2015 INTERIM REPORT

CGI
CANADIAN GENERAL INVESTMENTS, LIMITED

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

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

RESPONSIBILITY STATEMENT

In accordance with the Disclosure and Transparency Rules (DTRs) 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 interim Management Report of Fund Performance includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

iii. the interim Management Report of Fund Performance includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties transactions and changes therein).

The financial statements and Management Report of Fund Performance were approved by the Board of Directors on July 29, 2015.

Vanessa L. Morgan
Chairman

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 Management Report of Fund Performance in the Company's most recent Annual Report to Shareholders.

The Company is an investment fund, and as such, this Interim 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.

Management Report
of Fund Performance

This interim management report of fund performance contains financial highlights and should be read in conjunction with the interim financial report of the Company that follows this report. You can get a copy of the Company's annual financial statements at your request, and 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 or SEDAR at www.sedar.com.

Securityholders may also contact the Company using one of these methods to request a copy of the Company's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

RESULTS OF OPERATIONS

Performance

Canadian equity markets, while not as robust as their American counterparts in the last few years, have performed very well in the post-2008 recovery period and now mirror the same concerns that presently affect the U.S. markets. In addition, investors in Canada have also had to deal with ongoing stress in its comparatively influential resource areas. Investors have had to take a cautious approach while commodity pricing and demand are held in check.

All North American equity markets stalled in the first half of 2015, as the pace of global economic recovery ranged from slow to uncertain. The lack of pick-up suggests that markets may have temporarily over-reached, pricing in too much optimism near term. This is particularly evident in the major United States indices which have experienced multi-year increases and have recently approached or exceeded their all-time highs.

Here in Canada, although the benchmark S&P/TSX Composite Index (S&P/TSX) had a negative price return, an offsetting dividend yield combined to create a slim, but positive 0.9% total return for the six months ending June 30, 2015. However, Canadian General Investments, Limited (CGI or the Company) was able to meet the challenges and outperform its benchmark, posting a net asset value per share (NAV) return, including reinvestment of dividends, of 3.5%. CGI's net asset value at June 30, 2015 was $578,229,000, representing a 2.5% increase from $564,382,000 at the end of 2014. CGI's NAV at June 30, 2015 was $27.72, up from $27.05 at year end 2014.

The table below illustrates the weightings of the five largest sectors in CGI's portfolio at June 30, 2015, compared with year end 2014, 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 June 30, 2015 the portfolio was overweight Consumer Discretionary, Industrials and Materials, and underweight Financials and Energy, as compared to the sector weightings in the S&P/TSX.

SECTOR	CGI June 30, 2015	CGI December 31, 2014	S&P/TSX June 30, 2015	S&P/TSX December 31, 2014
Financials	22.3%	23.5%	35.0%	35.7%
Consumer Discretionary	18.4%	16.7%	6.8%	6.4%
Energy	15.2%	16.7%	20.4%	22.0%
Industrials	15.1%	16.4%	7.8%	8.7%
Materials	14.1%	11.1%	10.8%	10.6%

The 10 Canadian sectors were split evenly in terms of positive/negative sector performance. The leading gainer by a wide margin was Health Care, which is dominated by Valeant Pharmaceuticals International Inc. and Catamaran Corporation. Longer-term followers of CGI will recognize the latter of these names as being a former number 1 holding and top performer for the Company. In spite of taking substantial gains over the years, the portion that remained was still one of CGI's best and posted a 26.9% return in the six months. It is likely that Catamaran's work is done in the portfolio as it is the target of a takeover bid expected to close in the third quarter. It will provide a fitting close to a hugely successful, long-term investment with an expected market price of more than 11 times its cost.

Sectors clustered at the low end of performance, ranging from 6-9% in losses were the Industrials, Energy and Utilities groups. Energy had the most negative influence on the benchmark's total return due to its substantial 20% plus weighting within the S&P/TSX. In spite of some improvement in the WTI oil price during the period, expectations remained uncertain as to a sustainable oil price recovery and downward pressure continued on energy related equities. CGI has been underweight the sector for some years, but Energy still represents a meaningful 15.2% presence in the Company's portfolio. A loss was realized in RMP Energy Inc., and although eliminated in the first quarter was still down 27.9%. Some were punished less – large caps like Suncor Energy Inc. (-5.3%) and the traditionally defensive TransCanada Corporation (-9.2%). Some smaller names in the portfolio were actually strong performers – Raging River Exploration Inc. and Whitecap Resources Inc., both with excellent returns in excess of 18% for the period and helped to mitigate an otherwise negative outcome for the portfolio in this sector.

That reliance on individual performances rather than general trends can sometimes make a difference in flat markets. CGI did have more success in that regard. The big Canadian bank stocks settled back on concerns about their exposure and the general effects of oil's dramatic decline whether through direct exposure on their loan books or indirectly through fears of contagion to the rest of the economy. The portfolio is substantially underweight this group with Bank of Montreal (-8.0%), Royal Bank of Canada (-2.9%) and Toronto-Dominion Bank (-2.7%), which absorbed moderate losses. Positively, in the Financials sector, Element Financial Corporation, which is a large, top ten holding, was a big winner for CGI, posting a very strong 34.9% return. Similarly, in the Transportation group, a retracement across North American stocks affected the Canadian Pacific Railway Limited holding but, as an offset, Air Canada bucked this trend and continued to move ahead with double-digit gains. The number 1 holding, Dollarama Inc., the retail chain, was once again a top performer in the portfolio. Exhibiting a powerful combination of great financial stewardship and growth, it powered ahead with another substantial gain of 27.3% in the period and hopefully is well on its way to replicating the type of returns that other stock-picking successes like the aforementioned Catamaran Inc. have provided for CGI and its shareholders in the past.

