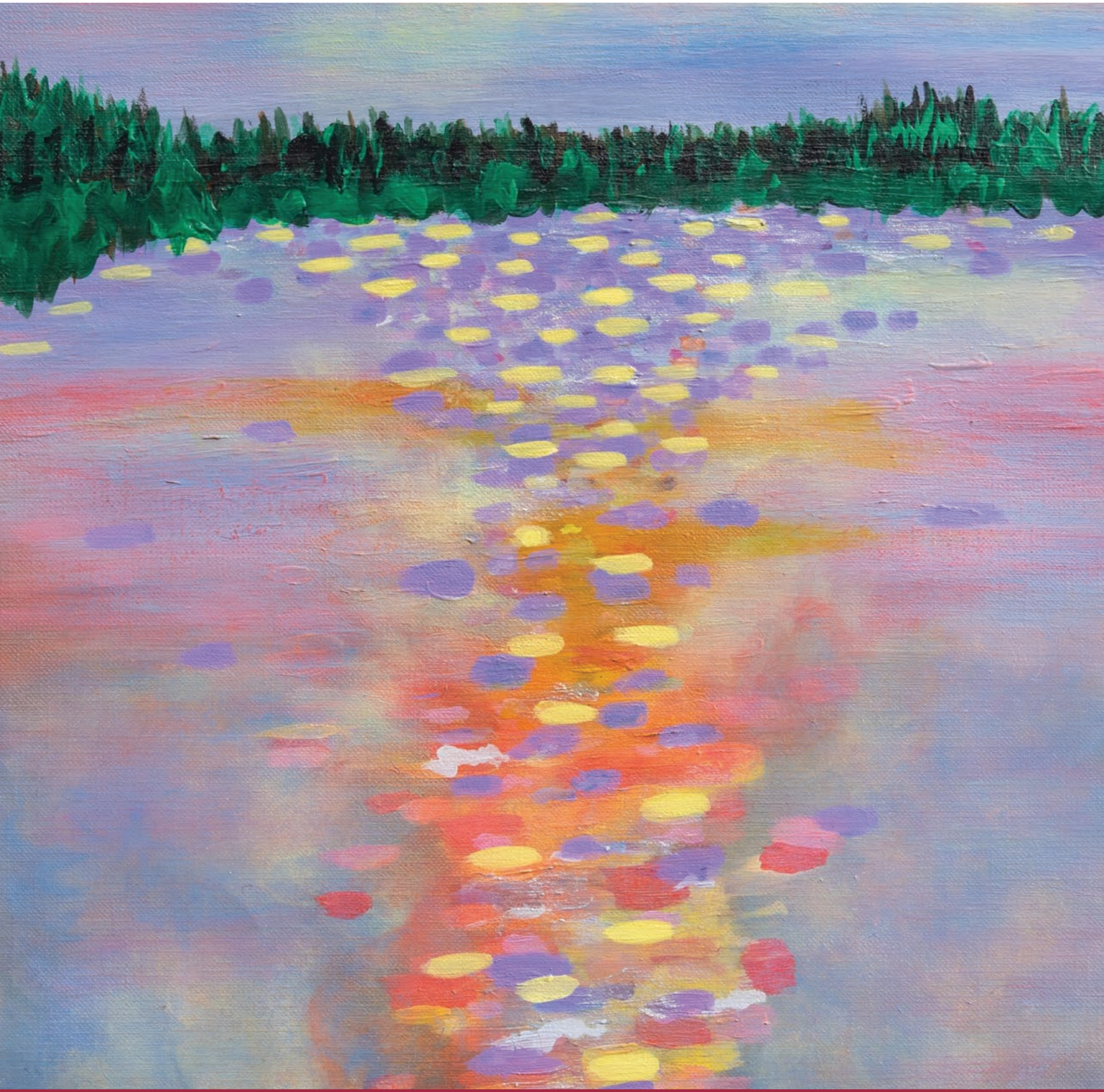
Focussed on Canada

CGI CANADIAN GENERAL INVESTMENTS, LIMITED



2020 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 18, 2021.

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: **Emergence**

Canadian artist Shannon Wood's approach to painting comes from deep within. She taps into memory, lived experiences and a vivid imagination to create beautiful impressionistic images. She is inspired by her love of horses and the beautiful, messy nature of life. Shannon sees art and life as perfectly imperfect and prefers textured acrylics to voice share her feelings and vision. Shannon lives in Port Hope, Ontario. You can see her art at her home studio.

From left to right:

Vanessa L. Morgan, Chair;
President & CEO of the Manager

Jonathan A. Morgan, President & CEO;
Executive VP & COO of the Manager

D. Greg Eckel, Portfolio Manager;
Senior VP of the Manager

Michael A. Smedley, Director;
Executive VP & CIO of the Manager

Dear Fellow Shareholders,

We are pleased to present the 2020 annual report for Canadian General Investments, Limited (CGI or the Company). In this report, you will find information on the performance of CGI for 2020. 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, 2020 is provided as part of CGI's audited financial statements, which are included in this report.

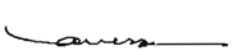
For the 12 months ended December 31, 2020, CGI's common shares recorded a net asset value per share (NAV) total return of 38.1% and a share price total return of 37.0% (share price change plus dividends). By comparison, the total return of its benchmark, the S&P/TSX Composite Index, was 5.6% during the same period.

During 2020, CGI paid three regular quarterly taxable dividends aggregating to $0.63 per common share and one quarterly capital gains dividend of $0.21 for an annual total of $0.84. Based on the year-end market price of the common shares, aggregate dividends paid represented a 2.4% yield to shareholders.

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.

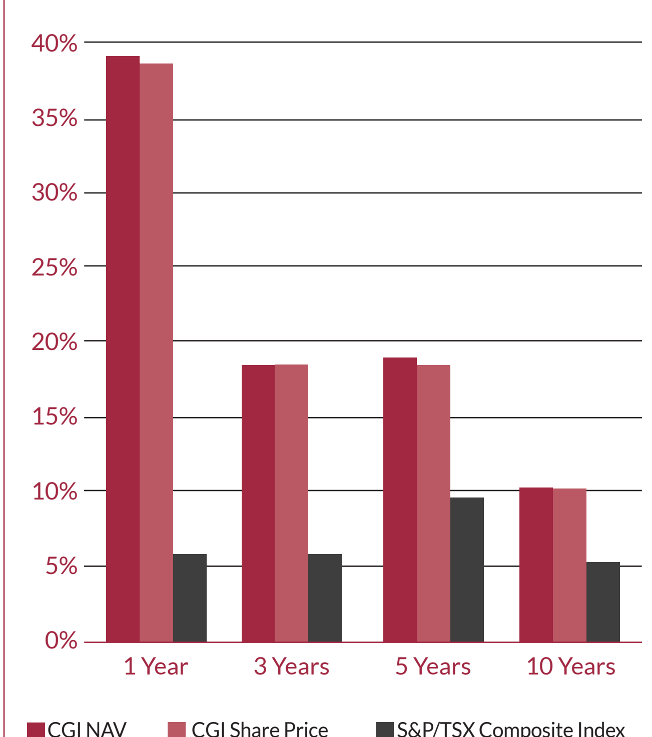
We appreciate your investment in CGI.



