



INVESTMENT FOUNDATION LIMITED

ANNUAL REPORT

March 31st, 1967

DIRECTORS

A. S. FRASER, *President and Managing Director*

*A. K. CAMERON
W. H. CAMPBELL, D.C.L.
H. C. FLOOD

*Died April 10th, 1967

SÉVÈRE GODIN
MOSTYN LEWIS

J. D. HOPKINS, *Secretary-Treasurer*

A. SCOTT FRASER, *Vice-President*

D. S. PATTERSON, O.B.E.
C. S. THOMPSON, M.D., O.B.E.

The Common Shares are listed and traded on the Canadian Stock Exchange, Montreal.
Transfer and Registry Agents — The Eastern & Chartered Trust Company, Montreal.

April 20th, 1967.

TO THE SHAREHOLDERS:

Your Directors present herewith the 38th Annual Report of your Company, together with a statement of Assets and Liabilities, Profit and Loss, and Surplus Accounts for the year ending March 31st, 1967, with the report of the Auditors.

Income from dividends and interest less general expenses, salaries, taxes and directors' fees was \$215,704. This compares with \$208,983. for the previous year.

Capital Surplus on Investments sold less losses on Investments sold was \$35,416. As in previous years this amount was transferred to Capital Surplus which now totals \$1,612,059. Net earnings on the common shares were \$2.69 as against \$2.60 for the previous year.

Dividends of \$2.60 were paid or declared on the common. Payment of these dividends required \$207,867.

Individual shareholders residing in Canada were advised when computing their income tax for the year 1966 that they are entitled to:

- (1) A depletion allowance equal to 10% of all common dividends received by them from this Company during the year,
and
- (2) A tax credit of 20% of the net amount of such dividends.

On the basis of prices at the close of business March 31st, 1967, the market value of your Company's holdings showed an appreciation of \$3,243,247. over book value. The liquidating value of the common was \$63.79 as against \$64.28 at the end of the previous year.

All the Company's stock holdings are listed and traded on regular stock exchanges. With the exception of two items valued at \$19,400. all investments are on an income basis.

Supplementary Letters Patent have been received so that the authorized capital now is 200,000 No Par Value Common Shares of which 79,949 shares are presently outstanding.

The year 1966 especially the last three quarterly periods was a difficult one for investors generally. The extremely tight money conditions and high interest rates obtainable on bonds and mortgages made for lower quotations on the better class equity stocks. During the first quarter of the present year there has been a slight easing in interest rates and an improvement in dividend payments on certain quality stocks.

Your Company's earnings improved somewhat and ending up its fiscal year March 31st the liquidating value of its shares (taking stock market quotations as at March 31st) was \$63.79 as against \$64.28 the previous year.

We hope for an improvement in earnings in the current fiscal year.

The Company suffered a great loss in the death on April 10th of Mr. A. Kirk Cameron, a shareholder and a Director since the inception of the Company in March 1929. A man of high business ability and judgement and one keenly interested in public affairs and especially education, his advice and counsel will be greatly missed at Board Meetings by the Directors.

At the year end March 31st, 1967 market values of the Company's security holdings included

Common Shares	\$ 3,757,750.	76.04%
Preferred A & B shares	1,052,300.	21.30%
Bonds	131,676.	2.66%
	<u>\$ 4,941,726.</u>	<u>100.00%</u>

With a breakdown as follows:

Mines and smelters	\$ 1,414,875.	28.63%
Papers and pulps	1,418,012.	28.70%
Utilities, Banks, Finance and Railways	728,013.	14.73%
Steels	466,100.	9.43%
Oils	58,875.	1.19%
Sundry	724,175.	14.66%
Bonds and debentures	131,676.	2.66%
	<u>\$ 4,941,726.</u>	<u>100.00%</u>

Shareholders will observe from the figures shown below that net earnings from dividends and interest for the past 38 years were \$5,819,118. Dividends paid on the preferred and common shares aggregated \$5,509,471.

The following figures from commencement of operations in March 1929 will be of interest to our Shareholders.

Common Shares Outstanding	79,949	\$ 1,547,450.
Capital Surplus from Redemption of Preferred Shares		160,689.
Capital Surplus on Investments Sold Less Losses		1,612,059.
Earned Surplus		309,647.

