

Economic Investment Trust Limited



ANNUAL REPORT

2019

Economic Investment Trust Limited

THE YEAR AT A GLANCE **93rd Annual Report**

	2019	2018
Net equity value per Common Share ¹	\$ 160.91	\$ 142.92
Net investment income per Common Share ¹	\$ 2.72	\$ 2.22
Net income (loss) per Common Share	\$ 20.21	\$ (7.06)
Dividends per Common Share		
Quarterly	\$ 1.20	\$ 1.20
Additional ²	\$ 1.02	\$ 0.80
Net assets ³	\$ 903,616	\$ 802,572
Net investment income ^{1,3}	\$ 15,262	\$ 12,488
Number of Common Shares outstanding at year end	5,615,535	5,615,535

¹ See Management's Discussion and Analysis for Use of Non-GAAP Measures.

² This additional dividend represents the distribution of the previous fiscal year's net investment income, after payment of quarterly dividends.

³ In thousands of Canadian dollars.

The accompanying financial statements have been prepared under International Financial Reporting Standards ("IFRS").

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held at Vantage Venues, Room L2, 150 King Street West, 27th Floor, Toronto, Ontario, on Thursday, April 23, 2020 at 11:30 a.m. All shareholders are invited to attend.

Economic Investment Trust Limited

BOARD OF DIRECTORS

DUNCAN N. R. JACKMAN
Chairman and President
Economic Investment Trust Limited

WILLIAM J. CORCORAN
Corporate Director

M. VICTORIA D. JACKMAN
Executive Director
Hal Jackman Foundation

JONATHAN SIMMONS
Chief Financial Officer
OMERS Administration Corporation

MARK M. TAYLOR
Treasurer
Canadian Northern Prairie Lands Company Inc.

KEVIN J. WARN-SCHINDEL
Managing Director
HarbourVest Partners, LLC

STUART D. WAUGH
Managing Partner
Northleaf Capital Partners

HONORARY DIRECTOR

THE HONOURABLE HENRY N. R. JACKMAN
Honorary Chairman of the Board
The Empire Life Insurance Company

OFFICERS

DUNCAN N. R. JACKMAN
Chairman and President

RICHARD B. CARTY
Corporate Secretary

SCOTT F. EWERT
Vice-President

FRANK J. GLOSNEK
Treasurer

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

This document has been prepared for the purpose of providing Management's Discussion and Analysis ("MD&A") of the financial performance and financial condition for the years ended December 31, 2019 and 2018. This MD&A should be read in conjunction with the December 31, 2019 year-end financial statements of Economic Investment Trust Limited ("Economic" or the "Company") which form part of this Annual Report dated February 12, 2020. These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as set out in the Handbook of the Chartered Professional Accountants of Canada. The reporting currency for the Company is the Canadian dollar, and all amounts in the following discussion are in Canadian dollars.

This MD&A may contain certain forward-looking statements that are subject to risks and uncertainties that may cause the results or events mentioned in this discussion to differ materially from actual results or events. No assurance can be given that results, performance or achievement expressed in, or implied by, any forward-looking statements within this discussion will occur, or if they do, that any benefits may be derived from them.

Overview

Economic is a closed-end investment corporation, the shares of which trade on the Toronto Stock Exchange under the symbol "EVT". Economic is an investment vehicle for long-term growth through investments in common equities, as management believes that over long periods of time, common equities, as an asset class, will outperform fixed-income instruments or balanced funds. From time to time, however, assets of the Company may be invested in interest-bearing short-term securities pending the selection of suitable equity investments.

The Company has been a closed-end investment corporation since 1927 and has never bought back its Common Shares. The Common Shares have traded at a discount to their net asset value, ranging from approximately a 34% discount to an 18% discount over the past 10 years. Management believes that shareholders who have invested in the Common Shares of the Company recognize that the Common Shares of the Company usually trade at a discount to their net asset value.

Closed-end investment corporations have the following benefits: they often allow investors the opportunity to purchase assets at a discounted price; they have management expense ratios which are generally much lower than those for actively-managed, open-ended funds; and the management of a closed-end investment corporation's portfolio is not impacted by shareholder subscription or redemption activities.

Economic has no plans to become an open-ended investment fund.

The Company owns, directly and indirectly, long-term investments in the common shares of some publicly-traded Canadian companies, and a managed global investment portfolio of common shares of publicly-traded global companies.

The long-term investments consist primarily of the publicly-traded common shares of E-L Financial Corporation Limited ("E-L Financial"), Algoma Central Corporation ("Algoma"), a shipping company, and The Bank of Nova Scotia. At December 31, 2019, E-L Financial represented 40.5% (2018 – 40.5%) of total equity investments, Algoma 4.1% (2018 – 4.5%) and The Bank of Nova Scotia 5.8% (2018 – 6.0%). E-L Financial, Algoma and the Company are related parties. In management's view, these investments are consistent with the Company's investment strategy and contribute to achieving the investment objective. Further related party information is provided in Note 12 to the financial statements in this Annual Report and in the schedule of investment portfolio beginning on page 30.

E-L Financial operates as an investment and insurance holding company with two operating segments, E-L Corporate and The Empire Life Insurance Company ("Empire Life"). E-L Corporate's operations include the oversight of investments in global equities held through direct and indirect holdings of common shares, investment funds, closed-end investment companies and private companies.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

E-L Financial has a 52.2% (2018 - 52.2%) interest in a closed-end investment corporation, United Corporations Limited ("United"), which is an investment vehicle for long-term growth through investments in common equities. In addition, E-L Financial has a 37.0% (2018 - 36.8%) interest in Algoma and a 24.0% (2018 - 24.0%) interest in Economic. E-L Financial also owns 99.4% (2018 - 99.3%) of Empire Life which underwrites life and health insurance policies and provides segregated funds, mutual funds and annuity products in Canada. Each of E-L Financial, Empire Life, United and Algoma are related parties and are reporting issuers which trade on the Toronto Stock Exchange and have profiles on SEDAR.

The balance of Economic's investment portfolio is managed by Burgundy Asset Management Ltd. ("Burgundy"), a global equity manager based in Toronto. Burgundy manages the portfolio using a long-term bottom-up investment philosophy, which is to purchase good companies with strong economics and management, whose shares are selling below Burgundy's estimate of intrinsic value. The portfolio, of approximately 40 - 60 publicly-traded companies, invests primarily in mid to large capitalization companies which are publicly traded. At December 31, 2019, 99.5% (2018 - 99.4%) of the fair value of the global investment portfolio was made up of non-Canadian companies.

At December 31, 2019, approximately 51.5% (2018 - 52.2%) of the investment portfolio was held in long-term investments and 48.5% (2018 - 47.8%) was managed by Burgundy. Over time these percentages will vary based on the market value of the two portfolios and as a result of any purchases or sales of investments.

Investment Strategy

The objective of the Company is to earn an above-average rate of return, primarily through long-term capital appreciation and dividend income. Short-term volatility is expected and tolerated. Management remains confident that the Company's investment strategy will reward shareholders over the long term.

The investment portfolio of the Company comprises a mix of Canadian and foreign investments. Net equity value and net investment income may vary significantly from period to period depending on the economic environment and market conditions.

Use of Non-GAAP Measures

This MD&A contains references to "net equity value per Common Share" and "net investment income per Common Share". These terms do not have any standardized meanings in GAAP and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide information useful to our shareholders in evaluating the Company's financial results.

Net equity value per Common Share is used by investors and management as a comparison to the market price of its Common Shares to determine the discount or premium at which the Company's Common Shares are trading relative to the net equity value per Common Share.

Net investment income per Common Share is used by both investors and management to assess the approximate amount of dividends to be distributed on Common Shares.

