



CWF

Canadian World Fund
Limited

Investing
in the *global*
economy

ANNUAL REPORT 2000



Corporate Profile

Canadian World Fund Limited seeks to provide superior long-term returns by investing in securities of global, publicly traded, primarily growth companies.

Established in 1994, the Fund presents one of few opportunities in the Canadian stock market for investors to buy directly into global markets and generally at a low price relative to value.

Emphasis is given to a bottom-up style selection process by the Manager, Morgan Meighen & Associates Limited, investment managers since 1956. Concentration on attractive holdings rather than asset allocation by regional and country weighting is this Fund's strategy.

Canadian World Fund Limited common shares are listed on the Toronto Stock Exchange under the symbol CWF. Market prices of the Company's shares are published daily in Canada.

The Corporation calculates and releases its net asset value per share (NAV) on a daily basis. The NAV is published in various media in Canada and the United States.

Ongoing efforts to promote and expand awareness of the Corporation and the closed-end sector in general continue with participation as a founding member of the Closed-End Fund Association (CEFA) in North America (website: www.cefa.com).

All percentages in this Report are calculated from unrounded amounts.

The front cover design incorporates the new crown logo and the colour marigold selected to represent Canadian World Fund Limited as one of the investment funds managed in the Morgan Meighen & Associates group.

Letter to the Shareholders

Dear Shareholder, In a tremendous start to the year 2000, Canadian World Fund Limited (“CWF”), building on the previous year’s 32.7% growth in net assets, experienced a year-to-date gain of as high as 23.8%, before the technologies dominated Nasdaq Composite Index peaked in March 2000 and began its major retreat. This correction stayed in force for most of the year and resulted in CWF’s decline in net assets of 24.8% for the year.

In 2000, in Canadian dollar terms, the Morgan Stanley All Country World Index fell 11.7%, MS Emerging Markets Index was down by 29.1%, and the U.S. Nasdaq Composite Index tumbled 37.0% – all indicative of the steep correction in “new technologies” and in the global telecom leaders which had been in their own bull market for so many years. Only two or three country markets finished 2000 in the black and almost without exception the emerging class was submerged under the weight of political and market related crises.

Technology 58%

We are moving from a phase of excess into a more selective, though still volatile, period in which technology stocks will have to share more of the investor’s money with the more traditional value and growth stocks. This involves a rebalancing of portfolios. We note that telecommunications and new technologies stocks at year-end amounted to about 58% of portfolio weighting for Canadian World Fund, down from the 80% level at the end of 1999. We still have major names in the field and we have entered the new year benefiting well from a technology rebound without adding to the weighting.

We expect that the U.K. and U.S. markets in 2001 will continue to have dominant weightings in the portfolio. These markets are by far the most important and most liquid and should continue to offer a wide range of opportunities for the bottom-

up investment strategies of the Fund.

We will also continue to apply funds to opportunities in Europe, Asia and Latin America.

Shareholders will note that we continue to hold several successful long term investments such as Cable & Wireless PLC and Centrica PLC in the U.K., together with major telecommunications companies in the U.K., Europe and Latin America. Continuing expectations of lower interest rates should be a positive influence on markets.

New Positions

Among recent investments are Barclays PLC and Alliance Leicester PLC, two banking sector stocks in the U.K., the major food retailer Tesco PLC which has embarked on impressive international expansion and P & O Princess Cruises PLC, the outcome of a major restructuring, and one that we believe might be brought into takeover moves in the leisure cruise sector.

“Ambev”, the leading Brazilian brewer known best for its Brahma brand, is another newcomer to the portfolio. We have made investments since year-end in Spanish/Latin American banking and the financial sector in Ireland where strong growth is predicted relative to most countries in Europe and indeed the world.

Subsequent to year-end, CWF bought into Interbrew S.A./N.V., the Belgium based newly public world scale brewer on price weakness caused by the failure of its Bass acquisition in the U.K.

Many of our investments are the result of a continuous search for special opportunities, asset restructuring and take-over potentials.

The price of CWF shares on the Toronto Stock Exchange closed the year at \$3.90. This means that the shares could continue to show negative 12 month performance for at least the first few months of 2001. The discount from net asset value at which

Letter to the Shareholders *(continued)*

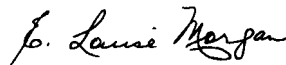
the shares traded at year-end was a wide 34.3% vs. an average in the 25-30% range for New York listed global funds.

