

CONSOLIDATED STATEMENT OF INVESTMENTS
March 31, 1999

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
Principal Assets		
6,882,268 Canadian General Investments, Limited	\$ 17,488	\$ 78,458
1,376,932 Canadian General Investments, Limited wts	-	7,091
1,120,211 Canadian World Fund Limited	5,601	4,929
	<u>23,089</u>	<u>90,478</u>
Canadian-Listed		
40,000 Amalgamated Income Limited Partnership	410	352
40,000 Associated Freezers Income Trust	431	348
33,600 Centrefund Realty Corporation	519	479
14,400 Corby Distilleries Ltd. B	484	965
115,476 The First Asia Income Fund	953	652
50,000 The First Asia Income Fund wts	30	1
36,400 First Australia Prime Income Investment Company Limited	503	391
103,300 Gulf Canada Resources Limited pfd. series A	456	258
75,000 H & R Real Estate Investment Trust	634	855
69,700 Halterm Income Fund	694	484
40,000 Hollinger, Inc. pfd. series B	358	382
25,000 OPTUS Natural Gas Distribution Income Fund+	510	561
100,000 Rogers Sugar Income Fund	954	800
90,000 Shiningbank Energy Income Fund	592	896
70,000 Superior Propane Income Fund	734	1,092
500,000 Telesystem International Wireless Inc.		
7% February 15, 2002 conv. deb.*	500	523
80,000 Westshore Terminals Income Fund	764	464
	<u>9,526</u>	<u>9,503</u>
U.K.-Listed		
234,000 Aberdeen Preferred Income Trust PLC	901	921
300,000 Amlin PLC	743	661
300,000 Baring Emerging Europe Trust PLC	412	666
100,000 Dartmoor Investment Trust PLC	237	445
100,000 Fleming Income & Growth Investment Trust PLC Income shares	241	272
250,000 Foreign & Colonial Special Utilities Investment Trust PLC Income shares	494	445
900,000 Framlington Dual Trust PLC Income shares	845	811
400,000 The Gartmore Scotland Investment Trust PLC	460	312
200,000 Govett Enhanced Income Investment Trust PLC*	481	458
1,200,000 Investors Capital Trust PLC Income Annuity shares	609	482
255,000 Ivory and Sime ISIS Trust PLC CV Annuity shares	483	267

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

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
U.K.-Listed (continued)		
1,000,000 Lloyds Smaller Companies Investment Trust PLC Dividend shares	\$ 495	\$ 335
435,000 M & G Equity Investment Trust PLC Income shares	449	461
850,000 M & G Recovery Investment Trust PLC Income shares	547	383
495,000 Second St. David Investment Trust PLC Capital shares	331	163
255,000 Yeoman II Investment Trust PLC Income shares+	736	607
	<u>8,464</u>	<u>7,689</u>
U.S.-Listed		
30,000 The Central European Equity Fund, Inc.	914	546
20,000 The European Warrant Fund, Inc.+	563	423
17,500 Fidelity Advisor Korea Fund, Inc.	137	170
10,000 General American Investors Company, Inc.	508	476
10,000 The Germany Fund, Inc.	256	192
17,000 INVESCO Global Health Sciences Fund	446	492
14,800 The Irish Investment Fund Inc.+	467	405
27,100 Morgan Stanley Emerging Markets Debt Fund, Inc.*	302	304
10,700 Morgan Stanley Russia & New Europe Fund, Inc.*	185	180
32,000 The New Germany Fund, Inc.	614	577
26,000 The Portugal Fund, Inc.+	758	535
17,000 Scudder New Europe Fund, Inc.	493	487
22,500 The Spain Fund Inc.	639	482
12,700 Templeton Emerging Markets Fund, Inc.	249	208
66,300 Templeton Emerging Markets Income Fund, Inc.+	1,116	982
30,000 Templeton Russia Fund, Inc.+	670	515
	<u>8,317</u>	<u>6,974</u>
Other		
722,700 CBD Property Fund	405	319
787,000 Centrecity Property Fund Ltd.	414	328
105,540 City of London Investment Group PLC	2,716	2,716
13,000 Fleming Russia Securities Fund Ltd.	326	88
218,762,205 Mesbla S.A.	1,071	-
30,000 The New Russia Fund	426	91
	<u>5,358</u>	<u>3,542</u>
Total Investments - March 31, 1999	<u>\$ 54,754</u>	<u>\$ 118,186</u>
Total Investments - March 31, 1998	<u>\$ 61,433</u>	<u>\$ 165,447</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
Canadian General Investments, Limited	\$85,549	72.4
Canadian World Fund Limited	4,929	4.2
City of London Investment Group PLC	2,716	2.3
Superior Propane Income Fund	1,092	0.9
Templeton Emerging Markets Income Fund, Inc.	982	0.8
Corby Distilleries Ltd.	965	0.8
Aberdeen Preferred Income Trust PLC	921	0.8
Shiningbank Energy Income Fund	896	0.8
H & R Real Estate Investment Trust	855	0.7
Framlington Dual Trust PLC	811	0.7
Totals	<u>\$99,716</u>	<u>84.4</u>

