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STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange

Trading Symbols:

Common Shares	CGI
Preference Shares,	
Series 1	CGI.PR.A
Series 2	CGI.PR.B
Series 3	CGI.PR.C

The London Stock Exchange

Trading Symbol:

Common Shares	CGI
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Managed by:



MorganMeighen

& ASSOCIATES

Investment Managers

CANADIAN GENERAL INVESTMENTS, LIMITED

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Canadian General Investments, Limited



OVER 75 YEARS OF CANADIAN SUCCESS

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FIRST QUARTER SHAREHOLDER UPDATE

March 31, 2008

GENERAL COMMENTARY

Canadian General Investments, Limited (CGI) finished 2008's first quarter with a net asset value (NAV) return of -13.6%. This lagged the -2.8% total return posted by the benchmark S&P/TSX Composite Index. CGI's market return lagged both its NAV and its benchmark, posting -20.8% for the quarter, as the discount of the market price to NAV widened. This reflects a souring of investors' perception of the market, in general, and the Canadian market, in particular.

The extreme market volatility, so characteristic of market behaviour in recent years, has, if anything, been augmented by the ABCP debacle and the liquidity crisis resulting from it. One of the most striking features of the current financial crisis is the degree to which structured vehicles were used to provide low-cost leverage to so-called hedge funds. Now that that source of funds has dried up, many erstwhile market leaders are seeing their stock prices decline (sometimes violently) as positions are unwound to meet margin calls. Forced sellers find themselves selling their most liquid, and not necessarily their least desirable, names.

CGI's portfolio has suffered in this environment. Many of the companies key to its stellar returns in recent years, bore the brunt of this shift in market sentiment. This has been compounded by the leverage effect of CGI's preferred shares. They serve to enhance CGI's NAV returns on the upside. Unfortunately, they serve to magnify losses on the downside. Nevertheless, this source of comparatively low-cost, long-term capital has served CGI shareholders very well over the years, and we are confident it will continue to do so over the long term.

We view any market rebounds cautiously, but remain optimistic that we will recover many of our recent losses and proceed upward once these imbalances have worked their way through the global financial system.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

A WAITING GAME

Universally, the strategy of portfolio managers in the first quarter of 2008 has been a waiting game. The bear market was well underway when the year started. Among the consequences, activity and prices fell as the damage from financial sector delinquency deepened and spread.

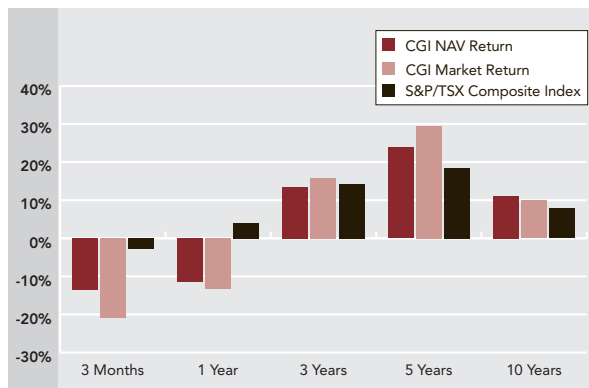
The only conspicuous rallies through the quarter were in precious metals, the agriculture sector, iron ore, coal and the gas price. CGI's portfolio has numerous names associated with those themes but is committed to staying widely diversified.

RESOURCES THE MAINSTAY

Resources continue to be the mainstay of the Canadian market and there we have stayed very widely spread. Most commodities have been strong or have at least revived from recent lows. We have booked partial gains, but we have also bought into or added to gold, silver, palladium, iron ore, phosphate and potash, mostly "safe country" buys. Local additions include North American Palladium Ltd., Athabasca Potash Inc. and Phoscan Chemical Corp. These are producers or potentially significant developers.

To our speculative junior content we have added a small investment in Noront Resources Ltd., the most advanced of a number of explorers that have started announcing very high grade nickel and polymetallic discoveries in remote northern Ontario. This is capturing the attention of big mining industry investors. Proof of a large new mining district of high grade metal could result in major rewards in these times of strong metals demand.

Compound Annual Returns for the Periods Ending March 31, 2008



Although we hold juniors, nearly two-thirds of our materials sector investment is spread among producers such as Agnico-Eagle Mines Limited, Equinox Minerals Limited, FNX Mining Company Inc., Hudbay Minerals Inc., Labrador Iron Ore Income Fund, Thompson Creek Metals Company Inc., Agrium Inc. and Potash Corporation of Saskatchewan. Teck Cominco Limited is a significant holding and so is Taseko Mines Limited, a rare example of a successful mid-tier producer in Canada generating good cash flows from copper and molybdenum and yet receiving little attention by analysts.

Among Canadian mine developers overseas one of the best partial stock recoveries made recently for CGI is in Skye Resources Inc., working hard to restart its nickel project in Guatemala. Management was strengthened recently by the arrival of Colin Benner and John Bracale, two highly experienced industry men. Skye was originally operated by Inco in the cycle upswing of more than thirty years ago. Vale, Inco's new owner, holds adjacent lands.

