Economic Investment Trust Limited

THIRD QUARTER REPORT
SEPTEMBER 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

November 4, 2008

THE PERIOD AT A GLANCE
(Unaudited)

		As at Sept. 30 2008 [1]		As at Dec. 31 2007 [1]
Net equity value per Common Share [2]	**$**	**90.80**	$	113.22
Net assets	**$**	**510,304**	$	636,214
Number of Common Shares outstanding at period end		**5,615,535**		5,615,535

	Nine months ended September 30			
		2008 [1]		2007 [1]
Net investment income per Common Share [2]	**$**	**1.35**	$	1.13
Dividends per Common Share	**$**	**0.45**	$	0.45
Decrease in net assets from operations per Common Share	**$**	**(22.02)**	$	(1.46)
Investment income	**$**	**11,877**	$	10,795
Net investment income	**$**	**7,575**	$	6,380

[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 third 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 quarters 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 foreign equitities in 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 September 30, 2008, the Company managed virtually all of the Canadian equities in the portfolio. The performance of this portion of the portfolio is derived primarily 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 objective 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):

	Sept. 30 2008	Dec. 31 2007
Net assets, at fair value	**$ 510,304**	$ 636,214
Deduct:		
Cost of redemption of Preferred Shares Series A	**404**	404
Net equity value	**$ 509,900**	$ 635,810
Common Shares outstanding	**5,615,535**	5,615,535
Net equity value per Common Share	**$ 90.80**	$ 113.22

Net investment income per Common Share is calculated as follows:

	Three months ended September 30		**Nine months ended September 30**	
	2008	2007	**2008**	2007
Decrease in net assets from operations per Common Share	**$ (14.02)**	$ (5.47)	**$ (22.02)**	$ (1.46)
Add: Net loss on investments per Common Share	**14.31**	5.78	**23.37**	2.59
Net investment income per Common Share	**$ 0.29**	$ 0.31	**$ 1.35**	$ 1.13

Market Review

Global stock markets were extremely volatile during the quarter. In particular a significant deterioration in banking and financial services sectors and concerns of much slower global economic growth negatively impacted many sectors. In Canadian dollar terms, in the third quarter of 2008, the S&P/TSX Composite Index decreased 18.2%, the MSCI World Index declined 11.8% and the S&P 500 Index decreased 4.7%. On a year-to-date basis, the S&P/TSX Composite Index declined 13.3%, the MSCI World Index decreased 18.7% and the S&P 500 Index declined 13.4%.

For the quarter ended September 30, 2008, the Company's net equity value per Common Share, (based on the reinvestment of dividends at month-end net equity values), decreased to $90.80 from $104.96 at June 30, 2008, a decline of 13.3%. On a year-to-date basis, the net equity value per Common Share decreased to $90.80 from $113.22 at December 31, 2007, a decline of 19.4%. 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 Handbook 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 Handbook Section 3862, “Financial Instruments – Disclosures”, and Handbook Section 3863, “Financial Instruments – Presentation”. These sections replace Handbook 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 third quarter of 2008 was $1,586,000 compared to net investment income of $1,789,000 in the prior year. On a year-to-date basis, net investment income increased 18.7% to $7,575,000 in 2008 from $6,380,000 in 2007. On a per Common Share basis, net investment income for the quarter declined slightly to $0.29 in 2008 from $0.31 in 2007 and on a year-to-date basis increased to $1.35 in 2008 from $1.13 in 2007.

Foreign dividend income in the third quarter decreased to $1,715,000 in 2008 from $2,217,000 in 2007 and increased to $9,484,000 in 2008 from $8,600,000 in 2007 on a year-to-date basis. Canadian dividend income in the third quarter increased to $712,000 in 2008 from $660,000 in 2007 and increased on a year-to-date basis to $2,102,000 in 2008 from $1,898,000 in 2007. The year-to-date 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 third quarter amounted to $62,000 in 2008 compared to $102,000 in 2007 and declined to $291,000 in 2008 from $297,000 in 2007 on a year-to-date basis. During the quarter, the Company suspended its securities lending activities due to concerns of potential counterparty risk in the current economic environment.

Expenses in the quarter amounted to $463,000 (2007 - $593,000) and $1,544,000 (2007 - $1,874,000) on a year-to-date basis. The decline in expenses from the prior periods was due primarily 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 the sale of investments, including the maturity of forward currency contracts, of $20,005,000 in the third quarter of 2008 versus a net gain of $1,472,000 in 2007. On a year-to-date basis, the net loss on investments sold was $20,926,000 in 2008 compared to a net gain of $21,206,000 for the prior year. The largest contributors to the net realized loss during the quarter were the sale of Freddie Mac, Fannie Mae, Fortis Group and Merrill Lynch & Co., Inc. and the maturity of forward currency contracts.

