

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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### FILER

#### **CAPITAL MANAGEMENT INVESTMENT TRUST**

CIK: **931491** | IRS No.: **566459396** | State of Incorporation: **MA** | Fiscal Year End: **1130**  
Type: **N-30D** | Act: **40** | File No.: **811-08822** | Film No.: **99670741**

Mailing Address  
*105 N WASHINGTON ST  
PO BOX 69  
ROCKY MOUNT NC  
27802-0069*

Business Address  
*105 NORTH WASHINGTON ST  
PO BOX 69  
ROCKY MOUNT NC  
27802-0069  
9199729922*

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CAPITAL MANAGEMENT MID-CAP FUND

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a series of the Capital Management Investment Trust

Semi-Annual Report 1999

FOR THE PERIOD ENDED MAY 31,

INVESTMENT ADVISOR  
Capital Management Associates, Inc.  
140 Broadway  
New York, New York 10005

CAPITAL MANAGEMENT MID-CAP FUND  
107 North Washington Street  
Post Office Drawer 4365  
Rocky Mount, North Carolina 27803-0365  
1-888-626-3863

CAPITAL MANAGEMENT ASSOCIATES  
[letterhead]

Dear Fellow Shareholders,

In our December 1998 letter we related that we expected 1999 to be a good year for the mid-cap investor. Now that we have reached midyear, I am pleased to report that, so far, such has been the case. Through June 30th mid-cap stocks have rebounded smartly. Your fund returned 11.3% over the first six months, while the Standard & Poor's MidCap 400 Index's total return was 6.9%. Are mid-caps still attractive? We think so.

Valuations are still in our favor. While there has been a slight snap back, valuations of most mid-cap stocks remain very close to their historic lows relative to large-cap stocks, which remain historically expensive. In other words, price remains on the side of the mid-cap investor. Equally as important, we expect growth in earnings to be greater in the mid-cap sector over the coming months than that produced by large-cap stocks, given the strength in the U.S. economy versus the rest of the world.

Regarding the recent interest rate increase by the Federal Reserve, we believe it will be a positive for investors. Growth in the economy has been very rapid of late, and while there are currently no signs of inflationary pressures, a slight nudge toward restraint should help to prolong the recovery. The Federal Reserve lowered interest rates three times in late 1998 in response to the financial crisis in Asia. As a result, short-term rates are artificially low and simply need to be brought back toward the pre-crisis level. Such action should provide just the right combination of enough growth with little or no inflation to keep the stock market moving ahead.

So, as we enter the last half of the year, we remain positive on the outlook for your fund. We continue to position the portfolio for economic gains over the next three years, particularly in the consumer and technology sectors.

Your continued support is appreciated, and we look forward to serving you over the remainder of the investment year.

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CAPITAL MANAGEMENT MID-CAP FUND

PORTFOLIO OF INVESTMENTS

May 31, 1999  
 (Unaudited)

	Shares	Value (note 1)
-----		
COMMON STOCKS - 99.40%		
Advertising - 3.18%		
(a)Outdoor Systems, Inc. ....	6,550	\$196,091
		-----
Airlines - 2.86%		
Southwest Airlines Co. ....	5,500	176,344
		-----
Chemicals - 6.69%		
M. A. Hanna Company ....	15,800	233,050
Union Carbide Corporation ....	3,500	179,594
		-----
		412,644
		-----
Commercial Services - 6.21%		
(a)Deluxe Corporation ....	5,500	198,344
Stewart Enterprises ....	10,000	184,375
		-----
		382,719
		-----
Computer Software & Services - 5.27%		
(a)BMC Software, Inc. ....	1,400	69,212
(a)Comverse Technology, Inc. ....	1,350	91,209
(a)Legato Systems, Inc. ....	1,600	87,600
(a)SanDisk Corporation ....	2,500	77,500
		-----
		325,521
		-----
Electrical Equipment - 3.22%		
Avista Corporation ....	11,000	198,687
		-----
Electronics - Semiconductor - 7.04%		
(a)Applied Materials, Inc. ....	1,500	82,406
Helix Technology Corporation ....	7,000	119,437
(a)KLA-Tencor Corporation ....	1,100	50,050
(a)LSI Logic Corporation ....	3,500	129,719
(a)Teradyne, Inc. ....	1,000	52,812
		-----
		434,424
		-----
Entertainment - 2.88%		
Electronic Arts, Inc. ....	3,634	177,839
		-----
Financial - Banks, Commercial - 6.12%		
First Tennessee National Corporation ....	4,200	172,987
Summit Bancorp ....	5,000	204,688
		-----
		377,675
		-----
Food - Processing - 2.96%		
McCormick & Company, Incorporated ....	6,000	182,250
		-----

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## CAPITAL MANAGEMENT MID-CAP FUND

## PORTFOLIO OF INVESTMENTS

May 31, 1999  
(Unaudited)

	Shares	Value (note 1)
COMMON STOCKS - (Continued)		
Forest Products & Paper - 1.11%		
Weyerhaeuser Company .....	1,100	\$ 68,269
Machine - Diversified - 2.59%		
Deere & Company .....	4,200	159,862
Medical - Biotechnology - 2.74%		
(a)Chiron Corporation .....	8,000	169,000
Medical Supplies - 2.74%		
C. R. Bard, Inc. ....	3,700	169,044
Oil & Gas - Equipment & Services - 15.08%		
Apache Corporation .....	5,600	201,600
(a)Cooper Cameron Corporation .....	4,400	159,225
Halliburton Company .....	4,000	165,500
The Williams Companies, Inc. ....	3,800	196,888
Unocal Corporation .....	5,200	206,700
		929,913
Pharmaceuticals - 2.83%		
(a)IVAX Corporation .....	13,000	174,688
Publishing - 1.49%		
Houghton Mifflin Company .....	2,000	92,000
Retail - Restaurants - 3.32%		
(a)Brinker International, Inc. ....	7,300	204,856
Retail - Specialty Line - 4.24%		
Harcourt General, Inc. ....	2,000	98,375
(a)Office Depot, Inc. ....	7,800	162,825
		261,200
Steel - Specialty - 4.25%		
Texas Industries, Inc. ....	7,200	261,900
Utilities - Electric - 6.36%		
CMS Energy Corporation .....	4,500	209,250
IDACORP Inc. ....	5,500	182,875
		392,125
Utilities - Gas - 3.41%		
Sempra Energy .....	9,774	210,141

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## CAPITAL MANAGEMENT MID-CAP FUND

## PORTFOLIO OF INVESTMENTS

May 31, 1999  
(Unaudited)

	Shares	Value (note 1)
COMMON STOCKS - (Continued)		
Utilities - Telecommunications - 2.81%		
US West, Inc. ....	3,200	\$ 173,000
		-----
Total Common Stocks (Cost \$5,219,505) .....		6,130,192
		-----
INVESTMENT COMPANY - 0.62%		
Evergreen Money Market Treasury Institutional Money		
Market Fund Institutional Service Shares .....	38,424	38,424
		-----
(Cost \$38,424)		
Total Value of Investments (Cost \$5,257,929 (b)) .....	100.02 %	\$ 6,168,616
Liabilities in Excess of Other Assets .....	(0.02) %	(1,445)
		-----
Net Assets .....	100.00 %	\$ 6,167,171
	=====	=====

(a) Non-income producing investment.

