THE
Investors
GROUP

Thirty-third annual report for the year nineteen hundred & seventy-three

Offices of Investors Syndicate Limited, The Great-West Life Assurance Company and Montreal Trust Company

Legend:

- ▲ Investors Syndicate Limited
- ● The Great-West Life Assurance Company
- ■ Montreal Trust Company

Overseas Locations of Montreal Trust

Hamilton, Bermuda
Nassau, Bahamas
Hong Kong
London, England

The Investors Group

Incorporated by Special Act of the Legislature of the Province of Manitoba

Principal Operating Companies

Investors Syndicate Limited
Investors Securities Management Ltd.
The Western Savings and Loan Association
Investors Syndicate Realty Limited
Investors Group Trust Co. Ltd.
The Great-West Life Assurance Company (50.1% owned)
Montreal Trust Company (50.5% owned)

Mutual Funds

Investors Mutual of Canada Ltd.
Investors Growth Fund of Canada Ltd.
Investors International Mutual Fund Ltd.
Investors Japanese Growth Fund Ltd.
Investors Retirement Mutual Fund
Investors Mortgage Fund
Provident Mutual Fund Ltd.
Provident Stock Fund Ltd.

Auditors

Deloitte, Haskins & Sells

Transfer Agent

Montreal Trust Company

Head Office

280 Broadway,
Winnipeg, Manitoba
R3C 3B6

Highlights

	1973	1972	Change
Consolidated earnings before extra-ordinary items and after deducting preferred dividends	$ 14,125,000	$ 10,409,000	+ 35%
Earnings per common and common Class A share	$1.15	85¢	+ 35%
Total dividends paid to common and common Class A shareholders	$ 5,537,000	$ 4,917,000	+ 13%
Dividends paid per share	45¢	40¢	+ 13%
Preferred dividends paid	$ 2,000,000	$ 2,000,000	—
Consolidated assets	$584,208,000	$ 549,194,000	+ 6%
Mutual Fund assets	979,823,000	1,112,046,000	− 12%
Trust Company pension assets	319,161,000	318,070,000	—
Certificate liabilities	414,757,000	389,783,000	+ 6%
Shareholders' equity	$ 138,266,000	$ 129,667,000	+ 7%

Board of Directors

Norman J. Alexander,*
Winnipeg
Investment Consultant

C. E. Atchison,*
Winnipeg
Vice-Chairman of the Board

W. J. Bennett,
Montreal
President, Iron Ore Company of Canada

A. H. Brawner,*
New York
President and Chief Executive Officer, Bank of America, New York

J. W. Burns,
Winnipeg
President and Chief Executive Officer, The Great-West Life Assurance Company

Peter D. Curry,*
Montreal
President and Chief Operating Officer, Power Corporation of Canada, Limited

Paul Desmarais,*
Montreal
Chairman and Chief Executive Officer, Power Corporation of Canada, Limited

J. C. Gilmer,†
Vancouver
President and Chief Executive Officer, CP Air

Robert H. Jones,*
Winnipeg
President and Chief Executive Officer

Fred P. Mannix,
Calgary
President, Loram Holdings Ltd.

Paul B. Paine, Q.C.,*
Montreal
President and Chief Executive Officer, Montreal Trust Company

Jean Parisien,†
Montreal
Senior Deputy Chairman, Power Corporation of Canada, Limited

A. Ross Poyntz,
Toronto
Chairman of the Board, The Imperial Life Assurance Company of Canada

R. W. Purcell,
New York
Business Consultant, Rockefeller Family and Associates

A. C. Rice,
San Francisco
Executive Vice-President, Bank of America NT & SA

W. I. M. Turner, Jr.,
Montreal
President and Chief Executive Officer, Consolidated-Bathurst Limited

G. J. van den Berg,†
Montreal
Company Director

* *Member of the Executive Committee*
† *Member of the Audit Committee*

Executive Officers

Peter D. Curry,
Chairman of the Board

Robert H. Jones,
President and Chief Executive Officer

C. E. Atchison,
Vice-Chairman of the Board

Donald J. McDonald,
Executive Vice-President

D. C. Bjarnason,
Secretary and Counsel

D. E. Rettie,
Treasurer

President's Report to Shareholders

On behalf of the Board of Directors I am pleased to present the Company's 33rd Annual Report together with the consolidated financial statements for the year ended December 31, 1973.

The consolidated earnings from operations for the year ended December 31, 1973 amounted to $16,125,207 compared with $12,409,668 for the prior year. After deduction for dividends on the Company's outstanding preferred stock the consolidated earnings per common and common Class A shares were $1.15. The 1972 comparative result was 85 cents per share. This represents an increase of 35% in 1973 over 1972.

The consolidated financial statements include the accounts of The Investors Group and its wholly-owned subsidiaries and Investors' share of the earnings of The Great-West Life Assurance Company and Montreal Trust Company, subsidiary companies in which Investors has a majority share interest.

While the earnings results for 1973 were favourable, the economic climate existing for a large part of the year was unsettled. After a promising beginning early in the year and a short recovery period in September and October, North American and other free world stock markets suffered from uncertainty caused by a series of seemingly unrelated events. Markets immediately reflected adversity and yet paid little attention to very impressive earnings increases reported by a large number of corporations and to other favourable factors. The rate of inflation in the western world increased sharply in 1973 and there seemed to be an increasing acceptance of its inevitability rather than a search for corrective measures. It is encouraging that under these conditions the demand for the many financial services offered by the Group's subsidiary companies increased. The review of operating results and the separate sections dealing with the activities of the principal operating companies shown in the following pages of this report detail the contribution of each to the total results.

Traditionally our mortgage underwriting, funding and servicing operations have been directed mainly towards the investment of our own corporate funds. In the seventies, interest in mortgage investments has widened considerably and individuals and institutions not previously involved are including mortgages in their investment programs. During 1973 all of the Group's mortgage activities were transferred to Investors Syndicate Realty Limited. This company now offers a full mortgage service to the Group's wholly-owned subsidiaries and to outside clients.

The development and implementation of improved corporate budgeting and planning processes was given greater emphasis in each of the principal operating companies during the year. Good performance in these areas is essential to the planned growth of the Company. A high priority is afforded these important functions by the management of each of the companies.

A semi-annual dividend of 25 cents per share on the common and common Class A shares was paid on October 1, 1973. This was an increase of 5 cents per share over the previous semi-annual dividend rate. Subsequently the Board of Directors agreed to consider dividends on a quarterly rather than a semi-annual basis. Following this new policy, quarterly dividends of 12½ cents per share on the common and common Class A shares were declared payable on February 1 and May 1, 1974.

In August 1973, the management of the Company was strengthened by the appointment of Mr. Donald J. McDonald to the office of Executive Vice-President.

The uncertainties of 1973 referred to earlier in this report continue in the early months of 1974. While Canada is in a relatively strong position because of its energy resources, we cannot escape entirely the adverse effects the world energy crisis will have on the economies of our largest trading partners. As the free world adjusts to the new realities of more costly fuel and energy there will be disruptions and adjustments in world trading patterns. While we believe the adjustment period will be short term in nature, it renders uncertain any meaningful forecast of Canada's immediate growth prospects.

Taking a longer view Canada's prospects are most favourable. Our renewable and non-renewable natural resource industries are capable of responding to increasing domestic and foreign demand. By the end of this decade Canada should be well into its largest capital spending program on resource oriented projects. Our operating subsidiaries are well equipped to play an important role in marshalling the savings required to finance these vast undertakings.

The increasing complexity of financial planning is resulting in a growing need for innovative kinds of financial services to corporations and individuals. To meet these demands requires substantial personnel and capital resources. The major thrust of the Company in recent years has been directed to expanding the operating base and diversifying the main sources of income. Our progress toward these goals has favourably positioned The Group and its principal operating companies and we look forward with confidence to the challenges and opportunities which lie ahead.

