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Third Canadian General
Investment Trust Limited

income and growth

annual report | 2005

Cover: Pretty River, Fall Interior. Oil on canvas.

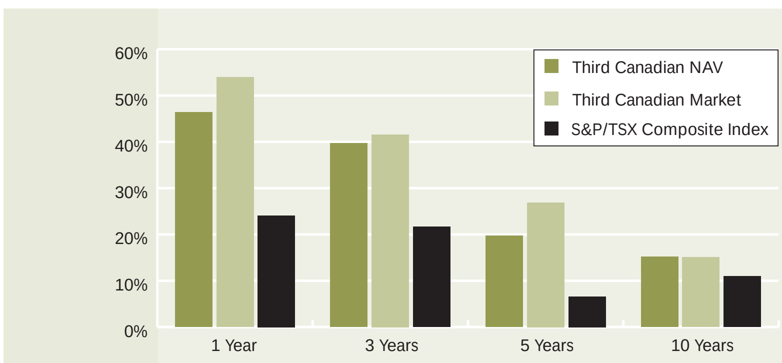
Paul Mantrop is a working artist and founding member of the art collective "drawnonward". Over ten years ago the artists of drawnonward began to travel throughout Canada in order to document its unique and varied regions. Today after over 100,000 kilometres have been travelled by bus, boat, canoe, train, skis and feet, drawnonward has painted from coast to coast. From the Queen Charlotte Islands to the Yukon, from the Gaspe to Newfoundland and throughout the Canadian Arctic. Today Paul keeps a working studio in downtown Collingwood, Ontario to be close to his favourite subject, Georgian Bay. You can learn more about drawnonward at www.drawnonward.com.

CORPORATE PROFILE

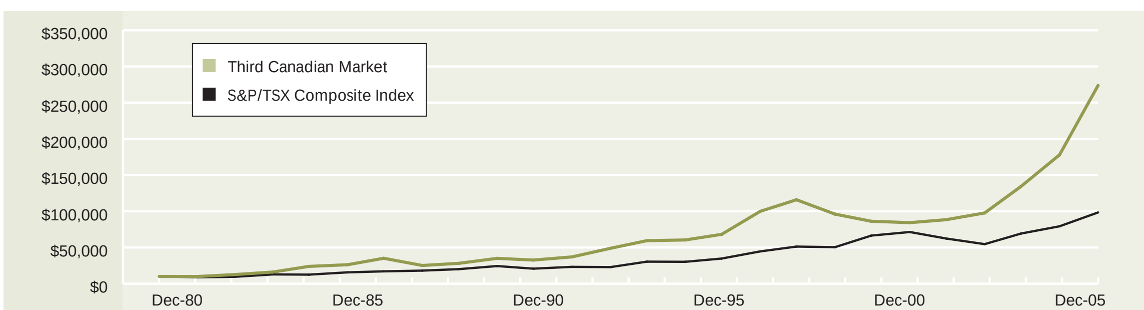
Third Canadian General Investment Trust Limited (Third Canadian), founded in 1928, is one of the oldest publicly listed closed-end funds in North America and certainly one of the most unusual. Third Canadian's objective is to provide its investors with above-average returns comprised of a blend of current income and long-term capital appreciation through its investment in Canadian and international products including equities, funds, income trusts and related products.

Third Canadian has been managed since 1956 by investment manager Morgan Meighen & Associates Limited (website: mmainvestments.com).

Compound Annual Returns for the Periods to December 31, 2005



Growth of a $10,000 Investment - *25 Years to December 31, 2005*



Certain financial information contained in this report, including investment growth rates, rates of return and other such statistical information are historical values and past performance is no assurance or indicator of future returns. Historical returns assume the reinvestment of all distributions. Share prices, net asset values and investment returns will fluctuate. 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. For information concerning the foregoing, please refer to the "Risk" section of the Management Report of Fund Performance on pages 3 and 4 of this Annual Report to Shareholders.

LETTER TO SHAREHOLDERS

D. Greg Eckel, Michael A. Smedley, Vanessa L. Morgan and Jonathan A. Morgan

- NAV RETURN **46.4%**
- MARKET RETURN **54.0%**
- PRINCIPAL ASSETS **+53.7%**
- NON-PRINCIPAL ASSETS **+27.4%**

Third Canadian has had another outstanding year. At the risk of being repetitive, a statement of success can be made yet again – the result of posting three consecutive years of particularly strong performance. The Company had a total net asset value return for 2005 that would place it among the top Canadian equity funds. In absolute terms, the annual net asset value and market returns, with dividends reinvested, were 46.4% and 54.0%, respectively. In comparison, the benchmark S&P/TSX Composite Index (S&P/TSX) rose 24.1% on a total return basis. By any measure, the Company outperformed its comparables by a very wide margin.

The 2005 Canadian equity market, as represented by the S&P/TSX, was able to build on the somewhat choppy but positive returns of 2004. Third Canadian was well positioned in these two years, dominated by strength in Energy, the number one sector in both years, with total market returns of 63% in 2005 and 30% in 2004. A cause for concern, however, is that the market has remained narrowly focused overall with only two other sectors achieving total returns higher than the overall benchmark in either of the two years: Financials in 2004 and Utilities in 2005. The bottom-up strategy employed by Morgan Meighen & Associates Limited, the Manager of Third Canadian and its principal assets Canadian General Investments, Limited and Canadian World Fund Limited, always aims to mitigate the potential consequences of such narrow markets by sourcing individual opportunities partly in the context of, but not dominated by, overall macro trends.

We trust that shareholders will join with the Board of Directors in appreciation of the portfolio team and support staff of Morgan Meighen & Associates for another spectacular year.

Effective as of January 1, 2006, the original management agreement between the Company and the Manager was terminated, being superseded by a new management agreement. The new agreement was developed by the Independent Directors Committee of the Board of Directors of the Company following extensive review and deliberation. The complete agreement is available for viewing on SEDAR at www. sedar.com.

BOARD OF DIRECTORS

Ron Barnes, a director of the Company since 1993, has advised the Board that he will not be standing for re-election at the next Annual Meeting of Shareholders. His colleagues and Management acknowledge with gratitude Mr. Barnes' outstanding contribution and dedication over the past thirteen years.

