

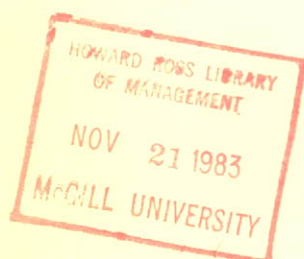
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CAPITAL LTD.

ANNUAL REPORT

30TH SEPTEMBER, 1983



GBC

CAPITAL LTD.

OFFICERS

Neil B. Ivory
President and Chief Executive Officer

Ian A. Soutar, C.F.A.
Vice-President

A. Scott Taylor, C.F.A.
Vice-President

Richard Haller
Secretary-Treasurer

Cyril F. Reid
Assistant Secretary-Treasurer

MANAGERS AND LOCATION OF EXECUTIVE OFFICES

Pembroke Management Ltd.
1018 Sun Life Building,
1155 Metcalfe Street,
Montreal, Quebec
H3B 2W8

LISTED

The Montreal Exchange

AUDITORS

Touche Ross & Co.,
Chartered Accountants,
1 Place Ville Marie,
Montreal, Quebec
H3B 2A2

TRANSFER AGENT AND REGISTRAR

Montreal Trust Company,
Montreal, Toronto and Calgary
(also Winnipeg and Vancouver for
Preferred Shares only)

REGISTERED OFFICE

First Canadian Place, 12th Floor,
100 King Street West,
Toronto, Ontario
M5X 1B3

ANNUAL MEETING

Friday, 9th December, 1983,
10:15 a.m., at 1018 Sun Life
Building, Montreal, Quebec

TO THE SHAREHOLDERS

REVIEW OF FISCAL YEAR 1983

The twelve month period ended 30th September, 1983 was an extremely happy one for holders of North American equities. What initially appeared to be a surge based on declining interest rates developed into one of the most dynamic bull markets of recent decades as investors became increasingly convinced that the economic recovery in the U.S. was healthy and likely to be sustained.

GBC Capital's net assets rose 61.6% during its fiscal year ended 30th September, 1983, to \$171,898,821, while the net asset value per common share increased 65.6% to \$61.40, a record high. During the same interval the Toronto Stock Exchange 300 Composite Stock Index rose 56.0% and the Standard & Poor 500 Composite Stock Index increased by 37.9%.

Net income rose modestly from last year's level, reaching \$1,965,000 for fiscal 1983. After preferred dividends, net income per common share equalled \$0.61 compared with \$0.56 last year. A semi-annual dividend of \$0.27 per common share was paid on 31st May and a dividend of \$0.33 per share will be paid on 25th November bringing the total in respect of the 1983 fiscal year to \$0.60.

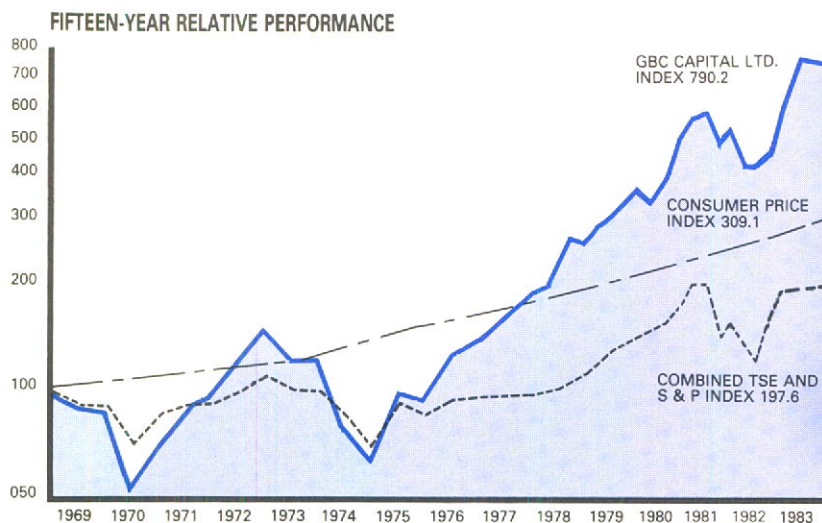
INVESTMENT OBJECTIVE

GBC Capital's long term goal is to increase its capital value, earnings and dividends at a rate in excess of inflation. These goals have been generally met except for earnings and dividend growth in the past two years. We are hopeful that the sharp rise in corporate profits projected for Canadian companies in 1984 will result in increased dividend payments to your Corporation.

