



**DIAMOND
HILL** | INVESTMENT
GROUP

Annual Shareholder Meeting

April 29, 2015

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Diamond Hill® Investment Group, Inc. 325 John H. McConnell Blvd., Suite 200 Columbus, Ohio 43215

Safe Harbor Statement

Throughout this presentation, the Company may make forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, relating to such matters as anticipated operating results, prospects for achieving the critical threshold of assets under management, technological developments, economic trends (including interest rates and market volatility), expected transactions and acquisitions and similar matters. The words “believe,” “expect,” “anticipate,” “estimate,” “should,” “hope,” “seek,” “plan,” “intend” and similar expressions identify forward-looking statements that speak only as of the date thereof. While the Company believes that the assumptions underlying its forward-looking statements are reasonable, investors are cautioned that any of the assumptions could prove to be inaccurate and accordingly, the actual results and experiences of the Company could differ materially from the anticipated results or other expectations expressed by the Company in its forward-looking statements. Factors that could cause such actual results or experiences to differ from results discussed in the forward-looking statements include, but are not limited to: the adverse effect from a decline in the securities markets; a decline in the performance of the Company’s products; changes in interest rates; a general or prolonged downturn in the economy; changes in government policy and regulation, including monetary policy; changes in the Company’s ability to attract or retain key employees; unforeseen costs and other effects related to legal proceedings or investigations of governmental and self-regulatory organizations; and other risks identified from time-to-time in the Company’s other public documents on file with the U.S. Securities and Exchange Commission.

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Our Mission, Principles and Vision

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.

Our Principles

- **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.

Our Vision

To be a nationally respected investment management firm recognized for:

- Superior long-term investment results
- Our investment-centric culture
- The highest level of client service and integrity
- Lasting client relationships
- Being an employer of choice

Our Duty to Clients and Owners

Primary

- Our fiduciary duty to *clients* and achieving superior long-term investment results

Secondary

- Our fiduciary duty to *owners* and growing DHIL intrinsic value at a rate sufficient for the associated risk

Alignment of Interests

“We will be significant investors in the Diamond Hill Funds and Diamond Hill stock.”

We encourage employee investment in our funds and company stock:

- Internal policy prohibits investment in individual securities
- Company matches 401k deferrals in DHIL stock
- Incentive award is heavily weighted to DHIL stock with 5-year restriction from sale
- Deferred compensation plan with Diamond Hill Funds as investment options

DHIL Ownership

- Insiders own 30% of the company, representing approximately \$140 million

Diamond Hill Fund Ownership

- Collectively, employees have approximately \$100 million invested in the funds managed by Diamond Hill Capital Management

Duty to Clients – Investment Results

As of 3/31/15

Long-Only Equity	Inception Date	1 Year	3 Year	5 Year	10 Year	Inception
Diamond Hill Small Cap	12/29/2000	5.65%	15.96%	12.76%	8.52%	11.89%
Russell 2000 Index		8.21	16.27	14.57	8.82	8.33
Custom Peer Group Percentile		40	28	55	35	17
Morningstar Overall Rating: ★★★★★						
Diamond Hill Small-Mid Cap	12/30/2005	9.74	18.35	15.34	-	9.80
Russell 2500 Index		10.07	17.13	15.48		9.13
Custom Peer Group Percentile		22	9	12		9
Morningstar Overall Rating: ★★★★★						
Diamond Hill Mid Cap	12/31/2013	10.04	-	-	-	9.71
Russell Midcap Index		13.68				13.92
Custom Peer Group Percentile		39				47
Morningstar Overall Rating: N/A						
Diamond Hill Large Cap	6/29/2001	8.97	15.92	12.94	8.67	8.37
Russell 1000 Index		12.73	16.45	14.73	8.34	6.36
Custom Peer Group Percentile		38	28	42	8	3
Morningstar Overall Rating: ★★★★★						
Diamond Hill Large Cap Concentrated¹	12/31/2011	8.24	16.05	-	-	17.08
Russell 1000 Index		12.73	16.45			19.47
eVestment U.S. Large Cap Value Percentile		62	41			62
Diamond Hill Select	12/30/2005	14.25	19.56	14.69	-	9.10
Russell 3000 Index		12.37	16.43	14.71		8.13
Custom Peer Group Percentile		3	3	17		12
Morningstar Overall Rating: ★★★★★						

Periods greater than 1 year are annualized. Fund returns are Class I shares net of fees. Index returns do not reflect any fees.

