



Brandywine Global to Expand Fixed Income Roster With Addition of Diamond Hill Capital Management’s High Yield Portfolio Managers and High Yield-Focused Corporate Credit Funds

Commitment to Fixed Income Industry Leadership, Exceptional Investment Management Talent and Expanded Credit Research Capabilities Drive Transaction

PHILADELPHIA — (February 3, 2021) — [Brandywine Global Investment Management, LLC](#) (“Brandywine Global”), a specialist investment manager and subsidiary of Franklin Resources, Inc. announced today that it has entered into a definitive agreement with Diamond Hill Capital Management (“Diamond Hill”) to acquire the business of [Diamond Hill’s](#) high yield-focused, U.S. corporate credit mutual funds, expanding Brandywine Global’s fixed income offerings. The High Yield and Corporate Credit funds will continue under current portfolio managers John McClain, CFA and Bill Zox, CFA, alongside senior associate Jack Parker, CFA, as members of Brandywine Global’s global fixed income team broadening its expertise in bottom-up, fundamental credit research.

As of December 31, 2020, the Diamond Hill High Yield fund, which had \$724 million in assets under management (AUM), and the Diamond Hill Corporate Credit fund, which had \$2 billion in AUM, are both rated five stars overall by Morningstar.

The addition of these two high yield-focused, U.S. corporate credit funds and this experienced investment team complements Brandywine Global’s existing value-driven, macro-oriented offerings and expands its suite of global corporate credit strategies. As members of the fixed income team, McClain, Zox and Parker would have the opportunity to leverage Brandywine Global’s highly regarded macroeconomic capabilities to bring additional resources to these two funds.

“We are excited to welcome John, Bill and Jack to our firm. Their expertise underscores our commitment to hiring exceptional investment talent that strengthens our ability to analyze opportunities in the U.S. and beyond,” said Adam Spector, managing partner at Brandywine Global and executive vice president, head of global distribution at Franklin Templeton. “Beyond the team’s strong track record, cultural fit is key to making this deal a success. All three of them share our dedication to value, respect for diverse viewpoints and willingness to challenge conventional thinking.”

“This is an exciting opportunity for our team, and we are looking forward to working together with these highly accomplished investment professionals,” said David Hoffman, chairman and head of global fixed income at Brandywine Global. “Our existing credit-oriented strategies rely on a dynamic interchange between top-down macro research and bottom-up analysis. The fundamental research capabilities that John, Bill and Jack bring will be a welcome addition that will ultimately enhance the service we provide to our clients.”

The transaction, which is subject to customary closing conditions, including fund board and shareholder approvals and other closing conditions, is expected to occur in the second calendar quarter of 2021.

John McClain, CFA

John joined Diamond Hill Capital Management as a portfolio manager in 2014. Prior to that, John was senior vice president – credit at Standard Life Investments from 2010 to 2014. From 2007 to 2010, he was at Nationwide Mutual Insurance as a management associate in the Financial Leadership Rotation Program and then an investment analyst in Distressed Debt. John has a B.S. in business economics from the University of Kentucky (*magna cum laude*) and an MBA from Carnegie Mellon University.

Bill Zox, CFA

Bill joined Diamond Hill Capital Management in 2001 and is a portfolio manager. Prior to that, Bill was a tax partner at Schottenstein, Zox & Dunn, Co., LPA from 2000 to 2001. From 1993 to 1999, he was an associate at Schottenstein, Zox & Dunn. Bill has a B.A. in political science from Williams College, a J.D. from The Ohio State University (with honors), and an LL.M. in taxation from the University of Florida College of Law.

Jack Parker, CFA

Jack joined Diamond Hill Capital Management in 2015 and currently serves as a fixed income senior associate; he joined the firm in 2015. Jack has a B.S. in business administration (accounting and finance) from The Ohio State University.

About Brandywine Global

Brandywine Global Investment Management, LLC ("Brandywine Global") believes in the power of value investing. Acting with conviction and discipline, Brandywine Global looks beyond short-term, conventional thinking to rigorously pursue long-term value. Since 1986, the Firm has provided a range of differentiated fixed income, equity and alternative solutions to clients worldwide. Brandywine Global, a specialist investment manager of Franklin Resources, Inc., manages \$63.9 billion in assets under management as of December 31, 2020, with headquarters in Philadelphia and offices in Montreal,¹ Toronto,¹ Singapore² and London.³ Visit www.brandywineglobal.com and the Firm's industry-leading [Around the Curve](#) blog.

All investments involve risk. Past performance is no guarantee of future results.

¹ Brandywine Global Invest Management (Canada), ULC

² Brandywine Global Investment Management (Asia) Pte. Ltd

³ Brandywine Global Investment Management (Europe) Limited

Important Information About the Funds

The value of fixed-income securities varies inversely with interest rates; as interest rates rise, the market value of fixed-income securities will decline. Lower quality debt (ie: "High Yield") securities involve greater risk of default or price changes due to potential changes in the issuer's credit quality.

Diamond Hill Corporate Credit Fund:

The Overall Morningstar Rating™ is based on 627 High Yield Bond funds as of 12/31/20. The Fund's Class I rating was 5 stars among 627, 5 stars among 554, 5 stars among 351 High Yield Bond funds for the 3-, 5-, and 10-year periods 12/31/20, respectively.

Diamond Hill High Yield Fund:

The Overall Morningstar Rating™ is based on 627 High Yield Bond funds as of 12/31/20. The Fund's Class I rating was 5 stars among 627 funds for the 3-year period ended 12/31/20.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

The Morningstar Broad Fee Level data point compares the fund's prospectus adjusted operating net expense ratio to the prospectus adjusted operating net expense ratio of all the other funds within its Morningstar Category.

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An investor should consider a fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus or summary prospectus contains this and other important information about the Fund(s) and are available at diamond-hill.com or by calling 888.226.5595. Please read the prospectus or summary prospectus carefully before investing.

Forward-Looking Statements

Statements in this press release that are not historical facts are “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. When used in this press release, words or phrases generally written in the future tense and/or preceded by words such as “will,” “may,” “could,” “expect,” “believe,” “anticipate,” “intend,” “plan,” “seek,” “estimate,” “preliminary” or other similar words are forward-looking statements.

Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors, that could cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements.

Any forward-looking statement made in this press release speaks only as of the date on which it is made. Factors or events that could cause actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Brandywine Global and Diamond Hill undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

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