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STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: THD

Managed by:



MorganMeighen
& ASSOCIATES

Investment Managers

THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED

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Third Canadian General
Investment Trust Limited



GROWTH AND INCOME

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THIRD QUARTER
SHAREHOLDER UPDATE

September 30, 2008

GENERAL COMMENTARY

Third Canadian finished 2008's third quarter with a year-to-date net asset value return of -39.3% with dividends reinvested. This lagged the -13.3% total return posted by the benchmark S&P/TSX Composite Index. Third Canadian's market return was -39.8%. This underperformance is primarily attributable to the leverage on the portfolio, both in Third Canadian itself, and in its principal assets, Canadian General Investments, Limited (CGI) and Canadian World Fund Limited (CWF).

The global credit crisis, which began over a year ago, reached a new and more acute phase in the third quarter. We entered convulsions in the financial markets not seen for a generation or more. The former titans of Wall Street, the great American investment banks, are all but gone. Meanwhile, Europe has seen a rash of bank bailouts, sales and government initiated guarantees.

Canada, despite the asset-backed commercial paper (ABCP) fiasco, has been weathering the financial and real estate crises comparatively well. No major financial institution has failed. Our real estate market, while down from its highs, appears to have been untouched by speculative excesses of the U.S. and U.K. markets, and so avoided precipitous declines. The Canadian manufacturing sector continues to suffer, but, thanks to ongoing activity in the resources sector, Canada is still running a trade surplus and unemployment remains low. To date the federal government continues to run a fiscal surplus. Unfortunately, this stability has not been mirrored in the Canadian equity markets, which have moved violently negative in what we hope is a bottom before renewal.

Subsequent to quarter end, CGI redeemed its \$60 million Series 1, 5.4% preference shares (issued in 1998) in accordance with the terms of the governing short form prospectus. Third Canadian and CWF have also reduced leverage on their portfolios. CGI, CWF, and Third Canadian now carry cash positions for reinvestment purposes.

Third Canadian's long-term performance remains intact and we retain confidence in our team. We are optimistic that, once we return to more productive markets, Third Canadian will return to its tradition of increasing the wealth of its shareholders.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

IT'S A SMALL, SMALL WORLD

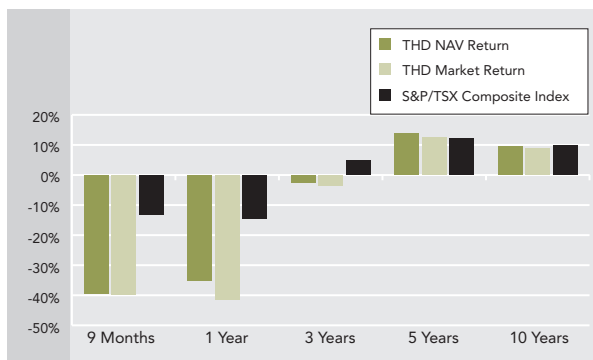
Equity markets have been faltering and their declines have accelerated recently. Canada was doing quite well up to September, in part supported by the relative resilience of its banking sector, but has not escaped the free fall since quarter end. As the market unraveled at an accelerating pace by quarter end, the S&P/TSX Composite Index was posting a year-to-date loss of 13.3% on a total return basis. This was a significant turnaround from its intra-year peak in June. Change was occurring so fast after quarter end that the S&P/TSX losses in every sector were moving deep into double-digits. What happened? As the Disney song tells us, "It's a small, small world".

OVER-USE OF LEVERAGE

What earlier appeared to be a problem limited to the U.S. housing market has now manifested itself as a global problem of gigantic proportion, triggered in good part by the disintegration of structured products. Substantial losses, both realized and unrealized, now appear on balance sheets of financial companies everywhere and these were accentuated through over-use of leverage.

As the crisis deepened, economic indicators went negative. Fears arose that global demand for resources would be substantially reduced and the effects of the slowdown of our biggest trading partner, the United States, would worsen. These worries were manifested in the dramatic decline in the Canadian market.

Compound Annual Returns for the
Periods Ending September 30, 2008



PRINCIPAL ASSETS

Canadian General Investments, Limited (CGI), as a diversified closed-end equity fund, is invested in most of the sectors in the Canadian market. At quarter end, CGI was underweight in two of the largest sectors, Energy and Financials, and was market weight in the other major category, Materials. Combined, resources made up 35.8% of CGI's portfolio at September 30, 2008. CGI's year-to-date market return was -42.8%.

For most of the year, a light positioning in Energy had a negative impact on performance as this was the leading sector. However, quite recently the oil and gas related stocks began to correct sharply with valuations reflecting a deep discount to commodity pricing. Some forecasts even called for oil to revert to \$50 per barrel, a far distance from the \$140 level that was reached in July and the higher targets of that time.

CGI's Materials sector has reflected similar sentiment to that of oil - that the assumed demand for these "global building blocks" would not be as strong in a slowing environment in a supposed global recession. Difficult to quantify, but always a large influence on commodity pricing, has been the role of speculators, perhaps bigger than in earlier years, using "new-age" derivatives. Through various means, positions in many metals can be synthetically created on different exchanges and may have been responsible for irrational pricing action. As these participants enter and leave the market, fundamentals appear to disconnect from reality and trouble equity investors. Reports of embattled hedge and commodity funds facing margin calls and redemption demands have intensified in these new and seemingly irrational conditions.

