

LA FOUNDATION DE PLACEMENTS IFL (CANADA) LIMITÉE
IFL INVESTMENT FOUNDATION (CANADA) LIMITED

ANNUAL REPORT
DECEMBER 31, 1980

DIRECTORS

A.Scott Fraser, President	Ian B. Campbell, C.A., Vice-President	J.D. Hopkins, Secretary-Treasurer
Bradshaw D. Firstbrook	Neil B. Ivory	Ted Tilden
A. Keith Ham		Kenneth A. Wilson, Q.C.

Miss Muriel M. Hay, Assistant Secretary-Treasurer

The Class A and Class B Shares are listed and traded on the Montreal Stock Exchange, Montreal.

Transfer and Registry Agents ----- Canada Permanent Trust Company, Montreal

TO THE SHAREHOLDERS:

February 20, 1981

This is the third annual report of this company and the 52nd if the predecessor company is included.

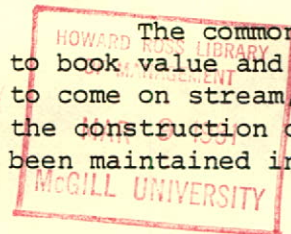
Generally speaking, the investments held by your company performed very well during 1980. The liquidation value per share at November 30th of \$133.23 proved to be the high for the year. The year end figure was \$126.23 compared with \$97.66 the previous year. All figures are after full provision for Capital Gains Tax.

Earnings per share, with no extraordinary dividends received during the year, declined to \$4.75 per share from \$5.25 per share the previous year. With the asset value of the fund increasing materially during the year and substantial capital gains realized, dividend payments were increased to \$5.75 per share.

SHAREHOLDERS SHOULD NOTE, WHEN PREPARING THEIR INCOME TAX RETURNS, THAT \$1.00 PER SHARE OF THE DIVIDEND PAID ON DECEMBER 31ST, 1980 SHOULD BE TREATED AS A CAPITAL GAIN.

The recession is now with us, and little relief can be expected until there is some reduction in interest rates or at least some form of stability. When we examine the gyrations in the interest rate structure during the past year, it is not surprising to hear reference to the death of the long term bond market. In view of our experience during the past few years, it is difficult to understand how bonds can be regarded as conservative while common stocks are speculative.

The common shares of many companies are currently selling at a discount to book value and huge discount to replacement value. If additional capacity is to come on stream, there will have to be increases in product prices to justify the construction of new assets. Those companies whose productive capacity has been maintained in modern condition will benefit from their foresight.



At this time it appears that the Canadian Dollar will remain at a discount to the U.S. Dollar for at least several years to come. This provides an unusual opportunity for many companies. While our exchange rate with European currencies makes foreign travel and imports expensive for our people, once again it is an opportunity for our exporters and domestic tourist industries.

Most of the companies in which we own securities have major foreign investments or are exporters of product. This is to avoid an investment strategy that would make the portfolio dependant purely on the domestic economy. Future performance of the fund may well depend on the degree of political uncertainty we have in Canada.

A prudent man hesitates before breaking up a fight between two large dogs. He also hesitates before investing in industries caught in the middle of a fight between federal and provincial authorities. Unfortunately for investors, both sides are staffed by intelligent, aggressive and ambitious people who are not prone to compromise. One can only hope that the participants can put aside past injustices, both real and imaginary, and make Canada the kind of country where its citizens can enjoy the blessings we have received.

Submitted on behalf of the Directors.

