Economic Investment Trust Limited

Annual Report

2013

Economic Investment Trust Limited

THE YEAR AT A GLANCE
87th Annual Report

	2013 (1)	2012 (1)
Net equity value per Common Share (2)	**$ 123.60**	$ 83.98
Net investment income per Common Share (2)	**$ 7.65**	$ 1.13
Increase in net assets from operations per Common Share	**$ 40.90**	$ 10.29
Dividends per Common Share		
Quarterly	**$ 0.60**	$ 0.60
Additional (3)	**$ 0.53**	$ 0.55
Net assets	**$ 694,065**	$ 471,609
Investment income	**$ 46,339**	$ 9,748
Net investment income	**$ 42,951**	$ 6,367
Number of Common Shares outstanding at year end	**5,615,535**	5,615,535

(1) In thousands of Canadian dollars, except number of Common Shares outstanding and per share amounts.
(2) See Management's Discussion and Analysis for Use of Non-GAAP Measures.
(3) This additional dividend represents the distribution of the prior year's net investment income, after payment of quarterly dividends.

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held at the Toronto Board of Trade, First Canadian Place, 77 Adelaide Street West, 3rd Floor, Toronto, Ontario, on Tuesday, April 1, 2014 at 11:30 a.m. All shareholders are invited to attend.

Economic Investment Trust Limited

BOARD OF DIRECTORS

JACK S. DARVILLE
Corporate Director

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

R.B. MATTHEWS
Chairman
Longview Asset Management Ltd.

J. MICHAEL ROLLAND
President and Chief Executive Officer
Borealis Infrastructure Management Inc.

MARK M. TAYLOR
Executive Vice-President and Chief Financial Officer
E-L Financial Corporation Limited

HONORARY DIRECTORS

J. CHRISTOPHER BARRON
Corporate Director

WILLIAM J. CORCORAN
Vice-Chairman
Jarislowsky Fraser Limited

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

OFFICERS

DUNCAN N. R. JACKMAN
Chairman and President

RICHARD B. CARTY
Corporate Secretary

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 position and results of operations for the years ended December 31, 2013 and 2012. This MD&A should be read in conjunction with the December 31, 2013 year-end financial statements of Economic Investment Trust Limited ("Economic" or the "Company") which form part of this Annual Report. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). 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 disclosure 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 historically traded at a discount to their net asset value, ranging from as high as a 45% discount to as low as a 20% discount. 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 funds 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 open-ended funds; and the management of a closed-end fund'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 diversified portfolio of common shares of publicly-traded global companies.

The long-term investments consist of common shares of E-L Financial Corporation Limited ("E-L Financial"), and to a lesser extent, Algoma Central Corporation ("Algoma") and The Bank of Nova Scotia. At December 31, 2013, the three largest long-term investments, as a percentage of total investments, are common shares of E-L Financial at 44.1% (2012 – 39.9%), Algoma at 6.7% (2012 – 8.5%) and The Bank of Nova Scotia at 6.8% (2012 – 9.0%). The change in percentages compared to the prior year end reflects an increase in the market value of the Company's investment in shares of E-L Financial relative to the change in the market value of the Company's other equity and short-term investments. E-L Financial, Algoma and the Company can be significantly influenced by the same party. 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 8 to the financial statements in this Annual Report and in the statement of investments beginning on page 25.

The balance of the investment portfolio is managed by Burgundy Asset Management Ltd. ("Burgundy"), a global equity manager based in Toronto. For the years ended December 31, 2013 and 2012, 100.0% of the global investment portfolio was made up of non-Canadian companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS

During the year ended December 31, 2012, the Company purchased in the market 5,200 common shares of E-L Financial for $2,236,000. The purchase was financed by liquidating a portion of the global investment portfolio. Economic may make purchases of long-term investments from time to time if, in its judgment, the shares represent a good investment in view of their price.

At December 31, 2013, approximately 63.4% (2012 – 58.8%) of the investment portfolio was held in long-term investments and corporate short-term investments and 36.6% (2012 – 41.2%) 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 long-term 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 meaning in Canadian 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 at 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 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 2013	December 31 2012
Net assets	**$ 694,065**	$ 471,609
Common Shares outstanding	**5,615,535**	5,615,535
Net equity value per Common Share	**$ 123.60**	$ 83.98

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	
	2013	2012	**2013**	2012
Increase in net assets operations	**$ 100,780**	$ 18,436	**$ 229,661**	$ 57,800
Deduct: Net gain on investments	**(63,577)**	(17,256)	**(186,710)**	(51,433)
Net investment income	**$ 37,203**	$ 1,180	**$ 42,951**	$ 6,367
Common Shares outstanding	**5,615,535**	5,615,535	**5,615,535**	5,615,535
Net investment income per Common Share	**$ 6.63**	$ 0.21	**$ 7.65**	$ 1.13

Net Equity Value per Common Share

The Company's net equity value per Common Share increased to $123.60 at December 31, 2013 from $83.98 at the prior year end. With dividends reinvested at month-end net equity values, the Company's net equity value return was 48.8% in 2013, compared to a return of 13.9% during 2012. On a pre-tax basis, the shares of E-L Financial had a return of 85.7% during 2013 compared to a return of 26.3% for the same period in 2012, the shares of Algoma had returns of 20.6% and 39.1%, and the shares of the Bank of Nova Scotia had returns of 19.8% and 17.5%, respectively. The global investment portfolio had a return, gross of fees, of 36.5% in 2013 versus a return of 5.2% in 2012.

