

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

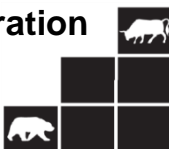
- Invest in stocks of companies with above average growth prospects, improving business conditions and enduring competitive advantages.
- Over 70% of the portfolio will be invested in stocks of companies with market capitalizations less than \$10 billion.
- Portfolio turnover can be 30% due to opportunities created by volatility of small & mid-capitalization securities.
- Capital gains taken to limit portfolio risk and increase diversification.

Portfolio Attributes

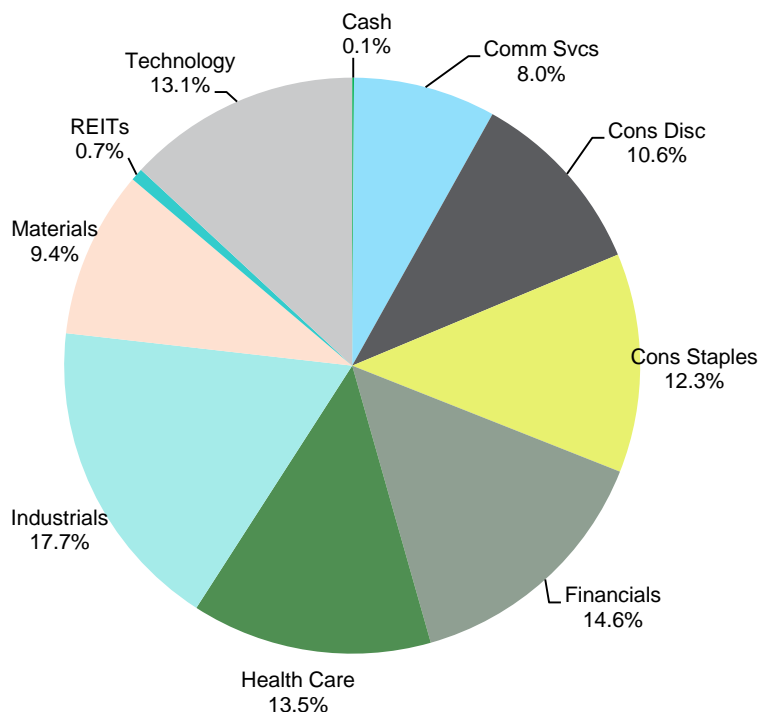
- 20 to 30 stocks with growing operating cash flow and free cash flow.
- Potential for price-to-earnings (P/E) multiple expansion.
- Expectation of revenue and earnings growth.
- Mutual funds and exchange traded funds (ETFs) can be utilized.
- Large sector weights are typically within 50% of the S&P 400 Index.

The Capital Management Corporation

4101 Cox Road, Suite 110
Glen Allen, VA 23060
804.270.4000
www.cmcva.com



Sector Diversification



Portfolio Characteristics

Number of Holdings	22
Dividend Yield (%)	2.7
Wtd. Avg. Market Cap (\$ Billions)	3.0
Price/Book	3.2
Price/Cash Flow	12.9
Current P/E	24.7
Forward P/E	16.0
Historical EPS Growth (5 Years)	4.8

Volatility Measurements (3 Years Annualized Gross)

Beta	1.0
Alpha	-1.1
Standard Deviation	16.7

Market Capitalization	Large Cap (>\$10B)	Mid Cap (\$2B-\$10B)	Small Cap (<\$2B)
12/31/2019	0%	39%	61%
09/30/2019	0%	44%	56%
06/30/2019	0%	42%	58%
03/31/2019	0%	56%	44%

CMC SMID Growth Strategy

Fourth Quarter 2019
Fact Sheet

Style Positives

- Over the last hundred years, small & mid-capitalization domestic indices have outperformed their large capitalization counterparts.
- Diversification across many economic sectors can lower portfolio risk.
- Potential for greater returns over long periods of time as some select small & mid-capitalization companies may have more growth potential than large companies.
- Investing in a concentrated portfolio of best ideas may produce strong results.

