

Company Profile

- The Capital Management Corporation (CMC) is an investment boutique managing institutional and high net worth client portfolios.
- Our investment strategies include All-Cap Growth, Alpha, Balanced G&I, Core, Dividend Appreciation, Focus, Growth & Income, SMID, and SRI.
- Bottom-up stock selection process with all-cap growth emphasis.
- Long track record, GIPS® compliant since 1995.
- Investment team includes Timothy C. Call, CFA, MBA, CIO & Mark W. Livesay, CFA.
- Wealth management team includes Bradley D. Shiveley, MBA, Preston S. Smith and Kenneth L. Walker, MBA.
- Assets under management \$509 million.

Investment Process

- Investment research starts with a universe of over 3,000 companies run through a proprietary quantitative screening system.
- Primary emphasis is placed on growth of earnings, cash flow and economic margin. Profitability is assessed on excess cash generation per unit of capital base.
- Relative comparison among companies in many industries after adjusting for differing accounting policies, asset life, mix of age, inventory methods and capital structure.
- Emphasis on company business lines, strategy and competitive advantages enabling pricing power and strong profit margins.
- Evaluation of company management including trustworthiness and decision-making track record.
- Apply valuation disciplines as entry price affects investment return.

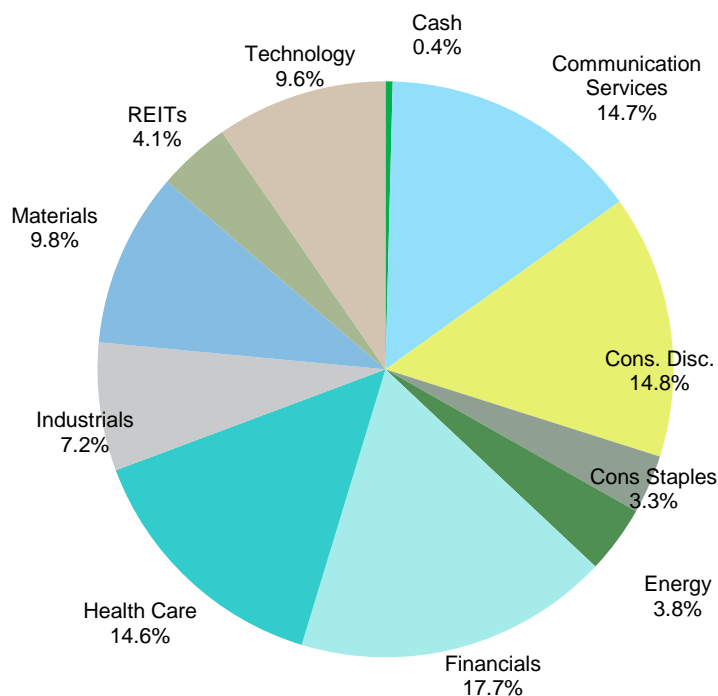
Investment Style

- Invest in stocks of companies with above average growth prospects, improving business conditions and enduring competitive advantages.
- Small, mid, and large capitalization stocks are all considered. Selection is focused on finding the best future performing stocks regardless of market capitalization.

Portfolio Attributes

- Approximately 28 to 40 stocks with growing operating cash flow and free cash flow.
- Strong earnings track record. Earnings growth greater than the S&P 500.
- Positive earnings revisions and earnings surprises.
- Positive organic revenue growth, pricing power and increasing market share.
- High cash return on invested capital.
- Mutual funds and exchange traded funds (ETFs) can be utilized.
- Large sector weights are typically within 50% of the S&P 500 or growth indices.

Sector Diversification



Portfolio Characteristics

Number of Holdings	32
Dividend Yield (%)	2.6
Wtd. Avg. Market Cap (\$ Billions)	42.7
Price/Book	5.7
Price/Cash Flow	13.0
Current P/E	21.3
Forward P/E	16.1
Historical EPS Growth (5 Years)	5.2

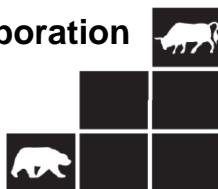
Volatility Measurements (3 Years Annualized Gross)

Beta	1.1
Alpha	-5.5
Standard Deviation	16.6

Market Capitalization	Large Cap (>\$10B)	Mid Cap (\$2B-\$10B)	Small Cap (<\$2B)
12/31/2019	33%	32%	35%
09/30/2019	40%	32%	28%
06/30/2019	47%	31%	22%
03/31/2019	44%	38%	18%

