



Third Canadian General
Investment Trust Limited

THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED
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Managed by:


MorganMeighen
& ASSOCIATES
Investment Managers

GROWTH AND INCOME

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THIRD QUARTER REPORT - *September 30, 2004*

Report to Shareholders

Third Canadian continues to perform for its shareholders and maintains a positive spread to its benchmark, the S&P/TSX Composite Total Return Index (S&P/TSX), on a year-to-date basis. For the nine months to September 30, 2004, the net asset value per share (NAV) return with dividends reinvested was 8.3%, compared to the 6.8% rise of the S&P/TSX. Third Canadian's market return with dividends reinvested was 12.6%, outpacing both NAV and benchmark returns by a considerable margin.

In general, the S&P/TSX was fairly quiet during the third quarter, posting a moderate return of 1.9% as market participants appeared unwilling to commit to any particular trend. This was demonstrated by the mixed performance of its underlying components, with five of the ten subsectors showing positive returns. The Energy subsector continued to be the star performer and led the market with an 11.2% advance. A huge rally in the spot price of oil along with all-time high commodity futures pricing has driven the performance of almost all of the Canadian oil and gas related companies higher. As time passes and pricing is maintained at these increased levels, analysts are compelled to incorporate higher assumptions in the valuation process and equity prices should reflect these fundamental underpinnings.



Jonathan A. Morgan, President; Vanessa L. Morgan, Chairman;
Michael A. Smedley, Chief Portfolio Officer of the Manager

Principal Assets

Canadian General Investments, Limited (CGI), the key principal asset, remained at over 70% of the total investment portfolio at quarter-end. In the context of the aforementioned flat market conditions, it is understandable that the portfolio mix was consistent with the previous quarter. However, in terms of performance, CGI regained some momentum through the difficult markets experienced in the third quarter, and posted NAV and market returns, both inclusive of dividends reinvested, of 3.5% and 2.5% respectively, outperforming the benchmark S&P/TSX.

Top Ten Investments at Market* – September 30, 2004

(Portfolio details on page 9)

	%		%
Canadian General Investments, Limited	71.7	Home Capital Group Inc.	0.9
Canadian World Fund Limited	2.8	Cedara Software Corp.	0.8
AltaGas Income Trust	1.3	Enerplus Resources Fund	0.8
United Natural Foods, Inc.	1.2	Newalta Income Fund	0.8
Russel Metals Inc.	0.9	Connors Bros. Income Fund	0.8
		Total	82.0

* Excludes cash and non-convertible preference shares.

Weighting of Portfolio Investments at Market – September 30, 2004

	%
Principal Assets	74.4
Canadian-Listed	22.1
U.S.-Listed	2.9
U.K.-Listed	0.6

Year-to-date to September 30, 2004, CGI's NAV and market returns were 8.9% and 7.0%, respectively, compared with 6.8% for the benchmark. CGI's one-year NAV and market returns were 27.7% and 31.4%, respectively, outperforming the 18.9% advance of the benchmark. This outperformance contributed to Third Canadian's impressive one-year NAV and market returns of 27.6% and 26.9%.

As illustrated by the most recent quarterly trend and confirmed by longer term measures, the process of bottom-up security selection used in the portfolio management of CGI potentially allows for above average returns. CGI's ability to perform has been and will continue to be a crucial element of support in Third Canadian's achievements.

Non-Principal Assets

The non-principal assets represented 26% of the investment portfolio at September 30, 2004, in line with the previous quarter and slightly higher than at December 31, 2003. The asset mix of the group has remained fairly consistent in the last couple of years, with income trusts representing approximately half of the group. The income trust sector's growth continues unabated with no less than 16 initial public offerings completed this year along with numerous secondary offerings and conversions. The market capitalization of the group now exceeds \$105 billion. The expansion of the group has provided greater choice through the introduction of new industries and business types, but, at the same time,

investment risk has been elevated and perceptions of the group must be altered from the traditional "trust" concept to more of a "high-yield equity".

As compelling as the income trust sector has been, Third Canadian's non-principal assets include other investments offering growth and income potential. The blend of these assets diversifies the portfolio in terms of corporate structure, geography and currency and should spread overall risk while complementing potential returns.

