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# MPG

INVESTMENT  
CORPORATION  
LIMITED

**Annual Report**  
**1990**

HOWARD ROSS LIBRARY  
OF MANAGEMENT  
SEP 19 1990  
MCGILL UNIVERSITY

## Corporate Policy

**MPG Investment Corporation Limited** is an investment corporation which invests its assets in the common shares of Canadian companies listed on the recognized stock exchanges; to a lesser extent (approximately 10% of its total portfolio) MPG also invests in the shares of foreign companies and, from time to time, it will hold reserve funds in bonds, certificates of deposit or cash.

**MPG's Investment Objective** has been and remains one of providing shareholders with long-term growth of assets.

**MPG's Dividend Policy** is to pay dividends on Common shares, if earnings permit, equal to the greater of:

- the amount necessary to continue to qualify the Company as a closed-end investment corporation under the Income Tax Act; in practical terms, this means total annual distributions on the Common shares of about three quarters of the net income available to common shareholders;
- the amount necessary to enable financial institutions to purchase the Common shares as eligible investments; that is, a total distribution of at least 4% of the paid-up capital on the Common shares.

## Index

Financial Highlights .....	Page 1
Report of Directors .....	Page 2
Consolidated Balance Sheet .....	Page 4
Consolidated Statement of Income and Expenses .....	Page 5
Consolidated Statement of Retained Earnings .....	Page 6
Consolidated Statement of Realized Gains on Disposals of Investments .....	Page 6
Consolidated Statement of Unrealized Appreciation of Investments .....	Page 6
Consolidated Statement of Changes in Net Assets .....	Page 7
Notes to Consolidated Financial Statements .....	Page 8
Consolidated Portfolio of Investments .....	Page 12
Changes in Investment Portfolio .....	Page 14
Featured Holdings .....	Page 16
Corporate Information .....	Page 18
Directors and Officers .....	Page 20

# M P G Investment Corporation Limited

## Notice to Shareholders

### Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Shareholders of M P G Investment Corporation Limited will be held in the offices of the Company, 215 Sydney Street, Cornwall, Ontario, on Wednesday, October 31, 1990 at 11:00 a.m. (local time) for the following purposes:

- (a) to receive the Consolidated Financial Statements of the Company for the fiscal year ended June 30, 1990 and the Report of the directors and auditors thereon;
- (b) to elect directors;
- (c) to appoint auditors and authorize the directors to fix their remuneration;
- (d) to transact such other business as may properly come before the meeting.

By Order of the Board

J. K. McBRIDE  
Treasurer

September 14, 1990

**If you do not intend to be present at the meeting, please exercise your right to vote by signing and returning your form of proxy in the accompanying addressed envelope by October 30, 1990. If you attend the meeting, you may, if you so desire, withdraw your proxy and vote in person.**

# Management Proxy Circular

As of August 28, 1990

## Solicitation of Proxies

This solicitation of proxies is made by the management of M P G Investment Corporation Limited (the "Company") for use at the Annual General Meeting of Shareholders to be held on Wednesday, October 31, 1990, and at all adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting. It is expected that the solicitation will be made primarily by mail, but proxies may also be solicited by directors and officers of the Company by telephone and other means of communication. The cost of the solicitation will be borne by the Company.

## Appointment and Revocability of Proxies

The persons named in the enclosed form of proxy are directors and officers of the Company. **A shareholder has the right to appoint a person to represent him at the meeting other than the persons designated in the enclosed form of proxy** and may do so either by inserting such person's name in the blank space provided in such form and deleting the names of the designated persons or by completing another proper form of proxy and in either case, depositing it at the offices of the Company, 215 Sydney Street, Cornwall, Ontario, K6H 3H3 on or before October 30, 1990 or with the Chairman of the meeting on the day of the meeting or any adjournment thereof. A person appointed as a proxy need not be a shareholder of the Company.

A shareholder who has given a proxy may revoke it at any time before it is exercised. A proxy may be revoked by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited at the head office of the Company at any time on or before October 30, 1990 or with the Chairman of the meeting on the day of the meeting or any adjournment thereof.

## Exercise of Discretion by Proxy Holders

The shares represented by any proxy in the accompanying form and appointing the persons designated in the form of proxy or any of them to represent the shareholder at the meeting will be voted or withheld from voting as specified by the shareholder with respect to the matters identified in the Notice of Meeting. **In the absence of instructions, such shares will be voted for the election of directors and the appointment of auditors as stated under those headings in this Information Circular.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the meeting. At the date of this Information Circular, the management of the Company knows of no such amendments, variations or other matters.

## Voting Rights

The shares of the Company entitled to vote at the meeting are its Common shares without par value. As of August 28, 1990 there were 3,847,190 Common shares outstanding. Each such share entitles the holder to one vote on all matters to come before the meeting. The directors have set a record date of the close of business on September 7, 1990 with respect to determining shareholders who are entitled to receive notice of and vote at the meeting. Except to the extent that: (A) the holder has transferred ownership of any of those shares after that date; and (B) the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that the transferee owns the shares, and demands not later than ten days before the meeting that the transferee's name be included to vote the transferred shares at the meeting, in which case the transferee is entitled to vote the shares at the meeting.

As of August 28, 1990 there were outstanding 80,000 1964 Series Preferred shares, 137,500 1980 Series Class B shares and 240,000 1985 Series Class B shares. Since dividends on these shares are not in arrears, the holders of these shares are neither entitled to vote nor to attend the meeting. As of August 28, 1990 there were also outstanding 240,000 1985 Warrants entitling the holders thereof to purchase 1.6 Common shares for each Warrant held at a price of \$9.59 for each Common share until November 30, 1990 respectively. The Warrant holders are neither entitled to vote nor to attend the meeting.

The directors and officers do not know of any person or company beneficially owning, directly or indirectly, or exercising control or direction over Common shares of the Company carrying more than 10% of the voting rights attached to all shares of the Company.

### Election of Directors

The Board currently consists of nine directors to be elected annually. Unless otherwise specified the persons named in the enclosed proxy intend to vote for the election of the proposed nominees. Each director elected will hold office until the next Annual Meeting unless his office is earlier vacated in accordance with the by-laws. All of these nominees except J. K. McBride are now directors and have been since the dates indicated below.

Management has no reason to believe that the persons nominated will not be available, but, in the event that a vacancy among the original nominees occurs for any reason prior to the meeting, the proxies will be voted for a substitute nominee recommended by management and for the remaining nominees. Information is given below with respect to each nominee for election as a director, including the approximate number of each class of shares of the Company which he has advised that he and his associates beneficially own, directly, or over which he or they exercise control or direction.

