



**DIAMOND  
HILL** | FUNDS

## Quarterly Guide

December 31, 2018

Small Cap Fund *(closed to new investors)*

Financial Long-Short Fund

Small-Mid Cap Fund *(closed to new investors)*

Research Opportunities Fund

Mid Cap Fund

Short Duration Total Return Fund

Large Cap Fund

Core Bond Fund

All Cap Select Fund

Corporate Credit Fund

Global Fund

High Yield Fund

Long-Short Fund *(closed to new investors)*

## 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.

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# Investment Philosophy

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## The Guiding Principles of our Investment Philosophy

- Recognize that market price and *intrinsic value* tend to converge over a reasonable period of time
- Possess a *long-term* investment temperament (five years or longer)
- Always invest with a *margin of safety*
- Treat every investment as a partial *ownership interest* in that company

Our intrinsic value philosophy is shared by all of our portfolio managers and research analysts, allowing us to apply our investment discipline consistently across all equity and fixed income strategies.

Each portfolio is supported by our entire research team, all of whom are dedicated to bottom-up, fundamental analysis.

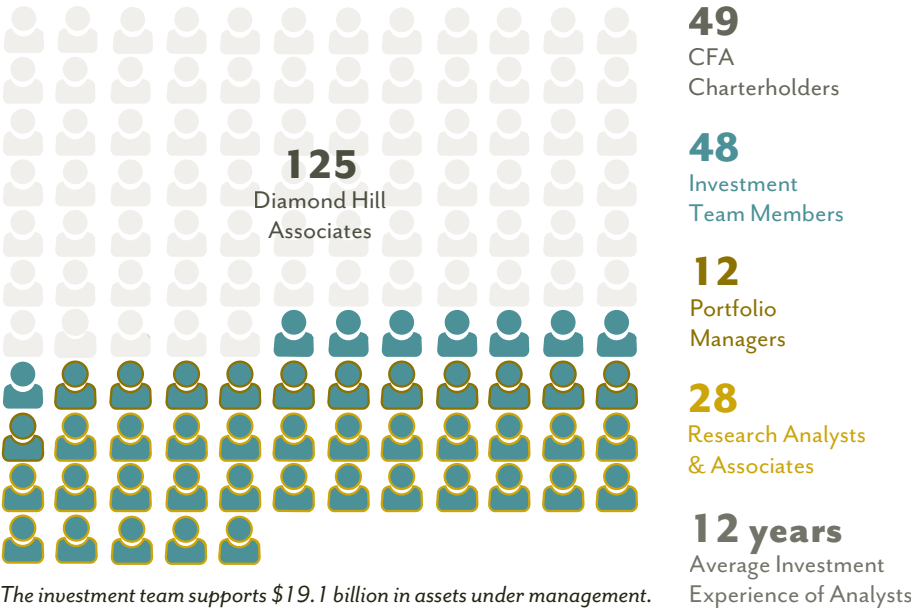
We believe we can achieve better-than-market returns over the long term through active portfolio management, and our primary focus is always on achieving value-added results for our clients.

All investment team members share the same intrinsic value investment philosophy and process. The research team is organized by sectors with industry specialization.

# Focused Research Team

We believe the size and strength of our research team is a considerable advantage for our clients. The growth of our research team has allowed our analysts to become more narrowly focused industry specialists while expanding our overall research coverage across the capital structure and to more securities within each industry. Each team member covers small, mid and large capitalization companies, long and short opportunities, equity and debt, as well as global and domestic companies.

Our research analysts are industry specialists, focusing on no more than a handful of related industries. By focusing on only a few industries and doing so for long periods of time, we believe our research analysts can best develop the deep circles of competence necessary to identify outstanding investment opportunities consistent with our investment philosophy.



# Small Cap Fund *(closed to new investors)*

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

Long-term capital appreciation by investing in companies selling for less than our estimate of intrinsic value.

## 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.

## TEAM



Tom Schindler, CFA  
Portfolio Manager



Aaron Monroe, CFA  
Asst. Portfolio Manager



Chris Welch, CFA  
Asst. Portfolio Manager

## PORTFOLIO GUIDELINES

### Fund Guidelines

- Typically 50-80 positions
- Maximum sector exposure is 30%

### Market Capitalization

The Fund typically invests at least 80% of its net assets in small capitalization companies, defined as those companies with a market capitalization below \$3.0 billion (or, if greater, the maximum market capitalization of companies generally within the capitalization range of the Russell 2000 Index) at the time of purchase.

## TOP TEN EQUITY HOLDINGS

|                                 |                        |              |
|---------------------------------|------------------------|--------------|
| Live Nation Entertainment, Inc. | Communication Services | 4.7%         |
| Vail Resorts, Inc.              | Cons. Discretionary    | 4.4          |
| Navigators Group, Inc.          | Financials             | 3.5          |
| Bank OZK                        | Financials             | 2.9          |
| Avis Budget Group, Inc.         | Industrials            | 2.8          |
| Red Rock Resorts, Inc. (CI A)   | Cons. Discretionary    | 2.7          |
| Hub Group, Inc. (CI A)          | Industrials            | 2.7          |
| Popular, Inc.                   | Financials             | 2.6          |
| Enstar Group Ltd.               | Financials             | 2.6          |
| BankUnited, Inc.                | Financials             | 2.5          |
| <b>Total as % of Net Assets</b> |                        | <b>31.4%</b> |

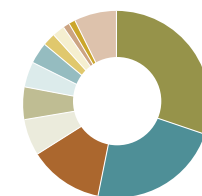
## BEST & WORST PERFORMERS<sup>2</sup>

| SECURITY NAME                 | 4Q18 CONTRIBUTION | POSITION AS OF 4Q18 |
|-------------------------------|-------------------|---------------------|
| <b>Best</b>                   |                   |                     |
| Arcosa, Inc.                  | 0.1%              | 0.9%                |
| BioScrip, Inc.                | 0.1               | 0.9                 |
| B&G Foods, Inc.               | 0.1               | 1.6                 |
| RenaissanceRe Holdings Ltd.   | 0.0               | 1.1                 |
| W.R. Grace & Co.              | 0.0               | 0.7                 |
| <b>Worst</b>                  |                   |                     |
| Bank OZK                      | -1.1%             | 2.9%                |
| Vail Resorts, Inc.            | -1.0              | 4.4                 |
| Avis Budget Group, Inc.       | -1.0              | 2.8                 |
| Cimarex Energy Co.            | -0.9              | 2.2                 |
| Red Rock Resorts, Inc. (CI A) | -0.7              | 2.7                 |

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

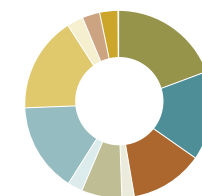
## SECTOR ALLOCATION<sup>3</sup>

### Small Cap Fund



|                        |       |
|------------------------|-------|
| Financials             | 27.8% |
| Industrials            | 21.4  |
| Cons. Discretionary    | 12.5  |
| Consumer Staples       | 6.7   |
| Real Estate            | 6.1   |
| Communication Services | 5.0   |
| Info. Technology       | 4.4   |
| Health Care            | 3.1   |
| Energy                 | 3.0   |
| Materials              | 1.4   |
| Utilities              | 0.9   |
| Cash & Other           | 7.6   |

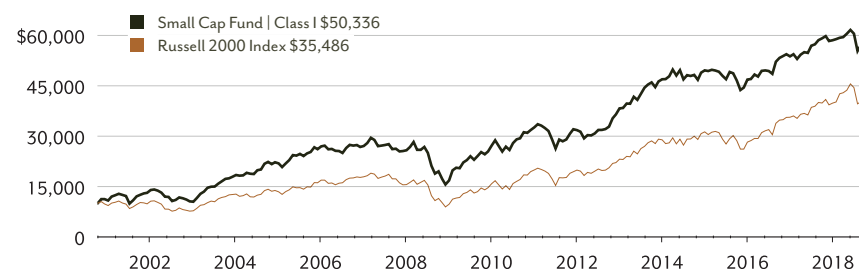
### Russell 2000 Index



|                        |       |
|------------------------|-------|
| Financials             | 18.2% |
| Industrials            | 14.7  |
| Cons. Discretionary    | 12.2  |
| Consumer Staples       | 2.9   |
| Real Estate            | 7.2   |
| Communication Services | 3.3   |
| Info. Technology       | 14.7  |
| Health Care            | 15.7  |
| Energy                 | 3.5   |
| Materials              | 3.7   |
| Utilities              | 3.8   |
| Cash & Other           | 0.0   |

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

## GROWTH OF \$10,000 SINCE INCEPTION<sup>1</sup>



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

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](http://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.

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

|                                       | SINCE<br>INCEPTION | 10-YR | 5-YR  | 3-YR  | 1-YR    | YTD     | 4Q18    |
|---------------------------------------|--------------------|-------|-------|-------|---------|---------|---------|
| RETURNS AT NAV (WITHOUT SALES CHARGE) |                    |       |       |       |         |         |         |
| <b>Class I</b>                        | 9.39%              | 9.94% | 1.81% | 2.62% | -14.88% | -14.88% | -16.84% |
| BENCHMARK                             |                    |       |       |       |         |         |         |
| <b>Russell 2000 Index</b>             | 7.29               | 11.97 | 4.41  | 7.36  | -11.01  | -11.01  | -20.20  |
| <b>Russell 2000 Value Index</b>       | 8.03               | 10.40 | 3.61  | 7.37  | -12.86  | -12.86  | -18.67  |

## CALENDAR YEAR RETURNS (%)

|                                 | 2009  | 2010  | 2011  | 2012  | 2013  | 2014 | 2015  | 2016  | 2017  | 2018   |
|---------------------------------|-------|-------|-------|-------|-------|------|-------|-------|-------|--------|
| <b>Class I</b>                  | 29.43 | 23.39 | -6.91 | 13.17 | 40.08 | 4.86 | -3.47 | 14.45 | 10.95 | -14.88 |
| <b>Russell 2000 Index</b>       | 27.17 | 26.85 | -4.18 | 16.35 | 38.82 | 4.89 | -4.41 | 21.31 | 14.65 | -11.01 |
| <b>Russell 2000 Value Index</b> | 20.58 | 24.50 | -5.50 | 18.05 | 34.52 | 4.22 | -7.47 | 31.74 | 7.84  | -12.86 |

## FEES AND EXPENSES

|                                       | CLASS I   |
|---------------------------------------|-----------|
| <b>Ticker</b>                         | DHSIX     |
| <b>CUSIP</b>                          | 25264S858 |
| <b>Minimum Initial Investment</b>     | \$5,000   |
| <b>Maximum Front-End Sales Charge</b> | None      |
| <b>Management Fee</b>                 | 0.80%     |
| <b>Distribution Fee (12b-1)</b>       | None      |
| <b>Other Expenses</b>                 | 0.19%     |
| <b>Gross Expense Ratio</b>            | 0.99%     |
| <b>Net Expense Ratio<sup>4</sup></b>  | 0.98%     |

<sup>4</sup> 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.

## PORTFOLIO STATISTICS

|                                                |                   |
|------------------------------------------------|-------------------|
| <b>Inception</b>                               | December 29, 2000 |
| <b>Total Net Assets</b>                        | \$1.0B            |
| <b>Distributions</b>                           | Annual            |
| <b>Median Market Capitalization</b>            | \$2.4B            |
| <b>Portfolio Turnover (12 months trailing)</b> | 23%               |
| <b>Active Share<sup>5</sup></b>                | 98%               |
| <b>Number of Equity Holdings in Portfolio</b>  | 68                |

## SINCE INCEPTION RISK STATISTICS<sup>5</sup> (CLASS I SHARES)

|                                            |         |
|--------------------------------------------|---------|
| <b>Standard Deviation (%)</b>              | 16.66   |
| <b>Beta (%)</b>                            | 0.81    |
| <b>Sharpe Ratio</b>                        | 0.54    |
| <b>Alpha (%)</b>                           | 2.94    |
| <b>R-squared (%)</b>                       | 85.18   |
| <b>Upside / Downside Capture Ratio (%)</b> | 85 / 72 |

## MORNINGSTAR CLASSIFICATION

Small Value

## LIPPER CLASSIFICATION

Small-Cap Core

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

*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.

Fund holdings, sector allocations, and portfolio statistics 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.

<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. **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.

# Small-Mid Cap Fund *(closed to new investors)*

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

Long-term capital appreciation by investing in companies selling for less than our estimate of intrinsic value.

## 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.

## TEAM



Chris Welch, CFA  
Portfolio Manager



Jenny Hubbard, CFA  
Asst. Portfolio Manager



Tom Schindler, CFA  
Asst. Portfolio Manager

## PORTFOLIO GUIDELINES

### Fund Guidelines

- Typically 50-70 positions
- Maximum sector exposure is 30%

### Market Capitalization

The Fund typically invests at least 80% of its net assets in small and medium capitalization companies, defined as those companies with a market capitalization between \$500 million and \$10 billion (or, if greater, the maximum market capitalization of companies generally within the capitalization range of the Russell 2500 Index) at the time of purchase.

## TOP TEN EQUITY HOLDINGS

|                                   |                     |              |
|-----------------------------------|---------------------|--------------|
| Willis Towers Watson PLC          | Financials          | 4.3%         |
| Post Holdings, Inc.               | Consumer Staples    | 3.4          |
| UGI Corp.                         | Utilities           | 3.2          |
| Cimarex Energy Co.                | Energy              | 3.0          |
| BankUnited, Inc.                  | Financials          | 3.0          |
| Boston Scientific Corp.           | Health Care         | 2.8          |
| Red Rock Resorts, Inc. (CI A)     | Cons. Discretionary | 2.7          |
| BorgWarner, Inc.                  | Cons. Discretionary | 2.7          |
| Kirby Corp.                       | Industrials         | 2.6          |
| American Campus Communities, Inc. | Real Estate         | 2.6          |
| <b>Total as % of Net Assets</b>   |                     | <b>30.4%</b> |

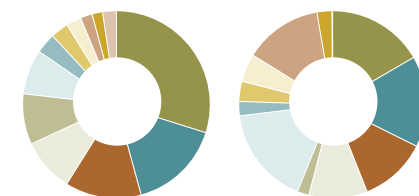
## BEST & WORST PERFORMERS<sup>2</sup>

| SECURITY NAME                     | 4Q18 CONTRIBUTION | POSITION AS OF 4Q18 |
|-----------------------------------|-------------------|---------------------|
| <b>Best</b>                       |                   |                     |
| Willis Towers Watson PLC          | 0.3%              | 4.3%                |
| B&G Foods, Inc.                   | 0.1               | 1.7                 |
| RenaissanceRe Holdings Ltd.       | 0.1               | 1.6                 |
| LifePoint Health, Inc.            | 0.0               | 0.0                 |
| American Campus Communities, Inc. | 0.0               | 2.6                 |
| <b>Worst</b>                      |                   |                     |
| Cimarex Energy Co.                | -1.4%             | 3.0%                |
| Colfax Corp.                      | -0.7              | 1.3                 |
| Worldpay, Inc. (CI A)             | -0.7              | 2.5                 |
| SVB Financial Group               | -0.7              | 1.5                 |
| Red Rock Resorts, Inc. (CI A)     | -0.7              | 2.7                 |

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

## SECTOR ALLOCATION<sup>3</sup>

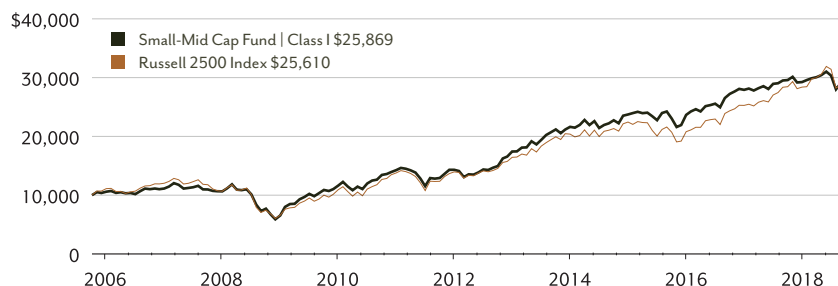
### Small-Mid Cap Fund Russell 2500 Index



|                        |       |                        |       |
|------------------------|-------|------------------------|-------|
| Financials             | 27.3% | Financials             | 15.8% |
| Industrials            | 15.0  | Industrials            | 15.0  |
| Cons. Discretionary    | 12.6  | Cons. Discretionary    | 11.4  |
| Real Estate            | 9.1   | Real Estate            | 10.0  |
| Consumer Staples       | 8.7   | Consumer Staples       | 2.8   |
| Info. Technology       | 7.8   | Info. Technology       | 16.1  |
| Energy                 | 4.1   | Energy                 | 3.2   |
| Utilities              | 3.7   | Utilities              | 4.1   |
| Materials              | 3.3   | Materials              | 5.3   |
| Health Care            | 2.8   | Health Care            | 13.0  |
| Communication Services | 2.6   | Communication Services | 3.3   |
| Cash & Other           | 3.1   | Cash & Other           | 0.0   |

