

Mid Cap Fund

As of June 30, 2021



DIAMOND HILL FUNDS

TICKERS

Investor: DHPAX Class Y: DHPYX
Class I: DHPIX

TEAM

Chris Welch, CFA **Chris Bingaman, CFA**
Portfolio Manager Asst. Portfolio Manager
Kristen Sheffield, CFA,
CIPM
Portfolio Specialist

PORTFOLIO GUIDELINES

Fund Guidelines

- Typically 40-60 positions
- Maximum sector exposure is 30%

Market Capitalization

The Fund typically invests at least 80% of its net assets in medium market capitalization companies, defined as those companies with a market capitalization between \$1.5 billion and \$20 billion (or, if greater, the maximum market capitalization of companies generally within the capitalization range of the Russell Midcap Index) at the time of purchase.

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.

TOP TEN EQUITY HOLDINGS

Red Rock Resorts, Inc. (CIA) Cons. Discretionary	4.0%
Colfax Corp. Industrials	3.6
Post Holdings, Inc. Consumer Staples	3.6
Loews Corp. Financials	3.4
CubeSmart Real Estate	3.3
First Republic Bank Financials	3.0
Check Point Software Technologies Ltd. Info. Technology	2.9
SVB Financial Group Financials	2.9
Sterling Bancorp Financials	2.8
WESCO International, Inc. Industrials	2.7
Total as % of Net Assets	32.1%

BEST & WORST PERFORMERS¹

SECURITY NAME	2021 CONTRIBUTION	POSITION AS OF 2021
Best		
Red Rock Resorts, Inc. (CIA)	0.9%	4.0%
CubeSmart	0.6	3.3
WESCO International, Inc.	0.4	2.7
First Republic Bank	0.3	3.0
Cimarex Energy Co.	0.3	1.9
Worst		
Alaska Air Group, Inc.	-0.2%	1.5%
Cognizant Technology Solutions Corp. (CIA)	-0.1	1.3
Hartford Financial Services Group, Inc.	-0.1	1.7
Mr. Cooper Group, Inc.	-0.1	1.2
Hanesbrands, Inc.	-0.1	1.9
SINCE INCEPTION UPSIDE/DOWNSIDE CAPTURE RATIO² (CLASS I)		
vs. Russell Midcap Index	94%/111%	
vs. Russell Midcap Value Index	100%/107%	

MORNINGSTAR RATINGSTM

Overall Rating³ ★★

Analyst Rating^{3,5}



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

MORNINGSTAR FEE LEVEL⁴ (CLASS I)



MORNINGSTAR CLASSIFICATION

Mid-Cap Value

SECTOR ALLOCATION²

	MID CAP FUND	RUSSELL MIDCAP INDEX	RUSSELL MIDCAP VALUE INDEX
Financials	27.5%	11.8%	16.1%
Cons. Discretionary	16.6	12.8	10.9
Industrials	16.5	15.4	16.0
Consumer Staples	7.8	3.5	4.2
Real Estate	7.6	7.3	10.5
Info. Technology	5.8	18.7	9.7
Utilities	4.1	4.5	7.0
Materials	3.4	5.4	7.3
Energy	1.9	3.8	5.1
Health Care	1.8	12.0	8.8
Communication Services	1.1	4.9	4.2
Cash & Other	6.0	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.

¹ 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.

² Cash & Other may include cash, treasuries, money market funds, and short duration fixed income funds. Includes a 0.6% investment in the Diamond Hill Short Duration Securitized Bond Fund.

³ **Overall Rating:** The Fund's Class I rating was 2 stars among 395 and 2 stars among 346 funds for the 3-, and 5-year periods ended 6/30/21, respectively. 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. **Analyst Rating:** As of 6/30/21 there were 3 gold rated, 11 silver rated, 13 bronze rated, 6 neutral rated and 109 not rated funds in the Mid-Cap Value category based on the cheapest share class for each fund as defined by Morningstar. The cheapest share class does not necessarily equate to the highest rated share class. Class I shares are not the cheapest share class for the Diamond Hill Mid Cap Fund.

