Quarterly Commentary

June 30, 2017

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

Our Mission

At Diamond Hill, ***we serve*** our clients by providing investment strategies that deliver lasting value through a shared commitment to our intrinsic value-based investment philosophy, long-term perspective, disciplined approach and alignment with our clients' interests.

VALUE

We believe market price and intrinsic value are independent in the short-term but tend to converge over time.

LONG-TERM

We maintain a long-term focus both in investment analysis and management of our business.

DISCIPLINE

We invest with discipline to increase potential return and protect capital.

PARTNERSHIP

We align our interests with those of our clients through significant personal investment in our strategies.

Diamond Hill Second Quarter 2017 Market Review

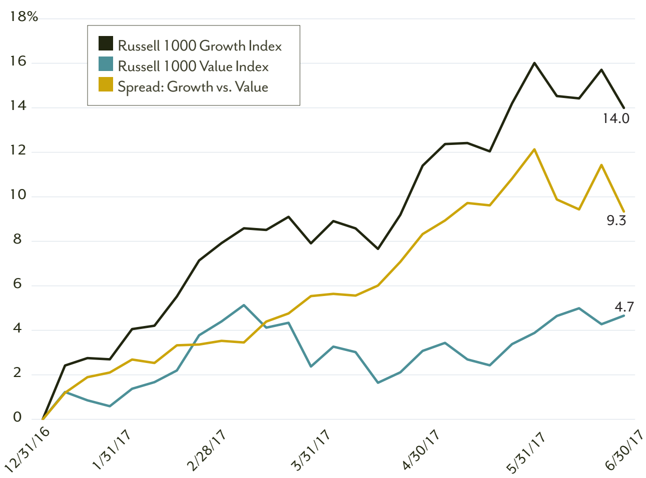
As of June 30, 2017

Equity Markets

U.S. equity markets continued their positive trend in the second quarter, with the S&P 500 posting its best first-half performance since 2013 thanks to steady economic growth and improved corporate earnings.

Growth continued to widen its lead over value during the quarter as health care (+7.23%) and information technology (+4.23) were two of the three best-performing sectors in the Russell 1000 Index for the second quarter in a row. Industrials (+4.27) and financials (+4.06) also outperformed. Telecommunication services (-7.10) and energy (-7.09) were the worst-performing sectors in the quarter.

RUSSELL 1000 GROWTH INDEX VS. RUSSELL 1000 VALUE INDEX - YEAR TO DATE



Source: Morningstar Direct

For domestic stocks, the quarter was characterized by low volatility and high valuations. The Volatility Index (which measures implied volatility of S&P 500 index options) fell to historically low levels during the second quarter, telling the tale of a surprisingly tranquil market.

Historically high valuations continue to make it challenging for us to find attractive new opportunities for our portfolios, particularly at the smaller end of the market cap spectrum. Valuations continue to be supported by the low interest rate environment.

In June, the Federal Reserve raised the federal funds target rate for a second time in 2017 and the market is expecting a third increase later this year, indicating an increasing level of confidence in the recovery of U.S. labor markets and an expectation of slowly rising inflation.

Fixed Income Markets

Treasury

Even as the Fed continues to push the shorter end of the yield curve higher by increasing its target rate, the longer end continues to rally. Lack of yield in the European bond market is one reason why yields on the longer end of the U.S. curve remain so low. However, the flattening of the curve saw some relief near the end of the quarter as the market began anticipating a tightening of the European Central Bank's policy based on ECB President Mario Draghi's comments on June 27. This increased the yield on the German bund, which serves as a bellwether for European interest rates. Longer U.S. Treasury yields moved higher as well.

	3/31/17	6/27/17	6/30/17	QUARTER-OVER-QUARTER CHANGE
2-Year U.S. Treasury	1.26%	1.37%	1.38%	+12 bps
10-Year U.S. Treasury	2.39	2.21	2.30	-9 bps
10-Year German Bund	0.33	0.37	0.46	+13 bps

Source: Bloomberg

Securitized

Continued demand drove spreads even tighter across the sector and was met with heavy issuance throughout the securitized market. As an example, year-to-date new issuance in the consumer asset-backed securities market is currently at its highest level since the financial crisis. Asset-backed securities and commercial mortgage-backed securities were the strongest performers during the quarter. With agency mortgage-backed securities still under pressure from the Fed's involvement in the marketplace, this sector remains overvalued and, relative to other securitized assets, not very attractive.

Investment Grade and High Yield Credit

Investment grade credit continued its resurgence, with the Bloomberg Barclays U.S. Corporate Index delivering a return of 2.54% in the second quarter. Utilities delivered the strongest performance during the quarter (+2.96%), followed by industrials (+2.70%) and financials (+2.14%). According to the Bloomberg Barclays High Yield Index, energy was once again the weakest industry in the high yield market, delivering negative returns during the quarter (-1.16%). All other segments of the high yield market delivered positive results, with banking leading the Index. For the second consecutive quarter, the theme across the entire credit quality spectrum (both investment grade and below investment grade) was investors' appetite for yield, with the lowest tier of investment grade (BBB) delivering the strongest performance.

Outlook

We continue to expect positive but below-average equity market returns over the next five years. Prospective returns are likely to be tempered by the combination of above-average price/earnings multiples applied to already very strong levels of corporate profit margins. Spread levels in both the investment grade and high yield credit markets remain compressed as investors continue their push for yield. As such, we believe strong fundamental analysis and a focus on long-term company performance is the key to security selection in our fixed income strategies.

We believe we can achieve better-than-market returns over the next five years through active portfolio management. Our primary focus is always on achieving value-added results for our existing clients and we continue to fall back on valuations, which we believe are a key determinant of long-term returns. Our equity and fixed income investment philosophy and process continue to be focused on individual company and security analysis. Our intrinsic value investment philosophy is shared by all of our portfolio managers and research analysts, allowing us to apply our investment discipline consistently across strategies.

Diamond Hill Small Cap Fund Commentary

As of June 30, 2017

(closed to new investors)

The Fund increased 0.94% (Class I) during the quarter, compared to a 2.46% increase in the Russell 2000 Index.

The Fund's holdings in the consumer discretionary and health care sectors were the primary contributors to absolute return. Holdings in the energy, industrials, and consumer staples sectors detracted from absolute return.

The Fund's underperformance relative to the Index was primarily driven by security selection in the industrials and information technology sectors, underweight allocations to health care and information technology, as well as the Fund's allocation to cash. Security selection in the consumer discretionary and health care sectors were positive contributors to relative return.

Best Performers

- Medical diagnostic systems provider **Alere, Inc.** announced that the company finalized its merger with Abbott Laboratories.

- Shares of rental and leasing services company **Aaron's, Inc.** rose amid a continuation of recent performance, including growth in year-over-year net income and earnings per share.

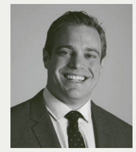
- Entertainment company **Live Nation Entertainment, Inc.** continued its dominance in concert promotion and live event ticketing. Live events are a key source of revenue for artists and Ticketmaster's model has proven to be resilient amid attempts by others to enter the business.

- Shares of home infusion services provider **BioScrip, Inc.** increased as the company's new management team continued to execute on its recovery plan. The company terminated the majority of its contract with UnitedHealth which was running at a negative margin.

- Ski resort owner and operator **Vail Resorts, Inc.** closed out the ski season on a high note and raised full-year guidance. Epic Pass sales for next season remain strong and the recent Stowe Mountain Resort purchase should continue to support the company's growth.

PORTFOLIO MANAGEMENT

Tom Schindler, CFA
Portfolio Manager



Aaron Monroe, CFA
Asst. Portfolio Manager

Chris Welch, CFA
Asst. Portfolio Manager

Worst Performers

- Shares of oil and gas exploration and production company **Cimarex Energy Co.** underperformed amid a faster-than-expected increase in shale drilling activity and a large rebound in oil production from Libya and Nigeria. These factors have increased the risk that oil inventories may not normalize in the near future.

- Rental car company **Avis Budget Group, Inc.** reported poor first-quarter earnings. Pricing in the Americas was down, and the company's full-year outlook for per-unit fleet costs increased. Over fleeting in the industry has not allowed price increases to offset rising fleet costs, which have been impacted by lower residual used car values.

- Freight transportation management company **Hub Group, Inc. (Cl A)** reduced full-year guidance as it became clear that intermodal pricing for 2017 would be well below prior expectations, largely due to the continued oversupply of capacity in the competing truckload market. We believe this issue is transitory and expect a more favorable pricing environment in 2018 as new regulations help constrain the supply of truckload capacity.

- Shares of regional bank **BankUnited, Inc.** declined amid broader concerns surrounding delays in tax and regulatory reforms. Additionally, the company's first-quarter results called into question management's loan growth guidance for the full year.

- Shares of aircraft rental and leasing services company **Aircastle Ltd.** underperformed amid concerns regarding the risk of impairments on wide-body and freighter aircrafts.

(closed to new investors)

New Positions

We did not initiate any new positions during the quarter.

Eliminated Positions

We eliminated our position in business-to-business media company **Global Sources Ltd.** as the price approached our estimate of intrinsic value. We sold the shares of medical device company **Nuvectra Corp.**, which we received in the 2016 spinoff from Integer Holdings Corp., as we do not believe Nuvectra will reach profitability for some time. Specialty health insurer **Universal American Corp.** was acquired in an all-cash deal by WellCare Health Plans, Inc.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION (12/29/00)	10-YR	5-YR	3-YR	1-YR	YTD	2Q17	EXPENSE RATIO GROSS	EXPENSE RATIO NET
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	10.53%	6.18%	12.06%	2.61%	13.35%	1.69%	0.89%	1.30%	1.30%
Class C	9.71	5.39	11.23	1.83	12.46	1.29	0.69	2.05	2.05
Class I	10.79	6.51	12.36	2.88	13.65	1.81	0.94	1.00	1.00
Class Y	10.67	6.42	12.51	3.01	13.79	1.86	0.99	0.90	0.90
BENCHMARK									
Russell 2000 Index	8.17	6.92	13.70	7.36	24.60	4.99	2.46	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	10.18	5.64	10.92	0.87	7.70	-3.40	-4.14	1.30	1.30
Class C	9.71	5.39	11.23	1.83	11.46	0.29	-0.31	2.05	2.05

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

The views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class C, Class I and Class Y shares include Class A share performance achieved prior to the creation of Class C, Class I and Class Y shares. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 2000 Index is an unmanaged market capitalization-weighted index comprised of the smallest 2,000 companies by market capitalization in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies by total market capitalization. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Fund(s) can be found in the Fund's(s) prospectus or summary prospectus which can be obtained at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by BHIL Distributors, LLC (Member FINRA). Diamond Hill Capital Management, Inc., a registered investment adviser, serves as Investment Adviser to the Diamond Hill Funds and is paid a fee for its services. Like all mutual funds, Diamond Hill Funds are not FDIC insured, may lose value, and have no bank guarantee.

(closed to new investors)

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF JUNE 30, 2017

Aaron's, Inc.	1.9%	**Global Sources Ltd.**	0.0%
Aircastle Ltd.	2.0	**Hub Group, Inc. (Cl A)**	1.8
Alere, Inc.	2.8	**Integer Holdings Corp.**	0.8
Avis Budget Group, Inc.	5.0	**Live Nation Entertainment, Inc.**	2.9
BankUnited, Inc.	2.1	**Nuvectra Corp.**	0.0
BioScrip, Inc.	0.6	**Universal American Corp.**	0.0
Cimarex Energy Co.	1.9	**Vail Resorts, Inc.**	3.2

Mentioned securities not held in the Diamond Hill Small Cap Fund: Abbott Laboratories, Integer Holdings Corp., UnitedHealth Group, Inc., and WellCare Health Plans, Inc.

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

Diamond Hill Small-Mid Cap Fund Commentary

As of June 30, 2017

(closed to new investors)

The Fund increased 1.00% (Class I) during the quarter, compared to a 2.13% increase in the Russell 2500 Index.

The Fund's holdings in the consumer discretionary, financials, and health care sectors made the largest contribution to absolute return. Holdings in the consumer staples, energy, and industrials sectors were the largest detractors from absolute return.

The Fund's underperformance relative to the Index was primarily driven by security selection in the industrials and information technology sectors. An overweight allocation combined with security selection in the consumer staples sector also detracted from relative return. This was partially offset by security selection in the consumer discretionary, financials, and real estate sectors, as well as an underweight allocation to energy.

Best Performers

- Shares of rental and leasing services company **Aaron's, Inc.** rose amid a continuation of recent performance, including growth in year-over-year net income and earnings per share.
- Insurance broker **Willis Towers Watson PLC** reported solid quarterly results with organic growth across all of its businesses. The company had underperformed in recent quarters, leading to reduced expectations and a positive reaction to the most recent results.
- Shares of homebuilder **NVR, Inc.** rose after the company reported good quarterly results as increased demand, low supply of existing homes, and higher prices have been providing a favorable environment for homebuilders. The company also continues to be one of the most efficient operators in the industry.
- Medical device manufacturer **Boston Scientific Corp.** reported excellent quarterly results despite a temporary recall for its Lotus trans-catheter aortic valve. Margins were under pressure due to the recall and new product launches, but organic growth was significantly above investor expectations.
- Shares of medical device manufacturer **Orthofix International N.V.** rose after the company reported solid quarterly results showing improved growth dynamics, particularly in its largest business. We believe the company's electro-magnetic products have the potential to further improve profitability.

PORTFOLIO MANAGEMENT

Chris Welch, CFA
Portfolio Manager

Jenny Hubbard, CFA
Asst. Portfolio Manager

Tom Schindler, CFA
Asst. Portfolio Manager

Worst Performers

- Shares of oil and gas exploration and production company **Cimarex Energy Co.** underperformed amid a faster-than-expected increase in shale drilling activity and a large rebound in oil production from Libya and Nigeria. These factors have increased the risk that oil inventories may not normalize in the near future.
- Freight transportation management company **Hub Group, Inc. (Cl A)** reduced full-year guidance as it became clear that intermodal pricing for 2017 would be well below prior expectations, largely due to the continued oversupply of capacity in the competing truckload market. We believe this issue is transitory and expect a more favorable pricing environment in 2018 as new regulations help constrain the supply of truckload capacity.
- Shares of regional bank **BankUnited, Inc.** declined amid broader concerns surrounding delays in tax and regulatory reforms. Additionally, the company's first-quarter results called into question management's loan growth guidance for the full year.
- Shares of food products manufacturer **Post Holdings, Inc.** underperformed amid a disappointing outlook for its eggs business, a higher-than-expected acquisition price for British cereal company Weetabix, and general volume weakness in the food industry.
- Digital media company **TEGNA, Inc.** reported disappointing quarterly results primarily driven by soft advertising revenue and weak results at Cars.com and CareerBuilder. The company was successful in spinning off Cars.com, but the outlook for broadcast regulatory reform appears less certain than investors previously expected.

