

The Advisors' Inner Circle Fund II



**Cardinal Capital**  
MANAGEMENT, L.L.C.

**CARDINAL SMALL CAP VALUE FUND**  
**Annual Report | October 31, 2016**

Investment Adviser:  
**CARDINAL CAPITAL MANAGEMENT, L.L.C.**

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**TABLE OF CONTENTS**

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|   |    |
|---|----|
| Shareholder Letter . . . . .  | 1  |
| Schedule of Investments . . . . .                                     | 4  |
| Statement of Assets and Liabilities . . . . .                         | 7  |
| Statement of Operations . . . . .                                     | 8  |
| Statements of Changes in Net Assets. . . . .                          | 9  |
| Financial Highlights . . . . .  | 10 |
| Notes to Financial Statements . . . . .                               | 11 |
| Report of Independent Registered Public Accounting Firm. . . . .      | 19 |
| Disclosure of Fund Expenses . . . . .                                 | 20 |
| Trustees and Officers of the Advisors' Inner Circle Fund II . . . . . | 22 |
| Notice to Shareholders. . . . .                                       | 28 |

The Fund files its complete schedule of investments of fund holdings with the Securities and Exchange Commission (the "Commission") for the first and third quarters of each fiscal year on Form N-Q within sixty days after period end. The Fund's Forms N-Q are available on the Commission's website at <http://www.sec.gov>, and may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to fund securities, as well as information relating to how the Fund voted proxies relating to fund securities during the most recent 12-month period ended June 30, will be available (i) without charge, upon request, by calling 1-844-CCM-SEIC (1-844-226-7342); and (ii) on the Commission's website at <http://www.sec.gov>.

Dear Fellow Shareholders,

We are pleased to share with you the Annual Report for the Cardinal Small Cap Value Fund (the "Fund") for the period November 1, 2015 through October 31, 2016. The report contains information on the holdings of the Fund along with financial highlights and a Statement of Operations.

For the twelve months ending October 31, 2016, the Fund returned 6.27% while the Russell 2000 Value Index returned 8.81%. Domestic economic data was mixed during the year, although better than most developed economies. As such, small cap stock returns were volatile despite ending the year with high single digit gains. Late last year, the Federal Reserve finally took its first step to normalize interest rates by raising the federal funds rate by 25 basis points. Although the move was well-telegraphed, equity markets did correct early in 2016 but recovered and rose until U.K. voters passed a referendum to leave the European Union. While BREXIT surprised the markets and increased economic and political uncertainty, domestic equities quickly recovered their losses and continued to perform well post-BREXIT despite concerns that the economic environment in Europe is likely to deteriorate and growth rates in China are still slowing. Equity valuations, although attractive relative to bonds, are above their historical averages on an absolute basis.

During this period, the Fund lagged its benchmark's return primarily due to stock selection, most notably within the materials and financials sectors, in addition to not owning utilities and holding residual cash in a rising market. The materials sector was the highest returning sector for the year, rising nearly 30%, driven primarily by a rebound in the more cyclical metals and mining stocks that the fund tends not to own. Specific detractors during the year included Compass Minerals, a supplier of salt and plant nutrients, whose share price fell as very mild winter weather in the Midwest reduced demand for its deicing salt. Within financials, the stock price of First NBC, a Louisiana based bank, declined due to a change in the accounting for tax credit investments which caused its financial statements to be delayed as well as credit issues which arose with two large loans. The position has been sold. There were no investment in the utilities sector given the capital intensity of those businesses, the low returns permitted by regulators in the current interest rate world, and the Portfolio Managers' assessment that valuations do not adequately compensate investors for the substantial interest rate risk.

Contributors to relative performance include stock selection in the energy and industrials sectors. Within energy, shares of Parsley Energy rose after the company announced the acquisition of more than 9,000 net leasehold acres near

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existing leasehold in the Midland Basin and substantially increased its production guidance for the next three years. Within industrials, the stock price of BWX Technologies rose significantly after the defense-focused nuclear product and services firm spun-off its coal and renewable energy business which retained the Babcock and Wilcox parent company name.

Our outlook for the economy and equity markets is cautiously optimistic. We expect domestic economic growth to remain modest and inflation benign. Short-term U.S. interest rates are likely to rise modestly unless something unexpected happens in the Presidential election or with the economy. The direction of oil prices is likely to take the lead of OPEC which must decide how it will meet the production targets set out in the understanding reached in Algeria. The economic environment in Europe is not improving as negative interest rates and undercapitalized banks are proving ineffectual. Growth rates in China are still slowing but the major fallout seems to be behind us. Given the scarcity of revenue growth, the M&A market should remain active as long as capital remains available and inexpensive. Despite low oil prices and weak global economies, U.S. corporate earnings should grow modestly as the headwinds from energy prices and the U.S. dollar moderate. Our portfolio company management teams continue to actively deploy their free cash flow through share repurchases, dividends and opportunistic acquisitions which should bode well for future value creation.

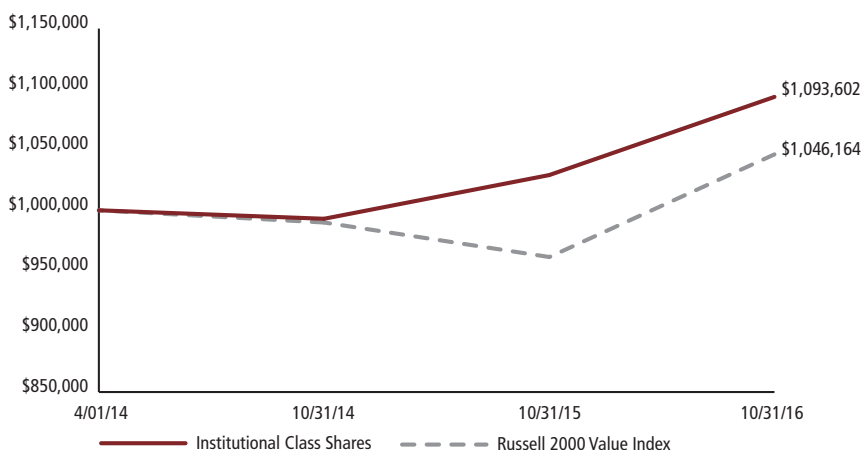
This material represents the manager's assessment of the portfolio and market environment at a specific point in time and should not be relied upon by the reader as research or investment advice. Past performance is no guarantee of future results. Mutual fund investing involves risk, including possible loss of principal.

### Definition of Comparative Index

**Russell 2000 Value Index** measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Comparison of Change in the Value of a \$1,000,000 investment in the Cardinal Small Cap Value Fund, Institutional Class Shares, versus the Russell 2000 Value Index

| AVERAGE ANNUAL TOTAL RETURN FOR THE PERIOD ENDED OCTOBER 31, 2016* |                                |
|--|--------------------------------|
|  | Annualized Inception to Date** |
| Institutional Class Shares   | 3.53%                          |
| Russell 2000 Value Index   | 1.76%                          |



\* If the Adviser had not limited certain expenses, the Fund's total return would have been lower.

