



SEMI-ANNUAL
REPORT

2016

WORLD FINANCIAL SPLIT CORP.


strathbridge
ASSET MANAGEMENT

Letter to Shareholders

We are pleased to present the 2016 semi-annual report containing the management report of fund performance and the unaudited financial statements for World Financial Split Corp (the “Fund”).

Stock market performance in the first half of 2016 can be characterized by significant weakness to start off the year due to stagnant economic growth and increasingly ineffective monetary policy which led to a lack of investor confidence. However, after most stock markets hit new lows in early February, they staged a meaningful recovery which continued through the second quarter of 2016. Oil prices which declined over 30 percent to a low of US\$26.21 on February 11, 2016 have maintained a steady uptrend since, topping US\$50 per barrel by mid-June and brought much of the energy complex along with it. Soft commodities were also generally higher during the first six months of 2016. The main commodity story, however, was gold. It is the best performing asset class so far in 2016, up over 24 percent. One might expect to see elevated volatility as investors often flock to gold in times of crisis; however, this was not the case. Interest rates remain low and have even gone into negative levels in some regions, notably Europe and Japan. Surprisingly, stock markets have been calm allowing the VIX (“CBOE Volatility Index”) to drift lower through much of the period. The first half of 2016 was punctuated with “Brexit”. The word was coined to describe Great Britain’s exit from the European Union (“EU”). A referendum was held on June 23 and the people voted 52-48 percent to leave the EU in a surprise upset. The news roiled global markets immediately following the event but North American markets have since fully recovered. The longer term impacts on the region and the world are not yet known.

During the six months ended June 30, 2016, 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. For the six month period, the total return of the Fund per Unit, including reinvestment of distributions, were negative 8.9 percent. The net asset value decreased 10.8 percent from \$13.37 per Unit at December 31, 2015 to \$11.92 per Unit at June 30, 2016. The net realized gain on options attributable to Strathbridge Selective Overwriting strategy (see “The Fund”) amounted to \$0.24 per Unit as compared to a net realized loss on options of \$0.04 per Unit a year ago. 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 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, 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 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, 2016 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, 2016, 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 \$6.49 per Preferred share and \$5.54 per Class A share.

Revenue and Expenses

The Fund's total revenue was \$0.18 per Unit for the six months ended June 30, 2016, down \$0.01 per Unit from last year. Total expenses were \$0.17 per Unit, down \$0.03 per Unit from a year ago mainly due to lower management fees and lower transaction fees associated with decreased trading activities. The Fund had a net realized and unrealized loss of \$1.20 per Unit in the first half of 2016 as compared to a net realized and unrealized gain of \$0.75 per Unit a year earlier.

Net Asset Value

The net asset value decreased 10.8 percent from \$13.37 per Unit at December 31, 2015 to \$11.92 per Unit at June 30, 2016. The aggregate net asset value of the Fund decreased \$4.15 million, from \$29.24 million at December 31, 2015 to \$25.09 million at June 30, 2016, reflecting an operating loss of \$2.60 million, annual concurrent (both Class A and Preferred shares) redemptions of \$0.98 million and Preferred share distributions of \$0.57 million.

Recent Developments

There were no recent developments pertaining to the Fund during the semi-annual period ending June 30, 2016.

Management Report of Fund Performance

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.

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, 2016 is derived from the Fund's unaudited semi-annual financial statements.

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

	Six months ended June 30, 2016
NET ASSETS PER UNIT	
Net Assets, beginning of period⁽¹⁾	\$ 13.37
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.18
Total expenses	(0.17)
Realized gain (loss) for the period	(0.91)
Unrealized gain (loss) for the period	(0.29)
Total Increase (Decrease) from Operations⁽²⁾	(1.19)
DISTRIBUTIONS	
Preferred Share	
Non-taxable distributions	(0.26)
Total Distributions⁽³⁾	(0.26)
Net Assets before end of period⁽¹⁾⁽⁴⁾	\$ 11.92

