Canadian World Fund Limited

1999 Annual Report

A Global Fund in the "New Economy"

Corporate Profile

Canadian World Fund Limited 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. Established in 1994, the Fund is diversified in global equities, seeking companies with special growth prospects and capturing positive momentum.

Emphasis is given to a bottom-up style selection process by the Manager, MMA Investment Managers 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.

Depicted on the cover are light-based fibre optic cables – one of the driving forces behind the explosive growth in the new economy.

Letter to the Shareholders

Dear Shareholder, *Portfolio assets of Canadian World Fund Limited ("CWF") made a spectacular breakout before the close of 1999, soaring over 41% from $29 million at September 30 to $41 million at December 31.*

At the year-end, the net asset value per share (NAV) increased by 32.7% to $7.90 from $5.95 in 1998, and excelled against the comparable benchmark, the MS All Country World Index which returned 17.9% as expressed in Canadian dollars. The corresponding MS Emerging Markets Index, which has had its first positive year since 1996, returned 54.4%.

The breakout for CWF was achieved by a strategic build-up of technology-linked stocks of the global "new economy", adding to your Fund's long term winners in global communications.

By year-end over 80% of portfolio assets was invested in global information technology, telecommunications, computer and internet-related companies, making CWF one of few TSE listed funds presently dedicated to those businesses.

CWF's share price increased by 20.9% in 1999. The shares closed the year at $5.20 at a discount to NAV of 34.2%, reflective of fast final quarter growth preceding slow market recognition. The shares touched $5.80 early in the new year before this report was finalised. The discount was recently as high as 43.5% and should surely prove attractive at high levels.

PORTFOLIO HOLDINGS

Holdings were reduced slightly from 39 to 37, with "top ten" stocks ranging from 6.7% weighting to 3.4% and constituting 42.5% of the total portfolio.

In 1999, the MS Emerging Market Index was up 54.4% after years of mostly negative returns. These rebounding markets assisted CWF. In particular, the boost came with key technology companies in Japan, India, Korea, Brazil and Spain. Strong performers were headed by Japan's Softbank Corporation, a major investor in Yahoo! and other world class "new economy" ventures. Other important holdings included national telephone carrier Korea Telecom and Satyam Infoway Ltd. of India, a software leader.

The CWF investment approach is strongly company specific, but not without regard for geographic apportionment. The management team has its own global research capabilities and strong contact with analysts around the world. Your Fund has started a move into biotechnology and life sciences since year-end. Other focus areas will become apparent as the year progresses.

GLOBAL OPTIMISM

Optimism continued to be widespread, even though 1999 was the eighth year of key U.S. economic expansion and the third in a row with GDP rising in excess of 4%, and a trade deficit which expanded to $244 billion last November. The revival mode of other markets after their 1998 correction is usually attributed to the strong U.S. economy and dollar, but stimulus for stock markets has sprung from other sources:

- Multi-billion dollar mergers
- New communications technologies
- IPO techniques replacing traditional financing

The new companies using gigantic after-market capitalizations to finance expansionary acquisitions are so far immune from traditional financing stresses. However, we do believe many of these companies will be successful.

Inflation seems a dull concern against this backdrop and the U.S. Federal Reserve Board is ever watchful and pre-emptive in its interest rate policy.

BOARD OF DIRECTORS

On August 18, 1999 the Board with regret accepted the resignation of Robert Smith who had served expertly since the founding of CWF in 1994 and had moved away from Canada. The Board concurrently appointed Jack H.B. Nederpelt, managing partner of Heidrick and Struggles, consultants in executive search, who previously had a long career in financial services.

MANAGEMENT EFFORT

The Directors wish to record their appreciation to the staff of MMA for their hard work, and skills in an ever more demanding investment environment. MMA's work on a complex international fund includes supplying NAV on a daily basis to the main financial press in Canada. Efforts to promote awareness of CWF continue at conferences, investment forums and among securities dealers.

