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Economic Investment Trust Limited



**Fifty-Seventh Annual Report
December 31, 1983**

Economic Investment Trust Limited

THE YEAR AT A GLANCE **57th Annual Report**

	1983	1982
Total Revenues	\$ 3,068,472	\$ 3,183,189
Net Income	\$ 2,194,598	\$ 2,216,486
Net Income per Common Share	\$1.51	\$1.52*
Dividend per Common Share	\$1.40	\$1.27*
Total Net Assets (Market Value)	\$83,807,749	\$61,149,238
Net Asset Value per Common Share	\$61.19	\$45.24
Number of Common Shares outstanding at year-end.....	1,327,809	1,161,935

*Restated for 1 for 7 stock dividend in 1983

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held at 11:30 A.M. on Thursday, May 17, 1984 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

JOHN B. CRONYN	Corporate Director
A. GEORGE DRAGONE	President Fleet Arrowspace Corporation
IRVING R. GERSTEIN	President Peoples Jewellers 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.	Corporate Director
DONALD J. MIANO	Vice-President E—L Financial Corporation Limited
JOHN A. RHIND	Chairman Confederation Life Insurance Company
ADAM H. ZIMMERMAN	President Noranda Mines Limited

OFFICERS

HENRY N.R. JACKMAN	Chairman of the Board
DONALD J. MIANO	Managing Director
L. RUTH ROONEY	Secretary-Treasurer

Economic Investment Trust Limited

CHAIRMAN'S REPORT TO THE SHAREHOLDERS

The total assets of Economic Investment Trust increased from \$65,316,000 to \$88,421,000 during the fiscal year ended December 31, 1983. After deducting our income debenture and preferred shares, the net asset value behind each common share was \$61.19 compared with \$45.24 per share a year ago. Net income for the Trust decreased from \$2,216,000 or \$1.52 per share in 1982 to \$2,195,000 or \$1.51 per share. Regular quarterly dividends were paid on our preference shares. Dividends out of income on the common shares outstanding, including the extra dividend paid at the year end, totalled \$1.40 per share compared with \$1.27 per share during 1982. The 1982 amounts per share have been restated to reflect the "capital gains" dividend of \$9.35 per common share paid in February 1983 in the form of \$2.34 per share in cash and a stock dividend of one additional share for every seven shares owned. The issue price of these shares was \$49.07 per share.

Subsequent to the year end, on February 3, 1984, your Directors declared an additional dividend of \$4.00 per common share, payable on February 29, 1984, which again qualifies as a capital gains dividend under the Income Tax Act (Canada). Payment of this dividend was made in the form of \$1.00 per share in cash and \$3.00 per share by way of a stock dividend in common shares, based on an issue price of \$60.00 per share, being the approximate net asset value of each common share at December 31, 1983, less refundable capital gains tax on hand per share. Each shareholder will therefore receive one (1) additional common share for every twenty (20) shares owned.

Although the total amount of this dividend will be considered a capital gain to our shareholders in 1984, the dividend will result in a refund to Economic of approximately \$1,354,000 of taxes already paid on net realized capital gains.

It should be noted that the cost of the new common shares for Canadian tax purposes will be the issue price (\$60.00), which will have the effect of adjusting the cost base of your existing post December 31, 1971 common shares of Economic.

As a result of the \$1.00 cash payment to shareholders in February and the issue of additional common shares, the net asset value of \$61.19 per share at December 31, 1983 was reduced to \$52.84 as of March 31, 1984, based on the increased number of shares outstanding.

During the year Mr. Irving R. Gerstein, President of Peoples Jewellers was elected to Economic's Board of Directors.

Your Directors hope that the current uncertainties surrounding business conditions and security values will resolve themselves so Economic can continue its growth and progress.

