



**DIAMOND  
HILL** | INVESTMENT  
GROUP

# Annual Shareholder Meeting

May 2, 2018

614.255.3333 | [DIAMOND-HILL.COM](http://DIAMOND-HILL.COM)

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

# Safe Harbor Statement

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*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.*

# Agenda

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# Mission, Principles and Vision

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## 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.

## 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.

## Vision

To be a nationally respected investment management firm recognized for:

- Superior long-term investment results
- Investment-centric culture
- Highest level of ethics and integrity
- Outstanding client service and lasting client relationships
- Employer of choice

# Duty to Clients and Owners

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## 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

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As of 3/31/18

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

### We encourage employee investment in our funds and company stock

- Code of Ethics prohibits investment in individual securities and third-party mutual funds
- Company matches 401k deferrals in DHIL stock
- A material component of annual incentive compensation is awarded in shares of DHIL stock with 5-year restriction from sale
- Deferred compensation plan with Diamond Hill Funds as the only investment options—representing approximately \$25 million

### DHIL Ownership

- Insiders own 20% of the company, representing approximately \$140 million

### Diamond Hill Fund Ownership

- Collectively, employees have approximately \$160 million invested in the funds managed by Diamond Hill Capital Management

# Duty to Clients – Investment Results

As of 3/31/18

	Inception Date	Since Inception	10-YR	5-YR	3-YR	1-YR
<b>Diamond Hill Small Cap Fund</b>	<b>12/29/2000</b>	<b>10.79%</b>	<b>8.54%</b>	<b>8.88%</b>	<b>5.70%</b>	<b>8.94%</b>
Russell 2000 Index		8.34	9.84	11.47	8.39	11.79
Russell 2000 Value Index		9.10	8.61	9.96	7.87	5.13
Custom Peer Group Percentile		22	63	61	69	19
Morningstar Category Percentile		17	61	68	72	17
Morningstar Overall Rating: ★★★★★						
<b>Diamond Hill Small-Mid Cap Fund</b>	<b>12/30/2005</b>	<b>9.16%</b>	<b>10.63%</b>	<b>10.91%</b>	<b>7.21%</b>	<b>4.73%</b>
Russell 2500 Index		8.89	10.28	11.55	8.15	12.31
Russell 2500 Value Index		7.86	9.34	9.88	7.26	5.72
Custom Peer Group Percentile		12	11	29	44	73
Morningstar Category Percentile		14	11	30	41	80
Morningstar Overall Rating: ★★★★★						
<b>Diamond Hill Mid Cap Fund</b>	<b>12/31/2013</b>	<b>8.45%</b>	<b>—</b>	<b>—</b>	<b>7.94%</b>	<b>6.38%</b>
Russell Midcap Index		9.71			8.01	12.20
Russell Midcap Value Index		9.13			7.23	6.50
Custom Peer Group Percentile		29			33	56
Morningstar Category Percentile		25			28	53
Morningstar Overall Rating: ★★★★★						
<b>Diamond Hill Large Cap Fund</b>	<b>6/29/2001</b>	<b>8.58%</b>	<b>8.84%</b>	<b>12.27%</b>	<b>9.54%</b>	<b>8.84%</b>
Russell 1000 Index		7.07	9.61	13.17	10.39	13.98
Russell 1000 Value Index		6.96	7.78	10.78	7.88	6.95
Custom Peer Group Percentile		1	17	7	14	55
Morningstar Category Percentile		1	17	6	12	53
Morningstar Overall Rating: ★★★★★						
<b>Diamond Hill All Cap Select Fund</b>	<b>12/30/2005</b>	<b>8.55%</b>	<b>9.34%</b>	<b>12.60%</b>	<b>6.88%</b>	<b>13.33%</b>
Russell 3000 Index		8.64	9.62	13.03	10.22	13.81
Russell 3000 Value Index		7.25	7.84	10.71	7.87	6.81
Custom Peer Group Percentile		15	21	5	61	6
Morningstar Category Percentile		22	24	38	88	50
Morningstar Overall Rating: ★★★						

Fund returns are Class I shares net of fees. Periods greater than one year are annualized.  
 Morningstar rankings are relative to funds within the respective category.  
 Index returns do not reflect any fees.

# Duty to Clients – Investment Results

As of 3/31/18

	Inception Date	Since Inception	10-YR	5-YR	3-YR	1-YR
<b>Diamond Hill Global Fund</b>	<b>12/31/2013</b>	<b>7.74%</b>	—	—	<b>7.97%</b>	<b>17.77%</b>
Morningstar Global Markets Index		7.38			8.24	15.00
Custom Peer Group Percentile		36			42	31
Morningstar Category Percentile		35			43	32
Morningstar Overall Rating: N/A						
<b>Diamond Hill Long-Short Fund</b>	<b>6/30/2000</b>	<b>6.71%</b>	<b>4.38%</b>	<b>6.65%</b>	<b>4.27%</b>	<b>0.93%</b>
Russell 1000 Index		5.69	9.61	13.17	10.39	13.98
60%/40% Blended Benchmark		4.29	6.09	7.97	6.45	8.72
Custom Peer Group Percentile		17	50	25	50	82
Morningstar Category Percentile		13	45	25	47	80
Morningstar Overall Rating: ★★						
<b>Diamond Hill Financial Long-Short Fund</b>	<b>8/1/1997</b>	<b>7.56%</b>	<b>6.11%</b>	<b>10.07%</b>	<b>7.83%</b>	<b>6.69%</b>
Russell 3000 Financials Index		6.02	6.48	14.17	12.45	15.85
80%/20% Blended Benchmark		5.55	5.64	11.38	10.09	12.81
Custom Peer Group Percentile		34	67	84	84	89
Morningstar Category Percentile		27	62	75	79	91
Morningstar Overall Rating: ★★						
<b>Diamond Hill Research Opportunities Fund</b>	<b>3/31/2009</b>	<b>12.55%</b>	—	<b>7.37%</b>	<b>3.41%</b>	<b>3.88%</b>
Russell 3000 Index		16.83		13.03	10.22	13.81
75%/25% Blended Benchmark		12.62		9.81	7.81	10.55
Custom Peer Group Percentile		30		16	60	69
Morningstar Category Percentile		22		17	56	66
Morningstar Overall Rating: ★★						

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

The 60%/40% Blended Benchmark: 60% Russell 1000 Index 40% ICE BofAML U.S. T-Bill 0-3 Month Index.

