

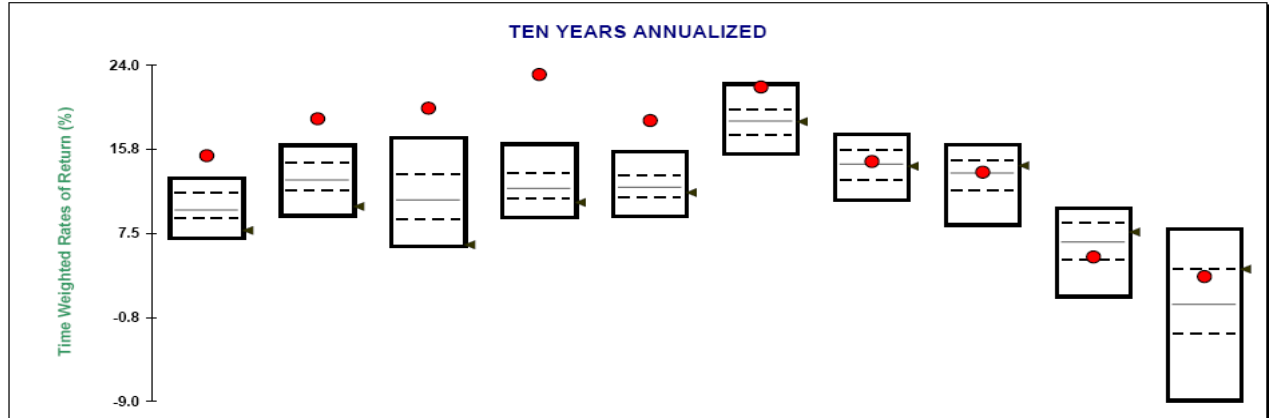
## Performance Review

As at March 31, 2008

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### CANADIAN EQUITIES UNIVERSE : SEGREGATED

#### QV Canadian Small Cap Fund



	10 Yr	9 Yr	8 Yr	7 Yr	6 Yr	5 Yr	4 Yr	3 Yr	2 Yr	1 Yr
5th Percentile	12.9	16.2	16.9	16.3	15.5	22.2	17.2	16.2	10.0	7.9
25th Percentile	11.4	14.5	13.3	13.4	13.2	19.6	15.6	14.6	8.5	4.0
<b>API Median</b>	<b>9.8</b>	<b>12.7</b>	<b>10.7</b>	<b>11.9</b>	<b>12.0</b>	<b>18.5</b>	<b>14.2</b>	<b>13.4</b>	<b>6.6</b>	<b>0.5</b>
75th Percentile	8.9	11.7	8.8	10.9	10.9	17.1	12.8	11.6	4.9	-2.4
95th Percentile	7.0	9.3	6.3	9.1	9.2	15.3	10.8	8.3	1.3	-8.9
TSX Composite	7.8	10.2	6.4	10.6	11.5	18.5	14.1	14.2	7.6	4.0

<b>Total Fund</b>	<b>\$133.6</b>	<b>15.1 2</b>	<b>18.8 3</b>	<b>19.8 3</b>	<b>23.1 2</b>	<b>18.6 3</b>	<b>21.9 7</b>	<b>14.6 44</b>	<b>13.5 47</b>	<b>5.2 71</b>	<b>3.3 30</b>
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The chart above requires some explanation. It is brought to us by API Asset Performance Inc. They provide independent analysis of fund performance in Canada. The above chart compares the small cap fund to the Canadian fund universe over the past 10 years. The red dot is QV's small cap fund performance. The boxes represent the range of performance numbers for all funds that API tracks. The dashed lines represent the 25<sup>th</sup> percentile and the 75<sup>th</sup> percentile. The solid line represents median performance.

As you can see, our long term performance is in the top five percentile but our shorter term performance has moved towards the median. For the past year our performance was in the 30<sup>th</sup> percentile. The distribution of performance for the group during the past year is the widest it has been in the past decade. We aren't surprised by this. As markets become more and more one-sided, a wider range of returns will occur. Right now, the funds that are shooting the lights out are riding the wave of unprecedented pricing for potash, coal and oil. We have some exposure to energy but are underweight the index and are in a select few high quality

companies. Companies that we would continue to hold at an oil price of \$65.00 per barrel.

Regardless of the year, our investment philosophy has remained the same. We invest in a portfolio of diverse businesses run by capable, committed and candid people. We invest on the basis of good value and we hold positions over an indefinite period of time.

In the heart of the dot com bubble when IPO's like VA Linux' was up 700% on the first day of trading and Nortel accounted for more than a third of the index we had to defend our commitment to this philosophy. With the S&P/TSX Energy Index up over 50% from the January lows, some are saying that oil is the only game in town. Once again we are defending our philosophy. Oil is not the only game in town. There are a lot of well run companies that do not produce oil. The stock market may be turning a blind eye to them for the time being but we accept that. It provides us with an opportunity to add to existing investments on the basis of good value. How much we are willing to pay for a business today will determine what future performance charts look like.