Economic Investment Trust Limited

SECOND QUARTER REPORT
JUNE 30, 2008

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Section 4.3(3)(a) of National Instrument 51-102, *Continuous Disclosure Obligations*, provides that if an auditor has not performed a review of the interim financial statements, the interim financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

signed "Duncan N.R. Jackman"

Duncan N.R. Jackman
Chairman and President

signed "Frank J. Glosnek"

Frank J. Glosnek
Treasurer

August 6, 2008

Economic Investment Trust Limited

THE PERIOD AT A GLANCE
(Unaudited)

	As at June 30 2008 [1]		As at Dec. 31 2007 [1]	
Net equity value per Common Share [2]	**$**	**104.96**	$	113.22
Net assets	**$**	**589,785**	$	636,214
Number of Common Shares outstanding at period end		**5,615,535**		5,615,535

	Six months ended June 30			
	2008 [1]		2007 [1]	
Net investment income per Common Share [2]	**$**	**1.06**	$	0.82
Dividends per Common Share	**$**	**0.30**	$	0.30
Increase (decrease) in net assets from operations per Common Share	**$**	**(8.00)**	$	4.01
Investment income	**$**	**9,388**	$	7,816
Net investment income	**$**	**5,989**	$	4,591

[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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the unaudited operating results and financial condition of Economic Investment Trust Limited ("Economic" or the "Company") for the second quarter of 2008 should be read in conjunction with the MD&A for the year ended December 31, 2007, the Company's annual audited financial statements, the notes relating thereto, the supplementary financial information included in the Company's Annual Report, the quarterly unaudited financial statements and notes contained in this report, as well as the Company's MD&A and unaudited interim financial statements for the previous quarter of 2008. The unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The financial statements do not include all of the disclosures required under GAAP for annual financial statements. 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, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

Overview

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

The majority of the investment portfolio is managed by Sanford C. Bernstein & Co. LLC ("Bernstein"), a wholly-owned subsidiary of AllianceBernstein L.P. Bernstein is a global investment manager that commenced operations in 1967. At the end of the quarter, excluding the Emerging Markets Investors Fund (which represents 0.3% of the portfolio), Bernstein managed all of the foreign equities in the portfolio. Bernstein is allowed to hedge the foreign currency exposure of any non-Canadian investment that it manages.

As at June 30, 2008, the Company managed virtually all of the Canadian equities in the portfolio. The performance of this portion of the portfolio is primarily derived from investments in E-L Financial Corporation Limited ("E-L Financial") and, to a lesser extent, Algoma Central Corporation ("Algoma") and The Bank of Nova Scotia. E-L Financial, Algoma and the Company can be significantly influenced by the same party. In management's view, these long-term investments are consistent with the Company's investment strategy and contribute to achieving the investment objective. Further related party information is provided in Note 8 to the financial statements in the 2007 Annual Report and in the statement of investments.

Investment Strategy

The objective of the Company is to earn an above-average rate of return primarily through long-term capital appreciation and dividend income. The equity investments in the portfolio currently reflect investment opportunities all over the world.

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

As the Company's investment philosophy is focused on long-term capital appreciation and dividend income, short-term volatility is expected and tolerated. Management remains confident that the Company's investment strategy will reward shareholders over the long term.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Use of Non-GAAP Measures

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

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

	June 30 2008	December 31 2007
Net assets, at fair value	$ 589,785	$ 636,214
Deduct:		
Cost of redemption of Preferred Shares Series A	404	404
Net equity value	$ 589,381	$ 635,810
Common Shares outstanding	5,615,535	5,615,535
Net equity value per Common Share	$ 104.96	$ 113.22

Net investment income per Common Share is calculated as follows:

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Increase (decrease) in net assets from operations per Common Share	$ (0.42)	$ 1.88	$ (8.00)	$ 4.01
Less: Net gain on investments per Common Share	—	1.35	—	3.19
	(0.42)	0.53	(8.00)	0.82
Add: Net loss on investments per Common Share	1.09	—	9.06	—
Net investment income per Common Share	$ 0.67	$ 0.53	$ 1.06	$ 0.82

Market Review

Global stock market returns varied greatly in the quarter ended June 30, 2008. A few commodity-based markets posted strong returns whereas most markets were driven down by deteriorating economic prospects. In Canadian dollar terms, in the second quarter of 2008, the S&P/TSX Composite Index increased 9.1%, the MSCI World Index decreased 2.6% and the S&P 500 Index declined 3.6%. On a year-to-date basis, the S&P/TSX Composite Index increased 6.0%, the MSCI World Index decreased 7.8% and the S&P 500 Index decreased 9.2%.