LONG TERM RECORD

The fifteen year chart of GBC Capital's record in comparison with the major North American Stock indices and with the rate of inflation in Canada is set out below. GBC Capital's net assets per share have grown at a compound annual rate of 15.0% over the past fifteen years.

GBC Capital initiated payment of common dividends in 1972 and since then the compound growth rate of dividend payments has been 36.2% per annum. The graph sets out the earnings and dividend record of GBC since 1972.



INVESTMENT STRATEGY

The long term strategy of GBC Capital is to remain fully invested in the stocks of companies that appear reasonably valued and that hold superior long term growth potential. In the past seven years the Corporation has had a relatively heavy weighting in U.S. equities with particular emphasis on technology. With the growing popularity of high technology it is now becoming increasingly difficult to find attractively priced stocks and we expect to be reducing our exposure to technology stocks in the year ahead.

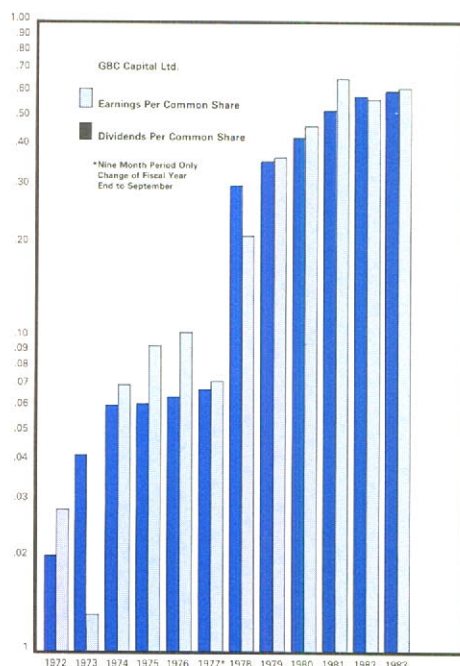
PEMBROKE MANAGEMENT LTD.

GBC Capital and its subsidiaries are managed under contract by Pembroke Management Ltd., a privately owned investment management company. Pembroke was formed in 1968 to manage GBC Capital and other closed end investment companies. Since then Pembroke has expanded its operations into pension fund management and other activities including acting as an adviser on equity portfolios.

During the past year, Clifford L. Larock, formerly President of GBC Capital and Chief Executive Officer of Pembroke reached retirement age. The board of GBC and his associates at Pembroke wish to acknowledge the enormous contribution he made both to GBC and to Pembroke and wish him good health and happiness in his retirement.

SUBSIDIARIES

GBC Capital owns 99% of the common stock of Dominion-Scottish Investments Limited and 100% of Sutton Ventures Ltd. Dominion-Scottish is a diversified investment company that concentrates on the shares of small to medium sized growth companies in North America. Sutton specializes in small high technology companies including some private venture capital investments.



DOMINION-SCOTTISH INVESTMENTS LIMITED

Net assets of Dominion-Scottish rose 43.2% to \$78.5 million during the year. A buoyant Canadian stock market combined with an improvement in many of its larger U.S. holdings, particularly Cole National, helped to produce these results.

SUTTON VENTURES LTD.

Reflecting strong investor enthusiasm for the shares of high technology companies, Sutton's net assets rose 106.4% during the year to a record \$42.3 million. Since inception in 1969, Sutton's net assets have risen almost 16 times, equal to an average annual compound growth rate of 21.9%.

TOP FIVE HOLDINGS

SHARED MEDICAL SYSTEMS CORPORATION

(Value \$45.9 million or 26.2% of total assets)

As the leading supplier of computer-based information processing services to hospitals and physicians' groups, SMS is expected to report its twelfth consecutive record year in 1983 with both sales and earnings rising approximately 25%. The company appears to be ideally positioned to assist hospitals in the information requirements of the U.S. Medicare reimbursement plans that have gone into effect recently. The outlook for continued above average growth seems assured.

COLE NATIONAL CORPORATION

(Value \$9.5 million or 5.4% of total assets)

Cole National is a highly successful diversified retail specialty chain based in Cleveland. Approximately one-half its sales are provided by Child World, the second largest toy super-market chain in the U.S. We expect this division will help Cole National to continue its long record of consistent growth which has exceeded 28% annually over the past ten years.

For the first half of fiscal 1984 (which ends 31st January, 1984) sales rose 22% to \$217 million and a small profit was earned compared with a loss last year. With a large part of its revenue and practically all of its net income coming in the fourth quarter of the year, we expect sales for the full year to be up at least 20% to over \$600 million and earnings per share to approach \$2.10 compared with \$1.71 last year.

