

STATEMENT OF INVESTMENTS  
June 30, 1999

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
(000's)		
<b>AFRICA</b>		
— South Africa		
102,684 ABSA Group Limited	\$ 392	\$ 856
<b>TOTAL AFRICA</b>	<b>392</b>	<b>856</b>
<b>ASIA</b>		
— Japan		
1,600 Softbank Corporation*	459	477
— Korea		
20,000 Korea Telecom Corp. ADR*	896	1,178
— Multi Country Fund		
23,000 Asia Pacific Fund Inc.*	295	332
35,000 Templeton Vietnam and Southeast Asia Fund, Inc.*	453	563
	748	895
<b>TOTAL ASIA</b>	<b>2,103</b>	<b>2,550</b>
<b>EUROPE</b>		
— Belgium		
5,500 Delhaize "Le Lion" S.A.	760	688
— France		
7,150 France Telecom S.A.	413	794
— Germany		
8,500 Apcoa Parking AG	865	947
6,000 Siemens AG	418	681
	1,283	1,628
— Greece		
60,000 Hellenic Telecommunications Organization S.A. ADR*	1,039	977
— Italy		
200,000 Telecom Italia Mobile SPA	387	1,758
— Spain		
6,242 Telefonica de Espana, S.A. ADR	366	1,352
— Switzerland		
200 Novartis AG	555	434
— United Kingdom		
75,000 Cable & Wireless PLC+	1,382	1,407
266,760 Centrica PLC	808	922
14,310 COLT Telecom Group PLC	431	442
100,000 Thomson Travel Group PLC	412	319
60,211 Vodafone AirTouch PLC	440	1,747
	3,473	4,837
<b>TOTAL EUROPE</b>	<b>8,276</b>	<b>12,468</b>

STATEMENT OF INVESTMENTS  
June 30, 1999 (cont'd)

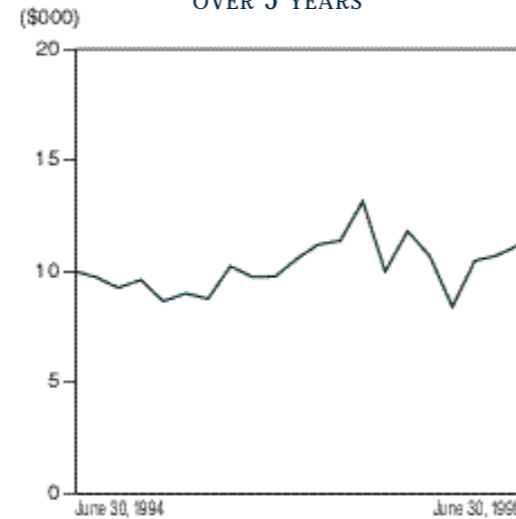
NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
(000's)		
<b>FORMER EASTERN BLOC</b>		
— Russia		
1 LUKoil Holding RDC 144A	\$ 266	\$ 375
100 Moscow Telephone	202	21
20,928 Mosenergo ADR	417	131
34 Norilsk Nickel Reg S RDC	210	20
20,000 OAO Gazprom Reg S ADS	501	332
105,000 Rostelecom	354	379
	1,950	1,258
<b>TOTAL FORMER EASTERN BLOC</b>	<b>1,950</b>	<b>1,258</b>
<b>LATIN AMERICA</b>		
— Argentina		
15,000 Transportadora de Gas del Sur S.A. ADR	240	207
— Brazil		
9,000 Telecomunicacoes Brasileiras S.A. HOLDRS (Telebras)	665	1,195
— Mexico		
15,000 Panamerican Beverages, Inc. A	370	526
— Peru		
25,000 Southern Peru Copper Corporation	481	531
<b>TOTAL LATIN AMERICA</b>	<b>1,756</b>	<b>2,459</b>
<b>NORTH AMERICA</b>		
— United States		
1,600 America OnLine Inc.*	380	260
10,000 Cisco Systems, Inc.	797	948
12,000 Enron Corporation	930	1,444
25,000 Herman Miller, Inc.	943	773
20,000 Infinity Broadcasting Corporation A	726	876
10,000 Raytheon Company A*	1,024	1,014
15,000 Rite Aid Corporation	821	544
16,000 Tellabs, Inc.	785	1,591
7,500 Tiffany & Co.*	955	1,065
1,700 Yahoo! Inc.*	537	431
	7,898	8,946
<b>TOTAL NORTH AMERICA</b>	<b>7,898</b>	<b>8,946</b>
<b>Total Investments - June 30, 1999</b>	<b>\$ 22,375</b>	<b>\$ 28,537</b>
<b>Total Investments - June 30, 1998</b>	<b>\$ 19,609</b>	<b>\$ 26,088</b>

