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# World Financial Split Corp.

Semi-Annual Report 2022

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MULVIHILL

## Letter to Shareholders

We are pleased to present the 2022 semi-annual report containing the management report of fund performance and the unaudited financial statements for World Financial Split Corp. (the “Fund”).

The first half of 2022 was by most measures a historic six months for financial markets. Few asset classes or strategies provided shelter from the dangerous 2022 cocktail that is tighter monetary policy, run-away inflation and slower economic growth. Equities cratered around the globe, with the S&P 500 Index entering bear market territory, down 20 percent. The S&P/TSX Composite Index fared slightly better, declining 9.8 percent, aided by energy and commodity-based sectors. While bear markets are a normal occurrence over the course of an investment cycle, this one has had a different feel for many investors given the corresponding decline in fixed income markets. Viewed historically as a tool to lower volatility and preserve capital in a well-diversified portfolio, fixed income has accomplished neither of these in 2022 as interest rates moved rapidly higher.

The net asset value of the Fund decreased 16.8 percent from \$13.43 per Unit at December 31, 2021 to \$11.18 per Unit at June 30, 2022. 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 a 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  
Mulvihill Capital 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 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 Mulvihill Funds (provided that no more than 15 percent of the net asset value of the Fund may be invested in securities of other Mulvihill Funds) that provide exposure to such securities.

The Fund employs an active covered call writing strategy 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 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 Fund while reducing volatility of the portfolio, thereby increasing the risk-adjusted return.

# World Financial Split Corp. [WFS.PR.A/WFS]

## 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, 2022 of World Financial Split Corp. (the “Fund”). The unaudited semi-annual condensed 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@mulvihill.com](mailto:info@mulvihill.com) or by visiting our website at [www.mulvihill.com](http://www.mulvihill.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, 2022, 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 \$9.64 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, 2022, unchanged from the same period in the prior year. Total expenses were \$0.23 per Unit, down from \$0.25 per Unit during the same period in the prior year. The Fund had a net realized and unrealized loss of \$1.94 per Unit in the first half of 2022 as compared to a net realized and unrealized gain of \$1.67 per Unit for the same period in the prior year.

#### Net Asset Value

The net asset value decreased 16.8 percent from \$13.43 per Unit at December 31, 2021 to \$11.18 per Unit at June 30, 2022. The net asset value of the Fund, excluding the Redeemable Preferred Share liability, decreased \$2.3 million, from \$12.5 million at December 31, 2021 to \$10.2 million at June 30, 2022, reflecting a decrease in net assets attributable to holders of Class A shares of \$2.1 million and redemptions of both Class A and Preferred shares of \$0.2 million.

### Recent Developments

Mulvihill Capital Management Inc., the manager of World Financial Split Share Corp., announced on May 31, 2022 that the Fund would discontinue paying service fees, which were paid to dealers whose beneficial owners hold Class A shares of the Fund. An increasing number of TSX traded funds have discontinued or did not offer service fees. Discontinuing service fees will lower the management expense ratios of the Fund and will also enhance the ability for fee-based accounts to hold Class A shares of the Fund.

### Related Party Transactions

Mulvihill Capital Management Inc. (“Mulvihill”), 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 Mulvihill dated January 27, 2004 and amended as of November 6, 2009.

Management Report of Fund Performance

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

Mulvihill 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 G. Bertram and R. Peter Gillin.

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, 2022 is derived from the Fund's unaudited semi-annual condensed financial statements.

