



CWF

Canadian World Fund
Limited

REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc.
100 University Avenue, 9th Floor
Toronto, Ontario, Canada M5J 2Y1

Telephone:

Canada & U.S.: 1-800-564-6253

Overseas: 1-514-982-7555

Fax:

Canada & U.S.: 1-888-453-0330

Overseas: 1-416-263-9394

e-mail: mmamail@computershare.com

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

STOCK EXCHANGE LISTING

The Toronto Stock Exchange

Trading Symbol: CWF

Managed by:



MorganMeighen

& ASSOCIATES

Investment Managers

CANADIAN WORLD FUND LIMITED

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

Telephone: (416) 366-2931 Toll Free: 1-866-443-6097 Fax: (416) 366-2729

e-mail: cwffund@mmainvestments.com

website: www.mmainvestments.com



Mixed Sources

Product group from well-managed
forests, controlled sources and
recycled wood or fiber

www.fsc.org Cert no. SW-COC-002999
© 1996 Forest Stewardship Council



GLOBAL OPPORTUNITIES

I

FIRST QUARTER
SHAREHOLDER UPDATE

March 31, 2008

GENERAL COMMENTARY

Canadian World Fund, Limited's (CWF) net asset value (NAV) return for the first quarter 2008 was -17.2%, while its market return was -19.1%. This compared unfavourably with the -6.1% return for its benchmark index, the Morgan Stanley Capital International All Country World Index, converted to Canadian dollars.

Global markets continue to languish, as the financial crisis, which began in the sub-prime market in the United States, continues to cause tremors around the world. Recent months have seen several prominent international banks take significant write-downs or even have to be bailed out. This has had a deleterious effect on financial stock valuations world wide, and has forced the banks to tighten their lending policies. The knock-on effect of this is that private equity and hedge funds have lost a ready source of cheap capital, and have had to cancel deals and/or raise cash to meet margin calls. The merger & acquisitions boom is over, the carry trade is being unwound, and stock markets are falling as global financial markets go through a process of deleveraging.

CWF has suffered along with markets and has experienced the flip-side of the beneficial effects of its own leverage, which it had enjoyed in recent years, as the bank borrowing augmented the decline in its portfolio's value. Unlike some of the market participants now in hot water, CWF employs a much lower level of leverage, which at March 31 represented only 10.3% of its portfolio assets. We continue to believe that this is an appropriate level, which should provide shareholders with enhanced returns over the long term.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

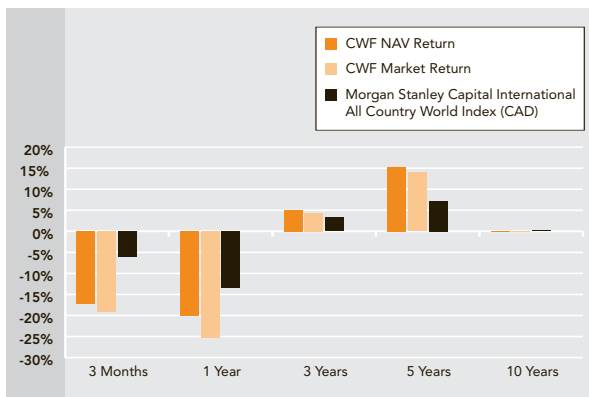
TOPSY – TURVY WORLD

The aftershocks arising from the collapse of the U.S. housing market continued to ripple through the financial sector worldwide during the first quarter of 2008, but the effect on the real global economy has so far been modest. Real GDP growth remains in the 2% to 3% range in most of the developed world and likely in the 7% to 9% range for India and China.

The central banks of North America and the U.K. are sufficiently concerned about the financial markets that they are still aggressively pursuing a low interest rate policy. In contrast, the European Central Bank, as well as some Asian central banks, see growing evidence of growth and inflationary pressures making them more inclined to raise interest rates, which has already occurred in some countries.

Pinpointing the bottom is a tough call. However, a number of headwinds must be weathered before investors turn bullish again. The U.S. housing market must be stabilized. That in turn will help stabilize flailing credit markets. Much hope has been invested in the decoupling hypothesis, according to which the slack from a U.S. slowdown must be picked up by the rest of the world, especially emerging Asia. The credit crisis has rapidly depleted the capital base of major financial companies; this needs to be restored and brought back to pre-crisis levels.

Compound Annual Returns for the Periods Ending March 31, 2008



CWF has significant exposure in India and Indonesia, countries which produced strong returns in the fourth quarter of 2007, but became the victims of broad selling by foreign investors as the global financial crisis intensified.

This also affected our holdings in the U.K. and Canada, where some of our mid- and small-capitalization issues suffered disproportionately due to lack of liquidity.

During the quarter, CWF made minor changes in the portfolio positions in Petrofac Limited, Stratic Energy Corporation and Baidu.com, Inc. These positions were increased on the basis that a holding stance was warranted. New additions to the portfolio were Stillwater Mining Company, the largest platinum and palladium mine outside South Africa and Tethys Petroleum Limited, a promising oil and gas exploration company located in Kazakhstan.

We trimmed several positions in Apple Inc., Deere & Company, as well as Google Inc. for protection of gains and safety, whereas holdings in Harry Winston Diamond Corporation and Topps Tiles Plc were eliminated.

The position in OMX AB was tendered to Borse Dubai, which offered to buy the Nordic exchange company for 265 SKR in an all cash deal. Dubai in turn exchanged its OMX holding to Nasdaq Stock Market Inc. in return for a 20% stake in Nasdaq plus cash.

