Focussed on Canada

CGI CANADIAN GENERAL INVESTMENTS, LIMITED

2020 Interim Report

Canadian General Investments, Limited (CGI) is a closed-end equity fund focussed on medium- to long-term investments in primarily Canadian corporations. It strives, through prudent security selection, timely recognition of capital gains/losses and appropriate income-generating instruments, to provide better than average returns to investors.

CGI was established in 1930 and has been managed since 1956 by Morgan Meighen & Associates Limited (website: www.mmainvestments.com).

RESPONSIBILITY STATEMENT

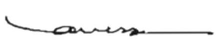
In accordance with the Disclosure and Transparency Rules (DTRs) of the United Kingdom Financial Services Authority, the Board of Directors confirms that to the best of its knowledge:

i. the financial statements have been prepared in accordance with International Financial Reporting Standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

ii. the interim Management Report of Fund Performance includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

iii. the interim Management Report of Fund Performance includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties transactions and changes therein).

The financial statements and Management Report of Fund Performance were approved by the Board of Directors on July 16, 2020.



Vanessa L. Morgan
Chair

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 Company's Annual Information Form which is available on the Company's website at www.canadiangeneralinvestments.ca or on SEDAR at www.sedar.com.

The Company is an investment fund, and as such, this Interim Report to Shareholders carries a variety of information concerning stocks and other investments, all for informational purposes only. The reader should assume that the Company and all individuals and entities (including the Manager and members of its staff) who have contributed to this publication may have a conflict of interest. Readers should therefore not rely solely on this Report in evaluating whether or not to buy or sell securities discussed herein.

This interim management report of fund performance contains financial highlights and should be read in conjunction with the interim financial report of the Company that follows this report. You can get a copy of Company's annual financial statements at your request, and at no cost, by calling 416-366-2931 (Toll-free 1-866-443-6097), by writing to the Company at 10 Toronto Street, Toronto, Ontario M5C 2B7 or by visiting the Company's website at www.canadiangeneralinvestments.ca or SEDAR at www.sedar.com.

This report may contain forward-looking statements about the Company and markets that reflect the Manager's current expectations of future events. Forward-looking statements include statements that are predictive in nature, depend upon future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions. Forward-looking statements are subject to risks, uncertainties and assumptions with respect to the Company and economic factors and actual results may differ materially for many reasons, including, but not limited to, market and general economic conditions, interest rates, foreign exchange rates, changes in government regulations and catastrophic events. As a result, the reader is cautioned not to place undue reliance on forward-looking statements. Further, any forward-looking information is current only as of the date of this report and there should be no expectation that such information will be updated as a result of new information, changing circumstances or future events, unless required by applicable law.

Management Discussion Of Fund Performance

Results Of Operations

Performance

The world has changed. Suddenly "pandemic", a word used infrequently before, has become commonplace and imbedded into normal daily conversations of everyone's lives. Not surprisingly, COVID-19 has been the dominant influence for the world in the first half of 2020. Quarantines and lockdowns were used as a somewhat crude, but effective, first and only defence and became commonplace. Global economic activity ground to a halt under these conditions and it was impossible to determine if or when these countermeasures would succeed, let alone quantify recovery probabilities.

Equity markets plummeted as COVID-19 spread and deepened its coverage. As the situation worsened and reality set in, investors began selling. This trend accelerated through February and March and most major global indices dropped 30% or more. Even with a positive start earlier in the year, the Canadian S&P/TSX Composite Index (S&P/TSX) fell victim to the onslaught and had dropped in excess of 34% by late March.

In response to these grave circumstances, most governments and central banks around the world reacted quickly and provided highly accommodative and supportive monetary and fiscal policies. These initiatives were well received by market participants and, combined with some positive news on the health front in the fight against COVID-19, equity markets started to price in less pessimistic outlooks.

Despite staging a good recovery from its bottom in late March, the S&P/TSX remained in the negative at June 30, 2020 with a -7.5% total return. Canadian General Investments, Limited (CGI) followed a comparable path, but its result for the period was better. Some of CGI's major holdings continued or resumed exceptionally good performances through the half year. CGI rallied more strongly than the benchmark and finished the half year in positive territory with a net asset value (NAV) return, with dividends reinvested, of 3.4%.

Taken in isolation, the numbers don't jump off the page, so it is easy to miss the underlying market dynamic. Many equity markets experienced the fastest 30% sell-off ever, exceeding the pace of declines during the Great Depression by a wide margin. Volatility as measured by the Chicago Board Options Exchange's Volatility Index (VIX), a popular measure of the stock market's expectation of volatility, based on S&P 500 index options, peaked in record territory around the 85 level, an extraordinary level considering its usual 10 to 20 range. Market direction was impossible to see and index percentage changes were extreme. Daily reversal return patterns in the high single-digit to low double-digit percentages were commonplace and hitherto rare trading halts, both up-limit and down-limit, were often triggered. In short, confusion reigned.

Correlations were so high that sector allocation strategies had limited, if any, success. The lone traditional, alternative risk-on/risk-off play of gold and gold-related stocks was one of the few exceptions. But even with good performance in the gold sector, its influence on the S&P/TSX remained somewhat limited with a 9% sector weighting. CGI's lone gold exposure, Franco-Nevada Corporation, provided a two-third's weighting in the group for the portfolio and beat the groups 34% average, rising more than 41%.

The table below illustrates the weightings of the five largest sectors in CGI's portfolio at June 30, 2020, compared with year end 2019, and with the S&P/TSX. The weightings for CGI represent the market value of each sector as a percentage of the total investment portfolio. At June 30, 2020 the portfolio was overweight Consumer Discretionary, Industrials and Information Technology, and underweight Financials and Materials, as compared to the sector weightings in the S&P/TSX.

	CGI		S&P/TSX	
SECTOR	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Information Technology	30.0%	22.9%	10.3%	5.7%
Industrials	18.9%	19.0%	11.5%	11.0%
Consumer Discretionary	14.5%	14.8%	3.4%	4.1%
Materials	13.4%	14.4%	14.7%	11.4%
Financials	8.5%	10.0%	28.9%	32.1%

The changes in CGI's sector weightings were primarily related to the performance of the individual securities within the sectors, with most of the limited trading activity during the six months being reducing positions in the Information Technology sector, and adding to Industrials.

Even with the sizable market recovery in the April to June timeframe, eight of the eleven S&P/TSX sectors remained in the negative with six solidly in double-digit territory. Energy was, once again, the worst performing group. Economic and supply concerns continue to badger oil and gas names and, despite some optimism on supply curtailments, a

WTI price of around $40 and a strong rally in the second quarter, the group was still down greater than 30%. It remains the third largest group and is a meaningful part of the S&P/TSX at 12% of the total. CGI has oil and gas investments which have lost value in this decline but has been underweight for many years and, at less than a half weighting, at least is positioned correctly on a relative measure to the benchmark. Financials uncharacteristically underperformed the S&P/TSX by a wide margin with a -16% return and, being the largest group in the index at 29%, carried a great influence on overall results. Not surprisingly, stocks in banks and large financial institutions around the world have been under pressure with fears of a fallout from the pandemic regarding loans and economic activity. This is the area of CGI's largest underweighting and so was, again, a beneficiary on the relative positioning.

