

Investors

MUTUAL OF CANADA LTD.

MORTGAGE FUND

BOND FUND

RETIREMENT MUTUAL FUND

INTERNATIONAL MUTUAL FUND LTD.

DIVIDEND FUND LTD.

PROVIDENT STOCK FUND LTD.

JAPANESE GROWTH FUND LTD.

GROWTH FUND OF CANADA LTD.

HOWARD ROSS LIBRARY
OF MANAGEMENT
FEB 28 1983
MCGILL UNIVERSITY

Investors

INVESTORS MUTUAL OF CANADA LTD.

BOARD OF DIRECTORS

Investors Mutual is a balanced fund: that is one which invests in both equity and fixed income type securities.

The investment portfolio consists of a diversified list of common stocks in Canadian and United States companies selected for long-term capital growth plus preferred stocks chosen for their high level of income plus long-term stability.

C. E. Atchison
WINNIPEG
J. A. Beliveau
MONTREAL
E. A. Galvin
CALGARY
R. O. A. Hunter
WINNIPEG
D. S. Kaufman
WINNIPEG
R. H. Jones
WINNIPEG
A. V. Mauro, Q.C.
WINNIPEG
J. A. K. MacDonell
WINNIPEG
D. J. McDonald
TORONTO
P. E. Newman
WINNIPEG
D. S. Rogers
WINNIPEG

EXECUTIVE OFFICERS

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

1982 HIGHLIGHTS

Total Net Assets	\$172,072,994
Number of Shareholders	14,900
Asset Value per Share:	
High	\$ 6.79
Low	\$ 4.99
Close	\$ 6.14
Dividends Paid	\$25,126,773
Dividends per Share	\$0.94

PRESIDENT'S REPORT



On behalf of the Board of Directors I am pleased to enclose the Report to the Shareholders for the year ended October 31, 1982.

During the year the Fund distributed its regular dividend of 36¢ per share along with a capital gains dividend of 58¢ per share. Including the reinvestment of these dividends, the net asset value of your Fund increased by 14.2%. Over the same period and including the reinvestment of dividends, the Toronto Stock Exchange 500 Composite Index advanced by 0.4%.

For the five-year period ending October 31, 1982 the Fund has provided an average annual return of 15.1%. Over the same period the Consumer Price Index increased at an average annual rate of 10.4%. The Fund has therefore earned an attractive real rate of return in both the short and long term time frames as measured against a well-recognized common stock index, and the purchasing power of the dollar.

The dramatic decline in interest rates during the year provided the main driving force behind the performance of the Fund. Over this one-year period short-term interest rates in Canada declined from a high of 17.40% to 10.35%, while long-term rates declined from a high of 16.31% to 11.38%.

Your Fund followed a conservative balanced approach to the investment of its assets with a portion of the assets invested in fixed income securities. The decline in interest rates coupled with a high concentration on interest-sensitive issues in the common stock portion of the portfolio, provided both stability of income and capital appreciation.

Lower interest rates have resulted in a more positive outlook to solving many of the problems Canada faced at the trough of the economic cycle:

- (1) The concern that large government deficits could not be funded without undue burdens being placed upon taxpayers has been alleviated;
- (2) The threat of massive bankruptcies in both the manufacturing and service sectors has eased;
- (3) Because the economic recovery looks muted, the threat of recurring inflationary forces has subsided.

While 1983 will be difficult, the determination to deal with our major economic and social problems will continue. Lower inflation and interest rates will point the way toward sustained economic recovery and growth.

Your Fund has positioned itself to take advantage of these changing forces.

Arthur V. Mauro, Q.C.
PRESIDENT

Winnipeg, Canada

INVESTORS: HELPING CANADIANS MANAGE MONEY SUCCESSFULLY



Managing money successfully takes time and effort: that's why Investors Advisors make housecalls. That continued extra effort pays off for clients whose goals and needs are matched in a personal financial plan tailored to fit what they want to achieve.

Located in Winnipeg, the head office houses The Investors Group's operating subsidiary companies: Investors Syndicate Limited; Investors Securities Management Ltd.; Investors Group Trust Co. Ltd. and Investors Syndicate Realty Limited.

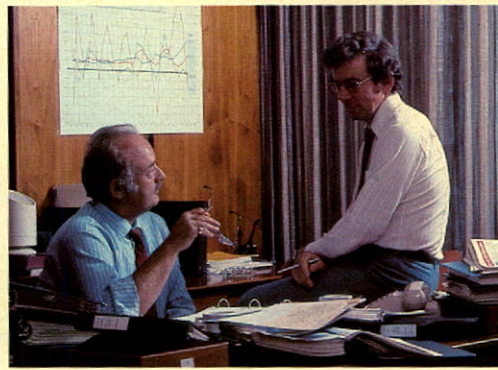
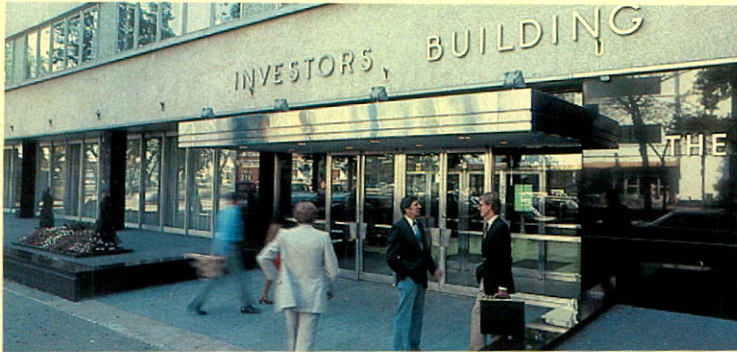
Having a money management plan means you can enjoy a comfortable retirement. Your personal financial plan will change as your circumstances change — but the end result is always the same: to achieve financial success for yourself and your family.

