



CGI

Canadian General Investments,  
Limited

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**MorganMeighen**

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SECOND QUARTER REPORT - June 30, 2004



# Report to Shareholders

Canadian General Investments, Limited (CGI) completed the six months ended June 30, 2004 with a diluted net asset value per share (NAV) return of 5.4% versus 4.8% for the benchmark S&P/TSX Composite Total Return Index. On a 12 month basis, CGI had a return of 37.7% versus 24.5% for the index. We extended our big sector win in oil and gas and had sufficient gains in many stocks to maintain solid progress in the latest quarter. The bottom-up stock selection strategy employed by the Manager played a large part in the success achieved through the first half of 2004.

In market price terms, CGI common shares gave investors a return, with distributions reinvested, of 4.3% year-to-date and 44.2% over 12 months. For the year ended June 30, the shares were ranked No. 5 in market price performance according to Bloomberg data covering a universe of 53 Canadian closed-end funds. No. 2 and No. 3 were the other closed-end funds managed by Morgan Meighen & Associates Limited, namely Canadian World Fund Limited and Third Canadian General Investment Trust Limited. Two split share corporations, not actively managed, secured the top and fourth places.



Jonathan A. Morgan, Vice-President; Vanessa L. Morgan, Chairman; Michael A. Smedley, President

## Portfolio Changes

In a strong first quarter, CGI's NAV return was 8.4%, however, variations in economic data, fear of rising interest rates and minor market corrections flattened performance prior to a final upsurge in June. The second quarter saw our continued allocation to the Energy sector as high global demand and pricing served to avert seasonal mid-year correctional behaviour. We increased holdings and added several new names to the oil and gas services companies

### Top Ten Investments at Market\* – June 30, 2004

*(Portfolio details on pages 9-11)*

	%		%
Cameco Corporation	1.8	Enbridge Inc.	1.6
Corby Distilleries Limited	1.7	Home Capital Group Inc.	1.6
Bank of Montreal	1.7	TSX Group Inc.	1.6
Canadian Natural Resources Limited	1.6	BPO Properties Limited	1.6
TransCanada Corporation	1.6	Research In Motion Limited	1.5
		<b>Total</b>	<b>16.3</b>

\* Excluding cash, short-term investments and non-convertible preference shares.

### Weighting of Portfolio Investments at Market – June 30, 2004

	%
Financials	23.9
Energy	19.4
Materials	16.0
Consumer Discretionary	8.8
Utilities	6.4
Consumer Staples	5.4
Preferred Shares	5.1
Information Technology	4.5
Telecommunication Services	4.1
Other	6.4

during the latest quarter, including the following: Blue Mountain Energy Ltd., Cequel Energy Inc., Savanna Energy Services Corp., Talisman Energy Inc. and OPTI Canada Inc.

Other commodities continued much of the first quarter strength and the extended breakout of uranium spot pricing pushed Cameco Corporation, the world's leading producer, to top position in the CGI portfolio.

The most significant new purchase in metals was Alcan Inc., close to splitting into two entities to avoid anti-monopoly obstacles to its purchase of Pechiney SA, which should lead to higher values overall. More shares were added to the holding in Canico Resource Corp., a Canadian-based junior resource company working in Brazil on one of the few large near term nickel prospects in the world, and First Quantum Minerals Ltd., the Zambian Copper Belt key operator and developer. We also invested in the newly launched issue in Centerra Gold Inc., now a senior listed Canadian gold company, which was partially spun off by Cameco Corporation. It operates mines in Kyrgyzstan and Mongolia and should continue to expand its interests.

In the Materials sector, cement has moved into a shortfall both in North America and globally. We bought St. Lawrence Cement Group Inc. to participate in this commodity.

We added to Financials with AGF Management Limited, in mutual funds, and also E-L Financial Corporation Limited, the undervalued main holding company for an extensive insurance, shipping and closed-end funds group.

After quite a long absence, we re-entered the hotel industry with purchases in Fairmont Hotels & Resorts Inc. and Four Seasons Hotels Inc., in an effort to capture value from the higher occupancy trend that is now apparent.

Arguably our most spectacular recent performance is that of Research in Motion Limited which we first bought in the summer of 2003 at an average cost of just over \$16 per share (price adjusted for a recent stock split) and in which we recently added shares above \$77. It is our expectation that this company will continue to achieve sales and earnings above forecast for many quarters to come. It should extend its domination of the handheld global email space with the Blackberry devices.

