

Economic Investment Trust Limited



SECOND QUARTER REPORT
June 30, 2024

Economic Investment Trust Limited

THE PERIOD AT A GLANCE (Unaudited)

	As at June 30 2024	As at Dec. 31 2023
Net equity value per Common Share ¹	\$ 217.79	\$ 204.14
Net assets ²	\$ 1,181,573	\$ 1,107,495
Number of Common Shares outstanding at period end	5,425,197	5,425,197

	Six months ended June 30	
	2024	2023
Net Investment Income per Common Share ¹	\$ 7.81	\$ 3.22
Dividends per Common Share		
Quarterly	\$ 0.60	\$ 0.60
Additional ³	\$ 9.57	\$ 4.98
Net income per Common Share	\$ 23.83	\$ 8.43
Net investment income ^{1,2}	\$ 42,345	\$ 17,602

¹ See Management's Discussion and Analysis for Use of Non-GAAP Measures.

² In thousands of Canadian dollars.

³ This additional dividend represents the distribution of the previous fiscal year's net investment income, after payment of quarterly dividends. In the first quarter of 2024, \$4.27 per Common Share was paid related to the 2023 annual net investment income. In the second quarter of 2024, an additional dividend of \$5.30 per Common Share was paid as an early distribution of the 2024 annual net investment income.

The accompanying 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 & 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 second quarter of 2024 should be read in conjunction with: the December 31, 2023 Annual Report, including the MD&A, the Company's audited annual financial statements and the notes and supplementary financial information; the Company's MD&A and unaudited interim condensed financial statements and notes for the previous quarter of 2024; 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"), 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 is dated August 6, 2024.

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. The Common Shares have persistently traded at a discount to their net asset value, ranging from approximately an 18% discount to a 37% discount over the past 10 years. 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 investment corporations 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 actively-managed, open-ended funds; and the management of a closed-end investment corporation'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 global investment portfolio of common shares of publicly-traded global companies.

The long-term investments consist primarily of the publicly-traded common shares of E-L Financial Corporation Limited ("E-L Financial"), Algoma Central Corporation ("Algoma"), a shipping company, and The Bank of Nova Scotia. At June 30, 2024, E-L Financial represented 40.1% (December 31, 2023 – 40.8%) of total equity investments, Algoma 3.3% (December 31, 2023 – 3.7%) and The Bank of Nova Scotia 4.3% (December 31, 2023 – 4.8%). 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

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MANAGEMENT'S DISCUSSION & ANALYSIS

Overview (continued)

contribute to achieving the investment objective. Further related party information is provided in Note 12 to the financial statements in the 2023 Annual Report and in the schedule of investment portfolio in this interim report beginning on page 17.

E-L Financial operates as an investment and insurance holding company with two operating segments, E-L Corporate and The Empire Life Insurance Company ("Empire Life"). E-L Corporate's operations include the oversight of investments in global equities held through direct and indirect holdings of common shares, investment funds, closed-end investment companies and private companies.

E-L Financial has a 56.6% interest in a closed-end investment corporation, United Corporations Limited ("United"), which is an investment vehicle for long-term growth through investments in common equities. In addition, E-L Financial has a 34.9% (December 31, 2023 - 36.6%) interest in Algoma and a 24.9% interest in Economic. E-L Financial also owns 99.5% of Empire Life which underwrites life and health insurance policies and provides segregated funds and annuity products in Canada. Each of E-L Financial, Empire Life, United and Algoma are related parties and are reporting issuers which have profiles on SEDAR+.

The balance of Economic's investment portfolio is managed by Neuberger Berman Canada ULC ("Neuberger Berman Canada"), an investment manager headquartered in Toronto. Neuberger Berman Canada manages the portfolio by investing in global equities following a quality value investment style. Neuberger Berman Canada is a business of Neuberger Berman. Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager headquartered in New York. The firm manages a range of strategies including equity, fixed income, quantitative and multi-asset class, private equity, real estate and hedge funds on behalf of institutions, advisors and individual investors globally. With offices in 26 countries, Neuberger Berman's diverse team has over 2,800 professionals.

At June 30, 2024, approximately 49.4% (December 31, 2023 – 51.2%) of the investment portfolio was held in long-term investments and 50.6% (December 31, 2023 – 48.8%) was managed by Neuberger Berman Canada. 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 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", "growth in net equity value per Common Share" and "net investment income per Common Share". These terms do not have any standardized meanings in GAAP (generally accepted accounting principles) and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide information useful to the Company's shareholders in evaluating the Company's financial results.

