

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, treasury bills, or cash.

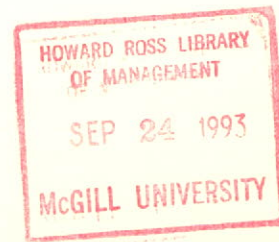
MPG's Investment Objective has been and remains one of providing shareholders with long-term growth of assets.

MPG's Dividend Policy is to pay dividends on Common shares, if earnings permit, equal to the 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.

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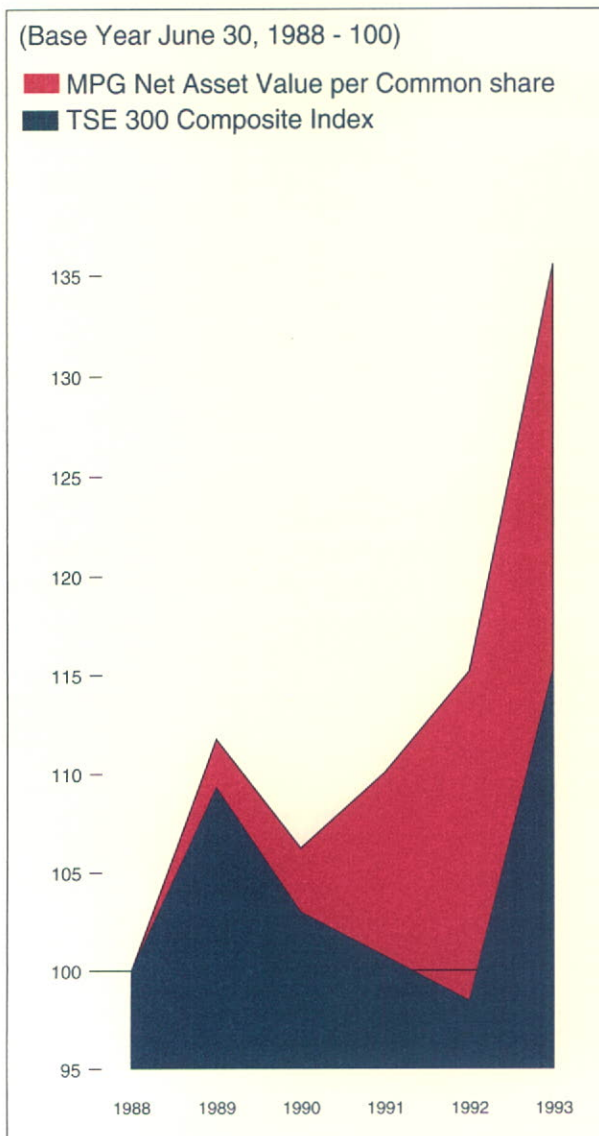




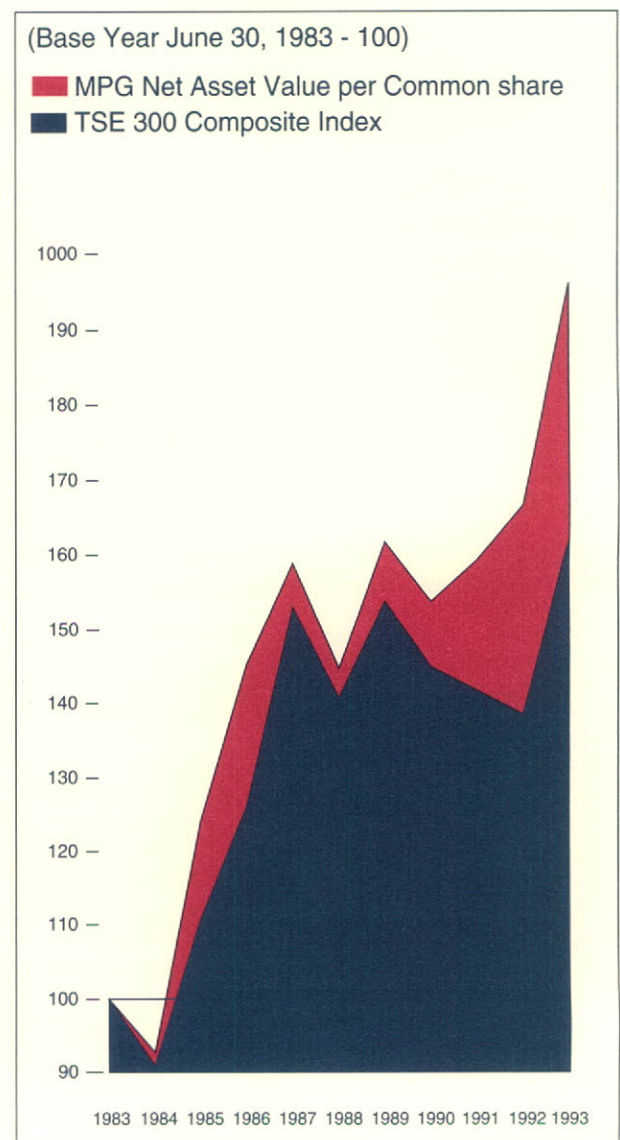
Financial Highlights

	June 30, 1993	June 30, 1992	Change
NAV per Common share	\$9.57	\$8.13	+17.7%
TSE 300	3,966.37	3,387.70	+17.1%
Gross Assets	\$59.6M	\$48.5M	+22.9%

