Performance Comparison[1]

Periods Ended 12/31/17 (%)	QTR	YTD	1 Yr	3 Yr	5 Yr	S. I.[1]
DCM Equity Income (gross)	5.64	13.10	13.10	12.37	14.94	14.08
DCM Equity Income (net)	5.49	12.43	12.43	11.62	14.15	13.29
Russell 3000 Value	5.08	13.19	13.19	8.71	13.95	12.33

Periods greater than 1 year are annualized
[1]DCM Equity Income inception was January 1, 2011

Performance Summary

The DCM Equity Income composite gross total return was 5.64% in the fourth quarter of 2017, compared with the Russell 3000 Value Index up 5.08%.

Stock selection was the primary factor driving Dean Equity Income's outperformance in the fourth quarter. As a whole, other quantitative factors were a modest detraction. The positive factors generally included quality attributes such as outperformance by more profitable firms and those paying a higher dividend. Also, stocks of businesses with lower debt levels outperformed.

Negative factors this quarter were the outperformance by momentum and the largest capitalization stocks as the portfolio is more heavily invested in mid and small cap stocks relative to the benchmark Russell 3000 Value Index.

Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Industrials	5.2%	8.7%	-3.4%	10.4%	1.7%	53 bps	57 bps
Information Technology	8.7%	8.5%	0.1%	16.4%	9.4%	134 bps	56 bps
Telecommunication Services	5.3%	2.7%	2.6%	4.1%	1.8%	41 bps	20 bps
Materials	5.4%	3.0%	2.4%	9.6%	8.3%	52 bps	15 bps
Consumer Discretionary	6.4%	7.0%	-0.7%	7.3%	5.8%	46 bps	9 bps
Consumer Staples	8.5%	8.1%	0.3%	5.2%	4.1%	44 bps	9 bps
Health Care	8.7%	13.1%	-4.4%	0.6%	2.1%	9 bps	0 bps
Utilities	10.1%	6.3%	3.8%	0.3%	0.5%	9 bps	-12 bps
Real Estate	7.1%	5.3%	1.8%	-0.1%	1.3%	0 bps	-16 bps
Energy	11.5%	10.4%	1.1%	4.0%	6.4%	39 bps	-26 bps
Financials	19.8%	26.8%	-7.0%	7.2%	7.8%	137 bps	-32 bps

(see disclosures)

Industrials were the portfolio's best sector in the fourth quarter of 2017. The portfolio strength was partly due to being underweight the underperforming Industrial sector and partly due to strong stock selection. Two particularly strong holdings during the period were industrial fastener and part distributor Fastenal (FAST) up 20.8% and industrial automation manufacturer Emerson Electric (EMR) up 11.8%. The portfolio also benefited from not owning General Electric (GE) which fell -27.3% in the quarter. The portfolio continues to hold FAST and EMR, and not GE.

Information Technology was the portfolio's second best sector this quarter. With the portfolio weight roughly in line with the benchmark's, stock selection drove the outperformance. The strong technology portfolio holdings in the fourth quarter included semiconductor giant Intel (INTC) up 21.9%, data networking equipment leader Cisco Systems (CSCO) up 14.9% and the second largest payroll outsourcing firm Paychex (PAYX) up 14.4%. The portfolio continues to hold INTC, CSCO and PAYX. See further discussion of Cisco and Paychex below.

The worst sector for the Dean Equity Income portfolio was Financials. The principal driver of the sector's weakness was the portfolio underweight in the bank industry. The portfolio is underweight banks due the dearth of good dividend yields available. The relative banking industry dividend yield is near the lowest level in over thirty years. Despite the low dividend opportunities, the Bank industry group did outperform the benchmark in the fourth quarter and was a drag on performance. Key drivers of the group's performance were the strong lending environment and the upward move in bond yields. For many banking companies this allows an expansion in their net interest income.