For the quarter ended June 30, 2008, the Company's net equity value per Common Share decreased to $104.96 from $105.51 at March 31, 2008, a decline of 0.4% (based on the reinvestment of dividends at month-end net equity values). On a year-to-date basis, the net equity value per Common Share decreased to $104.96 from $113.22 at December 31, 2007, a decline of 7.0% (based on the reinvestment of dividends at month-end net equity values). As the Company is a taxable Canadian corporation, a provision for future income taxes is recorded on the unrealized appreciation of investments. Future income taxes are recorded as a liability on the balance sheet.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Accounting Changes

Effective January 1, 2008, the Company adopted Section 1535, "Capital Disclosures", as issued by the Canadian Institute of Chartered Accountants. This section requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate the entity's objectives, policies and processes for managing capital. The Company also adopted Section 3862, "Financial Instruments – Disclosures", and Section 3863, "Financial Instruments – Presentation". These sections replace Section 3861, "Financial Instruments – Disclosure and Presentation", revising and enhancing disclosure requirements, and carrying forward unchanged presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. These standards impact the Company's disclosures provided but do not affect the Company's results.

Operating Results

Net investment income

The Company's net investment income in the second quarter of 2008 was $3,811,000 compared to 2007 net investment income of $2,951,000. On a year-to-date basis, the net investment income increased 30.5% to $5,989,000 in 2008 from $4,591,000 in 2007. On a per Common Share basis, net investment income for the quarter increased to $0.67 in 2008 from $0.53 in 2007 and on a year-to-date basis increased to $1.06 in 2008 from $0.82 in 2007.

Foreign dividend income in the second quarter increased to $4,988,000 in 2008 from $4,149,000 in 2007 and increased to $7,769,000 in 2008 from $6,383,000 in 2007 on a year-to-date basis. Canadian dividend income in the second quarter increased to $708,000 in 2008 from $619,000 in 2007 and increased on a year-to-date basis to $1,390,000 in 2008 from $1,238,000 in 2007. The increases were due in part to stock selection year over year as well as some foreign and Canadian investees increasing their dividend payout compared to prior periods. Interest income, including securities lending income, in the second quarter amounted to $180,000 in 2008 compared to $148,000 in 2008 and increased to $229,000 in 2008 from $195,000 in 2007 on a year-to-date basis.

Operating expenses in the quarter amounted to $502,000 (2007 - $599,000) and $1,081,000 (2007 - $1,281,000) on a year-to-date basis. The decline in expenses from the prior periods was due mainly to a decrease in investment management and administrative costs related to lower average net assets managed compared to prior periods.

Net gain (loss) on investments

The Company realized a net loss on investments and forward currency contracts of $6,286,000 in the second quarter of 2008 versus a net gain of $15,381,000 in 2007. On a year-to-date basis, the net loss on investments sold was $921,000 in 2008 compared to a net gain of $19,734,000 for the prior year. The largest contributors to the net realized loss during the quarter were the sale of Citigroup Inc. and XL Capital Ltd. and the maturity of forward currency contracts. These losses were partially offset by a favourable close out of the Company's position in Posco.

The Company's unrealized appreciation of investments increased by $223,000 in the quarter compared to a decline of $7,645,000 in the same period last year. On a year-to-date basis, unrealized appreciation of investments decreased by $49,817,000 (2007 - decrease of $1,642,000). On a year-to-date basis, the global portfolio has been impacted by a general global slowdown and from continued credit-related issues experienced in the financial services sector. In particular, the global equities having the greatest negative dollar impact on the Company's portfolio year to date were American International Group, Inc., HBOS plc, and Renault SA. E-L Financial had the largest impact on the year-to-date decline in the Canadian portion of the portfolio.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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):

	June 30 2008	March 31 2008	Dec. 31 2007	Sept. 30 2007	June 30 2007	March 31 2007	Dec. 31 2006	Sept. 30 2006
Investment income	**$ 5,876**	$ 3,512	$ 2,579	$ 2,979	$ 4,916	$ 2,900	$ 2,215	$ 2,767
Increase (decrease) in net assets from operations	**$ (2,335)**	$(42,558)	$(39,415)	$(30,716)	$ 10,599	$ 11,952	$ 68,344	$ 7,813
Increase (decrease) in net assets from operations per share [1]	**$ (0.42)**	$ (7.58)	$ (7.02)	$ (5.47)	$ 1.88	$ 2.13	$ 12.17	$ 1.39

[1] Net of dividends on preferred shares

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 are also occasions when investments pay special dividends.

