
World Financial Split Corp.

Semi-Annual Report 2023



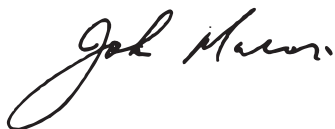
Letter to Shareholders

We are pleased to present the 2023 semi-annual report containing the management report of the fund performance and the unaudited semi-annual condensed financial statements for World Financial Split Corp (the “Fund”).

It has been a remarkable first half of 2023 for markets, and very little has gone exactly as expected. After a difficult 2022 for most global indices and lows for this cycle last October, we entered 2023 with serious concerns about the economy, inflation and interest rates. However, surprisingly good economic releases, better, if not great, inflation, and even expectations that the FED was getting closer to relaxing its tightening policies all led to a renewed bullish sentiment and higher markets. Despite the disruptions caused by the failure of three U.S. banks and the debt ceiling debate, the S&P 500 Index closed the six-month period at a new year-to-date high, generating a total return of 16.9 percent. That number pales in comparison to the NASDAQ-100 Index which returned 39.3 percent, sparked by the earnings from NVIDIA Corp. that sent anything Artificial Intelligence (“AI”) and technology related sharply higher. Closer to home, the S&P/TSX Index which has less exposure to these types of companies, returned 5.8 percent.

The net asset value of the Fund declined 2.4 percent from \$11.15 per Unit at December 31, 2022 to \$10.88 per Unit at June 30, 2023. 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.

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, 2023 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 or by visiting our website at 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, 2023, 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 \$10.17 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, 2023, unchanged from the same period in the prior year. Total expenses were \$0.22 per Unit, down from \$0.23 per Unit during the same period in the prior year. The Fund had a net realized and unrealized gain of \$0.02 per Unit in the first half of 2023 as compared to a net realized and unrealized loss of \$1.94 per Unit for the same period in the prior year.

Net Asset Value

The net asset value decreased 2.4 percent from \$11.15 per Unit at December 31, 2022 to \$10.88 per Unit at June 30, 2023. The net asset value of the Fund, excluding the Redeemable Preferred Share liability, decreased \$0.8 million, from \$10.1 million at December 31, 2022 to \$9.4 million at June 30, 2023, reflecting a decrease in net assets attributable to holders of Class A shares of \$0.0 million, distributions of \$0.2 million and redemptions of Preferred shares of \$0.5 million.

Recent Developments

There were no recent developments pertaining to the Fund during the six months ended June 30, 2023.

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.

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.

Management Report of Fund Performance

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, R. Peter Gillin and Dr. Robert Bell.

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, 2023 is derived from the Fund's unaudited semi-annual condensed financial statements.

	Six months ended June 30, 2023
NET ASSETS PER UNIT	
Net Assets, beginning of period⁽¹⁾	\$ 11.15
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.18
Total expenses	(0.22)
Realized gain (loss) for the period	0.14
Unrealized gain (loss) for the period	(0.12)
Total Increase (Decrease) from Operations⁽²⁾	(0.02)
DISTRIBUTIONS	
Preferred Share	
Non-taxable distributions	(0.26)
Total Distributions⁽³⁾	(0.26)
Net Assets, end of period⁽¹⁾	\$ 10.88

(1) All per Unit figures are derived from the Fund's unaudited condensed financial statements for the six months ended June 30, 2023 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, 2023
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value, excluding the Redeemable Preferred Share Liability (\$millions)	\$ 9.38
Net Asset Value (\$millions)	\$ 0.76
Number of units outstanding	862,417
Management expense ratio ⁽¹⁾	3.69%⁽⁴⁾
Portfolio turnover rate ⁽²⁾	56.13%
Trading expense ratio ⁽³⁾	0.24%⁽⁴⁾
Net Asset Value per Unit ⁽⁵⁾	\$ 10.88
Closing market price – Preferred	\$ 9.00⁽⁶⁾
Closing market price – Class A	\$ 0.92⁽⁷⁾

(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 8.43% for the six months ended June 30, 2023 and 7.88%, 7.64%, 7.66%, 6.79% and 5.98% for the years ended December 31, 2022, 2021, 2020, 2019 and 2018 respectively. The MER, excluding withholding taxes, is 3.58% for the six months ended June 30, 2023 and 3.40%, 3.32%, 2.87%, 2.65% and 2.21% for the years ended December 31, 2022, 2021, 2020, 2019 and 2018 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				
2022	2021	2020	2019	2018
\$ 13.43	\$ 11.55	\$ 13.50	\$ 12.72	\$ 14.85
0.35 (0.44)	0.37 (0.50)	0.36 (0.39)	0.37 (0.42)	0.37 (0.41)
(0.44) (1.24)	1.98 0.58	(1.36) (0.24)	0.22 1.14	0.20 (1.75)
(1.77)	2.43	(1.63)	1.31	(1.59)
(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
\$ 11.15	\$ 13.43	\$ 11.55	\$ 13.50	\$ 12.72

(3) 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.

