



Third Canadian  
General  
Investment  
Trust  
Limited



September 30, 2000  
Third Quarter  
Report

Assets Managed by:



THIRD CANADIAN GENERAL INVESTMENT  
TRUST LIMITED

CORPORATE INFORMATION

**OFFICE OF THE  
COMPANY**

110 Yonge Street,  
Suite 1601, Toronto,  
Ontario, Canada  
M5C 1T4  
Telephone (416) 366-2931  
1-800-207-0067  
Fax (416) 366-2729  
e-mail:  
thdfund@mmainvestments.com  
website:  
www.mmainvestments.com

**REGISTRAR AND  
TRANSFER AGENT**

Montreal Trust Company  
of Canada  
100 University Avenue  
11th Floor  
Toronto, Ontario, Canada  
M5J 2Y1  
Tel: (416) 981-9633  
1-800-663-9097  
Fax: (416) 981-9507  
e-mail:  
mmamail@montrealtrust.com

**STOCK EXCHANGE  
LISTING**

The Toronto Stock Exchange  
Trading Symbol: THD

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

**The Company calculates its  
net asset value per share  
(NAV) on a daily basis. The  
NAV is published in various  
media in Canada and in the  
United States.**

**The Company will provide  
a list of its weekly top 10  
portfolio holdings (priced  
at market), together with  
current discount and  
market return information  
to any interested party  
upon request.**

## REPORT TO SHAREHOLDERS

In recognition of profitable major transactions and income expectations for the current year, the Board of Directors of Third Canadian has authorized an extra dividend of \$0.25 per share to be paid on December 15, 2000 to shareholders of record on November 30. Including the four regular quarterly dividend payments, total dividends paid per share for 2000 will be \$0.55, representing a yield of 3.7% based on the October 18, 2000 closing market price of \$15.

The sale of Robert Fleming Holdings Limited to Chase Manhattan Corporation was completed with proceeds, comprised of cash and Chase Manhattan shares, valued at more than double the original cost of \$2,365,000. Another major transaction undertaken was the sale of the Company's shares in City of London Investment Group PLC to Asset Management Investment Company PLC (AMIC) at a gain of approximately 20% on the original investment. Concurrent with this sale, Third Canadian purchased shares in AMIC as part of a placing of new stock by this investment trust, quoted on the London Stock Exchange since 1994. AMIC invests primarily in unquoted asset managers on a global basis and works closely with its portfolio companies. It is considered an appropriate investment for Third Canadian because of its quoted status and strong dividend policy, among other factors.

### THIRD'S PORTFOLIO

Among the principal assets in Third's portfolio, a gain in the market price of the warrants of Canadian General Investments, Limited (CGI) nearly offset the market price decline in the shares of Canadian World Fund Limited (CWF) and CGI. Despite the decline in value of the principal assets in the current quarter, Third's net asset value per share closed the nine months at \$20.18, up 1.7% from the previous quarter, resulting substantially from the non-principal asset segment of the portfolio.

Some Canadian-listed holdings in the portfolio were increased in size, reflecting the capital stability and increasing distributions of the energy funds. These oil and gas producers are run by management with acquisitions expertise against a backdrop of very strong oil and gas prices. The portfolio manager also supplemented the Canadian list with investments including Alberta Energy Company Ltd., one of Canada's senior energy companies and Lifeco Split Corporation, a growth oriented fund in the expanded

Canadian insurance group. Other investments may be acquired from time to time as part of the growth of capital strategy.

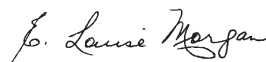
The U.K. listed section of the portfolio continues to feature communications, technology and life sciences funds. The Company purchased shares in London Stock Exchange PLC, the value of which is being influenced by a hostile bid by a Swedish company and other events, and in Singer and Friedlander Group PLC, an independent U.K. financial services company. Another acquisition was The China Heartland Fund Ltd., which provides access to China-listed A shares not directly available to foreign investors.

### OPERATIONS

Net investment income for the nine-month period increased 13.5% over the prior year. This increase can be attributed primarily to the receipt from CGI of three income dividends year-to-date 2000 vs. one income dividend for the same period last year. Two additional dividends in 1999 were classified as capital gains. Third received \$1,264,000 in distributions from CGI for the recent nine-month period.

