



February 9, 2004

**RE: VBA's US Mutual Fund Composite Ranks 19<sup>th</sup> Percentile on Four-Year Basis  
VBA's GARP Style Currently Out of Favor**

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I am pleased to report that the US Small-Cap Equity Management Division continues to demonstrate outstanding long-term investment performance results as indicated in the tables below and in the enclosed charts relative to our peers. Unfortunately, recent one-year results show underperformance. This is primarily due to the fact that our investment style (Growth at a reasonable price – GARP) is currently out of favor.

**US Small-Cap Investment Performance**

The following tables show the investment performance results of the Van Berkomp and Associates Inc.'s ("VBA") US Mutual Fund Composite and VBA's US Pension Fund Composite for the period ended December 31, 2003 compared with the Russell 2000 Small-Cap Index as well as the S&P 500 Index.

**VBA US Mutual Fund Composite  
Time-Weighted Rates of Return  
(To December 31, 2003)**

	<u>1 Mo.</u>	<u>3 Mos.</u>	<u>YTD</u>	<u>1 Yr.</u>	<u>2 Yrs.</u>	<u>3 Yrs.</u>	<u>4 Yrs.</u>	<u>Since</u> <u>12/31/99</u>
	%	%	%	%	%	%	%	%
VBA US Composite	4.2	10.7	25.6	25.6	6.8	11.3	19.1	19.1
Russell 2000 Index	2.0	14.5	47.3	47.3	8.2	6.3	3.9	3.9
S&P 500 Index	5.1	11.6	26.4	26.4	-1.6	-5.6	-6.7	-6.7
<b>Value Added (VBA US Composite minus Russell 2000)</b>	<b>2.2</b>	<b>-3.8</b>	<b>-21.6</b>	<b>-21.6</b>	<b>-1.4</b>	<b>5.1</b>	<b>15.3</b>	<b>15.3</b>

*NOTE: Van Berkomp and Associates Inc. (an entity registered with the Quebec, Nova Scotia, Ontario, Alberta, and British Columbia Securities Commissions as Investment Counsellor and with the Securities and Exchange Commission (United States) as an Investment Advisor) 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 December 31, 2003 VBA US Mutual Fund Composite ("VBA US Composite") totalled US\$8.5 million in small-cap assets, which represented 4.9% of the firm's US assets under management and 0.7% of the firm's total assets under management. The VBA US Mutual Fund Composite includes one major mutual fund account. A complete list of the firm's composites and a description of each are available.*

**VBA US Pension Fund Composite Results**  
**Time-Weighted Rates of Return**  
**(To December 31, 2003)**

	<u>1 Mo.</u>	<u>3 Mos.</u>	<u>YTD</u>	<u>1 Yr.</u>	<u>2 Yrs.</u>	<u>3 Yrs.</u>	<u>3 1/2 Yrs.</u>	<u>Since</u>
	%	%	%	%	%	%	%	<u>06/30/00</u>
								%
VBA US Pension Fund	4.4	11.4	26.1	26.1	8.4	13.3	15.5	15.5
Russell 2000 Index	2.0	14.5	47.3	47.3	8.2	6.3	3.5	3.5
S&P 500 Index	5.1	11.6	26.4	26.4	-1.6	-5.6	-7.4	-7.4
<b>Value Added (VBA US Pension Fund minus Russell 2000)</b>	<b>2.4</b>	<b>-3.1</b>	<b>-21.2</b>	<b>-21.2</b>	<b>0.2</b>	<b>7.0</b>	<b>11.9</b>	<b>11.9</b>

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**Comparative Investment Performance Versus Russell/Mellon Universe of US Small-Cap Managers**

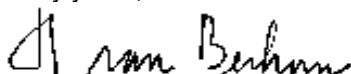
I have enclosed the comparative investment performance results of the VBA US Mutual Fund Composite and the US Pension Fund Composite in the Russell/Mellon Analytical Services ("Russell/Mellon") Universe of US small-cap equity managers. Also enclosed are risk/reward charts showing the US Mutual Fund Composite and the US Pension Fund Composite versus a universe of 284 US Small-Cap portfolios as evaluated by the Frank Russell Company.

VBA's US Mutual Fund Composite ranks 19<sup>th</sup> percentile in investment performance results of US small-cap equity managers for the four years ended December 31, 2003 and VBA's US Pension Fund Composite ranks 41<sup>st</sup> percentile in investment performance results of US small-cap equity managers for the three years ended December 31, 2003.

