

Economic Investment Trust Limited



**SECOND QUARTER REPORT
JUNE 30, 2010**

Economic Investment Trust Limited

THE PERIOD AT A GLANCE (Unaudited)

	As at June 30 2010 ⁽¹⁾	As at Dec. 31 2009 ⁽¹⁾
Net equity value per Common Share ⁽²⁾	\$ 81.91	\$ 86.24
Net assets.....	\$ 459,979	\$ 484,281
Number of Common Shares outstanding at period end	5,615,535	5,615,535

	Six months ended June 30	
	2010 ⁽¹⁾	2009 ⁽¹⁾
Net investment income per Common Share ⁽²⁾	\$ 0.55	\$ 0.66
Dividends per Common Share	\$ 0.30	\$ 0.30
Increase (decrease) in net assets from operations per Common Share	\$ (4.06)	\$ 0.70
Investment income	\$ 5,038	\$ 6,030
Net investment income	\$ 3,063	\$ 3,710

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

⁽²⁾ See Management's Discussion and Analysis for use of Non-GAAP Measures.

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 operating results and financial condition of Economic Investment Trust Limited ("Economic" or the "Company") for the second quarter of 2010 should be read in conjunction with the MD&A for the year ended December 31, 2009, the Company's annual audited financial statements, the notes relating thereto, the supplementary financial information included in the Company's Annual Report, the quarterly unaudited financial statements and notes contained in this report, as well as the Company's MD&A and unaudited interim financial statements for the previous quarter of 2010. These unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They do not include all of the disclosures required under GAAP for annual financial statements. The reporting currency for the Company is the Canadian dollar, and all amounts in the following discussion are in Canadian dollars.

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

Overview

Economic is a closed-end investment corporation, the shares of which trade on the Toronto Stock Exchange (EVT). 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's portfolio is comprised of both long-term investments, and global investments externally managed by Sanford C. Bernstein & Co., LLC ("Bernstein").

The long-term investments consist primarily of shares in E-L Financial Corporation Limited ("E-L Financial") and, to a lesser extent, Algoma Central Corporation ("Algoma") and The Bank of Nova Scotia. E-L Financial, Algoma and the Company can be significantly influenced by the same party. In management's view, these investments are consistent with the Company's investment strategy and contribute to achieving the investment objective. Further related party information is provided in Note 8 to the financial statements in the 2009 Annual Report and in the statement of investments.

Bernstein, a wholly-owned subsidiary of Alliance Bernstein L.P., is a global investment manager that commenced operations in 1967. Bernstein has managed the Company's global investments portfolio since July 2000. As part of its mandate, Bernstein may hedge the foreign currency exposure of any non-Canadian investment that it manages.

As previously disclosed during the first quarter, the Company purchased in the market 37,300 E-L Financial common shares for approximately \$16,414,000. The purchase was financed by liquidating a portion of the Bernstein managed portfolio. Economic may continue to make purchases in long-term investments from time to time.

At the quarter end, approximately 59.1% (December 31, 2009 – 52.5%) of the investment portfolio was held in long-term investments and 40.9% (December 31, 2009 – 47.5%) was managed by Bernstein. 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 long-term investments.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 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 may vary significantly from period to period depending on the economic environment and market conditions.

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

Use of Non-GAAP Measures

This MD&A contains reference to "net equity value per Common Share" and "net investment income per Common Share". These terms do not have any standardized meaning according to Canadian GAAP and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide information useful to our shareholders in evaluating the Company's financial results.

Investors and management use net equity value per Common Share to determine the Company's value on a per Common Share basis. Net equity value per Common Share is also used by investors and management as a comparison to the market price of its Common Shares to determine the particular discount or premium that the Company's Common Shares are trading at 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 sustainability and funding of dividends on Common Shares.

