Pursuing Outperformance

CANADIAN GENERAL INVESTMENTS

2026 **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 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 23, 2026.

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

Global equity markets have fared well in the first half of 2026 with all major regions posting positive year-to-date returns. Despite lingering tariff issues, elevated inflation and ongoing trade concerns, the markets carried good momentum from a very positive 2025 through the first couple of months until they were abruptly interrupted with the onset of the U.S.-led war with Iran in late February. This introduced a period of volatility with markets reacting quickly and decisively in a steady movement downwards throughout March. As the conflict dragged on, its impact strengthened and losses grew materially. Most markets eventually suffered 10% corrections and these not only wiped-out earlier gains but also threatened more negative consequences. Markets eventually calmed when early, but ultimately unfounded, signals of potential resolution of the conflict began to emerge and, in a testament to market resilience, markets pivoted sharply to the upside in convincing fashion. Remarkably, the S&P/TSX Composite Index (S&P/TSX) took fewer than 30 days to fully recover from its drawdown and then proceeded to advance unabated to all-time highs in June.

The S&P/TSX was, once again, a leader amongst its peers in the developed markets with a total return of 11.2% for the half-year. In comparison, Canadian General Investments, Limited's (CGI or the Company) net asset value (NAV) return, with dividends reinvested, was 8.6%. These good numbers are even more notable when put into a historic perspective. These returns follow a period in which Canadian equities have quietly delivered a very impressive run over the past three years, notching double-digit results in 2023, 2024 and 2025. And there is potential for more as supportive fundamentals should continue to drive earnings in the resource areas and Canada's leading banking industry provides stability along with consistent results. A renewed focus on hard assets and a general broadening out of the asset allocation model plays into the benefits of the Canadian market. Its concentration of resources along with a substantial presence in a superb financial system accentuates what is generally recognized as an attractive investment option.

The table below illustrates the weightings of the five largest sectors in CGI's portfolio at June 30, 2026, compared with year end 2025, 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, 2026, the portfolio was overweight Industrials and Information Technology, underweight Financials, and close to market weight for Energy and Materials, as compared to the sector weightings in the S&P/TSX.

	CGI		S&P/TSX	
SECTOR	**June 30, 2026**	**December 31, 2025**	**June 30, 2026**	**December 31, 2025**
Industrials	22.8%	19.6%	10.6%	10.5%
Information Technology	18.5%	20.5%	7.2%	9.7%
Energy	15.7%	14.4%	16.5%	14.8%
Materials	15.4%	16.3%	16.2%	18.1%
Financials	13.9%	14.1%	36.2%	33.1%

The headline S&P/TSX return number of 11.2% was heavily influenced by returns posted by two of the largest sectors in the index. Although eight of eleven sectors had positive returns for the period, only three (Financials, Energy and Utilities) had returns that exceeded the headline index number. Financials and Energy dominated during the period and this imbalance accentuated a sizable concentration effect that skewed the S&P/TSX results overall and made for tough comparisons for broader, more diversified funds like CGI. Financials was the principal driver of returns in the period as the largest weighted group at 36.2% combined with returns in excess of 20%. Internally within the sector was the bank subsector, at 25% of the index, which was a driver of these results with breakaway 30% returns. The major Canadian banks delivered improving fundamentals and impressive quarterly results which caught the attention of investors and provided for outsized returns. Being underweight the banks, CGI lost on its relative performance overall, but the rally resulted in sizable contributions from holdings in Bank of Montreal (+42.5%), Royal Bank of Canada (+26.9%) and The Toronto-Dominion Bank (+35.0%), all of which placed in the top ten performers list of the portfolio. The Energy sector was also a huge swing factor in the index. Placing second in terms of weighting at 16.5%, its influence rivalled that of the Financials with returns in excess of 20%. The Energy sector has performed exceptionally well, underpinned by concerns of oil supply and a spike in pricing due to the Iranian conflict. The Middle East's vast influence on the world's supply of oil and gas, measured at around 20% of total supply is mostly exported out of the area through the Strait of Hormuz and these deliveries came to an abrupt halt. The threat of the loss of supply along with the correlated price action drove investors to buy energy companies and their stock prices jumped. CGI has good representation in the group with a market weighting and its holdings in Athabasca Oil Corporation (+45.4%), Canadian Natural Resources Limited (+23.1%), Whitecap Resources Inc. (+31.1%) and

Parex Resources Inc. (+10.1%) were good participants in the rally. Also within the group, but secondary to the core, were the uranium names Cameco Corporation (+15.0%) and Denison Mines Corp. (+19.5%) which also had good returns.

