



**INVESTORS
MUTUAL
OF CANADA
LTD.**

is a balanced fund seeking long-term growth from equities plus stability in fixed income securities.

ANNUAL REPORT 1983

**INVESTORS
MUTUAL
OF CANADA
LTD.**

COVER:

Mutual Fund's balanced portfolio meets the investment objectives of clients seeking stability and long-term capital growth. The Fund's portfolio encompasses fixed income and equity securities which provide the necessary flexibility to meet investment objectives as well as changing economic conditions.

BOARD OF DIRECTORS

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CHAIRMAN OF THE BOARD
A.V. Mauro, Q.C.
PRESIDENT
B.S. Toni
SECRETARY
C.G. Turnbull
TREASURER

1983 HIGHLIGHTS

Total Net Assets	\$221,651,548
Number of Shareholders	15,032
Asset Value per Share:	
High.....	\$8.11
Low.....	\$6.19
Close.....	\$7.62
Dividends Paid	\$14,250,477
Dividends per Share.....	\$.505



On behalf of the Board of Directors, I am pleased to enclose the Annual Report and financial statements for the year ended October 31, 1983.

The North American economic recovery, which began slowly during the previous fiscal year, gained momentum as the year progressed. However, the pace of this recovery both in the United States and Canada was subdued enough that inflation and interest rates continued to decline. This orderly recovery had a salutary effect upon the outlook for corporate profits in both countries.

The stock markets reflected this more buoyant outlook. The Toronto Stock Exchange 300 Composite Index advanced 38.4%, and the Dow Jones Industrial Average 30.8%. Long term bond indices showed a 17.9% increase during the year.

Investors Mutual is a balanced fund with portfolio weightings in all of the above categories. During the past fiscal year the value of your Fund increased 33.7%. This performance was possible because the Fund remained fully invested during the year. In addition, the portfolio was weighted in those investments which would maximize capital gains rather than income.

As a result while the Fund reduced the income dividend from 36¢ to 29¢ per share the capital gains dividend increased from 21½¢ to 30¢ per share for a total return of 59¢ as compared to 57.5¢ in the prior calendar year.

We look forward to a continuation of the recovery in 1984. Corporate profits will rise substantially year over year, and we expect a portion of these increases to be passed on to

shareholders in the form of increased dividends. These two forces should sustain market levels and provide the opportunity for continued growth.

Arthur V. Mauro, Q.C.
President

Winnipeg, Canada
December 20, 1983

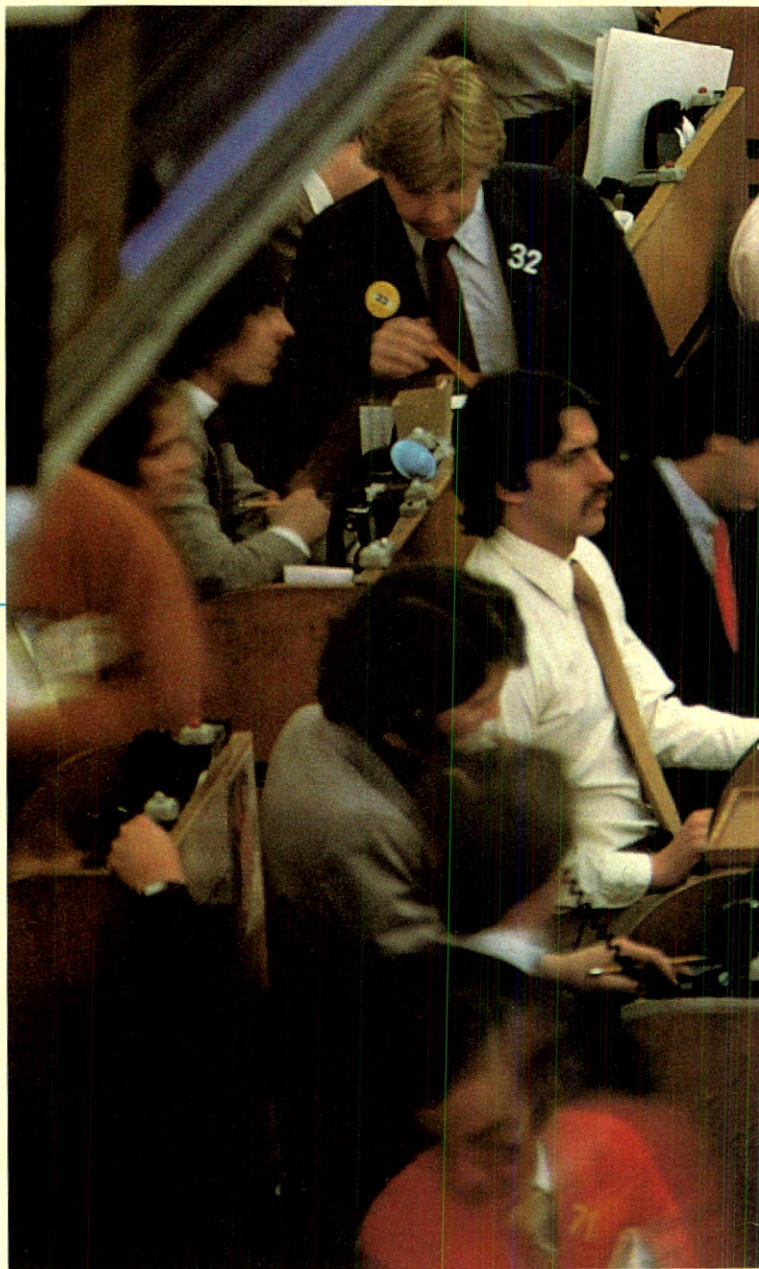
THE BENEFITS OF PROFESSIONAL INVESTMENT MANAGEMENT

Having an experienced professional money manager to handle one's investment portfolio is a service formerly available only to wealthy individuals.

However, when the investment dollars of thousands of individuals are pooled in an investment fund, the shareholders can enjoy this same level of professional service. Each individual shareholder, regardless of personal wealth and number of shares held, obtains the expert services of a full-time professional portfolio manager.

The investment fund approach has gained wide acceptance in Canada since the first Canadian-based fund was established in 1932. In those days it was called a mutual fund. Today, more than half a million Canadians are free of day-to-day worries about their investment programs because they are fund shareholders.

These people realize that successful management of investments involves being constantly on the alert for both risks and opportunities. This calls for a high degree of knowledge and experience, qualities which many individual investors have neither the time nor the inclination to develop.