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

	June 30 2010	Dec. 31 2009
Net assets	\$ 459,979	\$ 484,281
Common Shares outstanding.....	5,615,535	5,615,535
Net equity value per Common Share	\$ 81.91	\$ 86.24

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Increase (decrease) in net assets from operations	\$ (21,549)	\$ 38,347	\$ (22,774)	\$ 3,951
Add (deduct): Net loss (gain) on investments	23,626	(35,876)	25,837	(241)
Net investment income	2,077	2,471	3,063	3,710
Deduct: Dividends paid on Preferred Shares Series A ⁽¹⁾	—	4	—	9
Net investment income, net of dividends paid on Preferred Shares Series A.....	\$ 2,077	\$ 2,467	\$ 3,063	\$ 3,701
Common Shares outstanding	5,615,535	5,615,535	5,615,535	5,615,535
Net investment income per Common Share	\$ 0.37	\$ 0.44	\$ 0.55	\$ 0.66

⁽¹⁾ On November 30, 2009, the Company redeemed all of the outstanding Preferred Shares Series A.

Market Review

In Canadian dollar terms, benchmark returns on a total return (capital gains plus dividends) basis were as follows:

	Second Quarter	Year to Date
	(%)	
S&P/TSX Composite Index	(5.5)	(2.6)
MSCI World Index	(8.6)	(8.4)
S&P 500 Index.....	(7.5)	(5.4)

For the quarter ended June 30, 2010, the Company's net equity value per Common Share decreased to \$81.91 from \$85.89 at March 31, 2010. With dividends reinvested at month-end net equity values, the Company's net equity value return was negative 4.5% for the second quarter of 2010, compared to a positive 10.2% for the same period in 2009. On a year-to-date basis, the net equity value per Common Share declined to \$81.91 from \$86.24 at December 31, 2009. The net equity value return for the period was negative 4.7% compared to a positive return of 1.0% in the prior year.

As the Company is a taxable Canadian corporation, the Company's returns are net of a provision for income taxes on investment income and realized gains on investments, and net of a future income tax provision on the unrealized appreciation of investments. Current year net realized tax losses on investments have been added to the Company's year-end capital loss carry forward balance. The future income tax benefit of these capital loss carry forwards has been recognized in the net change in unrealized appreciation of investments in the statement of operations.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results

Net investment income

The Company's net investment income in the second quarter of 2010 was \$2,077,000 compared to 2009 net investment income of \$2,471,000. On a year-to-date basis, net investment income declined to \$3,063,000 in 2010 from \$3,710,000 for the same period in the prior year. On a per Common Share basis, net investment income for the quarter decreased to \$0.37 in 2010 compared to \$0.44 in 2009 and on a year-to-date basis decreased to \$0.55 in 2010 from \$0.66 in 2009. The decreases in both periods were primarily because of lower-yielding foreign securities in the Bernstein portfolio and because of increased investment management and administrative costs.

Foreign dividend income in the second quarter decreased to \$2,516,000 in 2010 from \$3,318,000 in 2009 and on a year-to-date basis decreased to \$3,450,000 from \$4,466,000 in 2009. The decline in both periods occurred in the Bernstein managed portfolio primarily as a result of lower-yielding securities held in the current year relative to the same periods in the prior year. The liquidation in the first quarter of \$16,414,000 to finance the Company's purchase in the market of 37,300 E-L Financial common shares also contributed to a smaller foreign investment portfolio on a year-over-year basis.

Canadian dividend income in the second quarter decreased to \$743,000 in 2010 from \$777,000 in 2009 and on a year-to-date basis decreased to \$1,485,000 from \$1,560,000 in 2009. The decline in both periods year over year related primarily to fewer Canadian securities in the Bernstein managed portfolio.

Interest income, including securities lending income, in the second quarter increased to \$100,000 in 2010 from \$1,000 in 2009 and on a year-to-date basis increased to \$103,000 from \$4,000 in 2009. The Company recently resumed securities lending activities and during the current quarter and year-to-date periods recognized \$100,000 of income compared to no corresponding income in the prior year.

