



VAN BERKOM AND ASSOCIATES INC  
ET ASSOCIÉS INC

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November 18, 2002

**RE: Outstanding US Small-Cap Performance Results  
US Small-Cap Division Wins CA\$50 Million Account  
VBA's Canadian and US Small-Cap Divisions Open for Business**

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It is again my pleasure to report on the continuing outstanding investment performance results of the US Small-Cap Equity Management Division. It is also my pleasure to report that the US Small-Cap Division won a CA\$50 million mandate in September 2002.

**US Small-Cap Investment Performance**

The following table shows the investment performance results of the Van Berkom and Associates Inc.'s ("VBA") US Pension Fund Composite for the period ended September 30, 2002 compared with the Russell 2000 Small-Cap Index as well as the S&P 500 Index.

**VBA US Pension Fund Composite Results  
Time-Weighted Rates of Return  
(To September 30, 2002)**

	<u>1 Mo.</u>	<u>3 Mos.</u>	<u>YTD</u>	<u>1 Yr.</u>	<u>2 Yrs.</u>	<u>Since</u>
	%	%	%	%	%	06/30/00
						%
VBA US Pension Fund	-5.6	-14.2	-12.7	5.0	7.4	9.6
Russell 2000 Index	-7.2	-21.4	-25.1	-9.3	-15.5	-13.5
S&P 500 Index	-11.0	-17.6	-29.0	-21.7	-24.7	-22.7
<b>Value Added (VBA US Pension Fund minus Russell 2000)</b>	<b>1.6</b>	<b>7.2</b>	<b>12.4</b>	<b>14.3</b>	<b>22.8</b>	<b>23.0</b>

*NOTE: Van Berkom and Associates Inc. (an entity registered with the QC, NS, ON, AB, and BC Securities Commissions as Investment Counsellor and Portfolio Manager with unrestricted practice) has prepared and presented the report in compliance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR-PPS™). AIMR has not been involved with the preparation or review of this report. As at September 30, 2002, the VBA US Pension Fund Composite ("VBA US Pension Fund") totalled US\$89.8 million in small-cap assets, which represented 77.9% of the firm's US assets under management and 9.6% of the firm's total assets under management. The VBA US Pension Fund Composite includes two major pension fund accounts. A complete list of the firm's composites and a description of each are available.*

## US SMALL-CAP DIVISION WINS CA\$50 MILLION MANDATE

One of VBA's existing Canadian pension fund clients recently terminated its mandate with a US Small-Cap manager in favor of VBA. This was the first time that this pension fund hired a domestic investment counsellor to manage a non-domestic mandate. This mandate brings VBA's total US small-cap assets under management to CA\$183.4 million as at September 30, 2002 or 12.3% of VBA's total small-cap assets under management of CA\$1.5 billion.

## CANADIAN SMALL-CAP INVESTMENT PERFORMANCE

The following table shows the investment performance results of the VBA Canadian Pension Fund Composite for the period ended September 30, 2002 compared with the BMO Nesbitt Burns Small Cap Index as well as the S&P/TSX Composite Index.

### VBA Cdn. Pension Fund Composite Results Time-Weighted Rates of Return (To September 30, 2002)

	<u>3 Mos.</u> %	<u>YTD</u> %	<u>1 Yr.</u> %	<u>2 Yrs.</u> %	<u>4 Yrs.</u> %	<u>6 Yrs.</u> %	<u>8 Yrs.</u> %	<u>10 Yrs.</u> %
VBA Composite	-12.4	-2.0	14.5	-1.3	11.1	10.7	13.4	15.0
BMO Nesbitt Burns Small Cap Unweighted Index	-17.2	-12.9	5.2	-12.4	1.8	-2.4	1.3	5.4
S&P/TSX Composite Index	-13.1	-18.6	-8.1	-21.6	4.0	4.2	6.3	8.6
<b>Value Added (VBA Composite minus BMO/NB)</b>	<b>4.8</b>	<b>10.9</b>	<b>9.3</b>	<b>11.1</b>	<b>9.3</b>	<b>13.1</b>	<b>12.1</b>	<b>9.6</b>

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*Inception Date: The VBA Cdn. Pension Fund Composite commenced June 30, 1992.*

Attached, I have enclosed the comparative investment performance results of the VBA US Pension Fund Composite and the VBA Cdn. Pension Fund Composite in the Russell/Mellon Analytical Services ("Russell/Mellon") Universe of small-cap equity managers.

As you can see, VBA ranks in the first quartile of investment performance results of US small-cap equity managers for the two years ended September 30, 2002. VBA ranks in the second quartile of investment performance results of Canadian small-cap equity managers for the 10 years ended September 30, 2002.

