

Economic Investment Trust Limited



**FIRST QUARTER REPORT
MARCH 31, 2015**

Economic Investment Trust Limited

THE PERIOD AT A GLANCE (Unaudited)

| | As at March 31 2015 ⁽¹⁾ | As at Dec. 31 2014 ⁽¹⁾ |
|---|---------------------------------------|--------------------------------------|
| Net equity value per Common Share ⁽²⁾ | \$ 125.98 | \$ 122.43 |
| Net assets | \$ 707,434 | \$ 687,494 |
| Number of Common Shares outstanding at period end | 5,615,535 | 5,615,535 |

| | Three months ended March 31 | |
|---|--------------------------------|---------------------|
| | 2015 ⁽¹⁾ | 2014 ⁽¹⁾ |
| Net investment income per Common Share ⁽²⁾ | \$ 0.42 | \$ 0.39 |
| Dividends per Common Share | | |
| Quarterly | \$ 0.15 | \$ 0.15 |
| Additional ⁽³⁾ | \$ 0.76 | \$ 7.05 |
| Net income per Common Share | \$ 4.46 | \$ 2.33 |
| Net investment income | \$ 2,364 | \$ 2,206 |

⁽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").

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The Company's external auditors, PricewaterhouseCoopers LLP, have not performed a review of these interim financial statements of Economic Investment Trust Limited.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the unaudited interim condensed financial performance and financial condition of Economic Investment Trust Limited ("Economic" or the "Company") for the first quarter of 2015 should be read in conjunction with: the December 31, 2014 Annual Report, including the MD&A, the Company's audited annual financial statements and the notes and supplementary financial information; and the unaudited interim condensed financial statements and notes contained in this report. These unaudited interim condensed financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"), which is generally accepted accounting principles ("GAAP"), as set out in the Handbook of the Chartered Professional Accountants of Canada. The reporting currency for the Company is the Canadian dollar, and all amounts in the following discussion are in Canadian dollars.

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

Overview

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

The Company has been a closed-end investment corporation since 1927 and has never bought back its Common Shares. The Common Shares have 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 primarily of common shares of E-L Financial Corporation Limited ("E-L Financial"), Algoma Central Corporation ("Algoma") and The Bank of Nova Scotia. At March 31, 2015, the three largest long-term investments, as a percentage of total equity investments, are common shares of E-L Financial at 40.5% (December 31, 2014 – 43.4%), Algoma at 6.6% (December 31, 2014 – 6.7%) and The Bank of Nova Scotia at 6.5% (December 31, 2014 – 6.9%). 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 the 2014 Annual Report and in the schedule of investment portfolio in this interim report beginning on page 13.

The balance of the investment portfolio is managed by Burgundy Asset Management Ltd. ("Burgundy"), a global equity manager based in Toronto. At March 31, 2015, 99.0% (December 31, 2014 - 99.1%) of this global investment portfolio was made up of non-Canadian companies.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

At March 31, 2015, approximately 54.6% (December 31, 2014 – 58.1%) of the investment portfolio was held in long-term investments and 45.4% (December 31, 2014 – 41.9%) 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 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):

| | March 31 2015 | Dec. 31 2014 |
|-----------------------------------|--------------------------|-------------------------|
| Net assets | \$ 707,434 | \$ 687,494 |
| Common Shares outstanding | 5,615,535 | 5,615,535 |
| Net equity value per Common Share | \$ 125.98 | \$ 122.43 |

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 March 31 | |
|---|--|-------------|
| | 2015 | 2014 |
| Net income | \$ 25,050 | \$ 13,085 |
| Add (deduct): | | |
| Fair value change in investments | (26,151) | (11,549) |
| Tax on fair value change in investments | 3,465 | 1,530 |
| Net decrease in refundable dividend taxes on hand | — | (860) |
| Net investment income ¹ | \$ 2,364 | \$ 2,206 |
| Common Shares outstanding | 5,615,535 | 5,615,535 |
| Net investment income per Common Share ¹ | \$ 0.42 | \$ 0.39 |

¹ On an after-tax basis.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Equity Value per Common Share

The Company's net equity value per Common Share increased to \$125.98 at March 31, 2015 from \$122.43 at December 31, 2014.

