VBA's U.S. Pension Fund Composite Ranks 11th Percentile on the Eight-Year Basis and 11th Percentile on the One-Year Basis

On behalf of all the team at Van Berkom and Associates Inc. ("VBA"), I would like to wish you and your colleagues a happy and prosperous 2009. Hopefully the market will be much better than 2008!

U.S. SMALL-CAP INVESTMENT PERFORMANCE

It is again my pleasure to report on the continuing outstanding investment performance results of the U.S. Small-Cap Equity Management Division.

The following table shows the investment performance results of the Van Berkom and Associates Inc.'s ("VBA") U.S. Pension Fund Composite for the period ended December 31, 2008 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 December 31, 2008)

	1 Mo. (%)	3 Mos. (%)	YTD (%)	1 Yr. (%)	2 Yrs. (%)	4 Yrs. (%)	5 Yrs. (%)	7 Yrs. (%)	Since 06/30/00 (%)
VBA U.S. Pension Fund	2.45	-25.39	-27.84	-27.84	-10.02	-0.61	3.51	4.89	8.27
Russell 2000 Index	5.80	-26.12	-33.79	-33.79	-19.27	-5.23	-0.93	1.60	0.89
S&P 500 Index	1.06	-21.94	-37.00	-37.00	-18.47	-5.21	-2.19	-1.53	-3.76
Value Added (VBA U.S. Composite minus Russell 2000)	**-3.35**	**0.73**	**5.95**	**5.95**	**9.25**	**4.62**	**4.44**	**3.29**	**7.38**

NOTE: Van Berkom 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 Global Investment Performance Standards ("GIPS") of the CFA Institute. The CFA Institute has not been involved with the preparation or review of this report. As at December 31, 2008, the VBA U.S. Pension Fund Composite ("VBA U.S. Pension Fund") totalled US$214.3 million in small-cap assets, which represented 96.2% of the firm's U.S. assets under management and 35.7% of the firm's total assets under management. The VBA U.S. Pension Fund Composite includes six 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 BNY Mellon Asset Servicing 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 195 U.S. Small-Cap portfolios as evaluated by the BNY Mellon Asset Servicing.

VBA's U.S. Pension Fund Composite ranks in the 11th percentile for the eight-year period ended December 31, 2008, in the 11th percentile for the one-year ended December 31, 2008, and 43rd percentile for the quarter ended December 31, 2008.

REVIEW AND OUTLOOK OF U.S. SMALL-CAP STOCKS

Enclosed you will find the quarterly review and outlook for U.S. Small-Cap stocks that we have sent to our existing clients as at December 31, 2008.

PROMOTIONS AND CHANGES TO COMMON SHARE OWNERSHIP AT VBA

It is also my pleasure, as President and Chief Executive Officer of VBA, to report to you the following promotions and changes to common share ownership at VBA:

Employee	Current Position	New Position	Current Share Ownership	Projected Share Ownership
U.S. Small-Cap Equity Team				
Mathieu Sirois	Senior Portfolio Manager, U.S. Small-Cap Equities	Vice-President and Senior Portfolio Manager, U.S. Small-Cap Equities	13.0%	15.0%
Philippe Hynes	Analyst, U.S. Small-Cap Equities	Senior Analyst, U.S. Small-Cap Equities	5.0%	5.5%
Andrew Chan	Analyst, U.S. Small-Cap Equities	Senior Analyst, U.S. Small-Cap Equities	1.0%	1.5%
Canadian Small-Cap Equity Team				
Charles Timmons	Analyst, Canadian Small-Cap Equities	Senior Analyst, Canadian Small-Cap Equities	0.0%	1.0%

The promotions are effective since January 1, 2009, while the opportunity to purchase additional common shares of VBA will coincide with the timing and payment of investment professional bonuses due in the first quarter of 2009.

