Economic Investment Trust Limited

2006 Annual Report

Economic Investment Trust Limited

THE YEAR AT A GLANCE
80th Annual Report

	2006	2005
Net equity value per Common Share	**$ 123.03**	$ 99.49
Net investment income per Common Share	**$ 1.29**	$ 1.01
Increase in net assets from operations per Common Share	**$ 24.03**	$ 18.48
Regular dividends per Common Share	**$ 0.60**	$ 0.60
Net assets	**$ 691,296**	$ 560,241
Investment income	**$ 12,433**	$ 9,801
Net investment income	**$ 7,275**	$ 5,744
Number of Common Shares outstanding at year end	**5,615,535**	5,615,535

In thousands of Canadian Dollars, except number of Common Shares outstanding and per share amounts.

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held at 11:45 a.m. on Thursday, April 5, 2007, in the Meeting Room of The Dominion of Canada General Insurance Company, 4th Floor, 165 University Avenue, Toronto. All shareholders are invited to attend.

BOARD OF DIRECTORS

WILLIAM J. CORCORAN	Vice-Chairman Jarislowsky Fraser Limited
IRVING R. GERSTEIN	President Glenoak Capital
DUNCAN N. R. JACKMAN	Chairman, President and Chief Executive Officer E-L Financial Corporation Limited
R.B. MATTHEWS	President Manitou Capital Corporation
HELEN J. ROTENBERG	Corporate Director
MARK M. TAYLOR	Executive Vice-President and Chief Financial Officer E-L Financial Corporation Limited

HONOURARY DIRECTOR

THE HONOURABLE HENRY N. R. JACKMAN	Honourary Chairman The Empire Life Insurance Company

OFFICERS

DUNCAN N. R. JACKMAN	Chairman and President
MARK M. TAYLOR	Vice-President
RICHARD B. CARTY	Corporate Secretary
TRAVIS R. EPP	Treasurer
DAVID BENJAMIN	Assistant Treasurer

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 condition and results of operations for the years ended December 31, 2006 and 2005. This MD&A should be read in conjunction with the December 31, 2006 year-end financial statements of Economic Investment Trust Limited ("Economic" or the "Company") which form part of the Company's 2006 Annual Report dated February 7, 2007. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and unless otherwise noted, both the financial statements and this MD&A are expressed in Canadian Dollars.

MD&A contains 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, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

Investment Strategy

Economic is a closed-end investment corporation, the shares of which trade on the Toronto Stock Exchange (EVT, EVT.PR.A). Economic has always been 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 objective of the Company is to earn an above average rate of return primarily through long-term capital appreciation and dividend income. The equity investments in the portfolio currently reflect investment opportunities all over the world.

The investment portfolio of the Company is comprised of a mix of high yielding and low yielding foreign and Canadian investments. Net investment income, net realized gain (loss) on investments, net change in unrealized appreciation of investments and net equity value per common share will vary significantly from period to period depending on the selection of the global equities which moves with the constantly changing economic environment and market conditions.

The majority of the investment portfolio is managed by Sanford C. Bernstein & Co. LLC ("Bernstein"), a wholly owned subsidiary of Alliance Bernstein L.P. Bernstein is a global investment manager that commenced operations in 1967. At the end of the year, excluding the Emerging Markets Investor Fund, Bernstein managed all of the foreign equities in the portfolio. Bernstein is allowed to hedge the foreign currency exposure of any non-Canadian investment that it manages.

As at December 31, 2006, the Company managed all of the Canadian equities in the portfolio. These investments, which comprise 46.3% (2005 - 47.6%) of the investment portfolio, are in related parties. The performance of this portion of the portfolio is primarily derived from investments in E-L Financial Corporation Limited, The Bank of Nova Scotia and Algoma Central Corporation. E-L Financial Corporation Limited, Algoma Central Corporation and the Company can be significantly influenced by the same party. In management's view, investments in these companies are consistent with the investment strategy and contribute to achieving the investment objective of the Company. Further related party information is provided in Note 7 to the consolidated financial statements and in the consolidated statement of investments.

As the Company's investment philosophy is focused on 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Market Review

In Canadian Dollar terms, in 2006, the S&P/TSX Composite Index increased 17.3%, the MSCI World Index increased 20.0% and the S&P 500 Index increased 15.7%. The 2006 market performance was a continuation of the positive market performance in 2005 in which the S&P/TSX Composite Index increased 24.1%, the MSCI World Index increased 6.1% and the S&P 500 Index increased 1.6%. The global equity portfolio managed by Bernstein achieved an annual return of 28.9% in 2006 compared to 13.8% in 2005.

