

REPORT TO SHAREHOLDERS

A global and predominantly technology-weighted fund, Canadian World Fund Limited (CWF) continued to maintain significantly superior performance compared to its global benchmark at June 30. CWF's net asset value at June 30, 2000 closed at \$28,754,000, strongly ahead when compared to \$24,961,000 one year ago. This twelve-month improvement of 15.2% vs. 11.6% for the Morgan Stanley All-Country World Index demonstrated CWF's healthy outperformance.

Net asset value per share (NAV) was \$7.01 at the end of June compared to \$8.58 at the end of March when technology stocks were stronger, but substantially up from the \$6.09 reported twelve months ago.

Net realized gain on investments was \$1,918,000 for the six months ended June 30, 2000. This included a gain of \$1,077,000 that was realized on the sale of the investment in Japan's Softbank Corporation early in the second quarter. Unrealized gain on investments was \$5,755,000 at June 30, 2000.

CWF has frequently appeared in the Globe & Mail's top ten international funds list in Canada and has topped the list several times this year. We believe the prospects for the fund continue to be attractive.

TRADING ACTIVITY

During the first half of 2000, the stock traded between \$4.22 and \$6.15, closing the period at \$5.00. Market return as measured by share price appreciation was -3.8% for the half-year but a positive 8.7% for the twelve months ended June 30, 2000. The discount to NAV at June 30 was 28.7%, fluctuating between 27% and an extremely wide 42% during the half-year.

PORTFOLIO

The portfolio completed the quarter with a 41.3% weighting in Europe, including 20.5% exposure to U.K. investments. The United States represented 32.6% of portfolio investments followed by Asia at 19.1%.

Among recent purchases in the portfolio, one of the most notable is Microsoft Corporation on the basis that this dominant company has an exciting future whether it be in the form of one company or two. The stock price has been severely punished over the anti-trust court case and this opportunity was used for purchase.

Telefonos de Mexico was a timely inclusion just prior to the victory of Vicente Fox's opposition party. This has spurred a revival of interest in Latin American markets. CWF is well represented in communications in Brazil through Telebras HOLDERS which represents former Telebras communications companies, both wireline and wireless. In addition, Telefonica de Espana, a long-term holding, and Terra Networks S.A. of Spain have significant interests in Brazil and other Latin countries where growth potential is significant, particularly for internet and wireless phone services

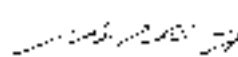
New holdings include Alcatel S.A. in France. This company is a major participant in the global telecommunications boom and, along with other holdings such as Nokia and Motorola, will join in the growth through the new wireless licences in Europe.

Another recent addition to the Fund was Cheung Kong (Holdings) Limited of Hong Kong. Cheung Kong is a holding company of a premier group of Hong Kong companies such as Hutchison Whampoa, Hong Kong Electric and Green Island Cement. The company is a major real estate developer, the largest port operator in the world (20 ports in 9 countries) and has massive telecommunications investments through Hutchison.

Given the strength of CWF as one of the few Toronto listed opportunities in international markets, which is the primary target sector for Canadian investors today, the pricing of the stock at the \$5 level is low as it represents a discount of close to 40% from NAV. Market valuations such as this rarely occur.



E. Louise Morgan
Chairman



Michael A. Smedley
President

STATEMENT OF NET ASSETS

(Unaudited)

As at June 30,	2000	1999
	(000's)	
Assets		
Investments	\$ 35,792	\$ 28,537
Cash	284	192
Receivable on securities sold	-	1,242
Accrued interest and dividends	15	130
Income taxes recoverable	-	185
	36,091	30,286
Liabilities		
Bank indebtedness	4,291	2,791
Payable on securities purchased	-	459
Accounts payable and accrued liabilities	29	13
Income taxes payable	579	-
	4,899	3,263
Future income taxes on unrealized net capital gains	2,438	2,062
	7,337	5,325
Net Assets	\$ 28,754	\$ 24,961
Shareholders' Equity		
Capital stock	\$ 20,507	\$ 20,507
Unrealized gain on investments	5,755	4,016
Retained earnings	2,492	438
	\$ 28,754	\$ 24,961
Number of shares outstanding	4,101,350	4,101,350
Net asset value per share	\$ 7.01	\$ 6.09

STATEMENT OF NET GAIN (LOSS) ON INVESTMENTS

(Unaudited)

Six months ended June 30,	2000	1999
	(000's)	
Proceeds from disposition of investments		
	\$ 17,811	\$ 9,120
Investments at cost, beginning of period	24,335	19,268
Investments purchased during the period	18,236	11,453
Investments at cost, end of period	(27,596)	(22,376)
Cost of investments disposed of during the period	14,975	8,345
Realized gain on disposition of investments before income taxes	2,836	775
Income taxes on realized net taxable capital gains	918	259
Net realized gain on investments	1,918	516
Change in unrealized appreciation of investments	(5,386)	39
Net gain (loss) on investments	\$ (3,468)	\$ 555

