



**CARDINAL<sup>®</sup>**

**CAPITAL MANAGEMENT**

*Since 1992*

# December 31, 2017 Performance Summary

Cardinal Capital Management, Inc.<sup>®</sup>  
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# Introduction

**Founded in 1992, Cardinal Capital Management is an independent, SEC registered advisory firm committed to providing our clients the highest quality investment management services**

## Who We Are

- ◆ **Our primary business** is the management of separate U.S. and non-U.S. equity and fixed income portfolios for individuals, trusts, corporations, foundations and endowments
- ◆ **Cardinal** is a **fiduciary** which means we have a legal and moral obligation to put our clients' interests first
- ◆ **Objective:** Exceed the relevant benchmark index return net of fees at significantly reduced risk (lower volatility) over a full market cycle
- ◆ **Valuation Oriented Approach** that utilizes Cardinal's Multifactor Model to identify strong companies that are statistically undervalued
- ◆ **Ownership:** 100% employee owned

## Strategies

- ◆ **U.S. Large Cap Core** consists of high-quality, dividend paying stocks that enhance overall portfolio returns with significantly reduced risk
- ◆ **Non-U.S.** is constructed on the same value oriented methodology as Cardinal's U.S. composite. Geographically Cardinal's Non-U.S. composite allows for up to 20% non-EAFE country exposure
- ◆ **Balanced** is a blend of high quality U.S. Large Cap Core stocks and bonds purchased at attractive valuations
- ◆ **Small Cap** equity portfolio seeks long-term capital appreciation by investing in relatively small U.S. companies with strong balance sheets and positive earnings acquired at attractive valuations

## Performance Summary<sup>1</sup> (Returns %)

<i>Annualized at 12/31/2017</i>	4Q17	1-Yr	3-Yr	5-Yr	10-Yr	15-Yr	20-Yr	Since Inception	Inception Date	Beta Since Inception	Alpha Since Inception
<b>U.S. LARGE CAP COMPOSITE</b>											
<b>Cardinal U.S. Large Cap (Gross of Fees)</b>	+7.76	+19.73	+11.37	+14.90	+8.70	+10.05	+8.44	+10.45	4/30/1992	0.78	2.13
<b>Cardinal U.S. Large Cap (Net of Fees)</b>	+7.52	+18.66	+10.36	+13.86	+7.71	+9.03	+7.45	+9.48			
S&P 500	+6.64	+21.84	+11.43	+15.80	+8.50	+9.92	+7.20	+9.73		1.00	0.00
<b>BALANCED COMPOSITE</b>											
<b>Cardinal Balanced Composite (Gross of Fees)</b>	+5.85	+15.48	+8.95	+11.63	+7.44	+8.49	+7.59	+9.07	10/31/1992	0.77	1.93
<b>Cardinal Balanced Composite (Net of Fees)</b>	+5.64	+14.54	+8.09	+10.74	+6.59	+7.66	+6.80	+8.34			
Blended Index <sup>2</sup>	+4.61	+15.60	+8.46	+11.37	+7.11	+8.13	+6.62	+8.52		1.00	0.00
<b>NON-US COMPOSITE</b>											
<b>Cardinal Non-U.S. Composite (Gross of Fees)</b>	+3.45	+27.57	+9.12	+6.74	+3.76			+3.75	7/31/2007	0.84	1.77
<b>Cardinal Non-U.S. Composite (Net of Fees)</b>	+3.20	+26.28	+7.97	+5.54	+2.61			+2.62			
MSCI EAFE Index	+4.24	+25.02	+7.79	+7.90	+1.94			+2.04		1.00	0.00
<b>SMALL CAP COMPOSITE</b>											
<b>Cardinal Small Cap Composite (Gross of Fees)</b>	+4.79	+14.89	+11.79	+15.81				+13.36	12/31/2010	0.79	3.74
<b>Cardinal Small Cap Composite (Net of Fees)</b>	+4.54	+13.79	+10.69	+14.59				+12.13			
Russell 2000	+3.34	+14.65	+9.96	+14.12				+11.62		1.00	0.00

<sup>1</sup> Performance shown represents past performance and is no guarantee of future results. Supplemental information, please see full disclosures on pages 13, 14, 15 & 16.

<sup>2</sup> Blended Benchmark = S&P 500 Index 70%, Barclays Int Govt/Credit 25%, 90-day T-Bill 5%