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

The 80%/20% Blended Benchmark: 80% Russell 3000 Financials Index 20% ICE BofAML U.S. T-Bill 0-3 Month Index.

The 75%/25% Blended Benchmark: 75% Russell 3000 Index 25% ICE BofAML U.S. T-Bill 0-3 Month Index.

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Morningstar rankings are relative to funds within the respective category.

Index returns do not reflect any fees.

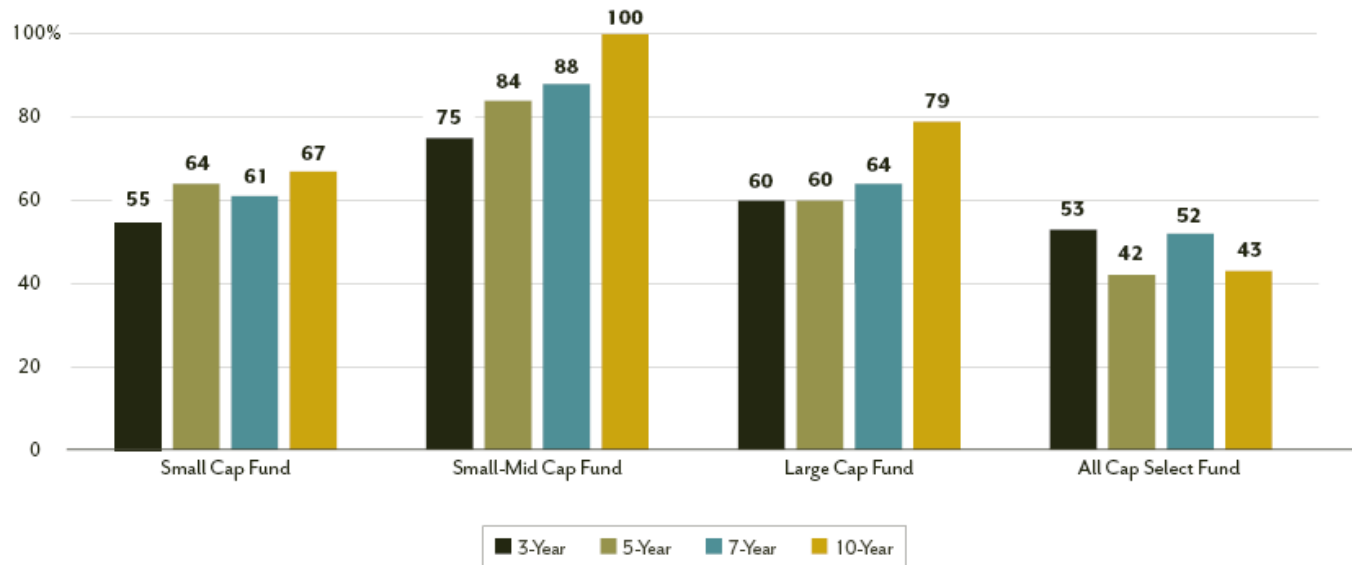


# Rolling Outperformance vs. Core Index

As of 3/31/18

## ROLLING OUTPERFORMING PERIODS VS. CORE INDEX

Since Inception through March 31, 2018



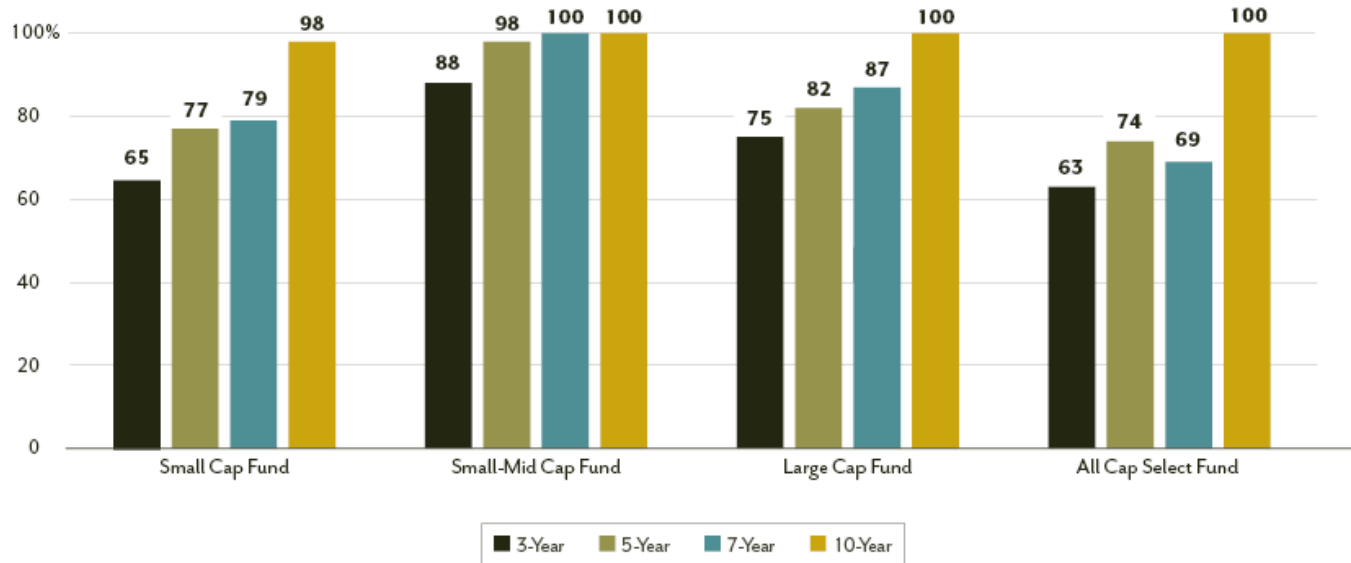
Periods measured on a monthly basis. Small Cap Fund (Class I shares) vs. Russell 2000 Index outperformed 94 out of 172 rolling 3-year periods (55%), outperformed 95 out of 148 rolling 5-year periods (64%), outperformed 76 out of 124 rolling 7-year periods (61%), outperformed 59 out of 88 rolling 10-year periods (67%). Small-Mid Cap Fund (Class I shares) vs. Russell 2500 Index outperformed 84 out of 112 rolling 3-year periods (75%), outperformed 74 out of 88 rolling 5-year periods (84%), outperformed 56 out of 64 rolling 7-year periods (88%), outperformed 28 out of 28 rolling 10-year periods (100%). Large Cap Fund (Class I shares) vs. Russell 1000 Index outperformed 99 out of 166 rolling 3-year periods (60%), outperformed 85 out of 142 rolling 5-year periods (60%), outperformed 75 out of 118 rolling 7-year periods (64%), outperformed 65 out of 82 rolling 10-year periods (79%). All Cap Select Fund (Class I shares) vs. Russell 3000 Index outperformed 59 out of 112 rolling 3-year periods (53%), outperformed 37 out of 88 rolling 5-year periods (42%), outperformed 33 out of 64 rolling 7-year periods (52%), outperformed 12 out of 28 rolling 10-year periods (43%).

