEX SECTOR RETURNS - 1Q19



Source: FactSet.

There was very little volatility to go along with the steady move higher in equity markets during the first quarter. After spiking during the fourth quarter sell-off, the VIX Index – a measure of the S&P 500's volatility – receded to levels consistent with those of last summer. Markets rose together across the board, including similar returns across the market capitalization spectrum, as the Russell 2000 Index increased 14.6% and the Russell 1000 Index increased 14.0%.

There was a more notable difference between growth and value stocks, though, with growth stocks again besting value stocks. The Russell 1000 Growth Index returned 16.1% in the first quarter, more than 400 bps higher than the Russell 1000 Value Index. The difference was slightly more pronounced for small cap stocks, with the Russell 2000 Growth Index outperforming the Russell 2000 Value Index by over 500 bps. The comeback for growth stocks may partly be explained by the movement in interest rates, as dovish comments from the Fed helped drive a roughly 25 bp decline in the 10-year Treasury during the quarter. Since future cash flows are worth more when discounted at lower rates, and since growth stocks generate a higher portion of future cash flows in the distant future, a decline in interest rates is more beneficial to growth stocks and helps support their higher multiples.

Outlook

Corporate tax reform benefitted U.S. companies throughout 2018, including a meaningful boost to earnings growth. We believe earnings growth will slow in 2019 as the impact of the tax cut annualizes, but earnings should still grow at a healthy pace. Over time, we believe that competition will lead to many companies competing the tax benefit away. 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 become 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, but for certain companies the impact is large. While it is not affecting how we are positioning our portfolios, we continually assess the impact on a company-by-company basis. We believe cooler heads will prevail, and recent headlines suggest this could be the case as key parties are seemingly progressing toward a deal.

Low interest rates, high corporate profit margins, and steady economic growth with low inflation have driven strong equity market returns since the Great Recession, often making it difficult for us to find new investments for our portfolios. However, last year's fourth quarter sell-off in equity markets presented many opportunities for us to deploy capital. The equity market has since recovered meaningfully, eliminating many of those opportunities as discounts to intrinsic value have narrowed, which has once again made it difficult for us to find new opportunities. As always, we remain focused on assessing risk, which we define as the permanent loss of capital.

Interest rates remain low by historical standards and most economic indicators continue to show strength, suggesting healthy near-term growth. Current price/earnings multiples are in line with historical averages and are not excessive, but expected returns could be held back if historically high corporate profit margins and below-average interest rates revert toward long-term averages. Considering these factors, mid-to high-single digit returns seem reasonable for equity markets over the next five years.

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 March 31, 2019

(closed to new investors)

The Fund increased 9.94% (Class I) during the quarter, compared to a 14.58% increase in the Russell 2000 Index.

The Fund's holdings in most sectors contributed to absolute return, led by the industrials, financials, and consumer discretionary sectors. Only the health care sector modestly detracted from return.

The Fund's underperformance relative to the Index was primarily driven by security selection in the health care sector. An overweight allocation and security selection in the financials sector also detracted from relative return. Security selection in the industrials and communication services sectors contributed to relative return.

Best Performers

- Shares of entertainment company **Live Nation Entertainment, Inc.** rose after reporting strong quarterly results that demonstrate the company's ability to continue enhancing its moat while capitalizing on the secular growth of live music.

- Shares of **Bank OZK**, an Arkansas-based regional bank, rose after the company reported solid quarterly earnings that were ahead of expectations.

- Rental car company **Avis Budget Group, Inc.** outperformed after reporting solid fourth-quarter and full-year results amid increases in volume and pricing, as well as a decrease in fleet costs. We took the opportunity in price appreciation to lower our position size significantly.

- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** rose after announcing strong end-of-year results. The company's Palace Station project was completed in December, on time and on budget, and progress on The Palms renovation has been positive. We believe these are encouraging signs given the challenging stock performance last year.

- Shares of leisure and transportation company **Allegiant Travel Co.** recovered from a sharp downward correction at the end of 2018 which was, in our view, an opportunity. Management has continued to clarify and execute its expansion plan to be the low-cost leader in leisure travel.

TEAM

Aaron Monroe, CFA Portfolio Manager	**Chris Welch, CFA** Portfolio Manager

Worst Performers

- Shares of home infusion services provider **BioScrip, Inc.** declined as the company announced an all-stock merger with Option Care, another independent home infusion provider. The transaction should improve the company's balance sheet, geographic exposure, and long-term growth prospects, but brings the cost of dilution to equity holders.

- Medical device manufacturer **Natus Medical, Inc.** underperformed after the company announced weak guidance for 2019. Natus is in a period of transition with a new CEO, CFO, and several new board members. We continue to believe that Natus has a solid competitive position in numerous product areas.

- Shares of medical liability insurance company **ProAssurance Corp.** declined after the company reported weak quarterly results. Additionally, management highlighted difficulties in the Lloyd's segment and suggested that they were exploring options to exit this business. We continue to believe that ProAssurance is a quality operator facing a difficult environment and that the market is underestimating the value of the franchise.

- Shares of real estate services company **Mr. Cooper Group, Inc.** declined amid evolving market expectations regarding the future path of interest rates, as investors moved from thinking about possible rate increases to a potential rate cut. Additionally, there is uncertainty about earnings power in 2019 as the company integrates recent acquisitions and invests in efficiency initiatives related to its servicing business.

- Shares of auto parts manufacturer **Tenneco, Inc. (Cl A)** declined after the company reported disappointing quarterly results and lowered forward guidance. Costs related to a recent acquisition were a drag on margins, which is expected to continue in 2019. There have also been increased concerns surrounding the automotive cycle and global sales volumes which are compounded by the increased leverage the company put on the balance sheet in order to make the acquisition.

(closed to new investors)

New Positions

- We received shares of regional bank **Cadence Bancorp (Cl A)** when it acquired the portfolio's long-time holding State Bank Financial Corp. Texas-based Cadence is led by an experienced management team and a stellar board of directors. We are optimistic about the bank's prospects in the years ahead as it grows the franchise through its demographically attractive Southeast markets. We also swapped our position in regional bank **First Horizon National Corp.** for additional shares in Cadence Bancorp.

- **WPX Energy, Inc.** is an oil and gas exploration and production company with attractive acreage in America's most prolific unconventional oil-producing basins. We initiated a position with the belief that short-term pressures on the industry have masked the true intrinsic value of WPX.

- Natural gas distribution utility **South Jersey Industries, Inc.** has an opportunity for high capital spending over the next several years to replace old pipeline infrastructure with what we believe is a low risk of deferral or rejection by regulators. We believe this opportunity to grow earnings at an above average rate in a somewhat lumpy but mostly predictable way could help improve its valuation over time.

- We believe the market is undervaluing the commercial potential for biopharmaceutical company **Acorda Therapeutics, Inc.**'s inhalable drug delivery platform. Acorda uses this technology for its Parkinson's drug Inbrija which it is developing for patients suffering from off-episode symptoms. We believe there is significant market potential in this underserved therapeutic category and that it could eventually attract interest from larger companies that are looking to build their presence in that market. Acorda is also looking to develop this inhalable drug delivery technology for migraine and headache applications, where the market potential could be even larger.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2019

	SINCE INCEPTION (12/29/00)	10-YR	5-YR	3-YR	1-YR	YTD	1Q19	EXPENSE RATIO GROSS	EXPENSE RATIO NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class I	9.83%	12.65%	3.35%	5.70%	-5.51%	9.94%	9.94%	0.99%	0.98%
BENCHMARK									
Russell 2000 Index	7.99	15.36	7.05	12.92	2.05	14.58	14.58	—	—
Russell 2000 Value Index	8.59	14.12	5.59	10.86	0.17	11.93	11.93	—	—

[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 March 31, 2019, 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. Class 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. The Russell 2000 Value Index is an unmanaged market capitalization-weighted index measuring the performance of the small cap value segment of the U.S. equity universe including those Russell 2000 Index companies with lower expected growth values. These indices do not incur fees and expenses (which would lower the return) and are 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.

Eliminated Positions

- We closed our position in golf equipment manufacturer **Callaway Golf Co.** as the stock traded close to our estimate of intrinsic value, reflecting improvements in its supply chain efficiency and innovation cycle and increased market share.

- We eliminated telecommunications services provider **Cincinnati Bell, Inc.** because we were uncomfortable with the firm's high level of debt and lost conviction in management's allocation of capital.

- We sold our position in regional bank **First Horizon National Corp.** to buy additional shares in Cadence Bancorp.

- We sold shares of auto parts manufacturer **Horizon Global Corp.** to fund higher conviction investment opportunities.

- With property and casualty insurance company **Navigators Group, Inc.** shares trading close to the Hartford's offer price, we eliminated our position to deploy funds into more attractive opportunities.

- We sold our position in exploration and production company **Noble Energy, Inc.** in favor of a smaller capitalization firm with similar investment opportunities, WPX Energy.

- We exited our positions in shares of two oil and gas exploration and production companies that we received via a spin-off from our investment in Linn Energy and allocated proceeds to higher conviction investment opportunities. **Roan Resources, Inc.** is a high-growth company focused in the Anadarko Basin in Oklahoma facing a lower commodity-price outlook along with greater variability in industry drilling results. **Riviera Resources, Inc.** is dealing with lower natural gas prices and growth prospects in its midstream assets.

- Our thesis for media and entertainment company **TiVo Corp.** has not materialized and interim management appears to be having a difficult time completing its strategic review. We decided to exit the position and deploy capital to more attractive opportunities.

