
World Financial Split Corp.

Semi-Annual Report 2021

Letter to Shareholders

We are pleased to present the 2021 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 2021 was marked by continued strength in North American equity markets which closed at or near all-time highs on expectations the rollout of vaccines around the world will lead to strong global GDP growth and corporate earnings into 2022. Central banks remained committed to a policy of monetary easing in spite of stronger economic growth and inflation numbers while governments continue to pass significant stimulus packages despite substantial deficits.

During the six months ended June 30, 2021, 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. The Fund’s total return per Unit and per Class A share, including reinvestment of distributions, was 13.9 percent and 86.0 percent respectively for the period. The net asset value increased 11.6 percent from \$11.55 per Unit at December 31, 2020 to \$12.89 per Unit at June 30, 2021. The net realized gain on options attributable to Strathbridge Selective Overwriting strategy (see “The Fund”) amounted to \$0.20 per Unit during the period compared to a net realized gain on options of \$0.60 per Unit a year ago. For a more detailed review of the operations of the Fund, please see the Results of Operations and the Portfolio Manager Report sections.

We thank all shareholders for their continued support and encourage shareholders to review the detailed information contained within the semi-annual report.



John P. Mulvihill
Chairman & CEO
Strathbridge Asset Management Inc.

The Fund

The Fund is a split share corporation designed to provide Preferred shareholders with fixed cumulative preferential quarterly distributions and the Class A shareholders with 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 Strathbridge Funds (provided that no more than 15 percent of the net asset value of the Fund may be invested in securities of other Strathbridge Funds) that provide exposure to such securities.

The Fund employs a proprietary investment strategy, Strathbridge Selective Overwriting (“SSO”), to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

The SSO strategy is a quantitative, technical based methodology that identifies appropriate times to write and/or close out option positions compared to writing continuously and rolling options every thirty days. This proprietary process has been developed over many years through various market cycles. The Manager believes the primary benefit to investors is to maximize the total return of the Fund while reducing the level of 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, 2021 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, 2021, 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 \$9.12 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, 2021, up from \$0.16 per Unit from last year. Total expenses were \$0.25 per Unit, up from \$0.21 per Unit from a year ago. Commencing in 2021, the Fund set up accruals for major expenses which resulted in increased per Unit expenses compared to the prior period. The Fund had a net realized and unrealized gain of \$1.67 per Unit in the first half of 2021 as compared to a net realized and unrealized loss of \$2.78 per Unit a year earlier.

Net Asset Value

The net asset value increased 11.6 percent from \$11.55 per Unit at December 31, 2020 to \$12.89 per Unit at June 30, 2021. The aggregate net asset value of the Fund increased \$0.3 million, from \$11.7 million at December 31, 2020 to \$12.0 million at June 30, 2021, reflecting an increase in net assets attributable to holders of Class A shares of \$1.4 million and annual (both Class A and Preferred shares) redemptions of \$1.1 million.

Management Report of Fund Performance

Recent Developments

There were no recent developments pertaining to the Fund during the six months ended June 30, 2021.

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 Michael M. Koerner, 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, 2021 is derived from the Fund's unaudited semi-annual financial statements.

	Six months ended June 30, 2021	
NET ASSETS PER UNIT		
Net Assets, beginning of period⁽¹⁾	\$	11.55
INCREASE (DECREASE) FROM OPERATIONS		
Total revenue		0.18
Total expenses		(0.25)
Realized gain (loss) for the period		1.32
Unrealized gain (loss) for the period		0.35
Total Increase (Decrease) from Operations⁽²⁾		1.60
DISTRIBUTIONS		
Preferred Share		
Non-taxable distributions		(0.26)
Total Distributions⁽³⁾		(0.26)
Net Assets, end of period⁽¹⁾	\$	12.89

