Economic Investment Trust Limited

Annual Report

2014

Economic Investment Trust Limited

THE YEAR AT A GLANCE
88th Annual Report

	2014 [1]	2013 [1]
Net equity value per Common Share [2]	**$ 122.43**	$ 124.69
Net investment income per Common Share [2]	**$ 1.36**	$ 7.65
Net income per Common Share	**$ 5.39**	$ 40.92
Dividends per Common Share		
Quarterly	**$ 0.60**	$ 0.60
Additional [3]	**$ 7.05**	$ 0.53
Net assets	**$ 687,494**	$ 700,198
Net investment income	**$ 7,620**	$ 42,951
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.

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

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 Wednesday, April 1, 2015 at 11:30 a.m. All shareholders are invited to attend.

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
Chief Investment Officer
Private Markets (Private Equity and Infrastructure)
OMERS

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

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, 2014 and 2013. This MD&A should be read in conjunction with the December 31, 2014 year-end financial statements of Economic Investment Trust Limited ("Economic" or the "Company") which form part of this Annual Report. 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.

First-time Adoption of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). The Company adopted this basis of accounting in 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CICA Handbook ("Previous Canadian GAAP"). The Company's results, including for comparative periods, are now being reported in accordance with IFRS.

The Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position as at January 1, 2013 and throughout all periods presented, as if these policies had always been in effect. Note 17 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended December 31, 2013 prepared under Previous Canadian GAAP as well as explanations of the individual adjustments that resulted from the transition.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The long-term investments consist primarily of common shares of E-L Financial Corporation Limited ("E-L Financial"), Algoma Central Corporation ("Algoma") and The Bank of Nova Scotia. At December 31, 2014, the three largest long-term investments, as a percentage of total equity investments, are common shares of E-L Financial at 43.4% (2013 – 47.8%), Algoma at 6.7% (2013 – 7.1%) and The Bank of Nova Scotia at 6.9% (2013 – 7.2%). The change in percentages compared to the prior year end reflects a greater increase in the market value of the global investment portfolio relative to the change in the market value of the Company's long-term equity investments. E-L Financial, Algoma and the Company are related parties. In management's view, these investments are consistent with the Company's investment strategy and contribute to achieving the investment objective. Further related party information is provided in Note 13 to the financial statements in this Annual Report and in the schedule of investment portfolio beginning on page 30.

The balance of the investment portfolio is managed by Burgundy Asset Management Ltd. ("Burgundy"), a global equity manager based in Toronto. For the year ended December 31, 2014, 99.1% (2013 - 100%) of the global investment portfolio was made up of non-Canadian companies.

At December 31, 2014, approximately 58.1% (2013 – 63.1%) of the investment portfolio was held in long-term investments and 41.9% (2013 – 36.9%) 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 GAAP and therefore may not be comparable to similar measures presented by other companies. Current Canadian GAAP is IFRS for these financial statements. 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 to be distributed on Common Shares.

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

	December 31 2014	December 31 2013
Net assets	**$ 687,494**	$ 700,198
Common Shares outstanding	**5,615,535**	5,615,535
Net equity value per Common Share	**$ 122.43**	$ 124.69

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	
	2014	2013	**2014**	2013
Net income	**$ 18,088**	$ 97,733	**$ 30,255**	$ 229,778
Add (deduct):				
Fair value change in investments	**(19,354)**	(70,768)	**(25,105)**	(216,355)
Tax on fair value change in investments	**2,564**	9,378	**3,326**	28,668
Net increase (decrease) in refundable dividend taxes on hand	**4**	860	**(856)**	860
Net investment income	**$ 1,302**	$ 37,203	**$ 7,620**	$ 42,951
Common Shares outstanding	**5,615,535**	5,615,535	**5,615,535**	5,615,535
Net investment income per Common Share	**$ 0.23**	$ 6.63	**$ 1.36**	$ 7.65

Net Equity Value per Common Share

The Company's net equity value per Common Share decreased to $122.43 at December 31, 2014 from $124.69 at the prior year end, primarily as a result of the payment of an additional dividend of $7.05 per Common Share on March 31, 2014.

With dividends reinvested at month-end net equity values, the Company's net equity value return was 4.5% in 2014, compared to a return of 48.5% during 2013. On a pre-tax basis, the shares of E-L Financial had a negative return of 4.6% during 2014 compared to a return of 84.0% for the same period in 2013, the shares of Algoma had a return of 0.5% and 19.5%, and the shares of the Bank of Nova Scotia had returns of 3.7% and 19.8%, respectively.

The global investment portfolio had a pre-tax return, gross of fees, of 18.2% in 2014 versus a comparative return of 36.5% in 2013.

As the Company is a taxable Canadian corporation, the Company's net equity value is net of a provision for income taxes on investment income and realized gains (losses) on investments, and net of a deferred income tax provision on its change in unrealized appreciation of investments.

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

	Year ended Dec. 31, 2014	(%)	Year ended Dec. 31, 2013
Economic net equity value	4.5		48.5
S&P/TSX Composite Index	10.6		13.0
MSCI All Country World Index	13.8		35.3
S&P 500 Index	24.0		41.5

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results - 2014

Net income

The Company's net income decreased to $30,255,000 in 2014 from $229,778,000 in 2013. On a per Common Share basis, net income for the year decreased to $5.39 in 2014 compared to net income of $40.92 in 2013.