(1) All per Unit figures presented in 2016, 2015, 2014 and 2013 are referenced to net assets determined in accordance with IFRS which are derived from the Fund's unaudited financial statements for the six months ended June 30, 2016 and the annual audited financial statements for the years ended December 31, 2015 and 2014. Net assets per Unit for all other prior years were derived from the Fund's audited annual financial statements that were prepared in accordance with Canadian generally accepted accounting principles. Net assets per Unit is the difference between the aggregate value of the assets (including the valuation of securities at closing prices for the years beginning on or after January 1, 2013 and for all other prior years at bid prices) 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, 2016
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value, excluding the Redeemable Preferred Share liability (\$millions)	\$ 25.09
Net Asset Value (\$millions)	\$ 4.04
Number of Units outstanding	2,105,115
Management expense ratio ⁽¹⁾	2.32%⁽⁴⁾
Portfolio turnover rate ⁽²⁾	169.98%⁽⁴⁾
Trading expense ratio ⁽³⁾	0.47%⁽⁴⁾
Net Asset Value per Unit ⁽⁵⁾⁽⁶⁾	\$ 11.92
Closing market price - Preferred	\$ 9.70
Closing market price - Class A	\$ 1.95

(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 6.53%, 5.91%, 6.19%, 6.36%, 6.87% and 6.87%, for 2016, 2015, 2014, 2013, 2012 and 2011 respectively. The MER for 2016, 2015, 2014 and 2013 includes withholding taxes. The MER for 2016, 2015, 2014 and 2013, excluding withholding taxes, is 2.16%, 2.01%, 2.06% and 2.01% 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. The MER for 2011 includes warrant exercise fees and special resolution expense. The MER for 2011 excluding warrant exercise fees and special resolution expense is 1.68%.

(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.

Management Report of Fund Performance

As a result of the adoption of International Financial Reporting Standards (“IFRS”), for June 30, 2016, December 31, 2015, 2014 and 2013, the net assets per Unit presented in the financial statements and the net asset value per Unit calculated weekly are both valued at closing prices. For all other prior years ended December 31, the net assets per Unit presented in the financial statements differs from the net asset value per Unit calculated weekly, primarily as a result of investments being valued at bid prices for financial statements purposes and at closing prices for weekly net asset value purposes.

	Years ended December 31				
	2015	2014	2013	2012	2011
\$	13.92	\$ 12.94	\$ 11.02	\$ 9.92	\$ 11.57
	0.36	0.33	0.28	0.30	0.33
	(0.37)	(0.33)	(0.32)	(0.25)	(0.27)
	1.25	1.64	2.24	(0.66)	(0.41)
	(1.20)	(0.17)	0.18	2.12	(1.04)
	0.04	1.47	2.38	1.51	(1.39)
	(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
	(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
\$	13.37	\$ 13.92	\$ 12.94	\$ 11.02	\$ 9.92

(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized and unrealized gain (loss) and 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.

(4) Net Assets per Unit has been adjusted for the consolidation of the Class A shares effective the opening of trading on July 4, 2011. Each shareholder received 0.562426082 new Class A shares for each Class A share held. The total value of a shareholder's investment did not change; however, the number of Class A shares reflected in the shareholder's account declined and the Net Assets per Class A share increased proportionately.

	Years ended December 31				
	2015	2014	2013	2012	2011
\$	29.24	\$ 32.78	\$ 32.78	\$ 31.17	\$ 35.23
\$	7.37	\$ 9.24	\$ 7.46	\$ 2.90	\$ -
	2,186,907	2,354,556	2,532,599	2,827,248	3,548,506
	2.19%	2.20%	2.14%	1.88%	2.21%
	259.37%	245.31%	240.89%	253.71%	272.71%
	0.46%	0.32%	0.55%	0.46%	0.50%
\$	13.37	\$ 13.92	\$ 12.94	\$ 11.02	\$ 9.93
\$	9.90	\$ 9.85	\$ 9.76	\$ 9.10	\$ 8.35
\$	3.05	\$ 3.45	\$ 2.70	\$ 1.24	\$ 0.75

(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.

(6) Net Asset Value per Unit has been adjusted for the consolidation of the Class A shares effective the opening of trading on July 4, 2011. Each shareholder received 0.562426082 new Class A shares for each Class A share held. The total value of a shareholder's investment did not change; however, the number of Class A shares reflected in the shareholder's account declined and the Net Asset Value per Class A share increased proportionately.

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 (including deemed distributions based on the intrinsic value of the warrants exercised prior to the expiry date of the warrants) 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, 2016. 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 that fiscal year or June 30, 2016 for the six months ended.