STATEMENT OF OPERATIONS

(Unaudited)

Six months ended June 30,	2000	1999
	(000's)	
Investment income		
Dividends	\$ 125	\$ 281
Interest	21	13
	146	294
Expenses		
Management fees	319	208
Interest	104	27
Directors' fees	18	14
Other	57	70
	498	319
Investment loss before income taxes	(352)	(25)
Income tax recovery	157	11
Net investment loss	(195)	(14)
Realized and unrealized gain (loss) on investments		
Net realized gain on investments	1,918	516
Change in unrealized appreciation of investments	(5,386)	39
Net gain (loss) on investments	(3,468)	555
Increase (decrease) in net assets resulting from operations	\$ (3,663)	\$ 541

STATEMENT OF CHANGES IN NET ASSETS

(Unaudited)

Six months ended June 30,	2000	1999
	(000's)	
Increase (decrease) in net assets resulting from operations		
	\$ (3,663)	\$ 541
Net assets - Beginning of period	32,417	24,420
Net assets - End of period	\$ 28,754	\$ 24,961

CANADIAN WORLD FUND LIMITED

CORPORATE INFORMATION

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STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: CWF

To change your address, eliminate multiple mailings, or for other shareholder account inquiries, please contact Montreal Trust at the above address.

The Corporation prices its portfolio on a daily basis, and its resultant Net Asset Value per share is released and published in various media in Canada and in the United States.

The Corporation will provide a list of its weekly top 10 portfolio holdings (priced at market), together with current discount and market return information to any interested party upon request.

STATEMENT OF INVESTMENTS
June 30, 2000

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
ASIA		
— Hong Kong		
54,000	Cheung Kong (Holdings) Ltd.*	\$ 823 \$ 884
— India		
15,000	ICICI Limited ADR	276 416
10,000	The India I.T. Fund Ltd.	1,669 1,036
1,000	Infosys Technologies Limited ADR*	357 262
26,000	Satyam Infoway Ltd. ADR+	1,069 856
		<u>3,371 2,570</u>
— Japan		
20	NTT DeCoMo, Inc.	1,005 800
1,500	Oracle Corporation Japan*	1,144 803
		<u>2,149 1,603</u>
— Korea		
25,000	Korea Telecom Corp. ADR	1,283 1,775
	TOTAL ASIA	<u>7,626 6,832</u>
EUROPE		
— Finland		
15,000	Nokia Corporation, ADR+	1,110 1,111
— France		
14,000	Alcatel S.A. ADR*	978 1,377
5,000	France Telecom S.A.	289 1,034
		<u>1,267 2,411</u>
— Germany		
6,000	Siemens AG	418 1,335
— Spain		
15,374	Telefonica de Espana, S.A. ADR	292 1,457
10,000	Terra Networks, S.A. ADR	504 539
		<u>796 1,996</u>
— Sweden		
20,000	Telefonaktiebolaget LM Ericsson ADR*	634 592
— United Kingdom		
31,500	Barclays PLC	1,119 1,158
60,000	Cable & Wireless PLC	1,106 1,503
266,760	Centrica PLC	808 1,317
24,310	COLT Telecom Group PLC+	953 1,197
50,000	Marconi PLC	812 963
200,000	Vodafone AirTouch PLC	292 1,195
		<u>5,090 7,333</u>
	TOTAL EUROPE	<u>9,315 14,778</u>

STATEMENT OF INVESTMENTS
June 30, 2000 (cont'd)

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
LATIN AMERICA		
— Brazil		
1,054	Tele Norte Leste Participacoes S.A. ADR*	\$ 11 \$ 37
9,000	Tele Sudeste Celular Participacoes S.A. ADR*	140 246
9,000	Telecomunicacoes Brasileiras S.A. HOLDRS (Telebras)	467 1,293
1,800	Telecomunicacoes de Sao Paulo S.A. ADR*	47 81
		<u>665 1,657</u>
— Mexico		
10,000	Telefonos de Mexico S.A. de C.V. ADR*	784 846
	TOTAL LATIN AMERICA	<u>1,449 2,503</u>
NORTH AMERICA		
— United States		
8,000	Amgen Inc.+	739 831
12,000	Apple Computer, Inc.	483 930
12,000	Carnival Corporation*	444 345
10,000	Cisco Systems, Inc.	398 940
17,000	Enron Corporation	658 1,622
9,000	JDS Uniphase Corporation	879 1,596
7,000	Lucent Technologies Inc.*	666 606
10,000	Microsoft Corporation*	1,057 1,183
19,000	Motorola, Inc.+	1,225 817
4,000	QUALCOMM Incorporated	957 355
20,000	Solectron Corporation	1,111 1,239
12,000	Tellabs, Inc.	589 1,215
		<u>9,206 11,679</u>
	TOTAL NORTH AMERICA	<u>9,206 11,679</u>
	Total Investments - June 30, 2000	<u>\$ 27,596 \$ 35,792</u>
	Total Investments - June 30, 1999	<u>\$ 22,375 \$ 28,537</u>

