Funny Paper, Funny Markets, Funny Profits

Only government can take perfectly good paper, cover it with perfectly good ink and make the combination worthless.

\- Milton Friedman

Inflation expectations are rising. Record commodity prices are headlines. Silver hit a 31-year high. Gold, copper, crude oil, wheat and livestock have surged. Resource stocks and the Canadian dollar won big in Q1's sweepstakes. Bonds were losers. The gas pumps and grocery check-outs are telling us, this is not going to be pretty. In the measured tones of The Bank of Canada's April survey, "firms expect their output prices to increase at a greater rate over the next 12 months" and "driven by food and energy prices, expectations regarding total CPI inflation over the next two years rose..."

No doubt Mid-East and North African regime change and disasters in Japan have curtailed supplies to markets. No doubt growing consumer and infrastructure demand in Asia has bid material prices. As to policies...?

Last Monday, Ben Bernanke disavowed any relationship between monetary policy and price increases. Thus, we can infer either political expedience or delusion has trumped common sense or any reverence for the thoughts of his mentor, Milton Friedman who Bernanke eulogized by saying, that "direct and indirect influences of his thinking on contemporary monetary economics would be difficult to overstate."

We are with Friedman in thinking that, "inflation is always and everywhere a monetary phenomenon in the sense that it is and can be produced only by a more rapid increase in the quantity of money than in output." The "hockey stick" graph of accelerating US money supply will attest to Friedman's assertion. Money supply is growing. Speculative behaviour based on cheap money is growing. Deficit spending prevails.

The cost of borrowing money is below the inflation rate, i.e. no real return is attached to holding paper assets. Hence, interest rates are rising as capital seeks greater reward. It is all going to plan. The IMF is forecasting world growth at 4.5% this year and next. All is right with the world. Risk-taking is in overdrive.

Expansive policies to overcome economic inertia and European credit woes, and benign mind-sets to avoid political fallout either in or on the eve of election years, would seem to assure price increases will neither be transitory or modest. Energy and material shares benefit from the price trend. Consumer staples, telecom and utility stocks do not. Alas, we have little of the former and much of the latter in our portfolios.

Record profits and consumer spending would seem to assure more growth into the year. Thus we might expect more money to buy into inflation opportunities and to avoid deflationary risks for some time. The record of appreciating stock markets in the third year of the US presidential cycle is likely to succeed again.

Contrary minded, did someone say mulish investors that we are, we have butted our minds against this $12 trillion global government bailout of everything for some time. We paid last year with modestly softer equity returns versus our history and our peer group. Happily the bond returns did well. We would like to think our softer relative equity performance and our insistence buying assets or cash flow at a good price provides some support in the event of a reversal of the inflationary trend. The popular sectors carry a confidence premium in the form of multiples of book value and cash flow.

In a phrase, we may well expect the commodity lift-off to continue and take the stocks higher for a time. We are not tempted to play with that popular rocket. Risk has been papered by the authorities. Moral hazard prevails. We take risks, if we face no risk. "The evidence is overwhelming that the first priority of the authorities is to prevent a market collapse, and everything else has to take second place." With interest rates in the US at relatively no cost relative to profit growth, we have artificially boosted profits. With Europe's monetary union failing to restructure debt, i.e. write it off, we have ballooned the risk of failure. Because the banking assets of the U.K., Germany, Switzerland and the Netherlands are near or over four times those countries' gross national products, they are too big for governments to save, hence the workout. The low rates delay the workout.

We have reasons to be wary. Longer term, investors must confront the limitations that the market will impose on the purchase of bonds by the US central bank and their government's massive deficit spending. Central banks of China, India and Europe have responded to rising inflation by raising interest rates. However, the rates hardly match the price advances so their impact is unlikely to pull back inflation, but it is a start. We shall see if bond purchases scheduled to end by June by the FRB actually happen. If they do, we can expect US interest rates to rise and narrow the gap with Canadian rates, a drag on the extreme profitability our economy is generating today. Creeping prices for food, energy and money are a tax on the consumer and will contain spending at some point. Valuations in our equity market are reaching to pre-2008 levels and are rich on the basis of normalized or past earning power. The market in time will recognize sustainable not artificially driven earnings. We do not know what the straw on back of the heavily burdened camel of the global economy will be, but we know there will be a straw that will change the course of the past trends.