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Use of Non-GAAP Measures (continued)

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):

	June 30 2024	December 31 2023
Net Assets	\$ 1,181,573	\$ 1,107,495
Common Shares outstanding	5,425,197	5,425,197
Net Equity Value per Common Share	\$ 217.79	\$ 204.14

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 June 30		Six months ended June 30	
	2024	2023	2024	2023
Net income	\$ 46,135	\$ 20,245	\$ 129,252	\$ 46,074
Add (deduct):				
Other net fair value changes in investments	(11,178)	(14,402)	(100,045)	(33,009)
Tax on other net fair value changes in investments	1,481	1,909	13,256	4,374
Net change in refundable dividend taxes on hand	(133)	17	(118)	163
Net Investment income	\$ 36,305	\$ 7,769	\$ 42,345	\$ 17,602
Weighted Average Common Shares Outstanding	5,425,197	5,463,991	5,425,197	5,464,308
Net Investment income per Common Share ¹	\$ 6.69	\$ 1.42	\$ 7.81	\$ 3.22

¹ On an after-tax basis.

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MANAGEMENT'S DISCUSSION & ANALYSIS

Net Equity Value per Common Share

The Company's net equity value per Common Share increased to \$217.79 at June 30, 2024 from \$204.14 at December 31, 2023.

With dividends reinvested at month-end net equity values, the Company's net equity value growth was 4.0% in the second quarter of 2024, compared to 2.0% during 2023.

Long-term investments had a pre-tax total return, including dividends, of 5.5% in the second quarter of 2024 compared to a total return of 1.6% during 2023. On a pre-tax basis, the shares of E-L Financial had a return of 8.0% during 2024 (2023 – 2.4%), the shares of Algoma had a negative return of 2.9% (2023 – negative 2.7%), and the shares of the Bank of Nova Scotia had a negative return of 9.2% (2023 – negative 1.1%).

The global investment portfolio had a pre-tax return, gross of fees, of 2.4% in the second quarter of 2024 compared to 3.0% for 2023.

On a year-to-date basis, with dividends reinvested at month-end net equity values, the Company's net equity value return was 11.8%, compared to 4.6% during 2023.

Long-term investments had a pre-tax return of 9.9% for the six months ended June 30, 2024 compared to 2.5% during 2023. On a pre-tax basis, the shares of E-L Financial had a return of 12.5% during 2024 (2023 – 4.5%), the shares of Algoma had a negative return of 2.5% (2023 – negative 7.5%), and the shares of the Bank of Nova Scotia had a return of 0.3% (2023 – 3.0%).

The global investment portfolio had a pre-tax return, gross of fees, of 8.1% for the six months ended June 30, 2024 versus a comparative return of 8.1% during 2023.

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

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

	Three Months ended	Six Months ended
	June 30	June 30
	(%)	(%)
Economic net equity value	4.0	11.8
S&P/TSX Composite Index	(0.5)	6.1
MSCI All Country World Index	3.6	15.7
S&P 500 Index	5.3	19.4

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MANAGEMENT'S DISCUSSION & ANALYSIS

Growth in Net Equity Value ("NAV")

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

Annual growth in NAV*

	<u>NAV per Common Share \$</u>	<u>Annual Growth %</u>
2014	122.43	4.5
2015	132.62	9.5
2016	138.26	5.4
2017	151.98	11.8
2018	142.92	(4.7)
2019	160.91	14.2
2020	163.93	3.9
2021	196.60	23.5
2022	184.62	(1.0)
2023	204.14	14.3

Compound annual growth*

2014 - 2023 - 10 years	7.9
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*Growth in NAV is determined by the percentage change in NAVs including dividends reinvested at month-end NAVs.

Operating Results

Net income

The Company reported a net income of \$46,135,000 in the second quarter of 2024 compared to \$20,245,000 in the second quarter of 2023. On a year-to-date basis, the Company reported net income of \$129,252,000 compared to \$46,074,000 in 2023. On a per Common Share basis, earnings per share for the quarter increased to \$8.50 in 2024 compared to \$3.71 for 2023. On a year-to-date basis, earnings per share increased to \$23.83 compared to \$8.43 in 2023.

The other net fair value changes in investments for the quarter was a net gain of \$11,178,000 in the second quarter of 2024 compared to \$14,402,000 for 2023. On a year-to-date basis, the other net fair value changes in investments was a net gain of \$100,045,000 compared to \$33,009,000 during 2023.

The other net fair value changes for long-term investments was a net gain of \$2,493,000 in the second quarter of 2024 compared to \$5,307,000 during the same period in 2023. On a year-to-date basis, the other net fair value changes for long-term investments was a net gain of \$24,314,000 compared to \$2,832,000 during the same period in 2023. The Company's year-to-date gain on long-term investments was primarily due to appreciation in E-L Financial, partly offset by fair value losses for Algoma and The Bank of Nova Scotia .

The global investment portfolio had an other net fair value gain of \$8,685,000 in the second quarter of 2024 compared to \$9,095,000 in 2023. On a year-to-date basis, the global investment portfolio had other net fair value gains of \$75,731,000 compared to \$30,177,000 during the same period in 2023. The 2024 net fair value gain for the global investment portfolio included investment gains from North America of \$62,538,000, Emerging Markets \$4,732,000, United Kingdom \$4,365,000, and \$3,431,000 for Japan.

