Focussed on Canada

CGI
CANADIAN GENERAL INVESTMENTS, LIMITED

2018 Annual Report

Responsibility Statement

In accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Services Authority, the Board of Directors confirms that to the best of its knowledge:

i. the financial statements have been prepared in accordance with International Financial Reporting Standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

ii. the management report of fund performance includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

The financial statements and management report of fund performance were approved by the Board of Directors on February 20, 2019.

Vanessa L. Morgan
Chair

Certain financial information contained in this report, including investment growth rates, rates of return and other such statistical information, are historical values; past performance is no assurance or indicator of future returns. Share prices, net asset values and investment returns will fluctuate. Stated historical returns assume the reinvestment of all distributions. Such financial information does not reflect any broker commissions, transaction costs or such other fees and expenses which may have been applicable nor income taxes payable by any shareholder, which would have the effect of reducing such historical returns. Stated returns for periods greater than one year are compound average annual rates of return. Further information concerning risk can be found in the Company's Annual Information Form which is available on the Company's website at **www.canadiangeneralinvestments.ca** or on SEDAR at **www.sedar.com**.

The Company is an investment fund, and as such, this annual report to shareholders carries a variety of information concerning stocks and other investments, all for informational purposes only. The reader should assume that the Company and all individuals and entities (including the Manager and members of its staff) who have contributed to this publication may have a conflict of interest. Readers should therefore not rely solely on this report in evaluating whether or not to buy or sell securities discussed herein.

Benchmark of S&P/TSX Composite Index: This is an index of the equity prices of the largest companies listed on the Toronto Stock Exchange (TSX) and is comprised of about 70% of market capitalization for all Canadian-based companies listed on the TSX. Index returns cited are on a total return basis (including reinvestment of distributions).

Cover: **Autumn Tree**

Canadian Painter Shannon Wood's artistic view of the world emerges spontaneously and candidly from a fusion of her colourful imagination and her emotive experiences. Her vivid art serves as visual poetry, at one moment incorporating literal elements and at the next abstract qualities. Shannon uses heavy gels and textural media to create visual moments incorporating both natural phenomena and figurative interpretations Along with commissioned pieces and private sales, her art has been displayed at the Art Emporium in Port Hope, and, by invitation, will soon be featured in at the inaugural exhibition at Northumberland County's newest Private Art Facility, the Levinson Gallery.

From left to right:

Jonathan A. Morgan
(President & CEO).

D. Greg Eckel
(Portfolio Manager),

Vanessa L. Morgan
(Chair),

Michael A. Smedley
(Executive VP & CIO of the Manager),

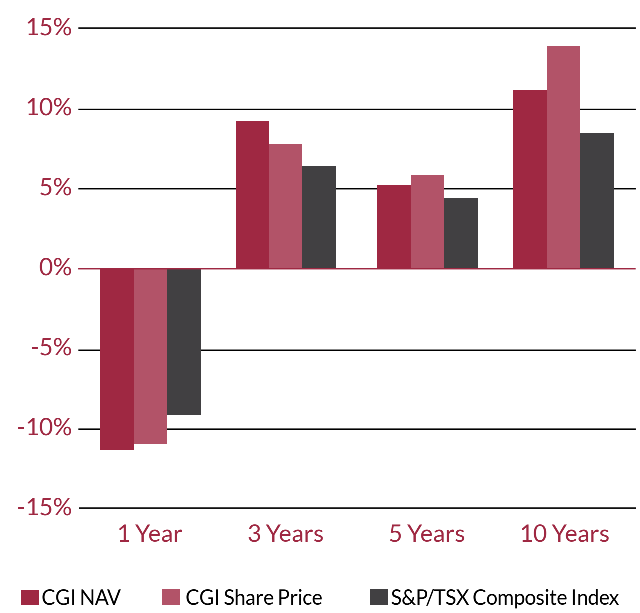
Dear Fellow Shareholders,

We are pleased to present the 2018 annual report for Canadian General Investments, Limited (CGI or the Company). In this report, you will find information on the performance of CGI for 2018. The management report of fund performance contains a management discussion of fund performance, a financial highlights section incorporating per share information as well as various financial ratios, historical returns and a summary of investment portfolio which includes the top 25 holdings as at the end of the year. The full investment portfolio as at December 31, 2018 is provided as part of CGI's audited financial statements, which are also included as part of this report.

For the 12 months ended December 31, 2018, CGI's common shares recorded a net asset value per share (NAV) total return of -10.9% and a share price total return of -10.8% (share price change plus dividends). By comparison, the total return of its benchmark, the S&P/TSX Composite Index, was -8.9% during the same period.

During 2018, CGI paid three regular quarterly taxable dividends aggregating to $0.57 per common share and one quarterly capital gains dividend of $0.19 for an annual total of $0.76. Based on the year-end market price of the common shares, aggregate dividends paid represented a 3.7% yield to shareholders.

Compound Annual Returns For The Periods Ending December 31, 2018



CGI has been managed by Morgan Meighen & Associates Limited (the Manager) since 1956. D. Greg Eckel, Senior Vice-President of the Manager, is the portfolio manager responsible for the management of CGI's investment portfolio.

Further information about CGI, including the most recent NAV and market price, current performance, the portfolio's weekly top 10 holdings, historical dividend payments, as well as various financial and regulatory reports, can be found at www.canadiangeneralinvestments.ca.

We appreciate your investment in CGI.

Vanessa L. Morgan
Chair

Jonathan A. Morgan
President & CEO

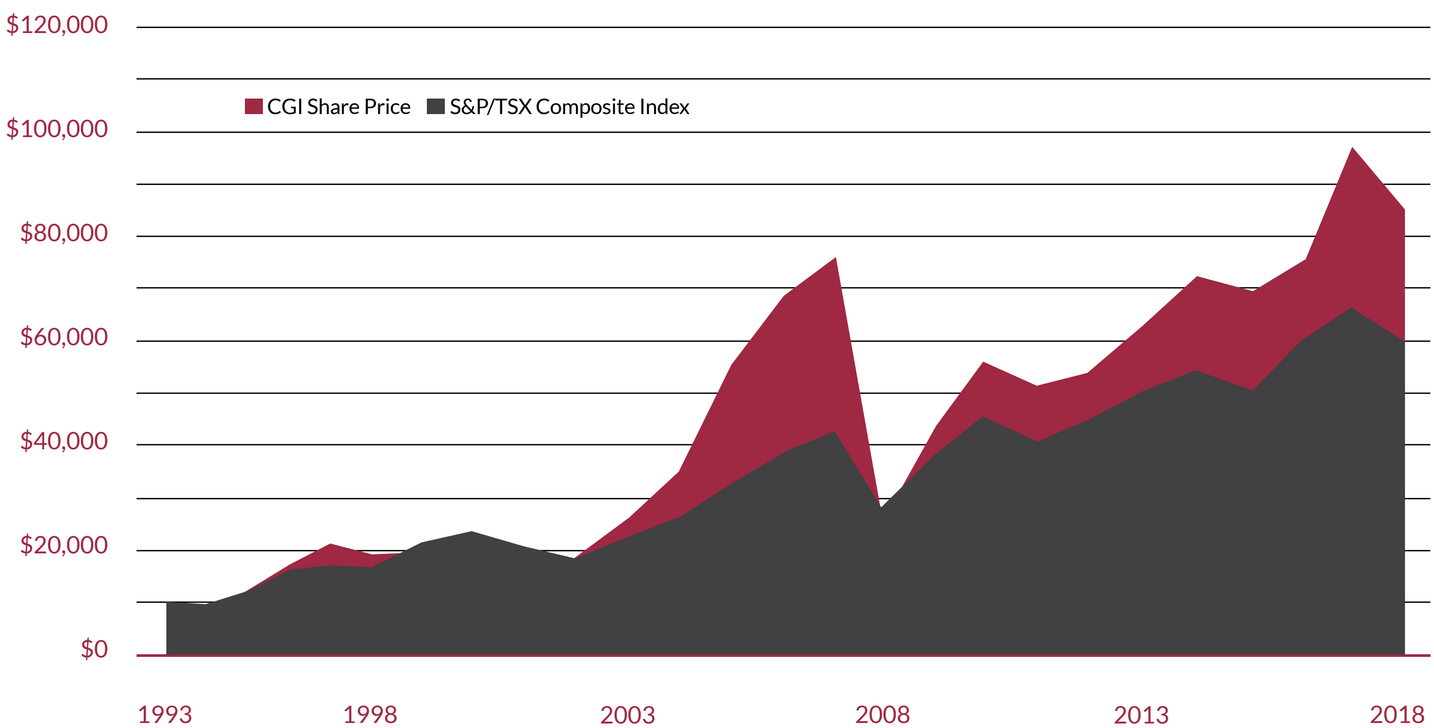
Canadian General Investments, Limited (CGI)

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

CGI was established in 1930 and has been managed since 1956 by Morgan Meighen & Associates Limited (website: www.mmainvestments.com).

The graph below is presented to illustrate the benefit of a long-term investment in CGI's common shares. A $10,000 investment in CGI would have grown to over $85,000 over the 25-year period ended December 31, 2018. This equates to a compound annual average growth rate of 9.0%. By comparison, a $10,000 investment in the benchmark S&P/TSX Composite Index would have grown to nearly $60,000 or a compound average annual growth rate of 7.4%.