\*\*The Fund commenced operations on April 1, 2014.

The performance data quoted herein represents past performance and the return and value of an investment in the Fund will fluctuate so that, when redeemed, may be worth less than its original cost.

Past performance is no guarantee of future performance and should not be considered as a representation of the future results of the Fund.

The Fund's performance assumes the reinvestment of all dividends and all capital gains. Index returns assume reinvestment of dividends and, unlike a Fund's returns, do not reflect any fees or expenses. If such fees and expenses were included in the index returns, the performance would have been lower. Please note that one cannot invest directly in an unmanaged index.

There are no assurances that the Fund will meet its stated objectives. The Fund's holdings and allocations are subject to change because it is actively managed and should not be considered recommendations to buy individual securities.

Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

See definition of comparative index on page 2.

**SECTOR WEIGHTINGS (Unaudited) †**

|       |                            |
|-------|----------------------------|
| 22.1% | Financials                 |
| 19.7% | Industrials                |
| 13.1% | Information Technology     |
| 12.6% | Real Estate                |
| 11.3% | Consumer Discretionary     |
| 6.0%  | Health Care                |
| 4.8%  | Energy                     |
| 4.4%  | Short-Term Investment      |
| 3.5%  | Materials                  |
| 2.0%  | Consumer Staples           |
| 0.5%  | Telecommunication Services |

† Percentages based on total investments.

**SCHEDULE OF INVESTMENTS****COMMON STOCK — 96.0%**

|                                       | Shares | Value            |
|---------------------------------------|--------|------------------|
| <b>CONSUMER DISCRETIONARY — 11.4%</b> |        |                  |
| Del Frisco's Restaurant Group *       | 19,337 | \$ 276,519       |
| IAC                                   | 10,171 | 655,419          |
| Lithia Motors, CI A                   | 2,040  | 174,991          |
| National CineMedia                    | 17,686 | 245,305          |
| Oxford Industries                     | 3,930  | 246,490          |
| Six Flags Entertainment               | 7,858  | 437,298          |
|                                       |        | <u>2,036,022</u> |
| <b>CONSUMER STAPLES — 2.1%</b>        |        |                  |
| MGP Ingredients                       | 10,420 | 366,888          |
| <b>ENERGY — 4.8%</b>                  |        |                  |
| Callon Petroleum *                    | 29,500 | 383,205          |
| Parsley Energy, CI A *                | 3,870  | 127,323          |
| RSP Permian *                         | 4,100  | 148,010          |
| World Fuel Services                   | 4,907  | 197,507          |
|                                       |        | <u>856,045</u>   |
| <b>FINANCIALS — 22.2%</b>             |        |                  |
| BGC Partners, CI A                    | 61,888 | 531,618          |
| Cardinal Financial                    | 14,190 | 372,913          |
| Columbia Banking System               | 18,775 | 619,950          |
| FirstCash                             | 8,511  | 401,719          |

The accompanying notes are an integral part of the financial statements.

## COMMON STOCK — continued

|                                       | Shares | Value            |
|---------------------------------------|--------|------------------|
| <b>FINANCIALS — continued</b>         |        |                  |
| MB Financial .....                    | 15,263 | \$ 555,421       |
| PacWest Bancorp .....                 | 16,961 | 735,938          |
| SLM * .....                           | 39,890 | 281,224          |
| South State .....                     | 3,425  | 251,224          |
| Starwood Property Trust .....         | 10,495 | 233,409          |
|                                       |        | <u>3,983,416</u> |
| <b>HEALTH CARE — 6.1%</b>             |        |                  |
| Air Methods * .....                   | 7,167  | 189,567          |
| Chemed .....                          | 2,210  | 312,538          |
| ICU Medical * .....                   | 310    | 43,183           |
| Ligand Pharmaceuticals * .....        | 5,652  | 541,066          |
|                                       |        | <u>1,086,354</u> |
| <b>INDUSTRIALS — 19.7%</b>            |        |                  |
| Babcock & Wilcox Enterprises * .....  | 15,702 | 247,150          |
| BWX Technologies, CI W .....          | 15,961 | 625,990          |
| CBIZ * .....                          | 36,533 | 403,690          |
| Genesee & Wyoming, CI A * .....       | 7,182  | 487,945          |
| Kaman .....                           | 10,441 | 455,854          |
| KAR Auction Services .....            | 17,043 | 725,691          |
| Teledyne Technologies * .....         | 3,736  | 402,293          |
| TriMas * .....                        | 10,414 | 186,931          |
|                                       |        | <u>3,535,544</u> |
| <b>INFORMATION TECHNOLOGY — 13.1%</b> |        |                  |
| ACI Worldwide * .....                 | 18,846 | 341,489          |
| CommerceHub, CI A * .....             | 9,880  | 148,398          |
| CommerceHub, CI C * .....             | 2,940  | 44,247           |
| Convergys .....                       | 6,333  | 184,924          |
| CTS .....                             | 19,772 | 359,850          |
| InterDigital .....                    | 1,363  | 96,296           |
| j2 Global .....                       | 5,425  | 385,989          |
| PDF Solutions * .....                 | 27,616 | 545,416          |
| Silicon Motion Technology ADR .....   | 4,970  | 201,832          |
| TechTarget * .....                    | 4,868  | 39,333           |
|                                       |        | <u>2,347,774</u> |

*The accompanying notes are an integral part of the financial statements.*

**COMMON STOCK — continued**

|  | <u>Shares</u> | <u>Value</u>      |
|--|---------------|-------------------|
| <b>MATERIALS — 3.5%</b>                      |               |                   |
| Compass Minerals International .....         | 1,827         | \$ 131,270        |
| Silgan Holdings .....                        | 9,836         | 501,144           |
|  |               | <u>632,414</u>    |
| <b>REAL ESTATE — 12.6%</b>                   |               |                   |
| Bluerock Residential Growth, CI A REIT ..... | 21,476        | 266,303           |
| Colony Starwood Homes REIT .....             | 10,958        | 317,892           |
| EPR Properties REIT .....                    | 1,760         | 127,987           |
| Hersha Hospitality Trust, CI A REIT .....    | 9,693         | 172,729           |
| Howard Hughes * .....                        | 5,604         | 615,487           |
| Medical Properties Trust REIT .....          | 27,156        | 378,555           |
| National Storage Affiliates Trust REIT ..... | 13,430        | 262,959           |
| Physicians Realty Trust REIT .....           | 6,160         | 121,783           |
|  |               | <u>2,263,695</u>  |
| <b>TELECOMMUNICATION SERVICES — 0.5%</b>     |               |                   |
| Boingo Wireless * .....                      | 9,003         | 87,509            |
| <b>TOTAL COMMON STOCK</b>                    |               |                   |
| (Cost \$16,281,503) .....                    |               | <u>17,195,661</u> |

**SHORT-TERM INVESTMENT(A) — 4.4%**

|  |         |                     |
|--|---------|---------------------|
| SEI Daily Income Trust Government Fund, CI A, 0.200%<br>(Cost \$789,323) ..... | 789,323 | <u>789,323</u>      |
| <b>TOTAL INVESTMENTS— 100.4%</b>   |         |                     |
| (Cost \$17,070,826) .....  |         | <u>\$17,984,984</u> |

Percentages are based on Net Assets of \$17,919,647.

