DEAN Capital Management

Small 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 Small Cap Value (gross)	-5.42	16.01	19.62	11.77	8.15	9.02	10.30
DCM Small Cap Value (net)	-5.63	15.29	18.64	10.84	7.25	8.11	9.26
Russell 2000 Value	-4.91	16.96	20.77	17.93	7.80	9.40	9.05

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

Performance Summary

DCM Small Cap Value ("DCM SCV") returned -5.63% (net of fees) compared with -4.91% for the benchmark, the Russell 2000 Value Index, for the quarter ending September 30, 2026.

According to Bloomberg Risk data, the portfolio's most meaningful risk-factor exposures relative to the Russell 2000 Value Index at quarter-end are summarized below. Aside from individual company fundamentals, these exposures are expected to have the greatest influence on relative results:

1. Volatility – DCM SCV is lower
2. Profitability – DCM SCV is higher
3. Leverage – DCM SCV is lower
4. Liquidity – DCM SCV is lower
5. Dividend Yield – DCM SCV is higher

Style factors contributed positively to relative performance during the quarter. The portfolio's lower-volatility positioning was the largest positive factor contributor, followed by its lower valuations and lower leverage exposures versus the benchmark. Higher dividend yield also provided a modest benefit. These gains were partially offset by lower liquidity and, to a lesser extent, the portfolio's profitability exposure. Overall, favorable factor positioning helped performance but was more than offset by unfavorable industry positioning.

Much of the unfavorable industry effect came from rate-sensitive areas of the market. The pace of the increase in interest rates weighed on utilities, homebuilders, and auto-related companies, where the portfolio had meaningful exposure. At the same time, signs of strain began to emerge in the credit markets, as yields on CCC-rated bonds widened substantially relative to higher-quality high-yield bonds. Lower-quality borrowers appear to be having a harder time as tighter financial conditions work their way through the economy. Against this backdrop, we believe the portfolio's emphasis on high-quality companies with sound balance sheets, durable cash flows, and limited reliance on external financing is particularly important.

Sector Drivers

GICS Sectors	Average Weight			Stock Level Returns		Portfolio Impact	
	Port	Bench	Active	Port	Bench	Contribution	Attribution
Health Care	6.2%	11.3%	-5.1%	26.9%	2.1%	140 bps	90 bps
Communication Services	2.4%	2.5%	-0.1%	33.1%	-9.2%	63 bps	89 bps
Financials	29.8%	28.9%	0.9%	-3.7%	-5.0%	-104 bps	37 bps
Utilities	9.7%	5.3%	4.4%	-2.8%	-6.5%	-16 bps	32 bps
Real Estate	4.2%	9.4%	-5.2%	-12.3%	-8.2%	-42 bps	2 bps
Materials	4.2%	4.0%	0.2%	-4.6%	-2.4%	-33 bps	-14 bps
Information Technology	2.9%	7.0%	-4.1%	-20.4%	-9.5%	-86 bps	-30 bps
Industrials	16.1%	12.3%	3.8%	-10.7%	-9.2%	-178 bps	-39 bps
Consumer Discretionary	7.2%	9.6%	-2.4%	-20.5%	-11.8%	-170 bps	-64 bps
Consumer Staples	7.9%	2.3%	5.6%	-15.6%	-7.0%	-105 bps	-80 bps
Energy	6.0%	7.4%	-1.4%	5.9%	14.6%	-5 bps	-89 bps

(see disclosures)

Health Care and Communication Services were the largest positive contributors to relative performance. Health Care benefited from strong stock selection, led by Haemonetics (HAE), while Addus HomeCare (ADUS) also contributed. Communication Services benefited primarily from Magnite (MGNI), along with the portfolio's lack of exposure to the weak telecommunications services industry.

Magnite benefited from growing optimism that remedies arising from the Google ad-tech antitrust case could create a fairer advertising-auction environment. These changes could reduce Google's structural advantages, improve Magnite's auction win rates, and shift additional advertising spending toward independent platforms. If that plays out, it could strengthen Magnite's competitive position and improve its longer-term growth outlook.

Energy and Consumer Staples were the largest relative detractors. Energy lagged because the portfolio's holdings did not keep pace with higher oil-beta companies as oil prices increased sharply during the quarter. Consumer Staples was hurt by both the portfolio's overweight position and weak stock selection, including declines in John B. Sanfilippo & Son (JBSS) and Reynolds Consumer Products (REYN), where input cost pressures weighed on results.

