



VAN BERKOM AND ASSOCIATES INC
ET ASSOCIÉS INC

U.S. Small-Cap Equity Management

December 31, 2008

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FIRM BACKGROUND



- Based in Montreal, Van Berkomp and Associates Inc. (“VBA”) was established in 1991 and is 100% owned by its employees (six shareholders; three are on the U.S. Small-Cap Team).
- VBA has a unique expertise in the management of small-capitalization portfolios, dedicated solely to U.S. and Canadian small-cap products.
- Firm assets under management are approximately \$735 million; U.S. Small-Cap Product assets under management are \$263 million.
- Four of the nine investment professionals are solely dedicated to the U.S. Small-Cap product for complete coverage and superior knowledge of the U.S. market. Senior members of the firm average 24 years of industry experience.
- A hard-working and passionate investment team and a proven research process have translated into significant value added over the Russell 2000 Index (738 bps annually since inception in June 2000).
- Business plan is to target Canadian and U.S. institutions with a goal of increasing U.S. Small-Cap assets to US\$1 billion.

Business Development Efforts

- Several opportunities for new institutional accounts are actively pursued by the U.S. Small-Cap team, confirming the significant interest in the product from Canadian and American institutional clients.



Common Share Ownership

- 100% owned by employees
- Senior executives control more than 90% of VBA's common shares
- Six shareholders (seventh shareholder in spring of 2009)
- Mathieu Sirois to increase his ownership from 13.0% to 15.0%
- Philippe Hynes to increase his ownership from 5.0% to 5.5%
- Andrew Chan to increase his ownership from 1.0% to 1.5%
- Charles Timmons to become a shareholder with 1.0%

- Sebastian van Berkom, President and Chief Executive Officer, will own 53.5% of VBA's common shares
- Benoît Durand, Vice-President, Canadian Small-Cap Equities, currently owns 22.0% of VBA's common shares
- Lawrence Lai, Analyst, Canadian Small-Cap Equities, currently owns 1.5% of VBA's common shares

RECENT DEVELOPMENTS



Staff Promotions

U.S. Small-Cap Equities Division

- Mathieu Sirois is promoted to Vice-President and Senior Portfolio Manager, effective January 1, 2009
- Philippe Hynes is promoted to Senior Analyst, effective January 1, 2009
- Andrew Chan is promoted to Senior Analyst, effective January 1, 2009

Canadian Small-Cap Equities Division

- Charles Timmons is promoted to Senior Analyst, effective January 1, 2009

ASSETS UNDER MANAGEMENT



As of December 31, 2008
(CA\$)

U.S. Small-Cap Equities	\$263 million
Tax-Exempt	\$262 million
Taxable	\$1.0 million
<hr/>	
Canadian Small-Cap	\$451 million
North American Small-Cap	\$ 20 million
Total Firm Assets	\$735 million

REPRESENTATIVE CLIENT LIST

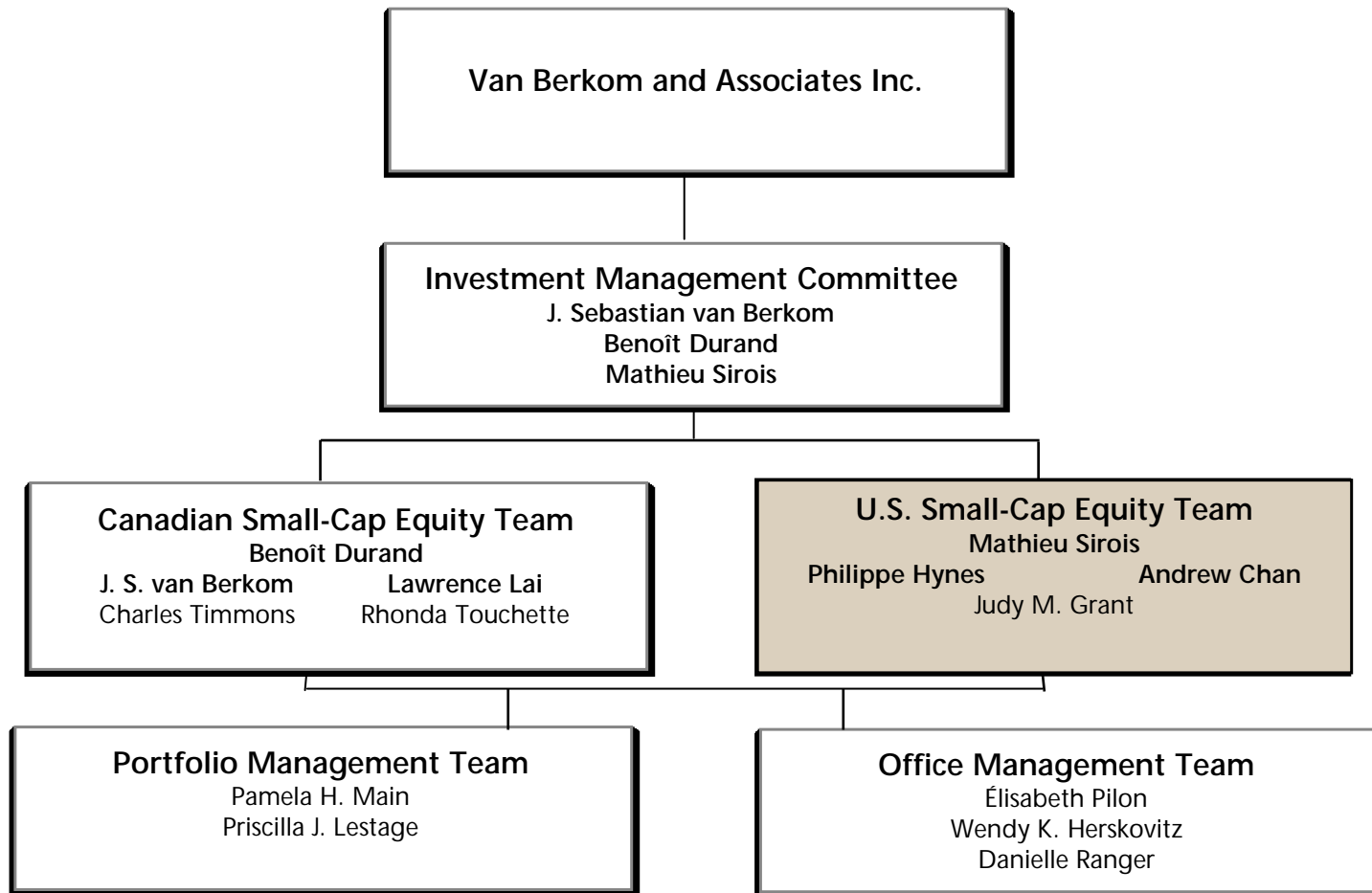
U.S. Small-Cap Mandates

British Columbia Investment Management Corp.
Caisse de dépôt et placement du Québec
Confédération des syndicats nationaux
Réseau de transport de la Capitale

Canadian Small-Cap Mandates

British Columbia Investment Management Corp.
McGill University
Bowater Canadian Forest Products Inc.
Teachers Retirement Fund (Alberta)

ORGANIZATION CHART



Owners are in bold

VBA U.S. SMALL-CAP EQUITY RESEARCH TEAM



Vice-President and Senior Portfolio Manager, U.S. Small-Cap Equities – Mathieu Sirois

Academic Credentials

- April 1999: Completion of a Bachelor's Degree in Finance – **Université Laval, Quebec City**
- May 2001: Completion of a Master's Degree in Finance – **HEC Montreal, Montreal**
- October 2003: Award of the **CFA Charter**

Professional Credentials

- May 2000: Summer internship at VBA with the U.S. Small-Cap Equity Management Division (followed by continued employment at VBA for eight consecutive years.)
- Went from exclusive research focus on the healthcare and retail sectors to more of a generalist research approach focused on the U.S. Small-Cap Universe. Was promoted to Senior Analyst in January 2004, with coverage of the entire U.S. Small-Cap Universe, with continued specific expertise in healthcare.
- Successful track record, hard work and dedication have led to numerous promotions, leading to his nomination as Portfolio Manager for the VBA U.S. Small-Cap product in July 2006 and to Senior Portfolio Manager in March 2007.
- Promoted to Vice-President and Senior Portfolio Manager, effective January 1, 2009
- Mathieu to increase his ownership from 13.0% to 15.0% of VBA's common shares.

VBA U.S. SMALL-CAP EQUITY RESEARCH TEAM



Senior Analysts on VBA U.S. Small-Cap Research Team

Philippe Hynes, Senior Analyst

- Joined the VBA U.S. Small-Cap Equity Division in February 2004, after completion of his Master's Degree at HEC Montreal
- CFA Charter Holder since August 2005
- Has done research on and covered numerous companies in the U.S. Small-Cap Universe
- Acquired specific expertise on the Oil and Gas sector
- Is fully independent in his work and is now responsible and accountable for about 30% of the portfolio
- Promoted to Senior Analyst, effective January 1, 2009
- Philippe to increase his ownership from 5.0% to 5.5% of VBA's common shares

Andrew Chan, Senior Analyst

- Started his career at VBA in 2001 with the U.S. Small-Cap Equity Division
- Left VBA in January 2003 to complete his Master's Degree at HEC Montreal
- Worked for two years as an analyst at Montrusco Bolton
- Rejoined VBA as an Analyst on the U.S. Small-Cap Equity Team in May 2007
- Now has nearly five years of relevant experience and strong success in the U.S. stock market, and with specific expertise on the Technology and Education sectors
- Promoted to Senior Analyst, effective January 1, 2009
- Andrew to increase his ownership from 1.0% to 1.5% of VBA's common shares.

