

Economic Investment Trust Limited



**SECOND QUARTER REPORT
JUNE 30, 2007**

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

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

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

signed "Duncan N.R. Jackman"

Duncan N.R. Jackman
Chairman and President

signed "Travis R. Epp"

Travis R. Epp
Treasurer

August 1, 2007

Economic Investment Trust Limited

THE PERIOD AT A GLANCE (Unaudited)

	As at June 30 2007 ⁽¹⁾	As at Dec. 31 2006 ^{(1) (2)}
Net equity value per Common Share	\$ 125.98	\$ 123.03
Net assets.....	\$ 707,822	\$ 691,296
Number of Common Shares outstanding at period end	5,615,535	5,615,535
	Six months ended June 30	
	2007 ⁽¹⁾	2006 ⁽¹⁾
Net investment income per Common Share	\$ 0.79	\$ 0.78
Increase in net assets from operations per Common Share	\$ 4.01	\$ 10.47
Regular dividends per Common Share	\$ 0.30	\$ 0.30
Investment income	\$ 7,816	\$ 7,451
Net investment income	\$ 4,459	\$ 4,390

⁽¹⁾ In thousands of dollars, except number of Common Shares outstanding and per share amounts.

⁽²⁾ Comparative amounts have not been restated to reflect the change in accounting policy that was adopted as at January 1, 2007 (Note 1 to the financial statements).

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the unaudited operating results and financial condition of Economic Investment Trust Limited ("Economic" or the "Company") for the second quarter of 2007 should be read in conjunction with the MD&A for the year ended December 31, 2006, the Company's annual audited consolidated financial statements, the notes relating thereto, supplementary financial information included in the Company's Annual Report, the quarterly unaudited financial statements and notes contained in this report, as well as the Company's MD&A and unaudited interim financial statements for the previous quarter of 2007. The unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The financial statements do not include all of the disclosures required under GAAP for annual financial statements. The reporting currency for the Company is the Canadian Dollar, and all amounts in the following discussions are in Canadian Dollars.

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

Overview

Economic, which was created in 1927, is a closed-end investment corporation, the shares of which trade on the Toronto Stock Exchange (EVT, EVT.PR.A). Economic has always been an investment vehicle for long-term growth through investments in common equities, as management believes that over long periods of time, common equities, as an asset class, will outperform fixed income instruments or balanced funds.

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

As at June 30, 2007, the Company managed all of the Canadian equities in the portfolio. These investments comprise 47.5% (June 30, 2006 - 50.1%) of the investment portfolio. The performance of this portion of the portfolio is primarily derived from investments in E-L Financial Corporation Limited ("E-L Financial") and, to a lesser extent, Algoma Central Corporation and The Bank of Nova Scotia. E-L Financial, Algoma Central Corporation and the Company can be significantly influenced by the same party. In management's view, investments in these companies are consistent with the Company's investment strategy and contribute to achieving the Company's investment objective. Further related party information is provided in Note 7 to the consolidated financial statements in the 2006 Annual Report and in the consolidated statement of investments.

Investment Strategy

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

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

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

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Market Review

Global stock markets generally posted positive results in the quarter ended June 30, 2007. During the quarter, the Canadian Dollar strengthened significantly which adversely impacted the Canadian Dollar returns. In Canadian Dollar terms, in the second quarter of fiscal 2007, the S&P/TSX Composite Index increased 6.3%, the MSCI World Index decreased 1.8% and the S&P 500 Index decreased 2.0%. On a year to date basis, the S&P/TSX Composite Index increased 9.1%, the MSCI World Index decreased 0.4% and the S&P 500 Index decreased 2.4%.