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

## GROWTH OF \$10,000 SINCE INCEPTION<sup>1</sup>



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

*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](http://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.*

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

|                                       | SINCE<br>INCEPTION | 10-YR  | 5-YR  | 3-YR  | 1-YR    | YTD     | 4Q18    |
|---------------------------------------|--------------------|--------|-------|-------|---------|---------|---------|
| RETURNS AT NAV (WITHOUT SALES CHARGE) |                    |        |       |       |         |         |         |
| <b>Class I</b>                        | 7.58%              | 12.88% | 4.07% | 3.93% | -12.56% | -12.56% | -14.76% |
| BENCHMARK                             |                    |        |       |       |         |         |         |
| <b>Russell 2500 Index</b>             | 7.50               | 13.15  | 5.15  | 7.32  | -10.00  | -10.00  | -18.49  |
| <b>Russell 2500 Value Index</b>       | 6.52               | 11.62  | 4.16  | 6.59  | -12.36  | -12.36  | -17.12  |

## CALENDAR YEAR RETURNS (%)

|                                 | 2009  | 2010  | 2011  | 2012  | 2013  | 2014 | 2015  | 2016  | 2017  | 2018   |
|---------------------------------|-------|-------|-------|-------|-------|------|-------|-------|-------|--------|
| <b>Class I</b>                  | 41.36 | 23.43 | -3.86 | 15.74 | 41.64 | 7.36 | 1.32  | 18.18 | 8.63  | -12.56 |
| <b>Russell 2500 Index</b>       | 34.39 | 26.71 | -2.51 | 17.88 | 36.80 | 7.07 | -2.90 | 17.59 | 16.81 | -10.00 |
| <b>Russell 2500 Value Index</b> | 27.68 | 24.82 | -3.36 | 19.21 | 33.32 | 7.11 | -5.49 | 25.20 | 10.36 | -12.36 |

## FEES AND EXPENSES

|                                       | CLASS I   |
|---------------------------------------|-----------|
| <b>Ticker</b>                         | DHMIX     |
| <b>CUSIP</b>                          | 25264S783 |
| <b>Minimum Initial Investment</b>     | \$2,500   |
| <b>Maximum Front-End Sales Charge</b> | None      |
| <b>Management Fee</b>                 | 0.75%     |
| <b>Distribution Fee (12b-1)</b>       | None      |
| <b>Other Expenses</b>                 | 0.19%     |
| <b>Gross Expense Ratio</b>            | 0.94%     |
| <b>Net Expense Ratio<sup>4</sup></b>  | 0.93%     |

<sup>4</sup> 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.

## PORTFOLIO STATISTICS

|                                                |                   |
|------------------------------------------------|-------------------|
| <b>Inception</b>                               | December 30, 2005 |
| <b>Total Net Assets</b>                        | \$2.0B            |
| <b>Distributions</b>                           | Annual            |
| <b>Median Market Capitalization</b>            | \$4.8B            |
| <b>Portfolio Turnover (12 months trailing)</b> | 26%               |
| <b>Active Share<sup>5</sup></b>                | 95%               |
| <b>Number of Equity Holdings in Portfolio</b>  | 63                |

## SINCE INCEPTION RISK STATISTICS<sup>5</sup> (CLASS I SHARES)

|                                            |         |
|--------------------------------------------|---------|
| <b>Standard Deviation (%)</b>              | 16.79   |
| <b>Beta (%)</b>                            | 0.90    |
| <b>Sharpe Ratio</b>                        | 0.45    |
| <b>Alpha (%)</b>                           | 0.63    |
| <b>R-squared (%)</b>                       | 91.02   |
| <b>Upside / Downside Capture Ratio (%)</b> | 90 / 86 |

## MORNINGSTAR CLASSIFICATION

Mid-Cap Value

## LIPPER CLASSIFICATION

Mid-Cap Core

**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.

*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.

Fund holdings, sector allocations, and portfolio statistics 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.

<sup>5</sup> **Key Definitions:** **Active Share** measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the risk. **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.

# Mid Cap Fund

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

Long-term capital appreciation by investing in companies selling for less than our estimate of intrinsic value.

## 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.

## TEAM



Chris Welch, CFA  
Portfolio Manager

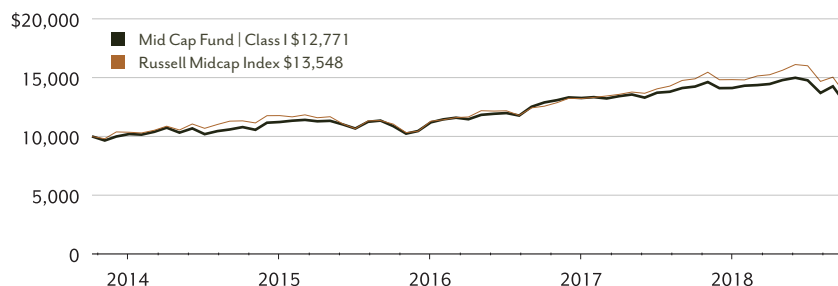


Chris Bingaman,  
CFA  
Asst. Portfolio  
Manager



Jenny Hubbard, CFA  
Asst. Portfolio  
Manager

## GROWTH OF \$10,000 SINCE INCEPTION<sup>1</sup>



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

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](http://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.

## 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.

## TOP TEN EQUITY HOLDINGS

|                              |                     |       |
|------------------------------|---------------------|-------|
| Loews Corp.                  | Financials          | 5.1%  |
| Willis Towers Watson PLC     | Financials          | 3.3   |
| Cimarex Energy Co.           | Energy              | 3.3   |
| Post Holdings, Inc.          | Consumer Staples    | 3.2   |
| BankUnited, Inc.             | Financials          | 3.1   |
| Boston Scientific Corp.      | Health Care         | 2.9   |
| Red Rock Resorts, Inc. (CIA) | Cons. Discretionary | 2.8   |
| UGI Corp.                    | Utilities           | 2.7   |
| BorgWarner, Inc.             | Cons. Discretionary | 2.7   |
| Kirby Corp.                  | Industrials         | 2.6   |
| Total as % of Net Assets     |                     | 31.5% |

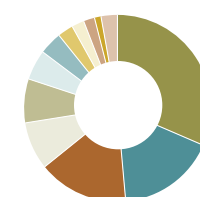
## BEST & WORST PERFORMERS<sup>2</sup>

| SECURITY NAME                | 4Q18<br>CONTRIBUTION | POSITION<br>AS OF 4Q18 |
|------------------------------|----------------------|------------------------|
| <b>Best</b>                  |                      |                        |
| Willis Towers Watson PLC     | 0.2%                 | 3.3%                   |
| RenaissanceRe Holdings Ltd.  | 0.1                  | 1.6                    |
| B&G Foods, Inc.              | 0.0                  | 0.8                    |
| TEGNA, Inc.                  | 0.0                  | 0.0                    |
| LifePoint Health, Inc.       | 0.0                  | 0.0                    |
| <b>Worst</b>                 |                      |                        |
| Cimarex Energy Co.           | -1.5%                | 3.3%                   |
| SVB Financial Group          | -0.7                 | 1.5                    |
| Red Rock Resorts, Inc. (CIA) | -0.7                 | 2.8                    |
| Worldpay, Inc. (CIA)         | -0.6                 | 2.3                    |
| Colfax Corp.                 | -0.6                 | 1.0                    |

<sup>2</sup> Report includes equity securities only. 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](mailto:info@diamond-hill.com).

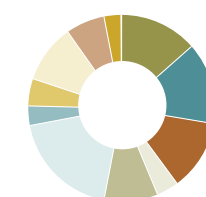
## SECTOR ALLOCATION<sup>3</sup>

### Mid Cap Fund



|                        |       |
|------------------------|-------|
| Financials             | 28.8% |
| Industrials            | 16.1  |
| Cons. Discretionary    | 14.8  |
| Consumer Staples       | 8.3   |
| Real Estate            | 7.7   |
| Info. Technology       | 5.6   |
| Energy                 | 4.5   |
| Materials              | 3.4   |
| Health Care            | 2.9   |
| Utilities              | 2.7   |
| Communication Services | 1.9   |
| Cash & Other           | 3.5   |

### Russell Midcap Index



|                        |       |
|------------------------|-------|
| Financials             | 13.0% |
| Industrials            | 13.6  |
| Cons. Discretionary    | 11.9  |
| Consumer Staples       | 4.4   |
| Real Estate            | 9.3   |
| Info. Technology       | 17.9  |
| Energy                 | 4.0   |
| Materials              | 5.2   |
| Health Care            | 10.0  |
| Utilities              | 7.0   |
| Communication Services | 3.6   |
| Cash & Other           | 0.0   |

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

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

|                                       | SINCE<br>INCEPTION | 5-YR  | 3-YR  | 1-YR    | YTD     | 4Q18    |
|---------------------------------------|--------------------|-------|-------|---------|---------|---------|
| RETURNS AT NAV (WITHOUT SALES CHARGE) |                    |       |       |         |         |         |
| <b>Class I</b>                        | 5.01%              | 5.01% | 5.51% | -10.31% | -10.31% | -13.53% |
| BENCHMARK                             |                    |       |       |         |         |         |
| <b>Russell Midcap Index</b>           | 6.26               | 6.26  | 7.04  | -9.06   | -9.06   | -15.37  |
| <b>Russell Midcap Value Index</b>     | 5.44               | 5.44  | 6.06  | -12.29  | -12.29  | -14.95  |

## CALENDAR YEAR RETURNS (%)

|                                   | 2014  | 2015  | 2016  | 2017  | 2018   |
|-----------------------------------|-------|-------|-------|-------|--------|
| <b>Class I</b>                    | 7.91  | 0.74  | 18.56 | 10.47 | -10.31 |
| <b>Russell Midcap Index</b>       | 13.22 | -2.44 | 13.80 | 18.52 | -9.06  |
| <b>Russell Midcap Value Index</b> | 14.75 | -4.78 | 20.00 | 13.34 | -12.29 |

## FEES AND EXPENSES

|                                       | CLASS I   |
|---------------------------------------|-----------|
| <b>Ticker</b>                         | DHPIX     |
| <b>CUSIP</b>                          | 25264S619 |
| <b>Minimum Initial Investment</b>     | \$2,500   |
| <b>Maximum Front-End Sales Charge</b> | None      |
| <b>Management Fee</b>                 | 0.60%     |
| <b>Distribution Fee (12b-1)</b>       | None      |
| <b>Other Expenses</b>                 | 0.19%     |
| <b>Gross Expense Ratio</b>            | 0.79%     |
| <b>Net Expense Ratio<sup>4</sup></b>  | 0.78%     |

<sup>4</sup> 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.

## PORTFOLIO STATISTICS

|                                                |                   |
|------------------------------------------------|-------------------|
| <b>Inception</b>                               | December 31, 2013 |
| <b>Total Net Assets</b>                        | \$104M            |
| <b>Distributions</b>                           | Annual            |
| <b>Median Market Capitalization</b>            | \$7.3B            |
| <b>Portfolio Turnover (12 months trailing)</b> | 20%               |
| <b>Active Share<sup>5</sup></b>                | 93%               |
| <b>Number of Equity Holdings in Portfolio</b>  | 56                |

## SINCE INCEPTION RISK STATISTICS<sup>5</sup> (CLASS I SHARES)

|                                            |         |
|--------------------------------------------|---------|
| <b>Standard Deviation (%)</b>              | 11.04   |
| <b>Beta (%)</b>                            | 0.89    |
| <b>Sharpe Ratio</b>                        | 0.44    |
| <b>Alpha (%)</b>                           | -0.59   |
| <b>R-squared (%)</b>                       | 88.32   |
| <b>Upside / Downside Capture Ratio (%)</b> | 87 / 90 |

## MORNINGSTAR CLASSIFICATION

Mid-Cap Value

## LIPPER CLASSIFICATION

Mid-Cap Core

**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.

*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.

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.

<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. **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.

# Large Cap Fund

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

Long-term capital appreciation by investing in companies selling for less than our estimate of intrinsic value.

## 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.

## TEAM

|                                             |                                                       |
|---------------------------------------------|-------------------------------------------------------|
| Chuck Bath, CFA<br>Portfolio Manager        | Austin Hawley, CFA<br>Portfolio Manager               |
| Chris Welch, CFA<br>Asst. Portfolio Manager | Matthew Stadelman, CFA<br>Senior 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 large capitalization companies, defined as those companies with a market capitalization of \$5 billion or greater.

## TOP TEN EQUITY HOLDINGS

|                                 |                        |              |
|---------------------------------|------------------------|--------------|
| Abbott Laboratories             | Health Care            | 4.8%         |
| Citigroup, Inc.                 | Financials             | 4.2          |
| Alphabet, Inc. (CI A)           | Communication Services | 3.6          |
| Berkshire Hathaway, Inc. (CI B) | Financials             | 3.5          |
| MetLife, Inc.                   | Financials             | 3.2          |
| Pfizer, Inc.                    | Health Care            | 3.0          |
| Discover Financial Services     | Financials             | 3.0          |
| CVS Health Corp.                | Health Care            | 3.0          |
| Medtronic PLC                   | Health Care            | 3.0          |
| TJX Cos., Inc.                  | Cons. Discretionary    | 2.8          |
| <b>Total as % of Net Assets</b> |                        | <b>34.0%</b> |

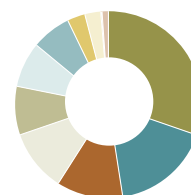
## BEST & WORST PERFORMERS<sup>2</sup>

| SECURITY NAME               | 4Q18<br>CONTRIBUTION | POSITION<br>AS OF 4Q18 |
|-----------------------------|----------------------|------------------------|
| <b>Best</b>                 |                      |                        |
| Procter & Gamble Co.        | 0.2%                 | 2.2%                   |
| NVR, Inc.                   | 0.0                  | 1.9                    |
| Kimberly-Clark Corp.        | 0.0                  | 1.8                    |
| Garrett Motion, Inc.        | 0.0                  | 0.0                    |
| Resideo Technologies, Inc.  | 0.0                  | 0.0                    |
| <b>Worst</b>                |                      |                        |
| Devon Energy Corp.          | -1.2%                | 1.7%                   |
| Citigroup, Inc.             | -1.2                 | 4.2                    |
| Cimarex Energy Co.          | -0.8                 | 1.7                    |
| Discover Financial Services | -0.8                 | 3.0                    |
| United Technologies Corp.   | -0.8                 | 2.8                    |

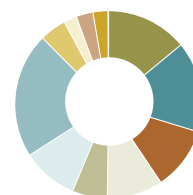
<sup>2</sup> The holdings identified do not represent all of the securities purchased, sold, or recommended for the adviser's clients. The reader should not assume that an investment in the securities identified was or will be profitable. To obtain the contribution calculation methodology and a complete 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.

