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Economic Investment Trust Limited



Fifty-Third Annual Report
December 31, 1979



Economic Investment Trust Limited

THE YEAR AT A GLANCE **53rd Annual Report**

| | 1979 | 1978 |
|---------------------------------------|--------------|--------------|
| Total Revenues | \$ 2,047,657 | \$ 1,820,309 |
| Net Income | 1,542,999 | 1,474,268 |
| Net Income per Common Share | \$1.28 | \$1.21 |
| Dividend per Common Share | \$1.12 | \$0.845 |
| Total Net Assets (Market Value) | 52,745,880 | 43,035,243 |
| Break-up Value per Common Share | \$47.90 | \$37.63 |

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held at 11:30 A.M. on Thursday, June 12, 1980 in the Board Room of The Dominion of Canada General Insurance Company, 10th Floor, 165 University Avenue, Toronto. All Shareholders are invited to attend.

| | |
|------------------------------|--|
| HEAD OFFICE | Tenth Floor, 165 University Avenue, Toronto, Ontario |
| SHARES LISTED | Toronto Stock Exchange |
| BANKERS | Canadian Imperial Bank of Commerce |
| AUDITORS | Clarkson Gordon |
| TRANSFER AGENT AND REGISTRAR | Canada Permanent Trust Company |

Economic Investment Trust Limited

BOARD OF DIRECTORS

| | |
|--------------------------------------|--|
| HON. JOHN B. AIRD, O.C., Q.C., LL.D. | Chairman of the Board Algoma Central Railway |
| JOHN B. CRONYN | Corporate Director |
| A. GEORGE DRAGONE | Managing Director Canadian & Foreign Securities Co. Limited |
| HENRY N.R. JACKMAN | Chairman of the Board The Empire Life Insurance Company |
| FREDERICK W.P. JONES, LL.D. | Financial Consultant |
| A. BRUCE MATTHEWS, C.B.E., D.S.O. | Chairman of the Board Dome Mines Limited |
| DONALD J. MIANO | Vice-President E—L Financial Corporation Limited |
| JOHN A. RHIND | President Confederation Life Insurance Company |

OFFICERS

| | |
|--------------------|-----------------------|
| HENRY N.R. JACKMAN | Chairman of the Board |
| A. GEORGE DRAGONE | Managing Director |
| L. RUTH ROONEY | Secretary-Treasurer |

Economic Investment Trust Limited

CHAIRMAN'S REMARKS TO THE SHAREHOLDERS

The total assets of Economic Investment Trust Limited increased from \$47,446,000 to \$57,487,000 during the fiscal year ended December 31, 1979. After deducting our income debenture and preferred shares, the liquidating value behind each common share was a record \$47.90 compared with \$37.63 a year ago.

Net income of the Trust increased to \$1,543,000 or \$1.28 per common share from \$1,474,000 or \$1.21 per share in 1978.

Regular quarterly dividends were paid on our preference shares. Dividends on our common shares were increased to \$1.12 per share compared with \$0.845 per share in 1978.

Your directors were saddened by the loss of Mr. Henry R. Jackman, O.C., K.St.J., Q.C., our fellow director and friend whose active interest and contribution to the Trust's progress will be sorely missed.

Although the stock market has experienced very significant increases in the last two years we look forward to the future with cautious optimism.

Henry N.R. Jackman
Chairman of the Board

May 21, 1980.

Economic Investment Trust Limited

(Incorporated under the Canada Corporations Act)