The Company's net equity value per share increased to $123.03 at December 31, 2006 from $99.49 at December 31, 2005. Based on the reinvestment of dividends at month-end net equity values, the Company's net equity value per share increased 24.3% in 2006, compared to an increase of 22.9% in 2005. As a taxable Canadian corporation, a provision for future income taxes is recorded on the unrealized appreciation of investments. Future income taxes are recorded as a liability on the consolidated balance sheet. The net equity value of the Company's Common Shares is determined by deducting the outstanding Preferred Shares Series A at their cost of redemption from the net assets of the Company. The net equity value per Common Share is the net equity value divided by the number of Common Shares outstanding.

Operating Results - 2006

Net Investment Income

The Net investment income of the Company increased to $7,275,000 in 2006 from $5,744,000 in 2005. This result is primarily attributable to an increase of $2,256,000 in foreign dividends in 2006 as compared to 2005. The change in foreign dividends is a result of special dividends received, increased dividends paid by various portfolio investments and an increased exposure to foreign equities in the global investment portfolio. As at December 31, 2006, the investment portfolio composition was 53.7% in foreign equities and 46.3% in Canadian equities.

The operating expenses of the Company increased to $2,260,000 in 2006 from $1,921,000 in 2005. The majority of the expenses, including management and administrative costs and custody fees, are market based and will increase in a fiscal year in which the equity markets rise. Despite the increase in operating expenses of the Company, the management expense ratio declined in 2006 due to the strong performance of the internally managed investments, for which there are no management or administration fees charged. The management expense ratio of the Company was 0.36% in 2006 compared to 0.37% in 2005.

Net Gain (Loss) on Investments

The global investment portfolio performed extremely well in 2006. The performance of the portfolio reflected the strong global equity markets as well as a general weakening of the Canadian Dollar against foreign currencies. As previously highlighted, the S&P/TSX Composite Index, MSCI World Index and S&P 500 Index each performed well. Regarding foreign currency movements, the Euro and the UK Pound Sterling appreciated significantly relative to the Canadian Dollar in the current year. The Canadian Dollar, as compared to the U.S. Dollar, was relatively unchanged from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The realized gain on investments sold before income taxes increased to $37,068,000 in 2006 from $16,229,000 in 2005. The increase in the realized gain reflects the positive performance of global equity markets in recent years. The most significant gains realized during the year were from the sale of Shinhan Financial Group Co., Ltd., Assurances Générales de France, Hewlett-Packard Company and MAN AG. Bernstein continued its use of forward currency contracts in the current year. As a result of the general weakening of the Canadian Dollar, a realized loss of approximately $2,400,000 resulted from the use of forward currency contracts.

The Company's unrealized appreciation of investments before the provision for future income taxes increased in 2006 by $111,868,000 to $429,897,000 at December 31, 2006 from $318,029,000 at December 31, 2005. As would be expected, based on the performance of equity markets in general, positive performances were generated in each area of the Company's global portfolio. The largest single contributor in fiscal 2006 was E-L Financial Corporation Limited ("E-L Financial"). The Company's significant exposure to E-L Financial created substantial value as it increased 21% in the year. Other equity investments that also performed extremely well in the current year included Algoma Central Corporation, Xstrata PLC, Japan Tobacco Inc., Renault SA and Posco.

In the second quarter of 2006, the Federal government substantively enacted reductions in income tax rates commencing in 2008. As a result of the tax change, there was a reduction in the Future income tax liability and an increase in Unrealized appreciation of investments. The benefit of the tax rate change in the second quarter was approximately $5,200,000.

Operating Results - Fourth Quarter, 2006

Global stock markets posted extremely positive results in the quarter ended December 31, 2006. In Canadian Dollar terms, in the fourth quarter of 2006, the S&P/TSX Composite Index increased 10.4%, the MSCI World Index increased 13.2% and the S&P 500 Index increased 11.5%. In addition, foreign currency movements were significant in the quarter as the Canadian Dollar depreciated relative to all other currencies in the portfolio. The weakening of the Canadian Dollar resulted in an increase in the value of our non-Canadian investments.

The Company's net equity value per share increased to $123.03 at December 31, 2006 from $110.99 at September 30, 2006. Including the reinvestment of dividends at month-end net equity values, the Company's net equity value per share increased 11.0% in the fourth quarter of 2006.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Three Year Results

A summary of various financial data for each of the last three years is as follows:

	2006	2005	2004
	(In thousands of dollars, except per share amounts)		
Net realized and unrealized gain on investments	$ 127,714	$ 98,102	$ 48,894
Net realized and unrealized gain on investments per Common Share	22.74	17.47	8.71
Total assets	766,508	616,634	502,175
Investment income	12,433	9,801	12,845
Net investment income	7,275	5,744	8,729
Net investment income per Common Share	1.29	1.01	1.54
Cash dividends per Common Share	0.60	0.60	0.60
Cash dividends per Preferred Share Series A	2.50	2.50	2.50

The performance of Economic, as demonstrated above, reflects the positive performance of equity markets in recent years. In fact, the S&P/TSX Composite Index, the MSCI World Index and the S&P 500 Index have all posted positive returns in each of the last three fiscal years.