### Outlook

For the second half of 2004, we see the probability of further gains across the portfolio. Canadian GDP growth for 2004 is generally forecast to be at least in the 2.7% area and any interest rate moves should be gradual. Attention to the importance of Canadian companies' management of resources in energy and metals at home and internationally should grow.

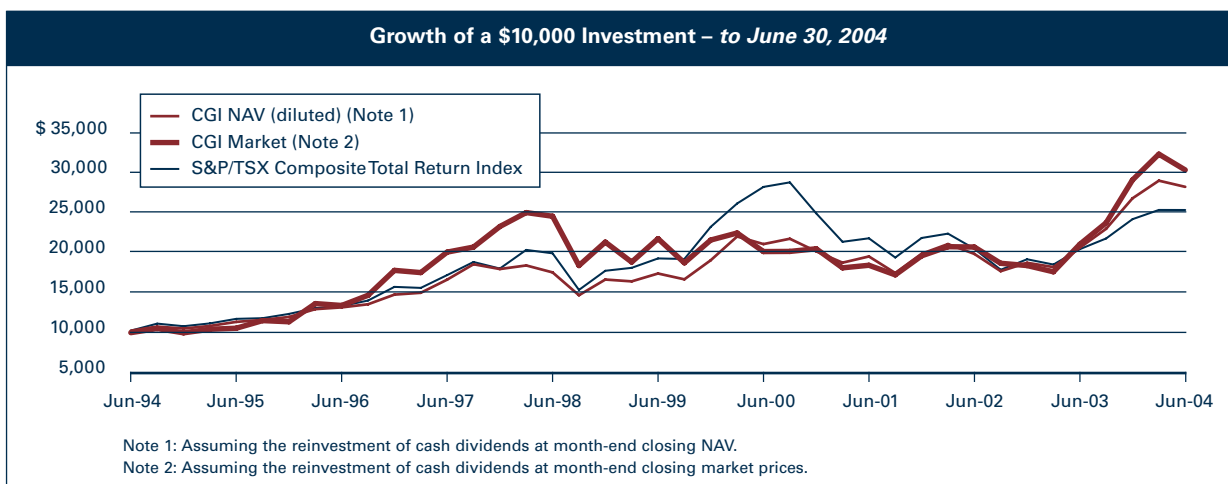


Vanessa L. Morgan,  
*Chairman*



Michael A. Smedley,  
*President*

**Growth of a \$10,000 Investment – to June 30, 2004**



# Management's Discussion and Analysis

Canadian General Investments, Limited (CGI) outperformed the benchmark S&P/TSX Composite Total Return Index (S&P/TSX) for the half-year ended June 30, 2004, despite contraction during the second quarter. CGI's total returns, expressed as diluted net asset value per share (NAV) with dividends reinvested, for the six and three month periods ended June 30, 2004 were 5.4% and -2.7%, respectively, compared with the 4.8% and 0.0% returns experienced by the benchmark index. For the twelve-month period to June 30, CGI posted a return of 37.7%, well ahead of 24.5% for the S&P/TSX.

## Financial Review

At the half-year, after a market correction, CGI's net assets were \$409,589,000, down 3.2% from the \$423,253,000 recorded at March 31, 2004, but up 5.2% from the \$389,324,000 at year-end 2003 after a late rebound. NAV at June 30, 2004 was \$17.91 compared with \$18.47 at March 31 and \$17.10 at December 31, 2003.

Portfolio assets at June 30, 2004 were \$546,539,000, up from \$523,754,000 at year-end. The largest sector weightings in CGI's portfolio at the end of June 2004, as at the end of the first quarter, were Financials (23.9%), Energy (19.4%)

and Materials (16.0%). These sectors also led the weightings in the S&P/TSX Composite Index at 32.8%, 17.0% and 16.0%, respectively. Strong gains from a broad range of stocks across the portfolio continue to be a big contributor to CGI's strong results.

At June 30, 2004, CGI's portfolio had an unrealized gain on investments of \$128,453,000, down from \$151,790,000 at March 31 but higher than \$125,142,000 at year-end 2003. The unrealized gain at June 30, 2003 was \$47,602,000. There was an increase in unrealized appreciation of investments of \$3,311,000 during the first six months of 2004, compared with an increase of \$29,484,000 for the same period in 2003.

