Cardinal Capital Management, L.L.C.

Cardinal Small Cap Value Fund - CCMSX

Second 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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Market Commentary

Small and large cap stock indices, as represented by the Russell 2000 and 1000, rose 4.29% and 8.54%, respectively, in the second quarter. Within the Russell 2000, the Value Index rose 4.56%, while the Growth Index rose 3.92%. The Value Index rose more than its growth counterpart due primarily to the performance of AMC Entertainment, whose stock price rose more than four-fold during the quarter. In addition, the Value Index had a higher weighting in better performing energy and industrial stocks, which was partially offset by a higher weighting in poorly performing financials, specifically banks, and a lower weighting in better performing information technology stocks. Large cap stocks outperformed small caps as inflation fears waned once the Federal Reserve signaled that it would raise interest rates should the impact of inflationary dislocations caused by reopening-driven demand prove more than transitory and, as a result, bond prices rallied. Lower yields also caused bank stocks, which rose significantly early in the year, to give back some of their gains. Cyclical stocks and reflation beneficiaries led the equity market early in the quarter due to the successful implementation of the vaccine program and associated economic reopening. However, by quarter-end, market leadership returned to growth stocks as sentiment shifted to reflect that economic growth could slow next year as consumer spending normalizes and the Delta variant of COVID-19 impacts the nearly 40% of the U.S. population which is not yet fully vaccinated. Nonetheless, the leading stock performers overall during the second quarter were the same as the first: unprofitable companies and highly shorted stocks.

The U.S. economy continued its rapid recovery from the COVID-19 induced recession and is now forecast to grow 7% in 2021. The impact of unprecedented fiscal stimulus likely peaked in the second quarter as direct stimulus checks ended and supplemental unemployment insurance is set to expire in September. As a result, 15.6 million jobs have been created since last May versus the 22.3 million jobs lost at the onset of the pandemic. Some of the lost jobs are permanently gone, and some workers have chosen to retire early. Nonetheless, households saved $1.6 trillion more than forecast during the pandemic, and some of that will be spent as COVID-19 wanes. Future consumer spending patterns are a matter of debate as behavior normalizes. Home and vehicle sales recovered early in the economic cycle and remain strong despite supply constraints as consumers leave urban areas and forgo public transportation. Pent-up demand for travel, leisure, and recreational activities is rebounding and may stay strong for some time. In addition, the pandemic has accelerated secular trends such as telecommuting and e-commerce, requiring managers and consumers to become more technologically proficient. As expected, the inflation rate rose as supply chains struggled to adjust to the rebound in activity while certain commodity prices decreased sharply as speculative fervor quieted toward quarter-end. The decline in long-term interest rates discussed above was also driven by the belief that to pass Congress, the Democratic agenda would have to be scaled back. In summary, although fiscal and monetary policy remain accommodative and corporate profits have recovered quicker than expected, much of the good news is already reflected in stock prices as valuations are expensive and signs of speculative froth are apparent, particularly in social-media-driven meme stocks.

Second Quarter Performance Commentary

The second-quarter return of the Cardinal Small Cap Value Fund, at 1.79% net of fees, lagged the 4.56% return of the Russell 2000 Value Index. Nearly half of the underperformance was the result of not owning AMC Entertainment. As happened to GameStop earlier this year, the distressed movie theater operator was promoted on social media sites as a bet against "nefarious" short-sellers. The short squeeze that followed has caused AMC to trade at a valuation that fundamentals cannot justify. Other detractors from relative performance were stock selection in the industrials sector, a lower weighting in the better performing energy sector, and stock selection in the consumer discretionary, materials, and real estate sectors. In the industrials sector, the share price of defense contractor BWX Technologies fell as investors preferred stocks more levered to the economic recovery. In the energy sector, the stock price of Rattler Midstream lagged its peers as the service provider is less sensitive to rising oil prices than it is to drilling activity. In the consumer discretionary sector, investors took profits in Lithia Motors shares on concerns that the new car supply constraints would hurt auto dealers' results. In the materials sector, the stock price of Silgan Holdings lagged more cyclical materials stocks as the consumer goods packager has been a net beneficiary of work from home. In the real estate sector, the share prices of Cardinal's healthcare-related REITs lagged those in more economically sensitive end markets such as retail, hospitality, and industrial, which benefitted from the economic reopening.