Our company started with one basic idea: to help people manage their money successfully. And we have been very successful doing just that for over 40 years. The fact that we are good at what we do means tens of thousands of Canadians have achieved financial success.

Our 400,000 clients are a diverse cross-section of men and women of all ages, professions and incomes. Their financial goals are familiar ones. Goals like paying off a

mortgage early, sending children to university, enjoying the benefits of investments, saving taxes or retiring comfortably. Our objective is to help individuals determine their goals and match them with the right financial program.

We accomplish our objective through a highly-trained group of more than 900 professional financial planners located in 48 sales offices across Canada. As the largest company of its kind in the financial plan-



Investors Advisors are highly trained professionals. Our comprehensive training program is outstanding — and our career-development team strives to assist Investors Advisors meet the demands of their clients with the information necessary to do the best job possible.

Professional management of investments is just one of the major benefits Investors clients enjoy. Management and administration of investment portfolios is a demanding task requiring knowledgeable, experienced professionals. Clients not only enjoy the benefits of their investments, but the confidence that comes from a skilled investment team.

Management and administration of client accounts and investments is handled from our Winnipeg-based head office.

ning business, we are proud of the expertise we have to offer.

The Investors Group is a Canadian-owned and operated company, with assets of \$10 billion under management or administration.

Combined with our subsidiaries and associated companies, The Great-West Life Assurance Company and Montreal Trust Company, we offer investment funds, guaranteed investment certificates, savings

plans, tax-sheltered savings programs, insurance products and pension services.

The basic idea that started our company has helped make Investors one of the most successful and largest financial services companies in Canada. That basic idea won't change. Helping Canadians manage their money successfully is still the most important thing we do.

AN INVESTMENT CONCEPT

Most Canadians are seriously concerned about the impact inflation and taxation will have on the future purchasing power of their savings and investments.

Today, more than ever before, it is important to find sound ways to increase investment returns.

Investors can show you nine distinctly different ways to make your dollars work harder for you.

Our experience has shown that no single investment choice is best all the time. Economic conditions and investment opportunities change so rapidly that few individuals have the time, the know-how or the resources to stay ahead consistently.

Our Investment Concept, "**Managing for Capital Growth**" provides a sound way of maximizing investment returns by creating a portfolio of investment funds with clearly defined objectives and the flexibility to adapt to economic changes. This can be accomplished easily with the full range of Investors' nine professionally managed Funds.

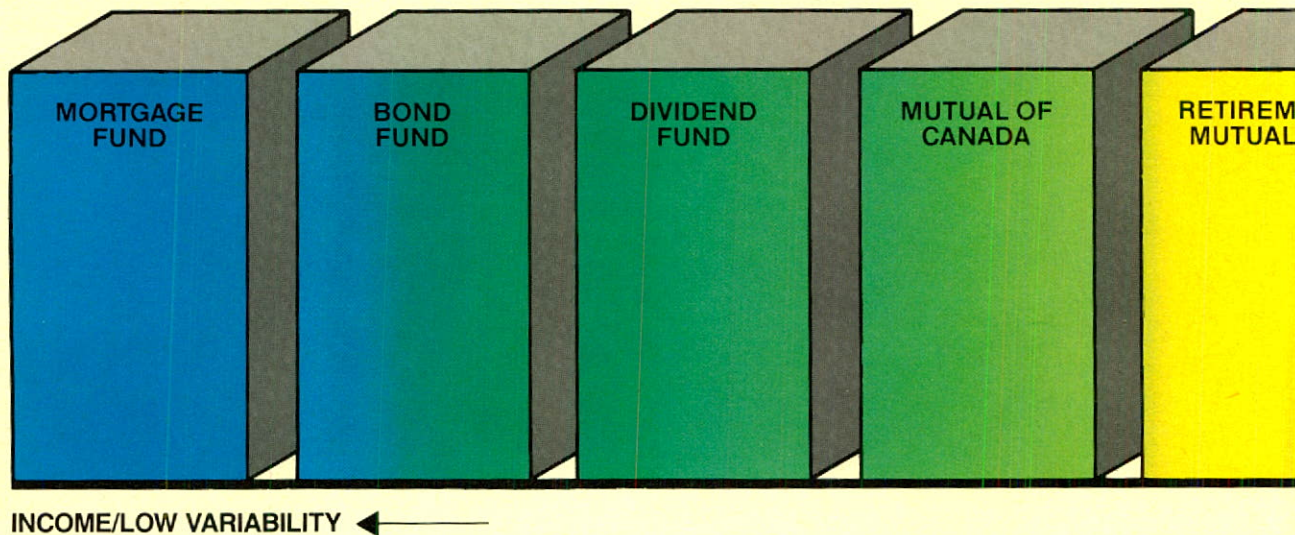
The number and choices of funds which the investor will want to use at any one time will depend upon personal objectives and

the extent to which they change over the years. Important factors influencing selections will include: need for current investment income; desire to seek inflation protection of income, or capital or both; control of tax exposure; the time horizon available to accomplish objectives; requirement for liquidity in the meantime; and perhaps most important, tolerance of investment risk which we might express as your personal "comfort zone" with respect to future capital and income variability.

