

## Performance Comparison<sup>1</sup>

Periods Ended 12/31/25 (%)	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	S. I. <sup>1</sup>
DCM Mid Cap Value (gross)	1.51	10.44	10.44	13.94	13.01	11.56	11.77
DCM Mid Cap Value (net)	1.30	9.52	9.52	12.99	12.08	10.62	10.78
Russell Midcap Value	1.42	11.05	11.05	12.27	9.83	9.78	9.49

Periods greater than 1 year are annualized

<sup>1</sup>DCM inception was June 30, 2008

## Performance Summary

The DCM Mid Cap Value composite was up 1.51% (gross of fees) for the quarter ended December 31, 2025, compared with the Russell Midcap Value Index, up 1.42%.

The macro style backdrop was largely favorable this quarter driven by value style indexes outperforming growth indexes. Relative to the Russell Midcap Value index, the portfolio is significantly overweight the value factor, which was beneficial this quarter. In addition, the portfolio is underweight stocks with high price volatility, which also contributed to outperformance.

## Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Energy	4.8%	6.7%	-1.9%	4.7%	-2.1%	23 bps	40 bps
Consumer Staples	6.2%	5.8%	0.5%	5.7%	-0.1%	35 bps	36 bps
Real Estate	7.0%	8.9%	-1.9%	-1.7%	-5.0%	-16 bps	35 bps
Consumer Discretionary	7.9%	8.5%	-0.5%	1.0%	-2.7%	8 bps	33 bps
Financials	19.2%	16.9%	2.3%	2.1%	0.6%	42 bps	29 bps
Materials	4.6%	6.4%	-1.8%	8.6%	3.2%	37 bps	21 bps
Industrials	19.3%	17.6%	1.7%	1.8%	2.3%	33 bps	-8 bps
Communication Services	2.6%	3.5%	-0.8%	-0.3%	4.8%	-2 bps	-16 bps
Utilities	9.1%	7.3%	1.9%	-4.0%	-2.4%	-36 bps	-22 bps
Information Technology	7.8%	10.4%	-2.6%	3.5%	8.4%	31 bps	-51 bps
Health Care	8.1%	8.1%	0.0%	-0.7%	9.6%	-8 bps	-82 bps

(see disclosures)

The Energy sector was the best performing sector relative to the Russell Midcap Value index in the fourth quarter. The portfolio benefitted from being underweight a sector that underperformed the benchmark. Due to oversupply concerns, oil prices were down approximately 8% for the period leading to the benchmark's Energy sector being down -2.1%. Two of the portfolio's holdings, Permian Resources (PR) and Coterra Energy (CTRA), were up greater than 10% as both reported upside to production guidance as well as showing improved efficiency metrics. The company specific improvements allowed the stocks to outperform in a tough commodity environment.

The second best performing sector relative to the benchmark was Consumer Staples. While the portfolio was overweight a sector that underperformed, allocation was positive due to being overweight the Consumer Staples Distribution & Retail industry group. Positive stock selection was driven entirely by holding Dollar General (DG), up 29.3%, which was driven by better operating performance. The stock is discussed in more detail in the Top Contributors/Detractors section of this report.

The Health Care sector was the worst performing sector relative to the Russell Midcap Value index this quarter. The overall sector weight was in line with the benchmark. However, the portfolio was overweight the Health Care Equipment & Services industry group, which underperformed, and underweight the Pharmaceuticals, Biotechnology & Life Sciences industry group, which outperformed, leading to negative sector allocation. The benchmark's Health Care sector was the top returning sector this quarter. With four of the five portfolio holdings generating a negative return, stock selection was weak and the driver of underperformance. In general, the portfolio's four underperformers had weaker than expected revenues and lagged the market as investors sought positions in higher beta Biotechnology & Life Sciences stocks. The one standout for the portfolio in Health Care was Jazz Pharmaceuticals, up 29.0% in the quarter. The stock is discussed in more detail in the Top Contributors section of this report.