In response to Mr. Barnes' impending retirement, the Board of Directors voted unanimously to put forward Paul M. Pugh as a nominee for election to the Board at the April 5, 2006 shareholder meeting. Mr. Pugh is Senior Vice-President, Public Investments of OMERS.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

PRINCIPAL ASSETS

The preceding comments on repetitive stellar results applies to the principal assets in particular. Contributing to Third Canadian's excellent multi-year returns, Canadian General Investments, Limited (CGI), the dominant principal asset, captured and exceeded by wide margins its benchmark return trends. The shares of CGI, which represented 64.4% of the portfolio at year-end, returned 58.9% for the one-year term, including reinvestment of dividends. The CGI warrants, a substantial holding that represented 9.9% of the portfolio, reflecting the inherent potential of leverage on CGI and displaying "one-upmanship" to the shares, returned a remarkable 97.8% for the year. Canadian World Fund Limited (CWF) shares, which constituted 1.8% of the portfolio at year-end, advanced 8.7% for the year, beating the 5.4% return of its benchmark Morgan Stanley All-Country World Free Index, in Canadian dollar terms. Collectively, these principal assets had grown to 76.0% of Third Canadian's portfolio at year-end from 72.5% at the beginning of the year, and had appreciated in market value by 53.7%.

All of these returns are even more impressive when CGI's diversification is considered. It maintains a broadly invested portfolio, providing exposure across the entire Canadian economic and equity landscapes. As this should reduce its risk profile, CGI works well as an ideal core holding for Third Canadian.

In 2005, dominance was exhibited by the Energy sector, and CGI, and, therefore Third Canadian, were rewarded by significant and active participation in the area. The vibrant environment caused by high commodity prices created much opportunity and CGI found itself with a sector overweighting at various times throughout the year, leading to a most favourable result. Uranium producer Cameco Corp., now classified under Consumable Fuels, having crossed over from the Metals group, had a great year as CGI's largest holding with a year-over-year share price return of 75.9%. Other sizable holdings showing up as big winners in 2005 included Western Oil Sands, which almost doubled on a post-split basis, and Husky Energy with a 72.3% gain. Gains were strong across the sector and CGI had success with international plays, service companies and junior Canadian companies.

CGI's top ten holdings are illustrative of its diversification and success in choosing meaningful positions. Included in the group are Rogers Communications Inc., currently in second spot, with a 56.5% return, the TSX Group Inc. which recorded a 74.4% gain, as well as Falconbridge Limited, TELUS Corporation and Shore Gold Inc., up 63.8%, 32.1% and 122.6%, respectively.

NON-PRINCIPAL ASSETS

The non-principal assets, including cash, totalled nearly $66 million and formed 24.0% of the portfolio at year end, compared to roughly $52 million and 27.5% at the beginning of the year. Organic growth, a special capital gains dividend received from CGI at year end and a measured increase in leverage of approximately $8 million, combined to produce the overall increase. These assets have almost doubled from $37 million just two years ago, an encouraging development. As they grow, these assets provide Third Canadian with appealing opportunities outside of the principal asset holdings and have the potential to provide an even more meaningful contribution to the Company's success.

Income trusts

Canadian income trusts comprised 45.0% of the market value of the non-principal asset segment of Third Canadian's year-end portfolio, down slightly from 46.5% at the beginning of the year. The sector had a temporary disruption when the federal Department of Finance placed a moratorium on advanced rulings for companies wanting to convert to the income trust structure and initiated consultation on the trust structure itself to consider potential tax leakage and other issues. Fortunately, the government backtracked in late November and announced instead, under investment industry and investor pressure, an attractive reduction in the taxation of corporate dividends. Third Canadian maintained its exposure to the asset class, as it provides a popular way for receiving income and fills a role in the Canadian investment landscape, the viability of which should be determined by market forces exclusively. The Company was rewarded for its temerity as market prices in the sector had fully recovered by year end.

The non-trust investments in the non-principal asset segment are segregated for some diversification, using mainly U.S. equities as a complement to the Canadian bias. With the income trust assets providing a blend of income and growth, the remaining assets are looked on primarily as growth opportunities.

OUTLOOK

Third Canadian remains confident that CGI will be able to continue its strong performance record. With leadership from its major holding, and a growing contribution from the expansion of the non-principal assets, including its long tradition and long-term rewards from income trust investment, Third Canadian is positioned to extend its record of excellent returns to its shareholders.

Michael A. Smedley, *Chief Portfolio Officer of the Manager*

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

MANAGEMENT REPORT OF FUND PERFORMANCE

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

INVESTMENT OBJECTIVE AND STRATEGIES

Third Canadian General Investment Trust Limited (Third Canadian or the Company) is a closed-end fund with the objective of providing its investors with above-average returns, comprised of a blend of current income and long-term capital appreciation, through its investment in its principal assets, Canadian income trusts and equities, as well as foreign equities.

The Manager, Morgan Meighen & Associates Limited, principally employs a bottom-up investment strategy with Third Canadian's non-principal assets. With a bottom-up investment strategy, the Manager first seeks individual companies with attractive investment potential, then proceeds to consider the larger economic, industry and global trends affecting those companies. This investment style allows for weightings that can differ from those of the benchmark S&P/TSX Composite Index (S&P/TSX).

RISK

As an equity fund, the Company's primary risk is market risk – the exposure to market price changes for the securities held either directly or indirectly (e.g. through its principal assets) within the portfolio. Economic conditions, investor sentiment, global events and many other factors contribute to the day-to-day changes in security prices and the overall trend of the market. Some of the more significant specific changes in economic conditions during 2005 and their effects are as follows:

- The 50% increase in the crude oil price. While of a tremendous benefit to energy companies, higher energy costs could provide a dampening effect to economic growth in other sectors, resulting in inflation and/or a decline in consumer demand, all potentially leading to decreased corporate profits.
- In order to keep inflation in check, the Bank of Canada has enacted a series of measured increases in interest rates. The prime bank rate, which was 4.25% at the beginning of the year 2005, stood at 5.25% at February 8, 2006. Higher interest rates can have a negative effect on equity markets as it is more costly for companies to borrow to fund expansion and similarly for consumers to finance spending.

Although Third Canadian's portfolio is comprised almost entirely of equities, the Company is also impacted by interest rate risk. Rising interest rates typically have a negative impact on corporate profits and stock prices, as well as the market value of income trust securities, the latter being attributed primarily to a shift in investor preferences back to fixed income securities.

Third Canadian's investment in principal assets, which represented approximately 76% of its investment portfolio at year end, exposes the Company to concentration risk. However, this risk is mitigated largely as the principal assets themselves represent well-diversified underlying portfolios. Canadian General Investments, Limited (CGI), the dominant principal asset, is invested in over 100 issuers across all sectors of the Canadian economy. Canadian World Fund Limited (CWF), the other principal asset, is a global equity closed-end fund with more than 60 holdings in 14 countries.

