
World Financial Split Corp.

Semi-Annual Report 2019

Letter to Shareholders

We are pleased to present the 2019 semi-annual report containing the management report of fund performance and the unaudited financial statements for World Financial Split Corp. (The “Fund”).

Stock markets around the world advanced in the first half of 2019 recouping losses from the volatile markets at the end of 2018. The S&P 500 Index rose to new all-time highs as investors looked past the potential consequences of a global trade war and focused on the pivot in central bank policy from tighter conditions to anticipating looser monetary policy in the future. For the first six months of 2019, the S&P 500 Index and S&P/TSX Composite Index advanced 18.5 percent and 16.2 percent, respectively. Global markets followed the positive tone set by U.S. stocks with the MSCI EAFE Index up 14.5 percent and the MSCI Emerging Markets Index up 10.7 percent. The Federal Reserve Open Market Committee (“FOMC”), which appeared to be on the most aggressive path of tightening after raising the overnight interest rate four times in 2018, paused in the first six months of 2019 leaving the target rate at 2.5 percent. The short-end of the yield curve in the United States reacted by pricing in the probability of several rate cuts by the FOMC as 2-year yields plummeted from 2.49 percent at year end to 1.75 percent at the end of June 2019. Long-term interest rates also reacted ending the second quarter at 2.00 percent versus 2.68 percent to start the year. This dynamic has caused the yield curve (10-2 Year) to steepen slightly but remains just 25 basis points from being inverted, a condition often associated with an imminent recession. Oil prices recovered in the first half of 2019 with the Bloomberg WTI Cushing Crude Oil Spot price rising to US\$58.47 per barrel on June 28, 2019, up 28.8 percent from US\$45.41 at the end of 2018. Meanwhile, other commodities did not fare as well with copper prices rising 2.1 percent, aluminum down 12.3 percent and natural gas off 24.1 percent year-to-date. Volatility, as measured by the Chicago Board Options Exchange Volatility Index (“VIX”), declined in the first half of 2019 falling from 25.4 at the end of 2018 to 15.1 at the end of June. Given the uncertainty surrounding the global political landscape, trade war rhetoric, The United States-Mexico-Canada Agreement renegotiations, declining economic data, along with the Federal Reserve continuing to pivot monetary policy, we remain cautiously optimistic on global stock markets with the view that volatility is likely to remain elevated compared to the low levels witnessed over the past few years.

During the six months ended June 30, 2019, the Fund paid cash distributions of \$0.26 per Preferred share though no distributions were paid on the Class A shares in accordance with the terms of the prospectus as the net asset value per Unit was less than \$15.00. The Fund’s total return per Unit and per Class A share, including reinvestment of distributions, was 3.8 percent and 7.9 percent respectively for the period. The net asset value increased 1.7 percent from \$12.72 per Unit at December 31, 2018 to \$12.93 per Unit at June 30, 2019. The net realized gain on options attributable to Strathbridge Selective Overwriting strategy (see “The Fund”) amounted to \$0.19 per Unit during the period. For a more detailed review of the operations of the Fund, please see the Results of Operations and the Portfolio Manager Report sections.

We thank all shareholders for their continued support and encourage shareholders to review the detailed information contained within the semi-annual report.



John P. Mulvihill
Chairman & CEO
Strathbridge Asset Management Inc.

The Fund

The Fund is a split share corporation designed to provide Preferred shareholders with fixed cumulative preferential quarterly distributions and the Class A shareholders with attractive quarterly distributions and the return of the original issue price on the termination date of the Fund. The shares are listed on the Toronto Stock Exchange under the ticker symbols WFS.PR.A for the Preferred shares and WFS for the Class A shares. A Unit of the Fund consists of one Preferred share and one Class A share.

To accomplish its objectives, the Fund invests in a portfolio which includes common equity securities selected from the ten largest financial services or real estate companies by market capitalization in each of Canada, the United States and the Rest of the World (the "Portfolio Universe"). The issuers of securities in the Portfolio Universe, other than Canadian issuers, must have a minimum credit rating of "A" from Standard & Poor's Rating Services or a comparable rating from an equivalent rating agency. In addition, up to 25 percent of the net asset value of the Fund may be invested in common equity securities of financial services or real estate companies not included in the Portfolio Universe as long as such companies have a market capitalization at the time of investment of at least US\$10 billion and for non-Canadian issuers, a minimum credit rating of "A—" from Standard & Poor's Rating Services or a comparable rating from an equivalent rating agency. The Fund may also invest in public investment funds including exchange-traded funds or other Strathbridge Funds (provided that no more than 15 percent of the net asset value of the Fund may be invested in securities of other Strathbridge Funds) that provide exposure to such securities.

The Fund employs a proprietary investment strategy, Strathbridge Selective Overwriting ("SSO"), to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

The SSO strategy is a quantitative, technical based methodology that identifies appropriate times to write and/or close out option positions compared to writing continuously and rolling options every thirty days. This proprietary process has been developed over many years through various market cycles. The Manager believes the primary benefit to investors is to maximize the total return of the particular portfolio while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

World Financial Split Corp.