Outlook

Enthusiasm early in the year was replaced with a wait and see attitude as early gains were eliminated by May and the ensuing recovery had reversed course by the end of August. However, recent trends in the market have been encouraging. Global demand for resource commodities has been strong and should provide support for a good portion of the Canadian markets going forward. Inflation, a key determinant of interest rate policy, has not been a factor in Canada or the United States. Finally, market fundamentals are on track with earnings showing good year-over-year growth, with reasonable multiples being applied to equity valuations.

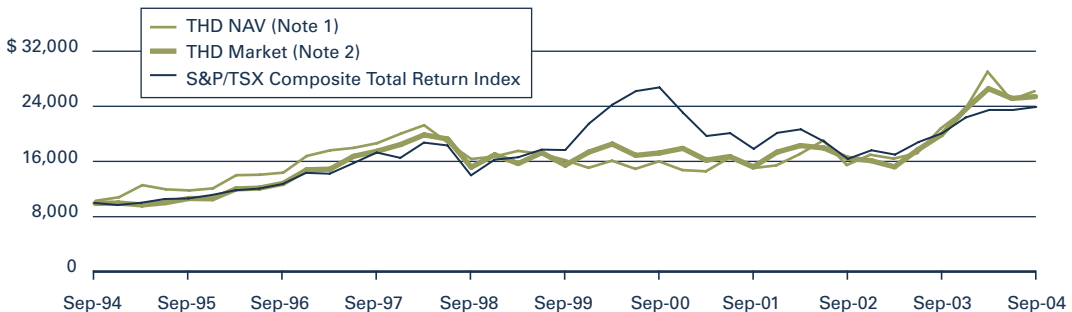


Vanessa L. Morgan,
Chairman



Jonathan A. Morgan,
President

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



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

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

Management's Discussion and Analysis

On a year-to-date basis, Third Canadian's net asset value per share (NAV) return with dividends reinvested was 8.3%, outperforming the 6.8% return of the benchmark S&P/TSX Composite Total Return Index (S&P/TSX). In the mixed market conditions experienced during the third quarter, Third Canadian's NAV return with dividends reinvested was 1.0%, compared to 1.9% for the benchmark.

Financial review

At September 30, 2004, net assets were \$130,382,000, up 0.7% and 7.2% from the end of the second quarter of 2004 and year-end 2003, respectively. The year-to-date increase was largely attributable to a significant uplift of 5.6% in the combined market value of the shares and warrants of Canadian General Investments, Limited (CGI), the Corporation's key principal asset.

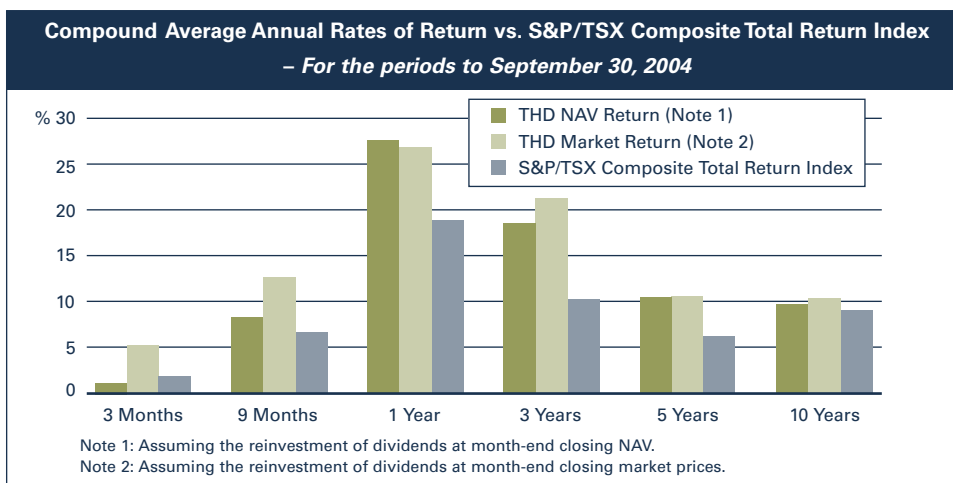
For the first nine months of 2004, Third Canadian had net investment income of \$1,849,000, a 3.8% decrease over the \$1,923,000 recorded for the comparative period of 2003. Net investment income for the third quarter of 2004 was \$571,000, a decrease of 6.7% from the comparative 2003 quarter.

