

Cardinal Capital Management, Inc.

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This Brochure provides information about the qualifications and business practices of Cardinal Capital Management, Inc. (“Cardinal Capital”). If you have any questions about the contents of this Brochure, please contact us at (919) 532-7500 or wandrews@cardinalcapitalmanagment.com. 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 this Brochure since the March 1, 2020 annual update filing.

Cardinal Capital’s Chief Compliance Officer, J. Wesley Andrews, remains available to address any questions that a client or prospective client has about this Brochure including the disclosure additions and enhancements.

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Item 4 Advisory Business

- A. Cardinal Capital is a corporation formed on January 2, 1992 in the state of North Carolina. Cardinal Capital became registered as an Investment Adviser Firm in January 1992. Cardinal Capital is principally owned by Glenn C. Andrews, who serves as Cardinal Capital's President and Chief Investment Officer.
- B. As discussed below, Cardinal Capital provides its clients (currently: individuals, high net worth individuals, trusts, estates, charitable organizations, insurance companies, and corporations or other businesses entities) with investment advisory services and investment related consulting services. Cardinal Capital does not hold itself out as providing financial planning or related consulting services.

INVESTMENT ADVISORY SERVICES

Cardinal Capital provides discretionary and/or non-discretionary investment advisory services on a fee-only basis. Cardinal Capital's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Cardinal Capital's management. Before engaging Cardinal Capital to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with Cardinal Capital setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

Cardinal Capital provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, Cardinal Capital will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, Cardinal Capital provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may periodically rebalance and execute transactions for the account based upon such reviews.

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. Although Cardinal Capital does not hold itself out as providing financial planning, estate planning or accounting services, to the extent specifically requested by the client, Cardinal Capital 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 Capital shall not receive any separate or additional fee for any such consultation services.

Neither Cardinal Capital nor its investment adviser representatives assist clients with the implementation of any financial plan, unless they have agreed to do so in writing. Cardinal Capital does not monitor a client's financial plan, and it is the client's responsibility to revisit the financial plan with the Registrant, if desired.

Cardinal Capital does not serve as a law firm, accounting firm, or insurance agency, and no portion of its services should be construed as legal, accounting, or insurance

implementation services. Accordingly, Cardinal Capital does not prepare estate planning documents, tax returns, or sell commissioned insurance products.

To the extent requested by a client, Cardinal Capital may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage those services. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Cardinal Capital and/or its representatives.

If the client engages any recommended unaffiliated professional on a separate and individual basis, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional(s) (i.e. attorney, accountant, insurance agent, etc.), and not Cardinal Capital, shall be responsible for the quality and competency of the services provided

Non-Discretionary Service Limitations. Clients that determine to engage Cardinal Capital on a non-discretionary investment advisory basis must be willing to accept that Cardinal Capital cannot effect any account transactions without obtaining prior consent to such transactions from the client. Therefore, in the event that Cardinal Capital would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Cardinal Capital will be unable to effect the account transactions (as it would for its discretionary clients) without first obtaining the client's consent.

Retirement Plan Rollovers – No Obligation / Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Cardinal Capital recommends that a client roll over their retirement plan assets into an account to be managed by Cardinal Capital, such a recommendation creates a conflict of interest if Cardinal Capital will earn a new (or increase its current) advisory fee as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Cardinal Capital.

Use of Exchange Traded Funds: Many exchange traded funds are available directly to the public. A prospective client can obtain many of the funds that may be used by Cardinal Capital independent of engaging Cardinal Capital as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Cardinal Capital's initial and ongoing investment advisory services.

In addition to Cardinal Capital's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Portfolio Activity. Cardinal Capital has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Cardinal Capital will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when Cardinal Capital determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

Cash Positions. Depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Cardinal Capital may maintain cash and cash equivalent positions (such as money market funds) for defensive and liquidity purposes. Unless otherwise agreed in writing, all such cash positions are included as part of assets under management for purposes of calculating Cardinal Capital's advisory fee.

Client Obligations. In performing its services, Cardinal Capital 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 their responsibility to promptly notify Cardinal Capital if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Cardinal Capital's previous recommendations and/or services.

Disclosure Statement. A copy of Cardinal Capital's written Brochure as set forth on Part 2 of Form ADV and a Client Relationship Summary as set forth on Form CRS shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement.