As the Company is a taxable Canadian corporation, its returns are net of a provision for income taxes on investment income and realized gains (losses) on investments, and net of a future income tax provision on the unrealized appreciation of investments.

In Canadian dollar terms, stock market index total returns (capital gains plus dividends), compared to the net equity value returns of the Company, were as follows:

	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
	(%)	
Economic net equity value	48.8	13.9
S&P/TSX Composite Index	13.0	7.2
MSCI All Country World Index	35.3	13.7
S&P 500 Index	41.5	13.5

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results - 2013

Net investment income

The net investment income of the Company increased to $42,951,000 in 2013 from $6,367,000 in 2012, an increase of 574.6%. On a per Common Share basis, net investment income increased by 577.0% to $7.65 in 2013 compared to $1.13 in 2012.

Foreign dividend income increased by 1.2% to $6,272,000 from $6,195,000 in 2012.

Canadian dividend income increased by 1,075.0% to $39,914,000 from $3,397,000 in 2012. The increase was a result primarily of a special dividend paid during the fourth quarter by E-L Financial. The total amount of the E-L special dividend received, directly and indirectly, amounted to $36,108,000, and was invested in short-term investments at the year end. The E-L Financial special dividend resulted from the sale of E-L Financial's subsidiary, The Dominion of Canada General Insurance Company, that occurred during the fourth quarter. Canadian dividend income also increased as a result of growth in dividends received from other long-term investments. Canadian dividends are not subject to Part I income tax, and due to the large year-over-year increase in Canadian dividends, the Company's effective income rate declined to 2.95% in 2013 from 21.87% in the prior year.

The operating expenses of the Company increased to $2,080,000 in 2013 from $1,598,000 in 2012. The majority of the increase relates to a higher percentage management fee paid to Burgundy relative to the previous third-party global investment manager as well as from an increase in the market value of the global investment portfolio year over year. There are no investment management or administrative fees charged on the Company's long-term investments. Directors' remuneration decreased due to fewer management meetings held during the current year to which the directors were invited. Transfer, registrar and custody fees declined over the prior year as a result of reduced transfer and custody activity. The Company's management expense ratio increased in 2013 to 0.36% of average net assets compared to 0.35% of average net assets in the prior year.

In general, the Company is able to utilize as a credit against Canadian income tax, a portion of its foreign withholding taxes. The amount of the credit is generally limited to the lesser of the amount of Federal income tax payable during the year, prior to the utilization of foreign withholding taxes, and the amount of foreign withholding taxes paid to a foreign country. The deductible portion of capital losses from a country is deducted in computing the net foreign income from that country, and where the capital losses realized are large, the net foreign income may be reduced to nil. When either of these scenarios occurs, foreign withholding taxes paid cannot be claimed as a foreign tax credit but can be claimed as a deduction in the computation of Canadian taxable income.

During the current year, the Company paid more foreign withholding taxes than Federal income tax payable and consequently this credit was reduced. As a result, its provision for income taxes, relative to the basic combined federal and provincial income tax rate, increased by approximately $155,000. During the prior year, as a result of realized losses on investments, the Company's provision for income taxes, relative to the basic combined federal and provincial income tax rate, increased by approximately $524,000.

Net gain on investments

The net gain on investments for the Company increased to $186,710,000 in 2013 compared to a net gain of $51,433,000 in the prior year.

Long-term investments increased, on an after-tax basis, by $127,231,000 during the year, as a result of strong returns from investments in E-L Financial, Algoma and the Bank of Nova Scotia. In particular, the Company's investment in E-L Financial, on an after-tax basis, increased by approximately $114,403,000. In the prior year, long-term investments increased by $46,720,000 also primarily as a result of a strong returns from these same investments.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The global managed portfolio increased by $59,479,000 during the year as a result of strong global markets, compared to an increase of $4,713,000 in 2012.

The net realized gain on the global managed portfolio for the current year was $14,684,000 compared to a net realized loss of $31,433,000 in the prior year. The sale of equity investments resulted in a gain of $14,684,000 (2012 – a realized loss of $29,890,000). The maturity or close out of forward foreign currency contracts resulted in a gain of $nil (2012 – a loss of $1,543,000) The net realized loss on the sale of equities during the prior year occurred as a result of the sale of the prior third-party global investment manager's portfolio, which had a negative unrealized appreciation of investments at the sale date.