Vanessa L. Morgan
Chair

Jonathan A. Morgan
President & CEO

Compound Annual Returns For The Periods Ending December 31, 2020



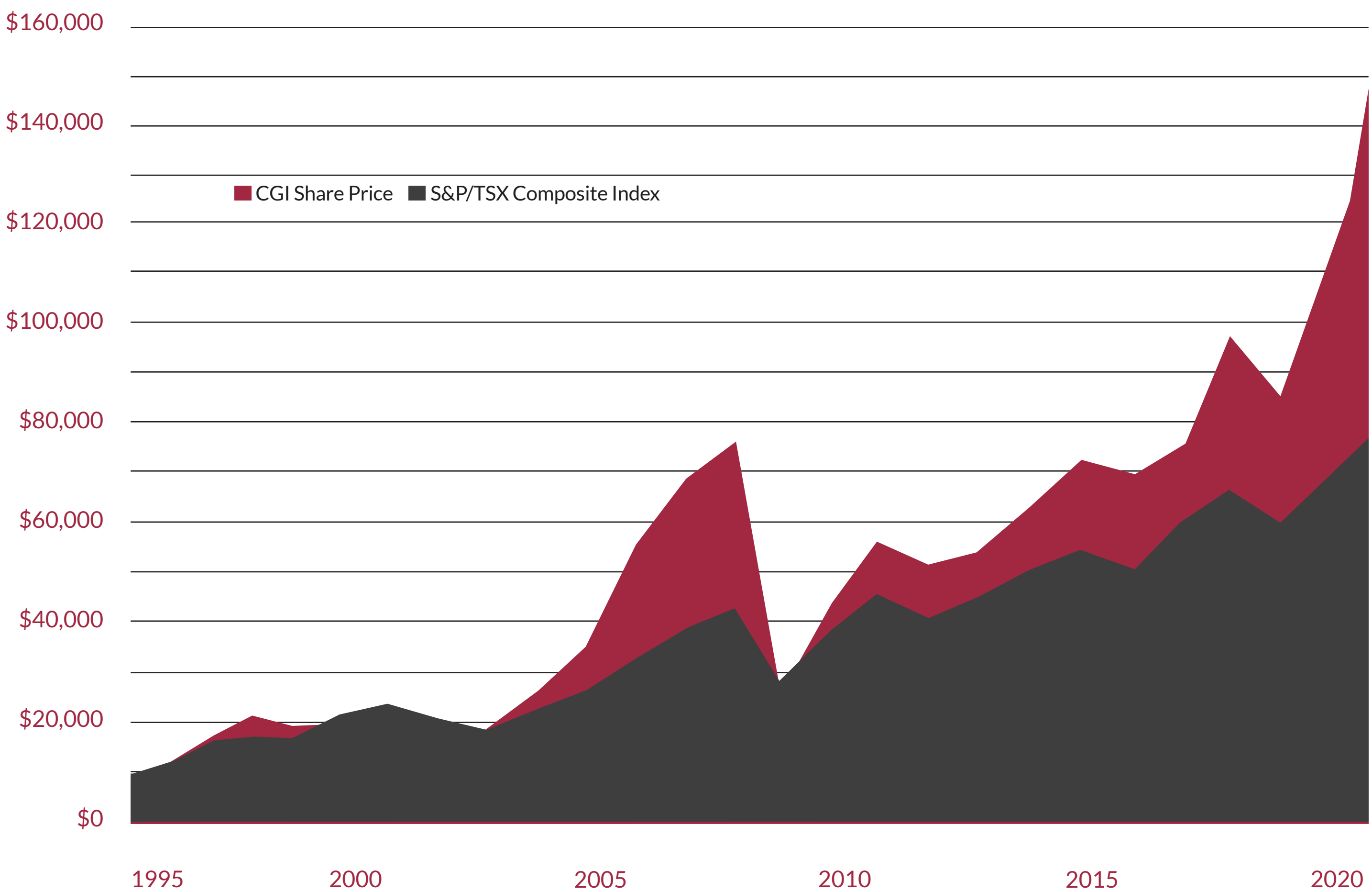
Canadian General Investments, Limited

CGI is a closed-end equity fund focussed on medium- to long-term investments in primarily Canadian companies. 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 (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 nearly $147,000 over the 25-year period ended December 31, 2020. This equates to a compound annual average growth rate of 11.3%. By comparison, a $10,000 investment in the benchmark S&P/TSX Composite Index would have grown to nearly $68,000 or a compound average annual growth rate of 8.0%.

Growth of a $10,000 Investment – 25 Years to December 31, 2020



For the 50 years ended December 31, 2020, a $10,000 investment would have grown to over $2.9 million, representing a compound average annual return of 12.0%. The values for the benchmark for the same period were $858,000 and 9.3%, 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 is also 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. 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 year 2020 will likely find its place in history as being one of the most memorable and unpredictable periods of our lives. Early in the year, COVID-19 made its appearance on the global scene and unleashed a relentless assault on the world at breakneck speed. The virus is a formidable, invisible foe that easily invades hosts and multiplies exponentially. Reliance on natural defenses is ineffective and, until just recently, customary medical solutions had been unavailable. It became the worst pandemic in a century and left a trail of destruction and human loss in its wake. With omnipresent touchpoints, it was the dominant theme of 2020.

Quarantines and lockdowns have been used as crude, but effective, primary containment measures, but this isolation strategy has limitations and repercussions, particularly for equity markets. When these measures are applied on a universal scale, severe disconnects begin to occur, imbalances materialize, supply chain integration is challenged, normal daily lives are disrupted, and global economic activities quickly grind to a halt. Governments and central bankers faced a huge financial crisis and implemented aggressive monetary and fiscal policies in response, but, despite these coordinated and desperate efforts, damage was all-inclusive and major economies plunged into deep recessions in the first quarter.

The year had begun with cautious optimism and selective expectation that the multi-year economic expansion and bull market could continue for a period of time. This forward leaning thought process was soon hijacked by the black swan event known as COVID-19. The fallout from the sudden recession arising from new global practices was unique and markets everywhere, in correlated fashion, reflected the many uncertainties. Not dissimilar to its global peers, the Canadian benchmark, the S&P/TSX succumbed to its fastest bear market in history. It fell more than 20% in just 14 days in the month of March compared to a historical average of 11 months for such an event.

Many investors capitulated during this period, but CGI held to long-term principles and eventually was rewarded. The markets, in classic textbook sense, turned and whipsawed investors and the reversal produced the fastest recovery from a bear market on record – 35 days compared to the historical average of a year and a half.

An exhausting first half of the year finally gave way to a somewhat less erratic phase and, except for the period leading up to a highly charged election in the United States in early November, markets steadily marched upwards with many approaching their all-time high record levels by year-end.

Recovering impressively from deep declines in March, the S&P/TSX ended up managing to post a 5.6% return for the year. By comparison, CGI followed the general trends of Canadian markets, but accelerated along the path of return availability, delivering a NAV return, with dividends reinvested, of 38.1%.

