



THD

Third Canadian General
Investment Trust Limited



Tradition *and value*

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FIRST QUARTER REPORT

March 31, 2002

HIGHLIGHTS – OVER THE QUARTER ENDED MARCH 31, 2002:

- Market price of common shares up 10.6%
- Net asset value per share (NAV) up 5.1%
- Discount from NAV narrowed from 30.0% to 26.3%
- Market value of principal assets up 6.0%
- Market value of non-core assets up 5.2%



The powerful leverage potential of more than 7.6 million common shares of Canadian General Investments, Limited (CGI) to which we referred in the 2001 Annual Report, started to work favorably for Third Canadian General Investment Trust Limited (Third) in the latest quarter as CGI's shares moved up 5.2% from \$9.25 at year-end to a 52-week high of \$9.73 on March 28, outperforming the 2.1% increase of the benchmark TSE 300 Composite Index (TSE). It is particularly gratifying to see the principal asset CGI working to the benefit of Third with an outstanding first quarter performance, outpacing the general Canadian market by such a wide margin.

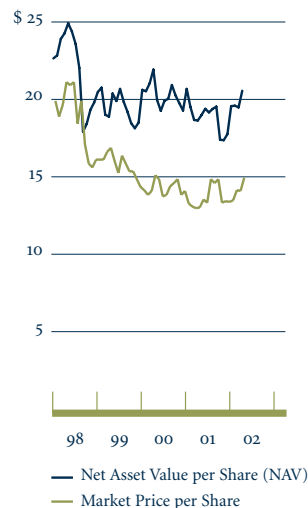
At quarter-end, every \$1.00 change in the CGI share price would have resulted in a \$1.35 change to Third's NAV as CGI represented more than 70% of Third's investment portfolio.

Third's non-core assets, representing more than one-quarter of Third's investment portfolio at quarter-end, appreciated 5.2% in the latest quarter and 14.2% over 12 months, well outperforming the TSE in these periods. The non-core assets consisted of Canadian, U.K. and U.S.-listed equities, funds, income trusts and related products.

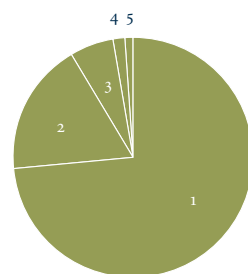
In the latest quarter, there were new investments in Canadian high-yield income trusts and also increased positions in trusts already held in this attractive sector. The newcomers were Advanced Fiber Technologies Income Fund, CPL Long Term Care Real Estate Investment Trust, Davis & Henderson Income Fund and RioCan Real Estate Investment Trust. Additional units were bought in TimberWest Forest Corp. and Viking Energy Royalty Trust. The trust sector of the TSE-listed market continues to grow rapidly and now has a market capitalization exceeding \$30 billion with more than 60 names as well as a broad following by Canadian analysts. Pre-tax market yields of the sub-group at quarter-end ranged from 8% to 20%.

COMPARISON OF MARKET PRICE TO NAV

Trend from December 31, 1997 to March 31, 2002



WEIGHTING OF PORTFOLIO INVESTMENTS AT MARKET
March 31, 2002



	%
1 Principal Assets	73.5
2 Canadian-Listed	17.9
3 U.K.-Listed	5.9
4 U.S.-Listed	1.6
5 Other	1.1

TOP TEN INVESTMENTS*

AT MARKET

Excluding cash

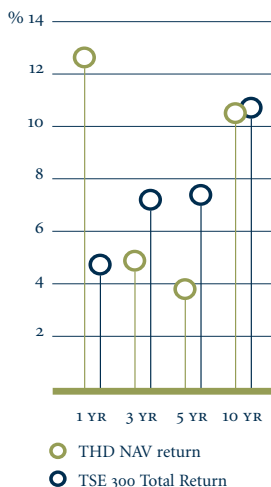
March 31, 2002

	%
Canadian General Investments, Limited	70.4
Canadian World Fund Limited	3.1
Asset Management Investment Company PLC	2.0
Rothmans Inc.	1.6
Sceptre Investment Counsel Limited A	1.5
Collins Stewart Holdings PLC	1.0
Chemtrade Logistics Income Fund	0.9
Danier Leather Inc.	0.9
Viceroy Homes Limited	0.9
Pembina Pipeline Income Fund	0.8
Total	83.1