The Company’s unrealized appreciation of investments decreased by $60,239,000 during the quarter compared to a decline of $33,941,000 in the same period last year. On a year-to-date basis, unrealized appreciation of investments decreased by $110,056,000 (2007 - decrease of $35,583,000). On a year-to-date basis, the portfolio has been impacted by the fallout from the deterioration in the banking and financial services sectors and from a general global economic slowdown. In particular, the global equities having the greatest negative dollar impact year to date were American International Group, Inc., HBOS plc, Royal Bank of Scotland Group PLC and other banking and financial services investments. E-L Financial and Algoma 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):

	Sept. 30 2008	June 30 2008	March 31 2008	Dec. 31 2007	Sept. 30 2007	June 30 2007	March 31 2007	Dec. 31 2006
Investment income	**$ 2,489**	$ 5,876	$ 3,512	$ 2,579	$ 2,979	$ 4,916	$ 2,900	$ 2,215
Increase (decrease) in net assets from operations	**$ (78,712)**	$ (2,335)	$(42,558)	$(39,415)	$(30,716)	$ 10,599	$ 11,952	$ 68,344
Increase (decrease) in net assets from operations per share [1]	**$ (14.02)**	$ (0.42)	$ (7.58)	$ (7.02)	$ (5.47)	$ 1.88	$ 2.13	$ 12.17

[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.

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

Share Data

At September 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 $0.45 and $1.875 respectively. The payment of the Company's quarterly dividends is funded by net investment income. For the quarter ended September 30, 2008, net investment income was $1,586,000 as compared to dividend payments of $847,000. On a year-to-date basis, net investment income of $7,575,000 exceeded dividend payments of $2,541,000.

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

November 4, 2008

STATEMENT OF NET ASSETS
(Unaudited)

		September 30 2008		December 31 2007
		(000's)		
Assets				
Investments, at fair value (cost - $340,335; December 31, 2007 - $364,062)	$	**520,366**	$	674,449
Cash		**7,129**		5,519
Receivable in respect of investments sold		**831**		575
Accrued income on investments		**517**		618
Income taxes receivable		**7,617**		—
Other assets		**108**		123
		536,568		681,284
Liabilities				
Accounts payable and accrued liabilities		**217**		337
Payable in respect of investments purchased		**2,421**		505
Income taxes payable		**—**		11
Future income taxes		**23,626**		44,217
		26,264		45,070
Net assets, at fair value	$	**510,304**	$	636,214
Shareholders' Equity				
Capital stock	$	**205,076**	$	205,076
Contributed surplus		**1,492**		1,492
Unrealized appreciation of investments		**156,328**		266,384
Retained earnings		**147,408**		163,262
Total shareholders' equity	$	**510,304**	$	636,214

(See accompanying notes)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2008	2007	**2008**	2007
		(000's)		
INVESTMENT INCOME				
Dividends:				
Foreign	**$ 1,715**	$ 2,217	**$ 9,484**	$ 8,600
Canadian	**712**	660	**2,102**	1,898
	2,427	2,877	**11,586**	10,498
Interest, including securities lending income	**62**	102	**291**	297
	2,489	2,979	**11,877**	10,795
Expenses:				
Investment management and administrative costs	**310**	436	**1,057**	1,354
Directors' and officers' remuneration	**25**	21	**79**	72
Office and miscellaneous	**26**	27	**156**	163
Transfer, registrar and custodial agents' fees	**92**	99	**207**	241
Professional fees	**10**	10	**45**	44
	463	593	**1,544**	1,874
Investment income before income taxes	**2,026**	2,386	**10,333**	8,921
Income taxes	**440**	597	**2,758**	2,541
NET INVESTMENT INCOME	**1,586**	1,789	**7,575**	6,380
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized gain (loss) on investments	**(20,005)**	1,472	**(20,926)**	21,206
Net change in unrealized appreciation of investments	**(60,239)**	(33,941)	**(110,056)**	(35,583)
Transaction costs on purchase and sale of investments	**(54)**	(36)	**(198)**	(168)
NET LOSS ON INVESTMENTS	**(80,298)**	(32,505)	**(131,180)**	(14,545)
DECREASE IN NET ASSETS FROM OPERATIONS	**$ (78,712)**	$ (30,716)	**$ (123,605)**	$ (8,165)
DECREASE IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	**$ (14.02)**	$ (5.47)	**$ (22.02)**	$ (1.46)

(See accompanying notes)

STATEMENT OF RETAINED EARNINGS
(Unaudited)