Five Year Performance



Ten Year Performance



To Our Shareholders

The year ended June 30, 1993 has been a good one for Canadian equity investors, with the Toronto Stock Exchange (TSE) up 17.1%. It has also been an excellent 12 months for MPG and its shareholders, with the Net Asset Value (NAV) up 17.7%, and the Common share market price up 33.3%. The statistical highlights comparing the June 30, 1993 results with those of June 30, 1992 are as follows (with all 1992 comparative figures adjusted for the three-for-five capital gains stock dividend):

- The price of the Common shares rose 33.3% to close at \$7.50 from \$5.625;
- The NAV increased 17.7% to \$9.57 from \$8.13, outperforming the 17.1% increase in the TSE;
- The NAV increased 35.6% and 96.1% for the five and ten year periods, continuing to outperform the TSE, which increased 15.3% and 62.1% respectively. These results are shown in the graphs on page 1;
- The discount between the NAV and the market price of the Common share declined throughout the year and closed at 21.6%, as compared to 30.8%;
- Income earned per Common share during the year declined to 16.3¢, as compared to 18.9¢ in the previous 12 months;
- Total dividends paid to Common shareholders throughout the year declined to 17.5¢ as compared to 20.625¢ paid last year;
- Expense as a percentage of average net assets was reduced to 1.28% from 1.36%.

Your Directors have striven over the past year to improve shareholder value through three separate strategies.

First and foremost was the goal to improve growth performance of the Fund, which would lead to an increase in the Common share stock price.

The **second** strategy was the Normal Course Issuer Bid, which was used to buy back shares when the opportunity in the market arose.

Finally, a three-for-five capital gains stock dividend was paid on June 30, 1993 and an additional 2,214,080 Common shares were issued. This will allow the Corporation to recover \$4.7 million in taxes and invest these funds in the market. In an attempt to address particular needs, shareholders were offered the opportunity to elect to receive a portion of the shares in cash in order to assist with tax liabilities. Of the 2,286,894 shares available for issue, 72,796 shares were paid in cash as a result of the election.

These steps have contributed to the reduction in the discount between the NAV and market price, and improved the liquidity of the Common shares. The strong growth performance achieved came somewhat at the expense of income revenue, as evidenced by the decline in income per Common share and the corresponding reduction in dividends paid to Common shareholders. The Directors, however, recognize the importance of dividends to Common shareholders as a means to improve shareholder value.

This past year, all the elements for an improving economy were in place — declining interest rates, a lower Canadian dollar, and low inflation. A strong export market helped, and corporate earnings increased by 46%, resulting in bullish equity markets. A notable feature of the recovery to date is the fact that (except for the Bank of Canada's monetary policy) there has been little Federal Government intervention or meddling in the recovery. The major problems have been the high unemployment rate and low consumer spending.

The coming year should see continued recovery if the positive elements remain intact. However, increased personal taxes for the majority of Canadians will reduce discretionary spending, and if the economy cannot rely on consumer spending, then growth can only come from inventory accumulation, exports, and capital spending. As the U.S. economy is in limbo, improving exports is questionable. A critical event in the short term is the Federal election this fall, the outcome of which is rather uncertain, and equity investors do not like uncertainties. This could lead to volatile interest rates and pressure on the dollar in the short term, resulting in unstable financial markets.

The positive factors for the market are the stable growth recovery of the economy, low inflation, and the prospect that if metal and forest products commodity prices improve, higher prices will further boost corporate earnings and hence, equity values.

Directors

J.D.H. (Iain) Mackenzie, President from 1972 to 1991, and a Director of MPG for 27 years, will not be standing for re-election as a Director at the October 1993 Shareholders Meeting. Iain has been the guiding force in the growth of the Corporation over these many years, and all shareholders are greatly indebted to him for his dedication and perception.

Donald C. Cameron will be retiring from the Board at the October Shareholders Meeting after 21 years as a Director, and we would like to thank him for his invaluable guidance over the years.



John K. McBride
President

August 27, 1993

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The **Net Asset Value** grew 17.7% over the past 12 months, largely due to the performance of small cap stocks which generally provide no dividend yield. In the previous year, such stocks represented 10.5% of the portfolio, and the cost exceeded the market value. This year, these non-yielding stocks (largely the natural gas companies) increased to 16.6% of the portfolio due to the 52% gain over cost in the year. We continue to believe that the natural gas industry offers good growth potential. The portfolio has small positions in metals and forest products equities and will continue to be underweighted as we await signs of a global recovery in these commodity prices. Funds were removed from the U.S. portfolio over the past year in recognition of a slower-than-expected U.S. economy, which resulted in a lacklustre stock market. U.S. equities represented 14.3% of the total Fund on June 30, 1992 and 10.3% as at June 30, 1993. We anticipate that funds will be recommitted to the U.S. market over the next year as the American recovery takes firmer hold.

We believe the Canadian equity market will perform well over the next 12 months, and that the portfolio will continue to show good performance.

Total income declined by 10.2% to \$1,784,247 from \$1,987,892. Total dividend income fell by 9.7% due to the increase in investments in non-yielding equities, as well as the forced conversion of several high-yielding convertible preferred shares. Interest income fell by 12.2% due to falling interest rates and a reduction in reserves. Income allocation was similar for both years as follows:

CDN dividends	73%
US dividends	6%
Interest	21%
Total income	100%

We project higher income this fiscal year, as corporate profits recover and dividends increase. The \$4.7 million to be recovered from taxes, as a result of the capital gains stock dividend paid, will also generate additional income.

Expenses this year were well contained and increased by only \$1,136 or 0.2%. Custodial, legal and printing costs all declined. Management fees increased by 4%, in line with the average increase in assets, and additional general expenses were incurred from travel and filing fees. With minimal change in expenses and an increase in the Corporation's net assets, the expense ratio declined to 1.28% from 1.36% of average net assets.