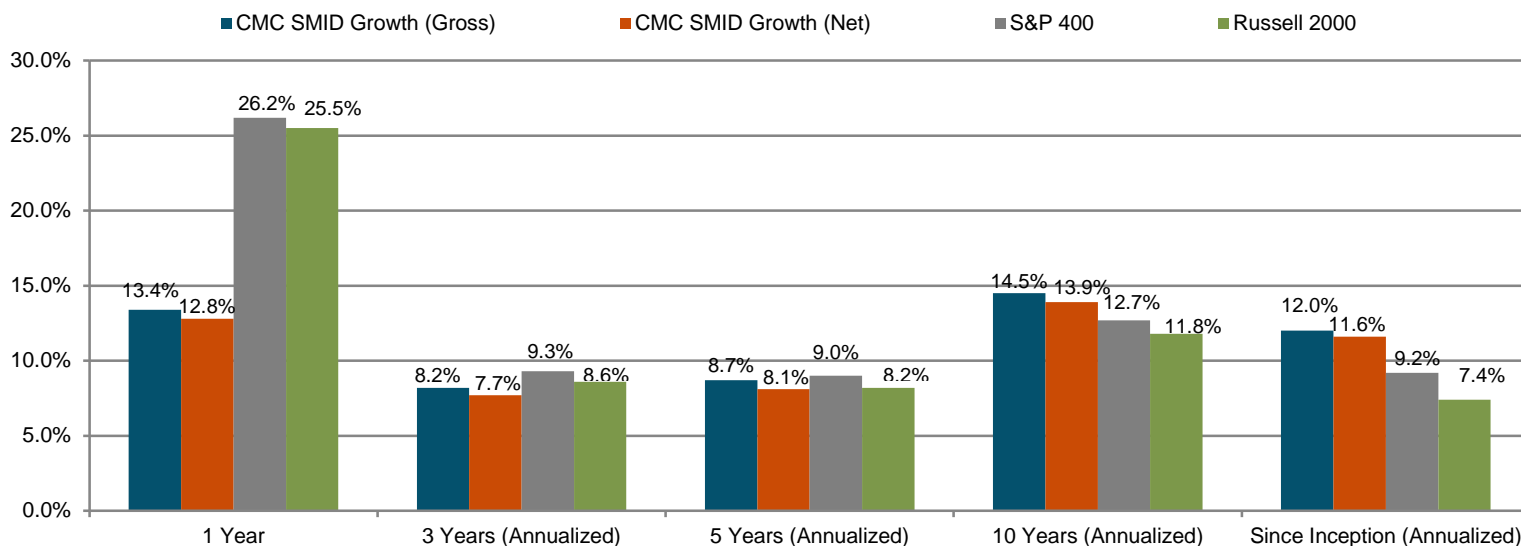
Sell Disciplines

- 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
B&G Foods	9.6%	BGS	Cons Stpls
Greenhill & Company	9.0%	GHL	Financials
InterDigital	6.5%	IDCC	Technology
Mastech Digital	5.9%	MHH	Technology
Acme United	5.7%	ACU	Industrials
Air Lease	5.7%	AL	Financials
Livent	5.1%	LTHM	Materials
Supernus Pharmaceuticals	4.9%	SUPN	Health Care
Exelixis	4.7%	EXEL	Health Care
Newell Rubbermaid	4.6%	NWL	Cons Disc

CMC SMID Growth 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 SMID Growth (Gross)	13.4%	-7.1%	20.3%	31.7%	-9.1%	18.0%	41.0%	20.6%	-3.9%	32.4%
CMC SMID Growth (Net)	12.8%	-7.6%	19.7%	31.0%	-9.6%	17.3%	40.1%	19.7%	-4.6%	32.4%
S&P 400	26.2%	-11.1%	16.2%	20.7%	-2.2%	9.8%	33.5%	17.9%	-1.7%	26.6%
Russell 2000	25.5%	-11.0%	14.7%	21.3%	-4.4%	4.9%	38.8%	16.4%	-4.2%	26.9%