Expenses in the quarter amounted to \$353,000 (2009 - \$327,000) and \$800,000 (2009 - \$672,000) on a year-to-date basis. The increase in expenses for both periods was due primarily to an increase in investment management and administrative costs resulting from a higher average fair value of the Bernstein managed portfolio.

Net loss on investments

The Company realized a net loss on the sale of investments of \$2,823,000 in the second quarter of 2010 compared to a net loss of \$9,127,000 in the same quarter of the prior year. On a year-to-date basis, the net realized loss on the sale of investments was \$3,040,000 in 2010 compared to a net realized loss of \$44,241,000 for the prior year.

In the second quarter of 2010, losses on the sale of equity investments amounted to \$7,072,000, offset by realized gains of \$4,249,000 from forward foreign currency contracts. On a year-to-date basis in 2010, losses on the sale of equity investments totaled \$8,848,000, offset by realized gains of \$5,808,000 from forward foreign currency contracts. The largest contributors to the net realized loss on the sale of equities for both the quarter and year to date were Sprint Nextel Corporation, Macy's, Inc., and Banco Santander SA.

The Company's net change in unrealized appreciation of investments decreased by \$20,685,000 during the quarter compared to an increase of \$45,142,000 during the same period last year. On a year-to-date basis, the net change in unrealized appreciation of investments decreased by \$22,493,000 compared to an increase of \$44,727,000 in the prior year. The significant majority of the decline for both periods in 2010 occurred in the Bernstein managed portfolio across a broad range of sectors.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Quarterly Results

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

	June 30 2010	March 31 2010	Dec. 31 2009	Sept. 30 2009	June 30 2009	March 31 2009	Dec. 31 2008	Sept. 30 2008
Investment income	\$ 3,359	\$ 1,679	\$ 1,815	\$ 1,768	\$ 4,096	\$ 1,934	\$ 2,932	\$ 2,489
Increase (decrease) in net assets from operations	\$ (21,549)	\$ (1,225)	\$ 3,489	\$ 67,182	\$ 38,347	\$ (34,396)	\$ (96,397)	\$ (78,712)
Increase (decrease) in net assets from operations per Common Share ¹	\$ (3.84)	\$ (0.22)	\$ 0.63	\$ 11.96	\$ 6.83	\$ (6.13)	\$ (17.16)	\$ (14.02)
Net equity value per Common Share	\$ 81.91	\$ 85.89	\$ 86.24	\$ 85.75	\$ 73.93	\$ 67.24	\$ 73.50	\$ 90.80

¹ Net of dividends on Preferred Shares Series A

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. Given the volatility in global stock markets and the appreciation of the Canadian dollar relative to other currencies, there is no guarantee that the Company will receive dividend income on its investments at recent dividend payout levels. During the past six quarters, the Company has experienced a year-over-year decline in foreign dividend income compared to the same quarter in the prior year.

The returns of the portfolio may not necessarily correlate with benchmark returns and may fluctuate significantly as illustrated by the quarterly returns in the past eight quarters.

Share Data

At June 30, 2010, there are 5,615,535 Common Shares issued and outstanding and each share is entitled to one vote.

Liquidity and Capital Resources

During the quarter and year to date, dividends of \$0.15 and \$0.30, respectively, were paid on the Common Shares. The payment of the Company's quarterly dividends is funded by net investment income. For the quarter ended June 30, 2010, net investment income was \$0.37 per Common Share and on a year-to-date basis, net investment income was \$0.55 per Common Share.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Conversion to International Financial Reporting Standards ("IFRS")

IFRS will replace Canadian GAAP for publicly accountable enterprises for fiscal years beginning on or after January 1, 2011. The Company will begin to report its financial results, including comparative information, in accordance with IFRS in the first quarter of 2011.

Management oversees the conversion and provides quarterly status reports to the Company's Audit Committee. Management continues to develop financial reporting expertise in IFRS.