Taxes fell by 68.1% (\$35,121), as the Corporation incurred no income taxes through its subsidiary MPGM Holdings Ltd., which became dormant in March 1992.

Lower income and static expenses as described above resulted in a 13.8% decline in **net income** per Common share to 16.3¢ from 18.9¢.

As a result of the decline in net income, annual **Common share dividends** were reduced to 17.5¢ from 20.6¢.

Capital Resources and Liquidity

In October of 1992, a Normal Course Issuer Bid was approved for both the 1964 Series Preferred shares and Common shares for a one-year period. (For further details, see note 5 on page 10 and refer to the Management Proxy Circular). To date, no 1964 Series Preferred shares have been repurchased, as the demand for shares normally exceeded the number of shares offered for sale. A total of 35,700 Common shares have been repurchased, at a total cost of \$344,113. There has been a continuous demand for the Common shares, and as a result, the discount has steadily declined to 21.6% as at June 30, 1993 from

30.8% as at June 30, 1992. Subsequent to regulatory approval, the Normal Course Issuer Bid will be extended for a further 12 months.

On June 30, 1993, the Corporation paid a capital gains stock dividend and issued three additional Common shares for every five held. This was undertaken in order to recover \$4.7 million in refundable taxes previously paid on realized gains. This resulted in a capitalization from the realized gains account of \$14,476,039 and up to 2,286,894 shares authorized for issuance. However, shareholders were entitled to elect to receive 1/3 of the three additional shares in cash based on a price of \$6.33 per share. Holders elected to receive a total of \$460,800 (the equivalent of 72,796 shares) in cash.

As a result of the shares repurchased under the Normal Course Issuer Bid and the net shares issued under the capital gains stock dividend, the total number of Common shares outstanding increased by 2,178,380 shares to 6,025,570.

Consolidated Balance Sheets

As at June 30

MPG
INVESTMENT
CORPORATION
LIMITED

(Incorporated under the Canada Business Corporations Act)

1993

1992

ASSETS

Cash	\$ 160,659	\$ 19,747
Interest-bearing demand deposits	593,849	744,160
Accrued interest and accounts receivable	247,540	321,176
Prepaid expenses	5,358	6,125
Investments at market value (note 3 and schedule)	54,736,842	47,381,452
Loans to officer (note 2)	32,180	35,049
Income taxes recoverable	3,796,793	—
	\$59,573,221	\$48,507,709

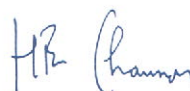
LIABILITIES AND SHAREHOLDERS' EQUITY

Accounts payable	\$ 167,757	\$ 116,809
Dividends payable	26,000	26,000
Income taxes payable	—	58,696
	193,757	201,505

Shareholders' equity:

Share capital issued (notes 5, 6 and 7) —		
80,000 1964 Series Preferred shares	2,000,000	2,000,000
6,025,570 Common shares (1992 — 3,847,190)	38,916,390	25,134,499
Retained earnings	977,132	1,060,331
Realized gains on disposals of investments	7,205,180	14,211,795
Unrealized appreciation of investments	10,280,762	5,899,579
	59,379,464	48,306,204
	\$59,573,221	\$48,507,709

On behalf of the Board:



Director



Director

See accompanying notes

Management's Responsibility for Financial Reporting

The consolidated financial statements of MPG Investment Corporation Limited contained in this report, including the notes thereto, were prepared by management in accordance with generally accepted accounting principles. In addition, the financial information contained elsewhere in the annual report is consistent with the financial statements.

The Board of Directors is responsible for the financial statements included in this annual report. The Audit Committee reviews the contents of the financial statements prior to their

approval by the Board of Directors. The external auditors discuss their audit work with the Committee.

The Corporation's external auditors, Ernst & Young, are responsible for auditing the financial statements and providing an opinion thereon and their report follows.

JOHN K. McBRIDE
President
J. VERNON HOLT
Treasurer



Consolidated Statements of Income and Expenses

Years Ended June 30

	1993	1992
Income:		
Dividends from taxable Canadian corporations	\$1,296,771	\$1,439,430
Interest on investments	368,197	390,388
Dividends from United States corporations	106,539	114,415
Miscellaneous interest earned	12,740	43,659
	1,784,247	1,987,892
Expenses:		
Management fees	430,782	414,375
Trust company fees and charges	52,232	64,795
Legal, audit and professional fees	48,012	60,383
Directors' fees	39,200	41,934
Capital tax	17,725	10,297
Printing and stationery	7,907	12,044
General	71,105	61,999
	666,963	665,827
Income before income taxes	1,117,284	1,322,065
Income taxes (note 4):		
Current	478	34,401
Foreign withholding	15,981	17,179
	16,459	51,580
Net income for the year	\$1,100,825	\$1,270,485
Earnings per Common share (notes 1g and 6)	16.3¢	18.9¢

See accompanying notes

Auditors' Report

To the Shareholders of
MPG INVESTMENT CORPORATION LIMITED

We have audited the consolidated balance sheets of MPG Investment Corporation Limited as at June 30, 1993 and 1992 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 years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether

the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at June 30, 1993 and 1992 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Pointe-Claire, Canada
July 20, 1993.