The Manager

In September 2000, the name of the management company was changed to Morgan Meighen & Associates Limited from MMA Investment Managers Limited. The change was undertaken in order to clearly represent a blend of the rich history

of the company with the present company profile and its direction.

The Board of Directors records its thanks for the hard work of the staff of the Manager in the past year.



E. Louise Morgan
Chairman
February 7, 2001



Michael A. Smedley
President
February 7, 2001

Closed-End Funds Simply Understood

- *Fixed number of shares*
- *Usually listed and traded on a stock exchange*
- *Bought and sold through investment dealers and brokers*
- *Commission charges only*
- *Trade usually below real value*
- *May pay cash and/or stock dividends*
- *Often have dividends and dividend reinvestment plans*
- *May employ leverage*

Management's Discussion and Analysis

After a great start, 2000 became a punishing year for global investors. Net assets of the Corporation were pushed back to the January 1999 level with a 24.8% decline to \$5.94 per share at December 31, 2000 from \$7.90 at the end of 1999.

Most global markets are both collectively and selectively prone to high volatility to which CWF as a bottom-up equities fund is sensitive, especially given its low total of twenty-nine individual holdings at year-end. The ten largest investments at year-end ranged from 4.3% to 6.0% in weighting and constituted 50.3% of the portfolio.

This high concentration is likely to continue as the Manager seeks to build assets, prospectively with a bigger complement of non-technology stocks than in the past year. CWF will remain committed to selected technology leaders although last year's euphoric first market phase for many new technologies appears unlikely to be extended at the same pace and breadth.

Financial Performance

Total investment income of \$220,000 for 2000 declined 49.8% from the previous year. The year 2000 was the second year in which dividend income fell steeply as an increased focus on growth stocks, particularly in the technology sector, continued to reduce the income stream. This can have significant bearing on performance of a fund.

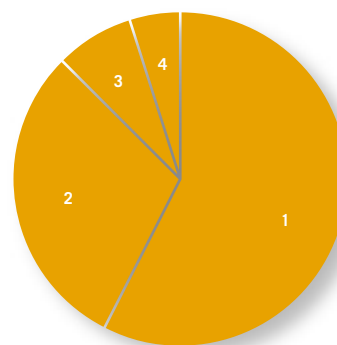
Total expenses were 38.5% higher at \$961,000 compared to \$694,000 in 1999. The main components of this increase were management fees and interest expense on borrowings used for leverage purposes. The management fee, which is paid in arrears, increased by 33.8% to \$562,000 from \$420,000 as a result of higher portfolio assets through much of 2000. The higher interest expense was due to increased borrowing and higher interest rates in 2000. Also, 2000 marked the first full year for the leverage strategy as the bank borrowings were not initiated until April 1999.

Subsequent to year-end, the borrowing was at \$3,700,000, down from \$4,700,000. We note that the present lower interest rate trend could reduce borrowing costs in the future.

The management expense ratio ("MER") for 2000 and 1999 was 2.4%. In calculating MER, expenses exclude brokerage commissions, interest and income taxes. This MER is in line for a global fund in the closed-end sector.