During the quarter, investors were indiscriminate in selling in various markets around the world irrespective of the fundamentals. One such example is Russia. One could be forgiven for thinking that it is Russia that is facing a recession and has a banking system straining under a severe credit crisis, while the U.S. is the country with a robust economy and the world's third-largest financial resources. Year-to-date, the equity market in the U.S., whose economy is the cause of global worry, was down 6.5%, while Russia, whose economy is in relatively better shape, was down 13.4%. In addition, the price of Brent crude oil was up almost 12%, yet the domestic oil and gas sector was down 8% on average, despite the positive news of a Russian tax cut in upstream operations starting next year.

Late in the quarter CWF started to see improving returns as the temperature of markets cooled somewhat.

As the pendulum of risk tolerance swings back from extreme risk aversion toward more normal levels, we remain optimistic that funds will flow from bonds and cash back into stocks again.

On behalf of the Manager,

Michael A. Smedley
CEO & Chief Portfolio Officer

Alex Sulzer
Vice-President

SUMMARY OF INVESTMENT PORTFOLIO

as at March 31, 2008

Sector Allocation

	% of Net Assets*	% of Investment Portfolio
Financials	30.7	27.2
Materials	23.5	20.8
Energy	19.4	17.2
Consumer Discretionary	11.3	10.0
Industrials	10.6	9.4
Information Technology	9.2	8.1
Consumer Staples	3.7	3.3
Cash & Cash Equivalents	1.8	1.6
Utilities	1.4	1.3
Telecommunication Services	1.2	1.1

Geographic Allocation

	% of Net Assets*	% of Investment Portfolio
Europe	30.6	27.1
Asia	26.3	23.3
Canada	25.9	23.0
United States	17.9	15.9
Latin America	8.0	7.1
Cash & Cash Equivalents	1.8	1.6
Africa	1.2	1.0
Australia	1.1	1.0

SUMMARY OF INVESTMENT PORTFOLIO (CONTINUED)

Top 25 Holdings as at March 31, 2008

Issuer	Country	Sector	% of Net Assets*	% of Investment Portfolio
PT Bumi Resources Tbk	Indonesia	Energy	4.1	3.6
Equinox Minerals Limited	Canada	Materials	3.2	2.8
Autonomy Corporation plc	U.K.	Information Technology	2.8	2.5
Deere & Company	U.S.A.	Industrials	2.7	2.4
PT Timah Tbk	Indonesia	Materials	2.6	2.3
Oslo Bors VPS Holding ASA	Norway	Financials	2.4	2.1
Central European Distribution Corporation	Poland	Consumer Staples	2.3	2.0
Apple Inc.	U.S.A.	Information Technology	2.2	2.0
AmRest Holdings N.V.	Netherlands	Consumer Discretionary	2.2	2.0
HDFC Bank Ltd.	India	Financials	2.2	1.9
Petrominerales Ltd.	Canada	Energy	2.1	1.9
Freeport-McMoRan Copper & Gold Inc.	U.S.A.	Materials	2.1	1.9
Alcoa Inc.	U.S.A.	Materials	2.0	1.8
Lojas Renner S.A.	Brazil	Consumer Discretionary	2.0	1.8
Grupo México, S.A.B. de C.V.	Mexico	Materials	2.0	1.8
Mahindra & Mahindra Limited	India	Industrials	1.9	1.7
Petrofac Limited	U.K.	Energy	1.9	1.6
Midas Capital Plc	U.K.	Financials	1.8	1.6
Tethys Petroleum Limited	U.K.	Energy	1.8	1.6
Cash	Canada	Cash & Cash Equivalents	1.8	1.6
CAE Inc.	Canada	Industrials	1.8	1.6
Sberbank	Russia	Financials	1.7	1.5
Grupo Financiero Banorte, S.A.B. de C.V.	Mexico	Financials	1.7	1.5
FCStone Group, Inc.	U.S.A.	Financials	1.7	1.5
Italian-Thai Development Public Company Limited	Thailand	Industrials	1.7	1.5
			54.7*	48.5
Total Net Assets* (\$000's)				\$ 46,394
Total Investment Portfolio (\$000's)				\$ 52,327

* Total Net Assets represents Total Investment Portfolio adjusted for leverage in the form of bank indebtedness (\$5.4 million), other assets and other liabilities.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Company. The most recent quarterly portfolio disclosure may be obtained by visiting the Manager's web site at www.mmmainvestments.com, by calling 416-366-2931 (Toll Free: 1-866-443-6097), or by writing to the Company at 110 Yonge Street, Suite 1601, Toronto, Ontario, Canada, M5C 1T4.

Certain financial information contained in this report, including investment growth rates, rates of return and other such statistical information are historical values; past performance is no assurance or indicator of future returns. Share prices, net asset values and investment returns will fluctuate. Stated historical returns assume the reinvestment of all distributions. Such financial information does not reflect any broker commissions, transaction costs or such other fees and expenses which may have been applicable nor income taxes payable by any shareholder, which would have the effect of reducing such historical returns. Stated returns for periods greater than one year are compound average annual rates of return. Further information concerning risk can be found in the Management Report of Fund Performance of the Annual Report to Shareholders.

The Company is an investment fund, and as such, this Quarterly Update to Shareholders carries a variety of information concerning stocks and other investments, all for informational purposes only. The reader should assume that the Company and all individuals and entities (including the Manager and members of its staff) who have contributed to this publication may have a conflict of interest. Readers should therefore not rely solely on this Report in evaluating whether or not to buy or sell securities discussed herein.