The Capital Management Corporation

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CMC All Cap Growth Strategy

Fourth Quarter 2019
Fact Sheet

Style Positives

- Growth stocks have provided attractive returns over long investment periods and can provide higher rates of return than many other styles.
- Growth portfolios can be compounded at higher rates of return.
- Portfolio can benefit from opportunities created by divergence between large, mid and small capitalization stocks.
- Active participation in overall economic growth and trends.
- Strong revenue, earnings and cash flow growth are signs of a healthy company.
- Stocks tend to benefit from increasing earnings and PE multiple expansion, which should lead to rising stock prices and stock splits.

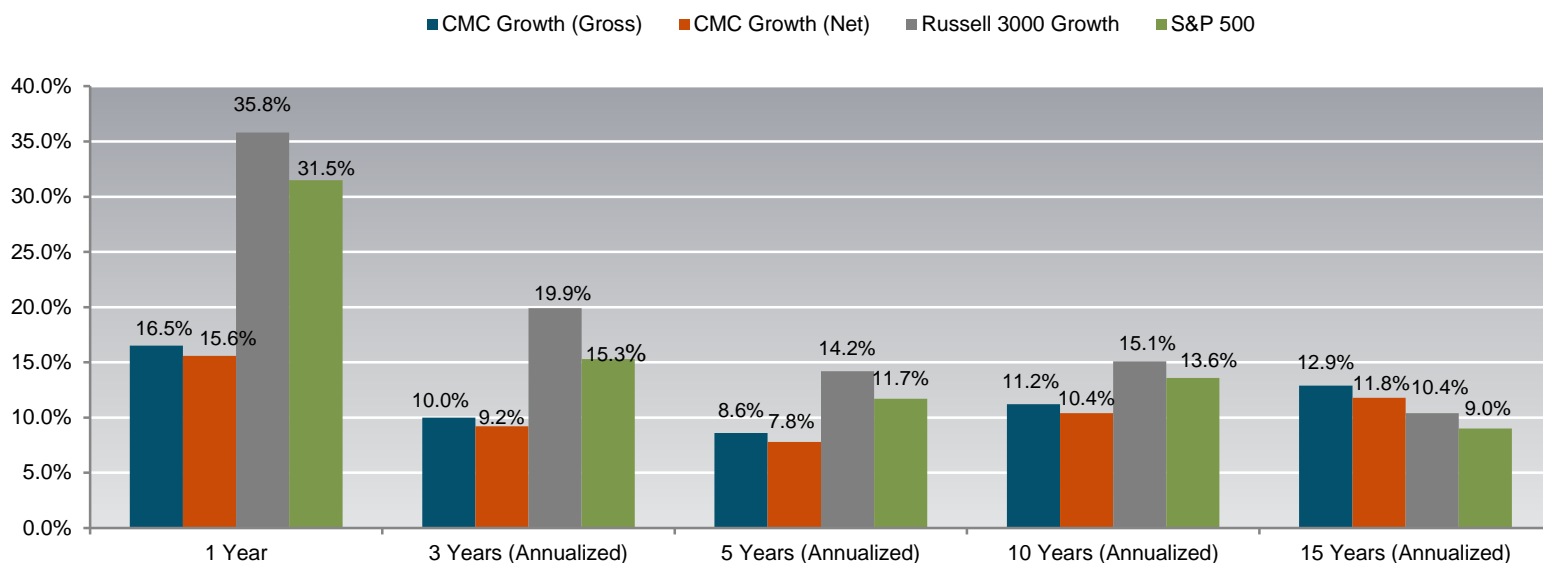
Sell Disciplines

- Overvaluation on CMC's proprietary valuation model.
- Deterioration in fundamentals.
- Loss of confidence in management.
- If stock declines 15% from purchase price, it is reassessed.
- If stock underperforms the benchmark by 20%, it is reassessed.