The net realized gain for the Company decreased to $12,220,000 in 2014 from $14,684,000 in 2013.

The Company's change in unrealized appreciation for the year decreased to $12,885,000 from $201,671,000 in 2013. Long-term investments decreased by $17,332,000 during the year, primarily as a result of a decrease in the fair value of the shares in the Company's investment in E-L Financial. In the prior year, long-term investments increased by $147,709,000 during the year primarily as a result of an increase in the fair value of the shares in the Company's investment in E-L Financial. The global managed portfolio increased by $30,217,000 during the year, compared to an increase of $53,962,000 for the same period in the prior year.

During the year, the Company was able to apply capital loss carryforwards against its net realized gains. At December 31, 2014, the Company has approximately $47,026,000 (2013 - $59,246,000) of realized capital loss carryforwards. A deferred income tax benefit of $6,231,000 (2013 - $7,850,000) has been recognized as a reduction of deferred 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.

Net investment income

The Company's net investment income in 2014 decreased to $7,620,000 compared to $42,951,000 in 2013. On a per Common Share basis, net investment income for the year decreased to $1.36 in 2014 compared to $7.65 in 2013.

Foreign dividend income in 2014 increased by 19.2% to $7,479,000 from $6,272,000 in 2013. The year-over-year increase occurred primarily as a result of higher-yielding securities held in the current year compared to the prior year.

Canadian dividend income in 2014 decreased by 90.1% to $3,967,000 from $39,914,000 in 2013. The decline occurred primarily due to the receipt of a special dividend from E-L Financial in the fourth quarter of the prior year. The total amount of the E-L Financial special dividend received, directly and indirectly, amounted to $36,108,000. 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 of the prior year. Excluding the prior year's special dividend, Canadian dividend income increased in 2014 by $161,000 as a result of an increase in dividends received from The Bank of Nova Scotia.

Interest and securities lending income increased in 2014 by 72.5% to $264,000 from $153,000 in 2013. The increase resulted from a larger average balance of cash and cash equivalents held during the year compared to the prior year, including amounts held in the first quarter to fund the Company's additional dividend payment paid at the end of the first quarter.

The expenses of the Company increased by 22.3% to $2,544,000 in 2014 from $2,080,000 in 2013. The majority of the increase relates to increased investment management fees as a result of an increase in the average 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. Expenses also increased due to an increase in TSX listing fees. The Company's management expense ratio increased in 2014 to 0.37% of average net assets compared to 0.36% of average net assets in the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 $169,000 (2013 - $155,000).

Operating Results - Fourth Quarter, 2014

The Company's net equity value per Common Share increased to $122.43 at December 31, 2014 from $119.36 at September 30, 2014. With dividends reinvested at month-end net equity values, the Company's net equity value return was 2.7% in the fourth quarter of 2014 compared to a return of 16.2% for the same period in 2013. On a pre-tax basis, the shares of E-L Financial had a negative return of 1.7% during the fourth quarter of 2014 compared to a return of 22.9% for the same period in 2013, the shares of Algoma had returns of 1.7% and 9.7%, and the shares of the Bank of Nova Scotia had a negative return of 3.3% and a positive return of 13.6%, respectively. The global investment portfolio had a pre-tax return, gross of fees, of 8.0% in the fourth quarter of 2014 versus a return of 11.3% for the same period in 2013.

In Canadian dollar terms, in the fourth quarter of 2014, the S&P/TSX Composite Index decreased 1.5%, the MSCI All Country World Index increased 5.5% and the S&P 500 Index increased 8.6%.

Three-Year Results

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

	IFRS		**Previous Canadian GAAP**
	2014	2013	2012
Net realized and unrealized gain on investments[1]	**$ 21,779**	$ 187,687	$ 51,433
Net realized and unrealized gain on investments per Common Share[1]	**3.88**	33.42	9.16
Total assets	**744,819**	754,137	495,943
Net investment income	**7,620**	42,951	6,367
Net investment income per Common Share	**1.36**	7.65	1.13
Dividends per Common Share:			
Quarterly	**0.60**	0.60	0.60
Additional	**7.05**	0.53	0.55

[1] On an after-tax basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic's investment portfolio is affected by equity markets, stock selection and currency movements. In 2014, the performance of Economic was favourably affected by strong returns from the global managed portfolio, offset by a negative return from the Company's largest investment, E-L Financial. 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 from its long-term investments.

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 prior year, Economic received, directly and indirectly, a special dividend from its largest investment, E-L Financial, amounting to $36,108,000.

Quarterly Review - 2014 and 2013

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

	2014			
	Quarter ended			
	Mar. 31	Jun. 30	Sep. 30	Dec. 31
	(In thousands of dollars, except per share amounts)			
Net investment income	$ 2,206	$ 2,340	$ 1,772	$ 1,302
Net gain (loss) on investments	10,019	(1,887)	(3,143)	16,790
Net (increase) decrease in refundable dividend taxes on hand	860	—	—	(4)
Per Common Share:				
Net investment income	0.39	0.42	0.32	0.23
Net gain (loss) on investments[1]	1.79	(0.34)	(0.56)	2.99
Net decrease in refundable dividend taxes on hand	0.15	—	—	—
Net income	$ 2.33	$ 0.08	$ (0.24)	$ 3.22