<u>Nominee</u>	<u>Principal occupation or employment position or office with the Company</u>	<u>Date first became Director</u>	<u>Common Shares</u>
The Earl of Iveagh . . . . .	Director, Guinness PLC — Brewers, Distillers; Chairman of the Board of the Company	January 30, 1961	221,634
*D. C. Cameron(1) . . . . .	Retired Chairman of the Board, Jones Heward & Company Ltd. — Investment Advisors	September 28, 1972	7,680
*J. R. Collins . . . . .	Partner, Blake, Cassels & Graydon — Barristers & Solicitors; Assistant-Secretary of the Company	November 9, 1983	384
T. A. Foss . . . . .	Vice Chairman and Director, Jones Heward Investment Management Inc.	November 9, 1983	12,000
J. A. M. Hutchinson . . . . .	Joint Managing Director, The Iveagh Trustees Limited — Management Company	October 24, 1988	nil
*J. D. H. Mackenzie, C.A. . . . .	President, Elgistan Management Limited — Management Company; President of the Company	November 17, 1966	50,400
R. P. Mather . . . . .	Managing Director, ScotiaMcLeod Inc.	October 30, 1989	62,360

<u>Nominee</u>	<u>Principal occupation or employment position or office with the Company</u>	<u>Date first became Director</u>	<u>Common Shares</u>
J. K. McBride .....	Secretary, Elgistan Management Limited — Management Company; Treasurer and Chief Financial Officer of the Company		6,360
R. J. Shirley .....	Vice Chairman, Bonar Inc. — Packaging	December 6, 1972	2,780

\*Member of the Audit Committee

(1) Mr. Cameron is also the registered and beneficial owner of 2,000 1985 Series Class B shares.

### Remuneration of Management and Others

The following information is furnished as to the remuneration of directors and officers:

	<b>Directors' fees (1)</b> \$	<b>Salaries</b> \$	<b>Non-Accountable expense allowances</b> \$	<b>Other (notes)</b> \$	<b>Total</b> \$
<b>Remuneration of Directors</b> <i>Number of directors: Nine</i>	38,700	—	—	—	38,700
<b>Remuneration of Officers</b> <i>Number of officers: Eight (2)</i>	—	—	—	—	—
<b>Totals</b>	38,700	—	—	—	37,700

(1) Directors are paid an annual fee of \$3,000 and \$400 for each board or committee meeting attended.

(2) Two (2) of these officers are executive officers as defined in the regulations to the Securities Act (Ontario) who received an aggregate of \$8,800 as directors out of Directors' fees listed above.

The aggregate direct remuneration payable by the Company during its last complete financial year to directors and senior officers as such was \$38,700. The Company does not have a pension plan for its officers.

### Executive Share Purchase Plan

The Company established an Executive Share Purchase Plan in 1982, with shareholder approval, to assist designated officers and employees to purchase up to 160,000 Common shares of the Company. Under the Plan, the Company advances to the trustee an interest-free loan for the account of the designated officer or employee to be used by the trustee to purchase from the Company shares on behalf of that officer or employee. The shares are issued at a price equal to the market price current at the time of purchase. All dividends paid in respect of the Common shares are credited to the repayment of the loan and the shares in respect of which the loan remains outstanding are pledged with the trustee to secure repayment of the loan. To date, an aggregate of 35,000 Common shares have been issued to Mr. J. D. H. Mackenzie, a director and officer of the Company, and Mr. J. K. McBride, an officer of the Company. The original loans made to such persons aggregated \$164,500 of which \$26,350 is currently outstanding. The largest aggregate amounts outstanding on account of the loans made to J. D. H. Mackenzie and J. K. McBride for the year ended June 30, 1990 were \$21,780 and \$18,030 of which \$9,813 and \$16,537 is currently outstanding, respectively.

### Loan to Officer

In 1989, the Company approved an interest-free loan to J. K. McBride, an officer of the Company, to purchase Common shares of the Company upon exercise of 1984 Common Share Purchase Warrants held by him. The largest amount outstanding on account of the loan during the year ended June 30, 1990 was \$25,664, of which \$24,864 is currently outstanding.

### Appointment of Auditors

Unless otherwise specified by the shareholder, the shares represented by any proxy in the accompanying form will be voted in favour of Ernst & Young as auditors of the Company and to authorize the directors to fix the remuneration of the auditors so appointed. Ernst & Young (formerly Clarkson Gordon) have been auditors of the Company for more than five years.

### Directors' and Officers' Liability Insurance

The Company maintains, on behalf of the directors and officers of the Company, a directors' and officers' liability insurance policy. The policy has a coverage limit of \$5,000,000. The premium cost to the Company for the policy year ending August 29, 1991 is \$21,000. No allocation of premium has been made in respect of the directors as a group or the officers as a group. The policy requires the Company to absorb a deductible amount of \$250,000 per occurrence.

### Management Contract

Elgistan Management Limited, having an office at 215 Sydney Street, Cornwall, Ontario, a wholly-owned subsidiary of Duke Seabridge Limited, 220-42nd Avenue S.E., Calgary, Alberta, provides management services to the Company under a contract dated December 31, 1980, as amended.

The names and addresses of the directors and officers of Elgistan Management Limited are:

<u>Name and Address</u>	<u>Position Held</u>
The Earl of Iveagh ..... Farmleigh, Castleknock, County Dublin, Republic of Ireland	Director
Mrs. D. C. Acheson ..... 215 Sydney Street, Cornwall, Ontario K6H 3H3	Assistant-Treasurer
Mrs. S. A. Duncan ..... 215 Sydney Street, Cornwall, Ontario K6H 3H3	Assistant-Secretary
J. V. Holt ..... 215 Sydney Street, Cornwall, Ontario K6H 3H3	Treasurer
J. A. M. Hutchinson ..... Iveagh House, 41 Harrington Gardens, London, SW7 4JU, England	Director
A. Laoun ..... 202 - 250 15th Street, West Vancouver, British Columbia V7T 2X4	Director
J. D. H. Mackenzie, C.A. .... 215 Sydney Street, Cornwall, Ontario K6H 3H3	Director and President
J. K. McBride ..... 215 Sydney Street, Cornwall, Ontario K6H 3H3	Director and Secretary

<u>Name and Address</u>	<u>Position Held</u>
N. L. Scott, C.A. .... 220 - 42nd Avenue S.E., Calgary, Alberta T2G 1Y4	Assistant-Secretary
C. M. Sherwood..... Iveagh House, 41 Harrington Gardens, London, SW7 4JU, England	Director
R. D. Spooner, C.A. .... 202 - 250 15th Street, West Vancouver, British Columbia V7T 2X4	Director and Vice-President
D. M. White ..... 202 - 250 15th Street, West Vancouver, British Columbia V7T 2X4	Assistant-Secretary

During the fiscal year ended June 30, 1990 the Company paid \$413,589 to Elgistan Management Limited for management services.

#### **Approval**

The contents and the sending of this Circular have been approved by the board of directors.