Net realized gain on investments for the second quarter of 2004 was \$10,359,000, bringing the total for the first six months of 2004 to \$17,366,000. During the second quarter, the largest gains were realized on sales of securities of Sierra Wireless, Inc., Home Capital Group Inc., Brascan Corporation and SNC-Lavalin Group Inc. The pre-tax gains on these securities totalled approximately \$9.1 million. The largest loss realized during the most recent quarter was on the sale of shares of Imax Corporation, with a pre-tax loss of approximately \$1.2 million.



For the six months, CGI had net investment income of \$3,476,000, up significantly from the \$384,000 recorded for the same period of 2003. Net investment income for the second quarter of 2004 was \$422,000, up from \$155,000 in 2003.

Investment income of \$3,681,000 for the second quarter of 2004 resulted in a year-to-date total of \$9,476,000, large increases over the 2003 corresponding amounts of \$1,861,000 and \$3,749,000. Primary contributors were \$3,335,000 in special dividends from BPO Properties Ltd. in March and \$963,000 from Brookfield Homes Corporation in May. Also contributing to the increases was the utilization of the net proceeds of the \$75 million Series 2 preference share issue which closed in November 2003.

For the six-month period, total expenses were 76.3% higher than in the comparable period of 2003, largely as a result of the 2003 preference share issue. Dividends on preference shares now reflect the dividends on both the 5.40% Series 1 and the 4.65% Series 2 preference shares. The issue costs associated with the November 2003 Series 2 issue are being amortized over a five-year period, while the costs from the 1998 Series 1 issue were fully written-off by the end of the third quarter of 2003. The other significant expense of the Corporation, management fees, is calculated quarterly in arrears at 1% per annum of the market value of CGI's portfolio assets.

During the first two quarters of both 2004 and 2003, CGI paid two regular income dividends of \$0.06 per share to its

common shareholders. Capital gains dividends, if paid, are generally distributed towards year-end.

## Warrants

In April 2004, the TSX approved 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 six months of 2004, CGI purchased 90,600 warrants at an aggregate cost of \$716,000, and 116,600 warrants at a cost of \$401,000 in the same period of 2003.

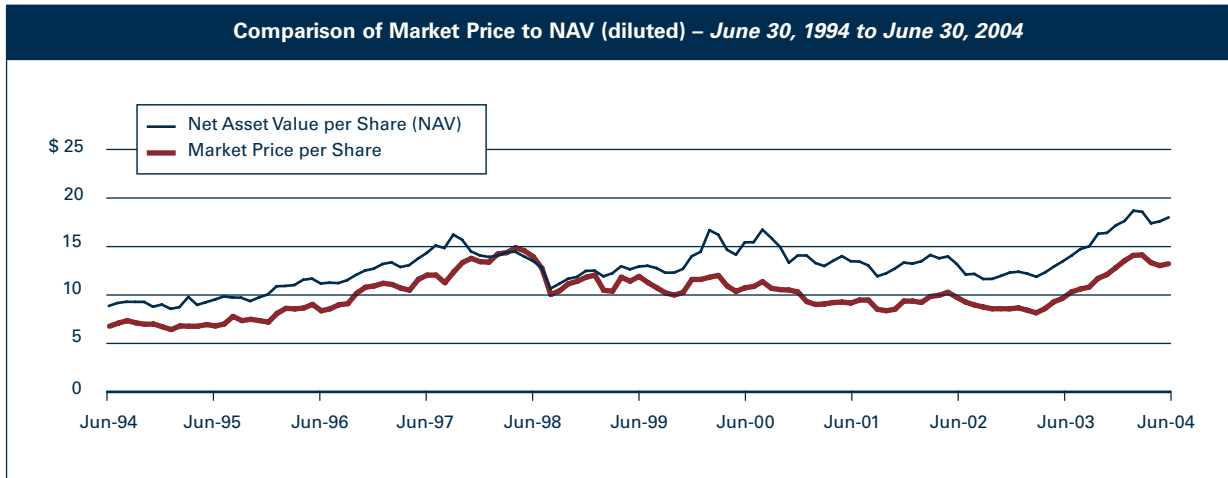
On June 30, 2004, 11,478 warrants were exercised at \$5.83 per share for aggregate proceeds of \$67,000. Since the first exercise date on June 30, 2000, 51,802 warrants have been exercised for total proceeds of \$365,000.