The fluctuations in Investment income and Net investment income are due to changes in dividend income that is earned by the Company. The dividend income is determined by the dividend policies of the Corporations that are held as investments in our global investment portfolio. In recent years, a number of investments in our portfolio have paid special dividends or increased their dividends. For example, in 2004, E-L Financial paid a significant special dividend. In 2006, in addition to certain higher dividend payouts, a special dividend was received from Whitbread PLC. The source of the dividend will also effect the taxation of the dividend which will have an impact on Net investment income.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Quarterly Review - Fiscal 2006 and 2005

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

	2006			
	Quarter ended			
	Mar. 31	Jun. 30	Sep. 30	Dec. 31
	(In thousands of dollars, except per share amounts)			
Investment income	$ 2,430	$ 5,021	$ 2,767	$ 2,215
Net investment income	1,341	3,049	1,643	1,242
Per Common Share [1]				
Net investment income	$ 0.24	$ 0.54	$ 0.29	$ 0.22
Net gain on investments	7.57	2.12	1.10	11.95
Increase in net assets from operations	$ 7.81	$ 2.66	$ 1.39	$ 12.17

	2005			
	Quarter ended			
	Mar. 31	Jun. 30	Sep. 30	Dec. 31
	(In thousands of dollars, except per share amounts)			
Investment income	$ 2,279	$ 4,075	$ 1,994	$ 1,453
Net investment income	1,316	2,504	1,151	773
Per Common Share [1]				
Net investment income	$ 0.23	$ 0.44	$ 0.21	$ 0.13
Net gain on investments	3.33	1.56	4.35	8.23
Increase in net assets from operations	$ 3.56	$ 2.00	$ 4.56	$ 8.36

[1] The net investment income per Common Share is net of dividends paid on the Preferred Shares Series A during the period.

The investment income is primarily derived from dividend income that is earned by the Company. While North American investments generally pay regular quarterly dividends, investments outside of North America pay less frequently. Generally, dividends earned on investments outside of North America peak in the second quarter of the fiscal year. Further, there are occasions when investments pay special dividends. Whitbread PLC paid a special dividend in the second quarter of 2006.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, 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. As of December 31, 2006, an evaluation was carried out, under the supervision of and with the participation of management, of the effectiveness of the Company's disclosure controls and procedures as defined under Multilateral Instrument 52-109. Based on that evaluation, management concluded that the design and operation of the Company's disclosure controls and procedures were effective as at December 31, 2006.

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 GAAP. Management assessed the design effectiveness of the Company's internal control over financial reporting as at December 31, 2006, and based on that assessment determined that the Company's internal control over financial reporting design was effective. No changes were made in the Company's internal control over financial reporting during the year ended December 31, 2006, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Risks

The Company faces a broad range of risks and uncertainties in managing a global equity portfolio. Risks of investing in Economic include concentration risk, market risk, business risk, foreign currency risk, liquidity risk, sovereign risk and securities lending risk. These risks are described in the Risk Factors section of the Company's Annual Information Form.

Share Data

There are 5,615,535 Common Shares issued and outstanding and each share is entitled to one vote. There are 7,700 (2005 - 29,015) Preferred Shares Series A issued and outstanding. During the year, the Company purchased 21,315 Preferred Shares Series A for cancellation.

Liquidity and Capital Resources

Regular quarterly dividends were paid on the Common Shares and Preferred Shares Series A. The quarterly per share dividend was $0.15 on the Common Shares and $0.625 on the Preferred Shares Series A. The payment of the Company's regular quarterly dividends is funded by Net investment income. For the year ended December 31, 2006, Net investment income was $7,275,000 as compared to dividend payments of $3,402,000.

Additional Information

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Retirement of Directors

The Board would like to express its tremendous gratitude to Mrs. Helen J. Rotenberg and Mr. William J. Corcoran on the occasion of their retirement. Mrs. Rotenberg was first appointed as a Director of the Company in 1989 and she also served as the Investment Manager of the Company from 1992 until 2000. Mrs. Rotenberg's contribution to the Company has been significant and very beneficial to the shareholders. Mr. Corcoran was first appointed as a Director of the Company in 2004, and his extensive knowledge of the investment industry has been very valuable to the Company and its shareholders.