	Nine months ended Sept. 30	
	2008	2007
	(000's)	
BEGINNING OF PERIOD	**$ 163,262**	$ 125,291
Add (deduct):		
Net investment income	**7,575**	6,380
Net realized gain (loss) on investments	**(20,926)**	21,206
Refundable dividend taxes recovered	**847**	847
	150,758	153,724
Deduct:		
Dividends	**2,541**	2,541
Provision for refundable dividend taxes	**611**	577
Transaction costs on purchase and sale of investments	**198**	168
	3,350	3,286
END OF PERIOD	**$ 147,408**	$ 150,438

STATEMENT OF CHANGES IN NET ASSETS
(Unaudited)

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2008	2007	**2008**	2007
		(000's)		
DECREASE IN NET ASSETS FROM OPERATIONS	**$ (78,712)**	$ (30,716)	**$ (123,605)**	$ (8,165)
DIVIDENDS TO SHAREHOLDERS				
Preferred Shares Series A	**(5)**	(5)	**(14)**	(14)
Common Shares	**(842)**	(842)	**(2,527)**	(2,527)
	(847)	(847)	**(2,541)**	(2,541)
TAXATION CHANGES				
Net decrease in refundable dividend tax on hand	**78**	85	**236**	270
DECREASE IN NET ASSETS	**(79,481)**	(31,478)	**(125,910)**	(10,436)
NET ASSETS, BEGINNING OF PERIOD	**589,785**	707,822	**636,214**	686,780
NET ASSETS, END OF PERIOD	**$ 510,304**	$ 676,344	**$ 510,304**	$ 676,344

(See accompanying notes)

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

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2008	2007	**2008**	2007
		(000's)		
Proceeds on sales of investments	**$ 18,190**	$ 39,386	**$ 83,250**	$ 100,060
Cost of investments, beginning of period	**364,233**	345,836	**364,062**	326,695
Cost of investments purchased during the period	**18,718**	36,573	**85,105**	92,333
	382,951	382,409	**449,167**	419,028
Cost of investments, end of period	**340,335**	344,811	**340,335**	344,811
Cost of investments sold during the period	**42,616**	37,598	**108,832**	74,217
Realized gain (loss) on investments sold before income taxes	**(24,426)**	1,788	**(25,582)**	25,843
Provision for (recovery of) income taxes on net realized taxable capital gains (losses)	**(4,421)**	316	**(4,656)**	4,637
Net realized gain (loss) on investments	**$ (20,005)**	$ 1,472	**$ (20,926)**	$ 21,206

(See accompanying notes)

STATEMENT OF INVESTMENTS AS AT SEPTEMBER 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	$ 22,114	
341,806	E-L Financial Corporation Limited [2]	6,790	169,194	
33,101	Ecando Investments Limited Classes A, B and common [2, 3]	4,139	40,129	
176,414	The Fulcrum Investment Company Limited [2, 3]	464	9,765	
216,900	NVG Holdings Limited Classes B, C, D, E and common [1, 2, 3]	2,115	31,333	
132,000	Petro-Canada	5,664	4,670	
4,837	TGV Holdings Limited Class B [1, 2, 3, 4]	318	8,812	
		22,464	286,017	55.0
	United States			
191,700	Altria Group, Inc.	3,980	4,031	
348,100	American International Group, Inc.	13,688	1,273	
19,000	Black & Decker Corporation	1,741	1,222	
223,000	CBS Corporation	6,901	3,448	
124,300	Chevron Corporation	9,287	10,856	
124,500	ConocoPhillips	7,185	9,605	
88,100	Dow Chemical Company (The)	4,185	2,955	
18,700	Fifth Third Bancorp	315	240	
53,200	Hartford Financial Services Group, Inc.	4,300	2,338	
102,100	JPMorgan Chase & Co.	4,724	5,081	
91,500	Kroger Co. (The)	2,095	2,661	
146,600	Macy's, Inc.	6,626	2,783	
62,700	McKesson Corp.	3,954	3,579	
77,900	Merck & Co. Inc.	2,873	2,621	
45,000	Metlife, Inc.	1,672	2,413	
41,200	Morgan Stanley	1,872	983	
17,100	Northrop Grumman Corporation.	1,361	1,098	
396,800	Pfizer Inc.	10,311	7,717	
89,200	Philip Morris International Inc.	4,152	4,618	
214,100	Sprint Nextel Corporation	6,048	1,393	
220,300	Time Warner Inc.	4,919	3,066	
		102,189	73,981	14.2
	Total North America	124,653	359,998	69.2
	Latin America			
67,500	Companhia Vale do Rio Doce ADR	1,868	1,224	0.2