SUMMARY OF VBA U.S. SMALL-CAP EQUITY TEAM



- All the VBA U.S. Small-Cap Research Team members focus on companies that have the greatest potential within the broad U.S. Small-Cap Universe.
- In addition to its generalist approach, the VBA U.S. Small-Cap Equity Team covers, with specific expertise in each, all of the most important sectors of the Russell 2000 Index:
- Mathieu Sirois: Health Care, Consumer Discretionary and Financial Services
- Philippe Hynes: Oil and Gas, and Consumer Discretionary
- Andrew Chan: Technology, and Industrials
- As a result of a common mentorship and training at VBA, all three members of the U.S. Small-Cap Research Team deeply share and embrace the very same VBA investment style and philosophy that have led to this successful long-term track record.
- The VBA U.S. Small-Cap Equity Team has three accomplished research team members actively contributing to new investment ideas and to the investment performance with a high level of accountability within the group. We believe that this is the best-ever breadth of resources and deepest “bench” that the U.S. Small-Cap Division has ever had.
- VBA’s U.S. Small-Cap Equity Team is very passionate and hard working; those attributes have translated into strong investment performance over time.

DISTINCTIONS



➤ **Team**

The team is disciplined, hard-working and passionate, and enthusiastically meets with the management of over 500 companies yearly. All three research team members deeply share the same investment philosophy.

➤ **Research**

Rigorous bottom-up, fundamental analysis is conducted on each investment candidate. The research-intensive due diligence process focuses on internal returns, sources and uses of cash flow, and valuation.

➤ **Conviction**

We concentrate on our best ideas as our portfolio contains only between 35 and 45 stocks. This attribute of our portfolio has been a major driver of our significant outperformance versus the Russell 2000 Index since inception.

➤ **Long-term Perspective**

Annual turnover has ranged between 35% and 55% over the history of the product. We typically only buy 10-15 new names every year, leading to relatively low stock turnover and strong knowledge of each of our holdings. We typically keep our holdings for many years.

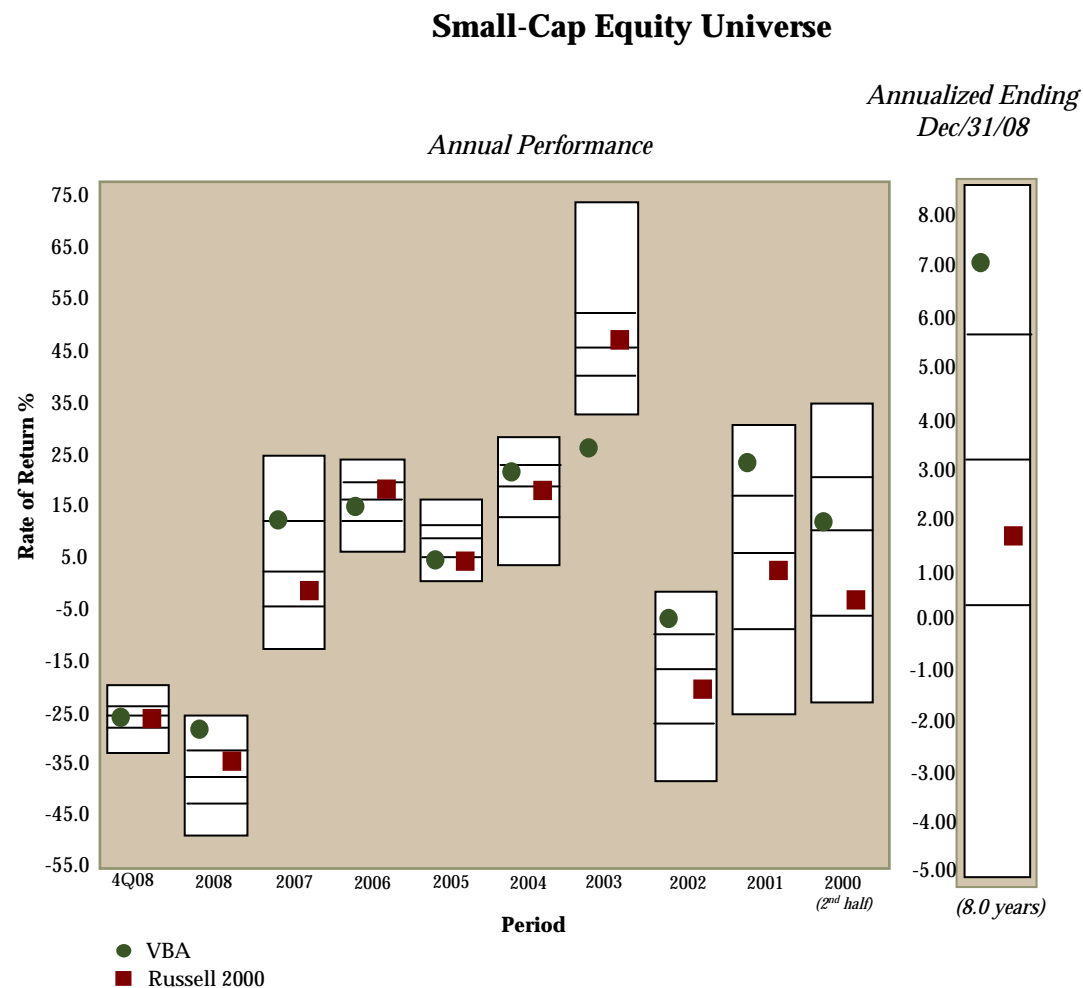
➤ **Performance**

All of the above-mentioned attributes have translated into strong annualized performance since inception (738 bps of annualized outperformance versus the Russell 2000 Index since June 2000).

PERFORMANCE



	<u>VBA</u>	<u>Russell 2000</u>
2008 (through Dec/31)	-27.84%	-33.79%
2007	12.21%	-1.57%
2006	14.93%	18.35%
2005	4.82%	4.55%
2004	21.77%	18.32%
2003	26.10%	47.25%
2002	-6.71%	-20.49%
2001	23.74%	2.49%
2000 (beg. 7/1)	13.72%	-5.88%
<u>Annualized as of December 31, 2008</u>		
1 Year	-27.84%	-33.79%
3 years	-2.37%	-8.29%
5 years	3.51%	-0.93%
Since Inception	8.27%	0.89%



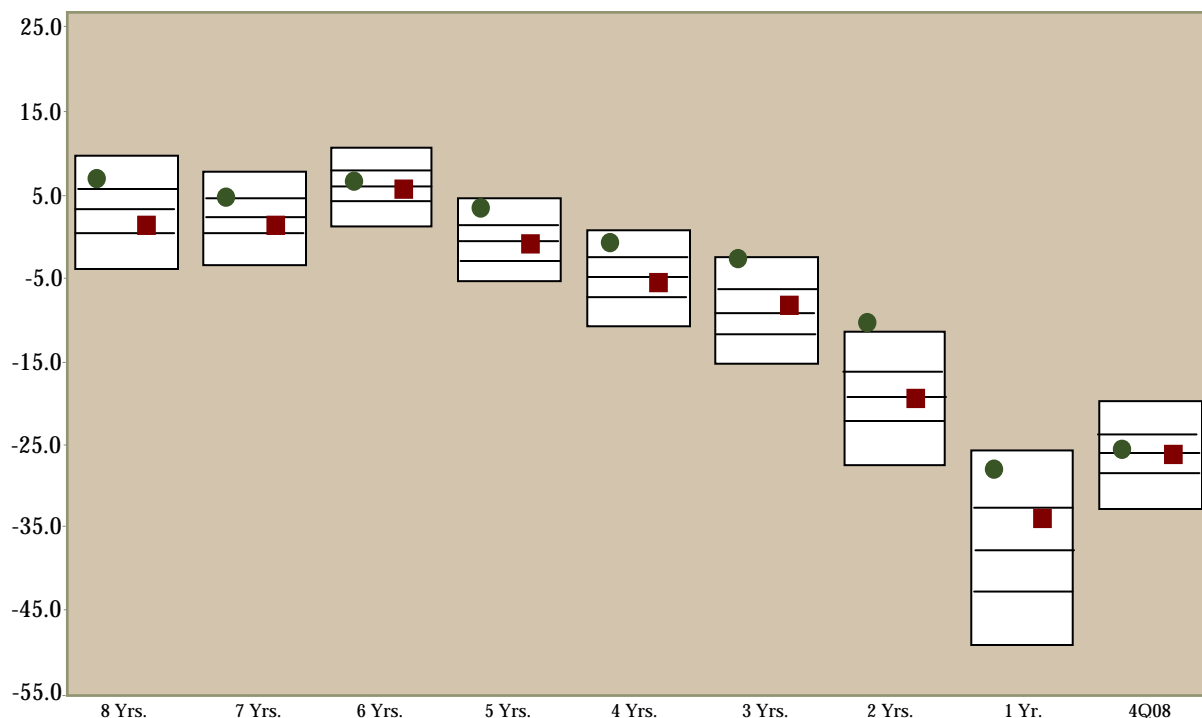
Universe Source: BNY Mellon Asset Servicing
Universe Limits: 5th/95th percentile