### THE MANAGER

During the quarter, MMA Investment Managers Limited, which has managed the portfolio since 1956, was renamed Morgan Meighen & Associates Limited to reflect the present as well as the past. The name recognizes the role of MMA's late founder, Maxwell C.G. Meighen and also his father the Right Hon. Arthur Meighen, who was one of the founders of Third Canadian in 1928. Today, the management company is led by Maxwell Meighen's successor, E. Louise Morgan, Chairman of the Company, who joined the Manager and Third Canadian in 1956. Earlier this year, her daughter Vanessa Morgan joined the staff of the Manager as a Senior Vice-President. Vanessa earned her CFA designation in 1991 and has over a decade of investment and corporate management experience in the industry. She is working with Morgan Meighen's private wealth management division and continues with her roles as a director and Vice-Chairman for Third Canadian, CGI and CWF.



E. Louise Morgan  
Chairman



Michael A. Smedley  
President

## CONSOLIDATED STATEMENT OF NET ASSETS

(Unaudited)

As at September 30,	2000	1999
	(000's)	
<b>Assets</b>		
Investments	\$ 120,959	\$ 115,244
Cash	1,564	182
Receivable on securities sold	4,803	-
Accrued interest and dividends	89	263
Income taxes recoverable	1,061	1,451
	<b>128,476</b>	<b>117,140</b>
<b>Liabilities</b>		
Bank indebtedness	14,965	14,984
Payable on securities purchased	2,432	-
Accounts payable and accrued liabilities	42	38
	<b>17,439</b>	<b>15,022</b>
Future income taxes on unrealized net capital gains	14,063	13,689
	<b>31,502</b>	<b>28,711</b>
<b>Net Assets</b>	<b>\$ 96,974</b>	<b>\$ 88,429</b>
<b>Shareholders' Equity</b>		
Capital stock	\$ 6,504	\$ 6,504
Contributed surplus	2,681	2,681
Unrealized gain on investments	55,196	47,105
Retained earnings	32,593	32,139
	<b>\$ 96,974</b>	<b>\$ 88,429</b>
Number of common shares outstanding	4,805,910	4,805,910
Net asset value per share	\$ 20.18	\$ 18.40

## CONSOLIDATED STATEMENT OF NET LOSS ON INVESTMENTS

(Unaudited)

Nine months ended September 30,	2000	1999
	(000's)	
Proceeds from disposition of investments	\$ 14,376	\$ 6,894
Investments at cost, beginning of period	54,003	53,215
Investments purchased during the period	11,236	9,597
Investments at cost, end of period	(51,700)	(54,450)
<b>Cost of investments disposed of during the period</b>	<b>13,539</b>	<b>8,362</b>
Realized gain (loss) on disposition of investments before income taxes	837	(1,468)
Income taxes on realized net taxable capital gains (recovery on allowable capital losses)	220	(491)
Capital gains dividends received net of income taxes	-	687
<b>Net realized gain (loss) on investments</b>	<b>617</b>	<b>(290)</b>
Change in unrealized appreciation of investments	(2,551)	(9,359)
<b>Net loss on investments</b>	<b>\$ (1,934)</b>	<b>\$ (9,649)</b>

## CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited)

Nine months ended September 30,	2000	1999
	(000's)	
<b>Investment income</b>		
Dividends	\$ 1,943	\$ 2,165
Interest	266	331
	<b>2,209</b>	<b>2,496</b>
<b>Expenses</b>		
Management fees	414	400
Interest	701	644
Directors' fees	25	26
Other	104	114
	<b>1,244</b>	<b>1,184</b>
Investment income before income taxes	965	1,312
Income tax provision (recovery)	(242)	249
<b>Net investment income</b>	<b>1,207</b>	<b>1,063</b>
<b>Realized and unrealized gain (loss) on investments</b>		
Net realized gain (loss) on investments	617	(290)
Change in unrealized appreciation of investments	(2,551)	(9,359)
<b>Net loss on investments</b>	<b>(1,934)</b>	<b>(9,649)</b>
<b>Decrease in net assets resulting from operations</b>	<b>\$ (727)</b>	<b>\$ (8,586)</b>

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(Unaudited)