For the three- and nine-month periods ended September 30, 2004, total investment income, comprised of dividends, interest and other income, decreased by 2.1% and 6.4% from

the corresponding periods in 2003. Dividends earned from CGI continue to be the mainstay of this income category. At \$1,373,000 in both periods, these dividends represented 74.8% and 66.0% of total dividend income for the first nine months of 2004 and 2003, respectively. In the first nine months of both 2004 and 2003, approximately 90% of interest and other income related to Canadian income trust distributions. The income trust holdings represented just over one-half of the non-principal portfolio segment at September 30, 2004, a weighting that has not changed significantly over the last three years.

Total expenses for the current quarter and year-to-date periods increased by 12.5% and 11.1%, respectively, primarily a result of higher management fees, driven by the increase in portfolio assets. Despite an increase in borrowings in the current quarter by \$1.7 million to \$16.7 million, interest on bank borrowings used for leverage continued to fall due to historically low rates, resulting in interest expense decreases of 10.2% and 11.1% for the current quarter and year-to-date periods.

The net gain on investments for the first nine months of 2004 was \$7,648,000 while \$18,017,000 was recorded for the comparative period of 2003. These figures were largely impacted by increases in unrealized appreciation of investments of \$9,263,000 and \$18,211,000 in the first nine months of 2004 and 2003, respectively.



During the nine months ended September 30, 2004 and 2003, Third Canadian paid three regular quarterly dividends of \$0.075 per share to its shareholders.

Principal assets

CGI is an actively managed Canadian closed-end equity fund with well-diversified holdings. For the nine months

ended September 30, 2004, CGI's diluted NAV and market returns, both including the reinvestment of dividends, were 8.9% and 7.0%, respectively.

CGI's top five S&P/TSX sectors and investments (excluding cash, short-term investments and non-convertible preference shares) as at September 30, 2004 were as follows:

Canadian General Investments, Limited			
<i>Top 5 Sectors</i>	<i>% at market</i>	<i>Top 5 Investments</i>	<i>% at market</i>
Financials	24.0	Cameco Corporation	2.1
Energy	20.4	Canadian Natural Resources Limited	1.8
Materials	19.7	Enbridge Inc.	1.7
Consumer Discretionary	7.1	Corby Distilleries Limited	1.7
Utilities	6.6	Bank of Montreal	1.7
	77.8		9.0

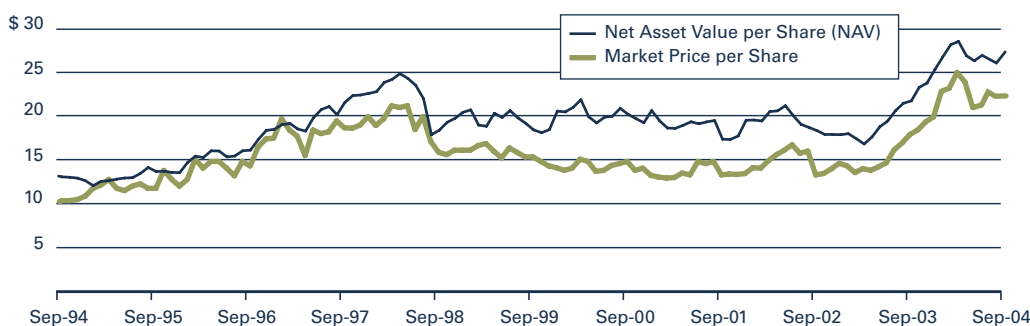
Information concerning CGI, including its quarterly report, is available via email (cgifund@mmainvestments.com) or toll-free at 1-866-443-6097.

Canadian World Fund Limited (CWF), established in 1994, is a global equities fund that constituted 2.8% of Third Canadian's portfolio at September 30, 2004. For the nine months ended September 30, 2004, CWF's net asset value per share declined by 1.7%, while its share price advanced 8.1%, compared to the 0.9% retraction of the benchmark Morgan Stanley All-Country World Free Index.

Prospects

We expect that financial markets will continue to reflect continued volatility for the balance of 2004. Nevertheless, Third Canadian's strong income focus has enabled it generally to outperform in adverse markets. Through its principal asset holdings and the mainly income related other assets, Third Canadian will continue to offer investors one of the most diversified portfolios among closed-end funds in Canada.