My personal ownership position (J. Sebastian van Berkom) will decline from 57.5% to 53.5% after the above-mentioned transactions are completed. The remaining common shareholders of VBA are Benoît Durand, Vice-President, Canadian Small-Cap Equities (22.0%) and Lawrence Lai, Analyst, Canadian Small-Cap Equities (1.5%).

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 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.

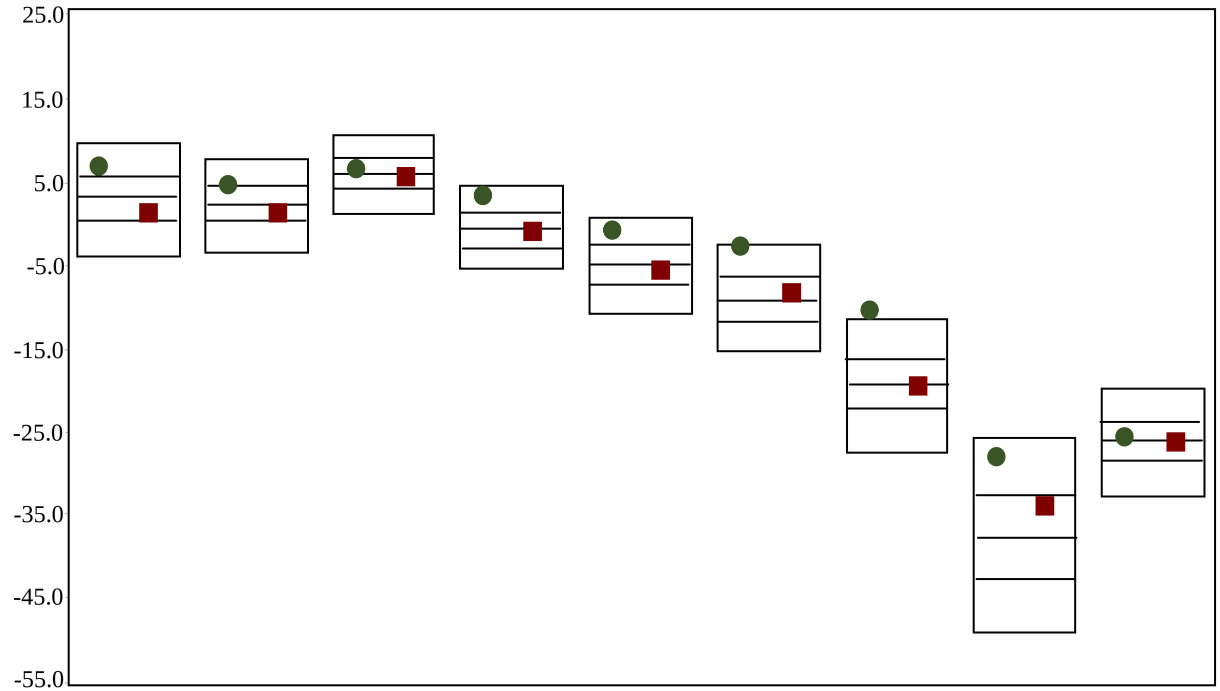
Sincerely yours,

J. Sebastian van Berkom
President and Chief Executive Officer

VBA U.S. PENSION FUND COMPOSITE –
BNY MELLON ASSET SERVICING

Small-Cap Equity Universe

Rates of Return for Periods Ending December 31, 2008

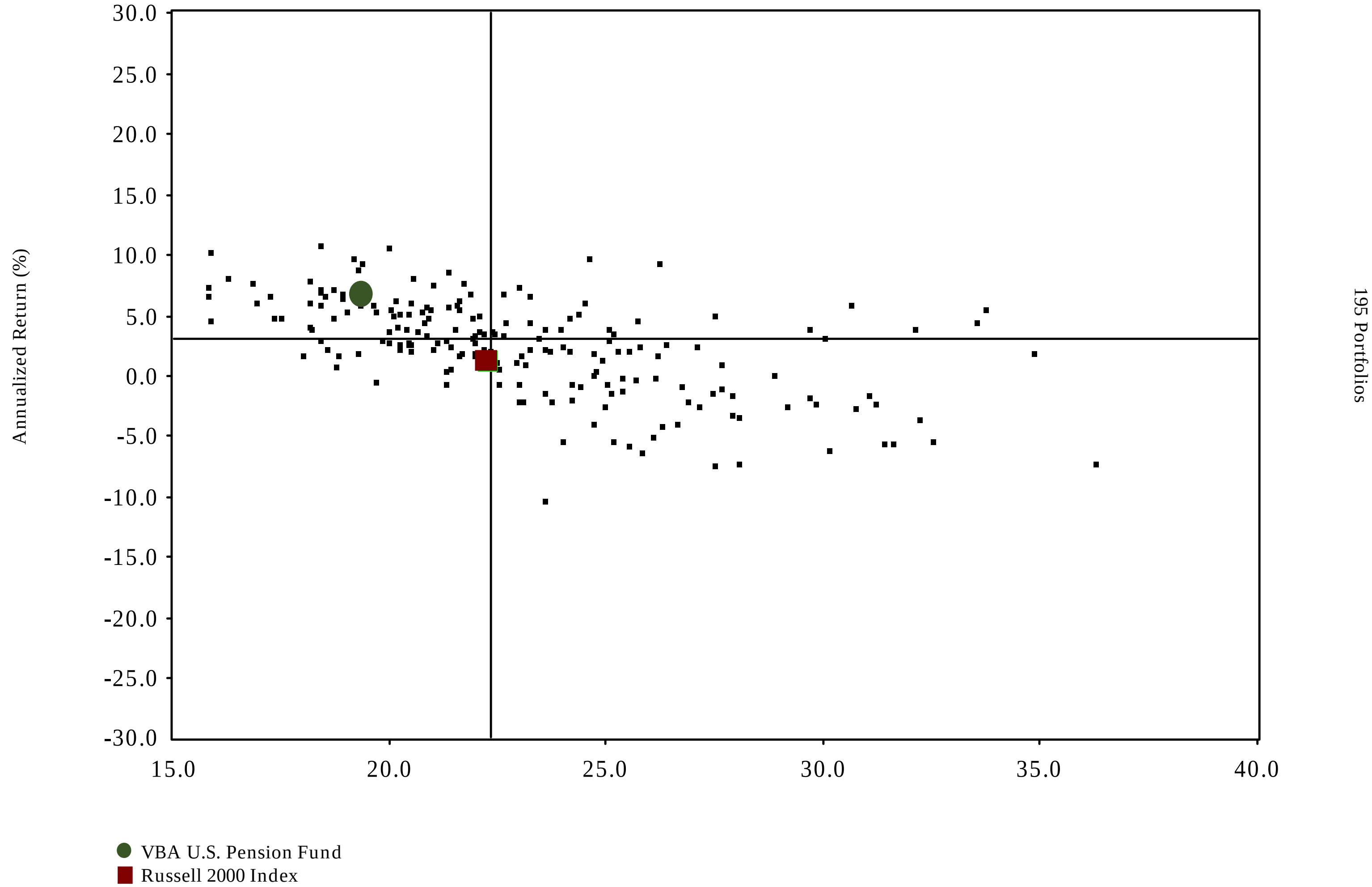