The Directors join me in expressing our appreciation to the staff and sales representatives of the companies making up The Investors Group for their valued contribution during the past year.

ROBERT H. JONES,
President.

March 15, 1974

The Investors Group

Through its principal operating companies, The Investors Group provides a broad range of financial services to individuals and corporations. Investors Syndicate Limited, Investors Securities Management Ltd., Investors Group Trust Co. Ltd. and Investors Syndicate Realty Limited offer a wide choice of investment contracts, mutual funds, registered retirement savings plans, pension services and mortgage facilities. The Great-West Life Assurance Company and Montreal Trust Company offer respectively a full line of individual and group life insurance products and a complete range of personal and corporate trust services. The diversity of services and products offered through various operating subsidiaries promotes year to year stability in the consolidated financial results of the Company.

Review of Operating Results

Consolidated income from operations increased 30% over 1972 to $16,125,207. The accompanying graph identifies the sources of this income in 1973 and the growth and relative contribution to earnings of each over the past five years. Prior to 1969, the major sources of the Company's operating income were the investment certificate operations of Investors Syndicate Limited and The Western Savings and Loan Association, mutual fund distribution and the investment management operation now performed by Investors Securities Management Ltd. Majority interests were acquired in The Great-West Life Assurance Company in 1969 and in Montreal Trust Company in 1973. The Company's share in the earnings of both of these companies has had a significant effect on the overall earnings results and should play a major role in earnings growth in the future.

Consolidated income from investment certificates is made up primarily from the certificate operations of Investors Syndicate Limited and of The Western Savings and Loan Association. Despite a significant increase in certificate disbursements over 1972, a higher level of single payment certificate sales produced an overall net cash inflow and contributed to a 6% increase in consolidated certificate liabilities. A material improvement in net income from certificate operations was achieved in 1973 through the investment of available cash in higher yielding mortgages and bonds.

Income from management and distribution operations is derived principally from mutual fund activities. While a moderate gain in income was recorded in the distribution of funds, the major part of the increase in management and distribution income over 1972 was due to improved investment management fee income.

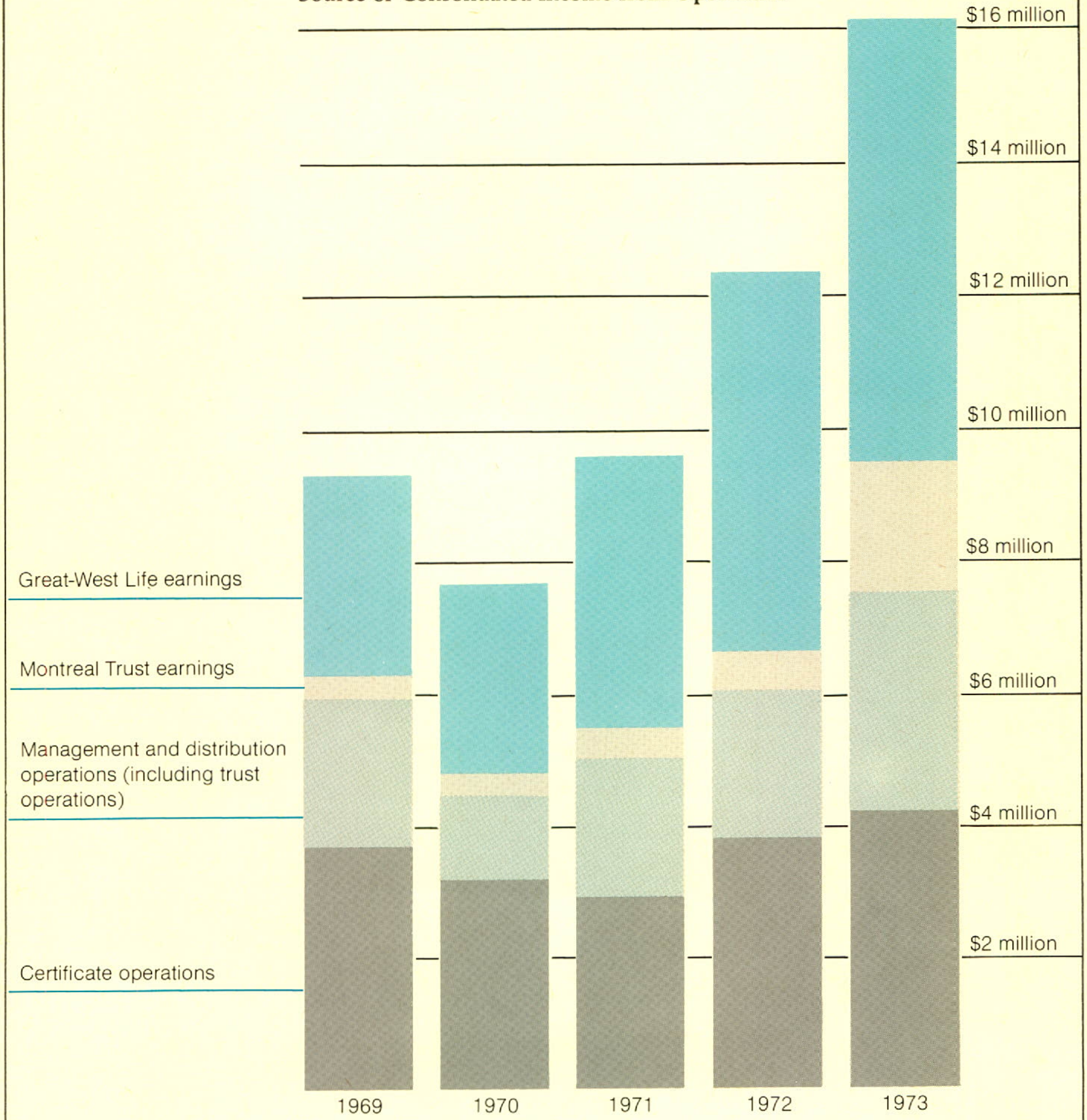
A separate commentary on the 1973 operations of each of the principal operating subsidiaries of the Company is included in this report. Separate reports are not included with respect to the unconsolidated operations of the parent company and certain minor wholly-owned subsidiaries since the combined results of such operations are not material. For this reason and because intercompany charges between the wholly-owned subsidiaries for various services are eliminated in producing the consolidated statements, individual detail in the summary operating statements of the principal wholly-owned subsidiaries cannot be reconciled with the Consolidated Statement of Income. It should be noted that the transfer of the operations of the mortgage department of Investors Syndicate Limited to Investors Syndicate Realty Limited has not been taken into account in the separate statements for these two companies in order to retain a valid year to year comparison of operating results.

With the acquisition of a majority interest in Montreal Trust Company early in 1973, the Company has included $2,127,105 in consolidated income representing its share of Montreal Trust's 1973 earnings on an equity basis. In 1972, consolidated income included Montreal Trust earnings only to the extent of dividends received. The inclusion of Montreal Trust earnings on an equity basis increases 1973 consolidated income by $1,086,619 or 9¢ per share.

