Performance Comparison[1]

Periods Ended 9/30/18 (%)	QTR	YTD	1 Yr	3 Yr	5 Yr	S. I.[1]
DCM Equity Income (gross)	4.96	2.33	8.09	15.44	11.70	12.97
DCM Equity Income (net)	4.81	1.87	7.45	14.70	10.96	12.19
Russell 3000 Value	5.39	4.17	9.46	13.75	10.65	11.66

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 4.96% in the third quarter of 2018, compared with the Russell 3000 Value Index 5.39%.

High dividend yield stocks performed well in the third quarter providing a tailwind for Dean Equity Income. Additionally, firm profitability was an important factor as more profitable firms outperformed. Finally, the portfolio is overweight growth and underweight stocks with high earnings variability both providing a boost this quarter.

On the negative side stocks with lower valuations and lower market capitalizations underperformed in the third quarter providing headwinds as the portfolio is overweight these factors.

Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Consumer Discretionary	4.7%	5.7%	-0.9%	12.1%	0.5%	58 bps	61 bps
Industrials	7.5%	8.3%	-0.8%	15.5%	8.0%	94 bps	39 bps
Consumer Staples	9.4%	6.9%	2.5%	6.3%	4.3%	56 bps	17 bps
Energy	9.0%	10.4%	-1.4%	2.2%	1.2%	17 bps	12 bps
Materials	3.4%	4.1%	-0.6%	-2.0%	0.1%	-7 bps	-5 bps
Health Care	10.4%	13.7%	-3.3%	18.2%	15.4%	179 bps	-7 bps
Utilities	9.1%	5.6%	3.4%	1.6%	2.5%	16 bps	-18 bps
Real Estate	7.0%	5.3%	1.7%	-1.1%	0.7%	-7 bps	-20 bps
Information Technology	6.8%	9.7%	-2.9%	5.6%	7.7%	38 bps	-20 bps
Communication Services	8.5%	6.4%	2.1%	2.3%	6.4%	19 bps	-29 bps
Financials	21.1%	24.0%	-2.9%	1.6%	3.9%	31 bps	-47 bps

(see disclosures)

The best sector for the portfolio this quarter was Consumer Discretionary. The Consumer Discretionary sector underperformed the benchmark total return in the third quarter, and Dean Equity Income was underweight the sector providing a tailwind. The bigger driver of the positive sector attribution was stock selection. Specifically, retailers Target (TGT) and Genuine Parts (GPC) were up 16.8% and 9.1%, respectively. The portfolio continues to hold TGT and GPC.

The second best sector in the third quarter was Industrials. The Industrial sector outperformed the benchmark during the period, while the portfolio was underweight the sector providing a drag on relative performance. However, stock selection was positive. Leading the way, and discussed further below, industrial supplier Fastenal (FAST) was up 21.4% in the quarter. Additional strong holdings included electrical component manufacturer Emerson Electric (EMR, +11.5%) and air freight and logistics leader United Parcel Service (UPS, +10.7%). Finally, not holding General Electric (GE) was a strong positive as the giant industrial conglomerate was down -16.3%. The portfolio continues to hold FAST, EMR, and UPS, and not GE.

The worst sector for the portfolio this quarter was Financials. The biggest driver of the underperformance was weak performance in the asset management industry holdings with Invesco (IVZ), T Rowe Price Group (TROW), and Blackrock (BLK) all down in the period, -12.8%, -5.4%, and -4.9%, respectively. See further discussion of IVZ below. On the other hand, the portfolio's insurance investments performed well with Principal Financial Group (PFG, +11.7%), Prudential Financial (PRU, +9.4%), and MetLife (MET, +8.2%) all performing well. Rising interest rates were a key factor in the insurance industry performance. The portfolio continues to hold all these Financial sector investments.

Communication Services was the portfolio's second worst sector. The portfolio was overweight this outperforming sector providing a tailwind, but weakness at Omnicom Group (OMC, -10.1%) was more than enough to offset the beneficial sector weighting. OMC is discussed in detail below, and the portfolio added to the position during the quarter, along with AT&T (T). A new position was initiated in Canadian telecom leader BCE Inc (BCE) in the quarter.