APOLLO COMPUTER INC.

(Value \$7.8 million or 4.4% of total assets)

In August, 1981, Sutton Ventures invested \$1.0 million U.S. in a private offering of Apollo Computer, a Boston based manufacturer of super minicomputers. Apollo was started in 1980 by certain senior officers of Prime Computer, Digital Equipment and Data General. By taking advantage of the latest semiconductor technology, this exceedingly strong management team has developed the hardware, operating system and particularly the communications software to deliver a very powerful yet inexpensive engineering work station. A high speed proprietary local area network permits the use of up to 150 work stations without noticeable degradation in response time.

Apollo's progress has been exceptional. It shipped its first product in 1981, one year after start-up. In 1982 it recorded

sales of \$18 million and a modest profit. This year it expects sales to reach \$80 million and net earnings \$11.3 million. Next year analysts are projecting sales of \$170 million and net profits of \$22 million.

HARRIS STEEL GROUP INC.

(Value \$5.6 million or 3.2% of total assets)

For the first half of 1983 Harris Steel reported earnings of \$0.35 per share which represents a 25% increase over earnings of \$0.28 per share in the first six months of 1982. This rate of improvement may not persist through the second half but earnings for the full year should reach the 1982 level of \$0.66 per share after extraordinary items.

The Harris group is comprised of several cyclical steel consuming businesses with products and market areas diversified so that the cycles for each division should not coincide. The overall results remain cyclical but the strategy has been successful relative to competitors, nearly all of which have suffered serious losses. Harris is thus very well positioned to benefit strongly from the anticipated eventual recovery in the construction industry.

TOROMONT INDUSTRIES LTD.

(Value \$4.8 million or 2.7% of total assets)

For the first six months of 1983 Toromont reported sales of \$42.4 million which was virtually the same as for the previous year. Net earnings were sharply lower at \$0.16 per share as compared with \$0.32 in the first half of 1982 reflecting the continuing adverse effects of the recession on the capital goods sector of the market.

Fortunately signs of improving business conditions are beginning to appear at some of Toromont's operations. Results at the recently acquired U.S. subsidiary, Kimmel-Motz Refrigeration Corporation of California, are very satisfactory while, in Canada, earnings at the industrial refrigeration and electromagnetic parts division are recovering.

Overall results for the second half should show some improvement over the first half but earnings for 1983 are unlikely to reach the 1982 level of \$0.51 per share. The outlook for 1984 is quite encouraging.

OUTLOOK

Prospects for continued economic growth throughout the balance of 1983 and 1984 appear to be good. Recent favourable wage settlements and the continued weakness in most commodities suggest that inflation will not accelerate sharply in the near term. The problem, however, is that much of the good economic news has already been reflected in the buoyant stock market of the past twelve months. Stock market gains will thus be much more difficult to achieve over the next year and some caution is advised. It is not our policy to maintain large cash reserves but a gradual shift to less volatile issues is planned.

Respectfully submitted,
Neil B. Ivory, President and
Chief Executive Officer

Montreal, Quebec
1st November, 1983.

THE BOARD OF DIRECTORS

NEIL B. IVORY

(President and Chief Executive Officer)
is President of Pembroke Management Ltd. He joined the Board in 1973. His other directorships include Dominion-Scottish Investments Limited, Sutton Ventures Ltd., Canadian Stockholders Investments Ltd., Formula Growth Ltd., Harris Steel Group Inc., Toromont Industries Ltd.

DOUGLAS T. BOURKE

is a Business Executive. He joined the Board in 1978. He is also a director of Dominion-Scottish Investments Limited and of SKF Canada Ltd.

DONALD E. DUNN, C.A.

is Vice-President/Finance of Henry Birks & Sons Limited. He joined the Board in 1981. His directorships include Dominion-Scottish Investments Limited, Henry Birks & Sons Limited and subsidiaries.

GEORGE A. FIERHELLER

is President and Chief Executive Officer of Premier Cablesystems Ltd. of Vancouver. He joined the Board in 1974. He is also Vice-Chairman of Rogers Cablesystems Inc. of Toronto and a Director of Dominion-Scottish Investments Limited, Extendicare Ltd. and Datacrown Inc.

R. ALEXANDER HAMMOND-CHAMBERS

is Deputy-Chairman of Ivory & Sime plc. He joined the Board in 1972. He is also a director of MRW Inc., Cumberland Natural Gas and Dominion-Scottish Investments Limited.