- C. Cardinal Capital provides investment advisory services tailored to the specific needs of each client. Before providing investment management services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, Cardinal Capital will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The client may, at any time, impose reasonable restrictions, in writing, on Cardinal Capital's services.
- D. Cardinal Capital does not offer a wrap-fee program for its investment advisory services
- E. As of December 31, 2020, Cardinal Capital had \$510,688,880 in assets under management on a discretionary basis and \$25,233,169 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

Cardinal Capital's annual investment advisory fee is negotiable, but shall generally be based upon a percentage (%) of the market value and type of assets placed under Cardinal Capital's management as follows:

	<u>Assets under Management/Annual Fee</u>		
	Bonds	Domestic Large Cap Equity	Non-Domestic Equity and Small Cap
First \$2,000,000	0.50%	1.00%	1.50%
Next \$3,000,000	0.40%	0.80%	1.20%
Over \$5,000,000	Negotiable	Negotiable	Negotiable

* Clients are subject to a minimum annual fee of \$2,500 for investment advisory services.

Conflict of Interest: Although Cardinal Capital will allocate client assets consistent with the client's designated investment objective(s), the fact that Cardinal Capital earns a higher fee for management of securities other than fixed income, as referenced in the above fee schedule, is a conflict of interest because Cardinal Capital has an incentive to allocate client assets to those types of securities from which it will earn a higher investment advisory fee.

In addition, Cardinal Capital's investment advisory fee may be negotiable at Cardinal Capital's discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with Cardinal Capital and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by Cardinal Capital to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

- B. Clients may elect to have Cardinal Capital's advisory fees deducted from their custodial account. Both Cardinal Capital's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Cardinal Capital's investment advisory fee and to directly remit that management fee to Cardinal Capital in compliance with regulatory procedures. In the limited event that Cardinal Capital bills the client directly, payment is due upon receipt of Cardinal Capital's invoice.

Cardinal Capital shall deduct fees and/or bill clients quarterly in arrears, based upon the value of the assets, including any accrued interest, 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 Capital shall generally recommend that Charles Schwab ("Schwab") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge brokerage commissions and/or transaction fees for effecting certain securities transactions.

In addition to Cardinal Capital's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund ("ETF") purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

When beneficial to the client, individual fixed income transactions may be effected through broker-dealers other than the account custodian (generally, Schwab), in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian (generally, Schwab). The fees charged by the applicable broker-dealer/custodian, and the charges imposed at the fund level, are in addition to Cardinal Capital's investment advisory fees referenced in this Item 5.

- D. The Investment Advisory Agreement between Cardinal Capital and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, Cardinal Capital shall debit the account for the pro-rated portion of the unpaid advisory fee based upon the number of days that services were provided during the billing quarter.
- E. Neither Cardinal Capital, nor its representatives, accepts compensation from the sale of securities or other investment products.

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

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

Item 7 Types of Clients

Cardinal Capital's clients currently include: individuals, high net worth individuals, trusts, estates, charitable organizations, insurance companies, and corporations or other businesses entities.

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

- A. Cardinal Capital may utilize the following methods of security analysis:
- Quantitative - (analysis performed using a proprietary statistical model to identify individual equities trading either at a discount or premium to their relative historical price metrics)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

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

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

Investment Risk.

Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. Past performance may not be indicative of future results, 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 Capital) will be profitable or equal any specific performance level(s).

Investors generally face the following types investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors independent of the fund's specific investments as well as due to the fund's specific investments. Additionally, each security's price will fluctuate based on market movement and emotion, which may, or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss.

- B. Cardinal Capital'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 Capital must have access to current/new market information. Cardinal Capital has no control over the dissemination rate of market information; therefore, unbeknownst to Cardinal Capital, certain analyses may be compiled with outdated market information, severely limiting the value of Cardinal Capital'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 Capital's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. 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 Capital primarily allocates (or recommends that clients allocate) investment management assets among various individual equity and/or fixed income securities or ETFs, on a discretionary or non-discretionary basis, in accordance with the client's designated investment objective(s).

Item 9 Disciplinary Information

Cardinal Capital has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Cardinal Capital, 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 Capital, 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. Cardinal Capital does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.
- D. Cardinal Capital does not recommend or select other investment advisors for its clients.

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

- A. Cardinal Capital maintains an investment policy relative to personal securities transactions. This investment policy is part of Cardinal Capital's overall Code of Ethics, which serves to establish a standard of business conduct for all of Cardinal Capital's Associated Persons 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 Capital also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Cardinal Capital or any person associated with Cardinal Capital.

- B. Neither Cardinal Capital nor any related person of Cardinal Capital recommends, buys, or sells for client accounts, securities in which Cardinal Capital or any related person of Cardinal Capital has a material financial interest.
- C. Cardinal Capital and/or representatives of Cardinal Capital may buy or sell securities that are also recommended to clients. This practice may create a situation where Cardinal Capital and/or representatives of Cardinal Capital are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation is a 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 Capital 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 Capital's clients) and other potentially abusive practices.