Additional changes to IFRS accounting standards are expected to be issued during the transition period. As greater certainty is gained with respect to the direction of accounting standard setters, changes may be required to our preliminary accounting policy choices and transition elections prior to our first interim IFRS report in 2011. The following disclosures reflect the Company's current expectations based on information that is available as of this report's date.

The Company's project plan includes four phases: analysis, design and planning, solution development and implementation. The analysis phase has been completed and the accounting standards that are expected to have a significant impact on the Company's recognition, measurement, presentation and disclosure in its financial statements have been identified. Preliminary accounting policy choices have been made based on the expected accounting requirements in 2011. Draft model financial statements, excluding note disclosures, have been prepared and presented to the Company's Audit Committee. Financial statements, including note disclosures, will be finalized during the remainder of 2010. The implementation phase is being executed throughout 2010, including preparation of the IFRS opening balance sheet as at January 1, 2010, performing dual accounting under both Canadian GAAP and IFRS, and preparing detailed reconciliations of Canadian GAAP to IFRS financial statements for disclosure purposes. Management has determined that no system changes relating to the implementation of IFRS are required. Management anticipates modest changes to internal controls over financial reporting, and to disclosure controls and procedures. These changes to the controls and procedures will be finalized during the remainder of 2010.

At this point in the project, the Company anticipates that on transition to IFRS there will be no impact to the calculation of net assets or net equity value per Common Share. The Company continues to assess the ongoing financial reporting, presentation and disclosure impacts of reporting under IFRS.

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.

Duncan N.R. Jackman
Chairman and President

August 4, 2010

Economic Investment Trust Limited

STATEMENT OF NET ASSETS (Unaudited)

	June 30 2010	December 31 2009
	(000's)	
Assets		
Investments, at fair value (cost - \$255,855; December 31, 2009 - \$257,234) (Note 2).....	\$ 465,621	\$ 493,184
Cash	6,142	6,963
Receivable in respect of investments sold	466	1,169
Accrued income on investments.....	540	375
Income taxes receivable.....	9,040	8,817
Other assets	197	208
	482,006	510,716
Liabilities		
Accounts payable and accrued liabilities.....	220	234
Payable in respect of investments purchased.....	363	1,118
Future income taxes	21,444	25,083
	22,027	26,435
Net assets.....	\$ 459,979	\$ 484,281
Shareholders' Equity		
Capital stock.....	\$ 204,691	\$ 204,691
Contributed surplus	1,474	1,474
Unrealized appreciation of investments.....	188,498	210,991
Retained earnings	65,316	67,125
Total shareholders' equity.....	\$ 459,979	\$ 484,281

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF OPERATIONS (Unaudited)

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
			(000's)	
INVESTMENT INCOME				
Dividends:				
Foreign	\$ 2,516	\$ 3,318	\$ 3,450	\$ 4,466
Canadian	743	777	1,485	1,560
	<u>3,259</u>	<u>4,095</u>	<u>4,935</u>	<u>6,026</u>
Interest, including securities lending income	<u>100</u>	<u>1</u>	<u>103</u>	<u>4</u>
	<u>3,359</u>	<u>4,096</u>	<u>5,038</u>	<u>6,030</u>
Expenses:				
Investment management and administrative costs	232	213	487	397
Directors' remuneration	34	32	61	57
Office and miscellaneous	39	24	113	98
Transfer, registrar and custody fees	40	50	121	102
Professional fees	8	8	18	18
	<u>353</u>	<u>327</u>	<u>800</u>	<u>672</u>
Investment income before income taxes	<u>3,006</u>	<u>3,769</u>	<u>4,238</u>	<u>5,358</u>
Provision for income taxes	<u>929</u>	<u>1,298</u>	<u>1,175</u>	<u>1,648</u>
NET INVESTMENT INCOME	<u>2,077</u>	<u>2,471</u>	<u>3,063</u>	<u>3,710</u>
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized loss on investments	(2,823)	(9,127)	(3,040)	(44,241)
Net change in unrealized appreciation of investments	(20,685)	45,142	(22,493)	44,727
Transaction costs on purchase and sale of investments	(118)	(139)	(304)	(245)
NET GAIN (LOSS) ON INVESTMENTS.	<u>(23,626)</u>	<u>35,876</u>	<u>(25,837)</u>	<u>241</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ (21,549)</u>	<u>\$ 38,347</u>	<u>\$ (22,774)</u>	<u>\$ 3,951</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	<u>\$ (3.84)</u>	<u>\$ 6.83</u>	<u>\$ (4.06)</u>	<u>\$ 0.70</u>

