



World Financial

Split Corp.

Fact Sheet

March 31, 2024

Fund Data

Inception date:	February 17, 2004
Ticker (Preferred / Class A share):	WFS.PR.A / WFS
Units outstanding:	862,417 Units
Total Net Asset Value ⁽¹⁾	\$10.8 mm
NAV Per Preferred Share ⁽¹⁾ :	\$10.00
NAV Per Class A Share ⁽¹⁾ :	\$2.50
Total Market Capitalization	\$9.9 mm
Market price Per Preferred Share	\$9.32
Market price Per Class A Share	\$2.17
Management fee:	1.10% p.a.

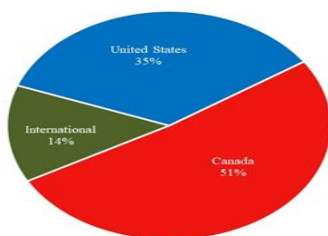
Distributions (Class A & Preferred share)

Class A distribution:	See Note 2
Preferred distribution:	\$0.13125
Distribution frequency:	Quarterly
Current Preferred Yield ⁽³⁾ :	5.6%
Cumulative Class A distributions:	\$5.54
Cumulative Preferred distributions:	\$10.56

Top Ten Holdings

JPMorgan Chase & Co	6.3%
Manulife Financial Corp	6.1%
Royal Bank of Canada	5.9%
Cash & Short Term	5.6%
National Bank of Canada	5.1%
Canadian Imperial Bank of Commerce	5.1%
Brookfield Corp	5.0%
Sun Life Financial Inc	4.9%
Mitsubishi UFJ Financial Group Inc	4.6%
Great-West Lifeco Inc	4.4%

Sector Allocation⁽⁴⁾



Fund Overview

The Fund is a split share corporation which invests in common equity securities selected from the ten largest financial services companies by market capitalization in each of Canada, the United States and the Rest of the World. The Fund utilizes 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.

Objectives

The fund's investment objectives are:

- to provide holders of Preferred shares with fixed cumulative preferential quarterly cash distributions in the amount of \$0.13125 per Preferred share representing a yield on the issue price of the Preferred shares of 5.25% per annum;
- to provide holders of Class A shares with quarterly cash distributions targeted to be 8.0% per annum; and
- to return the issue price to holders of both Preferred Shares and Class A Shares at the time of redemption of such shares on the termination date.

Rationale

The preferred shares are appropriate for an investor looking for a more secure investment than common equities with a high level of income. The Class A shares are appropriate for an investor seeking a highly leveraged play on the global financial services industry.

Portfolio Manager Commentary – March 2024

As of March 28, 2024, the Net Asset Value ("NAV") of a combined unit (WFS.PR.A + WFS) was \$12.50 versus \$11.51 on December 29, 2023. Preferred shareholders received a distribution of \$0.13125 per share, while the distribution for the Class A share remains suspended in accordance with the terms of the prospectus as the NAV per unit was less than \$15.00.

The Fund's two share classes are listed on the Toronto Stock Exchange as WFS.PR.A and WFS. The preferred shares closed on March 28, 2024 at \$9.32, while the Class A shares closed with a mid-price of \$2.17. Combined, this represents an 8.1% discount to the NAV.

North American equity markets continued their strong run in the first quarter of 2024 after recovering in late October 2023 when the U.S. Federal Reserve Board announced it had finished raising rates. For the first quarter of 2024, the S&P/TSX Composite Index generated a total return of 6.6% while the S&P 500 Index generated a total return of 10.6%. Markets continued to broaden out in the first quarter with Health Care and Energy stocks outperforming in Canada while Communication Services and Energy stocks outperformed south of the border.

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notes:

(1) As at March 31, 2024

(2) Distributions on the Class A shares have been suspended in accordance with the Prospectus as the NAV per Unit is less than \$15.00

(3) Calculated as most recent distribution annualized divided by market price on March 31, 2024

(4) Calculated as percent of gross assets not including other liabilities

Portfolio Manager Commentary – cont'd

During the first quarter, the Global Financials companies outperformed the broader markets with a total return of 10.4% in U.S. dollar terms and 13.1% in Canadian dollar terms. Stocks held within the portfolio had varying returns led by Mitsubishi UFJ Financial, which had a total return of 22.0% in Canadian dollar terms. At the other end of the spectrum, The Toronto-Dominion Bank lagged, declining 3.4% during the period.

Volatility, as measured by the CBOE Volatility Index (“VIX”), traded in a narrow range of 12.4 to 15.9 in the first quarter, indicating sustained low volatility and some complacency across the broader market. For the first quarter of 2024, the fund had on average 1.0% of the portfolio subject to written covered calls compared to nil during the previous quarter.

The Fund had an average cash position of 2.0% during the quarter versus 4.6% during the previous quarter. The U.S. dollar exposure was actively hedged throughout the period and ended the quarter approximately 50% hedged back into Canadian dollars.

Manager

- ✓ Mulvihill Capital Management Inc., experienced issuer with 4 listed closed-end funds, three exchange traded funds (“ETF”) and one mutual fund
- ✓ One of Canada’s most experienced option strategy managers, with over 27 years of investment management experience in Canada
- ✓ Proprietary selective call writing strategy utilized to enhance income generated from the portfolio and reduce volatility

Forward Looking Information and Disclaimer

This document may contain certain forward-looking statements. These statements may relate to future events or future performance and reflect management's current expectations. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Neither the Funds nor their respective managers assume any obligation to update or revise any forward-looking statement to reflect new events or circumstances. Actual results may differ materially from any forward-looking statement. Historical results and trends should not be taken as indicative of future operations. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated. Unless otherwise indicated and except for returns for period less than one year, the indicated rates of return are the historical annual compounded total returns including changes in security value. All performance data take into account distributions or dividends paid to unitholders but do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns.



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