ERNST & YOUNG
Chartered Accountants

Consolidated Statements of Retained Earnings

Years Ended June 30

MPG
INVESTMENT
CORPORATION
LIMITED

	1993	1992
Retained earnings, beginning of year	\$ 1,060,331	\$ 1,163,418
Net income for the year	1,100,825	1,270,485
Excess of purchase price over stated capital of Common shares repurchased (note 5)	(7,061)	—
	2,154,095	2,433,903
Dividends declared:		
1964 Series Preferred shares (\$1.30 per share)	104,000	104,000
Common shares (\$0.175 per share; 1992 — \$0.206 per share)	1,072,963	1,269,572
	1,176,963	1,373,572
Retained earnings, end of year	\$ 977,132	\$ 1,060,331

Consolidated Statements of Realized Gains on Disposals of Investments

Years Ended June 30

	1993	1992
Balance, beginning of year	\$14,211,795	\$13,353,188
Realized gains on sales of investments	4,233,014	1,231,321
Refund of refundable capital gains tax paid (note 4)	4,722,808	—
Refundable capital gains tax paid (note 4)	(1,318,211)	(372,714)
Costs of issuing capital gains stock dividend (note 1f)	(64,371)	—
Capital gains stock dividend (note 5)	(14,476,039)	—
Excess of purchase price over stated capital of Common shares repurchased (note 5)	(103,816)	—
Balance, end of year	\$ 7,205,180	\$14,211,795

Consolidated Statements of Unrealized Appreciation of Investments

Years Ended June 30

	1993	1992
Balance, beginning of year	\$ 5,899,579	\$ 4,804,831
Increase during the year	4,381,183	1,094,748
Balance, end of year	\$10,280,762	\$ 5,899,579

See accompanying notes

Consolidated Statements of Changes in Net Assets

Years Ended June 30

	1993	1992
Net assets, beginning of year	\$ 48,306,204	\$ 46,455,936
Add (deduct) changes during the year —		
Net income for the year	1,100,825	1,270,485
Realized gains on sales of investments (note below)	4,233,014	1,231,321
Costs of issuing capital gains stock dividend (note 1f)	(64,371)	—
Refundable capital gains tax, net	3,404,597	(372,714)
Appreciation in value of investments	4,381,183	1,094,748
Dividends paid out of investment income	(1,176,963)	(1,373,572)
Capital gains stock dividend cash elections and fractional shares (note 5)	(460,912)	—
Excess of purchase price over stated capital of Common shares repurchased (note 5)	(110,877)	—
Common shares repurchased for cancellation (note 5)	(233,236)	—
Net assets, end of year	59,379,464	48,306,204
Redemption value of 1964 Series Preferred shares	(2,100,000)	(2,100,000)
Refundable capital gains tax on hand (note 4)	418,641	3,823,238
Net assets, applicable to Common shares	\$ 57,698,105	\$ 50,029,442
Net asset value per Common share (notes 6 and 8)	\$ 9.57	\$ 8.13

Note — realized gains on sales of investments

Proceeds from sales include \$15,338,822 from short-term investments (1992 — \$11,755,188)	\$ 50,865,250	\$ 40,616,736
Cost of investments, beginning of year	41,481,873	40,338,587
Cost of investments purchased	49,606,443	40,528,701
Cost of investments, end of year (note 3)	(44,456,080)	(41,481,873)
Cost of investments sold	46,632,236	39,385,415
Realized gains on sales of investments	\$ 4,233,014	\$ 1,231,321

See accompanying notes

Notes to Consolidated Financial Statements

June 30, 1992, and June 30, 1993

MPG
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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. MPGM Holdings Ltd. made a final distribution of assets on March 4, 1992 and the company is now dormant.

(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. The market value of United States investments and cash balances are translated at the year-end exchange rate. The gains or losses on foreign exchange are included in the realized gains or losses on sales of investments or in the unrealized appreciation of investments, as applicable.

(f) Capital gains stock dividend —

Costs associated with the payment of capital gains stock dividends, paid out of realized gains on disposals of investments, are charged to this account in the period in which they are incurred.

(g) Earnings per Common share —

Earnings per Common share are calculated using the weighted monthly average number of Common shares outstanding during the year: 1993 — 6,120,396 (1992 — 6,155,504). The number of shares has been restated to give effect to the issue of the capital gains stock dividend as of the first day of each financial year. The earnings available to the Common shares are calculated after deducting the 1964 Series Preferred share dividends.

2. Loans to officer

The outstanding interest-free loan to an officer under the Executive Share Purchase Plan has been reduced from \$13,552 as at June 30, 1992 to \$12,225 as at June 30, 1993. A personal interest-free loan to an officer of the Corporation to purchase Common shares of the Corporation has been reduced from \$21,497 as at June 30, 1992 to \$19,955 at June 30, 1993. Both loans are collateralized by Common shares of the Corporation which have a market value at June 30, 1993 of \$47,040. The loans require minimum annual payments of 2.5% of the original loan balances and all cash dividends received from the Corporation's shares must also be applied against the loans outstanding.

3. Investments

Investments consist of:

	1993		1992	
	Cost	Market Value	Cost	Market Value
Canadian stocks	\$33,823,275	\$42,994,938	\$28,326,275	\$33,597,751
United States stocks	4,990,011	5,704,793	6,337,679	6,863,923
	38,813,286	48,699,731	34,663,954	40,461,674
Canadian bonds and debentures	2,021,475	2,415,792	3,392,725	3,490,624
Government treasury bills	3,621,319	3,621,319	3,425,194	3,429,154
	\$44,456,080	\$54,736,842	\$41,481,873	\$47,381,452

4. 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. was taxed at full corporate rates.

Income from foreign investments is subject to withholding tax.