As a result of the exercise of warrants and the continuing warrant buyback program, CGI had 3,508,786 warrants outstanding at June 30, 2004.

## Outlook

It is the Manager's view that Canada's economy should continue to enjoy strong growth. Relatively low inflationary pressures should not prompt the Bank of Canada to alter expectations for only measured interest rate increases. In this environment, CGI is likely to maintain a well-diversified portfolio and continue to pursue stability and strong financial results by mainly bottom-up stock selection.

Comparison of Market Price to NAV (diluted) – June 30, 1994 to June 30, 2004



# Statements of Net Assets

	As at June 30, 2004 <i>(Unaudited)</i>	As at December 31, 2003 <i>(Audited)</i>	As at June 30, 2003 <i>(Unaudited)</i>
<i>(In thousands of dollars, except per share amounts)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	\$	\$	\$
<b>Assets</b>			
Investments	543,083	520,312	358,540
Cash and short-term investments	1,056	1,720	3,231
Receivable on securities sold	2,868	1,383	–
Accrued interest and dividends	957	1,049	850
Income taxes recoverable	–	–	767
Deferred financing charge	2,024	2,234	83
	<b>549,988</b>	<b>526,698</b>	<b>363,471</b>
<b>Liabilities</b>			
Payable on securities purchased	1,425	710	1,007
Accounts payable and accrued liabilities	125	135	116
Accrued dividends on preference shares	276	295	133
Income taxes payable	3,573	1,234	–
Preference shares	135,000	135,000	60,000
	<b>140,399</b>	<b>137,374</b>	<b>61,256</b>
<b>Net Assets</b>	<b>409,589</b>	<b>389,324</b>	<b>302,215</b>
<b>Shareholders' Equity</b>			
Common shares	127,402	127,335	127,335
Unrealized gain on investments	128,453	125,142	47,602
Retained earnings	153,734	136,847	127,278
	<b>409,589</b>	<b>389,324</b>	<b>302,215</b>
<b>Number of common shares outstanding</b>	<b>20,499,638</b>	<b>20,488,160</b>	<b>20,488,160</b>
<b>Number of warrants outstanding</b>	<b>3,508,786</b>	<b>3,610,864</b>	<b>3,670,464</b>
<b>Net asset value per common share – basic</b>	<b>19.98</b>	<b>19.00</b>	<b>14.75</b>
<b>Net asset value per common share – diluted</b>	<b>17.91</b>	<b>17.10</b>	<b>13.47</b>

## 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, 2003. These interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements.

# Statements of Operations

<i>(Unaudited)</i> <i>(In thousands of dollars, except per share amounts)</i>	<i>Three Months Ended</i>		<i>Six Months Ended</i>	
	<b>June 30, 2004</b>	June 30, 2003	<b>June 30, 2004</b>	June 30, 2003
	\$	\$	\$	\$
<b>Investment income</b>				
Dividends	3,392	1,317	9,024	2,775
Interest	271	536	419	959
Other	18	8	33	15
	<b>3,681</b>	1,861	<b>9,476</b>	3,749
<b>Expenses</b>				
Management fees	1,498	863	2,899	1,757
Dividends on preference shares	1,663	801	3,345	1,611
Amortization of deferred financing charge	116	83	233	166
Investor relations	78	43	123	72
Directors' fees	18	18	43	42
Other	106	144	225	247
	<b>3,479</b>	1,952	<b>6,868</b>	3,895
<b>Investment income (loss) before income taxes</b>	202	(91)	2,608	(146)
<b>Income tax recovery</b>	220	246	868	530
<b>Net investment income (loss)</b>	422	155	3,476	384
<b>Realized and unrealized gain (loss) on investments</b>				
Net realized gain on investments	10,359	6,913	17,366	619
Change in unrealized appreciation of investments	(23,337)	31,766	3,311	29,484
<b>Net gain (loss) on investments</b>	(12,978)	38,679	20,677	30,103
<b>Increase (decrease) in net assets resulting from operations</b>	(12,556)	38,834	24,153	30,487
<b>Increase (decrease) in net assets resulting from operations per common share</b>	(0.61)	1.90	1.18	1.49