A number of things contributed to CGI's success. It held steady through the worst of the market collapse and rode out a volatility so extreme that it caused irrational behaviour. It would have been easy to succumb to the intense pressures but the Manager was guided by CGI's long-term principles, philosophies and structural underpinnings. Consistency, quality, diversification and experience were key characteristics that rose to the fore in these challenging times. This unique bundle of fundamentals has been instrumental in the production of steady and consistent returns for CGI's shareholders for many years.

Returns in the S&P/TSX varied considerably on both sector and individual levels. Six of the eleven major sectors had positive price returns with Information Technology at the top with a plus 80% and five negative price returns with Energy at the bottom at negative 30%. On the micro level, forty-five of the two hundred and twenty-two constituents of the index had negative returns for the year and barely half beat the index. Overall portfolio success or failure depended, not only on choices made in the broader perspective, but, also on the individual level. In this regard, CGI had a very good combination of both.

The table below illustrates the weightings of the five largest sectors in CGI's portfolio at December 31, 2020, compared with year end 2019, 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, 2020 the portfolio was overweight Consumer Discretionary, Industrials, Information Technology and Materials, and underweight Financials, as compared to the sector weightings in the S&P/TSX.

	CGI		S&P/TSX	
SECTOR	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Information Technology	28.1%	22.9%	10.3%	5.7%
Industrials	22.7%	19.0%	12.5%	11.0%
Materials	16.4%	14.4%	13.7%	11.4%
Consumer Discretionary	11.4%	14.8%	3.9%	4.1%
Financials	9.4%	10.0%	30.2%	32.1%

The changes in CGI's sector weightings were primarily related to the performance of the individual securities within the sectors, with most of the trading activity during the year limited to reducing positions in the Information Technology sector, and adding to Industrials.

There was disappointment in the Energy patch once again this year and, even with a decent upwards push in the last quarter, the sector repeated as the worst performer. CGI has been underweight the sector since 2011, with a portfolio weighting of 4.3% at December 31, 2020. Despite this good positioning, CGI still suffered losses on all but one of its Energy positions: Tourmaline Oil Corp. This was one of only two companies in the entire Energy sector that had positive returns for the year. Large percentage losses had to be absorbed in the holding of Suncor Energy Inc., Whitecap Resources Inc., Parex Resources Inc., Secure Energy Services Inc., Vermillion Energy Inc., Enbridge Inc. and TC Energy Corporation. Despite its difficulties, the Energy group still wields substantial influence on S&P/TSX returns with an 11% weighting and can make comparatives difficult if it regains lost momentum. But taking the view that overall influences given uncertain supply/demand conditions, growing investor environment, social and corporate governance (ESG) pressures and increasing "energy greening" initiatives, it seems difficult to take an optimistic longer-term outlook. As such, exposure to the group was reduced in the year with the elimination of the Suncor Energy Inc. and Vermillion Energy Inc. positions.

At the other extreme on the sector return scale was Information Technology. This has been an area of continued focus since 2011 and, at almost three times index size, is CGI's largest overweight. That macro positioning alone almost ensured a good relative win but individual security selection also made a huge contribution to the portfolio's outperformance. Leadership came from the largest holding, Shopify Inc., which had another spectacular year with a share price increase of greater than 170% which ranked it in third place in the S&P/TSX. Lightspeed POS Inc. was another major contributor with a 150% increase (fourth in the index) launching it solidly into CGI's top ten list. The Manager prudently capitalized on the strong growth of investments in this area and made sales that generated considerable capital gains. Even though thirty million dollars in gains were taken in the Shopify Inc. position, a not inconsiderable $87M remains unrealized. Other positions were also pruned, profits were taken in long held Apple Inc. (bought 2010), Mastercard Inc. (bought 2013) and NVIDIA Corporation (bought 2016). Mindful of concentration risk and the portfolio's diversification principle, none of the proceeds were reinvested in Information Technology.

The geographic split of portfolio holdings would reveal that there has been substantial relative growth in the non-Canadian investments, which, of course, do not form part of the S&P/TSX. This is not the result of a recent initiative or change of strategy and nothing fundamental has changed in the Company. Driven by the Manager's bottom-up style and pursuit of an expanded opportunity set, CGI has held investments outside of Canada for many years and this flexibility has long been considered a desirable option for the portfolio. Guidelines and constraints are in place regarding total size and geography (U.S.-listed only) so as not to stray from the portfolio's general character. The individual selection process has also been tailored to recognise and provide some relief from perceived deficiencies of the Canadian equity market. For example, exposure to a particular type of industry or company is sometimes highly restricted or unavailable in Canada and this outlet allows for participation not otherwise obtainable in practical investment form. Another focus has been to improve liquidity in the portfolio's investments, a consideration since the 2008 crisis when the Canadian market basically froze and severely restricted normal functioning. The liquidity discussion takes on heightened importance in the context of CGI's leverage. The U.S. equity market is much bigger and deeper than Canada's and greatly assists in this risk mitigation initiative with better trade flows and larger market capitalization stocks. The same principles and strategies in the U.S. investment selection process are used as in the Canadian context and the Manager is mindful to consider any investment in the integrated and consolidated framework. Although participation in U.S.-listed stocks does not guarantee success, tremendous value has been generated in the portfolio with the stocks selected. Although the speed of the rise of some of these investments in the last few years has shot them into the top 10 and brought a greater prominence to the group overall, the genesis of the situation arose from the natural ebb and flow of markets over time.

On the granular level, CGI had many individual investments that performed well (and a few that did not), but, the bias was to the positive, with over 70% of the holdings in the portfolio posting better returns than the S&P/TSX, compared to a split of about 50% for the actual constituents in the index.

Many of CGI's worst offenders to the downside were identified in the Energy discussion, but there were a couple of other disappointments. Unsurprisingly, Air Canada could not sidestep the upheaval in the aviation industry and its stock fell precipitously along with those of its peers. The Manager has retained the holding, because good financial positioning will ensure its corporate survival and the stock has considerable upside as one of those investments highly levered to the recovery from the pandemic. Two long-term investments in the Consumer Discretionary space, Gildan Activewear Inc. and Canada Goose Holdings Inc. also suffered due to the pandemic and, although not as dramatic, their stock prices declined during the year. These investments have been eliminated and the capital gains that had accrued in both names over time have been taken. Although Information Technology names were in the spotlight in 2020, the diversity of investments in the portfolio contributed to CGI's success.

In the Materials sector, gold names attracted most of the attention during the year and Franco-Nevada Corp. (CGI's third-largest holding) was up more than 20%, but, behind the headlines, some of the base metal stocks in the group had great years. Providing CGI's largest exposure in this area and a top ten holding, First Quantum Minerals Ltd. was up more than 70%, followed closely by Hudbay Minerals Inc. which increased over 65% and Lundin Mining Corporation, up 50%. Forest Products stocks also had a good year and the Norbord Inc. position gained over 50%. Expecting strong fundamentals for this group going into 2021, the Norbord position was increased and an entirely new position in West Fraser Timber Co. Ltd. was established.

