



**Semi-Annual Report to Shareholders**

**TOREADOR EXPLORER FUND**

**For the Six Months Ended  
October 31, 2016  
(unaudited)**

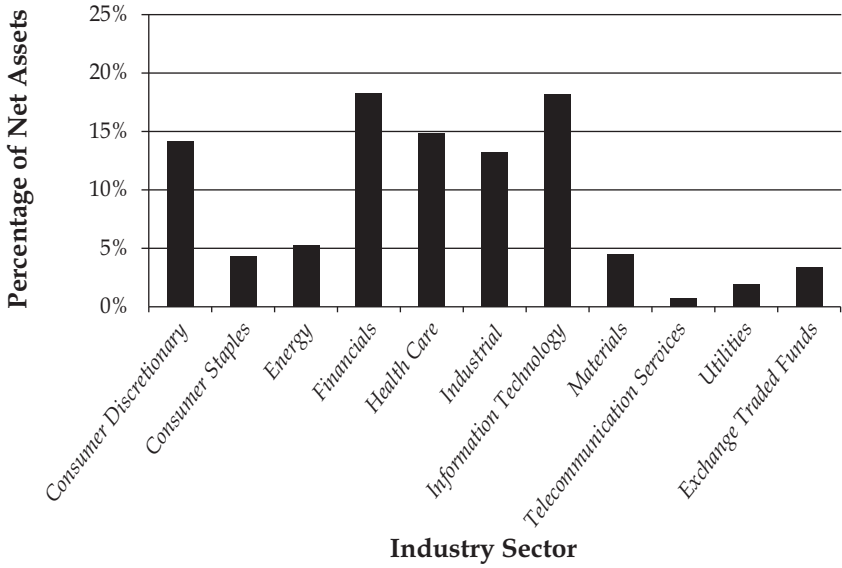
## **Important Disclosure Statements**

*The Fund's prospectus contains important information about the Fund's investment objectives, potential risks, management fees, charges and expenses, and other information and should be read and considered carefully before investing. The Fund's past performance does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. You may obtain a current copy of the Fund's prospectus by calling 1-800-673-0550. Distributed by First Dominion Capital Corp., Richmond, VA.*

*Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-800-673-0550.*

*Information provided with respect to the Fund's Portfolio Holdings, Sector Weightings, Number of Holdings and Expense Ratios are as of October 31, 2016 and are subject to change at any time.*

**TOREADOR EXPLORER FUND  
PORTFOLIO HOLDINGS, BY SECTOR,  
AS PERCENTAGE OF NET ASSETS  
AS OF OCTOBER 31, 2016  
(unaudited)**



**TOREADOR EXPLORER FUND**  
**SCHEDULE OF INVESTMENTS**

October 31, 2016

(unaudited)

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 95.41%</b>		
<b>CONSUMER DISCRETIONARY – 14.15%</b>		
American Axle & Manufacturing Holdings, Inc.*	7,684	\$ 137,697
Asbury Automotive Group Inc.*	2,378	121,159
Big Lots, Inc.	2,802	121,607
Cooper Standard Holdings, Inc.*	1,283	117,099
Meritage Homes Corp.*	3,283	101,609
Planet Fitness Inc “A”*	6,759	143,291
Rent-A-Center, Inc.	10,056	101,465
Sinclair Broadcast Group, Inc. “A”*	5,079	127,483
Smith & Wesson Holding Corp.*	4,845	128,053
Taylor Morrison Home Corp. “A”*	8,153	139,090
Tenneco Inc.*	1,938	106,726
		<u>1,345,279</u>
<b>CONSUMER STAPLES – 4.28%</b>		
Fresh Del Monte Produce Inc.	2,297	138,624
United Natural Foods, Inc.*	3,066	127,975
USANA Health Sciences, Inc.*	1,096	140,836
		<u>407,435</u>
<b>ENERGY – 5.27%</b>		
Diamond Offshore Drilling, Inc.	10,008	165,032
MDU Resources Group, Inc.	7,428	194,688
World Fuel Services Corp.	3,507	141,157
		<u>500,877</u>
<b>FINANCIALS – 18.24%</b>		
American Equity Investment Life Holding Co.	5,916	106,074
Bofi Holdings, Inc.*	5,976	111,333
Credit Acceptance Corp.*	557	102,544
Customers Bancorp, Inc.*	4,552	123,223
Enterprise Financial Services Corp.	4,125	136,537
Flagstar Bancorp, Inc.*	4,652	127,604
Fortress Investment Group LLC “A”	21,477	108,459
HFF Inc. - Class A	3,943	105,002
Homestreet Inc.*	4,205	115,848