(b) Aggregate cost for financial reporting and federal income tax purposes is the same. Unrealized appreciation (depreciation) of investments for financial reporting and federal income tax purposes is as follows:

Unrealized appreciation .....	\$ 961,796
Unrealized depreciation .....	(51,109)
	-----
Net unrealized appreciation .....	\$ 910,687
	=====

See accompanying notes to financial statements  
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CAPITAL MANAGEMENT MID-CAP FUND  
STATEMENT OF ASSETS AND LIABILITIES

May 31, 1999  
(Unaudited)

ASSETS		
Investments, at value (cost \$5,257,929) .....		\$6,168,616
Cash .....		338
Income receivable .....		7,660
Receivable for fund shares sold .....		2,522
Other assets .....		2,969
Due from advisor (note 2) .....		253
		-----
Total assets .....		6,182,358
		-----
LIABILITIES		
Accrued expenses .....		15,187
		-----
NET ASSETS .....		\$6,167,171
		=====
NET ASSETS CONSIST OF		
Paid-in capital .....		\$4,783,064
Undistributed net realized gain on investments .....		473,420
Net unrealized appreciation on investments .....		910,687
		-----
		\$6,167,171
		=====

INSTITUTIONAL CLASS	
Net asset value, offering and redemption price per share (\$4,712,916 / 285,327 shares outstanding) .....	\$ 16.52 =====
INVESTOR CLASS	
Net asset value, offering and redemption price per share (\$1,454,255 / 89,890 shares outstanding) .....	\$ 16.18 =====
Maximum offering price per share (100 / 97% of \$16.18) .....	\$ 16.68 =====

See accompanying notes to financial statements  
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CAPITAL MANAGEMENT MID-CAP FUND

STATEMENT OF OPERATIONS

Period ended May 31, 1999  
(Unaudited)

INVESTMENT INCOME

Income	
Dividends .....	\$ 55,704 -----
Expenses	
Investment advisory fees (note 2) .....	32,186
Fund administration fees (note 2) .....	4,023
Distribution and service fees - Investor Class (note 3) .....	5,990
Audit fees .....	4,728
Legal fees .....	3,334
Fund accounting fees (note 2) .....	18,000
Custody fees .....	1,408
Securities pricing fees .....	922
Shareholder recordkeeping fees .....	4,500
Registration and filing administration fees (note 2) .....	4,308
Other accounting fees (note 2) .....	2,156
Shareholder servicing expenses .....	1,905
Registration and filing expenses .....	6,482
Printing expenses .....	3,491
Trustee fees and meeting expenses .....	4,958
Other operating expenses .....	1,752 -----
Total expenses .....	100,143 -----
Less:	
Expense reimbursements (note 2) .....	(13,836)
Investment advisory fees waived (note 2) .....	(32,009) -----
Net expenses .....	54,298 -----
Net investment income .....	1,406 -----

REALIZED AND UNREALIZED GAIN ON INVESTMENTS

Net realized gain from investment transactions .....	562,446
Increase in unrealized appreciation on investments .....	412,731 -----
Net realized and unrealized gain on investments .....	975,177 -----
Net increase in net assets resulting from operations .....	\$ 976,583 =====

See accompanying notes to financial statements  
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CAPITAL MANAGEMENT MID-CAP FUND  
STATEMENTS OF CHANGES IN NET ASSETS  
(Unaudited)

	Period ended May 31, 1999	Year ended November 30, 1998
DECREASE IN NET ASSETS		
Operations		
Net investment income (loss) .....	\$ 1,406	\$ (3,416)
Net realized gain (loss) from investment transactions .....	562,446	(70,827)
Increase (decrease) in unrealized appreciation on investments .....	412,731	(795,106)
	-----	-----
Net increase (decrease) in net assets resulting from operations .....	976,583	(869,349)
	-----	-----
Distributions to shareholders from		
Net investment income - Institutional Class .....	(1,545)	0
Net investment income - Investor Class .....	0	0
Net realized gain from investment transactions - Institutional Class .....	0	(678,656)
Net realized gain from investment transactions - Investor Class .....	0	(244,032)
	-----	-----
Decrease in net assets resulting from distributions .....	(1,545)	(922,688)
	-----	-----
Capital share transactions		
(Decrease) increase in net assets resulting from capital share transactions.....	(1,504,285)	1,303,097
	-----	-----
Total decrease in net assets .....	(529,247)	(488,940)
	-----	-----
NET ASSETS		
Beginning of period .....	6,696,418	7,185,358
	-----	-----
End of period .....	\$ 6,167,171	\$ 6,696,418
	=====	=====

(a) A summary of capital share activity follows:

	Period ended May 31, 1999		Year ended November 30, 1998	
	Shares	Value	Shares	Value
----- INSTITUTIONAL CLASS -----				
Shares sold .....	4,661	\$ 71,200	18,735	\$ 299,573
Shares issued for reinvestment of distributions .....	103	1,545	41,056	678,656
	-----	-----	-----	-----
Shares redeemed .....	4,764 (66,412)	72,745 (1,036,150)	59,791 (4,650)	978,229 (73,195)
	-----	-----	-----	-----
Net (decrease) increase .....	(61,648)	\$ (963,405)	55,141	\$ 905,034
	=====	=====	=====	=====
----- INVESTOR CLASS -----				
Shares sold .....	2,830	\$ 43,037	57,629	\$ 941,702
Shares issued for reinvestment of distributions .....	0	0	14,339	234,590
	-----	-----	-----	-----
Shares redeemed .....	2,830 (39,490)	43,037 (583,917)	71,968 (49,270)	1,176,292 (778,229)
	-----	-----	-----	-----
Net (decrease) increase .....	(36,660)	\$ (540,880)	22,698	\$ 398,063
	=====	=====	=====	=====

See accompanying notes to financial statements  
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CAPITAL MANAGEMENT MID-CAP FUND

FINANCIAL HIGHLIGHTS

(For a Share Outstanding Throughout the Period)

INSTITUTIONAL CLASS  
(Unaudited)

	Period ended May 31, 1999	Year ended November 30, 1998	Year ended November 30, 1997	Year ended November 30, 1996	For the period from January 27, 1995 (commencement of operations) to November 30, 1995
Net asset value, beginning of period	\$14.21	\$18.20	\$13.99	\$12.16	\$10.00
Income from investment operations					
Net investment income	0.01	0.03	0.01	0.23	0.20
Net realized and unrealized gain (loss) on investments	2.30	(1.70)	4.60	2.08	2.10
Total from investment operations	2.31	(1.67)	4.61	2.31	2.30
Distributions to shareholders from					
Net investment income	0.00	0.00	(0.04)	(0.26)	(0.14)
Distributions in excess of net investment income	(0.00)	(0.00)	(0.02)	0.00	0.00
Net realized gain from investment transactions	0.00	(2.32)	(0.34)	(0.22)	0.00
Total distributions	(0.00)	(2.32)	(0.40)	(0.48)	(0.14)
Net asset value, end of period	\$16.52	\$14.21	\$18.20	\$13.99	\$12.16
Total return (a)	16.29 %	(10.94) %	33.92 %	19.57 %	23.00 %
Ratios/supplemental data					
Net assets, end of period	\$4,712,916	\$4,929,525	\$5,311,416	\$3,502,215	\$1,832,507
Ratio of expenses to average net assets					
Before expense reimbursements and waived fees	2.93 % (b)	2.60 %	2.92 %	3.70 %	7.20 % (b)
After expense reimbursements and waived fees	1.50 % (b)	1.50 %	1.50 %	0.00 %	0.31 % (b)
Ratio of net investment income (loss) to average net assets					
Before expense reimbursements and waived fees	(1.19) % (b)	(0.93) %	(1.34) %	(1.77) %	(4.45) % (b)
After expense reimbursements and waived fees	0.23 % (b)	0.17 %	0.08 %	1.94 %	2.44 % (b)
Portfolio turnover rate	57.15 %	89.04 %	66.30 %	82.30 %	47.74 %

(a) Total return does not reflect payment of a sales charge.  
(b) Annualized.