\* Non-income producing security.

(A) The reporting rate is the 7-day effective yield as of October 31, 2016.

ADR — American Depositary Receipt

CI — Class

REIT — Real Estate Investment Trust

The accompanying notes are an integral part of the financial statements.



**STATEMENT OF ASSETS AND LIABILITIES****Assets:**

|   |                          |
|---|--------------------------|
| Investments, at Value (Cost \$17,070,826) . . . . . | \$ 17,984,984            |
| Receivable for Investment Securities Sold . . . . . | 86,259                   |
| Receivable for Capital Shares Sold . . . . .        | 19,980                   |
| Receivable due from Adviser . . . . .               | 6,142                    |
| Dividend Receivable . . . . .                       | 2,773                    |
| Prepaid Expenses . . . . .                          | <u>15,558</u>            |
| <b>Total Assets</b> . . . . .                       | <u><u>18,115,696</u></u> |

**Liabilities:**

|   |                       |
|---|-----------------------|
| Payable for Investment Securities Purchased . . . . . | 135,142               |
| Payable due to Administrator . . . . .                | 9,342                 |
| Payable due to Trustees . . . . .                     | 3,705                 |
| Chief Compliance Officer Fees Payable . . . . .       | 2,079                 |
| Other Accrued Expenses and Other Payables . . . . .   | <u>45,781</u>         |
| <b>Total Liabilities</b> . . . . .                    | <u><u>196,049</u></u> |

**Net Assets** . . . . . \$ 17,919,647

**NET ASSETS CONSIST OF:**

|  |                             |
|--|-----------------------------|
| Paid-in Capital . . . . .                              | \$ 16,826,970               |
| Undistributed Net Investment Income . . . . .          | 66,652                      |
| Accumulated Net Realized Gain on Investments . . . . . | 111,867                     |
| Net Unrealized Appreciation on Investments . . . . .   | <u>914,158</u>              |
| <b>Net Assets</b> . . . . .                            | <u><u>\$ 17,919,647</u></u> |

**Net Asset Value and Offering Price Per Share—**

**Institutional Class Shares** ( $\$17,919,647 \div 1,685,338$  shares) . . . . . \$ 10.63

*The accompanying notes are an integral part of the financial statements.*

**THE ADVISORS' INNER CIRCLE FUND II    CARDINAL SMALL CAP VALUE  
FUND FOR THE YEAR ENDED  
OCTOBER 31, 2016**

**STATEMENT OF OPERATIONS**

**Investment Income:**

|                                      |                |
|--------------------------------------|----------------|
| Dividends .....                      | \$ 230,718     |
| Less: Foreign Taxes Withheld .....   | <u>(2,947)</u> |
| <b>Total Investment Income .....</b> | <u>227,771</u> |

**Expenses:**

|                                     |                |
|-------------------------------------|----------------|
| Administration Fees .....           | 110,301        |
| Investment Advisory Fees .....      | 103,639        |
| Trustees' Fees .....                | 16,593         |
| Chief Compliance Officer Fees ..... | 5,992          |
| Legal Fees .....                    | 28,927         |
| Transfer Agent Fees .....           | 24,905         |
| Registration and Filing Fees .....  | 23,648         |
| Audit Fees .....                    | 23,364         |
| Printing Fees .....                 | 11,081         |
| Custodian Fees .....                | 5,000          |
| Other Expenses .....                | <u>5,514</u>   |
| <b>Total Expenses .....</b>         | <u>358,964</u> |

Less:

|  |                  |
|--|------------------|
| Waiver of Investment Advisory Fees ..... | (103,639)        |
| Reimbursement by Adviser .....           | <u>(107,316)</u> |
| <b>Net Expenses .....</b>                | <u>148,009</u>   |

|                                    |               |
|------------------------------------|---------------|
| <b>Net Investment Income .....</b> | <u>79,762</u> |
|------------------------------------|---------------|

|   |                |
|---|----------------|
| <b>Net Realized Gain on Investments .....</b> | <u>128,601</u> |
|---|----------------|

|   |                |
|---|----------------|
| <b>Net Change in Unrealized Appreciation on Investments .....</b> | <u>949,407</u> |
|---|----------------|

|  |                  |
|--|------------------|
| <b>Net Realized and Unrealized Gain on Investments .....</b> | <u>1,078,008</u> |
|--|------------------|

|   |                           |
|---|---------------------------|
| <b>Net Increase in Net Assets Resulting from Operations .....</b> | <u><u>\$1,157,770</u></u> |
|---|---------------------------|

*The accompanying notes are an integral part of the financial statements.*

## STATEMENTS OF CHANGES IN NET ASSETS

|  | Year<br>Ended<br>October 31,<br>2016 | Year<br>Ended<br>October 31,<br>2015 |
|--|--------------------------------------|--------------------------------------|
| <b>Operations:</b>   |                                      |                                      |
| Net Investment Income . . . . .  | \$ 79,762                            | \$ 97,256                            |
| Net Realized Gain on Investments . . . . .   | 128,601                              | 96,330                               |
| Net Change in Unrealized Appreciation (Depreciation)<br>on Investments . . . . .         | 949,407                              | (10,137)                             |
| <b>Net Increase in Net Assets Resulting<br/>From Operations . . . . .</b>                | <b>1,157,770</b>                     | <b>183,449</b>                       |
| <b>Dividends and Distributions:</b>  |                                      |                                      |
| Dividends from Net Investment Income:  |                                      |                                      |
| <i>Institutional Class Shares</i> . . . . .  | (117,923)                            | (46,870)                             |
| Distributions from Net Capital Gains:  |                                      |                                      |
| <i>Institutional Class Shares</i> . . . . .  | (75,926)                             | (21,362)                             |
| <b>Total Dividends and Distributions . . . . .</b>                                       | <b>(193,849)</b>                     | <b>(68,232)</b>                      |
| <b>Capital Share Transactions:<sup>(1)</sup></b>   |                                      |                                      |
| <i>Institutional Class Shares:</i>   |                                      |                                      |
| Issued . . . . .   | 13,851,647                           | 3,132,469                            |
| Reinvestment of Distributions . . . . .  | 159,838                              | 63,047                               |
| Redeemed . . . . .   | (7,086,790)                          | (6,841)                              |
| <b>Increase in Net Assets From Institutional Class<br/>Shares Transactions . . . . .</b> | <b>6,924,695</b>                     | <b>3,188,675</b>                     |
| <b>Net Increase in Net Assets From Share Transactions . . .</b>                          | <b>6,924,695</b>                     | <b>3,188,675</b>                     |
| <b>Total Increase in Net Assets . . . . .</b>  | <b>7,888,616</b>                     | <b>3,303,892</b>                     |
| <b>Net Assets:</b>   |                                      |                                      |
| Beginning of Year . . . . .  | 10,031,031                           | 6,727,139                            |
| End of Year (undistributed net investment income<br>of \$66,652 and \$94,176) . . . . .  | \$17,919,647                         | \$10,031,031                         |

<sup>(1)</sup> For share transactions, see Note 6 in the Notes to Financial Statements.