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MANAGEMENT'S DISCUSSION & ANALYSIS

Operating Results (continued)

The Company's net realized gain, all of which relates to the global investment portfolio, was \$4,486,000 in the second quarter of 2024 compared to a loss of \$3,045,000 in 2023. On a year-to-date basis, the net realized gain was \$11,716,000 compared to a loss of \$3,767,000 in 2023. The 2024 year-to-date net realized gain included net realized investment gains in North America investments of \$10,397,000.

Net investment income

The Company's net investment income in the second quarter of 2024 increased to \$36,305,000 compared to \$7,769,000 in the second quarter of 2023. On a year-to-date basis, net investment income increased to \$42,345,000 compared to \$17,602,000 for the same period in the prior year. On a per Common Share basis, net investment income for the quarter increased to \$6.69 in 2024 compared to \$1.42 in 2023 and on a year-to-date basis increased to \$7.81 compared to \$3.22 in 2023.

Foreign dividend income in the second quarter of 2024 decreased to \$5,786,000 from \$6,620,000 in 2023 and on a year-to-date basis decreased to \$9,668,000 from \$10,355,000 in 2023. Lower foreign dividend income is primarily attributable to decreases in dividends paid by investment portfolio companies relative to the same period in the prior year. In general, foreign dividend income is impacted by changes in the composition of the investment portfolio, variability in foreign exchange rates and dividend yields.

Canadian dividend income in the second quarter of 2024 increased to \$32,496,000 from \$3,477,000 in 2023 on a year-to-date basis increased to \$36,104,000 from \$11,094,000 in 2023. During the second quarter of 2024, the Company received directly and indirectly a special dividend from its investment in E-L Financial totalling \$28,923,000. During the first quarter of 2023 the Company received a special dividend from its investment in Algoma of \$4,284,000.

Expenses for the second quarter increased to \$589,000 from \$510,000 in the same quarter during the prior year. On a year-to-date basis expenses increased to \$1,345,000 from \$1,212,000 in 2023.

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MANAGEMENT'S DISCUSSION & 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):

	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30
	2024	2024	2023	2023	2023	2023	2022	2022
Net Investment Income ¹	\$ 36,305	\$ 6,040	\$ 6,540	\$ 5,720	\$ 7,769	\$ 9,833	\$ 7,233	\$ 5,085
Net Income (loss)	\$ 46,135	\$ 83,117	\$ 106,168	\$ (14,430)	\$ 20,245	\$ 25,829	\$ 81,161	\$ 3,757
Earnings (loss) per Common Share	\$ 8.50	\$ 15.32	\$ 19.46	\$ (2.64)	\$ 3.71	\$ 4.73	\$ 14.54	\$ 0.65
NAV per Common Share	\$ 217.79	\$ 214.89	\$ 204.14	\$ 184.56	\$ 187.50	\$ 184.07	\$ 184.62	\$ 170.07
Quarterly NAV return % ²	4.0	7.5	10.8	(1.4)	2.0	2.6	8.7	0.7

¹ On an after-tax basis. See use of Non-GAAP Measures.

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. On occasion, the Company will receive special dividends on certain investments. In the second quarter of 2024, the Company received directly and indirectly a special dividend from its investment in E-L Financial for \$28,923,000. In the first quarter of 2023, the Company received a special dividend from its investment in Algoma for \$4,284,000. There is no guarantee that the Company will receive dividend income on its investments at current dividend payout levels.

Overall returns are determined by the performance of the Company's long-term investments and the performance of the global investment 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 June 30, 2024, there are 5,425,197 (December 31, 2023 - 5,425,197) Common Shares issued and outstanding and each share is entitled to one vote.

Normal Course Issuer Bid

On March 7, 2024, the Company obtained approval from the TSX to renew its normal course issuer bid ("NCIB") to purchase up to 271,259 Common Shares between March 12, 2024 and March 11, 2025. Daily purchases (other than pursuant to a block purchase exemption) on the TSX under the NCIB were limited to 1,000 Common Shares. The price that the Company will pay for Common Shares in open market transactions will be the market price at the time of purchase.

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MANAGEMENT'S DISCUSSION & ANALYSIS

Normal Course Issuer Bid (continued)

For the six-month period ended June 30, 2024, there were no shares purchased under the NCIB. For the six-month period ended June 30, 2023, 3,200 shares purchased under the NCIB at an average price of \$133.13 per share for a total consideration of \$426,000.

Liquidity and Capital Resources

The Company's dividend policy is to distribute annual net investment income in the form of dividends. The distributions are composed of quarterly dividends together with an additional dividend representing the balance of net investment income for the previous fiscal year.