The operating results of The Great-West Life Assurance Company are an important factor in determining the income of the Company. The Investors Group share of earnings of Great-West Life has been calculated as follows:

	1973	1972
Net income of Great-West Life attributable to shareholders	$13,567,489	$11,727,777
Deduct: Dividends received on Investors Group common shares	373,750	260,000
	$13,193,739	$11,467,777
Investors Group share of earnings—50.1%	$ 6,610,063	$ 5,745,356

Source of Consolidated Income from Operations



	1969		1970		1971		1972		1973	
Share of Great-West Life earnings	$3,142	33%	$2,925	37%	$4,141	43%	$ 5,745	47%	$ 6,610	42%
Share of Montreal Trust earnings	348	4	319	4	406	4	584	5	2,127	13
Management and distribution operations (including trust operations)	2,318	24	1,302	17	2,117	22	2,273	18	3,365	21
Certificate operations	3,746	39	3,293	42	3,078	31	3,905	31	4,439	27
Less interest on bank loan (net of tax)	—	—	—	—	—	—	(98)	(1)	(416)	(3)
	$9,554	100%	$7,839	100%	$9,742	100%	$12,409	100%	$16,125	100%

Investors Syndicate Limited

Robert H. Jones,
Chairman

J. N. W. Budd,
President

A. S. Jackson,
Executive Vice-President

L. E. Barnabe,
Vice-President—Marketing

R. L. Friend,
Vice-President—Investments

H. W. Middlestead,
Vice-President and Treasurer

G. L. F. Riddell,
Vice-President and Secretary

G. H. Harley,
Regional Vice-President, Manitoba, Saskatchewan and Atlantic Provinces

M. A. Maidlow,
Regional Vice-President, Ontario

S. J. McLeod,
Regional Vice-President, Quebec

R. M. Young,
Regional Vice-President, British Columbia and Alberta

Investors Syndicate Limited is an investment contract company distributing both instalment and single payment investment certificates. The company is also a distributor of mutual funds and many of its representatives are dually licensed to sell annuities and other life insurance products underwritten by The Great-West Life Assurance Company.

The maturity value of investment contract sales was comparable to that attained a year ago. The face value of new instalment contracts sold during the year declined to $79 million from $90 million in 1972. Single payment certificate sales rose from $100 million to $112 million over the same period. The total maturity value of all certificates in force increased 9% to $895 million at December 31, 1973.

Mutual fund cash sales were substantially higher in 1973 at $83 million while commitments under instalment purchase plans sold during the year amounted to $58 million. The comparable amounts a year ago were $55 million and $61 million respectively. These sales figures include both equity and fixed income funds distributed by the company.

Annuities placed during the year amounted to $16 million compared to $14 million in 1972. Sales of life insurance products totalled $40 million, down modestly from the $42 million recorded a year ago.

A new mutual fund, Investors Mortgage Fund, was introduced to the market in late October. The assets of this fund will be comprised primarily of first mortgages on selected Canadian properties. The fund enjoyed a favourable reception and by year-end its assets had grown to $20 million.

The investment contracts issued by the company, the shares of Investors Retirement Mutual Fund and the shares of Investors Mortgage Fund are qualified for registered retirement savings plans. The amount of new business in the registered retirement savings plan area was up substantially during the past year and contributed significantly to the overall sales improvement.

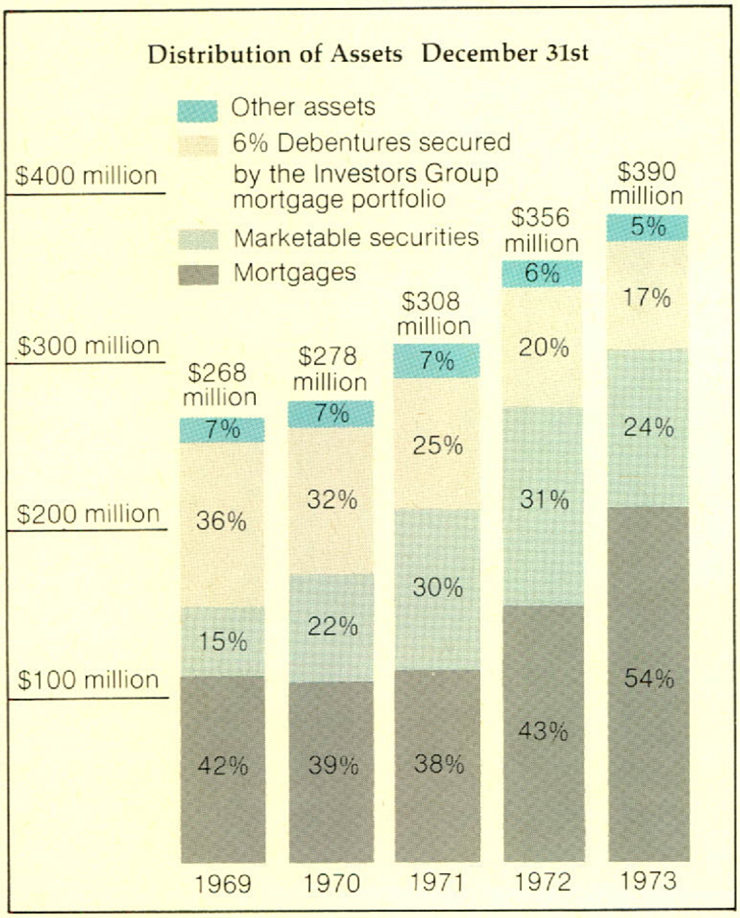
Net income in 1973 was strongly ahead of last year. All areas of the company's operations contributed to this performance with certificate operations and administrative services being of particular significance. As shown in the accompanying graph there was substantial growth in total assets along with the investment of a larger proportion of assets in higher yielding mortgages. These two factors were instrumental in producing higher income from the certificate end of the business. Administrative services consist of functions carried out on behalf of the wholly-owned subsidiaries of The Investors Group. During the past year the demands for these services from other companies within the Group were markedly higher.

In addition to the new mortgage fund there were other important initiatives taken in 1973. As mentioned in last year's annual report the company distributed shares of Investors Growth Fund in Japan during the month of January. A further distribution in that country was undertaken last September. The volume of business in Japan has been most satisfactory but the company's progress in its marketing efforts in West Germany was disappointing. Current economic and monetary difficulties, compounded by rising oil costs, suggest that prospects for expanded fund sales in overseas markets are not encouraging over the near term.

A second initiative during the year was the design of a new Data Base Computer System. The hardware for the new system will be installed late in 1974 and it is expected that the system will gradually come on line and be fully operational some time during 1975. The resultant improvement in the administrative capacity and the flexibility of the system will facilitate more comprehensive servicing of client accounts and a more efficient functioning of services provided other wholly-owned subsidiaries within the Group.

The third major initiative during the past year was a special training program undertaken by a cadre of employee benefit consultants drawn from within the sales organization. The growing demand for services in the tax sheltered benefit field is being accompanied by increased complexity of the products responsive to these demands. The specialized training undertaken by this group should be reflected in a growing volume of business. Representatives receiving this special training are located at our regional offices.

The company has a broadly diversified product range and its sales organization has consistently demonstrated the ability to sell a balanced program of financial services. These strengths should stand the company in good stead during the coming year and it is anticipated that total sales will again show an increase.



Investors Syndicate Limited
Summary Operating Statement (000 omitted)

	1973	1972
Certificate Operations		
Income:		
Investment income	$27,235	$22,416
Service fees	2,162	2,039
	29,397	24,455
Expenses:		
Certificate interest costs	12,432	10,755
Additional credits to certificates	4,760	4,031
Operating expenses	5,875	5,105
	23,067	19,891
Income from certificate operations	6,330	4,564
Income from distributorship services	636	549
Income from administrative services	743	191
Net operating income	7,709	5,304
Income taxes	3,360	2,078
Net income	$ 4,349	$ 3,226

Investors Syndicate Realty Limited

C. E. Atchison,
Chairman

L. D. McMurray,
President

D. C. Chapman,
Treasurer

A. H. Ross,
Secretary

In 1973, the operations of the mortgage department of Investors Syndicate Limited were transferred to the company. Investors Syndicate Realty Limited is now responsible for all of the mortgage functions for The Investors Group and each of its wholly-owned subsidiaries. In addition the company offers a full mortgage service to outside clients.