The accompanying notes are an integral part of the financial statements.

## FINANCIAL HIGHLIGHTS

Selected Per Share Data & Ratios  
For a Share Outstanding Throughout the Period

|  | Year Ended<br>October 31,<br>2016 | Year Ended<br>October 31,<br>2015 | Period Ended<br>October 31,<br>2014 <sup>‡</sup> |
|--|-----------------------------------|-----------------------------------|--|
| <i>Institutional Class Shares</i>  |                                   |                                   |  |
| Net Asset Value, Beginning of Period . . . . .   | \$ 10.19                          | \$ 9.93                           | \$ 10.00   |
| Income (Loss) from Investment Operations:  |                                   |                                   |  |
| Net Investment Income* . . . . .   | 0.06                              | 0.11                              | 0.04   |
| Net Realized and Unrealized Gain (Loss) . . . . .  | 0.56                              | 0.25                              | (0.11)   |
| Total from Investment Operations . . . . .   | 0.62                              | 0.36                              | (0.07)   |
| Dividends and Distributions:   |                                   |                                   |  |
| Net Investment Income . . . . .  | (0.11)                            | (0.07)                            | —  |
| Capital Gains . . . . .  | (0.07)                            | (0.03)                            | —  |
| Total Dividends and Distributions . . . . .  | (0.18)                            | (0.10)                            | —  |
| Net Asset Value, End of Period . . . . .   | \$ 10.63                          | \$ 10.19                          | \$ 9.93  |
| <b>Total Return</b> <sup>†</sup> . . . . .   | <u>6.27%</u>                      | <u>3.63%</u>                      | <u>(0.70)%</u>                                   |
| <b>Ratios and Supplemental Data</b>  |                                   |                                   |  |
| Net Assets, End of Period (Thousands) . . . . .  | \$ 17,920                         | \$ 10,031                         | \$ 6,727   |
| Ratio of Expenses to Average Net Assets . . . . .  | 1.00%                             | 1.00%                             | 1.00% <sup>††</sup>                              |
| Ratio of Expenses to Average Net Assets<br>(Excluding Waivers, Reimbursements and<br>Fees Paid Indirectly) . . . . . | 2.43%                             | 3.40%                             | 6.19% <sup>††</sup>                              |
| Ratio of Net Investment Income to Average<br>Net Assets . . . . .  | 0.54%                             | 1.06%                             | 0.70% <sup>††</sup>                              |
| Portfolio Turnover Rate . . . . .  | 72%                               | 39%                               | 28% <sup>^</sup>                                 |

\* Per share calculations were performed using average shares for the period.

<sup>†</sup> Total return is for the period indicated and has not been annualized. Return shown does not reflect the deductions of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Total return would have been lower had the Adviser not waived its fee and/or reimbursed other expenses.

<sup>††</sup> Annualized.

<sup>^</sup> Portfolio turnover rate is for the period indicated and has not been annualized.

<sup>‡</sup> Commenced operations on April 1, 2014.

The accompanying notes are an integral part of the financial statements.

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**NOTES TO FINANCIAL STATEMENTS****1. Organization:**

**The Advisors' Inner Circle Fund II** (the "Trust") is organized as a Massachusetts business trust under an Amended and Restated Agreement and Declaration of Trust dated February 18, 1997. The Trust is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company with 38 funds. The financial statements herein are those of the Cardinal Small Cap Value Fund (the "Fund"). The Fund commenced operations on April 1, 2014. The Fund is diversified and its investment objective is to seek to achieve long-term capital appreciation. The Fund invests primarily (at least 80% of its net assets) in securities of small capitalization companies. The financial statements of the remaining funds of the Trust are presented separately. The assets of each fund are segregated, and a shareholder's interest is limited to the fund in which shares are held.

**2. Significant Accounting Policies:**

The following is a summary of the significant accounting policies followed by the Funds in the preparation of their financial statements. The Funds are investment companies in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"). Therefore, the Funds follow the accounting and reporting guidance for investment companies.

*Use of Estimates* — The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the fair value of assets, the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and such differences could be material.

*Security Valuation* — Securities listed on a securities exchange, market or automated quotation system for which quotations are readily available (except for securities traded on NASDAQ), including securities traded over the counter, are valued at the last quoted sale price on an exchange or market (foreign or domestic) on which they are traded on valuation date (or at approximately 4:00 pm ET if a security's primary exchange is normally open at that time), or, if there is no such reported sale on the valuation date, at the most recent quoted bid price. For securities traded on NASDAQ, the NASDAQ Official Closing Price will be used.

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Securities for which market prices are not “readily available” are valued in accordance with fair value procedures established by the Fund’s Board of Trustees (the “Board”). The Fund’s fair value procedures are implemented through a fair value committee (the “Committee”) designated by the Board. Some of the more common reasons that may necessitate that a security be valued using fair value procedures include: the security’s trading has been halted or suspended; the security has been de-listed from a national exchange; the security’s primary trading market is temporarily closed at a time when under normal conditions it would be open; the security has not been traded for an extended period of time; the security’s primary pricing source is not able or willing to provide a price; or trading of the security is subject to local government imposed restrictions. When a security is valued in accordance with the fair value procedures, the Committee will determine the value after taking into consideration relevant information reasonably available to the Committee.

In accordance with the authoritative guidance on fair value measurements and disclosure under U.S. GAAP, the Fund discloses fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 – Other significant observable inputs (includes quoted prices for similar securities, interest rates, prepayment speeds, credit risk, referenced indices, quoted prices in inactive markets, adjusted quoted prices in active markets, etc.); and
- Level 3 — Prices, inputs or exotic modeling techniques which are both significant to the fair value measurement and unobservable (supported by little or no market activity).

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Investments are classified within the level of the lowest significant input considered in determining fair value. Investments classified within Level 3 whose fair value measurement considers several inputs may include Level 1 or Level 2 inputs as components of the overall fair value measurement.

As of October 31, 2016, all of the Fund's investments were Level 1. For the year ended October 31, 2016, there were no transfers between Level 1 and Level 2 assets and liabilities. For the year ended October 31, 2016, there were no Level 3 securities.

For the year ended October 31, 2016, there have been no significant changes to the Fund's fair valuation methodology.