Annual Total Return



⁽¹⁾ The Class A 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, 2016.

Portfolio Manager Report

Stock market performance in the first half of 2016 can be characterized by significant weakness to start off the year due to stagnant economic growth and increasingly ineffective monetary policy which led to a lack of investor confidence. However, after most stock markets hit new lows in early February, they staged a meaningful recovery which continued through the second quarter of 2016. Oil prices which declined over 30 percent to a low of US\$26.21 on February 11, 2016 have maintained a steady uptrend since, topping US\$50 per barrel by mid-June and brought much of the energy complex along with it. Soft commodities were also generally higher during the first six months of 2016. The main commodity story, however, was gold. It is the best performing asset class so far in 2016, up over 24 percent. One might expect to see elevated volatility as investors often flock to gold in times of crisis; however, this was not the case. Interest rates remain low and have even gone into negative levels in some regions, notably Europe and Japan. Surprisingly, stock markets have been calm allowing the VIX (“CBOE Volatility Index”) to drift lower through much of the period. The first half of 2016 was punctuated with “Brexit”. The word was coined to describe Great Britain’s exit from the European Union (“EU”). A referendum was held on June 23 and the people voted 52-48 percent to leave the EU in a surprise upset. The news roiled global markets immediately following the event but North American markets have since fully recovered. The longer term impacts on the region and the world are not yet known.

The net asset value of the Fund was \$11.92 per Unit as at June 30, 2016 compared to \$13.37 per Unit at December 31, 2015. 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 30, 2016 at \$9.70 per share, while the Class A shares, listed as WFS, closed at \$1.95 per share.

The total return of the Fund, including reinvestment of distributions, for the six months ended June 30, 2016 was negative 8.9 percent. This compares to the total return for the MSCI World/Finance Index, in Canadian dollar terms, of negative 13.5 percent. Both were negatively impacted by the weaker U.S. dollar, which declined 6.2 percent against the Canadian dollar during the period. The best performing stock within the portfolio was Aon PLC, up 16.6 percent during the period with most of the gain coming after the company reported better than expected fourth quarter earnings in early February. At the other end of the spectrum, Mitsubishi UFJ Financial Group, Inc. was the worst performing stock in the portfolio, down 27.2 percent.

Volatility levels for Global Financial Services companies, especially European Financials, rose during the period relative to the past few years due to concerns regarding capital levels as well as what effect “Brexit” will have on various European economies and their banks. The call writing activity was opportunistic with an average of 12.7 percent of the Fund subject to covered calls year-to-date. The net realized gain on options was \$0.24 per Unit for the first six months of 2016. The Fund maintained a slightly higher average cash position during the period of 8.3 percent due to concerns surrounding the risk with European Financials and ended with a cash position of 15.4 percent compared to 4.0 percent at the end of 2015. 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 hedged.

The Fund’s portfolio ended June 30, 2016 with a regional asset mix of 34 percent invested Canada, 56 percent in the United States and 10 percent in the Rest of World. The Fund maintained its overweight exposure to U.S. Financials during the period while increasing the exposure to Canada at the expense of the Rest of World Financials due to stronger capital ratios and less risk from exposure to “Brexit”.

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, 2016

	% of Net Asset Value ⁽¹⁾
United States	49.8 %
Canada	29.9 %
Cash	15.4 %
International	8.9 %
Other Assets (Liabilities)	(4.0)%
	100.0 %

⁽¹⁾ The Net Asset Value excludes the Redeemable Preferred share liability.

Portfolio Holdings

June 30, 2016

	% of Net Asset Value ⁽¹⁾
Cash	15.4%
Simon Property Group, Inc.	7.0%
JPMorgan Chase & Co.	6.6%
Bank of Montreal	6.4%
Royal Bank of Canada	6.3%
The Bank of Nova Scotia	6.2%
Canadian Imperial Bank of Commerce	6.1%
Aon PLC	5.5%
Aflac Incorporated	5.5%
The Bank of New York Mellon Corporation	5.5%
U.S. Bancorp	5.4%
BlackRock, Inc.	5.3%
Intercontinental Exchange, Inc.	5.3%
The Toronto-Dominion Bank	4.9%
Prudential PLC ADR	3.4%
The PNC Financial Services Group, Inc.	3.3%
SPDR S&P Regional Banking ETF	3.1%
The Charles Schwab Corporation	2.8%

⁽¹⁾ 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, 2015.