Comparison of Market Price to NAV – September 30, 1994 to September 30, 2004



Consolidated Statements of Net Assets

	As at Sept. 30, 2004	As at Dec. 31, 2003	As at Sept. 30, 2003
<i>(In thousands of dollars, except per share amounts)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	\$	\$	\$
Assets			
Investments	157,826	145,813	124,817
Cash	337	2,166	676
Receivable on securities sold	1,625	–	930
Accrued interest and dividends	171	219	176
Income taxes recoverable	645	–	–
	160,604	148,198	126,599
Liabilities			
Bank indebtedness	16,662	14,943	14,876
Payable on securities purchased	695	–	808
Accounts payable and accrued liabilities	79	79	55
Income taxes payable	–	820	707
	17,436	15,842	16,446
Future income taxes on unrealized net capital gains	12,786	10,745	5,755
	30,222	26,587	22,201
Net Assets	130,382	121,611	104,398
Shareholders' Equity			
Capital stock	6,504	6,504	6,504
Contributed surplus	2,681	2,681	2,681
Unrealized gain on investments	86,315	77,052	60,830
Retained earnings	34,882	35,374	34,383
	130,382	121,611	104,398
Number of shares outstanding	4,805,910	4,805,910	4,805,910
Net asset value per share	27.13	25.30	21.72

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

Consolidated Statements of Operations

<i>(Unaudited)</i> <i>(In thousands of dollars, except per share amounts)</i>	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	Sept. 30, 2004	Sept. 30, 2003	Sept. 30, 2004	Sept. 30, 2003
	\$	\$	\$	\$
Investment income				
Dividends	577	628	1,835	2,079
Interest and other	361	330	991	939
	938	958	2,826	3,018
Expenses				
Management fees	174	125	512	360
Interest	150	167	441	496
Directors' fees	17	13	42	34
Investor relations	4	5	26	23
Other	24	18	86	83
	369	328	1,107	996
Investment income before income taxes	569	630	1,719	2,022
Income tax recovery (provision)	2	(18)	130	(99)
Net investment income	571	612	1,849	1,923
Realized and unrealized gain (loss) on investments				
Net realized gain (loss) on investments	(774)	70	(1,615)	(194)
Change in unrealized appreciation of investments	1,569	10,799	9,263	18,211
Net gain on investments	795	10,869	7,648	18,017
Increase in net assets resulting from operations	1,366	11,481	9,497	19,940
Increase in net assets resulting from operations per share	0.28	2.39	1.97	4.15

Consolidated Statements of Retained Earnings

<i>(Unaudited)</i> <i>(In thousands of dollars, except per share amounts)</i>	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	Sept. 30, 2004	Sept. 30, 2003	Sept. 30, 2004	Sept. 30, 2003
	\$	\$	\$	\$
Retained earnings – Beginning of period	35,514	34,137	35,374	33,964
Net investment income for the period	571	612	1,849	1,923
Net realized gain (loss) on investments	(774)	70	(1,615)	(194)
Dividends	(360)	(360)	(1,081)	(1,081)
Recovery of (provision for) refundable dividend tax on hand	(69)	(76)	355	(229)
Retained earnings – End of period	34,882	34,383	34,882	34,383
Dividends per share	0.075	0.075	0.225	0.225

Consolidated Statements of Changes in Net Assets

<i>(Unaudited)</i> <i>(In thousands of dollars)</i>	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	Sept. 30, 2004	Sept. 30, 2003	Sept. 30, 2004	Sept. 30, 2003
	\$	\$	\$	\$
Increase in net assets resulting from operations	1,366	11,481	9,497	19,940
Dividends	(360)	(360)	(1,081)	(1,081)
Net decrease (increase) in refundable dividend tax on hand	(69)	(76)	355	(229)
Increase (decrease) in net assets	937	11,045	8,771	18,630
Net assets – Beginning of period	129,445	93,353	121,611	85,768
Net assets – End of period	130,382	104,398	130,382	104,398

Consolidated Statements of Net Gain on Investments

<i>(Unaudited)</i> <i>(In thousands of dollars)</i>	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	Sept. 30, 2004	Sept. 30, 2003	Sept. 30, 2004	Sept. 30, 2003
	\$	\$	\$	\$
Proceeds from disposition of investments	3,876	2,635	12,375	5,139
Investments at cost, beginning of period	57,838	57,499	58,016	56,338
Investments purchased during the period	5,708	3,283	15,194	7,271
Investments at cost, end of period	(58,725)	(58,232)	(58,725)	(58,232)
Cost of investments disposed of during the period	4,821	2,550	14,485	5,377
Realized gain (loss) on disposition of investments before income taxes	(945)	85	(2,110)	(238)
Income tax recovery (provision) on allowable capital losses (realized net taxable capital gains)	171	(15)	495	44
Net realized gain (loss) on investments	(774)	70	(1,615)	(194)
Change in unrealized appreciation of investments	1,569	10,799	9,263	18,211
Net gain on investments	795	10,869	7,648	18,017