JOHN S. LANE, C.F.A.

is Vice-President and Assistant General Manager for Canada of Sun Life Assurance Company of Canada. He joined the Board in 1970. His other directorships include Dominion-Scottish Investments Limited, Sutton Ventures Ltd., Sun Life of Canada Investment Management Ltd.

DAVID T. M. ROSS, F.C.C.A.

is a director of Ivory & Sime plc. He joined the Board in 1981. He is also a director of Dominion-Scottish Investments Limited and Secretary of British Assets Trust, Edinburgh American Assets Trust and other investment companies managed by Ivory & Sime.

HUGH R. SNYDER

is President and Chief Executive Officer of Brinco Limited. He joined the Board in 1979. He is also a director of Dominion-Scottish Investments Limited and of the Canadian Paraplegic Association (Ontario Division).

GBC CAPITAL LTD.
and subsidiary companies

**CONSOLIDATED
STATEMENT OF
FINANCIAL POSITION**
as at 30th September, 1983

	1983	1982
INVESTMENTS		
Securities at market value (Note 2)	<u>\$175,296,327</u>	<u>\$105,831,952</u>
CURRENT ASSETS		
Cash and term deposits	2,419,901	3,221,221
Due from brokers	720,900	—
Accrued income on investments	314,507	272,282
Income taxes recoverable	—	1,168,500
Accounts receivable	30,700	—
	<u>3,486,008</u>	<u>4,662,003</u>
CURRENT LIABILITIES		
Preferred dividend payable	78,750	78,750
Due to brokers	—	550,546
Accounts payable and accrued expenses	224,140	139,489
Income taxes payable	3,007,700	—
	<u>3,310,590</u>	<u>768,785</u>
NET CURRENT ASSETS	<u>175,418</u>	<u>3,893,218</u>
	175,471,745	109,725,170
MINORITY INTEREST	<u>3,572,924</u>	<u>3,380,200</u>
NET ASSETS (Note 5)	<u>\$171,898,821</u>	<u>\$106,344,970</u>
REPRESENTED BY		
Capital stock (Note 3)	\$ 22,166,574	\$ 22,166,574
Contributed surplus	1,325,310	1,325,310
Retained earnings	7,442,505	7,328,107
Surplus on changes in investments (Note 4)	46,735,000	35,176,079
Unrealized appreciation of investments (Note 2)	94,229,432	40,348,900
	<u>\$171,898,821</u>	<u>\$106,344,970</u>

On behalf of the Board

Neil B. Way, Director

J. S. Lane, Director

GBC CAPITAL LTD.
and subsidiary companies

**CONSOLIDATED
STATEMENT OF INCOME AND
RETAINED EARNINGS**
for the Year Ended
30th September, 1983

	1983	1982
INCOME FROM INVESTMENTS	\$3,746,887	\$3,520,415
Management expenses	884,516	614,764
Other expenses	209,603	200,713
	1,094,119	815,477
	2,652,768	2,704,938
Income and withholding taxes	534,227	718,001
	2,118,541	1,986,937
Minority interest	153,318	155,057
NET INCOME	1,965,223	1,831,880
Retained earnings at beginning of year	7,328,107	7,266,219
	9,293,330	9,098,099
Dividends		
5¼% preferred shares	315,000	315,000
Common shares	1,535,825	1,454,992
	1,850,825	1,769,992
RETAINED EARNINGS AT END OF YEAR	\$7,442,505	\$7,328,107
Net income per common share	\$0.61	\$0.56

AUDITORS' REPORT
The Shareholders,
GBC Capital Ltd.

We have examined the consolidated statement of financial position of GBC Capital Ltd. as at 30th September, 1983 and the consolidated statement of income and retained earnings 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 consolidated financial statements present fairly the financial position of the Corporation as at 30th September, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Montreal, Quebec,
1st November, 1983.

Touche Ross & Co.
Chartered Accountants

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**
30th September, 1983

1. Accounting policies and presentation

- a. General
The Corporation follows generally accepted accounting principles in the preparation of its financial statements and their application is consistent with that of the preceding year.
- b. Principles of consolidation
The consolidated financial statements include the accounts of Dominion-Scottish Investments Limited (99.14% of the common shares owned) and Sutton Ventures Ltd. (100% owned).
- c. Foreign currencies
Transactions in foreign currencies during the year were recorded at the relative rates of exchange applicable on the dates of such transactions. Amounts in foreign currencies included in assets and liabilities have been shown in Canadian funds, converted at rates of exchange applicable at the end of the year, any adjustment thereon being credited or charged, as the case may be, to "Surplus on changes in investments".
- d. Statement of changes in financial position
A statement of changes in financial position has been omitted since it is deemed inappropriate for an investment corporation. A statement of changes in net assets (Note 5) has been substituted therefor.

