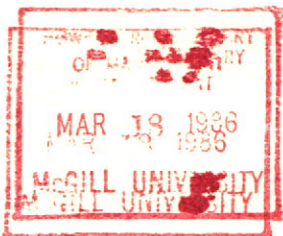




45th  
Annual Report  
1985



**“The business mission of Investors is to satisfy clients in need of general and comprehensive financial planning. Through product development and a well-trained sales distribution organization, Investors will assist in implementing financial plans and provide effective on-going service.”**

*As a measure of its success in achieving this mission, The Investors Group is one of Canada’s largest financial institutions. It has assets in excess of \$20 billion under the management or administration of its operating companies.*

# Contents

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2	Highlights of the Year
3	Directors' Report
4	Consolidated Financial Statements
13	Auditors' Report
14	The Great-West Life Assurance Company Financial Statements
21	Montreal Trustco Inc. Condensed Financial Statements
22	Ten-Year Review
24	Board of Directors and Officers
	Corporate Information
	Principal Operating Companies and Mutual Funds

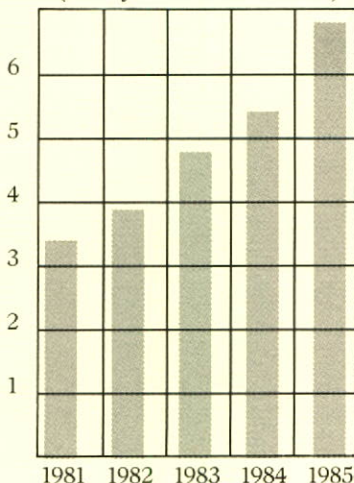
# Highlights of the Year

	1985	1984	Change
<b>Financial</b>			
Consolidated net income	\$ 112,525,000	\$ 100,961,000	+11%
Sources: Wholly-owned subsidiaries	24,367,000	21,214,000	+15
The Great-West Life Assurance Company	82,925,000	75,327,000	+10
Montreal Trustco Inc.	6,809,000	6,136,000	+11
Earnings per share	\$8.31	\$7.40	+12
Return on invested capital	18.4%	18.5%	-
Return on Common equity	22.2%	23.2%	- 4
Total Assets under administration	20,237,000,000	16,600,000,000	+22
Assets managed by wholly-owned subsidiaries	6,892,000,000	5,345,000,000	+29
Dividends to Common and Class A Shareholders	28,483,000	24,598,000	+16
Dividends paid per share	\$2.10	\$1.85	+14
Capital and surplus (Shareholders' equity)	647,233,000	572,349,000	+13
Wholly-owned subsidiaries			
Corporate assets	1,910,200,000	1,755,700,000	+ 9
Investment income (tax equivalent basis)	166,812,000	154,091,000	+ 8
Return on assets	1.75%	1.72%	+ 2

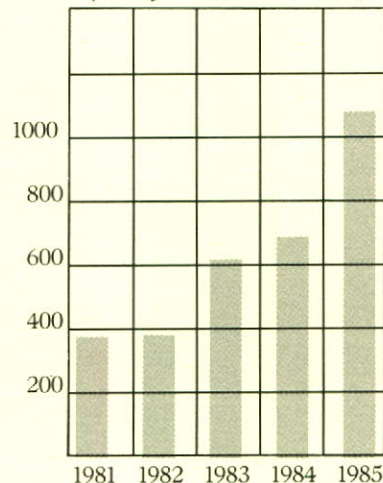
## Operational

Sales of financial products and services	\$ 1,056,200,000	\$ 696,300,000	+52
Including: Mutual Funds	834,000,000	495,100,000	+68
Investment Certificates	121,400,000	97,700,000	+24
Insurance and Other	100,800,000	103,500,000	- 3
Mutual Fund assets under management	3,330,400,000	2,329,000,000	+43
Mutual Fund Shareholder accounts	339,900	283,100	+20
Dividends paid to Mutual Fund Shareholders	202,145,000	159,523,000	+27
Investment Certificates (Reserve Value)	1,152,000,000	1,082,000,000	+ 6
Number of Employees and Representatives	2,078	1,869	+11
Number of Clients	489,199	444,710	+10
Financial Planning Centres	52	51	+ 2

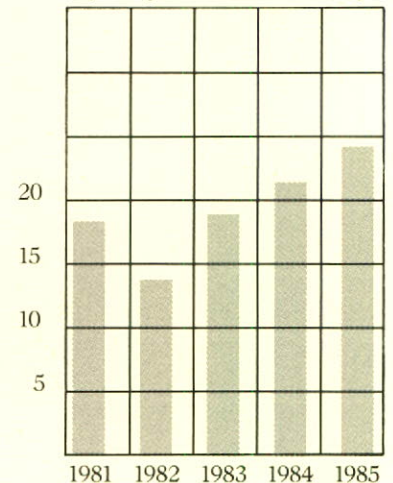
**Assets** (in \$ billions)  
(wholly-owned subsidiaries)



**Sales** (in \$ millions)  
(wholly-owned subsidiaries)



**Net Income** (in \$ millions)  
(wholly-owned subsidiaries)



## Directors' Report

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The directors are pleased to present the Company's 45th Annual Report together with the consolidated financial statements for the year ended December 31, 1985.

1985 was another record year for The Investors Group, both in financial and sales results.

### Financial Results

Consolidated Net Income for 1985 increased 11% to \$112,525,000. Earnings per share of \$8.31 were 12% above the 1984 earnings of \$7.40.

Net Income of \$24,367,000 from operations of the Company and its wholly-owned subsidiaries was 14.9% above the 1984 level of \$21,214,000. Management and distribution fee income was 37% ahead of last year resulting from major increases in sales and in mutual fund assets under management.

Total assets under administration of the wholly-owned subsidiaries increased by \$1.6 billion or 29% to \$6.9 billion at year-end.

The Company's share of the net income of The Great-West Life Assurance Company was \$82,925,000 compared with \$75,327,000 in 1984 and its share of Montreal Trustco income increased from \$6,136,000 in 1984 to \$6,809,000. Included in this report are copies of the 1985 Great-West Life financial statements and condensed financial statements of Montreal Trustco Inc.

### Sales Performance

Sales by the Company's wholly-owned subsidiaries totalled \$1.05 billion, an increase of \$360 million or 52% over the previous record of \$696 million achieved in 1984.

Sales of mutual funds were \$834 million compared with \$495 million in 1984, an increase of 68%. Total assets of the 12 Investors funds increased by \$1 billion during the year to reach \$3.3 billion. The number of shareholder accounts increased by 56,800 to 339,900.

Investment certificates sales of \$121 million were 24% above 1984. Sales of life insurance, annuities and other products were \$100.8 million compared with \$103.5 million in 1984. There was continued growth in life insurance sales while annuities and other products showed a modest decline.