(4) Distributions to shareholders are based on the number of shares outstanding on the record date for each distribution.

Years ended December 31				
2022	2021	2020	2019	2018
\$ 10.17	\$ 12.46	\$ 11.69	\$ 15.08	\$ 15.10
\$ 1.05	\$ 3.19	\$ 1.57	\$ 3.91	\$ 3.23
912,102	927,634	1,011,787	1,117,014	1,187,743
3.52%	3.56%	3.06%	2.81%	2.38%
141.51%	229.85%	192.10%	201.05%	213.51%
0.16%	0.30%	0.37%	0.41%	0.44%
\$ 11.15	\$ 13.43	\$ 11.55	\$ 13.50	\$ 12.72
\$ 9.38	\$ 9.75	\$ 9.50	\$ 10.05	\$ 9.58
\$ 1.84	\$ 2.90	\$ 1.75	\$ 3.08	\$ 2.07

(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 28, 2023.

(7) The last date with an executed trade was June 12, 2023.

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 $\frac{1}{12}$ 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 $\frac{1}{12}$ 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

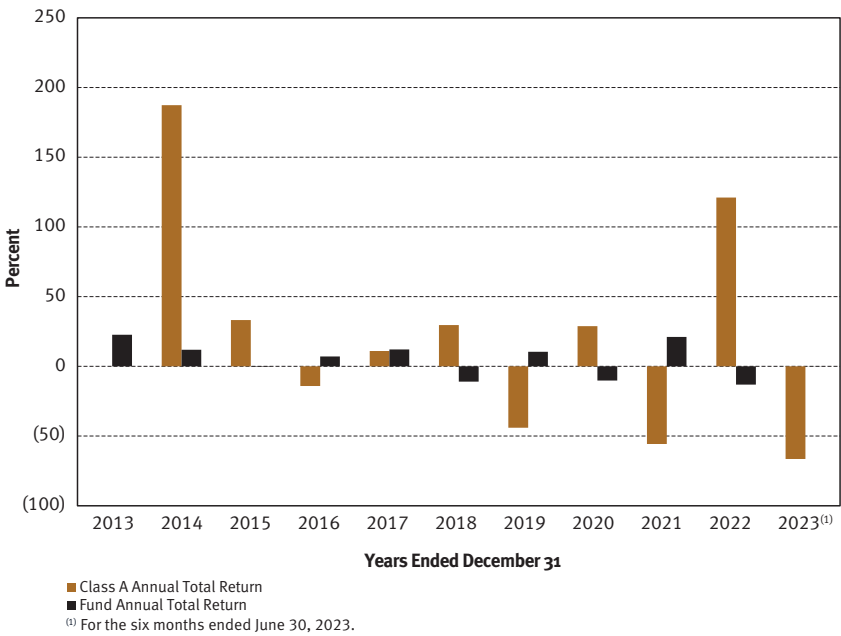
The following chart sets out the Fund's year-by-year past performance. It is important to note that the:

- a. information shown assumes that all distributions made by the Fund during these periods were reinvested in Units of the Fund;
- b. information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns; and
- c. 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, 2023. 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, 2023 for the six months ended.

Total Return



Portfolio Manager Report

It has been a remarkable first half of 2023 for markets, and very little has gone exactly as expected. After a difficult 2022 for most global indices and lows for this cycle last October, we entered 2023 with serious concerns about the economy, inflation and interest rates. However, surprisingly good economic releases, better, if not great, inflation, and even expectations that the FED was getting closer to relaxing its tightening policies all led to a renewed bullish sentiment and higher markets. Despite the disruptions caused by the failure of three U.S. banks and the debt ceiling debate, the S&P 500 Index closed the six-month period at a new year-to-date high, generating a total return of 16.9 percent. Digging deeper however, the top ten weightings in the index accounted for well over 80% of the total return from all members. To put it into context, the S&P 500 Equal Weight Index total return for the six-month period was 7.0 percent (4.6 percent in Canadian dollars), lagging the market capitalization weighted S&P 500 Index by 990 basis points. That number pales in comparison to the NASDAQ-100 Index which returned 39.3 percent, sparked by the earnings from NVIDIA Corp. that sent anything Artificial Intelligence (“AI”) and technology related sharply higher. Closer to home, the S&P/TSX Index which has less exposure to these types of companies, returned 5.8 percent.

