

FINANCIAL STATEMENTS AND OTHER INFORMATION

For the Year Ended March 31, 2025

Philotimo Focused Growth and Income Fund

PHILOTIMO FOCUSED GROWTH AND INCOME FUND

Schedule of Investments

March 31, 2025

	Shares	Value
76.63% COMMON STOCKS		
0.90% COMMUNICATION SERVICES		
Marchex, Inc. ^(A)	499,070	\$ 813,484
WildBrain Ltd. ^(A)	35,000	41,300
		<u>854,784</u>
16.37% CONSUMER DISCRETIONARY - ENTERTAINMENT		
Ainsworth Game Technology Ltd. ^(A)	2,500,409	1,249,908
AMMO, Inc. ^(A)	1,319,791	1,821,312
Caesars Entertainment, Inc. ^(A)	120,000	3,000,000
Inspired Entertainment, Inc. ^(A)	600,066	5,124,564
Lucky Strike Entertainment Corp.	457,640	4,466,566
		<u>15,662,350</u>
24.23% CONSUMER DISCRETIONARY - RETAIL		
Barnes & Noble Education, Inc. ^(A)	650,428	6,829,494
CDON AB ^(A)	502,149	2,133,127
Haverty Furniture Cos., Inc.	281	5,541
Lazydays Holdings, Inc. ^(A)	3	1
Leon's Furniture Ltd.	21,600	354,834
Natuzzi S.p.A ^(A)	406,962	1,741,797
RH ^(A)	17,000	3,984,970
The One Group Hospitality, Inc. ^(A)	393,975	1,177,985
The RealReal, Inc ^(A)	1,290,698	6,956,862
		<u>23,184,611</u>
6.61% FINANCIALS		
EZCorp, Inc. Class A ^(A)	359,397	5,290,324
U.S. Global Investors, Inc.	456,885	1,032,560
		<u>6,322,884</u>
4.03% HEALTH CARE		
biote Corp. ^(A)	808	2,691
Quipt Home Medical Corp. ^(A)	1,655,011	3,856,176
		<u>3,858,867</u>

PHILOTIMO FOCUSED GROWTH AND INCOME FUND

Schedule of Investments - continued

March 31, 2025

	Shares	Value
15.82% INFORMATION TECHNOLOGY		
Allot Ltd. ^(A)	1,087,642	\$ 6,210,436
Data I/O Corp. ^(A)	327,401	802,132
eGain Corp. ^(A)	736,732	3,573,150
Immersion Corporation	600,000	4,548,000
		<u>15,133,718</u>
 8.67% REAL ESTATE		
Compass, Inc. ^(A)	950,351	<u>8,296,564.00</u>
 76.63% TOTAL COMMON STOCKS		<u>73,313,778</u>
(Cost: \$77,775,242)		
 0.81% PREFERRED STOCKS		
 0.29% CONSUMER DISCRETIONARY		
AMMO, Inc. 8.750%	12,348	<u>276,719</u>
 0.52% MATERIALS		
Ramaco Resources, Inc. 8.375%	20,000	<u>497,600</u>
 0.81% TOTAL PREFERRED STOCKS		<u>774,319</u>
(Cost: \$763,740)		
 5.88% CLOSED-END MUTUAL FUNDS		
Duff & Phelps Utility and Infrastructure Fund, Inc.	273,122	3,340,282
Eaton Vance Limited Duration Income Fund (US Treasury Yield Curve Rate Constant Maturity 5 Year +3.010%) ..	229,225	<u>2,287,665</u>
 5.88% TOTAL CLOSED-END MUTUAL FUNDS		<u>5,627,947</u>
(Cost: \$5,425,233)		

