



## Top Value Stock in a Market Crash

### Description

**Economic Investment Trust Limited** ([TSX:EVT](#)) is a [closed-end investment corporation](#) and an investment vehicle for long-term growth through investments in common equities. The company believes that over long periods, common equities, as an asset class, will outperform fixed income instruments or balanced funds.

The objective of the company is to earn an above-average rate of return, primarily through long-term capital appreciation and dividend income.

Management believes that the company's investment strategy will reward shareholders over the long term. The investment portfolio of the company comprises a mix of Canadian and foreign investments.

Assets of the company are sometimes invested in interest-bearing short-term securities pending the selection of [suitable equity investments](#). The company has been a closed-end investment corporation since 1927 and has at, most times, traded at a discount to net asset value.

Closed-end investment corporations allow investors the opportunity to purchase assets at a discounted price, have management expense ratios that are generally much lower than those for actively managed funds; the management of a closed-end investment corporation's portfolio is not impacted by shareholder subscription or redemption activities.

The company owns long-term investments in the common shares of some publicly traded Canadian companies, and a managed global investment portfolio of common shares of publicly traded global companies.

The long-term investments consist primarily of the publicly traded common shares of **E-L Financial**, **Algoma Central Corporation**, a shipping company, and **Bank of Nova Scotia**.

E-L Financial represents 40.5% of total equity investments, Algoma represents 4.5% of total equity investments and Bank of Nova Scotia represents 6.0% of total equity investments.

E-L Financial operates as an investment and insurance holding company with two operating segments,

E-L Corporate and The Empire Life Insurance company. E-L Corporate's operations include the oversight of investments in global equities held through direct and indirect holdings of common shares, investment funds, closed-end investment companies and private companies.

E-L Financial has a 52.2% interest in a closed-end investment corporation, **United Corporations Limited**, an investment vehicle for long-term growth through investments in common equities.

In addition, E-L Financial has a 36.8% interest in Algoma and a 24.0% interest in Economic. E-L Financial also owns 99.3% of Empire Life, which underwrites life and health insurance policies and provides segregated funds, mutual funds and annuity products in Canada.

The balance of Economic's investment portfolio is managed by Burgundy Asset Management Ltd, a global equity manager based in Toronto.

Burgundy manages the portfolio using a long-term bottom-up investment philosophy, which is to purchase good companies with strong economics and management whose shares are selling below Burgundy's estimate of intrinsic value.

The portfolio, of approximately 40 – 60 publicly-traded companies, invests primarily in mid to large capitalization companies that are publicly traded.

The company's global investment portfolio was made up of non-Canadian companies and 52.2% of the investment portfolio was held in long-term investments and 47.8% was managed by Burgundy. Investment income is derived primarily from dividend income earned by the company.

Economic trades at a 32% discount to net asset value with some wonderful long-term investments that should outperform the general market by at least a few percentage points per year.

## CATEGORY

1. Investing

## POST TAG

1. dividend

## TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:ALC (ALGOMA CENTRAL)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:ELF (E-L Financial Corporation Limited)
5. TSX:UNC (United Corporations Limited)

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