	Six months ended June 30, 2022
<b>NET ASSETS PER UNIT</b>	
<b>Net Assets, beginning of period</b> <sup>(1)</sup>	\$ 13.43
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.18
Total expenses	(0.23)
Realized gain (loss) for the period	0.05
Unrealized gain (loss) for the period	(1.99)
<b>Total Increase (Decrease) from Operations</b> <sup>(2)</sup>	(1.99)
DISTRIBUTIONS	
<b>Preferred Share</b>	
Non-taxable distributions	(0.26)
<b>Total Distributions</b> <sup>(3)</sup>	(0.26)
<b>Net Assets, end of period</b> <sup>(1)</sup>	\$ 11.18

(1) All per Unit figures are derived from the Fund's unaudited condensed financial statements for the six months ended June 30, 2022 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, 2022
<b>RATIOS/SUPPLEMENTAL DATA</b>	
Net Asset Value, excluding the Redeemable Preferred Share liability (\$millions)	\$ 10.20
Net Asset Value (\$millions)	\$ 1.08
Number of Units outstanding	912,102
Management expense ratio <sup>(1)</sup>	3.40% <sup>(4)</sup>
Portfolio turnover rate <sup>(2)</sup>	79.23%
Trading expense ratio <sup>(3)</sup>	0.12% <sup>(4)</sup>
Net Asset Value per Unit <sup>(5)</sup>	\$ 11.18
Closing market price – Preferred	\$ 9.21 <sup>(6)</sup>
Closing market price – Class A	\$ 1.80 <sup>(7)</sup>

(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, excluding Preferred share distributions, is 7.50% for the six months ended June 30, 2022 and 7.64%, 7.66%, 6.79%, 5.98% and 6.00% for the years ended December 31, 2021, 2020, 2019, 2018 and 2017, respectively. The MER, excluding withholding taxes, is 3.29% for the six months ended June 30, 2022 and 3.32%, 2.87%, 2.65%, 2.21% and 2.07% for the years ended December 31, 2021, 2020, 2019, 2018 and 2017, 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				
		2021	2020	2019	2018	2017
	\$	11.55	\$ 13.50	\$ 12.72	\$ 14.85	\$ 13.74
		0.37	0.36	0.37	0.37	0.49
		(0.50)	(0.39)	(0.42)	(0.41)	(0.38)
		1.98	(1.36)	0.22	0.20	2.20
		0.58	(0.24)	1.14	(1.75)	(0.69)
		2.43	(1.63)	1.31	(1.59)	1.62
		(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
		(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
	\$	13.43	\$ 11.55	\$ 13.50	\$ 12.72	\$ 14.85

(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				
		2021	2020	2019	2018	2017
	\$	12.46	\$ 11.69	\$ 15.08	\$ 15.10	\$ 30.60
	\$	3.19	\$ 1.57	\$ 3.91	\$ 3.23	\$ 9.99
		927,634	1,011,787	1,117,014	1,187,743	2,060,607
		3.56%	3.06%	2.81%	2.38%	2.29%
		229.85%	192.10%	201.05%	213.51%	259.88%
		0.30%	0.37%	0.41%	0.44%	0.39%
	\$	13.43	\$ 11.55	\$ 13.50	\$ 12.72	\$ 14.85
	\$	9.75	\$ 9.50	\$ 10.05	\$ 9.58	\$ 10.23
	\$	2.90	\$ 1.75	\$ 3.08	\$ 2.07	\$ 4.30

(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.

(6) The last date with an executed trade was June 21, 2022.

(7) The last date with an executed trade was June 23, 2022.

Management Report of Fund Performance

Management Fees

Mulvihill, 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. Mulvihill 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.

Mulvihill, 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

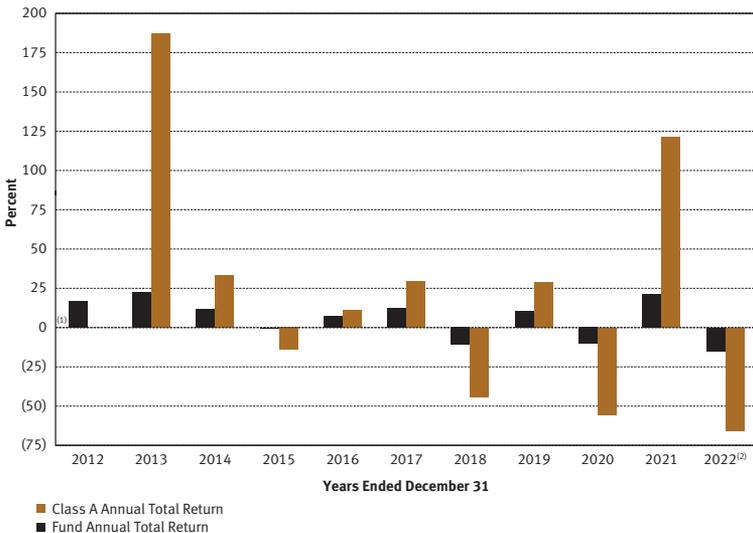
The following chart sets out the Fund’s year-by-year past performance. It is important to note that the:

- (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, 2022. 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, 2022 for the six months ended.

Total Return



<sup>(1)</sup> 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.  
<sup>(2)</sup> For the six months ended June 30, 2022.

## Portfolio Manager Report

The first half of 2022 was by most measures a historic six months for financial markets. Few asset classes or strategies provided shelter from the dangerous 2022 cocktail that is tighter monetary policy, run-away inflation and slower economic growth. Equities cratered around the globe, with the S&P 500 Index entering bear market territory, down 20 percent. The S&P/TSX Composite Index fared slightly better, declining 9.8 percent, aided by energy and commodity-based sectors. While bear markets are a normal occurrence over the course of an investment cycle, this one has had a different feel for many investors given the corresponding decline in fixed income markets. Viewed historically as a tool to lower volatility and preserve capital in a well-diversified portfolio, fixed income has accomplished neither of these in 2022 as interest rates moved rapidly higher.

For the six months ended June 30, 2022, the net asset value (“NAV”) of the Fund was \$11.18 per Unit compared to \$13.43 per Unit at December 31, 2021. 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, 2022 with a mid-price of \$9.32 per share, while the Class A shares, listed as WFS, closed at a mid-price of \$1.97 per share. When combined, the mid-prices represent a 1.0 percent premium to the NAV per Unit.

The Global Financials equities performance was dire during the period, with a total return of negative 15.8 percent, but still slightly outperformed the broader market that posted a negative total return of 16.6 percent. The total return of the Fund, including reinvestment of distributions, for the six months ended June 30, 2022 was negative 15.0 percent per Unit. The best performing stock within the portfolio was Fairfax Financial Holdings Limited, up 15.8 percent during the period. At the other end of the spectrum, The ING Groep N.V., was the worst performing stock in the portfolio, down 32.5 percent while held in the Fund.

Volatility levels for Global Financial Services companies rose during the first half of the year as the stock prices moved lower. The CBOE Volatility Index (“VIX”) started the year at 17.2 and closed at 28.7 on June 30, 2022. The VIX did spike on several occasions, reaching a high of 36.5 on March 7, 2022, and averaged 26.3 in the first half of 2022. For the six-month period ended June 30, 2022, the Fund has on average 4.2 percent of the portfolio subject to covered calls compared to 11.6 percent for the same period last year. 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.

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.mulvihill.com](http://www.mulvihill.com).

Asset Mix

June 30, 2022

	% OF NET ASSET VALUE*
Canada	42.6%
United States	35.9%
International	20.1%
Cash	2.2%
Other Assets (Liabilities)	(0.8)%
	100.0%

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

Portfolio Holdings

June 30, 2022

	% OF NET ASSET VALUE*
Marsh & McLennan Cos Inc.	7.4%
Berkshire Hathaway Inc.	6.1%
Prologis, Inc.	6.1%
Chubb Limited	5.9%
Premium Income Corporation – Class A	5.8%
HSBC Holdings PLC	5.5%
National Bank of Canada	5.3%
Royal Bank of Canada	5.3%
UBS Group AG	5.3%
The Toronto-Dominion Bank	5.2%
The Bank of Nova Scotia	4.7%
MetLife Inc.	4.5%
Brookfield Asset Management Inc.	4.4%
Loews Corp.	4.1%
Canadian Imperial Bank of Commerce	4.0%
Bank of Montreal	3.9%
Fairfax Financial Holdings Limited	3.9%
The Progressive Corporation	3.9%
CME Group Inc.	3.8%
Mitsubishi UFJ Financial Group Inc.	3.5%
Cash	2.2%

\* 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 Mulvihill Capital 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, 2021.

