

**Champlain Investment Partners, LLC****180 Battery Street, 4th Floor  
Burlington, VT 05401****P: 802.846.6200  
F: 802.846.6213  
E: [info@cipvt.com](mailto:info@cipvt.com)****[www.cipvt.com](http://www.cipvt.com)****March 30, 2012**

This brochure provides information about the qualifications and business practices of Champlain Investment Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 802.846.6200. 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 Champlain Investment Partners, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

SEC registration does not constitute an endorsement of the firm by the Commission nor does it indicate that the adviser has attained a particular level of skill or ability.

---

|   |   |
|---|---|
| Item 3: Table of Contents.....  | 2 |
| Item 4: Advisory Business.....  | 4 |
| Firm Description.....   | 4 |
| Types of Advisory Services.....   | 4 |
| Tailored Relationships.....   | 4 |
| Wrap Fee Programs.....  | 4 |
| Client Assets.....  | 4 |
| Item 5: Fees and Compensation.....  | 4 |
| Description.....  | 4 |
| Fee Billing.....  | 5 |
| Other Fees.....   | 5 |
| Fees Paid in Advance.....   | 5 |
| Additional Compensation.....  | 5 |
| Item 6: Performance-Based Fees and Side-By-Side Management.....   | 6 |
| Item 7: Types of Clients.....   | 6 |
| Description.....  | 6 |
| Account Minimums.....   | 6 |
| Item 8: Methods of Analysis, Investment Strategy and Risk of Loss.....                                    | 7 |
| Methods of Analysis.....  | 7 |
| Investment Strategies.....  | 7 |
| Risk of Loss.....   | 7 |
| Item 9: Disciplinary Information.....   | 8 |
| Item 10: Other Financial Industry Activities and Affiliations.....  | 8 |
| Broker-Dealer or Registered Representative.....   | 8 |
| Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person..... | 8 |
| Material Relationships or Arrangements with Financial Industry.....                                       | 8 |
| Recommend or Select Other Investment Advisers.....  | 8 |
| Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....       | 8 |
| Description of Code of Ethics.....  | 8 |
| Recommending Securities with a Material Financial Interest.....   | 9 |
| Invest in the Same Securities Recommended to Clients.....   | 9 |

---

|   |    |
|---|----|
| Personal Trading Policies.....                        | 9  |
| Item 12: Brokerage Practices.....                     | 10 |
| Selecting Brokerage Firms.....                        | 10 |
| 1. Research and Other Soft Dollar Benefits.....       | 10 |
| 2. Brokerage for Client Referrals.....                | 11 |
| 3. Directed Brokerage.....                            | 11 |
| Order Aggregation.....                                | 11 |
| Item 13: Review of Accounts.....                      | 12 |
| Periodic Reviews.....                                 | 12 |
| Review Triggers.....                                  | 12 |
| Regular Reports.....                                  | 12 |
| Item 14: Client Referrals and Other Compensation..... | 12 |
| Economic Benefits.....                                | 12 |
| Third Party Solicitors.....                           | 12 |
| Item 15: Custody.....                                 | 12 |
| Item 16: Investment Discretion.....                   | 13 |
| Item 17: Voting Client Securities.....                | 13 |
| Item 18: Financial Information.....                   | 13 |
| Prepayment of Fees.....                               | 13 |
| Financial Condition.....                              | 13 |
| Bankruptcy.....                                       | 14 |
| Additional Information.....                           | 14 |
| Business Continuity Plan Summary.....                 | 14 |
| Charitable Contributions.....                         | 14 |
| Privacy Notice.....                                   | 14 |

---

## Item 4: Advisory Business

---

### FIRM DESCRIPTION

Champlain Investment Partners ("Champlain") is an independent employee owned asset management firm located in Burlington, Vermont. The firm's expertise in small and mid cap equity investing utilizes a well-defined and consistent investment process that our investment team has followed for over 15 years. Our focus is on investment strategies that seek to provide superior absolute returns and manage risk. We believe that our consistent execution of the investment process and our commitment to delivering outstanding client service has resulted in a long tenure with our clients.

The founding partners began with a shared vision: to provide clients with the opportunity to accumulate long-term wealth through investing in high quality, small and mid cap equity securities. This vision has been instilled throughout the firm. All partners are invested in the firm and its products, creating a true alignment between our own interests and those of our clients. Our partners bring a wealth of experience, averaging over 20 years in asset management. In addition to our partners, our associates bring a variety of experience and skills to Champlain.

Champlain has one principal owner, CIP Management Holdings, LP, which owns more than 25% of the firm. Members of CIP Management Holdings, LP are employees of Champlain.

### TYPES OF ADVISORY SERVICES

Champlain manages small and mid cap strategies for pooled investment vehicles and separate accounts.

### TAILORED RELATIONSHIPS

All portfolios are managed consistently throughout their respective strategies. There may be minimal differences for accounts with client specific restrictions or guidelines, or new portfolios that are being invested by Champlain, as we are reluctant to purchase shares of stock in names we are planning to exit. As a registered adviser, and as a fiduciary to our advisory clients, Champlain is required to obtain each client's investment objectives and restrictions and provide its advisory services consistent with the client's objectives based on the information provided by each client. In absence of client specific guidelines, the account is managed according to standard Champlain guidelines for the product in which the client is invested.

### WRAP FEE PROGRAMS

Champlain does not participate in wrap fee programs.

### CLIENT ASSETS

Champlain manages all client assets, \$4,225,846,882.86, on a discretionary basis as of December 31, 2011. Champlain does not manage any client accounts on a non-discretionary basis.