Management Report of Fund Performance

Management Report of Fund Performance

This semi-annual management report of fund performance contains the financial highlights for the six months ended June 30, 2019 of World Financial Split Corp. (the “Fund”). The unaudited semi-annual financial statements of the Fund are attached.

Copies of the Fund’s proxy voting policies and procedures, proxy voting disclosure record and quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll free, by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, P.O. Box 113, Toronto, Ontario, M5H 3T9, by email at info@strathbridge.com or by visiting our website at www.strathbridge.com. You can also request semi-annual or annual reports at no cost by using one of the above methods.

Results of Operations

Distributions

For the six months ended June 30, 2019, cash distributions paid to Preferred shareholders were \$0.26 per share, unchanged from the prior year. Distributions to Class A shareholders remained suspended in accordance with the terms of the prospectus which states: “No distribution will be paid to the Class A shares if: (i) the distributions payable on the Preferred shares are in arrears, or (ii) after the payment of the distribution by the Fund, the net asset value per Unit would be less than \$15.00”.

Since the inception of the Fund in February 2004, the Fund has paid total cash distributions of \$8.07 per Preferred share and \$5.54 per Class A share.

Revenue and Expenses

The Fund’s total revenue was \$0.20 per Unit for the six months ended June 30, 2019, up \$0.02 per Unit from last year. Total expenses were \$0.23 per Unit, up \$0.02 per Unit from a year ago. The Fund had a net realized and unrealized gain of \$0.50 per Unit in the first half of 2019 as compared to a net realized and unrealized loss of \$0.79 per Unit a year earlier.

Net Asset Value

The net asset value increased 1.7 percent from \$12.72 per Unit at December 31, 2018 to \$12.93 per Unit at June 30, 2019. The aggregate net asset value of the Fund decreased \$0.6 million, from \$15.1 million at December 31, 2018 to \$14.5 million at June 30, 2019, reflecting an operating profit of \$0.6 million, annual concurrent (both Class A and Preferred shares) redemptions of \$0.9 million and Preferred share distributions of \$0.3 million.

Management Report of Fund Performance

Recent Developments

There were no recent developments pertaining to the Fund during the six months ended June 30, 2019.

Related Party Transactions

Strathbridge Asset Management Inc. (“Strathbridge”), as the Investment Manager of the Fund, manages the investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and Strathbridge dated January 27, 2004 and amended as of November 6, 2009.

Strathbridge is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Strathbridge dated January 27, 2004. As such, Strathbridge is responsible for providing or arranging for required administrative services to the Fund.

Strathbridge is paid the fees described under the Management Fees section of this report.

During the period, no recommendations or approvals were required to be sought from the Independent Review Committee (“IRC”) concerning related party transactions.

Independent Review Committee

National Instrument 81-107 – Independent Review Committee for Investment Funds (“NI 81-107”) requires all publicly offered investment funds to establish an IRC to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. The Chief Compliance Officer, designated by the Manager, is in charge of facilitating the fulfillment of these obligations.

The IRC will prepare, for each financial year, a report to securityholders that describes the IRC and its activities during such financial year and includes, if known, a description of each instance when the Manager acted in a conflict of interest matter for which the IRC did not give a positive recommendation or for which a condition, imposed by the IRC, was not met in its recommendation or approval. Members of the IRC are Robert W. Korthals, Michael M. Koerner and Robert G. Bertram.

World Financial Split Corp.

Management Report of Fund Performance

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years.

Information for the period ended June 30, 2019 is derived from the Fund's unaudited semi-annual financial statements.

	Six months ended June 30, 2019
NET ASSETS PER UNIT	
Net Assets, beginning of period⁽¹⁾	\$ 12.72
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.20
Total expenses	(0.23)
Realized gain (loss) for the period	0.03
Unrealized gain (loss) for the period	0.47
Total Increase (Decrease) from Operations⁽²⁾	0.47
DISTRIBUTIONS	
Preferred Share	
Non-taxable distributions	(0.26)
Total Distributions⁽³⁾	(0.26)
Net Assets, end of period⁽¹⁾	\$ 12.93

(1) All per Unit figures are derived from the Fund's unaudited financial statements for the six months ended June 30, 2019 and audited financial statements for the years ended December 31. Net assets per Unit is the difference between the aggregate value of the assets and the aggregate value of the liabilities, excluding the Redeemable Preferred Share liability, divided by the number of Units then outstanding.