(closed to new investors)

New Positions

We initiated a position in the largest global electronic equipment distributor, **Avnet, Inc.**, when its shares declined below our estimate of intrinsic value due to near-term challenges from consolidation in its supplier base. Despite these headwinds, we believe Avnet has a strong balance sheet and a durable business in the long term.

Eliminated Positions

Specialty health insurer **Universal American Corp.** was acquired in an all-cash deal by WellCare Health Plans, Inc. We received shares of automobile shopping services provider **Cars.com, Inc.** following the spinoff from TEGNA, Inc., which we then sold due to low confidence in the company's ability to reaccelerate revenue growth in a profitable manner.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION (12/30/05)	10-YR	5-YR	3-YR	1-YR	YTD	2Q17	EXPENSE RATIO GROSS	EXPENSE RATIO NET
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	9.09%	8.80%	15.48%	7.06%	15.92%	3.45%	0.92%	1.24%	1.24%
Class C	8.29	7.99	14.61	6.25	15.04	3.01	0.75	1.99	1.99
Class I	9.44	9.13	15.79	7.35	16.32	3.55	1.00	0.94	0.94
Class Y	9.30	9.04	15.95	7.49	16.42	3.64	1.00	0.84	0.84
BENCHMARK									
Russell 2500 Index	8.60	7.42	14.04	6.93	19.84	5.97	2.13	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	8.60	8.24	14.30	5.25	10.13	-1.70	-4.11	1.24	1.24
Class C	8.29	7.99	14.61	6.25	14.04	2.01	-0.25	1.99	1.99

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

The views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class Y shares include Class A share performance achieved prior to the creation of Class Y shares. These total return figures may reflect the waiver of a portion of a Fund's advisory or administrative fees for certain periods. Without such waiver of fees, the total returns would have been lower. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 2500 Index is an unmanaged market capitalization-weighted index comprised of the smallest 2,500 companies by market capitalization in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies by total market capitalization. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Fund(s) can be found in the Fund's(s) prospectus or summary prospectus which can be obtained at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by BHIL Distributors, LLC (Member FINRA). Diamond Hill Capital Management, Inc., a registered investment adviser, serves as Investment Adviser to the Diamond Hill Funds and is paid a fee for its services. Like all mutual funds, Diamond Hill Funds are not FDIC insured, may lose value, and have no bank guarantee.

(closed to new investors)

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF JUNE 30, 2017

Aaron's, Inc.	2.3%	**NVR, Inc.**	2.3%
Avnet, Inc.	0.5	**Orthofix International N.V.**	1.4
BankUnited, Inc.	3.0	**Post Holdings, Inc.**	2.1
Boston Scientific Corp.	2.3	**TEGNA, Inc.**	1.6
Cars.com, Inc.	0.0	**Universal American Corp.**	0.0
Cimarex Energy Co.	2.5	**Willis Towers Watson PLC**	3.8
Hub Group, Inc. (Cl A)	2.1		

Mentioned securities not held in the Diamond Hill Small-Mid Cap Fund: WellCare Health Plans, Inc.

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

Diamond Hill Mid Cap Fund Commentary

As of June 30, 2017

The Fund increased 1.15% (Class I) during the quarter, compared to a 2.70% increase in the Russell Midcap Index.

The Fund's holdings in the consumer discretionary, financials, and health care sectors provided the largest contribution to absolute return, while the energy and consumer staples sectors were the primary detractors.

The Fund's underperformance relative to the Russell Midcap Index was primarily driven by security selection in the information technology, industrials, and energy sectors. This was partially offset by security selection in the consumer discretionary sector and an underweight allocation to the energy sector.

Best Performers

- Insurance broker **Willis Towers Watson PLC** reported solid quarterly results with organic growth across all of its businesses. The company had underperformed in recent quarters, leading to reduced expectations and a positive reaction to the most recent results.

- Shares of rental and leasing services company **Aaron's, Inc.** rose amid a continuation of recent performance, including growth in year-over-year net income and earnings per share.

- Household durables manufacturer **Whirlpool Corp.** delivered excellent results in its North American division, with fundamentals remaining strong and the competitive environment stabilizing. Latin America and Asia produced solid results as well, though Europe remains challenged with struggling volumes and significant margin compression.

- Medical device manufacturer **Boston Scientific Corp.** reported excellent quarterly results despite a temporary recall for its Lotus trans-catheter aortic valve. Margins were under pressure due to the recall and new product launches, but organic growth was significantly above investor expectations.

- Shares of homebuilder **NVR, Inc.** rose after the company reported good quarterly results as increased demand, low supply of existing homes, and higher prices have been providing a favorable environment for homebuilders. The company also continues to be one of the most efficient operators in the industry.

PORTFOLIO MANAGEMENT

Chris Welch, CFA
Portfolio Manager

Chris Bingaman, CFA
Asst. Portfolio Manager

Jenny Hubbard, CFA
Asst. Portfolio Manager

Worst Performers

- Shares of oil and gas exploration and production company **Cimarex Energy Co.** underperformed amid a faster-than-expected increase in shale drilling activity and a large rebound in oil production from Libya and Nigeria. These factors have increased the risk that oil inventories may not normalize in the near future.

- Shares of food products manufacturer **Post Holdings, Inc.** underperformed amid a disappointing outlook for its eggs business, a higher-than-expected acquisition price for British cereal company Weetabix, and general volume weakness in the food industry.

- Shares of regional bank **BankUnited, Inc.** declined amid broader concerns surrounding delays in tax and regulatory reforms. Additionally, the company's first-quarter results called into question management's loan growth guidance for the full year.

- Freight transportation management company **Hub Group, Inc. (Cl A)** reduced full-year guidance as it became clear that intermodal pricing for 2017 would be well below prior expectations, largely due to the continued oversupply of capacity in the competing truckload market. We believe this issue is transitory and expect a more favorable pricing environment in 2018 as new regulations help constrain the supply of truckload capacity.

- Shares of industrial and construction supplies distributor **Fastenal Co.** fell amid concerns surrounding the industry pricing environment within industrial distribution.

New Positions

We initiated a position in the largest global electronic equipment distributor, **Avnet, Inc.**, when its shares declined below our estimate of intrinsic value due to near-term challenges from consolidation in its supplier base. Despite these headwinds, we believe Avnet has a strong balance sheet and a durable business in the long term. **Verisk Analytics, Inc.** is a specialized data and analytics provider that serves customers in the insurance, energy, and financial services industries. We believe Verisk possesses unique data assets that allow it to provide high and recurring value to its customers and that it has a large cross-selling opportunity over the next several years.

Eliminated Positions

We eliminated our position in financial technology company **Broadridge Financial Solutions, Inc.** as the shares approached our estimate of intrinsic value. We received shares of automobile shopping services provider **Cars.com, Inc.** following the spinoff from TEGNA, Inc., which we then sold due to low confidence in the company's ability to reaccelerate revenue growth in a profitable manner.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION (12/31/13)	3-YR	1-YR	YTD	2Q17	EXPENSE RATIO GROSS	EXPENSE RATIO NET
RETURNS AT NAV (WITHOUT SALES CHARGE)							
Class A	8.45%	7.40%	16.69%	3.89%	1.00%	1.09%	1.09%
Class I	8.78	7.71	17.12	4.12	1.15	0.79	0.79
Class Y	8.89	7.80	17.10	4.11	1.15	0.69	0.69
BENCHMARK							
Russell Midcap Index	9.12	7.69	16.48	7.99	2.70	—	—
RETURNS AT POP (WITH SALES CHARGE)							
Class A	6.86	5.59	10.89	-1.28	-4.04	1.09	1.09

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 views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; I shares and Y shares have no sales charge.

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 1000 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. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Fund(s) can be found in the Fund's(s) prospectus or summary prospectus which can be obtained at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by BHIL Distributors, LLC (Member FINRA). Diamond Hill Capital Management, Inc., a registered investment adviser, serves as Investment Adviser to the Diamond Hill Funds and is paid a fee for its services. Like all mutual funds, Diamond Hill Funds are not FDIC insured, may lose value, and have no bank guarantee.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF JUNE 30, 2017

Aaron's, Inc.	1.1%	**Hub Group, Inc. (Cl A)**	1.2%
Avnet, Inc.	0.6	**NVR, Inc.**	2.1
BankUnited, Inc.	3.2	**Post Holdings, Inc.**	2.3
Boston Scientific Corp.	2.6	**TEGNA, Inc.**	0.7
Broadridge Financial Solutions, Inc.	0.0	**Verisk Analytics, Inc.**	0.5
Cars.com, Inc.	0.0	**Whirlpool Corp.**	2.7
Cimarex Energy Co.	2.5	**Willis Towers Watson PLC**	3.3
Fastenal Co.	1.0		

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

Diamond Hill Large Cap Fund Commentary

As of June 30, 2017

The Fund increased 3.00% (Class I) during the quarter, compared to a 3.06% increase in the Russell 1000 Index.

The Fund's holdings in the financials and health care sectors provided the largest contribution to absolute return, while the energy sector detracted.

The Fund's slight underperformance relative to the Russell 1000 Index was driven by security selection in the information technology and consumer discretionary sectors. Security selection in energy was also a detractor, though our underweight allocation to the sector offset this. Zero allocation to the telecommunication sector and security selection in the industrials and health care were also positive contributors to relative return.

Best Performers

- Shares of banking and financial services company **Citigroup, Inc.** outperformed as the market appears to be increasingly comfortable with the company's excess capital position along with its ability to return capital via dividends and share repurchases.

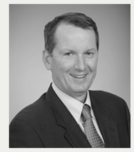
- Health care benefits company **Aetna, Inc.** revealed its standalone outlook, which includes a mid-teens growth rate for its Medicare Advantage business. The broader managed care group has also done well as investors are beginning to recognize the potential upside from the repeal of Affordable Care Act taxes, public exchange exits, tax reform, and rising interest rates.

- Health care products manufacturer **Abbott Laboratories** reported solid first-quarter results and is well-positioned to benefit from its recent St. Jude acquisition. Abbott also announced it will purchase Alere at a lower price than originally indicated, with the deal expected to close later this year.

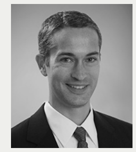
- Shares of building and aerospace technology conglomerate **United Technologies Corp.** outperformed as the market began to price in the value of the company's geared turbofan jet engine business, which was previously embedded as a meaningful negative to the stock price.

- Media and technology company **Alphabet, Inc. (Cl A)** reported strong year-over-year revenue growth and expanding margins, reflecting strength in its core advertising business including continued rapid growth in mobile search.

PORTFOLIO MANAGEMENT



Chuck Bath, CFA
Portfolio Manager



Austin Hawley, CFA
Asst. Portfolio Manager

Chris Welch, CFA
Asst. Portfolio Manager

Worst Performers

- Shares of oil and gas exploration and production company **Cimarex Energy Co.** underperformed amid a faster-than-expected increase in shale drilling activity and a large rebound in oil production from Libya and Nigeria. These factors have increased the risk that oil inventories may not normalize in the near future.

- Discount apparel retailer **TJX Cos., Inc.** reported mixed quarterly results. Comparable store sales were up slightly and merchandise margins improved, but third-quarter earnings-per-share guidance was weak.

- Shares of credit services company **Capital One Financial Corp.** declined amid concerns around subprime credit card and auto loans. However, consumer trends have improved over the last few months as employment and housing remain favorable.

- Shares of diversified media and entertainment company **Twenty-First Century Fox, Inc. (Cl B)** fell as a result of increased concerns around advertising declines and cord-cutting acceleration. Despite this dynamic, Fox reported solid quarterly results that were driven by its cable and broadcast segments.

- Shares of networking and communications company **Cisco Systems, Inc.** underperformed after the firm delivered disappointing fiscal fourth-quarter guidance.

New Positions

We started a position in banking and payment services provider **Discover Financial Services**, the sixth-largest credit card issuer worldwide with a focus on prime borrowers and its own card processing network. Discover has significant excess capital and strong capital return capability. We purchased shares of regional bank **First Republic Bank**, a high quality franchise with a unique platform that we believe positions the company to continue posting outsized earnings growth versus its peers. We took advantage of a recent decline in the stock price to purchase shares of beverage manufacturer **Molson Coors Brewing Co. (Cl B)**, the second largest brewer in North America. We believe the company's recent acquisition of SAB Miller's stake in Miller Coors will result in significant margin expansion over the next few years. **Verisk Analytics, Inc.** is a specialized data and analytics provider that serves customers in the insurance, energy, and financial services industries. We believe Verisk possesses unique data assets that allow it to provide high and recurring value to its customers and that it has a large cross-selling opportunity over the next several years.

Eliminated Positions

We eliminated shares of banking and financial services company **Wells Fargo & Co.** and allocated the proceeds to other opportunities within the industry which offered more attractive risk/reward profiles. We received shares of automobile shopping services provider **Cars.com, Inc.** following the spinoff from TEGNA, Inc., which we then sold due to low confidence in the company's ability to reaccelerate revenue growth in a profitable manner.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION (6/29/01)	10-YR	5-YR	3-YR	1-YR	YTD	2Q17	EXPENSE RATIO GROSS	EXPENSE RATIO NET
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	8.35%	7.20%	15.07%	8.85%	22.44%	9.41%	2.94%	0.98%	0.98%
Class C	7.52	6.40	14.19	8.03	21.51	8.98	2.71	1.73	1.73
Class I	8.62	7.53	15.36	9.15	22.76	9.53	3.00	0.68	0.68
Class Y	8.50	7.44	15.52	9.28	22.91	9.61	3.04	0.58	0.58
BENCHMARK									
Russell 1000 Index	6.74	7.29	14.67	9.26	18.03	9.27	3.06	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	8.00	6.65	13.89	7.00	16.33	3.96	-2.21	0.98	0.98
Class C	7.52	6.40	14.19	8.03	20.51	7.98	1.71	1.73	1.73

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

The views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class C, Class I and Class Y shares include Class A share performance achieved prior to the creation of Class C, Class I, and Class Y shares. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 1000 Index is an unmanaged market capitalization-weighted index comprised of the largest 1,000 companies by market capitalization in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies by total market capitalization. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Fund(s) can be found in the Fund's(s) prospectus or summary prospectus which can be obtained at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by BHIL Distributors, LLC (Member FINRA). Diamond Hill Capital Management, Inc., a registered investment adviser, serves as Investment Adviser to the Diamond Hill Funds and is paid a fee for its services. Like all mutual funds, Diamond Hill Funds are not FDIC insured, may lose value, and have no bank guarantee.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF JUNE 30, 2017

Abbott Laboratories	4.0%	**First Republic Bank**	1.0%
Aetna, Inc.	2.5	**Molson Coors Brewing Co. (Cl B)**	1.2
Alphabet Inc. (Cl A)	2.8	**TEGNA, Inc.**	0.8
Capital One Financial Corp.	1.9	**TJX Cos., Inc.**	2.3
Cars.com, Inc.	0.0	**Twenty-First Century Fox, Inc. (Cl B)**	1.0
Cimarex Energy Co.	1.8	**United Technologies Corp.**	3.2
Cisco Systems, Inc.	0.9	**Verisk Analytics, Inc.**	0.5
Citigroup, Inc.	4.3	**Wells Fargo & Co.**	0.0
Discover Financial Services	1.3		

Mentioned securities not held in the Diamond Hill Large Cap Fund: Alere, Inc.