Nine months ended September 30,	2000	1999
	(000's)	
Decrease in net assets resulting from operations	\$ (727)	\$ (8,586)
Distributions to shareholders from net investment income	(1,081)	(1,081)
<b>Decrease in net assets</b>	<b>(1,808)</b>	<b>(9,667)</b>
Net assets - Beginning of period	98,782	98,096
<b>Net assets - End of period</b>	<b>\$ 96,974</b>	<b>\$ 88,429</b>
<b>Dividends per share</b>	<b>\$ 0.225</b>	<b>\$ 0.225</b>

## CONSOLIDATED STATEMENT OF INVESTMENTS

September 30, 2000

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
<b>Principal Assets</b>		
7,020,469	Canadian General Investments, Limited	\$ 18,179 \$ 80,735
1,404,613	Canadian General Investments, Limited wts	- 7,374
1,120,211	Canadian World Fund Limited	5,601 4,369
		23,780 92,478
<b>Canadian-Listed</b>		
6,208	Alberta Energy Company Ltd.*	315 390
40,000	Amalgamated Income Limited Partnership	410 164
70,000	ARC Energy Trust+	715 791
33,600	Centrefund Realty Corporation	519 316
14,400	Corby Distilleries Ltd. B	484 685
90,000	EnerMark Income Fund	309 410
75,176	The First Asia Income Fund	620 410
40,950	First Australia Prime Income Investment Company Limited	546 289
100,000	Gulf Canada Resources Limited pfd. series A	441 340
57,900	Lifeco Split Corporation Inc. Class A Capital shares*	563 767
7,000	Nortel Networks Corporation	669 633
92,200	Rogers Sugar Income Fund	877 446
94,200	Shiningbank Energy Income Fund	447 1,361
500,000	Telesystem International Wireless Inc. 7% February 15, 2002 conv. deb.	500 565
30,000	TimberWest Forest Corp.	331 324
120,000	Viking Energy Royalty Trust+	644 966
		8,390 8,857
<b>U.K.-Listed</b>		
86,000	3i Bioscience Investment Trust PLC	838 1,447
25,000	Aberdeen Asset Management PLC	300 318
45,000	Atlantis Kosdaq Fund PLC	674 393
150,000	Baring Emerging Europe Trust PLC	206 448
116,570	Dartmoor Investment Trust PLC	306 370
30,000	Edinburgh Fund Managers Group PLC	402 421
750,000	The European Technology & Income Company Limited, Capital shares	413 134
130,000	Finsbury Life Sciences Investment Trust PLC	237 677
1,500,000	Framlington NetNet.Inc PLC	462 267
5,000	London Stock Exchange PLC*	323 323
71,000	Singer & Friedlander Group PLC*	449 455
97,594	St. David's Investment Trust PLC*	296 292
170,000	The Technology and Income Trust Limited	594 795
100,000	Undervalued Assets Trust PLC	446 392
150,000	Warrants and Value Investment Trust PLC	214 227
		6,160 6,959

## CONSOLIDATED STATEMENT OF INVESTMENTS

September 30, 2000 (cont'd)

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
<b>U.S.-Listed</b>		
5	Berkshire Hathaway Inc. A	\$ 400 \$ 482
2,500	Broadband HOLDERS Trust	328 299
29,720	The Chase Manhattan Corporation*	2,199 2,069
20,000	The European Warrant Fund, Inc.	563 437
20,000	The Gabelli Global Multimedia Trust Inc.	513 407
10,000	General American Investors Company, Inc.	508 630
20,400	INVESCO Global Health Sciences Fund	521 626
25,000	JAPAN OTC Equity Fund, Inc.	427 309
10,700	Morgan Stanley Dean Witter Russia & New Europe Fund	185 267
42,100	Morgan Stanley Emerging Markets Debt Fund, Inc.	467 464
2,000	Semiconductor HOLDERS Trust	278 214
22,500	The Spain Fund Inc.	639 415
66,300	Templeton Emerging Markets Income Fund, Inc.	1,116 1,012
		8,144 7,631
<b>Other</b>		
28,000	The China Heartland Fund Ltd.*	444 381
105,540	City of London Investment Group PLC^	2,716 2,716
13,000	Fleming Russia Securities Fund Ltd.	326 206
20,000	The India I.T. Fund Limited	829 814
45,000	The India Media, Internet and Communications Fund Ltd. A shares	326 356
31,000	The Taiwan Opportunities Fund Ltd.	585 561
		5,226 5,034
<b>Total Investments -September 30, 2000</b>		
		\$51,700 \$120,959
<b>Total Investments -September 30, 1999</b>		
		\$54,450 \$115,244