Canadian World Fund is a founding member of the Closed-End Fund Association (CEFA), a North American non-profit organisation for fostering interest in closed-end funds. (Website: www.cefa.com). To view CWF information visit: www.mma-investmgr.com.

E. Louise Morgan
Chairman
February 9, 2000

Michael A. Smedley
President
February 9, 2000

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*
- *Often have dividends and dividend reinvestment plans*

Management's Discussion and Analysis

Canadian World Fund Limited ("CWF"), a closed-end global growth fund, soared in assets prior to year-end. Weighting in telecommunications and technology represented 81.9% of investments at December 31, up from 43.1% a year ago. CWF was able to make this significant change to capture market momentum because of its broad global mandate, it is one of a few such funds available on the Toronto Stock Exchange.

Success with this strategy resulted in NAV growth of 32.7% in 1999 vs. 17.9% for the MS All Country World Index, the appropriate benchmark. This was exceptional performance for your Fund as compound average annual rates of return for periods greater than one year were: 3 years 12.0% vs. 21.3% and 5 years 9.3% vs. 17.7% for the Index. CWF measures return by growth of net assets after corporate expenses and income taxes. Early trading in the year 2000 has seen recognition of the value of the Corporation's shares.

PORTFOLIO WEIGHTINGS

Portfolio investments at year-end totalled $41,084,000, an impressive increase of 62.7% over the $25,245,000 for 1998. This growth was enhanced by the application of $3,000,000 in bank borrowings initiated at favourable rates in the second quarter.

Major changes in weightings over the year were in Asia and Europe. Asia, only 1.5% in weighting at year end 1998, formed 25.0% of the portfolio at December 31, 1999.

Europe, while still the highest weighting in CWF's portfolio at 35.8%, was significantly down from 54.9% in 1998, primarily due to repositioning in Asia and U.S. technology stocks. The percentage of investments in emerging markets increased slightly during the year to 22.9% of the portfolio.

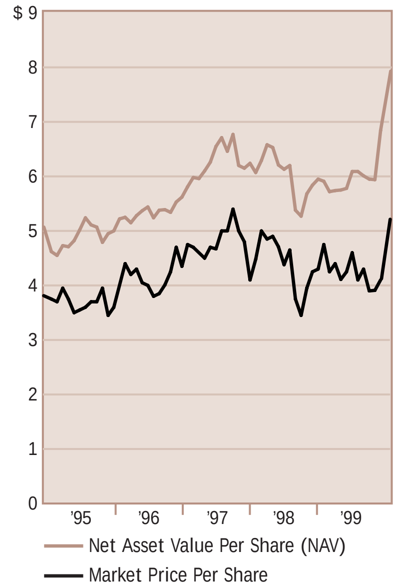
The portfolio turnover rate in 1999 was 69.2% on increased activity compared with 60.1% the previous year, and was largely due to the strategic change to capture technology sector gains.

Since CWF has a well diversified foreign portfolio, the currency risk could be a rising Canadian dollar. Hedging is not employed.

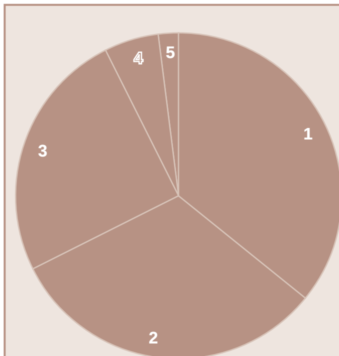
FINANCIAL PERFORMANCE

For 1999, total investment income decreased by 15.9% to $438,000 from $521,000, while total expenses increased by 22.4% to $694,000. Most of the $127,000 increase in total expenses was attributable to interest expense on the bank borrowings, which commenced in April 1999 and carried an average interest rate of approximately 5.4%. Growth of capital far outweighed this borrowing cost.