Investors' nine Funds each have their own variability characteristics relative to each other as indicated in the color spectrum below. High variability funds on the right normally experience greatest price advances/declines over the short to medium term, while also generating smaller investment income returns than the lower variability/higher income funds to the left. However, over the longer term, our experience has been that high variability funds have generally provided the greatest overall returns after inflation and taxation.

The choice depends on objectives.

If your own objectives are to obtain maximum long-term capital growth with little



need for investment income now, and if your comfort zone will accommodate higher short-term variability of returns, then you might select your portfolio from the right of our spectrum. On the other hand, if you require maximum investment income now and feel comfortable with a more stable low variability portfolio, then you can select from

the spectrum's left side. A moderate variability portfolio seeking some income with stability, plus some capital appreciation potential as well, may be constructed simply by selecting from both sides of the spectrum to achieve balance between fixed income and equity securities, plus high quality diversification within each group.

Investors Family of Funds

MORTGAGE FUND

provides a good income yield and long-term capital stability. Available for RRSP, RRIF and RHOSP plans.

BOND FUND

provides a high level of current income from top-grade bonds. Available for RRSP, RRIF and RHOSP plans.

DIVIDEND FUND

seeks an above-average level of dividend income which "grows," plus capital protection from inflation.

MUTUAL OF CANADA

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

RETIREMENT MUTUAL

seeks long-term capital growth from common stocks (90% Canadian content) for RRSP, RRIF and RHOSP plans.

GROWTH FUND OF CANADA

seeks long-term capital growth from a diversified list of primarily Canadian and some U.S. "growth" companies.

INTERNATIONAL MUTUAL

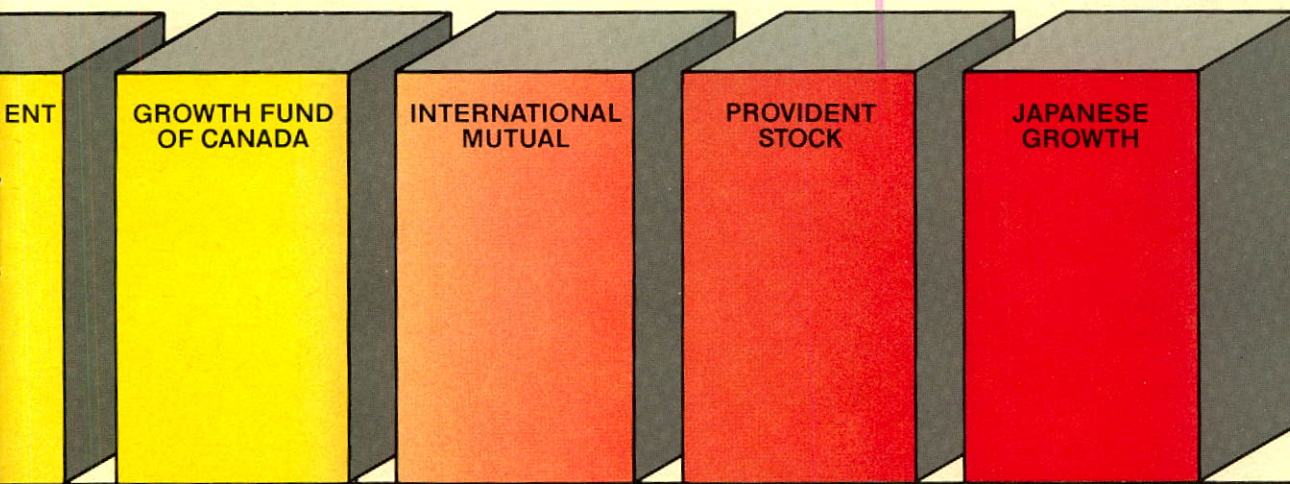
seeks long-term capital appreciation through ownership of common stocks in United States "growth" companies.

PROVIDENT STOCK

seeks above-average appreciation from a concentrated list of dynamic Canadian and U.S. stocks selected for superior future growth potential.

JAPANESE GROWTH

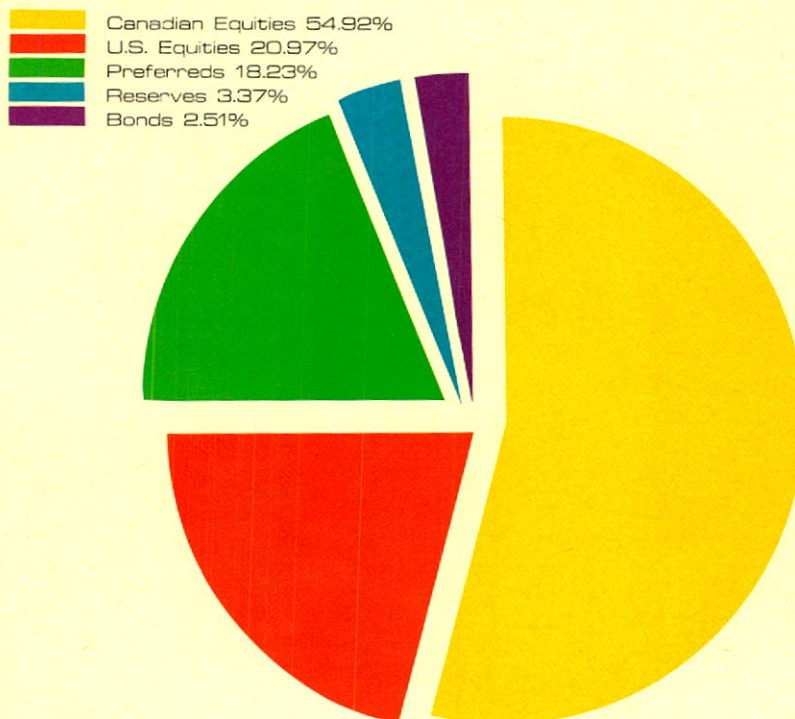
provides an opportunity for long-term growth in common stocks of major Japanese corporations operating in one of the world's strongest economies.