For the quarter ended June 30, 2007, the Company's net equity value per share increased to \$125.98 from \$124.22 at March 31, 2007, an increase of 1.5% (based on the reinvestment of dividends at month-end net equity values). On a year to date basis, the net equity value per share increased to \$125.98 from \$122.23 at January 1, 2007 (adjusted from \$123.03 for the change in accounting policy as noted below), an increase of 3.3% (based on the reinvestment of dividends at month-end net equity values). As the Company is a taxable Canadian corporation, a provision for future income taxes is recorded on the unrealized appreciation of investments. Future income taxes are recorded as a liability on the balance sheet. The net equity value of the Company's Common Shares is determined by deducting the outstanding Preferred Shares Series A at their cost of redemption from the net assets of the Company. The net equity value per Common Share is the net equity value divided by the number of Common Shares outstanding.

Accounting Policy Change

Effective January 1, 2007, the Company adopted Section 3855 of the CICA Handbook, "Financial Instruments - Recognition and Measurement". As a result, certain changes were made to the accounting policy regarding the carrying value of investments. Financial assets are measured at fair value and transaction costs are recognized immediately in net income. The fair value of securities traded in an active market is the closing bid price. Previously, the closing market quotation was used in determining the market value of investments. The fair values of investments not listed on stock exchanges have been determined by management based on the underlying market values of the net assets represented by such securities. These fair values, determined on the basis of closing bid prices of such securities, do not necessarily represent the realizable value of the total holdings. The actual realizable value could be more or less than the value indicated by those market quotations. There have not been any changes to the timing and recognition of financial assets. The change in accounting policy is treated prospectively and comparative balances have not been restated.

Effective January 1, 2007, the accounting policy change to closing bid price from closing market quotation resulted in a decrease in the fair value of Investments of \$5,437,000, a decrease in future income taxes of \$921,000 and a decrease in unrealized appreciation of investments of \$4,516,000.

Operating Results

Net investment income

The Company's net investment income in the second quarter of 2007 was \$2,863,000 compared to 2006 net investment income of \$3,049,000. On a year to date basis, the net investment income increased 1.6% to \$4,459,000 in 2007 from \$4,390,000 in 2006. On a per Common Share basis, net investment income for the quarter decreased to \$0.51 in 2007 from \$0.54 in 2006 and on a year to date basis increased slightly to \$0.79 in 2007 from \$0.78 in 2006.

Foreign dividend income in the second quarter decreased to \$4,149,000 in 2007 from \$4,313,000 in 2006, but increased to \$6,383,000 in 2007 from \$6,316,000 in 2006 on a year to date basis. In the second quarter of 2006, foreign dividends included a special dividend of approximately \$330,000 from Whitbread PLC. Canadian dividend income in the second quarter increased to \$619,000 in 2007 from \$579,000 in 2006 and increased to \$1,238,000 in 2007 from \$946,000 in 2006 on a year to date basis. Interest, including securities lending income in the second quarter amounted to \$148,000 in 2007, compared to \$129,000 in 2006 and increased to \$195,000 in 2007 from \$189,000 in 2006 on a year to date basis.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Operating expenses in the quarter amounted to \$687,000 (2006 - \$576,000) and \$1,413,000 (2006 - \$1,114,000) on a year to date basis. The rise in expenses from the prior periods is mainly due to the expensing of transaction costs (Note 1 to the financial statements) and an increase in management and administrative costs.

Net gain (loss) on investments

The Company realized a net gain on investments and forward currency contract of \$15,381,000 in the second quarter of 2007 (2006 - \$7,150,000). On a year to date basis, the net gain on investments sold was \$19,734,000 (2006 - \$14,890,000). The majority of the gain was a result of the maturity of forward currency contracts which generated a profit of approximately \$12 million in the quarter. The most significant realized gains from equities in the current quarter were from sales of Posco, Mol Magyar and Kroger Co.

