



VAN BERKOM AND ASSOCIATES INC
ET ASSOCIÉS INC

Small-Cap Equity Management

March 31, 2007

*1130 Sherbrooke Street West, Suite 1005
Montreal, QC H3A 2M8
Canada*

PRESENTATION AGENDA



- Firm Background Page 2
- Performance Page 6
- Investment Philosophy and Process Page 8
- Portfolio Profile Page 16
- Summary Page 19
- Key Investment Professionals Page 20
- Fee Schedule / Disclosures Page 21

THE FIRM



- Based in Montreal, Van Berkomp and Associates Inc. (VBA) was established in 1991 and is 100% owned by its employees
- VBA manages only small cap portfolios, offering US and Canadian products
- Firm assets under management are \$1.18 billion; US Small Cap Product assets under management are \$275 million
- Four of the eight investment professionals focus on US Small Cap. Senior members of the firm average 25 years of industry experience
- Business plan is to target US institutions with a goal of increasing US Small Cap assets to \$1 billion

ASSETS UNDER MANAGEMENT



As of March 31, 2007

U.S. Small Cap Equities	\$275 million
Tax-Exempt	\$272 million
Taxable	\$3 million
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Canadian Small Cap	\$886 million
North American Small Cap	\$19 million
Total Firm Assets	\$1,180 million

