

**CANADIAN GENERAL
INVESTMENTS, LIMITED**

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Managed by:



MorganMeighen

& ASSOCIATES

Investment Managers



CGI

Canadian General Investments,
Limited

2005

**FOCUSED
ON CANADA**

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Third Quarter Report
September 30, 2005

Report to Shareholders

We note with some pride that the final day rally of the nine months to September 30, 2005 assisted in raising the net asset value (NAV) return of Canadian General Investments, Limited (CGI) to 23.4%, fully diluted and assuming dividends were reinvested.

For several years, CGI has clearly surpassed the performance of its main benchmark, the S&P/TSX Composite Total Return Index, which was up 20.7% this year to date, and 29.3% over one year. CGI's NAV over one year was up 43.4% fully diluted for its warrants.

The common shares of CGI, also with dividends reinvested, returned 46.1% year to date at September 30, versus 28.8% for the whole of 2004. The share price was up 75.9% over the latest twelve-month period – one of the best performances among listed closed-end funds in North America. For many international investors the results were also spectacular because of the unrivalled strength of the Canadian dollar.

CGI's capital gains seem headed for another strong year. At September 30, year-to-date realized capital gains stood at the \$54 million level and refundable dividend tax on hand, recoverable upon the payment of capital gains dividends, was approximately \$15.8 million. In addition, the portfolio reflected unrealized gains of nearly \$260 million at quarter end.



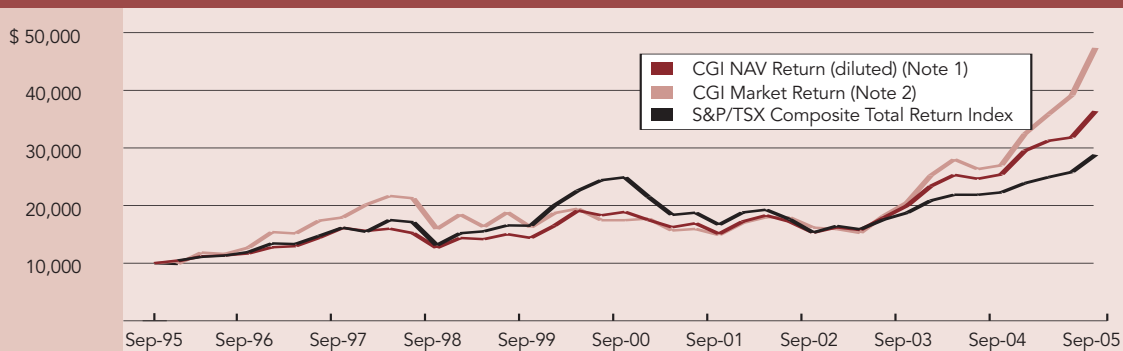
Jonathan A. Morgan and Vanessa L. Morgan with D. Greg Eckel and Michael A. Smedley, portfolio management executives of the Manager

When considering dividends in the final quarter, the Board of Directors takes into account various factors beyond portfolio success, including the present and anticipated future condition of the stock market and the tradition for several years of relatively consistent yield when it is prudent and possible. CGI tends to be in the top ranks of dividend paying corporations in Canada.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

Growth of a \$10,000 Investment – to September 30, 2005



Note 1: Assuming the reinvestment of cash dividends at respective month-end closing NAV.

Note 2: Assuming the reinvestment of cash dividends at respective month-end closing market prices.

INVESTMENT COMMENTARY

Among portfolio changes during the latest quarter, we returned to EnCana Corporation, the major North American gas producer, now rivalling the Royal Bank of Canada as the largest market capitalization stock on the TSX, and Nexen Inc., a diversified domestic international and oil sands player. We made a timely return to First Calgary Petroleum Ltd., whose Algerian gas discoveries are said to be equal to two-thirds of total Canadian domestic reserves.