**TOREADOR EXPLORER FUND**  
**SCHEDULE OF INVESTMENTS - continued**

October 31, 2016

(unaudited)

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS - continued</b>		
<b>FINANCIALS - continued</b>		
MGIC Investment Corp.*	14,720	\$ 120,115
National General Holdings Corp.	5,149	105,812
Nationstar Mortgage Holdings, Inc.*	6,844	103,413
PRA Group, Inc.*	3,561	113,596
Radian Group Inc.	9,158	124,457
Walker & Dunlop Inc.*	5,432	130,748
		<u>1,734,765</u>
<b>HEALTH CARE - 14.85%</b>		
Air Methods Corp.*	3,372	89,189
Akorn, Inc.*	4,653	111,439
Chemed Corp.	931	131,662
Emergent BioSolutions, Inc.*	4,490	119,973
Enanta Pharmaceuticals, Inc.*	4,799	112,872
The Ensign Group, Inc.	5,515	101,862
HealthSouth Corp.	3,153	126,593
INC Research Holdings Inc.*	3,029	138,425
Merit Medical Systems, Inc.*	5,276	115,808
PRA Health Sciences, Inc.*	2,366	125,919
Surgical Care Affiliates Inc.*	2,521	107,874
VWR Corp.*	4,767	131,140
		<u>1,412,756</u>
<b>INDUSTRIAL - 13.22%</b>		
Argan, Inc.	2,198	124,956
CBIZ, Inc.*	12,934	142,921
CEB Inc.	2,024	98,468
Deluxe Corp.	2,105	128,826
H&E Equipment Services, Inc.	7,271	101,430
Hawaiian Holdings, Inc.*	2,926	131,743
Hertz Global Holdings, Inc.*	2,680	88,842
TriNet Group, Inc.*	6,547	122,887
Triumph Group, Inc.	4,708	111,580
Wabash National Corp.*	8,168	91,890
Wesco Aircraft Holdings, Inc.*	8,869	113,967
		<u>1,257,510</u>

**TOREADOR EXPLORER FUND**  
**SCHEDULE OF INVESTMENTS – continued**  
**October 31, 2016**  
**(unaudited)**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – continued</b>		
<b>INFORMATION TECHNOLOGY – 18.22%</b>		
CACI International Inc.*	1,177	\$ 115,169
Ciena Corp.*	5,991	116,106
Cirrus Logic, Inc.*	2,333	125,935
CSG Systems International, Inc.	3,008	114,394
j2 Global, Inc.	1,811	128,853
Microsemi Corp.*	2,969	125,084
NETGEAR, Inc.*	2,501	126,300
NeuStar, Inc. Class A*	5,175	116,179
ScanSource, Inc.*	3,602	126,070
Tech Data Corp.*	1,782	137,250
TiVo Corp.*	6,133	121,740
TTM Technologies, Inc.*	11,627	152,895
Vishay Intertechnology, Inc.	8,852	124,813
Web.com Group Inc.*	6,337	102,026
		<u>1,732,814</u>
<b>MATERIALS – 4.46%</b>		
Clearwater Paper Corp.*	1,937	102,855
Commercial Metals Co.	6,824	107,205
Stepan Co.	1,539	109,315
Trinseo S.A. *	1,993	104,533
		<u>423,908</u>
<b>TELECOMMUNICATION SERVICES – 0.77%</b>		
Vonage Holdings Corp.*	10,619	72,846
<b>UTILITIES – 1.95%</b>		
Ormat Technologies Inc.	3,841	185,251
<b>TOTAL COMMON STOCKS – 95.41%</b>		
<b>(Cost: \$9,226,272)</b>		<u>9,073,441</u>
<b>EXCHANGED TRADED FUNDS – 3.35%</b>		
iShares Russell 2000	1,405	166,493
Vanguard Russell 2000	1,601	152,143
		<u>318,636</u>
<b>TOTAL EXCHANGE TRADED FUNDS – 3.35%</b>		
<b>(Cost: \$312,962)</b>		<u>318,636</u>

