

Annual Report to Shareholders

B. RILEY DIVERSIFIED EQUITY FUND

For the Year Ended December 31, 2015

To B. Riley Diversified Equity Fund Investors:

The B. Riley Diversified Equity Fund Institutional Class returned -4.20% to investors in 2015. This was nearly in-line with the Russell 2000° Index return of -4.41%.

As the Fund remained heavily overweighted in small and micro-cap equities in 2015, the year was a tale of two halves for the portfolio. After outperforming the market by a considerable margin through June 23rd, macroeconomic conditions made the market very difficult to navigate in the second half of the year. Small-cap equities fell out of favor even as large cap, major market index components such as Netflix, Amazon, Facebook and Alphabet continued to rally to new highs. The market backdrop became challenging as a small handful of companies propped up the major indexes. In the end, familiar themes of a China slowdown and plunging oil prices in conjunction with rising interest rates caught up with all corners of the equity markets. In the end, small cap equities closed the year near their lowest levels of 2015.

The Fund's strategy has changed dramatically since 2014. We have reduced the number of holdings in the Fund to take advantage of the best ideas of the B. Riley & Co. Research Department. The Fund intends to hold approximately 30 companies in the portfolio going forward. We feel confident in this being the best strategy for the Fund based on the outperformance of the best ideas segment of the portfolio in 2015.

Sincerely,

Chuck Hastings Portfolio Manager

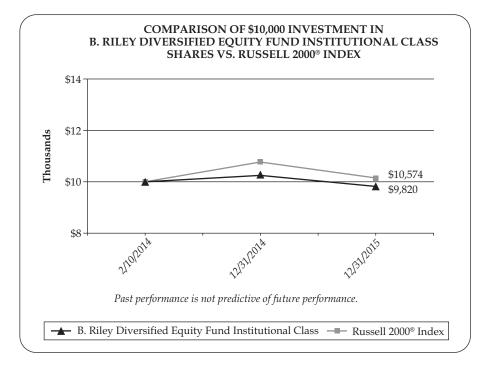
Important Disclosure Statements

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 an 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 December 31, 2015 and are subject to change at any time.

Information contained in this document was obtained from sources deemed to be reliable, but no guarantee is made as to the accuracy of such information. Nothing presented in this document may be construed as an offer to purchase or sell any security.

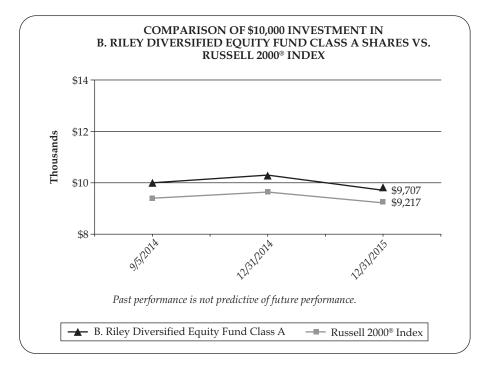


	Total Return One Year Ended 12/31/2015	Average Annual Return Since Inception 2/10/2014 to 12/31/2015*
B. Riley Diversified Equity Fund Russell 2000® Index	(4.20%) (4.41%)	(0.96%) 3.00%

^{*} The total return shown does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

(The comparative index is not adjusted to reflect expenses that the SEC requires to be reflected in the Fund's performance.)



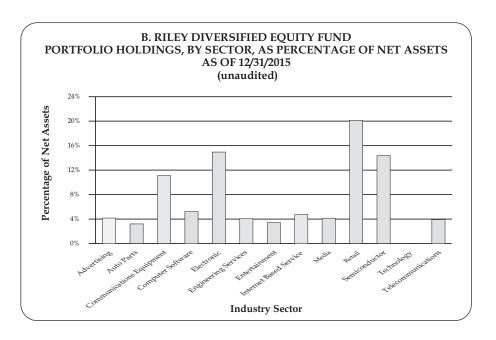
The Fund's growth of an assumed \$10,000 is adjusted for the maximum sales charge of 5.75%. This results in a net initial investment of \$9,425.