See accompanying notes to financial statements  
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CAPITAL MANAGEMENT MID-CAP FUND

FINANCIAL HIGHLIGHTS

(For a Share Outstanding Throughout the Period)

INVESTOR CLASS  
(Unaudited)

	Period ended May 31, 1999	Year ended November 30, 1998	Year ended November 30, 1997	Year ended November 30, 1996	For the period from April 7, 1995 (commencement of operations) to November 30, 1995
Net asset value, beginning of period	\$13.96	\$18.04	\$13.96	\$12.09	\$11.07



Income from investment operations					
Net investment (loss) income	(0.05)	(0.09)	(0.05)	0.24	0.11
Net realized and unrealized gain (loss) on investments	2.27	(1.67)	4.53	2.06	1.02
Total from investment operations	2.22	(1.76)	4.48	2.30	1.13
Distributions to shareholders from					
Net investment income	0.00	0.00	(0.03)	(0.21)	(0.11)
Distributions in excess of net investment income	0.00	0.00	(0.03)	0.00	0.00
Net realized gain from investment transactions	0.00	(2.32)	(0.34)	(0.22)	0.00
Total distributions	0.00	(2.32)	(0.40)	(0.43)	(0.11)
Net asset value, end of period	\$16.18	\$13.96	\$18.04	\$13.96	\$12.09
Total return (a)	15.90 %	(11.67) %	33.11 %	19.61 %	10.24 %
Ratios/supplemental data					
Net assets, end of period	\$1,454,255	\$1,766,893	\$1,873,942	\$746,136	\$550,814
Ratio of expenses to average net assets					
Before expense reimbursements and waived fees	3.66 % (b)	3.35 %	3.71 %	4.45 %	7.18 % (b)
After expense reimbursements and waived fees	2.25 % (b)	2.25 %	2.25 %	0.00 %	1.06 % (b)
Ratio of net investment income (loss) to average net assets					
Before expense reimbursements and waived fees	(1.94) % (b)	(1.67) %	(2.10) %	(2.50) %	(4.23) % (b)
After expense reimbursements and waived fees	(0.52) % (b)	(0.57) %	(0.63) %	1.95 %	1.89 % (b)
Portfolio turnover rate	57.15 %	89.04 %	66.30 %	82.30 %	47.74 %

(a) Total return does not reflect payment of a sales charge.  
(b) Annualized.

See accompanying notes to financial statements  
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#### CAPITAL MANAGEMENT MID-CAP FUND

#### NOTES TO FINANCIAL STATEMENTS

May 31, 1999  
(Unaudited)

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION

The Capital Management Mid-Cap Fund (the "Fund"), formerly known as The Capital Management Equity Fund, is a diversified series of shares of beneficial interest of the Capital Management Investment Trust (the "Trust"). The Trust, an open-end investment company, was organized on October 18, 1994 as a Massachusetts Business Trust and is registered under the Investment Company Act of 1940, as amended. The Fund began operations on January 27, 1995. The investment objective of the fund is to seek capital appreciation principally through investments in equity securities, consisting of common and preferred stocks and securities convertible into common stocks. The Fund has an unlimited number of authorized shares, which are divided into two classes - Institutional Shares and Investor Shares. Only Institutional Shares were offered by the Fund prior to April 7, 1995.

Each class of shares has equal rights as to assets of the Fund, and the classes are identical except for differences in their sales charge structures and ongoing distribution and service fees. Income, expenses (other than distribution and service fees, which are only attributable to the Investor Class), and realized and unrealized gains or losses on investments are allocated to each class of shares based upon its relative net assets. Investor Shares purchased are subject to a maximum sales charge of three percent. Both classes have equal voting privileges, except where otherwise required by law or when the Board of Trustees determines that the matter to be voted on affects only the interests of the shareholders of a particular class. The following is a summary of significant accounting policies followed by the Fund.

A. Security Valuation - The Fund's investments in securities are carried at value. Securities listed on an exchange or quoted on a national market system are valued at 4:00 p.m., New York time. Other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the most recent bid

price. Securities for which market quotations are not readily available, if any, are valued by using an independent pricing service or by following procedures approved by the Board of Trustees. Short-term investments are valued at cost which approximates value.

- B. Federal Income Taxes - No provision has been made for federal income taxes since it is the policy of the Fund to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to make sufficient distributions of taxable income to relieve it from all federal income taxes.

Each Fund files a tax return annually using tax accounting methods required under provisions of the Code which may differ from generally accepted accounting principles, the basis on which these financial statements are prepared. Accordingly, the character of distributions to shareholders reported in the financial highlights may differ from that reported to shareholders for Federal income tax purposes. Distributions which exceed net investment income and net realized gains for financial reporting purposes but not for tax purposes, if any, are shown as distributions in excess of net investment income and net realized gains in the accompanying statements.

- C. Investment Transactions - Investment transactions are recorded on trade date. Realized gains and losses are determined using the specific identification cost method. Interest income is recorded daily on an accrual basis. Dividend income is recorded on the ex-dividend date.

(Continued)

#### CAPITAL MANAGEMENT MID-CAP FUND

#### NOTES TO FINANCIAL STATEMENTS

May 31, 1999  
(Unaudited)

- D. Distributions to Shareholders - The Fund may declare dividends quarterly, payable in March, June, September, and December on a date selected by the Trust's Trustees. Distributions to shareholders are recorded on the ex-dividend date. In addition, distributions may be made annually in December out of net realized gains through October 31 of that year. Distributions to shareholders are recorded on the ex-dividend date. The Fund may make a supplemental distribution subsequent to the end of its fiscal year ending November 30.
- E. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ from those estimates.

#### NOTE 2 - INVESTMENT ADVISORY FEE AND OTHER RELATED PARTY TRANSACTIONS

Pursuant to an investment advisory agreement, Capital Management Associates, Inc. (the "Advisor"), provides the fund with a continuous program of supervision of the Fund's assets, including the composition of its portfolio, and furnishes advice and recommendations with respect to investments, investment policies, and the purchase and sale of securities. As compensation for its services, the Advisor receives a fee at the annual rate of 1.00% of the first \$100 million of the Fund's average daily net assets, 0.90% of the next \$150 million, 0.85% of the next \$250 million, and 0.80% of all assets over \$500 million.

The Advisor currently intends to voluntarily waive all or a portion of its fee and to reimburse expenses of the Fund to limit total Fund operating expenses to a maximum of 1.50% of the average daily net assets of the Fund's Institutional Class and a maximum of 2.25% of the average daily net assets of the Fund's Investor Class. There can be no assurance that the foregoing voluntary fee waivers or reimbursements will continue. The Advisor has voluntarily waived a portion of its fee amounting to \$32,009 (\$0.08 per share) and reimbursed \$13,836 of the operating expenses incurred by the Fund for the period ended May 31, 1999. The Fund's administrator, The Nottingham Company (the "Administrator"), provides administrative services to and is generally responsible for the overall management and day-to-day operations of the Fund pursuant to an accounting and administrative agreement with the Trust. As compensation for its services, the Administrator receives a fee at the annual rate of 0.125% of the Fund's first \$50 million of average daily net assets, 0.100% of the next \$50 million, and 0.075% of average daily net assets over \$100 million as well as a monthly fee of \$2,250 for accounting and record-keeping services for

the initial class of shares and \$750 per month for each additional class of shares. The contract with the Administrator provides that the aggregate fees for the aforementioned administration, accounting, and recordkeeping services shall not be less than \$4,000 per month. The Administrator also charges the Fund for certain expenses involved with the daily valuation of portfolio securities.