(See accompanying notes)

Economic Investment Trust Limited

STATEMENT OF RETAINED EARNINGS (Unaudited)

	Six months ended June 30	
	2010	2009
	(000's)	
BEGINNING OF PERIOD.....	\$ 67,125	\$ 124,951
Add:		
Net investment income	3,063	3,710
Refundable dividend taxes recovered	562	565
	<u>3,625</u>	<u>4,275</u>
Deduct:		
Dividends	1,685	1,694
Net realized loss on investments	3,040	44,241
Transaction costs on purchase and sale of investments	304	245
Provision for refundable dividend taxes	405	433
	<u>5,434</u>	<u>46,613</u>
END OF PERIOD	<u>\$ 65,316</u>	<u>\$ 82,613</u>

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
	(000's)			
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ (21,549)	\$ 38,347	\$ (22,774)	\$ 3,951
DIVIDENDS TO SHAREHOLDERS				
Preferred Shares Series A.....	—	(4)	—	(9)
Common Shares	(843)	(843)	(1,685)	(1,685)
	<u>(843)</u>	<u>(847)</u>	<u>(1,685)</u>	<u>(1,694)</u>
CAPITAL SHARE TRANSACTIONS				
Purchase of Preferred Shares Series A for cancellation.....	—	—	—	(25)
TAXATION CHANGES				
Net decrease in refundable dividend taxes on hand	80	68	157	132
INCREASE (DECREASE) IN NET ASSETS	<u>(22,312)</u>	<u>37,568</u>	<u>(24,302)</u>	<u>2,364</u>
NET ASSETS, BEGINNING OF PERIOD	<u>482,291</u>	<u>377,953</u>	<u>484,281</u>	<u>413,157</u>
NET ASSETS, END OF PERIOD	<u>\$ 459,979</u>	<u>\$ 415,521</u>	<u>\$ 459,979</u>	<u>\$ 415,521</u>

(See accompanying notes)

Economic Investment Trust Limited

STATEMENT OF NET REALIZED LOSS ON INVESTMENTS (Unaudited)

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
			(000's)	
Proceeds on sales of investments.....	\$ 41,185	\$ 44,330	\$ 115,329	\$ 77,824
Cost of investments, beginning of period.....	258,030	272,533	257,324	311,414
Cost of investments purchased during the period.....	41,833	42,341	116,990	79,703
	299,863	314,874	374,224	391,117
Cost of investments, end of period.....	255,855	259,825	255,855	259,825
Cost of investments sold during the period.....	44,008	55,049	118,369	131,292
Realized loss on investments sold before income taxes.....	(2,823)	(10,719)	(3,040)	(53,468)
Recovery of income taxes	—	(1,592)	—	(9,227)
Net realized loss on investments.....	\$ (2,823)	\$ (9,127)	\$ (3,040)	\$ (44,241)

(See accompanying notes)

Economic Investment Trust Limited

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2010 (Unaudited)