---

## Item 5: Fees and Compensation

---

### DESCRIPTION

Champlain provides advisory service for five pooled vehicles and separate accounts and is compensated in the following manner:

#### *Champlain Small Company Fund and Champlain Mid Cap Fund*

Champlain is the investment advisor for the Champlain Small Company Fund and Champlain Mid Cap Fund, which are members of The Advisors' Inner Circle Fund II. As compensation for its services to these funds, Champlain's contract provides as follows: with respect to Champlain Small Company Fund, 0.90% per annum of the aggregate daily average net assets of the fund, with respect to Champlain Mid Cap Fund, 0.80% per annum of the aggregate daily average net assets of the fund, and with respect to the Champlain Mid Cap Fund Institutional Class, 0.80% per annum of the aggregate daily average net assets of the fund. The fees incurred are not negotiable, however, Champlain has contractually agreed to reduce fees and reimburse expenses in order to keep Total Annual Fund Operating Expenses After Fee Reductions and/or Expense Reimbursements (excluding interest, taxes, brokerage commissions, acquired fund fees and expenses and extraordinary expenses) from exceeding 1.40%, 1.30%, and 1.05% of the Small Company, Mid Cap, and Mid Cap Institutional Funds' average daily net assets until November 30, 2012.

#### *Champlain Small Cap Fund, LLC and Champlain Mid Cap Fund, LLC*

Champlain is the investment advisor for the Champlain Small Cap Fund, LLC and Champlain Mid Cap Fund, LLC. As compensation for its services to these funds, Champlain's contract is as follows: with respect to the Champlain Small Cap Fund, LLC, the Fund shall pay Champlain a monthly Management Fee equal to 1.00% per annum of the Net Asset Value of the Fund, with respect to the Champlain Mid Cap Fund, LLC, the Fund shall pay Champlain a monthly Management Fee equal to 0.85% per annum of the Net Asset Value of the Fund. The Management Fee shall be payable monthly in arrears on the basis of the Net Asset Value of the Fund as calculated on the last Business Day of the preceding month.

The fees incurred are not negotiable, however, Champlain will bear all of the costs and expenses associated with the organization of the Funds and the offering of Interests. In addition, Champlain will bear all of the Funds' ongoing operating expenses, including the fees and expense reimbursements paid to the Administrator and Custodian, but excluding any of the Funds' interest payments, taxes, brokerage commissions and extraordinary expenses. Champlain will bear such operational expenses out of the Management Fee proceeds paid to Champlain or, if necessary, from Champlain's own resources.

*Champlain Mid Cap Collective Investment Fund*

Champlain is the investment advisor for the Champlain Mid Cap Collective Investment Fund. As compensation for its services, Champlain allows eligible plans in the Fund to select from the following monthly Management Fee structures:

- 0.90% of assets with no revenue sharing
- 0.95% of assets with 0.05% of revenue sharing
- 1.00% of assets with 0.10% revenue sharing

For the option with no revenue sharing, Champlain will bear all of the costs and expenses associated with the organization of the Fund and the offering of Interest. In addition, Champlain will bear all of the Funds' ongoing operating expenses, including the fees and expense reimbursements paid to the Administrator and Custodian, but excluding any of the Funds' interest payments, taxes, brokerage commissions and extraordinary expenses. Eligible plans who select the options with 0.05% or 0.10% revenue sharing will be responsible for operating expenses associated with plan recordkeeping costs.

*Champlain Separate Accounts*

Champlain makes investment management decisions for separate accounts. As compensation for its services to these accounts, Champlain offers the following fee schedules:

The separate account fee schedule for the small cap product is as follows:

- 1.00% of the first \$50,000,000 in assets
- 0.85% of the next \$50,000,000 in assets
- 0.75% of the assets over \$100,000,000

The separate account fee schedule for the mid cap product is as follows:

- 0.85% of the first \$50,000,000 in assets
- 0.75% of the next \$50,000,000 in assets
- 0.65% of the assets over \$100,000,000

Unless otherwise specified in a written agreement, advisory fees are payable quarterly in arrears and are calculated on the basis of the market value of the investments in the account, including any balances held in money market funds. Champlain may revise account minimums and fees at its discretion.

*Champlain's performance based fees*

Champlain will consider a performance based fee arrangement for clients investing a minimum of \$10,000,000 noting that:

- The fee arrangement may create an incentive for Champlain to make riskier or more speculative investments than would be made under a different fee arrangement;
- Champlain may receive increased compensation with regard to unrealized as well as realized gains in the client's account.

The periods used to measure performance, the computation method, the index used to measure performance, and the security valuation method will be set forth in a written agreement between Champlain and the client. Champlain utilizes, to the fullest extent possible, recognized and independent pricing services for timely valuation information for advisory clients.

**FEE BILLING**

Clients receive a bill from Champlain quarterly in arrears, with the exception of registered investment companies and other pooled vehicles, to which Champlain provides advisory services paid monthly in arrears. At the direction of a client, Champlain will provide a bill directly to a custodian bank for the purposes of debiting the fee directly from the account managed by Champlain.

**OTHER FEES**

Total expenses for the Small Company Fund, Mid Cap Fund, and Mid Cap Fund Institutional Class are 1.40%, 1.30% and 1.05% respectively. For the Champlain Small Cap Fund, LLC and Champlain Mid Cap Fund, LLC and separate accounts, clients will incur additional costs such as brokerage and other transaction costs.

Additional information regarding brokerage and transaction costs can be found in the section titled "Brokerage Practices."

**FEES PAID IN ADVANCE**

Champlain does not bill clients in advance for its services.

**ADDITIONAL COMPENSATION**

Champlain does not accept compensation in connection with the purchase or sale of securities, including asset-based sales charges or service fees from the sale of mutual funds.