North Carolina Shareholder Services, LLC (the "Transfer Agent") serves as the Fund's transfer, dividend paying, and shareholder servicing agent. The Transfer Agent maintains the records of each shareholder's account, answers shareholder inquiries concerning accounts, processes purchases and redemptions of the Fund's shares, acts as dividend and distribution disbursing agent, and performs other shareholder servicing functions.

(Continued)

CAPITAL MANAGEMENT MID-CAP FUND

NOTES TO FINANCIAL STATEMENTS

May 31, 1999  
(Unaudited)

Shields & Company, Inc. (the "Distributor"), an affiliate of the Advisor, serves as the Fund's principal underwriter and distributor. The Distributor receives any sales charges imposed on purchases of Investor Shares and re-allocates a portion of such charges to dealers through whom the sale was made, if any. For the period ended May 31, 1999, the Distributor retained sales charges in the amount of \$103.

Certain Trustees and officers of the Trust are also officers or directors of the Advisor, the Distributor, or the Administrator.

NOTE 3 - DISTRIBUTION AND SERVICE FEES

The Board of Trustees, including the Trustees who are not "interested persons" of the Trust as defined in the Investment Company Act of 1940 (the "Act"), adopted a distribution and service plan pursuant to Rule 12b-1 of the Act (the "Plan") applicable to the Investor Shares. The Act regulates the manner in which a regulated investment company may assume costs of distributing and promoting the sales of its shares and servicing of its shareholder accounts.

The Plan provides that the Fund may incur certain costs, which may not exceed 0.75% per annum of the Investor Shares' average daily net assets for each year elapsed subsequent to adoption of the Plan, for payment to the Distributor and others for items such as advertising expenses, selling expenses, commissions, travel, or other expenses reasonably intended to result in sales of Investor Shares in the Fund or support servicing of Investor Share shareholder accounts. Such expenditures incurred as service fees may not exceed 0.25% per annum of the Investor Shares' average daily net assets. The Fund incurred \$5,990 of such expenses under the Plan for the period ended May 31, 1999.

NOTE 4 - PURCHASES AND SALES OF INVESTMENTS

Purchases and sales of investments, other than short-term investments, aggregated \$3,405,468 and \$3,996,326, respectively, for the period ended May 31, 1999.

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CAPITAL MANAGEMENT SMALL-CAP FUND

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a series of the Capital Management Investment Trust

Semi-Annual Report 1999

FOR THE PERIOD ENDED MAY 31,

INVESTMENT ADVISOR  
 Capital Management Associates, Inc.  
 140 Broadway  
 New York, New York 10005

CAPITAL MANAGEMENT SMALL-CAP FUND  
 107 North Washington Street  
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 Rocky Mount, North Carolina 27803-0365  
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CAPITAL MANAGEMENT SMALL-CAP FUND

PORTFOLIO OF INVESTMENTS

May 31, 1999  
 (Unaudited)

	Shares	Value (note 1)
COMMON STOCKS - 89.85%		
Auto - Rental/Leasing - 2.87%		
(a)United Rentals, Inc. ....	175	\$ 5,250
Broadcast - Radio & Television - 2.92%		
(a)Cox Radio, Inc. ....	100	5,344
Chemicals - 2.75%		
MacDermid, Incorporated ....	125	5,030
Computer Software & Services - 3.38%		
(a)Comverse Technology, Inc. ....	37	2,500
(a)PRI Automation, Inc. ....	150	3,675
		6,175
Cosmetics & Personal Care - 2.17%		
(a)Helen of Troy Ltd. ....	250	3,969
Electrical Equipment - 4.91%		
Baldor Electric Company ....	250	4,813
(a)Semtech Corporation ....	100	4,180
		8,993
Electronics - Semiconductor - 2.35%		
(a)ETEC Systems, Inc. ....	50	1,341
(a)Photronics, Inc. ....	150	2,963
		4,304
Emerging Technology - 2.00%		
(a)Veritas DGC Inc. ....	200	3,650
Financial - Banks, Commercial - 3.00%		
Carolina First Corporation ....	200	5,488
Financial - Banks, Money Center - 1.47%		
CCB Financial Corporation ....	50	2,697
Financial Services - 2.57%		

National Data Corporation .....	100	4,705
Household Products & Housewares - 2.33%		
Church & Dwight Co., Inc. ....	100	4,269

(Continued)

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CAPITAL MANAGEMENT SMALL-CAP FUND

PORTFOLIO OF INVESTMENTS

May 31, 1999  
(Unaudited)

	Shares	Value (note 1)
COMMON STOCKS - (Continued)		
Insurance - Life & Health - 2.18%		
Protective Life Corporation .....	110	\$ 3,981
Machine - Diversified - 3.72%		
Helix Technology Corporation .....	200	3,413
The Manitowoc Company, Inc. ....	100	3,400
		6,813
Medical - Biotechnology - 8.75%		
ICN Pharmaceuticals, Inc. ....	190	6,246
(a)Roberts Pharmaceutical Corporation .....	250	4,750
(a)The Liposome Company, Inc. ....	350	5,009
		16,005
Medical Supplies - 2.60%		
(a)Patterson Dental Company .....	130	4,761
Metal Fabrication & Hardware - 1.95%		
(a)Wolverine Tube, Inc. ....	150	3,572
Miscellaneous - Manufacturing - 6.96%		
(a)Gaylord Container Corporation .....	400	3,350
Pope & Talbot, Inc. ....	400	4,000
(a)Whittaker Corporation .....	200	5,375
		12,725
Oil & Gas - Domestic - 2.01%		
(a)R&B Falcon Corporation .....	400	3,675
Oil & Gas - Equipment & Services - 1.84%		
(a)Rowan Companies, Inc. ....	200	3,375
Oil & Gas - Exploration - 1.39%		
(a)Newfield Exploration Company .....	100	2,538
Real Estate Investment Trust - 2.10%		
Crown American Realty Trust .....	500	3,844
Restaurants & Food Service - 4.96%		
(a)NPC International, Inc. ....	200	3,525
(a)Ryan's Family Steak House, Inc. ....	200	2,338
(a)Taco Cabana, Inc. ....	300	3,205
		9,068

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CAPITAL MANAGEMENT SMALL-CAP FUND

PORTFOLIO OF INVESTMENTS

May 31, 1999  
(Unaudited)

	Shares	Value (note 1)
COMMON STOCKS - (Continued)		
Retail - Department Stores - 2.99%		
(a) Venator Group, Inc. ....	500	\$ 5,469
Retail - Specialty Line - 6.02%		
(a) Action Performance Companies, Inc. ....	150	5,700
Applebee's International, Inc. ....	180	5,310
		-----
		11,010
Telecommunications - 1.90%		
(a) Genesys Telecommunications ....	150	3,469
Transportation - Miscellaneous - 2.15%		
US Freightways Corporation ....	100	3,938
Utilities - Electric - 3.06%		
South Jersey Industries, Inc. ....	200	5,600
Utilities - Water - 2.55%		
Aquarion Company ....	150	4,659
		-----
		164,376
		-----
INVESTMENT COMPANY - 3.62%		
Evergreen Money Market Treasury Institutional Money		
Market Fund Institutional Service Shares ....	6,615	6,615
(Cost \$6,615)		-----
Total Value of Investments (Cost \$152,045) .....		164,376
		-----
		170,991
		-----
		11,955
		-----
		100.00%
		=====
		182,946
		=====
(a) Non-income producing investment.		
(b) Aggregate cost for financial reporting and federal income tax purposes is the same. Unrealized appreciation (depreciation) of investments for financial reporting and federal income tax purposes is as follows:		
Unrealized appreciation .....		\$17,497
Unrealized depreciation .....		(5,166)
		-----
Net unrealized appreciation .....		\$12,331
		=====

