



CWF

Canadian World Fund
Limited

REGISTRAR AND TRANSFER AGENT

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STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: CWF

Managed by:



MorganMeighen
& ASSOCIATES

Investment Managers

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GLOBAL OPPORTUNITIES

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FIRST QUARTER
SHAREHOLDER UPDATE

March 31, 2009

GENERAL COMMENTARY

Canadian World Fund Limited (CWF) finished 2009's first quarter with a year-to-date net asset value (NAV) return of 4.9%. This compares favourably with the -8.7% posted by the benchmark Morgan Stanley Capital International All Country World Index, expressed in Canadian dollar terms. CWF's market return outpaced both its NAV and benchmark, rising 7.9% for the quarter. For further comparative purposes, the Morgan Stanley Capital International Emerging Markets Index returned 3.4%, also in Canadian dollars. Investments in emerging markets comprised 19.8% of CWF's portfolio as of March 31, 2009.

While gratifying, CWF's strong positive performance for the quarter only partially made up for its underperformance versus its benchmark in 2008. CWF's portfolio benefitted from the stabilizing and rebounding world equity markets. Whether this is an enduring recovery in equities markets or a pause remains unclear. Certainly, markets continue to be volatile. We are naturally pleased that the general trend is upward, and we remain focused on preserving CWF's assets. To that end we still hold cash in the portfolio at higher levels than has been the practice in the past as a counterbalance to CWF's remaining leverage, which matures May 21, 2009. At March 31, 2009, 18.0% of CWF's portfolio was comprised of cash and short-term securities. We will await evidence of improving fundamentals before returning to full investment.

The portfolio management team is working hard to find new outstanding opportunities. We hope that the remainder of 2009 follows the upward trend set this quarter.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

PERFORMANCE REBOUND

In the first quarter of 2009, global markets continued their roller coaster pattern, trimming steep losses after the U.S. Treasury disclosed economic rescue efforts that ignited a rally in the last three weeks of March, after the markets had reached new lows earlier in the month.

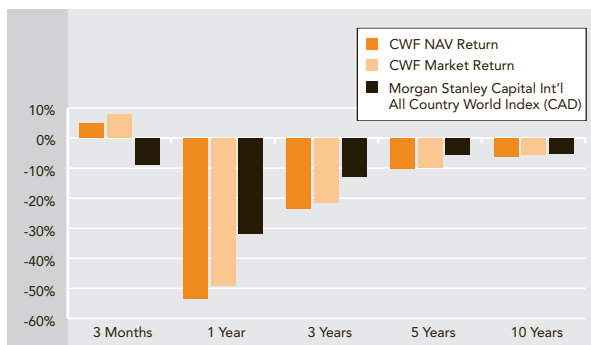
Through the quarter, governments worldwide continued to make every effort to reflate economies. If the recent measures do not free up U.S. credit markets, then even more action may be taken by the Federal Reserve. Equity valuations are reasonable, and the hurdle rate for stocks to outperform cash and Treasury Bills remains low, given current interest rates. However, moving to a more aggressive investment stance would need more clarity about the earnings outlook.

Recently, the leaders of the most powerful nations met amid signs that the world economy is stabilizing after months of freefall. Some reports suggest the pace of decline is easing; U.S. durable goods orders and home sales rose in February, Chinese urban investment surged in the first two months of the year, and German investor confidence in March reached its highest level since mid-2007.

STRONG HOLDINGS

CWF's outperformance for the quarter was aided by continued exceptional returns from some key components, such as Petrofac Limited and Autonomy Corporation plc. Petrofac, a United Kingdom based provider of facilities

Compound Annual Returns for the Periods Ending March 31, 2009



solutions to the oil and gas producing and processing industry, has a strong presence in the Middle East with significant contracts in Syria and Dubai. Backlog secured in 2009 gives the company a high degree of earnings visibility through 2011. We are still confident that demand for Petrofac's services will remain strong, despite falling oil prices. Another stellar performer is Autonomy, Europe's second largest pure software company, and widely recognized as the market leader in its ability to extract and assemble unstructured data. It is unique in the way in which it achieves this, and does so to a standard that is arguably far ahead of any rival product.

Further serving CWF's revival, Petrominerales Ltd. rebounded strongly, although the price of oil had collapsed last year from U.S.\$145 per barrel to under U.S.\$40 before rising to the U.S.\$50 level. The company is a Canadian-based, oil-weighted international explorer and producer, operating in Colombia. We maintain our positive view of Petrominerales, driven by ongoing exploration success in its rich light crude holdings, as well as strong cash flows and skilled management.