Instead, they have entrusted the decision-making to full-time portfolio managers who have the expertise and information to build and constantly supervise a diversified portfolio designed to achieve the objectives of an investment fund.

It is this matter of objectives which is the key element in the investment fund business. Each particular fund has a precise statement of its main investment goals. It is the responsibility of the portfolio manager to achieve these, by careful selection and regular review of the securities which can be reasonably expected to yield the required results.

Although the first task is to get the correct mix of securities, and thus achieve



diversification so that risks can be minimized, the investment strategy has to be continually monitored. The portfolio manager has to be in daily contact with research analysts, brokerage firms, industry specialists and corporate executives in order to get early warning of impending changes or new trends.

In other words, the professional keeps on top of every market situation through extensive reading and conversations with informed sources.

Unlike many individual investors who operate on the basis of hunch or hope, the full-time professional carefully sifts a vast amount of economic and business information to arrive at a sound investment strategy.

Depending upon the type of invest-

ment fund involved, the portfolio manager will make pertinent buy and sell decisions to adapt to new conditions or sudden opportunities. The choices always have to conform to the particular fund's clearly defined and stated level of risk-taking.

At Investors, whenever a difficult decision has to be made or a second opinion is called for, portfolio managers will consult with the company's senior investment executives. They have a great wealth of knowledge as Investors has been in the investment fund business since 1950 and is Canada's largest distributor of funds. These experts are seasoned veterans of many ups and downs of interest rates, the stock markets and business cycles over the past 33 years.

The full-time portfolio managers realize that while past performance is no guarantee of how a fund will do in the future, all soundly managed funds which have abided with their stated objectives have achieved excellent long-term results.

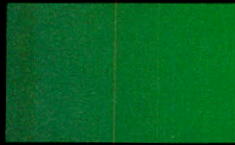
In addition to the essential portfolio management, an investment fund provides a variety of administrative and reporting services to simplify shareholders' record-keeping and reporting of tax.

These comprehensive support services are an important facet of any total investment portfolio management system. They cannot be obtained as easily from many other types of financial services organizations, yet they relieve shareholders from a heavy and time-consuming paperwork burden.

INCOME/LOW VARIABILITY ←



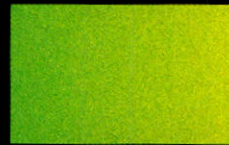
MORTGAGE
FUND



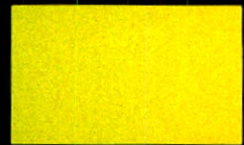
BOND
FUND



*REAL
PROPERTY FUND



DIVIDEND
FUND



MUTUAL OF
CANADA



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WHY DO CANADIANS INVEST MONEY?

There is no single answer to that question: there are as many reasons for investing as there are investments.

Most Canadians have specific investment objectives in mind. Many are seriously concerned about the impact of inflation and taxation on the future purchasing power of their dollars.

Just as significant as why Canadians invest are the returns they expect from their investments. All investors are interested in finding sound ways to increase the return on their dollars.

Our 33 years of experience in the investment fund business has shown that no single investment choice is best all the time. The reason? Change. Change in economic conditions and in investment opportunities. Few people have the time, know-how or resources to stay ahead of both consistently.

At Investors, we offer you a number of investment choices. We also offer professional fund management to ensure your money is in the best place at the right time.

Although we offer Canadians different funds, each with its unique investment objectives, our

"investment concept" is a general guide to the best choice for particular investment goals.

This investment concept, which we call "Managing for Capital Growth", is a way to provide the best possible returns by creating a portfolio of investment funds. These funds each have defined objectives and the flexibility to adapt to a changing environment.

How do you choose an investment fund? Should you be investing in more than one fund at any time? The answer depends upon your personal objectives and how much they change over time. Your personal objectives, however, are the key.

Here are some of the factors we have found influence the selection of an investment: need for current investment income; inflation protection of capital, income—or both; and tax exposure. Other factors include the time available to accomplish objectives and liquidity of the investment.

The most significant of these factors is tolerance of investment risk, or your personal "comfort zone". That is, how comfortable you are with respect to future capital and income variability.

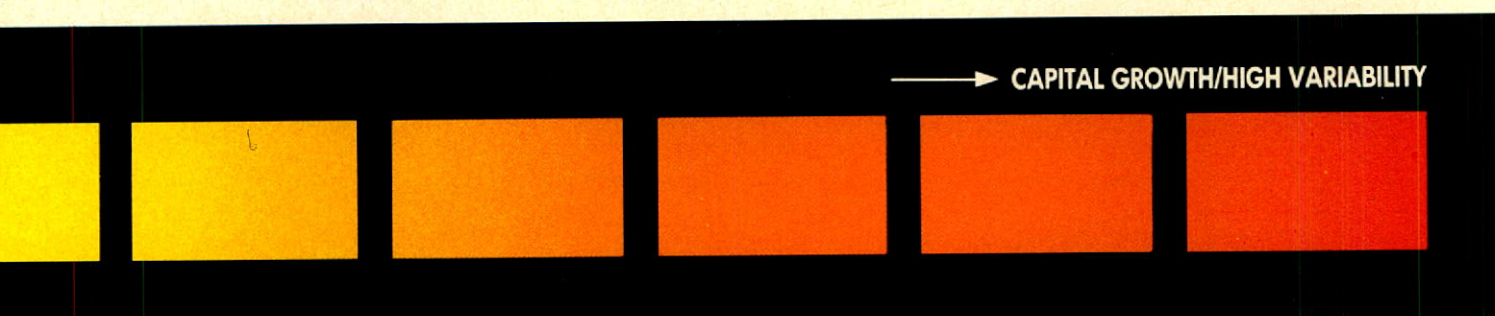
The colour spectrum above illustrates the degree of variability among Investors' funds, relative to each other. "High variability" funds on the right, normally experience the greatest price advances/declines over the short to medium term. These funds also generate smaller investment income returns than the lower variability/higher income funds to the left.

Over the longer term, our experience has been that high variability funds have generally provided the greatest overall returns after inflation and taxation. The choice you make depends on your objectives and your own "comfort zone".

For example, if you don't need investment income now, and if you are comfortable with higher short-term variability of returns, then you might select your portfolio from the right side of our spectrum.

However, if you need maximum investment income now and feel comfortable with a more stable, low-variability portfolio, then you can select from the spectrum's left side.

