

Order Execution Policy

1. Context and Objectives

Within the framework for implementation of the MiFID beginning on November 1st 2007, FINANCIERE DE CHAMPLAIN presents in this document, the policy that it follows in order to ensure the best possible execution of stock orders on behalf of its holders (collective management), and on behalf of its principals (individual management).

2. Policy Retained

The policy retained consists then of two parts, collective management and individual management, that include the following characteristics:

2.1 Collective Management

Orders related to mutual funds that we manage are made through a network of previously selected intermediaries (in conformance with article 314-75 of the General Rules of the Authority for Financial Markets) for both qualitative (their competence in a given market, country, or sector...) and quantitative reasons (the cost of transactions...). This selection has been effective at FINANCIERE DE CHAMPLAIN for several years and the quality of the execution of orders, was already an important criterion in the procedure implemented.

We have complemented this provision by further requiring from our intermediaries the communication of their commitment to ensure the best possible execution of our orders.

It is important to specify that FINANCIERE DE CHAMPLAIN is considered by its intermediaries to be a "professional client" and not an "eligible counterparty."

2.2 Individual Management

Orders related to clients under mandate are made through a secure, automated process, by two intermediaries, who are also custody account-keepers:

- La Compagnie 1818
- CM CIC Securities

Best Execution Rule

Principle

The "Best Execution" policy of FINANCIERE DE CHAMPLAIN was conceived to prove to the client that the company, according to the type of financial instrument concerned, allowed him to obtain, within the framework of the execution of orders made on his behalf, the best result as a function of the weight accorded to preselected criteria.

Determining priority factors

The factors considered by FINANCIERE DE CHAMPLAIN, in order to obtain the best possible execution in terms of total price (price of the instrument added to the execution costs) are:

- ◆ Price,
- ◆ Cost,
- ◆ Speed (corresponds to the speed of transmission of the order, and not that of the execution of the order),
- ◆ Probability of execution and payment (specifically includes the cost and the security of payment-delivery),
- ◆ Size and nature of the order,
- ◆ Impact on the market,
- ◆ Other implicit transaction costs, **and in particular the criterion of total cost for non-professional clients (retail clients).**

Best Selection Rule

In general, all of the investment service providers are subject to an obligation to execute client orders under the conditions most favorable to the client.

Within this framework, as a portfolio management company and with regard to the specific characteristics of our activities, we have the more specific obligation of selecting intermediaries whose execution policies allow us to ensure the best result possible when we place with them, on your behalf, orders resulting from investment decisions related to the management of your portfolio.

This obligation consists then for us of selecting our intermediaries according to a number of criteria (and above all, the criterion of total price), to monitor the effectiveness of our selection policy, to update it regularly, and to keep you informed of significant changes.

FINANCIERE DE CHAMPLAIN has selected intermediaries whose known policies allow us to ensure the best possible result in the execution of orders.

FINANCIERE DE CHAMPLAIN will regularly monitor the effectiveness of their policies, in particular, the quality of execution of the selected negotiators, and, where necessary, correct any failures noticed.

FINANCIERE DE CHAMPLAIN will revise our policies annually as well as any time there is a significant change affecting our capacity to continue to obtain the best possible result for our clients.

These two establishments have committed to FINANCIERE DE CHAMPLAIN to apply, themselves, the best execution of the orders that we transmit to them and their relevant policies have been transmitted to us.

At a client's request, FINANCIERE DE CHAMPLAIN will provide all elements justifying that a transaction has been carried out in his best interests, in conformance with the present policy.

3. Controls

We will carry out the following controls:

- on inputs: upon selection of our intermediaries
- on outputs: by a periodical review and evaluation of the list of selected intermediaries and by a permanent and periodical control on the quality of execution of orders that we have placed.

4. Conclusion

Our policy of "best execution" comes out of our prior practice of "best selection." The work carried out before entering into a relationship with our intermediaries is complemented by permanent and periodical controls, both qualitative and quantitative.