



VAN BERKOM AND ASSOCIATES INC
ET ASSOCIÉS INC

Small-Cap Equity Management

December 31, 2010

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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.
- VBA is solely dedicated to the management of small-capitalization portfolios.
- More than ten-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 to 45 companies, which we believe we know better than others.
- 674 bps of annualized value added to December 31, 2010 over the Russell 2000 Index since inception.
- Four 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 December 31, 2010

U.S. Small-Cap Equities	\$688 million
Institutional Tax-Exempt	\$688 million
Taxable	\$ 0 million
<hr/>	
Canadian Small-Cap	\$677 million
North American Small-Cap	\$ 74 million
Total Firm Assets	\$1,440 million

REPRESENTATIVE CLIENT LIST

Bowater Canadian Forest Products Inc.
(\$1.9 billion plan sponsor)
BC Investment Management Corporation
(\$65 billion plan sponsor)
Caisse de dépôt et placement du Québec
(\$100 billion plan sponsor)
Canada Post Corporation (\$10 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)

PERFORMANCE



U.S. Small-Cap Equity Composite (US Dollars)

Annualized as of December 31, 2010

<u>Period</u>	<u>VBA</u>	<u>Russell 2000</u>	<u>Value Added</u>
1 Year	25.32%	26.86%	-1.54%
2 Years	30.21%	27.01%	3.20%
3 Years	6.95%	2.22%	4.73%
4 Years	8.24%	1.26%	6.98%
5 Years	9.55%	4.47%	5.08%
Inception (June 2000)	12.15%	5.41%	6.74%

Calendar Year Annual Returns

<u>Period</u>	<u>VBA</u>	<u>Russell 2000</u>
2010	25.32%	26.86%
2009	35.30%	27.17%
2008	-27.84%	-33.79%
2007	12.21%	-1.57%
2006	14.94%	18.37%
2005	4.86%	4.55%
2004	21.74%	18.33%
2003	26.05%	47.25%
2002	-6.72%	-20.48%
2001	23.74%	2.49%
2000 (June 30)	13.72%	-5.88%

