



VBA Canadian Partners' Fund

Semi-Annual Report
**For the six-month period ended
June 30, 2005 (unaudited)**

MESSAGE TO INVESTORS

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MESSAGE TO INVESTORS

VBA Canadian Partners' Fund

The Canadian small-cap market started the year on a muted note before rebounding sharply in February, which was led by the significant rise in oil and natural gas prices. By the end of February, the BMO Nesbitt Burns Small Cap Index ("BMO") Energy sector was already up by 23%! In the following two months, the small-cap market experienced some softness, as investors took profits in their cyclical/commodity stocks and focused their attention on larger, more liquid stocks. In June, the BMO finished the second quarter with a healthy advance of 3.1%, again, led by the Energy Sector.

The Fund's Class A unit performance for the six-month period ended June 30, 2005 was 5.4%, outperforming its benchmark, the BMO, which advanced by 2.6% during the same period, while the broader S&P/TSX Composite Index increased by 8.1%, slightly ahead of the Fund's Class A performance.

The relative weakness of the small-cap market was concentrated in the Energy, Healthcare and Consumer Staples sectors. Notwithstanding the better absolute performance of large-cap energy stocks, their small-cap counterpart managed to be one of the best performing small-cap sectors with an advance of 20.7%. Both the Technology and the Healthcare sectors have been weak; the latter, dominated by speculative biotech companies, declined significantly as a result of weak earnings and lack of product approvals.

Top Ten Holdings		Asset Allocation
Name	% of Net assets	
Van Houtte Inc.	11.3	
Mullen Transportation Inc.	5.7	
Macdonald, Dettwiler and Associates Ltd.	4.8	
Dorel Industries Inc., Class B	4.4	
Gennum Corporation	4.3	
Toromont Industries Ltd.	4.0	
Savanna Energy Services Corp.	3.4	
Uni-Sélect Inc.	3.3	
Stratos Global Corporation	3.3	
ATS Automation Tooling Systems Inc.	3.1	
	47.6	
Total Number of Holdings	38	
Total Net Assets	\$647,253	

Hawker Resources Inc.'s original asset sale process was not realized; instead the Board of Directors hired Mr. Brian Illing as the new CEO, as well as several of his former colleagues from Canadian Natural Resources Inc. Following this announcement, I met with the new management team and concluded that they possess the experience and determination to refocus the company's operations more efficiently and grow the new *Iteration Energy Ltd.* into a successful oil and gas exploration company. Therefore, we have maintained our current position and will monitor closely the management progress.

The cash position decreased significantly from the year-end 2004 level. We used the market softness earlier in the year to add to existing investments and to also initiate new positions in well-managed companies like *Mullen Transportation Inc.*, *Gildan Activewear Inc.*, *Producers Oilfield Services Inc.* and *Patheon Inc.* at prices we considered to be attractive. Our goal is to be fully invested in well-managed growth companies with great long-term fundamentals at all times, although we will not hesitate to



Stocks that had the most positive impact on the performance during the period were *Shawcor Ltd.* (+50.0%), *Gildan Activewear Inc.* (+30.2%), *MacDonald Dettwiler and Associates Ltd.* (+17.2%), as a result of continued revenue growth and strong earnings reports, as well as *ATS Automation Tooling Systems Inc.* (+57.2%), after the company announced its strategy to finally restructure its money-losing Components Division. On the other side, stocks which affected the performance most negatively are *Cangene Corporation* (-30.5%), as a result of weak reported earnings following the completion of a major manufacturing contract which could not be immediately replaced, and *Exco Technologies Limited* (-36.8%), which suffered from much higher raw material costs and the strong Canadian dollar's negative impact.

Looking ahead, we recognize the many different challenges faced by the central banks in dealing with the current economic conditions. The U.S. is faced with a record housing market and soaring current account and budgetary deficits compared to Canada's surpluses on both measures, thanks in part to record energy prices. For the moment, high oil prices have not noticeably impacted consumer spending and/or inflation. But recent conversations with CEOs and CFOs have led us to believe that record high commodity prices and the strong Canadian dollar will make it difficult to maintain profit margins and, therefore, significant earnings growth will be harder to achieve. Small-cap stock valuations are now in line with their larger-cap comparables. We believe that superior small-cap performance will be the result of stronger earnings growth profile as opposed to relative valuation improvement. In such an environment, we will remain focused and will continue to research and invest in well-managed companies that are trading at reasonable valuations.