GEOGRAPHIC WEIGHTING OF INVESTMENT PORTFOLIO AT MARKET

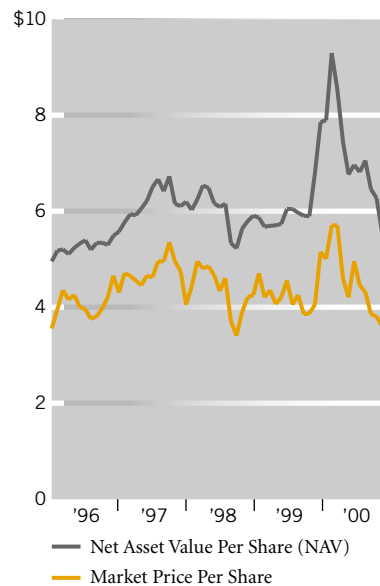
December 31, 2000



1 Europe	57.5%
2 North America	30.0%
3 Latin America	7.6%
4 Asia	4.9%

COMPARISON OF MARKET PRICE TO NAV

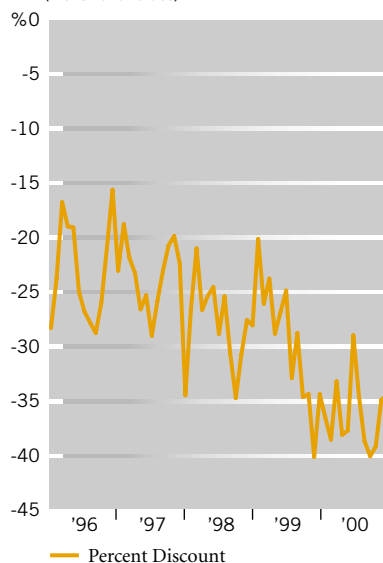
Years 1996 to 2000
(month-end values)



Management's Discussion and Analysis *(continued)*

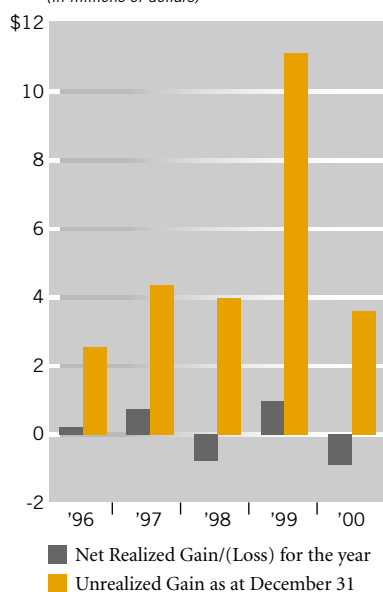
PREMIUM/(DISCOUNT) TO NAV

Years 1996 to 2000
(month-end values)



NET REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS

Years 1996 to 2000
(in millions of dollars)



Assets

Total net assets on December 31, 2000 were \$24,372,000, compared to \$32,417,000 at the end of 1999, or \$5.94 vs. \$7.90 on a per share basis. Net assets were \$20,507,000 when CWF was established in early 1994.

Market performance and the realization of losses resulted in a net loss on investments of \$7,629,000, compared to a net gain of \$8,139,000 in 1999. The decline in the market value of the portfolio, as well as the reduction in the capital gains inclusion rate to 50% from 75%, brought down the provision for future income taxes on unrealized net capital gains to \$848,000 from the substantial liability of \$5,605,000 the previous year.

NAV Growth

Net asset compound growth is considered the appropriate measurement of CWF's performance. The compound average annual rates of return for the one, three and five years ended December 31, 2000 were -24.8%, -1.6% and 3.5% respectively. CWF's benchmark, the Morgan Stanley All Country World Index had returns of -11.7%, 10.2% and 11.9% for the corresponding periods. Global returns are highly variable for both funds and indices.

The extraordinary volatility and the year-end portfolio adjustment programme resulted in a portfolio turnover rate of 76.7% in 2000, comparable to the 74.2% in 1999.

Outlook

Indications are that 2001 should be a year of high activity, rotation in market sectors and some recovery. CWF is expected to continue to hold and purchase long-term holdings as well as take advantage of short-term opportunities.

Financial Reports

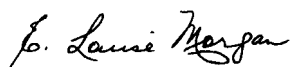
Management's Report

The accompanying financial statements have been prepared by management and approved by the Board of Directors of the Corporation. Management is responsible for the information and representations contained in these financial statements and other sections of the Annual Report.

The Corporation maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Corporation are described in note 1 to the financial statements. Financial information used elsewhere in the Annual Report is consistent with that in the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. An Audit Committee comprised of a majority of non-management Directors is appointed by the Board. The Audit Committee reviews the financial statements, adequacy of internal controls, the audit process and financial reporting with management and the external auditors. The Audit Committee reports to the Directors prior to the approval of the audited financial statements for publication.

PricewaterhouseCoopers LLP, the Corporation's external auditors, who are appointed by the shareholders, audited the financial statements in accordance with generally accepted auditing standards to enable them to express to the shareholders their opinion on the financial statements. Their report is set out on this page.