Duncan N.R. Jackman
Chairman and President

February 7, 2007

STATEMENT OF FINANCIAL HIGHLIGHTS

For each of the years in the five year period ended December 31, 2006

DATA PER COMMON SHARE	**2006**	2005	2004	2003	2002
NET EQUITY VALUE, beginning of year	**$ 99.49**	$ 81.52	$ 72.37	$ 61.12	$ 66.33
INCOME (LOSS) FROM INVESTMENT OPERATIONS AVAILABLE TO COMMON SHAREHOLDERS					
Net investment income	**1.30**	1.02	1.55	0.84	0.79
Net realized and unrealized gain (loss) on investments	**22.74**	17.47	8.71	10.95	(5.45)
	24.04	18.49	10.26	11.79	(4.66)
DIVIDENDS TO SHAREHOLDERS					
Cash dividends on Common Shares	**(0.60)**	(0.60)	(0.60)	(0.60)	(0.60)
Cash dividends on Preferred Shares Series A	**(0.01)**	(0.01)	(0.01)	(0.01)	(0.01)
	(0.61)	(0.61)	(0.61)	(0.61)	(0.61)
TAXATION CHANGES					
Net decrease (increase) in refundable dividend tax on hand	**0.11**	0.09	(0.50)	0.07	0.06
NET EQUITY VALUE, end of year	**$ 123.03**	$ 99.49	$ 81.52	$ 72.37	$ 61.12

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 Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgement. 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 auditors prior to recommending the audited financial statements and related disclosure for approval by the Board.

The shareholders of the Company appointed the external auditors, PricewaterhouseCoopers LLP. The external auditors 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 this page.

Duncan N.R. Jackman
Chairman and President
February 7, 2007

Travis R. Epp
Treasurer

AUDITORS' REPORT

To the Shareholders of
Economic Investment Trust Limited:

We have audited the accompanying consolidated statement of net assets of Economic Investment Trust Limited as at December 31, 2006 and 2005, the consolidated statement of investments as at December 31, 2006 and the consolidated statements of operations, retained earnings and changes in net assets for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and the changes in its net assets for the years then ended in accordance with Canadian generally accepted accounting principles.

February 7, 2007
Toronto, Canada

PricewaterhouseCoopers LLP
Chartered Accountants

CONSOLIDATED STATEMENT OF NET ASSETS

	December 31	
	2006	2005
ASSETS	(000's)	
Investments, at market value (cost - $326,695; 2005 - $286,843) (Note 7)	**$ 756,592**	$ 604,872
Cash	**8,786**	9,120
Short-term investments	**300**	437
Receivable in respect of investments sold	**67**	1,119
Accrued income on investments	**562**	403
Income taxes receivable	**—**	477
Other assets	**201**	206
	766,508	616,634
LIABILITIES		
Accounts payable and accrued liabilities	**321**	266
Payable in respect of investments purchased	**367**	—
Income taxes payable	**9,454**	—
Future income taxes (Note 4)	**65,070**	56,127
	75,212	56,393
Net assets, at market value	**$ 691,296**	$ 560,241
SHAREHOLDERS' EQUITY		
Capital stock (Note 6)	**$ 205,076**	$ 206,142
Contributed surplus (Note 6)	**1,492**	1,493
Unrealized appreciation of investments (Note 4)	**359,437**	262,095
Retained earnings	**125,291**	90,511
Total shareholders' equity	**$ 691,296**	$ 560,241

APPROVED BY THE BOARD:

DUNCAN N.R. JACKMAN Director

R.B. MATTHEWS Director

(See accompanying notes)

Economic Investment Trust Limited

CONSOLIDATED STATEMENT OF OPERATIONS

	Year ended December 31	
	2006	2005
INVESTMENT INCOME	(000's)	
Dividends:		
Foreign	**$ 9,891**	$ 7,635
Canadian (Note7)	**2,096**	1,927
	11,987	9,562
Interest, including securities lending income (Note 8)	**446**	239
	12,433	9,801
Expenses:		
Management and administrative costs (Note 7)	**1,596**	1,372
Directors' and officers' remuneration	**96**	101
Office and miscellaneous	**157**	126
Transfer, registrar and custody fees	**323**	226
Professional fees	**53**	43
Capital tax	**35**	53
	2,260	1,921
Investment income before income taxes	**10,173**	7,880
Income taxes (Note 3)	**2,898**	2,136
NET INVESTMENT INCOME	**7,275**	5,744
REALIZED AND UNREALIZED GAIN ON INVESTMENTS		
Net realized gain on investments (Note 5)	**30,372**	13,276
Net change in unrealized appreciation of investments (Note 4)	**97,342**	84,826
NET GAIN ON INVESTMENTS	**127,714**	98,102
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 134,989**	$ 103,846
INCREASE IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	**$ 24.03**	$ 18.48

(See accompanying notes)

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Year ended December 31	
	2006	2005
	(000's)	
RETAINED EARNINGS, BEGINNING OF YEAR	**$ 90,511**	$ 74,386
Add:		
Net investment income	**7,275**	5,744
Net realized gain on investments	**30,372**	13,276
Refundable dividend taxes recovered	**1,134**	1,147
	129,292	94,553
Deduct:		
Dividends (Note 6)	**3,402**	3,442
Provision for refundable dividend taxes	**599**	600
	4,001	4,042
RETAINED EARNINGS, END OF YEAR	**$ 125,291**	$ 90,511