The Artificial Intelligence (AI) theme remains topical and dominant as an overwhelming amount of resources are being consumed in the infrastructure rollout to support expected demand. Potentially transformative, its application, functionality and impact are indeterminable, and speculation has created both winners and losers in the equity markets. As an example, a focus on the negative has engulfed engineering firms and their share prices have been under pressure. Speculation is rampant that the new technology will have huge disruption on the industry and will reconfigure the profession as currently structured. In defence, engineering companies have been vocal and pushed back, countering that AI will not replace engineers but could be a formidable tool of assistance for efficiencies and effectiveness and would improve and enhance industry's prospects. It is an extreme contrast in views for which the outcome will not likely be resolved for some time but, in the interim, the market has decided in favour of the AI transformation. As a result, CGI's holdings in WSP Global Inc. (-28.9%) and Stantec Inc. (-24.1%) continue to suffer along with their peers. Another area in the market that has been negatively affected with theories of AI's disruptive potential is related to software companies. AI's powerful abilities in writing code is at its core and the fear of displacement of traditional providers of software platforms and programs has clouded prospects for this industry. Although there has not been much in the way of reference to encroachment in the current use models, investors have devalued software companies and Open Text Corporation (-28.2%), Constellation Software (-19.0%) and The Descartes System Group Inc. (-18.4%) show up at the bottom end of performers in the portfolio. Always two sides to a story, there are winning participants in AI's evolution. These would include CGI's top largest holdings at June 30, 2026, Celestica Inc. (+27.4%), bought in 2024, and NVIDIA Corporation (+11.3%), bought in 2016. Both have been major beneficiaries in the rollout and continue to contribute meaningfully in terms of performance.

Aside from some of the themes and specific names already mentioned, some notable moves arose out of the mix of results at the individual level. The collective results had an upside bias and reinforced the potential of a bottom-up investment strategy which has, over time, been effective in assisting overall returns. It can be particularly important in periods like these, where it helps in countering differentials arising from market concentration. Examples would include MDA Space Ltd. which was the runaway return generator for the portfolio with a greater than 100% return. Canada's pure-play on the space economy, MDA posted record financial results, expanded its manufacturing capacity, added to its multi-billion backlog and expanded into the U.S. market with completion of an Initial Public Offering (IPO). Its stock price likely benefitted from interest arising from the coverage leading up to the largest IPO in history of SpaceX which commanded huge attention and expanded the general awareness for investors for the investment and growth opportunities of space. Not all good, the holding in Colliers International Group Inc. (-33.9%) dropped significantly as commercial real estate remained sluggish, interest rate expectations shifted upwards and, like the engineering companies, its entry and growth in ancillary professional services weighed on sentiment. The position was reduced. Another more positive mention relates to a recovery story rewarding patience. After many years of compounding growth, TFI International Inc. uncharacteristically came under heavy pressure beginning in 2025 due to the effects of a multi-year "freight recession" in North America. Assessing tough macro conditions, but as the company model that remained intact, the investment was held. No sooner than leading indicators and demand stabilisation began emerging in the freight industry early this year, investors once again were drawn to TFI's resilient profit margins, cash flow generation, shareholder returns and potential resumption of their successful acquisition strategies. The stock price has rebounded significantly and TFI was CGI's second-best performer in the first half of 2026, increasing 44.6%.

Trading was minimal in the period. A new position was established in Aecon Group Inc. Aecon Group is a major Canadian construction and infrastructure development company. Aecon Group is in the final stages of a transformation of its business model and has been posting very encouraging financial metrics. A growing backlog of projects as infrastructure booms, Aecon is well placed for additional awards with participation in some of the major projects that the Canadian government has made a priority. Aecon is also attracting attention as a differentiated way to play into the nuclear industry with an established business line representing a significant 30% of its revenues. It is the leading contractor in the refurbishment and new builds of CANDU reactors so will benefit as the nuclear industry grows. Further purchases of Aritzia Inc. were made in the period to establish a full position in the investment that was started in late 2025. As for disposals, Open Text Corporation was eliminated due to ongoing pressures in the software area and Colliers International was pruned for reasons mentioned earlier.