The global managed portfolio had a net change in unrealized appreciation of investments, on an after-tax basis, of $44,795,000 during 2013 compared to an increase of $36,146,000 during 2012.

During the year, the Company was able to apply net realized capital gains against its prior year unutilized capital loss carryforwards. At December 31, 2013, the Company has approximately $59,246,000 (2012 - $73,930,000) of realized capital loss carryforwards. A future income tax benefit of $7,850,000 (2012 - $9,796,000) has been recognized as a reduction of future income tax liabilities on the unrealized appreciation of investments. Capital loss carryforwards can be carried forward indefinitely and can be applied against capital gains realized in the future.

Operating Results - Fourth Quarter, 2013

The Company's net equity value per Common Share increased to $123.60 at December 31, 2013 from $105.95 at September 30, 2013. With dividends reinvested at month-end net equity values, the Company's net equity value return was 16.8% in the fourth quarter of 2013 compared to a return of 4.1% for the same period in 2012. On a pre-tax basis, the shares of E-L Financial had a return of 24.4% during the fourth quarter of 2013 compared to a return of 2.7% for the same period in 2012, the shares of Algoma had returns of 10.4% and 18.1%%, and the shares of the Bank of Nova Scotia had returns of 13.7% and 7.7%, respectively. The global investment portfolio had a return, gross of fees, of 11.3% in 2013 versus a return of 3.5% for the same period in 2012.

In Canadian dollar terms, in the fourth quarter of 2013, the S&P/TSX Composite Index increased 7.3%, the MSCI All Country World Index increased 10.4% and the S&P 500 Index increased 14.3%.

Three-Year Results

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

	2013	2012	2011
	(In thousands of dollars, except per share amounts)		
Net realized and unrealized gain (loss) on investments	**$ 186,710**	$ 51,433	$ (97,864)
Net realized and unrealized gain (loss) on investments per Common Share	**33.25**	9.16	(17.43)
Total assets	**747,067**	495,943	435,502
Investment income	**46,339**	9,748	9,563
Net investment income	**42,951**	6,367	6,446
Net investment income per Common Share	**7.65**	1.13	1.15
Dividends per Common Share:			
Quarterly	**0.60**	0.60	0.60
Additional	**0.53**	0.55	—

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic's investment portfolio is affected by equity markets, stock selection and currency movements. In 2013, the performance of Economic was favourably affected by strong returns from its long-term investments, in particular, E-L Financial, and from the global managed portfolio. In 2012, the performance of Economic was favourably affected by strong returns on its long-term investments. In 2011, the performance of Economic was negatively affected by a decrease in the fair value of E-L Financial, and from a decline in the value of the global managed portfolio.

The fluctuations in net investment income are due primarily to changes in dividend income that is earned by the Company, net of management fees. The dividend income is determined by the dividend policies of the corporations that are held as investments in our total investment portfolio. In the current year, Economic received, directly and indirectly, a special dividend from its largest investment, E-L Financial, amounting to $36,108,000.

Quarterly Review - 2013 and 2012

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

	2013			
	Quarter ended			
	Mar. 31	Jun. 30	Sep. 30	Dec. 31
	(In thousands of dollars, except per share amounts)			
Investment income	$ 2,693	$ 3,237	$ 2,423	$ 37,986
Net investment income	1,841	2,255	1,652	37,203
Net gain on investments	58,599	49,700	14,834	63,577
Per Common Share:				
Net investment income	$ 0.33	$ 0.40	$ 0.29	$ 6.63
Net gain on investments	10.43	8.86	2.64	11.32
Increase in net assets from operations	$ 10.76	$ 9.26	$ 2.93	$ 17.95

	2012			
	Quarter ended			
	Mar. 31	Jun. 30	Sep. 30	Dec. 31
	(In thousands of dollars, except per share amounts)			
Investment income	$ 2,341	$ 3,254	$ 2,325	$ 1,828
Net investment income	1,591	2,274	1,322	1,180
Net gain (loss) on investments	42,092	(12,138)	4,223	17,256
Per Common Share:				
Net investment income	$ 0.28	$ 0.41	$ 0.23	$ 0.21
Net gain (loss) on investments	7.50	(2.17)	0.76	3.07
Increase (decrease) in net assets from operations	$ 7.78	$ (1.76)	$ 0.99	$ 3.28

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. Given the volatility in global stock markets and the value of the Canadian dollar relative to other currencies, there is no guarantee that the Company will receive dividend income on its investments at recent dividend payout levels.

Overall returns are determined by the performance of the Company's long-term investments and the performance of the externally-managed 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 of December 31, 2013. Based on that evaluation, management concluded that the Company's disclosure controls and procedures were effective as at December 31, 2013.