→ CAPITAL GROWTH/HIGH VARIABILITY

PORTFOLIO HIGHLIGHTS

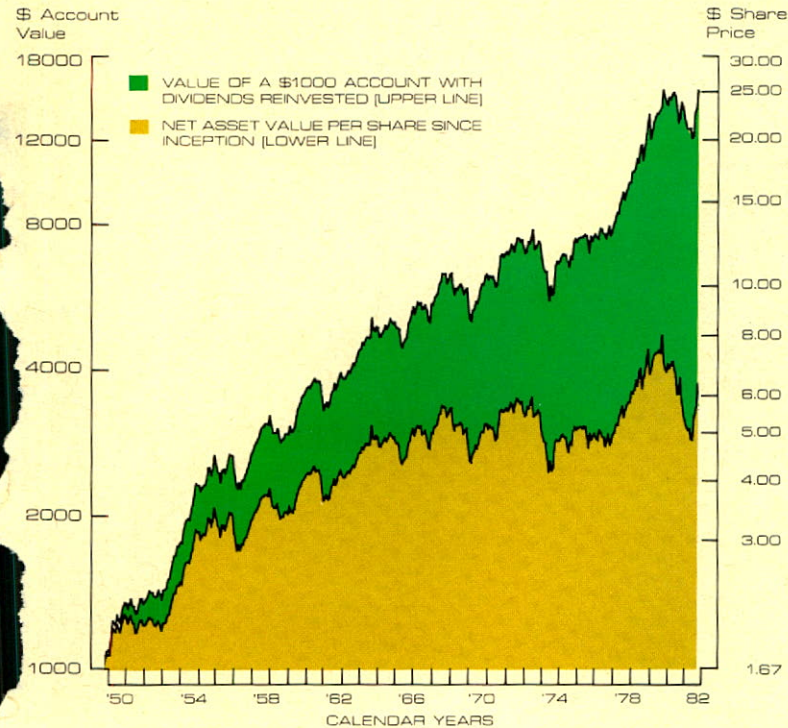
THIS IS WHERE INVESTORS MUTUAL'S \$172,072,994 OF NET ASSETS AT MARKET VALUE WERE INVESTED ON OCTOBER 31, 1982



% of Net Assets	INVESTORS MUTUAL'S TOP TEN EQUITY HOLDINGS*	Market Value
4.83%	BELL CANADA is Canada's largest supplier of telecommunication services and related equipment.	\$ 8,315,485
3.75%	THE TORONTO-DOMINION BANK provides a wide range of financial services to individuals, corporations and governments throughout Canada and internationally.	\$ 6,452,357
3.58%	HOSPITAL CORPORATION OF AMERICA is one of the world's largest hospital management companies.	\$ 6,163,158
3.50%	CANADIAN IMPERIAL BANK OF COMMERCE is also a major Canadian chartered bank with international interests.	\$ 6,022,463
3.44%	INTERNATIONAL BUSINESS MACHINES CORPORATION is the world's largest manufacturer of computers, information processing equipment and related systems.	\$ 5,924,932
3.26%	HIRAM WALKER RESOURCES LTD. is engaged in the production of distilled spirits, oil, natural gas and gas distribution pipelines.	\$ 5,604,813
2.95%	THE ROYAL BANK OF CANADA is a major Canadian chartered bank with international interests.	\$ 5,079,525
2.74%	EASTMAN KODAK COMPANY is a major manufacturer of photographic equipment and supplies.	\$ 4,711,036
2.54%	NOVA, AN ALBERTA CORPORATION is a major gas transmission company with growing oil, gas and petrochemical operations.	\$ 4,374,700
2.38%	BOW VALLEY INDUSTRIES LTD. is a Canadian based multi-national oil and gas company with coal and uranium holdings.	\$ 4,093,200
32.97%	OF TOTAL NET ASSETS WITH A MARKET VALUE OF	\$56,741,669

*Equity holdings include common stocks, convertible preferred shares and convertible bonds.

INVESTORS MUTUAL OF CANADA LTD.



