

# Economic Investment Trust Limited



**FIRST QUARTER REPORT**  
**March 31, 2024**



# *Economic Investment Trust Limited*

## THE PERIOD AT A GLANCE (Unaudited)

	As at March 31 2024		As at Dec. 31 2023	
Net equity value per Common Share <sup>1</sup>	\$	214.89	\$	204.14
Net assets <sup>2</sup>	\$	1,165,819	\$	1,107,495
Number of Common Shares outstanding at period end		5,425,197		5,425,197

  

	Three months ended March 31			
	2024		2023	
Net Investment Income per Common Share <sup>1</sup>	\$	1.11	\$	1.80
Dividends per Common Share				
Quarterly	\$	0.30	\$	0.30
Additional <sup>3</sup>	\$	4.27	\$	4.98
Net income per Common Share	\$	15.32	\$	4.73
Net investment income <sup>1,2</sup>	\$	6,040	\$	9,833

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

<sup>2</sup> In thousands of Canadian dollars.

<sup>3</sup> This additional dividend represents the distribution of the previous fiscal year's net investment income, after payment of quarterly dividends.

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 first 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; 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 April 29, 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 March 31, 2024, E-L Financial represented 39.8% (December 31, 2023 – 40.8%) of total equity investments, Algoma 3.5% (December 31, 2023 – 3.7%) and The Bank of Nova Scotia 4.9% (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 contribute to achieving the investment objective. Further related party information is provided in Note 12

# *Economic Investment Trust Limited*

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

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 35.8% (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 March 31, 2024, approximately 49.8% (December 31, 2023 – 51.2%) of the investment portfolio was held in long-term investments and 50.2% (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.

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.

# *Economic Investment Trust Limited*

## MANAGEMENT'S DISCUSSION & ANALYSIS

### Use of Non-GAAP Measures (continued)

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):

	<b>March 31 2024</b>	December 31 2023
Net Assets	<b>\$ 1,165,819</b>	\$ 1,107,495
Common Shares outstanding	<b>5,425,197</b>	5,425,197
Net Equity Value per Common Share	<b>\$ 214.89</b>	\$ 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):

	<b>Three months ended March 31</b>	
	<b>2024</b>	2023
Net income	<b>\$ 83,117</b>	\$ 25,829
Add (deduct):		
Other net fair value changes in investments	<b>(88,867)</b>	(18,607)
Tax on other net fair value changes in investments	<b>11,775</b>	2,465
Net change in refundable dividend taxes on hand	<b>15</b>	146
Net Investment income	<b>\$ 6,040</b>	\$ 9,833
Weighted Average Common Shares Outstanding	<b>5,425,197</b>	5,464,628
Net Investment income per Common Share <sup>1</sup>	<b>\$ 1.11</b>	\$ 1.80

<sup>1</sup> On an after-tax basis.

### Net Equity Value per Common Share

The Company's net equity value per Common Share increased to \$214.89 at March 31, 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 7.5% in the first quarter of 2024, compared to 2.6% during 2023.

Long-term investments had a pre-tax total return, including dividends, of 4.2% in the first quarter of 2024 compared to a total return of 0.9% during 2023. On a pre-tax basis, the shares of E-L Financial had a return of 4.2% during 2024 (2023 – 2.0%), the shares of Algoma had a return of 0.4% (2023 – negative 5.2%), and the shares of the Bank of Nova Scotia had a return of 10.3% (2023 – 4.2%).

# *Economic Investment Trust Limited*

## MANAGEMENT'S DISCUSSION & ANALYSIS

### Net Equity Value per Common Share (continued)

The global investment portfolio had a pre-tax return, gross of fees, of 12.5% in the first quarter of 2024 compared to 5.0% for 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:

	<b>Three Months ended March 31</b>
	(%)
Economic net equity value	7.5
S&P/TSX Composite Index	6.6
MSCI All Country World Index	10.8
S&P 500 Index	13.3

### 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.

# *Economic Investment Trust Limited*

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

### **Operating Results**

The Company reported a net income of \$83,117,000 in the first quarter of 2024 compared to a net income of \$25,829,000 in the first quarter of 2023. On a per Common Share basis, earnings per share increased to \$15.32 in 2024 compared to a \$4.73 for 2023.