*Federal Income Taxes* — It is the Fund's intention to continue to qualify as a regulated investment company for Federal income tax purposes by complying with the appropriate provisions of Subchapter M of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for Federal income taxes have been made in the financial statements.

The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether it is "more-likely-than-not" (i.e., greater than 50-percent) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. The Fund did not record any tax provision in the current period. However, management's conclusions regarding tax positions taken may be subject to review and adjustment at a later date based on factors including, but not limited to, examination by tax authorities (i.e., all open tax year ends, since inception), on-going analysis of and changes to tax laws, regulations and interpretations thereof.

As of and during the year ended October 31, 2016, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year, the Fund did not incur any interest or penalties.

*Security Transactions and Investment Income* — Security transactions are accounted for on trade date basis for financial reporting purposes. Costs used in determining realized gains and losses on the sale of investment

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securities are based on the specific identification method. Dividend income is recorded on the ex-dividend date. Interest income is recognized on the accrual basis from settlement date.

*Investments in REITs* — Dividend income from REITs is recorded based on the income included in distributions received from the REIT investments using published REIT reclassifications, including some management estimates when actual amounts are not available. Distributions received in excess of this estimated amount are recorded as a reduction of the cost of investments or reclassified to capital gains. The actual amounts of income, return of capital, and capital gains are only determined by each REIT after its fiscal year-end, and may differ from the estimated amounts.

*Expenses* — Expenses that are directly related to the Fund are charged to the Fund. Other operating expenses of the Trust are prorated to the funds based on the number of funds and/or relative daily net assets.

*Dividends and Distributions to Shareholders* — The Fund distributes substantially all of its net investment income annually. Distributions from net realized capital gains, if any, are declared and paid annually. All distributions are recorded on ex-dividend date.

### **3. Transactions with Affiliates:**

Certain officers of the Trust are also employees of SEI Investments Global Funds Services (the “Administrator”), a wholly owned subsidiary of SEI Investments Company, and/or SEI Investments Distribution Co. (the “Distributor”). Such officers are paid no fees by the Trust, other than the Chief Compliance Officer (“CCO”) as described below, for serving as officers of the Trust.

A portion of the services provided by the CCO and his staff, whom are employees of the Administrator, are paid for by the Trust as incurred. The services include regulatory oversight of the Trust’s advisors and service providers, as required by SEC regulations. The CCO’s services and fees have been approved by and are reviewed by the Board.



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#### **4. Administration, Distribution, Custodian and Transfer Agent Agreements:**

The Fund and the Administrator are parties to an Administration Agreement, under which the Administrator provides administrative services to the Fund. For these services, the Administrator is paid an asset based fee, which will vary depending on the number of share classes and the average daily net assets of the Fund. For the year ended October 31, 2016, the Fund paid \$110,301 for these services.

The Trust and the Distributor are parties to a Distribution Agreement. The Distributor receives no fees under the agreement.

MUFG Union Bank, N.A. acts as custodian (the "Custodian") for the Fund. The Custodian plays no role in determining the investment policies of the Fund or which securities are to be purchased or sold by the Fund.

Atlantic Fund Services, LLC serves as the transfer agent and dividend disbursing agent for the Fund under a transfer agency agreement with the Trust.

#### **5. Investment Advisory Agreement:**

Under the terms of an investment advisory agreement, Cardinal Capital Management, L.L.C. (the "Adviser") provides investment advisory services to the Fund at a fee, which is calculated daily and paid monthly at an annual rate of 0.70% of the Fund's average daily net assets. The Adviser has contractually agreed to reduce fees and reimburse expenses to the extent necessary to keep the Institutional Class Shares' total annual operating expenses (excluding interest, taxes, brokerage commissions, acquired fund fees and expenses, and extraordinary expenses) from exceeding 1.00% of the Fund's Institutional Class Shares' average daily net assets until May 31, 2017. This Agreement may be terminated: (i) by the Board, for any reason at any time; or (ii) by the Adviser, upon ninety (90) days' prior written notice to the Trust, effective as of the close of business on May 31, 2017. In addition, if at any point it becomes unnecessary for the Adviser to reduce fees or make expense reimbursements, the board may permit the Adviser to retain the difference between total annual operating expenses and 1.00% to recapture all or a portion of its prior reductions or reimbursements made during the preceding three-year period. As of October 31, 2016, fees which were previously waived and/or reimbursed by the Adviser which may be subject to possible future reimbursement to the Adviser were \$177,240, \$219,455 and \$210,955 expiring in 2017, 2018 and 2019 respectively.

**6. Share Transactions:**

|  | Year Ended<br>October 31,<br>2016 | Year Ended<br>October 31,<br>2015 |
|--|-----------------------------------|-----------------------------------|
| <b>Share Transactions:</b>                     |                                   |                                   |
| <i>Institutional Class Shares</i>              |                                   |                                   |
| Issued . . . . .                               | 1,347,392                         | 301,304                           |
| Reinvestment of Distributions . . . . .        | 15,794                            | 6,205                             |
| Redeemed . . . . .                             | <u>(662,361)</u>                  | <u>(671)</u>                      |
| <b>Net Institutional Class Shares Capital</b>  |                                   |                                   |
| Share Transactions . . . . .                   | <u>700,825</u>                    | <u>306,838</u>                    |
| <b>Net Increase in Shares Outstanding From</b> |                                   |                                   |
| Share Transactions . . . . .                   | <u><u>700,825</u></u>             | <u><u>306,838</u></u>             |

**7. Investment Transactions:**

For the year ended October 31, 2016, the Fund made purchases of \$16,782,111 and sales of \$10,161,521 in investment securities other than long-term U.S. Government and short-term securities. There were no purchases or sales of long-term U.S. Government securities.

**8. Federal Tax Information:**

The amount and character of income and capital gain distributions to be paid, if any, are determined in accordance with Federal income tax regulations, which may differ from U.S. GAAP. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. These book/tax differences may be temporary or permanent. To the extent these differences are permanent in nature, they are charged or credited to undistributed net investment income (loss), accumulated net realized gain (loss) or paid-in capital, as appropriate, in the period that the differences arise.

Accordingly, the following permanent differences that are primarily attributable to REIT adjustments have been reclassified to (from) the following accounts:

| <u>Undistributed Net<br/>Investment Income/(Loss)</u> | <u>Accumulated Net<br/>Realized Gain/Loss</u> |
|---|---|
| \$10,637  | \$(10,637)                                    |

These reclassifications had no impact on net assets or net asset value per share.