With dividends reinvested at month-end net equity values, the Company's net equity value return for the quarter was 3.6%, compared to a return of 1.9% for the same period in 2014. On a pre-tax basis, the shares of E-L Financial had a negative return of 4.1% during the quarter compared to a nil return for the same period in 2014, the shares of Algoma had a return of 2.3% and negative 4.2%, and the shares of the Bank of Nova Scotia had returns of negative 3.2% and negative 2.7%, respectively.

The global investment portfolio had a pre-tax return, gross of fees, of 13.3% in the first quarter of 2015 versus a comparative return of 6.2% in 2014.

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:

| | Three months ended March 31 |
|------------------------------|--------------------------------|
| | (%) |
| Economic net equity value | 3.6 |
| S&P/TSX Composite Index | 2.6 |
| MSCI All Country World Index | 11.7 |
| S&P 500 Index | 10.4 |

Growth in Net Equity Value ("NAV")

For the 10 years ended December 31, the Company's compound annual growth rate in NAV, including dividends, was 5.5%.

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

Annual growth in NAV*

| | NAV per Common Share | Annual Growth |
|------|----------------------|---------------|
| | | (%) |
| 2005 | \$ 99.49 | 22.9 |
| 2006 | 123.03 | 24.3 |
| 2007 | 113.22 | (6.9) |
| 2008 | 73.50 | (34.7) |
| 2009 | 86.24 | 18.2 |
| 2010 | 91.65 | 7.0 |
| 2011 | 74.81 | (17.8) |
| 2012 | 83.98 | 13.9 |
| 2013 | 123.60 | 48.8 |
| 2014 | 122.43 | 4.5 |

Compound annual growth*

| | |
|------------------------|-----|
| 2005 - 2014 - 10 years | 5.5 |
|------------------------|-----|

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

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results

Net income

The Company's net income in the first quarter of 2015 was \$25,050,000 compared to \$13,085,000 for the first quarter of 2014, an increase of 91.4%. On a per Common Share basis, net income for the quarter increased to \$4.46 in 2015 compared to \$2.33 in 2014.

The net realized gain for the Company for the first quarter was \$5,066,000 in 2015 compared to \$1,118,000 for the same period in the prior year. The largest contributors to the net realized gain during the quarter were the sales of Emerson Electric Company, Lorillard, Inc. and The Procter & Gamble Company.

The Company's change in unrealized appreciation for the first quarter increased to \$21,085,000 from \$10,431,000 in 2014, an increase of \$10,654,000 or 102.1%. Long-term investments decreased by \$13,835,000 during the quarter, primarily as a result of a decrease in the fair value of the Company's investments in E-L Financial and The Bank of Nova Scotia. In the prior year, long-term investments decreased by \$3,528,000 during the first quarter primarily as a result of a decrease in the fair value of the Company's investments in Algoma and The Bank of Nova Scotia. The global managed portfolio increased by \$34,920,000 during the first quarter of 2015, compared to an increase of \$13,959,000 for the same period in the prior year.

During the quarter, the Company was able to apply capital loss carryforwards against its net realized gains. At March 31, 2015, the Company has approximately \$44,826,000 (December 31, 2014 - \$47,026,000) of realized capital loss carryforwards. A deferred tax benefit of \$5,939,000 (December 31, 2014 - \$6,231,000) 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 the first quarter of 2015 increased to \$2,364,000 compared to \$2,206,000 for the first quarter of 2014, an increase of 7.2%. On a per Common Share basis, net investment income for the quarter increased to \$0.42 in 2015 compared to \$0.39 in 2014.

Foreign dividend income in the first quarter increased by 16.8% to \$2,570,000 from \$2,200,000 in 2014. The year-over-year increase occurred primarily as a result of growth in the average global investment portfolio while the yield-to-market dividend return for the portfolio has remained consistent compared to the same period in the prior year.