---

## Item 6: Performance-Based Fees and Side-By-Side Management

---

Champlain accepts performance based fees. Information on Champlain's performance based fee arrangement are as follows:

Champlain will consider a performance based fee arrangement for clients investing a minimum of \$10,000,000 noting that;

- The fee arrangement may create an incentive for Champlain to make riskier or more speculative investments than would be made under a different fee arrangements;
- Champlain may receive increased compensation with regard to unrealized as well as realized gains in the client's account.

The periods used to measure performance, the computation method, the index used to measure performance, and the security valuation method will be set forth in a written agreement between Champlain and the client. Champlain utilizes, to the fullest extent possible, recognized and independent pricing services for timely valuation information for advisory clients.

Performance-based fee arrangements are appropriately disclosed, reviewed and approved by the Chief Operating Officer. The performance fee arrangements comply with Section 205-3 of The Adviser's Act.

Champlain faces a conflict of interest by having an incentive to favor accounts where Champlain manages performance-based fee accounts and asset-based fee accounts at the same time. However, Champlain mitigates this risk by adhering to the specified investment strategy of the accounts. All portfolios are managed consistently throughout their respective strategies. There may be minimal differences for accounts with client specific restrictions or guidelines, or for new portfolios that are being invested by Champlain, as we are reluctant to purchase shares of stock in names we are planning to exit.

Champlain seeks to manage potential conflicts of interest in the following specific respects: (i) where a potential transaction would benefit more than one client, trades will be bunched where advantageous and allocated pro rata until all participating accounts have been satisfied, or by some other means deemed fair under the circumstances. The firm uses a trading system which facilitates the automated accomplishment of this fair allocation, and the traders instruct the system to adjust the allocation to minimize odd lots. Allocations may not be pro-rata due to individual account restrictions. This may result in a slightly larger allocation in permitted securities to those accounts than would otherwise be warranted by the account assets, or no allocation at all if the security violates account guidelines. Also, cash flows in particular accounts may be considered when allocating investment opportunities; and (ii) we ensure that the firm's Code of Ethics provisions on personal securities trading are followed so that personal trading by employees does not interfere with trading on behalf of clients.

---

## Item 7: Types of Clients

---

### DESCRIPTION

Champlain generally provides investment advice to the following types of clients:

- Investment companies;
- Other investment advisers;
- Pooled investment vehicles;
- Pension and profit sharing plans;
- Trusts and estates;
- Charitable organizations;
- Corporations or business entities other than those listed above, and;
- Public funds.

### ACCOUNT MINIMUMS

The Champlain Small Company Fund has an initial purchase minimum of \$10,000. The Champlain Mid Cap Fund is available in two share classes: "Advisor" Shares and "Institutional" Shares. The "Advisor" Shares require a \$10,000 minimum initial investment and the "Institutional" Shares have a minimum initial investment of \$1,000,000. There are no minimums for subsequent investments or account size.

The Champlain Small Cap Fund, LLC, Champlain Mid Cap Fund, LLC, and Champlain Mid Cap Collective Investment Fund have initial subscription agreement minimums of \$1,000,000. There are no minimums for subsequent investments or account size.

The initial investment minimum for a separate account is \$10,000,000. There is no minimum for subsequent investments or account size. Champlain may waive or revise account minimums at its discretion.

Champlain will manage accounts assuming a fully executed Investment Advisory Agreement has been received, which authorizes Champlain to make and implement investment decisions.

---

## Item 8: Methods of Analysis, Investment Strategy and Risk of Loss

---

### METHODS OF ANALYSIS

Champlain is focused on absolute returns as much as we are on relative returns. Avoiding large losses is critical for wealth creation. Therefore, our investment process is not just about picking good stocks, but also managing risk - business, valuation and performance. Champlain believes buying the shares of a good business with credible and sincere management at a discount to Fair or Intrinsic Value gives investors several potential paths to wealth creation. First, the market may bid the shares to a premium over Fair Value. Second, management may grow the Fair Value over time at a faster rate than market appreciation. Third, the company may be bought by a larger company or private market investor.

A security must successfully go through our three-step research process where we evaluate different criteria before it is considered for the portfolio:

*Step 1 - Qualitative Sector Factors.* To pass this criteria and move on to the next step of the screening process, companies must be in an industry which meets our sector factor guidelines. For instance, in consumer stocks we look for companies with low fashion risk and brand loyalty.

*Step 2 - Analysis of Company Attributes.* A company must have the following criteria to move on: positive cash flow, low debt, sincere and capable management – which is reflected in how they pay themselves and who they put on their board, a stable business model and superior relative growth (compared to other companies in the sector).

*Step 3 - Valuation Analysis.* We determine a company's fair value using four different methods of analysis. We analyze the M&A activity in the space, we analyze the cash flow utilizing several models, we examine the company to see if it has franchise value – i.e. a secret sauce, which will shade the fair value a bit higher, and lastly, we verify that the company's fundamentals are solid.

Additionally, we like to see positive business trends that are supportive for company growth and effective R&D spend leading to a pipeline of products that address growing market opportunities. It is our belief that this back drop will lead to stock price appreciation over time. If our analysis finds the company's valuation and business outlook positive, then we develop target levels for purchase and will be patient in establishing a good entry point for the investment.

Investing in securities involves risk, including possible loss of principal. There can be no assurance that the strategies will achieve their stated objectives. In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility. Current and future holdings are subject to risk.

### INVESTMENT STRATEGIES

Champlain's small cap strategy invests at least 80% of its net assets in securities of small-sized companies, which are defined as having a market capitalization of less than \$2.5 billion at the time of purchase. Champlain's mid cap strategy invests at least 80% of its net assets in securities of medium-sized companies, which are defined as having a market capitalization of less than \$15 billion at the time of purchase.

