Performance Comparison[1]

Periods Ended 3/31/24 (%)	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	S. I.[1]
DCM Small Cap Value (gross)	-1.33	-1.33	0.46	5.38	9.16	7.94	10.17
DCM Small Cap Value (net)	-1.53	-1.53	-0.38	4.50	8.25	6.97	9.12
Russell 2000 Value	2.90	2.90	18.75	2.22	8.17	6.87	8.31

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

Performance Summary

DCM Small Cap Value ("DCM SCV") returned -1.53% (net of fees) compared with 2.90% for the benchmark, the Russell 2000 Value Index, for the quarter ending March 31, 2024.

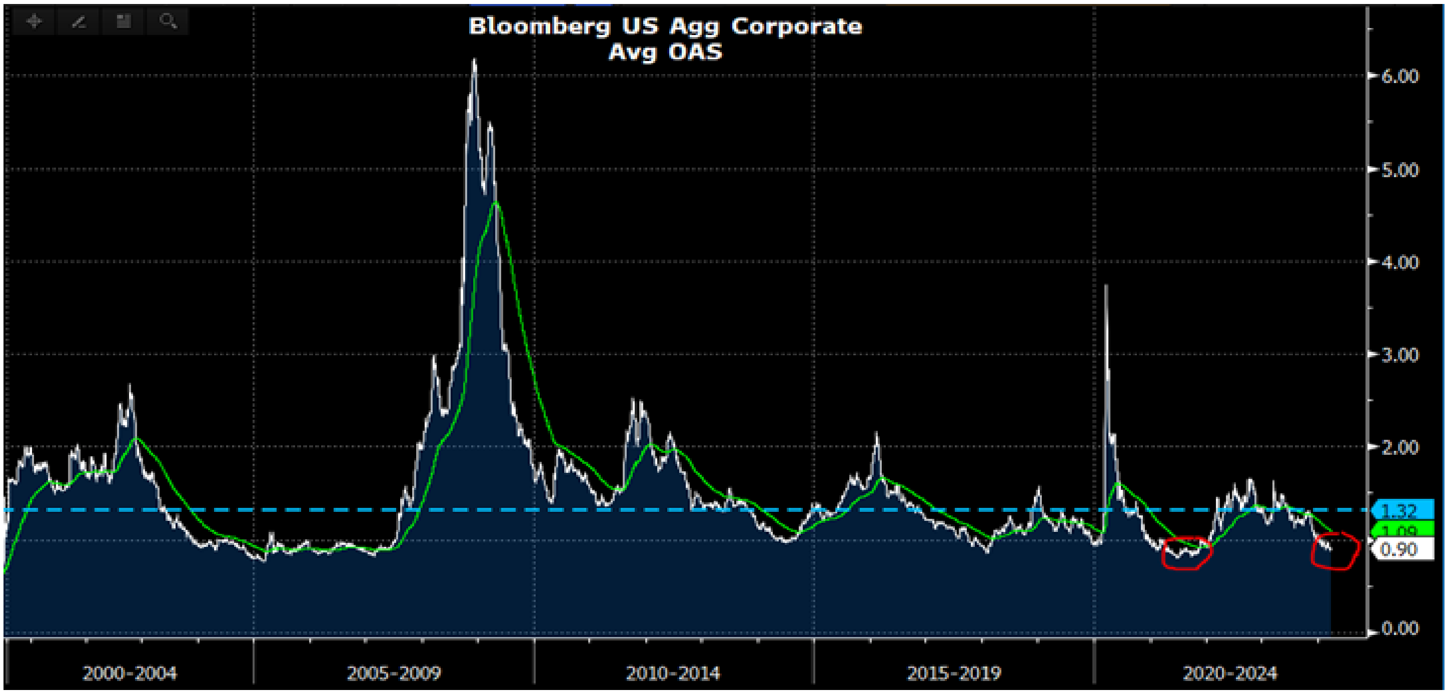
According to Bloomberg Risk data, relative to the benchmark Russell 2000 Value Index, the portfolio's largest risk factors at quarter end are listed below. Thus, at this point in time, these factors will likely have the most significant impact on relative performance outside of individual company fundamentals:

