

**CANADIAN GENERAL  
INVESTMENTS, LIMITED**

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Managed by:



**MorganMeighen**

& ASSOCIATES

Investment Managers



**CGI**

Canadian General Investments,  
Limited

**2005**

**FOCUSED  
ON CANADA**

**I**

*First Quarter Report*

*March 31, 2005*

# Report to Shareholders

In the 2005 first quarter, Canadian General Investments, Limited (CGI) advanced strongly with a net asset increase of 5.9% at March 31, with dividends reinvested, compared to 4.4% for the benchmark S&P/TSX Composite Total Return Index. These levels resulted after a correction was experienced in the market during March. The corresponding returns to the end of February 2005 were 10.6% and 4.8%, respectively.

What changed to produce the March pull back? Investors must have found it easier to take profits with the 2004 tax year behind them, as indicated in the correctional move in oil and gas shares despite higher energy pricing. An uptrend in U.S. interest rates seemed more firmly signalled as inflation was seen as more of a threat. The U.S. dollar has had moments of strength interfering with its general downtrend and there was no clear enthusiasm for any of the main investment sectors. As yet, there is no obvious new trouble at home or abroad, but observers who want clear indicators must be confused.

## HEALTHY CORRECTION

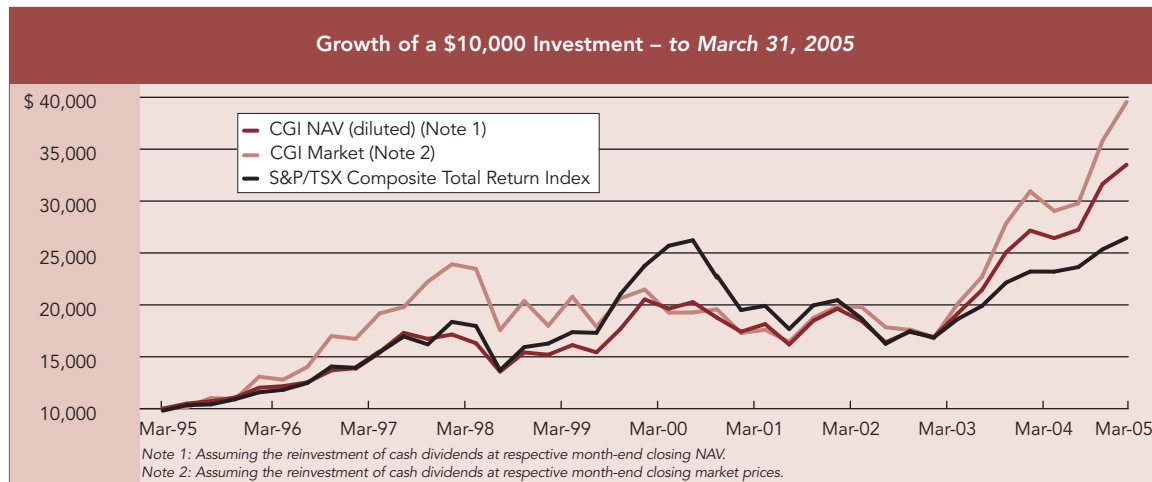
There has been a healthy correction in mining shares, as well as oil stocks, both of which did advance again on the final two trading days of the quarter. The energy sector gain was nicely served up when a U.S. investment firm played prophet and issued a call for a \$100 dollar oil price. For



Jonathan A. Morgan, Vanessa L. Morgan, with D. Greg Eckel and Michael A. Smedley, the responsible portfolio management executives of the Manager

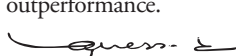
CGI, with more than 20% of its portfolio in the energy sector, that meant a good finish to the quarter, keeping its performance ahead of most comparable funds.

On the subject of energy, major world oil discoveries have been rare for decades. The big oil companies are finding it difficult to replace reserves and supply/demand is sensitively balanced. This is helping to move Canada's immense oil sands projects into world focus as they produce a sense of longevity of reserves for the handful of major participants, some of which are in CGI's portfolio. The Manager also likes and holds energy stocks representative of the more traditional oil and gas search by junior Canadian companies, both domestic and overseas.



Mining shares are likewise buoyed by strong commodity pricing, but factors differ from those at work on the oil stocks. Although most metals are in abundance, capital investment has been low in recent years and major new mines are slow in coming on. Added to the usual consumer demand is the vigorous growth in the economies of the eastern giants, China and India. This is a recent driver for commodity prices.

The Manager will continue to diligently monitor these sectors as well as all others in an effort to maintain CGI's outperformance.