We moved into Find Energy Ltd., one of many high performance domestic juniors which have resulted in considerable gains to our oil and gas portfolio. Another newcomer was Petrobank Energy and Resources Ltd., with oil sands interests including a patented new extraction process, conventional oil and gas and coal bed methane reserves in Canada and, in Colombia, a recent discovery of light sweet crude.

In Metals, we returned to Goldcorp Inc. and FNX Mining Company Inc. for their high growth profiles, and Fording Canadian Coal Trust, the second largest metallurgical coal producer in the world.

A newcomer to the top ten holdings was Shore Gold Inc., a position increased as we exercised the company's warrants. Shore is merging with Kensington Resources Ltd., bringing two strong adjacent properties together. Newmont and DeBeers have links with these two Saskatchewan companies

and the combined property could end up being one of the two largest diamond mines in the world. Canada is now the world's third largest diamond producer.

Among our Media names, we note Rogers Communications Inc., a long-term holding, has moved to a high weighting in the portfolio. The position increased with the exchange of shares on the Call-Net Enterprises Inc. acquisition. Rogers has built a cable, media and wireless empire and is expanding its activity, along with other names held as we enter the voice-over-internet era.

Energy should, for the near term, stay at the 30% level of portfolio assets for Canadian General Investments, and Materials at the 13% level to benefit from demand for metals in infrastructure, construction, industry and technology.

CGI is predominantly invested in other corporations for growth and/or income. The Fund's holdings in the income trust sector are not material relative to the size of the portfolio so it should not be significantly impacted by any adjustments the federal government might make to the tax treatment of trusts.

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

Top Ten Investments at Market* – September 30, 2005

(Portfolio details on pages 9-11)

	%		%
Cameco Corporation	3.1	Home Capital Group Inc.	1.8
Rogers Communications Inc.	2.9	Falconbridge Limited	1.7
TSX Group Inc.	2.3	Husky Energy Inc.	1.7
TELUS Corporation	2.1	National Bank of Canada	1.6
Enbridge Inc.	1.9	Shore Gold Inc.	1.6
		Total	20.7

*Excluding cash and non-convertible preference shares.

Weighting of Portfolio Investments at Market – September 30, 2005

	%
Energy	29.5
Financials	22.2
Materials	13.1
Consumer Discretionary	9.1
Industrials	8.2
Consumer Staples	5.2
Telecommunication Services	3.9
Preferred Shares	3.0
Utilities	2.5
Other	3.3
Total	100.0

Management's Discussion & Analysis

A strong third quarter resulted in Canadian General Investments, Limited's (CGI) outperformance of the benchmark S&P/TSX Composite Total Return Index (S&P/TSX) for both the nine- and three-month periods ended September 30, 2005. CGI's diluted net asset value per share (NAV) returns, with dividends reinvested, year to date and for the quarter ended September 30, 2005 were 23.4% and 14.4%, respectively. By comparison, the returns of the benchmark S&P/TSX Composite Total Return Index (S&P/TSX) for the same periods were 20.7% and 11.6%. At September 30, 2005, CGI's net assets were \$587,857,000, up 14.5% from the \$513,215,000 at June 30, 2005 and up 23.5% from the \$475,976,000 recorded at year-end 2004. The corresponding NAVs at September 30, 2005, June 30, 2005 and December 31, 2004 were \$25.35, \$22.22 and \$20.71.

FINANCIAL REVIEW

For the nine months, CGI had an increase in net assets resulting from operations of \$126,145,000, or \$5.52 per common share on a diluted basis. For the corresponding period in 2004, the amounts were \$41,724,000 and \$1.86, respectively.