# Rolling Outperformance vs. Value Index

As of 3/31/18

## ROLLING OUTPERFORMING PERIODS VS. VALUE INDEX

Since Inception through March 31, 2018



Periods measured on a monthly basis. Small Cap Fund (Class I shares) vs. Russell 2000 Value Index outperformed 112 out of 172 rolling 3-year periods (65%), outperformed 114 out of 148 rolling 5-year periods (77%), outperformed 98 out of 124 rolling 7-year periods (79%), outperformed 86 out of 88 rolling 10-year periods (98%). Small-Mid Cap Fund (Class I shares) vs. Russell 2500 Value Index outperformed 98 out of 112 rolling 3-year periods (88%), outperformed 86 out of 88 rolling 5-year periods (98%), outperformed 64 out of 64 rolling 7-year periods (100%), outperformed 28 out of 28 rolling 10-year periods (100%). Large Cap Fund (Class I shares) vs. Russell 1000 Value Index outperformed 124 out of 166 rolling 3-year periods (75%), outperformed 116 out of 142 rolling 5-year periods (82%), outperformed 103 out of 118 rolling 7-year periods (87%), outperformed 82 out of 82 rolling 10-year periods (100%). All Cap Select Fund (Class I shares) vs. Russell 3000 Value Index, outperformed 71 out of 112 rolling 3-year periods (63%), outperformed 65 out of 88 rolling 5-year periods (74%), outperformed 44 out of 64 rolling 7-year periods (69%), outperformed 28 out of 28 rolling 10-year periods (100%).

# Investment Team Update

As of 3/31/18

Sector	Team Members
Energy Materials Industrials Utilities	Harsh Acharya, CFA - <i>Analyst</i> Brian Bath, CFA - <i>Analyst</i> Jason Downey, CFA - <i>Analyst</i> Blake Haxton <sup>1</sup> - <i>Associate</i> Bobby Murphy, CFA, CPA - <i>Analyst</i> Suken Patel, CFA - <i>Sector Leader, Analyst</i> Greg Sumner, CFA - <i>Analyst</i>
Consumer	Brian Hilderbrand, CFA - <i>Analyst</i> Jenny Hubbard, CFA - <i>Analyst</i> Micah Martin <sup>1</sup> - <i>Analyst</i> Aaron Monroe, CFA - <i>Sector Leader, Analyst</i> Tim Myers - <i>Associate</i> Chris Piel - <i>Senior Associate</i> Kavi Shelar <sup>1</sup> - <i>Senior Associate</i>
Health Care	Igor Golalic, CFA - <i>Sector Leader, Analyst</i> Laura O'Dell, CFA - <i>Analyst</i> Kyle Schneider, CFA - <i>Analyst</i> Chendhore Veerappan <sup>1</sup> - <i>Associate</i>
Financials	Josh Barber, CFA - <i>Analyst</i> Yiting Liu, CFA - <i>Senior Associate</i> John Loesch, CFA - <i>Sector Leader, Analyst</i> Krishna Mohanraj, CFA - <i>Analyst</i> Tejas Patel, CFA - <i>Associate</i> Tyler Ventura, CFA - <i>Analyst</i>
Information Technology TeleCom Services	Grady Burkett, CFA - <i>Analyst</i> Varun Gupta, CFA - <i>Analyst</i> Jayant Jangra, CFA - <i>Senior Associate</i> Nate Palmer, CFA, CPA - <i>Sector Leader, Analyst</i> Adam Xiao, CFA - <i>Senior Associate</i>
Specialized Fixed Income	Charlie Minor, CFA - <i>Structured Product Senior Associate</i>

<sup>1</sup> CFA charter pending fulfillment of work experience requirement.

	Team Members
Equity Portfolio Managers	Chuck Bath, CFA Chris Bingaman, CFA Grady Burkett, CFA Ric Dillon, CFA Jason Downey, CFA Austin Hawley, CFA Tom Schindler, CFA Rick Snowdon, CFA Chris Welch, CFA
Fixed Income Portfolio Managers	Mark Jackson, CFA John McClain, CFA Henry Song, CFA Bill Zox, CFA

## Investment Team Growth

	PMs, Analysts	Research Associates	Traders, Other	Total
<b>2007</b>	16	0	3	<b>19</b>
<b>2008</b>	18	4	4	<b>26</b>
<b>2009</b>	18	6	3	<b>27</b>
<b>2010</b>	20	6	4	<b>30</b>
<b>2011</b>	21	5	4	<b>30</b>
<b>2012</b>	22	5	5	<b>32</b>
<b>2013</b>	23	7	5	<b>35</b>
<b>2014</b>	24	9	6	<b>39</b>
<b>2015</b>	27	11	6	<b>44</b>
<b>2016</b>	32	11	5	<b>48</b>
<b>2017</b>	33	9	8	<b>50</b>
<b>3/31/18</b>	31	9	7	<b>47</b>

# Expanding the Fixed Income Team

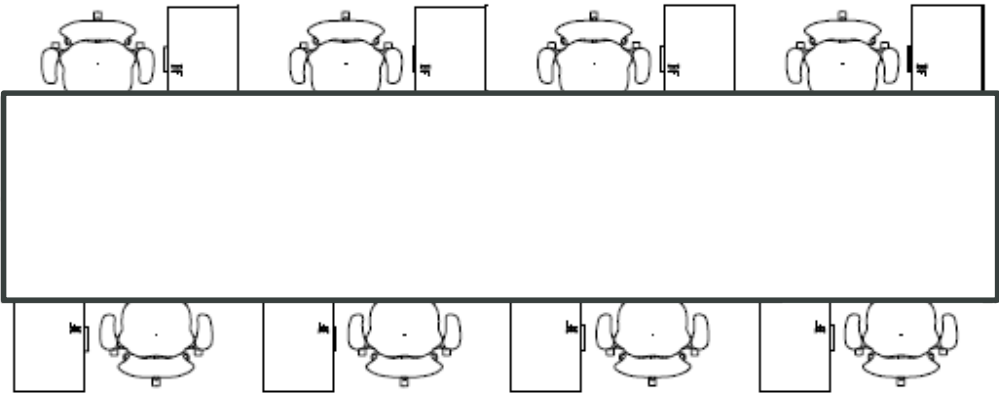
## Core Bond and Short Duration Total Return