We will continue to buy equities where we can see growth and sturdy balance sheets. Profits are at record levels, from the trends cited above. We ponder the trend. To us record profits are a caution, not an opportunity. We will avoid a full-on exposure to the commodity cycle and the hype generated by super discounted interest rates. Given our unease about banking behaviour, we heighten our desire for resiliency and durability in the companies we hold.

Drug stores have been priced well in Canada. We have purchased Jean Coutu and Shoppers Drug Mart. In the global market, large, quality American companies are not only the least expensive of investments but also the least risky because of their global franchises and their incredibly strong balance sheets. They are not fashionable in this resource market but we know they may be depended upon when the smaller, material companies have past their due date.

While we express a preference for equities, we still hold solid bond portfolios. Indeed with the advent of Clement Chiang at QV Investors assisting Wendy Booker-Urban, we will see yet stronger bond holdings. We will let the term of the bonds creep in with time and by a little trading, and we will augment positions in our higher quality, higher yielding corporate issuers.

We watch this latest market bubble inflate, confident in our holdings and confident that the pin of reality will ultimately reverse the headline trends, as they always have.

- Leigh Pullen

Pooled Fund Annualized Performance Summary+^

Period Ending Mar 31, 2011	3 Mos	6 Mos	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	8 Yr	10 Yr
	%	%	%	%	%	%	%	%	%
QV Canadian Income Fund	**0.6**	**0.9**	**6.6**	**6.6**	**6.0**	**5.8**	**5.1**	**5.7**	-
DEX Short Term Bond Index	0.3	0.0	3.4	3.3	4.5	4.9	4.2	4.7	5.1
QV Canadian Balanced Fund	**3.6**	**7.2**	**12.2**	**17.3**	**7.8**	**6.9**	**7.7**	**9.3**	**10.7**
CDN Balanced Fund Benchmark*	3.0	8.0	13.1	18.6	5.3	5.7	7.7	9.7	7.1
QV Canadian Equity Fund**	**6.0**	**13.2**	**15.4**	**26.8**	**7.1**	**7.8**	**11.6**	**15.0**	**17.2**
S&P/TSX Composite Total Return	5.6	15.6	20.4	30.8	5.0	6.0	10.1	13.2	8.9
QV Canadian Small Cap Fund	**5.6**	**14.4**	**17.7**	**33.5**	**6.4**	**5.9**	**11.0**	**15.9**	**17.9**
BMO Small Cap Unweighted Index	3.7	24.3	33.6	61.6	13.9	7.0	9.5	15.5	11.7
QV Global Equity Fund	**1.2**	**3.2**	**9.0**	**12.7**	**3.9**	-	-	-	-
MSCI World Index ($CA)	1.9	6.8	6.4	13.1	-4.2	-	-	-	-

* The Canadian Balanced Fund Index is weighted 10% in the DEX 91-Day Treasury Bill Index, 35% in the DEX Bond Universe, 55% in the S&P/TSX Composite TR Index
+ Returns beyond 1 year are shown as annualized ^ All performance data is shown on a gross or before fee basis
** Returns beyond 4 yrs reflect Cdn equity carve-out of QV Cdn Balanced Fund

Capital Markets Review

Period Ending Mar 31, 2011	3 Mos	6 Mos	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	8 Yr	10 Yr
	%	%	%	%	%	%	%	%	%
DEX 91-Day T-Bill Index	0.3	0.5	0.8	0.6	1.2	2.5	2.5	2.5	2.7
DEX Bond Universe Index	-0.3	-1.0	5.1	5.1	5.1	5.3	5.2	5.9	6.1
S&P 500 Index ($CA)	3.5	10.7	10.7	15.6	0.5	-1.1	0.1	2.4	-1.6
S&P 500 Index ($US)	5.9	17.3	15.7	31.6	2.4	2.6	4.5	7.9	3.3
MSCI World Index ($US)	4.9	14.4	14.0	32.2	0.3	2.6	6.0	10.2	4.7

QV Investors

Fund Review - Canadian Balanced Fund

The ***QV Canadian Balanced Fund*** invests in larger Canadian companies and high quality fixed income securities for long-term income and capital gains.