The Company's unrealized appreciation of investments decreased by \$7,645,000 in the quarter compared to an increase of \$4,743,000 in the same period last year. On a year to date basis, unrealized appreciation of investments decreased by \$1,642,000 (2006 - increase of \$39,552,000). The decrease in unrealized appreciation during the current year reflects both an increase in realized gains as well as the appreciation of the Canadian Dollar, which adversely impacts the investment portfolio. The strongest performing equity investments in the quarter were Renault SA, Algoma Central Corporation, China Petroleum & Chemical Corp. and Vodafone Group PLC. E-L Financial Corporation Limited had the largest negative impact on the investment portfolio in the quarter.

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	March 31	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30
	2007	2007	2006	2006	2006	2006	2005	2005
Investment income	\$ 4,916	\$ 2,900	\$ 2,215	\$ 2,767	\$ 5,021	\$ 2,430	\$ 1,453	\$ 1,994
Increase in net assets from operations	\$ 10,599	\$ 11,952	\$ 68,344	\$ 7,813	\$ 14,942	\$ 43,890	\$ 46,971	\$ 25,592
Increase in net assets from operations per share ¹	\$ 1.88	\$ 2.13	\$ 12.17	\$ 1.39	\$ 2.66	\$ 7.81	\$ 8.36	\$ 4.56

¹ Net of dividends on preferred shares

Dividends

Regular quarterly dividends were paid on our Preferred Shares. The dividends paid out of net investment income on the Common Shares outstanding totalled \$0.15 per share in the current quarter and \$0.30 per share on a year to date basis in both 2007 and 2006.

Share Data

At June 30, 2007, the following shares were issued and outstanding; 7,700 5% Cumulative Preferred Shares Series A and 5,615,535 Common Shares.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Liquidity and Capital Resources

The payment of the Company's regular quarterly dividends on its Common Shares and 5% Cumulative Preferred Shares Series A is funded by net investment income. For the quarter ended June 30, 2007, net investment income was \$2,863,000 as compared to dividend payments of \$847,000. On a year to date basis, net investment income of \$4,459,000 exceeded the dividend payments of \$1,694,000.

Additional Information

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

Duncan N.R. Jackman
Chairman and President

August 1, 2007

Economic Investment Trust Limited

STATEMENT OF NET ASSETS (Unaudited)

	<u>June 30</u> <u>2007</u>	<u>December 31</u> <u>2006</u>
	(000's)	
Assets		
Investments, at fair value (cost - \$345,836; December 31, 2006 - \$326,695) (Notes 1 and 2).....	\$ 766,629	\$ 756,592
Cash	9,270	8,786
Short-term investments	—	300
Receivable in respect of investments sold	191	67
Accrued income on investments.....	565	562
Other assets	95	201
	<u>776,750</u>	<u>766,508</u>
Liabilities		
Accounts payable and accrued liabilities.....	313	321
Payable in respect of investments purchased.....	67	367
Income taxes payable.....	6,430	9,454
Future income taxes (Notes 1 and 2)	62,118	65,070
	<u>68,928</u>	<u>75,212</u>
Net assets, at fair value	<u>\$ 707,822</u>	<u>\$ 691,296</u>
Shareholders' Equity		
Capital stock	\$ 205,076	\$ 205,076
Contributed surplus	1,492	1,492
Unrealized appreciation of investments (Notes 1 and 2).....	353,279	359,437
Retained earnings	147,975	125,291
Total shareholders' equity.....	<u>\$ 707,822</u>	<u>\$ 691,296</u>

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF OPERATIONS (Unaudited)