The returns of the portfolio may fluctuate significantly as illustrated by the quarterly returns provided above. The returns will not necessarily correlate with the various benchmark returns.

Share Data

At June 30, 2008, there are 5,615,535 Common Shares issued and outstanding and each share is entitled to one vote. There are 7,700 5% Cumulative Preferred Shares Series A issued and outstanding.

Liquidity and Capital Resources

Quarterly dividends were paid on the Common Shares and Preferred Shares Series A. The quarterly per share dividend was $0.15 on the Common Shares and $0.625 on the Preferred Shares Series A and the corresponding year-to-date amounts were $0.30 and $1.25 respectively. The payment of the Company's quarterly dividends is funded by net investment income. For the quarter ended June 30, 2008, net investment income was $3,811,000 as compared to dividend payments of $847,000. On a year-to-date basis, net investment income of $5,989,000 exceeded dividend payments of $1,694,000.

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board of the CICA confirmed that IFRS will replace Canadian GAAP for publicly accountable enterprises for fiscal years beginning on or after January 1, 2011. As a result, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of 2011 for which current and comparative information will be prepared on an IFRS basis. In light of these requirements, the Company has developed an IFRS transition project plan.

The Company's project plan includes four phases: analysis, design and planning, solution development and implementation. The project timeline anticipates completing the analysis phase early in 2009.

At this point in the project, the Company is not able to reasonably estimate the financial reporting impact of the transition to IFRS.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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.

Duncan N.R. Jackman
Chairman and President

August 6, 2008

STATEMENT OF NET ASSETS
(Unaudited)

	June 30 2008	December 31 2007
	(000's)	
Assets		
Investments, at fair value (cost - $364,233; December 31, 2007 - $364,062)	**$ 615,449**	$ 674,449
Cash	**5,860**	5,519
Receivable in respect of investments sold	**840**	575
Accrued income on investments	**534**	618
Income taxes receivable	**3,508**	—
Other assets	**124**	123
	626,315	681,284
Liabilities		
Accounts payable and accrued liabilities	**226**	337
Payable in respect of investments purchased	**1,530**	505
Income taxes payable	**—**	11
Future income taxes	**34,774**	44,217
	36,530	45,070
Net assets, at fair value	**$ 589,785**	$ 636,214
Shareholders' Equity		
Capital stock	**$ 205,076**	$ 205,076
Contributed surplus	**1,492**	1,492
Unrealized appreciation of investments	**216,567**	266,384
Retained earnings	**166,650**	163,262
Total shareholders' equity	**$ 589,785**	$ 636,214

(See accompanying notes)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2008	2007	**2008**	2007
		(000's)		
INVESTMENT INCOME				
Dividends:				
Foreign	**$ 4,988**	$ 4,149	**$ 7,769**	$ 6,383
Canadian	**708**	619	**1,390**	1,238
	5,696	4,768	**9,159**	7,621
Interest, including securities lending income	**180**	148	**229**	195
	5,876	4,916	**9,388**	7,816
Expenses:				
Investment management and administrative costs	**373**	451	**747**	918
Directors' and officers' remuneration	**32**	29	**54**	51
Office and miscellaneous	**30**	43	**130**	136
Transfer, registrar and custodial agents' fees	**54**	66	**115**	142
Professional fees	**13**	10	**35**	34
	502	599	**1,081**	1,281
Investment income before income taxes	**5,374**	4,317	**8,307**	6,535
Income taxes	**1,563**	1,366	**2,318**	1,944
NET INVESTMENT INCOME	**3,811**	2,951	**5,989**	4,591
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized gain (loss) on investments	**(6,286)**	15,381	**(921)**	19,734
Net change in unrealized appreciation of investments	**223**	(7,645)	**(49,817)**	(1,642)
Transaction costs on purchase and sale of investments	**(83)**	(88)	**(144)**	(132)
NET GAIN (LOSS) ON INVESTMENTS	**(6,146)**	7,648	**(50,882)**	17,960
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	**$ (2,335)**	$ 10,599	**$ (44,893)**	$ 22,551
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	**$ (0.42)**	$ 1.88	**$ (8.00)**	$ 4.01