J. K. McBRIDE  
Treasurer

August 28, 1990



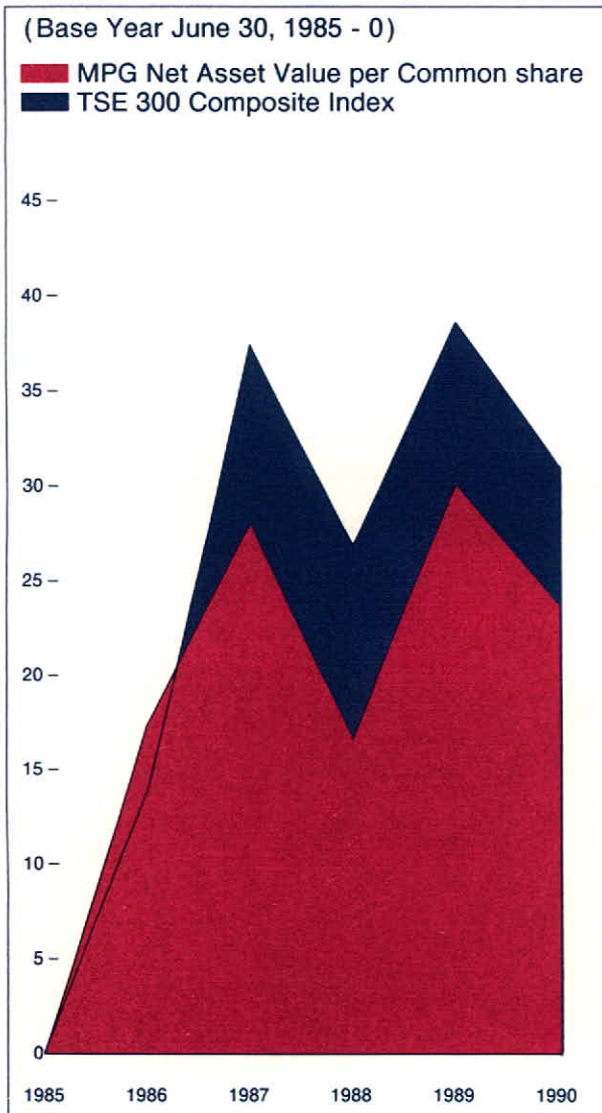




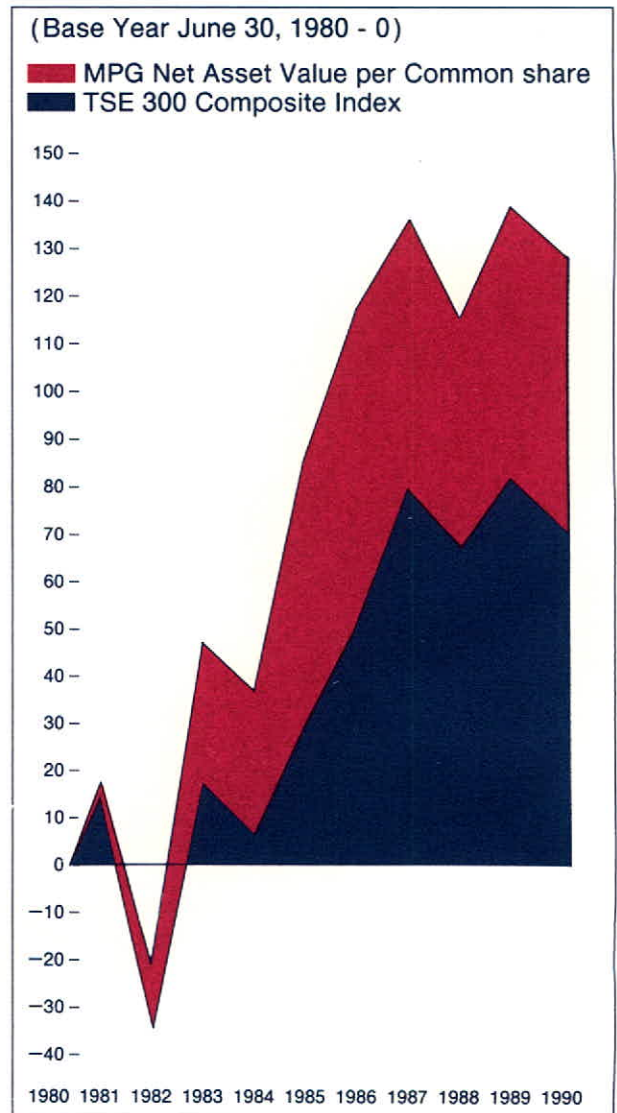
# Financial Highlights

	June 30, 1990	June 30, 1989	Change
NAV per Common share .....	\$12.00	\$12.62	-4.9%
TSE 300 .....	3,543.93	3,760.91	-5.8%
Gross Assets .....	\$54.1M	\$52.8M	+2.5%

## Five Year Performance



## Ten Year Performance



## To Our Shareholders

The Board of Directors presents the sixty-second Annual Report of your Company for the year ended June 30, 1990.

### Review of Operations

The consolidated results for the year under review may be summarized as follows:

- The net asset value per Common share ("NAV") declined by 4.9% to \$12 at June 30, 1990 from \$12.62 a year ago. This may be compared with a decline of 5.8% in the Toronto Stock Exchange 300 Index.

The Canadian stock market was held back by the high level of interest rates which prevailed throughout the year. The prime rate charged by the Chartered Banks started the year at 13½%; was moved up to 14¼% in February 1990 and again to 14¾% in April 1990. This was not an environment in which stocks could flourish.

Graphs showing the performance of the Company's NAV for the five and ten-year periods are shown on page 1. The five year results track the TSE 300 but the ten year performance shows what equity investment can do over a longer period.

- Consolidated net income after taxes amounted to \$2,273,101 which represented an increase of 32.9% from the previous year. Dividends on the Preferred and Class B shares absorbed \$743,651 (1989 — \$736,978); this left earnings available for the Common shares of \$1,529,450 (1989 — \$973,859). Net income per Common share advanced by 39.1% to 42.3 cents (1989 — 30.4 cents).

- Gross revenues increased by 34.2% to \$3,187,760 (1989 — \$2,375,945). Although \$390,340 of this increase related to a dividend paid by Sechura Inc. in connection with its issuer bid, the underlying trend of income growth was strong. We have made a point of investing in companies with progressive dividend policies, and we continue to pay particular attention to this area.

- Expenses increased by 44% largely because of an increase in management fees following the revision of the fee scale effective July 1, 1989. Despite this increase, we would draw your attention to the table on page 18 which shows that expenses as a percentage of average net assets were 1.40%; while this is higher than previous years, your Directors regard this as a reasonable level.

- The quarterly dividend rate was increased to 5 cents per Common share with the September 29, 1989 distribution and an extra dividend of 15 cents was paid on June 29, 1990. This raised the total distribution for the year to 35 cents (1989 — 29 cents). The dividend has increased by 93.4% since 1985.

### Investment Review

As noted above, high interest rates made Canadian equities unattractive to most investors compared with returns which were available on treasury bills, bonds and other interest-bearing instruments.

The year under review was clearly not one in which to expect superior capital returns and our efforts were concentrated on improving income receipts, which we did with some measure of success, and preserving capital values in the Company's portfolio. To this end a fairly high level of reserves was maintained during the year. Our policy was modified towards financial services, which received a lesser weighting in the portfolio, because we became concerned about the deteriorating quality of loan portfolios. At June 30, 1989 financial services represented 27.1% of the portfolio and was reduced to 22.4% by June 30, 1990. Clearly it remains the dominant sector in the portfolio but one of its main attractions lies in providing a reliable stream of income. Similarly, a much lower emphasis has been placed on the communications and media sector.

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On a positive note, the U.S. part of the portfolio performed well. Among our six featured companies on pages 16 and 17, you can read about Schering-Plough Corporation which has provided its shareholders with consistent growth.

#### **Outlook**

Canada appears preoccupied with government and our governments, at all levels, devote much of their time to divising means of raising taxes to defray their past extravagances. As a nation we have to pay the interest on a huge accumulation of debt and so new and drastic taxation has to be contemplated in the face of a political reluctance to curtail spending programs. Since the Goods and Services Tax was announced, Canada has become paralyzed by the spectre of this new tax. Other countries have successfully faced the same problem with similar taxes, and so we are not as concerned as the media would like us to be.