PERFORMANCE



Small-Cap Equity Universe

Rates of Return for Periods Ending December 31, 2008



	8 Yrs.	7 Yrs.	6 Yrs.	5 Yrs.	4 Yrs.	3 Yrs.	2 Yrs.	1 Yr.	4Q08
Return (% tile)	Return (% tile)	Return (% tile)	Return (% tile)	Return (% tile)	Return (% tile)	Return (% tile)	Return (% tile)	Return (% tile)	Return (% tile)
5 th Percentile	8.6	7.7	10.6	4.3	0.7	-2.5	-11.5	-26.0	-19.9
25 th Percentile	5.6	4.5	7.9	1.2	-2.5	-6.6	-16.5	-32.7	-23.9
Median	3.2	2.2	5.9	-0.6	-5.0	-9.3	-19.5	-37.8	-26.1
75 th Percentile	0.3	0.3	4.1	-3.0	-7.4	-11.9	-22.4	-42.9	-28.5
95 th Percentile	-5.1	-3.5	1.2	-5.5	-10.8	-15.4	-27.6	-49.4	-33.0
# of Portfolios	195	213	249	276	307	344	370	394	398
● VBA U.S. Pension Fund	7.1 11	4.9 22	7.0 39	3.5 10	-0.6 13	-2.4 5	-10.0 3	-27.8 11	-25.4 43
■ Russell 2000 Index	1.7 69	1.6 62	5.8 51	-0.9 54	-5.2 55	-8.3 40	-19.3 49	-33.8 30	-26.1 51

Universe Source: BNY Mellon Asset Servicing

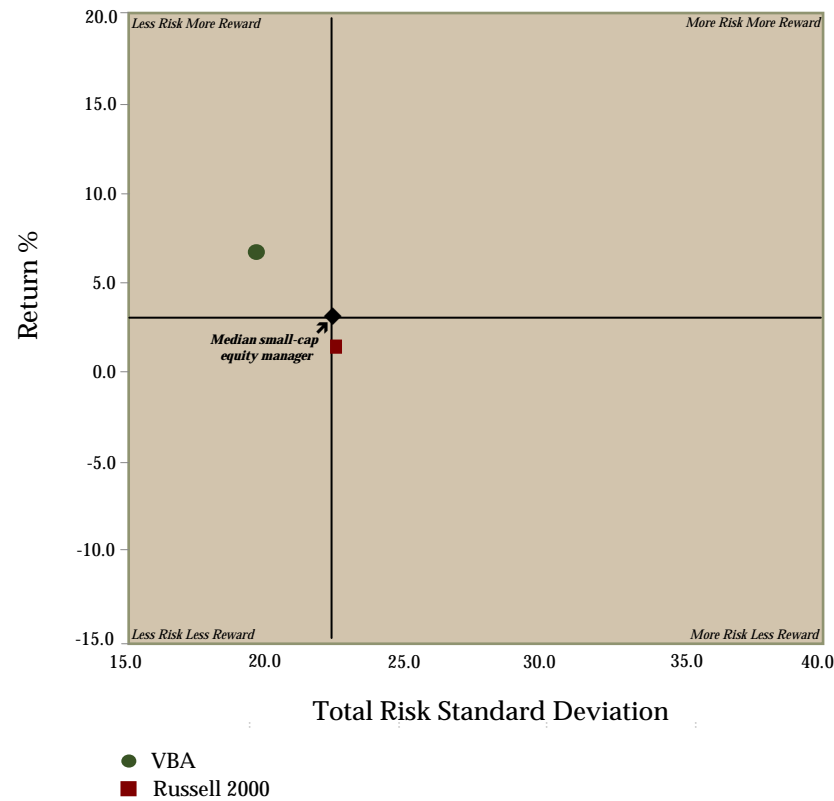
PERFORMANCE



Small-Cap Equity Universe

Risk / Reward

8.0 Years Ending December 31, 2008



Performance figures are gross of fees. Performance disclosure at the end of this book.

Universe Source: BNY Mellon Asset Servicing

Variance Attribution Analysis

July 1, 2000 to December 31, 2008

VBA Return	8.27%
<i>less</i>	
Russell 2000 Return	0.89%
<hr/>	
Value added	7.38%

PERFORMANCE IN DOWN MARKETS



Since its inception, VBA has outperformed the Russell 2000 in 36 of the 44 down months for the benchmark (or in 82% of the down months).
Median monthly outperformance (value added) in down markets: 2.65%.

	VBA US Pension Fund Composite ROR 1 month	R2000 - US ROR 1 month	Value added (R2000)		VBA US Pension Fund ROR 1 month	R2000 - US ROR 1 month	Value added (R2000)
	%	%	%		%	%	%
June-00				Jan-05	-1.56%	-4.17%	2.61%
July-00	4.48%	-3.22%	7.70%	Feb-05	0.72%	1.69%	-0.97%
Aug-00	1.61%	7.63%	-6.02%	Mar-05	-0.41%	-2.86%	2.45%
Sept-00	0.34%	-2.94%	3.28%	Apr-05	-2.90%	-5.73%	2.83%
Oct-00	0.86%	-4.46%	5.32%	May-05	4.00%	6.55%	-2.54%
Nov-00	-3.98%	-10.27%	6.29%	June-05	2.57%	3.86%	-1.29%
Dec-00	10.23%	8.59%	1.64%	July-05	1.64%	6.34%	-4.70%
Jan-01	9.34%	5.21%	4.13%	Aug-05	-0.20%	-1.85%	1.65%
Feb-01	-5.19%	-6.56%	1.37%	Sept-05	-1.86%	0.31%	-2.18%
Mar-01	-4.10%	-4.89%	0.79%	Oct-05	-0.48%	-3.10%	2.62%
Apr-01	7.33%	7.82%	-0.49%	Nov-05	3.98%	4.85%	-0.87%
May-01	2.88%	2.46%	0.42%	Dec-05	-0.46%	-0.46%	0.00%
June-01	6.63%	3.45%	3.18%	Jan-06	2.91%	8.97%	-6.06%
July-01	-1.69%	-5.41%	3.72%	Feb-06	2.40%	-0.28%	2.68%
Aug-01	1.10%	-3.23%	4.33%	Mar-06	4.19%	4.85%	-0.66%
Sept-01	-11.55%	-13.46%	1.91%	Apr-06	-0.84%	-0.02%	-0.82%
Oct-01	4.59%	5.85%	-1.26%	May-06	-4.38%	-5.62%	1.24%
Nov-01	6.98%	7.74%	-0.76%	June-06	-2.53%	0.64%	-3.17%
Dec-01	7.47%	6.17%	1.30%	July-06	-0.09%	-3.25%	3.16%
Jan-02	1.17%	-1.04%	2.21%	Aug-06	3.15%	2.96%	0.19%
Feb-02	0.15%	-2.74%	2.89%	Sept-06	2.89%	0.83%	2.06%
Mar-02	6.30%	8.03%	-1.73%	Oct-06	4.53%	5.76%	-1.23%
Apr-02	4.33%	0.91%	3.42%	Nov-06	0.93%	2.63%	-1.70%
May-02	-4.60%	-4.44%	-0.16%	Dec-06	1.26%	0.33%	0.93%
June-02	-5.08%	-4.96%	-0.12%	Jan-07	2.70%	1.67%	1.03%
July-02	-10.79%	-15.10%	4.31%	Feb-07	1.99%	-0.79%	2.78%
Aug-02	1.83%	-0.25%	2.08%	Mar-07	2.03%	1.07%	0.96%
Sept-02	-5.57%	-7.18%	1.61%	Apr-07	3.09%	1.80%	1.29%
Oct-02	4.16%	3.21%	0.95%	May-07	5.08%	4.10%	0.98%
Nov-02	6.12%	8.92%	-2.81%	June-07	0.10%	-1.46%	1.56%
Dec-02	-3.32%	-5.57%	2.25%	July-07	-3.81%	-6.84%	3.03%
Jan-03	-5.07%	-2.77%	-2.30%	Aug-07	0.01%	2.27%	-2.26%
Feb-03	-4.63%	-3.02%	-1.61%	Sept-07	2.86%	1.72%	1.14%
Mar-03	2.70%	1.29%	1.41%	Oct-07	3.71%	2.87%	0.84%
Apr-03	10.06%	9.48%	0.58%	Nov-07	-3.78%	-7.18%	3.40%
May-03	4.56%	10.73%	-6.17%	Dec-07	-1.94%	-0.06%	-1.88%
June-03	3.48%	1.81%	1.67%	Jan-08	-4.90%	-6.82%	1.92%
July-03	2.80%	6.26%	-3.46%	Feb-08	-3.78%	-3.71%	-0.07%
Aug-03	0.81%	4.58%	-3.78%	Mar-08	-3.32%	0.42%	-3.74%
Sept-03	-1.40%	-1.85%	0.45%	Apr-08	4.48%	4.19%	0.29%
Oct-03	5.54%	8.40%	-2.85%	May-08	4.45%	4.59%	-0.14%
Nov-03	1.08%	3.55%	-2.47%	June-08	-7.15%	-7.70%	0.55%
Dec-03	4.43%	2.03%	2.40%	July-08	6.42%	3.70%	2.72%
Jan-04	3.29%	4.34%	-1.06%	Aug-08	5.95%	3.61%	2.34%
Feb-04	0.53%	0.90%	-0.37%	Sept-08	-4.49%	-7.97%	3.48%
Mar-04	2.31%	0.93%	1.38%	Oct-08	-17.20%	-20.80%	3.60%
Apr-04	-2.36%	-5.10%	2.73%	Nov-08	-12.05%	-11.83%	-0.22%
May-04	0.96%	1.59%	-0.63%	Dec-08	2.45%	5.80%	-3.35%
June-04	3.03%	4.21%	-1.19%				
July-04	-2.40%	-6.73%	4.33%				
Aug-04	1.23%	-0.51%	1.74%				
Sept-04	2.05%	4.69%	-2.64%				
Oct-04	0.50%	1.97%	-1.47%				
Nov-04	7.27%	8.67%	-1.41%				
Dec-04	3.82%	2.96%	0.86%				