1. Volatility (DCM SCV has lower)
2. Momentum (DCM SCV has lower)
3. Earnings Variability (DCM SCV has lower)
4. Dividend Yield (DCM SCV has higher)
5. Profitability (DCM SCV has higher)

The challenging macro factor backdrop, one that has been a persistent headwind to DCM's style of investing over the past year, continued its run through the first quarter of 2024. Momentum was an extremely strong factor in the first quarter, which was a large headwind for the portfolio given DCM's process of typically selling stocks that are rising and getting expensive relative to normalized earnings power, while buying stocks that are falling and getting what we believe is more attractively valued relative to normalized earnings power. Thus, having less momentum was a material headwind as being underweight the momentum factor is the portfolio's second largest relative factor exposure. In addition to momentum stocks working well in our opinion, the high quality and low valuation factors underperformed in the quarter, which are the two major tenets to DCM's investing philosophy: "Value Driven. Quality Focused." High dividend yielding stocks also underperformed in the quarter, which is another of the portfolio's largest relative factor tilts. The factor backdrop continued to be a challenging one for the portfolio, to say the least.

For the past year, the factor backdrop was even more extreme and challenging for the portfolio. Low volatility stocks (the portfolio's largest relative factor exposure) dramatically underperformed the small cap value universe. A long-short portfolio in Bloomberg that isolates the low volatility factor for small cap value stocks returned -16.3% this past year, as of quarter end. The high quality factor was deeply out of favor as well with the long-short portfolio that isolates the quality factor in small cap value stocks returning -3% in the past year.

The current extreme factor environment from our standpoint is very reminiscent of the environment for the second half of 2020 through the first half of 2021. The chart below is investment grade credit spreads, which can be used as a simple proxy for market risk appetite. They have compressed to a level similar to that seen in 2021, as well as to levels seen in prior risk on environments throughout the past 30 years:



Source: Bloomberg

The portfolio struggled on a relative basis in that 2021 environment (much like it has in the current environment), as speculation ran rampant in the market. While the speculation in the current environment is not nearly as extreme, this market has a similar "risk on" element to it. Following the speculative stretch that ended in the first half of 2021, the quick shift in the market's focus to risk management ushered in one of the portfolio's best relative performance periods in DCM's sixteen-year existence that ended in the first quarter of 2023. Nearing the tail end of the excellent relative outperformance, we wrote in our fourth quarter 2022 commentary (emphasis added):

*"…**we very much understand how humbling this business can be**, as such, we are not sitting on our hands. We continue to analyze how the cycle is unfolding, and we are constantly looking for spots to be opportunistic with some of the high-quality, narrow range of outcome stocks that were thrown out with the rest of the market during the current market selloff. We stuck to our disciplined process when it was greatly out of favor, and we will continue to stick to our process while it is in favor. Thus, we are always looking to buy high quality stocks that are becoming attractively valued based on our estimate of normalized earnings power, while selling those stocks that are becoming expensive based on our estimate of normalized earnings power. We have done this methodically, and deliberately, for nearly 15 years, with favorable results over full cycles."*

As can be seen, we anticipated a humbling period would come at some point – that is the nature of a highly competitive business such as investing in small cap stocks – and this past year has provided that humbling period. We also stated that we would continue to follow our time-tested, disciplined process that has produced what we believe are good risk-adjusted returns over full cycles and over the long term. We continue to do that no matter how extreme the macro factor environment gets around us as we continue to stay disciplined.

There have been two recent media stories that help illustrate how extreme the environment has become. In Bloomberg's 3/28/24 article, "Wall Street on Edge as Momentum Trade Wraps Up Historic Quarter" there were two charts that illustrate how stretched the momentum factor has become:

