DEAN | Capital Management

Mid Cap Value Commentary

Third Quarter 2026

Performance Comparison[1]

Periods Ended 9/30/26 (%)	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	S. I.[1]
DCM Mid Cap Value (gross)	-3.26	10.96	12.64	16.64	11.76	11.14	11.90
DCM Mid Cap Value (net)	-3.46	10.27	11.70	15.67	10.84	10.21	10.91
Russell Midcap Value	-1.98	15.25	16.89	17.50	9.26	9.93	9.93

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

Performance Summary

The DCM Mid Cap Value composite was up -3.26% (gross of fees) for the quarter ended September 30, 2026, compared with the Russell Midcap Value Index, down -1.98%.

Macro style factors were a modest headwind to performance relative to the Russell Midcap Value Index during the quarter. The largest detractors were the portfolio's lower exposure to market volatility and its greater exposure to companies with higher earnings variability. Relative to the benchmark, the portfolio maintained below-average exposure to higher-beta stocks, which detracted modestly from returns as riskier securities generally outperformed during the period. In addition, the portfolio's overweight exposure to companies with greater earnings variability was a negative contributor.

These headwinds were partially offset by the portfolio's value orientation. Relative to the benchmark, the strategy maintained a meaningful overweight to stocks with lower valuation multiples, which was the largest positive style factor contributor during the quarter. An underweight exposure to momentum also provided a modest benefit. Other factor exposures, including liquidity, profitability, dividend yield, growth, and leverage, had little impact on relative performance. Overall, the portfolio's factor positioning was a small detractor during the quarter, as positive contributions from valuation and momentum were more than offset by headwinds from volatility, earnings variability, and market capitalization.

Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Materials	7.1%	6.3%	0.8%	-0.2%	-4.7%	-3 bps	29 bps
Real Estate	6.7%	8.1%	-1.4%	-7.1%	-8.2%	-45 bps	16 bps
Consumer Staples	8.4%	5.7%	2.7%	-1.7%	-4.1%	-15 bps	15 bps
Consumer Discretionary	9.8%	7.9%	1.8%	-5.8%	-7.9%	-54 bps	14 bps
Utilities	8.6%	6.9%	1.8%	-10.6%	-12.9%	-94 bps	-1 bps
Industrials	17.5%	16.8%	0.7%	-8.9%	-9.4%	-163 bps	-1 bps
Communication Services	1.5%	2.6%	-1.1%	2.2%	1.5%	3 bps	-2 bps
Financials	17.0%	17.5%	-0.5%	-1.1%	-1.5%	-31 bps	-2 bps
Energy	4.3%	7.1%	-2.7%	9.9%	11.0%	38 bps	-35 bps
Information Technology	7.6%	10.4%	-2.8%	0.3%	5.0%	-16 bps	-78 bps
Health Care	9.2%	10.7%	-1.5%	6.0%	14.4%	48 bps	-97 bps

(see disclosures)

Materials was the best performing sector relative to the Russell Midcap Value Index during the third quarter. Outperformance was driven primarily by stock selection. While the portfolio was modestly overweight the sector, security selection accounted for the excess return as several holdings significantly outperformed both the benchmark and the sector. Avery Dennison (AVY), a global provider of labeling, packaging, and identification solutions, was among the largest contributors after delivering stronger-than-expected operating results and benefiting from improving demand trends across its end markets.

International Flavors & Fragrances (IFF), which develops ingredients used in food, beverage, health, and consumer products, also contributed positively as investors responded favorably to improving earnings expectations and margin recovery initiatives. The sector experienced a wide dispersion of returns during the quarter, with packaging and specialty materials companies generally performing well while several commodity-oriented chemical and metals businesses continued to face weaker end-market demand. Overall, the portfolio's exposure to higher quality, more defensively positioned materials companies proved beneficial relative to the benchmark.

Real Estate was the second best performing sector relative to the benchmark. Performance was driven primarily by sector allocation, as the portfolio was underweight a benchmark sector that underperformed during the quarter. Real estate securities remained pressured by concerns that interest rates could stay higher for longer as economic growth and inflation data remained resilient. Higher financing costs continued to weigh on property valuations and transaction activity across many commercial real estate categories. Stock selection also contributed positively, led by several holdings that outperformed their benchmark peers despite the challenging environment. Performance within the sector varied meaningfully across property types. Data center and infrastructure-oriented real estate businesses benefited from ongoing demand tied to artificial intelligence and cloud computing investments, while more traditional office and certain residential property categories generally lagged. As a result, the portfolio's underweight position, combined with favorable stock selection, generated positive relative performance.