WEIGHTING OF INVESTMENT PORTFOLIO
March 31, 1999

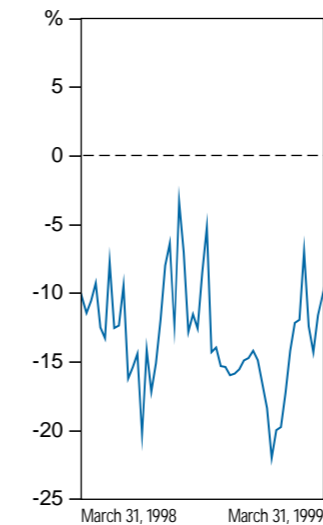
	Market Value (\$000's)	% at Market
Principal Assets	90,478	76.6
Canadian-Listed	9,503	8.0
U.K.-Listed	7,689	6.5
U.S.-Listed	6,974	5.9
Other	3,542	3.0
	<u>118,186</u>	<u>100.0</u>

HIGH INCOME SECTOR PORTFOLIO YIELD (%)*
Twelve months ended March 31, 1999

Canadian-Listed	10.0
U.K.-Listed	19.3
U.S.-Listed	23.0

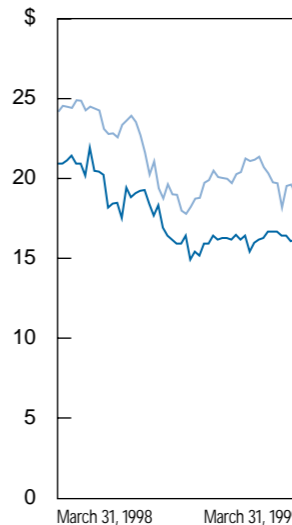
*Represents total distributions as a percent of the market price.

DISCOUNT TO NAV
Twelve months ended March 31, 1999



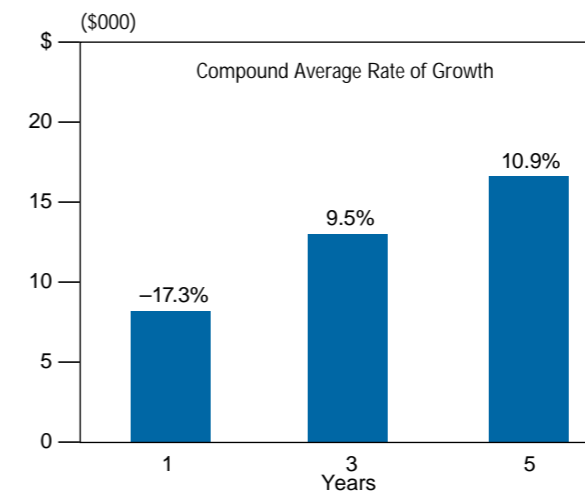
— Percent Discount

COMPARISON OF MARKET PRICE TO NAV
Twelve months ended March 31, 1999



— Net Asset Value Per Share (NAV)
— Market Price Per Share

GROWTH OF A \$10,000 INVESTMENT*
For 1, 3 and 5 years to March 31, 1999



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

THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED

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MARCH 31, 1999
FIRST QUARTER
REPORT

REPORT TO SHAREHOLDERS

The first quarter net asset value of Third Canadian declined by 7.8%, largely as a result of the reduced market value of its principal holding Canadian General Investments, Limited (CGI) which fell in the first quarter to 72.4% from 75.3% of total investments. Other assets comprised of mainly Canadian, U.S. and U.K. listed funds, held for income and capital appreciation, maintained their value through the quarter.

CGI's share price moved down with the general market under conditions in which most diversified Canadian equity funds on average failed to match the narrowly based appreciation of the Toronto Stock Exchange indices.

FINANCIAL RESULTS

Total assets declined over the 12 months by 27.9% from \$166.5 million to \$120.0 million. The reduction was mainly due to sales of securities in the leveraged part of the portfolio in order to reduce bank borrowings by approximately 25% to the \$15.0 million level, and the lower value of CGI shares. Deferred income taxes more than halved to \$14.6 million due to the CGI decline. Net assets fell by 22.1% to \$90.5 million from \$116.2 million and to \$18.82 from \$24.18 on a per share basis.

For the quarter, total investment income declined by 49.8% to \$1.2 million, largely due to last year's receipt of interest income of \$667,000 related to CGI's issuer bid litigation which was settled in February 1998. Total expenses declined significantly by 69.3% over last year, to \$403,000, primarily as a result of interest expense, also related to issuer bid litigation, recorded in 1998. After provision for taxes, net investment income for the Company improved considerably over last year to \$719,000, an increase of 60.1%.

