

Economic Investment Trust Limited



**THIRD QUARTER REPORT
SEPTEMBER 30, 2010**

Economic Investment Trust Limited

THE PERIOD AT A GLANCE (Unaudited)

	As at Sept. 30 2010 ⁽¹⁾	As at Dec. 31 2009 ⁽¹⁾
Net equity value per Common Share ⁽²⁾	\$ 83.46	\$ 86.24
Net assets.....	\$ 468,665	\$ 484,281
Number of Common Shares outstanding at period end	5,615,535	5,615,535

	Nine months ended September 30	
	2010 ⁽¹⁾	2009 ⁽¹⁾
Net investment income per Common Share ⁽²⁾	\$ 0.73	\$ 0.91
Dividends per Common Share	\$ 0.45	\$ 0.45
Increase (decrease) in net assets from operations per Common Share	\$ (2.37)	\$ 12.66
Investment income	\$ 6,561	\$ 7,798
Net investment income	\$ 4,084	\$ 5,110

⁽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 third 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 quarters 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 global investments externally managed by Sanford C. Bernstein & Co., LLC ("Bernstein") and long-term 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.

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.

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 55.5% (December 31, 2009 – 52.5%) of the investment portfolio was held in long-term investments and 44.5% (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.

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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 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):

	Sept. 30 2010	Dec. 31 2009
Net assets	\$ 468,665	\$ 484,281
Common Shares outstanding	5,615,535	5,615,535
Net equity value per Common Share	\$ 83.46	\$ 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 September 30		Nine months ended September 30	
	2010	2009	2010	2009
Increase (decrease) in net assets from operations	\$ 9,456	\$ 67,182	\$ (13,318)	\$ 71,133
Add (deduct): Net loss (gain) on investments	(8,435)	(65,782)	17,402	(66,023)
Net investment income	1,021	1,400	4,084	5,110
Deduct: Dividends paid on Preferred Shares Series A ⁽¹⁾	—	5	—	14
Net investment income, net of dividends paid on Preferred Shares Series A.....	\$ 1,021	\$ 1,395	\$ 4,084	\$ 5,096
Common Shares outstanding	5,615,535	5,615,535	5,615,535	5,615,535
Net investment income per Common Share	\$ 0.18	\$ 0.25	\$ 0.73	\$ 0.91

⁽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:

	Three months ended Sept. 30	Six months ended Sept. 30
	(%)	
S&P/TSX Composite Index	10.3	7.5
MSCI World Index.....	10.6	1.4
S&P 500 Index.....	8.1	2.2

For the quarter ended September 30, 2010, the Company's net equity value per Common Share increased to \$83.46 from \$81.91 at June 30, 2010. With dividends reinvested at month-end net equity values, the Company's net equity value return was 2.1% for the third quarter of 2010, compared to 16.2% for the same period in 2009. On a year-to-date basis, the net equity value per Common Share declined to \$83.46 from \$86.24 at December 31, 2009. The net equity value return for the nine-month period was negative 2.7% compared to a positive return of 17.4% in the prior year.

As the Company is a taxable Canadian corporation, these returns are net of a provision for income taxes on investment income and realized gains (losses) 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 third quarter of 2010 decreased 27.1% to \$1,021,000 compared to 2009 net investment income of \$1,400,000. On a year-to-date basis, net investment income declined 20.1% to \$4,084,000 in 2010 from \$5,110,000 for the same period in the prior year. On a per Common Share basis, net investment income for the quarter decreased to \$0.18 in 2010 compared to \$0.25 in 2009 and on a year-to-date basis decreased to \$0.73 in 2010 from \$0.91 in 2009. The decrease quarter over quarter was primarily because of lower-yielding foreign securities in the Bernstein portfolio and the fact that the prior year's quarterly provision for income taxes was favourably impacted by \$320,000 of foreign withholding tax adjustments. The year-over-year decrease in net investment income also resulted from increased investment management and administrative costs.

Foreign dividend income in the third quarter decreased to \$719,000 in 2010 from \$1,001,000 in 2009 and on a year-to-date basis decreased to \$4,169,000 from \$5,467,000 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 third quarter increased to \$762,000 in 2010 from \$743,000 in 2009 and on a year-to-date basis decreased to \$2,247,000 from \$2,303,000 in 2009. The increase quarter over quarter occurred in the long-term portfolio as a result of additional E-L shares purchased in March of 2010. The year-over-year decrease related primarily to fewer Canadian securities held in the Bernstein managed portfolio.

