

Economic Investment Trust Limited



**THIRD QUARTER REPORT
SEPTEMBER 30, 2006**

**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

November 1, 2006

Economic Investment Trust Limited

THE PERIOD AT A GLANCE (Unaudited)

	As at Sept. 30 2006 ⁽¹⁾	As at Dec. 31 2005 ⁽¹⁾
Net equity value per common share.....	\$ 110.99	\$ 99.49
Net assets.....	\$ 623,660	\$ 560,241
Number of common shares outstanding at period end.....	5,615,535	5,615,535

	Nine months ended September 30	
	2006 ⁽¹⁾	2005 ⁽¹⁾
Net investment income per common share.....	\$ 1.07	\$ 0.88
Regular dividends per common share.....	\$ 0.45	\$ 0.45
Increase in net assets from operations per common share....	\$ 11.86	\$ 10.12
Investment income	\$ 10,218	\$ 8,348
Net investment income	\$ 6,033	\$ 4,971

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

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the unaudited consolidated operating results and financial condition of Economic Investment Trust Limited ("Economic" or the "Company") for the third quarter of 2006 should be read in conjunction with the MD&A for the year ended December 31, 2005, 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 quarters of 2006. The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and unless otherwise noted, both the financial statements and this MD&A are expressed 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 discussion will occur, or if they do, that any benefits may be derived from them.

Market Review

Global stock markets posted positive results in the quarter ended September 30, 2006. In Canadian dollar terms, in the third quarter of fiscal 2006, the S&P/TSX Composite Index increased 1.9%, the MSCI World Index increased 4.5% and the S&P 500 Index increased 5.7%. On a year to date basis the S&P/TSX Composite Index increased 6.2%, the MSCI World Index increased 6.0% and the S&P 500 Index increased 3.8%. The performance of our global equities is also impacted by foreign currency fluctuations. The most significant foreign currency exposure, before utilizing forward currency contracts, is the United States Dollar which has weakened relative to the Canadian Dollar in the current fiscal year. Other large foreign currency exposures include the Euro Dollar, Japanese Yen and U.K. Pound Sterling. The Japanese Yen has weakened relative to the Canadian Dollar while the Euro Dollar and U.K. Pound Sterling have strengthened relative to the Canadian Dollar in the current fiscal year.

For the quarter ended September 30, 2006, the Company's net equity value per share increased to \$110.99 from \$109.73 at June 30, 2006, an increase of 1.3% (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 \$110.99 from \$99.49 at December 31, 2005, an increase of 12.0% (based on the reinvestment of dividends at month end net equity values). As 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 consolidated balance sheet. The net equity value of the Company's common shares is determined by deducting the outstanding preferred shares 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.

Operating Results

Net investment income

The Company's net investment income in the third quarter of 2006 was \$1,643,000 compared to 2005 net investment income of \$1,151,000. On a year to date basis, the net investment income increased to \$6,033,000 in 2006 from \$4,971,000 in 2005. On a per common share basis, net investment income for the quarter increased 38.1% to \$0.29 in 2006 from \$0.21 in 2005 and on a year to date basis increased 21.6% to \$1.07 in 2006 from \$0.88 in 2005.

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Foreign dividend income in the third quarter increased to \$2,051,000 in 2006 from \$1,453,000 in 2005 and to \$8,367,000 in 2006 from \$6,706,000 in 2005 on a year to date basis. Canadian dividend income in the third quarter increased to \$574,000 in 2006 from \$489,000 in 2005 and increased to \$1,520,000 in 2006 from \$1,437,000 in 2005 on a year to date basis. Interest, including securities lending income in the third quarter amounted to \$142,000 in 2006, compared to \$52,000 in 2005 and increased to \$331,000 in 2006 from \$205,000 in 2005 on a year to date basis.

Operating expenses in the quarter amounted to \$523,000 (2005 - \$470,000) and \$1,637,000 (2005 - \$1,405,000) on a year to date basis. The rise in expenses from the prior periods is mainly due to an increase in management costs.