The other net fair value changes in investments for the quarter was a net gain of \$88,867,000 in 2024 compared to \$18,607,000 for 2023.

The other net fair value changes for long-term investments was a net gain of \$21,821,000 in the first quarter of 2024 compared to a net loss of \$2,475,000 during the same period in 2023. The Company's long-term investment gain was primarily due to fair value gains in E-L Financial and The Bank of Nova Scotia.

The global investment portfolio had an other net fair value gain of \$67,046,000 in the first quarter of 2024 compared to \$21,082,000 in 2023. The 2024 net fair value gain for the global investment portfolio included investment gains from North America of \$56,637,000, Japan \$3,492,000, United Kingdom \$3,393,000 and Europe \$3,065,000.

The Company's net realized gain, all of which relates to the global investment portfolio, was \$7,230,000 in the first quarter of 2024 compared to a net realized loss of \$722,000 in 2023.

### *Net investment income*

The Company's net investment income in the first quarter of 2024 decreased to \$6,040,000 compared to \$9,833,000 in the first quarter of 2023. On a per Common Share basis, net investment income for the quarter decreased to \$1.11 in 2024 compared to \$1.80 in 2023.

Foreign dividend income in the first quarter of 2024 increased to \$3,882,000 from \$3,735,000 in 2023. 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 first quarter of 2024 decreased to \$3,608,000 from \$7,617,000 in 2023. During the first quarter of 2023, the Company received a special dividend from its investment in Algoma of \$4,284,000.

The expenses of the Company in the first quarter of 2024 increased to \$756,000 from \$702,000 in 2023.



# Economic Investment Trust Limited

## 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):

	<b>Mar. 31</b>	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30
	<b>2024</b>	2023	2023	2023	2023	2022	2022	2022
Net Investment Income <sup>1</sup>	\$ <b>6,040</b>	\$ 6,540	\$ 5,720	\$ 7,769	\$ 9,833	\$ 7,233	\$ 5,085	\$ 6,992
Net Income (loss)	\$ <b>83,117</b>	\$106,168	\$ (14,430)	\$ 20,245	\$ 25,829	\$ 81,161	\$ 3,757	\$ (85,454)
Earnings (loss) per Common Share	\$ <b>15.32</b>	\$ 19.46	\$ (2.64)	\$ 3.71	\$ 4.73	\$ 14.54	\$ 0.65	\$ (15.31)
NAV per Common Share	\$ <b>214.89</b>	\$ 204.14	\$ 184.56	\$ 187.50	\$ 184.07	\$ 184.62	\$ 170.07	\$ 169.11
Quarterly NAV return % <sup>2</sup>	<b>7.5</b>	10.8	(1.4)	2.0	2.6	8.7	0.7	(8.2)

<sup>1</sup> On an after-tax basis. See use of Non-GAAP Measures.

<sup>2</sup> 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 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 March 31, 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.

For the three-month period ended March 31, 2024 and 2023, there were no shares purchased under the NCIB.

# *Economic Investment Trust Limited*

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

### **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 fiscal 2024 along with the \$0.30 quarterly dividend.

During the second quarter of 2024 the Company's investment in E-L Financial will pay a special dividend. As a result, the Board of Directors has approved an additional dividend of \$5.30 per Common Share, representing an early distribution of the 2024 annual net investment income, along with the regular \$0.30 per Common Share quarterly dividend.

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 March 31, 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.

### **Additional Information**

Additional information relating to Economic, including the Company's Annual Information Form, is available at [www.sedarplus.ca](http://www.sedarplus.ca).

