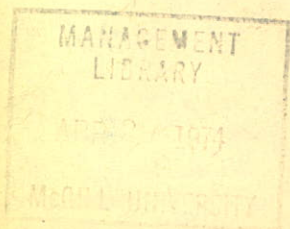


EATON FINANCIAL SERVICES

**EATON
VIKING
FUND
LIMITED**

annual report
december 31st, 1973



ONE PLACE FOR ALL YOUR TOMORROWS

To the shareholders:

Eaton Viking Fund Limited showed strength in the face of economic adversity in 1973, as inflation continued to undermine investor confidence and subject stock markets everywhere to unusual pressure. Your Fund, geared as it is to capital appreciation in an expanding Canadian economy, continues to be well received by the general public. As shown in the attached financial statements, the Fund's net assets amounted to \$16,568,500 at December 31, 1973. Since then, helped by investments in Registered Retirement Savings Plans and the announcement of the "New Investment Concept", the Fund has grown to almost \$20,000,000.

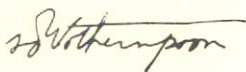
With a view to further increasing the size, and thus the flexibility and efficiency, of your Fund, the directors are proposing the merger of your Fund with two of its associated funds similarly invested in Canada, Regent Pension Fund Ltd. and Lifetime Retirement Fund. If this recommendation is approved by the shareholders of the three funds, the resulting fund, to be known as Eaton Viking Fund Limited, will have assets of nearly \$24,000,000. This proposal is to be submitted at our annual meeting on April 15 and, as in the past, we are asking for your proxy if you are unable to attend.

There are some indications that the coming year will see a lessening of some of the concern that has troubled investors in past months. The expected resumption of normal flow of oil from the Middle East and the levelling of the extraordinarily high consumer demand should have a restraining influence on prices.

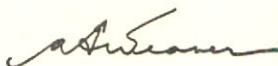
Canada, one of the few industrialized nations that is self-sufficient in energy and a producer and exporter of many of the commodities for which demand has been greatest, is in a relatively favourable position. With her working force expanding at a faster rate than that of most other industrial countries, the outlook is for above average growth for some time. Your Fund is in a good position to share in that growth.

Shareholders requiring information regarding their mutual fund investment should call or visit the Fund's distributor at Eaton Financial Centres located in major cities across Canada, or write to Eaton Fund Distributors Limited, Suite 3023, Place Victoria, Montreal, Quebec, H4Z 1B8.

On behalf of the Board



Chairman



President

March 22, 1974
Toronto, Ontario

statement of financial position

December 31, 1973

	1973	1972
ASSETS:		
Cash	\$ 540,459	\$ 94,330
Short-term notes.....	1,501,570	750,000
Accrued income.....	133,535	46,224
Due from brokers.....	92,116	529
Subscriptions receivable.....	159,052	199,412
Income taxes receivable (note 3) ..	4,638	—
	<hr/>	<hr/>
Investments, at quoted value	2,431,370	1,090,495
(note 1):		
(Average cost—		
\$13,449,704; 1972—		
\$10,588,556)	14,211,875	13,162,512
	<hr/>	<hr/>
	16,643,245	14,253,007
LIABILITIES:		
Accounts payable	26,115	14,144
Redemptions payable.....	6,633	—
Dividends payable	41,996	6,160
Income taxes payable.....	—	1,684
	<hr/>	<hr/>
	74,744	21,988
NET ASSETS REPRESENTING SHAREHOLDERS' EQUITY.....		
	<hr/> <hr/>	<hr/> <hr/>
	\$16,568,501	\$14,231,019
SHAREHOLDERS' EQUITY:		
Capital stock (note 2):		
Authorized —		
10,000,000 mutual fund		
shares of \$0.60 par value		
each less 550,379 shares		
redeemed (1972 —		
208,207 shares re-		
deemed)		
Issued and outstanding —		
2,955,185 mutual fund		
shares (1972 —		
2,283,036 shares)	\$ 1,773,111	\$ 1,369,822
Surplus:		
Retained earnings	125,601	43,712
Contributed surplus (note 2).....	13,907,618	10,243,529
Unrealized appreciation of		
investments	762,171	2,573,956
	<hr/>	<hr/>
TOTAL SHAREHOLDERS' EQUITY	<hr/> <hr/>	<hr/> <hr/>
	\$16,568,501	\$14,231,019

