

CANADIAN GENERAL
INVESTMENTS, LIMITED
CORPORATE INFORMATION

OFFICE OF THE COMPANY
110 Yonge Street,
Suite 1601 Toronto,
Ontario, Canada
M5C 1T4
Telephone (416) 366-2931
1-800-207-0067
Fax (416) 366-2729
e-mail:
cgifund@mma-investmgr.com
website:
www.mma-investmgr.com

STOCK EXCHANGE LISTINGS
The Toronto Stock Exchange
Trading Symbols:
Common shares CGI
Preferred shares CGI.PR.A
Warrants CGI.WT

The London Stock Exchange
Reuters Symbols:
Common shares CGIq.L
Warrants CGI %q.L
Representative U.K. Broker
HSBC James Capel

The Corporation calculates and releases its net asset value per share (NAV) on a daily basis. The NAV is published in various media in Canada, the United States and the United Kingdom.

DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

This Plan offers a unique low-cost opportunity for shareholders to increase their holdings in the Corporation, one of Canada's largest closed-end funds. Please contact the Plan administrator Montreal Trust Company of Canada for details.

STATEMENT OF INVESTMENTS
March 31, 1999

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
Communications & Media		
130,000	\$ 2,890	\$ 3,826
80,000	2,341	2,660
100,000	2,675	2,740
100,000	1,304	4,850
100,000	1,751	1,750
	<u>10,961</u>	<u>15,826</u>
Conglomerates		
200,000	4,705	3,580
	<u>4,705</u>	<u>3,580</u>
Consumer Products		
250,000	1,789	7,125
176,700	2,832	3,561
120,000	1,983	3,930
150,000	1,886	2,010
90,000	2,859	3,546
50,000	147	3,787
100,000	3,110	4,840
	<u>14,606</u>	<u>28,799</u>
Financial Services		
338,100	2,659	2,282
175,000	5,756	9,275
200,000		
	4,786	3,570
1,600	413	320
9,000	2,340	3,960
75,000	2,407	1,031
151,692	1,119	4,005
150,000	4,295	3,502
100,000	2,880	2,205
60,000	2,941	4,245
57,500	1,341	1,495
100,000	4,982	6,910
122,000	2,798	2,178
	<u>38,717</u>	<u>44,978</u>
Forest Products		
200,000	5,499	3,370
100,000	1,164	1,095
80,000	2,537	2,644
	<u>9,200</u>	<u>7,109</u>
Golds & Precious Metals		
90,150	1,082	1,668
90,000	1,515	1,777
320,000	4,322	6,448
38,000		
	-	817
	<u>6,919</u>	<u>10,710</u>

STATEMENT OF INVESTMENTS
March 31, 1999 (cont'd)

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
Industrial Products		
200,000	\$ 3,007	\$ 4,640
150,000	1,627	5,100
260,000	1,613	5,161
600,000		
	2,450	4,080
200,000	2,962	3,400
50,000	1,127	973
122,900	1,537	1,395
88,000	3,211	4,057
60,000	2,036	1,410
205,000		
	3,120	1,773
75,000	2,499	2,962
60,600	2,107	1,527
75,000	1,061	3,565
30,000		
	3,450	2,408
150,000	2,184	2,363
81,300	2,758	4,133
210,000	1,473	2,131
200,000	2,764	1,620
130,000	2,448	1,794
90,000	3,110	2,993
100,000	1,881	3,100
	<u>48,425</u>	<u>60,585</u>
Merchandising		
58,200		
	2,240	2,336
105,000	3,606	1,675
300,000	2,510	4,200
94,181	2,701	3,885
230,000	2,657	3,910
300,000	4,483	5,700
	<u>18,197</u>	<u>21,706</u>
Metals & Minerals		
75,000	3,434	2,914
300,000	3,471	597
100,000	2,155	2,110
8,000,000	1,046	960
1,500,000	1,262	630
150,000	2,613	2,445
61,750	3,826	3,541
242,500	33	2
220,000		
	2,246	2,178
331,900	3,859	1,328
215,000	4,062	3,343
466,000	2,331	816
	<u>30,338</u>	<u>20,864</u>

STATEMENT OF INVESTMENTS
March 31, 1999 (cont'd)