Vanessa L. Morgan  
Chairman



Jonathan A. Morgan  
President & CEO

## PORTFOLIO

Mining stocks, together with oils, continued to have a strong weighting in CGI's portfolio. Highlights in the first quarter of 2005 included long awaited corporate events for Noranda Inc., Canada's largest diversified metals group and its main subsidiary, Falconbridge Limited, the world's third largest nickel producer. The merging of these companies will lead to a cleaner operation for retention or sale by the parent Brascan Corporation. CGI holds shares in all three names.

Uranium is still CGI's biggest metals investment through four companies operating in development and production in the Athabaska Basin of Saskatchewan, the richest producing region in the world. In diamonds, the Company now has

nearly \$10 million invested in the exploration and development work of Shore Gold Inc. and neighbouring Kensington Resources Ltd., who are partnered, respectively, by Newmont and DeBeers, operating in the world's biggest known aggregation of kimberlite pipes in Saskatchewan. It now appears that Canada may become the world's No. 1 diamond producer over the next few years.

CGI's early investment in the opening up of new metallurgical grade coal mines in the west has proved extremely profitable for the portfolio. After taking partial gains, the Company is still well positioned and should benefit further, if productivity and delivery issues do not interfere and steel demand stays strong.

CGI is primarily a Canada fund, but sometimes targets foreign situations in the bottom-up selection process. An opportunity was taken up recently to invest in a Canadian-based limited partnership that is acquiring members' seats on the New York Stock Exchange, the last of the world's great exchanges that has not converted to a public company. It might be noted that a TSX seat before the initial public offering of shares in Toronto was valued at \$55,000. That one seat has acquired a value of approximately \$19 million in TSX shares traded today. NYSE seats have recently been trading above \$1.5 million.

Management looks forward to further success as we advance toward the half year.

Michael A. Smedley, *Chief Portfolio Officer of the Manager*  
D. Greg Eckel, *Vice-President of the Manager*

### Top Ten Investments at Market\* – March 31, 2005

(Portfolio details on pages 9-11)

	%		%
Cameco Corporation	3.0	Corby Distilleries Limited	1.7
TSX Group Inc.	2.1	BMTC Group Inc.	1.6
TELUS Corporation	1.9	National Bank of Canada	1.6
Home Capital Group Inc.	1.8	TransCanada Corporation	1.5
Enbridge Inc.	1.7	Power Financial Corporation	1.5
		<b>Total</b>	<b>18.4</b>

\*Excluding cash and non-convertible preference shares.

### Weighting of Portfolio Investments at Market – March 31, 2005

	%
Financials	24.6
Energy	20.9
Materials	19.1
Industrials	7.4
Consumer Discretionary	6.8
Consumer Staples	6.6
Telecommunication Services	4.3
Preferred Shares	3.6
Information Technology	3.2
Other	3.5
<b>Total</b>	<b>100.0</b>

# Management's Discussion & Analysis

For the first quarter of 2005, Canadian General Investments, Limited (CGI) experienced a 5.9% diluted net asset value per share (NAV) return, with dividends reinvested, outperforming the 4.4% return of the benchmark S&P/TSX Composite Total Return Index (S&P/TSX). At March 31, 2005, CGI's net assets were \$505,253,000, up 6.2% from the \$475,976,000 recorded at year-end 2004. The NAV at March 31, 2005 was \$21.87 compared with \$20.71 at December 31, 2004.

## FINANCIAL REVIEW

For the first quarter of 2005, CGI had an increase in net assets resulting from operations of \$34,762,000, or \$1.52 per common share on a diluted basis. For the corresponding period in 2004 the amounts were \$37,923,000 and \$1.68, respectively.

Strong performance across a broad range of stocks, particularly in the top-performing energy sector, resulted in a net gain on investments of \$34,583,000 for the three months ended March 31, 2005, comprised of a net realized gain on investments of \$20,216,000 and a change in unrealized gain on investments of \$14,367,000. This compares to a net gain on investments of \$35,517,000 for the first quarter in 2004.