Changes from March 31, 1999:  
\* New Holdings  
+ Increased Holdings

RATES OF RETURN  
For periods ended June 30, 1999

1YR	3YR	5YR
5.0%	4.8%	2.3%

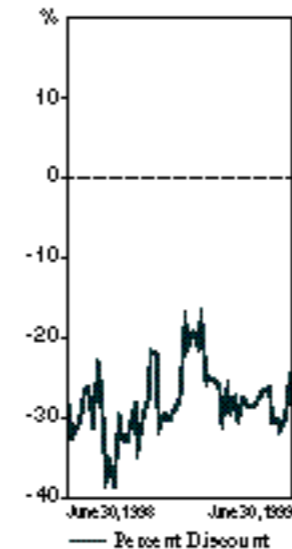
GROWTH OF A \$10,000 INVESTMENT  
OVER 5 YEARS



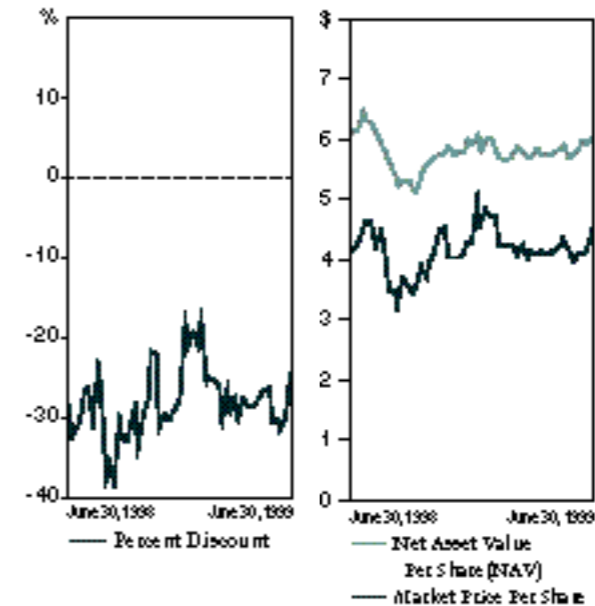
INVESTMENT PORTFOLIO  
TEN LARGEST INVESTMENTS  
June 30, 1999

Company	Market Value (000's)	% of Market Value of Total Investment Portfolio
Telecom Italia Mobile SPA	\$ 1,758	6.2
Vodafone Group PLC	1,747	6.1
Tellabs, Inc.	1,591	5.6
Enron Corporation	1,444	5.1
Cable & Wireless PLC	1,407	4.9
Telefonica de Espana, S.A.	1,352	4.7
Telecomunicacoes Brasileiras S.A. (Telebras)	1,195	4.2
Korea Telecom Corp.	1,178	4.1
Tiffany & Co.	1,065	3.7
Raytheon Company	1,014	3.6
<b>Totals</b>	<b>\$13,751</b>	<b>48.2</b>

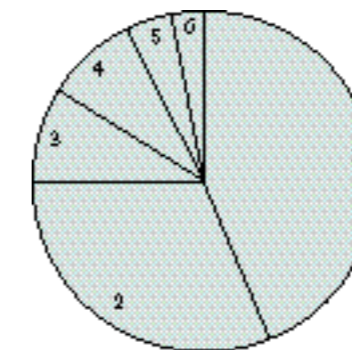
DISCOUNT TO NAV  
Twelve months ended June 30, 1999



COMPARISON OF MARKET PRICE TO NAV  
Twelve months ended June 30, 1999



GEOGRAPHIC WEIGHTING OF INVESTMENT PORTFOLIO  
June 30, 1999



	% at Market
1 Europe	43.7
2 North America	31.4
3 Asia	8.9
4 Latin America	8.6
5 Former Eastern Bloc	4.4
6 Africa	3.0

CANADIAN  
WORLD  
FUND  
LIMITED



JUNE 30, 1999  
SECOND QUARTER  
REPORT

## REPORT TO SHAREHOLDERS

As we review the latest six months to June 30, Canadian World Fund Limited ("CWF") continues to focus on more concentrated holdings in special opportunities which should lead to better asset growth. The Fund's aim is to provide capital growth around the world in a Toronto Stock Exchange listed fund. For the first time since inception, CWF has used its bank borrowing facility of up to \$3,000,000 during the second quarter to provide more flexibility for the portfolio manager and to boost performance.