The second worst sector for the portfolio was Energy. The portfolio was modestly overweight Energy stocks, and the group outperformed. However, Dean Equity Income portfolio holdings are by and large, lower risk energy market leaders. Such stocks tend to lag big moves in the group (in either direction). Additionally, Spectra Energy Partners (SEP) lagged in the quarter down -9.1%. Spectra is engaged in the transportation and storage of crude oil and natural gas through interstate pipeline systems. It is a good business that pays a large and growing dividend. However, their business is based upon usage fees unrelated to the price of the underlying commodities and thus does not directly benefit from rising energy commodity prices. The portfolio continues to hold SEP.

Top 10 Contributors/Detractors

	Top 10 Contributors	Average % Weight	Contribution
1	CISCO SYSTEMS INC	3.24	47 bps
2	PAYCHEX INC	3.29	45 bps
3	HOLLYFRONTIER CORP	1.17	43 bps
4	INTEL CORP	2.12	42 bps
5	VERIZON COMMUNICATIONS INC	2.62	40 bps
6	FASTENAL CO	1.89	37 bps
7	T ROWE PRICE GROUP INC	2.61	37 bps
8	BLACKROCK INC	2.41	36 bps
9	GENERAL MILLS INC	2.10	32 bps
10	ALTRIA GROUP INC	2.20	27 bps

	Top 10 Detractors	Average % Weight	Contribution
1	OMEGA HEALTHCARE INVESTORS	2.01	-30 bps
2	PPL CORP	0.87	-29 bps
3	SPECTRA ENERGY PARTNERS LP	2.33	-26 bps
4	CVS HEALTH CORP	1.71	-20 bps
5	AMGEN INC	2.72	-19 bps
6	CAPITOL FEDERAL FINANCIAL IN	2.32	-13 bps
7	DIGITAL REALTY TRUST INC	1.81	-6 bps
8	SCHLUMBERGER LTD	1.65	-5 bps
9	NORTHWEST BANCSHARES INC	1.51	-4 bps
10	METLIFE INC	1.90	-3 bps

Selected Contributor(s) to Performance

The best stock for Equity Income in the fourth quarter was networking equipment giant Cisco Systems (CSCO). CSCO was the second largest portfolio weight and was up 14.9% in the period. Cisco beat Wall Street earnings estimates and raised earnings guidance for 2018. The company is making good progress on the transition to grow software and services along with their market leading network hardware. Also, the new tax plan bodes well for technology firms with large cash hordes overseas. Cisco has over $70 billion overseas and announced plans to use repatriated funds for large share buybacks. The portfolio continues to hold CSCO.

Computerized payroll-accounting service provider Paychex (PAYX) was the portfolio's second largest contributor in the fourth quarter. The stock was an average weight of 3.29% and was up 14.4%. Like CSCO, PAYX had one of the best dividend risk/reward's available. Paychex's payroll related businesses are doing very well in this near capacity employment environment. The portfolio continues to hold PAYX.

Selected Detractor(s) from Performance

The worst stock for the portfolio in the fourth quarter was real estate investment trust (REIT) Omega Healthcare (OHI). The stock was down -12.7% during the holding period in the quarter. Omega Healthcare is a REIT focused on skilled-nursing and assisted-living facilities. Its tenants are mostly skilled-nursing facility operators exposed to Medicare and Medicaid payment risks. The Medicaid payment risk is the primary driver of the stocks weakness. Medicaid is the largest payer of skilled nursing services in the United States and has been a target of federal budget cuts by the new administration. Another headwind is Medicaid's increasing incentives for seniors to receive care in their homes instead of a skilled nursing facility. Both trends lead to lower growth rates and higher risk in this industry, and we decided to exit the holding.

The second worst stock for the portfolio in the fourth quarter was PPL Corp (PPL). PPL, formerly Pennsylvania Power & Light, is a regulated electric utility with operations in Pennsylvania, Kentucky and the United Kingdom. The stock was down -15.2% in our holding period principally due to the company's UK operations. The company has been negatively impacted by Great Britain's exit from the European Union (BREXIT). Shortly after our purchase news broke that some in the British parliament are attempting to lower fees in the regulated utility industry with potential negative earnings implications for PPL. Roughly one half of PPL's earnings are from the United Kingdom operations. We determined that we should step back and re-evaluate the potential impacts of such changes. We exited PPL near the end of the quarter and continue to monitor the situation.

