SEMI-ANNUAL REPORT
2017

WORLD FINANCIAL SPLIT CORP.

strathbridge
ASSET MANAGEMENT

Management Report of Fund Performance

This semi-annual management report of fund performance contains the financial highlights for the six months ended June 30, 2017 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, 2017, 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 $7.02 per Preferred share and $5.54 per Class A share.

Revenue and Expenses

The Fund’s total revenue was $0.22 per Unit for the six months ended June 30, 2017, up $0.04 per Unit from last year. Total expenses were $0.19 per Unit, up $0.02 per Unit from a year ago mainly due to higher administrative and other expenses and withholding taxes. The Fund had a net realized and unrealized gain of $0.48 per Unit in the first half of 2017 as compared to a net realized and unrealized loss of $1.20 per Unit a year earlier.

Net Asset Value

The net asset value increased 1.7 percent from $13.74 per Unit at December 31, 2016 to $13.98 per Unit at June 30, 2017. The aggregate net asset value of the Fund decreased $0.11 million, from $28.92 million at December 31, 2016 to $28.81 million at June 30, 2017, reflecting an operating profit of $1.06 million, annual concurrent (both Class A and Preferred shares) redemptions of $0.62 million and Preferred share distributions of $0.55 million.

Recent Developments

There were no recent developments pertaining to the Fund during the six months ended June 30, 2017.

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, 2017 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, 2017
NET ASSETS PER UNIT	
Net Assets, beginning of period(1)	**$ 13.74**
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	**0.22**
Total expenses	**(0.19)**
Realized gain (loss) for the period	**1.18**
Unrealized gain (loss) for the period	**(0.70)**
Total Increase (Decrease) from Operations(2)	**0.51**
DISTRIBUTIONS	
Preferred Share	
Non-taxable distributions	**(0.26)**
Total Distributions(3)	**(0.26)**
Net Assets, end of period(1)	**$ 13.98**

(1) All per Unit figures presented in 2017, 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, 2017 and the annual audited financial statements for the years ended December 31, 2016, 2015 and 2014. Net assets per Unit for December 31, 2012 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 2012 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, 2017
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value, excluding the Redeemable Preferred Share liability ($millions)	**$ 28.81**
Net Asset Value ($millions)	**$ 8.20**
Number of Units outstanding	**2,060,607**
Management expense ratio(1)	**2.43%**(4)
Portfolio turnover rate(2)	**136.35%**
Trading expense ratio(3)	**0.34%**(4)
Net Asset Value per Unit(5)	**$ 13.98**
Closing market price - Preferred	**$ 9.95**
Closing market price - Class A	**$ 3.75**

(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 6.22%, 6.44%, 5.91%, 6.19%, 6.36% and 6.87%, for 2017, 2016, 2015, 2014, 2013 and 2012 respectively. The MER for 2017, 2016, 2015, 2014 and 2013 includes withholding taxes. The MER for 2017, 2016, 2015, 2014 and 2013, excluding withholding taxes, is 2.20%, 2.09%, 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.

As a result of the adoption of International Financial Reporting Standards ("IFRS"), for June 30, 2017, December 31, 2016, 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 the year ended December 31, 2012, 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		
2016	2015	2014	2013	2012
$ 13.37	$ 13.92	$ 12.94	$ 11.02	$ 9.92
0.37	0.36	0.33	0.28	0.30
(0.34)	(0.37)	(0.33)	(0.32)	(0.25)
(0.63)	1.25	1.64	2.24	(0.66)
1.43	(1.20)	(0.17)	0.18	2.12
0.83	0.04	1.47	2.38	1.51
(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
$ 13.74	$ 13.37	$ 13.92	$ 12.94	$ 11.02

(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.

		Years ended December 31		
2016	2015	2014	2013	2012
$ 28.92	$ 29.24	$ 32.78	$ 32.78	$ 31.17
$ 7.87	$ 7.37	$ 9.24	$ 7.46	$ 2.90
2,105,115	2,186,907	2,354,556	2,532,599	2,827,248
2.27%	2.19%	2.20%	2.14%	1.88%
307.48%	259.37%	245.31%	240.89%	253.71%
0.43%	0.46%	0.32%	0.55%	0.46%
$ 13.74	$ 13.37	$ 13.92	$ 12.94	$ 11.02
$ 10.00	$ 9.90	$ 9.85	$ 9.76	$ 9.10
$ 3.76	$ 3.05	$ 3.45	$ 2.70	$ 1.24

(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 (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,

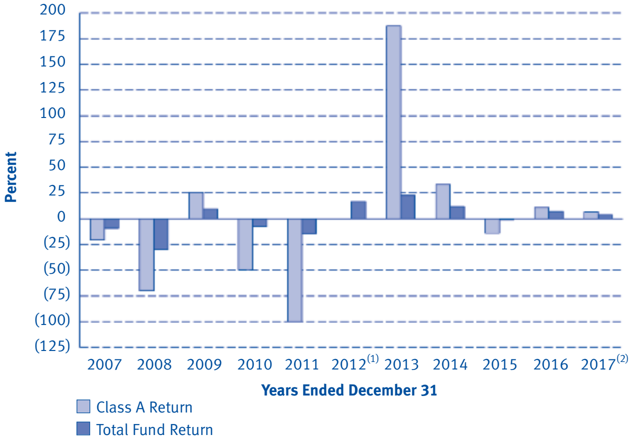
(2) information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and

(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, 2017. 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, 2017 for the six months ended.