Top Ten Holdings	% of Portfolio	Symbol	Sector
Greenhill & Company	6.9%	GHL	Financials
Albemarle	5.4%	ALB	Materials
Supernus Pharmaceuticals	5.2%	SUPN	Health Care
Exelixis	4.7%	EXEL	Health Care
Livent	4.4%	LTHM	Materials
Service Properties Trust	4.1%	SVC	REITs
InterDigital	4.0%	IDCC	Technology
Sinclair Broadcast Group	4.0%	SBGI	Comm Svcs
Norwegian Cruise Line	3.9%	NCLH	Cons Disc
Interpublic Group	3.9%	IPG	Comm Svcs

CMC All Cap Growth Performance Returns as of December 31, 2019

Strategy Inception: 7/31/1995



Annual Performance	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
CMC Growth (Gross)	16.5%	-8.6%	25.0%	18.6%	-4.4%	6.9%	36.6%	17.3%	-4.0%	17.0%
CMC Growth (Net)	15.6%	-9.3%	24.1%	17.7%	-5.1%	6.0%	35.3%	16.5%	-4.5%	16.4%
Russell 3000 Growth	35.8%	-2.1%	29.6%	7.4%	5.1%	12.4%	34.2%	15.2%	2.2%	17.7%
S&P 500	31.5%	-4.4%	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%

Disclosures: Composite includes Equity + Cash of non-restrictive discretionary accounts. The portfolio's investment objectives focus on long-term growth provided by the U.S. capital markets. Investments include small, mid and large-capitalization stocks approved by the Advisor. Inception date of All Cap Growth Composite is 7/31/1995.

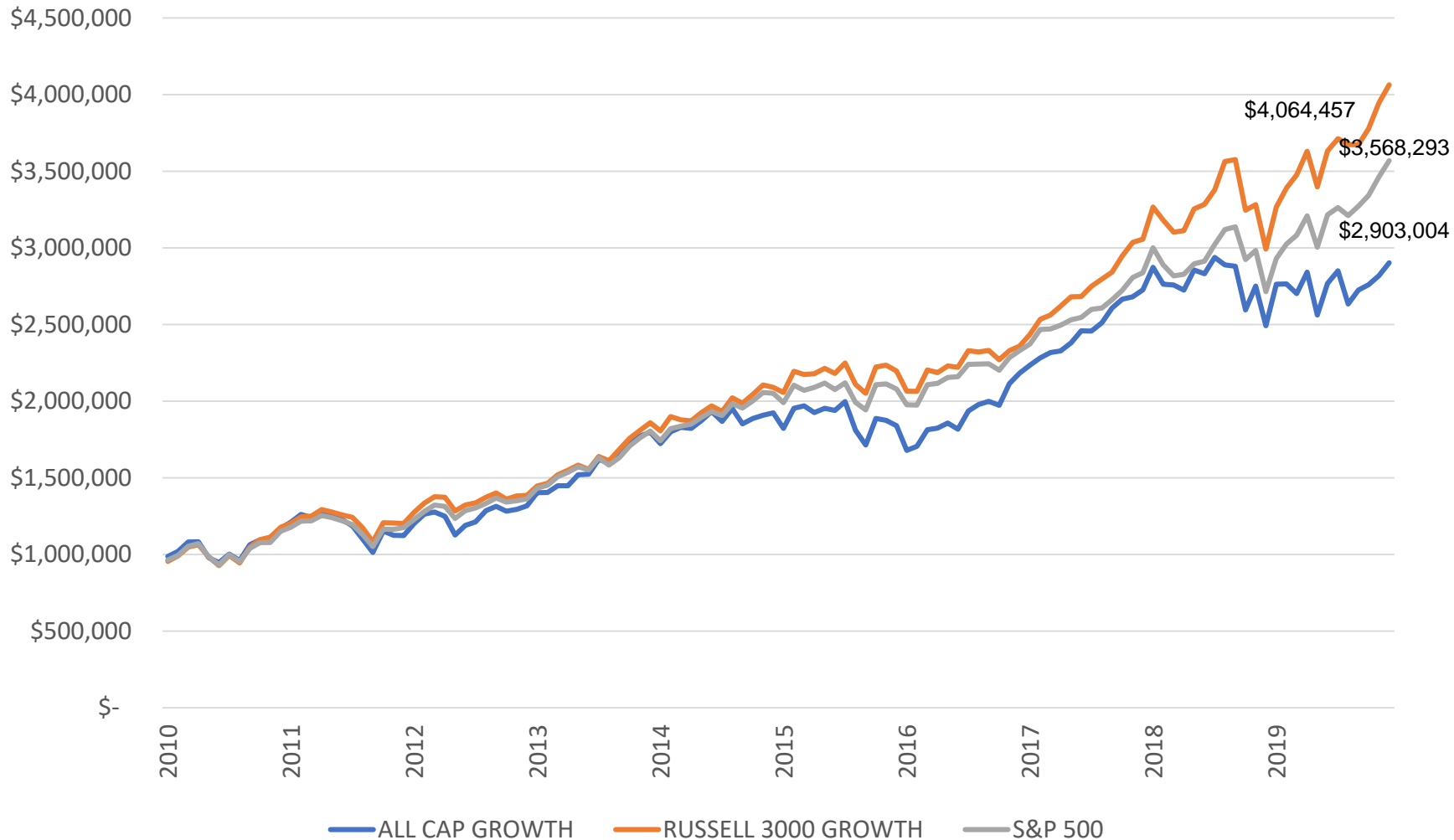
The Capital Management Corporation (the FIRM) claims compliance with the Global Investment Performance Standards (GIPS®). The firm has been verified through 12/31/2017. All results are time weighted and returns are in US Dollars. Past performance is not to be construed as a guarantee of future performance. Compliant presentations and/or the firm's list of composite descriptions are available upon request.