### PERFORMANCE

Net assets were \$24,961,000 at June 30 compared to \$24,420,000 at the end of 1998 and \$25,149,000 one year ago. Net asset value ("NAV") per share was \$6.09 at June 30, 1999, an increase of 2.4% compared to \$5.95 at the end of 1998 and 0.7% below the peak levels attained one year ago before global markets retreated. For comparative purposes, the Morgan Stanley All Country World Index, because of a heavy 50% U.S. weighting, increased 4.7% year to date and 14.7% for the twelve months.

Net investment loss for the six months was \$14,000, compared with net investment income of \$60,000 for the same period last year.

### TRADING ACTIVITY

During the first half of 1999, the stock traded between \$3.80 and \$5.00, closing the period at \$4.60. Market return as measured by share price appreciation was 7.0% for the half year and 5.0% for the twelve months ended June 30, 1999. Share price discount to NAV was 24.5% vs. 27.7% at the end of 1998. The discount fluctuated between 17.8% and 31.7% for the past half year.

The following profiles market activity year to date in geographic areas where the fund is invested.

### PORTFOLIO

Exposure in Africa remained small, falling from 4.7% to 3.0% on sale of Anglo-American Corporation for good profits after its London listing. CWF continues its long term holding in ABSA Group Limited, a leading bank and one of the best performing financials in South Africa.

The position in Japan WEBS was eliminated due to slow performance. However, as the Asia region has begun to recover and reform, two multi-country funds were added, Asia Pacific Fund and Templeton Vietnam and Southeast Asia Fund, to maintain participation in the expected recovery. More aggressively, we

took a position in Korea's national telephone carrier Korea Telecom Corporation after its oversubscribed listing, and it has performed extremely well. Also, Japan's Softbank Corporation has been added to the portfolio. This remarkable growth company is one of the world's major investors in Yahoo and other Internet businesses and has key strategic initiatives with many U.S. and European information technology companies.

Investments in Europe have been reduced marginally. Long held positions in Copenhagen Airport, Apcoa Parking AG and Telecom Italia were sold at a profit, while OTE, the Greek national telecom carrier was purchased. In the U.K., National Express Group was sold, and since quarter end we have invested in Pilkington PLC, the leading glass manufacturer which is being restructured for recovery. Holdings in Eastern Europe are up over 80% in value in the quarter as investors showed renewed interest in emerging markets and increasing commodity prices, both in energy and base metals. Russia has abundant low priced energy and other resources and global economic recovery should help maintain the Russian market's advance.


Latin American holdings are unchanged with the exception of a partial sale in the recovered Panamerican Beverages. The Brazilian national election is in October and Latin American markets could be due for an unsettled few months.

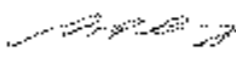
In the U.S., we bought America OnLine Inc. and Yahoo! Inc. A position was also established in Tiffany & Co. to capitalize on its growth and widening consumer appeal.

Liquidity continues to power the U.S. market and earnings have begun to stage a comeback in a friendly rate environment and improved global economic growth.

### OUTLOOK

Asia looks the most upwardly mobile region in stock market terms and we expect that the U.S. and the U.K. will also continue to be key target areas for stock selection by CWF. The Fund will continue to seek out special opportunities everywhere.

  
E. Louise Morgan  
Chairman

  
Michael A. Smedley  
President

**CWF has adopted a new financial statement reporting format recommended in a Canadian Institute of Chartered Accountants Research Report for investment funds. Prior year figures have been restated to reflect the new format.**

## STATEMENT OF NET ASSETS

(Unaudited)

As at June 30,	1999	1998
	(000's)	
<b>ASSETS</b>		
Investments	\$ 28,537	\$ 26,088
Cash	192	698
Receivable on securities sold	1,242	-
Accrued interest and dividends	130	92
Income taxes recoverable	185	395
<b>Total Assets</b>	<b>30,286</b>	<b>27,273</b>
<b>LIABILITIES</b>		
Bank indebtedness	2,791	-
Payable on securities purchased	459	-
Accounts payable and accrued liabilities	13	18
	<b>3,263</b>	<b>18</b>
Deferred income taxes	2,062	2,106
<b>Total Liabilities</b>	<b>5,325</b>	<b>2,124</b>
<b>Net Assets</b>	<b>\$ 24,961</b>	<b>\$ 25,149</b>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	\$ 20,507	\$ 20,507
Unrealized gain on investments	4,016	4,311
Retained earnings	438	331
	<b>\$ 24,961</b>	<b>\$ 25,149</b>
Number of common shares outstanding	4,101,350	4,101,350
Net asset value per share	\$6.09	\$6.13