Dividend and interest income was $6,167,000 for the six months, down 14.6% from 2014 primarily as a result of a decreased focus on dividend-paying portfolio holdings. Management fees and dividends on preference shares are the largest expenses of the Company. Management fees increased by 2.6% to $4,134,000 as a result of higher average monthly portfolio values compared to 2014. The dividends on its preference shares were unchanged.

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 six months ended June 30, 2015, there was a net receivable related to tax of $1,513,000, compared to a net payable of $2,435,000 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 June 30, 2015, the Company had refundable capital gains tax on hand of approximately $246,000 (June 30, 2014 - $5,452,000), which is refundable on payment of capital gains dividends of approximately $4.3 million (June 30, 2014 - $32.0 million). The Company also has refundable dividend tax on hand of approximately $904,000 as at June 30, 2015 (June 30, 2014 – $1,002,000).

RECENT DEVELOPMENTS

Outlook

One of the major influences which has unsettled markets has been the recent escalation of difficulties in negotiating and securing a resolution to the Greek debt situation. This issue has dominated headlines and disrupted bond, currency and equity markets. It has caused great uncertainty as to possible consequences and their impact. As timelines get extended and solutions stay elusive, frustrated investors are likely to remain disconnected until the situation is resolved.

Other significant unsettling issues prevail. In China, a slowing economy and mounting problems in the domestic banking, housing and equity markets might even interrupt its image as a special global powerhouse. As we have seen in the past, the government has intervened quickly with corrective initiatives but it is yet to be determined if they will be effective. A material slowdown in China could have widespread repercussions and would reduce the already sluggish global GDP growth rate.

Another issue that may have a more direct and immediate consequence for the Canadian equity market is the growing probability that the U.S. Federal Reserve (Fed) will embark on its stated initiative to begin raising interest rates. Even though great effort has been expended by the Fed to highlight and explain that the appropriate starting point and the pace of interest rate increases will be data dependant, markets might not react well initially and will need time to digest a new upward trend. As the probability of this happening in 2015 appears to have increased, markets will remain constrained while waiting for these events.

Global equity markets entered a phase of consolidation in the first half of 2015 and, if conditions persist and investor sentiment remains shaky, it is highly probable that this may extend well in to the second half of the year. Although this could delay market improvements, the Canadian market does have potential leverage toward positive change.

Related Party Transactions

The Company is managed by Morgan Meighen & Associates Limited (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, 2014 – 37%) ownership interest in the Company. As a result of its ownership position in the Company, Third Canadian received dividends from net investment income of $2,136,000 (2014 - $1,831,000).

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 six months ended June 30, 2015 and the prior five financial years.

The Company's Net Assets per Share (1)

	Six months ended June 30, 2015	2014	2013	2012	2011	2010
Net assets - beginning of period	$27.05	$25.65	$21.87	$20.37	$23.97	$19.17
Increase (decrease) from operations						
Total revenue	0.30	0.65	0.71	0.68	0.59	0.60
Total expenses (excluding common share dividends)	(0.37)	(0.74)	(0.71)	(0.67)	(0.68)	(0.66)
Realized gains (losses) for the period	(0.19)	1.20	1.48	0.77	0.74	0.56
Unrealized gains (losses) for the period	1.14	1.05	3.13	1.38	(3.55)	5.27
Refundable income tax (expense) recovery	0.07	-	(0.07)	-	-	-
Total increase (decrease) from operations(2)	0.95	2.16	4.54	2.16	(2.90)	5.77
Dividends paid to common shareholders						
Taxable dividends	(0.28)	(0.24)	(0.26)	(0.24)	(0.24)	(0.24)
Capital gains dividends	-	(0.52)	(0.50)	(0.52)	(0.56)	(0.76)
Total dividends(3)	(0.28)	(0.76)	(0.76)	(0.76)	(0.80)	(1.00)
Income taxes recoverable on dividends from net realized gain on investments	-	-	-	0.10	0.11	0.15
Net increase in refundable dividend tax on hand	-	-	-	(0.03)	-	-
Increase in refundable income taxes on net realized gain on investments	-	-	-	(0.04)	(0.01)	(0.12)
	-	-	-	0.03	0.10	0.03
Net assets – end of period(4)	$27.72	$27.05	$25.65	$21.80	$20.37	$23.97

(1) This information is derived from the Company's audited annual financial statements and unaudited interim financial statements. For financial years beginning before January 1, 2013, the financial statements of the Company were prepared in accordance with Canadian generally accepted accounting principles applicable to public enterprises (Previous Canadian GAAP), whereas for financial periods beginning January 1, 2013, the financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS). The difference is due to valuation differences between the two sets of accounting principles for investments that trade in an active market. Previous Canadian GAAP generally required the use of bid price to establish fair value, while IFRS requires fair value to be a price within the bid-ask spread.

(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.

