CANADIAN GENERAL INVESTMENTS, LIMITED

Annual Information Form

March 13, 2014

Common Shares
3.90% Cumulative Redeemable Class A Preference Shares, Series 3
3.75% Cumulative Redeemable Class A Preference Shares, Series 4

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Certain statements included in this Annual Information Form may constitute forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend" and similar expressions to the extent they relate to the Company or the Manager. Such forward-looking statements are not historical facts but reflect the Company's or the Manager's current expectations regarding future results or events. Such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under "Risk Factors" and in other sections of this Annual Information Form. The reader is cautioned to consider these and other factors carefully when making decisions with respect to the Company and not place undue reliance on forward-looking statements. Except as may be required by applicable law, the Company does not undertake any obligation to update publicly or to revise any of such forward-looking statements, whether as a result of new information, future events or otherwise.

NAME, FORMATION AND HISTORY OF THE COMPANY

Canadian General Investments, Limited (referred to herein as "CGI" or the "Company") was established under the laws of the Province of Ontario pursuant to letters patent dated January 15, 1930 (under its original name, Second Canadian General Investments Limited, which was subsequently changed to Canadian General Investments, Limited pursuant to supplementary letters patent dated August 17, 1931). CGI is considered an "investment fund" and a "non-redeemable investment fund" for purposes of applicable securities laws.

The following changes were made to the Company's articles of incorporation over the past ten years that could be considered material:

- On February 27, 2006, the Company filed articles of amendment to create a third series of Class A preference shares designated "3.90% Cumulative Redeemable Class A Preference Shares, Series 3."
- On May 9, 2013, the Company filed articles of amendment to create a fourth series of Class A preference shares designated "3.75% Cumulative Redeemable Class A Preference Shares, Series 4."

Additional information with respect to the preference shares is provided under "Description of Capital Stock - Preference Shares".

CGI is a closed-end investment fund focussed on medium- to long-term investments in Canadian corporations. Its objective is to provide better than average returns to investors through prudent security selection, timely recognition of capital gains/losses and appropriate income generating instruments.

The Company currently manages its investments so as to satisfy the investment requirements of being an "investment corporation" under the Income Tax Act (Canada) (the "Tax Act"). The primary benefits of such status may be summarized as follows:

(a) the Company is entitled to obtain a refund of any tax paid by it on its realized capital gains by distributing its capital gains to shareholders by way of dividends. The Company must file an election with the Canada Revenue Agency with respect to this form of dividend which is then regarded as a "capital gains dividend". A capital gains dividend is treated as a capital gain in the hands of shareholders as if they had directly realized the capital gain realized by the Company. In effect, therefore, there is no corporate level tax on the capital gains realized by the Company; and

(b) generally, the Company is entitled to relief from tax under Part VI.1 of the Tax Act in respect of dividends paid by the Company on taxable preferred shares, other than dividends paid to a "controlling corporation" or to a "specified person" in relation to such a "controlling corporation" under the Tax Act.

There are certain limiting aspects of maintaining such status, including that not more than 25% of the Company's gross revenue may be from interest income and that at least 85% of the Company's gross revenue must be from Canadian sources.

CGI regularly reviews the benefits and limitations of continuing to maintain such "investment corporation" status.

Major events affecting the Company during the past ten years include:

- CGI initiated a leveraging strategy in 1998, through the issuance of preference shares, in an effort to enhance returns to common shareholders. There have been two issuances since 2004: $75 million on March 3, 2006 and $75 million on May 30, 2013. The particulars of the conditions attached to the shares issued through these two issuances are provided under "Description of Capital Stock – Preference Shares".

- Beginning in April 2001, CGI conducted a series of normal course issuer bids for issued and outstanding warrants of the Company. During each twelve month period, the Company was able to purchase in the market, from time to time, when it considered desirable, up to 5% of its then outstanding warrants. The last normal course issuer bid conducted by the Company was for the period April 25, 2005 to April 24, 2006. The Company purchased 672,902 of its warrants for cancellation under these normal course issuer bids.

- On May 23, 2006, CGI announced a substantial issuer bid to purchase all of its outstanding warrants. This issuer bid enabled warrant holders to tender their warrants for a cash price of $22.35 per warrant, upon the terms and conditions set forth in the offer to purchase contained in an issuer bid circular, which was filed with applicable Canadian securities regulators and mailed to warrant holders. On June 30, 2006, the expiry date of the offer, the Company confirmed that it would purchase for cancellation 2,979,109 warrants, representing 90.6% of the warrants outstanding prior to the offer. The total cost associated with this offer, including transaction costs, was $67,052,000. Of the 292,156 warrants still outstanding as of the final exercise date on July 3, 2007, 269,982 warrants were exercised and the remaining warrants expired without value.

- On October 6, 2008 the Company redeemed the $60,000,000 5.40%, Cumulative Redeemable Class A Preference Shares, Series 1 in accordance with the terms thereof. These shares had originally been issued in October 1998.

- On May 29, 2013 the Company redeemed the $75,000,000 4.65%, Cumulative Redeemable Class A Preference Shares, Series 2 in accordance with the terms thereof. These shares had originally been issued in November 2003.

Morgan Meighen & Associates Limited (referred to herein as "MMA" or the "Manager") is the manager of CGI.

The head office and principal place of business of both the Company and the Manager is 10 Toronto Street, Toronto, Ontario, M5C 2B7.

INVESTMENT RESTRICTIONS

Unlike mutual funds, CGI, as a closed-end investment fund, is not subject to nor managed in accordance with the restrictions and practices prescribed by securities legislation of each of the provinces of Canada, including National Instrument 81-102 *Mutual Funds* of the Canadian Securities Administrators. There are no restrictions on any businesses the Company may carry on.

