

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

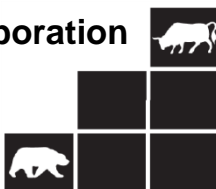
- Invest in stocks of companies with above average growth prospects, improving business conditions and enduring competitive advantages.
- Each holding pays a dividend with most increasing annually.
- Portfolio turnover can be below 25% due to a long-term investment horizon and the desire to limit capital gains taxes.
- Capital gains will be taken to limit portfolio downside risk and increase diversification.

Portfolio Attributes

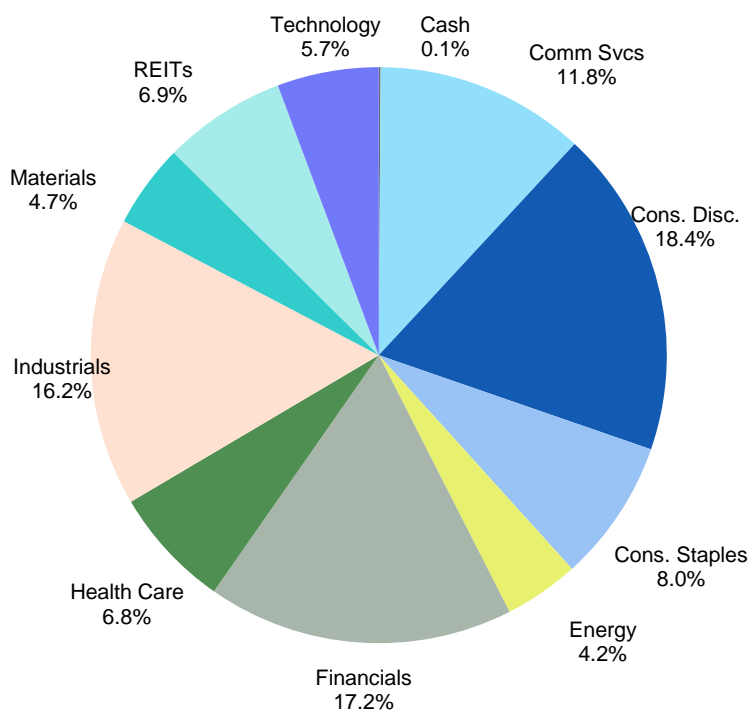
- 25 to 40 stocks with strong operating cash flow and free cash flow.
- All holdings pay dividends. Most dividend yields exceed that of the S&P 500 and are expected to increase in the future.
- Average dividend yield is greater than or equal to 3%.
- Potential for price-to-earnings (P/E) multiple expansion.
- Expectation of revenue and earnings growth.
- Mutual funds and exchange traded funds (ETFs) can be utilized.
- Large sector weights are typically within 50% of the S&P 500 Index.

The Capital Management Corporation

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Sector Diversification



Portfolio Characteristics

| | |
|------------------------------------|------|
| Number of Holdings | 30 |
| Dividend Yield (%) | 4.0 |
| Wtd. Avg. Market Cap (\$ Billions) | 35.8 |
| Price/Book | 3.6 |
| Price/Cash Flow | 7.0 |
| Current P/E | 17.8 |
| Forward P/E | 14.3 |
| Historical EPS Growth (5 Years) | 5.7 |

Volatility Measurements (3 Years Annualized Gross)

| | |
|--------------------|------|
| Beta | 0.9 |
| Alpha | -5.4 |
| Standard Deviation | 14.1 |

| Market Capitalization | Large Cap (>\$10B) | Mid Cap (\$2B-\$10B) | Small Cap (<\$2B) |
|-----------------------|--------------------|----------------------|-------------------|
| 12/31/2019 | 49% | 26% | 25% |
| 09/30/2019 | 50% | 27% | 23% |
| 06/30/2019 | 55% | 24% | 21% |
| 03/31/2019 | 57% | 28% | 15% |

CMC Growth & Income Strategy

Fourth Quarter 2019
Fact Sheet

Style Positives

- Income stocks provide a recurring stream of cash dividends to investors.
- Growth stocks tend to rise in value faster than inflation over time.
- Growth & Income stocks provide a rising stream of above average cash dividends.
- Above average dividend yields tend to provide a cushion of safety in weak markets.
- Diversification across many economic sectors can lower portfolio risk.
- Steadier returns than many other investment styles over time due to lower volatility and higher recurring dividends.

