



Canadian
World
Fund
Limited



September 30, 2000
Third Quarter
Report

Assets Managed by:

MorganMeighen
& ASSOCIATES
Investment Managers

CANADIAN WORLD FUND LIMITED

CORPORATE INFORMATION

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REGISTRAR AND TRANSFER AGENT

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STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: CWF

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

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

REPORT TO SHAREHOLDERS

Canadian World Fund Limited (CWF) assets have kept pace with the global benchmark to September 30. CWF's net asset value at September 30 closed at \$26,652,000 compared with \$24,387,000 one year ago. The twelve-month improvement of 9.3% matched the Morgan Stanley All-Country World Index. This performance, in a heavily technology oriented fund, has come during a period of high volatility and a 20% decline in the NASDAQ Composite Index in September. The NASDAQ is the global barometer for technology stocks.

Net Asset Value (NAV) per share was \$6.50 at the end of September compared to \$7.01 at the end of June and up from \$5.95 reported twelve months ago.

Net realized gain on investments was \$2,174,000 for the nine months ended September 30, 2000. This compared favourably to \$520,000 at the same time one year ago. Unrealized gain on investments, net of deferred tax, was \$3,492,000 at September 30, 2000.

CWF is currently predominantly invested in top-tier technology and related companies around the world while constantly seeking out new growth opportunities. Prospects for the rest of the year appear promising if there is not an economic slowdown globally due to high energy pricing. Employment is high, productivity keeps improving, the interest rate outlook appears benign and overvaluations are being dealt with in the marketplace.

For the first nine months of 2000, the stock has traded between a high of \$6.30 and a low of \$3.65, closing the quarter at \$3.90, in a troubled market and at a discount of 40.0% to NAV.

PORTFOLIO CHANGES

The portfolio completed the quarter with weightings of 44.5% in the United States, 38.1% in Europe, 14.2% in Asia and 3.2% in Latin America.

Recent purchases for the portfolio include Siebel Systems, Inc., with a 50% growth rate in its customer relationship management (CRM) business, Handspring, Inc., which competes with Palm Inc. in the handheld device category, EMC Corporation, a very high performance data storage company and SDL, Inc. which is to be acquired by JDS Uniphase Corporation this year on the basis of 3.8 shares of JDS for each share of SDL. The stock was purchased due to the wide disparity in pricing.

On the sales side of the ledger some positions were eliminated to realize gains and move on to other opportunities. Others were trimmed to realize partial gains. Eliminated were positions in France Telecom, Carnival Corp., Infosys Technologies and Satyam Infoway. France Telecom produced an especially large gain. Partial sales were undertaken in Enron Corp., JDS Uniphase and the Telefonica ADR. Enron, still the largest holding in the portfolio, is one of the leading pipeline companies to enter broadband communications, JDS Uniphase is a world leader in fiber-optics and Telefonica is the largest Spanish language communications company in the world.

THE MANAGER

During the quarter, MMA Investment Managers Limited, which has managed the portfolio since 1994, was renamed Morgan Meighen & Associates Limited to reflect the present as well as the past. The name recognizes the roles of MMA's late founder, Maxwell C.G. Meighen and his father the Right Hon. Arthur Meighen who was one of the founders of Canadian General Investments, Limited (CGI) in 1930. CWF was created by the spin-off of CGI's foreign investments in 1994. Today, the management company is led by Maxwell Meighen's successor, E. Louise Morgan, Chairman of CWF, who joined CGI as well as the Manager in 1956. Earlier this year, her daughter Vanessa Morgan joined the staff of the Manager as a Senior Vice-President. Vanessa earned her CFA designation in 1991 and has over a decade of investment and corporate management experience in the industry. She is working with Morgan Meighen's private wealth management division and continues with her role as a director and Vice-Chairman for CWF, CGI and Third Canadian General Investment Trust Limited.

OUTLOOK

CWF represents one of the very few Toronto listed opportunities to participate in a global fund with a growth technology profile. Despite the volatility, technology appears to be the growth engine for equity markets in the foreseeable future.

The discount to NAV at 40% represents an excellent buying opportunity to acquire assets cheaply.