# What Sets Us Apart

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- ◆ **Our primary business** is the management of separate U.S. Large Cap, Small Cap and Non-U.S. equity and fixed income portfolios for individuals, trusts, corporations, foundations and endowments.
- ◆ **Cardinal is a fiduciary** which means we have a legal and moral obligation to **put our clients' interests first**.
  - By contrast, brokers are not held to a fiduciary standard but rather a much less stringent “suitability” standard.
- ◆ We are **SEC registered investment advisors**, and invest alongside our clients.
- ◆ Our team is comprised of **highly qualified and credentialed professionals** with a combined 75+ years of investment experience.
  - Glenn, Cardinal's Chief Investment Officer, is a Chartered Financial Analyst and past president of the NC Society of Financial Analysts, former treasurer and CFO of NYSE listed companies, and has managed over a billion dollars for large institutions.
  - All portfolio managers have MBAs, Wes also has a *Juris Doctor*, and Kathleen has the CERTIFIED FINANCIAL PLANNER™ certification.
  - Wes and Kathleen have a combined 10 years of Wall Street experience working for global investment banks.
  - In addition, our support staff includes Sharon Sowell who holds a bachelors degree and has worked in the financial services industry for 17 years and Lisa Wainwright, who also hold a bachelors degree, is a former audit manager for Ernst & Young, and is a CPA.
- ◆ We are **100% employee owned**.
- ◆ We **personally manage** all of our clients' accounts.
- ◆ **Our objective** is to exceed the relevant benchmark index return **net of fees** at significantly reduced risk (lower volatility) over a full market cycle
- ◆ **Valuation oriented approach** that utilizes Cardinal's Multifactor Model to identify strong companies that are statistically undervalued to their own historical metrics.
  - We are **long term investors** – our firm has been independently verified that it has complied with all composite construction requirements of the Global Investment Performance Standards (GIPS® standards) on a firm wide basis for 25 years.
  - Cardinal's U.S. Large Cap Core Composite has **returned 18.5% more than** the Standard & Poor's 500 Index over the **past 25 years**.
  - **Cardinal was named “Top Guns Manager” of the Decade (1999-2009) by PSN.**
  - **We do not outsource our thinking** by investing in mutual funds, which in many cases are over diversified in their holdings and have return cannibalizing fees and expenses.
- ◆ **We do not collect commissions**; we only earn a fee that is based on your account value.
- ◆ **We are committed to providing our clients the highest quality investment management services.**

# Awards Won in 2016

**The Investment Manager Top Guns is powered by PSN, the largest separately managed account database available and contains data on over 2,000 investment management firms and more than 10,000 investment products. On a quarterly basis, all products are reviewed quantitatively and ranked against other managers in the same asset class.**

Award	Period	Composite	Description
 PSN Top Guns Award ★★★★ 3Q 2016	Top Guns 4-stars	3 <sup>rd</sup> Quarter / Sept 30, 2016	Balanced  Top 10% returns for the 7-year, 5-year, 3-year, and 1-year periods ending 9/30. (Out of 171 firms and 311 products).
 PSN Top Guns Award ★★★★ 2Q 2016	Top Guns 4-stars	2 <sup>nd</sup> Quarter / June 30, 2016	Balanced  Top 10% returns for the 5-year, 3-year, and 1-year periods ending 6/30. (Out of 171 firms and 311 products).
 PSN Top Guns Award ★★ 2Q 2016	Top Guns 2-stars	2 <sup>nd</sup> Quarter / June 30, 2016	Small Cap  Top 1% returns for the 1-year periods ending 6/30. (Out of 143 firms & 173 products).
 PSN Top Guns Award Bull and Bear Masters 2Q 2016	Bull & Bear Master	2 <sup>nd</sup> Quarter / June 30, 2016	Small Cap  Top performance in up & down markets with 100.26% Up Market Capture Ratio & 39.3% Down Capture Ratio.

Award	Period	Composite	Description
 PSN Top Guns Award ★ 2Q 2016	Top Guns 1-stars	2 <sup>nd</sup> Quarter / June 30, 2016	US Large Cap  Top 1% returns for the 2 <sup>nd</sup> Quarter ending 6/30. (Out of 219 firms and 371 products).
 PSN Top Guns Award ★★★★★ 1Q 2016	Top Guns 5-stars	1 <sup>st</sup> Quarter / March 31, 2016	Small Cap  Top 10% returns for the 5-year period ending 3/31. (Out of 142 firms and 172 products).
 PSN Top Guns Award Bull & Bear Masters 1Q 2016	Bull & Bear Master	1 <sup>st</sup> Quarter / March 31, 2016	Small Cap  Top performance in up & down markets with over 100% Up Market Capture Ratio & less than 100% Down Capture Ratio.
 PSN Top Guns Award ★★ 1Q 2016	Top Guns 2-stars	1 <sup>st</sup> Quarter / March 31, 2016	Balanced  Top 10% returns for the 1-year period ending 3/31. (Out of 176 firms and 314 products).

Awards, rankings and/or recognition by unaffiliated rating services and publications: are absolutely not indicative of Cardinal Capital Management's future performance, or any future performance pertaining to its clients' investments; should not be construed by a client or prospective client as a guarantee that they will experience a certain level of results if Cardinal Capital Management is engaged, or continues to be engaged, to provide investment advisory services; and should not be construed as a current or past endorsement of Cardinal Capital Management by any of its clients. The PSN universes were created using the information collected through the PSN investment manager questionnaire and use only gross of fee returns. Mutual fund and commingled fund products are not included in the universe. PSN Top Guns investment managers must claim that they are GIPS compliant. Products must have an R-Squared of 0.80 or greater relative to the style benchmark for a five year period. No fee was paid by Cardinal Capital to participate in the rankings.