BALANCE SHEET

| | December 31 | |
|---|---------------------|---------------------|
| | 1979 | 1978 |
| ASSETS | | |
| Investments, at market value (cost 1979 — \$30,912,434; 1978 — \$26,014,713)..... | \$56,702,480 | \$44,976,905 |
| Cash and short-term bank deposits | 125,057 | 2,469,317 |
| Due from brokers for securities sold | 650,181 | |
| Dividend receivable | 9,762 | |
| | <u>\$57,487,480</u> | <u>\$47,446,222</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Liabilities: | | |
| Due to brokers for securities purchased | \$ 236,990 | \$ 34,279 |
| Accounts payable and accrued charges | 6,751 | 18,151 |
| Income taxes payable | 497,859 | 358,549 |
| | <u>741,600</u> | <u>410,979</u> |
| Bank income debenture payable (note 3) | 4,000,000 | 4,000,000 |
| | <u>4,741,600</u> | <u>4,410,979</u> |
| Shareholders' equity: | | |
| Share capital — | | |
| Authorized: | | |
| 186,216 preferred shares of \$50 par value (exclusive of 13,784 shares redeemed) | | |
| 2,500,000 common shares of no par value | | |
| Issued: | | |
| 86,216 5% cumulative preferred shares Series A, redeemable at \$52.50 (88,051 in 1978) (note 4) | 4,310,800 | 4,402,550 |
| 1,032,940 common shares. | 4,116,691 | 4,116,691 |
| Surplus — | | |
| Contributed surplus | 799,654 | 764,128 |
| Earned surplus (note 7) | 1,927,311 | 1,759,798 |
| Accumulated surplus on sale of investments | 15,801,378 | 13,029,884 |
| Unrealized appreciation of investments | 25,790,046 | 18,962,192 |
| | <u>52,745,880</u> | <u>43,035,243</u> |
| | <u>\$57,487,480</u> | <u>\$47,446,222</u> |

On behalf of the Board:

H.N.R. JACKMAN Director

A. GEORGE DRAGONE Director

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF REVENUE AND EXPENSES AND EARNED SURPLUS

| | Year ended December 31 | |
|--|------------------------|--------------------|
| | 1979 | 1978 |
| REVENUE AND EXPENSES | | |
| Revenue: | | |
| Dividends from taxable Canadian corporations | \$1,675,425 | \$1,618,992 |
| Dividends from other corporations | 190,257 | 93,857 |
| Interest | 181,975 | 107,460 |
| | <u>2,047,657</u> | <u>1,820,309</u> |
| Expenses: | | |
| Administrative expenses | 42,870 | 39,523 |
| Directors' fees and management salaries | 53,210 | 51,150 |
| Interest on bank income debenture | 305,274 | 197,596 |
| Other bank interest and charges | 4,168 | 7,751 |
| Transfer agent's and auditors' fees | 9,375 | 19,177 |
| Legal fees | 3,261 | 5,344 |
| | <u>418,158</u> | <u>320,541</u> |
| Income before income taxes | 1,629,499 | 1,499,768 |
| Income taxes (note 2) | 86,500 | 25,500 |
| Net income for the year (per common share 1979 — \$1.28; 1978 — \$1.21) | <u>\$1,542,999</u> | <u>\$1,474,268</u> |
| EARNED SURPLUS | | |
| Earned surplus, beginning of year | \$1,759,798 | \$1,380,299 |
| Add net income for the year | 1,542,999 | 1,474,268 |
| | <u>3,302,797</u> | <u>2,854,567</u> |
| Deduct: | | |
| Dividends paid out of investment income on — | | |
| Preferred shares (\$2.50 per share) | 218,593 | 221,935 |
| Common shares (1979 — \$1.12 per share; 1978 — \$0.845 per share) | 1,156,893 | 872,834 |
| | <u>1,375,486</u> | <u>1,094,769</u> |
| Earned surplus, end of year (note 7) | <u>\$1,927,311</u> | <u>\$1,759,798</u> |

Note: Included in earned surplus is capital surplus arising under Section 62 of the Canada Corporations Act amounting to \$449,125 in 1979 and \$392,901 in 1978, including \$56,224 (\$36,106 in 1978) arising from the purchase of preferred shares for cancellation by the corporation during the year.

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF CONTRIBUTED SURPLUS, ACCUMULATED SURPLUS ON SALE OF INVESTMENTS, UNREALIZED APPRECIATION OF INVESTMENTS AND CHANGES IN NET ASSETS