Performance

The Fund rose 3.6% in the past quarter and rose 12.2% over the past 12 months. In comparison, the main benchmark index, the Canadian Balanced Index, rose 3.0% and 13.1% over the same periods. In a rising interest rate environment, equities outperformed bonds, gaining 6.3% in the quarter and 16.8% over one year. In contrast, bond returns fell 0.2% in the quarter and rose 6.0% over one year versus the DEX Universe Index of -0.3% and 5.1% respectively. Preferred shares and corporate bonds outperformed government bonds reflecting investors' preferences for higher income yields over low yield Government of Canada bonds.

Asset Mix

We close the quarter with the following asset mix: 4.5% cash reserves, 37.7% bonds and preferred shares, and 57.8% common shares. We continue to hold more equities than bonds based on measures of value and on respective income yields.

Inside the Fund – Fixed Income

We introduced four new bonds in the quarter, focusing on improving the credit quality and improving the overall portfolio yield in our purchases. We added two 10-year AA rated bonds issued by the Provinces of Saskatchewan and British Columbia, at yields of 3.8% and 4.0%, respectively. We also purchased a five-year AA rated Ontario bond at a yield of 3.3%. These bonds provided a yield advantage over comparative Canada bonds between 0.5% and 0.7%. We enhanced our corporate bond position by adding an Algoma Central 7-year convertible debenture to the Fund. Algoma Central is an owner and operator of shipping vessels on the Great Lakes – St. Lawrence waterway. The 112 year old company is majority owned and run by the Jackman family. The Jackman's have a long history of prudent and profitable management of their assets. This non agency rated bond offers a yield to maturity of 6.0% and is convertible to the underlying equity after three years. The Jackman's also manage E-L Financial, a company owned in the QV Canadian Equity Funds.

Inside the Fund – Equities

We initiated a position in Canadian engineering and construction giant SNC Lavalin, and introduced Shoppers Drug Mart, a licensor of retail drug stores across Canada. We also exited our position of Husky Energy and replaced this integrated energy company with a new position in the oil producer, Canadian Natural Resources. These transactions resulted in an overall improvement in the growth characteristics of the Fund. ***Please see the Canadian Equity Fund commentary for more details of our equity trading.***

Policy Outlook

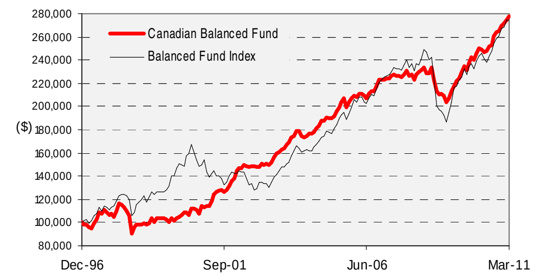
Rising bond yields and growing inflation concerns continue to support a higher equity exposure. We will maintain a higher commitment to equities, subject to valuations, and will slowly reduce the average term to maturity of our bonds to protect capital from greater inflation risks. It is our view that as long as low policy rate settings continue , speculation will continue to drive all risk asset prices higher, and the bond market will continue to price in greater inflationary risks.

Asset Mix

	Jun-10	Sep-10	Dec-10	Mar-11
Cash/T-bills	5%	5%	5%	4%
Fixed Income	47%	44%	40%	38%
Equities	48%	51%	55%	58%
TOTAL	100%	100%	100%	100%

Investment Values

Based on $100,000 Investment at Inception*



**Assume reinvestment of income and capital gains distributions*

The ***QV Canadian Equity Fund*** invests for long-term capital gain and dividend income from larger Canadian companies. The equities in the ***QV Canadian Balanced Fund*** and ***QV Canadian Equity Fund*** are the same and held in the same proportions in the two Funds.