Taxes on capital gains are refundable to the Corporation as such gains are distributed to shareholders by way of capital gains dividends. For accounting purposes, since refundable taxes are potentially recoverable, they are not deducted in computing net income but are charged to realized gains on disposals of investments. When these taxes become refundable, the appropriate amounts are accounted for as income taxes recoverable. The amount of refundable taxes available to the Corporation at June 30, 1993 is \$418,641 (1992 — \$3,823,238).

The capital gains stock dividend of \$14,476,039 paid on June 30, 1993 gave rise to a recovery of refundable capital gains tax of \$4,722,808.

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 \$7,711,000 (being the taxable portion of the capital gains thereby realized) would have been subject to tax, refundable as described above.

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 the option of the Corporation, 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;
- (c) Unlimited number of Common shares.

The changes in the outstanding Common share capital during the year were as follows:

Number	Common Shares
Outstanding as at June 30, 1992	3,847,190
Purchased for cancellation under a Normal Course Issuer Bid	(35,700)
Capital gains stock dividend	2,286,894
Capital gains stock dividend — fractional shares paid	(18)
Capital gains stock dividend — cash elections in lieu of Common shares	(72,796)
Outstanding as at June 30, 1993	6,025,570
Stated value	
Outstanding as at June 30, 1992	\$25,134,499
Purchased for cancellation under a Normal Course Issuer Bid	(233,236)
Capital gains stock dividend	14,476,039
Capital gains stock dividend — fractional shares paid	(112)
Capital gains stock dividend — cash elections in lieu of Common shares	(460,800)
Outstanding as at June 30, 1993	\$38,916,390

There had been no changes in the outstanding Common share capital during the year ended June 30, 1992.

During the year, the Corporation acquired a total of 35,700 Common shares for cancellation, under a Normal Course Issuer Bid, at an aggregate cost of \$344,113, of which \$233,236 was charged to Common share capital, based on the average per-share amount (\$6.533) in the Common share

account at the purchase date, and the balance was charged proportionately to retained earnings and realized gains on disposals of investments in the amount of \$7,061 and \$103,816 respectively.

On June 30, 1993, the Corporation paid a capital gains stock dividend of three Common shares for each five Common shares held. As a result, the number of Common shares issued increased by 2,286,894 and the stated value of the Common shares increased by \$14,476,039, which represents the value of \$6.33 per share assigned to the capital gains stock dividend (\$6.33 is the market value adjusted for the new shares issued as at the record date). However, shareholders were entitled to elect to receive one-third of the dividend in cash in lieu of Common shares, in which case shareholders could receive two Common shares and a cash payment of \$6.33 for every five Common shares held. In this regard, cash payments to shareholders electing cash in lieu of Common shares totalled \$460,800, representing 72,796 shares.

6. Restatement of prior year figures

Certain prior year figures have been restated as a result of the increase in the number of Common shares arising from the capital gains stock dividend from 3,847,190 to 6,155,504. The earnings per Common share on the Consolidated Statements of Income and Expenses, previously shown as 30.3¢, has been restated to 18.9¢. In the Consolidated Statements of Changes in Net Assets, the net asset value per Common share previously shown as \$13.00 has been restated to \$8.13. In addition, the figures reflected in note 8 have been adjusted accordingly.

7. Common shares

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

8. Net Asset Value per Common share

The Net Asset Value per Common share as at June 30, 1993 and the end of the four preceding years is as follows:

1993	\$9.57
1992	\$8.13
1991	\$7.77
1990	\$7.50
1989	\$7.89

Net Asset Value per Common share at June 30, 1993 is based on 6,025,570 shares. The June 30, 1992 figure is based on 6,155,504 shares (see note 6).

Schedule of Investments

June 30, 1993

MPG
INVESTMENT
CORPORATION
LIMITED

Number of shares or face value of bonds or treasury bills		Cost	Market Value
EQUITY STOCKS			
Chemicals			
150,000	NOVA Corporation of Alberta	\$ 1,346,118	\$ 1,462,500
Communications & Media			
100,000	Quebecor Inc. — Class B	946,732	1,975,000
30,000	The Thomson Corporation	472,095	491,250
		1,418,827	2,466,250
Consumer Products			
40,000	Linamar Corporation	502,939	1,170,000
80,000	Dominion Textile Inc.	638,390	900,000
25,000	The Seagram Company Ltd.	585,046	840,625
45,000	Canstar Sports Inc.	645,702	725,625
*10,000	PepsiCo, Inc.	400,897	474,452
*10,000	Reebok International Ltd.	440,412	357,442
35,000	John Labatt Limited — Instalment Receipts	307,125	293,125
*5,000	Johnson & Johnson	285,096	266,077
*3,000	Chrysler Corporation	177,911	181,766
		3,983,518	5,209,112
Entertainment			
*6,000	The Walt Disney Company	178,269	313,522
Financial Services			
100,000	Canadian Imperial Bank of Commerce	2,883,847	3,225,000
100,000	Bank of Montreal	2,357,493	2,612,500
60,000	Royal Bank of Canada	1,597,994	1,635,000
45,000	Power Financial Corporation	897,032	1,051,875
40,000	The Bank of Nova Scotia	927,480	1,010,000
100,000	The Laurentian Group Corporation — Class B	498,664	775,000
*4,000	GEICO Corporation	220,173	266,718
		9,382,683	10,576,093
Industrial Products			
45,000	Inter-City Products Corporation, 8% Pfd., Series C	1,176,650	922,500
70,000	Bombardier Inc. — Class B	387,212	866,250
50,000	Spar Aerospace Limited	918,476	825,000
80,000	Softkey Software Products Inc.	646,199	550,000
50,000	C-Mac Industries Inc.	511,747	725,000
40,000	SNC-Lavalin Group Inc.	543,388	700,000
35,000	Unican Security Systems Ltd. — Class B	344,572	612,500
*5,000	Motorola Inc.	347,525	560,205
		4,875,769	5,761,455
Management Companies			
40,000	Canadian Pacific Ltd.	774,654	820,000
10,000	Denbridge Capital Corporation	655,255	672,500
		1,429,909	1,492,500
Merchandising			
75,000	Hudson's Bay Company — Instalment Receipts	1,077,401	1,593,750
50,000	The Loewen Group Inc.	301,776	1,362,500
*10,000	Toys "R" Us, Inc.	381,410	471,245
*3,000	Home Depot Inc.	177,911	168,302
		1,938,498	3,595,797
Metals & Mining			
34,500	Noranda Inc.	897,821	754,689
25,000	Alcan Aluminium Limited	583,120	625,000
*10,000	Phelps Dodge Corporation	587,226	572,226
20,000	Potash Corporation of Saskatchewan Inc.	469,640	510,000
10,000	Inco Limited	389,705	286,250
		2,927,512	2,748,165