Subject to the terms of the Management Agreement between the Company and the Manager, the Manager acts in accordance with the Company's investment objectives, guidelines, strategy and restrictions (collectively, the "Investment Policy") as established and amended from time to time by the Board of Directors of CGI. The Investment Policy includes certain restrictions that are required to maintain the Company's status as an investment corporation as described under "Canadian Federal Income Tax Considerations – Taxation of the Company". In the case of any event of non-compliance by the Manager in respect of the Company's Investment Policy at any time, the Manager shall report the specifics of such non-compliance to the Company in a manner as directed by the Board and shall thereafter implement the instructions given to the Manager by the Company as directed by the Board.

DESCRIPTION OF CAPITAL STOCK

Common Shares

The Company is authorized to issue an unlimited number of common shares of which 20,861,141 were outstanding at March 13, 2014. Each holder of common shares is entitled to one vote for each common share registered in his or her name.

Preference Shares

The Company is authorized to issue, in series, a class of preference shares of which 3,000,000, 3.90% cumulative, redeemable Class A preference shares, Series 3 (the "Series 3 Shares") and 3,000,000, 3.75% cumulative, redeemable Class A preference shares, Series 4 (the "Series 4 Shares") were outstanding at March 13, 2014 (the two series in aggregate referred to as the "Class A Preference Shares").

The Class A Preference Shares shall be entitled to priority over the common shares with respect to the payment of dividends and the return of capital and the distribution of

assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs.

As at March 13, 2014, the Class A Preference Shares are rated Pfd-1(low) by DBRS Limited.

Dividends:
The holders of the Class A Preference Shares are entitled to receive quarterly cumulative preferential cash dividends on the 15th day of March, June, September and December in each year at the following rates per share per quarter: Series 3 Shares - $0.24375 and Series 4 Shares - $0.23438.

Voting rights:
Except in the case of the creation of shares ranking prior to or at parity with the Class A Preference Shares or as otherwise provided in the case of a particular series or provided by law, the holders of the Class A Preference Shares shall not be entitled to receive notice of, or to vote at, any meeting of shareholders of the Company.

Redemption/retraction features:
The Company may redeem for cash the Series 3 Shares in whole or in part at a price per share equal to: $25.50 if redeemed on or after June 15, 2013, but before June 15, 2014; $25.25 if redeemed on or after June 15, 2014, but before June 15, 2015; and $25.00 thereafter, together in each case with all accrued and unpaid dividends up to but excluding the date fixed for redemption. A holder of Series 3 Shares may require the Company to redeem such shares on or after June 15, 2016 for a cash price of $25.00, together with any accrued and unpaid dividends up to but excluding the date of redemption.

The Company may redeem for cash the Series 4 Shares in whole or in part at a price per share equal to: $26.00 if redeemed on or after June 15, 2018, but before June 15, 2019; $25.75 if redeemed on or after June 15, 2019, but before June 15, 2020; $25.50 if redeemed on or after June 15, 2020, but before June 15, 2021; $25.25 if redeemed on or after June 15, 2021, but before June 15, 2022; and $25.00 thereafter, together in each case with all accrued and unpaid dividends up to but excluding the date fixed for redemption. A holder of Series 4 Shares may require the Company to redeem such shares on or after June 15, 2023 for a cash price of $25.00, together with any accrued and unpaid dividends up to but excluding the date of redemption.

Other restrictions:
So long as any of the Class A Preference Shares are outstanding, the Company shall not, without the approval of the holders of the Class A Preference Shares: (i) incur any Obligations (as defined) ranking pari passu with or senior to the Class A Preference Shares; or (ii) declare, make or pay any Distribution (as defined) to holders of securities ranking junior to the Class A Preference Shares, unless, after giving effect thereto, the ratio of Assets (as defined) to Obligations (as defined) exceeds 2.5 times.

Rights on liquidation:
In the event of the liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Company and of holders of shares of the Company ranking prior to the Class A Preference Shares, the holders of the Class A Preference Shares shall be entitled to receive an amount equal to $25.00 per Class A Preference Share, together with all accrued and unpaid dividends up to and including the date of distribution before any amount shall be paid or any assets of the Company shall be distributed to the holders of common shares or of shares of any other class of the Company ranking junior to the Class A Preference Shares. After payment to the holders of the Class A Preference Shares of the amount so payable to them, such holders shall not be entitled to share in any further distribution of the assets of the Company.

VALUATION OF PORTFOLIO SECURITIES AND CALCULATION OF NET ASSET VALUE

In calculating the value of a security or other asset held by the Company at any time, the following valuation principles are used:

a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends received (or to be received and having been declared to shareholders of record on a date before the date as of which the net asset value is being determined), and interest accrued and not yet received, shall be deemed to be the full amount thereof provided that:

    i) the value of any security which is a debt obligation which, at the time of acquisition, had a remaining term to maturity of 90 days or less shall be the amount paid to acquire the obligation plus the amount of any interest accrued on such obligation since the time of acquisition; and

    ii) if the Manager has determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof, the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;

b) the value of any security which is listed or dealt in upon a stock exchange shall be determined by taking the latest available sale price of recent date, or lacking any recent sales or any record thereof, the latest available bid price, which in the opinion of the Manager reflects the value thereof, as at the valuation date on which the net asset value is being determined, all as reported by any means in common use;

c) the value of any security which is not listed or dealt with upon any stock exchange shall be determined on the basis of such price or yield equivalent quotations (which

may be public quotations or may be obtained from major market makers) as the Manager determines best reflects its fair value;

d) Restricted securities (securities which, pursuant to provincial securities legislation, are purchased through a private placement from a qualifying issuer and are restricted from trading on a stock exchange for a period from the date of the private placement pursuant to regulatory requirements) shall be valued at the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement, or by law, equal to the percentage that the Company's acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made when the date on which the restriction will be lifted is known;

e) the value of bonds, debentures and other long-term debt obligations shall be determined by taking the average of the bid and ask quotations on a valuation date or such value as the Manager may deem to be reasonable;

f) all liquid assets and securities of the Company valued in terms of foreign currency and contractual obligations payable to the Company in foreign currency shall be translated into Canadian currency using the applicable Bank of Canada noon rate of exchange prevailing on the valuation date, as determined by the Manager; and

g) notwithstanding the above, the value of any security or property to which, in the opinion of the Manager, the above principles cannot be applied (whether a market quotation is not readily available, the market quotation is considered inappropriate, or for any other reason) shall be the fair value thereof determined in a consistent and reasonable manner using available sources of information and commonly used valuation techniques.