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

Diamond Hill All Cap Select Fund Commentary

As of June 30, 2017

(formerly Select Fund)

The Fund increased 1.49% (Class I) during the quarter, compared to a 3.02% increase in the Russell 3000 Index.

The Fund's holdings in the health care, financials, and information technology sectors provided the largest contribution to absolute return, while the energy sector detracted.

The Fund's underperformance relative to the Russell 3000 Index was primarily driven by security selection in the energy, industrials, and consumer discretionary sectors as well as an underweight allocation to health care. Security selection in the health care and telecommunication sectors and an underweight allocation to energy were positive contributors to relative return.

Best Performers

- Shares of homebuilder **NVR, Inc.** rose after the company reported good quarterly results as increased demand, low supply of existing homes, and higher prices have been providing a favorable environment for homebuilders. The company also continues to be one of the most efficient operators in the industry.

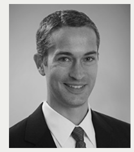
- Health care products manufacturer **Abbott Laboratories** reported solid first-quarter results and is well-positioned to benefit from its recent St. Jude acquisition. Abbott also announced it will purchase Alere at a lower price than originally indicated, with the deal expected to close later this year.

- Shares of mortgage servicing company **Nationstar Mortgage Holdings, Inc.** outperformed as expectations about the health of the mortgage refinancing market improved on the pullback in interest rates.

- Health care benefits company **Aetna, Inc.** revealed its standalone outlook, which includes a mid-teens growth rate for its Medicare Advantage business. The broader managed care group has also done well as investors are beginning to recognize the potential upside from the repeal of Affordable Care Act taxes, public exchange exits, tax reform, and rising interest rates.

- Shares of airline operator **United Continental Holdings, Inc.** rose as the revenues continue to improve for the airline industry, with United experiencing encouraging initial results on its revenue initiatives.

PORTFOLIO MANAGEMENT



Austin Hawley, CFA
Portfolio Manager

Rick Snowdon, CFA
Portfolio Manager

Worst Performers

- Shares of diversified media and entertainment company **Twenty-First Century Fox, Inc. (Cl B)** fell as a result of increased concerns around advertising declines and cord-cutting acceleration. Despite this dynamic, Fox reported solid quarterly results that were driven by its cable and broadcast segments.

- Freight transportation management company **Hub Group, Inc. (Cl A)** reduced full-year guidance as it became clear that intermodal pricing for 2017 would be well below prior expectations, largely due to the continued oversupply of capacity in the competing truckload market. We believe this issue is transitory and expect a more favorable pricing environment in 2018 as new regulations help constrain the supply of truckload capacity.

- Shares of regional bank **BankUnited, Inc.** declined amid broader concerns surrounding delays in tax and regulatory reforms. Additionally, the company's first-quarter results called into question management's loan growth guidance for the full year.

- Media and communications company **Liberty Global PLC (Cl A)** reduced 2017 guidance based on slowing expansion and competitive pressures in the company's U.K. segment.

- Shares of oil and gas exploration and production company **Cimarex Energy Co.** underperformed amid a faster-than-expected increase in shale drilling activity and a large rebound in oil production from Libya and Nigeria. These factors have increased the risk that oil inventories may not normalize in the near future.

New Positions

We initiated a position in telecommunication services provider **Cincinnati Bell, Inc.**, whose management team has completely reshaped the business by selling non-core assets, reducing net debt, and investing in modern fiber networks. We expect free cash flow to expand meaningfully over the next several years.

(formerly Select Fund)

We purchased shares of shipping and transportation company **Kirby Corp.**, the largest U.S. tank barge operator. The company is well-positioned to benefit from increasing petrochemical plant capacity in the United States. Management has a strong track record of opportunistic capital allocation and the current industry environment could provide attractive M&A opportunities. We took advantage of a recent decline in the stock price to purchase shares of beverage manufacturer **Molson Coors Brewing Co. (Cl B)**, the second largest brewer in North America. We believe the company's recent acquisition of SAB Miller's stake in Miller Coors will result in significant margin expansion over the next few years. **Validus Holdings Ltd.** is a Bermudian reinsurance company with a good track record of underwriting and value creation. Validus is well-diversified and has built strong operating platforms. We believe the company will continue creating value for shareholders despite a challenging global reinsurance market. **Verisk Analytics, Inc.** is a specialized data and analytics provider that serves customers in the insurance, energy, and financial services industries. We believe Verisk possesses unique data assets that allow it to provide high and recurring value to its customers and that it has a large cross-selling opportunity over the next several years.

Eliminated Positions

We sold our position in industrial manufacturing and engineering company **Colfax Corp.** as the share price approached our estimate of intrinsic value. We eliminated our position in insurance broker **Willis Towers Watson PLC** and reallocated the capital to more attractive opportunities.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION (12/30/05)	10-YR	5-YR	3-YR	1-YR	YTD	2Q17	EXPENSE RATIO GROSS	EXPENSE RATIO NET
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	7.76%	6.91%	14.51%	6.10%	24.84%	6.29%	1.43%	1.18%	1.18%
Class C	6.97	6.11	13.65	5.30	23.80	5.91	1.20	1.93	1.93
Class I	8.09	7.24	14.81	6.39	25.22	6.49	1.49	0.88	0.88
Class Y	7.95	7.14	14.95	6.50	25.20	6.48	1.42	0.78	0.78
BENCHMARK									
Russell 3000 Index	8.28	7.26	14.58	9.10	18.51	8.93	3.02	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	7.27	6.36	13.34	4.30	18.56	1.00	-3.67	1.18	1.18
Class C	6.97	6.11	13.65	5.30	22.80	4.91	0.20	1.93	1.93

Risk Disclosure: Because this Fund expects to hold a concentrated portfolio of a limited number of securities, a decline in the value of these investments would cause the Fund's value to decline to a greater degree than a less concentrated portfolio. There are specialized risks associated with small capitalization issues, such as market illiquidity and greater market volatility, than large capitalization issues.

The views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class Y shares include Class A share performance achieved prior to the creation of Class Y shares. These total return figures may reflect the waiver of a portion of a Fund's advisory or administrative fees for certain periods. Without such waiver of fees, the total returns would have been lower. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 3000 Index is an unmanaged market capitalization-weighted index comprised of the 3,000 largest U.S. companies by total market capitalization. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Fund(s) can be found in the Fund's(s) prospectus or summary prospectus which can be obtained at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by BHIL Distributors, 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.

(formerly Select Fund)

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF JUNE 30, 2017

Abbott Laboratories	3.7%	**Molson Coors Brewing Co. (Cl B)**	2.6%
Aetna, Inc.	2.1	**Nationstar Mortgage Holdings, Inc.**	3.0
BankUnited, Inc.	3.4	**NVR, Inc.**	2.7
Cimarex Energy Co.	1.0	**Twenty-First Century Fox, Inc. (Cl B)**	4.9
Cincinnati Bell, Inc.	1.1	**United Continental Holdings, Inc.**	3.3
Colfax Corp.	0.0	**Validus Holdings Ltd.**	2.0
Hub Group, Inc. (Cl A)	2.9	**Verisk Analytics, Inc.**	1.0
Kirby Corp.	1.0	**Willis Towers Watson PLC**	0.0
Liberty Global PLC (Cl A)	3.2		

Mentioned securities not held in the Diamond Hill All Cap Select Fund: Alere, Inc.

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

Diamond Hill Long-Short Fund Commentary

As of June 30, 2017

(closed to new investors)

The Fund increased by 0.69% (Class I) during the quarter, compared to a 3.06% increase in the long-only Russell 1000 Index and a 1.91% increase in the blended benchmark (60% Russell 1000 Index / 40% BofA Merrill Lynch U.S. T-Bill 0-3 Month Index).

The Fund's long portfolio contributed to absolute return, while the short portfolio detracted. In the long portfolio, holdings in the financials and health care sectors were the largest contributors, while the energy sector was a detractor. In the short portfolio, the consumer discretionary and information technology sectors were the primary detractors from absolute return.

The Fund's underperformance relative to the long-only benchmark was primarily driven by security selection in the energy and consumer discretionary sectors, which was somewhat offset by our underweight allocation to energy. The Fund's net exposure at the end of the quarter was 54%.

Best Performers

Long Portfolio

- Shares of banking and financial services company **Citigroup, Inc.** outperformed as the market appears to be increasingly comfortable with the company's excess capital position along with its ability to return capital via dividends and share repurchases.

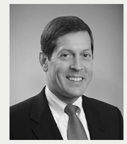
- Health care products manufacturer **Abbott Laboratories** reported solid first-quarter results and is well-positioned to benefit from its recent St. Jude acquisition. Abbott also announced it will purchase Alere at a lower price than originally indicated, with the deal expected to close later this year.

- Medical diagnostic systems provider **Alere, Inc.** announced that the company finalized its merger with Abbott Laboratories.

- Shares of media and technology company **Alphabet, Inc. (Cl A)** rose after the company reported strong year-over-year revenue growth and expanding margins, reflecting strength in its core advertising business including continued rapid growth in mobile search.

PORTFOLIO MANAGEMENT

Chris Bingaman, CFA
Portfolio Manager



Ric Dillon, CFA
Portfolio Manager

Chuck Bath, CFA
Asst. Portfolio Manager

Jason Downey, CFA
Asst. Portfolio Manager

- Household durables manufacturer **Whirlpool Corp.** delivered excellent results in its North American division, with fundamentals remaining strong and the competitive environment stabilizing. Latin America and Asia produced solid results as well, though Europe remains challenged with struggling volumes and significant margin compression.

Short Portfolio

- The five best performers were long positions.

Worst Performers

Long Portfolio

- Shares of oil and gas exploration and production company **Cimarex Energy Co.** underperformed amid a faster-than-expected increase in shale drilling activity and a large rebound in oil production from Libya and Nigeria. These factors have increased the risk that oil inventories may not normalize in the near future.

- Shares of diversified media and entertainment company **Twenty-First Century Fox, Inc. (Cl B)** fell as a result of increased concerns around advertising declines and cord-cutting acceleration. Despite this dynamic, Fox reported solid quarterly results that were driven by its cable and broadcast segments.

Short Portfolio

- Shares of consumer electronics retailer **Best Buy Co., Inc.** rose after the company reported solid quarterly results and raised forward guidance. Importantly, store traffic continues to be weak.

- Shares of internet postage company **Stamps.com, Inc.** traded up despite a lack of company-specific news. The U.S. Postal Service has not yet announced any changes to its reseller program; however, our short thesis remains unchanged.

- Shares of aerospace and defense company **Boeing Co.** rose following better-than-expected announced orders during the quarter. This included initial orders for the new 737 MAX-10, many of which were upgrades from a smaller version of the MAX family rather than incremental orders.

(closed to new investors)

New Positions

In the long portfolio, we started a position in banking and payment services provider **Discover Financial Services**, the sixth-largest credit card issuer worldwide with a focus on prime borrowers and its own card processing network. New holding **Johnson Controls International PLC** is a technology and industrial company that merged with Tyco International in 2016. We believe management will be able to realize cost-cutting synergies to drive strong earnings growth over the next few years. Furthermore, Johnson Controls should benefit from several long-term trends including more energy efficient buildings, more intelligent/connected buildings, and increasing fire safety standards in emerging markets and Europe. We purchased shares of shipping and transportation company **Kirby Corp.**, the largest U.S. tank barge operator. The company is well-positioned to benefit from increasing petrochemical plant capacity in the United States. Management has a strong track record of opportunistic capital allocation and the current industry environment could provide attractive M&A opportunities. We took advantage of a recent decline in the stock price to purchase shares of beverage manufacturer **Molson Coors Brewing Co. (Cl B)**, the second largest brewer in North America. We believe the company's recent acquisition of SAB Miller's stake in Miller Coors will result in significant margin expansion over the next few years.

In the short portfolio, we initiated a short position in oil services provider **Core Laboratories N.V.** as we believe the company is overvalued based on end-market weakness for some of its business segments. We expect land drilling contractor **Helmerich & Payne,**

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION (6/30/00)[2]	10-YR	5-YR	3-YR	1-YR	YTD	2Q17	EXPENSE RATIO[1] GROSS	NET
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	6.74%	4.36%	9.33%	4.40%	15.56%	3.41%	0.59%	2.07%	2.07%
Class C	5.93	3.57	8.51	3.62	14.75	3.02	0.43	2.82	2.82
Class I	7.00	4.68	9.61	4.69	15.92	3.58	0.69	1.77	1.77
Class Y	6.88	4.59	9.76	4.81	15.99	3.60	0.69	1.67	1.67
BENCHMARK									
Russell 1000 Index	5.32	7.29	14.67	9.26	18.03	9.27	3.06	—	—
60%/40% Blended Index	4.08	4.83	8.76	5.68	10.73	5.62	1.91	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	6.41	3.82	8.22	2.63	9.80	-1.75	-4.45	2.07	2.07
Class C	5.93	3.57	8.51	3.62	13.75	2.02	-0.57	2.82	2.82

[1] 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 1.40% for Class A, 2.15% for Class C, 1.10% for Class I, and 1.00% for Class Y.

[2] The Fund was long-only from inception through June 2002.