REPRESENTATIVE CLIENT LIST

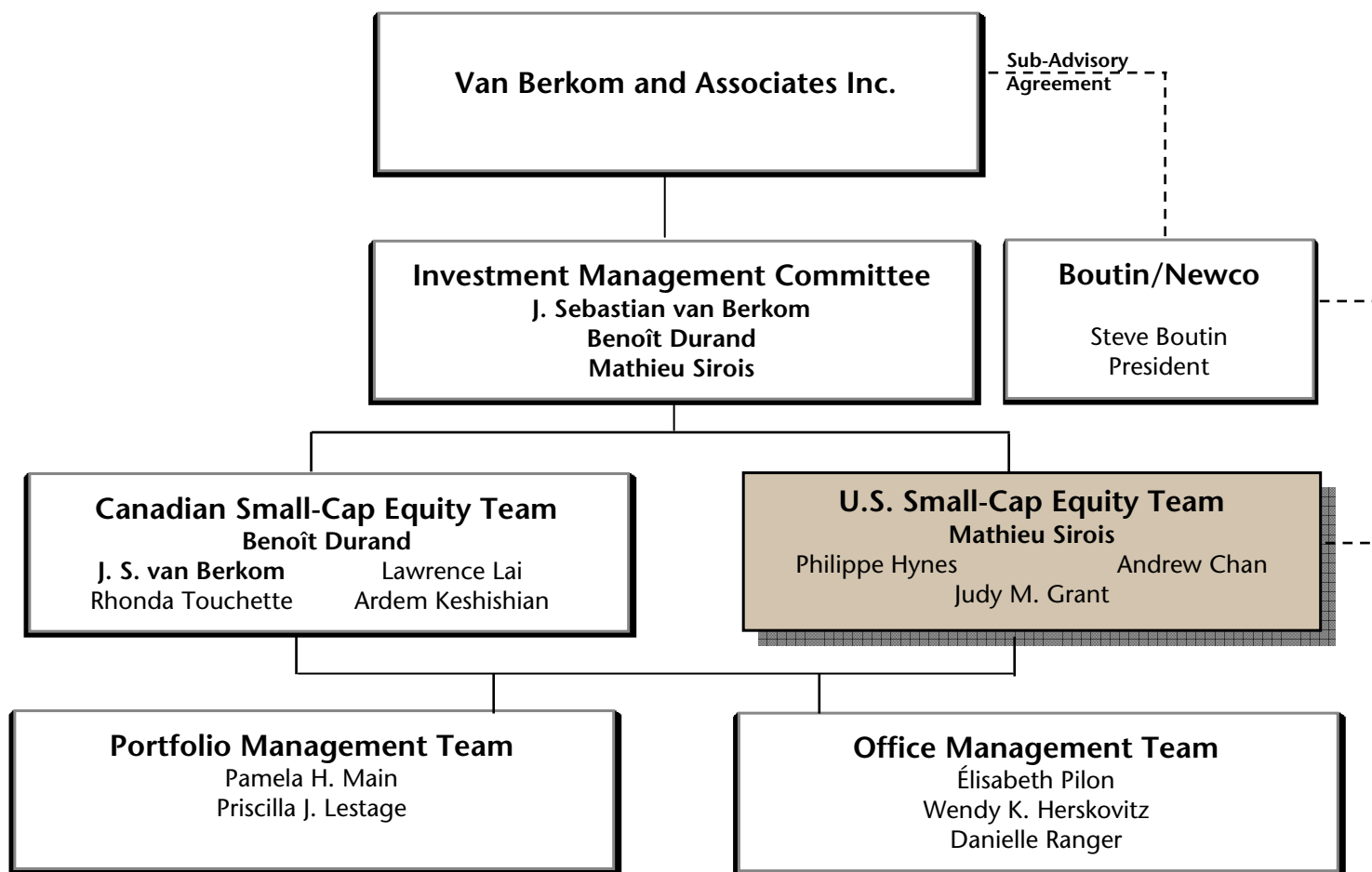
US Small Cap Mandates

British Columbia Investment Management Corp.
Caisse de dépôt et placement du Québec
CSN National Labor Organization
Quebec City Transportation Authority

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

DISTINCTIONS



➤ **Research**

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

➤ **Team**

The team is disciplined and enthusiastic, meeting with the management of over 500 companies yearly

➤ **Conviction**

We concentrate on our best ideas as portfolios contain between 35 and 45 stocks

➤ **Long-term Perspective**

Annual turnover has ranged between 35% and 55% over the history of the product

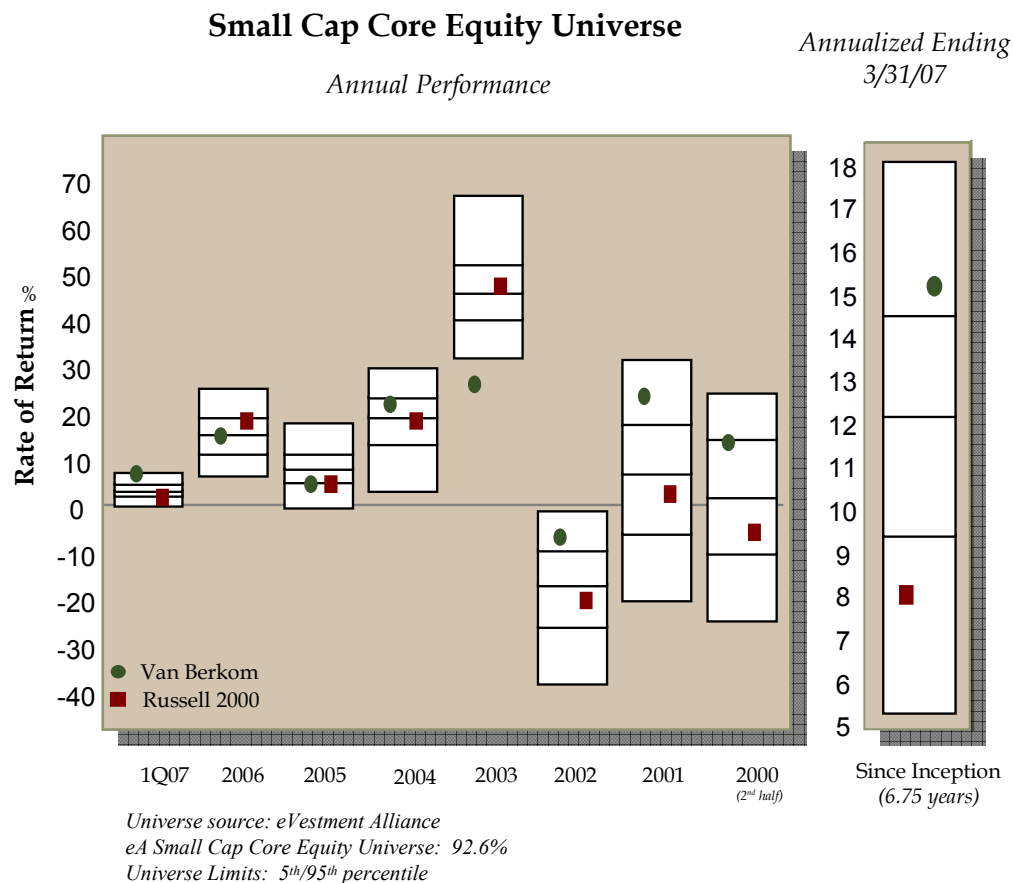
➤ **Performance**

As of December 31, 2006, top quartile annualized performance since inception

PERFORMANCE



	<u>VBA</u>	<u>Russell 2000</u>
2007	6.87%	1.95%
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 March 31, 2007</u>		
1 Year	11.879%	5.89%
3 years	13.85%	11.99%
5 years	11.36%	10.94%
Since Inception	15.18%	8.04%