Net equity value per Common Share is calculated as follows (in thousands of dollars, except number of Common Shares and per Common Share amounts):

	December 31 2019	December 31 2018
Net assets	\$ 903,616	\$ 802,572
Common Shares outstanding	5,615,535	5,615,535
Net equity value per Common Share	\$ 160.91	\$ 142.92

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net investment income per Common Share is calculated as follows (in thousands of dollars, except number of Common Shares and per Common Share amounts):

	Three months ended December 31		Year ended December 31	
	2019	2018	2019	2018
Net income (loss)	\$ 48,235	\$ (58,456)	\$ 113,510	\$ (39,671)
Add (deduct):				
Other net fair value changes in investments	(52,535)	70,364	(113,264)	60,261
Tax on other net fair value changes in investments	6,960	(9,323)	15,007	(8,111)
Net change in refundable dividend taxes on hand	6	5	9	9
Net investment income ¹	\$ 2,666	\$ 2,590	\$ 15,262	\$ 12,488
Common Shares outstanding	5,615,535	5,615,535	5,615,535	5,615,535
Net investment income per Common Share ¹	\$ 0.48	\$ 0.46	\$ 2.72	\$ 2.22

¹ On an after-tax basis.

Net Equity Value per Common Share

The Company's net equity value per Common Share increased to \$160.91 at December 31, 2019 from \$142.92 at the prior year end.

With dividends reinvested at month-end net equity values, the Company's net equity value return was 14.2% in 2019, compared to a negative return of 4.7% during 2018.

Long-term investments had a pre-tax return of 12.7% in 2019 compared to a return of negative 9.3% during 2018. On a pre-tax basis, the shares of E-L Financial had a return of 12.7% during 2019 (2018 – negative 8.6%), the shares of Algoma had a return of 12.0% (2018 – negative 18.5%), and the shares of the Bank of Nova Scotia had a return of 12.9% (2018 – negative 12.1%).

The global investment portfolio had a pre-tax return, gross of fees, of 18.2% during 2019 versus a comparative return of 0.5% during 2018.

As the Company is a taxable Canadian corporation, the Company's net equity value is net of a current income tax provision on net investment income and realized gains on investments, and net of a deferred income tax provision on its unrealized appreciation of investments.

In Canadian dollar terms, total returns (capital gains plus dividends), for Economic's net equity value and stock market indices, were as follows:

	Year ended Dec. 31, 2019	(%)	Year ended Dec. 31, 2018
Economic net equity value	14.2		(4.7)
S&P/TSX Composite Index	22.9		(8.9)
MSCI All Country World Index	20.6		(1.5)
S&P 500 Index	25.2		4.0

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Equity Value per Common Share

Growth in Net Equity Value ("NAV")

Set out below is a table that shows annual growth in NAV in each of the past 10 years:

Annual growth in NAV*	NAV per Common Share	Annual Growth %
2010	\$ 91.65	7.0
2011	74.81	(17.8)
2012	83.98	13.9
2013	123.60	48.8
2014	122.43	4.5
2015	132.62	9.5
2016	138.26	5.4
2017	151.98	11.8
2018	142.92	(4.7)
2019	160.91	14.2

Compound annual growth*

2010 - 2019 - 10 years	8.1
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*This chart was drawn from the individual annual reports and any NAV amounts prior to 2014 have not been restated for any subsequent changes in accounting policies.

Operating Results - 2019

Net income

The Company reported net income of \$113,510,000 in 2019 compared to a net loss of \$39,671,000 in 2018. Earnings per share increased to \$20.21 in 2019 compared to a net loss of \$7.06 for 2018.

The other net fair value changes in investments was a gain of \$113,264,000 in 2019 compared to a loss of \$60,261,000 for 2018.

The other net fair value changes for long-term investments was a gain of \$46,026,000 in 2019 compared to a loss of \$52,597,000 for 2018. The Company's year-to-date long-term investment gain was comprised primarily of gains in E-L Financial of \$40,683,000, The Bank of Nova Scotia of \$3,871,000 and Algoma of \$1,044,000.

The global investment portfolio had an other net fair value gain of \$67,238,000 in 2019 compared to a loss of \$7,664,000 in 2018.

The 2019 gain for the global investment portfolio included investment gains from North America of \$45,274,000, Europe \$12,082,000, Japan \$5,052,000 and United Kingdom \$4,543,000.

The top three contributors included Microsoft Corporation, United Technologies Corporation, and Apple Inc. The largest detractors to the investment performance included Publicis Groupe, Walgreen Boots Alliance Inc., and Henkel AG & Co. KGaA.

The Company's net realized gain, all of which relates to the global investment portfolio, was \$31,186,000 in 2019 compared to \$29,357,000 in 2018. The largest contributors to 2019 realized gains included Colruyt S.A., Apple Inc., Autozone, Inc., and Unilever plc with realized gains totaling \$11,717,000.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results - 2019 (continued)

Net investment income

The Company's net investment income in 2019 increased to \$15,262,000 compared to \$12,488,000 in 2018, an increase of 22.2%. On a per Common Share basis, net investment income for the year increased to \$2.72 in 2019 compared to \$2.22 in 2018.

Foreign dividend income in 2019 decreased by 0.7% to \$10,566,000 from \$10,642,000 in 2018. Foreign dividend income is impacted by changes in the composition of the investment portfolio, variability in foreign exchange rates and dividend yields.

Canadian dividend income in 2019 increased by 39.8% to \$9,924,000 from \$7,097,000 in 2018. The increase year over year for both periods resulted primarily from a special dividend paid by Algoma.

Interest and securities lending income increased in 2019 to \$600,000 from \$521,000 in 2018.

The expenses of the Company increased by 1.5% to \$3,868,000 from \$3,810,000 in 2018. The majority of the year-over-year increase relates to increased investment management fees as a result of an increase in the average market value of the global investment portfolio. The Company's management expense ratio remained at 0.45% of average net assets for the current and prior year. The management expense ratio is determined using total expenses as an annualized percentage of average monthly net asset values during the period. There are no investment management or administrative fees charged on the Company's long-term investments.

Operating Results - Fourth Quarter, 2019

The Company's net equity value per Common Share increased to \$160.91 at December 31, 2019 from \$152.62 at September 30, 2019. With dividends reinvested at month-end net equity values, the Company's net equity value return was 5.6% in the fourth quarter of 2019 compared to a negative return of 6.8% for the same period in 2018.

On a pre-tax basis, the shares of E-L Financial had a return of 10.5% during the fourth quarter of 2019 compared to a negative return of 9.5% in 2018, the shares of Algoma had a negative return of 5.1% (2018 – negative 1.7%) and the shares of The Bank of Nova Scotia had a negative return of 1.3% (2018 – negative 10.5%), respectively.

The global investment portfolio had a pre-tax return, gross of fees, of 4.8% in the fourth quarter of 2019 versus a return of negative 5.7% for the same period in 2018.

In Canadian dollar terms, in the fourth quarter of 2019, the S&P/TSX Composite Index increased 3.2%, the MSCI All Country World Index increased 6.8% and the S&P 500 Index increased 7.0%.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three-Year Results

A summary of various financial data for each of the last three years is as follows (in thousands of dollars, except per share amounts):

	2019	2018	2017
Other net fair value changes in investments ¹	\$ 98,257	\$ (52,150)	\$ 80,062
Other net fair value changes in investments per Common Share ¹	17.49	(9.28)	14.26
Total assets	984,195	872,016	933,126
Net investment income ^{1, 2}	15,262	12,488	11,257
Net investment income per Common Share ²	2.72	2.22	2.00
Dividends per Common Share:			
Quarterly	1.20	1.20	1.20
Additional	1.02	0.80	1.34

¹ On an after-tax basis.

² See Use of Non-GAAP Measures.

Economic's investment portfolio is affected by equity markets, stock selection and currency movements.

In 2019, the performance of Economic was favourably affected by strong returns from its long-term investments, in particular, E-L Financial, Algoma and The Bank of Nova Scotia. Long-term investments, in aggregate, had a total return of 12.7%. The global investment portfolio had a total return of 18.2%.

In 2018, the performance of Economic was affected by negative returns from its long-term investments, in particular, E-L Financial, Algoma and The Bank of Nova Scotia. Long-term investments, in aggregate, had a total return of negative 9.3%. The global investment portfolio had a total return of 0.5%.