COMPARISON OF MARKET PRICE TO NAV
Years 1995 to 1999
(month-end values)



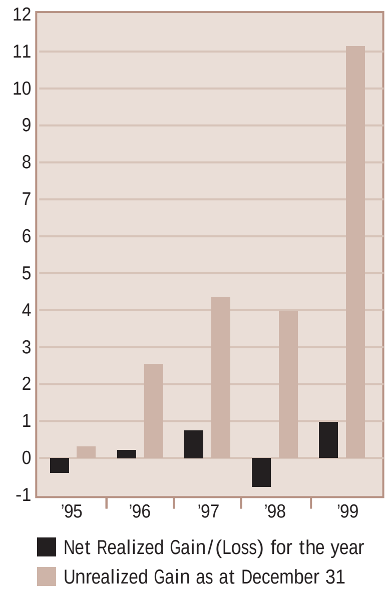
GEOGRAPHIC WEIGHTING OF INVESTMENT PORTFOLIO AT MARKET
December 31, 1999



1	Europe	35.8%
2	North America	31.8%
3	Asia	25.0%
4	Latin America	5.4%
5	Former Eastern Bloc	2.0%

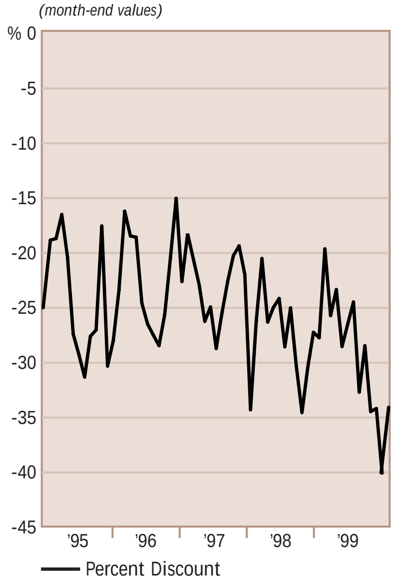
NET REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS

Years 1995 to 1999
(in millions of dollars)



DISCOUNT TO NAV

Years 1995 to 1999
(month-end values)



Management fees in 1999 declined by 1.9% to $420,000, a reflection of lower portfolio values through the early part of the year.

On an after-tax basis, the Corporation had a net investment loss of $142,000, compared with the prior year's loss of $24,000.

Total net assets at the end of 1999 were $32,417,000, up 32.7% over the previous year. NAV per share was $7.90, compared to $5.95 at 1998 year-end.

The explosive portfolio growth, particularly in the fourth quarter of 1999, resulted in a net gain on investments of $8,139,000. Of this, $975,000 was the net realized gain, while $7,164,000 represented the change in unrealized appreciation of investments. By comparison, there was a net loss on investments of $1,163,000 in the previous year, after the collapse of markets in Asia, Latin America and Russia and the Fund's underweighting in the outperforming U.S.

OUTLOOK

The strategic shift for the portfolio should continue to allow for geographic diversification and focus on fewer holdings than in previous years. Further strategic changes might occur to suit rotational events in world markets and to capture new special opportunities.

Asia seems to have put behind it the ills of 1998, which were due in part to bank debt and currency crises. The new Europe might prove to be attractive to foreign investors like CWF. German corporate modernization in particular seems to hold promise.

We continue our confidence that the U.S. will fight hard to lead the way in controlling interest rate excesses and prosperity will continue.

It is clear that the large revenue and "earnings-free" new economy is not sustainable across its entirety but winners are out there and the great new industrial and commercial trends are permanent, along with consumer demand.

YEAR 2000

The Corporation is not aware of any adverse effects arising out of the Year 2000 issue but cannot predict future events. Refer to note 8 of Notes to the Financial Statements for information relating to this issue.