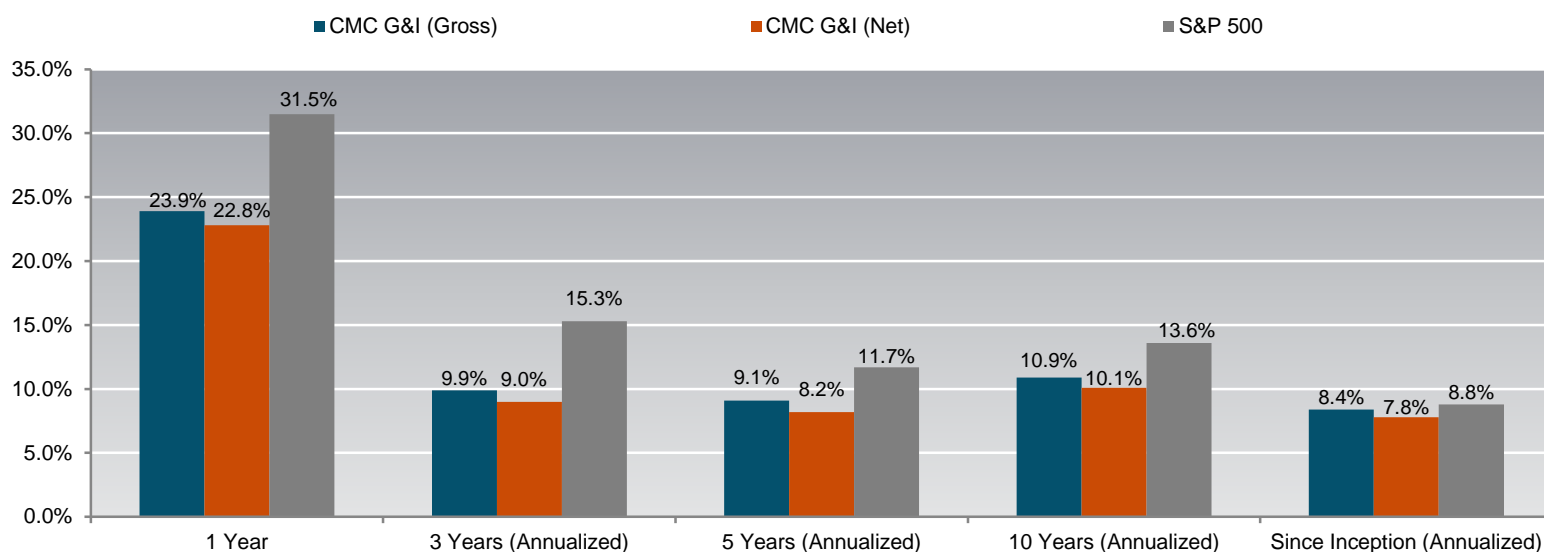
Sell Disciplines

- 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 | 5.1% | GHL | Financials |
| Albemarle | 4.7% | ALB | Materials |
| B&G Foods | 4.6% | BGS | Cons Stpls |
| Royal Caribbean Cruises | 4.3% | RCL | Cons Disc |
| Las Vegas Sands | 4.3% | LVS | Cons Disc |
| Nordstrom | 4.2% | JWN | Cons Disc |
| Goldman Sachs Group | 4.2% | GS | Financials |
| Schlumberger | 4.2% | SLB | Energy |
| Sinclair Broadcast Group | 4.1% | SBGI | Comm Svcs |
| Principal Financial Group | 4.1% | PFG | Financials |