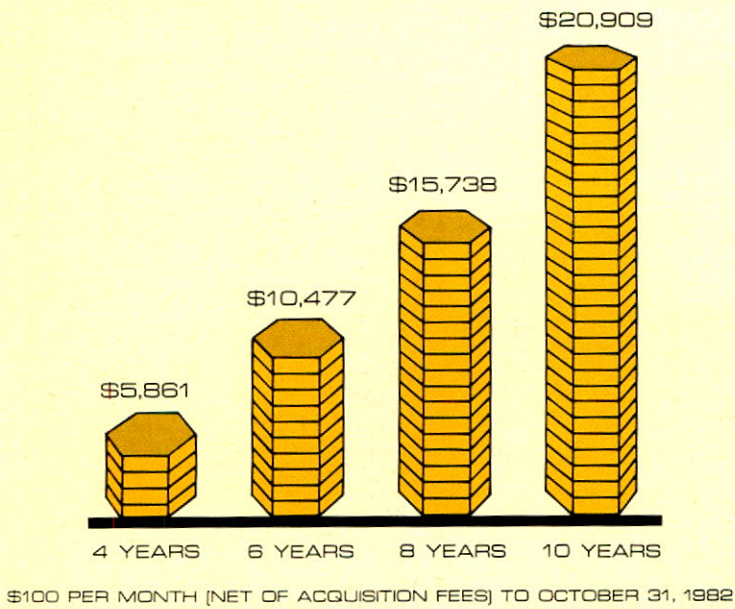
PERFORMANCE RECORD

Investors Mutual of Canada's record in achieving its objective of capital appreciation with safety over the long-term is illustrated in the chart of month-end values since inception on January 31, 1950 up to the end of the current fiscal year.

Highlights of the Fund's portfolio structure on October 31, 1982 are shown on the opposite page. Although the current recession has pulled share prices down from the peak levels attained in 1980, Investors Mutual's management team are confident that the companies owned are well-positioned to weather current economic storms and to provide excellent returns in respect of both capital and income for shareholders as the Canadian and U.S. economies improve.

Superior long-term returns and fluctuating short-term results are normal characteristics of a 'moderate variability' balanced fund.

EXAMPLES OF DOLLAR AVERAGING AT WORK



DOLLAR AVERAGING

Shareholders who have enjoyed the most consistent success with Investors Mutual of Canada over the years have increased the returns on their major lump-sum investments by investing regular monthly amounts as well. Their dollars have been working harder through systematic "Dollar Averaging".

This simple and convenient concept reduces investment timing risks and improves returns. A regular sum of money is collected automatically from the shareholder's bank each month and is invested at the Fund's current market price. One acquires many more shares at the low points and reaps the reward through a reduced average cost and enhanced values when prices recover.

INVESTORS MUTUAL OF CANADA LTD.

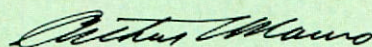
STATEMENT OF NET ASSETS AND SHAREHOLDERS' EQUITY

October 31, 1982 and 1981

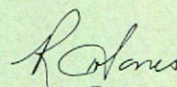
	1982	1981
ASSETS:		
Investments, at market value in Canadian funds:		
Canadian Government bonds	\$ 4,312,500	3,312,500
Canadian corporation bonds	2,499,750	3,796,250
United States corporation bonds	1,550,130	1,349,780
Canadian preferred stocks	45,888,114	40,867,108
Canadian common stocks	77,479,891	66,907,848
United States common stocks	34,538,741	40,634,020
	<u>166,269,126</u>	<u>156,867,506</u>
The average cost of the investments as at October 31, 1982 was \$164,731,958 (1981 — \$158,200,262)		
OTHER ASSETS:		
Bank deposits and cash in transit less outstanding cheques	3,039,240	—
Demand notes	4,591,307	8,585,053
Accrued interest and dividends receivable	804,071	666,967
Income taxes receivable	—	161,689
	<u>8,434,618</u>	<u>9,413,709</u>
Total assets	<u>174,703,744</u>	<u>166,281,215</u>
LIABILITIES:		
Outstanding cheques less bank deposits and cash in transit	—	235,345
Due to brokers	2,545,249	456,064
Accrued expense	38,881	22,843
Accounts payable	2,407	65,065
Income taxes payable	44,213	—
Total liabilities	<u>2,630,750</u>	<u>779,317</u>
NET ASSETS AND SHAREHOLDERS' EQUITY	<u>\$172,072,994</u>	<u>165,501,898</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

STATEMENT OF CHANGES IN NET ASSETS

Years ended October 31, 1982 and 1981

	1982	1981
Net assets, beginning of year	\$165,501,898	194,587,692
Add:		
Unrealized appreciation (depreciation) of investments for the year — net	2,869,924	(36,299,554)
Net income	10,070,258	9,280,036
Profit from sale of investments and from foreign exchange — net	8,382,394	18,663,505
Proceeds from sale of Mutual Fund shares less commission paid	28,727,064	30,493,582
	<u>215,551,538</u>	<u>216,725,261</u>
Deduct:		
Payments on redemption of Mutual Fund shares	18,351,771	24,721,662
Dividends paid from: (note 2)		
Net income	10,029,166	9,441,753
Profit from sale of investments	15,097,607	17,059,948
	<u>43,478,544</u>	<u>51,223,363</u>
Net assets, end of year (note 2)	<u>\$172,072,994</u>	<u>165,501,898</u>

See accompanying notes to financial statements.

STATEMENT OF SURPLUS AND SHAREHOLDERS' EQUITY

Years ended October 31, 1982 and 1981

	1982	1981
Retained Earnings:		
Balance, beginning of year	\$161,076,387	159,620,894
Net income	10,070,258	9,280,036
(Loss) profit from foreign exchange	(11,225)	52,164
Profit from sale of investments	8,393,619	18,611,341
Transfer from contributed capital	59,108	13,653
Dividends paid (note 2)	<u>(25,126,773)</u>	<u>(26,501,701)</u>
Balance, end of year	<u>154,461,374</u>	<u>161,076,387</u>
Contributed Capital		
Balance, beginning of year	5,758,267	—
Proceeds from sale of Mutual Fund shares	28,727,064	30,493,582
Transfer to retained earnings to equalize the equity per share in the amount available for dividends in respect of Mutual Fund shares sold or redeemed during the year	(59,108)	(13,653)
Payments on redemption of Mutual Fund shares	<u>(18,351,771)</u>	<u>(24,721,662)</u>
Balance, end of year	<u>16,074,452</u>	<u>5,758,267</u>
Unrealized Appreciation (Depreciation) of Investments		
Balance, beginning of year	(1,332,756)	34,966,798
Unrealized appreciation (depreciation) for the year — net	<u>2,869,924</u>	<u>(36,299,554)</u>
Balance, end of year	<u>1,537,168</u>	<u>(1,332,756)</u>
Total Surplus and Shareholders' Equity, end of year (note 2)	<u>\$172,072,994</u>	<u>165,501,898</u>

See accompanying notes to financial statements.