# The Team

**Cardinal Capital Management works as an integrated team of highly qualified and experienced professionals to meet our clients' investment objectives**

## Glenn C. Andrews, CFA

### President, Chief Investment Officer

- 40+ years of financial management and investment experience
- Former Executive Vice President & Chief Financial Officer of Medco Research and BioStratum
  - Former Treasurer of Burroughs-Wellcome, Co.
  - Past President of the NC Society of Financial Analysts
  - MBA, BS in Finance from the University of Tennessee
- Completed executive management program, London Business School

[gandrews@cardinalcapitalmanagement.com](mailto:gandrews@cardinalcapitalmanagement.com)

## Kathleen Warren, CFP®

### Vice President

- 10+ years of financial services experience
- Former Associate in Private Banking at Credit Suisse
- Former Sales Assistant at Thomas Weisel Partners
- MBA from UNC Kenan-Flagler Business School
  - BA from Wake Forest University
- Kathleen is a CERTIFIED FINANCIAL PLANNER™
  - FINRA / NASD License: Series 65

[kwarren@cardinalcapitalmanagement.com](mailto:kwarren@cardinalcapitalmanagement.com)

## Wes Andrews, JD/MBA

### Vice President

- 16+ years of financial services experience
- Former VP in Equity-Linked & Hybrid Origination at Lehman Brothers
  - Former VP in Fixed Income Capital Markets at Citigroup
    - MBA from Georgetown University
    - JD from University of Miami
  - FINRA / NASD License: Series 65

[wandrews@cardinalcapitalmanagement.com](mailto:wandrews@cardinalcapitalmanagement.com)

## Sharon Sowell

### Business Analyst

- 16+ years of financial services experience
- Formerly with Morgan Stanley Smith Barney as senior assistant operations manager
- Primary responsibilities include daily account activity monitoring, trading, database reporting, and compliance support
  - BA in Spanish and French from Wartburg College
  - Notary Public

[ssowell@cardinalcapitalmanagement.com](mailto:ssowell@cardinalcapitalmanagement.com)

