



Annual Shareholder Meeting

April 27, 2016

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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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Mission, Principles and Vision

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

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

- Code of Ethics prohibits investment in individual securities and third-party mutual funds
- 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 28% of the company, representing approximately \$160 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 3/31/16

Long-Only Equity	Inception Date	1 Year	3 Year	5 Year	10 Year	Inception
Diamond Hill Small Cap Fund	12/29/2000	-5.52%	6.97%	7.52%	5.68%	10.66%
Russell 2000 Index		-9.76	6.84	7.20	5.26	7.04
Custom Peer Group Percentile		32	43	32	37	13
Morningstar Overall Rating: ★★★★★						
Diamond Hill Small-Mid Cap Fund	12/30/2005	-0.31	10.73	10.67	8.37	8.77
Russell 2500 Index		-7.31	8.16	8.58	6.47	7.41
Custom Peer Group Percentile		10	8	4	4	6
Morningstar Overall Rating: ★★★★★						
Diamond Hill Mid Cap Fund	12/31/2013	-0.26	–	–	–	5.15
Russell Midcap Index		-4.04				5.56
Custom Peer Group Percentile		14				17
Morningstar Overall Rating: N/A						
Diamond Hill Large Cap Fund	6/29/2001	0.21	10.79	10.73	6.93	7.79
Russell 1000 Index		0.50	11.52	11.35	7.06	5.95
Custom Peer Group Percentile		21	12	15	15	1
Morningstar Overall Rating: ★★★★★						
Diamond Hill Large Cap Concentrated	12/31/2011	-0.23	10.73	–	–	12.75
Russell 1000 Index		0.50	11.52			14.71
eVestment U.S. Large Cap Value Percentile		19	21			53
Diamond Hill Select Fund	12/30/2005	-10.58	9.86	9.71	6.86	7.00
Russell 3000 Index		-0.34	11.15	11.01	6.90	7.27
Custom Peer Group Percentile		90	20	27	19	24
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.

Duty to Clients – Investment Results

As of 3/31/16

Alternatives	Inception Date	1 Year	3 Year	5 Year	10 Year	Inception
Diamond Hill Long-Short Fund	6/30/2000	-0.82%	6.48%	7.18%	4.44%	6.68%
Russell 1000 Index		0.50	11.52	11.35	7.06	4.48
60/40% Blended Benchmark		0.57	6.95	6.89	4.94	3.64
Custom Peer Group Percentile		29	20	16	46	34
Morningstar Overall Rating: ★★★★★						
Diamond Hill Research Opportunities Fund	3/31/2009	-7.59	6.05	8.06	–	13.47
Russell 3000 Index		-0.34	11.15	11.01		17.09
75/25% Blended Benchmark		-0.05	8.40	8.33		12.80
Custom Peer Group Percentile		80	22	7		13
Morningstar Overall Rating: ★★★★★						
Diamond Hill Financial Long-Short Fund	8/1/1997	-10.89	4.72	7.15	0.92	6.44
Russell 3000 Financials Index		-2.34	10.03	9.91	0.69	4.56
80/20% Blended Benchmark		-1.67	8.10	8.07	1.19	4.44
Custom Peer Group Percentile		79	75	54	67	34
Morningstar Overall Rating: ★★★						
Fixed Income						
Diamond Hill Corporate Credit Fund	9/30/2002	1.12	3.36	4.83	5.65	6.94
BofA ML US Corporate & High Yield Index		0.06	2.80	5.05	5.99	6.28
Custom Peer Group Percentile		6	9	30	61	60
Morningstar Overall Rating: ★★★★★						
Diamond Hill High Yield Fund	12/4/2014	-0.33	–	–	–	2.50
BofA ML US High Yield Index		-3.99				-1.60
Custom Peer Group Percentile		8				2
Morningstar Overall Rating: N/A						

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. Research Opportunities Blended Benchmark: 75% Russell 3000 Index/25% BofA ML US 0-3 T-Bill Index. Financial Long-Short Blended Benchmark: 80% Russell 3000 Financials Index/20% BofA ML US 0-3 Month T-Bill Index.