In 2017, the performance of Economic was favourably affected by strong returns from its long-term investments, in particular, E-L Financial and The Bank of Nova Scotia. Long-term investments, in aggregate, had a total return of 14.0%. The global investment portfolio had a total return of 11.5%.

The fluctuations in net investment income are due primarily to changes in dividend income that is earned by the Company, net of management fees.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Quarterly Review - 2019 and 2018

The following tables summarize various financial results on a quarterly basis for the current and prior year:

	2019			
	Quarter ended			
	Mar. 31	Jun. 30	Sep. 30	Dec. 31
	(In thousands of dollars, except per share amounts)			
Net investment income ^{1,2}	\$ 3,290	\$ 5,705	\$ 3,601	\$ 2,666
Other net fair value changes in investments ¹	57,251	(21,435)	16,866	45,575
Per Common Share:				
Net investment income ^{1,2}	\$ 0.59	\$ 1.01	\$ 0.64	\$ 0.48
Other net fair value changes in investments ¹	10.19	(3.81)	3.00	8.11
Net income (loss)	10.78	(2.80)	3.64	8.59
	2018			
	Quarter ended			
	Mar. 31	Jun. 30	Sep. 30	Dec. 31
	(In thousands of dollars, except per share amounts)			
Net investment income ^{1,2}	\$ 3,007	\$ 3,953	\$ 2,938	\$ 2,590
Other net fair value changes in investments ¹	(6,917)	8,565	7,243	(61,041)
Per Common Share:				
Net investment income ^{1,2}	\$ 0.54	\$ 0.70	\$ 0.52	\$ 0.46
Other net fair value changes in investments ¹	(1.24)	1.53	1.30	(10.87)
Net income (loss)	(0.70)	2.23	1.82	(10.41)

¹ On an after-tax basis

² See Use of Non-GAAP Measures.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Investment income is derived primarily from dividend income that is earned by the Company. While North American investments usually pay regular quarterly dividends, investments outside of North America often pay less frequently. In general, dividends earned on investments outside of North America peak in the second quarter of the year. There is no guarantee that the Company will receive dividend income on its investments at current dividend payout levels.

Overall returns are determined by the performance of the Company's long-term investments and the performance of the global investment portfolio and may fluctuate significantly as illustrated by the past eight quarters. The returns generated within each portfolio may also not correlate with benchmark returns.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company under Canadian securities laws is recorded, processed, summarized and reported within the specified time periods, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management on a timely basis to allow appropriate decisions regarding public disclosure. Under the supervision of management, an evaluation was carried out on the effectiveness of the Company's disclosure controls and procedures as at December 31, 2019. Based on that evaluation, management concluded that the Company's disclosure controls and procedures were effective as at December 31, 2019.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Under the supervision of management, an evaluation of the Company's internal control over financial reporting was carried out as at December 31, 2019. Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as at December 31, 2019. No changes were made in the Company's internal control over financial reporting during the year ended December 31, 2019, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Risks

As the Company is a closed-end investment corporation, Economic faces various risks arising from its investments. Under the supervision of the Board of Directors, management has developed policies to identify and monitor these risks. Note 4 to the December 31, 2019 financial statements provide disclosures surrounding risks arising from its financial instruments. These risks include market, liquidity, credit and certain concentration risks.

Market risk

The most significant risk that is faced by Economic is market risk which represents exposures to changes in the fair value of its investment portfolio. As the Company's investment portfolio is represented by Canadian and global equities, the value of its investments will vary from day to day depending on a number of market factors including economic conditions, global events, market news, and on the performance of the issuers of the securities in which the Company invests. Changes in foreign currency exchange rates will also affect the value of investments of non-Canadian dollar securities. As of December 31, 2019, 25% (2018 – 25%) of the investment portfolio including cash and cash equivalents was denominated in U.S. dollars, 6% (2018 – 7%) Euro, 5% (2018 – 4%) Swiss franc, 5% (2018 – 4%) Japanese yen, 4% (2018 – 5%) British pound, 1% (2018 – 1%) Brazilian real and 1% (2018 – 0%) Hong Kong dollar.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Concentration risk

Concentration risk exists when a significant portion of the equity investment portfolio is invested in a small number of companies or geographical areas. Concentration reduces the diversification of the investment portfolio and may result in greater volatility. At December 31, 2019, the Company's carrying value of its direct and indirect investment in E-L Financial of \$382,219,000 (2018 - \$341,536,000) represents 40.5% (2018 – 40.5%) of Economic's total equity investments. E-L Financial is subject to market risks as its investing activities are influenced by market price and interest rate risk. E-L Financial's subsidiary, Empire Life, is impacted by a number of risks including investment, insurance, operational, competition, regulatory and other risks.

Credit risk

Economic participates in securities lending which could expose the Company to the risk of counterparty failure. RBC Investor Treasury Services ("RBCITS"), the Company's custodian, acts as lending agent. RBCITS is responsible to return the borrowed securities to the Company when required, and RBCITS indemnifies the Company in the event of borrower default. The Company has recourse to the Royal Bank of Canada in the event of a failure to indemnify by RBCITS.

The Company's exposure to risks is also addressed in the Company's Annual Information Form. Further information on risks related to E-L Financial are disclosed in its Annual Information Form available on www.sedar.com.

Share Data

At December 31, 2019, there are 5,615,535 Common Shares issued and outstanding and each share is entitled to one vote.

Liquidity and Capital Resources

The Company's dividend policy is to distribute annual net investment income. The distributions are composed of quarterly dividends together with an additional dividend representing the balance of net investment income for the previous fiscal year. During the year, the Company paid quarterly dividends totaling \$1.20 per Common Share and an additional dividend of \$1.02 (2018 - \$0.80) per Common Share.

An additional dividend of \$1.52 per Common Share will be paid in the first quarter of fiscal 2020 along with the \$0.30 quarterly dividend.

The Company's dividend policy is established by the Board of Directors at its discretion and is subject to change.

Related Party Transactions

The Company has investments in related parties (see Schedule of Investment Portfolio) with a fair value at December 31, 2019 of \$486,397,000 (2018 - \$440,372,000) representing 51.5% (2018 – 52.2%) of the total investments. Dividends from these companies for the year ended December 31, 2019 amounted to \$9,809,000 (2018 - \$6,943,000).

E-L Financial holds a 24% interest in the Company. Included in investment management and administrative costs are fees for administrative services paid to E-L Financial. These fees are calculated at 0.1% per annum of the fair value of the investments managed by the external investment manager and are paid monthly. The total fees for the year ended December 31, 2019 amounted to \$525,000 (2018 - \$503,000).

The ultimate controlling party of the Company and of these related parties is The Honourable Henry N.R. Jackman together with a trust created in 1969 by his father, Henry R. Jackman.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Critical Accounting Estimates

The preparation of the financial statements require management to make estimates and assumptions that affect the reported amounts of assets, liabilities and earnings. Note 2 to the financial statements describes the significant accounting policies and note 3 contains critical accounting estimates and judgments. In measuring the fair value of investments, management exercises judgment in the selection of fair value inputs and in determining their significance to the fair value estimate.

Additional Information

Additional information relating to Economic, including the Company's Annual Information Form, is available at www.sedar.com.

Economic's website, www.evt.ca, also provides further information on the Company, including historical information on the net equity value per Common Share which is updated weekly.

Economic Investment Trust Limited

FINANCIAL HIGHLIGHTS

For each of the years in the five-year period ended December 31, 2019:

	2019	2018	2017	2016	2015
	(per Common Share)				
NET EQUITY VALUE, beginning of year ¹	\$ 142.92	\$ 151.98	\$ 138.26	\$ 132.62	\$ 122.43
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS					
Net investment income ¹	2.72	2.22	2.00	1.94	1.45
Other net fair value changes in investments	17.49	(9.28)	14.26	5.17	10.10
Net change in refundable dividend taxes on hand	—	—	—	(0.02)	—
	20.21	(7.06)	16.26	7.09	11.55
CASH DIVIDENDS TO COMMON SHAREHOLDERS					
Quarterly	(1.20)	(1.20)	(1.20)	(0.60)	(0.60)
Additional	(1.02)	(0.80)	(1.34)	(0.85)	(0.76)
	(2.22)	(2.00)	(2.54)	(1.45)	(1.36)
NET EQUITY VALUE, end of year ¹	\$ 160.91	\$ 142.92	\$ 151.98	\$ 138.26	\$ 132.62

¹ Net equity value and net investment income per Common Share are Non-GAAP measures. See Management's Discussion and Analysis on page 4.

