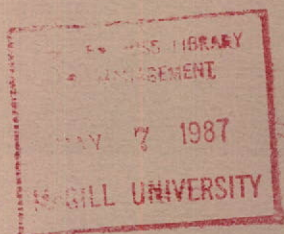


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# **Economic Investment Trust Limited**



**Sixtieth Annual Report  
December 31, 1986**







# *Economic Investment Trust Limited*

## **THE YEAR AT A GLANCE 60th Annual Report**

	1986	1985
Total Revenues.....	\$ 3,878,320	\$ 3,264,986
Net Income.....	\$ 3,181,046	\$ 2,429,265
*Net Income per Common Share .....	\$2.00	\$1.50
Dividend per Common Share .....	\$1.20	\$1.23
Total Net Assets (Market Value).....	\$114,166,995	\$105,011,674
*Net Asset Value per Common Share .....	\$75.09	\$68.23
Number of Common Shares outstanding at year-end.....	1,504,199	1,457,309
*Restated for 1 for 31 stock dividend in 1986		

### **ANNUAL MEETING OF SHAREHOLDERS**

The Annual Meeting of Shareholders will be held at 11:30 A.M. on Wednesday, May 27, 1987 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	Price Waterhouse
TRANSFER AGENT AND REGISTRAR	National Trust Company

# *Economic Investment Trust Limited*

## **BOARD OF DIRECTORS**

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HON. JOHN B. AIRD, O.C., Q.C., LL.D.	Senior Partner Aird & Berlis
JOHN B. CRONYN	Corporate Director
A. GEORGE DRAGONE	President Fleet Aerospace Corporation
IRVING R. GERSTEIN	President Peoples Jewellers Limited
HENRY N.R. JACKMAN	Chairman of the Board The Empire Life Insurance Company
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	Chairman Noranda Forest Inc.

## **OFFICERS**

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

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# *Economic Investment Trust Limited*

## **CHAIRMAN'S REPORT TO THE SHAREHOLDERS**

In spite of the repayment during 1986 of our \$4,000,000 income debenture, the total assets of Economic Investment Trust increased from \$113,979,000 to \$120,313,000 during the fiscal year ended December 31, 1986. After deducting our preferred shares, the net asset value behind each common share was \$75.09 compared with \$68.23 per share a year ago. Net income for the Trust increased from \$2,429,000 or \$1.50 per share in 1985 to \$3,181,000 or \$2.00 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 \$1.20 per share compared with \$1.23 per share during 1985. The 1985 amounts per share have been restated to reflect the "capital gains" dividend of \$3.00 per common share paid in February 1986 in the form of \$0.75 per share in cash and a stock dividend of one additional share for every thirty-one shares owned. The issue price of these shares was \$69.75 per share.

Subsequent to the year end, on February 5, 1987, your Directors declared an additional dividend of \$5.60 per common share, payable on February 28, 1987, which again qualifies as a capital gains dividend under the Income Tax Act (Canada). Payment of this dividend was made in the form of \$1.40 per share in cash and \$4.20 per share by way of a stock dividend in common shares, based on an issue price of \$71.40 per share, being the approximate net asset value of each common share at December 31, 1986, less refundable capital gains tax on hand per share. Each shareholder will therefore receive one additional common share for every seventeen shares owned.

Although the total amount of this dividend will be considered a capital gain to our shareholders in 1987, the dividend will result in a refund to Economic of approximately \$2,169,000 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 (\$71.40), which will have the effect of adjusting the average cost base of your existing post December 31, 1971 common shares of Economic.

Taking into account the \$1.40 cash payment to shareholders in February and the issue of additional common shares, the net asset value as of March 31, 1987 was \$76.02 based on the increased number of shares outstanding, compared to \$75.09 as at December 31, 1986.