Interest income, including securities lending income, in the third quarter increased to \$42,000 in 2010 from \$24,000 in 2009 and on a year-to-date basis increased to \$145,000 from \$28,000 in 2009. The Company recently resumed securities lending activities and during the current quarter and year-to-date periods recognized \$27,000 and \$128,000 respectively of income compared to no corresponding income in the prior year.

Expenses in the quarter amounted to \$343,000 (2009 - \$365,000) and \$1,143,000 (2009 - \$1,037,000) on a year-to-date basis. The year-to-date increase in expenses of 10.2% 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 gain (loss) on investments

The Company realized a net loss on the sale of equity investments and the maturity of forward foreign currency contracts of \$7,127,000 in the third quarter of 2010 compared to a net loss of \$8,785,000 in the same quarter of the prior year. On a year-to-date basis, the corresponding net realized loss was \$10,167,000 in 2010 compared to a net realized loss of \$53,026,000 for the prior year.

In the third quarter of 2010, losses on the sale of equity investments amounted to \$6,573,000 and realized losses on the maturity of forward foreign currency contracts were \$554,000. On a year-to-date basis in 2010, losses on the sale of equity investments totaled \$15,421,000, offset by realized gains of \$5,254,000 from forward foreign currency contracts. The largest contributors to the net realized loss on the sale of equities for the quarter were Nokia Oyj, Sprint Nextel Corporation and Allianz SE. Year to date the largest contributors to the net realized loss were Sprint Nextel Corporation, Nokia Oyj and Macy's, Inc.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's net change in unrealized appreciation of investments increased by \$15,632,000 during the quarter compared to an increase of \$74,663,000 during the same period last year. On a year-to-date basis, the net change in unrealized appreciation of investments decreased by \$6,861,000 compared to an increase of \$119,390,000 in the prior year. During the quarter, the Bernstein managed portfolio's net change in unrealized appreciation increased \$23,891,000 across a broad range of countries and sectors. The Bernstein increase was offset by an \$8,259,000 decline in the Company's long-term investments. The decrease in long-term investments was primarily from a decline in E-L Financial. On a year-to-date basis, the Bernstein portfolio increased \$1,741,000 whereas the Company's long-term investments declined \$8,602,000.

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 2010	June 30 2010	March 31 2010	Dec. 31 2009	Sept. 30 2009	June 30 2009	March 31 2009	Dec. 31 2008
Investment income	\$ 1,523	\$ 3,359	\$ 1,679	\$ 1,815	\$ 1,768	\$ 4,096	\$ 1,934	\$ 2,932
Increase (decrease) in net assets from operations	\$ 9,456	\$(21,549)	\$(1,225)	\$ 3,489	\$ 67,182	\$ 38,347	\$(34,396)	\$(96,397)
Increase (decrease) in net assets from operations per Common Share ¹	\$ 1.69	\$(3.84)	\$(0.22)	\$ 0.63	\$ 11.96	\$ 6.83	\$(6.13)	\$(17.16)
Net equity value per Common Share	\$ 83.46	\$ 81.91	\$ 85.89	\$ 86.24	\$ 85.75	\$ 73.93	\$ 67.24	\$ 73.50

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 seven 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 correlate with benchmark returns and may fluctuate significantly as illustrated by the quarterly returns in the past eight quarters.

Share Data

At September 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 \$0.45, 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 September 30, 2010, net investment income per Common Share was \$0.18 and on a year-to-date basis, net investment income was \$0.73 per Common Share.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Deferral of International Financial Reporting Standards ("IFRS") for Investment Companies

As discussed in previous quarters, for fiscal years beginning on or after January 1, 2011, IFRS will replace Canadian generally accepted accounting principles ("GAAP") for publicly accountable enterprises.

Although it was originally anticipated that the Company would be adopting IFRS in its fiscal year beginning January 1, 2011, in September 2010, the Canadian Accounting Standards Board ("AcSB") approved a one-year deferral of IFRS for investment companies applying Accounting Guideline 18, Investment Companies. The deferral of the mandatory IFRS changeover date is to prevent Canadian investment companies from having to change their current accounting treatment for controlled investees while the International Accounting Standards Board ("IASB") completes its investment company proposal. The IASB has proposed that investment companies should account for investments in controlled investees at fair value, but the IFRS standards will not be revised before the mandatory January 1, 2011 conversion date.

Economic is an investment company and as a result, its first set of financial statements prepared in accordance with IFRS will be for the quarterly period ending March 31, 2012, which will provide corresponding comparative financial information for 2011, including an opening statement of financial position as at January 1, 2011. As a result of the current disclosure rules, the Company has applied to the Ontario Securities Commission to permit it to apply IFRS to its disclosures commencing January 1, 2012.