Consolidated Statement of Investments

September 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>	
PRINCIPAL ASSETS – 74.4%			
7,629,811	Canadian General Investments, Limited	\$ 20,969	\$ 102,239
1,526,578	Canadian General Investments, Limited wts.	–	10,930
1,120,211	Canadian World Fund Limited	5,601	4,358
TOTAL PRINCIPAL ASSETS		26,570	117,527
CANADIAN-LISTED – 22.1%			
35,000	Advantage Energy Income Fund	668	753
100,000	AltaGas Income Trust	1,101	2,073
70,000	ARC Energy Trust	576	1,179
60,000	Art In Motion Income Fund*	595	612
90,000	Associated Brands Income Fund	800	936
500,000	Canadian Western Bank conv. deb. 5.5% due March 31, 2008	501	725
130,000	Cedara Software Corp.	978	1,308
50,000	Chemtrade Logistics Income Fund	528	965
75,000	Connors Bros. Income Fund	719	1,219
14,400	Corby Distilleries Ltd. B	484	925
30,000	CryptoLogic Inc.	766	587
40,000	DALSA Corporation	722	760
40,000	Davis + Henderson Income Fund	410	778
31,450	Enerplus Resources Fund	802	1,295
33,600	First Capital Realty Inc.	519	566
26,880	First Capital Realty Inc. wts. 8/31/08	–	110
10,000	Fording Canadian Coal Trust	299	705
35,000	Gateway Casinos Income Fund*	605	607
20,000	Great Canadian Gaming Corporation*	613	639
60,000	Home Capital Group Inc.	779	1,429
60,000	The Keg Royalties Income Fund	557	714
60,000	Livingston International Income Fund	983	1,116
60,000	Newalta Income Fund	952	1,287
60,000	Nortel Networks Corporation pfd. series 5	768	1,098
30,000	North West Company Fund	454	750
65,000	Northern Property Real Estate Investment Trust	760	910
85,000	Pembina Pipeline Income Fund	823	1,060

<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>	
52,500	Prime Restaurants Royalty Income Fund	\$ 524	\$ 485
27,400	Rothmans Inc.	598	960
115,700	Russel Metals Inc.	854	1,493
100,000	Sceptre Investment Counsel Limited	1,860	635
230,000	Sherritt International Corporation conv. deb. 6% due December 15, 2006	177	240
370,000	Sherritt International Corporation conv. deb. 7% due December 15, 2013	370	482
45,200	Shiningbank Energy Income Fund	217	988
39,000	Sierra Wireless, Inc.	1,108	880
64,100	Tree Island Wire Income Fund*	921	979
60,000	Trinidad Energy Services Income Trust	465	540
200,000	Vanguard Response Systems Inc.+	1,020	720
151,700	Viceroy Homes Limited A	819	721
55,000	Yellow Pages Income Fund	549	666
TOTAL CANADIAN-LISTED		27,244	34,895
U.K.-LISTED – 0.6%			
235,000	UK COAL PLC	461	890
TOTAL U.K.-LISTED		461	890
U.S.-LISTED – 2.9%			
15,000	Juniper Networks, Inc.	545	448
55,000	United Natural Foods, Inc.+	1,840	1,849
30,000	XM Satellite Radio Holdings Inc. A*	1,179	1,176
13,500	Zebra Technologies Corporation A+	886	1,041
TOTAL U.S.-LISTED		4,450	4,514
TOTAL INVESTMENTS			
– September 30, 2004		\$58,725	\$157,826
– December 31, 2003		\$58,016	\$145,813
– September 30, 2003		\$58,232	\$124,817

Changes from June 30, 2004: *New Holdings; + Increased Holdings

Corporate Information

THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED

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SOLICITORS

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

STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: THD

STOCK DATA

September 30, 2004

Price	\$	22.25
Net Asset Value	\$	27.13
Discount		18.0%

PUBLICATION

Net asset value per share (NAV) and/or market price and market return 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 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.

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