(See accompanying notes)

STATEMENT OF RETAINED EARNINGS
(Unaudited)

	Six months ended June 30	
	2008	2007
	(000's)	
BEGINNING OF PERIOD	**$ 163,262**	$ 125,291
Add (deduct):		
Net investment income	**5,989**	4,591
Net realized gain (loss) on investments	**(921)**	19,734
Refundable dividend taxes recovered	**565**	565
	168,895	150,181
Deduct:		
Dividends	**1,694**	1,694
Provision for refundable dividend taxes	**407**	380
Transaction costs on purchase and sale of investments	**144**	132
	2,245	2,206
END OF PERIOD	**$ 166,650**	$ 147,975

STATEMENT OF CHANGES IN NET ASSETS
(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2008	2007	**2008**	2007
		(000's)		
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	**$ (2,335)**	$ 10,599	**$ (44,893)**	$ 22,551
DIVIDENDS TO SHAREHOLDERS				
Preferred Shares Series A	**(4)**	(4)	**(9)**	(9)
Common Shares	**(843)**	(843)	**(1,685)**	(1,685)
	(847)	(847)	**(1,694)**	(1,694)
TAXATION CHANGES				
Net decrease in refundable dividend taxes on hand	**78**	86	**158**	185
INCREASE (DECREASE) IN NET ASSETS	**(3,104)**	9,838	**(46,429)**	21,042
NET ASSETS, BEGINNING OF PERIOD	**592,889**	697,984	**636,214**	686,780
NET ASSETS, END OF PERIOD	**$ 589,785**	$ 707,822	**$ 589,785**	$ 707,822

(See accompanying notes)

STATEMENT OF NET REALIZED GAIN (LOSS) ON INVESTMENTS
(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2008	2007	**2008**	2007
		(000's)		
Proceeds on sales of investments	**$ 35,966**	$ 38,260	**$ 65,060**	$ 60,674
Cost of investments, beginning of period	**363,685**	330,741	**364,062**	326,695
Cost of investments purchased during the period	**44,102**	34,665	**66,387**	55,760
	407,787	365,406	**430,449**	382,455
Cost of investments, end of period	**364,233**	345,836	**364,233**	345,836
Cost of investments sold during the period	**43,554**	19,570	**66,216**	36,619
Realized gain (loss) on investments sold before income taxes	**(7,588)**	18,690	**(1,156)**	24,055
Provision for (recovery of) income taxes on realized net taxable capital gains (losses)	**(1,302)**	3,309	**(235)**	4,321
Net realized gain (loss) on investments	**$ (6,286)**	$ 15,381	**$ (921)**	$ 19,734

(See accompanying notes)

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2008
(Unaudited)

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
	North America			
	Canada			
212,638	Algoma Central Corporation [2]	$ 2,974	$ 27,909	
341,806	E-L Financial Corporation Limited [2]	6,790	184,582	
33,101	Ecando Investments Limited Classes A, B and common [2, 3]	4,139	44,095	
176,414	The Fulcrum Investment Company Limited [2, 3]	464	11,179	
2,900	Nortel Networks Limited	—	24	
216,900	NVG Holdings Limited Classes B, C, D, E and common [1, 2, 3]	2,115	31,464	
67,200	Petro-Canada	3,120	3,814	
4,837	TGV Holdings Limited Class B [1, 2, 3, 4]	318	8,848	
		19,920	311,915	50.7
	United States			
156,900	Altria Group, Inc.	3,233	3,279	
275,600	American International Group, Inc.	12,252	7,420	
19,000	Black & Decker Corporation	1,741	1,138	
223,000	CBS Corporation	6,901	4,418	
124,300	Chevron Corporation	9,287	12,542	
124,500	ConocoPhillips	7,185	11,956	
133,800	Dow Chemical Company (The)	6,355	4,752	
64,700	Fannie Mae	4,868	1,285	
93,600	Freddie Mac	6,957	1,560	
53,200	Hartford Financial Services Group, Inc.	4,300	3,492	
239,200	JPMorgan Chase & Co.	11,067	8,369	
91,500	Kroger Co. (The)	2,095	2,688	
38,000	Lehman Brothers Holdings Inc.	1,080	761	
146,600	Macy's, Inc.	6,626	2,894	
62,700	McKesson Corp.	3,954	3,566	
49,000	Merrill Lynch & Co., Inc.	3,921	1,582	
45,000	Metlife, Inc.	1,672	2,414	
55,400	Morgan Stanley	2,517	2,033	
46,500	Northrop Grumman Corporation.	3,700	3,171	
396,800	Pfizer Inc.	10,311	7,057	
100,200	Philip Morris International Inc.	4,664	5,037	
214,100	Sprint Nextel Corporation	6,048	2,067	
220,300	Time Warner Inc.	4,919	3,310	
		125,653	96,791	15.7
	Total North America	145,573	408,706	66.4

