



VAN BERKOM AND ASSOCIATES INC
ET ASSOCIÉS INC

U.S. Small-Cap Equity Management

June 30, 2009

1130 Sherbrooke Street West, Suite 1005
Montreal, QC Canada
H3A 2M8
Tel: (514) 985-5759 or 1 888 VBA-5759
www.vbassociates.com

PRESENTATION AGENDA



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FIRM BACKGROUND



- Van Berkomp and Associates Inc. (“VBA”) was established in 1991 and is 100% owned by its employees. The U.S. small-cap team is increasing its ownership which will stand at 20.2%. The President/CEO owns 55.1%.
- VBA is solely dedicated to the management of small-capitalization portfolios.
- Nine-year track record in U.S. Small-Caps, inception June 2000.
- We develop conviction based on the vigorous depth of our research and analysis. The result is a concentrated portfolio of 35-45 companies which we believe we know better than others.
- 763 bps of annualized value added over the Russell 2000 Index since inception.
- First or second quartile performance for all annualized periods since inception as of June 30, 2009, the result of a time proven research process and a hard-working and passionate investment team.
- Three investment professionals solely dedicated to the U.S. Small-Cap product for complete coverage and superior knowledge of the market.

ASSETS UNDER MANAGEMENT



As of June 30, 2009

U.S. Small-Cap Equities	\$234 million
Institutional Tax-Exempt	\$234 million
Taxable	\$0 million
<hr/>	
Canadian Small-Cap	\$429 million
North American Small-Cap	\$ 18 million
Total Firm Assets	\$681 million

REPRESENTATIVE CLIENT LIST

Bowater Canadian Forest Products Inc.
(\$1.9 billion plan sponsor)
British Columbia Investment Management Corporation
(\$65 billion plan Sponsor)
Caisse de dépôt et placement du Québec
(\$100 billion plan sponsor)

McGill University (\$1.6 billion plan sponsor)
Réseau de transport de la Capitale nationale
(\$280 million plan sponsor)
St. Michael's Hospital (\$300 million plan sponsor)
Teachers' Retirement Fund (Alberta)
(\$4.2 billion plan sponsor)

KEY INVESTMENT PROFESSIONALS



- **J. Sebastian van Berkom, B.Comm.**, founded Van Berkom and Associates Inc. (“VBA”) in 1991 and is President and Chief Executive Officer. In his role, Mr. van Berkom ensures that the investment process is properly implemented, resourced and incented. Mr. van Berkom 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.

U.S. Small-Cap Team

- **Mathieu Sirois, M.Sc., CFA** is Vice-President and Senior Portfolio Manager, U.S. Small-Cap Equities. Mathieu has been with the firm since May 2000. He is responsible for all the investment decisions related to this product and for the management of the U.S. Team. He is also responsible for conducting research on a broad spectrum of U.S. small-cap stocks.
- **Philippe Hynes, M.Sc., CFA** is Senior Analyst. He is responsible for conducting fundamental research on the broad U.S. small-cap equity market. Philippe joined VBA’s U.S. Small-Cap Equities Division in 2004 as an Assistant Research Analyst.
- **Judy M. Grant, CFA** is Research Analyst and Trader, U.S. Small-Cap Equities. Judy joined VBA in 1995 after having worked for Jarislowsky, Fraser & Co. (1993 to 1995), and with Toronto Dominion Bank from 1990 to 1993. She is responsible for all U.S. small-cap equity trading.

TEAM RESEARCH RESPONSIBILITIES



- VBA employs a generalist approach for its primary research coverage of high quality small-cap stocks within and outside the Russell 2000.
- In addition to its generalist approach, the Team covers the following sectors of the Russell 2000 Index with specific expertise:
 - Mathieu Sirois: Health Care, Financial Services, Industrials
 - Philippe Hynes: Oil and Gas, Consumer Discretionary, Technology
 - Judy Grant: Monitors spin-offs, insider buying/selling, short positions in stocks, technical analysis and sector/macro trends.

DISTINCTIONS



➤ **Team**

As a result of a common mentorship and training, all three members of the Team deeply share and embrace the VBA investment style and philosophy that have led to this successful long-term track record.

➤ **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. In an effort to know our companies better than others, we conduct approximately 80 to 100 one-on-one company meetings per year. Every company in our portfolio is contacted at least once per quarter.