E. Louise Morgan
Chairman
February 7, 2001



Michael A. Smedley
President
February 7, 2001

Auditors' Report

To the Shareholders of
Canadian World Fund Limited

We have audited the accompanying statements of net assets of **Canadian World Fund Limited** as at December 31, 2000 and 1999, and the statement of investments as at December 31, 2000, the statements of operations, retained earnings, unrealized gain on investments and changes in net assets for the years then ended, and the statements of financial highlights for each of the years in the five-year period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2000 and 1999, and the results of its operations and the changes in its net assets for the years then ended and its financial highlights for each of the years in the five-year period ended December 31, 2000 in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Toronto, Ontario
January 22, 2001

Statements of Net Assets

As at December 31, 2000 and 1999

	2000	1999
<i>(in thousands of dollars, except per share amounts)</i>		
Assets		
Investments (<i>note 1</i>)	\$ 25,827	\$ 41,084
Cash	3,682	695
Accrued dividends	10	31
Income taxes recoverable	437	—
	<u>29,956</u>	<u>41,810</u>
Liabilities		
Bank indebtedness (<i>note 2</i>)	4,692	2,994
Payable on securities purchased	—	505
Accounts payable and accrued liabilities	44	52
Income taxes payable	—	237
	<u>4,736</u>	<u>3,788</u>
Future income taxes on unrealized net capital gains	848	5,605
	<u>5,584</u>	<u>9,393</u>
Net Assets	<u>\$ 24,372</u>	<u>\$ 32,417</u>
Shareholders' Equity		
Capital stock (<i>note 3</i>)	\$ 20,507	\$ 20,507
Unrealized gain on investments	3,600	11,141
Retained earnings	265	769
	<u>\$ 24,372</u>	<u>\$ 32,417</u>
Number of shares outstanding	<u>4,101,350</u>	<u>4,101,350</u>
Net asset value per share	<u>\$ 5.94</u>	<u>\$ 7.90</u>

Approved by the Board of Directors



Director



Director

Statements of Operations

For the years ended December 31, 2000 and 1999

	2000	1999
<i>(in thousands of dollars)</i>		
Investment income		
Dividends	\$ 189	\$ 407
Interest	31	31
	<u>220</u>	<u>438</u>
Expenses		
Management fees <i>(note 5)</i>	562	420
Interest	249	103
Directors' fees	31	33
Other	119	138
	<u>961</u>	<u>694</u>
Investment loss before income taxes	(741)	(256)
Income tax recovery	(325)	(114)
Net investment loss for the year	<u>(416)</u>	<u>(142)</u>
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on investments <i>(note 4)</i>	(88)	975
Change in unrealized appreciation of investments	(7,541)	7,164
Net gain (loss) on investments	<u>(7,629)</u>	<u>8,139</u>
Increase (decrease) in net assets resulting from operations	<u>\$ (8,045)</u>	<u>\$ 7,997</u>

Statements of Retained Earnings

For the years ended December 31, 2000 and 1999

	2000	1999
<i>(in thousands of dollars)</i>		
Retained earnings (deficit) – Beginning of year	\$ 769	\$ (64)
Net investment loss for the year	(416)	(142)
Net realized gain (loss) on investments	(88)	975
Retained earnings - End of year	\$ 265	\$ 769

Statements of Unrealized Gain on Investments

For the years ended December 31, 2000 and 1999

	2000	1999
<i>(in thousands of dollars)</i>		
Unrealized gain on investments – Beginning of year	\$ 11,141	\$ 3,977
Increase (decrease) during year	(12,186)	10,772
Decrease (increase) in provision for future income taxes	4,645	(3,608)
Unrealized gain on investments - End of year	\$ 3,600	\$ 11,141

Statements of Changes in Net Assets

For the years ended December 31, 2000 and 1999

	2000	1999
<i>(in thousands of dollars)</i>		
Increase (decrease) in net assets resulting from operations	\$ (8,045)	\$ 7,997
Net assets - Beginning of year	32,417	24,420
Net assets - End of year	\$ 24,372	\$ 32,417