	8 Yrs.		7 Yrs.		6 Yrs.		5 Yrs.		4 Yrs.		3 Yrs.		2 Yrs.		1 Yr.		4Q08	
	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)
5th Percentile	8.6		7.7		10.6		4.3		0.7		-2.5		-11.5		-26.0		-19.9	
25th Percentile	5.6		4.5		7.9		1.2		-2.5		-6.6		-16.5		-32.7		-23.9	
Median	3.2		2.2		5.9		-0.6		-5.0		-9.3		-19.5		-37.8		-26.1	
75th Percentile	0.3		0.3		4.1		-3.0		-7.4		-11.9		-22.4		-42.9		-28.5	
95th Percentile	-5.1		-3.5		1.2		-5.5		-10.8		-15.4		-27.6		-49.4		-33.0	
# of Portfolios	195		213		249		276		307		344		370		394		398	
VBA U.S. Pension Fund	**7.1**	**11**	**4.9**	**22**	**7.0**	**39**	**3.5**	**10**	**-0.6**	**13**	**-2.4**	**5**	**-10.0**	**3**	**-27.8**	**11**	**-25.4**	**43**
Russell 2000 Index	1.7	69	1.6	62	5.8	51	-0.9	54	-5.2	55	-8.3	40	-19.3	49	-33.8	30	-26.1	51