As of this report's date, management has identified the IFRS accounting standards that are expected to have a significant impact on the Company's financial statements. Preliminary accounting policy choices have been made based on the expected accounting requirements in 2012. Draft model financial statements, excluding note disclosures, have been prepared and presented to the Company's Audit Committee. As a result of the deferral approved by the AcSB, the implementation phase will now be executed throughout 2011 instead of the current year. Management does not expect that the conversion to IFRS will affect the calculation of the Company's net assets or net equity value per Common Share. The primary impact of IFRS on the Company's financial statements will be in financial statement presentation and note disclosure. In addition, management believes that the conversion to IFRS will not materially affect the Company's business arrangements, systems, internal controls over financial reporting, or disclosure controls and procedures.

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

November 1, 2010

Economic Investment Trust Limited

STATEMENT OF NET ASSETS (Unaudited)

	September 30 2010	December 31 2009
	(000's)	
Assets		
Investments, at fair value (cost - \$252,058; December 2009 - \$257,234) (Note 2)	\$ 478,660	\$ 493,184
Cash	8,186	6,963
Short-term investments	813	—
Receivable in respect of investments sold	2,558	1,169
Accrued income on investments.....	214	375
Income taxes receivable.....	3,682	8,817
Other assets	47	208
	<u>494,160</u>	<u>510,716</u>
Liabilities		
Accounts payable and accrued liabilities.....	229	234
Payable in respect of investments purchased.....	2,719	1,118
Future income taxes	22,547	25,083
	<u>25,495</u>	<u>26,435</u>
Net assets.....	<u>\$ 468,665</u>	<u>\$ 484,281</u>
Shareholders' Equity		
Capital stock	\$ 204,691	\$ 204,691
Contributed surplus	1,474	1,474
Unrealized appreciation of investments.....	204,130	210,991
Retained earnings	58,370	67,125
Total shareholders' equity.....	<u>\$ 468,665</u>	<u>\$ 484,281</u>

(See accompanying notes)

Economic Investment Trust Limited

STATEMENTS OF OPERATIONS (Unaudited)

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2010	2009	2010	2009
	(000's)			
INVESTMENT INCOME				
Dividends:				
Foreign	\$ 719	\$ 1,001	\$ 4,169	\$ 5,467
Canadian	762	743	2,247	2,303
	<u>1,481</u>	<u>1,744</u>	<u>6,416</u>	<u>7,770</u>
Interest, including securities lending income	<u>42</u>	<u>24</u>	<u>145</u>	<u>28</u>
	<u>1,523</u>	<u>1,768</u>	<u>6,561</u>	<u>7,798</u>
Expenses:				
Investment management and administrative costs	236	240	723	637
Directors' remuneration	29	28	90	85
Office and miscellaneous	17	30	130	128
Transfer, registrar and custody fees	45	41	166	143
Professional fees	16	26	34	44
	<u>343</u>	<u>365</u>	<u>1,143</u>	<u>1,037</u>
Investment income before income taxes	<u>1,180</u>	<u>1,403</u>	<u>5,418</u>	<u>6,761</u>
Provision for income taxes	<u>159</u>	<u>3</u>	<u>1,334</u>	<u>1,651</u>
NET INVESTMENT INCOME	<u>1,021</u>	<u>1,400</u>	<u>4,084</u>	<u>5,110</u>
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized loss on investments	(7,127)	(8,785)	(10,167)	(53,026)
Net change in unrealized appreciation of investments	15,632	74,663	(6,861)	119,390
Transaction costs on purchase and sale of investments	(70)	(96)	(374)	(341)
NET GAIN (LOSS) ON INVESTMENTS.	<u>8,435</u>	<u>65,782</u>	<u>(17,402)</u>	<u>66,023</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ 9,456</u>	<u>\$ 67,182</u>	<u>\$ (13,318)</u>	<u>\$ 71,133</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	<u><u>\$ 1.69</u></u>	<u><u>\$ 11.96</u></u>	<u><u>\$ (2.37)</u></u>	<u><u>\$ 12.66</u></u>

(See accompanying notes)

Economic Investment Trust Limited

STATEMENT OF RETAINED EARNINGS (Unaudited)

	Nine months ended Sept. 30	
	2010	2009
	(000's)	
BEGINNING OF PERIOD.....	\$ 67,125	\$ 124,951
Add (deduct):		
Net investment income.....	4,084	5,110
Refundable dividend taxes recovered.....	842	847
	4,926	5,957
Deduct:		
Dividends.....	2,527	2,541
Net realized loss on investments.....	10,167	53,026
Transaction costs on purchase and sale of investments.....	374	341
Provision for refundable dividend taxes.....	613	637
	13,681	56,545
END OF PERIOD.....	\$ 58,370	\$ 74,363