An additional dividend of \$4.27 per Common Share was paid in the first quarter of 2024 along with the \$0.30 quarterly dividend. In the second quarter of 2024, an additional dividend of \$5.30 per Common Share was paid as an early distribution of the 2024 annual net investment income, along with the regular \$0.30 per Common Share quarterly dividend. The source of the funds for this additional dividend is a special dividend received by the Company from E-L Financial.

The Company's dividend policy is established by the Board of Directors at its discretion and is subject to change.

The Company has a \$30,000,000 operating credit facility with a Canadian chartered bank. The credit facility is secured by equity investments from the Company's investment portfolio. The Company is able to borrow funds in an amount up to 50% of the fair value of investments pledged. As of June 30, 2024 no funds were drawn on this facility.

Significant Development

On April 16, 2024, the 2024 Canadian Federal budget was presented in the House of Commons. This budget will increase the inclusion rate on capital gains for income tax purposes from 1/2 to 2/3 on gains realized on or after June 25, 2024. The Company records income taxes payable on realized investment gains and deferred income tax liabilities on the unrealized appreciation of its investments. Once this change is approved and becomes substantively enacted, the impact of these changes will be reflected in the Company's financial statements and will reduce the net assets of Economic. As of the current quarter end, this change in the Federal budget has not yet been substantively enacted.

Additional Information

Additional information relating to Economic, including the Company's Annual Information Form, is available at www.sedarplus.ca.

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.

Economic Investment Trust Limited

STATEMENTS OF FINANCIAL POSITION **(Unaudited, in thousands of Canadian dollars)**

	June 30 2024	December 31 2023
ASSETS		
Cash and cash equivalents	\$ 8,295	\$ 13,119
Investments (Note 4)	1,275,231	1,183,666
Dividends and interest receivable	2,617	2,258
Income taxes receivable	81	1,458
Other assets	694	601
Total assets	1,286,918	1,201,102
LIABILITIES		
Accrued expenses	408	347
Deferred tax liabilities	104,937	93,260
Total liabilities	105,345	93,607
NET ASSETS	\$ 1,181,573	\$ 1,107,495
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	\$ 197,754	\$ 197,754
Retained earnings	983,819	909,741
TOTAL SHAREHOLDERS' EQUITY	\$ 1,181,573	\$ 1,107,495

The accompanying notes are an integral part of these financial statements.

Economic Investment Trust Limited

STATEMENTS OF COMPREHENSIVE INCOME (Unaudited, in thousands of Canadian dollars)

	Three months ended		Six months ended	
	June 30		June 30	
	2024	2023	2024	2023
INCOME				
Dividends				
Foreign	\$ 5,786	\$ 6,620	\$ 9,668	\$ 10,355
Canadian (Note 7)	32,496	3,477	36,104	11,094
	38,282	10,097	45,772	21,449
Interest and securities lending income	159	108	369	403
Other net fair value changes in investments (Note 6)	11,178	14,402	100,045	33,009
	49,619	24,607	146,186	54,861
EXPENSES				
Investment management and administrative costs (Note 7)	355	304	711	604
Directors' remuneration	104	99	210	200
Office and miscellaneous	36	23	159	158
Transfer, register and custody fees	72	58	146	120
Professional fees	22	26	119	65
Interest	—	—	—	65
	589	510	1,345	1,212
INCOME BEFORE INCOME TAXES	49,030	24,097	144,841	53,649
Provision for income taxes	2,895	3,852	15,589	7,575
NET INCOME	\$ 46,135	\$ 20,245	\$ 129,252	\$ 46,074
EARNINGS PER COMMON SHARE - BASIC AND DILUTED				
	\$ 8.50	\$ 3.71	\$ 23.83	\$ 8.43

The accompanying notes are an integral part of these financial statements.

Economic Investment Trust Limited

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited, in thousands of Canadian dollars)

	Share Capital	Retained Earnings	Total
At January 1, 2024	\$ 197,754	\$ 909,741	\$ 1,107,495
Net income for the period	—	129,252	129,252
Dividends	—	(55,174)	(55,174)
At June 30, 2024	\$ 197,754	\$ 983,819	\$ 1,181,573
At January 1, 2023	\$ 199,191	\$ 809,686	\$ 1,008,877
Net income for the period	—	46,074	46,074
Dividends	—	(30,492)	(30,492)
Repurchase and cancellation of common shares (Note 5)	(146)	(280)	(426)
At June 30, 2023	\$ 199,045	\$ 824,988	\$ 1,024,033

The accompanying notes are an integral part of these financial statements.