* Portfolio details on page 9

NAV RETURNS* VS TSE 300

For 1, 3, 5 and 10 years to March 31, 2002



* Compound average annual rates of return assuming reinvestment of distributions at month-end closing net asset values

The top 10 portfolio holdings changed only slightly in the quarter. Chemtrade Logistics Income Fund entered the list and Edinburgh Fund Managers Group PLC exited on a price correction with the withdrawal of a takeover bid.

Distributions from Third's investment portfolio, generating a combination of dividend, interest and other income, were providing a healthy market yield of 5.3% at quarter end, significantly higher than the comparative TSE yield of 1.6%. The Manager continues to be committed to an income strategy that allows Third to generate payment of extra dividends, which was achieved in the fourth quarter of four out of the last five years, including \$0.15 per share in 2001.

Vanessa L. Morgan, *Chairman*

Michael A. Smedley, *President*

MANAGEMENT'S DISCUSSION AND ANALYSIS

In the market recovery that Third Canadian General Investment Trust Limited (Third) has enjoyed since the decline following the September 11 tragedy, the Company's net asset value per share (NAV) with distributions reinvested increased by 5.5% in the three months ended March 31, 2002, more than double the 2.5% return of the TSE 300 Total Return Index. This outperformance is largely attributable to a 6.3% increase in the market value of Third's key principal asset, the shares and warrants of Canadian General Investments, Limited (CGI). An added contribution was the 5.2% market value increase in Third's non-core assets.

Third's share price benefited from the recovery, ending the quarter at \$15.10, up 10.6% from December 31. The discount to NAV ranged from 25.0% to 29.4% during the quarter, closing at 26.3%, well down from the 30.0% level at the end of 2001.

Financial Performance

At March 31, 2002, net assets were \$98,475,000, up 5.1% from year-end and 10.3% year-over-year.

For the latest three months, total investment income, comprised of dividends, interest and other income decreased by 7.7% to \$855,000 from \$926,000 for the same period in 2001. Dividends earned from CGI, representing 69.5% and 60.8% of total dividend income for the current and comparative three-month periods, respectively, continue

to play a major role for Third. Income generation is further enhanced by interest and other income received from investments in income trusts, a significant component of the Canadian-listed segment of Third's portfolio for several years. The trusts, representing more than one third of Third's non-core portfolio at quarter-end, are diversified across many sectors of the Canadian economy including oil and gas, cold storage, real estate, manufacturing, and forestry.

Total expenses for the three months decreased by 16.2% to \$353,000, largely due to lower interest costs on Third's bank borrowings used to lever the portfolio. Third's weighted average interest rate on the \$15,000,000 bank borrowing was 4.5% at March 31, 2002, significantly lower than the corresponding 6.6% rate at March 31, 2001. Management fees, relatively unchanged from the comparative period last year, are calculated quarterly in arrears at the annual rate of 1% of consolidated net asset value, excluding tax liabilities and bank indebtedness. Also excluded are the holdings of the principal assets which are subject to a fee of 0.2% on their market value.

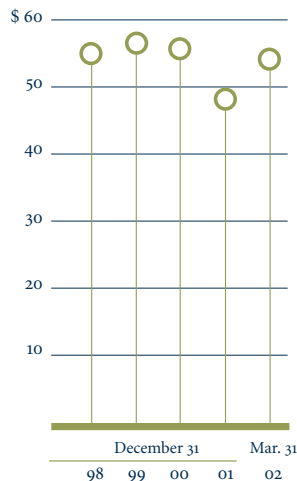
Increases in portfolio values in the current quarter led to an increase of \$5,182,000 in unrealized appreciation in value of investments, after deducting a corresponding \$948,000 increase in the Company's future income tax liability. On a comparative basis, the first quarter of 2001 showed a net decrease of \$10,134,000 in unrealized appreciation in value of investments, while for the year 2001, the corresponding amount was a decrease of \$6,872,000. Third's net realized loss on investments for the first quarter was \$577,000, compared to a net realized gain of \$108,000 in the same period of 2001.