If you would like to learn more about VBA and our US Small-Cap Equity Management Division, please visit us on our web site at [www.vbassociates.com](http://www.vbassociates.com) or call me at 1 888 VBA-5759, extension 223 or (514) 985-5759, extension 223, Steve Boutin at extension 229 or Benoît Durand at extension 226 or by e-mail at [contact@vbassociates.com](mailto:contact@vbassociates.com).

Finally, if you would like to receive future quarterly mailings of this information via email, please contact Danielle Ranger at 1 888 VBA-5759, extension 235 or (514) 985-5759, extension 235 or at [dranger@vbassociates.com](mailto:dranger@vbassociates.com).

Sincerely yours,

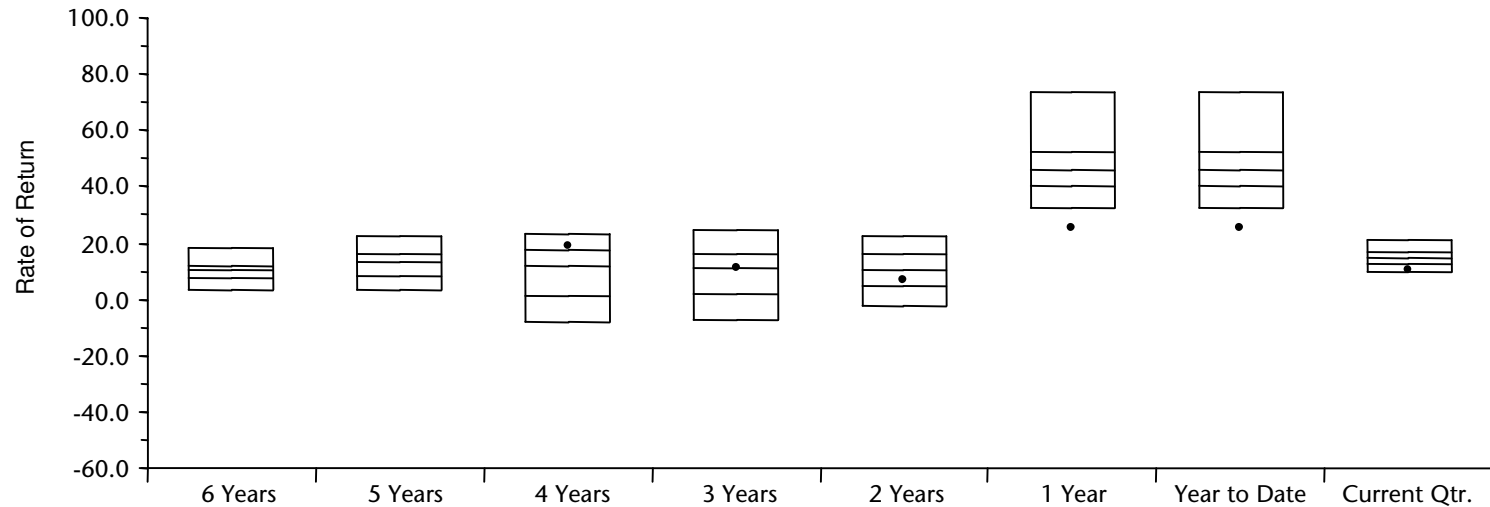


*J. Sebastian van Berkom*  
 President and Chief Executive Officer

Attachments  
 JSvB/dr

# VBA US MUTUAL FUND COMPOSITE – RUSSELL/MELLON UNIVERSE

Total Fund: Rates of Return for Periods Ending December 31, 2003



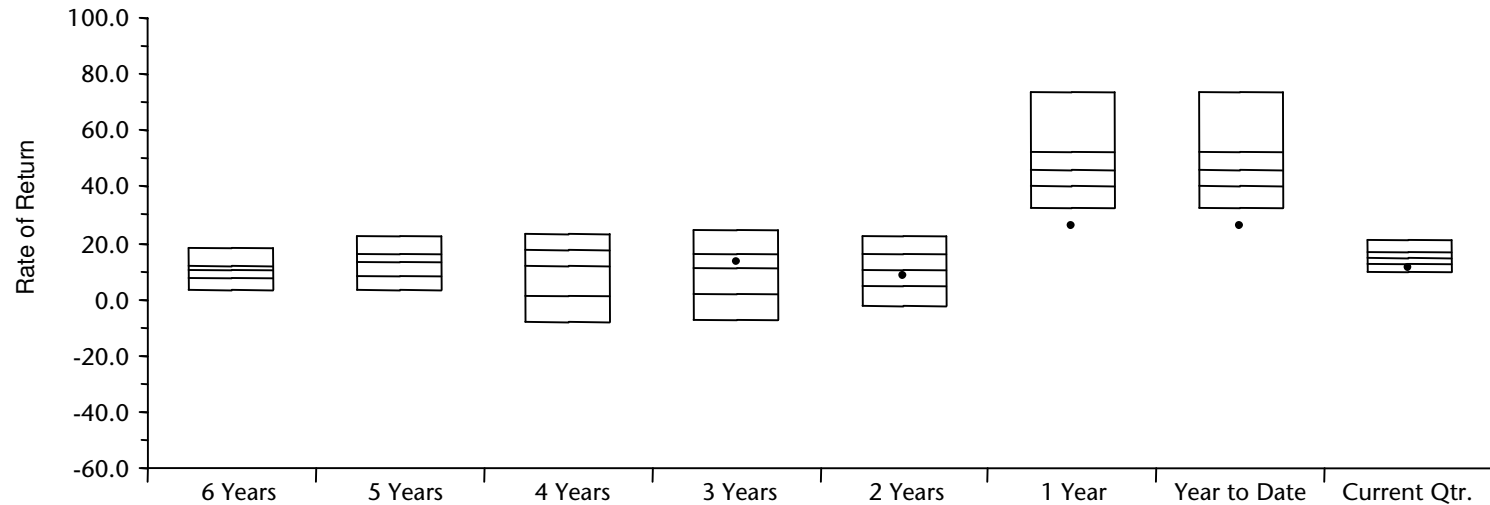
	6 Years	5 Years	4 Years	3 Years	2 Years	1 Year	Year to Date	Current Qtr.
5 <sup>th</sup> Percentile	18.3	22.6	23.5	24.3	22.6	73.6	73.6	20.9