The three groups that were in the positive were Information Technology, Materials and Consumer Staples, although the latter was less than 1%. The Gold subgroup propelled Materials to a decent 14% return but also masked the severe demise felt in the industrial-related mines and metal stocks, many of which were affected by COVID-19 operational closures and economic concerns. Investments in First Quantum Minerals Ltd. (-17.8%), Hudbay Minerals Inc. (-23.4%), Lundin Mining Corporation (-5.2%), Teck Resources Ltd. (-36.4%) and Norbord Inc. (-10.0%) would all fit into this category to some degree or another. But the most decisive positive movement in any area of the markets came from the Information Technology sector with an advancement of greater than 60%. This was a clear differentiator for CGI as the portfolio has been overweight the group for many years and, due to various long-term holdings with good performance, is the largest overweight in the portfolio. On the individual level, leadership from the largest holding, Shopify Inc., has been remarkable. In this period alone, it posted a return in excess of 140%, the top number for the S&P/TSX. These numbers continue to layer on to its gains made in the last few years and the exponential growth has allowed the Manager to adopt a prudent strategy of periodically selling down CGI's position while maintaining a participation in future upside potential. So far this year, over $19 million in capital gains have been realized with another $87 million remaining unrealized at June 30. Other individual investments from this group making sizable performance contributions includes NVIDIA Corporation (69.5%), Apple Inc. (29.5%), The Descartes Systems Group Inc. (29.1%) and Constellation Software, Inc. (21.7%).

The temptation to attempt to somehow trade out of the calamity was enormous and surely caused many investors to exacerbate the market damage. The Manager decided that the best way forward was to remain true to the investment philosophy that has proven successful over many years. Although CGI's results will always be intertwined with market movements, the Company's steady approach applied to its high quality, diversified portfolio in the long term should continue to benefit shareholders.

Dividend and interest income was $7,752,000 for the six months, up 6.7% from 2019. Management fees, interest and financing charges, and dividends on preference shares are the largest expenses of the Company. Management fees increased by 1.5% to $5,059,000, as a result of higher average monthly portfolio values compared to 2019. Interest and financing charges increased 38.2%, as a result of the Company having borrowed an additional $25 million in June 2019, as well as borrowings carrying a higher interest rate (2.80% versus 2.28%), for most of 2020, as described below. The dividends on preference shares were consistent year-over-year.

Leverage

On June 5, 2019, CGI had entered into an amended and restated credit agreement for a $100 million one-year non-revolving credit facility. Amounts may be borrowed under this secured facility through prime rate loans, which bear interest at the greater of the bank's prime rate and the Canadian Deposit Offered Rate (CDOR) plus 1.00% per annum, or bankers' acceptances, which bear interest at the CDOR plus 0.75% per annum. Although this facility initially had an evergreen feature, which allowed the Company continued use of the facility indefinitely beyond the initial one-year term, provided the bank has not given CGI one-year's notice that it is terminating the facility, on May 12, 2020, the Company received notice from the lender that the facility was being converted into a fixed-term facility with a maturity date of May 12, 2021.

The amended and restated credit agreement had the effect of extending the maturity date and increasing the credit limit on the $75 million three-year fixed-rate credit facility that was scheduled to mature on June 6, 2019. The additional $25 million (face amount) was drawn down on June 5, 2019, resulting in the full $100 million facility being drawn, with bank borrowing representing 12.7% of CGI's net assets at June 30, 2020 (December 31, 2019 – 13.0%).

The borrowed money continues to be used to increase the size of the portfolio as part of a leverage strategy in an effort to enhance returns to common shareholders. The facility is secured with a first-ranking charge on the Company's property and assets, including the investment portfolio and requires the Company to comply with certain covenants, including maintenance of an asset coverage restriction requiring that net assets divided by the principal amount of the bank loan be greater than 3.0 times. The Company was in compliance with the covenant during the six months ended June 30, 2020 and year ended December 31, 2019.

In addition to the $100 million credit facility (December 31, 2019 – $100 million), CGI also has outstanding $75 million 3.75% cumulative, redeemable Class A preference shares, Series 4, which become redeemable, at par, to the Series 4 shareholders on or after June 15, 2023 (December 31, 2019 – $75 million).

Both the cash borrowing and the preference shares act as leverage to common shareholders. As at June 30, 2020, the combined leverage represented 22.2% of CGI's net assets (December 31, 2019 – 22.7%). This leverage served to increase the effect of overall portfolio returns, positively impacting CGI's NAV return in the six months ended June 30, 2020 and year ended December 31, 2019.

Taxation

As a corporate entity, CGI is subject to tax on its taxable income – primarily realized gains on the sale of investments – at an effective rate of approximately 20%. As a result of its investment corporation status under Canadian tax law, CGI can recover taxes paid or payable on its realized taxable capital gains through the payment of capital gains dividends to shareholders. To the extent that taxes paid or payable on taxable income and capital gains in a year are greater than taxes recovered on the payment of capital gains dividends, there will be a negative impact on net assets of the fund. For the six months ended June 30, 2020, there was a refundable income tax expense of $577,000, compared to a net recoverable of $2,352,000 in the prior year. Taxes paid or payable on realized taxable capital gains may be recovered through the payment of capital gains dividends in future years. As at June 30, 2020, the Company had federal refundable capital gains taxes on hand of approximately $2,912,000 (December 31, 2019 - $1,755,000), which are refundable on payment of capital gains dividends of approximately $20.8 million (December 31, 2019 - $12.5 million) and Ontario refundable capital gains taxes on hand of approximately $1,882,000 (December 31, 2019 - $1,371,000), which are refundable on payment of capital gains dividends of approximately $32.7 million (December 31, 2019 - $23.8 million).

Recent Developments

Outlook

The outlook for markets remains even more uncertain than usual. The first half of 2020 contained an all-time high for stocks, a global pandemic, a swift recession, the sharpest bear market drop ever and then a strong market rally. But very little, if anything, has been resolved.

Investors continue to look for indicators that may provide clues as to future market movements; but struggle to find catalysts. Still dominant, the pandemic retains centre stage and will likely determine our fates for some time. The continued worldwide spread of novel COVID-19 and its impact on such factors as business operations, supply chains, travel, commodity prices and consumer confidence, and the associated impact on domestic and international equity markets and fixed income yields, is expected to have a significant impact on the value of investments held by the Company during the remainder of 2020, and potentially beyond. While it is too early to predict the overall impact of COVID-19 related factors, during a time of increased uncertainty and volatility, financial results are expected to be negatively affected in the near-term.

Related Party Transactions

The Company is managed by Morgan Meighen & Associates Limited (MMA), a company under common control with CGI. MMA provides continuing advice and investment management services, as well as administration, financial reporting and other ancillary services required by a publicly listed company. For more details concerning the services that are provided by MMA and the management fee that is charged to the Company, see “Management Fees”.

Third Canadian General Investment Trust Limited (Third Canadian), a private, Ontario-based corporation under common control with the Company, has an approximate 37% (December 31, 2019 – 37%) ownership interest in the Company. As a result of its ownership position in the Company, during the six months ended June 30, 2020, Third Canadian received dividends from net investment income of $3,205,000 (2019 – $3,052,000).

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 six months ended June 30, 2020 and the prior five financial years.

The Company's Net Assets per Share [1]

	Six months ended June 30, 2020	2019	2018	2017	2016	2015
Net assets - beginning of year	$36.98	$28.87	$33.14	$27.98	$24.38	$27.05
Increase (decrease) from operations						
Total revenue	0.42	0.89	0.82	0.64	0.65	0.61
Total expenses (excluding common share dividends)	(0.41)	(0.80)	(0.74)	(0.70)	(0.67)	(0.71)
Realized gains for the period	0.33	1.61	1.36	1.73	0.90	1.49
Unrealized gains (losses) for the period	0.93	7.34	(4.91)	4.27	3.40	(3.26)
Refundable income tax refund (expense)	(0.03)	(0.13)	(0.04)	(0.02)	0.08	(0.04)
Total increase (decrease) from operations[2]	1.24	8.91	(3.51)	5.92	4.36	(1.91)
Dividends paid to common shareholders						
Taxable dividends	(0.42)	(0.40)	(0.57)	(0.36)	(0.48)	(0.28)
Capital gains dividends	-	(0.40)	(0.19)	(0.40)	(0.28)	(0.48)
Total dividends[3]	(0.42)	(0.80)	(0.76)	(0.76)	(0.76)	(0.76)
Net assets - end of period[4]	$37.80	$36.98	$28.87	$33.14	$27.98	$24.38

(1) This information is derived from the Company's audited annual financial statements and unaudited interim financial statements.