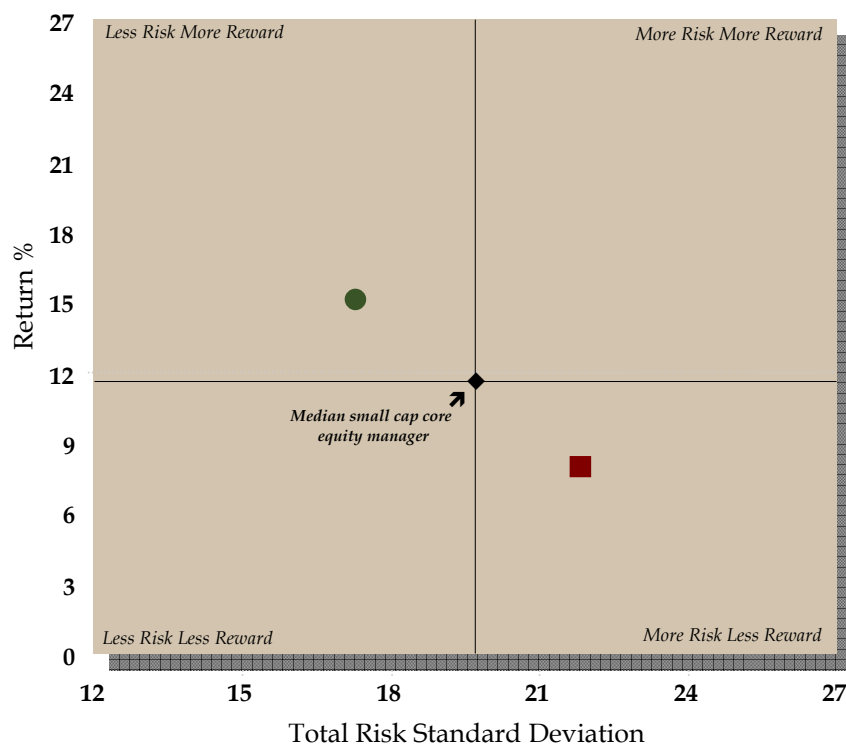
PERFORMANCE



Small Cap Core Equity Universe

Risk / Reward

6.75 Years Ending March 31, 2007



Variance Attribution Analysis

July 1, 2000 to March 31, 2007

Van Berkomp Return	15.18%
less	
Russell 2000 Return	8.04%
<hr/>	
Value added	7.14%
Stock selection	5.05%
Sector contribution	0.85%

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

Universe source: eVestment Alliance

eA Small Cap Core Equity Universe: 92.6%

Universe Limits: 5th/95th percentile



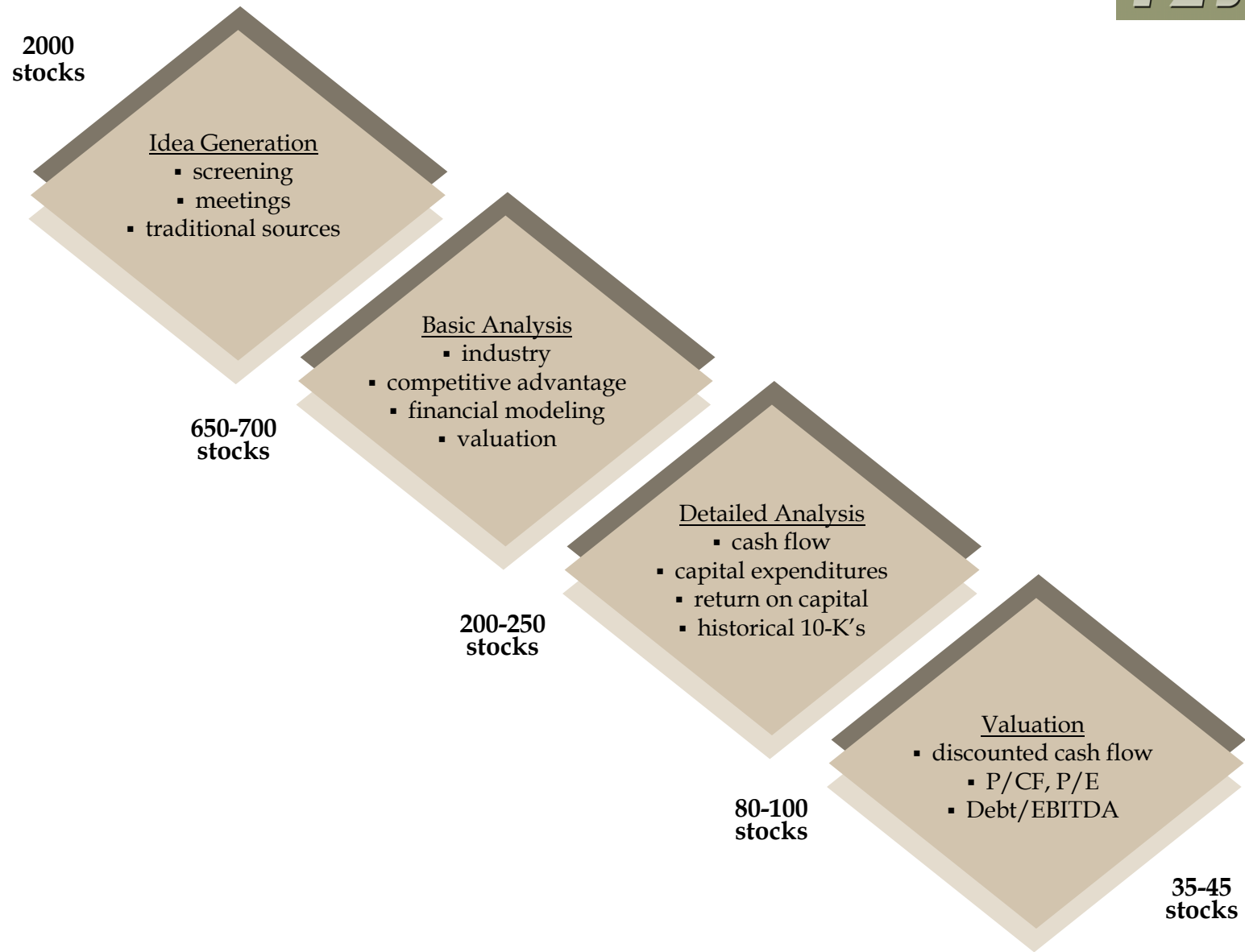
We believe the best opportunity for investment success is found by investing in high quality, well managed, small cap companies and holding them for the long term.

