



INTEGRITY OF INVESTMENT PERFORMANCE REPORTING

The Capital Management Corporation's (CMC) investment composites are Global Investment Performance Standards (GIPS®) compliant. While some investment advisory firms choose to disregard this voluntary industry verification, we believe it provides investors the confidence they need to choose a firm based on standardized performance measures.

WHAT IS GIPS COMPLIANCE?

It is a set of voluntary ethical standards for investment advisory firms to calculate and present fully disclosed investment performance. They are globally accepted and considered industry best practices. GIPS compliant firms voluntarily go beyond legal reporting requirements, demonstrating a commitment to open, honest and ethical practices.

HOW DOES AN INVESTMENT FIRM'S PERFORMANCE BECOME GIPS COMPLIANT?

GIPS compliant firms like CMC meet and maintain specific performance standards.

1. Adhere to core principles, such as applicable laws/regulations and ensuring that performance data is not false or misleading.
2. Use input data consistently to calculate performance and facilitate fair comparability.
3. Create and maintain meaningful composites that are defined, managed and compared to the most appropriate indexes.
4. Create GIPS Reports based on GIPS standard requirements for disclosing performance.

Note: Some firms like CMC choose to be verified/audited regularly by an independent, qualified professional institution.

WHY IS GIPS COMPLIANCY IMPORTANT TO INVESTORS?

Investors have a greater level of confidence in a firm's integrity of investment performance.

Note: There are more than 5,000 indexes to compare performance data. Non-compliant, bad apple firms can mislead investors by selecting and presenting only the indexes they beat and/or only the time-periods their composites outperform them.

WHO ADMINISTERS GIPS COMPLIANCY?

The GIPS standards are developed, maintained and promoted through the collaboration of individual volunteers from the investment community, CFA Institute, and GIPS Standards Sponsors in over 40 markets. CFA Institute is a global not-for-profit association of investment professionals with the mission of leading the investment profession globally by promoting the highest standards of ethics, education, and professional excellence.

WHAT FIRMS MAINTAIN GIPS COMPLIANCE?

To see if your firm is one of them, visit the CFA Institute's tracking database here:

<https://compliancetracking.cfainstitute.org/gips-firm-list>.

Note: CMC is listed as "The Capital Management Corporation"

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Source: CFA Institute

Current and prospective clients can be assured the performance data of a GIPS compliant advisory firm is accurate, consistent and fair.