

# Mid Cap Composite

As of 30 Sep 2024

# DIAMOND HILL

INVESTED IN THE LONG RUN

## Team

**Chris Welch, CFA**  
Portfolio Manager

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Portfolio Specialist

## Philosophy and Process Highlights

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
- Possess a long-term investment temperament
- Recognize that market price and intrinsic value tend to converge over a reasonable period of time

## Portfolio Guidelines

- Typically 40–60 positions
- Maximum position size is 7%
- Top 10 holdings are typically greater than 25% of net assets
- Maximum industry exposure is 20%
- Maximum sector exposure is 30%

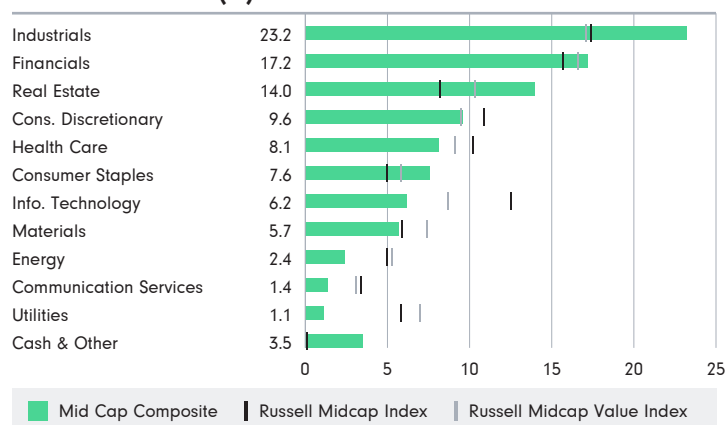
## Market Capitalization

The portfolio typically invests in companies with a market capitalization between \$1.5 billion and \$20 billion (or, if greater, the maximum market capitalization of companies generally within the capitalization range of the Russell Midcap Index) at the time of purchase.

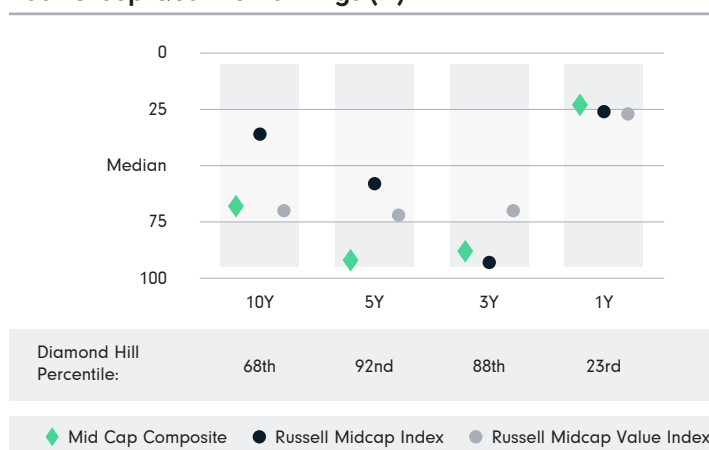
## Top Ten Equity Holdings<sup>1</sup>

	Sector	% of Net Assets
WESCO International, Inc.	Industrials	4.8
Red Rock Resorts, Inc. (CI A)	Cons. Discretionary	4.8
Post Holdings, Inc.	Consumer Staples	4.4
Regal Rexnord Corp.	Industrials	3.8
American International Group, Inc.	Financials	3.8
Parker-Hannifin Corp.	Industrials	3.7
CubeSmart	Real Estate	3.4
Freeport-McMoRan, Inc.	Materials	3.0
Ashland Global Holdings, Inc.	Materials	2.7
Mr. Cooper Group, Inc.	Financials	2.5
Total as % of Net Assets		36.9
Total Holdings		56

## Sector Allocation (%)<sup>2</sup>



## Peer Group Quartile Rankings (%)<sup>3</sup>



## Best and Worst Contributors (%)<sup>1</sup>

	Ending Weight
<b>Best</b>	
Parker-Hannifin Corp.	3.7
Regal Rexnord Corp.	3.8
CubeSmart	3.4
NVR, Inc.	2.4
Ciena Corp.	2.1
<b>Worst</b>	
Humana, Inc.	2.0
Ashland Global Holdings, Inc.	2.7
Civitas Resources, Inc.	0.6
Coterra Energy, Inc.	1.3
Lancaster Colony Corp.	2.1

<sup>1</sup> Securities 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.

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

<sup>3</sup> Source: eVestment. Ranking within eVestment US Mid Cap Value equity universe based on monthly returns gross of fees. Ranking data calculated on 16 October 2024 (as of 30 September 2024) and is subject to change as additional firms within the category submit data. Diamond Hill pays an annual fee to eVestment to access their platform and to use their data, including peer group rankings, in marketing materials. Diamond Hill does not pay for the ranking.

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As of 30 Sep 2024

## Portfolio Characteristics vs Benchmark<sup>4</sup>

	Mid Cap Composite	Russell Midcap Index	Russell Midcap Value Index
Median Forward P/E	19.6x	20.2x	19.3x
Median Trailing P/E	23.9x	24.1x	22.3x
Median Price/Book	2.5x	3.1x	2.7x
Median Price/Sales	2.2x	2.5x	2.4x
Median Market Capitalization	\$12.5B	\$11.5B	\$10.8B
Weighted Average Market Cap.	\$25.0B	\$26.4B	\$25.3B
Portfolio Turnover (5Y)	29%	—	—
Active Share <sup>5</sup> vs Core <sup>6</sup> /Value <sup>7</sup> Benchmark	93%/92%	—	—
Upside/Downside Capture Ratio <sup>8</sup> vs Core Benchmark <sup>6</sup>	96%/102%	—	—
Upside/Downside Capture Ratio <sup>8</sup> vs Value Benchmark <sup>7</sup>	99%/101%	—	—

<sup>4</sup>Source: FactSet.

<sup>5</sup>Source: FactSet. Active share measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the difference.

<sup>6</sup>The Russell Midcap Index is the core benchmark.

<sup>7</sup>The Russell Midcap Value Index is the value benchmark.

<sup>8</sup>Source: eVestment based on monthly returns (gross of fees) from 1 January 2014 – 30 September 2024.

Period and Annualized Total Returns (%)	Since Inception (31 Dec 2013)	10Y	5Y	3Y	1Y	YTD	3Q24
Gross of Fees	8.65	9.05	8.93	5.99	29.68	13.87	8.53
Net of Fees	7.85	8.25	8.17	5.25	28.77	13.28	8.34
Russell Midcap Index	10.13	10.19	11.30	5.75	29.33	14.63	9.21
Russell Midcap Value Index	9.08	8.93	10.33	7.39	29.01	15.08	10.08

Calendar Year Returns (%)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross of Fees	8.83	1.61	19.62	11.31	-9.55	26.73	-1.00	32.38	-12.50	10.66
Net of Fees	7.96	0.80	18.66	10.46	-10.21	25.84	-1.69	31.45	-13.12	9.88
Russell Midcap Index	13.22	-2.44	13.80	18.52	-9.06	30.54	17.10	22.58	-17.32	17.23
Russell Midcap Value Index	14.75	-4.78	20.00	13.34	-12.29	27.06	4.96	28.34	-12.03	12.71

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