Investors will have to adjust to short-term disruptions due to the imposition of GST, and it is probable that the economy will have to confront other negative influences as we move into 1991. The Iraqi invasion of Kuwait has already caused the price of oil to increase substantially and this cannot be good for the North American economies or the trend of inflation. Prior to the invasion, it was generally expected that a weaker Canadian economy would help to bring down interest rates, but this outcome is no longer assured.

Although the Canadian market does not appear overvalued in relation to other major stock markets in the world, it is difficult to predict a glowing outlook for Canadian equities, despite improved prospects for the oil industry.

#### **Directors**

It is with regret that we announce that Roy Spooner, who has been a director of the Company for twenty years, is not standing for re-election this year. The board would like to thank Mr. Spooner for his valuable contributions to the growth of the Company over this period.

Submitted on behalf  
of the Board



*Chairman*



*President*

August 28, 1990

# Consolidated Balance Sheet

June 30, 1990

**MPG**  
INVESTMENT  
CORPORATION  
LIMITED

1990

1989

## ASSETS

Cash	\$ 207,072	\$ 148,031
Interest-bearing demand deposits	1,499,120	1,429,933
Accrued interest and accounts receivable	491,437	316,701
Income taxes recoverable	252,722	—
Investments at market value (note 3 and schedule)	51,550,217	50,702,532
Deferred charges	85,199	165,763
Loans to officers (note 2)	51,214	43,419
	<b>\$54,136,981</b>	<b>\$52,806,379</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

Accounts payable	\$ 126,420	\$ 98,094
Dividends payable	57,196	57,601
Deferred income taxes	34,646	74,782
Income taxes payable	—	433,766
	<b>218,262</b>	<b>664,243</b>

### Shareholders' equity:

Share capital issued (notes 5 and 6) —		
80,000 1964 Series Preferred shares	2,000,000	2,000,000
137,500 1980 Series Class B shares (1989 — 150,000)	1,375,000	1,500,000
240,000 1985 Series Class B shares	5,760,000	5,760,000
3,847,190 Common shares (1989 — 3,207,382)	25,134,499	19,971,248
240,000 1985 Common share warrants	240,000	240,000
Retained earnings	1,195,286	980,060
Realized gains on disposals of investments	12,328,352	11,018,200
Unrealized appreciation of investments	5,885,582	10,672,628
	<b>53,918,719</b>	<b>52,142,136</b>
	<b>\$54,136,981</b>	<b>\$52,806,379</b>

On behalf of the Board:

 , Director

 , Director

See accompanying notes

## Consolidated Statement of Income and Expenses

Year Ended June 30, 1990

	1990	1989
<b>Income:</b>		
Dividends from taxable Canadian corporations	\$2,228,151	\$1,518,578
Interest on investments	733,085	579,760
Dividends from United States corporations	109,103	133,412
Miscellaneous interest earned	117,421	144,195
	<b>3,187,760</b>	<b>2,375,945</b>
<b>Expenses:</b>		
Management fees	413,589	278,804
Trust company fees and charges	65,550	51,766
Legal, audit and professional fees	77,631	29,533
Directors' fees	38,700	29,300
Capital tax	9,162	18,330
Amortization of deferred charges	80,564	80,564
Printing and stationery	14,463	13,866
General	71,747	32,021
	<b>771,406</b>	<b>534,184</b>
Income before income taxes	<b>2,416,354</b>	<b>1,841,761</b>
Income taxes (note 4):		
Current	183,389	171,061
Deferred	(40,136)	(40,137)
	<b>143,253</b>	<b>130,924</b>
Net income for the year	<b>\$2,273,101</b>	<b>\$1,710,837</b>
Earnings per Common share (note 1g)	<b>42.3¢</b>	<b>30.4¢</b>

See accompanying notes

## Auditors' Report

To the Shareholders of  
MPG INVESTMENT CORPORATION LIMITED

We have examined the consolidated balance sheet of MPG Investment Corporation Limited as at June 30, 1990 and the consolidated statements of income and expenses, retained earnings, realized gains on disposals 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 of the company as at June 30, 1990 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.

Montréal, Canada  
July 23, 1990.

ERNST & YOUNG  
Chartered Accountants

## Consolidated Statement of Retained Earnings

Year Ended June 30, 1990

**MPG**  
INVESTMENT  
CORPORATION  
LIMITED

	1990	1989
Retained earnings, beginning of year	\$ 980,060	\$ 936,341
Net income for the year	2,273,101	1,710,837
	<b>3,253,161</b>	<b>2,647,178</b>
Dividends paid or accrued:		
1964 Series Preferred shares (\$1.30 per share)	104,000	104,000
1980 Series Class B shares (\$0.9018 per share; 1989 — \$0.7884 per share)	129,651	122,978
1985 Series Class B shares (\$2.125 per share)	510,000	510,000
Common shares (\$0.35 per share; 1989 — \$0.29 per share)	1,314,224	930,140
	<b>2,057,875</b>	<b>1,667,118</b>
Retained earnings, end of year	<b>\$ 1,195,286</b>	<b>\$ 980,060</b>

## Consolidated Statement of Realized Gains on Disposals of Investments

Year Ended June 30, 1990

Balance, beginning of year	\$11,018,200	\$ 9,193,399
Realized profit on sale of investments	1,801,947	2,563,018
Refundable capital gains tax (note 4)	(491,795)	(738,217)
Balance, end of year	<b>\$12,328,352</b>	<b>\$11,018,200</b>

## Consolidated Statement of Unrealized Appreciation of Investments

Year Ended June 30, 1990

Balance, beginning of year	\$10,672,628	\$ 7,775,515
Increase (decrease) during the year	(4,787,046)	2,897,113
Balance, end of year	<b>\$ 5,885,582</b>	<b>\$10,672,628</b>

See accompanying notes



## Consolidated Statement of Changes in Net Assets

Year Ended June 30, 1990

	1990	1989
Net assets, beginning of year	\$ 52,142,136	\$ 47,501,503
Add (deduct) changes during the year —		
Net income for the year	2,273,101	1,710,837
Realized profit on sale of investments (note below)	1,801,947	2,563,018
Refundable capital gains tax	(491,795)	(738,217)
Proceeds of Common share issue	5,163,251	—
Appreciation (depreciation) in value of investments	(4,787,046)	2,897,113
Redemption of 1980 Series Class B shares (note 5)	(125,000)	(125,000)
Dividends paid out of investment income	(2,057,875)	(1,667,118)
Net assets, end of year	53,918,719	52,142,136
Redemption value of 1964 Series Preferred shares	(2,100,000)	(2,100,000)
Redemption value of 1980 Series Class B shares	(1,392,188)	(1,530,000)
Redemption value of 1985 Series Class B shares	(6,120,000)	(6,240,000)
Deferred charges, less applicable taxes	(50,553)	(90,981)
Refundable capital gains tax on hand	2,843,804	2,354,765
Proceeds assuming all 1984 Common share warrants are exercised	—	5,163,302
Proceeds assuming all 1985 Common share warrants are exercised	3,682,560	3,682,560
Net assets, applicable to Common shares	\$ 50,782,342	\$ 53,381,782
Net asset value per Common share (note 7)	\$ 12.00	\$ 12.62

### Note — realized profit on sale of investments

Proceeds from sales include \$12,938,291 from short-term investments (1989 — \$11,871,190)	\$ 32,195,237	\$ 32,403,504
Cost of investments, beginning of year	40,029,904	37,935,167
Cost of investments purchased	36,028,021	31,935,223
Cost of investments, end of year	(45,664,635)	(40,029,904)
Cost of investments sold	30,393,290	29,840,486
Realized profit on sales	\$ 1,801,947	\$ 2,563,018

See accompanying notes

# Notes to Consolidated Financial Statements

June 30, 1990

**MPG**  
INVESTMENT  
CORPORATION  
LIMITED

## 1. Accounting policies

### (a) Consolidation —

The consolidated financial statements include the accounts of MPG Investment Corporation Limited and its wholly-owned subsidiary, MPGM Holdings Ltd.