## Lisa Wainwright, CPA

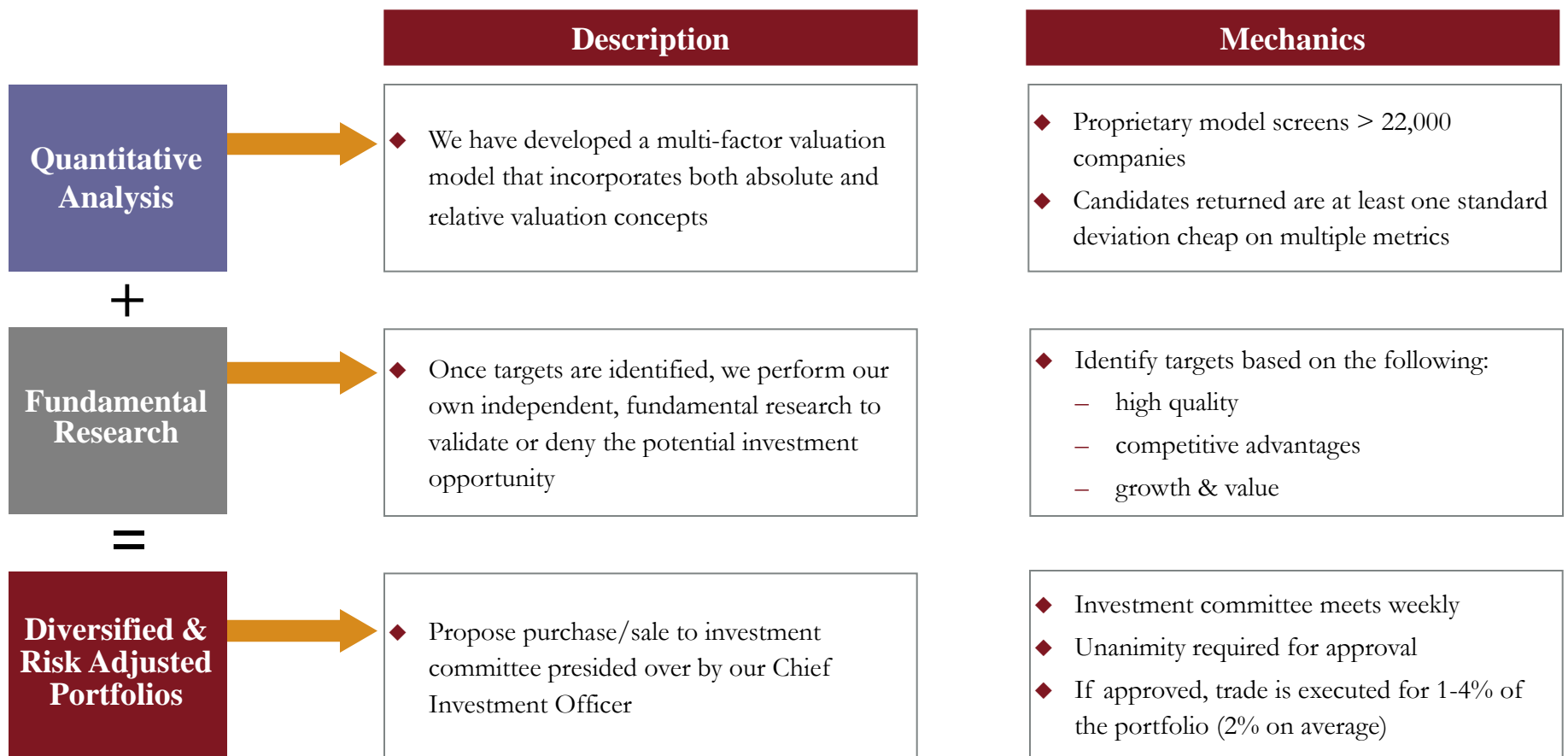
### Business Analyst

- 20+ years of public accounting, investment reconciliation and tracking experience
- Former audit manager at Ernst&Young and senior auditor at Deloitte&Touche
  - Primary responsibilities include trading, client performance and verification reporting, and compliance support
    - BS in Accounting from Auburn University
  - Member of the American Institute of Certified Public Accountants and the NC Association of Certified Public Accountant's

[lwainwright@cardinalcapitalmanagement.com](mailto:lwainwright@cardinalcapitalmanagement.com)

# Investment Approach

**Cardinal Capital employs a value approach that is predicated on selecting stocks for investment from those selling at low prices versus observable metrics such as cash flow and earnings**



**Cardinal Capital's objective is to construct portfolios that are high quality and well diversified by industry sector with excellent long-term absolute and risk adjusted returns**

# Cardinal Capital's Multifactor Model

**Cardinal Capital's Multifactor Model is systematic and unbiased in identifying stocks trading at significant discounts or premiums to their normal price value relationships**

## R&D and Process

- ◆ **Research & Development:** Cardinal's Model is grounded in solid academic research, with extensive back-testing to ensure effective use of its output, and applied on a consistent basis over time
- ◆ **Process:** Each week we run the model against the *Compustat* database of more than 22,000 operating companies in order to identify stocks trading at >1 standard deviation cheap across multiple metrics

## Implicit Assumption

- ◆ **Regression to the mean:** Our valuation model implicitly assumes that price changes more than the value, and that price value relationships will return to normal
- ◆ **Low Turnover:** Process generally takes several years to reach >1 standard deviation rich; resulting in a turnover rate of less than 20%

## Buy / Sell Signals

- ◆ **1 Standard Deviation:** Stocks > 1 standard deviation above or below normal price relationships are at levels seen 17% of the time or less – so *ceterus paribus* we expect those stocks to revert to the mean
- ◆ **Correlation:** Our model is based on observed price / value relationships; through the use of statistical correlation we can determine which are most significant

## Benefits

- ◆ **Bottom Up:** Our valuation model does not depend on explicit forecasts of future earnings growth rates, etc.
- ◆ **Management by Exception:** The model directs attention to stocks of opportunity so less time is spent on research
- ◆ **Unbiased:** The model casts a broad net without prejudice or preconceptions, which allows for new understandings of changing companies and situations to emerge

## Limitations

- ◆ **Backward Looking:** Our model is based on observed data
- ◆ **Factors** may not correlate well with stock price movements for specific companies or industries; thus we use statistical correlations to understand which factors most influence performance
- ◆ **Absolute valuations** may lead to selling biggest winners in a portfolio prematurely; however, adjusting for market levels and peer comparison helps avoid this situation



# Fundamental Research

**Cardinal Capital's approach is systematic, micro economic rather than macro in character and relies on business analysis skills rather than precise estimates of earnings or growth rates**

## Using the Output of the Model

- ◆ The output is sorted into **industry groups**
- ◆ If for instance the Model produces a total of 100 stocks not presently owned with 70% from financial services, this would lead us to conclude that the market concerns are much more related to industry matters than specific company events
- ◆ Conversely, if only three pharmaceuticals make the list, this observation may help guide inquiry into whether industry or company specific events are the principal cause of the low valuation

## The Future Will Look Like the Past

- ◆ **What is the cause of the stock's low price?** Is the cause of the valuation decline due to a transitory issue or has the company's profitability and growth prospects entered secular decline?
- ◆ This is where company and **business analysis begins**
- ◆ **Cardinal seeks to profit** from resolution of transitory issues and avoid cases of secular decline

## Objective Decision Rules

- ◆ A number of objective decision rules have been developed to identify the stocks most likely to be attractive for further analysis and ultimate purchase
- ◆ **Market Cap:** large cap: >\$4.0 billion; & small cap: <\$4.0 billion
- ◆ **Position Size:** assuming that alpha opportunities are the same for all stocks that pass the 1 standard deviation screen, we do not typically exceed 4% for any one position, which provides diversification
- ◆ Bias for **dividend paying stocks**
- ◆ The following considerations are closely scrutinized:
  - ◆ **Changed Business Conditions,**
  - ◆ **Insider Trading,**
  - ◆ **Financial Strength, and**
  - ◆ **Size and Duration of Oligopolistic Moat**
- ◆ We exclude **non-operating companies** such as REITs
- ◆ Companies or industries in **secular decline** or with **negative earnings** are eliminated from consideration

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## **II. Verification Letters and One Page Disclosures**

# Independent Verifier's Report

**ACA Compliance Group acquired Ashland Partners' GIPS® verification and investment performance practice, our previous verification firm, effective June 30, 2017. ACA has verified the compliance of Cardinal with the requirements of GIPS® from April 1, 2017 through Dec. 31, 2017.**



## Verification Report

Board of Directors  
Cardinal Capital Management, Inc.

