



THD
**THIRD CANADIAN
GENERAL INVESTMENT
TRUST LIMITED**

REGISTRAR AND TRANSFER AGENT

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STOCK EXCHANGE LISTING

The Toronto Stock Exchange

Trading Symbol: THD



FOUNDED IN 1928

Managed by:



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**FIRST QUARTER
SHAREHOLDER UPDATE**

March 31, 2010



Mixed Sources

Product group from well-managed
forests, controlled sources and
recycled wood or fiber
www.fsc.org Cert no. SW-COC-002999
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GENERAL COMMENTARY

Third Canadian finished 2010's first quarter with a year-to-date net asset value (NAV) return of 3.6% with dividends reinvested. This was ahead of the 3.1% total return posted by the benchmark S&P/TSX Composite Index. The Company's market return was 9.4%. Although still far from their high point hit in 2007, Third Canadian's shares have retraced a good portion of their decline, with the share price climbing from \$20.00 a year ago to \$28.76 at the end of March. Year-over-year NAV and market total returns were 51.4% and 46.7%, respectively.

Despite, or rather, given the length and strength of the recovery in global markets, it remains unclear if they have recovered truly and entered a new bull phase, will trade sideways, or will have to test or even break through their lows, as some market gurus have claimed.

Certainly, we remain cautious. Nevertheless, the use of leverage remains part of the overall investment strategy, both in its principal assets, Canadian General Investments, Limited (CGI) and Canadian World Fund Limited (CWF) and in its non-principal asset portfolio. CGI employs leverage in the form of its two series of preferred shares. CWF retains a borrowing facility with its bank, but did not draw on it in the first quarter of 2010. Third Canadian itself has \$13 million in leverage at quarter end. This takes the form of short-term bank debt. Leverage at all three levels is used in an effort to augment portfolio performance and so enhance the net asset value return to Third Canadian's shareholders. Clearly, this also increases the risk profile of the portfolios.

One of the key lessons of the last two years has been that it is necessary to reduce or eliminate leverage and even raise cash quickly when markets enter a crisis. To this end, Third Canadian has tempered its commitment to being fully invested at all times, has kept the terms of its bank debt short and has become more aware of the need to keep a portion of its portfolio in stocks that are readily tradable, even in times of market failure.

We retain confidence in the portfolio management team and believe that it has the right skills to help Third Canadian continue to grow in the future.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

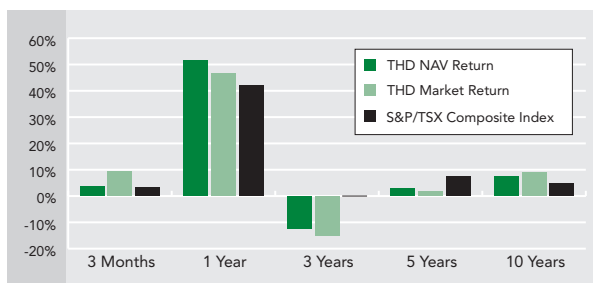
Global equity markets continued to ascend from their bottoms, reached in March of 2009, as the global financial world began to recover from its worst crisis since the 1930's and economies around the world began to stabilize. A strong rebound in the S&P/TSX was most evident in the second and third quarters of last year, when equity levels moved quickly from deeply depressed levels, but the Index was still able to post its fourth straight quarterly gain in the first quarter of 2010. The S&P/TSX total return was 3.1% for the first three months of this year, resulting in a 42.1% twelve-month return to March 31, 2010.

PRINCIPAL ASSETS

The principal assets remain the major determinant in Third Canadian's fortunes with a 66.6% portfolio weighting. In spite of a positive move in the principal assets, this percentage dropped slightly from year end, due to the higher first quarter growth rate of the non-principal assets as well as a higher level of borrowings.