Wenting He  
Structured Product  
Senior Associate

Mark Jackson, CFA  
Portfolio Manager

Henry Song, CFA  
Portfolio Manager

Charlie Minor, CFA  
Structured Product  
Senior Associate



Douglas Gimple  
Senior Portfolio  
Specialist

Bill Zox, CFA  
Portfolio Manager  
CIO, Fixed Income

John McClain, CFA  
Portfolio Manager

Jack Parker\*  
Fixed Income  
Associate

## Distribution and Client Service

## Corporate Credit and High Yield

\* Passed all three levels of the CFA Program and may be awarded the charter upon completion of the required work experience.

# Duty to Clients – Investment Results

As of 3/31/18

	Inception Date	Since Inception	10-YR	5-YR	3-YR	1-YR
<b>Diamond Hill Short Duration Total Return Fund</b>	<b>7/5/2016</b>	<b>3.56%</b>	–	–	–	<b>3.73%</b>
Bloomberg Barclays U.S. 1-3 Yr. Gov./Credit Index		0.11				0.24
Custom Peer Group Percentile		5				2
Morningstar Category Percentile		3				1
Morningstar Overall Rating: N/A						
<b>Diamond Hill Core Bond Fund</b>	<b>7/5/2016</b>	<b>0.62%</b>	–	–	–	<b>2.13%</b>
Bloomberg Barclays U.S. Aggregate Index		-0.72				1.20
Custom Peer Group Percentile		33				20
Morningstar Category Percentile		28				16
Morningstar Overall Rating: N/A						
<b>Diamond Hill Corporate Credit Fund</b>	<b>9/30/2002</b>	<b>7.19%</b>	<b>7.12%</b>	<b>5.52%</b>	<b>6.20%</b>	<b>5.31%</b>
ICE BofAML U.S. Corporate & High Yield Index		6.02	5.88	3.39	2.86	2.85
CPI plus 3.00%		5.09	4.57	4.40	4.86	5.36
Custom Peer Group Percentile		52	27	2	2	5
Morningstar Category Percentile		71	38	6	3	9
Morningstar Overall Rating: ★★★★★						
<b>Diamond Hill High Yield Fund</b>	<b>12/4/2014</b>	<b>7.73%</b>	–	–	<b>7.29%</b>	<b>7.00%</b>
ICE BofAML U.S. High Yield Index		5.27			5.18	3.69
Custom Peer Group Percentile		1			1	4
Morningstar Category Percentile		1			1	3
Morningstar Overall Rating: N/A						

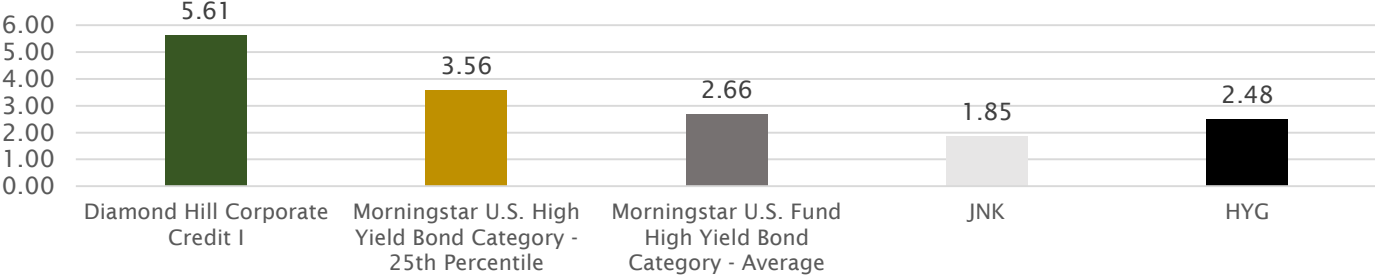
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# Fixed Income Performance – Corporate Credit