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
	(000's)			
INVESTMENT INCOME				
Dividends:				
Foreign	\$ 4,149	\$ 4,313	\$ 6,383	\$ 6,316
Canadian	619	579	1,238	946
	<u>4,768</u>	<u>4,892</u>	<u>7,621</u>	<u>7,262</u>
Interest, including securities lending income	148	129	195	189
	<u>4,916</u>	<u>5,021</u>	<u>7,816</u>	<u>7,451</u>
Expenses:				
Management & administrative costs	451	399	918	779
Transaction costs (Note 1)	88	—	132	—
Office & miscellaneous	37	55	124	118
Transfer, registrar and custodial agents' fees	66	84	142	138
Directors' & officers' remuneration ..	29	25	51	49
Professional fees	10	7	34	18
Capital tax	6	6	12	12
	<u>687</u>	<u>576</u>	<u>1,413</u>	<u>1,114</u>
Investment income before income taxes	4,229	4,445	6,403	6,337
Income taxes	1,366	1,396	1,944	1,947
NET INVESTMENT INCOME	<u>2,863</u>	<u>3,049</u>	<u>4,459</u>	<u>4,390</u>
REALIZED AND UNREALIZED GAIN ON INVESTMENTS				
Net realized gain on investments	15,381	7,150	19,734	14,890
Net change in unrealized appreciation of investments	(7,645)	4,743	(1,642)	39,552
NET GAIN ON INVESTMENTS	<u>7,736</u>	<u>11,893</u>	<u>18,092</u>	<u>54,442</u>
INCREASE IN NET ASSETS FROM OPERATIONS	<u>\$ 10,599</u>	<u>\$ 14,942</u>	<u>\$ 22,551</u>	<u>\$ 58,832</u>
INCREASE IN NET ASSETS FROM OPERATIONS PER SHARE	<u>\$ 1.88</u>	<u>\$ 2.66</u>	<u>\$ 4.01</u>	<u>\$ 10.47</u>

(See accompanying notes)

Economic Investment Trust Limited

STATEMENT OF RETAINED EARNINGS (Unaudited)

	Six months ended June 30	
	2007	2006
	(000's)	
BEGINNING OF PERIOD.....	\$ 125,291	\$ 90,511
Add:		
Net investment income.....	4,459	4,390
Net realized gain on investments.....	19,734	14,890
Refundable dividend taxes recovered.....	565	569
	150,049	110,360
Deduct:		
Dividends from net investment income.....	1,694	1,708
Provision for refundable dividend taxes.....	380	283
	2,074	1,991
END OF PERIOD.....	\$ 147,975	\$ 108,369

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
	(000's)			
INCREASE IN NET ASSETS FROM OPERATIONS.....	\$ 10,599	\$ 14,942	\$ 22,551	\$ 58,832
DIVIDENDS TO SHAREHOLDERS				
Common shareholders.....	(843)	(843)	(1,685)	(1,685)
Preferred shareholders.....	(4)	(5)	(9)	(23)
	(847)	(848)	(1,694)	(1,708)
CAPITAL SHARE TRANSACTIONS				
Purchase of Preferred Shares for cancellation.....	—	—	—	(1,067)
TAXATION CHANGES				
Net decrease in refundable dividend tax on hand.....	86	95	185	286
INCREASE IN NET ASSETS.....	9,838	14,189	21,042	56,343
NET ASSETS, BEGINNING OF PERIOD (Note 2).....	697,984	602,395	686,780	560,241
NET ASSETS, END OF PERIOD.....	\$ 707,822	\$ 616,584	\$ 707,822	\$ 616,584

(See accompanying notes)

Economic Investment Trust Limited

STATEMENT OF REALIZED GAIN (Unaudited)

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
				(000's)
Proceeds on sales of investments.....	\$ 38,260	\$ 28,217	\$ 60,674	\$ 54,637
Cost of investments, beginning of period.....	330,741	292,318	326,695	286,843
Cost of investments purchased during the period.....	34,665	29,638	55,760	52,087
	365,406	321,956	382,455	338,930
Cost of investments, end of period.....	345,836	302,465	345,836	302,465
Cost of investments sold during the period.....	19,570	19,491	36,619	36,465
Realized gain on investments sold before taxes	18,690	8,726	24,055	18,172
Provision for taxes on realized net taxable capital gains	3,309	1,576	4,321	3,282
Net realized gain on investments.....	\$ 15,381	\$ 7,150	\$ 19,734	\$ 14,890

(See accompanying notes)