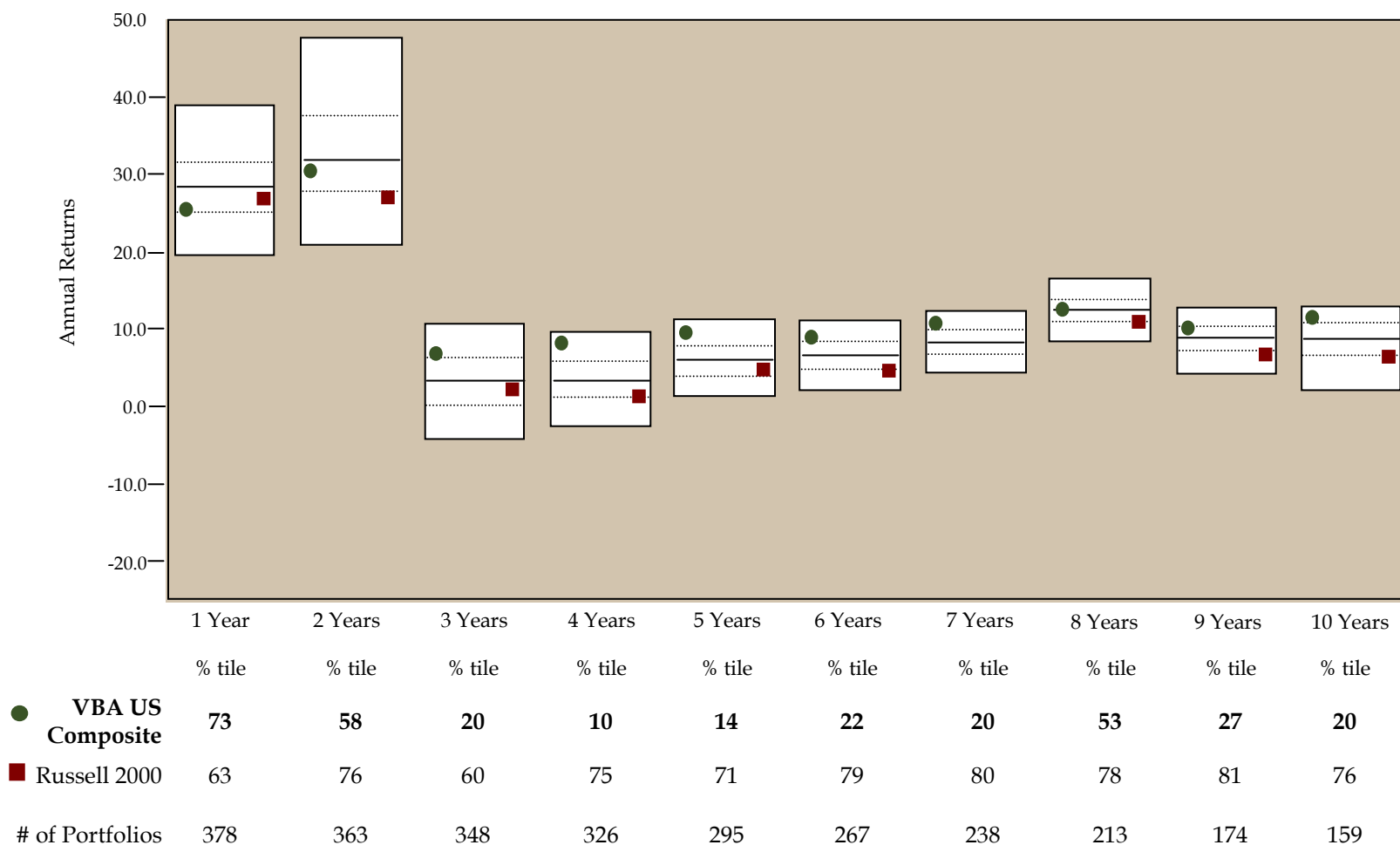
Performance figures are gross of fees. Performance disclosure at the end of this book.