| | Year ended December 31 | |
|--|------------------------|---------------------|
| | 1979 | 1978 |
| CONTRIBUTED SURPLUS | | |
| Contributed surplus, beginning of year | \$ 764,128 | \$ 740,234 |
| Add excess of par value of preferred shares redeemed over repurchase price thereof (note 4) | 35,526 | 23,894 |
| Contributed surplus, end of year | <u>\$ 799,654</u> | <u>\$ 764,128</u> |
| ACCUMULATED SURPLUS ON SALE OF INVESTMENTS | | |
| Accumulated surplus, beginning of year | \$13,029,884 | \$11,326,224 |
| Net gain on securities sold during the year: | | |
| Proceeds of sales | 13,733,896 | 8,229,126 |
| Investments at cost, beginning of year | 26,014,713 | 24,808,280 |
| Investments purchased during year | 15,065,123 | 7,382,899 |
| Investments at cost, end of year | (30,912,434) | (26,014,713) |
| Cost of investments sold | 10,167,402 | 6,176,466 |
| Gain before income taxes | 3,566,494 | 2,052,660 |
| Income taxes (note 2) | 795,000 | 349,000 |
| Net gain on sale | 2,771,494 | 1,703,660 |
| Accumulated surplus, end of year | <u>\$15,801,378</u> | <u>\$13,029,884</u> |
| UNREALIZED APPRECIATION OF INVESTMENTS | | |
| Unrealized appreciation, beginning of year | \$18,962,192 | \$11,859,090 |
| Net increase for the year | 6,827,854 | 7,103,102 |
| Unrealized appreciation, end of year | <u>\$25,790,046</u> | <u>\$18,962,192</u> |
| CHANGES IN NET ASSETS | | |
| Net assets, beginning of year | \$43,035,243 | \$33,885,088 |
| Additions: | | |
| Net income for the year | 1,542,999 | 1,474,268 |
| Net gain on securities sold during the year | 2,771,494 | 1,703,660 |
| Increase in unrealized appreciation of investments | 6,827,854 | 7,103,102 |
| | <u>11,142,347</u> | <u>10,281,030</u> |
| Deductions: | | |
| Dividends paid — on preferred shares | 218,593 | 221,935 |
| — on common shares | 1,156,893 | 872,834 |
| Cost of preferred shares redeemed (note 4) | 56,224 | 36,106 |
| | <u>1,431,710</u> | <u>1,130,875</u> |
| Net increase for the year | 9,710,637 | 9,150,155 |
| Net assets, end of year | <u>\$52,745,880</u> | <u>\$43,035,243</u> |

(See accompanying notes)

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1979

1. Summary of accounting policies

The following is a summary of the accounting policies consistently followed by the corporation:

(a) Basis of determining market value —

The corporation's investments are stated at a market value in these financial statements to facilitate the computation of net asset value on a market value basis. In the accounts of the corporation, however, investments are stated at cost and not adjusted for fluctuations in market value.

The market value of each listed security is determined as the latest sale price thereof reported by the principal securities exchange on which the issue is traded or, if no sale is reported, the latest bid price is used. Securities which are traded over-the-counter are priced at the bid price quoted by a major dealer in such securities.

(b) Investment transactions —

Investment transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses from investment transactions and unrealized appreciation of investments are calculated on an average cost basis.

(c) Foreign exchange —

Foreign currency amounts included in the financial statements are stated in Canadian dollars on the following bases:

(i) Market value of investment securities, other assets and liabilities — at the closing rate of exchange in each year.

(ii) Purchases and sales of investment securities, revenue and expenses — at the rate of exchange prevailing when the transactions giving rise to such items occurred.

2. Income taxes

Throughout the years ended December 31, 1972 to 1979, the corporation has qualified as an "investment corporation" under Section 130 of the Income Tax Act (Canada). The investment income of an "investment corporation", other than dividends received from taxable Canadian corporations (which are not taxed in the corporation), is taxed at a reduced rate.

Taxes totalling \$1,254,000 (including \$795,000 in 1979) paid by the corporation to December 31, 1979 on net taxable capital gains realized by it after January 1, 1972 have been charged during such period against accumulated surplus on sale of investments. Such taxes are refundable to the corporation as long as it continues to qualify as an "investment corporation", and will be refunded to the corporation on any distribution of such gains to shareholders in the form of capital gains dividends, on the basis of approximately \$1 of tax for each \$4 of such distributions made.

At December 31, 1979, the corporation had approximately \$23,608,000 of unrealized capital gains for tax purposes, net of unrealized capital losses, on securities held in its investment portfolio. No provision has been made for refundable capital gains taxes of approximately \$5,372,000 that would have been payable if the investments had been disposed of at their quoted market value at December 31, 1979. Any such taxes would be refundable to the corporation on distribution of such gains to shareholders in the manner referred to in the preceding paragraph.