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
Oil & Gas		
300,000	\$ 1,673	\$ 1,410
101,600	1,087	1,057
90,000	962	1,202
100,000		
	1,949	1,860
100,000	2,464	44
90,000	1,457	2,583
147,400		
	2,093	737
175,000	2,632	3,351
200,000	3,153	3,530
150,000	720	85
250,000	1,656	4,225
126,800	2,631	6,435
270,000	2,241	1,728
	<u>24,718</u>	<u>28,247</u>
Pipelines		
33,100	2,257	2,213
263,000	6,603	5,063
70,000	2,121	2,072
	<u>10,981</u>	<u>9,348</u>
Real Estate		
139,900	1,779	1,994
600,000		
	450	486
100,000	2,405	2,570
	<u>4,634</u>	<u>5,050</u>
Transportation & Environment		
290,000	3,310	2,001
	<u>3,310</u>	<u>2,001</u>
Utilities		
140,000	3,126	9,345
78,308	3,327	2,897
51,103	1,949	1,827
100,000	2,342	4,685
90,000	4,074	3,420
257,900	3,852	4,861
40,000		
	1,651	1,606
67,900	1,882	2,512
130,000	2,127	2,366
75,000	2,909	3,443
200,000		
	5,046	5,130
2,200,000		
	2,200	2,299
225,000	3,962	4,939
	<u>38,447</u>	<u>49,330</u>

STATEMENT OF INVESTMENTS
March 31, 1999 (cont'd)

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
Preferred Shares		
155,000	\$ 3,404	\$ 3,154
69,000	1,404	1,139
425,000		
	969	1,062
	<u>5,777</u>	<u>5,355</u>
Total Investments - March 31, 1999		
	<u>\$269,935</u>	<u>\$313,488</u>
Total Investments - March 31, 1998		
	<u>\$211,458</u>	<u>\$312,375</u>

Changes from December 31, 1998
* New Holdings
+ Increased Holdings

INVESTMENT PORTFOLIO
TEN LARGEST INVESTMENTS
March 31, 1999

Company	Market Value (000's)	% of Market Value of Total Investment Portfolio
BCE, Inc.	\$ 9,345	3.0
CT Financial Services Inc.	9,275	3.0
Telesystem International Wireless Inc.	7,429	2.4
Euro-Nevada Mining Corporation Limited	7,265	2.3
A.L. Van Houtte Ltee.	7,125	2.3
The Toronto Dominion Bank	6,910	2.2
Suncor Energy, Inc.	6,435	2.1
Sobeys Canada Inc.	5,700	1.8
Falconbridge Limited	5,599	1.8
Bombardier Inc.	5,161	1.6
Totals	<u>\$70,244</u>	<u>22.5</u>

CANADIAN
GENERAL
INVESTMENTS,
LIMITED

1

MARCH 31, 1999
FIRST QUARTER
REPORT

REPORT TO SHAREHOLDERS

CGI finished the quarter in negative territory, with net assets decreasing by 1.4%, despite enjoying excellent gains in several top market performers, for example BCE Emergis Inc., up 145.5%, the best gain through the quarter. Other winners included TLC The Laser Centre, Shaw Communications, Seagram, TD Bank and Open Text.

Major moves by a narrow number of internet and "telecom" related stocks caused the TSE 300 and the TSE 100 to have positive returns in the first quarter ended March 31, 1999. In contrast, the majority of Canadian equity mutual funds had average returns of 1.3% meaning broad market representation generally resulted in lower returns. The TSE 300 Index eked out a 2.1% total return compared with 5.7% for the TSE 200 Index. The TSE 100 Index rose only 1.4%. As we move into the second quarter, gravity has started to play its role in some of the spectacular performers and the breadth is returning to the market.

FINANCIAL STATEMENTS

Net assets of \$267,709,000 at March 31, 1999 were down slightly from \$271,568,000 at December 31, 1998. Year-over-year, net assets showed a decrease of 15.7% from \$317,509,000 on March 31, 1998 as a result of the bearish trends in the market over the period. Basic net asset value per common share was \$14.52, compared to \$14.73 at year-end and \$17.22 a year ago. Fully-diluted net asset value per common share was \$13.59 at March 31, 1999.

Despite the significant decrease in net assets over the past twelve months, total assets increased by 2.3% to \$327,954,000 as a result of the new funds arising from the \$60 million preference share issue in early October 1998. Also, CGI had income taxes recoverable of \$9,663,000 at March 31, 1999, primarily due to the payment of significant capital gains dividends in 1998.

Improvement in total investment income continued through the latest quarter and was up 37.1% at \$1,560,000 versus \$1,138,000 a year ago.

Total expenses of \$1,916,000 for the first quarter of 1999 were 39.0% lower than for the same period in 1998; however, 1998 figures were distorted by the \$2,165,000 interest portion of a litigation payment related to the 1994 issuer bid. Preference share costs for the three months to March 31, 1999 were \$893,000.