Statements of Financial Highlights

For the five-year period ended December 31, 2000

	2000	1999	1998	1997	1996
Data per share (note 7)					
Net asset value – Beginning of year	\$ 7.90	\$ 5.95	\$ 6.24	\$ 5.62	\$ 5.00
Income (loss) from investment operations					
Net investment income (loss)	(0.10)	(0.03)	(0.01)	—	0.02
Net realized and unrealized gain (loss) on investments	(1.86)	1.98	(0.28)	0.62	0.60
	(1.96)	1.95	(0.29)	0.62	0.62
Net asset value - End of year	\$ 5.94	\$ 7.90	\$ 5.95	\$ 6.24	\$ 5.62
Ratios / supplemental data					
Total net assets – End of year (in thousands of dollars)	24,372	32,417	24,420	25,607	23,037
Weighted average net assets (in thousands of dollars)	29,219	24,982	24,654	25,702	21,939
Management expense ratio (note 7(b))	2.4%	2.4%	2.3%	2.0%	1.8%
Portfolio turnover rate (note 7(c))	76.7%	74.2%	60.1%	25.4%	42.2%
Annual net asset value growth (note 7(d))	(24.8)%	32.7%	(4.7)%	11.0%	12.4%

Statement of Investments

December 31, 2000

NUMBER OF SHARES OR PAR VALUE	INVESTMENT – % OF TOTAL MARKET VALUE	COST	MARKET VALUE
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(in thousands of dollars)

ASIA

– Hong Kong – 4.0%			
54,000	Cheung Kong (Holdings) Limited	823	1,036
– India – 0.9%			
15,000	ICICI Limited ADR	276	236
TOTAL ASIA – 4.9%		1,099	1,272

EUROPE

– Finland – 4.5%			
18,000	Nokia Corporation ADR+	1,304	1,175
– France – 4.5%			
14,000	Alcatel S.A. ADR	978	1,175
– Germany – 4.6%			
6,000	Siemens AG	418	1,178
– Spain – 5.5%			
18,999	Telefonica S.A. ADR	442	1,425
– Sweden – 1.3%			
20,000	Telefonaktiebolaget LM Ericsson ADR	634	336
– United Kingdom – 37.1%			
80,000	Alliance & Leicester PLC*	1,041	1,220
31,500	Barclays PLC	1,119	1,464
60,000	Cable & Wireless PLC	1,106	1,215
266,760	Centrica PLC	808	1,551
24,310	COLT Telecom Group PLC	953	785
50,000	Marconi PLC	812	807
100,000	P & O Princess Cruises PLC*	562	635
130,000	Tesco PLC*	762	795
200,000	Vodafone AirTouch PLC	292	1,102
		7,455	9,574
TOTAL EUROPE – 57.5%		11,231	14,863

NUMBER OF SHARES OR PAR VALUE	INVESTMENT – % OF TOTAL MARKET VALUE	COST	MARKET VALUE
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(in thousands of dollars)

LATIN AMERICA

– Brazil – 7.6%			
25,000	Companhia de Bebidas das Americas (Ambev) ADR preference shares*	911	966
9,000	Telecomunicacoes Brasileiras S.A. HOLDERS (Telebras)	467	984
		1,378	1,950
TOTAL LATIN AMERICA – 7.6%		1,378	1,950

NORTH AMERICA

– United States – 30.0%			
8,000	Amgen Inc.	739	767
10,000	Cisco Systems, Inc.	398	574
10,000	deCODE GENETICS, INC.	397	158
8,000	EMC Corporation	1,047	798
12,000	Enron Corporation	465	1,496
5,000	The Goldman Sachs Group, Inc.	892	802
8,000	Microsoft Corporation	845	521
3,000	QUALCOMM Incorporated	589	370
1,000	SDL, Inc.	484	222
20,000	Solectron Corporation	1,111	1,017
12,000	Tellabs, Inc.	589	1,017
		7,556	7,742
TOTAL NORTH AMERICA – 30.0%		7,556	7,742

TOTAL INVESTMENTS – 100.0%

– December 31, 2000	\$ 21,264	\$ 25,827
– December 31, 1999	\$ 24,335	\$ 41,084

Changes from September 30, 2000

* New Holdings

+ Increased Holdings

Notes to Financial Statements

December 31, 2000 and 1999

1. Summary of significant accounting policies

Valuation of investments

Market values of securities are based on closing market quotations.