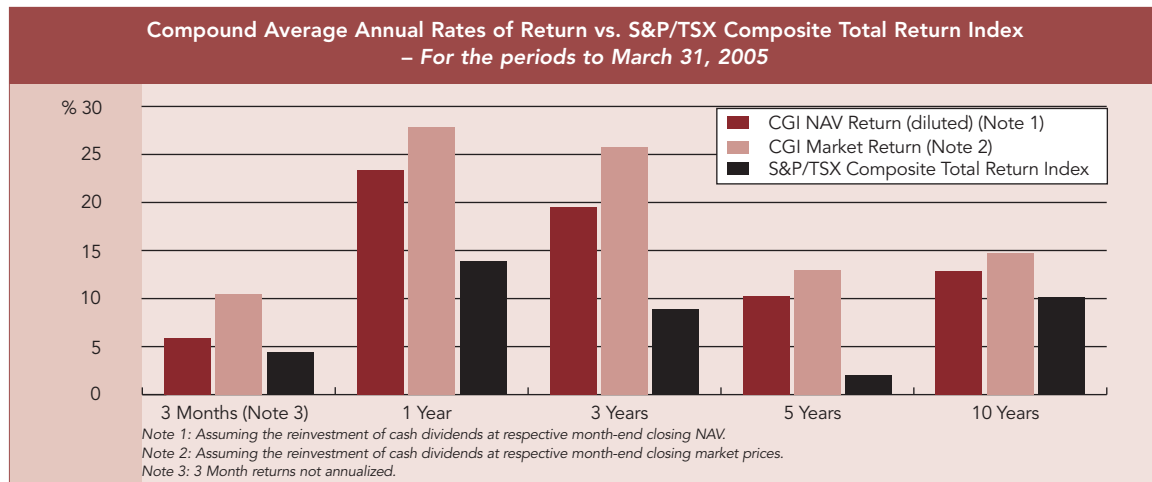
CGI's net investment income in the first quarter of 2005 was \$179,000, down from the \$2,406,000 recorded in the

corresponding three-month period in 2004, primarily due to a decline in total investment income.

Total investment income, which includes dividends, as well as interest and other income, of \$3,845,000 for the first quarter of 2005, was 33.6% lower than the \$5,795,000 in 2004, primarily because of a special dividend of \$3.3 million that was received from BPO Properties Ltd. in the first quarter of 2004. The substantial increase in interest and other income, to \$603,000 from \$163,000 in the first three months of 2004, was driven mainly by increased holdings in income trusts, which pay distributions in the form of dividends, return of capital, interest and other income.

Total expenses of \$3,666,000 were 8.2% higher than the \$3,389,000 recorded in the comparable period of 2004, mainly as a result of the increase in management fees, corresponding to the 17.0% increase in year-end portfolio assets. Management fees are calculated quarterly in arrears at 1% per annum of the market value of CGI's portfolio assets.

During the first quarter of both 2005 and 2004, CGI paid a regular income dividend of \$0.06 per share to its common shareholders. Subsequent to quarter-end, the Board approved a second quarter income dividend of \$0.06 to be paid on June 15, 2005 to common shareholders of record on May 31.



## INVESTMENT OBJECTIVE AND STRATEGIES

CGI is a closed-end equity fund, focused on medium to long-term investments in Canadian corporations. It strives, through prudent security selection, timely recognition of capital gains and appropriate income generating instruments, to provide better than average returns to investors. The Manager, Morgan Meighen & Associates Limited, utilizes a bottom-up investment style in an effort to achieve this objective. The investment style allows for sector weightings that can differ from those of the S&P/TSX Composite Index. The largest sector weightings in CGI's portfolio at March 31, 2005 were Financials (24.6%), Energy (20.9%) and Materials (19.1%). These sectors also had the highest weightings in the S&P/TSX Composite Index at 32.2%, 21.2% and 16.3%, respectively. As an equity fund, the primary risk to the Corporation is market risk – the exposure to market price changes in the securities held within the portfolio. CGI attempts to mitigate this risk by maintaining a diversified portfolio.

## WARRANTS

CGI continued to buy in its warrants pursuant to a third renewal of CGI's Normal Course Issuer Bid for warrants, applicable for the period April 23, 2004 to April 22, 2005. Purchase and cancellation of the warrants increases the diluted net asset value per share. During the first three

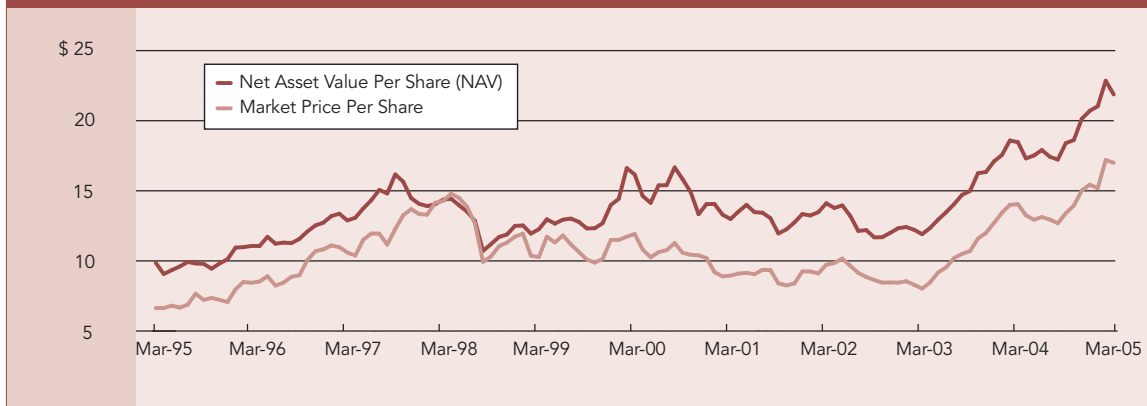
months of 2005, CGI purchased 36,600 warrants at an aggregate cost of \$430,000, and, by comparison, 69,700 warrants were purchased for \$592,000 in the same period of 2004.