Net gain (loss) on investments

The Company realized a net gain on investments sold before income taxes of \$12,790,000 in the third quarter of 2006 (2005 - \$9,635,000). On a year to date basis, the net gain on investments sold before income taxes was \$30,962,000 (2005 - \$11,591,000). The majority of the realized gains in the current quarter were from sales of Assurances Générales de France, Arcelor, MAN AG and Canon Inc. A loss of approximately \$1,600,000 was realized on foreign currency contracts that matured in the quarter.

The Company's unrealized appreciation of investments before future income taxes decreased by \$4,978,000 in the quarter compared to an increase of \$20,192,000 in the same period last year. On a year to date basis, unrealized appreciation of investments before future income taxes increased by \$36,979,000 (2005 - \$51,752,000). The decrease in unrealized appreciation in the current quarter is due to both the negative performance of E-L Financial Corporation Limited and the significant gains that were realized in the quarter as previously highlighted. These two factors outweighed the positive performance of the foreign equity investments in the quarter.

In the second quarter of fiscal 2006, the Federal government enacted reductions in income tax rates commencing in 2008. As a result of the tax change, there was a reduction in the future income tax liability and an increase in unrealized appreciation of investments in the second 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):

	Sept. 30	June 30	March 31	Dec. 31	Sept 30	June 30	March 31	Dec. 31
	2006	2006	2006	2005	2005	2005	2005	2004
Investment income	\$ 2,767	\$ 5,021	\$ 2,430	\$ 1,453	\$ 1,994	\$ 4,075	\$ 2,279	\$ 3,105
Increase in net assets from operations	\$ 7,813	\$ 14,942	\$ 43,890	\$ 46,971	\$ 25,592	\$ 11,277	\$ 20,006	\$ 15,854
Increase in net assets from operations per share ¹	\$ 1.39	\$ 2.66	\$ 7.81	\$ 8.36	\$ 4.56	\$ 2.00	\$ 3.56	\$ 2.82

¹ Net of dividends on preferred shares

Economic Investment Trust Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The investment income is primarily derived from dividend income that is earned by the Company. While North American investments generally pay regular quarterly dividends, investments outside of North America often pay less frequently. Generally, dividends earned on investments outside of North America peak in the second quarter of the fiscal year. Further, there are occasions when investments pay special dividends.

Share Data

At September 30, 2006, the following shares were issued and outstanding; 7,700 5% Cumulative Preferred Shares Series A and 5,615,535 Common Shares.

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 September 30, 2006, Net investment income was \$1,643,000 as compared to dividend payments of \$847,000. On a year to date basis, Net investment income of \$6,033,000 exceeded dividend payments of \$2,555,000.

Additional information

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

Duncan N.R. Jackman
Chairman and President

November 1, 2006

Economic Investment Trust Limited

CONSOLIDATED BALANCE SHEET (Unaudited)

	Sept. 30	December 31
	2006	2005
	(000's)	
Assets		
Investments, at indicated market value (cost - \$309,502; December 31, 2005 - \$286,843)	\$ 664,510	\$ 604,872
Cash	15,095	9,120
Short-term investments	300	437
Receivable in respect of investments sold	5,430	1,119
Accrued income on investments.....	631	403
Income taxes receivable.....	—	477
Other assets	174	206
	686,140	616,634
Liabilities		
Accounts payable and accrued liabilities.....	244	266
Payable in respect of investments purchased.....	583	—
Income taxes payable.....	3,264	—
Future income taxes.....	58,389	56,127
	62,480	56,393
Net assets.....	\$ 623,660	\$ 560,241
Shareholders' Equity		
Capital stock.....	\$ 205,076	\$ 206,142
Contributed surplus	1,492	1,493
Unrealized appreciation of investments.....	297,337	262,095
Retained earnings	119,755	90,511
Total shareholders' equity.....	\$ 623,660	\$ 560,241

(See accompanying notes)