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
North America				
Canada				
212,638	Algoma Central Corporation ²	\$ 2,974	\$ 16,001	
381,006	E-L Financial Corporation Limited ²	23,880	171,457	
33,101	Ecando Investments Limited			
	Classes A, B and common ^{2, 3}	4,139	36,934	
176,414	The Fulcrum Investment Company			
	Limited ^{2, 3}	464	9,493	
151,415	Nexen Inc.	3,689	3,168	
216,900	NVG Holdings Limited			
	Classes B, C, D, E and common ^{1, 2, 3}	2,115	31,942	
4,837	TGV Holdings Limited Class B ^{1, 2, 3, 4}	318	9,205	
		<u>37,579</u>	<u>278,200</u>	59.7
United States				
168,600	Altria Group, Inc.	3,469	3,580	
47,800	Archer Daniels Midland Company	1,551	1,308	
73,200	BB&T Corporation	2,319	2,043	
58,000	Bunge Limited	3,457	3,027	
116,700	CBS Corporation, Class B	2,880	1,600	
66,200	Comcast Corporation, Class A	1,181	1,220	
56,400	ConocoPhillips	3,169	2,933	
42,200	Constellation Energy Group	1,541	1,442	
106,700	Dell Inc.	1,463	1,364	
48,400	Devon Energy Corporation	3,530	3,125	
299,499	Esprit Holdings Limited	2,140	1,734	
179,600	Ford Motor Company	1,686	1,916	
33,100	Fortune Brands, Inc.	1,526	1,375	
29,300	Freeport-McRoran Copper & Gold Inc.	2,323	1,837	
98,700	GAP Inc. (The)	2,263	2,035	
40,800	Gilead Sciences, Inc.	1,517	1,483	
24,600	Goldman Sachs Group, Inc. (The)	4,293	3,421	
41,800	Hewlett-Packard Company	2,053	1,917	
16,300	Johnson & Johnson	1,015	1,021	
29,800	Marathon Oil Corporation	1,039	983	
46,200	Merck & Co. Inc.	1,621	1,712	
296,300	Motorola Inc.	2,179	2,049	
185,000	News Corporation, Class A	2,097	2,347	
47,800	News Corporation, Class B	442	702	
237,600	Pfizer Inc.	5,679	3,591	
40,000	Procter & Gamble Co.	2,611	2,541	
176,700	Safeway Inc.	4,374	3,679	
201,400	Sara Lee Corporation	3,046	3,008	
384,500	Sprint Nextel Corporation	4,374	1,725	
82,922	Time Warner Cable Inc.	3,568	4,578	
75,933	Time Warner Inc.	2,751	2,327	
50,700	Travelers Companies, Inc. (The)	2,506	2,647	
171,400	Wells Fargo & Co.	5,167	4,654	
		<u>84,830</u>	<u>74,924</u>	16.1
	Total North America	<u>122,409</u>	<u>353,124</u>	75.8

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Economic Investment Trust Limited

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2010 (continued) (Unaudited)

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
Latin America				
68,100	Banco do Brasil S.A.	\$ 1,204	\$ 990	
83,700	Vale S.A. - SP Pref ADR	2,336	1,867	
		<u>3,540</u>	<u>2,857</u>	0.6
Europe, excluding United Kingdom				
46,450	Allianz SE	9,001	4,939	
35,500	Bayer AG	2,384	2,125	
57,700	Bayerische Motoren Werke AG	3,126	3,009	
91,000	Bouygues SA	4,585	3,786	
17,500	Cap Gemini S.A.	835	828	
20,900	Carlsberg AS-B	1,676	1,700	
104,600	Danske Bank A/S	2,739	2,162	
30,700	Deutsche Bank AG	2,564	1,864	
121,800	E.ON AG	4,732	3,526	
38,800	Electricite de France	2,375	1,589	
30,600	Garmin Ltd.	1,129	947	
97,700	Ingersoll-Rand plc	2,877	3,575	
235,800	Nokia Oyj	3,853	2,059	
21,470	Novartis AG	1,029	1,112	
89,800	OJSC Gazprom Spons ADR	2,332	1,816	
29,100	Randstad Holding N.V.	878	1,230	
34,430	Sanofi-Aventis SA	2,611	2,220	
1,591,800	Telecom Italia S.p.A.	2,604	1,888	
698,600	Telecom Italia S.p.A. (New) di Risparmio	866	676	
19,000	Transocean Ltd.	1,647	933	
106,200	Tyco Electronics Ltd.	2,300	2,851	
1,303,600	Unicredit Spa	4,107	3,123	
71,060	Vivendi	2,118	1,557	
		<u>62,368</u>	<u>49,515</u>	10.6
United Kingdom				
98,200	AstraZeneca plc	4,469	4,933	
395,700	BAE Systems plc	2,444	1,967	
623,600	Barclays plc	2,680	2,674	
438,200	Marks & Spencer Group plc	2,766	2,302	
1,268,900	Old Mutual plc	2,188	2,080	
61,300	Rio Tinto plc	3,399	2,884	
206,200	Royal Dutch Shell plc	7,600	5,577	
2,599,250	Vodafone Group Plc	6,889	5,731	
271,790	Xstrata plc	4,848	3,821	
		<u>37,283</u>	<u>31,969</u>	6.9