The net asset value per share of CGI (the "NAV") is calculated by the Manager as at the close of business each day that the TSX is open for trading. The NAV on any particular day is calculated by dividing the net asset value of the Company (being the value of its assets less the value of its liabilities, both as determined by the Manager) by the total number of common shares outstanding at that time.

Such information is provided by the Manager to shareholders on request, posted on www.canadiangeneralinvestments.ca and provided to various information services for publication in various media in Canada, the U.K. and the U.S.

PURCHASE AND REDEMPTION OR SALE OF SECURITIES OF THE COMPANY

CGI's common shares and two series of preference shares are listed and posted for trading on the TSX under the ticker symbols CGI, CGI.PR.C and CGI.PR.D, respectively. The common shares are also listed and posted for trading on the London Stock Exchange ("LSE"). Investors who wish to purchase any of CGI's securities can do so through the facilities of the TSX or for the common shares, the LSE, by contacting their investment advisors. The common shares and Class A Preference Shares are not currently being distributed by the Company.

Although the Manager calculates the NAV on a daily basis at the close of trading, investors will not generally be required to purchase common shares at this amount as CGI's common shares generally trade at a lower value than its NAV. This is known as the "discount". Further information with respect to the discount is described under "Risk Factors – Discount".

The common shares of the Company are not redeemable by the investor. The Class A Preference Shares are redeemable in certain circumstances as set out under "Description of Capital Stock – Preference Shares". As described above, investors will not necessarily be able to dispose of their common shares at the NAV. In order to dispose of securities, an investor must sell his or her securities through the facilities of the TSX or for the common shares, the LSE, or privately.

Securities of the Company that are purchased or sold on an exchange through a broker may be subject to a commission that is payable to the broker executing the transaction. The brokerage commission will vary by broker.

In either the purchase or sale of securities, a broker may make provision in the arrangements that it has with an investor that will require the investor to compensate the broker for any losses suffered by the broker in connection with a failed settlement of a purchase or sale of securities of the Company caused by the investor.

RESPONSIBILITY FOR COMPANY OPERATIONS

The Manager and Portfolio Adviser

The Manager, Morgan Meighen & Associates Limited, was incorporated under the laws of the Province of Ontario by certificate and articles of incorporation dated August 30, 1955 and is registered as an adviser in the category of Portfolio Manager and as a dealer in the category of Exempt Market Dealer in the provinces Ontario, Alberta, British Columbia, and Manitoba. It is also registered as an Investment Fund Manager in the province of Ontario. The head office and the principal office of the Manager are located at 10 Toronto Street, Toronto, Ontario, M5C 2B7 (website: www.mmainvestments.com, e-mail: mma@mmainvestments.com).

The Manager is also the portfolio adviser to the Company.

Subject to the terms of the Management Agreement between the Company and the Manager dated as of January 1, 2006 (the "Management Agreement"), the Manager manages the investment portfolio and makes investment decisions, provides administrative services including making brokerage arrangements for the purchase and sale of securities, calculating the net asset value of the Company, maintaining financial and corporate records, preparing financial statements and all required regulatory filings and assists in promotional activities.

For services rendered pursuant to the Management Agreement, MMA is entitled to receive a fee of 1.0% per annum of the Company's investments at market value adjusted for cash balances, portfolio accounts receivable and portfolio accounts payable (calculated without regard to any securities owned by the Company in any company or other entity whose investment portfolio is managed by the Manager) calculated at the close of business at the last business day of the month and payable on the 15th of the following month.

Either party may terminate the Management Agreement by giving not less than 180 days' prior written notice of termination to the other party. Such notice may only be given by the Company to the Manager by a resolution passed by at least two-thirds of the votes cast at a meeting of common shareholders of the Company with two or more persons present in person or by proxy representing not less than 50% of common shares then outstanding. In the event of termination of the Management Agreement by the shareholders as described above, the Manager will be entitled to a termination payment in an amount equal to three-quarters of the fees paid or payable to the Manager during the most recently completed twelve-month period.

The Company may terminate the Management Agreement by written notice to the Manager in the event the Manager is materially in breach or default of the provisions of the Management Agreement and such breach has not been rectified within 30 days' notice of such breach. In such case, the Manager will not be entitled to a termination payment as described above.

The Manager may terminate the Management Agreement by written notice to the Company in the event that the Company is materially in breach or default of the provisions of the Management Agreement and such breach has not been rectified within 30 days' notice. In such case, the Manager will be entitled to the termination payment as described above.

Additional information with respect to the Management Agreement is contained in the Management Information Circular dated February 11, 2014 under the heading "Management Contract" which is incorporated herein by reference. A copy has been filed on SEDAR at www.sedar.com.

