Performance Comparison[1]

Periods Ended 6/30/20 (%)	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	S. I.[1]
DCM Mid Cap Value (gross)	15.29	-20.24	-13.04	0.52	4.97	10.52	9.80
DCM Mid Cap Value (net)	15.06	-20.59	-13.78	-0.32	4.05	9.51	8.80
Russell Midcap Value	19.95	-18.09	-11.81	-0.54	3.32	10.29	7.51

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

Performance Summary

The DCM Mid Cap Value composite was up 15.29% (gross of fees) for the quarter ended June 30, 2020, compared with the Russell Midcap Value Index, up 19.95%.

In the face of rising unemployment and fears of accelerating Covid-19 infections, markets rebounded in the second quarter. Monetary and fiscal measures put in place by the Federal Government eased financial distress concerns, and investors gained optimism the economic fallout would be less than expected. Stocks leading the rebound typically were those most leveraged, either to heavily cyclical businesses or those with high financial leverage. With low interest rates for longer appearing to be the mandate for the next several years, stocks with growth characteristics once again outpaced value stocks as low interest rates make future growth more attractive due to cheap capital for investment.

With our strategy's focus on high quality value, the portfolio struggled relative to the benchmark as the low-quality rally advanced. The portfolio was underweight stocks with high trading activity, high volatility, and leverage; all factors that outperformed in the quarter. In addition, relative to the benchmark, the portfolio was overweight international business exposure and companies with high operating profit; both factors that underperformed in the quarter. A slight offset to these factor headwinds was the portfolio's overweight to growth and smaller market cap than the benchmark; both factors that outperformed in the quarter.

Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Real Estate	6.6%	13.4%	-6.8%	10.5%	12.4%	56 bps	41 bps
Utilities	9.0%	12.6%	-3.6%	-1.0%	3.5%	-1 bps	7 bps
Consumer Discretionary	9.6%	8.3%	1.3%	35.4%	37.5%	277 bps	-9 bps
Information Technology	11.0%	8.0%	2.9%	21.3%	26.5%	229 bps	-28 bps
Communication Services	1.5%	3.7%	-2.2%	0.6%	22.1%	2 bps	-37 bps
Industrials	15.9%	12.1%	3.8%	20.5%	23.9%	325 bps	-37 bps
Health Care	10.4%	8.4%	1.9%	15.3%	20.0%	161 bps	-47 bps
Materials	7.4%	7.4%	0.0%	17.6%	25.3%	111 bps	-51 bps
Financials	15.6%	16.5%	-0.9%	14.5%	18.1%	216 bps	-57 bps
Consumer Staples	8.2%	5.4%	2.8%	9.1%	13.2%	88 bps	-64 bps
Energy	1.6%	4.0%	-2.4%	40.1%	55.0%	52 bps	-81 bps

(see disclosures)

The best performing sector relative to the benchmark for the quarter was Real Estate (REITs). The sector lagged the benchmark return, and the portfolio benefitted from a large underweight position. With real estate stocks utilizing high levels of debt and relying on the cash flows of the tenants to service the debt, periods of dislocation that impact rent payments have a profound impact on the sector. Government mandates have led to closed businesses and significant unemployment, increasing the probability of missed rent payments for retail, apartment, and corporate properties. In addition, access to credit markets has tightened considerably, making the ability to finance construction projects, make acquisitions, and refinance debt an issue for many REITs.

Utilities were the second best performing sector relative to the benchmark. The outperformance was driven entirely by the portfolio's underweight position as the sector materially lagged the market rally. In periods of increased risk taking, the defensive characteristics of Utilities (regulated returns, high dividend yields benefit in declining rate environment, consistency of earnings, etc.) often lead them to underperform, as was the case this quarter. Stock selection offset a large portion of the underweight benefit as our positions underperformed. Ameren (AEE) and CMS Energy (CMS) energy have very little non-regulated earnings to provide additional earnings power, while Pinnacle West Capital is an Arizona-based utility which is facing demand concerns related to lower tourism in Las Vegas.