Note: Monthly comparison where the market (Russell 2000) is down is highlighted in red.



We believe the best opportunity for investment success is found by investing in high-quality, well-managed, small-cap companies and holding them for the long term.

We buy companies that:

- Have the ability to generate free cash flows
- Produce high returns on capital
- Are selling below intrinsic value based upon discounted cash flows

Return on Capital is the single best measure of a company's strength and management execution.

PROCESS OVERVIEW



**2000
stocks**

Idea Generation

- screening
- meetings
- traditional sources

**650-700
stocks**

Basic Analysis

- industry
- competitive advantage
- financial modeling
- valuation

**200-250
stocks**

Detailed Analysis

- cash flow
- capital expenditures
- return on capital
- historical 10-K's

**80-100
stocks**

Valuation

- discounted cash flow
 - P/CF, P/E
 - Debt/EBITDA

**35-45
stocks**

PROCESS – SOURCES OF IDEAS

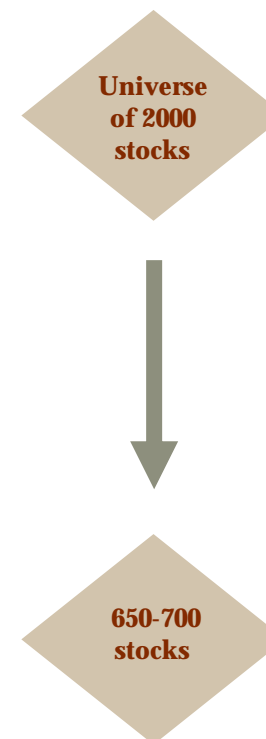


The investment team generates ideas from a variety of resources.

**Consistent flow of
potential investment
ideas**

- Screen Factset database for:
 - Positive Cash Flow
 - Return on Equity greater than 12%
 - Debt to EBITDA less than 3x
 - Price/Cash Flow less than 15x
- **Attend conferences and management meetings (primary source of new ideas)**
- Traditional news, independent research, and Street resources
- Monitoring of recent purchases and sales by highly-successful portfolio managers with a similar investment style

More than 90% of new investment ideas are generated internally by the U.S. Small-Cap Research Team.



PROCESS – FUNDAMENTAL ANALYSIS



We analyze historical 10K reports to develop a thorough understanding of a company's business model, financial health and managerial talent.

**Proven research
process**

Financial Quality:

- Income Statement
 - Strength and consistency of cash flow generation
 - Cyclicity of the business
 - Strength and stability of return on capital
 - Margin progression over time
 - Revenue growth (organic versus acquisitions)
- Balance Sheet
 - Ability to finance expansion
 - Debt to EBITDA < 3x

Operational Quality:

- Product or Service
 - Sound business model
 - Barriers to entry
 - Competitive advantages identified
 - Sustainability of advantages / moat around the business
- Management
 - Audit management's record of success and passion for the business
 - Direct share ownership in the company and long-term financial incentives
 - Clear strategy backed up by real numbers



In small-cap equities, there is enough operational risk that financial risk should be avoided.

PROCESS – VALUATION



A company must be selling below intrinsic value before it will be purchased for the portfolio.

- Objective is to achieve 100% return in five years or less
- All facets of our research are used to build model assumptions
- Discounted cash flow model determines intrinsic value
 - Stable cash flow, high barriers to entry = lower discount rate
 - More cyclical cash flows, lower barriers to entry = higher discount rate
- We also work with key historical absolute and relative valuation ratios

**Discipline on
valuation**

**80-100
stocks
“Wish List”**



**Portfolio
35-45
stocks**

A great company is not a great investment if you pay too much for it.

PROCESS – PURCHASE AND SALE DECISION



Purchase Criteria

- 10%+ Return on Capital
- Steady cash flows and potential for strong free cash flows
- Sustainable competitive advantages clearly identified and a management team with the skill set to exploit such an edge in the marketplace
- Selling at a discount sufficient to double our investment in five years

High level of conviction

Sell Criteria

- Trim
 - Stocks are trimmed at 7% of the market value of the portfolio
 - Company is successful and stock valuation is significantly higher than five-year norm
- Sell
 - Company is successful and reaches full valuation
 - Fundamentals erode or management fails to execute
 - Mistake is made
 - In-depth research positions us to identify “red flags” early

**Portfolio
of 35-45
stocks**

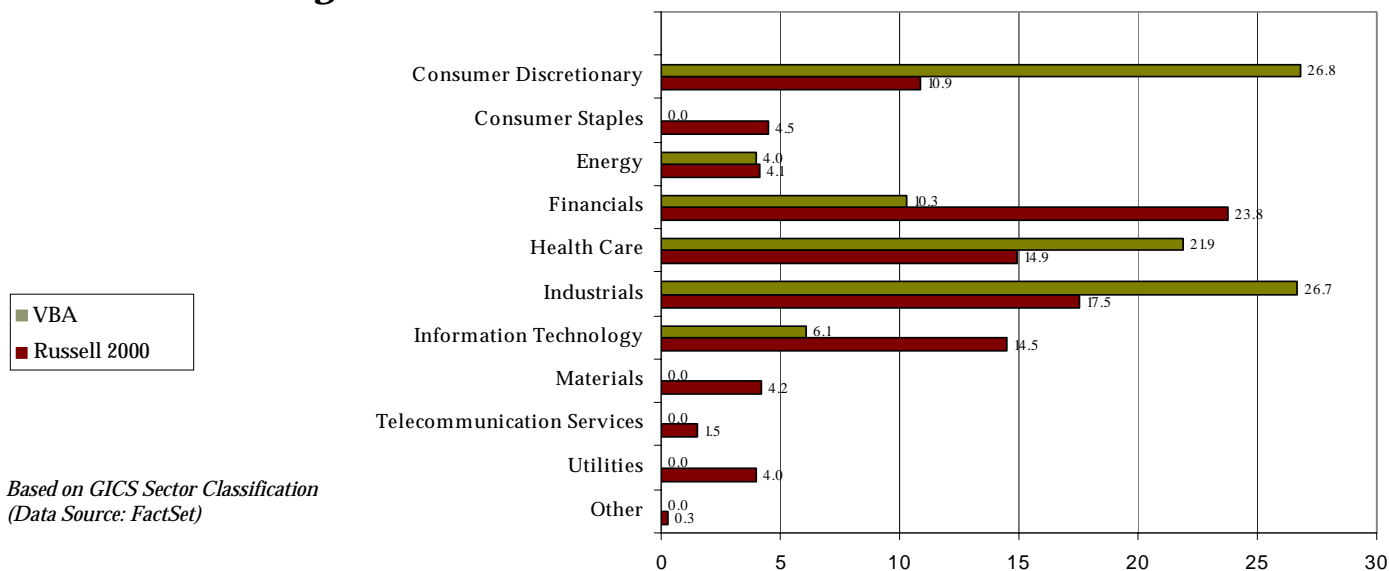
PORTFOLIO PROFILE



Top Ten Portfolio Holdings as at December 31, 2008

Interactive Data Corporation	Consumer Discretionary	4.9%
International Speedway Corporation	Consumer Discretionary	4.6%
Brown & Brown, Inc.	Financial	4.3%
Universal Health Services, Inc.	Health Care	4.2%
Sotheby's	Consumer Discretionary	4.1%
Chemed Corporation	Health Care	4.0%
CAL Dive International, Inc.	Energy	4.0%
The Corporate Executive Board Company	Industrials	3.4%
Charles River Laboratories International, Inc.	Health Care	3.4%
Graco, Inc.	Industrials	3.1%
Total		40.0%