PERFORMANCE OF THE VBA U.S. PENSION FUND COMPOSITE VERSUS RUSSELL INVESTMENT GROUP



Small-Cap Equity Universe

Rates of Return for Periods Ending December 31, 2010



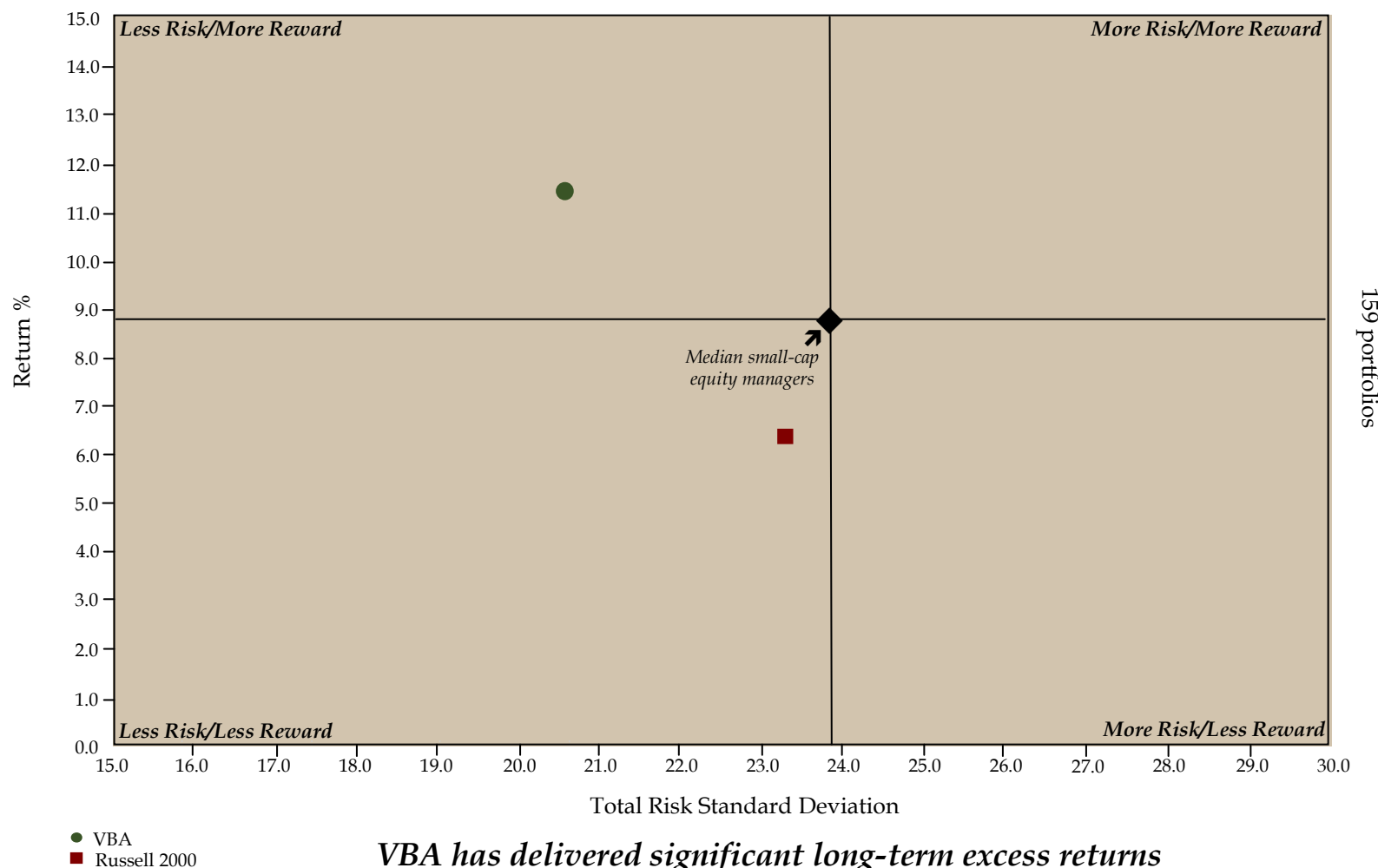
Universe Source: Russell Investment Group

RISK/REWARD OF THE VBA U.S. SMALL-CAP PENSION FUND COMPOSITE VERSUS THE RUSSELL INVESTMENT GROUP



Small-Cap Equity Universe

10.0 Years Ending December 31, 2010



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

Universe Source: Russell Investment Group

DISTINCTIONS



➤ **Research**

Rigorous bottom-up, fundamental analysis is conducted on each investment candidate. The research-intensive due diligence process focuses on financial and qualitative attributes for each investment candidate. 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 to 15 new names every year, leading to superior knowledge of each of our holdings.

➤ **Team**

All four members of the Team are solely dedicated to U.S. small-cap equities and focused on applying VBA's investment style and philosophy.

➤ **Performance**

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



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

- Screenings
- 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**

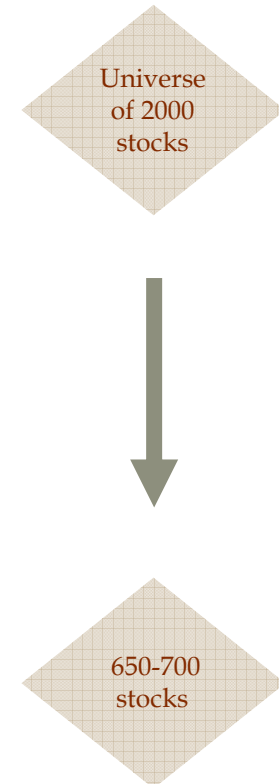
Valuation

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

Process leads to a portfolio of 35-45 stocks

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 investor 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