(1) All per Unit figures are derived from the Fund's unaudited financial statements for the six months ended June 30, 2021 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, 2021	
RATIOS/SUPPLEMENTAL DATA		
Net Asset Value, excluding the Redeemable Preferred Share liability (\$millions)	\$	11.96
Net Asset Value (\$millions)	\$	2.68
Number of Units outstanding		927,634⁽⁴⁾
Management expense ratio ⁽¹⁾		3.69%⁽⁴⁾
Portfolio turnover rate ⁽²⁾		132.97%⁽⁴⁾
Trading expense ratio ⁽³⁾		0.32%⁽⁴⁾
Net Asset Value per Unit ⁽⁵⁾	\$	12.89
Closing market price – Preferred	\$	9.85⁽⁶⁾
Closing market price – Class A	\$	2.76⁽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, including Preferred share distributions, is 7.89%, 7.66%, 6.79%, 5.98%, 6.00% and 6.44% for 2021, 2020, 2019, 2018, 2017 and 2016, respectively. The MER for 2021, 2020, 2019, 2018, 2017 and 2016, excluding withholding taxes, is 3.47%, 2.87%, 2.65%, 2.21%, 2.07% and 2.09% 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				
		2020	2019	2018	2017	2016
	\$	13.50	\$ 12.72	\$ 14.85	\$ 13.74	\$ 13.37
		0.36	0.37	0.37	0.49	0.37
		(0.39)	(0.42)	(0.41)	(0.38)	(0.34)
		(1.36)	0.22	0.20	2.20	(0.63)
		(0.24)	1.14	(1.75)	(0.69)	1.43
		(1.63)	1.31	(1.59)	1.62	0.83
		(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
		(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
	\$	11.55	\$ 13.50	\$ 12.72	\$ 14.85	\$ 13.74

(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				
		2020	2019	2018	2017	2016
	\$	11.69	\$ 15.08	\$ 15.10	\$ 30.60	\$ 28.92
	\$	1.57	\$ 3.91	\$ 3.23	\$ 9.99	\$ 7.87
		1,011,787	1,117,014	1,187,743	2,060,607	2,105,115
		3.06%	2.81%	2.38%	2.29%	2.27%
		192.10%	201.05%	213.51%	259.88%	307.48%
		0.37%	0.41%	0.44%	0.39%	0.43%
	\$	11.55	\$ 13.50	\$ 12.72	\$ 14.85	\$ 13.74
	\$	9.50	\$ 10.05	\$ 9.58	\$ 10.23	\$ 10.00
	\$	1.75	\$ 3.08	\$ 2.07	\$ 4.30	\$ 3.76

(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, 2021.

(7) The last date with an executed trade was June 29, 2021.

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

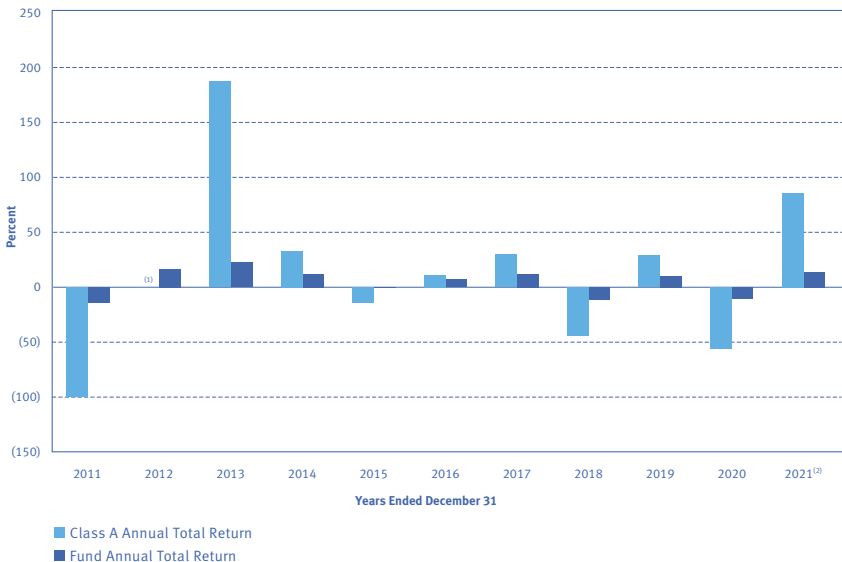
The following chart sets out the Fund’s year-by-year past performance. It is important to note that the:

- 1) information shown assumes that all distributions 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, 2021. 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, 2021 for the six months ended.

Total Return



⁽¹⁾ 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.
⁽²⁾ For six months ended June 30, 2021.

Management Report of Fund Performance

Portfolio Manager Report

The first half of 2021 was marked by continued strength in North American equity markets which closed at or near all-time highs on expectations the rollout of vaccines around the world will lead to strong global GDP growth and corporate earnings into 2022. Central banks remained committed to a policy of monetary easing in spite of stronger economic growth and inflation numbers while governments continue to pass significant stimulus packages despite substantial deficits.

For the six months ended June 30, 2021, the net asset value (“NAV”) of the Fund was \$12.89 per Unit compared to \$11.55 per Unit at December 31, 2020. 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, 2021 with a mid-price of \$9.92 per share, while the Class A shares, listed as WFS, closed at a mid-price of \$2.85 per share. When combined, the closing prices represent a 0.9 percent discount to the NAV per Unit.