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2010	2009	2010	2009
	(000's)			
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS.....	\$ 9,456	\$ 67,182	\$ (13,318)	\$ 71,133
DIVIDENDS TO SHAREHOLDERS				
Preferred Shares Series A.....	—	(5)	—	(14)
Common Shares.....	(842)	(842)	(2,527)	(2,527)
	(842)	(847)	(2,527)	(2,541)
CAPITAL SHARE TRANSACTIONS				
Purchase of 500 Preferred Shares Series A for cancellation.....	—	—	—	(25)
TAXATION CHANGES				
Net decrease in refundable dividend taxes on hand.....	72	78	229	210
INCREASE (DECREASE) IN NET ASSETS.....	8,686	66,413	(15,616)	68,777
NET ASSETS, BEGINNING OF PERIOD.....	459,979	415,521	484,281	413,157
NET ASSETS, END OF PERIOD.....	\$ 468,665	\$ 481,934	\$ 468,665	\$ 481,934

(See accompanying notes)

Economic Investment Trust Limited

STATEMENT OF NET REALIZED LOSS ON INVESTMENTS (Unaudited)

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2010	2009	2010	2009
			(000's)	
Proceeds on sales of investments.....	\$ 26,117	\$ 38,739	\$ 141,446	\$ 116,563
Cost of investments, beginning of period.....	255,855	259,825	257,234	311,414
Cost of investments purchased during the period.....	29,447	46,002	146,437	125,705
	285,302	305,827	403,671	437,119
Cost of investments, end of period.....	252,058	256,906	252,058	256,906
Cost of investments sold during the period.....	33,244	48,921	151,613	180,213
Realized loss on investments sold before income taxes.....	(7,127)	(10,182)	(10,167)	(63,650)
Recovery of income taxes	—	(1,397)	—	(10,624)
Net realized loss on investments.....	\$ (7,127)	\$ (8,785)	\$ (10,167)	\$ (53,026)

(See accompanying notes)

Economic Investment Trust Limited

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

Number of shares		Cost	Fair value	% of Fair value
		(000's)		
North America				
Canada				
23,500	Agrium Inc.....	\$ 1,616	\$ 1,811	
212,638	Algoma Central Corporation ²	2,974	18,925	
381,006	E-L Financial Corporation Limited ²	23,880	156,212	
33,101	Ecando Investments Limited			
	Classes A, B and common ^{2, 3}	4,139	36,021	
176,414	The Fulcrum Investment Company			
	Limited ^{2, 3}	464	10,193	
151,780	Nexen Inc.....	3,697	3,142	
216,900	NVG Holdings Limited			
	Classes B, C, D, E and common ^{1, 2, 3}	2,115	34,351	
4,837	TGV Holdings Limited Class B ^{1, 2, 3, 4}	318	9,891	
		<u>39,203</u>	<u>270,546</u>	56.5
United States				
151,800	Altria Group, Inc.....	3,123	3,756	
47,800	Archer Daniels Midland Company.....	1,551	1,571	
73,200	BB&T Corporation.....	2,319	1,816	
58,000	Bunge Limited.....	3,457	3,536	
116,700	CBS Corporation, Class B.....	2,880	1,908	
20,800	CF Industries Holdings, Inc.....	1,880	2,048	
66,200	Comcast Corportion - Class A.....	1,181	1,233	
56,400	ConocoPhillips.....	3,169	3,336	
42,200	Constellation Energy Group.....	1,541	1,402	
182,100	Corning Incorporated.....	3,279	3,426	
255,900	Dell Inc.....	3,367	3,415	
48,400	Devon Energy Corporation.....	3,530	3,227	
299,499	Esprit Holdings Limited.....	2,140	1,667	
179,600	Ford Motor Company.....	1,686	2,264	
29,300	Freeport-McMoran Copper & Gold Inc.	2,324	2,576	
173,300	GAP Inc. (The).....	3,652	3,321	
59,900	Gilead Sciences, Inc.....	2,174	2,197	
64,100	Hewlett-Packard Company.....	3,066	2,777	
67,800	Johnson & Johnson.....	4,232	4,324	
107,300	JPMorgan Chase & Co.....	4,115	4,206	
20,400	Kohl's Corporation.....	1,095	1,107	
45,400	Marathon Oil Corporation.....	1,566	1,546	
252,800	Motorola Inc.....	1,858	2,218	
185,000	News Corporation, Class A.....	2,097	2,486	
20,600	Parker Hannifin Corporation.....	1,371	1,486	
337,800	Pfizer Inc.....	7,377	5,973	
35,160	Proctor & Gamble Co.....	2,295	2,171	
176,700	Safeway Inc.....	4,374	3,849	
201,400	Sara Lee Corporation.....	3,046	2,785	
138,477	Sprint Nextel Corporation.....	1,575	659	
82,922	Time Warner Cable Inc.....	3,568	4,610	
49,347	Time Warner Inc.....	1,787	1,557	
50,700	Travelers Companies, Inc. (The).....	2,506	2,721	
171,400	Wells Fargo & Co.....	5,167	4,432	
		<u>94,348</u>	<u>91,606</u>	19.1
	Total North America.....	<u>133,551</u>	<u>362,152</u>	75.6