➤ **Conviction**

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

➤ **Long-term Perspective**

Annual stock turnover has ranged between 25% and 38% over the history of the product. We typically only buy 10-15 new names every year, leading to superior knowledge of each of our holdings.

➤ **Performance**

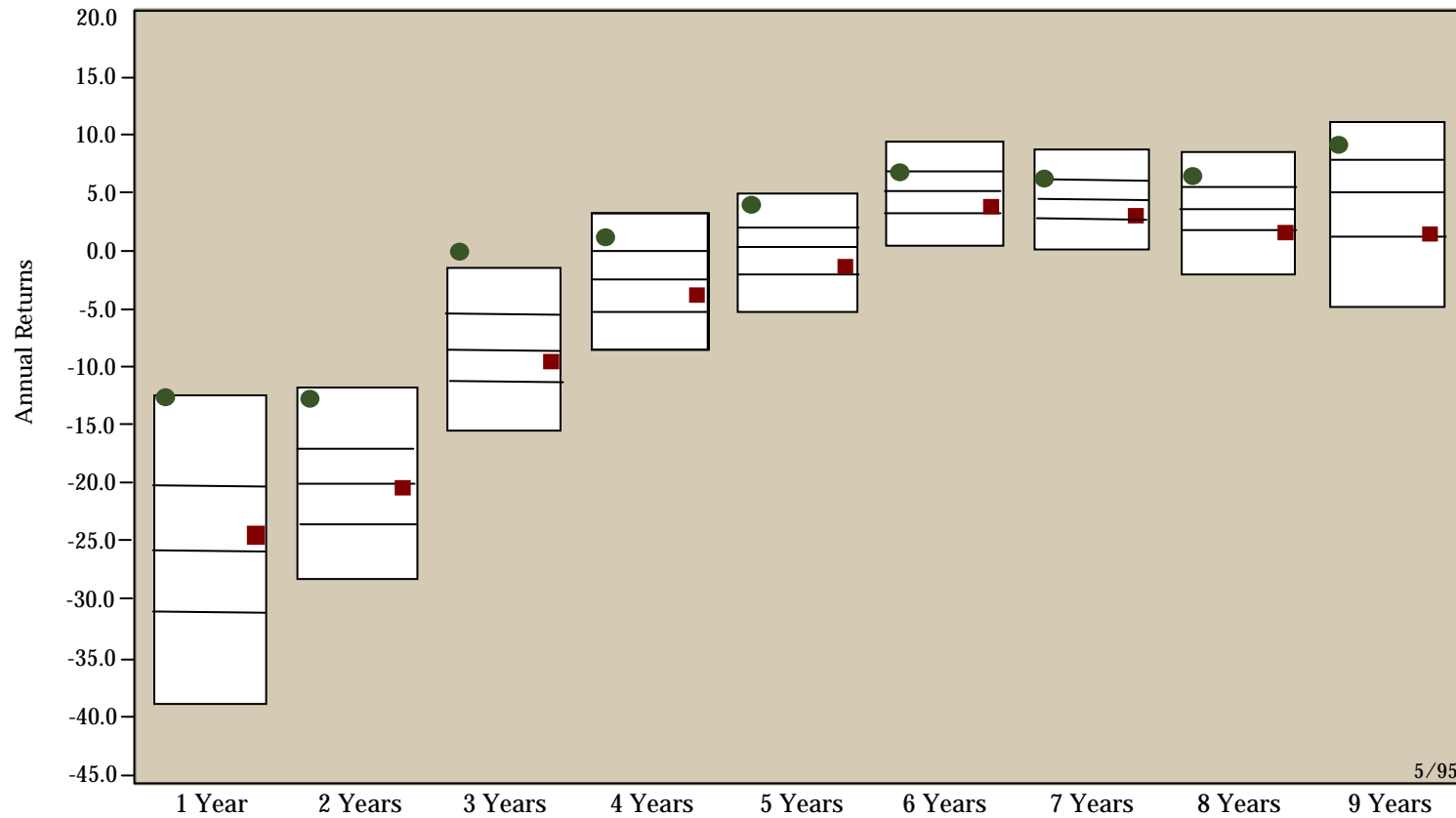
763 bps of annualized outperformance versus the Russell 2000 Index since June 2000.