For the six months ended June 30, 2023, the net asset value (“NAV”) of the Fund was \$10.88 per Unit compared to \$11.15 per Unit at December 31, 2022. 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, 2023 with a mid-price of \$9.15 per share, while the Class A shares, listed as WFS, closed at a mid-price of \$1.15 per share. When combined, the mid-prices represent a 5.3 percent discount to the NAV per Unit.

The Global Financials equities significantly underperformed the broader market performance during the period with a total return of 3.6 percent (1.3 percent in Canadian dollars). The global financials were weighed down during the period by the failure of three U.S. banks as well as the Swiss government orchestrating the acquisition of Credit Suisse AG by UBS Group AG. The total return of the Fund, including reinvestment of distributions, for the six months ended June 30, 2023 was negative 0.1 percent per Unit. The best performing stock within the portfolio was Fairfax Financial Holdings Limited, up 25.8 percent during the period. At the other end of the spectrum, The Charles Schwab Corporation was the worst performing stock in the portfolio, down 31.3 percent while held in the Fund.

Volatility levels for Global Financial Services companies declined for the most part during the first half of 2023 as the stock prices stabilized. The CBOE Volatility Index (“VIX”) started the year at 21.7 and closed at 13.6 on June 30, 2023, averaging 18.6 in the first half of 2023. For the six-month period ended June 30, 2023, the Fund has on average 3.2 percent and 2.5 percent of the portfolio subject to covered calls and written puts respectively, compared to 4.2 percent and zero 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.

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.

Management Report of Fund Performance

Asset Mix

June 30, 2023

	% OF NET ASSET VALUE*
Canada	53.9%
United States	33.7%
International	11.1%
Cash	7.3%
Other Assets (Liabilities)	(6.0)%
	100.0%

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

Portfolio Holdings

June 30, 2023

	% OF NET ASSET VALUE*
Cash	7.3%
Great-West Lifeco Inc.	6.4%
Manulife Financial Corporation	6.2%
Morgan Stanley	6.0%
Sun Life Financial Inc.	6.0%
Royal Bank of Canada	5.9%
Intact Financial Corporation	5.7%
National Bank of Canada	5.4%
Choe Global Markets, Inc.	5.3%
The Toronto-Dominion Bank	4.6%
Mitsubishi UFJ Financial Group, Inc.	4.4%
Canadian Imperial Bank of Commerce	4.1%
Berkshire Hathaway Inc.	3.8%
Brookfield Corporation	3.8%
Fairfax Financial Holdings Limited	3.7%
ING Groep N.V.	3.7%
Prologis, Inc.	3.6%
JPMorgan Chase & Co.	3.3%
Intercontinental Exchange, Inc.	3.2%
MetLife, Inc.	3.2%
The Charles Schwab Corporation	3.2%
Chubb Limited	3.0%
Marsh & McLennan Companies, Inc.	2.1%
Premium Income Corporation – Preferred	2.1%

* 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.

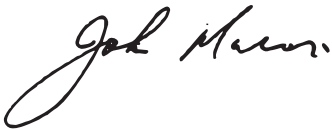
Management's Responsibility for Financial Reporting

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 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, 2022.

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 16, 2023

Notice to Shareholders

The accompanying unaudited Condensed Financial Statements for the six months ended June 30, 2023 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, 2023 (Unaudited) and December 31, 2022 (Audited)

	Note	2023	2022
ASSETS			
Financial assets at fair value through profit or loss	2	\$ 9,255,386	\$ 10,090,848
Derivative assets	2	21,653	—
Dividends receivable		11,932	16,854
Cash		681,784	174,865
TOTAL ASSETS		9,970,755	10,282,567
LIABILITIES			
Accrued management fees	4	8,804	9,342
Accrued liabilities		40,303	76,599
Derivative liabilities	2	—	22,669
Redemptions payable		540,463	—
Redeemable Preferred shares		8,624,170	9,121,020
Class J shares		100	100
TOTAL LIABILITIES		9,213,840	9,229,730
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES		\$ 756,915	\$ 1,052,837
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE		\$ 0.8777	\$ 1.1543