NEW ENERGY PLAYS

Recently, in energy, we added EnCana Corporation to the large company positions. This is the largest gas producer in North America, that added important deep gas assets in Texas to its portfolio. It has a declared policy of maximizing cash flows, buying in shares and increasing dividends. It could claim to be one of the highest quality names for long-term investors anywhere in the Canadian market.

EnCana is in the high impact Montney gas play in Alberta that is capturing investor attention. As a purer investment

in the Montney formation, we bought into Birchcliff Energy Ltd. and, more recently, Celtic Exploration Ltd. The Montney, like the Bakken oil play of Saskatchewan, is another example of where new technologies are enhancing production in western Canada. In the Bakken, we have been benefitting from holdings in Crescent Point Energy Trust and Petrobank Energy and Resources Ltd.

LOW WEIGHTED IN BANKS

Two of CGI's three largest sector positions are energy and materials. The third is financials, but we have reduced the major banks' portion considerably. The commercial banks are reduced to 2.8% at March 31 this year with investments only in Canadian Western Bank, Laurentian Bank of Canada and Royal Bank of Canada, in order of size.

Our present "waiting game" stance is also attributable to the shaky state of markets which we believe is also influenced by a nondescript U.S. political campaign, unsuccessful military excursions, extremes of weather and political disturbances in so many countries. The traditional global instrument of reserve, the U.S. dollar, seems to be in free-fall. It all adds up to why most investors have been losing much of the gains enjoyed in years of bull markets.

We believe, however, that Canada with its huge resources will continue to be one of the better places in which to invest over the next few years.

On behalf of the Manager,

Michael A. Smedley
CEO & Chief Portfolio Officer

D. Greg Eckel
Senior Vice-President

SUMMARY OF INVESTMENT PORTFOLIO

as at March 31, 2008

Sector Allocation

	% of Net Assets*	% of Investment Portfolio
Materials	30.9	23.0
Energy	27.6	20.5
Financials	25.2	18.8
Industrials	16.4	12.2
Consumer Discretionary	10.4	7.8
Information Technology	9.2	6.9
Telecommunication Services	5.6	4.2
Consumer Staples	4.1	3.0
Utilities	2.4	1.8
Cash & Cash Equivalents	1.4	1.0
Health Care	1.1	0.8

Asset Allocation

	% of Net Assets*	% of Investment Portfolio
Canadian Equities & Income Trusts	127.5	94.9
Foreign Equities	3.3	2.5
Preferred Shares	1.4	1.1
Cash & Cash Equivalents	1.4	1.0
Limited Partnerships	0.7	0.5

SUMMARY OF INVESTMENT PORTFOLIO (CONTINUED)**Top 25 Holdings as at March 31, 2008**

Issuer (all Canada-based)	Sector	% of Net Assets*	% of Investment Portfolio
Research In Motion Limited	Information Technology	6.2	4.6
Labrador Iron Ore Royalty Income Fund	Materials	3.7	2.8
Rogers Communications Inc.	Telecommunication Services	3.2	2.4
Urbana Corporation	Financials	3.0	2.2
BPO Properties Ltd.	Financials	2.8	2.1
Cameco Corporation	Energy	2.8	2.1
Enbridge Inc.	Energy	2.6	1.9
Ritchie Bros. Auctioneers Incorporated	Industrials	2.5	1.9
TSX Group Inc.	Financials	2.4	1.8
Algoma Central Corporation	Industrials	2.3	1.7
BMTC Group Inc.	Consumer Discretionary	2.3	1.7
Canadian Western Bank	Financials	2.3	1.7
Husky Energy Inc.	Energy	2.1	1.6
TransCanada Corporation	Energy	2.1	1.5
FNX Mining Company Inc.	Materials	2.0	1.5
Russel Metals Inc.	Industrials	2.0	1.5
Corby Distilleries Limited	Consumer Staples	2.0	1.5
Economic Investment Trust Limited	Financials	1.8	1.3
Thompson Creek Metals Company Inc.	Materials	1.8	1.3
HudBay Minerals Inc.	Materials	1.7	1.3
Equinox Minerals Limited	Materials	1.7	1.3
Fortis Inc.	Utilities	1.7	1.2
Addax Petroleum Corporation	Energy	1.6	1.2
Canadian Natural Resources Limited	Energy	1.5	1.1
Tim Hortons Inc.	Consumer Discretionary	1.5	1.1
		59.6*	44.3
Total Net Assets* (\$000's)			\$ 574,796
Total Investment Portfolio* (\$000's)			\$ 772,304

* Total Net Assets represents Total Investment Portfolio adjusted for leverage in the form of preference shares (\$210 million), other assets and other liabilities.

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 110 Yonge Street, Suite 1601, Toronto, Ontario, Canada, M5C 1T4.

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 Update to Shareholders 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.