Dividend and interest income was $10,949,000 for the six months, down 7.3% from 2025. Management fees and interest on the borrowing facility are the largest expenses of the Company. Year-to-date management fees increased by 25.7% to $11,343,000 due to higher average portfolio values during the six months. Interest expense over the period decreased by 14.8% as a result of decreasing interest rates, which was partially offset by a $25 million increase in the amount of borrowing in April 2026.

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. 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.

The amount borrowed under this facility during the six months ranged from $200 million to $225 million (2025 – $200 million). As of June 30, 2026, the $225 million outstanding under the borrowing facility represented 12.4% of CGI's net assets (December 31, 2025 – 11.9%). The borrowing facility acts as leverage to common shareholders. This leverage serves to increase the effect of overall portfolio returns, positively impacting CGI's NAV return for the six months ended June 30, 2026 and the same period in 2025.

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, 2026, there was a refundable income tax recovery of $2,447,000, compared to $42,000 in the prior year.

As at June 30, 2026, the Company had federal refundable capital gains taxes on hand of approximately $17,482,000 (December 31, 2025 – $18,503,000), which are refundable on payment of capital gains dividends of approximately $125.0 million (December 31, 2025 – $132.0 million) and Ontario refundable capital gains taxes on hand of approximately $8,099,000 (December 31, 2025 – $8,518,000), which are refundable on payment of capital gains dividends of approximately $141.0 million (December 31, 2025 – $148.0 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

Investors are confronted with several lingering risks heading into the back half of the year. Geopolitical risks, AI-driven disruption concerns, an unresolved Middle East conflict, sticky inflation, general tariff uncertainty and supply chain disruptions remain in play, but markets have, so far, shown resilience in the face of these concerns. Due to all of the uncertainty, some caution is warranted as headline risks remain high in these event-driven times, but fundamentals are strong and the outlook constructive.

Canada continues to benefit from several foundational tailwinds. Resilient earnings, political stability, financial sector strength, global commodity demand and a growing focus on critical resources provide supportive underpinnings. Canada is well placed for investors seeking safe assets.

CGI provides excellent exposure for shareholders to participate in the potential of the Canadian market. The Manager, Morgan Meighen & Associates Limited (MMA or the Manager) believes in the long-term perspective and has an impressive historical track record of delivering value to CGI's shareholders. Investment fundamentals have shown the value of maintaining a long-term perspective and recent events have underscored this viewpoint. The Manager remains consistent and steady in its approach as it pursues further advancements on behalf of CGI's shareholders.

Related Party Transactions

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

Third Canadian General Investment Trust Limited (Third Canadian), a private, Ontario-based corporation under common control with the Company, has an approximate 37% (December 31, 2025 – 37%) ownership interest in the Company. As a result of its ownership position in the Company, during the six months ended June 30, 2026, Third Canadian received taxable dividends of $4,730,000 (2025 – $4,120,000 of taxable dividends).

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, 2026 and the prior five years.

The Company's Net Assets per Share [1]

	Six months ended June 30, 2026	2025	2024	2023	2022	2021
Net assets – beginning of period	$80.66	$69.32	$55.63	$48.24	$61.35	$50.02
Increase (decrease) from operations						
Total revenue	0.53	1.04	1.01	1.06	1.00	0.74
Total expenses (excluding common share dividends)	(0.72)	(1.31)	(1.34)	(1.22)	(0.98)	(0.99)
Realized gains (losses) for the period	(0.35)	3.45	5.91	3.52	(0.12)	3.95
Unrealized gains (losses) for the period	7.35	9.49	9.74	5.01	(12.18)	8.93
Refundable income tax recovery (expense)	0.12	(0.25)	(0.63)	(0.02)	0.09	(0.42)
Total increase (decrease) from operations[2]	6.93	12.42	14.69	8.35	(12.19)	12.21
Dividends paid to common shareholders						
Taxable dividends	(0.62)	(0.54)	(1.00)	(0.72)	(0.92)	(0.44)
Capital gains dividends	–	(0.54)	–	(0.24)	–	(0.44)
Total dividends[3]	(0.62)	(1.08)	(1.00)	(0.96)	(0.92)	(0.88)
Net assets – end of period	$86.97	$80.66	$69.32	$55.63	$48.24	$61.35