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 4, 2016

Notice to Shareholders

The accompanying unaudited Condensed Financial Statements for the six months ended June 30, 2016 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, 2016 (Unaudited) and December 31, 2015 (Audited)

	Note	June 30, 2016	Dec. 31, 2015
ASSETS			
Financial assets at fair value through profit or loss	2	\$ 22,241,538	\$ 28,536,065
Derivative assets	2	88,596	–
Dividends receivable		58,560	44,317
Cash		3,860,696	1,155,682
TOTAL ASSETS		26,249,390	29,736,064
LIABILITIES			
Redemptions payable		975,149	–
Derivative liabilities	2	114,411	408,458
Accrued management fees	5	44,868	27,351
Accrued liabilities		23,535	61,974
Redeemable Preferred shares		21,051,150	21,869,070
Class J shares		100	100
TOTAL LIABILITIES		22,209,213	22,366,953
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES		\$ 4,040,177	\$ 7,369,111
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE		\$ 1.9192	\$ 3.3697

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

Condensed Financial Statements

Statements of Comprehensive Income

Six months ended June 30 (Unaudited)

	Note	2016	2015
INCOME			
Dividend income		\$ 403,356	\$ 454,971
Net realized gain/(loss) on investments at fair value through profit or loss	3	(3,090,876)	3,490,820
Net realized gain/(loss) on options at fair value through profit or loss	3	533,621	(79,050)
Net realized gain/(loss) on forward exchange contracts at fair value through profit or loss	3	563,082	(321,888)
Net change in unrealized gain/loss on investments at fair value through profit or loss	3	(626,081)	(1,328,029)
TOTAL INCOME/(LOSS), NET		(2,216,898)	2,216,824
EXPENSES			
Management fees	5	149,218	182,812
Service fees		9,275	19,488
Administrative and other expenses		47,909	65,883
Transaction fees	6	64,567	90,417
Custodian fees		22,067	19,939
Audit fees		18,853	18,750
Director fees	5	10,200	9,600
Independent review committee fees	5	3,410	3,509
Legal fees		2,156	3,005
Shareholder reporting costs		9,200	9,993
Harmonized sales tax		21,652	26,180
Withholding taxes		22,237	25,194
TOTAL EXPENSES		380,744	474,770
OPERATING PROFIT/LOSS		(2,597,642)	1,742,054
Preferred share distributions		(574,063)	(618,071)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES	7	\$ (3,171,705)	\$ 1,123,983
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE	7	\$ (1.4506)	\$ 0.4776

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)

	2016	2015
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, BEGINNING OF YEAR	\$ 7,369,111	\$ 9,236,362
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares	(3,171,705)	1,123,983
Class A Share Capital Transactions		
Value for Class A shares redeemed	(157,229)	(737,689)
Changes in Net Assets Attributable to Holders of Class A Shares during the Period	(3,328,934)	386,294
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, END OF PERIOD	\$ 4,040,177	\$ 9,622,656

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

Statements of Cash Flows

Six months ended June 30 (Unaudited)

	2016	2015
CASH, BEGINNING OF YEAR	\$ 1,155,682	\$ 422,434
Cash Flows Provided by (Used In) Operating Activities		
Operating Profit/(Loss)	(2,597,642)	1,742,054
Adjustments to Reconcile Net Cash Provided by (Used In) Operating Activities		
Net realized (gain)/loss on investments at fair value through profit or loss	3,090,876	(3,490,820)
Net realized (gain)/loss on options at fair value through profit or loss	(533,621)	79,050
Net realized (gain)/loss on forward exchange contracts at fair value through profit or loss	(563,082)	321,888
Net change in unrealized gain/loss on investments at fair value through profit or loss	626,081	1,328,029
Net change in unrealized gain/loss on foreign cash	12,183	220
Increase in dividends receivable and due from brokers - investments	(14,243)	(2,358,859)
Decrease in accrued management fees and accrued liabilities	(20,922)	(36,525)
Purchase of investment securities	(41,273,360)	(40,972,360)
Proceeds from disposition of investment securities	44,552,807	44,088,593
	5,876,719	(1,040,784)
Cash Flows Used In Financing Activities		
Preferred share distributions	(574,063)	(618,071)
Net Increase in Cash during the Period	2,705,014	83,199
CASH, END OF PERIOD	\$ 3,860,696	\$ 505,633
Dividends received, net of withholding taxes	\$ 366,876	\$ 450,124

