Focussed on Canada

CGI
CANADIAN GENERAL INVESTMENTS, LIMITED

2024 Interim Report

Canadian General Investments, Limited (CGI) is a closed-end equity fund focussed on medium- to long-term investments in primarily 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 18, 2024.

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 sedarplus.com.

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.

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 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.sedarplus.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.

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

Results of Operations

Performance

Canadian equity markets pushed higher in the first few months of 2024, a continuation of the trend that had carried them upwards from their lows established in late October 2023 and was in sync with a positive momentum trend experienced by most global developed markets. This steady rally produced a series of record highs for many markets but, after considerable runs, some of them entered a natural consolidation phase with modest pullbacks beginning in April. The few exceptions to this behavior were markets that had favourable weightings in a relatively narrow field of return generators like the United States, where technology and, in particular, a group named "The Magnificent Seven" reside. In general, most equity markets do not have sizable positioning in these areas and, like the Canadian market, took a less favourable path in the latter stages of the half year. A series of up and downs within an overriding downside bias during this period caused investor confidence and optimism to erode and a portion of the earlier gains that had been registered were given back. Despite the retracement, the S&P/TSX Composite Index (S&P/TSX) remained in positive territory and posted a reasonable 6.1% total return for the first half of 2024 and, although Canadian General Investments, Limited (CGI or the Company) followed the general pattern of movements in the market, it had a more favourable portfolio mix and generated a higher net asset value (NAV) return, with dividends reinvested, of 13.3% for the same period.

Markets remain under the influence of many global uncertainties including geopolitical tensions, battle conflicts, trade transformations and global alliance reconfigurations but the most influential factor for directional outcomes continues to revolve around speculation about inflation-reduction initiatives. Central banks around the world have relied on interest rates to raise rate structures in an effort to stem and reduce demand side pressures in their fight against inflation. This, in combination with a natural diminishment in the supply side constraints coming out of the COVID pandemic, has had some effect and inflation trends have been mostly heading down. Fears of recession, or worse, have abated, but regional disparities are beginning to show in the balance between growth and inflation and are a factor that may already be having an effect on relative market performance. For instance, the U.S. has shown a surprising resilience to higher rates with strong economic data and stubborn inflation so even though expectations for the U.S. Federal Reserve to cut rates have been reduced, the U.S. markets have been good performers. In contrast, both the Canadian economy and equity markets have lagged and have been comparatively lacklustre, this despite the close economic ties and customary correlation between the two countries. Some country-specific structural differences, particularly housing mortgages and consumer debt, have accentuated the impact of the rapid rise in rates in Canada which, in turn, has filtered through on spending patterns. In recognition of the economy's vulnerabilities, the Bank of Canada moved proactively and became the first central bank in the G7 to reduce rates in an effort to provide some relief and support. More symbolic than dramatic, the move gave an indication that the Bank of Canada will continue to assist with accommodative policies, an initiative that should give a boost to investor confidence levels.

The Canadian market performance has blended its domestic economic conditions with global market trends. Continued economic recovery in global markets has supported Canadian exports and boosted earnings for multinationals as well as playing a role in the recovery and stabilization of commodity prices. This can play an important role in our markets as the resource sectors, Energy and Materials, have always been a substantial part of the S&P/TSX and currently make up about 30% of the index. The rally in some of the key components such as oil, copper and gold has not gone unnoticed and stock prices of related companies have been major beneficiaries. This has resulted in strong double-digit performances year to date for both the Energy and Materials sectors which placed one and two respectively in overall rankings. A counterbalance to these positive returns were the negative performances posted in Communications, Utilities and Real Estate. These sectors have companies whose prospects are more naturally aligned to the domestic economy, which has been slowing, but also have stock prices that tend to be more interest-rate-sensitive. As a result, they have been disproportionately affected by the extended period of non-action in interest-rate movements as well as adjusting to the realization that, while interest rates may decline, they are unlikely to return to prior lows.

The table below illustrates the weightings of the five largest sectors in CGI's portfolio at June 30, 2024, compared with year end 2023, 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, 2024, the portfolio was overweight Industrials and Information Technology, and underweight Energy, Financials and Materials, as compared to the sector weightings in the S&P/TSX.

	CGI		S&P/TSX	
SECTOR	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Industrials	22.2%	24.2%	14.1%	13.7%
Information Technology	21.8%	20.0%	8.2%	8.7%
Financials	12.9%	13.9%	30.7%	31.3%
Energy	12.8%	12.4%	18.0%	17.1%
Materials	11.5%	10.7%	12.1%	11.0%

