

MPG

Investment Corporation Limited

ANNUAL REPORT

1995

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ANNUAL REPORT
MONTREAL

CORPORATE POLICY

MPG Investment Corporation Limited is an investment corporation which invests its assets in the shares of Canadian companies listed on the recognized stock exchanges; to a lesser extent MPG also invests in foreign securities 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 at least equal to the amount necessary to continue to qualify the Corporation as a closed-end investment corporation under the Income Tax Act; in practical terms, this means total annual distributions on the Common shares of a minimum of three-quarters of the net income available to Common shareholders.

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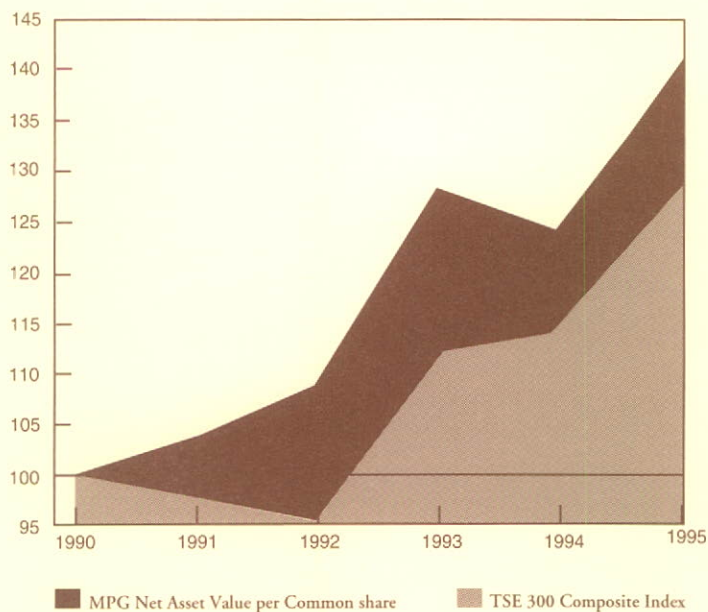
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FINANCIAL HIGHLIGHTS

	June 30, 1995	June 30, 1994	Change
NAV per Common share	\$10.50	\$9.26	+13.4%
TSE 300	4,527.15	4,025.25	+12.5%
Gross Assets	\$62M	\$56M	+10.7%

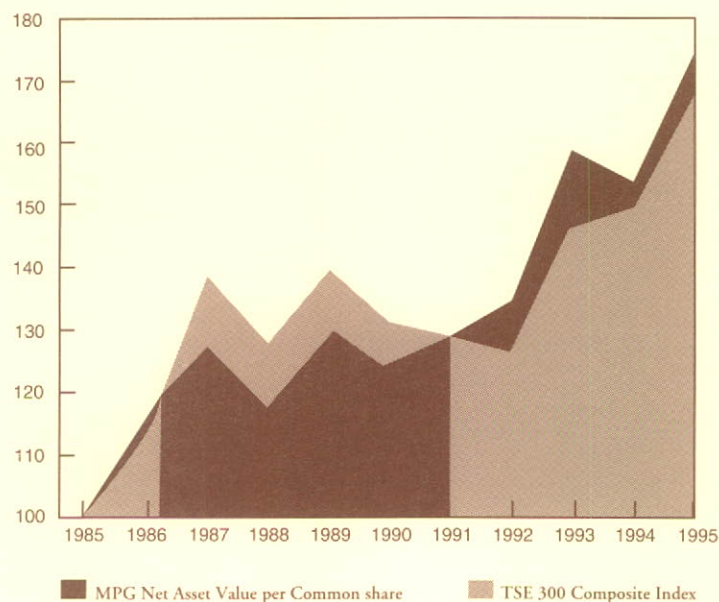
FIVE YEAR PERFORMANCE

(Base Year June 30, 1990 = 100)



TEN YEAR PERFORMANCE

(Base Year June 30, 1985 = 100)



TO OUR SHAREHOLDERS

The year ended June 30, 1995 proved to be a good year for your Company. The Net Asset Value (NAV) outperformed The Toronto Stock Exchange 300 Composite Index (TSE 300), increasing 13.4% compared to 12.5%, and Common share dividends paid rose to 20¢ from 19.5¢ last year.