We buy companies that:

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

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

PROCESS OVERVIEW

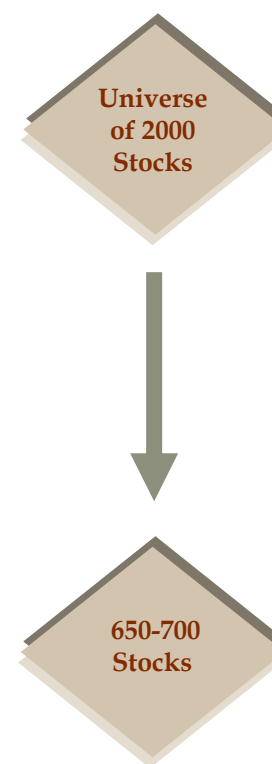


PROCESS – SOURCE OF IDEAS



The investment team generates ideas from a variety of resources.

- 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
- Traditional news and Street resources
- Identify industries with a history of Positive Cash Flow and high Return on Capital



PROCESS – FUNDAMENTAL ANALYSIS



We analyze current and historical 10K reports to develop a highly detailed understanding of a company's financial health and managerial talent.

Financial Quality:

- Income Statement
 - Positive cash flow
 - Cash flow growth/cyclicality
 - Return on capital expenditures
 - Margin expansion
 - Revenue growth
- Balance Sheet
 - Ability to finance expansion
 - Debt to EBITDA < 3x

Operational Quality:

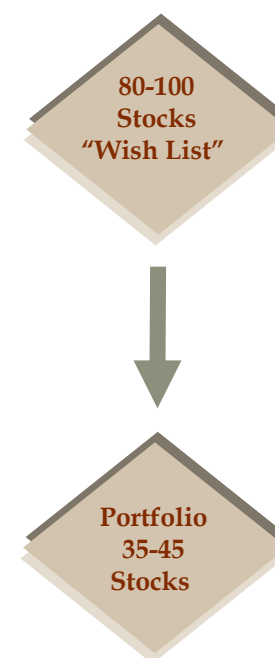
- Product or Service
 - Competitive advantage identified
 - Sustainability of advantage
 - Sound business model
- Management
 - Audit management's record of success
 - Owns shares in company
 - Clear strategy backed up by real numbers



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

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
- Discounted cash flow model determines intrinsic value
 - Stable cash flow, high barriers to entry = lower discount
 - Cyclical cash flow, low barriers to entry = higher discount
- All facets of our research are used to build model assumptions



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

PROCESS – PURCHASE AND SALE DECISION



Purchase Criteria

- 10%+ Return on Capital
- Positive Cash Flow
- Productive capital expenditures
- Sustainable, competitive edge and management with the skill to exploit the edge in the marketplace
- Selling at a discount sufficient to double investment in five years