### Corporate Developments

In August of 1985 the Company announced its intention to build a new head office in Winnipeg at an estimated cost of \$35,000,000. The choice of location in the North Portage Development area presents Investors with an opportunity to assist in the re-vitalization of an important part of down-town Winnipeg. Construction is scheduled to start in March of 1986 with completion planned for October of 1987.

On January 16, 1986 the Company completed a private placement of \$50,000,000 of 10.6% Debentures 1986 Series to Midland Doherty Limited. The debentures will mature January 16, 2006, are redeemable by the Company commencing in 1991 and carry an annual sinking fund requirement of \$1,785,000 commencing in 1992.

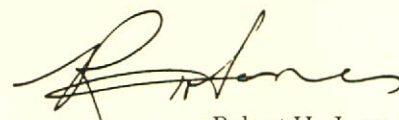
Effective January 1, 1986, Mr. H. W. Middlestead, Controller, was appointed Vice-President and Controller of the Company.

### Dividends

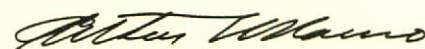
The dividend rate on the common and Class A Non-Voting shares was increased from 50 cents to 60 cents in the fourth quarter bringing the total dividend for 1985 to \$2.10 per share. Total dividends declared on these classes of shares in 1985 amounted to \$28,483,000 compared with \$24,598,000 in the previous year. The regular quarterly dividend of 31-1/4 cents per share was paid on the Preferred Shares, 1969 Series. Quarterly dividends of 37-1/2 cents per share were paid on the Preferred Shares, 1978 Series in the first three quarters of 1985. Pursuant to the conditions attaching to the Preferred Shares, 1978 Series a "floating rate" dividend of 40.6123 cents per share was paid on these shares in the fourth quarter.

The success of a company depends on the talents and enterprise of its personnel. The directors wish to express their appreciation to management, staff and sales representatives for their important contributions to the results achieved.

ON BEHALF OF THE BOARD



Robert H. Jones  
Chairman



Arthur V. Mauro  
President and  
Chief Executive Officer

March 3, 1986

# The Investors Group and Consolidated Subsidiary Companies Consolidated Financial Statements

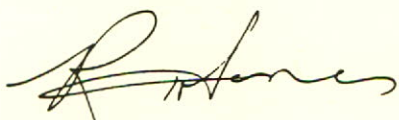
## Consolidated Balance Sheet

As at December 31, 1985

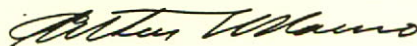
ASSETS	1985	\$000	1984
Cash and investments			
Cash and temporary investments	\$ 38,831		\$ 74,251
Marketable securities and accrued income (Note 3)	403,855		302,008
Mortgages on real estate and accrued income	850,929		823,705
Real estate	22,756		20,734
Loans to certificate holders	8,307		11,924
	<u>1,324,678</u>		<u>1,232,622</u>
Investment in unconsolidated subsidiary and affiliate (Note 4)	557,661		499,307
Office premises	7,175		5,949
Accounts and notes receivable	9,528		7,450
Income taxes recoverable	-		177
Deferred expenses	5,863		7,322
Other assets	5,327		2,885
	<u>\$1,910,232</u>		<u>\$1,755,712</u>

LIABILITIES	1985	\$000	1984
Certificate and other liabilities			
Certificate liabilities (Note 5)	\$ 725,821		\$ 750,434
Provision for additional certificate credits	4,440		4,939
Guaranteed trust accounts (Note 2)	421,608		326,291
Bank loans	1,493		1,288
Tax deposits on mortgages	20,805		21,282
Dividends payable	8,170		6,876
Mortgage on real estate	7,153		6,136
Other liabilities	30,562		19,555
Income taxes payable	1,846		—
	<u>1,221,898</u>		<u>1,136,801</u>
Income deferred to future years	3,928		5,029
Deferred income taxes	5,877		8,737
9 7/8% Debentures, 1978 Series (Note 6)	31,296		32,796
	<u>1,262,999</u>		<u>1,183,363</u>
SHAREHOLDERS' EQUITY			
Capital stock (Note 7)	92,216		96,416
Contributed surplus arising from premium on capital stock	46,777		46,777
Retained earnings			
Appropriated (Note 8)	188,309		158,208
Unappropriated	319,931		270,948
	<u>647,233</u>		<u>572,349</u>
	<u>\$1,910,232</u>		<u>\$1,755,712</u>

On behalf of the Board:



DIRECTOR



DIRECTOR

See accompanying notes to financial statements.

# Consolidated Statement of Income

For the year ended December 31, 1985

	1985	\$000	1984
<b>Income</b>			
Investment income	<b>\$144,935</b>		\$137,635
Service fees	<b>1,703</b>		1,709
Management and distribution fees	<b>91,929</b>		67,290
Trust fees	<b>3,310</b>		2,996
Net gain on investments	<b>2,431</b>		192
	<b>244,308</b>		209,822
<b>Expenses</b>			
Interest on certificate and trust liabilities	<b>85,426</b>		72,982
Additional credits to certificates	<b>37,940</b>		39,312
Certificate and service fee costs	<b>19,741</b>		17,077
Management and distribution costs	<b>68,049</b>		51,917
Trust operating costs	<b>2,611</b>		2,535
	<b>213,767</b>		183,823
Income from operations	<b>30,541</b>		25,999
Provision for income taxes (Note 9)	<b>6,174</b>		4,785
Net income from operations	<b>24,367</b>		21,214
Share of earnings of unconsolidated subsidiary and affiliate (Note 4)	<b>89,156</b>		80,776
	<b>113,523</b>		101,990
Debenture interest costs net of tax (Note 6)	<b>1,576</b>		1,716
Net operating income	<b>111,947</b>		100,274
Share of other items of unconsolidated subsidiary	<b>578</b>		687
Net income	<b>\$112,525</b>		\$100,961
<b>Earnings per share after deducting dividends on preferred stock:</b>			
Net operating income	<b>\$8.26</b>		\$7.35
Net income	<b>\$8.31</b>		\$7.40

See accompanying notes to financial statements.



## Consolidated Statement of Retained Earnings

For the year ended December 31, 1985

	1985	\$000	1984
Appropriated (Note 8)			
Balance, beginning of year	\$158,208		\$136,293
Company's share of changes in special reserves made by The Great-West Life Assurance Company	30,101		21,915
Balance, end of year	\$188,309		\$158,208
Unappropriated			
Balance, beginning of year	\$270,948		\$221,934
Add (deduct)			
Net income for the year	112,525		100,961
Company's share of changes in special reserves made by The Great-West Life Assurance Company	(30,101)		(21,915)
Company's share of charges to retained earnings by Montreal Trustco Inc.	—		(288)
Dividends – preferred shares	(4,958)		(5,146)
– common shares	(28,483)		(24,598)
Balance, end of year	\$319,931		\$270,948

See accompanying notes to financial statements.

