



Third Canadian General
Investment Trust Limited

Tradition and value

**THIRD CANADIAN GENERAL
INVESTMENT TRUST LIMITED**
110 Yonge Street, Suite 1601
Toronto, Ontario, Canada M5C 1T4
Telephone: (416) 366-2931
Toll Free: 1-866-443-6097
Fax: (416) 366-2729
e-mail: thdfund@mmainvestments.com
website: www.mmainvestments.com

Managed by:


MorganMeighen
& ASSOCIATES
Investment Managers

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Report to Shareholders

Third Canadian continued to achieve great progress in the third quarter. Year-to-date to September 30, 2003, the net assets of Third Canadian appreciated by a strong 21.7%. The third quarter advance in net assets was 11.8% as the major holding, more than 7.6 million common shares of Canadian General Investments, Limited (CGI), advanced very strongly.

CGI, the common shares of which formed 65.4% of Third Canadian's portfolio weighting at September 30, is a general Canadian equities portfolio managed for growth and income. It is having a spectacular year, up overall 23.3% in net assets and 26.6% in market value. Combined with more than 1.5 million warrants, this translates into nearly \$90 million in market value for Third Canadian, up approximately \$20 million since the end of 2002. Principal assets, representing almost 75% of Third Canadian's portfolio at quarter-end, which also include the shares of Canadian World Fund Limited (CWF), appreciated 28.1% year-to-date and 14.4% during the third quarter.

In addition, the non-principal assets, almost half being Canadian income trusts, have appreciated by 10.2% year-to-date and 3.9% over 12 months. This sector has provided a multi-year contribution to assets and income.

In tandem with the growth in assets, Third Canadian's common share price appreciated by a similar 21.7% over the nine months, advancing by 21.2% in the third quarter.

Portfolio Activity

Few purchases or sales were made in the portfolio during the latest quarter. Two income trusts were purchased: Energy Savings Income Fund, which



sells gas delivery contracts to retail consumers and has a historical growth profile and Yellow Pages Income Fund, the former BCE property which holds the copyright to the title "yellow pages" internationally as well as in Canada. These funds currently yield about 6.4% and 7.6%, respectively, on an annualized basis. We added to the position in AltaGas Services Inc., a transmission

Top Ten Investments at Market (Excluding Cash) – September 30, 2003

(Portfolio details on page 9)

	%		%
Canadian General Investments, Limited*	72.0	Asset Management Investment Company PLC	0.8
Canadian World Fund Limited	2.9	Pembina Pipeline Income Fund	0.8
Enerplus Resources Fund	1.2	Connors Bros. Income Fund	0.8
RioCan Real Estate Investment Trust	1.0	AltaGas Services Inc.	0.8
Nortel Networks Corporation	0.9	Associated Brands Income Fund	0.8
		Total	82.0

* Reflects investment in common shares and warrants.

Weighting of Portfolio Investments at Market – September 30, 2003

	%
Principal Assets	74.9
Canadian-Listed	21.3
U.S.-Listed	1.8
U.K.-Listed	1.7
Other	0.3

company in western Canada, currently yielding about 3.5% in dividends and showing growth of almost 20% since purchase. A few stocks were bought for capital appreciation: Home Capital Group Inc., which runs a low risk home mortgage business and has a strong and consistent record of growth in a niche in which it dominates in Canada, and Sierra Wireless, Inc., a TSX listed provider of wireless data communications equipment, and in our opinion, one of the better plays on the expected continued recovery of technology stocks.

Seven positions were eliminated or reduced during the quarter, mostly in the Canadian income trust sector.

The top ten investment list remained relatively unchanged from the prior quarter. New entrants were AltaGas Services Inc. and Asset Management Investment Company PLC.

Overall Strategy

Third Canadian continues to function mainly as a holding company with principal assets that may exert tremendous leverage, as in the current bull market phase enjoyed by both the domestic CGI and the globally invested CWF. The income trusts have provided stability and growth for many years and often performed well when the general market has been weak.

Outlook

We believe that an extension of the present strength of the Canadian market is likely and the global investment scene should flourish while continuing weakness affects the U.S. dollar. Upturns in the U.S. dollar and U.S. interest rates are somewhat distant and moderation in the U.S. deficits is similarly remote. Until changes bring growth, at best the North American economies should stay close to flat, but we are confident that stock market opportunities will abound in Third Canadian's portfolio.



