

International Fund Review

The Fund increased 13.85% (Class I) during the quarter, compared to a 16.96% increase in the Morningstar Global Markets ex-U.S. Index.

On an absolute basis, all sectors represented in the Fund contributed to return, led by the communication services, financials and industrials sectors.

The Fund's underperformance relative to the Index was primarily driven by security selection in the health care, materials and information technology sectors. An underweight position in the materials sector and a combination of an overweight position and security selection within the consumer staples sector also detracted from relative return. Security selection in the financials and real estate sectors provided the largest contribution to return.

Every major market generated positive double-digit returns during the second quarter, while major currencies held fairly steady against the U.S. dollar. In June, the International Monetary Fund updated its forecast for global output to decline by 4.9% in 2020, 1.9 percentage points below its previous forecast. Global equities generally appreciated in value during the quarter despite this weak near-term economic outlook for three primary reasons, in our view. First, many governments have implemented strong monetary and fiscal support; second, we observed that across Diamond Hill's portfolios, most equity prices had declined well below intrinsic value during the first quarter; and third, governments increasingly eased COVID-19-related restrictions throughout the second quarter.

Best Performers

- Private banking products and services provider **Julius Baer Gruppe A.G.**
- Internet and advertising services provider **Tencent Holdings Ltd.**
- Diversified media and entertainment company **Walt Disney Co.**
- Eyeglass manufacturer **EssilorLuxottica S.A.**
- Alcoholic beverage manufacturer **Anheuser-Busch InBev S.A./N.V.**

TEAM

Grady Burkett, CFA
Portfolio Manager

Krishna Mohanraj, CFA
Portfolio Manager

Worst Performers

- Telecommunications services provider **BT Group PLC**
- Lubricants manufacturer **Fuchs Petrolub S.E.**
- Telecommunications services provider **Telesites SAB de CV (CI B)**
- Media and communications company **Rogers Communications, Inc. (CI B)**
- Property and casualty insurance company **Fairfax Financial Holdings Ltd.**

New Positions

- Discount retailer **B&M European Value Retail S.A.**
- Lubricants manufacturer **Fuchs Petrolub S.E.**
- Storage facilities operator **Shurgard Self Storage S.A.**
- Specialty business services provider **WNS (Holdings) Ltd.**

Eliminated Positions

- Automation products manufacturer **Fanuc Corp.**
- Lubricants manufacturer **Fuchs Petrolub S.E.**
- Asset manager **Noah Holdings Ltd. (CI A)**
- Information technology security company **Palo Alto Networks, Inc.**
- Software and information services provider **Software A.G.**
- Telecommunications services provider **Telesites SAB de CV (CI B)**



MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF JUNE 30, 2020

Anheuser-Busch InBev S.A./N.V.	4.1%	Palo Alto Networks, Inc.	0.0%
B&M European Value Retail S.A.	0.8	Rogers Communications, Inc. (CI B)	1.4
BT Group PLC	2.3	Shurgard Self Storage S.A.	1.4
EssilorLuxottica S.A.	2.0	Software A.G.	0.0
Fairfax Financial Holdings Ltd.	2.5	Telesites SAB de CV (CI B)	0.0
Fanuc Corp.	0.0	Tencent Holdings Ltd.	3.1
Fuchs Petrolub S.E.	0.0	Walt Disney Co.	3.2
Julius Baer Gruppe A.G.	3.1	WNS (Holdings) Ltd.	1.2
Noah Holdings Ltd. (CI A)	0.0		

PERIOD AND ANNUALIZED TOTAL RETURNS AS OF JUNE 30, 2020

	SINCE INCEPTION (12/30/2016)	3-YR	1-YR	YTD	2Q20	EXPENSE RATIO
RETURNS AT NAV (WITHOUT SALES CHARGE)						
Class I	5.62%	1.32%	-8.68%	-16.07%	13.85%	0.92%
BENCHMARK						
Morningstar Global Markets ex-U.S. Index	4.87	1.18	-4.51	-11.12	16.96	—

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 June 30, 2020, 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. As of June 30, 2020 Diamond Hill owned Microsoft Corp. (equity), Alphabet, Inc. (equity) and Facebook, Inc. (equity).

The performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's current performance may be lower or higher than the performance data quoted. Investors may obtain performance information current to the most recent month-end, within 7 business days, at diamond-hill.com.

The quoted performance for the Fund reflects the past performance of Diamond Hill International Fund L.P. (the "International 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 performance of the International 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 International 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 International Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Performance is measured from December 30, 2016, the inception of the International Partnership and is not the performance of the fund. The assets of the International Partnership were converted, based on their value on June 28, 2019, into assets of the fund. The International 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 ex-U.S. Index is a net total return index designed to provide exposure to the top 97% market capitalization in each of two economic segments, developed markets, excluding the United States, and emerging markets.

Index data source: Morningstar, Inc. See diamond-hill.com/disclosures for a full copy of the disclaimer.

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.

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.