# Consolidated Statement of Changes in Financial Position

For the year ended December 31, 1985

	1985	\$000	1984
<b>Operations</b>			
Net operating income	<b>\$111,947</b>		\$100,274
Less share of earnings retained by unconsolidated subsidiary and affiliate	<u>57,776</u>		<u>55,508</u>
	<b>54,171</b>		44,766
<b>Non-cash charges (credits) to operations</b>			
Deferred income taxes	<b>(2,860)</b>		(2,660)
Other	<u>1,006</u>		<u>2,448</u>
	<b>52,317</b>		44,554
<b>Add (deduct)</b>			
Interest and additional credits on certificate and trust liabilities	<b>123,366</b>		112,294
Certificate and guaranteed trust sales and receipts	<b>223,758</b>		126,717
Certificate maturities and surrenders	<b>(277,231)</b>		(172,782)
Preferred dividends paid	<b>(4,958)</b>		(5,147)
Miscellaneous	<u>7,073</u>		<u>4,065</u>
Cash available from operations	<b>124,325</b>		109,701
<b>Financing</b>			
Mortgage on real estate	<b>1,017</b>		6,136
Increase in bank loans	<b>204</b>		181
Reduction in 9 7/8% debentures	<b>(1,500)</b>		(2,504)
Redemption of Preferred Shares, 1978 Series	<b>(4,200)</b>		(4,200)
Common dividends paid	<u>(27,188)</u>		<u>(23,950)</u>
	<b>(31,667)</b>		(24,337)
<b>Investment activities</b>			
Proceeds from security transactions	<b>38,815</b>		58,000
Mortgage principal collections and sales	<b>111,812</b>		75,461
Proceeds from sale of real estate	<b>—</b>		5,880
Decrease in loans to certificate holders	<b>3,493</b>		1,688
Investment in marketable securities	<b>(135,208)</b>		(99,653)
Investment in mortgages	<b>(145,265)</b>		(101,278)
Net additions to real estate and office premises	<b>(1,725)</b>		(10,014)
Investment in The Great-West Life Assurance Company	<u>—</u>		<u>(35)</u>
	<b>(128,078)</b>		(69,951)
Increase (decrease) in cash and temporary investments	<b>(35,420)</b>		15,413
Balance at beginning of year	<u>74,251</u>		<u>58,838</u>
Cash and temporary investments, end of year	<b>\$ 38,831</b>		<b>\$ 74,251</b>

See accompanying notes to financial statements.

# Notes to Consolidated Financial Statements

December 31, 1985

## 1. Summary of significant accounting policies

The accounting principles followed by The Investors Group and its subsidiaries and affiliate are in accordance with generally accepted accounting principles, except that the accounting practices followed by The Great-West Life Assurance Company are as prescribed or permitted by the Department of Insurance of Canada, as described in the notes to the financial statements of that Company contained on pages 14 to 20.

### a. Principles of consolidation

The consolidated financial statements include the accounts of all subsidiary companies except The Great-West Life Assurance Company, which operates within a regulated industry and it is not considered appropriate to consolidate in the circumstances.

The investments in The Great-West Life Assurance Company and the affiliated company, Montreal Trustco Inc. are accounted for respectively on the modified equity basis and on the equity basis. Financial information for these companies is presented on pages 14 to 21.

### b. Marketable securities

It is a statutory requirement of the investment contract industry to amortize any differences between the original cost of bonds and debentures and their par value over the period to maturity in such a manner as to equalize the yield to maturity. The bonds and debentures included in this category are carried at amortized cost and all other securities are carried at original cost.

### c. Mortgages and real estate

Mortgages are valued at amortized cost less provision for losses. Real estate is valued at cost less accumulated depreciation and provision for losses.

### d. Office premises

Office premises are recorded at cost less accumulated depreciation of \$6,623,000 (1984 - \$5,786,000). The depreciable properties and related equipment and furnishings are depreciated on a straight-line basis over their estimated life.

### e. Certificate liabilities

Investment certificates entitle certificate holders to receive at maturity a definite sum of money. A portion of payments made by instalment certificate holders is added to certificate liabilities and the balance to service fee income. The portion of the certificate payments added to certificate liabilities, when combined with the interest compounded at government approved rates, will accumulate to equal the specified maturity value at the maturity date. The aggregate accumulated certificate liabilities always exceed the aggregate cash surrender values of the outstanding investment certificates.

### f. Deferred expenses

On single payment certificates, first year commissions paid to sales representatives together with all selling expenses are amortized over the first 36 months that they are in force. In prior years only the first year commissions were amortized, the selling costs were charged against income in the year of the sale. Under the new method selling costs of \$87,000 were charged to income in 1985 whereas under the previous method the charge to income would have been \$516,000. A special commission which is payable on the tenth anniversary of certain certificates is being provided for by an annual charge against income.

On guaranteed investment certificates, all commissions paid to sales representatives and all other selling expenses are amortized over the terms of the certificates.

### g. Additional credits

In addition to the guaranteed maturity and cash surrender values, certificate holders are entitled to additional amounts. Full provision has been made for all additional credits, both earned and accrued.

### h. Income taxes

The Company follows the tax allocation basis in accounting for income taxes. Deferred income taxes shown on the financial statements represent taxes deferred as a result of claims made in excess of charges in the accounts for capital cost allowances, mortgage reserves and certificate selling costs.

## 2. Assets held for guaranteed trust accounts.

Included in the consolidated balance sheet are the following assets of the guaranteed trust accounts of Investors Group Trust Co. Ltd.

	\$000	
	<u>1985</u>	<u>1984</u>
Cash and other investments	\$ 52,215	\$42,472
Marketable securities	54,167	28,223
First mortgages	315,226	255,596
	<u>\$421,608</u>	<u>\$326,291</u>

3. Marketable securities and accrued income

	\$000			
	1985		1984	
	Cost	Market	Cost	Market
Canadian government and corporate bonds and obligations	\$130,804	\$136,300	\$ 81,529	\$ 75,823
Canadian preferred stocks	236,898	236,776	193,089	179,275
Canadian common stocks	33,341	59,155	24,136	42,439
Aircraft certificates*	2,812	2,812	3,254	3,254
	<u>\$403,855</u>	<u>\$435,043</u>	<u>\$302,008</u>	<u>\$300,791</u>

\*Aircraft certificates represent part ownership of two aircraft leased to a major Canadian airline after deducting a liability of 11% serial debentures. The debentures amount to \$1,442,500 (1984 - \$1,625,500), mature in 1991 and are secured by a mortgage on one aircraft and the related lease payments.