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Year ended December 31	
	2006	2005
	(000's)	
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 134,989**	$ 103,846
DIVIDENDS TO SHAREHOLDERS		
Cash dividends on Preferred Shares Series A	**(33)**	(73)
Cash dividends on Common Shares	**(3,369)**	(3,369)
	(3,402)	(3,442)
CAPITAL SHARE TRANSACTIONS		
Purchase of Preferred Shares Series A for cancellation	**(1,067)**	—
TAXATION CHANGES		
Net decrease in refundable dividend taxes on hand	**535**	547
INCREASE IN NET ASSETS	**131,055**	100,951
NET ASSETS, BEGINNING OF YEAR	**560,241**	459,290
NET ASSETS, END OF YEAR	**$ 691,296**	$ 560,241

(See accompanying notes)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - DECEMBER 31, 2006

1. Description of business

Economic Investment Trust Limited ("Economic" or "the Company") is a closed-end investment corporation, incorporated under The Companies Act (Canada) by letters patent dated January 28, 1927 and was continued under the Canada Business Corporations Act by Certificate of Continuance dated June 20, 1980.

Economic trades on the Toronto Stock Exchange (EVT, EVT.PR.A). Economic has always been 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.

2. Summary of significant accounting policies

(a) Principles of consolidation -
The consolidated financial statements include the accounts of the company and its wholly-owned subsidiaries, Econos Foreign Investment Company Limited, Econos Canadian Investment Company Limited and Econos N.V.G. Investment Company Limited. Each of the subsidiaries was wound up on December 31, 2006.

(b) Carrying value of investments -
The market values of investments listed on stock exchanges are based on closing market quotations. The average of the closing bid and offering price is used when the security is not traded on the year-end date.

The market values of investments not listed on stock exchanges have been determined by the directors based on the underlying market values of the net assets represented by such securities. These market values, determined on the basis of closing market quotations of such securities, do not necessarily represent the realizable value of the total holdings. The actual realizable value could be more or less than the value indicated by those market quotations.

(c) Investment transactions -
Investment transactions are accounted for on a trade date basis. Realized gains and losses from investment transactions are calculated on an average cost basis.

(d) Short-term investments -
Short-term investments consist of treasury bills, commercial paper, guaranteed investment certificates and bankers' acceptances held for investment purposes. These investments are carried at cost, which, together with accrued interest, approximates fair value.

(e) Dividend and interest income -
Dividend income is recognized on the ex-dividend date and interest income is recognized as earned.

(f) Translation of foreign currency -
(i) Assets including market value of investments and liabilities denominated in foreign currencies are converted into Canadian Dollars at the rates of exchange established on each valuation date;
(ii) Purchases and sales of investments, dividends and interest income denominated in foreign currencies are converted into Canadian Dollars at the rates of exchange prevailing on the respective dates of such transactions;
(iii) Realized exchange gains (losses) on investments are included in "Net realized gain (loss) on investments" in the Statement of Operations; and
(iv) Unrealized exchange gains (losses) on investments are included in "Change in unrealized appreciation of investments" in the Statement of Operations.

(g) Forward currency contracts -
The Company periodically utilizes forward currency contracts to reduce foreign currency exposure on foreign equity investments. Contracts are carried at market and upon maturity the realized gain or loss is included in realized gain (loss) on investments.

- continued -

2. Summary of significant accounting policies (continued)

(h) Income taxes -
The Company follows the asset and liability method of accounting for income taxes. Future income tax liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be settled on the unrealized net capital gain on the investments held by the Company.

(i) Accounting estimates -
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expense during the reported period. Actual results could differ from those estimates.

(j) Financial instruments -
Investments are carried at estimated fair value. The fair value of all other assets and liabilities approximate their carrying value due to their short term maturity.

3. Taxation

The Company is a public corporation under the Income Tax Act and is subject to tax at normal corporate rates on its realized net taxable capital gains and on investment income other than taxable dividends received from corporations resident in Canada. The Company is also subject to a special tax of up to 33 1/3% on taxable dividends received from corporations resident in Canada. This special tax is refundable on payment of taxable dividends to shareholders at the rate of $1.00 of each $3.00 of such dividends paid. The amount eligible for refund at December 31, 2006, all of which is included in the statement of retained earnings, amounted to approximately $1,708,000 (2005 - $2,234,000).