We have verified whether Cardinal Capital Management, Inc. (the "Firm") (1) has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the periods from April 1, 2017 through December 31, 2017, and (2) designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2017. The Firm's management is responsible for compliance with the GIPS standards and the design of its policies and procedures. Our responsibility is to express an opinion based on our verification. We conducted this verification in accordance with the required verification procedures of the GIPS standards. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, the Firm has, in all material respects:

- Complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from April 1, 2017 through December 31, 2017; and
- Designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2017.

A verification covering the periods from April 1, 1992 through March 31, 2017 was performed by another verification firm, whose report expressed an unqualified opinion thereon.

This report does not relate to or provide assurance on any composite compliant presentation of the Firm and does not ensure the accuracy of any specific composite compliant presentation.

*ACA Performance Services, LLC*

ACA Performance Services, LLC  
February 14, 2018

# Independent Verifier's Report

**Ashland Partners has verified the compliance of Cardinal with the requirements of the Global Investment Performance Standards (GIPS®) from April 1, 1992 through March 31, 2017**

*Ashland Partners & Company LLP*



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## Independent Accountant's Verification Report

Board of Directors  
Cardinal Capital Management, Inc.:

We have examined whether (1) Cardinal Capital Management, Inc. (the "Firm") has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS® standards) on a firm-wide basis for the periods from April 1, 1992, to March 31, 2017, and (2) the Firm's policies and procedures are designed to calculate and present performance results in compliance with the GIPS standards as of March 31, 2017. The Firm's management is responsible for compliance with the GIPS standards and the design of its policies and procedures. Our responsibility is to express an opinion based on our examination.

### **Scope of Work**

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Firm's compliance with the previously mentioned requirements; evaluating the design of the Firm's policies and procedures previously referred to; and performing the procedures for a verification required by the GIPS standards and such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

### **Opinion**

In our opinion, in all material respects,

- the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from April 1, 1992, to March 31, 2017; and
- the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards as of March 31, 2017.

This report does not relate to any composite presentation of the Firm that may accompany this report, and accordingly, we express no opinion on any such performance.

*Ashland Partners & Company LLP*

Ashland Partners & Company LLP  
May 17, 2017

# Cardinal's U.S. Large Cap Core Composite Net Returns

## Net Returns on Cardinal's U.S. Large Cap Core Composite versus those of the S&P 500 Index

	At 12/31/17, annualized net of fees							
	4th QTR	1 Year	5 Years	10 Years	15 Years	20 Years	25 Years	Since Inception
<b>Cardinal Capital</b>								
<b>Large Cap Core Net</b>	<b>7.52%</b>	<b>18.66%</b>	<b>13.86%</b>	<b>7.71%</b>	<b>9.03%</b>	<b>7.45%</b>	<b>9.39%</b>	<b>9.48%</b>
S & P 500 Index	6.64%	21.84%	15.80%	8.50%	9.92%	7.20%	9.69%	9.73%

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Cardinal Capital</b>											
<b>Large Cap Core Composite</b>	<b>4.24%</b>	<b>-28.64%</b>	<b>19.30%</b>	<b>12.31%</b>	<b>3.44%</b>	<b>11.08%</b>	<b>27.56%</b>	<b>11.57%</b>	<b>0.38%</b>	<b>12.86%</b>	<b>18.66%</b>
S&P 500 Index	5.49%	-37.00%	26.46%	15.06%	2.12%	15.98%	32.40%	13.69%	1.41%	11.98%	21.84%
	<b>3 Year Ex-Post Standard Deviation</b>										
<b>Large Cap Core Composite</b>	12.26%	16.95%	18.94%	16.82%	13.13%	10.63%	8.46%	9.86%	9.69%	9.11%	
S&P 500 Index	15.08%	19.63%	21.85%	18.70%	15.09%	11.94%	8.98%	10.48%	10.59%	9.92%	
Total Firm Assets \$Mil (period end)	139.6	107.6	133.4	160.4	166.7	203.6	258.2	273.8	290.4	336.3	426.8
Composite Statistics:											
Assets \$Mil (period end)	44.9	34.1	48.6	55.7	61.7	76.6	103.4	117.1	126.7	141.9	182.0
Portfolios at period end	93	94	96	96	121	143	155	166	175	183	198
Dispersion	1.60%	1.67%	2.00%	1.51%	1.40%	1.50%	1.39%	0.93%	0.60%	1.33%	1.03%