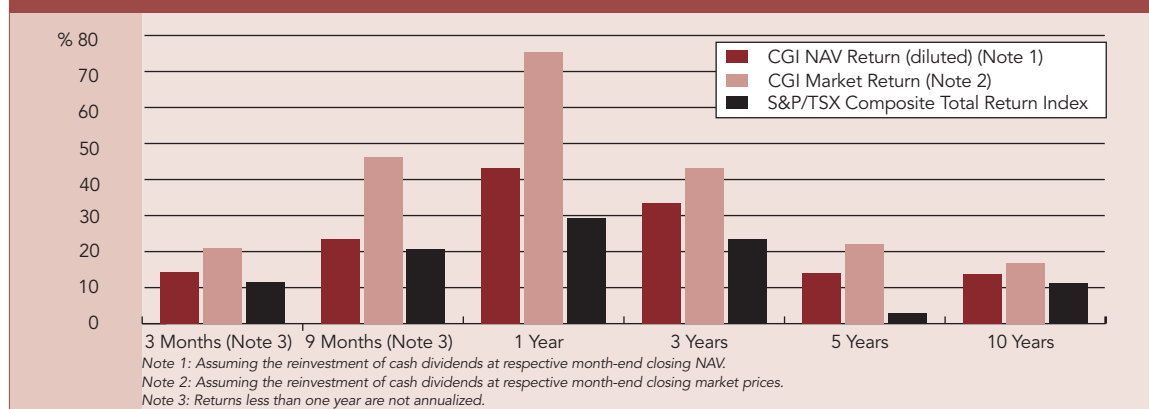
Strong performance across a broad range of stocks, particularly in the top-performing energy sector, resulted in a net gain on investments of \$125,648,000 for the nine months ended September 30, 2005, comprised of a net realized gain on investments of \$53,973,000 and a

change in unrealized gain on investments of \$71,675,000. This compares to a net gain on investments of \$39,197,000 for the nine-month period in 2004.

CGI's net investment income for the first nine months of 2005 was \$497,000, down from the \$2,527,000 recorded for the corresponding period in 2004, due to both a decline in total investment income and an increase in total expenses. Although up 13.0% for the third quarter of 2005 compared to 2004, total investment income, which includes dividends, as well as interest and other income, of \$11,629,000 for the first nine months of 2005, was 9.2% lower than the \$12,801,000 earned in 2004. This year-to-date difference was impacted by the receipt of a special dividend of \$3.3 million from BPO Properties Ltd. in the first quarter of 2004. The substantial increase in interest and other income, to \$1,930,000 from \$978,000 in the first nine months of 2005, was driven mainly by greater exposure to income trusts, which pay distributions in the form of dividends, return of capital, interest and other income.

Total year-to-date expenses of \$11,132,000 were 8.4% higher than the \$10,274,000 recorded in the comparable period of 2004, primarily as a result of the increase in management fees, corresponding to the overall increase in portfolio assets. Management fees, which are paid monthly, are calculated quarterly in arrears at 1% per annum of the market value of CGI's portfolio assets.

Compound Average Annual Rates of Return vs. S&P/TSX Composite Total Return Index
– For the periods to September 30, 2005



During each of the first three quarters of both 2005 and 2004, CGI paid regular income dividends of \$0.06 per share to its common shareholders.

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 September 30, 2005 were Energy (29.5%), Financials (22.2%) and Materials (13.1%). These sectors also had the three highest weightings in the S&P/TSX Composite Index at 27.1%, 30.8% and 14.3%, respectively. As an equity fund, the Corporation's primary risk 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.