Investment transactions

Investment transactions are recorded on the trade date. Realized gains and losses from investment transactions are calculated on an average cost basis.

Dividend and interest income

Dividend income is recorded on the ex-dividend date and interest income is recognized as earned

Foreign exchange

Assets and liabilities denoted in foreign currencies are translated into Canadian dollars at year-end rates. Investment income, expenses and purchases and sales of investments are calculated at the exchange rates prevailing on the dates of the transactions.

Future income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax liabilities are measured using rates expected to apply to taxable income in the years in which the temporary differences are expected to be settled on the Company's unrealized appreciation of investments.

2. Bank indebtedness

The Company has a demand credit facility of CAN\$5.0 million, subject to specified covenants, with interest based on the prime bankers' acceptance rate. The bank indebtedness has a combined weighted average interest rate of 6.41% at December 31, 2000 (1999 - 5.53%).

3. Capital stock

The Company is authorized to issue unlimited preferred shares issuable in series and unlimited common shares. At December 31, 2000 and 1999, there are 4,101,350 common shares issued and outstanding.

4. Net realized gain (loss) on investments

The net realized gain (loss) on investments was as follows:

	<u>2000</u>	<u>1999</u>
	<i>(in thousands of dollars)</i>	
Proceeds from disposition of investments	\$ 31,301	\$ 21,779
Investments at cost – Beginning of year	24,335	19,268
Investments purchased during the year	28,342	25,380
Investments at cost – End of year	<u>(21,264)</u>	<u>(24,335)</u>
Cost of investments disposed of during the year	31,413	20,313
Realized gain (loss) on disposition of investments before income taxes (recovery)	(112)	1,466
Income taxes (recovery) provision on realized net taxable capital gains (allowable capital losses) (note 6)	<u>(24)</u>	<u>491</u>
Net realized gain (loss) on investments	<u>\$ (88)</u>	<u>\$ 975</u>

Notes to Financial Statements *(continued)*

December 31, 2000 and 1999

5. Related party information

Management fees are paid monthly to Morgan Meighen & Associates Limited, (formerly MMA Investment Managers Limited), a corporation under common control with the Company, for services received in connection with the management of the Company's financial accounts and investment portfolio. Management fees are calculated on a quarterly basis at the annual rate of 1.50% of net asset value without deduction for tax liabilities.

6. Taxation

The Company, as a public corporation, is subject to income taxes on its income and realized gain on investments at the rates of approximately 44% (1999 – 45%) and 22% (1999 – 33%), respectively. The effective tax rate for future income taxes is approximately 21% (1999 – 33%).

7. Financial highlights

Explanatory notes

- a) All data per share, except opening and closing net asset values, are based on the average number of shares outstanding during the year.
- b) The management expense ratio is calculated based on all expenses of the Company (other than brokerage commissions, interest and income taxes) expressed as a percentage of the average monthly net assets of the Company.
- c) The portfolio turnover rate is calculated by dividing the lesser of purchases or sales of securities, excluding securities having a maturity date at acquisition of one year or less, by the weighted average value of the portfolio securities held during the year.
- d) Annual net asset value growth is calculated based on the change in net asset value per share.

Investment Portfolio – Ten Largest Investments

December 31, 2000

(in thousands of dollars)



Centrica PLC One of our most successful long-term holdings, Centrica PLC by year-end 2000 had moved not only into the Top Ten list but also to the No. 1 position. Centrica is part of the former state-owned British Gas and is an unusual marketing company. Its original assets included major gas supplies offshore the Netherlands and gas and appliance retailing in the U.K. It has broadened into electricity retailing in the U.K. and owns a big part of the road recovery services industry in that country. Last year, Centrica embarked on a North American expansion programme by purchasing gas retailer Direct Energy of Canada.

<u>COST</u>	<u>808</u>
<u>MARKET VALUE</u>	<u>1,551</u>
<u>% OF TOTAL INVESTMENT PORTFOLIO</u>	<u>6.0</u>

Enron Corporation Enron of the U.S. has moved up dramatically in our Top Ten list. One of the world's largest integrated natural gas and electricity companies, Enron and its shares got a remarkable push from the information age explosion, having developed for business purposes fibre optic based high quality communications capability including audio/video at ten times the speed of the Internet.