Subsequent to quarter-end, the Board approved application to the TSX for another one-year renewal of CGI's Normal Course Issuer Bid for warrants.

## OUTLOOK

During the first quarter of 2005, the S&P/TSX attained values not seen since the market reached its all time high in 2000. Despite a mild correction during March, with the S&P/TSX dropping 3.0% from a high reached on March 4, the Index was still up 4.4% for the quarter. During the period, the Canadian market outperformed the U.S., largely as a result of the strength of oil and gas stocks. Going forward, uncertainty over interest rates and oil prices are likely to continue to add to market volatility. In this challenging environment, CGI will continue to pursue strong results by seeking special opportunities, while maintaining a well-diversified portfolio.

Comparison of Market Price to NAV (diluted) – March 31, 1995 to March 31, 2005



# Statements of Net Assets

	As at March 31, 2005 <i>(Unaudited)</i> \$	As at December 31, 2004 <i>(Audited)</i> \$
<i>(in thousands of dollars, except per share amounts)</i>		
<b>Assets</b>		
Investments at market value	639,741	609,325
Cash	-	2,180
Receivable on securities sold	17,627	-
Interest and dividends receivable	1,165	1,329
Deferred financing charge	1,673	1,790
	<b>660,206</b>	<b>614,624</b>
<b>Liabilities</b>		
Bank indebtedness	1,972	-
Payable on securities purchased	13,120	296
Accounts payable and accrued liabilities	603	190
Accrued dividends on preference shares	295	295
Income taxes payable	3,963	2,867
Preference shares	135,000	135,000
	<b>154,953</b>	<b>138,648</b>
<b>Net Assets</b>	<b>505,253</b>	<b>475,976</b>
<b>Shareholders' Equity</b>		
Common shares	127,402	127,402
Unrealized gain on investments*	202,151	187,784
Retained earnings	175,700	160,790
	<b>505,253</b>	<b>475,976</b>
<b>Number of common shares outstanding</b>	<b>20,499,638</b>	<b>20,499,638</b>
<b>Number of warrants outstanding</b>	<b>3,422,686</b>	<b>3,459,286</b>
<b>Net asset value per common share - basic</b>	<b>24.65</b>	<b>23.22</b>
<b>Net asset value per common share - diluted</b>	<b>21.87</b>	<b>20.71</b>

\* Refer to analysis provided in the accompanying Schedule of Realized and Unrealized Gains on Investments.

## Note to Financial Statements

The accompanying financial statements should be read in conjunction with the notes to the Company's audited financial statements for the year ended December 31, 2004. These interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements. Certain of the prior year's figures have been reclassified to conform with the presentation adopted in the audited financial statements for the year ended December 31, 2004.

# Statements of Operations

	<i>Three Months Ended</i>	
	<b>March 31, 2005</b>	March 31, 2004
<i>(Unaudited)</i>	<b>\$</b>	<b>\$</b>
<i>(in thousands of dollars, except per share amounts)</i>		
<b>Investment income</b>		
Dividends	3,242	5,632
Interest and other	603	163
	<b>3,845</b>	<b>5,795</b>
<b>Expenses</b>		
Management fees	1,639	1,401
Dividends on preference shares	1,682	1,682
Amortization of deferred financing charge	117	117
Investor relations	84	45
Directors' fees	26	25
Other	118	119
	<b>3,666</b>	<b>3,389</b>
<b>Net investment income for the period</b>	<b>179</b>	<b>2,406</b>
<b>Realized and unrealized gains on investments*</b>		
Net realized gain on investments	20,216	8,869
Change in unrealized gain on investments	14,367	26,648
<b>Net gain on investments</b>	<b>34,583</b>	<b>35,517</b>
<b>Increase in net assets resulting from operations for the period</b>	<b>34,762</b>	<b>37,923</b>
<b>Increase in net assets resulting from operations per common share</b>		
(based on weighted average number of common shares outstanding during the period)		
Basic	1.70	1.85
Diluted	1.52	1.68

\* Refer to analysis provided in the accompanying Schedule of Realized and Unrealized Gains on Investments.