- The NAV increased 13.4% to \$10.50 from \$9.26.
- The NAV increased 40.0% and 73.2% for the five- and ten-year periods respectively, continuing to outperform the TSE 300, which increased 27.7% and 66.9% respectively. These results are shown in the graphs on the previous page.
- The price of the Common shares increased 3.6% to close at \$7.25 from \$7.00, with the discount between the NAV and the market price of the Common share increasing to 31% from 24%.
- Gross assets increased to \$61.9 million from \$55.9 million.
- Earnings per Common share increased 11.4% to 21.5¢, from 19.3¢ in the previous 12 months.
- Total dividends paid to Common shareholders throughout the year increased by 2.6% to 20.0¢ compared to 19.5¢ last year.
- Expenses as a percentage of average net assets were 1.12%, the same as last year.

A detailed analysis of these results is included in Management's Discussion and Analysis on page 3.

In the year under review, the oil and gas and utilities sectors have been a drag on the market, while manufacturing and high-tech sectors have benefitted from the exceptional strength in the U.S. Mines and metals and some forest products commodities have recently attracted buyers, in line with the strength of the underlying commodity prices.

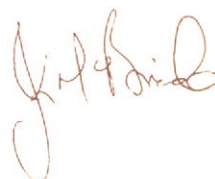
Although the TSE 300 rose nicely, Canadian equity investors have been somewhat frustrated with the performance of the market when compared with the U.S. and other major global markets, especially over the last six months, following signs of a slowdown in the U.S. economy.

The intent of the North American Free Trade Agreement (NAFTA) was to promote Canadian exports to the U.S. and bring lower prices to Canadian consumers. With our continuing strong balance of trade numbers and low inflation, it appears that this has been achieved and, as a result, we are influenced more and more by what is happening in the U.S. economy. With the GDP decline in the U.S., growth in the Canadian economy abruptly stopped in the first quarter of the year. Unemployment recently rose to 9.6%, giving rise to concern over the Federal government's deficit forecasts.

Looking forward, if the growth recovers to 2% in the second half of the year, then investors' concerns about the deficit should be eased. Recent improved consumer spending and housing starts should help the second half. The most positive news over the past year has been the realization by all levels of government, as well as the general population, that continuing high deficits are an injustice to future generations, and deficit reduction must be undertaken. If this philosophy becomes entrenched in the Canadian way of life, the stock market, the dollar, and all sectors of the economy will benefit over the long term.

A significant political event which investors seem to have pushed to the back burner is the separation issue in Québec. The referendum issue and question remain unclear and therefore it is difficult to know who will win. However, the result will certainly not be a clear vote for separation, as the majority of Québécois have indicated time and time again that they do not want a complete break from Canada. Once the question and the issues become more defined and positions more pronounced, the market will react accordingly.

Canadian equity investors remain optimistic, as they feel that a pickup in the U.S. economy will propel Canadian equities ahead of their U.S. counterparts. As the Canadian market has only recently hit all-time highs, it is not as expensive as the U.S. market and may have a lesser downside in case of a correction.



John K. McBride
President

August 25, 1995

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

The **Net Asset Value** increased 13.4% compared to the increase in the TSE 300 of 12.5% for the 12 months ended June 30, 1995. The portfolio was significantly overweighted in the industrial products sector, which had a banner year. Our technology holdings, led by Corel, SR Telecom, and Northern Telecom were driven by their U.S. counterparts, Motorola and Amphenol. However, more basic manufacturers such as Bombardier and Unican Security Systems provided the biggest gains from the Canadian equities. The portfolio was also well represented in fertilizer companies, with Potash Corporation doubling in value over the past year, and Agrium (previously Cominco Fertilizers) increasing 88%. The largest turnover occurred in consumer products, where only two holdings remain from the nine held last year, with much of the decrease due to the takeovers of John Labatt, Canstar Sports and Hayes-Dana. The oil and gas sector lagged the market and the weighting was reduced throughout the year. The gold and precious minerals and communications and media sectors continue to be underweighted.

The U.S. exposure declined from 13.7% to 2.6% of the portfolio and 3.5% was invested in Asian and Pacific Rim Funds. The remaining U.S. investments performed extremely well, while the Asian Funds suffered market declines which were, for the most part, offset by currency gains.

Liquid cash reserves declined to 5.3% from 7.1% last year.

The portfolio will continue to be relatively fully invested even with equity markets reaching new highs. Profits will be taken from sectors as they become overweighted, with proceeds reinvested in less volatile areas.

Total Income increased 5.5% to \$2,053,098 from \$1,945,394 mainly from an 81.8% increase in foreign dividends. This increase was a result of the investments in foreign mutual funds which make annual distributions. Canadian dividends and total interest income were similar to last year.

Expenses declined by 1.2% to \$663,487 from \$671,877 with a decline in trust company and Directors' fees, capital tax and printing expenses. Management and legal fees, as well as general expenses, increased marginally.