- Specialty materials manufacturer **Versum Materials, Inc.**'s shares approached our estimate of intrinsic value following the announcement of the company's proposed merger with Entegris and we sold our position to fund more attractive investment opportunities.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2019

Acorda Therapeutics, Inc.	0.3%	Natus Medical, Inc.	1.0%
Allegiant Travel Co.	2.3	Navigators Group, Inc.	0.0
Avis Budget Group, Inc.	0.5	Noble Energy, Inc.	0.0
Bank OZK	3.5	ProAssurance Corp.	1.9
BioScrip, Inc.	0.5	Red Rock Resorts, Inc. (Cl A)	3.5
Cadence Bancorp (Cl A)	2.6	Riviera Resources, Inc.	0.0
Callaway Golf Co.	0.0	Roan Resources, Inc.	0.0
Cincinnati Bell, Inc.	0.0	South Jersey Industries, Inc.	0.6
First Horizon National Corp.	0.0	Tenneco, Inc. (Cl A)	1.1
Horizon Global Corp.	0.0	TiVo Corp.	0.0
Live Nation Entertainment, Inc.	5.7	Versum Materials, Inc.	0.0
Mr. Cooper Group, Inc.	1.4	WPX Energy, Inc.	0.8

Mentioned securities not held in the Diamond Hill Small Cap Fund: Entegris, Inc. 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 March 31, 2019

(closed to new investors)

The Fund increased 13.75% (Class I) during the quarter, compared to a 15.82% increase in the Russell 2500 Index.

The Fund's holdings in all sectors contributed to absolute return, led by the financials, industrials, and consumer discretionary sectors.

The Fund's underperformance relative to the Index was primarily driven by security selection in the health care sector, an underweight position in the information technology sector, and an overweight position in the financials sector. Security selection in the consumer discretionary and industrials sectors provided the largest contribution to relative return.

Best Performers

- Electronic payment processing services company **Worldpay, Inc. (Cl A)** outperformed after reporting strong quarterly results and solid forward guidance. The company also announced it would be acquired by Fidelity National Information Services, with the deal expected to close in the second half of 2019. We believe the new company is well-positioned to offer best-in-class enterprise banking, payments, capital markets, and global eCommerce services to financial institutions and businesses worldwide.

- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** rose after announcing strong end-of-year results. The company's Palace Station project was completed in December, on time and on budget, and progress on The Palms renovation has been positive. We believe these are encouraging signs given the challenging stock performance last year.

- Food products manufacturer **Post Holdings, Inc.** outperformed after reporting a solid start to the company's fiscal year. Organic revenue was up, and the company continues to pay down debt and repurchase shares.

- Insurance broker **Willis Towers Watson PLC** outperformed after reporting solid operating results. The company has produced improved organic growth in the past two quarters and is delivering on the cost savings expected from the merger between Willis and Towers Watson.

- Shares of **Bank OZK**, an Arkansas-based regional bank, rose after the company reported solid quarterly earnings that were ahead of expectations.

TEAM

Chris Welch, CFA Portfolio Manager	**Jenny Hubbard, CFA** Assistant Portfolio Manager

Worst Performers

- Processed and packaged foods manufacturer **B&G Foods, Inc.** underperformed after reporting a much weaker-than-expected end to the year. The company also issued weaker forward guidance for the next 12 months.

- Shares of real estate services company **Mr. Cooper Group, Inc.** declined amid evolving market expectations regarding the future path of interest rates, as investors moved from thinking about possible rate increases to a potential rate cut. Additionally, there is uncertainty about earnings power in 2019 as the company integrates recent acquisitions and invests in efficiency initiatives related to its servicing business.

- Regional airline **Alaska Air Group, Inc.** underperformed due to unusually poor weather in Seattle, trans-continental ticket pricing competition, and rising fuel prices. We continue to believe that Alaska Air Group is an attractive business that is well-positioned for the future.

- Shares of medical liability insurance company **ProAssurance Corp.** declined after the company reported weak quarterly results. Additionally, management highlighted difficulties in the Lloyd's segment and suggested that it was exploring options to exit this business. We continue to believe that ProAssurance is a quality operator facing a difficult operating environment and that the market is underestimating the value of the franchise.

- Shares of real estate investment trust **iStar, Inc.** declined following disappointing earnings and a large impairment charge on some of the company's in-process assets. We believe that iStar is making the right choice by accelerating the sale of mediocre assets and improving its balance sheet while focusing on a narrower opportunity set.

Diamond Hill Small-Mid Cap Fund Commentary

As of March 31, 2019

(closed to new investors)

New Positions

- Natural gas distribution utility **South Jersey Industries, Inc.** has an opportunity for high capital spending over the next several years to replace old pipeline infrastructure with what we believe is a low risk of deferral or rejection by regulators. We believe this opportunity to grow earnings at an above average rate in a somewhat lumpy but mostly predictable way could help improve its valuation over time.

Eliminated Positions

- We sold our shares in utility company **Fortis, Inc.** and commercial foodservice equipment company **Welbilt, Inc.** and reallocated funds to more attractive investment opportunities.

- We sold our position in electronics testing and measurement company **Keysight Technologies, Inc.** as its share price reached our estimate of intrinsic value.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2019

	SINCE INCEPTION (12/30/05)	10-YR	5-YR	3-YR	1-YR	YTD	1Q19	EXPENSE RATIO GROSS	NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class I	8.49%	16.22%	6.35%	7.55%	0.63%	13.75%	13.75%	0.94%	0.93%
BENCHMARK									
Russell 2500 Index	8.55	16.23	7.79	12.56	4.48	15.82	15.82	—	—
Russell 2500 Value Index	7.39	15.03	6.02	9.85	1.84	13.12	13.12	—	—

[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.

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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. Class I shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 2500 Index is an unmanaged market capitalization-weighted index comprised of the smallest 2,500 companies by market capitalization in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies by total market capitalization. The Russell 2500 Value Index is an unmanaged market capitalization-weighted index measuring the performance of the small and midcap value segment of the U.S. equity universe including those Russell 2500 Index companies with lower expected growth values. These indices do not incur fees and expenses (which would lower the return) and are 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 MARCH 31, 2019

Alaska Air Group, Inc.	1.6%	**Post Holdings, Inc.**	3.2%
B&G Foods, Inc.	1.0	**ProAssurance Corp.**	0.5
Bank OZK	1.8	**Red Rock Resorts, Inc. (Cl A)**	2.9
Fortis, Inc.	0.0	**South Jersey Industries, Inc.**	0.3
iStar, Inc.	0.8	**Welbilt, Inc.**	0.0
Keysight Technologies, Inc.	0.0	**Willis Towers Watson PLC**	3.8
Mr. Cooper Group, Inc.	1.2	**Worldpay, Inc. (Cl A)**	3.0

Mentioned security not held in the Diamond Hill Small-Mid Cap Fund: Fidelity National Information Services, Inc.

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Diamond Hill Mid Cap Fund Commentary

As of March 31, 2019

The Fund increased 13.59% (Class I) during the quarter, compared to a 16.54% increase in the Russell Midcap Index.

The Fund's holdings in all sectors contributed to absolute return, led by the financials, consumer discretionary, and industrials sectors.

The Fund's underperformance relative to the Index was driven by an underweight position in the information technology sector, though this was modestly offset by favorable security selection in the sector. Security selection in the health care sector, as well as a mid-single-digit cash allocation also detracted from relative return. Security selection in the consumer discretionary and consumer staples sectors contributed to relative return.

Best Performers

- Electronic payment processing services company **Worldpay, Inc.** (Cl A) outperformed after reporting strong quarterly results and solid forward guidance. The company also announced it would be acquired by Fidelity National Information Services, with the deal expected to close in the second half of 2019. We believe the new company is well-positioned to offer best-in-class enterprise banking, payments, capital markets, and global eCommerce services to financial institutions and businesses worldwide.

- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** rose after announcing strong end-of-year results. The company's Palace Station project was completed in December, on time and on budget, and progress on The Palms renovation has been positive. We believe these are encouraging signs given the challenging stock performance last year.

- Food products manufacturer **Post Holdings, Inc.** outperformed after reporting a solid start to the company's fiscal year. Organic revenue was up, and the company continues to pay down debt and repurchase shares.

- Positive performance of oil and gas exploration and production company **Cimarex Energy Co.** likely reflects a partial reversal of weak fourth quarter performance, as oil prices recovered on stabilizing demand and OPEC production cuts. The current outlook for commodity prices is more balanced as concerns of any imminent economic recession have faded.

TEAM

Chris Welch, CFA
Portfolio Manager

Chris Bingaman, CFA
Assistant Portfolio Manager

Jenny Hubbard, CFA
Assistant Portfolio Manager

- Insurance broker **Willis Towers Watson PLC** outperformed after reporting solid operating results. The company has produced improved organic growth in the past two quarters and is delivering on the cost savings expected from the merger between Willis and Towers Watson.

Worst Performers

- Shares of real estate services company **Mr. Cooper Group, Inc.** declined amid evolving market expectations regarding the future path of interest rates, as investors moved from thinking about possible rate increases to a potential rate cut. Additionally, there is uncertainty about earnings power in 2019 as the company integrates recent acquisitions and invests in efficiency initiatives related to its servicing business.

- Processed and packaged foods manufacturer **B&G Foods, Inc.** underperformed after reporting a much weaker-than-expected end to the year. The company also issued weaker forward guidance for the next 12 months.

- Regional airline **Alaska Air Group, Inc.** underperformed due to unusually poor weather in Seattle, trans-continental ticket pricing competition, and rising fuel prices. We continue to believe that Alaska Air Group is an attractive business that is well-positioned for the future.

