

# All Cap Select Fund

As of June 30, 2021



**DIAMOND HILL** FUNDS

## TICKERS

Investor: DHTAX      Class Y: DHTYX  
Class I: DHLTX

## TEAM

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

## PORTFOLIO GUIDELINES

### Fund Guidelines

- Typically 30–40 positions
- Maximum sector exposure is 35%

### Market Capitalization

The Fund typically invests in securities with a market cap of \$500 million or greater. We anticipate that each of the Fund's investments will also be held in one of the other Diamond Hill Funds.

## INVESTMENT STRATEGY

- To estimate intrinsic value, the business must be understandable and we must be able to reasonably forecast its cash flows. We seek businesses with sustainable competitive advantages, conservative balance sheets and management with an ownership mentality.
- Investments are sold when the stock price reaches our estimate of intrinsic value, our estimate of intrinsic value is revised such that there is no longer a discount to intrinsic value, a holding reaches our stated maximum position size, or to raise proceeds for a more attractive opportunity.
- More concentrated and broader market capitalization strategy.

## TOP TEN EQUITY HOLDINGS

WESCO International, Inc. Industrials	6.4%
American International Group, Inc. Financials	6.3
Mr. Cooper Group, Inc. Financials	5.8
Hanesbrands, Inc. Cons. Discretionary	5.2
Berkshire Hathaway, Inc. (CI B) Financials	4.9
KKR & Co., Inc. (CI A) Financials	4.5
Facebook, Inc. (CI A) Communication Services	3.7
Red Rock Resorts, Inc. (CI A) Cons. Discretionary	3.5
W.R. Grace & Co. Materials	3.3
Kirby Corp. Industrials	3.2
<b>Total as % of Net Assets</b>	<b>46.9%</b>

## BEST & WORST PERFORMERS<sup>1</sup>

SECURITY NAME	2Q21 CONTRIBUTION	POSITION AS OF 2Q21
<b>Best</b>		
WESCO International, Inc.	1.1%	6.4%
KKR & Co., Inc. (CI A)	0.9	4.5
Red Rock Resorts, Inc. (CI A)	0.9	3.5
Facebook, Inc. (CI A)	0.6	3.7
W.R. Grace & Co.	0.5	3.3
<b>Worst</b>		
Mr. Cooper Group, Inc.	-0.3%	5.8%
Cognizant Technology Solutions Corp. (CI A)	-0.3	2.3
Cal-Maine Foods, Inc.	-0.2	2.5
Hanesbrands, Inc.	-0.1	5.2
Walt Disney Co.	-0.1	2.1

## SINCE INCEPTION UPSIDE/DOWNSIDE CAPTURE RATIO<sup>5</sup> (CLASS I)

vs. Russell 3000 Index	101%/104%
vs. Russell 3000 Value Index	106%/98%

## OVERALL MORNINGSTAR RATING<sup>TM,3</sup>



The Overall Morningstar Rating<sup>TM</sup> among 395 Mid-Cap Value funds is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year periods Morningstar Ratings as of 6/30/21.

## MORNINGSTAR FEE LEVEL<sup>4</sup> (CLASS I)



## MORNINGSTAR CLASSIFICATION

Mid-Cap Value

## SECTOR ALLOCATION<sup>2</sup>

	ALL CAP SELECT FUND	RUSSELL 3000 INDEX	RUSSELL 3000 VALUE INDEX
Financials	31.9%	11.6%	21.1%
Industrials	16.8	9.5	12.2
Cons. Discretionary	10.8	12.2	5.9
Consumer Staples	10.1	5.3	6.9
Communication Services	8.8	10.1	8.2
Materials	6.9	2.5	3.9
Health Care	6.5	13.6	16.9
Info. Technology	4.2	26.6	9.9
Utilities	2.1	2.4	4.8
Real Estate	0.0	3.4	5.0
Energy	0.0	2.8	5.2
Cash & Other	2.0	0.0	0.0

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

<sup>1</sup> The holdings identified do not represent all of the securities purchased, sold, or recommended for the adviser's clients. The reader should not assume that an investment in the securities identified was or will be profitable. To obtain the contribution calculation methodology and a complete list of every holding's contribution to the overall portfolio's performance during the measurement period, contact 855.255.8955 or info@diamond-hill.com.