On behalf of the Board:

G. D. de S. Wotherspoon, Director.

A. G. Weaver, Director.

(See accompanying notes)

statement of earnings

for the year ended December 31, 1973

	1973	1972
INVESTMENT INCOME:		
Dividends.....	\$ 375,400	\$ 265,570
Interest.....	117,123	53,171
	<u>492,523</u>	<u>318,741</u>
EXPENSE:		
Management fee.....	<u>197,101</u>	<u>157,108</u>
EARNINGS BEFORE PROVISION FOR (RECOVERY OF) TAXES.....	295,422	161,633
PROVISION FOR (RECOVERY OF) TAXES (note 3).....	(3,200)	1,948
	<u></u>	<u></u>
NET EARNINGS FOR THE YEAR.....	\$ 298,622	\$ 159,685
	<u></u>	<u></u>
NET EARNINGS PER SHARE —		
Based on average number of shares outstanding during year.....	<u>11.6¢</u>	<u>8.0¢</u>

statement of surplus

for the year ended December 31, 1973

	1973	1972
RETAINED EARNINGS:		
Balance, beginning of year.....	\$ 43,712	\$ 46,810
Net earnings	298,622	159,685
Net gain on sales of securities	835,922	338,972
	<u>1,178,256</u>	<u>545,467</u>
Dividends.....	1,052,655	501,755
Balance, end of year.....	<u>\$ 125,601</u>	<u>\$ 43,712</u>
CONTRIBUTED SURPLUS (note 2):		
Balance, beginning of year.....	\$10,243,529	\$ 8,042,180
Excess of amounts received over par value of shares issued	5,521,931	3,127,340
	<u>15,765,460</u>	<u>11,169,520</u>
Excess of amounts paid over par value of shares redeemed	1,857,842	925,991
Balance, end of year.....	<u>\$13,907,618</u>	<u>\$10,243,529</u>
UNREALIZED APPRECIATION OF INVESTMENTS:		
Balance, beginning of year.....	\$ 2,573,956	\$ 140,916
Increase (decrease) in unrealized appreciation	(1,811,785)	2,433,040
Balance, end of year.....	<u>\$ 762,171</u>	<u>\$ 2,573,956</u>

(See accompanying notes)

statement of changes in net assets

for the year ended December 31, 1973

	1973	1972
NET ASSETS, BEGINNING OF YEAR.....	\$14,231,019	\$ 9,349,824
ADDITIONS TO NET ASSETS:		
Net gain on sales of securities —		
Proceeds from sales of securities	16,583,857	6,961,568
Cost of securities sold:		
Securities at cost, beginning of year	11,338,556	9,279,221
Purchases.....	19,360,653	8,681,931
	30,699,209	17,961,152
Securities at cost, end of year	14,951,274	11,338,556
Cost of securities sold.....	15,747,935	6,622,596
Net gain on sales of securities.....	835,922	338,972
Increase in unrealized appreciation of investments	—	2,433,040
Net earnings.....	298,622	159,685
Proceeds from issue of mutual fund shares.....	6,130,524	3,486,035
	7,265,068	6,417,732
DEDUCTIONS FROM NET ASSETS:		
Dividends —		
Out of net earnings — 10¢ per share (1972—8¢ per share)	277,189	159,685
Out of retained earnings — (1972 — 3¢ per share)	—	75,731
Out of net gain on sales of securities — 28¢ per share (1972 — 12¢ per share)	775,466	266,339
	1,052,655	501,755
Decrease in unrealized appreciation of investments	1,811,785	—
Payment on redemption of mutual fund shares.....	2,063,146	1,034,782
	4,927,586	1,536,537
INCREASE IN NET ASSETS.....	2,337,482	4,881,195
NET ASSETS, END OF YEAR....	\$16,568,501	\$14,231,019
NET ASSET VALUE PER SHARE:		
Beginning of year	\$ 6.23	\$ 5.01
End of year.....	\$ 5.61	\$ 6.23

(See accompanying notes)

schedule of investments and other net assets

December 31, 1973

COMMON STOCKS — 80.27%

BANKS, FINANCIAL AND INSURANCE — 17.81%

Canadian Imperial Bank of Commerce.....
Crown Life Insurance Company.....
The Mercantile Bank of Canada.....
The Royal Bank of Canada.....
The Toronto-Dominion Bank.....
Traders Group Limited "A".....