- Airline operator **United Continental Holdings, Inc.** underperformed despite reporting strong quarterly results. Shares were pressured amid investor concerns regarding a deteriorating outlook for first-quarter earnings due to rising fuel costs, and indications of softer pricing for leisure travel industry-wide. While short-term changes in jet fuel prices and weakening demand trends can impact quarterly results, we believe in the company's ability and willingness to adjust capacity as needed to achieve reasonable margins and returns on capital through a cycle.

- Shares of New York-based regional bank **Sterling Bancorp** sold off toward the end of the quarter, along with other banks, as market expectations for the future path of interest rates evolved from possible rate increases to a potential rate cut.

New Positions

- Regional bank **Sterling Bancorp** is a long-time holding in other Diamond Hill strategies. We believe it has a strong management team, a high-quality commercial deposit base, and an attractive growth and profitability profile.

Eliminated Positions

- We sold our position in electronics testing and measurement company **Keysight Technologies, Inc.** as its share price reached our estimate of intrinsic value.

- Shares of banking and financial services company **Popular, Inc.** were sold to redeploy capital into more attractive opportunities.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2019

	SINCE INCEPTION (12/31/13)	5-YR	3-YR	1-YR	YTD	1Q19	EXPENSE RATIO GROSS	EXPENSE RATIO NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)								
Class I	7.35%	7.30%	9.02%	2.78%	13.59%	13.59%	0.79%	0.78%
BENCHMARK								
Russell Midcap Index	9.09	8.81	11.82	6.47	16.54	16.54	—	—
Russell Midcap Value Index	7.90	7.22	9.50	2.89	14.37	14.37	—	—

[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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Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class 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 1,000 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. The Russell Midcap Value Index is an unmanaged market capitalization-weighted index measuring the performance of the mid cap value segment of the U.S. equity universe including those Russell Midcap Index companies with lower expected growth values. These indices do not incur fees and expenses (which would lower the return) and are 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 MARCH 31, 2019

Alaska Air Group, Inc.	1.6%	**Post Holdings, Inc.**	3.1%
B&G Foods, Inc.	0.6	**Red Rock Resorts, Inc. (Cl A)**	3.1
Cimarex Energy Co.	3.2	**Sterling Bancorp**	0.7
Keysight Technologies, Inc.	0.0	**United Continental Holdings, Inc.**	1.7
Mr. Cooper Group, Inc.	0.8	**Willis Towers Watson PLC**	3.3
Popular, Inc.	0.0	**Worldpay, Inc. (Cl A)**	3.0

Mentioned security not held in the Diamond Hill Mid Cap Fund: Fidelity National Information Services, 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 Large Cap Fund Commentary

As of March 31, 2019

The Fund increased 13.16% (Class I) during the quarter, compared to a 14.00% increase in the Russell 1000 Index.

The Fund's holdings in all sectors contributed to absolute return, led by the financials sector. The consumer discretionary, communications services, and information technology sectors were also large contributors to absolute return.

The Fund's underperformance relative to the Index was driven by security selection in the health care sector and an underweight position in the information technology sector. Security selection in the energy and consumer staples sectors contributed to relative return.

Best Performers

- Banking and financial services company **Citigroup, Inc.** was a strong performer during the first quarter as the stock largely recovered from the sharp December sell off.
- Electronic payment processing services company **Worldpay, Inc. (Cl A)** outperformed after reporting strong quarterly results and solid forward guidance. The company also announced that it would be acquired by Fidelity National Information Services, with the deal expected to close in the second half of 2019. We believe the new company is well-positioned to offer best-in-class enterprise banking, payments, capital markets, and global eCommerce services to financial institutions and businesses worldwide.
- Shares of tobacco products manufacturer **Philip Morris International, Inc.** rose after reporting a solid end to its fiscal year, with revenues and earnings exceeding investor expectations.
- Outperformance of oil and gas exploration and production company **Devon Energy Corp.** reflects a partial reversal of weak fourth-quarter performance, as oil prices recovered on stabilizing demand and OPEC production cuts. The current outlook for commodity prices is more balanced as concerns of any imminent economic recession have faded.

TEAM

Chuck Bath, CFA
Portfolio Manager

Austin Hawley, CFA
Portfolio Manager

Chris Welch, CFA
Assistant Portfolio Manager

Matthew Stadelman, CFA
Senior Portfolio Specialist

- Shares of banking and payment services provider **Discover Financial Services** rose after the company reported quarterly results that were broadly in-line with expectations. Card loan growth was solid, which management expects to continue in 2019. The credit environment remains relatively benign, as the year-over-year increase in charge-offs decreased for the fifth straight quarter.

Worst Performers

- Shares of pharmacy health care services provider **CVS Health Corp.** sold off sharply during the quarter after the company acquired Aetna, and several potential headwinds became apparent. Aetna's CFO unexpectedly stepped down, and CVS revealed that problems in the legacy business were more severe than was previously thought. While we were hopeful that the stock had become overly inexpensive, the thesis changed following these developments and we subsequently eliminated our position.
- Biopharmaceutical company **Pfizer, Inc.** underperformed after the company reported mixed quarterly results. Pfizer has seen improved productivity from its pipeline in recent years and that should continue this year with potential new approvals and several readouts of late-stage results on the oncology side. The new CEO has remained disciplined with capital deployment, which we believe is another key aspect of long-term return profile for the stock.
- Diversified holding company **Berkshire Hathaway, Inc. (Cl B)** was a poor relative performer but reported strong operating results, led by the insurance segment which produced double-digit growth in revenue and earnings in 2018. The company continues to have a fortress balance sheet and one of the best capital allocators ever leading the company.

- Airline operator **United Continental Holdings, Inc.** underperformed despite reporting strong quarterly results. Shares were pressured amid investor concerns regarding a deteriorating outlook for first-quarter earnings due to rising fuel costs, and indications of softer pricing for leisure travel industry-wide. While short-term changes in jet fuel prices and weakening demand trends can impact quarterly results, we believe in the company's ability and willingness to adjust capacity as needed to achieve reasonable margins and returns on capital through a cycle.

- Shares of tire manufacturer **Goodyear Tire & Rubber Co.** declined after the company reported another disappointing quarter and lowered its guidance for 2019. Raw material costs continue to be a major headwind and the company is struggling to offset those costs with better pricing.

New Positions

- We initiated a position in asset management firm **KKR & Co., Inc. (Cl A)** which has a global footprint and a wide investment offering. We believe the company has been undervalued, and that its conversion to a C-Corp and a more simplified reporting structure will allow potential investors to better understand its business model and ability to compound book value.

- Telecommunications services provider **T-Mobile U.S., Inc.** is the only U.S. wireless carrier continuing to enjoy significant unit growth. The company is buoyed by three major tailwinds: sustained subscriber momentum, free cash flow conversion, and value accretion from its potential merger with Sprint. Although a completed merger with Sprint will deliver significant synergies due primarily to network rationalization, on a standalone basis T-Mobile's momentum is also compelling as the company continues to build out its network to previously underserved areas in the U.S. For the first time, T-Mobile is focused on free cash flow conversion and capital returns to shareholders.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2019

	SINCE INCEPTION (6/29/01)	10-YR	5-YR	3-YR	1-YR	YTD	1Q19	EXPENSE RATIO
RETURNS AT NAV (WITHOUT SALES CHARGE)								
Class I	8.45%	14.80%	8.77%	11.71%	6.29%	13.16%	13.16%	0.67%
BENCHMARK								
Russell 1000 Index	7.19	16.05	10.63	13.52	9.30	14.00	14.00	—
Russell 1000 Value Index	6.88	14.52	7.72	10.45	5.67	11.93	11.93	—

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

The views expressed are those of the portfolio managers as of March 31, 2019, 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. Class 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 Russell 1000 Value Index is an unmanaged market capitalization-weighted index measuring the performance of the large cap value segment of the U.S. equity universe including those Russell 1000 Index companies with lower expected growth values. These indices do not incur fees and expenses (which would lower the return) and are 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.

Eliminated Positions

- We eliminated our position in life insurance and annuity provider **Brighthouse Financial, Inc.** to make room for more attractive investments.

- We closed our position in pharmacy health care services provider **CVS Health Corp.** after our outlook on the stock deteriorated following negative developments. After CVS acquired Aetna, Aetna's CFO unexpectedly stepped down from the combined role. CVS then revealed on its first-quarter earnings call that problems in the legacy business were more severe than we assumed.

- Tire manufacturer **Goodyear Tire & Rubber Co.** has not been able to pass through price increases to offset raw material costs. With increased price competition from lower-quality competitors and continuing raw material headwinds, Goodyear was no longer in a position to outperform.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2019

Berkshire Hathaway, Inc. (Cl B)	3.2%	**KKR & Co., Inc. (Cl A)**	1.0%
Brighthouse Financial, Inc.	0.0	**Pfizer, Inc.**	2.9
Citigroup, Inc.	4.4	**Philip Morris International, Inc.**	2.8
CVS Health Corp.	0.0	**T-Mobile U.S., Inc.**	0.7
Devon Energy Corp.	2.1	**United Continental Holdings, Inc.**	1.2
Discover Financial Services	2.7	**Worldpay, Inc. (Cl A)**	2.3
Goodyear Tire & Rubber Co.	0.0		

Mentioned securities not held in the Diamond Hill Large Cap Fund: Fidelity National Information Services, Inc. and Sprint 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.

Diamond Hill All Cap Select Fund Commentary

As of March 31, 2019

The Fund increased 11.95% (Class I) during the quarter, compared to a 14.04% increase in the Russell 3000 Index.