The Fund’s total return per Unit and per Class A share, including reinvestment of distributions, for the six months ended June 30, 2021 was 13.9 percent and 86.0 percent respectively. The best performing stock within the portfolio was Bank of Montreal, up 34.0 percent during the period. At the other end of the spectrum, The Progressive Corporation, was the worst performing stock in the portfolio, down 9.3 percent while held in the Fund.

Volatility levels for Global Financial Services companies declined during the first half of the year as the stock prices moved higher. However, volatility remained elevated relative to historical levels. As a result, the covered call writing activity was lower in the first half with an average of 11.6 percent of the portfolio subject to covered calls compared to 22.8 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.strathbridge.com.

Asset Mix

June 30, 2021

	% of Net Asset Value*
United States	62.2 %
Canada	25.2 %
International	21.2 %
Cash	0.9 %
Other Assets (Liabilities)	(9.5)%
	100.0 %

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

Top 25 Holdings

June 30, 2021

	% of Net Asset Value*
U.S. Bancorp	7.4 %
Bank of America Corporation	6.5 %
Bank of Montreal	6.5 %
JPMorgan Chase & Co.	6.4 %
Berkshire Hathaway Inc.	6.3 %
BlackRock, Inc.	5.9 %
The Charles Schwab Corporation	5.7 %
Banco Bilbao Vizcaya Argentaria SA	5.3 %
Canadian Imperial Bank of Commerce	5.3 %
Prologis, Inc.	4.3 %
Westpac Banking Corporation	4.3 %
Prudential Financial, Inc.	4.3 %
Cboe Global Markets, Inc.	4.2 %
HSBC Holdings plc	4.2 %
The Toronto-Dominion Bank	4.1 %
National Bank of Canada	3.9 %
First Republic Bank	3.9 %
Banco Santander, S.A.	3.8 %
CME Group Inc.	3.8 %
UBS Group AG	3.6 %
Brookfield Asset Management Inc.	3.6 %
Northern Trust Corporation	3.5 %
Top 10 Split Trust – Preferred	1.8 %
Cash	0.9 %
Brookfield Asset Management Reinsurance Partners Ltd.	0.0 %

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

Management Report of Fund Performance

Forward-Looking Statements

This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund's views to change, the Fund does not undertake to update any forward-looking statements.

Management’s Responsibility for Financial Reporting

The accompanying condensed financial statements of World Financial Split Corp. (the “Fund”) and all the information in this semi-annual report are the responsibility of the management of Strathbridge Asset Management Inc. (the “Manager”) and have been approved by the Fund’s Board of Directors (the “Board”).

The condensed financial statements have been prepared by management in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this semi-annual report is consistent with the condensed financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the annual financial statements for the year ended December 31, 2020.

The Manager is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The Audit Committee meets periodically with management and the independent auditor to discuss internal controls, the financial reporting process, various auditing and financial reporting matters, and to review the annual report, the financial statements and the independent auditor’s report. Deloitte LLP, the Fund’s independent auditor, has full and unrestricted access to the Audit Committee and the Board.



John P. Mulvihill
Director
Strathbridge Asset Management Inc.



John D. Germain
Director
Strathbridge Asset Management Inc.

August 6, 2021

Notice to Shareholders

The accompanying unaudited Condensed Financial Statements for the six months ended June 30, 2021 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, 2021 (Unaudited) and December 31, 2020 (Audited)

	Note	June 30, 2021	Dec. 31, 2020
ASSETS			
Financial assets at fair value through profit or loss	2	\$ 12,985,579	\$ 11,599,867
Derivative assets	2	41,641	26,366
Dividends receivable		28,675	14,547
Cash		105,702	110,167
TOTAL ASSETS		13,161,597	11,750,947
LIABILITIES			
Redemptions payable		1,084,589	–
Derivative liabilities	2	65,444	–
Accrued liabilities		44,323	51,025
Accrued management fees	4	11,605	10,607
Redeemable Preferred shares		9,276,340	10,117,870
Class J shares		100	100
TOTAL LIABILITIES		10,482,401	10,179,602
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES		\$ 2,679,196	\$ 1,571,345
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE		\$ 2.8882	\$ 1.5531