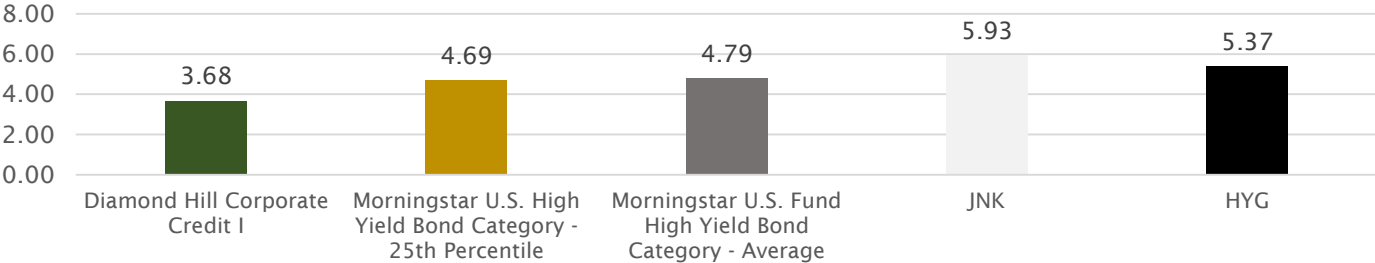
June 30, 2014 through March 31, 2018

As of 3/31/18

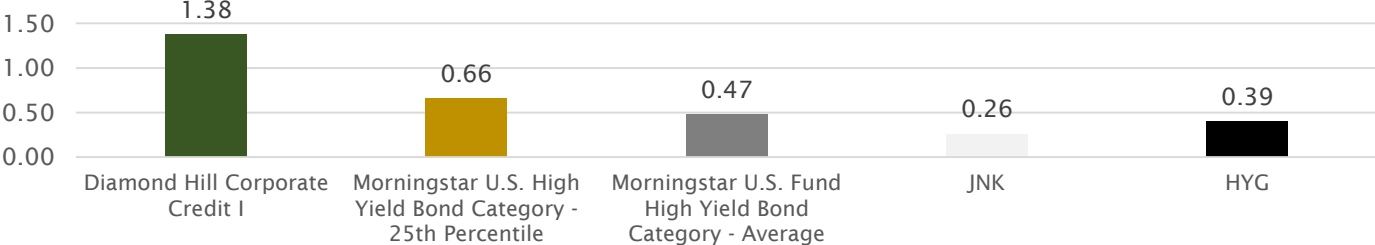
## Annualized Return



## Standard Deviation



## Sharpe Ratio



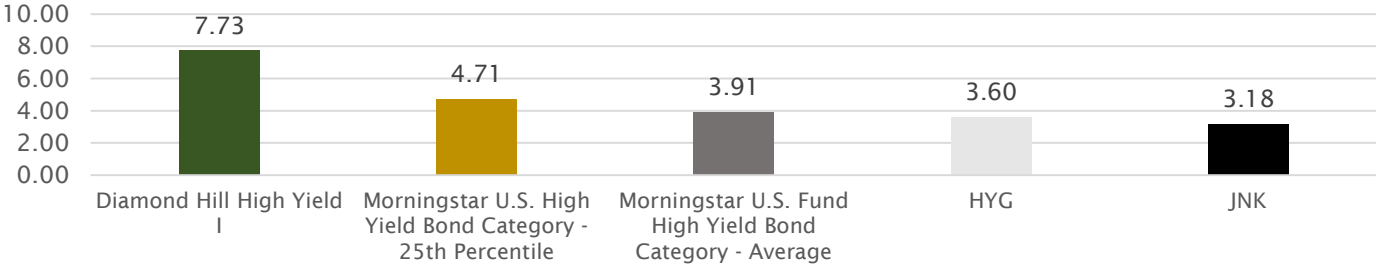
# Fixed Income Performance – High Yield

Annualized Return - December 5, 2014 through March 31, 2018

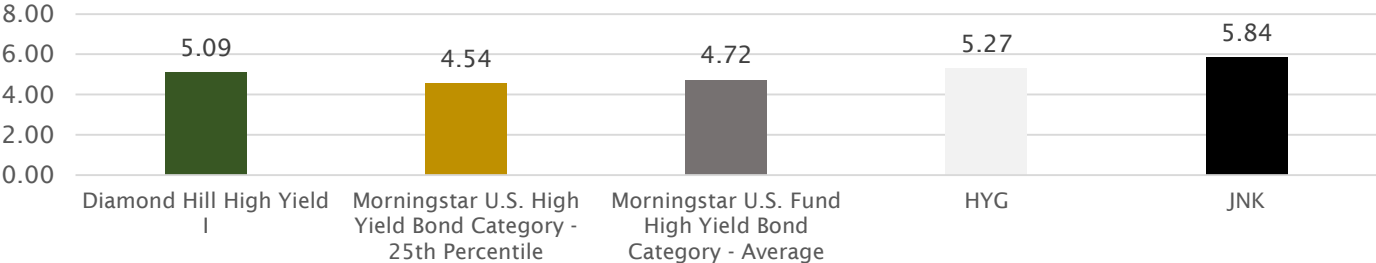
As of 3/31/18

Standard Deviation and Sharpe Ratio – January 1, 2015 through March 31, 2018

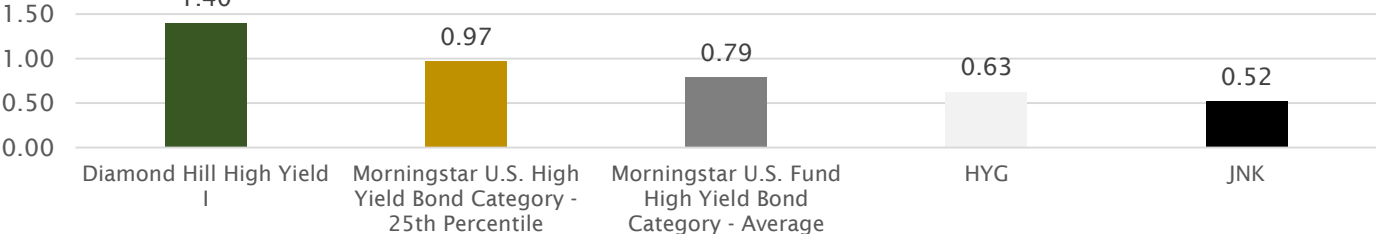
## Annualized Return



## Standard Deviation

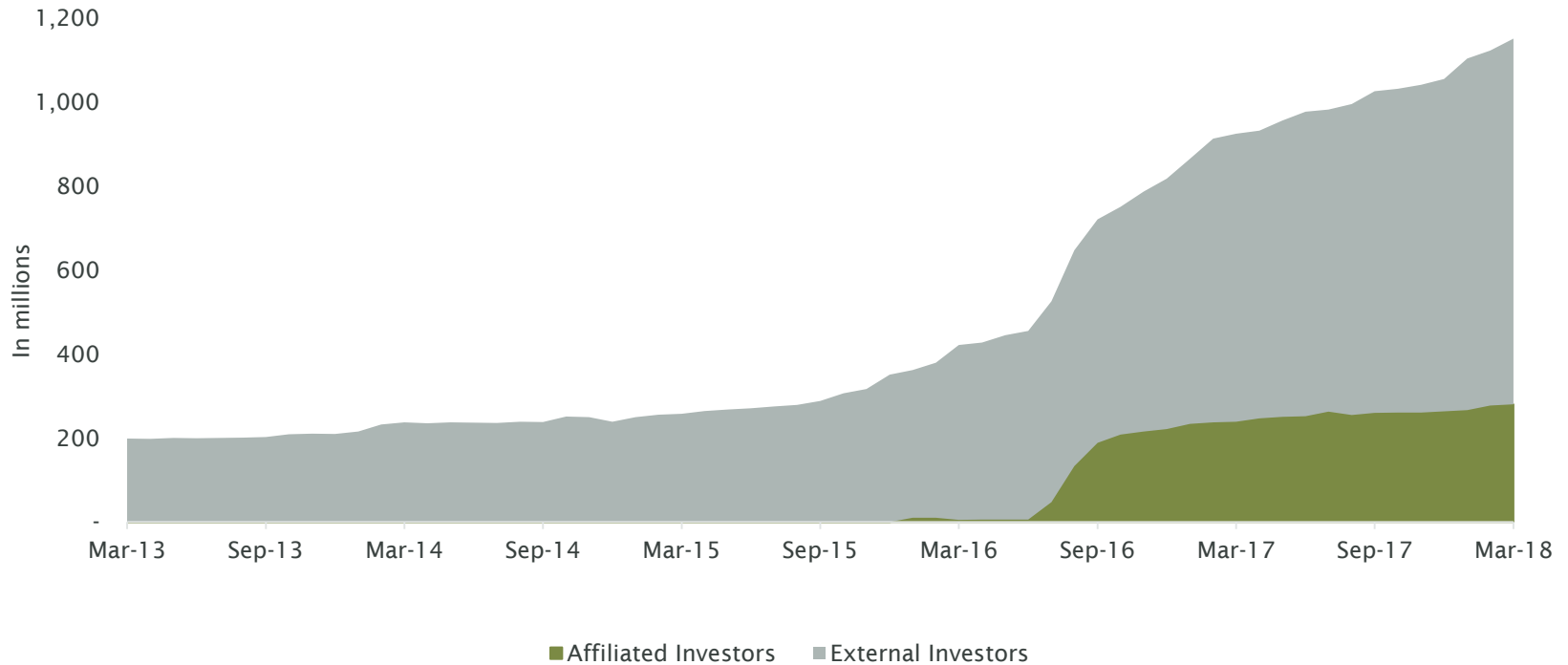


## Sharpe Ratio



# Diamond Hill Fixed Income AUM Growth

As of 3/31/18



(in millions)	March 31, 2013	March 31, 2018
Affiliated Investments	\$0	\$281 (24%)
External Investors	\$199	\$871 (76%)
<b>Total Investors</b>	<b>\$199</b>	<b>\$1,152</b>



# Competitive Fees

As of 3/31/18

## Morningstar Fee Level: Class I Shares

	Low	Below Avg.	Avg.	Above Avg.	High
Small Cap		✓			
Small-Mid Cap		✓			
Mid Cap		✓			
Large Cap		✓			
All Cap Select			✓		
Long-Short	✓				
Financial Long-Short			✓		
Research Opps	✓				
Global		✓			
SDTR		✓			
Core		✓			
Corp Credit	✓				
High Yield		✓			

## Morningstar Fee Level: Class Y Shares

	Low	Below Avg.	Avg.	Above Avg.	High
Small Cap	✓				
Small-Mid Cap		✓			
Mid Cap	✓				
Large Cap	✓				
All Cap Select		✓			
Long-Short	✓				
Financial Long-Short	NA				
Research Opps	✓				
Global	✓				
SDTR	✓				
Core	✓				
Corp Credit	✓				
High Yield	✓				

Note: Collectively ~85% of Fund assets are in Class I or Class Y shares.