	2006	2005
Basic combined federal and provincial rate	36.12%	36.12%
Effect of other adjustments	(0.24)	(0.24)
Effective tax rate	35.88%	35.88%

	(000's)	
Applied to:		
Net investment income for the year	$ 7,275	$ 5,744
Add: Income taxes	2,898	2,136
	10,173	7,880
Less: Dividends from taxable Canadian companies	2,096	1,927
	$ 8,077	$ 5,953
Provision for income taxes	$ 2,898	$ 2,136

- continued -

3. Taxation (continued)

The Company's income tax expense includes provisions for current and future taxes as follows:

	2006	2005
	(000's)	
Current	$ 2,839	$ 2,139
Future	59	(3)
Provision for income taxes	$ 2,898	$ 2,136

4. Unrealized appreciation of investments

The details of unrealized appreciation of investments as at December 31 and the change for the year then ended are as follows:

	2006	2005	Change in 2006	Change in 2005
		(000's)		
Investments at market value	$ 756,592	$ 604,872	$ 151,720	$ 108,568
Investments at cost	326,695	286,843	39,852	5,046
Unrealized appreciation of investments before provision for taxes	429,897	318,029	111,868	103,522
Provision for income taxes	70,460	55,934	14,526	18,696
Unrealized appreciation of investments	$ 359,437	$ 262,095	$ 97,342	$ 84,826

Included in provision for income taxes is $64,860 (2005 - $55,934) of future income taxes on unrealized net taxable capital gains.

5. Realized gain on investments

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

	2006	2005
	(000's)	
Proceeds on sales of investments	$ 114,581	$ 94,060
Cost of investments, beginning of year	286,843	281,797
Cost of investments purchased during the year	117,365	82,877
	404,208	364,674
Cost of investments, end of year	326,695	286,843
Cost of investments sold during the year	77,513	77,831
Realized gain on investments sold before income taxes	37,068	16,229
Provision for taxes on realized net taxable capital gains	6,696	2,953
Realized gain on investments	$ 30,372	$ 13,276

- continued -

6. Capital stock and dividends

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 were designated as 5% Cumulative Preferred Shares Series A ("Preferred Shares Series A").

As a result of purchases for cancellation, of the 100,000 Preferred Shares originally designated as Preferred Shares Series A, 7,700 remained and were outstanding at December 31, 2006. At December 31, 2006, there were 5,615,535 Common Shares outstanding.

The Preferred Shares Series A have a cumulative dividend of $2.50 per share per annum and are redeemable at any time at the option of the Company at a price of $52.50 per share together with any unpaid dividends. The Articles of Continuance provide that the Company, in the reasonable exercise of its discretion, shall annually purchase for cancellation 2,500 Preferred Shares Series A at a price not to exceed $50.00 per share.

The changes in the Preferred Shares Series A during the year were as follows:

	2006		2005	
	Number of shares	Amount	Number of shares	Amount
		(000's)		(000's)
Balance, beginning of year	29,015	$ 1,451	29,015	$ 1,451
Shares purchased for cancellation........................	(21,315)	(1,066)	—	—
Balance, end of year	7,700	$ 385	29,015	$ 1,451

The difference between the stated capital and the cost of the Preferred Shares Series A purchased for cancellation has been credited to contributed surplus.

The following cash dividends were paid during the years ended December 31:

	2006	2005
	(000's)	
On Preferred Shares Series A, $2.50 per share	$ 33	$ 73
On 5,615,535 Common Shares, $0.60 per share	3,369	3,369
	$ 3,402	$ 3,442

The capital stock account of the Company is as follows:

	December 31	
	2006	2005
	(000's)	
Preferred Shares Series A		
Issued and outstanding - 7,700 (2005 - 29,015) shares	$ 385	$ 1,451
Common Shares		
Issued and outstanding - 5,615,535 shares.............	204,691	204,691
	$ 205,076	$ 206,142

- continued -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - DECEMBER 31, 2006 (continued)

7. Related party information

The Company has investments in companies which can be significantly influenced by a party that can significantly influence the Company (see Consolidated Statement of Investments). The Company also has an investment in TGV Holdings Limited which is subject to significant influence. These significantly influenced companies have a market value of $350,473,000 (2005 - $287,627,000) representing 46.3% (2005 - 47.6%) of the investment portfolio. Dividends from these companies for the year ended December 31, 2006 amounted to $2,084,000 (2005 - $1,890,000).

Included in management costs are fees for administrative services paid to E-L Financial Corporation Limited, a company that can be significantly influenced by a party that can significantly influence the Company. The total fees for the year ended December 31, 2006 amounted to $379,000 (2005 - $329,000). These transactions are in the normal course of business, and are recorded at exchange amounts.

8. Securities lending

The Company has entered into a securities lending program with its custodian, RBC Dexia Investor Services Trust ("RBC Dexia"). The Company will receive collateral of at least 105% of the value of the securities on loan. Collateral will generally be comprised of obligations guaranteed by the Government of Canada or a province thereof, or other governments with appropriate credit ratings. In the event that any of the loaned securities are not returned to RBC Dexia, RBC Dexia at its option, may either restore to the Company securities identical to the loaned securities or it will pay to the Company the value of the collateral up to but not exceeding the market value of the loaned securities on the date on which the loaned securities were to have been returned to RBC Dexia ("Valuation date"). If the collateral is not sufficient to allow RBC Dexia to pay such market value to the Company, RBC Dexia shall indemnify the Company for the difference between the market value of the securities and the value of such collateral on the Valuation date.