Management continues to focus on controlling expenses to shareholders, and maintained **the expense ratio** at 1.12%. Although expenses declined, the average quarterly Net Asset Value also declined in 1995 from 1994, resulting in no change in this ratio.

The increase in income and decline in expenses resulted in **net income per Common share** increasing 11.4% to 21.5¢ from 19.3¢ after payment of the preferred share dividends.

Dividends paid to Common shareholders increased by 2.6% to 20.0¢ per share from 19.5¢ per share. This consisted of two quarterly dividends of 4.5¢ and two of 4.0¢, plus an extra dividend of 3.0¢. Total distributions to all shareholders amounted to \$1,290,478.

CAPITAL RESOURCES AND LIQUIDITY

The changes in share capital resulted from our Normal Course Issuer Bid, under which the Corporation repurchased 80,800 Common shares during the year at an average market price of \$6.76 per share for a total cost to the Corporation of \$546,558. This reduced the Common share capital by \$521,849 with \$1,881 allocated to Retained Earnings and \$22,828 allocated to Realized Gains. As a result of the shares repurchased, Common shares outstanding declined to 5,895,370 from 5,976,170.

There were no 1964 Series Preferred shares repurchased during the year.

Subject to regulatory approval, we intend to extend the Normal Course Issuer Bid on the Common shares for a further 12 months, commencing on October 1, 1995.

BALANCE SHEETS

As at June 30
(Incorporated under the Canada Business Corporations Act)

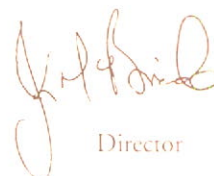
	1995	1994
ASSETS		
Cash	\$ 17,798	\$ 32,291
Interest-bearing demand deposits	99,764	307,599
Accrued interest and accounts receivable	264,418	209,816
Prepaid expenses	6,278	6,683
Investments at market value (note 3 and schedule)	61,277,331	55,235,372
Loans to officer (note 2)	25,981	29,113
Income taxes recoverable	189,306	106,654
	\$61,880,876	\$55,927,528
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$ 120,662	\$ 126,634
Dividends payable	31,627	26,000
	152,289	152,634
Shareholders' equity:		
Share capital issued (notes 5 and 6) –		
80,000 1964 Series Preferred shares	2,000,000	2,000,000
5,895,370 Common shares (1994 – 5,976,170)	38,075,417	38,597,266
Retained earnings	1,045,324	959,665
Realized gains on disposals of investments	11,008,036	9,914,712
Unrealized appreciation of investments	9,599,810	4,303,251
	61,728,587	55,774,894
	\$61,880,876	\$55,927,528

See accompanying notes

On behalf of the Board:



Director



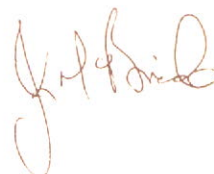
Director

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The 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

STATEMENTS OF INCOME AND EXPENSES

Years ended June 30

	1995	1994
Income:		
Dividends from taxable Canadian corporations	\$1,444,443	\$1,448,012
Interest on investments	353,572	277,627
Dividends from foreign investments	242,591	133,465
Miscellaneous interest earned	12,492	86,290
	2,053,098	1,945,394
Expenses:		
Management fees	461,648	459,509
Trust company fees and charges	45,262	48,221
Legal, audit and professional fees	47,071	40,136
Directors' fees	30,400	35,200
Capital tax	534	11,500
Printing and stationery	11,461	12,340
General	67,111	64,971
	663,487	671,877
Income before income taxes	1,389,611	1,273,517
Income taxes (note 4):		
Current	383	346
Foreign withholding	11,210	11,517
	11,593	11,863
Net income for the year	\$1,378,018	\$1,261,654
Earnings per Common share (note 1e)	21.5¢	19.3¢

See accompanying notes

AUDITORS' REPORT

To the Shareholders of
MPG Investment Corporation Limited

We have audited the balance sheets of **MPG Investment Corporation Limited** as at June 30, 1995 and 1994 and the 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 financial statements present fairly, in all material respects, the financial position of the Corporation as at June 30, 1995 and 1994 and the results of its operations and the changes in its net assets for the years then ended in accordance with generally accepted accounting principles.

Ernst & Young, Chartered Accountants
Pointe-Claire, Canada
July 20, 1995.