(2) Net assets and dividends are 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 financial period and may not match the financial statements due to rounding.

(3) Dividends were paid in cash.

(4) This is not a reconciliation of the beginning and ending net assets per share.

Ratios and Supplemental Data

	Six months ended June 30, 2020	2019	2018	2017	2016	2015
Total net asset value (000's) (1)	$788,632	$771,549	$602,163	$691,440	$583,644	$508,528
Number of shares outstanding (1)	20,861,141	20,861,141	20,861,141	20,861,141	20,861,141	20,861,141
Management expense ratio (2) (3) (6)	2.34%	2.27%	2.15%	2.31%	2.66%	2.63%
Trading expense ratio (4) (6)	0.04%	0.05%	0.03%	0.04%	0.12%	0.08%
Portfolio turnover rate (5)	3.29%	8.00%	2.31%	10.36%	21.45%	16.37%
Net asset value per share (1)	$37.80	$36.98	$28.87	$33.14	$27.98	$24.38
Closing market price (1)	$25.90	$26.21	$20.51	$23.73	$19.45	$18.75

(1) This information is provided as at the end of the financial period shown.

(2) Management expense ratio (MER) is based on total expenses (including leverage costs but excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(3) Excluding leverage costs (dividends on preference shares and interest and financing charges), the Company's MERs were as follows: 2020 (to June 30, annualized) - 1.54%, 2019 - 1.53%, 2018 - 1.48%, 2017 - 1.54%, 2016 - 1.65%, 2015 - 1.57%.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs as an annualized percentage of daily average net asset value during the period.

(5) The Company's portfolio turnover rate indicates how actively the Manager manages the Company's 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. There is not necessarily a relationship between the turnover rate and the performance of a fund.

(6) Ratios for the six months ended June 30, 2020 have been annualized.

Management Fees

The Company pays a management fee that is calculated and paid monthly at 1% per annum of the market value of CGI's investments adjusted for cash, portfolio accounts receivable and portfolio accounts payable. 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 daily net asset value of the Company, maintaining financial and corporate records, 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 CGI.

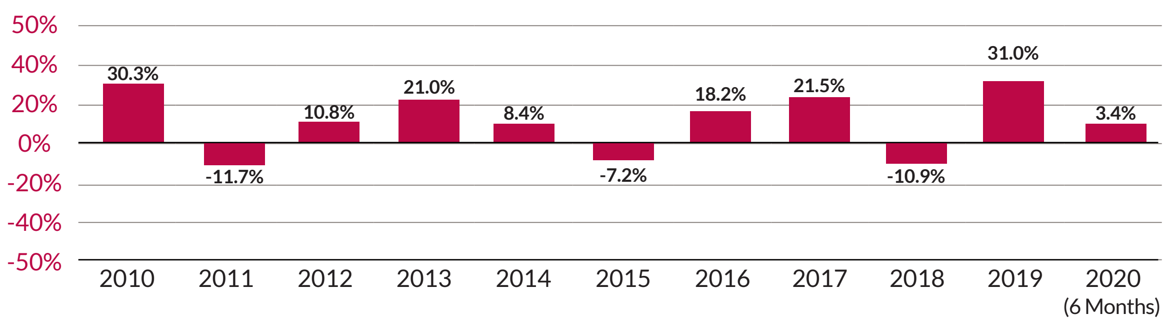
Past Performance

The performance information shown assumes that all dividends paid by CGI to common shareholders were reinvested in additional common shares of the Company. The performance information does not take into account broker commissions or other fees potentially payable by holders of the Company's shares 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.

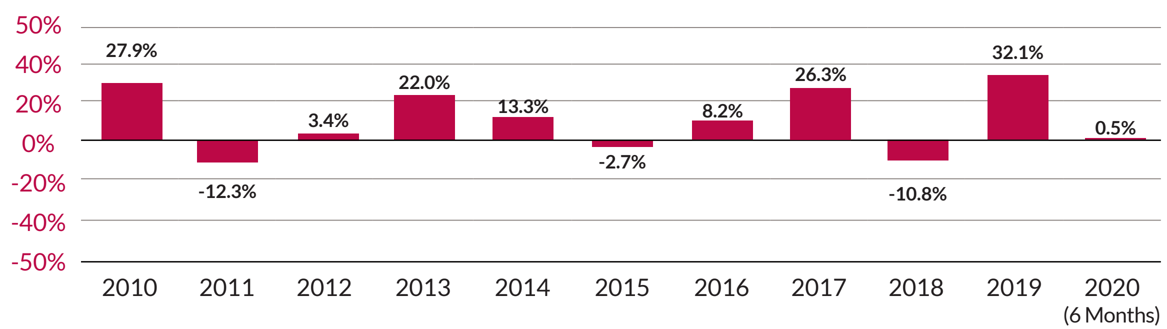
Year-by-Year Returns

The following bar charts show the Company's performance for each of the years shown, as well as the interim performance for the six months ended June 30, 2020, 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 financial period.

The bar chart below illustrates CGI's net asset value per share return, with dividends reinvested at net asset value per share.



The bar chart below illustrates CGI's share price return, with dividends reinvested at the market price.



Summary Of Investment Portfolio

As at June 30, 2020

Top 25 Holdings

Issuer	Sector	% of Net Asset Value*	% of Investment Portfolio
Shopify Inc.	Information Technology	11.5	9.4
Franco-Nevada Corporation	Materials	7.0	5.7
NVIDIA Corporation	Information Technology	5.6	4.6
Amazon.com, Inc.	Consumer Discretionary	5.5	4.5
Canadian Pacific Railway Limited	Industrials	5.0	4.1
Mastercard Incorporated	Information Technology	4.3	3.6
The Descartes Systems Group Inc.	Information Technology	3.6	3.0
Apple Inc.	Information Technology	3.3	2.7
Cash	Cash & Cash Equivalents	2.9	2.3
Royal Bank of Canada	Financials	2.9	2.3
Bank of Montreal	Financials	2.5	2.1
WSP Global Inc.	Industrials	2.5	2.0
First Quantum Minerals Ltd.	Materials	2.5	2.0
Open Text Corporation	Information Technology	2.4	2.0
Home Depot, Inc.	Consumer Discretionary	2.2	1.8
Square, Inc.	Information Technology	2.2	1.8
TFI International Inc.	Industrials	2.1	1.8
Dollarama Inc.	Consumer Discretionary	2.1	1.7
Toronto-Dominion Bank	Financials	2.0	1.6
Air Canada	Industrials	2.0	1.6
Parex Resources Inc.	Energy	2.0	1.6
SiteOne Landscape Supply, Inc.	Industrials	2.0	1.6
Lightspeed POS Inc.	Information Technology	1.9	1.6
Constellation Software Inc.	Information Technology	1.7	1.4
FirstService Corporation	Real Estate	1.7	1.4
		83.4*	68.2
Total Net Asset Value* ($000's)			$788,632
Total Investment Portfolio* ($000's)			$963,320

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage ($174.0 million) in the form of preference shares and bank loan, other assets and other liabilities.