CGI has been increasing its weighting in the Energy sector the last couple of years but remains underweight so, although the portfolio benefitted from the rally, it wasn't able to take a full share of the sector's outperformance. In terms of trading activity, an addition was made to Canadian Natural Resources Ltd. but most of the attention centered around uranium and the plausibility of a nuclear renaissance may be in the offing. The concept is driven by many factors including, but not limited to, decarbonization initiatives, energy security and longer-term feedstock supply considerations. It is very evident that nuclear energy generation and the construct of the industry itself are topics that have risen rapidly on many priority lists within corporate, governmental and social circles with momentum continuing to build. A position in Cameco Corporation, the world's largest publicly traded uranium company was initiated in late 2023 but needed to be increased in size and so additions were made to the holding. With a desire to further increase the portfolio's exposure to the area and to establish some diversification within the sub-sector, a new position was established in NexGen Energy Ltd. It is a uranium development and exploration company, focussed on the Athabasca Basin in Saskatchewan. The company's flagship Rook I project contains the large, high-grade Arrow deposit, which is considered to be one of the best undeveloped uranium assets in the world. A feasibility study has been completed confirming robust economics with the potential to produce up to 30Mlb per annum uranium oxide U3O8 for an initial mine life in excess of 24 years at an average all-in sustaining cost of US$10.69/lb. This would make it the largest and one of the lowest-cost uranium mines globally. The potential value creation makes for a good addition to CGI's uranium exposure play.

CGI's largest holding in the Energy sector, Enerplus Corporation, was eliminated from the portfolio due to its takeover completed in June. Enerplus had been a very good performer for the portfolio, tripling in price since its purchase in 2021 and realizing over $20 million in gains. Along with some disappointment that the investment disappeared earlier than planned, it also meant that the weighting spread of the portfolio to the index widened out again, a little bit of a setback on the indicated path to close the gap. As the intention is to reinvest proceeds back into the group, the process began with an initial purchase of Athabasca Oil Corporation. It is a 35,000 barrels per day producer which is 98% liquids so it provides good exposure to the fortunes related to the global oil picture. The majority of its production is derived from the standard thermal extraction process (not mining) from oil sands in the Athabasca basin in Alberta and its resource base has a very low decline rate and huge reserve life upwards of 100 years. A steady and predictable approach to production is expected to grow mid-single digits into the future which will provide robust cash flows, the excess of which is currently used for debt reduction and share buybacks. The company provides excellent exposure to the commodity upside and should benefit from the new pipeline takeaway capacity for Albertan oil which will likely reduce differentials between the Western Canadian Select (WCS) standard blend pricing received by a great many of the Canadian producers and the West Texas Intermediate (WTI) standard blend pricing.

Another addition was made to augment CGI's copper-related exposure in the portfolio. Copper has favourable long-term fundamentals which are supported by growing demands for the metal due to ongoing electrification initiatives around the world. On the supply side, production of the metal is anticipated to grow but the increase will be somewhat constrained as new mines take a long time to come onstream. Although impossible to predict with any certainty, many supply/demand forecasts indicate that deficits could start appearing in as few as a couple of years and copper prices would likely react well in advance of the actuality. A new position is being established in Capstone Copper Corp. Since its creation by way of the combination of Capstone Mining and Mantos Copper in 2022, its market cap has grown to approximately $6.6B and thus provides decent liquidity for investors. Capstone is an intermediate-sized primary producer of copper with 4 mines currently in production in the

Americas (Arizona, Mexico and 2 in the prolific Chile region) as well as having another large, fully permitted project in the same Chilean district ready for future development. Mines are long life and provide expansion opportunities one of which, the Mantoverde mine, is already ramping up to higher production levels this year. Capstone's attractive production growth profile relative to its peer group in both the near and medium terms will be a very desirable attribute for investors looking for copper exposure.

Once again, the Manager's focus at the micro level rather than being macro-driven has shown up positively with a variance of individual performances that has resulted in a favourable mix overall, although there were disappointments. Lumber stocks are still struggling with the highly influential U.S. housing recovery weighed down by the stubbornly high interest rate environment and this was reflected in the negative results posted by West Fraser Timber Co. Ltd. (-13%) and Interfor Corporation (-30%). Similarly, some of the interest-rate-sensitive holdings, particularly real estate stocks Colliers International Group Inc. (-9%) and StorageVault Canada Inc. (-11%) showed big declines and, uncharacteristically, a couple of the bank stocks, Toronto-Dominion Bank (-10%) and Bank of Montreal (-10%), also had difficulties with double-digit losses. To the positive, Dollarama Inc., a former largest holding, was near the top of the performer list with a 31% return and Waste Connections, Inc. (22%), goeasy Ltd. (26%), WSP Global Inc. (15%) and The Descartes Systems Group Inc. (19%) all had performances well into the double digits. But the largest holding, NVIDIA Corporation, ran away with the performance metric with a triple-digit return (152%) in the period. This position, a U.S. holding, accounted for more than half of overall portfolio performance and a major reason for CGI's outperformance of the benchmark S&P/TSX. Purchased in 2016, gains have been taken every year except one and this year has not been an exception with another $48 million realized so far. Capital gains realized from the initial investment now total more than $144 million with another $100 million unrealized. NVIDIA remains the largest holding.

Dividend and interest income was $10,865,000 for the six months, down 5.1% from 2023 due to reduction or nonoccurrence of special distributions from Tourmaline Oil Corp. and Constellation Software Inc. Management fees and interest and financing charges are the largest expenses of the Company. Management fees increased by 13.5% to $8,193,000 due to higher average portfolio assets during the period. Interest and financing charges increased 79.3%, as a result of the increasing rates on the borrowing facility and a higher amount of borrowings during the first six months of 2024 than the average amount of borrowing for the same period in 2023.