STATEMENTS OF RETAINED EARNINGS

Years ended June 30

	1995	1994
Retained earnings, beginning of year	\$ 959,665	\$ 977,132
Net income for the year	1,378,018	1,261,654
Excess of purchase price over stated capital of Common shares repurchased <i>(note 5)</i>	(1,881)	(5,322)
	2,335,802	2,233,464
Dividends declared:		
1964 Series Preferred shares (\$1.30 per share)	104,000	104,000
Common shares (\$0.20 per share; 1994 – \$0.195 per share)	1,186,478	1,169,799
	1,290,478	1,273,799
Retained earnings, end of year	\$1,045,324	\$ 959,665

STATEMENTS OF REALIZED GAINS ON DISPOSALS OF INVESTMENTS

Years ended June 30

	1995	1994
Balance, beginning of year	\$ 9,914,712	\$ 7,205,180
Realized gains on sales of investments	1,721,645	3,984,244
Refundable capital gains tax paid <i>(note 4)</i>	(605,493)	(1,220,506)
Excess of purchase price over stated capital of Common shares repurchased <i>(note 5)</i>	(22,828)	(54,206)
Balance, end of year	\$11,008,036	\$ 9,914,712

STATEMENTS OF UNREALIZED APPRECIATION OF INVESTMENTS

Years ended June 30

	1995	1994
Balance, beginning of year	\$4,303,251	\$10,280,762
Increase (decrease) during the year	5,296,559	(5,977,511)
Balance, end of year	\$9,599,810	\$ 4,303,251

See accompanying notes.

STATEMENTS OF CHANGES IN NET ASSETS

Years ended June 30

	1995	1994
Net assets, beginning of year	\$55,774,894	\$59,379,464
Add (deduct) changes during the year –		
Net income for the year	1,378,018	1,261,654
Realized gains on sales of investments <i>(note below)</i>	1,721,645	3,984,244
Refundable capital gains tax, net	(605,493)	(1,220,506)
Appreciation (depreciation) in value of investments	5,296,559	(5,977,511)
Dividends paid out of investment income	(1,290,478)	(1,273,799)
Excess of purchase price over stated capital of Common shares repurchased <i>(note 5)</i>	(24,709)	(59,528)
Common shares repurchased for cancellation <i>(note 5)</i>	(521,849)	(319,124)
Net assets, end of year	61,728,587	55,774,894
Redemption value of 1964 Series Preferred shares <i>(note 5)</i>	(2,100,000)	(2,100,000)
Refundable capital gains tax on hand <i>(note 4)</i>	2,244,640	1,639,147
Net assets applicable to Common shares <i>(note 7)</i>	\$61,873,227	\$55,314,041
Net asset value per Common share	\$10.50	\$9.26

Note – realized gains on sales of investments

Proceeds from sales include \$15,597,592 from short-term investments (1994 – \$16,771,321)	\$ 41,088,867	\$ 54,885,447
Cost of investments, beginning of year	50,932,121	44,456,080
Cost of investments purchased	40,112,622	57,377,244
Cost of investments, end of year <i>(note 3)</i>	(51,677,521)	(50,932,121)
Cost of investments sold	39,367,222	50,901,203
Realized gains on sales of investments	\$ 1,721,645	\$ 3,984,244

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

June 30, 1995 and 1994

1. ACCOUNTING POLICIES

a) 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.

b) Recognition of revenue –

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

c) 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.

d) Foreign exchange –

Investment transactions in United States currency are translated at the exchange rate in effect on the settlement date. The market value of foreign investments and cash balances are translated at the period-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.

e) Earnings per Common share –

Earnings per Common share are calculated using the weighted monthly average number of Common shares outstanding during the year: 1995 - 5,929,637 (1994 - 6,000,870). 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 \$10,802 as at June 30, 1994 to \$9,339 as at June 30, 1995. A personal interest-free loan to an officer of the Corporation to purchase Common shares of the Corporation has been reduced from \$18,311 as at June 30, 1994 to \$16,642 as at June 30, 1995. Both loans are collateralized by Common shares of the Corporation which have a market value at June 30, 1995 of \$42,355. 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:

	1995		1994	
	Cost	Market Value	Cost	Market Value
Canadian stocks	\$42,229,776	\$51,241,482	\$38,361,949	\$42,066,450
Foreign investments	3,338,734	3,670,467	5,936,390	6,400,114
	45,568,510	54,911,949	44,298,339	48,466,564
Canadian bonds and debentures	4,700,947	4,960,198	3,469,851	3,609,785
Treasury bills	1,408,064	1,405,184	3,163,931	3,159,023
	\$51,677,521	\$61,277,331	\$50,932,121	\$55,235,372

4. TAXES

During both years, 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.

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, 1995 is \$2,244,640 (1994 – \$1,639,147).