Universe Source: BNY Mellon Asset Servicing

VBA U.S. PENSION FUND CMPOSITE RISK / REWARD
U.S. SMALL-CAP EQUITY UNIVERSE

(Eight-Year Period Ending December 31, 2008)



Source: BNY Mellon Asset Servicing

REVIEW AND OUTLOOK OF U.S. SMALL-CAP STOCKS

The year 2008 was certainly a year for the record books and one that almost every investor will want to quickly forget. In all, this was the worst year for the U.S. stock market since 1931, and the magnitude of this decline, over a fairly short period of time, makes it the steepest sell-off since the Great Depression. This first synchronized, global recession since World War II has already earned, in the United States, the distinction of being ranked among the worst economic declines of this century, and is well on track to being the longest drought since the 1930s.

The fourth quarter of 2008 put an exclamation point to a truly dreadful year that has claimed many victims in corporate America, on Wall Street and on Main Street. Even an entire country, namely Iceland, saw its economy and its whole financial system collapse in a matter of only a few weeks. It was an action-packed period marked by a true slow-motion stock market crash in October and November, additional failures and forced mergers of some large institutions around the world, a U.S. economy that slowed to a crawl and that teetered into a deep recession, several more rounds of creative - yet, unfortunately largely improvised - and forceful government interventions, an apparent bailout of the Detroit automakers, and, to top it all off, a new President-elect that created, with his savior aura, renewed hope and optimism that the new administration will positively impact the economy and bail it out of this mess.

The deluge of grim macroeconomic news was certainly not for the faint of heart and left virtually no sector of the U.S. economy unharmed. In this quarter alone, we witnessed soaring job losses; the worst consumer confidence and spending levels in decades; plummeting car sales; a housing market that remained in a deep funk, with declining prices, fewer transactions and stubbornly-high inventories of unsold homes; the industrial sector that entered into a deep recession as companies around the world announced plans to slash capital spending to preserve cash; a weak and rapidly deteriorating IT spending environment; and credit markets that, despite all the efforts put in place by the government, remained largely frozen, with the steepest credit spreads on record and very dry, if not nonexistent, securitization markets.

With such a discouraging macroeconomic backdrop, investors rushed in droves for the exits in early October and into November, leading to a slow-motion market crash that left market participants largely helpless. With such an investment climate driven by fear, panic and capitulation, volatility levels, measured by the very appropriately-named *Fear Index,* reached staggering levels, with October ranking among the top ten worst months on record for the stock market. November started off just as badly, putting us right on track for the worst back-to-back months in history, until the same market rallied furiously toward the end of that month, with the biggest five-day rally since 1933… That recovery in the market was put to rest on December 1st, with one of the worst losing days in history. However, December ended on a positive note, as the nomination of the key people on the new Obama administration and its intended implementation of a massive stimulus plan, along with the bailout of the Detroit automakers, helped to change the mood of battered investors and led to renewed optimism that the worst was maybe behind us, with some glimmer of hope for better times ahead in 2009.