Economic's website, [www.evt.ca](http://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)**

	<b>March 31 2024</b>	December 31 2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,474	\$ 13,119
Investments (Note 4)	1,258,796	1,183,666
Receivable in respect of investments sold	13,956	—
Dividends and interest receivable	3,151	2,258
Income taxes receivable	1,085	1,458
Other assets	655	601
<b>Total assets</b>	<b>1,285,117</b>	<b>1,201,102</b>
<b>LIABILITIES</b>		
Accrued expenses	317	347
Payable in respect to investments purchased	14,536	—
Deferred tax liabilities	104,445	93,260
<b>Total liabilities</b>	<b>119,298</b>	<b>93,607</b>
<b>NET ASSETS</b>	<b>\$ 1,165,819</b>	<b>\$ 1,107,495</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 5)	\$ 197,754	\$ 197,754
Retained earnings	968,065	909,741
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 1,165,819</b>	<b>\$ 1,107,495</b>

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	
	March 31	
	2024	2023
<b>INCOME</b>		
Dividends		
Foreign	\$ 3,882	\$ 3,735
Canadian (Note 7)	3,608	7,617
	<b>7,490</b>	11,352
Interest and securities lending income	210	295
Other net fair value changes in investments (Note 6)	88,867	18,607
	<b>96,567</b>	30,254
<b>EXPENSES</b>		
Investment management and administrative costs (Note 7)	356	300
Office and miscellaneous	123	111
Directors' remuneration	106	101
Professional fees	97	39
Transfer, register and custody fees	74	62
Interest	—	89
	<b>756</b>	702
<b>INCOME BEFORE INCOME TAXES</b>	<b>95,811</b>	29,552
Provision for income taxes	12,694	3,723
<b>NET INCOME</b>	<b>\$ 83,117</b>	\$ 25,829
<b>EARNINGS PER COMMON SHARE - BASED AND DILUTED</b>	<b>\$ 15.32</b>	\$ 4.73

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
<b>At January 1, 2024</b>	<b>\$ 197,754</b>	<b>\$ 909,741</b>	<b>\$ 1,107,495</b>
Net income for the period	—	83,117	83,117
Dividends	—	(24,793)	(24,793)
<b>At March 31, 2024</b>	<b>\$ 197,754</b>	<b>\$ 968,065</b>	<b>\$ 1,165,819</b>
At January 1, 2023	\$ 199,191	\$ 809,686	\$ 1,008,877
Net income for the period	—	25,829	25,829
Dividends	—	(28,853)	(28,853)
At March 31, 2023	\$ 199,191	\$ 806,662	\$ 1,005,853

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)

	Three months ended	
	March 31	
	2024	2023
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating</b>		
Net income	\$ 83,117	\$ 25,829
Adjustments for:		
Other net fair value changes in investments	(88,867)	(18,607)
Purchases of investments	(86,195)	(60,278)
Proceeds from sale of investments	99,933	86,745
Dividends and interest receivable	(893)	(1,031)
Deferred taxes	11,185	2,665
Net change in other assets and liabilities	868	1,252
	<b>19,148</b>	<b>36,575</b>
<b>Financing</b>		
Dividends paid to shareholders	(24,793)	(28,853)
Repayment of loan	—	(14,500)
	<b>(24,793)</b>	<b>(43,353)</b>
Net decrease in cash and cash equivalents	(5,645)	(6,778)
<b>Cash and cash equivalents at beginning of the period</b>	<b>13,119</b>	<b>12,831</b>
<b>Cash and cash equivalents at end of the period</b>	<b>\$ 7,474</b>	<b>\$ 6,053</b>
Interest received	\$ 182	\$ 261
Dividends received, net of withholding taxes	6,194	9,933
Income taxes paid	795	1,450

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 April 29, 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 March 31, 2024, the Company had \$1,083,411 (December 31, 2023 – \$1,014,632) of Level 1 and \$175,385 (December 31, 2023 - \$169,034) of Level 3 equity investments. During the quarter, there were no transfers between Level 1, 2 or 3 equity investments.