Leverage

The Company has a prime brokerage services agreement with a Canadian chartered bank. Amounts borrowed under this agreement bear interest at the Canadian Overnight Repo Rate Average (CORRA) plus 0.42% per annum (CORRA plus 0.90% prior to June 1, 2024 and the one-month Canadian Dollar Offered Rate (CDOR) plus 0.60% prior to May 1, 2024). The agreement requires the Company to pledge securities as collateral for margin borrowings and may be terminated immediately by the prime broker upon the occurrence and continuation of an event of default, as defined in the agreement, or by either party with 30 days' notice.

On June 6, 2024, securities pledged as collateral, which had been held in a separate control account with the Company's custodian, were transferred to an account at the prime broker in order to secure better financing terms. Pursuant to the prime brokerage services agreement, the prime broker may pledge, lend or rehypothecate securities held in this account. As a result, these securities are disclosed separately in the financial statements as Investments pledged as collateral.

Amounts borrowed under this facility during the six months was $175.0 million (2023 – $75.0 million to $175.0 million). As of June 30, 2024, the $175.0 million outstanding under the borrowing facility represented 13.4% of CGI's net assets (December 31, 2023 – 15.1%). The borrowing facility acts as leverage to common shareholders. This leverage served to increase the effect of overall portfolio returns, positively impacting CGI's NAV return for the six months ended June 30, 2024 and June 30, 2023.

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, 2024, there was a refundable income tax expense of $9,796,000, compared to a recovery of $190,000 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, 2024, the Company had federal refundable capital gains taxes on hand of approximately $14,641,000 (December 31, 2023 – $7,672,000), which are refundable on payment of capital gains dividends of approximately $105.0 million (December 31, 2023 – $55.0 million) and Ontario refundable capital gains taxes on hand of approximately $6,834,000 (December 31, 2023 – $3,934,000), which are refundable on payment of capital gains dividends of approximately $119.0 million (December 31, 2023 – $68.0 million).

On June 10, 2024, draft legislation, which included the implementation of an increase in the capital gains inclusion rate from one-half to two-thirds for capital gains realized after June 24, 2024, was included in a Notice of Ways and Means Motion tabled in the House of Commons. As this has not been tabled as a bill in the House of Commons, this change is not yet considered substantively enacted for accounting purposes.

Recent Developments

Outlook

The S&P/TSX year to date has reflected a blend of resilience in key sectors, a general responsiveness to global economic trends and ongoing domestic stability. Looking ahead, uncertainties such as global trade tensions, geopolitical events, inflationary pressures and related monetary policies could influence the Canadian equity markets but, while these challenges persist, the outlook remains cautiously optimistic. The Canadian market has shown overall strength and is a credible and attractive option for investors seeking a diversified and stable investment option in the global context. For anyone looking for that type of exposure, CGI offers investors a unique and simplified investment opportunity on that theme. A consistent application of investment fundamentals, proven strategy and fixed structure has rewarded its shareholders with an enviable track record of performance spanning decades and is well positioned to build onto its successful legacy well into the future.

Related Party Transactions

The Company is managed by Morgan Meighen & Associated 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, 2023 – 37%) ownership interest in the Company. As a result of its ownership position in the Company, during the year six months ended June 30, 2024, Third Canadian received taxable dividends of $3,815,000 (2023 – $3,662,000).

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, 2024 and the prior five years.

The Company's Net Assets per Share [1]

	Six months ended June 30, 2024	2023	2022	2021	2020	2019
Net assets - beginning of period	$55.63	$48.24	$61.35	$50.02	$36.98	$28.87
Increase (decrease) from operations						
Total revenue	0.53	1.06	1.00	0.74	0.78	0.89
Total expenses (excluding common share dividends)	(0.67)	(1.22)	(0.98)	(0.99)	(0.83)	(0.80)
Realized gains (losses) for the period	3.70	3.52	(0.12)	3.95	1.81	1.61
Unrealized gains (losses) for the period	4.28	5.01	(12.18)	8.93	12.15	7.34
Refundable income tax recovery (expense)	(0.47)	(0.02)	0.09	(0.42)	(0.03)	(0.13)
Total increase (decrease) from operations[2]	7.37	8.35	(12.19)	12.21	13.88	8.91
Dividends paid to common shareholders						
Taxable dividends	(0.50)	(0.72)	(0.92)	(0.44)	(0.63)	(0.40)
Capital gains dividends	-	(0.24)	-	(0.44)	(0.21)	(0.40)
Total dividends[3]	(0.50)	(0.96)	(0.92)	(0.88)	(0.84)	(0.80)
Net assets - end of period	$62.50	$55.63	$48.24	$61.35	$50.02	$36.98

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

Ratios and Supplemental Data

	Six months ended June 30, 2024	2023	2022	2021	2020	2019
Total net asset value (000's) [1]	$1,303,804	$1,160,441	$1,006,312	$1,279,896	$1,043,463	$771,549
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] [6]	2.21%	2.26%	1.89%	1.72%	2.11%	2.27%
Trading expense ratio [4] [6]	0.04%	0.02%	0.01%	0.03%	0.04%	0.05%
Portfolio turnover rate [5]	6.44%	7.40%	2.10%	6.17%	10.14%	8.00%
Net asset value per share [1]	$62.50	$55.63	$48.24	$61.35	$50.02	$36.98
Closing market price [1]	$35.91	$34.73	$32.60	$44.05	$34.81	$26.21

(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: 2024 (to June 30, 2024, annualized) – 1.40%, 2023 – 1.42%, 2022 – 1.38%, 2021 - 1.37%, 2020 - 1.48%, 2019 - 1.53%.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed 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, 2024 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.