4. Investment in unconsolidated subsidiary and affiliate

	Subsidiary The Great-West Life Assurance Company	Affiliate Montreal Trustco Inc.	Total
Equity interest, December 31, 1985	96.2%	34.4%	
		\$000	
Carrying value of investments, beginning of year	\$448,268	\$ 51,039	\$499,307
Add (deduct)			
Share of net operating income	82,347	6,809	89,156
Share of other items	578	-	578
Dividends received	(28,854)	(2,526)	(31,380)
Carrying value of investments, end of year	<u>\$502,339</u>	<u>\$ 55,322</u>	<u>\$557,661</u>
Share of equity, December 31, 1985	<u>\$551,319</u>	<u>\$ 53,164</u>	<u>\$604,483</u>

In December 1985 Montreal Trustco Inc. issued 1,965,564 Series A common shares from treasury. After giving effect to this transaction, the Company's equity interest in Montreal Trustco Inc. was reduced from 40.4% to 34.4%. A further 21.0% of the shares of Montreal Trustco Inc. are owned by the Company's parent company, Power Financial Corporation.

5. Certificate liabilities

As security for investment certificates issued by a subsidiary, 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 by the subsidiary with an approved depository. As at December 31, 1985 the excess was \$78,657,000 (1984 - \$104,124,000).

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6. 9 7/8% Debentures, 1978 Series

Outstanding, end of year	\$32,796,000
Less purchased by Company for cancellation	<u>1,500,000</u>
Net amount outstanding	<u>\$31,296,000</u>

The debentures are due October 4, 1998 with a sinking fund requirement of \$1,500,000 per annum, which may be increased to \$2,500,000 at the Company's option. The debentures were issued in 1978 as part of the financing for the purchase of shares of the unconsolidated subsidiary.

---

7. Capital stock

a. Authorized

- 3,687,152 preferred shares
- 20,000,000 voting common shares
- 20,622,022 Class A Non-Voting shares

b. Issued and outstanding

	Number of Shares	\$000
Preferred Shares, 1969 Series	1,287,152	\$32,179
Preferred Shares, 1978 Series	<u>2,064,000</u>	<u>51,600</u>
	<u>3,351,152</u>	<u>\$83,779</u>
Common shares	6,842,105	342
Class A Non-Voting shares	6,104,461	305
Surplus arising from conversion of preferred shares	<u>—</u>	<u>7,790</u>
	<u>12,946,566</u>	<u>8,437</u>
Total capital stock		<u>\$92,216</u>

c. Principal features

- i. The preferred shares, 1969 Series are entitled to a \$1.25 annual cumulative dividend and are redeemable at \$25 per share.
- ii. The preferred shares, 1978 Series were entitled to an annual cumulative dividend of \$1.50 to September 1, 1985 and thereafter at a floating rate equal to 1/2 of the prime rate plus 1 1/4%; redeemable at \$26 per share to August 31, 1988, decreasing to \$25 1/4 per share during the period to August 31, 1991 and \$25 per share thereafter.

Under the terms of the preferred shares, 1978 Series, the Company is required to purchase 168,000 shares at \$25 per share on September 1 in each year to 1993 inclusive. The Company purchased 168,000 shares for cash on September 1, 1985. The holders of the shares outstanding on September 1, 1993 have the right to have the Company redeem them on that date; otherwise 20% of the shares then outstanding will be purchased by the Company on September 1 in each of the years 1994 to 1998.

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8. Appropriated retained earnings

Appropriated retained earnings represents the Company's share of special reserves made by The Great-West Life Assurance Company as required by the Department of Insurance of Canada.

9. Income Taxes

	1985	1984
		\$000
Income from operations	<u>\$30,541</u>	\$25,999
Deduct dividend and other non-taxable income	<u>20,825</u>	16,742
Adjusted income from operations	<u>\$ 9,716</u>	<u>\$ 9,257</u>
Effective rate of income taxes	<u>51.52%</u>	<u>51.69%</u>
Provision for income taxes based on effective rate	<u>\$ 5,006</u>	\$ 4,785
Provision for prior years' income tax adjustments	<u>1,168</u>	—
Provision for taxes on income from operations	<u>6,174</u>	4,785
Income taxes recovered on debenture interest	<u>1,771</u>	1,859
Net provision for income taxes	<u>\$ 4,403</u>	<u>\$ 2,926</u>

10. Contingencies and commitments

- a. In connection with the Company's real estate investments the Company is contingently liable for guarantees of mortgage financing totalling \$4,947,000 and letters of credit totalling \$8,390,000 less a guarantee of \$3,146,000 from a participant in certain real estate projects.
- b. Investors Mortgage Fund, a mutual fund managed by a subsidiary, invests in first mortgages on improved real estate in Canada. It is anticipated that there will always be ample cash and marketable securities in the fund available to meet future withdrawals. However, should the withdrawals exceed available cash and marketable securities, The Investors Group

has guaranteed to find a purchaser for (or failing to do so, purchase itself) sufficient mortgages at prices not less than 95% of the then prevailing market value thereof, to realize sufficient monies to enable the Trustee to meet all such withdrawals.

As at December 31, 1985 total assets of Investors Mortgage Fund were \$699,951,000 comprising \$128,926,000 in cash and other liquid assets and \$571,025,000 in mortgages.

- c. A subsidiary, Investors Syndicate Property Corp., and the company as a covenantor are committed to the construction and completion of a Head Office building by March 31, 1988 at an estimated cost of \$35,000,000.

11. Subsequent event

Pursuant to an underwriting agreement dated December 11, 1985, the Company sold on January 16, 1986, \$50,000,000 of 10.6% Debentures, 1986 Series for pro-

ceeds of \$49,550,000. The debentures will mature on January 16, 2006, are redeemable by the Company commencing in 1991 and carry an annual sinking fund requirement of \$1,785,000 commencing in 1992.

12. Related party transactions

Transactions with related companies comprise the following:

- a. The provision of life and health insurance by The Great-West Life Assurance Company and transfer agent services by Montreal Trustco Inc.

- b. The provision of investment management services by wholly-owned subsidiaries to twelve affiliated mutual funds.

In all cases, such services are made in the normal course of business and at competitive rates.

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13. Segmented information

The Company operates in three distinct industry segments; the life insurance industry as represented by its controlling interest in the Great-West Life Assurance Company, the trust industry as represented by its

interest in Montreal Trustco Inc. and the financial services industry as represented by the operations of the Company and its wholly-owned subsidiaries. Financial information on each segment is provided in the consolidated financial statements and on pages 14 to 21.

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14. Other

a. Included as charges against net income are the following:

	1985	\$000	1984
Depreciation and amortization	\$1,097		\$ 956
Remuneration of directors and senior officers			
As directors - 13 (1984 - 13)	182		162
As officers - 12 (1984 - 12)	1,758		1,678
2 officers were also directors of the Company (1984 - 2 officers)			

b. Aggregate remuneration paid by the Company's unconsolidated subsidiary to directors of the Company for services as directors or senior officers of the unconsolidated subsidiary including the cost of pension benefits amounted to \$175,000 (1984 - \$157,000).

c. Certain comparative figures have been reclassified to conform with the current presentation.