Growth of a $10,000 Investment – 25 Years to December 31, 2018



For the 50 years ended December 31, 2018, a $10,000 investment would have grown to nearly $1.5 million, representing a compound average annual return of 10.5%. The values for the benchmark for the same period were $648,000 and 8.7%, respectively.

This annual management report of fund performance contains financial highlights and should be read in conjunction with the complete audited annual financial statements of the Company that follow this report. Securityholders may request a copy of the Company's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure, at no cost, by calling 416-366-2931 (Toll-free: 1-866-443-6097), by writing to the Company at 10 Toronto Street, Toronto, Ontario M5C 2B7 or by visiting the Company's website at **www.canadiangeneralinvestments.ca**. The interim report isalso available on SEDAR at **www.sedar.com.**

This report may contain forward-looking statements about the Company and markets that reflect the Manager's current expectations of future events. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business, objectives or investment strategies or prospects and possible future actions by the Corporation are also forward-looking statements. Forward-looking statements include statements that are predictive in nature, depend upon future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions. Forward-looking statements are subject to risks, uncertainties and assumptions with respect to the Company and economic factors and actual results may differ materially for many reasons, including, but not limited to, market and general economic conditions, interest rates, foreign exchange rates, changes in government regulations and catastrophic events. As a result, the reader is cautioned not to place undue reliance on forward-looking statements. Further, any forward-looking information is current only as of the date of this report and there should be no expectation that such information will be updated as a result of new information, changing circumstances or future events, unless required by applicable law.

Management Discussion Of Fund Performance

Investment Objective And Strategies

Canadian General Investments, Limited (CGI or the Company) is a closed-end equity fund, focussed on medium- to long-term investments in primarily 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 Manager, Morgan Meighen & Associates Limited (MMA), utilizes a bottom-up investment strategy in an effort to achieve CGI's objective. With this type of investment strategy, the Manager first seeks individual companies with attractive investment potential, then proceeds to consider the larger industry, economic and global trends affecting those companies. This investment style allows for sector weightings that can differ from those of the benchmark, the S&P/TSX Composite Index (S&P/TSX).

Risk

The risks associated with an investment in the Company are as disclosed in the Company's Annual Information Form which is available on the Company's website at **www.canadiangeneralinvestments.ca** or on SEDAR at **www.sedar.com**.

Results Of Operations

Performance

The Canadian equity market, as represented by the S&P/TSX Composite Index (S&P/TSX), posted a total return of -8.9% for the year. Canadian General Investments, Limited was not able to side-step the indiscriminate selling onslaught that occurred in the latter part of 2018 and ended up below the benchmark with a -10.9% net asset value return, with dividends reinvested. For context, both of these numbers were better than all of the major global index returns other than those of the United States. The U.S. market was underpinned by a strong U.S. economic backdrop and good corporate results. In fact, the Dow Jones Industrial Average (DJIA), the S&P500 (SPX) and the Nasdaq Composite indices had been isolated standouts and had led the peer group with solid positive gains, but were unable to avoid the widespread declines experienced late in the year and ended up with price returns of -5.6%, -6.2% and -3.9% respectively, in USD. For some perspective on the headwinds that all equity markets had been experiencing, even this leadership group ended with notably poor multi-year results. The SPX and the DJIA logged their worst monthly declines since February 2009 and their worst December performances since 1931, the Nasdaq since 2002. For the year, it marked the worst annual performance for all three since 2008 and they all had either fallen into or flirted with bear-market territory (a decline of 20% from peak levels) in the month of December.

Although both CGI and the S&P/TSX struggled with the lethargy that had enveloped markets for most of the year, they had been able to resist part of the general malaise and eke out slight positives up to the final quarter. The S&P/TSX had been treading water and holding its own around the flat-line and CGI had done better with good relative positioning, particularly on the individual investment level. But even well performing investments eventually succumbed to the downward market trend and lost ground when investors exited. While CGI had been able to show resistance to the downside for a good portion of the year, it finally gave way to the vicious and relentless market forces in the later stages of the decline. During this time, it was apparent that the sale selection process was not entirely based on fundamentals or logic, so the usual benefits of making good choices on individual stock picks disappeared. The Manager's bottom-up stock picking strategy had been working well for CGI up to this point, but this advantage fell away and the positive performance differential was eliminated.

The selling process permeated almost all sectors in the S&P/TSX with only two of the eleven groups ending with positive returns at year end. The pervasiveness of this movement could be observed on the individual security level as well with only 56 of the 241 members in the S&P/TSX showing gains for the year. Also providing a headwind for CGI, the spread of available returns in the market tilted against the Company with only five sectors posting returns above the benchmark return and six of the sectors below. Even though the portfolio is actively managed and has a different composition from the benchmark, the dominance of negative returns in the market is difficult for CGI to offset, as its objective is to provide shareholders with a broad and consistent diversified exposure to the Canadian equity market at all times.

The table below illustrates the weightings of the five largest sectors in CGI's portfolio at December 31, 2018, compared with year end 2017, and with the S&P/TSX. The weightings for CGI represent the market value of each sector as a percentage of the total investment portfolio. At December 31, 2018 the portfolio was overweight Consumer Discretionary, Industrials, Information Technology and Materials, and significantly underweight Financials, as compared to the sector weightings in the S&P/TSX.

	CGI		S&P/TSX	
SECTOR	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Materials	17.4%	21.1%	11.3%	11.5%
Information Technology	16.9%	12.9%	4.0%	3.2%
Consumer Discretionary	14.3%	16.3%	4.3%	5.4%
Industrials	13.4%	13.7%	10.8%	9.5%
Financials	11.0%	13.3%	32.9%	34.6%

The changes in CGI's sector weightings were primarily related to the performance of the individual securities within the sectors, as well as selling activities late in the year, as indicated by the low portfolio turnover rate of 2.31%.

The Energy group has been a consistent underperformer for many years now and, with only a couple of exceptions; its comparative annual performance returns have resided at or near the bottom in terms of ranking. It suffered again this year with a last place finish deeply in the negative with a -18.3% return. Since 2011, CGI has been consistently underweight the Energy sector so, in retrospect, its relative positioning has been good. However, as the second largest group in the S&P/TSX at 17.8%, its size and scope ensures such a breadth and depth in the Canadian market that, even with reduced exposure, the portfolio could not avoid suffering losses. Some additional downside was avoided during the year with a further reduction in the group arising from the elimination of Storm Resources Ltd. (-2.2%) and Raging River Exploration Inc. (-29.9%) and a paring down of Enbridge Inc. (-8.3%). CGI's 9.2% weighting is at a large difference to the index, but will likely be maintained at a comparable level for a period of time yet.

Although all global energy-related stocks were pressured by the declines in global benchmark pricing (WTI and Brent) for oil this year, the Canada-centric companies had additional factors that weighed on their operational and financial metrics. An inability to get their products to market, because of a mismatch of infrastructure build-out to production growth over the last few years, created bottlenecks and an ensuing regional oversupply worsened the impact of the broader pricing situation. The benchmark price upon which many Canadian producer prices are derived is Western Canadian Select. Although usually trading at a discount to WTI, this discount widened substantially during the year and, at one point, hit an all-time high of greater than $50. High discount levels are financially unacceptable to the Canadian producers and do not provide for the proper maintenance reinvestment dollars necessary to cover full cycle costs and profitability. In order for the Canadian oil industry to be sustainable and have long-term viability, producers need access to markets that provide essential pricing levels. Unfortunately, alleviating solutions through pipelines or upgrading facilities are long-term projects that require cooperation amongst many stakeholders, including governments, environmentalists and First Nations groups. But it is evident that these participants are fiercely divided and solutions are not likely to be initiated in a timely nor effective manner. In the interim, less controversial and shorter-term solutions (i.e. crude-by-rail and production quotas) are being phased in and may provide some assistance, but will be less efficient, more costly and potentially ineffective.

As investors continue to punish this group, stock multiples have contracted even further from already low levels and normally would be construed as interesting levels to buy. But recent history suggests that this condition could very well persist for quite some time and further stock price declines are just as likely to occur as are potential rallies. This sector will be carefully monitored as lucrative trading opportunities may arise in the medium and longer terms.

The top performing sector in the S&P/TSX was Information Technology. Despite a correction in the fourth quarter, it remained well ahead of the other groups with a positive 13.0% return for the year. This remains CGI's largest relative overweight sector even after reducing some positions and taking profits in Open Text Corporation, Nvidia Corporation and Shopify Inc. Two of the Company's top four performers were from this sector: Shopify Inc. had a very good year with an almost 50% return and Mastercard Inc. extended its multi-year performance with a 35% plus gain. On the downside, Nvidia had a negative return of over 24% and Open Text was limited to a positive 1% return. Usually a good place to be in the late-cycle stage of a market, it is the intention of the Manager to maintain a high level of exposure to this category.

Not surprisingly, there were more negatives than positives in the portfolio overall. One of the disappointments in the year included a perennial winner and former number-one holding, Dollarama Inc. A strong run for CGI's investment in the company began with participation in its IPO in 2009. However, its stock price lost momentum and retreated in 2018 as a result of diminishing investor enthusiasm after not meeting its usual high earnings expectations, and was down nearly 38%. Over the years CGI has realized large capital gains in the name and, with an acceleration of that selling program, has now taken a total of $54.5 million of realized gains, leaving $10.7 million still unrealized. Dollarama is a best-in-class retailer with a dominant market share and an investment in the company will be retained for its growth and expected share price recovery from seemingly oversold levels.

