

Economic Investment Trust Limited



**FIRST QUARTER REPORT
MARCH 31, 2018**

Economic Investment Trust Limited

THE PERIOD AT A GLANCE (Unaudited)

	As at March 31 2018	As at Dec. 31 2017
Net equity value per Common Share ¹	\$ 150.19	\$ 151.98
Net assets ²	\$ 843,387	\$ 853,474
Number of Common Shares outstanding at period end	5,615,535	5,615,535

	Three months ended March 31	
	2018	2017
Net investment income per Common Share ¹	\$ 0.54	\$ 0.54
Dividends per Common Share		
Quarterly	\$ 0.30	\$ 0.30
Additional ³	\$ 0.80	\$ 1.34
Net income (loss) per Common Share	\$ (0.70)	\$ 10.16
Net investment income ^{1,2}	\$ 3,007	\$ 3,030

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.

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

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the unaudited interim condensed financial performance and financial condition of Economic Investment Trust Limited ("Economic" or the "Company") for the first quarter of 2018 should be read in conjunction with: the December 31, 2017 Annual Report, including the MD&A, the Company's audited annual financial statements and the notes and supplementary financial information; and the unaudited interim condensed financial statements and notes contained in this report. These unaudited interim condensed financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"), as set out in the Handbook of the Chartered Professional Accountants of Canada. IFRS constitutes Canadian general accepted principles ("GAAP"). The reporting currency for the Company is the Canadian dollar, and all amounts in the following discussion are in Canadian dollars.

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

Overview

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

The Company has been a closed-end investment corporation since 1927 and has never bought back its Common Shares. The Common Shares have traded at a discount to their net asset value, ranging from a 40% discount to a 15% 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 March 31, 2018, E-L Financial represented 41.6% (December 31, 2017 – 41.6%) of total equity investments, Algoma 4.7% (December 31, 2017 – 5.3%) and The Bank of Nova Scotia 6.6% (December 31, 2017 – 6.6%). E-L Financial, Algoma and the Company are related parties. In management's view, these investments are consistent with the Company's investment strategy and contribute to achieving the investment objective. Further related party information is provided in Note 12 to the financial statements in the 2017 Annual Report and in the schedule of investment portfolio in this interim report beginning on page 13.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 52.0% (December 31, 2017 - 51.9%) 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 36.7% interest in Algoma and a 24.0% interest in Economic. E-L Financial also owns 99.3% of Empire Life which underwrites life and health insurance policies and provides segregated funds, mutual funds and annuity products in Canada. Each of E-L Financial, Empire Life, United and Algoma are related parties and are reporting issuers which trade on the Toronto Stock Exchange and have profiles on SEDAR.

The balance of Economic's investment portfolio is managed by Burgundy Asset Management Ltd. ("Burgundy"), a global equity manager based in Toronto. Burgundy manages the portfolio using a long-term bottom-up investment philosophy, which is to purchase good companies with strong economics and management, whose shares are selling below Burgundy's estimate of intrinsic value. The portfolio, of approximately 40 - 60 publicly-traded companies, invests primarily in mid to large capitalization companies which are publicly traded. At March 31, 2018, 97.0% (December 31, 2017 - 96.7%) of the fair value of the global investment portfolio was made up of non-Canadian companies.

At March 31, 2018, approximately 54.0% (December 31, 2017 - 54.6%) of the investment portfolio was held in long-term investments and 46.0% (December 31, 2017 - 45.4%) was managed by Burgundy. Over time these percentages will vary based on the market value of the two portfolios and as a result of any purchases or sales of investments.

Investment Strategy

The objective of the Company is to earn an above-average rate of return, primarily through long-term capital appreciation and dividend income. Short-term volatility is expected and tolerated. Management remains confident that the Company's investment strategy will reward shareholders over the long term.

The investment portfolio of the Company comprises a mix of Canadian and foreign investments. Net equity value and net investment income may vary significantly from period to period depending on the economic environment and market conditions.

Use of Non-GAAP Measures

This MD&A contains references to "net equity value per Common Share" and "net investment income per Common Share". These terms do not have any standardized meanings in 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 used by investors and management as a comparison to the market price of its Common Shares to determine the discount or premium at which the Company's Common Shares are trading relative to the net equity value per Common Share.

Net investment income per Common Share is used by both investors and management to assess the approximate amount of dividends to be distributed on Common Shares.

