

**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 Small Cap Value (gross)	3.12	5.65	5.65	4.70	9.61	9.09	9.83
DCM Small Cap Value (net)	2.90	4.77	4.77	3.83	8.70	8.16	8.79
Russell 2000 Value	3.26	12.59	12.59	11.73	8.88	9.27	8.48

Periods greater than 1 year are annualized  
<sup>1</sup>DCM inception was June 30, 2008

**Performance Summary**

DCM Small Cap Value (“DCM SCV”) returned 2.90% (net of fees) compared with 3.26% for the benchmark, the Russell 2000 Value Index, for the quarter ending December 31, 2025.

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. These factors are expected to have the most significant impact on relative performance, aside from individual company fundamentals:

1. Volatility (DCM SCV is lower)
2. Leverage (DCM SCV is lower)
3. Profitability (DCM SCV is higher)
4. Growth (DCM SCV is higher)
5. Size (DCM SCV is lower)

Macro factors were mixed to slightly positive for the portfolio this quarter. Holding stocks with characteristics such as lower volatility, higher growth, lower valuations, and less leverage contributed positively to performance. However, these benefits were nearly offset by exposure to stocks with higher profitability, lower trading liquidity, and smaller market capitalization.

While macro factors remained mixed this quarter, they were far less of a headwind than they were for the full calendar year. In contrast to the combined impacts of the past few years—which were starkly negative—this quarter was considerably more subdued. The visual below from Seaport Research Partners illustrates that the factors typically favored by the DCM Small Cap Value portfolio—such as lower valuations, higher quality, lower volatility, higher dividend yield, and smaller market capitalization—were all in negative territory in 2025 when comparing first-quartile to fourth-quartile performance within each category.

**2025 Small Value Factor Performance  
 1<sup>st</sup> Quartile vs. 4<sup>th</sup> Quartile**



Source: Bloomberg, Seaport Research Partners

A prime example of a persistent headwind over the past few years has been market capitalization. The chart below highlights the dominance of the size factor since 2016. Larger market capitalization has been one of the strongest performing factors over the past decade, particularly in the last three years. Given DCM Small Cap Value’s smaller average market cap, this has been a significant headwind.

Bloomberg US Pure Size Factor Index:



The combination of large-cap stocks outperforming small-cap stocks and growth stocks outperforming value stocks has created an extreme valuation spread between large-cap growth and small-cap value stocks—one that rivals the tech bubble of the late 1990s. The chart below illustrates how stretched large-cap growth valuations have become relative to small-cap value. While one could argue that large-cap growth stocks potentially offer superior quality and growth profiles, it is difficult to deny that lofty expectations are already priced in. This dynamic creates an excellent opportunity for small-cap value stocks from a valuation perspective, especially as small-cap earnings are accelerating relative to large-cap earnings.

Russell 1000 Growth P/S vs Russell 2000 Value P/S:



The current environment presents a rare opportunity for DCM's style of investing. We have not seen such a favorable setup, at least on a relative basis, for high-quality, small-cap value stocks since the tech bubble of the late 1990s. One reason small-cap value stocks have historically outperformed the market is that, by definition, they tend to avoid bubbles. Given the stretched valuations of stocks leaning toward large-cap and growth, we believe maintaining greater style purity than most peers will be rewarded—similar to what occurred when the tech bubble burst and true small-cap value stocks rallied into the mid-2000s.

We remain confident that high-quality, small-cap value stocks can perform well over time and may be nearing a turning point, as the market's preference for lower-quality, large-cap growth stocks appears increasingly stretched and unsustainable.

## Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Information Technology	16.3%	8.2%	8.1%	14.5%	-4.5%	210 bps	242 bps
Consumer Discretionary	14.0%	10.1%	3.9%	8.8%	-1.8%	87 bps	105 bps
Energy	7.8%	7.1%	0.7%	18.0%	4.3%	128 bps	98 bps
Real Estate	3.2%	9.7%	-6.5%	-2.3%	-0.2%	-10 bps	12 bps
Financials	17.7%	25.9%	-8.2%	4.8%	3.5%	70 bps	5 bps
Consumer Staples	5.3%	1.7%	3.7%	1.5%	-4.0%	10 bps	1 bps
Utilities	4.8%	6.3%	-1.5%	-5.2%	-0.3%	-12 bps	-10 bps
Communication Services	0.0%	3.0%	-3.0%	0.0%	9.8%	0 bps	-20 bps
Materials	4.1%	5.1%	-1.0%	2.4%	10.1%	3 bps	-43 bps
Industrials	20.7%	12.7%	8.0%	-1.0%	0.6%	-18 bps	-61 bps
Health Care	3.1%	10.2%	-7.1%	-27.1%	19.9%	-115 bps	-284 bps

(see disclosures)

Information Technology and Consumer Discretionary were the top-performing sectors relative to the benchmark. IT's outperformance was driven by strong stock selection. Holdings in the power management and protection segment are showing early signs of a turnaround, contributing positively to performance. The Consumer Discretionary sector outperformed due to strong stock selection, particularly in the Consumer Durables & Apparel industry. Portfolio holdings in this area performed well, while the lack of exposure to weaker homebuilders and related companies also benefited performance.