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ALL CAP GROWTH Composite Returns (Gross)

12/31/2009-12/31/2019

Growth of \$1,000,000



All Cap Growth Composite For the years ended December 31, 2010 through 2019

Year	Performance		Russell 3000 Growth	3 Year Standard Deviation Composite	3 Year Standard Deviation Index	Number of Accounts	Wrap Accounts % of Assets	Composite Dispersion	Composite Assets \$MM	Firm Assets \$MM
	Gross %	Net %								
2019	16.5	15.6	35.8	15.7	13.2	37	0	0.5	45.8	509
2018	(8.6)	(9.3)	(2.1)	13.8	12.3	50	7	1.1	56.6	433
2017	25.0	24.1	29.6	13.8	12.8	49	8	1.5	60.7	469
2016	18.6	17.7	7.4	14.8	14.0	49	13	2.4	47.5	389
2015	(4.4)	(5.1)	5.1	13.7	13.3	10	18	0.8	19.8	344
2014	6.9	6.0	12.4	12.3	12.5	≤5	72	n/m	4.2	418
2013	36.6	35.3	34.2	15.6	17.2	≤5	26	n/m	4.0	386
2012	17.3	16.5	15.2	18.2	18.9	≤5	42	n/m	2.3	275
2011	(4.0)	(4.5)	2.2	21.5	22.5	≤5	3	n/m	32.6	261
2010	17.0	16.4	17.7	n/a	n/a	≤5	3	n/m	34.2	258

The Capital Management Corporation claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Capital Management Corporation has been independently verified for the periods 1 January 1997 through 31 December 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The All Cap Growth Composite has been examined for the periods 1 January 2007 through 31 December 2017. The verification and performance examination reports are available upon request.

Notes:

1. The Capital Management Corporation is an independent investment management SEC registered firm and is not affiliated with any other entity. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
2. The All Cap Growth Composite includes fully discretionary equity accounts which seek long-term growth using a diversified portfolio. Investments may include small, mid and large capitalization stocks with above average growth prospects. The minimum account size is \$100,000. Prior to September 2016, the minimum was \$500,000, and prior to January 2016, the minimum was \$1.0 million.
3. The benchmark is the Russell 3000 Growth Index.
4. Valuations are computed and performance is reported in US Dollars.
5. Total gross-of-fee returns are presented before management fees but after all trading expenses and all wrap fees (which may include custody fees, investment management fees, trading expenses and client reporting fees) if applicable. Total net of fee returns are calculated using actual fees. The Capital Management Corporation's current fee schedule is 1.00% on the first million in assets, 0.70% on the next four million, and 0.50% on the excess over five million.
6. The composite was created on August 1, 1995. A complete list of composite descriptions is available upon request.
7. Composite dispersion is measured by the asset-weighted standard deviation of annual gross returns of those portfolios that were in the composite for the full calendar year. Where such portfolios number five or fewer, the standard deviation calculation would not be meaningful and that is indicated (n/m). Three-year standard deviation for both the composite and the benchmark index are shown beginning in 2011 in compliance with GIPS standards.
8. Past performance is not to be construed as a guarantee of future performance.