



Third Canadian General
Investment Trust Limited

REGISTRAR AND TRANSFER AGENT

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STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: THD

Managed by:



MorganMeighen
& ASSOCIATES

Investment Managers

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GROWTH AND INCOME

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FIRST QUARTER
SHAREHOLDER UPDATE

March 31, 2007

GENERAL COMMENTARY

Third Canadian's first quarter performance was broadly in line with its benchmark, the S&P/TSX Composite Index (S&P/TSX), showing acceptable net asset value (NAV) and market returns with dividends reinvested of 2.5% and 3.8%, respectively, compared to the S&P/TSX total return of 2.6%. The market price of CGI, the major holding, lagged CGI's NAV performance of 4.6%. Otherwise, Third Canadian would have been further ahead.

The longer term upward trend of the S&P/TSX continues despite short-term choppiness. This was evident in this first quarter, as an initial pullback in early January was replaced by steady progression, taking our markets to all-time record levels in late February. Concern about overheating Chinese stock markets and government intervention resulted in a one-day nine percent correction in China, which was felt globally. In quick fashion, the S&P/TSX retraced most of its earlier gains, and by early March sat in negative territory. Fortunately, resilient once again, our markets regained upward momentum, resulting in a quick turnaround and positive returns by quarter end.

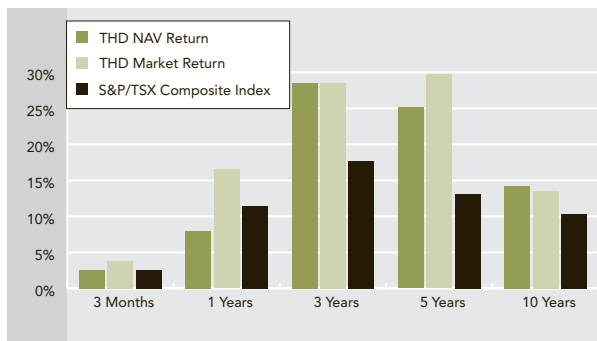
The fundamentals stay encouraging for Canadian equity markets. Although somewhat muted in the early stages of this year, they should offer opportunities of which Third Canadian can take advantage in seeking above average returns to its shareholders.

As we enter the second quarter, we note that Third Canadian intends to subscribe in full to a rights issue for common shares, initiated in April by its principal holding, Canadian World Fund Limited.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

Compound Annual Returns for the Periods Ending March 31, 2007



INVESTMENT COMMENTARY

The S&P/TSX Composite Index remains dominated by the Energy, Materials and Financial sectors with a combined weighting of 75.4%. With year-to-date returns of -0.1%, 3.0% and 2.5% respectively, it is understandable that the overall S&P/TSX 2.6% return, lands within this tight grouping.

The small positive return posted by the S&P/TSX disguises a fairly wide dispersion of its constituent sectors in the quarter. The Telecom sector led on the upside with a 7.0% gain and the Utilities were on the downside at -6.9%. Telus and Rogers (held in the Canadian General Investments, Limited portfolio), had strong performances in the quarter. Utilities sagged as the prospect of lower interest rates in the near to medium term seemed less likely.

PRINCIPAL ASSETS

The principal assets of Third Canadian maintain their considerable weighting in the portfolio, with Canadian World Fund Limited (CWF) at 2.1% and Canadian General Investments, Limited (CGI) at 61.6% combining as 63.7% of the portfolio at March 31, down slightly from the year end.

CGI tracked the relatively flat Canadian market performance in the quarter, beating the 2.6% total return of the S&P/TSX with a 4.6% NAV return, including dividends, but coming up a little short with a zero market return on the common shares. The market price catch-up with CGI's strong NAV performance is important for Third Canadian as its CGI shares are carried in the portfolio at market. Two factors, the sustained global demand for all commodity types and a high level of merger and acquisition activity, underpin market support for the Canadian market's commodity-related stocks. CGI remains committed to this theme, with a combined weighting of 45% of its portfolio in the Materials and Energy groups.

CWF provides Third Canadian with broad global exposure and enables access to stocks in many countries, some of which are unattainable for individual investors. CWF had a spectacular year in 2006, producing NAV and market returns of 38.1% and 48.3% respectively, outperforming the 18.7% return of its benchmark, the Morgan Stanley All Country World Index (in Canadian dollars). CWF's 3-year and 5-year NAV returns to December 31, 2006 were 18.3% and 11.4%, respectively.

NON-PRINCIPAL ASSETS

The enlarged non-principal asset group of Third Canadian had a very good beginning to the year, growing to approximately \$123 million at quarter end from about \$115 million at the beginning of the year. This helped offset the temporary, sluggish start experienced by the share prices of the principal asset group and reconfirms the appropriateness of our diversification strategy.

Not indicative of the muted returns experienced by the overall market, our outperformance was a function of individual stockpicking style. This was highlighted in the quarter, as a diverse group of individual investments led the returns list.

Enthusiasm about ethanol and required crop planting and handling has made Ag Growth Income Fund extremely attractive; its units returning greater than 40% in the quarter. IPSCO Inc., first rumoured then confirmed in takeover talks, was driven to a 38% return. Global steel company consolidation appears ready to engulf the entire Canadian industry. The uranium renaissance continues and Third Canadian's holding of the Uranium Participation Corporation contributed a 31% increase. Finally, the not well known CCL Industries Inc., a manufacturer of specialty packaging and labelling for the consumer products industry, had its shares go up 31%.