CMC Growth & Income Performance Returns as of December 31, 2019

Strategy Inception: 12/31/2006



| Annual Performance | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|-----------------------------|-------|--------|-------|-------|-------|-------|-------|-------|------|-------|
| CMC Growth & Income (Gross) | 23.9% | -9.6% | 18.5% | 24.5% | -6.5% | 7.6% | 28.4% | 10.1% | 3.1% | 16.6% |
| CMC Growth & Income (Net) | 22.8% | -10.3% | 17.5% | 23.6% | -7.2% | 6.8% | 27.6% | 9.4% | 2.4% | 15.8% |
| S&P 500 | 31.5% | -4.4% | 21.8% | 12.0% | 1.4% | 13.7% | 32.4% | 16.0% | 2.1% | 15.1% |

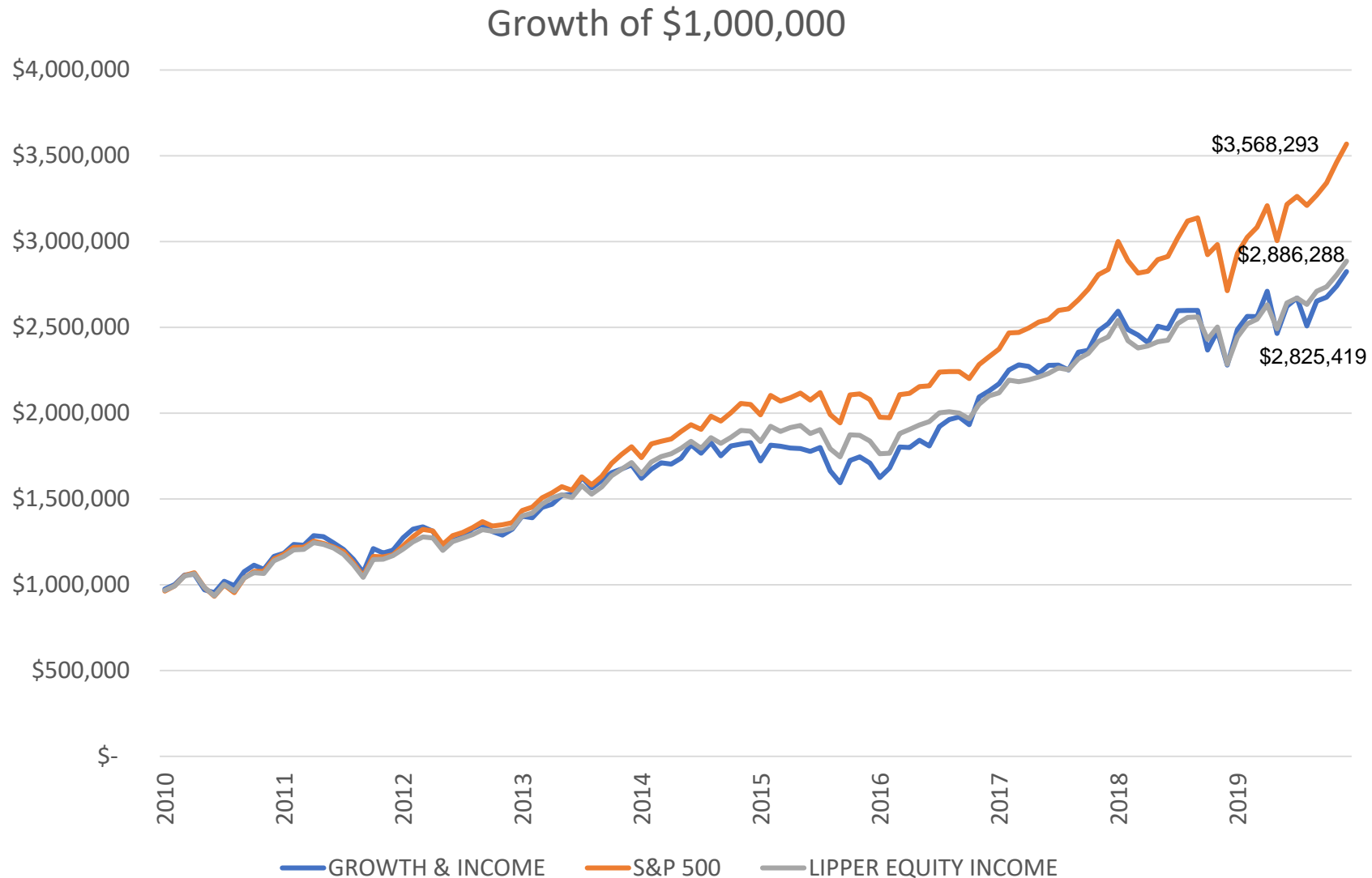
Disclosures: Composite includes Equity + Cash of non-restrictive discretionary accounts. The portfolio's investment objectives focus on long-term growth with an income bias provided by the U.S. capital markets. Investments include small, mid and large-capitalization stocks approved by the Advisor. Inception date of Growth & Income Composite is 12/31/2006.