Economic Investment Trust Limited

STATEMENTS OF CASH FLOWS

(Unaudited, in thousands of Canadian dollars)

	Six months ended	
	June 30	
	2024	2023
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net income	\$ 129,252	\$ 46,074
Adjustments for:		
Other net fair value changes in investments	(100,045)	(33,009)
Purchases of investments	(179,064)	(117,309)
Proceeds from sale of investments	187,544	138,894
Dividends and interest receivable	(358)	(1,352)
Deferred taxes	11,677	5,258
Net change in other assets and liabilities	1,344	17
	50,350	38,573
Financing		
Dividends paid to shareholders	(55,174)	(30,492)
Repayment of loan	—	(14,500)
Repurchase of Common Shares	—	(426)
	(55,174)	(45,418)
Net decrease in cash and cash equivalents	(4,824)	(6,845)
Cash and cash equivalents at beginning of the period	13,119	12,831
Cash and cash equivalents at end of the period	\$ 8,295	\$ 5,986
Interest received	\$ 302	\$ 324
Dividends received, net of withholding taxes	44,225	18,825
Income taxes paid	1,455	2,350

The accompanying notes are an integral part of these financial statements.

Economic Investment Trust Limited

NOTES TO INTERIM FINANCIAL STATEMENTS

(Unaudited, all dollar figures in thousands of Canadian, except per share amounts)

1. Description of company and summary of operations

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

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

The interim condensed financial statements are presented in Canadian dollars which is the functional and presentation currency. These interim condensed financial statements were approved by the Company’s Board of Directors on August 6, 2024.

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, 2023.

3. Critical accounting estimates and judgements

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:

Fair value of investments in private companies

The fair value of investments in private companies is measured using the adjusted net asset method which estimates the fair value of the underlying assets and liabilities of the private companies. Refer to Note 5 in the Company’s audited financial statement for the year ended December 31, 2023 for further details.

Deferred taxes

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

Economic Investment Trust Limited

NOTES TO INTERIM FINANCIAL STATEMENTS

(Unaudited, all dollar figures in thousands of Canadian, except per share amounts)

4. Financial instruments

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 June 30, 2024, the Company had \$1,104,921 (December 31, 2023 – \$1,014,632) of Level 1 and \$170,310 (December 31, 2023 - \$169,034) of Level 3 equity investments. During the six months ended June 30, 2024, there were no transfers between Level 1, 2 or 3 equity investments.

5. Share capital

Share capital and the changes in share capital are comprised as follows:

	<u>Number of Shares</u>	<u>Share Capital Amount</u>
At January 1, 2024 and June 30, 2024	5,425,197	\$ 197,754
At January 1, 2023	5,464,628	\$ 199,191
Repurchase and cancellation of shares	(39,431)	(1,437)
At December 31, 2023	5,425,197	\$ 197,754

On March 7, 2024, the Company obtained approval from the TSX to renew its normal course issuer bid (“NCIB”) to purchase up to 271,259 Common Shares between March 12, 2024 and March 11, 2025. Daily purchases (other than pursuant to a block purchase exemption) on the TSX under the NCIB were limited to 1,000 Common Shares. The price that the Company will pay for Common Shares in open market transactions will be the market price at the time of purchase.

For the six-month period ended June 30, 2024, there were no (2023 - 3,200) shares purchased under the NCIB at an average price of \$nil (2023 - \$133.13) per share for a total consideration of \$nil (2023 - \$426). The total amount paid to purchase the shares is allocated to share capital and retained earnings in the statements of changes in equity. The amount allocated to share capital is based on the average cost per Common Share and amounts paid above the average cost are allocated to retained earnings.

On November 7, 2023, the Company announced its intention to commence a substantial issuer bid (“SIB”) pursuant to which the Company offered to purchase up to \$5,000 of its outstanding Common Shares for cash. As of December 31, 2023 the Company had taken up and paid for 36,231 Common Shares at a price of \$138.00 per Share. The Common Shares acquired under the SIB represent an aggregate purchase price of \$5,000. As required by securities legislation, the Company’s NCIB was suspended during the SIB.

Economic Investment Trust Limited

NOTES TO INTERIM FINANCIAL STATEMENTS

(Unaudited, all dollar figures in thousands of Canadian, except per share amounts)

6. Other net fair value changes in investments

The other net fair value changes in investments is comprised as follows:

	Three months ended June30		Six months ended June 30	
	2024	2023	2024	2023
Net realized gain (loss)	\$ 4,486	\$ (3,045)	\$ 11,716	\$ (3,767)
Net change in unrealized appreciation	6,692	17,447	88,329	36,776
	\$ 11,178	\$ 14,402	\$ 100,045	\$ 33,009

7. Related party information

The Company has investments in related parties (see Schedule of Investment Portfolio) with a fair value at June 30, 2024 of \$629,965 (December 31, 2023 - \$605,652) representing 49.4% (December 31, 2023 – 51.2%) of the total investments. Dividends from these companies for the three months ended June 30, 2024 amounted to \$32,228 (2023 - \$3,110). Dividends from these companies for the six months ended June 30, 2024 amounted to \$35,653 (2023 - \$10,778).