During the year the company was appointed investment manager of Investors Mortgage Fund. Investors Mortgage Fund shares were initially offered in late October 1973 and by the end of the year its assets were approximately $20 million. From this encouraging beginning, it is expected that Investors Mortgage Fund will show continuing gains. Management fees from this source will provide a stable area of income growth for the company in future years.

New mortgage production for 1973 obtained through the branch offices and mortgage correspondents totalled $109.1 million representing 1,700 loans. This record production exceeds 1972 operations by $28.2 million. At year end the company was responsible for the servicing of 16,800 mortgage loans contained in portfolios valued at $399 million.

Income from insurance premiums and commission from real estate sales, while not an important part of the company's overall business, showed an increase of about 11% over the previous year. During the current year, the management of the company will explore the desirability of expansion in these two areas.

The improvement in the company's net income was primarily the result of increased volume of mortgage loan activity. Its extent was lessened because of increased costs in staffing necessitated by the company's broadened base. This investment in qualified people should make improved profits possible in future years.

Referring specifically to the outlook for 1974, residential housing starts likely will not equal those of last year but an increase in new construction in Canada in 1974 is nevertheless anticipated due to a greater volume of commercial building. The prospect of a strong demand for mortgage financing and the expected requirements of the companies within the Investors organization and its outside clients suggest that 1974 will be another year of heavy mortgage activity for the company.

Investors Syndicate Realty Limited
Summary Operating Statement (000 omitted)

	1973	1972
Income:		
Mortgage fees	$597	$509
Insurance and real estate commissions	106	95
Other income	126	91
	829	695
Operating expenses	393	337
Net operating income	436	358
Income taxes	227	170
Net income	$209	$188

The Investors Group and Consolidated Subsidiary Companies
Consolidated Financial Statements

Consolidated Statement of Income

for the year ended December 31, 1973

	1973	1972
Investment Certificate Operations:		
Income from investments	$32,505,934	$28,338,566
Service fees	2,090,757	1,945,684
	34,596,691	30,284,250
Less Investment Certificate Interest Costs and Expenses:		
Interest on certificate liabilities	15,218,309	13,766,740
Additional credits to certificates	4,949,814	4,194,794
Operating expenses	6,746,493	5,983,334
	26,914,616	23,944,868
Income from Investment Certificate Operations	7,682,075	6,339,382
Management and Distribution Operations:		
Management and distribution fees	16,331,938	12,395,445
Less operating expenses	9,628,929	8,092,044
Income from Management and Distribution Operations	6,703,009	4,303,401
Income from Trust Operations	237,577	235,438
Total Income before Undernoted Items	14,622,661	10,878,221
Interest on Bank Loan	867,740	194,658
Provision for Income Taxes	6,366,882	4,603,668
	7,388,039	6,079,895
Share of Earnings of Unconsolidated Subsidiaries:		
The Great-West Life Assurance Company (Note 2)	6,610,063	5,745,356
Montreal Trust Company (Note 3)	2,127,105	584,417
Income from Operations before Extraordinary Items	16,125,207	12,409,668
Net Gain on Investments	741,854	397,263
Share of Net Gain on Investments— Montreal Trust Company	100,784	—
Net Income for the Year	$16,967,845	$12,806,931
Earnings per Share after deducting dividends on preferred stock (Note 7)		
—Before extraordinary items	$1.15	$ .85
—After extraordinary items	$1.22	$ .88

The accompanying notes are an integral part of the financial statements.

Consolidated Balance Sheet
as at December 31, 1973

Assets	1973	1972
Cash and Investments:		
Cash and temporary investments	$ 20,194,358	$ 26,300,176
Marketable securities—at cost and accrued income, market value $101,463,848 (1972—$113,016,948)	112,729,750	118,430,286
First mortgages on real estate—at cost and accrued interest receivable	316,368,213	278,144,756
Real estate—at cost less accumulated depreciation $814,404 (1972—$793,016)	2,231,436	2,809,299
Loans to certificate holders—not exceeding cash surrender values	13,142,979	12,673,094
	464,666,736	438,357,611
Investment in Unconsolidated Subsidiaries:		
The Great-West Life Assurance Company (Note 2)	80,346,037	75,221,195
Montreal Trust Company (Note 3)	27,792,935	24,048,150
Office Premises—at cost less accumulated depreciation $3,723,227 (1972—$3,555,344)	4,315,076	4,592,691
Accounts and Notes Receivable	2,248,857	2,493,609
Advance to Trustee under Employee Stock Purchase Plan	1,384,341	1,253,609
Other Assets	2,687,975	2,460,672
Excess of Cost of Shares of Consolidated Subsidiaries over Book Value of Net Assets at Dates of Acquisition	766,291	766,291
	$584,208,248	$549,193,828

Liabilities and Shareholders' Equity	1973	1972
Certificate and Other Liabilities:		
Certificate liabilities (Note 4)	$414,756,791	$389,783,448
Bank loan (Note 5)	9,000,000	10,000,000
Tax deposits on mortgages	6,839,724	6,299,676
Income taxes payable	859,344	959,043
Dividends payable (Note 6)	2,039,317	500,000
Other liabilities	7,255,720	6,372,870
	440,750,896	413,915,037
Income Deferred to Future Years	1,144,179	1,074,171
Deferred Income Taxes	4,046,971	4,538,006
Shareholders' Equity (Note 6):		
Capital stock:		
Authorized—1,600,000 5% cumulative preferred shares of a par value of $25 each, 10,000,000 common shares of a par value of 5¢ each and 10,000,000 common Class A non-voting shares of a par value of 5¢ each		
Issued and fully paid:		
1,599,950 5% preferred shares	39,998,750	40,000,000
6,842,105 common shares	342,105	342,105
Interest of unconsolidated subsidiary in common shares	(16,282)	(16,282)
5,472,557 common Class A shares	273,628	272,535
	40,598,201	40,598,358
Contributed surplus arising from premium on capital stock	42,575,836	42,386,218
Retained earnings	55,092,165	46,682,038
	138,266,202	129,666,614
	$584,208,248	$549,193,828

Approved by the Board:

DIRECTOR

DIRECTOR

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Retained Earnings
for the year ended December 31, 1973

	1973	1972
Balance at beginning of the year including $4,000,000 formerly appropriated as investment reserve	$47,182,038	$42,435,710
Adjustment of prior year's preferred dividends (Note 6)	500,000	500,000
As restated	46,682,038	41,935,710
Add (Deduct):		
Net income for the year	16,967,845	12,806,931
Company's share of credits and charges recorded in retained earnings by The Great-West Life Assurance Company	331,530	(1,273,739)
Dividends—Preferred shares	(1,999,936)	(2,000,000)
—Common and common Class A shares (Note 6)	(6,889,312)	(4,786,864)
Balance at end of the year	$55,092,165	$46,682,038

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Source and Use of Funds

for the year ended December 31, 1973

	1973	1972
Source of Funds:		
From Operations—		
Income from operations before extraordinary items	$ 16,125,207	$ 12,409,668
Less earnings retained by unconsolidated subsidiaries	5,839,224	4,272,416
	10,285,983	8,137,252
Deduct net non-cash credits to operations	201,311	1,714,562
Total funds from operations	10,084,672	6,422,690
Interest and additional credits to certificates	20,168,123	17,961,534
Certificate sales and collections	77,051,317	70,638,634
Proceeds from security transactions	40,973,859	37,919,677
Mortgage principal collections	28,474,490	21,076,722
Bank loan	—	10,000,000
Miscellaneous credits	1,781,131	1,337,232
Total Sources of Funds	178,533,592	165,356,489
Use of Funds:		
Certificate maturities and surrenders	72,152,261	47,186,403
Investments in marketable securities	35,410,931	49,209,064
Investments in first mortgages	66,128,199	44,803,415
Investment in Montreal Trust Company	2,557,382	14,674,803
Reduction in bank loan	1,000,000	—
Dividends paid	7,390,637	6,786,864
Total Use of Funds	184,639,410	162,660,549
Increase (Decrease) in Cash and Temporary Investments	$ (6,105,818)	$ 2,695,940

The accompanying notes are an integral part of the financial statements.