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

The views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class C, Class I and Class Y shares include Class A share performance achieved prior to the creation of Class C, Class I and Class Y shares. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 1000 Index is an unmanaged market capitalization-weighted index comprised of the largest 1,000 companies by market capitalization in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies by total market capitalization. The blended index represents a 60% weighting of the Russell 1000 Index and a 40% weighting of the BofA Merrill Lynch U.S. T-Bill 0-3 Month Index. The BofA Merrill Lynch U.S. T-Bill 0-3 Month Index is comprised of U.S. dollar denominated U.S. Treasury Bills with a term to maturity of less than 3 months. These indexes do not incur fees and expenses (which would lower returns) and are not available for direct investment.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Fund(s) can be found in the Fund's(s) prospectus or summary prospectus which can be obtained at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by BHIL Distributors, 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.

Inc. to have less earnings power than in previous industry cycles as the overall end market for domestic land rigs may be constrained and the recovery may normalize at lower levels than expected. We also initiated a short position in medical equipment and technology provider **Varian Medical Systems, Inc.** Varian recently spun out Varex Imaging Corp. and the post-spinoff shares appreciated to an unwarranted premium to our estimate of intrinsic value. The company is facing an uncertain capital equipment spending market and has high expectations for its new product launch.

Eliminated Positions

In the long portfolio, we received shares of automobile shopping services provider **Cars.com, Inc.** following the spinoff from TEGNA, Inc., which we then sold due to low confidence in the company's ability to reaccelerate revenue growth in a profitable manner. We sold our position in industrial product manufacturer **Illinois Tool Works, Inc.** and reallocated the proceeds to a more attractive opportunity.

In the short portfolio, we covered our position in lighting and semiconductor applications provider **Cree, Inc.** as the price approached our estimate of intrinsic value. We covered our short position in engine manufacturer **Cummins, Inc.** as our thesis of market share losses due to increased vertical integration and weakened industry volumes has not materialized. We covered our short position in property and casualty insurance company **Hanover Insurance Group, Inc.** as the company's fundamentals continued to outpace our expectations and it became less attractive than other opportunities. We covered our short position in networking products manufacturer **NETGEAR, Inc.** and allocated the proceeds to more attractive opportunities. We covered our short position in farm and ranch specialty retailer **Tractor Supply Co.** when the share price declined to our estimate of intrinsic value.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF JUNE 30, 2017

Abbott Laboratories	3.9%	Long	**Helmerich & Payne, Inc.**	(0.5)%	Short
Alere, Inc.	1.2	Long	**Illinois Tool Works, Inc.**	0.0	Long
Alphabet, Inc. (Cl A)	3.2	Long	**Johnson Controls International PLC**	1.0	Long
Best Buy Co., Inc.	(2.6)	Short	**Kirby Corp.**	0.5	Long
Boeing Co.	(2.3)	Short	**Molson Coors Brewing Co. (Cl B)**	1.0	Long
Cars.com, Inc.	0.0	Long	**NETGEAR, Inc.**	0.0	Short
Cimarex Energy Co.	1.9	Long	**Stamps.com, Inc.**	(1.3)	Short
Citigroup, Inc.	4.0	Long	**TEGNA, Inc.**	0.9	Long
Core Laboratories N.V.	(0.3)	Short	**Tractor Supply Co.**	0.0	Short
Cree, Inc.	0.0	Short	**Twenty-First Century Fox, Inc. (Cl B)**	1.7	Long
Cummins, Inc.	0.0	Short	**Varian Medical Systems, Inc.**	(0.7)	Short
Discover Financial Services	1.7	Long	**Whirlpool Corp.**	1.6	Long
Hanover Insurance Group, Inc.	0.0	Short			

Mentioned securities not held in the Diamond Hill Long-Short Fund: Varex Imaging Corp.

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

Diamond Hill Financial Long-Short Fund Commentary

As of June 30, 2017

The Fund increased 2.61% (Class I) during the quarter, compared to a 3.90% increase in the long-only Russell 3000 Financials Index and 3.17% increase in the blended benchmark (80% Russell 3000 Financials Index / 20% BofA Merrill Lynch U.S. T-Bill 0-3 Month Index).

The Russell 3000 Financials Index lagged the broader Russell 3000 until the final week of the quarter when the Federal Reserve released the results of the Comprehensive Capital Analysis and Review (CCAR) for large banks. The annual regulatory evaluation included better-than-expected capital return plans at many firms. Favorable CCAR outcomes suggest some regulatory relief for the largest financial institutions, which helped to offset ongoing challenges from the macro environment during the quarter including low interest rates, tepid loan growth, and a flattening yield curve.

The largest industries in the Financials Index – banks, insurance, and real estate – all posted low single-digit returns for the quarter. Consumer finance companies, including the large credit card issuers, were notably weak as investors focused on increasing credit costs following a period of robust loan growth. While we do expect some continued credit normalization, we do not foresee a period of elevated credit losses absent a meaningful change to the economic environment. With reasonable valuations and increasing capital returns to shareholders, we remain optimistic that investors in the financials sector will benefit from attractive cash yields and per-share growth over the coming years.

Best Performers

Long Portfolio

- Shares of mortgage servicing company **Nationstar Mortgage Holdings, Inc.** outperformed as expectations about the health of the mortgage refinancing market improved on the pullback in interest rates.

- Shares of banking and financial services company **Citigroup, Inc.** outperformed as the market appears to be increasingly comfortable with the company's excess capital position along with its ability to return capital via dividends and share repurchases.

- Shares of real estate investment trust **Colony NorthStar, Inc. (Cl A)** rallied in the first full quarter following the closing of the company's three-party merger. The combined company's asset sales, fundraising, and share buybacks were ahead of expectations, and we continue to believe that solid execution and fundraising should help the company's long-term earnings growth and valuation.

- Real estate investment company **Jones Lang LaSalle, Inc.** has benefited from improved investor sentiment and better-than-expected quarterly results following a difficult 2016, which was characterized by lower investment management fees and slowing transaction volume.

- Shares of asset management firm **Franklin Resources, Inc.** rose as investment performance improved significantly in its flagship funds, resulting in reduced asset outflows. Given the significant overseas cash in its balance sheet, Franklin stands to benefit if the new administration is able to enact tax repatriation legislation.

Short Portfolio

- The five best performers were long positions.

Worst Performers

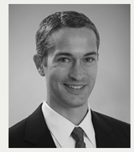
Long Portfolio

- Shares of regional bank **BankUnited, Inc.** declined amid broader concerns surrounding delays in tax and regulatory reforms. Additionally, the company's first-quarter results called into question management's loan growth guidance for the full year.

- Shares of banking and payment services provider **Discover Financial Services** underperformed amid concerns around credit cards. However, U.S. consumer trends have improved recently with employment and housing remaining favorable.

- Real estate investment trust **Tanger Factory Outlet Centers, Inc.** has been impacted by poor investor sentiment around the retail industry. Many of the company's tenants have been under pressure by the shift to e-commerce. We believe its strong balance sheet, among other positive attributes, should help the company weather the storm better than peers.

PORTFOLIO MANAGEMENT



Austin Hawley, CFA
Portfolio Manager

John Loesch, CFA
Portfolio Manager

Krishna Mohanraj, CFA
Asst. Portfolio Manager

- Shares of regional bank **SVB Financial Group** underperformed amid broader industry concerns surrounding delays in expected tax and regulatory reforms. Additionally, the company is more sensitive than other banks to the pullback in interest rate expectations.

- Shares of credit services company **Capital One Financial Corp.** declined amid concerns around subprime credit card and auto loans. However, consumer trends have improved over the last few months as employment and housing remain favorable.

Short Portfolio

- The five worst performers were long positions.

New Positions

We did not initiate any long or short positions during the quarter.

Eliminated Positions

In the long portfolio, we eliminated our position in investment manager **Fortress Investment Group LLC (Cl A)** as the shares approached SoftBank Group's acquisition price. We also eliminated our position in property and casualty insurance company **ProAssurance Corp.** as the shares approached our estimate of intrinsic value.

We did not eliminate any short positions.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION[2] (8/1/97)	10-YR	5-YR	3-YR	1-YR	YTD	2Q17	EXPENSE RATIO[1] GROSS	NET
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	7.45%	2.41%	14.48%	7.40%	36.62%	4.79%	2.57%	1.92%	1.92%
Class C	6.68	1.62	13.62	6.56	35.52	4.42	2.36	2.67	2.67
Class I	7.64	2.74	14.77	7.67	36.97	4.92	2.61	1.62	1.62
BENCHMARK									
Russell 3000 Financials Index	5.67	2.16	16.78	11.56	27.57	7.03	3.90	—	—
80%/20% Blended Index	5.29	2.25	13.38	9.34	21.76	5.69	3.17	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	7.18	1.88	13.31	5.57	29.80	-0.43	-2.57	1.92	1.92
Class C	6.68	1.62	13.62	6.56	34.52	3.42	1.36	2.67	2.67

[1] 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 1.43% for Class A, 2.18% for Class C, and 1.13% for Class I.

[2] The Fund was long-only from inception through April 2006.

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

The views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class C and Class I shares include Class A share performance achieved prior to the creation of Class C and Class I. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares have no sales charge.

Fund holdings subject to change without notice.

The Russell 3000 Financials Index consists of Russell 3000 companies involved in banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance, financial investments, and real estate, including REITS. The blended index represents a 80% weighting of the Russell 3000 Financials Index and a 20% weighting of the BofA Merrill Lynch U.S. T-Bill 0-3 Month Index. The BofA Merrill Lynch U.S. T-Bill 0-3 Month Index is comprised of U.S. dollar denominated U.S. Treasury Bills with a term to maturity of less than 3 months. These indexes do not incur fees and expenses (which would lower the return) and are not available for direct investment.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Fund(s) can be found in the Fund's(s) prospectus or summary prospectus which can be obtained at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by BHIL Distributors, LLC (Member FINRA). Diamond Hill Capital Management, Inc., a registered investment adviser, serves as Investment Adviser to the Diamond Hill Funds and is paid a fee for its services. Like all mutual funds, Diamond Hill Funds are not FDIC insured, may lose value, and have no bank guarantee.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF JUNE 30, 2017

BankUnited, Inc.	3.8%	Long	**Franklin Resources, Inc.**	3.9%	Long
Capital One Financial Corp.	4.1	Long	**Jones Lang LaSalle, Inc.**	2.3	Long
Citigroup, Inc.	5.4	Long	**Nationstar Mortgage Holdings, Inc.**	6.6	Long
Colony NorthStar, Inc. (Cl A)	4.2	Long	**ProAssurance Corp.**	0.0	Long
Discover Financial Services	4.1	Long	**SVB Financial Group**	3.4	Long
Fortress Investment Group LLC (Cl A)	0.0	Long	**Tanger Factory Outlet Centers, Inc.**	1.5	Long

Mentioned securities not held in the Diamond Hill Financial Long-Short Fund: SoftBank Group, Inc.

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

Diamond Hill Research Opportunities Fund Commentary

As of June 30, 2017

The Fund increased 3.54% (Class I) during the quarter, compared to a 3.02% increase in the long-only Russell 3000 Index and a 2.31% increase in the blended benchmark (75% Russell 3000 Index / 25% BofA Merrill Lynch U.S. T-Bill 0-3 Month Index).

The Fund's long portfolio contributed to absolute return, while the short portfolio detracted. In the long portfolio, holdings in the health care, consumer discretionary, and information technology sectors provided the largest contribution to absolute return, while industrials detracted. In the short portfolio, positions in the consumer discretionary and information technology sectors were the primary detractors from absolute return.

The Fund's outperformance relative to the long-only benchmark was primarily driven by security selection in the health care, information technology, and consumer discretionary sectors. The Fund's underweight allocation to the energy sector also contributed to relative return, while security selection in industrials and consumer staples detracted. The Fund's net exposure was 75% at the end of the quarter, equal to the blended benchmark's 75% exposure.

Best Performers

Long Portfolio

- Shares of home infusion services provider **BioScrip, Inc.** increased as the company's new management team continued to execute on its recovery plan. The company terminated the majority of its contract with UnitedHealth, which was running at a negative margin.

- Shares of telecommunication services provider **Cincinnati Bell, Inc.** partially recovered from earlier declines as the company delivered steady first-quarter results and maintained full-year guidance. We expect free cash flow to steadily grow over the next five years.

- Information technology services provider **Cognizant Technology Solutions Corp. (Cl A)** reported quarterly results that were consistent with the strategic plan management released in February. Additionally, revenue growth in the financial services and health care industries was encouraging.

- Shares of mortgage servicing company **Nationstar Mortgage Holdings, Inc.** outperformed as expectations about the health of the mortgage refinancing market improved on the pullback in interest rates.

- Shares of airline operator **United Continental Holdings, Inc.** rose as the revenues continue to improve for the airline industry, with United experiencing encouraging initial results on its revenue initiatives.

Short Portfolio

- The five best performers were long positions.

Worst Performers

Long Portfolio

- Freight transportation management company **Hub Group, Inc. (Cl A)** reduced full-year guidance as it became clear that intermodal pricing for 2017 would be well below prior expectations, largely due to the continued oversupply of capacity in the competing truckload market. We believe this issue is transitory and expect a more favorable pricing environment in 2018 as new regulations help constrain the supply of truckload capacity.

Short Portfolio

- Shares of internet postage company **Stamps.com, Inc.** traded up despite a lack of company-specific news. The U.S. Postal Service has not yet announced any changes to its reseller program; however, our short thesis remains unchanged.

- Shares of consumer electronics retailer **Best Buy Co., Inc.** rose after the company reported solid quarterly results and raised forward guidance. Importantly, store traffic continues to be weak.

- Shares of cloud networking company **Arista Networks, Inc.** appreciated following the company's solid first-quarter results and favorable rulings related to Cisco's various patent infringement claims. We believe Arista's shares remain overvalued as the current market valuation implies an unrealistically high long-term revenue growth rate.

- Shares of aerospace and defense company **Boeing Co.** rose following better-than-expected announced orders during the quarter. This included initial orders for the new 737 MAX-10, many of which were upgrades from a smaller version of the MAX family rather than incremental orders.