If the Corporation incurs net capital losses, they 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 at June 30, 1995, approximately \$7,199,000 (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 are as follows:

NUMBER	1995	1994
Outstanding, beginning of year	5,976,170	6,025,570
Purchased for cancellation under a Normal Course Issuer Bid	(80,800)	(49,400)
Outstanding, end of year	5,895,370	5,976,170

STATED VALUE	1995	1994
Outstanding, beginning of year	\$38,597,266	\$38,916,390
Purchased for cancellation under a Normal Course Issuer Bid	(521,849)	(319,124)
Outstanding, end of year	\$38,075,417	\$38,597,266

During 1995, the Corporation acquired a total of 80,800 (1994 – 49,400) Common shares for cancellation, under a Normal Course Issuer Bid, at an aggregate cost of \$546,558 (1994 – \$378,652), of which \$521,849 (1994 – \$319,124) was charged to Common shares, based on the average per-share amount (\$6.46) 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 amounts of \$1,881 (1994 – \$5,322) and \$22,828 (1994 – \$54,206) respectively.

6. 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.

7. NET ASSET VALUE PER COMMON SHARE

The net asset value per Common share as at June 30, 1995 and the end of the four preceding years is as follows:

1995	\$10.50
1994	\$9.26
1993	\$9.57
1992	\$8.13
1991	\$7.77

Net asset value per Common share at June 30, 1995 is based on 5,895,370 shares. The June 30, 1994 figure is based on 5,976,170 shares.

SCHEDULE OF INVESTMENTS

June 30, 1995

Number of shares or face value of bonds or treasury bills		Cost	Market Value
EQUITY STOCKS			
Metals & Minerals			
40,000	Noranda Inc.	\$ 1,034,269	\$ 1,080,000
20,000	Alcan Aluminium Limited	697,379	830,000
15,000	Cameco Corporation	444,777	620,625
20,000	Rio Algom Limited	497,364	530,000
		2,673,789	3,060,625
Gold & Precious Minerals			
20,000	Barrick Gold Corporation	639,652	695,000
60,000	TVX Gold Inc.	347,552	592,500
		987,204	1,287,500
Oil & Gas			
40,000	Suncor Inc.	760,000	1,530,000
50,000	Alberta Energy Company Ltd.	809,178	1,025,000
20,000	Canadian Occidental Petroleum Ltd.	828,363	852,500
40,000	Canadian Natural Resources Limited	187,169	645,000
40,000	Suncor Inc. – Instalment Receipts	597,801	575,000
10,000	Shell Canada Limited – Class A	458,501	418,750
300,000	Harbour Petroleum Company Limited	860,139	333,000
		4,501,151	5,379,250
Paper & Forest Products			
70,000	Abitibi-Price Inc. – Instalment Receipts	936,979	1,207,500
60,000	MacMillan Bloedel Limited	1,083,761	1,155,000
35,000	St. Laurent Paperboard Inc.	613,822	721,875
25,000	Alliance Forest Products Inc.	483,649	625,000
35,000	International Forest Products Limited	502,846	415,625
		3,621,057	4,125,000
Consumer Products			
50,000	Linamar Corporation	314,337	968,750
* 6,000	Sunrise Medical Inc.	225,348	256,483
		539,685	1,225,233
Healthcare			
*3,087	Chiron Corporation	176,452	275,580
*4,000	Merck & Co., Inc.	245,093	269,873
		421,545	545,453

Number of shares or face value of bonds or treasury bills		Cost	Market Value
Industrial Products			
70,000	Bombardier Inc. - Class B	\$ 387,212	\$ 2,336,250
40,000	Moore Corporation Limited	1,026,033	1,205,000
50,000	Corel Corporation	901,427	1,175,000
22,500	Northern Telecom Limited	1,048,738	1,119,375
75,000	SR Telecom Inc.	916,386	1,050,000
35,000	Unican Security Systems Ltd. - Class B	344,572	905,625
150,000	The Canam Manac Group Inc. - Class A	731,890	727,500
30,000	Royal Plastics Group, Ltd.	546,263	566,250
*5,000	Motorola, Inc.	218,941	460,947
20,000	JetForm Corporation	385,747	446,357
*6,000	Amphenol Corporation - Class A	147,185	240,002
50,000	Pallet Pallet Inc.	251,802	235,000
		6,906,196	10,467,306
Chemicals & Fertilizers			
30,000	Agrium Inc.	947,787	1,395,000
65,000	Alberta Natural Gas Company Ltd.	1,181,788	1,332,500
13,000	Potash Corporation of Saskatchewan Inc.	305,265	997,750
80,000	NOVA Corporation	1,041,698	930,000
20,000	DuPont Canada Inc. – Class A	379,207	380,000
		3,855,745	5,035,250
Real Estate			
250,000	Markborough Properties Inc.	638,690	472,500
40,000	Trizec Corporation Ltd.	389,667	410,000
		1,028,357	882,500
Pipelines			
80,000	TransCanada Pipelines Limited, Equity 2nd Pfd., Series B, Cv.	1,584,859	1,450,000
Utilities			
50,000	BCE Inc.	2,223,480	2,200,000
30,000	Teleglobe Inc., 2nd Pfd., Series 2, Cv.	1,405,813	1,417,500
30,000	BC TELECOM Inc.	603,750	708,750
		4,233,043	4,326,250
Communications & Media			
75,000	Quebecor Inc. - Class B	710,050	1,500,000
Merchandising			
60,000	Loblaw Companies Limited	1,451,130	1,665,000
20,000	The Loewen Group Inc.	120,711	980,000
40,000	Canadian Tire Corporation, Limited - Class A	475,509	590,000
40,000	Extencicare Inc.	442,983	500,000
		2,490,333	3,735,000