A compromise between the two, a moderate-variability portfolio seeking



MENTUAL **GROWTH FUND OF CANADA** **INTERNATIONAL MUTUAL** **INDEXED STOCK FUND** **PROVIDENT STOCK** **JAPANESE GROWTH**

some income with stability, plus some capital appreciation potential as well, can be constructed by selecting from both sides of the spectrum. This choice will achieve balance between fixed income and equity securities, plus high-quality diversification within each group.

Investors
MORTGAGE FUND

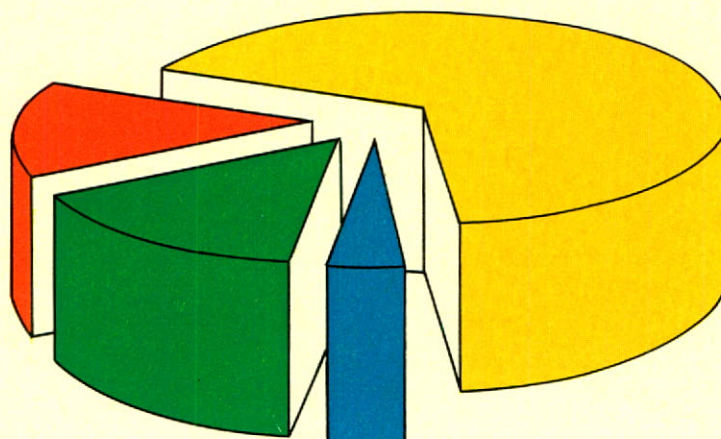
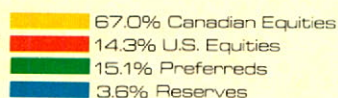
FAMILY OF FUNDS

- BOND FUND provides a good income yield and long-term capital stability. Available for RRSP, RRIF and RHOSP plans.
- DIVIDEND FUND provides a high level of current income from top-grade bonds. Available for RRSP, RRIF and RHOSP plans.
- MUTUAL OF CANADA seeks an above-average level of dividend income which "grows," plus capital protection from inflation.
- RETIREMENT MUTUAL is a balanced fund seeking long-term growth from equities plus stability in fixed income securities.
- GROWTH FUND OF CANADA seeks long-term capital growth from common stocks (90% Canadian content) for RRSP, RRIF and RHOSP plans.
- INTERNATIONAL MUTUAL seeks long-term capital growth from a diversified list of primarily Canadian and some U.S. "growth" companies.
- PROVIDENT STOCK seeks long-term capital appreciation through ownership of common stocks in United States "growth" companies.
- JAPANESE GROWTH seeks above-average appreciation from common stocks of dynamic Canadian and foreign companies selected for superior future growth potential.
- INDEXED STOCK FUND provides an opportunity for long-term growth in common stocks of major Japanese corporations operating in one of the world's strongest economies.
- REAL PROPERTY FUND seeks above-average growth potential through investment in common stocks of Canadian public corporations, while giving protection against tax on capital gains due to inflation.

*Because this is a new product, we have shown its variability with relation to its potential position as a mature Fund. During initial developmental stages, the Fund may demonstrate more variable characteristics.

PORTFOLIO HIGHLIGHTS

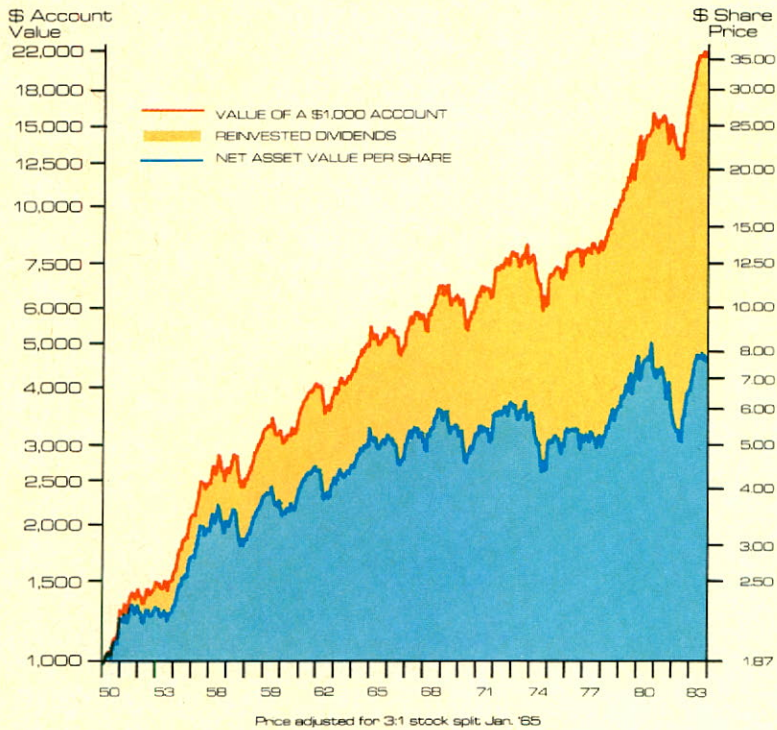
THIS IS WHERE MUTUAL FUND'S \$221,651,548
OF NET ASSETS AT MARKET VALUE WERE
INVESTED ON OCTOBER 31, 1983



% of Net Assets	MUTUAL FUND'S TOP TEN EQUITY HOLDINGS*	Market Value
5.71%	BELL CANADA ENTERPRISES INC. —Canada's largest supplier of telecommunication services and related equipment.	\$12,660,856
4.27%	INTERNATIONAL BUSINESS MACHINES CORP. —The world's largest manufacturer of computers, information processing equipment and related systems.	\$9,463,485
4.14%	NORTHERN TELECOM LIMITED —Telecommunications equipment manufacturer with worldwide sales.	\$9,173,288
4.09%	ROYAL BANK OF CANADA —Canada's largest financial institution offering a full range of commercial, corporate and personal banking throughout the world.	\$9,075,263
3.83%	ALCAN ALUMINUM LIMITED —Operates aluminum fabrication facilities and is one of the world's largest producers of aluminum ingots.	\$8,487,593
3.33%	CANADIAN IMPERIAL BANK OF COMMERCE —Canada's second largest chartered bank.	\$7,370,775
3.31%	HIRAM WALKER RESOURCES LIMITED —Engaged in the production of distilled spirits, oil, natural gas and gas distribution pipelines.	\$7,345,438
2.90%	AMCA INTERNATIONAL LTD. —(formerly Dominion Bridge) An operating company with worldwide involvement in the design, engineering, manufacturing, marketing and financing of a broad range of industrial products, construction equipment, engineering and construction services and machine tools.	\$6,431,275
2.76%	TORONTO-DOMINION BANK —A major Canadian chartered bank with emphasis on domestic banking and consumer services.	\$6,116,598
2.59%	GENERAL ELECTRIC COMPANY —Producer of high technology and consumer related electrical products.	\$5,741,280
36.93%	OF TOTAL NET ASSETS WITH A MARKET VALUE OF	\$81,865,851

*Equity holdings include common stocks and convertible preferred shares and debentures.

