Performance Comparison[1]

Periods Ended 6/30/20 (%)	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	S. I.[1]
DCM Small Cap Value (gross)	18.99	-23.15	-16.96	-4.90	1.21	8.71	7.82
DCM Small Cap Value (net)	18.75	-23.49	-17.67	-5.70	0.29	7.63	6.74
Russell 2000 Value	18.91	-23.50	-17.48	-4.35	1.26	7.82	5.88

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

Performance Summary

The DCM Small Cap Value ("DCM SCV") Strategy returned 18.99% (gross of fees) compared with 18.91% for the Russell 2000 Value Index for the quarter ending June 30, 2020.

Market volatility continued in the second quarter as investors wrestled with hopes for an economic rebound alongside continued rising virus case counts. The market was able to muster a rally despite concerns over rising virus cases.

We would characterize this quarter as a "low quality" rally. For example, the portfolio was held back by having less volatility, less leverage, and more profitability than the benchmark. We would describe a stock that exhibits the traits of having a more volatile stock price, having more debt, and having lower margins and returns on capital as being of "lower quality" than the average stock. We typically own stocks that are higher quality on average, meaning, typically less volatile, with less leverage, and higher profitability.

Even amidst the "low quality" rally, macro factors ended up netting to a tailwind for the portfolio this quarter. The portfolio benefited from having more exposure to growth and earnings variability, which, along with other smaller factor influences, more than offset the rally in low quality factors.

Once again, the portfolio's outsized exposure to value stocks, even when compared to the value benchmark, was a headwind this quarter as value underperformed growth. This marked a difference between the bottom found in March 2009 and the one found in March 2020. Value outperformed growth coming out of the 2009 bottom, whereas value has underperformed growth in both the downturn as well as the recovery so far in 2020.

It is difficult to describe just how dramatic the underperformance of the value factor has been since the beginning of 2017. We realize that we sound like a broken record on this topic, but that is because the market has been a broken record for three and a half years now. To illustrate, below is a chart of the total return for the Bloomberg Pure Value Index, which represents the value factor isolated. It uses a composite metric based on P/B, P/E, Price/Cash Flow, EV/Sales, EV/EBITDA, and Forward P/E, so it is not reliant on only one value metric. Dean Capital Management was founded in March 2008; and the isolated value factor has given back nearly all its positive performance since the founding of our firm, with most of the decline coming since the beginning of 2017 (source: Bloomberg, FTSE Russell):

While the strong value headwind observed over the last three and a half years has provided difficulty in managing the portfolio, it feels as though value has been making a stand over the last three months or so, as indicated in the aforementioned chart by the green line. In addition, because value has recently underperformed growth so dramatically, normalized valuation spreads between the most expensive stocks and the least expensive stocks are very wide; in fact, even wider than they were at the bottom of the Great Financial Crisis (GFC) in 2009. Wide valuation spreads imply that one is being compensated for the risk of owning the cheapest stocks. Even though small cap value stocks may have uncertainty surrounding earnings going forward, for those companies that have strong balance sheets, we feel the relative risk/reward ratio is about as good as we have seen since the founding of our firm in March 2008.

We believe that the DCM Small Cap Value portfolio is well positioned to take advantage of a favorable turn in high quality value stocks. The portfolio's largest factor positioning is an overweight in value, which uses the same metric as shown in the above chart. The second largest factor positioning is in leverage, where the portfolio has significantly less leverage than the benchmark as we focus on companies with strong balance sheets. We feel the environment is ripe for this kind of combination of high-quality value stocks.