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## Auditors' Report

To the Shareholders, The Investors Group

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We have examined the consolidated balance sheet of The Investors Group and its consolidated subsidiary companies as at December 31, 1985 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba  
February 12, 1986.

TOUCHE ROSS & CO.  
CHARTERED ACCOUNTANTS

# The Great-West Life Assurance Company

## Consolidated Balance Sheet

December 31, 1985 (in thousands of dollars)

ASSETS	1985	1984 (Note 9)
Bonds (note 1b)	<b>\$2,904,374</b>	\$2,648,812
Mortgages and sale agreements (note 1b)	<b>4,833,997</b>	3,582,981
Stocks (note 1c)	<b>262,654</b>	371,125
Real Estate (note 1d)	<b>701,410</b>	676,049
Loans to policyholders	<b>318,910</b>	322,842
Cash and certificates of deposit	<b>114,424</b>	92,221
Premiums in course of collection	<b>72,592</b>	95,536
Interest due and accrued	<b>148,299</b>	131,969
Segregated investment funds (note 1e)	<b>1,342,539</b>	1,136,763
Other assets	<b>101,823</b>	127,841
	<b>\$10,801,022</b>	\$9,186,139
<hr/>		
LIABILITIES		
Policy benefit liabilities		
Policy reserves (note 1g)	<b>\$6,973,391</b>	\$5,908,388
Segregated investment funds	<b>1,342,539</b>	1,136,763
Provision for claims	<b>443,988</b>	399,181
Provision for 1986 policyholders' dividends	<b>70,660</b>	64,839
Provision for experience rating refunds	<b>75,833</b>	81,922
	<b>8,906,411</b>	7,591,093
Policyholders' funds	<b>392,935</b>	365,960
Mortgages on real estate	<b>273,818</b>	280,333
Income taxes payable	<b>5,836</b>	4,940
Deferred income taxes (note 1f)	<b>16,832</b>	11,874
Other liabilities	<b>150,686</b>	115,700
	<b>9,746,518</b>	8,369,900
Capital stock and surplus		
Capital stock (note 2)	<b>152,000</b>	2,000
Appropriated surplus (note 4)		
– participating policyholders	<b>72,644</b>	70,861
– shareholders	<b>232,624</b>	201,327
Unappropriated surplus		
– participating policyholders	<b>258,639</b>	228,377
– shareholders	<b>338,597</b>	313,674
	<b>1,054,504</b>	816,239
	<b>\$10,801,022</b>	\$9,186,139

See accompanying notes to financial statements.



## The Great-West Life Assurance Company Summary of Consolidated Operations

(in thousands of dollars except earnings per share)

	1985	1984 (Note 9)
Income:		
Life insurance and annuity premiums	\$1,772,749	\$1,514,025
Accident and health premiums	533,649	533,520
Property and casualty premiums	13,305	11,848
Net investment income	1,001,464	855,538
Net realized and unrealized capital gains on assets of segregated investment funds (note 1e)	94,140	9,493
<b>Total Income</b>	<b>3,415,307</b>	<b>2,924,424</b>
Benefits and Expenses:		
Life and annuity benefits	1,066,570	925,292
Accident and health benefits	411,180	414,504
Property and casualty benefits	12,969	10,541
Interest on funds on deposit	42,446	35,846
Increase in policy reserves (note 1g)	1,270,335	989,817
Policyholder dividends and experience refunds	100,964	101,735
<b>Total paid or credited to policyholders</b>	<b>2,904,464</b>	<b>2,477,735</b>
Commissions and operating expenses	368,639	324,804
Premium taxes	20,675	22,010
Net operating income before income taxes	121,529	99,875
Income taxes – current	3,414	4,503
– deferred	2,280	(5,275)
<b>Net Income from Operations</b>	<b>115,835</b>	<b>100,647</b>
Other Items (note 3)	4,784	18,635
<b>Net Income</b>	<b>\$ 120,619</b>	<b>\$ 119,282</b>
Summary of Net Income (note 1h)		
Attributable to Participating Policyholders		
Net income before policyholder dividends	\$ 99,752	\$ 87,541
Policyholder dividends	71,890	64,500
Net income from operations	27,862	23,041
Other items (note 3)	4,183	17,920
<b>Net income – participating policyholders</b>	<b>\$ 32,045</b>	<b>\$ 40,961</b>
Attributable to Shareholders		
Net income from operations	\$ 87,973	\$ 77,606
Other items (note 3)	601	715
Net income – shareholders	88,574	78,321
Dividends to preferred shareholders	2,354	–
<b>Net Income – common shareholders</b>	<b>\$ 86,220</b>	<b>\$78,321</b>
Earnings per common share		
From operations	\$ 42.81	\$ 38.80
Including other items	\$ 43.11	\$ 39.16

See accompanying notes to financial statements.

**The Great-West Life Assurance Company**  
**Consolidated Statement of Surplus**

For the year 1985 (in thousands of dollars)

	Participating Policyholders	Shareholders	Total
<b>APPROPRIATED</b>			
Balance January 1	\$ 70,861	\$201,327	\$272,188
Add:			
Increase in special reserves			
Investment valuation and currency reserve – net	937	1,015	1,952
Reserve for cash value deficiencies and amounts of negative reserves	2,421	35,217	37,638
Reserve for miscellaneous assets	(1,575)	(4,935)	(6,510)
	1,783	31,297	33,080
Balance December 31	\$ 72,644	\$232,624	\$305,268
<b>UNAPPROPRIATED</b>			
Balance January 1	\$228,377	\$313,674	\$542,051
Add:			
Total net income for year from summary of operations	32,045	88,574	120,619
Deduct:			
Dividends to shareholders			
– preferred shareholders	–	2,354	2,354
– common shareholders	–	30,000	30,000
Changes in special reserves appropriated from surplus	1,783	31,297	33,080
Balance December 31	\$258,639	\$338,597	\$597,236

See accompanying notes to financial statements.

## The Great-West Life Assurance Company

### Notes to 1985 Consolidated Financial Statements

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#### 1. Summary of Significant Accounting Practices

The accounting practices followed by the Company are as prescribed or permitted by the Department of Insurance of Canada for the purpose of reporting to policyholders and shareholders.

- (a) Financial results for 1985 are reported on a consolidated basis. All significant intercompany balances and transactions are eliminated on consolidation. The Company's principal subsidiaries are:

Great-West Life & Annuity Insurance Company  
Torwest Properties U.S.A. Limited  
Gold Circle Insurance Company  
G.W.L. Properties Ltd.  
Great-West Realty Investments, Inc.