Investment Team Update

As of 3/31/16

Sectors	Team Member	Experience
Energy Materials Industrials Utilities	Harsh Acharya, CFA – <i>Senior Associate</i>	13 Years
	Brian Baker – <i>Associate</i>	5 Years
	Brian Bath – <i>Senior Associate</i>	7 Years
	Jason Downey, CFA – <i>PM, APM, Sector Leader, Analyst</i>	14 Years
	Bobby Murphy, CFA, CPA – <i>Analyst</i>	6 Years
	Suken Patel, CFA – <i>APM, Analyst</i>	11 Years
	Tom Schindler, CFA – <i>PM</i>	19 Years
	Greg Sumner, CFA – <i>Analyst</i>	17 Years
Consumer Discretionary	Chuck Bath, CFA – <i>PM</i>	33 years
	Brian Hilderbrand, CFA – <i>Associate</i>	10 Years
	Jenny Hubbard, CFA – <i>APM, Analyst</i>	17 Years
	Dan Kohnen – <i>Associate</i>	1 Year
	Bhavik Kothari, CFA – <i>Sector Leader, Analyst</i>	15 Years
	Micah Martin ¹ – <i>Senior Associate</i>	2 Years
	Aaron Monroe, CFA – <i>PM, Analyst</i>	10 Years
	Tod Schneider, CFA – <i>Analyst</i>	8 Years
	Kavi Shelar – <i>Associate</i>	<1 Year
Consumer Staples Health Care	Kapish Bhutani, CFA – <i>Analyst</i>	12 Years
	Brian Fontanella, CFA – <i>Sector Leader, Analyst</i>	8 Years
	Igor Golalic, CFA – <i>PM, Analyst</i>	16 Years
	Laura O'Dell, CFA – <i>Analyst</i>	10 Years
	Kyle Schneider, CFA – <i>Analyst</i>	8 Years
	Chendhore Veerappan – <i>Associate</i>	1 Year
Financials	Josh Barber – <i>Senior Associate</i>	10 Years
	Chris Bingaman, CFA – <i>PM</i>	25 Years
	Austin Hawley, CFA – <i>PM</i>	16 Years
	Yiting Liu, CFA – <i>Associate</i>	9 Years
	John Loesch, CFA – <i>PM, Sector Leader, Analyst</i>	14 Years
	Krishna Mohanraj, CFA – <i>Analyst</i>	5 Years
	Tyler Ventura, CFA – <i>Analyst</i>	8 Years
Information Technology TeleCom Services	Grady Burkett, CFA – <i>PM, Analyst</i>	10 Years
	Varun Gupta – <i>Associate</i>	2 Years
	Jayant Jangra, CFA – <i>Senior Associate</i>	4 Years
	Nate Palmer, CFA, CPA – <i>Sector Leader, Analyst</i>	6 Years
	Rick Snowdon, CFA – <i>PM</i>	15 Years
	Chris Welch, CFA – <i>PM</i>	20 years
Credit	John McClain, CFA – <i>PM</i>	8 Years
	Bill Zox, CFA – <i>PM</i>	15 Years

Investment Team Growth				
	Portfolio Managers + Research Analysts	Research Associates	Traders	Total
2007	16	0	3	19
2008	18	4	4	26
2009	18	6	3	27
2010	20	6	4	30
2011	21	5	4	30
2012	22	5	5	32
2013	23	7	5	35
2014	24	9	6	39
2015	27	11	6	44
3/31/16	27	12	6	45

¹ CFA charter pending fulfillment of work experience requirement.