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  
Mulvihill Capital Management Inc.



John D. Germain  
Director  
Mulvihill Capital Management Inc.

August 17, 2022

## Notice to Shareholders

The accompanying unaudited Condensed Financial Statements for the six months ended June 30, 2022 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, 2022 (Unaudited) and December 31, 2021 (Audited)

	Note	2022	2021
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	2	<b>\$ 10,228,046</b>	\$ 12,339,407
Cash		<b>227,630</b>	213,216
Dividends receivable		<b>13,127</b>	19,574
Derivative assets	2	<b>–</b>	48,025
<b>TOTAL ASSETS</b>		<b>10,468,803</b>	12,620,222
<b>LIABILITIES</b>			
Accrued management fees	4	<b>8,839</b>	11,039
Accrued liabilities		<b>42,515</b>	77,294
Derivative liabilities	2	<b>45,775</b>	69,876
Redemptions payable		<b>173,660</b>	–
Redeemable Preferred shares		<b>9,121,020</b>	9,276,340
Class j shares		<b>100</b>	100
<b>TOTAL LIABILITIES</b>		<b>9,391,909</b>	9,434,649
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES</b>		<b>\$ 1,076,894</b>	\$ 3,185,573
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE</b>		<b>\$ 1.1807</b>	\$ 3.4341

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

# World Financial Split Corp. [WFS.PR.A/WFS]

## Condensed Financial Statements

### Statements of Comprehensive Income

Six months ended June 30 (Unaudited)

	Note	2022	2021
<b>INCOME</b>			
Dividend income		\$ 167,768	\$ 181,800
Interest income		204	–
Net realized gain/(loss) on investments at fair value through profit or loss		(40,398)	994,499
Net realized gain on options at fair value through profit or loss		104,019	199,425
Net realized gain/(loss) on forward exchange contracts at fair value through profit or loss		(17,737)	137,670
Net change in unrealized gain/(loss) on investments at fair value through profit or loss		(1,850,659)	356,656
<b>TOTAL INCOME/(LOSS), NET</b>		<b>(1,636,803)</b>	<b>1,870,050</b>
<b>EXPENSES</b>			
Management fees	4	60,338	68,082
Administrative and other expenses		52,725	66,548
Service fees		6,644	5,385
Transaction fees	5	7,336	20,233
Custodian fees		19,636	19,189
Audit fees		18,864	20,076
Director fees	4	10,200	10,521
Independent review committee fees	4	6,833	4,504
Legal fees		–	1,740
Shareholder reporting costs		6,912	6,791
Harmonized sales tax		13,660	16,762
Withholding taxes		6,884	13,715
<b>TOTAL EXPENSES</b>		<b>210,032</b>	<b>253,546</b>
<b>OPERATING PROFIT/(LOSS)</b>		<b>(1,846,835)</b>	<b>1,616,504</b>
Preferred share distributions	3	(243,504)	(265,594)
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES</b>	6	<b>\$ (2,090,339)</b>	<b>\$ 1,350,910</b>
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE</b>	6	<b>\$ (2.2536)</b>	<b>\$ 1.3358</b>

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)

	2022	2021
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, BEGINNING OF PERIOD	\$ 3,185,573	\$ 1,571,345
<b>Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares</b>	<b>(2,090,339)</b>	1,350,910
<b>Class A Share Capital Transactions</b>		
Value for Class A shares redeemed	(18,340)	(243,059)
	(18,340)	(243,059)
<b>Changes in Net Assets Attributable to Holders of Class A Shares during the Period</b>	<b>(2,108,679)</b>	1,107,851
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, END OF PERIOD	\$ 1,076,894	\$ 2,679,196

## Statements of Cash Flows

Six months ended June 30 (Unaudited)