# Duty to Owners – Growth in Intrinsic Value

As of 12/31/17

## Financial Highlights

Income Statement Data (in thousands, except per share data)	Years Ended December 31					5 Year CAGR
	2013	2014	2015	2016	2017	
Net Revenues (\$)	81,432	104,559	124,426	136,103	145,202	17%
Net Operating Income (\$)	30,682	47,460	58,720	63,069	67,001	22%
Net Income (\$)	22,155	31,581	37,074	46,052	49,989	
Diluted Earnings per share (\$)	6.94	9.67	11.03	13.49	14.48	
Cash Dividends per share (\$)	3.00	4.00	5.00	6.00	7.00	
Operating Margin	38%	45%	47%	46%	46%	
Operating Margin, as adjusted <sup>(a)</sup>	38%	46%	47%	48%	48%	

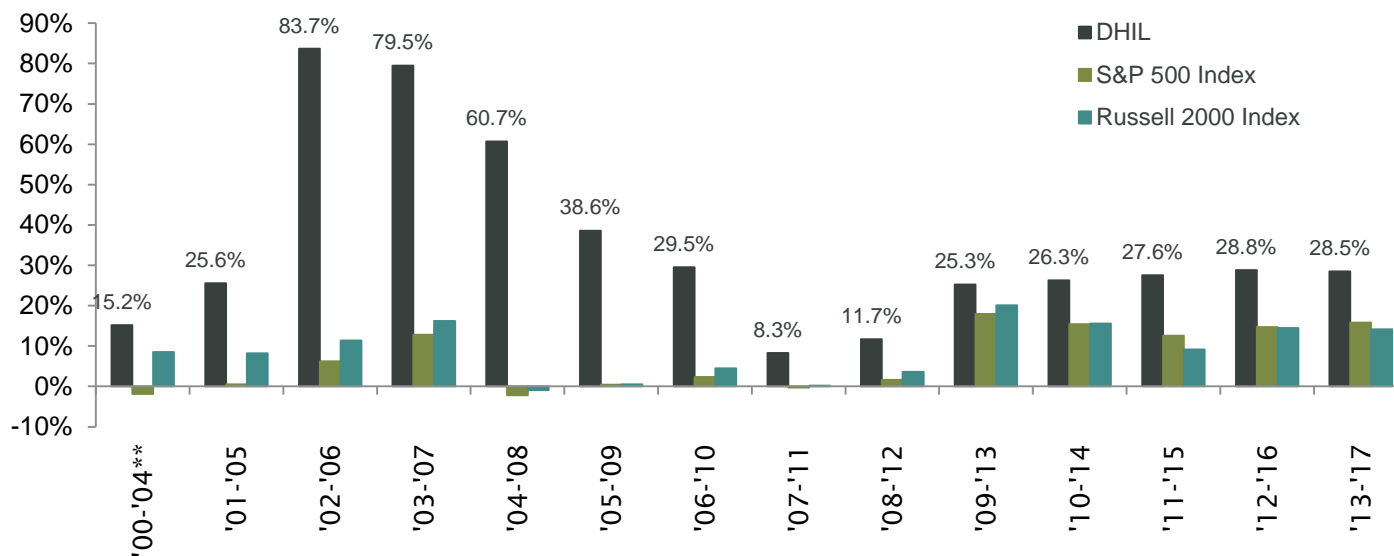
Balance Sheet Data (in thousands, except per share data)	As of December 31				
	2013	2014	2015	2016	2017
Total Cash (\$)	33,107	35,777	57,475	57,190	76,602
Total Investments (excluding Consolidated Funds and Deferred Comp) (\$)	18,726	45,427	52,491	79,101	94,737
Total Assets (\$)	75,353	107,709	145,187	199,718	250,388
Shareholder Equity (\$)	44,943	74,319	105,314	139,224	172,444
Book Value per share (\$)	13.80	22.40	30.84	40.81	49.69

(a) – Operating Margin, as adjusted, is a Non-GAAP measure calculated by dividing net operating income, as adjusted, by total revenue. Net operating income, as adjusted, also represents a Non-GAAP measure that is calculated by taking the Company's net operating income adjusted to exclude the impact on compensation expense of gains and losses on investments in the deferred compensation plan investments.