PERFORMANCE



Small-Cap Equity Universe

Rates of Return for Periods Ending June 30, 2009



	% Tile	% Tile	% Tile	% Tile	% Tile	% Tile	% Tile	% Tile	% Tile
● VBA U.S. Composite	5	8	4	16	12	26	26	14	15
■ Russell 2000	44	54	51	64	66	70	74	77	74

Universe Source: Russell Investment Group; Universe Status: Final

PERFORMANCE



Small-Cap Equity

Annualized as of June 30, 2009

	<u>VBA</u>	<u>Russell 2000</u>	<u>Value Added</u>
1 Year	-12.80%	-25.01%	12.21%
3 years	-0.21%	-9.89%	9.68%
5 years	3.59%	-1.71%	5.30%
Inception	8.76%	1.13%	7.63%

Annual Returns

	<u>VBA</u>	<u>Russell 2000</u>
2009 <i>(as at June/30)</i>	8.34%	2.64%
2008	-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 <i>(beg. July/1)</i>	13.72%	-5.88%

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

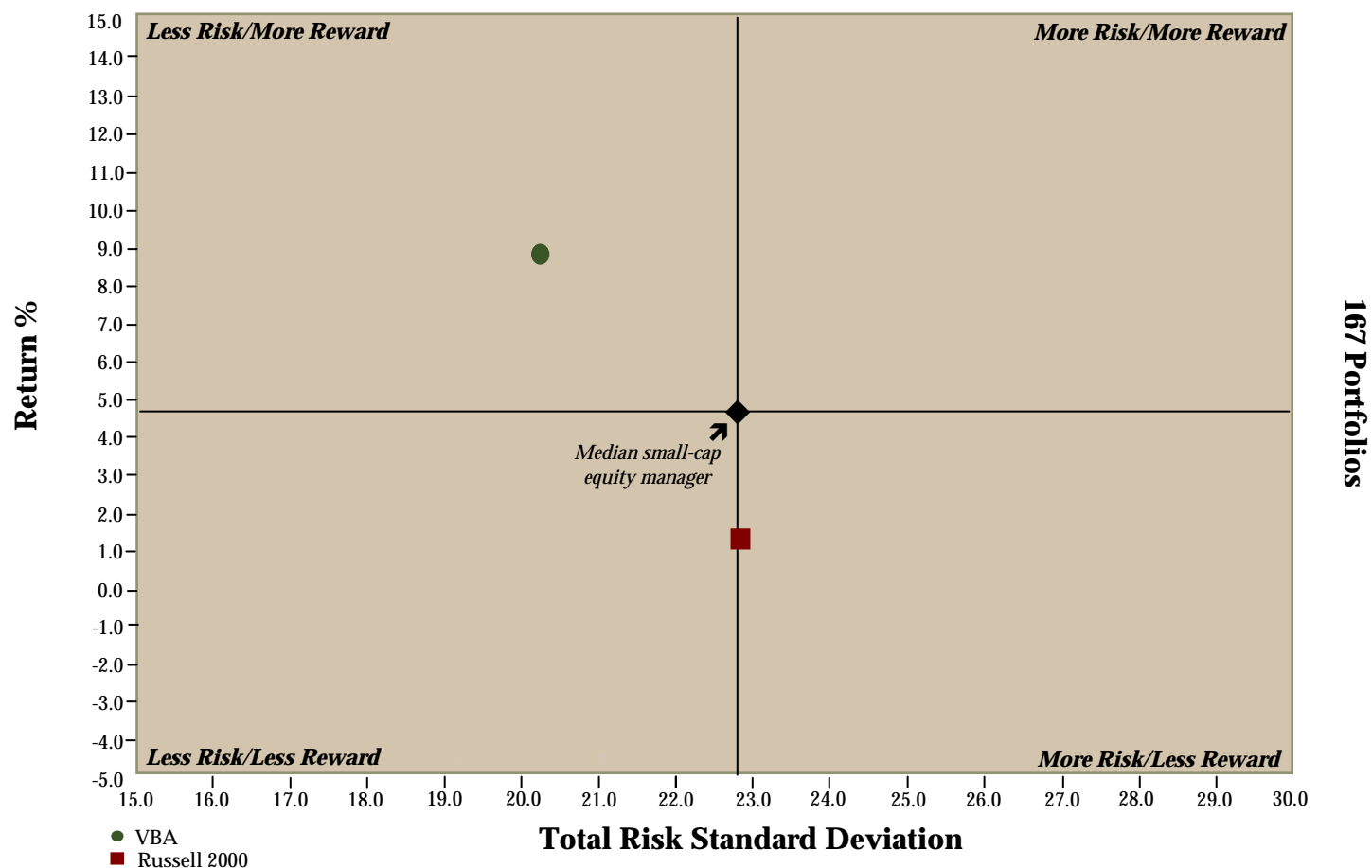
PERFORMANCE OF THE VBA U.S. SMALL-CAP PENSION FUND COMPOSITE VERSUS THE BNY MELLON UNIVERSE



