

# Securitized Total Return Fund

As of 31 Dec 2025

# DIAMOND HILL

INVESTED IN THE LONG RUN

## Team

**Henry Song, CFA**  
Portfolio Manager

**Douglas Gimple**  
Senior Portfolio Specialist

## Tickers

**Investor: DHWAX**  
**Class I: DHWIX**  
**Class Y: DHWYX**

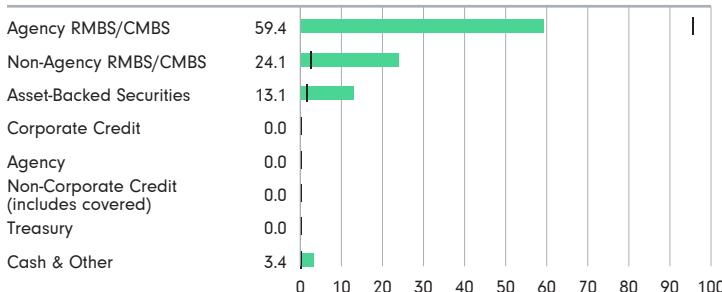
## Philosophy and Process Highlights

- We believe careful selection of undervalued securities and spread sectors offering incremental yield and total return relative to the index is the best way to generate successful long-term investment outcomes.
- We focus on securitized products as we believe this differentiated approach provides more opportunities to achieve higher credit quality while maintaining a yield advantage as compared to those invested in government or corporate credit-focused strategies.
- We constantly look for value-add opportunities, which can lead to allocations outside of the benchmark with a focus on the securitized market.

## Portfolio Guidelines

The portfolio generally invests at least 80% of its assets in a diversified portfolio of fixed income securities and may invest a significant portion or all of its assets in asset-backed, mortgage-related and mortgage-backed securities. The portfolio may invest up to 15% of its assets in below-investment grade securities at the time of purchase. The portfolio will typically maintain an average portfolio duration within 2 of the Bloomberg US Securitized: MBS, ABS and CMBS Index.

## Sector Allocation (%)<sup>1</sup>



Securitized Total Return Fund

Bloomberg US Securitized:  
MBS, ABS and CMBS Index

## Credit Quality Rating<sup>2</sup>

Credit Quality Rating	% of Portfolio
AAA	5.3
AA	64.1
A	8.4
BBB	16.8
BB	2.7
B	0.2
CCC & Below	0.0
Not Rated	2.5

## Duration Breakdown (%)

	% of Portfolio	Bloomberg US Securitized: MBS, ABS and CMBS Index
Less than 1Y	20.3	0.5
1-3Y	14.9	22.0
3-5Y	13.1	22.4
5-7Y	26.2	27.3
7-10Y	12.5	27.7
10-20Y	9.8	0.1
20+Y	3.2	0.0

## Key Rate Duration (%)<sup>4</sup>

	% of Portfolio	Bloomberg US Securitized: MBS, ABS and CMBS Index
1Y	0.09	0.16
2Y	0.19	0.20
3Y	0.33	0.37
5Y	1.02	1.00
10Y	2.24	1.90
20Y	1.41	1.30
30Y	0.10	0.14

## Portfolio Characteristics<sup>3</sup>

Total Net Assets	\$31MM
Distributions	Monthly
Yield to Maturity (%)	5.82
Yield to Worst (%)	5.53
30-day SEC Yield	
Investor	5.42%
Class I	5.71%
Class Y	5.83%

Carefully consider the Fund's investment objectives, risks and expenses. This and other important information are contained in the Fund's prospectus and summary prospectus, which are available at [diamond-hill.com](http://diamond-hill.com) or calling 888.226.5595. Read carefully before investing. The Diamond Hill Funds are distributed by Foreside Financial Services, LLC (Member FINRA). Diamond Hill Capital Management, Inc., a registered investment adviser, serves as Investment Adviser to the Diamond Hill Funds and is paid a fee for its services. Not FDIC insured | No bank guarantee | May lose value

<sup>1</sup>Cash & Other may include cash and money market funds. RMBS: Residential Mortgage-Backed Securities, CMBS: Commercial Mortgage-Backed Securities.