The following table summarizes the name, municipality of residence and position held for each of the directors and officers of the Manager:

Name and Municipality of Residence	Office with the Manager
Vanessa L. Morgan Mississauga, Ontario	President, Chief Executive Officer, Ultimate Designated Person and Director
Michael A. Smedley Toronto, Ontario	Executive Vice-President, Chief Investment Officer and Director
Jonathan A. Morgan Toronto, Ontario	Executive Vice-President and Director
D. Greg Eckel Toronto, Ontario	Senior Vice-President
Clive. W. Robinson Toronto, Ontario	Senior Vice-President
Frank Fuernkranz Toronto, Ontario	Vice-President Finance, Secretary and Chief Compliance Officer
Alex Sulzer Oakville, Ontario	Vice-President
Julie Brough Toronto, Ontario	Vice-President
D. Christopher King Toronto, Ontario	Vice-President
Christopher J. Esson Toronto, Ontario	Assistant Vice-President and Treasurer

The principal occupations of the above directors and officers corresponds with their office held at MMA with the exception of Vanessa L. Morgan and Jonathan A. Morgan, whose principal occupations are as described below under “Directors and Officers of the Company”.

During the five years preceding the date of this annual information form, each of the directors and officers of the Manager have been engaged in his or her principal occupation or in other capacities with the Manager.

The Company’s Investment Policy, established and amended from time to time by the Board of Directors, provides direction concerning investment portfolio matters to the

Manager. D. Greg Eckel, the Portfolio Manager for CGI, is responsible for the day-to-day management of the Company's portfolio, pursuant to policies, guidelines and constraints set out in the Investment Policy. Greg Eckel is a CFA charterholder and a Certified General Accountant (CGA). He joined MMA in 1989, progressing through various financial and analytical roles resulting in his appointment as a full-time member of the investment team in the mid-1990s. Michael A. Smedley, who joined the Manager in 1987 is its Chief Investment Officer. In this role, Mr. Smedley provides interpretation and high-level guidance concerning portfolio matters for the Manager and in particular, with those applicable to CGI. Mr. Smedley is a member of the Board of Directors of both of the closed-end funds managed by the Manager, those being CGI and Canadian World Fund Limited. He has been employed in the investment industry for over 35 years working with Canadian and U.S. investment firms in Canada, Hong Kong and London.

Directors and Officers of the Company

The following table summarizes the name, municipality of residence and principal occupation for each of the Directors and Officers of the Company:

Name and Municipality of Residence	Office with the Company	Principal Occupation
Vanessa L. Morgan Mississauga, Ontario	Director (since 1997) and Chairman	Chairman of the Company
Jonathan A. Morgan Toronto, Ontario	Director (since 2001) and President & CEO	President and CEO of the Company
James F. Billett Toronto, Ontario	Director (since 2005)	President, J.F. Billett Holdings Ltd. (Financial consulting company)
James G. Cook Toronto, Ontario	Director (since 2001)	Barrister and Solicitor
R. Neil Raymond Montreal, Quebec	Director (since 2002)	President, Feejay Corporation Canada Ltd. (Investment holding company)
Michael A. Smedley Toronto, Ontario	Director (since 1989)	Executive Vice-President & Chief Investment Officer, Morgan Meighen & Associates Limited

Richard O'C. Whittall Vancouver, British Columbia	Director (since 2004)	President, Watershed Capital Holdings Inc. (Investment holding company)
Frank Fuernkranz Toronto, Ontario	Secretary-Treasurer and CFO	Vice-President Finance, Secretary and Chief Compliance Officer, Morgan Meighen & Associates Limited
Christopher J. Esson Toronto, Ontario	Assistant-Treasurer	Assistant Vice-President and Treasurer, Morgan Meighen & Associates Limited

During the five years preceding the date of this annual information form, each of the Directors and Officers of the Company has been engaged in his or her principal occupation or in other capacities with the organization.

All Directors will serve until the next annual meeting of shareholders of the Company.

The Board has established three standing committees – the audit committee, the corporate governance committee and the independent directors committee. The current members of the audit committee are James F. Billett, James G. Cook and Richard O'C. Whittall. The current members of the corporate governance committee are James G. Cook, Jonathan A. Morgan and R. Neil Raymond. The current members of the independent directors committee are James F. Billett, James G. Cook, R. Neil Raymond and Richard O'C. Whittall.

Custodian

CIBC Mellon Trust Company is the custodian of the assets of the Company pursuant to a custodial agreement. The custodian holds all securities for the Company and ensures that those assets are kept separate from any other securities it might be holding. This agreement may be terminated on 90 days' written notice by either party to the agreement.

The custodian's head office is located at 320 Bay Street, P.O. Box 1, Toronto, Ontario, M5H 4A6. The custodian may hire sub-custodians to act on its behalf for the Company. In addition to custodial services, the custodian and certain of its affiliates provide securities lending services for the Company.

Registrar and Transfer Agent

The Canadian registrar and transfer agent for securities of the Company is Computershare Trust Company of Canada. The principal office of the registrar is 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Canada.

The U.K. transfer agent is Computershare Investor Services PLC which is located at P.O. Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom.

Auditors

The auditors of the Company are PricewaterhouseCoopers LLP, located at Suite 2600, PwC Tower, 18 York Street, Toronto, Ontario, M5J 0B2.

Brokerage Arrangements

The Company has no contract or arrangement with any investment dealer or broker regarding portfolio security transactions. The Company's brokerage business is not allocated according to any specific formula, method or criteria nor is it based upon the provision of investment-making services or sales of securities of the Company. The Manager generally selects brokerage firms on a competitive basis, having regard to the best combination of price, research expertise, service and ability to execute orders.