Changes from March 31, 2000:
* New Holdings
+ Increased Holdings

INVESTMENT PORTFOLIO
TEN LARGEST INVESTMENTS
June 30, 2000

Company	Market Value (000's)	% of Market Value of Total Investment Portfolio
Korea Telecom Corporation	\$ 1,775	4.0
Enron Corporation	1,622	3.7
JDS Uniphase Corporation	1,596	3.6
Cable & Wireless PLC	1,503	3.4
Telefonica de Espana, S.A.	1,457	3.3
Alcatel S.A.	1,377	3.1
Siemens AG	1,335	3.0
Centrica PLC	1,317	3.0
Telecomunicacoes Brasileiras S.A.	1,293	2.9
Solectron Corporation	1,215	2.8
Totals	\$ 14,490	32.8

GEOGRAPHIC WEIGHTING
OF INVESTMENT PORTFOLIO
June 30, 2000

	Market Value (\$000's)	% at Market
Europe	14,778	41.3
North America	11,679	32.6
Asia	6,832	19.1
Latin America	2,503	7.0
	<u>35,792</u>	<u>100.0</u>

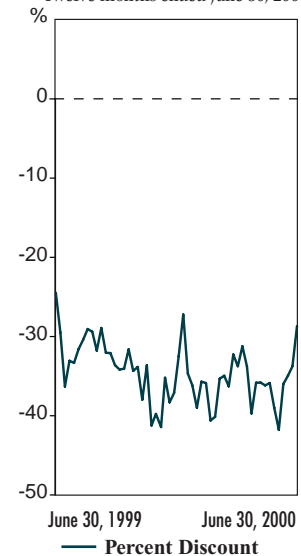
*RATES OF RETURN
For periods ended June 30, 2000

1 YR	3 YR	5 YR
8.7%	2.3%	7.1%

*An investment in the Corporation's shares.

DISCOUNT TO NAV

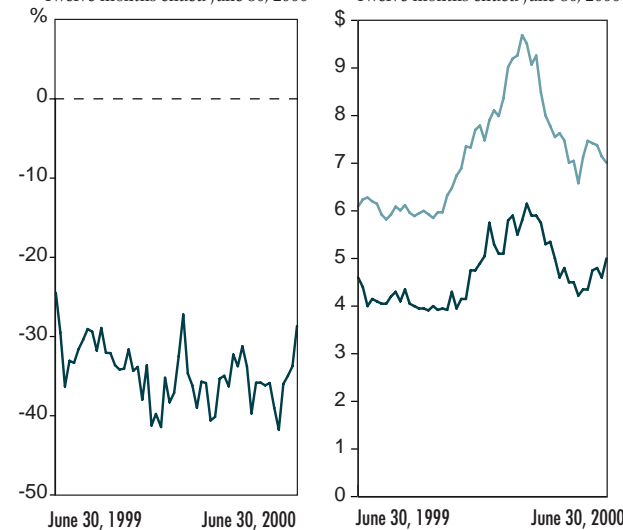
Twelve months ended June 30, 2000



— Percent Discount

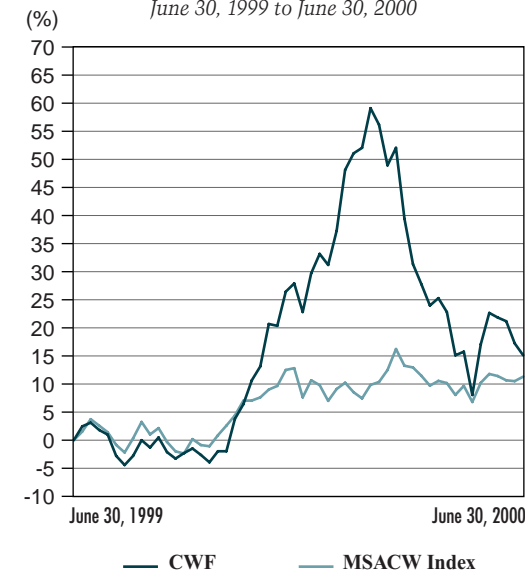
COMPARISON OF MARKET PRICE TO NAV

Twelve months ended June 30, 2000



— Net Asset Value Per Share (NAV)
— Market Price Per Share

*COMPARISON OF CWF'S NAV
GROWTH TO MORGAN STANLEY
ALL COUNTRY WORLD INDEX
June 30, 1999 to June 30, 2000



— CWF — MSACW Index

*Illustrates the growth of CWF's NAV relative to the Morgan Stanley All Country World (MSACW) Index (expressed in Canadian dollars).

CANADIAN
WORLD
FUND
LIMITED



JUNE 30, 2000
SECOND QUARTER
REPORT