Performance Comparison[1]

Periods Ended 3/31/18 (%)	QTR	YTD	1 Yr	3 Yr	5 Yr	S. I.[1]
DCM Small Cap Value (gross)	-1.64	-1.64	2.57	8.08	11.26	11.71
DCM Small Cap Value (net)	-1.84	-1.84	1.72	7.04	10.14	10.55
Russell 2000 Value	-2.64	-2.64	5.13	7.87	9.96	9.25

Periods greater than 1 year are annualized
[1]DCM inception was June 30, 2008

Performance Summary

The DCM Small Cap Value Strategy returned -1.64% (gross of fees) for the quarter ended March 31, 2018 compared with -2.64% for the Russell 2000 Value Index.

Macro factors were net slightly positive this quarter with some cross currents underneath the surface. The portfolio benefited from its high-quality bias. Attributes such as owning stocks with lower volatility, lower balance sheet leverage, lower earnings variability, and higher returns on capital provided support this quarter in a volatile market environment. Once again, as has been the case for multiple quarters in a row now, the portfolio faced headwinds in so far as growth stocks outperformed value stocks, which in turn, helped momentum stocks have another strong showing this quarter. When netted against each other, the high-quality bias of the portfolio provided a slight positive over the persistent growth/ momentum headwinds.

Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Information Technology	10.6%	8.9%	1.7%	2.0%	-2.9%	45 bps	62 bps
Materials	4.7%	4.6%	0.2%	3.0%	-5.3%	11 bps	38 bps
Consumer Staples	5.0%	2.6%	2.4%	1.1%	-6.5%	8 bps	32 bps
Utilities	8.5%	6.1%	2.4%	-8.4%	-5.9%	-47 bps	12 bps
Energy	4.8%	6.7%	-1.9%	-11.6%	-10.5%	-62 bps	8 bps
Financials	27.9%	31.1%	-3.3%	1.0%	0.5%	27 bps	6 bps
Telecommunication Services	0.0%	0.5%	-0.5%	0.0%	-10.8%	0 bps	4 bps
Real Estate	7.4%	9.7%	-2.3%	-10.7%	-8.4%	-86 bps	2 bps
Industrials	15.2%	12.3%	2.9%	-2.1%	-1.7%	-27 bps	-5 bps
Consumer Discretionary	9.0%	10.9%	-1.9%	-4.5%	-2.1%	-42 bps	-23 bps
Health Care	2.7%	6.7%	-4.0%	4.5%	5.5%	11 bps	-32 bps

(see disclosures)

The best performing sector relative to the benchmark for the quarter was Technology. The outperformance relative to the benchmark was driven by both an overweight positioning as well as strong stock selection. The strong stock selection was due in part to a portfolio company being acquired by a competitor in the IT Services industry (see the individual securities section of this commentary for more detail, and for a broader discussion on mergers and acquisitions, see the final section of this commentary). Stock selection was also boosted by a solid performance in the Electronic Equipment, Instruments, and Components industry this quarter.

The second best performing sector relative to the benchmark for the quarter was Materials. The outperformance relative to the benchmark resulted from the portfolio's stock selection, particularly in the Paper & Forest Products and Chemicals industries. The Paper & Forest Products industry outperformance stemmed from another portfolio company that was acquired by a competitor (for a broader discussion on mergers and acquisitions, see the final section of this commentary). The Chemicals industry outperformance could mostly be accounted for by the high-quality nature of the companies owned in the portfolio relative to the benchmark. The portfolio companies are specialty chemical companies versus many commodity chemical companies in the benchmark resulting in the portfolio companies sporting higher returns on capital, better balance sheets, and more predictable earnings than the average commodity chemical company- all of these attributes were in favor this quarter.

The worst performing sector relative to the benchmark for the quarter was Health Care. All of the underperformance relative to the benchmark was due to the portfolio's underweight stance throughout the quarter as Health Care was the benchmark's best performing sector. Stock selection was strong in the Health Care Providers & Services industry, but the lack of portfolio holdings in the Biotechnology and Health Care Equipment & Supplies industries overpowered the better stock selection.