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 STATEMENT OF ASSETS AND LIABILITIES

	December 31	
	1986	1985
<b>ASSETS</b>		
Investments, at indicated market value (cost: 1986 — \$57,621,351; 1985 — \$54,567,782) .	\$117,174,672	\$110,914,830
Cash (including a treasury bill of \$2,917,748; 1985 — \$2,132,672).....	2,937,492	2,277,782
Accrued interest and dividends receivable .....	201,184	234,833
Income taxes recoverable .....	—	552,042
	<u>120,313,348</u>	<u>113,979,487</u>
<b>LIABILITIES</b>		
Due to brokers .....	—	405,004
Accounts payable and accrued liabilities .....	22,950	19,015
Income taxes payable .....	1,138,403	—
Bank income debenture payable .....	—	4,000,000
Provision for taxes on unrealized net capital gains (Note 1(f)) .....	4,985,000	4,543,794
	<u>6,146,353</u>	<u>8,967,813</u>
Net assets at indicated market value .....	<u>\$114,166,995</u>	<u>\$105,011,674</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock (Note 4) .....	\$ 33,130,829	\$ 29,866,051
Contributed surplus (Note 4) .....	1,230,441	1,227,967
Realized gain on investments .....	20,789,780	18,896,493
Unrealized appreciation of investments (Note 2) .....	54,568,321	51,803,254
Earned surplus .....	4,447,624	3,217,909
Total shareholders' equity .....	<u>\$114,166,995</u>	<u>\$105,011,674</u>

APPROVED BY THE BOARD:

H.N.R. JACKMAN      Director

D.J. MIANO          Director

(See accompanying notes)

# *Economic Investment Trust Limited*

## CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES

	Year ended December 31	
	1986	1985
Income from investments:		
Dividends —		
Canadian .....	\$ 3,104,699	\$ 2,276,002
Foreign .....	165,544	666,820
	3,270,243	2,942,822
Interest .....	608,077	322,164
	3,878,320	3,264,986
Expenses:		
General and administrative .....	271,593	218,494
Interest on bank income debenture .....	260,767	262,014
Other bank interest and charges .....	23,467	41,213
Income taxes .....	141,447	314,000
	697,274	835,721
Net income for the year .....	\$ 3,181,046	\$ 2,429,265
Net income per common share (Notes 6 and 7) .....	\$ 2.00	\$ 1.50

## CONSOLIDATED STATEMENT OF EARNED SURPLUS

Earned surplus at beginning of year .....	\$ 3,217,909	\$ 2,697,482
Add:		
Net income for the year .....	3,181,046	2,429,265
Refundable taxes recovered .....	339,028	589,789
	6,737,983	5,716,536
Deduct:		
Dividends (Note 4) .....	1,975,850	1,965,921
Provision for refundable taxes .....	314,509	532,706
	2,290,359	2,498,627
Earned surplus at end of year .....	\$ 4,447,624	\$ 3,217,909

(See accompanying notes)



# *Economic Investment Trust Limited*

## CONSOLIDATED STATEMENT OF REALIZED GAIN ON INVESTMENTS

	Year ended December 31	
	1986	1985
Balance at beginning of year .....	\$ 18,896,493	\$ 18,860,072
Realized gain on investments during the year (Note 3).....	5,139,445	3,818,610
Capital gains dividends (Note 4).....	(4,371,927)	(5,018,620)
Income taxes refunded on prior year's capital gains dividends .....	1,125,769	1,236,431
	(3,246,158)	(3,782,189)
Balance at end of year .....	<u>\$ 20,789,780</u>	<u>\$ 18,896,493</u>

(See accompanying notes)



# *Economic Investment Trust Limited*

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Year ended December 31	
	1986	1985
Appreciation of investments:		
Realized (Note 3) .....	\$ 5,139,445	\$ 3,818,610
Unrealized .....	2,765,067	13,748,014
	7,904,512	17,566,624
Net income for the year .....	3,181,046	2,429,265
Purchase of capital stock for redemption .....	(3,326)	(101,605)
Dividends .....	(1,975,850)	(1,965,921)
Excess (deficiency) of capital gains dividend refund over cash portion of capital gain dividend paid including redemption of fraction shares .....	24,420	(25,257)
Net decrease in refundable dividend tax on hand .....	24,519	57,083
Increase in net assets .....	9,155,321	17,960,189
Net assets at beginning of year .....	105,011,674	87,051,485
Net assets at end of year .....	<u>\$114,166,995</u>	<u>\$105,011,674</u>