Duty to Owners – Growth in Intrinsic Value

As of 12/31/15

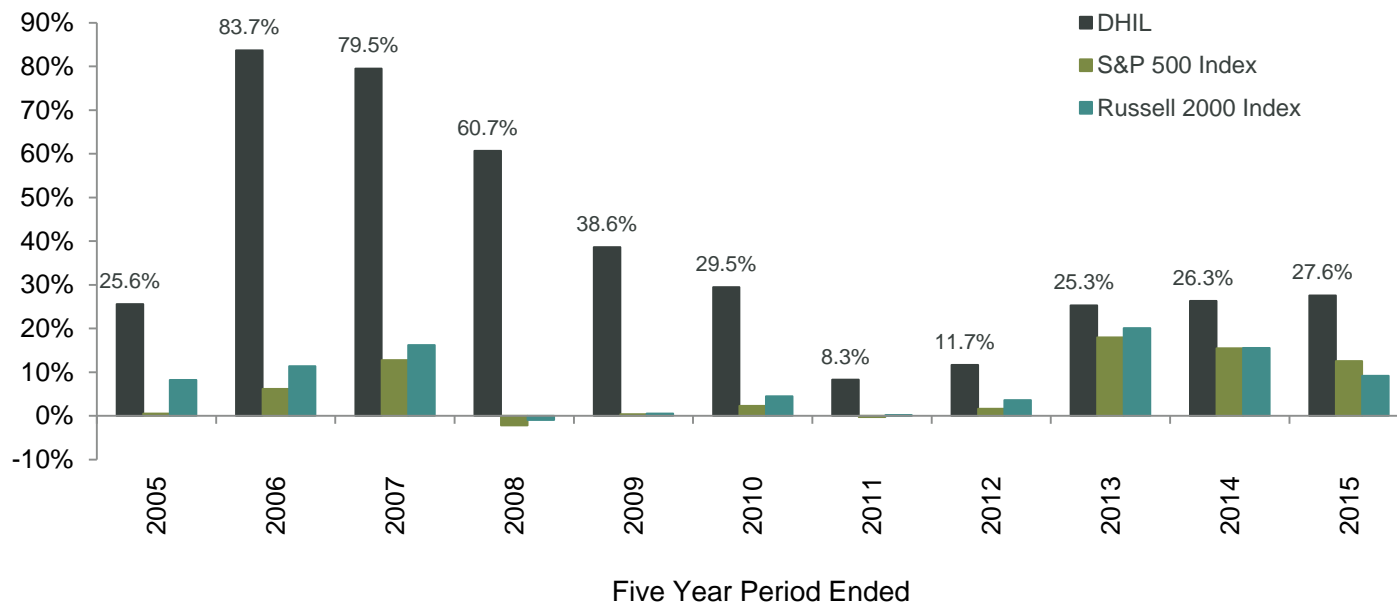
Financial Highlights

Income Statement Data (in thousands, except per share data)	Years Ended December 31					5 Year CAGR
	2011	2012	2013	2014	2015	
Net Revenues (\$)	63,895	66,657	81,432	104,559	124,426	17%
Net Operating Income (\$)	23,061	24,429	30,682	47,460	58,720	21%
Net Income (\$)	14,353	16,931	22,155	31,581	37,074	
Diluted Earnings per share (\$)	4.86	5.44	6.94	9.67	11.03	
Cash Dividends per share (\$)	5.00	8.00	3.00	4.00	5.00	
Operating Margin	36.1%	36.7%	37.7%	45.4%	47.2%	

Balance Sheet Data (in thousands, except per share data)	As of December 31				
	2011	2012	2013	2014	2015
Total Assets (\$)	37,720	41,235	75,353	107,709	145,187
Shareholder Equity (\$)	18,050	21,736	44,943	74,319	105,314
Book Value per share (\$)	6.03	6.86	13.80	22.40	30.84

Duty to Owners – Growth in Intrinsic Value

Total Shareholder Returns over Rolling 5-Year Periods



Growth of Shareholder Value Since Inception	DHIL	S&P 500	Russell 2000
Annualized: 6/1/00 – 12/31/15	27.4%	4.4%	7.2%
Cumulative: 6/1/00 – 12/31/15	4,265.3%	94.5%	193.4%