## SECTOR ALLOCATION<sup>3</sup>

### Large Cap Fund



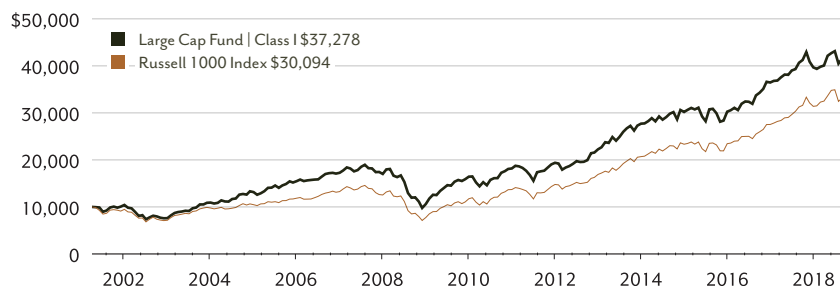
### Russell 1000 Index



|                        |       |                        |       |
|------------------------|-------|------------------------|-------|
| Financials             | 28.5% | Financials             | 13.5% |
| Health Care            | 16.7  | Health Care            | 15.0  |
| Cons. Discretionary    | 11.5  | Cons. Discretionary    | 10.7  |
| Communication Services | 10.8  | Communication Services | 9.6   |
| Consumer Staples       | 8.7   | Consumer Staples       | 6.4   |
| Industrials            | 8.2   | Industrials            | 9.6   |
| Info. Technology       | 7.3   | Info. Technology       | 20.3  |
| Energy                 | 3.9   | Energy                 | 5.1   |
| Materials              | 3.6   | Materials              | 3.0   |
| Real Estate            | 0.0   | Real Estate            | 3.6   |
| Utilities              | 0.0   | Utilities              | 3.3   |
| Cash & Other           | 0.9   | Cash & Other           | 0.0   |

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

## GROWTH OF \$10,000 SINCE INCEPTION<sup>1</sup>



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

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

|                                       | SINCE<br>INCEPTION | 10-YR  | 5-YR  | 3-YR  | 1-YR   | YTD    | 4Q18    |
|---------------------------------------|--------------------|--------|-------|-------|--------|--------|---------|
| RETURNS AT NAV (WITHOUT SALES CHARGE) |                    |        |       |       |        |        |         |
| <b>Class I</b>                        | 7.81%              | 11.97% | 6.47% | 7.61% | -9.63% | -9.63% | -13.56% |
| BENCHMARK                             |                    |        |       |       |        |        |         |
| <b>Russell 1000 Index</b>             | 6.50               | 13.28  | 8.21  | 9.09  | -4.78  | -4.78  | -13.82  |
| <b>Russell 1000 Value Index</b>       | 6.30               | 11.18  | 5.95  | 6.95  | -8.27  | -8.27  | -11.72  |

## CALENDAR YEAR RETURNS (%)

|                                 | 2009  | 2010  | 2011 | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  |
|---------------------------------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|
| <b>Class I</b>                  | 30.71 | 9.72  | 2.60 | 12.62 | 36.60 | 10.74 | -0.85 | 14.63 | 20.30 | -9.63 |
| <b>Russell 1000 Index</b>       | 28.43 | 16.10 | 1.50 | 16.42 | 33.11 | 13.24 | 0.92  | 12.05 | 21.69 | -4.78 |
| <b>Russell 1000 Value Index</b> | 19.69 | 15.51 | 0.39 | 17.51 | 32.53 | 13.45 | -3.83 | 17.34 | 13.66 | -8.27 |

## FEES AND EXPENSES

|                                       | CLASS I   |
|---------------------------------------|-----------|
| <b>Ticker</b>                         | DHLRX     |
| <b>CUSIP</b>                          | 25264S841 |
| <b>Minimum Initial Investment</b>     | \$2,500   |
| <b>Maximum Front-End Sales Charge</b> | None      |
| <b>Management Fee</b>                 | 0.50%     |
| <b>Distribution Fee (12b-1)</b>       | None      |
| <b>Other Expenses</b>                 | 0.17%     |
| <b>Expense Ratio</b>                  | 0.67%     |

## PORTFOLIO STATISTICS

|                                                |               |
|------------------------------------------------|---------------|
| <b>Inception</b>                               | June 29, 2001 |
| <b>Total Net Assets</b>                        | \$5.1B        |
| <b>Distributions</b>                           | Annual        |
| <b>Median Market Capitalization</b>            | \$53.9B       |
| <b>Portfolio Turnover (12 months trailing)</b> | 29%           |
| <b>Active Share<sup>4</sup></b>                | 79%           |
| <b>Number of Equity Holdings in Portfolio</b>  | 51            |

## SINCE INCEPTION RISK STATISTICS<sup>4</sup> (CLASS I SHARES)

|                                            |          |
|--------------------------------------------|----------|
| <b>Standard Deviation (%)</b>              | 14.45    |
| <b>Beta (%)</b>                            | 0.96     |
| <b>Sharpe Ratio</b>                        | 0.50     |
| <b>Alpha (%)</b>                           | 1.49     |
| <b>R-squared (%)</b>                       | 90.83    |
| <b>Upside / Downside Capture Ratio (%)</b> | 100 / 93 |

## MORNINGSTAR CLASSIFICATION

Large Value

## LIPPER CLASSIFICATION

Large-Cap Core

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

*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.

Fund holdings, sector allocations, and portfolio statistics 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.

<sup>4</sup> **Key Definitions:** **Active Share** measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the difference. **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.

# All Cap Select Fund

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

Long-term capital appreciation by investing in companies selling for less than our estimate of intrinsic value.

## 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.

## TEAM

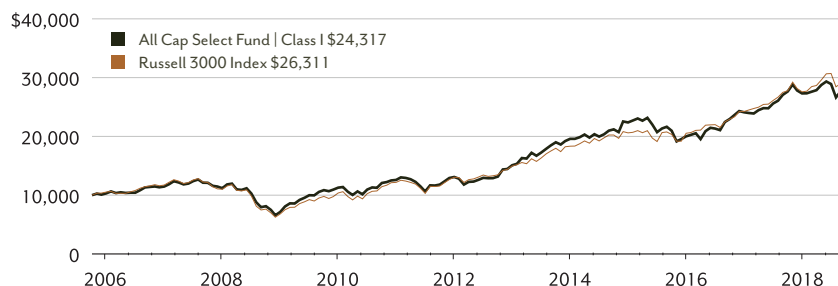


Austin Hawley, CFA  
Portfolio Manager



Rick Snowden, CFA  
Portfolio Manager

## GROWTH OF \$10,000 SINCE INCEPTION<sup>1</sup>



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

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## 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.

## TOP TEN EQUITY HOLDINGS

|                                                    |              |
|----------------------------------------------------|--------------|
| MetLife, Inc. Financials                           | 4.7%         |
| Berkshire Hathaway, Inc. (CI B) Financials         | 4.6          |
| Philip Morris International, Inc. Consumer Staples | 4.4          |
| Johnson Controls International PLC Industrials     | 4.1          |
| Alphabet, Inc. (CI A) Communication Services       | 4.1          |
| Red Rock Resorts, Inc. (CI A) Cons. Discretionary  | 4.1          |
| Bank OZK Financials                                | 3.9          |
| American International Group, Inc. Financials      | 3.8          |
| Liberty Media Corp. Communication Services         | 3.6          |
| Mr. Cooper Group, Inc. Financials                  | 3.6          |
| <b>Total as % of Net Assets</b>                    | <b>41.0%</b> |

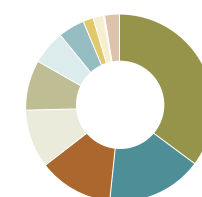
## BEST & WORST PERFORMERS<sup>2</sup>

| SECURITY NAME                 | 4Q18 CONTRIBUTION | POSITION AS OF 4Q18 |
|-------------------------------|-------------------|---------------------|
| <b>Best</b>                   |                   |                     |
| CubeSmart                     | 0.1%              | 0.0%                |
| NVR, Inc.                     | 0.1               | 2.3                 |
| Verisk Analytics, Inc.        | 0.0               | 0.0                 |
| Copa Holdings S.A. (CI A)     | 0.0               | 3.5                 |
| Abbott Laboratories           | 0.0               | 0.0                 |
| <b>Worst</b>                  |                   |                     |
| Bank OZK                      | -1.8%             | 3.9%                |
| Cimarex Energy Co.            | -1.1              | 3.0                 |
| Mr. Cooper Group, Inc.        | -1.0              | 3.6                 |
| Red Rock Resorts, Inc. (CI A) | -1.0              | 4.1                 |
| Brighthouse Financial, Inc.   | -0.9              | 2.4                 |

<sup>2</sup> Report includes equity securities only. 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](mailto:info@diamond-hill.com).

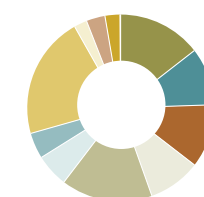
## SECTOR ALLOCATION<sup>3</sup>

### All Cap Select Fund



|                        |       |
|------------------------|-------|
| Financials             | 32.7% |
| Industrials            | 15.9  |
| Cons. Discretionary    | 12.6  |
| Communication Services | 10.1  |
| Health Care            | 8.8   |
| Consumer Staples       | 6.3   |
| Energy                 | 5.1   |
| Info. Technology       | 2.6   |
| Materials              | 2.6   |
| Real Estate            | 0.0   |
| Utilities              | 0.0   |
| Cash & Other           | 3.3   |

### Russell 3000 Index



|                        |       |
|------------------------|-------|
| Financials             | 13.9% |
| Industrials            | 9.9   |
| Cons. Discretionary    | 10.8  |
| Communication Services | 9.1   |
| Health Care            | 15.1  |
| Consumer Staples       | 6.1   |
| Energy                 | 5.0   |
| Info. Technology       | 19.9  |
| Materials              | 3.0   |
| Real Estate            | 3.9   |
| Utilities              | 3.3   |
| Cash & Other           | 0.0   |

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

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

|                                       | SINCE<br>INCEPTION | 10-YR  | 5-YR  | 3-YR  | 1-YR    | YTD     | 4Q18    |
|---------------------------------------|--------------------|--------|-------|-------|---------|---------|---------|
| RETURNS AT NAV (WITHOUT SALES CHARGE) |                    |        |       |       |         |         |         |
| <b>Class I</b>                        | 7.07%              | 11.59% | 5.06% | 5.09% | -12.02% | -12.02% | -15.89% |
| BENCHMARK                             |                    |        |       |       |         |         |         |
| <b>Russell 3000 Index</b>             | 7.72               | 13.18  | 7.91  | 8.97  | -5.24   | -5.24   | -14.30  |
| <b>Russell 3000 Value Index</b>       | 6.31               | 11.12  | 5.77  | 7.01  | -8.58   | -8.58   | -12.24  |

## CALENDAR YEAR RETURNS (%)

|                                 | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018   |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| <b>Class I</b>                  | 33.63 | 11.19 | -2.25 | 11.54 | 44.35 | 11.57 | -1.14 | 9.62  | 20.33 | -12.02 |
| <b>Russell 3000 Index</b>       | 28.34 | 16.93 | 1.03  | 16.42 | 33.55 | 12.56 | 0.48  | 12.74 | 21.13 | -5.24  |
| <b>Russell 3000 Value Index</b> | 19.76 | 16.23 | -0.10 | 17.55 | 32.69 | 12.70 | -4.13 | 18.40 | 13.19 | -8.58  |

## FEES AND EXPENSES

|                                       | CLASS I   |
|---------------------------------------|-----------|
| <b>Ticker</b>                         | DHLTX     |
| <b>CUSIP</b>                          | 25264S759 |
| <b>Minimum Initial Investment</b>     | \$2,500   |
| <b>Maximum Front-End Sales Charge</b> | None      |
| <b>Management Fee</b>                 | 0.70%     |
| <b>Distribution Fee (12b-1)</b>       | None      |
| <b>Other Expenses</b>                 | 0.18%     |
| <b>Gross Expense Ratio</b>            | 0.88%     |
| <b>Net Expense Ratio<sup>4</sup></b>  | 0.87%     |

<sup>4</sup> 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.

## PORTFOLIO STATISTICS

|                                                |                   |
|------------------------------------------------|-------------------|
| <b>Inception</b>                               | December 30, 2005 |
| <b>Total Net Assets</b>                        | \$196M            |
| <b>Distributions</b>                           | Annual            |
| <b>Median Market Capitalization</b>            | \$9.0B            |
| <b>Portfolio Turnover (12 months trailing)</b> | 84%               |
| <b>Active Share<sup>5</sup></b>                | 94%               |
| <b>Number of Equity Holdings in Portfolio</b>  | 31                |

## SINCE INCEPTION RISK STATISTICS<sup>5</sup> (CLASS I SHARES)

|                                            |         |
|--------------------------------------------|---------|
| <b>Standard Deviation (%)</b>              | 14.96   |
| <b>Beta (%)</b>                            | 0.96    |
| <b>Sharpe Ratio</b>                        | 0.46    |
| <b>Alpha (%)</b>                           | -0.29   |
| <b>R-squared (%)</b>                       | 89.01   |
| <b>Upside / Downside Capture Ratio (%)</b> | 95 / 97 |

## MORNINGSTAR CLASSIFICATION

Large Blend

## LIPPER CLASSIFICATION

Multi-Cap Core

**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 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.

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.

<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. **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.

# Global Fund

December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

Long-term capital appreciation by investing in companies selling for less than our estimate of intrinsic value.

## 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.

## TEAM



Grady Burkett, CFA  
Portfolio Manager



Rick Snowden, CFA  
Portfolio Manager

## PORTFOLIO GUIDELINES

### Fund Guidelines

- Typically 40-60 positions
- Maximum sector exposure is 35%
- Minimum U.S. exposure is 30%
- Minimum foreign exposure is 30%
- Maximum emerging market exposure is 20%

### Market Capitalization

The Fund typically invests in securities with a market cap of \$2.5 billion or greater.

## TOP TEN EQUITY HOLDINGS

|                                    |                  |              |
|------------------------------------|------------------|--------------|
| Howden Joinery Group PLC           | Industrials      | 3.8%         |
| MetLife, Inc.                      | Financials       | 3.4          |
| Berkshire Hathaway, Inc. (CI B)    | Financials       | 3.3          |
| GlaxoSmithKline PLC                | Health Care      | 3.3          |
| Philip Morris International, Inc.  | Consumer Staples | 3.0          |
| Copa Holdings S.A. (CIA)           | Industrials      | 3.0          |
| Bank OZK                           | Financials       | 2.8          |
| Samsung Electronics Co. Ltd.       | Info. Technology | 2.8          |
| American International Group, Inc. | Financials       | 2.7          |
| Credit Suisse Group AG             | Financials       | 2.7          |
| <b>Total as % of Net Assets</b>    |                  | <b>30.8%</b> |

## TOP FIVE COUNTRIES (%)

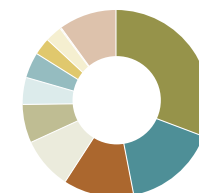
|                | GLOBAL FUND | MORNINGSTAR GLOBAL MARKETS INDEX |
|----------------|-------------|----------------------------------|
| United States  | 55.6%       | 52.4%                            |
| United Kingdom | 12.9        | 5.3                              |
| Switzerland    | 5.3         | 2.7                              |
| China          | 3.7         | 3.0                              |
| Germany        | 3.6         | 2.6                              |

## REGIONAL EXPOSURE (%)

|                      | GLOBAL FUND | MORNINGSTAR GLOBAL MARKETS INDEX |
|----------------------|-------------|----------------------------------|
| North America        | 55.6%       | 55.3%                            |
| Europe               | 27.9        | 20.6                             |
| Asia & Pacific       | 6.5         | 21.5                             |
| Latin America        | 0.0         | 1.5                              |
| Middle East & Africa | 0.0         | 1.1                              |

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

### Global Fund



|                        |       |
|------------------------|-------|
| Financials             | 28.7% |
| Industrials            | 15.6  |
| Cons. Discretionary    | 12.0  |
| Health Care            | 9.1   |
| Communication Services | 7.0   |
| Consumer Staples       | 5.2   |
| Info. Technology       | 5.0   |
| Materials              | 3.7   |
| Energy                 | 3.6   |
| Real Estate            | 0.0   |
| Utilities              | 0.0   |
| Cash & Other           | 10.0  |

### Morningstar Global Markets Index



|                        |       |
|------------------------|-------|
| Financials             | 17.0% |
| Industrials            | 11.5  |
| Cons. Discretionary    | 10.9  |
| Health Care            | 11.9  |
| Communication Services | 8.2   |
| Consumer Staples       | 7.7   |
| Info. Technology       | 14.2  |
| Materials              | 5.4   |
| Energy                 | 5.7   |
| Real Estate            | 4.1   |
| Utilities              | 3.4   |
| Cash & Other           | 0.0   |

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

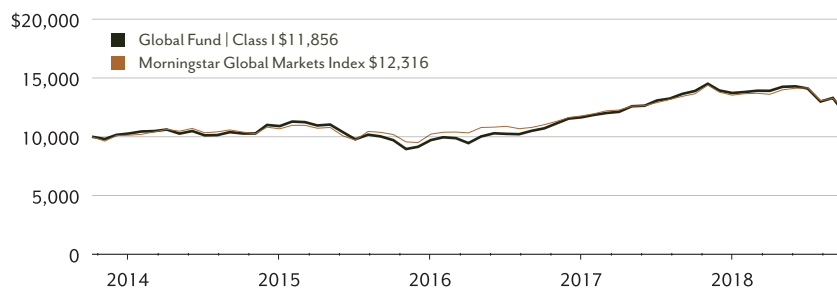
## MORNINGSTAR CLASSIFICATION

World Large Stock

## LIPPER CLASSIFICATION

Global Multi-Cap Value

## GROWTH OF \$10,000 SINCE INCEPTION<sup>1</sup>



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

*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](http://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.*

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

|                                         | SINCE<br>INCEPTION | 5-YR  | 3-YR  | 1-YR    | YTD     | 4Q18    |
|-----------------------------------------|--------------------|-------|-------|---------|---------|---------|
| RETURNS AT NAV (WITHOUT SALES CHARGE)   |                    |       |       |         |         |         |
| <b>Class I</b>                          | 3.46%              | 3.47% | 6.89% | -14.66% | -14.66% | -15.95% |
| BENCHMARK                               |                    |       |       |         |         |         |
| <b>Morningstar Global Markets Index</b> | 4.25               | 4.25  | 6.53  | -9.82   | -9.82   | -13.00  |

## CALENDAR YEAR RETURNS (%)

|                                         | 2014 | 2015  | 2016  | 2017  | 2018   |
|-----------------------------------------|------|-------|-------|-------|--------|
| <b>Class I</b>                          | 2.74 | -5.51 | 10.39 | 29.64 | -14.66 |
| <b>Morningstar Global Markets Index</b> | 4.00 | -2.04 | 8.22  | 23.87 | -9.82  |

## FEES AND EXPENSES

|                                         | CLASS I   |
|-----------------------------------------|-----------|
| <b>Ticker</b>                           | DHGIX     |
| <b>CUSIP</b>                            | 25264S478 |
| <b>Minimum Initial Investment</b>       | \$2,500   |
| <b>Maximum Front-End Sales Charge</b>   | None      |
| <b>Contingent Deferred Sales Charge</b> | None      |
| <b>Management Fee</b>                   | 0.70%     |
| <b>Distribution Fee (12b-1)</b>         | None      |
| <b>Other Expenses</b>                   | 0.22%     |
| <b>Total Expense Ratio</b>              | 0.92%     |

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

*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 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.