(See accompanying notes)

# Economic Investment Trust Limited

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — DECEMBER 31, 1986

### 1. Summary of significant accounting policies:

- (a) Principles of consolidation —  
The consolidated financial statements include the accounts of the company and its wholly-owned subsidiaries, Eonos Foreign Investment Company Limited, Eonos Canadian Investment Company Limited, and Eonos N.V.G. Investment Company Limited.
- (b) Carrying value of investments —  
The indicated market values of investments listed on stock exchanges and bonds are based on closing market quotations. The indicated market values of investments not listed on stock exchanges have been determined by the directors based on the underlying market values of the net assets represented by such securities.
- (c) Investment transactions —  
Investment transactions are accounted for on the trade date. Realized gains and losses from investment transactions are calculated on an average cost bases.
- (d) Dividend and interest income —  
Dividend income is recognized on the ex-dividend date and interest income is recognized as earned.
- (e) Foreign exchange —  
Foreign currency amounts included in the financial statements are stated in Canadian dollars on the following bases:
  - market value of investments at the closing rate of exchange; and
  - purchase and sales of investments, revenue and expenses at the rate of exchange prevailing when the transactions giving rise to such items occurred.
- (f) Deferred income taxes —  
Deferred income taxes are recorded on the potential tax liability related to the unrealized appreciation of the investments held by the company's wholly-owned subsidiaries, since such taxes would not be recoverable upon payment of capital gains dividends by the company (see Note 2).

### 2. Taxation

The company qualifies as an "investment corporation" under Section 130 of the Income Tax Act (Canada) and is subject to a reduced rate of tax on its investment income other than dividends received from taxable Canadian corporations and net taxable capital gains. The company's provision for income taxes is determined as follows:

	1986	1985
Basic combined federal and provincial rate .....	51.5%	51.0%
Investment corporation reduction .....	(16.7)	(16.7)
	34.8	34.3
Effect of tax on subsidiaries' income (losses) at basic tax rate and other adjustments .....	(5.2)	8.8
Effective tax rate .....	29.6%	43.1%
Applied to:		
Net income for the year .....	\$ 3,181,046	\$ 2,429,265
Add:		
Income taxes .....	141,447	314,000
Non-deductible bank income debenture interest.....	260,767	262,014
	3,583,260	3,005,279
Less: Dividends from taxable Canadian companies .....	3,104,699	2,276,002
	\$ 478,561	\$ 729,277
Provision for income taxes .....	\$ 141,447	\$ 314,000

— continued —



# Economic Investment Trust Limited

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — DECEMBER 31, 1986 (continued)

The company is also subject to a special tax of up to 25% on taxable dividends received from corporations resident in Canada. This special tax is refundable on payment of taxable dividends to shareholders as well as on the debenture interest at the rate of \$1 for each \$4 of such dividends paid.

Income taxes are also payable by the company on net taxable capital gains realized and these taxes are recoverable by the company, as long as it continues to qualify as an "investment corporation", through the distribution of capital gains dividends at the rate of approximately \$1 tax for each \$4 of such distributions made. The company has refundable capital gains tax on hand of approximately \$2,362,000 at December 31, 1986. This potential recovery has not been recorded in the company's accounts.

The company accounts for taxes on differences between accounting income and taxable income on the tax allocation basis. At December 31, 1986, the company had approximately \$61,337,000 of unrealized net capital gains for tax purposes on securities held in its investment portfolio. No provision has been made for refundable capital gains taxes of approximately \$15,641,000 that would have been payable by the parent company if the investments had been disposed of at their market value at December 31, 1986. Such taxes would be refundable to the company on distribution of such gains to shareholders in the manner referred to in the preceding paragraph.