Vanessa L. Morgan,
Chairman



Michael A. Smedley,
President



Management's Discussion & Analysis

Third Canadian, a closed-end investment fund, measuring its return by the growth of net assets with dividends reinvested, continued to benefit from relatively strong markets in the third quarter of 2003. Its return on a per share basis was 12.2% for the third quarter, outperforming the 6.7% return of the benchmark S&P/TSX Composite Total Return Index (S&P/TSX). On a year-to-date basis, the corresponding return was 23.1% compared to 13.9% for the benchmark.

Financial Review

At September 30, 2003, net assets were \$104,398,000, up 11.8% and 21.7% from the end of the second quarter of 2003 and year-end 2002, respectively. The increase in the current quarter was primarily a result of a significant uplift of 13.9% in the combined market value of the shares and warrants of Canadian General Investments, Limited (CGI), the Corporation's key principal asset.

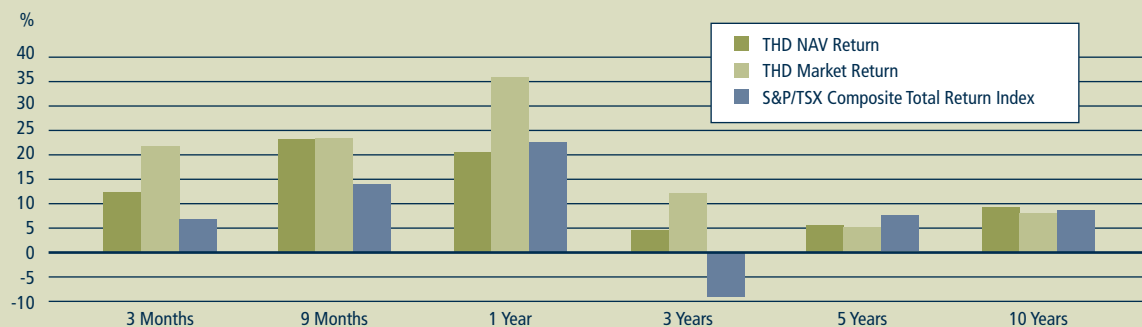
The unrealized gain on investments was \$60,830,000 at September 30, 2003, an increase of \$10,799,000 and \$18,211,000 from the end of the second quarter of 2003 and year-end 2002, respectively. The net gain on investments for the first nine months of 2003 was \$18,017,000, compared to a net loss on investments of \$5,864,000 for the comparative period of 2002.

For the first nine months of 2003, Third Canadian had net investment income of \$1,923,000, a 13.7% increase compared to the \$1,692,000 recorded for the same period in 2002.

For the three and nine-month periods ended September 30, 2003, total investment income, comprised of dividends, interest and other income, decreased by 6.0% and increased by 9.2% over the corresponding periods in 2002. For the nine-month period ended September 30, 2003, almost 90% of total investment income, excluding dividends, related to income trust distributions. The income trust holdings, representing almost one-half of the non-principal portfolio segment and roughly 12% of the total portfolio at quarter-end, have been a growing portion of the Canadian-listed component of Third Canadian's portfolio over several years and are diversified across many sectors of the Canadian economy. Dividends earned from CGI continue to be the mainstay of this income category, representing almost two-thirds of total dividend income for both 2003 and 2002.

Total expenses for the current quarter and year-to-date periods decreased by 17.4% and 9.0%, respectively. Lower management fees driven by a decrease in assets under management as well as a reduction in interest costs resulting from a decline in interest rates were responsible for much of the decline in expenses.

NAV and Market Returns* vs. S&P/TSX Composite Total Return Index
For the periods to September 30, 2003



* Compound average annual rates of return assuming reinvestment of dividends at month-end closing net asset values/market prices.

During the first nine months of both 2003 and 2002, Third Canadian paid three regular quarterly dividends of \$0.075 per share to its shareholders.

Principal Assets

Canadian World Fund Limited (CWF), established in 1994, is a global equities fund that constituted about 3% of Third Canadian's portfolio at September 30, 2003. For the third quarter of 2003, CWF's NAV return was 16.1%, while its share price advanced 28.0%, both measures significantly outperforming its benchmark,

the Morgan Stanley International World Index, which returned 4.4% (in Canadian dollar terms).