PRINCIPAL SHAREHOLDERS

Of the Company

As of February 11, 2014, to the knowledge of the Directors and Officers of the Company, the only persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over more than 10% of the outstanding common shares of the Company were Third Canadian General Investment Trust Limited ("Third Canadian") and its wholly owned subsidiaries with 7,629,811 common shares (36.57% of the class). Jonathan A. Morgan and Vanessa L. Morgan beneficially owned directly or indirectly or exercised control or direction over an aggregate of 100% of the common shares of Third Canadian. New Annan Investments Ltd., owned as to 50% by each of Mr. Morgan and Ms. Morgan, held 994,644 common shares representing 4.77% of the class. Mr. Morgan beneficially owned, controlled or directed 214,666 common shares (1.03% of the class) and Ms. Morgan beneficially owned, controlled or directed 67,389 common shares (0.32% of the class). In addition, Mr. Morgan and Ms. Morgan are voting members and directors of The Catherine and Maxwell Meighen Foundation, a charitable foundation, which owned beneficially and directly 2,047,759 common shares (9.82% of the class). In summary, Mr. Morgan and Ms. Morgan together owned directly or indirectly or exercised control or direction over an aggregate of 10,954,269 shares, representing 52.51% of the outstanding common shares of the Company.

As of February 11, 2014, the Directors and senior Officers of the Company and the Manager, as a group, owned, directly or indirectly, or exercised control or direction over 8,932,710 common shares of the Company (42.82% of the class). In addition, as described above, The Catherine and Maxwell Meighen Foundation owned beneficially and directly 2,047,759 common shares (9.82% of the class).

Additional information with respect to the ownership of the common shares of the Company is contained in the Management Information Circular dated February 11, 2014 under the heading “Election of Directors”, and is incorporated herein by reference.

Of the Manager

The following table shows the number of common shares of the Manager, owned of record or beneficially, directly or indirectly, as of the date hereof:

Name	*Class of Securities Held*	*Type of Ownership*	*Number Held*	*Percentage of Class*
New Annan Investments Ltd.*	Common shares	Of record and beneficial	1,690	84.50%
Michael A. Smedley	Common shares	Of record and beneficial	300	15.00%
Jonathan A. Morgan	Common shares	Of record and beneficial	5	0.25%
Vanessa L. Morgan	Common shares	Of record and beneficial	5	0.25%

*Owned as to 50% by each of Jonathan A. Morgan and Vanessa L. Morgan

CONFLICTS OF INTEREST

As described under “Responsibility for Company Operations – The Manager and Portfolio Adviser”, the Company is party to a Management Agreement with MMA, a company under common control with CGI.

CORPORATE GOVERNANCE

The Disclosure Rules and Transparency Rules of the U.K. Financial Services Authority (DTR 7.2) require the Company to provide a statement as to the corporate governance regime to which the Company is subject or with which the Company complies.

The Company is incorporated under the Business Corporations Act (Ontario) (the “OBCA”) and is subject to the corporate governance regime provided for in that statute. The text of the OBCA is available at www.e-laws.gov.on.ca. In addition, as an “investment fund” for purposes of applicable securities laws in Canada, the prescribed corporate governance practices of the Company correspond to certain provisions of National Instruments 81-102 *Mutual Funds*, 81-106 *Investment Fund Continuous*

Disclosure and 81-107 *Independent Review Committee for Investment Funds*. As required by National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, the Company has appointed the Manager as the Company's "investment fund manager". Applicable Canadian securities laws, including National Instruments 81-102, 81-106, 81-107 and 31-103, are available on the website of the Ontario Securities Commission (www.osc.gov.on.ca) which is the principal regulator of both the Company and the Manager. The Company, through the oversight of the Board of Directors and its committees, and the Manager, have complied with the corporate governance provisions of the OBCA and applicable Canadian securities laws.

Independent Review Committee

In accordance with the requirement of National Instrument 81-107, the Manager has established an independent review committee ("IRC") for the Corporation.

The members of the independent review committee (IRC) of the Company are R. Neil Raymond (Chairman), James F. Billett, James G. Cook and Richard O'C. Whittall, all of whom are independent members of the Board of Directors of the Company.

Pursuant to NI 81-107, any vacancies in the IRC are to be filled by the remaining IRC members.

The IRC members do not beneficially own, directly or indirectly, securities in the Company which in the aggregate exceed 10%. No IRC member beneficially owns, directly or indirectly, any securities in the Manager, or in any person or company that provides services to the Company or the Manager.

The IRC became fully operational on November 1, 2007 and, after that date, has functioned in accordance with applicable securities laws, including NI 81-107. The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflict of interest matters to which the Manager is subject when managing the Company. The Manager is required under NI 81-107 to identify conflict of interest matters inherent in its management of the Company, and request input from the IRC on how it manages those conflicts of interest, as well as on its written policies and procedures outlining its management of those conflicts of interest.

The Manager must refer its proposed course of action in respect of any such conflict of interest matter to the IRC for its review. Certain matters require the IRC's prior approval, but in most cases the IRC will provide a recommendation to the Manager as to whether or not in the opinion of the IRC, the Manager's proposed action provides a fair and reasonable result for the Company. For recurring conflict of interest matters, the IRC can provide the Manager with standing instructions.

The IRC will conduct regular assessments and provide reports to the Manager and annually to security holders of the Company on its activities, as required by NI 81-107. The annual report of the IRC will be available free of charge from the Manager on request by contacting the Manager at 416-366-2931 and will be filed on SEDAR and posted on the Manager's website at www.mmainvestments.com.