Small-Cap Equity Universe

Risk / Reward

9.0 Years Ending June 30, 2009



VBA has delivered significant long-term excess returns versus its peers and its benchmark while taking on less risk.

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

Universe Source: Russell Investment Group; Universe Status: Final

INVESTMENT PHILOSOPHY



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

We are fundamental bottom-up stock pickers

We buy companies that:

- Have sustainable competitive advantages and generate free cash flows
- Produce high returns on capital
- Are selling below intrinsic value based upon discounted cash flow analysis

Our biggest source of advantage is the depth of knowledge we develop on our investment candidates.

PROCESS OVERVIEW



**2000 +
stocks**

Idea Generation

- Screening
- Meetings
- Traditional Sources

**650-700
stocks**

Basic Analysis

- Industry Growth Drivers
- Business Model
- Valuation

**200-250
stocks**

Detailed Analysis

- Financial Modeling
- Financial Strength
- Operational Qualities
- Major Risks

**80-100
stocks**

Valuation

- Detailed Models
- Discounted Cash Flows
- P/CF, P/E, EV/EBITDA
- Risk/Reward

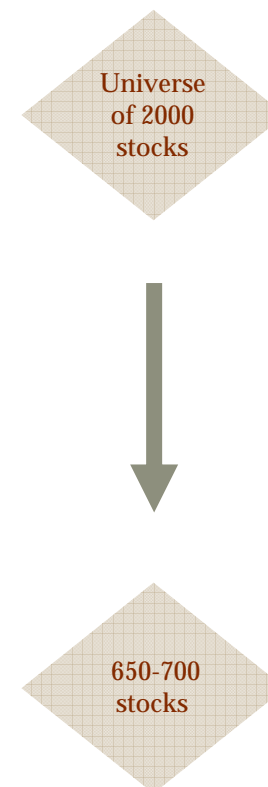
Process leads to a portfolio of 35-45 stocks

PROCESS – SOURCES OF IDEAS



The investment team generates ideas from a variety of resources.

- Screen Factset database for:
 - Strong Cash Flows and Margins
 - Return on Equity greater than 12%
 - Debt to EBITDA less than 3x
 - Price/Cash Flow less than 12x
- **Conduct one-on-one company meetings and attend periodic conferences (primary sources of new ideas)**
- Traditional news, independent research, and Street resources



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

PROCESS – FUNDAMENTAL ANALYSIS



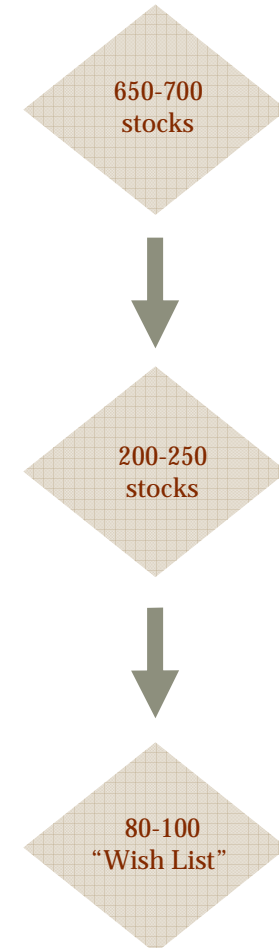
Develop a very thorough understanding of a company's business model, financial health and managerial talent using historical 10k's, management meetings, customer/competitor interviews etc.

Financial Quality:

- Income Statement
 - Strength and consistency of cash flow generation
 - Cyclical 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



We build and maintain our own models for every investment candidate. We develop, test and adjust the inputs based on our research findings.