	2013			
	Quarter ended			
	Mar. 31	Jun. 30	Sep. 30	Dec. 31
	(In thousands of dollars, except per share amounts)			
Net investment income	$ 1,841	$ 2,255	$ 1,652	$ 37,203
Net gain on investments	55,177	52,133	18,987	61,390
Net increase in refundable dividend taxes on hand	—	—	—	(860)
Per Common Share:				
Net investment income	0.33	0.40	0.29	6.63
Net gain on investments[1]	9.82	9.29	3.38	10.93
Net increase in refundable dividend taxes on hand	—	—	—	(0.15)
Net income	$ 10.15	$ 9.69	$ 3.67	$ 17.41

[1] On an after-tax basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Investment income is derived primarily from dividend income that is earned by the Company. While North American investments usually pay regular quarterly dividends, investments outside of North America often pay less frequently. In general, dividends earned on investments outside of North America peak in the second quarter of the year. There is no guarantee that the Company will receive dividend income on its investments at current dividend payout levels. During the quarter ended December 31, 2013, the Company's largest investment, E-L Financial, paid a special dividend that amounted to $36,108,000.

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, 2014. Based on that evaluation, management concluded that the Company's disclosure controls and procedures were effective as at December 31, 2014.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Under the supervision of management, an evaluation of the Company's internal control over financial reporting was carried out as at December 31, 2014. Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as at December 31, 2014. No changes were made in the Company's internal control over financial reporting during the year ended December 31, 2014, 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 ("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 lending agent's evaluation. The Company had recourse to the Royal Bank of Canada in the event RBC IS fails to discharge its security lending obligation. The Company had exposure to securities lending arrangements at December 31, 2014 of approximately $15,203,000 (2013 - $19,342,000). 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 deferred tax liabilities, settle within three months of the year end.

Market risk

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

The Company is not subject to significant interest rate risk, as its only fixed-interest investments 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 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, 2014, the Company's carrying value of its direct and indirect investment in E-L Financial of $318,934,000 (2013 - $335,937,000) represents 43.4% (2013 - 47.8%) of Economic's total equity 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, 2014, 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 (2013 - $0.60) per share. Payment of the Company's quarterly dividends is funded by net investment income. For the year ended December 31, 2014, net investment income was $1.36 (2013 - $7.65) per Common Share.

During the year, the Board of Directors paid an additional cash dividend of $7.05 (2013 - $0.53) per Common Share. Each dividend represented a distribution of the balance of net investment income for the previous fiscal year.

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 $0.76 per Common Share will be paid in the first quarter of fiscal 2015 along with the regular $0.15 quarterly dividend. The Company's dividend policy is established by the Board of Directors at its discretion and is subject to change.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 20, 2015

FINANCIAL HIGHLIGHTS

For each of the years in the five-year period ended December 31, 2014:

	IFRS		Previous Canadian GAAP		
DATA PER COMMON SHARE	**2014**	2013	2012	2011	2010
NET EQUITY VALUE, beginning of year[1]	**$ 124.69**	$ 84.90	$ 74.81	$ 91.65	$ 86.24
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS[2]					
Net investment income	**1.36**	7.65	1.13	1.15	0.96
Net gain (loss) on investments	**3.88**	33.42	9.16	(17.43)	5.00
Net (increase) decrease in refundable dividend taxes on hand	**0.15**	(0.15)	—	—	—
	5.39	40.92	10.29	(16.28)	5.96
CASH DIVIDENDS TO COMMON SHAREHOLDERS					
Quarterly	**(0.60)**	(0.60)	(0.60)	(0.60)	(0.60)
Additional	**(7.05)**	(0.53)	(0.55)	—	—
	(7.65)	(1.13)	(1.15)	(0.60)	(0.60)
TAXATION CHANGES					
Net decrease in refundable dividend taxes on hand	**—**	—	0.03	0.04	0.05
NET EQUITY VALUE, end of year	**$ 122.43**	$ 124.69	$ 83.98	$ 74.81	$ 91.65

[1] The net equity value at the beginning of fiscal 2013 reflects changes arising from the first-time adoption of IFRS.

[2] For Previous Canadian GAAP, comparative description is increase (decrease) in net assets from operations.

MANAGEMENT'S REPORT

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

The Company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgement. The significant accounting policies which management believes are appropriate for the Company are described in Note 3 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 of Directors.

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

Duncan N.R. Jackman	Frank J. Glosnek
Chairman and President	Treasurer

February 20, 2015

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, 2014, December 31, 2013 and January 1, 2013 and the statements of income, changes in shareholders' equity and cash flows for the years ended December 31, 2014 and December 31, 2013, 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 International Financial Reporting Standards 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, 2014, December 31, 2013 and January 1, 2013 and its financial performance and its cash flows for the years then ended December 31, 2014 and December 31, 2013 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

February 20, 2015
Toronto, Canada

Chartered Professional Accountants, Licensed Public Accountants

STATEMENTS OF NET ASSETS

	December 31 2014	December 31 2013	January 1 2013
		(000's)	
ASSETS			
Cash and cash equivalents	**$ 8,786**	$ 49,693	$ 11,496
Investments (cost - $251,504; 2013 $233,014) (Notes 5, 7 and 13)	**734,563**	703,187	489,165
Dividends and interest receivable	**558**	512	326
Income taxes receivable	**761**	610	869
Other assets	**151**	135	31
	744,819	754,137	501,887
LIABILITIES			
Accrued expenses	**504**	465	354
Deferred tax liabilities (Note 9)	**56,821**	53,474	24,768
	57,325	53,939	25,122
Net assets	**$ 687,494**	$ 700,198	$ 476,765
SHAREHOLDERS' EQUITY			
Share capital (Note 12)	**$ 204,691**	$ 204,691	$ 204,691
Share premium	**1,474**	1,474	1,474
Retained earnings	**481,329**	494,033	270,600
Total shareholders' equity	**$ 687,494**	$ 700,198	$ 476,765