Number of shares or face value of bonds or treasury bills		Cost	Market Value
Financial Services			
120,000	The Bank of Nova Scotia	\$ 3,175,831	\$ 3,555,000
110,000	Royal Bank of Canada	3,026,915	3,382,500
60,000	AGF Management Limited - Class B	1,040,020	990,000
		7,242,766	7,927,500
Investment Funds			
*57,318	Bullock Asian Dynasty Fund	560,000	582,850
*35,000	Schroder Asian Growth Fund, Inc.	514,994	534,768
*20,000	Scudder New Asia Fund	560,156	425,754
*20,000	Fidelity Advisor Emerging Asia Fund, Inc.	354,494	357,084
*250,000	Lloyd George Standard Chartered China Fund Ltd.	336,071	267,126
		2,325,715	2,167,582
Conglomerates			
80,000	Power Corporation of Canada	1,791,760	1,680,000
50,000	Denbridge Capital Corporation	655,255	117,500
		2,447,015	1,797,500
Total stocks		45,568,510	54,911,949
BONDS AND DEBENTURES			
\$1,355,000	Canadian Utilities Limited, 11.40%, August 15, 2010	1,746,596	1,743,557
500,000	Amoco Canada Petroleum Company Ltd., Cv. Deb., 7.375%, September 1, 2013	657,475	844,641
600,000	Noranda Forest Inc., Cv. Deb., 7.25%, October 30, 2002	709,500	793,500
600,000	Hollinger Inc., Cv. Deb., 7%, November 1, 1998	607,876	594,000
500,000	Poco Petroleum Ltd., Cv. Deb., 7.5%, February 16, 1997	502,500	492,500
600,000	MacMillan Bloedel Limited, Cv. Deb., 5%, May 1, 2007	477,000	492,000
Total bonds and debentures		4,700,947	4,960,198
TREASURY BILLS			
*\$450,000	Canada Trust US CD, 5.45%, July 14, 1995	620,910	618,030
600,000	Canada Treasury Bill, 8.3%, July 27, 1995	576,018	576,018
215,000	Canada Treasury Bill, 7.95%, July 6, 1995	211,136	211,136
Total treasury bills		1,408,064	1,405,184
Total investments		\$51,677,521	\$61,277,331

* The market values of foreign securities are translated into Canadian dollars at \$1.3734, the United States rate of exchange prevailing at June 30, 1995.

• Interest-bearing demand deposits on hand of \$99,764 are not included in the Schedule of Investments.