25 <sup>th</sup> Percentile	12.1	16.2	17.7	16.2	15.8	52.2	52.2	16.6
Median	10.3	13.2	11.6	10.8	10.4	45.7	45.7	14.9
75 <sup>th</sup> Percentile	7.4	8.3	1.1	2.1	4.4	40.0	40.0	12.8
95 <sup>th</sup> Percentile	3.2	3.0	-8.4	-7.6	-2.3	32.4	32.4	9.6

<b>VBA US Composite</b>	--	--	<b>19.1</b>	<b>11.3</b>	<b>6.8</b>	<b>25.6</b>	<b>25.6</b>	<b>10.7</b>
Russell 2000 Index	5.5	7.1	3.9	6.3	8.2	47.3	47.3	14.5
S&P 500 Index	2.3	-2.0	-6.7	-5.6	-1.6	26.4	26.4	11.6

**Note:** Van Berkomp 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 and with the Securities and Exchange Commission (United States) as Investment Advisor) 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 December 31, 2003, the VBA US Mutual Fund Composite ("VBA US Composite") totalled US\$8.5 million in small-cap assets, which represented 4.9% of the firm's US assets under management and 0.7% of the firm's total assets under management. The VBA US Mutual Fund Composite includes one major mutual fund account. A complete list of the firm's composites and a description of each are available.