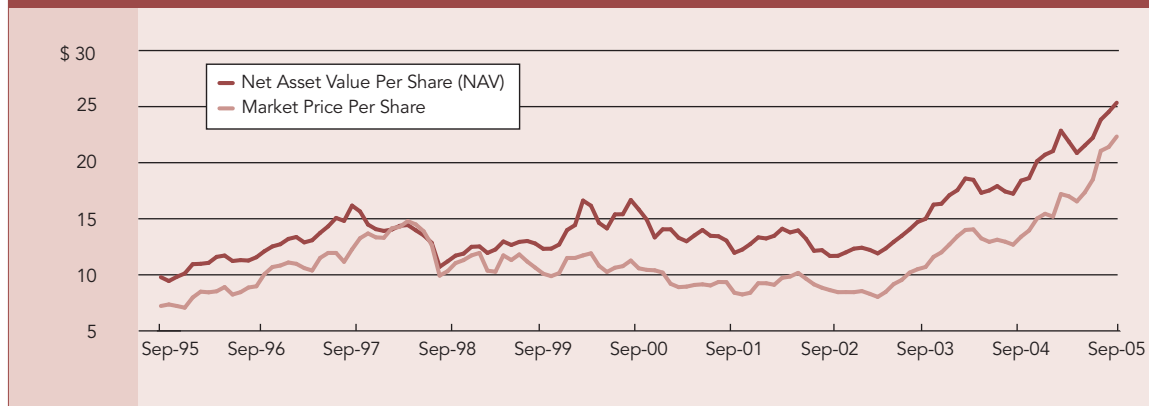
WARRANTS

CGI continued to buy in its warrants pursuant to a further renewal of CGI's Normal Course Issuer Bid for warrants, applicable for the period April 23, 2005 to April 22, 2006. Purchase and cancellation of the warrants increases the diluted net asset value per share. During the first nine months of 2005, CGI purchased 94,800 warrants at an aggregate cost of \$1,144,000, compared to 120,800 warrants at a cost of \$927,000 in the same period of 2004. CGI had 3,290,184 warrants outstanding at September 30, 2005.

OUTLOOK

With total returns of 25.7% for the quarter and 66.9% year to date to September 30, 2005, the Energy sector continues to be the major driver behind both CGI's, and the Canadian market's, performance thus far in 2005. The dominance of natural resources, including energy and mining stocks, in the Canadian market is likely to result in volatility for the balance of the year as the market strives to interpret uncertain supply and demand factors.

Comparison of Market Price to NAV (diluted) – September 30, 1995 to September 30, 2005



Statements of Net Assets

	As at Sept. 30, 2005 <i>(Unaudited)</i> \$	As at Dec. 31, 2004 <i>(Audited)</i> \$
<i>(in thousands of dollars, except per share amounts)</i>		
Assets		
Investments at market value	722,987	609,325
Cash	1,650	2,180
Receivable on securities sold	2,653	-
Interest and dividends receivable	1,285	1,329
Deferred financing charge	1,440	1,790
	730,015	614,624
Liabilities		
Payable on securities purchased	2,340	296
Accounts payable and accrued liabilities	224	190
Accrued dividends on preference shares	276	295
Income taxes payable	4,318	2,867
Preference shares	135,000	135,000
	142,158	138,648
Net Assets	587,857	475,976
Shareholders' Equity		
Common shares	127,790	127,402
Unrealized gain on investments*	259,459	187,784
Retained earnings	200,608	160,790
	587,857	475,976
Number of common shares outstanding	20,573,940	20,499,638
Number of warrants outstanding	3,290,184	3,459,286
Net asset value per common share - basic	28.57	23.22
Net asset value per common share - diluted	25.35	20.71

* 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>		<i>Nine Months Ended</i>	
	Sept. 30, 2005	Sept. 30, 2004	Sept. 30, 2005	Sept. 30, 2004
<i>(Unaudited)</i>				
<i>(in thousands of dollars, except per share amounts)</i>	\$	\$	\$	\$
Investment income				
Dividends	3,002	2,799	9,699	11,823
Interest and other	754	526	1,930	978
	3,756	3,325	11,629	12,801
Expenses				
Management fees	1,741	1,462	5,101	4,361
Dividends on preference shares	1,682	1,682	5,027	5,027
Amortization of deferred financing charge	117	117	350	350
Investor relations	77	28	207	151
Directors' fees	33	31	87	74
Other	103	86	360	311
	3,753	3,406	11,132	10,274
Net investment income (loss) for the period	3	(81)	497	2,527
Realized and unrealized gains on investments*				
Net realized gain on investments	15,128	9,144	53,973	31,158
Change in unrealized gain on investments	63,404	4,728	71,675	8,039
Net gain on investments	78,532	13,872	125,648	39,197
Increase in net assets resulting from operations for the period	78,535	13,791	126,145	41,724
Increase in net assets resulting from operations per common share				
(based on weighted average number of common shares outstanding during the period)				
Basic	3.82	0.67	6.15	2.04
Diluted	3.41	0.62	5.52	1.86