An area that was particularly hard hit on fears of a declining global economy were base metals stocks. Exposure to this group included positions in First Quantum Minerals Ltd. (-37.3%), Hudbay Minerals Inc. (-41.8%) and Lundin Mining Corporation (-31.4%), which absorbed losses as a result. However, if the global economy does not deteriorate as much as anticipated, these stocks have the potential for exceptionally strong and quick returns and have been retained for that possibility.

On a positive note, some individual investments across other industry segments had exceptional years. Canada Goose Holdings Inc. has performed very well since CGI's participation in its IPO in March 2017 and rose over 50% in 2018, a top-two generator of return for the portfolio. Amazon.com Inc., first purchased in 2015, continued its strong ascent with a nearly 40% return. In the Health Care sector, Canopy Growth Corp. had a rocky adventure during the year but was strongly positive with a gain in excess of 20%, while Aphria Inc. was down over 50%.

Portfolio strategy for cash is to maintain it at low levels. The theory that long-term performance will almost certainly be diminished by attempts to time the markets has been supported by many case studies and so there have been relatively few occasions when CGI has not been considered fully invested. However, due to trading activity in the latter part of the year, the cash in the portfolio at year end had risen to an atypical 9.2%. This was a result of sales favoured over purchases. Although there is no need to rush the reinvestment processes, this situation will likely be temporary. As well as providing interesting reinvestment opportunities, the cash position will provide a secondary interim function related to overall leverage on the portfolio. The cash acts as a partial offset to the Company's net leverage and assists in diminishing the negative multiplier impact on CGI's NAV in declining markets.

Dividend and interest income was $15,587,000 for the year, up 23.6% from 2017, primarily as a result of a large one-time special dividend received from Norbord Inc. ($2,070,000) in 2018. Management fees, dividends on preference shares and interest and financing charges are the largest expenses of the Company. Management fees increased by 10.1% to $9,556,000, as a result of higher average monthly portfolio values compared to 2017. The dividends on preference shares and interest and financing charges were flat as a result of the fixed coupon and interest rate on the preference shares and bank loan, respectively.

Leverage

The Company has a $75 million non-revolving three-year fixed-rate credit facility that bears interest at 2.28% and matures on June 6, 2019. It has remained fully drawn since inception of the facility in 2016, meaning $75 million was the lowest and highest level of aggregate exposure to cash borrowing during both 2018 and 2017. As at December 31, 2018, this borrowing represented 12.5% of CGI's net assets (December 31, 2017 – 10.8%). The borrowed money, used initially to fund the redemption of the $75 million cumulative, redeemable Class A preference shares, Series 3, issue in June 2016, continues to be used to increase the size of the portfolio as part of a leverage strategy in an effort to enhance returns to common shareholders. This strategy has been employed since 1998. The facility is secured with a first-ranking charge on the Company's property and assets, including the investment portfolio and requires the Company to comply with certain covenants, including maintenance of an asset coverage restriction requiring that net assets divided by the principal amount of the bank loan be greater than 3.0 times. At December 31, 2018, asset coverage was 8.0 times (December 31, 2017 – 9.2 times).

In addition to the $75 million credit facility, CGI also has outstanding $75 million 3.75% cumulative, redeemable Class A preference shares, Series 4, which become redeemable, at par, on or after June 15, 2023. Included in the preference share provisions is a dividend payment restriction, which provides that the Company shall not pay a dividend on its common shares unless after giving effect thereto, the ratio of assets to obligations (both as defined in the preference share provisions) exceeds 2.5 times. At December 31, 2018 this ratio was 5.0 times (December 31, 2017 – 5.6 times).

Both the cash borrowing and the preference shares act as leverage to common shareholders. As at December 31, 2018, the combined leverage represented 24.8% of CGI's net assets (December 31, 2017 – 21.5%). In 2018, this leverage served to increase the effect of the overall negative portfolio returns, negatively impacting CGI's NAV return as compared to 2017, when it increased the effect of the overall positive portfolio returns, positively impacting CGI's NAV return.

The Manager does not engage in short selling or the use of specified derivatives, which are other sources of leverage.

Taxation

As a corporate entity, CGI is subject to tax on its taxable income – primarily realized gains on the sale of investments – at an effective rate of approximately 20%. As a result of its investment corporation status under Canadian tax law, CGI can recover taxes paid or payable on its realized taxable capital gains through the payment of capital gains dividends to shareholders. To the extent that taxes paid or payable on taxable income and capital gains in a year are greater than taxes recovered on the payment of capital gains dividends, there will be a negative impact on net assets of the fund. For the year ended December 31, 2018, there was a net payable related to tax of$789,000, compared to a net payable of $334,000 in the prior year. Taxes paid or payable on realized taxable capital gains may be recovered through the payment of capital gains dividends in future years. As at December 31, 2018, the Company had federal refundable capital gains taxes on hand of approximately $758,000 (December 31, 2017 - $391,000), which are refundable on payment of capital gains dividends of approximately $5.4 million (December 31, 2017 - $2.8 million) and Ontario refundable capital gains taxes on hand of approximately $903,000 (December 31, 2017 - $712,000), which are refundable on payment of capital gains dividends of approximately $15.7 million (December 31, 2017 - $12.4 million). The Company has refundable dividend tax on hand of approximately $1,316,000 as at December 31, 2018 (December 31, 2017 – $1,067,000), which is refundable on the payment of taxable dividends.

Recent Developments

Outlook

Economic growth had good momentum in 2017 and 2018, however, risks of economic divergence, signs of de-synchronization and overall slowing global growth have formed headwinds and caused investor perception to change. Even though fundamentals are expected to remain healthy and offer support in the near to medium term, a growing pessimistic attitude has weighed heavily on markets. Known risks including trade wars, a China slowdown, Brexit, geo-politics and interest rate uncertainty, have created an unpredictable situation. Although difficult to assess, it is also possible that much downside is already in markets and any moderation or resolution of concerns could result in market recovery. However, while volatility and intense reactions to news flows remain in place, it would be incorrect to be entirely dismissive of potential disruption. All considered, the Manager is adopting a cautious, neutral outlook while maintaining CGI's diversified positioning to help carry it through the uncertainty, but will continue to make adjustments and look for opportunities to generate long-term value accretion for shareholders.

Related Party Transactions

The Company is managed by MMA, a company under common control with CGI. MMA provides continuing advice and investment management services, as well as administration, financial reporting and other ancillary services required by a publicly listed company. For more details concerning the services that are provided by MMA and the management fee that is charged to the Company, see "Management Fees".

Third Canadian General Investment Trust Limited (Third Canadian), a private, Ontario-based corporation under common control with the Company, has an approximate 37% (December 31, 2017 – 37%) ownership interest in the Company. As a result of its ownership position in the Company, during the year ended December 31, 2018, Third Canadian received dividends from net investment income of $4,439,000 (2017 - $2,746,000) and dividends from net realized gain on investments of $1,450,000 (2017 - $3,052,000).

Financial Highlights

The following tables show selected key financial information about the Company and are intended to help you understand the Company's financial performance for the past five years.

The Company's Net Assets per Share (1)

	2018	2017	2016	2015	2014
Net assets – beginning of year	$33.14	$27.98	$24.38	$27.05	$25.65
Increase (decrease) from operations					
Total revenue	0.82	0.64	0.65	0.61	0.65
Total expenses (excluding common share dividends)	(0.74)	(0.70)	(0.67)	(0.71)	(0.74)
Realized gains for the year	1.36	1.73	0.90	1.49	1.20
Unrealized gains (losses) for the year	(4.91)	4.27	3.40	(3.26)	1.05
Refundable income tax refund (expense)	(0.04)	0.02	(0.08)	(0.04)	-
Total increase (decrease) from operations(2)	(3.51)	5.92	4.36	(1.91)	2.16
Dividends paid to common shareholders					
Taxable dividends	(0.57)	(0.36)	(0.48)	(0.28)	(0.24)
Capital gains dividends	(0.19)	(0.40)	(0.28)	(0.48)	(0.52)
Total dividends(3)	(0.76)	(0.76)	(0.76)	(0.76)	(0.76)
Net assets – end of year(4)	$28.87	$33.14	$27.98	$24.38	$27.05

(1) This information is derived from the Company's audited annual financial statements.

(2) Net assets and dividends are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period and may not match the financial statements due to rounding.

(3) Dividends were paid in cash.

(4) This is not a reconciliation of the beginning and ending net assets per share.

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Total net asset value (000's) (1)	$602,163	$691,440	$583,644	$508,528	$564,382
Number of shares outstanding (1)	20,861,141	20,861,141	20,861,141	20,861,141	20,861,141
Management expense ratio (2) (3)	2.15%	2.31%	2.66%	2.63%	2.63%
Trading expense ratio (4)	0.03%	0.04%	0.12%	0.08%	0.07%
Portfolio turnover rate (5)	2.31%	10.36%	21.45%	16.37%	13.11%
Net asset value per share (1)	$28.87	$33.14	$27.98	$24.38	$27.05
Closing market price (1)	$20.51	$23.73	$19.45	$18.75	$20.05

(1) This information is provided as at December 31 of the year shown.