The Fund's holdings in all sectors contributed to absolute return, led by the financials sector. The consumer discretionary, industrials, communications services, and consumer staples sectors also provided significant contribution to return.

The Fund's underperformance relative to the Index was driven primarily by a significant underweight allocation to the information technology sector and an overweight position in the financials sector. Security selection in the industrials sector was also a detractor. Security selection in the consumer staples sector was the largest contributor to relative return, followed by a combination of an underweight position and favorable security selection in the health care sector. Security selection in the energy sector was also a contributor to relative return.

Best Performers

- Shares of tobacco products manufacturer **Philip Morris International, Inc.** rose after reporting a solid end to its fiscal year, with revenues and earnings exceeding investor expectations.
- Shares of **Bank OZK**, an Arkansas-based regional bank, rose after the company reported solid quarterly earnings that were ahead of expectations.
- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** rose after announcing strong end-of-year results. The company's Palace Station project was completed in December, on time and on budget, and progress on The Palms renovation has been positive. We believe these are encouraging signs given the challenging stock performance last year.
- Technology and industrial company **Johnson Controls International PLC** outperformed, largely due to the market gaining confidence that the company will likely deploy the proceeds from the impending sale of its Power Solutions business toward share buybacks, which should be more accretive to the company's earnings-per-share than any other potential use of that capital.
- Shares of oil and gas exploration and production company **Noble Energy, Inc.** rose considerably during the quarter, driven by rising oil prices and further development of its Eastern Mediterranean natural gas assets.

TEAM

Austin Hawley, CFA Portfolio Manager	**Rick Snowdon, CFA** Portfolio Manager

Worst Performers

- Shares of real estate services company **Mr. Cooper Group, Inc.** declined amid evolving market expectations regarding the future path of interest rates, as investors moved from thinking about possible rate increases to a potential rate cut. Additionally, there is uncertainty about earnings power in 2019 as the company integrates recent acquisitions and invests in efficiency initiatives related to its servicing business.
- Airline operator **United Continental Holdings, Inc.** underperformed despite reporting strong quarterly results. Shares were pressured amid investor concerns regarding a deteriorating outlook for first-quarter earnings due to rising fuel costs, and indications of softer pricing for leisure travel industry-wide. While short-term changes in jet fuel prices and weakening demand trends can impact quarterly results, we believe in the company's ability and willingness to adjust capacity as needed to achieve reasonable margins and returns on capital through a cycle.
- Diversified holding company **Berkshire Hathaway, Inc. (Cl B)** was a poor relative performer but reported strong operating results, led by the insurance segment which produced double-digit growth in revenue and earnings in 2018. The company continues to have a fortress balance sheet and one of the best capital allocators ever leading the company.
- Alternative investment manager **KKR & Co., Inc. (Cl A)** was a relative underperformer but posted a positive absolute return during the quarter. The firm has a global footprint and a wide investment offering, and we believe the shares are currently trading at a discount to our estimate of intrinsic value.
- Underperformance of internet printing services company **Cimpress N.V.** likely reflects normal market trading patterns. Investors are likely assessing the future growth outlook for the Vistaprint division after the large reset in growth expectations that came after the most recent quarterly earnings update.

New Positions

- **Cimpress N.V.** is a well-managed business within the growing online print industry. The company owns Vistaprint, which has established a dominant position within the business card category and is now expanding into adjacent verticals. We believe the firm's pause in capital allocation and focus on optimizing the core Vistaprint business are positive steps in positioning Cimpress for future intrinsic value growth.

- We initiated a position in asset management firm **KKR & Co., Inc. (Cl A)**. We believe the company has been undervalued, and that its conversion to a C-Corp and a more simplified reporting structure will allow potential investors to better understand its business model and ability to compound book value.

Eliminated Positions

- We eliminated property and casualty insurance company **Loews Corp.** in favor of higher return investment opportunities.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2019

	SINCE INCEPTION (12/30/05)	10-YR	5-YR	3-YR	1-YR	YTD	1Q19	EXPENSE RATIO
RETURNS AT NAV (WITHOUT SALES CHARGE)								
Class I	7.85%	14.31%	6.81%	10.81%	-0.33%	11.95%	11.95%	0.87%
BENCHMARK								
Russell 3000 Index	8.65	16.00	10.36	13.48	8.77	14.04	14.04	—
Russell 3000 Value Index	7.10	14.50	7.56	10.50	5.30	11.93	11.93	—

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.

The views expressed are those of the portfolio managers as of March 31, 2019, 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. 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. Class 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 Russell 3000 Value Index is an unmanaged market capitalization-weighted index measuring the performance of the broad value segment of the U.S. equity universe including those Russell 3000 Index companies with lower expected growth values. These indices do not incur fees and expenses (which would lower the return) and are 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 MARCH 31, 2019

Bank OZK	4.7%	**Mr. Cooper Group, Inc.**	4.2%
Berkshire Hathaway, Inc. (Cl B)	4.8	**Noble Energy, Inc.**	2.3
Cimpress N.V.	1.6	**Philip Morris International, Inc.**	4.1
Johnson Controls International PLC	4.5	**Red Rock Resorts, Inc. (Cl A)**	4.4
KKR & Co., Inc. (Cl A)	1.5	**United Continental Holdings, Inc.**	2.2
Loews Corp.	0.0		

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 March 31, 2019

The Fund increased 11.89% (Class I) during the quarter, compared to a 12.12% increase in the Morningstar Global Markets Index.

The Fund's holdings in all sectors contributed to absolute return, led by the financials sector. The Fund's modest underperformance relative to the Index was driven primarily by an underweight position in the information technology sector combined with security selection in the sector. Security selection in the materials and consumer discretionary sectors also detracted from relative return. Favorable security selection in the consumer staples and financials sectors was the largest contributor to relative return.

Global equity markets delivered strong gains during the first quarter. Nearly every major market posted positive local currency equity returns, with many countries delivering double-digit equity gains during the quarter. The dismal fourth quarter returns of last year facilitated attractive equity valuations and a more accommodative U.S. Federal Reserve, and this combination likely spurred the broad equity rally during the first quarter.

While global equity returns have been unambiguously strong so far this year, macroeconomic signals from key economies are less clear. Within the Eurozone, recent manufacturing surveys in Germany and France signaled contraction, while the U.K. remains unable to find a path forward with respect to its European Union relationship. Although U.S. economic data has been sturdy, the recent yield curve inversion warrants some caution. Encouragingly, China's manufacturing sector returned to growth in March, following three consecutive months of contraction. Still, trade negotiations between the U.S. and China are not yet resolved, and China's high level of total debt coupled with slowing economic growth poses ongoing risk.

While portfolio holdings' discounts to intrinsic value by and large narrowed during the first quarter, shares of many quality businesses owned in the fund still trade at substantial discounts. Given this view, the portfolio remains close to fully invested.

TEAM

Grady Burkett, CFA Portfolio Manager	**Rick Snowdon, CFA** Portfolio Manager

Best Performers

- Shares of tobacco products manufacturer **Philip Morris International, Inc.** rose after reporting a solid end to its fiscal year, with revenues and earnings exceeding investor expectations.
- Shares of **Bank OZK**, an Arkansas-based regional bank, rose after the company reported solid quarterly earnings that were ahead of expectations.
- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** rose after announcing strong end-of-year results. The company's Palace Station project was completed in December, on time and on budget, and progress on The Palms renovation has been positive. We believe these are encouraging signs given the challenging stock performance last year.
- Shares of brewing company **Anheuser-Busch InBev S.A./N.V.** rose after the company reported a strong end to the year, with earnings and revenue coming in above investor expectations.
- Outperformance of home furnishings company **Howden Joinery Group PLC** was likely driven by a combination of decent results in the second half of the year and generally positive movements in U.K. stocks and the British pound. From the longer-term view, the business continues to gain share, and results in the second half of the year also gave clarity around management's future plans.

Worst Performers

- Shares of eyeglass manufacturer **EssilorLuxottica S.A.** declined despite reporting improving revenue trends and stable margin metrics. Recent news regarding a disagreement between senior management at Luxottica and Essilor about leadership roles of the combined entities has sparked concerns about the potential to successfully fuse two distinct corporate cultures and well-entrenched management teams.

- Airline operator **United Continental Holdings, Inc.** underperformed despite reporting strong quarterly results. Shares were pressured amid investor concerns regarding a deteriorating outlook for first-quarter earnings due to rising fuel costs, and indications of softer pricing for leisure travel industry-wide. While short-term changes in jet fuel prices and weakening demand trends can impact quarterly results, we believe in the company's ability and willingness to adjust capacity as needed to achieve reasonable margins and returns on capital through a cycle.
- Diversified holding company **Berkshire Hathaway, Inc. (Cl B)** was a poor relative performer but reported strong operating results, led by the insurance segment which produced double-digit growth in revenue and earnings in 2018. The company continues to have a fortress balance sheet and one of the best capital allocators ever leading the company.
- Share of communications services provider **BT Group PLC** declined slightly during the quarter despite management reiterating its full-year financial outlook. We continue to believe shares are materially undervalued.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2019

	SINCE INCEPTION (12/31/2013)	5-YR	3-YR	1-YR	YTD	1Q19	EXPENSE RATIO
RETURNS AT NAV (WITHOUT SALES CHARGE)							
Class I	5.54%	5.24%	10.95%	-3.33%	11.89%	11.89%	0.84%
BENCHMARK							
Morningstar Global Markets Index	6.34	6.39	10.55	2.02	12.12	12.12	—

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 March 31, 2019, 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. Class 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.