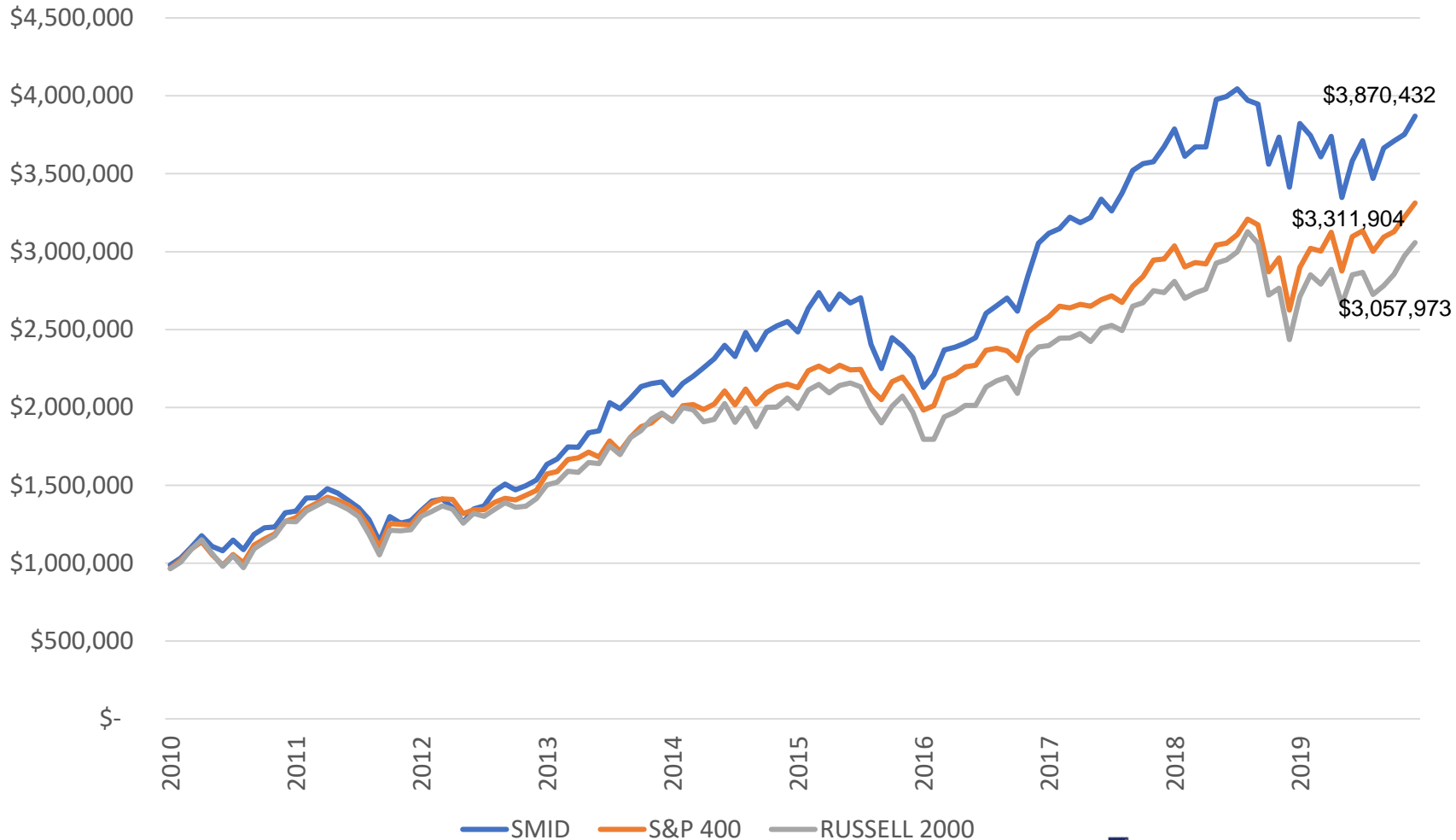
Disclosures: Composite includes Equity + Cash of non-restrictive discretionary accounts. The portfolio's investment objectives focus on long-term growth provided by the U.S. capital markets through direct investment in those stocks the Advisor deem appropriate for the typical small and mid-cap holdings of an investor's portfolio. Investments include small and mid-capitalization stocks approved by the Advisor. Inception date of SMID 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.

For more information please contact: Brad Shiveley at bshiveley@the-cmc.com
4101 Cox Road, Suite 110, Glen Allen, VA 23060
(804) 270-4000 www.cmcva.com

SMID Composite Returns (Gross)

12/31/2009-12/31/2019

Growth of \$1,000,000



SMID Composite For the years ended December 31, 2010 through 2019

Year	Performance		S&P 400	Russell 2000	3 Year Standard Deviation Composite	3 Year Standard Deviation S&P	3 Year Standard Deviation Russell	Number of Accounts	Composite Dispersion	Composite Assets \$MM	Firm Assets \$MM	Non Fee Paying %
	Gross %	Net %										
2019	13.4	12.8	26.2	25.5	16.3	14.5	15.7	22	2.5	26.9	509	6
2018	(7.1)	(7.6)	(11.1)	(11.0)	14.7	13.3	15.8	14	n/m	16.8	433	8
2017	20.3	19.7	16.2	14.7	15.3	13.7	15.9	7	n/m	9.8	469	12
2016	31.7	31.0	20.7	21.3	16.3	14.6	17.1	≤5	n/m	4.7	389	20
2015	(9.1)	(9.6)	(2.2)	(4.4)	15.0	13.7	15.9	≤5	n/m	2.5	344	28
2014	18.0	17.3	9.8	4.9	12.5	13.8	16.1	≤5	n/m	1.8	418	0
2013	41.0	40.1	33.5	38.8	16.5	20.2	23.1	≤5	n/m	1.4	386	0
2012	20.6	19.7	17.9	16.4	18.1	22.3	25.9	≤5	n/m	.8	275	0
2011	(3.9)	(4.6)	(1.7)	(4.2)	23.1	27.7	31.8	≤5	n/m	.6	261	0
2010	32.4	32.4	26.6	26.9	n/a	n/a	n/a	≤5	n/m	1.1	258	36

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 2019. 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 SMID Composite has been examined for the periods 1 January 2017 through 31 December 2019. 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 SMID Composite includes fully discretionary equity accounts which generally invest in U.S. domestic companies. Investments include small and mid capitalization stocks. Prior to January 2020, the composite minimum was \$100,000.
3. The benchmark is the S & P 400 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. 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.