Of special impact on the portfolio shortly before quarter end, was a private purchase in Bourse de Montréal. This resulted in a 49.5% gain by March 31, making the stock Third Canadian's third largest holding, after CGI and CWF.

An interesting trend has developed in the Canadian income trusts sector that may provide return opportunities for Third Canadian. A consequence of the Federal government's proposed tax changes was to cause various interested parties to consider if alternative strategies preferable to the status quo could be applied to the underlying operations. This seems to have been the catalyst for the beginning of a lively acquisition period in the sector with no less than 16 income trusts valued at \$9 billion set to disappear by takeovers. Third Canadian has already benefitted with its position in Lakeport Brewing Income Fund being taken out at a large premium, with huge capital gains realized during the quarter. Shortly after the end of the quarter, a premium bid announcement was made for Gateway Casinos Income Fund, another good holding in the portfolio.

OUTLOOK

The markets have taken a pause in the first quarter, but have since shown resilience in absorbing negative news. Concerns regarding a declining U.S. housing market, inflation indicators and the occasional geopolitical event are examples of issues that the equity markets have been able to deal with in a non-destructive manner. This would encourage the adoption of a positive bias going forward, with global and local economic growth likely to drive the Canadian markets higher.

On behalf of the Manager,

Michael A. Smedley
Chief Portfolio Officer

D. Greg Eckel
Senior Vice-President

SUMMARY OF INVESTMENT PORTFOLIO

as at March 31, 2007

Portfolio Breakdown

| | | % of Net Assets* | % of Investment Portfolio |
|-------------------------|---------|---------------------|---------------------------------|
| Principal Assets | 215,824 | 78.5 | 63.7 |
| Canadian Equities | 69,260 | 25.2 | 20.5 |
| Foreign Equities | 32,880 | 12.0 | 9.7 |
| Canadian Income Trusts | 19,977 | 7.3 | 5.9 |
| Cash & Cash Equivalents | 999 | 0.3 | 0.3 |

SUMMARY OF INVESTMENT PORTFOLIO (CONTINUED)
Top 25 Holdings as at March 31, 2007

| Issuer | Country | Sector | % of Net Assets* | % of Investment Portfolio |
|--|-----------|------------------------|------------------|---------------------------|
| Canadian General Investments, Limited** | Canada | Principal Assets | 75.9 | 61.6 |
| Canadian World Fund Limited** | Canada | Principal Assets | 2.6 | 2.1 |
| Bourse de Montréal Inc. | Canada | Canadian Equities | 1.6 | 1.3 |
| Paladin Resources Limited | Australia | Foreign Equities | 1.5 | 1.3 |
| Northern Property Real Estate Investment Trust | Canada | Canadian Income Trusts | 1.2 | 1.0 |
| Uranium Participation Corporation | Canada | Canadian Equities | 1.2 | 0.9 |
| Freeport-McMoRan Copper & Gold, Inc. | U.S.A. | Foreign Equities | 1.1 | 0.9 |
| MGM MIRAGE | U.S.A. | Foreign Equities | 1.0 | 0.8 |
| Gildan Activewear Inc. | Canada | Canadian Equities | 1.0 | 0.8 |
| Bank of Montreal | Canada | Canadian Equities | 0.9 | 0.8 |
| First Capital Realty Inc. | Canada | Canadian Equities | 0.9 | 0.7 |
| The Toronto-Dominion Bank | Canada | Canadian Equities | 0.9 | 0.7 |
| Alcan Inc. | Canada | Canadian Equities | 0.9 | 0.7 |
| Google Inc. | U.S.A. | Foreign Equities | 0.9 | 0.7 |
| Pinetree Capital Ltd. | Canada | Canadian Equities | 0.8 | 0.7 |
| IPSCO Inc. | Canada | Canadian Equities | 0.8 | 0.7 |
| Equinox Minerals Limited | Canada | Canadian Equities | 0.8 | 0.7 |
| Dollar Financial Corp. | U.S.A. | Foreign Equities | 0.8 | 0.7 |
| ZCL Composites Inc. | Canada | Canadian Equities | 0.8 | 0.6 |
| Scorpio Mining Corporation | Canada | Canadian Equities | 0.8 | 0.6 |
| Novo Nordisk A/S | Denmark | Foreign Equities | 0.8 | 0.6 |
| CAE Inc. | Canada | Canadian Equities | 0.8 | 0.6 |
| North West Company Fund | Canada | Canadian Income Trusts | 0.7 | 0.6 |
| COM DEV International Ltd. | Canada | Canadian Equities | 0.7 | 0.6 |
| Silver Standard Resources Inc. | Canada | Canadian Equities | 0.7 | 0.6 |
| | | | 100.1* | 81.3 |
| Total Net Assets* (\$000's) | | | | \$ 274,735 |
| Total Investment Portfolio* (\$000's) | | | | \$ 338,557 |

* Total Net Assets represents Total Investment Portfolio adjusted for future income taxes on unrealized net capital gains (\$31.6 million), leverage in the of bank indebtedness (\$32.0 million), other assets and other liabilities. The Total Investment Portfolio includes a payable on securities purchased of \$0.4 million.

** Investments in TSX listed closed-end investment funds under common control with the Company. CGI is focussed on medium to long-term investments in Canadian corporations. CWF invests globally in securities of primarily publicly traded growth companies. Information on these funds is available on the Internet at www.sedar.com or by visiting the Manager's web site at www.mmainvestments.com.

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 Quarterly Update 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.