E-L Financial holds a 24.9% interest in the Company. Included in investment management and administrative costs are fees for administrative services paid to E-L Financial. These fees are calculated at 0.1% per annum of the fair value of the investments managed by the external investment manager and are paid monthly. The total fees for the three months ended June 30, 2024 amounted to \$180 (2023 - \$150) and \$358 (2023 - \$299) for the six months ended June 30, 2024.

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

8. Subsequent event

Common Share dividends of \$0.30 per Common Share were declared by the Board of Directors at its meeting on August 6, 2024, with a record and payable date of September 16, 2024 and September 27, 2024, respectively.

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2024 (Unaudited)

Number Shares		Cost	Carrying value	% of Carrying value
	Canada		(000's)	
2,126,380	Algoma Central Corporation ¹	\$ 2,973	\$ 30,194	
160,626	Canadian Natural Resources Limited	5,161	7,827	
386,206	E-L Financial Corporation Limited ¹	26,116	429,461	
33,101	Ecando Investments Limited			
	Classes A, B and common ^{1,2,3}	4,139	77,072	
176,414	The Fulcrum Investment Company Limited ^{1,2}	464	29,068	
12,700	Imperial Oil Limited	536	1,185	
237,108	Manulife Financial Corporation	6,437	8,638	
216,900	NVG Holdings Limited			
	Classes B, C, D, E and common ^{1,2,4}	2,115	49,872	
32,479	Shopify Inc. Class A	1,369	2,936	
45,970	Suncor Energy, Inc.	2,088	2,397	
4,837	TGV Holdings Limited Class B ^{1,2,4,5}	318	14,298	
22,218	Toronto-Dominion Bank	1,741	1,671	
		<u>53,457</u>	<u>654,619</u>	
				51.3
	United States			
50,783	Abbvie Inc.	9,240	11,922	
45,637	Aflac Inc.	3,894	5,579	
2,198	Airbnb, Inc. Class A	331	456	
49,200	Alphabet Inc. Class A	3,495	12,266	
18,205	Alphabet Inc. Class C	3,534	4,570	
104,165	Altria Group, Inc.	6,196	6,494	
6,031	American Express Company	1,627	1,911	
3,030	American International Group, Inc.	271	308	
11,485	Ameriprise Financial, Inc.	4,484	6,715	
7,670	Amgen Inc.	2,703	3,280	
24,672	Apple Inc.	5,583	7,112	
24,291	Applied Materials, Inc.	3,095	7,846	
28,031	AT&T Inc.	562	733	
1,104	Autozone, Inc.	2,104	4,479	
21,157	Bank of American Corporation (The)	871	1,152	
14,989	Berkshire Hathaway Inc. Class B	4,445	8,346	
693	Booking Holdings Inc.	1,955	3,758	
6,736	Broadcom Inc.	5,098	14,802	
23,070	Cardinal Health, Inc.	2,911	3,104	
17,962	Caterpillar Inc.	6,445	8,189	
9,654	Cboe Global Markets Inc.	1,435	2,247	
34,750	Chipotle Mexican Grill, Inc.	1,280	2,980	
10,486	Cigna Group (The)	4,030	4,744	
2,618	Cintas Corporation	1,260	2,509	
16,975	Cisco Systems, Inc.	946	1,104	
27,402	Citigroup Inc.	1,749	2,380	
170,778	Comcast Corporation Class A	9,463	9,154	
35,106	ConocoPhillips	3,154	5,496	
30,357	CSX Corporation	1,335	1,390	
6,068	Cummins Inc.	2,313	2,300	
34,398	D.R. Horton, Inc.	4,541	6,635	
3,293	eBay Inc.	230	242	

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2024 (Unaudited)