Economic Investment Trust Limited

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2006	2005	2006	2005
	(000's)			
INVESTMENT INCOME				
Dividends:				
Foreign	\$ 2,051	\$ 1,453	\$ 8,367	\$ 6,706
Canadian	574	489	1,520	1,437
	2,625	1,942	9,887	8,143
Interest, including securities lending income	142	52	331	205
	2,767	1,994	10,218	8,348
Expenses:				
Management costs	388	346	1,167	1,016
Office and miscellaneous	43	29	161	128
Transfer, registrar and custodial agents' fees	73	60	211	146
Directors' & officers' remuneration ..	23	23	72	76
Professional fees	13	6	31	21
Capital tax	(17)	6	(5)	18
	523	470	1,637	1,405
Investment income before income taxes	2,244	1,524	8,581	6,943
Income taxes	601	373	2,548	1,972
NET INVESTMENT INCOME	1,643	1,151	6,033	4,971
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized gain on investments	10,480	7,895	25,370	9,498
Net change in unrealized appreciation of investments	(4,310)	16,546	35,242	42,406
NET GAIN ON INVESTMENTS	6,170	24,441	60,612	51,904
INCREASE IN NET ASSETS FROM OPERATIONS	\$ 7,813	\$ 25,592	\$ 66,645	\$ 56,875
INCREASE IN NET ASSETS FROM OPERATIONS PER SHARE	\$ 1.39	\$ 4.56	\$ 11.86	\$ 10.12

(See accompanying notes)

Economic Investment Trust Limited

CONSOLIDATED STATEMENT OF RETAINED EARNINGS (Unaudited)

	Nine months ended Sept. 30	
	2006	2005
	(000's)	
BEGINNING OF PERIOD.....	\$ 90,511	\$ 74,386
Add:		
Net investment income.....	6,033	4,971
Net realized gain on investments.....	25,370	9,498
Refundable dividend taxes recovered.....	852	860
	122,766	89,715
Deduct:		
Dividends from net investment income.....	2,555	2,582
Provision for refundable dividend taxes.....	456	441
	3,011	3,023
END OF PERIOD.....	\$ 119,755	\$ 86,692

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2006	2005	2006	2005
	(000's)			
INCREASE IN NET ASSETS FROM OPERATIONS.....	\$ 7,813	\$ 25,592	\$ 66,645	\$ 56,875
DISTRIBUTIONS TO SHAREHOLDERS				
Common shareholders.....	(842)	(842)	(2,527)	(2,527)
Preferred shareholders.....	(5)	(19)	(28)	(55)
	(847)	(861)	(2,555)	(2,582)
CAPITAL SHARE TRANSACTIONS				
Purchase of preferred shares for cancellation.....	—	—	(1,067)	—
TAXATION CHANGES				
Net decrease in refundable dividend tax on hand.....	110	108	396	419
INCREASE IN NET ASSETS.....	7,076	24,839	63,419	54,712
NET ASSETS, BEGINNING OF PERIOD.....	616,584	489,163	560,241	459,290
NET ASSETS, END OF PERIOD.....	\$ 623,660	\$ 514,002	\$ 623,660	\$ 514,002

(See accompanying notes)

Economic Investment Trust Limited

CONSOLIDATED STATEMENTS OF REALIZED GAIN (Unaudited)

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2006	2005	2006	2005
			(000's)	
Proceeds on sales of investments.....	\$ 39,421	\$ 31,150	\$ 94,058	\$ 82,892
Cost of investments, beginning of period.....	302,465	278,708	286,843	281,797
Cost of investments purchased during the period.....	33,668	31,265	85,755	77,962
	336,133	309,973	372,598	359,759
Cost of investments, end of period.....	309,502	288,458	309,502	288,458
Cost of investments sold during the period.....	26,631	21,515	63,096	71,301
Realized gain on investments sold before taxes	12,790	9,635	30,962	11,591
Taxes on realized net taxable capital gains	2,310	1,740	5,592	2,093
Net realized gain on investments.....	\$ 10,480	\$ 7,895	\$ 25,370	\$ 9,498

(See accompanying notes)