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	2023	2022
INCOME			
Dividend income		\$ 160,240	\$ 167,768
Interest income		7,495	204
Net realized gain/(loss) on investments at fair value through profit or loss		18,893	(40,398)
Net realized gain on options at fair value through profit or loss		131,922	104,019
Net realized loss on forward exchange contracts at fair value through profit or loss		(25,391)	(17,737)
Net change in unrealized (loss) on investments at fair value through profit or loss		(106,918)	(1,850,659)
TOTAL INCOME/(LOSS), NET		186,241	(1,636,803)
EXPENSES			
Management fees	4	54,683	60,338
Service fees		—	6,644
Administrative and other expenses		44,478	52,725
Transaction fees	5	12,229	7,336
Custodian fees		21,427	19,636
Audit fees		19,102	18,864
Director fees	4	10,200	10,200
Independent review committee fees	4	5,661	6,833
Legal fees		6,115	—
Shareholder reporting costs		4,761	6,912
Harmonized sales tax		14,602	13,660
Withholding taxes		5,865	6,884
TOTAL EXPENSES		199,123	210,032
OPERATING (LOSS)		(12,882)	(1,846,835)
Preferred share distributions	3	(239,427)	(243,504)
DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES	6	\$ (252,309)	\$ (2,090,339)
DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE	6	\$ (0.2767)	\$ (2.2536)

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)

	2023	2022
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, BEGINNING OF PERIOD	\$ 1,052,837	\$ 3,185,573
Decrease in Net Assets Attributable to Holders of Class A Shares	(252,309)	(2,090,339)
Class A Share Capital Transactions		
Value for Class A shares redeemed	(43,613)	(18,340)
Changes in Net Assets Attributable to Holders of Class A Shares during the Period	(295,922)	(2,108,679)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, END OF PERIOD	\$ 756,915	\$ 1,076,894

Statements of Cash Flows

Six months ended June 30 (Unaudited)

	2023	2022
CASH, BEGINNING OF PERIOD	\$ 174,865	\$ 213,216
Cash Flows Provided By (Used In) Operating Activities		
Operating Loss	(12,882)	(1,846,835)
Adjustments to Reconcile Net Cash Provided By (Used In) Operating Activities		
Net realized gain/(loss) on investments at fair value through profit or loss	(18,893)	40,398
Net realized gain on options at fair value through profit or loss	(131,922)	(104,019)
Net realized loss on forward exchange contracts at fair value through profit or loss	25,391	17,737
Net change in unrealized loss on investments at fair value through profit or loss	106,918	1,850,659
Net change in unrealized (gain)/loss on foreign cash	(10,819)	1,374
Decrease in dividends receivable	4,922	6,447
Decrease in accrued management fees and accrued liabilities	(36,834)	(36,979)
Purchase of investment securities	(5,228,560)	(9,186,526)
Proceeds from disposition of investment securities	6,049,025	9,515,662
	759,228	2,104,753
Cash Flows Used In Financing Activities		
Preferred share distributions	(239,427)	(243,504)
Net Increase in Cash during the Period	506,919	14,414
CASH, END OF PERIOD	\$ 681,784	\$ 227,630
Dividends received, net of withholding taxes	\$ 159,297	\$ 174,215
Interest received	\$ 7,495	\$ 204

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

Schedule of Investments

As at June 30, 2023 (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				
Brookfield Corporation	8,000	\$ 418,826	\$ 356,800	
Canadian Imperial Bank of Commerce	6,800	429,183	384,608	
Fairfax Financial Holdings Limited	350	297,231	347,302	
Great-West Lifeco Inc.	15,700	576,370	603,980	
Intact Financial Corporation	2,600	518,261	531,805	
Manulife Financial Corporation	23,200	586,149	580,928	
National Bank of Canada	5,100	496,810	503,370	
Royal Bank of Canada	4,400	574,255	556,688	
Sun Life Financial Inc.	8,100	543,142	559,386	
The Toronto-Dominion Bank	5,200	468,469	426,972	
Total Financials		4,908,696	4,851,839	51.8%
Total Canadian Common Shares		\$ 4,908,696	\$ 4,851,839	51.8%
Non-North American Common Shares				
Financials				
Chubb Limited	1,100	\$ 277,479	\$ 280,284	
ING Groep N.V.	19,600	346,603	349,352	
Mitsubishi UFJ Financial Group, Inc.	42,500	391,444	414,472	
Total Financials		1,015,526	1,044,108	11.1%
Total Non-North American Common Shares		\$ 1,015,526	\$ 1,044,108	11.1%
United States Common Shares				
Financials				
Berkshire Hathaway Inc.	800	\$ 320,481	\$ 360,980	
Cboe Global Markets, Inc.	2,700	473,844	493,075	
The Charles Schwab Corporation	4,000	390,979	300,005	
Intercontinental Exchange, Inc.	2,000	295,921	299,264	
JPMorgan Chase & Co.	1,600	289,264	307,924	
Marsh & McLennan Companies, Inc.	800	173,353	199,100	
MetLife, Inc.	4,000	349,575	299,211	
Morgan Stanley	5,000	587,312	565,024	
Total Financials		\$ 2,880,729	\$ 2,824,583	30.1%
Real Estate				
Prologis, Inc.	2,100	\$ 340,459	\$ 340,765	3.6%
Total United States Common Shares		\$ 3,221,188	\$ 3,165,348	33.7%
Exchange-Traded Funds				
Premium Income Corporation – Preferred	14,240	\$ 202,969	\$ 194,091	2.1%