# Statements of Cash Flows

<i>(Unaudited)</i> <i>(in thousands of dollars)</i>	<i>Three Months Ended</i>	
	<b>March 31, 2005</b> \$	March 31, 2004 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Increase in net assets resulting from operations for the period	<b>34,762</b>	37,923
Add (deduct) non-cash items		
Amortization of deferred financing charge	<b>117</b>	117
Net realized gain on investments	<b>(20,216)</b>	(8,869)
Change in unrealized gain on investments	<b>(14,367)</b>	(26,648)
Purchases of investments during the period	<b>(78,660)</b>	(65,489)
Proceeds of disposition of investments during the period	<b>82,827</b>	64,506
Change in non-cash balances related to operations	<b>(3,130)</b>	8,993
	<b>1,333</b>	10,533
<b>Financing activities</b>		
Dividends paid to common shareholders	<b>(1,230)</b>	(1,229)
Warrants repurchased	<b>(430)</b>	(592)
Increase in refundable dividend tax on hand	<b>(160)</b>	(959)
Increase in refundable income taxes on net realized gains on investments	<b>(3,665)</b>	(1,214)
Preference shares issued - net of expenses	<b>-</b>	(23)
	<b>(5,485)</b>	(4,017)
Net increase (decrease) in cash during the period	<b>(4,152)</b>	6,516
Cash - Beginning of period	<b>2,180</b>	1,720
Cash (bank indebtedness) - End of period	<b>(1,972)</b>	8,236

## Statements of Retained Earnings

	Three Months Ended	
	March 31, 2005 \$	March 31, 2004 \$
<i>(Unaudited)</i> <i>(in thousands of dollars, except per share amounts)</i>		
<b>Retained earnings - Beginning of period</b>	<b>160,790</b>	136,847
Net realized gain on investments*	<b>20,216</b>	8,869
Net investment income for the period	<b>179</b>	2,406
Dividends paid from net investment income	<b>(1,230)</b>	(1,229)
Warrants repurchased	<b>(430)</b>	(592)
Net increase in refundable dividend tax on hand	<b>(160)</b>	(959)
Net increase in refundable income taxes on net realized gain on investments	<b>(3,665)</b>	(1,214)
<b>Retained earnings - End of period</b>	<b>175,700</b>	144,128
<b>Dividends per common share</b>		
Regular	<b>0.06</b>	0.06

\* Refer to analysis provided in the accompanying Schedule of Realized and Unrealized Gains on Investments.

## Schedule of Realized and Unrealized Gains on Investments

	Three Months Ended	
	March 31, 2005 \$	March 31, 2004 \$
<i>(Unaudited)</i> <i>(in thousands of dollars)</i>		
The net realized gain on investments was as follows:		
Proceeds of disposition of investments	<b>82,827</b>	64,506
Investments at cost - Beginning of period	<b>421,541</b>	395,170
Investments purchased during the period	<b>78,660</b>	65,489
Investments at cost - End of period	<b>(437,590)</b>	(405,022)
Cost of investments disposed of during the period	<b>62,611</b>	55,637
<b>Net realized gain on investments</b>	<b>20,216</b>	8,869
The unrealized gain on investments was as follows:		
Unrealized gain on investments - Beginning of period	<b>187,784</b>	125,142
Change in unrealized gain on investments	<b>14,367</b>	26,648
<b>Unrealized gain on investments - End of period</b>	<b>202,151</b>	151,790

# Statement of Investments

March 31, 2005 (Unaudited)

Number of Shares or Par Value	Investment	Cost \$	Market Value \$
<i>(in thousands of dollars)</i>			
<b>CONSUMER DISCRETIONARY - 6.8%</b>			
<b>Hotels, Restaurants, &amp; Leisure</b>			
145,900	Fairmont Hotels & Resorts Inc.	5,086	5,851
30,000	Four Seasons Hotels Inc., SV	2,334	2,555
<b>Household Durables</b>			
100,000	Dorel Industries Inc., B SV	3,850	3,962
<b>Media</b>			
100,000	Astral Media Inc., A NV	1,786	3,391
282,625	Rogers Communications Inc., B NV	3,721	9,298
300,000	Yellow Pages Income Fund, units	3,520	3,996
<b>Specialty Retail</b>			
740,200	BMTC Group Inc., A SV	4,451	10,392
150,000	Reitmans (Canada) Limited, A	3,945	4,125
TOTAL CONSUMER DISCRETIONARY		28,693	43,570
<b>CONSUMER STAPLES - 6.6%</b>			
<b>Beverages</b>			
75,000	Corby Distilleries Limited, A	3,753	5,775
70,000	Corby Distilleries Limited, B NV	4,416	5,040
70,200	Molson Coors Canada Inc., B NV (exch)	6,682	6,536
159,100	Second Cup Royalty Income Fund, units	1,579	1,679
72,300	Sleeman Breweries Ltd.	1,073	977
<b>Food &amp; Staples Retailing</b>			
200,000	Alimentation Couche-Tard Inc., B SV	3,559	3,510
355,000	The Jean Coutu Group (PJC) Inc., A SV	6,654	6,648
174,200	Shoppers Drug Mart Corporation	4,055	7,031
<b>Tobacco</b>			
210,600	Rothmans Inc.	3,116	5,052
TOTAL CONSUMER STAPLES		34,887	42,248
<b>ENERGY - 20.9%</b>			
<b>Energy Equipment &amp; Services</b>			
200,000	Calfrac Well Services Ltd.	2,199	6,518
595,500	Phoenix Technology Income Fund, units	2,650	3,132
70,000	Precision Drilling Corporation	3,773	6,325

