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STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange

Trading Symbols:

Common Shares CGI

Preference Shares,

Series 2 CGI.PR.B

Series 3 CGI.PR.C

The London Stock Exchange

Trading Symbols:

Common Shares CGI

Managed by:



MorganMeighen

& ASSOCIATES

Investment Managers

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Canadian General Investments,
Limited



FOCUSSED ON CANADA

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THIRD QUARTER
SHAREHOLDER UPDATE

September 30, 2009



GENERAL COMMENTARY

Canadian General Investments, Limited (CGI) posted a net asset value (NAV) total return of 14.7% and a market value total return of 20.4% in the third quarter of 2009, both surpassing the 10.6% total return of its benchmark, the S&P/TSX Composite Index. Year to date, CGI's NAV performed roughly in line with its benchmark, growing 29.7% versus 30.0% for the benchmark. CGI's market return of 63.6% more than doubled both its NAV and benchmark. This is a reflection of how low the shares had dropped, a fact which continues to hamper relative performance on a rolling twelve-month basis. Both the market and NAV returns are still in negative territory at -6.5% and -8.4%, respectively, while the benchmark nosed into positive territory with a 0.5% return for the period.

The coverage ratio of CGI's portfolio assets to its preferred share leverage has improved from 2.7 times at the beginning of the year to 3.4 times as of September 30, 2009. At its lowest point, the ratio fell to just below 2.5 times. This ratio is important for CGI common shareholders as, under the terms of its preference share prospectuses, CGI is not permitted to pay dividends to its common shareholders unless it maintains a coverage ratio of at least 2.5 times. We are pleased to see this recovery, but will continue to monitor the situation and, if necessary, will build up cash in the portfolio again in an effort to protect CGI's ability to pay regular quarterly dividends.

We are pleased with recent performance and CGI's long-term performance remains intact - superior over the very long term. We are unsettled by the torrid pace of the stock market recovery since March and are concerned that this may be ahead of the "real" economy, which is being driven almost entirely by governmental stimulus. Nevertheless, we believe that the sensible policies of the federal government over the last decade or so, combined with Canada's possession of materials which the robust Asian economies need to buy, have positioned Canada well to weather the storm and prosper in the future. We retain confidence in our team and strategy, and are optimistic that, as we return to more normal markets, CGI's performance will, once again, be positive and, hopefully, superior over all time periods.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

Global equity markets continued to rally in the third quarter of 2009 as signs of economic stabilization encouraged more investors to reconsider their investment opportunities. From their almost universal bottoms in early March, stock market indices around the world have steadily risen. The benchmark gauge of U.S. stocks, the S&P 500, has had the biggest back-to-back quarterly rally since 1975, climbing for a seventh straight month through September, its longest advance in almost three years and is typical of the strength shown in the equity markets.

Canadian equity markets have followed this trend, with the S&P/TSX extending its 20.0% rally in the second quarter with another 10.6% in the current three month period. In relative terms, Canada is still outperforming most of its major equity market peers with a year-to-date S&P/TSX return of 30.0%. This leadership has much to do with the stellar performance of Canadian bank stocks as a result of a heightened stature acquired from their stability and operational risk management exhibited during the recent global financial crisis. The other two major sectors in the Canadian context, Energy and Materials, have also provided excellent returns in supporting roles.

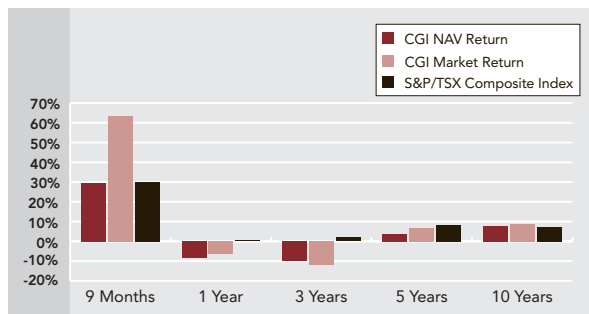
REINVESTMENT OF CASH

An uncharacteristically large, defensive cash position was established in the portfolio during the market turmoil of late 2008 and early 2009, as a partial offset to the preference share leverage. CGI has been successfully working down the cash balance as markets improve. Reinvestment has been undertaken in a balanced and measured fashion and we anticipate cash will continue to be systematically decreased as markets allow.

FINANCIAL DEBUT

A new name appeared in the Financials and in CGI's portfolio with the initial public offering of Genworth MI Canada Inc. Genworth Canada is the largest private mortgage insurer in

Compound Annual Returns for the Periods Ending September 30, 2009



Canada with 30% market share. It operates in a market that is essentially a duopoly, its competitor being a crown corporation, Canada Mortgage and Housing Corporation. Attractive attributes such as strong barriers to entry, high profit margins, an improving housing market in Canada and an indicated 4.6% dividend yield at issue made it a compelling choice for the portfolio. This addition helped to increase our underweight positioning in the Financial sector and Genworth's shares have had an excellent start with a greater than 25% gain since trading began.