Health Care and Industrials were the worst-performing sectors relative to the benchmark. Underperformance in Health Care was driven by subpar stock selection and an underweight position in an outperforming sector. A lack of exposure to biotech stocks detracted from performance, along with two fundamentally weak holdings discussed in the securities section below. Industrials lagged due to weaker stock selection compared to the benchmark, primarily because portfolio holdings in the Capital Goods industry gave back some of their strong gains from the previous quarter.

## Top 10 Contributors/Detractors

Top 10 Contributors		Average % Weight	Contribution
1	VIAVI SOLUTIONS INC	2.91	91 bps
2	HELMERICH & PAYNE	3.16	83 bps
3	ADVANCED ENERGY INDUSTRIES	3.30	76 bps
4	STEVEN MADDEN LTD	3.04	68 bps
5	YETI HOLDINGS INC	2.52	68 bps
6	BEL FUSE INC CL B	3.26	57 bps
7	INNOVEX INTERNATIONAL INC	2.42	40 bps
8	HEALTHCARE SERVICES GROUP	2.35	29 bps
9	JOHN B. SANFILIPPO & SON INC	2.36	26 bps
10	SAFETY INSURANCE GROUP INC	1.57	23 bps

	Top 10 Detractors	Average % Weight	Contribution
1	ACADIA HEALTHCARE CO INC	0.73	-67 bps
2	PERRIGO CO PLC	0.44	-38 bps
3	VISTEON CORP	1.07	-31 bps
4	MALIBU BOATS INC A	0.78	-26 bps
5	CHESAPEAKE UTILITIES CORP	2.66	-25 bps
6	ASTEC INDUSTRIES INC	1.84	-23 bps
7	MAXIMUS INC	1.99	-17 bps
8	PAPA JOHN'S INTL INC	0.76	-16 bps
9	VERRA MOBILITY CORP	1.29	-15 bps
10	REYNOLDS CONSUMER PRODUCTS INC	2.95	-15 bps

### Selected Contributor(s) to Performance

The top contributors to portfolio performance were Viavi Solutions (VIAV) and Helmerich & Payne (HP). VIAV, a manufacturer of test and measurement instruments for telecom and cable service providers as well as network equipment manufacturers, reported better-than-expected earnings. This was driven by strong demand from AI-driven data center buildouts and increased sales of the company's aerospace and defense products. HP, one of the largest contract oil and gas land drillers, reported earnings that indicate the KCA Duetag acquisition is starting to bear fruit. Cost synergies are flowing through, and the acquisition has increased HP's leverage to a stabilizing oil price. Both stocks remain significant holdings in the portfolio.

### Selected Detractor(s) from Performance

The stocks that detracted most from portfolio performance were Acadia Healthcare (ACHC) and Perrigo (PRGO). ACHC, a provider of behavioral and mental health services, continued to experience elevated costs associated with past legal issues, coupled with slowing demand. PRGO, one of the largest U.S. manufacturers of private-label over-the-counter consumer healthcare products, reported earnings below expectations, primarily due to a weaker-than-anticipated rebound in its infant formula segment. Despite activist involvement at ACHC and a strategic review at PRGO, both stocks were sold due to a widening range of outcomes and declining normalized earnings power.

### Current Positioning

The portfolio's largest overweight sectors relative to the benchmark are Information Technology and Industrials, while the largest underweight sectors are Health Care and Real Estate.

During the quarter, the Utilities and Consumer Staples sectors saw the greatest increase in portfolio weight as lower-volatility stocks became attractive on a valuation basis. Conversely, the Consumer Discretionary and Industrials sectors experienced the most significant decreases in weight as certain winners became expensive on a valuation basis.

As always, these relative sector weights reflect bottom-up investment opportunities rather than a top-down macroeconomic view of the market or economy. We remain focused on the fundamentals of the companies we own and the prices we pay for them. We are confident that the consistent application of our proven, disciplined investment 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®). 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 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 the performance of the small-cap segment of the US equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index which is designed to represent approximately 98% of the investable US equity market. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The Russell 2000® Value Index measures the performance of the smallcap value segment of the US equity universe. It includes those Russell 2000 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 2000 Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. 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.