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. Under the supervision of management, an evaluation of the Company's internal control over financial reporting was carried out as at December 31, 2013. Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as at December 31, 2013. No changes were made in the Company's internal control over financial reporting during the year ended December 31, 2013, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Risks

The Company faces various risks arising from its financial instruments. Under the supervision of the Board of Directors, management has developed policies to identify 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, from time to time, is exposed to credit risk associated with its securities lending program with its custodian, RBC Investor Services Trust, as its lending agent. Security lending may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. The risk is managed by the receipt of collateral and the use of a counterparty whose credit worthiness is considered sufficient based on the Company's evaluation. The Company had exposure to securities lending arrangements at December 31, 2013 of approximately $19,342,000 (2012 - $14,651,000). There was no significant exposure to credit risk to other receivable balances because of their short-term nature.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 future income taxes, 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 were short term in nature.

Currency risk is not considered to arise from financial instruments that are non-monetary items, such as equity investments. The Company considers the foreign exchange exposures relating to non-monetary assets to be a component of other price risk.

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.

Concentration risk

Concentration risk exists when a significant portion of the equity and short-term 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, 2013, the Company's fair value of its direct and indirect investment in E-L Financial or $329,043,000 (2012 - $197,166,000) represents 44.1% (2012 - 39.9%) of Economic's equity and short-term investments. The Company's geographical concentration of equity investments has remained consistent with the prior year.

The Company's exposure to risks is also addressed in the Company's Annual Information Form.

Share Data

At December 31, 2013, there are 5,615,535 Common Shares issued and outstanding and each share is entitled to one vote.

Liquidity and Capital Resources

Quarterly dividends were paid on the Common Shares. The quarterly per share dividend was $0.15 per share on the Common Shares and the corresponding annual amount was $0.60 (2012 - $0.60) per share. Payment of the Company's quarterly dividends is funded by net investment income. For the year ended December 31, 2013, net investment income was $7.65 (2012 - $1.13) per Common Share.

During the year, the Board of Directors paid an additional cash dividend of $0.53 (2012 - $0.55) per Common Share. Each dividend represented a distribution of the balance of net investment income for the prior year end.

The Company's dividend policy is to distribute annual net investment income in the form of dividends. The distributions are composed of $0.15 quarterly dividends together with an additional dividend representing the balance of net investment income for the previous fiscal year. This additional dividend of $7.05 (2012 - $0.53) per Common Share will be paid in the first quarter of fiscal 2014 (2012 – fiscal 2013). The Company's dividend policy is established by the Board of Directors at its discretion and is subject to change.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Transition to International Financial Reporting Standards ("IFRS") for Investment Companies

The Company will adopt IFRS commencing January 1, 2014. On transition, management has decided that it will elect to change its valuation of its investments from a bid basis to a closed basis. The quantitative impact of the changeover from Canadian GAAP to IFRS is as follows:

At January 1, 2013, the carrying value of investments will increase by $5,944,000, future / deferred income taxes will increase by $788,000, and net assets will increase by $5,156,000. At December 31, 2013, the carrying value of investments will increase by $7,070,000, future / deferred income taxes will increase by $937,000, and net assets will increase by $6,133,000. For the year ended December 31, 2013, the change in unrealized appreciation will increase by $1,126,000, partially offset by an increase in the provision for income taxes of $149,000, resulting in an increase in net income of $977,000.

The first set of IFRS financial statements prepared in accordance with IFRS will be for the quarter ending March 31, 2014, which will provide corresponding comparative financial information for 2013, including an opening statement of financial position as at January 1, 2013.

IFRS will change to a certain degree the Company's financial statement presentation and will include additional note disclosure at the quarter ends and year end.

Management believes that the conversion to IFRS will not materially affect the Company's business arrangements, systems, internal controls over financial reporting, or disclosure controls and procedures.

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.

Duncan N.R. Jackman
Chairman and President

February 12, 2014

Economic Investment Trust Limited

FINANCIAL HIGHLIGHTS

For each of the years in the five-year period ended December 31, 2013:

DATA PER COMMON SHARE	**2013**	2012	2011	2010	2009
NET EQUITY VALUE, beginning of year	**$ 83.98**	$ 74.81	$ 91.65	$ 86.24	$ 73.50
INCOME (DECREASE) IN NET ASSETS FROM OPERATIONS AVAILABLE TO COMMON SHAREHOLDERS					
Net investment income	**7.65**	1.13	1.15	0.96	1.07
Net gain (loss) on investments	**33.25**	9.16	(17.43)	5.00	12.22
	40.90	10.29	(16.28)	5.96	13.29
CASH DIVIDENDS TO COMMON SHAREHOLDERS					
Quarterly	**(0.60)**	(0.60)	(0.60)	(0.60)	(0.60)
Additional	**(0.53)**	(0.55)	—	—	—
	(1.13)	(1.15)	(0.60)	(0.60)	(0.60)
TAXATION CHANGES					
Net (increase) decrease in refundable dividend taxes on hand	**(0.15)**	0.03	0.04	0.05	0.05
NET EQUITY VALUE, end of year	**$ 123.60**	$ 83.98	$ 74.81	$ 91.65	$ 86.24

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 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 the following page.