Morningstar ranking is against funds within the respective category.

¹Returns are net of fees. Ranking within the eVestment U.S. Large Cap Value Equity universe based on monthly returns net of fees. Ranking data calculated on 4/22/15 (as of 3/31/15) and is subject to change as additional firms within the category submit data. Not all firms in the category report net of fee returns to the database.

Duty to Clients – Investment Results

As of 3/31/15

Alternatives	Inception Date	1 Year	3 Year	5 Year	10 Year	Inception
Diamond Hill Long-Short	6/30/2000	5.50%	10.30%	8.48%	6.47%	7.21%
Russell 1000 Index		12.73	16.45	14.73	8.34	4.76
Blended Benchmark		7.57	9.73	8.86	5.81	3.85
Custom Peer Group Percentile		34	19	21	43	29
Morningstar Overall Rating: ★★★★★						
Diamond Hill Investment Partners, LP²	12/29/2000	11.90	13.31	9.91	8.59	10.75
S&P 500 Index		12.73	16.11	14.47	8.01	5.24
Diamond Hill Research Opportunities	3/31/2009	8.07	12.94	12.80	-	17.41
Russell 3000 Index		12.37	16.43	14.71		20.28
Morningstar Overall Rating: ★★						
Diamond Hill Financial Long-Short	8/1/1997	7.43	16.04	11.00	3.04	7.51
Russell 3000 Financials Index		11.41	17.57	11.63	2.74	4.89
Custom Peer Group Percentile		39	39	25	62	27
Morningstar Overall Rating: ★★★★★						
Fixed Income						
Diamond Hill Strategic Income	9/30/2002	3.59	5.38	6.71	6.06	7.42
BofA ML US Corporate & High Yield Index		5.75	5.73	6.89	6.31	6.79
Custom Peer Group Percentile		26	68	71	74	70
Morningstar Overall Rating: ★★						

The Long-Short Fund was long only from Inception to June 2002. Periods greater than 1 year are annualized. Fund returns are Class I shares net of fees. Index returns do not reflect any fees. Morningstar ranking is against funds within the respective category. Long Short Blended Benchmark: 60% Russell 1000 Index/40% BofA ML US 0-3 T-Bill Index. ² DHIP is net of 1.5% fee.

Investment Team Update

As of 3/31/15

Sectors	Team Member	Experience
Energy Materials Industrials Utilities	Harsh Acharya, CFA – Associate	13 Years
	Brian Baker – Associate	4 Years
	Brian Bath – Associate	6 Years
	Jason Downey, CFA – Analyst, Sector Leader, APM	13 Years
	Bobby Murphy, CFA, CPA – Associate	6 Years
	Suken Patel, CFA – Analyst, APM	11 Years
	Tom Schindler, CFA – PM	19 Years
Consumer Discretionary	Chuck Bath, CFA – PM	33 years
	Jenny Hubbard, CFA – Analyst, Co-Sector Leader, APM	19 Years
	Dan Kohnen – Associate	<1 Year
	Bhavik Kothari, CFA – Analyst, Co-Sector Leader	15 Years
	Micah Martin – Associate	<1 Year
	Aaron Monroe, CFA – Analyst	10 Years
	Tod Schneider, CFA, CPA - Analyst	7 Years
Consumer Staples Health Care	Kapish Bhutani, CFA – Analyst	12 Years
	Brian Fontanella, CFA – Analyst	8 Years
	Igor Golalic, CFA – Analyst, Sector Leader, APM	16 Years
	Kyle Schneider, CFA – Analyst	8 Years
	Chendhore Veerappan – Associate	<1 Year
Financials	Chris Bingaman, CFA –PM	25 Years
	Austin Hawley, CFA – Analyst, PM	16 Years
	Yiting Liu - Associate	9 Years
	John Loesch, CFA – PM, Sector Leader, Analyst	14 Years
	Krishna Mohanraj, CFA – Analyst	5 Years
	Tyler Ventura - Associate	8 Years
Information Technology TeleCom Services	Grady Burkett, CFA – Analyst	10 Years
	Varun Gupta – Associate	<1 Year
	Jayant Jangra ¹ – Associate	2 Years
	Nate Palmer, CFA, CPA – Analyst, Sector Leader	5 Years
	Rick Snowdon, CFA –PM	15 Years
	Chris Welch, CFA - PM	20 years
Credit	John McClain, CFA – PM	8 Years
	Bill Zox, CFA – PM	14 Years