Apart from the Company's indirect exposure to currency risk via its investment in CWF, its direct exposure to this form of risk is relatively low as a result of its small foreign equity content, which represented approximately 5% of the portfolio at year-end 2005, virtually unchanged from the prior year. However, some of its other holdings, in particular those that are commodity based (e.g. income trusts operating in the energy sector), are impacted by exchange rate fluctuations, primarily in the U.S. dollar. For 2005, the Canadian dollar appreciated by 3.1% against the U.S. dollar. Canada is a net exporter of goods and services. A strengthening dollar, while making materials less costly to import, will generally have negative repercussions on export-based companies, as their products become more expensive to purchasers in other countries.

Third Canadian also attempts to mitigate the foregoing risk by maintaining a diverse portfolio of non-principal assets.

Being a closed-end investment fund, Third Canadian's share price generally trades at a lower value than its net asset value per share (NAV). This is known as the "discount". As a result, the return experienced by a shareholder will likely differ from the underlying performance of the Company. The share price is established by competitive markets which reflect the buying demand and the selling supply of shares. Factors which are thought to influence share price, and therefore discounts and their converse, premiums, include a company's relative performance, the liquidity of the fund's shares, dividend yield, the use of a managed distribution policy, confidence in the fund/portfolio manager, investors' perceptions and expectations regarding the outlook of the country/sector/market where the fund invests. Throughout

MANAGEMENT REPORT OF FUND PERFORMANCE
(CONTINUED)

2005, Third Canadian's shares traded at a discount from NAV ranging from a high of 22.3% to a low of 5.4%, ending the year at 14.8%. It should be noted that Third Canadian effectively trades at a "double discount", which combines the discounts of Third Canadian and those of its principal assets.

Since 1996, Third Canadian has engaged a leveraging strategy in an effort to enhance returns to shareholders. The purchase of securities using leverage (in Third Canadian's case, bank borrowings) magnifies the gain or loss on the cash invested. At December 31, 2005, Third Canadian's outstanding borrowings totalled $24.9 million, representing 11.3% of net assets. As a result of this leverage, a 10% decline in the value of the portfolio will result in approximately an 11% decrease in Third Canadian's net assets, and also in the Company's share price, provided there is no change in the discount. The reverse is true for a 10% increase in the value of the portfolio. During the year, the Company also increased its exposure to credit risk as a result of it taking advantage of higher borrowing levels in a relatively low interest rate environment. Third Canadian's asset coverage at year-end 2005 was more than 10 times vs. the required borrowing covenant ratio of 4 times.

As Third Canadian is almost exclusively invested in equities, it is most suitable for investors seeking long-term capital appreciation with income as a secondary objective. Investors of Third Canadian should therefore be willing to tolerate moderate market volatility.

RESULTS OF OPERATIONS

Performance

Third Canadian's net asset value per share (NAV) at December 31, 2005 was $45.71, up from $31.78 at year-end 2004. The NAV return, with dividends reinvested, for 2005, was 46.4%, compared with a total return of 24.1% for the benchmark S&P/TSX. The Company's net assets at December 31, 2005 were $219,701,000, representing a 43.9% increase from the $152,726,000 at the end of 2004. This increase can be largely attributable to the year-over-year market value appreciation of 58.1% and 39.6%, respectively, in its principal and non-principal asset segments, which benefited from strong capital market conditions, particularly in Canada, in which primarily all the Company's assets are invested.

Interest and other income increased by $656,000 or 48.7% over 2004, mainly due to the Company's added exposure to Canadian income trusts in 2005, the main driver of this key revenue component. Although Canadian income trusts were subject to a considerable degree of volatility during 2005, primarily during the fall and early winter, they remain a vital long-term contributor to Third Canadian's non-principal assets in terms of both growth and income.

Third Canadian continued to benefit from the receipt of special capital gains dividends from its large holding in CGI. At year-end 2005, the Company received a special capital gains dividend from CGI of $7.6 million, an increase of roughly $3.1 million over 2004.

Management fees and interest, the Company's key expenses, increased by 34.3% over 2004 to $1,737,000, driven largely by higher portfolio values and additional borrowings under its credit facility. Third Canadian has a revolving credit facility for investment leverage purposes of $27.0 million comprising bankers' acceptances and term loans, with interest at a quoted one-year rate or based on the prime bankers' acceptance rate. The Company must comply with specified covenants during the terms of the loans. The bank indebtedness has a combined weighted-average interest rate of 3.82% per annum (2004 - 3.87% per annum) and is repayable over various maturity dates in 2006. During 2005, Third Canadian utilized between $17.0 million and $26.6 million (2004 – between $15.0 million and $17.0 million) of its credit facility. As at December 31, 2005, the outstanding borrowings represented 11.3% (2004 – 11.1%) of net assets, virtually unchanged despite an increase of approximately $8 million over year-end 2004.

Dividends

Third Canadian's dividend policy is determined by the Board of Directors. Over the past several years, the Company has paid regular quarterly income (taxable) dividends of $0.075 per share on March 15, June 15, September 15 and December 15. On a periodic basis, the Board considers the payment of an extra dividend taking into account the current year's performance of the fund, and the desire to provide some degree of yield consistency over time to its shareholders. On December 30, 2005, Third Canadian paid a year-end extra dividend of $0.45 per share, compared with $0.25 at the end of 2004. Based on respective year-end share prices, the dividend yield was 1.9% for 2005 and 2.1% for 2004.

Taxation

As a corporate entity, Third Canadian is subject to tax on its taxable income, including its realized gains on the sale of investments, the latter at an effective rate of approximately 18%. In addition, Third Canadian is subject to future income taxes on its unrealized gain on investments, also at an effective rate of approximately 18%. At December 31, 2005, Third Canadian's future income tax liability was $30,532,000, representing nearly 14% of net assets. The future income tax liability is directly impacted by the change in unrealized gains, which represents the difference between the market value and cost of its investment portfolio. Specifically, for every $1 change in the unrealized gain, there is a corresponding change in the future income tax liability of roughly $0.18.

RECENT DEVELOPMENTS

Aside from normal market fluctuations to which the Company's portfolio is subject, Third Canadian has had no material recent developments since year end.

RELATED PARTY TRANSACTIONS

The Company is managed by Morgan Meighen & Associates Limited (MMA), a company under common control with Third Canadian and its principal assets.

Third Canadian's principal assets consist of shares and warrants of CGI as well as shares of CWF. Third Canadian has ownership interests in CGI and CWF of approximately 37% and 27%, respectively. Both CGI and CWF are listed closed-end investment funds.