Changes from June 30, 2000:

\* New Holdings

+ Increased Holdings

^ Non-quoted Investment

## INVESTMENT PORTFOLIO TEN LARGEST INVESTMENTS

September 30, 2000

Company	Market Value (000's)	% of Market Value of Total Investment Portfolio
Canadian General Investments, Limited	\$88,109	72.9
Canadian World Fund Limited	4,369	3.6
City of London Investment Group PLC	2,716	2.2
The Chase Manhattan Corporation	2,069	1.7
3i Bioscience Investment Trust PLC	1,447	1.2
Shiningbank Energy Income Fund	1,361	1.1
Templeton Emerging Markets Income Fund, Inc.	1,012	0.8
Viking Energy Royalty Trust	966	0.8
The India I.T. Fund Limited	814	0.7
The Technology and Income Trust Limited	795	0.7
<b>Totals</b>	<b>\$103,658</b>	<b>85.7</b>

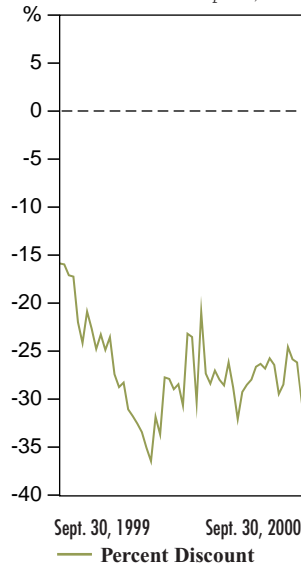
## WEIGHTING OF INVESTMENT PORTFOLIO

September 30, 2000

	Market Value (\$000's)	% at Market
Principal Assets	92,478	76.5
Canadian-Listed	8,857	7.3
U.S.-Listed	7,631	6.3
U.K.-Listed	6,959	5.7
Other	5,034	4.2
	120,959	100.0

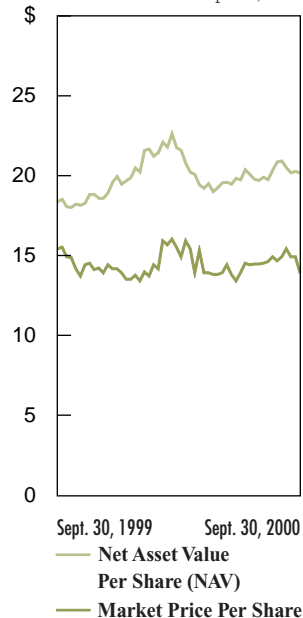
## DISCOUNT TO NAV

Twelve months ended Sept. 30, 2000



## COMPARISON OF MARKET PRICE TO NAV

Twelve months ended Sept. 30, 2000



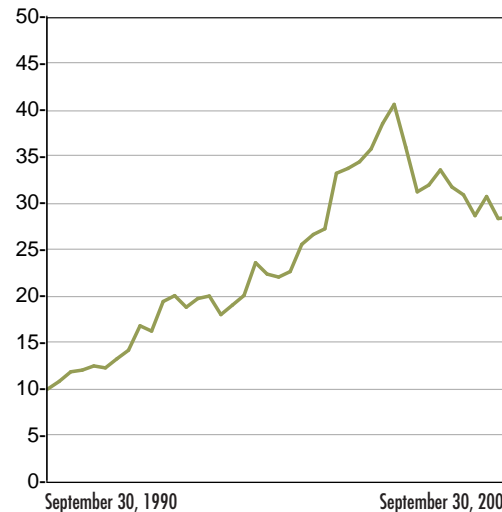
## \* RATES OF RETURN

For period ended September 30, 2000

<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>10YR</b>
-7.8%	-7.3%	5.3%	11.0%

## \*GROWTH OF A \$10,000 INVESTMENT OVER 10 YEARS

(\$000)



\*An investment in the Company's shares, assuming reinvestment of distributions at month-end closing prices.