### 5. Share capital

Share capital is comprised as follows:

	<u>Number of Shares</u>	<u>Share Capital Amount</u>
At January 1, 2024 and March 31, 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 three-month periods ended March 31, 2024 and 2023 there were no shares purchased under the NCIB. For the year ended December 31, 2023, 3,200 shares were purchased under the NCIB at an average price of \$133.08 per share for a total consideration of \$425. 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 March 31	
	2024	2023
Net realized gain (loss)	\$ 7,230	\$ (722)
Net change in unrealized appreciation	81,637	19,329
	<u>\$ 88,867</u>	<u>\$ 18,607</u>

### **7. Related party information**

The Company has investments in related parties (see Schedule of Investment Portfolio) with a fair value at March 31, 2024 of \$627,472 (December 31, 2023 - \$605,652) representing 49.8% (December 31, 2023 - 51.2%) of the total investments. Dividends from these companies for the three months ended March 31, 2024 amounted to \$3,365 (2023 - \$7,468).

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 March 31, 2024 amounted to \$178 (2023 - \$149).

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 \$5.60 per Common Share were declared by the Board of Directors at its meeting on April 29, 2024, with a record and payable date of June 14, 2024 and June 28, 2024, respectively.

# Economic Investment Trust Limited

## SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (Unaudited)

Number Shares		Cost	Carrying value	% of Carrying value
	<b>Canada</b>		(000's)	
2,126,380	Algoma Central Corporation <sup>1</sup>	\$ 2,973	\$ 31,513	
80,313	Canadian Natural Resources Limited	5,161	8,299	
386,206	E-L Financial Corporation Limited <sup>1</sup>	26,116	420,574	
33,101	Ecando Investments Limited			
	Classes A, B and common <sup>1, 2, 3</sup>	4,139	76,560	
176,414	The Fulcrum Investment Company Limited <sup>1, 2</sup>	464	31,606	
12,700	Imperial Oil Limited	536	1,187	
209,927	Manulife Financial Corporation	5,457	7,102	
216,900	NVG Holdings Limited			
	Classes B, C, D, E and common <sup>1, 2, 4</sup>	2,115	52,266	
32,479	Shopify Inc. Class A	1,369	3,410	
56,864	Suncor Energy, Inc.	2,554	2,843	
4,837	TGV Holdings Limited Class B <sup>1, 2, 4, 5</sup>	318	14,953	
		<u>51,202</u>	<u>650,313</u>	51.7
	<b>United States</b>			
50,783	Abbvie Inc.	9,241	12,530	
45,637	Aflac Inc.	3,894	5,310	
3,191	Airbnb, Inc. Class A	481	713	
49,200	Alphabet Inc. Class A	3,495	10,062	
12,422	Alphabet Inc. Class C	2,199	2,563	
91,020	Altria Group, Inc.	5,383	5,380	
4,876	American Express Company	1,254	1,504	
15,865	American International Group, Inc.	1,420	1,680	
11,485	Ameriprise Financial, Inc.	4,484	6,823	
7,670	Amgen Inc.	2,703	2,955	
21,152	Apple Inc.	4,611	4,915	
24,291	Applied Materials, Inc.	3,095	6,788	
28,031	AT&T Inc.	562	668	
1,104	Autozone, Inc.	2,104	4,715	
21,157	Bank of American Corporation (The)	871	1,087	
14,989	Berkshire Hathaway Inc. Class B	4,445	8,541	
693	Booking Holdings Inc.	1,955	3,407	
8,893	Broadcom Inc.	6,730	15,971	
916	Builders FirstSource, Inc.	161	259	
24,599	Cardinal Health, Inc.	3,090	3,730	
17,962	Caterpillar Inc.	6,445	8,918	
9,654	Cboe Global Markets Inc.	1,434	2,404	
2,989	Cencora, Inc.	884	984	
695	Chipotle Mexican Grill, Inc.	1,280	2,737	
10,486	Cigna Group (The)	4,030	5,160	
2,618	Cintas Corporation	1,260	2,437	
41,340	Cisco Systems, Inc.	2,304	2,796	
27,402	Citigroup Inc	1,749	2,348	
158,579	Comcast Corporation Class A	8,903	9,315	
35,106	ConocoPhillips	3,154	6,055	
43,050	CSX Corporation	1,894	2,162	
25,759	D.R. Horton, Inc.	2,830	5,743	
6,927	Electronic Arts Inc.	1,276	1,245	