(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, 2026	2025	2024	2023	2022	2021
Total net asset value (000's) (1)	$1,814,296	$1,682,754	$1,446,155	$1,160,441	$1,006,312	$1,279,896
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)	1.66%	1.80%	2.10%	2.26%	1.89%	1.72%
Trading expense ratio (4) (6)	0.01%	0.04%	0.04%	0.02%	0.01%	0.03%
Portfolio turnover rate (5)	2.74%	11.38%	13.72%	7.40%	2.10%	6.17%
Net asset value per share (1)	$86.97	$80.66	$69.32	$55.63	$48.24	$61.35
Closing market price (1)	$52.59	$47.25	$40.48	$34.73	$32.60	$44.05

(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: 2026 (to June 30, 2026, annualized) – 1.35%, 2025 – 1.38%, 2024 – 1.39%, 2023 – 1.42%, 2022 – 1.38%, 2021 – 1.37%.

(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, 2026 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.

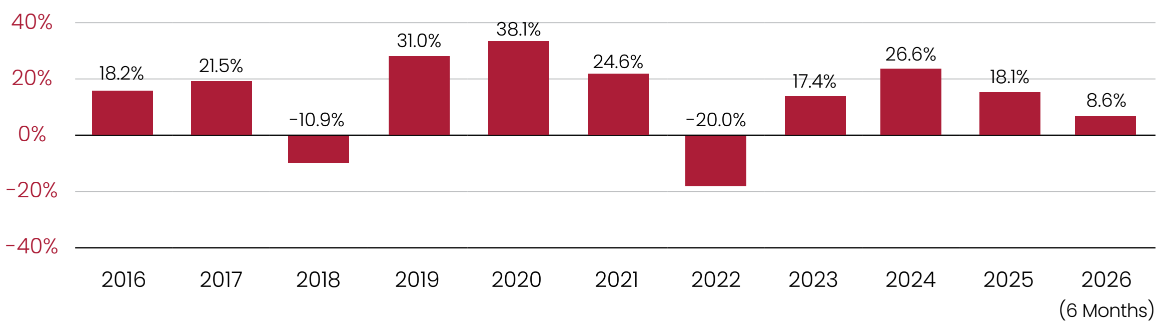
Past Performance

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.

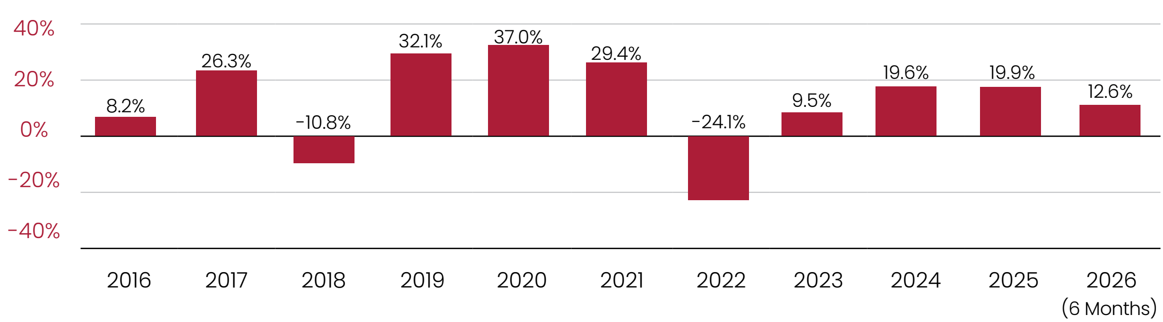
Year-by-Year Returns

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, 2026, 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, 2026