On March 15, 2002, the Company paid a quarterly dividend of \$0.075 per share, consistent with the corresponding first quarter of 2001. Also, on April 2, 2002, the Company declared a quarterly dividend of \$0.075 per share to be paid on June 15, 2002 to shareholders of record on May 31.

Discounts

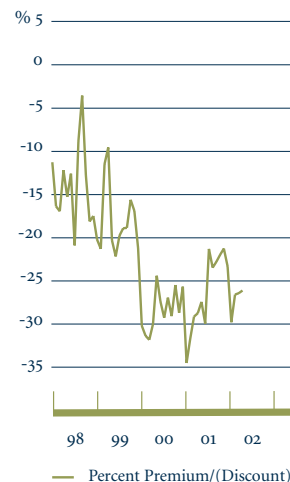
Third trades at a "double discount" – reflecting its 26.3% discount to NAV and the discounted market prices of its principal assets, CGI and Canadian World Fund Limited (CWF), which represented 70.4% and 3.1%, respectively, of Third's portfolio at quarter-end. At the end of the current quarter, CGI and CWF were trading at discounts of 31.0% and 32.8%, respectively, which resulted in Third's "double discount" narrowing from 47.5% at year-end 2001 to 44.9% at March 31. CWF, established in 1994, endeavours to provide superior long-term growth returns by investing globally in securities of publicly traded, primarily growth companies.

UNREALIZED GAIN ON INVESTMENTS
(as at end of periods)
(in millions of dollars)



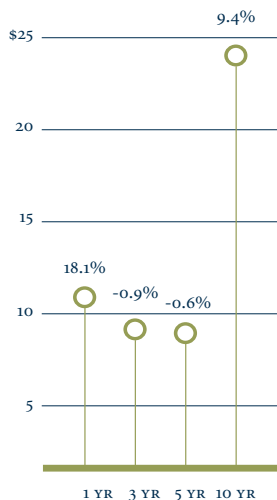
PREMIUM/(DISCOUNT) TO NAV

Trend from December 31, 1997 to March 31, 2002



GROWTH OF A \$10,000 INVESTMENT*

For 1, 3, 5 and 10 years to March 31, 2002
(in thousands of dollars)



* Compound average annual rates of return assuming reinvestment of dividends at month-end closing prices

CGI is an actively managed Canadian equity fund with well-diversified holdings mainly in the Canadian market. For the current quarter, CGI's diluted NAV return with distributions reinvested of 6.2% outperformed the 2.5% return of its benchmark, the TSE 300 Total Return Index. CGI's top five sectors and top five holdings as of March 31, 2002 were as follows:

<i>Canadian General Investments, Limited</i>			
<i>Top 5 Sectors</i>	<i>% at market</i>	<i>Top 5 Investments</i>	<i>% at market</i>
Financial Services	16.8	Inco Limited	5.1
Consumer Products	13.9	Corby Distilleries Limited	2.8
Oil & Gas	13.7	Astral Media Inc.	2.3
Communications & Media	10.5	Suncor Energy, Inc.	2.2
Industrial Products	10.5	PanCanadian Energy Corporation	2.1
	<u>65.4</u>		<u>14.5</u>

Outlook

A healthy economy, forecasted for the latter half of the year, would further benefit Third's growth and income focus. The latest growth and employment numbers indicate that expectations for Canada's economy outperforming the U.S. might be realized.