Number of shares or face value of bonds or treasury bills		Cost	Market Value
Oil & Gas			
40,000	Suncor Inc.	\$ 760,000	\$ 1,270,000
50,000	Alberta Energy Company Ltd.	809,178	1,093,750
100,000	Poco Petroleum Ltd.	497,933	987,500
50,000	Canadian Natural Resources Ltd.	233,962	987,500
100,000	CS Resources Limited	566,107	975,000
20,000	PanCanadian Petroleum Ltd.	793,784	860,000
15,000	Renaissance Energy Ltd.	239,896	495,000
		3,900,860	6,668,750
Paper & Forest Products			
60,000	MacMillan Bloedel — Instalment Receipts	393,761	675,000
35,000	International Forest Products Ltd.	502,846	494,375
20,000	Slocan Forest Products Ltd.	405,043	400,000
*7,000	Weyerhaeuser Company	338,566	382,606
		1,640,216	1,951,981
Pharmaceutical			
*5,000	Chiron Corporation	285,799	411,939
*20,000	Calgene Inc.	388,809	362,250
		674,608	774,189
Pipelines			
80,000	TransCanada PipeLines Limited	1,314,395	1,600,000
50,000	Westcoast Energy Inc. — Instalment Receipts	427,463	650,000
		1,741,858	2,250,000
Transportation			
42,000	Laidlaw Inc., 5% Pfd., Series G	745,621	556,500
*10,000	Ryder Systems, Inc.	306,648	400,719
		1,052,269	957,219
Utilities			
20,000	BCE Inc.	760,149	870,000
30,000	B.C. Telecom Inc.	603,750	618,750
*5,000	Ameritech Corporation	473,359	515,324
35,000	Telus Corporation	485,114	468,124
		2,322,372	2,472,198
Total stocks		38,813,286	48,699,731
CONVERTIBLE BONDS AND DEBENTURES			
\$ 500,000	Amoco Canada Petroleum Company, 7.375%, September 1, 2013	657,475	775,792
500,000	Le Groupe Vidéotron Ltée, 7.50%, March 31, 2002	477,500	590,000
600,000	Noranda Forest, Instalment Receipts, 7.25%, October 30, 2002	409,500	534,000
600,000	MacMillan Bloedel, 5%, May 1, 2007	477,000	516,000
Total bonds and debentures		2,021,475	2,415,792
TREASURY BILLS			
\$2,000,000	Canada Treasury Bill, 6.20%, July 22, 1993	1,949,340	1,949,340
1,100,000	Canada Treasury Bill, 4.27%, August 5, 1993	1,095,127	1,095,127
600,000	Canada Treasury Bill, 7.36%, July 5, 1993	576,852	576,852
Total treasury bills		3,621,319	3,621,319
Total investments		\$44,456,080	\$54,736,842

*The market value of United States securities is translated into Canadian dollars at \$1.2823, the rate of exchange prevailing at June 30, 1993.

•Interest-bearing demand deposits on hand of \$593,849 are not included in the Schedule of Investments.

See accompanying notes

Changes in Investment Portfolio

Year ended June 30, 1993

MPG
INVESTMENT
CORPORATION
LIMITED

	Number of Shares or Face Value of Bonds	
	Additions	Deletions
EQUITY STOCKS		
Business Equipment		
*Adobe Systems Inc.		5,000
*Borland International Inc.		4,000
*Honeywell Inc.	6,000 (1)	13,000
Chemicals		
Du Pont Canada Inc. — Class A		30,000
*Monsanto Corp.		5,000
Communications & Media		
Newbridge Networks Corp.		40,000
The Thomson Corporation	30,000	
*Time Warner Inc.	12,000 (1)	12,000
Consumer Products		
Ault Foods Limited	7,000	7,000
*Beverly Enterprises, Inc.		30,000
*The Black & Decker Corporation	15,000	15,000
Canada Malting Co. Limited		75,000
Canstar Sports Inc.	45,000	
Dominion Textile Inc.	30,000	
Dorel Industries Inc. — Class B		50,000
*Healthcare Compare Corp.	3,000	10,000
John Labatt Limited		20,000
John Labatt Ltd. — Instalment Receipts	70,000	35,000
*Johnson & Johnson		7,000
Linamar Corporation		10,000
*PepsiCo, Inc.		5,000
*Reebok International Ltd.	10,000	
The Seagram Company Ltd.		35,000
Entertainment		
*The Walt Disney Company		8,000
Financial Services		
Bank of Montreal	100,000 (1)	70,000
The Bank of Nova Scotia	90,000	50,000
Canadian Imperial Bank of Commerce	100,000	
*GEICO Corp.		3,500
Laurentian Bank of Canada		50,000
The Laurentian Group Corporation — Class B	100,000	
Power Financial Corporation	10,000	
Royal Bank of Canada	60,000	50,000
The Toronto-Dominion Bank		30,000
Trilon Financial Corporation — Class A		65,000
Gold		
American Barrick Resources Corp.	10,000	10,000
Industrial Products		
Bombardier Inc. — Class B		10,000
C-Mac Industries Inc.	50,000	
*Hewlett-Packard Co.		5,000
*Ingersoll-Rand Company		16,000
Magna International Inc. — Class A	30,000	30,000
*Millicom Inc.		21,500
*Motorola Inc.	5,000	
Northern Telecom Limited	10,000	40,000
SNC-Lavalin Group Inc.	40,000	
Softkey Software Products Inc.	90,000	10,000
Unican Security Systems Ltd. — Class B	45,000	10,000
Management Companies		
Canadian Pacific Ltd.	40,000	
Denbridge Capital Corporation	10,000	