(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

	Six months ended June 30, 2015	2014	2013	2012	2011	2010
Total net asset value (000's) (1)	$578,229	$564,382	$535,055	$456,149	$426,413	$501,548
Number of shares outstanding (1)	20,861,141	20,861,141	20,861,141	20,861,141	20,861,141	20,861,141
Management expense ratio (2) (3)	2.60%	2.63%	2.95%	3.08%	3.02%	3.23%
Trading expense ratio (4)	0.06%	0.07%	0.12%	0.08%	0.12%	0.18%
Portfolio turnover rate (5)	6.88%	13.11%	23.80%	13.06%	22.32%	29.51%
Net asset value per share (1)	$27.72	$27.05	$25.65	$21.87	$20.44	$24.04
Closing market price (1)	$21.00	$20.05	$18.40	$15.75	$16.00	$19.18

(1) This information is provided as at the end of the financial period 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: 2015 (to June 30, annualized) – 1.60%, 2014 - 1.58%, 2013 - 1.66%, 2012 - 1.66%, 2011 - 1.63%, 2010 - 1.70%.

(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.

(6) Ratios for the six months ended June 30, 2015 have been annualized.

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.

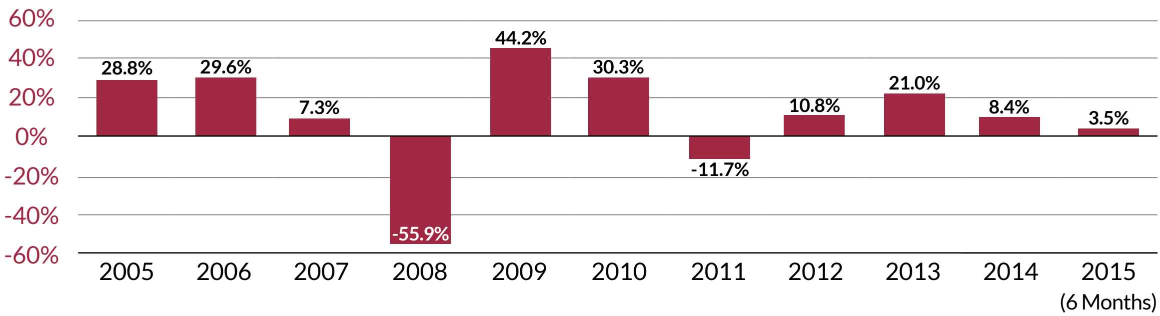
PAST PERFORMANCE

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.

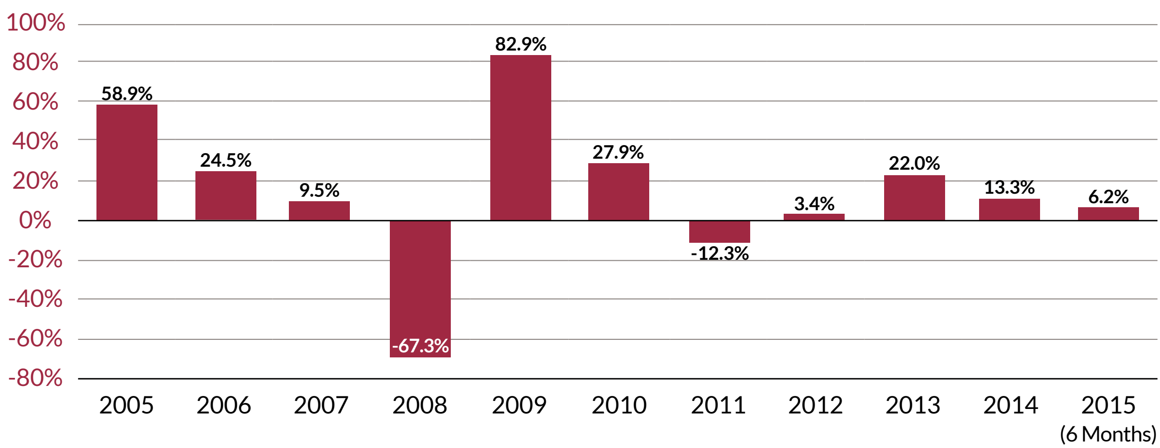
YEAR-BY-YEAR RETURNS

The following bar charts show the Company's performance for each of the years shown, as well as the interim performance for the six months ended June 30, 2015, 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 financial period.

CGI's net asset value per share return, with dividends reinvested at net asset value per share.



CGI's share price return, with dividends reinvested at the market price.



SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2015

Top 25 Holdings

Issuer	Sector	% of Net Asset Value*	% of Investment Portfolio
Dollarama Inc.	Consumer Discretionary	9.2	7.3
Enbridge Inc.	Energy	5.1	4.0
Canadian Pacific Railway Limited	Industrials	4.5	3.6
Element Financial Corporation	Financials	4.3	3.5
West Fraser Timber Co. Ltd.	Materials	4.0	3.2
Air Canada	Industrials	3.9	3.1
Bank of Montreal	Financials	3.5	2.8
Methanex Corporation	Materials	3.3	2.6
Gildan Activewear Inc.	Consumer Discretionary	3.3	2.6
Magna International Inc.	Consumer Discretionary	3.3	2.6
Franco-Nevada Corporation	Materials	3.2	2.6
Royal Bank of Canada	Financials	3.2	2.6
IMAX Corporation	Consumer Discretionary	3.2	2.5
Brookfield Canada Office Properties	Financials	2.9	2.3
Apple Inc.	Information Technology	2.7	2.1
Home Capital Group Inc.	Financials	2.6	2.1
Raging River Exploration Inc.	Energy	2.5	2.0
CCL Industries Inc.	Materials	2.5	2.0
Open Text Corporation	Information Technology	2.5	2.0
AutoZone, Inc.	Consumer Discretionary	2.4	1.9
The Toronto-Dominion Bank	Financials	2.4	1.9
Stantec Inc.	Industrials	2.3	1.8
Alimentation Couche-Tard Inc.	Consumer Staples	2.2	1.8
MasterCard, Inc.	Financials	2.1	1.7
TransCanada Corporation	Energy	2.0	1.6
		83.1 *	66.2
Total Net Asset Value* ($000's)			$578,229
Total Investment Portfolio* ($000's)			$725,164

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage in the form of preference shares ($148 million), other assets and other liabilities.

