

The Capital Management Corporation

INVESTMENT COUNSEL

June 2023

TO OUR CLIENTS:

Federal, state, and SEC regulations require us to periodically provide certain updated information to our clients. This letter addresses our annual report ADV Part 2 and Part 3, our policies regarding privacy, confidentiality and safeguarding of client information, issues relating to cyber security, and our proxy voting procedures.

ADV FORM

We are providing you a copy of Part 2A (the Brochure), Part 2B (the Brochure Supplement) and Part 3 (Form CRS) of the ADV.

ADV Part 2A provides information on our firm, our business practices, methods and strategies, fee structure, and types of clients we serve. ADV Part 2B provides information on our personnel. ADV Part 3 is a summary of your advisory relationship with us. All documents are presented in a narrative format.

NOTICE OF PRIVACY MATTERS, CYBER SECURITY AND SAFEGUARDING OF INFORMATION

In the course of our investment management business, you share personal and financial information with us. We treat this information as confidential. CMC does not release any current or former client information (unless required under applicable law) or sell client lists to any outside parties. Safeguards are in place including physical and procedural electronic safeguards to protect your personal information. Our Code of Ethics, which applies to all employees and any third-party service providers we may use, restricts the use of customer information and requires all information to be held in strict confidence.

We maintain information regarding your account in two forms: paper and electronically. Depending on the nature of the information, it may be held in either or both forms. Information is generally held for a period of at least five years. Information not needed to be maintained is shredded under our Documents Destruction Policy.

CMC has had a Cyber Incidence Response Plan, and a Cyber Liability policy, in place since 2015. Periodic testing of systems is performed to address the adequacy of systems' safeguards.

NOTICE OF CLIENT-DIRECTED DISTRIBUTIONS AND WITHDRAWALS

To protect our clients against the possibilities of fraudulent activities in our client accounts, we will confirm requests for distributions and withdrawals both verbally and in writing. Email direction is followed by a phone call from CMC. Verbal direction is followed by an email.



The Capital Management Corporation

INVESTMENT COUNSEL

NOTICE OF PROXY VOTING PROCEDURES

Pursuant to our standard investment advisory agreement, CMC will vote proxies for all fiduciary relationships unless directed otherwise. All voting will be cast in a manner consistent with the best interests of our clients. CMC will never put its own interests ahead of those of our clients. The following guidelines form our operating procedures.

- At the time the account custodial relationship is established, the custodian shall receive instructions from the client as to whom the client wishes to vote the proxies.
- It shall be the responsibility of the custodian for each account to deliver to the designated proxy voter all necessary information and ballots to enable timely voting.
- If the records of the custodian and CMC do not agree, i.e., total number of shares to be voted, CMC will notify the custodian of the discrepancy if we feel the amount to be substantial in nature.
- The President of The Capital Management Corporation (CMC) shall designate investment professionals as the proxy voters of those shares the client has requested that CMC vote.
- CMC's proxy voters shall vote the shares as a prudent investor would be expected to vote.
- In the event that CMC has a conflict of interest in the vote, that proxy shall be forwarded to the client for voting, along with an explanation of the conflict.
- Information as to how each proxy was voted shall be available, upon request, to any client who owned shares in the company as of the date of record for the vote.
- A record of all proxy votes shall be maintained under the supervision of CMC's trader. Votes shall be filed by issue and be accompanied by a copy of the voting information issued by the company. A file of proxy votes shall be maintained onsite for a period of five years.
- CMC will take certain positions on issues. These issues will be reviewed periodically for additions and/or deletions. Items may be added during the year.

The issues for the current proxy session in which we will vote include the following:

- We will not vote for a director who does not own stock in the company.
- We will not vote for a director who has not attended at least 75% of the board and board committee meetings in the past year.
- Compensation and stock option programs for the board and senior management will be voted against if said program is deemed excessive.
- We will consider environmental, corporate governance, shareholder and social interests when voting.
- We typically vote to separate the role of Chairman and Chief Executive Officer (CEO).