Economic Investment Trust Limited

MANAGEMENT'S REPORT

The accompanying financial statements have been prepared by management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these financial statements and other sections of the Annual Report.

The Company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgment. The significant accounting policies which management believes are appropriate for the Company are described in Note 2 to the financial statements. Financial information disclosed elsewhere in the Annual Report is consistent with the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The Board of Directors carries out its responsibilities principally through the Audit Committee. The Audit Committee reviews the financial statements, the adequacy of internal controls, the audit process and financial reporting with management and the external auditor prior to recommending the audited financial statements and related disclosure for approval by the Board of Directors.

The shareholders of the Company appointed the external auditor, PricewaterhouseCoopers LLP. The external auditor audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the financial statements. Their report is set out on the following page.



Duncan N.R. Jackman
Chairman and President



Frank J. Glosnek
Treasurer

February 12, 2020

Economic Investment Trust Limited

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Economic Investment Trust Limited

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Economic Investment Trust Limited (the Company) as at December 31, 2019 and 2018 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's financial statements comprise:

- the statements of financial position as at December 31, 2019 and 2018;
 - the statements of comprehensive income for the years then ended;
 - the statements of changes in shareholders' equity for the years then ended;
 - the statements of cash flow for the years then ended; and
 - the notes to the financial statements, which include a summary of significant accounting policies.
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Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Economic Investment Trust Limited

INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Economic Investment Trust Limited

INDEPENDENT AUDITOR'S REPORT (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Robert D'Aroffi.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
February 12, 2020

Economic Investment Trust Limited

STATEMENTS OF FINANCIAL POSITION

	As at December 31	
	2019	2018
	(000's)	
ASSETS		
Cash and cash equivalents	\$ 36,106	\$ 17,359
Short-term investments	996	7,864
Investments (cost - \$352,221; 2018 \$334,729) (Notes 4, 6 and 12)	943,834	844,264
Receivable in respect of investments sold	1,495	783
Dividends and interest receivable	1,113	1,211
Other assets	651	535
	<u>984,195</u>	<u>872,016</u>
LIABILITIES		
Accrued expenses	774	787
Payable in respect of investments purchased	1,782	—
Income taxes payable	537	2,073
Deferred tax liabilities (Note 8)	77,486	66,584
	<u>80,579</u>	<u>69,444</u>
Net assets	<u>\$ 903,616</u>	<u>\$ 802,572</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	\$ 204,691	\$ 204,691
Share premium	1,474	1,474
Retained earnings	697,451	596,407
Total shareholders' equity	<u>\$ 903,616</u>	<u>\$ 802,572</u>

APPROVED BY THE BOARD:



DUNCAN N.R. JACKMAN
Director



JONATHAN SIMMONS
Director

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31	
	2019	2018
	(000's)	
INCOME		
Dividends		
Foreign	\$ 10,566	\$ 10,642
Canadian (Note 12)	9,924	7,097
	<u>20,490</u>	<u>17,739</u>
Interest and securities lending income	600	521
Other net fair value changes in investments (Note 9)	113,264	(60,261)
	<u>134,354</u>	<u>(42,001)</u>
EXPENSES		
Investment management and administrative costs (Note 12)	3,139	3,050
Directors' remuneration	291	287
Office and miscellaneous	212	246
Transfer, registrar and custody fees	164	153
Professional fees	62	74
	<u>3,868</u>	<u>3,810</u>
INCOME (LOSS) BEFORE INCOME TAXES	130,486	(45,811)
Provision for (recovery of) income taxes (Note 8)	16,976	(6,140)
NET INCOME (LOSS)	\$ 113,510	\$ (39,671)
EARNINGS (LOSS) PER COMMON SHARE		
- BASIC AND DILUTED (Note 13)	\$ 20.21	\$ (7.06)

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Retained earnings	Total
	(000's)			
At January 1, 2019	\$ 204,691	\$ 1,474	\$ 596,407	\$ 802,572
Net income	—	—	113,510	113,510
Dividends (Note 11)	—	—	(12,466)	(12,466)
At December 31, 2019	\$ 204,691	\$ 1,474	\$ 697,451	\$ 903,616
At January 1, 2018	\$ 204,691	\$ 1,474	\$ 647,309	\$ 853,474
Net loss	—	—	(39,671)	(39,671)
Dividends (Note 11)	—	—	(11,231)	(11,231)
At December 31, 2018	\$ 204,691	\$ 1,474	\$ 596,407	\$ 802,572

STATEMENTS OF CASH FLOW

	Year ended December 31	
	2019	2018
	(000's)	
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net income (loss)	\$ 113,510	\$ (39,671)
Adjustments for:		
Other fair value changes in investments	(113,264)	60,261
Net sales of short-term investments	6,868	15,509
Purchases of investments	(71,315)	(80,444)
Proceeds from sale of investments	85,009	78,611
Dividends and interest receivable	98	(243)
Deferred taxes	10,902	(11,918)
Net change in other assets and liabilities	(595)	712
	31,213	22,817
Financing		
Dividends paid to shareholders	(12,466)	(11,231)
Net increase in cash and cash equivalents	18,747	11,586
Cash and cash equivalents at beginning of the year	17,359	5,773
Cash and cash equivalents at end of the year (Note 7)	\$ 36,106	\$ 17,359
Additional information for operating activities:		
Interest received	\$ 452	\$ 376
Dividends received, net of withholding taxes	19,266	16,217
Income taxes paid, net of refunds	6,365	2,973

(See accompanying notes)

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019

1. Description of business

Economic Investment Trust Limited (“Economic” or the “Company”) is a closed-end investment corporation. The head office, principal address and registered office of the Company is located at 165 University Avenue, Toronto, Ontario, M5H 3B8.

Economic trades on the Toronto Stock Exchange under the symbol EVT. Economic is an investment vehicle for long-term growth through investments in common equities, as management believes that over long periods of time, common equities, as an asset class, will outperform fixed-income instruments or balanced funds. From time to time, however, assets of the Company may be invested in interest-bearing short-term securities pending the selection of suitable equity investments.

The financial statements are presented in Canadian dollars which is the functional and presentation currency. These financial statements were approved by the Company’s Board of Directors on February 12, 2020.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss (“FVTPL”).

Investment entity

The Company has determined that it meets the definition of an investment entity and as a result, it measures its investment in an associate at FVTPL. An investment entity is an entity that (i) obtains funds from one or more investors for the purposes of providing them with investment management services; (ii) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and (iii) measures and evaluates the performance of substantially all of its investments on a fair value basis.

Financial instruments

The Company classifies its investments based on both the Company’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The collection of contractual cash flows is only incidental to achieving the Company’s business model objective. Consequently, all investments are classified and measured at fair value through profit or loss.

All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract’s effective interest rate. The cost of each investment and realized and unrealized gains and losses from investment transactions are determined on an average cost basis, and are presented in the statement of comprehensive income within Other net fair value changes in investments in the period in which they arise.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Interest income from short-term investments is recognized at the effective interest rate. Dividends are recognized as income on the ex-dividend date.

Purchases and sales of financial assets are recognized at their trade date. Receivables in respect to investments sold and payables in respect to investments purchased represent unsettled investment transactions.

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 (continued)

2. Summary of significant accounting policies (continued)

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For publicly listed investments, the Company uses the last traded market price where this price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The investments in private companies that are not listed on a stock exchange are measured using the adjusted net asset method. This method estimates the fair values of the underlying net assets and liabilities of the private companies and considers adjustments for characteristics such as a minority marketability discount and control block premiums. The changes in fair value of each private company are included in Other net fair value changes in investments in the statement of comprehensive income.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates that transactions occur. Assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to financial assets and liabilities are included as a component of the Other net fair value change in investments in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and short term, highly liquid instruments with maturities of three months or less from the date of acquisition.