PORTFOLIO MANAGEMENT

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

New Positions

In the long portfolio, we initiated a position in the largest global electronic equipment distributor **Avnet, Inc.**, when its shares declined below our estimate of intrinsic value due to near term challenges from consolidation in its supplier base. Despite these headwinds, we believe Avnet has a strong balance sheet and a durable business in the long term. We started a position in global financial services firm **Bank of New York Mellon Corp.** because we believe the shares do not fully reflect the benefits from increasing interest rates, profit margin expansion, and the firm's capital return characteristics including Fed approval to return over 95% of its net income to shareholders in the form of dividends and share repurchases. We initiated a position in pharmaceutical company **Endo International PLC** which is primarily focused on generic drugs. We have confidence in the company's new management team and like its product pipeline. **Verisk Analytics, Inc.** is a specialized data and analytics provider that serves customers in the

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION (3/31/09)	5-YR	3-YR	1-YR	YTD	2Q17	EXPENSE RATIO[1] GROSS	NET
RETURNS AT NAV (WITHOUT SALES CHARGE)								
Class A	13.41%	10.74%	4.43%	20.04%	7.93%	3.44%	2.02%	2.02%
Class C	12.58	9.92	3.67	19.20	7.58	3.31	2.77	2.77
Class I	13.72	11.03	4.73	20.42	8.14	3.54	1.72	1.72
Class Y	13.87	11.18	4.85	20.58	8.18	3.59	1.62	1.62
BENCHMARK								
Russell 3000 Index	17.07	14.58	9.10	18.51	8.93	3.02	—	—
75%/25% Blended Index	12.78	10.90	6.92	13.77	6.73	2.31	—	—
RETURNS AT POP (WITH SALES CHARGE)								
Class A	12.71	9.61	2.66	14.05	2.53	-1.74	2.02	2.02
Class C	12.58	9.92	3.67	18.20	6.58	2.31	2.77	2.77

[1] Includes dividend expense relating to short sales. If dividend expenses relating to short sales were excluded, the Expense Ratio for the Research Opportunities Fund would have been 1.43% for Class A, 2.18% for Class C, 1.13% for Class I, and 1.03% for Class Y.

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

The views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

The quoted performance for the Fund reflects the past performance of the Diamond Hill Research Partners, L.P. (the "Research Partnership"), a private fund managed with full investment authority by the fund's Adviser. The Fund is managed in all material respects in a manner equivalent to the management of the predecessor unregistered fund. The assets of the Research Partnership were converted into assets of the fund prior to commencement of operation of the fund. The performance of the Research Partnership has been restated to reflect the net expenses and maximum applicable sales charge of the fund for its initial years of investment operations. The Research Partnership was not registered under the Investment Company Act of 1940 and therefore was not subject to certain investment restrictions imposed by the 1940 Act. If the Research Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Performance is measured from March 31, 2009, the inception of the Research Partnership and is not the performance of the fund. The 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. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 5.00%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

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

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Fund(s) can be found in the Fund's(s) prospectus or summary prospectus which can be obtained at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by BHIL Distributors, 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.

insurance, energy, and financial services industries. We believe Verisk possesses unique data assets that allow it to provide high and recurring value to its customers and that it has a large cross-selling opportunity over the next several years.

In the short portfolio, we initiated a short position in telecommunication services provider **AT&T, Inc.** We believe the company will underperform due to elevated wireless competition, the migration of consumers from satellite pay television services, and limited growth in AT&T's fixed-line service revenue. We also initiated a short position in biotechnology company **Bioverativ, Inc.**, a recent spinoff from Biogen that is focused on hemophilia. We believe the shares are overvalued given the company has a limited pipeline and will potentially face increased competition from novel therapies that show a better therapeutic profile. We initiated a short position in oil services provider **Core Laboratories N.V.** as we believe the company is overvalued based on end-market weakness for some of its business segments. We expect land drilling contractor **Helmerich & Payne, Inc.** to have less earnings power than in previous industry cycles as the overall end market for domestic land rigs may be constrained and the recovery may normalize at lower levels than expected. **RPC, Inc.** is a completion services business focused on oil shale-related drilling in the southwest United States. We believe the company will face reduced profitability as the exploration and production industry improves efficiency and new entrants increase industry capacity. Finally, we initiated short positions in imaging solutions company **Varex Imaging Corp.** and medical equipment and technology provider **Varian Medical Systems, Inc.** Varex was spun out of Varian so that each company could unlock value by focusing on its respective core businesses. We believe shares of Varex are overvalued as the company faces challenging end market conditions and high synergy expectations. Varian's post-spinoff shares appreciated to an unwarranted premium to our intrinsic value estimate. The company is facing an uncertain capital equipment spending market and has high expectations for its new product launch.

Eliminated Positions

In the long portfolio, we eliminated the following positions to fund more attractive investments: rental and leasing services company **Aaron's, Inc.**, discount retailers **Dollar General Corp.** and **TJX Cos., Inc.**, grocery store operator **Tesco PLC**, diversified media and entertainment company **Twenty-First Century Fox, Inc. (Cl B)**, cybersecurity solutions provider **Fortinet, Inc.**, networking and communications company **Juniper Networks, Inc.**, and electronics testing and measurement company **Keysight Technologies, Inc.** Specialty health insurer **Universal American Corp.** was acquired in an all-cash deal by WellCare Health Plans, Inc.

In the short portfolio, we covered our position in lighting and semiconductor applications provider **Cree, Inc.** as the price approached our estimate of intrinsic value. We also covered our short position in engine manufacturer **Cummins, Inc.** as our thesis of market share losses due to increased vertical integration and weakened industry volumes has not materialized.

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF JUNE 30, 2017

Aaron's, Inc.	0.0%	Long	Fortinet, Inc.	0.0%	Long
Arista Networks, Inc.	(1.8)	Short	Helmerich & Payne, Inc.	(0.3)	Short
AT&T, Inc.	(0.5)	Short	Hub Group, Inc. (Cl A)	4.2	Long
Avnet, Inc.	2.3	Long	Juniper Networks, Inc.	0.0	Long
Bank of New York Mellon Corp.	1.3	Long	Keysight Technologies, Inc.	0.0	Long
Best Buy Co., Inc.	(1.7)	Short	Nationstar Mortgage Holdings, Inc.	3.5	Long
BioScrip, Inc.	2.3	Long	RPC, Inc.	(0.2)	Short
Bioverativ, Inc.	(0.3)	Short	Stamps.com, Inc.	(1.6)	Short
Boeing Co.	(1.4)	Short	Tesco PLC	0.0	Long
Cincinnati Bell, Inc.	5.7	Long	TJX Cos, Inc.	0.0	Long
Cognizant Technology Solutions Corp. (Cl A)	5.4	Long	Twenty-First Century Fox, Inc. (Cl B)	0.0	Long
Core Laboratories N.V.	(0.2)	Short	United Continental Holdings, Inc.	5.3	Long
Cree, Inc.	0.0	Short	Universal American Corp.	0.0	Long
Cummins, Inc.	0.0	Short	Varex Imaging Corp.	(0.1)	Short
Dollar General Corp.	0.0	Long	Varian Medical Systems, Inc.	(0.4)	Short
Endo International PLC	1.1	Long	Verisk Analytics, Inc.	1.5	Long

Mentioned securities not held in the Diamond Hill Research Opportunities Fund: Biogen, Inc., Cisco Systems, Inc., UnitedHealth Group, Inc., and WellCare Health Plans, Inc.

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

Diamond Hill Short Duration Total Return Fund Commentary

As of June 30, 2017

All Fund returns based on Class I shares.

The Fund generated a 1.24% total return during the second quarter, compared to 0.31% for the Bloomberg Barclays U.S. 1-3 Year Government/Credit Index. Since its inception on July 5, 2016, the Fund has generated a total return of 3.71% compared to 0.26% for the Index. The goal of the Diamond Hill Short Duration Total Return Fund is to outperform the Index over a market cycle while generating a yield and return advantage relative to the benchmark.

Despite potential economic headwinds that arose during the quarter, the Federal Reserve appears to be fully committed to their plan of gradually increasing the federal funds target rate over time. The Fed opted to maintain rates at their current level after their May 2 meeting and provided clear indication of their plans to continue down the path of normalization. Despite a less-than-stellar jobs report (+138,000) for May and a slight decrease in inflation, the Fed moved forward with their rate hike in June. More importantly, the Fed provided an outline of their plan to wind down the balance sheet over the coming years.

Key points of the proposed Policy Normalization Principles and Plans include:

- 'Caps' are defined as the maximum amount per month that will be permitted to roll-off (not reinvested). Proposal is to begin slowly and build up over time.
- 'Caps' for Treasuries begin at $6 billion per month, with an increase of $6 billion every three months, to a maximum level of $30 billion per month.
- 'Caps' for mortgage-backed securities begin at $4 billion per month, with an increase of $4 billion every three months, to a maximum level of $20 billion per month.
- Fed reserves the right to slow or even reverse the process if the economy struggles to grow or if we hit another recession.

Even as the Fed continues to push the shorter end of the yield curve higher by increasing its target rate, the longer end continues to rally. Lack of yield in the European bond market is one reason why yields on the longer end of the U.S. curve remain so low.

PORTFOLIO MANAGEMENT

Henry Song, CFA
Portfolio Manager

Mark Jackson, CFA
Portfolio Manager

However, the flattening of the curve saw some relief near the end of the quarter as the market began anticipating a tightening of the European Central Bank's policy based on ECB President Mario Draghi's comments on June 27. This increased the yield on the German bund, which serves as a bellwether for European interest rates. Longer U.S. Treasury yields moved higher as well.

	3/31/17	6/27/17	6/30/17	QUARTER-OVER-QUARTER CHANGE
2-Year U.S. Treasury	1.26%	1.37%	1.38%	+12 bps
10-Year U.S. Treasury	2.39	2.21	2.30	-9 bps
10-Year German Bund	0.33	0.37	0.46	+13 bps

Source: Bloomberg

It is important to note that this Fund works to provide yield for investors while focusing on the shorter end of the fixed income markets. Though there is a concentration on the shorter end of the yield curve, the Fund maintains a certain level of interest rate risk and can experience some price volatility in uncertain markets. We believe there are opportunities to add incremental yield over the benchmark by investing in structured product across the quality spectrum. The Fund strives to maintain an average credit quality rating of A while taking advantage of mispriced opportunities in both unrated securities and a small allocation to below investment grade securities.

As of June 30, 2017, the Fund had a yield-to-worst of 3.43% and effective duration of 1.85, compared to the Index's yield-to-worst of 1.58% and effective duration of 1.94. Asset-backed securities (ABS) remain the largest allocation in the Fund and contribute the majority of the yield in the portfolio. Within the ABS sector, consumer ABS was the primary contributor to relative performance, followed by automobile and equipment ABS. Non-agency commercial mortgage-backed securities also contributed to the overall yield of the portfolio.

An underweight allocation to industrials detracted from relative return, but was partially offset by the Fund's slightly longer duration in industrials relative to the benchmark. The Fund has not invested in non-corporate credit such as sovereigns and supranationals, and the absence of these sectors added to relative performance as they retreated slightly after a strong first quarter.

The Fund's minimal allocation to the U.S. Treasury sector detracted from performance as this component of the Index generated slightly positive returns during the quarter.

The Fund continues to search for opportunities in the marketplace while maintaining an attractive yield relative to the benchmark.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION (7/5/2016)	YTD	2Q17	EXPENSE RATIO GROSS	EXPENSE RATIO NET
RETURNS AT NAV (WITHOUT SALES CHARGE)					
Class A	3.43%	2.22%	1.19%	0.83%	0.83%
Class I	3.71	2.42	1.24	0.53	0.53
Class Y	3.90	2.58	1.37	0.43	0.43
BENCHMARK					
Bloomberg Barclays U.S. 1-3 Yr. Gov./Credit Index	0.26	0.72	0.31	—	—
RETURNS AT POP (WITH SALES CHARGE)					
Class A	1.11	-0.07	-1.06	0.83	0.83

Must be preceded or accompanied by a prospectus.

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 views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 2.25%; I shares and Y shares have no sales charge.

Fund holdings 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.

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 BHIL Distributors, 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.

Diamond Hill Core Bond Fund Commentary

As of June 30, 2017

PORTFOLIO MANAGEMENT

Henry Song, CFA
Portfolio Manager

Mark Jackson, CFA
Portfolio Manager

All Fund returns based on Class I shares.

The Fund generated a 1.76% total return during the second quarter, compared to 1.45% for the Bloomberg Barclays U.S. Aggregate Index. Since its inception on July 5, 2016, the Fund has generated a total return of 0.71% compared to -1.01% for the Index. The goal of the Diamond Hill Core Bond Fund is to outperform the Index over a market cycle.

Despite potential economic headwinds that arose during the quarter, the Federal Reserve appears to be fully committed to their plan of gradually increasing the federal funds target rate over time. The Fed opted to maintain rates at their current level after their May 2 meeting and provided clear indication of their plans to continue down the path of normalization. Despite a less-than-stellar jobs report (+138,000) for May and a slight decrease in inflation, the Fed moved forward with their rate hike in June. More importantly, the Fed provided an outline of their plan to wind down the balance sheet over the coming years.

Key points of the proposed Policy Normalization Principles and Plans include:

- 'Caps' are defined as the maximum amount per month that will be permitted to roll-off (not reinvested). Proposal is to begin slowly and build up over time.
- 'Caps' for Treasuries begin at $6 billion per month, with an increase of $6 billion every three months, to a maximum level of $30 billion per month.
- 'Caps' for mortgage-backed securities begin at $4 billion per month, with an increase of $4 billion every three months, to a maximum level of $20 billion per month.
- Fed reserves the right to slow or even reverse the process if the economy struggles to grow or if we hit another recession.

Even as the Fed continues to push the shorter end of the yield curve higher by increasing its target rate, the longer end continues to rally. Lack of yield in the European bond market is one reason why yields on the longer end of the U.S. curve remain so low. However, the flattening of the curve saw some relief near the end of the quarter as the market began anticipating a tightening of the European Central Bank's policy based on ECB President Mario Draghi's comments on June 27. This increased the yield on the German bund, which serves as a bellwether for European interest rates. Longer U.S. Treasury yields moved higher as well.

	3/31/17	6/27/17	6/30/17	QUARTER-OVER-QUARTER CHANGE
2-Year U.S. Treasury	1.26%	1.37%	1.38%	+12 bps
10-Year U.S. Treasury	2.39	2.21	2.30	-9 bps
10-Year German Bund	0.33	0.37	0.46	+13 bps

Source: Bloomberg

The Fund's duration has been maintained within our targeted range of +/- 10% of the benchmark's duration. At the end of the second quarter, the Fund's duration was roughly 90% of the benchmark's duration (5.41 and 6.01, respectively), reflecting the long-term viewpoint that interest rates have a greater chance of moving higher over the coming months and quarters. The Fund's overall shorter duration positioning relative to the benchmark minimally detracted from performance during the quarter.