A new addition to the CWF portfolio is International Business Machine Corporation, a premier global IT company. Its superb business model and strong balance sheet gives it a sizable and sustainable competitive advantage. It has successfully transformed itself from a cyclical hardware company into a software and

service-oriented firm that provides it with a substantial recurring revenue stream.

CAPITAL PRESERVATION

It is difficult to fully comprehend the scale of policy stimulus in the U.S. A backlash is already forming against the massive fiscal deficits and the potential consequences. Yet, the present policy measures appear justified to avert a self-reinforcing downward spiral in the economy. For the foreseeable future, the key issue will be turning the economy around and minimizing the threat of deflation. Thus, interest rates are likely to stay very low.

Investors have become distrustful of the equity markets. However, CWF's investment manager, and others, fortunate enough lately to have excess cash, should continue to find opportunities.

The credit markets are still not functioning properly, and leading economic indicators have yet to show a consistent positive trend. Canadian World Fund will continue to focus on capital preservation, and hope to experience more gains across the portfolio and recapture more ground lost in 2008.

On behalf of the Manager,

Michael A. Smedley
CEO & Chief Portfolio Officer

Alex Sulzer
Vice-President

SUMMARY OF INVESTMENT PORTFOLIO

as at March 31, 2009

Sector Allocation

	% of Net Asset Value*	% of Investment Portfolio
Financials	19.1	17.9
Information Technology	18.1	17.0
Energy	16.6	15.5
Short-Term Securities	13.9	13.0
Consumer Discretionary	9.8	9.2
Materials	8.1	7.5
Industrials	6.6	6.2
Consumer Staples	5.5	5.1
Cash & Cash Equivalents	5.3	5.0
Health Care	3.2	3.0
Telecommunication Services	0.6	0.6

Geographic Allocation

	% of Net Asset Value*	% of Investment Portfolio
Canada	42.8	40.1
United States	25.9	24.3
Europe	19.8	18.5
Asia	12.9	12.1
Latin America	4.3	4.0
Australia	1.1	1.0

SUMMARY OF INVESTMENT PORTFOLIO (CONTINUED)

Top 25 Holdings as at March 31, 2009

Issuer	Country	Sector	% of Net Asset Value*	% of Investment Portfolio
Bank of Montreal Redeemable Short-Term Investment Cash	Canada	Short-Term Securities	9.2	8.8
Bank of Nova Scotia Banker's Acceptance	Canada	Cash & Cash Equivalents	5.3	5.0
Apple Inc.	Canada	Short-Term Securities	4.6	4.4
International Business Machines Corporation	U.S.A.	Information Technology	4.3	4.0
Petrominerales Ltd.	U.S.A.	Information Technology	3.9	3.7
HDFC Bank Ltd.	Canada	Energy	3.6	3.4
Petrohawk Energy Corporation	India	Financials	3.5	3.3
Alliance Grain Traders Income Fund	U.S.A.	Energy	3.3	3.1
Biovail Corporation	Canada	Consumer Staples	3.3	3.1
Baidu, Inc.	Canada	Health Care	3.2	3.0
Deere & Company	China/Hong Kong	Information Technology	3.1	2.8
Petrofac Limited	U.S.A.	Industrials	2.9	2.7
Equinox Minerals Limited	U.K.	Energy	2.7	2.5
CME Group Inc.	Canada	Materials	2.6	2.4
Lojas Renner S.A.	U.S.A.	Financials	2.5	2.3
Investment Technology Group, Inc.	Brazil	Consumer Discretionary	2.3	2.1
Freeport-McMoRan Copper & Gold Inc.	U.S.A.	Financials	2.2	2.0
Mahindra & Mahindra Limited	U.S.A.	Materials	2.2	2.0
Autonomy Corporation plc	India	Industrials	2.2	2.0
Logibec Groupe Informatique Ltd.	U.K.	Information Technology	2.2	2.0
LUKOIL, ADR	Canada	Information Technology	2.0	1.9
Niko Resources Ltd.	Russia	Energy	1.9	1.8
Fairfax Financial Holdings Limited	Canada	Energy	1.9	1.8
Oslo Bors VPS Holding ASA	Canada	Financials	1.9	1.8
	Norway	Financials	1.9	1.8
			78.7*	73.7
Total Net Asset Value* (\$000's)				\$ 21,654
Total Investment Portfolio (\$000's)				\$ 23,120

* Total Net Asset Value represents Total Investment Portfolio adjusted for leverage in the form of bank indebtedness (\$1.5 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 Shareholder Update 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.