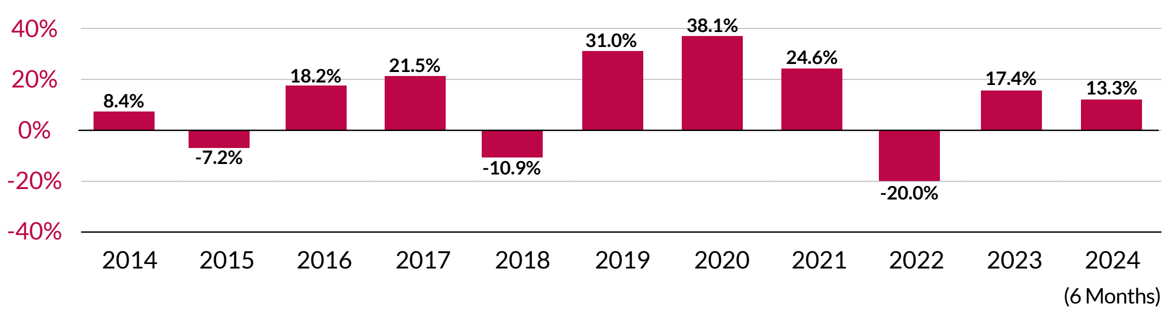
Past Performance

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.

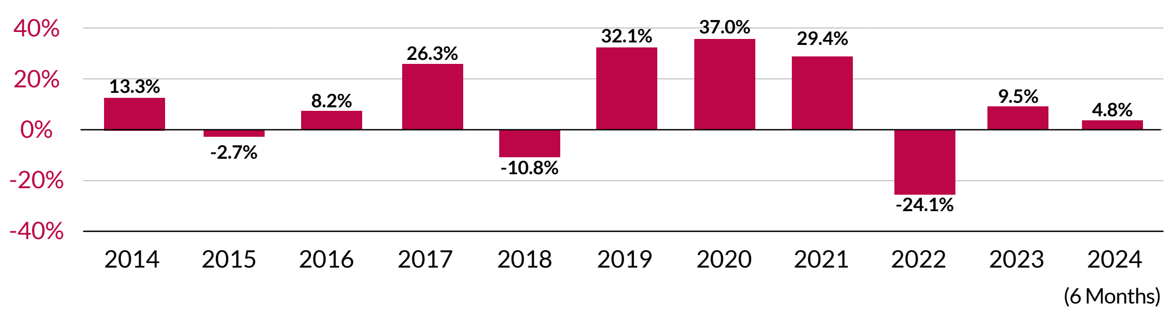
Year-by-Year Returns

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, 2024, 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.

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.



Summary Of Investment Portfolio

As at June 30, 2024

Top 25 Holdings			
Issuer	Sector	% of Net Asset Value*	% of Investment Portfolio
NVIDIA Corporation	Information Technology	8.5	7.4
TFI International Inc.	Industrials	5.3	4.7
Canadian Pacific Kansas City Limited	Industrials	4.8	4.2
Apple Inc.	Information Technology	4.3	3.7
The Descartes Systems Group Inc.	Information Technology	4.1	3.6
Cash	Cash & Cash Equivalents	3.9	3.5
WSP Global Inc.	Industrials	3.8	3.4
Franco-Nevada Corporation	Materials	3.6	3.2
West Fraser Timber Co. Ltd.	Materials	3.4	2.9
Mastercard Incorporated	Financials	3.3	2.9
Amazon.com, Inc.	Consumer Discretionary	3.3	2.9
Dollarama Inc.	Consumer Discretionary	3.0	2.6
goeasy Ltd.	Financials	2.8	2.4
Royal Bank of Canada	Financials	2.7	2.4
Constellation Software Inc.	Information Technology	2.7	2.4
AutoZone, Inc.	Consumer Discretionary	2.5	2.2
First Quantum Minerals Ltd.	Materials	2.5	2.2
Bank of Montreal	Financials	2.4	2.1
Teck Resources Limited	Materials	2.4	2.1
Shopify Inc.	Information Technology	2.4	2.1
FirstService Corporation	Real Estate	2.3	2.0
Cameco Corporation	Energy	2.1	1.9
Canadian Natural Resources Limited	Energy	2.0	1.7
Waste Connections, Inc.	Industrials	1.8	1.6
NexGen Energy Ltd.	Energy	1.6	1.4
		81.5*	71.5
Total Net Asset Value* ($000's)			$1,303,804
Total Investment Portfolio* ($000's)			$1,488,697

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage ($175.0 million) in the form of a borrowing facility, other assets and other liabilities.

