

Cardinal Capital Management, Inc.

SEC File Number: 801 – 61764

Cardinal Capital Management, Inc.

Brochure

Dated 12/16/2011

Contact: Timothy E. Burt, Chief Compliance Officer
1780 Wellington Avenue, Suite 400
Winnipeg, Canada R3H 1B 3
Website: www.cardinal.ca

This Brochure provides information about the qualifications and business practices of Cardinal Capital Management, Inc. (“Cardinal”). If you have any questions about the contents of this Brochure, please contact us at 1-800-310-4664 or teburt@cardinal.ca. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cardinal Capital Management, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Cardinal Capital Management, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes made to Cardinal's disclosure statement since last year's Annual Amendment filing on January 7, 2010.

Item 3 Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business	3
Item 5	Fees and Compensation	5
Item 6	Performance-Based Fees and Side-by-Side Management	6
Item 7	Types of Clients.....	6
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9	Disciplinary Information	7
Item 10	Other Financial Industry Activities and Affiliations	7
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	8
Item 12	Brokerage Practices	9
Item 13	Review of Accounts.....	11
Item 14	Client Referrals and Other Compensation	12
Item 15	Custody.....	12
Item 16	Investment Discretion.....	13
Item 17	Voting Client Securities.....	13
Item 18	Financial Information	14

Item 4 Advisory Business

- A. Cardinal is a corporation formed on August 14, 1992 in Manitoba, Canada. Cardinal became registered as an Investment Adviser Firm on December 12, 2002. Cardinal is principally owned by ICPM Holdings, Inc. and Timothy E. Burt. Mr. Burt is Cardinal's President and, among other offices, is Cardinal's Chief Compliance Officer.
- B. As discussed below, Cardinal offers to its clients (individuals, business entities, investment companies, pension and profit sharing plans, trusts, estates and charitable organizations, etc.) investment advisory services. Cardinal **does not** generally provide financial planning, estate planning, insurance planning, or investment or non-investment related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage Cardinal to provide discretionary investment advisory services on a *fee-only* basis. Cardinal's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Cardinal's management.

To the extent specifically requested by a client, Cardinal *may* provide limited consultation services to its investment advisory clients on investment and non-investment related matters. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis, for which Cardinal shall not receive any separate or additional fee which shall be set forth in a separate written notice to the client.

MISCELLANEOUS

Limited Consulting/Implementation Services. Although Cardinal does not hold itself out as providing financial planning, estate planning or accounting services, to the extent specifically requested by the client, Cardinal *may* provide limited consultation services to its investment management clients on investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. Cardinal shall not receive any separate or additional fee for any such consultation services. Neither Cardinal, nor any of its representatives, serves as an attorney or accountant, and no portion of Cardinal's services should be construed as same. To the extent requested by a client, Cardinal may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agent, etc.), including representatives of Cardinal in their separate /licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Cardinal if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Cardinal's previous recommendations and/or services.

Sub-Advisory Arrangements. Cardinal serves as a sub-advisor to other investment advisors and to certain privately pooled investment funds.

Please Note: Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Cardinal **may** maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating Cardinal's advisory fee. **Cardinal's Chief Compliance Officer, Timothy E. Burt, remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.**

Client Obligations. In performing its services, Cardinal shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Cardinal if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Cardinal's previous recommendations and/or services.

Disclosure Statement. A copy of Cardinal's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Management Agreement*.

- C. Cardinal shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Cardinal shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Cardinal's services.
- D. Cardinal does not participate in a wrap fee program.
- E. As of November 30, 2011, Cardinal had \$1,525,127,881.42 (USD) in assets under management on a discretionary basis and \$2,204,484.13 (USD) in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage Cardinal to provide discretionary investment advisory services on a *fee-only* basis.

INVESTMENT ADVISORY SERVICES

The client can determine to engage Cardinal to provide discretionary investment advisory services on a *fee-only* basis, Cardinal's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Cardinal's management (between 1.00% (or less)) and 1.50%) as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee %</u>
First \$2.0 million	1.50%
Next \$3.0 million	1.25%
Next \$5.0 million	1.00%
Over \$10.0 million	Negotiated

To the extent specifically requested by a client, Cardinal *may* provide limited consultation services to its investment advisory clients on investment and non-investment related matters. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis, for which Cardinal shall not receive any separate or additional fee which shall be set forth in a separate written notice to the client.