The strategies seek capital appreciation by investing mainly in common stocks of small and medium-sized companies that Champlain believes have strong long-term fundamentals, superior capital appreciation potential and attractive valuations. Through the consistent execution of a fundamental bottom-up investing process, which includes an effort to understand a company's intrinsic or fair value, Champlain expects to identify a diversified universe of companies that trade at a discount to their estimated or intrinsic fair values. As such, Champlain seeks to mitigate company-specific risk by limiting position sizes to a maximum of 3% (Small Cap) and 5% (Mid Cap) of the portfolios' total assets at the time of purchase. The strategies are broadly diversified and Champlain seeks to create value primarily through favorable stock selection.

Champlain purchases equity securities, therefore the client is subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of the equity securities may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The price of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in the strategies.

### RISK OF LOSS

Champlain primarily recommends equity securities in the form of common stocks that have small and medium market capitalizations. These small and medium market capitalization stocks may underperform other segments of the equity market or the equity market as a whole. The small and medium-sized companies Champlain invests in may be more vulnerable to adverse business or economical events than larger, more established companies. In particular, these small and medium-sized companies may have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore small and medium-capitalization stocks may be more volatile than those of larger companies. These securities may be traded over-the-counter or listed on an exchange.

---

**Item 9: Disciplinary Information**

---

Neither the firm nor management have been involved in any legal or disciplinary events that would be considered material to a client's or prospective client's evaluation of our integrity.

---

**Item 10: Other Financial Industry Activities and Affiliations**

---

**BROKER-DEALER OR REGISTERED REPRESENTATIVE**

Marketing personnel maintain broker-dealer licenses with Foreside Fund Services, LLC in order to market the Champlain mutual funds. These registered representatives participate in an annual compliance meeting with Foreside, as well as continuing education classes.

**FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR, COMMODITY TRADING ADVISER OR ASSOCIATED PERSON**

Neither Champlain nor any management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

**MATERIAL RELATIONSHIPS OR ARRANGEMENTS WITH FINANCIAL INDUSTRY**

Champlain has the following relationships or arrangements that are material to our advisory business:

*Broker-Dealers*

Marketing personnel maintain broker-dealer licenses with Foreside Fund Services, LLC in order to market the Champlain mutual funds. This relationship does not create a material conflict of interest with clients.

*Investment Companies and Other Pooled Investment Vehicles*

Champlain acts as an adviser or sub adviser to the following mutual funds: Champlain Small Company Fund and Champlain Mid Cap Fund which are members of The Advisors' Inner Circle Fund II, Old Westbury Global Small and Mid Cap Fund, GE Investment Funds, Inc. Small-Cap Equity Fund, GE Institutional Funds Small-Cap Equity Fund, and Pyxis Small Cap Equity Fund.

Champlain serves as the manager and investment adviser for the Champlain Small Cap Fund, LLC, the Champlain Mid Cap Fund, LLC and the Champlain Mid Cap Collective Investment Fund. Champlain is responsible for the management of the Funds' affairs and assets on a day-to-day basis, and carries out certain strategic and supervisory functions in relation to the operation of the Funds.

Champlain seeks to manage potential conflicts of interest in the following specific respects: (i) where a potential transaction would benefit more than one client, trades will be bunched where advantageous and allocated pro rata until all participating accounts have been satisfied, or by some other means deemed fair under the circumstances. The firm uses a trading system which facilitates the automated accomplishment of this fair allocation, and the traders instruct the system to adjust the allocation to minimize odd lots. Allocations may not be pro-rata due to individual account restrictions. This may result in a slightly larger allocation in permitted securities to those accounts than would otherwise be warranted by the account assets or no allocation at all if the security violates account guidelines. Also, cash flows in particular accounts may be considered when allocating investment opportunities; and (ii) we ensure that the firm's Code of Ethics provisions on personal securities trading are followed so that personal trading by employees does not interfere with trading on behalf of clients.

**RECOMMEND OR SELECT OTHER INVESTMENT ADVISERS**

Champlain does not recommend or select other investment advisers for our clients.

---

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

---

**DESCRIPTION OF CODE OF ETHICS**

Champlain may recommend to clients that they buy or sell securities or investment products in which employees of Champlain have a financial interest. Employees of Champlain may buy and sell for their own accounts securities that Champlain also recommends to its clients. As summarized below, these transactions are subject to certain procedures and restrictions found in Champlain's Code of Ethics. A copy of the full Code of Ethics is available upon request from Champlain's client service team.

No employee of Champlain shall have any position with, or a "substantial interest" in, any other business enterprise operated for a profit, the existence of which would conflict, or might conflict, with the proper performance of his/her duties, or responsibilities to Champlain or which might tend to affect his/her independence of judgment with respect to transactions between Champlain or its investment clients, and such other business enterprise, without prior full and complete disclosure thereof. Each employee who has such a conflicting, or possibly conflicting, interest with respect to any transaction which he/she knows is under consideration by Champlain, any affiliate thereof, or its investment clients, is required to make timely disclosure thereof, so that it may be part of Champlain's consideration of the transaction.