Fund holdings, sector allocations and portfolio statistics 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.

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<sup>3</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>4</sup> **Key Definitions:** **Active Share** measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the difference. **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.

## PORTFOLIO STATISTICS

|                                                |                   |
|------------------------------------------------|-------------------|
| <b>Inception</b>                               | December 31, 2013 |
| <b>Total Net Assets</b>                        | \$15M             |
| <b>Distributions</b>                           | Annual            |
| <b>Median Market Capitalization</b>            | \$21.3B           |
| <b>Portfolio Turnover (12 months trailing)</b> | N/A               |
| <b>Active Share<sup>4</sup></b>                | 96%               |
| <b>Number of Equity Holdings in Portfolio</b>  | 40                |

## SINCE INCEPTION RISK STATISTICS<sup>4</sup> (CLASS I SHARES)

|                                            |           |
|--------------------------------------------|-----------|
| <b>Standard Deviation (%)</b>              | 12.02     |
| <b>Beta (%)</b>                            | 1.02      |
| <b>Sharpe Ratio</b>                        | 0.29      |
| <b>Alpha (%)</b>                           | -0.71     |
| <b>R-squared (%)</b>                       | 84.77     |
| <b>Upside / Downside Capture Ratio (%)</b> | 102 / 109 |

## BEST & WORST PERFORMERS<sup>3</sup>

| SECURITY NAME                             | 4Q18<br>CONTRIBUTION | POSITION<br>AS OF 4Q18 |
|-------------------------------------------|----------------------|------------------------|
| <b>Best</b>                               |                      |                        |
| <b>American International Group, Inc.</b> | 0.1%                 | 2.7%                   |
| <b>Ashmore Group PLC</b>                  | 0.0                  | 2.4                    |
| <b>BT Group PLC</b>                       | 0.0                  | 1.4                    |
| <b>NVR, Inc.</b>                          | 0.0                  | 1.9                    |
| <b>Sanofi S.A.</b>                        | 0.0                  | 0.0                    |
| <b>Worst</b>                              |                      |                        |
| <b>Bank OZK</b>                           | -1.3%                | 2.8%                   |
| <b>Cimarex Energy Co.</b>                 | -1.0                 | 2.5                    |
| <b>Brighthouse Financial, Inc.</b>        | -0.9                 | 2.0                    |
| <b>Julius Baer Gruppe AG</b>              | -0.8                 | 2.6                    |
| <b>Credit Suisse Group AG</b>             | -0.8                 | 2.7                    |

# Long-Short Fund *(closed to new investors)*

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

Long-term capital appreciation by investing in companies selling for less than and shorting companies selling for more than our estimate of intrinsic value.

## INVESTMENT STRATEGY

- To estimate intrinsic value, the business must be understandable, and we must be able to reasonably forecast its cash flows. For long positions, we seek businesses with sustainable competitive advantages, conservative balance sheets, and management with an ownership mentality. The inverse is often true for our short positions.
- Seek to add value through stock selection on both long and short positions.
- The strategy maintains a long-bias; however the short positions reduce net exposure and therefore tend to reduce volatility compared to long-only funds.

## TEAM

**Chris Bingaman, CFA** Portfolio Manager  
**Jason Downey, CFA** Portfolio Manager  
**Chuck Bath, CFA** Asst. Portfolio Manager  
**Nate Palmer, CFA, CPA** Asst. Portfolio Manager

## PORTFOLIO GUIDELINES

### Fund Guidelines

- A long-biased fund with typically 40–60 long positions and 20–40 short positions
- Total long positions are generally between 80–100% of net assets
- Total short positions are generally between 10–40% of net assets

### Exposure Guidelines

- Maximum gross market exposure (long % + short %) = Up to 140%
- Target net market exposure (long % – short %) = 40–75%

### TOP FIVE LONG EQUITY HOLDINGS

|                                                      |      |
|------------------------------------------------------|------|
| <b>Citigroup, Inc.</b> Financials                    | 4.5% |
| <b>United Continental Holdings, Inc.</b> Industrials | 3.7  |
| <b>Alphabet, Inc. (CIA)</b> Communication Services   | 3.6  |
| <b>MetLife, Inc.</b> Financials                      | 3.5  |
| <b>Microsoft Corp.</b> Info. Technology              | 3.0  |

### TOP FIVE SHORT EQUITY HOLDINGS

|                                                         |        |
|---------------------------------------------------------|--------|
| <b>Consolidated Edison, Inc.</b> Utilities              | (2.1)% |
| <b>Cincinnati Financial Corp.</b> Financials            | (1.5)  |
| <b>W.W. Grainger, Inc.</b> Industrials                  | (1.4)  |
| <b>Grand Canyon Education, Inc.</b> Cons. Discretionary | (1.4)  |
| <b>Encompass Health Corp.</b> Health Care               | (1.1)  |

## BEST & WORST PERFORMERS<sup>3</sup>

| SECURITY NAME                    | 4Q18 CONTRIBUTION | POSITION AS OF 4Q18 |
|----------------------------------|-------------------|---------------------|
| <b>Best</b>                      |                   |                     |
| <b>Best Buy Co., Inc.</b>        | 0.4%              | (0.4)% Short        |
| <b>Core Laboratories N.V.</b>    | 0.4               | (0.5) Short         |
| <b>Stamps.com, Inc.</b>          | 0.3               | (0.8) Short         |
| <b>W.W. Grainger, Inc.</b>       | 0.3               | (1.4) Short         |
| <b>Encompass Health Corp.</b>    | 0.2               | (1.1) Short         |
| <b>Worst</b>                     |                   |                     |
| <b>Citigroup, Inc.</b>           | -1.3%             | 4.5% Long           |
| <b>Cimarex Energy Co.</b>        | -1.0              | 2.4 Long            |
| <b>Devon Energy Corp.</b>        | -0.7              | 1.3 Long            |
| <b>United Technologies Corp.</b> | -0.6              | 1.9 Long            |
| <b>Apple, Inc.</b>               | -0.6              | 1.8 Long            |

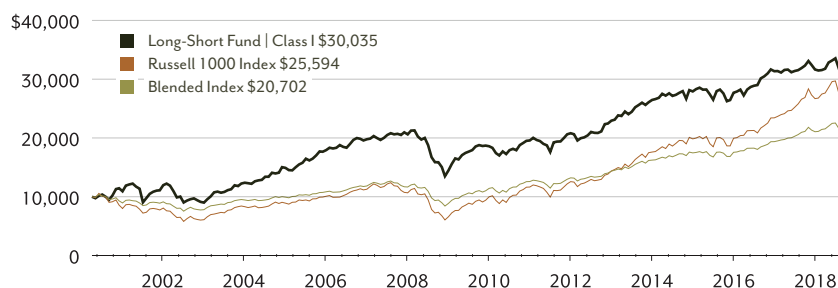
<sup>3</sup> The holdings identified do not represent all of the securities purchased, sold, or recommended for the adviser's clients. The reader should not assume that an investment in the securities identified was or will be profitable. To obtain the contribution calculation methodology and a complete 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.

## SECTOR ALLOCATION<sup>4</sup>

|                        | LONG PORTFOLIO | RUSSELL 1000 INDEX | SHORT PORTFOLIO |
|------------------------|----------------|--------------------|-----------------|
| Financials             | 27.6%          | 13.5%              | (3.5)%          |
| Industrials            | 14.9           | 9.6                | (1.7)           |
| Communication Services | 11.3           | 9.6                | 0.0             |
| Info. Technology       | 10.1           | 20.3               | (2.5)           |
| Health Care            | 9.5            | 15.0               | (3.1)           |
| Cons. Discretionary    | 5.5            | 10.7               | (5.4)           |
| Energy                 | 3.7            | 5.1                | (0.7)           |
| Materials              | 3.6            | 3.0                | (0.2)           |
| Consumer Staples       | 2.8            | 6.4                | (1.0)           |
| Real Estate            | 0.0            | 3.6                | 0.0             |
| Utilities              | 0.0            | 3.3                | (2.1)           |
| Cash & Other           | 11.1           | 0.0                | 0.0             |

<sup>4</sup> Cash & Other may include cash, treasuries, money market funds, and short duration fixed income funds.

## GROWTH OF \$10,000 SINCE INCEPTION<sup>1,2</sup>



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

<sup>2</sup> The Fund was long-only from inception through June 2002.

*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.*

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

|                                       | SINCE<br>INCEPTION | 10-YR | 5-YR  | 3-YR  | 1-YR   | YTD    | 4Q18    |
|---------------------------------------|--------------------|-------|-------|-------|--------|--------|---------|
| RETURNS AT NAV (WITHOUT SALES CHARGE) |                    |       |       |       |        |        |         |
| <b>Class I</b>                        | 6.12%              | 6.59% | 2.93% | 2.89% | -7.04% | -7.04% | -10.47% |
| BENCHMARK                             |                    |       |       |       |        |        |         |
| <b>Russell 1000 Index</b>             | 5.21               | 13.28 | 8.21  | 9.09  | -4.78  | -4.78  | -13.82  |
| <b>60%/40% Blended Index</b>          | 4.01               | 8.17  | 5.25  | 5.93  | -1.92  | -1.92  | -8.16   |

## CALENDAR YEAR RETURNS (%)

|                              | 2009  | 2010  | 2011 | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  |
|------------------------------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|
| <b>Class I</b>               | 18.39 | 0.03  | 3.29 | 8.77  | 23.19 | 7.55  | -1.40 | 10.55 | 5.99  | -7.04 |
| <b>Russell 1000 Index</b>    | 28.43 | 16.10 | 1.50 | 16.42 | 33.11 | 13.24 | 0.92  | 12.05 | 21.69 | -4.78 |
| <b>60%/40% Blended Index</b> | 16.98 | 9.90  | 1.22 | 9.75  | 18.93 | 7.86  | 0.75  | 7.32  | 12.92 | -1.92 |

## FEES AND EXPENSES

|                                         | CLASS I   |
|-----------------------------------------|-----------|
| <b>Ticker</b>                           | DHLSX     |
| <b>CUSIP</b>                            | 252645833 |
| <b>Minimum Initial Investment</b>       | \$2,500   |
| <b>Maximum Front-End Sales Charge</b>   | None      |
| <b>Contingent Deferred Sales Charge</b> | None      |
| <b>Management Fee</b>                   | 0.90%     |
| <b>Distribution Fee (12b-1)</b>         | None      |
| <b>Other Expenses</b>                   | 0.77%     |
| <b>Gross Expense Ratio</b>              | 1.67%     |
| <b>Net Expense Ratio<sup>5</sup></b>    | 1.66%     |

<sup>5</sup> 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 1.09% for Class I. 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.

## PORTFOLIO STATISTICS

|                                                            |                    |
|------------------------------------------------------------|--------------------|
| <b>Inception</b>                                           | June 30, 2000      |
| <b>Total Net Assets</b>                                    | \$3.6B             |
| <b>Distributions</b>                                       | Annual             |
| <b>Median Market Capitalization —</b>                      |                    |
| <b>Long / (Short)</b>                                      | \$28.4B / (\$6.2B) |
| <b>Portfolio Turnover (12 months trailing)<sup>6</sup></b> | 52%                |
| <b>Number of Long / (Short)</b>                            |                    |
| <b>Holdings in Portfolio</b>                               | 52 / (30)          |
| <b>Long / (Short) Holdings</b>                             |                    |
| <b>(% of Net Assets)</b>                                   | 88.9% / (20.3)%    |
| <b>Gross Exposure (Long + Short)</b>                       | 109%               |
| <b>Net Exposure (Long – Short)</b>                         | 69%                |

<sup>6</sup> This calculation is the lesser of long buys plus short sales or long sales plus short covers divided by the average gross value of portfolio securities excluding cash equivalents.

## SINCE INCEPTION RISK STATISTICS<sup>7</sup> (CLASS I SHARES)

|                                            |         |
|--------------------------------------------|---------|
| <b>Standard Deviation (%)</b>              | 12.72   |
| <b>Beta (%)</b>                            | 0.67    |
| <b>Sharpe Ratio</b>                        | 0.41    |
| <b>Alpha (%)</b>                           | 2.10    |
| <b>R-squared (%)</b>                       | 61.38   |
| <b>Upside / Downside Capture Ratio (%)</b> | 74 / 63 |

## MORNINGSTAR CLASSIFICATION

Long-Short Equity

## LIPPER CLASSIFICATION

Alternative Long/Short Equity

**Risk Disclosure:** The Fund uses short selling which incurs significant additional risk. Theoretically, stocks sold short have the risk of unlimited losses. Overall equity market risks may affect the value of the fund.

*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.

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

<sup>7</sup> **Risk Statistic Definitions:** **Standard Deviation** measures the volatility of the Fund's returns. **Beta** measures the Fund's sensitivity to market movements. **Sharpe Ratio** uses the Fund's standard deviation and average excess return over the risk-free rate to determine reward per unit of risk. **Alpha** measures excess return relative to the market that is attributable to active portfolio management. **R-squared** represents the percentage of the portfolio's movements that can be explained by general market movements. **Upside / Downside Capture Ratio** measures a manager's ability to generate excess return above the benchmark return in up markets and retain more of the excess return in down markets. Statistics for periods less than one year are not annualized. Risk statistics are relative to the Russell 1000 Index.

# Financial Long-Short Fund

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

Long-term capital appreciation by investing in financial services companies selling for less than and shorting companies selling for more than our estimate of intrinsic value.