The tax character of dividends and distributions declared during the years ended October 31, 2016 and 2015 were as follows:

|      | Ordinary<br>Income | Long Term<br>Capital Gain | Total     |
|------|--------------------|---------------------------|-----------|
| 2016 | \$138,621          | \$ 55,228                 | \$193,849 |
| 2015 | 68,232             | –                         | 68,232    |

As of October 31, 2016, the components of Distributable Earnings on a tax basis were as follows:

|   |                     |
|---|---------------------|
| Undistributed Ordinary Income . . . . .         | \$ 66,652           |
| Undistributed Long-Term Capital Gains . . . . . | 292,356             |
| Unrealized Appreciation . . . . .               | 733,669             |
| Total Distributable Earnings . . . . .          | <u>\$ 1,092,677</u> |

For Federal income tax purposes the difference between Federal tax cost and book cost primarily relates to wash sales, which cannot be used for Federal income tax purposes in the current year and have been deferred for use in future years. The Federal tax cost and aggregate gross unrealized appreciation and depreciation for the investments held by the Fund at October 31, 2016, were as follows:

| Federal<br>Tax Cost | Aggregate<br>Gross Unrealized<br>Appreciation | Aggregate<br>Gross Unrealized<br>Depreciation | Net<br>Unrealized<br>Appreciation |
|---------------------|---|---|-----------------------------------|
| \$17,251,315        | \$1,385,893                                   | \$(652,224)                                   | \$733,669                         |

The temporary book to tax differences primarily consist of wash sales.

## 9. Other:

At October 31, 2016, 72.4% of Institutional Class Shares total shares outstanding were held by three record shareholders each owning 10% or greater of the aggregate total shares outstanding. These shareholders were comprised of a record shareholder and several omnibus accounts that were held on behalf of various individual shareholders.

In the normal course of business, the Fund enters into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be established; however, based on experience, the risk of loss from such claim is considered remote.

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**10. Regulatory Matters:**

In October 2016, the Securities and Exchange Commission (the "SEC") released its Final Rule on Investment Company Reporting Modernization (the "Rule"). The Rule which introduces two new regulatory reporting forms for investment companies – Form N-PORT and Form N-CEN – also contains amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments. Although still evaluating the impact of the Rule, management believes that many of the Regulation S-X amendments are consistent with the Fund's current financial statement presentation and expects that the Fund will be able to comply with the Rule's Regulation S-X amendments by the August 1, 2017 compliance date.

**11. Subsequent Events:**

The Fund has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no additional disclosures and/or adjustments were required to the financial statements.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Trustees of  
The Advisors' Inner Circle Fund II and the Shareholders of  
Cardinal Small Cap Value Fund:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Cardinal Small Cap Value Fund (one of the funds constituting The Advisors' Inner Circle Fund II, hereafter referred to as the "Fund") at October 31, 2016, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of October 31, 2016 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
December 22, 2016

**DISCLOSURE OF FUND EXPENSES (Unaudited)**

All mutual funds have operating expenses. As a shareholder of a mutual fund, your investment is affected by these ongoing costs, which include (among others) costs for fund management, administrative services, and shareholder reports like this one. It is important for you to understand the impact of these costs on your investment returns.

Operating expenses such as these are deducted from the mutual fund's gross income and directly reduce your final investment return. These expenses are expressed as a percentage of the mutual fund's average net assets; this percentage is known as the mutual fund's expense ratio.

The following examples use the expense ratio and are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period (May 1, 2016 to October 31, 2016).

The table on the next page illustrates your Fund's costs in two ways:

- **Actual Fund Return.** This section helps you to estimate the actual expenses after fee waivers that your Fund incurred over the period. The "Expenses Paid During Period" column shows the actual dollar expense cost incurred by a \$1,000 investment in the Fund, and the "Ending Account Value" number is derived from deducting that expense cost from the Fund's gross investment return.

You can use this information, together with the actual amount you invested in the Fund, to estimate the expenses you paid over that period. Simply divide your ending starting account value by \$1,000 to arrive at a ratio (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply that ratio by the number shown for your Fund under "Expenses Paid During Period."

- **Hypothetical 5% Return.** This section helps you compare your Fund's costs with those of other mutual funds. It assumes that the Fund had an annual 5% return before expenses during the year, but that the expense ratio (Column 3) for the period is unchanged. This example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to make this 5% calculation. You can assess your Fund's comparative cost by comparing the hypothetical result for your Fund in the "Expense Paid During Period" column with those that appear in the same charts in the shareholder reports for other mutual funds.

**NOTE:** Because the return is set at 5% for comparison purposes — NOT your Fund's actual return — the account values shown may not apply to your specific investment.

**DISCLOSURE OF FUND EXPENSES (Unaudited) – concluded**

|                                      | Beginning<br>Account<br>Value<br>5/01/16 | Ending<br>Account<br>Value<br>10/31/16 | Annualized<br>Expense<br>Ratios | Expenses<br>Paid<br>During<br>Period* |
|--------------------------------------|--|--|---------------------------------|---------------------------------------|
| <i>Cardinal Small Cap Value Fund</i> |  |  |                                 |                                       |
| <b>Actual Fund Return</b>            |  |  |                                 |                                       |
| Institutional Class Shares           | \$1,000.00                               | \$1,040.10                             | 1.00%                           | \$5.13                                |
| <b>Hypothetical 5% Return</b>        |  |  |                                 |                                       |
| Institutional Class Shares           | \$1,000.00                               | \$1,020.11                             | 1.00%                           | \$5.08                                |

\* Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period.)

**TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND II (Unaudited)**

Set forth below are the names, age, position with the Trust, length of term of office, and the principal occupations for the last five years of each of the persons currently serving as Trustees and Officers of the Trust. Unless otherwise noted, the business address of each Trustee is SEI Investments Company, 1 Freedom Valley Drive, Oaks, Pennsylvania 19456. Trustees who are deemed not to be "interested persons" of the Trust are referred to as "Independent Trustees."

| <b>Name and Year of Birth</b>            | <b>Position with Trust and Length of Time Served<sup>1</sup></b> | <b>Principal Occupation in the Past 5 Years</b>   |
|--|--|---|
| <b>INTERESTED TRUSTEES<sup>2,3</sup></b> |  |   |
| ROBERT A. NESHER<br>(Born: 1946)         | Chairman of the Board of Trustees<br>(Since 1991)                | SEI employee 1974 to present; currently performs various services on behalf of SEI Investments for which Mr. Nesher is compensated.   |
| WILLIAM M. DORAN<br>(Born: 1940)         | Trustee<br>(Since 1991)  | Self-Employed Consultant since 2003. Partner at Morgan, Lewis & Bockius LLP (law firm) from 1976 to 2003, Counsel to the Trust, SEI Investments, SIMC, the Administrator and the Distributor.   |
| <b>INDEPENDENT TRUSTEES<sup>3</sup></b>  |  |   |
| JOHN K. DARR<br>(Born: 1944)             | Trustee<br>(Since 2008)  | Retired. Chief Executive Officer, Office of Finance, Federal Home Loan Banks, from 1992 to 2007.  |
| JOSEPH T. GRAUSE, JR.<br>(Born: 1952)    | Trustee<br>(Since 2011)  | Self-Employed Consultant since January 2012. Director of Endowments and Foundations, Morningstar Investment Management, Morningstar, Inc., 2010 to 2011. Director of International Consulting and Chief Executive Officer of Morningstar Associates Europe Limited, Morningstar, Inc., 2007 to 2010. Country Manager – Morningstar UK Limited, Morningstar, Inc., 2005 to 2007. |

<sup>1</sup> Each Trustee shall hold office during the lifetime of this Trust until the election and qualification of his or her successor, or until he or she sooner dies, resigns, or is removed in accordance with the Trust's Declaration of Trust.