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

Schedule of Investments

As at June 30, 2016 (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	19,600	\$ 1,491,236	\$ 1,606,220	
Canadian Imperial Bank of Commerce	15,700	1,486,367	1,523,528	
Royal Bank of Canada	20,700	1,548,633	1,580,238	
The Bank of Nova Scotia	24,800	1,488,357	1,570,088	
The Toronto-Dominion Bank	22,000	1,180,951	1,220,560	
Total Financials		7,195,544	7,500,634	29.9 %
Total Canadian Common Shares		\$ 7,195,544	\$ 7,500,634	29.9 %
Non-North American Common Shares				
Financials				
Aon PLC	9,800	\$ 1,245,767	\$ 1,390,200	
Prudential PLC ADR	19,200	964,273	848,042	
Total Financials		2,210,040	2,238,242	8.9 %
Total Non-North American Common Shares		\$ 2,210,040	\$ 2,238,242	8.9 %
United States Common Shares				
Financials				
Aflac Incorporated	14,800	\$ 1,242,902	\$ 1,386,971	
BlackRock, Inc.	3,000	1,325,142	1,334,532	
Intercontinental Exchange, Inc.	4,000	1,335,714	1,329,662	
JPMorgan Chase & Co.	20,600	1,684,515	1,662,447	
Simon Property Group, Inc.	6,250	1,665,453	1,760,552	
The Bank of New York Mellon Corporation	27,000	1,351,952	1,362,273	
The Charles Schwab Corporation	21,400	799,158	703,421	
The PNC Financial Services Group, Inc.	7,900	928,365	835,040	
U.S. Bancorp	25,600	1,469,708	1,340,842	
Total Financials		11,802,909	11,715,740	46.7 %
Total United States Common Shares		\$ 11,802,909	\$ 11,715,740	46.7 %
Exchange-Traded Funds				
SPDR S&P Regional Banking ETF	15,800	\$ 827,194	\$ 786,922	
Total Exchange-Traded Funds		\$ 827,194	\$ 786,922	3.1 %

Schedule of Investments

As at June 30, 2016 (Unaudited)

	Number of Contracts	Proceeds	Fair Value	% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares
Forward Exchange Contracts				
Bought USD \$3,850,000, Sold CAD \$5,045,117 @ 0.76311 - July 5, 2016			\$ (45,210)	
Bought USD \$2,600,000, Sold CAD \$3,387,072 @ 0.76762 - July 5, 2016			(10,515)	
Sold USD \$8,500,000, Bought CAD \$11,127,350 @ 0.76388 - July 5, 2016			88,596	
Sold USD \$4,600,000, Bought CAD \$5,935,564 @ 0.77499 - July 20, 2016			(37,977)	
Total Forward Exchange Contracts			\$ (5,106)	0.0 %
Options				
Written Covered Call Options				
Royal Bank of Canada - July 2016 @ \$77	(46)	\$ (7,774)	\$ (4,379)	
Simon Property Group, Inc. - August 2016 @ \$210	(11)	(7,754)	(15,000)	
The Toronto-Dominion Bank - July 2016 @ \$56	(55)	(4,070)	(1,330)	
Total Options		\$ (19,598)	\$ (20,709)	(0.1)%
Adjustment for transaction fees		(7,226)		
TOTAL INVESTMENTS		\$ 22,008,863	\$ 22,215,723	88.5 %
OTHER NET ASSETS			2,875,604	11.5 %
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES AND REDEEMABLE PREFERRED SHARES			\$ 25,091,327	100.0 %

Notes to Condensed Financial Statements

June 30, 2016 (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, 2015.

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, 2015.

These condensed financial statements were approved by the Board of Directors on August 4, 2016.

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, 2015.