# Duty to Owners – Growth in Intrinsic Value

As of 12/31/17

## 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 – 12/31/17	25.2%	5.7%	8.3%
Cumulative: 6/1/00 – 12/31/17	5,100.8%	165.4%	308.1%

# Comparison to Other Public Investment Firms

As of 12/31/17

Ranking by Market Capitalization				
Rank	Ticker	Company Name	Market Cap (\$M)	AUM (\$B)
1	BLK	BlackRock, Inc.	92,510	6,288
2	TROW	T. Rowe Price Group, Inc.	28,640	991
3	BEN	Franklin Resources, Inc.	21,974	753
4	IVZ	Invesco Ltd.	14,055	938
5	SEIC	SEI Investments Company	12,162	337
7	AMG	Affiliated Managers Group, Inc.	10,612	836
6	EV	Eaton Vance Corp.	6,970	422
8	LM	Legg Mason, Inc.	3,539	728
9	FII	Federated Investors, Inc.	3,453	398
10	CNS	Cohen & Steers, Inc.	1,991	62
11	WDR	Waddell & Reed Financial, Inc.	1,669	81
12	VRTS	Virtus Investment Partners	963	91
13	PZN	Pzena Investment Management, Inc.	788	39
14	GBL	GAMCO Investors, Inc.	777	43
15	DHIL	<b>Diamond Hill Investment Group, Inc.</b>	741	22
16	WHG	Westwood Holdings Group, Inc.	504	24
17	MN	Manning & Napier, Inc. <sup>(a)</sup>	291	25
18	GROW	U.S. Global Investors, Inc.	47	1
<b>Median</b>			2,722	214

Over the years the public company population of investment management firms has continued to grow and there is significant disparity in the size of these firms. There are now 18 firms on our list of public company peers with market cap's ranging from below \$100MM to more than \$90B. As a result, the Company will focus its discussion on firms with a Market Cap below \$1.0B and greater than \$100M. Refer to the following pages comparing the Company to this focused peer group.

(a) Market cap for the public company only was \$52M.

Source: SNL Financial

# Focused Peer Group

As of 12/31/17

For purposes of this presentation, the focused peer group is defined as public companies with a market cap below \$1.0B and greater than \$100M.

Ranking by Market Capitalization				
Rank	Ticker	Company Name	Market Cap (\$M)	AUM (\$B)
1	VRTS	Virtus Investment Partners	963	91
2	PZN	Pzena Investment Management, Inc.	788	39
3	GBL	GAMCO Investors, Inc.	777	43
4	DHIL	Diamond Hill Investment Group, Inc.	741	22
5	WHG	Westwood Holdings Group, Inc.	504	24
6	MN	Manning & Napier, Inc. <sup>(a)</sup>	291	25
<b>Median</b>			<b>759</b>	<b>32</b>

(a) Market cap for the public company only was \$52M.

Source: SNL Financial

# Comparison to Focused Peer Group

As of 12/31/17

Ranking by Revenue Growth		
Rank	Ticker	5-Year Annualized Growth
1	PZN	17.2%
<b>2</b>	<b>DHIL</b>	<b>16.8%</b>
3	WHG	11.5%
4	VRTS	9.5%
5	GBL	0.1%
6	MN	-8.2%
Median		10.5%

Ranking by Shareholder Return		
Rank	Ticker	5-Year Annualized Return
<b>1</b>	<b>DHIL</b>	<b>29%</b>
2	PZN	19%
3	WHG	14%
4	GBL	1%
5	VRTS	0%
6	MN	-16%
Median		8%

Ranking by 2017 Operating Margin		
Rank	Ticker	Operating Margin
1	PZN	55.8%
<b>2</b>	<b>DHIL</b>	<b>44.9%</b>
3	GBL	38.6%
4	MN	31.2%
5	WHG	28.3%
6	VRTS	18.0%
Median		34.9%

Source: SNL Financial and Thomson 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.