<sup>2</sup> Denotes Trustees who may be deemed to be "interested" persons of the Fund as that term is defined in the 1940 Act by virtue of their affiliation with the Distributor and/or its affiliates.

<sup>3</sup> Board Members oversee 38 funds in The Advisors' Inner Circle Fund II.



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Messrs. Neshor and Doran are Trustees who may be deemed to be "interested" persons of the Trust as that term is defined in the 1940 Act by virtue of their affiliation with the Trust's Distributor. The Trust's Statement of Additional Information ("SAI") includes additional information about the Trustees and Officers. The SAI may be obtained without charge by calling 1-866-CCM-SEIC. The following chart lists Trustees and Officers as of October 31, 2016.

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#### Other Directorships Held in the Past 5 Years<sup>4</sup>

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Current Directorships: Trustee of The Advisors' Inner Circle Fund II, Bishop Street Funds, The KP Funds, SEI Daily Income Trust, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Asset Allocation Trust, SEI Tax Exempt Trust, Adviser Managed Trust, New Covenant Funds, SEI Insurance Products Trust and SEI Catholic Values Trust. Director of SEI Structured Credit Fund, LP, SEI Global Master Fund plc, SEI Global Assets Fund plc, SEI Global Investments Fund plc, SEI Investments—Global Funds Services, Limited, SEI Investments Global, Limited, SEI Investments (Europe) Ltd., SEI Investments—Unit Trust Management (UK) Limited, SEI Multi-Strategy Funds PLC and SEI Global Nominee Ltd.

Former Directorships: Director of SEI Opportunity Fund, L.P. to 2010. Director of SEI Alpha Strategy Portfolios, LP to 2013. Trustee of SEI Liquid Asset Trust to 2016.

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Current Directorships: Trustee of The Advisors' Inner Circle Fund II, Bishop Street Funds, The KP Funds, The Advisors' Inner Circle Fund III, Winton Series Trust, Winton Diversified Opportunities Fund (closed-end investment company), Gallery Trust, SEI Daily Income Trust, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Asset Allocation Trust, SEI Tax Exempt Trust, Adviser Managed Trust, New Covenant Funds, SEI Insurance Products Trust and SEI Catholic Values Trust. Director of SEI Investments (Europe), Limited, SEI Investments—Global Funds Services, Limited, SEI Investments Global, Limited, SEI Investments (Asia), Limited, SEI Global Nominee Ltd. and SEI Investments – Unit Trust Management (UK) Limited. Director of the Distributor since 2003.

Former Directorships: Director of SEI Alpha Strategy Portfolios, LP to 2013. Trustee of O'Connor EQUUS (closed-end investment company) to 2016. Trustee of SEI Liquid Asset Trust to 2016.

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Current Directorships: Trustee of The Advisors' Inner Circle Fund II, Bishop Street Funds and The KP Funds. Director of Federal Home Loan Bank of Pittsburgh, Meals on Wheels, Lewes/Rehoboth Beach and West Rehoboth Land Trust.

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Current Directorships: Trustee of The Advisors' Inner Circle Fund II, Bishop Street Funds and The KP Funds. Director of The Korea Fund, Inc.

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<sup>4</sup> *Directorships of Companies required to report to the Securities and Exchange Commission under the Securities Exchange Act of 1934 (i.e., "public companies") or other investment companies under the 1940 Act.*

| Name and Year of Birth                              | Position with Trust and Length of Time Served <sup>1</sup>        | Principal Occupations in the Past 5 Years   |
|---|---|---|
| <b>INDEPENDENT TRUSTEES<sup>2</sup> (continued)</b> |   |   |
| MITCHELL A. JOHNSON<br>(Born: 1942)                 | Trustee<br>(Since 2005)   | Retired. Private investor since 1994.   |
| BETTY L. KRIKORIAN<br>(Born: 1943)                  | Trustee<br>(Since 2005)   | Vice President, Compliance, AARP Financial Inc., from 2008 to 2010. Self-Employed Legal and Financial Services Consultant since 2003. Counsel (in-house) for State Street Bank from 1995 to 2003.   |
| BRUCE R. SPECA<br>(Born: 1956)                      | Trustee<br>(Since 2011)   | Global Head of Asset Allocation, Manulife Asset Management (subsidiary of Manulife Financial), 2010 to 2011. Executive Vice President – Investment Management Services, John Hancock Financial Services (subsidiary of Manulife Financial), 2003 to 2010. |
| GEORGE J. SULLIVAN, JR.<br>(Born: 1942)             | Trustee<br>Lead Independent Trustee<br>(Since 1999)               | Retired since 2012. Self-Employed Consultant, Newfound Consultants Inc., 1997 to 2011.  |
| <b>OFFICERS</b>                                     |   |   |
| MICHAEL BEATTIE<br>(Born: 1965)                     | President<br>(Since 2011)   | Director of Client Service, SEI Investments Company, since 2004.  |
| STEPHEN CONNORS<br>(Born: 1984)                     | Treasurer, Controller and Chief Financial Officer<br>(since 2015) | Director, SEI Investments, Fund Accounting since December 2014. Audit Manager, Deloitte & Touche LLP, from 2011 to 2014. Audit Supervisor, BBD, LLP (formerly Briggs, Bunting & Dougherty, LLP), from 2007 to 2011.                                       |

<sup>1</sup> Each Trustee shall hold office during the lifetime of this Trust until the election and qualification of his or her successor, or until he or she sooner dies, resigns, or is removed in accordance with the Trust's Declaration of Trust.

<sup>2</sup> Board Members oversee 3S funds in The Advisors' Inner Circle Fund II.

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**Other Directorships Held in the Past 5 Years<sup>3</sup>**

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Current Directorships: Trustee of The Advisors' Inner Circle Fund II, Bishop Street Funds, The KP Funds, SEI Asset Allocation Trust, SEI Daily Income Trust, SEI Institutional International Trust, SEI Institutional Managed Trust, SEI Institutional Investments Trust, SEI Tax Exempt Trust, Adviser Managed Trust, New Covenant Funds, SEI Insurance Products Trust and SEI Catholic Values Trust. Director of Federal Agricultural Mortgage Corporation (Farmer Mac) since 1997.

Former Directorships: Director of SEI Alpha Strategy Portfolios, LP to 2013. Trustee of SEI Liquid Asset Trust to 2016.

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Current Directorships: Trustee of The Advisors' Inner Circle Fund II, Bishop Street Funds and The KP Funds.