In order to implement the foregoing Policy Statement Champlain has adopted rules of conduct surrounding personal securities trading restricting any employee of Champlain from intentionally trading, directly or indirectly, against the interest of Champlain's investment clients. Champlain shall have in place at all times procedures under which all securities transactions by its personnel are pre-cleared, except for transactions in mutual fund shares, exchange traded funds, government securities, commercial paper, index options and futures. Employees of Champlain are restricted from offering and/or accepting gifts, gratuities or favors from any person, firm or corporation having the potential to do business with Champlain or its investment clients, under any circumstances from which it could be reasonably inferred that the purpose of the gift, gratuity or favor could be to influence the employee in the conduct of Company or affiliated transactions with the donor. Champlain and its employees are also restricted from making political contributions or payments to government officials that may appear as a 'pay to play' tactic and an effort to influence the selection of investment advisers to manage state and local government assets. A contribution above the stated de minimus triggers a 'time out' provision where Champlain will be unable to accept advisory fees. A 'look back in time' is required for new hires to ensure a 'time out' is not triggered. All Champlain employees must pre-clear with the Chief Compliance Officer all intended political contributions for themselves and any immediate family members who reside within the same household. Employees of Champlain shall not serve on boards of directors of publicly held companies, in the absence of prior approval from the Chief Investment Officer and Chief Operating Officer based on a finding that the board service is in the best interests of Champlain. No employee may trade either personally or on behalf of others while in possession of material, nonpublic information, nor may any personnel of Champlain communicate material, nonpublic information to others in violation of the law.

In order to monitor the rules of conduct employees of Champlain are required to file within ten days after the close of each calendar quarter, with the Chief Compliance Officer, a complete and accurate report of all transactions in securities of which he/she has knowledge, made by or for his/her account or any immediate member of his/her family or any trust, partnership, corporation, syndicate or account as to which he/she, directly or indirectly has control or has participation in investment policies. All political contributions made by employees and/or immediate family members who reside within the same household must also be disclosed to the Chief Compliance Officer within ten days after the close of each calendar quarter. Further, quarterly disclosure is required for any gifts and favors, given or received, with a value of more than \$100 from a single source in a calendar year.

Each employee of Champlain shall file, within ten days of first becoming an employee, and once per year, the title, number of shares and principal amount of each security in which the reporting person had any direct or indirect beneficial ownership; the name of any broker, dealer or bank with whom the person maintains an account in which any securities are (or in the case of the initial holdings report, were at the time such person became an officer, director, trustee or employee) held for the direct or indirect benefit of the person.

Employees of Champlain are required to annually certify compliance with the procedures listed above and Champlain's Code of Ethics.

A copy of the full Code of Ethics is available upon request from Champlain's client service team.

### **RECOMMENDING SECURITIES WITH A MATERIAL FINANCIAL INTEREST**

Champlain has a material interest in securities that are recommended to clients through the following mutual funds and pooled investment vehicles, to which Champlain serves as adviser: Champlain Small Company Fund, Champlain Mid Cap Fund, Champlain Small Cap Fund, LLC, and Champlain Mid Cap Fund, LLC. How Champlain addresses conflicts that arise is described within the section above called "Code of Ethics."

### **INVEST IN THE SAME SECURITIES RECOMMENDED TO CLIENTS**

Champlain manages an account seeded with proprietary capital, which may raise potential conflicts of interest. Champlain has put in place policies and procedures designed to mitigate any such conflicts. Investment decisions made for small and mid cap accounts may differ from, and may conflict with, investment decisions made for the proprietary account due to differences in investment objectives, investment strategies, account benchmarks and other factors. Portfolio Managers may decide that investment opportunities, strategies or particular purchases or sales are appropriate for the small or mid cap strategy, but not for the proprietary account, or are appropriate in different amounts, terms, or timing than is appropriate for other accounts. Trades for the proprietary account will be executed through a prime broker, and will not be aggregated with trades for other accounts. Trades will be placed with the prime broker concurrently with other orders received by the trading desk for the same security.

With the exception of what is described above, Champlain and its employees do not invest in the same securities that are recommended to clients. Champlain's personal trading policies are described in greater detail within the "Personal Trading Policies" section below.

### **PERSONAL TRADING POLICIES**

Champlain has adopted the following principles governing personal investment activities by Champlain's supervised persons:

- The interests of client accounts will at all times be placed first;
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and
- Employees must not take inappropriate advantage of their positions.

*Personal Security Trading Limits*

Purchases by employees of Champlain in individual equity securities are restricted to those which have a total market capitalization of at least \$25 billion, or in options on such securities. Employees are permitted to short positions in individual securities with market capitalization in excess of \$25 billion; buys to cover these shorts are permitted even when the market capitalization falls below \$25 billion, as long as the managed portfolios are not active in the securities. Trades in closed-end funds are not restricted by market capitalization, but must be pre-cleared.

No employee shall acquire any beneficial ownership in any securities in an Initial Public Offering.

*Pre-Clearance Required for Private or Limited Offerings*

No employee shall acquire beneficial ownership of any securities in a limited offering or private placement without the prior written approval of the Chief Compliance Officer who has been provided with full details of the proposed transaction (including written certification that the investment opportunity did not arise by virtue of the employee's activities on behalf of a client) and, if approved, will be subject to continuous monitoring for possible future conflicts.

*Interested Transactions*

No employee shall recommend any securities transactions for a client without having disclosed his or her interest, if any, in such securities or the issuer thereof, including without limitation:

- Any direct or indirect beneficial ownership of any securities of such issuer;
- Any contemplated transaction by such person in such securities;
- Any position with such issuer or its affiliates; and
- Any present or proposed business relationship between such issuer or its affiliates and such person or any party in which such person has a significant interest.

---

**Item 12: Brokerage Practices**

---

**SELECTING BROKERAGE FIRMS**

As an investment advisory firm, Champlain has a fiduciary and fundamental duty to seek best execution for client transactions. As a matter of policy and practice, Champlain seeks to obtain best execution for client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. The trading process is designed to minimize overall trade execution costs and achieve the best possible transaction price. Champlain employs a disciplined trading strategy that is designed to minimize not only the commission cost, but also the overall market impact cost which may be greater. Trading avenues are pursued which achieve this goal in the process of obtaining and paying for research services crucial to the investment process, which we believe is in our clients' interest.