Comparison to Other Investment Firms

As of 12/31/15

Ranking by Market Capitalization				
Rank	Ticker	Company Name	Market Cap (\$M)	AUM (\$B)
1	BLK	BlackRock, Inc.	\$56,247	\$4,645
2	BEN	Franklin Resources, Inc.	23,172	771
3	TROW	T. Rowe Price Group, Inc.	18,299	763
4	IVZ	Invesco Ltd.	12,865	776
5	AMG	Affiliated Managers Group, Inc.	8,657	611
7	SEIC	SEI Investments Company	7,029	262
6	EV	Eaton Vance Corp.	3,834	311
8	LM	Legg Mason, Inc.	3,718	703
9	FII	Federated Investors, Inc.	2,989	361
10	JNS	Janus Capital Group Inc.	2,687	192
11	AB	AllianceBernstein Holding L.P.	2,269	430
12	WDR	Waddell & Reed Financial, Inc.	1,890	104
13	CNS	Cohen & Steers, Inc.	1,773	53
14	GBL	GAMCO Investors, Inc.	1,107	39
15	DHIL	Diamond Hill Investment Group, Inc.	593	17
16	WHG	Westwood Holdings Group, Inc.	514	21
17	PZN	Pzena Investment Management, Inc.	505	26
18	CLMS	Calamos Asset Management, Inc.	176	22
19	GROW	U.S. Global Investors, Inc.	27	1
Median			\$2,687	\$262

Comparison to Other Investment Firms

As of 12/31/15

Ranking by Revenue Growth		
Rank	Ticker	5-Year Growth*
1	WHG	19%
2	DHIL	16%
3	AMG	15%
4	TROW	12%
5	CNS	10%
6	WDR	9%
7	PZN	9%
8	IVZ	7%
9	SEIC	7%
10	BLK	6%
11	AB	6%
12	GBL	5%
13	EV	5%
14	BEN	4%
15	JNS	1%
16	LM	0%
17	FII	0%
18	CLMS	-8%
19	GROW	-29%
Median		6%

Ranking by Shareholder Return		
Rank	Ticker	5-Year Return*
1	DHIL	28%
2	SEIC	19%
3	BLK	15%
4	AMG	10%
5	IVZ	10%
6	WHG	9%
7	CNS	9%
8	AB	8%
9	FII	8%
10	PZN	7%
11	GBL	6%
12	TROW	5%
13	EV	5%
14	JNS	4%
15	LM	3%
16	BEN	2%
17	WDR	0%
18	CLMS	-3%
19	GROW	-30%
Median		7%

Ranking by Operating Margin		
Rank	Ticker	Operating Margin
1	PZN	47.61
2	TROW	46.52
3	BLK	39.97
4	DHIL	39.63
5	CNS	39.23
6	BEN	38.36
7	GBL	37.02
8	WHG	32.24
9	EV	32.05
10	FII	29.81
11	JNS	27.75
12	WDR	27.65
13	AMG	27.63
14	IVZ	25.88
15	SEIC	24.43
16	CLMS	9.52
17	LM	3.53
18	AB	-
19	GROW	-75.00
Median		29.81

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.