Sell Criteria

- Trim
 - Stocks are trimmed at 7%
 - Company is successful and stock valuations are significantly higher than five-year norm
- Sell
 - Company is successful and reaches full valuation
 - Fundamentals erode or management fails to execute
 - Mistake is made

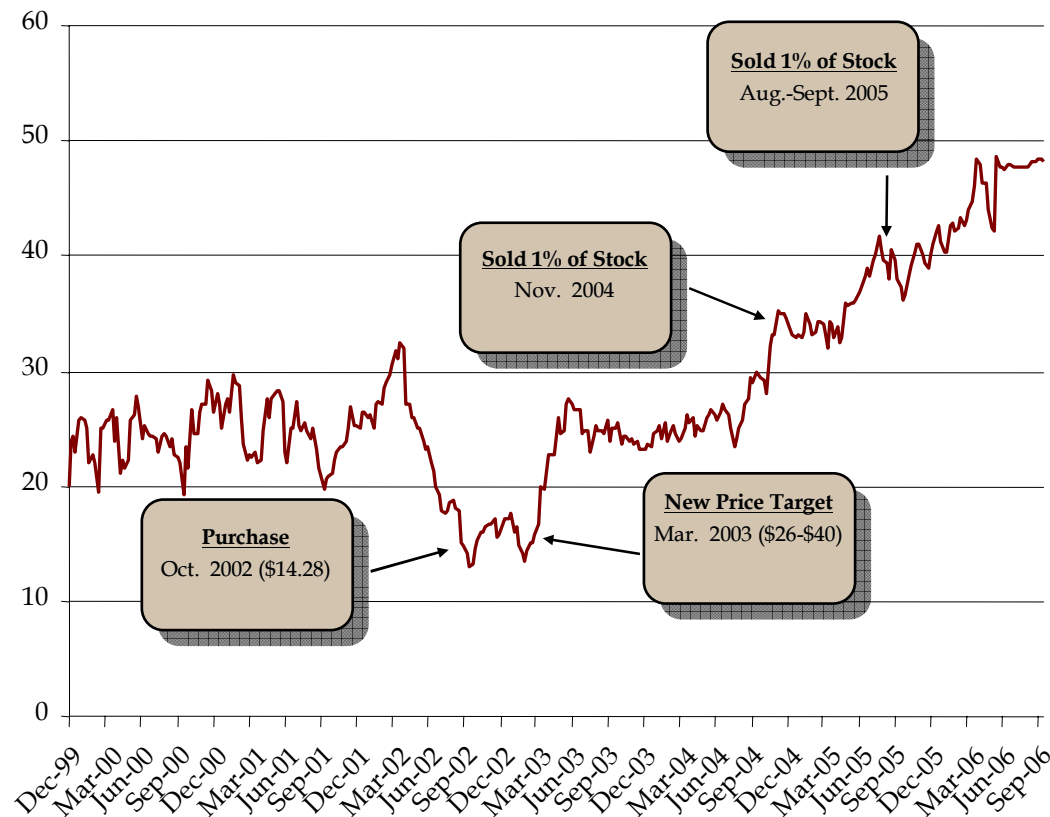
**Portfolio
35-45
Stocks**

BUY EXAMPLE



West Corporation (wstc)

Communication Solutions



Reasons for Investing (Oct 2002)

- Five-year average return on capital in 2002: 20%
- 17% return on capital in 2002
- 20% return on capital 5 year average
- Projected growth of 15%, 20% with acquisitions
- 12x next 12 months EPS and 7 times projected free cash flow
- Strong management with significant ownership
- Best player by far in the outsourced communication services
- DCF target price range when purchased \$22-\$30

Re-evaluation and Update (Mar 2003)

- Intercall acquisition; Good synergy
- Fundamentals continue strong
- New target price range established \$26-\$40

(Nov 2004)

- Acquisitions: Worldwide Asset 8/04; ECI-11/04
- Positive contract news
- New target price range established \$35-\$45

(Sept 2006)

- Internal growth beats expectations
- Fundamentals are sound
- Absorbed Sprint Conference Call Business-5/05
- Target price range \$35-\$45

Current Situation (Sept. 2006)