See accompanying notes to financial statements

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CAPITAL MANAGEMENT SMALL-CAP FUND

STATEMENT OF ASSETS AND LIABILITIES

May 31, 1999

ASSETS	
Investments, at value (cost \$158,660) .....	\$170,991
Income receivable .....	113
Receivable for investments sold .....	25,576
Due from advisor (note 2) .....	8,148
	-----
Total assets .....	204,828
	-----
LIABILITIES	
Accrued expenses .....	11,882
Payable for investment purchases .....	10,000
	-----
Total liabilities .....	21,882
	-----
NET ASSETS .....	\$182,946
	=====
NET ASSETS CONSIST OF	
Paid-in capital .....	\$159,949
Undistributed net realized ogain on investments .....	10,666
Net unrealized oappreciation on investments .....	12,331
	-----
	\$182,946
	=====
INSTITUTIONAL CLASS	
Net asset value, offering and redemption price per share .....	\$12.59
( \$125,868 / 10,000 shares outstanding )	=====
INVESTOR CLASS	
Net asset value, offering and redemption price per share .....	\$12.55
( \$57,078 / 4,550 shares outstanding )	=====
Maximum offering price per share (100 / 97% of \$12.55 ) .....	\$12.94
	=====

See accompanying notes to financial statements  
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CAPITAL MANAGEMENT SMALL-CAP FUND

STATEMENT OF OPERATIONS

Period from January 12, 1999  
(commencement of operations)  
to May 31, 1999  
(Unaudited)

INVESTMENT LOSS	
Income	
Dividends .....	\$ 642
	-----
Expenses	
Investment advisory fees (note 2) .....	629
Fund administration fees (note 2) .....	79
Distribution and service fees - Investor class (note 3) .....	147
Custody fees .....	2,070

Registration and filing administration fees (note 2)	197
Fund accounting fees (note 2)	13,441
Audit fees	4,737
Legal fees	2,988
Securities pricing fees	980
Shareholder recordkeeping fees	3,000
Other accounting fees (note 2)	4,466
Shareholder servicing expenses	746
Registration and filing expenses	762
Printing expenses	2,402
Trustee fees and meeting expenses	2,696
Other operating expenses	1,084
	-----
Total expenses	40,424
	-----
Less:	
Expense reimbursements (note 2)	(37,182)
Investment advisory fees waived (note 2)	(629)
Other accounting fees waived (note 2)	(1,519)
	-----
Net expenses	1,094
	-----
Net investment loss	(452)
	-----

REALIZED AND UNREALIZED GAIN ON INVESTMENTS

Net realized gain from investment transactions	11,118
Increase in unrealized appreciation on investments	12,331
	-----
Net realized and unrealized gain on investments	23,449
	-----
Net increase in net assets resulting from operations	\$ 22,997
	=====

See accompanying notes to financial statements  
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CAPITAL MANAGEMENT SMALL-CAP FUND

STATEMENT OF CHANGES IN NET ASSETS  
(Unaudited)

	Period ended
	May 31,
	1999 (b)
	-----
INCREASE IN NET ASSETS	
Operations	
Net investment loss	\$ (452)
Net realized gain from investment transactions	11,118
Increase in unrealized appreciation on investments	12,331
	-----
Net increase in net assets resulting from operations	22,997
	-----
Capital share transactions	
Increase in net assets resulting from capital share transactions (a)	159,949
	-----
Total increase in net assets	182,946
	-----
NET ASSETS	
Beginning of period	0
	-----
End of period	\$ 182,946



(a) A summary of capital share activity follows:

	Period ended May 31, 1999 (b)	
	Shares	Value
----- INSTITUTIONAL CLASS -----		
Shares sold .....	10,000	\$ 109,949
Shares redeemed .....	0	0
Net increase .....	10,000	\$ 109,949
	=====	=====
----- INVESTOR CLASS -----		
Shares sold .....	4,550	\$ 50,000
Shares redeemed .....	0	0
Net increase .....	4,550	\$ 50,000
	=====	=====

(b) For the period beginning January 12, 1999 (commencement of operations) to May 31, 1999.

See accompanying notes to financial statements  
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CAPITAL MANAGEMENT SMALL-CAP FUND

FINANCIAL HIGHLIGHTS

(For a Share Outstanding Throughout the Period)  
(Unaudited)

	Institutional Class	Investor Class
	Period ended May 31, 1999 (a)	Period ended May 31, 1999 (a)
Net asset value, beginning of period .....	\$10.99	\$10.99
Income from investment operations		
Net investment loss .....	(0.02)	(0.05)
Net realized and unrealized gain on investments .....	1.62	1.61
Total from investment operations .....	1.60	1.56
Net asset value, end of period .....	\$12.59	\$12.55
Total return (b) .....	14.56 %	14.19 %
Ratios/supplemental data		
Net assets, end of period .....	\$ 125,868	\$ 57,078
Ratio of expenses to average net assets		
Before expense reimbursements and waived fees .....	64.08 % (c)	64.83 % (c)
After expense reimbursements and waived fees .....	1.50 % (c)	2.25 % (c)

Ratio of net investment loss to average net assets		
Before expense reimbursements and waived fees .....	(63.06)% (c)	(63.81)% (c)
After expense reimbursements and waived fees .....	(0.48)% (c)	(1.23)% (c)
Portfolio turnover rate .....	67.55 %	67.55 %

(a) For the period beginning January 12, 1999 (commencement of operations) to May 31, 1999.

(b) Total return does not reflect payment of a sales charge.

(c) Annualized.

See accompanying notes to financial statements  
</TABLE>

CAPITAL MANAGEMENT SMALL-CAP FUND

NOTES TO FINANCIAL STATEMENTS

May 31, 1999  
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION

The Capital Management Small-Cap Fund (the "Fund") is a diversified series of shares of beneficial interest of the Capital Management Investment Trust (the "Trust"). The Trust, an open-end investment company, was organized on October 18, 1994 as a Massachusetts Business Trust and is registered under the Investment Company Act of 1940, as amended. The Fund began operations on January 12, 1999. The investment objective of the Fund is to seek capital appreciation principally through investments in equity securities, consisting of common and preferred stocks and securities convertible into common stocks. The Fund pursues its investment objective by investing primarily in equity securities of small-capitalization ("small-cap") companies. The Fund considers a small-cap company to be one that has market capitalization, measured at the time the Fund purchases the security, within the range of \$100 million to \$1 billion. The Fund has an unlimited number of \$0.01 par value beneficial interest shares that are authorized, which are divided into two classes - Institutional Shares and Investor Shares.

Each class of shares has equal rights as to assets of the Fund, and the classes are identical except for differences in their sales charge structures and ongoing distribution and service fees. Income, expenses (other than distribution and service fees, which are only attributable to the Investor Class), and realized and unrealized gains or losses on investments are allocated to each class of shares based upon its relative net assets. Investor Shares purchased are subject to a maximum sales charge of three percent. Both classes have equal voting privileges, except where otherwise required by law or when the Board of Trustees determines that the matter to be voted on affects only the interests of the shareholders of a particular class. The following is a summary of significant accounting policies followed by the Fund.