During 1986, the Gold Circle Insurance Company will cease operations with its in-force business being transferred to The Personal Insurance Company of Canada. In return, Great-West Life will receive an equity interest in The Personal Insurance Company of Canada. GWL Realty Investment Inc. was sold in September with the gain on sale recorded in other items.

- (b) Investments in bonds, mortgages and sale agreements (debt securities) are basically carried at amortized cost with the securities of the life account adjusted by the unamortized balance of losses or gains on sales of securities. The difference between the proceeds on the sale of a debt security and its amortized cost is considered to be an adjustment of future portfolio yield, and is deferred and amortized over the period to maturity of the security sold. The unamortized balances at December 31, 1985 are \$7,101,000 of net gains for bonds (\$41,014,000 of net losses in 1984) and \$320,000 of net gains for mortgages (\$200,000 in 1984).

Bonds, mortgages and sale agreements have a market value on a basis authorized by the Department of Insurance of \$7,813,543,000 (\$5,902,403,000 in 1984). In most instances, the carrying value of debt securities will be realized since they will be held to maturity to discharge policy contract liabilities maturing at the same time.

- (c) Investments in stocks (equity securities) in the life account are carried at cost less an adjustment which consists of realized gains and losses as well as a market value adjustment which is a portion of the difference between adjusted book value and year-end market value of all equity securities. The adjustment at December 31, 1985 amounted to \$128,661,000

(\$62,266,000 in 1984). Equity investments in respect of the accident and health business are carried at cost. Equity securities have a market value on a basis authorized by the Department of Insurance of \$541,233,000 (\$599,451,000 in 1984).

- (d) Real estate at December 31, 1985 is carried at a written down cost of \$739,779,000 (\$709,603,000 in 1984) less accumulated depreciation of \$38,369,000 (\$33,554,000 in 1984).

The market value of the real estate portfolio has been calculated at \$808,338,000 (\$775,599,000 in 1984).

- (e) Investments held for segregated investment funds are carried at market value. Net realized and unrealized capital gains on segregated investment funds were \$94,140,000 in 1985 (\$9,493,000 in 1984). Such capital gains to the funds are reflected in the increase in policy reserves and do not affect net income of the Company.

- (f) Income taxes are calculated using the deferred-tax method on a present value basis.

- (g) Policy reserves represent the amount which, in the judgement of the Valuation Actuary, is required, together with future premiums and investment income, to provide for future policy benefits, administrative expenses and taxes on insurance and annuity policies. Asset values and projected maturities of assets and liabilities are continuously monitored and appropriately considered in the determination of policy reserves.

Policy reserves are calculated using assumptions considered to be appropriate to the policies in force and recognize the deferral of certain costs of acquiring policies. The amount of unamortized deferred acquisition costs deducted in arriving at the policy reserves was \$229,138,000 at December 31, 1985 (\$171,542,000 at December 31, 1984).

- (h) Net income includes earnings of the participating, non-participating and the health insurance accounts. Earnings applicable to shareholders include net earnings of the non-participating and the health accounts and 2 1/2%, as restricted by law, of the distributions from the participating account.

- (i) Commencing in 1985, subsidiaries are being reported on a consolidated basis rather than in other items on an equity basis as in prior years and, as well, realized gains on transfer of currency from United States to Canada have been moved to net income from operations before other items. These changes had no effect on net income.

## 2. Capital Stock

	1985	1984
	(000)	(000)
Authorized		
20,000,000 Preferred Shares, par value of \$25		
50,000,000 Common Shares, par value of \$1		
Issued and Outstanding		
6,000,000 Series A, 7.70% Cumulative Preferred Shares	\$150,000	\$ —
2,000,000 Common Shares	2,000	2,000
	<u>\$152,000</u>	<u>\$2,000</u>

By supplementary letters patent dated May 3, 1985, the authorized capital of the Company was increased from \$2,000,000 to \$550,000,000 by the creation of 20,000,000 preferred shares, issuable in series, par value of \$25 and 48,000,000 additional common shares par value of \$1.

On October 17, 1985, the Company issued, for cash, 6,000,000 Series A, 7.70% Cumulative Preferred Shares, par value \$25. This issue is redeemable on December 31, 1990 at par, with earlier redemption privileges. Expenses of the issue amounting to (\$3,311,000) are being amortized over the period to redemption and the unamortized balance is included in Other Assets. Appropriated Surplus for miscellaneous assets has been increased by the unamortized balance of the expenses of issue.

## 3. Other Items

Other items, net of income taxes includes the results of:

Attributable to:	1985		1984	
	Participating Policyholders (000)	Shareholders (000)	Participating Policyholders (000)	Shareholders (000)
Net realized gains on sale of assets (note 3a)	\$1,509	\$12,303	\$ 1,133	\$ 6,839
Net write-down of assets	7,500	(12,620)	(2,436)	(15,542)
Prior years' income tax adjustment	—	—	13,614	2,810
Gain due to change in book rates of exchange	—	—	5,441	11,043
Changes in policy reserves	(4,928)	—	—	(2,780)
Provision for strengthening of employee benefit plans	—	—	(426)	(2,150)
Provision for insurance guarantee association assessments	102	918	(408)	(3,672)
Accounting basis change for subsidiaries	—	—	1,002	4,167
	<u>\$4,183</u>	<u>\$ 601</u>	<u>\$17,920</u>	<u>\$ 715</u>
	<u>\$4,784</u>		<u>\$18,635</u>	

(a) Realized gains, net of income taxes of \$1,892,000 (\$833,000 in 1984), on sales of assets include the results of:

(i) all disposals of assets of the accident and health account;

(ii) disposals of real estate in the life account;

(iii) gain on sale of GWL Realty Investment Inc.

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#### 4. Appropriation of Surplus

Appropriated surplus represents reserves required by the Department of Insurance of Canada and comprises the following:

	<u>1985</u>	<u>1984</u>
	(000)	(000)
Participating account:		
Investment valuation and currency reserve – net	\$ 17,941	\$ 17,004
Reserve for cash value deficiencies and amounts of negative reserves	34,256	31,835
Reserve for miscellaneous assets	<u>20,447</u>	<u>22,022</u>
Total	<u>\$ 72,644</u>	<u>\$ 70,861</u>
Non-participating and health accounts:		
Investment valuation and currency reserve – net	\$ 59,128	\$ 58,113
Reserve for cash value deficiencies and amounts of negative reserves	111,897	76,680
Reserve for miscellaneous assets	<u>61,599</u>	<u>66,534</u>
Total	<u>\$232,624</u>	<u>\$201,327</u>

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#### 5. United States Dollar Transactions

United States currency items are translated at a book rate of \$1.20 in Canadian dollars. A gain in 1984 of \$16,484,000 resulted from a change in the book rates of exchange from \$1.15 to \$1.20. It is the intention of the Company to alter this rate whenever it is evident that currency rates have changed significantly and in the opinion of the Company the rate will not be reversed in the near term.