CHANGES IN INVESTMENT PORTFOLIO

Year ended June 30, 1995

		Number of Shares or Face Value of Bonds	
		Additions	Deletions
EQUITY STOCKS			
Metals & Minerals	Alcan Aluminium Limited	10,000	10,000
	Cameco Corporation	15,000	
	Inco Limited		20,000
	Rio Algom Limited	20,000	
Oil & Gas	* Atlantic Richfield Company		3,000
	Canadian Occidental Petroleum Ltd.	20,000	
	Methanex Corporation	20,000	20,000
	* Occidental Petroleum Corporation		15,000
	PanCanadian Petroleum Limited		20,000
	Poco Petroleums Ltd.		70,000
	Prairie Oil Royalties Company, Ltd.	15,000	15,000
	Shell Canada Limited - Class A	10,000	
Suncor Inc. - Instalment Receipts	40,000		
Paper & Forest Products	Abitibi-Price Inc. - Instalment Receipts		30,000
	Alliance Forest Products Inc.	25,000	
	MacMillan Bloedel Limited	60,000 [†]	
	MacMillan Bloedel Limited - Instalment Receipts		60,000 [†]
	Pacific Forest Products Limited		20,000
	St. Laurent Paperboard Inc.	35,000	
	Slocan Forest Products Ltd.	20,000	60,000
* Weyerhaeuser Company		7,000	
Consumer Products	BC Sugar Refinery, Limited - Class A		40,000
	Canstar Sports Inc.		45,000
	* Chrysler Corporation		5,000
	* Ford Motor Company	8,000	8,000
	Hayes-Dana Inc.		40,000
	Inter-City Products Corporation, 8% Pfd., Series C, Cv.		22,200
	John Labatt Limited - Instalment Receipts		70,000
	Linamar Corporation		30,000
	* Sunrise Medical Inc.	2,000	
	* Whirlpool Corporation	1,000	4,500
Healthcare	* Chiron Corporation		1,913
	* Merck & Co., Inc.	4,000	
	* Schering-Plough Corporation	2,500	2,500
Industrial Products	* Computer Associates International, Inc.		7,000
	Corel Corporation	50,000 [†]	
	* General Electric Company		7,000
	* Intel Corporation		5,000
	Jannock Limited		35,000
	JetForm Corporation	20,000	
	* Medusa Corporation		8,000
	Moore Corporation Limited	20,000	
	* Motorola, Inc.	1,000	
	Newbridge Networks Corporation		10,000
	Northern Telecom Limited	22,500	
	Pallet Pallet Inc.	50,000	
	Royal Plastics Group, Ltd.	30,000	
	SR Telecom Inc.	75,000	
Spar Aerospace Limited		50,000	

		Number of Shares or Face Value of Bonds	
		Additions	Deletions
Chemicals & Fertilizers	Agrium Inc.	30,000	
	Alberta Natural Gas Company Ltd.	25,000	
	DuPont Canada Inc. - Class A	20,000	
	NOVA Corporation	80,000	
	Potash Corporation of Saskatchewan Inc.		7,000
Real Estate	Markborough Properties Inc.	150,000	
	Trizec Corporation Ltd.	40,000	
Utilities	* Caribbean Utilities Company, Ltd. - Class A		30,000
	TELUS Corporation		35,000
Communications & Media	Le Groupe Vidéotron Ltée		40,000
	Torstar Corporation - Class B		25,000
Entertainment	* The Walt Disney Company		6,000
Merchandising	Canadian Tire Corporation, Limited - Class A	40,000	
	Extencicare Inc.	40,000	
	* The Home Depot, Inc.		5,000
	The Loewen Group Inc.		20,000
	* Mattel, Inc.		11,125
	* Toys "R" Us, Inc.		5,000
Financial Services	AGF Management Limited - Class B	10,000	
	The Bank of Nova Scotia	70,000	
	Canadian Imperial Bank of Commerce		70,000
	* Citicorp		5,000
	Royal Bank of Canada	10,000	
Investment Funds	* Bullock Asian Dynasty Fund	57,318	
	* Fidelity Advisor Emerging Asia Fund, Inc.	20,000	
	* Lloyd George Standard Chartered China Fund Ltd.	250,000	
	* Schroder Asian Growth Fund, Inc.	35,000	
	* Scudder New Asia Fund	20,000	
Conglomerates	The Horsham Corporation	25,000	25,000
BONDS AND DEBENTURES			
	Canadian Utilities Limited, 11.40%, August 15, 2010	1,355,000	
	Government of Canada Bond, 7%, March 15, 1995		500,000

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

* Foreign securities.

PORTFOLIO ANALYSIS

OUR TEN LARGEST HOLDINGS

	Cost	Value	% of Total Portfolio	% Yield
The Bank of Nova Scotia	\$3,175,831	\$3,555,000	5.8	4.2
Royal Bank of Canada	3,026,915	3,382,500	5.5	3.8
Bombardier Inc. - Class B	387,212	2,336,250	3.8	1.2
BCE Inc.	2,223,480	2,200,000	3.6	6.2
Power Corporation of Canada	1,791,760	1,680,000	2.7	3.3
Loblaw Companies Limited	1,451,130	1,665,000	2.7	1.2
Suncor Inc.	760,000	1,530,000	2.5	2.8
Quebecor Inc. - Class B	710,050	1,500,000	2.4	1.5
TransCanada PipeLines Limited, Equity 2nd Pfd., Series B, Cv.	1,584,859	1,450,000	2.4	6.9
Teleglobe Inc., 2nd Pfd., Series 2, Cv.	1,405,813	1,417,500	2.3	4.2