	Six months ended June 30, 2019
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value, excluding the Redeemable Preferred Share liability (\$millions)	\$ 14.45
Net Asset Value (\$millions)	\$ 3.28
Number of Units outstanding	1,117,014
Management expense ratio ⁽¹⁾	2.96% ⁽⁴⁾
Portfolio turnover rate ⁽²⁾	108.24%
Trading expense ratio ⁽³⁾	0.48% ⁽⁴⁾
Net Asset Value per Unit ⁽⁵⁾	\$ 12.93
Closing market price – Preferred	\$ 9.90
Closing market price – Class A	\$ 2.41

(1) The management expense ratio ("MER") is the sum of all fees and expenses for the stated period, including harmonized sales tax and withholding taxes but excluding transaction fees and Preferred share distributions, divided by the average net asset value, excluding the Redeemable Preferred Share liability. Generally, the MER increases when the Fund becomes smaller in size due to redemptions. The MER, including Preferred share distributions, is 6.96%, 5.98%, 6.00%, 6.44%, 5.91%, and 6.19%, for 2019, 2018, 2017, 2016, 2015, and 2014 respectively. The MER for 2019, 2018, 2017, 2016, 2015, and 2014, excluding withholding taxes, is 2.80%, 2.21%, 2.07%, 2.09%, 2.01%, and 2.06% respectively. The MER for 2015 and 2014 includes the special resolution expense. The MER for 2015 and 2014 excluding the special resolution expense is 2.18% and 2.14% respectively.

Management Report of Fund Performance

The information for the years ended December 31 is derived from the Fund's audited annual financial statements.

		Years ended December 31							
		2018	2017	2016	2015	2014			
\$	14.85	\$	13.74	\$	13.37	\$	13.92	\$	12.94
	0.37		0.49		0.37		0.36		0.33
	(0.41)		(0.38)		(0.34)		(0.37)		(0.33)
	0.20		2.20		(0.63)		1.25		1.64
	(1.75)		(0.69)		1.43		(1.20)		(0.17)
	(1.59)		1.62		0.83		0.04		1.47
	(0.53)		(0.53)		(0.53)		(0.53)		(0.53)
	(0.53)		(0.53)		(0.53)		(0.53)		(0.53)
\$	12.72	\$	14.85	\$	13.74	\$	13.37	\$	13.92

- (2) Total increase (decrease) from operations consists of interest and dividend revenue, realized and unrealized gain (loss), less expenses, excluding Preferred share distributions, and is calculated based on the weighted average number of Units outstanding during the period. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of Units outstanding during the period.
- (3) Distributions to shareholders are based on the number of shares outstanding on the record date for each distribution.

		Years ended December 31							
		2018	2017	2016	2015	2014			
\$	15.10	\$	30.60	\$	28.92	\$	29.24	\$	32.78
\$	3.23	\$	9.99	\$	7.87	\$	7.37	\$	9.24
	1,187,743		2,060,607		2,105,115		2,186,907		2,354,556
	2.38%		2.29%		2.27%		2.19%		2.20%
	213.51%		259.88%		307.48%		259.37%		245.31%
	0.44%		0.39%		0.43%		0.46%		0.32%
\$	12.72	\$	14.85	\$	13.74	\$	13.37	\$	13.92
\$	9.58	\$	10.23	\$	10.00	\$	9.90	\$	9.85
\$	2.07	\$	4.30	\$	3.76	\$	3.05	\$	3.45

- (2) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.
- (3) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the period.
- (4) Annualized.
- (5) Net Asset Value per Unit is the difference between the aggregate value of the assets including the valuation of securities at closing prices and the aggregate value of the liabilities excluding the Redeemable Preferred Share liability, divided by the number of Units then outstanding.

Management Report of Fund Performance

Management Fees

Strathbridge, as the Investment Manager of the Fund, is entitled to fees under the Investment Management Agreement calculated monthly as 1/12 of 1.00 percent of the net asset value of the Fund at each month end. Services received under the Investment Management Agreement include the making of all investment decisions and writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. Strathbridge also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and as to the execution of all portfolio and other transactions.

Strathbridge, as the Manager of the Fund, is entitled to fees under the Management Agreement calculated monthly as 1/12 of 0.10 percent of the net asset value of the Fund at each month end. Services received under the Management Agreement include providing or arranging for required administrative services to the Fund.

Past Performance

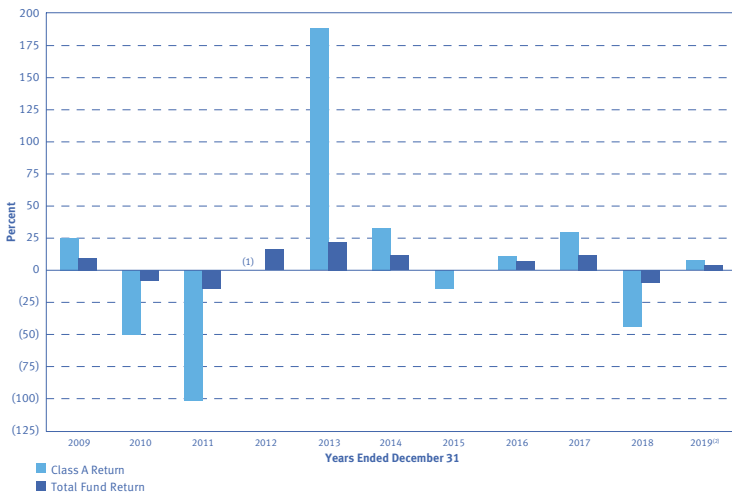
The following chart sets out the Fund's year-by-year past performance. It is important to note that the:

- 1) information shown assumes that all distributions made by the Fund during these periods were reinvested in Units of the Fund,
- 2) information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and
- 3) past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The following bar chart illustrates how the Fund's total return varied from year to year for each of the past ten years and for the six months ended June 30, 2019. The chart also shows, in percentage terms, how much an investment made on January 1 in each year would have increased or decreased by the end of the fiscal year or June 30, 2019 for the six months ended.