The summary of Investment Portfolio may change due to ongoing portfolio transactions of the company. The most recent quarterly portfolio disclosure may be obtained by visiting the Company's web site at www.canadiangeneralinvestments.ca, by calling 416-366-2931 (Toll-free: 1866-443-6097), or by writing to the Company at 10 Toronto Street, Toronto Ontario, Canada, M5C 2B7.

Sector Allocation	% of Net Asset Value*	% of Investment Portfolio
Information Technology	36.6	30.0
Industrials	23.1	18.9
Consumer Discretionary	17.7	14.5
Materials	16.4	13.4
Financials	10.3	8.5
Energy	6.6	5.4
Real Estate	3.4	2.7
Communication Services	3.0	2.5
Cash & Cash Equivalents	2.9	2.3
Health Care	1.4	1.1
Utilities	0.8	0.7

Asset Allocation	% of Net Asset Value*	% of Investment Portfolio
Canadian Equities	89.6	73.4
Foreign Equities	29.7	24.3
Cash & Cash Equivalents	2.9	2.3

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage ($174.0 million) in the form of preference shares and bank loan, other assets and other liabilities.

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June 30, 2020

The auditor of the Company has not reviewed this interim financial report.

Shareholders of the Company appoint an independent auditor to audit the Company's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Company's interim financial report, this must be disclosed in an accompanying notice.

Statements of Financial Position

As at June 30, 2020 (Unaudited) and December 31, 2019
(in thousands of Canadian dollars, except per share amounts)

	Note	June 30, 2020	December 31, 2019
Assets			
Current assets			
Investments	5	940,698	925,946
Cash		22,622	21,041
Interest and dividends receivable		863	1,102
Other assets		141	141
Total assets		964,324	948,230
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	1,069	1,202
Accrued dividends on preference shares		116	123
Income taxes payable		556	2,528
Bank loan – current portion	6	99,583	-
Total current liabilities		101,324	3,853
Bank loan	6	-	98,563
Preference shares	7	74,368	74,265
		74,368	172,828
Total liabilities		175,692	176,681
Net assets		788,632	771,549
Equity			
Share capital	8	128,568	128,568
Retained earnings		660,064	642,981
Total equity		788,632	771,549
Net assets per common share		37.80	36.98

The accompanying notes are an integral part of these financial statements.

For the six months ended June 30 (Unaudited)
(in thousands of Canadian dollars, except per share amounts)

	Note	2020	2019
Income			
Net gains (losses) on investments			
Dividend income		7,730	7,209
Interest		22	53
Net realized gain (loss) on sale of investments		19,576	(5,426)
Net change in unrealized gain on investments		6,775	161,848
Net gains on investments		34,103	163,684
Securities lending revenue	**13**	933	1,359
Total net income		35,036	165,043
Expenses			
Management fees	**12**	5,059	4,986
Interest and financing charges	**6,7**	1,448	1,048
Dividends on preference shares	**7**	1,399	1,399
Listing and regulatory costs		155	179
Directors' fees and expenses	**12**	129	121
Transaction costs on purchases and sales		114	120
Withholding taxes	**10**	87	70
Custodial fees		54	49
Investor relations		46	55
Audit fees		35	30
Legal fees		30	95
Independent review committee fees and expenses	**12**	18	17
Security holder reporting costs		17	21
Other		23	70
Total operating expenses		8,614	8,260
Investment income before income taxes		26,422	156,783
Refundable income tax expense (recovery)	9	577	(2,352)
Increase in net assets from operations		25,845	159,135
Increase in net assets from operations, per common share		1.24	7.63

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets

For the six months ended June 30 (Unaudited)
(in thousands of Canadian dollars)

	Share Capital	Retained Earnings	Total
At December 31, 2018	128,568	473,595	602,163
Increase in net assets from operations	-	159,135	159,135
Dividends paid to common shareholders from net investment income	-	(8,343)	(8,343)
At June 30, 2019	128,568	624,387	752,955
At December 31, 2019	128,568	642,981	771,549
Increase in net assets from operations	-	25,845	25,845
Dividends paid to common shareholders from net investment income	-	(8,762)	(8,762)
At June 30, 2020	128,568	660,064	788,632

The accompanying notes are an integral part of these financial statements.

For the six months ended June 30 (Unaudited)
(in thousands of Canadian dollars)

	Note	2020	2019
Cash flows from (used in) operating activities			
Increase in net assets from operations		25,845	159,135
Adjustments for:			
Amortization of financing charges	**6, 7**	162	127
Net realized gain (loss) on sale of investments		(19,576)	5,426
Net change in unrealized gain on investments		(6,775)	(161,848)
Purchases of investments		(29,670)	(62,596)
Proceeds of disposition of investments		41,269	2,361
Interest on bank loan		1,479	910
Dividends paid to preference shareholders		1,399	1,399
Interest and dividends receivable		239	(300)
Other assets		-	118
Income taxes payable	**9**	(1,972)	(3,012)
Accounts payable and accrued liabilities		(220)	144
Net cash flows from (used in) operating activities		12,180	(58,136)
Cash flows from (used in) financing activities			
Proceeds from bank loan (net of financing cost)		961	23,518
Interest on bank loan		(1,392)	(731)
Dividends paid to common shareholders		(8,762)	(8,343)
Dividends paid to preference shareholders		(1,406)	(1,406)
Net cash flows from (used in) financing activities		(10,599)	13,038
Net increase (decrease) in cash		1,581	(45,098)
Cash at the beginning of the period		21,041	69,510
Cash at the end of the period		22,622	24,412
Items classified as operating activities			
Interest received		22	53
Dividends received, net of withholding taxes		7,741	6,965
Preference share dividends and interest paid	**6,7**	2,788	2,137
Income taxes paid - net	**9**	2,550	662

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio

As at June 30, 2020

Number of Shares	Investment	Cost (in thousands of dollars)	Fair Value (in thousands of dollars)
	Communication Services (2.5%)		
	Diversified Telecommunication Services		
440,000	TELUS Corporation	6,057	10,019
	Wireless Telecommunication Services		
250,000	Rogers Communications Inc., B NV	3,505	13,637
	Total Communication Services	9,562	23,656
	Consumer Discretionary (14.5%)		
	Auto Components		
145,000	Magna International Inc.	5,244	8,767
	Distributors		
35,000	Pool Corporation	9,651	12,950
	Internet & Direct Marketing Retail		
11,500	Amazon.com, Inc.	9,604	43,180
	Leisure Products		
200,000	BRP Inc.	12,287	11,580
	Multiline Retail		
370,000	Dollarama Inc.	1,271	16,709
	Specialty Retail		
8,000	AutoZone, Inc.	4,864	12,283
52,000	Home Depot, Inc.	8,740	17,729
	Textiles, Apparel & Luxury Goods		
345,000	Canada Goose Holdings Inc.	8,412	10,874
265,000	Gildan Activewear Inc.	5,425	5,573
	Total Consumer Discretionary	65,498	139,645
	Energy (5.4%)		
	Energy Equipment & Services		
1,260,000	Secure Energy Services Inc.	10,396	2,104
	Oil, Gas & Consumable Fuels		
275,000	Enbridge Inc.	2,830	11,352
950,000	Parex Resources Inc.	11,085	15,542
140,000	Suncor Energy Inc.	5,382	3,204
226,000	TC Energy Corporation	6,260	13,108
220,000	Tourmaline Oil Corp.	7,446	2,611
245,000	Vermilion Energy Inc.	10,893	1,480
1,263,661	Whitecap Resources Inc.	11,827	2,818
	Total Energy	66,119	52,219