Henry N.R. Jackman
Chairman of the Board

Economic Investment Trust Limited

CONSOLIDATED BALANCE SHEET

	December 31	
	1983	1982
ASSETS		
Investments, at market value (cost: 1983 — \$45,862,625; 1982 — \$40,435,583).....	\$85,479,605	\$60,434,109
Cash (including \$372,357 of short-term bank deposits; \$4,494,976 in 1982).....	620,291	4,869,076
Accrued interest receivable	1,265	12,838
Income taxes recoverable	2,320,584	
	<u>\$88,421,745</u>	<u>\$65,316,023</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Due to brokers	\$ 74,813	\$ 144,927
Accounts payable and accrued liabilities	11,580	9,559
Income taxes payable		12,299
	<u>86,393</u>	<u>166,785</u>
Bank income debenture payable (note 3)	4,000,000	4,000,000
Deferred income taxes	527,603	
	<u>4,613,996</u>	<u>4,166,785</u>
Shareholders' equity (note 8):		
Share capital —		
Authorized:		
175,681 preference shares		
Unlimited common shares		
Issued:		
75,681 5% cumulative preferred shares		
Series A, redeemable at \$52.50		
(78,181 in 1982) (note 4)	3,784,050	3,909,050
1,327,809 common shares (1,161,935 in 1982) (note 5)	18,716,199	10,576,760
	<u>22,500,249</u>	<u>14,485,810</u>
Surplus —		
Contributed surplus	1,055,352	1,005,164
Retained earnings	2,276,833	2,150,220
Undistributed net realized gain on sale of investments	18,885,938	23,509,518
Unrealized appreciation of investments	39,089,377	19,998,526
	<u>83,807,749</u>	<u>61,149,238</u>
	<u>\$88,421,745</u>	<u>\$65,316,023</u>
On behalf of the Board:		
H.N.R. JACKMAN Director		
D.J. MIANO Director		

(See accompanying notes)

Economic Investment Trust Limited

CONSOLIDATED STATEMENTS OF REVENUE AND EXPENSES AND RETAINED EARNINGS

	Year ended December 31	
	1983	1982
REVENUE AND EXPENSES		
Revenue:		
Dividends from - taxable Canadian corporations	\$1,977,432	\$1,961,392
- foreign corporations	642,754	544,776
	2,620,186	2,506,168
Interest	448,286	677,021
	<u>3,068,472</u>	<u>3,183,189</u>
Expenses:		
Administrative	58,903	55,822
Directors' fees and management salaries	87,864	74,998
Foreign exchange loss	14,227	
Interest on bank income debenture	274,438	369,260
Other bank interest and charges	6,518	14,211
Transfer agent's, audit and legal fees	42,665	36,245
	<u>484,615</u>	<u>550,536</u>
Income before income taxes	2,583,857	2,632,653
Income taxes (note 2)	389,259	416,167
Net income for the year (per common share 1983 — \$1.51; 1982 — \$1.52) (note 6)	<u>\$2,194,598</u>	<u>\$2,216,486</u>
RETAINED EARNINGS		
Balance, beginning of year	\$2,150,220	\$1,815,024
Add net income for the year	2,194,598	2,216,486
	<u>4,344,818</u>	<u>4,031,510</u>
Deduct:		
Dividends paid on		
— preferred shares (\$2.50 per share)	195,452	196,484
— common shares (1983 — \$1.40 per share; 1982 — \$1.27 per share) (note 6)	1,858,933	1,684,806
	2,054,385	1,881,290
Refundable income taxes (note 2)	13,600	
	<u>2,067,985</u>	<u>1,881,290</u>
Balance, end of year	<u>\$2,276,833</u>	<u>\$2,150,220</u>

(See accompanying notes)

Economic Investment Trust Limited

CONSOLIDATED STATEMENTS OF CONTRIBUTED SURPLUS, UNDISTRIBUTED NET REALIZED GAIN ON SALE OF INVESTMENTS, AND UNREALIZED APPRECIATION OF INVESTMENTS