- continued -

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2008 (continued)
(Unaudited)

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
	Latin America			
131,200	Companhia Vale do Rio Doce ADR	$ 3,631	$ 3,976	0.6
	Europe, excluding United Kingdom			
72,700	Air France-KLM	2,741	1,777	
37,450	Allianz SE	9,143	6,714	
60,410	ArcelorMittal	2,391	6,085	
108,000	BASF SE	6,528	7,546	
33,600	BNP Paribas SA	3,295	3,101	
57,360	Credit Agricole S.A.	1,716	1,194	
117,600	Credit Suisse Group	5,540	5,511	
38,300	Deutsche Bank AG	5,625	3,342	
165,000	Deutsche Lufthansa AG	3,244	3,621	
28,000	E.ON AG	3,347	5,746	
136,500	ENI S.p.A.	3,307	5,178	
29,200	Fondiaria - Sai S.p.A.	1,389	986	
10,900	Fondiaria - Sai S.p.A.-RNC	398	243	
250,500	Fortis Group	7,743	4,083	
157,700	ING Groep N.V.	5,589	5,123	
30,800	Koninklijke DSM NV	1,715	1,846	
36,600	Lukoil	3,392	3,676	
12,400	Michelin Cie Class B	1,317	908	
31,000	Muenchener Rueckversicherungs-Gesellschaft AG	4,856	5,523	
63,500	Renault SA	6,873	5,306	
62,330	Sanofi-Aventis	4,727	4,241	
12,000	Solvay SA	1,711	1,613	
122,650	Statoilhydro ASA	3,603	4,658	
225,500	Stora Enso Oyj	3,902	2,156	
26,900	Total SA	2,350	2,338	
49,550	Xstrata PLC	870	4,040	
		97,312	96,555	15.7
	United Kingdom			
413,946	Aviva PLC	4,667	4,205	
108,900	GlaxoSmithKline plc	2,519	2,456	
471,840	HBOS plc	7,067	2,640	
188,736	HBOS plc - NPR	—	41	
1,027,739	Royal Bank of Scotland Group PLC (The)	8,725	4,476	
265,800	Royal Dutch Shell PLC	10,509	11,139	
1,715,950	Vodafone Group Plc	4,910	5,188	
		38,397	30,145	4.9
	Asia			
593,100	Asustek Computer Inc., warrants	1,619	1,643	
840,000	Bank Hapoalim Ltd.	2,526	3,765	
1,342,000	China Netcom Group Corporation (Hong Kong) Limited	2,652	3,725	
4,392,000	China Petroleum & Chemical Corporation (Sinopec)	2,588	4,183	

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STATEMENT OF INVESTMENTS AS AT JUNE 30, 2008 (continued)
(Unaudited)

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
	Asia (continued)			
721,720	Compal Electronics Inc.	$ 4,816	$ 3,690	
31,463	Emerging Markets Investors Fund [3]	1,906	2,073	
484,000	Fujitsu Limited	3,398	3,645	
105,800	Hynix Semiconductor Inc.	4,081	2,558	
41,760	Hyundai Mobis	4,428	3,417	
101,200	JFE Holdings, Inc.	3,484	5,165	
51,200	Kookmin Bank	2,077	3,079	
287,500	Mitsubishi Chemical Holdings Corporation	2,671	1,699	
383,000	Mitsui Chemicals Inc.	3,267	1,918	
288,000	Mitsui O.S.K. Lines, Ltd.	2,919	4,172	
1,000,400	Nissan Motor Co., Ltd.	10,903	8,358	
30,830	Orix Corporation	6,106	4,484	
5,110	Samsung Electronics Co., Ltd.	3,166	3,088	
1,900	Samsung Electronics Co., Ltd. Pfd.	842	824	
213,000	Sharp Corporation	4,096	3,519	
494	Sumitomo Mitsui Financial Group, Inc.	3,632	3,772	
78,800	Tokyo Electric Power Co. Inc.	1,865	2,060	
1,628,306	United Microelectronics Corporation ADR.	6,278	4,876	
		79,320	75,713	12.3
	Total equities	364,233	615,095	99.9
	Forward currency contracts, net Schedule 1	—	354	0.1
	Total investments	$ 364,233	$ 615,449	100.0