STATEMENT OF INCOME

Years ended October 31, 1982 and 1981

	1982	1981
Income:		
Dividends	\$ 10,391,337	9,661,935
Interest	<u>1,762,437</u>	<u>1,884,791</u>
	<u>12,153,774</u>	<u>11,546,726</u>
Expense: (note 5)		
Management fees	1,427,318	1,678,370
Audit fees	8,696	8,870
Directors' fees and expense	21,241	20,163
Custodian fees	38,481	20,857
Postage	56,014	17,731
Other expense	<u>27,344</u>	<u>17,694</u>
	<u>1,579,094</u>	<u>1,763,685</u>
Income before taxes	10,574,680	9,783,041
Income taxes	<u>504,422</u>	<u>503,005</u>
Net income (note 2)	<u>\$ 10,070,258</u>	<u>9,280,036</u>

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN INVESTMENTS

Years ended October 31, 1982 and 1981

	1982	1981
Investments at average cost, beginning of year	\$158,200,262	155,840,956
Add cost of investments purchased	<u>31,899,979</u>	<u>35,944,554</u>
	<u>190,100,241</u>	<u>191,785,510</u>
Deduct:		
Proceeds from sale of investments	33,761,902	52,196,589
Less profit from sale of investments	<u>8,393,619</u>	<u>18,611,341</u>
Cost of investments sold	<u>25,368,283</u>	<u>33,585,248</u>
Investments at average cost, end of year	<u>\$164,731,958</u>	<u>158,200,262</u>

See accompanying notes to financial statements.

