



October 25, 2005

**Subject: VBA's US Pension Fund Composite Ranks 37<sup>th</sup> Percentile on Five-Year Basis  
and 91<sup>st</sup> Percentile on One-Year Basis**

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

On a one-year basis, our investment performance results were clearly disappointing. This was primarily due to the fact that we had zero weighting in the Energy sector. The Russell 2000 Integrated Oils and Other Energy sectors were up by 95.9% and 69.0% respectively. The Consumer Discretionary sector was up only 10.8%, in which we were overweighted by more than twice the Russell weight.

The US Small-Cap Equity Management Division continues to demonstrate outstanding long-term investment performance results as indicated in the table below and in the enclosed charts relative to our peers.

**US Small-Cap Investment Performance**

The following table shows the investment performance results of the Van Berkomp and Associates Inc.'s ("VBA") US Pension Fund Composite for the period ended September 30, 2005 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, 2005)**

	<b>1 Mo.</b> (%)	<b>3 Mos.</b> (%)	<b>YTD</b> (%)	<b>1 Yr.</b> (%)	<b>2 Yrs.</b> (%)	<b>3 Yrs.</b> (%)	<b>4 Yrs.</b> (%)	<b>5 Yrs.</b> (%)	<b>Since 06/30/00</b> (%)
VBA US Pension Fund	-1.9	-0.5	1.8	13.9	17.5	18.6	15.1	14.0	14.7
Russell 2000 Index	0.3	4.7	3.4	18.0	18.4	24.1	14.8	6.5	6.4
S&P 500 Index	0.7	3.2	1.4	10.3	11.1	14.7	4.2	-3.1	-3.2
<b>Value Added (VBA US Composite minus Russell 2000)</b>	<b>-2.2</b>	<b>-5.2</b>	<b>-1.6</b>	<b>-4.0</b>	<b>-0.9</b>	<b>-5.5</b>	<b>0.3</b>	<b>7.5</b>	<b>8.3</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 Investment Advisor] has prepared and presented the report in compliance with the Performance Presentation Standards of the CFA Institute (AIMR-PPS™). The CFA Institute has not been involved with the preparation or review of this report. As at September 30, 2005, the VBA US Pension Fund Composite ("VBA US Pension Fund") totalled US\$171.9 million in small-cap assets, which represented 90.4% of the firm's US assets under management and 13.2% of the firm's total assets under management. The VBA US Pension Fund Composite includes four 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 US Small-Cap Managers**

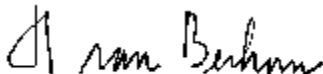
I have enclosed the comparative investment performance results of the VBA US Pension Fund Composite in the Russell/Mellon Analytical Services ("Russell/Mellon") Universe of US small-cap equity managers. Also enclosed is the risk/reward chart showing the VBA US Pension Fund Composite versus a universe of 223 US Small-Cap portfolios as evaluated by the Frank Russell Company.

VBA's US Pension Fund Composite ranks in the 37<sup>th</sup> percentile in investment performance results of US small-cap equity managers for the five years ended September 30, 2005, and in the 91<sup>st</sup> percentile in investment performance results of US small-cap equity managers for the one year ended September 30, 2005.

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 at (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,