Canadian dividend income in the first quarter increased by 6.3% to \$1,040,000 from \$978,000 in 2014. The increase year over year resulted from an increase in dividends received from The Bank of Nova Scotia.

Interest and securities lending income decreased by 78.6% during the quarter to \$27,000 from \$126,000 in 2014. The decrease year over year resulted from a smaller average balance of cash and cash equivalents held during the quarter compared to the same period in the prior year. Higher average cash and cash equivalents for the first quarter of 2014 was due to a special dividend paid by E-L Financial in the fourth quarter of 2013. The Company's additional dividend payment of \$7.05 per Common Share was paid at the March 31, 2014 quarter end.

The expenses of the Company increased by 18.8% during the quarter to \$778,000 from \$655,000 in 2014. The majority of the year-over-year increase relates to increased investment management fees as a result of an increase in the average quarterly market value of the global investment portfolio year over year.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Quarterly Results

The following table summarizes various financial results on a quarterly basis for the most recent quarters (in thousands of dollars, except per share amounts):

| | March 31 2015 | Dec. 31 2014 | Sept. 30 2014 | June 30 2014 | March 31 2014 | Dec. 31 2013 | Sept. 30 2013 | June 30 2013 |
|--|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Net investment income ¹ | \$ 2,364 | \$ 1,302 | \$ 1,772 | \$ 2,340 | \$ 2,206 | \$ 37,203 | \$ 1,652 | \$ 2,255 |
| Net income | \$ 25,050 | \$ 18,088 | \$ (1,371) | \$ 453 | \$ 13,085 | \$ 97,733 | \$ 20,639 | \$ 54,388 |
| Earnings per Common Share | \$ 4.46 | \$ 3.22 | \$ (0.24) | \$ 0.08 | \$ 2.33 | \$ 17.41 | \$ 3.67 | \$ 9.69 |
| NAV per Common Share | \$ 125.98 | \$ 122.43 | \$ 119.36 | \$ 119.75 | \$ 119.82 | \$ 124.69 | \$ 107.44 | \$ 103.91 |
| Quarterly NAV return % ² | 3.6 | 2.7 | (0.2) | 0.1 | 1.9 | 16.2 | 3.5 | 10.3 |

¹ On an after-tax basis.

² Economic's NAV return includes reinvestment of dividends paid to Common shareholders.

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.

Share Data

At March 31, 2015, there are 5,615,535 Common Shares issued and outstanding and each share is entitled to one vote.

Liquidity and Capital Resources

During the quarter, quarterly dividends of \$0.15 were paid on the Common Shares. The payment of the Company's quarterly dividends is funded by net investment income. For the quarter ended March 31, 2015, net investment income was \$0.42 per Common Share.

On February 17, 2015, the Board of Directors declared an additional cash dividend of \$0.76 per Common Share that was paid at the quarter end. This dividend represented a distribution of the balance of net investment income for the year ended December 31, 2014.

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. 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

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

May 5, 2015

Economic Investment Trust Limited

STATEMENTS OF NET ASSETS (Unaudited)

| | March 31 | December 31 |
|---|-------------------|--------------------|
| | 2015 | 2014 |
| | <u>(000's)</u> | |
| ASSETS | | |
| Cash and cash equivalents | \$ 13,719 | \$ 8,786 |
| Investments (Note 4) | 755,168 | 734,563 |
| Receivable in respect of investments sold | 7,133 | — |
| Dividends and interest receivable | 858 | 558 |
| Income taxes receivable | 781 | 761 |
| Other assets | 221 | 151 |
| | <u>777,880</u> | <u>744,819</u> |
| LIABILITIES | | |
| Accrued expenses | 535 | 504 |
| Payable in respect of investments purchased | 9,544 | — |
| Deferred tax liabilities | 60,367 | 56,821 |
| | <u>70,446</u> | <u>57,325</u> |
| Net assets | <u>\$ 707,434</u> | <u>\$ 687,494</u> |
| SHAREHOLDERS' EQUITY | | |
| Share capital | \$ 204,691 | \$ 204,691 |
| Share premium | 1,474 | 1,474 |
| Retained earnings | 501,269 | 481,329 |
| Total shareholders' equity | <u>\$ 707,434</u> | <u>\$ 687,494</u> |