- Objective is to achieve 100% return in five years or less
- Discounted cash flow model determines intrinsic value
- A company must be selling below our view of intrinsic value before it will be purchased for the portfolio
- We also work with key historical absolute and relative valuation ratios
- Buy quality mispriced

Discipline on
valuation

80-100
“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

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

High level of conviction

Sell Criteria

- In-depth research positions us to identify “red flags” early
- 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
 - We are successful with our investment thesis, and the stock reaches full valuation
 - Fundamentals erode or management fails to execute
 - Mistake is made

Portfolio of 35-45 stocks

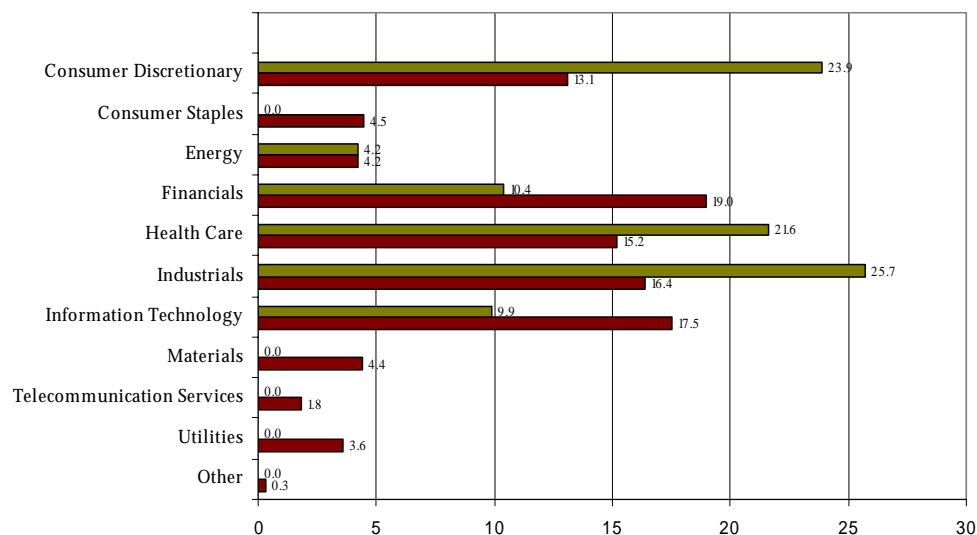
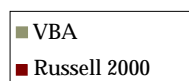
PORTFOLIO PROFILE



Top Ten Portfolio Holdings as at June 30, 2009

Universal Health Services, Inc.	Health Care	4.4%
CAL Dive International, Inc.	Energy	4.2%
Brown & Brown, Inc.	Financial	4.2%
International Speedway Corporation	Consumer Discretionary	4.1%
Interactive Data Corporation	Consumer Discretionary	4.1%
Hewitt Associates, Inc.	Industrials	3.6%
Charles River Laboratories International, Inc.	Health Care	3.6%
The Advisory Board Company	Industrials	3.4%
Sotheby's	Consumer Discretionary	3.4%
IMS Health Incorporated	Health Care	3.1%
Total		38.1%

GICS Sector Weights as at June 30, 2009



Source for Russell 2000 Index: FactSet

At VBA, sector distribution is a residual of our bottom-up stock selection process.



Guidelines

- Number of positions will range from 35 to 45 stocks
- We buy 10-15 new names every year (25%-38% stock turnover) on average
- Individual positions are established at 1% to 3%; maximum weight of 7%
- Maintain fully invested portfolios, with cash and equivalents below 5%
- 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 with each other (from the same sub-sector)

***With these risk control tools in place,
VBA has taken on less risk to achieve significant long-term out-performance.***

PORTFOLIO VALUATION



(As at June 30, 2009)

Valuation (LTM / Median)	VBA Portfolio	Russell 2000 Index
P/E Ratio	10.5x	15.2x
Price/Cash Flow	8.0x	7.1x
EV/EBITDA	6.4x	7.8x
Return on Equity	15.8%	5.4%
Market Capitalization	\$1,271.9 M	\$327.1 M
Weighted-Average Capitalization	\$1,453.8 M	\$928.7 M

VBA's portfolio is trading at a lower level of valuation than its benchmark for a much higher level of quality.