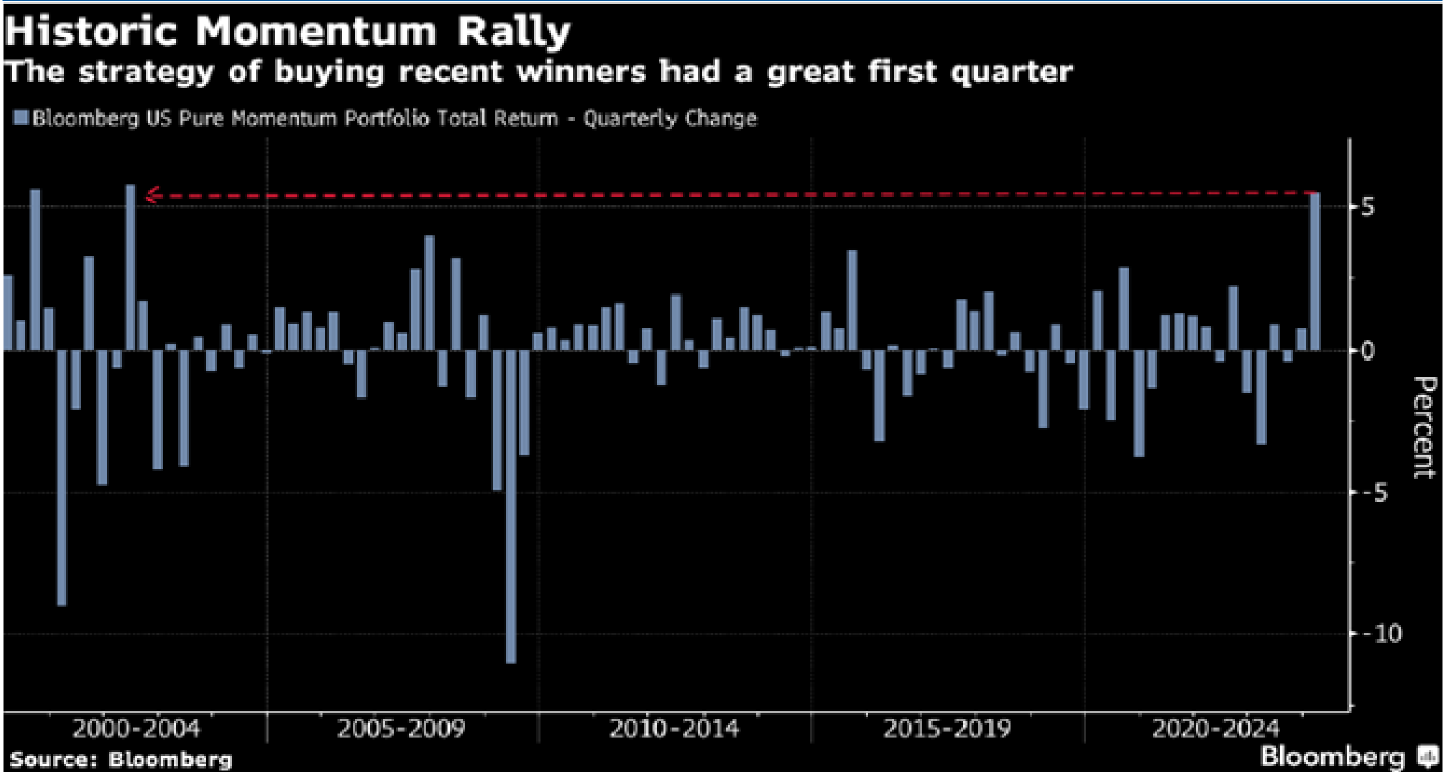


Figure 8: Record High Momentum Crowding (99.8%ile)