Canadian World Fund Limited (CWF) was also caught in the entanglement as emerging markets followed developed markets and have been pounded in the global rout. The year-to-date market return for this fund was -48.0%.

SUMMARY OF INVESTMENT PORTFOLIO

as at September 30, 2008

Portfolio Breakdown

	% of Net Asset Value*	% of Investment Portfolio
Principal Assets**	71.4	56.7
Canadian Equities & Income Trusts	40.5	32.1
Foreign Equities	8.5	6.8
Cash & Cash Equivalents	5.6	4.4

NON-PRINCIPAL ASSETS

The broad consequences mentioned also apply to what has happened in the non-principal asset segment of the portfolio - assets that have often aided Third Canadian's total portfolio returns in the past, adding diversification and other opportunities, usually when Canada has been depressed. This time the widespread descent of markets eliminated the potential for the positive influence seen in previous years.

The overall weighting of the non-principal assets of the total portfolio at 38.9% continued much the same as at the end of the second quarter. The Canadian income trust segment remained the most stable of the groups, somewhat in line with tradition, as yield can be supportive for securities at all times and certainly during stress.

Buying activity has been extremely limited in the portfolio and sales have been more the norm with foreign equities having been reduced the most. Not normally the case in the management of Third Canadian, cash was the portfolio's second largest holding, representing 4.4% of the total portfolio, and was increased by another \$3.9 million shortly after quarter end as the attractive takeout for our holding of Xantrex Technology Inc. was consummated.

LONG-TERM INVESTMENT

It is unfortunate that our outlook in the June interim report was right. The S&P/TSX outperformance of its global peers was predicated on an extremely narrow field which is now rapidly succumbing to the same worrisome pressures. We reiterate that these are long-term difficulties, both structurally and economically, and the timeframe for potential recovery could get pushed out. But in the end, long-term investment for our shareholders will prevail.

On behalf of the Manager,

Michael A. Smedley
CEO & Chief Portfolio Officer

D. Greg Eckel
Senior Vice-President

SUMMARY OF INVESTMENT PORTFOLIO (CONTINUED)

Top 25 Holdings as at September 30, 2008

Issuer	Country	Sector	% of Net Asset Value*	% of Investment Portfolio
Canadian General Investments, Limited**	Canada	Principal Assets	67.6	53.7
Cash	Canada	Cash & Cash Equivalents	5.6	4.4
Canadian World Fund Limited**	Canada	Principal Assets	3.8	3.0
Xantrex Technology Inc.	Canada	Canadian Equities & Income Trusts	2.1	1.7
Monsanto Company	U.S.A.	Foreign Equities	1.7	1.4
Canadian Imperial Bank of Commerce	Canada	Canadian Equities & Income Trusts	1.7	1.3
Suncor Energy, Inc.	Canada	Canadian Equities & Income Trusts	1.6	1.3
The Mosaic Company	U.S.A.	Foreign Equities	1.5	1.2
CCL Industries Inc.	Canada	Canadian Equities & Income Trusts	1.5	1.2
Labrador Iron Ore Royalty Income Fund	Canada	Canadian Equities & Income Trusts	1.5	1.2
Sceptre Investment Counsel Limited	Canada	Canadian Equities & Income Trusts	1.4	1.1
Western Financial Group Inc.	Canada	Canadian Equities & Income Trusts	1.4	1.1
Ag Growth Income Fund	Canada	Canadian Equities & Income Trusts	1.4	1.1
Northern Property Real Estate Investment Trust	Canada	Canadian Equities & Income Trusts	1.3	1.0
Vestas Wind Systems A/S	Denmark	Foreign Equities	1.3	1.0
Ritchie Bros. Auctioneers Incorporated	Canada	Canadian Equities & Income Trusts	1.2	1.0
TriStar Oil & Gas Ltd.	Canada	Canadian Equities & Income Trusts	1.2	0.9
Novo Nordisk A/S	U.S.A.	Foreign Equities	1.2	0.9
GENIVAR Income Fund	Canada	Canadian Equities & Income Trusts	1.2	0.9
Diamond Estates Wines & Spirits Ltd.	Canada	Canadian Equities & Income Trusts	1.1	0.9
Trinidad Drilling Ltd.	Canada	Canadian Equities & Income Trusts	1.1	0.9
Franco-Nevada Corporation	Canada	Canadian Equities & Income Trusts	1.1	0.9
Gildan Activewear Inc.	Canada	Canadian Equities & Income Trusts	1.0	0.8
Bank of Montreal	Canada	Canadian Equities & Income Trusts	1.0	0.8
Canadian Natural Resources Limited	Canada	Canadian Equities & Income Trusts	1.0	0.8
			106.5*	84.5
Total Net Asset Value* (\$000's)				\$ 181,178
Total Investment Portfolio* (\$000's)				\$ 228,361

* Total Net Asset Value represents Total Investment Portfolio adjusted for future income taxes on unrealized net capital gains (\$9.9 million), leverage in the form of bank indebtedness (\$40 million), other assets and other liabilities. The Total Investment Portfolio includes a payable on securities purchased of \$11,000.

** 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 on the Internet at www.sedar.com or by visiting the Manager's web site at www.mmainvestments.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.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.