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

Statements of Cash Flows

	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	Sept. 30, 2005	Sept. 30, 2004	Sept. 30, 2005	Sept. 30, 2004
<i>(Unaudited)</i>				
<i>(in thousands of dollars)</i>	\$	\$	\$	\$
Cash provided by (used in)				
Operating activities				
Increase in net assets resulting from operations for the period	78,535	13,791	126,145	41,724
Add (deduct) non-cash items				
Amortization of deferred financing charge	117	117	350	350
Net realized gain on investments	(15,128)	(9,144)	(53,973)	(31,158)
Change in unrealized gain on investments	(63,404)	(4,728)	(71,675)	(8,039)
Purchases of investments during the period	(76,116)	(62,126)	(244,406)	(188,649)
Proceeds of disposition of investments during the period	72,464	63,288	256,392	192,365
Change in non-cash balances related to operations	2,568	589	901	2,221
	(964)	1,787	13,734	8,814
Financing activities				
Common shares issued on exercise of warrants	-	-	388	67
Dividends paid to common shareholders	(1,234)	(1,230)	(3,694)	(3,689)
Warrants repurchased	(141)	(211)	(1,144)	(927)
Decrease (increase) in refundable dividend tax on hand	(68)	35	(381)	(745)
Increase in refundable income taxes on net realized gains on investments	(2,450)	(1,104)	(9,433)	(4,884)
Preference shares issued - net of expenses	-	-	-	(23)
	(3,893)	(2,510)	(14,264)	(10,201)
Net decrease in cash during the period	(4,857)	(723)	(530)	(1,387)
Cash - Beginning of period	6,507	1,056	2,180	1,720
Cash - End of period	1,650	333	1,650	333

Statements of Retained Earnings

	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	Sept. 30, 2005	Sept. 30, 2004	Sept. 30, 2005	Sept. 30, 2004
<i>(Unaudited)</i>				
<i>(in thousands of dollars, except per share amounts)</i>	\$	\$	\$	\$
Retained earnings - Beginning of period	189,370	153,734	160,790	136,847
Net realized gain on investments*	15,128	9,144	53,973	31,158
Net investment income (loss) for the period	3	(81)	497	2,527
Dividends paid from net investment income	(1,234)	(1,230)	(3,694)	(3,689)
Warrants repurchased	(141)	(211)	(1,144)	(927)
Net (increase) decrease in refundable dividend tax on hand	(68)	35	(381)	(745)
Net increase in refundable income taxes on net realized gain on investments	(2,450)	(1,104)	(9,433)	(4,884)
Retained earnings - End of period	200,608	160,287	200,608	160,287
Dividends per common share				
Regular	0.06	0.06	0.18	0.18

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

Schedule of Realized and Unrealized Gains on Investments

	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	Sept. 30, 2005	Sept. 30, 2004	Sept. 30, 2005	Sept. 30, 2004
<i>(Unaudited)</i>				
<i>(in thousands of dollars)</i>	\$	\$	\$	\$
The net realized gain on investments was as follows:				
Proceeds from disposition of investments	72,464	63,288	256,392	192,365
Investments at cost - Beginning of period	444,748	414,630	421,541	395,170
Investments purchased during the period	76,116	62,126	244,406	188,649
Investments at cost - End of period	(463,528)	(422,612)	(463,528)	(422,612)
Cost of investments disposed of during the period	57,336	54,144	202,419	161,207
Net realized gain on investments	15,128	9,144	53,973	31,158
The unrealized gain on investments was as follows:				
Unrealized gain on investments - Beginning of period	196,055	128,453	187,784	125,142
Change in unrealized gain on investments	63,404	4,728	71,675	8,039
Unrealized gain on investments - End of period	259,459	133,181	259,459	133,181