# VBA US PENSION FUND COMPOSITE – RUSSELL/MELLON UNIVERSE

Total Fund: Rates of Return for Periods Ending December 31, 2003



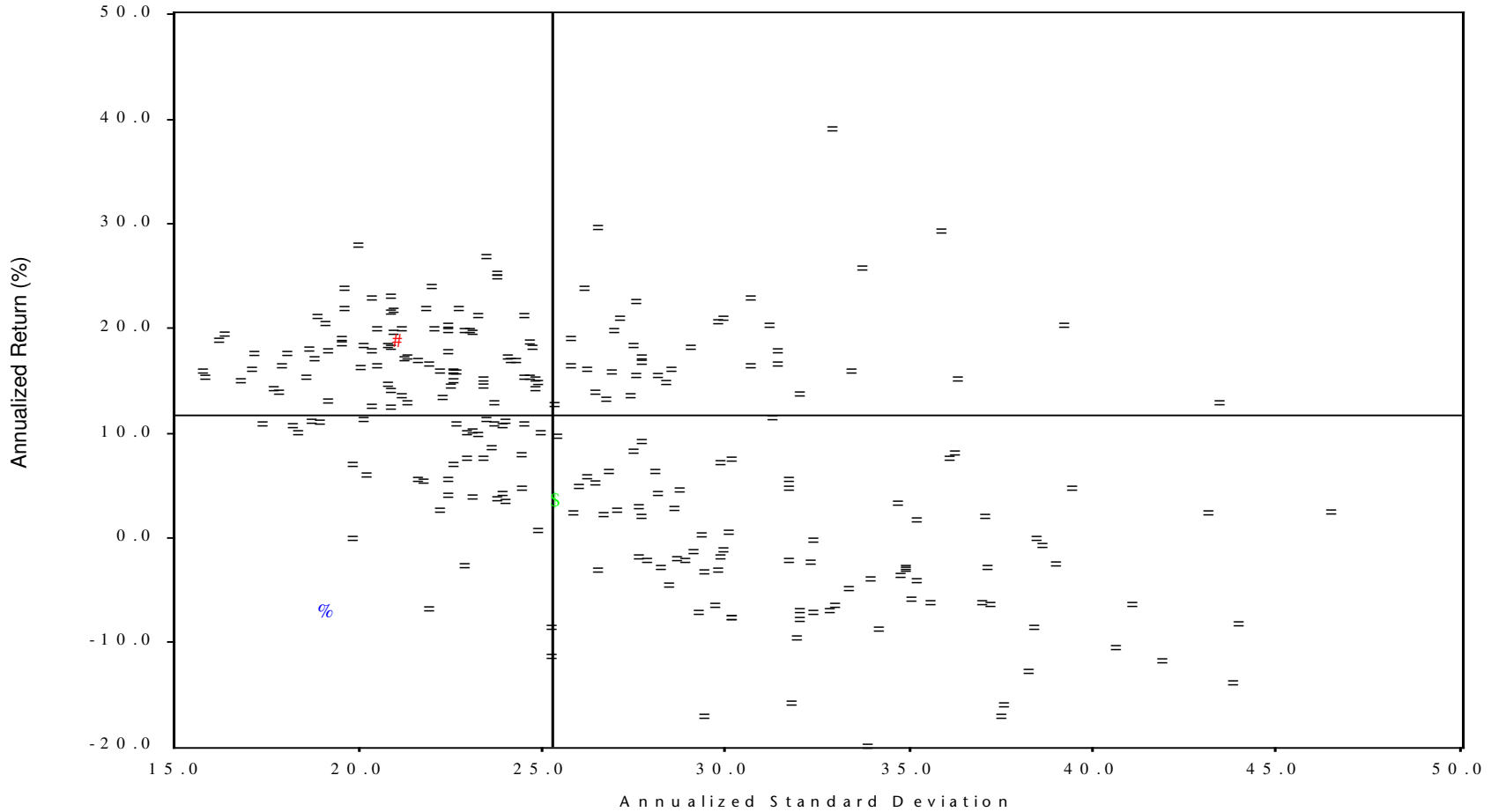
	6 Years	5 Years	4 Years	3 Years	2 Years	1 Year	Year to Date	Current Qtr.
5 <sup>th</sup> Percentile	18.3	22.6	23.5	24.3	22.6	73.6	73.6	20.9
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Median	10.3	13.2	11.6	10.8	10.4	45.7	45.7	14.9
75 <sup>th</sup> Percentile	7.4	8.3	1.1	2.1	4.4	40.0	40.0	12.8
95 <sup>th</sup> Percentile	3.2	3.0	-8.4	-7.6	-2.3	32.4	32.4	9.6

<b>VBA US Pension Fund</b>	--	--	--	<b>13.3</b>	<b>8.4</b>	<b>26.0</b>	<b>26.0</b>	<b>11.4</b>
Russell 2000 Index	5.5	7.1	3.9	6.3	8.2	47.3	47.3	14.5
S&P 500 Index	2.3	-2.0	-6.7	-5.6	-1.6	26.4	26.4	11.6

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# VBA US MUTUAL FUND COMPOSITE RISK/REWARD – US SMALL-CAP EQUITY UNIVERSE