- Alternative investment manager **KKR & Co., Inc. (Cl A)** was a relative underperformer but posted a positive absolute return during the quarter. The firm has a global footprint and a wide investment offering, and we believe the shares are currently trading at a discount to our estimate of intrinsic value.

New Positions

- We reinitiated a position in French reinsurance company **SCOR S.E.** We sold our previous position in the third quarter of 2018 when SCOR shares appreciated in response to a purchase offer from French mutual insurer Covea. Shares declined when Covea walked away from its offer, allowing us to re-establish a position.
- We initiated a position in asset management firm **KKR & Co., Inc. (Cl A)**. We believe the company has been undervalued, and that its conversion to a C-Corp and a more simplified reporting structure will allow potential investors to better understand its business model and ability to compound book value.

Eliminated Positions

- There were no positions eliminated during the quarter.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2019

Anheuser-Busch InBev S.A./N.V.	2.7%	KKR & Co., Inc. (Cl A)	1.2%
Bank OZK	3.0	Philip Morris International, Inc.	4.0
Berkshire Hathaway, Inc. (Cl B)	3.1	Red Rock Resorts, Inc. (Cl A)	3.0
BT Group PLC	1.5	Scor S.E.	1.5
EssilorLuxottica S.A.	3.2	United Continental Holdings, Inc.	1.9
Howden Joinery Group PLC	4.0		

Diamond Hill Long-Short Fund Commentary

As of March 31, 2019

(closed to new investors)

The Long-Short Fund increased 8.92% (Class I) during the quarter, compared to a 14.00% increase in the Russell 1000 Index and an 8.53% 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 financials sector. Holdings in the information technology, industrials, communication services, and consumer discretionary sectors were also significant contributors. The short portfolio detracted from absolute return, led by short positions in the information technology and financials sectors.

The Fund's underperformance relative to the long-only benchmark was primarily driven by security selection in the health care and industrials sectors, as well as an underweight position in the information technology sector. Security selection within the consumer discretionary sector was the largest contributor to relative return.

The Fund's net exposure at the end of the quarter was 60.5%.

Best Performers

Long Portfolio

- Banking and financial services company **Citigroup, Inc.** was a strong performer during the first quarter as the stock largely recovered from the sharp December sell off.

- Electronic payment processing services company **Worldpay, Inc. (Cl A)** outperformed after reporting strong quarterly results and solid forward guidance. The company also announced it would be acquired by Fidelity National Information Services, with the deal expected to close in the second half of 2019. We believe the new company is well-positioned to offer best-in-class enterprise banking, payments, capital markets, and global eCommerce services to financial institutions and businesses worldwide.

- Technology and industrial company **Johnson Controls International PLC** outperformed, largely due to the market gaining confidence that the company will likely deploy the proceeds from the impending sale of its Power Solutions business toward share buybacks, which should be more accretive to the company's earnings-per-share than any other potential use of that capital.

TEAM

Chuck Bingaman, CFA Portfolio Manager	**Jason Downey, CFA** Portfolio Manager
Chuck Bath, CFA Assistant Portfolio Manager	**Nate Palmer, CFA, CPA** Assistant Portfolio Manager

- Shares of social media company **Facebook, Inc. (Cl A)** rose after the company reported strong operating results. The company's advertising initiatives continue to drive revenue growth at an attractive margin profile. We also expect Facebook to resolve its user privacy concerns and regulatory issues over the long term.

- Outperformance of oil and gas exploration and production company **Devon Energy Corp.** likely reflects a partial reversal of weak fourth-quarter performance, as oil prices recovered on stabilizing demand and OPEC production cuts. The current outlook for commodity prices is more balanced as concerns of any imminent economic recession have faded.

Short Portfolio

- The top five performers were all long positions.

Worst Performers

Long Portfolio

- Shares of pharmacy health care services provider **CVS Health Corp.** sold off sharply during the quarter after the company acquired Aetna, and several potential headwinds became apparent. Aetna's CFO unexpectedly stepped down, and CVS revealed that problems in the legacy business were more severe than was previously thought. While we were hopeful that the stock had become overly inexpensive, the thesis changed following these developments and we subsequently reduced our position.

Short Portfolio

- Shares of networking and communications company **Cisco Systems, Inc.** increased significantly during the quarter as the company delivered solid quarterly results and guidance. We continue to believe shares are overvalued.

- Shares of utility company **Consolidated Edison, Inc.** rose, partially as a result of declines in the 10-year treasury yield, as well as the company's near-term earnings growth likely being slightly above investor expectations.

(closed to new investors)

- Shares of lighting and semiconductor manufacturer **Cree, Inc.** rose as the market took a favorable view of demand for the company's Silicon Carbide products, as well as the company's divestment of its low-margin Lighting division. We continue to believe that the current market valuation embeds overly optimistic long-run expectations for the company's Wolfspeed segment.

- Shares of postsecondary education services company **Grand Canyon Education, Inc.** rose after reporting stronger-than-expected enrollment growth metrics for on-line students at the company's primary customer, Grand Canyon University. We continue to believe that the probability of increased regulations for on-line degree programs and online program management companies will lead to slowing revenue growth, as well as margin and multiple compression for the company.

New Positions

Long Portfolio

- We received shares of the spun-off diversified media and entertainment company **Fox Corp. (Cl B)** (the "new" Fox), and our position in **Twenty-First Century Fox, Inc. (Cl B)** was eliminated upon the completion of its merger with Walt Disney Co.

Short Portfolio

- **CDK Global, Inc.** is a market-leading software vendor serving domestic automotive dealers which has experienced significant multi-year earnings growth following a spin-off transaction in 2014. We do not believe future fundamentals are as favorable due to a lack of margin and growth levers, a mature automotive dealer end market, and increasing competition.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2019

	SINCE INCEPTION (6/30/00)[1]	10-YR	5-YR	3-YR	1-YR	YTD	1Q19	EXPENSE RATIO GROSS	EXPENSE RATIO NET[2,3]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class I	6.53%	8.51%	4.33%	5.72%	3.37%	8.92%	8.92%	1.46%	1.45%
BENCHMARK									
Russell 1000 Index	5.88	16.05	10.63	13.52	9.30	14.00	14.00	—	—
60%/40% Blended Index	4.41	9.75	6.72	8.57	6.69	8.53	8.53	—	—

[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 1.08% 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.

The views expressed are those of the portfolio managers as of March 31, 2019, 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. Class 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 indices 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)

- We believe consumer fashion accessories manufacturer **Fossil Group, Inc.** faces significant secular challenges in its largest and highest-margin product segment, lower- to mid-tier watches, in which sales have been declining for three years. We think Fossil's entry in the smart watch category, which is a much lower-margin category for the company, will fail to offset sharp declines in its core product categories where it is at risk of losing key license agreements.

- **Hawaiian Holdings, Inc.** the parent company of Hawaiian Airlines, is facing accelerating competition in its most profitable markets. We believe additional competitive capacity will be more detrimental to margins and profitability than in the past.

- Information technology company **Oracle Corp.** is a provider of software, hardware, and services to corporate information technology environments. We believe the industry shift to cloud-based software presents challenges for Oracle and that the market valuation does not reflect the lower-quality earnings growth resulting from share repurchases rather than revenue growth and operating margin expansion.

- Truck manufacturer **PACCAR, Inc.** benefitted from the record-high level of orders in the North American Class 8 truck market in 2018. However, orders have begun to decline and the cancellation rate has increased. We expect truck volumes to return to replacement level, in-line with long-term demand.

- Staffing and risk consulting services company **Robert Half International, Inc.** is a leading supplier specializing in accounting and finance personnel for smaller- and mid-sized businesses. We believe the market is not adequately discounting the potential negative impact of an economic slowdown and a cyclical rise in unemployment. We also believe that ongoing improvements in artificial intelligence-enabled software will reduce the demand for its accounting employees. Furthermore, we expect that increasing competition in the mid-sized company market will put pressure on profit margins.

Eliminated Positions

Long Portfolio

- We sold our positions in industrial manufacturing and engineering company **Colfax Corp.**, alcoholic beverage manufacturer **Molson Coors Brewing Co. (Cl B)**, and tobacco products manufacturer **Philip Morris International, Inc.** in order to redeploy the proceeds in to more attractive and higher conviction investment opportunities.

- We eliminated our position in discount retailer **Dollar General Corp.** as the price appreciated to our estimate of intrinsic value.

- Tire manufacturer **Goodyear Tire & Rubber Co.** has not been able to pass through price increases to offset raw material costs. With increased price competition from lower-quality competitors and continuing raw material headwinds, Goodyear was no longer in a position to outperform.