Health Care was the worst performing sector relative to the Russell Midcap Value Index during the quarter. Both sector allocation and stock selection detracted from results. A significant headwind came from benchmark holdings that produced exceptionally strong returns and were not owned in the portfolio. Moderna (MRNA), for example, gained nearly 175% during the quarter, while Illumina (ILMN) and Veeva Systems (VEEV) advanced more than 55% and 60%, respectively. These outsized moves created a meaningful relative performance challenge. Within the portfolio, Jazz Pharmaceuticals (JAZZ) was the largest detractor across all holdings, down -3.9%. Although the company continues to maintain leading franchises in neuroscience and oncology, shares declined during the quarter as investors focused on growth expectations and competitive dynamics rather than the company's underlying fundamentals. The magnitude of performance dispersion across health care was unusually wide, with certain biotechnology and life sciences companies generating triple-digit returns while more established pharmaceutical companies delivered more modest results or declined, making security selection the primary driver of sector underperformance.

Information Technology was the second worst performing sector relative to the benchmark during the quarter. Sector allocation was the primary driver of the underperformance, as the portfolio remained underweight one of the benchmark's strongest-performing sectors. The underweight position was largely concentrated in the Software & Services industry group, which gained more than 21% during the period. Software & Services stocks rebounded following a sharp selloff earlier in the year, driven by concerns about the potential impact of Artificial Intelligence (AI) on their businesses. The portfolio's lone software holding, Cognizant Technology Solutions (CTSH), rose more than 49%. However, despite this strong performance, the stock's gain was not enough to offset the portfolio's underweight exposure to software stocks within the sector.

Top 10 Contributors/Detractors

	Top 10 Contributors	Average % Weight	Contribution
1	COGNIZANT TECHNOLOGY SOLUTIONS	1.92	56 bps
2	ENCOMPASS HEALTH CORP	2.19	38 bps
3	SS&C TECHNOLOGIES HOLDINGS INC	1.95	35 bps
4	REINSURANCE GROUP OF AMERICA	2.08	28 bps
5	PERMIAN RESOURCES CORP	1.56	20 bps
6	QUEST DIAGNOSTICS INC	1.98	18 bps
7	DEVON ENERGY CORP	1.62	18 bps
8	ULTA BEAUTY INC	1.24	17 bps
9	ARROW ELECTRONICS INC	2.31	15 bps
10	HASBRO INC	1.58	10 bps

	Top 10 Detractors	Average % Weight	Contribution
1	REGAL REXNORD CORP	1.37	-60 bps
2	KNIGHT-SWIFT TRANSPORTATION	1.73	-36 bps
3	MKS INC	0.16	-33 bps
4	LEVI STRAUSS & CO	1.39	-30 bps
5	DOVER CORP	1.62	-29 bps
6	L3HARRIS TECHNOLOGIES INC	1.49	-28 bps
7	MASCO CORP	1.54	-28 bps
8	AMEREN CORP	2.18	-26 bps
9	CENTERPOINT ENERGY INC	1.51	-25 bps
10	PULTEGROUP INC	1.31	-22 bps

Selected Contributor(s) to Performance

Cognizant Technology Solutions (CTSH) was the largest contributor to performance during the quarter, gaining 49.2%. Cognizant is a global information technology services and consulting company that helps clients modernize technology systems, migrate applications to the cloud, and implement digital and artificial intelligence (AI) solutions. The stock rebounded sharply during the quarter as investors gained confidence that demand for enterprise technology spending was improving and that Cognizant's investments in AI-related services would support future growth. During the quarter, management announced its own internal AI platform, Neuro AI Trust, designed to provide continuous governance and real-time assurance across all AI systems for enterprises. The company reported solid financial results, continued margin expansion, healthy bookings activity, and raised the midpoint of earnings guidance. As enthusiasm surrounding AI broadened beyond hardware providers and into software and IT services companies, Cognizant shares recovered a significant portion of their prior underperformance. The portfolio continues to hold the stock.

