

Long-Short Composite

As of 30 Sep 2024

DIAMOND HILL

INVESTED IN THE LONG RUN

Team

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Philosophy and Process Highlights

We aim to identify long positions that outperform the Russell 1000 Index and short positions that underperform the index. Under our intrinsic value philosophy, we:

- Treat every investment as a partial ownership interest in that company
- Seek to invest at a discount to intrinsic value for long positions and at a premium to intrinsic value for short positions
- Possess a long-term investment temperament
- Recognize that market price and intrinsic value tend to converge over a reasonable period of time

Portfolio Guidelines

- A long-biased fund with typically 40-60 long positions and 25-50 short positions
- Total long positions are generally between 80-100% of net assets
- Total short positions are generally between 10-40% of net assets

Exposure Guidelines

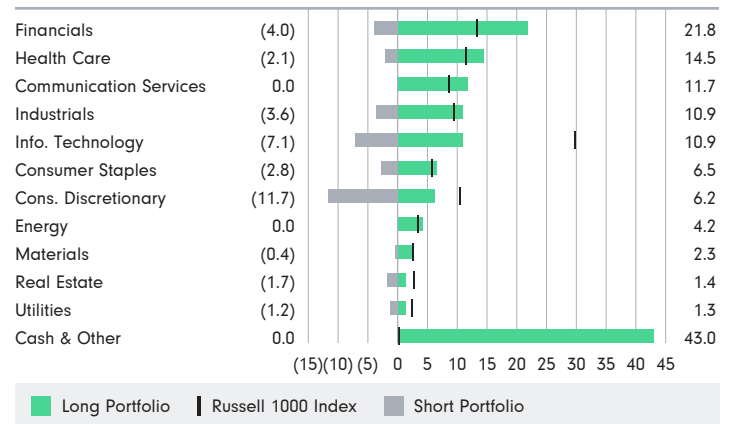
- Maximum gross market exposure (long % + short %) = Up to 140%
- Target net market exposure (long % - short %) = 40-75%

Top Five Long Equity Holdings ¹	Sector	% of Net Assets
American International Group, Inc.	Financials	4.3
Meta Platforms, Inc. (CI A)	Communication Services	4.3
Citigroup, Inc.	Financials	4.3
Microsoft Corp.	Info. Technology	4.1
Alphabet, Inc. (CI A)	Communication Services	4.1

Top Five Short Equity Holdings ¹	Sector	% of Net Assets
International Business Machines Corp.	Info. Technology	(2.1)
WD-40 Co.	Consumer Staples	(2.1)
Mueller Industries, Inc.	Industrials	(1.8)
Doximity, Inc. (CI A)	Health Care	(1.7)
Sweetgreen, Inc. (CI A)	Cons. Discretionary	(1.3)

Best and Worst Contributors (%) ¹	Ending Weight
Best	
Parker-Hannifin Corp.	3.0 Long
HCA Healthcare, Inc.	2.6 Long
Meta Platforms, Inc. (CI A)	4.3 Long
Ciena Corp.	1.8 Long
SS&C Technologies Holdings, Inc.	2.3 Long
Worst	
Doximity, Inc. (CI A)	(1.7) Short
International Business Machines Corp.	(2.1) Short
Mueller Industries, Inc.	(1.8) Short
Alphabet, Inc. (CI A)	4.1 Long
Sweetgreen, Inc. (CI A)	(1.3) Short

Sector Allocation (%)²



¹Securities referenced may not be representative of all portfolio holdings. The reader should not assume that an investment in the securities was or will be profitable.

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

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Portfolio Characteristics vs Benchmark³

	Long Portfolio	Russell 1000 Index	Short Portfolio
Median Forward P/E	18.1x	21.2x	24.6x
Median Trailing P/E	24.5x	25.2x	26.5x
Median Price/Book	2.7x	3.4x	6.5x
Median Price/Sales	2.3x	2.9x	3.9x
Median Market Capitalization	\$57.0B	\$15.3B	\$6.6B
Weighted Average Market Cap.	\$432.6B	\$885.6B	\$40.9B
Portfolio Turnover (5Y) ⁴	51%	—	—
Upside/Downside Capture Ratio ⁵ vs Core Benchmark ⁶	119%/103%	—	—
Upside/Downside Capture Ratio ⁵ vs Blended Benchmark ⁷	74%/60%	—	—

³Source: FactSet.

⁴This calculation is the lesser of long buys plus short sales or long sales plus short covers divided by the average gross value of portfolio securities, excluding cash equivalents.

⁵Source: eVestment based on monthly returns (gross of fees) from 1 July 2000 – 30 September 2024.

⁶The Russell 1000 Index is the core benchmark.

⁷The blended benchmark represents a 60/40 weighted blend of the Russell 1000 Index and the Bloomberg US Treasury Bills 1-3 Month Index.

Period and Annualized Total Returns (%)	Since Inception (30 Jun 2000)	20Y	15Y	10Y	5Y	3Y	1Y	YTD	3Q24
Gross of Fees	8.57	8.51	8.97	8.18	9.16	7.88	21.21	12.89	1.60
Net of Fees	7.48	7.42	7.88	7.10	8.07	6.80	20.00	12.04	1.34
Russell 1000 Index	7.94	10.76	14.03	13.10	15.64	10.83	35.68	21.18	6.08
60%/40% Blended Index	5.73	7.30	8.97	8.69	10.58	8.26	22.97	14.15	4.18
Russell 1000 Value Index	7.88	8.53	11.20	9.23	10.69	9.03	27.76	16.68	9.43

Calendar Year Returns (%)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross of Fees	19.94	1.51	4.84	10.30	25.03	9.24	0.18	12.34	7.85	-5.46	25.15	1.41	21.40	-6.92	14.27
Net of Fees	18.86	0.60	3.90	9.30	23.91	8.26	-0.72	11.33	6.88	-6.31	24.02	0.50	20.30	-7.75	13.25
Russell 1000 Index	28.43	16.10	1.50	16.42	33.11	13.24	0.92	12.05	21.69	-4.78	31.43	20.96	26.45	-19.13	26.53
60%/40% Blended Index	16.98	9.90	1.22	9.75	18.93	7.86	0.75	7.33	12.92	-1.92	19.15	13.30	15.35	-10.86	17.82
Russell 1000 Value Index	19.69	15.51	0.39	17.51	32.53	13.45	-3.83	17.34	13.66	-8.27	26.54	2.80	25.16	-7.54	11.46

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