## Statements of Retained Earnings

<i>(Unaudited)</i> <i>(In thousands of dollars, except per share amounts)</i>	<i>Three Months Ended</i>		<i>Six Months Ended</i>	
	<b>June 30, 2004</b>	June 30, 2003	<b>June 30, 2004</b>	June 30, 2003
	\$	\$	\$	\$
<b>Retained earnings – Beginning of period</b>	144,128	121,625	136,847	129,133
Net investment income for the period	422	155	3,476	384
Net realized gain on investments	10,359	6,913	17,366	619
Distributions from net investment income	(1,230)	(1,228)	(2,459)	(2,457)
Warrants repurchased	(124)	(187)	(716)	(401)
Recovery of (provision for) refundable dividend tax on hand	179	–	(780)	–
<b>Retained earnings – End of period</b>	<b>153,734</b>	<b>127,278</b>	<b>153,734</b>	<b>127,278</b>
<b>Dividends per common share</b>				
Regular	<b>0.06</b>	0.06	<b>0.12</b>	0.12

## Statements of Changes in Net Assets

<i>(Unaudited)</i> <i>(In thousands of dollars)</i>	<i>Three Months Ended</i>		<i>Six Months Ended</i>	
	<b>June 30, 2004</b>	June 30, 2003	<b>June 30, 2004</b>	June 30, 2003
	\$	\$	\$	\$
<b>Increase (decrease) in net assets resulting from operations</b>	<b>(12,556)</b>	38,834	<b>24,153</b>	30,487
<b>Distributions to common shareholders</b>				
From net investment income	(1,230)	(1,228)	(2,459)	(2,457)
Net decrease (increase) in refundable dividend tax on hand	179	–	(780)	–
	<b>(1,051)</b>	<b>(1,228)</b>	<b>(3,239)</b>	<b>(2,457)</b>
<b>Capital stock transactions</b>				
Shares issued on exercise of warrants	67	67	67	67
Warrants repurchased	(124)	(187)	(716)	(401)
	<b>(57)</b>	<b>(120)</b>	<b>(649)</b>	<b>(334)</b>
<b>Increase (decrease) in net assets</b>	<b>(13,664)</b>	37,486	<b>20,265</b>	27,696
<b>Net assets – Beginning of period</b>	<b>423,253</b>	264,729	<b>389,324</b>	274,519
<b>Net assets – End of period</b>	<b>409,589</b>	<b>302,215</b>	<b>409,589</b>	<b>302,215</b>

## Statements of Net Gain (Loss) on Investments

<i>(Unaudited)</i> <i>(In thousands of dollars)</i>	<i>Three Months Ended</i>		<i>Six Months Ended</i>	
	<b>June 30, 2004</b>	June 30, 2003	<b>June 30, 2004</b>	June 30, 2003
	\$	\$	\$	\$
Proceeds from disposition of investments	64,571	35,494	129,077	71,734
Investments at cost, beginning of period	405,022	296,499	395,170	313,059
Investments purchased during the period	61,034	41,265	126,523	68,837
Investments at cost, end of period	(414,630)	(310,938)	(414,630)	(310,938)
<b>Cost of investments disposed of during the period</b>	<b>51,426</b>	26,826	<b>107,063</b>	70,958
<b>Realized gain on disposition of investments</b>				
<b>before income taxes</b>	13,145	8,668	22,014	776
Income tax provision on realized net taxable capital gains	(2,786)	(1,755)	(4,648)	(157)
<b>Net realized gain on investments</b>	<b>10,359</b>	6,913	<b>17,366</b>	619
Change in unrealized appreciation of investments	(23,337)	31,766	3,311	29,484
<b>Net gain (loss) on investments</b>	<b>(12,978)</b>	38,679	<b>20,677</b>	30,103

# Statement of Investments

June 30, 2004 (*Unaudited*)