## PORTFOLIO GUIDELINES

### Fund Guidelines

- A long-biased fund with typically 30–50 long positions and 5–25 short positions
- Total long positions are generally between 80–100% of net assets
- Total short positions are generally between 5–25% of net assets
- Flexible mandate allows for international equities up to 20% (effective May 1, 2018)

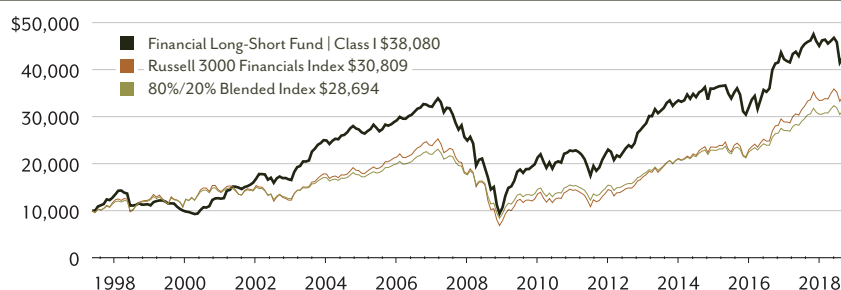
### Exposure Guidelines

- Maximum gross market exposure (long % + short %) = Up to 125%
- Target net market exposure (long % – short %) = 60–100%

## TEAM

|                                              |                                                   |
|----------------------------------------------|---------------------------------------------------|
| <b>Josh Barber, CFA</b><br>Portfolio Manager | <b>Krishna Mohanraj, CFA</b><br>Portfolio Manager |
| <b>John Loesch, CFA</b><br>Portfolio Manager | <b>Tyler Ventura, CFA</b><br>Portfolio Manager    |

## GROWTH OF \$10,000 SINCE INCEPTION<sup>1,2</sup>



## INVESTMENT STRATEGY

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

## TOP FIVE LONG EQUITY HOLDINGS

|                                                                          |      |
|--------------------------------------------------------------------------|------|
| <b>Berkshire Hathaway, Inc. (CI B)</b><br>Diversified Financial Services | 6.9% |
| <b>Mr. Cooper Group, Inc.</b><br>Banks, Thrifts & Mortgage Finance       | 5.7  |
| <b>MetLife, Inc.</b> Insurance                                           | 5.5  |
| <b>Discover Financial Services</b><br>Consumer Financial Services        | 5.0  |
| <b>Loews Corp.</b> Insurance                                             | 4.9  |

## TOP FIVE SHORT EQUITY HOLDINGS

|                                                                       |        |
|-----------------------------------------------------------------------|--------|
| <b>Westamerica Bancorp</b><br>Banks, Thrifts & Mortgage Finance       | (3.0)% |
| <b>Cincinnati Financial Corp.</b> Insurance                           | (2.2)  |
| <b>Western Union Co.</b> IT Services                                  | (1.8)  |
| <b>Commerce Bancshares, Inc.</b><br>Banks, Thrifts & Mortgage Finance | (1.1)  |
| <b>Selective Insurance Group, Inc.</b> Insurance                      | (1.0)  |

## BEST & WORST PERFORMERS<sup>3</sup>

| SECURITY NAME                      | 4Q18 CONTRIBUTION | POSITION AS OF 4Q18 |
|------------------------------------|-------------------|---------------------|
| <b>Best</b>                        |                   |                     |
| <b>Westamerica Bancorp</b>         | 0.2%              | (3.0)% Short        |
| <b>Western Union Co.</b>           | 0.2               | (1.8) Short         |
| <b>RenaissanceRe Holdings Ltd.</b> | 0.1               | 1.8 Long            |
| <b>Willis Towers Watson PLC</b>    | 0.1               | 0.0 Long            |
| <b>Commerce Bancshares, Inc.</b>   | 0.1               | (1.1) Short         |
| <b>Worst</b>                       |                   |                     |
| <b>Mr. Cooper Group, Inc.</b>      | -1.9%             | 5.7% Long           |
| <b>SVB Financial Group</b>         | -1.8              | 3.9 Long            |
| <b>Bank OZK</b>                    | -1.5              | 3.8 Long            |
| <b>Discover Financial Services</b> | -1.2              | 5.0 Long            |
| <b>First Data Corp. (CI A)</b>     | -0.9              | 2.9 Long            |

<sup>3</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.

## INDUSTRY ALLOCATION<sup>4</sup>

|                                   | LONG PORTFOLIO | RUSSELL 3000 FINANCIALS INDEX | SHORT PORTFOLIO |
|-----------------------------------|----------------|-------------------------------|-----------------|
| Banks, Thrifts & Mortgage Finance | 36.6%          | 28.9%                         | (5.1)%          |
| Insurance                         | 21.4           | 12.7                          | (3.2)           |
| REITs & Real Estate Management    | 12.7           | 20.0                          | (3.8)           |
| Capital Markets                   | 9.2            | 12.6                          | 0.0             |
| Diversified Financial Services    | 6.9            | 7.9                           | 0.0             |
| Consumer Financial Services       | 6.0            | 3.4                           | 0.0             |
| IT Services                       | 4.4            | 14.5                          | (1.8)           |
| Cash & Other                      | 2.7            | 0.0                           | 0.0             |

<sup>4</sup> Cash & Other may include cash, treasuries, money market funds, and short duration fixed income funds.

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

<sup>2</sup> The Fund was long-only from inception through April 2006.

*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.*

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

|                                       | SINCE<br>INCEPTION <sup>5</sup> | 10-YR | 5-YR  | 3-YR  | 1-YR    | YTD     | 4Q18    |
|---------------------------------------|---------------------------------|-------|-------|-------|---------|---------|---------|
| RETURNS AT NAV (WITHOUT SALES CHARGE) |                                 |       |       |       |         |         |         |
| <b>Class I</b>                        | 6.44%                           | 9.73% | 2.62% | 3.17% | -17.60% | -17.60% | -16.96% |
| BENCHMARK                             |                                 |       |       |       |         |         |         |
| <b>Russell 3000 Financials Index</b>  | 5.39                            | 11.45 | 8.29  | 9.05  | -8.35   | -8.35   | -12.50  |
| <b>80%/20% Blended Index</b>          | 5.05                            | 9.47  | 6.84  | 7.54  | -6.24   | -6.24   | -9.91   |

## CALENDAR YEAR RETURNS (%)

|                                      | 2009  | 2010  | 2011   | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018   |
|--------------------------------------|-------|-------|--------|-------|-------|-------|-------|-------|-------|--------|
| <b>Class I</b>                       | 25.31 | 17.29 | -13.21 | 26.94 | 37.33 | 8.42  | -4.40 | 19.10 | 11.90 | -17.60 |
| <b>Russell 3000 Financials Index</b> | 17.61 | 12.59 | -11.91 | 26.58 | 34.46 | 14.06 | 0.68  | 17.96 | 19.95 | -8.35  |
| <b>80%/20% Blended Index</b>         | 15.49 | 10.37 | -9.33  | 20.99 | 26.91 | 11.18 | 0.68  | 14.42 | 15.92 | -6.24  |

## FEEES AND EXPENSES

|                                         | CLASS I   |
|-----------------------------------------|-----------|
| <b>Ticker</b>                           | DHFSX     |
| <b>CUSIP</b>                            | 252645825 |
| <b>Minimum Initial Investment</b>       | \$2,500   |
| <b>Maximum Front-End Sales Charge</b>   | None      |
| <b>Contingent Deferred Sales Charge</b> | None      |
| <b>Management Fee</b>                   | 0.95%     |
| <b>Distribution Fee (12b-1)</b>         | None      |
| <b>Other Expenses</b>                   | 0.62%     |
| <b>Expense Ratio<sup>5</sup></b>        | 1.57%     |

<sup>5</sup> 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.

## PORTFOLIO STATISTICS

|                                                            |                   |
|------------------------------------------------------------|-------------------|
| <b>Inception</b>                                           | August 1, 1997    |
| <b>Total Net Assets</b>                                    | \$24M             |
| <b>Distributions</b>                                       | Annual            |
| <b>Median Market Capitalization — Long / (Short)</b>       | \$7.7B / (\$3.3B) |
| <b>Portfolio Turnover (12 months trailing)<sup>6</sup></b> | 35%               |
| <b>Number of Long / (Short)</b>                            |                   |
| <b>Holdings in Portfolio</b>                               | 39 / (15)         |
| <b>Long / (Short) Holdings (% of Net Assets)</b>           | 97.3% / (13.8)%   |
| <b>Gross Exposure (Long + Short)</b>                       | 111%              |
| <b>Net Exposure (Long – Short)</b>                         | 83%               |

<sup>6</sup> This calculation is the lesser of long buys plus short sales or long sales plus short covers divided by the average gross value of portfolio securities excluding cash equivalents.

## SINCE INCEPTION RISK STATISTICS<sup>7</sup> (CLASS I SHARES)

|                                            |         |
|--------------------------------------------|---------|
| <b>Standard Deviation (%)</b>              | 18.41   |
| <b>Beta (%)</b>                            | 0.82    |
| <b>Sharpe Ratio</b>                        | 0.33    |
| <b>Alpha (%)</b>                           | 1.58    |
| <b>R-squared (%)</b>                       | 74.17   |
| <b>Upside / Downside Capture Ratio (%)</b> | 85 / 78 |

## PORTFOLIO BREAKDOWN

|                        | NET EXPOSURE |
|------------------------|--------------|
| <b>U.S. Stocks</b>     | 77.5%        |
| <b>Non-U.S. Stocks</b> | 6.0          |

## MORNINGSTAR CLASSIFICATION

Financial

## LIPPER CLASSIFICATION

Financial Services

**Risk Disclosure:** The Fund uses short selling which incurs significant additional risk. Theoretically, stocks sold short have the risk of unlimited losses. There are specialized risks associated with small capitalization issues, such as market illiquidity and greater market volatility, than large capitalization issues. Investing in non-U.S. securities may entail risk due to foreign economic and political developments; this risk may be higher when investing in emerging markets. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns.

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

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.

Fund holdings, industry allocations, and portfolio statistics 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 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 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. These indexes do not incur fees and expenses (which would lower returns) and are not available for direct investment.

<sup>7</sup> **Risk Statistic Definitions:** **Standard Deviation** measures the volatility of the Fund's returns. **Beta** measures the Fund's sensitivity to market movements. **Sharpe Ratio** uses the Fund's standard deviation and average excess return over the risk-free rate to determine reward per unit of risk. **Alpha** measures excess return relative to the market that is attributable to active portfolio management. **R-squared** represents the percentage of the portfolio's movements that can be explained by general market movements. **Upside / Downside Capture Ratio** measures a manager's ability to generate excess return above the benchmark return in up markets and retain more of the excess return in down markets. Since inception risk statistics are calculated using monthly returns beginning on the first day of the Fund's first full month of performance. Statistics for periods less than one year are not annualized. Risk statistics are relative to the Russell 3000 Financials Index.

# Research Opportunities Fund

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

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

## INVESTMENT STRATEGY

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

## TEAM

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

## PORTFOLIO GUIDELINES

### Fund Guidelines

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

### Exposure Guidelines

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

## TOP TEN EXPOSURES

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

## BEST & WORST PERFORMERS<sup>2</sup>

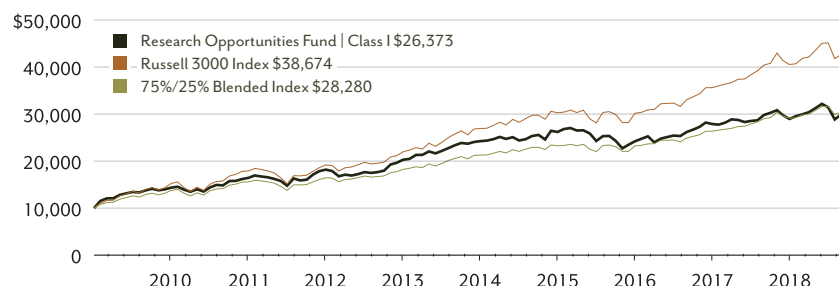
| SECURITY NAME                        | 4Q18 CONTRIBUTION | POSITION AS OF 4Q18 |
|--------------------------------------|-------------------|---------------------|
| <b>Best</b>                          |                   |                     |
| <b>Stamps.com, Inc.</b>              | 0.4%      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

<sup>2</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.

## SECTOR ALLOCATION<sup>3</sup>

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

## GROWTH OF \$10,000 SINCE INCEPTION<sup>1</sup>



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

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

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

The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates ("ICE Data") and/or its third party suppliers and has been licensed for use by Diamond Hill Capital Management, Inc. ICE Data and its third party suppliers accept no liability in connection with its use. See diamond-hill.com for a full copy of the disclaimer. ICE Data was not involved in the creation of the blended index.

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

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

## CALENDAR YEAR RETURNS (%)

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

## FEES AND EXPENSES

|                                         | CLASS I   |
|-----------------------------------------|-----------|
| <b>Ticker</b>                           | DROIX     |
| <b>CUSIP</b>                            | 252645726 |
| <b>Minimum Initial Investment</b>       | \$2,500   |
| <b>Maximum Front-End Sales Charge</b>   | None      |
| <b>Contingent Deferred Sales Charge</b> | None      |
| <b>Management Fee</b>                   | 0.95%     |
| <b>Distribution Fee (12b-1)</b>         | None      |
| <b>Other Expenses</b>                   | 0.56%     |
| <b>Expense Ratio<sup>4</sup></b>        | 1.51%     |

<sup>4</sup> Includes dividend expense relating to short sales. If dividend expenses relating to short sales were excluded, the Expense Ratio for the Research Opportunities Fund would have been 1.12% for Class I.

## PORTFOLIO STATISTICS

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

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

## SINCE INCEPTION RISK STATISTICS<sup>6</sup> (CLASS I SHARES)

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

## PORTFOLIO BREAKDOWN

|                        | NET EXPOSURE |
|------------------------|--------------|
| <b>U.S. Stocks</b>     | 69.5%        |
| <b>Non-U.S. Stocks</b> | 15.3         |

## MORNINGSTAR CLASSIFICATION

Long-Short Equity

## LIPPER CLASSIFICATION

Alternative Long/Short Equity

**Risk Disclosure:** The Fund uses short selling which incurs significant additional risk. Theoretically, stocks sold short have the risk of unlimited losses. There are specialized risks associated with small capitalization issues, such as market illiquidity and greater market volatility, than large capitalization issues. Investing in non-U.S. securities may entail risk due to foreign economic and political developments; this risk may be higher when investing in emerging markets. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns.

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

The quoted performance for the Fund reflects the past performance of Diamond Hill Research Partners, L.P. (the "Research Partnership"), a private fund managed with full investment authority by the fund's Adviser. The Fund is managed in all material respects in a manner equivalent to the management of the predecessor unregistered fund. The assets of the Research Partnership were converted into assets of the fund prior to commencement of operation of the fund. The performance of the Research Partnership has been restated to reflect the net expenses and maximum applicable sales charge of the fund for its initial years of investment operations. The Research Partnership was not registered under the Investment Company Act of 1940 and therefore was not subject to certain investment restrictions imposed by the 1940 Act. If the Research Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Performance is measured from March 31, 2009, the inception of the Research Partnership and is not the performance of the fund. The assets of the Research Partnership were converted, based on their value on December 30, 2011, into assets of the fund prior to commencement of operations of the fund. The Research Partnership's past performance is not necessarily an indication of how the fund will perform in the future either before or after taxes. Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized.

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

The Russell 3000 Index is an unmanaged market capitalization-weighted index comprised of the 3,000 largest U.S. companies by total market capitalization. The blended index represents a 75% weighting of the Russell 3000 Index and a 25% weighting of the ICE BofAML U.S. T-Bill 0-3 Month Index. The ICE BofAML U.S. T-Bill 0-3 Month Index is comprised of U.S. dollar denominated U.S. Treasury Bills with a term to maturity of less than 3 months. These indexes do not incur fees and expenses (which would lower the return) and is not available for direct investment.

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

# Short Duration Total Return Fund

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

Maximize total return consistent with the preservation of capital by investing in high, medium and low-grade fixed income securities.

## INVESTMENT STRATEGY

- Identify opportunities with a bottom-up intrinsic value-focused approach to active investment management and disciplined risk control.
- Perform risk/reward analysis to evaluate credit risk, interest rate risk, prepayment risk, and security structure.
- Invest in securities we believe offer attractive prospects for income and/or capital appreciation relative to the risk borne. May invest in non-benchmark sectors, specifically structured product, to generate additional yield with a strong focus on security selection.

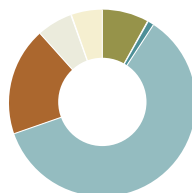
## PORTFOLIO GUIDELINES

### Fund Guidelines

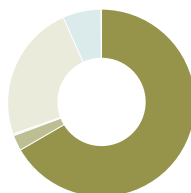
The Fund generally invests at least 80% of its assets in a diversified portfolio of investment grade, fixed income securities and may invest a significant portion or all of its assets in asset-backed, mortgage-related, and mortgage-backed securities. The Fund may invest up to 20% of its assets in below-investment grade securities at the time of purchase and will typically maintain an average portfolio duration of less than three.