2. Securities at market value

	<u>1983</u>	<u>1982</u>
Held by:		
GBC Capital Ltd.	\$ 54,276,631	\$ 32,444,968
Dominion-Scottish Investments Limited	79,624,332	54,009,675
Sutton Ventures Ltd.	41,395,364	19,377,309
	<u>175,296,327</u>	<u>105,831,952</u>
Securities at average cost.	80,008,373	64,688,654
	<u>95,287,954</u>	<u>41,143,298</u>
Amount required to adjust average cost from a corporate basis to a consolidated basis.	<u>(1,058,522)</u>	<u>(794,398)</u>
Balance included in shareholders' equity as unrealized appreciation of investments	<u>\$ 94,229,432</u>	<u>\$ 40,348,900</u>

Securities at market value include those at the directors' valuation of \$58,495,977 (1982 — \$26,667,745) of which \$4,312,978 (1982 — \$2,559,895) represent securities with no quoted value. No provision has been made for any liability for income taxes on capital gains which may arise on the future sale of investments. This is currently estimated to amount to \$23,898,000 based on the unrealized appreciation recorded by each of the consolidated corporations.

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**
30th September, 1983

3. Capital stock

	<u>1983</u>	<u>1982</u>
5¼% cumulative redeemable preferred shares without nominal or par value Authorized and issued — 120,000 shares	\$ 6,000,000	\$ 6,000,000
Common shares without nominal or par value Authorized — not limited Issued — 2,694,429 shares	<u>16,166,574</u> <u>\$ 22,166,574</u>	<u>16,166,574</u> <u>\$ 22,166,574</u>

The preferred shares are redeemable at the option of the Corporation at any time in whole or from time to time in part, on not less than 30 days' notice, at \$52.50 per share (in one restricted event at \$50 per share) plus accrued and unpaid dividends, if any, to the date of redemption. The Corporation may, at any time and from time to time, also purchase the whole or any part of such preferred shares in the open market at a price not exceeding the redemption price thereof plus costs of purchase.

4. Surplus on changes in investments

	<u>1983</u>	<u>1982</u>
Balance at beginning of year	\$ 35,176,079	\$ 31,631,611
Gain on changes in investments including gain on exchange of \$15,558 (1982 — gain \$107,705)	15,890,721 4,331,800	4,689,668 1,145,200
Income taxes on changes in investments	<u>11,558,921</u>	<u>3,544,468</u>
Balance at end of year	<u>\$ 46,735,000</u>	<u>\$ 35,176,079</u>

5. Changes in net assets

	1983	1982
Net assets at beginning of year	<u>\$106,344,970</u>	<u>\$107,409,538</u>
Add		
Net income for the year	1,965,223	1,831,880
Gain on changes in investments		
Securities at average cost		
at beginning of year	64,688,654	61,518,518
Purchases	40,919,557	15,258,161
	<u>105,608,211</u>	<u>76,776,679</u>
Securities at average cost at end of year	80,008,373	64,688,654
Cost of securities sold	25,599,838	12,088,025
Proceeds from securities sold	41,475,001	16,669,988
	<u>15,875,163</u>	<u>4,581,963</u>
Gain on exchange	15,558	107,705
Increase (decrease) in unrealized appreciation		
of investments	53,880,532	(4,670,924)
	<u>71,736,476</u>	<u>1,850,624</u>
Deduct		
Income taxes on changes in investments	4,331,800	1,145,200
Dividends		
5¼% preferred shares	315,000	315,000
Common shares	1,535,825	1,454,992
	<u>6,182,625</u>	<u>2,915,192</u>
Increase (decrease) for the year	<u>65,553,851</u>	<u>(1,064,568)</u>
Net assets at end of year	<u>\$171,898,821</u>	<u>\$106,344,970</u>
Net asset value per common share	<u>\$61.40</u>	<u>\$37.07</u>

6. Directors and officers remuneration

Aggregate remuneration paid during the year to the Corporation's directors was as follows:

Paying corporation

	1983	1982
GBC Capital Ltd.	\$35,350	\$38,886
Dominion-Scottish Investments Limited	35,350	38,886
Sutton Ventures Ltd.	2,000	2,000
	<u>\$72,700</u>	<u>\$79,772</u>

The Corporation has five officers, one of whom is also a director. The officers of the Corporation as such received no remuneration.

