

Performance Comparison¹

Periods Ended 3/31/24 (%)	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	S. I. ¹
DCM Mid Cap Value (gross)	8.82	8.82	21.33	11.01	11.68	10.24	11.91
DCM Mid Cap Value (net)	8.60	8.60	20.33	10.09	10.75	9.29	10.91
Russell Midcap Value	8.23	8.23	20.40	6.80	9.94	8.57	9.56

Periods greater than 1 year are annualized

¹DCM inception was June 30, 2008

Performance Summary

The DCM Mid Cap Value composite was up 8.82% (gross of fees) for the quarter ended March 31, 2024, compared with the Russell Midcap Value Index, up 8.23%.

Relative to the Russell Midcap Value index, macro style factors benefitted the portfolio this quarter. The key driver to the outperformance was the strategy's large overweight to low volatility stocks, those with lower beta and residual volatility. Stocks with lower volatility saw a resurgence as economic data related to inflation did not ease to the degree expected, leading to a shift in expectation that interest rate cuts would be delayed. The change in expectation also led to stocks with low earnings yield, which are often stocks that are unprofitable or speculative, to underperform as the higher cost of capital becomes a burden. The strategy was underweight stocks with low earnings yield.

Momentum stocks, those with an acceleration of the stock's price, continue to be a key driver of the overall market and were the top performing market factor this quarter. While our strategy sells into momentum as stocks become expensive relative to the underlying fundamentals and rotates to more attractive risk vs. reward situations, the strategy is largely neutral momentum relative to the benchmark, modestly contributing to the strategy this quarter.

Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Consumer Staples	8.9%	3.7%	5.2%	16.5%	6.3%	141 bps	77 bps
Materials	5.5%	7.5%	-2.0%	17.5%	8.7%	95 bps	45 bps
Health Care	6.8%	6.7%	0.1%	7.3%	3.3%	50 bps	28 bps
Communication Services	3.2%	3.1%	0.1%	2.9%	-5.1%	10 bps	26 bps
Real Estate	8.4%	10.2%	-1.8%	-0.3%	-0.6%	-4 bps	20 bps
Financials	20.7%	17.9%	2.8%	12.5%	12.0%	254 bps	18 bps
Information Technology	3.1%	9.4%	-6.4%	-1.4%	4.3%	-5 bps	6 bps
Consumer Discretionary	9.5%	9.3%	0.2%	7.8%	8.4%	82 bps	-1 bps
Energy	3.5%	5.3%	-1.8%	9.1%	14.0%	31 bps	-27 bps
Utilities	8.1%	7.0%	1.1%	2.4%	6.3%	18 bps	-34 bps
Industrials	20.1%	19.9%	0.2%	10.4%	14.9%	209 bps	-84 bps

(see disclosures)

The best performing sector relative to the Russell Midcap Value index was Consumer Staples. The outperformance was driven by stock selection with four of the portfolio's five holdings outperforming the sector and index return. Vertically integrated chicken producer Pilgrim's Pride (PPC) was up 24.1% as margins rebound from severe oversupply, food service distributor US Foods Holding (USFD) was up 18.9% as volumes and margins continue to rebound from COVID, Casey's General Stores (CASY) was up 16.1% as fuel margins and prepared foods sales and margins surprised to the upside, and membership club BJ's Wholesale (BJ) was up 13.5% as club membership sales remained strong and profits exceeded muted expectations. Conagra Brands (CAG), a packaged foods company, modestly lagged the sector and index, up 4.7%. Most packaged food companies have seen pressure on revenues as consumer's trade down due to high inflation while operating costs continue to rise, compressing margins.

The Materials sector was the second best performing sector relative to the benchmark. Stock selection drove the outperformance with Eagle Materials (EXP) the primary contributor, up 34.1% in the quarter. Eagle Materials' primary products are cement, concrete, and gypsum wallboard. Refer to the Selected Contributors to Performance section for more detail on Eagle Materials.

The worst performing sector relative to the benchmark was Industrials. The Industrials sector was the top performing sector in the Russell Midcap Value index, up 14.9% in the quarter. Stock selection was the driver of underperformance. Within the Industrials, the primary underperformance was within the Capital Goods industry group, where the portfolio's holdings are generally less cyclical than the benchmark and have limited exposure to housing and construction exposed industrials, which benefitted from continued strong end markets. The primary underperformers in the quarter were defense contractor L3Harris (LHX), up 1.7%, which provided more conservative guidance for the year than expected, metal working distributor MSC Industrial Direct (MSM), down -3.3%, as end market weakness is expected to continue in 2024, and tool manufacturer Stanely Works (SWK), up 0.7%, which continues to experience sales weakness on inventory destocking at large retailers.

The Utilities sector was the second worst performing sector relative to the benchmark. Stock selection accounted for the underperformance. The relative underperformance was driven more by index holdings that were not owned in the portfolio. With artificial intelligence demanding significant computing capacity, which in turn creates the need for significant electrical power for the data centers, investor focus turned to power generation utilities with capital programs to build low-cost nuclear or renewable energy. Stocks such as Vistra (VST), Constellation Energy (CEG), NRG Energy (NRG) and Avangrid (AGR) were up 81.4%, 58.5%, 31.9% and 14.0%, respectively. While we concur the opportunity for improved growth for these companies exists, the multiples being paid for volatile power generation assets is atypical. The largest owned detractors were in regulated utilities with Oklahoma based electrical utility OGE Energy (OGE), down -0.7% and Houston based integrated utility CenterPoint Energy (CNP), up 0.5%.