Performance

The Canadian Equity Fund gained 6.0% in the quarter versus the 5.6% return for the S&P/TSX Composite Total Return Index (TSX). The one year return was 15.4% for the QV Canadian Equity Fund versus the benchmark return of 20.4%.

The S&P/TSX Index's return for the quarter was concentrated in energy and financials. The Fund's return was concentrated in those two sectors as well as industrials. Although the Fund's weight in energy is less than the market, the return of the Fund's energy holdings was better than the Index average. The best performing sector in the Fund relative to the Index was industrials. The best performing stock in that sector and the portfolio was Bombardier, which returned 42.3% in the first quarter due to its increasing backlog of orders in trains and airplanes.

Inside the Fund

During the quarter, we initiated a position in SNC Lavalin (SNC). SNC is an engineering and construction company based in Canada but operates in over 100 countries around the world. SNC is one of the five largest engineering companies in the world with a focus on the following industries: mining and metallurgy, infrastructure and environment, power, and chemicals and petroleum. SNC has increased its dividend every year for the past 10 years. After the 2010 results, it increased its dividend by 23%. SNC gives the portfolio exposure to the commodity area through its business of building facilities and mines.

We also initiated a position in Shoppers Drug Mart (SC). Shoppers' stock price was under pressure from legislation being enacted in Canada, in particular Ontario, and the resignation of its CEO. We believe Shoppers is in an excellent position to benefit from the aging of Canadians, and their need for products sold in drug retailers. Although the legislation in Ontario will reduce the profitability of Shoppers temporarily, we felt the sell-off in the stock provided an opportunity to buy this high quality franchise at what we felt was a reasonable valuation.

After reviewing our energy holdings, we removed our position in Husky Energy and introduced a position in Canadian Natural Resources (CNQ). We have always been impressed by its capital discipline and its focus on profitability rather than increased production.

Production at CNQ's Horizon facility is slated to double by 2014. We also know the management team holds $1.8 billion worth of stock giving us confidence that management is aligned to grow CNQ for the long-term. Although CNQ's dividend yield is lower than that of Husky, CNQ has a low payout ratio which has allowed them to start increasing the dividend.

After selling half last quarter, we eliminated our position in Emera responding to its increasingly high valuation relative to its peers and its own historical levels.

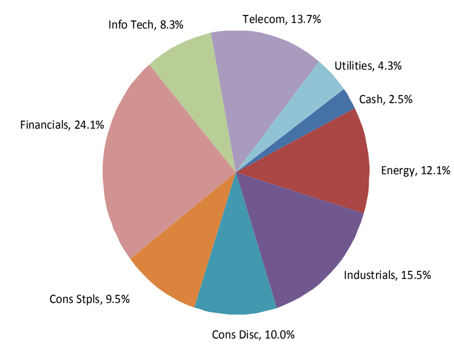
Outlook

The tragedies in Japan and political uprisings in the Middle East and North Africa display how markets can be swiftly affected by unpredictable events. We are defensive by nature, but when we see quality businesses trade down to more reasonable valuations, such as SNC Lavalin did, we do not hesitate to act.

We continue to reduce our holdings in the utilities area which are trading at above average valuations. We have moved the proceeds into areas of the market such as industrials and consumer staples where we have seen opportunities to improve the ROE of the portfolio while maintaining our better than market valuations.

Shoppers Drug Mart

Sector Allocation



The ***QV Global Equity Fund*** invests in the shares of larger companies operating outside of Canada for long-term capital gain and dividend income.

Performance

The QV Global Equity Fund returned 1.2% for the quarter and 9.0% for the year. These results compare to 3.5% and 10.7% respectively for the S&P 500 Index in Canadian dollars. The Canadian dollar in rising from 1.01 USD/CAD at year end to 1.03 as at the end of March clipped Canadian returns. While the low interest rate policies in the US and the resource nature of our economy keep our currency well bid now, the liberal money and fiscal policies in the US face some headwinds to this market's resource leadership. The prospective end of "Quantitative Easing" in June and the Republican challenge to the Obama budget might contain the commodity and commodity currency rally. However, we have been expecting that for some time!