## SECTOR ALLOCATION

Short Duration Total Return Fund



Bloomberg Barclays U.S. 1-3 Yr. Gov./Credit Index



|                                   |      |                                   |       |
|-----------------------------------|------|-----------------------------------|-------|
| Treasury                          | 8.6% | Treasury                          | 65.2% |
| Agency                            | 0.0  | Agency                            | 3.6   |
| Agency RMBS/CMBS <sup>1</sup>     | 1.9  | Agency RMBS/CMBS <sup>1</sup>     | 0.0   |
| Asset-Backed Securities           | 58.0 | Asset-Backed Securities           | 0.0   |
| Non-Agency RMBS/CMBS <sup>1</sup> | 18.6 | Non-Agency RMBS/CMBS <sup>1</sup> | 0.0   |
| Corporate Credit                  | 6.8  | Corporate Credit                  | 23.8  |
| Non-Corporate Credit              | 0.0  | Non-Corporate Credit              | 7.4   |
| Cash & Other <sup>2</sup>         | 6.1  | Cash & Other <sup>2</sup>         | 0.0   |

## TEAM



Henry Song, CFA  
Portfolio Manager



Mark Jackson, CFA  
Portfolio Manager



Douglas Gimple  
Senior Portfolio Specialist

## DURATION BREAKDOWN

|             | SHORT DURATION<br>TOTAL RETURN<br>FUND | BLOOMBERG<br>BARCLAYS U.S. 1-3 YR.<br>GOV./CREDIT INDEX |
|-------------|----------------------------------------|---------------------------------------------------------|
| Less than 1 | 49.4%                                  | 0.8%                                                    |
| 1-3         | 39.5                                   | 99.2                                                    |
| 3-5         | 10.2                                   | 0.0                                                     |
| 5-7         | 0.5                                    | 0.0                                                     |
| 7-10        | 0.0                                    | 0.0                                                     |
| 10-20       | 0.2                                    | 0.0                                                     |
| 20+         | 0.3                                    | 0.0                                                     |

## CREDIT QUALITY<sup>3</sup>

| QUALITY RATING | % OF PORTFOLIO |
|----------------|----------------|
| AAA            | 24.6%          |
| AA             | 6.7            |
| A              | 19.5           |
| BBB            | 33.1           |
| BB             | 8.7            |
| B              | 2.3            |
| CCC & Lower    | 0.7            |
| Not Rated      | 4.5            |

## MORNINGSTAR CLASSIFICATION

Short-Term Bond

## LIPPER CLASSIFICATION

Short Investment Grade Debt

<sup>1</sup> Residential Mortgage-Backed Securities/Commercial Mortgage-Backed Securities.

<sup>2</sup> Cash & Other may include cash and money market funds.

<sup>3</sup> Security quality ratings are derived from underlying portfolio securities by using the middle rating of Standard & Poor's, Moody's, and Fitch. If only two of Standard & Poor's, Moody's, and Fitch rates a security the higher of the two is selected. If only one of Standard & Poor's, Moody's, and Fitch rates a security the available rating is used. For securities that are not rated by Standard & Poor's, Moody's, or Fitch a rating from a secondary Nationally Recognized Statistical Rating Organization ("NRSRO") may be used. Ratings by any agency represent an opinion only, not a recommendation to buy or sell. Securities that are not rated by any agencies are reflected as Not Rated "NR."

*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](http://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.*

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

|                                                          | SINCE<br>INCEPTION | 1-YR  | YTD   | 4Q18  |
|----------------------------------------------------------|--------------------|-------|-------|-------|
| RETURNS AT NAV (WITHOUT SALES CHARGE)                    |                    |       |       |       |
| <b>Class I</b>                                           | 3.52%              | 3.18% | 3.18% | 0.83% |
| BENCHMARK                                                |                    |       |       |       |
| <b>Bloomberg Barclays U.S. 1-3 Yr. Gov./Credit Index</b> | 0.80               | 1.60  | 1.60  | 1.18  |

## CALENDAR YEAR RETURNS (%)

|                                                          | 2017 | 2018 |
|----------------------------------------------------------|------|------|
| <b>Class I</b>                                           | 4.33 | 3.18 |
| <b>Bloomberg Barclays U.S. 1-3 Yr. Gov./Credit Index</b> | 0.84 | 1.60 |

## FEES AND EXPENSES

|                                       | CLASS I   |
|---------------------------------------|-----------|
| <b>Ticker</b>                         | DHEIX     |
| <b>CUSIP</b>                          | 252645544 |
| <b>Minimum Initial Investment</b>     | \$2,500   |
| <b>Maximum Front-End Sales Charge</b> | None      |
| <b>Management Fee</b>                 | 0.35%     |
| <b>Distribution Fee (12b-1)</b>       | None      |
| <b>Other Expenses</b>                 | 0.17%     |
| <b>Expense Ratio</b>                  | 0.52%     |

## PORTFOLIO CHARACTERISTICS

|                                                |              |
|------------------------------------------------|--------------|
| <b>Inception</b>                               | July 5, 2016 |
| <b>Total Net Assets</b>                        | \$579M       |
| <b>Distributions</b>                           | Monthly      |
| <b>Portfolio Turnover (12 months trailing)</b> | 67%          |
| <b>30-day SEC Yield</b>                        |              |
| Class I                                        | 3.94%        |

## PORTFOLIO STATISTICS<sup>4</sup>

|                               | SHORT DURATION<br>TOTAL RETURN<br>FUND | BLOOMBERG<br>BARCLAYS U.S. 1-3<br>YR. GOV./CREDIT<br>INDEX |
|-------------------------------|----------------------------------------|------------------------------------------------------------|
| <b>Number of Holdings</b>     | 312                                    | 1,576                                                      |
| <b>Effective Duration</b>     | 1.40                                   | 1.90                                                       |
| <b>Weighted Average Life</b>  | 1.71                                   | 1.98                                                       |
| <b>Convexity</b>              | 0.02                                   | 0.04                                                       |
| <b>Option-Adjusted Spread</b> | 189                                    | 22                                                         |

## SINCE INCEPTION RISK STATISTICS<sup>5</sup> (CLASS I SHARES)

|                               | SHORT DURATION<br>TOTAL RETURN<br>FUND | BLOOMBERG<br>BARCLAYS U.S. 1-3<br>YR. GOV./CREDIT<br>INDEX |
|-------------------------------|----------------------------------------|------------------------------------------------------------|
| <b>Standard Deviation (%)</b> | 0.63                                   | 0.78                                                       |
| <b>Sharpe Ratio</b>           | 3.10                                   | -0.61                                                      |
| <b>Beta (%)</b>               | 0.62                                   | N/A                                                        |
| <b>R-squared (%)</b>          | 48.89                                  | N/A                                                        |
| <b>Information Ratio</b>      | 4.61                                   | N/A                                                        |

**Risk Disclosure:** The value of fixed-income securities varies inversely with interest rates; as interest rates rise, the market value of fixed-income securities will decline. Lower quality debt (ie: "High Yield") securities involve greater risk of default or price changes due to potential changes in the issuer's credit quality. The value of investments in mortgage-related and asset-backed securities will be influenced by the factors affecting the housing market and the assets underlying such securities. The securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid. They are also subject to prepayment risk, which occurs when mortgage holders refinance or otherwise repay their loans sooner than expected, creating an early return of principal to holders of the loans.

*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.

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

The Bloomberg Barclays U.S. 1-3 Yr. Gov./Credit Index is an unmanaged index of investment grade government and corporate bonds with maturities of one to three years. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

Analytics provided by The Yield Book® Software.

<sup>4</sup> **Portfolio Statistics Definitions:** **Effective Duration** measures the interest rate risk of the Fund. It is an estimate of the approximate percentage change in the Fund's net asset value resulting from a one percentage point change in interest rates. **Weighted Average Life** is the average number of years each dollar of unpaid principal remains outstanding. **Convexity** is an estimate of the approximate change in the Fund's effective duration resulting from a one percentage point change in interest rates. **Option-Adjusted Spread** is the difference between the portfolio yield and the risk-free rate, accounting for embedded options. Source: The Yield Book.

<sup>5</sup> **Risk Statistic Definitions:** **Standard Deviation** measures the volatility of the Fund's returns. **Sharpe Ratio** uses the Fund's standard deviation and average excess return over the risk-free rate to determine reward per unit of risk. **Beta** measures the Fund's sensitivity to market movements. **R-squared** represents the percentage of the portfolio's movements that can be explained by general market movements. **Information Ratio** uses the Fund's standard deviation and excess return over a benchmark to determine excess return per unit of risk. Statistics for less than one year are not annualized. Since inception risk statistics are calculated using monthly returns beginning on the first day of the Fund's first full month of performance.

# Core Bond Fund

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

Maximize total return consistent with the preservation of capital by investing in a diversified portfolio of intermediate and long-term fixed income securities.

## INVESTMENT STRATEGY

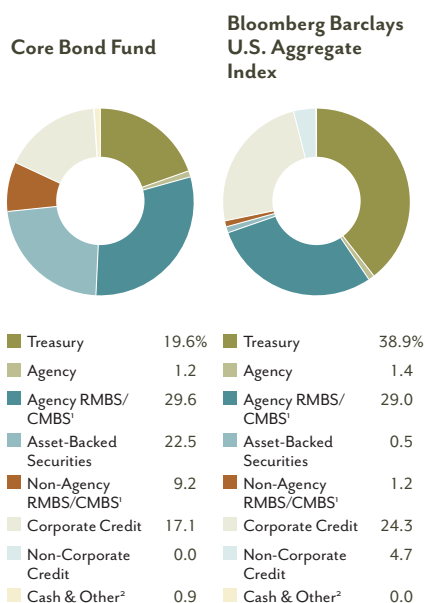
- Identify opportunities with a bottom-up, intrinsic value-focused approach to active investment management and disciplined risk control.
- Perform risk/reward analysis to evaluate credit risk, interest rate risk, prepayment risk, and security structure.
- Invest in securities we believe offer attractive prospects for income and/or capital appreciation relative to the risk borne.

## PORTFOLIO GUIDELINES

### Fund Guidelines

The Fund generally invests at least 80% of its assets in a diversified portfolio of investment grade, fixed income securities and may invest a significant portion or all of its assets in mortgage-related and mortgage-backed securities. The Fund will typically maintain an average portfolio duration within 20% of the duration of the Bloomberg Barclays U.S. Aggregate Index.

### SECTOR ALLOCATION



## TEAM



Henry Song, CFA  
Portfolio Manager



Mark Jackson, CFA  
Portfolio Manager



Douglas Gimple  
Senior Portfolio Specialist

## DURATION BREAKDOWN

|             | CORE BOND FUND | BLOOMBERG BARCLAYS U.S. AGGREGATE INDEX |
|-------------|----------------|-----------------------------------------|
| Less than 1 | 17.1%          | 0.2%                                    |
| 1-3         | 18.1           | 25.1                                    |
| 3-5         | 20.1           | 38.3                                    |
| 5-7         | 19.0           | 14.8                                    |
| 7-10        | 10.4           | 7.2                                     |
| 10-20       | 14.5           | 14.4                                    |
| 20+         | 0.9            | 0.0                                     |

## CREDIT QUALITY<sup>3</sup>

| QUALITY RATING | % OF PORTFOLIO |
|----------------|----------------|
| AAA            | 59.0%          |
| AA             | 4.8            |
| A              | 15.7           |
| BBB            | 19.8           |
| BB             | 0.1            |
| Not Rated      | 0.7            |

## MORNINGSTAR CLASSIFICATION

Intermediate-Term Bond

## LIPPER CLASSIFICATION

Core Bond

<sup>1</sup> Residential Mortgage-Backed Securities/Commercial Mortgage-Backed Securities.

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

<sup>3</sup> Security quality ratings are derived from underlying portfolio securities by using the middle rating of Standard & Poor's, Moody's, and Fitch. If only two of Standard & Poor's, Moody's, and Fitch rates a security the higher of the two is selected. If only one of Standard & Poor's, Moody's, and Fitch rates a security the available rating is used. For securities that are not rated by Standard & Poor's, Moody's, or Fitch a rating from a secondary Nationally Recognized Statistical Rating Organization ("NRSRO") may be used. Ratings by any agency represent an opinion only, not a recommendation to buy or sell. Securities that are not rated by any agencies are reflected as Not Rated "NR."

*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](http://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.*

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

|                                                | SINCE<br>INCEPTION | 1-YR  | YTD   | 4Q18  |
|------------------------------------------------|--------------------|-------|-------|-------|
| RETURNS AT NAV (WITHOUT SALES CHARGE)          |                    |       |       |       |
| <b>Class I</b>                                 | 1.41%              | 1.59% | 1.59% | 2.18% |
| BENCHMARK                                      |                    |       |       |       |
| <b>Bloomberg Barclays U.S. Aggregate Index</b> | 0.09               | 0.01  | 0.01  | 1.64  |

## CALENDAR YEAR RETURNS (%)

|                                                | 2017 | 2018 |
|------------------------------------------------|------|------|
| <b>Class I</b>                                 | 4.17 | 1.59 |
| <b>Bloomberg Barclays U.S. Aggregate Index</b> | 3.54 | 0.01 |

## FEES AND EXPENSES

|                                       | CLASS I   |
|---------------------------------------|-----------|
| <b>Ticker</b>                         | DHRX      |
| <b>CUSIP</b>                          | 252645510 |
| <b>Minimum Initial Investment</b>     | \$2,500   |
| <b>Maximum Front-End Sales Charge</b> | None      |
| <b>Management Fee</b>                 | 0.30%     |
| <b>Distribution Fee (12b-1)</b>       | None      |
| <b>Other Expenses</b>                 | 0.17%     |
| <b>Expense Ratio</b>                  | 0.47%     |

## PORTFOLIO CHARACTERISTICS

|                                                |              |
|------------------------------------------------|--------------|
| <b>Inception</b>                               | July 5, 2016 |
| <b>Total Net Assets</b>                        | \$55M        |
| <b>Distributions</b>                           | Monthly      |
| <b>Portfolio Turnover (12 months trailing)</b> | 25%          |
| <b>30-day SEC Yield</b>                        |              |
| Class I                                        | 3.39%        |

## PORTFOLIO STATISTICS<sup>4</sup>

|                               | CORE BOND<br>FUND | BLOOMBERG<br>BARCLAYS U.S.<br>AGGREGATE<br>INDEX |
|-------------------------------|-------------------|--------------------------------------------------|
| <b>Number of Holdings</b>     | 364               | 10,248                                           |
| <b>Effective Duration</b>     | 5.52              | 5.87                                             |
| <b>Weighted Average Life</b>  | 7.03              | 8.22                                             |
| <b>Convexity</b>              | 0.38              | 0.23                                             |
| <b>Option-Adjusted Spread</b> | 110               | 54                                               |

## SINCE INCEPTION RISK STATISTICS<sup>5</sup> (CLASS I SHARES)

|                               | CORE BOND<br>FUND | BLOOMBERG<br>BARCLAYS U.S.<br>AGGREGATE<br>INDEX |
|-------------------------------|-------------------|--------------------------------------------------|
| <b>Standard Deviation (%)</b> | 2.69              | 2.80                                             |
| <b>Sharpe Ratio</b>           | -0.01             | -0.41                                            |
| <b>Beta (%)</b>               | 0.95              | N/A                                              |
| <b>R-squared (%)</b>          | 97.79             | N/A                                              |
| <b>Information Ratio</b>      | 2.68              | N/A                                              |

**Risk Disclosure:** The value of fixed-income securities varies inversely with interest rates; as interest rates rise, the market value of fixed-income securities will decline. Lower quality debt (ie: "High Yield") securities involve greater risk of default or price changes due to potential changes in the issuer's credit quality. The value of investments in mortgage-related and asset-backed securities will be influenced by the factors affecting the housing market and the assets underlying such securities. The securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid. They are also subject to prepayment risk, which occurs when mortgage holders refinance or otherwise repay their loans sooner than expected, creating an early return of principal to holders of the loans.

*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.

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

The Bloomberg Barclays U.S. Aggregate Index is an unmanaged index representing the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through, and asset-backed securities. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

Analytics provided by The Yield Book® Software.

<sup>4</sup> **Portfolio Statistics Definitions:** **Effective Duration** measures the interest rate risk of the Fund. It is an estimate of the approximate percentage change in the Fund's net asset value resulting from a one percentage point change in interest rates. **Weighted Average Life** is the average number of years each dollar of unpaid principal remains outstanding. **Convexity** is an estimate of the approximate change in the Fund's effective duration resulting from a one percentage point change in interest rates. **Option-Adjusted Spread** is the difference between the portfolio yield and the risk-free rate, accounting for embedded options. Source: The Yield Book.

<sup>5</sup> **Risk Statistic Definitions:** **Standard Deviation** measures the volatility of the Fund's returns. **Sharpe Ratio** uses the Fund's standard deviation and average excess return over the risk-free rate to determine reward per unit of risk. **Beta** measures the Fund's sensitivity to market movements. **R-squared** represents the percentage of the portfolio's movements that can be explained by general market movements. **Information Ratio** uses the Fund's standard deviation and excess return over a benchmark to determine excess return per unit of risk. Statistics for less than one year are not annualized. Since inception risk statistics are calculated using monthly returns beginning on the first day of the Fund's first full month of performance.

# Corporate Credit Fund

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

High current income, preservation of capital and total return over a five-year time horizon.

## INVESTMENT STRATEGY

- Our primary focus is on evaluating the underlying business fundamentals and credit risk of corporate securities.
- Securities are purchased when we believe the yield and total return potential are attractive relative to asset and interest coverage and relative to other securities with comparable risk.
- We are prepared to hold securities to maturity or until they are called. However securities may be sold when price reaches our estimate of intrinsic value, to raise proceeds for a more attractive opportunity or if the underlying fundamentals deteriorate.