Top 10 Contributors/Detractors

	Top 10 Contributors	Average % Weight	Contribution
1	PILGRIM'S PRIDE CORP	2.73	63 bps
2	EAGLE MATERIALS INC	2.00	62 bps
3	HARTFORD FINANCIAL SERVICES GROUP	1.91	51 bps
4	ENCOMPASS HEALTH CORP	2.09	47 bps
5	W R BERKLEY CORP	1.92	46 bps
6	HUBBELL INC	1.69	42 bps
7	REINSURANCE GROUP OF AMERICA INC	1.95	37 bps
8	PIONEER NATURAL RESOURCES CO	1.98	35 bps
9	PULTEGROUP INC	2.05	34 bps
10	AUTOZONE INC	1.59	33 bps

	Top 10 Detractors	Average % Weight	Contribution
1	REGENCY CENTERS CORP	1.63	-16 bps
2	LITTELFUSE INC	1.40	-15 bps
3	TAKE-TWO INTERACTIVE SOFTWARE INC	1.46	-12 bps
4	GLOBE LIFE INC	2.00	-7 bps
5	QUEST DIAGNOSTICS INC	1.65	-6 bps
6	YUM! BRANDS INC	0.49	-6 bps
7	MSC INDUSTRIAL DIRECT CO INC	1.41	-5 bps
8	PROSPERITY BANCSHARES INC	1.79	-5 bps
9	BORGWARNER INC	1.61	-4 bps
10	BAKER HUGHES CO	1.47	-3 bps

Selected Contributor(s) to Performance

The largest contributing stock this quarter was Pilgrim's Pride (PPC), up 24.1%. Pilgrim's Pride is the second largest producer of chicken in both the U.S. and Mexico. The company also has a portfolio of prepared foods as well as operations in Europe. The chicken industry exited 2022 with margins significantly below the five-year average due to oversupply. In the second half of 2023, the company has seen sequential improvement in market fundamentals as supply-demand becomes more balanced. On the demand side, chicken is seeing a pickup at retail as consumers eat at home more frequently and deeper penetration in foodservice channels. Chicken has become the best positioned protein as grain costs have declined and beef and pork have lower availability. We expect to see continued improvement in demand and pricing over the next year and thus continue to hold the stock.

Eagle Materials, up 34.1% in the quarter, is a manufacturer of cement, aggregates, concrete, gypsum wallboard, and recycled paperboard. The company is a prime beneficiary of the strong construction cycle, especially within the residential markets. The concrete and cement division experienced strong volumes as commercial and residential construction continues at a brisk pace. This has allowed the company to take significant price increases in cement which boosted revenues. Wallboard volumes stabilized after experiencing several quarters of slow demand. The offset to stable volumes was weaker than expected pricing. However, inventories have corrected, and the industry is expected to raise pricing in the near term on wallboard as volumes improve. The portfolio continues to hold the stock.

Selected Detractor(s) from Performance

The largest detracting stock this quarter was Regency Centers (REG), down -8.6%. Regency is a leading owner and developer of strip shopping centers in affluent, densely populated areas, often anchored by grocery tenants. Regency has one of the best balance sheets, lower vacancy rates, and low tenant credit risk relative to peer retail REITs. However, due to high capital requirements, REITs are sensitive to higher interest rates, which has been a drag on company earnings since monetary tightening began nearly 18 months ago. While lease spreads improved in the quarter and vacancy rates remained low, the company guided FY24 funds from operations (FFO) below street expectations, leading the stock lower. The portfolio continues to hold the stock due to its strong relative position in the sector.

Littelfuse is a provider of circuit protection products for the transportation, industrial, telecommunications, and consumer electronics end markets. The company is also expanding into power semiconductors which serve industrial end markets while expanding into electrical vehicle charging infrastructure. The passive electrical market has been subject to weaker than expected sales, leading to oversupply and an inventory overhang that is taking longer than expected to clear. While the company met lowered expectations for the fourth quarter, guidance for the first quarter of 2024 was lowered approximately 18% at the midpoint. The lengthening time for earnings to normalize led the shares to trade lower. The portfolio continues to hold Littelfuse as we consider the weakness cyclical in nature.

Current Positioning

Currently, the portfolio's largest overweight sectors relative to the benchmark are the Consumer Staples and Financials sectors. The largest underweight sectors relative to the benchmark are the Information Technology and Energy sectors. Throughout the quarter, the relative weight increased the most in the Consumer Discretionary and Materials sectors while decreasing the most in Industrials and Financials.

Last quarter, we discussed our belief that the easy lifting in containing inflation had occurred, and we could see inflation plateau or possibly re-accelerate. In addition, we discussed our belief in the market being ahead of itself in assuming a soft landing could be perfectly executed and that lower rates automatically mean higher earnings growth. In large part, the comments from last quarter are applicable to the current quarter environment. So, what has changed? Late in the quarter, inflation readings confirmed our belief that stamping out inflation likely was not complete and could be more cumbersome than expected. Expectations for interest rate cuts have been pushed farther into the future. However, market sentiment has changed to accept the higher for longer rates scenario with the market having the ability to sustain its current momentum due to low unemployment and continued strong economic activity. The change in sentiment creates additional headwinds for containing inflation as wealth continues to build while consumer confidence remains high. Thus, we continue to see risk in a market that has ascended rapidly expecting easing conditions and believe the full impact of higher rates has yet to be fully absorbed. Thus, we continue to focus on finding high quality stocks that we believe are being mispriced for transitory reasons rather than chasing the current market optimism.

Disclosures

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The Mid Cap Value style uses value oriented equities, the majority of which have a market capitalization between \$3.5 billion and \$40 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 27% 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 report 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 0.80%. 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 is stated in U.S. Dollar terms. Leverage is not used in any portfolio in these composites.

A performance examination has been performed on performance results from 7/1/08 through 12/31/22. A firm-wide verification was performed for the periods 7/1/08 through 12/31/22. Data subsequent to 2/29/24 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.