# Economic Investment Trust Limited

## SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (Unaudited)

Number Shares		Cost	Carrying value	% of Carrying value
	<b>United States (Continued)</b>		(000's)	
7,710	Elevance Health Inc. ....	\$ 4,366	\$ 5,417	
12,481	EOG Resources, Inc. ....	1,342	2,162	
61,740	Exxon Mobile Corporation .....	4,833	9,724	
3,078	Fidelity National Financial, Inc. ....	165	221	
11,520	General Dynamics Corporation .....	3,042	4,410	
13,584	Gilead Sciences, Inc. ....	1,452	1,348	
24,843	Hartford Financial Services Group, Inc. (The) .....	2,264	3,469	
20,398	HCA Healthcare, Inc. ....	6,965	9,219	
6,800	Home Depot, Inc. (The) .....	2,961	3,535	
41,339	Johnson & Johnson .....	5,562	8,861	
16,457	JPMorgan Chase & Co .....	2,461	4,467	
3,506	KLA Corporation .....	1,680	3,319	
7,983	Laboratory Corporation of America Holdings .....	2,355	2,363	
4,974	Lam Research Corporation .....	2,513	6,548	
1,489	Leidos Holdings, Inc. ....	159	264	
32,331	Lennar Corporation Class A .....	4,316	7,534	
373	Lululemon Athletica Inc. ....	157	197	
25,738	Marathon Petroleum Corporation .....	4,887	7,027	
4,480	Marriott International, Inc. ....	869	1,532	
5,667	Marsh & McLennan Companies, Inc. ....	1,263	1,582	
962	Mastercard Inc. Class A .....	473	628	
4,046	McKesson Corporation .....	2,321	2,943	
1,661	MercadoLibre Inc. ....	1,749	3,403	
27,962	Merck & Co. Inc. New .....	3,788	4,999	
10,055	Meta Platforms, Inc. Class A .....	3,522	6,616	
22,670	Microchip Technology Incorporated .....	2,085	2,756	
35,148	Microsoft Corporation .....	3,968	20,037	
4,664	Motorola Solutions Inc .....	1,278	2,243	
22,368	Nucor Corporation .....	3,569	5,998	
6,403	NVIDIA Corporation .....	1,285	7,839	
121	NVR, Inc. ....	1,021	1,328	
11,869	Omnicom Group Inc. ....	1,142	1,556	
33,860	Oracle Corporation .....	1,608	5,763	
138	O'Reilly Automotive, Inc. ....	156	211	
5,330	Owens Corning .....	618	1,205	
2,729	PACCAR Inc. ....	338	458	
3,582	Parker Hannifin Corporation .....	1,744	2,698	
382	Philip Morris International Inc. ....	46	47	
2,631	Phillips 66 .....	449	582	
1,068	Pioneer Natural Resources Company .....	313	380	
28,108	Principal Financial Group, Inc. ....	2,801	3,287	
37,200	Procter & Gamble Company (The) .....	6,119	8,178	
14,804	Public Service Enterprise Group .....	1,341	1,340	
10,235	PulteGroup, Inc. ....	801	1,673	
11,350	Raymond James Financial, Inc. ....	1,415	1,975	
6,379	Ross Stores, Inc. ....	1,133	1,269	
49,110	Simon Property Group, Inc. ....	7,544	10,414	
537	Snap-On Inc .....	175	216	
4,054	Starbucks Corporation .....	453	502	
22,287	Steel Dynamics, Inc. ....	2,027	4,476	