- A. Security Valuation - The Fund's investments in securities are carried at value. Securities listed on an exchange or quoted on a national market system are valued at 4:00 p.m., New York time. Other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the most recent bid price. Securities for which market quotations are not readily available, if any, are valued by using an independent pricing service or by following procedures approved by the Board of Trustees. Short-term investments are valued at cost which approximates value.
- B. Federal Income Taxes - No provision has been made for federal income taxes since it is the policy of the Fund to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to make sufficient

distributions of taxable income to relieve it from all federal income taxes.

Each Fund files a tax return annually using tax accounting methods required under provisions of the Code which may differ from generally accepted accounting principles, the basis on which these financial statements are prepared. Accordingly, the character of distributions to shareholders reported in the financial highlights may differ from that reported to shareholders for Federal income tax purposes. Distributions which exceed net investment income and net realized gains for financial reporting purposes but not for tax purposes, if any, are shown as distributions in excess of net investment income and net realized gains in the accompanying statements.

- C. Investment Transactions - Investment transactions are recorded on trade date. Realized gains and losses are determined using the specific identification cost method. Interest income is recorded daily on an accrual basis. Dividend income is recorded on the ex-dividend date.

(Continued)

#### CAPITAL MANAGEMENT SMALL-CAP FUND

##### NOTES TO FINANCIAL STATEMENTS

May 31, 1999  
(Unaudited)

- D. Distributions to Shareholders - The Fund may declare dividends quarterly, payable in March, June, September, and December on a date selected by the Trust's Trustees. Distributions to shareholders are recorded on the ex-dividend date. In addition, distributions may be made annually in December out of net realized gains through October 31 of that year. Distributions to shareholders are recorded on the ex-dividend date. The Fund may make a supplemental distribution subsequent to the end of its fiscal year ending November 30.
- E. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ from those estimates.

#### NOTE 2 - INVESTMENT ADVISORY FEE AND OTHER RELATED PARTY TRANSACTIONS

Pursuant to an investment advisory agreement, Capital Management Associates, Inc. (the "Advisor"), provides the Fund with a continuous program of supervision of the Fund's assets, including the composition of its portfolio, and furnishes advice and recommendations with respect to investments, investment policies, and the purchase and sale of securities. As compensation for its services, the Advisor receives a fee at the annual rate of 1.00% of the first \$100 million of the Fund's average daily net assets, 0.90% of the next \$150 million, 0.85% of the next \$250 million, and 0.80% of all assets over \$500 million.

The Advisor currently intends to voluntarily waive all or a portion of its fee and to reimburse expenses of the Fund to limit total Fund operating expenses to a maximum of 1.50% of the average daily net assets of the Fund's Institutional Class shares and a maximum of 2.25% of the average daily net assets of the Fund's Investor Class shares. There can be no assurance that the foregoing voluntary fee waivers or reimbursements will continue. The Advisor has voluntarily waived a portion of its fee amounting to \$629 (\$0.04 per share) and reimbursed \$37,182 of the operating expenses incurred by the Fund for the period ending May 31, 1999.

The Fund's administrator, The Nottingham Company (the "Administrator"), provides administrative services to and is generally responsible for the overall management and day-to-day operations of the Fund pursuant to an accounting and administrative agreement with the Trust. As compensation for its services, the Administrator receives a fee at the annual rate of 0.125% of the Fund's first \$50 million of average daily net assets, 0.10% of the next \$50 million, and 0.075% of average daily net assets over \$100 million. The Administrator also receives a monthly fee of \$2,000 for accounting and record-keeping services for the initial class of shares and \$750 per month for each additional class of shares. The contract with the Administrator provides that the aggregate fees for the aforementioned administration, accounting, and

recordkeeping services shall not be less than \$3,000 per month. The Administrator also charges the Fund for certain expenses involved with the daily valuation of portfolio securities. The Administrator has voluntarily waived a portion of its fees amounting to \$1,519 (\$0.10 per share) for the period ending May 31, 1999.

North Carolina Shareholder Services, LLC (the "Transfer Agent") serves as the Fund's transfer, dividend paying, and shareholder servicing agent. The Transfer Agent maintains the records of each shareholder's account, answers shareholder inquiries concerning accounts, processes purchases and redemptions of the Fund's shares, acts as dividend and distribution disbursing agent, and performs other shareholder servicing functions.

(Continued)

CAPITAL MANAGEMENT SMALL-CAP FUND

NOTES TO FINANCIAL STATEMENTS

May 31, 1999  
(Unaudited)

Shields & Company, Inc. (the "Distributor"), an affiliate of the Advisor, serves as the Fund's principal underwriter and distributor. The Distributor receives any sales charges imposed on purchases of Investor Shares and re-allocates a portion of such charges to dealers through whom the sale was made, if any. For the year ended May 31, the Distributor did not retain any sales charges.

Certain Trustees and officers of the Trust are also officers or directors of the Advisor, the Distributor, or the Administrator.

NOTE 3 - DISTRIBUTION AND SERVICE FEES

The Board of Trustees, including the Trustees who are not "interested persons" of the Trust as defined in the Investment Company Act of 1940 (the "Act"), adopted a distribution and service plan pursuant to Rule 12b-1 of the Act (the "Plan") applicable to the Investor Shares. The Act regulates the manner in which a regulated investment company may assume costs of distributing and promoting the sales of its shares and servicing of its shareholder accounts.

The Plan provides that the Fund may incur certain costs, which may not exceed 0.75% per annum of the Investor Class Shares' average daily net assets for each year elapsed subsequent to adoption of the Plan, for payment to the Distributor and others for items such as advertising expenses, selling expenses, commissions, travel, or other expenses reasonably intended to result in sales of Investor Class Shares in the Fund or support servicing of Investor Class Share shareholder accounts. Such expenditures incurred as service fees may not exceed 0.25% per annum of the Investor Class Shares' average daily net assets. The Fund incurred \$147 of such expenses for the period ending May 31, 1999.

NOTE 4 - PURCHASES AND SALES OF INVESTMENTS

Purchases and sales of investments, other than short-term investments, aggregated \$239,358 and \$98,431, respectively, for the period ending May 31, 1999.

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CAPITAL MANAGEMENT ENERGY FUND

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a series of the Capital Management Investment Trust

Semi-Annual Report 1999

FOR THE PERIOD ENDED MAY 31,

INVESTMENT ADVISOR  
 Capital Management Associates, Inc.  
 140 Broadway  
 New York, New York 10005

CAPITAL MANAGEMENT ENERGY FUND  
 107 North Washington Street  
 Post Office Drawer 4365  
 Rocky Mount, North Carolina 27803-0365  
 1-888-626-3863

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CAPITAL MANAGEMENT ENERGY FUND

PORTFOLIO OF INVESTMENTS

May 31, 1999  
 (Unaudited)

	Shares	Value (note 1)
COMMON STOCKS - 97.75%		
Oil & Gas - Equipment & Services - 38.15%		
(a)BJ Services Company .....	200	\$ 5,512
Baker Hughes Incorporated .....	350	10,916
(a)Cooper Cameron Corporation .....	300	10,856
ENSCO International .....	600	10,650
Halliburton Company .....	250	10,344
(a)Nabors Industries, Inc. ....	200	4,000
(a)R&B Falcon Corporation .....	500	4,594
Schlumberger Limited .....	150	9,028
The Williams Companies, Inc. ....	300	15,544
Transocean Offshore Inc. ....	350	8,619
		-----
		90,063
		-----
Oil & Gas - Exploration - 13.74%		
Anadarko Petroleum Corporation .....	300	11,250
Apache Corporation .....	350	12,600
Burlington Resources .....	200	8,587
		-----
		32,437
		-----
Oil & Gas - International - 36.06%		
Atlantic Richfield Company .....	100	8,369
Chevron Corporation .....	100	9,250
Enron Corp. ....	150	10,706
Exxon Corporation .....	150	11,962
Phillips Petroleum Company .....	200	10,488
Royal Dutch Petroleum Company .....	200	11,313
Texaco, Inc. ....	200	13,100
Unocal Corporation .....	250	9,938
		-----
		85,126
		-----
Utilities - Electric - 9.80%		
Duke Energy Corporation .....	200	12,062
Montana Power Company .....	150	11,081
		-----
		23,143
		-----
Total Common Stocks (Cost \$198,764) .....		230,769
		-----

INVESTMENT COMPANY - 3.69%

Evergreen Money Market Treasury Institutional Money  
 Market Fund Institutional Service Shares

(Cost \$8,721) .....