Crowding in Stocks with Strongest Price Momentum, Right Tail

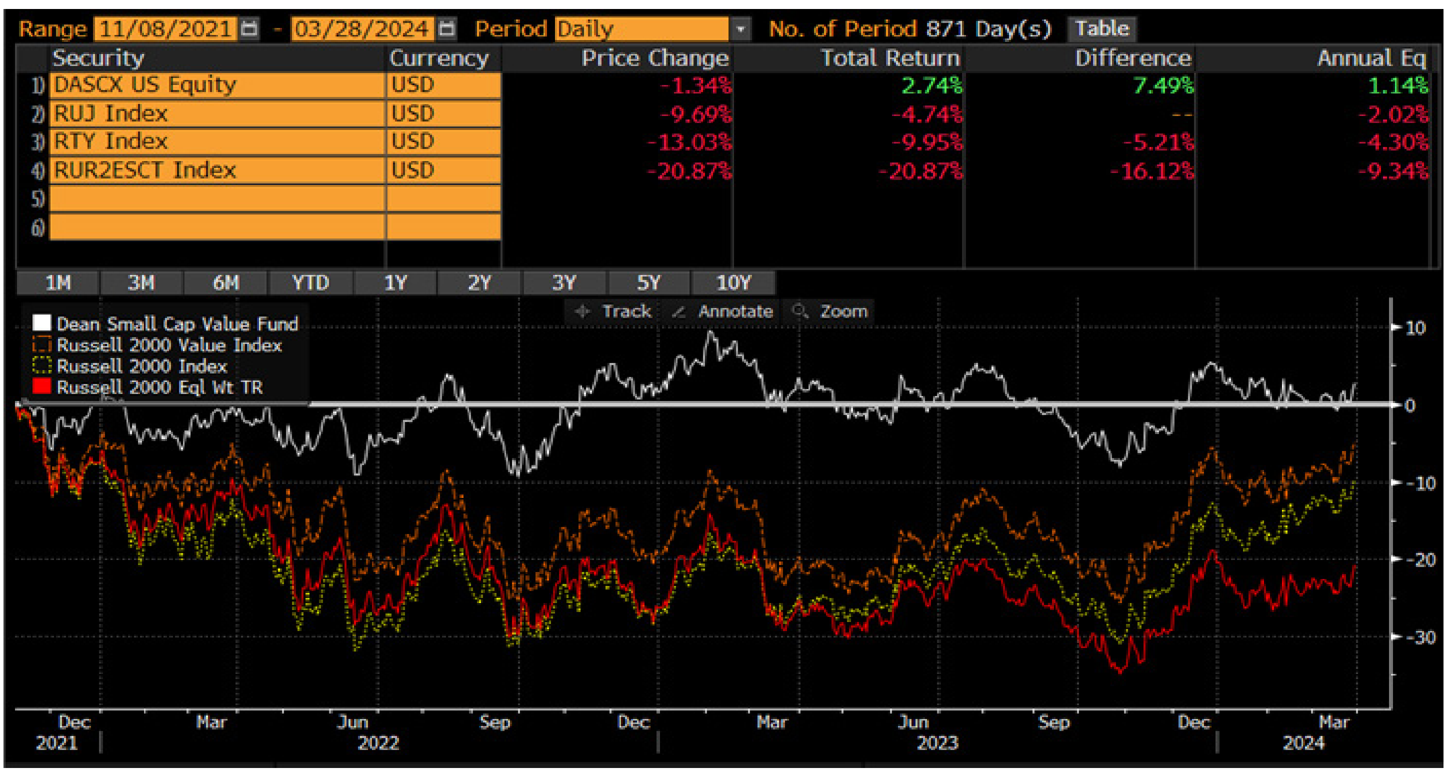
Source: J.P. Morgan Equity Macro Research

Source: JPMorgan

In addition to the Bloomberg article, a Barron's article on 4/1/24 titled "Value Stocks Are Down but Not Out. Get Ready for a Comeback." which was largely based on Bank of America strategist Savita Subramanian's work, had this to say (emphasis added), ***"Active funds now have 56% less exposure to value investments than to momentum factors—a 15-year low, according to Subramanian.*** *Funds looking for cheap stocks based on low price-earnings valuations is at a "max underweight," she adds. A brain drain and asset drain, with 40% fewer funds, from active fundamental to passive and private* ***suggest markets may be less efficient and offer more alpha potential."***

We agree with the characterization from the Barron's article that there is tremendous opportunity on a forward-looking basis for value investors that have a high-quality emphasis. The proliferation of passive investing, basket approaches to stock investing, algorithmic trading, zero-day to expiration options trading, etc. has grown so much over the past five to seven years that it has caused the market to become much more volatile and extreme in how it is swinging around different factor exposures. DCM has not changed its approach, and the long-term risk adjusted results have been favorable, but the shorter time periods' relative performance has recently swung wider than in the past due to this changing market structure that leads to more extreme momentum and crowded trades (both favorable and unfavorable as having high active share cuts both ways).