Sector Allocation	% of Net Asset Value*	% of Investment Portfolio
Industrials	25.3	22.2
Information Technology	24.9	21.8
Financials	14.8	12.9
Energy	14.6	12.8
Materials	13.1	11.5
Consumer Discretionary	11.4	10.0
Real Estate	4.4	3.8
Cash & Cash Equivalents	3.9	3.5
Communication Services	1.7	1.5

Asset Allocation	% of Net Asset Value*	% of Investment Portfolio
Canadian Equities	83.2	72.9
Foreign Equities	27.0	23.6
Cash & Cash Equivalents	3.9	3.5

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage ($175.0 million) in the form of a borrowing facility, 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 Statements

June 30, 2024

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.

As at June 30, 2024 (Unaudited) and December 31, 2023
(in thousands of Canadian dollars, except per share amounts)

	Note	June 30, 2024	December 31, 2023
Assets			
Current assets			
Investments	5	1,215,867	1,114,648
Investments pledged as collateral	5,6	221,361	210,303
Cash		51,469	11,177
Interest and dividends receivable		1,941	1,808
Other assets		184	158
Total assets		1,490,822	1,338,094
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	2,225	2,271
Income taxes payable		9,793	382
Borrowing facility	6	175,000	175,000
Total liabilities		187,018	177,653
Net assets		1,303,804	1,160,441
Equity			
Share capital	8	128,568	128,568
Retained earnings		1,175,236	1,031,873
Total equity		1,303,804	1,160,441
Net assets per common share		62.50	55.63

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

Statements of Comprehensive Income

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

	Note	2024	2023
Income			
Net gains on investments			
Dividend income		10,851	11,445
Interest		14	7
Net realized gain on sale of investments		77,428	6,076
Net change in unrealized gain on investments		89,268	158,907
Net gains on investments		177,561	176,435
Securities lending revenue	**13**	283	453
Total income		177,844	176,888
Expenses			
Management fees	**12**	8,193	7,216
Interest and financing charges	**6,7**	5,078	2,832
Transaction costs on purchases and sales		241	44
Listing and regulatory costs		186	171
Directors' fees and expenses	**12**	166	149
Investor relations		120	50
Custodial fees		87	82
Withholding taxes	**10**	77	91
Audit fees		38	36
Independent review committee fees and expenses	**12**	20	30
Legal fees		17	153
Security holder reporting costs		6	7
Dividends on preference shares	**7**	-	1,266
Other		26	49
Total expenses		14,255	12,176
Net investment income before income taxes		163,589	164,712
Refundable income tax expense (recovery)	**9**	9,796	(190)
Increase in net assets from operations		153,793	164,902
Increase in net assets from operations, per common share		7.37	7.90

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

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

	Share Capital	Retained Earnings	Total
At December 31, 2022	128,568	877,744	1,006,312
Increase in net assets from operations	-	164,902	164,902
Taxable dividends paid to common shareholders	-	(10,012)	(10,012)
At June 30, 2023	128,568	1,032,634	1,161,202
At December 31, 2023	128,568	1,031,873	1,160,441
Increase in net assets from operations	-	153,793	153,793
Taxable dividends paid to common shareholders	-	(10,430)	(10,430)
At June 30, 2024	128,568	1,175,236	1,303,804

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

Statements of Cash Flows

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

	Note	2024	2023
Cash flows from (used in) operating activities			
Increase in net assets from operations		153,793	164,902
Adjustments for:			
Amortization of financing charges	7	-	99
Net realized gain on sale of investments		(77,428)	(6,076)
Net change in unrealized gain on investments		(89,268)	(158,907)
Purchases of investments		(92,229)	(23,051)
Proceeds of disposition of investments		146,648	12,539
Interest on borrowing facility		5,078	2,735
Dividends paid to preference shareholders		-	1,266
Interest and dividends receivable		(133)	198
Other assets		(26)	77
Income taxes payable/recoverable	9	9,411	(190)
Accounts payable and accrued liabilities		95	177
Net cash flows from (used in) operating activities		55,941	(6,231)
Cash flows from (used in) financing activities			
Proceeds from borrowing facility		-	100,000
Redemption of preference shares		-	(75,000)
Interest on borrowing facility		(5,219)	(2,369)
Dividends paid to common shareholders		(10,430)	(10,012)
Dividends paid to preference shareholders		-	(1,389)
Net cash flows from (used in) financing activities		(15,649)	11,230
Net increase in cash		40,292	4,999
Cash at the beginning of the period		11,177	3,598
Cash at the end of the period		51,469	8,597
Items classified as operating activities			
Interest received		14	7
Dividends received, net of withholding taxes		10,637	11,500
Income taxes paid - net	9	(385)	-