Economic Investment Trust Limited

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT SEPTEMBER 30, 2006

Number of shares		Cost	Market value	% of Market
		(000's)		
North America				
Canada				
212,638	Algoma Central Corporation ²	\$ 2,974	\$ 22,540	
3,100	Canadian Natural Resources Limited	147	158	
341,806	E-L Financial Corporation Limited ²	6,790	202,007	
33,101	Ecando Investments Limited Classes A, B and common ²	4,139	45,043	
176,414	The Fulcrum Investment Company Limited ²	464	10,543	
216,900	NVG Holdings Limited Classes B, C, D, E and common ^{1,2}	2,115	32,528	
4,837	TGV Holdings Limited Class B ^{1,2}	318	9,071	
		<u>16,947</u>	<u>321,890</u>	48.4
United States				
66,100	Altria Group, Inc.	5,556	5,643	
76,600	Bank of America Corporation	3,749	4,577	
3,300	Black & Decker Corporation	294	292	
174,000	CBS Corporation	5,164	5,467	
97,300	Chevron Corporation	6,816	7,039	
59,400	Chubb Corporation (The)	2,827	3,442	
122,000	Citigroup Inc.	7,323	6,758	
46,710	Clorox Company (The)	3,182	3,282	
153,400	Comcast Corporation Special Class A	6,142	6,298	
69,700	ConocoPhillips	2,674	4,628	
30,000	Electronic Data Systems Corporation	929	820	
114,400	Fannie Mae	8,621	7,134	
93,600	Freddie Mac	6,957	6,924	
164,000	General Electric Company	6,861	6,457	
53,200	Hartford Financial Services Group, Inc.	4,300	5,147	
91,500	Hewlett-Packard Company	2,427	3,744	
105,700	JPMorgan Chase & Co.	5,217	5,536	
219,600	Kroger Co.	5,028	5,667	
42,800	Merrill Lynch & Co.	3,500	3,734	
45,000	Metlife, Inc.	1,672	2,845	
139,300	Microsoft Corporation	4,454	4,246	
95,500	Pfizer Inc.	2,625	3,021	
89,700	Safeway Inc.	2,410	3,036	
156,900	Smurfit-Stone Container Corporation	3,541	1,960	
214,100	Sprint Nextel Corporation	6,048	4,095	
15,700	Textron Inc.	1,185	1,532	
290,600	Time Warner Inc.	6,489	5,908	
30,800	XL Capital Ltd. Class A	3,367	2,360	
		<u>119,358</u>	<u>121,592</u>	18.3
	Total North America	<u>136,305</u>	<u>443,482</u>	66.7
Latin America				
75,100	Petroleo Brasileiro S.A. ADR	2,228	6,269	0.9

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, together with Economic, can be significantly influenced by the same party.

Economic Investment Trust Limited

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT SEPTEMBER 30, 2006 (continued)

Number of shares		Cost	Market value	% of Market
		(000's)		
Europe, excluding United Kingdom				
15,000	Assurances Générales de France	1,125	2,108	
33,600	BNP Paribas SA.....	3,295	4,034	
64,400	Continental AG.....	2,736	8,348	
117,600	Credit Suisse Group	5,587	7,588	
165,000	Deutsche Lufthansa AG.....	3,244	3,899	
41,900	E.ON AG	5,009	5,556	
115,620	European Aeronautic Defence and Space Company	4,310	3,711	
116,400	ENI S.p.A.	2,553	3,849	
35,500	Endesa S.A.	981	1,685	
27,000	Fondiarria - SAI S.P.A.	1,271	1,322	
6,100	Fondiarria - SAI SPA-RNC.....	218	225	
94,800	Fortis Group.....	3,817	4,294	
157,700	ING Groep N.V.....	5,589	7,741	
10,200	MAN AG	475	962	
53,010	Mittal Steel Co NV	2,071	2,066	
29,900	Mol Magyar Olaj - es Gazipari Rt.....	2,844	3,036	
32,800	Muenchener Rueckversicherungs-Gesellschaft AG	4,645	5,785	
68,000	Renault SA.....	7,390	8,703	
200,700	Repsol YPF, S.A.	5,512	6,665	
31,530	Sanofi-Aventis.....	2,253	3,132	
36,800	Total SA.....	2,818	2,695	
160,000	Xstrata PLC	2,809	7,371	
		<u>70,552</u>	<u>94,775</u>	14.3
United Kingdom				
50,100	Astrazeneca PLC.....	3,507	3,491	
476,987	Aviva PLC	5,357	7,796	
384,400	BP plc	4,563	4,670	
789,170	Friends Provident plc.....	3,129	3,188	
119,790	HBOS plc.....	2,253	2,643	
84,700	Royal Bank of Scotland Group plc.....	3,109	3,251	
2,139,550	Vodafone Group Plc.....	6,122	5,460	
		<u>28,040</u>	<u>30,499</u>	4.6
Asia				
840,000	Bank Hapoalim Ltd.	2,526	4,427	
1,653,500	China Netcom Group Corporation (Hong Kong) Limited.....	3,261	3,309	
5,576,000	China Petroleum & Chemical Corp. (Sinopec)	2,028	3,863	
797,035	Compal Electronics Inc.....	5,345	3,911	
31,463	Emerging Markets Investors Fund.....	1,341	1,790	
28,130	Hyundai Mobis	3,030	3,227	
1,375	Japan Tobacco Inc.....	4,352	5,965	
101,200	JFE Holdings, Inc.....	3,484	4,429	
51,200	Kookmin Bank.....	2,077	4,503	
52,100	Leopalace21 Corporation	1,949	2,122	
383,000	Mitsui Chemicals Inc.....	3,267	3,077	
323,000	Mitsui O.S.K. Lines, Ltd.	3,274	2,665	
25,230	Orix Corporation	4,874	7,786	
1,416,000	PetroChina Company Limited.....	1,784	1,699	
22,500	POSCO.....	2,900	6,499	