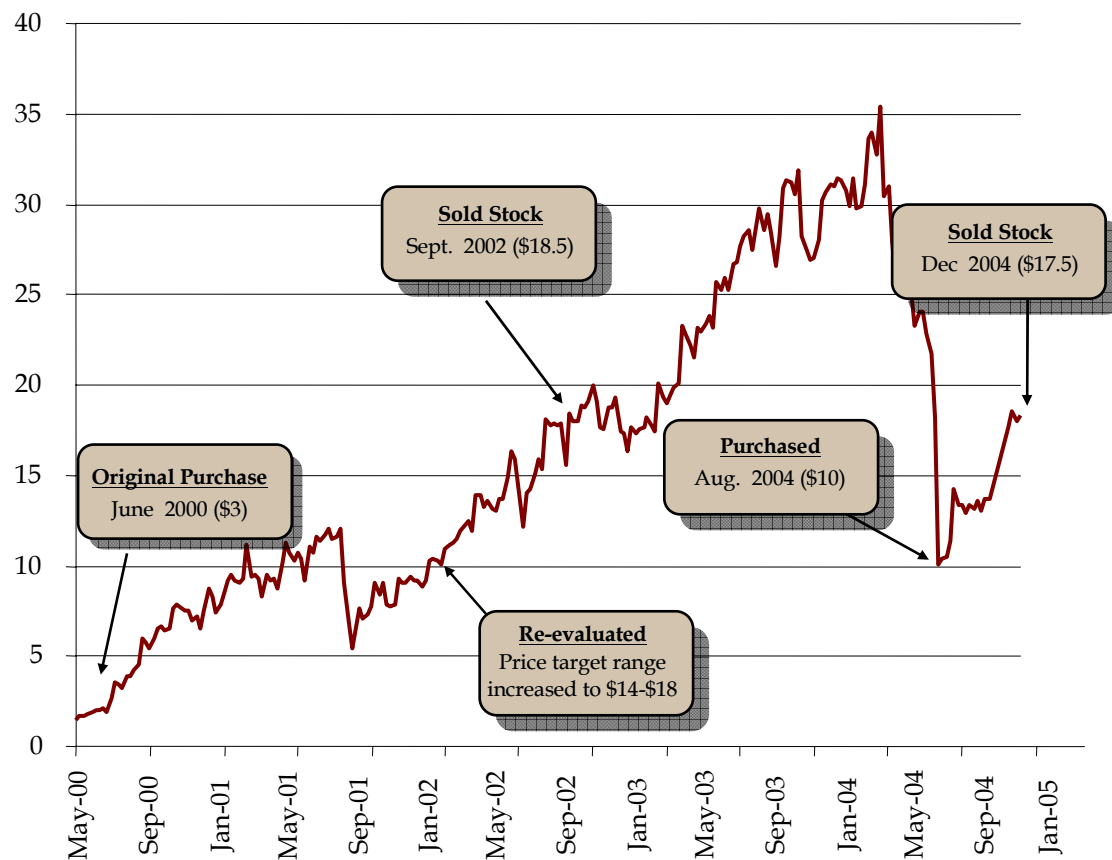
- May 2006 - Private equity firm announce intent to acquire West for \$48.75 per share
- Closing date set for October 2006

SELL EXAMPLE



Corinthian Colleges Inc. (coco)

Post-Secondary Education Company



Prices adjusted for dividends and splits

Reasons for Original Investment (Jun 2000)

- 40% return on capital
- 9% free cash flow margin
- P/E = 12 while growing at 40%
- Pristine balance sheet
- Strong management with significant ownership
- Business with high barriers to entry
- \$3 purchase price; five-year target price range \$10-\$16

Reasons for Selling, Repurchase And Final Sale (Sep 2002 and Dec 2004)

- Trimmed position as valuation moved up rapidly
- Sold near target price
- Repurchased at \$10 with five-year target price range of \$17-\$20
- Management shake-up
- Sold stock \$17.5