Encompass Health (EHC) was the second largest contributor, advancing 20.4%. Encompass Health is the largest owner and operator of inpatient rehabilitation hospitals in the United States. The company benefited from continued strong demand for post-acute rehabilitation services driven by an aging population, favorable patient volumes, and ongoing capacity expansion through new hospital openings and bed additions. During the year, Encompass reported revenue growth, expanding earnings, and raised full-year guidance, reinforcing investor confidence in the durability of its business model and long-term growth opportunities. The portfolio continues to hold the stock.

Selected Detractor(s) from Performance

Regal Rexnord (RRX) was the largest detractor during the quarter, declining -34.7%. Regal Rexnord manufactures electric motors, motion control products, power transmission systems, and automation solutions for industrial applications. Despite reporting generally solid operating results and benefiting from demand tied to data centers, automation, and electrification markets, shares declined as investors became concerned about slowing activity in several industrial end markets, ongoing weakness in residential HVAC and pool-related markets, and questions surrounding the pace of future earnings growth. The stock's valuation compressed as investors shifted away from cyclical industrial companies despite largely stable business fundamentals. The portfolio continues to hold the stock.

Knight-Swift Transportation (KNX) declined -18.1% during the quarter. Knight-Swift is one of North America's largest truckload transportation and logistics providers. Although the company reported earnings above expectations and continued improvement in profitability, investors remain concerned about the timing and sustainability of a broader recovery in the freight market. Freight demand, pricing, and shipment volumes have remained uneven, leading investors to question whether current earnings expectations fully reflect underlying industry conditions. In addition, diesel prices reached an all-time high during the quarter, creating concerns about pressure on profit margins and the potential impact on freight demand and pricing. The portfolio continues to hold the stock.

Current Positioning

At the end of the quarter, the portfolio's largest overweight sectors relative to the benchmark are Consumer Staples and Consumer Discretionary. The largest underweight sectors relative to the benchmark are the Information Technology and Energy sectors. Throughout the quarter, which includes market changes, the portfolio weight increased the most in the Financials, Consumer Discretionary, and Health Care sectors while decreasing the most in the Industrials, Information Technology, and Utilities sectors. The most weight was purchased in the Financials and Consumer Discretionary sectors while the most weight was sold out of the Information Technology and Industrials sectors.

We continue to find attractive opportunities among high-quality businesses trading at reasonable valuations, particularly in areas of the market where investor sentiment remains cautious and fundamentals remain intact. Within Consumer Staples and Consumer Discretionary, we see opportunities to invest in companies with durable brands, strong market positions, and disciplined capital allocation that are trading below our estimates of fair value.

In the Information Technology and Energy sectors, we believe prospective returns are generally less compelling relative to the risks and valuations available elsewhere in the market. Our investment process remains driven by bottom-up security selection, with a focus on valuation, business quality, and downside risk rather than benchmark composition.

The current environment presents both challenges and opportunities. While economic activity has remained resilient, elevated inflation over the past several years has continued to pressure household budgets and discretionary spending. Consumer-oriented companies have faced varying degrees of demand softness, trade-down behavior, and heightened sensitivity to pricing. These concerns have weighed on the share prices of many otherwise high-quality businesses and, in our view, have created attractive long-term investment opportunities for patient investors. We believe many of these companies remain well positioned to navigate a slower spending environment through strong brands, scale advantages, and healthy balance sheets.

From a factor perspective, the portfolio maintains its largest overweight exposure to value and, to a lesser extent, dividend yield. Conversely, the strategy remains significantly underweight market beta, earnings variability, growth, and larger-capitalization stocks relative to the benchmark. We believe this positioning is well suited to an environment characterized by economic uncertainty, elevated market valuations in select areas, and continued volatility in investor expectations.

While short-term market outcomes remain difficult to predict, we believe long-term returns are driven by owning high-quality businesses purchased at attractive valuations. We remain committed to our disciplined investment process and believe the portfolio's emphasis on value, quality, and lower volatility positions it well to generate attractive risk-adjusted returns over a full market cycle.

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.

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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 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 12/31/25. A firm-wide verification was performed for the periods 7/1/08 through 12/31/25. Data subsequent to 8/31/26 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.