See Notes to Financial Statements

PHILOTIMO FOCUSED GROWTH AND INCOME FUND

Schedule of Investments - continued

March 31, 2025

	Principal	Value
16.00% DEBT SECURITIES		
14.37% FINANCIALS		
Allstate Corp. 05/15/2057 6.500%	1,000,000	\$ 1,019,782
Bank of Montreal 11/26/2084 7.300%^ (US Treasury Yield Curve Rate Constant Maturity 10 Year +2.757%)	1,000,000	996,788
Bank of Nova Scotia 01/27/2084 8.000%^ (US Treasury Yield Curve Rate Constant Maturity 5 Year +2.404%) . .	2,000,000	2,065,664
Citigroup Global Markets 01/22/2035 0.000%(A)(C)	300,000	241,590
Citigroup Global Markets 10/01/2040 7.250%(C)	84,000	62,252
Citigroup Global Markets 03/19/2041 10.500%(C)	120,000	89,076
Citigroup, Inc. Series DD Perpetual 7.000%	1,350,000	1,399,633
EZCorp, Inc. 05/01/2025 2.375%	1,000,000	995,500
Lloyds Banking Group plc Perpetual 6.750%	3,000,000	2,851,677
Morgan Stanley 03/31/2035 0.000%(A)(C)	95,000	59,019
Nationwide Financial Services 05/15/2037 6.750%	2,975,000	2,945,402
Prudential Financial, Inc. 03/15/2054 6.500%	1,000,000	1,018,436
Wells Fargo & Co. 11/14/2027 6.000% . .	5,000	5,022
		<u>13,749,841</u>
1.63% GOVERNMENT		
Farm Credit Bank of Texas Perpetual 7.750%^ (US Treasury Yield Curve Rate Constant Maturity 5 Year +4.017%) . .	1,500,000	1,563,748
		<u>1,563,748</u>

See Notes to Financial Statements

PHILOTIMO FOCUSED GROWTH AND INCOME FUND

Schedule of Investments - continued

March 31, 2025

	<u>Shares</u>	<u>Value</u>
16.00% TOTAL DEBT SECURITIES		<u>\$ 15,313,589</u>
(Cost: \$15,227,795)		
 0.64% MONEY MARKET FUND		
Federated Government Obligations		
Fund 4.210% ^(B)		
(Cost: \$613,390)	613,390	<u>613,390</u>
 99.96% TOTAL INVESTMENTS		
(Cost: \$99,805,400)		95,643,023
0.04% Other assets, net of liabilities		35,498
100.00% NET ASSETS		<u><u>\$ 95,678,521</u></u>

[^] Rate is determined periodically. Rate shown is the rate as of March 31, 2025.

^(A) Non-income producing.

^(B) Effective 7 day yield as of March 31, 2025.

^(C) Structured Note.

See Notes to Financial Statements

PHILOTIMO FOCUSED GROWTH AND INCOME FUND**Statement of Assets and Liabilities****March 31, 2025****ASSETS**

Investments at value (cost of \$99,805,400) (Note 1)	\$ 95,643,023
Receivable for capital stock sold	15
Interest and dividends receivable	196,026
Prepaid expenses	<u>12,680</u>
TOTAL ASSETS	<u>95,851,744</u>

LIABILITIES

Payable for investments purchased	31,109
Accrued investment advisory fees	85,003
Accrued 12b-1 fees	42,329
Accrued administration, accounting and transfer agent fees	12,071
Other accrued expenses	<u>2,711</u>
TOTAL LIABILITIES	<u>173,223</u>

NET ASSETS \$ 95,678,521

Net Assets Consist of:

Paid-in-capital applicable to 10,251,402 no par value shares of beneficial interest outstanding, unlimited shares authorized	\$ 93,544,027
Distributable earnings (accumulated deficits)	<u>2,134,494</u>
Net Assets	<u><u>\$ 95,678,521</u></u>

NET ASSET VALUE PER SHARE

Net Assets	\$ 95,678,521
Shares Outstanding	9,999,050
Net Asset Value Per Share Offering, and Redemption Price	<u><u>\$ 9.57</u></u>

See Notes to Financial Statements

PHILOTIMO FOCUSED GROWTH AND INCOME FUND**Statement of Operations****Year Ended March 31, 2025****INVESTMENT INCOME**

Dividends	\$ 735,494
Interest	2,020,901
Total investment income	<u>2,756,395</u>

EXPENSES

Investment advisory fees (Note 2)	956,496
12b-1 fees (Note 2)	14,726
Recordkeeping and administrative services (Note 2)	85,543
Accounting fees (Note 2)	53,801
Custody fees	20,097
Transfer agent fees (Note 2)	27,620
Legal fees	24,620
Professional fees	18,311
Filing and registration fees	17,000
Trustee fees	14,737
Compliance fees (Note 2)	9,430
Shareholder reports	27,711
Shareholder servicing (Note 2)	95,645
Insurance	2,783
Other	<u>22,556</u>
Total expenses	1,391,076
Recovery of previously waived advisory fees (Note 2)	<u>55,890</u>
Net expenses	<u>1,446,966</u>
 Net investment income (loss)	 <u>1,309,429</u>

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS

Net realized gain (loss) on investments	11,054,953
Net realized gain (loss) on foreign currency transactions	2,413
Net change in unrealized appreciation (depreciation) of investments	<u>(4,266,759)</u>
Net realized and unrealized gain (loss) on investments	<u>6,790,607</u>

INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS **\$ 8,100,036**

See Notes to Financial Statements

PHILOTIMO FOCUSED GROWTH AND INCOME FUND

Statements of Changes in Net Assets

	Years Ended March 31,	
	2025	2024
INCREASE (DECREASE) IN NET ASSETS FROM		
OPERATIONS		
Net investment income (loss)	\$ 1,309,429	\$ 1,845,210
Net realized gain (loss) on investments and foreign currency transactions	11,057,366	(4,652,552)
Net change in unrealized appreciation (depreciation) of investments	(4,266,759)	5,581,458
Increase (decrease) in net assets from operations ..	8,100,036	2,774,116
DISTRIBUTIONS TO SHAREHOLDERS		
Distributions from earnings	(1,821,000)	(726,372)
Decrease in net assets from distributions	(1,821,000)	(726,372)
CAPITAL STOCK TRANSACTIONS (NOTE 5)		
Shares sold	3,821,715	13,026,110
Shares reinvested	1,821,000	726,372
Shares redeemed	(7,611,119)	(2,352,471)
Increase (decrease) in net assets from capital stock transactions	(1,968,404)	11,400,011
NET ASSETS		
Increase (decrease) during year	4,310,632	13,447,755
Beginning of year	91,367,889	77,920,134
End of year	\$ 95,678,521	\$ 91,367,889

See Notes to Financial Statements

Financial Highlights

Net asset value, beginning of period

Investment activities

Net investment income (loss)⁽¹⁾

Net realized and unrealized gain (loss) on investments and foreign
currency transactions

Total from investment activities

Distributions

Net investment income

Net realized gain

Return of capital

Total distributions

Net asset value, end of period

Total Return⁽⁵⁾

Ratios/Supplemental Data

Ratios to average net assets⁽⁶⁾

Expenses, gross

Expenses, net of waiver or recovery (Note 2)

Net investment income

Portfolio turnover rate⁽⁵⁾

Net assets, end of period (000's)

⁽¹⁾ Per share amounts calculated using the average number of shares outstanding throughout the period.

⁽²⁾ Commencement of operations.

⁽³⁾ Less than \$0.005 per share.

⁽⁴⁾ Adjusted to conform with accounting principles generally accepted in the United States of America.

⁽⁵⁾ Total return and portfolio turnover rate are for the year indicated and have not been annualized for periods less than one year.

⁽⁶⁾ Ratios to average net assets have been annualized for periods less than one year.

⁽⁷⁾ Recovery of previously waived fees increased the expense ratio and decreased the net investment income ratio by 0.06% for the year ended March 31, 2025.

⁽⁸⁾ Gross and net expenses reflect the effect of proxy expense which is excluded from the Fund's expense limitation agreement. Gross and net expenses excluding proxy expense would have been: 1.60% and 1.55%, respectively, for the year ended March 31, 2024; and 1.53% and 1.52%, respectively, for the year ended March 31, 2023.

See Notes to Financial Statements

PHILOTIMO FOCUSED GROWTH AND INCOME FUND

Selected Per Share Data Throughout Each Period

Years Ended March 31,			August 20, 2021 ⁽²⁾ through March 31, 2022	
2025	2024	2023		
\$ 8.95	\$ 8.76	\$ 10.02	\$	10.00
0.13	0.20	0.08		0.08
0.67	0.07	(0.83)		0.08
0.80	0.27	(0.75)		0.16
(0.18)	(0.08)	— ⁽³⁾		(0.07)
—	—	(0.21)		(0.07)
—	—	(0.30)		—
(0.18)	(0.08)	(0.51)		(0.14)
\$ 9.57	\$ 8.95	\$ 8.76	\$	10.02 ⁽⁴⁾
8.71%	3.05%	(7.36%)		1.57%
1.45% ⁽⁷⁾	1.64% ⁽⁸⁾	1.60% ⁽⁸⁾		1.70%
1.51% ⁽⁷⁾	1.59% ⁽⁸⁾	1.59% ⁽⁸⁾		1.50%
1.37% ⁽⁷⁾	2.31%	0.97%		1.36%
105.51%	76.00%	128.74%		117.87%
\$ 95,679	\$ 91,368	\$ 77,920	\$	58,611

See Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Philotimo Focused Growth and Income Fund (the “Fund”) is a non-diversified series of the World Funds Trust (“WFT” or “Trust”), which is registered under the Investment Company Act of 1940, as amended, (the “1940 Act”), as an open-end management company. The Trust was organized as a Delaware statutory trust on April 9, 2007 and may issue its shares of beneficial interest in separate series and issue classes of any series or divide shares of any series into two or more classes. The Fund commenced operations on August 20, 2021.