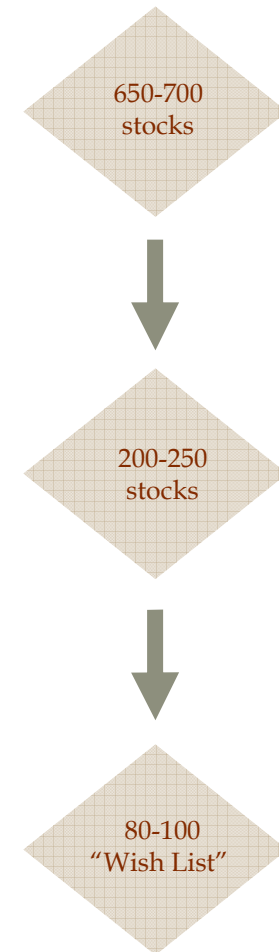
Develop a very thorough understanding of a company's business model, financial health and managerial talent using historical 10k's, management meetings, customer/competitor interviews, etc.

Financial Quality:

- Income Statement
 - Strength and consistency of cash flow generation
 - 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
- On-site meeting required for every investment candidate before it is purchased in the portfolio.



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



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.



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



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

Risk Management Process

Process managed by the Vice-President /Sr. Portfolio Manager, U.S. Small-Cap Equities

- Avoid Permanent Value Destruction
 - High-quality companies only
 - Focus and strict discipline on valuation
 - Investment in companies with a strong balance sheet
 - Individual positions established at 1% to 3%
 - Stocks are trimmed at 7%
- Sector Risk
 - 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 outperformance.*

See Risk/Reward Chart on page 6

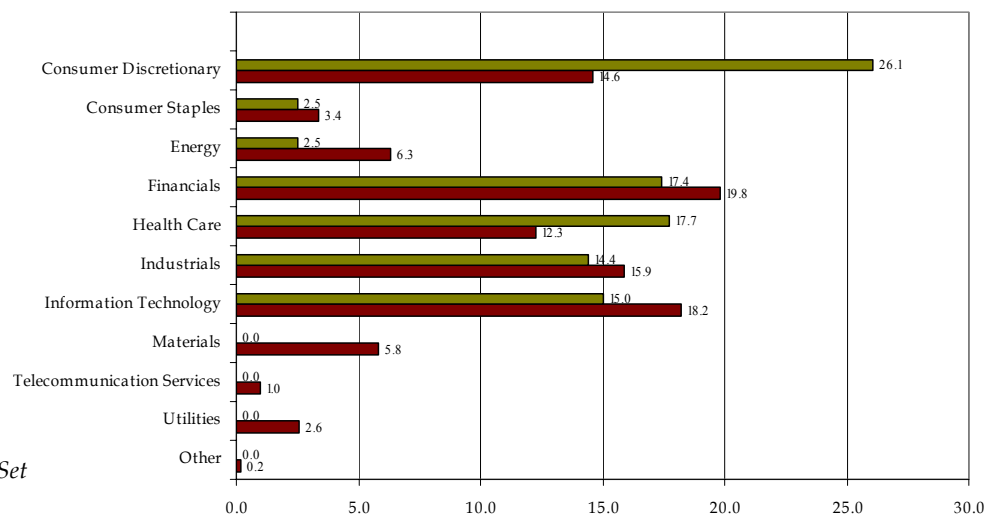
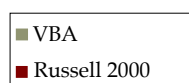
PORTFOLIO PROFILE



Top Ten Portfolio Holdings as at December 31, 2010

Brown & Brown, Inc.	Financial	5.1%
Universal Health Services, Inc.	Health Care	4.2%
LHC Group, Inc.	Health Care	3.7%
NeuStar, Inc.	Information Technology	3.4%
Herman Miller, Inc.	Industrials	3.1%
Big Lots, Inc.	Consumer Discretionary	3.1%
John Wiley & Sons, Inc.	Consumer Discretionary	3.1%
Lender Processing Services, Inc.	Information Technology	3.1%
Interval Leisure Group, Inc.	Consumer Discretionary	3.0%
Chemed Corporation	Health Care	3.0%
Total		34.8%