Economic Investment Trust Limited

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2007

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
North America				
Canada				
212,638	Algoma Central Corporation ²	\$ 2,974	\$ 29,344	
341,806	E-L Financial Corporation Limited ²	6,790	225,934	
33,101	Ecando Investments Limited Classes A, B and common ^{2, 3}	4,139	51,378	
176,414	The Fulcrum Investment Company Limited ^{2, 3}	464	12,088	
216,900	NVG Holdings Limited Classes B, C, D, E and common ^{1, 2, 3}	2,115	35,552	
4,837	TGV Holdings Limited Class B ^{1, 2, 3}	318	9,988	
		16,800	364,284	47.5
United States				
66,100	Altria Group, Inc.	4,231	4,925	
76,600	Bank of America Corporation	3,749	3,980	
19,000	Black & Decker Corporation	1,741	1,782	
223,000	CBS Corporation	6,901	7,904	
97,300	Chevron Corporation	6,816	8,713	
122,000	Citigroup Inc.	7,323	6,648	
46,710	Clorox Company (The)	3,182	3,080	
125,850	Comcast Corporation Special Class A	3,359	3,735	
69,700	ConocoPhillips	2,674	5,815	
42,900	Countrywide Financial Corporation	2,094	1,655	
78,600	Dow Chemical Company	4,096	3,694	
114,400	Fannie Mae	8,621	7,948	
93,600	Freddie Mac	6,957	6,036	
203,700	General Electric Company	8,481	8,286	
53,200	Hartford Financial Services Group, Inc.	4,300	5,568	
35,200	International Business Machines Corporation	4,010	3,937	
123,000	JPMorgan Chase & Co.	6,256	6,329	
166,343	Kraft Foods Inc.	5,819	6,234	
96,300	Kroger Co.	2,205	2,875	
146,600	Macy's, Inc.	6,626	6,200	
91,600	Marathon Oil Corporation	5,796	5,843	
24,000	MBIA Inc.	2,010	1,588	
52,300	Merrill Lynch & Co.	4,445	4,643	
45,000	Metlife, Inc.	1,672	3,085	
139,300	Microsoft Corporation	4,454	4,362	
113,700	Pfizer Inc.	3,195	3,087	
89,700	Safeway Inc.	2,410	3,248	
214,100	Sprint Nextel Corporation	6,048	4,711	
290,600	Time Warner Inc.	6,489	6,499	
30,800	XL Capital Ltd. Class A	3,368	2,757	
		139,328	145,167	18.9
	Total North America	156,128	509,451	66.4
Latin America				
75,100	Petroleo Brasileiro S.A. ADR	2,228	8,512	1.1

- continued -

Economic Investment Trust Limited

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2007 (continued)