In the Industrials, two different types of investments posted good results for CGI. A couple of the traditional transportation companies showed resilience to the economic downturn in North America and their stocks responded well. Canadian Pacific Railway Limited was up more than 30% and TFI International Inc., the acquisitive trucking company, now with a U.S. listing, lifted over 50%. The other investment type relates to the growing global phenomenon of the "greening of energy" and decarbonization. Although at a relatively embryonic stage, CGI has started to build a presence in this area and its first investment in Xebec Adsorption Inc. has started out well. A position in Ballard Power Systems Inc. was initiated mid-year and Westport Fuel Systems Inc. was added to the group late in the year. Look for increased exposure to this theme in the portfolio as an offset to the Manager's subdued outlook for traditional energy investments.

Dividend and interest income was $15,052,000 for the year, down 1.3% from 2019. Management fees, interest and financing charges, and dividends on preference shares are the largest expenses of the Company. Management fees increased by 10.4% to $11,128,000, as a result of higher average monthly portfolio values compared to 2019. Interest and financing charges decreased 11.1%, as a result of the bank borrowings carrying a lower interest rate from June 2020 compared to the previous year, offset by the additional $25 million borrowed in June 2019. The dividends on preference shares were consistent year-over-year.

Leverage

On June 5, 2019, CGI had entered into an amended and restated credit agreement for a $100 million one-year non-revolving credit facility. Amounts may be borrowed under this secured facility through prime rate loans, which bear interest at the greater of the bank's prime rate and the Canadian Deposit Offered Rate (CDOR) plus 1.00% per annum, or bankers' acceptances, which bear interest at the CDOR plus 0.75% per annum. The amended and restated credit facility has an evergreen feature, which allowed the Company to continue use of the facility indefinitely (beyond the initial one-year term), provided the bank had not given the Company one-year's notice of terminating the facility. On May 12, 2020, the Company received notice from the lender that the facility was being converted into a fixed-term facility with a maturity date of May 12, 2021.

The amended and restated credit agreement had the effect of extending the maturity date and increasing the credit limit on the $75 million three-year fixed-rate credit facility that was scheduled to mature on June 6, 2019. The additional $25 million (face amount) was drawn down on June 5, 2019, resulting in the full $100 million facility being drawn, with bank borrowing representing 9.6% of CGI's net assets at December 31, 2020 (December 31, 2019 – 13.0%).

The borrowed money 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. 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. The Company was in compliance with the covenant during the years ended December 31, 2020 and December 31, 2019.

In addition to the $100 million credit facility (December 31, 2019 – $100 million), CGI also has outstanding $75 million 3.75% cumulative, redeemable Class A preference shares, Series 4, which become redeemable, at par, to the Series 4 shareholders on or after June 15, 2023 (December 31, 2019 – $75 million).

Both the cash borrowing and the preference shares act as leverage to common shareholders. As at December 31, 2020, the combined leverage represented 16.8% of CGI's net assets (December 31, 2019 – 22.7%). This leverage served to increase the effect of overall portfolio returns, positively impacting CGI's NAV return in the years ended December 31, 2020 and December 31, 2019.

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, 2020, there was a refundable income tax expense of $683,000, compared to $2,599,000 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, 2020, the Company had federal refundable capital gains taxes on hand of approximately $2,995,000 (December 31, 2019 – $1,755,000), which are refundable on payment of capital gains dividends of approximately $21.3 million (December 31, 2019 – $12.5 million) and Ontario refundable capital gains taxes on hand of approximately $1,947,000 (December 31, 2019 – $1,371,000), which are refundable on payment of capital gains dividends of approximately $33.9 million (December 31, 2019 - $23.8 million).

Recent Developments

Outlook

To look forward one must first look backward. Markets proved resilient in 2020 and rebounded significantly from their March lows, despite economic and health issues. Reasons for optimism included unprecedented stimulus from governments, massive fiscal support for consumers, low interest rates and, finally, some closure to outstanding and bothersome geopolitical issues such as Brexit and the U.S. election.

Numerous risks remain outstanding. First and foremost is COVID-19. Fortunately, vaccines are now available, but their rollouts seem to be losing the race against further lockdowns and much depends on their successful implementation. A critical economic setback would only heighten the disconnect that is apparent between the economy and markets. Market psyche, fragile at the best of times, could easily swing away from its positive state and bring huge pressure on current levels. But it is ultimately the unknown that charts market course and carries the day. Despite the many misgivings and great uncertainty, there are also a number of reasons for optimism and a return to some degree of life normalcy would be a powerful catalyst for markets. All considered, we remain positive.

An ability to persevere through difficult times was on display once again in 2020 and, with a strong finish, CGI delivered good returns to its shareholders. Adherence to its values and principles over the long term has proven itself to be a strategic and successful platform for CGI and this approach will continue to be utilised as the key in building further value for its 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, 2019 – 37%) ownership interest in the Company. As a result of its ownership position in the Company, during the year ended December 31, 2020, Third Canadian received dividends from net investment income of $4,807,000 (2019 – $3,052,000) and dividends from net realized gain on investments of $1,602,000 (2019 – $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)

	2020	2019	2018	2017	2016
Net assets – beginning of year	$36.98	$28.87	$33.14	$27.98	$24.38
Increase (decrease) from operations					
Total revenue	0.78	0.89	0.82	0.64	0.65
Total expenses (excluding common share dividends)	(0.83)	(0.80)	(0.74)	(0.70)	(0.67)
Realized gains for the year	1.81	1.61	1.36	1.73	0.90
Unrealized gains (losses) for the year	12.15	7.34	(4.91)	4.27	3.40
Refundable income tax refund (expense)	(0.03)	(0.13)	(0.04)	(0.02)	0.08
Total increase (decrease) from operations(2)	13.88	8.91	(3.51)	5.92	4.36
Dividends paid to common shareholders					
Taxable dividends	(0.63)	(0.40)	(0.57)	(0.36)	(0.48)
Capital gains dividends	(0.21)	(0.40)	(0.19)	(0.40)	(0.28)
Total dividends(3)	(0.84)	(0.80)	(0.76)	(0.76)	(0.76)
Net assets – end of year(4)	$50.02	$36.98	$28.87	$33.14	$27.98

(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

	2020	2019	2018	2017	2016
Total net asset value (000's) (1)	$1,043,463	$771,549	$602,163	$691,440	$583,644
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)	2.11%	2.27%	2.15%	2.31%	2.66%
Trading expense ratio (4)	0.04%	0.05%	0.03%	0.04%	0.12%
Portfolio turnover rate (5)	10.14%	8.00%	2.31%	10.36%	21.45%
Net asset value per share (1)	$50.02	$36.98	$28.87	$33.14	$27.98
Closing market price (1)	$34.81	$26.21	$20.51	$23.73	$19.45

(1) This information is provided as at the end 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: 2020 - 1.48%, 2019 - 1.53%, 2018 - 1.48%, 2017 - 1.54%, 2016 - 1.65%.

(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.