1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of all subsidiary companies except The Great-West Life Assurance Company and Montreal Trust Company. The assets and liabilities of these two companies are not consolidated in the balance sheet as they operate within regulated industries and it is not considered appropriate to consolidate in the circumstances. Summary financial statements of these companies are presented on pages 20 to 24 of this report.

2. THE GREAT-WEST LIFE ASSURANCE COMPANY

The investment of $80,346,037 carried on the balance sheet of the company consists of:

Value of investment in subsidiary net of the reciprocal investment of the subsidiary in 650,000 common shares of the parent:	
At beginning of the year	$75,221,195
Add:	
Share of 1973 net income of subsidiary	6,610,063
Share of net credits recorded in retained earnings by subsidiary	331,530
Share of dividends paid by company on reciprocal investment	187,249
	82,350,037
Deduct:	
Dividends received from subsidiary	2,004,000
At end of the year	$80,346,037

The excess of the cost of the shares in the subsidiary over their book value at date of acquisition was $27,675,000 which is included in the carrying value of $80,346,037.

The following have been extracted from the notes to the 1973 financial statements of The Great-West Life Assurance Company:

"As in past years, the accompanying financial statements have been prepared on the basis of requirements of the Department of Insurance of Canada for reporting in annual statements filed with them. These requirements differ in some respects from generally accepted accounting principles followed by other types of business enterprises. The principal differences include:

(i) Certain assets, such as office furniture and other non-admitted assets, are written off as expenses in the year acquired.

(ii) The costs of acquiring business are written off as expenses in the year incurred rather than over the periods expected to be benefited.

(iii) The income tax charge against operations is determined using the taxes payable method."

3. MONTREAL TRUST COMPANY

The investment of $27,792,935 carried on the balance sheet of the company consists of:

Value of investment in subsidiary:	
At beginning of the year	$24,048,150
Add:	
Cost of shares purchased during the year	2,557,382
Share of 1973 net income of subsidiary	2,227,889
	28,833,421
Deduct:	
Dividends received from subsidiary	1,040,486
At end of the year	$27,792,935

The excess of the cost of the shares in the subsidiary over their book values at dates of acquisition was $10,750,160, which is included in the carrying value of $27,792,935.

The company has included in consolidated income $2,127,105 representing its share of Montreal Trust Company's earnings on an equity basis. In 1972 when Montreal Trust Company was not a subsidiary, the company included $584,417 in consolidated income representing dividends received. Dividends received from Montreal Trust Company in 1973 were $1,040,486 and therefore the adoption of the equity basis has resulted in an increase in earnings of $1,086,619 or 9¢ per share.

4. CERTIFICATE LIABILITIES

As security for investment certificates issued by subsidiaries, assets which qualify as investments under the Canadian and British Insurance Companies Act having a value in excess of net certificate liabilities must be lodged with approved depositories. As at December 31, 1973 the value of qualified assets deposited by each subsidiary exceeded its net certificate liabilities; the aggregate excess was $18,754,291.

5. BANK LOAN

The loan is repayable in annual instalments of $1,000,000 in 1974 and $2,000,000 in each of the years from 1975 to 1978 inclusive. Interest is payable at 1¼% above the bank's prime rate if the prime rate does not exceed 8% and 1% thereafter.

6. SHAREHOLDERS' EQUITY

The preferred shares are redeemable at $26 decreasing to $25¼ per share during the period May 1, 1974 to May 1, 1978 and at par thereafter.

Each preferred share is convertible, at the option of the holder, into 2 common Class A shares up to October 31, 1974 and into 1⅔ common Class A shares up to April 30, 1979.

During the year the shareholders authorized the allotment and issue, in accordance with the Employee Stock Purchase Plan, of additional common Class A shares up to a maximum of 150,000 shares. Subsequently, 21,752 shares were so allotted and issued. In addition 100 common Class A shares were issued on conversion of 50 preferred shares. Of the total consideration received and the par value of the converted preferred shares, $1,093 was credited to capital stock and $189,618 to contributed surplus.

Under the terms of an agreement made in 1970, 342,105 common shares, representing approximately 5% of the then outstanding common stock of the company, were issued to BankAmerica Corporation. The agreement further provides that so long as the corporation retains these shares, the corporation is granted the right, until June 30, 1975, to maintain its voting interest at up to 5% by acquiring a portion of any further voting shares allotted or issued by the company, at the price paid by others for such further shares.

The adjustment of $500,000 to the opening balance of retained earnings relates solely to preferred shares and was made to reflect a change in the method of recording dividends from a payment date basis to a declaration date basis.

The company changed the dividend policy on the common and common Class A shares from a semi-annual to a quarterly payment basis with the declaration, prior to year-end, of a quarterly dividend payable February 1, 1974. As a result retained earnings have been charged with a full year's dividends on a semi-annual basis and an additional quarterly dividend.

7. OTHER

(a) Included as charges against net income are the following:

	1973	1972
Depreciation and amortization	$480,069	$538,615
Remuneration of directors and senior officers	391,738	361,410

During 1972 the Board of Directors approved an exectuive incentive plan under which awards may become payable to officers of the company at the close of the five year period ending December 31, 1976. Payment of any awards and the amount thereof are contingent on the attainment by the company of certain earnings levels during the five year period. A provision of $39,000 has been made in 1973 for this contingency.

(b) Aggregate remuneration paid by the company's unconsolidated subsidiaries to directors of the company for services as directors or senior officers of the unconsolidated subsidiaries including the cost of pension benefits, amounted to $187,811 (1972—$108,779).

(c) Fully diluted earnings per share:

It has been assumed in calculating the fully diluted earnings per share that all the 5% preferred shares outstanding at December 31, 1973 had been converted into Class A shares as of January 1st of each year.

	1973	1972
Before extraordinary items	$1.04	$ .80
After extraordinary items	$1.09	$ .83

(d) The company is obligated to pay supplementary retirement benefits of $37,500 a year for the lifetime of the recipient; these benefits are charged against operations in the year paid.

(e) The presentation of the Consolidated Statement of Source and Use of Funds was changed in 1973 to provide additional information and the 1972 comparative figures have been restated.

Auditors' Report

To the Shareholders of The Investors Group:

We have examined the consolidated balance sheet of The Investors Group and consolidated subsidiary companies as at December 31, 1973 and the consolidated statements of income, retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. With respect to the parent company's share of net income of the unconsolidated subsidiary companies referred to in Notes 2 and 3 to the financial statements and included in the determination of net income for the year, we were furnished with reports of other chartered accountants on their examinations of the financial statements of the subsidiaries for the year.

In our opinion, based on our examination and the reports of other chartered accountants referred to above, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1973 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles (except that, insofar as the net income of The Great-West Life Assurance Company is concerned, the accounting practices employed are those prescribed or permitted by the Department of Insurance of Canada). Further, in our opinion these accounting principles, insofar as they relate to the company and its consolidated subsidiaries, have been applied on a basis consistent with that of the preceding year.