## STATEMENT OF NET REALIZED GAIN (LOSS) ON INVESTMENTS

(Unaudited)

Six months ended June 30,	1999	1998
	(000's)	
Proceeds from disposition of investments	\$ 9,120	\$ 6,560
Investments at cost, beginning of period	19,268	20,841
Investments purchased during the period	11,453	6,041
Investments at cost, end of period	(22,376)	(19,609)
Cost of investments disposed of during the period	8,345	7,273
Realized gain (loss) on disposition of investments before income taxes	775	(713)
Income taxes (recovery) on realized net taxable capital gains (allowable capital losses)	259	(239)
<b>Net realized gain (loss) on investments</b>	<b>\$ 516</b>	<b>\$ (474)</b>

## STATEMENT OF OPERATIONS

(Unaudited)

Six months ended June 30,	1999	1998
	(000's)	
<b>INVESTMENT INCOME</b>		
Dividends	\$ 281	\$ 391
Interest	13	11
<b>Total investment income</b>	<b>294</b>	<b>402</b>
<b>EXPENSES</b>		
Management fees	208	231
Interest	27	-
Directors' fees	14	13
Regulatory and transfer agent fees	22	19
Miscellaneous	48	30
<b>Total expenses</b>	<b>319</b>	<b>293</b>
Investment income (loss) before income taxes	(25)	109
Income tax provision (recovery)	(11)	49
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(14)</b>	<b>60</b>
<b>REALIZED AND UNREALIZED GAIN ON INVESTMENTS</b>		
Net realized gain (loss) on investments	516	(474)
Change in unrealized appreciation of investments	39	(44)
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>555</b>	<b>(518)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
	\$ 541	\$ (458)

## STATEMENT OF CHANGES IN NET ASSETS

(Unaudited)

Six months ended June 30,	1999	1998
	(000's)	
<b>INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>		
	\$ 541	\$ (458)
<b>NET ASSETS - BEGINNING OF PERIOD</b>	<b>24,420</b>	<b>25,607</b>
<b>NET ASSETS - END OF PERIOD</b>	<b>\$ 24,961</b>	<b>\$ 25,149</b>

## CANADIAN WORLD FUND LIMITED

### CORPORATE INFORMATION

**OFFICE OF THE COMPANY**  
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Suite 1601  
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www.mna-investmgr.com

**STOCK EXCHANGE LISTINGS**  
The Toronto Stock Exchange  
Trading Symbol: CWF  
The Winnipeg Stock Exchange

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

### YEAR 2000

The "Year 2000" issue refers to the possibility that on January 1, 2000 some computer systems may function improperly because they use two digits to identify the year, rather than four.

MMA Investment Managers Limited (the "Manager") provides critical portfolio record keeping and accounting services to the Corporation. The Manager has offered assurance of Year 2000 compliance, with all testing and remediation work being done early enough to assure no deterioration of services in the 21st century. The Manager's Year 2000 program has a scheduled completion date of September 1999. The Corporation is continuing to monitor the work being performed on the relevant computer systems of all its key service vendors. CWF's contingency planning for Year 2000 issues is dependent upon the contingency planning of these key vendors. With respect to new vendors, only those that are Year 2000 compliant are being accepted by the Corporation and the Manager.

With respect to portfolio investments, the Corporation is not aware of any investee company not taking appropriate steps to mitigate their risk to the Year 2000 issue. The financial condition of investee companies may be affected by systems failures, remediation costs, and overall economic uncertainties.

There continues to be uncertainty as to how the capital markets will be affected in the year 2000, particularly because of the widespread use of computers in the world economy. While the Corporation believes that it is taking appropriate action to address the Year 2000 issue, all investors - including investors in the Corporation - may be adversely affected by events beyond their control or expectation. It is also possible that the markets for securities in which the Corporation invests may be adversely affected by computer failures, which may result in liquidity issues and settlement problems.