### (b) Basis of accounting —

The financial statements are prepared in accordance with accounting principles generally accepted in Canada and conform in all material respects with International Accounting Standards.

### (c) Recognition of revenue —

Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

### (d) Investment transactions —

Investment transactions are accounted for on the trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation of investments are calculated on an average-cost basis.

### (e) Foreign exchange —

Investment transactions in United States currency are translated at the exchange rate in effect on the settlement date. United States investments and cash balances are translated at the year-end exchange rate. The gains or losses on exchange are included in the profit or loss on sale of investments or in the unrealized appreciation of investments as applicable.

### (f) Deferred charges —

Deferred charges represent the costs associated with the issue of Class B shares. The costs of issuing the 1980 Series Class B shares are amortized to income proportionately over the life of the series. The costs of issuing the 1985 Series Class B shares are amortized to income proportionately to the retraction date of the 1985 Series Class B shares on November 30, 1990.

### (g) Earnings per Common share —

Earnings per Common share are calculated using the weighted monthly average number of Common shares outstanding during the year: 1990 — 3,617,308 (1989 — 3,207,382). The earnings available to the Common shares are calculated after deducting the 1964 Series Preferred share and the Class B share dividends.

Fully diluted earnings per share have not been presented since the exercise of the Warrants would not dilute the earnings per Common share.

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## 2. Loans to officers

The outstanding loans to officers under the Executive Share Purchase Plan have been reduced from \$43,419 at June 30, 1989 to \$26,350 at June 30, 1990. In December 1989, a personal loan was approved to an officer of the Company in the amount of \$25,824 to purchase Common shares of the Company. As at June 30, 1990, the loan has been reduced to \$24,864.

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## 3. Investments

Investments consist of:

	1990		1989	
	Cost	Market Value	Cost	Market Value
Canadian Stocks	\$35,255,239	\$40,185,281	\$31,682,183	\$42,367,418
United States stocks	3,787,523	4,862,638	2,789,900	3,128,761
	39,042,762	45,047,919	34,472,083	45,496,179
Canadian bonds	1,326,263	1,206,688	2,161,701	1,810,233
Government treasury bills	4,745,610	4,745,610	2,846,120	2,846,120
Short-term deposits	550,000	550,000	550,000	550,000
	\$45,664,635	\$51,550,217	\$40,029,904	\$50,702,532

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## 4. Income taxes

During the year the Corporation met the requirements of Section 130 of the Income Tax Act (Canada) and thus continued to qualify as an investment corporation. An investment corporation is not taxed on dividends received from taxable Canadian corporations; other investment income is taxed at reduced rates. Interest income earned by MPGM Holdings Ltd. is taxed at full corporate rates.

Taxes on capital gains are refundable to the Corporation if such gains are distributed to shareholders by way of capital gains dividends. The amount of refundable taxes available to the Corporation at June 30, 1990 is \$2,843,804.

If the Corporation incurs net capital losses, these may be carried back three years and any balance may then be carried forward indefinitely, against taxable capital gains.

If the investments had been sold at their market value, approximately \$4,400,000 (being the taxable portion of the capital gains thereby realized) would have been subject to tax, refundable as described above.

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## 5. Share capital

The authorized share capital of the Corporation consists of the following:

- (a) 80,000 — 1964 Series Preferred non-voting shares, having \$1.30 cumulative dividend rights, redeemable at \$26.25 per share;
  - (b) Unlimited number of Class B non-voting shares, ranking junior to the 1964 Series Preferred shares, issuable in series, redeemable as set out below;
-

- (c) Unlimited number of Common shares;
- (d) 240,000 — 1985 Warrants entitling the holder to purchase 1.6 Common shares of the Corporation at a price of \$9.59 per share prior to November 30, 1990. No Warrants were exercised during the year.

The changes in the outstanding share capital since June 30, 1989 are as follows:

	1964 Series Preferred	1980 Series Class B	1985 Series Class B	Common Shares	1984 Warrants	1985 Warrants
<b>Number</b>						
Outstanding as at June 30, 1989	80,000	150,000	240,000	3,207,382	399,884	240,000
1980 Series Class B shares redeemed		(12,500)				
Common shares issued on exercise of:						
1984 Warrants				639,808	(399,884)	
Outstanding as at June 30, 1990	80,000	137,500	240,000	3,847,190	—	240,000
<b>Stated Value</b>						
Outstanding as at June 30, 1989	\$2,000,000	\$1,500,000	\$5,760,000	\$19,971,248	\$ —	\$240,000
1980 Series Class B shares redeemed		(125,000)				
Common shares issued on exercise of:						
1984 Warrants				5,163,251		
Outstanding as at June 30, 1990	\$2,000,000	\$1,375,000	\$5,760,000	\$25,134,499	\$ —	\$240,000

*1980 Series Class B shares —*

The 1980 Series Class B shares have cumulative dividend rights of one-half the average prime rate plus 2.25%. The Corporation is required to redeem 12,500 shares annually for ten years at the stated value of \$125,000. The ninth redemption requirement took place on December 31, 1989. On December 31, 1990, the Corporation will redeem at the holder's option any of the remaining shares at their stated value. On December 31, 2000, the Corporation is obliged to redeem all the remaining shares then outstanding at their stated value.

In addition to the above redemption requirements, the Corporation may, at its option, redeem at least 10,000 additional shares per annum, at 101.25% of the stated value with the premium declining in each subsequent calendar year until December 31, 1991, at which time the redemption price will be the stated value. Accordingly, the redemption value of the 1980 Series Class B shares presented in the statement of changes in net assets includes a premium of \$17,188 representing 1.25% of the stated value of the outstanding 1980 Series Class B shares.

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*1985 Series Class B shares —*

The 1985 Series Class B shares have cumulative dividend rights of \$2.125 per share, redeemable after November 30, 1988. On and after December 1, 1988, the shares will be redeemable at the option of the Corporation at \$26.00 per share declining annually by 50 cents to \$25.00 per share for redemptions effected on or after December 1, 1990. The shares are retractable at the option of the holder on November 30, 1990 at a price of \$25.00 per share.

During each three-month period commencing January 1, 1991, the Corporation will make all reasonable efforts to purchase at a price not exceeding \$25.00 per share plus accrued and unpaid dividends and costs of purchase, 1% (4% per annum) of the number of 1985 Series Class B shares outstanding at the close of business on November 30, 1990.

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**6. Common shares**

The issued Common shares of the Corporation (which are traded on major Canadian stock exchanges) are eligible investments for Registered Retirement Savings Plans and similar plans.