The worst performing sector relative to the benchmark was Energy. After a dismal first quarter where commodity prices cratered on weak demand and concerns of bankruptcy permeated the sector, the second quarter was a reversal of fortunes with the sector significantly outperforming the benchmark as concerns alleviated. Performance was negatively impacted as the portfolio had less than half the Energy sector weight of the benchmark. In addition, the portfolio's lone holding in Pioneer Resources (PXD) modestly underperformed the sector. While Pioneer Resource's profits were negatively impacted by low oil prices, liquidity was never in question and thus, did not participate in the rally to the degree of many highly leveraged stocks.

Consumer Staples was the second worst performing sector. After a strong performance in the first quarter, the defensive characteristics of Consumer Staples led the sector to materially underperform in the second quarter market rally. The portfolio was negatively impacted by both being overweight the sector as well as weak stock selection within the sector. Holdings such as Sanderson Farms (SAFM) and Tyson (TSN) were negatively impacted by Covid infections disrupting packing plant operations. Lamb Weston (LW) is largely exposed to restaurant potato consumption, where demand remained weak, and Reynolds Consumer Products (REYN) and JM Smucker (SJM) lagged after strong performances in the first quarter.

Top 10 Contributors/Detractors

	Top 10 Contributors	Average % Weight	Contribution
1	KLA CORP	2.41	80 bps
2	POLARIS INC	1.22	77 bps
3	AMERIPRISE FINANCIAL INC	1.80	74 bps
4	APTIV PLC	1.54	72 bps
5	MASCO CORP	1.73	71 bps
6	QUEST DIAGNOSTICS	1.77	66 bps
7	ARROW ELECTRONICS	1.76	53 bps
8	PIONEER NATURAL RESOURCES CO	1.60	52 bps
9	CONAGRA BRANDS INC	2.05	49 bps
10	ITT INC	1.71	49 bps

	Top 10 Detractors	Average % Weight	Contribution
1	MOHAWK INDUSTRIES	0.05	-25 bps
2	M&T BANK CORP	0.75	-17 bps
3	GILDAN ACTIVEWEAR	0.26	-16 bps
4	EAGLE MATERIALS	0.38	-14 bps
5	TYSON FOODS A	0.40	-14 bps
6	WESTERN DIGITAL	0.31	-12 bps
7	EURONET WORLDWIDE	0.66	-10 bps
8	UNIVERSAL HEALTH B	1.44	-7 bps
9	AMEREN CORP	2.22	-6 bps
10	PINNACLE WEST CAPITAL CORP	2.06	-5 bps

Selected Contributor(s) to Performance

The largest contributing stock for the quarter was KLA Corp (KLAC). KLA Corp, up 36.0%, is the leading supplier of process control equipment to the Semiconductor industry, serving all major semiconductor manufacturers, and is the fifth largest supplier of wafer fab equipment. KLAC tends to benefit the most in the early stages of new technology production as suppliers work to reduce costs and improve efficiency. As the complexity of chips increase, the need to analyze and test critical aspects of chip design and the manufacturing process are required. New technologies within 7nm/5nm Foundry/Logic and high layer count 3D NAND are driving capital spending within the company's customer base. Despite the macro risk due to Covid-19, producers are unlikely to reduce node transitions and technology development. So far, customers are maintaining fabrication plans, supporting KLA's record backlog despite macro concerns. With a strong product cycle providing secular growth for KLA, we continue to hold the stock while controlling risk by managing the size of the position.

Polaris Industries (PII) was the second largest contributing stock, up 93.5% in the quarter. Polaris is a leading manufacturer of recreational vehicles. Approximately 51% of sales are all-terrain vehicles (ATV), side-by-sides, and snowmobiles with the newer motorcycle and boat businesses accounting for ~17% of sales. The company also sells higher margin parts, garments, and accessories accounting for ~27% of sales. Early in the Covid crisis, Polaris moved quickly to amend credit facilities and draw upon a revolver loan to shore up liquidity and maintain financial flexibility. In a typical recession scenario, highly discretionary, big ticket items such as those sold by Polaris see a significant decline in sales. However, beginning in April, sales begin to turn up for recreational products including boats, recreational vehicles (RVs), motorcycles, camping gear, swimming pools, etc., that allowed people to recreate outdoors and maintain social distance. Polaris was a beneficiary of the trend, seeing sales volume increase more than 15% in April and May. Where the concern was controlling a build in inventory, the concern has switched to inventory shortages due to strong demand. We continue to hold Polaris Industries in the portfolio.