<sup>2</sup> Cash & Other may include cash, treasuries, money market funds, and short duration fixed income funds.

<sup>3</sup> The Fund's Class I rating was 4 stars among 395, 5 stars among 346 and 5 stars among 246 funds for the 3-, 5-, and 10-year periods ended 6/30/21. 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.

<sup>4</sup> The Morningstar Broad Fee Level data point compares the fund's prospectus adjusted operating net expense ratio to the prospectus adjusted operating net expense ratio of all the other funds within its Morningstar Category. See Morningstar for fee level grouping methodology.

Side One. Not Valid Without Side Two.

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## PERIOD AND ANNUALIZED TOTAL RETURNS (%) AS OF JUNE 30, 2021

	SINCE INCEPTION	15-YR	10-YR	5-YR	3-YR	1-YR	YTD	2Q21	EXPENSE RATIO
ALL CAP SELECT FUND									
Investor (DHTAX)	9.80	9.80	13.07	17.62	16.66	70.59	22.30	6.27	1.16%
Class I (DHLTX)	10.14	10.14	13.38	17.97	17.01	71.09	22.53	6.35	0.87
Class Y (DHTYX)	10.07	10.07	13.50	18.09	17.15	71.30	22.62	6.37	0.75
BENCHMARKS									
Russell 3000 Index	10.65	10.78	14.70	17.89	18.73	44.16	15.11	8.24	—
Russell 3000 Value Index	8.19	7.99	11.54	11.99	12.23	45.40	17.67	5.16	—

*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 Y shares include Investor share performance achieved prior to the creation of Class Y shares. 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.

## CALENDAR YEAR RETURNS (%)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Class I	14.04	6.10	-32.85	33.63	11.19	-2.25	11.54	44.35	11.57	-1.14	9.62	20.33	-12.02	30.77	14.57
Russell 3000 Index	15.72	5.14	-37.31	28.34	16.93	1.03	16.42	33.55	12.56	0.48	12.74	21.13	-5.24	31.02	20.89
Russell 3000 Value Index	22.34	-1.01	-36.25	19.76	16.23	-0.10	17.55	32.69	12.70	-4.13	18.40	13.19	-8.58	26.26	2.87

## PORTFOLIO STATISTICS

Inception	December 30, 2005
Management Fee	0.70%
Total Net Assets	\$360M
Distributions	Annual
Median Market Capitalization	\$9.4B
Portfolio Turnover (12 months trailing)	57%
Active Share <sup>5</sup>	94%
Number of Equity Holdings in Portfolio	33

FIVE-YEAR RISK STATISTICS<sup>5</sup> (CLASS I)

	VS. RUSSELL 3000 INDEX	VS. RUSSELL 3000 VALUE INDEX
Standard Deviation (%)	21.33	21.33
Beta (%)	1.27	1.25
Sharpe Ratio	0.83	0.83
Alpha (%)	-3.21	3.36
R-squared (%)	86.37	93.22

**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.

Fund holdings, sector allocations and portfolio statistics subject to change without notice.

The Russell 3000 Index is an unmanaged market capitalization-weighted index comprised of the 3,000 largest U.S. companies by total market capitalization. The 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. Index data source: London Stock Exchange Group PLC. See diamond-hill.com/disclosures for a full copy of the disclaimer.

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<sup>5</sup> **Key Definitions:** **Active Share** measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the difference. Relative to the Russell 3000 Index. **Standard Deviation** measures the volatility of the Fund's returns. **Beta** measures the Fund's sensitivity to market movements. **Sharpe Ratio** uses the Fund's standard deviation and average excess return over the risk-free rate to determine reward per unit of risk. **Alpha** measures excess return relative to the market that is attributable to active portfolio management. **R-squared** represents the percentage of the portfolio's movements that can be explained by general market movements. **Upside / Downside Capture Ratio** measures a manager's ability to generate excess return above the benchmark return in up markets and retain more of the excess return in down markets. Statistics for periods less than one year are not annualized.

Side Two. Not Valid Without Side One.