Number of Shares	Investment	Cost (in thousands of dollars)	Fair Value (in thousands of dollars)
	Financials (8.5%)		
	Banks		
275,000	Bank of Montreal	10,640	19,871
245,000	Royal Bank of Canada	10,190	22,567
260,000	Toronto-Dominion Bank	5,599	15,753
	Capital Markets		
160,000	Brookfield Asset Management Inc., A LV	7,268	7,149
76,900	Economic Investment Trust Limited	3,851	7,635
	Thrifts & Mortgage Finance		
254,500	Genworth MI Canada Inc.	5,141	8,452
	Total Financials	42,689	81,427
	Health Care (1.1%)		
	Pharmaceuticals		
420,000	Canopy Growth Corporation	5,999	9,236
1,300,000	MediPharm Labs Corp.	6,804	1,495
	Total Health Care	12,803	10,731
	Industrials (18.9%)		
	Air Freight & Logistics		
40,000	Cargojet, Inc.	6,438	6,400
	Airlines		
920,000	Air Canada	4,739	15,594
	Commercial Services & Supplies		
65,000	Boyd Group Services Inc.	13,064	13,135
100,000	Waste Connections, Inc.	11,183	12,719
	Construction & Engineering		
235,000	WSP Global Inc.	10,389	19,566
	Electrical Equipment		
400,000	Ballard Power Systems Inc.	7,520	8,356
	Industrial Conglomerates		
21,000	Roper Technologies, Inc.	10,060	11,097
	Machinery		
2,220,000	Xebec Adsorption Inc.	8,494	9,102
	Marine		
332,000	Algoma Central Corporation	2,555	3,340
	Road & Rail		
90,000	Canadian National Railway Company	10,947	10,810
115,000	Canadian Pacific Railway Limited	6,352	39,712
350,000	TFI International Inc.	5,029	16,867
	Trading Companies & Distributors		
100,000	SiteOne Landscape Supply, Inc.	8,233	15,511
	Total Industrials	105,003	182,209

The accompanying notes are an integral part of these financial statements.

As at June 30, 2020

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Information Technology (30.0%)		
	IT Services		
85,000	Mastercard Incorporated, A	5,958	34,208
70,500	Shopify Inc.	3,728	90,929
120,000	Square, Inc.	10,613	17,139
	Semiconductors & Semiconductor Equipment		
85,000	NVIDIA Corporation	5,990	43,950
	Software		
9,000	Constellation Software Inc.	11,598	13,796
400,000	The Descartes Systems Group Inc.	10,317	28,668
470,000	Lightspeed POS Inc.	9,858	15,242
330,000	Open Text Corporation	4,916	19,024
	Technology Hardware, Storage & Peripherals		
52,000	Apple Inc.	1,971	25,818
	Total Information Technology	64,949	288,774
	Materials (13.4%)		
	Chemicals		
275,000	Methanex Corporation	7,109	6,738
	Containers and Packaging		
240,000	CCL Industries Inc., B NV	6,628	10,531
500,000	IPL Plastics Inc.	6,750	2,720
	Metals & Mining		
1,800,000	First Quantum Minerals Ltd.	11,566	19,476
290,000	Franco-Nevada Corporation	13,258	54,998
2,000,000	Hudbay Minerals Inc.	11,199	8,220
1,200,000	Lundin Mining Corporation	8,182	8,736
410,000	Teck Resources Limited, B SV	12,327	5,830
	Paper & Forest Products		
385,000	Norbord Inc.	9,976	11,931
	Total Materials	86,995	129,180

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Real Estate (2.7%)		
	Real Estate Management & Development		
100,000	FirstService Corporation	12,156	13,675
4,000,000	StorageVault Canada Inc.	10,600	12,760
	Total Real Estate	22,756	26,435
	Utilities (0.7%)		
	Multi-Utilities		
190,000	Canadian Utilities Limited, A NV	2,140	6,422
	Total Utilities	2,140	6,422
	Transaction costs	(843)	-
	Total investments (97.7%)	477,671	940,698
	Cash (2.3%)		22,622
	Investment portfolio (100.0%)		963,320

LV: limited voting

NV: non-voting

SV: subordinate voting

The accompanying notes are an integral part of these financial statements.

1 General Information

Canadian General Investments, Limited (CGI or the Company) is domiciled in Canada and incorporated under the laws of Ontario, Canada. The address of its registered office is 10 Toronto Street, Toronto, Ontario, Canada, M5C 2B7.

CGI is a closed-end equity fund focussed on medium- to long-term investments in primarily Canadian corporations. Its objective is to provide better than average returns to investors through prudent security selection, timely recognition of capital gains and appropriate income-generating instruments.
The Company's investment and administration activities are managed by Morgan Meighen & Associates Limited (the Manager).

The Company's common and preference shares are publicly listed and trade on the Toronto Stock Exchange (symbols CGI, CGI.PR.D). The common shares also trade on the London Stock Exchange (symbol CGI). The closing price of the common shares on June 30, 2020 was $25.90.

These financial statements were authorized for issue by the Board of Directors on July 16, 2020.

2 Basis of Presentation

The Company's interim financial statements for the six months ended June 30, 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS), including the application of International Accounting Standard 34 Interim Financial Reporting, and follow the same accounting policies and methods of computation as the most recent annual financial statements.

3 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

3.1 Financial assets and financial liabilities

Classification

The Company recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Investment transactions are recorded on the trade date. The Company measures securities at fair value through profit or loss (FVTPL). The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company and the Manager are primarily focussed on fair value information and use that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at FVTPL.

All other financial assets and liabilities are classified as amortized cost or financial liabilities, as applicable, and are measured at amortized cost and reflect the amount to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. Publicly listed securities are valued at the last traded market price on the reporting date, where the last traded price falls within the day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Company's policy is to recognize transfers into and out of the fair value hierarchy as of the date of the event or change in circumstances giving rise to the transfer.

Unlisted securities that trade on an over-the-counter market and other securities, in special circumstances where a market quotation is not readily available or is considered inappropriate (such as a stale price), are valued using available sources of information and commonly used valuation techniques, using primarily observable inputs. The Company considers observable inputs to be market data that is readily available, regularly distributed or updated, reliable and verifiable, and provided by independent sources.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

3.2 Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at period-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. The Canadian dollar is the Company's functional and presentation currency.

3.3 Investment income

Dividend income is recorded on the ex-dividend date. Interest is recognized on an accrual basis. Securities lending revenue is recognized as earned.

3.4 Securities lending

Securities lent are not derecognized in the Company's statement of financial position as the Company retains substantially all the risks and rewards of ownership.

3.5 Cash

Cash is comprised of demand deposits with reputable financial institutions.

3.6 Preference shares

The Company classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Company has one series of its Class A preference shares in issue: Series 4. The preference shares have priority over the common shares with respect to the payment of dividends and the return of capital and the distribution of assets in the event of liquidation. The preference shares provide investors with the right to require redemption, or the right for the Company to redeem, for cash at values and dates set out in the table in note 7 and also in the event of the Company's liquidation.

The preference shares are classified as financial liabilities and are stated at amortized cost using the effective interest method.

3.7 Increase (decrease) in net assets from operations, per common share

The increase (decrease) in net assets from operations, per common share is calculated by dividing increase (decrease) in net assets from operations by the weighted-average number of common shares outstanding during the period.

3.8 Taxation

The Company qualifies as an investment corporation under Section 130 of the Income Tax Act (Canada) (the Act) and, as such, is subject to a reduced rate of income tax on its net investment income other than dividends received from taxable Canadian corporations. Taxes paid on taxable dividends paid from corporations resident in Canada are refundable on the payment of taxable dividends to shareholders related to these dividends.

Income taxes are paid by the Company on net capital gains realized at the rate of approximately 20%. These income taxes are recoverable by the Company as long as it continues to qualify as an investment corporation and pays out sufficient dividends related to these realized gains. Refundable income taxes paid or recovered are recorded as an expense or recovery in the period in which such tax becomes payable or receivable.