Investment Team Growth

	Portfolio Managers	+ Research Analysts	Research Associates	Total
2007	16		0	16
2008	18		4	22
2009	18		6	24
2010	20		6	26
2011	21		5	26
2012	22		5	27
2013	22		6	28
2014	23		8	31
2015	23		11	34

Total Diamond Hill Associates 95

CFA Designations 35

Enrolled in CFA Program 11

¹ CFA charter pending fulfillment of work experience requirement.

Duty to Owners – Growth in Intrinsic Value

As of 12/31/14

Financial Highlights

Income Statement Data (in thousands, except per share data)	Years Ended December 31					5 Year CAGR
	2010	2011	2012	2013	2014	
Net Revenues (\$)	56,795	63,895	66,657	81,432	104,559	13%
Net Operating Income (\$)	18,473	23,061	24,429	30,682	47,460	21%
Net Income (\$)	12,402	14,353	16,931	22,155	31,581	
Diluted Earnings per share (\$)	4.48	4.86	5.44	6.94	9.67	
Cash Dividends per share (\$)	13.00	5.00	8.00	3.00	4.00	
Operating Margin	32.6%	36.1%	36.7%	37.7%	45.4%	

Balance Sheet Data (in thousands, except per share data)	As of December 31				
	2010	2011	2012	2013	2014
Total Assets (\$)	28,566	37,720	41,235	75,353	107,709
Shareholder Equity (\$)	7,498	18,050	21,736	44,943	74,319
Book Value per share (\$)	2.68	6.03	6.86	13.80	22.40

Duty to Owners – Growth in Intrinsic Value

Total Shareholder Returns over Rolling 5-Year Periods



** For the period from 5/31/2000 through 12/31/2004.

Growth of Shareholder Value Since Inception	DHIL	S&P 500	Russell 2000
Annualized: 6/1/00 – 12/31/14	26.6%	4.6%	8.0%
Cumulative: 6/1/00 – 12/31/14	3018.3%	91.9%	207.0%

Comparison to Other Investment Firms

As of 12/31/14

Ranking by Market Capitalization				
Rank	Ticker	Company Name	Market Cap (\$M)	AUM (\$B)
1	BLK	BlackRock, Inc.	\$60,588	\$4,651.9
2	BEN	Franklin Resources, Inc.	31,763	898.0
3	TROW	T. Rowe Price Group, Inc.	21,161	746.8
4	IVZ	Invesco Ltd.	17,032	792.4
5	AMG	Affiliated Managers Group, Inc.	11,743	620.2
6	SEIC	SEI Investments Company	7,231	252.7
7	LM	Legg Mason, Inc.	6,254	701.8
8	EV	Eaton Vance Corp.	4,884	297.7
9	WDR	Waddell & Reed Financial, Inc.	4,145	123.7
10	FII	Federated Investors, Inc.	3,451	362.9
11	JNS	Janus Capital Group Inc.	3,206	183.1
12	AB	AllianceBernstein Holding L.P.	3,061	430.0
13	GBL	GAMCO Investors, Inc.	1,992	47.5
14	CNS	Cohen & Steers, Inc.	1,874	53.1
15	PZN	Pzena Investment Management, Inc.	606	27.7
16	DHIL	Diamond Hill Investment Group, Inc.	533	15.7
17	WHG	Westwood Holdings Group, Inc.	504	20.3
18	CLMS	Calamos Asset Management, Inc.	266	23.5
19	GROW	U.S. Global Investors, Inc.	48	1.2
		Median	\$3,451	\$253