Number of Shares or Par Value	Investment	Cost \$	Market Value \$
<i>(in thousands of dollars)</i>			
<b>Oil &amp; Gas</b>			
320,000	AltaGas Income Trust, units	4,501	7,776
1,455,000	Arawak Energy Corporation	3,273	2,895
151,100	Blue Mountain Energy Ltd.	1,052	1,035
363,700	Calvalley Petroleum Inc., A	1,412	1,346
80,000	Canadian Natural Resources Limited	2,015	5,496
938,000	Canoro Resources Ltd.	1,615	2,298
69,000	Canoro Resources Ltd., warrants 12/31/05*	27	80
306,300	Centurion Energy International Inc.	1,823	4,717
351,450	Cyries Energy Inc.	2,148	3,507
40,000	Cyries Energy Inc. ^	328	395
295,000	Duvernay Oil Corp.	3,323	8,127
180,000	Enbridge Inc.	7,012	11,207
50,000	First Calgary Petroleum Ltd.	246	845
500,000	Hawker Resources Inc.	2,347	2,375
10,000	Highpine Oil & Gas Limited, A	180	180
215,000	Husky Energy Inc.	4,019	7,848
70,000	Niko Resources Ltd.	2,037	4,371
156,900	Pan-Ocean Energy Corporation Limited, B SV	3,720	4,432
60,000	Penn West Petroleum Ltd.	3,070	4,806
49,000	Petro-Canada	3,183	3,433
80,000	Peyto Energy Trust, units	974	4,136
268,550	ProEx Energy Ltd.	1,672	2,712
200,000	ProEx Energy Ltd. ^	1,820	1,992
87,500	Shell Canada Limited	4,423	7,613
150,000	Talisman Energy Inc.	3,609	6,209
333,000	TransCanada Corporation	8,508	9,960
251,100	TransGlobe Energy Corporation	2,204	1,964
100,000	Western Oil Sands Inc., A	2,738	5,600
TOTAL ENERGY		81,901	133,330
<b>FINANCIALS - 24.6%</b>			
<b>Commercial Banks</b>			
160,000	Bank of Montreal	5,613	8,971
100,000	The Bank of Nova Scotia	2,178	3,955
290,200	Canadian Western Bank	6,271	7,429
195,000	National Bank of Canada	8,026	10,216
90,000	The Toronto-Dominion Bank	3,040	4,505

# Statement of Investments (continued)

March 31, 2005 (Unaudited)