[1] The net assets of NVG Holdings Limited and TGV Holdings Limited are invested primarily in the shares of The Bank of Nova Scotia.
[2] These companies and Economic can be significantly influenced by the same party.
[3] Not listed on a stock exchange.
[4] Subject to direct significant influence by the Company.

Schedule 1 - Forward currency contracts, net

Forward contracts to sell foreign currencies for Canadian dollars:

Par value	Currency	Number of contracts	Contract rates	Settlement date	Unrealized gain (loss)
(in millions)					(000's)
58.4	USD	3	1.0094 - 1.0235	Sept. 16, 2008	$ 536
9.7	GBP	2	1.99 - 2.00	Sept. 16, 2008	(190)
3,945.8	JPY	4	0.01	Sept. 16, 2008	8
					$ 354

The counterparty currently has an approved credit rating equivalent to A-1+.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

Summary of significant accounting policies

1. Basis of presentation

The accompanying unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) and follow the same accounting policies and methods as the most recent annual financial statements, except as noted below, and should be read in conjunction with the notes to the Company’s audited financial statements for the year ended December 31, 2007. The financial statements do not include all of the disclosures required under GAAP for annual financial statements.

Effective January 1, 2008, the Company adopted Section 1535, “Capital Disclosures”, as issued by the Canadian Institute of Chartered Accountants. This section requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate the entity’s objectives, policies and processes for managing capital. This disclosure is provided in Note 2 to these interim financial statements. The Company also adopted Section 3862, “Financial Instruments – Disclosures”, and Section 3863, “Financial Instruments – Presentation”. These sections replace Section 3861, “Financial Instruments – Disclosure and Presentation”, revising and enhancing disclosure requirements, and carrying forward unchanged presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. These standards impact the Company’s disclosures provided but do not affect the Company’s results or financial statements. These disclosures are provided in Note 3 to these interim financial statements.

2. Capital

The Company’s capital is comprised of shareholders’ equity which is invested primarily in common equities on a global basis. The Company’s strategy is to earn net investment income, net realized gains and appreciation on investments. The Company aims to manage its capital in order to provide an adequate return to its shareholders over the long term.

The Company monitors its capital via its assessment of shareholders’ equity. The current period and prior year-end amounts were as follows:

	June 30 2008	December 31 2007
	(000’s)	
Shareholders’ equity	$ 589,785	$ 636,214

NOTES TO FINANCIAL STATEMENTS (continued)
(Unaudited)

3. Risk management of financial instruments

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

Credit risk

Credit risk is the risk of financial loss resulting from a counterparty's failure to discharge an obligation. The Company is exposed to credit risk associated with its securities lending program with its custodian, RBC Dexia Investor Services Trust, as its lending agent. The Company is also exposed to counterparty risk associated with forward currency contracts. The Company reviews the credit worthiness of the counterparties on an ongoing basis.

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.

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 foreign currency risk, interest rate risk and other price risk.

The Company is subject to insignificant interest rate risk as its only fixed-interest investments are short term in nature. The Company's exposure to foreign currency risk may be mitigated by the use of forward currency contracts by the investment manager. The other price risk of the portfolio is the volatility and risk of capital loss which is associated with investments in equities, which is partly mitigated through diversification.

The impact on net assets from operations of a reasonably possible change in each of foreign currency and other price risk, as at June 30, 2008, is described below:

- Foreign currency – The primary foreign currency exposure is the US dollar. A 10% fluctuation in the unhedged USD would have an impact of approximately $9,814,000 on net assets from operations. There are forward currency contracts in place that reduce the impact to approximately $4,813,000.
- Other price risk – A 10% fluctuation in market prices would have an impact of approximately $52,158,000 on net assets from operations.

CORPORATE INFORMATION

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

TORONTO STOCK EXCHANGE LISTINGS

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

NET EQUITY VALUE

The Company's net equity value per 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 complaints or concerns regarding accounting or auditing matters.

WEBSITE	www.evt.ca