⁴ 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.

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

	SINCE INCEPTION	5-YR	3-YR	1-YR	YTD	2Q21	EXPENSE RATIO
MID CAP FUND							
Investor (DHPAX)	8.62	10.31	9.20	56.03	20.18	5.86	1.07%
Class I (DHPHX)	8.94	10.65	9.54	56.52	20.39	5.96	0.78
Class Y (DHPYX)	9.06	10.75	9.64	56.65	20.47	5.94	0.66
BENCHMARKS							
Russell Midcap Index	12.43	15.62	16.45	49.80	16.25	7.50	—
Russell Midcap Value Index	10.23	11.79	11.86	53.06	19.45	5.66	—

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.

CALENDAR YEAR RETURNS (%)

	2014	2015	2016	2017	2018	2019	2020
Class I	7.91	0.74	18.56	10.47	-10.31	25.82	-1.76
Russell Midcap Index	13.22	-2.44	13.80	18.52	-9.06	30.54	17.10
Russell Midcap Value Index	14.75	-4.78	20.00	13.34	-12.29	27.06	4.96

PORTFOLIO STATISTICS

Inception	December 31, 2013
Management Fee	0.60%
Total Net Assets	\$277M
Distributions	Annual
Median Market Capitalization	\$8.5B
Portfolio Turnover (12 months trailing)	10%
Active Share ⁶	95%
Number of Equity Holdings in Portfolio	55

FIVE-YEAR RISK STATISTICS⁶ (CLASS I)

	VS. RUSSELL MIDCAP INDEX	VS. RUSSELL MIDCAP VALUE INDEX
Standard Deviation (%)	20.00	20.00
Beta (%)	1.09	1.06
Sharpe Ratio	0.55	0.55
Alpha (%)	-5.21	-1.44
R-squared (%)	92.08	97.46

Risk Disclosure: There are specialized risks associated with small and mid capitalization issues, such as market illiquidity and greater market volatility, than large capitalization issues.

Fund holdings, sector allocations and portfolio statistics 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. Index data source: London Stock Exchange Group PLC. See diamond-hill.com/disclosures for a full copy of the disclaimer.

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⁵ The Morningstar Analyst Rating™ is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five-pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark over the long term on a risk adjusted basis. They consider quantitative and qualitative factors in their research. For actively managed strategies, people and process each receive a 45% weighting in their analysis, while parent receives a 10% weighting. For passive strategies, process receives an 80% weighting, while people and parent each receive a 10% weighting. For both active and passive strategies, performance has no explicit weight as it is incorporated into the analysis of people and process; price at the share-class level (where applicable) is directly subtracted from an expected gross alpha estimate derived from the analysis of the other pillars. The impact of the weighted pillar scores for people, process and parent on the final Analyst Rating is further modified by a measure of the dispersion of historical alphas among relevant peers. For certain peer groups where standard benchmarking is not applicable, primarily peer groups of funds using alternative investment strategies, the modification by alpha dispersion is not used. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. For active funds, a Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's expectation that an active fund will be able to deliver positive alpha net of fees relative to the standard benchmark index assigned to the Morningstar category. The level of the rating relates to the level of expected positive net alpha relative to Morningstar category peers for active funds. For passive funds, a Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's expectation that a fund will be able to deliver a higher alpha net of fees than the lesser of the relevant Morningstar category median or 0. The level of the rating relates to the level of expected net alpha relative to Morningstar category peers for passive funds. For certain peer groups where standard benchmarking is not applicable, primarily peer groups of funds using alternative investment strategies, a Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's expectation that a fund will deliver a weighted pillar score above a predetermined threshold within its peer group. Analyst Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Analyst Rating Committee, and are continuously monitored and reevaluated at least every 14 months. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to <https://shareholders.morningstar.com/investor-relations/governance/Compliance--Disclosure/default.aspx>. The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause the Manager Research Group's expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.

⁶ **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 Midcap 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.