According to Bloomberg Risk data, relative to the benchmark Russell 2000 Value Index, the portfolio's largest risk factors at quarter end are listed below. Thus, at this point in time, these factors will likely have the most significant impact on relative performance outside of individual company fundamentals:

1. Value (DCM SCV has lower valuations)
2. Leverage (DCM SCV has lower)
3. Profitability (DCM SCV has higher)
4. Growth (DCM SCV has higher)
5. Earnings Variability (DCM SCV has higher- typically not the case, currently due to a few companies dramatically underearning normal)

Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Utilities	0.6%	6.9%	-6.3%	-16.4%	-4.8%	-23 bps	151 bps
Industrials	21.9%	12.6%	9.3%	27.8%	21.4%	613 bps	137 bps
Materials	6.3%	4.5%	1.8%	28.2%	30.1%	200 bps	16 bps
Communication Services	1.3%	2.1%	-0.8%	4.1%	9.4%	7 bps	2 bps
Real Estate	3.3%	10.9%	-7.6%	2.1%	13.5%	7 bps	-3 bps
Information Technology	10.6%	11.3%	-0.7%	14.6%	17.3%	211 bps	-12 bps
Consumer Discretionary	11.3%	9.5%	1.8%	49.9%	63.6%	558 bps	-22 bps
Financials	25.3%	28.3%	-3.0%	5.9%	9.9%	199 bps	-28 bps
Consumer Staples	6.0%	3.4%	2.6%	-0.8%	19.4%	38 bps	-83 bps
Energy	8.0%	4.0%	4.0%	11.1%	26.3%	101 bps	-89 bps
Health Care	2.5%	6.6%	-4.1%	9.1%	34.0%	36 bps	-114 bps

(see disclosures)

The best performing sector relative to the benchmark for the quarter was Utilities. The outperformance was a result of the portfolio's underweight positioning. Utility stocks lagged in the sharp rally this quarter, and the portfolio benefited from its material underweight in the underperforming sector. The portfolio ended the quarter with no Utilities exposure as we believe the sector is overvalued based on normalized earnings power after the market flocked to safety in the first quarter selloff.

The second best performing sector relative to the benchmark for the quarter was Industrials. The outperformance stemmed from being both overweight the sector as well as from solid stock selection. Industrial stocks bounced from hopes of an economic recovery combined with low valuations in the sector. We continue to find good opportunities in Industrials, and it is the portfolio's largest sector overweight.

The worst performing sector relative to the benchmark for the quarter was Health Care. The underperformance was mostly a result of being underweight the sector, especially in the Pharmaceuticals and Biotech industries. Pharma and Biotech stocks participated in the "low quality" rally as many do not have current earnings and are speculations on future potential drugs, which are two types of situations we try to avoid.

The second worst performing sector relative to the benchmark for the quarter was Energy. The portfolio benefited from its Energy sector overweight; however, below benchmark stock selection led to the underperformance. The portfolio is overweight crude oil shipping companies that benefitted from oil prices being in "super contango," where it was economical to use ships as "floating oil storage." With crude oil's price rally this quarter, the contango situation diminished, and the shipping stocks sold off commensurately.

Top 10 Contributors/Detractors

	Top 10 Contributors	Average % Weight	Contribution
1	TRI POINTE GROUP	1.73	107 bps
2	COOPER TIRE & RUBBER	1.76	102 bps
3	WESCO INTERNATIONAL	1.84	92 bps
4	MALIBU BOATS A	0.86	90 bps
5	THOR INDUSTRIES	0.62	89 bps
6	INTERDIGITAL INC	1.95	85 bps
7	ARGAN INC	2.46	81 bps
8	VALVOLINE INC	1.59	79 bps
9	AMERICAN EQUITY INVESTMENT	1.35	76 bps
10	BRIGHAM MINERALS	1.44	74 bps

	Top 10 Detractors	Average % Weight	Contribution
1	MTS SYSTEMS CORP	0.83	-62 bps
2	DIAMOND S SHIPPING	1.36	-56 bps
3	ANDERSONS INC	0.60	-54 bps
4	DHT HOLDINGS INC	1.41	-53 bps
5	PROASSURANCE CORP	0.29	-29 bps
6	CNX RESOURCES CO	0.54	-28 bps
7	ALLETE INC	0.59	-24 bps
8	AMERICAN NATIONAL INSURANCE	1.61	-24 bps
9	ARGO GROUP INTERNATIONAL	0.37	-19 bps
10	DANA INC	0.74	-16 bps