DELOITTE, HASKINS & SELLS
Chartered Accountants

Winnipeg, Manitoba
February 13, 1974

The Western Savings and Loan Association

C. E. Atchison,
Chairman

A. S. Jackson,
President

J. N. W. Budd,
Vice-President

F. W. Law,
Vice-President and Secretary / Treasurer

The association, which is an investment contract company, ceased issuing investment contracts early in 1970 when its distribution operation was merged with that of Investors Syndicate Limited. Consequently, its principal activity in 1973 was the servicing of its outstanding investment contracts which now number approximately 20,000 compared with 21,500 at the end of 1972.

During 1973 the company disbursed over $11.7 million on matured and surrendered investment contracts. A major portion of the maturities was reinvested in one or more of the financial services offered by Investors Syndicate Limited. Despite the substantial payments to certificate holders during the year, consolidated assets decreased by only 6% to approximately $75 million. The margin of assets over contractual and other liabilities at the year-end was substantially in excess of regulatory requirements.

The association's net income after taxes was marginally higher than in 1972 primarily due to good expense control. While it is expected that total assets will decline further during 1974, the level of net income should be maintained due to a lower effective tax rate and continued control of expenses.

The Western Savings and Loan Association
Summary Operating Statement (000 omitted)

	1973	1972
Income:		
Investment income	$ 5,175	$ 5,412
Service fees	34	39
	5,209	5,451
Expenses:		
Certificate interest costs	2,803	3,033
Additional credits to certificates	190	163
Operating expenses	606	663
	3,599	3,859
Net operating income	1,610	1,592
Income taxes	695	683
Net income	$ 915	$ 909

Note: The operations of Western Savings two wholly-owned subsidiaries, Rowcliffe Investments and The Provident Investment Company, are included in this statement.

Investors Group Trust Co. Ltd.

C. E. Atchison,
Chairman

A. S. Jackson,
President and Chief Operating Officer

D. A. G. Parkinson,
General Manager and Treasurer

A. H. Ross,
Secretary

This company's major operations lie in the employee benefit plan field. Its services include pension plan consulting, design, administration and custodianship as well as the investment management function. The company is the trustee and provides certain administration services for the deferred profit sharing and registered retirement savings plans offered through the Investors organization. It also acts as trustee for Investors Retirement Mutual Fund and Investors Mortgage Fund.

An increase in pension activity was experienced in 1973 as a result of new marketing initiatives taken during the year and a further increase is expected in 1974. The net cash flow into the various pension plans administered by the company showed a marked improvement over 1972 which is not reflected in assets under administration due to the lower stock market levels at the year-end.

Total pension assets under administration at December 31, 1973 were $319 million compared to $318 million at the end of the previous year. Of this amount $162 million was invested in the pooled pension trust funds and $157 million in separately managed pension funds. The total assets of registered retirement savings plans, deferred profit sharing plans and Investors Mortgage Fund, for which the company acts as trustee, were $180 million at the close of 1973.

The company offers units of two types of pooled investment funds to its pension accounts. The pooled Fixed Income Fund, invested primarily in quality first mortgages, increased by $5 million to $57 million at year end. The net yield on the fund for the year was 3.3%. Assuming a continuation of mortgage rates at the current levels throughout 1974, the prospective net yield on new contributions should approximate 9%. The assets of pooled Equity Fund "B", reflecting the general decline in stock market values during the latter part of the year, totalled $105 million at year-end compared to $114 million in 1972. The combined investment yield on monies invested in Equity Fund "B" throughout the year was -5.08%. It should be noted that the average net annual compounded yield since this fund's inception in 1958 is 9.1%.

Net income for 1973 approximated that of the previous year. While income from all sources showed satisfactory growth, this improvement was offset by higher costs associated with the installation of a new computer system. This system went into operation in the fall of 1973 and provides an efficient and flexible means of servicing the many pension accounts administered by the company. Greater pension fund marketing activity, higher trustee fee income and a lesser rate of increase in operating expenses are expected to result in an improvement in earnings in 1974.

Investors Group Trust Co. Ltd.
Summary Operating Statement (000 omitted)

	1973	1972
Income:		
Management fees	$461	$444
Distribution fees	215	194
Other income	242	189
	918	827
Operating expenses	680	591
Net operating income	238	236
Income taxes	101	96
Net income	$137	$140

Investors Securities Management Ltd.

C. E. Atchison,
Chairman

P. E. Newman,
President

Q. C. W. Bamford,
Vice-President

I. J. Marus,
Associate Vice-President

N. H. Young,
Associate Vice-President

C. G. Turnbull,
Treasurer

D. R. Terrick,
Secretary

Investors Securities Management Ltd. provides investment management and supporting administrative and accounting services to seven of the Investors mutual funds. As well, it supplies investment advisory services for the securities portfolios of The Investors Group and its wholly-owned subsidiaries and for the pension fund portfolios administered by Investors Group Trust Co. Ltd.

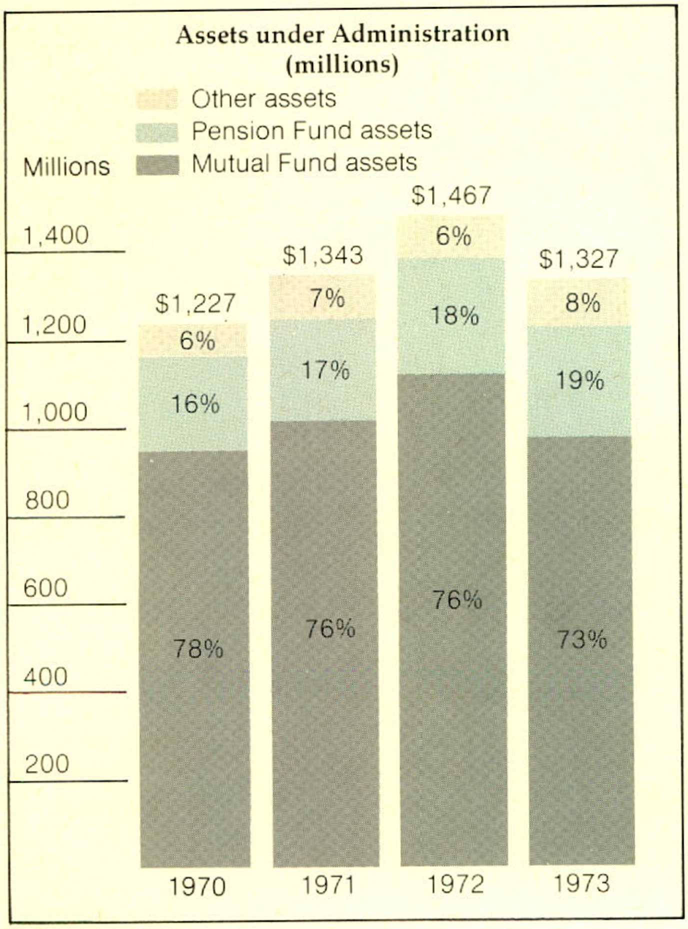
The company's income is made up primarily of investment management fees which are directly related to the market value of assets under administration. Changes in the amount of these assets are a result of a combination of fluctuations in security values and the impact of net sales or redemptions.

Despite unstable stock markets during the year, sales in 1973 of the mutual funds managed by the company showed improvement over the previous year. Redemptions of mutual funds under management exceeded fund sales by $45 million in 1973 compared to $51 million in 1972. As shown in the accompanying graph, net redemptions in 1973 along with a generally lower level of security prices resulted in a decrease in assets under administration at year-end.

The impact on earnings of lower levels of assets under administration for the year was more than offset by increased management fee income payable under the revised investment and management service agreements approved by shareholders of five Investors mutual funds towards the end of 1972. As part of the revised management agreements, the company is required to absorb a larger portion of mutual fund operating costs. This, along with increased staffing and generally higher costs of doing business, had a significant effect on expense levels.