## PORTFOLIO GUIDELINES

### Fund Guidelines

The Fund generally invests at least 80% of its assets in investment grade<sup>2</sup> and rated below-investment grade (high yield) corporate bonds, and will typically maintain an effective duration of less than five.

### TOP TEN ISSUES AS OF 10/31/2018

|                                 |       |          |              |
|---------------------------------|-------|----------|--------------|
| Alliance Data Systems Corp.     | 5.38% | 08/01/22 | 5.4%         |
| Popular, Inc.                   | 6.13% | 09/14/23 | 4.1          |
| Cimpress N.V.                   | 7.00% | 06/15/26 | 4.0          |
| Cogent Communications, Inc.     | 5.63% | 04/15/21 | 3.3          |
| Welltec A/S                     | 9.50% | 12/01/22 | 3.0          |
| Fiat Chrysler Automobile        | 5.25% | 04/15/23 | 2.5          |
| Nathan's Famous, Inc.           | 6.63% | 11/01/25 | 2.4          |
| Energen Corp.                   | 7.13% | 02/15/28 | 2.2          |
| Century Communities, Inc.       | 5.88% | 07/15/25 | 2.2          |
| Vantiv, Inc.                    | 4.38% | 11/15/25 | 2.0          |
| <b>Total as % of Net Assets</b> |       |          | <b>31.1%</b> |

## TEAM

**Bill Zox, CFA**  
Portfolio Manager

**Suken Patel, CFA**  
Asst. Portfolio Manager

**John McClain, CFA**  
Portfolio Manager

**Douglas Gimple**  
Senior Portfolio Specialist

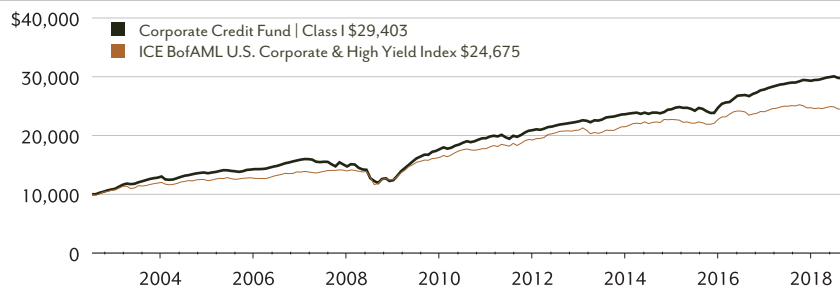
## CREDIT QUALITY

| QUALITY RATING                | % OF PORTFOLIO |
|-------------------------------|----------------|
| Investment Grade <sup>2</sup> | 9.2%           |
| BB                            | 45.6           |
| B                             | 30.0           |
| CCC & Lower                   | 1.4            |
| Not Rated                     | 13.8           |

## SECTOR ALLOCATION

|                                     | CORPORATE CREDIT FUND | ICE BOFAML U.S. CORPORATE & HIGH YIELD INDEX |
|-------------------------------------|-----------------------|----------------------------------------------|
| <b>Corporate Bonds</b>              | <b>91.0%</b>          | <b>100.0%</b>                                |
| Financial Services                  | 16.1                  | 2.4                                          |
| Energy                              | 12.6                  | 11.8                                         |
| Basic Industry                      | 12.3                  | 5.6                                          |
| Retail                              | 8.9                   | 4.2                                          |
| Media                               | 6.1                   | 4.7                                          |
| Telecom                             | 5.9                   | 4.9                                          |
| Leisure                             | 4.3                   | 1.0                                          |
| Consumer Goods                      | 4.3                   | 5.7                                          |
| Banking                             | 4.0                   | 19.9                                         |
| Healthcare                          | 3.5                   | 8.7                                          |
| Automotive                          | 3.1                   | 2.6                                          |
| Capital Goods                       | 2.3                   | 4.8                                          |
| Transportation                      | 2.2                   | 2.1                                          |
| Technology & Electronics            | 2.0                   | 6.9                                          |
| Services                            | 1.2                   | 1.7                                          |
| Real Estate                         | 1.2                   | 2.2                                          |
| Insurance                           | 1.0                   | 3.7                                          |
| Utility                             | 0.0                   | 7.1                                          |
| <b>Cash &amp; Other<sup>3</sup></b> | <b>9.0</b>            | <b>0.0</b>                                   |

## GROWTH OF \$10,000 SINCE INCEPTION<sup>1</sup>



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

<sup>2</sup> Investment Grade is a Bond Quality Rating of AAA, AA, A or BBB. Security quality ratings are derived from underlying portfolio securities by using the middle rating of Standard & Poor's, Moody's, and Fitch. If only two of Standard & Poor's, Moody's, and Fitch rates a security the higher of the two is selected. If only one of Standard & Poor's, Moody's, and Fitch rates a security the available rating is used. For securities that are not rated by Standard & Poor's, Moody's, or Fitch a rating from a secondary Nationally Recognized Statistical Rating Organization ("NRSRO") may be used. Ratings by any agency represent an opinion only, not a recommendation to buy or sell. Securities that are not rated by any agencies are reflected as Not Rated "NR."

*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](http://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>3</sup> Cash & Other may include cash, treasuries, money market funds, collateralized debt/loan obligations, and short duration fixed income funds.

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

|                                                         | SINCE<br>INCEPTION | 10-YR | 5-YR  | 3-YR  | 1-YR  | YTD   | 4Q18   |
|---------------------------------------------------------|--------------------|-------|-------|-------|-------|-------|--------|
| RETURNS AT NAV (WITHOUT SALES CHARGE)                   |                    |       |       |       |       |       |        |
| <b>Class I</b>                                          | 6.86%              | 8.84% | 4.83% | 6.80% | 0.64% | 0.64% | -2.23% |
| BENCHMARK                                               |                    |       |       |       |       |       |        |
| <b>ICE BofAML U.S. Corporate &amp; High Yield Index</b> | 5.72               | 7.01  | 3.40  | 4.04  | -2.21 | -2.21 | -0.80  |

## CALENDAR YEAR RETURNS (%)

|                                                         | 2009  | 2010  | 2011 | 2012  | 2013 | 2014 | 2015  | 2016  | 2017 | 2018  |
|---------------------------------------------------------|-------|-------|------|-------|------|------|-------|-------|------|-------|
| <b>Class I</b>                                          | 32.69 | 13.77 | 5.53 | 9.83  | 5.30 | 2.38 | 1.49  | 12.21 | 7.87 | 0.64  |
| <b>ICE BofAML U.S. Corporate &amp; High Yield Index</b> | 26.00 | 10.76 | 6.80 | 11.37 | 0.34 | 6.43 | -1.37 | 7.97  | 6.66 | -2.21 |

## FEES AND EXPENSES

|                                       | CLASS I   |
|---------------------------------------|-----------|
| <b>Ticker</b>                         | DHSTX     |
| <b>CUSIP</b>                          | 252645866 |
| <b>Minimum Initial Investment</b>     | \$2,500   |
| <b>Maximum Front-End Sales Charge</b> | None      |
| <b>Management Fee</b>                 | 0.45%     |
| <b>Distribution Fee (12b-1)</b>       | None      |
| <b>Other Expenses</b>                 | 0.19%     |
| <b>Gross Expense Ratio</b>            | 0.64%     |
| <b>Net Expense Ratio<sup>4</sup></b>  | 0.63%     |

<sup>4</sup> 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.

## PORTFOLIO STATISTICS

|                                                |                    |
|------------------------------------------------|--------------------|
| <b>Inception</b>                               | September 30, 2002 |
| <b>Total Net Assets</b>                        | \$743M             |
| <b>Distributions</b>                           | Monthly            |
| <b>Portfolio Turnover (12 months trailing)</b> | 112%               |
| <b>Number of Issues in Portfolio</b>           | 89                 |
| <b>Effective Duration<sup>5</sup></b>          | 3.74               |
| <b>Weighted Average Maturity<sup>6</sup></b>   | 6.12               |
| <b>30-day SEC Yield</b>                        |                    |
| Class I                                        | 5.92%              |

<sup>5</sup> Measures the interest rate risk of the Fund. It is an estimate of the approximate percentage change in the Fund's net asset value resulting from a one percentage point change in interest rates.

<sup>6</sup> Measures the weighted average of all maturities of the bonds in the portfolio, computed by weighting each maturity date by the market value of the security. Interest rate fluctuations have a greater impact on the price per share of funds holding bonds with longer average lives.

## 5-YEAR RISK STATISTICS<sup>7</sup> (CLASS I SHARES)

|                               |      |
|-------------------------------|------|
| <b>Standard Deviation (%)</b> | 3.33 |
| <b>Sharpe Ratio</b>           | 1.22 |

## MORNINGSTAR CLASSIFICATION

High Yield Bond

## LIPPER CLASSIFICATION

High Yield

**Risk Disclosure:** The value of fixed-income securities varies inversely with interest rates; as interest rates rise, the market value of fixed-income securities will decline. Lower quality debt (ie: "High Yield") securities involve greater risk of default or price changes due to potential changes in the issuer's credit quality. *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.

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

The ICE BofAML U.S. Corporate & High Yield Index is comprised of U.S. dollar denominated investment grade and below investment grade corporate debt publicly issued in the U.S. domestic market. This index does not incur fees and expenses (which would lower the return) and is 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.

Analytics provided by The Yield Book® Software.

<sup>7</sup> **Risk Statistic Definitions:** **Standard Deviation** measures the volatility of the Fund's returns. **Sharpe Ratio** uses the Fund's standard deviation and average excess return over the risk-free rate to determine reward per unit of risk. Statistics for periods less than one year are not annualized.

# High Yield Fund

As of December 31, 2018



**DIAMOND  
HILL** FUNDS

## OBJECTIVE

High current income with the opportunity for capital appreciation.

## INVESTMENT STRATEGY

- Our primary focus is on evaluating the underlying business fundamentals and credit risk of high yield securities.
- Securities are purchased when we believe the yield and total return potential are attractive relative to asset and interest coverage and relative to other securities with comparable risk.
- We are prepared to hold securities to maturity or until they are called. However securities may be sold when price reaches our estimate of intrinsic value, to raise proceeds for a more attractive opportunity or if the underlying fundamentals deteriorate.

## PORTFOLIO GUIDELINES

### Fund Guidelines

The Fund generally invests at least 80% of its net assets in a diversified portfolio of corporate debt securities that are rated below investment grade or are unrated.

### TOP TEN ISSUES AS OF 10/31/2018

|                             |       |          |       |
|-----------------------------|-------|----------|-------|
| Energen Corp.               | 7.13% | 02/15/28 | 6.7%  |
| Cimpress N.V.               | 7.00% | 06/15/26 | 5.4   |
| Popular, Inc.               | 6.13% | 09/14/23 | 4.8   |
| Alliance Data Systems Corp. | 5.38% | 08/01/22 | 4.4   |
| Century Communities, Inc.   | 5.88% | 07/15/25 | 3.7   |
| Welltec A/S                 | 9.50% | 12/01/22 | 3.6   |
| Nathan's Famous, Inc.       | 6.63% | 11/01/25 | 3.0   |
| Pilgrim's Pride Corp.       | 5.88% | 09/30/27 | 2.5   |
| Mueller Industries, Inc.    | 6.00% | 03/01/27 | 2.4   |
| Firstcash, Inc.             | 5.38% | 06/01/24 | 2.4   |
| Total as % of Net Assets    |       |          | 39.0% |

## TEAM

Bill Zox, CFA  
Portfolio Manager

John McClain, CFA  
Portfolio Manager

Suken Patel, CFA  
Asst. Portfolio Manager

Douglas Gimple  
Senior Portfolio Specialist

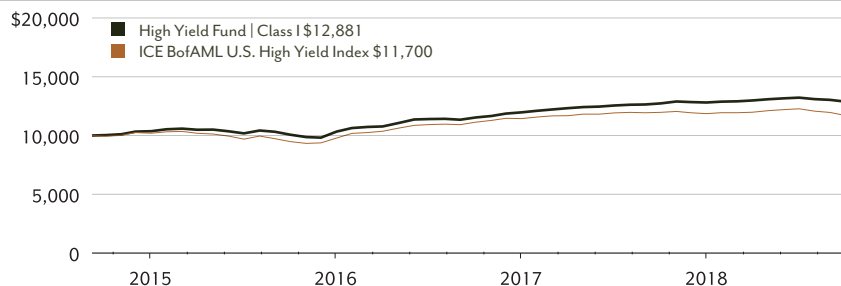
## CREDIT QUALITY

| QUALITY RATING                | % OF PORTFOLIO |
|-------------------------------|----------------|
| Investment Grade <sup>2</sup> | 12.2%          |
| BB                            | 44.3           |
| B                             | 31.9           |
| CCC & Lower                   | 1.9            |
| Not Rated                     | 9.7            |

## SECTOR ALLOCATION

|                           | HIGH YIELD<br>FUND | ICE BOFAML<br>U.S. HIGH YIELD<br>INDEX |
|---------------------------|--------------------|----------------------------------------|
| Corporate Bonds           | 91.4%              | 100.0%                                 |
| Energy                    | 17.5               | 15.3                                   |
| Financial Services        | 13.5               | 4.5                                    |
| Basic Industry            | 12.3               | 11.4                                   |
| Retail                    | 9.3                | 4.3                                    |
| Media                     | 5.4                | 11.3                                   |
| Leisure                   | 4.6                | 4.7                                    |
| Consumer Goods            | 4.5                | 3.0                                    |
| Banking                   | 4.4                | 2.3                                    |
| Telecom                   | 4.0                | 9.4                                    |
| Healthcare                | 3.9                | 10.7                                   |
| Transportation            | 3.4                | 0.8                                    |
| Capital Goods             | 2.7                | 5.4                                    |
| Automotive                | 1.8                | 1.7                                    |
| Real Estate               | 1.4                | 1.1                                    |
| Technology & Electronics  | 1.3                | 5.4                                    |
| Insurance                 | 1.0                | 1.1                                    |
| Services                  | 0.4                | 5.2                                    |
| Utility                   | 0.0                | 2.3                                    |
| Securitized               | 3.9                | 0.0                                    |
| Cash & Other <sup>3</sup> | 4.7                | 0.0                                    |

## GROWTH OF \$10,000 SINCE INCEPTION<sup>1</sup>



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

<sup>2</sup> Investment Grade is a Bond Quality Rating of AAA, AA, A or BBB. Security quality ratings are derived from underlying portfolio securities by using the middle rating of Standard & Poor's, Moody's, and Fitch. If only two of Standard & Poor's, Moody's, and Fitch rates a security the higher of the two is selected. If only one of Standard & Poor's, Moody's, and Fitch rates a security the available rating is used. For securities that are not rated by Standard & Poor's, Moody's, or Fitch a rating from a secondary Nationally Recognized Statistical Rating Organization ("NRSRO") may be used. Ratings by any agency represent an opinion only, not a recommendation to buy or sell. Securities that are not rated by any agencies are reflected as Not Rated "NR."

*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](http://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>3</sup> Cash & Other may include cash, treasuries, money market funds, and short duration fixed income funds.

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

|                                         | SINCE<br>INCEPTION | 3-YR  | 1-YR  | YTD   | 4Q18   |
|-----------------------------------------|--------------------|-------|-------|-------|--------|
| RETURNS AT NAV (WITHOUT SALES CHARGE)   |                    |       |       |       |        |
| <b>Class I</b>                          | 6.40%              | 8.57% | 1.16% | 1.16% | -2.58% |
| BENCHMARK                               |                    |       |       |       |        |
| <b>ICE BofAML U.S. High Yield Index</b> | 3.93               | 7.27  | -2.26 | -2.26 | -4.67  |

## CALENDAR YEAR RETURNS (%)

|                                         | 2015  | 2016  | 2017  | 2018  |
|-----------------------------------------|-------|-------|-------|-------|
| <b>Class I</b>                          | 0.28  | 14.62 | 10.36 | 1.16  |
| <b>ICE BofAML U.S. High Yield Index</b> | -4.64 | 17.49 | 7.48  | -2.26 |

## FEES AND EXPENSES

|                                       | CLASS I   |
|---------------------------------------|-----------|
| <b>Ticker</b>                         | DHHIX     |
| <b>CUSIP</b>                          | 25264S577 |
| <b>Minimum Initial Investment</b>     | \$2,500   |
| <b>Maximum Front-End Sales Charge</b> | None      |
| <b>Management Fee</b>                 | 0.50%     |
| <b>Distribution Fee (12b-1)</b>       | None      |
| <b>Other Expenses</b>                 | 0.17%     |
| <b>Expense Ratio</b>                  | 0.67%     |

## PORTFOLIO STATISTICS

|                                                |                  |
|------------------------------------------------|------------------|
| <b>Inception</b>                               | December 4, 2014 |
| <b>Total Net Assets</b>                        | \$54M            |
| <b>Distributions</b>                           | Monthly          |
| <b>Portfolio Turnover (12 months trailing)</b> | 145%             |
| <b>Number of Issues in Portfolio</b>           | 82               |
| <b>Effective Duration<sup>4</sup></b>          | 4.18             |
| <b>Weighted Average Maturity<sup>5</sup></b>   | 6.79             |
| <b>30-day SEC Yield</b>                        |                  |
| Class I                                        | 6.47%            |

<sup>4</sup> Measures the interest rate risk of the Fund. It is an estimate of the approximate percentage change in the Fund's net asset value resulting from a one percentage point change in interest rates.