(2) Management expense ratio (MER) is based on total expenses (including leverage costs but excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(3) Excluding leverage costs (dividends on preference shares and interest and financing charges), the Company's MERs were as follows: 2018 - 1.48%, 2017 - 1.54%, 2016 - 1.65%, 2015 - 1.57%, 2014 - 1.58%.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs as an annualized percentage of daily average net asset value during the period.

(5) The Company's portfolio turnover rate indicates how actively the Manager manages the Company's portfolio investments. A portfolio turnover of 100% is equivalent to the Company buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year. There is not necessarily a relationship between the turnover rate and the performance of a fund.

Management Fees

The Company pays a management fee that is calculated and paid monthly at 1% per annum of the market value of CGI's investments adjusted for cash, portfolio accounts receivable and portfolio accounts payable. The Company's management fees were used by MMA to pay costs for managing the portfolio and making investment decisions, as well as the provision of administrative services including making brokerage arrangements for the purchase and sale of securities, calculating the daily net asset value of the Company, maintaining financial and corporate records, preparing financial statements and all required regulatory filings and assisting in promotion activities. The officers of the Company are remunerated by MMA in their capacity as directors and/or officers of MMA and receive no compensation from CGI.

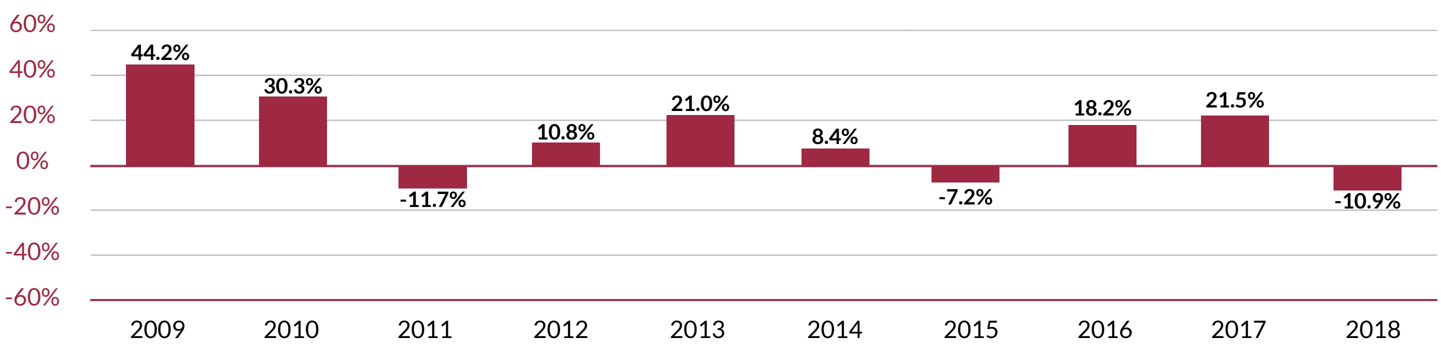
Past Performance

The performance information shown assumes that all dividends paid by CGI to common shareholders were reinvested in additional common shares of the Company. The performance information does not take into account broker commissions or other fees potentially payable by holders of the Company's shares that would have reduced returns or performance. How the Company has performed in the past does not necessarily indicate how it will perform in the future.

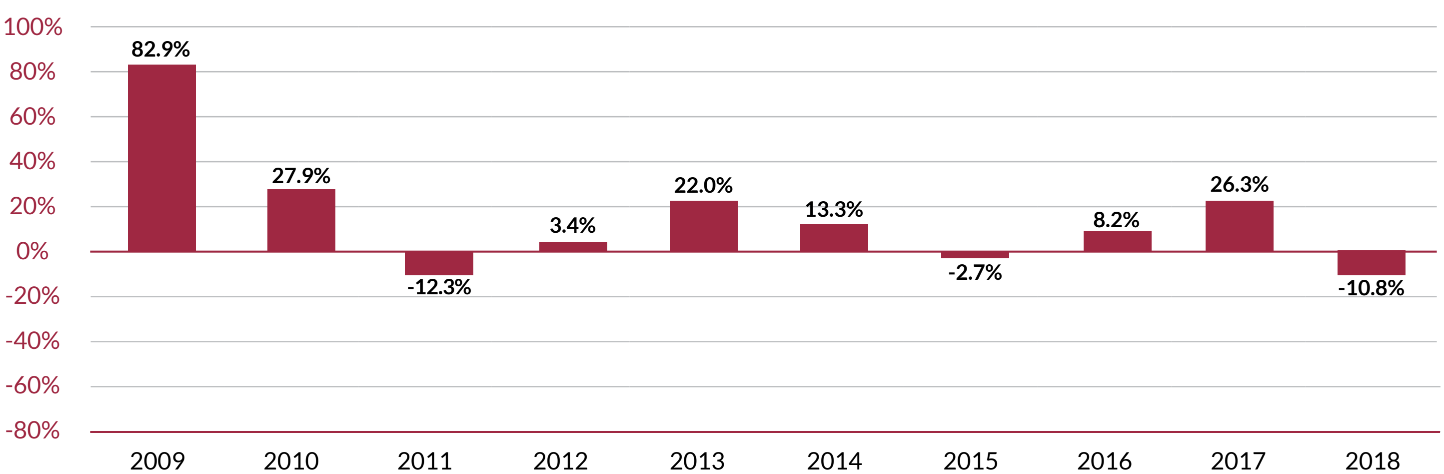
Year-by-Year Returns

The following bar charts show the Company's performance for each of the years shown, and illustrate how the Company's performance has changed from year to year. The bar charts show, in percentage terms, how much an investment made on the first day of each year would have grown or decreased by the last day of each year.

The bar chart below illustrates CGI's net asset value per share return, with dividends reinvested at net asset value per share.



The bar chart below illustrates CGI's **share price return**, with dividends reinvested at the market price.



Annual Compound Returns

The following table shows the Company's historical annual compound total returns for the periods indicated, compared with the S&P/TSX. The Index return is also calculated on a total return basis, assuming that all distributions are reinvested.

	1 Year	3 Years	5 Years	10 Years
Canadian General Investments, Limited – NAV	-10.9%	8.5%	5.2%	11.1%
Canadian General Investments, Limited – Share Price	-10.8%	6.8%	6.1%	13.3%
S&P/TSX Composite Index	-8.9%	6.4%	4.1%	7.9%

The S&P/TSX Composite Index is a market capitalization-weighted index that provides a broad measure of performance Canadian equity market.

Summary Of Investment Portfolio

As at December 31, 2018

Sector Allocation

	% of Net Asset Value*	% of Investment Portfolio
Materials	21.8	17.4
Information Technology	21.1	16.9
Consumer Discretionary	17.9	14.3
Industrials	16.8	13.4
Financials	13.8	11.0
Cash & Cash Equivalents	11.5	9.2
Energy	11.4	9.2
Communication Services	4.5	3.7
Health Care	3.4	2.8
Real Estate	1.6	1.3
Utilities	1.0	0.8

Asset Allocation

	% of Net Asset Value*	% of Investment Portfolio
Canadian Equities	92.1	73.8
Foreign Equities	21.2	17.0
Cash & Cash Equivalents	11.5	9.2

Top 25 Holdings

Issuer	Sector	% of Net Asset Value*	% of Investment Portfolio
Cash	Cash & Cash Equivalents	11.5	9.2
Shopify Inc.	Information Technology	5.5	4.4
Canadian Pacific Railway Limited.	Industrials	4.6	3.7
Franco-Nevada Corporation	Materials	4.6	3.7
Air Canada	Industrials	4.5	3.6
Mastercard Incorporated	Information Technology	4.5	3.6
Bank of Montreal	Financials	4.1	3.3
Amazon.com, Inc.	Consumer Discretionary	3.9	3.1
Royal Bank of Canada	Financials	3.8	3.0
Canada Goose Holdings Inc.	Consumer Discretionary	3.4	2.7
First Quantum Minerals Ltd.	Materials	3.3	2.6
Methanex Corporation	Materials	3.0	2.4
Toronto-Dominion Bank	Financials	2.9	2.3
Rogers Communications Inc.	Communication Services	2.9	2.3
NVIDIA Corporation	Information Technology	2.7	2.2
Parex Resources Inc.	Energy	2.6	2.1
Canopy Growth Corporation	Health Care	2.6	2.0
Open Text Corporation	Information Technology	2.4	2.0
The Descartes Systems Group Inc.	Information Technology	2.4	1.9
Home Depot, Inc.	Consumer Discretionary	2.3	1.9
Norbord, Inc.	Materials	2.3	1.9
WSP Global Inc.	Industrials	2.3	1.8
Hudbay Minerals Inc.	Materials	2.1	1.7
Apple Inc.	Information Technology	2.1	1.7
TFI International Inc.	Industrials	2.1	1.6
		88.4*	70.7
Total Net Asset Value* ($000's)			$602,163
Total Investment Portfolio* ($000's)			$751,663

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage ($149.0 million) in the form of preference shares and bank loan, other assets and other liabilities.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Company. The most recent quarterly portfolio disclosure may be obtained by visiting the Company's web site at www.canadiangeneralinvestments.ca, by calling 416-366-2931 (Toll-free: 1-866-443-6097), or by writing to the Company at 10 Toronto Street, Toronto, Ontario, Canada, M5C 2B7.

Management Report

The accompanying financial statements have been prepared by Management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these financial statements.