Source for Russell 2000 Index: FactSet

WHY VAN BERKOM AND ASSOCIATES INC.?



- VBA manages small-cap stocks exclusively — a unique expertise and focus.
- Significant “value-added” performance since inception; 763 bps annually since June 2000.
- A team dedicated exclusively to small-cap equities to ensure superior knowledge and coverage of the market.
- VBA’s philosophy and management style are based upon a proven research process of rigorous fundamental analysis with a long-term perspective.
- VBA’s depth of knowledge of its companies has been a key differentiator and contributor to its investment success.
- VBA professionals are dedicated first and foremost to achieving superior returns for their clients and have done so successfully.
- Clients are serviced by the small-cap team.
- VBA is 100% owned by its employees, aligning our interests with those of our clients.

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 client on an ongoing basis. Fees do not include custody services or brokerage commissions.

DISCLOSURES

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 Berkum 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 is gross of all management 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.

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 VBA'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)
2009 (6 mos.)	8.34%	n/a	6	0.00%	\$233.56	34.28%	96.56%	0.56%	2.64%	\$681.27
2008	-27.84%	n/a	6	0.00%	\$214.30	35.70%	96.20%	0.66%	-33.79%	\$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

VBA 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, VBA 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.

Portfolio Characteristics

PORTFOLIO CHARACTERISTICS – TOP FIFTEEN HOLDINGS



(As at June 30, 2009)

Companies	Weight	Stock price	Market Capitalization	LTM P/E	LTM EV/EBITDA	LTM P/CF	ROIC	ROE	D/E	5 Y EPS Growth
Universal Health Services, Inc.	4.4%	\$ 48.85	\$ 2,403,713	11.94	5.73	6.02	10.35%	12.61%	0.65	6.50%
CAL Dive International, Inc.	4.2%	\$ 8.63	\$ 815,535	7.84	4.43	4.27	14.24%	15.52%	2.04	-2.03%
Brown & Brown, Inc.	4.2%	\$ 19.93	\$ 2,826,074	13.49	8.75	12.68	15.82%	17.89%	0.22	7.25%
International Speedway Corporation	4.1%	\$ 25.62	\$ 1,247,130	9.93	5.41	6.31	8.48%	12.06%	0.50	-0.97%
Interactive Data Corporation	4.1%	\$ 23.14	\$ 2,221,440	11.94	7.46	10.23	19.80%	16.80%	0.00	6.75%
Hewitt Associates, Inc.	3.6%	\$ 29.78	\$ 2,844,377	10.58	5.19	6.95	18.11%	28.15%	1.23	4.89%
Charles River Laboratories International, Inc.	3.6%	\$ 33.75	\$ 2,228,175	12.25	7.70	9.14	8.82%	10.48%	0.27	4.00%
The Advisory Board Company	3.4%	\$ 25.70	\$ 408,913	17.15	8.65	8.01	19.32%	15.06%	0.00	0.60%
Sotheby's	3.4%	\$ 14.11	\$ 925,616	6.62	4.88	5.64	3.90%	5.11%	1.36	23.53%
IMS Health Incorporated	3.1%	\$ 12.70	\$ 2,312,670	7.43	5.49	5.13	38.38%	130.25%	28.77	3.85%
Lender Processing Services, Inc.	3.1%	\$ 27.77	\$ 2,645,926	9.67	7.62	9.26	16.03%	120.79%	2.66	4.51%
Herman Miller, Inc.	3.0%	\$ 15.34	\$ 827,516	9.53	5.15	6.45	56.49%	175.11%	-	-9.50%
Chemed Corporation	2.9%	\$ 39.48	\$ 894,104	10.25	6.42	8.22	14.15%	15.98%	0.62	4.31%
LHC Group, Inc.	2.8%	\$ 22.21	\$ 399,602	11.22	6.42	10.09	19.32%	16.00%	0.02	-2.60%
Amedisys, Inc.	2.6%	\$ 33.02	\$ 901,215	8.80	5.86	7.34	15.77%	16.04%	0.72	19.08%
Total Weight of Top 15 Holdings	52.5%									
Median			\$ 1,247,130	10.25	5.86	7.34	15.82%	16.00%	0.63	4.31%
Median of Portfolio			\$ 1,272,864	10.53	6.38	8.01	15.93%	15.75%	0.50	4.05%

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