Short Portfolio

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

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2019

CDK Global, Inc.	(0.5)%	Short	Goodyear Tire & Rubber Co.	0.0%	Long
Cisco Systems, Inc.	(1.0)	Short	Grand Canyon Education, Inc.	(1.3)	Short
Citigroup, Inc.	4.3	Long	Hawaiian Holdings, Inc.	(0.1)	Short
Colfax Corp.	0.0	Long	Johnson Controls International PLC	3.1	Long
Consolidated Edison, Inc.	(2.1)	Short	Molson Coors Brewing Co. (Cl B)	0.0	Long
Cree, Inc.	(0.9)	Short	Oracle Corp.	(0.5)	Short
CVS Health Corp.	1.0	Long	PACCAR, Inc.	(0.6)	Short
Devon Energy Corp.	1.2	Long	Philip Morris International, Inc.	0.0	Long
Dollar General Corp.	0.0	Long	Robert Half International, Inc.	(0.2)	Short
Facebook, Inc. (Cl A)	2.8	Long	Twenty-First Century Fox, Inc. (Cl B)	0.0	Long
Fossil Group, Inc.	(0.2)	Short	Walt Disney Co.	1.7	Long
Fox Corp. (Cl B)	0.1	Long	Worldpay, Inc. (Cl A)	2.2	Long

Mentioned security not held in the Diamond Hill Long-Short Fund: Fidelity National Information Services, 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 Financial Long-Short Fund Commentary

As of March 31, 2019

The Financial Long-Short Fund increased 9.36% (Class I) during the quarter, compared to a 12.45% increase in the long-only Russell 3000 Financials Index and a 10.05% 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 Financial Services Index (+12.45%) underperformed the broader Russell 3000 Index (+14.04%) during the first quarter, though the rebound from year-end is notable as U.S. stocks experienced the largest quarterly increase in nearly a decade. The payments, business services and consumer lending categories saw relative outperformance in the quarter while brokers, mortgage REITs and exchanges were relative laggards. The S&P 500 rose by 13%, its strongest first quarter since 1998.

After raising short-term rates four times in 2018 (nine times since 2015), U.S. Federal Reserve officials suggested that central banks would hold interest rates at low levels as global growth slows. This is a reversal in thinking from late 2018 when the market feared that continued rate increases during 2019 might tip the economy into recession. The yield on the 10-year U.S. Treasury, which ended the year at 2.68%, touched 2.38% in late March before rising to 2.41% at the end of the first quarter. However, mixed signals have emerged as National Economic Council Director Lawrence Kudlow said the Fed should lower its benchmark federal-funds rate by 50 bps to help protect the U.S. economy and the yield curve. Should the spread between long-term and short-term interest rates invert and remain that way for some time, financial stocks would likely struggle and potential negative economic impacts and an inverted yield curve could push the U.S. economy into recession.

As the U.S. Federal Reserve reduces its balance sheet by around $50 billion per month, and with the ECB having ended its quantitative easing in December 2018, the shift toward global monetary tightening could still turn into a potential liquidity headwind. With several segments of the market showing solid first-quarter performance, volatility measures have held in check with the CBOE VIX Index* falling during the quarter from 25.5 on January 3 to 13.7 on March 29. However, volatility can turn violently and the current favorable correlation of stocks, bonds and commodities could reverse. U.S. and global recession risks will remain heightened as the effects of tax cuts

TEAM

Josh Barber, CFA Portfolio Manager	**John Loesch, CFA** Portfolio Manager
Krishna Mohanraj, CFA Portfolio Manager	**Tyler Ventura, CFA** Portfolio Manager

are fading and the federal debt level remains elevated. While earnings growth is expected to slow, consumer and corporate balance sheets are in significantly better shape than the period in 2008 and we remain confident that the sector will avoid a repeat of that situation. The turnaround in the market is helping investor appetite for what many believe could be the biggest year ever for IPOs (most of them large technology companies), though valuations are a question mark.

Still, there are areas where stock selection and attractive valuations continue to present opportunity and we continue to rely on our long-term investment strategy based on fundamental research and discount to intrinsic value.

Best Performers

Long Portfolio

- Business services company **First Data Corp. (Cl A)** outperformed after the company announced a definitive merger agreement with Fiserv, under which Fiserv will acquire First Data in an all-stock transaction. The new company will be one of the world's largest merchant and bank processing companies, with the deal expected to close in the second half of 2019.

- Shares of **Bank OZK**, an Arkansas-based regional bank, rose after the company reported solid quarterly earnings that were ahead of expectations.

- Electronic payment processing services company **Worldpay, Inc. (Cl A)** outperformed after reporting strong quarterly results and solid forward guidance. The company also announced that it would be acquired by Fidelity National Information Services, with the deal expected to close in the second half of 2019. We believe the new company is well-positioned to offer best-in-class enterprise banking, payments, capital markets, and global eCommerce services to financial institutions and businesses worldwide.

- Shares of banking and payment services provider **Discover Financial Services** rose after the company reported quarterly results that were broadly in-line with expectations. Card loan growth was solid, which management expects to continue in 2019. The credit environment remains relatively benign, as the year-over-year increase in charge-offs decreased for the fifth straight quarter.

- Shares of regional bank **SVB Financial Group** rallied after sentiment toward technology and the innovation economy improved, driven by what is expected to be a robust year for venture-backed IPOs in 2019.

Short Portfolio

- The top five performers were all long positions.

Worst Performers

Long Portfolio

- Shares of real estate services company **Mr. Cooper Group, Inc.** declined amid evolving market expectations regarding the future path of interest rates, as investors moved from thinking about possible rate increases to a potential rate cut. Additionally, there is uncertainty about earnings power in 2019 as the company integrates recent acquisitions and invests in efficiency initiatives related to its servicing business.

- Property and casualty insurance company **Global Indemnity Ltd. (Cl A)** underperformed despite a lack of company-specific news. Results for the full year 2018 were roughly in line with our expectations.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2019

	SINCE INCEPTION[1] (8/1/97)	10-YR	5-YR	3-YR	1-YR	YTD	1Q19	EXPENSE RATIO[2]
RETURNS AT NAV (WITHOUT SALES CHARGE)								
Class I	6.81%	14.59%	4.48%	9.15%	-7.57%	9.36%	9.36%	1.56%
BENCHMARK								
Russell 3000 Financials Index	5.90	15.99	10.41	14.67	3.58	12.45	12.45	—
80%/20% Blended Index	5.45	12.94	8.55	11.98	3.50	10.05	10.05	—

* The CBOE VIX Index is a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index (SPXSM) call and put options.

[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 1.12% 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 March 31, 2019, 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. Class 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 indices do not incur fees and expenses (which would lower the return) and are not available for direct investment.

Short Portfolio

- Shares of regional bank **Westamerica Bancorp** rebounded in the first quarter along with the broader bank group after a challenging fourth quarter. We continue to believe that fundamental trends remain unchanged for Westamerica.

- Shares of property and casualty insurance company **Cincinnati Financial Corp.** rose as the company reported quarterly results that were well ahead of investor expectations.

- Shares of real estate investment trust (REIT) **EastGroup Properties, Inc.** rose due to strong overall REIT performance in the quarter, as well as continuing good fundamentals within the industrial sector. New development has largely been absorbed quickly and occupancy rates are near record levels, allowing for healthy rent increases. We believe that fundamentals are likely to revert towards normal levels as the e-commerce rate of growth slows.

New Positions

Long Portfolio

- We received shares of regional bank **Cadence Bancorp (Cl A)** when it acquired the portfolio's long-time holding State Bank Financial Corp. Texas-based Cadence is led by an experienced management team and a stellar board of directors. We are optimistic about the bank's future prospects as it grows the franchise through its demographically attractive Southeast markets.

Short Portfolio

- We added a short position in shares of Warren, Pennsylvania-based **Northwest Bancshares, Inc.**, as we believe it is overvalued given the profitability and earnings-growth profile for the years ahead.

Eliminated Positions

Long Portfolio

- We sold our remaining position in credit services company **Capital One Financial Corp.** in order to purchase more attractive opportunities.

Short Portfolio

- There were no eliminated short positions during the quarter.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2019

Bank OZK	4.6%	Long	**Global Indemnity Ltd. (Cl A)**	1.0%	Long
Cadence Bancorp (Cl A)	2.8	Long	**Mr. Cooper Group, Inc.**	4.3	Long
Capital One Financial Corp.	0.0	Long	**Northwest Bancshares, Inc.**	(0.2)	Short
Cincinnati Financial Corp.	(2.3)	Short	**SVB Financial Group**	4.3	Long
Discover Financial Services	5.8	Long	**Westamerica Bancorp**	(3.2)	Short
EastGroup Properties, Inc.	(1.0)	Short	**Worldpay, Inc. (Cl A)**	3.9	Long
First Data Corp. (Cl A)	3.1	Long			

Mentioned securities not held in the Diamond Hill Financial Long-Short Fund: Fidelity National Information Services, Inc. and Fiserv, 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.

The Research Opportunities Fund increased 9.78% (Class I) during the quarter, compared to a 14.04% increase in the long-only Russell 3000 Index and a 10.60% 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 the industrials, information technology, and consumer discretionary sectors. The short portfolio detracted from absolute return, led by holdings in the information technology, health care, and financials sectors.

The Fund's underperformance relative to the long-only benchmark was primarily driven by unfavorable security selection in the health care sector. Security selection in the industrials and real estate sectors also detracted from relative return. Security selection in the financials and information technology sectors contributed to relative return.

The Fund's net exposure was 86.7% at the end of the quarter.

Best Performers

Long Portfolio

- Shares of casino operator **Red Rock Resorts, Inc. (Cl A)** rose after announcing strong end-of-year results. The company's Palace Station project was completed in December, on time and on budget, and progress on The Palms renovation has been positive. We believe these are encouraging signs given the challenging stock performance last year.

- Business services company **First Data Corp. (Cl A)** outperformed after the company announced a definitive merger agreement with Fiserv, under which Fiserv will acquire First Data in an all-stock transaction. The new company will be one of the world's largest merchant and bank processing companies, with the deal expected to close in the second half of 2019.

- Shares of social media company **Facebook, Inc. (Cl A)** rose after the company reported strong operating results. The company's advertising initiatives continue to drive revenue growth at an attractive margin profile. We also expect Facebook to resolve its user privacy concerns and regulatory issues over the long term.