In addition, temporary differences between the carrying values of assets and liabilities for accounting and income tax purposes give rise to deferred income tax assets and liabilities. The most significant temporary difference is that between the reported fair value of the Company's investment portfolio and its adjusted cost base (ACB) for income tax purposes. To the extent that the fair value of the Company's portfolio exceeds its ACB, a deferred tax liability arises which is fully offset by the future refundable taxes available to the Company as an investment corporation. Conversely, when the ACB exceeds the fair values of the portfolio, a deferred tax asset is generated. A deferred tax asset is also generated to the extent that the Company has available and unutilized capital and non-capital tax losses. However, these net deferred tax assets have not been recorded in the statements of financial position since, with the exception of refundable income taxes described above, the Company does not record income taxes since it is in substance not taxable.

3.9 Investment in associates and subsidiaries

The Company has determined that it meets the definition of "investment entity". An investment entity is an entity that (i) obtains funds from one or more investors for the purpose of providing them with investment management services; (ii) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and (iii) measures and evaluates the performance of substantially all of its investments on a fair value basis. The most significant judgement that the Company has made in determining that it meets this definition is that fair value is used as the primary measurement attribute to measure and evaluate the performance of substantially all of its investments.

Subsidiaries are entities over which the Company has control through its exposure or rights to variable returns and has the ability to affect those returns through its power over the entities. As the Company meets the definition of an investment entity, all subsidiaries, if any, are measured at FVTPL. The Company's investments may also include associates over which the Company has significant influence and these are measured at FVTPL. As at June 30, 2020 and December 31, 2019, the Company has no subsidiaries.

4 Critical Accounting Estimates & Judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

5 Financial Risk Management

5.1 Financial risk factors

In the normal course of operations, the Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and price risk). In general, the Manager seeks to minimize the potential adverse effects of these risks on the Company's performance by employing professional, experienced portfolio managers, by ongoing monitoring of the Company's positions and market events, and by diversifying the investment portfolio within the policies and guidelines set by the Board of Directors of the Company, in a manner consistent with the investment objective. Pursuant to the Manager's bottom-up selection mandate, security selection is the primary criteria for managing risk. In order to mitigate risk, depending on conditions, the Manager considers other criteria such as asset class, industry, country and currency.

The continued worldwide spread of novel coronavirus (COVID-19) and its impact on such factors as business operations, supply chains, travel, commodity prices and consumer confidence, and the associated impact on domestic and international equity markets and fixed income yields, is expected to have a significant impact on the value of investments held by the Company during the remainder of 2020, and potentially beyond. While it is too early to predict the overall impact of COVID-19 related factors, during a time of increased certainty and volatility, financial results are expected to be negatively affected in the near-term.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's main exposure to credit risk may consist of investments in debt instruments, including short-term securities, bonds, preferred shares, interest and dividends receivable, amounts due from brokers as well as securities on loan as part of the Company's securities lending program. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of cash, interest and dividend receivable and other assets represents the maximum credit risk exposure as at June 30, 2020 and December 31, 2019. As at June 30, 2020 and December 31, 2019, the Company had no investments in debt instruments.

Credit risk related to cash is considered low as it is held at AA-rated Canadian banks (consistent with prior year). All transactions in securities are settled/paid for on delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the Company's custodian has received payment. Payment is made on a purchase once the securities have been received by the Company's custodian. The trade will fail if either party fails to meet its obligation.

Credit risk with respect to the Company's securities lending program is considered minimal given the nature of the collateral, as well as the indemnification provided by the agent administering the program (note 13).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

As the Company is a publicly traded, closed-end investment fund with a fixed number of common shares outstanding, unlike an open-ended mutual fund, it is not exposed to the liquidity risk associated with daily cash redemptions of securities. However, as part of a leverage strategy, the Company currently has one series of Class A preference shares outstanding: Series 4 for $75 million with a redemption date of June 15, 2023 and a $100 million, non-revolving, one-year bank facility. Although this bank facility initially had an evergreen feature, which allowed the Company to continue use of the facility indefinitely (beyond the initial one-year term), on May 12, 2020, the Company received notice from the lender that the facility was being converted to a fixed term facility with a maturity date of May 12, 2021. Included in the bank loan covenants is an asset coverage restriction requiring that the net assets divided by the principal amount of the bank loan be greater than 3.0 times. The Company was in compliance with the covenant during the periods ended June 30, 2020 and December 31, 2019. Included in the Series 4 preference share provisions is a restriction which precludes payment of a common share dividend unless, after giving effect thereto, the ratio of assets to obligations (both as defined in the preference share prospectus) exceeds 2.5 times. At June 30, 2020 the ratio was 5.5 times (December 31, 2019 - 5.4 times). As at June 30, 2020, the combined leverage represented 22.2% of CGI's net assets (December 31, 2019 - 22.7%), while the bank loan represented 12.7% of CGI's net assets (December 31, 2019 - 13.0%).

Liquidity risk is managed by investing the majority of the Company's assets in investments that are traded in an active market and which can be readily disposed of, and by retaining sufficient cash and cash equivalent positions to maintain liquidity. Restricted and unlisted securities, if any, are identified in the schedule of investment portfolio. There are no restricted securities as at June 30, 2020 or December 31, 2019.

Leverage decisions, whether in the form of bank borrowings or bond or preference share issues from treasury, are at the discretion of the Company's Board of Directors.

As at June 30, 2020, all financial liabilities of the Company, except for the Class A preference shares, Series 4, fall due within twelve months. As at December 31, 2019, all financial liabilities of the Company, except for the Class A preference shares, Series 4, and bank loan, fall due within twelve months.

Market risk

The Company's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following include sensitivity analyses that show how the net assets would have been affected by a possible change in the relevant risk at each reporting date. In practice, the actual results may differ and the differences could be material.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest-bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Although the Company may invest in interest-bearing financial instruments, the substantial majority of the Company's financial assets are non-interest bearing or have short maturities. As a result, the Company is not subject to significant amounts of risk on its investments due to fluctuations in the prevailing levels of market interest rates.

As at June 30, 2020 and December 31, 2019, the Company had no investments in debt instruments.

The Company's most significant financial liabilities are its Class A preference shares and bank loan.

The Company's Class A preference shares outstanding have a fixed coupon rate. While they themselves do not subject the Company to interest rate risk, any new issues, whether or not in connection with the redemption date of the preference shares, will be subject to the prevailing interest rate environment at that time.

With respect to the Company's bank loan, interest rates on these borrowings are short-term. For the six months ended June 30, 2020, a 1% increase or decrease in the interest rate, with all other variables held constant, would have resulted in the interest and financing charges increasing or decreasing, respectively, by approximately $498,000.

Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar. The Company is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. Securities trading in foreign markets are also exposed to currency risk, as the price in local terms in the foreign market is converted to Canadian dollars to determine fair value. The Company's policy is not to enter into any hedging arrangements.

As at June 30, 2020, the Company`s investment portfolio had a 24.3% (December 31, 2019 - 20.8%) weighting in U.S. dollars. As at June 30, 2020, had the Canadian dollar strengthened or weakened by 5% in relation to all currencies represented in the portfolio, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately $11,693,000 or approximately 1.5% (December 31, 2019 - $9,845,000 or approximately 1.3%).

Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to an individual investment or its issuer, or by factors affecting all similar instruments traded in a market or market segment. All securities present a risk of loss of capital. The Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy and by maintaining a well diversified portfolio. The maximum risk resulting from financial instruments is equivalent to their fair value. The Company's equity and debt (if any) instruments are susceptible to other price risk arising from uncertainty about future prices of the instruments.