Top 25 Holdings

Issuer	Sector	% of Net Asset Value*	% of Investment Portfolio
Celestica Inc.	Information Technology	6.2	5.5
NVIDIA Corporation	Information Technology	5.2	4.7
Franco-Nevada Corporation	Materials	4.7	4.2
MDA Space Ltd.	Industrials	4.1	3.7
Royal Bank of Canada	Financials	4.0	3.5
TFI International Inc.	Industrials	3.9	3.5
Canadian Pacific Kansas City Limited	Industrials	3.9	3.5
First Quantum Minerals Ltd.	Materials	3.8	3.4
Bank of Montreal	Financials	3.8	3.4
Cameco Corporation	Energy	3.6	3.2
Dollarama Inc.	Consumer Discretionary	3.2	2.9
Apple Inc.	Information Technology	3.0	2.7
Mastercard Incorporated	Financials	2.9	2.6
Shopify Inc.	Information Technology	2.8	2.5
Amazon.com, Inc.	Consumer Discretionary	2.6	2.4
Aritzia Inc.	Consumer Discretionary	2.5	2.2
The Toronto-Dominion Bank	Financials	2.5	2.2
WSP Global Inc.	Industrials	2.3	2.0
Teck Resources Limited	Materials	2.2	2.0
The Descartes Systems Group Inc.	Information Technology	2.2	1.9
NexGen Energy Ltd.	Energy	2.1	1.9
FTAI Aviation Ltd.	Industrials	2.1	1.9
AutoZone, Inc.	Consumer Discretionary	2.0	1.8
Athabasca Oil Corporation	Energy	2.0	1.8
Capstone Copper Corp.	Materials	1.9	1.7
		79.5*	71.1
Total Net Asset Value* ($000's)			$1,814,296
Total Investment Portfolio* ($000's)			$2,037,422

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage ($225.0 million) in the form of a borrowing facility, other assets and other liabilities.

Sector Allocation	% of Net Asset Value*	% of Investment Portfolio	Asset Allocation	% of Net Asset Value*	% of Investment Portfolio
Industrials	25.6	22.8	Canadian Equities	91.2	81.3
Information Technology	20.8	18.5	Foreign Equities	20.7	18.4
Energy	17.6	15.7	Cash & Cash Equivalents	0.4	0.3
Materials	17.3	15.4			
Financials	15.6	13.9			
Consumer Discretionary	11.2	10.0			
Real Estate	2.5	2.2			
Communication Services	1.3	1.2			
Cash & Cash Equivalents	0.4	0.3			

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage ($225.0 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.

June 30, 2026

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, 2026 (Unaudited) and December 31, 2025
(in thousands of Canadian dollars, except per share amounts)

	Note	June 30, 2026	December 31, 2025
Assets			
Current assets			
Investments	5	1,757,110	1,625,245
Investments pledged as collateral	5,6	273,855	243,640
Cash		6,457	14,163
Interest and dividends receivable		1,473	1,603
Other assets		157	127
Income taxes recoverable		2,741	294
Total assets		2,041,793	1,885,072
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	2,497	2,318
Borrowing facility	6	225,000	200,000
Total liabilities		227,497	202,318
Net assets		1,814,296	1,682,754
Equity			
Share capital	7	128,568	128,568
Retained earnings		1,685,728	1,554,186
Total equity		1,814,296	1,682,754
Net assets per common share		86.97	80.66

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

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

	Note	2026	2025
Income			
Net gains on investments			
Dividend income		10,938	11,785
Interest		11	30
Net realized gain (loss) on sale of investments		(7,227)	7,325
Net change in unrealized gain on investments		153,293	26,982
Net gains on investments		157,015	46,122
Securities lending revenue	12	93	85
Total income		157,108	46,207
Expenses			
Management fees	11	11,343	9,024
Interest	6	2,808	3,294
Listing and regulatory costs		211	191
Directors' fees and expenses	11	178	156
Investor relations		151	161
Custodial fees		104	77
Withholding taxes	9	94	81
Transaction costs on purchases and sales		81	79
Audit fees		40	39
Independent review committee fees and expenses	11	22	21
Security holder reporting costs		16	15
Legal fees		8	17
Other		24	22
Total expenses		15,080	13,177
Net investment income before income taxes		142,028	33,030
Refundable income tax recovery	8	(2,447)	(42)
Increase in net assets from operations		144,475	33,072
Increase in net assets from operations, per common share		6.93	1.59

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, 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
At December 31, 2025	128,568	1,554,186	1,682,754
Increase in net assets from operations	-	144,475	144,475
Taxable dividends paid to common shareholders	-	(12,933)	(12,933)
At June 30, 2026	128,568	1,685,728	1,814,296