<sup>2</sup>Security quality ratings are derived from underlying portfolio securities by using the middle rating of Standard & Poor's, Moody's and Fitch. If only two of Standard & Poor's, Moody's and Fitch rates a security the higher of the two is selected. If only one of Standard & Poor's, Moody's and Fitch rates a security the available rating is used. For securities that are not rated by Standard & Poor's, Moody's or Fitch, rating from a secondary Nationally Recognized Statistical Rating Organization ("NRSRO") may be used. Ratings by any agency represent an opinion only, not a recommendation to buy or sell. Securities that are not rated by any agencies are reflected as Not Rated "NR."

<sup>3</sup>**Yield to Maturity** is the anticipated total return received if the bond is held to its maturity date and all coupon payments are made on time and are then reinvested at the same interest rate. **Yield to Worst** is the lowest potential bond yield received without the issuer defaulting, it assumes the worst-case scenario, or earliest redemption possible under terms of the bond. **30-day SEC Yield** represents net investment income earned by the fund over the previous 30-day period, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-day period. Must be preceded or accompanied by a [prospectus](#).

# Securitized Total Return Fund

As of 31 Dec 2025

Period and Annualized Total Returns (%)	Since Inception (30 Jun 2025)	4Q25	Expense Ratio (%)
Investor (DHWAX)	4.86	0.99	1.16
Class I (DHWIX)	5.05	1.07	0.87
Class Y (DHWYX)	5.08	1.20	0.75
Bloomberg US Securitized: MBS, ABS and CMBS Index	4.10	1.68	—

The performance quoted represents past performance. Past performance is not indicative of future results. Investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's current performance may be lower or higher than the performance quoted. For current to most recent month-end performance, visit [diamond-hill.com](http://diamond-hill.com). Performance assumes reinvestment of all distributions. Returns for periods less than one year are not annualized.

Portfolio Statistics <sup>4</sup>	Securitized Total Return Fund	Bloomberg US Securitized: MBS, ABS and CMBS Index
Number of Holdings	107	3,905
Effective Duration	5.38	5.08
Weighted Average Life	5.93	6.59
Convexity	0.32	-0.65
Option-Adjusted Spread	179	32

**Risk disclosure:** In general, when interest rates rise, fixed income values fall. Lower quality/high yield securities involve greater default risk or price changes than bonds with higher credit ratings. Mortgage- and asset-backed securities are influenced by factors affecting the housing market and the assets underlying such securities. The securities may decline in value, face valuation difficulties and become more volatile and/or illiquid. They are also subject to prepayment risk, which occurs when mortgage holders refinance or repay loans sooner than expected, creating an early return of principal to loan holders.

Fund holdings, sector allocations and portfolio statistics subject to change without notice.

The Bloomberg US Securitized MBS, ABS, CMBS Index measures the performance of all USD-denominated, investment grade, securitized issues within the Bloomberg US Aggregate Bond Index. The index is unmanaged, includes net reinvested dividends, does not reflect fees or expenses (which would lower the return) and is not available for direct investment. Index data source: Bloomberg Index Services Limited. See [diamond-hill.com/disclosures](http://diamond-hill.com/disclosures) for a full copy of the disclaimer.

Analytics provided by The Yield Book® Software.

**Key Rate Duration** measures the contribution to duration to the entire portfolio from each part of the yield curve. **Effective Duration** measures the interest rate risks of bonds with optionality, such as mortgage-backed securities (MBS), where the timing of principal repayment is highly dependent on interest rate levels. **Weighted Average Life** is the average number of years each dollar of unpaid principal remains outstanding. **Convexity** estimates how the effective duration of a portfolio changes as interest rates change. **Option-Adjusted Spread** is the difference between the portfolio yield and the risk-free rate, accounting for embedded options. Source: The Yield Book.