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	2021	2020
INCOME			
Dividend income		\$ 181,800	\$ 174,050
Interest income		–	1,102
Net realized gain/(loss) on investments at fair value through profit or loss		994,499	(1,601,875)
Net realized gain on options at fair value through profit or loss		199,425	673,841
Net realized gain/(loss) on forward exchange contracts at fair value through profit or loss		137,670	(203,691)
Net change in unrealized gain/(loss) on investments at fair value through profit or loss		356,656	(1,972,233)
TOTAL INCOME/(LOSS), NET		1,870,050	(2,928,806)
EXPENSES			
Management fees	4	68,082	66,826
Service fees		5,385	–
Administrative and other expenses		66,548	50,766
Transaction fees	5	20,233	26,982
Custodian fees		19,189	19,559
Audit fees		20,076	18,593
Director fees	4	10,521	10,200
Independent review committee fees	4	4,504	4,167
Legal fees		1,740	1,363
Shareholder reporting costs		6,791	6,949
Harmonized sales tax		16,762	14,768
Withholding taxes		13,715	10,605
TOTAL EXPENSES		253,546	230,778
OPERATING PROFIT/(LOSS)		1,616,504	(3,159,584)
Preferred share distributions	3	(265,594)	(293,216)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES	6	\$ 1,350,910	\$ (3,452,800)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE	6	\$ 1.3358	\$ (3.0927)

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)

	2021	2020
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, BEGINNING OF YEAR	\$ 1,571,345	\$ 3,910,504
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares	1,350,910	(3,452,800)
Class A Share Transactions		
Value for Class A shares redeemed	(243,059)	(43,122)
Changes in Net Assets Attributable to Holders of Class A Shares during the Period	1,107,851	(3,495,922)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, END OF PERIOD	\$ 2,679,196	\$ 414,582

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

Statements of Cash Flows

Six months ended June 30 (Unaudited)

	2021	2020
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$ 110,167	\$ 597,273
Cash Flows Provided By (Used In) Operating Activities		
Operating Profit/(Loss)	1,616,504	(3,159,584)
Adjustments to Reconcile Net Cash Provided By (Used In) Operating Activities		
Net realized gain/(loss) on investments at fair value through profit or loss	(994,499)	1,601,875
Net realized gain on options at fair value through profit or loss	(199,425)	(673,841)
Net realized (gain)/loss on forward exchange contracts at fair value through profit or loss	(137,670)	203,691
Net change in unrealized (gain)/loss on investments at fair value through profit or loss	(356,656)	1,972,233
Net change in unrealized (gain)/loss on foreign cash	(730)	882
Increase in dividends receivable	(14,128)	(6,555)
Increase/(decrease) in accrued management fees, accrued liabilities and due to brokers – investments	(5,704)	197,621
Purchase of investment securities	(16,531,232)	(11,197,121)
Proceeds from disposition of investment securities	16,884,669	11,993,235
	(1,355,375)	4,092,020
Cash Flows Used In Financing Activities		
Preferred share distributions	(265,594)	(293,216)
Net Increase/(Decrease) in Cash During the Period	(4,465)	639,220
CASH, END OF PERIOD	\$ 105,702	\$ 1,236,493
Dividends received, net of withholding taxes	\$ 153,957	\$ 156,890
Interest received	\$ -	\$ 1,102

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

Schedule of Investments

As at June 30, 2021 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares
INVESTMENTS				
Canadian Common Shares				
Financials				
Bank of Montreal	61,000	\$ 504,212	\$ 775,066	
Brookfield Asset Management Inc.	6,800	426,477	430,032	
Brookfield Asset Management Reinsurance Partners Ltd.	46	3,178	3,013	
Canadian Imperial Bank of Commerce	4,500	587,064	634,995	
National Bank of Canada	5,000	406,928	463,850	
The Toronto-Dominion Bank	5,600	410,088	486,472	
Total Financials		2,337,947	2,793,428	23.4 %
Total Canadian Common Shares		\$ 2,337,947	\$ 2,793,428	23.4 %
Non-North American Common Shares				
Financials				
Banco Bilbao Vizcaya Argentaria SA	83,000	\$ 564,278	\$ 638,256	
Banco Santander, S.A.	94,000	462,762	455,124	
HSBC Holdings plc	14,000	541,443	500,149	
UBS Group AG	23,000	446,903	436,896	
Westpac Banking Corporation	21,300	519,464	509,579	
Total Financials		2,534,850	2,540,004	21.2 %
Total Non-North American Common Shares		\$ 2,534,850	\$ 2,540,004	21.2 %
United States Common Shares				
Financials				
Bank of America Corporation	15,300	\$ 676,107	\$ 781,141	
Berkshire Hathaway Inc.	2,200	641,514	757,125	
BlackRock, Inc.	650	646,904	704,258	
Cboe Global Markets, Inc.	3,400	477,903	501,226	
CME Group Inc.	1,700	435,465	447,714	
First Republic Bank	2,000	450,285	463,545	
JPMorgan Chase & Co.	4,000	682,492	770,420	
Northern Trust Corporation	2,900	381,020	415,199	
Prudential Financial, Inc.	4,000	488,263	507,554	
The Charles Schwab Corporation	7,600	647,247	685,220	
U.S. Bancorp	12,500	864,996	881,823	
Total Financials		6,392,196	6,915,225	57.8 %
Real Estate				
Prologis, Inc.	3,500	525,808	518,048	4.4 %
Total United States Common Shares		\$ 6,918,004	\$ 7,433,273	62.2 %