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 9, 2000

Michael A. Smedley
President
February 9, 2000

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, 1999 and 1998, and the statement of investments as at December 31, 1999, the statements of operations, retained earnings, unrealized gain on investments and changes in net assets for the years then ended, and the statement of financial highlights for each of the years in the five-year period ended December 31, 1999. 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, 1999 and 1998, 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, 1999 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Toronto, Canada
January 20, 2000

Statements of Net Assets

As at December 31, 1999 and 1998

(in thousands of dollars, except per share amounts)	**1999**	1998
Assets		
Investments	**$ 41,084**	$ 25,245
Cash	**695**	451
Accrued dividends	**31**	25
Income taxes recoverable	**—**	593
	41,810	26,314
Liabilities		
Bank indebtedness *(note 2)*	**2,994**	—
Payable on securities purchased	**505**	—
Accounts payable and accrued liabilities	**52**	39
Income taxes payable	**237**	—
	3,788	39
Future income taxes on unrealized net capital gains	**5,605**	1,855
	9,393	1,894
Net Assets	**$ 32,417**	$ 24,420
Shareholders' Equity		
Capital stock *(note 3)*	**$ 20,507**	$ 20,507
Unrealized gain on investments	**11,141**	3,977
Retained earnings (deficit)	**769**	(64)
	$ 32,417	$ 24,420
Number of shares outstanding	**4,101,350**	4,101,350
Net asset value per share	**$ 7.90**	$ 5.95

Approved by the Board of Directors

Director

Director

Statements of Operations

For the years ended December 31, 1999 and 1998

(in thousands of dollars)	**1999**	1998
Investment income		
Dividends	**$ 407**	$ 482
Interest	**31**	39
	438	521
Expenses		
Management fees *(note 5)*	**420**	428
Interest	**103**	—
Directors' fees	**33**	25
Regulatory and transfer agent fees	**33**	31
Miscellaneous	**105**	83
	694	567
Investment loss before income taxes	**(256)**	(46)
Income tax recovery	**(114)**	(22)
Net investment loss for the year	**(142)**	(24)
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on investments *(note 4)*	**975**	(785)
Change in unrealized appreciation of investments	**7,164**	(378)
Net gain (loss) on investments	**8,139**	(1,163)
Increase (decrease) in net assets resulting from operations	**$ 7,997**	$ (1,187)

Statements of Retained Earnings

For the years ended December 31, 1999 and 1998

(in thousands of dollars)	**1999**	1998
Retained earnings (deficit) - Beginning of year	**$ (64)**	$ 745
Add		
Net investment loss for year	**(142)**	(24)
Net realized gain (loss) on investments	**975**	(785)
Retained earnings (deficit) - End of year	**$ 769**	$ (64)

Statements of Unrealized Gain on Investments

For the years ended December 31, 1999 and 1998

(in thousands of dollars)	**1999**	1998
Unrealized gain on investments - Beginning of year	**$ 3,977**	$ 4,355
Increase (decrease) during year	**10,772**	(567)
Decrease (increase) in provision for future income taxes	**(3,608)**	189
Unrealized gain on investments - End of year	**$ 11,141**	$ 3,977

Statements of Changes in Net Assets

For the years ended December 31, 1999 and 1998

(in thousands of dollars)	**1999**	1998
Increase (decrease) in net assets resulting from operations	**$ 7,997**	$ (1,187)
Net assets - Beginning of year	**24,420**	25,607
Net assets - End of year	**$ 32,417**	$ 24,420

Statement of Financial Highlights

For the five years ended December 31, 1999

(Data per share)	**1999**	**1998**	**1997**	**1996**	**1995**
Net asset value - Beginning of year	$ 5.95	$ 6.24	$ 5.62	$ 5.00	$ 5.06
Income (loss) from investment operations					
Net investment income (loss)	(0.03)	(0.01)	—	0.02	—
Net realized and unrealized gain (loss) on investments	1.98	(0.28)	0.62	0.60	(0.06)
	1.95	(0.29)	0.62	0.62	(0.06)
Net asset value - End of year	$ 7.90	$ 5.95	$ 6.24	$ 5.62	$ 5.00
Ratios / supplemental data					
Total net assets - End of year (in thousands of dollars)	32,417	24,420	25,607	23,037	20,033
Weighted average net assets (in thousands of dollars)	24,982	24,654	25,702	21,939	20,138
Management expense ratio *(note 7(b))*	2.4%	2.3%	2.0%	1.8%	2.0%
Portfolio turnover rate *(note 7(c))*	69.2%	60.1%	25.4%	42.2%	85.6%
Annual net asset value growth *(note 7(d))*	32.7%	(4.7)%	11.0%	12.4%	(1.2)%