The Fund’s investment objective is to seek current income and long-term growth.

The Fund is deemed to be an individual reporting segment and is not part of a consolidated reporting entity. The objective and strategy of the Fund is used by Kanen Wealth Management, LLC (the “Advisor”) to make investment decisions, and the results of the Fund’s operations, as shown in its Statement of Operations and Financial Highlights, is the information utilized for the day-today management of the Fund. The Fund and the Advisor are parties to expense agreements as disclosed in the Notes to the Financial Statements, and resources are not allocated to the Fund based on performance measurements. Due to the significance of oversight and its role in the Fund’s management, the Advisor’s portfolio manager is deemed to be the Chief Operating Decision Maker.

The following is a summary of significant accounting policies consistently followed by the Fund. The policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 “*Financial Services – Investment Companies*”.

Security Valuation

The Fund’s securities are valued at current market prices. Investments in securities traded on national securities exchanges are valued at the last reported sale price. Investment securities traded on the NASDAQ National Market System are valued at the NASDAQ Official Closing Price. Securities traded in the over-the-counter market are valued at the last available sale price in the over-the-counter market prior to time of valuation. Securities that are listed on an exchange and which are not traded on the valuation date are valued at the last quoted bid price. If available, debt securities (other than short-term obligations) are priced based upon valuations provided by independent, third-party pricing agents approved by the Trust’s Board of Trustees (the “Board”). Such values generally

reflect the last reported sales price if the security is actively traded. The third-party pricing agents may also value debt securities at an evaluated bid price by employing supplied valuations, or other methodologies that utilize actual market transactions, broker supplied valuations, or other methodologies designed to identify the market value for such securities. Short-term debt securities (less than 60 days to maturity) are valued at amortized cost which approximates market value. Investments in investment companies and money market funds are valued at net asset value per share as reported by such investment company. Other assets for which market prices are not readily available are valued at their fair value as determined in good faith under procedures set by the Board. Although the Board is ultimately responsible for fair value determinations under Rule 2a-5 of the 1940 Act, the Board has delegated day-to-day responsibility for oversight of the valuation of the Fund's assets to the Advisor as the Valuation Designee pursuant to the Fund's policies and procedures. Generally, trading in corporate bonds, U.S. government securities and money market instruments is substantially completed each day at various times before the scheduled close of the New York Stock Exchange ("NYSE") and the value of these securities used in computing the net asset value ("NAV") is determined as of such times.

The Fund has a policy that contemplates the use of fair value pricing to determine the NAV per share of the Fund when market prices are unavailable as well as under special circumstances, such as: (i) if the primary market for a portfolio security suspends or limits trading or price movements of the security; and (ii) when an event occurs after the close of the exchange on which a portfolio security is principally traded, but prior to the time as of which the Fund's NAV is calculated, that is likely to have changed the value of the security.

When the Fund uses fair value pricing to determine the NAV per share of the Fund, securities will not be priced on the basis of quotations from the primary market in which they are traded, but rather may be priced by another method that the Valuation Designee believes accurately reflects fair value. Any method used will be approved by the Board and results will be monitored to evaluate accuracy. The Fund's policy is intended to result in a calculation of the Fund's NAV that fairly reflects security values as of the time of pricing.

Various inputs are used in determining the value of the Fund's investments. GAAP established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the level of inputs used to value the Fund's investments as of March 31, 2025:

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total
Common Stocks	\$ 73,313,778	\$ —	\$ —	\$ 73,313,778
Preferred Stocks	774,319	—	—	774,319
Closed-end Funds	5,627,947	—	—	5,627,947
Debt Securities	—	15,313,589	—	15,313,589
Money Market Fund	613,390	—	—	613,390
	<u>\$ 80,329,434</u>	<u>\$ 15,313,589</u>	<u>\$ —</u>	<u>\$ 95,643,023</u>

Refer to the Fund's Schedule of Investments for a listing of the securities by security type and sector.

The Fund held no Level 3 securities at any time during the year ended March 31, 2025.

Security Transactions and Income

Security transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis. Discount or premiums are accreted or amortized to interest income using the effective interest method or the worst yield for callable bonds. The cost of securities sold is determined on a specific identification basis. Realized gains and losses from security transactions are determined on the basis of identified cost for book and tax purposes.