PERFORMANCE OF OUR TEN LARGEST HOLDINGS OVER THE LAST YEAR*

	% Change
The Bank of Nova Scotia	+ 13.2
Royal Bank of Canada	+ 14.1
Bombardier Inc. - Class B	+ 70.1
BCE Inc.	- 2.2
Power Corporation of Canada	+ 6.3
Loblaw Companies Limited	+ 35.4
Suncor Inc.	+ 30.8
Quebecor Inc. - Class B	+ 15.1
TransCanada PipeLines Limited, Equity 2nd Pfd., Series B, Cv.	+ 8.2
Teleglobe Inc., 2nd Pfd., Series 2, Cv.	+ 7.4
<i>*or since acquisition</i>	
TSE 300 Composite Index	+12.5

RELATIVE SECTOR WEIGHTINGS

	% of our Total Portfolio		% of Toronto Stock Exchange 300 Composite Index
	1995	1994	1995
Industrial Products	17.1	12.2	11.4
Financial Services	12.9	12.6	14.6
Oil & Gas	10.9	13.6	11.2
Paper & Forest Products	8.8	7.2	5.5
Chemicals & Fertilizers	8.2	2.4	4.5
Utilities	7.1	9.9	8.8
Merchandising	6.1	6.3	3.9
Metals & Minerals	5.0	4.0	8.4
Investment Funds	3.5	0.0	0.8
Communications & Media	3.4	5.4	2.5
Conglomerates	2.9	4.1	4.2
Pipelines	2.4	2.4	2.3
Gold & Precious Minerals	2.1	2.0	11.2
Consumer Products	2.0	9.1	7.1
Real Estate	1.4	0.4	0.3
Healthcare	0.9	0.7	0.6
Entertainment	0.0	0.6	1.0
Transportation	0.0	0.0	1.7
Total Equity Exposure	94.7	92.9	100.0
Reserves	5.3	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	6.53%	15.17%
3	11.85%	13.09%
5	11.22%	8.30%
10	8.60%	8.63%

**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)					
1985	535,242	\$1,334	\$1,008	14.3c	11.3c	.97%	\$ 6.06	\$4 3/8
1986	48,099	1,752	1,314	14.8	11.8	1.03	7.09	5 3/8
1987	52,916	1,726	1,229	9.4	13.4	1.05	7.75	5 1/2
1988	47,738	2,014	1,433	13.6	16.3	1.10	7.06	4 5/8
1989	52,806	2,376	1,711	19.0	18.1	1.09	7.89	5 3/8
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	5 5/8
1993	59,573	1,784	1,101	16.3	17.5	1.28	9.57	7 1/2
1994	55,928	1,945	1,262	19.3	19.5	1.12	9.26	7
1995	61,881	2,053	1,378	21.5	20.0	1.12	10.50	7 1/4

(1) Earnings per Common share are based on the weighted monthly 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 DAYS

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

February 22, 1994 share prices

- Common shares – \$7.75 (stock values on the date after which disposition of capital property is no longer eligible for the \$100,000 Capital Gains Exemption)
- 1964 Series Preferred shares – \$18.00

PRICE RANGE OF COMMON SHARES ON THE TORONTO STOCK EXCHANGE

1994/1995	High	Low	Close
First Quarter	\$7 1/2	\$7	\$7 1/8
Second Quarter	7 1/4	6 5/8	6 3/4
Third Quarter	7 3/8	6 3/4	7 1/8
Fourth Quarter	7 1/4	6 5/8	7 1/4
Year	7 1/2	6 5/8	7 1/4
1993/1994	8	6 1/2	7

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 Net Asset Value figures to the stock exchanges and newspapers. If shareholders or other interested parties wish to know the latest Net Asset Value 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 Agents & 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 27, 1995 at 11:00 o'clock a.m

Custodian

The Canada Trust Company

Auditors

Ernst & Young

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 – management company.

Robert P. Mather
Director since 1989.

Senior Vice-President and Director, ScotiaMcLeod (USA) Inc.

A. Julian Robarts
Appointed a Director in February 1994.

He is Chief Executive and a Director of The Iveagh Trustees Limited – management company.

J. Robertson Collins
Director since 1983.

Partner, Blake, Cassels & Graydon – barristers & solicitors. He is also Chairman and Chief Executive Officer, Morgan Financial Corporation.

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.

Thor A. Foss
Director since 1983.

Vice-Chairman and Director of Jones Heward Investment Management Inc. and a Director of Nesbitt Burns Inc.

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

J. Robertson Collins
Assistant Secretary

Debra D. Hunt, C.G.A.
Assistant Treasurer

Joyce N. Madden
Assistant Secretary

Norman L. Scott, C.A.
Assistant Secretary



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