Schedule of Investments

As at June 30, 2023

	Number of (Contracts)	Average (Proceeds)	Fair Value	% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares
Forward Exchange Contracts				
Sold USD \$1,750,000, Bought CAD \$2,371,250 @0.73801 – July 27, 2023			\$ 56,376	
Total Forward Exchange Contracts			\$ 56,376	0.6%
Options				
Written Covered Call Options (100 shares per contract)				
Charles Schwab Corp. – July 2023 @ \$57.5	(40)	\$ (7,597)	\$ (8,548)	
JPMorgan Chase & Co. – July 2023 @ \$140	(16)	(5,149)	(12,650)	
Morgan Stanley – July 2023 @ \$85	(25)	(6,001)	(7,675)	
Total Written Covered Call Options		(18,747)	(28,873)	(0.3)%
Written Covered Put Options (100 shares per contract)				
BlackRock Inc. – July 2023 @ \$670	(3)	\$ (8,456)	\$ (3,255)	
JPMorgan Chase & Co. – July 2023 @ \$140	(16)	(6,909)	(2,467)	
Sun Life Financial Inc. – July 2023 @ \$67	(8)	(560)	(128)	
Total Written Covered Put Options		(15,925)	(5,850)	(0.1)%
Total Options		\$ (34,672)	\$ (34,723)	(0.4)%
Adjustment for transaction fees		(8,143)		
TOTAL INVESTMENTS		\$ 9,305,564	\$ 9,277,039	98.9%
OTHER NET ASSETS			104,146	1.1%
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES AND REDEEMABLE PREFERRED SHARES			\$ 9,381,185	100.0%

Notes to Condensed Financial Statements

June 30, 2023 (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, 2022.

These condensed financial statements were approved by the Board of Directors on August 16, 2023.

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, 2022.

Credit Risk

As at June 30, 2023 and December 31, 2022, 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, 2023 Financial Liabilities			
	On Demand	< 3 months	Total
Accrued liabilities	\$ —	\$ 40,303	\$ 40,303
Accrued management fees	—	8,804	8,804
Redemptions payable	—	540,463	540,463
Redeemable Preferred shares	8,624,170	—	8,624,170
Class J shares	100	—	100
Class A shares	756,915	—	756,915
	\$ 9,381,185	\$ 589,570	\$ 9,970,755

As at December 31, 2022 Financial Liabilities			
	On Demand	< 3 months	Total
Accrued liabilities	\$ —	\$ 76,599	\$ 76,599
Derivative liabilities	—	22,669	22,669
Accrued management fees	—	9,342	9,342
Redeemable Preferred shares	9,121,020	—	9,121,020
Class J shares	100	—	100
Class A shares	1,052,837	—	1,052,837
	\$ 10,173,957	\$ 108,610	\$ 10,282,567

Notes to Condensed Financial Statements

June 30, 2023 (Unaudited)

Market Risk

(a) Currency Risk

The table below indicates the foreign currencies to which the Fund had significant exposure as at June 30, 2023 and December 31, 2022 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, 2023 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
	\$ (1,743,376)	\$ 4,209,457	\$ 2,466,081	\$ (87,169)	\$ 210,473	\$ 123,304

% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares	(19)%	45%	26%	(0.9)%	2.2%	1.3%
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	As at December 31, 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
	\$ (2,952,191)	\$ 5,781,928	\$ 2,829,737	\$ (147,610)	\$ 289,096	\$ 141,487

% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares	(29)%	57%	28%	(2)%	3%	1%
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(b) Price Risk

Approximately 99 percent (December 31, 2022 – 99 percent) of the Fund's net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, held at June 30, 2023 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at June 30, 2023, the net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, would have increased or decreased by \$0.5 million (December 31, 2022 – \$0.5 million) respectively or 4.9 percent (December 31, 2022 – 5.0 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:

Notes to Condensed Financial Statements

June 30, 2023 (Unaudited)

	June 30, 2023	Dec. 31, 2022
Canada	54.7%	42.7%
United States	34.1%	47.5%
Rest of World	11.2%	9.8%
	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, 2023 and December 31, 2022.

As at June 30, 2023				
	Level 1	Level 2	Level 3	Total
Canadian Common Shares	\$ 4,851,839	\$ –	\$ –	\$ 4,851,839
Non-North American Common Shares	1,044,108	–	–	1,044,108
United States Common Shares	3,165,348	–	–	3,165,348
Exchange-Traded Funds	194,091	–	–	194,091
Forward Exchange Contracts	–	56,376	–	56,376
Options	(34,723)	–	–	(34,723)
	\$ 9,220,663	\$ 56,376	\$ –	\$ 9,277,039

As at December 31, 2022				
	Level 1	Level 2	Level 3	Total
Canadian Common Shares	\$ 4,124,370	\$ –	\$ –	\$ 4,124,370
Non-North American Common Shares	989,048	–	–	989,048
United States Common Shares	4,792,880	–	–	4,792,880
Exchange-Traded Funds	184,550	–	–	184,550
Forward Exchange Contracts	–	(8,523)	–	(8,523)
Options	(14,146)	–	–	(14,146)
	\$ 10,076,702	\$ (8,523)	\$ –	\$ 10,068,179

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, 2023 and during the year ended December 31, 2022.

3. Shares

For the six months ended June 30, 2023, cash distributions paid to Preferred shareholders were \$239,427 (June 30, 2022 – \$243,504) representing a payment of \$0.26 (June 30, 2022 – \$0.26) per Preferred share.

During the six months ended June 30, 2023, 49,685 (June 30, 2022 – none) Preferred shares and Class A shares were redeemed with a total retraction value of \$540,463 (June 30, 2022 – \$nil).

During the six months ended June 30, 2023 and year ended December 31, 2022, share transactions are as follows:

Notes to Condensed Financial Statements

June 30, 2023 (Unaudited)

	June 30, 2023	Dec. 31, 2022
Redeemable Preferred Shares		
Shares outstanding, beginning of period	912,102	927,634
Shares redeemed	(49,685)	(15,532)
Shares outstanding, end of period	862,417	912,102
Class A Shares		
Shares outstanding, beginning of period	912,102	927,634
Shares redeemed	(49,685)	(15,532)
Shares outstanding, end of period	862,417	912,102
Class J Shares		
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, 2023 were \$54,683 (June 30, 2022 – \$60,338) of which \$8,804 (December 31, 2022 – \$9,342) 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, 2023 were \$10,200 (June 30, 2022 – \$10,200).

(c) Independent Review Committee Fees

Total remuneration paid to the external members of the Independent Review Committee for the six months ended June 30, 2023 were \$5,661 (June 30, 2022 – \$6,833).

(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 – Preferred Shares was 0.1 percent as at June 30, 2023 (December 31, 2022 – 0.4 percent).

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, 2023 and 2022 is disclosed below:

	June 30, 2023	June 30, 2022
Soft Dollars	\$ 8,607	\$ 3,648
Percentage of Total Transaction Fees	70.4%	49.7%

Notes to Condensed Financial Statements

June 30, 2023 (Unaudited)

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, 2023 and 2022 is calculated as follows:

	June 30, 2023	June 30, 2022
Decrease in Net Assets Attributable to Holders of Class A Shares	\$ (252,309)	\$ (2,090,339)
Weighted Average Number of Class A Shares Outstanding during the Period	911,829	927,548
Decrease in Net Assets Attributable to Holders of Class A Shares per Class A Share	\$ (0.2767)	\$ (2.2536)

Investment Funds Managed by Mulvihill Capital Management Inc.

EXCHANGE-TRADED FUNDS

Mulvihill Canadian Bank Enhanced Yield ETF (CBNK)

Mulvihill Premium Yield ETF (MPY)

Mulvihill U.S. Health Care Enhanced Yield ETF (XLVE)

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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