MMA provides continuing advice and investment management services as well as administration, financial reporting and other ancillary services required by a publicly listed corporation. As a result of providing these services, MMA is entitled to receive a fee of 1.0% per annum of the consolidated net asset value (adjusted to include future income taxes, any tax liabilities and any borrowings as part of consolidated net asset value) of the Company or its subsidiaries in any company or other entity whose investment portfolio is managed by the Manager. The Manager is also entitled to receive an administration fee of 0.2% per annum of the market value of the securities owned by the Company or its subsidiaries, in any company or other entity whose investment portfolio is managed by the Manager. Fees are calculated quarterly in arrears.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Company and are intended to help you understand the Company's financial performance for the past five years. This information is derived from the Company's audited annual financial statements.

The Company's Net Asset Value (NAV) per Share (1)

	2005	2004	2003	2002	2001
Net asset value, beginning of year	$ 31.78	$ 25.30	$ 17.85	$ 19.50	$ 20.61
Increase (decrease) from operations:					
Total revenue	0.91	0.81	0.84	0.83	0.86
Total expenses	(0.43)	(0.31)	(0.28)	(0.31)	(0.33)
Income tax recovery (provision)	(0.00)	0.02	0.02	0.01	0.02
Realized gains (losses) for the year (2)	1.46	0.35	0.35	(0.23)	0.22
Unrealized gains (losses) for the year	12.69	6.02	7.16	(1.53)	(1.43)
Total increase (decrease) from operations	14.63	6.88	8.09	(1.23)	(0.66)
Dividends paid to shareholders:					
Taxable dividends (3)	(0.75)	(0.55)	(0.55)	(0.30)	(0.45)
Net increase (decrease) in refundable dividend tax on hand	0.05	0.14	(0.09)	(0.12)	-
Net asset value, end of year	$ 45.71	$ 31.78	$ 25.30	$ 17.85	$ 19.50

(1) Net asset value is based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted-average number of shares outstanding over the year.
(2) Includes capital gains dividends received – net of income taxes.
(3) Dividends were paid in cash.

MANAGEMENT REPORT OF FUND PERFORMANCE
(CONTINUED)

Ratios and Supplemental Data

	2005	2004	2003	2002	2001
Net assets (000's) (1)	$219,701	$152,726	$121,611	$ 85,768	$ 93,698
Number of shares outstanding	4,805,910	4,805,910	4,805,910	4,805,910	4,805,910
Management expense ratio (2)	4.39%	5.16%	4.87%	4.95%	5.20%
Management expense ratio excluding leverage costs and proportionate share of expenses of holdings in other investment funds (2) (3)	0.68%	0.68%	0.73%	0.86%	0.75%
Portfolio turnover rate – total portfolio (4)	10.23%	10.64%	7.21%	5.88%	13.44%
Portfolio turnover rate – non-principal asset segment (4) (5)	41.28%	41.12%	26.70%	22.52%	48.04%
Trading expense ratio (6)	0.06%	0.07%	0.06%	0.03%	0.13%
Closing market price	$ 38.96	$ 25.85	$ 19.96	$ 14.79	$ 13.65

(1) This information is provided as at December 31 of the year shown.
(2) Management expense ratio is based on total expenses for the stated year and is expressed as an annualized percentage of daily average net assets during the period. As Third Canadian invests in CGI and CWF, which are investment funds, total expenses also include Third Canadian's proportionate share of the expenses of CGI and CWF.
(3) Leverage costs reflect interest on bank borrowings.
(4) The Company's portfolio turnover rate indicates how actively the Company's portfolio adviser manages its portfolio investments. A portfolio turnover of 100% is equivalent to the Company buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
(5) This turnover rate excludes the Company's principal asset holdings.
(6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year.

MANAGEMENT FEES

The Company pays a management fee that is calculated quarterly in arrears of 1.0% per annum of the consolidated net asset value (adjusted to include future income taxes, any tax liabilities and any borrowings as part of consolidated net asset value) of the Company or its subsidiaries in any company or other entity whose investment portfolio is managed by the Manager. The Manager is also entitled to receive an administration fee of 0.2% per annum of the market value of the securities owned by the Company or its subsidiaries, in any company or other entity whose investment portfolio is managed by the Manager. The Company's management fees were used by MMA to pay costs for managing the portfolio and making investment decisions, as well as the provision of administrative services including making brokerage arrangements for the purchase and sale of securities, calculating the net asset value of the Company, preparing financial statements and all required regulatory filings and assisting in promotion activities. The officers of the Company are remunerated by MMA in their capacity as directors and/or officers of MMA and receive no compensation from Third Canadian.

PAST PERFORMANCE

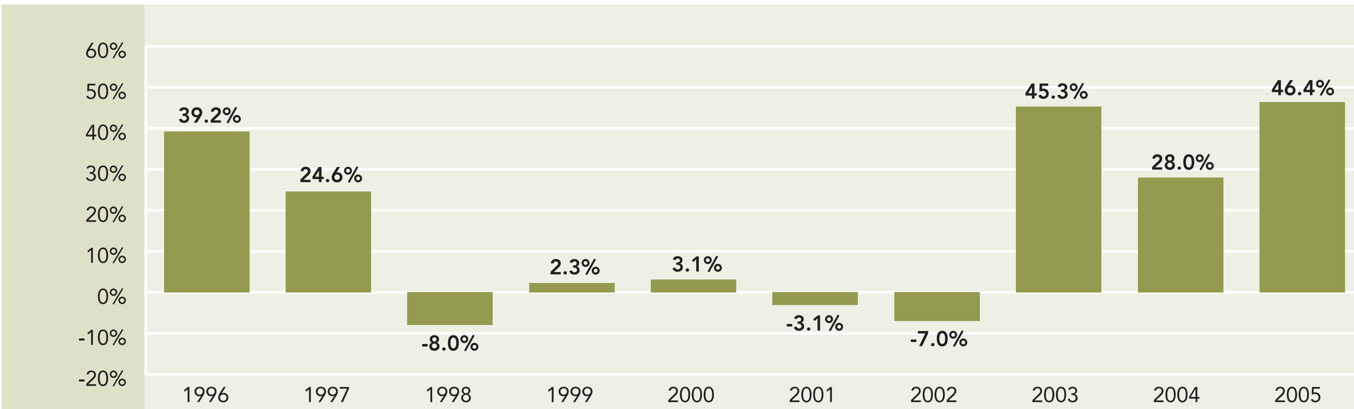
The performance information shown assumes that all distributions made by Third Canadian were reinvested in additional shares of the Company. The performance information does not take into account broker commissions or other fees that would have reduced returns or performance. How the Company has performed in the past does not necessarily indicate how it will perform in the future.

YEAR-BY-YEAR RETURNS

The following bar charts show the Company's performance for each of the years shown, and illustrate how the Company's performance has changed from year to year. The bar charts show, in percentage terms, how much an investment made on the first day of each year would have grown or decreased by the last day of each year.

