

Pursuing Outperformance



2025 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.

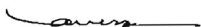
CGI was established in 1930 and has been managed since 1956 by Morgan Meighen & Associates Limited (website: [www.mmmainvestments.com](http://www.mmmainvestments.com)).

## RESPONSIBILITY STATEMENT

In accordance with the Disclosure Guidance and Transparency Rules (DTRs) of the United Kingdom Financial Conduct Authority, the Board of Directors confirms that to the best of its knowledge:

- i. the financial statements have been prepared in accordance with IFRS Accounting 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 17, 2025



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](http://www.canadiangeneralinvestments.ca) or on SEDAR+ at [sedarplus.com](http://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](http://www.canadiangeneralinvestments.ca) or SEDAR+ at [www.sedarplus.com](http://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

Global equity markets have navigated a volatile landscape in the first half of 2025 and, despite the elevated levels of turmoil, have shown remarkable resilience. Most of the major developed markets have posted surprisingly good returns with many reaching well into double digits and finishing the year-to-date period at or near all-time highs. It has also been interesting to note in the comparative results of the global indices that there may be a regional reallocation of assets underway. For the first time in some years, it seems like investors are beginning to look at markets outside of the United States for alternatives and have a renewed focus in areas that have been neglected for a while, such as Canada and Europe. For now, the U.S. market's dominant performance has been broken, and investors may be rewarded by broadening their horizons. Perhaps misunderstood and overlooked, history has confirmed that there are many opportunities available

in the Canadian context and exposure to them can easily be obtained through an investment in Canadian General Investments, Limited (CGI or the Company).

There were plenty of twists and turns for investors in the first half of 2025, with many spheres of influence. As if the geopolitical backdrop wasn't complicated enough with the ongoing Ukraine and Russia war, tensions intensified as hostilities escalated in the Middle East and additional worries were thrown into the mix with the situation in Iran. This elevated concerns and came to the fore at different times but, for the most part, was left simmering in the background as markets watched warily but reflected a subdued and somewhat indifferent attitude. By far, the dominant market driver revolved around trade dynamics and the complete fixation on U.S. trade policy. After the stunning announcement by the U.S. administration of sweeping tariffs in early April, global trade tensions peaked and then seesawed through an erratic and difficult follow-on period in which policy uncertainty reigned. Information was



either lacking, or completely erroneous and market shifts occurred as if in a vacuum. It created an atmosphere of great confusion. Over time, the situation evolved, interpretations improved, and a better understanding of potential impacts developed. Communication sources in the U.S. administration were diverse and, at times, undependable and made any statement suspect. This tainted reliability overall, but some constructive dialogue has since been confirmed which has eased the worst of initial fears.

The market reaction to the U.S. President's announcement was swift and caused an immediate and precipitous drop in all markets in early April. Fortunately, generally steady economies and supportive government policy announcements improved investor confidence and helped stabilize the situation, buying time for positive advancements on the trade agenda to develop. Although those initial event driven losses were substantial, a powerful recovery ensued shortly thereafter that not only recouped what had been lost but produced positive returns for the period.

The S&P/TSX Composite Index (S&P/TSX) posted a 10.2% total return and CGI had a net asset value (NAV) return, with dividends reinvested, of 2.3% for the first half of 2025. Although CGI made good progress in its NAV recovery, from deep declines earlier this year, particularly in May and June, and is now positive, it continues to lag the S&P/TSX. As is sometimes the case in the Canadian equity markets, occasionally a particular stock or sector may have a disproportional effect and skew overall results. If the concentration is meaningful, a diversified portfolio like CGI will likely have a mismatch

and will have difficulty in the relative measure. The year-to-date comparisons reflect a measure of this effect, with the Gold subsector having a standout return of around 44% to lead the Materials sector to a runaway position, far more than the other sectors, and representing a 34% percent contribution to the overall S&P/TSX Composite return.

All of the S&P/TSX sectors ended in positive territory except for Health Care, which had an inconsequential effect on the overall composite with its 0.3% weighting. Aside from the aforementioned Materials sector, Consumer Discretionary (13.9%), Financials (10.7%) and Utilities (10.0%) were the other sectors that had double digit price returns with the remaining clustered in the mid-single digit range. Although CGI essentially is market-weight Materials, it is underweight the Gold subsector and so did not have full participation in all the gains available there. As for the other larger movers, CGI's portfolio is underweight Financials and Utilities and overweight Consumer Discretionary which produced a mixed result for the portfolio on that level.