Short-term investments

Short-term investments include short-term, highly liquid instruments with maturities of greater than three months but less than a year from the date of acquisition.

Securities lending income

Securities lending income is recognized as earned.

Comprehensive income

The Company does not have any other comprehensive income and therefore comprehensive income equals net income which it reports in its statement of comprehensive income.

Earnings per share ("EPS")

Basic and diluted EPS is calculated by dividing the net income attributed to common shareholders of the Company by the weighted average number of Common Shares outstanding for the period. Refer to Note 13 for the calculation.

Income taxes

Income tax comprises both current and deferred tax. Income tax is recognized in the statement of income.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute these amounts are those that are enacted or substantively enacted at the end of each reporting period.

Deferred income tax assets and liabilities are recorded for the expected future income tax consequences of events that have been reflected in the statements or income tax returns.

Deferred income taxes are provided for using the liability method. Under the liability method, deferred income taxes are recognized for all significant temporary differences between the tax and financial statement bases for assets and liabilities and for certain carry-forward items.

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 (continued)

2. Summary of significant accounting policies (continued)

Deferred income tax assets are recognized only to the extent that, in the opinion of management, it is probable that the deferred income tax assets will be realized. Deferred income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates, on the date of the enactment or substantive enactment.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

The Company currently incurs withholding taxes imposed by certain countries on investment income. Such income is recorded on a gross basis and the related withholding taxes are reflected within the Provision for income taxes in the statement of comprehensive income. Withholding taxes recoverable are included as a component of other assets in the Statement of financial position.

Future Accounting Changes

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements.

3. Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Company has made in preparing the financial statements:

Fair value of investments in private companies

The fair value of investments in private companies is measured using the adjusted net asset method which estimates the fair value of the underlying net assets and liabilities of the private companies. Refer to Note 5 for further details.

Deferred taxes

Estimates and assumptions are used primarily in the determination of the Company's deferred tax liabilities, as the income tax rates used in determining the liability is dependent on an assumption as to when a deferred tax liability is expected to be realized.

4. Risks associated with financial instruments

The Company faces various risks arising from its financial instruments. Under the supervision of the Board of Directors, management has developed policies to identify, measure and monitor these risks. These risks and their management are described below:

Credit risk

Credit risk is the risk of financial loss resulting from a counterparty's failure to discharge an obligation. The Company has a securities lending agreement with its custodian, RBC Investor & Treasury Services ("RBCITS"), whereby RBCITS lends securities to borrowers for a fee, which is shared with the Company. RBCITS receives fixed income and equities as collateral from borrowers, of at least 105% of the value of the securities loaned. In the event that the loaned securities are not returned to the Company by the borrower, RBCITS is responsible to restore the securities or pay to the Company the market value of the loaned securities. If the collateral is not adequate to pay the market value to the Company, RBCITS indemnifies the Company for the difference. The Company has recourse to the Royal Bank of Canada should RBCITS fail to discharge its obligations to the Company. At December 31, 2019 the Company had loaned securities with a fair value of approximately \$93,269,000 (2018 - \$116,428,000) and RBCITS received approximately \$97,933,000 (2018 - \$122,249,000) in collateral. There was no significant exposure to credit risk to other receivable balances because of their short-term nature.

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 (continued)

4. Risks associated with financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. Sufficient liquidity is maintained by regular monitoring of cash flow requirements. All liabilities, other than deferred tax liabilities, settle within three months of the year end.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices which includes interest rate risk, foreign currency risk and other price risk.

The Company is not subject to significant interest rate risk, as its only fixed-interest investments are short term in nature.

Currency risk arises from financial instruments denominated in foreign currencies. IFRS 7 - "Financial Instrument Disclosures" considers the foreign exchange exposures relating to non-monetary financial instruments to be a component of other price risk. The Company's distribution of underlying currency risk exposure of investments is as follows:

	2019	2018
	(000's)	
Canadian dollar	\$ 488,504	\$ 442,994
U.S. dollar	243,044	221,463
European Union euro	54,657	63,504
Swiss franc	52,056	32,272
Japanese yen	46,310	35,222
British pound sterling	38,219	39,559
Other	21,044	9,250
Investments	<u>\$ 943,834</u>	<u>\$ 844,264</u>

The Company is exposed to other price risk through its investment in equity securities. These risks are mitigated by using an investment manager that manages a diversified portfolio of securities.

A 10% fluctuation in global equity market prices, assuming all other factors are constant, would have an after-tax impact of approximately \$81,878,000 (2018 - \$73,240,000) on net income.

At December 31, 2019, cash and cash equivalents included the Canadian dollar equivalent of approximately \$3,532,000 U.S. dollars and \$2,820,000 British pound sterling.

Concentration risk

Concentration risk exists when a significant portion of the investment portfolio is invested in a small number of companies or geographical areas. Concentration reduces the diversification of the investment portfolio and may result in greater volatility. At December 31, 2019, the Company's fair value of its direct and indirect investment in E-L Financial of \$382,219,000 (2018 - \$341,536,000) represented 40.5% (2018 - 40.5%) of Economic's total equity investments.

5. Financial instruments

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted unadjusted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 (continued)

5. Financial instruments (continued)

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires judgment by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Company utilizes the adjusted net asset method to derive the fair value of investments in private companies by reference to the fair value of its net assets and liabilities, along with assessing a minority marketability discount and control block premiums, if any. These adjustments are unobservable inputs for fair value measurement. The adjusted net asset method has been determined most appropriate for an investment whose value is mainly derived from the holding of assets rather than from deploying those assets as part of a broader business. The assets and liabilities of the private companies primarily include listed investments and deferred tax liabilities. The Company identified a range of possible valuations which market participants could apply to the private companies. This analysis resulted in a range of plus or minus 10% of the fair value of the underlying net assets with a best estimate adjustment of zero. Taking this into account, the Company applied no minority marketability discount or control premium to the net asset value estimate of the private companies. If the minority marketability discount was 10%, or if the premium was 10%, with all other variables remaining constant, net assets would have decreased or increased by approximately \$12,017,000 (2018 - \$11,071,000).

At December 31, 2019, the Company had \$805,310,000 (2018 - \$716,650,000) of Level 1 and \$138,524,000 (2018 - \$127,614,000) of Level 3 equity investments. There were no transfers between Level 1, 2 or 3 equity investments during the current or prior year.

The fair value change in private company investments was an increase of \$10,910,000 (2018 - a decrease of \$16,564,000) recognized in the statement of comprehensive income. There were no purchases, sales, issues or settlements of these investments during either year.

All cash equivalents and short-term investments are Level 2 investments. The carrying values of cash and cash equivalents, receivable in respect of investments sold, dividends and interest receivable, accrued expenses and payable in respect of investments purchased, approximate their fair values due to their short-term nature.

6. Investment in associate

The Company has the following investment in an associate.

TGV Holdings Limited ("TGV") is a private investment company incorporated in Canada. The principal address of TGV is located at 165 University Avenue, Toronto, ON, M5H 3B8. TGV is an investment vehicle for long-term growth through investments in common equities and is consistent with the Company's investment strategy and contributes to achieving the investment objective. TGV is exposed to other price risk and concentration risk primarily through indirect investments in The Bank of Nova Scotia.