Credit Risk

During the periods ended June 30, 2016 and December 31, 2015, 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, 2016		
	Financial Liabilities		
	On Demand	< 3 months	Total
Redemptions payable	\$ -	\$ 975,149	\$ 975,149
Derivative liabilities	-	114,411	114,411
Accrued liabilities	-	44,868	44,868
Accrued management fees	-	23,535	23,535
Redeemable Preferred shares	21,051,150	-	21,051,150
Class J shares	100	-	100
	\$ 21,051,250	\$ 1,157,963	\$ 22,209,213

	As at December 31, 2015		
	Financial Liabilities		
	On Demand	< 3 months	Total
Derivative liabilities	\$ -	\$ 408,458	\$ 408,458
Accrued liabilities	-	61,974	61,974
Accrued management fees	-	27,351	27,351
Redeemable Preferred shares	21,869,070	-	21,869,070
Class J shares	100	-	100
	\$ 21,869,170	\$ 497,783	\$ 22,366,953

Notes to Condensed Financial Statements

June 30, 2016 (Unaudited)

Market Risk

(a) Currency Risk

The table below indicates the foreign currencies to which the Fund had significant exposure to as at June 30, 2016 and December 31, 2015 in Canadian dollar terms, and the notional amounts of foreign exchange forward 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, 2016 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
	\$(6,522,394)	\$ 14,725,904	\$ 8,203,510	\$ (326,120)	\$ 736,295	\$ 410,175
% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares	(26)%	59%	33%	(1)%	3%	2%

	As at December 31, 2015 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
	\$(8,960,826)	\$ 19,475,325	\$ 10,514,499	\$ (448,041)	\$ 973,766	\$ 525,725
% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares	(31)%	67%	36%	(2)%	3%	1%

(b) Price Risk

Approximately 89 percent (December 31, 2015 - 98 percent) of the Fund's net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, held at June 30, 2016 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at June 30, 2016, the net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, would have increased or decreased by \$1.1 million (December 31, 2015 - \$1.4 million) respectively or 4.4 percent (December 31, 2015 - 4.9 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, 2016	Dec. 31, 2015
United States	56.2%	59.7%
Canada	33.7%	31.6%
Rest of the World	10.1%	8.7%
	100.0%	100.0%

Notes to Condensed Financial Statements

June 30, 2016 (Unaudited)

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, 2016 and December 31, 2015.

	As at June 30, 2016				
	Level 1	Level 2	Level 3	Total	
Canadian Common Shares	\$ 7,500,634	\$ -	\$ -	\$ 7,500,634	
Non-North American Common Shares	2,238,242	-	-	2,238,242	
United States Common Shares	11,715,740	-	-	11,715,740	
Exchange-Traded Funds	786,922	-	-	786,922	
Forward Exchange Contracts	-	(5,106)	-	(5,106)	
Options	(15,000)	(5,709)	-	(20,709)	
	\$ 22,226,538	\$ (10,815)	\$ -	\$ 22,215,723	

	As at December 31, 2015				
	Level 1	Level 2	Level 3	Total	
Canadian Common Shares	\$ 9,022,462	\$ -	\$ -	\$ 9,022,462	
Non-North American Common Shares	2,482,374	-	-	2,482,374	
United States Common Shares	16,547,911	-	-	16,547,911	
Exchange-Traded Funds	483,318	-	-	483,318	
Forward Exchange Contracts	-	(362,723)	-	(362,723)	
Options	(38,278)	(7,457)	-	(45,735)	
	\$ 28,497,787	\$ (370,180)	\$ -	\$ 28,127,607	

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, 2016 and during the year ended December 31, 2015.

3. Financial Instruments by Category

The following tables present the carrying amounts of the Fund's financial instruments by category as at June 30, 2016 and December 31, 2015.

	As at June 30, 2016				
	Financial Instruments at FVTPL		Financial Instruments at Amortized Cost		Total
	Designated at Inception	Held for Trading			
Assets					
Non-derivative financial assets	\$ 22,241,538	\$ -	\$ -	\$ -	\$ 22,241,538
Derivative assets	-	88,596	-	-	88,596
Dividends receivable	-	-	58,560	-	58,560
Cash	-	-	3,860,696	-	3,860,696
	\$ 22,241,538	\$ 88,596	\$ 3,919,256	\$ -	\$ 26,249,390
Liabilities					
Redemptions payable	\$ -	\$ -	\$ 975,149	\$ -	\$ 975,149
Derivative liabilities	-	114,411	-	-	114,411
Accrued liabilities	-	-	44,868	-	44,868
Accrued management fees	-	-	23,535	-	23,535
Redeemable Preferred shares	-	-	21,051,150	-	21,051,150
Class J shares	-	-	100	-	100
	\$ -	\$ 114,411	\$ 22,094,802	\$ -	\$ 22,209,213