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF INCOME (Unaudited)

| | Three months ended March 31 | |
|--|--------------------------------|------------------|
| | 2015 | 2014 |
| | (000's) | |
| INCOME | | |
| Dividends | | |
| Foreign | \$ 2,570 | \$ 2,200 |
| Canadian | 1,040 | 978 |
| | <u>3,610</u> | 3,178 |
| Interest and securities lending income | 27 | 126 |
| Fair value change in investments (Note 5) | 26,151 | 11,549 |
| | <u>29,788</u> | <u>14,853</u> |
| EXPENSES | | |
| Investment management and administrative costs | 570 | 456 |
| Office and miscellaneous | 120 | 115 |
| Directors' remuneration | 43 | 30 |
| Transfer, registrar and custody fees | 26 | 29 |
| Professional fees | 19 | 25 |
| | <u>778</u> | <u>655</u> |
| INCOME BEFORE INCOME TAXES | 29,010 | 14,198 |
| Provision for income taxes | 3,960 | 1,113 |
| NET INCOME | \$ 25,050 | \$ 13,085 |
| EARNINGS PER COMMON SHARE | | |
| - BASIC AND DILUTED | \$ 4.46 | \$ 2.33 |

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF CHANGES IN EQUITY (Unaudited)

| | Share capital | Share premium | Retained earnings | Total |
|----------------------------------|-------------------|------------------|----------------------|-------------------|
| | (000's) | | | |
| At January 1, 2015 | \$ 204,691 | \$ 1,474 | \$ 481,329 | \$ 687,494 |
| Net income for the period | — | — | 25,050 | 25,050 |
| Dividends | — | — | (5,110) | (5,110) |
| At March 31, 2015 | \$ 204,691 | \$ 1,474 | \$ 501,269 | \$ 707,434 |
| At January 1, 2014 | \$ 204,691 | \$ 1,474 | \$ 494,033 | \$ 700,198 |
| Net income for the period | — | — | 13,085 | 13,085 |
| Dividends | — | — | (40,432) | (40,432) |
| At March 31, 2014 | \$ 204,691 | \$ 1,474 | \$ 466,686 | \$ 672,851 |

STATEMENTS OF CASH FLOW (Unaudited)

| | Three months ended March 31 | |
|--|--------------------------------|-----------|
| | 2015 | 2014 |
| | (000's) | |
| Net inflow (outflow) of cash related to the following activities: | | |
| Operating | | |
| Net income | \$ 25,050 | \$ 13,085 |
| Adjustments for: | | |
| Fair value change in net investments | (26,151) | (11,549) |
| Purchases of investments | (12,261) | (4,853) |
| Proceeds from sale of investments | 17,808 | 2,725 |
| Dividends and interest receivable | (300) | (320) |
| Deferred taxes | 3,546 | 1,620 |
| Net change in other assets and liabilities | 2,351 | (1,307) |
| | 10,043 | (599) |
| Financing | | |
| Dividends paid to shareholders | (5,110) | (40,432) |
| Net increase (decrease) in cash and cash equivalents | 4,933 | (41,031) |
| Cash and cash equivalents at beginning of the period | 8,786 | 49,693 |
| Cash and cash equivalents at end of the period | \$ 13,719 | \$ 8,662 |
| Additional information for operating activities: | | |
| Interest received | \$ 29 | \$ 142 |
| Dividends received, net of withholding taxes | 2,932 | 2,526 |
| Income taxes paid | 141 | 117 |

(See accompanying notes)

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

1. Description of Company and summary of operations

Economic (“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 interim condensed financial statements are presented in Canadian dollars. These interim condensed financial statements were approved by the Company’s Board of Directors on May 5, 2015.