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**7. Net asset value per Common share**

The net asset value per Common share as at June 30, 1990 and as at the four preceding years is as follows:

1990	\$12.00
1989	\$12.62
1988	\$11.30
1987	\$12.40
1986	\$11.35

Net asset value per Common share at June 30, 1990 is based on 4,231,190 shares; (1989 — 4,231,196), being the shares outstanding plus those to be issued assuming that all 1985 Warrants outstanding would be exercised at \$9.59.

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# Consolidated Portfolio of Investments

June 30, 1990

**MPG**  
INVESTMENT  
CORPORATION  
LIMITED

Number of shares or face value of bonds, guaranteed investment receipts or treasury bills		Market Value	Percentage of total portfolio
<b>EQUITY STOCKS</b>			
Business Equipment			
*4,000	Honeywell Inc.	\$ 459,451	0.9
Communications & Media			
70,000	Shaw Cablesystems Ltd., Class B	717,500	
70,000	Rogers Communications Inc., Class B	568,750	
20,000	BCE Mobile Communications Inc.	450,000	
		1,736,250	3.4
Consumer Products			
15,000	The Seagram Company Ltd.	1,443,750	
80,000	Canada Malting Co. Limited	1,180,000	
25,000	Molson Companies Limited, Class A	978,125	
30,000	B.C. Sugar Refinery, Limited, Class A	450,000	
		4,051,875	7.9
Entertainment			
*3,000	The Walt Disney Company	448,657	0.9
Financial Services			
140,000	The Royal Bank of Canada	3,255,000	
80,000	Canadian Imperial Bank of Commerce	2,140,000	
100,000	The Toronto-Dominion Bank	1,812,500	
60,000	Bank of Montreal	1,680,000	
80,000	Royal Trustco Limited	1,210,000	
42,000	Trilon Financial Corp., Class A	750,750	
20,600	Standard Trustco Limited	360,500	
*10,000	American Express Company	358,576	
		11,567,326	22.4
Gold			
120,000	Glamis Gold Ltd.	314,400	0.6
Industrial Products			
100,000	Bombardier Inc., Class B	1,875,000	
20,000	Northern Telecom Limited	645,000	
*9,000	The Boeing Company	613,952	
*6,000	Ingersoll-Rand Company	400,555	
100,000	Autostock Inc.	375,000	
*3,000	Motorola Inc.	292,545	
		4,202,052	8.2
Merchandising			
70,000	Canadian Tire Corporation, Limited, Class A	1,400,000	
65,000	Loblaws Companies Limited	1,088,750	
40,000	The Loewen Group Inc.	1,060,000	
40,000	Scott's Hospitality Inc.	595,000	
*8,000	The May Department Stores Company	516,582	
10,000	George Weston Limited	400,000	
		5,060,332	9.8
Metals & Mining			
30,000	Alcan Aluminium Limited	783,750	
15,000	Inco Limited	498,750	
		1,282,500	2.5

Number of shares or face value of bonds, guaranteed investment receipts or treasury bills		Market Value	Percentage of total portfolio
<b>Oil &amp; Gas</b>			
13,000	Imperial Oil Limited, Class A	710,125	
*5,000	Chevron Corporation	410,321	
		1,120,446	2.2
<b>Paper &amp; Forest Products</b>			
100,000	Repap Enterprises Inc.	825,000	1.6
<b>Pharmaceutical</b>			
*16,000	Schering-Plough Corporation	881,572	1.7
<b>Pipelines</b>			
60,000	TransCanada PipeLines Limited	967,500	1.9
<b>Real Estate</b>			
20,000	Cambridge Shopping Centres Limited	545,000	1.0
<b>Transportation</b>			
25,000	Laidlaw Inc., Class A	665,625	
75,000	Socanav Inc., Class A	315,000	
		980,625	1.9
<b>Utilities</b>			
60,000	BCE Inc.	2,362,500	
100,000	British Columbia Telephone Company	1,837,500	
70,000	B.C. Gas Inc.	1,058,750	
*16,000	Contel Corporation	480,433	
		5,739,183	11.1
<b>Preferred stocks (convertible)</b>			
50,000	Laidlaw Inc., 5.00% Redeemable Pfd., Series G	1,768,750	
30,000	Noranda Inc., Pfd., Series C	750,000	
25,000	Ranchmen's Resources Ltd., \$2.45 Pfd., A	612,500	
22,000	Westcoast Energy Inc., 8.25%, 2nd Pfd., Series A	599,500	
30,000	Corona Corporation, 1st Pfd., Series C	585,000	
20,000	Bow Valley Industries Ltd., \$2.025 Pfd., D, Series 3	550,000	
		4,865,750	9.4
<b>Total stocks</b>		<b>45,047,919</b>	<b>87.4</b>
<b>BONDS AND DEBENTURES</b>			
\$ 700,000	Government of Canada, 8.75%, December 15, 1991	667,625	
400,000	Le Groupe Vidéotron Ltée, 7.50%, March 31, 2002	312,500	
250,000	Government of Canada, 8.25%, March 1, 1994	226,563	
<b>Total bonds and debentures</b>		<b>1,206,688</b>	<b>2.3</b>
<b>GUARANTEED INVESTMENT RECEIPTS AND TREASURY BILLS</b>			
\$2,500,000	Canada Treasury Bill, 11.70%, July 6, 1990	2,372,250	
2,000,000	Canada Treasury Bill, 12.28%, July 6, 1990	1,901,480	
550,000	Royal Trust GIC, 11.95%, Aug. 3, 1990	550,000	
500,000	Canada Treasury Bill, 11.95%, July 6, 1990	471,880	
<b>Total guaranteed investment receipts and treasury bills</b>		<b>5,295,610</b>	<b>10.3</b>
<b>Total portfolio</b>		<b>\$51,550,217</b>	<b>100.0</b>

\*United States securities are translated into Canadian dollars at \$1.1661, the rate of exchange prevailing at June 30, 1990.

•Interest-bearing demand deposits on hand of \$1,499,120 are not included in the Portfolio of Investments.

See accompanying notes

**Changes in  
Investment Portfolio**  
Year to June 30, 1990

	Number of Shares or Face Value of Bonds	
	Additions	Deletions
<b>EQUITY STOCKS</b>		
Business Equipment		
*Honeywell Inc.	4,000	
Chemicals		
NOVA Corporation of Alberta	15,000	165,000
Communications & Media		
BCE Mobile Communications Inc.	20,000	
Maclean Hunter Limited		135,100
*McGraw-Hill Inc.		8,000
Rogers Communications Inc., Class B	60,000 (1)	3,000
Shaw Cablesystems Ltd., Class B		30,000
Consumer Products		
B.C. Sugar Refinery Limited, Class A	30,000	
Canada Malting Co. Limited	40,000 (1)	
Dominion Textile Inc.	20,000	20,000
Molson Companies Limited, Class A	25,000	
The Seagram Company Ltd.	15,000	
Entertainment		
*The Walt Disney Company	3,000	
Financial Services		
*American Express Company	10,000	
Bank of Montreal	60,000	
The Bank of Nova Scotia		100,000
Hees International Bancorp Inc.		50,000
The Royal Bank of Canada	70,000 (1)	5,000
Standard Trustco Limited	25,000	4,400
The Toronto-Dominion Bank	80,000 (1)	60,000
Trilon Financial Corp., Class A	42,000	
Gold		
Cambior Inc.	15,000	15,000
Glamis Gold Ltd.	26,600	
Holding Companies		
Sechura Inc.		29,000
Industrial Products		
Autostock Inc.	100,000	
*The Boeing Company	3,000 (1)	
Bombardier Inc., Class B	10,000	
CAE Industries Ltd.		70,000
*Crane Co.	6,000 (1)	18,000
*Ingersoll-Rand Company	6,000	
*Motorola Inc.	3,000	
Northern Telecom Limited	20,000	
SHL Systemhouse Inc.	14,883 (1)	14,883
Management Companies		
Canadian Pacific Ltd.	20,000	20,000