For most professional investors, this rapidly-declining stock market, entirely driven by macroeconomic concerns, was very damaging. As would be normally witnessed in the most pronounced phase of a bear market, this quarter was characterized by a complete lack of discrimination, as stocks declined in tandem and moved downward in one, unified block, in a level of correlation not seen in over twenty years. We will say it again: there was truly no place to hide in this quarter, except for money safely kept in cash or wisely invested in U.S. Treasuries. The herd instinct of U.S. stocks was truly amazing and painful to witness, as all sectors were down solidly in double-digit territory, as all size segments, from the largest companies to micro caps, suffered almost equally, and, most frustrating to us, as panicked and fearful investors failed to discriminate between high-quality and low-quality companies, sending all stocks down in tandem. Needless to say, in such a dismal environment, it becomes very difficult to add value, regardless of style, stock-picking abilities or the quality of the research process.

Therefore, as we were also victims of the incredibly indiscriminate nature of this sell-off, our level of value added this quarter was dismal and certainly not what we would have hoped for in a more normal, declining market environment. While we are not thrilled by our level of out-performance in 2008, and we are truly loathe to losing money, we still have a few reasons to keep a smile on our face and maintain a high level of optimism. First, we managed to add several hundred basis points of value over our benchmark in a year that was extraordinarily painful for active managers, even for many best-in-class and renowned investors. Secondly, we have crossed the finish line ahead of most of our peers in this very draining and exhausting year, a true indicator of the ability of our investment team to successfully manage through the worst market environment in over 70 years.

Most importantly, we will remember the challenging times of 2008 as the year of incredible investment opportunities. Never in the past, since 2000, when we launched our U.S. Small-Cap product, have we ever been this excited about the plentiful new investment ideas that this market has brought to us. As discussed before, we believe that bear markets bring enormous buying opportunities for the patient and disciplined investor. The environment for new investment ideas has never been more fertile than in this fourth quarter, and we were once again, as Warren Buffet has taught us, "greedy" when most investors were quite fearful, investing in best-in-class companies at severely under-valued prices. Hence, we ended up selling above-average businesses to replace them with even superior businesses at lower valuations or better equipped to withstand this severe recession. In doing so, we achieved significant milestones in our long-stated objective in this bear market to reduce the valuation of our portfolio and further improve its quality. While it is certainly hard to exhibit strong conviction for any new investment idea in these highly unsettling times and in this horrendous economy, we tried to keep in mind the words of an old sage, the venerable Dean Witter, who at the height of the Great Depression wrote, in May of 1932, just before the end of the worst bear market in history: "Some people say they want to wait for a clearer view of the future. But when the future is again clear, the present bargains will have vanished. In fact, does anyone think that today's prices will prevail once full confidence has been restored?"

More specifically during this quarter, we focused our stock-picking efforts on best-of-breed, high-quality companies that had been flirting with or had been in mid-cap territory (herein defined as companies above
$3 billion in market capitalization) for years, for which stock was hammered in this indiscriminate, steep market sell-off. Thus, this deep bear market has opened up new opportunities in our small-cap world that were not previously accessible, hence broadening and improving the quality of our addressable universe. Therefore, in this December quarter alone, we took new positions in *Charles River Laboratories International, Inc., IDEX Corporation, IMS Health Incorporated, The Washington Post Company,* and *Waddell & Reed Financial, Inc.*, entities that had all reached the status of mid-cap companies following sustained, strong financial and stock price performance, only to retreat into small-cap territory when their stock was caught in the broad meltdown of the past quarter. While we have yet to reap the bulk of the benefit of our efforts to invest in these high-quality companies, we have no doubt that these companies will go back to where they belong, the mid-cap universe, as we come out of this bear market and as investors regain confidence, boding well for their expected significant contribution to our future returns.

Otherwise, as we reflect on 2009, we certainly have mixed feelings as it relates to the outlook for the U.S. economy and for the stock market. We hear the arguments of the "Bulls" and the concerns of the "Bears", and we could probably subscribe to both of these diverging view points, as we believe that numerous scenarios could unfold in these uncharted waters that we live in. For one thing, with consumer and business confidence still near record lows and with their expectations for reduced spending, with a soaring unemployment rate, with credit markets still largely frozen, with the deleveraging process continuing its painful course, and with most if not all of the world economies going through their own lagging economic downturn, it is certainly hard for us to be cheerful about the U.S. economy.