CGI, which represented more than 70% of Third Canadian's portfolio at quarter-end, is an actively managed Canadian closed-end equity fund with well-diversified holdings. For the third quarter of 2003, CGI's diluted NAV return of 11.7% and market return of 12.8%, both including the reinvestment of dividends, outperformed its benchmark, the S&P/TSX, which posted 6.7%.

CGI's top five S&P/TSX sectors and top five investments as of September 30, 2003 were as follows:

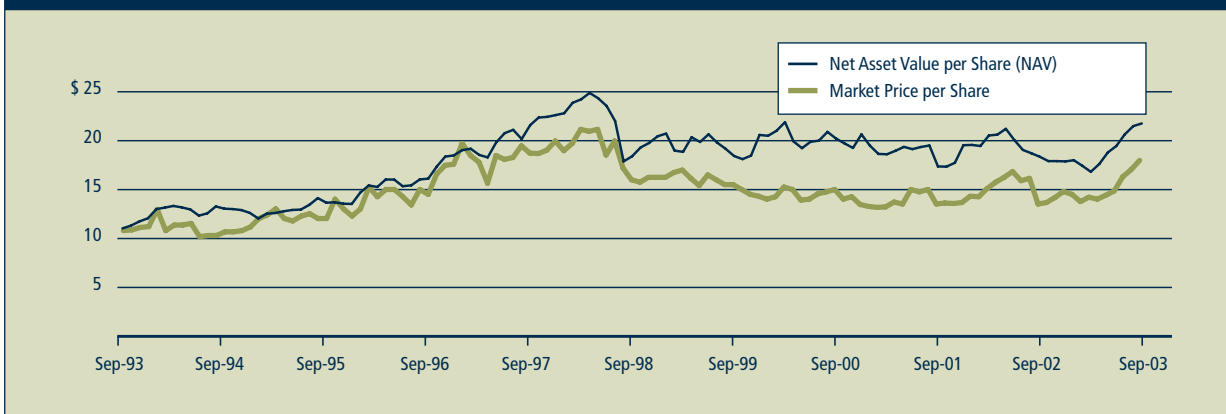
Canadian General Investments, Limited			
<i>Top 5 Sectors</i>	<i>% at market</i>	<i>Top 5 Investments</i>	<i>% at market</i>
Financials	20.5	Nortel Networks Corporation	2.7
Materials	15.7	Corby Distilleries Limited	2.2
Consumer Discretionary	13.2	Bank of Montreal	2.0
Energy	12.8	CoolBrands International Inc.	2.0
Consumer Staples	8.5	BMTC Group Inc.	2.0
	70.7		10.9

Outlook

We expect the marketplace to reflect generally improving conditions through the remainder of 2003. A continuation of CGI's positive share performance that was demonstrated in the year-to-date period would benefit Third Canadian,

while investors' desire for income should keep the income trust sector stable. Through its principal asset holdings and largely income related other assets, Third Canadian will continue to offer investors one of the most diversified portfolios among closed-end funds in Canada.

Comparison of Market Price to NAV – September 30, 1993 to September 30, 2003



Consolidated Statements of Net Assets

	As at September 30, 2003	As at December 31, 2002	As at September 30, 2002
<i>(in thousands of dollars, except per share amounts)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	\$	\$	\$
Assets			
Investments	124,817	101,445	105,590
Cash	676	1,686	527
Receivable on securities sold	930	420	–
Accrued interest and dividends	176	247	219
	126,599	103,798	106,336
Liabilities			
Bank indebtedness	14,876	15,009	14,990
Payable on securities purchased	808	–	–
Accounts payable and accrued liabilities	55	93	45
Income taxes payable	707	440	300
	16,446	15,542	15,335
Future income taxes on unrealized net capital gains	5,755	2,488	2,941
	22,201	18,030	18,276
Net Assets	104,398	85,768	88,060
Shareholders' Equity			
Capital stock	6,504	6,504	6,504
Contributed surplus	2,681	2,681	2,681
Unrealized gain on investments	60,830	42,619	45,034
Retained earnings	34,383	33,964	33,841
	104,398	85,768	88,060
Number of shares outstanding	4,805,910	4,805,910	4,805,910
Net asset value per share	21.72	17.85	18.32

Note to Consolidated Financial Statements

The accompanying consolidated financial statements should be read in conjunction with the notes to the company's audited financial statements for the year ended December 31, 2002. These interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements.