As at June 30, 2020, a 5% increase or decrease in market prices in the investment portfolio, excluding cash and short-term securities, with all other variables held constant, would have resulted in the Company's net assets increasing or decreasing, respectively, by approximately $47,035,000 or approximately 6.0% (December 31, 2019 - $46,297,000 or approximately 6.0%).

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Company's concentration by sector in the investment portfolio:

Industry sector	June 30, 2020	December 31, 2019
Information Technology	30.0%	22.9%
Industrials	18.9%	19.0%
Consumer Discretionary	14.5%	14.8%
Materials	13.4%	14.4%
Financials	8.5%	10.0%
Energy	5.4%	8.5%
Real Estate	2.7%	2.8%
Communication Services	2.5%	2.9%
Cash	2.3%	2.2%
Health Care	1.1%	1.7%
Utilities	0.7%	0.8%
	100.0%	100.0%

Sensitivity analyses are provided for information purposes only. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

5.2 Capital risk management

The Company considers capital to be composed of its equity, as well as its outstanding preference shares and bank loan. The Company's primary objective when managing its capital is to ensure that activities are carried out in accordance with the investment objective of the Company, as described in note 1. In addition, the Company monitors its adherence to the provisions of its outstanding Class A preference shares and bank loan. In particular, included in the preference shares provisions is a dividend payment restriction, which provides that the Company shall not pay a dividend on its common shares unless after giving effect thereto, the ratio of assets to obligations (both as defined in the preference share prospectus) exceeds 2.5 times. All common share dividend payments made in 2020 and 2019 were in compliance with this provision. Included in the bank loan covenants is an asset coverage restriction requiring that the net assets divided by the principal amount of the bank loan be greater than 3.0 times. The Company was in compliance with this covenant during the period ended June 30, 2020 and the year ended December 31, 2019.

5.3 Fair value measurements

The Company classifies its investments within a fair value hierarchy, based on the inputs used in their fair value measurement. The hierarchy of inputs is summarized below:

Level 1: Unadjusted quoted prices at the measurement date in active markets for identical assets

Level 2: Directly or indirectly observable inputs other than quoted prices included in Level 1, such as quoted prices for identical or similar assets in markets that are not active

Level 3: Inputs for the assets that are not based on observable market data

Level 2 investments include positions that are not traded in active markets and/or subject to transfer restrictions, and valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information and commonly used valuation techniques.

All other financial instruments of the Company, which may include cash, receivable on securities sold or payable on securities purchased, interest and dividends receivable, accounts payable and accrued liabilities, accrued dividends on preference shares, bank loan and preference shares are carried at amortized cost.

(in thousands of dollars)	Level 1	Level 2	Level 3	Total
As at June 30, 2020				
Financial assets at FVTPL:				
Investments	940,698	-	-	940,698
As at December 31, 2019				
Financial assets at FVTPL:				
Investments	925,946	-	-	925,946

During the six months ended June 30, 2020 and the year ended December 31, 2019, there were no investments transferred between the levels.

The Manager is responsible for performing fair value measurements included in the financial statements of the Company, including Level 3 measurements, if any. The Manager obtains pricing from a third party pricing vendor.

6 Bank Loan

On June 5, 2019, the Company entered into an amended and restated credit agreement with a Canadian chartered bank for a $100.0 million one-year non-revolving term credit facility. $93,000 of debt-issuance costs incurred on the facility has been capitalized and is being amortized (December 31, 2019 - $133,000). Amounts may be borrowed under this facility through prime-rate loans, which bear interest at the greater of the bank's prime rate and the Canadian Deposit Offered Rate (CDOR) plus 1.00% per annum, or bankers' acceptances, which bear interest at CDOR plus 0.75% per annum. Accrued interest as of June 30, 2020 amounts to $90,000 (December 31, 2019 - $187,000). Although this facility initially had an evergreen feature, which allowed the Company to continue use of the facility indefinitely (beyond the initial one-year term), provided the bank has not given the Company one-year's notice that it is terminating the facility, on May 12, 2020, the Company received notice from the lender that the facility was being converted into a fixed-term facility with a maturity date of May 12, 2021.

The credit agreement had replaced an agreement for a $75.0 million non-revolving, three-year fixed-rate facility that commenced on June 9, 2016 and was scheduled to mature on June 6, 2019, which bore interest at 2.28% per annum. Both facilities are/were secured with a first-ranking charge on the Company's property and assets, including the investment portfolio and requires the Company to comply with certain covenants including maintenance of asset coverage ratios. The Company was in compliance with all of the covenants as at June 30, 2020 and December 31, 2019.

Bank loan consists of the following:

(in thousands of dollars)	June 30, 2020	December 31, 2019
Bankers' acceptances, maturing September 4, 2020	99,672	-
Three-year fixed rate loan, maturing June 5, 2020	-	98,618
Less: Unamortized debt-issuance costs	89	55
	99,583	98,563

7 Preference Shares

The Company is authorized to issue, in series, a class of preference shares of which the following are outstanding:

Class A preference shares	June 30, 2020 Number of shares	December 31, 2019 Number of shares	Stated amount per share $	Cumulative annual dividend rate %	Date of issue	June 30, 2020 Amount $ (In thousands)	December 31, 2019 Amount $ (In thousands)
Series 4	3,000,000	3,000,000	25.00	3.75	May 30, 2013	75,000	75,000
						75,000	75,000
Deferred issuance costs (net of amortization of $1,246,000 (December 31, 2019 - $1,143,000))						632	735
						74,368	74,265

The Company may redeem for cash, the Series 4 shares, in whole or in part, at the following prices during the defined periods:

	$25.50	$25.25	$25.00
Series 4	June 15, 2020 to June 14, 2021	June 15, 2021 to June 14, 2022	June 15, 2022 and thereafter(1)

(1) The holders may require the Company to redeem the Series 4 shares on or after June 15, 2023 for a cash price of $25.00 per share.

Subsequent to June 30, 2020, the Company declared a quarterly dividend of $0.23438 per share payable on September 15, 2020 to Series 4 shareholders of record at the close of business on August 31, 2020.

8 Share Capital

Common shares

The Company is authorized to issue an unlimited number of common shares. As at June 30, 2020, there are 20,861,141 (December 31, 2019 - 20,861,141) common shares issued and outstanding with no par value.

Subsequent to June 30, 2020, the Company declared a quarterly dividend of $0.21 per share payable on September 15, 2020 to common shareholders of record at the close of business on August 31, 2020.

9 Income Taxes

As at June 30, 2020, the Company had federal refundable capital gains taxes on hand of approximately $2,912,000 (December 31, 2019 - $1,755,000), which are refundable on payment of capital gains dividends of approximately $20.8 million (December 31, 2019 - $12.5 million) and Ontario refundable capital gains taxes on hand of approximately $1,882,000 (December 31, 2019 - $1,371,000), which are refundable on payment of capital gains dividends of approximately $32.7 million (December 31, 2019 - $23.8 million).

The Company is also subject to a special tax of 38-1/3% 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 $0.3833 for each $1 of such dividends paid. The Company has $1,317,000 of refundable dividend tax on hand as at June 30, 2020 (December 31, 2019 - $2,436,000).