In accordance with NI 81-107, the Manager set the initial compensation for IRC members. Going forward, the IRC has sole authority to determine members' compensation. The main components of compensation for members of the IRC are annual fees and per meeting fees for each IRC meeting attended plus reimbursement of expenses. Each member of the IRC is entitled to receive an annual position fee and retainer of $4,200 ($7,000 for the Chairman) and an attendance fee of $1,400 per meeting. Total 2013 compensation paid to each individual member of the IRC was as follows: R. Neil Raymond - $8,400, James F. Billett - $5,600, James G. Cook - $5,600 and Richard O'C. Whittall - $5,600. Expenses of the IRC may include premiums for insurance coverage, legal fees, travel expenses and reasonable out-of-pocket expenses. During the fiscal year ended December 31, 2013, IRC members' fees and expenses were $26,000 in total.

Securities Lending Operations

The Company participates in a securities lending program with its custodian, CIBC Mellon Trust Company, as agent. The agent is responsible for engaging in securities lending operations with dealers and institutions in Canada and abroad that are approved borrowers by its credit risk management department. It maintains controls, procedures and internal books, including a list of approved counterparties based on generally accepted solvency standards, limits pertaining to operations and credit for each counterparty and diversification standards for property given as security. The agent also determines, on a daily basis, the market value of the securities lent by the Company in connection with the securities lending program. In the event that the value of the collateral is less than 105% of the market value of the lent securities, the agent will ask the counterparty to provide other liquid assets or securities, as collateral to the Company, to cover the shortage.

In the event that any of the loaned securities are not returned to the Company and the value of the collateral held is less than the market value of the securities not returned, the agent shall indemnify the Company for any such shortfall.

Proxy Voting Policies and Procedures

Pursuant to the Management Agreement, it is the responsibility of the Manager to vote, or decide to refrain from voting, all shares or other voting securities held by the Company in accordance with the Manager's best judgment. Matters to be voted on may be of a routine or a non-routine nature. Examples of routine matters include:

- The appointment and compensation of auditors

- The election of individual members of the board of directors or a slate of nominees for the board

Examples of non-routine matters include:

- Stock-based compensation
- Executive compensation arrangements
- Shareholder rights plans
- Corporate restructuring plans including mergers, acquisitions, and divestitures
- Going private, or management buyout transactions (MBOs) in connection with leveraged buyouts
- Lock-up arrangements
- Supermajority approval proposals
- Stakeholder or shareholder proposals

In general, the Manager usually only invests, on the Company's behalf, in the securities of an issuer if the Manager has confidence in the management of that issuer. As a result, in the normal course it is to be expected that the Manager will vote in favour of management's proposals for both routine and non-routine matters. However, it considers each such proposal on its own merits, and exercises the voting rights in accordance with what it believes to be the best interests of the Company. Based on its review, the Manager may deviate from the normal course of action and vote contrary to management's recommendation if it believes that management's position is not in the best interests of CGI. In such instances, documentation will be kept on file to support the decision made.

In the event of a potential conflict of interest between the interests of the Company and those of MMA and/or the responsible individual portfolio manager of the Manager with respect to the voting of proxies, the individual portfolio managers must refer pertinent proxies to MMA's ultimate designated person ("UDP") for review and vote in a manner that is consistent with the spirit of the Company's investment objectives. However, if in the opinion of the UDP, should the contemplated vote provide the potential for a conflict of interest (and therefore subject to NI 81-107), then that proxy matter will be referred to the IRC according to the approved accelerated referral process which entails the UDP contacting and discussing the matter with the chairman of the IRC.

MMA is related to the Company through common controlling shareholders and there could conceivably be potential for a conflict of interest between the interests of MMA and the interests of CGI in connection with the exercise of proxy voting. In order to balance the interests of the Company in voting non-routine proxies with the desire to avoid the perception of a conflict of interest, MMA has instituted procedures to help ensure that CGI's proxy is voted in accordance with the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Company. The procedures for one fund's voting of proxies (for non-routine matters) for shares held in another related fund include escalation of the matter to the holding fund's

independent directors committee for its review and recommendation, and subsequently to the IRC according to established procedures concerning IRC matters.

MMA maintains a proxy voting record for each time the Company, in its capacity as security holder, receives materials relating to a meeting of security holders. The proxy voting record includes the name of the issuer, the exchange ticker symbol for the securities, the CUSIP number for the securities, the meeting date, a brief identification of the matter or matters voted on at the meeting, whether the matter or matters voted on were proposed by the issuer, its management or another person or company, whether the Manager voted on the matter or matters on behalf of the Company, and whether the votes cast by the Manager were for or against the recommendations of management of the issuer.

The Company's proxy voting record for the twelve month period beginning July 1 and ending June 30 of each year will be made available free of charge by the Manager to any shareholder of the Company upon request at any time after August 31 of the relevant year.

Short-term Trading

Since the Common and Preferred Shares are listed on the TSX and, in the case of the common shares, the LSE, and are not issued and redeemed like shares or units of a conventional mutual fund, the Company has no need of, and therefore has not developed, any policies with respect to the short-term trading by investors in those shares or entered into any arrangements with others to permit short term trading.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations generally applicable to holders of common shares and preference shares (collectively, "Shares") of the Company. This summary is generally applicable to a holder who, for purposes of the Tax Act is resident in Canada, holds shares as capital property, deals at arm's length with and is not affiliated with the Company, is not a "financial institution" (as defined in section 142.2 of the Tax Act) or a "specified financial institution" (as defined in the Tax Act), and does not report its "Canadian tax results" (as defined in subsection 261(1) of the Tax Act) in a currency other than Canadian dollars. This summary does not apply to a holder of shares who has entered or will enter into a "derivative forward agreement" as defined in the Tax Act with respect to the shares.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder. Accordingly, holders should consult their own tax advisors with respect to their particular circumstances.