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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GROWTH & INCOME Composite Returns (Gross)

12/31/2009-12/31/2019



Growth & Income Composite For the years ended December 31, 2010 through 2019

| Year | Performance | | S & P 500 | 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 | Non Fee Paying % |
|------|-------------|--------|-----------|-------------------------------------|---------------------------------|--------------------|---------------------------|----------------------|-----------------------|------------------|------------------|
| | Gross % | Net % | | | | | | | | | |
| 2019 | 23.9 | 22.8 | 31.5 | 14.4 | 11.9 | 77 | 10 | 0.5 | 90.9 | 502 | 2 |
| 2018 | (9.6) | (10.3) | (4.4) | 12.9 | 10.8 | 70 | 12 | 1.8 | 73.2 | 433 | 3 |
| 2017 | 18.5 | 17.5 | 21.8 | 12.6 | 12.3 | 80 | 11 | 1.7 | 94.4 | 469 | 2 |
| 2016 | 24.5 | 23.6 | 12.0 | 13.3 | 13.4 | 79 | 14 | 1.7 | 90.2 | 389 | 0 |
| 2015 | (6.5) | (7.2) | 1.4 | 12.2 | 12.8 | 45 | 6 | 0.9 | 58.1 | 344 | 0 |
| 2014 | 7.6 | 6.8 | 13.7 | 11.2 | 11.7 | 27 | 15 | 0.8 | 40.8 | 418 | 0 |
| 2013 | 28.4 | 27.6 | 32.4 | 13.9 | 16.6 | 19 | 22 | 1.3 | 33.5 | 386 | 0 |
| 2012 | 10.1 | 9.4 | 16.0 | 15.9 | 18.5 | 9 | 33 | 0.7 | 18.4 | 275 | 7 |
| 2011 | 3.1 | 2.4 | 2.1 | 21.1 | 23.2 | 8 | 25 | 0.5 | 14.6 | 261 | 8 |
| 2010 | 16.6 | 15.8 | 15.1 | n/a | n/a | 7 | 29 | 0.6 | 14.6 | 258 | 8 |

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 Growth and Income Composite includes fully discretionary equity accounts which seek long-term growth and a cash income using a diversified portfolio. Investments may include small, mid and large capitalization stocks. All holdings pay a dividend. The minimum account size is \$100,000. Prior to September 2016, the minimum was \$500,000.
3. The benchmark is the S & P 500 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 January 1, 2007. 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.

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 Growth and Income Composite has been examined for the periods 1 January 2007 through 31 December 2017. The verification and performance examination reports are available upon request.