A.S. Fraser
PRESIDENT

SECURITY HOLDINGS AS AT DECEMBER 31st, 1980

		<u>BONDS</u>	<u>MARKET VALUE</u>		
\$300,000.	Canadian Occidental Petroleum Ltd.	10% Conv't. Sub. Debs.	\$ 315,000.	\$ 315,000.	2.6%
<u>SHARES</u>		<u>CONVERTIBLE PREFERRED STOCKS</u>			
10,000	Hiram Walker-Consumers Home Ltd.	7½% Convertible Pfd.	\$ 300,000.	\$ 300,000.	2.5%
		<u>COMMON STOCKS</u>			
		<u>BUILDING PRODUCTS</u>			
9,000	Canada Cement Lafarge		\$ 130,500.		
13,700	St. Lawrence Cement Co. "A"		304,825.	\$ 435,325.	3.7%
		<u>CHEMICALS</u>			
5,000	Canadian Industries Limited		\$ 173,750.		
5,000	Union Carbide Canada Limited		206,250.	\$ 380,000.	3.2%
		<u>FINANCIAL</u>			
9,000	Bank of Nova Scotia		\$ 301,500.	\$ 301,500.	2.6%
		<u>FOOD & BEVERAGES</u>			
20,000	Andres Wines Ltd. "A"		\$ 337,500.		
10,000	Andres Wines Ltd. "B"		165,000.		
25,000	Cara Operations "A"		175,000.		
15,200	Dominion Stores Limited		338,200.	\$1,015,700.	8.6%
		<u>FOREST PRODUCTS</u>			
20,000	Fraser Companies Ltd.		\$ 460,000.		
26,000	Whonnock Industries Limited "A"		351,000.	\$ 811,000.	6.8%
		<u>MANUFACTURING</u>			
30,000	Haley Industries Ltd.		\$ 161,250.		
10,000	Ivaco Industries Limited		236,250.		
32,000	Jannock Corporation Limited		416,000.		
30,000	Magna International Inc. "A"		315,000.	\$1,128,500.	9.5%
		<u>MEDIA</u>			
46,000	Harlequin Enterprises Limited		\$1,046,500.		
13,500	Torstar Corporation "B"		276,750.	\$1,323,250.	11.2%
		<u>MINES</u>			
5,300	Hollinger Argus Limited		\$ 247,775.		
24,000	Noranda Mines Limited		720,000.		
15,000	Western Mines Limited		375,000.	\$1,342,775.	11.3%
		<u>MISCELLANEOUS</u>			
20,000	Costain Limited		\$ 200,000.		
25,000	Peoples Jewellers Limited "A"		450,000.	\$ 650,000.	5.5%
		<u>PETROLEUM & SERVICES</u>			
12,000	Ocelot Industries Ltd. "B"		\$ 444,000.		
10,000	Pembina Pipe Line Ltd.		151,250.		
16,700	Sceptre Resources Warrants		144,038.		
21,000	Trimac Limited		882,000.		
14,000	Westburne International Industries Ltd.		353,500.	\$1,974,788.	16.7%
		<u>UTILITIES</u>			
30,000	Bell Canada		\$ 600,000.		
8,000	Interprovincial Pipe Line Company		128,000.		
10,000	Maritime Telegraph & Telephone Company Limited		231,250.		
7,000	Trans Canada Pipe Lines		155,750.	\$1,115,000.	9.4%
		<u>U.S. COMPANIES</u>			
5,000	Blue Bell Inc.		\$ 154,448.		
10,000	Mark Products Inc.		599,884.	\$ 754,332.	6.4%

TOTAL PORTFOLIO

\$11,847,170. 100.0%

LA FONDATION DE PLACEMENTS IFL (CANADA) LIMITEE
IFL INVESTMENT FOUNDATION (CANADA) LIMITED

BALANCE SHEET AS AT DECEMBER 31, 1980

ASSETS

	1980	1979
Current		
Cash	\$ 9,217	\$ 38,473
Short-term deposits	-	550,000
Accrued dividends and interest	<u>64,952</u>	<u>70,714</u>
	74,169	659,187
Investments (note 1)	11,847,170	8,048,291
Furniture and fixtures - at depreciated value	<u>1</u>	<u>1</u>
	<u>\$ 11,921,340</u>	<u>\$ 8,707,479</u>

LIABILITIES

Current		
Bank loan (note 2)	\$ 530,000	\$ -
Accounts payable - brokers	289,510	391,764
- other	6,657	1,720
Income taxes payable	<u>106,391</u>	<u>10,000</u>
	932,558	403,484

SHAREHOLDERS' EQUITY

Capital stock		
Authorized (note 3)		
100,000 class A common shares of no par value		
100,000 class B common shares of no par value		
Issued		
42,035 class A common shares (1979 - 31,117)	813,608	602,286
37,914 class B common shares (1979 - 48,832)	<u>733,842</u>	<u>945,164</u>
	1,547,450	1,547,450
Retained earnings	528,040	521,585
Net realized gain on investments	3,740,377	3,194,405
Unrealized gain on investments (note 1)	<u>5,172,915</u>	<u>3,040,555</u>
	<u>10,988,782</u>	<u>8,303,995</u>
Approved by the Board of Directors		
A. Scott Fraser Director	<u>\$ 11,921,340</u>	<u>\$ 8,707,479</u>
Ian B. Campbell Director		

LA FONDATION DE PLACEMENTS IFL (CANADA) LIMITEE
IFL INVESTMENT FOUNDATION (CANADA) LIMITED

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1980

1. Investments

Investments are carried at market value for financial statement purposes, and the difference between cost and market value is shown as "Unrealized gain on investments" included in the shareholders' equity section of the balance sheet.

2. Bank loan

The bank loan is secured by the investments of the company.

3. Capital stock

The Class A and Class B shares are inter-convertible on a one-for-one basis. The rights of the Class A and Class B shares are identical.

4. Dividends paid

During the year, dividends totalling \$379,758 were paid out of retained earnings and dividends totalling \$79,949 were paid out of net realized gain on investments.

Hyde, Houghton & Co.

COMPTABLES AGRÉÉS - CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders,
La Fondation de Placements IFL (Canada) Limitée
IFL Investment Foundation (Canada) Limited

We have examined the balance sheet of La Fondation de Placements IFL (Canada) Limitée/IFL Investment Foundation (Canada) Limited as at December 31, 1980 and the statements of earnings, retained earnings, net realized gain on investments and changes in net assets 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 financial statements present fairly the financial position of the company as at December 31, 1980 and the results of its operations and the changes in its net assets for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Hyde, Houghton & Co.

Chartered Accountants

Montreal, Quebec
February 10, 1981