The table below illustrates the weightings of the five largest sectors in CGI's portfolio at June 30, 2025, compared with year end 2024, 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, 2025, the portfolio was overweight Industrials and Information Technology, and underweight Energy and Financials, as compared to the sector weightings in the S&P/TSX.

SECTOR	CGI		S&P/TSX	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Information Technology	23.3%	23.0%	9.8%	10.1%
Industrials	21.1%	23.4%	12.8%	12.6%
Financials	14.1%	13.4%	32.8%	33.0%
Materials	13.1%	11.2%	13.5%	11.4%
Energy	12.3%	12.3%	15.9%	17.1%

As the overall results for CGI would suggest, the returns on the individual level were fairly balanced with about half of the investments in the positive and half in the negative. From the Energy sector, Baytex Energy Corp. (-33%) and Precision Drilling Corp. (-27%) have had poor performances but some offset to their impact was received from a very strong showing by Cameco Corp. (+37%), one of the holdings for exposure to the potential nuclear energy renaissance. In the Forest Products area, West Fraser Timber's (-19%) stock price has suffered along with downward pressure on lumber pricing due to sluggish demand from the U.S. housing market and for the repair and renovations markets and has the added concern of additional tariffs. In Industrials, TFI International's (-36%) stock has had an uncharacteristically bad downturn following on a few years of steady growth. In what has been described as a "trucking recession" in the last couple of years, TFI was not able to overcome its effect, and recent financial results were impacted. In addition, the macro environment has now delayed corporate initiatives of growth, a historic mainstay for the company, but should resurface and patient investors with a medium-term horizon will be rewarded. On the positive, individual contributions came from mixed areas but Celestica Inc. (+60%) was the runaway return leader in the portfolio. Timing of the initial purchase in mid- 2024 has proven to be opportune. The present AI boom has resulted in the build-out of the cloud and data centres (Meta, Google, Amazon, etc.) for which Celestica is extremely well placed to capture the benefit which is starting to be recognised in its share price. Dollarama Inc. (+37%), one of the most unique domestic retail plays in Canada with the dominant number one market share continues to build on its legacy of success ever since CGI's purchase on the IPO in 2009. A very steady and consistent performer, its recent price acceleration has returned the investment back into the top 10 largest investments. Stantec Inc. (+32%) has had a great start to the year and has been one of CGI's leaders. Stantec is an engineering company in the areas of infrastructure, buildings, water, energy and environmental. It has a global footprint, but its largest revenue market is the U.S. at greater than 50%, a number which should accelerate due to the

sizeable governmental spending commitments and the strong economy.

Trading activity by the Company's manager, Morgan Meighen & Associates Limited (the Manager or MMA), has been kept to a minimum. Following on past practice during times of stress and chaos, it has been found that sometimes the best activity is no activity. When markets are skittish and information is limited, it is difficult to make informed investment decisions that are fundamental to much of the traditional theory incorporated within CGI's practice. In addition, it is fortunate that the adoption of and adherence to the Company's long-term investment horizon bias offers some leeway for a pause. It allows for a period to lower the noise and let things settle while making an assessment of fact or fiction. Some cash was raised in the earlier part of the year with the elimination of Air Canada, BRP Inc. and a couple of smaller remaining pieces of Lightspeed Commerce Inc. and SiteOne Landscape Supply Inc. The sales resulted in realized gains totalling about \$7 million at June 30. There was only one addition to the portfolio, Wheaton Precious Metals Corp., which added to the overall exposure to the portfolio's gold positioning. As a large cap streaming company, it is considered to have a lower risk in comparison to a gold operating company but its production in GEOs (gold equivalent ounces) is substantial with guidance of 600,000 to 670,000 for 2025 and with peer-leading organic growth expectations to 800,000 by 2027. It has an almost "pure" exposure to precious metals at 98% so offers full leverage to underlying commodity pricing. The company's balance sheet is pristine with no debt and \$700 million cash with an untapped credit facility so well positioned to continue to make further deals to incorporate and grow an already meaningful portfolio of current and future opportunities.

Dividend and interest income was \$11,815,000 for the six months, up 8.7% from 2024. Management fees and interest on the borrowing facility are the largest expenses of the Company. Management fees increased by 10.1% to \$9,024,000 due to higher average portfolio values during the period. Interest expense decreased 35.1%, as a result of decreasing interest rates.