STATEMENT OF INVESTMENTS—October 31, 1982

	Par Value	Average Cost	Market Value
GOVERNMENT OF CANADA BOND			
Government of Canada 10.5% 10-01-2004	\$ 5,000,000	\$ 4,655,630	\$ 4,312,500
OTHER BONDS			
The Bank of Nova Scotia 10% conv. red. deb. 04-01-2001	1,500,000	1,462,500	1,485,000
*Hospital Corporation of America conv. deb. 8.75% 02-15-2006	1,000,000	1,198,000	1,550,130
Leigh Instruments Limited conv. sub. deb. 13.0% 01-15-92	900,000	900,000	1,014,750
		<u>3,560,500</u>	<u>4,049,880</u>
TOTAL BONDS		<u>\$ 8,216,130</u>	<u>\$ 8,362,380</u>
	No. of Shares	Average Cost	Market Value
PREFERRED STOCK FIXED			
Anglo-Canadian Telephone Company \$2.65 cum. red. \$50 p.v.	20,000	\$ 1,000,000	\$ 450,000
British Columbia Telephone Company			
5.15% cum. red. \$100 p.v.	29,815	3,012,255	1,267,137
7.40% cum. red. \$25 p.v.	60,000	1,500,000	810,000
8.75% \$25 p.v.	16,000	400,000	368,000
Bank of Montreal \$2.50 Class A Series 2 cum. wts. \$25 p.v.	40,000	761,652	960,000
Carling O'Keefe Limited \$2.65 cum. red. Series B \$50 p.v.	121,995	6,197,024	2,866,883
Celanese Canada Inc. \$1.75 cum. red. \$25 p.v.	20,573	740,729	262,306
Dofasco Inc. \$2.35 cum. red. \$25 p.v.	47,800	1,195,000	932,100
Dome Petroleum Limited 7.76% \$25 p.v. Series A	50,000	1,175,000	600,000
Echo Bay Mines Ltd. \$3.00 cum. red. voting pfd. \$25 p.v.	40,000	1,000,000	790,000
Gold Purchase Warrants			
A 1986	40,000	250,000	172,000
B 1987	40,000	250,000	160,000
C 1988	40,000	250,000	162,000
D 1989	40,000	250,000	166,000
George Weston Limited 6.0% cum. red. 2nd Series \$100 p.v.	2,800	278,872	154,000
Grafton Group Limited Series A \$3.00	43,750	1,654,871	962,500
Hudson's Bay Company \$1.80 cum. red. Series A \$22.50 p.v.	61,279	1,388,185	834,926
Inter-City Gas Corporation 8.25% 1st pfd. Series B cum. red. \$20 p.v.	54,255	1,085,100	637,496
Minorco Canada Limited			
6% Series A \$100 p.v.	47,000	4,700,000	1,856,500
6.25% Series B \$100 p.v.	2,500	246,250	119,842
Power Corporation of Canada Limited 4.75% cum. red. 1st pfd. 1965 Series \$50 p.v.	98,750	4,690,625	2,419,375
Quebec-Telephone 4.75% cum. red. 1965 Series \$20 p.v.	90,500	1,728,550	712,688
The Toronto-Dominion Bank \$1.835 Series A cum. red.	175,400	4,385,000	2,916,025
United Corporations Limited cum. red. \$1.50 2nd pfd. 1963 Series	25,225	752,381	282,192
		<u>38,891,494</u>	<u>20,861,970</u>
PREFERRED STOCK—EQUITY			
Canada Development Corporation 8% conv. Class B ret. 10-2-1985 to 10-1-1986	14,900	1,938,691	1,374,525
Hiram Walker Resources Ltd. 7.5% cum. red. conv. 1st Series \$25 p.v.	278,500	7,306,196	5,604,813
Nova, An Alberta Corporation			
6.5% conv. \$25 p.v.	53,300	1,332,500	1,145,950
12% cum. red. conv. 2nd pfd. \$25 p.v.	105,000	2,606,250	3,228,750
Nu-West Group Limited 8% cum. red. conv. 2nd pfd. Series A \$20 p.v.	175,000	3,562,199	700,000
Westmin Resources Limited 8.5% conv. Class B Series 1 \$25 p.v.	80,000	2,000,000	1,800,000
		<u>18,745,836</u>	<u>13,854,038</u>
PREFERRED STOCK—RETRACTABLES			
Canadian Utilities Limited \$2.56 cum. red. 2nd Series D \$25 p.v. ret. 06-01-85	49,750	1,243,750	1,287,281
9% cum. red. 2nd pfd. Series H \$22.25 p.v. ret. 10-26-87	90,000	1,755,000	1,822,500
Canadian Imperial Bank of Commerce			
\$2.50 cum. red. Class A Series 1 ex-warrants ret. before 07-20-87	40,000	1,000,000	990,000
Seco-Cemp Limited			
\$2.25 cum. red. Series A 50% ret. before 8-15-90 and 50% 8-15-95	108,500	2,592,618	2,549,750
The Shipping Corporation of New Zealand (Canada) Limited			
\$2.19 Series A ret. before 06-17-87	43,400	1,085,000	998,200
Stelco Inc.			
Series D 10.0% \$25 p.v. cum. red. ret. 11-15-85 and 11-15-90	57,500	1,437,500	1,351,250
Union Gas Limited 9.875% \$20 p.v. Class B Series 4 ret. 08-30-90	142,500	2,850,000	2,173,125
		<u>11,963,868</u>	<u>11,172,106</u>
Total Preferred Stock		<u>\$ 69,601,198</u>	<u>\$ 45,888,114</u>
COMMON STOCKS			
Metals and Minerals			
Alcan Aluminum Limited	90,000	\$ 3,325,633	\$ 2,621,250
Noranda Mines Limited	161,197	954,846	2,679,900
		<u>4,280,479</u>	<u>5,301,150</u>
Integrated Oils			
*Atlantic Richfield Company	46,000	2,362,548	2,395,680
Gulf Canada Limited	137,000	542,538	2,192,000
*Mobil Corporation	99,000	3,986,955	3,032,865
Shell Canada Limited Class A	94,175	544,852	2,448,550
		<u>7,436,893</u>	<u>10,069,095</u>
Oil and Gas Producers			
Bow Valley Industries Ltd.	227,400	1,970,798	4,093,200
*Felmont Oil Corporation	35,000	2,067,141	616,525
*Kerr-McGee Corporation	60,000	2,965,696	2,270,040
Norcen Energy Resources Limited	87,100	1,190,650	2,917,850
Numac Oil & Gas Ltd.	75,000	2,334,971	1,312,500
*The Superior Oil Company	20,000	887,665	811,820
		<u>11,416,921</u>	<u>12,021,935</u>

COMMON STOCKS, continued

	No. of Shares	Average Cost	Market Value
Oil Well Equipment and Services			
*Schlumberger Limited	33,750	\$ 2,010,926	\$ 1,602,585
Transportation			
*Burlington Northern Inc.	40,000	1,677,029	2,671,360
Canadian Pacific Limited	77,950	984,945	2,562,606
		<u>2,661,974</u>	<u>5,233,966</u>
Natural Resources — Other			
Canadian Development Corporation	14,900	193,864	108,025
Distilleries			
The Seagram Company Ltd.	22,750	466,026	1,882,563
Breweries			
The Molson Companies Limited, Class A	50,768	463,726	1,688,036
Consumer Products — Misc.			
Rothmans of Pall Mall Canada Limited	40,000	1,025,000	1,205,000
Optical and Photographic			
*Eastman Kodak Company	44,000	4,136,049	4,711,036
Communication and Media			
Maclean Hunter Ltd., Class X	127,000	1,005,125	1,365,250
Class Y	73,552	962,292	661,968
		<u>1,967,417</u>	<u>2,027,218</u>
Merchandising			
Grafton Group Limited, Class A	122,400	1,843,579	1,621,800
Health Care			
*Hospital Corporation of America	73,275	2,319,616	4,613,028
Banks			
Bank of Montreal	100,000	2,331,545	2,400,000
Canadian Imperial Bank of Commerce			
— common shares	239,700	3,192,173	6,022,463
— warrants exp. 08-20-86	80,000	—	352,000
The Royal Bank of Canada	216,150	3,800,375	5,079,525
The Toronto-Dominion Bank	188,390	1,103,326	6,452,357
		<u>10,427,419</u>	<u>20,306,345</u>
Utilities			
Bell Canada	403,175	7,122,584	8,315,485
Transalta Utilities Corporation — Warrants	90,000	247,500	270,000
Union Gas Limited	242,455	2,233,303	2,363,936
		<u>9,603,387</u>	<u>10,949,421</u>
Pipelines			
TransCanada Pipelines Limited	140,343	1,614,584	3,245,432
Westcoast Transmission Company Limited	91,500	1,317,458	1,303,875
		<u>2,932,042</u>	<u>4,549,307</u>
Steel			
Amca International Ltd.	192,200	3,271,500	3,435,575
Dofasco Inc., Class A	37,252	526,282	1,308,476
		<u>3,797,782</u>	<u>4,744,051</u>
Chemicals			
Dupont of Canada Inc., Class A	115,975	5,943,800	2,000,569
*Union Carbide Corporation	38,100	1,772,319	2,526,982
		<u>7,716,119</u>	<u>4,527,551</u>
Telecommunications			
Northern Telecom Limited	40,000	1,524,582	2,740,000
*Rohm Corporation	62,000	2,738,675	3,361,888
		<u>4,263,257</u>	<u>6,101,888</u>
Computer and Related			
*International Business Machines Corporation	60,628	3,512,570	5,924,932
Nabu Manufacturing Corporation	7 Units	1,050,000	1,050,000
Systemhouse Ltd., Class A	179,000	2,108,867	313,250
		<u>6,671,437</u>	<u>7,288,182</u>
Growth — Other			
Lumonics Inc.	84,400	1,280,717	1,466,450
Total Common Stocks		<u>\$ 86,914,630</u>	<u>\$112,018,632</u>
Total Investments		<u>\$164,731,958</u>	<u>\$166,269,126</u>
NET ASSETS:			
Total Investments			\$166,269,126
Public Rated Demand Notes			4,591,307
Cash and Other Net Assets			1,212,561
TOTAL NET ASSETS			<u>\$172,072,994</u>