Statement of Investments

September 30, 2005 (Unaudited)

Number of		Market		Number of		Market	
Shares or		Cost	Value	Shares or		Cost	Value
Par Value	Investment	\$	\$	Par Value	Investment	\$	\$
<i>(in thousands of dollars)</i>				<i>(in thousands of dollars)</i>			
CONSUMER DISCRETIONARY - 9.1%							
Hotels, Restaurants, & Leisure							
100,000	Fairmont Hotels & Resorts Inc.	3,486	3,879	380,000	Producers Oilfield Services Inc.	3,122	3,397
Media				65,000	Trican Well Service Ltd.	2,151	2,750
100,000	Astral Media Inc., A NV	1,786	3,418	Oil, Gas & Consumable Fuels			
457,801	Rogers Communications Inc., B NV	12,115	20,949	320,000	AltaGas Income Trust, units	4,431	8,928
150,000	Shaw Communications Inc., B NV	3,983	3,645	1,852,500	Arawak Energy Corporation	3,861	2,964
310,000	Yellow Pages Income Fund, units	3,645	4,479	856,600	Calvalley Petroleum Inc., A	3,334	3,384
Multiline Retail				364,000	Cameco Corporation	5,624	22,575
125,000	Canadian Tire Corporation, Limited, A NV	7,417	7,861	120,000	Canadian Natural Resources Limited	1,511	6,300
Specialty Retail				69,000	Canoro Resources Ltd., warrants 12/31/05*	27	6
740,200	BMTC Group Inc., A SV	4,451	10,363	306,300	Centurion Energy International Inc.	1,823	4,016
260,000	easyhome Ltd.	4,873	4,238	391,450	Cyries Energy Inc.	2,476	6,944
42,500	Le Chateau Inc., A SV	2,108	2,078	317,000	Denison Mines Inc.	2,496	5,357
167,000	Rentcash Inc.	3,172	2,046	100,000	Duvernay Oil Corp.	1,126	4,235
1,625,500	West 49 Inc.	2,815	3,170	360,000	Enbridge Inc.	7,012	13,414
TOTAL CONSUMER DISCRETIONARY				70,000	EnCana Corporation	4,205	4,749
		49,851	66,126	550,000	Find Energy Ltd.	3,654	4,565
CONSUMER STAPLES - 5.2%				250,000	First Calgary Petroleum Ltd.	1,986	2,365
Beverages				110,000	Highpine Oil & Gas Limited, A	2,278	2,618
75,000	Corby Distilleries Limited, A	3,753	5,512	195,000	Husky Energy Inc.	3,645	12,591
70,000	Corby Distilleries Limited, B NV	4,416	5,075	783,200	International Uranium Corporation	1,124	5,788
55,200	Molson Coors Canada Inc., B NV (exch)	5,254	4,116	150,000	InterOil Corporation	4,849	4,072
Food & Staples Retailing				800,000	Iteration Energy Ltd.	3,809	4,560
200,000	Alimentation Couche-Tard Inc., B SV	3,643	4,120	75,000	Nexen Inc.	3,117	4,159
355,000	The Jean Coutu Group (PJC) Inc., A SV	6,654	7,349	75,000	Niko Resources Ltd.	2,546	3,825
174,200	Shoppers Drug Mart Corporation	4,055	7,160	156,900	Pan-Ocean Energy Corporation Limited, B SV	3,720	4,629
Tobacco				534,000	Petrobank Energy and Resources Ltd.	4,171	5,313
210,600	Rothmans Inc.	3,116	4,553	110,000	Peyto Energy Trust, units	634	3,349
TOTAL CONSUMER STAPLES				468,550	ProEx Energy Ltd.	3,492	8,420
		30,891	37,885	262,500	Shell Canada Ltd.	4,423	10,671
ENERGY - 29.5%				110,000	Talisman Energy Inc.	2,646	6,257
Energy Equipment & Services				300,000	TransCanada Corporation	7,665	10,650
65,000	Calfrac Well Services Ltd.	715	2,571	1,200,000	UTS Energy Corporation	3,362	6,300
400,000	Phoenix Technology Income Fund, units	1,780	3,700	276,900	West Energy Ltd.	1,232	2,273
80,000	Precision Drilling Corporation	4,140	4,577	400,000	Western Oil Sands Inc., A	4,958	11,020
				TOTAL ENERGY			
						113,145	213,292
				FINANCIALS - 22.2%			
				Commercial Banks			
				160,000	Bank of Montreal	5,613	9,248
				45,000	Canadian Imperial Bank of Commerce	3,394	3,267