CONSOLIDATED STATEMENTS OF NET ASSETS

<i>(in thousands of dollars, except per share amounts)</i>	As at March 31, 2002	As at December 31, 2001	As at March 31, 2001
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	\$	\$	\$
Assets			
Investments	115,408	109,074	104,578
Cash	992	1,703	2,840
Accrued interest and dividends	223	329	203
Income taxes recoverable	1,737	1,513	726
	118,360	112,619	108,347
Liabilities			
Bank indebtedness	15,022	14,994	14,965
Accounts payable and accrued liabilities	49	61	67
	15,071	15,055	15,032
Future income taxes on unrealized net capital gains	4,814	3,866	4,044
	19,885	18,921	19,076
Net Assets	98,475	93,698	89,271
Shareholders' Equity			
Capital stock	6,504	6,504	6,504
Contributed surplus	2,681	2,681	2,681
Unrealized gain on investments	55,166	49,984	46,722
Retained earnings	34,124	34,529	33,364
	98,475	93,698	89,271
Number of shares outstanding	4,805,910	4,805,910	4,805,910
Net asset value per share	20.49	19.50	18.58

Note to Consolidated Financial Statements

The accompanying consolidated financial statements should be read in conjunction with the notes to the company's audited financial statements for the year ended December 31, 2001. These interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(in thousands of dollars)

	<i>Three months ended</i>	
	March 31, 2002	March 31, 2001
	\$	\$
Investment income		
Dividends	658	752
Interest and other	197	174
	855	926
Expenses		
Management fees	130	138
Interest	164	243
Directors' fees	13	7
Other	46	33
	353	421
Investment loss before income taxes	502	505
Income tax recovery	30	96
Net investment income	532	601
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on investments	(577)	108
Change in unrealized appreciation of investments	5,182	(10,134)
Net gain (loss) on investments	4,605	(10,026)
Increase (decrease) in net assets resulting from operations	5,137	(9,425)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(Unaudited)

(in thousands of dollars, except per share amounts)

	<i>Three months ended</i>	
	March 31, 2002	March 31, 2001
	\$	\$
Retained earnings – Beginning of period	34,529	33,015
Net investment income for the period	532	601
Net realized gain (loss) on investments	(577)	108
Dividends	(360)	(360)
Retained earnings – End of period	34,124	33,364
Dividends per share	0.075	0.075

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(Unaudited)

Three months ended

(in thousands of dollars)

	March 31, 2002	March 31, 2001
	\$	\$
Increase (decrease) in net assets resulting from operations	5,137	(9,425)
Distributions to shareholders from net investment income	(360)	(360)
Increase (decrease) in net assets	4,777	(9,785)
Net assets – Beginning of period	93,698	99,056
Net assets – End of period	98,475	89,271

CONSOLIDATED STATEMENTS OF NET GAIN (LOSS) ON INVESTMENTS

(Unaudited)

Three months ended

(in thousands of dollars)

	March 31, 2002	March 31, 2001
	\$	\$
Proceeds from disposition of investments	1,101	2,215
Investments at cost, beginning of period	55,224	50,376
Investments purchased during the period	2,020	5,514
Investments at cost, end of period	(55,428)	(53,812)
Cost of investments disposed of during the period	1,816	2,078
Realized gain (loss) on disposition of investments		
before income taxes	(715)	137
Income taxes on realized net taxable capital gains (recovery on allowable capital losses)	(138)	29
Net realized gain (loss) on investments	(577)	108
Change in unrealized appreciation of investments	5,182	(10,134)
Net gain (loss) on investments	4,605	(10,026)