## 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.

Amounts borrowed under this facility during the six months were \$200 million (2024 – \$175 million to \$200 million). As of June 30, 2025, the \$200 million outstanding under the borrowing facility represented 13.6% of CGI's net assets (December 31, 2024 – 13.8%). 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, 2025 and June 30, 2024.

## 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, 2025, there was a refundable income tax recovery of \$42,000, compared to an expense of \$9,796,000 in the prior year.

As at June 30, 2025, the Company had federal refundable capital gains taxes on hand of approximately \$17,353,000 (December 31, 2024 – \$17,353,000), which are refundable on payment of capital gains dividends of approximately \$124.0 million (December 31, 2024 – \$124.0 million) and Ontario refundable capital gains taxes on hand of approximately \$7,979,000 (December 31, 2024 – \$7,979,000), which are refundable on payment

of capital gains dividends of approximately \$139.0 million (December 31, 2024 – \$139.0 million). Taxes paid or payable on realized taxable capital gains may be recovered through the payment of capital gains dividends in future years.

## Recent Developments

### Outlook

Global equities have largely shrugged off that overwhelming sense of pessimism arising in April sparked by the official announcement of sweeping tariffs and the start of potentially destructive trade wars. That said, there is little in the way of resolution to the issues yet, and given the uncertainty, volatility will likely remain elevated. There is also the possibility of some unsettling structural shifts. Despite the backdrop, a resilient economy, easing trade tensions and potential policy support offer grounds for cautious optimism. Investors will likely benefit from staying diversified with quality assets which should enable them to ride out this period of uncertainty. 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 a solid 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 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, 2024 – 37%) ownership interest in the Company. As a result of its ownership position in the Company, during the six months ended June 30, 2025, Third Canadian received taxable dividends of \$4,120,000 (2024 – \$3,815,000).

# 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, 2025 and the prior five years.

## The Company's Net Assets per Share <sup>(1)</sup>

	Six months ended June 30, 2025	2024	2023	2022	2021	2020
Net assets – beginning of period	\$69.32	\$55.63	\$48.24	\$61.35	\$50.02	\$36.98
Increase (decrease) from operations						
Total revenue	0.57	1.01	1.06	1.00	0.74	0.78
Total expenses (excluding common share dividends)	(0.63)	(1.34)	(1.22)	(0.98)	(0.99)	(0.83)
Realized gains (losses) for the period	0.35	5.91	3.52	(0.12)	3.95	1.81
Unrealized gains (losses) for the period	1.30	9.74	5.01	(12.18)	8.93	12.15
Refundable income tax recovery (expense)	-	(0.63)	(0.02)	0.09	(0.42)	(0.03)
Total increase (decrease) from operations <sup>(2)</sup>	1.59	14.69	8.35	(12.19)	12.21	13.88
Dividends paid to common shareholders						
Taxable dividends	(0.54)	(1.00)	(0.72)	(0.92)	(0.44)	(0.63)
Capital gains dividends	-	-	(0.24)	-	(0.44)	(0.21)
Total dividends <sup>(3)</sup>	(0.54)	(1.00)	(0.96)	(0.92)	(0.88)	(0.84)
Net assets – end of period	\$70.37	\$69.32	\$55.63	\$48.24	\$61.35	\$50.02

(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, 2025	2024	2023	2022	2021	2020
Total net asset value (000's) <sup>(1)</sup>	\$1,467,961	\$1,446,155	\$1,160,441	\$1,006,312	\$1,279,896	\$1,043,463
Number of shares outstanding <sup>(1)</sup>	20,861,141	20,861,141	20,861,141	20,861,141	20,861,141	20,861,141
Management expense ratio <sup>(2)(3)(4)</sup>	1.88%	2.10%	2.26%	1.89%	1.72%	2.11%
Trading expense ratio <sup>(4) (6)</sup>	0.01%	0.04%	0.02%	0.01%	0.03%	0.04%
Portfolio turnover rate <sup>(5)</sup>	1.25%	13.72%	7.40%	2.10%	6.17%	10.14%
Net asset value per share <sup>(1)</sup>	\$70.37	\$69.32	\$55.63	\$48.24	\$61.35	\$50.02
Closing market price <sup>(1)</sup>	\$39.00	\$40.48	\$34.73	\$32.60	\$44.05	\$34.81

(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 (interest, dividends on preference shares and financing charges), the Company's MERs were as follows: 2025 (to June 30, 2025, annualized) – 1.40%, 2024 – 1.39%, 2023 – 1.42%, 2022 – 1.38%, 2021 – 1.37%, 2020 – 1.48%.

(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, 2025 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.