Cardinal Capital has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Cardinal Capital's "Access Persons". Cardinal Capital's securities transaction policy requires that an Access Person of Cardinal Capital must provide the Chief Compliance Officer or 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 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 Capital selects; provided, however that at any time that Cardinal Capital has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Cardinal Capital and/or representatives of Cardinal Capital 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 Capital and/or representatives of Cardinal Capital are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation is a conflict of interest. As indicated above in Item 11.C, Cardinal Capital has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Cardinal Capital's Access Persons.

Item 12 **Brokerage Practices**

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

Factors that Cardinal Capital considers in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship with Cardinal Capital, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Cardinal Capital's clients shall comply with Cardinal Capital's duty to seek 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 Capital determines, in good faith, that the commission/transaction fee is reasonable. 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 Capital 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 Capital's investment management fee. Cardinal Capital'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. Non-Soft Dollar 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 Capital receives from Schwab (or could receive from other broker-dealer/custodians, unaffiliated investment managers, vendors, investment platforms, and/or product/fund sponsors) without cost (and/or at a discount) support services and/or products, certain of which assist Cardinal Capital to better monitor and service client accounts maintained at such institutions. The support services that Cardinal Capital receives can include: 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 free consulting services, discounted and/or free travel and 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 Capital in furtherance of its investment advisory business operations. As referenced above, certain of the support services and/or products that Cardinal Capital can receive may assist Cardinal Capital in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Cardinal Capital to manage and further develop its business enterprise. The receipt of these support services and products is a conflict of interest, because Cardinal Capital has the incentive to

recommend that clients utilize Schwab as a broker-dealer/custodian based upon its interest in continuing to receive the above-described support services and products, rather than based on a client's particular need. There is no corresponding commitment made by Cardinal Capital to Schwab 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 Capital's Chief Compliance Officer, J. Wesley Andrews, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the conflict of interest presented.**

2. Cardinal Capital does not receive referrals from broker-dealers for compensation. Cardinal Capital may continue to pay third parties for legacy client referrals from broker-dealers, but does not engage in this practice with respect to new referrals. As such, this practice does not present a conflict of interest.
3. **Directed Brokerage.** Cardinal Capital 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 Capital 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 Capital. As a result, the 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.

In the event that the client directs Cardinal Capital to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction can 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 Capital. Higher transaction costs adversely impact account performance.

Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts. **Cardinal Capital's Chief Compliance Officer, J. Wesley Andrews, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that Cardinal Capital provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Cardinal Capital decides to purchase or sell the same securities for several clients at approximately the same time. Cardinal Capital may (but is not obligated to) combine or "bunch" such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among Cardinal Capital'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 Capital 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 Capital provides investment supervisory services, account reviews are conducted on an ongoing basis by Cardinal Capital's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Cardinal Capital of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with Cardinal Capital on an annual basis.
- B. Cardinal Capital 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 with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Cardinal Capital provides investment supervisory services shall also receive a supplemental quarterly report from Cardinal Capital summarizing account holdings and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, Cardinal Capital receives economic benefits from Schwab including support services and/or products without cost or at a discount. There is no corresponding commitment made by Cardinal Capital to Schwab 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 Capital's Chief Compliance Officer, J. Wesley Andrews, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the conflict of interest presented.

- B. Cardinal Capital does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 Custody

Cardinal Capital shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Cardinal Capital provides investment supervisory services shall also receive a supplemental quarterly report from Cardinal Capital summarizing account holdings and performance.

Cardinal Capital provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from Cardinal Capital to transfer client funds to "third parties." In accordance with the guidance

provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

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

Item 16 Investment Discretion

The client can determine to engage Cardinal Capital to provide investment advisory services on a discretionary basis. Prior to Cardinal Capital assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming Cardinal Capital as the client's attorney and agent in fact, granting Cardinal Capital 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 Capital on a discretionary basis may, at any time, impose restrictions, **in writing**, on Cardinal Capital'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 Capital's use of margin, etc.).

Item 17 Voting Client Securities

Unless the client directs otherwise in writing, Cardinal Capital 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 Capital shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. Cardinal Capital shall monitor corporate actions of individual issuers and investment companies consistent with Cardinal Capital's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Cardinal Capital 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 Capital 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 Capital may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Cardinal Capital 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 Capital voted on any specific proxy issue is also available upon written request. Requests should be made by contacting Cardinal Capital's Chief Compliance Officer, J. Wesley Andrews.

Item 18 Financial Information

- A. Cardinal Capital does not require its clients to pay advisory fees in advance.
- B. Cardinal Capital 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 Capital has not been the subject of a bankruptcy petition.

Cardinal Capital's Chief Compliance Officer, J. Wesley Andrews, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.