	Total Return	Average Annual Return
	One Year Ended	Since Inception
	12/31/15	9/5/2014 to 12/31/2015*
B. Riley Diversified Equity Fund		
without the load	(4.39%)	(1.67%)
B. Riley Diversified Equity Fund		
with the load	(9.89%)	(5.98%)
Russell 2000® Index	(4.41%)	(0.85%)

^{*} The total return shown does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

(The comparative index is not adjusted to reflect expenses that the SEC requires to be reflected in the Fund's performance.)



B. RILEY DIVERSIFIED EQUITY FUND SCHEDULE OF INVESTMENTS December 31, 2015

		Fair
	Shares	Value
COMMON STOCKS - 93.53%		
ADVERTISING - 4.17%		
The Rubicon Project, Inc.*	12,074	\$ 198,617
AUTO PARTS - 3.21%		
Superior Industries International, Inc.	8,320	153,255
COMMUNICATIONS EQUIPMENT - 11.10%		
EMCORE Corp.*	26,842	164,541
NetScout Systems, Inc.*	5,623	172,626
ViaSat, Inc.*	3,146	191,938
		529,105
COMPUTER SOFTWARE - 5.24%		
Guidance Software Inc.*	41,485	249,740
ELECTRONIC - 14.96%		
Imax Corp.*	5,049	179,441
Stoneridge, Inc.*	12,263	181,492
Turtle Beach Corp.*	90,755	182,418
Vishay Precision Group, Inc.*	15,020	170,026
		713,377
ENGINEERING SERVICES - 4.06%		
Kratos Defense & Security Solutions Inc.*	47,178	193,430
ENTERTAINMENT – 3.42%		
National Cinemedia, Inc.	10,368	162,881
INTERNET BASED SERVICE - 4.75%		
Monster Worldwide, Inc.*	39,546	226,599
MEDIA - 4.15%		
Autobytel Inc.*	8,764	197,716

B. RILEY DIVERSIFIED EQUITY FUND SCHEDULE OF INVESTMENTS - continued December 31, 2015

		Fair
	Shares	Value
COMMON STOCKS - continued		
RETAIL - 20.16%		
1-800-Flowers.Com A*	23,180	\$ 168,750
Cherokee Inc.*	11,546	199,169
J. C. Penney Company, Inc.*	26,891	179,094
Nutrisystem, Inc.	7,583	164,096
United Online, Inc.*	21,203	249,983
		961,092
SEMICONDUCTOR - 14.38%		
Intersil Corp.	12,365	157,777
Oclaro Inc.*	49,970	173,896
ON Semiconductor Corp.*	17,705	173,509
Skyworks Solutions, Inc.	2,348	180,397
		685,579
TELECOMMUNICATIONS - 3.93%		
Lumentum Holdings Inc.*	8,500	187,170
TOTAL COMMON STOCKS (Cost: \$4,274,776)		4,458,561
NET INVESTMENTS IN SECURITIES - 93.53%		
(Cost: \$4,274,776)		4,458,561
Other assets, net of liabilities – 6.47%		308,216
NET ASSETS - 100.00%		<u>\$4,766,777</u>

^{*}Non-income producing.