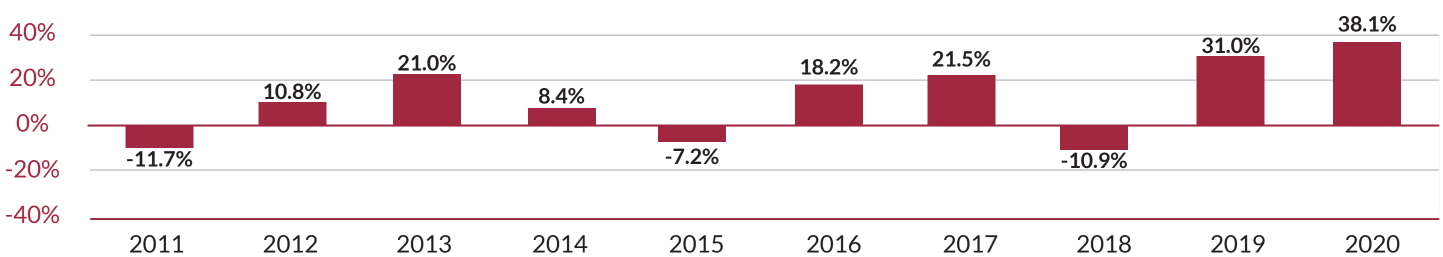
Past Performance

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.

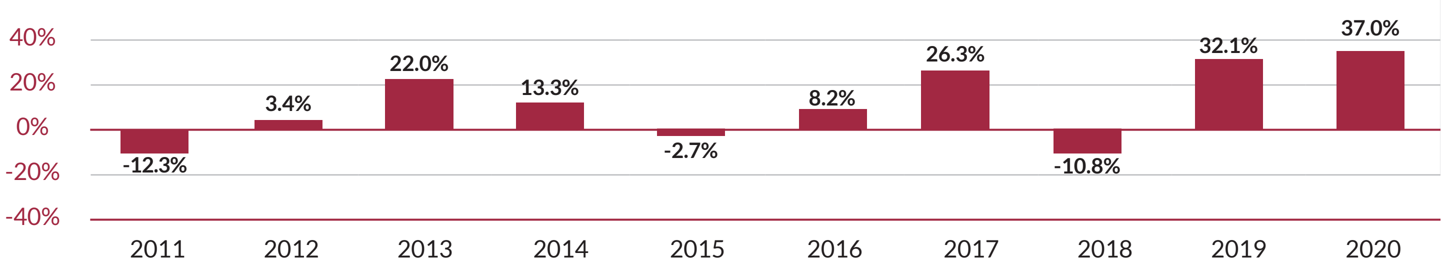
Year-by-Year Returns

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	38.1%	17.3%	18.3%	10.7%
Canadian General Investments, Limited – Share Price	37.0%	17.3%	17.2%	10.4%
S&P/TSX Composite Index	5.6%	5.7%	9.3%	5.8%

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

Summary Of Investment Portfolio

As at December 31, 2020

Sector Allocation

	% of Net Asset Value*	% of Investment Portfolio
Information Technology	32.8	28.1
Industrials	26.5	22.7
Materials	19.1	16.4
Consumer Discretionary	13.3	11.4
Financials	10.9	9.4
Energy	5.0	4.3
Real Estate	4.0	3.4
Communication Services	2.5	2.1
Health Care	1.3	1.1
Cash & Cash Equivalents	0.7	0.6
Utilities	0.6	0.5

Asset Allocation

	% of Net Asset Value*	% of Investment Portfolio
Canadian Equities	90.6	77.6
Foreign Equities	25.4	21.8
Cash & Cash Equivalents	0.7	0.6

Top 25 Holdings

Issuer	Sector	% of Net Asset Value*	% of Investment Portfolio
Shopify Inc.	Information Technology	8.7	7.4
Canadian Pacific Railway Limited	Industrials	4.9	4.2
Franco-Nevada Corporation	Materials	4.4	3.8
Lightspeed POS Inc.	Information Technology	4.0	3.5
NVIDIA Corporation	Information Technology	4.0	3.4
First Quantum Minerals Ltd.	Materials	3.9	3.4
Amazon.com, Inc.	Consumer Discretionary	3.9	3.4
Mastercard Incorporated	Information Technology	3.4	2.9
Apple Inc.	Information Technology	3.4	2.9
Square, Inc.	Information Technology	3.2	2.7
The Descartes Systems Group Inc.	Information Technology	2.9	2.4
Xebec Adsorption Inc.	Industrials	2.8	2.4
WSP Global Inc.	Industrials	2.7	2.3
Bank Of Montreal	Financials	2.6	2.2
Royal Bank Of Canada	Financials	2.5	2.1
FirstService Corporation	Real Estate	2.4	2.1
Norbord Inc.	Materials	2.4	2.1
TFI International Inc.	Industrials	2.2	1.9
Ballard Power Systems Inc.	Industrials	2.1	1.8
Air Canada	Industrials	2.0	1.7
SiteOne Landscape Supply, Inc.	Industrials	1.9	1.7
BRP Inc.	Consumer Discretionary	1.9	1.6
Dollarama Inc.	Consumer Discretionary	1.8	1.6
Open Text Corporation	Information Technology	1.8	1.6
Toronto-Dominion Bank	Financials	1.8	1.5
		77.6*	66.6

Total Net Asset Value* ($000's)	$1,043,463
Total Investment Portfolio* ($000's)	$1,217,760

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage ($173.7 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 pages 11 and 12.

Vanessa L. Morgan
Chair
February 18, 2021

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, 2020 and 2019, 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, 2020 and 2019;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 other information of the Company. The other information comprises the Management Report of Fund Performance 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

Independent Auditor’s Report (continued)

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could 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 Carly Stallwood.

PricewaterhouseCoopers LLP

Chartered Professional Accountants,
Licensed Public Accountants
Toronto, Ontario

February 18, 2021

As at December 31, 2020 and December 31, 2019
(in thousands of Canadian dollars, except per share amounts)

	Note	December 31, 2020	December 31, 2019
Assets			
Current assets			
Investments	5	1,210,828	925,946
Cash		6,932	21,041
Interest and dividends receivable		1,903	1,102
Other assets		134	141
Total assets		1,219,797	948,230
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	1,725	1,202
Accrued dividends on preference shares		123	123
Income taxes payable		773	2,528
Bank loan – current portion	6	99,239	-
Total current liabilities		101,860	3,853
Bank loan	6	-	98,563
Preference shares	7	74,474	74,265
		74,474	172,828
Total liabilities		176,334	176,681
Net assets		1,043,463	771,549
Equity			
Share capital	8	128,568	128,568
Retained earnings		914,895	642,981
Total equity		1,043,463	771,549
Net assets per common share		50.02	36.98