Selected Detractor(s) from Performance

Mohawk Industries (MHK) was the largest detracting stock this quarter, down -18.7% for the period held. Mohawk is a leading global manufacturer of carpet, rugs, ceramic tile, laminate, wood, stone, luxury vinyl tile (LVT), and vinyl flooring. Mohawk has been plagued by a shift in consumer tastes away from carpet and ceramic tile to newer technologies such as LVT and laminates. The newer technologies allow for sophisticated looks but are less expensive than natural materials with less labor-intensive installation processes. After years of decline, we took an untimely position in Mohawk early in the year pre-Covid on the belief that the worst was behind Mohawk and changes made would lead to improving financial performance. In late March, Mohawk lowered first quarter guidance significantly as well as curtailed production, sending the shares down significantly. We chose to exit the shares of Mohawk in early April based on the decline in fundamentals at a company in the midst of right-sizing the business and a belief that housing would be negatively impacted as unemployment soared. However, our thesis proved to be ill timed as lower interest rates, a rebounding stock market, and changed behavior, with people valuing their home space, helped support the building industry and a rebound in the shares of Mohawk post exit.

The second largest detracting stock was M&T Bank, down -11.5% for the period held. M&T is a regional bank based in New York with its primary growth in the mid-Atlantic region of the east coast. In addition to traditional retail and commercial banking activity, the company also manages a line of mutual funds through Wilmington Funds Management. Bank industry earnings are being squeezed due to fallout from Covid-19 with increases in loan loss reserves, slowing loan growth, and a squeeze in net interest margins. In the first quarter report, M&T missed earnings expectations meaningfully, primarily due to higher than expected loan loss reserves and operating expenses. Earnings would have been even worse but were partially offset by strong mortgage banking, an earnings stream not considered sustainable. We chose to exit the position in M&T Bank midway through the quarter.

Current Positioning

Currently, the portfolio's largest overweight sectors relative to the benchmark are the Health Care and Consumer Staples sectors. Health Care moving to the largest overweight sector with Industrials moving to a benchmark weight was a function of the Russell index rebalancing that occurs each year at the end of June. The benchmark Health Care weight declined approximately 80 basis points while the Industrials benchmark weight saw the largest increase at approximately 480 basis points. The largest underweight sectors relative to the benchmark are the Real Estate and Energy sectors. With the Russell rebalancing, the benchmark weight in Utilities declined approximately 275 basis points, largely eliminating our underweight in the sector.

The market has risen significantly since the market lows in March on the back of government stimulus. However, unemployment continues to rise along with Covid-19 infections threatening prolonged disruption to "normal" economic activity. It also remains to be seen how the current recession will impact the future as behaviors are likely to change and resources allocated differently in the long term. In the short term, the possibility of extending or reinstating economic shutdowns increases as cases continue to rise. With increased unemployment benefits ending in July, the willingness of legislators to extend or replace social programs that have supported many during the shutdowns is also in question. While we regrettably "fought the Fed" by not shifting more aggressively to beaten down names in the sell-off and reducing weight in more defensive sectors, we continue to focus on quality oriented stocks which we believe can withstand additional uncertainty and add to our more cyclical positions on a selective basis in the near term.

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% 2019: 1.4% 2020: 1.3%.*

**A performance examination has been performed on performance results through 12/31/19. A firm-wide verification was performed for the periods 1/1/93 through 12/31/19. Data subsequent to 3/31/20 represents preliminary performance results.*

FOR MORE INFORMATION

Patrick J. Krumm
Founding Member/
Director of Institutional Sales

7400 W. 130th St., Suite 350
Overland Park, KS 66213

pkrumm@deancapmgmt.com
913-944-4452
www.deancapmgmt.com

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.