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Economic Investment Trust Limited

STATEMENT OF INVESTMENTS AS AT SEPTEMBER 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	\$ 1,316	
83,700	Vale S.A. - SP Pref ADR	2,336	2,389	
		<u>3,540</u>	<u>3,705</u>	0.8
	Europe, excluding United Kingdom			
36,450	Allianz SE	7,063	4,253	
35,500	Bayer AG	2,384	2,541	
57,700	Bayerische Motoren Werke AG	3,126	4,153	
91,000	Bouygues S.A.	4,585	4,013	
28,600	Cap Gemini	1,345	1,474	
95	Compagnie de Saint-Gobain	4	4	
104,600	Danske Bank A/S	2,739	2,592	
121,800	E.ON AG	4,732	3,684	
38,800	Electricite de France	2,375	1,718	
30,600	Garmin Ltd.	1,129	956	
119,500	Gazprom OAO Spons ADR	2,965	2,574	
97,700	Ingersoll-Rand plc	2,877	3,598	
21,470	Novartis AG	1,029	1,270	
26,085	Randstad Holding N.V.	787	1,218	
1,591,800	Telecom Italia S.p.A.	2,604	2,281	
698,600	Telecom Italia S.p.A. (New) di Risip	866	798	
94,800	Tyco Electronics Ltd.	2,038	2,853	
950,900	Unicredit S.p.A.	2,996	2,495	
71,060	Vivendi	2,118	1,995	
		<u>47,762</u>	<u>44,470</u>	9.3
	United Kingdom			
98,200	AstraZeneca plc	4,469	5,143	
395,700	BAE Systems plc	2,444	2,194	
623,600	Barclays plc	2,680	3,025	
469,000	BP plc	3,020	3,250	
438,200	Marks & Spencer Group plc	2,766	2,755	
1,268,900	Old Mutual plc	2,188	2,853	
61,300	Rio Tinto plc	3,399	3,695	
183,200	Royal Dutch Shell plc	6,752	5,694	
1,215,350	Vodafone Group Plc	3,221	3,093	
271,790	Xstrata plc	4,848	5,361	
		<u>35,787</u>	<u>37,063</u>	7.8

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Economic Investment Trust Limited

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

<u>Number of shares</u>		<u>Cost</u>	<u>Fair value</u>	<u>% of Fair value</u>
		(000's)		
	Africa			
49,800	Royal Caribbean Cruises Ltd.	\$ 1,644	\$ 1,617	0.3
	Asia			
1,610,920	AU Optronics Corp.....	1,420	1,723	
53,000	Hana Financial Group Inc.	1,580	1,613	
567	Japan Tobacco Inc.	2,104	1,937	
65,700	KB Financial Group, Inc.	2,864	2,904	
134,300	Mitsubishi Corporation	3,267	3,277	
145,000	Mitsui Fudosan Co., Ltd.	2,510	2,515	
331,200	Nissan Motor Co., Ltd.	3,353	2,977	
26,490	ORIX Corporation	1,826	2,081	
4,720	Samsung Electronics Co., Ltd.	3,020	3,307	
264,000	Sharp Corporation	3,013	2,705	
554,000	Toshiba Corporation.....	3,127	2,753	
1,464,000	United Microelectronics Corp. ADR.	680	669	
		<u>28,764</u>	<u>28,461</u>	6.0
	Australia			
47,400	National Australia Bank Limited	1,010	1,192	0.2
	Total investments	<u>\$ 252,058</u>	<u>\$ 478,660</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.

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 September 30, 2010, the Company had \$388,204,000 of Level 1 and \$90,456,000 of Level 2 investments. During the current year, there were no transfers between Level 1 and Level 2 investments and the Company had no Level 3 investments.

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

TRANSFER AGENT AND REGISTRAR Computershare Investor Services Inc.
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M5J 2Y1
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Toll Free: 1-800-564-6253

TORONTO 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 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