March 31, 1929-67 — Gross income earned from dividends, interest but not including capital profits	\$ 6,649,268.
— Total expenses including taxes	830,150.
— Net Income after expenses and taxes	<u>\$ 5,819,118.</u>
— Dividends paid on Pfd. and Com. Shares — 94.67% of net income	5,509,471.
— Earned Surplus	<u>\$ 309,647.</u>

March 31, 1967 — Book value of securities — less Capital Surpluses	\$ 1,698,479.
— Market value of securities	4,941,726.
— Appreciation in market value over cost	<u>\$ 3,243,247.</u>

Respectfully submitted on behalf of the Directors,

A. S. FRASER,
President and Managing Director.

INVESTMENT FOUNDATION LIMITED

NOTE TO BALANCE SHEET

MARCH 31, 1967

The Company received Supplementary Letters Patent dated May 27, 1966 authorizing the cancellation of forty thousand (40,000) preferred shares of the par value of fifty dollars (\$50.00) each heretofore issued and subsequently redeemed, so that the capital stock of the company, after giving effect to such decrease, is two hundred thousand (200,000) common shares without nominal or par value.



MANUSCRIPT

PAK CONTENT CANADA

INVESTMENT FOUNDATION LIMITED

(Incorporated under the Quebec Companies Act)

BALANCE SHEET AS AT MARCH 31, 1967

ASSETS

CURRENT:

Cash	\$ 31,696	
Short term bank deposits	150,000	
Accrued income	32,732	
Prepaid expenses	83	\$ 214,511
Investment securities at book value (Market value \$4,941,726)		3,471,227
Furniture and fixtures at depreciated value		1
		<u>\$3,685,739</u>

LIABILITIES

CURRENT:

Bank loan (secured)	\$ 1,000	
Accounts payable	2,656	
Income taxes payable	271	
Common dividend payable April 15, 1967	51,967	\$ 55,894

SHAREHOLDERS' EQUITY

CAPITAL: (Note)

Common stock — no par value		
Authorized	200,000 shares	
Issued	79,949 shares	1,547,450
Contributed surplus — discount on preferred shares redeemed (net)		160,689
Capital surplus — profit less losses on sales of investments		1,612,059
Earned surplus		309,647
		<u>3,629,845</u>
		<u>\$3,685,739</u>

The accompanying note is an integral part of this statement.

On behalf of the Board of Directors:

A. S. FRASER, Director
Wm. H. CAMPBELL, Director

AUDITORS' REPORT

The Shareholders,
INVESTMENT FOUNDATION LIMITED,
Montreal, Que.

We have examined the accompanying balance sheet of Investment Foundation Limited as at March 31, 1967 and the statements of profit and loss and earned surplus and of capital surplus for the year ended on that date and have obtained all the information and explanations we have required. 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.

In our opinion, and as shown by the books of the company the aforementioned financial statements present fairly the financial position of the company as at March 31, 1967 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TOUCHE, ROSS, BAILEY & SMART
Chartered Accountants.

Montreal, Que.
April 11, 1967.

INVESTMENT FOUNDATION LIMITED

STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS FOR THE YEAR ENDED MARCH 31, 1967

REVENUE:

Dividends	\$ 234,138	
Interest	8,398	\$ 242,536

Deduct:

General expenses	23,951	
Directors' fees	1,950	25,901

Net revenue for the year before provision for income taxes		216,635
Provision for income taxes		931

Net profit for the year		215,704
Earned surplus — March 31, 1966	301,810	

Deduct:

Dividends	207,867	93,943
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Earned surplus — March 31, 1967		\$ 309,647
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STATEMENT OF CAPITAL SURPLUS — PROFITS LESS LOSSES ON SALES OF INVESTMENTS FOR THE YEAR ENDED MARCH 31, 1967

Balance at credit, April 1, 1966	\$1,576,642
Profit on investments sold during the year (net)	35,417

Balance at credit, March 31, 1967	\$1,612,059
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C. Stack

**INVESTMENT FOUNDATION
LIMITED**

ANNUAL REPORT

For the Fiscal Year Ended March 31, 1967