INVESTORS MUTUAL OF CANADA LTD.



PERFORMANCE RECORD

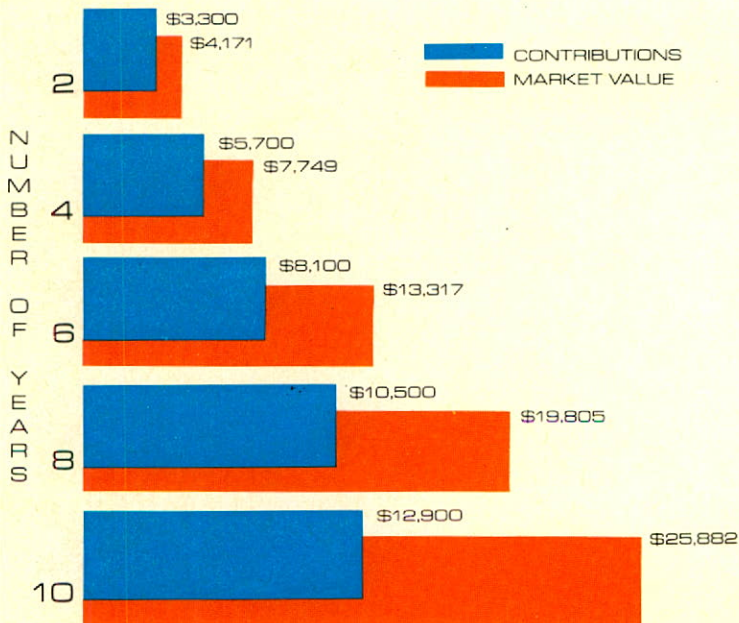
Mutual Fund's objective is to provide shareholders with a reasonable rate of return on their capital, consistent with an aim for long-term capital growth and protection of investment values. These conservative goals are satisfied through a balanced investment portfolio which embraces both fixed income and equity securities as illustrated opposite.

Mutual Fund's price performance is directly related to the changing stock market values of all its investments. Therefore, the price of the shares fluctuates according to market conditions. This normally results in a relatively moderate degree of short term variability. Over the longer term, such fluctuation risks (typical of equity ownership) have been rewarded with above-average rates of return relative to both inflation and to guaranteed alternatives. For example, a \$1,000 Fund account since inception in 1950 has grown at a 9.46% annual rate to \$21,113 with dividends reinvested over the 33 $\frac{3}{4}$ years to the current fiscal year-end. Thus, the Fund earned a substantial premium over both the 4.8% prevailing inflation rate and the 5.6% annual return which could have been earned investing in 90-Day Deposits over the same period.

Shareholders who have enjoyed the most consistent success with Mutual Fund over the years have done so through adding regular sums of money to their account each month, regardless of whether the stockmarket was moving up or down. This "Dollar Averaging" concept, as illustrated in the bar chart, helped to reduce fluctuation risks as more shares were acquired in depressed stock market periods. Thus a low average-per-share cost was associated with enhanced values when conditions improved.

DOLLAR AVERAGING ILLUSTRATIONS

\$1,000 LUMP SUM, THEN \$100 PER MONTH
(8.5% ACQUISITION FEES DEDUCTED)
ACCUMULATED VALUES TO OCTOBER 31, 1983



INVESTORS MUTUAL OF CANADA LTD.

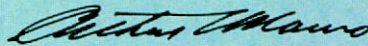
INVESTORS MUTUAL OF CANADA LTD.

STATEMENT OF NET ASSETS

October 31, 1983 with comparative figures for 1982

	1983	1982
ASSETS:		
Investments, at market value in Canadian funds:		
Canadian Government bonds	\$ -	4,312,500
Canadian corporation bonds	2,557,500	2,499,750
United States corporation bonds	-	1,550,130
Canadian preferred stocks	51,394,445	45,888,114
Canadian common stocks	128,033,274	77,479,891
United States common stocks	31,587,787	34,538,741
	<u>213,573,006</u>	<u>166,269,126</u>
<p>The average cost of the investments as at October 31, 1983 was \$173,065,614 (1982-\$164,731,958)</p>		
OTHER ASSETS:		
Bank deposits and cash in transit less outstanding cheques	-	3,039,240
Demand notes	6,292,758	4,591,307
Accrued interest and dividends receivable	796,414	804,071
Due from brokers	1,259,196	-
Income taxes receivable	250,309	-
	<u>8,598,677</u>	<u>8,434,618</u>
Total assets	<u>222,171,683</u>	<u>174,703,744</u>
LIABILITIES:		
Outstanding cheques less bank deposits and cash in transit	102,211	-
Due to brokers	-	2,545,249
Accrued expense	46,117	38,881
Income taxes payable	-	44,213
Accounts payable	371,807	2,407
	<u>520,135</u>	<u>2,630,750</u>
Total liabilities	<u>520,135</u>	<u>2,630,750</u>
NET ASSETS APPLICABLE TO OUTSTANDING SHARES:	<u>\$221,651,548</u>	<u>172,072,994</u>
Represented by:		
Contributed Capital	23,357,054	16,074,452
Undistributed net investment income	238,326	374,667
Undistributed net realized gains from investments	157,548,776	154,086,707
Unrealized appreciation of investments	40,507,392	1,537,168
	<u>221,651,548</u>	<u>172,072,994</u>
Total-representing net assets applicable to outstanding shares	<u>\$221,651,548</u>	<u>172,072,994</u>

See accompanying notes to financial statements.
On behalf of the Board:


Director


Director

STATEMENT OF CHANGES IN INVESTMENTS

Year ended October 31, 1983 with comparative figures for 1982

	1983	1982
Investments at average cost, beginning of year	\$164,731,958	158,200,262
Add cost of investments purchased (note 5)	51,640,333	31,899,979
	<u>216,372,291</u>	<u>190,100,241</u>
Deduct:		
Proceeds from sale of investments (note 5)	52,737,439	33,761,902
Less profit from sale of investments	9,430,762	8,393,619
Cost of investments sold	43,306,677	25,368,283
Investments at average cost, end of year	<u>\$173,065,614</u>	<u>164,731,958</u>