Asset Mix

At the end of March, the Fund held approximately 10.7% cash, and 89.3% equities. The geographic equity analysis is as follows: American 52.1%, European 25.7%, and Asian 11.5%.

We repeat our contention of last quarter that US companies reflect better value than at any time in history.

Inside the Fund

In the first quarter we augmented the positions in Heineken Holdings (beer), Stryker (orthopedic implants), Total Systems (credit card processing software), and Kimberly Clark (consumer staples, e.g. Kleenex). We eliminated Duke Energy and Cisco Systems.

We took new positions in Chevron, the US energy company, Intel, the world's largest maker of computer chips, and W H Smith, the book and magazine seller located in the United Kingdom.

Chevron - CVX Chevron is the world's fourth largest energy company with a strong base in oil production. Since purchase, the shares have risen nearly 17%, an example of interest in companies benefiting from the turmoil in the Middle-East. CVX yields just less than 3.0%, has a long history of dividend increases, carries a valuation under 10 times earnings and has a suite of promising new production in Australia, Thailand and the Gulf of Mexico.

Intel – INTC Intel is the global leader in the manufacture of integrated circuits for computers, industrial automation and communication devices. If Chevron is an example of the loved, Intel is an example of the forgotten. Intel trades at less than 10 times earnings, carries a 3.6% dividend, and has a long history of dividend increases. INTC has faced concerns about its low penetration into the smart phone market, its Japanese exposure, and its recent disclosure of a faulty chip. We believe Intel has the balance sheet to deal with the problems and as evidence has announced sharp increases in sales, margins and earnings. In time, we think INTC will garner higher multiples on higher earnings.

WH Smith – WHSM LN W.H. Smith is a retailer of books, magazines and "impulse" items in the UK. The company is expanding both its e-book offerings and its international operations. WHSM carries a dividend of 4.4%, an earnings multiple of less than 10 times, zero debt, and a return on equity north of 35%. The slippage in the UK economy will no doubt slow WH Smith's growth for a time, but we think the "small item" business will survive a protracted recession.

Character of the Fund

QV always tries to keep the character of the portfolio better than that of the S&P/TSX Composite. As at the end of February, the price to earnings ratio of the Fund at 12.3 times this year's earnings compares favorably to 15.0 times for the Index. The long term return on equity this year at 20.0% compares to 16.1% and the dividend yield at 2.9% compares to 2.4%. Over time quality will be recognized.

The ***QV Canadian Small Cap Fund*** provides investors with a superior long-term rate of return by investing in common shares of small and mid-cap Canadian companies

Performance

The QV Canadian Small Cap Fund rose 5.6% in the quarter compared to a gain of 3.7% for the benchmark BMO Small Cap Index (unweighted). All sectors except for the consumer discretionary sector contributed positively to Fund returns. Within the Fund, positions in the energy services space contributed the largest portion of returns as optimism for drilling oil in North America increased.

Outlook & Inside the Fund

The Fund added two new positions during the quarter; The Jean Coutu Group Inc. (PJC) and Macdonald Dettwiler & Associates Ltd (MDA). PJC is one of Canada's largest and most profitable drugstore operators. The company's Canadian operations have experienced significant and consistent growth over the past ten years with revenue more than doubling and operating profit compounding at a double digit annual rate. Company insiders are aligned with investors as they own approximately half of the total shares outstanding. Shares have underperformed recently due to announced changes in drug reform legislation which will temporarily impact results in the current year. Looking beyond this year, internal growth is expected to reaccelerate as demand for prescription drugs by Canada's aging baby boomer population rises. Adding this premier asset to the portfolio has enhanced most growth and valuation characteristics for the Fund. The addition of MDA provides exposure to a company with strong barriers to entry and a long track record of generating above average returns on capital. The company has recently entered into a joint venture to provide maintenance services for orbiting satellites. If successful, this will provide a lucrative new growth opportunity for the company.