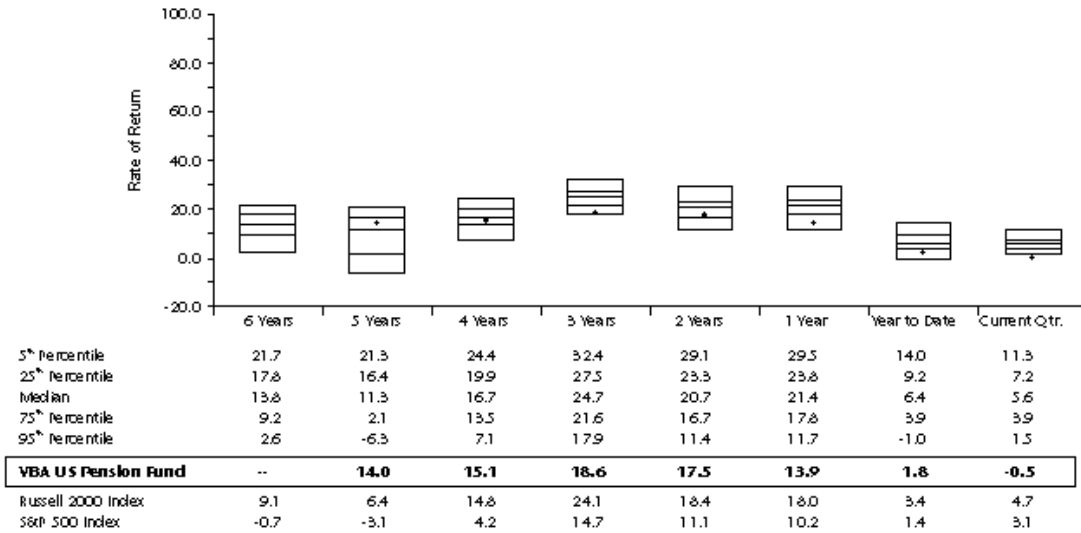


*J. Sebastian van Berkum*  
President and Chief Executive Officer

JSvB/dr  
Attachments

## VBA US PENSION FUND COMPOSITE – RUSSELL/MELLON UNIVERSE

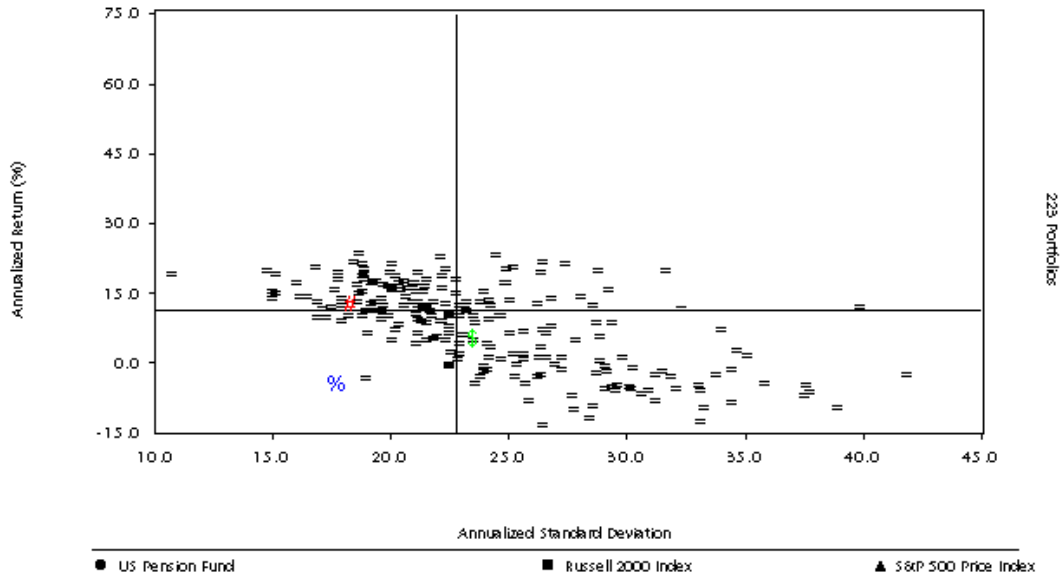
Total Fund: Rates of Return for Periods Ending September 30, 2005



**Note:** Van Borkom 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-PPSTM). The CFA Institute has not been involved with the preparation or review of this report. As of September 30, 2005, the VBA US Pension Fund Composite ("VBA US Pension Fund") totaled US\$ 171.9 million in small-cap assets, which represented 90.4% of the firm's US assets under management and 15.2% of the firm's total assets under management. The VBA US Pension Fund Composite includes four major pension fund accounts. A complete list of the firm's composites and a description of each are available.

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

(Five-Year Period Ending September 30, 2005)



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