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS

Year ended October 31, 1983 with comparative figures for 1982

	1983	1982
Investment Income:		
Income:		
Dividends	\$10,072,259	10,391,337
Interest	703,197	1,762,437
	<u>10,775,456</u>	<u>12,153,774</u>
Expense: (note 4)		
Management fees	2,327,972	1,427,318
Audit fees	10,744	8,696
Directors fees and expense	15,551	21,241
Custodian fees	31,611	38,481
Postage	34,585	56,014
Other expense	50,266	27,344
	<u>2,470,729</u>	<u>1,579,094</u>
Income before taxes	8,304,727	10,574,680
Income taxes	189,884	504,422
Net investment income (note 2)	<u>\$ 8,114,843</u>	<u>10,070,258</u>
Realized and unrealized gains (losses) from investments (note 1)		
Realized gains (losses) from security transactions		
Profit from sale of investments		
Proceeds from sales	52,737,439	33,761,902
Cost of securities sold	<u>43,306,677</u>	<u>25,368,283</u>
Net realized profit	9,430,762	8,393,619
Loss from foreign exchange	(9,495)	(11,225)
Total realized gains from investment	<u>9,421,267</u>	<u>8,382,394</u>
Unrealized appreciation (depreciation) of investments		
Balance, beginning of year	1,537,168	(1,332,756)
Unrealized appreciation for the year	38,970,224	2,869,924
Balance, end of year	<u>\$40,507,392</u>	<u>1,537,168</u>

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

Year ended October 31, 1983 with comparative figures for 1982

	1983	1982
Net assets, beginning of year	\$172,072,994	165,501,898
Add:		
Net investment income	8,114,843	10,070,258
Profit from sale of investments and from foreign exchange—net	9,421,267	8,382,394
Proceeds from sale of Mutual Fund shares less commission paid	32,708,117	28,727,064
Unrealized appreciation of investments for the year—net	<u>38,970,224</u>	<u>2,869,924</u>
	<u>261,287,445</u>	<u>215,551,538</u>
Deduct:		
Payments on redemption of Mutual Fund shares	25,385,420	18,351,771
Dividends paid from: (note 2)		
Net income	8,291,279	10,029,166
Profit from sale of investments	5,959,198	15,097,607
	<u>39,635,897</u>	<u>43,478,544</u>
Net assets, end of year (note 2)	<u>\$221,651,548</u>	<u>172,072,994</u>

See accompanying notes to financial statements.

STATEMENT OF INVESTMENTS—October 31, 1983

	Par Value	Average Cost	Market Value
CORPORATION BONDS			
Leigh Instruments Limited conv. sub. deb. 13.0% 01-15-92	\$ 900,000	\$ 900,000	\$ 832,500
Royal Bank of Canada 15.5% conv. deb. 12-9-83 ext. 11.25% conv. deb. 12-9-91	1,500,000	1,755,000	1,725,000
TOTAL BONDS		<u>\$2,655,000</u>	<u>\$2,557,500</u>
	No. of Shares	Average Cost	Market Value
PREFERRED STOCK—FIXED			
Anglo-Canadian Telephone Company \$2.65 cum. red. \$50 p.v.	20,000	\$1,000,000	\$545,000
British Columbia Telephone Company 5.15% cum. red. \$100 p.v.	29,815	3,012,255	1,595,102
British Columbia Telephone Company 7.40% cum. red. \$25 p.v.	60,000	1,500,000	1,080,000
British Columbia Telephone Company 8.75% \$25 p.v.	8,000	200,000	168,000
Bank of Montreal \$2.50 Pfd. Class A Series 2 cum. warrants (06-01-1985) \$25 p.v.	40,000	761,652	1,225,000
Carling O'Keefe Limited \$2.65 cum. red. Series B \$50 p.v.	121,995	6,197,024	3,415,860
Celanese Canada Inc. \$1.75 cum. red. \$25 p.v.	20,573	740,729	370,314
Dome Petroleum Limited 7.76% cum. red. Series A \$25 p.v.	50,000	1,175,000	718,750
George Weston Limited 6.0% cum. red. 2nd Series \$100 p.v.	2,800	278,872	177,800
Grafton Group Limited Series A \$3.00 n.p.v.	43,750	1,654,871	1,378,125
Hudson's Bay Company \$1.80 cum. red. Series A \$22.50 p.v.	61,279	1,388,185	1,156,641
Inter-City Gas Corporation 8.25% 1st Pfd. Series B cum. red. \$20 p.v.	41,255	825,100	587,884
Minorco Canada Limited 6% cum. red. Pfd. Series A \$100 p.v.	47,000	4,700,000	2,444,000
Minorco Canada Limited 6.25% cum. red Pfd. Series B \$100 p.v.	2,500	246,250	140,625
Power Corporation of Canada limited 4.75% cum. red. 1st Pfd. Shares 1965 Series \$50 p.v.	90,750	4,310,625	2,869,969
Quebec-Telephone 4.75% cum. red. 1965 Series \$20 p.v.	90,500	1,728,550	905,000
The Royal Bank of Canada \$1.45 1st Pref. Shares Series B cum. red. \$20 p.v.	150,000	2,437,500	2,587,500
The Toronto Dominion \$1.835 1st Pfd Class A cum. red. \$25 p.v.	175,400	4,385,000	3,661,475
United Corporations Limited cum. red. \$1.50 2nd Pfd. 1963 Series n.p.v.	25,225	752,381	378,375
		<u>37,293,994</u>	<u>25,405,420</u>
PREFERRED STOCK—EQUITY			
Canada Development Corporation 8% conv. Class B ret. 10-2-1985 to 10-1-1986	27,850	3,194,842	2,743,225
Hiram Walker Resources Ltd. 7.5% cum. red. conv. Class D 1st Series \$25 p.v.	278,500	7,306,196	7,345,438
Nova, an Alberta Corporation 6.5% cum. red. conv. 2nd Pfd \$25	53,300	1,332,500	1,119,300
Nova, an Alberta Corporation 12% cum. red. conv. 2nd Pfd. \$25 p.v.	105,000	2,606,250	3,438,750
Nu-West Group Limited 8% cum. red. conv. 2nd Pfd. Series A \$20 p.v.	175,000	3,562,198	402,500
Systemhouse Ltd. Series 1 conv. 1st Pfd. Shares	89,500	447,500	469,875
Westmin Resources Limited 8.5% conv. Pfd. Class B Series 1 \$25 p.v.	80,000	2,000,000	2,310,000
		<u>20,449,486</u>	<u>17,829,088</u>
PREFERRED STOCK—RETRACTABLES			
Canadian Imperial Bank of Commerce \$2.50 cum. red. Class A Series 1 ex-warrants ret. before 7-20-87	40,000	1,000,000	1,100,000
Seco-Cemp Limited \$2.25 cum. red. Series A 50% ret. before 8-15-90 & 50% 8-15-95	108,500	2,592,617	2,807,437
Stelco Inc. Series D 10.0% \$25 p.v. cum. red. ret. on 11-01-85 & 11-01-90	57,500	1,437,500	1,552,500
Union Gas Limited 9.875% \$20 p.v. Class B Series 4 ret. on 8-30-90	135,000	2,700,000	2,700,000
		<u>7,730,117</u>	<u>8,159,937</u>
Total Preferred Stock		<u>\$65,473,597</u>	<u>\$51,394,445</u>
COMMON STOCKS			
Metals and Minerals			
Alcan Aluminum Limited	162,000	\$7,029,889	\$7,128,000
Alcan Aluminum Limited Warrants	78,250	496,907	1,359,594
Echo Bay Mines Ltd. Gold Purchase Warrants A 1986	40,000	250,000	192,000
Echo Bay Mines Ltd. Gold Purchase Warrants B 1987	40,000	250,000	174,000
Echo Bay Mines Ltd. Gold Purchase Warrants C 1988	40,000	250,000	170,000
Echo Bay Mines Ltd. Gold Purchase Warrants D 1989	40,000	250,000	176,000
Noranda Mines Limited	161,197	954,847	3,727,680
Placer Development Limited	89,000	2,075,838	1,791,125
Placer Development Limited Warrants	29,500	169,625	151,187
Westmin Resources Limited	122,300	1,723,636	1,773,350
		<u>13,450,742</u>	<u>16,642,936</u>
Gold			
Echo Bay Mines Ltd.	86,400	504,000	723,600
Integrated Oils			
* Atlantic Richfield Company	46,000	2,362,548	2,409,940
Gulf Canada Limited	137,000	542,537	2,260,500
Shell Canada Limited Class A	94,175	544,852	2,271,972
		<u>3,449,937</u>	<u>6,942,412</u>
Oil and Gas Producers			
Bow Valley Industries Ltd.	227,400	1,970,798	5,315,475
* Kerr-McGee Corporation	60,000	2,965,696	2,329,800
Norcen Energy Resources Limited voting ordinary	87,100	595,325	1,502,475
Norcen Energy Resources Limited non-voting ordinary	87,100	595,325	1,491,588
Numac Oil and Gas Ltd.	75,000	2,334,971	1,856,250
Precambrian Shield Resources Limited	181,600	1,191,189	1,203,100
		<u>9,653,304</u>	<u>13,698,688</u>