GICS Sector Weights as at December 31, 2008



VBA'S EXPOSURE TO THE CONSUMER DISCRETIONARY SECTOR



Largest Positions in the Consumer Discretionary Sector

Company Name	Portfolio Weight (as at Dec. 31, 2008)	Comments on Investment Thesis
Interactive Data Corporation	4.9%	<ul style="list-style-type: none"> • More than 90% of the business is related to business spending (not consumer spending). • Strong brand name in the financial data industry. • Strong business model: recurring revenues from subscriptions. • High level of predictability and visibility. • Significant pricing power.
International Speedway Corporation	4.6%	<ul style="list-style-type: none"> • Every year, about 90% of the profits are locked in from its long-term TV broadcasting contract, from corporate sponsorship agreements and from advanced long-term ticket sales (recurring revenues; very predictable business) • Strong barriers to entry.
Sotheby's	4.1%	<ul style="list-style-type: none"> • Global duopoly (very strong global brand). • Significant barriers to entry.
Jackson Hewitt Tax Service Inc.	3.0%	<ul style="list-style-type: none"> • Business largely unrelated to discretionary consumer spending: value-added service for cash-strapped consumers. • High level of repeat business from one year to the other (tax declarations need to be done every year). • Significant pricing power.
Total Weight	16.6%	

TOP FIFTEEN HOLDINGS



(As at December 31, 2008)

Company	Weight	Market Capitalisation
		(000's)
Interactive Data Corporation	4.9%	\$ 2,387,088.00
International Speedway Corporation	4.6%	\$ 1,410,643.00
Brown & Brown, Inc.	4.3%	\$ 2,955,260.00
Universal Health Services, Inc.	4.2%	\$ 1,914,905.33
Sotheby's	4.1%	\$ 583,184.00
Chemed Corporation	4.0%	\$ 907,471.86
CAL Dive International, Inc.	4.0%	\$ 681,597.00
The Corporate Executive Board Company	3.4%	\$ 754,452.00
Charles River Laboratories International, Inc.	3.4%	\$ 1,852,130.40
Graco Inc.	3.1%	\$ 1,469,290.41
Top Ten Holdings	40.1%	
QLogic Corporation	3.1%	\$ 1,784,966.40
IMS Health Incorporated	3.0%	\$ 2,774,280.00
MTS Systems Corporation	3.0%	\$ 456,236.64
Jackson Hewitt Tax Service Inc.	3.0%	\$ 458,148.00
Amedisys, Inc.	2.8%	\$ 1,109,358.90
Top Fifteen Holdings	55.0%	
Median Market Cap (Top Fifteen Holdings)		\$ 1,410,643.00

PORTFOLIO CHARACTERISTICS – TOP FIFTEEN STOCKS



(As at December 31, 2008)

Company	Stock price	Market Capitalisation	LTM P/E	LTM EV/EBITDA	LTD P/CF	ROIC	ROE	D/E	5 y EPS Growth
Interactive Data Corporation	\$ 24.66	\$ 2,387,088.00	13.96	8.55	11.95	12.50%	11.40%	0.00	7.35%
International Speedway Corporation	\$ 28.73	\$ 1,410,643.00	9.03	5.26	6.68	9.50%	9.35%	0.33	6.05%
Brown & Brown, Inc.	\$ 20.90	\$ 2,955,260.00	14.12	9.36	13.14	15.82%	17.89%	0.22	8.30%
Universal Health Services, Inc.	\$ 37.57	\$ 1,914,905.33	10.04	5.10	5.16	9.88%	11.68%	0.67	11.88%
Sotheby's	\$ 8.89	\$ 583,184.00	4.83	2.12	3.50	14.07%	15.34%	1.36	-9.71%
Chemed Corporation	\$ 39.77	\$ 907,471.86	11.70	7.16	9.16	14.15%	15.98%	0.62	3.89%
CAL Dive International, Inc.	\$ 6.51	\$ 681,597.00	6.24	4.05	3.68	13.27%	15.10%	1.78	-0.34%
The Corporate Executive Board Company	\$ 22.06	\$ 754,452.00	8.00	4.35	6.56	77.94%	52.83%	0.00	11.40%
Charles River Laboratories International, Inc.	\$ 26.20	\$ 1,852,130.40	8.99	6.21	6.97	8.82%	10.48%	0.27	5.69%
Graco Inc.	\$ 23.73	\$ 1,469,290.41	9.18	6.26	7.94	44.66%	53.10%	0.89	1.04%
QLogic Corporation	\$ 13.44	\$ 1,784,966.40	9.54	5.19	6.99	35.45%	12.49%	0.00	5.55%
IMS Health Incorporated	\$ 15.16	\$ 2,774,280.00	8.95	6.12	8.08	38.38%	130.25%	28.77	4.53%
MTS Systems Corporation	\$ 26.64	\$ 456,236.64	9.54	5.50	8.95	25.96%	26.21%	0.14	4.48%
Jackson Hewitt Tax Service Inc.	\$ 15.69	\$ 458,148.00	11.89	8.50	10.52	55.02%	16.66%	1.06	14.56%
Amedisys, Inc.	\$ 41.34	\$ 1,109,358.90	13.65	9.15	10.97	15.77%	16.04%	0.72	17.35%
Median of Top 15 Stocks		\$ 1,410,643.00	9.54	6.12	7.94	15.77%	15.98%	0.62	5.69%
Median of Portfolio		\$ 730,140.12	9.54	5.54	6.82	15.82%	16.02%	0.39	5.62%

LTM P/E = Last Twelve Months Price to Earnings
 LTM P/CF = Last Twelve Months Price to Cash Flows
 LTM EV/EBITDA = Last Twelve Months Enterprise Value/Earnings Before Interest, Taxes, Depreciation, Amortization
 D/E = Debt to Equity
 ROE = Return on Equity
 ROIC = Return on Invested Capital



Guidelines

- Number of positions will range from 35 to 45
- We buy 10-15 new names every year (25%-38% stock turnover)
- Individual positions are established at 1% to 3%; maximum weight of 7%
- Maintain fully invested portfolios, with cash and equivalents less than 10%
- Market cap at time of purchase - \$3 billion or less

Main risk control tools

- High-quality companies only
- Focus and strict discipline on valuation
- Investment in companies with a strong balance sheet
- No more than 15% of the portfolio invested in businesses that are highly correlated

PORTFOLIO VALUATION



(As a December 31, 2008)

Valuation (LTM)	U.S. VBA Portfolio	U.S. Indices	
		Russell 2000 Index	S&P 500 Composite Index
P/E Ratio (median)	9.5x	12.8x	11.2x
Price/Cash Flow	6.8x	7.3x	7.0x
Return on Equity	16.0%	9.1%	16.8%
Median Capitalization	\$730.1 M	\$317.5 M	\$6,422.0 M
Weighted-Average Capitalization	\$1,236.4 M	\$885.8 M	\$79,288.9 M

Source: FactSet

INVESTMENT OUTLOOK



- Despite the substantial financial support that the government has decided to provide to the U.S. banking system, we remain very prudent and sceptical regarding the efficacy of this plan and the likelihood of a quick economic recovery in 2009. The dislocation and meltdown of the consumer and business credit markets - a key driver of economic growth historically - low levels of consumer and business confidence and the continuation of the painful process of deleveraging throughout the system should continue to severely hamper the US economy in the coming months, which will undoubtedly be evident when companies next report their financial results.
- In this context, we will continue our relentless focus on reducing the valuation of our portfolio as well as further increasing its quality.
- We must of course bear in mind that the stock market is a leading economic indicator; stocks should therefore react positively to even the slightest ray of hope for stability in the credit markets and a future economic recovery. Despite their relatively lackluster valuation compared to large-capitalization stocks, small-cap stocks are usually the main beneficiaries of this type of market upturn (see table on page 29).
- With our target portfolio, which consists of less than forty high-quality stocks that we consider to be highly undervalued, we firmly believe that we are in control of our destiny and exceptionally well positioned to add considerable value in the coming years, regardless of the direction of the stock market or the relative performance of small-capitalization stocks.
- Thanks to our proactive, targeted investment decisions, we have taken advantage of this stock market to reposition our portfolio to maximize success in the years to come, by substantially reducing its valuation and seizing exceptional buying opportunities that should benefit our clients significantly over the next few years.