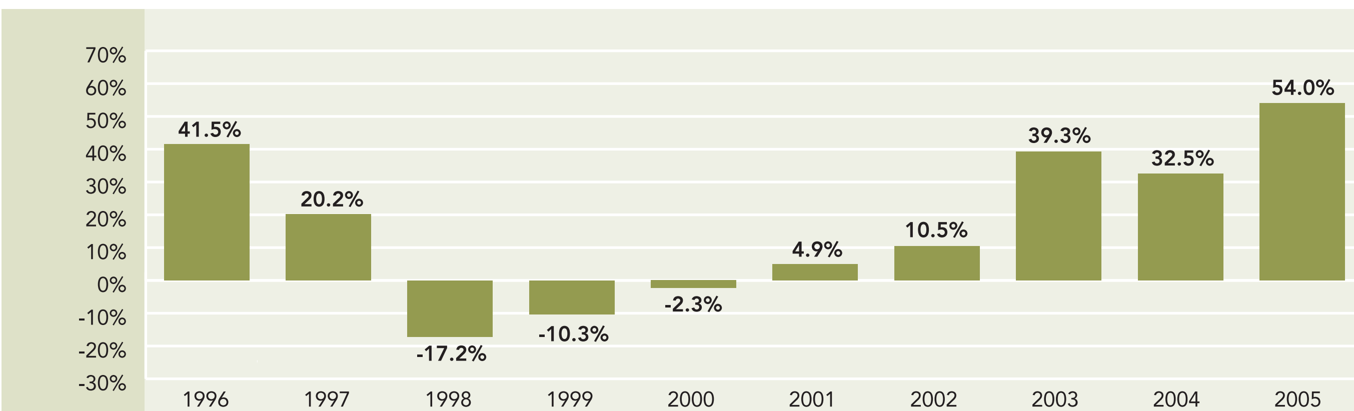
The bar chart below illustrates the net asset value per share return, with all distributions reinvested at net asset value per share – this is the best representation of the performance of the Company.

Net Asset Value Return



The bar chart below illustrates the market return, with all distributions reinvested at the market price – this is the best representation of the return to a shareholder of the Company.

Market Value Return



ANNUAL COMPOUND RETURNS

The following table shows the Company's historical annual compound total returns for the periods indicated, compared with the S&P/TSX Composite Index. The Index return is also calculated on a total return basis, assuming that all distributions are reinvested.

	1 Year	3 Years	5 Years	10 Years
Third Canadian General Investment Trust Limited – NAV	46.4%	39.7%	19.7%	15.2%
Third Canadian General Investment Trust Limited – Market	54.0%	41.6%	26.9%	15.1%
S&P/TSX Composite Index	24.1%	21.7%	6.6%	11.0%

The S&P/TSX Composite Index is a market capitalization-weighted index that provides a broad measure of performance of the Canadian equity market.

MANAGEMENT REPORT OF FUND PERFORMANCE
(CONTINUED)

SUMMARY OF INVESTMENT PORTFOLIO
as at December 31, 2005

Portfolio Breakdown

	($000's)	% of Net Assets*	% of Investment Portfolio
Principal Assets	209,058	95.1	76.0
Canadian Income Trusts	29,913	13.6	10.9
Canadian Equities/Other	18,388	8.4	6.7
Foreign Equities	12,552	5.7	4.6
Cash & Cash Equivalents	5,023	2.3	1.8

Top 25 Holdings

Issuer	Country	Portfolio Segment	% of Net Assets*	% of Investment Portfolio
Canadian General Investments, Limited**	Canada	Principal Assets	92.9	74.2
Cash & Cash Equivalents	Canada	Cash & Cash Equivalents	2.3	1.8
Canadian World Fund Limited**	Canada	Principal Assets	2.2	1.8
Northern Property Real Estate Investment Trust	Canada	Canadian Income Trusts	1.1	0.9
Apple Computer Inc.	U.S.A.	Foreign Equities	1.0	0.8
Home Capital Group Inc.	Canada	Canadian Equities/Other	0.9	0.8
First Capital Realty Inc.	Canada	Canadian Equities/Other	0.9	0.7
ARC Energy Trust	Canada	Canadian Income Trusts	0.8	0.7
TransForce Income Fund	Canada	Canadian Income Trusts	0.8	0.6
Vault Energy Trust	Canada	Canadian Income Trusts	0.8	0.6
CCS Income Trust	Canada	Canadian Income Trusts	0.7	0.6
MGM MIRAGE	U.S.A.	Foreign Equities	0.7	0.5
The Toro Company	U.S.A.	Foreign Equities	0.7	0.5
Stoneham Drilling Trust	Canada	Canadian Income Trusts	0.6	0.5
Terra Energy Corp.	Canada	Canadian Equities/Other	0.6	0.5
AltaGas Income Trust	Canada	Canadian Income Trusts	0.6	0.5
Lakeport Brewing Income Fund	Canada	Canadian Income Trusts	0.6	0.5
Great Canadian Gaming Corporation	Canada	Canadian Equities/Other	0.6	0.5
Wajax Income Fund	Canada	Canadian Income Trusts	0.6	0.5
Pembina Pipeline Income Fund	Canada	Canadian Equities/Other	0.6	0.5
Livingston International Income Fund	Canada	Canadian Income Trusts	0.6	0.5
Trinidad Energy Services Income Trust	Canada	Canadian Income Trusts	0.6	0.5
Rothmans Inc.	Canada	Canadian Equities/Other	0.6	0.5
Shiningbank Energy Income Fund	Canada	Canadian Income Trusts	0.6	0.5
Magna International Inc.	Canada	Canadian Equities/Other	0.6	0.5
Canadian Hydro Developers, Inc.	Canada	Canadian Equities/Other	0.6	0.5
			113.6*	91.0
Total Net Assets* ($000's)				$219,701
Total Investment Portfolio* ($000's)				$274,934

*Total Net Assets represents Total Investment Portfolio adjusted for future income taxes on unrealized net capital gains ($30.5 million), leverage in the form of bank indebtedness ($24.9 million), other assets and other liabilities.

** Investments in TSX listed closed-end investment funds, both under common control with the Company. 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.

FINANCIAL REPORTS

MANAGEMENT'S REPORT

The accompanying consolidated financial statements have been prepared by Management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these financial statements and other sections of the Annual Report.

The Company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. The significant accounting policies which Management believes are appropriate for the Company are described in note 1 to the consolidated financial statements. Financial information used elsewhere in the Annual Report is consistent with that in the financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and overseeing Management's performance of its financial reporting responsibilities. An Audit Committee comprised of non-Management Directors is appointed by the Board. The Audit Committee reviews the consolidated financial statements, adequacy of internal controls, the audit process and financial reporting with Management and the external Auditors. The Audit Committee reports to the Directors prior to the approval of the audited consolidated financial statements for publication.