E. Louise Morgan
Chairman



Michael A. Smedley
President

STATEMENT OF NET ASSETS

(Unaudited)

As at September 30,	2000	1999
	(000's)	
Assets		
Investments	\$ 33,156	\$ 28,866
Cash	106	145
Receivable on securities sold	448	-
Accrued interest and dividends	34	26
	33,744	29,037
Liabilities		
Bank indebtedness	4,692	2,792
Payable on securities purchased	346	-
Accounts payable and accrued liabilities	31	19
Income taxes payable	575	51
	5,644	2,862
Future income taxes on unrealized net capital gains	1,448	1,788
	7,092	4,650
Net Assets	\$ 26,652	\$ 24,387
Shareholders' Equity		
Capital stock	\$ 20,507	\$ 20,507
Unrealized gain on investments	3,492	3,473
Retained earnings	2,653	407
	\$ 26,652	\$ 24,387
Number of shares outstanding	4,101,350	4,101,350
Net asset value per share	\$ 6.50	\$ 5.95

STATEMENT OF NET GAIN (LOSS) ON INVESTMENTS

(Unaudited)

Nine months ended September 30,	2000	1999
	(000's)	
Proceeds from disposition of investments	\$ 22,966	\$ 11,024
Investments at cost, beginning of period	24,335	19,268
Investments purchased during the period	23,679	14,496
Investments at cost, end of period	(28,213)	(23,521)
Cost of investments disposed of during the period	19,801	10,243
Realized gain on disposition of investments before income taxes	3,165	781
Income taxes on realized net taxable capital gains	991	261
Net realized gain on investments	2,174	520
Change in unrealized appreciation of investments	(7,649)	(504)
Net gain (loss) on investments	\$ (5,475)	\$ 16

STATEMENT OF OPERATIONS

(Unaudited)

Nine months ended September 30,	2000	1999
	(000's)	
Investment income		
Dividends	\$ 185	\$ 376
Interest	23	26
	208	402
Expenses		
Management fees	447	315
Interest	174	65
Directors' fees	25	25
Other	79	86
	725	491
Investment loss before income taxes	(517)	(89)
Income tax recovery	227	40
Net investment loss	(290)	(49)
Realized and unrealized gain (loss) on investments		
Net realized gain on investments	2,174	520
Change in unrealized appreciation of investments	(7,649)	(504)
Net gain (loss) on investments	(5,475)	16
Decrease in net assets resulting from operations	\$ (5,765)	\$ (33)

STATEMENT OF CHANGES IN NET ASSETS

(Unaudited)

Nine months ended September 30,	2000	1999
	(000's)	
Decrease in net assets resulting from operations	\$ (5,765)	\$ (33)
Net assets – Beginning of period	32,417	24,420
Net assets – End of period	\$ 26,652	\$ 24,387

STATEMENT OF INVESTMENTS

September 30, 2000

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
ASIA		
<i>- Hong Kong</i>		
54,000 Cheung Kong (Holdings) Limited	\$ 823	\$ 984
<i>- India</i>		
15,000 ICICI Limited ADR	276	248
20,000 The India I.T. Fund Ltd.	1,669	814
	<u>1,945</u>	<u>1,062</u>
<i>- Japan</i>		
20 NTT DeCoMo, Inc.	1,005	866
1,500 Oracle Corporation Japan	1,144	521
	<u>2,149</u>	<u>1,387</u>
<i>- Korea</i>		
25,000 Korea Telecom Corp. ADR	1,283	1,267
	<u>6,200</u>	<u>4,700</u>
EUROPE		
<i>- Finland</i>		
15,000 Nokia Corporation, ADR	1,110	900
<i>- France</i>		
14,000 Alcatel S.A. ADR	978	1,327
<i>- Germany</i>		
6,000 Siemens AG	418	1,167
<i>- Spain</i>		
19,000 Telefonica S.A. ADR+	442	1,702
<i>- Sweden</i>		
20,000 Telefonaktiebolaget LM Ericsson ADR	634	446
<i>- United Kingdom</i>		
31,500 Barclays PLC	1,119	1,314
60,000 Cable & Wireless PLC	1,106	1,290
266,760 Centrica PLC	808	1,292
24,310 COLT Telecom Group PLC	953	1,051
50,000 Marconi PLC	812	1,031
200,000 Vodafone AirTouch PLC	292	1,126
	<u>5,090</u>	<u>7,104</u>
TOTAL EUROPE	<u>8,672</u>	<u>12,646</u>

STATEMENT OF INVESTMENTS

September 30, 2000 (cont'd)