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

As at June 30, 2024

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Communication Services (1.5%)		
	Diversified Telecommunication Services		
440,000	TELUS Corporation	6,057	9,112
	Wireless Telecommunication Services		
250,000	Rogers Communications Inc., B NV	3,506	12,650
	Total Communication Services	9,563	21,762
	Consumer Discretionary (10.0%)		
	Broadline Retail		
162,000	Amazon.com, Inc.	6,764	42,856
310,000	Dollarama Inc.	1,065	38,722
	Leisure Products		
230,000	BRP Inc.	14,551	20,160
	Specialty Retail		
8,000	AutoZone, Inc.	4,864	32,461
32,000	Home Depot, Inc.	5,380	15,080
	Total Consumer Discretionary	32,624	149,279
	Energy (12.8%)		
	Energy Equipment & Services		
185,000	Precision Drilling Corporation	15,102	17,797
	Oil, Gas & Consumable Fuels		
2,100,000	Athabasca Oil Corporation	10,617	10,878
2,250,000	Baytex Energy Corp.	12,460	10,665
410,000	Cameco Corporation	26,457	27,597
530,000	Canadian Natural Resources Limited	21,032	25,827
275,000	Enbridge Inc.	2,830	13,384
2,200,000	NexGen Energy Ltd.	23,245	20,988
950,000	Parex Resources Inc.	11,085	20,824
226,000	TC Energy Corporation	6,260	11,720
295,000	Tourmaline Oil Corp.	9,930	18,305
1,263,661	Whitecap Resources Inc.	11,827	12,649
	Total Energy	150,845	190,634

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Financials (12.9%)		
	Banks		
275,000	Bank of Montreal	10,640	31,578
245,000	Royal Bank of Canada	10,190	35,684
260,000	Toronto-Dominion Bank	5,599	19,552
	Capital Markets		
265,000	Brookfield Corporation	11,405	15,079
76,900	Economic Investment Trust Limited	3,851	10,635
	Consumer Finance		
185,000	goeasy Ltd.	17,140	36,467
	Financial Services		
72,000	Mastercard Incorporated, A	5,047	43,482
	Total Financials	63,872	192,477
	Industrials (22.2%)		
	Building Products		
100,000	Builders Firstsource, Inc.	19,855	18,947
	Commercial Services & Supplies		
75,000	Boyd Group Services Inc.	15,947	19,273
100,000	Waste Connections, Inc.	11,183	24,003
	Construction & Engineering		
155,000	Stantec Inc.	15,328	17,752
235,000	WSP Global Inc.	10,389	50,062
	Electrical Equipment		
725,000	Ballard Power Systems Inc.	15,253	2,240
	Machinery		
275,000	ATS Corporation	16,046	12,174
220,000	Westport Fuel Systems Inc.	13,135	1,672
3,220,000	Xebec Adsorption Inc., unlisted	14,313	-
	Marine Transportation		
332,000	Algoma Central Corporation	2,555	4,715
	Passengar Airlines		
920,000	Air Canada	4,739	16,468
	Road & Rail		
90,000	Canadian National Railway Company	10,947	14,549
575,000	Canadian Pacific Kansas City Limited	6,352	61,951
350,000	TFI International Inc.	5,029	69,524
	Trading Companies & Distributors		
100,000	SiteOne Landscape Supply, Inc.	8,233	16,620
	Total Industrials	169,304	329,950

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

Schedule of Investment Portfolio

As at June 30, 2024

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Information Technology (21.8%)		
	IT Services		
344,000	Shopify Inc.	1,819	31,101
	Semiconductors & Semiconductor Equipment		
655,000	NVIDIA Corporation	1,154	110,771
	Software		
9,000	Constellation Software Inc.	11,598	35,477
9,000	Constellation Software Inc. wts, 03/31/40, unlisted	-	-
400,000	The Descartes Systems Group Inc.	10,317	53,020
310,000	Lightspeed Commerce Inc.	6,502	5,797
27,003	Lumine Group Inc..	377	997
330,000	Open Text Corporation	4,916	13,556
21,000	Roper Technologies, Inc.	10,060	16,204
16,738	Topicus.com Inc.	-	1,958
	Technology Hardware, Storage & Peripherals		
193,000	Apple Inc.	1,829	55,646
	Total Information Technology	48,572	324,527

Number of Shares	Investment	Cost	Fair Value
		(in thousands of dollars)	
	Materials (11.5%)		
	Metals & Mining		
1,200,000	Capstone Copper Corp.	11,319	11,640
1,800,000	First Quantum Minerals Ltd.	11,566	32,346
290,000	Franco-Nevada Corporation	13,258	47,038
480,000	Teck Resources Limited, B SV	15,477	31,469
	Paper & Forest Products		
300,000	Interfor Corporation	10,727	4,956
417,125	West Fraser Timber Co. Ltd.	21,954	43,827
	Total Materials	84,301	171,276
	Real Estate (3.8%)		
	Real Estate Management & Development		
80,000	Colliers International Group Inc.	14,699	12,222
145,000	FirstService Corporation	20,352	30,189
3,200,000	StorageVault Canada Inc.	8,480	14,912
	Total Real Estate	43,531	57,323
	Transaction costs	(1,011)	-
	Total investments (96.5%)*	601,601	1,437,228
	Cash (3.5%)		51,469
	Investment portfolio (100.0%)		1,488,697

NV: non-voting

SV: subordinate voting

* Includes investments pledged as collateral of $221,361

The accompanying notes are an integral part of these 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.

Canadian General Investments, Limited is a closed-end equity fund focussed on medium to long-term investments in primarily 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.

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

The Company's common shares are publicly listed and trade on the Toronto Stock Exchange and on the London Stock Exchange (symbol CGI). The closing price of the common shares on June 28, 2024 was $35.91.

These financial statements were authorized for issue by the Board of Directors on July 18, 2024.