Consolidated Statements of Operations

<i>(Unaudited)</i>	Three months ended		Nine months ended	
	Sept. 30, 2003	Sept. 30, 2002	Sept. 30, 2003	Sept. 30, 2002
<i>(in thousands of dollars, except per share amounts)</i>	\$	\$	\$	\$
Investment income				
Dividends	628	757	2,079	2,131
Interest and other	330	262	939	634
	958	1,019	3,018	2,765
Expenses				
Management fees	125	131	360	396
Interest	167	176	496	516
Directors' fees	13	13	34	36
Investor relations	5	7	23	23
Other	18	70	83	123
	328	397	996	1,094
Investment income before income taxes	630	622	2,022	1,671
Income tax recovery (provision)	(18)	(35)	(99)	21
Net investment income	612	587	1,923	1,692
Realized and unrealized gain (loss) on investments				
Net realized gain (loss) on investments	70	111	(194)	(914)
Change in unrealized appreciation of investments	10,799	(8,508)	18,211	(4,950)
Net gain (loss) on investments	10,869	(8,397)	18,017	(5,864)
Increase (decrease) in net assets resulting from operations	11,481	(7,810)	19,940	(4,172)
Increase (decrease) in net assets resulting from operations per share	2.39	(1.63)	4.15	(0.87)

Consolidated Statements of Retained Earnings

<i>(Unaudited)</i>	Three months ended		Nine months ended	
	Sept. 30, 2003	Sept. 30, 2002	Sept. 30, 2003	Sept. 30, 2002
<i>(in thousands of dollars, except per share amounts)</i>	\$	\$	\$	\$
Retained earnings – Beginning of period	34,137	33,509	33,964	34,529
Net investment income for the period	612	587	1,923	1,692
Net realized gain (loss) on investments	70	111	(194)	(914)
Dividends	(360)	(360)	(1,081)	(1,081)
Provision for refundable dividend tax on hand	(76)	(6)	(229)	(385)
Retained earnings – End of period	34,383	33,841	34,383	33,841
Dividends per share	0.075	0.075	0.225	0.225

Consolidated Statements of Changes in Net Assets

<i>(Unaudited)</i>	Three months ended		Nine months ended	
	Sept. 30, 2003	Sept. 30, 2002	Sept. 30, 2003	Sept. 30, 2002
<i>(in thousands of dollars)</i>	\$	\$	\$	\$
Increase (decrease) in net assets resulting from operations	11,481	(7,810)	19,940	(4,172)
Dividends	(360)	(360)	(1,081)	(1,081)
Net increase in refundable dividend tax on hand	(76)	(6)	(229)	(385)
Increase (decrease) in net assets	11,045	(8,176)	18,630	(5,638)
Net assets – Beginning of period	93,353	96,236	85,768	93,698
Net assets – End of period	104,398	88,060	104,398	88,060

Consolidated Statements of Net Gain (Loss) on Investments

<i>(Unaudited)</i>	Three months ended		Nine months ended	
	Sept. 30, 2003	Sept. 30, 2002	Sept. 30, 2003	Sept. 30, 2002
<i>(in thousands of dollars)</i>	\$	\$	\$	\$
Proceeds from disposition of investments	2,635	1,394	5,139	3,979
Investments at cost, beginning of period	57,499	55,020	56,338	55,224
Investments purchased during the period	3,283	3,851	7,271	7,613
Investments at cost, end of period	(58,232)	(57,615)	(58,232)	(57,615)
Cost of investments disposed of during the period	2,550	1,256	5,377	5,222
Realized gain (loss) on disposition of investments before income taxes	85	138	(238)	(1,243)
Income tax recovery (provision) on allowable capital losses (realized net taxable capital gains)	(15)	(27)	44	329
Net realized loss on investments	70	111	(194)	(914)
Change in unrealized appreciation of investments	10,799	(8,508)	18,211	(4,950)
Net gain (loss) on investments	10,869	(8,397)	18,017	(5,864)

Consolidated Statement of Investments

September 30, 2003
(Unaudited)

Number of Shares or Par Value	Investment – % of Total Market Value	Cost	Market Value
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(in thousands of dollars)

Principal Assets – 74.9%

7,629,811	Canadian General Investments, Limited	\$ 20,969	\$ 81,639
1,526,578	Canadian General Investments, Limited wts.	–	8,243
1,120,211	Canadian World Fund Limited	5,601	3,585
TOTAL PRINCIPAL ASSETS		26,570	93,467