B. RILEY DIVERSIFIED EQUITY FUND STATEMENT OF ASSETS AND LIABILITIES

December 31, 2015

ASSETS	
Investments at fair value (identified cost of \$4,274,776) (Note 1)	\$4,458,561
Receivable for investments sold	172,281
Receivable for capital stock sold	83,000
Dividends and interest receivable	1,614
Due from advisor	45,154
Prepaid expenses	23,041
TOTAL ASSETS	4,783,651
LIABILITIES	
Due to custodian	11,463
Accrued 12b-1 fees	69
Accrued administration, accounting and transfer agent fees	3,042
Other accrued expenses	2,300
TOTAL LIABILITIES	16,874
NET ASSETS	\$4,766,777
Net Assets Consist of:	
Paid-in-capital applicable to 485,210 no par value shares of	
	#F 224 224
beneficial interest outstanding, unlimited shares authorized	\$5,334,221
beneficial interest outstanding, unlimited shares authorized Accumulated net realized gain (loss) on investments	\$5,334,221 (751,229)
Accumulated net realized gain (loss) on investments	(751,229)
Accumulated net realized gain (loss) on investments Net unrealized appreciation (depreciation) of investments	(751,229) 183,785
Accumulated net realized gain (loss) on investments Net unrealized appreciation (depreciation) of investments Net Assets	(751,229) 183,785
Accumulated net realized gain (loss) on investments Net unrealized appreciation (depreciation) of investments Net Assets NET ASSET VALUE AND REDEMPTION PRICE PER SHARE	(751,229) 183,785
Accumulated net realized gain (loss) on investments Net unrealized appreciation (depreciation) of investments Net Assets NET ASSET VALUE AND REDEMPTION PRICE PER SHARE Institutional Class	(751,229) 183,785 \$4,766,777
Accumulated net realized gain (loss) on investments Net unrealized appreciation (depreciation) of investments Net Assets NET ASSET VALUE AND REDEMPTION PRICE PER SHARE Institutional Class (\$4,738,736/482,345 shares outstanding)	(751,229) 183,785 \$4,766,777

B. RILEY DIVERSIFIED EQUITY FUND STATEMENT OF OPERATIONS

Year ended December 31, 2015

INVESTMENT INCOME	
Dividends (net of foreign taxes of \$57)	\$ 72,952
Interest	45
Total investment income	72,997
EXPENSES	
Investment management fees (Note 2)	126,189
12B-1 and servicing fees Class A (Note 2)	91
Recordkeeping and administrative services (Note 2)	29,620
Accounting fees (Note 2)	24,683
Custody fees	13,433
Transfer agent fees (Note 2)	18,053
Professional fees	45,809
Filing and registration fees	5,000
Trustee fees	4,092
Compliance fees	7,000
Shareholder servicing and reports	23,654
Other	23,518
Total expenses	321,142
Fee waivers and reimbursed expenses (Note 2)	(194,862)
Net expenses	126,280
Net investment income (loss)	(53,283)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Net realized gain (loss) on investments	35,340
Net increase (decrease) in unrealized appreciation (depreciation) of investments	(547,123)
Net realized and unrealized gain (loss) on investments	(511,783)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$(565,066)

B. RILEY DIVERSIFIED EQUITY FUND STATEMENTS OF CHANGES IN NET ASSETS

		February 10, 2014*
	Year ended	through
	December 31, 201	5 December 31, 2014
Increase (decrease) in Net Assets		
OPERATIONS		
Net investment income (loss)	\$ (53,283)	\$ (33,847)
Net realized gain (loss) on investments	35,340	(786,569)
Net increase (decrease) in unrealized		
appreciation (depreciation) of investments	(547,123)	730,908
Increase (decrease) in net assets from operations	(565,066)	(89,508)
CAPITAL STOCK TRANSACTIONS (NOTE 5)		
Shares sold		
Institutional Class	11,354,919	\$13,970,322
Class A	48,809	5,844
Shares redeemed		
Institutional Class	(15,430,653)	(4,503,309)
Class A	(24,581)	
Increase (decrease) in net assets from capital		
stock transactions	(4,051,506)	9,472,857
NET ASSETS		
Increase (decrease) during period	(4,616,572)	9,383,349
Beginning of period	9,383,349	
End of period (including undistributed net		
investment income (loss) of \$- and \$-, respectively	\$ 4,766,777	\$ 9,383,349