COMMON STOCKS, continued

	No. of Shares	Average Cost	Market Value
Oil Well Equipment and Services			
* Schlumberger Limited	33,750	2,010,926	2,173,804
Transportation			
* Burlington Northern Inc.	30,000	1,257,769	3,919,980
Canadian Pacific Limited	77,950	984,945	3,663,650
		2,242,714	7,583,630
Natural Resources-Other			
Canada Development Corporation	14,900	193,864	111,750
Distilleries			
The Seagram Company Ltd.	128,250	2,410,367	5,707,125
Consumer Products-Misc.			
Rothmans of Pall Mall Canada Limited	70,000	2,502,500	3,115,000
Communication and Media			
Maclean Hunter Limited Class X	127,000	1,005,125	2,032,000
Maclean Hunter Limited Class Y	73,552	962,292	1,149,250
		1,967,417	3,181,250
Merchandising			
Grafton Group Limited Class A	122,400	1,843,579	2,386,800
Banks			
Bank of Montreal	100,000	2,331,545	2,712,500
Canadian Imperial Bank of Commerce	239,700	3,190,668	7,370,775
The Royal Bank of Canada	216,150	3,794,114	6,862,763
The Royal Bank of Canada Warrants	75,000	562,500	487,500
The Toronto Dominion Bank	365,170	712,926	6,116,597
		10,591,753	23,550,135
Insurance and Financial Services			
* Safecard Services, Inc.	25,000	867,558	427,600
Utilities			
Bell Canada Enterprises Inc.	425,575	8,505,542	12,660,856
Pipelines			
TransCanada PipeLines Limited	140,343	1,614,584	3,841,890
Steel			
Amca International Limited	297,400	5,934,527	6,431,275
Dofasco Inc. Class A	37,252	526,283	1,969,699
Stelco Inc. Series A	110,000	2,752,500	2,860,000
Stelco Inc. Warrants	15,000	95,625	90,000
		9,308,935	11,350,974
Electrical			
* General Electric Company	90,000	5,496,059	5,741,280
Chemicals			
Dupont Canada Inc. Class A	115,975	5,943,800	3,841,672
* Union Carbide Corporation	38,100	1,772,319	3,058,668
		7,716,119	6,900,340
Industrial Products-Misc.			
Magna International Inc. Class A	130,000	968,500	1,722,500
Telecommunications			
Northern Telecom Limited	182,100	3,453,779	9,173,288
Computer and Related			
Geac Computer Corporation Limited	90,000	1,681,250	2,137,500
* International Business Machines Corporation	60,628	3,512,570	9,463,485
Nabu Manufacturing Corporation	108,500	1,540,875	520,800
Orcatech Inc. Warrants	77,500	116,250	375,875
Orcatech Inc.	155,000	791,562	1,298,125
Systemhouse Ltd. Class A	179,000	2,108,867	349,050
		9,751,374	14,144,835
Growth-Other			
Lumonics Inc.	189,900	3,706,896	5,435,888
Siltronics Ltd. Units	65,000	357,500	341,250
		4,064,396	5,777,138
Miscellaneous			
* I.U. International	65,000	2,369,068	2,063,230
Total Common Stock		<u>\$104,937,017</u>	<u>\$159,621,061</u>
		<u>\$173,065,614</u>	<u>\$213,573,006</u>
NET ASSETS:			
Total investments			\$213,573,006
Investment rated demand notes			6,292,758
Cash and other net assets			1,785,784
Total Net Assets			<u>\$221,651,548</u>