Benoît Durand
Vice-President, Canadian Small-Cap Equities

August 18, 2005



VBA Canadian Partners' Fund

Statement of Net Assets

As at June 30, 2005 (unaudited) and December 31, 2004

	June 30, 2005 \$	December 31, 2004 \$
Assets		
Investments, at market value	647,027	475,570
Cash	2,415	30,093
Interest and dividends receivable	329	240
	<u>649,771</u>	<u>505,903</u>
Liabilities		
Accounts payable and accrued liabilities	<u>2,518</u>	<u>73</u>
Net assets	<u>647,253</u>	<u>505,830</u>
Number of units outstanding (note 3)		
Class A	500	500
Class B	57,333	47,565
Net asset value per unit (note 2e))		
Class A	11.01	10.45
Class B	11.19	10.52

Signed on behalf of Van Berkom and Associates Inc., the Manager



J. Sebastian van Berkom
President and Chief Executive Officer



Benoît Durand
Vice-President

The accompanying notes are an integral part of these financial statements.



VBA Canadian Partners' Fund

Statement of Operations

For the six-month period ended June 30 (unaudited)

	2005 \$	2004 * \$
Investment Income		
Interest	1,399	300
Dividends	1,295	406
	<u>2,694</u>	<u>706</u>
Operating expenses		
Management fees	64	23
	<u>2,630</u>	<u>683</u>
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on sale of investments ⁽¹⁾	8,577	(186)
Net realized gain (loss) on foreign currencies	(1)	3
Change in unrealized appreciation in market value of investments and foreign currencies	25,716	817
	<u>34,292</u>	<u>634</u>
Net gain on investments	<u>34,292</u>	<u>634</u>
Increase in net assets from operations	<u>36,922</u>	<u>1,317</u>
Earnings per unit (note 2f)		
Class A	0.56	0.00
Class B	0.69	0.05
(1) Net realized gain (loss) on sale of investments		
Proceeds from sale of investments	598,387	106,972
Cost of investments sold		
Investments at cost, beginning of period	445,331	-
Investments purchased during the period	735,544	412,894
Investments at cost, end of period	(591,065)	(305,736)
	<u>589,810</u>	<u>107,158</u>
Net realized gain (loss) on sale of investments	<u>8,577</u>	<u>(186)</u>

* three-month period ended June 30, 2004

The accompanying notes are an integral part of these financial statements.



VBA Canadian Partners' Fund

Statement of Changes in Net Assets
For the six-month period ended June 30 (unaudited)

	2005	2004 *
	<u>\$</u>	<u>\$</u>
Increase in net assets from operations	<u>36,922</u>	<u>1,317</u>
Capital transactions		
Proceeds from sale of units	<u>104,501</u>	<u>325,600</u>
Increase in net assets for the period	<u>141,423</u>	<u>326,917</u>
Net assets, beginning of period	<u>505,830</u>	<u>—</u>
Net assets, end of period	<u><u>647,253</u></u>	<u><u>326,917</u></u>

* three-month period ended June 30, 2004

The accompanying notes are an integral part of these financial statements.



VBA Canadian Partners' Fund

Statement of Portfolio Investments and Other Net Assets
As at June 30, 2005 (unaudited)