The details of unrealized appreciation of investments are as follows:

	December 31	
	1986	1985
Investments at market value .....	\$117,174,672	\$110,914,830
Investments at cost .....	57,621,351	54,567,782
Unrealized appreciation of investments before provision for deferred income taxes .....	59,553,321	56,347,048
Deferred income taxes .....	4,985,000	4,543,794
Unrealized appreciation of investments .....	<u>\$ 54,568,321</u>	<u>\$ 51,803,254</u>

### 3. Realized gain on investments:

The following are the details of the realized gain on investments during the years indicated:

	1986	1985
Proceeds on sales of investments .....	\$ 33,061,458	\$ 30,617,748
Cost of investments at beginning of year .....	54,567,782	53,245,445
Cost of investments purchased during the year .....	28,724,627	26,961,475
	83,292,409	80,206,920
Cost of investments at end of year .....	57,621,351	54,567,782
Cost of investments sold during the year .....	25,671,058	25,639,138
Realized gain on investments sold before taxes .....	7,390,400	4,978,610
Taxes on realized net taxable capital gains (Note 2) .....	(1,831,995)	(1,160,000)
Refundable income taxes on capital gains stock dividend received .....	(418,960)	—
Realized gain on investments .....	<u>\$ 5,139,445</u>	<u>\$ 3,818,610</u>

### 4. Capital Stock and dividends:

The classes of share capital at December 31, 1986 are as follows:

168,240 cumulative preferred shares  
An unlimited number of common shares

The directors have designated the first series of preferred shares as Series A. The series consists of 68,240 authorized shares which have a cumulative dividend of \$2.50 per share per annum and are redeemable at any time at a price of \$52.50 per share together with any unpaid dividends. The articles of the company provide that the company in the reasonable exercise of its discretion, will annually purchase for cancellation 2,500 5% cumulative preferred shares Series A, at a price not to exceed \$50 per share.

— continued —



# Economic Investment Trust Limited

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — DECEMBER 31, 1986 (continued)

The following dividends were paid during the year ended December 31, 1986:

	Regular dividends	Capital gains dividends
On preferred shares \$2.50 per share; (1985 — \$2.50) .....	\$ 170,811	\$ —
On common shares, \$1.20 per share; (1985 — \$1.23) .....	1,805,039	—
Capital gains dividend on 1,457,309 common shares —		
\$.75 cash dividend .....	—	1,092,982
\$2.25 stock dividend (47,009.967 shares issued) .....	—	3,278,945
	<u>\$1,975,850</u>	<u>\$4,371,927</u>

The changes in capital stock during the year are as follows:

	Common shares	
	Number of shares	Amount
Balance at beginning of year .....	1,457,309.000	\$26,448,251
Stock dividend as noted above .....	47,009.967	3,278,945
Redemption of fractional shares .....	(119.967)	(8,367)
Balance at end of year .....	<u>1,504,199.000</u>	<u>\$29,718,829</u>

	Series A Preferred shares	
	Number of shares	Amount
Balance at beginning of year .....	68,356	\$ 3,417,800
Shares purchased for cancellation .....	(116)	(5,800)
Balance at end of year .....	<u>68,240</u>	<u>\$ 3,412,000</u>

The difference between the stated capital and the cost of the preferred shares purchased for cancellation has been credited to contributed surplus.

The capital stock account of the company is as follows:

	December 31	
	1986	1985
Series A preferred shares —		
Issued —		
68,240 (1985 — 68,356) shares .....	\$ 3,412,000	\$ 3,417,800
Common shares —		
Issued —		
1,504,199 (1985 — 1,457,309) shares .....	29,718,829	26,448,251
	<u>\$33,130,829</u>	<u>\$29,866,051</u>

— continued —

# Economic Investment Trust Limited

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — DECEMBER 31, 1986 (continued)

### 5. Net equity value of the company's common shares:

The net equity value of the company's common shares is determined by adding the total amount of refundable capital gains tax on hand (Note 2) to the net assets and deducting from the resulting total the outstanding preferred shares at their cost of redemption. Net equity value per common share is the net equity value divided by the number of common shares outstanding.

	December 31	
	1986	1985
Net assets .....	\$114,166,995	\$105,011,674
Add: Refundable capital gains tax on hand at end of year .....	2,362,000	1,201,432
	116,528,995	106,213,106
Deduct: Cost of redemption of preferred shares .....	3,582,600	3,588,690
Net equity value .....	\$112,946,395	\$102,624,416
Net equity value per common share (Notes 6 and 7) .....	\$75.09	\$68.23

### 6. Net income and net equity value per common share:

The amounts shown in the financial statements for net income and net equity value per common share have been calculated giving retroactive effect to the capital gains stock dividend in 1986.