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

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
	Europe, excluding United Kingdom			
72,700	Air France-KLM	2,741	1,730	
37,450	Allianz SE	9,142	5,404	
60,410	ArcelorMittal	2,391	3,169	
108,000	BASF SE	6,528	5,501	
33,600	BNP Paribas SA	3,295	3,309	
57,360	Credit Agricole S.A.	1,716	1,147	
117,600	Credit Suisse Group	5,540	5,615	
38,300	Deutsche Bank AG	5,625	2,686	
165,000	Deutsche Lufthansa AG	3,244	3,418	
84,000	E.ON AG	3,347	4,499	
136,500	ENI S.p.A.	3,307	3,809	
24,700	Fondiaria - Sai S.p.A.	1,175	605	
119,200	Fortis Group	3,685	764	
157,700	ING Groep N.V.	5,588	3,511	
30,800	Koninklijke DSM NV	1,715	1,531	
48,750	Lukoil	4,260	3,017	
12,400	Michelin Cie Class B	1,317	839	
157,150	Mining and Metallurgical Company Norilsk Nickel ADR	2,206	2,300	
31,000	Muenchener Rueckversicherungs-Gesellschaft AG	4,856	4,918	
63,500	Renault SA	6,873	4,221	
62,330	Sanofi-Aventis	4,728	4,330	
12,000	Solvay SA	1,711	1,545	
122,650	Statoilhydro ASA	3,603	3,062	
225,500	Stora Enso Oyj	3,902	2,298	
26,900	Total SA	2,350	1,709	
63,550	Xstrata PLC	1,418	2,057	
		96,263	76,994	14.8
	United Kingdom			
413,946	Aviva PLC	4,667	3,749	
198,600	Barclays PLC	1,502	1,223	
108,900	GlaxoSmithKline plc	2,519	2,488	
752,970	HBOS plc	8,287	1,695	
1,053,432	Royal Bank of Scotland Group PLC (The)	8,725	3,558	
265,800	Royal Dutch Shell PLC	10,509	8,161	
1,715,950	Vodafone Group Plc	4,910	3,973	
		41,119	24,847	4.8
	Asia			
611,648	Asustek Computer Inc., warrants	1,522	1,251	
568,700	Bank Hapoalim Ltd.	1,710	1,855	
677,500	China Netcom Group Corporation (Hong Kong) Limited	1,339	1,589	
4,392,000	China Petroleum & Chemical Corporation (Sinopec)	2,588	3,614	
725,328	Compal Electronics Inc.	4,816	2,752	
31,463	Emerging Markets Investors Fund [3]	1,906	1,616	
484,000	Fujitsu Limited	3,398	2,817	
105,800	Hynix Semiconductor Inc.	4,081	1,816	
41,760	Hyundai Mobis	4,428	3,351	

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

Number of shares		Cost (000's)	Fair value (000's)	% of Fair value
	Asia (continued)			
101,200	JFE Holdings, Inc.	3,484	3,218	
51,200	Kookmin Bank	2,077	2,481	
287,500	Mitsubishi Chemical Holdings Corporation	2,671	1,590	
47,700	Mitsubishi Corporation	1,247	1,028	
182,000	Mitsui & Co., Ltd.	2,555	2,324	
327,000	Mitsui Chemicals Inc.	2,790	1,498	
288,000	Mitsui O.S.K. Lines, Ltd.	2,919	2,546	
731,700	Nissan Motor Co., Ltd.	7,974	5,093	
30,830	Orix Corporation	6,106	3,872	
5,110	Samsung Electronics Co., Ltd.	3,166	2,423	
1,900	Samsung Electronics Co., Ltd. Pfd.	842	616	
213,000	Sharp Corporation	4,096	2,396	
494	Sumitomo Mitsui Financial Group, Inc.	3,632	3,112	
34,100	Tokyo Electric Power Co. Inc.	807	882	
1,701,579	United Microelectronics Corporation ADR.	6,278	3,535	
		76,432	57,275	11.0
	Total equities	340,335	520,338	100.0
	Forward currency contracts, net Schedule 1	—	28	0.0
	Total investments	$ 340,335	$ 520,366	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 (in millions)	Currency	Number of contracts	Contract rates	Settlement date	Unrealized gain (loss) (000's)
43.0	USD	3	1.0708 - 1.0747	Dec. 15, 2008	$ 534
2,669.7	JPY	4	0.0098 - 0.0105	Dec. 15, 2008	(506)
					$ 28

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:

	September 30 2008	December 31 2007
	(000's)	
Shareholders' equity	$ 510,304	$ 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 September 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 $7,540,000 on net assets from operations. There are forward currency contracts in place that reduce the impact to approximately $3,717,000.
- Other price risk – A 10% fluctuation in market prices would have an impact of approximately $44,156,000 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	The 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