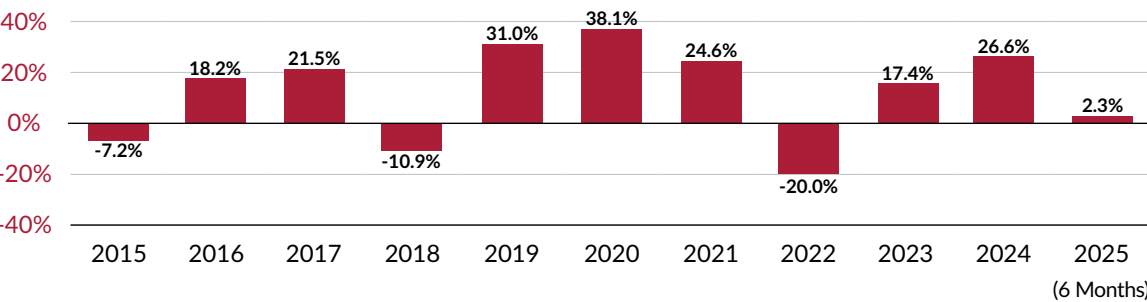
# Past Performance

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.

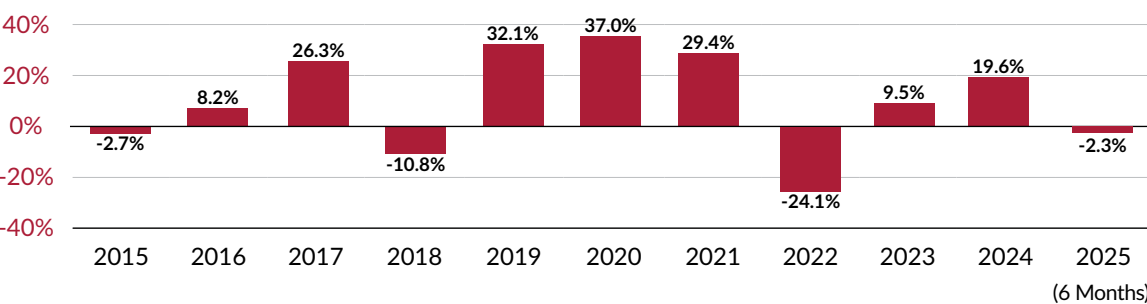
## Year-by-Year Returns

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, 2025, 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, 2025

Top 25 Holdings				
Issuer	Sector	% of Net Asset Value*	% of Investment Portfolio	
NVIDIA Corporation	Information Technology	5.6	4.9	
Celestica Inc.	Information Technology	5.1	4.5	
WSP Global Inc.	Industrials	4.4	3.9	
Franco-Nevada Corporation	Materials	4.4	3.9	
Canadian Pacific Kansas City Limited	Industrials	4.2	3.7	
Dollarama Inc.	Consumer Discretionary	4.1	3.6	
The Descartes Systems Group Inc.	Information Technology	3.8	3.3	
Mastercard Incorporated	Financials	3.8	3.3	
Shopify Inc.	Information Technology	3.4	3.0	
Apple Inc.	Information Technology	3.3	2.9	
Cameco Corporation	Energy	3.1	2.7	
MDA Space Ltd.	Industrials	3.1	2.7	
Constellation Software Inc.	Information Technology	3.1	2.7	
Royal Bank of Canada	Financials	3.0	2.6	
First Quantum Minerals Ltd.	Materials	3.0	2.6	
TFI International Inc.	Industrials	2.9	2.6	
Amazon.com, Inc.	Consumer Discretionary	2.9	2.5	
West Fraser Timber Co. Ltd.	Materials	2.8	2.5	
Bank of Montreal	Financials	2.8	2.5	
AutoZone, Inc.	Consumer Discretionary	2.8	2.4	
Cash	Cash & Cash Equivalents	2.4	2.1	
FirstService Corporation	Real Estate	2.3	2.1	
Stantec Inc.	Industrials	2.2	1.9	
goeasy Ltd.	Financials	2.1	1.9	
Teck Resources Limited	Materials	1.8	1.6	
		82.4*	72.4	
Total Net Asset Value* (\$000's)			\$1,467,960	
Total Investment Portfolio* (\$000's)			\$1,665,317	

\* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage (\$200.0 million) in the form of a borrowing facility, other assets and other liabilities.