# Economic Investment Trust Limited

## SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (Unaudited)

Number Shares		Cost	Carrying value	% of Carrying value
<b>United States (Continued)</b>		(000's)		
3,357	Synchrony Financial	\$ 193	\$ 196	
29,528	TJX Companies, Inc. (The)	3,136	4,058	
20,197	Trade Desk, Inc. (The)	1,454	2,392	
1,130	Ulta Beauty, Inc.	566	801	
6,905	Union Pacific Railroad Corporation (The)	2,062	2,301	
6,859	United Rentals, Inc.	4,439	6,702	
7,135	UnitedHealth Group Incorporated	4,530	4,783	
109,842	Verizon Communications Inc.	5,890	6,245	
3,567	Waste Management Inc.	748	1,030	
3,908	Weyerhaeuser Company	191	190	
66,370	Williams Companies, Inc. (The)	2,206	3,505	
3,028	W.W. Grainger, Inc.	2,210	4,174	
		<u>236,140</u>	<u>376,501</u>	29.9
	<b>Total North America</b>	<u>287,342</u>	<u>1,026,814</u>	81.6
<b>Europe, excluding United Kingdom</b>				
48,873	ABB Ltd.	1,778	3,075	
367,022	Banco Bilbao Vizcaya Argentaria, S.A.	2,412	5,929	
11,659	Bayerische Motoren Werke AG	1,220	1,825	
320,584	CaixaBank S.A.	1,287	2,107	
21,756	Chubb Limited	5,421	7,639	
45,196	Compagnie de Saint-Gobain S.A.	2,375	4,757	
48,472	Crédit Agricole S.A.	663	980	
8,833	CRH PLC	950	1,032	
56,462	DHL Group	2,716	3,296	
85,078	Enel S.p.A.	728	762	
375,358	Iberdrola, S.A.	5,821	6,313	
77,389	Infineon Technologies AG	2,440	3,556	
100,836	Ing Groep N.V.	1,221	2,249	
69,508	Koninklijke Ahold Delhaize N.V.	2,833	2,819	
3,327	Linde Public Limited Company	1,244	2,093	
24,205	LyondellBasell Industries N.V. Class A	2,958	3,355	
6,703	Medtronic plc	792	792	
24,300	Nestle S.A.	2,162	3,495	
155,475	Nordea Bank Abp	2,083	2,350	
16,825	Novartis AG	2,214	2,208	
8,858	Roche Holding AG Genusscheine NPV	2,400	3,056	
18,896	Société Générale SA	540	686	
16,103	Stellantis N.V.	559	621	
27,274	STMicroelectronics N.V.	1,275	1,593	
31,102	Telenor ASA	458	469	
60,076	TotalEnergies SE	3,800	5,579	
37,007	UniCredit S.p.A.	1,320	1,905	
30,996	Vinci SE	3,855	5,386	
		<u>57,525</u>	<u>79,927</u>	6.3