### 7. Subsequent event:

On February 5, 1987, the company declared a capital gains dividend of \$5.60 per common share payable on February 28, 1987 to shareholders of record February 13, 1987 payable \$4.20 in stock and \$1.40 in cash. Approximately 88,482 common shares will be issued for a total consideration of approximately \$6,318,000 in satisfaction of the stock dividend; resulting in the issue of 1 common share for each 17 common shares outstanding at the record date.

This dividend will result in a \$2,169,055 recovery of the company's refundable capital gains tax on hand of \$2,362,000 at December 31, 1986.

The amounts noted in the financial statements for net income per common share and net equity value per common share at December 31, 1986 would be \$1.89 and \$69.59, respectively, after giving retroactive effect to the capital gain dividend.

### 8. Dividend commitments:

In December 1986, the company declared four quarterly preferred dividends of 62.5¢ per share and three quarterly common dividends of 20¢ per share payable in 1987.

### 9. Comparative figures:

Certain comparative figures have been restated to conform with the current year's presentation.

## AUDITORS' REPORT

To the Shareholders of  
Economic Investment Trust Limited:

We have examined the consolidated statement of assets and liabilities and consolidated investment portfolio of Economic Investment Trust Limited as at December 31, 1986 and the consolidated statements of income and expenses, earned surplus, realized gain on 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 company as at December 31, 1986 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.

The prior year's amounts were reported by another firm of chartered accountants.

Toronto, Canada,  
February 16, 1987.

**Price Waterhouse**  
Chartered Accountants



# Economic Investment Trust Limited

## CONSOLIDATED INVESTMENT PORTFOLIO AS AT DECEMBER 31, 1986

Number of shares		Cost	Market value
<b>Banks:</b>			
50,000	BancShare portfolio receipts .....	\$ 362,500	\$ 462,500
175,000	Bank of Nova Scotia .....	609,019	3,018,750
30,000	Canadian Imperial Bank of Commerce .....	547,500	607,500
50,000	National Bank of Canada Series 5 preferred	4,972,750	5,031,250
51,500	Royal Bank of Canada .....	779,129	1,654,438
180,000	Toronto-Dominion Bank .....	456,797	4,275,000
		<u>7,727,695</u>	<u>15,049,438</u>
<b>Communications:</b>			
1,000	Canadian Satellite Communications Inc. preferred B .....	74,360	260,000
60,000	Canadian Satellite Communications Inc. ....	251,280	780,000
25,300	CFCF Inc. ....	501,952	445,912
14,500	Southam Inc. ....	191,541	302,688
12,100	Tele-Metropole Inc. "B" .....	264,143	364,513
		<u>1,283,276</u>	<u>2,153,113</u>
<b>Consumer products:</b>			
65,000	Consumers Distributing Company Limited "B" .....	475,050	373,750
35,000	Dylex Ltd. preferred "A" .....	648,000	503,125
190,750	Keg Restaurants Ltd. "A" .....	630,025	228,900
40,000	Peoples Jewellers Limited "A" .....	330,000	460,000
20,000	Peoples Jewellers Limited warrants .....	20,000	60,000
20,000	Silcorp Ltd. "A" .....	254,850	330,000
11,700	United Canadian Shares Limited .....	188,655	105,300
		<u>2,546,580</u>	<u>2,061,075</u>
<b>Financial services:</b>			
80,000	Hees International Limited – Preferred Series E .....	2,006,400	1,970,000
<b>Forest products:</b>			
40,000	Crestbrook Forest Industries Ltd. ....	341,786	520,000
<b>Industrial Products:</b>			
31,718	Algoma Steel Corporation Limited .....	650,067	348,898
190,100	Great West Steel Industries Limited .....	353,448	199,605
		<u>1,003,515</u>	<u>548,503</u>

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# Economic Investment Trust Limited