This is why we focus on full cycle and rolling returns, and in that regard, the DCM Small Cap Value portfolio has produced a positive return since the small cap market peak on 11/8/21 through quarter end versus the Russell 2000 Value being down nearly 5%, the Russell 2000 being down nearly 10%, and the Russell 2000 Equal Weight being down nearly 21%. Even with the difficult endpoint sensitivity from the underperformance of the past year, the portfolio is still ahead of its benchmarks by a wide margin from the top of the current small cap cycle. This dynamic can be illustrated in the following chart where we use the Dean Small Cap Value mutual fund (DASCX), the public mutual fund vehicle that DCM sub-advises, as a proxy for the portfolio's net of fees performance since the small cap market cycle peak on 11/8/21. In addition to the outperformance of the Dean Small Cap Value portfolio since the cycle peak, the powerful momentum impact can also be seen in the last six months through the Russell 2000 market cap weighted indices markedly outperforming the Russell 2000 Equal Weighted index:


Range 11/08/2021 - 03/28/2024 Period Daily No. of Period 871 Day(s) Table

	Security	Currency	Price Change	Total Return	Difference	Annual Eq
1)	DASCX US Equity	USD	-1.34%	2.74%	7.49%	1.14%
2)	RUJ Index	USD	-9.69%	-4.74%	--	-2.02%
3)	RTY Index	USD	-13.03%	-9.95%	-5.21%	-4.30%
4)	RUR2ESCT Index	USD	-20.87%	-20.87%	-16.12%	-9.34%
5)						
6)						

The flip side to the extreme macro factor environment is that significantly attractive risk/rewards are out there as the market has become very narrow and less focused on risk. One area is the Utilities sector, which we will discuss in more detail below in the "Opportunities" section of this commentary. There are many areas that have a similar setup to the Utilities sector, to varying degrees across the portfolio, leaving the overall portfolio with what we believe is an attractive relative risk/reward profile on a go-forward basis.

Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Real Estate	5.9%	10.1%	-4.3%	-0.9%	-1.8%	-11 bps	28 bps
Financials	25.3%	26.4%	-1.1%	-2.2%	-2.5%	-56 bps	11 bps
Communication Services	2.0%	2.5%	-0.5%	-1.6%	-4.7%	-4 bps	10 bps
Information Technology	2.5%	5.9%	-3.4%	2.5%	0.7%	5 bps	7 bps
Health Care	7.6%	9.2%	-1.6%	7.2%	8.5%	53 bps	-17 bps
Utilities	15.1%	3.8%	11.3%	-1.6%	-1.3%	-15 bps	-49 bps
Consumer Staples	8.5%	2.3%	6.2%	-4.1%	-1.8%	-31 bps	-52 bps
Energy	1.4%	9.6%	-8.2%	11.6%	12.2%	17 bps	-71 bps
Materials	4.3%	4.8%	-0.5%	-8.0%	7.6%	-40 bps	-73 bps
Consumer Discretionary	10.7%	10.9%	-0.1%	-4.9%	5.0%	-53 bps	-111 bps
Industrials	15.0%	14.5%	0.5%	0.1%	8.2%	4 bps	-114 bps

(see disclosures)

The best performing sector relative to the benchmark for the quarter was Real Estate. The outperformance was a result of being underweight the underperforming sector. After pricing in multiple Federal Reserve rate cuts for 2024, the market started to come to grips with the idea that the Fed's target rate might actually stay higher for longer given that inflation stubbornly remains above the Fed's target and the economy continues to demonstrate its resilience. This caused the market to reverse course and ratchet down its expectations for rate cuts from six in January down to the current view of two to three for calendar year 2024. This put pressure on most interest rate sensitive sectors such as the Real Estate sector.

The second best performing sector relative to the benchmark for the quarter was Financials. The outperformance was produced by being slightly underweight the underperforming sector. Most of the benefit came from being underweight the Banks industry. More troubles at regional banks, this time New York Community Bancorp (NYCB), and for a different reason than last year: credit concerns caused investors to sell the banks. We continue to be concerned about the credit cycle deteriorating and maintain the portfolio's underweight positioning.

The worst performing sector relative to the benchmark for the quarter was Industrials. The underperformance was driven mostly by the Transportation industry. The portfolio averaged a 5.5% weighting in two trucking companies over the quarter where the excess capacity in the space continues to put pressure on contract rates. Eventually the excess capacity will start to unwind as smaller, less well capitalized, and unprofitable trucking companies start to exit the business. This will leave market share gains in a rising contract rate environment for the portfolio's larger, well capitalized companies. This process of reducing excess capacity is taking longer than expected; meanwhile, the Capital Goods stocks continue to march upward as their overearning relative to normalized earnings power has been extended by Government spending on onshoring manufacturing. The portfolio is overweight the Transportation industry and underweight the Capital Goods industry, which weighed on results. Our analysis points to significantly lower risk, higher return potential in the underearning Transportation industry when compared to the Capital Goods industry. Capital Goods companies are currently overearning normalized earnings power while the market bestows elevated multiples on them – a combination that leads to a low potential return forecast that also sports higher risk.