2. Basis of presentation

These unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 - Interim Financial Reporting as issued by the International Accounting Standards Board and follow the same accounting policies and methods as the most recent annual financial statements. These unaudited interim condensed financial statements do not include all of the disclosures required under International Financial Reporting Standards for annual financial statements and should be read in conjunction with the notes to the Company’s audited financial statements for the year ended December 31, 2014.

3. Critical accounting estimates and judgments

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

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. 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.

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.

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

4. 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 March 31, 2015, the Company had \$632,966,000 (December 31, 2014 - \$608,701,000) of Level 1 and \$122,202,000 (December 31, 2014 - \$125,862,000) of Level 3 equity investments. During the quarter, there were no transfers between Level 1, 2 or 3 equity investments.

5. Fair value change in investments

The fair value change in investments is comprised as follows:

| | Three months ended March 31 | |
|-----------------------------------|--------------------------------|------------------|
| | 2015 | 2014 |
| | (000's) | |
| Net realized gain | \$ 5,066 | \$ 1,118 |
| Change in unrealized appreciation | 21,085 | 10,431 |
| | <u>\$ 26,151</u> | <u>\$ 11,549</u> |

6. Related party information

The Company has investments in related parties with fair values of \$412,609,000 (December 31, 2014 - \$426,444,000). The ultimate controlling party of the Company and of its related parties is The Honourable Henry N.R. Jackman together with a trust created in 1969 by his father, Henry R. Jackman.

7. Subsequent event

Common Share dividends of \$0.15 per Common Share were declared by the Board of Directors at its meeting on May 5, 2015, with a record and payable date of June 15, 2015 and June 30, 2015, respectively.

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2015 (Unaudited)

| Number of shares | | Cost | Carrying value | % of Carrying value |
|----------------------|--|----------------|-------------------|---------------------------|
| | | (000's) | | |
| North America | | | | |
| Canada | | | | |
| 2,126,380 | Algoma Central Corporation ² | \$ 2,974 | \$ 35,511 | |
| 157,200 | Cenovus Energy Inc. | 3,992 | 3,356 | |
| 386,206 | E-L Financial Corporation Limited ² | 26,116 | 254,896 | |
| 33,101 | Ecando Investments Limited Classes A, B and common ^{2, 3} | 4,139 | 54,987 | |
| 176,414 | The Fulcrum Investment Company Limited ^{2, 3} | 464 | 13,598 | |
| 216,900 | NVG Holdings Limited Classes B, C, D, E and common ^{1, 2, 3} | 2,115 | 41,672 | |
| 4,837 | TGV Holdings Limited Class B ^{1, 2, 3, 4} | 318 | 11,945 | |
| | | <u>40,118</u> | <u>415,965</u> | 55.1 |
| United States | | | | |
| 111,180 | Allison Transmission Holdings Inc. | 3,402 | 4,504 | |
| 93,108 | AmerisourceBergen Corporation | 3,846 | 13,423 | |
| 52,406 | Apple Inc. | 4,240 | 8,270 | |
| 2,983 | AutoZone, Inc. | 2,562 | 2,581 | |
| 217,622 | Babcock & Wilcox Company (The) | 7,415 | 8,857 | |
| 203,876 | BB&T Corporation | 7,080 | 10,082 | |
| 33,993 | Becton, Dickinson and Company | 2,716 | 6,191 | |
| 199,703 | Cisco Systems, Inc. | 3,867 | 6,972 | |
| 85,497 | Equifax, Inc. | 4,232 | 10,085 | |
| 40,607 | Humana, Inc. | 3,598 | 9,168 | |
| 63,666 | Jacobs Engineering Group Inc. | 3,333 | 3,647 | |
| 81,281 | Johnson & Johnson | 5,723 | 10,371 | |
| 191,966 | Leucadia National Corporation | 5,303 | 5,427 | |
| 83,001 | Lorillard, Inc. | 3,348 | 6,879 | |
| 60,676 | McDonalds Corporation | 6,265 | 7,499 | |
| 132,844 | Microsoft Corporation | 4,790 | 6,850 | |
| 84,290 | Northern Trust Corporation | 4,024 | 7,446 | |
| 80,735 | Occidental Petroleum Corporation | 6,978 | 7,475 | |
| 174,683 | Oracle Corporation | 5,785 | 9,560 | |
| 61,609 | PepsiCo, Inc. | 4,579 | 7,472 | |
| 97,778 | Philip Morris International Inc. | 9,027 | 9,342 | |
| 26,995 | Procter & Gamble Company (The) | 1,860 | 2,805 | |
| 71,116 | Union Pacific Corporation | 5,728 | 9,769 | |
| 71,732 | United Technologies Corporation | 6,475 | 10,663 | |
| 111,340 | Walgreen Boots Alliance Inc. | 6,552 | 11,958 | |
| | | <u>122,728</u> | <u>197,296</u> | 26.1 |
| | Total North America | <u>162,846</u> | <u>613,261</u> | 81.2 |