APPROVED BY THE BOARD:

DUNCAN N.R. JACKMAN

Director

R.B. MATTHEWS

Director

(See accompanying notes)

STATEMENTS OF INCOME

	Year ended December 31	
	2014	2013
	(000's)	
INCOME		
Dividends		
Foreign	**$ 7,479**	$ 6,272
Canadian (Note 13)	**3,967**	39,914
	11,446	46,186
Interest and securities lending income	**264**	153
Fair value change in investments (Note 10)	**25,105**	216,355
	36,815	262,694
EXPENSES		
Investment management and administrative costs (Note 13)	**1,973**	1,618
Office and miscellaneous	**213**	163
Directors' remuneration	**168**	140
Transfer, registrar and custody fees	**104**	97
Professional fees	**86**	62
	2,544	2,080
INCOME BEFORE INCOME TAXES	**34,271**	260,614
Provision for income taxes (Note 9)	**4,016**	30,836
NET INCOME	**$ 30,255**	$ 229,778
EARNINGS PER COMMON SHARE - BASIC AND DILUTED (Note 14)	**$ 5.39**	$ 40.92

(See accompanying notes)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Retained earnings	Total
		(000's)		
At January 1, 2014	**$ 204,691**	**$ 1,474**	**$ 494,033**	**$ 700,198**
Net income for the year	**—**	**—**	**30,255**	**30,255**
Dividends (Note 12)	**—**	**—**	**(42,959)**	**(42,959)**
At December 31, 2014	**$ 204,691**	**$ 1,474**	**$ 481,329**	**$ 687,494**
At January 1, 2013	$ 204,691	$ 1,474	$ 270,600	$ 476,765
Net income for the year	—	—	229,778	229,778
Dividends (Note 12)	—	—	(6,345)	(6,345)
At December 31, 2013	$ 204,691	$ 1,474	$ 494,033	$ 700,198

STATEMENTS OF CASH FLOW

	Year ended December 31	
	2014	2013
	(000's)	
Net inflow (outflow) of cash related to the following activites:		
Operating		
Net income	**$ 30,255**	$ 229,778
Adjustments for:		
Fair value change in investments	**(25,105)**	(216,355)
Purchases of investments	**(47,692)**	(67,318)
Proceeds from sale of investments	**41,422**	69,650
Dividends and interest receivable	**(46)**	(185)
Deferred taxes	**3,347**	28,706
Net change in other assets and liabilities	**(129)**	266
	2,052	44,542
Financing		
Dividends paid to shareholders	**(42,959)**	(6,345)
Net increase (decrease) in cash and cash equivalents	**(40,907)**	38,197
Cash and cash equivalents at beginning of the year	**49,693**	11,496
Cash and cash equivalents at end of the year (Note 8)	**$ 8,786**	$ 49,693
Additional information for operating activities:		
Interest received	**$ 243**	$ 52
Dividends received, net of withholding taxes	**10,387**	45,126

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2014

1. Description of business

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

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

The financial statements are presented in Canadian dollars which is the functional and presentation currency. These financial statements were approved by the Company's Board of Directors on February 20, 2015.

2. Basis of presentation and adoption of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). The Company adopted this basis of accounting in 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CICA Handbook ("Previous Canadian GAAP"). The Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position as at January 1, 2013 and throughout all periods presented, as if these policies had always been in effect. Note 17 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended December 31, 2013 prepared under Previous Canadian GAAP.

3. Summary of significant accounting policies

Financial instruments

The Company recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Purchases and sales of financial assets are recognized at their trade date. The Company's investments are measured at fair value through profit or loss ("FVTPL"). All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

Interest income from short-term investments is recognized at the effective interest rate. Dividends are recognized as income on the ex-dividend date. The cost of investments is determined using the average cost method.

Fair value measurement

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

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

The Company's investments in private companies are subject to the respective constating documents of each private company. The investments in private companies that are not listed on a stock exchange are measured using the adjusted net asset method, as utilized by E-L Financial Corporation Limited ("E-L Financial"), the Company's administrator. This method estimates the fair values of the underlying assets and liabilities of the private companies and considers if a minority marketability discount would be appropriate. The changes in fair value of each private company are included in Fair value change in investments in the statements of income.

- continued -

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2014 (continued)

3. Summary of significant accounting policies (continued)

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Company recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates that transactions occur. Assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to financial assets and liabilities are included within "Net realized gain" and "Change in unrealized appreciation", as presented as a component of the Fair value change in investments in the statement of income.

Cash

Cash and cash equivalents are short term, highly liquid instruments that are subject to insignificant changes in value and are readily convertible into known amounts of cash. Cash equivalents comprise financial assets with maturities of three months or less from the date of acquisition.

Investment in associate

The Company has determined that it meets the definition of "investment entity" and as a result, it measures its investment in associate at FVTPL. An investment entity is an entity that: obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to investment funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. The most significant judgment that the Company has made in determining that it meets this definition is that fair value is used as the primary measurement attribute to measure and evaluate the performance of substantially all of its investments.