	Number of Shares or Face Value of Bonds	
	Additions	Deletions
Merchandising		
*Chrysler Corp.	3,000	
*Home Depot Inc.	3,000	
Hudson's Bay Company — Instalment Receipts	100,000	25,000
The Loewen Group Inc.		20,000
Metals & Mining		
Alcan Aluminium Limited	15,000	10,000
Inco Limited		15,000
Noranda Inc.	34,500	
Noranda Inc., 7.75% Pfd., Series C		30,000
*Phelps Dodge Corporation	10,000	
Potash Corporation of Saskatchewan Inc.	55,500	35,500
Oil & Gas		
Alberta Energy Company Ltd.	60,000	10,000
Bow Valley Industries	79,200	79,200
Bow Valley Industries Ltd., \$2.025 Pfd., Class D, Series 3	20,000	40,000
Canadian Natural Resources Ltd.	25,000(1)	5,000
Imperial Oil Ltd.		20,000
Pancanadian Petroleum Ltd.	20,000	
Poco Petroleums Ltd.	100,000	
Ranchmen's Resources Ltd.		3,000
Suncor Inc.	40,000	
Suncor Inc. — Instalment Receipts		40,000
Paper & Forest Products		
Domtar Inc.	100,000	100,000
International Forest Products Ltd.	35,000	
MacMillan Bloedel — Instalment Receipts	60,000	
Slocan Forest Products Ltd.	20,000	
*Weyerhaeuser Company	7,000	
Pharmaceutical		
Biomira Inc.		30,000
*Bristol-Myers Squibb Company		6,000
*Calgene Inc.	20,000	
*Chiron Corporation	5,000	
Pipelines		
Westcoast Energy Inc. — Instalment Receipts	50,000	
Transportation		
*Norfolk Southern Corporation		7,000
*Ryder Systems, Inc.	10,000	
Utilities		
*Ameritech Corporation	5,000	
BCE Inc.		25,000
B.C. Telecom Inc.	30,000	
British Columbia Telephone Company		55,000
Telus Corporation	35,000	
Telus Corporation — Instalment Receipts		75,000
CONVERTIBLE BONDS AND DEBENTURES		
Le Groupe Vidéotron Ltée, 7.50%, March 31, 2002		\$500,000
Noranda Forest, Instalment Receipts, 7.25%, October 30, 2002	\$600,000	
Province Saskatchewan Potash Exc., 11.50%, December 1, 1992		\$1,000,000

(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.

**Portfolio
Analysis**

**Our Ten
Largest Holdings**

	Cost	Value	% of Total Portfolio	% Yield
Canadian Imperial Bank of Commerce	\$2,883,847	\$3,225,000	5.9	4.1
Bank of Montreal	2,357,493	2,612,500	4.8	4.3
Quebecor Inc. — Class B	946,732	1,975,000	3.6	0.9
Royal Bank of Canada	1,597,994	1,635,000	3.0	4.3
TransCanada PipeLines Limited	1,314,395	1,600,000	2.9	4.2
Hudson's Bay Company — Instalment Receipts	1,077,401	1,593,750	2.9	3.8
NOVA Corporation of Alberta	1,346,118	1,462,500	2.7	2.5
The Loewen Group Inc.	301,776	1,362,500	2.5	0.2
Suncor Inc.	760,000	1,270,000	2.3	3.3
Linamar Corporation	502,939	1,170,000	2.1	0.0

**Performance of Our Ten Largest Holdings
Over the Last Year**

	% Change
Canadian Imperial Bank of Commerce	+11.8
Bank of Montreal	+13.0
Quebecor Inc. — Class B	+38.6
Royal Bank of Canada	+12.4
TransCanada PipeLines Limited	+15.1
Hudson's Bay Company — Instalment Receipts	+47.8
NOVA Corporation of Alberta	+14.7
The Loewen Group Inc.	+66.4
Suncor Inc.	+33.0
Linamar Corporation	+80.0
TSE 300 Composite Index	+17.1