	Ownership interest %	Carrying value	
		2019	2018
		(000's)	
TGV Holdings Limited	47.7%	\$ 13,457	\$ 12,520

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 (continued)

7. Cash and cash equivalents

Components of cash and cash equivalents for purposes of the statements of cash flows are as follows:

	<u>2019</u>	<u>2018</u>
	(000's)	
Cash	\$ 8,573	\$ 4,308
Cash equivalents	27,533	13,051
Total	<u>\$ 36,106</u>	<u>\$ 17,359</u>

The following table presents cash and cash equivalents classified by the fair value hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>
	(000's)			
December 31, 2019	\$ 8,573	\$ 27,533	—	\$ 36,106
December 31, 2018	4,308	13,051	—	17,359

8. Income taxes

The Company is a public corporation under the Income Tax Act and is subject to tax at normal corporate rates on its net realized gains (Note 10) and on investment income other than taxable dividends received from corporations resident in Canada. Income taxes are assessed on income before income taxes. The current enacted corporate income tax rate as it impacts the Company stand at 26.5%. The effective tax rate varies from the combined statutory rate as follows:

	<u>2019</u>	<u>2018</u>
	(000's)	
Income taxes (recovery) at statutory rate	\$ 34,579	\$ (12,140)
Variance as a result of:		
Non-taxable portion of (gains) losses	(15,007)	7,985
Tax-paid dividends	(2,630)	(1,881)
Other	34	(104)
Provision for (recovery of) income taxes	<u>\$ 16,976</u>	<u>\$ (6,140)</u>

The Company's provision for income taxes includes provisions for current and deferred income taxes as follows:

	<u>2019</u>	<u>2018</u>
	(000's)	
Current	\$ 6,074	\$ 5,778
Deferred	10,902	(11,918)
Provision for income taxes	<u>\$ 16,976</u>	<u>\$ (6,140)</u>

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 (continued)

8. Income taxes (continued)

Deferred tax liabilities are non-current and arise from the timing of the inclusion of accrued dividends for income tax purposes and from differences between the carrying value and the tax cost of the investments. Details of the deferred tax liabilities are as follows:

	2019	2018
	(000's)	
Unrealized appreciation of investments	\$ 77,230	\$ 66,304
Accrued dividends receivable	256	280
Deferred tax liabilities	<u>\$ 77,486</u>	<u>\$ 66,584</u>

Deferred tax expense included in net income represents movements related to the following items:

	2019	2018
	(000's)	
Investments	\$ 10,926	\$ (11,982)
Accrued dividends	(24)	64
Deferred income taxes	<u>\$ 10,902</u>	<u>\$ (11,918)</u>

During the year ended December 31, 2019, the Company paid income tax balances totaling \$6,405,000 (2018 - \$3,001,000) and received income tax refunds totaling \$40,000 (2018 - \$28,000). These items are classified as cash flows from operating activities in the cash flow statement.

The Company is also subject to a special tax of up to approximately 38% on taxable dividends received from corporations resident in Canada. This tax is refundable on payment of taxable dividends to shareholders at the rate of approximately 38% of such dividends paid. The accumulated amount of refundable dividend tax at December 31, 2019 amounts to approximately \$113,000 (2018 - \$104,000).

9. Other net fair value changes in investments

The Other net fair value changes in investments is comprised as follows:

	2019	2018
	(000's)	
Net realized gains	\$ 31,186	\$ 29,357
Net change in unrealized appreciation	82,078	(89,618)
	<u>\$ 113,264</u>	<u>\$ (60,261)</u>

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 (continued)

10. Net realized gain

The following are the details of the net realized gain during the years indicated:

	2019	2018
	(000's)	
Proceeds on sales of investments	\$ 85,009	\$ 78,611
Cost of investments, beginning of year	334,729	303,539
Cost of investments purchased during year	71,315	80,444
	<u>406,044</u>	<u>383,983</u>
Cost of investments, end of year	352,221	334,729
Cost of investments, sold during year	53,823	49,254
Net realized gain	<u>\$ 31,186</u>	<u>\$ 29,357</u>

11. Share capital

The Company's Articles of Continuance provide for an authorized capital of 200,000 Preferred Shares, issuable in series, and an unlimited number of Common Shares. Of the 200,000 Preferred Shares so authorized, 100,000 are designated as 5% Cumulative Preferred Shares Series A ("Preferred Shares Series A").

The capital stock account of the Company is as follows:

	Authorized	Issued and Outstanding	2019	2018
	(000's)			
Common Shares				
Issued and outstanding	unlimited	5,615,535	\$ 204,691	\$ 204,691

Dividends during the year were paid as follows:

	2019	2018
	(000's)	
On 5,615,535 Common Shares:		
Quarterly - \$0.30 (2018 - \$0.30) quarterly per share	\$ 6,739	\$ 6,739
Additional - \$1.02 (2018 - \$0.80) per share	5,727	4,492
Total	<u>\$ 12,466</u>	<u>\$ 11,231</u>

The Company's dividend policy is to distribute annual net investment income. The distributions are composed of quarterly dividends together with an additional dividend representing the balance of net investment income for the previous fiscal year. During the year, the Company paid quarterly dividends totaling \$1.20 (2018 - \$1.20) per Common Share and an additional dividend of \$1.02 (2018 - \$0.80) per Common Share.

An additional dividend of \$1.52 per Common Share, and the \$0.30 regular quarterly dividend, were declared by the Board of Directors at its meeting on February 12, 2020, with a record and payable date of March 16, 2020 and March 31, 2020, respectively.

The Company's dividend policy is established by the Board of Directors at its discretion and is subject to change.

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 (continued)

12. Related party information

The Company has investments in related parties (see Schedule of Investment Portfolio) with a fair value at December 31, 2019 of \$486,397,000 (2018 - \$440,372,000) representing 51.5% (2018 – 52.2%) of the total investments. Dividends from these companies for the year ended December 31, 2019 amounted to \$9,809,000 (2018 - \$6,943,000).

E-L Financial holds a 24.0% interest in the Company. Included in investment management and administrative costs are fees for administrative services paid to E-L Financial. These fees are calculated at 0.1% per annum of the fair value of the investments managed by the external investment manager and are paid monthly. The total fees for the year ended December 31, 2019 amounted to \$525,000 (2018 - \$503,000).

The ultimate controlling party of the Company and of these related parties is The Honourable Henry N.R. Jackman together with a trust created in 1969 by his father, Henry R. Jackman.

Compensation of key management personnel

Key management personnel comprise the directors of the Company and their remuneration is as follows:

	<u>2019</u>	<u>2018</u>
	(000's)	
Directors' compensation and other short-term benefits	<u>\$ 291</u>	<u>\$ 287</u>

13. Earnings per share ("EPS")

Basic and diluted EPS

EPS is calculated as follows (in thousands of dollars, except for weighted average number of Common Shares outstanding and per Common Share amounts):

	<u>2019</u>	<u>2018</u>
Net income (loss)	<u>\$ 113,510</u>	<u>\$ (39,671)</u>
Weighted average number of Common Shares outstanding	<u>5,615,535</u>	<u>5,615,535</u>
Basic and diluted earnings (loss) per Common Share	<u>\$ 20.21</u>	<u>\$ (7.06)</u>

14. Capital

The Company's capital comprises shareholders' equity, which is invested, directly and indirectly, in long-term investments in the common shares of some publicly-traded Canadian companies, and a managed diversified portfolio of common shares of publicly-traded global companies. The Company's strategy is to earn an above-average rate of return, primarily through long-term capital appreciation and dividend income. Short-term volatility is expected and tolerated. Management remains confident that the Company's investment strategy will reward shareholders over the long term. The Company monitors its capital via its assessment of shareholders' equity.