Comparison to Other Investment Firms

As of 12/31/14

Ranking by Revenue Growth		
Rank	Ticker	5-Year Growth*
1	AMG	26%
2	CNS	23%
3	WHG	22%
4	BLK	19%
5	DHIL	17%
6	TROW	17%
7	IVZ	16%
8	WDR	14%
9	GBL	14%
10	PZN	11%
11	EV	11%
12	BEN	11%
13	LM	7%
14	SEIC	6%
15	JNS	3%
16	AB	1%
17	CLMS	-1%
18	FII	-6%
19	GROW	-15%
Median		11%

Ranking by Shareholder Return		
Rank	Ticker	5-Year Return*
1	DHIL	26%
2	AMG	26%
3	SEIC	20%
4	CNS	20%
5	GBL	16%
6	WHG	15%
7	WDR	14%
8	LM	13%
9	IVZ	13%
10	TROW	13%
11	BEN	12%
12	BLK	12%
13	FII	11%
14	EV	9%
15	CLMS	7%
16	AB	6%
17	JNS	6%
18	PZN	6%
19	GROW	-21%
Median		13%

Ranking by Operating Margin		
Rank	Ticker	Operating Margin
1	PZN	52.51
2	TROW	46.18
3	BLK	40.51
4	CNS	38.67
5	BEN	37.90
6	DHIL	37.32
7	WHG	36.73
8	EV	35.93
9	GBL	35.27
10	JNS	31.10
11	WDR	30.92
12	AMG	29.88
13	FII	27.65
14	SEIC	25.15
15	IVZ	24.51
16	CLMS	23.10
17	LM	18.45
18	AB	0.00
19	GROW	-16.33
Median		31%

Source: SNL Financial and Thompson Reuters

Note: Operating Margins shown represent the trailing twelve month period and are calculated by SNL Financial adjusted to remove distribution/12b-1 related revenue and expenses, and may differ from those reported by the respective firm.

* 5-Year Revenue Growth and 5-Year Shareholder Return are annualized.