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	2020	2019
Income			
Net gains on investments			
Dividend income		15,027	15,142
Interest		24	104
Net realized gain on sale of investments		38,088	33,974
Net change in unrealized gain on investments		253,371	153,242
Net gains on investments		306,510	202,462
Securities lending revenue	**13**	1,316	3,292
Total net income		307,826	205,754
Expenses			
Management fees	**12**	11,128	10,082
Dividends on preference shares	**7**	2,813	2,813
Interest and financing charges	**6, 7**	2,308	2,596
Transaction costs on purchases and sales		352	330
Listing and regulatory costs		270	283
Directors' fees and expenses	**12**	245	246
Withholding taxes	**10**	163	143
Custodial fees		114	104
Investor relations		93	119
Audit fees		64	57
Security holder reporting costs		47	49
Independent review committee fees and expenses	**12**	36	28
Legal fees		32	138
Other		42	93
Total operating expenses		17,707	17,081
Investment income before income taxes		290,119	188,673
Refundable income tax expense	**9**	683	2,599
Increase in net assets from operations		289,436	186,074
Increase in net assets from operations, per common share		13.87	8.92

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, 2018	128,568	473,595	602,163
Increase in net assets from operations	-	186,074	186,074
Dividends paid to common shareholders from net investment income	-	(8,344)	(8,344)
Dividends paid to common shareholders from net realized gain on investments	-	(8,344)	(8,344)
At December 31, 2019	128,568	642,981	771,549
Increase in net assets from operations	-	289,436	289,436
Dividends paid to common shareholders from net investment income	-	(13,142)	(13,142)
Dividends paid to common shareholders from net realized gain on investments	-	(4,380)	(4,380)
At December 31, 2020	128,568	914,895	1,043,463

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	2020	2019
Cash flows from (used in) operating activities			
Increase in net assets from operations		289,436	186,074
Adjustments for:			
Amortization of financing charge	6, 7	315	300
Net realized gain on sale of investments		(38,088)	(33,974)
Net change in unrealized gain on investments		(253,371)	(153,242)
Purchases of investments		(100,555)	(127,714)
Proceeds of disposition of investments		107,132	71,137
Interest on bank loan		1,992	2,296
Dividends paid to preference shareholders		2,813	2,813
Interest and dividends receivable		(801)	(251)
Other assets		7	160
Income taxes payable	9	(1,755)	1,938
Accounts payable and accrued liabilities		242	119
Net cash flows from (used in) operating activities		7,367	(50,344)
Cash flows from (used in) financing activities			
Proceeds from bank loan (net of financing cost)		570	23,485
Interest on bank loan		(1,711)	(2,109)
Dividends paid to common shareholders		(17,522)	(16,688)
Dividends paid to preference shareholders		(2,813)	(2,813)
Net cash flows from (used in) financing activities		(21,476)	1,875
Net increase in cash		(14,109)	(48,469)
Cash at the beginning of the year		21,041	69,510
Cash at the end of the year		6,932	21,041
Items classified as operating activities			
Interest received		24	104
Dividends received, net of withholding taxes		13,882	14,890
Income taxes paid - net	9	2,438	661

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

As at December 31, 2020

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Communication Services (2.1%)		
	Diversified Telecommunication Services		
440,000	TELUS Corporation	6,057	11,092
	Wireless Telecommunication Services		
250,000	Rogers Communications Inc., B NV	3,505	14,814
	Total Communication Services	9,562	25,906
	Consumer Discretionary (11.4%)		
	Auto Components		
145,000	Magna International Inc.	5,244	13,066
	Distributors		
35,500	Pool Corporation	9,651	16,621
	Internet & Direct Marketing Retail		
9,900	Amazon.com, Inc.	8,268	41,107
	Leisure Products		
230,000	BRP Inc.	14,551	19,341
	Multiline Retail		
370,000	Dollarama Inc.	1,271	19,196
	Specialty Retail		
8,000	AutoZone, Inc.	4,864	12,091
52,000	Home Depot, Inc.	8,740	17,609
	Total Consumer Discretionary	52,589	139,031
	Energy (4.3%)		
	Energy Equipment & Services		
1,260,000	Secure Energy Services Inc.	10,396	3,100
	Oil, Gas & Consumable Fuels		
275,000	Enbridge Inc.	2,830	11,195
950,000	Parex Resources Inc.	11,085	16,644
226,000	TC Energy Corporation	6,260	11,695
220,000	Tourmaline Oil Corp.	7,446	3,775
1,263,661	Whitecap Resources Inc.	11,827	6,141
	Total Energy	49,844	52,550
	Health Care (1.1%)		
	Pharmaceuticals		
420,000	Canopy Growth Corporation	5,999	13,154
	Total Health Care	5,999	13,154

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Financials (9.4%)		
	Banks		
275,000	Bank of Montreal	10,640	26,614
245,000	Royal Bank of Canada	10,190	25,625
260,000	Toronto-Dominion Bank	5,599	18,699
	Capital Markets		
160,000	Brookfield Asset Management Inc., A LV	7,268	8,419
76,900	Economic Investment Trust Ltd.	3,851	8,383
	Consumer Finance		
160,000	goeasy Ltd.	13,764	15,464
	Thrifts & Mortgage Finance		
254,500	Genworth MI Canada Inc.	5,141	11,048
	Total Financials	56,453	114,252
	Industrials (22.7%)		
	Air Freight & Logistics		
55,000	Cargojet, Inc.	9,828	11,816
	Airlines		
920,000	Air Canada	4,739	20,948
	Commercial Services & Supplies		
65,000	Boyd Group Income Fund	13,064	14,271
100,000	Waste Connections, Inc.	11,183	13,052
	Construction & Engineering		
235,000	WSP Global Inc.	10,389	28,339
	Electrical Equipment		
725,000	Ballard Power Systems Inc.	15,253	21,590
	Industrial Conglomerates		
21,000	Roper Technologies, Inc.	10,060	11,542
	Machinery		
2,200,000	Westport Fuel Systems Inc.	13,135	14,894
3,020,000	Xebec Adsorption Inc.	13,153	27,180
200,000	Xebec Adsorption Inc., Subscription Receipts	1,160	1,800
	Marine		
332,000	Algoma Central Corporation	2,555	4,621
	Road & Rail		
90,000	Canadian National Railway Company	10,947	12,595
115,000	Canadian Pacific Railway Limited	6,352	50,776
350,000	TFI International Inc.	5,029	22,936
	Trading Companies & Distributors		
100,000	SiteOne Landscape Supply, Inc.	8,233	20,224
	Total Industrials	135,080	276,584

As at December 31, 2020

Number of Shares	Investment	Cost (in thousands of dollars)	Fair Value (in thousands of dollars)
	Information Technology (28.1%)		
	IT Services		
78,000	Mastercard Incorporated, A	5,467	35,495
63,000	Shopify Inc.	3,332	90,551
120,000	Square, Inc.	10,613	33,296
	Semiconductors & Semiconductor Equipment		
63,000	NVIDIA Corporation	4,440	41,942
	Software		
9,000	Constellation Software Inc.	11,599	14,876
400,000	The Descartes Systems Group Inc.	10,317	29,780
470,000	Lightspeed POS Inc.	9,858	42,225
330,000	Open Text Corporation	4,916	19,087
16,738	Topicus.com Inc.	0	0
	Technology Hardware, Storage & Peripherals		
208,000	Apple Inc.	1,971	35,187
	Total Information Technology	62,513	342,439
	Materials (16.4%)		
	Chemicals		
275,000	Methanex Corporation	7,109	16,085
	Containers and Packaging		
240,000	CCL Industries Inc., B NV	6,628	13,870
	Metals & Mining		
1,800,000	First Quantum Minerals Ltd.	11,566	41,130
290,000	Franco-Nevada Corporation	13,258	46,284
2,000,000	Hudbay Minerals Inc.	11,199	17,820
1,200,000	Lundin Mining Corporation	8,182	13,560
410,000	Teck Resources Limited, B SV	12,327	9,471
	Paper & Forest Products		
455,000	Norbord Inc.	13,294	25,007
200,000	West Fraser Timber Co. Ltd.	13,397	16,356
	Total Materials	96,960	199,583