SUMMARY OF INVESTMENT PORTFOLIO – CONTINUED

As at June 30, 2015

Sector Allocation	% of Net Asset Value*	% of Investment Portfolio
Financials	28.0	22.3
Consumer Discretionary	23.0	18.4
Energy	19.1	15.2
Industrials	18.9	15.1
Materials	17.7	14.1
Information Technology	7.5	6.0
Health Care	3.6	2.9
Telecommunication Services	3.6	2.8
Consumer Staples	2.2	1.8
Utilities	1.2	0.9
Cash & Cash Equivalents	0.6	0.5

Asset Allocation	% of Net Asset Value*	% of Investment Portfolio
Canadian Equities	109.4	87.2
Foreign Equities	15.4	12.3
Cash & Cash Equivalents	0.6	0.5

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage in the form of preference shares ($148 million), 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.

Interim Financial Report

June 30, 2015

The auditor of the Company has not reviewed this interim financial report.

Shareholders of the Company appoint an independent auditor to audit the Company's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Company's interim financial report, this must be disclosed in an accompanying notice.

Statements of Financial Position

As at June 30, 2015 (Unaudited) and December 31, 2014
(in thousands of Canadian dollars, except per share amounts)

	Note	June 30, 2015	December 31, 2014
Assets			
Current assets			
Investments	5	721,883	701,815
Cash		3,281	11,133
Interest and dividends receivable		839	834
HST receivable		139	139
Income taxes recoverable		1,514	-
Total assets		727,656	713,921
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		747	760
Accrued dividends on preference shares		236	252
Income taxes payable		-	160
Preference shares – current portion	7	75,000	-
Total current liabilities		75,983	1,172
Preference shares	7	73,444	148,367
Total liabilities		149,427	149,539
Net assets		578,229	564,382
Equity			
Share capital	6	128,568	128,568
Retained earnings		449,661	435,814
Total equity		578,229	564,382
Net assets per common share		27.72	27.05

The notes on pages 15-27 are an integral part of the financial statements.

Statements of Comprehensive Income

For the six months ended June 30 (Unaudited)
(in thousands of Canadian dollars, except per share amounts)

	Note	2015	2014
Income			
Net gains on investments			
Dividend income		6,025	6,801
Interest for distribution purposes		142	419
Net realized gain (loss) on sale of investments		(4,006)	22,894
Net change in unrealized gain on investments		23,735	34,024
Net gains on investments		25,896	64,138
Securities lending revenue	12	77	46
Total net income		25,973	64,184
Expenses			
Management fees	11	4,134	4,030
Dividends on preference shares	7	2,853	2,853
Transaction costs on purchases and sales		187	160
Listing and regulatory costs		171	166
Directors' fees and expenses		109	113
Interest and financing charges	7	77	73
Withholding taxes	9	54	66
Investor relations		42	67
Custodial fees		42	41
Audit fees		37	25
Legal fees		27	14
Independent review committee fees and expenses		22	10
Security holder reporting costs		11	13
Other		32	33
Total operating expenses		7,798	7,664
Investment income before income taxes		18,175	56,520
Refundable income tax expense (recovery)	8	(1,513)	2,435
Increase in net assets from operations		19,688	54,085
Increase in net assets from operations, per common share		0.94	2.59

The notes on pages 15-27 are an integral part of the financial statements.

Statements of Changes in Net Assets

For the six months ended June 30 (Unaudited)
(in thousands of Canadian dollars)

	Share Capital	Retained Earnings	Total
At December 31, 2013	128,568	406,487	535,055
Increase in net assets from operations	-	54,085	54,085
Dividends paid to common shareholders from net investment income	-	(5,006)	(5,006)
At June 30, 2014	128,568	455,566	584,134
At December 31, 2014	128,568	435,814	564,382
Increase in net assets from operations	-	19,688	19,688
Dividends paid to common shareholders from net investment income	-	(5,841)	(5,841)
At June 30, 2015	128,568	449,661	578,229

The notes on pages 15-27 are an integral part of the financial statements.

Statements of Cash Flows

For the six months ended June 30 (Unaudited)
(in thousands of Canadian dollars)

	Note	2015	2014
Cash flows from operating activities			
Increase in net assets from operations		19,688	54,085
Adjustments for:			
Amortization of financing charge	7	77	73
Net realized gain (loss) on sale of investments		4,006	(22,894)
Net change in unrealized gain on investments		(23,735)	(34,024)
Purchases of investments		(50,458)	(47,962)
Proceeds of disposition of investments		50,119	48,141
Interest and dividends receivable		(5)	218
Income taxes (recoverable) payable	8	(1,674)	1,025
Accounts payable and accrued liabilities		(13)	9
Net change in preference share dividends payable	7	(16)	(16)
Net cash flows from (used in) operating activities		(2,011)	(1,345)
Cash flows from financing activities			
Dividends paid to common shareholders		(5,841)	(5,006)
Net cash flows (used in) financing activities		(5,841)	(5,006)
Net decrease in cash		(7,852)	(6,351)
Cash at the beginning of the period		11,133	8,858
Cash at the end of the period		3,281	2,507
Items classified as operating activities			
Interest received		206	183
Dividends received, net of withholding taxes		5,917	6,923
Preference share dividends and interest paid	7	2,869	2,869
Income taxes paid, including withholding taxes - net	8	215	1,476

The notes on pages 15-27 are an integral part of the financial statements.