<i>Number of Shares or Par Value</i>	<i>Investment – % of Total Market Value</i>	<i>Cost</i>	<i>Market Value</i>
<b>CONSUMER DISCRETIONARY – 8.8%</b>			
<b>Hotels, Restaurants, &amp; Leisure</b>			
145,900	Fairmont Hotels & Resorts Inc.*	\$ 5,086	\$ 5,260
30,000	Four Seasons Hotels Inc.*	2,334	2,406
<b>Household Durables</b>			
100,000	Dorel Industries Inc. B	3,850	4,370
<b>Media</b>			
212,100	Astral Media Inc. A	3,790	6,034
185,800	CHUM Limited B	5,242	5,203
212,800	Torstar Corporation B	4,416	5,741
170,800	Transcontinental Inc. A	3,664	4,526
200,000	Yellow Pages Income Fund	2,146	2,268
<b>Multiline Retail</b>			
290,000	Hudson's Bay Company	3,492	4,054
<b>Specialty Retail</b>			
740,200	BMTC Group Inc. A	4,451	8,142
TOTAL CONSUMER DISCRETIONARY		38,471	48,004
<b>CONSUMER STAPLES – 5.4%</b>			
<b>Beverages</b>			
75,000	Corby Distilleries Limited A	3,753	4,949
70,000	Corby Distilleries Limited B	4,416	4,253
<b>Food &amp; Drug Retailing</b>			
157,600	CoolBrands International Inc.	915	3,451
200,000	The Jean Coutu Group (PJC) Inc. A*	3,894	3,626
174,200	Shoppers Drug Mart Corporation	4,055	5,818
<b>Food Products</b>			
3,000,000	Saskatchewan Wheat Pool B	1,216	1,200
200,800	SunOpta Inc.	1,437	2,297
<b>Tobacco</b>			
105,300	Rothmans Inc.	3,116	3,527
TOTAL CONSUMER STAPLES		22,802	29,121

<i>Number of Shares or Par Value</i>	<i>Investment – % of Total Market Value</i>	<i>Cost</i>	<i>Market Value</i>
<b>ENERGY – 19.4%</b>			
<b>Oil &amp; Gas</b>			
320,000	AltaGas Income Trust	\$ 4,613	\$ 6,512
359,100	Blue Mountain Energy Ltd.*	2,500	2,905
110,000	Calfrac Well Services Ltd.	2,387	3,301
220,000	Canadian Natural Resources Limited	5,542	8,811
550,000	Cequel Energy Inc.+	4,707	5,665
285,000	Duvernay Oil Corp.	3,152	3,696
598,000	First Calgary Petroleum Ltd.	2,708	6,668
285,000	Husky Energy Inc.	5,328	7,310
148,000	InterOil Corporation	5,269	4,289
80,000	Nexen Inc.	3,939	4,160
90,000	Niko Resources Ltd.+	2,619	3,474
160,000	OPTI Canada Inc.*	3,644	3,000
75,000	Penn West Petroleum Ltd.	3,669	4,657
35,000	Petro-Canada	663	2,018
125,000	PetroKazakhstan Inc.	4,903	4,529
110,000	Peyto Energy Trust	1,452	3,301
695,500	Phoenix Technology Services Inc.	2,000	3,109
80,000	Precision Drilling Corporation	4,312	5,098
225,000	Savanna Energy Services Corp.*	2,459	2,430
87,500	Shell Canada Limited	4,423	5,643
280,000	Talisman Energy Inc.+	6,736	8,148
349,218	Thunder Energy Inc.+	2,530	2,483
125,000	Western Oil Sands Inc. A	3,218	4,219
TOTAL ENERGY		82,773	105,426
<b>FINANCIALS – 23.9%</b>			
<b>Banks</b>			
170,000	Bank of Montreal	5,964	9,073
200,000	The Bank of Nova Scotia	4,356	7,164
50,000	Canadian Imperial Bank of Commerce	2,482	3,260
110,100	Canadian Western Bank	4,624	4,492
175,000	National Bank of Canada	6,943	7,525
100,000	The Toronto-Dominion Bank	3,377	4,288