TEAM

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

- Medical waste management company **Stericycle, Inc.** outperformed after a major management change was announced. Cindy Miller, who was hired from UPS last fall, was promoted to CEO, and she recruited key executives to join her team. Although these new executives will not be able to turn around the company instantly, we are optimistic over the long-term that their understanding of logistics, ERP software implementation, and a more disciplined and strategic management style will allow them to get the company back on track.

- Shares of information technology services provider **Cognizant Technology Solutions Corp. (Cl A)** rose after the company reported solid quarterly results and provided favorable full-year 2019 guidance. Additionally, the company announced that it had appointed its next CEO.

Short Portfolio

- The top five performers were all long positions.

Worst Performers

Long Portfolio

- Shares of home infusion services provider **BioScrip, Inc.** declined as the company announced an all-stock merger with Option Care, another independent home infusion provider. The transaction should improve the company's balance sheet, geographic exposure, and long-term growth prospects, but brings the cost of dilution to equity holders.

- Shares of real estate services company **Mr. Cooper Group, Inc.** declined amid evolving market expectations regarding the future path of interest rates, as investors moved from thinking about possible rate increases to a potential rate cut. Additionally, there is uncertainty about earnings power in 2019 as the company integrates recent acquisitions and invests in efficiency initiatives related to its servicing business.

Short Portfolio

- Shares of networking and communications company **Cisco Systems, Inc.** increased significantly during the quarter as the company delivered solid quarterly results and guidance. We continue to believe shares are overvalued.

- Shares of lighting and semiconductor manufacturer **Cree, Inc.** rose as the market took a favorable view of demand for the company's Silicon Carbide products, as well as the company's divestment of its low-margin Lighting division. We continue to believe that the current market valuation embeds overly optimistic long-run expectations for the company's Wolfspeed segment.

- Shares of medical device manufacturer **Varian Medical Systems, Inc.** rose as investors became excited about a new quota opportunity that the Chinese government announced last fall. Although the China opportunity is large, we already expected high growth in China. We remain cognizant that Varian sells expensive capital equipment primarily to the U.S. and Europe, which are fully penetrated. We believe the stock continues to trade above our estimate of intrinsic value.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2019

	SINCE INCEPTION (3/31/09)	10-YR	5-YR	3-YR	1-YR	YTD	1Q19	EXPENSE RATIO[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)								
Class I	11.22%	11.22%	3.61%	6.14%	-0.06%	9.78%	9.78%	1.51%
BENCHMARK								
Russell 3000 Index	16.00	16.00	10.36	13.48	8.77	14.04	14.04	—
75%/25% Blended Index	12.08	12.08	8.00	10.40	7.33	10.60	10.60	—

[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 1.12% for Class I.

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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. Class 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 indices do not incur fees and expenses (which would lower the return) and are not available for direct investment.

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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

- Leading auto parts retailer **Advance Auto Parts, Inc.** operates in an industry where the best companies produce some of the best margins in all of retail. The company is entering the fourth year of its turnaround from a complex acquisition and is executing well on a plan to gain market share and improve margins.

- Shares of auto parts manufacturer **American Axle & Manufacturing Holding, Inc.** sold off heavily following its third-quarter earnings report. We believe this was an overreaction as the company has been a solid operator with strong free cash metrics and continues to diversify and grow its business in attractive segments of the automotive market.

- **Cimpress N.V.** is a well-managed business within the growing online print industry. The company owns Vistaprint, which has established a dominant position within the business card category and is now expanding into adjacent verticals. We believe the firm's pause in capital allocation and focus on optimizing the core Vistaprint business are positive steps in positioning Cimpress for future intrinsic value growth.

- We initiated a position in alcoholic beverage manufacturer **Constellation Brands, Inc. (Cl A)** which we believe presents a unique opportunity to gain exposure to a very high-quality portfolio of brands such as Corona, Modelo, Pacifico, Ballast Point, Meiomi, Black Box, Casa Noble, and High West.

- We received shares of the spun-off diversified media and entertainment company **Fox Corp. (Cl B)** (the "new" Fox) and entertainment company **Walt Disney Co.**, when our previous position in **Twenty-First Century Fox, Inc. (Cl B)** was eliminated upon the completion of its merger with Disney.

- Automobile manufacturer **General Motors Co.** has a strong management team that has restructured the business to maximize margins and cash flow. The company's exposure to trucks and SUVs, particularly in North America, will be a primary driver of performance moving forward. GM has also invested heavily in new technologies which puts it in a good competitive position while the automotive industry goes through significant changes.

- Shares of French reinsurer **SCOR S.E.** declined when French mutual insurer Covea walked away from its earlier offer to acquire SCOR. We initiated a position as we believe the market undervalues the long-term potential of the business.

- Agribusiness and transportation company **Seaboard Corp.** is a family-owned conglomerate with leading positions around the globe in basic businesses that are relatively recession-proof (pork, turkey, flour milling, etc.). A very strong balance sheet combined with its long-term time horizon gives Seaboard the opportunity to invest counter-cyclically when many of its peers have to pull back.

- **Zynga, Inc. (Cl A)** is a mobile gaming company which completed its turnaround last year and is now focused on growing intrinsic value by creating new games. We believe the mix of reasonable valuation, strong balance sheet, good management team, secular growth, and the competitive advantages being developed in marketing and live services makes Zynga an attractive risk/reward proposition.

Short Portfolio

- **CDK Global, Inc.** is a market-leading software vendor serving domestic automotive dealers which has experienced significant multi-year earnings growth following a spin-off transaction in 2014. We do not believe future fundamentals are as favorable due to a lack of margin and growth levers, a mature automotive dealer end market, and increasing competition.

- We believe consumer fashion accessories manufacturer **Fossil Group, Inc.** faces significant secular challenges in its largest and highest-margin product segment, lower- to mid-tier watches, in which sales have been declining for three years. We think Fossil's entry in the smart watch category, which is a much lower-margin category for the company, will fail to offset sharp declines in its core product categories where it is at risk of losing key license agreements.

- **Hawaiian Holdings, Inc.** the parent company of Hawaiian Airlines, is facing accelerating competition in its most profitable markets. We believe additional competitive capacity will be more detrimental to margins and profitability than in the past.

- We added a short position in shares of Warren, Pennsylvania-based **Northwest Bancshares, Inc.**, as we believe it is overvalued given the profitability and earnings-growth profile for the years ahead.

- Information technology company **Oracle Corp.** is a provider of software, hardware, and services to corporate information technology environments. We believe the industry shift to cloud-based software presents challenges for Oracle and that the market valuation does not reflect the lower-quality earnings growth resulting from share repurchases rather than revenue growth and operating margin expansion.

- Staffing and risk consulting services company **Robert Half International, Inc.** is a leading supplier specializing in accounting and finance personnel for smaller- and mid-sized businesses. We believe the market is not adequately discounting the potential negative impact of an economic slowdown and a cyclical rise in unemployment. We also believe that ongoing improvements in artificial intelligence-enabled software will reduce the demand for its accounting employees. Furthermore, we expect that increasing competition in the mid-sized company market will put pressure on profit margins.

Eliminated Positions

Long Portfolio

- We closed our position in pharmacy health care services provider **CVS Health Corp.** after our outlook on the stock deteriorated following negative developments. After CVS acquired Aetna, Aetna's CFO unexpectedly stepped down from the combined role. CVS then revealed on its first-quarter earnings call that problems in the legacy business were more severe than we assumed.

- We sold our shares of telecommunications services provider **T-Mobile U.S., Inc.** to fund more attractive opportunities.

- Specialty materials manufacturer **Versum Materials, Inc.**'s shares approached our estimate of intrinsic value following the announcement of the company's proposed merger with Entegris and we sold our position to fund more attractive investment opportunities.

Short Portfolio

- We covered our short position in pharmaceutical company **AbbVie, Inc.** as the shares traded to our estimate of intrinsic value.

- We covered our short position in shares of specialty retailer **Bed Bath & Beyond, Inc.** because the risk/reward tradeoff was no longer favorable.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF MARCH 31, 2019

AbbVie, Inc.	0.0%	Short	General Motors Co.	0.3%	Long
Advance Auto Parts, Inc.	0.3	Long	Hawaiian Holdings, Inc.	(0.3)	Short
American Axle & Manufacturing Holdings, Inc.	0.3	Long	Mr. Cooper Group, Inc.	1.2	Long
Bed Bath & Beyond, Inc.	0.0	Short	Northwest Bancshares, Inc.	(0.2)	Short
BioScrip, Inc.	1.7	Long	Oracle Corp.	(0.7)	Short
CDK Global, Inc.	(1.0)	Short	Red Rock Resorts, Inc. (Cl A)	4.0	Long
Cimpress N.V.	0.6	Long	Robert Half International, Inc.	(0.2)	Short
Cisco Systems, Inc.	(1.0)	Short	Scor S.E.	0.1	Long
Cognizant Technology Solutions Corp. (Cl A)	3.2	Long	Seaboard Corp.	0.9	Long
Constellation Brands, Inc. (Cl A)	0.6	Long	Stericycle, Inc.	2.6	Long
Cree, Inc.	(0.8)	Short	T-Mobile U.S., Inc.	0.0	Long
CVS Health Corp.	0.0	Long	Twenty-First Century Fox, Inc. (Cl B)	0.0	Long
Facebook, Inc. (Cl A)	2.9	Long	Varian Medical Systems, Inc.	(0.9)	Short
First Data Corp. (Cl A)	1.0	Long	Versum Materials, Inc.	0.0	Long
Fossil Group, Inc.	(0.4)	Short	Walt Disney Co.	0.4	Long
Fox Corp. (Cl B)	0.1	Long	Zynga, Inc. (Cl A)	0.2	Long

Mentioned securities not held in the Diamond Hill Research Opportunities Fund: Entegris, Inc., Fiserv, Inc., and United Parcel Service, 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 Funds Calendar Year Performance*

*Figures do not reflect sales charges. If they did, the returns would be lower.