GICS Sector Weights as at December 31, 2010



Source for Russell 2000 Index: FactSet

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

PORTFOLIO VALUATION



(As at December 31, 2010)

Valuation (Last Twelve Months)	VBA Portfolio	Russell 2000 Index
P/E Ratio (Median)	15.9x	23.3x*
P/E Ratio (Weighted Average)	16.4x	19.6x*
EV/EBITDA (Median)	8.8x	11.9x*
Return on Equity (Median)	16.0%	4.9%
Return on Equity – Weighted Average	33.2%	8.8%
Market Capitalization (Median)	\$1,888.7 M	\$528.0 M
Weighted-Average Capitalization	\$2,073.9 M	\$1,250.0 M

EV/EBITDA = Enterprise Value to Earnings before Interest,
Taxes, Depreciation, Amortization

***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: BNY Mellon and FactSet

* Russell 2000 Index - Excluding Negative Earnings

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 and Financial Services
 - Owen Gibbons: Industrials and Information Technology
 - Ammar Ali: Consumer Discretionary
 - Judy Grant: Monitors spin-offs, insider buying/selling, short positions in stocks, technical analysis and sector/macro trends.

KEY INVESTMENT PROFESSIONALS



- **J. Sebastian van Berk, B.Comm.**, founded Van Berk and Associates Inc. (“VBA”) in 1991 and is President and Chief Executive Officer. In his role, Mr. van Berk ensures that the investment process is properly implemented, resourced and incented. 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 Bolton Investments Inc. In September 2005, Mr. van Berk was appointed member of the Board of Directors of the Institute for Governance of Private and Public Organizations.

U.S. Small-Cap Team

- **Mathieu Sirois, M.Sc. (Finance, HEC Montreal), CFA** is Vice-President and Senior Portfolio Manager, U.S. Small-Cap Equities. Mathieu has been with VBA’s U.S. Small-Cap Equity Team for nine+ years, joining in 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.
- **Owen Gibbons, MPhil (Oxford University)** is Senior Analyst, U.S. Small-Cap Equities. He is responsible for conducting research on the broad U.S. small-cap equity market. Prior to joining VBA in 2009, Owen worked over a 10-year period as a buy-side and sell-side Investment Analyst for such firms as Morgan Stanley, Deutsche Asset Management and, most recently, as Vice-President, Global Equities at Natcan Investment Management.
- **Ammar Ali, B. Comm. (Major in Finance, McGill University), CFA** joined VBA in 2009 as Analyst, U.S. Small-Cap Equities to be promoted Senior Analyst, U.S. Small-Cap Equities on January 1, 2011. He is responsible for conducting fundamental research on the broad U.S. small-cap equity market. Previously, Ammar worked as an Equity Analyst at Montrusco Bolton Investments Inc. in Montreal (2007-2009). He has also worked in the Investment Banking (2005-2007) and Credit Rating Industries (2004-2005).
- **Judy M. Grant, B. Comm. (Major in Finance, Concordia University), CFA** is Research Analyst and Equity Trader, U.S. Small-Cap Equities. She is responsible for all U.S. small-cap equity trading, monitoring spin-offs, insider buying/selling, short positions, technical analysis and sector/macro trends. Judy has 19 years investment management experience having worked for Jarislowsky, Fraser & Co., and Toronto Dominion Bank prior to joining VBA in 1995.

WHY VAN BERKOM AND ASSOCIATES INC.?



- VBA manages small-cap stocks exclusively — a unique expertise and focus.
- VBA is 100% owned by its employees, aligning our interests with those of our clients.
- VBA's time-proven investment process is extremely disciplined.
- VBA focuses on obtaining superior knowledge of its companies, which has been a key differentiator and contributor to its investment success.
- Significant "value-added" performance since inception; 674 bps annually since June 2000 (20th percentile).
- Clients are serviced by the U.S. Small-Cap Team.