Duncan N.R. Jackman
Chairman and President

Frank J. Glosnek
Treasurer

February 12, 2014

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Economic Investment Trust Limited:

We have audited the accompanying financial statements of Economic Investment Trust Limited, which comprise the statements of net assets as at December 31, 2013 and 2012, the statement of investments as at December 31, 2013 and the statements of operations, retained earnings and changes in net assets for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Economic Investment Trust Limited as at December 31, 2013 and 2012 and the results of its operations and changes in its net assets and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

February 12, 2014
Toronto, Canada

Chartered Professional Accountants, Licensed Public Accountants

Economic Investment Trust Limited

STATEMENTS OF NET ASSETS

	December 31	
	2013	2012
ASSETS	(000's)	
Investments, at fair value (cost - $233,014; 2012 - $220,662) (Notes 7 and 8)	**$ 696,117**	$ 483,221
Cash	**451**	1,179
Short-term investments	**49,242**	10,317
Accrued income on investments	**512**	326
Income taxes receivable	**610**	869
Other assets	**135**	31
	747,067	495,943
LIABILITIES		
Accounts payable and accrued liabilities	**465**	354
Future income taxes (Note 3)	**52,537**	23,980
	53,002	24,334
Net assets	**$ 694,065**	$ 471,609
SHAREHOLDERS' EQUITY		
Capital stock (Note 6)	**$ 204,691**	$ 204,691
Contributed surplus	**1,474**	1,474
Retained earnings	**487,900**	265,444
Total shareholders' equity	**$ 694,065**	$ 471,609

APPROVED BY THE BOARD:

DUNCAN N.R. JACKMAN

Director

R.B. MATTHEWS

Director

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF OPERATIONS

	Year ended December 31	
	2013	2012
INVESTMENT INCOME	(000's)	
Dividends:		
Foreign	**$ 6,272**	$ 6,195
Canadian (Note 8)	**39,914**	3,397
	46,186	9,592
Interest, including securities lending income (Note 9)	**153**	156
	46,339	9,748
Expenses:		
Investment management and administrative costs (Note 8)	**1,618**	1,050
Directors' remuneration	**140**	176
Office and miscellaneous	**163**	171
Transfer, registrar and custody fees	**97**	127
Professional fees	**62**	74
	2,080	1,598
Investment income before income taxes	**44,259**	8,150
Provision for income taxes (Note 3)	**1,308**	1,783
NET INVESTMENT INCOME	**42,951**	6,367
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments (Note 5)	**14,861**	(30,934)
Net change in unrealized appreciation of investments (Note 4)	**172,026**	82,866
Transaction costs on purchase and sale of investments	**(177)**	(499)
NET GAIN ON INVESTMENTS	**186,710**	51,433
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 229,661**	$ 57,800
INCREASE IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	**$ 40.90**	$ 10.29

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF RETAINED EARNINGS

	Year ended December 31	
	2013	2012
	(000's)	
RETAINED EARNINGS, BEGINNING OF YEAR	**$ 265,444**	$ 213,956
Add:		
Increase in net assets from operations	**229,661**	57,800
Refundable dividend taxes recovered	**2,115**	1,062
	231,776	58,862
Deduct:		
Dividends (Note 6)	**6,345**	6,458
Provision for refundable dividend taxes	**2,975**	916
	9,320	7,374
RETAINED EARNINGS, END OF YEAR	**$ 487,900**	$ 265,444

STATEMENTS OF CHANGES IN NET ASSETS

	Year ended December 31	
	2013	2012
	(000's)	
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 229,661**	$ 57,800
DIVIDENDS TO SHAREHOLDERS		
Common Shares	**(6,345)**	(6,458)
TAXATION CHANGES		
Net (increase) decrease in refundable dividend taxes on hand	**(860)**	146
INCREASE IN NET ASSETS	**222,456**	51,488
NET ASSETS, BEGINNING OF YEAR	**471,609**	420,121
NET ASSETS, END OF YEAR	**$ 694,065**	$ 471,609

(See accompanying notes)

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2013

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 continued under the Canada Business Corporations Act by Certificate of Continuance dated June 20, 1980.

Economic trades on the Toronto Stock Exchange ("EVT"). 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

Carrying value of investments

The Company is an investment company as defined by accounting guideline AcG-18 "Investment Companies". In accordance with AcG-18, the Company has categorized its investments as held for trading and has recorded its investments at a fair value established by the bid price for a security on the recognized stock exchange on which it is principally traded, as defined in CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement".

The fair values of investments listed on stock exchanges are based on bid prices. The fair values of investments not listed on stock exchanges have been determined by management based on the underlying fair values of the net assets represented by such investments.