Number Shares		Cost	Carrying value	% of Carrying value
	United States (continued)		(000's)	
3,512	Electronic Arts Inc.	\$ 649	\$ 670	
7,710	Elevance Health Inc.	4,366	5,718	
12,481	EOG Resources, Inc.	1,342	2,150	
64,221	Exxon Mobile Corporation	5,146	10,119	
3,078	Fidelity National Financial, Inc.	165	208	
11,520	General Dynamics Corporation	3,043	4,575	
59,912	Gilead Sciences, Inc.	5,372	5,626	
24,843	Hartford Financial Services Group, Inc. (The)	2,264	3,419	
21,244	HCA Healthcare, Inc.	7,349	9,342	
45,058	Johnson & Johnson	6,318	9,014	
16,457	JPMorgan Chase & Co	2,461	4,556	
3,506	KLA Corporation	1,680	3,957	
4,974	Lam Research Corporation	2,513	7,249	
1,489	Leidos Holdings, Inc.	159	297	
36,091	Lennar Corporation Class A	5,083	7,403	
25,738	Marathon Petroleum Corporation	4,888	6,111	
4,480	Marriott International, Inc.	869	1,483	
5,667	Marsh & McLennan Companies, Inc.	1,263	1,634	
962	Mastercard Inc. Class A	473	581	
4,046	McKesson Corporation	2,321	3,234	
1,661	MercadoLibre Inc.	1,749	3,736	
38,897	Merck & Co. Inc. New	5,706	6,591	
10,055	Meta Platforms, Inc. Class A	3,522	6,939	
22,670	Microchip Technology Incorporated	2,085	2,839	
35,148	Microsoft Corporation	3,968	21,500	
4,664	Motorola Solutions Inc	1,278	2,464	
22,368	Nucor Corporation	3,569	4,840	
64,030	NVIDIA Corporation	1,285	10,827	
170	NVR, Inc.	1,607	1,766	
11,869	Omnicom Group Inc.	1,142	1,457	
33,860	Oracle Corporation	1,608	6,544	
5,330	Owens Corning	618	1,267	
2,729	PACCAR Inc.	338	384	
3,582	Parker Hannifin Corporation	1,744	2,480	
382	Philip Morris International Inc.	46	53	
21,065	Principal Financial Group, Inc.	2,099	2,262	
37,200	Procter & Gamble Company (The)	6,119	8,397	
30,639	Public Service Enterprise Group	3,117	3,091	
23,947	PulteGroup, Inc.	2,899	3,609	
11,350	Raymond James Financial, Inc.	1,415	1,920	
50,059	Simon Property Group, Inc.	7,735	10,401	
537	Snap-On Inc	176	192	
22,287	Steel Dynamics, Inc.	2,027	3,950	
29,528	TJX Companies, Inc. (The)	3,136	4,450	
20,197	Trade Desk, Inc. (The)	1,454	2,700	
6,901	Union Pacific Railroad Corporation (The)	2,069	2,137	
6,859	United Rentals, Inc.	4,438	6,071	
2,622	UnitedHealth Group Incorporated	1,665	1,828	
126,793	Verizon Communications Inc.	6,842	7,157	
3,567	Waste Management Inc.	748	1,042	

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2024 (Unaudited)

Number Shares		Cost	Carrying value	% of Carrying value
	United States (continued)		(000's)	
66,370	Williams Companies, Inc. (The)	\$ 2,206	\$ 3,861	
3,028	W.W. Grainger, Inc.	2,210	3,739	
		<u>238,924</u>	<u>382,043</u>	30.0
	Total North America	<u>292,381</u>	<u>1,036,662</u>	81.3
	Europe, excluding United Kingdom			
48,873	ABB Ltd.	1,779	3,715	
5,626	Assicurazioni Generali S.p.A.	194	192	
367,022	Banco Bilbao Vizcaya Argentaria, S.A.	2,412	5,032	
12,882	Bayerische Motoren Werke AG	1,410	1,669	
320,584	CaixaBank S.A.	1,287	2,323	
21,756	Chubb Limited	5,421	7,596	
45,196	Compagnie de Saint-Gobain S.A.	2,375	4,811	
48,472	Crédit Agricole S.A.	663	905	
56,462	DHL Group	2,717	3,120	
3,513	Garmin Ltd.	769	783	
398,134	Iberdrola, S.A.	6,202	7,071	
77,389	Infineon Technologies AG	2,440	3,880	
100,836	Ing Groep N.V.	1,221	2,359	
113,063	Intesa Sanpaolo S.p.A.	582	575	
95,711	Koninklijke Ahold Delhaize N.V.	3,991	3,871	
3,327	Linde Public Limited Company	1,244	1,998	
36,695	LyondellBasell Industries N.V. Class A	4,693	4,805	
11,437	Medtronic plc	1,284	1,232	
24,300	Nestle S.A.	2,162	3,394	
155,475	Nordea Bank Abp	2,083	2,531	
19,443	Novartis AG	2,641	2,847	
66,235	Redeia Corporacion SA	1,520	1,585	
8,858	Roche Holding AG Genussscheine NPV	2,400	3,365	
82,397	Stellantis N.V.	2,335	2,231	
21,450	STMicroelectronics N.V.	1,084	1,159	
2,011	Swisscom AG-REG	1,553	1,548	
7,610	Telenor ASA	119	119	
60,076	TotalEnergies SE	3,800	5,489	
37,007	UniCredit S.p.A.	1,320	1,877	
30,996	Vinci SE	3,855	4,470	
590	Zurich Insurance Group Ltd.	388	431	
		<u>65,944</u>	<u>86,983</u>	6.8
	Emerging Markets			
2,393,000	Agricultural Bank of China	1,309	1,401	
94,800	Arca Continental S.A.B. de C.V.	766	1,273	
21,582	Arch Capital Group Ltd	1,286	2,980	
445,100	Banco do Brasil S.A.	3,059	2,925	
13,223,000	Bank Of China Ltd	6,507	8,924	
1,133,000	Bank of Communications Co., Ltd.	898	1,218	
170,200	BB Suguos Participacoes	810	1,379	
7,764,000	China Construction Bank Corporation	5,853	7,853	
259,500	China Shenhua Energy Company Limited	782	1,635	