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
Europe, excluding United Kingdom				
72,700	Air France-KLM.....	2,741	3,611	
37,450	Allianz SE	9,143	9,287	
139,210	Arcelor Mittal.....	5,510	9,314	
36,300	BASF AG	4,032	5,054	
33,600	BNP Paribas SA	3,295	4,265	
117,600	Credit Suisse Group	5,587	8,925	
26,100	Deutsche Bank AG	4,076	4,022	
165,000	Deutsche Lufthansa.....	3,244	4,886	
41,900	E.ON AG	5,009	7,442	
116,400	ENI S.P.A.	2,553	4,500	
115,620	European Aeronautic Defence and Space Company	4,310	4,007	
32,500	Fondiaria - SAI S.P.A.	1,546	1,674	
10,900	Fondiaria - SAI SPA-RNC	398	418	
94,800	Fortis Group.....	3,817	4,294	
157,700	ING Groep N.V.....	5,589	7,420	
12,400	Michelin CIE CL B.....	1,317	1,851	
48,900	Muenchener Rueckversicherungs-Gesellschaft AG	7,660	9,532	
68,000	Renault SA.....	7,390	11,649	
104,300	Repsol YPF, S.A.	2,865	4,383	
45,330	Sanofi-Aventis	3,608	3,917	
36,800	Total SA	2,818	3,188	
160,000	Xstrata PLC	2,809	10,195	
		89,317	123,834	16.2
United Kingdom				
26,800	Antofagasta plc.....	313	350	
50,100	Astrazeneca PLC.....	3,507	2,865	
406,987	Aviva PLC	4,571	6,447	
384,400	BP PLC	4,563	4,941	
708,370	Friends Provident PLC	2,808	2,705	
119,790	HBOS PLC.....	2,253	2,516	
254,100	Royal Bank of Scotland	3,109	3,431	
2,139,550	Vodafone Group PLC.....	6,123	7,645	
		27,247	30,900	4.0
Asia				
241,100	AU Optronics Corp. ADR	3,642	4,402	
840,000	Bank Hapoalim Ltd.	2,526	4,336	
1,804,500	China Netcom Grp Corp HK Ltd	3,566	5,289	
5,576,000	China Petroleum & Chemical Corp.....	2,028	6,567	
797,035	Compal Electronics Inc.	5,345	4,450	
31,463	Emerging Markets Investors Fund ³	1,560	2,207	
105,800	Hynix Semiconductor Inc.	4,081	4,067	
41,760	Hyundai Mobis	4,428	4,191	
101,200	JFE Holdings Inc.....	3,484	6,672	
51,200	Kookmin Bank.....	2,077	4,779	
32,600	Leopalace21 Corp.	1,219	1,180	
214,500	Mitsubishi Chemical Holdings Corporation ..	2,004	2,089	
383,000	Mitsui Chemicals Inc.	3,267	3,086	
323,000	Mitsui Osk Lines Ltd.	3,274	4,651	

- continued -

Economic Investment Trust Limited

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2007 (continued)

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
Asia (continued)				
346,300	Nissan Motor Co., Ltd.	4,040	3,942	
25,230	Orix Corporation	4,874	7,034	
8,400	Posco.....	1,083	4,235	
5,110	Samsung Electronics Co., Ltd.	3,166	3,335	
272,000	Sharp Corporation	5,298	5,473	
162,800	Siliconware Precision Industries Company ADR	1,360	1,903	
64,000	Sumitomo Heavy Industries	716	770	
547	Sumitomo Mitsui Financial Group.....	4,091	5,374	
61,700	Toyota Motor Corporation	3,787	4,142	
		<u>70,916</u>	<u>94,174</u>	<u>12.3</u>
	Total equities	345,836	766,871	100.0
	Forward Currency Contracts, net - Schedule 1	—	(242)	—
	Total investments	<u>\$ 345,836</u>	<u>\$ 766,629</u>	<u>100.0</u>

¹ The net assets of NVG Holdings Limited and TGV Holdings Limited are invested primarily in the shares of The Bank of Nova Scotia.

² Companies which can be significantly influenced by the same party as Economic.

³ Not listed on a stock exchange.

Schedule 1 - Forward Currency Contracts, net

Forward contracts to sell foreign currencies for Canadian Dollars:

Par value	Currency	Number of Contracts	Contract Rate	Settlement Date	Net Unrealized Loss
(in millions)					(000's)
110.0	U.S. Dollar	1	1.0597	Sept. 18, 2007	\$ (239)
9.4	Swiss Franc	1	0.8712	Sept. 18, 2007	(3)
					<u>\$ (242)</u>

All counterparties currently have an approved credit rating equivalent to A-1+.

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

Summary of significant accounting policies

1. Basis of presentation

The accompanying unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods as the most recent annual financial statements, except as noted below, and should be read in conjunction with the notes to the Company's audited financial statements for the year ended December 31, 2006. Each of the Company's wholly-owned subsidiaries, Econos Foreign Investment Company Limited, Econos Canadian Investment Company Limited and Econos N.V.G. Investment Company Limited were wound up on December 31, 2006. The financial statements do not include all of the disclosures required under GAAP for annual financial statements.