- 1) Cardinal Capital Management Inc. is an independent registered investment management firm established in 1992, that manages equity, fixed income and balanced assets for U.S. clients.
- 2) The Large Cap Core Composite includes all discretionary portfolios that invest in large cap U.S. equities with the goal of providing long-term capital growth and steady dividend income. The account minimum for the composite is \$125,000. This composite is a combination of the Equity Taxable and Equity Tax Deferred Composites.
- 3) Return calculations are for all discretionary fee-paying equity portfolios in excess of \$125,000 managed in this style. Minimum account balance established October 1, 1997. Calculations are time-weighted total rate of return and reflect the reinvestment of dividends and other earnings. Trade date accounting is used. All reporting is in U.S. Dollars. Results for timeperiods less than 1 year are not annualized. All net returns are actual, not model.
- 4) The composite was created June 30, 2009. The Large Cap Core Composite has an inception date of 4/30/1992.
- 5) Composite Dispersion is asset-weighted standard deviation and is calculated for accounts in the composite the entire year.
- 6) A complete list and description of composites and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- 7) Performance results are net of management fees, transaction costs, and foreign tax withheld. Management fees are 1.0% on the first \$2 million per annum, .8% on the next \$3 million per annum over \$5 million negotiable. Actual investment fees are used to calculate net of fee returns.
- 8) No inference should be drawn that similar investment returns will be achieved in future periods. Past performance is no guarantee of future results.
- 9) Cardinal Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standard. Cardinal Capital Management, Inc. has been independently verified for the period 4/1/1992 through 12/31/2017.
- 10) Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Large Cap Core composite has been examined for the periods 4/30/1992 through 12/31/2017. The verification and performance examination reports are available upon request.
- 11) Accounts moved to new custodian in the 4Q09 and up until 2/15/2010, had commissions waived through 6/30/2010.

Performance shown represents past performance and is no guarantee of future results.

# Cardinal's Non-U.S. Composite Investment Net Returns

## Net Returns of Cardinal's Non-U.S. Composite versus the MSCI EAFE Index

	At 12/31/17, annualized net of fees						
	4th QTR	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
<b>Cardinal Capital Non-US Equity Net</b>	<b>3.20%</b>	<b>26.28%</b>	<b>7.97%</b>	<b>5.54%</b>	<b>4.65%</b>	<b>2.61%</b>	<b>2.62%</b>
MSCI EAFE NET	4.24%	25.02%	7.79%	7.90%	6.04%	1.94%	2.04%

### Cardinal Capital Non-US Equity Composite

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Cardinal Capital Non-US Equity Composite</b>	<b>N/A</b>	<b>-35.07%</b>	<b>36.00%</b>	<b>6.61%</b>	<b>-9.96%</b>	<b>16.57%</b>	<b>10.15%</b>	<b>-5.57%</b>	<b>-4.18%</b>	<b>4.04%</b>	<b>26.28%</b>
MSCI EAFE NET	-43.43%	31.78%	7.75%	-12.14%	17.32%	22.78%	-4.90%	-0.82%	1.01%	25.02%	

### Non-US Equity Composite MSCI EAFE NET

#### 3 Year Ex-Post Standard Deviation

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Non-US Equity Composite</b>				22.58%	20.44%	18.02%	14.02%	10.79%	10.35%	10.75%	10.09%
MSCI EAFE NET				26.24%	22.43%	19.37%	16.25%	13.02%	12.46%	12.47%	11.83%
Total Firm Assets \$Mil (period end)	139.6	107.6	133.4	160.4	166.7	203.6	258.2	273.8	290.4	336.3	426.8
Composite Statistics:											
Assets \$Mil (period end)	5.5	4.4	6.4	14.0	15.9	20.9	27.4	35.4	42.5	44.3	70.2
Portfolios at period end	26	30	30	55	68	68	77	84	89	94	105
Dispersion	N/A	2.23%	4.85%	2.68%	1.05%	0.96%	1.29%	0.97%	1.05%	1.15%	0.92%

- 1) Cardinal Capital Management Inc. is an independent registered investment management firm established in 1992, that manages equity, fixed income and balanced assets for U.S. clients.
- 2) The Non-US Equity Composite includes all discretionary portfolios that invest in Non-US equities with the goal of providing long-term capital growth through investing outside the US and steady dividend income. The account minimum for the composite is \$125,000.
- 3) Return calculations are for all discretionary fee-paying equity portfolios in excess of \$125,000 managed in this style. Calculations are time-weighted total rate of return and reflect the reinvestment of dividends and other earnings. Trade date accounting is used. All reporting is in U.S. Dollars. Results for timeperiods less than 1 year are not annualized. Net returns are actual.
- 4) Composite performance is presented net of foreign withholding taxes on dividends, interest, and capital gains. Withholding taxes may vary according to the investor's domicile. As of June 2007 the M Net Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. Benchmark performance is presented net of foreign withholding taxes on dividends, interest, and capital gains.
- 5) The Non-US Equity Composite was created July 31, 2007 and has an inception date of 7/31/07.
- 6) Composite Dispersion is asset-weighted standard deviation and is calculated for accounts in the composite the entire year.
- 7) A complete list and description of composites and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- 8) Performance results are net of management fees, transaction costs, and foreign tax withheld. Management fees are 1.5% on the first \$2 million per annum, 1.2% on the next \$3 million per annum, over \$5 million negotiable. Actual investment fees are used to calculate net of fee returns.
- 9) No inference should be drawn that similar investment returns will be achieved in future periods. Past performance is no guarantee of future results.
- 10) Cardinal Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Cardinal Capital Management, Inc. has been independently verified for the period 4/1/1992 through 12/31/2017.
- 11) Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are design calculate and present performance in compliance with the GIPS standards. The Cardinal Capital Management, Inc. Non-US Equity Composite has been examined for the periods 07/31/2007 through 12/31/2017. The verification and performance examination reports are available upon request.
- 12) Accounts moving to new custodian in the 4Q09 and up until 2/15/2010, had commissions waived through 6/30/2010.