Number of Shares	Investment	Cost (in thousands of dollars)	Fair Value (in thousands of dollars)
	Real Estate (3.4%)		
	Real Estate Management & Development		
145,000	FirstService Corporation	20,352	25,262
4,000,000	StorageVault Canada Inc.	10,600	16,160
	Total Real Estate	30,952	41,422
	Utilities (0.5%)		
	Multi-Utilities		
190,000	Canadian Utilities Limited, A NV	2,140	5,907
	Total Utilities	2,140	5,907
	Transaction costs	(887)	-
	Total investments (99.4%)	501,205	1,210,828
	Cash (0.6%)		6,932
	Investment Portfolio (100.0%)		1,217,760

LV: limited voting

NV: non-voting

SV: subordinate voting

For the years ended December 31, 2020 and 2019

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 primarily 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, 2020 was $34.81.

These financial statements were authorized for issue by the Board of Directors on February 18, 2021.

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 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. The Company measures securities at fair value through profit or loss (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 FVTPL.

All other financial assets and liabilities are classified as amortized cost or financial liabilities, as applicable, and are 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), 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 Summary of Significant Accounting Policies (Continued)

3.2 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.

3.3 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.

3.4 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.

3.5 Cash

Cash is comprised of demand deposits with reputable financial institutions.

3.6 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, or the right for the Company to redeem, 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.

3.7 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 (decrease) in net assets from operations by the weighted-average number of common shares outstanding during the period.

3.8 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, not taxable.

3 Summary of Significant Accounting Policies (Continued)

3.9 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, 2020 and December 31, 2019, 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). Market prices and the fair value of investments in the Company's portfolio fluctuate on a daily basis as a result of changes in interest rates, economic conditions, market and company news, political conditions, natural disasters, and public health emergencies, including an epidemic or pandemic. 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 dividends receivable and other assets represents the maximum credit risk exposure as at December 31, 2020 and December 31, 2019. As at December 31, 2020 and December 31, 2019, the Company had no investments in debt instruments.

Credit risk related to cash is considered low as it is held at AA-rated Canadian banks (consistent with prior year). 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).

5 Financial Risk Management (Continued)

Liquidity risk

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

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 $100 million, non-revolving, one-year bank facility. The bank facility has an evergreen feature, which allowed the Company to continue use of the facility indefinitely (beyond the initial one-year term), provided the bank had not given the Company one-year's notice of terminating the facility. On May 12, 2020, the Company received notice from the lender that the facility was being converted into a fixed-term facility with a maturity date of May 12, 2021. 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 the covenant during the years ended December 31, 2020 and December 31, 2019. 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 prospectus) exceeds 2.5 times. At December 31, 2020 the ratio was 7.0 times (December 31, 2019 – 5.4 times). As at December 31, 2020, the combined leverage represented 16.8% of CGI's net assets (December 31, 2019 – 22.7%), while the bank loan represented 9.6% of CGI's net assets (December 31, 2019 – 13.0%).

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, 2020 or December 31, 2019.

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, 2020, all financial liabilities of the Company, except for the Class A preference shares, Series 4, fall due within twelve months. As at December 31, 2019, 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 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, 2020 and December 31, 2019, the Company had no investments in debt instruments.

The Company's most significant financial liabilities are its Class A preference shares and bank loan.

The Company's Class A preference shares outstanding have a fixed coupon 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, will be subject to the prevailing interest rate environment at that time.

With respect to the Company's bank loan, interest rates on these borrowings are short-term. For the year ended December 31, 2020, a 1% increase or decrease in the interest rate, with all other variables held constant, would have resulted in the interest and financing charges increasing or decreasing, respectively, by approximately $993,000.

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, 2020, the Company`s investment portfolio had a 21.8% (December 31, 2019 – 20.8%) weighting in U.S. dollars. As at December 31, 2020, 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 $13,256,000 or approximately 1.3% (December 31, 2019 – $9,845,000 or approximately 1.3%).

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

5 Financial Risk Management (Continued)

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.

As at December 31, 2020, 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 $60,541,000 or approximately 5.8% (December 31, 2019 – $46,297,000 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 by sector in the investment portfolio:

Industry Sector	December 31, 2020	December 31, 2019
Information Technology	28.1%	22.9%
Industrials	22.7%	19.0%
Materials	16.4%	14.4%
Consumer Discretionary	11.4%	14.8%
Financials	9.4%	10.0%
Energy	4.3%	8.5%
Real Estate	3.4%	2.8%
Communication Services	2.1%	2.9%
Health Care	1.1%	1.7%
Cash	0.6%	2.2%
Utilities	0.5%	0.8%
	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 prospectus) exceeds 2.5 times. All common share dividend payments made in 2020 and 2019 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, 2020 and December 31, 2019.

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, 2020				
Financial assets at FVTPL:				
Investments	1,210,828	-	-	1,210,828
As at December 31, 2019				
Financial assets at FVTPL:				
Investments	925,946	-	-	925,946

During the year ended December 31, 2020 an investment with a fair value of $1,360,000, was transferred from Level 2 to Level 1 following the listing and commencement of trading for those securities. During the year ended December 31, 2019, 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 5, 2019, the Company entered into an amended and restated credit agreement with a Canadian chartered bank for a $100.0 million one-year non-revolving term credit facility. $93,000 of debt-issuance costs incurred on the facility has been capitalized and is being amortized (December 31, 2019 – $133,000). Amounts may be borrowed under this facility through prime-rate loans, which bear interest at the greater of the bank's prime rate and the Canadian Deposit Offered Rate (CDOR) plus 1.00% per annum, or bankers' acceptances, which bear interest at CDOR plus 0.75% per annum. Accrued interest as of December 31, 2020 amounts to $469,000 (December 31, 2019 – $187,000). The amended and restated credit facility has an evergreen feature, which allowed the Company to continue use of the facility indefinitely (beyond the initial one-year term), provided the bank had not given the Company one-year's notice of terminating the facility. On May 12, 2020, the Company received notice from the lender that the facility was being converted into a fixed-term facility with a maturity date of May 12, 2021.

The credit agreement had replaced an agreement for a $75.0 million non-revolving, three-year fixed-rate facility that commenced on June 9, 2016 and was scheduled to mature on June 6, 2019, which bore interest at 2.28% per annum. Both facilities are/were 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, 2020 and December 31, 2019.