	Year ended December 31	
	1983	1982
CONTRIBUTED SURPLUS		
Balance, beginning of year	\$ 1,005,164	\$ 926,486
Add excess of assigned value of preferred shares redeemed over repurchase price thereof (note 4)	50,188	78,678
Balance, end of year	<u>\$ 1,005,352</u>	<u>\$ 1,005,164</u>
UNDISTRIBUTED NET REALIZED GAIN ON SALE OF INVESTMENTS		
Balance, beginning of year	\$23,509,518	\$26,242,799
Net realized gain on investments sold during the year:		
Proceeds of sales	13,511,796	16,091,325
Investments at cost, beginning of year	40,435,583	39,335,383
Investments purchased during the year	14,317,349	12,262,784
Investments at cost, end of year	(45,862,625)	(40,435,583)
Cost of investments sold	8,890,307	11,162,584
Gain before income taxes	4,621,489	4,928,741
Income taxes (note 2)	1,097,000	1,193,235
Net realized gain on investments sold	3,524,489	3,735,506
Capital gains dividends paid (1983 — \$10,864,092; 1982 — \$8,625,049), less related refund of income taxes (1983 — \$2,716,023; 1982 — \$2,156,262) (note 5)	(8,148,069)	(6,468,787)
Balance, end of year	<u>\$18,885,938</u>	<u>\$23,509,518</u>
UNREALIZED APPRECIATION OF INVESTMENTS		
Balance, beginning of year	\$19,998,526	\$18,677,572
Net increase for the year (net of related deferred income taxes in subsidiaries of \$527,603 in 1983)	19,090,851	1,320,954
Balance, end of year	<u>\$39,089,377</u>	<u>\$19,998,526</u>

(See accompanying notes)

Economic Investment Trust Limited

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Year ended December 31	
	1983	1982
Net assets, beginning of year	\$61,149,238	\$55,815,872
Increase during the year:		
Due to investment activities —		
Net income for the year	2,194,598	2,216,486
Net realized gain on investments sold	3,524,489	3,735,506
Unrealized appreciation of investments	19,090,851	1,320,954
Refundable income taxes	(13,600)	
	24,796,338	7,272,946
Due to dividends paid and share capital transactions —		
Dividends paid on		
— preferred shares	(195,452)	(196,484)
— common shares	(1,858,933)	(1,684,806)
Capital gains dividends paid in cash		
(1983 — \$2,724,653; 1982 — \$2,164,980),		
less related refund of income taxes		
(1983 — \$2,716,023; 1982 — \$2,156,262) (note 5)	(8,630)	(8,718)
Cost of preferred shares redeemed (note 4)	(74,812)	(49,572)
	(2,137,827)	(1,939,580)
Net increase during the year	22,658,511	5,333,366
Net assets, end of year	\$83,807,749	\$61,149,238

(See accompanying notes)

Economic Investment Trust Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — DECEMBER 31, 1983

1. Summary of accounting policies

These financial statements have been prepared by management in accordance with generally accepted accounting principles. The following is a summary of the accounting policies consistently followed by the corporation:

(a) Consolidation —

The consolidated financial statements include the accounts of the corporation, which was continued under the Canada Business Corporations Act effective June 20, 1980, and its wholly-owned subsidiaries, Econos Foreign Investment Company Limited, which was incorporated on December 9, 1980, and Econos Canadian Investment Company Limited which was incorporated on April 5, 1983.

(b) Investments —

The corporation's investments are stated at 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 recorded 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. Other investments are valued at their net asset values based on the net market value of the underlying marketable securities held by them. (see note 1 (e)).

(c) 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.

(d) 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.

(e) Deferred income taxes —

Deferred income taxes are recorded on the potential tax liability related to the unrealized appreciation of the investments held by the corporation's subsidiaries, since such taxes would not be recoverable by the corporation (see note 2).