^{*}Commencement of operations

B. RILEY DIVERSIFIED EQUITY FUND FINANCIAL HIGHLIGHTS SELECTED PER SHARE DATA THROUGHOUT EACH PERIOD

	Institutional Class	
	February 10,	
	Year ended	through
	December 31, 2015	December 31, 2014
Net asset value, beginning of period	\$ 10.25	\$ 10.00
Investment activities		
Net investment income (loss) ⁽¹⁾	(0.06)	(0.04)
Net realized and unrealized gain (loss)		
on investments	(0.37)	0.29
Total from investment activities	(0.43)	0.25
Distributions		
Net investment income	-	-
Net realized gain		
Total distributions		
Net asset value, end of period	<u>\$ 9.82</u>	<u>\$ 10.25</u>
Total Return	(4.20%)	2.50%**
Ratios/Supplemental Data		
Ratio to average net assets		
Expenses, gross	3.18%	3.20%***
Expenses, net of fee waivers and reimbursements	1.25%	1.25%***
Net investment income (loss)	(0.52%)	(0.41%)***
Portfolio turnover rate	202.83%	191.14%**
Net assets, end of period (000's)	\$ 4,739	\$ 9,377

 $[\]ensuremath{^{(1)}}\mbox{Per}$ share amounts calculated using the average share method.

^{*} Commencement of operations

^{**} Not annualized

^{***}Annualized

B. RILEY DIVERSIFIED EQUITY FUND FINANCIAL HIGHLIGHTS SELECTED PER SHARE DATA THROUGHOUT EACH PERIOD

	Class A		
	September 5, 2014		
	Year ended	through	
	December 31, 201	<u>December 31, 2014</u>	
Net asset value, beginning of period	\$ 10.24	\$ 10.01	
Investment activities			
Net investment income (loss)(1)	(0.08)	(0.02)	
Net realized and unrealized gain (loss)			
on investments	(0.37)	0.25	
Total from investment activities	(0.45)	0.23	
Distributions			
Net investment income	_	_	
Net realized gain		_	
Total distributions			
Net asset value, end of period	\$ 9.79	<u>\$ 10.24</u>	
Total Return ⁽²⁾	(4.39%)	2.30%**	
Ratios/Supplemental Data			
Ratio to average net assets			
Expenses, gross	3.43%	3.45%***	
Expenses, net of fee waivers and reimbursements	1.50%	1.50%***	
Net investment income (loss)	(0.78%)	(0.66%)***	
Portfolio turnover rate	202.83%	191.14%**	
Net assets, end of period (000's)	\$ 28	\$ 6	

⁽¹⁾ Per share amounts calculated using the average share method.

⁽²⁾ Total return does not reflect applicable sales loads.

^{*} Commencement of operations

^{**} Not annualized

^{***}Annualized

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The B. Riley Diversified Equity Fund (the "Fund") is a series of the World Funds Trust ("WFT" or "Trust") which is registered under the Investment Company Act of 1940, as amended. The Fund is a diversified open-end management company. WFT 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 February 10, 2014 as a series of WFT.

As of December 31, 2015, the Fund offered three classes of shares, Institutional Class, Class A and Investor Class. As of December 31, 2015, there were no Investor Class shares outstanding.

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". The objective of the fund is to seek to achieve capital appreciation.

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").

Security Valuation

The Fund's securities are valued at current market prices. Investments in securities traded on national securities exchanges or included in the NASDAQ National Market System are valued at the last reported sales price. Other securities traded in the overthe-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. Debt securities are valued by appraising them at prices supplied by a pricing agent approved by the Trust, which prices may reflect broker-dealer supplied valuations and electronic data processing techniques. 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 of Trustees (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 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 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 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 Board 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. However, fair values determined pursuant to the Fund's procedures may differ from the price that the Fund could obtain for a security if it were to dispose of that security as of the time of pricing.

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 December 31, 2015:

Larral 2

		Level 2		
		Other	Level 3	
	Level 1	Significant	Significant	
	Quoted	Observable	Unobservable	
	Prices	Inputs	Inputs	Total
Common Stock	\$4,458,561	<u>\$-</u>	<u>\$-</u>	\$4,458,561

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

There were no transfers into or out of any levels during the year ended December 31, 2015. 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 year ended December 31, 2015.

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. The cost of securities sold is determined generally on a specific identification basis. Distributions from underlying ETF investments are recorded on the ex-date and reflected as dividend income on the Statement of Operations unless designated as long term capital gain. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

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 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 analyzed the Fund's tax positions for its initial tax year (2014) and expected to be taken in the Fund's 2015 tax returns 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 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.