Conversion to Canadian dollars of the excess of United States dollar assets over United States dollar liabilities at the December 31, 1985 exchange rate rather than the book rate of \$1.20 would have produced an increase in net assets of approximately \$68,939,000 (\$42,204,000 in 1984). In accordance with reporting requirements \$32,382,000 (\$30,651,000 in 1984) is reflected in the balance sheet by a reduction in the investment valuation and currency reserve shown in note 4.

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#### 6. Related Party Transactions

Transactions with related parties consist mainly of the provision of insurance benefits to other companies within

the Power Corporation of Canada group of companies. In all cases, such transactions are made in the normal course of business and at competitive prices.

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7. Company's Effective Income Tax Rate

	<u>1985</u>	<u>1984</u>
The Company's effective income tax rate is made up as follows:		(note 9)
Combined basic Canadian federal and provincial tax rate	51.3%	50.4%
Increase (Decrease) in the income tax rate resulting from:		
Adjustment of deferred taxes to a present value basis	(34.1)	(38.7)
Tax exempt dividends on stocks	(2.3)	(1.9)
Tax exempt portion of capital gains	(2.9)	(2.5)
Lower effective tax rates on income not subject to tax in Canada	(4.8)	(8.4)
Miscellaneous	<u>(2.5)</u>	<u>0.3</u>
Effective income tax rate	<u>4.7%</u>	<u>(0.8%)</u>

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8. Contingent Liabilities

The Company has entered into a number of joint ventures and partnerships and has equity positions in a number of real estate development corporations which

have not been consolidated in its financial results. The contingent liability opposite these participations is \$185,100,000 and this amount is supported by the underlying value of the assets of the various entities.

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9. Comparative Figures

The 1984 comparative figures have been reclassified on a consolidated basis to be consistent with the financial statement presentation adopted in 1985.

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*A copy of the Annual Report may be obtained by writing to the Secretary of The Great-West Life Assurance Company, 100 Osborne Street North, Winnipeg, Manitoba, R3C 3A5.*

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**Montreal Trustco Inc.**  
**Condensed Consolidated Balance Sheet**

as at December 31, 1985

	\$000	
	1985	1984
<b>Assets</b>		
Cash, bank deposit receipts and treasury bills	\$ 375,000	\$ 271,368
Short-term notes and demand loans	354,466	389,535
Securities	287,411	321,127
Corporate and government loans	268,172	130,469
Mortgages	1,768,385	1,374,780
Premises and equipment	20,730	17,240
Other assets	27,063	24,698
	<b>\$3,101,227</b>	<b>\$2,529,217</b>
<b>Liabilities and shareholders' equity</b>		
Deposits		
Savings, chequing and other	\$ 511,584	\$ 471,683
Investment certificates	2,208,272	1,858,204
	<b>2,719,856</b>	<b>2,329,887</b>
Other liabilities	116,685	34,943
Debentures	90,000	30,000
	<b>2,926,541</b>	<b>2,394,830</b>
Shareholders' equity		
Preferred and common stock	79,605	50,119
Contributed surplus	6,217	6,063
Retained earnings	88,864	78,205
	<b>174,686</b>	<b>134,387</b>
	<b>\$3,101,227</b>	<b>\$2,529,217</b>

**Montreal Trustco Inc.**  
**Condensed Consolidated Statement of Income**

for the year ended December 31, 1985

	\$000	
	1985	1984
Gross revenue	\$ 409,481	\$ 338,880
Net revenue		
Fiduciary	\$ 64,204	\$ 62,090
Financial intermediary	45,747	38,528
Real estate commissions	14,835	11,206
	<b>124,786</b>	<b>111,824</b>
Expenses	106,901	97,340
Income before income taxes	17,885	14,484
Income Taxes	(521)	(1,149)
Net income	\$ 18,406	\$ 15,633
Net income per share	\$ 1.50	\$ 1.35

*The preceding statements represent a summary of information contained in the audited financial statements included in the Annual Report of Montreal Trustco Inc. A copy of the Annual Report may be obtained by writing to the Secretary of Montreal Trustco Inc., 1 Place Ville Marie, Montreal, Quebec, H3B 3L6.*

# The Investors Group

## Ten-Year Review

### Condensed Summary of Operations (\$000)

	1985	1984	1983
Investment income	<b>146,638</b>	139,344	129,995
Fee income	<b>95,239</b>	70,286	58,711
Net gain on investments	<b>2,431</b>	192	2,790
	<b>244,308</b>	209,822	191,496
Interest expense	<b>123,366</b>	112,294	105,280
Operating expenses	<b>90,401</b>	71,529	62,869
Income tax	<b>6,174</b>	4,785	4,410
	<b>219,941</b>	188,608	172,559
Net income – Company and wholly-owned subsidiaries	<b>24,367</b>	21,214	18,937
Share of earnings of:			
The Great-West Life Assurance Company	<b>82,925</b>	75,327	60,225
Montreal Trustco Inc.	<b>6,809</b>	6,136	5,851
Net income before debenture interest	<b>114,101</b>	102,677	85,013
Debenture interest net of tax	<b>1,576</b>	1,716	1,710
Net income	<b>112,525</b>	100,961	83,303

### Per-Share Data

Earnings	<b>8.31</b>	7.40	6.03
Dividends paid	<b>2.10</b>	1.85	1.65
Book value per share	<b>43.52</b>	37.41	31.94
Return on common equity	<b>22.2%</b>	23.2%	21.9%

### Statistical Data

Sales (in \$ millions) Mutual Funds	<b>834.0</b>	495.1	468.8
Certificates	<b>121.4</b>	97.7	82.0
Insurance and other	<b>100.8</b>	103.5	73.0
	<b>1,056.2</b>	696.3	623.8
Number of sales representatives	<b>1,297</b>	1,129	1,028
Assets (in \$ millions) Corporate	<b>1,910.2</b>	1,755.7	1,615.3
Mutual Funds	<b>3,330.4</b>	2,328.8	1,954.5
Pension Funds	<b>1,651.4</b>	1,260.3	1,258.9
	<b>6,892.0</b>	5,344.8	4,828.7