Number of Shares or Par Value	Investment	Cost \$	Market Value \$	Number of Shares or Par Value	Investment	Cost \$	Market Value \$
<i>(in thousands of dollars)</i>				<i>(in thousands of dollars)</i>			
	<b>Diversified Financial Services</b>			1,387,494	Millenium Biologix Corporation <sup>^</sup>	1,000	1,249
96,900	Addenda Capital Inc.	2,327	2,558		<b>Pharmaceuticals</b>		
199,300	Brascan Corporation, A LV	4,867	9,112	400,000	Cardiome Pharma Corp.	3,711	3,036
500,000	Caldwell New York Limited Partnership, units*	5,000	5,000		<b>TOTAL HEALTH CARE</b>	<b>10,643</b>	<b>8,785</b>
105,400	Economic Investment Trust Limited	4,617	6,482		<b>INDUSTRIALS - 7.4%</b>		
250,900	GMP Capital Corp.	3,794	5,645	1,250,000	<b>Aerospace &amp; Defense</b>		
229,000	Guardian Capital Group Limited, A NV	1,637	4,353	156,100	Bombardier Inc., B SV	3,411	3,388
1,208,700	Loring Ward International Ltd.*	1,304	1,317	18,500	Ceramic Protection Corporation	2,210	3,473
300,000	Power Financial Corporation	6,893	9,615		Ceramic Protection Corporation <sup>^</sup>	407	406
110,100	SEAMARK Asset Management Ltd.	1,793	2,257		<b>Airlines</b>		
215,900	TSX Group Inc.	6,085	13,526	142,200	Westjet Airlines Ltd.	2,439	2,225
384,900	VFC Inc.	3,754	3,849		<b>Commercial Services &amp; Supplies</b>		
	<b>Insurance</b>			200,000	Davis + Henderson Income Fund, units	2,012	4,400
10,200	E-L Financial Corporation Limited	3,739	3,835	147,000	FirstService Corporation, SV	3,065	3,519
115,000	ING Canada Inc., LV	3,202	3,951	225,000	Garda World Security Corporation	1,777	1,834
55,000	Manulife Financial Corporation	2,255	3,190		<b>Marine</b>		
80,000	Sun Life Financial Inc.	2,788	3,146	31,100	Algoma Central Corporation	1,863	2,504
	<b>Real Estate</b>			55,000	Teekay Shipping Corporation	3,239	2,994
222,300	BPO Properties Limited	5,240	8,814		<b>Road &amp; Rail</b>		
325,000	First Capital Realty Inc.	5,072	6,185	122,800	Mullen Transportation Inc.	6,697	7,027
125,000	MI Developments Inc., A SV	3,802	4,786		<b>Trading Companies &amp; Distributors</b>		
82,100	Parkbridge Lifestyle Communities Inc.	460	476	121,300	CanWel Building Materials Ltd.	1,700	1,701
426,000	Parkbridge Lifestyle Communities Inc. <sup>^</sup>	1,406	2,330	164,000	Ritchie Bros. Auctioneers Incorporated	5,257	6,269
300,000	RioCan Real Estate Investment Trust, units	5,650	5,445	485,000	Russel Metals Inc.	4,053	7,813
253,800	Trizec Canada Inc., SV	4,308	5,165		<b>TOTAL INDUSTRIALS</b>	<b>38,130</b>	<b>47,552</b>
341,000	Home Capital Group Inc.	1,757	11,485		<b>INFORMATION TECHNOLOGY - 3.2%</b>		
	<b>TOTAL FINANCIALS</b>	<b>106,878</b>	<b>157,598</b>		<b>Communications Equipment</b>		
	<b>HEALTH CARE - 1.4%</b>			95,000	Research In Motion Limited	3,266	8,789
	<b>Biotechnology</b>				<b>Internet Software &amp; Services</b>		
991,900	Cipher Pharmaceuticals Inc.	2,908	1,637	165,000	CryptoLogic Inc.	3,951	6,194
505,600	DiagnoCure Inc.	2,508	2,285		<b>IT Services</b>		
642,500	Millenium Biologix Corporation	516	578	470,600	Comnetix Inc.	1,384	1,407
					<b>Software</b>		
				200,000	Open Text Corporation	4,944	4,360
					<b>TOTAL INFORMATION TECHNOLOGY</b>	<b>13,546</b>	<b>20,751</b>

# Statement of Investments (continued)

March 31, 2005 (Unaudited)

Number of Shares or Par Value	Investment	Cost \$	Market Value \$
<i>(in thousands of dollars)</i>			
<b>MATERIALS - 19.1%</b>			
<b>Construction Materials</b>			
154,725	St. Lawrence Cement Group Inc., A SV	3,609	4,286
<b>Metals &amp; Mining</b>			
75,000	Alcan Inc.	3,752	3,440
354,000	Cameco Corporation	5,130	18,939
360,000	Canico Resource Corp.	2,103	5,450
260,000	Centerra Gold Inc.	4,202	5,005
317,000	Denison Mines Inc.	2,495	5,040
100,000	Dofasco Inc.	3,152	3,565
167,000	Falconbridge Limited	3,265	7,248
280,000	First Quantum Minerals Ltd.	3,455	6,303
1,012,000	Gerdau Ameristeel Corporation	5,307	7,479
200,000	Goldcorp Inc.	3,681	3,448
400,000	Grand Cache Coal Corporation	2,199	4,500
40,000	Inco Limited	1,096	1,923
200,000	Inco Limited, warrants 8/21/06	1,584	3,776
936,200	International Uranium Corporation	1,344	5,102
500,000	Kensington Resources Ltd.	1,236	1,175
350,000	Labrador Iron Ore Royalty Income Fund, units	4,090	8,054
200,000	NEMI Northern Energy & Mining Inc., A	458	400
325,000	NEMI Northern Energy & Mining Inc., A <sup>^</sup>	375	640
325,000	NEMI Northern Energy & Mining Inc., warrants 6/06/06*	193	198
175,000	Noranda Inc.	3,839	4,275
1,200,000	Shore Gold Inc.	2,445	6,756
500,000	Shore Gold Inc., warrants 9/28/05*	262	1,515
350,000	Southwestern Resources Corp.	3,183	3,465
514,200	UEX Corporation	1,273	1,152
250,000	Western Canadian Coal Corp.	1,174	1,300
<b>Paper &amp; Forest Products</b>			
363,500	Norbord Inc.	4,167	4,478
65,000	West Fraser Timber Co. Ltd.	3,100	3,302
<b>TOTAL MATERIALS</b>		<b>72,169</b>	<b>122,214</b>