- B. Both Cardinal's *Investment Management Agreement* and the custodial/clearing agreement shall authorize the custodian to debit the account for the amount of Cardinal's investment advisory fee and to directly remit that management fee to Cardinal in compliance with regulatory procedures. In the limited event that Cardinal bills the client directly, payment is due upon receipt of Cardinal's invoice. Cardinal shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Cardinal shall generally recommend that investment management accounts of Canadian resident clients be maintained at TD Waterhouse Institutional Services, Inc. and that investment management accounts of USA clients be maintained at TD Ameritrade Institutional Services, Inc. (TD Waterhouse Institutional Services, Inc. and TD Ameritrade Institutional Services, Inc. are hereinafter collectively referred to as ("*Ameritrade*")), serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Ameritrade* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to Cardinal's investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

- D. Cardinal's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter.

The *Investment Management Agreement* between Cardinal and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Management Agreement*. Upon termination, Cardinal shall debit the account for the pro-rated portion of the unpaid advanced advisory fee based upon the number of days that services were provided during the billing quarter.

- E. Neither Cardinal, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither Cardinal nor any supervised person of Cardinal accepts performance-based fees.

Item 7 Types of Clients

Cardinal's clients shall generally include individuals, business entities, investment companies, pension and profit sharing plans, trusts, estates and charitable organizations. Cardinal generally imposes a \$500,000 minimum account requirement. Cardinal, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum account requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A. Cardinal may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

Cardinal may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Cardinal) will be profitable or equal any specific performance level(s).

- B. Cardinal's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Cardinal must have access to current/new market information. Cardinal has no control over the dissemination rate of market information; therefore, unbeknownst to Cardinal, certain analyses may be compiled with outdated market information, severely limiting the value of Cardinal's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Cardinal's primary investment strategy, Long Term Purchases, is a fundamental investment strategy. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, Cardinal primarily allocates client investment assets among various individual equity and fixed income securities, and to a much lesser extent, among no load and/or load-waived mutual funds, on a discretionary basis, in accordance with the client's designated investment objective(s).

Item 9 Disciplinary Information

Cardinal has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Cardinal, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Cardinal, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

C.

Investment Company or Pooled Investment. Cardinal provides investment advisory services to Value Partners Investments, Inc. ("VPI"), which is the manager of five mutual funds sold in Canada, of which Cardinal sub-advises two. The chairman and a director of VPI is James Lawton, who is also a director of Cardinal. In addition, Wayne Townsend is a director of VPI and a director of Cardinal.

- **Conflict of Interest:** The recommendation by Cardinal that a client invest in the mutual funds managed by VPI presents a *conflict of interest*, as Mr. Lawton's and Mr. Townsend's relationship with VPI may provide an incentive to recommend the mutual funds. No client of Cardinal is under any obligation to invest in the mutual funds managed by VPI. Cardinal's Chief Compliance Officer, Timothy E. Burt, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Other Investment Adviser or Financial Planner. Cardinal has a referral arrangement in place with the financial planning firm Lawton Partners Financial Planning Services Limited (“Lawton Partners”). James Lawton is the President and a shareholder of Lawton Partners, as well as a Director of Cardinal. Lawton Partners is a mutual fund dealer and financial planning firm. Cardinal may refer its clients to Lawton Partners for financial planning services.

- **Conflict of Interest:** The recommendation by Cardinal that a client use the financial planning services of Lawton Partners presents a *conflict of interest*, as Mr. Lawton’s ownership interest in Lawton Partners may provide an incentive to recommend the services of Lawton Partners based on compensation to be received by Mr. Lawton rather than on a particular client’s need. No client of Cardinal is under any obligation to use the services of Lawton Partners. Cardinal’s Chief Compliance Officer, Timothy E. Burt, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Licensed Insurance Agents. Certain representatives of Cardinal, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage certain of Cardinal’s representatives to purchase insurance products on a commission basis.

- **Conflict of Interest:** The recommendation by certain of Cardinal’s representatives that a client purchase an insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase any commission products from Cardinal’s representatives. Clients are reminded that they may purchase insurance products recommended by Cardinal through other, non-affiliated insurance agents. Cardinal’s Chief Compliance Officer, Timothy E. Burt, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

- D. Cardinal does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. Cardinal maintains an investment policy relative to personal securities transactions. This investment policy is part of Cardinal’s overall Code of Ethics, which serves to establish a standard of business conduct for all of Cardinal’s representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Cardinal also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Cardinal or any person associated with Cardinal.

- B. Neither Cardinal nor any related person of Cardinal recommends, buys, or sells for client accounts, securities in which Cardinal or any related person of Cardinal has a material financial interest.
- C. Cardinal and/or representatives of Cardinal *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Cardinal and/or representatives of Cardinal are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Cardinal did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Cardinal’s clients) and other potentially abusive practices.