Schedule of Investment Portfolio

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Consumer Discretionary (18.4%)		
	Auto Components		
270,000	Magna International Inc.	9,765	18,927
	Leisure Products		
423,900	Performance Sports Group Ltd.	3,196	9,529
	Media		
365,000	IMAX Corporation	4,133	18,335
253,344	Postmedia Network Canada Corp., C	1,766	203
	Multiline Retail		
700,000	Dollarama Inc.	7,211	52,990
	Specialty Retail		
17,000	AutoZone, Inc.	10,335	14,142
	Textiles, Apparel & Luxury Goods		
460,000	Gildan Activewear Inc.	9,417	19,085
	Total Consumer Discretionary	45,823	133,211
	Consumer Staples (1.8%)		
	Food & Staples Retailing		
240,000	Alimentation Couche-Tard Inc., B SV	5,051	12,823
	Total Consumer Staples	5,051	12,823
	Energy (15.2%)		
	Oil, Gas & Consumable Fuels		
145,000	Canadian Natural Resources Limited	2,328	4,915
200,000	Crescent Point Energy Corp.	5,429	5,126
500,000	Enbridge Inc.	5,145	29,205
140,000	Marathon Petroleum Corporation	6,217	9,135
310,500	Peyto Exploration & Development Corp.	9,259	9,480
1,675,000	Raging River Exploration Inc.	7,902	14,623
140,000	Suncor Energy Inc.	5,382	4,816
1,410,000	Storm Resources Ltd.	7,768	6,697
125,000	Tourmaline Oil Corp.	4,005	4,690
226,000	TransCanada Corporation	6,260	11,472
788,661	Whitecap Resources Inc.	7,546	10,394
	Total Energy	67,241	110,553

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Financials (22.3%)		
	Capital Markets		
76,900	Economic Investment Trust Limited	3,851	7,998
	Banks		
275,000	Bank of Montreal	10,640	20,353
245,000	Royal Bank of Canada	10,190	18,713
260,000	Toronto-Dominion Bank	5,599	13,790
	Consumer Finance		
105,000	Mastercard Incorporated, A	7,360	12,244
	Diversified Financial Services		
250,000	Callidus Capital Corporation	4,545	3,488
1,272,000	Element Financial Corporation	5,902	25,122
30,000	TMX Group Limited	1,029	1,595
450,000	Tricon Capital Group Inc.	5,287	4,910
	Insurance		
7,200	E-L Financial Corporation Limited	2,640	4,720
375,000	Manulife Financial Corporation	6,510	8,703
	Real Estate Investment Trusts		
616,900	Brookfield Canada Office Properties	3,441	16,675
	Thrifts & Mortgage Finance		
254,500	Genworth MI Canada Inc.	5,141	8,348
350,000	Home Capital Group Inc.	8,687	15,148
	Total Financials	80,822	161,807
	Health Care (2.9%)		
	Health Care Providers & Services		
45,000	AmerisourceBergen Corporation	6,445	5,969
200,000	Nobilis Health Corp.	1,888	1,698
450,000	Nobilis Health Corp., restricted 11/14/2015	3,478	3,375
225,000	Nobilis Health Corp., wts 05/13/2017, unlisted, restricted	572	567
	Health Care Technology		
120,000	Catamaran Corporation	803	9,143
	Total Health Care	13,186	20,752

The notes on pages 15-27 are an integral part of the financial statements.

Schedule of Investment Portfolio

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Industrials (15.1%)		
	Airlines		
1,700,000	Air Canada	8,756	22,457
110,000	Spirit Airlines, Inc.	9,891	8,521
	Construction & Engineering		
125,000	WSP Global Inc.	5,427	4,914
	Electrical Equipment		
300,000	Lumenpulse Inc.	5,633	4,512
	Machinery		
35,000	Caterpillar Inc.	3,653	3,703
	Marine		
372,000	Algoma Central Corporation	2,863	6,395
	Professional Services		
360,000	Stantec Inc.	7,984	13,140
	Road & Rail		
130,000	Canadian Pacific Railway Limited	7,181	26,003
450,000	TransForce Inc.	6,467	11,398
	Trading Companies & Distributors		
375,000	Russel Metals Inc.	3,243	8,524
	Total Industrials	61,098	109,567
	Information Technology (6.0%)		
	Internet Software & Services		
225,000	Yahoo! Inc.	7,587	11,027
	Software		
280,000	Open Text Corporation	8,343	14,204
	Technology Hardware & Equipment		
100,000	Sierra Wireless Inc.	4,683	3,103
	Technology Hardware, Storage & Peripherals		
98,000	Apple Inc.	3,714	15,333
	Total Information Technology	24,327	43,667
	Materials (14.1%)		
	Chemicals		
275,000	Methanex Corporation	5,951	19,173
	Containers and Packaging		
95,000	CCL Industries Inc., B NV	12,605	14,554