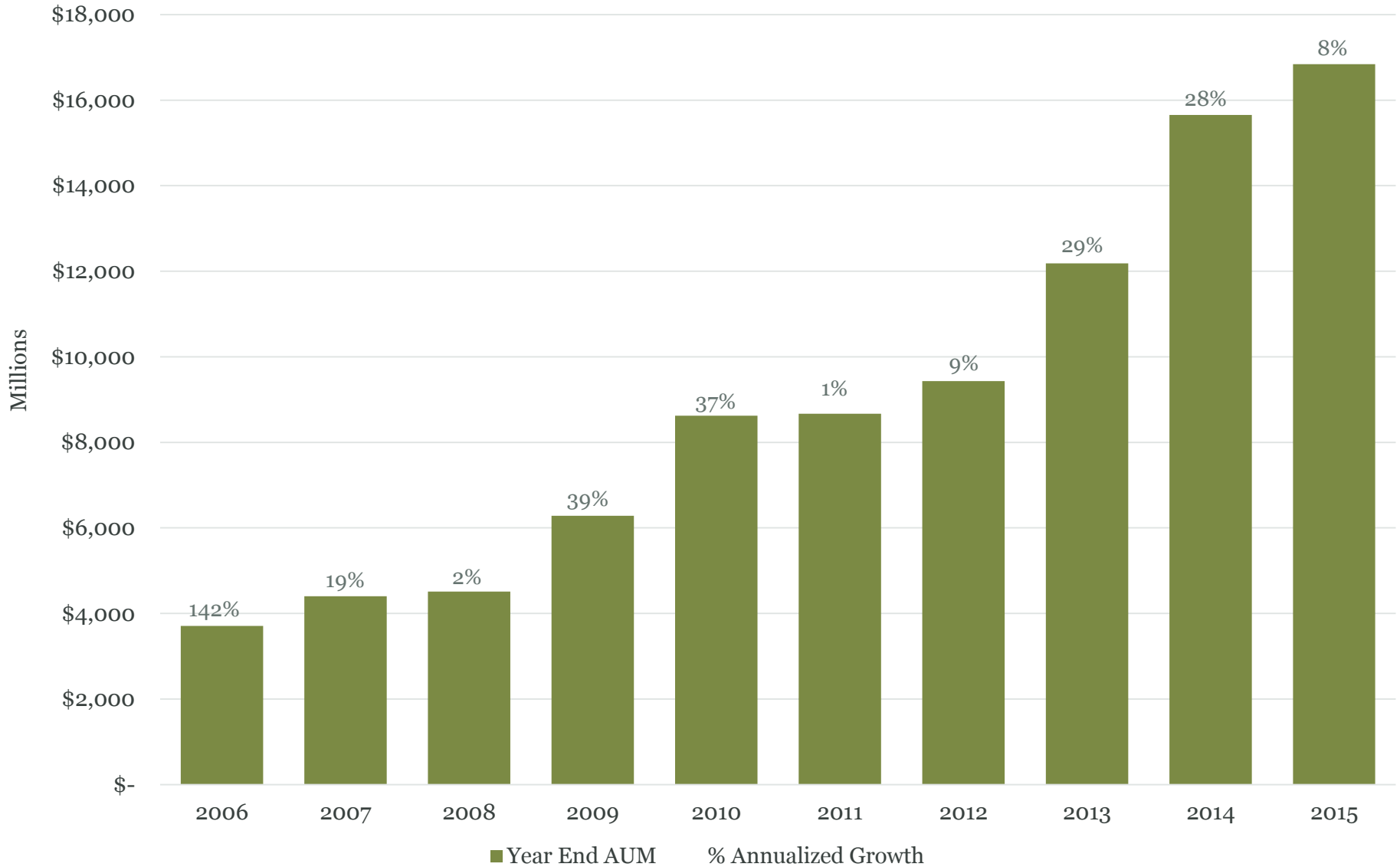
* 5-Year Revenue Growth and 5-Year Shareholder Return are annualized.

