

CANADIAN REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
100 University Avenue, 9th Floor
Toronto, Ontario, Canada M5J 2Y1
Telephone:

Canada & U.S.: 1-800-564-6253

Overseas: 1-514-982-7555

Fax:

Canada & U.S.: 1-888-453-0330

Overseas: 1-416-263-9394

e-mail: mmamail@computershare.com

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

U.K. TRANSFER AGENT

Computershare Investor Services PLC
P.O. Box 82

The Pavilions, Bridgwater Road
Bristol, BS99 7NH United Kingdom

Telephone: 0870 702 0000

Fax: 0870 703 6119

e-mail: web.queries@computershare.co.uk

STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange

Trading Symbols:

Common Shares CGI

Preference Shares,

Series 1 CGI.PR.A

Series 2 CGI.PR.B

Series 3 CGI.PR.C

The London Stock Exchange

Trading Symbols:

Common Shares CGI



CGI

Canadian General Investments,
Limited



OVER 75 YEARS OF CANADIAN SUCCESS

Managed by:



MorganMeighen

& ASSOCIATES

Investment Managers

CANADIAN GENERAL INVESTMENTS, 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: cgifund@mmainvestments.com
website: www.mmainvestments.com

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THIRD QUARTER
SHAREHOLDER UPDATE

September 30, 2007

GENERAL COMMENTARY

Reflecting on the first nine months of 2007, CGI has been riding familiar market corrections and rallies much as it did in 2006. A strong start took us into double digit returns, well outpacing the benchmark. We then toyed similarly with negative results before a new uplift in metals stocks started to take us to better levels again. At September 30, we were recording a 7.9% total return year to date vs 11.2% for the benchmark S&P/TSX Composite Index. However, two weeks into the final quarter the positive effect of CGI's low cost leverage, provided by its preferred shares, was dramatically evident, as we started to rally at approximately twice the pace of the benchmark.

The big highlight for Canada near quarter end was, of course, the elimination of the 30-year gap between the Canadian and the U.S. dollars. In our view, this is an exhilarating event, whereas previously fear stalked the land. Two years ago our economic thinkers commonly predicted that stress caused by a strong advance from 65 cents to beyond 75 cents would be hardly bearable. Instead, Canada has near full employment, healthy finances and a world leading resources engine, of about 45% index weighting that is powering the market.

The market experienced one of its normal corrections in the slower summer season. Many corporations have been recording good earnings and the market shows resilience in the face of the sub-prime woes, asset backed money markets and the fear of a slowing U.S. economy.

There are plenty of positive offsets, not least the vigour of the internet economy, low cost stock trading by a growing investor class and substantial liquidity possessed by an ever-growing professional funds sector.

The market's moves may never become smooth, but we remain confident in long-term growth in the Canadian equities market. This should continue to benefit all of our shareholders, together with our substantial dividends tradition subject to Board determination.

We would also hope that CGI, the only internationally listed Canada fund, will continue to be considered as a special North American investment alternative for international investors.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

MINES ADVANCE

The pull back in markets through the past quarter was widespread. Healthy gains in Canadian stocks should have led to a healthy correction. We are now experiencing some reawakening of the bull run. For the metals, in particular, we had anticipated this – accompanied by tightening inventories and the likelihood of extended demand from China and others.

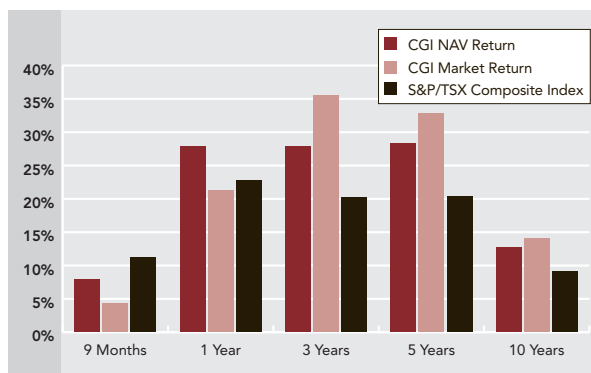
Helping to counter the onset of weakness, demand should stay firm in growth regions such as China and other Asian countries and also across the developed world. In addition, great difficulty will continue for the extractive industries by way of manpower and equipment scarcity and the associated escalation of costs. After low levels of development for more than a decade, the materials sector was caught short and it takes many years to establish great new mines, thus curtailing supply growth.

URANIUM UPDATE

Uranium, arguably, remains the most problematic on the supply side, but has shared heavily in the stock market and metals correction, despite the normalcy of the slow summer buying season, as the power stations had stocked their fuel needs for the balance of the year.

The shortage of uranium is severe enough for hundreds of junior explorers to be at work across Canada. Of these, Aurora Energy Resources is building an impressive portfolio of assets in central Labrador across territory first explored and deemed economic by Brinex, the British

Compound Annual Returns for the
Periods Ending September 30, 2007



Newfoundland company, in much earlier decades. UEX Corporation and JNR Resources Inc. have ultra high grade findings in the Athabasca Basin. Their development likely will depend on where the major developers, Cameco and France's Areva, fit them on their agendas. CGI holds most of these companies as well as the producers Cameco, Denison and Paladin.

GOLD — THE NEW STAR

In all metals and minerals, the portfolio is well positioned, with some increase lately in gold, currently a focus of the market, through purchases in Freeport-McMoRan Copper & Gold Inc. and in Seabridge Gold Inc., which applies a new concept. Seabridge is building a pre-production portfolio of assets as a store of gold for its shareholders, presumably with a "for sale" notice in mind. We added to the Yamana Gold Inc. position and also bought Peak Gold, which was spun off from Goldcorp.