Current Positioning

DCM Equity Income is currently overweight typical higher dividend sectors such as Utilities, Telecom, Real Estate and Consumer Staples. Underweight sectors include Financials, Health Care and Industrials. This positioning leans heavily toward non-cyclical areas of the market. Additionally, the portfolio is overweight high dividend payers (of course) as well as more profitable and generally less risky companies (as measured by debt leverage, earnings variability and price volatility).

In the fourth quarter we added to the portfolio in Health Care (Pharmaceuticals), Utilities, Telecom, Real Estate and Consumer Staples. We reduced investment in Financials and Materials.

This positioning might imply a certain fearfulness for the direction of the bull market. While that is true, our bottom-up investment process is leading us to areas of the market with lower investor sentiment and seemingly better risk/reward tradeoffs.

The economy appears quite strong, and there may be some time before a recession. However, typically the stock market will move sharply against cyclical areas far before a recession begins. Economic weakness is most damaging to an equity portfolio when coming from a point of high strength. Major market falls don't occur typically when market participants are fearful. They begin when participants are greedy and fearless. Our portfolio positioning simply protects some of the very large capital gains we have accumulated in this bull market. We remain fully invested, but as focused on downside risk as ever.

Disclosures

Dean Capital Management, LLC (DCM) is an independent investment management firm owned by LLC members and entities affiliated with C.H. Dean, LLC. The firm manages a variety of equity and fixed income assets for institutional and individual investors. DCM claims compliance with the Global Investment Performance Standards (GIPS). Past performance is no guarantee of future results.

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account at the time you receive this report or that securities sold have not been repurchased.

The Equity Income style is a fully invested style of large, mid, and small cap stocks which ranges from 90%-100% in equity. The remainder of the portfolios are typically invested in short term U.S. Treasury Bills or other cash equivalents.

Future performance based on prior results should not be assumed. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. The Russell 3000 Value Index measures the performance of those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. These stock indexes assume reinvestment of dividends and capital gains, and assume no management, custody, transaction or other expenses. Russell statistics used in this presentation were obtained from Russell Investments (www.russell.com).

Performance represents all fully discretionary commission accounts for the respective strategy. A complete list and description of DCM's composites and additional information regarding the calculation and reporting of returns is available upon request. To obtain a GIPS compliant presentation and/or the firm's list of composite descriptions please contact us at 1.913.944.4452.

The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities' transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. The contributors/detractors listed do not represent all securities purchased or sold for our clients. To obtain a list showing the contribution of each holding that contributed to overall performance during the period and the calculation methodology, please call 1.913.944.4452. The detailed sector attribution table is specific to the policy portfolio for the strategy. Individual account results may vary.

Gross performance figures do not reflect payment of investment advisory fees, but do reflect deduction of brokerage commissions and trading expenses. Net of fee performance reflects the deduction of advisory fees, brokerage commissions, trading and other expenses. Net results reflect the deduction of a model fee equivalent to the highest applicable advisory fee. The net compounded effect of the deduction of fees over time will be affected by the amount of the fee, the time period, and investment performance. Management fee schedules are available on Form ADV Part 2A.

Performance presents results with all dividend and interest income reinvested and are stated in U.S. Dollar terms. Leverage is not used in any portfolio in these composites. Certain accounts owned or controlled by DCM or C.H. Dean, LLC employees are non-fee paying assets and represent the following percentage of the composites: Equity Income: 2011: 10.6% 2012: 12.1% 2013: 10.6% 2014: 7.0% 2015: 6.7% 2016: 4.8% 2017: 4.2%.*

FOR MORE INFORMATION

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ABOUT DEAN CAPITAL MANAGEMENT, LLC

Dean Capital Management, LLC ("DCM") is an employee-owned registered investment advisor founded in March 2008. Located in Overland Park, Kansas, DCM is a long-only, fundamental U.S. Value equity manager. DCM manages portfolios across the capitalization spectrum for institutional clients, financial intermediaries and advisors.

DCM is majority-owned by the founding principals, who also comprise the investment team. Additionally, all investment professionals maintain significant personal investments in DCM managed products, further aligning the investment team with our clients.