If you would like to learn more about VBA, our US Small-Cap Equity and/or our Canadian Small-Cap Equity Management Divisions, please visit us on our web site at [www.vbassociates.com](http://www.vbassociates.com) or call me at (514) 985-5759 ext. 223, Steve Boutin at (514) 985-5759 ext. 229 or Benoît Durand at (514) 985-5759 ext. 226.

Finally, if you would like to receive future quarterly mailings of this information via email, please contact Danielle Ranger at (514) 985-5759 ext. 235 or at [dranger@vbassociates.com](mailto:dranger@vbassociates.com).

Sincerely yours,

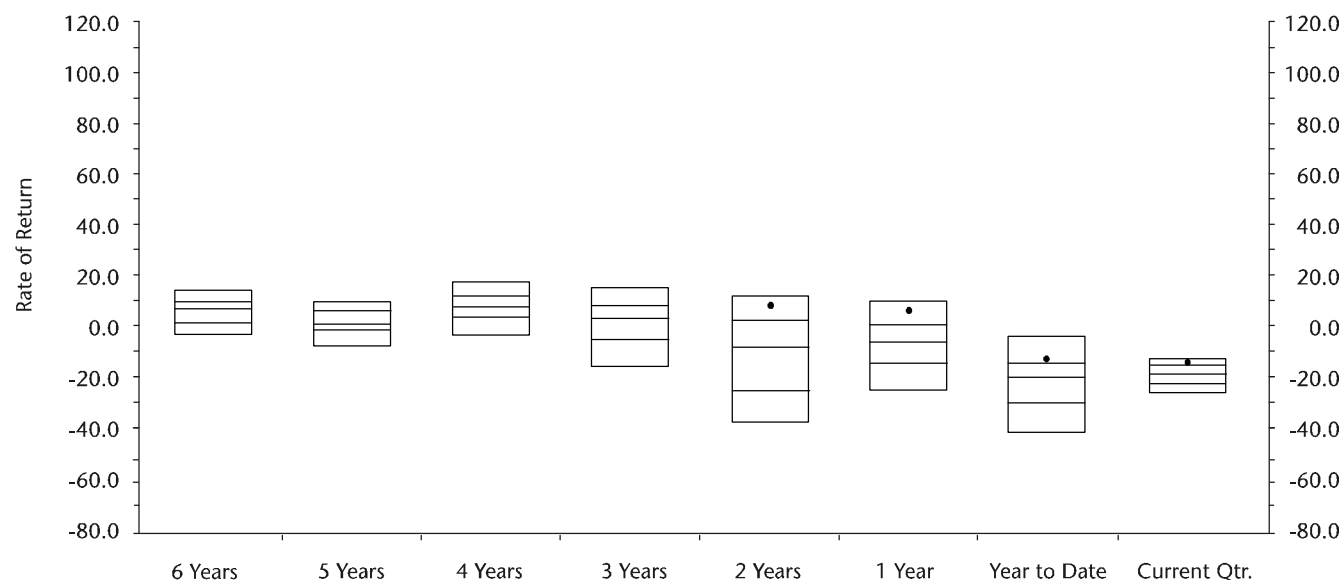
**J. Sebastian van Berkom**  
President and Chief Executive Officer