Securities lending income

Securities lending income is recognized as earned.

Comprehensive income

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

Earnings per share ("EPS")

Basic and diluted EPS is calculated by dividing the net income attributed to common shareholders of the Company by the weighted average number of Common Shares outstanding for the period. Refer to Note 14 for the calculation.

Income taxes

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

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

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

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NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2014 (continued)

3. Summary of significant accounting policies (continued)

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

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

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

The Company currently incurs withholding taxes imposed by certain countries on investment income. Such income is recorded on a gross basis and the related withholding taxes are reflected within the "Provision for income taxes" in the statement of income.

4. Critical accounting estimates and judgments

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

Classification and measurement of investments

In classifying and measuring financial instruments held by the Company, the Company is required to make significant judgments about whether or not the business of the Company is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, Financial instruments – Recognition and Measurement ("IAS 39"). The most significant judgment made includes the determination that the Company can apply the fair value option to its investments.

Fair value of investments in private companies

The fair value of investments in private companies that are not quoted in an active market are measured using the adjusted net asset method which estimates the fair value of the underlying assets and liabilities of the private companies and considers if a minority marketability discount would be appropriate. Refer to Note 6 for further details.

Deferred taxes

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

5. Risks associated with financial instruments

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

Credit risk

Credit risk is the risk of financial loss resulting from a counterparty's failure to discharge an obligation. The Company, 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 lending agent's evaluation. The Company has recourse to the Royal Bank of Canada in the event RBC IS fails to discharge its securities lending obligation. The Company had exposure to securities

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5. Risks associated with financial instruments (continued)

lending arrangements at December 31, 2014 of approximately $15,203,000 (December 31, 2013 - $19,342,000; January 1, 2013 - $14,651,000) and received approximately $15,963,000 (December 31, 2013 - $20,309,000; January 1, 2013 - $15,384,000) in collateral. 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 deferred tax liabilities, settle within three months of the year end.

Market risk

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

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

Currency risk is not considered to arise from financial instruments that are non-monetary items, such as equity securities. 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, assuming all other factors are constant, would have an after-tax impact of approximately $63,723,000 (2013 - $61,002,000) on net income.

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, 2014, the Company's fair value of its direct and indirect investment in E-L Financial of $318,934,000 (December 31, 2013 - $335,937,000; January 1, 2013 - $202,680,000) represents 43.4% (December 31, 2013 – 47.8%; January 1, 2013 - 41.4%) of Economic's total equity investments. The Company's geographical distribution of equity investments has remained consistent with the prior year.

6. Financial instruments

The Company designates all of its investments as FVTPL. The remainder of the Company's assets are financial assets at amortized cost. All of the Company's liabilities are financial liabilities at amortized cost.

The fair value change in financial instruments at FVTPL by category for the year ended December 31, 2014 included $25,105,000 (2013 - $216,355,000) of net gains on financial assets at FVTPL.

Fair value measurement

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).

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6. Financial instruments (continued)

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

The Company utilizes the adjusted net asset method to derive the fair value of investments in private companies by reference to the fair value of its assets and liabilities, along with assessing a minority marketability discount, if any. The minority marketability discount is an unobservable input for fair value measurement. The adjusted net asset method has been determined most appropriate for an investment whose value is mainly derived from the holding of assets rather than from deploying those assets as part of a broader business. The assets and liabilities of the private companies primarily include listed investments and deferred tax liabilities. The Company identified a range of possible valuations which market participants could apply to the private companies. This analysis resulted in a range of plus or minus 10% of the fair value of the underlying net assets. Taking this into account, the Company applied no minority marketability discount or premium to the fair value estimate of the private companies. If the minority marketability discount was 10%, compared to a premium of 10%, with all other variables remaining constant, net assets would have decreased or increased by approximately $10,918,000 (December 31, 2013 - $11,146,000; January 1, 2013 - $8,505,000).

At December 31, 2014, the Company had $608,701,000 (December 31, 2013 - $574,708,000; January 1, 2013 - $391,122,000) of Level 1 and $125,862,000 (December 31, 2013 - $128,479,000; January 1, 2013 - $98,043,000) of Level 3 equity investments. There were no transfers between Level 1, 2 or 3 equity investments during the current or prior year.

The fair value change in private company investments of ($2,617,000) (2013 - $30,436,000) were recognized in the statement of income. There were no purchases, sales, issues or settlements of these investments during either year.

All cash equivalents at the year end and the prior year end are Level 2 investments. The carrying values of cash, dividends and interest receivable, income taxes receivable, other assets, and accrued expenses approximate their fair values due to their short-term nature.