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Materials (14.1%) continued		
	Metals & Mining		
110,000	East Asia Minerals Corporation, wts 12/15/2016, unlisted	15	1
315,000	Franco-Nevada Corporation	14,401	18,765
600,000	HudBay Minerals Inc.	6,900	6,240
120,000	Primero Mining Corp., wts 07/20/2015	222	1
300,000	Tahoe Resources Inc.	5,165	4,542
	Paper & Forest Products		
400,000	Canfor Corporation	9,694	10,880
190,000	Norbord Inc.	4,235	4,980
335,000	West Fraser Timber Co. Ltd.	16,744	22,991
	Total Materials	75,932	102,127
	Telecommunication Services (2.8%)		
	Diversified Telecommunication Services		
220,000	TELUS Corporation	6,057	9,467
	Wireless Telecommunication Services		
250,000	Rogers Communications Inc., B NV	3,505	11,075
	Total Telecommunication Services	9,562	20,542
	Utilities (0.9%)		
	Multi-Utilities		
190,000	Canadian Utilities Limited, A NV	2,140	6,834
	Total Utilities	2,140	6,834
	Transaction costs	(594)	-
	Total investments (99.5%)	384,588	721,883
	Cash (0.5%)		3,281
	Investment portfolio (100.0%)		725,164

NV: non-voting

SV: subordinate voting

The notes on pages 15-27 are an integral part of the financial statements.

Notes to the Financial Statements

1 GENERAL INFORMATION

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

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

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

The Company's common and preference shares are publicly listed and trade on the Toronto Stock Exchange (symbols CGI, CGI.PR.C, CGI.PR.D). The common shares also trade on the London Stock Exchange (symbol CGI).

These interim financial statements were authorized for issue by the Board of Directors on July 29, 2015.

2 BASIS OF PRESENTATION

Statement of compliance

The Company's interim financial statements for the six months ended June 30, 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS), including the application of International Accounting Standard 34 *Interim Financial Reporting*, and follow the same accounting policies and methods of computation as the most recent annual financial statements.

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's investments are designated as fair value through profit or loss (FVTPL). All other financial assets and liabilities are classified as loans and receivables 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.

3.2 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 income and securities lending revenue are recognized as earned.

3.4 Securities lending

Securities lent are not derecognized from 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 two series of its Class A preference shares in issue: Series 3 and Series 4. Both have priority over the common shares with respect to the payment of dividends and the return of capital and the distribution of assets in the event of liquidation. The preference shares provide investors with the right to require redemption for cash at values and dates set out in the table in note 7 and also in the event of the Company's liquidation.

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

3.7 Increase (decrease) in net assets, 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.

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 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.

3.9 Future accounting changes

The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Company is in the process of assessing the impact of IFRS 9 and has not yet determined if it will adopt the new standard early.

4 CRITICAL ACCOUNTING ESTIMATES AND 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.

Designation of financial instruments at fair value through profit and loss is the most significant judgement used by management in the preparation of these financial statements.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's main exposure to credit risk may consist of investments in debt instruments, including short-term securities, bonds, preferred shares, 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 other assets represents the maximum credit risk exposure as at June 30, 2015, as these have a short term to settlement. As at June 30, 2015 and December 31, 2014, the Company had no investments in debt instruments.

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

Credit risk with respect to the Company's securities lending program is considered minimal given the nature of the collateral, as well as the indemnification provided by the agent administering the program (note 12).

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 two series of Class A preference shares outstanding: Series 3 for $75 million with a redemption date of June 15, 2016 and Series 4 for $75 million with a redemption date of June 15, 2023. Included in the Series 3 and Series 4 preference share provisions is a restriction, which precludes payment of a common share dividend unless, after giving effect thereto, the ratio of assets to obligations (both as defined in the preference share provisions) exceeds 2.5 times. At June 30, 2015, the ratio was 4.81 times.

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. As at June 30, 2015 the total fair value of restricted securities was $3,942,000 (December 31, 2014 – nil). 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.

All financial liabilities of the Company, except for the Class A preference shares, Series 4, as at June 30, 2015 and Series 3 and Series 4 as at December 31, 2014, fall due within twelve months.

Market risk

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

Interest rate risk

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

Although the Company may invest in interest-bearing financial instruments, the substantial majority of the Company's financial assets and financial liabilities, except for the Class A preference shares, 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 June 30, 2015 and December 31, 2014, the Company had no investments in debt instruments.

The Company's two series of Class A preference shares outstanding both have fixed coupon rates. 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 an existing series, will be subject to the prevailing interest rate environment at that time.

Currency risk

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

As at June 30, 2015, the Company investment portfolio had an 11.0% (December 31, 2014 – 11.3%) weighting in foreign currencies. As at June 30, 2015, 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 $4,004,000 or approximately 0.7% (December 31, 2014 - $4,018,000 or approximately 0.7%).

Price risk

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

As at June 30, 2015, a 5% increase or decrease in market prices in the investment portfolio, excluding short-term securities, with all other variables held constant, would have resulted in the Company's net assets increasing or decreasing, respectively, by approximately $36,094,000 or approximately 6.2% (December 31, 2014 - $35,091,000 or approximately 6.2%).

Concentration risk

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

Industry sector	June 30, 2015	December 31, 2014
Financials	22.3%	23.5%
Consumer Discretionary	18.4%	16.7%
Energy	15.2%	16.7%
Industrials	15.1%	16.4%
Materials	14.1%	11.1%
Information Technology	6.0%	7.0%
Health Care	2.9%	1.0%
Telecommunication Services	2.8%	3.3%
Consumer Staples	1.8%	1.6%
Utilities	0.9%	1.1%
Cash	0.5%	1.6%
	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. 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. In particular, included in the 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 shares' provisions) exceeds 2.5 times. All common share dividend payments made in 2015 and 2014 were in compliance with this provision.