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2024 (Unaudited)

<u>Number Shares</u>		<u>Cost</u>	<u>Carrying value</u>	<u>% of Carrying value</u>
		(000's)		
Emerging Markets (continued)				
115,900	Coca-Cola Femsa S.A.B. de C.V.	\$ 915	\$ 1,361	
1,342,000	CSPC Pharmaceutical Group Ltd.	1,473	1,463	
39,195	Gruma, S.A.B. de C.V.	621	979	
213,600	Grupo Bimbo, S.A.B. de C.V.	766	1,033	
189,024	Grupo Financiero Barnote S.A.B. de C.V.	1,597	2,017	
33,000	Hon Hai Precision Industry Co. Ltd.	215	298	
744,835	Itaúsa Investimentos Itaú S.A.	1,876	1,799	
52,947	Kia Motors Corporation	4,740	6,798	
256,000	Lite-On Technology Corporation	730	1,144	
88,000	Mediatek Inc.	4,079	5,194	
1,612,000	Mega Financial Holding Co., Ltd.	2,736	2,746	
712,375	MTN Group Limited	4,246	4,548	
97,200	NetEase, Inc.	2,318	2,541	
224,600	OUTsurance Holdings Limited	436	784	
1,179	PDD Holdings Inc.	105	215	
415,000	Petróleo Brasileiro S.A. - Petrobras	3,769	3,885	
294,300	Petróleo Brasileiro S.A. - Petrobras PFD NVP	2,775	2,923	
5,454	Posco	1,248	1,966	
118,500	Swire Pacific Offshore Holdings Limited	1,067	1,433	
6,000	Taiwan Semiconductor Manufacturing Company Limited	125	244	
861,000	United Microelectronics Corporation	1,682	2,022	
		<u>58,789</u>	<u>74,981</u>	5.9
Japan				
343,800	Astellas Pharma Inc.	4,978	4,657	
107,200	Honda Motor Co., Ltd.	1,471	1,571	
72,900	Itochu Corporation	2,758	4,878	
170,800	Japan Tobacco Inc.	5,985	6,327	
26,900	Marubeni Corporation	472	682	
27,600	Mitsubishi Corporation	486	740	
118,200	Mitsui & Co., Ltd.	1,747	3,677	
145,900	Orix Corporation	3,226	4,415	
33,400	Takeda Pharmaceutical Company Limited	1,193	1,187	
72,300	Tokio Marine Holdings, Inc.	1,743	3,700	
		<u>24,059</u>	<u>31,834</u>	2.5
United Kingdom				
16,324	3i Group plc	494	866	
192,159	BAE Systems plc	2,073	4,388	
1,158,353	Barclays Plc	2,840	4,187	
27,201	Experian plc	1,129	1,735	
11,394	Ferguson plc	2,591	3,020	
99,004	HSBC Holdings plc	1,012	1,171	
1,432,746	Lloyds Banking Group plc	1,042	1,357	
23,131	Next plc	2,162	3,616	
73,386	RELX plc	2,951	4,620	
2,154	Rio Tinto plc	197	194	
110,747	SSE plc	3,136	3,429	
		<u>19,627</u>	<u>28,583</u>	2.2

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2024 (Unaudited)

<u>Number Shares</u>	<u>Cost</u>	<u>Carrying value</u>	<u>% of Carrying value</u>
	(000's)		
Australia			
138,059 BHP Group Limited	\$ 5,077	\$ 5,380	
10,571 Commonwealth Bank of Australia (CBA)	942	1,230	
115,646 National Australia Bank Limited	3,058	3,826	
49,227 Rio Tinto Group	4,932	5,349	
15,684 Woodside Energy Group Ltd.	382	403	
	<u>14,391</u>	<u>16,188</u>	1.3
Total Investments	<u>\$ 475,191</u>	<u>\$ 1,275,231</u>	<u>100.0</u>

¹ These companies and Economic are related parties.

² Not listed on a stock exchange.

³ The net assets of Ecando Investments Limited are invested primarily in shares of E-L Financial Corporation Limited.

⁴ The net assets of NVG Holdings Limited and TGV Holdings Limited are invested primarily in shares of The Bank of Nova Scotia.

⁵ Investment in associate.

Economic Investment Trust Limited

CORPORATE INFORMATION

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Neuberger Berman Canada ULC, Toronto

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PricewaterhouseCoopers LLP, Toronto

CUSTODIAN

RBC Investor & Treasury Services

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 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