

Nature of Fund

Private pooled investment trust

Qualifying Investors

Current clients of QV Investors under existing management agreements

Custodian/Auditor/Counsel

1. RBC Dexia, Custodian
2. KPMG, Auditor
3. Osler, Hoskin & Harcourt LLP, Counsel

Investment Objective

The QV Canadian Small Cap Fund seeks to earn a rate of return 50% in excess of the average long-term return on equity achieved by Canadian companies (10%)

Investor Profile

The QV Canadian Small Cap Fund is suitable for investors having a tolerance for volatility and a long-term investment horizon.

Investment Strategy

The QV Canadian Small Cap Fund will invest in companies with proven financial records, competent and preferably invested management teams, competitive products and services and equity financed balance sheets. It will invest primarily in companies with the prospect of growth and secondarily with a record of paying dividends.

Investment Guidelines

Cash Reserves

- | | |
|----------------------|--|
| 1. Credit quality: | Canada Treasury Bills or Corporate Notes of R-1 rating (DBRS) |
| 2. Issuer: | Maximum 40% in Corporate Notes |
| 3. Term to maturity: | Less than one year |
| 4. Commitment: | 3 to 5% in normal conditions, to a maximum of 10%; 20% given an Investment Committee review and approval |

Equity Investments

Holdings must meet the following market and capitalization criteria:

- | | |
|--------------------------|--|
| 1. Market: | Equities, convertible debentures and convertible preferred shares traded on a major stock exchange |
| 2. Private Issuers: | Excluded |
| 3. Number of holdings: | Minimum of 25 holdings and a maximum of 40 holdings |
| 4. Minimum cap size: | \$100.0 million |
| 5. Maximum cap size: | Two times the upper end of the BMO Small Cap Index |
| 6. Accounting standards: | Companies reporting in an acceptable accounting standard |
| 7. Industry commitment:* | Limit of 25% in any one GICS sector |
| 8. Individual weights:* | Minimum at 1% and maximum at 6% of the total equity portfolio |
| 9. Single holdings:* | Less than 15.0% of the market capitalization of any one company |

* Policy guidelines will be rebalanced by the end of each quarter

Policy Table

Policy	Minimum	Maximum
Cash/T-bills [^]	0%	20%
Canadian Small Cap	80%	100%

[^] See Cash Reserves: Commitment section

Benchmark

BMO Small Cap Unweighted Index, Total Return

Portfolio Managers

Joe Jugovic and Ian Cooke manage the QV Canadian Small Cap Fund, subject to the oversight of the QV Investors Investment Committee