The securitized sector was the primary driver of relative return, led by strong security selection and sector positioning. Continued demand in the marketplace drove spreads even tighter across the entire space, even as heavy issuance continued to hit the marketplace. Year-to-date new issuance in the consumer asset-backed securities market is currently at its highest level since the financial crisis, 6.8% ahead of the previous six-month high achieved in 2014. Asset-backed securities, along with commercial mortgage-backed securities, were the primary contributors to relative performance in the securitized sector as spreads tightened due to high demand. With agency mortgage-backed securities still under pressure from the Fed's involvement in the marketplace, this sector remains overvalued and, relative to other securitized assets, not very attractive.

Diamond Hill Core Bond Fund Commentary

As of June 30, 2017

Investment grade credit continued its resurgence, with the Bloomberg Barclays U.S. Corporate Index delivering a return of 2.54% in the second quarter. The Fund's underweight allocation to investment grade credit as well as sector allocation within the investment grade space detracted from relative performance. The largest detractor was our underweight position in industrials, which rallied during the quarter. Utilities and financials also slightly detracted from relative performance.

The Fund continues to search for opportunities in the marketplace while maintaining a conservative risk profile relative to the Index.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION (7/5/2016)	YTD	2Q17	EXPENSE RATIO GROSS	EXPENSE RATIO NET
RETURNS AT NAV (WITHOUT SALES CHARGE)					
Class A	0.33%	2.67%	1.59%	0.78%	0.78%
Class I	0.71	2.91	1.76	0.48	0.48
Class Y	0.78	2.95	1.79	0.38	0.38
BENCHMARK					
Bloomberg Barclays U.S. Aggregate Index	-1.01	2.27	1.45	—	—
RETURNS AT POP (WITH SALES CHARGE)					
Class A	-3.16	-0.90	-1.93	0.78	0.78

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 views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 3.50%; I shares and Y shares have no sales charge.

Fund holdings 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. The Bloomberg Barclays U.S. Corporate Index is an unmanaged index measuring the investment grade, fixed-rate, taxable corporate bond market. It includes USD Denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers. These indices do not incur fees and expenses (which would lower the return) and are not available for direct investment.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Fund(s) can be found in the Fund's(s) prospectus or summary prospectus which can be obtained at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by BHIL Distributors, 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.

Diamond Hill Corporate Credit Fund Commentary

As of June 30, 2017

All Fund returns based on Class I shares.

The Fund generated a 2.29% total return during the second quarter, compared to 2.37% for the Bank of America Merrill Lynch U.S. Corporate & High Yield Index. Year to date, the Fund generated a total return of 5.11% compared to 4.06% for the Corporate & High Yield Index. For the trailing five years, the Fund generated an annualized total return of 6.11% compared to 4.60% for the Corporate & High Yield Index.

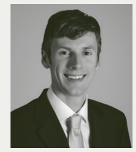
Unlike most corporate bond funds, the Diamond Hill Corporate Credit Fund is not managed against any index. Instead, the Fund is managed against absolute objectives of (1) inflation plus 3% and (2) 7% nominal, each measured over rolling five-year periods. Our goal is to achieve these objectives while minimizing the risk of downside volatility over longer time periods. Although the Fund's investable universe (and the Corporate & High Yield Index) includes both investment grade and high yield corporate bonds, since early 2010 the Fund has been largely focused on the high yield portion of the market to achieve these objectives. Over 85% of the Fund was in high yield corporate bonds at the end of the second quarter.

The high yield portion of the U.S. corporate bond market, as represented by the Bank of America Merrill Lynch U.S. High Yield Index, began the quarter with a yield-to-worst of 5.88% and option-adjusted spread of 392 basis points. At the end of the second quarter, the yield-to-worst was 5.68% and the option-adjusted spread was 377 basis points. The Fund's yield-to-worst is typically somewhere in the range of our absolute objectives, although it was well below the low end of the range on June 30, 2014 (the peak of the high yield market) and well above the high end of the range on February 11, 2016 (the most recent bottom of the high yield market). The Fund's yield-to-worst began the quarter at 5.10% and declined to 4.59% at the end of the quarter. The Fund's duration was 3.04, in the middle of its typical 2.0-3.5 range, but well below the High Yield Index duration of 4.04 and the Corporate & High Yield Index duration of 6.66.

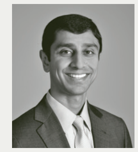
High yield is off to a stronger start to 2017 than many expected, buttressed by the strength of equities on one end of the spectrum and core U.S. fixed income on the other. In addition, the high yield default rate is below the historical average and expected to decline further in coming quarters. While the timing is difficult to forecast, the high yield market is prone to bouts of volatility and illiquidity.

PORTFOLIO MANAGEMENT

Bill Zox, CFA
Portfolio Manager



John McClain, CFA
Portfolio Manager



Suken Patel, CFA
Asst. Portfolio Manager

An important part of the Fund's strategy is to be in a strong position to take advantage of volatility and illiquidity which lead to favorable pricing of high yield bonds for investors with a long-term time horizon.

The energy industry led the high yield market down from the middle of 2014 to early 2016. After a powerful rebound last year, energy is once again the weakest industry in the high yield market this year. The Fund's energy weighting is currently small with high quality issuers but we are willing to add materially to the allocation if the prices of high yield energy bonds fall to our buy points. We expect high yield energy bonds to come under pressure to induce producers to cut production in the oversupplied market that we foresee in 2018.

Conduent Finance, Inc. 10.5% due 2024 was one of the largest contributors to performance during the second quarter. Conduent benefited from its high coupon and reasonable valuation. Since its spinoff from Xerox at the end of last year, Conduent has made progress on margin improvement and free cash flow generation remains on track.

Three holdings in the financials sector were among the top contributors to performance during the quarter: **Quicken Loans, Inc. 5.75% due 2025**, **MGIC Investment Corp. 5.75% due 2023**, and **Popular, Inc. 7.0% due 2019**. Quicken and MGIC have strong competitive positions in mortgage origination and servicing and mortgage insurance, respectively. The decline in interest rates was beneficial to their businesses and to their bonds as two of the Fund's higher quality, longer duration holdings.

Frontier Communications Corp. 11.0% due 2025 was one of the largest detractors from performance during the quarter. On the positive side, Frontier reduced its dividend by more than 60% and showed some signs of progress with cost savings, pricing, and new customer adds. On the negative side, Frontier continues to lose too many customers and the pace of deleveraging is expected to be slow. Improvement in customer churn is important.

Selected New and Eliminated Positions

We were once again selective in the new issue market, participating in six new offerings: **Century Communities 5.875% due 2025**, **Provident Funding Associates 6.375% due 2025**, **USIS Merger Sub, Inc. 6.875% due 2025**, **KAR Auction Services, Inc. 5.125% due 2025**, **Laureate Education, Inc. 8.25% due 2025**, and **FirstCash, Inc. 5.375% due 2024**.

With our deep and talented research team, we are always willing to step into a market that is overreacting to near-term issues or otherwise unwilling to reflect long-term fundamental value. We saw several opportunities to do so during the first half of the year and we believe we will continue to have idiosyncratic opportunities in the future when investors overreact to short-term volatility. **Pilgrim's Pride Corp. 5.75% due 2025** was the largest detractor to performance and was also a new position during the quarter. We became interested in the debt as headlines swirled around its controlling shareholder JBS (79% ownership) and the holding company of JBS, J&F Investimentos S.A. The Batista family paid personal fines for its role in paying bribes to Brazilian state-run banks and pension funds. J&F was ordered to pay more than $3 billion in fines over a 25-year period to settle five probes. The fine corresponds to 5.6% of the revenues earned by J&F holdings in 2016. While we believe there will continue to be many headlines around J&F and JBS, it is important to note that we can analyze the fines levied and the impact to Pilgrim's Pride. Further, Pilgrim's Pride is a U.S.-domiciled public company that has an independent management team, low leverage, strong free cash flow, and good long-term operational trends. J&F fines are levied at the holding company and not at JBS USA or Pilgrim's Pride. J&F will most likely sell some subsidiaries to address the fines.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION (9/30/02)	10-YR	5-YR	3-YR	1-YR	YTD	2Q17	EXPENSE RATIO GROSS	EXPENSE RATIO NET[1]
RETURNS AT NAV (WITHOUT SALES CHARGE)									
Class A	7.06%	5.67%	5.84%	5.72%	10.50%	4.94%	2.21%	0.95%	0.94%
Class C	6.30	4.89	5.03	4.93	9.70	4.57	2.02	1.70	1.69
Class I	7.35	6.00	6.11	6.02	10.77	5.11	2.29	0.65	0.64
Class Y	7.21	5.89	6.25	6.11	10.91	5.07	2.22	0.55	0.54
BENCHMARK									
BofA ML U.S. Corporate & High Yield Index	6.30	6.03	4.60	3.66	4.14	4.06	2.37	—	—
RETURNS AT POP (WITH SALES CHARGE)									
Class A	6.80	5.29	5.09	4.46	6.67	1.30	-1.38	0.95	0.94
Class C	6.30	4.89	5.03	4.93	8.70	3.57	1.02	1.70	1.69

Must be preceded or accompanied by a prospectus.

[1] The Fund may invest in another Diamond Hill Fund. Diamond Hill Capital Management, Inc. is required to permanently waive a portion of its management fee in the pro-rata amount of the management fee charged by the underlying Diamond Hill Fund.

Risk Disclosure: 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 (i.e.: "High Yield") securities involve greater risk of default or price changes due to potential changes in the issuer's credit quality.

The views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class I and Class Y shares include Class A share performance achieved prior to the creation of Class I and Class Y shares. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 3.50%; C shares have a maximum contingent deferred sales charge (CDSC) of 1.00% for redemptions within the first year of purchase; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The BofA Merrill Lynch 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 BofA Merrill Lynch 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.

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 BHIL Distributors, 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.

Onex USI Acquisition Corp. 7.75% due 2021, **Isle of Capri Casinos, Inc. 8.875% due 2020**, **Greektown Holdings LLC 8.875% due 2019**, and **HUB International Ltd. 9.25% due 2021** were called.

We eliminated our position in **The Fresh Market, Inc. 9.75% due 2023**. While it was a strong contributor during the quarter, we are not satisfied with the investment outcome as the bonds declined from $99 issue price in April 2016 to the mid-$80s in the second quarter when we fully exited the position. Due to poor operational results, we eliminated the position just before the announcement that Amazon would acquire Whole Foods. We believe this transaction will have significant implications on the U.S. grocery market and The Fresh Market has very high customer overlap with Whole Foods. Further, The Fresh Market must improve its value proposition through lower prices which will become harder to do in competition with Amazon. The grocery industry is already hyper-competitive with thin margins. With Whole Foods (at the high end) having deeper pockets and most likely a better value proposition, and Aldi and Lidl (at the low end) aggressively expanding into the U.S., we may see many casualties in this space over the next five years. Our margin of safety evaporated and we exited the position at a loss as the thesis had become impaired.

TOP 5 CONTRIBUTORS

SECURITY NAME	2Q17 CONTRIBUTION	POSITION AS OF 2Q17
Conduent Finance, Inc. 10.5% due 2024	0.14%	3.6%
Quicken Loans, Inc. 5.75% due 2025	0.11	1.7
Popular, Inc. 7.0% due 2019	0.11	4.9
Century Communities, Inc. 6.875% due 2022	0.11	4.1
Kindred Healthcare, Inc. 8.75% due 2023	0.09	0.9

TOP 5 DETRACTORS

SECURITY NAME	2Q17 CONTRIBUTION	POSITION AS OF 2Q17
Pilgrim's Pride Corp. 5.75% due 2025	-0.03%	1.3
Frontier Communications Corp. 11.0% due 2025	-0.01	1.3
Horizon Pharma, Inc. 8.75% due 2024	0.00	0.8
Diamondback Energy, Inc. 5.375% due 2025	0.00	0.3
SPX Flow, Inc. 5.625% due 2024	0.00	0.0

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF JUNE 30, 2017

Century Communities, Inc. 5.875% due 2025	1.6%	MGIC Investment Corp. 5.75% due 2023	2.2%
Conduent Finance, Inc. 10.5% due 2024	3.6	Onex USI Acquisition Corp. 7.75% due 2021	0.0
FirstCash, Inc. 5.375% due 2024.	0.2	Pilgrim's Pride Corp. 5.75% due 2025	1.3
Frontier Communications Corp. 11.0% due 2025	1.3	Popular, Inc. 7.0% due 2019	4.9
Greektown Holdings LLC 8.875% due 2019	0.0	Provident Funding Associates 6.375% due 2025	0.8
HUB International Ltd. 9.25% due 2021	0.0	Quicken Loans, Inc. 5.75% due 2025	1.7
Isle of Capri Casinos, Inc. 8.875% due 2020	0.0	The Fresh Market, Inc. 9.75% due 2023	0.0
KAR Auction Services, Inc. 5.125% due 2025	0.6	USIS Merger Sub, Inc. 6.875% due 2025	0.6
Laureate Education, Inc. 8.25% due 2025	0.4		

Mentioned securities not held in the Diamond Hill Corporate Credit Fund: Amazon, Inc., JBS S.A., Whole Foods Market, Inc., Xerox Corp.

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

Diamond Hill High Yield Fund Commentary

As of June 30, 2017

All Fund returns based on Class I shares.

The Fund generated a 2.96% total return during the second quarter, compared to 2.14% for the Bank of America Merrill Lynch U.S. High Yield Index. Year to date, the Fund generated a total return of 6.82% compared to 4.91% for the High Yield Index. Since inception on December 4, 2014, the Fund generated an annualized total return of 8.46% compared to 6.24% for the High Yield Index.

While we are pleased with the Fund's performance compared to the High Yield Index, it is important to note that the High Yield Index is not an investable alternative. Over our five-year time horizon, performance relative to peers will be the best metric to evaluate the Fund. We discuss high yield indices, investable passive alternatives and active management in "Debunking the High Yield Index and High Yield ETFs" available at www.diamond-hill.com/debunking-high-yield-index-high-yield-etfs.

Coming into the year, the Fund's yield-to-worst of 6.44% was 25 basis points higher than the High Yield Index yield-to-worst of 6.19%. At the end of the quarter, the Fund's yield-to-worst of 5.37% was 31 basis points lower than the High Yield Index yield-to-worst of 5.68%, marking an almost 60 basis point shift since the beginning of the year relative to the Index. The Fund's yield-to-worst does not reflect a top-down market call. Instead, it is a product of the values that we identify on a bottom-up basis and our desire to be well-positioned to take advantage of any bouts of volatility and illiquidity in the high yield market. Because of our five-year time horizon, we have no need to chase an overheated market. The first four quarters of the Fund's history were difficult for the high yield market while the last six quarters have been quite strong. Our long-term time horizon and other structural advantages have allowed us to perform well in both environments.