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, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information and commonly used valuation techniques.

All other financial instruments of the Company, which may include cash, receivable on securities sold or payable on securities purchased, accounts payable and accrued liabilities, accrued dividends on preference shares and preference shares are carried at amortized cost which approximates their fair value due to their short-term nature.

(in thousands of dollars)	Level 1	Level 2	Level 3	Total
As at June 30, 2015				
Financial assets at FVTPL:				
Investments	717,940	3,943	-	721,883
As at December 31, 2014				
Financial assets at FVTPL:				
Investments	701,815	-	-	701,815

During the six months ended June 30, 2015 and year ended December 31, 2014, 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 SHARE CAPITAL

Common shares

The Company is authorized to issue an unlimited number of common shares. As at June 30, 2015, there are 20,861,141 (December 31, 2014 - 20,861,141) common shares issued and outstanding with no par value.

Subsequent to June 30, 2015, the Company declared a quarterly capital gains dividend of $0.14 per share payable on September 15, 2015 to common shareholders of record at the close of business on August 31, 2015.

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	June 30, 2015 Number of shares	December 31, 2014 Number of shares	Stated amount per share $	Cumulative annual dividend rate %	Date of issue	June 30, 2015 Amount $ (In thousands)	December 31, 2014 Amount $ (In thousands)
Series 3	3,000,000	3,000,000	25.00	3.90	March 3, 2006	75,000	75,000
Series 4	3,000,000	3,000,000	25.00	3.75	May 30, 2013	75,000	75,000
						150,000	150,000
Deferred issuance costs (net of amortization of $322,000 (December 31, 2014 - $245,000))						1,556	1,633
Fair value of preference shares at amortized cost						148,444	148,367

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

	$26.00	$25.75	$25.50	$25.25	$25.00
Series 3	-	-	-	-	June 15, 2015 and thereafter (1)
Series 4	June 15, 2018 to June 14, 2019	June 15, 2019 to June 14, 2020	June 15, 2020 to June 14, 2021	June 15, 2021 to June 14, 2022	June 15, 2022 and thereafter (2)

(1) The holders may require the Company to redeem the Series 3 shares on or after June 15, 2016 for a cash price of $25.00 per share.
(2) 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 June 30, 2015, the Company declared a quarterly dividend of $0.24375 per share payable on September 15, 2015 to Series 3 shareholders of record at the close of business on August 31, 2015 and a quarterly dividend of $0.23438 per share payable on September 15, 2015 to Series 4 shareholders of record at the close of business on August 31, 2015.

8 INCOME TAXES

As at June 30, 2015, the Company had no federal refundable capital gains taxes on hand (December 31, 2014 - $197,000, which are refundable on payment of capital gains dividends of approximately $1.4 million) and Ontario refundable capital gains taxes on hand of approximately $246,000 (December 31, 2014 - $485,000), which are refundable on payment of capital gains dividends of approximately $4.3 million (December 31, 2014 - $8.4 million).

The Company is also subject to a special tax of 33-1/3% 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 $1 for each $3 of such dividends paid. The Company has refundable dividend tax on hand of approximately $905,000 as at June 30, 2015 (December 31, 2014 - $1,937,000).

The Company's refundable income tax expense (recovery) during the period is determined as follows:

(in thousands of dollars)	2015	2014
Provision for (recovery of) 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%	7,179	22,325
Increase (decrease) in income taxes resulting from:		
Dividends from taxable Canadian companies	(2,226)	(2,586)
Dividends on preference shares	1,133	1,127
Net change in unrealized gain	(9,375)	(13,439)
Non-taxable portion of net realized gains (losses)	1,101	(4,521)
Decrease in refundable dividend tax on hand	(1,032)	(385)
Differences arising from use of different cost bases for income tax and accounting purposes and other items	-	(26)
Tax losses for which no deferred income tax asset was recognized	1,677	-
Other	30	(60)
Refundable income tax expense (recovery)	(1,513)	2,435

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.

9 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 six months ended June 30, 2015, the average withholding tax rate paid by the Company was 15.0% (June 30, 2014 - 15.0%).

10 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
June 30, 2015			
Cash	-	3,281	3,281
Investments	721,883	-	721,883
Interest and dividends receivable	-	839	839
	721,883	4,120	746,003
December 31, 2014			
Cash	-	11,133	11,133
Investments	701,815	-	701,815
Interest and dividends receivable	-	834	834
	701,815	11,967	713,782

11 RELATED PARTY INFORMATION

Third Canadian General Investment Trust Limited (Third Canadian) owns, directly and indirectly through three wholly-owned subsidiaries, 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 January 1, 2006. 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 six months ended June 30, 2015 $4,122,000 (2014 - $3,983,000) was paid to the Manager and $684,000 was accrued and included in accounts payables and accrued liabilities as at June 30, 2015 (December 31, 2014 -$672,000).

Dividends

As a result of its ownership position in the Company, during the six months ended June 30, 2015, Third Canadian received dividends from net investment income of $2,136,000 (2014 - $1,831,000).

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 Corporation.

During the six months ended June 30, 2015, the independent directors of the Company received directors' fees aggregating $99,000 (2014 - $98,000) from the Company. No other compensation was paid or is payable to the directors of the Company for the six months ended June 30, 2015, except for compensation paid by the Company in respect of such persons acting as members of the Independent Review Committee for the Company, aggregating $21,000 (2014 - $10,000).