*United States Investments

NOTES TO FINANCIAL STATEMENTS—October 31, 1983

1. Summary of Significant Accounting Policies:

- The accounting policies of the company conform with accounting policies followed in the mutual fund industry. The significant policies are summarized below:
- Investments are recorded at market value which is substantially established by the closing sale price for trading on the Toronto Stock Exchange or alternatively the recognized exchange on which the security is listed or principally traded.
 - Demand notes are not considered to be portfolio investments and are therefore excluded from the statement of changes in investments.
 - Foreign currency amounts included in the financial statements have been expressed in Canadian dollars on the following basis:
 - investments, other assets and liabilities at the rate of exchange at the fiscal year end
 - income, expense, purchases and sales of investments at the rate of exchange prevailing on the respective dates of such transactions.
 - realized gains and losses on foreign exchange are reflected in the Statement of Operation. Unrealized gains and losses on foreign exchange are included in unrealized appreciation of investments.
 - Dividend income is recognized at the time the security trades on an ex-dividend basis.
 - The company is a mutual fund corporation which qualifies as an investment corporation as defined in the Income Tax Act (Canada). Income taxes are calculated on the "taxes payable" basis. Taxes payable on realized net capital gains are recoverable because of capital gains redemptions of Mutual Fund shares or by the payment of capital gains dividends. Such taxes and their recovery have no effect on net income or net assets and accordingly are netted in the accompanying financial statements.

2. Per share information:

Net asset value, average net income, source of dividends paid per share and average management fees and other expense information is given below:

	1983	1982	1981	1980	1979
The net asset value per share at October 31	\$ 7.62	6.14	6.28	7.62	6.46
The average net income per share	\$.283	.362	.348	.432	.329
The source of dividends paid per share:					
Net income	\$.290	.360	.355	.440	.330
Profit from sale of investments	\$.215	.580	.675	.165	-
Total dividends per share	\$.505	.940	1.030	.605	.330
The average percentage of management fees and other expense to average net assets:					
Management fees	%1.13	.91	.88	.88	.89
Other expenses	.07	.10	.05	.04	-
	%1.20	1.01	.93	.92	.89

Per share calculations were made as undernoted:

- Net asset value—on the number of shares outstanding at the end of the fiscal year.
- Net income—on the average of the number of shares outstanding at each month end during the fiscal year.
- Source of dividends—on the number of shares outstanding at the date of record for the dividends paid during the fiscal year.
- Average management fees and other expense—on the average of the net asset value determined at the end of each business day in the fiscal year.

3. Shares outstanding:

	1983	1982
Mutual Fund shares outstanding, beginning of year	28,031,908	26,356,611
Add (deduct):		
Mutual Fund shares sold in year	4,553,095	4,941,727
Mutual Fund shares redeemed in year	(3,501,498)	(3,266,430)
Mutual Fund shares outstanding, end of year	29,083,505	28,031,908
Common shares outstanding, beginning of year	3,000	3,000
Common shares outstanding, end of year	3,000	3,000
Total shares outstanding, end of year	29,086,505	28,034,908

4. Management fees and other expense:

- Investors Securities Management Ltd. is the investment manager and in consideration of the management fee provides investment, advisory and administrative services.
- The Investment Management and Service Agreement was amended effective February 14, 1980 and provides for certain expenses to be paid by the company; the agreement was further amended effective March 17, 1983 increasing the monthly fee to $\frac{9}{16}$ of 1% of the average net assets from $\frac{1}{12}$ of 1% of the first \$100,000,000 of the average net assets and $\frac{1}{16}$ of 1% of the average net assets in excess of \$100,000,000.
- Other expense comprises printing, stationery and miscellaneous.
- The management fees and other expense ratio may vary from mutual fund to mutual fund.

5. Brokers' commissions:

Total commissions paid to brokers in connection with portfolio transactions for the year ended October 31, 1983 amounted to \$198,890 (1982-\$171,280). During the year ended October 31, 1983, the Manager acted as an agent in connection with sales of \$8,669,724 (1982-Nil) and purchases of \$4,391,713 (1982-\$1,725,000) of portfolio securities between the company and other Investors Mutual Funds or Pooled Trusts of which it is the manager. The transactions were at market value with normal terms of settlement. No commission was paid on these transactions.

6. Portfolio transactions:

A statement of portfolio transactions (unaudited) for the year ended October 31, 1983 will be provided, without charge, by writing to:

Investors Mutual of Canada Ltd.
280 Broadway, Winnipeg, Manitoba
R3C 3B6

- Certain prior year comparative figures have been reclassified to conform with the current year's presentation.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the statement of net assets of Investors Mutual of Canada Ltd. as at October 31, 1983 and 1982 and the statements of operations, changes in net assets and changes in investments for the two years then ended. We have also examined the statement of investments as at October 31, 1983. Our examinations were 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 financial statements present fairly the financial position of the company as at October 31, 1983 and 1982, the investments of the company as at October 31, 1983 and the results of its operations and the changes in its net assets and investments for the two years ended October 31, 1983 in accordance with generally accepted accounting principles applied on a consistent basis.

Peat, Marwick,
Mitchell & Co.
Winnipeg, Canada
December 14, 1983
Chartered
Accountants