The second worst performing sector relative to the benchmark was Information Technology. Allocation was a detractor to performance as the portfolio was underweight the second best performing sector within the benchmark. Stock selection was the primary driver of underperformance with two holdings having negative returns for the quarter. Distributor Arrow Electronics (ARW) was down -8.9% and Littelfuse (LFUS) was down -2% after quarterly earnings reports failed to exceed expectations. In addition, several large weightings in the benchmark not owned contributed to significant relative underperformance. High expectations related to artificial intelligence (AI) spending drove memory stocks Sandisk (SNDK) and Western Digital (WDC) up 111.6% and 43.6%, respectively. Optical component makers Lumentum Holdings (LITE) and Ciena Corp (CIEN) were up 126.5% and 60.6%, respectively. The lack of exposure to over-earning stocks benefitting from AI capital spending expectations has been a headwind for the portfolio.

### Top 10 Contributors/Detractors

	Top 10 Contributors	Average % Weight	Contribution
1	JAZZ PHARMACEUTICALS PLC	2.62	67 bps
2	DOLLAR GENERAL CORP	2.07	55 bps
3	KNIGHT-SWIFT TRANSPORTATION	1.68	47 bps
4	MKS INC	1.45	36 bps
5	WESCO INTERNATIONAL INC	2.03	29 bps
6	DOVER CORP	1.72	27 bps
7	ASSURANT INC	2.03	23 bps
8	BANK OF NEW YORK MELLON CORP	2.88	20 bps
9	AVERY DENNISON CORP	1.63	19 bps
10	COTERRA ENERGY INC	1.51	18 bps

	Top 10 Detractors	Average % Weight	Contribution
1	ENCOMPASS HEALTH CORP	1.86	-33 bps
2	GATES INDUSTRIAL CORP PLC	1.72	-26 bps
3	PULTEGROUP INC	1.51	-18 bps
4	QUEST DIAGNOSTICS INC	1.84	-16 bps
5	ARROW ELECTRONICS INC	1.64	-16 bps
6	WR BERKLEY CORP	1.98	-14 bps
7	ZIMMER BIOMET HOLDINGS INC	1.46	-14 bps
8	XCEL ENERGY INC	1.71	-14 bps
9	THE CAMPBELL'S COMPANY	1.17	-13 bps
10	RAYMOND JAMES FINANCIAL INC	1.61	-12 bps

### **Selected Contributor(s) to Performance**

The largest contributing stock in the fourth quarter was Jazz Pharmaceuticals (JAZZ). JAZZ, a global pharmaceutical company with a strong focus on neurology and oncology, was up 29.0% in the quarter. Management posted strong results for the third quarter, with revenue up and beating estimates across much of the portfolio, which led to increased guidance for the fiscal year. This strong earnings announcement paired with heightened expectations around multiple FDA readouts expected over the near-term to create a rally in the stock. These expectations were well founded as the company's HERizon GEA readout in oncology demonstrated highly statistically significant improvements in its survival and safety profile. Along with a recent extension, and improvement of terms, with one of its Authorized Generics partners – seen as a threat to revenue due to introducing a generic version of its narcolepsy drug – the stock performed well as royalties are set to continue through 2029, versus prior expiration in 2026. The portfolio continues to hold JAZZ.

Dollar General (DG), a leading discount retailer, was the second highest contributor in the fourth quarter. The stock gained 29.3% during the quarter as the company's turnaround efforts continued to show meaningful progress following several years of operational missteps and negative publicity. The reinstatement of its former CEO marked a shift toward a "return to basics" strategy, emphasizing cleaner and more efficient stores, reducing shrink—primarily theft and product damage—and refining SKU assortments to improve inventory management and increase turnover while limiting the need for excessive promotions. These initiatives have contributed to better store traffic, stronger same store sales, and improving margin trends. With the operational foundation stabilizing, management has regained the confidence to resume the company's store growth strategy after pausing expansion last year to address internal challenges. The portfolio continues to hold DG.