The second worst performing sector relative to the benchmark for the quarter was Consumer Discretionary. The underperformance relative to the benchmark was driven mostly by the portfolio's underweight positioning. Similar to last quarter, many beaten down specialty retail stocks continued their bounces from depressed levels, and we have little exposure remaining in that industry other than a multiline discount retailer that missed earnings expectations and underperformed the group in the quarter.

Top 10 Contributors/Detractors

	Top 10 Contributors	Average % Weight	Contribution
1	DST SYSTEMS INC	1.87	57 bps
2	ENERGIZER HOLDINGS INC	0.25	35 bps
3	KAPSTONE PAPER AND PACKAGING	0.30	22 bps
4	ENCORE WIRE CORP	1.24	19 bps
5	FIRST FINANCIAL BANCORP	1.57	18 bps
6	MAGELLAN HEALTH INC	1.55	16 bps
7	SRC ENERGY INC	1.61	16 bps
8	ARGO GROUP INTERNATIONAL	2.02	15 bps
9	BLOOMIN' BRANDS INC	1.12	15 bps
10	INFINITY PROPERTY & CASUALTY	1.11	14 bps

	Top 10 Detractors	Average % Weight	Contribution
1	HALCON RESOURCES CORP	0.64	-50 bps
2	ADTRAN INC	1.12	-35 bps
3	WASHINGTON REIT	1.65	-27 bps
4	LTC PROPERTIES INC	1.72	-23 bps
5	HELEN OF TROY LTD	1.42	-22 bps
6	BIG LOTS INC	0.85	-20 bps
7	COLUMBIA PROPERTY TRUST INC	1.98	-20 bps
8	NORTHWESTERN CORP	1.99	-18 bps
9	WORLD FUEL SERVICES CORP	0.79	-15 bps
10	JOHN B. SANFILIPPO & SON INC	0.73	-13 bps

Selected Contributor(s) to Performance

The largest contributing stock in the quarter was DST Systems (DST). DST provides back office processing, record keeping, and technical support to the financial services and healthcare services industries. Its revenues are split: Domestic Financial Services 55% of revenues, International Financial Services 25%, and Healthcare Services 20% (Medical Claims and Pharmacy Claims processing). DST announced its intention to be acquired by SS&C Technologies (SSNC) for $84 per share in an all cash transaction. This amounted to an ~30% premium relative to where DST's stock was trading prior to the announcement. The $84 acquisition price compared to our internal private market value estimate of $85--within ~1% of our estimate.

The second largest contributing stock in the quarter was Energizer Holdings (ENR). ENR manufactures a full line of household batteries including lithium, alkaline, carbon zinc, miniature, and rechargeable. It sells under the Energizer and Eveready brands; typically, at premium prices. During the quarter, ENR announced the intention to acquire Spectrum Brands Holdings' (SPB) global battery and portable lighting business for ~$2 billion, which amounted to over 50% of ENR's enterprise value at the time of the announcement. It is to be funded mostly with debt. The brands being purchased include Rayovac and Varta in the consumer batteries business. The stock climbed as high as 21% on the day of the announcement. The price strength, coupled with the increased risk from adding debt and merger integration risk, caused us to sell the stock and capture the outperformance as both sides of the risk/reward equation had changed fairly dramatically.

Selected Detractor(s) from Performance

The largest detracting stock in the quarter was Halcon Resources (HK). HK is an independent oil and gas producer that operates exclusively in the Permian Basin (in the southern Delaware Basin w/in the Permian). It emerged from bankruptcy in late 2016 and sold its Bakken and Eagle Ford assets to bolster its balance sheet and become a Delaware Basin pure play. During the quarter HK announced a large acreage acquisition in Ward County, Texas for $381 million, which amounted to nearly 40% of HK's enterprise value at the time of announcement. HK funded the acquisition with equity (dilution of existing shareholders of ~7%) and debt. We were originally attracted to HK because of its attractive valuation, restructured balance sheet post-bankruptcy, and its future cash flow profile. Adding debt (not to mention diluting existing shareholders with an equity issuance) while stretching for growth, plus pushing out positive free cash flows further into the future, increased the risk too much for the portfolio as HK was already wrestling with some operational issues. We exited the position and harvested a tax loss.