We take into account both price and value when we look at our market, and while value hasn't materially changed this year, price has become more expensive. As a result, we haven't been finding as many bonds trading at a substantial discount to our estimate of intrinsic value. Instead of investing more in less-attractive bonds, we have increased our concentration in our top 10 holdings from 33.4% at the end of 2016 to 42% at the end of the second quarter. Further, we have reduced our CCC and below exposure from 5.8% to 3.1%. Finally, energy exposure is another proxy for risk. The Fund's exposure is actually up on the year from 7.7% to 9.5%, almost entirely due to our increased exposure in **Energen Corp. 7.125% due 2028** which went from 4.7% to 6.4%. However, the Fund's 9.5% total energy weighting compares to the High Yield Index energy weighting of 14%.

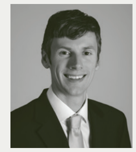
The energy industry led the high yield market down from the middle of 2014 to early 2016. West Texas Intermediate has moved from $105 a barrel to just above $46, down more than 50% during this timeframe. After a powerful rebound last year, energy is once again the weakest industry in the high yield market this year with option-adjusted spread moving from 425 to 487 basis points and a total return of 1.34% versus the High Yield Index total return of 4.91%. The Fund's energy weighting is well below that of the High Yield Index but we are willing to add materially to the allocation if the prices of high yield energy bonds fall to our buy points. We expect high yield energy bonds to come under pressure to induce producers to cut production in the oversupplied market that we foresee in 2018.

Energen Corp. 7.125% due 2028 was the largest contributor to performance during the second quarter. This bond is the Fund's largest single position and has benefited from both strong operational performance and takeover speculation as activist hedge funds Corvex Management, Highfields Capital, and Elliott Management all have announced meaningful stakes in the company. If a takeover were to occur, we believe our bonds would be made whole as is contractually stipulated if the company decided to redeem the bonds. The make-whole price is dependent on when this would occur and the price of the appropriate Treasury bond. Currently, the make-whole price is substantially higher than the market price of the bonds. We not only search for good credits but also for bond structures that provide the best return opportunities.

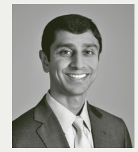
Conduent Finance, Inc. 10.5% due 2024 was the second largest contributor to performance during the second quarter. Conduent benefited from its high coupon and reasonable valuation. Since its spinoff from Xerox at the end of last year, Conduent has made progress on margin improvement and free cash flow generation remains on track. It is also important to note that we have reduced our exposure by more than 150 basis points during the quarter as

PORTFOLIO MANAGEMENT

Bill Zox, CFA
Portfolio Manager



John McClain, CFA
Portfolio Manager



Suken Patel, CFA
Asst. Portfolio Manager

bond prices are up nearly 20 points since new issue in November 2016. Price and value dictate our position sizes and Conduent still remains a top 10 holding.

With our deep and talented research team we are always willing to step into a market that is overreacting to near-term issues or otherwise unwilling to reflect long-term fundamental value. We saw several opportunities to do so during the first half of the year and we believe we will continue to have idiosyncratic opportunities in the future when investors overreact to short-term volatility. **Pilgrim's Pride Corp. 5.75% due 2025** was a large detractor from performance and was also a new position during the quarter. We became interested in the debt as headlines swirled around its controlling shareholder JBS (79% ownership) and the holding company of JBS, J&F Investimentos S.A. The Batista family paid personal fines for its role in paying bribes to Brazilian state-run banks and pension funds. J&F was ordered to pay more than $3 billion in fines over a 25-year period to settle five probes. The fine corresponds to 5.6% of the revenues earned by J&F holdings in 2016. While we believe there will continue to be many headlines around J&F and JBS it is important to note that we can analyze the fines levied and the impact to Pilgrim's Pride. Further, Pilgrim's Pride is a U.S.-domiciled public company that has an independent management team, low leverage, strong free cash flow, and good long-term operational trends. J&F fines are levied at the holding company and not at JBS USA or Pilgrim's Pride. J&F will most likely sell some subsidiaries to address the fines.

Frontier Communications Corp. 11.0% due 2025 was also a detractor from performance during the quarter. On the positive side, Frontier reduced its dividend by more than 60% and showed some signs of progress with cost savings, pricing, and new customer adds. On the negative side, Frontier continues to lose too many customers and the pace of deleveraging is expected to be slow. Improvement in customer churn is important.

PERIOD AND AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017

	SINCE INCEPTION (12/4/14)	1-YR	YTD	2Q17	EXPENSE RATIO GROSS	EXPENSE RATIO NET
RETURNS AT NAV (WITHOUT SALES CHARGE)						
Class A	8.15%	14.09%	6.68%	2.89%	0.98%	0.98%
Class I	8.46	14.40	6.82	2.96	0.68	0.68
Class Y	8.57	14.53	6.87	3.00	0.58	0.58
BENCHMARK						
BofA ML U.S. High Yield Index	6.24	12.75	4.91	2.14	—	—
RETURNS AT POP (WITH SALES CHARGE)						
Class A	6.68	10.11	2.91	-0.67	0.98	0.98

Must be preceded or accompanied by a prospectus.

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 (i.e.:"High Yield") securities involve greater risk of default or price changes due to potential changes in the issuer's credit quality.

The views expressed are those of the portfolio managers as of June 30, 2017, are subject to change and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of results, or investment advice.

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

The quoted performance for the Fund reflects the past performance of the 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 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. The returns at POP reflect the maximum sales charge applicable to each class. The maximum sales charge for A shares is 3.50%; I shares and Y shares have no sales charge.

Fund holdings subject to change without notice.

The BofA Merrill Lynch 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. This index does not incur fees and expenses (which would lower the return) and is not available for direct investment.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Fund(s) can be found in the Fund's(s) prospectus or summary prospectus which can be obtained at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing. The Diamond Hill Funds are distributed by BHIL Distributors, 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.

Selected New and Eliminated Positions

We are once again selective in the new issue market participating in six new offerings: **Century Communities, Inc. 5.875% due 2025**, **Provident Funding Associates 6.375% due 2025**, **USIS Merger Sub, Inc. 6.875% due 2025**, **KAR Auction Services, Inc. 5.125% due 2025**, **Laureate Education 8.25% due 2025**, and **FirstCash, Inc. 5.375% due 2024**.

Onex USI Acquisition Corp. 7.75% due 2021, **Greektown Holdings LLC 8.875% due 2019**, and **HUB International Ltd. 9.25% due 2021** were called.

We eliminated our position in **The Fresh Market 9.75% due 2023**. While it was a strong contributor during the quarter we are not satisfied with the investment outcome as the bonds declined from $99 issue price in April 2016 to the mid-$80s in the second quarter when we fully exited the position. Due to poor operational results, we had reduced our exposure and then fully exited following the announcement that Amazon would acquire Whole Foods. We believe this transaction will have significant implications on the U.S. grocery market and The Fresh Market has very high customer overlap with Whole Foods. Further, The Fresh Market must improve its value proposition through lower prices which will become harder to do in competition with Amazon. The grocery industry is already hyper-competitive with thin margins. With Whole Foods (at the high end) having deeper pockets and most likely a better value proposition, and Aldi and Lidl (at the low end) aggressively expanding into the U.S., we may see many casualties in this space over the next five years. Our margin of safety evaporated and we exited the position at a loss as the thesis had become impaired.

Finally, we continued to add to our allocation to high yield asset-backed securities (ABS) because the opportunities in the higher-rated portion of the high yield ABS market compare favorably to the BB portion of the high yield corporate bond market.

TOP 5 CONTRIBUTORS

SECURITY NAME	2Q17 CONTRIBUTION	POSITION AS OF 2Q17
Energen Corp. 7.125% due 2028	0.32%	6.2%
Conduent Finance, Inc. 10.5% due 2024	0.17	3.7
Springleaf Finance Corp. 8.25% due 2023	0.16	1.0
Nationstar Capital Group, Inc. 6.5% due 2022	0.15	4.2
Kindred Healthcare, Inc. 8.75% due 2023	0.14	1.2

TOP 5 DETRACTORS

SECURITY NAME	2Q17 CONTRIBUTION	POSITION AS OF 2Q17
Pilgrim's Pride Corp. 5.75% due 2025	-0.04%	1.9
Frontier Communications Corp. 11.0% due 2025	-0.01	1.6
Horizon Pharma, Inc. 8.75% due 2024	-0.01	0.8
Quad Graphics, Inc. 7.0% due 2022	0.00	0.0
Carrizo Oil & Gas, Inc. 7.5% due 2020	0.00	0.0

MENTIONED SECURITIES AND RESPECTIVE WEIGHTS AS OF JUNE 30, 2017

Century Communities, Inc. 5.875% due 2025	2.8%	KAR Auction Services, Inc. 5.125% due 2025	0.8%
Conduent Finance, Inc. 10.5% due 2024	3.6	Laureate Education, Inc. 8.25% due 2025	0.7
Energen Corp. 7.125% due 2028	6.2	Onex USI Acquisition Corp. 7.75% due 2021	0.0
FirstCash, Inc. 5.375% due 2024	0.4	Pilgrim's Pride Corp. 5.75% due 2025	1.8
Frontier Communications Corp. 11.0% due 2025	1.6	Provident Funding Associates 6.375% due 2025	1.4
Greektown Holdings LLC 8.875% due 2019	0.0	The Fresh Market, Inc. 9.75% due 2023	0.0
HUB International Ltd. 9.25% due 2021	0.0	USIS Merger Sub, Inc. 6.875% due 2025	1.1

Mentioned securities not held in the Diamond Hill High Yield Fund: Amazon, Inc., JBS S.A., Whole Foods Market, Inc., Xerox Corp.

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

Diamond Hill Funds Performance Update*

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

	Ticker Symbol	CUSIP Number	Since Inception	10-YR	5-YR	3-YR	1-YR	YTD	2Q17	Maximum Front-End Sales Charge	Contingent Deferred Sales Charge	Management Fee	Distribution Fee (12b-1)	Other Expenses	Expense Ratio Gross	Expense Ratio Net	Overall Morningstar Rating
			PERIOD & AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017							FEES & EXPENSES							MORNINGSTAR
LONG – ONLY EQUITY																	
SMALL CAP[1] *(closed to new investors)* (Inception Date 12/29/00) | Morningstar: Small Value | Lipper: Small-Cap Core																	
Class A	DHSCX	25264S304	10.53%	6.18%	12.06%	2.61%	13.35%	1.69%	0.89%	5.00%	—	0.80%	0.25%	0.25%	1.30%	1.30%	★★★ The Overall Morningstar Rating out of 337 Small Value Funds as of 6/30/2017.
Class C	DHSMX	25264K103	9.71	5.39	11.23	1.83	12.46	1.29	0.69	—	1.00%	0.80	1.00	0.25	2.05	2.05	
Class I	DHSIX	25264S858	10.79	6.51	12.36	2.88	13.65	1.81	0.94	—	—	0.80	—	0.20	1.00	1.00	
Class Y	DHSYX	25264S692	10.67	6.42	12.51	3.01	13.79	1.86	0.99	—	—	0.80	—	0.10	0.90	0.90	
Benchmark	Russell 2000 Index		8.17	6.92	13.70	7.36	24.60	4.99	2.46								
SMALL-MID CAP[1] *(closed to new investors)* (Inception Date 12/30/05) | Morningstar: Mid-Cap Value | Lipper: Mid-Cap Core																	
Class A	DHMAX	25264S817	9.09%	8.80%	15.48%	7.06%	15.92%	3.45%	0.92%	5.00%	—	0.75%	0.25%	0.24%	1.24%	1.24%	★★★★★ The Overall Morningstar Rating out of 356 Mid-Cap Value Funds as of 6/30/2017.
Class C	DHMCX	25264S791	8.29	7.99	14.61	6.25	15.04	3.01	0.75	—	1.00%	0.75	1.00	0.24	1.99	1.99	
Class I	DHMIX	25264S783	9.44	9.13	15.79	7.35	16.32	3.55	1.00	—	—	0.75	—	0.19	0.94	0.94	
Class Y	DHMYX	25264S684	9.30	9.04	15.95	7.49	16.42	3.64	1.00	—	—	0.75	—	0.09	0.84	0.84	
Benchmark	Russell 2500 Index		8.60	7.42	14.04	6.93	19.84	5.97	2.13								
MID CAP[1] (Inception Date 12/31/13) | Morningstar: Mid-Cap Value | Lipper: Mid-Cap Core																	
Class A	DHPAX	25264S635	8.45%	—	—	7.40%	16.69%	3.89%	1.00%	5.00%	—	0.60%	0.25%	0.24%	1.09%	1.09%	★★★★ The Overall Morningstar Rating out of 356 Mid-Cap Value Funds as of 6/30/2017.
Class I	DHPIX	25264S619	8.78	—	—	7.71	17.12	4.12	1.15	—	—	0.60	—	0.19	0.79	0.79	
Class Y	DHPYX	25264S593	8.89	—	—	7.80	17.10	4.11	1.15	—	—	0.60	—	0.09	0.69	0.69	
Benchmark	Russell Midcap Index		9.12	—	—	7.69	16.48	7.99	2.70								
LARGE CAP[2] (Inception Date 6/29/01) | Morningstar: Large Value | Lipper: Large-Cap Core																	
Class A	DHLAX	25264S502	8.35%	7.20%	15.07%	8.85%	22.44%	9.41%	2.94%	5.00%	—	0.50%	0.25%	0.23%	0.98%	0.98%	★★★★★ The Overall Morningstar Rating out of 1091 Large Value Funds as of 6/30/2017.
Class C	DHLCX	25264S601	7.52	6.40	14.19	8.03	21.51	8.98	2.71	—	1.00%	0.50	1.00	0.23	1.73	1.73	
Class I	DHLRX	25264S841	8.62	7.53	15.36	9.15	22.76	9.53	3.00	—	—	0.50	—	0.18	0.68	0.68	
Class Y	DHLYX	25264S676	8.50	7.44	15.52	9.28	22.91	9.61	3.04	—	—	0.50	—	0.08	0.58	0.58	
Benchmark	Russell 1000 Index		6.74	7.29	14.67	9.26	18.03	9.27	3.06								
ALL CAP SELECT[1] *(formerly Select)* (Inception Date 12/30/05) | Morningstar: Large Blend | Lipper: Multi-Cap Core																	
Class A	DHTAX	25264S775	7.76%	6.91%	14.51%	6.10%	24.84%	6.29%	1.43%	5.00%	—	0.70%	0.25%	0.23%	1.18%	1.18%	★★★★ The Overall Morningstar Rating out of 1223 Large Blend Funds as of 6/30/2017.
Class C	DHTCX	25264S767	6.97	6.11	13.65	5.30	23.80	5.91	1.20	—	1.00%	0.70	1.00	0.23	1.93	1.93	
Class I	DHLTX	25264S759	8.09	7.24	14.81	6.39	25.22	6.49	1.49	—	—	0.70	—	0.18	0.88	0.88	
Class Y	DHTYX	25264S668	7.95	7.14	14.95	6.50	25.20	6.48	1.42	—	—	0.70	—	0.08	0.78	0.78	
Benchmark	Russell 3000 Index		8.28	7.26	14.58	9.10	18.51	8.93	3.02								

The performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's current performance may be lower or higher than the performance data quoted. Investors may obtain performance information current to the most recent month-end, within 7 business days, at diamond-hill.com. Refer to each Fund on pages 4, 7, 10, 13, 16, 19, 22, 25, 28, 30, 32, and 35 for standard performance.