The Company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgements. The significant accounting policies, which Management believes are appropriate for the Company, are described in note 3 to the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing Management's performance of its financial reporting responsibilities. An Audit Committee comprised of non-Management Directors is appointed by the Board. The Audit Committee reviews the financial statements, adequacy of internal controls, the audit process and financial reporting with Management and the external Auditor. The Audit Committee reports to the Board of Directors prior to the approval of the audited financial statements for publication.

PricewaterhouseCoopers LLP, the Company's external Auditor, who is appointed by the shareholders, audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the financial statements. Their report is set out on page 12.

Vanessa L. Morgan
Chair
February 20, 2019

Jonathan A. Morgan
President & CEO

Independent Auditor's Report

**To the Shareholders of
Canadian General Investments, Limited
(the Company)**

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Company's financial statements comprise:

- the statements of financial position as at December 31, 2018 and 2017;
- the statements of comprehensive income for the years then ended;
- the statements of change of net assets for the years then ended;
- the statements of cash flows for years then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of the Company. The other information comprises the Management Report of Fund Performance of the Company and the information, other than the financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

Independent Auditor's Report (continued)

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Joe Pinizzotto.

PricewaterhouseCoopers LLP

Chartered Professional Accountants,
Licensed Public Accountants
Toronto, Ontario

February 20, 2019

As at December 31, 2018 and December 31, 2017
(in thousands of Canadian dollars, except per share amounts)

	Note	December 31, 2018	December 31, 2017
Assets			
Current assets			
Investments	5	682,153	834,859
Cash		69,510	5,868
Interest and dividends receivable		851	793
Other assets		301	98
Total assets		752,815	841,618
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	896	875
Accrued dividends on preference shares		123	123
Income taxes payable		590	391
Bank loan – current portion	6	74,971	-
Total current liabilities		76,580	1,389
Bank loan	6	-	74,902
Preference shares	7	74,072	73,887
		74,072	148,789
Total liabilities		150,652	150,178
Net assets		602,163	691,440
Equity			
Share capital	8	128,568	128,568
Retained earnings		473,595	562,872
Total equity		602,163	691,440
Net assets per common share		28.87	33.14

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors


Director


Director

Statements of Comprehensive Income

For the years ended December 31
(in thousands of Canadian dollars, except per share amounts)

	Note	2018	2017
Income			
Net gains (losses) on investments			
Dividend income		15,558	12,722
Interest for distribution purposes		29	(114)
Net realized gain on sale of investments		28,615	36,197
Net change in unrealized gain on investments		(102,568)	89,182
Net gains (losses) on investments		(58,366)	137,987
Securities lending revenue	**13**	1,405	704
Total net income (loss)		(56,961)	138,691
Expenses			
Management fees	**12**	9,556	8,676
Dividends on preference shares	**7**	2,813	2,813
Interest and financing charges	**6, 7**	1,964	1,950
Listing and regulatory costs		291	273
Directors' fees and expenses	**12**	239	215
Transaction costs on purchases and sales		209	229
Investor relations		140	151
Withholding taxes	**10**	129	113
Custodial fees		102	94
Audit fees		56	54
Security holder reporting costs		49	41
Independent review committee fees and expenses	**12**	40	27
Legal fees		22	20
Other		63	51
Total operating expenses		15,673	14,707
Investment income (loss) before income taxes		(72,634)	123,984
Refundable income tax expense	**9**	789	334
Increase (decrease) in net assets from operations		(73,423)	123,650
Increase (decrease) in net assets from operations, per common share		(3.52)	5.93

The accompanying notes are an integral part of these financial statements.

For the years ended December 31
(in thousands of Canadian dollars)

	Share Capital	Retained Earnings	Total
At December 31, 2016	128,568	455,076	583,644
Increase in net assets from operations	-	123,650	123,650
Dividends paid to common shareholders from net investment income	-	(7,510)	(7,510)
Dividends paid to common shareholders from net realized gain on investments	-	(8,344)	(8,344)
At December 31, 2017	128,568	562,872	691,440
Increase in net assets from operations	-	(73,423)	(73,423)
Dividends paid to common shareholders from net investment income	-	(11,890)	(11,890)
Dividends paid to common shareholders from net realized gain on investments	-	(3,964)	(3,964)
At December 31, 2018	128,568	473,595	602,163

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31
(in thousands of Canadian dollars)

	Note	2018	2017
Cash flows from operating activities			
Increase (decrease) in net assets from operations		(73,423)	123,650
Adjustments for:			
Amortization of financing charge	6, 7	254	244
Net realized gain on sale of investments		(28,615)	(36,197)
Net change in unrealized gain on investments		102,568	(89,182)
Purchases of investments		(19,804)	(79,744)
Proceeds of disposition of investments		98,557	87,085
Interest on bank loan		1,710	1,705
Dividends paid to preference shareholders		2,813	2,813
Interest and dividends receivable		(58)	150
Other assets		(203)	82
Income taxes payable	9	199	1,945
Accounts payable and accrued liabilities		30	34
Net cash flows from operating activities		84,028	12,585
Cash flows from financing activities			
Interest on bank loan		(1,719)	(1,705)
Dividends paid to common shareholders		(15,854)	(15,854)
Dividends paid to preference shareholders		(2,813)	(2,813)
Net cash flows used in financing activities		(20,386)	(20,372)
Net increase (decrease) in cash		63,642	(7,787)
Cash at the beginning of the year		5,868	13,655
Cash at the end of the year		69,510	5,868
Items classified as operating activities			
Interest received		17	134
Dividends received, net of withholding taxes		15,314	12,839
Preference share dividends and interest paid	6, 7	4,532	4,518
Income taxes paid (recovered) - net	9	590	(1,613)

The accompanying notes are an integral part of these financial statements.

As at December 31, 2018

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Communication Services (3.7%)		
	Diversified Telecommunication Services		
220,000	TELUS Corporation	6,057	9,955
	Wireless Telecommunication Services		
250,000	Rogers Communications Inc., B NV	3,505	17,490
	Total Communication Services	9,562	27,445
	Consumer Discretionary (14.3%)		
	Auto Components		
145,000	Magna International Inc.	5,244	8,986
	Internet & Direct Marketing Retail		
11,500	Amazon.com, Inc.	9,604	23,567
	Multiline Retail		
370,000	Dollarama Inc.	1,271	12,014
	Specialty Retail		
8,000	AutoZone, Inc.	4,864	9,151
60,000	Home Depot, Inc.	10,085	14,066
25,000	Ulta Beauty, Inc.	8,721	8,351
	Textiles, Apparel & Luxury Goods		
345,000	Canada Goose Holdings Inc.	8,412	20,590
265,000	Gildan Activewear Inc.	5,425	10,982
	Total Consumer Discretionary	53,626	107,707
	Energy (9.2%)		
	Energy Equipment & Services		
1,260,000	Secure Energy Services Inc.	10,396	8,833
	Oil, Gas & Consumable Fuels		
275,000	Enbridge Inc.	2,830	11,662
950,000	Parex Resources Inc.	11,085	15,533
140,000	Suncor Energy Inc.	5,382	5,338
220,000	Tourmaline Oil Corp	7,446	3,736
226,000	TransCanada Corporation	6,260	11,018
245,000	Vermilion Energy Inc.	10,893	7,046
1,263,661	Whitecap Resources Inc.	11,827	5,497
	Total Energy	66,119	68,663

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Financials (11.0%)		
	Banks		
275,000	Bank of Montreal	10,640	24,526
245,000	Royal Bank of Canada	10,191	22,893
260,000	Toronto-Dominion Bank	5,599	17,644
	Capital Markets		
76,900	Economic Investment Trust Ltd.	3,851	7,684
	Thrifts & Mortgage Finance		
254,500	Genworth MI Canada Inc.	5,141	10,231
	Total Financials	35,422	82,978
	Health Care (2.8%)		
	Pharmaceuticals		
675,000	Aphria Inc.	9,330	5,299
420,000	Canopy Growth Corporation	6,000	15,376
	Total Health Care	15,330	20,675
	Industrials (13.4%)		
	Airlines		
1,050,000	Air Canada	5,408	27,257
	Construction & Engineering		
235,000	WSP Global Inc.	10,389	13,787
	Marine		
332,000	Algoma Central Corporation	2,555	4,210
	Road & Rail		
115,000	Canadian Pacific Railway Ltd.	6,352	27,857
350,000	TFI International Inc.	5,029	12,355
	Trading Companies & Distributors		
375,000	Russel Metals Inc.	3,243	7,999
100,000	SiteOne Landscape Supply, Inc.	8,233	7,541
	Total Industrials	41,209	101,006

Schedule of Investment Porftolio

As at December 31, 2018

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Information Technology (16.9%)		
	IT Services		
105,000	Mastercard Incorporated, A	7,360	27,026
175,000	Shopify Inc.	9,254	33,037
120,000	Square, Inc.	10,613	9,184
	Semiconductors & Semiconductor Equipment		
90,000	NVIDIA Corporation	6,342	16,393
	Software & Services		
400,000	The Descartes Systems Group Inc.	10,317	14,412
330,000	Open Text Corporation	4,916	14,685
	Technology Hardware, Storage & Peripherals		
58,000	Apple Inc.	2,198	12,483
	Total Information Technology	51,000	127,220
	Materials (17.4%)		
	Chemicals		
275,000	Methanex Corporation	7,109	18,057
	Containers and Packaging		
240,000	CCL Industries Inc., B NV	6,628	12,014
500,000	IPL Plastics Inc.	6,750	5,000
	Metals & Mining		
1,800,000	First Quantum Minerals Ltd.	11,566	19,872
290,000	Franco-Nevada Corporation	13,258	27,762
2,000,000	Hudbay Minerals Inc.	11,199	12,920
1,200,000	Lundin Mining Corporation	8,182	6,768
525,000	Tahoe Resources Inc.	7,827	2,609
410,000	Teck Resources Limited, B SV	12,327	12,050
	Paper & Forest Products		
385,000	Norbord Inc.	9,976	13,976
	Total Materials	94,822	131,028