The second worst performing sector relative to the benchmark for the quarter was Consumer Discretionary. The underperformance stemmed mostly from subpar stock selection as multiple portfolio holdings in this sector missed earnings estimates. The stock price moves to the downside after the earnings misses were exacerbated by the overall macro factor headwinds mentioned earlier.

Top 10 Contributors/Detractors

	Top 10 Contributors	Average % Weight	Contribution
1	AZZ INC	1.76	52 bps
2	PRESTIGE CONSUMER HEALTHCARE	2.50	43 bps
3	WHITE MOUNTAINS INSURANCE GROUP	1.80	31 bps
4	EMPLOYERS HOLDINGS INC	2.04	29 bps
5	ADVANCE AUTO PARTS INC	0.64	23 bps
6	CARTER'S INC	1.55	21 bps
7	SILGAN HOLDINGS INC	2.25	18 bps
8	WORLD KINECT CORP	1.04	18 bps
9	ARGAN INC	1.74	16 bps
10	BENCHMARK ELECTRONICS INC	1.55	13 bps

	Top 10 Detractors	Average % Weight	Contribution
1	SSR MINING INC	0.47	-52 bps
2	HEARTLAND EXPRESS INC	2.33	-41 bps
3	LEGGETT & PLATT INC	1.28	-36 bps
4	INDEPENDENT BANK CORP	1.25	-32 bps
5	STANDARD MOTOR PRODUCTS INC	1.48	-26 bps
6	SEABOARD CORP	2.28	-23 bps
7	CATHAY GENERAL BANCORP	1.37	-22 bps
8	PJT PARTNERS INC	2.74	-21 bps
9	AMERICAN STATES WATER CO	1.91	-19 bps
10	WERNER ENTERPRISES INC	2.23	-18 bps

Selected Contributor(s) to Performance

The largest contributing stock this quarter was AZZ Inc (AZZ). AZZ is a provider of galvanizing solutions and a variety of other metal coating and coil coating solutions to a broad range of end markets in North America. AZZ's strong stock price performance has been driven by solid earnings that have stemmed from increased infrastructure and onshoring trends helped along by Government spending programs. It has also benefited from trends such as the migration to pre-painted steel and aluminum as well as the conversion from plastics to aluminum. Given the powerful stock price move to the upside, we have been reducing AZZ's weight in the portfolio, but continue to maintain a position.

The second largest contributing stock in the quarter was Prestige Consumer Healthcare (PBH). PBH is one of the largest pure-play over-the-counter healthcare providers. It has a diverse portfolio composed of leading brands in niche consumer health categories. PBH's key brands include Clear Eyes, Dramamine, Monistat, and Summer's Eve among many others. PBH reported better than expected earnings driven by strong growth in its Eye & Ear Care category as well as from solid international growth. PBH has done a good job of acquiring overlooked brands from other companies and expanding the uses for those brands. We have incrementally reduced PBH's weight in the portfolio due to the rising stock price; however, it remains a large holding.

Selected Detractor(s) from Performance

The largest detracting stock in the quarter was SSR Mining (SSRM). SSRM is a precious metals mining company with mines located in the United States, Canada, Argentina, and Turkey. We entered a position in SSRM because it was a U.S. based mining company with a net cash balance sheet that paid a solid dividend and was underearning normalized earnings power as production was starting to ramp on its major mines. This was all erased in one day when an unforeseen and unfortunate landslide took place at its mine in Turkey causing nine employee deaths and possible environmental contamination. The Turkish Government revoked SSRM's mining permits and all operations at the mine were ceased indefinitely. According to most estimates, this mine accounted for 50-65% of SSRM's net asset value. Given the extreme hit to normalized earnings power along with the unknown liabilities we sold SSRM out of the portfolio after the stock dropped materially on the news. This event does highlight our bottom-up risk management, however, as mining companies are wide range of outcome stocks exactly for this type of reason. Thus, we keep the portfolio weighting lower than in narrow range of outcome stocks. The SSRM weighting was never above 0.90% of the portfolio over the entire holding period, and the weight was 0.76% right before the accident. We use our sizing of positions as one area of risk management, and it helped in this case by preventing this unfortunate event and SSRM's collapsing stock price from causing further damage to the portfolio.