3. Bank income debenture payable

The bank income debenture payable of \$4,000,000 qualifies as an "income debenture" under the Income Tax Act (Canada); bears interest at one-half of the aggregate of the bank's prime rate plus 2-1/2%, such interest being payable, however, only to the extent that the corporation has net income during the period that the debenture is outstanding; matures on December 31, 1986; may be prepaid at the option of the corporation at any time without bonus; and is secured by certain of the corporation's investments.

4. Preferred shares

During the year the corporation purchased 1,835 of its preferred shares for cancellation at a cost of \$56,224. The excess (\$35,526) of the par value of these shares (\$91,750) over the purchase price has been credited to contributed surplus.

5. Net asset value per common share

Net asset value per common share was \$47.90 at December 31, 1979 (\$37.63 and \$28.37 at December 31, 1978 and 1977, respectively).

Net asset value per common share is determined by dividing the amount of the net assets of the corporation on a market value basis plus the total refundable capital gains tax on hand (see note 2), less the outstanding preferred shares at their stated redemption price of \$52.50 per share, all divided by the total number of common shares outstanding.

6. Statutory information

During the year, the corporation had nine directors and three officers. Two of the officers were also directors. The following aggregate remuneration was paid to the directors and officers during the year ended December 31, 1979: directors, as directors \$36,050 (1978 — \$35,550); officers, as officers \$17,160 (1978 — \$15,600).

7. Dividend commitments

In December 1979, the corporation declared four quarterly preferred dividends of 62.5 cents per quarter and three quarterly common dividends of 20 cents per quarter payable in 1980.

AUDITORS' REPORT

To the Shareholders of
Economic Investment Trust Limited:

We have examined the balance sheet and investment portfolio of Economic Investment Trust Limited as at December 31, 1979 and the statements of revenue and expenses, earned surplus, contributed surplus, accumulated surplus on sale of investments, unrealized appreciation of investments and changes in net assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position and investment portfolio of the corporation as at December 31, 1979 and the results of its operations and the changes in its net assets for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
February 21, 1980.

Clarkson Gordon
Chartered Accountants

Economic Investment Trust Limited

INVESTMENT PORTFOLIO AS AT DECEMBER 31, 1979

| | Number of shares | Cost | Market value |
|---|---------------------|-------------------|-------------------|
| PREFERRED SHARES (0.8% of net assets) | | | |
| The Fulcrum Investment Company Limited, 6% Cum. Pref. "A" | 38,849 | \$ 340,546 | \$ 393,346 |
| Pennington's Stores Limited | 2,075 | 7,362 | 8,300 |
| TOTAL PREFERRED SHARES | | <u>\$ 347,908</u> | <u>\$ 401,646</u> |
| COMMON AND CONVERTIBLE PREFERRED SHARES (106.7% of net assets) | | | |
| BANKS (17.1% of net assets) — | | | |
| The Bank of Nova Scotia | 135,000 | \$ 1,409,419 | \$ 3,290,625 |
| Canadian Imperial Bank of Commerce | 45,000 | 574,774 | 1,153,125 |
| The Royal Bank of Canada | 34,000 | 961,879 | 1,440,750 |
| The Toronto-Dominion Bank | 130,000 | 989,439 | 3,136,250 |
| | | <u>3,935,511</u> | <u>9,020,750</u> |
| TRUST COMPANIES (12.5% of net assets) — | | | |
| VGM Trustco Limited | 540,606 | 1,635,250 | 3,716,665 |
| 387659 Ontario Limited | 4,550 | 1,764,651 | 2,869,912 |
| | | <u>3,399,901</u> | <u>6,586,577</u> |
| FINANCIAL, INSURANCE AND FUNDS (9.4% of net assets) — | | | |
| Dale-Ross Holdings Limited | 56,810 | 395,405 | 908,960 |
| E-L Financial Corporation Limited, Conv. Pref. "A" | 117,570 | 1,206,008 | 1,410,840 |
| E-L Financial Corporation Limited | 88,931 | 1,073,507 | 1,067,172 |
| The Fulcrum Investment Company Limited | 61,200 | 411,623 | 405,450 |
| London Life Insurance Company | 7,000 | 544,566 | 1,190,000 |
| | | <u>3,631,109</u> | <u>4,982,422</u> |
| FOOD, BEVERAGE AND TOBACCO (5.0% of net assets) — | | | |
| Bright & Co., Limited, T.G. "A" | 50,000 | 363,087 | 725,000 |
| Dominion Citrus & Drugs Ltd., "A" | 40,000 | 187,114 | 190,000 |
| Imasco Limited, "A" | 11,000 | 323,012 | 473,000 |
| The Seagram Company Ltd. | 15,000 | 134,564 | 718,125 |
| Walker-Gooderham & Worts, Limited, Hiram "A" | 10,000 | 70,587 | 555,000 |
| | | <u>1,078,364</u> | <u>2,661,125</u> |
| GENERAL MANUFACTURING (4.7% of net assets) — | | | |
| Canadian Marconi Company, "A" | 50,000 | 224,192 | 1,012,500 |
| Genstar Limited | 20,000 | 224,849 | 517,500 |
| Shaw Pipe Industries Ltd. | 15,000 | 267,858 | 285,000 |
| Color Your World Inc. | 30,000 | 146,799 | 165,000 |
| Trans Canada Glass Ltd. | 25,000 | 252,475 | 212,500 |
| United Westburne Ind. Ltd. | 8,000 | 200,660 | 264,000 |
| | | <u>1,316,833</u> | <u>2,456,500</u> |