GOLD RUSH

An early stage exploration company drilling for gold in northeastern Colombia, Ventana Gold Corp. attracted our attention mid-year and was added to the portfolio. At that time, initial results of its exploratory program were encouraging, financing was in good shape and it was just about to embark on an aggressive drilling phase. The company has now begun to release some of the results of this program and they have been so well received that preliminary determinations of the establishment of a meaningful resource base now have been undertaken. The excitement created by this news has attracted a bigger following in the analyst community, expanding what had been rather thin coverage and creating positive news flow to a potentially large investor audience. While mindful of the large risks inherent in this type of situation, we are optimistic for more substantial gains if the good numbers can be followed up.

SHOW TIME

A position was also established in IMAX Corporation, the company whose brand is recognized worldwide for its premium movie theatre experience. IMAX has positioned itself for a robust growth phase going forward after undergoing a period of

transition that has resulted in a revised business model and a more marketable product for the mainstream, commercial theatre venue. This timing coincides with the film industry's evolution to the digital format, a fundamental change assisting the company from a cost perspective and, more importantly, producing a greater number of films desirable for viewing in the upgraded IMAX format. All of these transformations should combine to deliver improved financial metrics and renewed investor interest in the company, positive catalysts for stock price appreciation.

FEELING PEAKISH?

The rally in equity markets has allowed CGI to begin to rebuild its assets and return performance to more acceptable levels for its shareholders. The recent quarter has shown a return to realization of capital gains which, in the past, was the critical component in providing substantial dividend yields to common shareholders. However, as we enter into the final quarter of the year, many analysts are questioning whether the past few months of fairly rapid gains can continue. Has the market peaked? The market's challenges have been in place for some time, a backdrop against which CGI's portfolio had very good recent success. Although market conditions are continually changing, we believe the current positioning will provide a solid base for additional improvement.

On behalf of the Manager,

Michael A. Smedley
CEO & Chief Portfolio Officer

D. Greg Eckel
Senior Vice-President

SUMMARY OF INVESTMENT PORTFOLIO

as at September 30, 2009

Sector Allocation

	% of Net Asset Value *	% of Investment Portfolio
Materials	37.4	26.9
Energy	32.9	23.6
Financials	24.9	17.9
Industrials	10.6	7.6
Information Technology	9.1	6.5
Consumer Discretionary	5.8	4.2
Cash & Cash Equivalents	4.9	3.5
Consumer Staples	4.7	3.4
Short-Term Securities	4.0	2.9
Telecommunication Services	2.9	2.1
Utilities	2.6	1.9

Asset Allocation

	% of Net Asset Value *	% of Investment Portfolio
Canadian Equities & Income Trusts	120.8	86.8
Foreign Equities	10.1	7.3
Cash & Cash Equivalents	4.9	3.5
Short-Term Securities	4.0	2.9

SUMMARY OF INVESTMENT PORTFOLIO (CONTINUED)

Top 25 Holdings as at September 30, 2009

Issuer	Sector	% of Net Asset Value*	% of Investment Portfolio
Cash	Cash & Cash Equivalents	4.9	3.5
Royal Bank of Canada	Financials	4.2	3.1
Canadian Treasury Bill	Short-Term Securities	4.0	2.9
Labrador Iron Ore Royalty Income Fund	Materials	3.8	2.7
BPO Properties Ltd.	Financials	3.7	2.6
Bank of Montreal	Financials	3.6	2.6
BMTC Group Inc.	Consumer Discretionary	3.6	2.6
Pacific Rubiales Energy Corp.	Energy	3.4	2.4
Franco-Nevada Corporation	Materials	3.3	2.4
Petrobank Energy and Resources Ltd.	Energy	3.2	2.3
Enbridge Inc.	Energy	3.0	2.2
Rogers Communications Inc.	Telecommunication Services	2.9	2.1
Ritchie Bros. Auctioneers Incorporated	Industrials	2.9	2.1
The Toronto-Dominion Bank	Financials	2.8	2.0
Suncor Energy, Inc.	Energy	2.8	2.0
Research In Motion Limited	Information Technology	2.7	2.0
Manulife Financial Corporation	Financials	2.7	2.0
SXC Health Solutions Corp.	Information Technology	2.7	2.0
Canadian Natural Resources Limited	Energy	2.3	1.7
TransCanada Corporation	Energy	2.3	1.6
Potash Corporation of Saskatchewan Inc.	Materials	2.3	1.6
Celestica Inc.	Information Technology	2.3	1.6
Corby Distilleries Limited	Consumer Staples	2.1	1.5
Freeport-McMoRan Copper & Gold Inc.	Materials	2.0	1.4
Sherritt International Corporation	Materials	2.0	1.4
		75.5*	54.3
Total Net Asset Value* (\$000's)			\$ 372,449
Total Investment Portfolio* (\$000's)			\$ 518,378

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage in the form of preference shares (\$150 million), other assets and other liabilities. The Total Investment Portfolio includes a payable on securities purchased of \$2.3 million.

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.mmainvestments.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 Third Quarter 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.