7. Investment in associate

The Company has the following investment in associate:

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

	Ownership interest %	Carrying value 2014	Carrying value 2013
		(000's)	
TGV Holdings Limited	47.7%	$ 12,437	$ 12,591

- continued -

8. Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid instruments that are subject to insignificant changes in value and are readily convertible into known amounts of cash. Cash equivalents comprise financial assets with maturities of three months or less from the date of acquisition. Cash and cash equivalents are measured at fair value under Level 1 or Level 2 of the fair value hierarchy. Components of cash and cash equivalents for purposes of the statements of cash flows are as follows:

	2014	2013
	(000's)	
Cash	$ 3,892	$ 451
Cash equivalents	4,894	49,242
Total	$ 8,786	$ 49,693

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

	Level 1	Level 2	Level 3	Total fair value
		(000's)		
December 31, 2014	$ 3,892	$ 4,894	$ —	$ 8,786
December 31, 2013	451	49,242	—	49,693

9. Income taxes

The Company is a public corporation under the Income Tax Act and is subject to tax at normal corporate rates on its net realized gains (Note 10) and on investment income other than taxable dividends received from corporations resident in Canada. Income taxes are assessed on net income before income taxes. The current enacted corporate tax rates as they impact the Company in 2014 stand at 26.5% (2013 – 26.5%). The effective tax rate varies from the combined statutory rate as follows:

	2014	2013
	(000's)	
Income taxes at statutory rate	$ 9,082	$ 69,063
Variance as a result of:		
Non-taxable portion of gains	(3,326)	(28,667)
Tax-paid dividends	(1,051)	(10,577)
Net refundable dividend taxes	(856)	860
Other	167	157
Provision for income taxes	$ 4,016	$ 30,836

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

	2014	2013
	(000's)	
Current	$ 669	$ 2,130
Deferred	3,347	28,706
Provision for income taxes	$ 4,016	$ 30,836

- continued -

9. Income taxes (continued)

Deferred tax liabilities arise primarily from the timing of the inclusion of accrued dividends for income tax purposes and from differences between the carrying value and the tax cost of the investments offset, in part, by the deferred tax benefit of capital loss carryforwards. At December 31, 2014, the Company has approximately $47,026,000 (2013 - $59,246,000) of realized capital loss carryforwards. A deferred income tax benefit of $6,231,000 (2013 - $7,850,000) has been recognized as a reduction of deferred tax liabilities. Capital loss carryforwards can be carried forward indefinitely and can be applied against capital gains realized in the future. Details of the deferred tax liabilities are as follows:

	2014	2013
	(000's)	
Unrealized appreciation of investments	$ 62,904	$ 61,196
Capital loss carryforwards	(6,231)	(7,850)
	56,673	53,346
Accrued dividends receivable	148	128
Deferred tax liabilities	$ 56,821	$ 53,474

Of the above total, $56,673,000 (2013 - $53,346,000) is expected to be paid more than one year after the reporting date.

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

	2014	2013
	(000's)	
Investments	$ 1,708	$ 26,721
Capital loss carryforwards utilized	1,619	1,946
Accrued dividends	20	39
Deferred income taxes	$ 3,347	$ 28,706

During the year ended December 31, 2014, the Company paid tax instalments and assessments totaling $818,000 (2013 - $1,060,000) and received income tax refunds totaling $960,000 (2013 - $nil). These items are classified as cash flows from operating activities in the cash flow statement.

The Company is also subject to a special tax of up to 33 1/3% on taxable dividends received from corporations resident in Canada. This 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 accumulated amount of refundable dividend tax at December 31, 2014 amounts to approximately $16,000 (2013 - $876,000).

10. Fair value change in investments

The fair value change in investments is comprised as follows:

	2014	2013
	(000's)	
Net realized gain	$ 12,220	$ 14,684
Change in unrealized appreciation	12,885	201,671
	$ 25,105	$ 216,355

- continued -

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2014 (continued)

11. Net realized gain

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

	2014	2013
	(000's)	
Proceeds on sales of investments	$ 41,422	$ 69,650
Cost of investments, beginning of year	233,014	220,662
Cost of investments purchased during year	47,692	67,318
	280,706	287,980
Cost of investments, end of year	251,504	233,014
Cost of investments, sold during year	29,202	54,966
Net realized gain	$ 12,220	$ 14,684

12. Share capital

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

The capital stock account of the Company is as follows:

	Authorized	Issued and Outstanding	2014	2013
			(000's)	
Common Shares				
Issued and outstanding	unlimited	5,615,535	$ 204,691	$ 204,691

Dividends during the year were paid as follows:

	2014	2013
	(000's)	
On 5,615,535 Common Shares:		
Quarterly - $0.15 quarterly per share	$ 3,369	$ 3,369
Additional - $7.05 (2013 - $0.53) per share	39,590	2,976
Total	$ 42,959	$ 6,345

- continued -

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2014 (continued)

12. Share capital (continued)

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.

Common Share dividends of $0.91 per Common Share were declared by the Board of Directors at its meeting on February 17, 2015, with a record and payable date of March 13, 2015 and March 31, 2015, respectively.

13. Related party information

The Company has investments in related parties (see Schedule of Investment Portfolio). These investments in related parties have a fair value at December 31, 2014 of $426,444,000 (December 31, 2013 - $443,776,000; January 1, 2013 - $296,067,000) representing 58.1% (December 31, 2013 – 63.1%; January 1, 2013 - 60.5%) of the total investments. Dividends from these companies for the year ended December 31, 2014 amounted to $3,935,000 (2013- $39,914,000).

Included in investment management and administrative costs are fees for administrative services paid to E-L Financial. These fees are based on the fair value of the investments managed by the external investment manager and are calculated and paid at the close of each calendar quarter. The total fees, including HST, for the year ended December 31, 2014 amounted to $330,000 (2013 - $272,000).

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

Compensation of key management personnel

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

	2014	2013
	(000's)	
Directors' compensation and other short-term benefits	$ 168	$ 140

14. Earnings per share ("EPS")

Basic and diluted EPS

EPS is calculated by dividing the net income attributed to common shareholders of the Company by the weighted average number of Common Shares outstanding for the period.