Economic Investment Trust Limited

INVESTMENT PORTFOLIO AS AT DECEMBER 31, 1979 (continued)

| | Number of shares | Cost | Market value |
|---|---------------------|------------------|------------------|
| METALS AND MINING (10.6% of net assets) — | | | |
| Campbell Red Lake Mines Limited | 20,000 | 454,565 | 670,000 |
| Denison Mines Ltd. | 10,000 | 135,681 | 375,000 |
| Dome Mines Limited | 45,000 | 404,994 | 2,700,000 |
| Pamour Porcupine Mines, Limited, Class A convertible | 50,000 | 361,745 | 575,000 |
| Sigma Mines (Quebec) Limited | 30,000 | 407,322 | 1,275,000 |
| | | <u>1,764,307</u> | <u>5,595,000</u> |
| OIL, GAS AND PIPELINES (10.6% of net assets) — | | | |
| Alberta Natural Gas Company Ltd. | 4,800 | 121,458 | 336,000 |
| Canadian Merrill Ltd. | 5,000 | 106,488 | 118,750 |
| Canadian Reserve Oil and Gas Ltd. | 10,000 | 206,147 | 240,000 |
| Candel Oil Ltd. | 6,000 | 113,599 | 348,000 |
| The Consumers' Gas Company, convertible, group 5, first series | 51,300 | 416,552 | 1,397,925 |
| Gulf Canada Limited | 13,000 | 364,057 | 1,452,750 |
| Husky Oil Ltd. | 10,000 | 208,823 | 720,000 |
| Norcen Energy Resources Limited | 20,000 | 415,221 | 637,500 |
| Union Oil Company of Canada Limited | 10,000 | 84,778 | 358,750 |
| | | <u>2,037,123</u> | <u>5,609,675</u> |
| PRINTING AND PUBLISHING (3.6% of net assets) — | | | |
| Abitibi-Price Inc. | 10,000 | 190,422 | 191,250 |
| Canadian Cablesystems Limited, Class A convertible | 15,000 | 195,688 | 191,250 |
| Maclean-Hunter Limited, "A" | 20,000 | 163,708 | 435,000 |
| Moore Corporation Limited | 15,000 | 206,379 | 525,000 |
| Southam Inc. | 10,000 | 280,647 | 280,000 |
| Toronto Sun Publishing Co. | 20,000 | 279,350 | 260,000 |
| | | <u>1,316,194</u> | <u>1,882,500</u> |
| PUBLIC UTILITIES (0.8% of net assets) — | | | |
| Bell Canada | 20,000 | 328,577 | 410,000 |
| REAL ESTATE (1.3% of net assets) — | | | |
| Allarco Developments Ltd. | 6,000 | 223,023 | 282,000 |
| Cadillac-Fairview Corp. Ltd. | 15,000 | 132,941 | 292,500 |
| Tonecraft Realty Inc. | 30,000 | 106,763 | 120,000 |
| | | <u>462,727</u> | <u>694,500</u> |
| TRANSPORTATION (11.7% of net assets) — | | | |
| Algoma Central Railway | 171,300 | 2,200,836 | 3,597,300 |
| Canadian Pacific Limited | 30,000 | 510,640 | 1,177,500 |
| Ecando Investments Limited | 10,592 | 1,118,708 | 1,411,755 |
| | | <u>3,830,184</u> | <u>6,186,555</u> |