Canadian General Investments, Limited (CGI) responded very well to the rising equity market in the past year. CGI's NAV outperformed the S&P/TSX in both year-to-date and 12-month periods to March 31, 2010, with returns of 8.8% and 66.2%, respectively, exceeding the benchmark by wide margins. The concurrent gains in total market return were 3.0% and 62.6% in the same time frames. All shareholders, including Third Canadian, benefitted from CGI's share price appreciation, as well as the quarterly dividends and a special capital gains dividend, which CGI reinstated in December 2009. The CGI dividends provided a total yield of approximately 5%. This represented a return to the yield levels attained prior to the 2008/9 market correction.

Compound Annual Returns for the Periods Ending March 31, 2010



Canadian World Fund Limited (CWF) enjoyed portfolio growth, which also benefitted Third Canadian and all other shareholders. CWF's NAV return was 5.4% in the first quarter, a sizable win against its benchmark Morgan Stanley Capital International All Country World Index return of -0.4% in Canadian dollars. CWF's market price return lagged the NAV return in the quarter and provided Third Canadian with a 2.0% gain on its holding.

NON-PRINCIPAL ASSETS

The non-principal assets totalled \$66.3 million and represented 33.4% of the portfolio at March 31, an increase from \$58.9 million at the beginning of the year. The rebuilding of this portion of the portfolio has been ongoing and assisted by a combination of market growth, dividends received, and careful use of bank borrowings. This group complements the principal asset holdings and provides additional value for shareholders.

Activity in this group was fairly minimal in the first quarter, as its composition was well placed in market context. Fortunately, markets have been less erratic and, although two basic trends dominated, there was no cause for extreme action. Beginning the year, concern that markets had risen too far ahead of fundamentals caused the S&P/TSX to decline, but positive corporate earnings and economic data mid-quarter reversed this trend and the Index finished in slightly positive territory.

China's demand for commodities has been well documented and pricing of resources has continued to escalate. Iron ore producers have been one of the major beneficiaries of this trend, as Chinese steel production has risen exponentially during the acceleration of the country's development. Third Canadian's exposure to this dynamic came to the fore during the first quarter, with Consolidated

Thompson Iron Mines Limited leading the dollar performance in the entire group and Labrador Iron Ore Royalty Income Fund following not far behind. An upcoming, near-term producer, Labrador Iron Mines Holdings Limited, proved to be a timely addition to the portfolio in January, as it also tacked on substantial gains ranking in the top ten.

But the non-principal assets remained diversified and several strong gains were produced. Baidu, Inc., the dominant Chinese internet search engine, had a great quarter and placed second in Third Canadian's top stocks. Wynn Resorts Limited, the Las Vegas and Macao casino company highlighted in these reports in the past, continued exceptional performance and was No. 3. And an up-and-coming junior oil producer, Wild Stream Exploration Inc., rounded out the top five.

As equity markets continue to evolve from their levels of more than a year ago, the individual selection process has taken on greater importance in terms of relative performance. This should play into the Manager's strength, as the primary approach is to utilize a bottom-up investing style for the Company. The results of the past two quarters support this hypothesis as CGI, CWF and Third Canadian's non-principal assets posted returns in excess of the benchmarks. Assuming markets remain stable going forward, we would anticipate that further gains are possible. As always, the goal is to capitalize on available opportunities in order to create value for shareholders of Third Canadian.

Michael A. Smedley
*CEO & Chief Portfolio Officer
of the Manager*

D. Greg Eckel
*Senior Vice-President
of the Manager*

SUMMARY OF INVESTMENT PORTFOLIO

as at March 31, 2010

Portfolio Breakdown

	% of Net Asset Value*	% of Investment Portfolio
Principal Assets**	74.7	66.6
Canadian Equities	27.8	24.7
Foreign Equities	9.7	8.6
Cash & Cash Equivalents	0.1	0.1

SUMMARY OF INVESTMENT PORTFOLIO (CONTINUED)**Top 25 Holdings as at March 31, 2010**