Statement of Investments

December 31, 1999

NUMBER OF SHARES OR PAR VALUE	INVESTMENT – % OF TOTAL MARKET VALUE	COST	MARKET VALUE
		(in thousands of dollars)	
	ASIA		
	– Hong Kong – 2.1%		
275,000	Tracker Fund of Hong Kong*	679	858
	– India – 5.1%		
35,000	ICICI Limited ADR*	644	745
6,000	Satyam Infoway Ltd. ADR*	406	1,342
		1,050	2,087
	– Japan – 9.4%		
20	NTT Mobile Communications Network, Inc.*	1,005	1,110
2,000	Softbank Corporation	878	2,764
		1,883	3,874
	– Korea – 8.4%		
20,000	Korea Telecom Corp. ADR	896	2,158
13,000	Korea Thrunet Co., Ltd. A*	753	1,274
		1,649	3,432
	TOTAL ASIA – *25.0%*	5,261	10,251
	EUROPE		
	– France – 3.3%		
7,150	France Telecom S.A.	413	1,364
	– Germany – 2.7%		
6,000	Siemens AG	418	1,105
	– Greece – 2.9%		
70,000	Hellenic Telecommunications Organization S.A. ADR	1,193	1,206
	– Spain – 7.0%		
15,000	Telefonica de Espana, S.A. ADR	292	1,706
15,000	Terra Networks, S.A. ADR*	756	1,185
		1,048	2,891
	– Switzerland – 1.0%		
200	Novartis AG	555	424
	– United Kingdom – 18.9%		
60,000	Cable & Wireless PLC	1,106	1,467
266,760	Centrica PLC	808	1,092
14,310	COLT Telecom Group PLC	431	1,057
50,000	Marconi PLC*	812	1,277
300,000	Pilkington PLC	674	591
45,000	Thus PLC*	455	407
260,000	Vodafone AirTouch PLC+	379	1,860
		4,665	7,751
	TOTAL EUROPE – *35.8%*	8,292	14,741

NUMBER OF SHARES OR PAR VALUE	INVESTMENT – % OF TOTAL MARKET VALUE	COST	MARKET VALUE
		(in thousands of dollars)	
	FORMER EASTERN BLOC		
	– Russia – 2.0%		
6,250	LUKoil Holding ADR	266	451
20,000	OAO Gazprom Reg S ADS	501	244
5,000	Rostelecom ADR	143	123
		910	818
	TOTAL FORMER EASTERN BLOC – *2.0%*	910	818
	LATIN AMERICA		
	– Brazil – 4.1%		
9,000	Telecomunicacoes Brasileiras S.A. HOLDRs (Telebras)	665	1,672
	– Peru – 1.3%		
25,000	Southern Peru Copper Corporation	481	557
	TOTAL LATIN AMERICA – *5.4%*	1,146	2,229
	NORTH AMERICA		
	– Canada – 1.5%		
32,000	Cell-Loc Inc. special wts*	544	611
	– United States – 30.3%		
6,000	America OnLine, Inc.	559	657
10,000	Apple Computer, Inc.	804	1,484
10,000	Cisco Systems, Inc.	797	1,546
2,500	CMGI, Inc.*	736	999
22,000	Enron Corporation	852	1,409
6,000	JDS Uniphase Corporation*	928	1,397
2,000	QUALCOMM Incorporated*	506	508
10,000	Solectron Corporation*	1,111	1,373
20,000	Starbucks Corporation*	708	700
12,000	Tellabs, Inc.	589	1,112
2,000	Yahoo! Inc.	592	1,249
		8,182	12,434
	TOTAL NORTH AMERICA – *31.8%*	8,726	13,045
	TOTAL INVESTMENTS – *100%*		
	- December 31, 1999	$ 24,335	$ 41,084
	- December 31, 1998	$ 19,268	$ 25,245

Changes from September 30, 1999:
* New Holdings
+ Increased Holdings

Notes to Financial Statements

For the years ended December 31, 1999 and 1998

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 enacted 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$3 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 5.53% at December 31, 1999.

