



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



GLOBAL OPPORTUNITIES

I

FIRST QUARTER
SHAREHOLDER UPDATE

March 31, 2007

GENERAL COMMENTARY

In 2006 Canadian World Fund (CWF) was the top performing closed-end equities fund in Canada, including domestic funds, with a 38.1% rise in net assets and 48.3% in market price.

In this year's first quarter, CWF recorded a 1.5% strengthening in net assets, much in line with world market results. The Fund's benchmark, the Morgan Stanley All Country World Index (in Canadian dollar terms) was up 1.0%. However, there is nothing that can be considered a guide as to how 2007 might unfold. As we write this report, CWF and global markets are experiencing strong results in April.

The resultant market confidence provides timely support for CWF to launch a first-ever offering of new shares since the Fund's assets were spun out of Canadian General Investments, Limited in 1994. To facilitate expansion of the share capital, a preliminary short form prospectus for a one-for-one rights issue was filed on April 19, 2007. This will give all shareholders an opportunity to participate in the benefits that are hoped to be achieved from the issue: a larger asset base over which to spread fixed costs, better scale to build presently held and prospective global opportunities and increased awareness and liquidity in the Company's common shares. As well, more investors should become alerted to the opportunity to hold an actively managed international equities growth fund that is qualified to deal in a great number of world markets.

The final short form prospectus was filed on April 27, 2007 and is available on SEDAR (www.sedar.com). The rights, which will be issued to all shareholders of record on May 8, 2007, will commence trading on the TSX on May 4, 2007 under the symbol CWF.RT. The subscription price of \$6.25 represents a discount of 10.5% to the closing price of \$6.98 on April 26, 2007. Holders of the rights may exercise their subscription rights until 4:00 p.m. (Toronto time) on June 5, 2007, the expiry date of the offer.

CWF's listed North American peers, mostly on the NYSE, tend to be country specific or regional in theme. This means CWF is virtually in a class of its own as a North American listed, bottom-up global equities fund.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

INVESTMENT THEMES

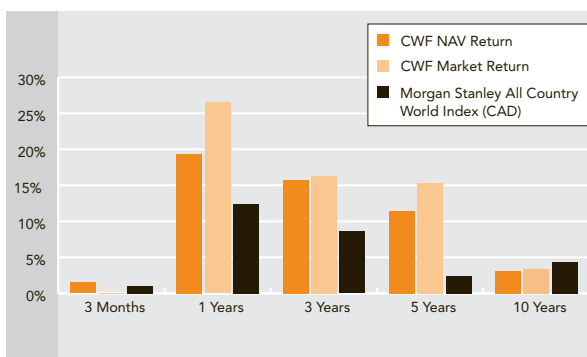
Our focus is on individual stock selection, with the portfolio at March 31 spread over 16 country markets - 64% in "developed" markets and 36% in the "emerging" class. However, far broader geographic diversification is represented in the businesses of our holdings, while our multi-currency exposure tends to limit foreign exchange risk.

During the first quarter, we stayed comfortable with most of Canadian World Fund's long-term investments and associated major themes, such real estate, food outlets and beverages distributors in Eastern Europe, Brazil and Mexico, as well as mining, energy, stock exchanges, Indian growth, famous consumer brands, and technology.

SOME OF OUR NEW HOLDINGS

Stock exchanges and other trading platforms have brought into the portfolio fast growing cash generators and the hum of consolidation activity in these times of expanding global liquidity. Acquisitions prior to quarter end were Bolsas y Mercados of Madrid and a private acquisition in the Bourse de Montréal Inc. (MXX) before it went public on the Toronto Stock Exchange on March 27. In the new quarter, we bought into OMX AB, the Swedish trading technology developer and owner/operator of the Stockholm and Helsinki exchanges and most other Baltic exchanges. OMX has expanded to include the Natural Gas Exchange in Calgary. It owns shares of the London Stock Exchange and is in discussions with the St. Petersburg Exchange to create a bourse for the swelling ranks of small to mid-size companies going public in Russia.

Compound Annual Returns for the Periods Ending March 31, 2007



DERIVATIVES EXCHANGE

The Bourse de Montréal is the designated financial derivatives exchange in Canada and is the only foreign operator of an exchange in the United States, with close to half ownership of the Boston Options Exchange. It has joint venture projects with the Chicago Climate Exchange (CCX) and NYMEX Holdings. Toronto's TSX will move toward competing in financial derivatives in 2009, but the MXX has a considerable head-start and there is evidence that derivatives business does not transfer easily. With its market cap well exceeding \$1 billion, we see it as a stock that should be owned.

ENERGY SERVICES

A recent purchase, Petrofac Limited is a U.K. traded energy services company, with origins in Texas in 1981. Since 1991, it has redirected its focus more toward the Middle East and North Africa, where booming demand has attracted its sophisticated design, operational services and training skills, meeting the needs of clients including many of the world's major oil and gas companies. The company has 8,000 employees and close to 20 offices worldwide. Its revenues and profits are growing fast. It could be described as a "class act".