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

	2014	2013
Net income	$ 30,255	$ 229,779
Weighted average number of Common Shares outstanding	5,615,535	5,615,535
Basic and diluted earning per Common Share	$ 5.39	$ 40.92

- continued -

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2014 (continued)

15. Securities lending

The Company has entered into a securities lending agreement with its custodian, RBC IS. The Company receives collateral of at least 105% of the value of the securities on loan. Collateral generally comprises 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.

During the year, the Company recognized approximately $51,000 (2013 - $63,000) in securities lending income. Securities loaned in the program earn income at market securities lending rates. The securities lending agreement can be terminated at any time by the borrower, the custodian or the Company.

16. 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:

	2014	2013
	(000's)	
Shareholders' equity	$ 687,494	$ 700,198

17. First-time adoption of IFRS

The Company has adopted IFRS effective January 1, 2014. Prior to the adoption of IFRS, the Company prepared its financial statements in accordance with Previous Canadian GAAP. The Company's financial statements for the year ended December 31, 2014 are the Company's first annual financial statements prepared in accordance with IFRS. Accordingly, the Company is making an unreserved statement of compliance with IFRS beginning with its 2014 annual financial statements.

The Company has applied IFRS 1 First-time Adoption of International Financial Reporting Standards in preparing these financial statements, with a transition date of January 1, 2013. In accordance with IFRS, the Company has:

- provided comparative financial information restated from Previous Canadian GAAP;
- applied the same accounting policies throughout all periods presented; and
- retrospectively applied all IFRS standards effective as of December 31, 2014, except for certain optional exemptions and mandatory exceptions applicable for first-time adopters of IFRS that the Company has applied, as discussed below.

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17. First-time adoption of IFRS

The effect of the Company's transition to IFRS is summarized in this note as follows:

Transition elections

The only voluntary election adopted by the Company upon transition was the ability to designate a financial asset or financial liability at FVTPL upon transition to IFRS. All financial assets designated at FVTPL upon transition were previously carried at fair value under Previous Canadian GAAP as required by Accounting Guideline 18, Investment Companies.

Statement of cash flows

Under Previous Canadian GAAP, the Company was exempt from providing a statement of cash flows. IAS 1 requires that a complete set of financial statements include a statement of cash flows for the current and comparative periods, without exception.

Revaluation of investments at FVTPL

Under Previous Canadian GAAP, the Company measured the fair values of its investments in accordance with Section 3855, Financial Instruments — Recognition and Measurement, which required the use of bid prices for long positions and ask prices for short positions, to the extent such prices were available. Under IFRS, the Company measures the fair values of its investments using the guidance in IFRS 13, which requires that if an asset or a liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. The Company uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. As a result, upon adoption of IFRS an adjustment was recognized to increase the carrying amount of the Company's investments by $5,944,000 at January 1, 2013 and $7,070,000 at December 31, 2013 and to increase deferred income taxes by $788,000 at January 1, 2013 and $937,000 at December 31, 2013. The impact of this adjustment was to increase the Company's net income by $977,000 for the year ended December 31, 2013.

Fair value measurement and classification of investments in private companies

Under Previous Canadian GAAP, the Company classified its investments in private companies as Level 2 investments. Fair value was measured based on the underlying fair values of the net assets represented by such private company investments. Under IFRS, the Company measures the fair values of its investments using the guidance in IFRS 13. The Company now utilizes the adjusted net asset method to measure the fair value of the private company investments. This method has been determined most appropriate for an investee whose value is mainly derived from the holding of assets rather than from deploying those assets as part of a broader business. This method, in addition to measuring the fair values of the private companies net assets, also considers a minority marketability discount, if any. The Company evaluated the impact of this change in methodology and concluded that no change in the carrying amounts of the private companies was required. However, as the methodology included evaluating an unobservable input, a minority marketability discount, the Company transferred $98,043,000 of its investments in private companies at January 1, 2013 to Level 3 from Level 2 investments.

Reclassification of net provision for refundable dividend taxes

Under Previous Canadian GAAP, the Company presented its net provision for refundable dividend taxes on hand in its statement of retained earnings. Upon adoption of IFRS, the net provision for refundable dividend taxes on hand is recognized as a component of the provision for income taxes. The impact of this adjustment was to decrease the Company's net income by $860,000 for the year ended December 31, 2013. This reclassification, however, did not affect net assets.

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17. First-time adoption of IFRS (continued)

Comprehensive income

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

Reclassification adjustments

In addition to the measurement adjustments noted above, the Company reclassified certain amounts upon transition in order to conform to its financial statement presentation under IFRS. Under Previous Canadian GAAP, the Company presented cash and short-term investments in these statements of net assets as separate line items. Under IFRS, these two items are combined and presented as cash and cash equivalents. Previous Canadian GAAP used the accounting term future income taxes whereas IFRS uses the comparable accounting term deferred taxes. Under Previous Canadian GAAP, in the statement of operations, the net change in unrealized appreciation of investments was presented net of income taxes. In contrast, under IFRS, income taxes related to the fair value change in investments are now reclassified to the provision for income taxes in the statement of income.