2. Income taxes

Throughout the years ended December 31, 1972 to 1983, 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 and net taxable capital gains, is taxed at a reduced rate. The corporation's provision for income taxes is determined as follows:

	1983	1982
Basic combined federal and provincial tax rate	50.6%	50.0%
Investment corporation reduction	(16.7)	(16.7)
	33.9	33.3
Subsidiaries' taxed at basic tax rate	6.7	5.4
Other	3.6	1.3
Effective tax rate	44.2%	40.0%
Applied to:		
Income before income tax	\$2,583,857	\$2,632,653
Add non-deductible bank income		
debenture interest	274,438	369,260
Less dividends from taxable		
Canadian corporations	(1,977,432)	(1,961,392)
	\$ 880,863	\$1,040,521
Provision for income taxes	\$ 389,259	\$ 416,167

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Economic Investment Trust Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — DECEMBER 31, 1983 (continued)

The corporation is also classified as a "subject corporation" subject to refundable income taxes on dividends received from taxable Canadian corporations. Refundable income taxes incurred each year are charged directly to retained earnings. These refundable income taxes are recoverable by the corporation through the payment of dividends on the basis of \$1 for each \$4 of taxable dividends (including debenture interest) paid by the corporation. Refunds of such taxes are credited to retained earnings in the year such dividends are paid.

During the year, the corporation incurred refundable income taxes of \$547,080; however, \$533,480 of such taxes were recoverable by the corporation through the payments of dividends during the year. The remaining balance of refundable income taxes at December 31, 1983 (\$13,600) may be recovered by the corporation in future years as noted above. Should the corporation cease to qualify as a "subject corporation", however, the entitlement to refunds will be lost.

Taxes are also payable by the corporation on net taxable capital gains realized by it, and such taxes are charged against the realized gain on sale of investments. However, a substantial portion of these taxes are recoverable by the corporation as long as it continues to qualify as an "investment corporation," through the distribution of capital gains dividends on the basis of \$1 of tax for each \$4 of such distributions made. Refunds of such taxes are credited to undistributed net realized gain on sale of investments.

The recoverable portion of such taxes paid by the corporation to December 31, 1983 is determined as follows:

Balance, December 31, 1982	\$3,029,722
Taxes incurred on net taxable capital gains realized during the year	1,097,000
	<u>4,126,722</u>
Recovery during the year through payment of capital gains dividends (see note 5)	2,716,023
Balance, December 31, 1983	<u>\$1,410,699</u>

The remaining balance of such taxes may be recovered by the corporation as noted above (see note 8).

At December 31, 1983, the corporation had approximately \$38,150,000 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 \$9,730,000 that would have been payable by the parent corporation if the investments had been disposed of at their market value at December 31, 1983. 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 2,500 of its preferred shares for cancellation at a cost of \$74,812. The excess (\$50,188) of the assigned value of these shares (\$125,000) over the purchase price has been credited to contributed surplus. The corporation is obligated under certain circumstances to purchase 2,500 preferred shares per annum for cancellation.

5. Capital gains dividends and share capital

On February 25, 1983, the corporation paid a dividend of \$9.35 per common share, which qualified as a capital gains dividend under the Income Tax Act (Canada) (see note 2). Payment of the dividend was made as follows:

- (i) \$2.34 per share by way of cash dividend, and
- (ii) \$7.01 per share by way of a stock dividend in common shares of the corporation based on an issue price of \$49.07 per share, being the net asset value of each common share at December 31, 1982 less refundable capital gains tax on hand per share. Thus, each shareholder was entitled to receive one additional common share for every seven shares owned at December 31, 1982. Those shareholders entitled to a fractional share received a cash payment at the above rate.

As a result, a cash dividend of \$2,724,653 was distributed and 165,874 common shares (\$8,139,439) were issued by the corporation (total \$10,864,092).

The payment of this dividend resulted in a refund of \$2,716,023 of taxes paid to date on net realized capital gains (see note 2).

Economic Investment Trust Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — DECEMBER 31, 1983 (continued)

6. Net income, dividends paid and net asset value per common share

Net income per common share, dividends paid per common share and net asset value per common share have been determined recognizing the new subdivision of share capital (see note 5) as though it had existed throughout the years. The comparative figures for prior years have been restated accordingly.

Net asset value per common share, after reflecting the above, was \$61.19 at December 31, 1983 (\$45.24 and \$41.92 at December 31, 1982 and 1981, 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 balance of 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.