Top 10 Contributors/Detractors

	Top 10 Contributors	Average % Weight	Contribution
1	PFIZER INC	2.28	53 bps
2	FASTENAL CO	2.08	39 bps
3	AMGEN INC	2.90	36 bps
4	CVS HEALTH CORP	1.60	34 bps
5	TARGET CORP	2.08	34 bps
6	MERCK & CO. INC.	1.86	31 bps
7	UNITED PARCEL SERVICE-CL B	2.60	27 bps
8	CISCO SYSTEMS INC	1.96	26 bps
9	JOHNSON & JOHNSON	1.78	25 bps
10	CLOROX COMPANY	2.07	24 bps

	Top 10 Detractors	Average % Weight	Contribution
1	OMNICOM GROUP	2.30	-22 bps
2	INVESCO LTD	1.59	-21 bps
3	SCHWEITZER-MAUDUIT INTL INC	1.67	-20 bps
4	CUBESMART	1.71	-19 bps
5	SCHLUMBERGER LTD	1.57	-14 bps
6	T ROWE PRICE GROUP INC	2.31	-12 bps
7	THE SOUTHERN CO	2.38	-11 bps
8	INTEL CORP	2.28	-10 bps
9	BLACKROCK INC	1.75	-9 bps
10	CHEVRON CORP	2.40	-7 bps

Selected Contributor(s) to Performance

The highest contributing security in the third quarter was Pfizer Inc (PFE) up 22.5% in the period. Pfizer is one of the world's largest pharmaceutical firms. The company reported better than expected earnings early in the quarter driven by cost cutting, tax reform benefits, and higher than expected revenue growth. We reduced our position in PFE during the quarter, taking advantage of the strong price move. While being a high quality business with a healthy and growing dividend, the stock price move reduces the upside potential, and we moved some of the weight to better opportunities, though we continue to hold a smaller position in PFE.

The second strongest security contribution this quarter was from Fastenal (FAST), up 21.4% in the period. Fastenal sells industrial and construction supplies through stores located throughout the United States and worldwide. FAST shares surged after reporting strong second quarter results beating Wall Street estimates. Second quarter revenue grew 13% year over year, and EPS increased 35%. Fastenal enjoyed strong organic revenue growth driven by improving end-market demand and the company's vending and onsite growth initiatives. The portfolio continues to hold FAST.

Selected Detractor(s) from Performance

The lowest contributing security in the third quarter was Omnicom Group (OMC). The stock was down -10.5% in the quarter. Omnicom is the world's second largest advertising company. The firm's services include traditional and digital advertising as well as public relations. Slower revenue growth in the first half of 2018 prompted the stock's weakness in the third quarter. Advertising firms have contended with a challenging environment for some time now, as media platforms continue to transform as have consumer tastes and habits. It appears Omnicom has the balance sheet, assets, and strategy to successfully navigate this change environment, and the portfolio continues to hold OMC.

The second lowest contributing security in the third quarter was investment manager Invesco (IVZ) down -12.8%. The company manages equity, fixed income, balanced mutual funds, and exchange traded funds (ETF's). A confluence of several different issues including poor relative active investment performance, the growth and acceptance of low-cost index-based products, and the expanding power of the retail-advised channel, has made it increasingly difficult for asset managers running predominantly active portfolios to generate organic growth, leaving them more dependent on market gains to drive assets under management levels higher. However, despite the industry challenges, we feel Invesco has the product lineup and scale to successfully navigate the rough seas. The portfolio increased the weight in IVZ during the quarter to take advantage of the more favorable risk/reward profile.

Current Positioning

The portfolio is currently overweight Consumer Staples, Communications Services, and Utility sectors and is underweight Health Care, Information Technology, and Financials. Such a positioning demonstrates that most opportunities appear to be in less economically sensitive areas of the market.

The economy appears to be very strong. This strength is allowing the Federal Reserve to raise interest rates toward what might be labeled as more normal levels. The question is how long will it last? At some point, higher interest rates, gasoline prices, tariff induced consumer price increases, and/or unforeseen outside shocks will cause the economic growth to slow. Stocks that will perform best in such an environment are currently lower priced relative to those that will benefit most from continued above trend economic expansion. As such, we continue to shift toward less cyclical areas of the market including purchases in Consumer Staples and Communication Services this quarter.

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.

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The Equity Income style is a fully invested style of large, mid, and small cap stocks which ranges from 90%-100% equity. The remainder of the portfolios is 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.

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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, and 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: 2011: 10.6% 2012: 12.1% 2013: 10.6% 2014: 7.0% 2015: 6.7% 2016: 4.8% 2017: 4.2% 2018: 2.9%.

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.

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