BEVERAGES — 4.81%

Walker (Hiram) Gooderham & Worts, Limited.....

BUSINESS EQUIPMENT — 3.18%

Moore Corporation Limited.....

EQUIPMENT AND FURNISHINGS — 0.96%

Harding Carpets Limited "A".....

MERCHANDISING — 3.11%

Canadian Tire Corporation Limited.....
Canadian Tire Corporation Limited "A".....
Green (A. L.) Ltd.....
Steinberg's Limited "A".....

METALS AND MINING — 12.95%

The International Nickel Company of Canada, Limited.....
Labrador Mining and Exploration Company Limited.....
Noranda Mines Limited "A".....
Placer Development Limited.....
*TexasGulf, Inc.....

OIL AND GAS — 15.64%

Bow Valley Industries Ltd.....
Canadian Superior Oil Ltd.....
Gulf Oil Canada Limited.....
Home Oil Company Limited "A".....
Home Oil Company Limited "B".....
Imperial Oil Limited.....
Shell Canada Limited "A".....

PAPER AND FOREST PRODUCTS — 8.40%

Anglo-Canadian Pulp & Paper Mills Limited.....
British Columbia Forest Products, Limited.....
Domtar Limited.....
MacMillan Bloedel Limited.....

PIPE LINES — 0.70%

The Alberta Gas Trunk Line Co., Ltd. "A".....

REAL ESTATE — 2.82%

Cadillac Development Corporation Limited.....
Y & R Properties Limited.....

STEEL AND HEAVY INDUSTRY — 4.57%

Budd Automotive Company of Canada Limited.....
Dominion Foundries and Steel, Limited.....
Massey-Ferguson Limited.....

MISCELLANEOUS — 5.32%

Brascan Limited.....
*I U International Corporation.....

TOTAL COMMON STOCKS.....

PREFERRED STOCKS — 3.93%

Toronto Star Limited "B".....
Trans-Canada Pipe Lines Ltd. \$2.65.....

TOTAL PREFERRED STOCKS.....

RIGHTS — 0.16%

The Mercantile Bank of Canada.....

DEBENTURES — 1.42%

TD Realty Investments 5½% February 15, 1993 conv.....

TOTAL INVESTMENT PORTFOLIO — 85.78%.....

Short-term notes — 9.06%.....

Other net assets — 5.16%.....

TOTAL NET ASSETS — 100.00%.....

*Foreign stocks

Number of shares or par value	Quoted value	Diversification of \$10,000 of net assets
18,000	\$ 504,000	\$ 304
8,000	560,000	338
10,000	197,500	119
18,000	657,000	396
20,000	745,000	450
18,000	288,000	174
15,000	796,875	481
10,000	526,250	318
25,000	159,375	96
2,000	95,500	58
3,000	144,750	87
20,000	50,000	30
12,000	225,000	136
15,000	523,125	316
6,000	246,000	148
15,000	753,750	455
18,000	407,250	246
7,000	215,250	130
7,000	195,125	118
6,000	340,500	205
12,000	370,500	224
14,500	721,375	435
2,500	111,875	67
5,000	200,000	121
36,000	652,500	394
15,000	262,500	158
7,000	140,000	85
15,000	341,250	206
20,000	647,500	391
11,000	115,500	70
15,000	221,250	134
20,000	245,000	148
25,000	237,500	143
5,000	146,875	89
20,000	372,500	225
25,000	425,000	257
25,000	456,250	275
	13,297,625	8,027
14,000	294,000	177
9,000	357,750	216
	651,750	393
10,000	26,500	16
\$200,000	236,000	142
	14,211,875	8,578
	1,501,570	906
	855,056	516
	\$16,568,501	\$10,000

auditors' report

To the Shareholders of
Eaton Viking Fund Limited:

We have examined the statement of financial position and the schedule of investments and other net assets of Eaton Viking Fund Limited as at December 31, 1973 and the statements of earnings, surplus and changes in net assets for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1973 and the results of its operations and changes in 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.