	Par value/ number of shares	Average cost \$	Market value \$	%
CANADIAN EQUITIES				
Energy				
Hawker Resources Inc.	1,575	6,743	7,718	1.2
Producers Oilfield Services Inc.	1,870	12,726	15,615	2.3
Prairie Schooner Petroleum Ltd.	1,100	15,992	16,610	2.6
Savanna Energy Services Corp.	1,130	15,302	21,866	3.4
ShawCor Ltd., Class 'A'	1,000	13,893	18,020	2.8
Zargon Oil & Gas Ltd.	410	7,870	10,275	1.6
		<u>72,526</u>	<u>90,104</u>	<u>13.9</u>
Materials				
Winpak Ltd.	850	9,067	11,475	1.8
Industrials				
ATS Automation Tooling Systems Inc.	1,200	12,861	20,280	3.1
Exco Technologies Limited	1,565	10,177	7,434	1.1
Groupe Laperrière & Verreault Inc., Class 'A'	1,200	11,436	14,100	2.2
Mullen Transportation Inc.	600	35,217	36,900	5.7
Ritchie Bros. Auctioneers Incorporated	220	8,576	10,388	1.6
Richelieu Hardware Ltd.	635	13,435	14,294	2.2
Stantec Inc.	525	13,303	15,671	2.4
Teknion Corporation	2,350	13,183	15,275	2.4
Toromont Industries Ltd.	1,170	24,050	25,857	4.0
Vitran Corporation Inc.	830	15,756	16,036	2.5
		<u>157,994</u>	<u>176,235</u>	<u>27.2</u>
Consumer Discretionary				
Cinram International Inc.	500	12,219	11,749	1.8
Cossette Communication Group Inc.	950	11,170	12,350	1.9
Dorel Industries Inc., Class 'B'	665	28,224	28,329	4.4
easyhome Ltd.	600	5,961	8,685	1.3
Gildan Activewear Inc.	600	14,806	19,272	3.0
Glacier Ventures International Corp.	100	240	315	0.1
Mega Bloks Inc.	500	10,079	11,825	1.8
RONA Inc.	560	8,752	13,821	2.1
Uni-Select Inc.	750	19,000	21,525	3.3
		<u>110,451</u>	<u>127,871</u>	<u>19.7</u>
Consumer Staples				
Van Houtte Inc.	3,690	71,285	72,877	11.3
Vincor International Inc.	535	16,554	16,104	2.5
		<u>87,839</u>	<u>88,981</u>	<u>13.8</u>
Healthcare				
Axcan Pharma Inc.	240	5,265	4,471	0.7
Cangene Corporation	1,180	11,668	9,145	1.4
Cipher Pharmaceuticals Inc.	5,000	10,030	8,875	1.4
Patheon Inc.	1,200	12,990	10,860	1.7
		<u>39,953</u>	<u>33,351</u>	<u>5.2</u>
Information Technology				
Enghouse Systems Limited	1,970	15,868	15,286	2.3
Gennum Corporation	2,050	29,194	28,085	4.3
Macdonald, Dettwiler & Associates Ltd.	980	26,305	30,870	4.8
Matrikon Inc.	3,650	11,741	15,330	2.4
Sierra Systems Group Inc.	800	7,844	8,320	1.3
		<u>90,952</u>	<u>97,891</u>	<u>15.1</u>
Telecommunication Services				
Stratos Global Corporation	2,200	22,283	21,119	3.3
		<u>591,065</u>	<u>647,027</u>	<u>100.0</u>
Total Canadian Equities				
		<u>591,065</u>	<u>647,027</u>	<u>100.0</u>
Total Investments				
		<u>591,065</u>	<u>647,027</u>	<u>100.0</u>
Cash and Other Net Assets				
			<u>226</u>	<u>0.0</u>
Total Net Assets				
			<u><u>647,253</u></u>	<u><u>100.0</u></u>



VBA Canadian Partners' Fund

Notes to Financial Statements
As at June 30, 2005 (unaudited)

1. ORGANIZATION OF THE FUND

VBA Canadian Partners' Fund (the "Fund") was established under the laws of the Province of Quebec by a Declaration of Trust dated April 1, 2004.

Van Berkomp and Associates Inc. is the investment manager ("the Manager") and Royal Trust Company is the trustee of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

The financial statements include estimates and assumptions by management that affect the reported amounts of assets, liabilities, income and expenses during the period. The following is a summary of significant accounting policies.

a) Valuation of investments

Investments are recorded at market value which is determined as follows:

Short-term notes are recorded and valued at original cost plus accrued interest, which approximates their market value.

Securities listed on a recognized public securities exchange are valued at their closing sales price. Securities not traded on the valuation date are valued at the average of the closing bid-and-ask price on that date.

Cost is determined according to the average cost method.