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

	March 31 2018	December 31 2017
Net assets	\$ 843,387	\$ 853,474
Common Shares outstanding	5,615,535	5,615,535
Net equity value per Common Share	\$ 150.19	\$ 151.98

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Three months ended March 31	
	2018	2017
Net income (loss)	\$ (3,910)	\$ 57,028
Add (deduct):		
Fair value change in investments	7,973	(62,226)
Tax on fair value change in investments	(1,056)	8,245
Net decrease in refundable dividend taxes on hand	—	(17)
Net investment income ¹	<u>\$ 3,007</u>	<u>\$ 3,030</u>
Common Shares outstanding	<u>5,615,535</u>	<u>5,615,535</u>
Net investment income per Common Share ¹	<u>\$ 0.54</u>	<u>\$ 0.54</u>

¹ On an after-tax basis.

Net Equity Value per Common Share

The Company's net equity value per Common Share decreased to \$150.19 at March 31, 2018 from \$151.98 at December 31, 2017.

With dividends reinvested at month-end net equity values, the Company's net equity value return was negative 0.5% in the first quarter of 2018, compared to a positive return of 7.3% during the first quarter of 2017.

Long-term investments had a pre-tax negative return of 1.6% in the first quarter of 2018 compared to a positive return of 10.3% in the first quarter of 2017. On a pre-tax basis, the shares of E-L Financial had a negative return of 0.7% during 2018 (2017 – 12.2%), the shares of Algoma had a negative return of 10.3% (2017 – 3.5%), and the shares of the Bank of Nova Scotia had a negative return of 1.2% (2017 – 5.1%).

The global investment portfolio had a pre-tax return, gross of fees, of 1.0% in the first quarter of 2018 versus a comparative return of 5.2% in the first quarter of 2017.

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

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

	Three months ended March 31
	(%)
Economic net equity value	(0.5)
S&P/TSX Composite Index	(4.5)
MSCI All Country World Index	1.6
S&P 500 Index	2.0

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND 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 years:

Annual growth in NAV*

	NAV per Common Share	Annual Growth %
2008	\$ 73.50	(34.7)
2009	86.24	18.2
2010	91.65	7.0
2011	74.81	(17.8)
2012	83.98	13.9
2013	123.60	48.8
2014	122.43	4.5
2015	132.62	9.5
2016	138.26	5.4
2017	151.98	11.8

Compound annual growth*

2008 - 2017 - 10 years	4.5
------------------------	-----

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

Operating Results

Net income

The Company reported a net loss of \$3,910,000 in the first quarter of 2018 compared to net income of \$57,028,000 in the first quarter of 2017. On a per Common Share basis, earnings per share decreased to a net loss of \$0.70 in 2018 compared to net income of \$10.16 for 2017.

The fair value change in investments for the quarter was a net loss of \$7,973,000 in 2018 compared to a net gain of \$62,226,000 for 2017.

The fair value change for long-term investments was a loss of \$9,687,000 in the first quarter of 2018 compared to a gain of \$43,655,000 during the same period in 2017. The Company's long-term investment gain was comprised primarily of losses in Algoma of \$5,049,000, E-L Financial of \$3,113,000 and The Bank of Nova Scotia of \$1,285,000.

The global investment portfolio had a net fair value gain of \$1,714,000 in the first quarter of 2018 compared to \$18,571,000 in 2017. The 2018 gain for the global investment portfolio included investment gains from Europe of \$2,390,000, Japan \$2,115,000 and North America \$1,575,000 offset by losses in the United Kingdom of \$3,710,000. The top three contributors to the investment performance included Microsoft Corporation, UBM plc, and Harris Corporation. The largest detractors included BritishAmerican Tobacco plc, Micro Focus International plc, and Imperial Brands plc. Foreign currency positively impacted the net fair value gain due to a decline in the Canadian dollar.

The Company's net realized gain, all of which relates to the global investment portfolio, was \$5,149,000 in the first quarter of 2018 compared to \$6,235,000 in 2017. The largest contributors during the quarter were realized gains for Cisco Systems Inc. of \$3,359,000 and for Harris Corporation of \$1,026,000.

Net investment income

The Company's net investment income in the first quarter of 2018 decreased to \$3,007,000 compared to \$3,030,000 in the first quarter of 2017, a decrease of 0.8%. On a per Common Share basis, net investment income for the quarter was \$0.54 in both 2018 and in 2017.