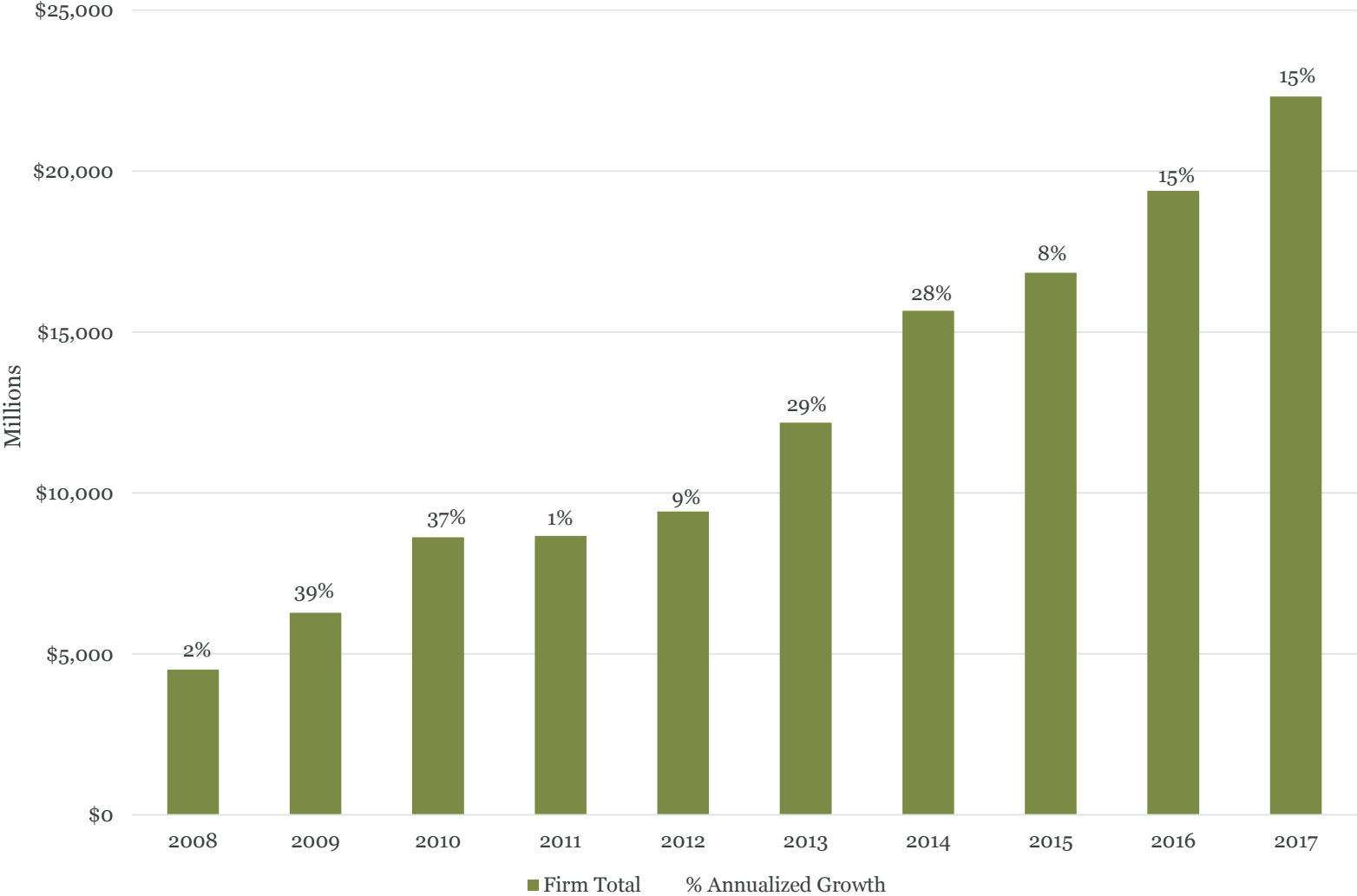
# Capital

As of 12/31/17

<b>5-Year Shareholder Equity Roll-Forward</b>		
Shareholder Equity as of 12/31/2012		\$21,736,000
Net Income: 2013-2017	186,848,000	
Equity Compensation: 2013-2017	<u>48,651,000</u>	
		235,499,000
Dividend Distributions: 2013-2017		<u>(84,791,000)</u>
Shareholder Equity as of 12/31/2017		\$172,444,000

# Growth of Assets Under Management

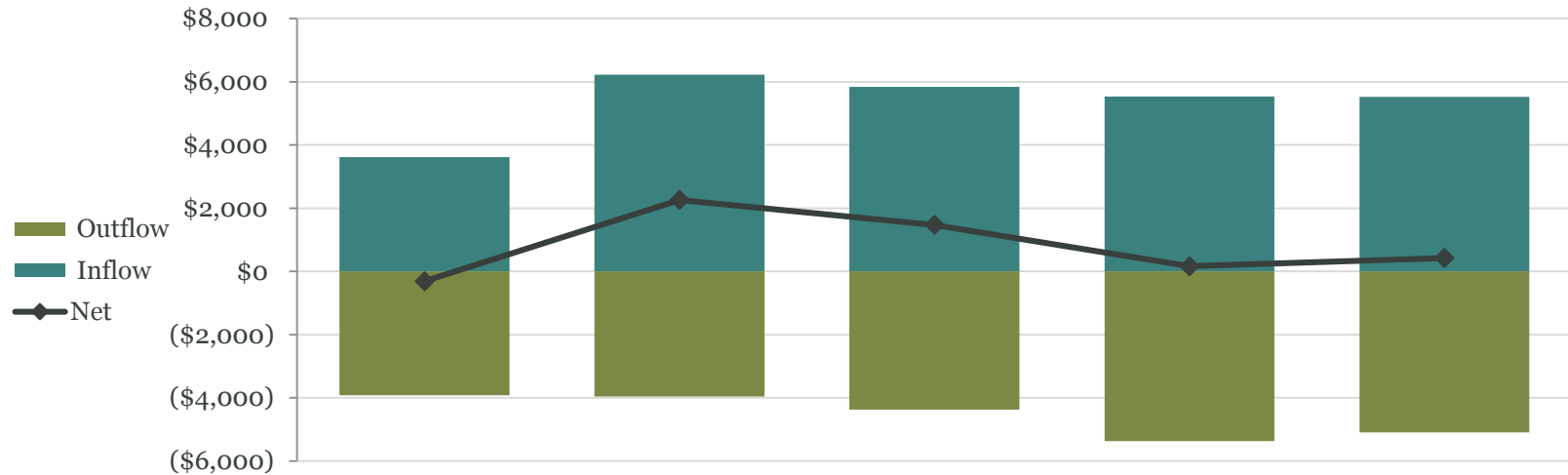
As of 12/31/17





# Summary of Client Investment Flows

As of 12/31/17



	2013	2014	2015	2016	2017
Beginning of Period Assets	\$9,429	\$12,186	\$12,186	\$16,841	\$19,381
<b>Net Flows</b>	<b>(308)</b>	<b>2,263</b>	<b>1,474</b>	<b>165</b>	<b>425</b>
Market Impact	3,066	1,206	(288)	2,375	2,511
End of Period Assets	\$12,186	\$15,656	\$16,841	\$19,381	\$22,317

# Business Updates

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- Continue to build out our fixed income team. Fixed income AUM now in excess of \$1 billion. High Yield Fund reached three-year track record at year-end.
- Converted the Global L.P. to the Global Fund effective January 1, 2018.
- Started International L.P. on January 1, 2017.
- Updated capacity estimates: equity capacity of \$25-\$35 billion and fixed income capacity of at least \$40 billion.
- Added important new position in April 2018; Fran Skinner joined the firm as Chief Administrative Officer – Investments.
- In process of realigning business development initiatives to best serve our current and future clients.
  - Dedicated institutional and intermediary efforts

# Business Updates, continued

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Associates: Continue to invest in all areas.

	12/31/2017	12/31/2016	12/31/2015
Investment Team	50	48	44
Distribution	40	39	37
Administration & Operations	28	25	22
<b>Total DHCM</b>	<b>118</b>	<b>112</b>	<b>103</b>

## Question and Answer





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