The Company's refundable income tax recovery during the period is determined as follows:

(in thousands of dollars)	2020	2019
Provision for income taxes on investment income before income taxes		
Provision for income taxes based on combined Canadian federal and provincial income tax rate of 39.5%	10,437	61,930
Increase (decrease) in income taxes resulting from:		
Dividends from taxable Canadian companies	(2,824)	(2,612)
Dividends on preference shares	552	552
Net change in unrealized gain	(2,676)	(63,931)
Non-taxable portion of net realized gains (losses)	(3,866)	1,063
Decrease in refundable dividend tax on hand	(1,119)	(1,270)
Differences arising from use of different cost bases for income tax and accounting purposes and other items	73	-
Non-recoverable taxes on taxable losss	-	1,916
Refundable income tax expense (recovery)	577	(2,352)

In accordance with the Act, a corporation can qualify as an investment corporation if certain tests are satisfied. One of the tests is that the corporation cannot have specified shareholders. A specified shareholder is generally a shareholder, who, along with certain persons to whom the shareholder is considered to be related, has a greater than 25% shareholding. The Company has had specified shareholders since June 20, 1996. The specified shareholder rules of the Act generally allow the Company to maintain its investment corporation status as long as it does not have any specified shareholders other than those specified shareholders existing on June 20, 1996. In addition, the specified shareholders as at June 20, 1996 cannot, after that date, contribute capital or acquire additional shares of the Company other than through certain specified transactions.

10 Withholding Taxes

The Company incurs withholding taxes imposed by certain countries on investment income. Such income or gains are recorded gross of withholding taxes in the statements of comprehensive income. Withholding taxes are shown as a separate item in the statements of comprehensive income. During the six months ended June 30, 2020, the average withholding tax rate paid by the Company was 15.0% (December 31, 2019 - 15.0%).

11 Financial Instruments by Category

The following tables present the carrying amounts of the Company's financial instruments by category. All the Company's financial liabilities were carried at amortized cost:

(in thousands of dollars)	Financial assets at FVTPL	Financial assets at amortized cost	Total
June 30, 2020			
Cash	-	22,622	22,622
Investments	940,698	-	940,698
Interest and dividends receivable	-	863	863
	940,698	23,485	964,183
December 31, 2019			
Cash	-	21,041	21,041
Investments	925,946	-	925,946
Interest and dividends receivable	-	1,102	1,102
	925,946	22,143	948,089

All gains and/or losses recorded on the statement of comprehensive income relate to investments measured at fair value through profit or loss.

12 Related Party Information

Third Canadian General Investment Trust Limited (Third Canadian) owns 36.6% of the common shares of the Company, and is therefore considered a related party. Jonathan A. Morgan and Vanessa L. Morgan, both directors and executive officers of the Company, beneficially own directly or indirectly or exercise control or direction over an aggregate of 100% of the common shares of Third Canadian. Including the holding by Third Canadian, Mr. Morgan and Ms. Morgan together own directly or indirectly or exercise control or direction over an aggregate of 52.5% of the outstanding common shares of the Company, making them the ultimate controlling party.

Transactions with related entities

Management fees

The Company's activities are managed by the Manager pursuant to a management agreement dated July 18, 2018. Mr. Morgan and Ms. Morgan together own directly or indirectly 85%, and are both directors and executive officers, of the Manager. Management fees are paid monthly to the Manager for services received in connection with the management of the Company's financial accounts and investment portfolio, among other services. These fees are calculated monthly at 1% per annum of the fair value of the Company's investments adjusted for cash, portfolio accounts receivable and portfolio accounts payable. Values for fee calculation purposes are determined on the basis of the financial statements of the Company as at the last day of the applicable month.

During the six months ended June 30, 2020, $5,044,000 (2019 - $4,824,000) was paid to the Manager with $908,000 accrued and included in accounts payable and accrued liabilities as at June 30, 2020 (December 31, 2019 - $893,000).

Dividends

As a result of its ownership position in the Company, during the six months ended June 30, 2020, Third Canadian received dividends from net investment income of $3,205,000 (2019 - $3,052,000).

Key management personnel compensation

No compensation was paid or is payable by the Company to any executive of the Manager in his or her capacity as a director or officer of the Company.

During the six months ended June 30, 2020, the independent directors of the Company received directors' fees aggregating $120,000 (2019 - $108,000) from the Company. No other compensation was paid or is payable to the directors of the Company for the six months ended June 30, 2020, except for compensation paid by the Company in respect of such persons acting as members of the Independent Review Committee for the Company, aggregating $17,000 (2019 - $17,000).

13 Securities Lending

The Company participates in a securities lending program with its custodian, CIBC Mellon Trust 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 fair 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 fair value of the securities not returned, the custodian shall indemnify the Company for any such shortfall.

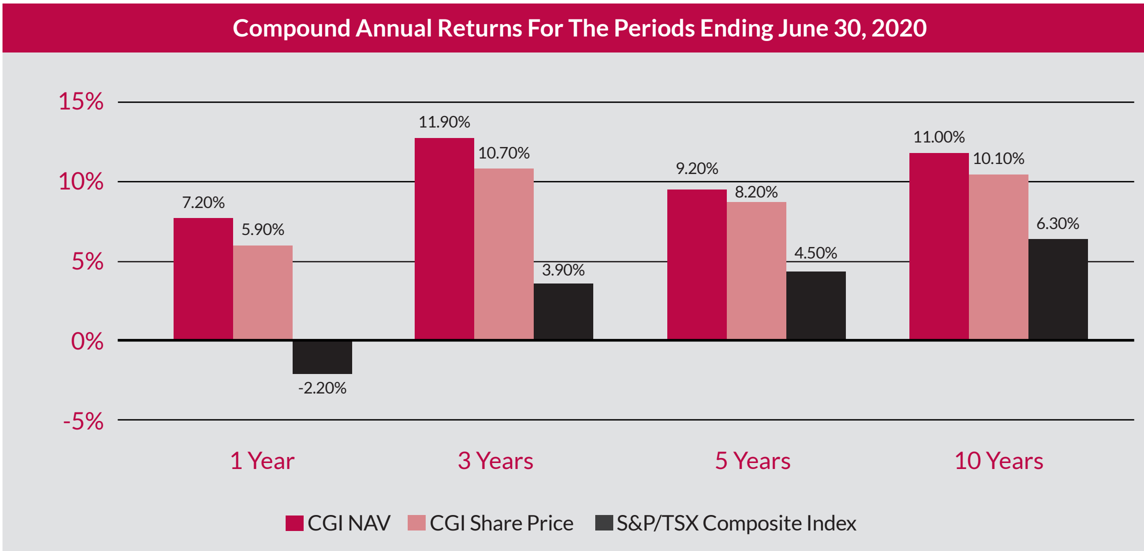
At June 30, 2020, the Company had loaned securities with a fair value of $73,921,000 (December 31, 2019 - $52,940,000) and the custodian held collateral of $77,017,000 (December 31, 2019 - $54,513,000). This collateral is not reflected in the statements of financial position and consisted of the following:

	June 30, 2020	December 31, 2019
Securities lending collateral		
Federal government debt securities	64.0%	15.0%
Provincial government debt securities	28.8%	62.7%
U.S. government debt securities	7.2%	22.3%
	100.0%	100.0%

A reconciliation of the gross earnings from securities lending to the net earnings from securities lending is as follows:

(in thousands of dollars)	June 30, 2020		June 30, 2019	
Gross securities lending earnings	1,489	100.0%	2,275	100.0%
Fees	(549)	(36.9%)	(916)	(40.3%)
Withholding taxes	(7)	(0.4%)	-	(0.0%)
Net securities lending earnings	933	62.7%	1,359	59.7%

Additional Charts



U.K. SHAREHOLDER INFORMATION

Shore Capital are the Company's official stockbrokers in the United Kingdom. They can be contacted for market-making and share trading on the London Stock Exchange. They can be reached at:

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DIVIDENDS AND WITHHOLDING TAX

CGI pays two types of dividends to common shareholders: regular (taxable) dividends and capital gains dividends. At present, for dividend payments to U.K. shareholders, regular dividends are generally subject to withholding tax of 15%, whereas capital gains dividends are not subject to any withholding tax.

Managed by:

MORGAN MEIGHEN & ASSOCIATES Investment Management

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