3 CAPITAL STOCK

The Company is authorized to issue unlimited preferred shares issuable in series and unlimited common shares. At December 31, 1999 and 1998, 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:

	1999	**1998**
	(in thousands of dollars)	
Proceeds from disposition of investments	$ 21,779	$ 15,991
Investments at cost - Beginning of year	19,268	20,841
Investments purchased during the year	25,380	15,597
Investments at cost - End of year	(24,335)	(19,268)
Cost of investments disposed of during the year	20,313	17,170
Realized gain (loss) on disposition of investments before income taxes (recovery)	1,466	(1,179)
Income taxes (recovery) on realized net taxable capital gains (allowable capital losses) *(note 6)*	491	(394)
Net realized gain (loss) on investments	$ 975	$ (785)

5 RELATED PARTY INFORMATION

Management fees are paid monthly to 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 45% and 33%, respectively.

7 FINANCIAL HIGHLIGHTS

Explanatory notes

a) 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.

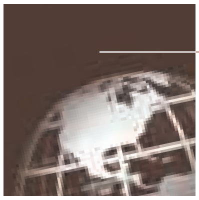
d) Annual net asset value growth is calculated based on the change in net asset value per share.

8 UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Company's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Company, including those related to the efforts of investees, suppliers or other third parties, will be fully resolved.

9 COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to the basis of presentation adopted in 1999.



Investment Portfolio — Ten Largest Investments

(in thousands of dollars)

TELECOMMUNICATIONS AND TECHNOLOGY DOMINATED TOP TEN

December 31, 1999

Softbank Corporation Softbank, a remarkable entrepreneurial company created in Japan is at the forefront of the global "new economy". It is the largest wholesaler of PC software in Japan and the largest internet access provider. It has global alliances with leaders such as Novell, Cisco, Comdex and Yahoo! Its huge investment portfolio is still growing. Softbank is often referred to as Japan's Microsoft.

Cost 878 **Market Value 2,764** **% of Total Investment Portfolio 6.7**

Korea Telecom Corp. Korea Telecom is the top telecommunications provider in Korea - local, long-distance, international, mobile and satellite. Korea Telecom, ADR listed, is also dominant through ownership positions in SK Telecom and KT Freetel.

Cost 896 **Market Value 2,158** **% of Total Investment Portfolio 5.2**

Vodafone Airtouch PLC Vodafone has grown at an extremely rapid pace into one of the best known operators in the world. With the acquisition of AirTouch in the US in 1999 it has become the largest global wireless provider. Successful acquisition of Mannesman in Germany would solidify Vodafone's European footprint.

Cost 379 **Market Value 1,860** **% of Total Investment Portfolio 4.5**

Telefonica de Espana, S.A. Telefonica, the Spanish national telephone company, is the No. 1 expansionary communications force in Latin countries. It has interests in the Canary Islands, North Africa, Argentina, Chile, Brazil and Peru. It has big internet developments and in 1999 partially privatized its Spanish internet company, Terra Networks, backing into it many of the pan-American web systems.

Cost 292 **Market Value 1,706** **% of Total Investment Portfolio 4.2**

Telecomunicacoes Brasileiras S.A. This is Telebras. Our NYSE listed share is representative of all wireless and wireline companies and of Telebras prior to the 1998 auction. CWF therefore holds all of Brazil's former TBR subsidiaries and remains an attractive "telecoms" asset on a valuation basis.

Cost 665 **Market Value 1,672** **% of Total Investment Portfolio 4.1**

Investment Portfolio — Ten Largest Investments *(continued)*

(in thousands of dollars)

Cisco Systems, Inc. Cisco is the dominant global provider of networking equipment wherever the growth of the LAN, the WAN, the Internet and the Intranet markets continues unabated. Products cover the whole array of networking and the company provides complete end-to-end solutions.