Statement of Investments (continued)

September 30, 2005 (Unaudited)

Number of		Market		Number of		Market	
Shares or		Cost	Value	Shares or		Cost	Value
Par Value	Investment	\$	\$	Par Value	Investment	\$	\$
<i>(in thousands of dollars)</i>				<i>(in thousands of dollars)</i>			
290,200	Canadian Western Bank	6,271	10,842		Air Freight & Logistics		
195,000	National Bank of Canada	8,026	11,737	206,100	CHC Helicopter Corporation, A SV	5,387	5,152
90,000	The Toronto-Dominion Bank	3,040	5,159		Airlines		
	Diversified Financial Services			231,200	Westjet Airlines Ltd.	3,660	2,680
116,900	Addenda Capital Inc.	2,904	3,624		Commercial Services & Supplies		
174,300	Brascan Corporation, A LV	4,257	9,437	200,000	Davis + Henderson Income		
500,000	Caldwell New York Limited				Fund, units	1,998	4,238
	Partnership, units*	5,000	5,000	147,000	FirstService Corporation, SV	3,065	3,915
105,400	Economic Investment Trust Limited	4,617	6,851	225,000	Garda World Security Corporation	1,777	2,518
200,900	GMP Capital Corp.	3,252	7,092		Construction & Engineering		
229,000	Guardian Capital Group			200,000	Stantec Inc.	5,995	7,200
	Limited, A NV	1,637	4,866		Marine		
120,870	Loring Ward International Ltd.*	1,305	1,305	106,100	Algoma Central Corporation	8,166	8,700
200,000	Power Financial Corporation	4,595	6,744	40,000	Teekay Shipping Corporation	2,356	1,999
420,000	TSX Group Inc.	6,383	16,930		Trading Companies & Distributors		
384,900	VFC Inc.	3,754	5,061	164,000	Ritchie Bros. Auctioneers		
	Insurance				Incorporated	5,257	8,377
10,200	E-L Financial Corporation Limited	3,739	4,334	505,000	Russel Metals Inc.	4,367	9,464
	Real Estate				TOTAL INDUSTRIALS	46,290	59,055
222,300	BPO Properties Ltd.	5,240	8,725				
325,000	First Capital Realty Inc.	5,072	6,916		INFORMATION TECHNOLOGY - 2.3%		
731,100	Parkbridge Lifestyle Communities Inc.	2,917	3,802		Communications Equipment		
300,000	RioCan Real Estate Investment			95,000	Research In Motion Limited	3,266	7,534
	Trust, units	5,562	6,753		Internet Software & Services		
253,800	Trizec Canada Inc., SV	4,308	6,218	145,000	CryptoLogic Inc.	3,472	2,951
	Thriffs & Mortgage Finance			145,800	March Networks Corporation	2,739	2,706
341,000	Home Capital Group Inc.	1,757	12,787		Software		
500,000	Xceed Mortgage Corporation	3,335	3,720	569,300	Comnetix Inc.	1,683	1,252
	TOTAL FINANCIALS	95,978	160,418	180,000	Logibec Groupe Informatique Ltd.^	1,890	2,248
					TOTAL INFORMATION TECHNOLOGY	13,050	16,691
	HEALTH CARE - 1.0%						
	Biotechnology				MATERIALS - 13.1%		
991,900	Cipher Pharmaceuticals Inc.	2,908	1,885		Metals & Mining		
2,029,994	Millenium Biologix Corporation	1,516	1,055	150,000	Algoma Steel Inc.	3,896	3,450
	Pharmaceuticals			250,000	Canico Resource Corp.	1,461	4,977
400,000	Cardiome Pharma Corp.	3,711	4,096	249,200	Centerra Gold Inc.	4,027	5,961
	TOTAL HEALTH CARE	8,135	7,036	1,200,000	Dynatec Corporation	1,728	1,896
				1,300,000	Equinox Minerals Limited	1,495	1,300
	INDUSTRIALS - 8.2%			405,590	Falconbridge Limited, LV	6,122	12,602
	Aerospace & Defense			257,700	First Quantum Minerals Ltd.	3,180	7,795
750,000	Bombardier Inc., B SV	2,047	2,152	293,500	FNX Mining Company Inc.	3,373	4,479
147,800	Ceramic Protection Corporation	2,215	2,660	96,600	Fording Canadian Coal Trust, units	4,260	4,788