	2022	2021
CASH, BEGINNING OF PERIOD	\$ 213,216	\$ 110,167
<b>Cash Flows Provided By (Used In) Operating Activities</b>		
<b>Operating Profit/(Loss)</b>	<b>(1,846,835)</b>	1,616,504
<b>Adjustments to Reconcile Net Cash Provided By (Used In) Operating Activities</b>		
Net realized (gain)/loss on investments at fair value through profit or loss	40,398	(994,499)
Net realized gain on options at fair value through profit or loss	(104,019)	(199,425)
Net realized (gain)/loss on forward exchange contracts at fair value through profit and loss	17,737	(137,670)
Net change in unrealized (gain)/loss on investments at fair value through profit or loss	1,850,659	(356,656)
Net change in unrealized (gain)/loss on foreign cash	1,374	(730)
(Increase)/decrease in dividends receivable	6,447	(14,128)
Decrease in accrued management fees and accrued liabilities	(36,979)	(5,704)
Purchase of investment securities	(9,186,526)	(16,531,232)
Proceeds from disposition of investment securities	9,515,662	16,884,669
	2,104,753	(1,355,375)
<b>Cash Flows Used In Financing Activities</b>		
Preferred share distributions	(243,504)	(265,594)
<b>Net Increase/(Decrease) in Cash during the Period</b>	<b>14,414</b>	(4,465)
CASH, END OF PERIOD	\$ 227,630	\$ 105,702
Dividends received	\$ 174,215	\$ 153,957
Interest received	\$ 204	\$ -

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

# World Financial Split Corp. [WFS.PR.A/WFS]

## Schedule of Investments

As at June 30, 2022 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares
<b>INVESTMENTS</b>				
<b>Canadian Common Shares</b>				
<b>Financials</b>				
Bank of Montreal	3,300	\$ 395,777	\$ 408,474	
Brookfield Asset Management Inc.	8,000	511,117	458,080	
Canadian Imperial Bank of Commerce	6,600	525,889	412,566	
Fairfax Financial Holdings Limited	600	386,708	409,260	
National Bank of Canada	6,500	630,272	549,055	
Royal Bank of Canada	4,400	590,032	548,416	
The Bank of Nova Scotia	6,400	543,737	487,552	
The Toronto-Dominion Bank	6,400	584,130	540,224	
<b>Total Financials</b>		4,167,662	3,813,627	37.3%
<b>Total Canadian Common Shares</b>		\$ 4,167,662	\$ 3,813,627	37.3%
<b>Non-North American Common Shares</b>				
<b>Financials</b>				
Chubb Limited	2,400	\$ 573,288	\$ 608,591	
HSBC Holdings PLC	13,600	599,301	573,143	
Mitsubishi UFJ Financial Group Inc.	52,000	425,925	358,195	
UBS Group AG	26,100	583,552	546,093	
<b>Total Financials</b>		2,182,066	2,086,022	20.5%
<b>Total Non-North American Common Shares</b>		\$ 2,182,066	\$ 2,086,022	20.5%
<b>United States Common Shares</b>				
<b>Financials</b>				
Berkshire Hathaway Inc.	1,800	\$ 657,551	\$ 633,931	
CME Group Inc.	1,500	413,053	396,081	
Loews Corp.	5,500	438,331	420,435	
Marsh & McLennan Cos Inc.	3,800	823,426	761,010	
MetLife Inc.	5,800	511,401	469,779	
The Progressive Corporation	2,700	373,457	404,955	
<b>Total Financials</b>		3,217,219	3,086,191	30.2%
<b>Real Estate</b>				
Prologis, Inc.	4,200	661,498	637,406	6.3%
<b>Total United States Common Shares</b>		\$ 3,878,717	\$ 3,723,597	36.5%
<b>Exchange-Traded Funds</b>				
Premium Income Corporation – Class A	86,400	\$ 630,120	\$ 604,800	5.9%

## Schedule of Investments

As at June 30, 2022 (Unaudited)