Foreign dividend income in the first quarter of 2018 decreased to \$2,652,000 from \$2,720,000 in 2017.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Canadian dividend income in the first quarter of 2018 increased to \$1,754,000 from \$1,681,000 in 2017 primarily due to an increase in dividends received from The Bank of Nova Scotia.

The expenses of the Company increased by 10.6% during the quarter to \$1,040,000 from \$940,000 in 2017. The majority of the year-over-year increase relates to increased investment management fees as a result of an increase in the average market value of the global investment portfolio.

Quarterly Results

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

	March 31 2018	Dec. 31 2017	Sept. 30 2017	June 30 2017	March 31 2017	Dec. 31 2016	Sept. 30 2016	June 30 2016
Net investment income ¹	\$ 3,007	\$ 2,892	\$ 2,067	\$ 3,268	\$ 3,030	\$ 2,522	\$ 2,476	\$ 3,077
Net income (loss)	\$ (3,910)	\$ 25,869	\$ (9,917)	\$ 18,357	\$ 57,028	\$ 22,409	\$ 24,140	\$ 19,763
Earnings (loss) per Common Share	\$ (0.70)	\$ 4.60	\$ (1.76)	\$ 3.26	\$ 10.16	\$ 3.99	\$ 4.30	\$ 3.51
NAV per Common Share	\$ 150.19	\$ 151.98	\$ 147.68	\$ 149.74	\$ 146.77	\$ 138.26	\$ 134.42	\$ 130.27
Quarterly NAV return % ²	(0.5)	3.1	(1.2)	2.2	7.3	3.0	3.3	2.8

¹ On an after-tax basis.

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

Investment income is derived primarily from dividend income that is earned by the Company. While North American investments usually pay regular quarterly dividends, investments outside of North America often pay less frequently. In general, dividends earned on investments outside of North America peak in the second quarter of the year. There is no guarantee that the Company will receive dividend income on its investments at current dividend payout levels.

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 March 31, 2018, there are 5,615,535 Common Shares issued and outstanding and each share is entitled to one vote.

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 \$0.80 per Common Share was paid in the first quarter of fiscal 2018 along with the \$0.30 quarterly dividend.

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

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Additional Information

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

Economic's website, www.evt.ca, also provides further information on the Company, including historical information on the net equity value per Common Share which is updated weekly.

April 26, 2018

Economic Investment Trust Limited

STATEMENTS OF FINANCIAL POSITION (Unaudited)

	March 31	December 31
	2018	2017
	(000's)	
ASSETS		
Cash and cash equivalents	\$ 2,318	\$ 5,773
Short-term investments	21,701	23,373
Investments (Note 4)	895,357	902,692
Receivable in respect of investments sold	2,002	—
Dividends and interest receivable	1,009	968
Other assets	457	320
	<u>922,844</u>	<u>933,126</u>
LIABILITIES		
Accrued expenses	739	751
Payable in respect of investments purchased	1,805	—
Income taxes payable	12	399
Deferred tax liabilities	76,901	78,502
	<u>79,457</u>	<u>79,652</u>
Net assets	<u>\$ 843,387</u>	<u>\$ 853,474</u>
SHAREHOLDERS' EQUITY		
Share capital	\$ 204,691	\$ 204,691
Share premium	1,474	1,474
Retained earnings	637,222	647,309
Total shareholders' equity	<u>\$ 843,387</u>	<u>\$ 853,474</u>

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

	Three months ended March 31	
	2018	2017
	(000's)	
INCOME		
Dividends		
Foreign	\$ 2,652	\$ 2,720
Canadian	1,754	1,681
	<u>4,406</u>	4,401
Interest and securities lending income	93	55
Fair value change in investments (Note 5)	(7,973)	62,226
	<u>(3,474)</u>	<u>66,682</u>
EXPENSES		
Investment management and administrative costs	747	688
Office and miscellaneous	173	145
Directors' remuneration	72	65
Transfer, registrar and custody fees	34	27
Professional fees	14	15
	<u>1,040</u>	<u>940</u>
INCOME (LOSS) BEFORE INCOME TAXES	(4,514)	65,742
Provision for (recovery of) income taxes	(604)	8,714
NET INCOME (LOSS)	\$ (3,910)	\$ 57,028
EARNINGS (LOSS) PER COMMON - BASIC AND DILUTED	\$ (0.70)	\$ 10.16

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF CHANGES IN EQUITY (Unaudited)