Statement of Investments (continued)

September 30, 2005 (Unaudited)

Number of Shares or Par Value	Investment	Cost \$	Market Value \$
<i>(in thousands of dollars)</i>			
MATERIALS - CONTINUED			
512,000	Gerdaul Ameristeel Corporation	2,685	3,072
100,000	Goldcorp Inc.	2,116	2,330
100,000	Grand Cache Coal Corporation	550	740
40,000	Inco Limited	1,096	2,200
200,000	Inco Limited, warrants 8/21/06	1,584	5,046
500,000	Kensington Resources Ltd.	1,236	2,115
350,000	Labrador Iron Ore Royalty Income Fund, units	4,090	9,390
1,700,000	Shore Gold Inc.	4,082	11,390
379,000	Southwestern Resources Corp.	3,459	4,029
Paper & Forest Products			
363,500	Norbord Inc.	4,167	4,453
65,000	West Fraser Timber Co. Ltd.	3,100	2,889
TOTAL MATERIALS		57,707	94,902
TELECOMMUNICATION SERVICES - 3.9%			
Diversified Telecommunication Services			
127,300	BCE Inc.	4,094	4,055
184,600	Manitoba Telecom Services Inc.	6,721	8,946
250,000	TELUS Corporation	3,881	12,127
64,600	TELUS Corporation, NV	1,921	3,059
TOTAL TELECOMMUNICATION SERVICES		16,617	28,187
UTILITIES - 2.5%			
Electric Utilities			
70,000	Fortis Inc.	4,061	6,749
Gas Utilities			
200,000	Terasen Inc.	3,710	7,126
Independent Power Producers & Energy Traders			
100,000	Canadian Utilities Limited, A NV	1,171	3,951
TOTAL UTILITIES		8,942	17,826

Number of Shares or Par Value	Investment	Cost \$	Market Value \$
<i>(in thousands of dollars)</i>			
PREFERRED SHARES - 3.0%			
375,000	Bombardier Inc., Series 3	7,328	6,525
150,000	Falconbridge Limited, Series 3	3,743	3,817
30,000	Falconbridge Limited, Junior Series 1	990	890
60,001	Falconbridge Limited, Junior Series 2	1,999	1,770
29,183	Falconbridge Limited, Junior Series 3	981	861
300,000	Nortel Networks Corporation, Series 5	5,018	5,130
160,000	Nortel Networks Corporation, Series 7	2,863	2,576
TOTAL PREFERRED SHARES		22,922	21,569
TOTAL INVESTMENTS			
- September 30, 2005		463,528	722,987
- December 31, 2004		421,541	609,325
- September 30, 2004		422,612	555,793

^ 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.

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Toronto

BANKERS

Bank of Montreal
Toronto

SOLICITORS

Blake, Cassels & Graydon LLP
Toronto

CANADIAN REGISTRAR AND TRANSFER AGENT

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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

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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.