Total Return



⁽¹⁾The Class A annual total return was infinite as the net asset value per Class A share increased from nil at December 31, 2011 to \$1.02 at December 31, 2012.
⁽²⁾For the six months ended June 30, 2019.

Portfolio Manager Report

Stock markets around the world advanced in the first half of 2019 recouping losses from the volatile markets at the end of 2018. The S&P 500 Index rose to new all-time highs as investors looked past the potential consequences of a global trade war and focused on the pivot in central bank policy from tighter conditions to anticipating looser monetary policy in the future. For the first six months of 2019, the S&P 500 Index and S&P/TSX Composite Index advanced 18.5 percent and 16.2 percent, respectively. Global markets followed the positive tone set by U.S. stocks with the MSCI EAFE Index up 14.5 percent and the MSCI Emerging Markets Index up 10.7 percent. The Federal Reserve Open Market Committee (“FOMC”), which appeared to be on the most aggressive path of tightening after raising the overnight interest rate four times in 2018, paused in the first six months of 2019 leaving the target rate at 2.5 percent. The short-end of the yield curve in the United States reacted by pricing in the probability of several rate cuts by the FOMC as 2-year yields plummeted from 2.49 percent at year end to 1.75 percent at the end of June 2019. Long-term interest rates also reacted ending the second quarter at 2.00 percent versus 2.68 percent to start the year. This dynamic has caused the yield curve (10-2 Year) to steepen slightly but remains just 25 basis points from being inverted, a condition often associated with an imminent recession. Oil prices recovered in the first half of 2019 with the Bloomberg WTI Cushing Crude Oil Spot price rising to US\$58.47 per barrel on June 28, 2019, up 28.8 percent from US\$45.41 at the end of 2018. Meanwhile, other commodities did not fare as well with copper prices rising 2.1 percent, aluminum down 12.3 percent and natural gas off 24.1 percent year-to-date. Volatility, as measured by the Chicago Board Options Exchange Volatility Index (“VIX”), declined in the first half of 2019 falling from 25.4 at the end of 2018 to 15.1 at the end of June. Given the uncertainty surrounding the global political landscape, trade war rhetoric, The United States-Mexico-Canada Agreement renegotiations, declining economic data, along with the Federal Reserve continuing to pivot monetary policy, we remain cautiously optimistic on global stock markets with the view that volatility is likely to remain elevated compared to the low levels witnessed over the past few years.

For the six months ended June 30, 2019, the net asset value (“NAV”) of the Fund was \$12.93 per Unit compared to \$12.72 per Unit at December 31, 2018. Preferred shareholders received cash distributions of \$0.26 per share during the period, while the distribution for the Class A share remains suspended in accordance with the terms of the prospectus as the net asset value per Unit was less than \$15.00. The Fund’s Preferred shares, listed on the Toronto Stock Exchange as WFS.PR.A, closed on June 28, 2019 with a bid price of \$9.90 per share, while the Class A shares, listed as WFS, closed at a price of \$2.41 per share. When combined, the closing prices represent a 4.8 percent discount to the NAV per Unit.

The total return of the Fund, including reinvestment of distributions, for the six months ended June 30, 2019 was 3.8 percent per Unit and 7.9 percent per Class A share. The best performing stock within the portfolio was insurance brokerage AON PLC, up 27.7 percent during the period. At the other end of the spectrum, The Charles Schwab Corporation, was the worst performing stock in the portfolio, down 13.9 percent while held in the Fund.

Volatility levels for Global Financial Services companies were generally lower in the first half of 2019, after starting the year at an elevated level. The Fund ended June 30, 2019 with 19.9 percent of the Fund subject to covered calls. The Fund maintained an average cash position of 11.0 percent during the period but ended with a cash position of 3.2 percent. The U.S. dollar exposure was actively hedged back into Canadian dollars throughout the period and ended June with approximately 50 percent of the U.S. dollar exposure hedge.

World Financial Split Corp.

Management Report of Fund Performance

Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly portfolio summary, which includes the percentage of net asset value for each holding, and a monthly portfolio list are available on our website at www.strathbridge.com.

Asset Mix

June 30, 2019

	% of Net Asset Value [*]
United States	48.2 %
Canada	48.2 %
International	6.5 %
Cash	3.2 %
Other Assets (Liabilities)	(6.1)%
	100.0 %

*The Net Asset Value excludes the Redeemable Preferred Share liability.