PricewaterhouseCoopers LLP, the Company's external Auditors, who are appointed by the shareholders, audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the financial statements. Their report is set out on this page.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

February 8, 2006

AUDITORS' REPORT

To the Shareholders of
Third Canadian General Investment Trust Limited

We have audited the accompanying consolidated statements of net assets of Third Canadian General Investment Trust Limited as at December 31, 2005 and 2004, the consolidated statement of investment portfolio as at December 31, 2005 and the consolidated statements of operations, changes in net assets and cash flows for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Toronto, Canada

January 27, 2006

CONSOLIDATED STATEMENTS OF NET ASSETS

As at December 31, 2005 and 2004 *(in thousands of dollars, except per share amounts)*	2005 $	2004 $
Assets		
Investments at market value (cost - $72,550; 2004 - $61,243)	269,911	184,145
Cash	5,023	3,594
Receivable for securities sold	379	-
Interest and dividends receivable	438	213
Income taxes recoverable	-	15
	275,751	187,967
Liabilities		
Bank indebtedness (note 2)	24,906	16,984
Accounts payable and accrued liabilities	105	102
Income taxes payable	507	-
Payable for securities purchased	-	1,247
Future income taxes on unrealized gain on investments (note 6)	30,532	16,908
	56,050	35,241
Net Assets	219,701	152,726
Shareholders' Equity		
Capital stock (note 3)	6,504	6,504
Contributed surplus	2,681	2,681
Unrealized gain on investments, net of future income taxes	166,829	105,994
Retained earnings (note 4)	43,687	37,547
	219,701	152,726
Number of shares outstanding (note 3)	4,805,910	4,805,910
Net asset value per share	45.71	31.78

Approved by the Board of Directors

Director

Director

CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31, 2005 and 2004 *(in thousands of dollars, except per share amounts)*	2005 $	2004 $
Investment income		
Dividends	2,327	2,520
Interest and other	2,002	1,346
Securities lending revenue	27	1
	4,356	3,867
Expenses		
Management fees (note 5)	934	688
Interest (note 2)	803	605
Directors' fees and expenses	77	64
Capital taxes	44	-
Listing and regulatory	41	39
Legal fees	40	19
Audit fees	36	33
Securityholder reporting costs	33	33
Custodial fees	8	7
Investor relations	6	8
Other	17	15
	2,039	1,511
Net investment income before income taxes	2,317	2,356
Income tax provision (recovery) (note 6)	9	(115)
Net investment income	2,308	2,471
Realized and unrealized gains (losses) on investments		
Net realized gain (loss) on investments, net of income taxes of $164 (2004 - $(382)) (note 6)	744	(2,084)
Change in unrealized gain on investments, net of future income taxes of $13,447 (2004 - $6,163)	61,012	28,942
Capital gains dividends received, net of income taxes of $1,378 (2004 - $827) (note 5)	6,252	3,751
Net gain on investments	68,008	30,609
Increase in net assets resulting from operations for the year	70,316	33,080
Increase in net assets resulting from operations per share (based on 4,805,910 (2004 - 4,805,910) weighted-average shares outstanding during the year)	14.63	6.88

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 2005 and 2004 *(in thousands of dollars)*	2005 $	2004 $
Increase in net assets resulting from operations for the year	70,316	33,080
Dividends paid to shareholders from net investment income	(3,605)	(2,643)
Net decrease in refundable dividend tax on hand	264	678
Increase in net assets during the year	66,975	31,115
Net assets, Beginning of year	152,726	121,611
Net assets, End of year	219,701	152,726

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2005 and 2004 *(in thousands of dollars)*	2005 $	2004 $
Cash provided by (used in):		
Operating activities		
Net investment income	2,308	2,471
Capital gains dividends received, net of income taxes	6,252	3,751
Income tax recovery included in net gain on investments	13	382
Purchases of investments	(33,495)	(22,860)
Proceeds of disposition of investments	23,096	17,167
Net change in non-cash balances related to operations	(1,326)	441
	(3,152)	1,352
Financing activities		
Increase in bank indebtedness	7,922	2,041
Dividends paid to shareholders from net investment income	(3,605)	(2,643)
Net decrease in refundable dividend tax on hand	264	678
	4,581	76
Net increase in cash during the year (note 7)	1,429	1,428
Cash, Beginning of year	3,594	2,166
Cash, End of year	5,023	3,594

CONSOLIDATED STATEMENT OF INVESTMENT PORTFOLIO

December 31, 2005

Number or Par Value	Investment	Cost $	Market Value $
		(in thousands of dollars)	
	PRINCIPAL ASSETS (76.0%)		
7,629,811	Canadian General Investments, Limited	20,969	177,012
1,526,578	Canadian General Investments, Limited, warrants	-	27,173
1,120,211	Canadian World Fund Limited	5,601	4,873
	TOTAL PRINCIPAL ASSETS	26,570	209,058
	CANADIAN INCOME TRUSTS (10.9%)		
50,000	AltaGas Income Trust, units	492	1,397
70,000	ARC Energy Trust, units	576	1,848
35,000	Bonnett's Energy Services Trust, units	350	702
43,000	CCS Income Trust, units	1,511	1,591
75,000	Connors Bros. Income Fund, units	710	805
40,000	Davis + Henderson Income Fund, units	404	912
30,000	Fording Canadian Coal Trust, units	312	1,207
40,000	Labrador Iron Ore Royalty Income Fund, units	955	1,064
100,000	Lakeport Brewing Income Fund, units	1,006	1,394
60,000	Livingston International Income Fund, units	973	1,350
40,000	Newalta Income Fund, units	634	1,152
30,000	North West Company Fund, units	454	1,080
130,000	Northern Property Real Estate Investment Trust, units	1,704	2,470
85,000	Pembina Pipeline Income Fund, units	810	1,356
30,000	Penn West Energy Trust, units	860	1,134
45,200	Shiningbank Energy Income Fund, units	184	1,316
55,200	Stoneham Drilling Trust, units	791	1,408
40,000	Superior Plus Income Fund, units	1,005	932
103,241	TransForce Income Fund, units	1,572	1,761
85,000	Trinidad Energy Services Income Trust, units	879	1,345
150,000	Vault Energy Trust, units	1,724	1,710
45,000	Wajax Income Fund, units	1,088	1,382
50,000	Westshore Income Fund, units	560	597
	TOTAL CANADIAN INCOME TRUSTS	19,554	29,913
	CANADIAN EQUITIES/OTHER (6.7%)		
220,000	Canadian Hydro Developers, Inc.	1,160	1,283
32,786	Canadian Western Bank	795	1,174
200,000	Capitol Energy Resources Ltd.	1,155	1,002
40,000	CCL Industries Inc., B non-voting	989	1,150
14,400	Corby Distilleries Ltd., B non-voting	484	1,048
1,000,000	First Capital Realty Inc., 5.50% 9/30/2017 convertible debenture	970	977
33,600	First Capital Realty Inc.	519	773
26,880	First Capital Realty Inc., warrants 8/31/2008	-	259