Economic Investment Trust Limited

INVESTMENT PORTFOLIO AS AT DECEMBER 31, 1979 (continued)

| | Number of shares | Cost | Market value |
|---|---------------------|---------------------|---------------------|
| MISCELLANEOUS (1.5% of net assets) — | | | |
| D.H. Howden & Co. Ltd. | 1,000 | 11,015 | 10,625 |
| Extendicare Ltd. | 20,000 | 84,057 | 200,000 |
| Extendicare Ltd., Class A | 20,000 | 79,553 | 197,500 |
| Kelsey-Hayes Canada Limited | 8,500 | 204,410 | 178,500 |
| Quebecor Inc. | 14,100 | 146,100 | 195,638 |
| | | <u>525,135</u> | <u>782,263</u> |
| FOREIGN SECURITIES (17.9% of net assets) — | | | |
| Avco Corp. | 20,000 | 232,856 | 648,296 |
| Crane Co. | 8,000 | 338,898 | 310,715 |
| F.W. Woolworth Co. | 10,000 | 300,931 | 293,485 |
| Gamble-Skogmo, Inc. | 8,000 | 300,186 | 310,715 |
| Gold Fields of South Africa | 10,000 | 176,180 | 724,222 |
| Gotaas-Larsen Shipping Corporation | 8,333 | 64,995 | 85,268 |
| Howard Johnson Company | 10,000 | 164,614 | 289,105 |
| IU International Corporation | 25,000 | 298,495 | 324,878 |
| Jewel Companies, Inc. | 10,000 | 307,560 | 306,626 |
| Kaiser Steel Corporation | 6,000 | 307,490 | 189,232 |
| Kulicke & Soffa Industries, Inc. | 10,000 | 259,323 | 321,227 |
| London and Manchester Assurance Company Limited | 427,500 | 1,521,347 | 1,586,025 |
| Monsanto Co. | 5,000 | 342,396 | 348,240 |
| Norin Corp. | 25,000 | 340,262 | 394,234 |
| North American Royalties, Inc. | 10,000 | 242,082 | 245,301 |
| Reserve Oil and Gas Co. | 20,000 | 269,533 | 811,829 |
| Rosario Resources Corporation | 10,000 | 275,090 | 601,571 |
| Sundance Oil Co. | 10,000 | 313,590 | 759,265 |
| The Superior Oil Company | 5,725 | 882,733 | 882,733 |
| | | <u>6,938,561</u> | <u>9,432,967</u> |
| TOTAL COMMON AND CONVERTIBLE PREFERRED SHARES | | <u>\$30,564,526</u> | <u>\$56,300,834</u> |
| TOTAL INVESTMENT PORTFOLIO ... | | <u>\$30,912,434</u> | <u>\$56,702,480</u> |

SUMMARY

| | Market value | % of net assets |
|---|---------------------|--------------------|
| Preferred shares | \$ 401,646 | 0.8% |
| Common and convertible preferred shares | 56,300,834 | 106.7 |
| Cash and cash items (net) | 43,400 | 0.1 |
| Bank income debenture payable | (4,000,000) | (7.6) |
| Total net assets | <u>\$52,745,880</u> | <u>100.0%</u> |

(See accompanying notes)