	Number of Shares or Face Value of Bonds	
	Additions	Deletions
<b>Merchandising</b>		
Canadian Tire Corporation, Limited, Class A	20,000	
The Jean Coutu Group (PJC) Inc., Class A		100,000
Loblaw Companies Limited	65,000	
The Loewen Group Inc.	40,000	
*The May Department Stores Company		2,000
*McKesson Corporation	10,000	10,000
Scott's Hospitality Inc.	40,000	
George Weston Limited		25,000
<b>Metals and Mining</b>		
Alcan Aluminium Limited	30,000	
Inco Limited		15,000
Noranda Inc.		10,000
<b>Oil and Gas</b>		
*Chevron Corporation	5,000	
Imperial Oil Limited, Class A	2,900	
Shell Canada Ltd., Class A	5,000	25,000
<b>Paper and Forest Products</b>		
Repap Enterprises Inc.	40,000	
<b>Pharmaceuticals</b>		
Connaught BioSciences Inc.		25,000
*Schering-Plough Corporation	8,000(1)	
<b>Pipelines</b>		
TransCanada PipeLines Limited	60,000	
<b>Real Estate</b>		
Cambridge Shopping Centres Limited		13,000
<b>Transportation</b>		
Laidlaw Inc., Class A		5,000
Socanav Inc., Class A	75,000	
<b>Utilities</b>		
BCE Inc.	10,000	11,205
*Contel Corporation	8,000(1)	
<b>Convertible Preferred Shares</b>		
Corona Corporation, 1st Pfd., Series C	30,000	
Hudson's Bay Company, 7.50% Cv. Redeemable Pfd., H		35,000
Laidlaw Inc., 5.00% Redeemable Pfd., Series G	10,000	
The Loewen Group Inc., 7.75%, 1st Pfd., A		55,000
Noranda Inc., Pfd., Series C	7,000	
Ranchmen's Resources Ltd., \$2.45 Pfd., A	25,000	
Westcoast Energy Inc., 8.25%, 2nd Pfd., Series A	22,000	
<b>BONDS</b>		
Clarus Corporation, 9% Cv. Sub. Deb., January 31, 1997		\$300,000
Kinburn Technology, 9% Sub. Deb., May 15, 2007		\$400,000

(1) The above transactions include shares received through stock splits, stock dividends, exchanges of rights issued or conversions. Changes in short-term deposits are excluded.

\* United States securities.

## Featured Holdings

### British Columbia Telephone Company

B.C. Telephone is one of Canada's largest telecommunications companies. The Company is a pure play on the telephone and telecommunications service industry which includes research, development and design of communication products. The Company has also invested in the rapidly expanding areas of cellular telephones and fibre-optics. We believe that the potential for continued growth is good due to the expanding British Columbia economy and the emphasis that the Company places on quality products and service.

#### Financial Information

Year to December 31, 1989

	1989	1988	% Change
(Millions except per share data and percentages)			
Revenue	\$1,690	\$1,634	+3
Net Income	181	161	+12
Earnings per Common Share	1.62	1.45	+12
Dividends per Common Share	.95	.91	+4
Common Shares Outstanding	104	101	+3
Return on average Common Equity	14.3%	13.4%	+6

### The Loewen Group Inc.

Loewen Group operates funeral homes, cemeteries, crematoria and ambulance services in Canada and the United States. Total revenues have increased to \$74 million from \$10 million in 1985. Through acquisitions and internal growth, the Company has become the second largest funeral service corporation in North America. With acquisitions expected to exceed \$100 million in 1990, we look for strong revenue growth to be maintained.

#### Financial Information

Year to December 31, 1989

	1989	1988	% Change
(Millions except per share data and percentages)			
Revenue	\$ 74	\$ 49	+51
Net Income	7	5	+40
Earnings per Common Share	.75	.59	+27
Dividends per Common Share	0	0	—
Common Shares Outstanding	10	6	+67
Return on average Common Equity	15.2%	25.6%	-41

### The Molson Companies Limited

Molson, founded in 1786, currently operates in 34 countries and has total assets of \$1.8 billion. Revenues are derived mainly from: brewing — 53%; cleaning and sanitizing — 31%; retail and merchandising — 16%. On August 1, 1989, the Company and Elders IXL Limited combined their North American brewing operations (Molson Breweries of Canada and Carling O'Keefe Breweries of Canada) to create an equal voting brewing partnership (Molson Breweries). This strengthened Molson's position as Canada's leading brewery and North America's sixth largest. The Company believes that through its strategies of "thinking globally and managing locally", it will maintain market leadership and improve long-term values for shareholders.

#### Financial Information

Year to March 31, 1990

	1990	1989	% Change
(Millions except per share data and percentages)			
Revenue	\$2,550	\$2,601	-2
Net Income	118	87	+36
Earnings per Common Share	3.59	2.65	+35
Dividends per Common Share			
Class A	.92	.88	+5
Class B	.92	.88	+5
Common Shares Outstanding			
Class A	23	23	—
Class B	10	10	—
Return on average Common Equity	17.4%	14.2%	+23

## Repap Enterprises Inc.

Repap's assets have grown from \$330 million in 1984 to \$2.8 billion at December 31, 1989. The Company has achieved its objective of becoming one of the world's major producers of quality coated paper by tripling coated paper capacity and investing heavily in new state-of-the-art production facilities. The Company has become one of the lowest cost producers with the capability of being competitive under any market conditions. Recent results have been penalized by a rising Canadian dollar and high interest rates. As we believe these conditions will change in Repap's favour, we are prepared to accept near-term earnings weakness in

### Financial Information Year to December 31, 1989

	1989	1988	% Change
(Millions except per share data and percentages)			
Revenue	\$1,222	\$1,028	+19
Net Income	93	93	—
Earnings per Common Share	1.69	1.73	-2
Dividends per Common Share	.28	.22	+27
Common Shares Outstanding	52	52	—
Return on average Common Equity	19.6%	23.1%	-15

the expectation of significant profit improvement in the future.

## Schering-Plough Corporation

Schering-Plough is a successful global competitor in the pharmaceutical and health care markets. The key to its past success and future growth lies in a strong commitment to research and development, which amounted to US\$326 million in 1989, or 10.3% of sales. The Company's ethical drugs cover a wide area of health care, led by allergy, asthma and cold products, with important contributions from dermatologicals, cardiovasculars and anticancer products. Schering's biotechnology efforts, boosted by the 1982 acquisition of the DNAX Research Institute, have led to the development of GM-CSF, a white blood cell stimulator, which awaits FDA approval. Strong product development has fueled an excellent

### Financial Information Year to December 31, 1989

	1989	1988	% Change
(US\$ Millions except per share data and percentages)			
Revenue	\$3,158	\$2,969	+6
Net Income	471	390	+21
Earnings per Common Share	4.18	3.48	+20
Dividends per Common Share	1.75	1.40	+25
Common Shares Outstanding	113	112	—
Return on average Common Equity	25.9%	25.0%	+4

growth record and an impressive increase in dividends paid to shareholders.