	Share capital	Share premium	Retained earnings	Total
	(000's)			
At January 1, 2018	\$ 204,691	\$ 1,474	\$ 647,309	\$ 853,474
Net loss for the period	—	—	(3,910)	(3,910)
Dividends	—	—	(6,177)	(6,177)
At March 31, 2018	\$ 204,691	\$ 1,474	\$ 637,222	\$ 843,387
At January 1, 2017	\$ 204,691	\$ 1,474	\$ 570,235	\$ 776,400
Net income for the period	—	—	57,028	57,028
Dividends	—	—	(9,209)	(9,209)
At March 31, 2017	\$ 204,691	\$ 1,474	\$ 618,054	\$ 824,219

STATEMENTS OF CASH FLOW (Unaudited)

	Three months ended March 31	
	2018	2017
	(000's)	
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net income (loss)	\$ (3,910)	\$ 57,028
Adjustments for:		
Fair value change in investments	7,973	(62,226)
Net sales of short-term investments	1,672	4,643
Purchases of investments	(10,482)	(10,113)
Proceeds from sale of investments	9,844	18,652
Dividends and interest receivable	(41)	(391)
Deferred taxes	(1,601)	7,899
Net change in other assets and liabilities	(733)	(9,734)
	2,722	5,758
Financing		
Dividends paid to shareholders	(6,177)	(9,209)
Net decrease in cash and cash equivalents	(3,455)	(3,451)
Cash and cash equivalents at beginning of the period	5,773	12,941
Cash and cash equivalents at end of the period	\$ 2,318	\$ 9,490
Additional information for operating activities:		
Interest received	\$ 37	\$ 26
Dividends received, net of withholding taxes	3,965	3,586
Income taxes paid	1,089	2,109

(See accompanying notes)

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

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 April 26, 2018.

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, 2017.

3. Critical accounting estimates and judgments

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

Classification and measurement of investments

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

Fair value of investments in private companies

The fair value of investments in private companies 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 statements for the year ended December 31, 2017 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 FINANCIAL STATEMENTS

(Unaudited)

4. Financial instruments

The Company adopted IFRS 9 “Financial Instruments” for the reporting period commencing January 1, 2018. IFRS 9 addresses the classification, measurement and derecognition of financial assets and liabilities. The adoption of this IFRS has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments. The Company continues to classify its investments as fair value through profit or loss.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted unadjusted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

At March 31, 2018, the Company had \$754,538,000 (December 31, 2017 - \$758,516,000) of Level 1 and \$140,819,000 (December 31, 2017 - \$144,176,000) of Level 3 equity investments. During the quarter, there were no transfers between Level 1, 2 or 3 equity investments.

5. Fair value change in investments

The fair value change in investments is comprised as follows:

	Three months ended March 31	
	2018	2017
	(000's)	
Net realized gain	\$ 5,149	\$ 6,235
Change in unrealized appreciation	(13,122)	55,991
	<u>\$ (7,973)</u>	<u>\$ 62,226</u>

6. Related party information

The Company has investments in related parties (see Schedule of Investment Portfolio) with a fair value at March 31, 2018 of \$483,281,000 (December 31, 2017 - \$492,968,000) representing 54.0% (December 31, 2017 – 54.6%) of the total investments. Dividends from these companies for the three months ended March 31, 2018 amounted to \$1,688,000 (2017 - \$1,641,000).

E-L Financial holds a 24.0% 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 March 31, 2018 amounted to \$126,000 (2017 - \$118,000).

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

7. Subsequent event

Common Share dividends of \$0.30 per Common Share were declared by the Board of Directors at its meeting on April 26, 2018, with a record and payable date of June 15, 2018 and June 29, 2018, respectively.

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2018 (Unaudited)