NUMBER OF SHARES OR PAR VALUE	COST	MARKET VALUE
	(000's)	
LATIN AMERICA		
<i>- Brazil</i>		
9,000 Telecommunicacoes Brasileiras S.A. HOLDRs (Telebras)	\$ 467	\$ 1,072
TOTAL LATIN AMERICA	<u>467</u>	<u>1,072</u>
NORTH AMERICA		
<i>- United States</i>		
8,000 Amgen Inc.	739	842
12,000 Apple Computer, Inc.	634	466
10,000 Cisco Systems, Inc.	398	833
20,000 deCODE GENETICS, INC.*	795	774
8,000 EMC Corporation*	1,047	1,195
17,000 Enron Corporation	658	2,238
5,000 The Goldman Sachs Group, Inc.*	892	859
5,000 Handspring, Inc.*	505	520
6,000 JDS Uniphase Corporation	586	856
8,000 Microsoft Corporation	845	726
19,000 Motorola, Inc.	1,225	809
4,000 QUALCOMM Incorporated	957	430
2,000 SDL, Inc.*	968	928
6,000 Siebel Systems, Inc.*	925	1,006
20,000 Solectron Corporation	1,111	1,392
12,000 Tellabs, Inc.	589	864
	<u>12,874</u>	<u>14,738</u>
TOTAL NORTH AMERICA	<u>12,874</u>	<u>14,738</u>
Total Investments		
- September 30, 2000	<u>\$28,213</u>	<u>\$33,156</u>
Total Investments		
- September 30, 1999	<u>\$23,521</u>	<u>\$28,866</u>

Changes from June 30, 2000:

* New Holdings

+ Increased Holdings

INVESTMENT PORTFOLIO TEN LARGEST INVESTMENTS

September 30, 2000

Company	Market Value (000's)	% of Market Value of Total Investment Portfolio
Enron Corporation	\$ 2,238	6.8
Telefonica S.A.	1,702	5.1
Solectron Corporation	1,392	4.2
Alcatel S.A.	1,327	4.0
Barclays PLC	1,314	4.0
Centrica PLC	1,292	3.9
Cable & Wireless PLC	1,290	3.9
Korea Telecom Corporation	1,267	3.8
EMC Corporation	1,195	3.6
Siemens AG	1,167	3.5
Totals	\$ 14,184	42.8

GEOGRAPHIC WEIGHTING OF INVESTMENT PORTFOLIO

September 30, 2000

	Market Value (\$000's)	% at Market
North America	14,738	44.5
Europe	12,646	38.1
Asia	4,700	14.2
Latin America	1,072	3.2
Totals	33,156	100.0

*RATES OF RETURN

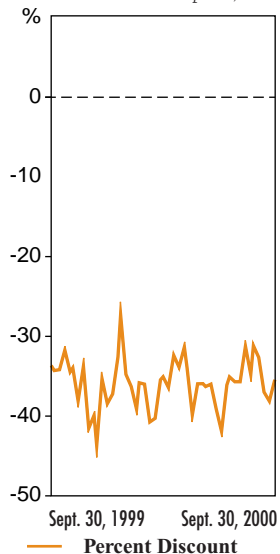
For periods ended September 30, 2000

1YR	3YR	5YR
-1.3%	-10.3%	1.1%

*An investment in the Corporation's shares.

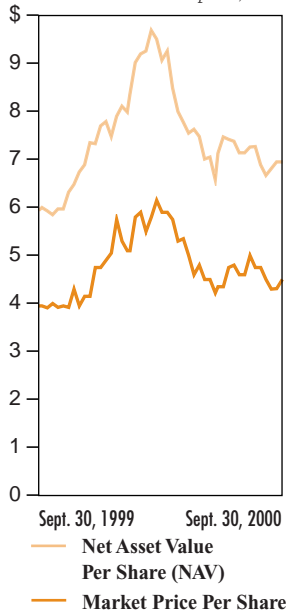
DISCOUNT TO NAV

Twelve months ended Sept. 30, 2000



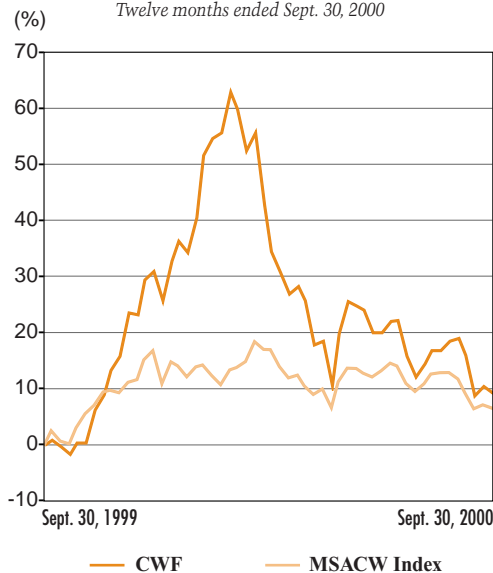
COMPARISON OF MARKET PRICE TO NAV

Twelve months ended Sept. 30, 2000



*COMPARISON OF CWF'S NAV GROWTH TO MORGAN STANLEY ALL COUNTRY WORLD INDEX

Twelve months ended Sept. 30, 2000



*Illustrates the growth of CWF's NAV relative to the Morgan Stanley All Country World (MSACW) Index (expressed in Canadian dollars).