INVESTMENTS RANKED BY VALUE

as at 30th September, 1983

No.	Amount	Company	Market Value	Main Activity	Country of Incorporation
1	1,000,000	Shared Medical Systems	\$45,890,852†	Hospital data processing	U.S.A
2	225,000	Cole National Corp.	9,496,412	Specialty retailer	U.S.A.
3	200,000	Apollo Computer	7,763,490†	Mini-computers	U.S.A.
4	440,000	Harris Steel, A			
	220,000	Harris Steel, B	5,610,000	Steel fabrication and distribution	Canada
5	611,000	Toromont Industries	4,814,680	Engineered products	Canada
6	1,000,000	Cullaton Lake Gold Mines, Pfd. A	3,950,000	Gold mining	Canada
7	100,000	Jackson National Life Ins.	3,850,937	Life insurance	U.S.A
8	60,000	Wajax Limited, cv., Pfd. A			
	125,000	Wajax Limited, A	3,732,500	Heavy equipment distribution	Canada
9	80,000	Rouse Co.	3,203,980	Real estate development	U.S.A.
10	224,608	Cousins Properties	3,149,807	Real estate development	U.S.A.
Top Ten Investments			91,462,658	52.1% of Total Assets	
11	58,700	Lornex Mining	3,052,400	Copper producer	Canada
12	100,000	Interprovincial Pipe Line	3,000,000	Crude oil pipeline	Canada
13	100,000	TransCanada PipeLines	2,788,000	Natural gas pipeline	Canada
14	100,000	Scott's Hospitality			
	100,000	Scott's Hospitality, C	2,638,000	Hotels and fast foods	Canada
15	60,000	PHH Group	2,486,164	Management services	U.S.A.
16	60,000	Comdata Network Inc.	2,320,174	Electronic cash transfer	U.S.A.
17	45,000	Lockheed Corp.	2,301,320	Defense supplier	U.S.A.
18	50,000	Comdisco Inc.	2,279,755	Computer leasing	U.S.A.
19	\$1,500,000	Southern Bancorporation			
		10%, cv., Debs. due 1996	2,255,109	Regional banking	U.S.A.
20	100,000	Big V Supermarkets	2,064,103	Supermarket chain	U.S.A.
Top Twenty Investments			116,647,683	66.5% of Total Assets	
21	100,000	Moran Energy	2,033,295	Oil and gas	U.S.A.
22	10,000	Teledyne Inc.	1,991,766	Electronic and engineered products	U.S.A.
23	180,000	Echo Bay Mines	1,980,000	Gold mining	Canada
24	40,000	Nucor Corp.	1,873,096	Steel manufacturer	U.S.A.
25	30,000	Canadian Tire Corp., A	1,830,000	Retailer	Canada
26	77,200	Noble Affiliates	1,807,538	Oil and gas	U.S.A.
27	100,000	U.S. Home Corp.	1,756,028	Real estate development	U.S.A.
28	60,000	Jonathan Logan	1,645,121	Apparel manufacturer	U.S.A.
29	100,000	Rowan Companies	1,601,990	Oil and gas	U.S.A.
30	50,000	Bank of Montreal, Pfd. A	1,594,000	Banking	Canada
Top Thirty Investments			134,760,517	76.8% of Total Assets	
31	50,000	Acco World Corp.	1,563,789	Office supplies manufacturer	U.S.A
32	130,000	Monenco Ltd., A	1,560,000	Engineering services	Canada
33	30,000	Texas Commerce Bancshares	1,552,698	Bank holding	U.S.A.
34	37,500	Pandick Press	1,548,077	Financial printers	U.S.A.
35	50,000	Phelps Dodge	1,494,164	Copper producer	U.S.A.
36	40,000	Palm Beach Inc.	1,478,760	Apparel manufacturer	U.S.A.
37	40,000	Harper Group	1,429,468	Freight forwarding	U.S.A.
38	50,000	Wilson, H.J.	1,417,145	Catalog showroom retailer	U.S.A
39	40,000	Sun Banks Inc.	1,386,584	Regional banking	U.S.A.
40	40,000	Royal Bank of Canada	1,285,200	Banking	Canada
Top Forty Investments			149,476,402	85.2% of Total Assets	