Number of Shares or Par Value	Investment	Cost \$	Market Value \$
<i>(in thousands of dollars)</i>			
<b>TELECOMMUNICATION SERVICES - 4.3%</b>			
<b>Diversified Telecommunication Services</b>			
945,000	Call-Net Enterprises Inc., B NV	6,491	6,568
184,600	Manitoba Telecom Services Inc.	6,721	8,545
250,000	TELUS Corporation	3,881	9,688
64,600	TELUS Corporation, NV	1,921	2,405
<b>TOTAL TELECOMMUNICATION SERVICES</b>		<b>19,013</b>	<b>27,205</b>
<b>UTILITIES - 2.1%</b>			
<b>Electric Utilities</b>			
70,000	Fortis Inc.	4,061	4,998
<b>Gas Utilities</b>			
200,000	Terasen Inc.	3,710	5,440
<b>Multi-Utilities &amp; Unregulated Power</b>			
50,000	Canadian Utilities Limited, A NV	1,171	3,068
<b>TOTAL UTILITIES</b>		<b>8,942</b>	<b>13,506</b>
<b>PREFERRED SHARES - 3.6%</b>			
180,000	Bombardier Inc., Series 3	4,083	2,927
160,000	Co-operators General Insurance Company, Series A	3,968	4,240
150,000	Falconbridge Limited, Series 3	3,743	4,193
120,000	Fortis Inc., First Series E	3,113	3,311
300,000	Nortel Networks Corporation, Series 5	5,018	5,520
160,000	Nortel Networks Corporation, Series 7	2,863	2,792
<b>TOTAL PREFERRED SHARES</b>		<b>22,788</b>	<b>22,982</b>
<b>TOTAL INVESTMENTS</b>			
- March 31, 2005		437,590	639,741
- December 31, 2004		421,541	609,325
- March 31, 2004		405,022	556,812

<sup>^</sup> Pursuant to provincial securities legislation, securities purchased through a private placement from a qualifying issuer are restricted from trading on a stock exchange for a period of 4 months from the date of the private placement.

\* Unquoted security.

## OFFICE OF THE COMPANY

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e-mail: cgifund@mmainvestments.com  
website: www.mmainvestments.com

## MANAGER

Morgan Meighen & Associates Limited  
Toronto

## AUDITORS

PricewaterhouseCoopers LLP  
Toronto

## BANKERS

Bank of Montreal  
Toronto

## SOLICITORS

Blake, Cassels & Graydon LLP  
Toronto

## CANADIAN REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc.  
100 University Avenue, 9th Floor  
Toronto, Ontario, Canada M5J 2Y1  
Telephone:  
Canada & U.S.: 1-800-564-6253  
Overseas: 1-514-982-7555  
Fax:  
Canada & U.S.: 1-888-453-0330  
Overseas: 1-416-263-9394  
e-mail: mmamail@computershare.com

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

## U.K. BRANCH TRANSFER AGENT

Computershare Investor Services PLC  
P.O. Box 82  
The Pavilions, Bridgwater Road  
Bristol BS99 7NH  
Telephone: 0117 941 7781  
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## U.K. STOCKBROKER

Teather & Greenwood Limited  
15 St. Botolph Street  
London EC3A 7QR  
Telephone: 020 7426 9000  
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## STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange

Trading Symbols:

Common Shares	CGI
Preference Shares,	
Series 1	CGI.PR.A
Series 2	CGI.PR.B
Warrants	CGI.WT

The London Stock Exchange

Trading Symbols:

Common Shares	CGI
Warrants	CGIW

The Corporation is a founding member of the Closed-End Fund Association (CEFA) in North America.

## PUBLICATION

Diluted net asset value per share (NAV) and/or market price and market return are published daily/weekly in various media in Canada, the United Kingdom and the United States. These include: Globe and Mail, National Post, New York Times, Wall Street Journal, Barron's, Financial Times and Daily Telegraph.

The Corporation posts ongoing top 10 portfolio investments (priced at market), together with current NAV and market return information on its website. Similar information is available directly from the Corporation upon request.

## DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

The Plan, administered by the Corporation's Canadian Transfer Agent, offers an efficient method of acquiring additional shares. As well as with reinvested dividends, shareholders may purchase additional shares for cash (minimum \$100 – maximum \$5,000) every quarter. Shares are purchased on the open market, with participants paying the average cost while the Corporation pays all administrative charges, including commissions. The Plan may be used for self-directed RRSPs. Also, a number of Canadian brokers offer dividend reinvestment plans to CGI shareholders. Note: U.S. shareholders are eligible for the dividend reinvestment segment of the plan only.