Sector Allocation			Asset Allocation		
	% of Net Asset Value*	% of Investment Portfolio		% of Net Asset Value*	% of Investment Portfolio
Information Technology	26.4	23.3	Canadian Equities	88.4	78.0
Industrials	23.9	21.1	Foreign Equities	22.6	19.9
Financials	16.0	14.1	Cash & Cash Equivalents	2.4	2.1
Materials	14.8	13.1			
Energy	14.0	12.3			
Consumer Discretionary	10.8	9.5			
Real Estate	4.4	3.9			
Cash & Cash Equivalents	2.4	2.1			
Communication Services	0.7	0.6			

\* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage (\$200.0 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](http://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, 2025

**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, 2025 (Unaudited) and December 31, 2024  
(in thousands of Canadian dollars, except per share amounts)

	Note	June 30, 2025	December 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Investments	5	1,379,908	1,360,930
Investments pledged as collateral	5,6	250,453	250,469
Cash		34,956	35,289
Interest and dividends receivable		1,846	1,878
Other assets		166	142
Income taxes recoverable		2,799	-
<b>Total assets</b>		<b>1,670,128</b>	<b>1,648,708</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	11	2,168	2,310
Income taxes payable		-	243
Borrowing facility	6	200,000	200,000
<b>Total liabilities</b>		<b>202,168</b>	<b>202,553</b>
<b>Net assets</b>		<b>1,467,960</b>	<b>1,446,155</b>
<b>Equity</b>			
Share capital	7	128,568	128,568
Retained earnings		1,339,392	1,317,587
<b>Total equity</b>		<b>1,467,960</b>	<b>1,446,155</b>
<b>Net assets per common share</b>		<b>70.37</b>	<b>69.32</b>

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



# | Statements of Comprehensive Income

For the six months ended June 30

(in thousands of Canadian dollars, except per share amounts)

	Note	2025	2024
<b>Income</b>			
<b>Net gains on investments</b>			
Dividend income		11,785	10,851
Interest		30	14
Net realized gain on sale of investments		7,325	77,428
Net change in unrealized gain on investments		26,982	89,268
<b>Net gains on investments</b>		<b>46,122</b>	<b>177,561</b>
Securities lending revenue	12	85	283
<b>Total income</b>		<b>46,207</b>	<b>177,844</b>
<b>Expenses</b>			
Management fees	11	9,024	8,193
Interest	6	3,294	5,078
Listing and regulatory costs		191	186
Investor relations		161	120
Directors' fees and expenses	11	156	166
Withholding taxes	9	81	77
Transaction costs on purchases and sales		79	241
Custodial fees		77	87
Audit fees		39	38
Independent review committee fees and expenses	11	21	20
Legal fees		17	17
Security holder reporting costs		15	6
Other		22	26
<b>Total expenses</b>		<b>13,177</b>	<b>14,255</b>
Net investment income before income taxes		33,030	163,589
Refundable income tax expense (recovery)	8	(42)	9,796
<b>Increase in net assets from operations</b>		<b>33,072</b>	<b>153,793</b>
<b>Increase in net assets from operations, per common share</b>		<b>1.59</b>	<b>7.37</b>

The accompanying notes are an integral part of these 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, 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
At December 31, 2024	128,568	1,317,587	1,446,155
Increase in net assets from operations	-	33,072	33,072
Taxable dividends paid to common shareholders	-	(11,267)	(11,267)
At June 30, 2025	128,568	1,339,392	1,467,960

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	2025	2024
<b>Cash flows from (used in) operating activities</b>			
Increase in net assets from operations		33,072	153,793
<b>Adjustments for:</b>			
Net realized gain on sale of investments		(7,325)	(77,428)
Net change in unrealized gain on investments		(26,982)	(89,268)
Purchases of investments*		(20,003)	(59,169)
Proceeds of disposition of investments*		35,348	113,588
Interest on borrowing facility		3,294	5,078
Interest and dividends receivable		32	(133)
Other assets		(24)	(26)
Income taxes payable/recoverable	8	(3,042)	9,411
Accounts payable and accrued liabilities		(2)	95
<b>Net cash flows from operating activities</b>		<b>14,368</b>	<b>55,941</b>
<b>Cash flows from (used in) financing activities</b>			
Interest on borrowing facility		(3,434)	(5,219)
Dividends paid to common shareholders		(11,267)	(10,430)
<b>Net cash flows used in financing activities</b>		<b>(14,701)</b>	<b>(15,649)</b>
Net increase (decrease) in cash		(333)	40,292
Cash at the beginning of the period		35,289	11,177
<b>Cash at the end of the period</b>		<b>34,956</b>	<b>51,469</b>
<b>Items classified as operating activities</b>			
Interest received		30	14
Dividends received, net of withholding taxes		11,623	10,637
Income taxes paid – net	8	(3,000)	(385)

\*Excludes in-kind transactions of \$33,060 for the six months ended June 30, 2024.

