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STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange

Trading Symbols:

Common Shares	CGI
Preference Shares, Series 2	CGI.PR.B
Series 3	CGI.PR.C

The London Stock Exchange

Trading Symbol:

Common Shares	CGI
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Managed by:



MorganMeighen
& ASSOCIATES

Investment Managers

CANADIAN GENERAL INVESTMENTS, LIMITED

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Canadian General Investments, Limited



FOCUSSED ON CANADA

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FIRST QUARTER SHAREHOLDER UPDATE

March 31, 2009

GENERAL COMMENTARY

The first quarter of 2009 brought mixed results for Canadian General Investments, Limited (CGI). While CGI's shares rose 15.9% on a total return basis, outpacing the -2.0% return of the S&P/TSX Composite Index, CGI's NAV return of -5.6% was behind the benchmark. This divergence can in part be attributed to the contraction of CGI's share price discount to NAV from 34.5% to 19.7%.

CGI's portfolio is positioned conservatively. Approximately \$62 million in cash and short-term securities held in the portfolio neutralizes over 40% of the possible downside effect of the leverage created by the total Series 2 and Series 3 preference share obligation of \$150 million, in the event of further weak market conditions. That amounts to more moderate leverage of 26% on the total portfolio assets of approximately \$400 million, down from a high point that quickly moved close to 40% in the recent bear market violence. Leverage is a proven key advantage for the Fund, over the longer term.

CGI assumed this conservative posture to shelter its assets in the event of further market erosion and to support payment of quarterly common share dividends. CGI is subject to a dividend payment restriction contained in its Class A, Series 2 and Series 3 Preference Share provisions, which preclude payment of a common share dividend unless, after giving effect thereto, the ratio of its Assets to Obligations (both as defined in the Preference Share provisions) exceeds 2.5 times.

And so, at the present time, we have a cash resource, preference share leverage as well as an unused \$60 million bank line of credit, combining to provide the Fund with potential for a strong uplift in assets. We would expect to remain cautious about deploying more of the cash in the portfolio (effectively increasing leverage) until we are more comfortable about the coverage ratio. This will not prevent sales and purchases to try to capitalize on arising growth opportunities.

Despite some glimmers of hope, including the rebound in equity markets, many of the imbalances responsible for the current economic crisis remain unresolved. We hope that the worst of the market downturn is behind us, but remain watchful, in case there is more to come.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

FOCUS ON PROTECTION

One quarter of 2009, hopefully a recuperative year, is now behind us, but important parts of the Toronto stock market are without direction. This condition, however, is far better than the free-fall, which dominated in the second half of 2008 and slowed only slightly through the first quarter ended March 31.

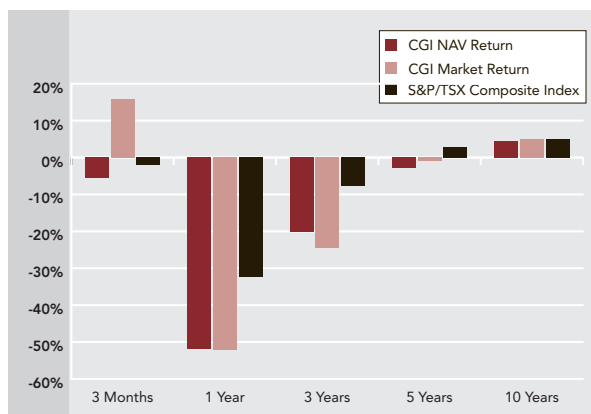
Canadian General Investments maintained a sizable cash position, reduced the number of holdings and, where possible, sought some protection from the downside.

A sense of change of prospects, which often occurs at the beginning of a new year, was evident in the very early action when equities continued their ascent from the lows of late November. This upward momentum faded quickly and retracement to multi-year lows began by early March. CGI's portfolio positioning proved quite effective during much of this period as it outperformed relative to its S&P/TSX benchmark in downturns.

SECTOR ADDITIONS

Of the three major Toronto market sectors, CGI is substantially lighter than the Index in financials and energy, with only materials being close to the relative weighting in the benchmark S&P/TSX Composite Index. There have been additions to the underweight sectors in recent weeks. We look forward to making new commitments to grow the portfolio, should market conditions appear favourable.

Compound Annual Returns for the Periods Ending March 31, 2009



First quarter performances among major Canadian stocks were rarely stellar. For example, among the financials, TMX Group, Home Capital and National Bank easily outclassed the rest with above 25% gains, followed by ING Canada in property and casualty insurance with around 10% gains and Royal Bank and TD with positive returns. CGI presently holds four of those six names.

CGI holds most of the top performers among major weighted oil and gas stocks, the noticeable exception being Petro Canada, up strongly on Suncor's agreed acquisition plan that increases its oil sands presence and also provides major international diversification. Suncor we do hold.