Champlain maintains a list of approved brokers, which while not necessarily exclusive, includes all brokers with which we trade frequently. The Brokerage Committee approves a broker/dealer. In order to be placed on the approved broker list, a broker must be evaluated under the following criteria: (1) an ability to minimize total trading costs, (2) a high level of trading expertise in the specific types of markets or securities for which they will be used, (3) adequate reputation for diligence, fairness and integrity, (4) adequate infrastructure and technology, (5) ability to provide valuable research and make markets and/or see volume in our names, (6) ability to accommodate our special transaction needs.

Champlain executes trades with brokers who provide access to electronic trading systems and/or their proprietary research websites as a part of their institutional trading and research platforms.

Champlain may execute trades with brokers that also sell shares of the Champlain Small Company Fund and the Champlain Mid Cap Fund, registered investment companies for which Champlain Investment Partners, LLC serves as an adviser. Commissions paid to these brokers in no way reflect compensation for sales in shares of the funds.

Champlain has the responsibility to effect orders correctly, promptly and in the best interests of our clients. In the event that any error occurs in the handling of client transactions, Champlain's policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting Champlain in any way.

**1. Research and Other Soft Dollar Benefits**

Champlain obtains research and information services in exchange for client brokerage commissions; these transactions include third party research, Champlain attendance at broker-sponsored industry conferences, and soft dollar payments for data feeds and other analytical services. Clients may pay commissions higher than obtainable from other brokers in return for those products and services. All clients receive the benefit of these services and all trading is done under best execution protocols.

Obtaining these products means that Champlain is receiving a benefit by not having to produce or pay for some research, products or services. However soft dollars are used strictly for the benefit of clients – to improve research efficacy and investment performance, and are aligned with best execution policies in portfolio transactions. The trading process is designed to minimize overall trade execution costs and achieve the best possible transaction price. Champlain employs a disciplined trading strategy that is designed to minimize not only the commission cost, but also the overall market impact cost which may be greater. Champlain's efforts to achieve best execution will take into consideration research services crucial to the investment process. We believe that it is in our clients' best interest to utilize commissions to pay for independent research.

Champlain may recommend a broker-dealer based on the interest of receiving the research or other products or services, however all trading is done using best execution protocol.

Champlain also uses commission sharing arrangements to mitigate this conflict of interest. Champlain may pay a broker for research through a commission sharing arrangement when we believe that broker will not provide best execution. Champlain periodically reviews the firm's soft dollar and commission sharing arrangements, budget, and allocations and monitors the firm's policy. As part of Champlain's policy and practices, appropriate disclosures are included in this Disclosure Document and periodically reviewed and updated to accurately reflect the firm's policies and practices.

Clients may pay a higher commission than those charged by other broker-dealers in order to receive soft dollar benefits. However, Champlain believes it is in our clients' best interests to utilize commissions to pay for independent research.

In addition to investment related items such as research and data feeds from the New York Stock Exchange, which are purchased with soft dollars, Champlain utilizes products that we have determined are mixed use. Mixed use products or services are those items which are used for research or brokerage services, as well as non-investment related purposes (i.e. index data feeds that are also used for client reporting). For these types of products, Champlain makes a reasonable allocation of the cost between that portion which is eligible as research or brokerage services and that portion which is not qualified under the Section 28(e) safe harbor of the Securities Exchange Act of 1934. The portion eligible as research or other brokerage services is paid for with discretionary client commissions and the portion which is not eligible for the safe harbor is paid for with Champlain's own funds. For any mixed-use products or services, Champlain maintains appropriate records of its reviews and good faith determinations of its reasonable allocations.

The importance of an effective trading effort which minimizes execution costs is a central tenet of Champlain's investment strategy. Capital market conditions are monitored continuously by the traders. They assess the liquidity and natural sources of supply and demand for all Champlain holdings, as well as potential new investment holdings. The goal in each transaction is to execute trades in the most frictionless manner possible, ideally with a broker who is in touch with a "natural" counterparty. Champlain often uses Electronic Crossing Networks (ECNs) and seeks out principal transactions when we believe such activity will result in lower market impact and lower overall transactions costs. The Champlain investment team has found that over time this rigorous trading strategy greatly reduces the market impact costs for our clients.

Champlain has a Brokerage Committee which meets regularly to discuss all brokerage relationships, soft dollar use and efficacy, and the appropriate allocation of commission dollars based on a demonstrated level of service provided by each broker/dealer. Commissions are reviewed at least quarterly. Additionally, the entire investment team meets periodically to discuss the broker-dealers that we are using and to make sure that brokers are maintaining required levels of service so that input can be given to the Brokerage Committee. Champlain chooses brokers based on best execution first but also takes into consideration the quality and relevance of research that can be provided. Soft dollars used for data feeds and third party research are handled through commission sharing arrangements with brokers that Champlain feels provide best execution.

## **2. Brokerage for Client Referrals**

Champlain does not receive client referrals from broker-dealers or a third party.

## **3. Directed Brokerage**

Champlain does not routinely recommend, request or require that a client direct execution of transactions through a specified broker-dealer.

Champlain believes that it is in our clients' best interest to let us execute our trading in a manner unencumbered by recapture programs. However, some of our institutional clients will request we attempt to use a directed broker when it does not hamper the ability of the Investment Manager to run the portfolio. In these instances, if we execute a trade for multiple accounts with a broker-dealer that is on a client's directed brokerage list we will notify the directed brokerage relationship so that the particular client gets credit on a pro rata basis. If we are executing solely for the client who has requested direction, we will attempt to use a broker on their directed list as long as best execution is not compromised.