As at December 31, 2006, the Company has loaned approximately $39,700,000 (2005 - $52,500,000) in securities, received approximately $42,339,000 (2005 - $55,900,000) in collateral, and recognized $171,000 (2005 - $161,000) in securities lending income. Securities lent in the program earn income at current securities lending rates. The securities lending agreements are revolving and can be terminated by the borrower, the agent or the Company at any time.

9. Net equity value of the Company's Common Shares

The net equity value of the Company's Common Shares is determined by deducting the outstanding Preferred Shares Series A at their cost of redemption from the net assets of the Company. The net equity value per Common Share is the net equity value divided by the number of Common Shares outstanding.

	December 31	
	2006	2005
	(000's)	
Net assets	$ 691,296	$ 560,241
Deduct: Cost of redemption of Preferred Shares Series A	404	1,523
Net equity value	$ 690,892	$ 558,718
Net equity value per Common Share	$ 123.03	$ 99.49

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2006

Number of shares		Cost (000's)	Market value (000's)	% of Market
	North America			
	Canada			
212,638	Algoma Central Corporation [2]	$ 2,974	$ 27,111	
341,806	E-L Financial Corporation Limited [2]	6,790	217,047	
33,101	Ecando Investments Limited Classes A, B and common [2, 3]	4,139	49,342	
176,414	The Fulcrum Investment Company Limited [2, 3]	464	11,763	
216,900	NVG Holdings Limited Classes B, C, D, E and common [1, 2, 3]	2,115	35,294	
4,837	TGV Holdings Limited Class B [1, 2, 3]	318	9,916	
		16,800	350,473	46.3
	United States			
66,100	Altria Group, Inc.	5,556	6,610	
76,600	Bank of America Corporation	3,749	4,766	
19,000	Black & Decker Corporation	1,741	1,771	
223,000	CBS Corporation	6,901	8,102	
97,300	Chevron Corporation	6,816	8,337	
59,400	Chubb Corporation (The)	2,827	3,662	
122,000	Citigroup Inc.	7,323	7,919	
46,710	Clorox Company (The)	3,182	3,492	
83,900	Comcast Corporation Special Class A	3,359	4,095	
69,700	ConocoPhillips	2,674	5,844	
26,500	Countrywide Financial Corporation	1,282	1,311	
129,000	Electronic Data Systems Corporation	3,949	4,141	
114,400	Fannie Mae	8,621	7,917	
93,600	Freddie Mac	6,957	7,406	
164,000	General Electric Company	6,861	7,111	
53,200	Hartford Financial Services Group, Inc.	4,300	5,785	
18,400	International Business Machines Corporation	2,034	2,083	
105,700	JPMorgan Chase & Co.	5,217	5,949	
219,600	Kroger Co.	5,028	5,904	
13,900	MBIA Inc.	1,155	1,183	
52,300	Merrill Lynch & Co.	4,445	5,674	
45,000	Metlife, Inc.	1,672	3,094	
139,300	Microsoft Corporation	4,455	4,847	
113,700	Pfizer Inc.	3,195	3,432	
89,700	Safeway Inc.	2,410	3,612	
153,900	Smurfit-Stone Container Corporation	3,473	1,894	
214,100	Sprint Nextel Corporation	6,048	4,713	
290,600	Time Warner Inc.	6,489	7,376	
30,800	XL Capital Ltd. Class A	3,368	2,585	
		125,087	140,615	18.6
	Total North America	141,887	491,088	64.9

- continued -

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2006 (continued)