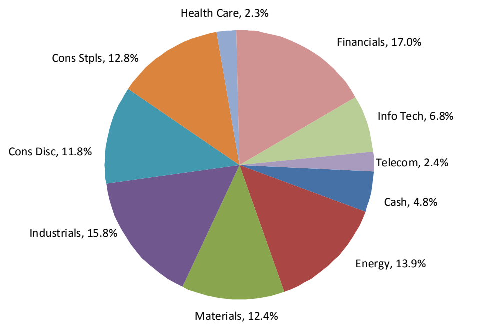
If MDA is not successful, our investment is protected somewhat by a reasonable dividend yield and a cash hoard that now represents over thirty percent of the company's market capitalization.

Two positions were removed from the Fund during the quarter; Savanna Energy Services and Vermilion Energy. Savanna was sold as part of an upgrade to our oil and gas service holdings with the addition of Ensign Energy Services late last year. Vermilion is an excellent company with near unmatched success in the oil patch. It was exited as it outgrew the Fund's capitalization mandate and valuation became a concern.

Small cap markets underperformed large cap markets during the quarter. This may be a signal for slowing growth caused by tighter monetary policy as we move further along the economic recovery. The Fund is heavily invested in companies that can build shareholders equity in both robust and slow economic environments.

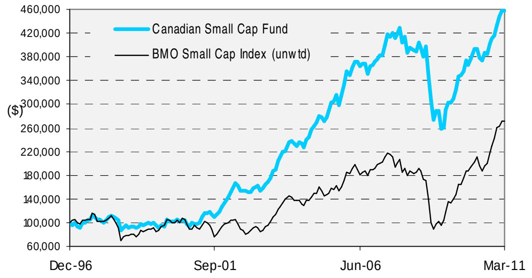
The valuation, growth and balance sheet qualities of the portfolio remain very strong relative to the small cap benchmark and the overall marketplace. Approximately one third of fund holdings have zero debt and over 85% of these companies pay a dividend.

Sector Allocation



Investment Values

Based on $100,000 Investment at Inception*



**Assume reinvestment of income and capital gains distributions*

The ***QV Canadian Income Fund*** invests in Canadian bonds, preferred shares, trusts and common stocks for both dividend and interest income. The bond portfolio in the QV Income Fund is short in term and high in quality to provide capital preservation.

Performance

The QV Canadian Income Fund rose 0.6% in the quarter and rose 6.6% over the past 12 months. These results compare to 0.3% and 3.4% return for the DEX Short Bond Universe Index. The Fund's superior performance to the benchmark is attributed to its higher corporate exposure and its investment in common and preferred shares. The low interest rate environment continues to boost demand and prices for higher yielding securities.

Asset Mix

We close the quarter holding 6.0% in cash reserves, 76.5% in bonds, 8.1% in preferred shares, and 9.4% in dividend-paying common shares. The Fund's overall income yield in the quarter rose slightly from 2.9% to 3.0% with rising bond yields and the introduction of three new bonds.

Inside the Fund

We added three new bonds to the Fund in the quarter. We purchased a 5- year Province of Ontario bond, rated AA, at a yield of 3.3%. We also purchased a 7-year Bell-Aliant Telecommunications bond, rated BBB, and offering a yield to maturity of 4.7%. Lastly, we purchased the non- rated Algoma Central Corporation convertible issue at an income yield of 6.0%. This 112-year old Canadian company, majority owned by the Jackman family, has a long track record of fiscal prudence in the management of its shipping and real estate assets. This $60 million debt issue was modest compared to its equity of $452 million. The proceeds of convertible debt issue were used to finance its recent purchase of 11 shipping vessels from the Upper Lakes Group.

We also made a small change to the Fund's equity holdings by eliminating Emera in the quarter and reinvesting the proceeds into shares of Telus Corporation. We enhanced the valuation and income characteristics of the common share holdings in the Fund after the transactions.