**TOREADOR EXPLORER FUND**  
**SCHEDULE OF INVESTMENTS - continued**  
**October 31, 2016**  
**(unaudited)**

	<u>Shares</u>	<u>Fair Value</u>
<b>MONEY MARKET FUND - 0.05%</b>		
Federated Treasury Obligations Fund 0.13%**	4,615	\$ <u>4,615</u>
<b>TOTAL MARKET FUND - 0.05%</b>		
(Cost: \$4,615)		<u>4,615</u>
<b>TOTAL INVESTMENTS - 98.81%</b>		
(Cost: \$9,543,849 )		9,396,692
<b>Other assets, net of liabilities - 1.19%</b>		<u>113,730</u>
<b>NET ASSETS - 100.00%</b>		<u><u>\$9,510,422</u></u>

\*Non-Income producing

\*\*Effective 7 day yield as of October 31, 2016

See Notes to Financial Statements

**TOREADOR EXPLORER FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**October 31, 2016 (unaudited)**

---

**ASSETS**

Investments at fair value (identified cost of \$9,543,849)	\$ 9,396,692
Receivable for capital stock sold	233,435
Dividends receivable	8
Due from the Advisor	17,006
Prepaid expenses	<u>23,547</u>
<b>TOTAL ASSETS</b>	<u><u>9,670,688</u></u>

**LIABILITIES**

Payable for securities purchased	151,706
Accrued administration, transfer agent and accounting fees	194
Other accrued expenses	<u>8,366</u>
<b>TOTAL LIABILITIES</b>	<u><u>160,266</u></u>

**NET ASSETS**

\$ 9,510,422

**Net Assets Consist of:**

Paid-in-capital applicable to 1,056,926 no par value shares of beneficial interest outstanding, unlimited shares authorized	\$10,144,470
Accumulated net investment income (loss)	(17,942)
Accumulated net realized gain (loss) on investments	(468,949)
Net unrealized appreciation (depreciation) of investments	<u>(147,157)</u>
<b>Net Assets</b>	<u><u>\$ 9,510,422</u></u>

**NET ASSET VALUE PER SHARE**

**Institutional Class Shares:**

Net Assets	\$ 7,051,620
Shares Outstanding (unlimited number of shares of beneficial interest authorized without par value)	783,151
Net Asset Value and Offering Price Per Share	<u>\$ 9.00</u>
Short-Term Redemption Fee Price Per Share*	<u><u>\$ 8.82</u></u>

**Investor Class Shares:**

Net Assets	\$ 2,458,802
Shares Outstanding (unlimited number of shares of beneficial interest authorized without par value)	273,775
Net Asset Value and Offering Price Per Share	<u>\$ 8.98</u>
Short-Term Redemption Fee Price Per Share*	<u><u>\$ 8.80</u></u>

\* Institutional Class and Investor Class will impose a 2% redemption fee on shares redeemed within 60 days of purchase.

See Notes to Financial Statements



**TREADOR EXPLORER FUND**  
**STATEMENT OF OPERATIONS**

**Six months ended**  
**October 31, 2016**  
**(unaudited)**

**INVESTMENT INCOME**

Dividend	\$ 40,646
Interest	132
Total investment income	<u>40,778</u>

**EXPENSES**

Investment management fees (Note 2)	55,649
Rule 12b-1 and servicing fees Investor Class (Note 2)	3,071
Recordkeeping and administrative services (Note 2)	2,545
Accounting fees (Note 2)	2,023
Custody fees	2,461
Transfer agent fees (Note 2)	3,898
Professional fees	16,489
Filing and registration fees	13,806
Trustees fees	1,737
Compliance fees	3,631
Shareholder services and reports	16,716
Other	<u>8,863</u>
Total expenses	130,889
Fee waivers and reimbursed expenses (Note 2)	<u>(72,169)</u>
Net Expenses	<u>58,720</u>
Net investment income (loss)	<u>(17,942)</u>

**REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS**

Net realized gain (loss) on investments	(180,344)
Net increase (decrease) in unrealized appreciation (depreciation) of investments	<u>255,585</u>
Net realized and unrealized gain (loss) on investments	<u>75,241</u>

**INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS** **\$ 57,299**

See Notes to Financial Statements

**TOREADOR EXPLORER FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>Six months ended October 31, 2016 (unaudited)</b>	<b>For the period June 11, 2015* to April 30, 2016</b>
<b>Increase (decrease) in Net Assets</b>		
<b>OPERATIONS</b>		
Net investment income (loss)	\$ (17,942)	\$ (2,834)
Net realized gain (loss) on investments	(180,344)	(288,605)
Net increase (decrease) in unrealized appreciation (depreciation) of investments	<u>255,585</u>	<u>(402,742)</u>
Increase (decrease) in net assets from operations	<u>57,299</u>	<u>(694,181)</u>
<b>CAPITAL STOCK TRANSACTIONS (Note 5)</b>		
Shares sold		
Institutional Class	249,710	8,317,409
Investor Class	372,457	2,816,264
Shares redeemed		
Institutional Class	(289,215)	(706,003)
Investor Class	<u>(310,647)</u>	<u>(302,671)</u>
Increase (decrease) in net assets from capital stock transactions	<u>22,305</u>	<u>10,124,999</u>
<b>NET ASSETS</b>		
Increase (decrease) during period	79,604	9,430,818
Beginning of period	<u>9,430,818</u>	<u>-</u>
End of period**	<u><u>\$9,510,422</u></u>	<u><u>\$ 9,430,818</u></u>
** Includes undistributed net investment income (loss) of:	<u>\$ (17,942)</u>	<u>\$ -</u>

\* Inception date

See Notes to Financial Statements

**TOREADOR EXPLORER FUND**  
**FINANCIAL HIGHLIGHTS**  
**SELECTED PER SHARE DATA THROUGHOUT EACH PERIOD**

	<b>Institutional Class Shares</b>	
	<b>Six months ended October 31, 2016 (unaudited)</b>	<b>Period June 11, 2015* to April 30, 2016</b>
<b>Net asset value, beginning of period</b>	<b>\$ 8.96</b>	<b>\$ 10.00</b>
<b>Investment activities</b>		
Net investment income (loss) <sup>(1)</sup>	(0.01)	_(2)
Net realized and unrealized gain (loss) on investments	0.05	(1.04)
<b>Total from investment activities</b>	<b>0.04</b>	<b>(1.04)</b>
<b>Net asset value, end of period</b>	<b>\$ 9.00</b>	<b>\$ 8.96</b>
<b>Total Return</b>	<b>0.45%***</b>	<b>(10.40%)***</b>
<b>Ratios/Supplemental Data</b>		
Ratio to average net assets		
Expenses, gross	2.62%**	2.63%**
Expenses, net of management fee waivers and reimbursements	1.14%**	1.14%**
Net investment income (loss)	(0.30%)**	(0.01%)**
Portfolio turnover rate	30.00%***	147.10%***
Net assets, end of period (000's)	\$ 7,052	\$ 7,048

\* Inception date

\*\* Annualized

\*\*\* Not annualized

<sup>(1)</sup> Per share amounts calculated using the average number of shares outstanding throughout each period.

<sup>(2)</sup> Less than \$0.01 per share.

See Notes to Financial Statements

**TOREADOR EXPLORER FUND**  
**FINANCIAL HIGHLIGHTS - continued**  
**SELECTED PER SHARE DATA THROUGHOUT EACH PERIOD**

	Investor Class Shares	
	Six months ended October 31, 2016 (unaudited)	Period June 30, 2015* to April 30, 2016
<b>Net asset value, beginning of period</b>	<b>\$ 8.95</b>	<b>\$ 9.90</b>
<b>Investment activities</b>		
Net investment income (loss) <sup>(1)</sup>	(0.03)	(0.01)
Net realized and unrealized gain (loss) on investments	0.06	(0.94)
<b>Total from investment activities</b>	<b>0.03</b>	<b>(0.95)</b>
<b>Net asset value, end of period</b>	<b>\$ 8.98</b>	<b>\$ 8.95</b>
<b>Total Return</b>	<b>0.34%***</b>	<b>(9.60%***)</b>
<b>Ratios/Supplemental Data</b>		
Ratio to average net assets		
Expenses, gross	2.87%**	2.88%**
Expenses, net of management fee waivers and reimbursements	1.39%**	1.39%**
Net investment income (loss)	(0.55%)**	(0.19%)**
Portfolio turnover rate	30.00%***	147.10%***
Net assets, end of period (000's)	\$ 2,459	\$ 2,383

\* Inception date

\*\* Annualized

\*\*\* Not annualized

<sup>(1)</sup> Per share amounts calculated using the average number of shares outstanding throughout each period.