Cost 797 **Market Value 1,546** **% of Total Investment Portfolio 3.8**

Apple Computer, Inc. We decided a year ago that Apple was unquestionably on the revival track. The success of the iMac product and the return of founder Steve Jobs as full time CEO combined with strong operating numbers have made the company's stock a strong performer.

Cost 804 **Market Value 1,484** **% of Total Investment Portfolio 3.6**

Cable & Wireless PLC Cable & Wireless has been globally active in telecommunications since the 19th century across the former British Empire from Hong Kong to Jamaica. It is one of the top 20 companies in the U.K. with activities in over 70 countries. C & W serves over 17 million people and has over 70,000 employees. Efforts are concentrated in Asia/Pacific, Europe and US/Caribbean. Its wireless business is growing rapidly and it will soon have close to 10 million customers.

Cost 1,106 **Market Value 1,467** **% of Total Investment Portfolio 3.6**

Enron Corporation Enron, one of the world's largest integrated natural gas and electricity companies recently exploded upwards in the stock market; it announced its move into information age ventures. A new communication division will provide commercial users with high value applications for online e-commerce on its high bandwidth network. Enron's fibre optic network delivers broadcast quality audio-video at ten times the speed of the internet. The company has also set a strategic alliance with Sun Microsystems for improved connectivity in their communications division.

Cost 852 **Market Value 1,409** **% of Total Investment Portfolio 3.4**

JDS Uniphase Corporation JDS Uniphase grew out of the merger of JDS Fitel, a Canadian manufacturer of optical components and Uniphase Corp. of California, a laser maker. The combined products are dominant in wave division multiplexing systems. Growth for optical networking components continues to accelerate. Primary customers of JDS Uniphase are other rapidly growing leaders including Nortel, Lucent, Ciena and Alcatel. JDS is also one of the success stories in the portfolio of Canadian General Investments, Limited, the largest in the MMA managed group of closed-end funds.

Cost 928 **Market Value 1,397** **% of Total Investment Portfolio 3.4**

TOTAL

Cost 7,597 **Market Value 17,463** **% of Total Investment Portfolio 42.5**

Board of Directors

E. LOUISE MORGAN, is Chairman of the Corporation. She is President and controlling shareholder of the Manager, MMA Investment Managers Limited and Chairman and a director of Canadian General Investments, Limited and Third Canadian General Investment Trust Limited. She is also President of The Catherine and Maxwell Meighen Foundation and a member of the Board of Directors and member of the Executive Committee of the Canadian Opera Company and the Canadian Opera Company House Committee.

MICHAEL A. SMEDLEY is President of the Corporation. He is Executive Vice-President and Chief Executive Officer of the Manager, MMA Investment Managers 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 also a director of the City of London Investment Group PLC and other companies outside of the MMA group. 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 President and a director of Anlyn Advisors Inc., an investment management firm and a director of Quest Education Corporation, Third Canadian General Investment Trust Limited, Canadian General Investments, 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 C.F.O. and Secretary and a director of Denbridge Capital Corporation, a management company. She is a director of Canadian General Investments, Limited, Third Canadian General Investment Trust Limited and 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

OFFICERS
E. Louise Morgan
Chairman

Vanessa L. Morgan
Vice-Chairman

Michael A. Smedley
President

Paul S. Devlin
Senior Vice-President

Colin Smith
Secretary-Treasurer

Frank Fuernkranz, M.B.A., C.A.
Assistant-Treasurer

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Bank of Montreal
Toronto

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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 LISTINGS
The Toronto Stock Exchange
Trading Symbol: CWF

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

ANNUAL GENERAL MEETING
The Annual General Meeting of the shareholders of Canadian World Fund Limited will be held at 10:00 a.m. (Toronto time) Wednesday, April 5, 2000 in Room A, 4th Floor, The Toronto Board of Trade, 77 Adelaide Street West, First Canadian Place, Street Level (Adelaide Street entrance), Toronto, Ontario, M5X 1C1.

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