This summary is based upon the current provisions of the Tax Act, the Regulations thereunder, all specific proposals to amend the Tax Act and such Regulations publicly announced by the Minister of Finance prior to the date hereof (the "Proposed Amendments"), and the current administrative policies and assessing practices of the Canada Revenue Agency ("CRA") made publicly available prior to the date hereof. This summary does not otherwise take into account or anticipate any changes in law or in the administrative policies or assessing practices of CRA, whether by legislative, governmental or judicial action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations. No assurance can be given that the Proposed Amendments will be enacted in the form currently proposed, or at all.

Taxation of the Company

The Company currently manages its investments so as to satisfy the investment requirements of being an "investment corporation" for purposes of the Tax Act. This summary assumes that the Company currently qualifies, and will continue to qualify throughout each taxation year as an investment corporation for such purposes. There can be no assurance that the Company qualifies or will continue in the future to qualify as an investment corporation, and indeed, it is possible that the Company could cease to be an investment corporation as a consequence of actions outside the Company's control.

As an investment corporation, the Company is entitled in certain circumstances to a refund of tax paid by it in respect of its net realized capital gains. Also, as an investment corporation, the company maintains a capital gains dividend account in respect of capital gains realized by the Company, and from which it may elect to pay dividends ("capital gains dividends") which are treated as capital gains in the hands of shareholders. An investment corporation is also generally taxed at a reduced rate on its taxable income (other than taxable capital gains), and is also generally not subject to tax under Part VI.1 of the Tax Act in respect of dividends paid on taxable preferred shares.

The Company will generally be required to include in computing its income all dividends received. In computing its taxable income, the Company will generally be entitled to deduct all taxable dividends received on shares of taxable Canadian corporations. Dividends received by the Company on other shares will, however, be included in computing the income of the Company, and will generally not be deductible in computing its taxable income. The Company will generally be subject to a refundable tax of 33-1/3% under Part IV of the Tax Act on taxable dividends received during the year, to the extent such dividends are deductible in computing taxable income of the Company. This tax is fully refundable upon payment by the Company of sufficient dividends other than capital gains dividends ("ordinary dividends"). The Company is also subject to a 10% tax on certain taxable dividends received by the Company on taxable preferred shares under Part IV.1 of the Tax Act. To the extent Part IV.1 tax is payable on a particular dividend, the rate of Part IV tax on such dividend is generally reduced to 23-1/3%.

In general, the investments of the Company are treated and reported by the Company as capital property for purposes of the Tax Act.

If the Company makes excessive “eligible dividend” designations (discussed below under “Tax Treatment of Shareholders”), the Company may be required to pay a penalty tax in respect of such excessive designations.

Tax Treatment of Shareholders

Ordinary dividends received by a shareholder from the Company will be included in the shareholder’s income.

In the case of a shareholder that is a corporation, such dividends will generally be deductible in computing taxable income. In the case of an individual shareholder, such dividends will generally be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including an enhanced gross-up and dividend tax credit for dividends designated as “eligible dividends”. In general, the Company expects that any dividends paid on its shares will be designated as eligible dividends and will therefore be subject to the increased gross-up and dividend tax credit.

With respect to each series of preference shares, the Company has made the necessary election under Part VI.1 of the Tax Act so that holders of such shares will not be subject to tax under Part IV.1 of the Tax Act on ordinary dividends received on such shares.

A “private corporation”, as defined in the Tax Act, or any other corporation controlled by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a 33-1/3% refundable tax under Part IV of the Tax Act on ordinary dividends received, to the extent such dividends are deductible in computing its taxable income.

The amount of any capital gains dividend received by a shareholder from the Company will be considered to be a capital gain of the shareholder from the disposition of capital property in the taxation year of the shareholder in which the capital gains dividend is received.

A holder who disposes (or is deemed to dispose) of Shares will generally realize a capital gain (or a capital loss) to the extent the holder’s proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of such Shares and any reasonable costs of disposition. The amount of any deemed dividend arising on the redemption or acquisition by the Company of Shares, as discussed below, will generally not be included in computing the holder’s proceeds of disposition. If the holder is a corporation, any loss arising on a disposition of Shares may in certain circumstances be reduced by the amount of any ordinary dividends received on the Shares. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a

member or beneficiary. One-half of a capital gain (a "taxable capital gain") is included in income, and one-half of a capital loss may generally be deducted against taxable capital gains in accordance with the rules in the Tax Act.

A holder that is an individual or a trust (other than certain trusts, including a mutual fund trust) realizing net capital gains may be subject to an alternative minimum tax under the Tax Act.

A holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6-2/3% on its aggregate investment income for a year, which is generally defined to include taxable capital gains.

If the Company redeems a holder's Shares, or otherwise acquires or cancels such Shares (other than by a purchase in the open market in the manner in which shares are normally purchased by any member of the public in the open market), the holder will be deemed to have received a dividend equal to the amount paid by the Company in excess of the paid-up capital of such Shares at that time as computed for the purposes of the Tax Act. In the case of a corporate holder, it is possible that in certain circumstances all or part of any such deemed dividend may be treated as proceeds of disposition and not as a dividend.

Eligibility for Investment

Provided a class of shares of CGI is listed on a designated stock exchange in Canada (which currently includes the Toronto Stock Exchange ("TSX")), at a particular time, common shares and preference shares of the Company will be qualified investments under the Tax Act at that time for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, tax-free savings accounts and registered disability savings plans.

Provided that the holder of a tax-free savings account or the annuitant of a registered retirement savings plan or registered retirement income fund (i) deals at arm's length with CGI within the meaning of the Tax Act, and (ii) does not hold a significant interest (as defined in the Tax Act) in CGI common shares and preference shares of the Company will not be a prohibited investment for a trust governed by such tax-free savings account, registered retirement savings plan or registered retirement income fund, as the case may be.

MATERIAL CONTRACTS

Copies of the articles of incorporation, as amended, the Management Agreement and the custodial agreement have been filed on SEDAR at www.sedar.com and are also available for inspection at the head office of the Company during business hours.