MANAGEMENT FEES



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.

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

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 Berk 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.

Year Ended 31-Dec	VBA Composite Gross Rate of Return (US\$)	Number of 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 (US\$)
2010	25.32%	12	\$632.21	43.89%	86.32%	0.27%	26.86%
2009	35.30%	8	\$301.77	33.95%	100.00%	0.21%	27.17%
2008	-27.84%	6	\$214.30	35.70%	96.20%	0.66%	-33.79%
2007	12.21%	5	\$284.83	25.29%	97.66%	0.31%	18.35%
2006	14.93%	5	\$251.18	21.00%	98.82%	0.12%	18.35%
2005	4.82%	4	\$211.30	15.40%	95.70%	0.22%	4.55%
2004	21.77%	4	\$169.07	11.75%	94.39%	0.10%	18.33%
2003	26.10%	4	\$139.52	10.82%	93.45%	0.36%	47.25%
2002	-6.72%	2	\$95.98	11.20%	92.82%	0.00%	-20.48%
2001	23.74%	1	\$69.31	7.59%	89.09%	0.00%	2.49%
2000 (6 mos.)	13.72%	1	\$56.27	5.77%	88.21%	0.00%	-5.88%

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 December 31, 2010)

Company	Stock price	Market Capitalisation	LTM P/E	LTM EV/EBITDA	LTM P/CF	ROIC	ROE	NB/EBITDA	5 y EPS Growth
Brown & Brown, Inc.	\$ 23.94	\$ 3,339,630	16.83	10.13	15.81	12.63%	14.70%	-0.04	5.75%
Universal Health Services, Inc.	\$ 43.42	\$ 4,247,040	17.14	7.50	9.19	11.80%	15.80%	1.13	4.55%
LHC Group, Inc.	\$ 30.00	\$ 546,390	10.91	6.17	9.62	19.32%	16.00%	-0.03	7.55%
NeuStar, Inc.	\$ 26.05	\$ 1,980,477	14.90	6.92	9.32	22.76%	21.24%	-1.63	10.21%
Herman Miller, Inc.	\$ 25.30	\$ 1,461,492	29.29	11.93	16.19	56.49%	175.11%	1.01	-7.63%
Big Lots, Inc.	\$ 30.46	\$ 2,202,258	11.16	5.64	8.88	26.72%	22.56%	0.19	11.11%
John Wiley & Sons, Inc.	\$ 45.24	\$ 2,651,064	13.68	8.35	9.37	15.17%	23.23%	1.42	10.38%
Lender Processing Services, Inc.	\$ 29.52	\$ 2,735,973	8.71	5.93	6.68	57.60%	61.80%	1.82	10.05%
Interval Leisure Group, Inc.	\$ 16.14	\$ 930,164	15.05	7.89	11.32	18.96%	26.93%	1.38	5.78%
Chemed Corporation	\$ 63.51	\$ 1,462,783	14.94	8.80	12.04	14.15%	15.98%	0.29	7.80%
Carlisle Companies Incorporated	\$ 39.74	\$ 2,445,083	15.92	8.04	5.47	10.79%	11.32%	0.13	3.90%
Graco Inc.	\$ 39.45	\$ 2,391,617	22.25	14.41	24.20	35.80%	41.74%	0.53	8.84%
RLI Corp.	\$ 52.57	\$ 1,108,701	11.84	7.84	11.44	13.50%	14.60%	0.34	-5.20%
Tempur-Pedic International Inc.	\$ 40.06	\$ 2,861,606	21.18	12.87	17.15	24.92%	108.54%	1.57	9.46%
Progress Software Corporation	\$ 42.40	\$ 1,809,802	27.32	11.97	11.50	25.91%	15.06%	-1.92	7.38%
Median		\$ 2,202,258	15.05	8.04	11.32	19.32%	21.24%	0.34	7.55%
Median of Portfolio		\$ 1,888,657	15.92	8.77	11.32	15.17%	16.00%	0.17	7.46%

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