

Analyst Selection Policy

1. Context and Objectives

In conformance with article 314-75-1 of the General Rules of the Authority on Financial Markets (RGAMF), Financière de Champlain presents in this document the policy that it intends to exercise for the selection of its providers of financial analysis services.

2. Retained Principles

Selections made by Financière de Champlain will be made based upon two criteria:

- quality of research,
- quality of advice.

2.1. Research Quality

Research quality must correspond to the specifics of management as carried out by Financière de Champlain, particularly:

- sector or thematic research, for subjects upon which Financière de Champlain works regularly: the environment, new energy technologies, ethical values...
- geographic research, which may be combined with the sector research described above.
- Finally, the third criterion retained for research quality will be “the universe of values” covered by the service provider, in order to offer the managers of Financière de Champlain the widest research perimeter possible.

2.2. Quality of Advice

The quality of advice must correspond to the expectations of Financière de Champlain, particularly:

- the relevance of advice concerning both issuers and markets. Knowledge of macroeconomics is also a criterion retained by the managers;
- the appropriateness of the offer proposed with the needs of an entrepreneurial management company: customized service, frequency, and personalization of contact, organization of conferences, and *meetings*.
- access to investment operations when Financière de Champlain decides upon an investment for one of the funds it manages.

3. Existing Organization

Oversight of the relationship is done on two levels:

- the managers who are in continuous relation with the selected service providers;
- the management assistant who oversees the operational and administrative relationship.

The choice of service provider made by the managers is a function of the criteria cited in the present document. The contractual relationship is formalized by either:

- a CSA1 contract signed by Financière de Champlain and the service provider executing orders and providing assistance with investment decisions and with the execution of orders (research and analysis). The CSA provides for the reversal, by the service provider executing the orders, of the part of the intermediation fee that he bills for assistance with investment decisions and the execution of orders, to a third party provider of these services designated by Financière de Champlain. The contractual conditions are laid out in a document entitled *participation letter*.
- a “dedicated” contract when the provider offers only analysis and advice services.

The formalization of controls on service providers in charge of financial analysis will take place at least once annually at the time of the control on the order execution and intermediary selection policies.

4. Prevention of Conflicts of Interest

Financière de Champlain has complete freedom of choice concerning its providers of financial analysis.

When providers of financial analysis also carry out order execution services, Financière de Champlain will pay them in a particular way, via a shared commission and brokerage. Thus, this provision allows a distinction between fees and commissions due for negotiations and those due for financial analysis.

Moreover, Financière de Champlain exercises only one profession: third party management. It is independent, not belonging to a group, and not having any subsidiaries. It does not carry out any activity on its own behalf and does not carry out its own financial analysis for distribution or sale.

Finally, Financière de Champlain has a large network of intermediaries in charge of the execution of its orders, which increases its independence.

Thus, the risks of conflicts of interest are, by design, heavily reduced.