Number of shares		Cost	Carrying value	% of Carrying value
		(000's)		
North America				
Canada				
2,126,380	Algoma Central Corporation ¹	\$ 2,974	\$ 30,407	
760,348	Cenovus Energy Inc.	10,021	8,341	
386,206	E-L Financial Corporation Limited ¹	26,116	312,055	
33,101	Ecando Investments Limited Classes A, B and common ^{1, 2, 3}	4,139	61,205	
176,414	The Fulcrum Investment Company Limited ^{1, 2}	464	15,226	
216,900	NVG Holdings Limited Classes B, C, D, E and common ^{1, 2, 4}	2,115	50,351	
149,032	PrairieSky Royalty Ltd.	3,300	4,198	
4,837	TGV Holdings Limited Class B ^{1, 2, 4, 5}	318	14,037	
		<u>49,447</u>	<u>495,820</u>	55.4
United States				
168,644	Allison Transmission Holdings Inc.	5,544	8,494	
1,390	Alphabet Inc. Class A.....	1,805	1,859	
95,019	AmerisourceBergen Corporation	7,228	10,562	
26,325	Apple Inc.....	2,721	5,695	
14,215	AutoZone, Inc.	12,782	11,890	
204,378	BB&T Corporation.....	7,433	13,714	
29,277	Becton, Dickinson and Company.....	2,803	8,180	
44,610	Cisco Systems, Inc.	1,105	2,467	
42,540	Gentex Corporation	799	1,263	
37,117	Harris Corporation	3,653	7,719	
76,205	Johnson & Johnson	6,063	12,592	
16,283	Kimberly-Clark Corporation	2,489	2,312	
49,142	McDonald's Corporation	5,573	9,909	
156,236	Microsoft Corporation	6,422	18,386	
89,075	Northern Trust Corporation	5,550	11,845	
153,533	Oracle Corporation	6,305	9,057	
54,515	PepsiCo, Inc.	4,397	7,672	
85,319	Philip Morris International Inc.	8,120	10,935	
481,768	Sabre Corporation	15,499	13,325	
48,486	Texas Instruments Incorporated	4,888	6,495	
102,064	Union Pacific Corporation	9,376	17,691	
89,626	United Technologies Corporation.....	8,877	14,540	
148,789	Walgreen Boots Alliance Inc.	10,572	12,560	
		<u>140,004</u>	<u>219,162</u>	24.5
	Total North America	<u>189,451</u>	<u>714,982</u>	79.9

Economic Investment Trust Limited

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2018 (Unaudited)

Number of shares		Cost	Carrying value	% of Carrying value
		(000's)		
	Europe, excluding United Kingdom			
100,238	Brenntag AG	\$ 6,493	\$ 7,682	
212,371	Bureau Veritas S.A.	5,348	7,113	
101,445	Colruyt S.A.	5,456	7,230	
41,765	Hannover Rueckversicherung SE.....	2,819	7,396	
70,707	Heineken Holding N.V.....	3,635	9,390	
93,205	Henkel AG & Co. KGaA.....	6,047	15,159	
63,911	Nestle S.A.	4,790	6,516	
122,884	Novartis AG.....	9,556	12,800	
154,011	Publicis Groupe	10,913	13,826	
21,707	Roche Holding AG	5,283	6,412	
		<u>60,340</u>	<u>93,524</u>	10.4
	United Kingdom			
182,705	British American Tobacco plc.....	10,454	13,666	
119,680	Bunzl plc	4,262	4,540	
140,901	Imperial Brands plc.....	5,423	6,189	
73,158	Micro Focus International plc.....	2,434	1,307	
362,156	Sage Group plc (The)	2,016	4,191	
358,839	UBM plc	4,020	6,094	
147,608	Unilever plc.....	5,806	10,572	
		<u>34,415</u>	<u>46,559</u>	5.2
	Japan			
198,000	Kakaku.com Inc.	3,789	4,442	
73,300	Kao Corporation.....	2,527	7,047	
9,000	Keyence Corporation	1,216	7,145	
153,000	Komatsu Ltd.....	3,654	6,500	
149,600	Unicharm Corporation.....	3,353	5,528	
		<u>14,539</u>	<u>30,662</u>	3.4
	Brazil			
684,312	Cielo S.A.....	5,872	5,510	0.6
	Cayman Islands			
3,987,000	Want Want China Holdings Ltd.....	4,709	4,120	0.5
	Total investments	<u>\$ 309,326</u>	<u>\$ 895,357</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 the shares of The Bank of Nova Scotia.

⁵ Investment in associate.

Economic Investment Trust Limited

CORPORATE INFORMATION

HEAD OFFICE

Tenth Floor, 165 University Avenue, Toronto, Ontario, M5H 3B8
Tel: 416-947-2578
Fax: 416-362-2592

EXTERNAL INVESTMENT MANAGER

Burgundy Asset Management Ltd., Toronto

AUDITOR

PricewaterhouseCoopers LLP, Toronto

CUSTODIAN

RBC Investor & Treasury Services

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc.
100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1
Toll Free: 1-800-564-6253
www.computershare.com

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