Reconciliation of shareholders' equity and net income as previously reported under Previous Canadian GAAP to IFRS:

Shareholders' equity	**Dec.31, 2013**	**Jan. 1, 2013**
	(000's)	
Shareholders' equity as reported under Previous Canadian GAAP	$ 694,065	$ 471,609
Revaluation of investments at FVTPL[1]	7,070	5,944
Less: Adjustment for deferred taxes on revaluation	(937)	(788)
Shareholders' equity as reported under IFRS	$ 700,198	$ 476,765

Net Income	**Year Ended Dec. 31, 2013**
	(000's)
Net income as reported under Previous Canadian GAAP	$ 229,661
Revaluation of investments at FVTPL[1]	1,126
Less: Adjustment for deferred taxes on revaluation	(149)
Less: Reclassification of net increase in refundable dividend taxes	(860)
Net income as reported under IFRS	$ 229,778

[1] From bid to close.

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SCHEDULE OF INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2014

Number of shares		Cost	Carrying value	% of Carrying value
		(000's)		
	North America			
	Canada			
2,126,380	Algoma Central Corporation [2]	$ 2,974	$ 34,872	
119,300	Cenovus Energy Inc.	3,149	2,859	
386,206	E-L Financial Corporation Limited [2]	26,116	265,710	
33,101	Ecando Investments Limited Classes A, B and common [2, 3]	4,139	56,542	
176,414	The Fulcrum Investment Company Limited [2, 3]	464	13,466	
216,900	NVG Holdings Limited Classes B, C, D, E and common [1, 2, 3]	2,115	43,417	
4,837	TGV Holdings Limited Class B [1, 2, 3, 4]	318	12,437	
		39,275	429,303	58.4
	United States			
111,180	Allison Transmission Holdings Inc.	3,402	4,372	
96,859	AmerisourceBergen Corporation	4,001	10,131	
45,876	Apple Inc.	3,200	5,874	
214,469	Babcock & Wilcox Company (The)	7,288	7,539	
184,715	BB&T Corporation	6,133	8,334	
33,993	Becton, Dickinson and Company	2,716	5,488	
5,330	California Resources Corporation	42	34	
191,240	Cisco Systems, Inc.	3,572	6,171	
58,453	Emerson Electric Company	2,935	4,186	
84,527	Equifax, Inc.	4,118	7,930	
36,490	Humana, Inc.	2,659	6,080	
63,666	Jacobs Engineering Group Inc.	3,333	3,301	
80,475	Johnson & Johnson	5,619	9,762	
161,287	Leucadia National Corporation	4,437	4,195	
112,231	Lorillard, Inc.	4,527	8,195	
60,676	McDonalds Corporation	6,265	6,595	
107,929	Microsoft Corporation	3,495	5,816	
94,988	Northern Trust Corporation	4,534	7,427	
76,517	Occidental Petroleum Corporation	6,586	7,156	
173,228	Oracle Corporation	5,705	9,037	
60,911	PepsiCo, Inc.	4,494	6,682	
96,666	Philip Morris International Inc.	8,919	9,134	
56,536	Procter & Gamble Company (The)	3,895	5,974	
66,628	Union Pacific Corporation	5,103	9,208	
67,488	United Technologies Corporation	5,836	9,004	
105,631	Walgreen Boots Alliance, Inc.	5,930	9,338	
		118,744	176,963	24.1
	Total North America	158,019	606,266	82.5

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SCHEDULE OF INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2014

Number of shares		Cost	Carrying value	% of Carrying value
		(000's)		
	Latin America			
1,093,716	Quinenco S.A.	$ 3,314	$ 2,719	0.4
	Europe, excluding United Kingdom			
108,878	Colruyt S.A.	5,583	5,880	
72,267	Deutsche Boerse AG	4,146	6,008	
71,153	Hannover Rueckversicherung AG	4,803	7,488	
89,484	Heineken Holding N.V.	4,152	6,523	
95,966	Henkel AG & Co. KGaA	5,863	10,837	
52,967	Nestle S.A.	3,430	4,511	
76,585	Novartis AG	4,942	8,258	
88,040	Publicis Groupe	5,211	7,371	
13,536	Roche Holding AG	2,330	4,266	
		40,460	61,142	8.3
	United Kingdom			
168,589	British American Tobacco plc	9,246	10,663	
224,349	GlaxoSmithKline plc	5,425	5,579	
158,738	Imperial Tobacco Group plc	5,770	8,135	
924,735	Sage Group plc (The)	5,147	7,782	
147,051	Unilever plc	5,597	6,984	
		31,185	39,143	5.3
	Asia			
55,000	Benesse Holdings, Inc.	2,528	1,908	
71,500	Canon Inc.	2,416	2,658	
16,000	Hirose Electric Co., Ltd.	1,737	2,180	
69,900	Kao Corporation	1,990	3,218	
5,400	Keyence Corporation	1,416	2,812	
15,400	Nintendo Co., Ltd.	1,694	1,879	
27,800	Shimano, Inc.	2,026	4,211	
40,000	Shin-Etsu Chemical Co., Ltd.	2,429	3,045	
120,000	Unicharm Corporation	2,290	3,382	
		18,526	25,293	3.5
	Total investments	$ 251,504	$ 734,563	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 are related parties.
[3] Not listed on a stock exchange.
[4] Investment in associate (see Note 7).

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 - 2014
(Unaudited)

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

FINANCIAL RECORD - 1928 - 2014 (continued)
(Unaudited)

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

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, 2014 there were 5,615,535 common shares outstanding. The calculation of net equity value is restated to reflect the following:

FINANCIAL RECORD - 1928 - 2014 (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			

CORPORATE INFORMATION

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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