Attachments

JSvB/dr

# VBA US PENSION FUND COMPOSITE - RUSSELL/MELLON UNIVERSE

Total Fund: Rates of Return for Periods Ending September 30, 2002

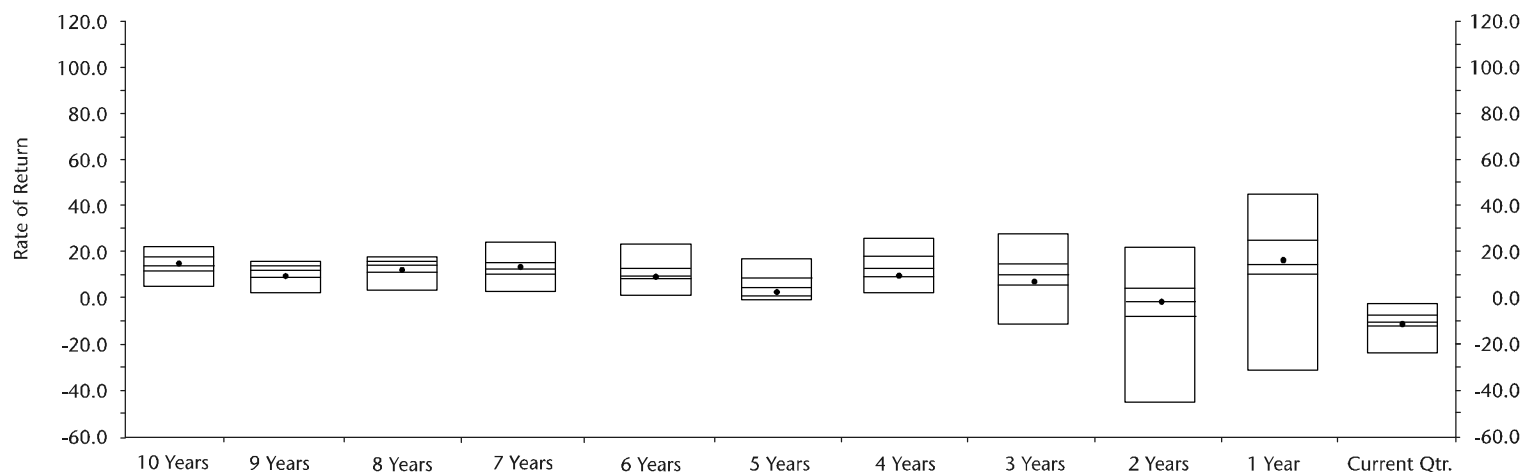


	6 Years	5 Years	4 Years	3 Years	2 Years	1 Year	Year to Date	Current Qtr.
5th Percentile	13.8	8.5	18.7	15.7	11.1	9.4	-5.6	-13.8
25th Percentile	9.8	5.0	11.1	9.5	3.4	0.8	-15.1	-16.8
Median	6.5	1.6	7.4	3.0	-9.9	-6.0	-21.6	-19.0
75th Percentile	1.9	-2.4	3.5	-6.2	-26.9	-14.5	-30.6	-22.1
95th Percentile	-3.7	-8.4	-3.9	-16.6	-39.9	-26.4	-42.5	-27.8
<b>VBA US Pension Fund</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7.4</b>	<b>5.0</b>	<b>-12.7</b>	<b>-14.2</b>
Russell 2000 Index	2.1	-3.2	1.2	-4.1	-15.5	-9.3	-25.1	-21.4
S&P 500 Index	2.9	-3.0	-5.4	-14.0	-24.7	-21.7	-29.0	-17.6

Note: Van Berkorn and Associates Inc. (an entity registered with the Quebec, Nova Scotia, Ontario, Alberta and British Columbia Securities Commissions as Investment Counsellor and Portfolio Manager with unrestricted practice) has prepared and presented this report in compliance with the Performance Presentation Standards of the Association for Investment Management Research (AIMR-PPS™). AIMR has not been involved with the preparation or review of this report. As of September 30, 2002, the VBA US Pension Fund Composite ("VBA US Pension Fund") totalled US\$89.8 million in small-cap assets, which represented 77.9% of the firm's US assets under management and 9.6% of the firm's total assets under management. The VBA US Composite includes two major pension fund accounts. A complete list of the firm's composites and a description of each are available.

# CANADIAN SMALL-CAPITALIZATION FUNDS – RUSSELL/MELLON UNIVERSE

Total Fund: Rates of Return for Periods Ending September 30, 2002



	10 Years	9 Years	8 Years	7 Years	6 Years	5 Years	4 Years	3 Years	2 Years	1 Year	Current Qtr.
Maximum	20.8	14.9	16.2	24.1	23.4	17.7	26.9	28.6	23.3	44.6	-3.7
25th Percentile	17.4	13.2	13.8	14.8	12.3	9.8	17.7	15.2	5.6	24.0	-9.4
Median	14.6	11.3	12.6	13.3	10.0	3.4	12.9	10.2	-1.9	14.6	-11.3
75th Percentile	12.0	9.1	10.2	10.5	9.1	1.3	10.5	6.3	-9.8	10.6	-12.8
Minimum	6.2	2.0	3.1	2.9	0.2	-7.3	3.2	-11.2	-44.2	-31.3	-23.3
<b>VBA Composite</b>	<b>15.0</b>	<b>10.9</b>	<b>13.4</b>	<b>13.2</b>	<b>10.7</b>	<b>2.3</b>	<b>11.1</b>	<b>7.3</b>	<b>-1.3</b>	<b>14.5</b>	<b>-12.3</b>
BMO Nesbitt Burns	5.4	1.6	1.3	0.8	-2.4	-7.1	1.8	-3.7	-12.4	5.2	-17.2
CIBC World Markets Small Cap	5.5	2.0	2.2	2.1	-0.6	-5.3	3.9	0.3	-8.8	6.5	-15.9
S&P/TSX Composite Index	8.5	6.9	6.3	6.3	4.2	-1.1	4.0	-2.5	-21.6	-8.1	-13.1

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Inception Date: The VBA Cdn. Pension Fund Composite commenced June 30, 1992.