<u>COST</u>	<u>465</u>
<u>MARKET VALUE</u>	<u>1,496</u>
<u>% OF TOTAL INVESTMENT PORTFOLIO</u>	<u>5.8</u>

Barclays PLC Barclays PLC, a major U.K. bank in our No. 3 position has been on a recovery course since Matt Barrett, former head of the Bank of Montreal, moved back across the Atlantic to take up the challenge. He is making an impact in the banking world again and also presumably on investors.

<u>COST</u>	<u>1,119</u>
<u>MARKET VALUE</u>	<u>1,464</u>
<u>% OF TOTAL INVESTMENT PORTFOLIO</u>	<u>5.7</u>

Telefonica S.A. Telefonica continues as another long-term holding. It continues as the leading communications force in Latin America with interests in North Africa and, of course, Spain. We believe Latin America has a healthy future in telecommunications development.

<u>COST</u>	<u>442</u>
<u>MARKET VALUE</u>	<u>1,425</u>
<u>% OF TOTAL INVESTMENT PORTFOLIO</u>	<u>5.5</u>

Investment Portfolio – Ten Largest Investments *(continued)*

December 31, 2000

(in thousands of dollars)

Alliance & Leicester PLC This is one of a few remaining independent mortgage banks in the U.K. It needs to improve operations but has a strong franchise that we regard as attractive in the acquisition scene.

<u>COST</u>	1,041
<u>MARKET VALUE</u>	1,220
<u>% OF TOTAL INVESTMENT PORTFOLIO</u>	4.7

Cable & Wireless PLC Another attractive longer-term holding, U.K. based Cable & Wireless PLC has one of the world's most valuable global telecommunications systems and an extraordinarily large cash hoard which will stand the test of the difficulties of the sector in the months ahead. It is sometimes viewed as a candidate for takeover.

<u>COST</u>	1,106
<u>MARKET VALUE</u>	1,215
<u>% OF TOTAL INVESTMENT PORTFOLIO</u>	4.7

Siemens AG This major German stock has served us well over the past year. The company is a world leader in engineering, electronics, electrical and communications systems and components.

<u>COST</u>	418
<u>MARKET VALUE</u>	1,178
<u>% OF TOTAL INVESTMENT PORTFOLIO</u>	4.6

Alcatel S.A. Nortel's major French based rival in the new communications equipment and networking technologies is widely regarded at present as the No. 1 global player. It is one of the best performing market stocks in the sector over the past few months. It will need to restore its own equipment inventories and support financing needs of customers in the months ahead

<u>COST</u>	978
<u>MARKET VALUE</u>	1,175
<u>% OF TOTAL INVESTMENT PORTFOLIO</u>	4.5

Nokia Corporation Nokia of Finland entered a difficult phase in the second half of last year with a slowdown in growth and challenges on the competitive stage, particularly from Japan. The company has a history of great capability and recovery.

<u>COST</u>	1,304
<u>MARKET VALUE</u>	1,175
<u>% OF TOTAL INVESTMENT PORTFOLIO</u>	4.5

Vodafone AirTouch PLC Vodafone of the U.K. is the strongest of the world's wireless communication developers but continuing underperformance of the communications sector and investment funding demands have caused us, after year-end, to step aside for the time being.

<u>COST</u>	292
<u>MARKET VALUE</u>	1,102
<u>% OF TOTAL INVESTMENT PORTFOLIO</u>	4.3

TOTAL	
<u>COST</u>	7,973
<u>MARKET VALUE</u>	13,001
<u>% OF TOTAL INVESTMENT PORTFOLIO</u>	50.3

Board of Directors

E. LOUISE MORGAN, has been Chairman and a member of the Board since the establishment of Canadian World Fund Limited in 1994. She is President and controlling shareholder of the Manager, Morgan Meighen & Associates Limited and Chairman and a director of Canadian General Investments, Limited and Third Canadian General Investment Trust Limited. She is President of The Catherine and Maxwell Meighen Foundation and a member of the Board of Directors of the Canadian Opera Company and a member of both the Executive Committee and the House Committee of the COC.