Capital

As of 12/31/14

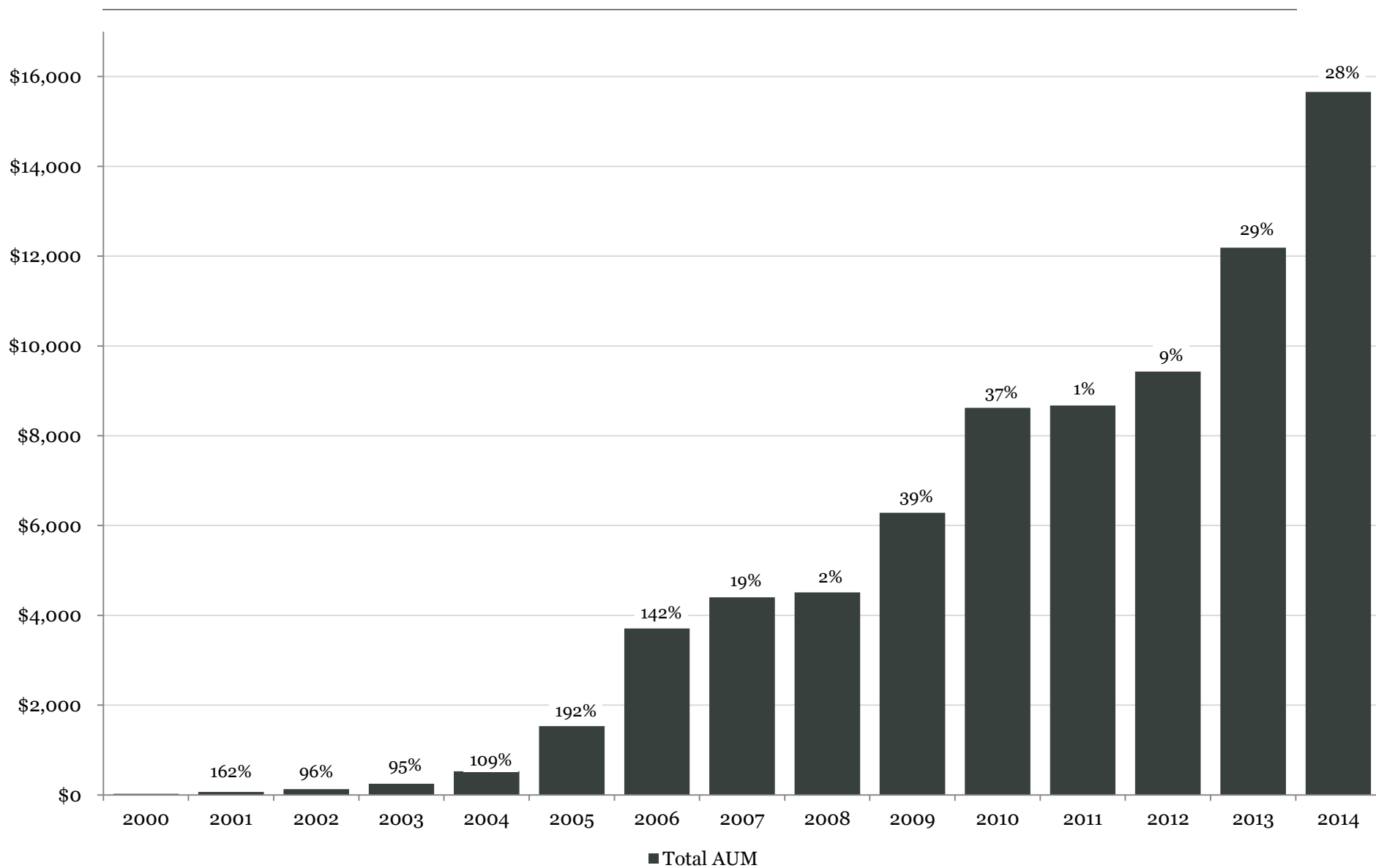
Shareholder Equity Roll-Forward		
Shareholder Equity as of 12/31/2007		\$39,307,000
Net Income: 2008-2014	112,072,000	
Equity Compensation: 2008-2014	<u>73,071,000</u>	
		185,143,000
Dividend Distributions: 2008-2014*		<u>(150,130,000)</u>
Shareholder Equity as of 12/31/2014		\$74,320,000

*\$27.87 per share of the \$53.00 per share in total dividends paid to shareholders from 2008 through 2014 represented a return of capital distribution.