Number or Par Value	Investment	Cost $	Market Value $
		(in thousands of dollars)	
	CANADIAN EQUITIES/OTHER - CONTINUED		
85,000	Great Canadian Gaming Corporation	1,146	1,393
60,000	Home Capital Group Inc.	779	2,085
1,150,000	Magna International Inc., 6.50% 3/31/2010 debenture	1,355	1,294
60,000	Nortel Networks Corporation, preferred Series 5	768	1,091
20,000	Ritchie Bros. Auctioneers Incorporated	946	985
54,800	Rothmans Inc.	598	1,329
15,000	SNC-Lavalin Group Inc.	1,003	1,144
650,000	Terra Energy Corp.	1,022	1,287
325,000	Terra Energy Corp., warrants 7/27/2006	83	114
	TOTAL CANADIAN EQUITIES/OTHER	13,772	18,388
	FOREIGN EQUITIES (4.6%)		
25,000	Apple Computer Inc.	1,618	2,095
15,000	Best Buy Co., Inc.	872	760
75,000	Dollar Financial Corp.	1,463	1,049
34,000	MGM MIRAGE	1,128	1,454
10,000	NetEase.com, Inc., ADR	981	655
55,000	NETELLER PLC	1,009	810
30,000	Palm, Inc.	963	1,112
15,000	SanDisk Corporation	657	1,099
28,000	The Toro Company	1,563	1,429
22,000	Walgreen Co.	1,221	1,135
30,000	XM Satellite Radio Holdings Inc., A	1,179	954
	TOTAL FOREIGN EQUITIES	12,654	12,552
	TOTAL INVESTMENTS (98.2%)	72,550	269,911
	CASH & CASH EQUIVALENTS (1.8%)	5,023	5,023
	INVESTMENT PORTFOLIO (100.0%)	77,573	274,934

Percentage amounts in brackets represent market value as a percentage of the Investment Portfolio.

RECONCILIATION OF INVESTMENT PORTFOLIO TO NET ASSETS

INVESTMENT PORTFOLIO (125.1%)	274,934
FUTURE INCOME TAXES ON UNREALIZED GAIN ON INVESTMENTS (-13.9%)	(30,532)
BANK INDEBTEDNESS (-11.3%)	(24,906)
OTHER ASSETS AND LIABILITIES, NET (0.1%)	205
NET ASSETS (100.0%)	219,701

Percentage amounts in brackets represent market value as a percentage of Net Assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2005 AND 2004

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements, prepared in accordance with Canadian generally accepted accounting principles, include estimates and assumptions by Management that affect the reported amounts of assets, liabilities, income and expenses during the year. Actual results could differ from these estimates. The following is a summary of significant accounting policies followed by the Company.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its three wholly owned subsidiaries, 1013229 Ontario Limited, 1013230 Ontario Limited and 1013231 Ontario Limited.

Valuation of investments

Publicly listed securities are valued at the last reported sale price or, if no sale price was reported, at the most recent bid price. Unlisted securities that trade on an over-the-counter market are valued in the same manner. Notwithstanding the above, in special circumstances when, in the opinion of Management, a market quotation is not readily available or is inappropriate (such as a stale price), the security is valued at its fair value as determined by Management using available sources of information and commonly used valuation techniques.

Investment transactions

Investment transactions are recorded on the trade date. Realized gains and losses from investment transactions are calculated on an average cost basis.

Investment income

Dividend income is recorded on the ex-dividend date. Interest income and securities lending revenue are recognized as earned.

Income trust distributions

The Company received distributions from various income and royalty trusts during the year. Unless specifically reported by the trusts, the classification of the distributions received among income, capital gains and return of capital is estimated by Management using available sources of information. Any subsequent adjustments to classification estimates are made when the income and royalty trusts report their final classifications to the Company.

Foreign exchange

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at year-end exchange rates. Purchases and sales of investments, investment income and expenses are calculated at the exchange rates prevailing on the dates of the transactions.

Future income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax liabilities are measured using rates expected to apply to the taxable income in the years in which the temporary differences are expected to be settled.

2 BANK INDEBTEDNESS

The Company has a revolving credit facility of $27.0 million comprising bankers' acceptances and term loans, with interest either at a quoted one-year rate or based on the prime bankers' acceptance rate. The Company must comply with specified covenants during the terms of the loans. The bank indebtedness has a combined weighted-average interest rate of 3.82% per annum as at December 31, 2005 (2004 - 3.87% per annum) and is repayable over various maturity dates in 2006.

During 2005, the Company utilized between $17.0 and $26.6 million (2004 - between $15.0 and $17.0 million) of its revolving credit facility.

3 CAPITAL STOCK

The Company is authorized to issue 60,000 First Preferred Shares, Series A and an unlimited number of common shares. As at December 31, 2005 and 2004, there are 4,805,910 common shares issued and outstanding.

4 RETAINED EARNINGS

The changes in retained earnings for the year were as follows:

(in thousands of dollars)	**2005** $	**2004** $
Retained earnings, Beginning of year	37,547	35,374
Net investment income	2,308	2,471
Net realized gain (loss) on investments, net of income taxes	921	(2,084)
Capital gains dividends received, net of income taxes (note 5)	6,252	3,751
Net decrease in refundable dividend tax on hand	264	678
	47,292	40,190
Dividends paid to shareholders from net investment income	(3,605)	(2,643)
Retained earnings, End of year	43,687	37,547

5 RELATED PARTY INFORMATION

Management fees are paid monthly to Morgan Meighen & Associates Limited (MMA) for services received in connection with the management of the Company's financial accounts and investment portfolio among other services. Management fees are calculated on a quarterly basis at the annual rate of 1.0% of consolidated net asset value, excluding income tax liabilities, bank indebtedness and the holdings of the principal assets and at the rate of 0.2% of the market value of the principal assets. Values for fee calculation purposes are determined on the basis of the published financial statements of the Company as at the last day of the immediately preceding quarter.

Included in dividend income is $1,831,000 (2004 - $1,831,000) and included in the net gain on investments are capital gains dividends of $7,630,000 (2004 - $4,578,000) from Canadian General Investments, Limited (CGI) in which the Company has an approximate 37% ownership interest.