Economic Investment Trust Limited

FINANCIAL RECORD — 1928 - 1979

| Year Ending March 31 | Total Net Assets at Market Value* | Funded Debt and Preferred Shares† | Available for Common Shares | Common Shares Outstanding** | Asset Value per Common Share** | Net Income | Net Earn- ings per Common Share | Common Dividend per Share** |
|----------------------------|---|--|--------------------------------------|-----------------------------------|--|---------------|--|--------------------------------------|
| 1928 | \$ 1,794,643 | \$ 1,000,000 | \$ 794,643 | 403,125 | \$ 1.97 | \$ 59,836 | 0.15 | 0.16 |
| 1933 | 1,161,715 | 962,500 | 199,215 | 499,062 | 0.40 | 36,538 | 0.07 | 0.06 |
| 1938 | 2,028,005 | 1,000,000 | 1,028,005 | 499,062 | 2.06 | 89,381 | 0.18 | 0.16 |
| 1943 | 2,604,866 | 1,000,000 | 1,604,866 | 499,062 | 3.22 | 79,552 | 0.16 | 0.15 |
| 1948 | 3,522,969 | 1,000,000 | 2,522,969 | 500,000 | 5.05 | 110,054 | 0.22 | 0.20 |
| Year Ending Dec. 31 | | | | | | | | |
| 1953 | 5,197,984 | 1,250,000 | 3,947,984 | 625,000 | 6.32 | 189,902 | 0.30 | 0.30 |
| 1961 | 15,222,286 | 2,509,500 | 12,712,786 | 969,855 | 13.11 | 348,260 | 0.36 | 0.34 |
| 1962 | 15,959,654 | 4,100,000 | 11,859,654 | 1,032,940 | 11.48 | 427,727 | 0.26 | 0.34 |
| 1963 | 17,633,299 | 4,100,000 | 13,533,299 | 1,032,940 | 13.10 | 495,390 | 0.38 | 0.35 |
| 1964 | 20,955,088 | 5,250,000 | 15,705,088 | 1,032,940 | 15.20 | 616,158 | 0.41 | 0.37 |
| 1965 | 21,897,735 | 5,250,000 | 16,647,735 | 1,032,940 | 16.12 | 703,888 | 0.44 | 0.40 |
| 1966 | 19,613,106 | 5,250,000 | 14,363,106 | 1,032,940 | 13.91 | 737,222 | 0.47 | 0.40 |
| 1967 | 23,076,097 | 5,128,462 | 17,947,635 | 1,032,940 | 17.38 | 788,772 | 0.52 | 0.44 |
| 1968 | 27,392,675 | 5,061,263 | 22,331,412 | 1,032,940 | 21.62 | 732,823 | 0.48 | 0.44 |
| 1969 | 25,942,615 | 5,061,263 | 20,881,352 | 1,032,940 | 20.22 | 759,294 | 0.50 | 0.46 |
| 1970 | 24,365,591 | 5,061,263 | 19,304,328 | 1,032,940 | 18.69 | 798,172 | 0.54 | 0.46 |
| 1971 | 27,254,532 | 5,056,013 | 22,198,519 | 1,032,940 | 21.49 | 781,332 | 0.52 | 0.46 |
| 1972 | 34,784,901 | 5,056,013 | 29,832,388*** | 1,032,940 | 28.88 | 835,490 | 0.58 | 0.46 |
| 1973 | 32,502,656 | 5,056,013 | 27,556,643*** | 1,032,940 | 26.67 | 862,673 | 0.60 | 0.54 |
| 1974 | 24,025,473 | 5,024,513 | 19,110,960*** | 1,032,940 | 18.50 | 966,022 | 0.70 | 0.65 |
| 1975 | 26,475,662 | 4,870,950 | 21,714,712*** | 1,032,940 | 21.02 | 1,097,837 | 0.84 | 0.70 |
| 1976 | 31,527,836 | 7,738,387 | 23,899,449*** | 1,032,940 | 23.14 | 1,104,158 | 0.85 | 0.74 |
| 1977 | 36,885,088 | 7,685,677 | 29,309,411*** | 1,032,940 | 28.37 | 1,125,886 | 0.87 | 0.74 |
| 1978 | 47,035,243 | 8,622,677 | 38,870,556*** | 1,032,940 | 37.63 | 1,474,268 | 1.21 | 0.845 |
| 1979 | 56,745,880 | 8,526,340 | 49,473,540*** | 1,032,940 | 47.90 | 1,542,999 | 1.28 | 1.12 |

* Total assets at market value less liabilities exclusive of long term debt and preferred and common shares.

† Preferred Shares at redemption price of \$52.50 per share.

** Adjusted for 5-for-2 split in 1951 and 5-for-1 split in 1963.

*** Including refundable capital gains tax on hand.

NOTES