See Notes to Financial Statements

**TOREADOR EXPLORER FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**

**October 31, 2016 (unaudited)**

---

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

The Treador Explorer Fund (the “Fund”) is a diversified series of the World Funds Trust (“WFT”) which is registered under The Investment Company Act of 1940, as amended, as an open-end management company. WFT was organized as a Delaware statutory trust on April 9, 2007. The Fund commenced operations for Institutional shares on June 11, 2015 and on June 30, 2015 for Investor shares.

The investment objective of the Fund is long-term capital appreciation.

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

**Security Valuation**

The Fund’s securities are valued at current market prices. Investments in securities traded on the national securities exchanges or included in the NASDAQ National Market System are valued at the last reported sale price. Other securities traded in the over-the-counter market and listed securities for which no sales are reported on a given date are valued at the last reported bid price. Short-term debt securities (less than 60 days to maturity) are valued at their fair value using amortized cost. 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. 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 NYSE. The value of these securities used in computing the NAV is determined as of such times.

The Trust has a policy that contemplates the use of fair value pricing to determine the net asset value (“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 that is likely to have changed the value of the security. Since most of the Fund’s investments are traded on U.S. securities exchanges, it is anticipated that the use of fair value pricing will be limited.

When the Trust 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 Board believes accurately reflects fair value. Any method used will be approved by the Board

**TOREADOR EXPLORER FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**October 31, 2016 (unaudited)**

---

and results will be monitored to evaluate accuracy. The Trust’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. However, fair values determined pursuant to the Trust’s procedures may not accurately reflect the price that the Fund could obtain for a security if it were to dispose of that security as of the time of pricing.

The Fund has adopted fair valuation accounting standards that establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs used to develop the measurements of fair value. These inputs are summarized in the three broad levels listed below.

Various inputs are used in determining the value of a 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 inputs used to value the Fund’s investments as of October 31, 2016:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Quoted</b>	<b>Other</b>	<b>Significant</b>	
	<b>Prices</b>	<b>Significant</b>	<b>Observable</b>	
	<u>          </u>	<b>Observable</b>	<b>Observable</b>	<u>          </u>
	<u>          </u>	<b>Inputs</b>	<b>Inputs</b>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Common Stocks	\$9,073,441	\$–	\$–	\$9,073,441
Exchange Traded Funds	318,636	–	–	318,636
Money Market Fund	4,615	–	–	4,615
	<u>\$9,396,692</u>	<u>\$–</u>	<u>\$–</u>	<u>\$9,396,692</u>

Refer to the Fund’s Schedule of Investments for a listing of the securities by type and industry.

There were no transfers into or out of any levels during the six months ended October 31, 2016. The Fund recognizes transfers between fair value hierarchy levels at the end of the reporting period. The Fund held no Level 3 securities at any time during the six months ended October 31, 2016.

### **Security Transactions and Income**

Security transactions are accounted for on the trade date. The cost of securities sold is determined generally on specific identification basis. Realized gains and losses from security transactions are determined on the basis of identified cost for book and tax purposes. Dividends are recorded on the ex-dividend date. Interest income is recorded on an accrual basis.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of overnight deposits with the custodian bank which earn interest at the current market rate.

### **Accounting Estimates**

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

### **Federal Income Taxes**

The Fund intends 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 reviewed the Fund's tax positions since inception and 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.

### **Reclassification of Capital Accounts**

GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. For the six months ended October 31, 2016, there were no such reclassifications.

### **Class Net Asset Values and Expenses**

All income and expenses not attributable to a particular class and realized and unrealized gains or losses on investments are allocated to each class based upon its relative net assets on a daily basis for purposes of determining the net asset value of each class. Certain shareholder servicing and distribution fees are allocated to the particular class to which they are attributable.