TOP TEN

The substantial shift among CGI's top ten holdings in the latest quarter shows the mixed results produced by the market year to date. CT Financial, downgraded by the market after its failed takeover of a British Columbia credit union, vacated the top spot and was replaced by BCE, Inc. TD Bank made the best move in a sensational breakout in the financial services

group in recognition of its international discount broking empire second only to the Schwab organization. Imax fell abruptly out of the group on prediction of slower growth and other factors. TransCanada Pipelines withered and also left the list. Suncor recovered some lost ground but overall it was an unlucky "top ten" which might otherwise have given CGI solid outperformance.

MARKET ANALYSIS

Instead of a sudden broad reduction in high price earnings multiples, the market has singled out companies for 30-50% price collapses on quite modest downgrades in either growth or earnings projections as well as earnings shocks. Other companies untouched by such events have declined gently. Meanwhile, fresh money is coming into the market with the new online weaponry that has brought hundreds of thousands of day traders onto the scene. Online trading stocks and web stocks are the big draw. The vigour extends to the relatively more conventional voice and data transmission companies and related hardware manufacturers. We have yet to identify clear business winners and losers.

This activity is bringing all of the equipment manufacturers along at the same pace. Primary equipment suppliers are fewer and perhaps easier to assess including Canada's Northern Telecom, 36th among constituents of the TSE 300 Index with a first quarter gain of 22.7% but forming, with its parent company BCE, Inc., a 15% weighting in the index, a level of influence not seen since Alcan and Inco were the giants of a healthier resources sector many years ago.

These are some of the factors that confront the Corporation in managing its portfolio in the second quarter in which many sectors of the economy continue to be strong, public confidence is high, and interest rates and inflation continue to be low.

SHARE TRADING

CGI's common shares trended down through the quarter aligned with much of the general market including major banks. As CGI's portfolio assets declined at a slower pace, the discount at which the shares traded widened, averaging 13.6% through the quarter compared with 8.2% for the whole of 1998.

E. Louise Morgan

E. Louise Morgan
Chairman

Michael A. Smedley

Michael A. Smedley
President

CGI has adopted the new financial statement reporting format recommended in a Canadian Institute of Chartered Accountants Research Report for investment funds. Prior year figures have been restated to reflect the new format.

STATEMENT OF NET ASSETS

(Unaudited)

As at March 31,	1999	1998
	(000's)	
ASSETS		
Investments	\$313,488	\$312,375
Cash and short-term investments	2,747	8
Receivable on securities sold	-	3,327
Accrued interest and dividends	561	233
Income taxes recoverable	9,663	4,649
Deferred financing charge	1,495	-
Total Assets	327,954	320,592
LIABILITIES		
Payable on securities purchased	-	2,970
Accounts payable and accrued liabilities	103	113
Accrued dividends on preference shares	142	-
Preference shares	60,000	-
Total Liabilities	60,245	3,083
Net Assets	\$267,709	\$317,509
SHAREHOLDERS' EQUITY		
Common shares	\$ 95,122	\$ 79,245
Unrealized gain on investments	43,553	100,917
Retained earnings	129,034	137,347
	\$267,709	\$317,509
Number of common shares outstanding	18,441,872	18,441,872
Net asset value per common share		
- basic	\$14.52	\$17.22
Net asset value per common share		
- fully diluted	\$13.59	\$15.93

STATEMENT OF CHANGES IN NET ASSETS

(Unaudited)

Three months ended March 31,	1999	1998
	(000's)	
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS		
	\$ (2,555)	\$ 18,329
DISTRIBUTIONS TO COMMON SHAREHOLDERS		
From net investment income (loss)	(1,383)	(1,307)
Total distributions	(1,383)	(1,307)
Net decrease in refundable dividend tax on hand	79	17
Net distributions to common shareholders	(1,304)	(1,290)
OTHER		
Payment pursuant to issuer bid litigation	-	(6,725)
INCREASE (DECREASE) IN NET ASSETS	(3,859)	10,314
NET ASSETS - BEGINNING OF PERIOD	271,568	307,195
NET ASSETS - END OF PERIOD	\$267,709	\$317,509
DISTRIBUTIONS PER COMMON SHARE		
Regular dividends	\$0.075	\$0.075

STATEMENT OF OPERATIONS

(Unaudited)

Three months ended March 31,	1999	1998
	(000's)	
INVESTMENT INCOME		
Dividends	\$ 1,405	\$ 1,084
Interest	141	48
Miscellaneous	14	6
Total investment income	1,560	1,138
EXPENSES		
Management fees	854	822
Interest related to issuer bid litigation	-	2,165
Dividends on preference shares	810	-
Amortization of deferred financing charge	83	-
Directors' fees	30	31
Miscellaneous	139	124
Total expenses	1,916	3,142
Investment loss before income taxes	(356)	(2,004)
Income tax recovery	414	401
NET INVESTMENT INCOME (LOSS)	58	(1,603)