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

## Schedule of Investment Portfolio |

As at June 30, 2025 (Unaudited)

Number of Shares	Investment	Cost (in thousands of dollars)	Fair Value
<b>Communication Services (0.6%)</b>			
<b>Wireless Telecommunication Services</b>			
250,000	Rogers Communications Inc., B NV	3,506	10,097
<i>Total Communication Services</i>		3,506	10,097
<b>Consumer Discretionary (9.5%)</b>			
<b>Broadline Retail</b>			
142,000	Amazon.com, Inc.	5,929	42,435
310,000	Dollarama Inc.	1,065	59,480
<b>Specialty Retail</b>			
8,000	AutoZone, Inc.	4,864	40,452
32,000	Home Depot, Inc.	5,380	15,981
<i>Total Consumer Discretionary</i>		17,238	158,348
<b>Energy (12.3%)</b>			
<b>Energy Equipment &amp; Services</b>			
185,000	Precision Drilling Corporation	15,102	11,931
<b>Oil, Gas &amp; Consumable Fuels</b>			
3,500,000	Athabasca Oil Corporation	18,161	19,740
2,250,000	Baytex Energy Corp.	12,460	5,490
450,000	Cameco Corporation	29,571	45,508
530,000	Canadian Natural Resources Limited	21,032	22,684
275,000	Enbridge Inc.	2,830	16,981
2,500,000	NexGen Energy Ltd.	26,412	23,650
950,000	Parex Resources Inc.	11,085	13,214
226,000	TC Energy Corporation	5,699	15,024
295,000	Tourmaline Oil Corp.	9,930	19,381
1,263,661	Whitecap Resources Inc.	11,827	11,562
<i>Total Energy</i>		164,109	205,165
<b>Financials (14.1%)</b>			
<b>Banks</b>			
275,000	Bank of Montreal	10,640	41,500
245,000	Royal Bank of Canada	10,190	43,970
260,000	Toronto-Dominion Bank	5,599	26,042
<b>Capital Markets</b>			
265,000	Brookfield Corporation	11,405	22,334
769,000	Economic Investment Trust Limited	3,851	15,534
<b>Consumer Finance</b>			
185,000	goeasy Ltd.	17,140	31,058
<b>Financial Services</b>			
72,000	Mastercard Incorporated, A	5,047	55,111
<i>Total Financials</i>		63,872	235,549
<b>Industrials (21.1%)</b>			
<b>Aerospace &amp; Defense</b>			
1,280,000	MDA Space Ltd.	28,503	44,941
<b>Building Products</b>			
100,000	Builders Firstsource, Inc	19,855	15,895
<b>Commercial Services &amp; Supplies</b>			
75,000	Boyd Group Services Inc.	15,947	16,042
100,000	Waste Connections, Inc	11,183	25,438
<b>Construction &amp; Engineering</b>			
215,000	Stantec Inc.	22,167	31,857
235,000	WSP Global Inc.	10,389	65,276
<b>Ground Transportation</b>			
90,000	Canadian National Railway Company	10,947	12,770
575,000	Canadian Pacific Kansas City Limited	6,352	62,203
350,000	TFI International Inc.	5,029	42,784
<b>Machinery</b>			
275,000	ATS Corporation	16,046	11,943
220,000	Westport Fuel Systems Inc.	13,135	920
<b>Marine Transportation</b>			
332,000	Algoma Central Corporation	2,555	5,362
<b>Trading Companies &amp; Distributors</b>			
100,000	FTAI Aviation Ltd.	19,229	15,670
<i>Total Industrials</i>		181,337	351,101

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

# Schedule of Investment Portfolio

As at June 30, 2025 (Unaudited)

