

Cardinal Capital Management, L.L.C.

Cardinal Small Cap Value Fund - CCMSX

First Quarter 2021

FIRM OVERVIEW

- Focus on Small & SMID Cap Value
- Experienced, Stable Team
- 25-Year+ Track Record
- FCF-Based Valuations
- 100% Independent, Partner Owned
- \$5.1 Billion AUM

INVESTMENT TEAM

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Christopher Robertson
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Market Commentary

Small and large cap stock indices, as represented by the Russell 2000 and 1000, rose 12.70% and 5.91%, respectively, in the first quarter. Within the Russell 2000, the Value Index rose 21.17%, while the Growth Index rose 4.88%. In its second-best relative performance ever, the Value Index rose more than its growth counterpart due to its higher weighting in the financials and energy sectors, its lower weighting in the health care sector, and holding better performing consumer discretionary stocks. Quarterly performance was consistent with a more optimistic view of the economy with small cap returns led by the energy, materials, and financials sectors. Health care and information technology stocks, which had produced strong performance last year, lagged as these longer duration assets were more sensitive to the increase in long-term bond yields. Investors reacted to positive vaccine progress and the passage of a third stimulus package by continuing to invest in small cap value products. Profitable small cap companies outperformed significantly in the quarter after underperforming every quarter in 2020.

With an improving economy and unprecedented monetary and fiscal stimulus, the stock market continued to produce strong returns in the quarter. GDP forecasts for 2021 increased to over 5% due to the supplemental COVID relief package passed by Congress last December and an additional \$1.9 trillion spending bill passed this year. Despite the obvious benefits of strong economic growth, concerns about product shortages and inflation arose as it will take time for global supply chains to respond to the sharp rebound in activity. As a result, long-term interest rates rose but remain very low by historical standards. Although the pandemic impacted a major portion of the population, the strong government response and societal choices allowed U.S. households to save over five trillion dollars in 2020, some of which is likely to be spent as people are vaccinated and the economy reopens. Home sales have recovered quickly and exceeded pre-pandemic levels, while pent-up demand for travel, leisure, and recreation activities is expected to fuel a sharp recovery in those businesses once they fully reopen. Nonetheless, it is too early to know the full extent of the structural damage that the pandemic has done to the U.S. economy as there are still over eight million fewer jobs than there were before the outbreak. It is clear that the administration is committed to increases in fiscal spending and higher corporate and personal taxes. The Federal Reserve has also pledged to maintain low short-term interest rates until employment has recovered, even in the face of temporarily higher inflation. The biggest potential threat is a resurgence of COVID-19, which depends upon the ability of current vaccines to protect the population from the new virus variants.

First Quarter Performance Commentary

The first-quarter return of the Cardinal Small Cap Value Fund, at 18.20%, net of fees, lagged the 21.17% return of the Russell 2000 Value Index. The main detractors from relative performance were industry and stock selection in the industrials sector, a lower weighting in the better performing consumer discretionary and energy sectors, a higher weighting in the poorly performing information technology and consumer staples sectors, and holding residual cash in a sharply rising market. In the industrials sector, Cardinal's ownership of commercial services and aerospace and defense contractors with significant government exposure was not rewarded as the market preferred cyclical businesses more leveraged to an economic rebound. Nonetheless, the share price of KAR Auction Services, which provides auction and other services to the wholesale used car market, declined 20% after announcing disappointing fourth-quarter results and guidance. Sharply elevated used car prices and pandemic-related moratoriums on auto repossessions have reduced auction volumes. Although impactful near-term, Cardinal expects these supply constraints will prove transitory. Also, in the industrials

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sector, the share price of Circor lagged as the provider of mission-critical flow control products to industrial and aerospace and defense markets provided lower than expected guidance as the recovery in its later cycle products is unlikely until the second half of 2021. In the consumer discretionary sector, portfolio holdings kept pace with the sector; however, the weighting was lower. In addition, not owning GameStop alone contributed two-thirds of the relative underperformance. Of the two current holdings in the sector, the share price of Lithia Motors, one of the largest national auto dealers, continued to perform strongly as management remained ahead of their five-year plan to reach \$50 billion in revenues and \$50/share of earnings via acquisitions and its recently launched online platform. In the information technology sector, portfolio holdings performed in-line with the sector, which lagged the overall index after very strong returns last quarter as investors worried about high valuations with long-term interest rates rising.

The main contributors to performance were stock selection in the health care and financials sectors and not owning poorly performing utilities. In the health care sector, the stock price of Ligand Pharmaceuticals rose as the share prices of heavily shorted stocks benefited when market participants covered positions. Cardinal sold the position on valuation. In the financials sector, the stock price of commercial bank PacWest Bancorp rose significantly after its earnings beat expectations on a lower than expected loan loss provision and announced a niche lending acquisition. As a result, its large valuation discount started to dissipate.