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Real Estate (1.3%)		
	Real Estate Management & Development		
4,000,000	StorageVault Canada Inc.	10,600	9,480
	Total Real Estate	10,600	9,480
	Utilities (0.8%)		
	Multi-Utilities		
190,000	Canadian Utilities Limited, A NV	2,140	5,951
	Total Utilities	2,140	5,951
	Transaction costs	(687)	-
	Total investments (90.8%)	379,143	682,153
	Cash (9.2%)		69,510
	Investment Portfolio (100.0%)		751,663

NV: non-voting

SV: subordinate voting

For the years ended December 31, 2018 and 2017

1 General Information

Canadian General Investments, Limited (CGI or the Company) is domiciled in Canada and incorporated under the laws of Ontario, Canada. The address of its registered office is 10 Toronto Street, Toronto, Ontario, Canada, M5C 2B7.

CGI is a closed-end equity 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 and appropriate income-generating instruments.

The Company's investment and administration activities are managed by Morgan Meighen & Associates Limited (the Manager).

The Company's common and preference shares are publicly listed and trade on the Toronto Stock Exchange (symbols CGI, CGI.PR.D). The common shares also trade on the London Stock Exchange (symbol CGI). The closing price of the common shares on December 31, 2018 was $20.51.

These financial statements were authorized for issue by the Board of Directors on February 20, 2019.

2 Basis of Presentation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

3 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

3.1 New Standards Adopted by the Company

Effective January 1, 2018, the Company adopted *IFRS 9 Financial instruments*, which replaces *IAS 39, Financial Instruments: Recognition and Measurement*. The impact of the adoption of the new accounting policy is disclosed in note 3.2. The adoption of IFRS 9 has been applied retrospectively and did not result in a change to measurement of financial instruments, in either the current or prior periods.

3.2 Financial Assets and Financial Liabilities

Classification

The Company recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Investment transactions are recorded on the trade date. Prior to the adoption of IFRS 9, the Company's investments were designated at fair value through profit or loss (FVTPL). On adoption of IFRS 9 the Company continues to measure securities at FVTPL. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company and the Manager are primarily focussed on fair value information and use that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

All other financial assets and liabilities are classified as amortized cost or financial liabilities, as applicable, and continue to be measured at amortized cost and reflect the amount to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. Publicly listed securities are valued at the last traded market price on the reporting date, where the last traded price falls within the day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Company's policy is to recognize transfers into and out of the fair value hierarchy as of the date of the event or change in circumstances giving rise to the transfer.

Unlisted securities that trade on an over-the-counter market and other securities, in special circumstances where a market quotation is not readily available or is considered inappropriate (such as a stale price),

3 Summary of Significant Accounting Policies (Continued)

are valued using available sources of information and commonly used valuation techniques, using primarily observable inputs. The Company considers observable inputs to be market data that is readily available, regularly distributed or updated, reliable and verifiable, and provided by independent sources.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

3.3 Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at period-end exchange rates. Purchases and sales of investments, investment income and expenses are calculated at the exchange rates prevailing on the dates of the transactions. The Canadian dollar is the Company's functional and presentation currency.

3.4 Investment Income

Dividend income is recorded on the ex-dividend date. Interest is recognized on an accrual basis. Securities lending revenue is recognized as earned.

3.5 Securities Lending

Securities lent are not derecognized in the Company's statement of financial position as the Company retains substantially all the risks and rewards of ownership.

3.6 Cash

Cash is comprised of demand deposits with reputable financial institutions.

3.7 Preference Shares

The Company classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Company has one series of its Class A preference shares in issue: Series 4. The preference shares have 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 liquidation. The preference shares provide investors with the right to require redemption for cash at values and dates set out in the table in note 7 and also in the event of the Company's liquidation.

The preference shares are classified as financial liabilities and are stated at amortized cost using the effective interest method.

3.8 Increase (Decrease) in Net Assets From Operations, Per Common Share

The increase (decrease) in net assets from operations, per common share is calculated by dividing increase in net assets from operations by the weighted-average number of common shares outstanding during the period.

3.9 Taxation

The Company qualifies as an investment corporation under Section 130 of the Income Tax Act (Canada) (the Act) and, as such, is subject to a reduced rate of income tax on its net investment income other than dividends received from taxable Canadian corporations. Taxes paid on taxable dividends paid from corporations resident in Canada are refundable on the payment of taxable dividends to shareholders related to these dividends.

Income taxes are paid by the Company on net capital gains realized at the rate of approximately 20%. These income taxes are recoverable by the Company as long as it continues to qualify as an investment corporation and pays out sufficient dividends related to these realized gains. Refundable income taxes paid or recovered are recorded as an expense or recovery in the period in which such tax becomes payable or receivable.

In addition, temporary differences between the carrying values of assets and liabilities for accounting and income tax purposes give rise to deferred income tax assets and liabilities. The most significant temporary difference is that between the reported fair value of the Company's investment portfolio and its adjusted cost base (ACB) for income tax purposes. To the extent that the fair value of the Company's portfolio exceeds its ACB, a deferred tax liability arises which is fully offset by the future refundable taxes available to the Company as an investment corporation. Conversely, when the ACB exceeds the fair values of the portfolio, a deferred tax asset is generated. A deferred tax asset is also generated to the extent that the Company has available and unutilized capital and non-capital tax losses. However, these net deferred tax assets have not been recorded in the statements of financial position since, with the exception of refundable income taxes described above, the Company does not record income taxes since it is in substance and not taxable.

3 Summary of Significant Accounting Policies (Continued)

3.10 Investment in Associates and Subsidiaries

The Company has determined that it meets the definition of "investment entity". An investment entity is an entity that (i) obtains funds from one or more investors for the purpose of providing them with investment management services; (ii) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and (iii) measures and evaluates the performance of substantially all of its investments on a fair value basis. The most significant judgment that the Company has made in determining that it meets this definition is that fair value is used as the primary measurement attribute to measure and evaluate the performance of substantially all of its investments.

Subsidiaries are entities over which the Company has control through its exposure or rights to variable returns and has the ability to affect those returns through its power over the entities. As the Company meets the definition of an investment entity, all subsidiaries, if any, are measured at FVTPL. The Company's investments may also include associates over which the Company has significant influence and these are measured at FVTPL. As at December 31, 2018 and December 31, 2017, the Company has no subsidiaries.

4 Critical Accounting Estimates & Judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

5 Financial Risk Management

5.1 Financial Risk Factors

In the normal course of operations, the Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and price risk). In general, the Manager seeks to minimize the potential adverse effects of these risks on the Company's performance by employing professional, experienced portfolio managers, by ongoing monitoring of the Company's positions and market events, and by diversifying the investment portfolio within the policies and guidelines set by the Board of Directors of the Company, in a manner consistent with the investment objective. Pursuant to the Manager's bottom-up selection mandate, security selection is the primary criteria for managing risk. In order to mitigate risk, depending on conditions, the Manager considers other criteria such as asset class, industry, country and currency.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's main exposure to credit risk may consist of investments in debt instruments, including short-term securities, bonds, preferred shares, interest and dividends receivable, amounts due from brokers as well as securities on loan as part of the Company's securities lending program. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of cash, interest and dividend receivable and other assets represents the maximum credit risk exposure as at December 31, 2018 and December 31, 2017. As at December 31, 2018 and December 31, 2017, the Company had no investments in debt instruments.

All transactions in securities are settled/paid for on delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the Company's custodian has received payment. Payment is made on a purchase once the securities have been received by the Company's custodian. The trade will fail if either party fails to meet its obligation.

Credit risk with respect to the Company's securities lending program is considered minimal given the nature of the collateral, as well as the indemnification provided by the agent administering the program (note 13).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

5 Financial Risk Management (Continued)

As the Company is a publicly traded, closed-end investment fund with a fixed number of common shares outstanding, unlike an open-ended mutual fund, it is not exposed to the liquidity risk associated with daily cash redemptions of securities. However, as part of a leverage strategy, the Company currently has one series of Class A preference shares outstanding: Series 4 for $75 million with a redemption date of June 15, 2023 and a $75 million, non-revolving, three-year fixed-rate facility that bears interest at 2.28%. Included in the Series 4 preference share provisions is a restriction which precludes payment of a common share dividend unless, after giving effect thereto, the ratio of assets to obligations (both as defined in the preference share provisions) exceeds 2.5 times. At December 31, 2018 the ratio was 5.0 times (December 31, 2017 – 5.6 times). Included in the bank loan covenants is an asset coverage restriction requiring that the net assets divided by the principal amount of the bank loan be greater than 3.0 times. The Company was in compliance during the years ended December 31, 2018 and December 31, 2017.

Liquidity risk is managed by investing the majority of the Company's assets in investments that are traded in an active market and which can be readily disposed of, and by retaining sufficient cash and cash equivalent positions to maintain liquidity. Restricted and unlisted securities, if any, are identified in the schedule of investment portfolio. There are no restricted securities as at December 31, 2018 or December 31, 2017.

