



October 26, 2007

**Subject: VBA's U.S. Pension Fund Composite Ranks  
31<sup>st</sup> Percentile on Seven-Year Basis, 30<sup>th</sup> Percentile on One-Year Basis, and  
41<sup>st</sup> Percentile for the Third Quarter 2007**

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It is again my pleasure to report on the outstanding long-term investment performance results of the U.S. Small-Cap Equity Management Division as indicated in the table below and in the enclosed charts relative to our peers.

### U.S. Small-Cap Investment Performance

The following table shows the investment performance results of the Van Berkomp and Associates Inc.'s ("VBA") U.S. Pension Fund Composite for the period ended September 30, 2007 compared with the Russell 2000 Small-Cap Index as well as the S&P 500 Index.

#### VBA U.S. Pension Fund Composite Results Time-Weighted Rates of Return (To September 30, 2007)

	1 Mo. (%)	3 Mos. (%)	YTD (%)	1 Yr. (%)	2 Yrs. (%)	4 Yrs. (%)	5 Yrs. (%)	7 Yrs. (%)	Since 06/30/00 (%)
VBA U.S. Pension Fund	2.86	-1.05	14.67	22.50	16.52	17.01	17.78	14.71	15.17
Russell 2000 Index	1.72	-3.09	3.16	12.34	11.13	14.69	18.75	7.76	7.65
S&P 500 Index	3.74	2.03	9.13	16.39	13.54	13.29	15.42	2.59	2.36
<b>Value Added (VBA U.S. Composite minus Russell 2000)</b>	<b>1.14</b>	<b>2.04</b>	<b>11.51</b>	<b>10.16</b>	<b>5.39</b>	<b>2.32</b>	<b>-0.97</b>	<b>6.95</b>	<b>7.52</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 Investment Advisor] has prepared and presented the report in compliance with the Performance Presentation Standards of the CFA Institute (AIMR-PPS<sup>TM</sup>). The CFA Institute has not been involved with the preparation or review of this report. As at September 30, 2007, the VBA U.S. Pension Fund Composite ("VBA U.S. Pension Fund") totalled US\$292.1 million in small-cap assets, which represented 98.7% of the firm's US assets under management and 25.3% of the firm's total assets under management. The VBA U.S. Pension Fund Composite includes five major pension fund accounts. A complete list of the firm's composites and a description of each are available.*

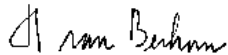
**Comparative Investment Performance versus Russell/Mellon Universe of U.S. Small-Cap Managers**

I have enclosed the comparative investment performance results of the VBA U.S. Pension Fund Composite in the Russell/Mellon Analytical Services ("Russell/Mellon") Universe of U.S. small-cap equity managers. Also enclosed is the risk/reward chart showing the VBA U.S. Pension Fund Composite versus a universe of 202 U.S. Small-Cap portfolios as evaluated by the Russell/Mellon Analytical Services LLC.

VBA's U.S. Pension Fund Composite ranks in the 31<sup>st</sup> percentile in investment performance results of U.S. small-cap equity managers for the seven years ended September 30, 2007, in the 30<sup>th</sup> percentile for the one year ended September 30, 2007, 2007, and 41<sup>st</sup> percentile for the quarter ended September 30, 2007.

If you would like to learn more about VBA and our U.S. 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 at (514) 985-5759, extension 223, Mathieu Sirois at extension 237 or Benoît Durand at extension 226 or by e-mail at [contact@vbassociates.com](mailto:contact@vbassociates.com).