# Economic Investment Trust Limited

## SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (Unaudited)

Number Shares		Cost	Carrying value	% of Carrying value
	<b>Emerging Markets</b>		(000's)	
1,774,000	Agricultural Bank of China	\$ 892	\$ 1,013	
94,800	Arca Continental S.A.B. de C.V.	766	1,404	
8,677	ArcelorMittal S.A.	255	323	
21,582	Arch Capital Group Ltd	1,286	2,703	
198,300	Banco do Brasil S.A.	2,652	3,043	
13,223,000	Bank Of China Ltd	6,507	7,393	
1,133,000	Bank of Communications Co., Ltd.	898	1,009	
170,200	BB Suguros Participacoes	810	1,500	
7,764,000	China Construction Bank Corporation	5,853	6,343	
2,064,000	China Pharmaceutical Group	2,252	2,197	
259,500	China Shenhua Energy Company Limited	782	1,381	
115,900	Coca-Cola Femsa S.A.B. de C.V.	915	1,517	
39,195	Gruma, S.A.B. de C.V.	621	994	
213,600	Grupo Bimbo, S.A.B. de C.V.	766	1,368	
189,024	Grupo Financiero Barnote S.A.B. de C.V.	1,597	2,721	
1,373,835	Itaúsa Investimentos Itaú S.A.	3,405	3,909	
44,798	Kia Motors Corporation	3,797	4,956	
256,000	Lite-On Technology Corporation	730	1,095	
43,000	Mediatek Inc.	1,813	2,176	
1,260,624	Mega Financial Holding Co., Ltd.	2,073	2,165	
213,126	MTN Group Limited	1,493	1,428	
178,000	NetEase, Inc.	4,246	5,016	
1,179	PDD Holdings Inc.	105	187	
533,100	Petróleo Brasileiro S.A. - Petrobras	4,842	5,398	
294,300	Petróleo Brasileiro S.A. - Petrobras PFD NVP	2,775	3,053	
5,454	Posco	1,248	2,311	
224,600	OUTsurance Holdings Limited	436	674	
118,500	Swire Pacific Offshore Holdings Limited	1,067	1,321	
6,000	Taiwan Semiconductor Manufacturing Company Limited	125	198	
502,000	United Microelectronics Corporation	830	1,110	
		55,837	69,906	5.6
	<b>Japan</b>			
201,600	Astellas Pharma Inc.	3,052	2,966	
191,100	Honda Motor Co., Ltd.	2,551	3,234	
72,900	Itochu Corporation	2,758	4,219	
146,600	Japan Tobacco Inc.	4,950	5,319	
26,900	Marubeni Corporation	472	633	
27,600	Mitsubishi Corporation	486	861	
59,100	Mitsui & Co., Ltd.	1,748	3,759	
1,660,000	Nippon Telegraph And Telephone Corporation	2,392	2,671	
145,900	Orix Corporation	3,226	4,308	
125,400	Takeda Pharmaceutical Company Limited	4,622	4,696	
72,300	Tokio Marine Holdings, Inc.	1,743	3,043	
		28,000	35,709	2.8

# Economic Investment Trust Limited

## SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (Unaudited)

Number Shares		Cost	Carrying value	% of Carrying value
	<b>United Kingdom</b>		(000's)	
16,324	3i Group plc .....	\$ 494	\$ 785	
192,159	BAE Systems plc .....	2,073	4,438	
1,158,353	Barclays Plc .....	2,840	3,632	
27,201	Experian plc .....	1,129	1,608	
10,761	Ferguson plc .....	2,399	3,185	
197,843	HSBC Holdings plc .....	2,023	2,096	
2,931,506	Lloyds Banking Group plc .....	2,135	2,597	
23,131	Next plc .....	2,162	3,655	
73,386	RELX plc .....	2,950	4,300	
116,970	SSE plc .....	3,312	3,303	
4,183	Shell plc .....	188	188	
42250	United Utilities Group plc .....	762	744	
		<u>22,467</u>	<u>30,531</u>	2.4
	<b>Australia</b>			
149,764	BHP Group Limited .....	5,499	5,852	
10,571	Commonwealth Bank of Australia (CBA) .....	942	1,123	
57,605	Fortescue Limited .....	1,194	1,307	
103,258	National Australia Bank Limited .....	2,682	3,157	
35,330	Rio Tinto Group .....	3,364	3,797	
24,935	Woodside Energy Group Ltd. ....	595	673	
		<u>14,276</u>	<u>15,909</u>	1.3
	<b>Total Investments</b> .....	<u>\$ 465,447</u>	<u>\$ 1,258,796</u>	<u>100.0</u>

<sup>1</sup> These companies and Economic are related parties.

<sup>2</sup> Not listed on a stock exchange.

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

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

<sup>5</sup> 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**

Neuberger Berman Canada ULC, 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](http://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](http://www.evt.ca)