Relative Sector Weightings

	% of our Total Portfolio		% of Toronto Stock Exchange 300 Composite Index
	1993	1992	1993
Financial Services	19.3	16.0	16.9
Oil & Gas	13.6	7.2	12.8
Industrial Products	10.5	13.4	4.2
Consumer Products	9.5	13.2	9.0
Merchandising	6.6	3.3	4.0
Communications & Media	5.6	6.7	3.7
Paper & Forest Products	5.5	0.9	3.5
Metals & Mining	5.0	7.5	6.7
Utilities	4.5	7.6	10.6
Pipelines	4.1	2.9	2.7
Management Companies	2.7	0.0	4.5
Chemicals	2.7	6.2	2.6
Transportation	1.8	2.7	1.6
Pharmaceuticals	1.4	1.8	0.4
Entertainment	0.6	1.3	1.2
Business Equipment	0.0	2.2	4.3
Gold & Silver	0.0	0.0	10.9
Real Estate	0.0	0.0	0.4
Total Equity Exposure	93.4	92.9	100.0
Reserves	6.6	7.1	0.0
TOTAL	100.0	100.0	100.0

Performance of MPG Common shares Compared to TSE 300 Composite Index

Years Shares held (June 30)	Average Annual Compound Rate of Return on MPG Common shares	Toronto Stock Exchange 300 Composite Index Compound Rate of Return
1	37.02%	20.83%
3	18.55%	7.56%
5	13.94%	6.62%
10	12.71%	8.61%

(assuming reinvestment of dividend income)

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 capital gains stock dividends on November 10, 1986 and June 30, 1993, has been restated to provide for the increase in the number of shares issued.

Comparative Financial Summary (for years ended June 30)

	Gross Assets	Gross Income	Net Income	Earnings per share (1)	Dividend per share	Expense Ratio (2)	Net Asset Value (3)	Market Price
	(000's)	(000's)	(000's)					
1983	\$29,325	\$1,206	\$ 917	11.5¢	9.4¢	1.09%	\$4.88	\$3
1984	27,064	1,141	849	11.3	10.2	.98	4.53	3½
1985	35,242	1,334	1,008	14.3	11.3	.97	6.06	4¾
1986	48,099	1,752	1,314	14.8	11.8	1.03	7.09	5¾
1987	52,916	1,726	1,229	9.4	13.4	1.05	7.75	5½
1988	47,738	2,014	1,433	13.6	16.3	1.10	7.06	4¾
1989	52,806	2,376	1,711	19.0	18.1	1.09	7.89	5¾
1990	54,137	3,188	2,273	26.4	21.9	1.40	7.50	5
1991	46,708	2,450	1,552	18.9	19.4	1.61	7.77	5
1992	48,508	1,988	1,270	18.9	20.6	1.36	8.13	5¾
1993	59,573	1,784	1,101	16.3	17.5	1.28	9.57	7½

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

(2) Expenses as a percentage of average net assets.

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

- the figure for June 30, 1985 is based on the assumption that all 1984 Warrants outstanding were exercised at \$8.07 per Common share;
- 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 shares	— \$ 0.82 (reflects capital gains stock dividends paid on October 14, 1981, November 10, 1986 and June 30, 1993)
1964 Series Preferred shares	— \$15.00

Price Range of Common shares on The Toronto Stock Exchange

1992/1993	High	Low	Close
First Quarter	\$ 6¼	\$ 5⅝	\$ 6
Second Quarter	6¼	5½	6
Third Quarter	6⅝	5¾	6¼
Fourth Quarter	8	6¾	7½
Year	8	5½	7½
1991/1992	6	4⅞	5⅝

Common shares and 1964 Series Preferred shares are listed for trading on the Toronto and Montreal stock exchanges.

Stock symbols: — Common shares — MPG
 — 1964 Series Preferred shares — MPG.PR.A

Net Asset Value per Common share

In order to provide shareholders and investors with a regular flow of corporate information, the Corporation 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 R-M Trust Company
Calgary, Montreal,
Toronto

Bankers
The Bank of Nova Scotia

Counsel
Blake, Cassels & Graydon

Annual Meeting
of Shareholders will be held at
the Corporation's Executive
office, 215 Sydney Street,
Cornwall, Ontario on Friday,
October 29, 1993 at
11:00 o'clock a.m.

Directors

**The Rt. Hon. H. Paul
G. Channon, M.P.**

Chairman and
Director since 1992.
Member of the United Kingdom
Parliament. He is also a Director
of The Iveagh Trustees Limited.

Thor A. Foss

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

Robert P. Mather

Director since 1989.
Investment Executive with
Legg Mason Wood Walker, Inc.

Donald C. Cameron

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

J. A. Michael Hutchinson

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

John K. McBride

Director since 1990
and President since 1991.
Vice-President of Elgistan
Management Limited. He is
also a Director of Jones
Heward Fund Ltd. and a
Trustee of Bullock American
Fund.

J. Robertson Collins

Director since 1983.
Chairman and Chief
Executive Officer, Morgan
Financial Corporation, and
Counsel with Stikeman
Elliott.

J. D. H. Mackenzie

Director since 1966.
Retired President of the
Corporation and also of
Elgistan Management
Limited.

John A. Ogilvy, Q.C.

Director since 1993.
Consultant with the law firm
of Ogilvy Renault and a
Director of the Jones
Heward Fund Ltd., as well
as a Trustee of the Jones
Heward American Fund.

Officers

The Rt. Hon. H. Paul G.
Channon, M.P.
Chairman of the Board

John K. McBride
President

J. Vernon Holt
Treasurer

Sheila A. Duncan
Secretary

Darleen C. Acheson
Assistant Treasurer

J. Robertson Collins
Assistant Secretary

Joyce N. Madden
Assistant Secretary

Norman L. Scott, C.A.
Assistant Secretary



Contains over 50% recycled paper including 10% post-consumer fibre.
Contient plus de 50 p. 100 de papier recyclé dont 10 p. 100 de fibres post-consommation.