We continue to hold mining firms that have domestic and international growth, some favoured examples being FNX Mining Company Inc., HudBay Minerals Inc. and Lundin Mining Corporation. Imperial Metals Corporation was bought after announcing significant new copper reserves in western Canada. Imperial Metals is making a lot of money and is covered by few researchers. These are mid-tier mining companies that are in grow mode.

SUMMARY OF INVESTMENT PORTFOLIO

as at September 30, 2007

The following Net Asset Value data has all been presented using the NAV (as opposed to the GAAP NAV).

Sector Allocation	Asset Allocation		Asset Allocation	
	% of Net Assets*	% of Investment Portfolio	% of Net Assets*	% of Investment Portfolio
Financials	30.2	23.3	Canadian Equities	114.9
Energy	27.7	21.4	Canadian Income Trusts	5.7
Materials	27.6	21.4	Foreign Equities	3.3
Industrials	13.6	10.5	Limited Partnerships	3.1
Consumer Discretionary	10.5	8.1	Cash & Cash Equivalents	1.4
Information Technology	6.6	5.1	Preferred Shares	1.4
Telecommunication Services	5.5	4.2		
Consumer Staples	3.4	2.6		
Utilities	2.0	1.5		
Cash & Cash Equivalents	1.4	1.1		
Health Care	1.3	1.0		

AGRICULTURE

In our participation in the strong grain/ethanol-linked themes, we are holders of the main Canadian fertilizer stocks, Agrium Inc. and Potash Corporation. Prior to quarter end, we bought shares in Cervus LP, a little known income trust vehicle that has been purchasing distributor outlets for Deere, Bobcat and other agriculture and excavation related equipment. Associated with agriculture, these companies join Viterra Inc., the former Saskatchewan Wheat Pool.

Other new holdings are: Aecon Group Inc., in construction, Alcoa Inc., replacing Alcan, Breakwater Resources Ltd., a zinc company reorganized, and Laurentian Bank of Canada, an improving smaller name among the banks.

THE BLACKBERRY FUTURE

One of our best performers in the latest quarter was Research In Motion Limited. The current holding showed an unrealized gain of nearly \$24 million and has since been moving higher. We believe RIM and its Blackberry are still building a bigger future.

The CGI portfolio is structured to capture many other significant advances to extend its multi-year bull run, mainly founded on a strong Canadian market.

On behalf of the Manager,

Michael A. Smedley
CEO & Chief Portfolio Officer

D. Greg Eckel
Senior Vice-President

SUMMARY OF INVESTMENT PORTFOLIO (CONTINUED)**Top 25 Holdings as at September 30, 2007**

Issuer (all Canada-based)	Sector	% of Net Assets*	% of Investment Portfolio
Research In Motion Limited	Information Technology	4.2	3.2
Rogers Communications Inc.	Telecommunication Services	3.5	2.8
Cameco Corporation	Energy	3.1	2.4
BPO Properties Ltd.	Financials	2.7	2.1
TSX Group Inc.	Financials	2.6	2.0
BMTC Group Inc.	Consumer Discretionary	2.5	1.9
Thompson Creek Metals Company Inc.	Materials	2.3	1.8
Russel Metals Inc.	Industrials	2.2	1.7
HudBay Minerals Inc.	Materials	2.2	1.7
Canadian Western Bank	Financials	2.1	1.6
Labrador Iron Ore Royalty Income Fund	Materials	2.1	1.6
Algoma Central Corporation	Industrials	2.1	1.6
FNX Mining Company Inc.	Materials	1.9	1.5
Enbridge Inc.	Energy	1.8	1.4
Corby Distilleries Limited	Consumer Staples	1.8	1.4
Caldwell New York Limited Partnership**	Financials	1.8	1.4
Husky Energy Inc.	Energy	1.8	1.4
Bourse de Montréal Inc.	Financials	1.7	1.3
Denison Mines Corporation	Energy	1.6	1.2
Shaw Communications Inc.	Consumer Discretionary	1.6	1.2
Brookfield Asset Management Inc.	Financials	1.6	1.2
TransCanada Corporation	Energy	1.6	1.2
Ritchie Bros. Auctioneers Incorporated	Industrials	1.5	1.2
Addax Petroleum Corporation	Energy	1.4	1.1
Economic Investment Trust Limited	Financials	1.4	1.1
		53.1*	41.0
Total Net Assets* (\$000's)			\$701,420
Total Investment Portfolio* (\$000's)			\$908,594

* Total Net Assets represents Total Investment Portfolio adjusted for leverage in the form of preference shares (\$210 million), other assets and other liabilities. The Total Investment Portfolio includes a payable on securities purchased of \$2.3 million.

** The primary underlying assets of Caldwell New York Limited Partnership and Caldwell New York LP IV are shares in NYSE Euronext. In aggregate, CGI's holding in these two limited partnerships represents 3.1% of Net Assets, or 2.4% of the Investment Portfolio.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Company. The most recent quarterly portfolio disclosure may be obtained by visiting the Manager's web site at www.mmainvestments.com, by calling 416-366-2931 (Toll-free: 1-866-443-6097), or by writing to the Company at 110 Yonge Street, Suite 1601, Toronto, Ontario, Canada, M5C 1T4.

Certain financial information contained in this report, including investment growth rates, rates of return and other such statistical information are historical values; past performance is no assurance or indicator of future returns. Share prices, net asset values and investment returns will fluctuate. Stated historical returns assume the reinvestment of all distributions. Such financial information does not reflect any broker commissions, transaction costs or such other fees and expenses which may have been applicable nor income taxes payable by any shareholder, which would have the effect of reducing such historical returns. Stated returns for periods greater than one year are compound average annual rates of return. Further information concerning risk can be found in the Management Report of Fund Performance of the Annual Report to Shareholders.

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