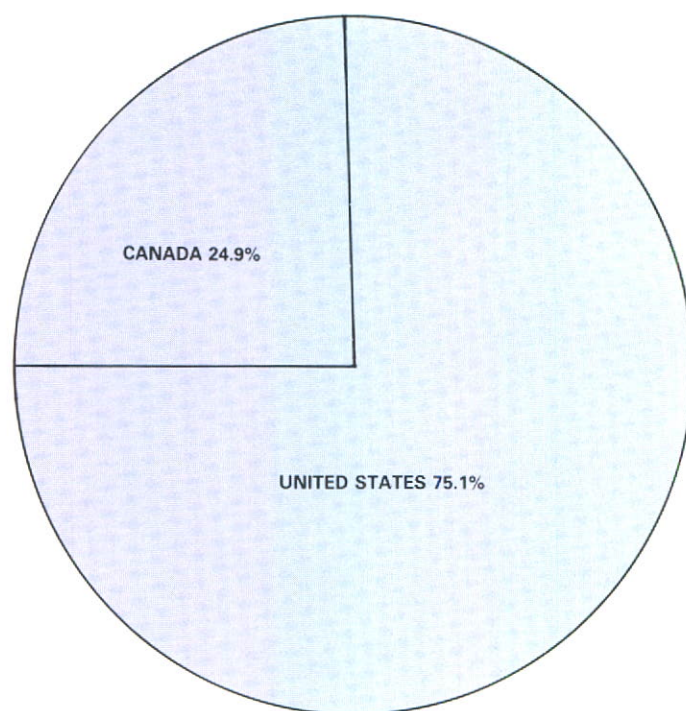
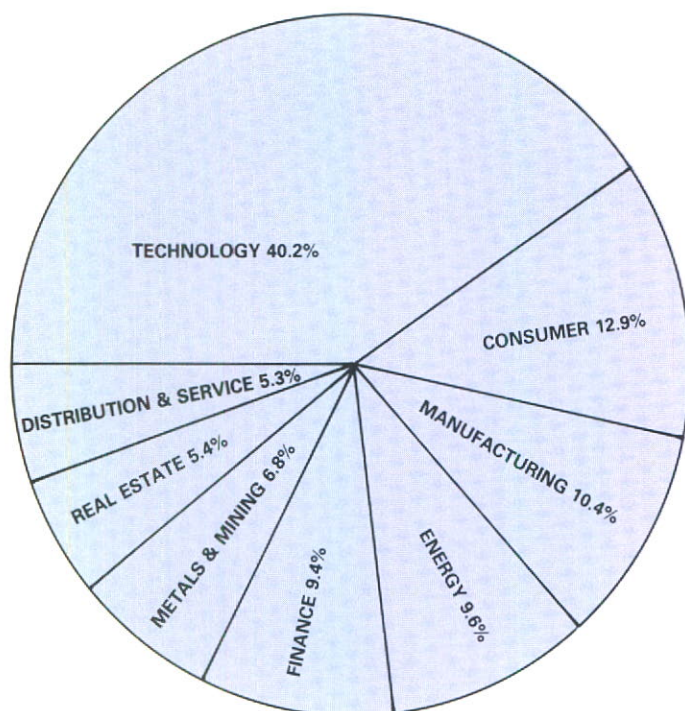
No.	Amount	Company	Market Value	Main Activity	Country of Incorporation
41	50,000	American Healthcare	1,232,300†	Hospital management	U.S.A.
42	50,000	Lennar Corp.	1,224,906	Real estate development	U.S.A.
43	40,000	Analogic Corp.	1,207,654	Data conversion, measurement	U.S.A.
44	12,000	Grafton Group			
	48,000	Grafton Group, A	1,101,000	Apparel retailer	Canada
45	40,000	Waldbaum Inc.	1,016,894	Supermarket chain	U.S.A.
46	40,000	Renaissance Energy cv., 2nd Pfd. A	1,000,000†	Oil and gas	Canada
47	50,000	Nowco Well Service	987,500	Oilfield services	Canada
48	30,000	Canadian Imperial Bank	986,400	Banking	Canada
49	\$550,000	Precambrian Shield Resources 9%, cv., Debs. due 1991			
	50,000	Precambrian Shield Resources	976,000	Oil, gas and gold	Canada
50	40,000	First Executive Corp.	973,517	Life insurance	U.S.A.
Top Fifty Investments			160,182,573	91.3% of Total Assets	
51	40,000	Computer & Comm. Tech.	973,517	Computer data storage	U.S.A.
52	30,000	Healthdyne Inc.	961,194	Medical equipment	U.S.A.
53	25,000	Ocean Drilling & Exploration	924,225	Oil and gas	U.S.A.
54	35,000	Numac Oil & Gas	918,750	Oil and gas	Canada
55	100,000	Dickenson Mines Ltd., A			
	50,000	Dickenson Mines Ltd., B	781,500	Gold mining	Canada
56	35,000	Aeroflex Laboratories	776,349	Defense electronics	U.S.A.
57	25,000	Telecredit, Inc.	754,784	Electronic cash transfer	U.S.A.
58	50,000	Power Conversion Inc.	731,986	Lithium batteries	U.S.A.
59	20,000	Dynatech Corp.	708,573	Telecommunications equipment	U.S.A.
60	70,000	Petroleum Equipment Tools	658,171	Equipment rental	U.S.A.
Top Sixty Investments			168,371,622	95.9% of Total Assets	
61	30,000	Kiena Gold Mines	630,000	Gold mining	Canada
62	44,300	Telelogic Inc., cv., Pfd. C	627,795†	Automatic dialers	U.S.A.
63	30,000	Summit Energy, cv., Pfd.	624,037	Oil and gas	U.S.A.
64	15,000	Energy Conversion Devices	623,852	Amorphous materials	U.S.A.
65	30,000	Novar Electronics Corp.	545,293	Security systems	U.S.A.
66	25,000	Onyx + Imi Inc.	539,131	Microcomputers	U.S.A.
67	50,000	Scientific Systems Services	528,657†	Computer software	U.S.A.
68	25,000	Banctec, Inc.	462,113	Bank automation	U.S.A.
69	20,000	Diagnostic/Retrieval, A			
	10,000	Diagnostic/Retrieval, B	372,894	Defense electronics	U.S.A.
70	30,000	Creative Output Inc.	369,690†	Computer software	U.S.A.
Top Seventy Investments			173,695,084	99.0% of Total Assets	
71	200,000	Czar Resources	340,000	Oil and gas	Canada
72	333,333	ImmunoMed Corp., cv., Pfd.	308,075†	Medical research	U.S.A.
73	25,000	Quality Care Inc.	284,969	Home health care	U.S.A.
74	50,000	International Teldata	277,268	Automatic meter reading	U.S.A.
75	250,000	Carma Ltd., A	200,000	Real estate development	Canada
76	\$250,000	Killucan 80 Exploration	125,000†	Oil and gas	Canada
77	50,000	Summit Software Systems	61,615†	Computer software	U.S.A.
78	200	Lee Data Corp.	4,313	Computer terminals	U.S.A.
79	146,853	Executec Corp., cv., Pfd. A			
	39,161	Executec Corp., warrants	2†	Computer software	U.S.A.
80	93,334	Infomark, cv., Pfd. A	1†	Small business computers	U.S.A.
Total Value of Investments			\$175,296,327	99.9% of Total Assets of \$175,471,745	