Policy

Inflation risks are rising through the extension of the accommodative monetary policies of both the US Federal Reserve Bank and the Bank of Canada. Bond yields are moving higher in response to these risks. We built-up our short-term bond positions to minimise price fluctuations from rising bond yields. We will continue reinvesting shorter maturities and coupon payments at higher yields. Our preferred and common share positions will be maintained as long as the dividend yields provide enough compensation for the higher degree of risk.

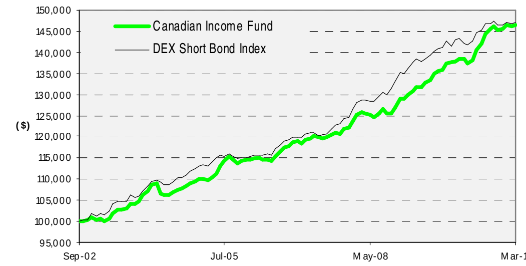
There is considerable debate regarding the need and the timing to a change in monetary policy. Inflation concerns are being weighed against potential economic headwinds. In Canada, a strong currency may hinder our export markets and delay the resumption of overnight rate hikes. In the US, there is uncertainty about the ability of the US economy to sustain higher market interest rates following the end of the Fed's large bond purchase program in June. As a result, we expect continued volatility in the bond market.

Bond Characteristics

Credit Ratings as issued by Standard & Poor's	(%) Bond Portfolio
AAA /AA	80%
A	10%
<A /Not rated	10%
Weighted Average Term to Maturity	4.0 years
Fixed Income Yield	3.0%
Total Portfolio Yield	**3.0%**

Investment Values

Based on $100,000 Investment at Inception*



**Assume reinvestment of income and capital gains distributions*

Portfolio Risk Management Terms

Price to Earnings Multiple

The Price to Earnings Multiple is the ratio of a company's share price to its earnings per share. This ratio indicates how many times an investor is paying for each dollar of earnings. A lower number is more attractive.

Return on Equity - 4 Year Average

The Return on Equity - 4 year average is the four year average of the earnings per share expressed as a percentage of the book value per common share. The book value (equity) is the amount shareholders have invested into the firm. This is a common profitability measure. A higher rather than lower percentage is desirable.

Dividend Yield

The Dividend Yield is the annual dividend rate expressed as a percentage of the current price of the stock. The higher the yield, the more income is paid to the investor.

Percentage of Debt to Shareholder's Equity

The Percentage of Debt to Shareholder Equity shows the amount of debt (leverage) used by the company relative to share holders investment (book value) to in their business. Typically, the lower the debt to equity ratio, the lower the financial risk of the company.

Average Yield to Maturity

The Average Yield to Maturity refers to the average annual percent that will be earned on capital if a bond or bond portfolio is held to maturity. The yield to maturity calculation considers the bond's market price, the term (the time remaining to the bond's maturity), and the coupon (the bond's yield at its initial sale). The yield to maturity assumes the semi-annual payments received are reinvested at the prevailing interest rate. The higher the yield the more attractive a bond is.

Average Term to Maturity

The Average Term to Maturity is the time remaining until the bond portfolio is repaid by the borrower to the investor. The shorter the average term to maturity for a bond, the less sensitive or more stable the price of the bond is to changes in interest rates.

Disclosures

Please note that due to rounding differences, the individual components of various portfolio column totals may not sum to exactly 100 percent.

Pooled fund returns are quoted gross of fees (before fees) within the fund reviews; whereas, individual portfolio reviews are quoted accordingly to whether the portfolio is comprised of pooled and/or segregated holdings. The Pooled portion of the return is net of fees (after fees) and the segregated portion of the return is gross of fees.

Please be advised that the Contribution, Withdrawal and Income columns in the Portfolio History table reflect cumulative transactions from the previous date to the next date's record.

QV Investors acts for and may invest in the following related companies:

Industrial Alliance (Clarington Funds)
Western Financial Group
CI Funds
Ethical Funds

Due to rounding differences, "total" amounts may not reconcile completely throughout the various tables in this report.

Please note, bond ratings indicated within the quarterly report are provided by Dominion Bond Rating Services. Bond ratings can vary between various bond rating service providers.

Yields quoted represent gross income yields.

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