## CONSOLIDATED INVESTMENT PORTFOLIO AS AT DECEMBER 31, 1986 (Continued)

Number of shares		Cost	Market value
Insurance companies:			
104,058	Canadian Refuge Holdings Limited – Common and non-voting participating .....	\$ 4,213,026	\$ 12,122,757
117,570	E-L Financial Corporation Limited – Convertible preferred "A" .....	1,206,008	7,054,200
88,931	E-L Financial Corporation Limited .....	1,073,507	5,424,791
		6,492,541	24,601,748
Investment trusts:			
31,776	Ecando Investments Limited – Classes A, B and common .....	4,138,676	8,117,179
	Ecando Investments Limited – Interest free loan .....	88,704	88,704
38,849	Fulcrum Investment Company Limited – Preferred "A" .....	340,546	427,339
138,310	Fulcrum Investment Company Limited .....	464,423	2,956,376
		5,032,349	11,589,598
Mines:			
25,000	Dome Mines Limited .....	387,500	265,625
40,000	Hudson Bay Mining & Smelting Co. Limited	265,300	250,000
24,000	Inco Limited – 10% Preferred "C" .....	600,000	618,000
30,000	Inco Limited .....	513,750	483,750
25,200	Noranda Inc. – Convertible preferred "B" .	481,068	670,950
		2,247,618	2,288,325
Oil & gas:			
66,600	Bonanza Resources Limited .....	253,080	153,180
45,000	Canterra Energy Limited .....	475,650	230,625
10,000	Canadian Occidental Petroleum Ltd. ....	260,000	240,000
25,400	Norcen Energy Resources Limited .....	281,432	415,925
50,000	Nova, An Alberta Corporation – warrants .	750,000	875,000
70,000	Poco Petroleum Limited .....	718,450	866,250
50,000	Renaissance Energy Limited .....	515,500	643,750
50,000	Ranchmen's Resources Limited .....	240,000	268,750
331,000	Taro Industries Limited .....	338,615	397,200
		3,832,727	4,090,680
Special situations:			
23,000	ATCO Limited Class I .....	231,156	186,875
20,000	ATCO Limited Class II .....	222,483	162,500
		453,639	349,375

— continued —

# Economic Investment Trust Limited

## CONSOLIDATED INVESTMENT PORTFOLIO AS AT DECEMBER 31, 1986 (Continued)

Number of shares		Cost	Market value
	Transportation:		
212,638	Algoma Central Railway .....	\$ 2,973,458	\$ 4,146,441
90,000	Canadian Pacific Limited .....	510,640	1,608,750
45,000	Laidlaw Transportation Limited "B" .....	70,098	843,750
65,000	Pacific Western Airlines Corporation .....	690,000	1,234,000
		4,244,196	7,832,941
	Trust companies*:		
207,139	NVG Holdings Limited – Class A participating and common .....	9,446,709	29,034,673
40,000	Royal Trustco Limited – Preferred "L" .....	1,000,000	990,000
1,156,370	TVG Holdings Limited, preferred .....	1,156,370	1,156,370
4,765	TGV Holdings Limited Class B .....	1,916,987	7,681,371
		13,520,066	38,862,414
	Foreign securities:		
5,000	Advanced Telecommunications Corporation .....	52,329	68,162
40,000	CMI Corporation .....	447,904	131,147
12,000	First Financial Management Corporation ....	395,256	394,442
35,000	First Mississippi Corporation .....	348,885	308,024
35,000	McLean Industries Inc. ....	339,079	66,437
25,000	Petroleum Helicopters Inc. ....	273,153	267,472
60,000	Pioneer Systems Inc. ....	530,663	186,368
17,000	SEI Corporation .....	455,087	434,167
14,800	Shoney's South Inc. ....	299,943	265,608
18,000	Schlumberger Limited .....	770,132	788,956
30,000	Service Merchandising Company .....	385,310	320,966
25,000	Sound Advise Inc. ....	278,879	142,364
47,000	Winners Corporation .....	740,464	235,203
		5,317,084	3,609,316
	Commercial paper:		
	Canadian Satellite Communications Inc. promissory note .....	5,587	5,587
	Eurobonds:		
	Bundespost DM bonds .....	1,566,292	1,642,559
	Total investments .....	\$57,621,351	\$117,174,672

\* The net assets of NVG Holdings Limited and TGV Holdings Limited are invested in the shares of The National Victoria and Grey Trustco Limited.