Capital

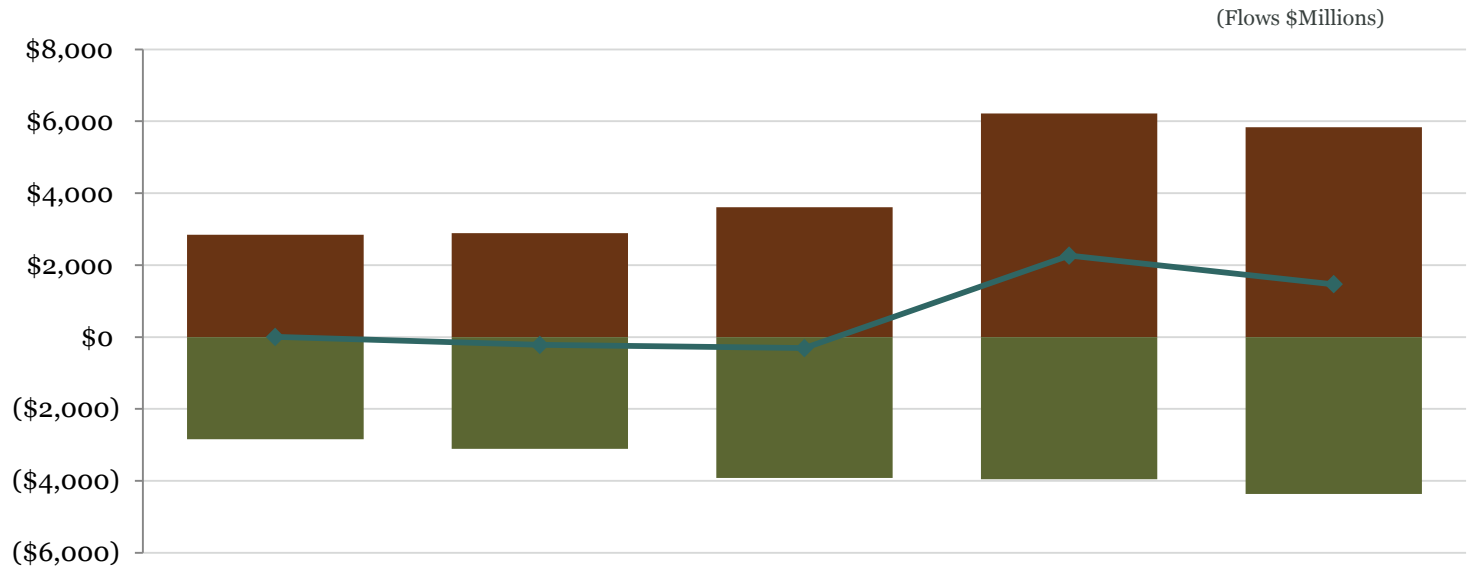
As of 12/31/15

5-Year Shareholder Equity Roll-Forward		
Shareholder Equity as of 12/31/2010		\$7,498,000
Net Income: 2011-2015	122,090,000	
Equity Compensation: 2011-2015	<u>55,957,000</u>	
		178,047,000
Dividend Distributions: 2011-2015		<u>(80,235,000)</u>
Shareholder Equity as of 12/31/2015		\$105,310,000

Growth of Assets Under Management



Summary of Client Investment Flows



	2011	2012	2013	2014	2015
Beginning of Period Assets	\$8,623	\$8,671	\$9,429	\$12,186	\$15,656
Net Flows	3	(219)	(308)	2,156	1,467
Market Impact	45	977	3,066	1,314	(282)
End of Period Assets	\$8,671	\$9,429	\$12,186	\$15,656	\$16,841

Distribution Overview

Strategic Business Objectives

- Grow all strategies to capacity responsibly
- Continue to diversify our client and strategy concentration

Client-Centric Focus

- Our Distribution Team is aligned to best support our clients
 - Believe in a client-specific approach, even within channels
- Continue to invest in and improve Distribution infrastructure to best support the investment team

Goal of sustaining and growing Diamond Hill's intrinsic value

Business Updates

Product

- Launched the Diamond Hill Valuation-Weighted 500 ETF on May 12, 2015
- Converted the Diamond Hill High Yield L.P. to a mutual fund on December 31, 2015
- Soft-closed 3 strategies over the past 12 months
 - Long-Short
 - Small Cap
 - Small-Mid Cap
- Updated firm-wide capacity estimates to \$30B – \$40B to reflect the addition of the High Yield strategy

Associates

- Continue to invest in all areas

	3/31/2016	12/31/2015	12/31/2014
Investment Team	45	44	39
Distribution	46	44	38
Corp. & Fund Admin	16	15	14
Total DHCM	<u>107</u>	<u>103</u>	<u>91</u>
Beacon Hill	22	23	16
Total DHIL	129	126	107

Question and Answer





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