Performance returns assume reinvestment of all distributions. Returns for periods less than one year are not annualized. Class C and 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 (Class I only) which was achieved prior to the creation of Class C and Class I shares. Except for the Mid Cap Fund, the Research Opportunities Fund, the Short Duration Total Return Fund, the Core Bond Fund, and the High Yield Fund, Class Y shares include performance based on Class A shares, which was achieved prior to the creation of Class Y shares. These total return figures may reflect the waiver of a portion of a Fund's advisory or administrative fees for certain periods. Without such waiver of fees, the total returns would have been lower.

[1] There are special risks associated with small capitalization issues such as market illiquidity and greater market volatility than large capitalization issues.

[2] Overall equity market risks may affect the value of the fund.

[3] 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 1.40% for Class A, 2.15% for Class C, 1.10% for Class I, and 1.00% for Class Y, and for the Financial Long-Short Fund would have been 1.43% for Class A, 2.18% for Class C, and 1.13% for Class I, and for the Research Opportunities Fund would have been 1.43% for Class A, 2.18% for Class C, 1.13 % for Class I, and 1.03% for Class Y.

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

[5] The Financial Long-Short Fund was long-only from inception through April 2006.

[6] The quoted performance for the Fund reflects the past performance of Diamond Hill Research Partners, L.P. (the "Research Partnership"), a private fund managed with full investment authority by the fund's Adviser. The fund is managed in all material respects in a manner equivalent to the management of the predecessor unregistered fund. The fund's objectives, policies, guidelines and restrictions are in all material respects equivalent to the predecessor, and the fund was created for reasons entirely unrelated to the establishment of a performance record. The assets of the Research Partnership were converted into assets of the fund prior to commencement of operation of the fund. The performance of the Research Partnership has been restated to reflect the net expenses and maximum applicable sales charge of the fund for its initial years of investment operations. The Research Partnership was not registered under the Investment Company Act of 1940 and therefore was not subject to certain investment restrictions imposed by the 1940 Act. If the Research Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Performance is measured from March 31, 2009, the inception of the Research Partnership and is not the performance of the fund. The Research Partnership's past performance is not necessarily an indication of how the fund will perform in the future either before or after taxes.

Diamond Hill Funds Performance Update*

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

	Ticker Symbol	CUSIP Number	Since Inception	10-YR	5-YR	3-YR	1-YR	YTD	2Q17	Maximum Front-End Sales Charge	Contingent Deferred Sales Charge	Management Fee	Distribution Fee (12b-1)	Other Expenses	Expense Ratio Gross	Expense Ratio Net	Overall Morningstar Ratingy
			PERIOD & AVERAGE ANNUAL TOTAL RETURNS AS OF JUNE 30, 2017							FEES & EXPENSES							MORNINGSTAR
ALTERNATIVES																	
LONG-SHORT[2,3,4] *(closed to new investors)* (Inception Date 6/30/00) | Morningstar: Long-Short Equity | Lipper: Alternative Long-Short Equity																	
Class A	DIAMX	25264S403	6.74%	4.36%	9.33%	4.40%	15.56%	3.41%	0.59%	5.00%	—	0.90%	0.25%	0.92%	2.07%	2.07%	★★★★ The Overall Morningstar Rating out of 175 Long-Short Equity Funds as of 6/30/2017.
Class C	DHFCX	25264E107	5.93	3.57	8.51	3.62	14.75	3.02	0.43	—	1.00%	0.90	1.00	0.92	2.82	2.82	
Class I	DHLSX	25264S833	7.00	4.68	9.61	4.69	15.92	3.58	0.69	—	—	0.90	—	0.87	1.77	1.77	
Class Y	DIAYX	25264S650	6.88	4.59	9.76	4.81	15.99	3.60	0.69	—	—	0.90	—	0.77	1.67	1.67	
Benchmark	Russell 1000 Index		5.32	7.29	14.67	9.26	18.03	9.27	3.06								
Benchmark	60% Russell 1000 Index / 40% BofA ML U.S. T-Bill 0-3 Month Index		4.08	4.83	8.76	5.68	10.73	5.62	1.91								
FINANCIAL LONG-SHORT[2,3,5] (Inception Date 8/1/97) | Morningstar: Financial | Lipper: Financial Services																	
Class A	BANCX	25264S106	7.45%	2.41%	14.48%	7.40%	36.62%	4.79%	2.57%	5.00%	—	0.95%	0.25%	0.72%	1.92%	1.92%	★★★ The Overall Morningstar Rating out of 102 Financial Funds as of 6/30/2017.
Class C	BSGCX	25264S205	6.68	1.62	13.62	6.56	35.52	4.42	2.36	—	1.00%	0.95	1.00	0.72	2.67	2.67	
Class I	DHFSX	25264S825	7.64	2.74	14.77	7.67	36.97	4.92	2.61	—	—	0.95	—	0.67	1.62	1.62	
Benchmark	Russell 3000 Financials Index		5.67	2.16	16.78	11.56	27.57	7.03	3.90								
Benchmark	80% Russell 3000 Financials Index / 20% BofA ML U.S. T-Bill 0-3 Month Index		5.29	2.25	13.38	9.34	21.76	5.69	3.17								
RESEARCH OPPORTUNITIES[1,3,6,7] (Inception Date 3/31/09) | Morningstar: Long-Short Equity | Lipper: Alternative Long-Short Equity																	
Class A	DHROX	25264S742	13.41%	—	10.74%	4.43%	20.04%	7.93%	3.44%	5.00%	—	0.95%	0.25%	0.82%	2.02%	2.02%	★★★★★ The Overall Morningstar Rating out of 175 Long-Short Equity Funds as of 6/30/2017.
Class C	DROCX	25264S734	12.58	—	9.92	3.67	19.20	7.58	3.31	—	1.00%	0.95	1.00	0.82	2.77	2.77	
Class I	DROIX	25264S726	13.72	—	11.03	4.73	20.42	8.14	3.54	—	—	0.95	—	0.77	1.72	1.72	
Class Y	DROYX	25264S718	13.87	—	11.18	4.85	20.58	8.18	3.59	—	—	0.95	—	0.67	1.62	1.62	
Benchmark	Russell 3000 Index		17.07	—	14.58	9.10	18.51	8.93	3.02								
Benchmark	75% Russell 3000 Index / 25% BofA ML U.S. T-Bill 0-3 Month Index		12.78	—	10.90	6.92	13.77	6.73	2.31								
FIXED INCOME																	
SHORT DURATION TOTAL RETURN[8] (Inception Date 7/5/16) | Morningstar: Short-Term Bond | Lipper: Short Investment Grade Debt																	
Class A	DHEAX	25264S551	3.43%	—	—	—	—	2.22%	1.19%	2.25%	—	0.35%	0.25%	0.23%	0.83%	0.83%	Morningstar Rating™ Not Available
Class I	DHEIX	25264S544	3.71	—	—	—	—	2.42	1.24	—	—	0.35	—	0.18	0.53	0.53	
Class Y	DHEYX	25264S536	3.90	—	—	—	—	2.58	1.37	—	—	0.35	—	0.08	0.43	0.43	
Benchmark	Bloomberg Barclays U.S. 1-3 Yr. Gov./Credit Index		0.26	—	—	—	—	0.72	0.31								
CORE BOND[8] (Inception Date 7/5/16) | Morningstar: Intermediate-Term Bond | Lipper: Core Bond																	
Class A	DHRAX	25264S528	0.33%	—	—	—	—	2.67%	1.59%	3.50%	—	0.30%	0.25%	0.23%	0.78%	0.78%	Morningstar Rating™ Not Available
Class I	DHRIX	25264S510	0.71	—	—	—	—	2.91	1.76	—	—	0.30	—	0.18	0.48	0.48	
Class Y	DHRYX	25264S494	0.78	—	—	—	—	2.95	1.79	—	—	0.30	—	0.08	0.38	0.38	
Benchmark	Bloomberg Barclays U.S. Aggregate Index		-1.01	—	—	—	—	2.27	1.45								
CORPORATE CREDIT[9,11] (Inception Date 9/30/02) | Morningstar: High Yield Bond | Lipper: High Yield																	
Class A	DSIAX	25264S882	7.06%	5.67%	5.84%	5.72%	10.50%	4.94%	2.21%	3.50%	—	0.45%	0.25%	0.25%	0.95%	0.94%	★★★★ The Overall Morningstar Rating out of 590 High Yield Bond Funds as of 6/30/2017.
Class C	DSICX	25264S874	6.30	4.89	5.03	4.93	9.70	4.57	2.02	—	1.00%	0.45	1.00	0.25	1.70	1.69	
Class I	DHSTX	25264S866	7.35	6.00	6.11	6.02	10.77	5.11	2.29	—	—	0.45	—	0.20	0.65	0.64	
Class Y	DSIYX	25264S643	7.21	5.89	6.25	6.11	10.91	5.07	2.22	—	—	0.45	—	0.10	0.55	0.54	
Benchmark	BofA ML U.S. Corporate & High Yield Index		6.30	6.03	4.60	3.66	4.14	4.06	2.37								
HIGH YIELD[9,10] (Inception Date 12/4/14) | Morningstar: High Yield Bond | Lipper: High Yield																	
Class A	DHHAX	25264S585	8.15%	—	—	—	14.09%	6.68%	2.89%	3.50%	—	0.50%	0.25%	0.23%	0.98%	0.98%	Morningstar Rating™ Not Available
Class I	DHHIX	25264S577	8.46	—	—	—	14.40	6.82	2.96	—	—	0.50	—	0.18	0.68	0.68	
Class Y	DHHYX	25264S569	8.57	—	—	—	14.53	6.87	3.00	—	—	0.50	—	0.08	0.58	0.58	
Benchmark	BofA ML U.S. High Yield Index		6.24	—	—	—	12.75	4.91	2.14								

Refer to performance disclosure information on page 37.

[7] The Research Opportunities 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.

[8] 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.

[9] The value of fixed-income securities varies inversely with interest rates; that is, 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.

[10] 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 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.

[11] 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.

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 BHIL Distributors, 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 measures the performance of the 3,000 largest U.S. companies by total market capitalization. The Russell 1000 Index is comprised of the largest 1,000 companies by market capitalization in the Russell 3000 Index. The Russell 2000 Index represents the next 2,000 companies by market capitalization in the Russell 3000 Index. The Russell 2500 Index is comprised of the smallest 2,500 companies by market capitalization in the Russell 3000 Index. The Russell Midcap Index represents the 800 smallest companies in the Russell 1000 Index. The 60%/40% blended index represents a 60% weighting of the Russell 1000 Index and a 40% weighting of the BofA Merrill Lynch 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 BofA Merrill Lynch 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 BofA Merrill Lynch U.S. T-Bill 0-3 Month Index. The BofA Merrill Lynch U.S. T-Bill 0-3 Month Index is comprised of U.S. dollar denominated U.S. Treasury Bills with a term to maturity of less than 3 months. 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 BofA Merrill Lynch 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 BofA Merrill Lynch 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 Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Small Cap Fund The Overall Morningstar Rating™ is based on 337 small value funds as of 6/30/17. The Fund’s Class I rating was 2 stars among 337, 3 stars among 294, and 4 stars among 198 small value funds for the 3-, 5-, and 10-year periods ended 6/30/17, respectively.

Small-Mid Cap Fund The Overall Morningstar Rating™ is based on 356 mid-cap value funds as of 6/30/17. The Fund’s Class I rating was 4 stars among 356, 5 stars among 310, and 5 stars among 217 mid-cap value funds for the 3-, 5-, and 10-year periods ended 6/30/17, respectively.

Mid Cap Fund The Overall Morningstar Rating™ is based on 356 mid-cap value funds as of 6/30/17. The Fund’s Class I rating was 4 stars among 356 funds for the 3-year period ended 6/30/17.

Large Cap Fund The Overall Morningstar Rating™ is based on 1,091 large value funds as of 6/30/17. The Fund’s Class I rating was 4 stars among 1,091, 5 stars among 936, and 5 stars among 681 large value funds for the 3-, 5-, and 10-year periods ended 6/30/17, respectively.

All Cap Select Fund The Overall Morningstar Rating™ is based on 1,223 large blend funds as of 6/30/17. The Fund’s Class I rating was 2 stars among 1,223, 4 stars among 1,080, and 4 stars among 802 large blend funds for the 3-, 5-, and 10-year periods ended 6/30/17, respectively.

Long-Short Fund The Overall Morningstar Rating™ is based on 175 long-short equity funds as of 6/30/17. The Fund’s Class I rating was 4 stars among 175, 4 stars among 90, and 4 stars among 26 long-short equity funds for the 3-, 5-, and 10-year periods ended 6/30/17, respectively.

Financial Long-Short Fund The Overall Morningstar Rating™ is based on 102 financial funds as of 6/30/17. The Fund’s Class I rating was 3 stars among 102, 3 stars among 96, and 3 stars among 73 financial funds for the 3-, 5-, and 10-year periods ended 6/30/17, respectively.

Research Opportunities Fund The Overall Morningstar Rating™ is based on 175 long-short equity funds as of 6/30/17. The Fund’s Class I rating was 4 stars among 175 and 5 stars among 90 long-short equity funds for the 3- and 5-year periods ended 6/30/17, 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 590 high yield bond funds as of 6/30/17. The Fund’s Class I rating was 5 stars among 590, 4 stars among 474, and 3 stars among 317 high yield bond funds for the 3-, 5-, and 10-year periods ended 6/30/17, respectively.

High Yield Fund Morningstar Rating not available.

Refer to performance disclosure information on page 37.