7. Dividend commitments

In December 1983, the corporation declared four quarterly preferred dividends of 62.5 cents per quarter payable in 1984 and three quarterly common dividends of 20 cents per quarter payable in 1984.

8. Subsequent event

Subsequent to the year end, on February 3, 1984, the corporation declared a dividend of \$4.00 per common share, payable on February 29, 1984, which qualifies as a capital gains dividend under the Income Tax Act (Canada). Payment of the dividend shall be made in the following manner:

- (i) \$1.00 per share (total \$1,327,809) by way of a cash dividend, and
- (ii) \$3.00 per share (total \$3,983,427) by way of a stock dividend in common shares (approximately 66,390 shares) of the corporation based on an issue price of \$60.00 per share, being the approximate net asset value of each common share at December 31, 1983 less refundable capital gains tax on hand per share. Thus, each shareholder will receive one additional common share for every twenty shares owned.

The payment of this dividend will result in a refund of approximately \$1,354,000 of taxes paid to date on net realized taxable capital gains (see note 2).

AUDITORS' REPORT

To the Shareholders of
Economic Investment Trust Limited:

We have examined the consolidated balance sheet and consolidated investment portfolio of Economic Investment Trust Limited as at December 31, 1983 and the consolidated statements of revenue and expenses, retained earnings, contributed surplus, undistributed net realized gain 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 consolidated financial statements present fairly the financial position and investment portfolio of the corporation as at December 31, 1983 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,
January 20, 1984.

Clarkson Gordon
Chartered Accountants

Economic Investment Trust Limited

CONSOLIDATED INVESTMENT PORTFOLIO AS AT DECEMBER 31, 1983

	Number of shares	Cost	Market value
BANKS (15.0% of net assets) —			
Bank of Montreal - warrants	150,000	\$ 827,536	\$ 937,500
The Bank of Nova Scotia	134,000	1,398,979	5,929,500
The Royal Bank of Canada	76,500	1,157,379	2,629,688
The Toronto-Dominion Bank	180,000	456,796	2,970,000
The Toronto-Dominion Bank rights	180,005	1	46,801
		<u>3,840,691</u>	<u>12,513,489</u>
TRUST COMPANIES (33.9% of net assets) —			
National Trust Company Limited	257,059	6,362,742	10,796,478
TGV Holdings Limited, preference	965,770	965,770	965,770
TGV Holdings Limited, Class B Special	4,765	1,916,987	6,870,082
Victoria and Grey Trustco Limited	675,249	2,713,023	9,706,712
		<u>11,958,522</u>	<u>28,339,042</u>
FINANCIAL, INSURANCE AND INVESTMENT COMPANIES (15.5% of net assets) —			
Ecando Investments Limited, Class A, Class B and common	31,776	4,138,676	5,267,190
Ecando Investments Limited, non-interest bearing demand loan		546,000	546,000
E-L Financial Corporation Limited, convertible preferred "A"	117,570	1,206,008	2,806,984
E-L Financial Corporation Limited	88,931	1,073,507	2,045,413
The Fulcrum Investment Company Limited, 6% cumulative preferred "A"	38,849	340,546	446,764
The Fulcrum Investment Company Limited	90,159	464,423	1,713,021
United Canadian Shares Limited	11,700	188,655	169,650
		<u>7,957,815</u>	<u>12,995,022</u>
FOOD, BEVERAGE AND TOBACCO (2.7% of net assets) —			
T.G. Bright & Co., Limited, "A"	50,000	363,087	1,175,000
Carling O'Keefe Limited	10,000	216,100	227,500
Keg Restaurants Ltd., "A"	80,000	406,400	470,000
VS Services Limited	22,500	190,841	405,000
		<u>1,176,428</u>	<u>2,277,500</u>
GENERAL MANUFACTURING (1.7% of net assets) —			
Atco Ltd., "II"	20,000	222,483	157,500
Budd Canada Inc.	6,500	48,309	78,813
Camco Inc.	24,000	192,000	279,000
Fraser Inc.	25,200	481,068	554,400
Shaw Industries Ltd.	30,000	267,858	337,500
		<u>1,211,718</u>	<u>1,407,213</u>