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

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

	Note	2026	2025
Cash flows from (used in) operating activities			
Increase in net assets from operations		144,475	33,072
Adjustments for:			
Net realized gain (loss) on sale of investments		7,227	(7,325)
Net change in unrealized gain on investments		(153,293)	(26,982)
Purchases of investments		(43,253)	(20,003)
Proceeds of disposition of investments		27,239	35,348
Interest on borrowing facility		2,808	3,294
Interest and dividends receivable		130	32
Other assets		(30)	(24)
Income taxes payable/recoverable	8	(2,447)	(3,042)
Accounts payable and accrued liabilities		135	(2)
Net cash flows from (used in) operating activities		(17,009)	14,368
Cash flows from (used in) financing activities			
Proceeds from borrowing facility		25,000	-
Interest on borrowing facility		(2,764)	(3,434)
Dividends paid to common shareholders		(12,933)	(11,267)
Net cash flows from (used in) financing activities		9,303	(14,701)
Net decrease in cash		(7,706)	(333)
Cash at the beginning of the period		14,163	35,289
Cash at the end of the period		6,457	34,956
Items classified as operating activities			
Interest received		11	30
Dividends received, net of withholding taxes		10,957	11,623
Income taxes paid – net	8	-	(3,000)

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

Schedule of Investment Portfolio

As at June 30, 2026 (Unaudited)

Number of Shares	Investment	Cost	Fair Value
	Communication Services (1.2%)		
	Interactive Media & Services		
16,000	Meta Platforms, Inc.	16,145	12,799
	Wireless Telecommunication Services		
250,000	Rogers Communications Inc., B NV	3,506	11,534
	Total Communication Services	19,651	24,333
	Consumer Discretionary (10.0%)		
	Broadline Retail		
142,000	Amazon.com, Inc.	5,929	48,067
310,000	Dollarama Inc.	1,065	58,162
	Specialty Retail		
290,000	Aritzia Inc.	36,168	45,353
8,000	AutoZone, Inc.	4,864	36,312
32,000	Home Depot, Inc.	5,380	16,029
	Total Consumer Discretionary	53,406	203,923
	Energy (15.7%)		
	Energy Equipment & Services		
185,000	Precision Drilling Corporation	15,102	20,150
	Oil, Gas & Consumable Fuels		
3,500,000	Athabasca Oil Corporation	18,161	35,770
450,000	Cameco Corporation	29,571	65,052
530,000	Canadian Natural Resources Limited	21,032	29,744
7,000,000	Denison Mines Corp.	26,307	30,450
275,000	Enbridge Inc.	2,830	21,150
2,900,000	NexGen Energy Ltd.	31,402	38,628
950,000	Parex Resources Inc.	11,085	20,321
226,000	TC Energy Corporation	5,699	21,226
295,000	Tourmaline Oil Corp.	9,930	17,494
1,263,661	Whitecap Resources Inc.	11,827	18,614
	Total Energy	182,946	318,599

Number of Shares	Investment	Cost	Fair Value
	Financials (13.9%)		
	Banks		
275,000	Bank of Montreal	10,640	68,934
245,000	Royal Bank of Canada	10,191	71,952
260,000	The Toronto-Dominion Bank	5,599	44,834
	Capital Markets		
450,000	Brookfield Corporation	14,643	27,230
769,000	Economic Investment Trust Limited	3,851	18,072
	Financial Services		
72,000	Mastercard Incorporated, A	5,047	52,520
	Total Financials	49,971	283,542
	Industrials (22.8%)		
	Aerospace & Defense		
87,500	Bombardier Inc., B SV	19,670	28,572
40,000	HEICO Corporation	17,655	20,235
1,280,000	MDA Space Ltd.	28,503	75,008
	Commercial Services & Supplies		
75,000	Boyd Group Services Inc.	15,947	10,072
100,000	Waste Connections, Inc.	11,183	23,639
	Construction & Engineering		
515,000	Aecon Group Inc.	23,603	23,443
200,000	AtkinsRéalis Group Inc.	19,678	17,616
215,000	Stantec Inc.	22,167	21,031
235,000	WSP Global Inc.	10,389	41,325
	Ground Transportation		
90,000	Canadian National Railway Company	10,947	15,233
575,000	Canadian Pacific Kansas City Limited	6,352	70,702
350,000	TFI International Inc.	5,029	71,452
	Marine Transportation		
332,000	Algoma Central Corporation	2,555	7,364
	Trading Companies & Distributors		
100,000	FTAI Aviation Ltd.	19,229	38,422
	Total Industrials	212,907	464,114