INVESTMENT OUTLOOK

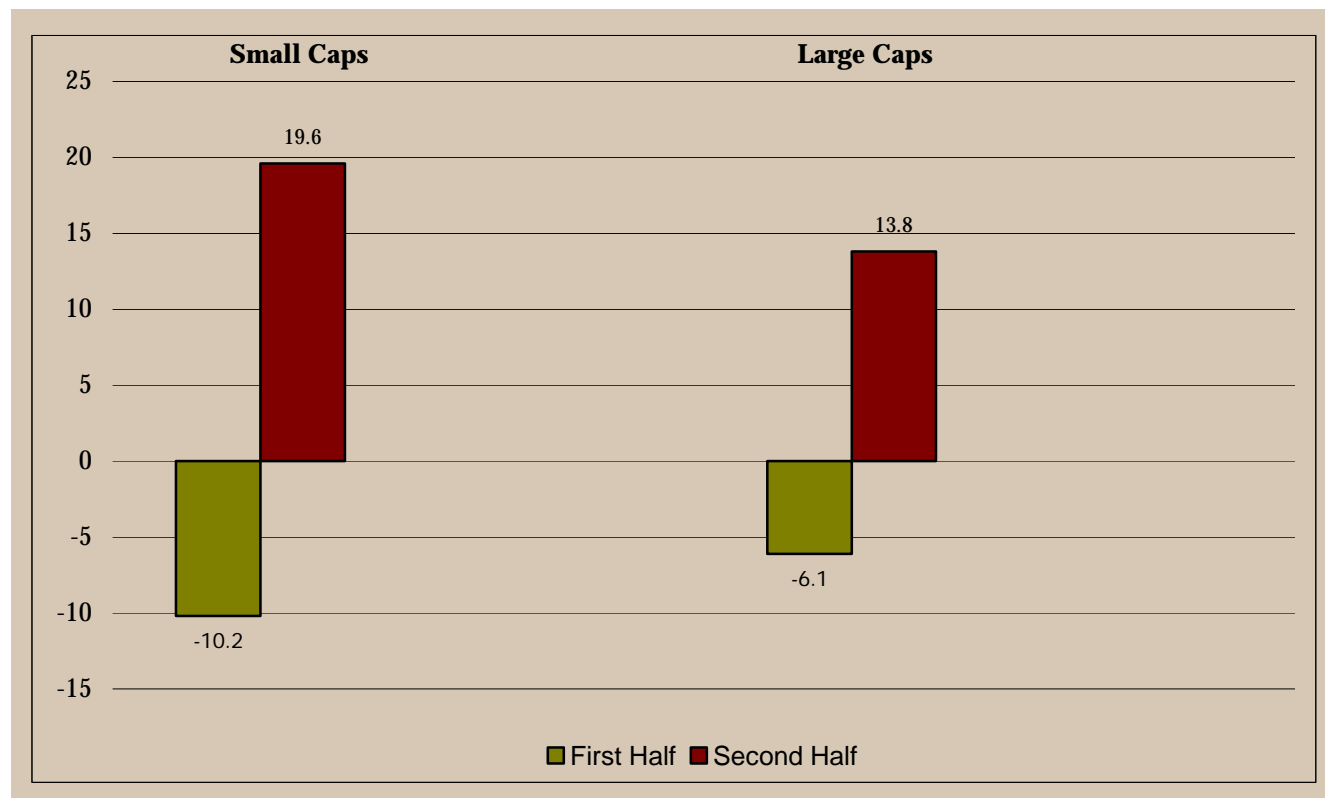


- Our portfolio positioning can be summarized as follows:
 - Lowest absolute valuation level of our portfolio since the inception of this product in June 2000 (see table on page 30).
 - Very compelling valuation relative to the Russell 2000 Index, for a much higher level of quality. This should position us very well to continue to outperform our benchmark during this bear market.
 - In the long term, we are strongly convinced of our ability to continue adding substantial value over our benchmark due to our more attractive portfolio valuation, superior earnings growth for our companies compared to the Russell 2000 companies, and the far superior quality of the stocks in our portfolio.
 - The VBA U.S. investment team has once again passed a crucial test with this unprecedented financial crisis, by adding substantial value over its benchmark and by outperforming the majority of its U.S. small-cap peers during this very steep bear market.

U.S. SMALL-CAP COMPANIES IN A RECESSION



Relative and Absolute Stock Return Performance of U.S. Small-Cap Companies During a Recession



Source : CRSP, University of Chicago; National Bureau of Economic Research; Merrill Lynch Small Cap Research

Performance results of indices (price returns only) since the last market peak (October 9, 2007)
(As at December 31, 2008)

Russell 2000 Index: -41.0%
S&P 500 Index: -42.3%

HISTORICAL VALUATION



VBA U.S. Pension Fund Composite Historical Valuation

	Sept. 2001	Dec. 2001	Sept. 2002	June 2003	Mar. 2007	Sept. 2007	Dec. 2007	Mar. 2008	June 2008	Sept. 2008	Dec-08
LTM P/E - Median	20.21x	21.49x	17.75x	17.90x	19.80x	18.42x	14.59x	13.21x	11.52x	13.13 x	9.54 x
FY1 P/E - Median	18.75x	19.90x	16.55x	16.30x	17.35x	17.05x	14.51x	13.51x	12.56x	13.52 x	11.20 x
LTM/ P/CF - Median	14.03x	14.56x	11.33x	10.82x	14.10x	13.01x	10.85x	10.02x	9.00x	9.15 x	6.82 x
LTM EV/EBITDA - Median	9.78x	10.22x	8.47x	8.60x	9.85x	9.36x	7.92x	7.61x	7.21x	7.37 x	5.54 x
Premium/(Discount) on portfolio's intrinsic value	6.80%	11.50%	-12.01%	0.75%	8.45%	3.50%	-11.55%	-12.34%	-12.24%	-14.85%	-28.79%
ROE	14.15%	17.18%	16.54%	13.44%	21.75%	21.95%	22.09%	22.56%	23.18%	24.79%	28.94%
ROIC	11.71%	13.05%	14.29%	14.08%	20.50%	21.15%	21.78%	26.93%	23.46%	22.35%	23.23%

LTM P/E = Last Twelve Months Price to Earnings
 FY1/PE = Forward Year One Price to Earnings
 LTM P/CF = Last Twelve Months Price to Cash Flows
 LTM EV/EBITBA = Last Twelve Months Enterprise Value/Earnings Before Interest, Taxes, Depreciation, Amortization
 ROE = Return on Equity
 ROIC = Return on Invested Capital

WHY VAN BERKOM AND ASSOCIATES INC.?