- continued -

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2015 (continued) (Unaudited)

| Number of shares | | Cost | Carrying value | % of Carrying value |
|---------------------|---|-------------------|-------------------|---------------------------|
| | | (000's) | | |
| | Latin America | | | |
| 1,311,683 | Quinenco S.A.,..... | \$ 3,893 | \$ 3,410 | 0.5 |
| | Europe, excluding United Kingdom | | | |
| 108,878 | Colruyt S.A..... | 5,583 | 6,013 | |
| 72,267 | Deutsche Boerse AG | 4,146 | 7,493 | |
| 71,153 | Hannover Rueckversicherung AG | 4,803 | 9,321 | |
| 89,484 | Heineken Holding N.V..... | 4,152 | 7,814 | |
| 95,966 | Henkel AG & Co. KGaA | 5,863 | 12,561 | |
| 52,967 | Nestle S.A..... | 3,430 | 5,076 | |
| 76,585 | Novartis AG..... | 4,941 | 9,614 | |
| 88,040 | Publicis Groupe | 5,211 | 8,615 | |
| 13,536 | Roche Holding AG | 2,330 | 4,738 | |
| | | <u>40,459</u> | <u>71,245</u> | 9.4 |
| | United Kingdom | | | |
| 168,589 | British American Tobacco plc..... | 9,246 | 11,077 | |
| 158,738 | Imperial Tobacco Group plc..... | 5,770 | 8,858 | |
| 924,735 | Sage Group plc (The) | 5,147 | 8,128 | |
| 147,051 | Unilever plc..... | 5,597 | 7,796 | |
| | | <u>25,760</u> | <u>35,859</u> | 4.7 |
| | Asia | | | |
| 45,000 | Benesse Holdings, Inc..... | 2,068 | 1,798 | |
| 71,500 | Canon Inc. | 2,416 | 3,211 | |
| 16,800 | Hirose Electric Co., Ltd..... | 1,737 | 2,759 | |
| 69,900 | Kao Corporation..... | 1,990 | 4,433 | |
| 5,400 | Keyence Corporation | 1,416 | 3,745 | |
| 15,400 | Nintendo Co., Ltd..... | 1,694 | 2,877 | |
| 27,800 | Shimano, Inc..... | 2,026 | 5,253 | |
| 40,000 | Shin-Etsu Chemical Co., Ltd..... | 2,428 | 3,319 | |
| 120,000 | Unicharm Corporation..... | 2,290 | 3,998 | |
| | | <u>18,065</u> | <u>31,393</u> | 4.2 |
| | Total investments | <u>\$ 251,023</u> | <u>\$ 755,168</u> | <u>100.0</u> |

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.

Economic Investment Trust Limited

CORPORATE INFORMATION

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CUSTODIAN

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TRANSFER AGENT AND REGISTRAR

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TORONTO STOCK EXCHANGE LISTING

Common Shares, ticker symbol EVT

NET EQUITY VALUE

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