As at June 30, 2026 (Unaudited)

Number of Shares	Investment	Cost	Fair Value
	Information Technology (18.5%)		
	Electronic Equipment, Instruments & Components		
217,500	Celestica Inc.	19,328	112,500
	IT Services		
314,000	Shopify Inc.	1,660	50,950
	Semiconductors & Semiconductor Equipment		
335,000	NVIDIA Corporation	590	95,199
	Software		
9,000	Constellation Software Inc.	11,598	24,030
9,000	Constellation Software Inc., wts, 03/31/40, unlisted	-	-
400,000	The Descartes Systems Group Inc.	10,317	39,292
	Technology Hardware, Storage & Peripherals		
134,000	Apple Inc.	1,270	55,069
	Total Information Technology	44,763	377,040
	Materials (15.4%)		
	Metals & Mining		
600,000	Alamos Gold Inc.	22,542	25,800
2,600,000	Capstone Copper Corp.	25,920	33,878
1,800,000	First Quantum Minerals Ltd.	11,566	69,732
290,000	Franco-Nevada Corporation	13,258	85,820
600,000	G Mining Ventures Corp.	19,078	24,918
480,000	Teck Resources Limited, B SV	15,477	40,546
210,000	Wheaton Precious Metals Corp.	24,540	33,503
	Total Materials	132,381	314,197

Number of Shares	Investment	Cost	Fair Value
	Real Estate (2.2%)		
	Real Estate Management & Development		
50,000	Colliers International Group Inc.	9,488	6,655
145,000	FirstService Corporation	20,352	29,242
2,000,000	StorageVault Canada Inc.	5,300	9,320
	Total Real Estate	35,140	45,217
	Transaction costs	(1,130)	-
	Total investments (99.7%)*	730,035	2,030,965
	Cash (0.3%)		6,457
	Investment portfolio (100.0%)		2,037,422

NV: non-voting
SV: subordinate voting
* Includes investments pledged as collateral of $273,855

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 23, 2026.

2 Basis of Presentation

The Company's interim financial statements for the six months ended June 30, 2026 have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (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, 2026 and December 31, 2025, the Company has no investment in associates or subsidiaries.

3.9 Changes in accounting policies

Adoption of new accounting standards

On January 1, 2026, the Company adopted amendments to IFRS 7, *Financial Instruments: Disclosures*, and IFRS 9, *Financial Instruments*, which had been issued by the International Accounting Standards Board (IASB) in May 2024. The amendments, which included clarifying the date of recognition and derecognition of some financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic payment system, did not have any effect on the Company's financial statements.

Standards issued but not yet effective

In April 2024, the IASB 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. IFRS 18 will apply retrospectively. The Manager is currently assessing the impact of these new requirements, however, IFRS 18 does not impact the recognition and measurement of assets, liabilities, income or expenses and therefore adoption will have no impact on the Company's net asset value.

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, 2026 and December 31, 2025. As at June 30, 2026 and December 31, 2025, 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 $225 million (December 31, 2025 – $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, 2026 and December 31, 2025.

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, 2026 and December 31, 2025, 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, 2026 and December 31, 2025, 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, 2026, a 1% increase or decrease in the interest rate, with all other variables held constant, would have resulted in the interest expense increasing or decreasing, respectively, by approximately $1,125,000 (six months ended June 30, 2025 – $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, 2026, the Company`s investment portfolio had an 18.4% (December 31, 2025 – 18.3%) weighting in U.S. dollars. As at June 30, 2026, 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 $18,733,000 or approximately 1.0% (December 31, 2025 – $17,243,000 or approximately 1.0%).