*United States Investments, see note 1(c)
See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS—October 31, 1982 and 1981

1. Summary of Significant Accounting Policies:

The accounting policies of the company conform with generally accepted accounting principles appropriate to the mutual fund industry. The significant policies are summarized below:

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

2. Per share information:

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

	1982	1981	1980	1979	1978
The net asset value per share at October 31	\$ 6.14	6.28	7.62	6.46	5.62
The average net income per share	\$.362	.348	.432	.329	.249
The source of dividends paid per share:					
Net income	\$.360	.355	.440	.330	.250
Profit from sale of investments	.580	.675	.165	—	—
Total dividends	\$.940	1.030	.605	.330	.250
The average percentage of management fees and other expenses to average net assets:					
Management fees	.91	.88	.88	.89	.89
Other expenses	.10	.05	.04	—	—
	<u>%1.01</u>	<u>.93</u>	<u>.92</u>	<u>.89</u>	<u>.89</u>

Per share calculations were made as undernoted:

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

3. Brokers commissions:

Total commissions paid to brokers in connection with the portfolio transactions for the year ended October 31, 1982 amounted to \$171,280 (1981 — \$177,915). During the year ended October 31, 1982, the Manager acted as an agent in connection with purchases of \$1,725,000 of portfolio securities between the company and other Investors Mutual Funds or Pooled Trusts of which it is the manager. The transactions were at market value with normal terms of settlement. No commission was paid on these transactions.

4. Shares outstanding:

	1982	1981
Mutual Fund shares outstanding, beginning of year	26,356,611	25,536,590
Mutual Fund shares sold in year	4,941,727	4,295,628
Mutual Fund shares redeemed in year	(3,266,430)	(3,475,607)
Mutual Fund shares outstanding, end of year	28,031,908	26,356,611
Common shares outstanding, end of year	3,000	3,000
Total shares outstanding, end of year	<u>28,034,908</u>	<u>26,359,611</u>

5. Management fees and other expense:

- Investors Securities Management Ltd. is the investment manager. In consideration of the management fee investment, advisory and administration services are provided.
- The Investment Management and Service Agreement was amended effective February 14, 1980 which provides for certain expenses to be paid by the company.
- Other expense comprises printing, stationery and miscellaneous.
- The management fees and other expense ratio may vary from mutual fund to mutual fund.

6. Portfolio transactions:

A statement of portfolio transactions (unaudited) for the year ended October 31, 1982 will be provided, without charge, by writing to:

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

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the statement of net assets and shareholders' equity of Investors Mutual of Canada Ltd. as at October 31, 1982 and 1981 and the statements of surplus and shareholders' equity, income, changes in net assets and changes in investments for the two years then ended. We have also examined the statement of investments as at October 31, 1982. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at October 31, 1982 and 1981, the investments of the company as at October 31, 1982 and the results of its operations and the changes in its net assets and investments for the two years then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat Marwick
Mitchell & Co.

Winnipeg, Canada
December 9, 1982

Chartered
Accountants

Investors
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762-3329

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526-3725

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Calgary

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Edmonton

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Toronto

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491-7400

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236-2564

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258-3940

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Halifax

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423-8294

NEWFOUNDLAND

St. John's

136 Crosbie Road
753-4300

THE INVESTORS GROUP

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

INVESTORS SYNDICATE LIMITED

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

INVESTORS SECURITIES MANAGEMENT LTD.

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

INVESTORS SYNDICATE REALTY LIMITED

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

INVESTORS GROUP TRUST CO. LTD.

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

THE GREAT-WEST LIFE ASSURANCE COMPANY

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

MONTREAL TRUST COMPANY

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

Investors SYNDICATE LIMITED

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