On the other hand, the significant and steep sell-off that brought stock valuations down tremendously in 2008, the current low valuation of many high-quality companies, the potential for a significant reduction in forced stock sales from hedge funds and pension funds, the rebalancing of large institutional portfolios toward equities to restore their targeted asset allocation, and the historical propensity of stocks to rebound strongly following major meltdowns are all factors in favor of stocks. However, we would caution against excess optimism as we could still live through other major company failures, a lack of efficacy from the significant government interventions, and a steeper economic decline than what most are predicting today. Lately, investors' mood has shifted very quickly to a much more positive mindset, which in itself makes us somewhat cautious that we could go through another period of turbulence in the stock market before a real improvement is sustained. A real test to keep a close eye on will be the stock price reactions to companies' year-end results and to their financial guidance for 2009, and to analysts' downward revisions of their overly-optimistic earnings estimates on many companies.

At the very least, we have every hope that 2009 should be a much better environment for stock pickers like ourselves, as volatility comes down, and as stocks move less in tandem and behave in a more discriminate way. Thus, we think that there is a logical argument to be made that, as negative news are released with a high frequency, they gradually lose their ability to shock the market, leading to reduced levels of volatility over time and more discrimination as to how stocks behave. As this happens, hopefully in 2009, this should set the stage for a period of out-performance by high-quality companies, as investors gradually regain confidence and flock first into these under-valued, safer havens.

While we are not particularly upbeat about the direction of the economy and even the stock market in 2009, we strongly believe that, for long-term investors, the risk-reward tradeoff of owning high-quality stocks at these levels is quite compelling. As almost half of a bull market's total return is typically realized during its first twelve months, it is a potentially dangerous exercise to attempt to time the market recovery. We have absolutely no clue as to what the stock market will do in the next six months, nor would we ever attempt to go through the largely futile exercise of trying to find a bottom for the market. However, we remind everyone that most of the money made by disciplined, long-term investors is achieved by investing in outstanding companies at amazing prices during bear markets, even though such contribution to their performance is typically only realized in subsequent periods when the market recovers. Hence, long-term investors like us welcome bear markets, as they create the necessary pessimistic backdrop needed to find great companies trading at great prices that will be key contributors to their significant out-performance in subsequent periods.

As you know, we have been very active in the past year to reposition our portfolio to help us better withstand this deep recession and to take advantage of the next upswing in the stock market. As we sit here today, while the quest for excellence is a never-ending goal, we find great comfort in the tremendous progress realized in the past year to achieve such "optimal" portfolio positioning. To use a sports analogy, we believe that being invested in high-quality, undervalued companies, is our best defense in this very harsh market environment, and will be our best offense when markets sustain a recovery. Today, we strongly believe that our top 25 positions, on a combined basis representing about 80% of our portfolio, will all be survivors of this Armageddon. These are all well-managed businesses with sustainable competitive advantages in their market, and companies that have a long history of relative success even in past economic downturns, that have a solid balance sheet and that are severely under-valued. Hence, we are very confident that those core holdings will deliver sustained value added over the long run and robust relative future returns. While our portfolio valuation has gone up from the incredibly-low point that it reached on November 20, it is still trading at lower levels than at any other time during past market downturns, with a best-ever level of quality. There is still a very wide gap between the current price of our portfolio and its intrinsic value, as we estimate that it is under-valued by at least 30%, even assuming a scenario of a very difficult year in 2009 for most of our companies and a very slow and painful recovery in subsequent periods.

In conclusion, we are quite upbeat and excited about the positioning of our portfolio. In this hazardous environment, we find great comfort in being surrounded by high-quality businesses that will survive this recession, and we think that this will continue to be a recipe for success in coming years. With a lower valuation than our benchmark, a superior quality of stocks and more robust growth prospects for our companies, we believe that the future of this product is very bright, regardless of what the future holds for the market.