These fair values, determined on the basis of bid prices of such investments, 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 bid prices.

Financial instruments

The Company's financial instruments consist of investments, including cash and short-term investments which are categorized as held for trading, receivables in respect of investments sold, accrued income on investments, income taxes receivable, other assets, accounts payable and accrued liabilities, and payables in respect of investments purchased. Receivables in respect of investments sold, accrued income on investments, income taxes receivable, and other assets are designated as loans and receivables and are recorded at amortized cost. Similarly, accounts payable and accrued liabilities, and payables in respect of investments purchased are designated as financial liabilities and are reported at amortized cost. Amortized cost approximates fair value for these assets and liabilities due to their short-term nature.

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.

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

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. Transaction costs on the purchase and sale of investments are recognized immediately in net gain (loss) on investments.

- continued -

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2013 (continued)

2. Summary of significant accounting policies (continued)

Dividend and interest income

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

Translation of foreign currency

- Monetary assets and liabilities and the fair value of investments denominated in foreign currencies, are converted into Canadian dollars at the rates of exchange established on each valuation date;
- 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;
- Realized foreign currency exchange gains (losses) on investments are included in "net realized gain (loss) on investments" in the Statement of Operations; and
- Unrealized foreign currency exchange gains (losses) on investments are included in "net change in unrealized appreciation of investments" in the Statement of Operations.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years in which the capital gains (losses) are expected to be realized.

3. Income taxes

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 (losses) (Note 5) 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 as at December 31, 2013, all of which is included in the Statement of Retained Earnings, amounted to approximately $860,000 (2012 - $nil).

The Company's provision for income taxes is determined as follows:

	2013	2012
Basic combined federal and provincial rate	26.50%	26.50%
Tax effect related to dividends from taxable Canadian corporations	(23.90)	(11.04)
Effect of foreign withholding taxes	0.35	6.43
Effect of other adjustments	0.00	(0.02)
Effective income tax rate	2.95%	21.87%

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

	2013	2012
	(000's)	
Current	$ 1,269	$ 1,775
Future	39	8
Provision for income taxes	$ 1,308	$ 1,783

- continued -

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2013 (continued)

3. Income taxes (continued)

Net future income tax liabilities arise primarily from differences between the fair value and the tax cost of the investments offset, in part, by the future tax benefit of capital loss carryforwards. The Company has approximately $59,246,000 of realized capital loss carryforwards at December 31, 2013. The future income tax benefit of the capital loss carryforwards of $7,850,000 has been recognized as a reduction of future income tax liabilities. Capital loss carryforwards can be carried forward indefinitely and can be applied against capital gains realized in the future.

Details of the future income taxes liability as at December 31 are as follows:

	2013	2012
	(000's)	
Unrealized appreciation of investments	$ 60,259	$ 33,687
Capital loss carryforwards	(7,850)	(9,796)
	52,409	23,891
Accrued dividends receivable	128	89
Future income taxes	$ 52,537	$ 23,980

4. Unrealized appreciation of investments

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

	Dec. 31 2013	Dec. 31 2012	Change in 2013	Change in 2012
		(000's)		
Investments at fair value	$ 696,117	$ 483,221	$ 212,896	$ 52,897
Investments at cost	233,014	220,662	12,352	(38,863)
Unrealized appreciation of investments before provision for future income taxes	463,103	262,559	200,544	91,760
Provision for future income taxes	52,409	23,891	28,518	8,894
Unrealized appreciation of investments	$ 410,694	$ 238,668	$ 172,026	$ 82,866

5. Net realized gain (loss) on investments

The following are the details of the net realized gain (loss) on investments during the years indicated:

	2013	2012
	(000's)	
Proceeds on sales of investments	$ 69,827	$ 264,290
Cost of investments, beginning of year	220,662	259,525
Cost of investments purchased during the year	67,318	256,361
	287,980	515,886
Cost of investments, end of year	233,014	220,662
Cost of investments sold during the year	54,966	295,224
Net realized gain (loss) on investments	$ 14,861	$ (30,934)

- continued -

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2013 (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").

The capital stock account of the Company as at December 31 is as follows:

	2013	2012
	(000's)	
Common Shares		
Issued and outstanding - 5,615,535 shares	$ 204,691	$ 204,691

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

	2013	2012
	(000's)	
On 5,615,535 Common Shares:		
Quarterly - $0.60 per share	$ 3,369	$ 3,369
Additional - $0.53 (2012 - $0.55) per share	2,976	3,089
	$ 6,345	$ 6,458

The Company's current dividend policy is to distribute annual net investment income in the form of dividends. The distributions are composed of $0.15 quarterly dividends together with an additional dividend representing the balance of net investment income for the previous fiscal year, subject to the Board of Directors approval. This additional dividend will be paid in the first quarter following the fiscal year end. The Company's dividend policy is established by the Board of Directors at its discretion and is subject to change.