12 SECURITIES LENDING

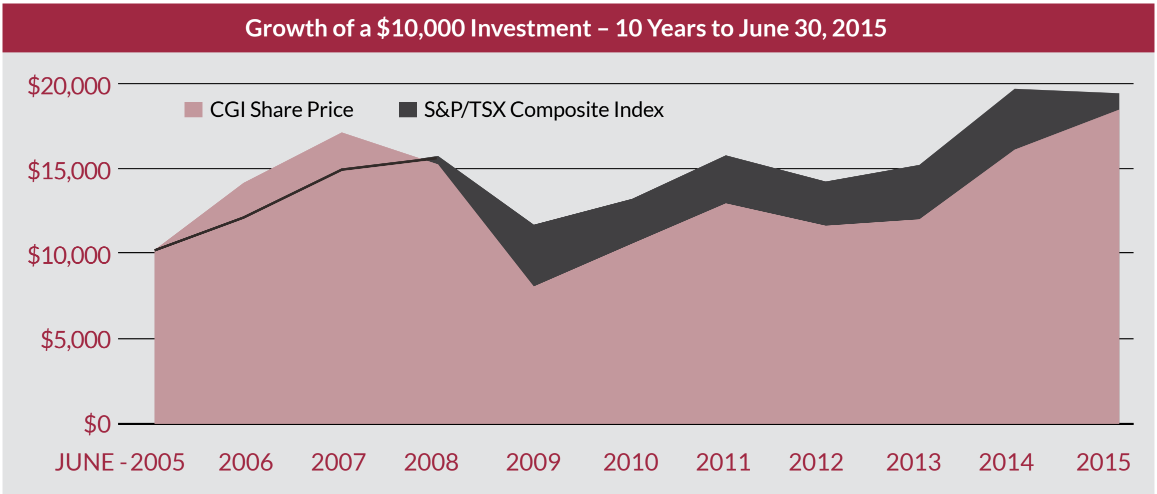
The Company participates in a securities lending program with its custodian, CIBC Mellon Trust Company. Collateral is held by the custodian as agent for the Company and generally comprises Canadian or provincial government-guaranteed securities or obligations of other governments with appropriate credit 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 June 30, 2015, the Company had loaned securities with a fair value of $72,434,000 (December 31, 2014 - $53,107,000) and the custodian held collateral of $75,936,000 (December 31, 2014 - $56,347,000). This collateral is not reflected in the statements of financial position and consisted of the following:

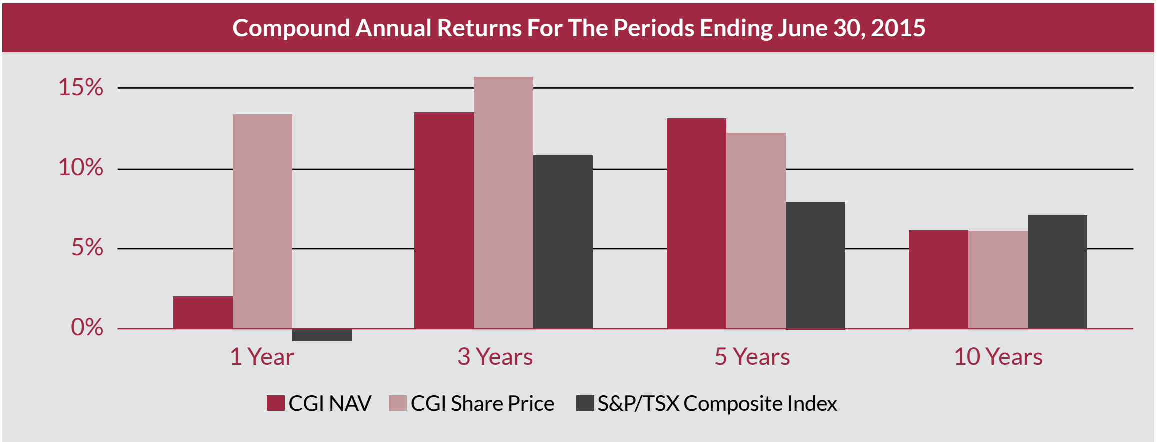
	June 30, 2015	December 31, 2014
Securities lending collateral		
Federal government debt securities	34.9%	32.9%
Provincial government debt securities	55.2%	52.0%
Equities	9.9%	15.1%
	100.0%	100.0%

The gross earnings from securities lending during the six months ended June 30, 2015 was $137,000 (2014 - $80,000) and was offset by fees of $52,000 (2014 - $30,000).

Additional **Charts**



The graph above is presented to illustrate the benefit of a long-term investment in CGI's common shares. A $10,000 investment in CGI common shares would have grown to over $18,000 over the 10-year period ended June 30, 2015. This equates to a compound annual average growth rate of 6.2%. By comparison, a $10,000 investment in the benchmark S&P/TSX Composite Index would have grown to over $19,000 or a compound average annual growth rate of 6.9%.



U.K. SHAREHOLDER INFORMATION

Panmure Gordon & Co. are the Company's official stockbrokers in the United Kingdom. They can be contacted for market-making and share trading on the London Stock Exchange. They can be reached at:

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DIVIDENDS AND WITHHOLDING TAX

CGI pays two types of dividends to common shareholders: regular (taxable) dividends and capital gains dividends. At present, for dividend payments to U.K. shareholders, regular dividends are generally subject to withholding tax of 15%, whereas capital gains dividends are not subject to any withholding tax.

Managed by:

MORGAN MEIGHEN & ASSOCIATES Investment Management

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