Selected Contributor(s) to Performance

The largest contributing stock this quarter was Tri Pointe Group (TPH). TPH is a single-family homebuilder that operates in California, Arizona, Nevada, Colorado, Texas, Oregon, Maryland, Virginia, and the Carolinas. Homebuilders are currently benefitting from low interest rates, low inventory levels, and increasing demand from people wanting to move out of urban centers into the suburbs. TPH has done a good job of managing through the Coronavirus crisis and participated in the industry rally. The portfolio continues to maintain a sizeable position in TPH.

The second largest contributing stock in the quarter was Cooper Tire & Rubber (CTB). CTB manufactures replacement tires. Its brands include Coopertires, Roadmaster, and Mastercraft, amongst others. CTB benefited from hopes of an economic recovery as it began reopening its manufacturing facilities. CTB could also benefit, going forward, from its positioning as a less cyclical replacement manufacturer versus selling to OEM's as consumers look to extend the life of their existing vehicles. The portfolio maintains a sizeable position in CTB.

Selected Detractor(s) from Performance

The largest detracting stock in the quarter was MTS Systems (MTSC). MTSC is a leading supplier of test, simulation, and measurement systems. The test and simulations segment produces high performance test systems and motion simulators for research, product design, and manufacturing applications. The sensors segment produces precise measurement devices that improve product performance, optimize machine operation, and provide safer environments. MTSC has global exposure with roughly 1/3 of its business in the Americas, Europe, and Asia, respectively, all places impacted by the Coronavirus lockdowns. It also has end market exposure to air traffic, autos, and amusement parks, which, once again, were all areas impacted by the Coronavirus. Thus, its stock price suffered during the market selloff. We felt that MTSC was well positioned in niche businesses where it had a competitive advantage given its reputation and long-standing customer relationships. However, we became increasingly concerned about the less than pristine balance sheet and the final straw was when the CEO exited to pursue another opportunity as the stock was cratering; thus, we exited the position in MTSC on the news.

The second largest detracting stock in the quarter was Diamond S Shipping (DSSI). DSSI is a shipping company that transports crude oil and refined petroleum. Crude oil shipping companies benefitted from oil prices being in "super contango," where it was economical to use ships as "floating oil storage." With crude oil's price rally this quarter, the contango situation diminished, and the shipping stocks sold off commensurately. We estimate that DSSI is trading below its replacement net asset value, and even with the "super contango" trade not nearly as profitable, DSSI's fundamentals remain strong. The portfolio maintains a position in DSSI.

Current Positioning

The portfolio's largest overweight sectors relative to the benchmark are currently in the Industrials and Information Technology sectors. The Information Technology overweight is the result of the Russell 2000 Value rebalancing its Technology weight materially lower at the end of June. The largest underweight sectors relative to the benchmark are currently in the Real Estate and Utilities sectors. Throughout the quarter, the Financials and Consumer Discretionary sectors increased the most in weight, while the Consumer Staples and Real Estate sectors decreased the most in weight. 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.

During the quarter we added the most weight to the Banking industry. We have been negative on banks for a while as we felt the fundamental environment was a challenging one for them with low net interest margins paired with the fact that the only direction for credit to go, from its excellent late 2019 levels, was down. Given the economic devastation caused by shutting down the economy due to the Coronavirus, we were even more concerned about credit quality. However, once the Federal Government stepped in with large doses of monetary and fiscal measures to combat the economic decline of the shutdown, we felt the credit picture had somewhat improved. When comparing the banks to the Great Financial Crisis, we believed they were better capitalized relative to 2008/2009 and now in a better credit position versus the GFC, yet valuations were lower than in the GFC. With fundamentals better than in the GFC, but valuations lower than at that time, we felt the risk/reward had changed enough to warrant adding back to the space.

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, and the number of holdings typically ranges between 50 and 80. 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 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: 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% 2019: 0.4% 2020: 0.6%.*

**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

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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.