Performance Comparison[1]

Periods Ended 12/31/18 (%)	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	S. I.[1]
DCM Mid Cap Value (gross)	-13.70	-10.05	-10.05	8.50	6.65	14.11	11.04
DCM Mid Cap Value (net)	-13.89	-10.81	-10.81	7.56	5.69	13.06	10.01
Russell Midcap Value	-14.95	-12.29	-12.29	6.06	5.44	13.03	8.22

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

Performance Summary

The DCM Mid Cap Value composite was down -13.70% (gross of fees) for the quarter ended December 31, 2018, compared with the Russell Midcap Value Index, down -14.95%.

Federal Reserve monetary tightening, cost pressures (primarily oil and wage related), and unresolved trade disputes all weighed on future earnings growth expectations, driving the overall markets to near correction levels in the quarter. Over the past few years, momentum investing has pushed stocks higher with little regard to valuation or the sustainability of earnings growth. While expectations of slowing growth have been modest, the elevated valuations and change in expectations led to a quick and severe correction in stocks. As is common in periods of uncertainty, stocks with high quality attributes held up better than the broad market. From a factor view, the portfolio's underweight to volatility and financial leverage added to performance. Our underweight to the value factor was also additive, primarily due to our underweight in Financials, while our overweight to stocks with higher average profitability was beneficial.

Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Financials	17.0%	17.6%	-0.7%	-13.0%	-15.9%	-207 bps	48 bps
Utilities	10.4%	11.2%	-0.8%	3.7%	-1.4%	29 bps	37 bps
Materials	6.4%	6.1%	0.3%	-10.6%	-15.8%	-62 bps	32 bps
Energy	4.8%	6.7%	-1.9%	-38.3%	-35.3%	-212 bps	27 bps
Communication Services	1.7%	3.3%	-1.6%	-8.9%	-17.2%	-15 bps	17 bps
Consumer Discretionary	9.0%	8.8%	0.2%	-15.9%	-17.7%	-147 bps	10 bps
Consumer Staples	8.5%	5.2%	3.3%	-10.6%	-10.3%	-103 bps	8 bps
Health Care	6.7%	6.8%	-0.1%	-19.1%	-16.1%	-140 bps	-20 bps
Real Estate	8.4%	13.6%	-5.2%	-3.8%	-6.3%	-34 bps	-23 bps
Information Technology	7.7%	8.7%	-1.0%	-20.5%	-17.3%	-171 bps	-32 bps
Industrials	15.5%	12.1%	3.4%	-18.9%	-17.7%	-303 bps	-34 bps

(see disclosures)

The best performing sector relative to the benchmark was Financials. The outperformance was driven by the portfolio's underweight positioning as well as better stock selection. Within the sector's sub-industries, holding an overweight in the Insurance industry while being underweight both Diversified Financials and Banks was additive to performance. Due to their economic sensitivity, Diversified Financials and Banks tend to underperform the overall market when perceived risk to the downside increases. At the security level, the portfolio's focus on quality attributes and narrower range of outcome situations led to most Financial sector holdings outperforming this quarter.

Utilities were the portfolio's second-best performing sector relative to the benchmark. Positive stock selection drove the outperformance in the quarter. The strategy's focus on regulated utilities with a narrower range of outcomes led to all holdings outperforming the sector return with two being the largest return contributors. Pinnacle West and Ameren are discussed in more detail in the contribution section of this report. Due to the sector's defensive characteristics, Utilities were the best performing sector in the Russell Mid Value Index. The portfolio's modest underweight was a slight negative to performance for the period.

The worst performing sector relative to the benchmark was Industrials. The underperformance was driven by the portfolio's overweight position as well as negative stock selection. The portfolio held an outsized weight in the Capital Goods sub-industry with exposure to a wide range of end markets. Most of the portfolio's holdings experienced weak earnings and lowered forward expectations from factors including uncertainty in China trade relations and rising costs in terms of wages and raw materials.

Information Technology was the second-worst performing sector in the quarter. The underperformance was due to stock selection, primarily driven by the portfolio's holding in Conduent (CNDT). The company was impacted by weak earnings and is discussed in more detail in the contribution section of the report.

Top 10 Contributors/Detractors

	Top 10 Contributors	Average % Weight	Contribution
1	PINNACLE WEST	1.89	12 bps
2	AMEREN CORP	2.33	11 bps
3	HANOVER INSURANCE	0.08	10 bps
4	XCEL ENERGY INC	2.16	8 bps
5	SEALED AIR CORP	0.09	6 bps
6	AMDOCS LTD	0.11	5 bps
7	MASCO CORP	0.07	5 bps
8	UMB FINANCIAL	0.09	5 bps
9	CLOROX CO	1.53	4 bps
10	CMS ENERGY CORP	1.86	2 bps