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2019

Number of shares		Cost	Carrying value	% of Carrying value
		(000's)		
North America				
Canada				
2,126,380	Algoma Central Corporation ¹	\$ 2,974	\$ 27,728	
386,206	E-L Financial Corporation Limited ¹	26,116	320,145	
33,101	Ecando Investments Limited			
	Classes A, B and common ^{1, 2, 3}	4,139	61,212	
176,414	The Fulcrum Investment Company Limited ^{1, 2}	464	16,128	
216,900	NVG Holdings Limited			
	Classes B, C, D, E and common ^{1, 2, 4}	2,115	47,727	
138,320	Prairiesky Royalty Ltd.	3,062	2,107	
4,837	TGV Holdings Limited Class B ^{1, 2, 4, 5}	318	13,457	
		<u>39,188</u>	<u>488,504</u>	51.8
United States				
214,026	Allison Transmission Holdings Inc.	8,227	13,432	
8,216	Alphabet Inc. Class A.....	11,542	14,292	
94,109	AmerisourceBergen Corporation	7,753	10,392	
14,984	Apple Inc.	1,903	5,715	
3,365	AutoZone, Inc.	3,041	5,206	
25,349	Becton, Dickinson and Company.....	2,482	8,954	
15,883	Berkshire Hathaway Inc. Class B	4,631	4,672	
3,214	Booking Holdings Inc.	7,754	8,573	
45,136	Facebook, Inc. Class A.....	8,974	12,032	
62,930	Johnson & Johnson	6,329	11,922	
26,303	L3Harris Technologies, Inc.	2,778	6,760	
18,845	McDonald's Corporation	2,201	4,837	
107,779	Microsoft Corporation	4,752	22,075	
367,790	News Corporation Class A.....	6,195	6,754	
94,784	Northern Trust Corporation	6,590	13,079	
112,434	Oracle Corporation	4,991	7,737	
51,036	PepsiCo, Inc.	4,445	9,059	
494,751	Sabre Corporation	15,916	14,419	
74,565	SS&C Technologies Holdings, Inc.	4,594	5,946	
28,960	Texas Instruments Incorporated	3,051	4,825	
213,362	Truist Financial Corp.....	8,585	15,607	
16,399	Union Pacific Corporation	1,516	3,851	
87,001	United Technologies Corporation.....	9,165	16,922	
182,805	Walgreen Boots Alliance Inc.	13,380	13,999	
		<u>150,795</u>	<u>241,060</u>	25.5
	Total North America	<u>189,983</u>	<u>729,564</u>	77.3

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2019

Number of shares		Cost	Carrying value	% of Carrying value
		(000's)		
	Europe, excluding United Kingdom			
37,099	Atlas Copco AB Class A.....	\$ 1,309	\$ 1,932	
19,535	Atlas Copco AB Class B	641	886	
161,020	Brenntag AG	10,756	11,384	
205,120	Bureau Veritas S.A.	5,187	6,958	
73,423	Cie Financiere Richemont SA.....	7,115	7,504	
30,339	Hannover Rueckversicherung SE.....	2,199	7,623	
70,394	Heineken Holding N.V.....	3,619	8,869	
8,342	Heineken N.V.....	1,065	1,155	
84,998	Henkel AG & Co. KGaA.....	5,719	10,412	
2,465	Henkel AG & Co. KGaA Preferred	328	331	
100,273	Nestle S.A.	8,922	14,118	
114,000	Novartis AG.....	8,257	14,077	
134,643	Publicis Groupe	9,667	7,925	
23,365	Roche Holding AG	6,652	10,702	
1,643	Schindler Holding Ltd.....	460	524	
15,509	Schindler Holding Ltd. Participation Certificate.....	4,800	5,131	
		76,696	109,531	11.6
	Japan			
197,900	Kakaku.com Inc.	3,792	6,611	
73,000	Kao Corporation.....	2,517	7,880	
18,200	Keyence Corporation	1,282	8,378	
231,200	Komatsu Ltd.....	6,484	7,306	
37,200	Shin-Etsu Chemical Co., Ltd.....	4,495	5,366	
76,600	Suzuki Motor Corporation	4,912	4,184	
148,800	Unicharm Corporation.....	3,335	6,585	
		26,817	46,310	4.9
	United Kingdom			
279,402	British American Tobacco plc.....	15,083	15,517	
193,584	Bunzl plc.....	7,068	6,865	
27,113	Imperial Brands plc.....	1,057	870	
545,488	Informa plc.....	5,050	8,029	
92,860	Unilever plc.....	3,826	6,938	
		32,084	38,219	4.0
	Brazil			
2,401,912	Cielo S.A.....	12,977	6,496	0.7
	Cayman Islands			
306,000	Tingyi (Cayman Islands) Holding Corporation	673	679	
4,464,000	Want Want China Holdings Ltd.	5,222	5,421	
		5,895	6,100	0.6

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2019

Number of shares		Cost	Carrying value	% of Carrying value
		(000's)		
	China			
349,000	Ping An Insurance (Group) Company of China, Ltd.	\$ 5,509	\$ 5,361	0.6
	Bermuda			
24,700	Jardine Matheson Holdings Limited.....	1,788	1,784	0.2
	Mexico			
33,900	Coca-Cola Femsa S.A.B. de C.V.....	270	269	
2,548	Coca-Cola Femsa S.A.B. - SP ADR	202	200	
		<u>472</u>	<u>469</u>	<u>0.1</u>
	Total investments	<u>\$ 352,221</u>	<u>\$ 943,834</u>	<u>100.0</u>

¹ These companies and Economic are related parties.

² Not listed on a stock exchange.

³ The net assets of Ecando Investments Limited are invested primarily in shares of E-L Financial Corporation Limited.

⁴ The net assets of NVG Holdings Limited and TGV Holdings Limited are invested primarily in the shares of The Bank of Nova Scotia.

⁵ Investment in associate (see Note 6).

Economic Investment Trust Limited

Economic Investment Trust Limited was the first closed-end investment trust formed in Canada in the 1920's. The trust was sponsored by the chartered accounting firm of George A. Touche & Company.

The initial capitalization consisted of 32,250 shares issued in 1927 at \$50 for a total of \$1,612,500. In addition, \$1,000,000 of 30 year 5% Collateral Trust Gold Bonds were issued in 1927, making the total amount of initial capital subscribed \$2,612,500.

FINANCIAL RECORD - 1928 - 2019 (Unaudited)

Year Ended March 31	Total Net Assets at Carrying Value*	Funded Debt	Preferred Shares Outstanding**	Net Equity Behind Common Shares	Net Investment Income Available For Common Shares	Net Equity Value per Common Share=
1928	\$ 2,776,143	\$ 1,000,000	\$ —	\$ 1,776,143	\$ 59,836	\$ 0.81
1929	2,990,242	1,000,000	—	1,990,242	108,757	0.77
1930	3,064,552	1,000,000	—	2,064,552	132,219	0.76
1931	2,344,127	1,000,000	—	1,344,127	109,133	0.50
1932	1,412,796	990,000	—	422,796	69,803	0.16
1933	1,161,715	962,500	—	199,215	36,538	0.07
1934	1,808,188	959,500	—	848,688	29,378	0.31
1935	1,838,293	949,500	—	888,793	27,665	0.33
1936	2,353,313	949,500	—	1,403,813	39,181	0.52
1937	3,084,608	949,500	—	2,135,108	83,259	0.79
1938	2,028,005	1,000,000	—	1,028,005	89,611	0.38
1939	2,322,361	1,000,000	—	1,322,361	73,262	0.49
1940	2,779,329	1,000,000	—	1,779,329	64,964	0.66
1941	2,350,199	1,000,000	—	1,350,199	89,373	0.50
1942	2,145,074	1,000,000	—	1,145,074	86,242	0.42
1943	2,604,866	1,000,000	—	1,604,866	79,552	0.59
1944	2,889,930	1,000,000	—	1,889,930	91,189	0.70
1945	3,238,955	1,000,000	—	2,238,955	93,286	0.82
1946	3,896,005	1,000,000	—	2,896,005	83,594	1.07
1947	3,663,744	1,000,000	—	2,663,744	88,005	0.98
1948	3,522,969	1,000,000	—	2,522,969	103,576	0.93
1949	3,555,427	1,000,000	—	2,555,427	146,777	0.94
1950	3,835,291	1,000,000	—	2,835,291	164,712	1.04
1951	5,083,980	1,250,000	—	3,833,980	187,339	1.13
1952	5,242,547	1,250,000	—	3,992,547	224,680	1.18
Year End Dec. 31						
1953	5,197,984	1,250,000	—	3,947,984	189,902	1.16
1954	6,579,007	1,250,000	—	5,329,007	203,946	1.57
1955	8,972,261	2,000,000	—	6,972,261	244,543	1.71
1956	9,927,524	3,000,000	—	6,927,524	268,643	1.70
1957	8,299,244	2,940,000	—	5,359,244	267,456	1.30
1958	10,802,381	2,940,000	—	7,862,381	244,745	1.91
1959	11,125,555	2,920,000	—	8,205,555	250,593	1.99
1960	11,462,158	2,902,500	—	8,559,658	279,614	2.06
1961	15,222,285	2,509,500	—	12,712,785	348,260	2.41
1962	15,959,655	2,000,000	2,100,000	11,859,655	373,627	2.11
1963	17,633,299	2,000,000	2,100,000	13,533,299	395,390	2.41
1964	20,955,088	—	5,250,000	15,705,088	426,318	2.80
1965	21,897,735	—	5,250,000	16,647,735	457,768	2.97
1966	19,613,106	—	5,250,000	14,363,106	487,222	2.56
1967	23,076,097	—	5,128,462	17,947,635	540,082	3.20
1968	27,392,675	—	5,061,263	22,331,412	490,882	3.98
1969	25,942,615	—	5,061,263	20,881,352	518,281	3.72