Cardinal has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Cardinal’s “Access Persons.” Cardinal’s securities transaction policy requires that an Access Person of Cardinal must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Cardinal selects; provided, however that at any time that Cardinal has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Cardinal and/or representatives of Cardinal *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Cardinal and/or representatives of Cardinal are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Cardinal has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Cardinal’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that Cardinal recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Cardinal to use a specific broker-dealer/custodian), Cardinal generally recommends that investment management accounts be maintained at *Ameritrade*. Prior to engaging Cardinal to provide investment management services, the client will be required to enter into a formal *Investment Management Agreement* with Cardinal setting forth the terms and conditions under which Cardinal shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Cardinal considers in recommending *Ameritrade* (or any other broker-dealer/custodian to clients) include historical relationship with Cardinal, financial strength, reputation, execution capabilities, pricing, research, and service. *Ameritrade* enables Cardinal to obtain many no-load mutual funds without transaction charges and

other no-load and load waived funds at nominal transaction charges. Broker-dealers and custodians generally charge commissions and/or transaction fees to effect certain securities transactions. *Ameritrade* charge commission rates which Cardinal considers fair and reasonable. Although the commissions and/or transaction fees paid by Cardinal's clients shall comply with Cardinal's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Cardinal determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Cardinal will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Cardinal's investment management fee. Cardinal's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Cardinal may receive from *Ameritrade* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Cardinal to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Cardinal may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Cardinal in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Cardinal in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Cardinal to manage and further develop its business enterprise.

Cardinal's clients do not pay more for investment transactions effected and/or assets maintained at *Ameritrade* as result of this arrangement. There is no corresponding commitment made by Cardinal to *Ameritrade* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Cardinal's Chief Compliance Officer, Timothy E. Burt, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. Cardinal does not receive referrals from broker-dealers.

3. Cardinal does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Cardinal will not seek better execution services or prices from other broker-dealers or be able to “batch” the client's transactions for execution through other broker-dealers with orders for other accounts managed by Cardinal. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Cardinal to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Cardinal.

Cardinal's Chief Compliance Officer, Timothy E. Burt, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that Cardinal provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Cardinal decides to purchase or sell the same securities for several clients at approximately the same time. Cardinal may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Cardinal's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Cardinal shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Cardinal provides investment advisory services, account reviews are conducted on an ongoing basis by Cardinal's Principals and/or representatives. All investment advisory clients are advised that it remains their responsibility to advise Cardinal of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Cardinal on an annual basis.
- B. Cardinal *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian

and/or program sponsor for the client accounts. Those clients to whom Cardinal provides investment supervisory services will also receive a quarterly report from Cardinal summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, Cardinal may receive an indirect economic benefit from *Ameritrade*. Cardinal, without cost (and/or at a discount), may receive support services and/or products from *Ameritrade*.

Cardinal's clients do not pay more for investment transactions effected and/or assets maintained at *Ameritrade* as a result of this arrangement. There is no corresponding commitment made by Cardinal to *Ameritrade* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Cardinal's Chief Compliance Officer, Timothy E. Burt, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to Cardinal by either an unaffiliated or an affiliated solicitor, Cardinal *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Cardinal's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Cardinal by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Cardinal's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Cardinal and the solicitor, including the compensation to be received by the solicitor from Cardinal.

Item 15 Custody

Cardinal shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Cardinal may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that Cardinal provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Cardinal with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Cardinal's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage Cardinal to provide investment advisory services on a discretionary basis. Prior to Cardinal assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Management Agreement*, naming Cardinal as the client's attorney and agent in fact, granting Cardinal full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Cardinal on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Cardinal's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Cardinal's use of margin, etc.).

Item 17 Voting Client Securities

- A. Unless the client directs otherwise in writing, Cardinal is responsible for voting client proxies (**However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). Cardinal shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. Cardinal shall monitor corporate actions of individual issuers and investment companies consistent with Cardinal's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Cardinal will consider when determining how it will vote differ on a case by case basis, they may, but are not limited to, include the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, Cardinal may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Cardinal may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Cardinal shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Cardinal voted on any specific proxy issue is also available upon written request. Requests should be made by contacting Cardinal's Chief Compliance Officer, Timothy E. Burt.
- B. As set forth in Item 17.A.1 above, Cardinal votes client proxies.

Item 18 Financial Information

- A. Cardinal does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Cardinal is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Cardinal has not been the subject of a bankruptcy petition.

ANY QUESTIONS: Cardinal's Chief Compliance Officer, Timothy E. Burt, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.