Issuer	Country	Sector	% of Net Asset Value*	% of Investment Portfolio
Canadian General Investments, Limited**	Canada	Principal Assets	70.3	62.6
Canadian World Fund Limited**	Canada	Principal Assets	4.4	4.0
Equinox Minerals Limited	Canada	Canadian Equities	1.9	1.7
BMTC Group Inc.	Canada	Canadian Equities	1.9	1.7
Wynn Resorts, Limited	U.S.A.	Foreign Equities	1.8	1.6
Consolidated Thompson Iron Mines Limited	Canada	Canadian Equities	1.6	1.4
Labrador Iron Ore Royalty Income Fund	Canada	Canadian Equities	1.6	1.4
Home Capital Group Inc.	Canada	Canadian Equities	1.5	1.4
Ag Growth International Inc.	Canada	Canadian Equities	1.5	1.4
ATCO Ltd.	Canada	Canadian Equities	1.4	1.3
Baidu, Inc.	China/Hong Kong	Foreign Equities	1.3	1.1
Crescent Point Energy Corp.	Canada	Canadian Equities	1.2	1.1
Potash Corporation of Saskatchewan Inc.	Canada	Canadian Equities	1.2	1.1
Major Drilling Group International	Canada	Canadian Equities	1.2	1.1
Diamond Estates Wines & Spirits Ltd.	Canada	Canadian Equities	1.2	1.1
Eldorado Gold Corporation	Canada	Canadian Equities	1.2	1.0
Detour Gold Corporation	Canada	Canadian Equities	1.1	1.0
RuggedCom Inc.	Canada	Canadian Equities	1.1	1.0
Novo Nordisk A/S	Denmark	Foreign Equities	1.1	1.0
Google Inc.	U.S.A.	Foreign Equities	1.1	1.0
Wild Stream Exploration Inc.	Canada	Canadian Equities	1.1	0.9
Waterfurnace Renewable Energy Inc.	Canada	Canadian Equities	1.1	0.9
MasterCard, Inc.	U.S.A.	Foreign Equities	1.0	0.9
Compass Minerals International, Inc.	U.S.A.	Foreign Equities	0.9	0.8
Brigham Exploration Company	U.S.A.	Foreign Equities	0.9	0.8
			104.6*	93.3
Total Net Asset Value* (\$000's)				\$ 176,360
Total Investment Portfolio* (\$000's)				\$ 197,978

* Total Net Asset Value represents Total Investment Portfolio adjusted for future income taxes on unrealized net capital gains (\$8.2 million), other assets and other liabilities.

** Investments in TSX-listed closed-end investment funds under common control with the Company. CGI is focussed on medium to long-term investments in Canadian corporations. CWF invests globally in securities of primarily publicly traded growth companies. Information on these funds is available at www.sedar.com or by visiting the Manager's web site at www.mmmainvestments.com.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Company. The most recent quarterly portfolio disclosure may be obtained by visiting the Manager's web site at www.mmmainvestments.com, by calling 416-366-2931 (Toll-free: 1-866-443-6097), or by writing to the Company at 10 Toronto Street, Toronto, Ontario, Canada, M5C 2B7.

Certain financial information contained in this report, including investment growth rates, rates of return and other such statistical information are historical values; past performance is no assurance or indicator of future returns. Share prices, net asset values and investment returns will fluctuate. Stated historical returns assume the reinvestment of all distributions. Such financial information does not reflect any broker commissions, transaction costs or such other fees and expenses which may have been applicable nor income taxes payable by any shareholder, which would have the effect of reducing such historical returns. Stated returns for periods greater than one year are compound average annual rates of return. Further information concerning risk can be found in the Management Report of Fund Performance of the Annual Report to Shareholders.

The Company is an investment fund, and as such, this Quarterly Shareholder Update carries a variety of information concerning stocks and other investments, all for informational purposes only. The reader should assume that the Company and all individuals and entities (including the Manager and members of its staff) who have contributed to this publication may have a conflict of interest. Readers should therefore not rely solely on this Report in evaluating whether or not to buy or sell securities discussed herein.