Reclassification of Capital Accounts

Certain components of net assets are reclassified relating 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 December 31, 2015, such reclassifications decreased paid-in-capital by \$53,283 and decreased net investment loss by \$53,283.

Class Net Asset Value and Expenses

All income, expenses not attributable to a particular class, and realized and unrealized gains, are allocated to each class proportionately on a daily basis for purposes of determining the net asset value of each class. Each class bears different distribution expenses. Ratios are calculated by adjusting the expense and net investment income ratios for the Fund for the entire period for the effect of expenses applicable for each class. Expenses incurred by the Trust that do not relate to a specific fund of the Trust are allocated to the individual funds based on each fund's relative net assets or another appropriate basis as determined by the Board.

NOTE 2 - INVESTMENT ADVISORY AND DISTRIBUTION AGREEMENTS AND OTHER TRANSACTIONS WITH AFFILIATES

Pursuant to the Investment Advisory Agreement, B. Riley Asset Management, a division of B. Riley Capital Management, LLC (the "Advisor" or "B. Riley") provides investment advisory services for an annual fee of 1.25% of average daily net assets. For the year ended December 31, 2015, the Advisor earned and waived \$126,189 in advisory fees and reimbursed the Fund \$68,673.

In the interest of limiting the operating expenses of the Fund, B. Riley has entered into a written expense limitation agreement under which it has agreed to limit the total expenses of the Fund (exclusive of interest, distribution fees pursuant to Rule 12b-1 Plans, taxes, acquired fund fees and expenses, brokerage commissions, extraordinary expenses and dividend expense on short sales) to an annual rate of 1.25% of the average daily net assets of the Fund. The Advisor may not terminate this expense limitation agreement prior to April 30, 2017. Each waiver or reimbursement of an expense by the Advisor 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 and at the time the waiver or reimbursement is recouped. The total amount of recoverable reimbursements as of December 31, 2015 was \$353,918 and expires as follows:

December 31, 2017	\$159,056
December 31, 2018	_194,862
	\$353,918

Subject to policies established by the Board, the Advisor is responsible for the Fund's portfolio decisions and the placing of the Fund's portfolio transactions. The Advisor typically executes the Fund's portfolio transactions through its affiliated broker-dealer, B. Riley & Co., LLC, on an agency basis; while principal trades on behalf of the Fund are executed solely through independent broker-dealers. In placing portfolio

transactions, the Advisor seeks the best qualitative execution for the Fund, taking into account such factors as price (including the applicable brokerage commission or dealer spread), the execution capability, financial responsibility, responsiveness of the brokerdealer, clearance procedures, wire service quotations, statistical information, market and economic analysis provided by the broker or dealer to the Fund and the Advisor. The Advisor generally seeks favorable process and commission rates that are reasonable in relation to the benefits received. Under the 1940 Act, persons affiliated with an affiliate of the Advisor (such B. Riley & Co., LLC) are prohibited from dealing with the Fund as a principal in the purchase and sale of securities. Therefore, B. Riley & Co., LLC will not serve as dealer in connection with the Fund's over-the-counter transactions. However, B. Riley & Co., LLC may serve as broker in the Fund's overthe-counter transactions conducted on an agency basis and may receive brokerage commissions in connections with such transactions will be executed on a fully disclosed basis through its clearing firm. For the year ended December 31, 2015, B. Riley & Co., LLC received brokerage commissions of \$45,471 and the total value of transactions generating brokerage commissions was \$45,544,088.

First Dominion Capital Corp. ("FDCC") acts as the Fund's principal underwriter in the continuous public offering of the Fund's shares. For the year ended December 31, 2015, FDCC received \$149 of commissions from the sale of Fund shares. The Fund's Class A shares have adopted a Distribution Plan (the "Plan") in accordance with Rule 12b-1 under the 1940 Act providing for the payment of distribution and service fees to the Distributor of the Fund. The Plan provides that the Fund will pay a fess to the Distributor at an annual rate of up to 0.25% of the average daily net assets attributable to its Class A 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 Class A shares. For the year ended December 31, 2015, there were \$91 of Class A 12b-1 expenses incurred.