7. Risk management of 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 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, from time to time, is exposed to credit risk associated with its securities lending program with its custodian, RBC Investor Services Trust ("RBC IS"), as its lending agent. Security lending may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. The risk is managed by the receipt of collateral and the use of a counterparty whose credit worthiness is considered sufficient based on the Company's evaluation. The Company had exposure to securities lending arrangements at December 31, 2013 of approximately $19,342,000 (2012 – $14,651,000). There was no significant exposure to credit risk to other receivable balances because of their short-term nature.

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 future income taxes, settle within three months of the year end.

- continued -

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2013 (continued)

7. Risk management of financial instruments (continued)

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 is not considered to arise from financial instruments that are non-monetary items, such as equity instruments. The Company considers the foreign exchange exposures relating to non-monetary assets to be a component of other price risk.

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 would have an after-tax impact of approximately $60,388,000 (2012 - $41,919,000) on net assets from operations.

Concentration risk

Concentration risk exists when a significant portion of the equity and short-term 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, 2013, the Company's fair value of its direct and indirect investment in E-L Financial Corporation Limited ("E-L Financial") of $329,043,000 (2012 - $197,166,000) represents 44.1% (2012 - 39.9%) of Economic's equity and short-term investments. The Company's geographical concentration of equity investments has remained consistent with the prior year.

Classification of fair value measurements

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).

At December 31, 2013, the Company had $568,755,000 (2012 - $386,153,000) of Level 1 and $127,362,000 (2012 - $97,068,000) of Level 2 equity investments. There were no transfers between Level 1 and Level 2 equity investments during the year. The Company had no Level 3 equity investments during the year. All of the Company's short-term investments, in both years, are Level 2 investments.

8. Related party information

The Company has investments in companies which can be significantly influenced by a party that can significantly influence the Company (see Statement of Investments). The Company also has a direct significant influence in TGV Holdings Limited. These significantly influenced companies have a fair value of $436,866,000 (2012 - $290,202,000) representing 61.6% (2012 - 58.8%) of the equity and short-term investment portfolios. Dividends from these companies for the year ended December 31, 2013 amounted to $39,914,000 (2012 - $3,360,000). During the prior year, the Company purchased in the market 5,200 E-L Financial common shares for approximately $2,236,000.

- continued -

Included in investment management and administrative costs are fees for administrative services paid to E-L Financial, a company that can be significantly influenced by a party that can significantly influence the Company. These fees are based on the market value of the investments managed by the external investment manager and are calculated and paid at the close of each calendar month. The total fees for the year ended December 31, 2013 amounted to $272,000 (2012 - $229,000). These transactions are in the normal course of business.

9. Securities lending

The Company has entered into a securities lending agreement with its custodian, RBC IS. The Company will receive collateral of at least 105% of the value of the securities on loan. Collateral will generally comprise 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 IS, RBC IS must restore to the Company securities identical to the loaned securities or 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 ("Valuation date") to RBC IS. If the collateral is not sufficient to allow RBC IS to pay such market value to the Company, RBC IS shall indemnify the Company for the difference between the market value of the securities and the value of such collateral on the Valuation date. The Company has recourse to the Royal Bank of Canada in the event RBC IS fails to discharge its securities lending obligation.

At December 31, 2013, the Company has loaned approximately $19,342,000 (2012 - $14,651,000) in securities and received approximately $20,309,000 (2012 - $15,384,000) in collateral. During the year, the Company recognized approximately $63,000 (2012 - $103,000) in securities lending income. Securities loaned in the program earn income at market securities lending rates. The securities lending agreements can be terminated at any time by the borrower, the agent or the Company.

10. 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. The shareholders' equity of the Company as at December 31 is as follows:

	2013	2012
	(000's)	
Shareholders' equity	$ 694,065	$ 471,609

11. Statement of cash flows

A statement of cash flows has not been provided, as it would not provide any additional meaningful information that is not already disclosed in the financial statements.

12. Future accounting changes

International Financial Reporting Standards ("IFRS")

The Company will adopt IFRS commencing January 1, 2014. Its first set of financial statements prepared in accordance with IFRS will be for the quarter ending March 31, 2014, which will provide corresponding comparative financial information for 2013, including an opening statement of financial position as at January 1, 2013.

- continued -

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2013

On transition, management has decided that it will elect to change its valuation of its investments from a bid basis to a closed basis. Commencing with the first set of IFRS financial statements for the quarter ending March 31, 2014, the prior year's opening statement of financial position will include an increase in the carrying value of investments, future / deferred income taxes and net equity value per Common Share. These same financial statement items are expected to increase for the 2013 comparative quarter-end financial statements, as well as will reflect corresponding increases to the net change in unrealized appreciation of investments and the provision for income tax for the respective quarter ends. In addition, IFRS will change to a certain degree the Company's financial statement presentation and will include additional note disclosure. Management also believes that the conversion to IFRS will not materially affect the Company's business arrangements, systems, internal controls over financial reporting, or disclosure controls and procedures.