HEALTHIER MINING COMPANIES

Materials has become an odd sector to analyze, as most of the major base metals mines have gone from the TSX and the majors are the golds, which are mostly still below their first quarter highs. This front end of the sector has tended to conceal a very strong medium/smaller capitalization revival, supported by some return to strength in metals and some improvement in financial health. CGI boosted its major mine holdings in the quarter with the inclusion of Freeport-McMoran Copper & Gold Inc. Although the company has sizable debt, it is being applauded for its speed in bringing on the rich Tenke Fungurume copper mine in Zambia, the first major start-up in the world for some time.

In the past few months, the mining cycle moved at great speed into a downturn and new closures in operations after a short, cost-spiralling revival. We expect an uplift again in materials to meet long-term world demand. Copper, for example, will become more appealing on renewed industrial demand, progress with electrification in emerging countries and recovery in housing construction, particularly in the United States, where the long decline in house prices has not been equalled in half a century.

Further on stocks, the Canadian banks are recognized as relatively undamaged by the global financial distress but as Ed Clark, CEO of the Toronto Dominion Bank, cautioned recently in the press, reduced securitization, particularly of real estate products, will likely bring more liabilities onto the balance sheets of Canada's banks. The tightening of credit could rein in bank performance for some time.

The world has changed and caution is warranted, though we are confident that astute portfolio purchases will strengthen CGI's portfolio. It remains a judgement issue as to when cash is fully redeployed.

On behalf of the Manager,

Michael A. Smedley
CEO & Chief Portfolio Officer

D. Greg Eckel
Senior Vice-President

SUMMARY OF INVESTMENT PORTFOLIO

as at March 31, 2009

Sector Allocation

	% of Net Asset Value*	% of Investment Portfolio
Energy	27.6	19.2
Materials	24.0	16.7
Short-Term Securities	22.0	15.3
Financials	21.9	15.2
Industrials	13.2	9.2
Consumer Discretionary	10.0	6.9
Telecommunication Services	8.5	5.9
Consumer Staples	5.9	4.1
Utilities	4.0	2.8
Information Technology	3.8	2.7
Cash & Cash Equivalents	0.6	0.4

Asset Allocation

	% of Net Asset Value*	% of Investment Portfolio
Canadian Equities & Income Trusts	111.9	77.8
Short-Term Securities	22.0	15.3
Foreign Equities	5.4	3.8
Limited Partnerships	0.8	0.6
Preferred Shares	0.8	0.5
Cash & Cash Equivalents	0.6	0.4

SUMMARY OF INVESTMENT PORTFOLIO (CONTINUED)**Top 25 Holdings as at March 31, 2009**

Issuer (all Canada-based)	Sector	% of Net Asset Value*	% of Investment Portfolio
Canadian Treasury Bills	Short-Term Securities	22.0	15.3
BMTC Group Inc.	Consumer Discretionary	5.0	3.5
Franco-Nevada Corporation	Materials	4.9	3.4
Enbridge Inc.	Energy	4.7	3.2
Agnico-Eagle Mines Limited	Materials	4.4	3.0
Ritchie Bros. Auctioneers Incorporated	Industrials	4.1	2.8
Labrador Iron Ore Royalty Income Fund	Materials	3.9	2.7
TransCanada Corporation	Energy	3.8	2.7
Rogers Communications Inc.	Telecommunication Services	3.8	2.7
Royal Bank of Canada	Financials	3.7	2.6
BPO Properties Ltd.	Financials	3.0	2.1
TMX Group Inc.	Financials	3.0	2.1
Research In Motion Limited	Information Technology	2.8	1.9
Potash Corporation of Saskatchewan Inc.	Materials	2.7	1.9
Fortis Inc.	Utilities	2.7	1.9
Shaw Communications Inc.	Consumer Discretionary	2.6	1.8
Corby Distilleries Limited	Consumer Staples	2.6	1.8
Bank of Montreal	Financials	2.5	1.7
Crescent Point Energy Trust	Energy	2.4	1.7
The Toronto-Dominion Bank	Financials	2.4	1.7
Uranium One Inc.	Energy	2.3	1.6
Algom Central Corporation	Industrials	2.3	1.6
Tim Hortons Inc.	Consumer Discretionary	2.3	1.6
TELUS Corporation	Telecommunication Services	2.2	1.6
Economic Investment Trust Limited	Financials	2.2	1.4
		98.3*	68.3
Total Net Asset Value* (\$000's)			\$ 272,953
Total Investment Portfolio* (\$000's)			\$ 392,681

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage in the form of preference shares (\$150 million), other assets and other liabilities. The Total Investment Portfolio includes a receivable on securities sold of \$6.4 million.

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.mminvestments.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 Quarterly 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.