Number of shares		Cost	Market value	% of Market
		(000's)		
	Latin America			
75,100	Petroleo Brasileiro S.A. ADR	$ 2,228	$ 8,118	1.1
	Europe, excluding United Kingdom			
72,700	Air France-KLM	2,741	3,565	
14,100	BASF AG	1,514	1,605	
33,600	BNP Paribas SA	3,295	4,270	
51,800	Continental AG	2,200	7,028	
117,600	Credit Suisse Group	5,587	9,578	
165,000	Deutsche Lufthansa AG	3,244	5,288	
41,900	E.ON AG	5,009	6,669	
115,620	European Aeronautic Defence and Space Company	4,310	4,640	
116,400	ENI S.P.A.	2,553	4,561	
32,500	Fondiaria - SAI S.P.A.	1,546	1,812	
10,900	Fondiaria - SAI SPA-RNC	398	450	
94,800	Fortis Group	3,817	4,711	
157,700	ING Groep N.V.	5,589	8,145	
139,210	Mittal Steel Co. NV	5,510	6,846	
29,900	Mol Magyar OLAJ - ES GA	2,844	3,951	
53,200	Muenchener Rueckversicherungs-Gesellschaft AG	8,334	10,703	
68,000	Renault SA	7,390	9,515	
104,300	Repsol YPF, S.A.	2,865	4,218	
45,330	Sanofi-Aventis	3,608	4,876	
36,800	Total SA	2,818	3,093	
160,000	Xstrata PLC	2,809	9,312	
		77,981	114,836	15.2
	United Kingdom			
50,100	Astrazeneca PLC	3,507	3,138	
476,987	Aviva PLC	5,357	8,949	
384,400	BP PLC	4,563	4,979	
789,170	Friends Provident PLC	3,129	3,909	
119,790	HBOS PLC	2,253	3,095	
84,700	Royal Bank of Scotland	3,109	3,853	
2,139,550	Vodafone Group PLC	6,122	6,910	
		28,040	34,833	4.6
	Asia			
241,100	AU Optronics Corp. ADR	3,642	3,880	
840,000	Bank Hapoalim Ltd.	2,526	4,576	
1,804,500	China Netcom Grp Corp HK Ltd	3,566	5,637	
5,576,000	China Petroleum & Chemical Corp.	2,028	6,015	
797,035	Compal Electronics Inc.	5,345	4,235	
31,463	Emerging Markets Investor Fund [3]	1,543	2,118	
32,200	Hyundai Mobis	3,491	3,466	
1,375	Japan Tobacco Inc.	4,352	7,740	
101,200	JFE Holdings Inc.	3,484	6,073	
51,200	Kookmin Bank	2,077	4,805	
47,900	Leopalace21 Corp.	1,792	1,782	
383,000	Mitsui Chemicals Inc.	3,267	3,435	
323,000	Mitsui Osk Lines Ltd.	3,274	3,712	

- continued -

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2006 (continued)

Number of shares		Cost	Market value	% of Market
		(000's)		
	Asia (continued)			
25,230	Orix Corporation	$ 4,874	$ 8,509	
1,416,000	Petrochina Co Ltd.	1,784	2,338	
18,100	Posco	2,333	7,008	
5,110	Samsung Electronics Co., Ltd.	3,166	3,925	
272,000	Sharp Corporation	5,298	5,459	
162,800	Siliconware Precision Industries Company ADR	1,360	1,491	
45,951	Sino Land Co.	82	125	
271,000	Sumitomo Heavy Industries	3,033	3,316	
547	Sumitomo Mitsui Financial Group	4,091	6,533	
335,302	Taiwan Semiconductor Manufacturing Company Ltd. ADR	3,279	4,271	
112,000	Toyota Motor Corporation	6,872	8,991	
		76,559	109,440	14.4
	Total equities	326,695	758,315	100.2
	Forward Currency Contracts, net - Schedule 1	—	(1,723)	(0.2)
	Total investments	$ 326,695	$ 756,592	100.0

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

[2] Companies which, together with Economic, can be significantly influenced by the same party.

[3] Not listed on a stock exchange.

Schedule 1 - Forward Currency Contracts, net

Forward contracts to sell foreign currencies for Canadian Dollars:

Par value	Currency	Number of Contracts	Contract Rate	Settlement Date	Unrealized gain (loss)
(in millions)					(000's)
111.3	USD	3	1.1309 - 1.1496	Mar. 15, 2007	$ (1,768)
6.9	CHF	1	0.964	Mar. 15, 2007	45
					$ (1,723)

All counterparties currently have an approved credit rating equivalent to A-1+.

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 - 2006

Year Ended March 31	Total Net Assets at Market 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

FINANCIAL RECORD - 1928 - 2006 (continued)

Year Ended Dec 31	Total Net Assets at Market 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

* Total assets at market 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, 2006 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			

CORPORATE INFORMATION

HEAD OFFICE	Tenth Floor, 165 University Avenue, Toronto, Ontario Tel: 416-947-2578 Fax: 416-362-2592
EXTERNAL INVESTMENT MANAGER	Sanford C. Bernstein & Co., LLC, New York
BANKERS	Bank of Nova Scotia
AUDITORS	PricewaterhouseCoopers LLP, Toronto
TRANSFER AGENT AND REGISTRAR	Computershare Investor Services Inc. 100 University Avenue, 9th Floor Toronto, Ontario M5J 2Y1 Tel: 416-981-9633 Toll Free: 1-800-564-6253

TORONTO STOCK EXCHANGE LISTINGS

Common	EVT
5% Cumulative Preferred Shares Series A	EVT.PR.A

NET EQUITY VALUE

The Company’s Net Equity Value per share is published weekly in the mutual fund section of the Globe and Mail (under “Fund Asset Values”). The Net Equity Value per share is also disclosed on a weekly basis 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 complaints or concerns regarding accounting or auditing matters.

WEBSITE www.evt.ca