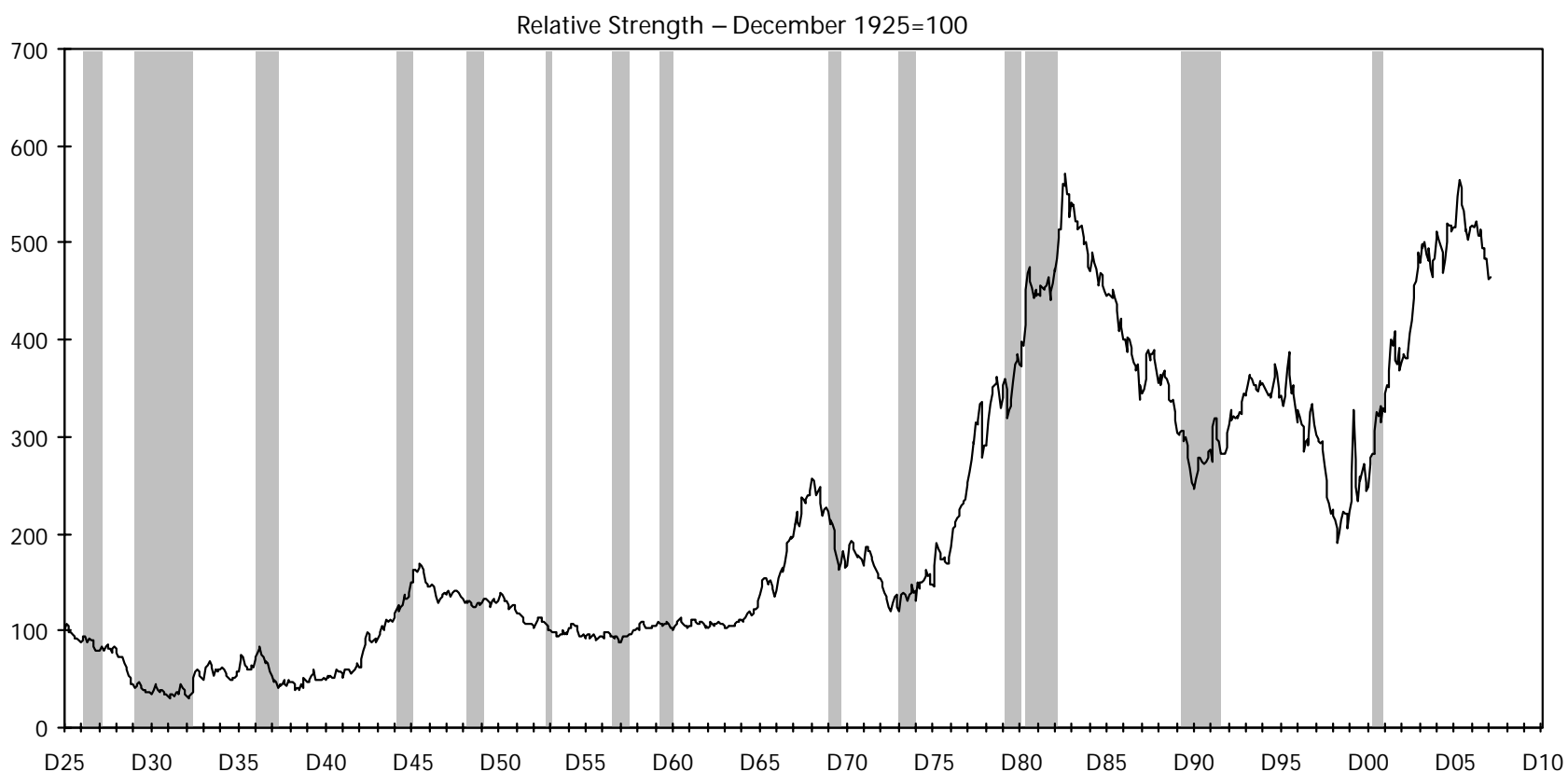


- VBA manages small-cap stocks exclusively (unique expertise and focus).
- The U.S. Small-Cap product has a dedicated team to ensure superior knowledge and coverage of the U.S. market.
- VBA's philosophy and management style are based upon a proven research process of rigorous fundamental analysis with a long-term perspective.
- VBA professionals are dedicated first and foremost to achieving superior returns for their clients, something that they have been able to accomplish throughout their career at VBA.
- VBA has strong client servicing capabilities. (Clients are serviced by their portfolio managers).
- VBA is owned by key employees (strong alignment of interests with those of our clients). All key U.S. Small-Cap Research Team members are VBA shareholders.
- A hard-working and passionate U.S. Small-Cap Equity Team, and a proven research process have translated into significant "value-added" performance since inception (738 bps annually since June 2000).
- VBA's U.S. small-cap portfolio is currently trading at its lowest historical absolute valuation and is invested in high-quality companies.

IBBOTSON ASSOCIATES SMALL CAP TOTAL RETURN INDEX VERSUS S&P 500 TOTAL RETURN INDEX



(Monthly Data – December 1925 to December 2007)

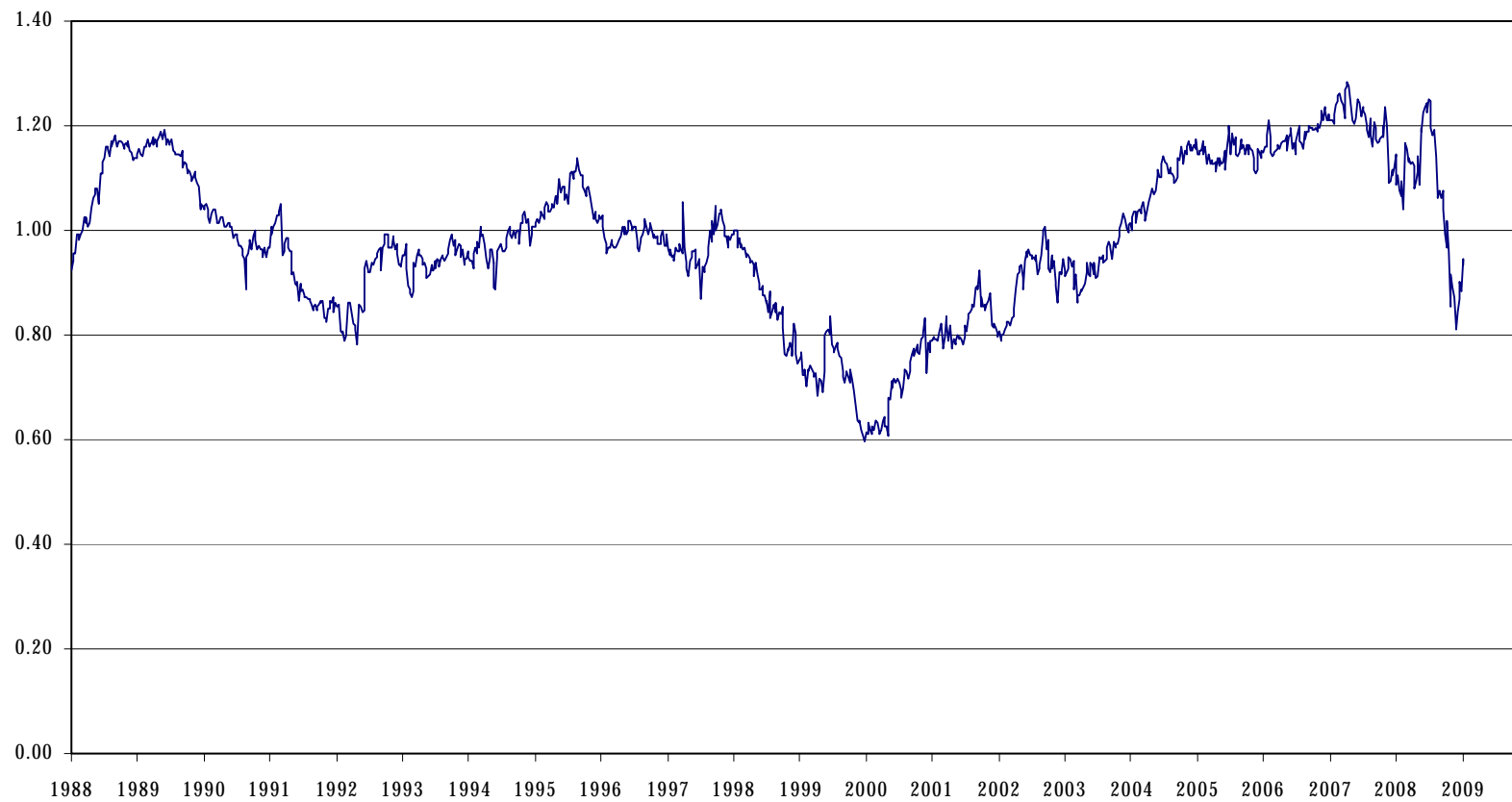


Note: Prior to 1970 the Small-Cap is Ibbotson Associates Series and prior to 1956 Large Cap is S&P 500 Series

RELATIVE MEDIAN P/E VALUE LINE VERSUS DOW JONES



(Weekly Data – January 15, 1988 to January 23, 2009)



MOST SIGNIFICANT TRADES
IN VBA U.S. SMALL-CAP PORTFOLIO
(September 30, 2007 to December 31, 2008)

MOST SIGNIFICANT TRADES



Most Significant Sales in the U.S. Small-Cap Portfolio — September 30, 2007 to December 31, 2008

<u>Stocks with a high valuation</u>		<u>Valuation Multiples</u> (at time of sale)		
	<u>Weight</u>	<u>LTM P/E</u>	<u>LTM P/CF</u>	<u>LTM EV/EBITDA</u>
John Wiley & Sons, Inc.	2.5%	19.0	17.8	12.6
Carbo Ceramics Inc.	2.7%	26.3	18.7	12.9
Watsco, Inc.	2.4%	20.6	18.7	11.9
Dollar Tree, Inc.	2.5%	17.4	9.7	7.4
CSG Systems International, Inc.	2.7%	11.9	9.2	6.2
Jos. A. Bank Clothiers, Inc.	2.5%	13.0	9.5	5.8
DeVry Inc.	4.2%	37.5	20.9	22.5
Learning Tree International, Inc.	4.1%	20.5	16.5	12.9
Waddell & Reed Financial, Inc.	4.4%	22.0	20.0	12.0
Charles River Laboratories International, Inc.	2.9%	26.0	20.0	15.7
Radiation Therapy Services, Inc.	2.7%	22.0	14.0	11.0
World Wrestling Entertainment, Inc.	2.5%	18.0	16.0	12.0
	36.0%			
Median valuation of sales:		20.6	17.2	12.0
VBA - March 2008		13.2	10.0	7.6
Russell 2000 Index - March 2007		17.7	10.6	9.2
S&P 500 Index - March 2008		16.6	10.5	8.9
<u>Stocks most vulnerable to a recession</u>				
Select Comfort Corporation				
HouseValues, Inc.				
AFC Enterprises, Inc.				
Cox Radio, Inc.				
Sonic Solutions				
Bel Fuse, Inc.				

Note: Stocks vulnerable to a reduction in discretionary spending by consumers and companies during this current recession.