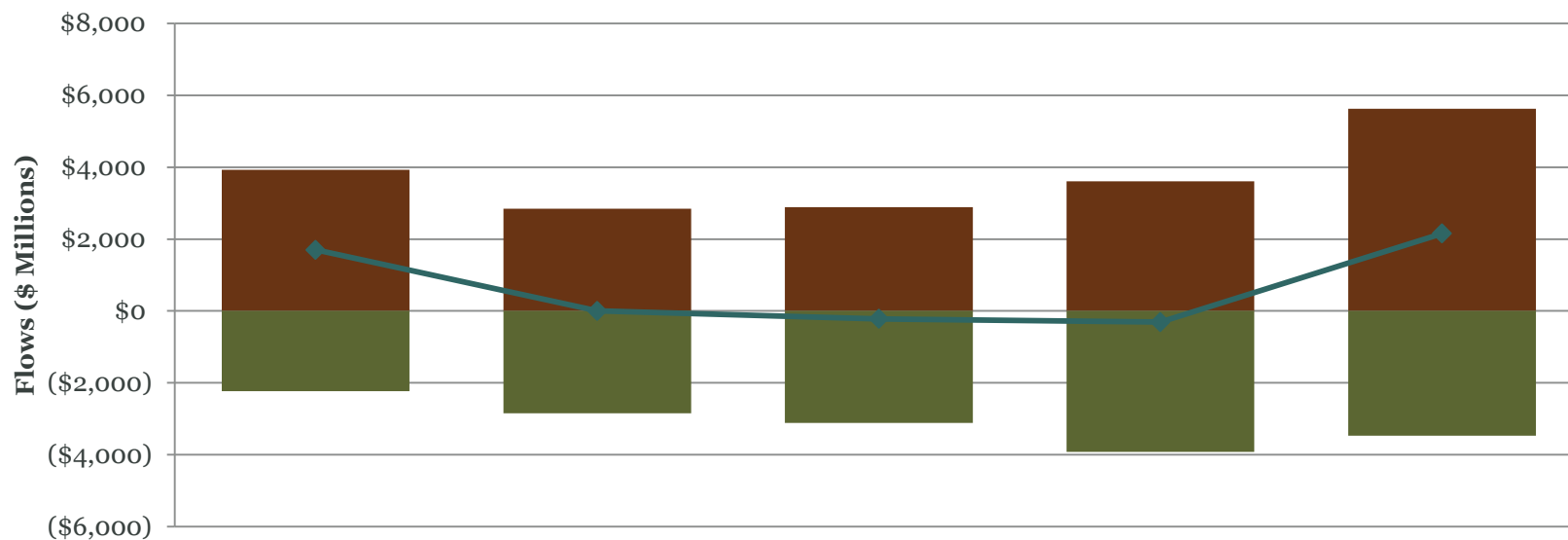
Business Development Overview

- Sustain and grow Diamond Hill's viability and intrinsic value
- Grow all of our strategies to capacity responsibly
- Deepen partnerships with our clients
- Diversify client and strategy concentration
- Develop and continuously improve the business infrastructure to support these efforts

Annualized Growth of Assets Under Management



Summary of Client Investment Flows



	2010	2011	2012	2013	2014
Beginning of Period Assets	\$6,283	\$8,623	\$8,671	\$9,429	\$12,186
Net Flows	1,698	3	(219)	(308)	2,156
Market Impact	642	45	977	3,066	1,314
End of Period Assets	\$8,623	\$8,671	\$9,429	\$12,186	\$15,656

Planning for the Future

Product and Business Updates:

- Launched the Diamond Hill High Yield Fund (LP) in December 2014
- Anticipate the launch of Diamond Hill Valuation Weighted 500 ETF in 2nd quarter 2015 (intrinsic value weighted index)
- Beacon Hill's umbrella series trust increased from 2.0B to \$4.0B in 2014

Succession Planning:

- Formed Executive Leadership Team in 2014
- CEO plans to serve through 2015 (then remain at the firm as a portfolio manager and as Chairman of the Board)
- Chris Bingaman named President and expected to succeed Ric Dillon as CEO effective January 1, 2016
- Lisa Wesolek named Chief Operating Officer
- Tom Line named Chief Financial Officer
- Austin Hawley named Co-Chief Investment Officer
- Jason Downey and John Loesch named Co-Directors of Research

Expectations

Dividends

- The board and management continually review the capital needs of the company.

Operating Profit Margin

- Operating profit margin will fluctuate from year to year based on various factors, including revenues; investment results in client accounts; employee performance; staffing levels; development of investment strategies, products or channels; and industry comparison.

2015 Annual Shareholder Meeting

Question and Answer Session



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