Montreal, Canada,
March 18, 1974.

Clarkson, Gordon & Co.
Chartered Accountants

notes to financial statements

December 31, 1973

1. ACCOUNTING POLICIES

The significant accounting policies of the company are as follows:

Investments are recorded in the accounts at their quoted value with the difference between this amount and average cost being shown as unrealized appreciation of investments.

The quoted value of foreign investments is translated to Canadian dollars at exchange rates prevailing at the close of each business day.

Average cost is used to determine the gain or loss on the disposal of securities.

The full accrual method of recording income and expenses is followed by the company, with dividends being recorded on their ex-dividend date.

Accounting policies for capital stock transactions are contained in note 2.

2. CAPITAL STOCK TRANSACTIONS

For each mutual fund share sold the company receives an amount equal to the net asset value per share at the date of sale. An amount of \$0.60 per share is allocated to capital stock and the remainder to contributed surplus. For each mutual fund share redeemed a corresponding allocation of the net asset value is made.

During the year, 1,014,321 mutual fund shares were issued for a cash consideration of \$6,130,524 (1972—597,827 shares for \$3,486,035) and 342,172 mutual fund shares were redeemed for a cash payment of \$2,063,146 (1972 — 181,322 shares for \$1,034,782).

3. INCOME TAXES

The company is classified as a mutual fund corporation and investment corporation for income tax purposes. Income taxes receivable represents Federal tax recoverable in excess of the liability for income taxes on net income from interest, foreign dividends and capital gains. The amount recoverable has been reduced by the provision for provincial income taxes on all forms of income and by foreign income taxes deducted at source.

4. DIRECTORS AND OFFICERS

	1973	1972
Number of directors	13	12
Aggregate remuneration as directors	—	—
Number of officers	7	4
Aggregate remuneration as officers	—	—
Number of officers who are also directors	3	3

5. COMPARATIVE AMOUNTS

Certain of the 1972 comparative amounts have been restated to conform with the presentation adopted in 1973.

6. PROPOSED AMALGAMATION

On March 14, 1974, the directors approved a resolution, subject to shareholder approval, to enter into an agreement of amalgamation with Regent Pension Fund Ltd. under the provisions of section 137 of the Canada Corporations Act; and to merge the amalgamated company with Lifetime Retirement Fund through the issuance of shares of the amalgamated company for all of the assets of that fund.

Both the proposed transactions would be carried out at the net asset values of the respective companies on the date of amalgamation and merger.

officers

G. D. deS. WOTHERSPOON.....	Chairman of the Board
A. G. WEAVER.....	President
C. VERNER CHRISTENSEN, C.A.....	Treasurer
C. McL. BEATTIE.....	Secretary
D. E. KNECHTEL	Assistant Secretary
M. C. PAYNE.....	Assistant Treasurer

directors

R. J. BUTLER	Don Mills, Ontario
E. J. COURTOIS.....	Montreal, Quebec
F. S. EATON	Toronto, Ontario
J. C. EATON.....	Toronto, Ontario
D. D. EVERETT	Winnipeg, Manitoba
D. KINNEAR.....	Toronto, Ontario
C. R. MacFADDEN	Halifax, Nova Scotia
T. F. MOORE	Toronto, Ontario
P. W. REYNOLDS	Vancouver, British Columbia
A. G. WEAVER.....	Toronto, Ontario
G. D. deS. WOTHERSPOON	Toronto, Ontario
W. H. ZIMMERMAN	Toronto, Ontario

head office

14 College Street
Toronto, Ontario

**transfer agent,
registrar and custodian**

Montreal Trust Company
Toronto, Ontario

auditors

Clarkson, Gordon & Co.
Toronto, Ontario

**Investment manager and
distributor**

Eaton Fund Distributors Limited
Toronto, Ontario

fund highlights

- A New Investment Concept with no initial sales charges.
- Low initial investment. \$200 minimum plus a \$10 administrative fee.
- Income tax savings through Registered Retirement Savings Plans.
- Voluntary investments. No long term contract.
- Convenient payment system. Automatic monthly transfers from your bank account.
- Annual inter-fund transfer privilege.
- Invested in Canadian growth securities.
- Service at any Eaton Financial Centre.

For further information, please contact your nearest
Eaton Financial Centre.