Canadian-Listed – 21.3%

45,000	Advanced Fiber Technologies Income Fund	409	589
80,000	AltaGas Services Inc.*	847	1,009
70,000	ARC Energy Trust	582	948
90,000	Associated Brands Income Fund	867	958
65,000	Atlas Cold Storage Income Trust	623	546
30,000	BCE Inc. pfd. series Z	728	789
100,000	Bombardier Inc. B	662	567
500,000	Canadian Western Bank conv. deb. 5.5% due March 31, 2008	501	573
50,000	Chemtrade Logistics Income Fund	535	800
75,000	Connors Bros. Income Fund	734	1,027
50,000	Contrans Income Fund	515	444
14,400	Corby Distilleries Ltd. B	484	828
40,000	DALSA Corporation	722	600
40,000	Davis + Henderson Income Fund	417	612
35,000	Energy Savings Income Fund*	862	817
43,450	Enerplus Resources Fund	1,008	1,532
33,600	First Capital Realty Inc.	519	514
26,880	First Capital Realty Inc. wts. 8/31/08	–	81
30,000	Home Capital Group Inc. B*	779	762
45,000	KCP Income Fund	575	493
60,000	The Keg Royalties Income Fund	575	554
60,000	Nortel Networks Corporation pfd. A series 5	768	1,125
30,000	North West Company Fund	454	681
40,000	Northern Property Real Estate Investment Trust	463	564
237,800	Novicourt Inc.	562	357
85,000	Pembina Pipeline Income Fund	823	1,045
52,500	Prime Restaurants Royalty Income Fund	525	467
90,000	RioCan Real Estate Investment Trust	1,088	1,300
27,400	Rothmans Inc.	598	692

Number of Shares or Par Value	Investment – % of Total Market Value	Cost	Market Value
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(in thousands of dollars)

100,000	Sceptre Investment Counsel Limited A	\$ 1,860	\$ 800
600,000	Sherritt International Corporation conv. deb. 6% due December 15, 2006	463	576
45,200	Shiningbank Energy Income Fund	255	767
49,000	Sierra Wireless, Inc.*	808	867
60,000	Sun Gro Horticulture Income Fund	547	433
25,000	TransAlta Corporation	635	459
164,700	Viceroy Homes Limited A	889	856
55,000	Yellow Pages Income Fund*	549	629
TOTAL CANADIAN – LISTED		24,231	26,661

U.K.-Listed – 1.8%

800,000	Asset Management Investment Company PLC	3,262	1,046
75,765	London Stock Exchange plc	439	580
235,000	UK COAL PLC	461	623
TOTAL U.K. – LISTED		4,162	2,249

U.S.-Listed – 1.7%

10,000	General American Investors Company, Inc.	508	371
500,000	Magna Entertainment Corp. conv. deb. 7.25% due December 15, 2009	792	560
42,100	Morgan Stanley Dean Witter Emerging Markets Debt Fund, Inc.	467	504
40,000	Templeton Emerging Markets Income Fund, Inc.	673	676
TOTAL U.S. – LISTED		2,440	2,111

Other – 0.3%

20,000	The India I.T. Fund Limited	829	329
		829	329

Total Investments

– September 30, 2003	\$ 58,232	\$ 124,817
– December 31, 2002	\$ 56,338	\$ 101,445
– September 30, 2002	\$ 57,615	\$ 105,590

Changes from June 30, 2003: *New Holdings; † Increased Holdings

Corporate Information

THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED

OFFICE OF THE COMPANY

110 Yonge Street, Suite 1601
Toronto, Ontario, Canada M5C 1T4
Telephone: (416) 366-2931
Toll Free: 1-866-443-6097
Fax: (416) 366-2729
e-mail: thdfund@mmainvestments.com
website: www.mmainvestments.com

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 Trust
Company of Canada
100 University Avenue, 9th Floor
Toronto, Ontario, Canada M5J 2Y1
Telephone: (416) 981-9633
Toll Free: 1-800-564-6253
Fax: (416) 263-9524
Toll Free: 1-866-249-7775
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

STOCK DATA

September 30, 2003

Price	\$	18.00
Net Asset Value	\$	21.72
Discount		17.1%

PUBLICATION

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

The Corporation posts ongoing top 10 portfolio investments (priced at market), together with current discount and market return information on its website. Similar information is available directly from the Corporation upon request.

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