The Company has an approximate 27% ownership interest in Canadian World Fund Limited (CWF).

Included in the change in unrealized gain on investments is $72,642,000 (2004 - $24,386,000) related to the Company's investment in CGI and $392,000 (2004 - $448,000) related to the Company's investment in CWF. These amounts are gross of income taxes.

MMA, CGI and CWF are corporations under common control with the Company.

6 TAXATION

The Company is subject to income taxes as a public corporation and, accordingly, taxable dividends receivable from taxable Canadian corporations, as defined by the Income Tax Act (Canada), are excluded from taxable income. The Company's provision for (recovery of) income taxes during the year is made up as follows:

(in thousands of dollars)	**2005** $	**2004** $
Provision for (recovery of) income taxes on net investment income		
Provision for income taxes based on combined Canadian federal and provincial income tax rate	837	851
Increase (decrease) in income taxes resulting from:		
Dividends from taxable Canadian companies	(836)	(865)
Other	8	(101)
Income tax provision (recovery)	9	(115)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

(in thousands of dollars)	**2005** $	**2004** $
Provision for (recovery of) income taxes on net realized gain (loss) on investments		
Provision for (recovery of) income taxes based on combined Canadian federal and provincial income tax rate	328	(890)
(Increase) decrease in income taxes resulting from:		
Non-deductible portion of allowable capital losses (non-taxable portion of realized net taxable capital gains)	(164)	445
Other	-	63
Income tax provision (recovery)	164	(382)

In 2005, the Company utilized a capital loss carry-forward of approximately $980,000, the benefit of which was recorded as a reduction to the prior year's future income tax liability and was applied to reduce taxes on realized gains in the current year.

The Company is also subject to a special tax of up to 33-1/3% on taxable dividends received from corporations resident in Canada. This special tax is refundable on payment of taxable dividends to shareholders at the rate of $1 for each $3 of such dividends paid. The Company has refundable dividend tax on hand of approximately $nil as at December 31, 2005 (2004 - $264,000).

The effective tax rate for the Company's future income taxes on its unrealized net capital gain on investments is approximately 18% (2004 - 18%).

7 SUPPLEMENTAL CASH FLOW INFORMATION

Included in the net increase in cash during the year are the following amounts:

(in thousands of dollars)	**2005** $	**2004** $
Interest paid	760	670
Income taxes paid	809	835

8 SECURITIES LENDING

The Company has entered into a securities lending program with its custodian, CIBC Mellon Global Securities Services Company. Collateral is held by the custodian as agent for the Company and generally comprises Canadian or provincial government-guaranteed securities or obligations of other governments with appropriate credit ratings and other short-term securities, of at least 105% of the market value of securities on loan. In the event that any of the loaned securities are not returned to the Company and the value of the collateral held is less than the market value of the securities not returned, the custodian shall indemnify the Company for any such shortfall.

The Company has loaned securities with a market value of $10,283,000 as at December 31, 2005 (2004 - $2,473,000) and the custodian held collateral of $10,861,000 (2004 - $2,638,000).

9 BROKERAGE COMMISSIONS PAID ON INVESTMENT TRANSACTIONS

Brokerage commissions paid on investment transactions for the year ended December 31, 2005 were $109,000 (2004 - $91,000).

10 COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform with the consolidated financial statement presentation adopted in the current year.

CORPORATE INFORMATION

THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED

BOARD OF DIRECTORS

Ronald D. Barnes*
President, Barmac Capital Management Inc.

Shawn S. Cooper
Managing Director and Country Manager for Canada, Russell Reynolds Associates

Robert S. Hart
Barrister and Solicitor

Jonathan A. Morgan
President & CEO, Canadian General Investments, Limited

Vanessa L. Morgan
Chairman, Canadian General Investments, Limited

Michael A. Smedley
Executive Vice-President & CEO, Morgan Meighen & Associates Limited

AUDIT COMMITTEE

Ronald D. Barnes*
Shawn S. Cooper
Robert S. Hart

CORPORATE GOVERNANCE COMMITTEE

Shawn S. Cooper
Robert S. Hart
Jonathan A. Morgan

INDEPENDENT DIRECTORS COMMITTEE

Ronald D. Barnes*
Shawn S. Cooper
Robert S. Hart

OFFICERS

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

Colin D. Smith
Secretary-Treasurer

Frank C. Fuernkranz, MBA, CA, CFA
Assistant-Treasurer

* Mr. Barnes will not be standing for re-election at the April 5, 2006 meeting of shareholders.

OFFICE OF THE COMPANY

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MANAGER

Morgan Meighen & Associates Limited
Toronto

AUDITORS

PricewaterhouseCoopers LLP
Toronto

BANKERS

Royal Bank of Canada
Toronto

SOLICITORS

Blake, Cassels & Graydon LLP
Toronto

CANADIAN REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc.
100 University Avenue, 9th Floor
Toronto, Ontario, Canada M5J 2Y1
Telephone:
  Canada & U.S.: 1-800-564-6253
  Overseas: 1-514-982-7555
Fax:
  Canada & U.S.: 1-888-453-0330
  Overseas: 1-416-263-9394
e-mail: mmamail@computershare.com

To change your address, eliminate multiple mailings or for other shareholder account inquiries, please contact Computershare at the above address.

STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: THD

PUBLICATION

Net asset value per share (NAV) and/or market price and market return are published daily/weekly in various media in Canada and the United States. These include: The Globe and Mail, National Post, New York Times, The Wall Street Journal, and Barron's.

The Company posts ongoing top 10 portfolio investments (priced at market), together with current NAV and market return information on its website. Third Canadian also posts its top 25 holdings on its website on a quarterly basis. Similar information is available directly from the Company upon request.

ANNUAL MEETING OF SHAREHOLDERS

The Annual and Special Meeting of the shareholders of Third Canadian General Investment Trust Limited will be held at 12:00 noon (Toronto time) Wednesday, April 5, 2006 in Room A, 4th Floor, The Toronto Board of Trade, 77 Adelaide Street West, First Canadian Place, Street Level, (Adelaide Street entrance) Toronto, Ontario, M5X 1C1 (Telephone: (416) 366-6811).

The Company is a founding member of the Closed-End Fund Association (CEFA) in North America.

CLOSED-END FUNDS SIMPLY UNDERSTOOD

- Fixed number of shares
- Usually listed and traded on a stock exchange
- Bought and sold through investment dealers and brokers
- Commission charges only when stock is purchased or sold
- Trade usually below real value
- May pay cash and/or stock dividends
- Often have dividends and dividend reinvestment plans (company may absorb all administrative charges, including commissions)
- May employ leverage

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Managed by:

Morgan Meighen
& ASSOCIATES
Investment Managers

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