Performance shown represents past performance and is no guarantee of future results.

# Cardinal's Small Cap Composite Investment Net Returns

## Net Returns for Cardinal's Small Cap Composite versus the Russell 2000 Index

	At 12/31/17, annualized net of fees						
	4th QTR	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception
<b>Cardinal Capital Small Cap Net</b>	<b>4.54%</b>	<b>13.79%</b>	<b>14.96%</b>	<b>10.69%</b>	<b>10.19%</b>	<b>14.59%</b>	<b>12.13%</b>
Russell 2000	3.34%	14.65%	17.94%	9.96%	8.67%	14.12%	11.62%

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Cardinal Capital Small Cap Composite</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-2.57%</b>	<b>15.82%</b>	<b>34.00%</b>	<b>8.69%</b>	<b>2.63%</b>	<b>16.14%</b>	<b>13.79%</b>
Russell 2000	N/A	N/A	N/A	N/A	-4.18%	16.35%	38.83%	4.89%	-4.42%	21.32%	14.65%

	3 Year Ex-Post Standard Deviation									
<b>Small Cap Composite</b>						14.21%	10.76%	11.56%	12.18%	11.21%
Russell 2000						16.45%	13.12%	13.96%	15.76%	13.91%

Total Firm Assets \$Mil (period end)	139.6	107.6	133.4	160.4	166.7	203.6	258.2	273.8	290.4	336.3	426.8
Composite Statistics:											
Assets \$Mil (period end)	N/A	N/A	N/A	N/A	2.6	5.6	9.2	13.0	21.0	29.3	46.0
Portfolios at period end	N/A	N/A	N/A	N/A	23	29	42	46	67	93	112
Dispersion	N/A	N/A	N/A	N/A	0.54%	0.93%	0.90%	0.71%	0.58%	1.36%	1.00%

- 1) Cardinal Capital Management Inc. is an independent registered investment management firm established in 1992, that manages equity, fixed income and balanced assets for U.S. clients.
- 2) The Small Cap Composite seeks long-term capital appreciation from US companies with market caps less than \$4B, strong balance sheets and positive earnings at attractive valuations.
- 3) Return calculations are for all discretionary fee-paying equity portfolios in excess of \$50,000 managed in this style. Calculations are time-weighted total rate of return and reflect the reinvestment of dividends and other earnings. Trade date accounting is used. All reporting is in U.S. Dollars. Results for timeperiods less than 1 year are not annualized.
- 4) The management fee schedule is as follows: 1.5% on the first \$2 million per annum, 1.2% on the next \$3 million per annum, over \$5 million negotiable, all paid quarterly in arrears. Actual investment advisory fees incurred by clients may vary.
- 5) The composite was created December 31, 2010.
- 6) Composite Dispersion is asset-weighted standard deviation and is calculated for accounts in the composite the entire year.
- 7) A complete list and description of composites and additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations and reporting returns are available upon request.
- 8) Performance results are net of management fees and transaction costs. Actual investment fees are used to calculate net of fee returns.
- 9) No inference should be drawn that similar investment returns will be achieved in future periods. Past performance is no guarantee of future results.
- 10) The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized standard deviation is not presented for 2011 and 2012 due to less than 36 months of composite and benchmark data.
- 11) Cardinal Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Cardinal Capital Management, Inc. has been independently verified for the period 4/1/1992 through 12/31/2017. The verification reports are available upon request.
- 12) Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Performance shown represents past performance and is no guarantee of future results.

# Cardinal's Balanced Composite Investment Net Returns

## Net Returns of Cardinal's Balanced Composite versus the Blended Index

	At 12/31/17, annualized net of fees							Since
	4th QTR	1 Year	5 Years	10 Years	15 Years	20 Years	25 Years	Inception
<b>Cardinal Capital</b>								
<b>Balanced Composite Net</b>	<b>5.64%</b>	<b>14.54%</b>	<b>10.74%</b>	<b>6.59%</b>	<b>7.66%</b>	<b>6.80%</b>	<b>8.14%</b>	<b>8.34%</b>
<b>Blended Benchmark</b>	4.61%	15.60%	11.37%	7.11%	8.13%	6.62%	8.43%	8.52%