Portfolio Holdings

June 30, 2019

	% of Net Asset Value [*]
U.S. Financials Income Fund	7.9 %
JPMorgan Chase & Co.	7.6 %
Brookfield Asset Management Inc.	7.4 %
CME Group Inc.	6.5 %
The Travelers Companies, Inc.	6.4 %
The Toronto-Dominion Bank	6.1 %
Royal Bank of Canada	6.0 %
Sun Life Financial Inc.	5.8 %
Bank of America Corporation	5.5 %
Manulife Financial Corporation	5.4 %
The PNC Financial Services Group, Inc.	5.3 %
Ameriprise Financial, Inc.	5.2 %
Brookfield Property Partners L.P.	4.8 %
Bank of Montreal	4.8 %
The Allstate Corporation	4.7 %
Westpac Banking Corporation	4.6 %
U.S. Bancorp	3.7 %
Berkshire Hathaway Inc.	3.3 %
Cash	3.2 %
Aon PLC	1.9 %

*The Net Asset Value excludes the Redeemable Preferred Share liability.

Forward-Looking Statements

This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund's views to change, the Fund does not undertake to update any forward-looking statements.

Management's Responsibility for Financial Reporting

The accompanying condensed financial statements of World Financial Split Corp. (the "Fund") and all the information in this semi-annual report are the responsibility of the management of Strathbridge Asset Management Inc. (the "Manager") and have been approved by the Fund's Board of Directors (the "Board").

The condensed financial statements have been prepared by management in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this semi-annual report is consistent with the condensed financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the annual financial statements for the year ended December 31, 2018.

The Manager is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The Audit Committee meets periodically with management and the independent auditor to discuss internal controls, the financial reporting process, various auditing and financial reporting matters, and to review the annual report, the financial statements and the independent auditor's report. Deloitte LLP, the Fund's independent auditor, has full and unrestricted access to the Audit Committee and the Board.



John P. Mulvihill
Director
Strathbridge Asset Management Inc.



John D. Germain
Director
Strathbridge Asset Management Inc.

August 7, 2019

World Financial Split Corp.

Notice to Shareholders

The accompanying unaudited Condensed Financial Statements for the six months ended June 30, 2019 have been prepared by management and have not been reviewed by the independent auditor of the Fund.

Condensed Financial Statements

Statements of Financial Position

As at June 30, 2019 (Unaudited) and December 31, 2018 (Audited)

	Note	June 30, 2019	Dec. 31, 2018
ASSETS			
Financial assets at fair value through profit or loss	2	\$ 14,868,587	\$ 11,408,062
Derivative assets	2	140,557	–
Dividends receivable		22,062	30,083
Cash		455,919	3,834,909
TOTAL ASSETS		15,487,125	15,273,054
LIABILITIES			
Redemptions payable		914,667	–
Derivative liabilities	2	83,769	102,529
Accrued liabilities		30,581	53,011
Accrued management fees	4	12,870	13,026
Redeemable Preferred shares		11,170,140	11,877,430
Class J shares		100	100
TOTAL LIABILITIES		12,212,127	12,046,096
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES		\$ 3,274,998	\$ 3,226,958
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE		\$ 2.9319	\$ 2.7169

The notes are an integral part of the Condensed Financial Statements.

World Financial Split Corp.

Condensed Financial Statements

Statements of Comprehensive Income

Six months ended June 30 (Unaudited)

	Note	2019	2018
INCOME			
Dividend income		\$ 225,036	\$ 370,296
Interest income		15,725	9,331
Net realized gain/(loss) on investments at fair value through profit or loss		(159,045)	855,106
Net realized gain on options at fair value through profit or loss		221,613	2,511
Net realized loss on forward exchange contracts at fair value through profit or loss		(31,070)	(318,963)
Net change in unrealized gain/loss on investments at fair value through profit or loss		563,285	(2,154,891)
TOTAL INCOME/(LOSS), NET		835,544	(1,236,610)
EXPENSES			
Management fees	4	78,759	162,717
Service fees		6,754	17,273
Administrative and other expenses		54,252	60,755
Transaction fees	5	37,349	76,450
Custodian fees		21,437	24,956
Audit fees		18,287	18,389
Director fees	4	9,600	10,200
Independent review committee fees	4	3,750	3,750
Legal fees		1,302	1,333
Shareholder reporting costs		8,962	9,532
Harmonized sales tax		15,364	23,679
Withholding taxes		12,528	27,049
TOTAL EXPENSES		268,344	436,083
OPERATING PROFIT/(LOSS)		567,200	(1,672,693)
Preferred share distributions		(311,783)	(540,909)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES	6	\$ 255,417	\$ (2,213,602)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE	6	\$ 0.2151	\$ (1.0768)

The notes are an integral part of the Condensed Financial Statements.

Condensed Financial Statements

Statements of Changes in Net Assets Attributable to Holders of Class A Shares

Six months ended June 30 (Unaudited)

	2019	2018
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, BEGINNING OF YEAR	\$ 3,226,958	\$ 9,991,579
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares	255,417	(2,213,602)
Class A Share Transactions		
Value for Class A shares redeemed	(207,377)	(3,294,800)
Changes in Net Assets Attributable to Holders of Class A Shares during the Period	48,040	(5,508,402)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, END OF PERIOD	\$ 3,274,998	\$ 4,483,177

The notes are an integral part of the Condensed Financial Statements.