Accounting Estimates

In preparing financial statements in conformity with GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Federal Income Taxes

The Fund has complied and intends to continue to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. The Fund also intends to distribute sufficient net investment income and net capital gains, if any, so that it will not be subject to excise tax on undistributed income and gains. Therefore, no federal income tax or excise provision is required.

Management has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken in the Fund's tax returns. The Fund has no examinations in progress and management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. Interest and penalties, if any, associated with any federal or state income tax obligations are recorded as income tax expense as incurred.

Reclassification of Capital Accounts

GAAP requires certain components of net assets be reclassified related to permanent differences between financial and tax reporting. These reclassifications are caused primarily by differences in the timing of the recognition of certain components of income, expenses or realized capital gains for federal income tax purposes and have no effect on net assets or net asset value per share. For the year ended March 31, 2025, there were no such reclassifications.

**NOTE 2 – INVESTMENT ADVISORY AND DISTRIBUTION AGREEMENTS
AND OTHER TRANSACTIONS WITH AFFILIATES**

Pursuant to the Investment Advisory Agreement ("Agreement"), the Advisor provides investment advisory services to the Fund for an annual fee of 1.00% of the Fund's daily net assets.

The Advisor has contractually agreed to reduce its fees and/or reimburse Fund expenses until July 31, 2025 to keep Total Annual Operating Expenses (exclusive of interest, fees pursuant to Rule 12b-1 Plans, taxes, acquired fund fees and expenses, brokerage commissions, dividend expenses on short sales, other expenditures which are capitalized in accordance with GAAP and other extraordinary expenses not incurred in the ordinary course of business) from exceeding 1.50% of the Fund's daily net assets. The Trust and the Advisor may terminate this expense limitation agreement prior to July 31, 2025 only by mutual written consent. Each waiver or

reimbursement of an expense by the Advisor is subject to repayment by the Fund within the three years following the date such waiver and/or reimbursement was made, provided that the Fund is able to make the repayment without exceeding the expense limitation in place at the time of the waiver or reimbursement and at the time the waiver or reimbursement is recouped.

During the year ended March 31, 2025, the advisory fees earned, waived, and recoupment of previously waived fees under the expense limitation agreement were as follows:

Advisory Fees Earned	Advisory Fees Waived	Recoupment of Previously Waived Fees by Advisor
\$956,496	\$ —	\$55,890

The total amounts of recoverable waivers and reimbursements as of March 31, 2025 are as follows:

Recoverable Waivers and Reimbursements and Expiration Date	
2027	Total
\$38,929	\$38,929

The Fund had adopted a Distribution and Shareholder Services (12b-1) Plan under which the Fund was authorized to pay an annual fee of up to 0.25% of the daily net assets of the Fund as compensation for certain shareholder service and distribution related activities. The Board has adopted a resolution to spend not more than 0.05% of the Fund's daily net assets under the Rule 12b-1 Plan until at the earliest, July 31, 2024. On May 28, 2024, the Advisor requested the 12b-1 accruals be suspended when the resolution expires on July 31, 2024, until such time that relevant marketing opportunities are identified to assist in promotion of the Fund and its asset growth.

The Fund has adopted a shareholder services plan. Under the shareholder services plan, the Fund may pay an authorized firm up to 0.25% on an annualized basis of average daily net assets attributable to its customers who are shareholders. For this fee, the authorized firms may provide a variety of services, including but not limited to: (i) arranging for bank wires; (ii) responding to inquiries from shareholders concerning their investment in the Fund; (iii) assisting shareholders in changing dividend options, account designations and addresses; (iv) providing information periodically to shareholders showing their position in the Fund; (v) forwarding shareholder communications from the Fund such as proxies, shareholder reports, annual reports, and dividend distribution and tax notices to shareholders; (vi) processing purchase, exchange

and redemption requests from shareholders and placing orders with the Fund or their service providers; (vii) providing sub-accounting with respect to Fund shares beneficially owned by shareholders; and (viii) processing dividend payments from the Fund on behalf of shareholders.

For the year ended March 31, 2025, the following fees were incurred:

Type of Plan	Fees Incurred
12b-1	\$14,726
Shareholder Services	95,645

Commonwealth Fund Services, Inc. ("CFS") acts as the Fund's administrator, transfer and dividend disbursing agent and fund accountant. Fees to CFS are computed daily and paid monthly. For the year ended March 31, 2025, the following fees were paid by the Fund to CFS:

Administrator	Transfer Agent	Fund Accountant
\$80,721	\$27,375	\$46,901

The amounts reflected on the Statement of Operations for Administration, Transfer Agent and Accounting fees include some out of pocket expenses not paid to CFS.

Certain officers of the Trust are also officers and/or directors of CFS. Additionally, Practus LLP, serves as legal counsel to the Trust. John H. Lively, Secretary of the Trust, is Managing Partner of Practus LLP. J. Stephen King, Jr., Assistant Secretary of the Trust, is a Partner of Practus LLP. Neither the officers and/or directors of CFS, Mr. Lively or Mr. King receive any special compensation from the Trust or the Fund for serving as officers of the Trust.

The Fund's Chief Compliance Officer is the Managing Member of Watermark Solutions, LLC ("Watermark"), which provides certain compliance services to the Fund. For the year ended March 31, 2025, Watermark received \$9,430 in fees incurred by the Fund.

NOTE 3 – INVESTMENTS

The costs of purchases and proceeds from the sales of securities other than short-term investments for the year ended March 31, 2025, were as follows:

Purchases	Sales
\$106,987,272	\$98,079,847

NOTE 4 – DISTRIBUTIONS TO SHAREHOLDERS AND TAX COMPONENTS OF CAPITAL

Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

The tax character of distributions paid during the years ended March 31, 2025 and 2024 were as follows:

Distributions paid from:	Year Ended March 31, 2025	Year Ended March 31, 2024
Ordinary income	\$ 1,821,000	\$ 726,372
	<u>\$ 1,821,000</u>	<u>\$ 726,372</u>

As of March 31, 2025, the components of distributable earnings (accumulated deficits) on a tax basis were as follows:

Undistributed ordinary income	\$ 6,307,887
Net unrealized appreciation (depreciation)	(4,173,393)
	<u>\$ 2,134,494</u>

During the year ended March 31, 2025, the Fund utilized \$5,809,732 of capital loss carryforwards.

As of March 31, 2025, cost of securities for Federal income tax purposes and the related tax-based net unrealized appreciation (depreciation) consists of:

Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
\$99,816,416	\$15,470,062	\$(19,643,455)	\$(4,173,393)

The difference between book basis and tax basis unrealized appreciation (depreciation) is attributable primarily to the deferral of wash sale losses and return of capital from underlying securities.

NOTE 5 – CAPITAL STOCK TRANSACTIONS

Capital stock transactions were:

	Year Ended March 31, 2025	Year Ended March 31, 2024
Shares sold	421,959	1,501,530
Shares reinvested	169,553	82,355
Shares redeemed	(799,771)	(273,209)
Net increase (decrease)	<u>(208,259)</u>	<u>1,310,676</u>

NOTE 6 – RISKS OF INVESTING IN THE FUND

It is important that you closely review and understand the risks of investing in the Fund. The Fund's NAV and investment return will fluctuate based upon changes in the value of its portfolio securities. You could lose money on your investment in the Fund, and the Fund could underperform other investments. There is no guarantee that the Fund will meet its investment objective. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. A complete description of the principal risks is included in the Fund's prospectus under the heading "Principal Risks."

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated all transactions and events subsequent to the date of the Statement of Assets and Liabilities through the date on which these financial statements were issued and has noted no additional items require disclosure.

PHILOTIMO FOCUSED GROWTH AND INCOME FUND

Report of Independent Registered Public Accounting Firm

To the Shareholders of Philotimo Focused Growth and Income Fund and
Board of Trustees of World Funds Trust

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Philotimo Focused Growth and Income Fund (the “Fund”), a series of World Funds Trust, as of March 31, 2025, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the three years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of March 31, 2025, the results of its operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The Fund’s financial highlights for the period ended March 31, 2022 were audited by other auditors whose report dated May 31, 2022, expressed an unqualified opinion on those financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2025, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Fund's auditor since 2023.

A handwritten signature in dark ink that reads "Cohen & Company, Ltd." The signature is written in a cursive, slightly stylized font.

COHEN & COMPANY, LTD.

Cleveland, Ohio

May 30, 2025

Changes in and disagreements with accountants for open-end management investment companies.

Not applicable.

Proxy disclosures for open-end management investment companies.

Not applicable.

Remuneration paid to Directors, Officers, and others of open-end management investment companies.

See the Statement of Operations and Note 2 which includes remuneration paid to Officers. See the Statement of Operations for remuneration paid to Trustees.

Statement Regarding Basis for Approval of Investment Advisory Contract.