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

Pursuant to an Investment Advisory Agreement, the Fund’s investment advisor, Toreador Research and Trading, (“TRT”) provides investment services for an annual fee of 1.14% of average daily net assets of the Fund.

TRT received, waived, and reimbursed expenses for the six months ended October 31, 2016 as follows:

<u>Management Fee Earned</u>	<u>Management Fee Waived</u>	<u>Expenses Reimbursed</u>
\$55,649	\$55,649	\$16,520

TRT has contractually agreed to reduce fees and/or reimburse expenses until August 31, 2017 in order to keep Net Total Annual Fund Operating Expenses (excluding interest, distribution fees pursuant to Rule 12b-1 Plans, taxes, brokerage commissions, acquired fund fees and expenses, dividend expense on short sales, other expenditures capitalized in accordance with generally accepted accounting principles or other extraordinary expenses not incurred in the ordinary course of business) from exceeding 1.14% of the Fund’s average daily net assets. Each waiver and/or reimbursement of an expense by TRT is subject to repayment by the Fund within three fiscal years following the fiscal year in which the expense was incurred, 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. This expense limitation agreement may be terminated by TRT or the Board of Trustees of the Trust at any time after August 31, 2017. The total amount of recoverable reimbursements as of October 31, 2016 are as follows:

<u>Recoverable Reimbursements and Expiration Date</u>	
2019	2020
\$78,578	\$72,169

The Fund has adopted a Distribution Plan (the “Plan”) for Investor Shares in accordance with Rule 12b-1 under the 1940 Act, providing for the payment of distribution and service fees to the distributors of the Fund. The Plan provides that the Fund will pay a fee to the Distributor at an annual rate of up to 0.25% of average daily net assets attributable to its Investor Class shares in consideration for distribution services and the assumption of related expenses, including the payment of commissions and transaction fees, in conjunction with the offering and sale of Investor Class shares. For the six months ended October 31, 2016, the following fees under the Plan were incurred:

<u>Class</u>	<u>Type of Plan</u>	<u>Fees Incurred</u>
Investor Class	12b-1	\$3,071



**TOREADOR EXPLORER FUND**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**October 31, 2016 (unaudited)**

---

First Dominion Capital Corp. ("FDCC") acts as the Fund's principal underwriter in the continuous public offering of the Fund's shares. For the six months ended October 31, 2016, FDCC received no underwriting fees.

Commonwealth Fund Services, Inc. ("CFS"), acts as the Fund's administrator, transfer agent and dividend disbursing agent and pricing agent. As administrator, CFS provides shareholder services, recordkeeping, administrative and blue-sky filing services. For the six months ended October 31, 2016, the following fees were earned:

<u>Administration</u>	<u>Transfer Agent</u>	<u>Accounting</u>
\$2,545	\$3,898	\$2,023

Certain officers of the Fund are also officers and/or directors of FDCC and CFS. Additionally, John H. Lively of the Law Offices of John H. Lively and Associates, Inc., a member of The 1940 Act Law Group™, serves as legal counsel to the Trust. John H. Lively, Secretary of the Trust, is the owner of the Law Offices of John H. Lively and Associates, Inc. Mr. Lively receives no special compensation from the Trust or the Fund for serving as an officer of the Trust.

### **NOTE 3 - INVESTMENTS**

The cost of purchases and the proceeds from sales of securities other than short-term notes for the six months ended October 31, 2016, were as follows:

<u>Purchases</u>	<u>Sales</u>
\$2,890,976	\$2,859,459

### **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.

For the six months ended October 31, 2016 and the period ended April 30, 2016 there were no distributions paid.

**TOREADOR EXPLORER FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**October 31, 2016 (unaudited)**

---

As of October 31, 2016, the components of distributable earnings on a tax basis were as follows:

Accumulated net investment income (loss)	\$ (17,942)
Accumulated net realized gain (loss) of investments	(468,949)
Net unrealized appreciation (depreciation) of investments	<u>(147,157)</u>
	<u><u>\$ (634,048)</u></u>

As of April 30, 2016, the Fund has a capital loss carry forward of \$276,000 available to offset future capital gains, if any. To the extent that this carry forward is used to offset future capital gains, it is probable that the amount which is offset will not be distributed to shareholders. \$276,000 may be carried forward indefinitely and retains the character of short-term capital loss.