PORTFOLIO PROFILE

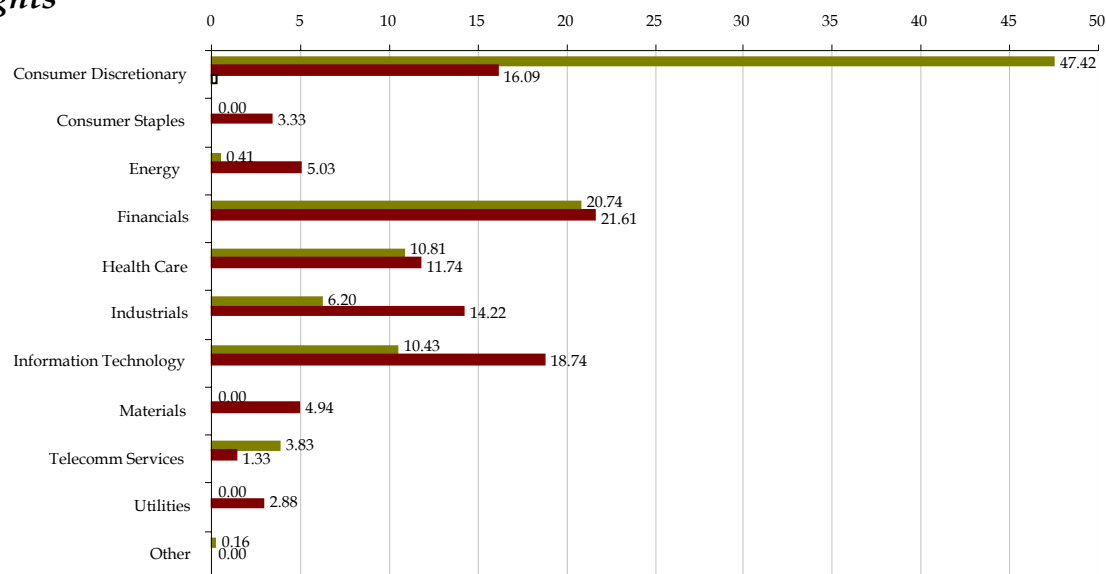


March 31, 2007

Top Ten Portfolio Holdings

Interactive Data Corp.	Consumer Discretionary	5.74%
Sotheby's	Consumer Discretionary	5.24%
Hewitt Associates, Inc.	Financials	4.37%
USA Mobility, Inc.	Telecom	4.23%
Tempur Pedic International	Consumer Discretionary	3.88%
International Speedway Corp.	Consumer Discretionary	3.87%
Waddell & Reed Financial	Financial	3.49%
DeVry, Inc.	Consumer Discretionary	3.29%
John Wiley & Sons, Inc.	Consumer Discretionary	3.18%
Learning Tree International	Industrial	3.10%
Total		40.38%

GICS Sector Weights



PORTFOLIO CONSTRUCTION



Guidelines

- Number of positions will range from 35 to 45
- Individual positions are established at 1% to 3%; maximum weight of 7%
- Maintain fully invested portfolios, with cash and equivalents less than 10%
- Annual portfolio turnover has ranged between 35% and 55%
- Market cap at time of purchase - \$3 billion or less; 75% of holdings less than \$2 billion
- Industry Limits - No more than 15% in businesses that are highly correlated

Characteristics - March 31, 2007

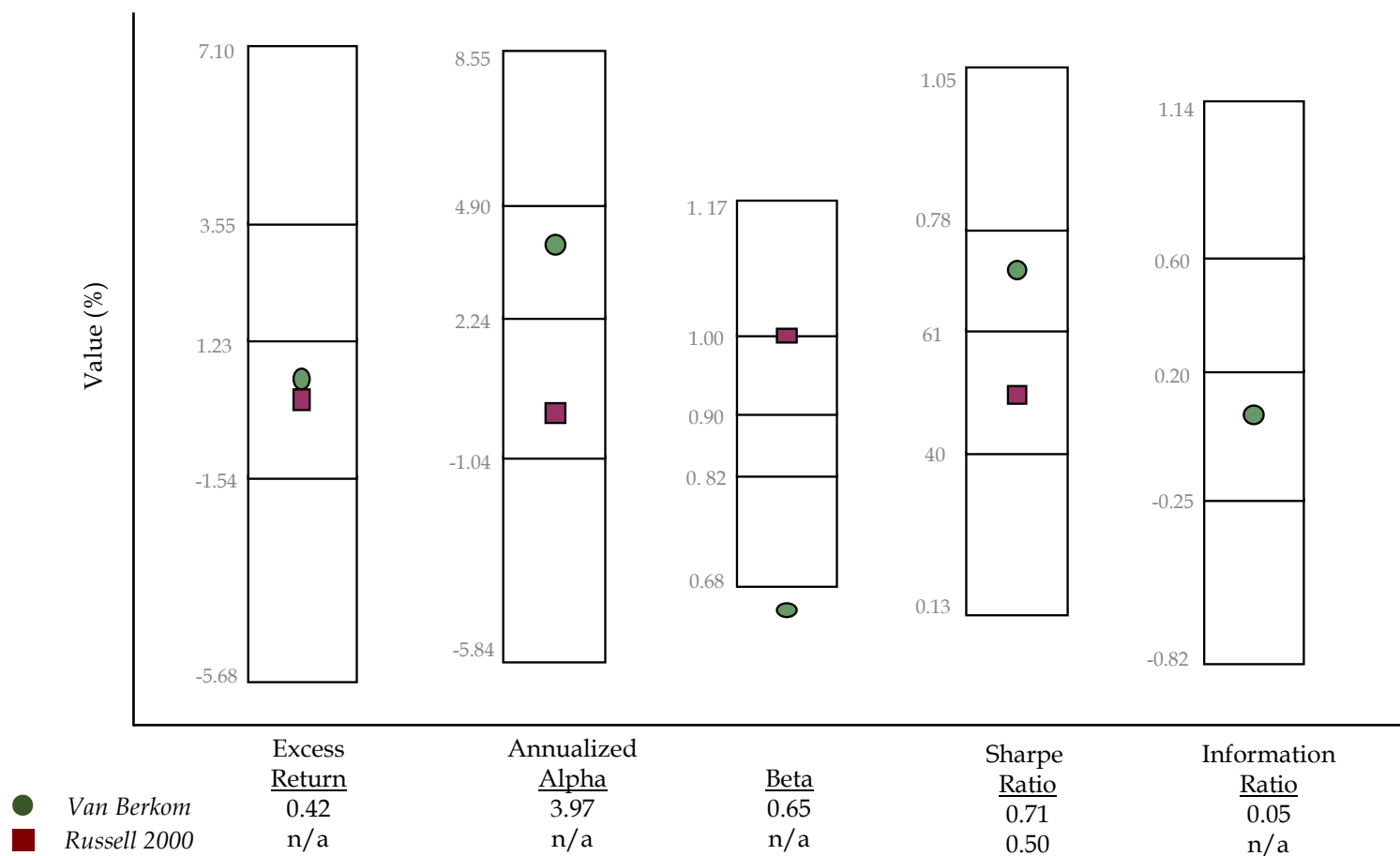
	Market Cap Wtd. Average	Market Cap Median	Debt/Asset Ratio	Debt/Equity Ratio	Trailing Price/Earnings	5 Yr . Avg. Return on Equity
Van Berkom	\$2.9 B	\$1.3 B	36.7%	31.9%	23.7x	14.1%
Russell 2000	\$1.2 B	\$659 M	42.1%	92.3%	25.3x	10.3%