The annualized net return the Cardinal Small Cap Value Fund since inception (April 1, 2014) is 7.82% versus 8.75% for the Russell 2000 Value Index. Cardinal managed \$5.1 billion in small and SMID cap value assets as of March 31, 2021.

Market & Portfolio Outlook

Cardinal's near-term outlook for equities remains cautiously optimistic. On the positive side, 2021 GDP growth is estimated to be above 5%. With COVID-19 vaccinations proceeding rapidly and certain parts of the economy fully reopening, job growth has begun to accelerate. Fiscal and monetary stimulus should remain significant given Democratic control of Congress and the White House. The Federal Reserve has also committed to keep short-term interest rates low until the economy has recovered despite the risk of higher inflation. Corporate earnings are forecast to recover significantly in 2021, particularly for small companies. The mergers and acquisitions market has also begun to recover despite increased antitrust scrutiny. On the negative side, equity indices are at all-time highs, and valuations are near pre-pandemic levels despite higher long-term interest rates. Corporate and individual tax rates, including those on capital gains, are also more likely to rise as President Biden searches for ways to pay for his infrastructure bill. Such tax increases would not only reduce corporate earnings but also incentivize investors to realize gains ahead of the increase. Finally, inflation is likely to increase with stronger economic growth, which should inevitably result in further increases in long-term interest rates. Higher long-term interest rates are also negative for most companies earnings, and have historically had a depressing effect on valuations.

While there is always uncertainty in forecasting business results, long-term changes in consumer and business behavior associated with the pandemic have made the exercise more challenging. As a result, Cardinal continues to prefer investments whose success is dependent on company specific drivers with as many as possible under management control rather than solely relying on near-term economic growth to produce sustainable growth in free cash flow.

Net Performance as of March 31, 2021

	Cardinal Small Cap Value Fund %	Russell 2000 Value Index %
Annualized Inception to Date (April 1, 2014)	7.82	8.75
5-Year	10.15	13.56
3-Year	6.65	11.57
1-Year	89.63	97.05
1Q 2021	18.20	21.17

Net Expense Ratio: 1.00%, Gross Expense Ratio: 1.04% - Fee waivers are contractual through February 28, 2022.

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. For performance data current to the most recent month end, please call 1-844-CCM-SEIC (1-844-226-7342).

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Disclosures

There are risks involved with investing, including possible loss of principal. There can be no assurance that the Portfolio will achieve its stated objectives. Equity funds are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors, to varying degrees, all of which are more fully described in the fund's full or summary prospectus. In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility.

The Russell 2000 Index consists of the 2000 smallest stocks in the Russell 3000 Index that represent approximately 10% of the total market capitalization of that Index. The Russell 2000 Value Index measures the performance of the small-cap value segment of the U.S. equity universe and includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Index consists of the largest 1000 stocks in the Russell 3000 Index that represent approximately 90% of the total market capitalization of that Index. These indices are included merely to show the general trend in the small-cap equity markets in the periods indicated and is not intended to imply that Cardinal's investments were comparable to the index either in comparison or element of risk. There is no guarantee that the performance of the strategy will meet or exceed any index. An investor cannot invest directly in an index.

The investments discussed herein are not a comprehensive list of securities or positions held by the Strategy. There is no assurance that any securities discussed herein will be or remain in the portfolio or, if sold, have not been or will not be repurchased. Portfolio weights of the securities mentioned as of 3/31/21 are listed below:

KAR Auction Services (KAR): 1.9%, CIRCOR (CIR): 2.1%, GameStop (GME) 0.0%, Lithia Motors (LAD): 3.4%, Ligand Pharmaceuticals (LGND) 0.0%, PacWest Bancorp (PACW): 4.7%,

Holdings subject to change. Current and future holdings subject to risk.

Any projections, market outlooks or estimates in this newsletter are forward looking statements and are based upon certain assumptions. Other events which were not taken into account may occur and may significantly affect the returns or performance of the Strategy. Any projections, outlooks or assumptions should not be construed to be indicative of actual events which will occur.

The Cardinal Small Value Fund is distributed by SEI Investments Distribution Co. (SIDCO), 1 Freedom Valley Dr., Oaks, PA 19456. Funds are managed by Cardinal Capital Management, L.L.C. (the advisor). SIDCO is not affiliated with Cardinal Capital Management, L.L.C.

The investment advisor for the Cardinal Small Cap Value fund has contractually agreed to reduce its fees and/or reimburse expenses in order to keep Total Annual Fund Operating Expenses (excluding interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses and extraordinary expenses) from exceeding 0.99% of the Fund's Institutional Class shares' average daily net assets until February 28, 2022. These reductions have lowered operation expenses and increased total return to shareholders.

To determine if the Cardinal Small Cap Value Fund is an appropriate investment for you, carefully consider the fund's investment objectives, risk, and charges and expenses. This and other information can be found in the fund's full or summary prospectus which can be obtained by calling 1-844-CCM-SEIC or by visiting www.cardcap.com. Please read the prospectus carefully before investing. There are risks involved with investing, including possible loss of principal. In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility.