

INCOME & GROWTH

Managed by:



MorganMeighen
& ASSOCIATES

Investment Managers

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Third Canadian General Investment Trust Limited

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FIRST QUARTER SHAREHOLDER UPDATE

March 31, 2006

You will notice that this doesn't look like a regular quarterly report for Third Canadian General Investment Trust Limited (Third Canadian). That is because regulations pertaining to Third Canadian's reporting requirements have changed this year. Third Canadian is considered a non-redeemable investment fund and is, as such, governed by National Instrument 81-106, which came into effect on June 1, 2005. This has meant that some of the content and disclosure in the 2005 Annual Report were different than in previous years. It also means that, rather than producing three sets of quarterly financial statements (March 31, June 30 and September 30), along with a set of annual financial statements, Third Canadian is only required to produce interim financial statements, as at June 30, and at year-end. A Management Report of Fund Performance (MRFP), a replacement for the previously required Management's Discussion & Analysis, will also be included with the interim financial statements.

In the interest of ongoing communications with shareholders, Third Canadian plans to provide a brief, informal report at the end of the first and third quarters, including investment commentary. We believe that this is an opportunity for the Company to communicate current thoughts and topics of interest to shareholders and other interested parties. The quarter-end Summary of Investment Portfolio (consisting of the Company's top 25 holdings as well as a portfolio breakdown) will be provided as part of this communication.

GENERAL COMMENTARY

Third Canadian has had an outstanding start to 2006, posting excellent results for the first quarter. In the three-month period to March 31, 2006, the Company had total net asset value and market returns, with dividends reinvested, of 18.4% and 11.7%, respectively. On a comparable basis, the benchmark S&P/TSX Composite Index (S&P/TSX) rose 8.0% on a total return basis for the same period, an impressive performance in its own right, but palling next to Third Canadian's remarkable outperformance. Greg Eckel of Morgan Meighen & Associates' portfolio management team, explains some of the reasons for this outperformance in the investment commentary below.

The S&P/TSX's performance in the first quarter extends what we regard as "the best growth period in 35 years". The Energy sector has been a primary catalyst of this performance, ranking as the number one sector for 2004 and 2005. The S&P/TSX has been rallying since October 2002 without any significant declines and is now approximately double the level it was at that time.

On the corporate side, at the April 5, 2006 annual shareholder meeting, Paul M. Pugh, Senior Vice-President, Public Investments at OMERS, was elected as a director in response to the retirement of Ron Barnes.

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

CANADIAN MARKET STRENGTH

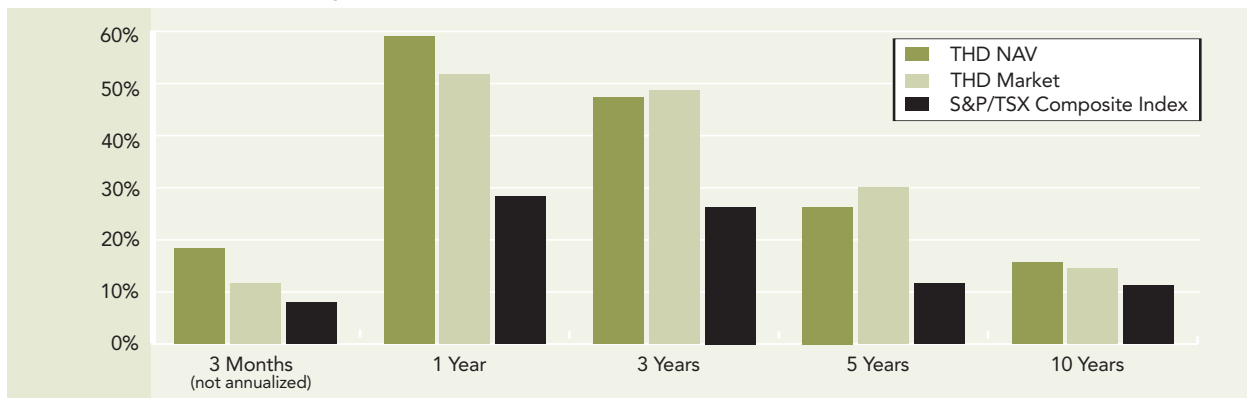
In this most recent quarter, the Materials sector, including chemicals, steel, paper and forest products, metals and mining, established its leadership position with a 14.7% return. Investors have been turning their attention to metal stocks in order to participate in the surging prices for gold, silver, zinc, nickel and copper. Robust activity in most of the developed economies of the world coupled with emerging powerhouses of demand, India and China, are fuelling an acceleration of consumption to obvious effect.

The S&P/TSX has shown a healthy broadening of strength amongst the various sectors, with seven of the ten groups exhibiting greater than 5% returns and only three with negative returns. Utilities had the worst record with a negative return of 9.7%, as interest sensitive stocks have begun to reflect the impact of a higher interest rate environment.

THIRD CANADIAN'S PRINCIPAL ASSETS

The principal assets represented 78.3% of the portfolio at March 31, 2006. Canadian General Investments, Limited (CGI) and Canadian World Fund Limited (CWF) are the number one and two holdings in the portfolio and represent 76.5% and 1.8% of the total, respectively. Both of these holdings made sizable contributions to Third Canadian's performance, providing an aggregate 21.2% return.

Compound Annual Returns for the Periods to March 31, 2006



Certain financial information contained in this report, including investment growth rates, rates of return and other such statistical information are historical values and past performance is no assurance or indicator of future returns. Historical returns assume the reinvestment of all distributions. Share prices, net asset values and investment returns will fluctuate. 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.

CGI outperformed the benchmark S&P/TSX on both NAV and market price terms for the first quarter of 2006. Key contributors to this outperformance were positions held in Silver Wheaton Corp., Gerdau Ameristeel Corporation, EuroZinc Mining Corporation and Agnico-Eagle Mines Limited, all constituents of CGI's overweighted materials sector and represent just a sampling of CGI's investments in this area. A most interesting holding is the New York Stock Exchange (NYSE), now publicly listed, leaving behind its non-profit status spanning nearly 200 years.

THIRD CANADIAN'S NON-PRINCIPAL ASSETS

The non-principal assets have been steadily increasing, and at quarter end, totalled over \$70 million, compared to more than \$66 million at the beginning of the year.

Canadian income trusts remain the largest segment of this group, but the subsector continues to trend down in percentage weighting of the non-principal assets to 41.6% from 45.0% at the beginning of the year primarily due to the bottom-up investment approach, as more attractive opportunities are appearing in the Canadian and foreign equities subsectors.

A new name introduced to the portfolio in the first quarter is Bolnisi Gold NL, which owns 80% of Palmarejo Silver and Gold Corp. Palmarejo has made a significant silver discovery in Mexico with an opportunity for more exploration upside, a winning combination in the record silver pricing environment.

Wynn Resorts, Limited was added to the portfolio near the end of the quarter and is named after its founder Steve Wynn, who is considered a visionary for his leading role in the highly successful reinvigoration of Las Vegas in the 1990's. In combination with its involvement in the strong Las Vegas market, a huge opportunity exists for Wynn Resorts with its participation in the Macau market. Macau, a former Portuguese colony, reverted back to Chinese rule in 1999 and within two years had abolished a 40-year casino monopoly. Wynn was among a select few operators who became licensed in 2001 to participate in Macau, an area coveted for its exposure to the lucrative Asian market.

Third Canadian has begun the year strongly and should continue to prosper.

D. Greg Eckel
Senior Vice-President
Morgan Meighen & Associates Limited

SUMMARY OF INVESTMENT PORTFOLIO

as at March 31, 2006

Portfolio Breakdown

	(\$000's)	% of Assets*	% of Net Investment Portfolio
Principal Assets	253,330	97.6	78.3
Canadian Income Trusts	29,188	11.2	9.0
Canadian Equities/Other	21,426	8.3	6.6
Foreign Equities	16,980	6.5	5.3
Cash & Cash Equivalents	2,638	1.0	0.8

SUMMARY OF INVESTMENT PORTFOLIO

as at March 31, 2006 (continued)

Top 25 Holdings

Issuer	Country	Sector	% of Net Assets*	% of Investment Portfolio
Canadian General Investments, Limited**	Canada	Principal Assets	95.4	76.5
Canadian World Fund Limited**	Canada	Principal Assets	2.2	1.8
Northern Property Real Estate Investment Trust	Canada	Canadian Income Trusts	1.1	0.9
Cash & Cash Equivalents	Canada	Cash & Cash Equivalents	1.0	0.8
First Capital Realty Inc.	Canada	Canadian Equities/Other	0.9	0.7
Home Capital Group Inc.	Canada	Canadian Equities/Other	0.8	0.6
TransForce Income Fund	Canada	Canadian Income Trusts	0.8	0.6
ARC Energy Trust	Canada	Canadian Income Trusts	0.7	0.6
Wajax Income Fund	Canada	Canadian Income Trusts	0.7	0.5
SanDisk Corporation	U.S.A	Foreign Equities	0.6	0.5
Palm, Inc.	U.S.A	Foreign Equities	0.6	0.5
CCS Income Trust	Canada	Canadian Income Trusts	0.6	0.5
Livingston International Income Fund	Canada	Canadian Income Trusts	0.6	0.5
The Toro Company	U.S.A	Foreign Equities	0.6	0.5
Dollar Financial Corp.	U.S.A	Foreign Equities	0.6	0.5
Pembina Pipeline Income Fund	Canada	Canadian Income Trusts	0.6	0.5
Wynn Resorts, Limited	U.S.A	Foreign Equities	0.6	0.5
Trinidad Energy Services Income Trust	Canada	Canadian Income Trusts	0.6	0.5
AltaGas Income Trust	Canada	Canadian Income Trusts	0.6	0.5
SNC-Lavalin Group Inc.	Canada	Canadian Equities/Other	0.6	0.4
Lakeport Brewing Income Fund	Canada	Canadian Income Trusts	0.5	0.4
Stoneham Drilling Trust	Canada	Canadian Income Trusts	0.5	0.4
Corby Distilleries Limited	Canada	Canadian Equities/Other	0.5	0.4
Canadian Western Bank	Canada	Canadian Equities/Other	0.5	0.4
Fording Canadian Coal Trust	Canada	Canadian Income Trusts	0.5	0.4
			112.7	90.4
Total Net Assets* (\$000's)				\$ 259,612
Total Investment Portfolio* (\$000's)				\$ 323,562

* Total Net Assets represents Total Investment Portfolio adjusted for future income taxes on unrealized net capital gains (\$39.0 million), leverage in the form of bank indebtedness (\$25.0 million), other assets and other liabilities.

** Investments in TSX listed closed-end investment funds, both under common control with the Company. 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.