Notes to Condensed Financial Statements

June 30, 2016 (Unaudited)

	As at December 31, 2015		Financial Instruments at Amortized Cost	Total
	Financial Instruments at Designated at Inception	Financial Instruments at Held for Trading		
Assets				
Non-derivative financial assets	\$ 28,536,065	\$ -	\$ -	\$ 28,536,065
Dividends receivable	-	-	44,317	44,317
Cash	-	-	1,155,682	1,155,682
	\$ 28,536,065	\$ -	\$ 1,199,999	\$ 29,736,064
Liabilities				
Derivative liabilities	\$ -	\$ 408,458	\$ -	\$ 408,458
Accrued liabilities	-	-	61,974	61,974
Accrued management fees	-	-	27,351	27,351
Redeemable Preferred shares	-	-	21,869,070	21,869,070
Class J shares	-	-	100	100
	\$ -	\$ 408,458	\$ 21,958,495	\$ 22,366,953

The following table presents the net gain/(loss) on financial instruments at FVTPL by category for the six months ended June 30, 2016 and 2015.

	June 30, 2016	June 30, 2015
Net Realized Gain/(Loss) on Financial Instruments at FVTPL		
Designated at Inception	\$ (3,090,876)	\$ 3,490,820
Held for Trading	1,096,703	(400,938)
	(1,944,173)	3,089,882
Net Change in Unrealized Gain/(Loss) on Financial Instruments at FVTPL		
Designated at Inception	(997,333)	(1,170,184)
Held for Trading	371,252	(157,845)
	(626,081)	(1,328,029)
Net Gain/(Loss) on Financial Instruments at FVTPL	\$ (2,620,254)	\$ 1,761,853

4. Shares

For the six months ended June 30, 2016, cash distributions paid to Preferred shareholders were \$574,063 (June 30, 2015 - \$618,071) representing a payment of \$0.26 (June 30, 2015 - \$0.26) per Preferred share.

During the six months ended June 30, 2016, 81,792 (June 30, 2015 - 167,649) each of Preferred shares and Class A shares were redeemed with a total retraction value of \$975,149 (June 30, 2015 - \$2,414,179).

During the six months ended June 30, 2016 and year ended December 31, 2015 share transactions are as follows:

	June 30, 2016	Dec. 31, 2015
Redeemable Preferred Shares		
Shares outstanding, beginning of year	2,186,907	2,354,556
Shares redeemed	(81,792)	(167,649)
Shares outstanding, end of period	2,105,115	2,186,907
Class A Shares		
Shares outstanding, beginning of year	2,186,907	2,354,556
Shares redeemed	(81,792)	(167,649)
Shares outstanding, end of period	2,105,115	2,186,907
Class J Shares		
Shares outstanding, beginning and end of period	100	100

World Financial Split Corp.

Notes to Condensed Financial Statements

June 30, 2016 (Unaudited)

5. Related Party Transactions

(a) Management Fees

Total management fees for the six months ended June 30, 2016 were \$149,218 (June 30, 2015 - \$182,812).

(b) Director Fees

Total director fees paid to the external members of the Board of Directors for the six months ended June 30, 2016 were \$10,200 (June 30, 2015 - \$9,600).

(c) Independent Review Committee Fees

Total remuneration paid to the external members of the Independent Review Committee for the six months ended June 30, 2016 were \$3,410 (June 30, 2015 - \$3,509).

6. 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, 2016 and 2015 is disclosed below:

	June 30, 2016	June 30, 2015
Soft Dollars	\$ 26,185	\$ 48,464
Percentage of Total Transaction Fees	40.6%	53.6%

7. 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, 2016 and 2015 is calculated as follows:

	June 30, 2016	June 30, 2015
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares	\$ (3,171,705)	\$ 1,123,983
Weighted Average Number of Class A Shares Outstanding during the Period	2,186,458	2,353,630
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares per Class A Share	\$ (1.4506)	\$ 0.4776

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)

MUTUAL FUND

U.S. Tactical Allocation Fund

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