The net result of increases in both income and expenses for 1973 was an improvement in net income from $1,787,000 to $2,528,000. In 1974 it is difficult to forecast an increase in revenue above 1973, but an increase in operating costs seems inevitable. For this reason it is considered unlikely that 1974 net income can be maintained at 1973 levels.

It is necessary to recognize that inflationary pressures, with their by-products of social inequality and unrest, have been a major factor in the loss of confidence in equity investment. This has been reflected in the past few years in the mutual fund industrv bv a higher net redemption rate than formerly was the case. While the 1973 redemption rate for the Investors mutual funds is marginally more favourable than that of 1972 and significantly under the industry averages, it continues at higher than historic levels. It should be noted that today's inflation is due in part to shortages in many of the world's basic commodities. A recognition that an adequate rate of return upon business capital is a prerequisite for the solution to such shortages, combined with the fact that Canada is blessed with an abundance of both resources and skilled labour, suggest that the next five years could indeed be favourable both for our economy and the stock market.



Investors Securities Management Ltd.
Summary Operating Statement (000 omitted)

	1973	1972 *(Restated)*
Income:		
Investment management fees	$9,026	$6,230
Other	65	48
	9,091	6,278
Operating expenses	3,824	2,739
Net operating income	5,267	3,539
Income taxes	2,739	1,752
Net income	$2,528	$1,787

Note: Dividends from Montreal Trust Company and the interest charges related to the Montreal Trust Investment are not included in the above statement.

Montreal Trust Company

Frank E. Case,
Chairman

Paul B. Paine, Q.C.,
President and Chief Executive Officer

James G. Haxton,
Senior Vice-President, Client Services

John E. Main,
Senior Vice-President, Special Projects

Harold T. Martin,
Vice-President, Branch Operations

John H. Baker,
Vice-President, Real Estate

Norman Cunningham,
Vice-President, Investments

J. Frank Luce,
Vice-President, Personnel

J. Grant Paterson,
Vice-President, Mortgages

J. Gordon Telfer,
Vice-President and Comptroller

J. Kevin Reynolds,
Company Secretary

Douglas A. Mercer,
Vice-President, Atlantic Region

Jean Luc Dutil,
Vice-President, Quebec Region

Douglas T. Waite,
Vice-President, Ontario Region

Gordon C. McDonell,
Vice-President, Mid-West Region

George Stephen,
Vice-President, Western Region

Montreal Trust Company is a full service trust company offering a complete range of corporate and personal trust facilities. It is an industry leader in corporate services which include acting as stock transfer agent, bond trustee, pension fund trustee and despository for other financial institutions. Personal trust activities include depository, savings and investment vehicles designed for individual investment, including tax sheltered arrangements as well as the traditional estate and agency functions. The company provides these services in Canada through a staff numbering more than 2,000 and 28 offices in principal cities across the country. Its overseas operations are conducted through associates and agency arrangements in Bermuda, the Bahamas, Hong Kong, the United Kingdom, and the New Hebrides.

Changes in the general business and economic environment have a direct and immediate effect on the operations of a diversified trust company. During 1973 the unpredictable stock market, accelerating interest rates and the consequent low level of new corporate financing had a negative impact on operations which was not fully offset

Montreal Trust Company
Condensed Consolidated Balance Sheet
as at December 31 (000 omitted)

	1973	1972
ASSETS		
Assets Held for Guaranteed Trust Accounts:		
Mortgages	$375,452	$299,360
Securities, cash and other assets	201,569	245,699
	577,021	545,059
Company Assets:		
Securities, cash and other assets	37,075	34,828
Office premises and equipment	13,167	13,335
	$627,263	$593,222
LIABILITIES AND SHAREHOLDERS' EQUITY		
Guaranteed Trust Accounts:		
Deposits	$138,795	$119,093
Investment certificates	438,226	425,966
	577,021	545,059
Company Liabilities	11,567	12,320
Shareholders' Equity:		
Capital stock	2,577	2,543
Reserve and undivided profits	36,098	33,300
	$627,263	$593,222

by improved results in real estate sales and mortgage placements. Net operating income was $1.64 per share compared with $1.82 in 1972; while net income was $1.71 per share compared with $2.03 in the previous year.

Fee and commission income increased during 1973 by $3,848,000 over 1972. The major contributor to this increase was real estate commissions which grew from $4,948,000 in 1972 to $7,518,000 in the past year.

Net income from Guaranteed Trust Accounts declined by $916,000 during the year. While income from the guaranteed account rose by $7,201,000, interest paid rose by $8,117,000. In a period of rapidly escalating interest rates, the spread between the cost of deposit gathering activities (interest paid) and the income earned on the placement of these funds inevitably narrows. Montreal Trust will continue its efforts to match term deposits with mortgages placed. This, over the longer term will minimize the volatility of earnings arising from the operation of the guaranteed account.

Assets of the guaranteed trust accounts increased by 5.8% to $577,021,000 at year end. Mortgages held for guaranteed trust accounts increased by $76,092,000 for the year compared with an increase of $41,201,000 in 1972. Total assets at December 31, 1973 were $627,263,000 compared with $593,222,000 for the previous year.

A continued strong level of activity in real estate and mortgage operations, as well as in personal and corporate pension activities, appears likely in 1974. Indications of increased activity in capital markets during the year suggest improved earnings from the company's various corporate services. It is anticipated that in the first half of 1974 short term interest rates will trend downward and thereafter will stabilize at levels below those of year-end 1973. While revenue from the guaranteed accounts will remain at relatively lower levels during the continuance of high interest rates, some improvement in this source of revenue should occur in the latter part of the year.

Montreal Trust Company
Condensed Consolidated Statement of Income
for the year ended December 31 (000 omitted)

	1973	1972
Revenue		
Fees and commissions	$27,570	$23,722
Net income from Guaranteed Trust Accounts	5,781	6,697
Interest, dividends and other	3,914	3,494
	37,265	33,913
Operating expenses	29,546	25,479
Income before income taxes	7,719	8,434
Income taxes	3,519	3,860
Net operating income	4,200	4,574
Extraordinary items	199	541
Net income	$ 4,399	$ 5,115
Earnings per Share		
(Based on average shares outstanding)		
Net operating income	$1.64	$1.82
Net income	1.71	2.03

The preceding statements represent a summary of information contained in the audited financial statements included in the Annual Report of Montreal Trust Company. A copy of the Annual Report may be obtained by writing to the Secretary of Montreal Trust Company.

The Great-West Life Assurance Company
Condensed Summary of Operations
for the year ended December 31 (000 omitted)

	1973	1972
INCOME		
Insurance and annuity premiums	$375,175	$322,210
Investment income (net of investment expenses)	118,936	103,112
Net realized and unrealized gains (losses) on segregated investment funds	(11,431)	7,875
	482,680	433,197
DISPOSITION OF INCOME		
Benefits paid and accrued to policyholders	253,299	218,094
Increase in policy reserves	127,705	122,302
	381,004	340,396
Commissions and operating expenses	54,363	48,603
Income taxes	5,800	6,100
Premium and other taxes	5,031	5,065
	446,198	400,164
Net income before policyholder dividends	36,482	33,033
Policyholder dividends	20,619	20,380
Net income	$ 15,863	$ 12,653

Analysis of 1973 Net Income

	Participating Policyholders	Shareholders	Total
Net income before policyholder dividends	$ 24,000	$ 12,482	$ 36,482
Dividends to policyholders	(20,619)	—	(20,619)
Transfer from participating account to shareholders' account	(1,085)	1,085	—
Net income 1973	$ 2,296	$ 13,567	$ 15,863
Net income 1972	$ 925	$ 11,728	$ 12,653
Earnings per share—1973		$6.78	
—1972		$5.86	

The Condensed Summary of Operations and Balance Sheet contained in this Report represent a summary of information contained in the audited financial statements included in the Annual Report of The Great-West Life Assurance Company. A copy of the Annual Report may be obtained by writing to the Secretary of The Great-West Life Assurance Company.