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, 2026, 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 $101,548,000 or approximately 5.6% (December 31, 2025 – $93,444,000 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, 2026	December 31, 2025
Industrials	22.8%	19.6%
Information Technology	18.5%	20.5%
Energy	15.7%	14.4%
Materials	15.4%	16.3%
Financials	13.9%	14.1%
Consumer Discretionary	10.0%	9.6%
Real Estate	2.2%	3.4%
Communication Services	1.2%	1.3%
Cash	0.3%	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 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
As at June 30, 2026				
Financial assets at FVTPL:				
Investments	1,757,110	-	-	1,757,110
Investments pledged as collateral	273,855	-	-	273,855
	2,030,965	-	-	2,030,965
As at December 31, 2025				
Financial assets at FVTPL:				
Investments	1,625,245	-	-	1,625,245
Investments pledged as collateral	243,640	-	-	243,640
	1,868,885	-	-	1,868,885

During the six months ended June 30, 2026 and the year ended December 31, 2025, 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. 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, 2026, the Company had pledged securities as collateral to the prime broker equal to $273,855,000 (December 31, 2025 – $243,640,000) on the outstanding borrowings of $225,000,000 (December 31, 2025 – $200,000,000) plus accrued interest of $501,000 (December 31, 2025 – $457,000), included in accounts payable and accrued liabilities.

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, 2026, there are 20,861,141 (December 31, 2025 – 20,861,141) common shares issued and outstanding with no par value.

Subsequent to June 30, 2026, the Company declared a quarterly dividend of $0.31 per share payable on September 15, 2026 to common shareholders of record at the close of business on August 31, 2026.

8 Income Taxes

As at June 30, 2026, the Company had federal refundable capital gains taxes on hand of approximately $17,482,000 (December 31, 2025 – $18,503,000), which are refundable on payment of capital gains dividends of approximately $125.0 million (December 31, 2025 – $132.0 million) and Ontario refundable capital gains taxes on hand of approximately $8,099,000 (December 31, 2025 – $8,518,000), which are refundable on payment of capital gains dividends of approximately $141.0 million (December 31, 2025 – $148.0 million).

The Company is also subject to a special tax of 38-1/3% on taxable dividends received from corporations resident in Canada. This special tax is refundable on payment of taxable dividends to shareholders at the rate of $0.3833 for each $1 of such dividends paid. The Company has $4,003,000 of refundable dividend tax on hand as at June 30, 2026 (December 31, 2025 – $5,010,000).

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

(in thousands of dollars)	2026	2025
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%	56,101	13,046
Increase (decrease) in income taxes resulting from:		
Dividends from taxable Canadian companies	(4,027)	(4,407)
Net change in unrealized gain on investments	(60,551)	(10,658)
Non-taxable portion of net realized gain (loss) on sale of investments	1,414	(2,894)
Decrease in refundable dividend tax on hand	(1,007)	(42)
Benefit of tax loss not recognized	5,623	4,913
Refundable income tax recovery	(2,447)	(42)

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, 2026, the average withholding tax rate paid by the Company was 15.0% (December 31, 2025 – 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, 2026, $11,198,000 (2025 – $9,006,000) was paid to the Manager with $1,920,000 accrued and included in accounts payable and accrued liabilities as at June 30, 2026 (December 31, 2025 – $1,775,000).

Dividends

As a result of its ownership position in the Company, during the six months ended June 30, 2026, Third Canadian received taxable dividends of $4,730,000 (2025 – $4,120,000 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, 2026, the directors of the Company, who are not executives of the Manager, received directors' fees aggregating $160,000 (2025 – $138,000) from the Company. No other compensation was paid or is payable to the directors of the Company for the six months ended June 30, 2026, except for compensation paid by the Company in respect of independent directors acting as members of the Independent Review Committee for the Company, aggregating $21,000 (2025 – $21,000).

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, 2026, the Company had loaned securities with a fair value of $33,361,000 (December 31, 2025 – $83,494,000) and the custodian held collateral of $37,826,000 (December 31, 2025 – $88,158,000). This collateral is not reflected in the statements of financial position and consisted of the following:

	June 30, 2026	December 31, 2025
Securities lending collateral		
Federal government debt securities	1.0%	29.7%
Provincial government debt securities	4.1%	26.2%
U.S. government debt securities	94.9%	44.1%
	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, 2026		June 30, 2025	
Gross securities lending earnings	86	100.0%	149	100.0%
Fees	(27)	(31.5%)	(37)	(24.8%)
Withholding taxes	34	39.3%	(27)	(18.4%)
Net securities lending earnings	93	107.8%	85	56.8%

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
+44 (0) 207 408 4090

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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20 Red Lion Street,
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WC1R 4PS
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+44 (0)20 3077 5700

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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