RISK FACTORS

The reader should consider the following factors when making decisions with respect to an investment in the Company.

Performance of Issuers

The value of the Company's shares will vary according to the value of the securities in which the Company invests, which will depend, in part, upon the performance of the issuers of such securities. Economic conditions, investor sentiment, global events and many other factors contribute to the day-to-day changes in security prices and the overall trend of the market.

Discount

Being a closed-end investment fund, the Company's common share price generally trades at a lower value than its net asset value per share. This is known as the "discount". As a result, the return experienced by a holder of common shares will likely differ from the underlying performance of the Company. The share price is established by competitive markets which reflect the buying demand and the selling supply of shares. Factors which are thought to influence share price, and therefore discounts and their converse, premiums, include a fund's relative performance, the liquidity of the fund's shares, dividend yield, the use of a managed distribution policy, confidence in the fund/portfolio manager, investors' perceptions and expectations regarding the outlook of the country/sector/market where the fund invests.

Leverage

One element of the Company's investment strategy is the utilization of leverage, currently in the form of preference shares, to invest in securities. The risk to shareholders may increase if securities purchased using leverage decline in value.

Currency

Some of the Company`s holdings, in particular those that are commodity-based, are impacted by exchange rate fluctuations, primarily in the U.S. dollar. Canada is a net exporter of goods and services. A strong dollar, while making materials less costly to import, will generally have negative repercussions on export-based companies, as their products become more expensive to purchasers in other countries.

Changes in Legislation

There can be no assurance that income tax laws and government incentive programs relating to the treatment of closed-end investment companies and entities in whose securities the Company invests will not be changed in a manner that adversely affects the performance of those investments, the distributions received by the Company and its shareholders and the overall results of the Company's operations.

Status as Investment Corporation

The Company currently manages its investments so as to satisfy the investment requirements of being an ''investment corporation'' for the purposes of the Tax Act. However, it is possible that the Company could lose its status as an ''investment corporation'' for reasons that are beyond the Company's control including certain actions which could be taken by the Company's principal shareholders, or potentially in certain circumstances upon the redemption of any shares of the Company. In addition, the Company may determine in the future that it does not wish to maintain such status any longer. The loss of such status could result in the loss of certain benefits currently available under the Tax Act, including those described under "Name, Formation and History of the Company".

Regulatory Environment

The ability of the Manager to carry on its business and to perform its obligations under the Management Agreement is dependent upon its continued registration under the various securities acts under which the Manager and its employees are currently registered. Any change in the regulatory framework or failure to comply with any of these laws, rules or regulations could, as a result, have an adverse effect on the Manager and its ability to perform its obligations under the Management Agreement.

Termination of Management Agreement

As the Management Agreement is terminable at the option of the Manager for any reason on 180 days' notice, there is no guarantee that the Manager will continue to act as the Company's investment manager. The termination of the Management Agreement by the Manager could have an adverse effect on the Company.

Reliance on Management and Key Personnel

The contribution of certain of the Manager's professionals is particularly important to the performance of the Company's investment portfolio and, in turn, to the Company's profitability and ability to make distributions to its shareholders. Individuals employed by the Manager may, however, leave at any time. The loss of certain of the Manager's professionals could have an adverse effect on the Company.

U.S. Withholding Tax

The Foreign Account Tax Compliance provisions of the *United States Hiring Incentives to Restore Employment Act of 2010* ("FATCA") generally impose a 30% withholding tax on "withholdable payments" made to non-U.S. financial institutions ("FFIs"), unless the FFI enters into an agreement with the U.S. Internal Revenue Service ("IRS") (or is subject to an intergovernmental agreement as described below) to comply with certain information reporting and other requirements. Under FATCA, the Company may be required to provide identity, residency and certain other information on shareholders who are U.S. persons or provide information on accounts held by certain other persons or entities to the U.S. and/or Canadian tax authority to avoid a 30% U.S. withholding tax from being applied to certain payments. The Company satisfies the definition of an FFI.

Withholdable payments include (i) certain U.S. source income (such as interest, dividends and other passive income) and (ii) gross proceeds from the sale or disposition of property that can produce U.S. source interest or dividends. The withholding tax applies to withholdable payments made on or after July 1, 2014 (or January 1, 2017 in the case of gross proceeds). The 30% withholding tax may also apply to any "foreign passthru payments" paid by an FFI to certain investors on or after January 1, 2017. On February 5, 2014, the U.S. and Canada announced that they have signed an intergovernmental agreement (the "Canada-U.S. IGA") to improve international tax compliance and to implement FATCA. Under the Canada-U.S. IGA, an FFI will not have to enter into an individual agreement with the IRS but will have to comply with the terms of the Canada-U.S. IGA. If the Company is unable to comply with these requirements, the imposition of the 30% U.S. withholding tax may affect the net asset value of the Company and may result in reduced investment returns to investors. As of March 13, 2014, the Canada-U.S. IGA still has to be ratified under Canadian laws before it comes into force. Moreover, rules and requirements may be modified by future U.S. Treasury regulations or other guidance.

CANADIAN GENERAL INVESTMENTS, LIMITED

Additional information about Canadian General Investments, Limited is available in the most recently filed annual financial statements and any interim financial statements filed subsequent to those annual financial statements and the most recently filed annual management report of fund performance and any interim management report of fund performance filed subsequent to that management report. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling the Company at 416-366-2931 or toll-free at 1-866-443-6097, or from your dealer or financial adviser. These documents are also available at www.canadiangeneralinvestments.ca or by contacting us by e-mail at cgi@mmainvestments.com. These documents and other information about the Company, including the most recent management information circular and material contracts, are also available on the Internet at www.sedar.com.

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