Champlain may choose a broker-dealer with whom one of our clients has a directed brokerage relationship when executing an order for which all bids are equal. The broker-dealer must have the ability to effectively handle the order and settle the trade.

## ORDER AGGREGATION

Champlain aggregates client orders when the opportunity is present. Champlain will seek to manage potential conflicts of interest in the following specific respects: (i) where a potential transaction would benefit more than one client, trades will be bunched where advantageous and allocated pro rata until all participating accounts have been satisfied, or by some other means deemed fair under the circumstances. The firm uses a trading system which facilitates the automated accomplishment of this fair allocation, and the traders instruct the system to adjust the allocation to minimize odd lots. Allocations may not be pro-rata due to individual account restrictions. This may result in a slightly larger allocation in permitted securities to those accounts than would otherwise be warranted by the account assets, or no allocation at all if the security violates account guidelines. Also, cash flows in particular accounts may be considered when allocating investment opportunities; and (ii) we ensure that the firm's Code of Ethics provisions on personal securities trading are followed so that personal trading by employees does not interfere with trading on behalf of clients.

Trades for the proprietary account are executed through a prime broker, and are not aggregated with trades for other accounts. Trades are placed with the prime broker concurrently with any other orders for the same security that have been received by the trading desk.

---

## Item 13: Review of Accounts

---

### PERIODIC REVIEWS

Champlain has designated professionals responsible for analytics and risk measurement who monitor strategy parameters and restrictions and who create daily, weekly and monthly reports. The Chief Investment Officer and the Chief Compliance Officer review the reports to ensure the manager does not deviate from the product's investment style and process.

The investment team meets regularly to review the performance and composition of the portfolios' objectives and appropriate benchmarks. Our risk management reports highlight sector weightings compared to benchmarks, include a variety of valuation, risk and investment style measures and fundamental characteristics of all portfolio holdings. Benchmark deviations are discussed and portfolio adjustments made when appropriate.

Champlain also presents account information to clients and consultants on a regular basis through quarterly reports, phone conferences, and on-site meetings.

### REVIEW TRIGGERS

Champlain reviews all client accounts on a periodic basis.

### REGULAR REPORTS

Champlain provides written reports to clients for institutional accounts, commingled fund investments, collective investment trust investments, sub-advised mutual funds, and Champlain's mutual funds.

*Institutional Accounts, Commingled Funds, Collective Investment Trust and Sub-advised Mutual Funds:*

Champlain tailors each of the client communications based on individual client needs. In general, our clients receive quarterly portfolio holdings, performance, and detailed portfolio commentary. Our dedicated client service professionals communicate with clients on a regular basis in addition to quarterly reporting packages. We offer individual educational discussions and meet with our clients on an as needed basis.

*Mutual Funds:*

The Champlain Funds issue semi-annual and annual written reports to shareholders which include letters to shareholders detailing performance and commentary on the funds over the previous six months. These reports also include schedules of investments and financial statements for the period.

---

## Item 14: Client Referrals and Other Compensation

---

### ECONOMIC BENEFITS

Champlain does not receive any economic benefit, other than management fees, such as sales awards for providing investment advice or other advisory services to clients.

### THIRD PARTY SOLICITORS

Champlain or a related person does not directly or indirectly compensate any person who is not a supervised person for client referrals.

---

## Item 15: Custody

---

Champlain has custody of client assets the following ways:

First, as a general partner, Champlain has custody over the Champlain Small Cap Fund, LLC and the Champlain Mid Cap Fund, LLC. Securities of the funds are maintained

with a qualified custodian. To meet custody requirements on pooled investment vehicles, the funds are audited on an annual basis and the audited financial statements are sent to all the investors in the pooled investment vehicle within 120 days after the funds' fiscal year end.

Second, Champlain will directly debit advisory fees from client accounts at the direction of the client. To meet custody requirements, Champlain verifies with custodians on a periodic basis to ensure account statements are sent directly to our clients at least quarterly. Champlain's quarterly holdings report which is sent to clients contains a disclosure urging clients to compare the quarterly statement and account values with those provided by the custodian banks.

Third, supervised persons of Champlain serve as trustee and adviser to Champlain's cash balance plan. To meet custody requirements, the account is subject to an annual surprise exam conducted by an independent public accountant.

For all other aspects of business, as a matter of policy and practice, Champlain does not permit associates, partners or the firm to accept or maintain custody of client assets. It is our policy that we will not accept, hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them. Champlain will not intentionally take custody of client cash or securities.

---

## Item 16: Investment Discretion

---

Champlain's policy requires a written investment advisory agreement for each client relationship which includes a description of our services, discretionary/non-discretionary authority, advisory fees, important disclosures and other terms of our client relationship.

Champlain has discretionary authority of client accounts which is described in the written investment advisory agreement. There are no limitations of discretion for the securities to be bought or sold, amount of the securities to be bought or sold, broker or dealer to be used and the commission rates paid, unless otherwise noted in writing by the client. In the absence of any client specific guidelines or restrictions, accounts are managed in accordance with Champlain guidelines for the investment strategy described in the written investment advisory agreement.

Clients investing in Champlain Small Cap Fund, LLC or Champlain Mid Cap Fund, LLC must receive the fund's operating agreement and private placement memorandum, and complete the fund's subscription paperwork prior to being accepted into the fund.

---

## Item 17: Voting Client Securities

---

Champlain's policy is to vote proxies for client accounts unless otherwise directed in writing. Champlain votes all proxies for all Champlain sponsored mutual funds, commingled funds and collective investment trust.