8,721

8,721

(Continued)

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CAPITAL MANAGEMENT ENERGY FUND

PORTFOLIO OF INVESTMENTS

May 31, 1999  
(Unaudited)

		Value (note 1)
Total Value of Investments (Cost \$207,485 (b)) .....	101.44 %	\$ 239,490
Liabilities in Excess of Other Assets .....	(1.44) %	(3,407)
Net Assets .....	100.00 %	\$ 236,083

(a) Non-income producing investment.

(b) Aggregate cost for financial reporting and federal income tax purposes is the same. Unrealized appreciation (depreciation) of investments for financial reporting and federal income tax purposes is as follows:

Unrealized appreciation .....	\$ 34,377
Unrealized depreciation .....	(2,372)
Net unrealized appreciation .....	\$ 32,005

See accompanying notes to financial statements

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CAPITAL MANAGMENT ENERGY FUND

STATEMENT OF ASSETS AND LIABILITIES

May 31, 1999  
(Unaudited)

ASSETS	
Investments, at value (cost \$207,485) .....	\$ 239,490
Cash .....	208
Income receivable .....	542

Prepaid expenses .....	831
Due from advisor (note 2) .....	7,417
	-----
Total assets .....	248,488
	-----
LIABILITIES	
Accrued expenses .....	12,405
	-----
NET ASSETS .....	\$ 236,083
	=====
NET ASSETS CONSIST OF	
Paid-in capital .....	\$ 204,486
Undistributed net investment income .....	214
Accumulated net realized loss on investments .....	(622)
Net unrealized appreciation on investments .....	32,005
	-----
	\$ 236,083
	=====
INSTITUTIONAL CLASS	
Net asset value, redemption and maximum offering price per share (\$176,820 / 15,458 shares outstanding ) .....	\$ 11.44
	=====
INVESTOR CLASS	
Net asset value, redemption and offering price per share (\$59,263 / 5,198 shares outstanding ) .....	\$ 11.40
	=====
Maximum offering price per share (100 / 97% of \$11.40 ) .....	\$ 11.75
	=====

See accompanying notes to financial statements  
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CAPITAL MANAGEMENT ENERGY FUND

STATEMENT OF OPERATIONS

Period from January 12, 1999  
(commencement of operations)  
to May 31, 1999  
(Unaudited)

INVESTMENT INCOME

Income	
Dividends .....	\$ 1,386
	-----
Expenses	
Investment advisory fees (note 2) .....	680
Fund administration fees (note 2) .....	85
Distribution and service fees - Investor class (note 3) .....	151
Custody fees .....	1,973
Registration and filing administration fees (note 2) .....	197
Fund accounting fees (note 2) .....	13,402
Audit fees .....	4,473
Legal fees .....	2,988
Securities pricing fees .....	510
Shareholder recordkeeping fees .....	3,000
Other accounting fees (note 2) .....	4,460
Shareholder servicing expenses .....	886

Registration and filing expenses .....	998
Printing expenses .....	2,388
Trustee fees and meeting expenses .....	2,678
Other operating expenses .....	794
	-----
Total expenses .....	39,663
	-----
Less:	
Expense reimbursements (note 2) .....	(36,288)
Investment advisory fees waived (note 2) .....	(680)
Other accounting fees waived (note 2) .....	(1,523)
	-----
Net expenses .....	1,172
	-----
Net investment income .....	214
	-----

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS

Net realized loss from investment transactions .....	(622)
Increase in unrealized appreciation on investments .....	32,005
	-----
Net realized and unrealized gain on investments .....	31,383
	-----
Net increase in net assets resulting from operations .....	\$ 31,597
	=====

See accompanying notes to financial statements  
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CAPITAL MANAGEMENT ENERGY FUND  
STATEMENT OF CHANGES IN NET ASSETS  
(Unaudited)

	Period ended May 31, 1999 (a)
-----	
INCREASE IN NET ASSETS	
Operations	
Net investment income .....	\$ 214
Net realized loss from investment transactions .....	(622)
Increase in unrealized appreciation on investments .....	32,005
	-----
Net increase in net assets resulting from operations .....	31,597
	-----
Capital share transactions	
Increase in net assets resulting from capital share transactions (b) .....	204,486
	-----
Total increase in net assets .....	236,083
	-----
NET ASSETS	
Beginning of period .....	0
	-----
End of period (including undistributed net investment income of \$214)	\$ 236,083
	=====

(b) A summary of capital share activity follows:



	Period ended May 31, 1999 (a)	
	Shares	Value
----- INSTITUTIONAL CLASS -----		
Shares sold .....	15,458	\$ 154,486
Shares redeemed .....	0	0
Net increase .....	15,458	\$ 154,486
	=====	=====
----- INVESTOR CLASS -----		
Shares sold .....	5,198	\$ 50,000
Shares redeemed .....	0	0
Net increase .....	5,198	\$ 50,000
	=====	=====

(a) For the period beginning January 12, 1999 (commencement of operations) to May 31, 1999.

See accompanying notes to financial statements  
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CAPITAL MANAGEMENT ENERGY FUND

FINANCIAL HIGHLIGHTS

(For a Share Outstanding Throughout the Period)  
(Unaudited)

	----- Institutional Class -----	----- Investor Class -----
	Period ended May 31, 1999 (a)	Period ended May 31, 1999 (a)
Net asset value, beginning of period .....	\$ 9.62	\$ 9.62
Income from investment operations		
Net investment income (loss) .....	0.02	(0.01)
Net realized and unrealized gain on investments .....	1.80	1.79
Total from investment operations .....	1.82	1.78
Net asset value, end of period .....	\$ 11.44	\$ 11.40
Total return (b) .....	18.92 %	18.50 %
Ratios/supplemental data		
Net assets, end of period .....	\$ 176,820	\$ 59,263
Ratio of expenses to average net assets		
Before expense reimbursements and waived fees .....	58.80 % (c)	57.25 % (c)
After expense reimbursements and waived fees .....	1.50 % (c)	2.25 % (c)
Ratio of net investment (loss) income to average net assets		
Before expense reimbursements and waived fees .....	(56.74) % (c)	(55.27) % (c)
After expense reimbursements and waived fees .....	0.56 % (c)	(0.27) % (c)
Portfolio turnover rate .....	47.22 %	47.22 %

(a) For the period beginning January 12, 1999 (commencement of operations) to May 31, 1999.

(b) Total return does not reflect payment of a sales charge.

(c) Annualized.