- continued -

Economic Investment Trust Limited

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2010 (continued) (Unaudited)

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
Africa				
49,800	Royal Caribbean Cruises Ltd.	\$ 1,644	\$ 1,202	0.3
Asia				
1,610,920	AU Optronics Corp.	1,420	1,524	
53,000	Hana Financial Group Inc.	1,580	1,509	
567	Japan Tobacco Inc.	2,104	1,886	
65,700	KB Financial Group, Inc.	2,864	2,709	
134,300	Mitsubishi Corporation	3,267	2,999	
145,000	Mitsui Fudosan Co., Ltd.	2,510	2,170	
331,200	Nissan Motor Co., Ltd.	3,353	2,484	
26,490	ORIX Corporation	1,826	2,056	
4,720	Samsung Electronics Co., Ltd.	3,020	3,171	
132,000	Sharp Corporation	1,501	1,496	
554,000	Toshiba Corporation	3,127	2,953	
2,215,000	United Microelectronics Corp. ADR	1,029	1,041	
		<u>27,601</u>	<u>25,998</u>	5.6
Australia				
47,400	National Australia Bank Limited	1,010	989	0.2
	Total equities	255,855	465,654	100.0
	Forward foreign currency contracts, net Schedule 1	—	(33)	0.0
	Total investments	<u>\$ 255,855</u>	<u>\$ 465,621</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 These companies and Economic can be significantly influenced by the same party.

³ Not listed on a stock exchange.

⁴ Subject to direct significant influence by the Company.

Schedule 1 - Forward foreign currency contracts, net

Forward contracts to sell foreign currencies for Canadian dollars:

Par value	Currency	Number of contracts	Contract rates	Settlement date	Unrealized loss
(in millions)					(000's)
16.3	EUR	4	1.27029 - 1.34739	August 16, 2010	\$ (33)

The counterparty currently has 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, and should be read in conjunction with the notes to the Company's audited financial statements for the year ended December 31, 2009. The financial statements do not include all of the disclosures required under GAAP for annual financial statements.

2. Classification of fair value measurements

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

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

At June 30, 2010, the Company had \$378,080,000 of Level 1 and \$87,541,000 of Level 2 investments. There were no transfers between Level 1 and Level 2 investments during the period. The Company had no Level 3 investments during the period.

Economic Investment Trust Limited

CORPORATE INFORMATION

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BANKER The Bank of Nova Scotia

AUDITORS PricewaterhouseCoopers LLP, Toronto

CUSTODIAN RBC Dexia Investor Services Trust

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TORONTO STOCK EXCHANGE LISTING
Common EVT

NET EQUITY VALUE

The Company's net equity value per Common Share is published weekly on the Globe and Mail's website (www.globefund.com) and on the Company's website.

REPORTING PROCEDURE FOR ACCOUNTING AND AUDITING MATTERS

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

WEBSITE www.evt.ca