Economic Investment Trust Limited

FINANCIAL RECORD - 1928 - 2019 (continued) (Unaudited)

Year Ended Dec 31	Total Net Assets at Carrying Value*	Funded Debt	Preferred Shares Outstanding**	Net Equity Behind Common Shares	Net Investment Income Available For Common Shares	Net Equity Value per Common Share=
1970	\$ 24,365,591	\$ —	\$ 5,061,263	\$ 19,304,328	\$ 557,159	\$ 3.44
1971	27,254,532	—	5,056,013	22,198,519	540,382	3.95
1972	34,888,401	—	5,056,013	29,832,388	594,727	5.31
1973	32,612,656	—	5,056,013	27,556,643	621,910	4.91
1974	24,135,473	—	5,024,513	19,110,960	726,197	3.40
1975	26,585,662	—	4,870,950	21,714,712	863,375	3.87
1976	31,637,836	3,000,000	4,738,387	23,899,449	875,571	4.26
1977	36,995,088	3,000,000	4,685,677	29,309,411	901,695	5.22
1978	47,494,243	4,000,000	4,622,677	38,871,556	1,252,333	6.92
1979	57,999,880	4,000,000	4,526,340	49,473,540	1,324,406	8.81
1980	76,697,109	4,000,000	4,375,665	68,321,444	2,194,507	12.17
1981	64,064,872	4,000,000	4,239,165	55,825,707	1,639,037	9.94
1982	68,178,899	4,000,000	4,104,503	60,074,396	2,020,002	10.70
1983	89,218,448	4,000,000	3,973,253	81,245,195	1,999,146	14.47
1984	92,329,348	4,000,000	3,792,915	84,536,433	2,300,654	15.06
1985	110,213,106	4,000,000	3,588,690	102,624,416	2,255,834	18.28
1986	116,528,995	—	3,582,600	112,946,395	3,010,235	20.11
1987	107,137,081	—	3,388,350	103,748,731	3,262,872	18.48
1988	117,278,175	—	3,388,350	113,889,825	4,057,330	20.28
1989	138,902,425	—	3,209,850	135,692,575	11,033,069	24.16
1990	111,688,074	—	3,078,600	108,609,474	4,507,819	19.34
1991	121,167,500	—	2,947,350	118,220,150	3,686,237	21.05
1992	118,601,216	—	2,816,100	115,785,116	4,425,086	20.62
1993	160,510,602	—	2,684,850	157,825,752	4,132,163	28.11
1994	157,005,838	—	2,553,600	154,452,238	3,607,944	27.50
1995	173,784,673	—	2,411,850	171,372,823	3,707,690	30.52
1996	220,022,041	—	2,267,475	217,754,566	4,229,442	38.78
1997	315,642,038	—	2,151,975	313,490,063	4,496,004	55.82
1998	312,297,757	—	1,957,725	310,340,032	5,020,547	55.26
1999	335,118,175	—	1,847,475	333,270,700	4,053,649	59.35
2000	409,292,748	—	1,758,225	407,534,523	4,681,449	72.57
2001	374,087,462	—	1,600,725	372,486,737	5,039,506	66.33
2002	344,740,715	—	1,539,038	343,201,677	4,380,966	61.12
2003	407,910,297	—	1,528,538	406,381,759	4,658,868	72.37
2004	459,289,335	—	1,523,288	457,766,047	8,655,782	81.52
2005	560,240,525	—	1,523,288	558,717,237	5,671,936	99.49
2006	691,296,065	—	404,250	690,891,815	7,241,971	123.03
2007	636,213,949	—	404,250	635,809,699	7,938,813	113.22
2008	413,157,193	—	404,250	412,752,943	8,582,896	73.50
2009	484,281,125	—	—	484,281,125	6,032,950	86.24
2010	514,671,117	—	—	514,671,117	5,374,380	91.65
2011	420,120,642	—	—	420,120,642	6,446,173	74.81
2012	471,609,113	—	—	471,609,113	6,367,642	83.98
2013	694,064,708	—	—	694,064,708	42,951,106	123.60
2014	687,494,354	—	—	687,494,354	7,619,908	122.43

Economic Investment Trust Limited

FINANCIAL RECORD - 1928 - 2019 (continued) (Unaudited)

Year Ended Dec 31	Total Net Assets at Carrying Value*	Funded Debt	Preferred Shares Outstanding**	Net Equity Behind Common Shares	Net Investment Income Available For Common Shares	Net Equity Value per Common Share=
2015	\$ 744,706,000	\$ —	\$ —	\$ 744,706,000	\$ 8,129,097	\$ 132.62
2016	776,400,585	—	—	776,400,585	10,904,424	138.26
2017	853,473,765	—	—	853,473,765	11,256,055	151.98
2018	802,572,390	—	—	802,572,390	12,489,097	142.92
2019	903,616,098	—	—	903,616,098	15,262,344	160.91

Net equity value per Common Share and net investment income available for Common Shares are non-GAAP measures.

This chart is drawn from the individual annual reports and has not been restated for any subsequent changes in accounting policies.

* Total assets at fair value less current liabilities exclusive of funded debt and preferred shares. For the years 1972 to 2000, total net assets include refundable capital gains taxes on hand.

** Preferred Shares at redemption price of \$52.50 per share.

= As of December 31, 2019 there were 5,615,535 common shares outstanding. The calculation of net equity value is restated to reflect the following:

Historical Stock Dividends								
Date	Stock dividend rate	Issue price	Date	Stock dividend rate	Issue price	Date	Stock dividend rate	Issue price
1951	5 for 2	Split	1988	1 for 63	\$ 64.26	1997	1 for 13.3767	\$ 160.52
1963	5 for 1	Split	1989	1 for 67	70.35	1998	1 for 29.0495	152.51
1982	1 for 8	\$ 50.08	1990	1 for 56	82.32	1999	1 for 35.8532	144.13
1983	1 for 7	49.07	1991	1 for 30	64.80	2000	1 for 30.4794	148.13
1984	1 for 20	60.00	1994	1 for 27.7	91.41	2001	1 for 5.81549	172.72
1985	1 for 22	59.40	1995	1 for 28.78	86.34	2001	2 for 1	Split
1986	1 for 31	69.75	1996	1 for 38.4246	96.83	2001	1 for 24.1111	69.44
1987	1 for 17	71.40	1997	1 for 37.6442	117.45			

Economic Investment Trust Limited

CORPORATE INFORMATION

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Burgundy Asset Management Ltd., Toronto

AUDITOR

PricewaterhouseCoopers LLP, Toronto

CUSTODIAN

RBC Investor & Treasury Services

TRANSFER AGENT AND REGISTRAR

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TORONTO STOCK EXCHANGE LISTING

Common Shares, ticker symbol EVT

NET EQUITY VALUE

The Company's net equity value per Common Share is published weekly on the Company's website.

REPORTING PROCEDURE FOR ACCOUNTING AND AUDITING MATTERS

Please refer to the "Contact Us" section of our website if you have questions or concerns regarding accounting or auditing matters.

WEBSITE

www.evt.ca