Top 10 Contributors/Detractors

	Top 10 Contributors	Average % Weight	Contribution
1	HAEMONETICS CORP	3.31	119 bps
2	MAGNITE INC	2.41	63 bps
3	KARAT PACKAGING INC	1.19	49 bps
4	KFORCE INC	3.37	36 bps
5	SAFETY INSURANCE GROUP INC	1.40	36 bps
6	ADDUS HOMECARE CORP	2.89	21 bps
7	WORLD KINECT CORP	3.06	21 bps
8	CHESAPEAKE UTILITIES CORP	2.36	14 bps
9	J & J SNACK FOODS CORP	2.27	12 bps
10	1ST SOURCE CORP	2.06	8 bps

	Top 10 Detractors	Average % Weight	Contribution
1	HEARTLAND EXPRESS INC	2.56	-76 bps
2	JOHN B SANFILIPPO & SON INC	2.87	-61 bps
3	WERNER ENTERPRISES INC	2.08	-54 bps
4	PROG HOLDINGS INC	1.48	-50 bps
5	REYNOLDS CONSUMER PRODUCTS INC	2.42	-49 bps
6	KB HOME	1.62	-47 bps
7	SELECTIVE INSURANCE GROUP INC	3.28	-42 bps
8	KONTOOR BRANDS INC	1.07	-40 bps
9	YETI HOLDINGS INC	1.99	-35 bps
10	COHU INC	1.00	-33 bps

Selected Contributor(s) to Performance

The largest contributors to portfolio performance were Haemonetics (HAE) and Magnite (MGNI). Haemonetics, a medical technology company focused on blood and plasma collection and management, rose after entering into a new supply agreement with a former major customer. The agreement creates the potential for meaningful additional revenue at attractive margins over time. Magnite, an independent advertising technology platform, benefited from strong connected television growth, improving profitability, continued international expansion, and the potential benefits of changes to Google's ad-tech practices.

Selected Detractor(s) from Performance

The largest detractors were Heartland Express (HTLD) and John B. Sanfilippo & Son (JBSS). Heartland Express, a short-to-medium haul truckload carrier, continued to face weak freight demand and elevated operating costs. Recent profitability was supported by asset-sale gains rather than a meaningful improvement in the underlying business, diminishing the quality of the earnings beat. John B. Sanfilippo, a processor and distributor of nuts and snack products, was pressured by soft volumes and a leadership transition, although pricing actions helped support revenue.

Current Positioning

The portfolio's largest sector overweights relative to the benchmark are Industrials and Utilities, while its largest underweights are Real Estate and Health Care. During the quarter, we increased exposure to Energy and Industrials, while reducing exposure to Consumer Staples and Utilities. These changes were driven primarily by company-specific risk/reward considerations rather than broad top-down sector views.

The current environment has become more difficult for rate-sensitive businesses, as higher interest rates pressure financing costs, demand, and valuations. In response, we have reduced the portfolio's interest-rate sensitivity, including exposure to utilities, homebuilders, and auto-related companies. We are also seeing signs of strain in the credit markets, particularly among lower-quality borrowers. Given that backdrop, we continue to emphasize high-quality companies with sound balance sheets, durable cash flows, and limited reliance on external financing.

Balance-sheet strength and financing needs have become increasingly important in our stock-selection process. Companies that rely on frequent refinancing or continued access to inexpensive capital may have a harder road ahead as borrowing costs rise and lenders become more selective. Businesses that generate sufficient cash internally and carry manageable debt should be better equipped to work through a more restrictive environment. In some cases, they may also be in a position to take advantage of difficulties at less well-capitalized competitors.

Reducing interest-rate sensitivity does not mean walking away from defensive businesses. It means being more selective about valuation, leverage, financing requirements, and the extent to which higher rates could affect a company's earnings and cash flows. Our focus is on understanding how the companies we own are likely to perform across a reasonable range of economic and interest-rate environments.

As always, our sector weights reflect bottom-up investment opportunities rather than a broad top-down view. We remain focused on the fundamentals of the businesses we own, the strength of their balance sheets, and the prices we pay. We believe that consistently applying this disciplined approach should produce favorable outcomes 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 small cap 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 12/31/25. 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

Patrick J. Krumm
Founding Member/
Director of Institutional Sales

7400 W. 130th St., Suite 350
Overland Park, KS 66213

pkrumm@deancapmgmt.com
913-944-4452
www.deancapmgmt.com

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.