INCOME STRATEGY

Among non-principal holdings, an improvement was experienced particularly among income shares. The Company undertook new investment in emerging market income funds,

a sector that has started to recover after last year's panic sell-off and which still offers yields to the 17% level. In contrast, Western Europe funds which had been popular in the second half of 1998, began to fade as enthusiasm for growth in Europe and for its newly launched Euro currency began to wane. This market had been given favoured status; however, now, investors appear as much interested in recovery in Asian markets where last year's global crisis started. The Company's high income strategy has provided some relief from the negative effects of this market rotation. Double digit yields on an annualized basis are being enjoyed in the three high income sectors of the portfolio.

The new Canadian income sector now amounts to about \$20 billion in market capitalization, demonstrating a very strong presence in less than three years. After teething pains, it now receives healthy Bay Street coverage and investors are benefitting from this analysis across a very wide range of diversified assets in the sector, including: resources, transportation, energy generation, hotels, nursing homes, storage and pipelines.

SHARE TRADING

Throughout the quarter, the shares of Third Canadian have been quite stable, ranging from \$15.00 to \$17.00 at an average discount to NAV of 17.9%, compared with 17.3% in the previous quarter.



E. Louise Morgan

Michael A. Smedley

Chairman

President

Third Canadian 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 this new format.

CONSOLIDATED STATEMENT OF NET ASSETS

(Unaudited)

As at March 31,	1999	1998
	(000's)	
ASSETS		
Investments	\$118,186	\$165,447
Receivable on securities sold	–	745
Accrued interest and dividends	422	330
Income taxes recoverable	1,356	–
Total Assets	119,964	166,522
LIABILITIES		
Bank indebtedness	14,898	20,024
Accounts payable and accrued liabilities	48	43
Income taxes payable	–	822
	14,946	20,889
Deferred income taxes	14,572	29,440
Total Liabilities	29,518	50,329
Net Assets	\$ 90,446	\$116,193
SHAREHOLDERS' EQUITY		
Capital stock	\$ 6,504	\$ 6,504
Contributed surplus	2,681	2,681
Unrealized gain on investments	48,860	74,543
Retained earnings	32,401	32,465
	\$ 90,446	\$116,193
Number of common shares outstanding	4,805,910	4,805,910
Net asset value per share	\$18.82	\$24.18

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(Unaudited)

Three months ended March 31,	1999	1998
	(000's)	
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ (7,290)	\$ 10,634
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(360)	(360)
OTHER		
Payment pursuant to issuer bid litigation	–	(2,564)
INCREASE (DECREASE) IN NET ASSETS	(7,650)	7,710
NET ASSETS - BEGINNING OF PERIOD	98,096	108,483
NET ASSETS - END OF PERIOD	\$ 90,446	\$116,193
DISTRIBUTIONS PER SHARE		
Dividends	\$0.075	\$0.075

CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited)

Three months ended March 31,	1999	1998
	(000's)	
INVESTMENT INCOME		
Dividends	\$ 1,146	\$ 1,709
Interest related to issuer bid litigation	–	667
Interest	78	61
Total investment income	1,224	2,437
EXPENSES		
Management fees	136	179
Interest related to issuer bid litigation	–	825
Interest expense	208	253
Directors' fees	9	9
Regulatory and transfer agent fees	16	16
Miscellaneous	34	31
Total expenses	403	1,313
Investment income before income taxes	821	1,124
Income tax provision	102	675
NET INVESTMENT INCOME	719	449
REALIZED AND UNREALIZED GAIN ON INVESTMENTS		
Net realized gain (loss) on investments	(405)	2,356
Change in unrealized appreciation of investments	(7,604)	7,829
NET GAIN (LOSS) ON INVESTMENTS	(8,009)	10,185
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
	\$ (7,290)	\$ 10,634

CONSOLIDATED STATEMENT OF NET REALIZED GAIN (LOSS) ON INVESTMENTS

(Unaudited)

Three months ended March 31,	1999	1998
	(000's)	
Proceeds from disposition of investments	\$ 1,399	\$ 7,123
Investments at cost, beginning of period	53,215	62,252
Investments purchased during the period	3,546	3,804
Investments at cost, end of period	(54,754)	(61,433)
Cost of investments disposed of during the period	2,007	4,623
Realized gain (loss) on disposition of investments before income taxes	(608)	2,500
Income taxes on realized net taxable capital gains (recovery on allowable capital losses)	(203)	144
Net realized gain (loss) on investments	\$ (405)	\$ 2,356

THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED

CORPORATE INFORMATION

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STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: THD

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

The Company prices its portfolio on a weekly basis, and its resultant Net Asset Value per share is released and published in various media in Canada and in the United States.

The Company will provide a list of its weekly top 10 portfolio holdings (priced at market), together with current discount and market return information to any interested party upon request.