Statements of Cash Flows

Six months ended June 30 (Unaudited)

	2019	2018
CASH, BEGINNING OF YEAR	\$ 3,834,909	\$ 1,039,223
Cash Flows Provided by (Used In) Operating Activities		
Operating Profit/(Loss)	567,200	(1,672,693)
Adjustments to Reconcile Net Cash Provided by (Used in) Operating Activities		
Net realized (gain)/loss on investments at fair value through profit or loss	159,045	(855,106)
Net realized gain on options at fair value through profit or loss	(221,613)	(2,511)
Net realized loss on forward exchange contracts at fair value through profit or loss	31,070	318,963
Net change in unrealized gain/loss on investments at fair value through profit or loss	(563,285)	2,154,891
Net change in unrealized gain/loss on foreign cash	(74,696)	(30,876)
(Increase)/decrease in dividends receivable and due from brokers – investments	8,021	(506,162)
Decrease in accrued management fees and accrued liabilities	(22,586)	(10,823)
Purchase of investment securities	(17,920,899)	(27,430,576)
Proceeds from disposition of investment securities	14,970,536	38,483,633
	(3,634,407)	12,121,433
Cash Flows Used In Financing Activities		
Preferred share distributions	(311,783)	(540,909)
Net Increase/(Decrease) in Cash During the Period	(3,378,990)	9,907,831
CASH, END OF PERIOD	\$ 455,919	\$ 10,947,054
Dividends received	\$ 220,529	\$ 353,508
Interest received	\$ 15,725	\$ 9,118

The notes are an integral part of the Condensed Financial Statements.

World Financial Split Corp.

Schedule of Investments

As at June 30, 2019 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares
INVESTMENTS				
Canadian Common Shares				
Financials				
Bank of Montreal	7,000	\$ 729,702	\$ 692,440	
Brookfield Asset Management Inc.	17,100	962,705	1,071,315	
Manulife Financial Corporation	32,500	790,784	773,500	
Royal Bank of Canada	8,400	860,801	874,188	
Sun Life Financial Inc.	15,400	792,302	835,142	
The Toronto-Dominion Bank	11,500	868,362	879,980	
Total Financials		5,004,656	5,126,565	35.5%
Total Canadian Common Shares		\$ 5,004,656	\$ 5,126,565	35.5%
Non-North American Common Shares				
Financials				
Aon PLC	1,100	\$ 213,427	\$ 277,393	
Westpac Banking Corporation	25,600	660,671	666,712	
Total Financials		874,098	944,105	6.5%
Total Non-North American Common Shares		\$ 874,098	\$ 944,105	6.5%
United States Common Shares				
Financials				
Ameriprise Financial, Inc.	4,000	\$ 777,037	\$ 758,749	
Bank of America Corporation	21,000	809,344	795,808	
Berkshire Hathaway Inc.	1,700	466,253	473,550	
CME Group Inc.	3,700	932,825	938,514	
JPMorgan Chase & Co.	7,500	1,079,709	1,095,706	
The Allstate Corporation	5,100	635,159	677,703	
The PNC Financial Services Group, Inc.	4,300	769,495	771,377	
The Travelers Companies, Inc.	4,700	918,059	918,307	
U.S. Bancorp	7,800	542,484	534,093	
Total Financials		6,930,365	6,963,807	48.2%
Total United States Common Shares		\$ 6,930,365	\$ 6,963,807	48.2%
Exchange-Traded Funds				
U.S. Financials Income Fund	157,000	\$ 1,228,873	\$ 1,141,390	7.9%
Limited Partnership				
Brookfield Property Partners L.P.	28,000	\$ 757,101	\$ 692,720	4.8%
Forward Exchange Contracts				
Sold USD \$2,135,000, Bought CAD \$2,875,012 @ 0.74261 – July 10, 2019			\$ 85,850	
Bought USD \$175,000, Sold CAD \$231,130 @ 0.75715 – July 10, 2019			(2,513)	
Sold USD \$1,200,000, Bought CAD \$1,591,806 @ 0.75386 – July 31, 2019			24,885	
Total Forward Exchange Contracts			\$ 108,222	0.7%

Schedule of Investments

As at June 30, 2019 (Unaudited)