Sincerely yours,

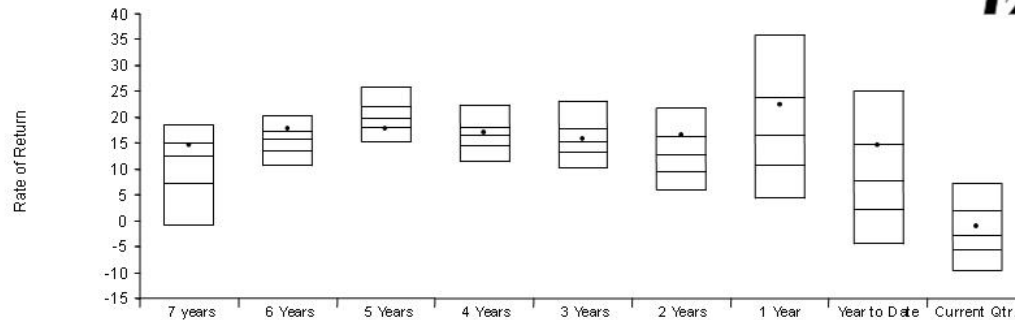


*J. Sebastian van Berkorn*  
President and Chief Executive Officer

JSvB/dr  
Attachments

## VBA U.S. PENSION FUND COMPOSITE – RUSSELL/MELLON UNIVERSE

Total Fund: Rates of Return for Periods Ending September 30, 2007



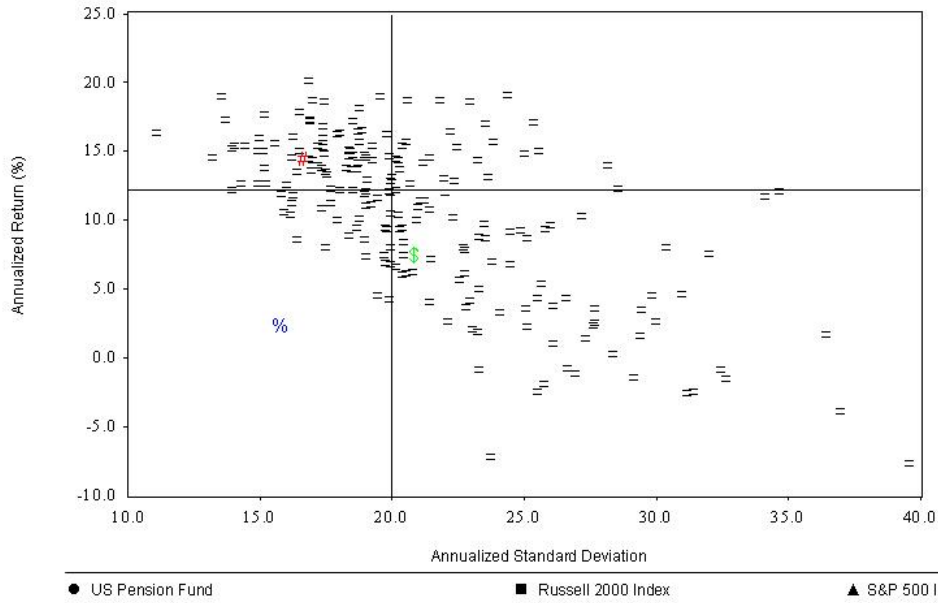
5 <sup>th</sup> Percentile	18.4	20.3	25.8	22.4	23.2	21.6	35.9	25.1	7.3
25 <sup>th</sup> Percentile	15.0	17.2	22.1	18.1	17.8	16.2	23.9	14.9	1.8
Median	12.3	15.7	19.8	16.5	15.3	12.6	16.5	7.7	-2.7
75 <sup>th</sup> Percentile	7.2	13.6	17.9	14.7	13.0	9.4	10.7	2.0	-5.8
95 <sup>th</sup> Percentile	-0.9	10.7	15.4	11.5	10.1	6.0	4.4	-4.5	-9.7
<b>VBA U.S. Pension Fund Composite</b>	<b>14.7</b>	<b>15.5</b>	<b>17.8</b>	<b>17.0</b>	<b>15.7</b>	<b>16.5</b>	<b>22.5</b>	<b>14.7</b>	<b>-1.0</b>
Russell 2000 Index	7.8	13.5	18.8	14.7	13.4	11.1	12.3	3.2	-3.1
S&P 500 Index	2.6	8.5	15.5	13.3	13.1	13.6	16.4	9.1	2.0

*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 CFA Institute (AIMR-PPS<sup>SM</sup>). The CFA Institute has not been involved with the preparation or review of this report. As of September 30, 2007, the VBA U.S. Pension Fund Composite ("VBA U.S. Pension Fund") totaled US\$292.1 million in small-cap assets, which represented 98.7% of the firm's US assets under management and 25.3% of the firm's total assets under management. The VBA U.S. Pension Fund Composite includes five major pension fund accounts. A complete list of the firm's composites and a description of each are available.*

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

(Seven-Year Period Ending September 30, 2007)



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