Renewal of Investment Advisory Agreement – Philotimo Focused Growth and Income Fund (WFT)

At a meeting held on December 17-18, 2024 (the “Meeting”), the Board of Trustees (the “Board”) of World Funds Trust (the “Trust”) considered the renewal of the Investment Advisory Agreement between the Trust and Kanen Wealth Management, LLC (“KWM”) (the “KWM Advisory Agreement”) on behalf of the Philotimo Focused Growth and Income Fund (the “Philotimo Fund” or “Fund”). The Trust’s legal counsel (“Counsel”) discussed with the Trustees the types of information and factors that should be considered by the Board in order to make an informed decision regarding the approval of the continuation of the KWM Advisory Agreement, including the following material factors: (i) the nature, extent, and quality of the services provided by KWM; (ii) the investment performance of the Philotimo Fund; (iii) the costs of the services provided and profits realized by KWM from its relationship with the Philotimo Fund; (iv) the extent to which economies of scale would be realized if the Philotimo Fund grows and whether advisory fee levels reflect those economies of scale for the benefit of the Philotimo Fund’s investors; and (v) KWM’s practices regarding possible conflicts of interest and benefits derived by KWM.

In assessing these factors and reaching its decisions, the Board took into consideration information specifically prepared and/or presented in connection with the approval process with respect to the Philotimo Fund, including information presented to the Board in KWM’s presentation earlier in the Meeting, as well as prior presentations by KWM’s staff and Trust management at other meetings

of the Board, including information regarding expense limitation arrangements and the manner in which the Philotimo Fund is managed. The Board requested and was provided with information and reports relevant to the approval of the continuation of the KWM Advisory Agreement, including: (i) reports regarding the services and support provided to the Philotimo Fund and its shareholders by KWM; (ii) quarterly assessments of the investment performance of the Philotimo Fund from KWM; (iii) periodic commentary on the reasons for the performance; (iv) presentations by KWM's management addressing the investment philosophy, investment strategy, and personnel utilized in managing the Philotimo Fund; (v) compliance and audit reports concerning the Philotimo Fund and KWM; (vi) disclosure information contained in the registration statement of the Trust and the Form ADV of KWM; and (vii) the memorandum from Trust Counsel that summarized the fiduciary duties and responsibilities of the Board in reviewing and approving the KWM Advisory Agreement, including the material factors set forth above and the types of information included in each factor that should be considered by the Board in order to make an informed decision.

The Board also requested and received various informational materials including, without limitation: (i) documents containing information about KWM, including financial information, a description of personnel and the services provided to the Philotimo Fund, information on investment advice, performance, summaries of the Philotimo Fund's expenses, information on KWM's compliance program, current legal matters, and other general information; (ii) comparative expense and performance information for other mutual funds with strategies similar to the Philotimo Fund; and (iii) benefits realized by KWM from its relationship with the Philotimo Fund. The Board did not identify any particular information that was most relevant to its consideration of whether to approve the continuation of the KWM Advisory Agreement and each Trustee may have afforded different weight to the various factors. In deciding whether to approve the continuation of the KWM Advisory Agreement, the Trustees considered numerous factors, including:

- (1) The nature, extent, and quality of the services to be provided by KWM.

In this regard, the Board considered the responsibilities of KWM under the KWM Advisory Agreement. The Board reviewed the services to be provided by KWM to the Philotimo Fund including, without limitation, the investment strategies and techniques used in managing the Fund; the investment decision-making process and sources of information relied upon by KWM in providing portfolio management services to the Fund; the process for assuring compliance with the Fund's investment objectives and limitations; and the efforts of KWM to promote the Fund and grow assets. The Board considered: KWM's staffing, personnel, and methods of operating; the education and experience of its personnel; and

its compliance programs, policies and procedures. After reviewing the foregoing and further information from KWM, the Board concluded that the quality, extent, and nature of the services to be provided by KWM was satisfactory and adequate for the Philotimo Fund.

(2) Investment Performance of the Philotimo Fund and KWM.

The Board reviewed the performance of the Philotimo Fund. In considering the investment performance of the Philotimo Fund, the Board reviewed reports prepared by Broadridge Financial Solutions ("Broadridge"), and compared the performance of the Philotimo Fund with the performance of its benchmark index, the Russell 2000 Index (the "Index"), the fund in its Morningstar Category, the Moderately Aggressive Allocation Category ("Category"), and a peer group selected from its Category by Broadridge ("Peer Group"). using Morningstar data as being comparable to the Philotimo Fund in terms of investment style, share class characteristics and asset levels for each comparative fund. The Board noted that the Philotimo Fund underperformed its Peer Group median, its benchmark index and Category median, during the one-year and three-year periods ended October 31, 2024. The Board also noted that the Philotimo Fund's performance ranked in the bottom quartile of its Peer Group and Category, for the period ended October 31, 2024 and that it would continue to monitor the Fund's performance. The Board noted that KWM manages an unregistered fund with an investment strategy similar to the Philotimo Fund's investment strategy. The Board considered KWM's investment processes and philosophy for the Philotimo Fund and concluded that the investment performance of the Philotimo Fund was satisfactory.