2 Basis of Presentation

The Company's interim financial statements for the six months ended June 30, 2024 have been prepared in accordance with IFRS Accounting Standards, 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 Material accounting policy information

The material 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 at 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.

3.2 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 had one series of its Class A preference shares in issue: Series 4, which was redeemed on June 12, 2023. The preference shares had 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 provided 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 prospectus and in the event of the Company's liquidation.

The preference shares were classified as financial liabilities and were 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.

3.9 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 judgement 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 June 30, 2024 and December 31, 2023, the Company has no investment in associates or subsidiaries.

4 Critical Accounting Estimates & Judgements

The preparation of the financial statements in conformity with IFRS Accounting Standards 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, securities on loan as part of the Company's securities lending program, as well as securities held in a separate control account with the Company's custodian or prime brokerage account, as part of its borrowing facility. 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 June 30, 2024 and December 31, 2023. As at June 30, 2024 and December 31, 2023, 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).

Credit risk related to the Company's borrowing facility is considered low given the credit worthiness of the prime broker (note 6).

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 $175 million (December 31, 2023 – $175 million) borrowed through a borrowing facility. On June 12, 2023, the Company redeemed its $75,000,000, 3.75% cumulative, redeemable Class A preference shares, Series 4. Included in the Series 4 preference share provisions was a restriction which precluded 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) exceeded 2.5 times. As at June 30, 2024, the leverage represented 13.4% of CGI's net assets (December 31, 2023 – 15.1%).

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 were two unlisted securities as at June 30, 2024 and December 31, 2023.

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

As at June 30, 2024 and December 31, 2023, all financial liabilities of the Company 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 June 30, 2024 and December 31, 2023, the Company had no investments in debt instruments.

The Company's most significant financial liability is its borrowing facility with interest rates on these borrowings being short-term. The amount of borrowings on the facility may be reduced at any time. For the six months ended June 30, 2024, 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 $875,000 (June 30, 2023 – $875,000).

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 June 30, 2024, the Company`s investment portfolio had a 23.6% (December 31, 2023 – 22.8%) weighting in U.S. dollars. As at June 30, 2024, 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 $17,603,000 or approximately 1.4% (December 31, 2023 – $15,227,000 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 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, 2024, 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 $71,861,000 or approximately 5.5% (December 31, 2023 – $66,248,000 or approximately 5.7%).

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	June 30, 2024	December 31, 2023
Industrials	22.2%	24.2%
Information Technology	21.8%	20.0%
Financials	12.9%	13.9%
Energy	12.8%	12.4%
Materials	11.5%	10.7%
Consumer Discretionary	10.0%	10.8%
Real Estate	3.8%	4.6%
Communication Services	1.5%	1.9%
Consumer Staples	0.0%	0.7%
Cash	3.5%	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 borrowing facility. 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. With respect to the borrowing facility, the Company is required to maintain sufficient collateral in the form of securities in an account with the Company's prime broker, based on margin requirements established by the prime broker. There has been no event of default since the prime brokerage services agreement was entered into effective May 12, 2021.

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.

All other financial instruments of the Company, which may include cash, receivable on investments sold or payable on investments purchased, interest and dividends receivable, accounts payable and accrued liabilities, accrued dividends on preference shares, borrowing facility and preference shares are carried at amortized cost. Except in respect of the preference shares, amortized cost approximates fair value given the short-term nature of the financial instruments.

(in thousands of dollars)	Level 1	Level 2	Level 3	Total
As at June 30, 2024				
Financial assets at FVTPL:				
Investments	1,215,867	-	-	1,215,867
Investments pledged as collateral	221,361	-	-	221,361
	1,437,228	-	-	1,437,228
December 31, 2023				
Financial assets at FVTPL:				
Investments	1,114,648	-	-	1,114,648
Investments pledged as collateral	210,303	-	-	210,303
	1,324,951	-	-	1,324,951

During the six months ended June 30, 2024 and the year ended December 31, 2023, 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 Borrowing Facility

Subject to approval by the Board of Directors, the Company may use various forms of leverage, including by way of a margin facility with a prime broker or a loan facility with a bank.

The Company has a prime brokerage services agreement with a Canadian chartered bank. Amounts borrowed under this agreement bear interest at the Canadian Overnight Repo Rate Average (CORRA) plus 0.42% per annum (CORRA plus 0.90% prior to June 1, 2024, and the one-month Canadian Dollar Offered Rate (CDOR) plus 0.60% prior to May 1, 2024). The agreement requires the Company to pledge securities as collateral for margin borrowings and may be terminated immediately by the prime broker upon the occurrence and continuation of an event of default, as defined in the agreement, or by either party with 30 days' notice.

As at June 30, 2024, the Company had pledged securities as collateral to the prime broker equal to $221,361,000 (December 31, 2023 – $210,303,000) on the outstanding borrowings of $175,000,000 (December 31, 2023 – $175,000,000) plus accrued interest of $753,000 (December 31, 2023 – $894,000).

On June 6, 2024, securities pledged as collateral, which had been held in a separate control account with the Company's custodian, were transferred to an account at the prime broker. Pursuant to the prime brokerage services agreement, the prime broker may pledge, lend or rehypothecate securities held in this account. As a result, these securities are disclosed separately in the financial statements as Investments pledged as collateral. Although the prime broker did not have the ability to pledge, lend or rehypothecate securities held in the separate control account with the Company's custodian prior to the transfer, the Company has reclassified the comparative balance to enhance comparability with the current year's financial statements.