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Economic Investment Trust Limited

CONSOLIDATED INVESTMENT PORTFOLIO AS AT DECEMBER 31, 1983 (continued)

	Number of shares	Cost	Market value
METALS AND MINING (1.4% of net assets) —			
Echo Bay Mines Ltd.	5,555	\$ 40,383	\$ 51,384
Equity Silver Mines Ltd.	9,900	135,960	131,175
Galaxy Minerals Inc. — warrants	60,000	—	—
Lakeshore Mines Limited	20,000	868,163	930,000
		<u>1,044,506</u>	<u>1,112,559</u>
OIL, GAS AND PIPELINES (1.9% of net assets) —			
Canadian Occidental Petroleum	10,000	260,000	290,000
Canadian Utilities Ltd. "B"	35,000	432,250	551,250
Golden Sceptre Resources	17,000	375,244	374,000
Gulf Canada Limited	20,000	112,057	350,000
		<u>1,179,551</u>	<u>1,565,250</u>
COMMUNICATIONS (2.2% of net assets) —			
Global Communications Limited	42,187	766,885	1,075,769
Baton Broadcasting Incorporated, "B"	40,000	564,000	560,000
The Toronto Sun Publishing Corporation	13,001	60,335	224,267
		<u>1,391,220</u>	<u>1,860,036</u>
REAL ESTATE (1.2% of net assets) —			
Campeau Corporation	48,000	888,000	1,008,000
TRANSPORTATION (8.0% of net assets) —			
Algoma Central Railway	211,174	2,941,784	4,329,075
Canadian Pacific Limited	30,000	510,640	1,507,500
Laidlaw Transportation Limited, "B"	40,000	186,928	520,000
Pacific Western Airlines Corporation	30,000	322,500	337,500
		<u>3,961,852</u>	<u>6,694,075</u>
MISCELLANEOUS (2.4% of net assets) —			
British American Bank Note Inc.	2,700	39,917	56,025
D.H. Howden & Co. Limited	1,000	11,015	16,000
Kelsey-Hayes Canada Limited	25,500	204,410	688,500
Leon's Furniture Limited	15,000	242,249	322,500
Quebecor Inc.	29,800	321,787	923,800
		<u>819,378</u>	<u>2,006,825</u>

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Economic Investment Trust Limited

CONSOLIDATED INVESTMENT PORTFOLIO AS AT DECEMBER 31, 1983 (continued)

	Number of shares	Cost	Market value
FOREIGN SECURITIES (16.4% of net assets) —			
American Equity Investment Trust	25,000	\$ 505,710	\$ 521,092
American President Companies Limited	10,000	333,094	371,764
Avco Corp.	20,000	232,856	790,194
Bohemia Incorporated	20,000	493,680	435,540
Denelcor Inc.	12,000	118,478	126,929
IU International Corporation	5,555	25,939	159,854
Midland Glass Co. Ltd.	29,500	336,265	440,518
Novo Industries AS.	1,900	121,815	132,404
Pearle-Health Services Inc.	20,000	419,220	494,649
Refuge Assurance Company	790,000	4,212,726	5,846,000
The Superior Oil Company	28,625	882,733	1,309,070
Tera Corporation	20,000	195,221	230,214
Texaco Inc.	15,000	670,805	669,643
Unilever N.V.	10,000	863,678	1,020,408
Union Carbide Corporation	5,000	379,795	390,431
Winners Corporation	39,500	640,929	761,884
		<u>10,432,944</u>	<u>13,700,594</u>
 TOTAL INVESTMENTS		<u>\$45,862,625</u>	<u>\$85,479,605</u>

SUMMARY

	Market value	% of net assets
Investments	\$85,479,605	102.0%
Bank income debenture payable	(4,000,000)	(4.8)
Other assets and liabilities (net)	2,328,144	2.8
 TOTAL NET ASSETS	<u>\$83,807,749</u>	<u>100.0%</u>