	Number of Contracts	Average Cost/(Proceeds)	Fair Value	% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares
Options				
Purchased Put Options				
(100 shares per contract)				
Bank of Montreal – November 2019 @ \$96	14	6,230	4,083	
Financial Select Sector SPDR Fund – November 2019 @ \$26	190	29,249	18,969	
Royal Bank of Canada – November 2019 @ \$100	14	5,048	3,588	
The Toronto-Dominion Bank – November 2019 @ \$72	24	5,780	3,182	
Total Purchased Put Options		46,307	29,822	0.2 %
Written Covered Call Options				
(100 shares per contract)				
Ameriprise Financial, Inc. – July 2019 @ \$145	(20)	(12,813)	(9,278)	
Aon PLC – August 2019 @ \$195	(11)	(4,588)	(5,965)	
Bank of America Corporation – August 2019 @ \$29	(105)	(10,604)	(16,808)	
Bank of Montreal – August 2019 @ \$99	(23)	(1,646)	(2,542)	
Manulife Financial Corporation – July 2019 @ \$24	(108)	(3,240)	(5,193)	
Royal Bank of Canada – July 2019 @ \$105	(23)	(1,311)	(864)	
Sun Life Financial Inc. – July 2019 @ \$53	(42)	(2,940)	(7,871)	
The Allstate Corporation – July 2019 @\$98	(26)	(6,119)	(15,629)	
The Toronto-Dominion Bank – July 2019 @ \$75	(32)	(1,984)	(5,345)	
The Travelers Companies, Inc. – August 2019 @ \$150	(24)	(10,997)	(11,761)	
Total Written Covered Call Options		(56,242)	(81,256)	(0.5)%
Total Options		\$ (9,935)	\$ (51,434)	(0.3)%
Adjustment for transaction fees		(12,698)		
TOTAL INVESTMENTS		\$ 14,772,460	\$ 14,925,375	103.3 %
OTHER NET LIABILITIES			\$ (480,237)	(3.3)%
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES AND REDEEMABLE PREFERRED SHARES			\$ 14,445,138	100.0 %

World Financial Split Corp.

Notes to Condensed Financial Statements

June 30, 2019 (Unaudited)

1. Basis of Presentation

The condensed semi-annual financial statements for World Financial Split Share Corp. (the “Fund”) have been prepared in compliance with International Financial Reporting Standards (“IFRS”), specifically the International Accounting Standard (“IAS”) 34 Interim Financial Reporting. However, not all disclosures required by IFRS for annual financial statements have been presented and, accordingly, these condensed semi-annual financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended December 31, 2018.

These condensed semi-annual financial statements follow the same accounting policies and method of application as the most recent audited financial statements for the year ended December 31, 2018.

These condensed financial statements were approved by the Board of Directors on August 7, 2019.

2. Risks Associated with Financial Instruments

The various types of risks associated with its investment strategies, financial instruments and markets in which the Fund invests remain unchanged from the prior year and are described in Note 6 of the audited financial statements for the year ended December 31, 2018.

Credit Risk

As at June 30, 2019 and December 31, 2018, the counterparties to the Fund’s derivative financial instruments had a credit rating of A-1 or higher from Standard & Poor’s Ratings Services.

Liquidity Risk

The amounts in the table are the contractual undiscounted cash flows:

	As at June 30, 2019		
	Financial Liabilities		
	On Demand	< 3 months	Total
Redemptions payable	\$ –	\$ 914,667	\$ 914,667
Derivative liabilities	–	83,769	83,769
Accrued liabilities	–	30,581	30,581
Accrued management fees	–	12,870	12,870
Redeemable Preferred shares	11,170,140	–	11,170,140
Class J shares	100	–	100
Class A shares	3,274,998	–	3,274,998
	\$ 14,445,238	\$ 1,041,887	\$ 15,487,125

Notes to Condensed Financial Statements

June 30, 2019 (Unaudited)

	As at December 31, 2018		
	Financial Liabilities		
	On Demand	< 3 months	Total
Derivative liabilities	\$ –	\$ 102,529	\$ 102,529
Accrued liabilities	–	53,011	53,011
Accrued management fees	–	13,026	13,026
Redeemable Preferred shares	11,877,430	–	11,877,430
Class J shares	100	–	100
Class A shares	3,226,958	–	3,226,958
	\$ 15,104,488	\$ 168,566	\$ 15,273,054

Market Risk

(a) Currency Risk

The table below indicates the foreign currencies to which the Fund had significant exposure to as at June 30, 2019 and December 31, 2018 in Canadian dollar terms, and the notional amounts of forward exchange contracts. The table also illustrates the potential impact on the net assets attributable to holders of Class A shares and Redeemable Preferred shares if the Canadian dollar had strengthened or weakened by 5 percent in relation to each of the other currencies, with all other variables held constant.

	As at June 30, 2019					
	U.S. Currency Exposure					
				Impact on Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
	\$ (3,836,458)	\$ 7,867,440	\$ 4,030,982	\$ (191,823)	\$ 393,372	\$ 201,549
% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares	(27)%	54%	27%	(1)%	3%	2%

	As at December 31, 2018					
	U.S. Currency Exposure					
				Impact on Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
	\$ (2,490,694)	\$ 7,205,721	\$ 4,715,027	\$ (124,535)	\$ 360,286	\$ 235,751
% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares	(16)%	48%	32%	(1)%	2%	1%

World Financial Split Corp.

Notes to Condensed Financial Statements

June 30, 2019 (Unaudited)

(b) Price Risk

Approximately 98 percent (December 31, 2018 – 76 percent) of the Fund's net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, held at June 30, 2019 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at June 30, 2019, the net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, would have increased or decreased by \$0.7 million (December 31, 2018 – \$0.6 million) respectively or 4.9 percent (December 31, 2018 – 3.8 percent) of the net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

Concentration Risk

Concentration risk arises as a result of the concentration of exposures with the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk:

	June 30, 2019	Dec. 31, 2018
United States	49.1%	51.0%
Canada	44.2%	36.8%
Rest of World	6.7%	12.2%
	100.0%	100.0%

Fair Value Measurement

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2019 and December 31, 2018.