7 Preference Shares

The Company is authorized to issue, in series, a class of preference shares. On June 12, 2023, the Company redeemed its $75,000,000, 3.75% cumulative, redeemable Class A preference shares, Series 4. No shares are outstanding as at June 30, 2024 or December 31, 2023. Included in Interest and financing charges for the six months ended June 30, 2023, is amortization of deferred issuance costs on these shares of $99,000.

8 Share Capital

Common shares

The Company is authorized to issue an unlimited number of common shares. As at June 30, 2024, there are 20,861,141 (December 31, 2023 – 20,861,141) common shares issued and outstanding with no par value.

Subsequent to June 30, 2024, the Company declared a quarterly dividend of $0.25 per share payable on September 15, 2024 to common shareholders of record at the close of business on August 30, 2024.

9 Income Taxes

As at June 30, 2024, the Company had federal refundable capital gains taxes on hand of approximately $14,641,000 (December 31, 2023 – $7,672,000), which are refundable on payment of capital gains dividends of approximately $105.0 million (December 31, 2023 – $55.0 million) and Ontario refundable capital gains taxes on hand of approximately $6,834,000 (December 31, 2023 – $3,934,000), which are refundable on payment of capital gains dividends of approximately $119.0 million (December 31, 2023 – $68.0 million).
As at June 30, 2024, the Company has no unused non-capital losses for tax purposes (December 31, 2023 – $390,000).

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 $1,903,000 of refundable dividend tax on hand as at June 30, 2024 (December 31, 2023 – $1,991,000).

The Company's refundable income tax recovery during the period is determined as follows.

(in thousands of dollars)	2024	2023
Provision for (recovery of) income taxes on net investment income (loss) before income taxes		
Provision for of income taxes based on combined Canadian federal and provincial income tax rate of 39.5%	64,618	65,062
Increase (decrease) in income taxes resulting from:		
Dividends from taxable Canadian companies	(4,084)	(4,280)
Dividends on preference shares	-	500
Net change in unrealized gain	(35,261)	(62,768)
Non-taxable portion of net realized gain/loss on sale of investments	(15,292)	(2,400)
Decrease in refundable dividend tax on hand	(88)	(190)
Utilization of non-capital loss carryforward	(97)	-
Non-recoverable taxes on taxable loss	-	3,886
Refundable income tax expense (recovery)	9,796	(190)

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.

On June 10, 2024, draft legislation, which included the implementation of an increase in the capital gains inclusion rate from one-half to two-thirds for capital gains realized after June 24, 2024, was included in a Notice of Ways and Means Motion tabled in the House of Commons. As this has not been tabled as a bill in the House of Commons, this change is not yet considered substantively enacted for accounting purposes.

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 six months ended June 30, 2024, the average withholding tax rate paid by the Company was 15.0% (December 31, 2023 – 15.0%).

11 Financial Instruments by Category

All of the Company's financial assets were carried at amortized cost, with the exception of Investments which is carried at FVTPL. All the Company's financial liabilities were carried at amortized cost. 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 100%, 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, 2024, $8,049,000 (2023 – $7,046,000) was paid to the Manager with $1,404,000 accrued and included in accounts payable and accrued liabilities as at June 30, 2024 (December 31, 2023 – $1,260,000).

Dividends

As a result of its ownership position in the Company, during the six months ended June 30, 2024, Third Canadian received taxable dividends of $3,815,000 (2023 – $3,662,000).

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 six months ended June 30, 2024, the independent directors of the Company received directors' fees aggregating $148,000 (2023 – $137,000) from the Company. No other compensation was paid or is payable to the directors of the Company for the six months ended June 30, 2024, except for compensation paid by the Company in respect of such persons acting as members of the Independent Review Committee for the Company, aggregating $20,000 (2023 – $29,000).

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 June 30, 2024, the Company had loaned securities with a fair value of $46,454,000 (December 31, 2023 – $16,650,000) and the custodian held collateral of $50,143,000 (December 31, 2023 – $18,099,000). This collateral is not reflected in the statements of financial position and consisted of the following:

	June 30, 2024	December 31, 2023
Securities lending collateral		
Corporate debt securities	0.1%	0.0%
Federal government debt securities	2.4%	31.5%
Provincial government debt securities	10.5%	50.8%
U.S. government debt securities	87.0%	17.6%
	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)	June 30, 2024		June 30, 2023	
Gross securities lending earnings	551	100.0%	773	100.0%
Fees	(117)	(21.2%)	(190)	(25.4%)
Withholding taxes	(151)	(27.5%)	(130)	(16.0%)
Net securities lending earnings	283	51.3%	453	58.6%

U.K. SHAREHOLDER INFORMATION

Shore Capital Stockbrokers Limited is the Company's official stockbrokers in the United Kingdom. It can be contacted for market-making and share trading on the London Stock Exchange. It can be reached at:

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Recent research reports are available on the Company's website or directly from Shore Capital Stockbrokers Limited and Edison Investment Research Limited:

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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
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