The second largest detracting stock in the quarter was Heartland Express (HTLD). HTLD is a trucking company that provides truckload services to end markets such as consumer goods, appliances, food products, and the automotive industries. The truckload space has seen a difficult environment over the last year as excess capacity has been slow to exit the industry, and this has put pressure on contract rates; meanwhile, volumes have been low coming off the COVID spike as end customers have been destocking inventory. This is causing HTLD to deeply underearn its normalized earning power. However, we believe that weaker players will eventually exit the industry, and customer destocking will come to an end to help normalize the pricing and volumes. We maintain a sizeable position in HTLD.

Current Positioning

The portfolio's largest overweight sectors relative to the benchmark are currently in the Utilities and Consumer Staples sectors. The largest underweight sectors relative to the benchmark are currently in the Energy and Real Estate sectors. Throughout the quarter, the Utilities and Consumer Staples sectors increased the most in weight, while the Real Estate and Materials 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.

When analyzing historical portfolio metrics, we find that the portfolio is currently positioned to where it is presenting historically above average projected total return potential, while at the same time presenting historically below average risk in terms of volatility and projected downside risk. These two characteristics: historically above average return potential with historically below average risk potential, combine to create well above average future risk adjusted return potential from this point in time. This dynamic has us optimistic about the current positioning of the portfolio as the market moved in a different direction than our portfolio's positioning in the past year, leaving attractive risk adjusted opportunities going forward. One example is in the Utilities sector as described below.

In the past few commentaries, the Utilities sector was discussed as being one of the best forward-looking risk-adjusted returns area of the small cap market: *"We took advantage of the weakness in the Utilities sector's stock prices this quarter to add weight, making it the portfolio's largest overweight sector. Utilities have come under pressure as interest rates continue to climb, which is raising the cost of capital. In addition to interest rates, inflation and higher natural gas prices have also pressured earnings as regulatory pricing mechanisms work with a lag. Because of these pressures, we estimate that many utility companies are earning below their normalized earnings power levels. Yet there is a clear pathway for Utilities to return to earning normalized levels through regulatory pricing catchup and infrastructure buildout (renewables, grid stability, and new transmission lines). This will help boost earnings and dividend growth regardless of the U.S. economy's path. Insofar as a U.S. recession does occur, this should help utility stock price multiples as interest rates would most likely fall in a recessionary environment. Multiple expansion combined with earnings that can grow through a recession should provide support to the stock prices even in a difficult economic environment.*

They may not be as exciting as the current mania in artificial intelligence stocks, but we view the Utilities sector as a uniquely favorable risk/reward at this point in the economic cycle. They look attractive when viewed through a normalized earnings power lens while also incorporating the entire range of outcomes in either a constructive or difficult economic environment. They will display a resiliency in most economic/market outcomes that extremely high multiple growth stocks cannot."

To add some numbers around this: if small cap Utilities return to their long-term average price to book multiple from their current price to book multiple in four years, using round numbers, it would result in a ~6% annualized return from multiple expansion. Add to that ~4% annualized book value per share growth, plus a ~4% dividend yield, and the projected four-year total return for the group could be in the ~14% annualized range. Doing the same math for the Russell 2000 Index results in a ~9% annualized projected return over the next four years (0% for multiple change as it is trading at an average multiple, ~7.5% book value per share growth, and ~1.5% yield). The Utilities have a higher projected total return at ~14% annualized vs ~9% annualized for the index, and this comes with historical volatility that is typically 70% of the index. These are the types of good risk adjusted opportunities we look for: higher return with lower risk; and illustrates why Utilities are a large overweight relative to the benchmark and even more so relative to peers. There are many areas that have a similar setup to the Utilities sector, to varying degrees across the portfolio, leaving the overall portfolio with an attractive relative risk/reward profile on a go-forward basis.

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

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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 $4 billion at purchase. The strategy is typically invested 90%-100% in equity positions, and the number of holdings typically ranges between 60 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 7% 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 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.