## The Seagram Company Ltd.

Seagram is a leading producer and marketer of distilled spirits, wines, coolers, fruit juices and soft drinks. The Company also has a 24% interest in E.I. du Pont de Nemours and Company, the largest chemical company in North America which itself owns 100% of Conoco. Conoco ranks among the major U.S. oil and gas companies. The Company's traditional strength has been in North America, but in recent years overseas markets have grown rapidly and now account for more than one-half of total spirits and wine revenues. The April 1988 acquisition of Martell S.A., the second-largest Cognac company in the world, further enhanced Seagram's worldwide operations, especially in the Far East, the fastest-growing beverage alcohol

### Financial Information Year to January 31, 1990

	1990	1989	% Change
(US\$ Millions except per share data and percentages)			
Revenue	\$5,582	\$5,056	+10
Net Income	710	589	+21
Earnings per Common Share	7.37	6.12	+20
Dividends per Common Share	1.40	1.175	+19
Common Shares Outstanding	95	98	-3
Return on average Common Equity	13.8%	12.5%	+10

market. Earnings per share have increased 114% in the past four years prompting a substantial rise in dividends paid to common shareholders.

**The information provided in these profiles is based on sources we consider reliable, but is not guaranteed as to accuracy and does not purport to be complete. For the most part our sources were the Annual Reports issued by the companies which have been featured.**

## Corporate Information

For comparative purposes all information expressed either as a market price or as a value per Common share and relating to the periods prior to the payment of the capital gains stock dividend on November 10, 1986 have been restated to provide for the increase in the number of shares issued.

## Comparative Financial Summary

(for years ended June 30)

	1990	1989	1988	1987	1986
Gross Investment Income	\$ 3,187,760	\$ 2,375,945	\$ 2,013,943	\$ 1,726,140	\$ 1,751,627
Net income, after taxes	\$ 2,273,101	\$ 1,710,837	\$ 1,433,470	\$ 1,229,135	\$ 1,314,041
Expenses as a percentage of average net assets	1.40%	1.09%	1.10%	1.05%	1.03%
Earnings per Common share (1)	42.3¢	30.4¢	21.8¢	15.1¢	23.6¢
Dividends per Common share	35.0¢	29.0¢	26.0¢	21.5¢	18.8¢
Gross Assets	\$54,136,981	\$52,806,379	\$47,737,823	\$52,915,558	\$48,098,962
Net Asset Value per Common share (2)	\$ 12.00	\$ 12.62	\$ 11.30	\$ 12.40	\$ 11.35

(1) Earnings per Common share are based on the weighted average number of shares outstanding.

(2) Net Asset Value per Common share figures have been calculated as follows:

- the figures for June 30, 1986, 1987, 1988 and 1989 are based on the assumption that all 1984 and 1985 Warrants outstanding were exercised at \$8.07 and \$9.59 per Common share respectively;
- the figure for June 30, 1990 is based on the assumption that all 1985 Warrants outstanding were exercised at \$9.59 per Common share.

## Valuation Day — (December 22, 1971 share prices)

Common	— \$ 1.31 (reflects capital gains stock dividends paid on October 14, 1981 and November 10, 1986)
1964 Series Preferred	— \$15.00

## Price Range of Common Stock on the Toronto Stock Exchange

1989/1990	High	Low	Close
First Quarter	\$ 9	\$ 8½	\$ 9
Second Quarter	9½	8¼	8¾
Third Quarter	8¾	7¾	8
Fourth Quarter	8¼	7½	8
Year	9½	7½	8
1988/1989	\$ 8¾	\$ 6¾	\$ 8½

Common shares, 1985 Warrants, 1964 Series Preferred shares and 1985 Series Class B shares are listed for trading on the Toronto, Montreal and Vancouver Stock Exchanges.

Stock symbols	— Common shares	— MPG
	— 1985 Warrants	— MPG.WT.A
	— 1964 Series Preferred shares	— MPG.PR.A
	— 1985 Series Class B shares	— MPG.PR.B

## Net Asset Value per Common Share

In order to provide shareholders and investors with a regular flow of corporate information, the Company issues press releases disclosing the month-end NAV figures to the stock exchanges and newspapers. If shareholders or other interested parties wish to know the latest NAV figures, they are invited to telephone our Executive Office at (613) 932-0183.

## Additional Information

### Head Office

220-42nd Avenue S.E.  
Calgary, Alberta  
T2G 1Y4

### Executive Office

215 Sydney Street  
Cornwall, Ontario  
K6H 3H3

### Transfer Agent & Registrar

The Royal Trust Company  
Calgary, Montreal,  
Toronto, Vancouver

### Bankers

The Bank of Nova Scotia

### Counsel

Blake, Cassels & Graydon

### Annual Meeting

of Shareholders will be held at the Company's Executive Office, 215 Sydney Street, Cornwall, Ontario on Wednesday, October 31, 1990 at 11:00 o'clock a.m.

## Directors

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### **The Earl of Iveagh**

Chairman and Director since 1961. Director, Guinness PLC (Brewers, Distillers). He is also a Director of The Bank of Nova Scotia.

### **D. C. Cameron**

Director since 1972. Retired Chairman of Jones Heward & Company Ltd. He is a Director of Jones Heward Fund Ltd.

### **J. R. Collins**

Director since 1983. Partner of Blake, Cassels & Graydon (Lawyers). He is also a Director of Turbo Resources Limited

### **T. A. Foss**

Director since 1983. Vice-Chairman and Director of Jones Heward Investment Management Inc. and a Director of Burns Fry Limited.

### **J. A. M. Hutchinson**

Director since 1988. Joint Managing Director, The Iveagh Trustees Limited. He is also a Director of Endurance Fund Management Limited.

### **J. D. H. Mackenzie, C.A.**

President since 1971 and Director since 1966. President of Elgistan Management Limited. He is also a Director of Jones Heward Fund Ltd. and a Trustee of Bullock American Fund.

### **R. P. Mather**

Director since 1989. Managing Director, ScotiaMcLeod Inc., as well as Chairman of ScotiaMcLeod (USA) Inc.

### **R. J. Shirley**

Director since 1972. Business Executive. His directorships include Bonar Inc. (Packaging) and other Canadian corporations.

### **R. D. Spooner, C.A.**

Director since 1970. President of Duke Seabridge Limited and a Director of Guardian Trustco Inc.

## Officers

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The Earl of Iveagh  
Chairman of the Board

J. D. H. Mackenzie, C.A.  
President

J. K. McBride  
Treasurer, Chief  
Financial Officer

J. V. Holt  
Secretary

Mrs. D. C. Acheson  
Assistant-Treasurer

J. R. Collins  
Assistant-Secretary

Mrs. S. A. Duncan  
Assistant-Secretary

N. L. Scott, C.A.  
Assistant-Secretary