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Economic Investment Trust Limited

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT SEPTEMBER 30, 2006 (continued)

Number of shares		Cost	Market value	% of Market
		(000's)		
Asia (continued)				
5,110	Samsung Electronics Co., Ltd.	3,166	4,000	
260,000	Sharp Corporation	5,064	4,976	
33,951	Sino Land Company Limited.....	59	67	
271,000	Sumitomo Heavy Industries, Ltd.....	3,033	2,533	
547	Sumitomo Mitsui Financial Group, Inc.	4,091	6,411	
470,502	Taiwan Semiconductor Manufacturing Company Ltd. ADR	4,601	5,038	
112,000	Toyota Motor Corporation	6,871	6,796	
		<u>72,377</u>	<u>89,093</u>	<u>13.4</u>
	Total equities	309,502	664,118	99.9
	Forward Currency Contracts, net - Schedule 1	—	392	0.1
	Total investments	<u>\$ 309,502</u>	<u>\$ 664,510</u>	<u>100.0</u>

Schedule 1 - Forward Currency Contracts, net

Forward contracts to sell foreign currencies for Canadian dollars:

Par value	Currency	Number of Contracts	Contract Rates	Settlement Date	Unrealized Gain (Loss)
(in millions)					(000's)
78.6	US Dollar	2	1.1118 - 1.1132	Dec. 15, 2006	\$ 339
2,263	Japanese Yen	2	0.00958 - 0.00960	Dec. 15, 2006	171
7.2	Swiss Franc	1	0.9019	Dec. 15, 2006	49
—	U.K. Pound Sterling	2	2.0949 - 2.1091	Dec. 15, 2006	(167)
					<u>\$ 392</u>

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

Economic Investment Trust Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Basis of presentation

The accompanying unaudited interim consolidated 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, 2005. These financial statements do not include all of the disclosures required under GAAP for annual financial statements.

2. 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).

	Sept. 30	Dec. 31
	2006	2005
Net assets	<u>\$ 623,660</u>	<u>\$ 560,241</u>
Deduct: Cost of redemption of Preferred Shares		
Series A	<u>404</u>	<u>1,523</u>
Net equity value	<u>\$ 623,256</u>	<u>\$ 558,718</u>
Net equity value per Common Share	<u>\$ 110.99</u>	<u>\$ 99.49</u>

Economic Investment Trust Limited

CORPORATE INFORMATION

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

EXTERNAL INVESTMENT MANAGER Sanford C. Bernstein & Co., LLC, New York

AUDITORS PricewaterhouseCoopers LLP, Toronto

TRANSFER AGENT AND REGISTRAR Computershare Investor Services Inc.
100 University Avenue, 9th Floor
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 share is published every Saturday in the mutual fund section of the Globe and Mail (under "Fund Asset Values"). The Net Equity Value per share is also disclosed on a weekly basis 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