Bank loan consists of the following:

(in thousands of dollars)	December 31, 2020	December 31, 2019
Bankers' acceptances, maturing March 4, 2021	99,281	-
Bankers' acceptances, maturing June 5, 2020	-	98,618
Less: Unamortized debt issue costs	42	55
	99,239	98,563

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, 2020 Number of shares	December 31, 2019 Number of shares	Stated amount per share $	Cumulative annual dividend rate %	Date of issue	December 31, 2020 Amount $ (In thousands)	December 31, 2019 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 $1,352,000 (December 31, 2019 – $1,143,000))						526	735
						74,474	74,265

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

	$25.50	$25.25	$25.00
Series 4	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, 2020, the Company declared a quarterly dividend of $0.23438 per share payable on March 15, 2021 to Series 4 shareholders of record at the close of business on February 26, 2021.

8 Share Capital

Common Shares

The Company is authorized to issue an unlimited number of common shares. As at December 31, 2020, there are 20,861,141 (December 31, 2019 – 20,861,141) common shares issued and outstanding with no par value.

Subsequent to December 31, 2020, the Company declared a quarterly dividend of $0.22 per share payable on March 15, 2021 to common shareholders of record at the close of business on February 26, 2021.

9 Income Taxes

As at December 31, 2020, the Company had federal refundable capital gains taxes on hand of approximately $2,995,000 (December 31, 2019 – $1,755,000), which are refundable on payment of capital gains dividends of approximately $21.3 million (December 31, 2019 – $12.5 million) and Ontario refundable capital gains taxes on hand of approximately $1,947,000 (December 31, 2019 – $1,371,000), which are refundable on payment of capital gains dividends of approximately $33.9 million (December 31, 2019 – $23.8 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 $1,287,000 of refundable dividend tax on hand as at December 31, 2020 (December 31, 2019 – $2,436,000).

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

(in thousands of dollars)	2020	2019
Provision for income taxes on investment income before income taxes		
Provision for income taxes based on combined Canadian federal and provincial income tax rate of 39.5%	114,598	74,526
Increase (decrease) in income taxes resulting from:		
Dividends from taxable Canadian companies	(5,506)	(5,604)
Dividends on preference shares	1,111	1,111
Net change in unrealized gain	(100,082)	(60,531)
Non-taxable portion of net realized gain on sale of investments	(7,522)	(6,710)
Increase (decrease) in refundable dividend tax on hand	(1,149)	1,120
Differences arising from use of different cost bases for income tax and accounting purposes and other items	98	335
Income taxes recoverable on dividends from net realized gains on investments	(865)	(1,648)
Refundable income tax expense	683	2,599

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, 2020, the average withholding tax rate paid by the Company was 15.0% (December 31, 2019 – 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, 2020			
Cash	–	6,932	6,932
Investments	1,210,828	–	1,210,828
Interest and dividends receivable	–	1,903	1,903
	1,210,828	8,835	1,219,663
December 31, 2019			
Cash	–	21,041	21,041
Investments	925,946	–	925,946
Interest and dividends receivable	–	1,102	1,102
	925,946	22,143	948,089

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, 2020, $11,002,000 (2019 – $10,003,000) was paid to the Manager with $1,148,000 accrued and included in accounts payable and accrued liabilities as at December 31, 2020 (December 31, 2019 – $893,000).

Dividends

As a result of its ownership position in the Company, during the year ended December 31, 2020, Third Canadian received dividends from net investment income of $4,807,000 (2019 – $3,052,000) and dividends from net realized gain on investments of $1,602,000 (2019 – $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, 2020, the independent directors of the Company received directors' fees aggregating $233,000 (2019 – $228,000) from the Company. No other compensation was paid or is payable to the directors of the Company for the year ended December 31, 2020, except for compensation paid by the Company in respect of such persons acting as members of the Independent Review Committee for the Company, aggregating $35,000 (2019 – $27,000).

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, 2020, the Company had loaned securities with a fair value of $81,874,000 (December 31, 2019 – $52,940,000) and the custodian held collateral of $84,029,000 (December 31, 2019 – $54,513,000). This collateral is not reflected in the statements of financial position and consisted of the following:

	December 31, 2020	December 31, 2019
Securities lending collateral		
Federal government debt securities	51.5%	15.0%
Provincial government debt securities	29.5%	62.7%
U.S. government debt securities	17.5%	22.3%
Foreign government debt securities	1.5%	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, 2020		December 31, 2019	
Gross securities lending earnings	2,091	100.0%	5,506	100.0%
Fees	(712)	(34.1%)	(2,205)	(40.0%)
Withholding taxes	(63)	(3.0%)	(9)	(0.2%)
Net securities lending earnings	1,316	62.9%	3,292	59.8%

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Marcia Lewis Brown
Board Director

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

AUDIT COMMITTEE

James F. Billett (Chair)
A Michelle Lally
R. Neil Raymond

CORPORATE GOVERNANCE COMMITTEE

Marcia Lewis Brown
Jonathan A. Morgan
R. Neil Raymond (Chair)

INDEPENDENT DIRECTORS COMMITTEE

James F. Billett
Marcia Lewis Brown
A. Michelle Lally (Chair)
R. Neil Raymond

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

OFFICE OF THE COMPANY

10 Toronto Street
Toronto, Ontario, Canada M5C 2B7
Telephone: (416) 366-2931
Toll Free: 1-866-443-6097
Fax: (416) 366-2729
e-mail: cgifund@mmainvestments.com
website: www.canadiangeneralinvestments.ca

MANAGER

Morgan Meighen & Associates Limited
Toronto

AUDITOR

PricewaterhouseCoopers LLP
Toronto

INDEPENDENT REVIEW COMMITTEE

James F. Billett
Marcia Lewis Brown
A. Michelle Lally
R. Neil Raymond (Chair)

CANADIAN REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
100 University Avenue, 8th Floor
Toronto, Ontario, Canada M5J 2Y1

Telephone:
Canada & U.S.: 1-800-564-6253
Overseas: 1-514-982-7555
Fax:
Canada & U.S.: 1-888-453-0330
Overseas: 1-416-263-9394

website: www.computershare.com/investor

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Computershare Investor Services PLC
P.O. Box 82
The Pavilions, Bridgwater Road
Bristol, BS99 6ZY United Kingdom
Telephone: +44 (0) 370 702 0003
Fax: +44 (0) 370 703 6101
website: www.computershare.com/investor

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), Thursday, April 22, 2021 solely as a virtual meeting by way of live webcast at https://web.lumiagm.com/471492679. Information concerning how registered shareholders and duly appointed proxyholders may attend, participate and vote at the Meeting, and guests may attend the Meeting, can be found in the Management Information Circular dated February 26, 2021 which is available on the Company's website at www.canadiangeneralinvestments.ca or SEDAR at www.sedar.com.

Managed by:

MORGAN MEIGHEN & ASSOCIATES
Investment Management

CANADIAN GENERAL INVESTMENTS, LIMITED

10 Toronto Street, Toronto, Ontario, Canada M5C 2B7
Telephone: (416) 366-2931 Toll Free: 1-866-443-6097 Fax: (416) 366-2729
e-mail: cgifund@mmainvestments.com
website: www.canadiangeneralinvestments.ca