<sup>5</sup> Measures the weighted average of all maturities of the bonds in the portfolio, computed by weighting each maturity date by the market value of the security. Interest rate fluctuations have a greater impact on the price per share of funds holding bonds with longer average lives.

## SINCE INCEPTION RISK STATISTICS<sup>6</sup> (CLASS I SHARES)

|                               |      |
|-------------------------------|------|
| <b>Standard Deviation (%)</b> | 4.76 |
| <b>Sharpe Ratio</b>           | 1.15 |

## MORNINGSTAR CLASSIFICATION

High Yield Bond

## LIPPER CLASSIFICATION

High Yield

**Risk Disclosure:** The value of fixed-income securities varies inversely with interest rates; as interest rates rise, the market value of fixed-income securities will decline. Lower quality debt (ie: "High Yield") securities involve greater risk of default or price changes due to potential changes in the issuer's credit quality.

*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 High Yield Fund L.P. (the "High Yield 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 High Yield Partnership were converted into assets of the fund prior to commencement of operation of the fund. The performance of the High Yield 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 High Yield 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 High Yield Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Performance is measured from December 4, 2014, the inception of the High Yield Partnership and is not the performance of the fund. The assets of the High Yield Partnership were converted, based on their value on December 31, 2015, into assets of the fund prior to commencement of operations of the fund. The High Yield Partnership's past performance is not necessarily an indication of how the fund will perform in the future either before or after taxes.

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized.

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

The ICE BofAML U.S. High Yield Index tracks the performance of the U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. These indices do not incur fees and expenses (which would lower the return) 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.

Analytics provided by The Yield Book® Software.

<sup>6</sup> **Risk Statistic Definitions:** **Standard Deviation** measures the volatility of the Fund's returns. **Sharpe Ratio** uses the Fund's standard deviation and average excess return over the risk-free rate to determine reward per unit of risk. Since inception risk statistics are calculated using monthly returns beginning on the first day of the Fund's first full month of performance. Statistics for periods less than one year are not annualized.

# 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 DECEMBER 31, 2018                                                                                        |                      |                                  |       |       |       |       |       |       |       |       | FEES & EXPENSES               |        | MORNINGSTAR                                        |                                         |      |      |      |      |      |      |  |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------------------------------|--------|----------------------------------------------------|-----------------------------------------|------|------|------|------|------|------|--|--|
|                                                                                                                                      |                      |                                  |       |       |       |       |       |       |       |       | Expense Ratio<br>Gross    Net |        | Overall<br>Morningstar<br>Rating <sup>7,8,13</sup> |                                         |      |      |      |      |      |      |  |  |
|                                                                                                                                      |                      |                                  |       |       |       |       |       |       |       |       | 2009                          | 2010   | 2011                                               | 2012                                    | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |  |  |
| LONG – ONLY EQUITY                                                                                                                   |                      |                                  |       |       |       |       |       |       |       |       |                               |        |                                                    |                                         |      |      |      |      |      |      |  |  |
| SMALL CAP <sup>1,2</sup> (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%                                              | ★★★                                     |      |      |      |      |      |      |  |  |
|                                                                                                                                      | Russell 2000 Index   | 27.17                            | 26.85 | -4.18 | 16.35 | 38.82 | 4.89  | -4.41 | 21.31 | 14.65 | -11.01                        |        |                                                    |                                         |      |      |      |      |      |      |  |  |
|                                                                                                                                      | Benchmark            | 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 <sup>1,2</sup> (closed to new investors) (Inception Date 12/30/05)   Morningstar: Mid-Cap Value   Lipper: Mid-Cap Core |                      |                                  |       |       |       |       |       |       |       |       |                               |        |                                                    |                                         |      |      |      |      |      |      |  |  |
| Class I                                                                                                                              | DHMX                 | 41.36                            | 23.43 | -3.86 | 15.74 | 41.64 | 7.36  | 1.32  | 18.18 | 8.63  | -12.56                        | 0.94%  | 0.93%                                              | ★★★                                     |      |      |      |      |      |      |  |  |
|                                                                                                                                      | Russell 2500 Index   | 34.39                            | 26.71 | -2.51 | 17.88 | 36.80 | 7.07  | -2.90 | 17.59 | 16.81 | -10.00                        |        |                                                    |                                         |      |      |      |      |      |      |  |  |
|                                                                                                                                      | Benchmark            | 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 <sup>1,2</sup> (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%                                              | ★★★★                                    |      |      |      |      |      |      |  |  |
|                                                                                                                                      | Russell Midcap Index | —                                | —     | —     | —     | —     | 13.22 | -2.44 | 13.80 | 18.52 | -9.06                         |        |                                                    |                                         |      |      |      |      |      |      |  |  |
|                                                                                                                                      | Benchmark            | Russell Midcap Value Index       | —     | —     | —     | —     | —     | 14.75 | -4.78 | 20.00 | 13.34                         | -12.29 |                                                    |                                         |      |      |      |      |      |      |  |  |
| LARGE CAP <sup>3</sup> (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%                                              | ★★★★                                    |      |      |      |      |      |      |  |  |
|                                                                                                                                      | Russell 1000 Index   | 28.43                            | 16.10 | 1.50  | 16.42 | 33.11 | 13.24 | 0.92  | 12.05 | 21.69 | -4.78                         |        |                                                    |                                         |      |      |      |      |      |      |  |  |
|                                                                                                                                      | Benchmark            | 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 <sup>1,2</sup> (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                        | 0.88%  | 0.87%                                              | ★★                                      |      |      |      |      |      |      |  |  |
|                                                                                                                                      | Russell 3000 Index   | 28.34                            | 16.93 | 1.03  | 16.42 | 33.55 | 12.56 | 0.48  | 12.74 | 21.13 | -5.24                         |        |                                                    |                                         |      |      |      |      |      |      |  |  |
|                                                                                                                                      | Benchmark            | 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 <sup>2,4,5</sup> (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                        | 0.92%  | 0.92%                                              | Morningstar<br>Rating™<br>Not Available |      |      |      |      |      |      |  |  |
|                                                                                                                                      | Benchmark            | Morningstar Global Markets Index | —     | —     | —     | —     | —     | 4.00  | -2.04 | 8.22  | 23.87                         | -9.82  |                                                    |                                         |      |      |      |      |      |      |  |  |

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 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27 and 29 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, Financial Long-Short Fund, and Corporate Credit 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.

<sup>1</sup> 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.

<sup>2</sup> There are special risks associated with small capitalization issues such as market illiquidity and greater market volatility than large capitalization issues.

<sup>3</sup> Overall equity market risks may affect the value of the fund.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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 1.09% 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.

<sup>7</sup> The Long-Short Fund was long-only from inception through June 2002.

<sup>8</sup> The Financial Long-Short Fund was long-only from inception through April 2006.

<sup>9</sup> 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

# 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 DECEMBER 31, 2018                                                                                                             |                                                                             |       |       |        |       |       |       |       |       |       | FEES & EXPENSES |                               | MORNINGSTAR                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-----------------|-------------------------------|------------------------------------------------------|
|                                                                                                                                                           |                                                                             | 2009  | 2010  | 2011   | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018            | Expense Ratio<br>Gross    Net | Overall<br>Morningstar<br>Rating <sup>TM,13</sup>    |
| ALTERNATIVES                                                                                                                                              |                                                                             |       |       |        |       |       |       |       |       |       |                 |                               |                                                      |
| LONG-SHORT <sup>1,3,6,7</sup> (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           | 1.67% 1.66%                   | ★★★★                                                 |
| 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 <sup>2,5,6,8</sup> (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          | 1.57% 1.57%                   | ★★★                                                  |
| 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 <sup>2,5,6,9</sup> (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           |                               |                                                      |
| FIXED INCOME                                                                                                                                              |                                                                             |       |       |        |       |       |       |       |       |       |                 |                               |                                                      |
| SHORT DURATION TOTAL RETURN <sup>10,11</sup> (Inception Date 7/5/16)   Morningstar: Short-Term Bond   Lipper: Short Investment Grade Debt                 |                                                                             |       |       |        |       |       |       |       |       |       |                 |                               |                                                      |
| Class I                                                                                                                                                   | DHEIX                                                                       | —     | —     | —      | —     | —     | —     | —     | —     | 4.33  | 3.18            | 0.52% 0.52%                   | Morningstar<br>Rating <sup>TM</sup><br>Not Available |
| Benchmark                                                                                                                                                 | Bloomberg Barclays U.S. 1-3 Yr. Gov./Credit Index                           | —     | —     | —      | —     | —     | —     | —     | —     | 0.84  | 1.60            |                               |                                                      |
| CORE BOND <sup>10,11</sup> (Inception Date 7/5/16)   Morningstar: Intermediate-Term Bond   Lipper: Core Bond                                              |                                                                             |       |       |        |       |       |       |       |       |       |                 |                               |                                                      |
| Class I                                                                                                                                                   | DHRIX                                                                       | —     | —     | —      | —     | —     | —     | —     | —     | 4.17  | 1.59            | 0.47% 0.47%                   | Morningstar<br>Rating <sup>TM</sup><br>Not Available |
| Benchmark                                                                                                                                                 | Bloomberg Barclays U.S. Aggregate Index                                     | —     | —     | —      | —     | —     | —     | —     | —     | 3.54  | 0.01            |                               |                                                      |
| CORPORATE CREDIT <sup>11</sup> (Inception Date 9/30/02)   Morningstar: High Yield Bond   Lipper: High Yield                                               |                                                                             |       |       |        |       |       |       |       |       |       |                 |                               |                                                      |
| Class I                                                                                                                                                   | DHSTX                                                                       | 32.69 | 13.77 | 5.53   | 9.83  | 5.30  | 2.38  | 1.49  | 12.21 | 7.87  | 0.64            | 0.64% 0.63%                   | ★★★★                                                 |
| Benchmark                                                                                                                                                 | ICE BofAML U.S. Corporate & High Yield Index                                | 26.00 | 10.76 | 6.80   | 11.37 | 0.34  | 6.43  | -1.37 | 7.97  | 6.66  | -2.21           |                               |                                                      |
| HIGH YIELD <sup>11,12</sup> (Inception Date 12/4/14)   Morningstar: High Yield Bond   Lipper: High Yield                                                  |                                                                             |       |       |        |       |       |       |       |       |       |                 |                               |                                                      |
| Class I                                                                                                                                                   | DHHIX                                                                       | —     | —     | —      | —     | —     | —     | 0.28  | 14.62 | 10.36 | 1.16            | 0.67% 0.67%                   | ★★★★★                                                |
| Benchmark                                                                                                                                                 | ICE BofAML U.S. High Yield Index                                            | —     | —     | —      | —     | —     | —     | -4.64 | 17.49 | 7.48  | -2.26           |                               |                                                      |

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.

<sup>10</sup> The value of investments in mortgage-related and asset-backed securities will be influenced by the factors affecting the housing market and the assets underlying such securities. The securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid. They are also subject to prepayment risk, which occurs when mortgage holders refinance or otherwise repay their loans sooner than expected, creating an early return of principal to holders of the loans.

<sup>11</sup> The value of fixed-income securities varies inversely with interest rates; as interest rates rise, the market value of fixed-income securities will decline. Lower quality debt (ie: "High Yield") securities involve greater risk of default or price changes due to potential changes in the issuer's credit quality.

<sup>12</sup> The quoted performance for the Fund reflects the past performance of Diamond Hill High Yield Fund L.P. (the "High Yield 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 High Yield Partnership were converted into assets of the fund prior to commencement of operation of the fund. The performance of the High Yield 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 High Yield 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 High Yield Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Performance is measured from December 4, 2014, the inception of the High Yield Partnership and is not the

performance of the fund. The assets of the High Yield Partnership were converted, based on their value on December 31, 2015, into assets of the fund prior to commencement of operations of the fund. The High Yield Partnership's past performance is not necessarily an indication of how the fund will perform in the future either before or after taxes.

<sup>13</sup> The Morningstar Rating<sup>TM</sup> 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<sup>TM</sup> 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<sup>TM</sup> is based on 362 small value funds as of 12/31/18. The Fund's Class I rating was 2 stars among 362, 3 stars among 317, and 3 stars among 226 small value funds for the 3-, 5-, and 10-year periods ended 12/31/18, respectively.

**Small-Mid Cap Fund** The Overall Morningstar Rating<sup>TM</sup> is based on 363 mid-cap

Refer to performance disclosure information on page 30.

# Diamond Hill Funds Calendar Year Performance

value funds as of 12/31/18. The Fund's Class I rating was 2 stars among 363, 3 stars among 306, and 4 stars among 218 mid-cap value funds for the 3-, 5-, and 10-year periods ended 12/31/18, respectively.

**Mid Cap Fund** The Overall Morningstar Rating™ is based on 363 mid-cap value funds as of 12/31/18. The Fund's Class I rating was 3 stars among 363 and 4 stars among 306 mid-cap value funds for the 3- and 5-year periods ended 12/31/18, respectively.

**Large Cap Fund** The Overall Morningstar Rating™ is based on 1,100 large value funds as of 12/31/18. The Fund's Class I rating was 3 stars among 1,100, 4 stars among 937, and 4 stars among 686 large value funds for the 3-, 5-, and 10-year periods ended 12/31/18, respectively.

**All Cap Select Fund** The Overall Morningstar Rating™ is based on 1,208 large blend funds as of 12/31/18. The Fund's Class I rating was 1 star among 1,208, 2 stars among 1,071, and 2 stars among 805 large blend funds for the 3-, 5-, and 10-year periods ended 12/31/18, respectively.

**Long-Short Fund** The Overall Morningstar Rating™ is based on 199 long-short equity funds as of 12/31/18. The Fund's Class I rating was 3 stars among 199, 4 stars among 118, and 4 stars among 33 long-short equity funds for the 3-, 5-, and 10-year periods ended 12/31/18, respectively.

**Financial Long-Short Fund** The Overall Morningstar Rating™ is based on 96 financial funds as of 12/31/18. The Fund's Class I rating was 2 stars among 96, 2 stars among 92, and 3 stars among 77 financial funds for the 3-, 5-, and 10-year periods ended 12/31/18, respectively.

**Research Opportunities Fund** The Overall Morningstar Rating™ is based on 199 long-short equity funds as of 12/31/18. The Fund's Class I rating was 3 stars among 199 and 3 stars among 118 long-short equity funds for the 3- and 5-year periods ended 12/31/18, respectively.

**Short Duration Total Return Fund** Morningstar Rating™ not available.

**Core Bond Fund** Morningstar Rating™ not available.

**Corporate Credit Fund** The Overall Morningstar Rating™ is based on 604 high yield bond funds as of 12/31/18. The Fund's Class I rating was 4 stars among 604, 5 stars among 507, and 3 stars among 329 high yield bond funds for the 3-, 5-, and 10-year periods ended 12/31/18, respectively.

**High Yield Fund** The Overall Morningstar Rating™ is based on 604 high yield bond funds as of 12/31/18. The Fund's Class I rating was 5 stars among 604 funds for the 3-year period ended 12/31/18.

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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.*

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 Bloomberg Barclays U.S. 1-3 Yr. Gov./Credit Index is an unmanaged index of investment grade government and corporate bonds with maturities of one to three years. The Bloomberg Barclays U.S. Aggregate Index is an unmanaged index representing the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through, and asset-backed securities. The ICE BofAML U.S. Corporate & High Yield Index is comprised of U.S. dollar denominated investment grade and below investment grade corporate debt publicly issued in the U.S. domestic market. The ICE BofAML U.S. High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. These indices do not incur fees and expenses (which would lower the return) 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 indexes.

Refer to performance disclosure information on page 30.