Schedule of Investments

As at June 30, 2021 (Unaudited)

	Number of Shares/ (Contracts)	Average Cost/ (Proceeds)	Fair Value	% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares
Exchange-Traded Funds				
Top 10 Split Trust – Preferred	16,967	\$ 212,425	\$ 218,874	1.8 %
Forward Exchange Contracts				
Sold USD \$1,780,000, Bought CAD \$2,245,826 @ 0.79258 – July 7, 2021			\$ 41,641	
Sold USD \$450,000, Bought CAD \$548,231 @ 0.82082 – September 15, 2021			(9,015)	
Sold USD \$1,745,000, Bought CAD \$2,114,766 @ 0.82515 – September 15, 2021			(46,103)	
Sold USD \$250,000, Bought CAD \$308,368 @ 0.81072 – September 15, 2021			(1,214)	
Total Forward Exchange Contracts			\$ (14,691)	(0.1)%
Options				
Written Covered Call Options (100 shares per contract)				
Banco Bilbao Vizcaya Argentaria SA – July 2021 @ \$6	(415)	\$ (7,751)	\$ (5,453)	
BlackRock, Inc. – July 2021 @ \$890	(3)	(5,119)	(3,659)	
Total Written Covered Call Options		(12,870)	(9,112)	(0.1)%
Total Options		\$ (12,870)	\$ (9,112)	(0.1)%
Adjustment for transaction fees		(11,582)		
TOTAL INVESTMENTS		\$11,978,774	\$12,961,776	108.4 %
OTHER NET LIABILITIES			(1,006,240)	(8.4)%
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES AND REDEEMABLE PREFERRED SHARES			\$11,955,536	100.0 %

Notes to Condensed Financial Statements

June 30, 2021 (Unaudited)

1. Basis of Presentation

The condensed semi-annual financial statements for World Financial Split Share Corp. (the “Fund”) have been prepared in compliance with International Financial Reporting Standards (“IFRS”), specifically the International Accounting Standard (“IAS”) 34 Interim Financial Reporting. However, not all disclosures required by IFRS for annual financial statements have been presented and, accordingly, these condensed semi-annual financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended December 31, 2020.

These condensed semi-annual financial statements follow the same accounting policies and method of application as the most recent audited financial statements for the year ended December 31, 2020.

These condensed financial statements were approved by the Board of Directors on August 6, 2021.

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, 2020.

Credit Risk

As at June 30, 2021 and December 31, 2020, 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, 2021 Financial Liabilities		
	On Demand	< 3 months	Total
Redemptions payable	\$ –	\$ 1,084,589	\$ 1,084,589
Derivative liabilities	–	65,444	65,444
Accrued liabilities	–	44,323	44,323
Accrued management fees	–	11,605	11,605
Redeemable Preferred shares	9,276,340	–	9,276,340
Class J shares	100	–	100
Class A shares	2,679,196	–	2,679,196
	\$ 11,955,636	\$ 1,205,961	\$ 13,161,597

	As at December 31, 2020 Financial Liabilities		
	On Demand	< 3 months	Total
Accrued liabilities	\$ –	\$ 51,025	\$ 51,025
Accrued management fees	–	10,607	10,607
Redeemable Preferred shares	10,117,870	–	10,117,870
Class J shares	100	–	100
Class A shares	1,571,345	–	1,571,345
	\$ 11,689,315	\$ 61,632	\$ 11,750,947

Notes to Condensed Financial Statements

June 30, 2021 (Unaudited)