(See accompanying notes)



# Economic Investment Trust Limited

## FINANCIAL RECORD — 1928 - 1986

Year Ended March 31	Total Net Assets at Market Value*	Funded Debt and Preferred Shares†	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	587,258	1.35	\$ 59,836	0.10	0.11
1933	1,161,715	962,500	199,215	727,016	0.27	36,538	0.05	0.04
1938	2,028,005	1,000,000	1,028,005	727,016	1.41	89,381	0.12	0.11
1943	2,604,866	1,000,000	1,604,866	727,016	2.21	79,552	0.11	0.10
1948	3,522,969	1,000,000	2,522,969	728,382	3.46	110,054	0.15	0.14
Year Ended Dec. 31								
1953	5,197,984	1,250,000	3,947,984	910,477	4.34	189,902	0.21	0.21
1963	17,633,299	4,100,000	13,533,299	1,504,199	9.00	495,390	0.27	0.25
1964	20,955,088	5,250,000	15,705,088	1,504,199	10.44	616,158	0.28	0.27
1965	21,897,735	5,250,000	16,647,735	1,504,199	11.06	703,888	0.30	0.28
1966	19,613,106	5,250,000	14,363,106	1,504,199	9.54	737,222	0.32	0.28
1967	23,076,097	5,128,462	17,947,635	1,504,199	11.93	788,772	0.35	0.31
1968	27,392,675	5,061,263	22,331,412	1,504,199	14.84	732,823	0.33	0.31
1969	25,942,615	5,061,263	20,881,352	1,504,199	13.88	759,294	0.33	0.33
1970	24,365,591	5,061,263	19,304,328	1,504,199	12.84	798,172	0.37	0.33
1971	27,254,532	5,056,013	22,198,519	1,504,199	14.76	781,332	0.35	0.33
1972	34,784,901	5,056,013	29,832,388	1,504,199	19.83	835,490	0.40	0.33
1973	32,502,656	5,056,013	27,556,643	1,504,199	18.32	862,673	0.41	0.38
1974	24,025,473	5,024,513	19,110,960	1,504,199	12.70	966,022	0.47	0.46
1975	26,475,662	4,870,950	21,714,712	1,504,199	14.44	1,097,837	0.58	0.49
1976	31,527,836	7,738,387	23,899,449	1,504,199	15.89	1,104,158	0.58	0.53
1977	36,885,088	7,685,677	29,309,411	1,504,199	19.48	1,125,886	0.59	0.53
1978	47,035,243	8,622,677	38,870,556	1,504,199	25.84	1,474,268	0.83	0.60
1979	56,745,880	8,526,340	49,473,540	1,504,199	32.89	1,542,999	0.88	0.79
1980	73,727,109	8,375,665	68,321,744	1,504,199	45.42	2,406,263	1.44	1.68
1981	59,815,872	8,239,165	55,666,756	1,504,199	37.01	1,840,964	1.09	1.01
1982	65,149,238	8,104,503	60,074,396	1,504,199	39.94	2,216,486	1.34	1.16A
1983	87,807,749	7,973,253	81,245,195	1,504,199	54.01	2,194,598	1.33	1.27A
1984	91,051,485	7,792,915	84,536,433	1,504,199	56.19	2,483,432	1.53	1.24A
1985	109,011,674	7,588,690	102,624,416	1,504,199	68.23	2,429,265	1.50	1.23A
1986	114,166,995	3,582,600	113,026,037	1,504,199	75.14	3,181,046	2.00	1.20A

\* Total assets at market value less liabilities exclusive of short 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, 1-for-7 stock dividend in 1983, 1-for-20 stock dividend in 1984, 1-for-22 stock dividend in 1985, 1-for-31 in 1986.

\*\*\* Including refundable capital gains tax on hand.

A Not including capital gains dividends in cash and shares.



## NOTES