1982	1981	1980	1979	1978	1977	1976
118,401	105,053	84,221	72,813	60,882	54,050	47,103
30,894	23,758	20,811	17,256	14,995	13,810	12,542
<u>1,063</u>	<u>(935)</u>	<u>252</u>	<u>983</u>	<u>(5,026)</u>	<u>(601)</u>	<u>(183)</u>
<u>150,358</u>	<u>127,876</u>	<u>105,284</u>	<u>91,052</u>	<u>70,851</u>	<u>67,259</u>	<u>59,462</u>
92,833	67,675	52,846	43,935	37,430	32,299	27,620
44,285	38,469	32,058	27,198	24,339	22,336	20,295
<u>(1,132)</u>	<u>3,254</u>	<u>3,901</u>	<u>3,668</u>	<u>1,025</u>	<u>4,266</u>	<u>4,657</u>
<u>135,986</u>	<u>109,398</u>	<u>88,805</u>	<u>74,801</u>	<u>62,794</u>	<u>58,901</u>	<u>52,572</u>
14,372	18,478	16,479	16,251	8,057	8,358	6,890
39,553	40,422	54,441	45,380	24,351	10,014	7,927
2,699	3,418	5,055	3,177	3,573	2,905	2,531
56,624	62,318	75,975	64,808	35,981	21,277	17,348
1,759	1,795	1,812	1,935	926	—	—
<u>54,865</u>	<u>60,523</u>	<u>74,163</u>	<u>62,873</u>	<u>35,055</u>	<u>21,277</u>	<u>17,348</u>
3.84	4.27	5.33	4.45	2.52	1.52	1.22
1.60	1.55	1.30	.775	.50	.50	.50
27.60	25.37	22.70	15.32	13.53	10.90	10.04
15.1%	18.8%	28.4%	29.3%	21.2%	14.4%	12.5%
193.2	127.6	113.9	91.1	77.3	66.4	40.8
116.4	166.4	143.1	97.8	98.2	65.3	65.3
<u>83.4</u>	<u>94.0</u>	<u>76.4</u>	<u>68.6</u>	<u>67.1</u>	<u>42.0</u>	<u>65.2</u>
<u>393.0</u>	<u>388.0</u>	<u>333.4</u>	<u>257.5</u>	<u>242.6</u>	<u>173.7</u>	<u>171.3</u>
956	793	827	727	681	718	763
1,498.2	1,391.5	1,278.7	1,091.2	990.8	759.4	695.0
1,363.8	1,115.7	1,169.1	1,006.8	874.0	787.5	800.1
<u>1,054.4</u>	<u>907.7</u>	<u>823.8</u>	<u>628.8</u>	<u>554.0</u>	<u>449.7</u>	<u>393.5</u>
3,916.4	3,414.9	3,271.6	2,726.8	2,418.8	1,996.6	1,888.6

# The Investors Group

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## Board of Directors

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** DOUGLAS A. BERLIS, Q.C. <i>Counsel</i> Messrs. Aird & Berlis Toronto, Ontario	PAUL DESMARAIS, O.C. <i>Chairman and Chief Executive Officer</i> Power Corporation of Canada Montreal, Quebec	** ROBERT H. JONES <i>Chairman of the Board</i> The Investors Group Winnipeg, Manitoba
+ A. GARNET BROWN <i>President</i> A.G. Brown and Son Ltd. Halifax, Nova Scotia	** PAUL DESMARAIS, JR. * <i>Vice-President</i> Power Financial Corporation Montreal, Quebec	** A.F. KNOWLES, C.A. * <i>Executive Vice-President</i> Power Corporation of Canada Montreal, Quebec
** JAMES W. BURNS + <i>President</i> Power Corporation of Canada Montreal, Quebec	** F. WILLIAM FITZPATRICK <i>Chairman and Chief Executive Officer</i> Bralorne Resources Limited Calgary, Alberta	** ARTHUR V. MAURO, Q.C. <i>President and Chief Executive Officer</i> The Investors Group Winnipeg, Manitoba
* GORDON H. COWPERTHWAITTE, F.C.A. <i>Company Director</i> Toronto, Ontario	* J.F. FRASER + <i>President and Chief Executive Officer</i> Federal Industries Ltd. Winnipeg, Manitoba	+ HON. W.J. McKEAG <i>President</i> McKeag Realty Ltd. Winnipeg, Manitoba
** Member of the Executive Committee		* G.J. VAN DEN BERG <i>Company Director</i> Toronto, Ontario
* Member of the Audit Committee		
+ Member of the Public Policy Committee		

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## Officers

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ROBERT H. JONES	<i>Chairman of the Board</i>
ARTHUR V. MAURO, Q.C.	<i>President and Chief Executive Officer</i>
ANDREW S. JACKSON, F.C.A.	<i>Executive Vice-President, Finance and Administration</i>
WALTER S. HILL, C.A.	<i>Senior Vice-President, Information Systems and Data Processing</i>
STERLING J. McLEOD	<i>Senior Vice-President, Sales</i>
PHILIP E. NEWMAN	<i>Senior Vice-President, Investments</i>
DALE A.G. PARKINSON, F.C.A.	<i>Senior Vice-President, Operations</i>
D. CARL BJARNASON	<i>Vice-President, Secretary and Counsel</i>
DONALD E. RETTIE, C.A.	<i>Vice-President and Treasurer</i>
G. LAURENCE F. RIDDELL	<i>Vice-President, Human Resources</i>
HERBERT W. MIDDLESTEAD	<i>Vice-President and Controller</i>

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# The Investors Group

Incorporated under the laws of the Province of Manitoba

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## Head Office

280 Broadway, Winnipeg, Manitoba R3C 3B6

## Auditors

TOUCHE ROSS & CO.

## Transfer Agent

MONTREAL TRUST COMPANY

Vancouver

Calgary

Regina

Winnipeg

Toronto

Montreal

## Stock Exchange Listings

THE MONTREAL STOCK EXCHANGE

THE WINNIPEG STOCK EXCHANGE

## Annual Meeting

The annual meeting of shareholders of The Investors Group will be held at The Holiday Inn, 350 St. Mary Avenue, Winnipeg, Manitoba on Tuesday, April 29, 1986 at 2:30 p.m. Central Daylight Time.

# The Investors Group

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*The Investors Group is a financial services holding company. Through its principal operating companies it 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 Trustco Inc. offer respectively a full line of individual and group life insurance products and a complete range of personal and corporate trust services.*

## Principal Operating Companies

Investors Syndicate Limited

Les Services Investors Limitée

Investors Securities Management Ltd.

Investors Syndicate Realty Limited

Investors Group Trust Co. Ltd.

Investors Syndicate Property Corp.

The Great-West Life

Assurance Company (96.2% owned)

Montreal Trustco Inc. (34.4% owned)

## Mutual Funds

Investors Mutual of Canada Ltd.

Investors Growth Fund of Canada Ltd.

Investors International Mutual Fund Ltd.

Investors Dividend Fund Ltd.

Provident Stock Fund Ltd.

Investors Japanese Growth Fund Ltd.

Investors Retirement Mutual Fund

Investors Mortgage Fund

Investors Bond Fund

Investors Canadian Equity Fund

Investors Real Property Fund

Investors Money Market Fund



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*The Investors Group is a member of the Power Financial Corporation group of companies*