	Number of (Contracts)	(Proceeds)	Fair Value	% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares
<b>Forward Exchange Contracts</b>				
Sold USD \$850,000, Bought CAD \$1,063,435 @0.79930 – July 15, 2022			\$ (33,019)	
Sold USD \$1,500,000, Bought CAD \$1,943,250 @0.77190 – August 17, 2022			8,428	
<b>Total Forward Exchange Contracts</b>			\$ (24,591)	(0.2)%
<b>Options</b>				
<b>Written Covered Call Options</b> (100 shares per contract)				
Chubb Limited – July 2022 @\$195	(12)	\$ (8,976)	\$ (8,126)	
HSBC Holdings PLC – July 2022 @\$33	(68)	(6,072)	(5,702)	
MetLife Inc. – July 2022 @\$63	(29)	(5,541)	(1,216)	
The Progressive Corporation – July 2022 @\$115	(14)	(6,270)	(6,140)	
<b>Total Written Covered Call Options</b>		(26,859)	(21,184)	(0.2)%
<b>Total Options</b>		\$ (26,859)	\$ (21,184)	(0.2)%
Adjustment for transaction fees		(5,238)		
<b>TOTAL INVESTMENTS</b>		\$ 10,826,468	\$ 10,182,271	99.8%
<b>OTHER NET ASSETS</b>			15,743	0.2%
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES AND REDEEMABLE PREFERRED SHARES</b>			\$ 10,198,014	100.0%

Notes to Condensed Financial Statements

June 30, 2022 (Unaudited)

1. Basis of Presentation

The semi-annual condensed financial statements for World Financial Split Corp. (the “Fund”) have been prepared in compliance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”).

These semi-annual condensed financial statements follow the same accounting policies and method of application as, and should be read in conjunction with, the most recent audited financial statements for the year ended December 31, 2021.

These condensed financial statements were approved by the Board of Directors on August 17, 2022.

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, 2021.

Credit Risk

As at June 30, 2022 and December 31, 2021, 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, 2022 Financial Liabilities		
	On Demand	< 3 months	Total
Redemptions payable	\$ –	\$ 173,660	\$ –
Derivative liabilities	–	45,775	45,775
Accrued liabilities	–	42,515	42,515
Accrued management fees	–	8,839	8,839
Redeemable Preferred shares	9,121,020	–	9,121,020
Class J shares	100	–	100
Class A shares	1,076,894	–	1,076,894
	\$ 10,198,014	\$ 270,789	\$ 10,468,803

	As at December 31, 2021 Financial Liabilities		
	On Demand	< 3 months	Total
Redemptions payable	\$ –	\$ –	\$ –
Accrued liabilities	–	77,294	77,294
Derivative liabilities	–	69,876	69,876
Accrued management fees	–	11,039	11,039
Redeemable Preferred shares	9,276,340	–	9,276,340
Class J shares	100	–	100
Class A shares	3,185,573	–	3,185,573
	\$ 12,462,013	\$ 158,209	\$ 12,620,222

## Notes to Condensed Financial Statements

June 30, 2022 (Unaudited)

## Market Risk

## (a) Currency Risk

The table below indicates the foreign currencies to which the Fund had significant exposure as at June 30, 2022 and December 31, 2021 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, 2022 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
	\$ (2,825,754)	\$ 5,788,435	\$ 2,962,681	\$ (141,288)	\$ 289,422	\$ 148,134
% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares	(28)%	57%	29%	(1)%	3%	2%
As at December 31, 2021 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
	\$ (4,189,849)	\$ 8,125,196	\$ 3,935,347	\$ (209,492)	\$ 406,260	\$ 196,768
% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares	(34)%	65%	31%	(2)%	3%	1%

Notes to Condensed Financial Statements

June 30, 2022 (Unaudited)

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, 2022	Dec. 31, 2021
Canada	43.1%	33.7%
United States	36.4%	53.1%
Rest of World	20.5%	13.2%
	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, 2022 and December 31, 2021.