MICHAEL A. SMEDLEY is President and has been a member of the Board since the establishment of Canadian World Fund Limited in 1994. He is Executive Vice-President and Chief Executive Officer of the Manager, Morgan Meighen & Associates Limited which he joined in 1987. In 1988 he became the manager of the portfolios of both Canadian General Investments, Limited ("CGI") and Third Canadian General Investment Trust Limited ("Third Canadian"), and in 1994 he became the manager of the Corporation's portfolio upon its establishment. He is President and a director of CGI and Third Canadian. He is a speaker at the conference level in Canada, the United States and the United Kingdom and writes on investment topics for various publications. His investment career started in Canada in 1969 and since that time he has spent over 20 years with Canadian and U.S. investment firms in Canada, Hong Kong and London. He has also worked for 18 years in journalism and public relations in the United Kingdom, South Africa, Zambia, Kenya, Tanzania, Canada, Malaysia and Singapore.

CARL S. HUTMAN, appointed January 31, 1994 has long experience in the venture capital and investment banking sectors. He was a founding general partner in 1980 of Investech, L.P. in New York, a venture capital partnership investing in emerging growth companies, a position he held until 1992. From 1996 to 1999 he was managing director of Fundamental Management Corporation, an investment management firm. He is currently a private investor and a director of Canadian General Investments, Limited, Third Canadian General Investment Trust Limited and Harris Trust/Bank of Montreal, Florida.

VANESSA L. MORGAN, appointed February 10, 1999 is Vice-Chairman of the Corporation. A Chartered Financial Analyst, she is currently a Senior Vice-President of the Manager, Morgan Meighen & Associates Limited which she joined in July 2000. Prior to joining the Manager, she was C.F.O. and Secretary of Denbridge Capital Corporation, a management company. She is a director and Vice-Chairman of Canadian General Investments, Limited and Third Canadian General Investment Trust Limited. She is also a director of The Catherine and Maxwell Meighen Foundation.

JACK H.B. NEDERPELT, appointed August 18, 1999, is Managing Partner, Heidrick & Struggles an executive recruiting firm. He was Managing Director of Russell Reynolds an executive recruiting firm from 1994 to 1998. Prior to 1994 he spent over 30 years in the financial industry, latterly as President and CEO of Midland Bank Canada.

Corporate Information – Canadian World Fund Limited

Board of Directors

Carl S. Hutman
E. Louise Morgan
Vanessa L. Morgan
Jack H.B. Nederpelt
Michael A. Smedley

Audit Committee

Carl S. Hutman
Vanessa L. Morgan
Jack H.B. Nederpelt

Corporate Governance Committee

Vanessa L. Morgan
Jack H.B. Nederpelt

Officers

E. Louise Morgan
Chairman

Vanessa L. Morgan
Vice-Chairman

Michael A. Smedley
President

Colin Smith
Secretary-Treasurer

Frank Fuernkranz, MBA, CA, CFA
Assistant-Treasurer

Office of the Company

110 Yonge Street, Suite 1601
Toronto, Ontario, Canada
M5C 1T4

Telephone: (416) 366-2931
1-866-443-6097

Fax: (416) 366-2729

e-mail:

cwffund@mmainvestments.com

website:

www.mmainvestments.com

Auditors

PricewaterhouseCoopers LLP
Toronto

Bankers

Bank of Montreal
Toronto

Solicitors

Blake, Cassels & Graydon LLP
Toronto

Canadian Registrar and Transfer Agent

Montreal Trust Company of
Canada
100 University Avenue
11th Floor
Toronto, Ontario, Canada
M5J 2Y1

Telephone: (416) 981-9633
1-800-663-9097

Fax: (416) 981-9507

e-mail:

mmamail@montrealtrust.com

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

Publication

The Corporation calculates and releases its net asset value per share (NAV) on a daily basis. The NAV is published in various media in Canada and 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.

Stock Exchange Listing

The Toronto Stock Exchange
Trading Symbol: CWF

The Company is a member of the Closed-End Fund Association ('CEFA') in North America.

Annual Meeting of Shareholders

The Annual General Meeting of the shareholders of Canadian World Fund Limited will be held at 10:00 a.m. (Toronto time) Wednesday, April 4, 2001 in Room B, 4th Floor, The Toronto Board of Trade, 77 Adelaide Street West, First Canadian Place, Street Level (Adelaide Street entrance), Toronto, Ontario, M5X 1C1.