REALIZED AND UNREALIZED GAIN ON INVESTMENTS

Net realized gain on investments	2,512	7,701
Change in unrealized appreciation of investments	(5,125)	12,231
NET GAIN (LOSS) ON INVESTMENTS	(2,613)	19,932

INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS

	\$ (2,555)	\$ 18,329
--	------------	-----------

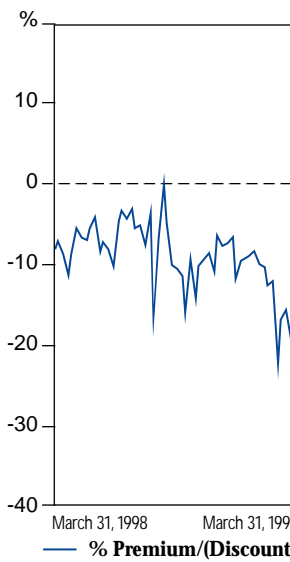
STATEMENT OF NET REALIZED GAIN ON INVESTMENTS

(Unaudited)

Three months ended March 31,	1999	1998
	(000's)	
Proceeds from disposition of investments	\$ 34,589	\$ 50,830
Investments at cost, beginning of period	262,876	202,700
Investments purchased during the period	37,920	48,158
Investments at cost, end of period	(269,935)	(211,458)
Cost of investments disposed of during the period	30,861	39,400
Realized gain on disposition of investments before income taxes	3,728	11,430
Income taxes on realized net taxable capital gains	1,216	3,729
Net realized gain on investments	\$ 2,512	\$ 7,701

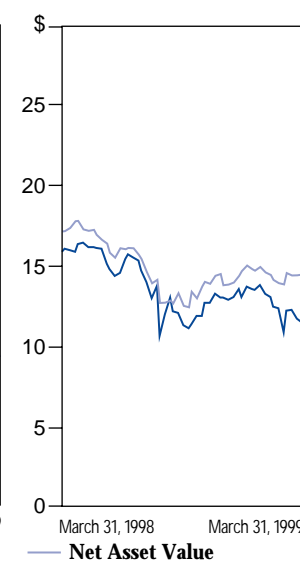
PREMIUM/(DISCOUNT) TO NAV

Twelve months ended March 31, 1999



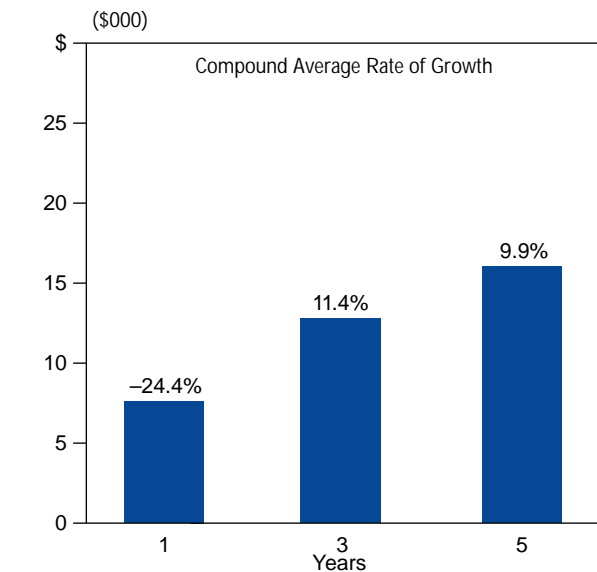
COMPARISON OF MARKET PRICE TO BASIC NAV

Twelve months ended March 31, 1999



GROWTH OF A \$10,000 INVESTMENT*

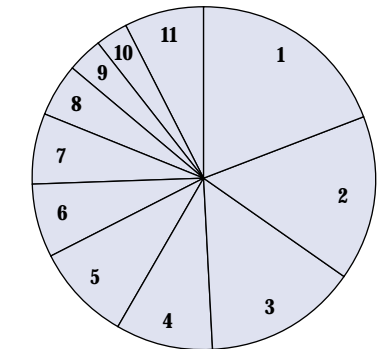
For 1, 3 and 5 years to March 31, 1999



*Assuming reinvestment of distributions at month-end closing prices.

WEIGHTING OF PORTFOLIO INVESTMENTS SECTOR ANALYSIS

March 31, 1999



	% at Market
1 Industrial Products	19.3
2 Utilities	15.7
3 Financial Services	14.4
4 Consumer Products	9.2
5 Oil & Gas	9.0
6 Merchandising	6.9
7 Metals & Minerals	6.7
8 Communications & Media	5.0
9 Golds & Precious Metals	3.4
10 Pipelines	3.0
11 Other Sectors	7.4

WEIGHTING OF PORTFOLIO INVESTMENTS MARKET CAPITALIZATION ANALYSIS

March 31, 1999