(Four Years Ending December 31, 2003)



239 Portfolios

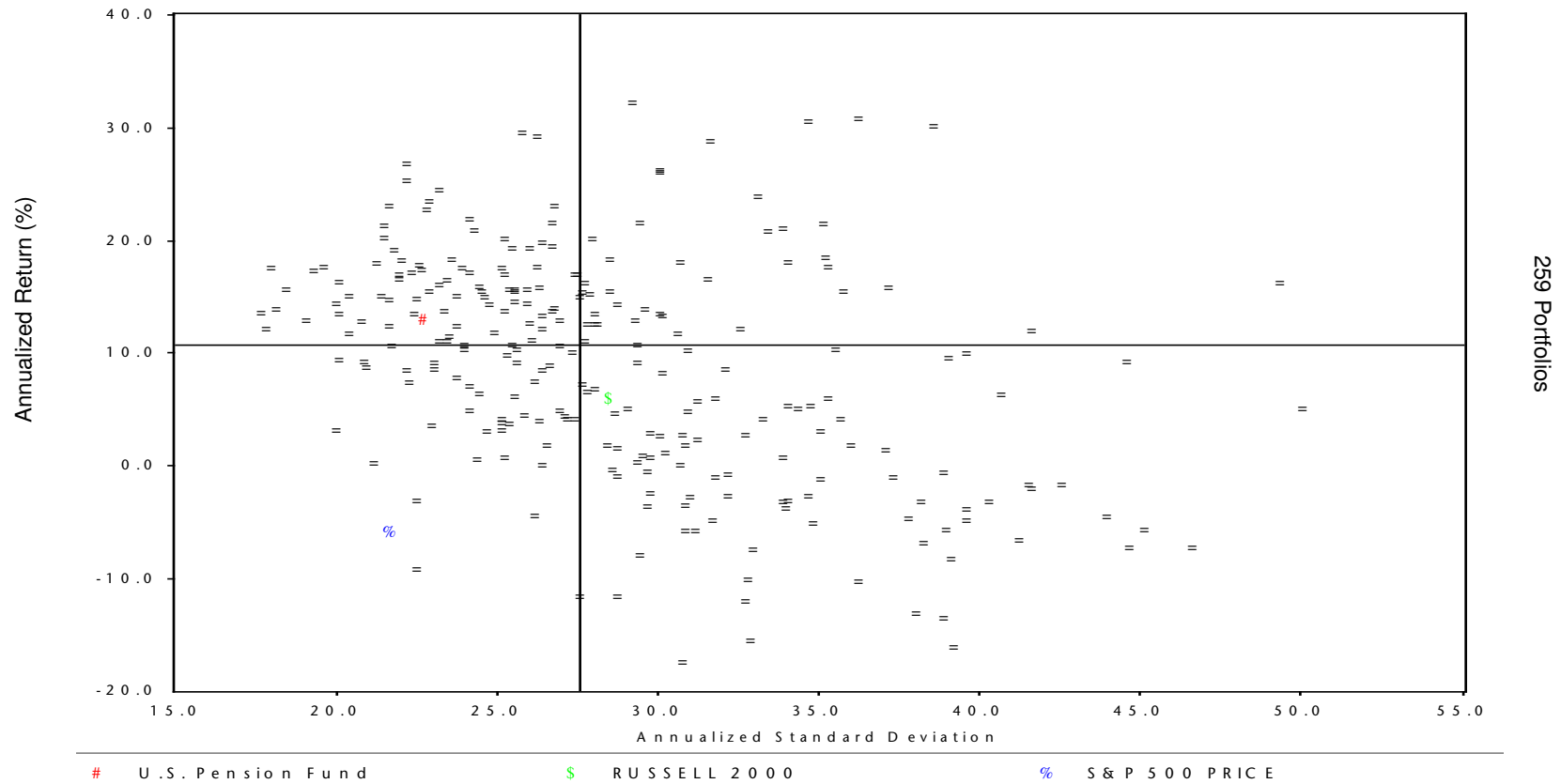
# U.S. Mutual Fund      \$ RUSSELL 2000      % S & P 500 PRICE

Universe Source: (c) Frank Russell Company

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# VBA US PENSION FUND COMPOSITE RISK/REWARD – US SMALL-CAP EQUITY UNIVERSE

(Three Years Ending December 31, 2003)



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