See accompanying notes to financial statements  
</TABLE>

CAPITAL MANAGEMENT ENERGY FUND

NOTES TO FINANCIAL STATEMENTS

May 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION

The Capital Management Energy Fund (the "Fund") is a diversified series of shares of beneficial interest of the Capital Management Investment Trust (the "Trust"). The Trust, an open-end investment company, was organized on October 18, 1994 as a Massachusetts Business Trust and is registered under the Investment Company Act of 1940, as amended. The Fund began operations on January 12, 1999. The investment objective of the Fund is to seek long-term capital appreciation. Current income is a secondary consideration in selecting portfolio investments. The Fund pursues its investment objective by investing primarily in securities of large-, mid-, and small-cap companies involved in the energy field ("energy-related companies"), including companies whose business focuses on or involves oil, gas, electricity, coal and all new or emerging sources of energy. The Fund has an unlimited number of \$0.01 par value beneficial interest shares authorized, which are divided into two classes Institutional Shares and Investor Shares.

Each class of shares has equal rights as to assets of the Fund, and the classes are identical except for differences in their sales charge structures and ongoing distribution and service fees. Income, expenses (other than distribution and service fees, which are only attributable to the Investor Class), and realized and unrealized gains or losses on investments are allocated to each class of shares based upon its relative net assets. Investor Shares purchased are subject to a maximum sales charge of three percent. Both classes have equal voting privileges, except where otherwise required by law or when the Board of Trustees determines that the matter to be voted on affects only the interests of the shareholders of a particular class. The following is a summary of significant accounting policies followed by the Fund.

- A. Security Valuation - The Fund's investments in securities are carried at value. Securities listed on an exchange or quoted on a national market system are valued at 4:00 p.m., New York time. Other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the most recent bid price. Securities for which market quotations are not readily available, if any, are valued by using an independent pricing service or by following procedures approved by the Board of Trustees. Short-term investments are valued at cost which approximates value.
- B. Federal Income Taxes - No provision has been made for federal income taxes since it is the policy of the Fund to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to make sufficient distributions of taxable income to relieve it from all federal income taxes.

Each Fund files a tax return annually using tax accounting methods required under provisions of the Code which may differ from generally accepted accounting principles, the basis on which these financial statements are prepared. Accordingly, the character of distributions to shareholders reported in the financial highlights may differ from that reported to shareholders for Federal income tax purposes. Distributions which exceed net investment income and net realized gains for

financial reporting purposes but not for tax purposes, if any, are shown as distributions in excess of net investment income and net realized gains in the accompanying statements.

- C. Investment Transactions - Investment transactions are recorded on trade date. Realized gains and losses are determined using the specific identification cost method. Interest income is recorded daily on an accrual basis. Dividend income is recorded on the ex-dividend date.

(Continued)

CAPITAL MANAGEMENT ENERGY FUND

NOTES TO FINANCIAL STATEMENTS

May 31, 1999

- D. Distributions to Shareholders - The Fund may declare dividends quarterly, payable in March, June, September, and December on a date selected by the Trust's Trustees. Distributions to shareholders are recorded on the ex-dividend date. In addition, distributions may be made annually in December out of net realized gains through October 31 of that year. Distributions to shareholders are recorded on the ex-dividend date. The Fund may make a supplemental distribution subsequent to the end of its fiscal year ending November 30.
- E. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ from those estimates.

NOTE 2 - INVESTMENT ADVISORY FEE AND OTHER RELATED PARTY TRANSACTIONS

Pursuant to an investment advisory agreement, Capital Management Associates, Inc. (the "Advisor"), provides the Fund with a continuous program of supervision of the Fund's assets, including the composition of its portfolio, and furnishes advice and recommendations with respect to investments, investment policies, and the purchase and sale of securities. As compensation for its services, the Advisor receives a fee at the annual rate of 1.00% of the first \$100 million of the Fund's average daily net assets, 0.90% of the next \$150 million, 0.85% of the next \$250 million, and 0.80% of all assets over \$500 million.

The Advisor currently intends to voluntarily waive all or a portion of its fee and to reimburse expenses of the Fund to limit total Fund operating expenses to a maximum of 1.50% of the average daily net assets of the Fund's Institutional Class shares and a maximum of 2.25% of the average daily net assets of the Fund's Investor Class shares. There can be no assurance that the foregoing voluntary fee waivers or reimbursements will continue. The Advisor has voluntarily waived a portion of its fee amounting to \$680 (\$0.04 per share) and reimbursed \$36,288 of the operating expenses incurred by the Fund for the period ending May 31, 1999.

The Fund's administrator, The Nottingham Company (the "Administrator"), provides administrative services to and is generally responsible for the overall management and day-to-day operations of the Fund pursuant to an accounting and administrative agreement with the Trust. As compensation for its services, the Administrator receives a fee at the annual rate of 0.125% of the Fund's first \$50 million of average daily net assets, 0.10% of the next \$50 million, and 0.075% of average daily net assets over \$100 million. The Administrator also receives a monthly fee of \$2,000 for accounting and record-keeping services for the initial class of shares and \$750 per month for each additional class of shares. The contract with the Administrator provides that the aggregate fees for the aforementioned administration, accounting, and recordkeeping services shall not be less than \$3,000 per month. The Administrator also charges the Fund for certain expenses involved with the daily valuation of portfolio securities. The Administrator has voluntarily waived a portion of its fees amounting to \$1,523 (\$0.07 per share) for the period ending May 31, 1999.

North Carolina Shareholder Services, LLC (the "Transfer Agent") serves as the Fund's transfer, dividend paying, and shareholder servicing agent. The Transfer Agent maintains the records of each shareholder's account, answers shareholder inquiries concerning accounts, processes purchases and redemptions of the Fund's shares, acts as dividend and

distribution disbursing agent, and performs other shareholder servicing functions.

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CAPITAL MANAGEMENT ENERGY FUND

NOTES TO FINANCIAL STATEMENTS

May 31, 1999

Shields & Company, Inc. (the "Distributor"), an affiliate of the Advisor, serves as the Fund's principal underwriter and distributor. The Distributor receives any sales charges imposed on purchases of Investor Shares and re-allocates a portion of such charges to dealers through whom the sale was made, if any. For the year ended May 31, the Distributor did not retain any sales charges.

Certain Trustees and officers of the Trust are also officers or directors of the Advisor, the Distributor, or the Administrator.

NOTE 3 - DISTRIBUTION AND SERVICE FEES

The Board of Trustees, including the Trustees who are not "interested persons" of the Trust as defined in the Investment Company Act of 1940 (the "Act"), adopted a distribution and service plan pursuant to Rule 12b-1 of the Act (the "Plan") applicable to the Investor Shares. The Act regulates the manner in which a regulated investment company may assume costs of distributing and promoting the sales of its shares and servicing of its shareholder accounts.

The Plan provides that the Fund may incur certain costs, which may not exceed 0.75% per annum of the Investor Class Shares' average daily net assets for each year elapsed subsequent to adoption of the Plan, for payment to the Distributor and others for items such as advertising expenses, selling expenses, commissions, travel, or other expenses reasonably intended to result in sales of Investor Class Shares in the Fund or support servicing of Investor Class Share shareholder accounts. Such expenditures incurred as service fees may not exceed 0.25% per annum of the Investor Class Shares' average daily net assets. The Fund incurred \$151 of such expenses for the period ending May 31, 1999.

NOTE 4 - PURCHASES AND SALES OF INVESTMENTS

Purchases and sales of investments, other than short-term investments, aggregated \$264,886 and \$65,500, respectively, for the period ending May 31, 1999.