Characteristics source: Wilshire Atlas

STATISTICAL SUMMARY



Statistical Summary vs. Small Cap Core Equity Universe 5 Years Ending March 31, 2007



Universe source: eVestment Alliance
eA Small Cap Core Equity Universe: 92.6%

WHY VAN BERKOM AND ASSOCIATES INC.?



- VBA manages small cap stocks exclusively.
- VBA's philosophy and management style are based upon rigorous fundamental analysis with a long-term perspective.
- VBA professionals are dedicated first and foremost to achieving superior returns for their clients.
- VBA is owned by key employees.
- VBA's US investment performance results have produced significant "value-added" performance since inception.

KEY INVESTMENT PROFESSIONALS



US Small Cap Team

- **Mathieu Sirois, CFA** joined VBA in May 2000. On April 1, 2007, Mathieu was appointed Senior Portfolio Manager, U.S. Small-Cap Equities. Previously, on July 1, 2006, he was appointed Portfolio Manager, U.S. Small-Cap Equities after being Analyst, U.S. Small-Cap Equities. He is responsible for conducting research on a broad spectrum of U.S. small-cap stocks. Mathieu undertakes interviews with management, builds financial models, recommends stocks, and makes the appropriate investment decisions that meet VBA's investment philosophy and investment discipline. He is also 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 received a B.A.A. from the Université Laval and holds a M.Sc. in Finance from the École des Études commerciales in Montreal.
- **Philippe Hynes, CFA** joined VBA on February 9, 2004 as Assistant Research Analyst, U.S. Small-Cap Equities to be promoted to Research Analyst, U.S. Small-Cap Equities on January 1, 2006. On January 1, 2007, he was appointed 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. He received a B.A. in Commerce from Concordia University in Montreal and holds a M.Sc. in Financial Engineering from the École des Hautes Études Commerciales in Montreal.
- **Andrew Chan, M.Sc. (Finance)**, first joined VBA in May 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 on May 7, 2007. Andrew is responsible for conducting fundamental research on the technology sector, as well as on the broader U.S. small-cap equity market. He received his B.A. in Commerce from McGill University in Montreal and holds a M.Sc. In Finance from the École des Études commerciales in Montreal.
- **Judy M. Grant, CFA** joined VBA in 1995 and is currently Research Analyst, US Small-Cap Equities. She is responsible for all US small-cap equity trading. In addition, she monitors technical trends of the US market, sectors and individual US small-cap stocks. Ms. Grant holds a B.A. in Commerce from Concordia University in Montreal and 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 Berkomp** founded Van Berkomp and Associates Inc. ("VBA") in 1991 and is currently President and Chief Executive Officer. Mr. van Berkomp earned a B.A. in Commerce from Concordia University and 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, 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 holds a B.A. in Commerce from McGill University and 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 Berkomp 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 US Small Cap Equity Composite managed by the investment professionals at Van Berkomp 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 US 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)
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.