# Statement of Investments *(continued)*

June 30, 2004 *(Unaudited)*

<i>Number of Shares or Par Value</i>	<i>Investment – % of Total Market Value</i>	<i>Cost</i>	<i>Market Value</i>
		<i>(in thousands of dollars)</i>	
<b>FINANCIALS – <i>continued</i></b>			
<b>Diversified Financials</b>			
102,200	AGF Management Limited B*	\$ 1,913	\$ 1,825
212,400	Brascan Corporation A	3,365	7,948
249,000	CI Fund Management Inc.	3,622	4,009
105,400	Economic Investment Trust Limited	4,617	5,586
85,000	Equitable Group Inc.	1,730	1,539
250,900	GMP Capital Corp.†	3,794	4,315
229,000	Guardian Capital Group Ltd. A	1,637	3,549
391,000	Home Capital Group Inc. B	2,014	8,700
150,000	Power Financial Corporation	6,893	8,228
228,100	SEAMARK Asset Management Ltd.	3,715	5,360
180,900	TSX Group Inc.	4,168	8,611
61,600	United Corporations Limited	2,231	2,624
400,000	VFC Inc.	3,901	3,800
<b>Insurance</b>			
4,100	E-L Financial Corporation Limited*	1,458	1,476
75,000	Manulife Financial Corporation	3,076	4,054
100,000	Sun Life Financial Inc.	3,486	3,841
<b>Real Estate</b>			
222,300	BPO Properties Limited	5,240	8,447
325,000	First Capital Realty Inc.	5,072	5,281
253,800	Trizec Canada Inc.	4,308	4,759
<b>TOTAL FINANCIALS</b>		<b>93,986</b>	<b>129,754</b>
<b>HEALTH CARE – 3.5%</b>			
<b>Biotechnology</b>			
558,400	ConjuChem Inc.	3,264	7,148
505,600	DiagnoCure Inc.*	2,508	2,457
90,000	Neurochem Inc.†	1,143	2,523
<b>Health Care Equipment &amp; Supplies</b>			
125,000	TLC Vision Corporation†	1,912	1,936
<b>Pharmaceuticals</b>			
91,500	Biovail Corporation*	2,119	2,311
941,900	Cipher Pharmaceuticals Inc.†	2,784	2,637
<b>TOTAL HEALTH CARE</b>		<b>13,730</b>	<b>19,012</b>

<i>Number of Shares or Par Value</i>	<i>Investment – % of Total Market Value</i>	<i>Cost</i>	<i>Market Value</i>
		<i>(in thousands of dollars)</i>	
<b>INDUSTRIALS – 2.9%</b>			
<b>Building Products</b>			
151,100	Ceramic Protection Corporation*	\$ 1,136	\$ 1,685
<b>Commercial Services &amp; Supplies</b>			
200,000	Davis + Henderson Income Fund	2,031	3,600
<b>Construction &amp; Engineering</b>			
52,100	SNC-Lavalin Group Inc.	1,140	2,553
164,000	Ritchie Bros. Auctioneers Incorporated	5,257	6,399
<b>Marine</b>			
24,000	Algoma Central Corporation	1,355	1,536
<b>TOTAL INDUSTRIALS</b>		<b>10,919</b>	<b>15,773</b>
<b>INFORMATION TECHNOLOGY – 4.5%</b>			
<b>Communications Equipment</b>			
1,200,000	Nortel Networks Corporation	8,528	8,028
90,000	Research In Motion Limited†	2,073	8,233
<b>Internet Software &amp; Services</b>			
165,000	CryptoLogic Inc.*	3,951	3,944
212,300	Mediagrif Interactive Technologies Inc.	1,588	2,312
<b>Software</b>			
134,900	Workbrain Corporation†	2,582	2,057
<b>TOTAL INFORMATION TECHNOLOGY</b>		<b>18,722</b>	<b>24,574</b>
<b>MATERIALS – 16.0%</b>			
<b>Construction Materials</b>			
180,000	Masonite International Corporation	4,518	6,214
133,000	St. Lawrence Cement Group Inc. A*	3,064	3,324