Economic Investment Trust Limited

STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2013

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
	North America			
	Canada			
2,126,380	Algoma Central Corporation [2]	$ 2,974	$ 35,298	
386,206	E-L Financial Corporation Limited [2]	26,116	274,206	
33,101	Ecando Investments Limited Classes A, B and common [2, 3]	4,139	57,871	
176,414	The Fulcrum Investment Company Limited [2, 3]	464	13,194	
216,900	NVG Holdings Limited Classes B, C, D, E and common [1, 2, 3]	2,115	43,762	
4,837	TGV Holdings Limited Class B [1, 2, 3, 4]	318	12,535	
		36,126	436,866	62.8
	United States			
100,686	AmerisourceBergen Corporation	4,066	7,531	
10,655	Apple Inc.	5,132	6,356	
52,211	Baxter International Inc.	3,048	3,862	
156,318	BB&T Corporation	4,948	6,205	
45,384	Becton, Dickinson and Company	3,579	5,332	
261,793	Cisco Systems, Inc.	4,827	6,248	
67,304	Emerson Electric Company	3,351	5,024	
82,693	Equifax, Inc.	3,967	6,076	
4,020	Google Inc.	2,702	4,789	
44,745	Humana, Inc.	3,173	4,912	
104,934	Johnson & Johnson	7,094	10,221	
157,788	Leucadia National Corporation	4,341	4,753	
105,716	Lorillard, Inc.	4,118	5,698	
151,107	Microsoft Corporation	4,621	6,014	
92,923	Northern Trust Corporation	4,387	6,116	
64,219	Occidental Petroleum Corporation	5,616	6,496	
172,303	Oracle Corporation	5,527	7,013	
59,591	PepsiCo, Inc.	4,363	5,257	
85,499	Philip Morris International Inc.	7,879	7,922	
55,313	Procter & Gamble Company (The)	3,786	4,789	
71,395	Qualcomm Incorporated	4,437	5,637	
29,715	Union Pacific Corporation	4,262	5,309	
54,661	United Technologies Corporation	4,299	6,615	
58,256	Walgreen Co.	2,773	3,559	
264,301	Western Union Company (The)	4,330	4,846	
		110,626	146,580	21.1
	Total North America	146,752	583,446	83.9

- continued -

STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2013 (continued)

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
	Latin America			
1,568,118	Quinenco S.A.	$ 4,751	$ 4,126	0.6
	Europe, excluding United Kingdom			
62,434	Colruyt S.A.	2,903	3,711	
69,178	Deutsche Boerse AG	3,887	6,095	
72,221	Hannover Rueckversicherung AG	4,875	6,618	
85,665	Heineken Holding N.V.	3,880	5,769	
96,963	Henkel AG & Co. KGaA	5,924	10,728	
50,703	Nestle S.A.	3,237	3,952	
73,315	Novartis AG	4,626	6,231	
68,581	Publicis Groupe	3,692	6,685	
12,959	Roche Holding AG	2,149	3,856	
		35,173	53,645	7.7
	United Kingdom			
161,380	British American Tobacco plc	8,786	9,205	
214,771	GlaxoSmithKline plc	5,139	6,101	
71,536	IMI plc	1,009	1,923	
151,964	Imperial Tobacco Group plc	5,440	6,260	
669,688	Sage Group plc (The)	3,391	4,766	
140,762	Unilever PLC	5,290	6,158	
		29,055	34,413	4.9
	Asia			
59,000	Benesse Holdings, Inc.	2,712	2,517	
71,300	Canon Inc.	2,409	2,397	
14,900	Hirose Electric Co., Ltd.	1,559	2,255	
68,300	Kao Corporation	1,927	2,282	
5,300	Keyence Corporation	1,371	2,406	
19,800	Nintendo Co., Ltd.	2,178	2,800	
26,200	Shimano, Inc.	1,857	2,387	
20,000	Shin-Etsu Chemical Co., Ltd.	1,197	1,239	
36,400	Unicharm Corporation	2,073	2,204	
		17,283	20,487	2.9
	Total investments	$ 233,014	$ 696,117	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] These companies and Economic can be significantly influenced by the same party.
[3] Not listed on a stock exchange.
[4] Subject to direct significant influence by the Company.

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 - 2013
(Unaudited)

Year Ended March 31	Total Net Assets at Fair 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 - 2013 (continued)
(Unaudited)

Year Ended Dec 31	Total Net Assets at Fair 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

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, 2013 there were 5,615,535 common shares outstanding. The calculation of net equity value is restated to reflect the following:

Economic Investment Trust Limited

FINANCIAL RECORD - 1928 - 2013 (continued)
(Unaudited)

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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CUSTODIAN

RBC Investor Services Trust

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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 Globe and Mail's website (www.globefund.com) and 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