† at Directors' Valuation.

GBC CAPITAL LTD.
and subsidiary companies
30th September, 1983

INDUSTRIAL DISTRIBUTION OF ASSETS

GEOGRAPHICAL DISTRIBUTION OF ASSETS



TEN-YEAR FINANCIAL SUMMARY

	1983	1982	1981	1980	1979	1978	1977(2)	1976	1975	1974
Gross income (\$'000)	3,747	3,520	3,450	2,728	2,283	3,398	1,453	2,521	1,890	1,639
Net income (\$'000).....	1,965	1,832	2,081	1,559	1,303	2,583	976	1,926	1,373	1,213
Per common share —										
Net income	\$0.61	0.56	0.66	0.46	0.37	0.84	0.27	0.61	0.40	0.34
Dividends paid.....	\$0.57	0.54	0.68	0.36	0.30	0.068	—	0.065	0.06	0.06
Total assets (\$'000)	175,472	109,725	110,856	114,515	82,824	67,338	45,638	39,356	32,870	26,138
Net assets (\$'000).....	171,899	106,345	107,410	110,934	79,452	64,064	42,487	36,237	29,650	22,913
Available for common shares (\$'000)	165,440	99,887	100,951	104,475	72,994	57,606	36,028	29,779	23,192	16,455
Net asset value per common share:										
Market value basis.....	\$61.40	37.07	37.47	38.77	27.09	21.58	12.78	10.89	7.42	5.08
Equity accounting basis	N/A	N/A	N/A	N/A	N/A	21.38	13.37	11.19	8.71	6.18

NOTES:

- (1) For fiscal years 1972 to 1978 inclusive, income from associated companies was accounted for on the equity method.
- (2) Nine month period ended 30th September, 1977.
- (3) No provision has been made for income taxes on capital gains which may arise on the future sale of investments.