Number of Shares	Investment	Cost (in thousands of dollars)	Fair Value	Number of Shares	Investment	Cost	Fair Value
<b>Information Technology (23.3%)</b>				<b>Real Estate (3.9%)</b>			
<b>Electronic Equipment, Instruments &amp; Components</b>				<b>Real Estate Management &amp; Development</b>			
350,000	Celestica Inc.	31,102	74,466	95,000	Colliers International Group Inc.	17,820	16,926
<b>IT Services</b>				145,000	FirstService Corporation	20,352	34,456
314,000	Shopify Inc.	1,660	49,317	3,200,000	StorageVault Canada Inc.	8,480	13,088
<b>Semiconductors &amp; Semiconductor Equipment</b>				<i>Total Real Estate</i>		46,652	64,470
380,000	NVIDIA Corporation	669	81,776	<b>Transaction costs</b>		(1,078)	-
<b>Software</b>				<b>Total investments (97.9%)*</b>		653,741	1,630,361
9,000	Constellation Software Inc.	11,598	44,939	<b>Cash (2.1%)</b>			34,956
9,000	Constellation Software Inc wts 03/31/40, unlisted	-	-	<b>Investment Portfolio (100.0%)</b>			1,665,317
400,000	The Descartes Systems Group Inc.	10,317	55,332	NV: non-voting			
27,003	Lumine Group Inc.	377	1,292	SV: subordinate voting			
330,000	Open Text Corporation	4,916	13,131	*Includes investments pledged as collateral of \$250,453			
21,000	Roper Technologies, Inc.	10,060	16,214				
16,738	Topicus.com Inc.	-	2,856				
<b>Technology Hardware, Storage &amp; Peripherals</b>							
173,000	Apple Inc.	1,639	48,348				
<i>Total Information Technology</i>		72,338	387,671				
<b>Materials (13.1%)</b>							
<b>Metals &amp; Mining</b>							
2,400,000	Capstone Copper Corp.	23,468	20,064				
1,800,000	First Quantum Minerals Ltd.	11,566	43,542				
290,000	Franco-Nevada Corporation	13,258	64,835				
480,000	Teck Resources Limited, B SV	15,478	26,434				
175,000	Wheaton Precious Metals Corp.	20,025	21,431				
<b>Paper &amp; Forest Products</b>							
417,125	West Fraser Timber Co. Ltd.	21,954	41,654				
<i>Total Materials</i>		105,767	217,960				

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).

These financial statements were authorized for issue by the Board of Directors on July 17, 2025.

## 2 Basis of Presentation

The Company's interim financial statements for the six months ended June 30, 2025 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 Policies

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 traded 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 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.

### 3.7 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% (note 8). 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.

### 3.8 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, 2025 and December 31, 2024, the Company has no investment in associates or subsidiaries.

### 3.9 Future accounting changes

In April 2024, the International Accounting Standards Board issued IFRS 18, *Presentation and Disclosure in the Financial Statements* which aims to improve the quality of financial reporting by introducing new requirements which include new required categories and subtotals in the Statement of comprehensive income and enhanced guidance on grouping of information. IFRS 18 replaces IAS 1, *Presentation of Financial Statements*. This standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The Manager is currently assessing the impact of these new requirements.

## 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, 2025 and December 31, 2024. As at June 30, 2025 and December 31, 2024, 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 12).

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 \$200 million (December 31, 2024 – \$200 million) borrowed through a borrowing facility.

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 was one unlisted security as at June 30, 2025 and December 31, 2024.

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, 2025 and December 31, 2024, 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, 2025 and December 31, 2024, 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, 2025, a 1% increase or decrease in the interest rate, with all other variables held constant, would have resulted in the interest increasing or decreasing, respectively, by approximately \$1,000,000 (six months ended June 30, 2024 – \$1,000,000).

### **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, 2025, the Company's investment portfolio had a 19.9% (December 31, 2024 – 21.5%) weighting in U.S. dollars. As at June 30, 2025, 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 \$16,594,000 or approximately 1.1% (December 31, 2024 – \$17,739,000 or approximately 1.2%).

### **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, 2025, 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 \$81,518,000 or approximately 5.6% (December 31, 2024 - \$80,570,000 or approximately 5.6%).

### 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, 2025	December 31, 2024
Information Technology	23.3%	23.0%
Industrials	21.1%	23.4%
Financials	14.1%	13.4%
Materials	13.1%	11.2%
Energy	12.3%	12.3%
Consumer Discretionary	9.5%	9.7%
Real Estate	3.9%	4.2%
Communication Services	0.6%	0.7%
Cash	2.1%	2.1%
	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 and borrowing facility are carried at amortized cost. 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
<b>As at June 30, 2025</b>				
<b>Financial assets at FVTPL:</b>				
Investments	1,379,908	-	-	1,379,908
Investments pledged as collateral	250,453	-	-	250,453
	1,630,361	-	-	1,630,361
<b>As at December 31, 2024</b>				
<b>Financial assets at FVTPL:</b>				
Investments	1,360,930	-	-	1,360,930
Investments pledged as collateral	250,469	-	-	250,469
	1,611,399	-	-	1,611,399

During the six months ended June 30, 2025 and the year ended December 31, 2024, 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, 2025, the Company had pledged securities as collateral to the prime broker equal to \$250,453,000 (December 31, 2024 – \$250,469,000) on the outstanding borrowings of \$200,000,000 (December 31, 2024 – \$200,000,000) plus accrued interest of \$521,000 (December 31, 2024 – \$662,000).