Effective January 1, 2007, the Company adopted Section 3855 of the CICA Handbook, "Financial Instruments - Recognition and Measurement". As a result, certain changes were made to the accounting policy regarding the carrying value of investments. Financial assets are measured at fair value and transaction costs are recognized immediately in net income. The fair value of securities traded in an active market is the closing bid price. Previously, the closing market quotation was used in determining the market value of investments. The fair values of investments not listed on stock exchanges have been determined by management based on the underlying market values of the net assets represented by such securities. These fair values, determined on the basis of closing bid prices of such securities, do not necessarily represent the realizable value of the total holdings. The actual realizable value could be more or less than the value indicated by those market quotations. There have not been any changes to the timing and recognition of financial assets. The change in accounting policy is treated prospectively and comparative balances have not been restated.

Effective January 1, 2007, the accounting policy change to closing bid price from closing market quotation resulted in a decrease in the fair value of investments of \$5,437,000, a decrease in future income taxes of \$921,000 and a decrease in unrealized appreciation of investments of \$4,516,000.

2. Unrealized appreciation of investments

The details of the unrealized appreciation of investments as at December 31, 2006 and the effect of the change in accounting policy as described in Note 1 are as follows:

	<u>As reported</u>	<u>Decrease</u> (000's)	<u>As adjusted</u>
Investments at fair value.....	\$ 756,592	\$ 5,437	\$ 751,155
Investments at cost.....	<u>326,695</u>	<u>—</u>	<u>326,695</u>
Unrealized appreciation of investments			
before provision for taxes	429,897	5,437	424,460
Provision for taxes	<u>70,460</u>	<u>921</u>	<u>69,539</u>
Unrealized appreciation of investments....	<u>\$ 359,437</u>	<u>\$ 4,516</u>	<u>\$ 354,921</u>

The net assets of the Company as at December 31, 2006 were also adjusted to reflect the change in accounting policy. The net assets as originally reported of \$691,296,000 were reduced by \$4,516,000 to \$686,780,000.

Economic Investment Trust Limited

NOTES TO FINANCIAL STATEMENTS (continued)

(Unaudited)

3. Net equity value of the Company's Common Shares

The net equity value of the Company's Common Shares is determined by deducting the outstanding Preferred Shares Series A at their cost of redemption from the net assets of the Company. The net equity value per Common Share is the net equity value divided by the number of Common Shares outstanding (in thousands of dollars, except per share amounts).

	June 30	January 1	Dec. 31
	2007	2007	2006
		(Note 2)	
Net assets	\$ 707,822	\$ 686,780	\$ 691,296
Deduct: Cost of redemption of Preferred Shares Series A.....	<u>404</u>	<u>404</u>	404
Net equity value	<u>\$ 707,418</u>	<u>\$ 686,376</u>	<u>\$ 690,892</u>
Net equity value per Common Share	<u>\$ 125.98</u>	<u>\$ 122.23</u>	<u>\$ 123.03</u>

Economic Investment Trust Limited

HEAD OFFICE

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

EXTERNAL INVESTMENT MANAGER

Sanford C. Bernstein & Co. Inc., LLC, New York

AUDITORS

PricewaterhouseCoopers LLP, Toronto

CUSTODIAN

RBC Dexia Investor Services Trust

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc.
100 University Avenue
Toronto, Ontario
M5J 2Y1
Tel: 416-981-9633
Toll Free: 1-800-564-6253

STOCK EXCHANGE LISTINGS

Common

EVT

5% Cumulative Preferred Shares Series A

EVT.PR.A

NET EQUITY VALUE

The Company's Net Equity Value per Common Share is published on the Globe and Mail's website (www.globefund.com) and on the Company's website.

REPORTING PROCEDURE FOR ACCOUNTING AND AUDITING MATTERS

Please refer to the "Contact Us" section of our website if you have complaints or concerns regarding accounting or auditing matters.

WEBSITE

www.evt.ca