The Great-West Life Assurance Company

Peter D. Curry,
Chairman

J. W. Burns,
President and Chief Executive Officer

H. E. Harland,
Senior Vice-President

G. R. Dinney,
Vice-President, Development

D. C. Elliott,
Vice-President, Marketing

G. C. Elliott,
Vice-President, Investment Policy

J. A. Hillman,
Vice-President and Controller

W. S. M. Lang,
Vice-President and Treasurer

J. O. Parsonage,
Vice-President and Actuary

R. B. Pennycook,
Vice-President, Policyholder Service

R. E. Beamish, M.D.,
Executive Officer, Underwriting and Medical

K. Kristjanson,
Executive Officer, Corporate Planning and Personnel

R. K. Siddall,
Secretary

One of the major North American life insurance companies, Great-West Life serves the life insurance, annuity and health insurance needs of two million four hundred thousand policyholders and group certificate holders through a network of marketing and service offices in Canada and the United States. The company's operations in 1973 were marked by higher sales, a continuing strong growth rate in business in force and substantially improved investment income. Earnings improved for both policyholders and shareholders. An important initiative taken during the year was the establishment of a United States marketing headquarters in Denver, Colorado. This move should enable the company to better serve its large and expanding United States market.

New records were established in 1973 in sales of both life insurance and annuities and reached a total of $2,804,591,000, an increase of 22% over 1972.

	1973	1972
Individual life policies	$ 659,551,000	$ 618,278,000
Group life	1,744,514,000	1,379,216,000
Annuities	400,526,000	295,198,000
	$2,804,591,000	$2,292,692,000

Health insurance sales of $20,937,000 in terms of gross annual premiums were slightly down from the record level achieved in 1972.

Business in force at December 31, excluding health insurance, totalled $19,083,164,000, up 17%, consisting of $15,594,194,000 of life insurance and $3,488,970,000 of annuities. Health insurance in force in terms of gross annual premiums increased $19,088,000 to $118,650,000.

Net income before policyholder dividends amounted to $36,482,000. Policyholder dividends were $20,619,000 and the net income carried forward to the participating policyholders' surplus account was $2,296,000. The increase in dividends on individual policies was largely offset by a decrease on certain group accounts. Shareholders' earnings totalled $13,567,000 or $6.78 per share compared with $5.86 in 1972.

Premium income increased 16.5% to $375,175,000 reflecting both strong consumer interest in the company's products and improved retention of business through ongoing service initiatives. Net investment income at $118,936,000 recorded a 15% gain and the net rate of return on investments was 6.75% compared with 6.34% in 1972.

After being unusually favourable in 1972, the mortality experience on individual insurance policies returned to long-term expected levels in 1973. Group insurance mortality experience improved over the previous year, while the claims rate on group health insurance was slightly higher.

Benefits and dividends paid to policyholders and their beneficiaries increased 15% to $273,917,000 and the increase in policy reserves to provide for future benefits was $127,705,000.

The company's expense ratio continued to improve despite a largely inflation-induced increase in operating expenses.

Realized and unrealized capital losses on segregated investment funds reflect the stock market conditions prevailing in 1973. Such capital gains and losses are credited or charged to these funds and do not affect net income. In 1973 a United States segregated property investment fund was established with an initial investment of $500,000 transferred from the shareholders' account.

Assets totalled $1,933,707,000 at the close of 1973, up $155,317,000 from the previous year. The company's long-term policy of making provision for fluctuations in investment experience was continued in 1973 by an asset write-down of $5,668,000.

Liabilities amounted to $1,781,553,000 consisting primarily of obligations to policyholders. Capital, contingency reserve and surplus increased $9,336,000 to $152,154,000, which at 8.5% of liabilities provides a reasonable margin for the protection of policyholders.

Despite the current economic uncertainties in both Canada and the United States, the expanding market for insurance and other financial services in both countries provides an encouraging outlook for the company's continued growth and development.

The Great-West Life Assurance Company Condensed Balance Sheet

as at December 31 (000 omitted)

	1973	1972
ASSETS		
Bonds	$ 570,865	$ 543,585
Preferred and common stocks	132,060	117,144
Mortgages and sales agreements	763,149	699,857
Real estate	150,218	148,850
Loans to policyholders	132,684	118,751
Segregated investment funds	120,725	98,303
Cash and other assets	64,006	51,900
	$1,933,707	$1,778,390
LIABILITIES		
Policy reserves	$1,447,045	$1,341,759
Policyholders' funds	105,533	99,526
Policyholders' dividends	21,229	19,775
Provision for claims	68,456	55,398
Segregated investment funds	120,725	98,303
Other liabilities	18,565	20,811
	$1,781,553	$1,635,572
CAPITAL, CONTINGENCY RESERVE AND SURPLUS		
Capital stock	$ 2,000	$ 2,000
Contingency reserve	52,000	48,000
Surplus	98,154	92,818
	$ 152,154	$ 142,818
	$1,933,707	$1,778,390

The Investors Group
Five Year Earnings and Statistical Summary

	1973	1972	1971	1970	1969
Earnings Summary (000 omitted)					
Income from certificate operations	$ 7,682	$ 6,340	$ 5,576	$ 6,287	$ 6,999
Income from management and distribution operations	6,703	4,303	4,143	2,744	4,802
Income from trust operations	238	236	193	82	124
	14,623	10,879	9,912	9,113	11,925
Less: Interest on bank loan	868	195	—	—	—
Income taxes	6,367	4,604	4,717	4,518	5,861
Operating income	7,388	6,080	5,195	4,595	6,064
Share of Great-West Life earnings	6,610	5,745	4,141	2,925	3,142
Share of Montreal Trust earnings (1)	2,127	584	406	319	348
Earnings before extraordinary items	16,125	12,409	9,742	7,839	9,554
Deduct preferred dividends	2,000	2,000	2,000	2,000	1,216
Earnings avilable for common and common Class A shares	$ 14,125	$ 10,409	$ 7,742	$ 5,839	$ 8,338
Capital Stock Statistics					
Earnings per common and common Class A shares, basis average shares outstanding	$1.15	$ .85	$ .63	$ .48	$ .76
Dividends paid per share	$ .45	$ .40	$ .40	$ .40	$ .40
Average common and common Class A shares outstanding	12,305,600	12,292,810	12,285,310	12,139,016	10,919,455
Certificate Liabilities (000 omitted)					
Instalment certificate reserves	$ 215,212	$ 222,675	$ 220,210	$ 220,641	$ 226,142
Single payment certificate reserves	199,545	167,108	130,755	108,517	98,288
	$ 414,757	$ 389,783	$ 350,965	$ 329,158	$ 324,430
Assets Under Administration (000 omitted)					
The Investors Group and wholly-owned subsidiaries (2)	$ 476,070	$ 473,973	$ 422,080	$ 403,132	$ 393,865
Mutual fund assets	979,823	1,112,046	1,008,069	960,200	1,034,017
Pension fund assets—Pooled	162,027	166,375	143,961	120,256	102,149
—Segregated	157,134	151,695	133,885	115,394	116,597
	$1,775,054	$1,904,089	$1,707,995	$1,598,982	$1,646,628
The Great-West Life Assurance Company	$1,933,707	$1,778,390	$1,634,456	$1,525,418	$1,454,253
Montreal Trust Company	$ 627,263				

(1) Represents dividends only for the years 1969—1972 inclusive.
(2) Includes cost of investment in Montreal Trust Company shares for the years 1969-1972 inclusive.