The main contributors to performance were stock selection in the health care sector, stock selection and a higher weighting in the better performing consumer staples sector, and not owning poorly performing utilities. In the health care sector, the stock price of ModivCare outperformed the sector as the services provider benefitted from the acquisition of Simplura and higher profits from its logistics segment. This business has benefitted from lower utilization of its services and ongoing operational improvements. ModivCare benefits from lower utilization because its revenues are primarily based upon membership eligibility, not usage. In the consumer staples sector, the share price of Hostess Brands rose on better than expected results and the perception that the baked sweet goods provider will continue to benefit from a return to more normal consumer behavior as demand for high margin impulse products in the convenience store should increase significantly.

The annualized net return of the Cardinal Small Cap Value Fund since inception (April 1, 2014) is 7.80% versus 9.11% for the Russell 2000 Value Index. Cardinal managed $5.1 billion in small and SMID cap value assets as of June 30, 2021.

Observations on Recent Relative Performance

For the last twelve months, the stocks of low-quality cyclical companies have led the small cap market higher while the stocks of high-quality companies have lagged. Indeed, for the first six months of 2021, the rate of return of loss-making company stocks is nearly twice that of profitable companies. It is typical that the stocks of lower-quality companies, whose businesses depend on improving economic conditions, will lead early in an economic recovery. What is different about this period is that retail investors are colluding over social media to drive up the prices of highly shorted stocks. For example, the fact that the top-performing stocks in the Russell 2000 for the first half of the year are predominantly held by retail investors and index funds is evidence of this phenomenon. This time may be different, but history suggests that strategies with no fundamental underpinning most often end badly. Regardless, the normalization phase of an economic recovery has historically made owning the less economically sensitive and higher quality businesses in which Cardinal invests much more rewarding than it has been over the last year. Simply put, the market has been focused on the recovery and reflation trade, not on long-term business fundamentals. As a result, the valuation of high-quality small caps relative to the index is at levels last seen in 2010 and is several standard deviations below the mean. History would suggest that the equity market is likely to view the opportunity in quality small cap stocks as the cycle's next beneficiaries. Cardinal's historical returns support this view as over the last 28 years, there have been five previous periods where the strategy's twelve months returns have trailed the Russell 2000 Value Index by more the 1,000 basis points. In the four periods with more than ten years of post-trough returns, Cardinal's performance has exceeded the index over the subsequent one, three, five, and ten-year periods. In the other period ending February 2017, Cardinal exceeded the index over the subsequent one and three-year periods.

Market & Portfolio Outlook

Cardinal's near-term outlook for equities remains cautiously optimistic. On the positive side, with over half of the U.S. population fully vaccinated and the economy reopening, GDP is forecast to grow 7%. Job creation, consumption, and investment spending have all begun to pick up with growing consumer and business confidence. The Federal Reserve also remains committed to keeping short-term interest rates low until the economy has recovered despite a transitory period of higher inflation. Corporate earnings are forecast to recover significantly this year, and mergers and acquisitions activity has already rebounded. On the negative side, equity indices and valuations are at all-time highs, and the rate of economic growth is forecast to peak this year as the current amount of fiscal and monetary stimulus is unsustainable. Democratic spending plans are ambitious but not certain to pass. However, if proposed tax rate increases become law, it would be negative for equity prices. Finally, if the current increase in the inflation rate remains well above 2% beyond the near-term supply disruptions, it may well result in higher short and long-term interest rates, which would be a drag on most companies' earnings and would have a depressing effect on equity market valuations. While there is always uncertainty in forecasting business results, 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 June 30, 2021

	Cardinal Small Cap Value Fund %	Russell 2000 Value Index %
Annualized Inception to Date (April 1, 2014)	7.80	9.11
5-Year	9.80	13.62
3-Year	6.14	10.27
1-Year	58.15	73.28
2Q 2021	1.79	4.56

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 6/30/21 are listed below:

AMC Entertainment (AMC): 0.0%, GameStop (GME): 0.0%, BWX Technologies (BWXT): 2.3%, Rattler Midstream (RTLR) 1.0%, Lithia Motors (LAD): 2.9%, Silgan Holdings (SLGN): 3.2%, ModivCare (MODV): 2.3%, Hostess Brands (TWNK) 2.8%,

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.

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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 ww.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.