(3) The costs of services to be provided and profits to be realized by KWM from the relationship with the Philotimo Fund.

In this regard, the Board considered KWM's staffing and personnel; the financial condition of KWM; the current and expected asset levels of the Philotimo Fund; the advisory fee and overall expenses of the Fund, including the nature and frequency of advisory fee payments. The Board also considered potential benefits for KWM in managing the Philotimo Fund. The Board compared the fees and expenses of the Philotimo Fund (including the advisory fee) to other funds in its Peer Group and Category. The Trustees noted that while KWM continues to limit Fund expenses to 1.50% annually, it does not expect to institute breakpoints in the advisory fee payable by the Fund as Fund assets grow. Further, the Trustees referenced that the fee structure of the Fund's other service providers have a fixed (or semi-fixed) nature which can result in the benefits of economies

of scale for the Fund as assets grow. The Trustees considered that the Fund's gross and net expense ratios were higher than the median expense ratios of its Peer Group and Category. The Trustees also considered that the Philotimo Fund's gross and net advisory fee was higher than the median advisory fees of the Peer Group and Category.

The Trustees observed that KWM receives a standard separately-managed account fee of 2.00% of assets annually, and for the private fund, KWM receives a fee of 2.00% annually plus 20% of profits. The Board noted that many of the separately-managed accounts are focused on a small-cap value strategy and considered that the fee paid to KWM by the separately managed accounts are for customized strategies, advice and personal service from David Kanen, principal of KWM and the Philotimo Fund's portfolio manager, which is above and beyond the service or interaction expected by or typically provided to Philotimo Fund shareholders. The Trustees reviewed a profitability report and considered the net profits earned by KWM related to the Philotimo Fund for the period April 1, 2022 to March 31, 2023 and the period April 1, 2023 to March 31, 2024. The Trustees noted that the Philotimo Fund was profitable to KWM for each such period.. The Board determined that the Fund's advisory fees were within an acceptable range in light of the services rendered by KWM. Upon further consideration and discussion of the foregoing, the Board concluded that the advisory fees paid to KWM by the Fund were within the range of such fees that could have been negotiated at arm's length, and KWM's profitability in managing the Philotimo Fund was acceptable.

- (4) The extent to which economies of scale would be realized as the Philotimo Fund grows and whether advisory fee levels reflect these economies of scale for the benefit of the Fund's investors.

The Board considered the Philotimo Fund's advisory fee arrangements with KWM. The Board noted that the advisory fee would stay the same as asset levels increased, although it noted that KWM had entered into an expense limitation arrangement pursuant to which it agreed to cap the Philotimo Fund's expenses at 1.50% excluding certain expenses. The Trustees noted that while the Fund benefits from KWM's expense limitation agreement, Fund shareholders also benefit from the overall expense structure as other Fund service providers have fixed or semi-fixed costs that can result in economies of scale. Following further discussion of the Philotimo Fund's current asset levels and expectations for growth, the Board determined that the Fund's fee arrangements with KWM were fair and reasonable in relation to the nature, extent and quality of the services to be provided by KWM.

(5) Possible conflicts of interest and other benefits.

In evaluating the possibility for conflicts of interest, the Board considered such matters as: the experience and ability of the advisory personnel assigned to the Philotimo Fund; the basis of decisions to buy or sell securities for the Fund; the method for allocating of portfolio securities transactions; KWM's use of soft-dollars; the substance and administration of KWM's Code of Ethics and other relevant policies described in KWM's Form ADV. The Trustees considered how conflicts of interest were managed by KWM under its compliance policies. The Trustees noted that possible benefits to KWM from advising the Fund. Following further consideration and discussion, the Board indicated that KWM's standards and practices relating to the identification and mitigation of potential conflicts of interest, as well as the benefits to be derived by KWM from managing the Philotimo Fund were satisfactory.

After additional consideration of the factors delineated in the memorandum provided by Counsel and further discussion and careful review by the Board, the Board determined that the compensation payable under the KWM Advisory Agreement was fair, reasonable and within a range of what could have been negotiated at arms-length in light of all the surrounding circumstances, and the KWM Advisory Agreement was approved for an additional one-year term.

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