RISK MANAGEMENT

Shortly after quarter end we invested in FCStone Group, Inc., a new public company in the U.S. and an integrated

commodity risk management firm. Its services include commodity futures, OTC derivatives trading, physical commodities supply and merchandizing and structured commodity finance to support client activities. Stone's fashionable and connected elements of trade include grain, ethanol and energy. The company started in the 1920's. Through amalgamations, and served by 100 representatives across the country today, it dominates the small to mid-size risk management market in the U.S. It recently expanded to Brazil, where the scope for growth is large. Because of the company's high growth, a small equity issue was the chosen course to keep up with regulated deposit requirements. Internal forecasts of growth appear to be too conservative.

THROUGH 2007

Our present view allows for persisting tightness in metals and perhaps big moves in energy markets. General economic growth should continue despite constant fears around us. As the Canadian dollar forms our currency base, we see prudence in staying well invested in Canadian quoted securities in a strong resources market. But, given a successful rights issue, we anticipate investing most of the proceeds around the world in the near term.

On behalf of the Manager,

Michael A. Smedley
Chief Portfolio Officer

Alex Sulzer
Vice-President

SUMMARY OF INVESTMENT PORTFOLIO

as at March 31, 2007

Sector Allocation**

	(\$000's)	% of Net Assets*	% of Investment Portfolio
Financials	13,729	41.5	34.8
Consumer Discretionary	6,657	20.2	16.9
Materials	6,161	18.6	15.6
Information Technology	4,862	14.7	12.3
Energy	4,613	13.9	11.7
Industrials	1,845	5.6	4.7
Consumer Staples	1,350	4.1	3.4
Cash & Cash Equivalents	234	0.7	0.6

Geographic Allocation

	(\$000's)	% of Net Assets*	% of Investment Portfolio
North America	14,438	43.6	36.6
United Kingdom	6,968	21.1	17.7
Europe (excluding U.K.)	6,941	21.0	17.6
Asia	6,472	19.6	16.4
Latin America	4,239	12.8	10.7
Africa	393	1.2	1.0

SUMMARY OF INVESTMENT PORTFOLIO (CONTINUED)

Top 25 Holdings as at March 31, 2007

Issuer	Country	Sector**	% of Net Assets*	% of Investment Portfolio
Grupo Financiero Banorte, S.A. de C.V.	Mexico	Financials	4.6	3.9
Autonomy Corporation plc	U.K.	Information Technology	3.3	2.8
Mahindra & Mahindra Limited	India	Industrials	3.2	2.6
Sberbank	Russia	Financials	3.1	2.6
Oslo Bors Holding ASA	Norway	Financials	3.0	2.5
SARE Holding, S.A. de C.V.	Mexico	Financials	2.6	2.2
FCStone Group, Inc.	U.S.A.	Financials	2.6	2.2
Bourse de Montréal Inc.	Canada	Financials	2.5	2.1
AmRest Holdings N.V.	Netherlands	Consumer Discretionary	2.5	2.1
Google Inc.	U.S.A.	Information Technology	2.4	2.0
Engel East Europe N.V.	Netherlands	Consumer Discretionary	2.4	2.0
HDFC Bank Ltd.	India	Financials	2.2	1.9
Grupo Mexico, S.A. de C.V.	Mexico	Materials	2.2	1.9
International Nickel Ventures Corporation	Canada	Materials	2.2	1.8
Lojas Renner S.A.	Brazil	Consumer Discretionary	2.1	1.8
Detica Group plc	U.K.	Information Technology	2.1	1.8
Equinox Minerals Limited	Canada	Materials	2.1	1.8
Skye Resources Inc.	Canada	Materials	2.0	1.7
Apple Inc.	U.S.A.	Information Technology	1.9	1.6
IP Group PLC	U.K.	Financials	1.9	1.6
M&C Saatchi	U.K.	Consumer Discretionary	1.8	1.5
Chariot Resources Limited	Canada	Materials	1.8	1.5
Serica Energy PLC	U.K.	Energy	1.8	1.5
Logibec Groupe Informatique Ltd.	Canada	Information Technology	1.8	1.5
Niko Resources Ltd.	Canada	Energy	1.8	1.5
			59.9*	50.4
Total Net Assets* (\$000's)				\$ 33,076
Total Investment Portfolio (\$000's)				\$ 39,451

* Total Net Assets represents Total Investment Portfolio adjusted for leverage in the form of bank indebtedness (\$4.1 million), other assets and other liabilities.

** Using the Global Industry Classification Standard developed by Morgan Stanley Capital International and Standard & Poor's.

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.mminvestments.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.