CONSOLIDATED STATEMENT OF INVESTMENTS

March 31, 2002

Number of Shares or Par Value	Investment – % of Total Market Value	Cost	Market Value
<i>(in thousands of dollars)</i>			
PRINCIPAL ASSETS – 73.5%			
7,629,811	Canadian General Investments, Limited	\$ 20,969	\$ 74,238
1,526,578	Canadian General Investments, Limited wts	–	7,022
1,120,211	Canadian World Fund Limited	5,601	3,540
		<u>26,570</u>	<u>84,800</u>
CANADIAN-LISTED – 17.9%			
45,000	Advanced Fiber Technologies Income Fund*	450	470
70,000	ARC Energy Trust	636	920
70,000	Atlas Cold Storage Income Trust	673	766
75,000	Chemtrade Logistics Income Fund	823	1,058
75,000	Connors Bros. Income Fund	746	900
100,000	Conoco Canada Resources Limited pfd. series A	441	498
14,400	Corby Distilleries Ltd. B	484	857
60,000	CPL Long Term Care Real Estate Investment Trust*	805	933
60,000	Danier Leather Inc.	648	1,044
40,000	Davis + Henderson Income Fund*	425	420
25,950	Enerplus Resources Fund	558	680
33,600	First Capital Realty Inc.	519	412
33,600	First Capital Realty Inc., rights*	–	40
9,800	Inco Limited pfd. series E	675	769
30,000	North West Company Fund	454	548
237,800	Novicourt Inc.	562	445
10,000	PanCanadian Energy Corporation	461	474
85,000	Pembina Pipeline Income Fund	846	971
50,000	RioCan Real Estate Investment Trust*	599	617
60,000	Rothmans Inc.	1,310	1,860
132,400	Sceptre Investment Counsel Limited A	2,463	1,781
600,000	Sherritt International Corporation conv. deb. 6% due December 15, 2006	463	496
35,200	Shiningbank Energy Income Fund	128	517
70,000	TimberWest Forest Corp.†	831	933
25,000	TransAlta Corporation	635	548

Number of Shares or Par Value	Investment – % of Total Market Value	Cost	Market Value
<i>(in thousands of dollars)</i>			
164,700	Viceroy Homes Limited A	\$ 889	\$ 991
95,000	Viking Energy Royalty Trust†	409	720
		<u>17,933</u>	<u>20,668</u>
U.K.-LISTED – 5.9%			
42,000	Aberdeen Asset Management PLC	556	255
800,000	Asset Management Investment Company PLC	3,262	2,287
120,000	Collins Stewart Holdings PLC	921	1,133
80,000	Edinburgh Fund Managers Group PLC	812	785
1,875	The Lindsell Train Investment Trust PLC	440	517
75,765	London Stock Exchange PLC	439	744
25,000	Premier Asset Management PLC	107	81
92,500	Singer & Friedlander Group PLC	680	501
235,000	UK Coal PLC	461	536
		<u>7,678</u>	<u>6,839</u>
U.S.-LISTED – 1.6%			
10,000	General American Investors Company, Inc.	508	526
42,100	Morgan Stanley Dean Witter Emerging Markets Debt Fund, Inc.	467	548
40,000	Templeton Emerging Markets Income Fund, Inc.	673	750
		<u>1,648</u>	<u>1,824</u>
OTHER – 1.1%			
28,000	The China Heartland Fund Ltd.	444	436
13,000	Fleming Russia Securities Fund Ltd.	326	435
20,000	The India I.T. Fund Limited	829	406
		<u>1,599</u>	<u>1,277</u>
TOTAL INVESTMENTS – 100.0%			
	– March 31, 2002	<u>\$ 55,428</u>	<u>\$ 115,408</u>
	– December 31, 2001	<u>\$ 55,224</u>	<u>\$ 109,074</u>
	– March 31, 2001	<u>\$ 53,812</u>	<u>\$ 104,578</u>
<i>Changes from December 31, 2001: * New Holdings; † Increased Holdings</i>			

CORPORATE INFORMATION

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SOLICITORS

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To change your address, eliminate
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holder account inquiries, please con-
tact Computershare at the above
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STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading symbol: THD

STOCK DATA

March 31, 2002:

Price	\$ 15.10
Net Asset Value	\$ 20.49
Discount	26.3%

PUBLICATION

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

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

*The Company is a founding member
of the Closed-End Fund Association
(‘CEFA’) in North America.*