# Statement of Investments *(continued)*

June 30, 2004 *(Unaudited)*

Number of Shares or Par Value	Investment – % of Total Market Value	Cost	Market Value
		<i>(in thousands of dollars)</i>	
<b>MATERIALS – continued</b>			
<b>Metals &amp; Mining</b>			
100,000	Aber Diamond Corporation	\$ 1,847	\$ 3,965
75,000	Alcan Inc.*	4,123	4,140
128,000	Cameco Corporation	5,564	9,990
360,000	Canico Resource Corp.+	2,103	5,238
110,000	Centerra Gold Inc.*	1,705	1,694
100,000	Dofasco Inc.	3,152	3,960
1,500,000	Dynatec Corporation	2,196	2,070
200,000	Falconbridge Limited	3,910	6,550
250,000	First Quantum Minerals Ltd.+	2,700	3,537
712,000	Gerdau Ameristeel Corporation+	3,572	3,624
70,000	Inco Limited	1,918	3,221
200,000	Inco Limited wts 8/21/06	1,584	3,842
1,169,200	International Uranium Corporation	1,678	3,157
350,000	Labrador Iron Ore Royalty Income Fund	4,090	6,037
80,000	Noranda Inc.	1,735	1,835
485,000	Russel Metals Inc.	4,053	5,335
350,000	Southwestern Resources Corp.	3,183	5,005
<b>Paper &amp; Forest Products</b>			
255,900	Nexfor Inc.	3,732	3,885
<b>TOTAL MATERIALS</b>		<b>60,427</b>	<b>86,623</b>
<b>TELECOMMUNICATION SERVICES – 4.1%</b>			
<b>Diversified Telecommunication Services</b>			
167,600	Manitoba Telecom Services Inc.+	5,995	7,601
300,000	TELUS Corporation	3,431	6,543
<b>Wireless Telecommunication Services</b>			
130,000	Rogers Wireless Communications Inc. B+	2,494	4,751
250,000	Telesystem International Wireless Inc.*	4,082	3,283
<b>TOTAL TELECOMMUNICATION SERVICES</b>		<b>16,002</b>	<b>22,178</b>

Number of Shares or Par Value	Investment – % of Total Market Value	Cost	Market Value
		<i>(in thousands of dollars)</i>	
<b>UTILITIES – 6.4%</b>			
<b>Electric Utilities</b>			
350,000	Emera Inc.	\$ 6,020	\$ 5,915
70,000	Fortis Inc.	4,061	4,071
<b>Gas Utilities</b>			
180,000	Enbridge Inc.	7,013	8,768
200,000	Terasen Inc.	3,710	4,724
333,000	TransCanada Corporation	8,508	8,791
<b>Multi-Utilities &amp; Unregulated Power</b>			
50,000	Canadian Utilities Limited A	1,171	2,645
<b>TOTAL UTILITIES</b>		<b>30,483</b>	<b>34,914</b>
<b>PREFERRED SHARES – 5.1%</b>			
180,000	Bombardier Inc. pfd. series 3	4,083	3,654
120,000	Brookfield Properties Corporation pfd. series I	3,000	3,072
160,000	Co-operators General Insurance Company pfd. series A	3,968	4,126
150,000	Falconbridge Limited pfd. series 3	3,743	3,885
250,000	Fortis Inc., 1st pref. units	1,797	1,513
300,000	Nortel Networks Corporation pfd. series 5	5,018	6,270
160,000	Nortel Networks Corporation pfd. series 7	2,863	3,192
80,000	Quebecor World Inc. pfd. series 3	1,843	1,992
<b>TOTAL PREFERRED SHARES</b>		<b>26,315</b>	<b>27,704</b>
<b>TOTAL INVESTMENTS</b>			
– June 30, 2004		\$414,630	\$543,083
– December 31, 2003		\$395,170	\$520,312
– June 30, 2003		\$310,938	\$358,540

*Changes from March 31, 2004: \*New Holdings; + Increased Holdings*



# Corporate Information

## CANADIAN GENERAL INVESTMENTS, LIMITED

### OFFICE OF THE COMPANY

110 Yonge Street, Suite 1601  
Toronto, Ontario, Canada M5C 1T4  
Telephone: (416) 366-2931  
Toll Free: 1-866-443-6097  
Fax: (416) 366-2729  
e-mail: [cgifund@mmainvestments.com](mailto:cgifund@mmainvestments.com)  
website: [www.mmainvestments.com](http://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 Trust Company of Canada  
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](mailto: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. TRANSFER AGENT

CIBC Mellon Trust Company  
34 Beckenham Road  
Beckenham, Kent BR3 4TU  
Telephone:  
U.K. (Toll Free): 087 0162 3100  
Outside U.K.: 020 8639 2157

### U.K. STOCKBROKER

Teather & Greenwood Limited  
15 St. Botolph Street  
London EC3A 7QR  
Telephone: 020 7426 9000  
Fax: 020 7426 9595

### STOCK EXCHANGE LISTING

The Toronto Stock Exchange

*Trading Symbols:*

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

The London Stock Exchange

*Trading Symbols:*

Common Shares	CGI
Warrants	CGI.WT

### STOCK DATA

June 30, 2004	
Price	\$ 13.13
Net Asset Value	\$ 17.91
Discount	26.7%

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 States and the United Kingdom. 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.