	As at June 30, 2019			Total
	Level 1	Level 2	Level 3	
Canadian Common Shares	\$ 5,126,565	\$ –	\$ –	\$ 5,126,565
Non-North American Common Shares	944,105	–	–	944,105
United States Common Shares	6,963,807	–	–	6,963,807
Limited Partnership	692,720	–	–	692,720
Exchange-Traded Funds	1,141,390	–	–	1,141,390
Forward Exchange Contracts	–	108,222	–	108,222
Options	(51,434)	–	–	(51,434)
	\$ 14,817,153	\$ 108,222	\$ –	\$ 14,925,375

Notes to Condensed Financial Statements

June 30, 2019 (Unaudited)

	As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Canadian Common Shares	\$ 3,018,242	\$ –	\$ –	\$ 3,018,242
Non-North American Common Shares	1,390,109	–	–	1,390,109
United States Common Shares	5,821,581	–	–	5,821,581
Exchange-Traded Funds	1,178,130	–	–	1,178,130
Forward Exchange Contracts	–	(96,560)	–	(96,560)
Options	(5,969)	–	–	(5,969)
	\$ 11,402,093	\$ (96,560)	\$ –	\$ 11,305,533

There were no transfers between Level 1 and Level 2 and the Fund did not hold any financial instruments within Level 3 of the fair value hierarchy during the six months ended June 30, 2019 and during the year ended December 31, 2018.

3. Shares

For the six months ended June 30, 2019, cash distributions paid to Preferred shareholders were \$311,783 (June 30, 2018 – \$540,909) representing a payment of \$0.26 (June 30, 2018 – \$0.26) per Preferred share.

During the six months ended June 30, 2019, 70,729 (June 30, 2018 – 872,864) each of Preferred shares and Class A shares were redeemed with a total retraction value of \$914,667 (June 30, 2018 – \$12,023,440).

During the six months ended June 30, 2019 and year ended December 31, 2018, share transactions are as follows:

	June 30, 2019	Dec. 31, 2018
Redeemable Preferred Shares		
Shares outstanding, beginning of year	1,187,743	2,060,607
Shares redeemed	(70,729)	(872,864)
Shares outstanding, end of period	1,117,014	1,187,743
Class A Shares		
Shares outstanding, beginning of year	1,187,743	2,060,607
Shares redeemed	(70,729)	(872,864)
Shares outstanding, end of period	1,117,014	1,187,743
Class J Shares		
Shares outstanding, beginning and end of period	100	100

World Financial Split Corp.

Notes to Condensed Financial Statements

June 30, 2019 (Unaudited)

4. Related Party Transactions

(a) Management Fees

Total management fees for the six months ended June 30, 2019 were \$78,759 (June 30, 2018 – \$162,717) of which \$12,870 (June 30, 2018 – \$25,695) was unpaid.

(b) Director Fees

Total director fees paid to the external members of the Board of Directors for the six months ended June 30, 2019 were \$9,600 (June 30, 2018 – \$10,200).

(c) Independent Review Committee Fees

Total remuneration paid to the external members of the Independent Review Committee for the six months ended June 30, 2019 were \$3,750 (June 30, 2018 – \$3,750).

(d) Investment in other Strathbridge Funds

The Fund may invest in units of other funds managed by the Manager. The Fund's ownership interest in U.S. Financials Income Fund – Class A was 15.6 percent as at June 30, 2019 (December 31, 2018 – nil).

5. Brokerage Commissions and Soft Dollars

The ascertainable soft dollar value received as a percentage of total transaction fees paid during the six months ended June 30, 2019 and 2018 is disclosed below:

	June 30, 2019	June 30, 2018
Soft Dollars	\$ 25,020	\$ 39,573
Percentage of Total Transaction Fees	67.0%	51.8%

6. Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares per Class A Share

The increase/(decrease) in net assets attributable to holders of Class A shares per Class A share for the six months ended June 30, 2019 and 2018 is calculated as follows:

	June 30, 2019	June 30, 2018
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares	\$ 255,417	\$ (2,213,602)
Weighted Average Number of Class A Shares Outstanding during the Period	1,187,348	2,055,758
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares per Class A Share	\$ 0.2151	\$ (1.0768)

Investment Funds Managed by
Strathbridge Asset Management Inc.

UNIT TRUSTS

Canadian Utilities & Telecom Income Fund (UTE.UN)
Core Canadian Dividend Trust (CDD.UN)
Low Volatility U.S. Equity Income Fund (LVU.UN)
NDX Growth & Income Fund (NGI.UN)
U.S. Financials Income Fund (USF.UN)
Top 10 Canadian Financial Trust (TCT.UN)

SPLIT SHARES

Premium Income Corporation (PIC.PR.A/PIC.A)
S Split Corp. (SBN.PR.A/SBN)
Top 10 Split Trust (TXT.PR.A/TXT.UN)
World Financial Split Corp. (WFS.PR.A/WFS)

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