	Top 10 Detractors	Average % Weight	Contribution
1	CONAGRA BRANDS	1.58	-71 bps
2	CONDUENT INC	0.86	-65 bps
3	CENTENNIAL RESOURCE DEV-A	1.19	-59 bps
4	ARAMARK	1.55	-56 bps
5	CONCHO RESOURCES	1.51	-56 bps
6	AMERIPRISE FINANCIAL	1.64	-52 bps
7	JAZZ PHARMACEUTICALS	1.47	-48 bps
8	HUBBELL INC	1.64	-45 bps
9	NEWFIELD EXPLORATION	0.40	-42 bps
10	CURTISS-WRIGHT	1.41	-40 bps

Selected Contributor(s) to Performance

Pinnacle West (PNW), up 8.6%, was the largest contributing stock in the quarter. The company is a regulated electric utility serving the state of Arizona. Early in the year, the stock saw earnings pressure as higher power-plant outage costs weighed on returns. These costs have returned to normal in the second half of the year, allowing the company to return to earnings growth and exceed expectations. In addition, the company had been fighting a state ballot initiative to mandate 50% of power from renewable energy by 2030. The ballot issue would require significant rate increases for customers and force early shutdowns of their nuclear and coal powered generating plants. The initiative was defeated in November, providing relief to the stock. The defensive nature of the Utility sector also benefitted the stock in the quarter.

The second largest contributing stock was Ameren (AEE), up 3.9% in the quarter. Ameren is an electric and gas utility serving customers in Missouri and Illinois. The company exceeded expectations in the quarter on warmer than expected weather and generated returns on higher investment capital. Prospects for the company have also improved going forward as Missouri passed a new law which reduces cost-recovery lags and supports additional investment in the state. As with Pinnacle West, Ameren also benefitted in the quarter being a defensive Utility with cyclical sectors trading down significantly.

Selected Detractor(s) from Performance

The largest detractor to absolute performance was Conagra Brand (CAG), down -38.0%, for the period held. Conagra is a packaged foods manufacturer with its largest focus on frozen foods and snacks with additional products in the refrigerated and center of the store categories. While the company has a large stable of brand names, some of the more popular brands include Birds Eye, Duncan Hines, Healthy Choice, Marie Callender's, and Slim Jim. Over the past 3 years, Conagra has gone through a significant portfolio transition, selling its private-label business to TreeHouse Foods, divesting its commercial business, and spinning off Lamb Weston, its frozen potato food service unit. In October, Conagra closed on a transformational acquisition, buying Pinnacle Foods, another packaged food company with significant exposure to frozen foods. The strategy was to expand the product portfolio and extract significant cost savings with branded products that help offset industry pricing pressures. When the company reported earnings in December, they disclosed previously unknown issues within the Pinnacle brands business, including distribution losses in Birds Eye and accelerating losses in Duncan Hines and Wish Bone brands. The issues forced the company to lower expectations and the timeframe for synergies. We exited the stock and will revisit the thesis and company fundamentals in the future as there is additional clarity on the issues at hand.

Conduent (CNDT) was the second worst contributing stock, down -43.3% for the period held. Conduent is a business process service company specializing in transaction intensive processing, analytics, and automation. In the fourth quarter, the company lowered guidance based on several factors including an increase in a Texas litigation reserve, slippage of deals into future quarters (increasing sales cycle), and a significant decline in new business bookings of approximately 20%. An attractive aspect of the company had been its historical 99% renewal rate with existing customers. In the fourth quarter, the renewal rate dropped to 91%, calling into question the company's competitive position. Due to the increased uncertainty, the stock was exited in the quarter.

Current Opportunities

The Portfolio's largest overweight sectors relative to the benchmark are in the Industrials and Consumer Staples sectors. The largest underweight sectors relative to the benchmark are in the Real Estate and Energy sectors.

Throughout the quarter, the most weight was added to Financials and Consumer Staples while reducing the most weight from the Energy and Health Care sectors. As Financials underperformed, weight was added to Bank and Insurance industry holdings as the risk vs. reward improved. In the Energy sector, as commodity inventories rose and pricing declined, holdings added in the prior quarter were exited in the first half of the quarter. As the Energy sector has continued to underperform, we have begun adding back to the sector as activity and capital spending is beginning to be constrained. With the market reaching correction territory in the quarter, we continue to evaluate the risk vs. reward of our holdings relative to new opportunities, upgrading quality where possible and taking slightly more cyclical risk as risk premiums have increased. 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.

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 Mid Cap Value style uses value oriented equities, the majority of which have a market capitalization between $2 billion and $20 billion at purchase. These are fully invested equity styles which range from 90%-100% equity, and the number of holdings typically ranges between 40 and 60. 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 Midcap Index is a subset of the Russell 1000 Index and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies.

The Russell Midcap Value Index measures the performance of those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values. Members of the Russell Midcap Value Index are also members of the Russell 1000 Value Index. 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: 2008: 100.0% 2009: 100.0% 2010: 39.9% 2011: 11.1% 2012: 7.4% 2013: 6.8% 2014: 4.0% 2015: 4.2% 2016: 3.6% 2017: 3.1% 2018: 2.7%.*

**A performance examination has been performed on performance results through 9/30/18. A firm-wide verification was performed for the periods 1/1/93 through 9/30/18. Subsequent data represents preliminary performance results.*

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.