(See accompanying notes)

Economic Investment Trust Limited

FINANCIAL RECORD — 1928 - 1983

Year Ended March 31	Total Net Assets at Market Value*	Funded Debt and Preferred Share†	Available for Common Shares***	Common Shares Outstanding**	Net Asset Value per Common Share**	Net Income	Net Income per Common Share**	Common Dividend per Common Share**
1928	\$ 1,794,643	\$ 1,000,000	\$ 794,643	518,258	\$ 1.53	\$ 59,836	0.11	0.12
1933	1,161,715	962,500	199,215	641,595	0.31	36,538	0.05	0.04
1938	2,028,005	1,000,000	1,028,005	641,595	1.60	89,381	0.14	0.12
1943	2,604,866	1,000,000	1,604,866	641,595	2.50	79,552	0.12	0.11
1948	3,522,969	1,000,000	2,522,969	642,801	3.92	110,054	0.17	0.16
Year Ended Dec. 31								
1953	5,197,984	1,250,000	3,947,984	803,501	4.91	189,902	0.23	0.23
1961	15,222,286	2,509,500	12,712,786	1,246,847	10.20	348,260	0.28	0.26
1962	15,959,654	4,100,000	11,859,654	1,327,809	8.93	427,727	0.20	0.26
1963	17,633,299	4,100,000	13,533,299	1,327,809	10.19	495,390	0.30	0.27
1964	20,955,088	5,250,000	15,705,088	1,327,809	11.83	616,158	0.31	0.29
1965	21,897,735	5,250,000	16,647,735	1,327,809	12.54	703,888	0.34	0.31
1966	19,613,106	5,250,000	14,363,106	1,327,809	10.82	737,222	0.37	0.31
1967	23,076,097	5,128,462	17,947,635	1,327,809	13.52	788,772	0.40	0.34
1968	27,392,675	5,061,263	22,331,412	1,327,809	16.82	732,823	0.38	0.34
1969	25,942,615	5,061,263	20,881,352	1,327,809	15.73	759,294	0.38	0.36
1970	24,365,591	5,061,263	19,304,328	1,327,809	14.54	798,172	0.42	0.36
1971	27,254,532	5,056,013	22,198,519	1,327,809	16.72	781,332	0.40	0.36
1972	34,784,901	5,056,013	29,832,388	1,327,809	22.47	835,490	0.45	0.36
1973	32,502,656	5,056,013	27,556,643	1,327,809	20.75	862,673	0.46	0.42
1974	24,025,473	5,024,513	19,110,960	1,327,809	14.39	966,022	0.54	0.51
1975	26,475,662	4,870,950	21,714,712	1,327,809	16.35	1,097,837	0.66	0.54
1976	31,527,836	7,738,387	23,899,449	1,327,809	18.00	1,104,158	0.66	0.58
1977	36,885,088	7,685,677	29,309,411	1,327,809	22.07	1,125,886	0.67	0.58
1978	47,035,243	8,622,677	38,870,556	1,327,809	29.27	1,474,268	0.94	0.66
1979	56,745,880	8,526,340	49,473,540	1,327,809	37.26	1,542,999	1.00	0.87
1980	73,727,109	8,375,665	68,321,744	1,327,809	51.45	2,406,263	1.64	1.85
1981	59,815,872	8,239,165	55,666,756	1,327,809	41.92	1,840,964	1.23	1.12
1982	65,149,238	8,104,503	60,074,396	1,327,809	45.24	2,216,486	1.52	1.27A
1983	87,807,749	7,973,253	81,245,195	1,327,809	61.19	2,194,598	1.51	1.40A

* 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.

** Restated for 5-for-2 split in 1951, 5-for-1 split in 1963, 1-for-8 stock dividend in 1982 and 1-for-7 stock dividend in 1983.

*** Including refundable capital gains tax on hand.

A Not including capital gains dividends in cash and shares.

NOTES

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