Leverage decisions, whether in the form of bank borrowings or bond or preference share issues from treasury, are at the discretion of the Company's Board of Directors.

As at December 31, 2018, all financial liabilities of the Company, except for the Class A preference shares, Series 4, fall due within twelve months. As at December 31, 2017, all financial liabilities of the Company, except for the Class A preference shares, Series 4, and bank loan fall due within twelve months.

Market risk

The Company's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following include sensitivity analyses that show how the net assets would have been affected by a possible change in the relevant risk at each reporting date. In practice, the actual results may differ and the differences could be material.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest-bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Although the Company may invest in interest-bearing financial instruments, the substantial majority of the Company's financial assets and financial liabilities, except for the Class A preference shares and bank loan, are non-interest-bearing or have short maturities. As a result, the Company is not subject to significant amounts of risk on its investments due to fluctuations in the prevailing levels of market interest rates.

As at December 31, 2018 and December 31, 2017, the Company had no investments in debt instruments.

The Company's Class A preference shares outstanding have a fixed coupon rate and the bank loan has a fixed interest rate. While they themselves do not subject the Company to interest rate risk, any new issues, whether or not in connection with the redemption date of the preference shares or the maturity of the bank loan, will be subject to the prevailing interest rate environment at that time.

Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar. The Company is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. Securities trading in foreign markets are also exposed to currency risk, as the price in local terms in the foreign market is converted to Canadian dollars to determine fair value. The Company's policy is not to enter into any hedging arrangements.

As at December 31, 2018, the Company`s investment portfolio had a 17.0% (December 31, 2017 – 17.9%) weighting in U.S. dollars. As at December 31, 2018, had the Canadian dollar strengthened or weakened by 5% in relation to all currencies represented in the portfolio, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately $6,388,000 or approximately 1.1% (December 31, 2017 - $7,536,000 or approximately 1.1%).

Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to an individual investment or its issuer, or by factors affecting all similar instruments traded in a market or market segment. All securities present a risk of loss of capital. The Manager moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy and by maintaining a well diversified portfolio. The maximum risk resulting from financial instruments is equivalent to their fair value. The Company's equity and debt (if any) instruments are susceptible to other price risk arising from uncertainty about future prices of the instruments.

5 Financial Risk Management (Continued)

As at December 31, 2018, a 5% increase or decrease in market prices in the investment portfolio, excluding cash and short-term securities, with all other variables held constant, would have resulted in the Company's net assets increasing or decreasing, respectively, by approximately $34,108,000 or approximately 5.7% (December 31, 2017 - $41,743,000 or approximately 6.0%).

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Company's concentration risk in the investment portfolio:

Industry Sector	December 31, 2018	December 31, 2017
Materials	17.4%	21.1%
Information Technology	16.9%	12.9%
Consumer Discretionary	14.3%	16.3%
Industrials	13.4%	13.7%
Financials	11.0%	13.3%
Energy	9.2%	13.1%
Cash	9.2%	0.7%
Communication Services	3.7%	3.2%
Health Care	2.8%	2.8%
Real Estate	1.3%	1.2%
Utilities	0.8%	0.8%
Consumer Staples	0.0%	0.9%
	100.0%	100.0%

Sensitivity analyses are provided for information purposes only. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

5.2 Capital Risk Management

The Company considers capital to be composed of its equity, as well as its outstanding preference shares and bank loan. The Company's primary objective when managing its capital is to ensure that activities are carried out in accordance with the investment objective of the Company, as described in note 1. In addition, the Company monitors its adherence to the provisions of its outstanding Class A preference shares and bank loan. In particular, included in the preference shares provisions is a dividend payment restriction, which provides that the Company shall not pay a dividend on its common shares unless after giving effect thereto, the ratio of assets to obligations (both as defined in the preference share provisions) exceeds 2.5 times. All common share dividend payments made in 2018 and 2017 were in compliance with this provision. Included in the bank loan covenants is an asset coverage restriction requiring that the net assets divided by the principal amount of the bank loan be greater than 3.0 times. The Company was in compliance with this covenant during the years ended December 31, 2018 and December 31, 2017.

5.3 Fair Value Measurements

The Company classifies its investments within a fair value hierarchy, based on the inputs used in their fair value measurement. The hierarchy of inputs is summarized below:

Level 1: Unadjusted quoted prices at the measurement date in active markets for identical assets

Level 2: Directly or indirectly observable inputs other than quoted prices included in Level 1, such as quoted prices for identical or similar assets in markets that are not active

Level 3: Inputs for the assets that are not based on observable market data

Level 2 investments include positions that are not traded in active markets and/or subject to transfer restrictions, and valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information and commonly used valuation techniques.

5 Financial Risk Management (Continued)

All other financial instruments of the Company, which may include cash, receivable on securities sold or payable on securities purchased, interest and dividends receivable, accounts payable and accrued liabilities, accrued dividends on preference shares, bank loan and preference shares are carried at amortized cost.

in thousands of dollars)	Level 1	Level 2	Level 3	Total
As at December 31, 2018				
Financial assets at FVTPL:				
Investments	682,153	-	-	682,153
As at December 31, 2017				
Financial assets at FVTPL:				
Investments	834,859	-	-	834,859

During the years ended December 31, 2018 and December 31, 2017, there were no investments transferred between the levels.

The Manager is responsible for performing fair value measurements included in the financial statements of the Company, including Level 3 measurements, if any. The Manager obtains pricing from a third party pricing vendor.

6 Bank Loan

On June 9, 2016, the Company entered into a credit agreement giving it access to $75.0 million and drew down the full amount. The credit facility is a non-revolving, three-year fixed-rate facility that bears interest at 2.28% per annum to be paid quarterly. The purpose of the credit facility was to fund the redemption of the Class A preference shares, Series 3. The facility is secured with a first-ranking charge on the Company's property and assets, including the investment portfolio and requires the Company to comply with certain covenants including maintenance of asset coverage ratios. The Company was in compliance with all of the covenants as at December 31, 2018 and December 31, 2017.

Bank loan consists of the following:

(in thousands of dollars)	December 31, 2018	December 31, 2017
Secured, non-revolving, 2.28%, three-year fixed-rate credit facility, maturing June 9, 2019	75,000	75,000
Less: Unamortized debt issue costs	29	98
	74,971	74,902

7 Preference Shares

The Company is authorized to issue, in series, a class of preference shares of which the following are outstanding:

Class A preference shares	December 31, 2018 Number of shares	December 31, 2017 Number of shares	Stated amount per share $	Cumulative annual dividend rate %	Date of issue	December 31, 2018 Amount $ (In thousands)	December 31, 2017 Amount $ (In thousands)
Series 4	3,000,000	3,000,000	25.00	3.75	May 30, 2013	75,000	75,000
						75,000	75,000
Deferred issuance costs (net of amortization of $950,000 (December 31, 2017 - $765,000))						928	1,113
						74,072	73,887

The Company may redeem for cash, the Series 4 shares, in whole or in part, at the following prices during the defined periods:

	$26.00	$25.75	$25.50	$25.25	$25.00
Series 4	June 15, 2018 to June 14, 2019	June 15, 2019 to June 14, 2020	June 15, 2020 to June 14, 2021	June 15, 2021 to June 14, 2022	June 15, 2022 and thereafter [1]

[1] The holders may require the Company to redeem the Series 4 shares on or after June 15, 2023 for a cash price of $25.00 per share.

Subsequent to December 31, 2018, the Company declared a quarterly dividend of $0.23438 per share payable on March 15, 2019 to Series 4 shareholders of record at the close of business on February 28, 2019.

8 Share Capital

Common Shares

The Company is authorized to issue an unlimited number of common shares. As at December 31, 2018, there are 20,861,141 (December 31, 2017 - 20,861,141) common shares issued and outstanding with no par value.

Subsequent to December 31, 2018, the Company declared a quarterly dividend of $0.20 per share payable on March 15, 2019 to common shareholders of record at the close of business on February 28, 2019.

9 Income Taxes

As at December 31, 2018, the Company had federal refundable capital gains taxes on hand of approximately $758,000 (December 31, 2017 - $391,000), which are refundable on payment of capital gains dividends of approximately $5.4 million (December 31, 2017 - $2.8 million) and Ontario refundable capital gains taxes on hand of approximately $903,000 (December 31, 2017 - $712,000), which are refundable on payment of capital gains dividends of approximately $15.7 million (December 31, 2017 - $12.4 million).

The Company is also subject to a special tax of 38-1/3% on taxable dividends received from corporations resident in Canada. This special tax is refundable on payment of taxable dividends to shareholders at the rate of $0.3833 for each $1 of such dividends paid. The Company has $1,316,000 of refundable dividend tax on hand as at December 31, 2018 (December 31, 2017 - $1,067,000).