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Current Directorships: Trustee of The Advisors' Inner Circle Fund II, Bishop Street Funds and The KP Funds.

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Current Directorships: Trustee/ Director of State Street Navigator Securities Lending Trust, The Advisors' Inner Circle Fund II, Bishop Street Funds, The KP Funds, SEI Structured Credit Fund, LP, SEI Daily Income Trust, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Asset Allocation Trust, SEI Tax Exempt Trust, Adviser Managed Trust, New Covenant Funds, SEI Insurance Products Trust and SEI Catholic Values Trust. Member of the independent review committee for SEI's Canadian-registered mutual funds.

Former Directorships: Director of SEI Opportunity Fund, L.P. to 2010. Director of SEI Alpha Strategy Portfolios, LP to 2013. Trustee of SEI Liquid Asset Trust to 2016.

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None.

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None.

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<sup>3</sup> *Directorships of Companies required to report to the Securities and Exchange Commission under the Securities Exchange act of 1934 (i.e., "public companies") or other investment companies under the 1940 Act.*

| Name and Year of Birth               | Position with Trust and Length of Time Served                             | Principal Occupations in the Past 5 Years   |
|--------------------------------------|---|---|
| <b>OFFICERS (continued)</b>          |   |   |
| DIANNE M. DESCOTEAUX<br>(Born: 1977) | Vice President and Secretary (Since 2011)                                 | Counsel at SEI Investments since 2010. Associate at Morgan, Lewis & Bockius LLP from 2006 to 2010.  |
| RUSSELL EMERY<br>(Born: 1962)        | Chief Compliance Officer (Since 2006)                                     | Chief Compliance Officer of SEI Structured Credit Fund, LP since June 2007. Chief Compliance Officer of SEI Alpha Strategy Portfolios, LP from June 2007 to September 2013. Chief Compliance Officer of The Advisors' Inner Circle Fund II, Bishop Street Funds, The KP Funds, The Advisors' Inner Circle Fund III, Winton Series Trust, Winton Diversified Opportunities Fund (closed-end investment company), Gallery Trust, SEI Institutional Managed Trust, SEI Asset Allocation Trust, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Daily Income Trust, SEI Tax Exempt Trust, Adviser Managed Trust, New Covenant Funds, SEI Insurance Products Trust and SEI Catholic Values Trust. Chief Compliance Officer of SEI Opportunity Fund, L.P. until 2010. Chief Compliance Officer of O'Connor EQUUS (closed-end investment company) to 2016. Chief Compliance Officer of SEI Liquid Asset Trust to 2016. |
| LISA WHITTAKER<br>(Born: 1978)       | Vice President and Assistant Secretary (Since 2013)                       | Attorney, SEI Investments Company (2012-present). Associate Counsel, The Glenmede Trust Company (2011-2012). Associate, Drinker Biddle & Reath LLP (2006-2011).   |
| JOHN Y. KIM<br>(Born: 1981)          | Vice President and Secretary (Since 2014)                                 | Attorney, SEI Investments Company (2014-present). Associate Stradley Ronon Stevens & Young (2009-2014).   |
| BRIDGET E. SUDALL<br>(Born: 1980)    | Anti-Money Laundering Compliance Officer and Privacy Officer (Since 2015) | Senior Associate and AML Officer, Morgan Stanley Alternative Investment Partners from April 2011 to March 2015. Investor Services Team Lead, Morgan Stanley Alternative Investment Partners from 2007 to 2011.  |

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**Other Directorships Held in the Past 5 Years**

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None.

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None.

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None.

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None.

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None.

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**NOTICE TO SHAREHOLDERS (Unaudited)**

For shareholders that do not have an October 31, 2016 tax year end, this notice is for informational purposes only. For shareholders with an October 31, 2016 tax year end, please consult your tax advisor as to the pertinence of this notice. For the fiscal year ended October 31, 2016, the Portfolio is designating the following items with regard to distributions paid during the year.

| Long Term<br>Capital Gain<br>Distribution | Ordinary<br>Income<br>Distributions | Total<br>Distributions | Dividends<br>Qualifying<br>for Corporate<br>Dividend<br>Receivable<br>Deduction <sup>(1)</sup> | Qualifying<br>Dividend<br>Income <sup>(2)</sup> | U.S.<br>Government<br>Interest <sup>(3)</sup> | Interest<br>Related<br>Dividends <sup>(4)</sup> | Short-Term<br>Capital<br>Gain<br>Dividends <sup>(5)</sup> |
|---|-------------------------------------|------------------------|--|---|---|---|---|
| 28.49%                                    | 71.51%                              | 100.00%                | 71.99%   | 73.25%  | 0.00%   | 0.00%   | 100.00%   |

<sup>(1)</sup> Qualifying dividends represent dividends which qualify for the corporate dividends received deduction and are reflected as a percentage of ordinary Income distributions (the total of short term capital gain and net investment income distributions).

<sup>(2)</sup> The percentage in this column represents the amount of "Qualifying Dividend Income" as created by the Jobs and Growth Relief Reconciliation Act of 2003 and is reflected as a percentage of ordinary income distributions (the total of short term capital gain and net investment income distributions). It is the intention of the aforementioned fund to designate the maximum amount permitted by law.

<sup>(3)</sup> "U.S. Government Interest" represents the amount of interest that was derived from direct U.S. Government obligations and distributed during the fiscal year. This amount is reflected as a percentage of ordinary income. Generally, interest from direct U.S. Government obligations is exempt from state income tax. However, for shareholders who are residents of California, Connecticut and New York, the statutory threshold requirements were not satisfied to permit exemption of these amounts from state income.

<sup>(4)</sup> The percentage in this column represents the amount of "Interest Related Dividends" is reflected as a percentage of ordinary income distribution for calendar year ended 2016 that is exempted from U.S. withholding tax when paid to foreign investors.

<sup>(5)</sup> The percentage of this column represents the amount of "Short Term Capital Gain Dividends" is reflected as a percentage of short term capital gain distribution for calendar year ended 2016 that is exempted from U.S. withholding tax when paid to foreign investors.

The information reported herein may differ from the information and distributions taxable to the shareholders for the calendar year ending December 31, 2016. Complete information will be computed and reported in conjunction with your 2016 Form 1099-DIV.

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## **Cardinal Small Cap Value Fund**

PO Box 588  
Portland, ME 04112  
1-844-CCM-SEIC

### **Adviser:**

Cardinal Capital Management, L.L.C.  
Four Greenwich Office Park  
Greenwich, Connecticut 06831

### **Distributor:**

SEI Investments Distribution Co.  
One Freedom Valley Drive  
Oaks, PA 19456

### **Administrator:**

SEI Investments Global Funds Services  
One Freedom Valley Drive  
Oaks, PA 19456

### **Legal Counsel:**

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This information must be preceded or accompanied by  
a current prospectus for the Fund.