As of October 31, 2016, the cost of securities for Federal Income tax purpose and the related tax-based net unrealized appreciation (depreciation) consists of:

<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Total Unrealized Appreciation (Depreciation)</u>
\$9,543,844	\$757,755	\$(904,912)	\$(147,157)

**NOTE 5 – CAPITAL STOCK TRANSACTIONS**

Capital stock transactions for each class of shares were:

**Six months ended October 31, 2016 (unaudited)**

	<u>Institutional Class Shares</u>	<u>Investor Class Shares</u>
Shares sold	27,669	41,332
Shares reinvested	-	-
Shares redeemed	<u>(30,873)</u>	<u>(33,819)</u>
Net increase (decrease)	<u>(3,204)</u>	<u>7,513</u>

**Period ended April 30, 2016**

	<u>Institutional Class Shares*</u>	<u>Investor Class Shares**</u>
Shares sold	865,978	299,730
Shares reinvested	-	-
Shares redeemed	<u>(79,623)</u>	<u>(33,468)</u>
Net increase (decrease)	<u>786,355</u>	<u>266,262</u>

\* Inception date for the Institutional Class was June 11, 2015

\*\* Inception date for the Investor Class was June 30, 2015

**NOTE 6 - 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. Except as already included in the notes to these financial statements, no additional items require disclosure.

## **VOTING PROXIES ON FUND PORTFOLIO SECURITIES**

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-673-0550 or on the SEC's website at [www.sec.gov](http://www.sec.gov). Information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve months ended June 30 is available, without charge and upon request, by calling 1-800-673-0550 or on the SEC's website at [www.sec.gov](http://www.sec.gov).

## **QUARTERLY PORTFOLIO HOLDINGS**

The Fund files with the SEC a complete schedule of its portfolio holdings, as of the close of the first and third quarters of its fiscal year, on "Form N-Q". These filings are available, without charge and upon request, by calling 1-800-673-0550 or on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

**TOREADOR EXPLORER FUND**  
**FUND EXPENSES (unaudited)**

---

**Fund Expenses Example**

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, redemption fees on certain redemptions made within 60 days of purchase of Retail Class and Institutional Class shares and (2) ongoing costs, including management fees, administrative services fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period, May 1, 2016 and held for the six months ended October 31, 2016.

**Actual Expenses Example**

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes**

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	<b>Beginning Account Value 5/1/16</b>	<b>Ending Account Value 10/31/16</b>	<b>Annualized Expense Ratio</b>	<b>Expenses Paid During Period Ended* 10/31/16</b>
Institutional Class Actual	\$1,000.00	\$1,004.46	1.14%	\$5.76
Institutional Class Hypothetical**	\$1,000.00	\$1,019.30	1.14%	\$5.80
Investor Class Actual	\$1,000.00	\$1,003.35	1.39%	\$7.02
Investor Class Hypothetical**	\$1,000.00	\$1,018.05	1.39%	\$7.07

\* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 184 days in the most recent fiscal half year divided by 365 days in the current year.

\*\* 5% return before expenses.





**Investment Advisor:**

Toreador Research & Trading, LLC  
422 Fleming Street, Suite 7  
Key West, Florida 33040

**Distributor:**

First Dominion Capital Corp.  
8730 Stony Point Parkway, Suite 205  
Richmond, Virginia 23235

**Independent Registered Public Accounting Firm:**

Tait, Weller and Baker LLP  
1818 Market Street, Suite 2400  
Philadelphia, Pennsylvania 19103

**Transfer Agent, Fund Administration and Fund Accounting:**

Commonwealth Fund Services, Inc.  
8730 Stony Point Parkway, Suite 205  
Richmond, Virginia 23235

**Legal Counsel:**

The Law Offices of John H. Lively & Associates, Inc.  
A member firm of The 1940 Act Law Group™  
11300 Tomahawk Creek Parkway, Suite 310  
Leawood, Kansas 66211

**Custodian:**

Fifth Third Bank  
38 Fountain Square Plaza  
MD 1090CC  
Cincinnati, Ohio 45263

**More Information:**

For 24 hours, 7 days a week price information, and for information on any series of the World Funds Trust investment plans, and other shareholder services, call Commonwealth Fund Services, Inc. at (800) 673-0550 Toll Free.