	As at June 30, 2022			
	Level 1	Level 2	Level 3	Total
Canadian Common Shares	\$ 3,813,627	\$ –	\$ –	\$ 3,813,627
Non-North American Common Shares	2,086,022	–	–	2,086,022
United States Common Shares	3,723,597	–	–	3,723,597
Exchange-Traded Funds	604,800	–	–	604,800
Forward Exchange Contracts	–	(24,591)	–	(24,591)
Options	(21,184)	–	–	(21,184)
	\$ 10,206,862	\$ (24,591)	\$ –	\$ 10,182,271

	As at December 31, 2021			
	Level 1	Level 2	Level 3	Total
Canadian Common Shares	\$ 3,502,907	\$ –	\$ –	\$ 3,502,907
Non-North American Common Shares	1,630,141	–	–	1,630,141
United States Common Shares	6,547,127	–	–	6,547,127
Exchange-Traded Funds	659,232	–	–	659,232
Forward Exchange Contracts	–	42,541	–	42,541
Options	(64,392)	–	–	(64,392)
	\$ 12,275,015	\$ 42,541	\$ –	\$ 12,317,556

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, 2022 and during the year ended December 31, 2021.

3. Shares

For the six months ended June 30, 2022, cash distributions paid to Preferred shareholders were \$243,504 (June 30, 2021 – \$265,594) representing a payment of \$0.26 (June 30, 2021 – \$0.26) per Preferred share.

## Notes to Condensed Financial Statements

June 30, 2022 (Unaudited)

There were no redemptions of Preferred shares and Class A shares during the six months ended June 30, 2022 (June 30, 2021 – 84,153 Preferred shares and Class A shares were redeemed with a total retraction value of \$1,084,589).

During the six months ended June 30, 2022 and year ended December 31, 2021, share transactions are as follows:

	June 30, 2022	Dec. 31, 2021
<b>Redeemable Preferred Shares</b>		
Shares outstanding, beginning of period	927,634	1,011,787
Shares redeemed	(15,532)	(84,153)
Shares outstanding, end of period	912,102	927,634
<b>Class A Shares</b>		
Shares outstanding, beginning of period	927,634	1,011,787
Shares redeemed	(15,532)	(84,153)
Shares outstanding, end of period	912,102	927,634
<b>Class J Shares</b>		
Shares outstanding, beginning and end of period	100	100

#### 4. Related Party Transactions

##### (a) Management Fees

Total management fees for the six months ended June 30, 2022 were \$60,338 (June 30, 2021 – \$68,082) of which \$8,839 (June 30, 2021 – \$11,605) 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, 2022 were \$10,200 (June 30, 2021 – \$10,521).

##### (c) Independent Review Committee Fees

Total remuneration paid to the external members of the Independent Review Committee for the six months ended June 30, 2022 were \$6,833 (June 30, 2021 – \$4,504).

##### (d) Investment in other Mulvihill Funds

The Fund may invest in units of other funds managed by the Manager. The Fund's ownership interest in Premium Income Corporation – Class A was 0.7 percent as at June 30, 2022 (December 31, 2021 – 0.7 percent).

Notes to Condensed Financial Statements

June 30, 2022 (Unaudited)

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, 2022 and 2021 is disclosed below:

	June 30, 2022	June 30, 2021
Soft Dollars	\$ 3,648	\$ 9,865
Percentage of Total Transaction Fees	49.7%	48.8%

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, 2022 and 2021 is calculated as follows:

	June 30, 2021	June 30, 2022
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares Weighted Average Number of Class A Shares Outstanding during the Period	\$ (2,090,339) 927,548	\$ 1,350,910 1,011,322
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares per Class A Share	\$ (2.2536)	\$ 1.3358

**Investment Funds Managed by  
Mulvihill Capital Management Inc.**

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**EXCHANGE-TRADED FUNDS**

Mulvihill Canadian Bank Enhanced Yield ETF (CBNK)

**MUTUAL FUNDS**

Mulvihill Premium Yield Fund

**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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