Current Prospectus

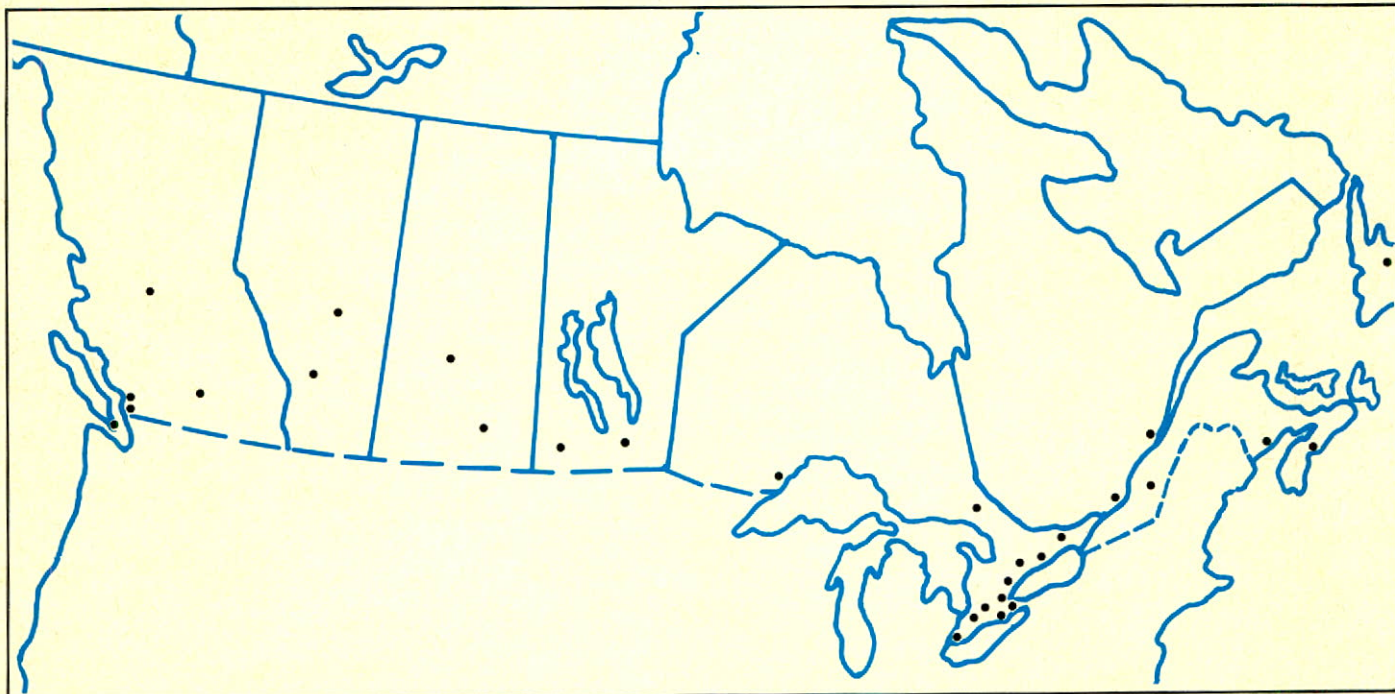
Upon request made to the Company any shareholder is entitled to receive a copy of the Company's current prospectus.

Dividend Reinvestment

By notice to the Company a shareholder may terminate any authorization given providing for automatic reinvestment of income or capital gains dividends.

Investors

FINANCIAL PLANNING CENTRES



BRITISH COLUMBIA

- **Kelowna**
217-1626 Richter Street
(604) 762-3329
- **New Westminster**
300-403 Sixth Street
(604) 526-3725
- **Prince George**
696 Brunswick Street
(604) 564-2310
- **Vancouver**
789 West Pender Street
(604) 682-5431
- **Victoria**
707 Fort Street
(604) 388-4234

ALBERTA

- **Calgary**
7015 MacLeod Trail S
(403) 259-5192
- **Calgary**
1610-37th St. S.W.
(403) 249-4351
- **Edmonton**
9109-82nd Avenue
(403) 468-1658
- **Edmonton**
4445 Calgary Trail, South
(403) 437-6560

SASKATCHEWAN

- **Regina**
1570-2002 Victoria Avenue
(306) 527-3511
- **Saskatoon**
406-21st Street East
(306) 653-3207

MANITOBA

- **Brandon**
151-8th Street
(204) 727-0488
- **Winnipeg**
101-310 Broadway
(204) 956-0480
- **Winnipeg**
1120 Grant Avenue
(204) 284-0570

ONTARIO

- **Hamilton**
220 Main Street West
(416) 529-7165
- **Kingston**
259 King Street East
(613) 542-4941
- **Kitchener**
1001-20 Erb Street West
(519) 886-2360
- **London**
200-401 Clarence St.,
(519) 679-8993

- **North Bay**
1221 Algonquin Avenue
(705) 472-4731

- **Oakville**
610-700 Dorval Dr.
(416) 842-4630

- **Ottawa**
441 MacLaren Street
(613) 238-1551

- **Peterborough**
197 George Street N.
(705) 876-1282

- **St. Catharines**
89 St. Paul Street
(416) 682-7292

- **Thunder Bay**
581 Red River Rd.
(807) 345-6363

- **Toronto**
301-40 Wynford Drive
(416) 449-0600

- **Toronto**
204-1210 Sheppard Avenue E.
(416) 491-7400

- **Toronto**
304 The East Mall
(416) 236-2564

- **Windsor**
500 Riverside Drive West
(519) 258-3940

QUEBEC

- **Montreal**
1303 Greene Avenue, Westmount
(514) 935-3553
- **Montreal**
1 Place Du Commerce,
Ile des Soeurs
(514) 766-7736
- **Quebec City**
1301, Chemin Ste-Foy
(418) 681-4666
- **Sherbrooke**
3-2355 King Street West
(819) 566-0666

NEW BRUNSWICK

- **Saint John**
93 Prince William Street
(506) 652-8930

NOVA SCOTIA

- **Halifax**
6960 Mumford Road
(902) 423-8294

NEWFOUNDLAND

- **St. John's**
136 Crosbie Road
(709) 753-4300

THE INVESTORS GROUP

The Investors Group, with assets in excess of twelve billion dollars under the management or administration of its various subsidiaries, is one of Canada's largest financial institutions. The major operating subsidiaries of the Company, named here, provide a full range of financial services and planning to individuals and corporations.

INVESTORS SYNDICATE LIMITED

- Investment contract issuer and distributor.
- Distributor of investment funds, pension services, life and disability income insurance, and annuities.
- Personal financial planning.

INVESTORS SECURITIES MANAGEMENT LTD.

- Investment management and administration for securities-based Investors investment funds.
- Advisory services for pension fund portfolios.

INVESTORS SYNDICATE REALTY LIMITED

- Mortgage funding and servicing.
- Investment management for Investors Mortgage Fund.

INVESTORS GROUP TRUST CO. LTD.

- Pension plan consulting, design and administration.
- Trustee and custodianship services for tax sheltered investment plans.

THE GREAT-WEST LIFE ASSURANCE COMPANY

- Individual life insurance, health insurance and annuities.
- Group employee benefit plans.

MONTREAL TRUST COMPANY

- Savings depository, investment and estate and agency operations for individuals.
- Stock transfer, bond trustee, pension trust and depository services for corporations.

Investors

SYNDICATE LIMITED

HEAD OFFICE: 280 Broadway, Winnipeg, Manitoba R3C 3B6 (204) 943-0361

▲ MEMBER OF THE INVESTMENT FUNDS INSTITUTE OF CANADA