The second largest detracting stock in the quarter was ADTRAN, Inc (ADTN). ADTN designs, develops, manufactures, markets, and services a variety of high-speed digital transmission products. Its products are used by telephone companies to implement advanced digital data services over existing telephone networks. ADTN announced earnings that came in below expectations as one of its largest customers, CenturyLink (CTL), paused its spending on a large product as it conducts a business review while integrating its merger with Level 3 Communications (LVLT). We have lowered our estimate of normalized earnings power for ADTN as the increase in margins to a more "normal" level is failing to materialize; meaning, we may have originally estimated too high of a normalized margin level. This lowered normalized earnings power increased ADTN's valuation and left it with an unfavorable risk/reward relative to alternatives in the market. We exited the position and harvested a tax loss.

Current Positioning

The portfolio's largest overweight sectors relative to the benchmark are in the Industrials and Utilities sectors. The largest underweight sectors relative to the benchmark are in the Health Care and Real Estate sectors. Throughout the quarter, we added the most weight to the Utilities and Financials sectors, while reducing the most weight in the Technology and Energy sectors. As always, these relative weights are a residual of our bottom up opportunities and not based on a top down macro call on the market or economy.

The portfolio had three companies acquired by competitors this quarter:

1. DST	acquired by SSNC	all cash	$84/share vs $85 DCM (-1%)	30% premium
2. KS	acquired by WRK	cash/stock	$35/share vs $30 DCM (+17%)	32% premium
3. IPCC	acquired by KMPR	cash/stock	$121/share vs $120 DCM (+1%)	25% premium

("DCM" in the table above represents Dean Capital Management's estimate of the private market value of the company, and the percentage in parentheses is the actual price relative to DCM's private market value estimate, while the "premium" in the table above represents the acquirer's premium paid over the prevailing stock price before the acquisition announcement)

It is notable that the average difference between the acquisition price paid relative to DCM's estimate of private market value for the three acquisitions is only ~6%. This provides some real time validation as to the accuracy of our valuation methodology. It is also notable that the average premium paid by the acquiring company relative to the prevailing stock price before the acquisition announcement was ~29%. This provides some validation that the DCM portfolio holds attractive assets in which strategic buyers are interested and where the normalized earnings power is being underappreciated by the stock market. As we noted in our 2017 Third Quarter Commentary

"From our perspective, we believe that if an investor is accurate with their valuation of a company's worth, the stock market, or the private market, will recognize it eventually."

Even though we remain somewhat apprehensive about the small cap market as a whole, for reasons we discussed in our 2017 Fourth Quarter Commentary, we believe the DCM portfolio currently contains attractive risk/rewards from a bottom up basis. We also believe the stock market, or the private market, will eventually recognize them as in the cases of DST, KS, and IPCC.

We remain focused on the fundamentals of the companies we own, and the price we are paying for those fundamentals. We are confident that a steadfast application of our proven and disciplined process should produce favorable results over time.

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 Small Cap Value style uses value oriented equities, the majority of which have a market capitalization of less than $3.5 billion at purchase. The strategy is typically invested 90%-100% in equity positions.

Future performance based on prior results should not be assumed. The Russell 2000 Index measures performance of the small-cap segment of the market and includes approximately 2000 securities based on a combination of their market cap and current index membership. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. The Russell 1000 and Russell 2000 Indexes are subsets of the Russell 3000 Index.

The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The stocks in the Russell 3000 Value Index are also members of either the Russell 1000 Value or the Russell 2000 Value indexes. 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: Small Cap Value: 2008: 29.5% 2009: 29.1% 2010: 4.1% 2011: 1.9% 2012: 1.1% 2013: 0.7% 2014: 0.7% 2015: 0.5% 2016: 0.4% 2017: 0.3% 2018: 0.3%.*

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.