Market Risk

(a) Currency Risk

The table below indicates the foreign currencies to which the Fund had significant exposure to as at June 30, 2021 and December 31, 2020 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, 2021 U.S. Currency Exposure						
	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
	\$ (5,134,630)	\$ 9,964,165	\$ 4,829,535	\$ (256,732)	\$ 498,208	\$ 241,476
% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares	(43)%	83%	40%	(2)%	4%	2%

As at December 31, 2020 U.S. Currency Exposure						
	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
	\$ (2,849,711)	\$ 5,823,963	\$ 2,974,252	\$ (142,486)	\$ 291,198	\$ 148,712
% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares	(24)%	50%	26%	(1)%	2%	1%

(b) Price Risk

Approximately 109 percent (December 31, 2020 – 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, 2021 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at June 30, 2021, the net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, would have increased or decreased by \$0.6 million (December 31, 2020 – \$0.6 million) respectively or 5.0 percent (December 31, 2020 – 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.

Notes to Condensed Financial Statements

June 30, 2021 (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, 2021	Dec. 31, 2020
United States	57.2%	34.0%
Canada	23.2%	49.8%
Rest of World	19.6%	16.2%
	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, 2021 and December 31, 2020.

	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
Canadian Common Shares	\$ 2,793,428	\$ –	\$ –	\$ 2,793,428
Non-North American Common Shares	2,540,004	–	–	2,540,004
United States Common Shares	7,433,273	–	–	7,433,273
Exchange-Traded Funds	218,874	–	–	218,874
Forward Exchange Contracts	–	(14,691)	–	(14,691)
Options	(9,112)	–	–	(9,112)
	\$ 12,976,467	\$ (14,691)	\$ –	\$ 12,961,776

	As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Canadian Common Shares	\$ 5,459,131	\$ –	\$ –	\$ 5,459,131
Non-North American Common Shares	1,881,937	–	–	1,881,937
United States Common Shares	3,942,026	–	–	3,942,026
Exchange-Traded Funds	316,773	–	–	316,773
Forward Exchange Contracts	–	26,366	–	26,366
	\$ 11,599,867	\$ 26,366	\$ –	\$ 11,626,233

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, 2021 and during the year ended December 31, 2020.

3. Shares

For the six months ended June 30, 2021, cash distributions paid to Preferred shareholders were \$265,594 (June 30, 2020 – \$293,216) representing a payment of \$0.26 (June 30, 2020 – \$0.26) per Preferred share.

During the six months ended June 30, 2021, 84,153 (June 30, 2020 – 105,227) each of Preferred shares and Class A shares were redeemed with a total retraction value of \$1,084,589 (June 30, 2020 – \$1,095,392).

Notes to Condensed Financial Statements

June 30, 2021 (Unaudited)

During the six months ended June 30, 2021 and year ended December 31, 2020, share transactions are as follows:

	June 30, 2021	Dec. 31, 2020
Redeemable Preferred Shares		
Shares outstanding, beginning of year	1,011,787	1,117,014
Shares redeemed	(84,153)	(105,227)
Shares outstanding, end of period	927,634	1,011,787
Class A Shares		
Shares outstanding, beginning of year	1,011,787	1,117,014
Shares redeemed	(84,153)	(105,227)
Shares outstanding, end of period	927,634	1,011,787
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, 2021 were \$68,082 (June 30, 2020 – \$66,826) of which \$11,605 (June 30, 2020 – \$10,182) 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, 2021 were \$10,521 (June 30, 2020 – \$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, 2021 were \$4,504 (June 30, 2020 – \$4,167).

(d) Investment in other Strathbridge Funds

The Fund may invest in units of other funds managed by the Manager. The Fund's ownership interest in Top 10 Split Trust – Preferred was 2.8 percent as at June 30, 2021 (December 31, 2020 – nil). The Fund's ownership interest in U.S. Financials Income Fund – Class A was nil as at June 30, 2021 (December 31, 2020 – 9.2 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, 2021 and 2020 is disclosed below:

	June 30, 2021	June 30, 2020
Soft Dollars	\$ 9,865	\$ 15,256
Percentage of Total Transaction Fees	48.8%	56.5%

Notes to Condensed Financial Statements

June 30, 2021 (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, 2021 and 2020 is calculated as follows:

	June 30, 2021	June 30, 2020
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares	\$ 1,350,910	\$ (3,452,800)
Weighted Average Number of Class A Shares Outstanding during the Period	1,011,322	1,116,436
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares per Class A Share	\$ 1.3358	\$ (3.0927)

Investment Funds Managed by
Strathbridge Asset Management Inc.

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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