		CALENDAR YEAR RETURNS AS OF MARCH 31, 2019										FEES & EXPENSES		MORNINGSTAR
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Expense Ratio Gross	Net	Overall Morningstar Rating™[10]
LONG – ONLY EQUITY														
SMALL CAP[1,2] *(closed to new investors)* (Inception Date 12/29/00) | Morningstar: Small Value | Lipper: Small-Cap Core														
Class I	DHSIX	29.43	23.39	-6.91	13.17	40.08	4.86	-3.47	14.45	10.95	-14.88	0.99%	0.98%	★★★
Benchmark	Russell 2000 Index	27.17	26.85	-4.18	16.35	38.82	4.89	-4.41	21.31	14.65	-11.01			
	Russell 2000 Value Index	20.58	24.50	-5.50	18.05	34.52	4.22	-7.47	31.74	7.84	-12.86			
SMALL-MID CAP[1,2] *(closed to new investors)* (Inception Date 12/30/05) | Morningstar: Mid-Cap Value | Lipper: Mid-Cap Core														
Class I	DHMIX	41.36	23.43	-3.86	15.74	41.64	7.36	1.32	18.18	8.63	-12.56	0.94%	0.93%	★★★
Benchmark	Russell 2500 Index	34.39	26.71	-2.51	17.88	36.80	7.07	-2.90	17.59	16.81	-10.00			
	Russell 2500 Value Index	27.68	24.82	-3.36	19.21	33.32	7.11	-5.49	25.20	10.36	-12.36			
MID CAP[1,2] (Inception Date 12/31/13) | Morningstar: Mid-Cap Value | Lipper: Mid-Cap Core														
Class I	DHPIX	—	—	—	—	—	7.91	0.74	18.56	10.47	-10.31	0.79%	0.78%	★★★★
Benchmark	Russell Midcap Index	—	—	—	—	—	13.22	-2.44	13.80	18.52	-9.06			
	Russell Midcap Value Index	—	—	—	—	—	14.75	-4.78	20.00	13.34	-12.29			
LARGE CAP[3] (Inception Date 6/29/01) | Morningstar: Large Value | Lipper: Large-Cap Core														
Class I	DHLRX	30.71	9.72	2.60	12.62	36.60	10.74	-0.85	14.63	20.30	-9.63	0.67%	0.67%	★★★★
Benchmark	Russell 1000 Index	28.43	16.10	1.50	16.42	33.11	13.24	0.92	12.05	21.69	-4.78			
	Russell 1000 Value Index	19.69	15.51	0.39	17.51	32.53	13.45	-3.83	17.34	13.66	-8.27			
ALL CAP SELECT[2] (Inception Date 12/30/05) | Morningstar: Large Blend | Lipper: Multi-Cap Core														
Class I	DHLTX	33.63	11.19	-2.25	11.54	44.35	11.57	-1.14	9.62	20.33	-12.02	0.87%	0.87%	★★
Benchmark	Russell 3000 Index	28.34	16.93	1.03	16.42	33.55	12.56	0.48	12.74	21.13	-5.24			
	Russell 3000 Value Index	19.76	16.23	-0.10	17.55	32.69	12.70	-4.13	18.40	13.19	-8.58			
GLOBAL[2,4,5] (Inception Date 12/31/13) | Morningstar: World Large Stock | Lipper: Global Multi-Cap Value														
Class I	DHGIX	—	—	—	—	—	2.74	-5.51	10.39	29.64	-14.66	0.84%	0.84%	Morningstar Rating™ Not Available
Benchmark	Morningstar Global Markets Index	—	—	—	—	—	4.00	-2.04	8.22	23.87	-9.82			
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 I	DHLSX	18.39	0.03	3.29	8.77	23.19	7.55	-1.40	10.55	5.99	-7.04	1.46%	1.45%	★★★★
Benchmark	Russell 1000 Index	28.43	16.10	1.50	16.42	33.11	13.24	0.92	12.05	21.69	-4.78			
	60% Russell 1000 Index / 40% ICE BofAML U.S. T-Bill 0-3 Mo Index	16.98	9.90	1.22	9.75	18.93	7.86	0.75	7.32	12.92	-1.92			
FINANCIAL LONG-SHORT[2,5,6,8] (Inception Date 8/1/97) | Morningstar: Financial | Lipper: Financial Services														
Class I	DHFSX	25.31	17.29	-13.21	26.94	37.33	8.42	-4.40	19.10	11.90	-17.60	1.56%	1.56%	★★★
Benchmark	Russell 3000 Financials Index	17.61	12.59	-11.91	26.58	34.46	14.06	0.68	17.96	19.95	-8.35			
	80% Russell 3000 Financials Index / 20% ICE BofAML U.S. T-Bill 0-3 Mo Index	15.49	10.37	-9.33	20.99	26.91	11.18	0.68	14.42	15.92	-6.24			
RESEARCH OPPORTUNITIES[2,5,6,9] (Inception Date 3/31/09) | Morningstar: Long-Short Equity | Lipper: Alternative Long/Short Equity														
Class I	DROIX	—	11.59	1.83	12.03	32.76	7.21	-5.00	9.89	13.34	-12.86	1.51%	1.51%	★★★
Benchmark	Russell 3000 Index	—	16.93	1.03	16.42	33.55	12.56	0.48	12.74	21.13	-5.24			
	75% Russell 3000 Index / 25% ICE BofAML U.S. T-Bill 0-3 Mo Index	—	12.88	1.03	12.23	24.41	9.37	0.51	9.60	15.74	-3.31			

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, 25 and 28 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 1.08% for Class I, and for the Financial Long-Short Fund would have been 1.12% for Class I, and for the Research Opportunities Fund would have been 1.12 % for Class I.

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

[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.

[10] 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 393 small value funds as of 3/31/19. The Fund's Class I rating was 2 stars among 393, 3 stars among 346, and 3 stars among 238 small value funds for the 3-, 5-, and 10-year periods ended 3/31/19, respectively.

Small-Mid Cap Fund The Overall Morningstar Rating™ is based on 368 mid-cap value funds as of 3/31/19. The Fund's Class I rating was 2 stars among 368, 3 stars among 318, and 4 stars among 225 mid-cap value funds for the 3-, 5-, and 10-year periods ended 3/31/19, respectively.

Mid Cap Fund The Overall Morningstar Rating™ is based on 368 mid-cap value funds as of 3/31/19. The Fund's Class I rating was 3 stars among 368 and 4 stars among 318 mid-cap value funds for the 3- and 5-year periods ended 3/31/19, respectively.

Large Cap Fund The Overall Morningstar Rating™ is based on 1,096 large value funds as of 3/31/19. The Fund's Class I rating was 4 stars among 1,096, 4 stars among 939, and 4 stars among 691 large value funds for the 3-, 5-, and 10-year periods ended 3/31/19, respectively.

All Cap Select Fund The Overall Morningstar Rating™ is based on 1,218 large blend funds as of 3/31/19. The Fund's Class I rating was 2 stars among 1,218, 1 star among 1,081, and 2 stars among 810 large blend funds for the 3-, 5-, and 10-year periods ended 3/31/19, respectively.

Long-Short Fund The Overall Morningstar Rating™ is based on 205 long-short equity funds as of 3/31/19. The Fund's Class I rating was 3 stars among 205, 4 stars among 122, and 4 stars among 33 long-short equity funds for the 3-, 5-, and 10-year periods ended 3/31/19, respectively.

Financial Long-Short Fund The Overall Morningstar Rating™ is based on 97 financial funds as of 3/31/19. The Fund's Class I rating was 2 stars among 97, 2 stars among 92, and 4 stars among 77 financial funds for the 3-, 5-, and 10-year periods ended 3/31/19, respectively.

Research Opportunities Fund The Overall Morningstar Rating™ is based on 205 long-short equity funds as of 3/31/19. The Fund's Class I rating was 3 stars among 205 and 3 stars among 122 long-short equity funds for the 3- and 5-year periods ended 3/31/19, respectively.

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 is an unmanaged market capitalization-weighted index comprised of the 3,000 largest U.S. companies by total market capitalization. The Russell 3000 Value Index is an unmanaged market capitalization-weighted index measuring the performance of the broad value segment of the U.S. equity universe including those Russell 3000 Index companies with lower expected growth values. 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. The Russell 1000 Value Index is an unmanaged market capitalization-weighted index measuring the performance of the large cap value segment of the U.S. equity universe including those Russell 1000 Index companies with lower expected growth values. 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. The Russell 2000 Value Index is an unmanaged market capitalization-weighted index measuring the performance of the small cap value segment of the U.S. equity universe including those Russell 2000 Index companies with lower expected growth values. The Russell 2500 Index is an unmanaged market capitalization-weighted index comprised of the smallest 2,500 companies by market capitalization in the Russell 3000 Index. The Russell 2500 Value Index is an unmanaged market capitalization-weighted index measuring the performance of the small and midcap value segment of the U.S. equity universe including those Russell 2500 Index companies with lower expected growth values. 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 Midcap Value Index is an unmanaged market capitalization-weighted index measuring the performance of the mid cap value segment of the U.S. equity universe including those Russell Midcap Index companies with lower expected growth values. 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. 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 indexes.

Refer to performance disclosure information on page 31.

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