Champlain, as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. A copy of our written proxy policy and procedures and/or the record of proxy votes for a client's portfolio will be provided to that client upon a request submitted to a member of Champlain's client service team.

Champlain may vote proxies on behalf of a client who has provided a proxy policy. In instances where a conflict of interest may occur, Champlain will vote the client's securities according to their policy.

For those accounts that Champlain does not have the authority to vote client securities the proxies will be sent to the client or their designee. Clients or their designee may contact Champlain directly to discuss questions about a particular solicitation.

---

## Item 18: Financial Information

---

### PREPAYMENT OF FEES

Champlain does not require or solicit prepayment of fees.

### FINANCIAL CONDITION

Champlain has discretionary authority on all accounts and has custody as the General Partner of Pooled Investment Vehicles and through directly debiting advisory fees from client accounts, at their direction, as well as trustee and advisor to a proprietary cash balance plan. Champlain does not require or solicit prepayment of fees. Fees are paid to Champlain monthly or quarterly in arrears, depending on the vehicle.

Neither Champlain nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

**BANKRUPTCY**

Champlain has not been the subject of a bankruptcy petition at any time during the past ten years.

---

**Additional Information**

---

**BUSINESS CONTINUITY PLAN SUMMARY**

As part of its fiduciary duty to its clients and as a matter of best business practices, Champlain has adopted policies and procedures for disaster recovery and for continuing Champlain's business in the event of an emergency or disaster. These policies are designed to allow Champlain to resume providing services to its clients in as short a period of time as possible. These policies are, to the extent practicable, designed to address those specific types of disasters that Champlain might reasonably face given its business and location. The plan is reviewed and tested regularly.

Among other things, the plan addresses: data backup and recovery; all mission critical systems; communication with employees, clients, consultants and service providers; and alternate physical locations. Depending on the extent of the disruption the plan addresses scenarios that would allow for the resumption of business within hours.

Champlain has an experienced group of investment professionals who work collaboratively to execute a highly disciplined investment process that encompasses both stock selection and portfolio management decisions for our small and mid cap portfolios. In the event of a Key Man incapacitation, the plan specifies how responsibilities and oversight would be shifted to other Champlain partners and employees. In the event of physical plant damage or loss or a regional communication outage, key Champlain partners and employees would relocate to alternate locations to resume business operations. All Champlain servers and therefore critical files are backed up frequently. Restore times are low, and the options for restoration include cloud virtualization.

**CHARITABLE CONTRIBUTIONS**

As part of a broader charitable giving program, Champlain occasionally makes donations to charitable organizations that may be clients, are supported by clients, and/or are supported by an individual employed by one of our clients. In general, those donations are made in response to requests from clients and/or their personnel. Members of Champlain's Charitable Giving committee review all proposed contributions.

**PRIVACY NOTICE***How and Why We Obtain Information*

In order to facilitate the servicing of your account, Champlain may receive nonpublic personal information about you from any of the following sources:

- From your applications or forms (for example; name, address, social security number, birth date, assets and income);
- From transactional history in your account (for example trading history and cash flows);
- From other sources with your consent (for example, from other institutions if you transfer management to Champlain, including the bank providing custody of your assets); and
- From verification services accessed to fulfill legal and regulatory requirements.

*How We Protect Your Information*

Champlain maintains safeguards to comply with federal and state standards to guard each client's nonpublic personal information. Champlain does not share any nonpublic personal information with any nonaffiliated third parties, except in the following circumstances:

- As necessary to provide the service that the client has requested or authorized, or to maintain and service the client's account;
- As required by regulatory authorities or law enforcement officials who have jurisdiction over Champlain, or as otherwise required by any applicable law; and
- To the extent reasonably necessary to prevent fraud and unauthorized transactions.

Champlain restricts access to nonpublic personal information to those employees who need to know such information to provide services to our clients. Any employee who is authorized to have access to nonpublic personal information is required to keep such information in a secure compartment or receptacle on a daily basis as of the close of business each day. All electronic or computer files containing such information shall be password secured from access by unauthorized persons.

**Champlain Investment Partners, LLC  
Brochure Supplement for:**

***Material Changes***

**180 Battery Street, 4th Floor  
Burlington, VT 05401**

**P: 802.846.6200**

**F: 802.846.6213**

**[www.cipvt.com](http://www.cipvt.com)**

**March 30, 2012**

This brochure provides information about the investment team that supplements the Champlain Investment Partners, LLC brochure. You should have received a copy of that brochure. Please contact Wendy Nunez at the phone number listed above if you did not receive Champlain Investment Partners, LLC's brochure or if you have any questions about the content of this supplement.

---

## ITEM 2: Material Changes

---

### Annual Update

Champlain Investment Partners, LLC (Champlain) is providing this information as part of our annual updating amendment which contains material changes from our last annual update. This section discusses only material changes since the last annual update which most recently occurred on March 30, 2011.

### Material Changes since the Last Update

The Securities and Exchange Commission adopted amendments to Part 2 of Form ADV effective October 2010. The newly revised Part 2 consists of Part 2A (the "Brochure") and Part 2B (the "Brochure Supplement"). Each update of the Brochure must now include a summary of all material changes since the last annual update.

As of January 2012, Champlain has relocated to 180 Battery Street, 4th Floor, Burlington, VT 05401.

Champlain now offers the Champlain Mid Cap Collective Investment Fund for eligible plan investors.

Champlain employees are required to pre-clear all personal political contributions and contributions of immediate family members who reside within the same household.

### Full Brochure Availability

The firm Brochure for Champlain is available by contacting us at 802.846.6200.