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.

## 7 Share Capital

### Common shares

The Company is authorized to issue an unlimited number of common shares. As at June 30, 2025, there are 20,861,141 (December 31, 2024 – 20,861,141) common shares issued and outstanding with no par value.

Subsequent to June 30, 2025, the Company declared a quarterly dividend of \$0.27 per share payable on September 15, 2025 to common shareholders of record at the close of business on August 29, 2025.

## 8 Income Taxes

As at June 30, 2025, the Company had federal refundable capital gains taxes on hand of approximately \$17,353,000 (December 31, 2024 – \$17,353,000), which are refundable on payment of capital gains dividends of approximately \$124.0 million (December 31, 2024 – \$124.0 million) and Ontario refundable capital gains taxes on hand of approximately \$7,979,000 (December 31, 2024 – \$7,979,000), which are refundable on payment of capital gains dividends of approximately \$139.0 million (December 31, 2024 – \$139.0 million).

As at June 30, 2025 and December 31, 2024, the Company has no unused non-capital losses for tax purposes.

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 \$1,451,000 of refundable dividend tax on hand as at June 30, 2025 (December 31, 2024 – \$1,493,000).

The Company's refundable income tax provision during the period is determined as follows:

(in thousands of dollars)	2025	2024
Provision for (recovery of) income taxes on net investment income (loss) before income taxes		
Provision for income taxes based on combined Canadian federal and provincial income tax rate of 39.5%	13,046	64,618
<b>Increase (decrease) in income taxes resulting from:</b>		
Dividends from taxable Canadian companies	(4,407)	(4,084)
Net change in unrealized gain on investments	(10,658)	(35,261)
Non-taxable portion of net realized gain on sale of investments	(2,894)	(15,292)
Decrease in refundable dividend tax on hand	(42)	(88)
Utilization of non-capital loss carryforward	-	(97)
Benefit of tax loss not recognized	4,913	-
Refundable income tax expense (recovery)	(42)	9,796



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, 2025, the average withholding tax rate paid by the Company was 15.0% (December 31, 2024 – 15.0%).

## 10 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.

# 11 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, 2025, \$9,006,000 (2024 – \$8,049,000) was paid to the Manager with \$1,569,000 accrued and included in accounts payable and accrued liabilities as at June 30, 2025 (December 31, 2024 – \$1,552,000).

### Dividends

As a result of its ownership position in the Company, during the six months ended June 30, 2025, Third Canadian received taxable dividends of \$4,120,000 (2024 – \$3,815,000 of taxable dividends).

### 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, 2025, the independent directors of the Company received directors' fees aggregating \$138,000 (2024 – \$148,000) from the Company. No other compensation was paid or is payable to the directors of the Company for the six months ended June 30, 2025, 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 (2024 – \$20,000).

# 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, 2025, the Company had loaned securities with a fair value of \$105,987,000 (December 31, 2024 – \$113,023,000) and the custodian held collateral of \$111,537,000 (December 31, 2024 – \$117,901,000). This collateral is not reflected in the statements of financial position and consisted of the following:

	June 30, 2025	December 31, 2024
<b>Securities lending collateral</b>		
Corporate debt securities	0.0%	0.1%
Federal government debt securities	9.9%	4.9%
Provincial government debt securities	14.3%	7.3%
U.S. government debt securities	73.1%	87.7%
Foreign government debt securities	2.7%	0.0%
	100.0%	100.0%

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

(in thousands of dollars)	June 30, 2025		June 30, 2024	
Gross securities lending earnings	149	100.0%	551	100.0%
Fees	(37)	(24.8%)	(117)	(21.2%)
Withholding taxes	(27)	(18.4%)	(151)	(27.5%)
Net securities lending earnings	85	56.8%	283	51.3%

## 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:

### **Shore Capital**

Cassini House  
57-58 St James's Street  
London SW1A 1LD  
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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:

### **Edison Investment Research Limited**

20 Red Lion Street,  
London,  
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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  
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