Blended Benchmark = S&P500 70%, Barclays Int Govt/Credit 25%, 90day Tbill 5%

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Cardinal Capital</b>											
<b>Balanced Composite</b>	<b>4.97%</b>	<b>-19.76%</b>	<b>14.11%</b>	<b>10.00%</b>	<b>3.71%</b>	<b>8.85%</b>	<b>20.98%</b>	<b>9.01%</b>	<b>0.45%</b>	<b>9.75%</b>	<b>14.54%</b>
<b>BLENDED INDEX NET</b>	5.99%	-25.84%	20.00%	12.43%	3.39%	12.21%	21.75%	10.28%	1.37%	8.87%	15.60%
	<b>3 Year Ex-Post Standard Deviation</b>										
<b>Balanced Composite</b>		8.89%	11.77%	13.01%	11.57%	9.35%	7.97%	6.60%	7.77%	7.55%	7.05%
<b>BLENDED INDEX NET</b>		10.66%	13.98%	15.46%	13.15%	10.41%	8.35%	6.36%	7.35%	7.34%	6.83%
Total Firm Assets \$Mil (period end)	139.6	107.6	133.4	160.4	166.7	203.6	258.2	273.8	290.4	336.3	426.8
Composite Statistics:											
Assets \$Mil (period end)	44.6	35.1	49.4	50.4	49.1	49.0	56.1	53.4	47.9	50.8	56.7
Portfolios at period end	66	70	76	81	77	68	67	61	59	59	60
Dispersion	2.19%	4.22%	2.34%	2.14%	1.46%	0.98%	3.69%	1.58%	0.61%	2.01%	2.50%

- 1) Cardinal Capital Management Inc. is an independent registered investment management firm established in 1992, that manages equity, fixed income and balanced assets for U.S. clients.
- 2) The Balanced Composite includes approximately 70% large cap U.S. equities, 25% high-quality bonds of laddered maturities and 5% cash.
- 3) Return calculations are for all discretionary fee-paying equity portfolios in excess of \$125,000 managed in this style. Calculations are time-weighted total rate of return and reflect the reinvestment of dividends and other earnings. Trade date accounting is used. All reporting is in U.S. Dollars. Results for timeperiods less than 1 year are not annualized.
- 4) The management fee schedule is as follows: .85% on the first \$2 million per annum, .68% on the next \$3 million per annum, over \$5 million negotiable, all paid quarterly in arrears. Actual investment advisory fees incurred by clients may vary.
- 5) The composite was created October 31, 1992 and has an inception date of 10/31/92.
- 6) Composite Dispersion is asset-weighted standard deviation and is calculated for accounts in the composite the entire year.
- 7) A complete list and description of composites and additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations and reporting returns available upon request.
- 8) Performance results are net of management fees and transaction costs. Actual investment fees are used to calculate net of fee returns.
- 9) Blended Benchmark is reviewed and rebalanced on a Quarterly basis.
- 10) No inference should be drawn that similar investment returns will be achieved in future periods. Past performance is no guarantee of future results.
- 11) Accounts moving to new custodian in the 4Q09 and up until 2/15/2010, had commissions waived through 6/30/2010.
- 12) Cardinal Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Cardinal Capital Management, Inc. has been independently verified for the period 4/1/1992 through 12/31/2017. A copy of the verification reports are available upon request.
- 13) Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Performance shown represents past performance and is no guarantee of future results.



# Disclaimer

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**Performance results** represent composite results for the Non-US equity strategy, and the Domestic tax exempt/tax deferred and/or taxable equity strategy managed by Cardinal Capital Management, Inc. (“Cardinal”) during the corresponding time periods. The performance results reflect the reinvestment of dividends and other account earnings, and are net account transaction and custodial charges, and Cardinal’s investment management fee **except** for those performance returns that are compared to other similarly benchmarked managers (for example, managers whose performance is compared to the S&P 500 Composite Index – **see description below**) in charts which results were prepared utilizing investment managers database and the eVestment Alliance investment managers database which are reported **gross** of investment management fees, including Cardinal management fee- (**see Gross of Fees disclosure below**).

**Past performance** may not be indicative of future results. Therefore, no current or prospective client should assume that future performance will be profitable, or equal either the Cardinal performance results reflected or any corresponding historical benchmark index. The S&P 500 Composite Index (the “S&P”) is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. Standard & Poor’s chooses the member companies for the S&P based on the market size, liquidity, and industry group representation. Included are the common stocks of industrial, financial, utility, and transportation companies. The historical performance results of the S&P (and those of or all indices) do not reflect the deduction of transaction and custodial charges, nor the deduction of an investment management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. The historical S&P performance results (and those of all other indices) are provided exclusively for comparison purposes only, so as to provide general comparative information to assist an individual client or prospective client in determining whether the performance of a Cardinal portfolio meets, or continues to meet, his/her investment objective(s). **It should not** be assumed that Cardinal account holdings will correspond directly to the S&P or any other comparative index. The Cardinal performance results do not reflect the impact of taxes.

**For reasons including** variances in portfolio account holdings, variances in the investment management fee incurred, market fluctuation, the date on which a client engaged Cardinal’s investment management services, and account contributions or withdrawals, the performance of a specific client’s account may have varied substantially from the indicated Cardinal portfolio performance results.

Information pertaining to Cardinal’s advisory operations, services, and fees is set forth in Cardinal’s current disclosure statement a copy of which is available from Cardinal upon request.

**Gross of Fees (charts from PSN and eVestment Alliance investment managers database)** Comparative managers’ investment performance is shown in these charts gross of their management fees and Cardinal’s investment performance is shown gross of Cardinal’s investment management fees (as described in Cardinal’s written disclosure statement), the incurrence of which will have the effect decreasing the composite performance results (for example: an advisory fee of 1% compounded over a 10-year period would reduce a 10% return to a 9% annual return).