The difference between the market value of portfolio securities and their average cost represents an unrealized appreciation (depreciation) in market value of investments and foreign currencies.

b) Other assets and liabilities

Other assets and liabilities recorded at cost are short term in nature and, therefore, their carrying value approximates their fair value.

VBA Canadian Partners' Fund

Notes to Financial Statements
As at June 30, 2005 (unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Interest income is recognized on an accrual basis and dividend income is recognized on the ex-dividend date. Realized gains or losses arising from the sale of investments are calculated using the average cost basis.

d) Distributions to unitholders

Net investment income and net realized gains of the Fund are distributed on the distribution date as determined by the trustee. Distributions to unitholders are based on the number of units of each class on the record date for each distribution.

e) Net asset value per unit

The net asset value per unit of a class is calculated on a monthly basis by dividing the net asset value for that class by the number of units of that class then outstanding. The net asset value of a particular class of units equals the value of the class' proportionate share of the assets and liabilities of the Fund common to all classes less the liabilities of the Fund attributable only to that class.

f) Earnings per unit

The earnings per unit is calculated by dividing the increase in net assets from operations by class by the monthly average number of units of that class outstanding for the period.

g) Foreign currency translation

Investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the valuation date. Purchases and sales of investments, as well as the related income and expenses denominated in foreign currencies, are translated into Canadian dollars at the rates of exchange prevailing on the respective dates of such transactions.

VBA Canadian Partners' Fund

Notes to Financial Statements
As at June 30, 2005 (unaudited)

3. CAPITAL TRANSACTIONS

Issuance and redemption of units

Units of a class are issued or redeemed at their net asset value on the last business day of each month during which the deposit for the purchase of units was received or the redemption of units form was received by the trustee within the deadlines stipulated in the Declaration of Trust agreement. These financial statements pertain to Class A and B units.

	June 30, 2005		June 30, 2004	
	Class A	Class B	Class A	Class B
Units outstanding, beginning of period	500	47,565	—	—
Issued for cash	—	9,768	500	32,087
Issued on reinvestment of distributions	—	—	—	—
Redeemed	—	—	—	—
Units outstanding, end of period	<u>500</u>	<u>57,333</u>	<u>500</u>	<u>32,087</u>

The Fund is authorized to issue an unlimited number of units of each class which rank equally in all respects to a pro rata interest in the net assets of each class of the Fund.

4. INCOME TAXES

The Fund is considered a unit trust under the provisions of the Income Tax Act (Canada) and, accordingly, the Fund is not subject to income tax on such part of its net investment income and net realized taxable capital gain that is distributed to its unitholders as at the end of the year. It is the intention of the Fund to declare sufficient distribution to minimize its tax burden. Net income and capital gains distributed to the unitholders are taxable in their hands under the federal and provincial income tax acts.

5. EXPENSES

a) Management fees and operating expenses

Van Berkomp and Associates Inc. is entitled to receive from Class A units a management fee representing 2% of the daily average net asset value of Class A.

Since inception of the Fund, the Manager has absorbed all operating expenses of the Fund including audit, legal, recordkeeping and trustee fees. The Manager has the option to discontinue this practice at any time; however, it is the Manager's intention to continue this practice.



VBA Canadian Partners' Fund

Notes to Financial Statements
As at June 30, 2005 (unaudited)

5. EXPENSES (continued)

The ratio of expenses to average monthly net assets is based on the total expenses for the period and annualized for periods of less than one year.

	For the six-month period ended June 30, 2005
Ratio of expenses to average monthly net assets	2%

For Class B units, management fees are not charged within the Fund.

b) Brokerage commissions

During the six-month period ended June 30, 2005 and the three-month period ended June 30, 2004, the brokerage commissions paid for the portfolio transactions amounted to \$1,524 and \$903 respectively.

6. STATEMENT OF PORTFOLIO TRANSACTIONS

An unaudited statement of portfolio transactions of the Fund for the six-month period ended June 30, 2005 will be provided without charge by writing to the Fund's custodian:

Royal Trust Company
1 Place Ville-Marie
5th Floor, East Wing
Montréal, Quebec
H3B 1Z3