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, 2017.

Portfolio Manager Report

Stock markets around the world advanced in the first half of 2017 as investors believed the inauguration of Donald Trump would usher in a new era of pro-growth policies, deregulation, health care and tax reform. The Federal Reserve Open Market Committee raised interest rates twice so far in 2017, to a range of 1.00 - 1.25 percent, and discussed plans to scale back its US$4.5 trillion balance sheet. Curiously, long-term interest rates remain subdued, with US 10 Year yield's declining from 2.4 percent to 2.3 percent in the first 6 months of the year. After rising over 45 percent in 2016, oil prices have come under renewed pressure declining from US$53.72 to start the year to a low of US$42.05 on June 21. The broader commodity complex has also suffered in 2017, down 5.3 percent, making it the worst performing asset class year-to-date. Weakness in these areas have contributed to the resource-weighted Toronto Stock Exchange underperforming most markets during this period with a total return of 0.7 percent. Global equities, and more specifically emerging market equities, have decoupled from the commodity trade and are leading the global equity rally so far in 2017. The MSCI Emerging Market Index is up 18.5 percent year-to-date with the MSCI EAFE Index not far behind, up 14.2 percent. The S&P 500 Index returned 9.3 percent with the Technology sector outperforming substantially up 17.2 percent. With most assets classes producing positive returns year-to-date, investor sentiment remains positive and volatility remains extremely low with the VIX ("CBOE Volatility Index") trading near historical lows at 11.3 percent. Given the uncertainty surrounding the global political landscape with tensions in Syria and North Korea escalating, the ability of President Trump to implement his desired policies, and the Federal Reserve moving from an extended period of easy monetary policy to one that is less accommodating, this period of low volatility is viewed as one that can change at any moment.

The net asset value ("NAV") of the Fund was $13.98 per Unit as at June 30, 2017 compared to $13.74 per Unit at December 31, 2016. 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, 2017 at $9.95 per share, while the Class A shares, listed as WFS, closed at $3.75 per share. When combined, the closing prices represent a 2.0 percent discount to the NAV per Unit.

The total return of the Fund, including reinvestment of distributions, for the six months ended June 30, 2017 was 3.7 percent per Unit. This compares to the total return for the MSCI World/Finance Index, in Canadian dollar terms, of 6.8 percent. Both were negatively impacted by the weaker U.S. dollar, which declined 3.5 percent against the Canadian dollar during the period. The best performing stock within the portfolio was Banco Santander S.A., up 27.5 percent during the period on expectations of better economic activity in Spain and likely forthcoming an increase in inflation expectations which may lead to a steeping yield curve. At the other end of the spectrum, AEGON N.V., while held within the Fund, was the worst performing stock in the portfolio, down 12.5 percent with some of the decline coming after the company lowered its solvency ratio in its 2016 annual report on March 24th, 2017.

While volatility levels for Global Financial Services companies remained subdued overall, it spiked in April and May before drifting back toward historically low levels. The call writing activity was opportunistic over the period and took advantage of signals generated by the Strathbridge Selective Overwriting ("SSO") strategy. The Fund ended June 30, 2017 with 3.7 percent of the Fund subject to covered calls. The net realized gain on options attributable to the SSO strategy was $0.05 per Unit for the first six months of 2017. The Fund maintained a low average cash position during the period and ended with a cash position of 2.6 percent compared to 4.2 percent at the end of 2016. The Fund's portfolio ended June 30, 2017 with a regional asset mix of 17 percent invested Canada, 42 percent in the United States and 41 percent in the Rest of World. The U.S. dollar exposure was actively hedged back into Canadian dollars throughout the period and ended June with approximately 100 percent of the U.S. dollar exposure hedged, helping negate some of the negative impact of the decline in the U.S. dollar versus the Canadian dollar.

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, 2017

	% of Net Asset Value[1]
United States	39.9%
International	39.6%
Canada	16.5%
Cash	2.6%
Other Assets (Liabilities)	1.4%
	100.0%

[1] The Net Asset Value excludes the Redeemable Preferred share liability.

Top 25 Holdings

June 30, 2017

	% of Net Asset Value[1]
ING Groep N.V.	6.4%
Prudential PLC ADR	5.7%
Banco Santander, S.A.	5.3%
JPMorgan Chase & Co.	5.2%
American International Group, Inc.	4.9%
Sumitomo Mitsui Financial Group, Inc. ADR	4.5%
HSBC Holdings plc	4.4%
MetLife, Inc.	4.2%
BlackRock, Inc.	4.2%
State Street Corporation	4.2%
Brookfield Asset Management Inc.	4.1%
The Charles Schwab Corporation	4.1%
Banco de Chile ADR	4.0%
Thomson Reuters Corporation	4.0%
Berkshire Hathaway Inc.	4.0%
UBS Group AG	3.8%
Manulife Financial Corporation	3.8%
China Life Insurance Co. Ltd. ADR	3.5%
The Bank of Nova Scotia	3.0%
The Travelers Companies, Inc.	2.8%
Cash	2.6%
The Progressive Corporation	2.4%
Marsh & McLennan Companies, Inc.	2.3%
Aon PLC	2.0%
Royal Bank of Canada	1.6%

[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.