### **Selected Detractor(s) from Performance**

Encompass Health (EHC), down -16.3% in the quarter, was the largest detractor in terms of performance. Encompass is one of the largest post-acute healthcare service providers offering facility-based services through its inpatient rehabilitation facilities (IRF) segment and home-based services through its home health and hospice segment. The company has benefited from the aging population and an increasing mix of higher acuity cases such as stroke and neurological patient. The company is also augmenting its growth through acquisitions or joint ventures of IRF locations. While the company modestly exceeded earnings expectations this quarter, the underlying slowdown in same-store discharge growth of 2.9% raised concern. The growth was the slowest discharge growth since the company began acquiring additional beds in mid-2022. The concern is that slowing growth becomes the norm rather than the exception, causing the stock to be re-rated with a lower valuation. The portfolio continues to hold the stock.

The second largest detracting stock was Gates Industrial (GTES), down -13.5%. Gates is a manufacturer of power transmission and fluid power products used in the automotive, industrial, and heavy-equipment markets. The company has been implementing restructuring initiatives and implementing enterprise resource planning to drive costs lower and focus the company on higher value add products. These initiatives, along with improving end markets, were expected to drive the company's goal of 23.5-25.5% EBITDA margins by 2026. In the quarter, the company pushed out expectations to now meet the EBITDA margin goal in 2027. This timing reset, combined with 2025 volumes coming in significantly behind expectations as auto, commercial truck, and agricultural markets all disappointed, led to a decline in the stock despite self-help initiatives remaining on track. The portfolio continues to hold Gates Industrial.

### **Current Positioning**

At the end of the quarter, the portfolio's largest overweight sectors relative to the benchmark are the Financials and Utilities sectors. The largest underweight sectors relative to the benchmark are the Information Technology and Real Estate sectors. Throughout the quarter, the portfolio weight increased the most in the Information Technology, Financials, and Materials sectors while decreasing the most in Real Estate, Health Care, and Industrials.

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After a slow start to the year, equity markets in 2025 were shaped by two dominant forces. First, companies committed substantial capital expenditures to expand artificial intelligence capabilities for 2025 and the years ahead. This wave of investment has had a broad impact across industries—including power generation, data center development, computer hardware, and telecommunications—as investors priced in the long term growth tied to AI infrastructure. These commitments helped drive a sharp rise in valuations, particularly for firms positioned to benefit directly from AI related spending.

Second, expectations that the Federal Reserve would begin lowering interest rates later in the year, supported by easing inflation and softening labor markets, further fueled market optimism. Anticipation of cheaper capital sparked strong gains in more speculative, lower quality, and capital intensive stocks, as investors bet on improved financing conditions.

As we enter 2026, valuations—especially among large cap growth companies—remain elevated. Investor concerns are rising that AI spending may fall short of lofty expectations and that the Fed now has less incentive to significantly reduce rates, given stabilizing inflation and employment. With many areas of the market looking stretched on valuation, we believe the environment favors high quality companies trading at more reasonable levels, particularly within smaller market capitalization segments. Encouragingly, in the final two months of 2025, market leadership broadened: small cap and value stocks outperformed large cap growth, and the S&P 500 Equal Weight Index outpaced its market cap weighted counterpart—both signs that reliance on the largest companies to drive returns may be diminishing.

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## 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®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Past performance does not guarantee 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 \$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 measures the performance of the mid-cap segment of the US equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap® Index represents approximately 27% of the total market capitalization of the Russell 1000® companies, as of the most recent reconstitution. The Russell Midcap Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true midcap opportunity set. The Russell Midcap® Value Index measures the performance of the midcap value segment of the US equity universe. It includes those Russell Midcap Index companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth, and lower sales per share historical growth (5 years). The Russell Midcap Value Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap value market. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true midcap value market. The indices are representative of a broader market and range of securities than are found in the portfolio. Index returns assume reinvestment of all distributions and do not reflect the deduction of taxes and fees. An individual cannot invest directly in an index; however, an individual can invest in exchange-traded funds or other investment vehicles that attempt to track the performance of a benchmark index. 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 12/31/24. A firm-wide verification was performed for the periods 7/1/08 through 12/31/24.*

### 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.