LTM P/E = Last Twelve Months Price to Earnings
 LTM P/CF = Last Twelve Months Price to Cash Flows
 LTM EV/EBITDA = Last Twelve Months Enterprise Value/Earnings Before Interest, Taxes, Depreciation, Amortization

MOST SIGNIFICANT TRADES



Most Significant Purchases in the U.S. Small-Cap Portfolio — September 30, 2007 to December 31, 2008 (increase to current position or new purchase)

	<u>Valuation Multiples</u> (at time of purchase)			<u>ROE</u> (%)
	<u>LTM</u> <u>P/E</u>	<u>LTM</u> <u>P/CF</u>	<u>LTM</u> <u>EV/EBITDA</u>	
The Washington Post Company	15.6	4.8	6.6	31.7
IMS Health Incorporated	7.1	6.4	5.2	130.3
Charles River Laboratories International Inc.	10.3	8.0	7.0	10.5
IDEX Corporation	9.4	7.9	6.2	14.6
The Advisory Board Company	20.1	11.3	12.2	26.2
The Middleby Corporation	12.0	9.6	8.1	37.1
Herman Miller, Inc.	9.7	7.6	5.6	175.1
Amedisys, Inc.	17.0	14.3	10.2	16.1
Interface, Inc.	10.8	6.8	5.7	20.3
Jackson Hewitt Tax Service Inc.	10.5	9.0	7.0	22.0
Watsco, Inc.	15.0	13.0	9.0	17.0
Jos. A Bank Clothiers, Inc.	10.0	7.0	5.0	21.0
Brown & Brown, Inc.	12.4	11.0	8.0	19.0
CAL Dive International, Inc.	8.0	5.5	6.0	76.0
MTS Systems Corporation	10.5	9.5	6.0	22.0
Chemed Corporation	10.5	8.0	6.8	18.0
American Reprographics Company	10.0	6.0	6.0	32.0
Pool Corporation	14.5	14.0	8.9	33.0
Graco Inc.	15.3	12.1	8.9	53.1
Median valuation of purchases:	10.5	8.0	6.8	22.0
VBA - March 2008	13.2	10.0	7.6	16.0
Russell 2000 Index - March 2008	17.7	10.6	9.2	9.1
S&P 500 Index - March 2008	16.6	10.5	8.9	16.8

LTM P/E = Last Twelve Months Price to Earnings
 LTM P/CF = Last Twelve Months Price to Cash Flows
 LTM EV/EBITDA = Last Twelve Months Enterprise Value/Earnings Before Interest, Taxes, Depreciation, Amortization
 ROE = Return on Equity

KEY INVESTMENT PROFESSIONALS



U.S. Small-Cap Team

- **Mathieu Sirois, M.Sc., CFA** joined VBA in May 2000. Effective January 1, 2009, Mathieu was promoted to Vice-President and Senior Portfolio Manager, U.S. Small-Cap Equities Division. Previously, in 2007, he was appointed Senior Portfolio Manager, U.S. Small-Cap Equities. In 2006, he was appointed Portfolio Manager, U.S. Small-Cap Equities after being Senior Analyst, U.S. Small-Cap Equities. Mathieu is responsible for all the investment decisions related to the U.S. Small-Cap Equity product and for managing the U.S. Small-Cap Equity Team. He is also responsible for conducting research on a broad spectrum of U.S. small-cap stocks.
- **Philippe Hynes, M.Sc., CFA** joined VBA in 2004 as Assistant Research Analyst, U.S. Small-Cap Equities. Effective January 1, 2009, Philippe was promoted to Senior Analyst, U.S. Small-Cap Equities Division. Previously, in 2007, he was appointed Analyst, U.S. Small-Cap Equities after being Research Analyst, U.S. Small-Cap Equities. He is responsible for conducting fundamental research on the energy sector, as well as on the broader U.S. equity market.
- **Andrew Chan, M.Sc. (Finance)**, was promoted to Senior Analyst, U.S. Small-Cap Equities Division, effective January 1, 2009. He first joined VBA in 2001 as Research Assistant, U.S. Small-Cap Equities, before becoming Assistant Research Analyst, U.S. Small-Cap Equities until January 2003, when he left to complete his Master's Degree. He worked thereafter as Analyst at Montrusco Bolton (2005-2007) before joining VBA as Analyst, U.S. Small-Cap Equities in May 2007. He is responsible for conducting fundamental research on the technology sector, as well as on the broader U.S. small-cap equity market.
- **Judy M. Grant, CFA** joined VBA in 1995 and is currently Research Analyst, U.S. Small-Cap Equities. She is responsible for all U.S. small-cap equity trading. In addition, she monitors technical trends of the U.S. market, sectors and individual U.S. small-cap stocks. Judy commenced her investment career in 1990 with Toronto Dominion Bank. Later she worked for Jarislowsky Fraser & Co. in 1993.

Other Key Employees

- **J. Sebastian van Berk, B.Comm.**, founded Van Berk and Associates Inc. ("VBA") in 1991 and is currently President and Chief Executive Officer. Mr. van Berk commenced his investment management career in 1971 at the Bell Canada Pension Fund. In 1979 he became a partner of LRM, and in 1984 co-founded Montrusco Associates Inc.
- **Benoît Durand, B.Comm., CFA** joined VBA in 1999 and is currently Vice-President, Canadian Small-Cap Equities. He is also involved in the marketing, servicing and administration of the firm. Mr. Durand commenced his investment career in 1983 at Royal Trust Company. In 1984 he worked at Crédit Foncier and became a Portfolio Manager at Gentrust (which was acquired by Natcan Investment Management) in 1986.

MANAGEMENT FEES



Investment management fees are calculated and charged in arrears on a monthly basis.

Separate Account Management

Asset Value of Portfolio 1.00%

Minimum Account Size *\$5 million*

Minimum Annual Fee *\$50,000*

Services include discretionary account investment management, portfolio accounting, performance measurement and valuations. Also included are monthly reports, periodic presentations to management and/or the investment committee. Fees include all reasonable travel and other out-of-pocket expenses to service the pension fund client on an ongoing basis. Fees do not include custody services, brokerage commissions or sales taxes that may be payable.

DISCLOSURES

Van Berkom and Associates Inc. (VBA) is defined as a SEC registered independent investment advisor. VBA is also registered with the Quebec, Nova Scotia, Ontario, Alberta and British Columbia Securities Commissions as an Investment Counselor.

Performance numbers shown are the time-weighted, total return results of the U.S. Small-Cap Equity Composite managed by the investment professionals at Van Berkom and Associates Inc., from July 1, 2000 to present. The composite creation date is July 1, 2000.

The composite includes actual fee-paying, fully discretionary, institutional, tax-exempt separate account portfolios which are following a U.S. small capitalization equity mandate. Only full calendar quarters are included in the calculation of performance. Valuations are computed and performance is reported in US dollars. Performance shown is gross of all management and incentive fees, and net of withholding taxes on dividends, interest and capital gains.

The benchmark shown is the Russell 2000 Index for which there is no advisory fee. Performance results earned on behalf of VBA's clients are calculated gross of investment management fees and will be reduced by the investment advisory fee. Generally, fees are charged based upon the size of the portfolio and are stated below and in Part II of VBA's Form ADV.

Separate Account Management
All assets.....1.00%

DISCLOSURES (continued)



Composite performance is measured on a monthly basis and geometrically linked to obtain the quarterly and annual results. Trade date valuations are used to calculate performance. Eligible new portfolios are added to the composite after they have been fully invested for one full calendar month. Terminated accounts remain in the historical figures. A complete list and description of Van Berkom and Associates Inc.'s composites is available upon request. The following is presented for informational purposes:

Year Ended 31-Dec	Gross Rate of Return	Net Rate of Return (est.)*	Number of Portfolios	Non-Fee Paying Portfolios (%)	Composite Assets (US\$ million)	Composite Assets as % of Total Firm Assets	Composite Assets as % of Total Product Assets	Dispersion of Annual Returns (\$ Wtd. Standard Deviation)	Benchmark Return of Russell 2000 Index	Total Firm Assets (US\$ million)
2008	7.38%	n/a	6	0.00%	\$214.30	35.70%	96.20%	0.66%	-0.89%	\$600.20
2007	12.21%	n/a	5	0.00%	\$284.83	25.29%	97.66%	0.31%	18.35%	\$1,126.28
2006	14.93%	13.85%	5	0.00%	\$251.18	21.00%	98.82%	0.12%	18.35%	\$1,196.35
2005	4.82%	3.82%	4	0.00%	\$211.30	15.40%	95.70%	0.22%	4.55%	\$1,372.12
2004	21.77%	20.63%	4	0.00%	\$169.07	11.75%	94.39%	0.10%	18.33%	\$1,439.02
2003	26.10%	24.92%	4	0.00%	\$139.52	10.82%	93.45%	0.36%	47.25%	\$1,289.90
2002	-6.72%	-7.61%	2	0.00%	\$95.98	11.20%	92.82%	0.00%	-20.48%	\$856.70
2001	23.74%	22.58%	1	0.00%	\$69.31	7.59%	89.09%	0.00%	2.49%	\$913.30
2000 (6 mos.)	13.72%	13.18%	1	0.00%	\$56.27	5.77%	88.21%	0.00%	-5.88%	\$975.50

*Net performance numbers are estimates

Van Berkom and Associates Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Past performance is not a guarantee of future results.

Additional information regarding policies for calculating and reporting returns is available upon request.

Stock Examples Disclosure

It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the security examples shown herein. As required by Reg. § 275.206(4)-1 under the Investments Adviser's Act of 1940, Van Berkom and Associates Inc. will make available a list of all securities that it purchased within at least the immediately preceding period of one year, including the name of each such security, the date of each purchase and/or sale, the market price at the time, and the market price of each such security as of the most recent practicable date.