The Company's refundable income tax recovery during the year is determined as follows:

(in thousands of dollars)	2018	2017
Provision for income taxes on investment income before income taxes		
Provision for (recovery of) income taxes based on combined Canadian federal and provincial income tax rate of 39.5%	(28,690)	48,974
Increase (decrease) in income taxes resulting from:		
Dividends from taxable Canadian companies	(5,806)	(4,722)
Dividends on preference shares	1,111	1,111
Net change in unrealized gain	40,514	(35,227)
Non-taxable portion of net realized gains	(5,652)	(7,149)
Increase in refundable dividend tax on hand	224	418
Differences arising from use of different cost bases for income tax and accounting purposes and other items	(129)	(1,423)
Income taxes recoverable on dividends from net realized gains on investments	(783)	(1,648)
Refundable income tax expense	789	334

In accordance with the Act, a corporation can qualify as an investment corporation if certain tests are satisfied. One of the tests is that the corporation cannot have specified shareholders. A specified shareholder is generally a shareholder, who, along with certain persons to whom the shareholder is considered to be related, has a greater than 25% shareholding. The Company has had specified shareholders since June 20, 1996. The specified shareholder rules of the Act generally allow the Company to maintain its investment corporation status as long as it does not have any specified shareholders other than those specified shareholders existing on June 20, 1996. In addition, the specified shareholders as at June 20, 1996 cannot, after that date, contribute capital or acquire additional shares of the Company other than through certain specified transactions.

10 Withholding Taxes

The Company incurs withholding taxes imposed by certain countries on investment income. Such income or gains are recorded gross of withholding taxes in the statements of comprehensive income. Withholding taxes are shown as a separate item in the statements of comprehensive income. During the year ended December 31, 2018, the average withholding tax rate paid by the Company was 15.0% (December 31, 2017 - 15.0%).

11 Financial Instruments by Category

The following tables present the carrying amounts of the Company's financial instruments by category. All the Company's financial liabilities were carried at amortized cost:

(in thousands of dollars)	Financial assets at FVTPL Designated at inception	Financial assets at amortized cost	Total
December 31, 2018			
Cash	–	69,510	69,510
Investments	682,153	–	682,153
Interest and dividends receivable	–	851	851
	682,153	70,361	752,514
December 31, 2017			
Cash	–	5,868	5,868
Investments	834,859	–	834,859
Interest and dividends receivable	–	793	793
	834,859	6,661	841,520

All gains and/or losses recorded on the statement of comprehensive income relate to investments measured at fair value through profit or loss.

12 Related Party Information

Third Canadian General Investment Trust Limited (Third Canadian) owns 36.6% of the common shares of the Company, and is therefore considered a related party. Jonathan A. Morgan and Vanessa L. Morgan, both directors and executive officers of the Company, beneficially own directly or indirectly or exercise control or direction over an aggregate of 100% of the common shares of Third Canadian. Including the holding by Third Canadian, Mr. Morgan and Ms. Morgan together own directly or indirectly or exercise control or direction over an aggregate of 52.5% of the outstanding common shares of the Company, making them the ultimate controlling party.

Transactions With Related Entities

Management fees

The Company's activities are managed by the Manager pursuant to a management agreement dated July 18, 2018. Mr. Morgan and Ms. Morgan together own directly or indirectly 85%, and are both directors and executive officers, of the Manager. Management fees are paid monthly to the Manager for services received in connection with the management of the Company's financial accounts and investment portfolio, among other services. These fees are calculated monthly at 1% per annum of the fair value of the Company's investments adjusted for cash, portfolio accounts receivable and portfolio accounts payable. Values for fee calculation purposes are determined on the basis of the financial statements of the Company as at the last day of the applicable month.

During the year ended December 31, 2018, $9,788,000 (2017 - $8,666,000) was paid to the Manager with $709,000 accrued and included in accounts payable and accrued liabilities as at December 31, 2018 (December 31, 2017 -$792,000).

Dividends

As a result of its ownership position in the Company, during the year ended December 31, 2018, Third Canadian received dividends from net investment income of $4,349,000 (2017 - $2,746,000) and dividends from net realized gain on investments of $1,450,000 (2017 - $3,052,000).

Key management personnel compensation

No compensation was paid or is payable by the Company to any executive of the Manager in his or her capacity as a director or officer of the Company.

During the year ended December 31, 2018, the independent directors of the Company received directors' fees aggregating $221,000 (2017 - $195,000) from the Company. No other compensation was paid or is payable to the directors of the Company for the year ended December 31, 2018, except for compensation paid by the Company in respect of such persons acting as members of the Independent Review Committee for the Company, aggregating $39,000 (2017 - $26,000).

13 Securities Lending

The Company participates in a securities lending program with its custodian, CIBC Mellon Trust Company. Collateral is held by the custodian as agent for the Company and generally comprises Canadian or provincial government-guaranteed securities or obligations of other governments with appropriate credit ratings, and other short-term securities, of at least 105% of the fair value of securities on loan. 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 fair value of the securities not returned, the custodian shall indemnify the Company for any such shortfall.

At December 31, 2018, the Company had loaned securities with a fair value of $73,108,000 (December 31, 2017 - $82,606,000) and the custodian held collateral of $77,645,000 (December 31, 2017 – $87,472,000). This collateral is not reflected in the statements of financial position and consisted of the following:

	December 31, 2018	December 31, 2017
Securities lending collateral		
Federal government debt securities	28.3%	37.8%
Provincial government debt securities	55.5%	54.6%
U.S. government debt securities	9.7%	7.6%
Foreign government debt securities	6.4%	0.0%
	100.0%	100.0%

A reconciliation of the gross earnings from securities lending to the net earnings from securities lending is as follows:

(in thousands of dollars)	December 31, 2018		December 31, 2017	
Gross securities lending earnings	2,494	100.0%	1,543	100.0%
Fees	(941)	(37.8%)	(469)	(30.4%)
Withholding taxes	(148)	(5.9%)	(370)	(24.0%)
Net securities lending earnings	1,405	56.3%	704	45.6%

14 Comparative Balances

Comparative balances have been restated to conform to current year's presentation. A reclassification has been made to the prior year's financial statements to enhance comparability with the current year's financial statements. Interest on bank loan of $1,705,000 has been moved from cash flows from operating activities in the December 31, 2017 Statement of Cash Flows, to cash flows from financing activities.

CORPORATE INFORMATION

BOARD OF DIRECTORS

James F. Billett
President, J.F. Billett Holdings Ltd.

A. Michelle Lally
Partner, Osler, Hoskin & Harcourt LLP

Jonathan A. Morgan
Executive Vice-President and Chief Operating Officer, Morgan Meighen & Associates Limited

Vanessa L. Morgan
President & Chief Executive Officer, Morgan Meighen & Associates Limited

R. Neil Raymond
President, Feejay Corporation Canada Ltd.

Michael A. Smedley
Executive Vice-President & Chief Investment Officer, Morgan Meighen & Associates Limited

Richard O'C. Whittall
President, 097146 BC Ltd.

AUDIT COMMITTEE

James F. Billett (Chair)
R. Neil Raymond
Richard O'C. Whittall

CORPORATE GOVERNANCE COMMITTEE

A. Michelle Lally
Jonathan A. Morgan
R. Neil Raymond (Chair)

INDEPENDENT DIRECTORS COMMITTEE

James F. Billett
A. Michelle Lally (Chair)
R. Neil Raymond
Richard O'C. Whittall

OFFICERS

Vanessa L. Morgan, CFA
Chair

Jonathan A. Morgan, CIM
President & CEO

Frank C. Fuernkranz, CPA, CA, CFA
Secretary & CFO

Christopher J. Esson, CPA, CA, CFA
Treasurer

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MANAGER

Morgan Meighen & Associates Limited
Toronto

AUDITOR

PricewaterhouseCoopers LLP
Toronto

INDEPENDENT REVIEW COMMITTEE

James F. Billett
A. Michelle Lally
R. Neil Raymond (Chair)
Richard O'C. Whittall

CANADIAN REGISTRAR AND TRANSFER AGENT

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website: www.computershare.com/investor

To change your address, eliminate multiple mailings or for other shareholder account inquiries, please contact Computershare at the above address. We are pleased to offer you the convenience of Direct Registration System (DRS), a system that allows you to hold securities in 'book entry' form without the need for a physical certificate. For additional information, please refer to the Questions and Answers section at:
www.computershare.com/investorcentrecanada

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STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange

Trading Symbols:

Common Shares	CGI
Preference Shares, Series 4	CGI.PR.D

The London Stock Exchange

Trading Symbol:

Common Shares	CGI

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 U.K.

The Company posts ongoing top 10 portfolio investments (priced at market), together with current NAV and market return information on its website. CGI also posts its top 25 holdings on its website on a quarterly basis. Similar information is available directly from the Company upon request.

DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

The Plan, administered by the Company's Canadian Transfer Agent, offers an efficient method of acquiring additional shares. As well as with reinvested dividends, shareholders may purchase additional shares for cash (minimum $100 – maximum $5,000) every quarter. Shares are purchased on the open market, with participants paying the average cost while the Company pays all administrative charges, including commissions. The Plan may be used for self-directed RRSPs. Also, a number of Canadian brokers offer dividend reinvestment plans to CGI shareholders. Note: U.S. shareholders are eligible for the dividend reinvestment segment of the plan only.

ANNUAL MEETING OF SHAREHOLDERS

The Annual General Meeting of shareholders of Canadian General Investments, Limited will be held at 9:00 am (Toronto time), Wednesday, April 10, 2019 at St. James Cathedral Centre, Lecture Room, 65 Church Street, Toronto, Ontario, Canada, M5C 2E9

Telephone: (416)-868-5229
website: www.cathedralcentre.ca

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

Managed by:

MORGAN MEIGHEN
& ASSOCIATES
Investment Management

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