Commonwealth Fund Services, Inc. ("CFSI"), acts as the Fund's administrator, transfer and dividend disbursing agent and pricing agent. As administrator, CFSI provides shareholder, recordkeeping, administrative and blue-sky filing services and earned \$29,620 for its services for the year ended December 31, 2015. As the Fund's transfer agent and dividend disbursing agent, CFSI earned \$18,053 for its services for the year ended December 31, 2015. As pricing agent, CFSI earned \$24,683 for its accounting services for the year ended December 31, 2015.

Certain officers of the Trust are also officers and/or directors of FDCC and CFSI. Additionally John H. Lively of the 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., and Cynthia D. Baughman, Assistant Secretary of the Trust, is counsel with The Law Offices of John H. Lively and Associates, Inc. Mr. Lively and Ms. Baughman receive no special compensation from the Trust or the Fund for serving as officers of the Trust.

NOTE 3 - INVESTMENTS

The cost of purchases and the proceeds from sales of securities other than short-term notes for the year ended December 31, 2015 aggregated \$19,954,387 and \$25,589,701, respectively.

NOTE 4 - DISTRIBUTIONS TO SHAREHOLDERS AND TAX COMPONENTS OF CAPITAL

Distributions from net investment income and realized gains, if any, are recorded on the ex-dividend date. Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

There were no distributions paid during the year ended December 31, 2015 or the period February 10, 2014* through December 31, 2014.

As of December 31, 2015, the components of distributable earnings on a tax basis were as follows:

	Year ended December 31, 2015
Other losses	\$(472,259)
Unrealized appreciation (depreciation)	(95,185)
	<u>\$(567,444</u>)

As of December 31, 2015, the Fund has a capital loss carryforward of \$425,996 available to offset future capital gains, if any. To the extent that this carryforward is used to offset future capital gains, it is probable that the amount which is offset will not be distributed to shareholders. \$425,996 may be carried forward indefinitely and \$178,668 is considered short-term and \$247,328 is considered long-term.

The difference between book basis and tax basis distributable earnings is attributable primarily to tax deferral of losses on wash sales.

Cost of securities for Federal Income tax purposes is \$4,553,746 and the related tax-based net unrealized appreciation (depreciation) consists of:

Gross unrealized appreciation	\$ 427,532
Gross unrealized depreciation	(522,717)
Net unrealized appreciation (depreciation)	\$ (95,185)

The difference between book basis and tax basis net unrealized appreciation is attributable primarily to tax deferral of losses on wash sales.

NOTE 5 - CAPITAL STOCK TRANSACTIONS

Capital stock transactions were:

	Institutional Class Shares Year ended December 31, 2015		Year	A Shares ended er 31, 2015
	Shares	Value	Shares	Value
Shares Purchased Shares Reinvested Shares Redeemed Net increase (decrease)	1,028,917 - (1,461,508) (432,591)	\$ 11,354,919 - (15,430,653) \$ (4,075,734)	4,619 - (2,338) <u>2,281</u>	\$ 48,809 - (24,581) \$ 24,228
	Institutional Class Shares Period February 10, 2014* through December 31, 2014		Share Septemb thr	nss A s Period per 5, 2014* ough er 31, 2014
	Shares	Value	Shares	Value
Shares Purchased Shares reinvested Shares Redeemed Net increase (decrease)	1,368,806 - (453,870) 914,936	\$ 13,970,322 - (4,503,309) \$ 9,467,013	584 - - - 584	\$ 5,844 - - \$ 5,844

^{*}Commencement of operations.

NOTE 6 - NEW ACCOUNTING PRONOUNCEMENT

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-07 "Disclosure for Investment in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)." The amendments in ASU No. 2015-07 remove the requirement to categorize within the fair value hierarchy investment measured using the NAV practical expedient. The ASU also removes certain disclosure requirements for investments that qualify, but do not utilize, the NAV practical expedient. The amendments in the ASU are effective for Fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Management is currently evaluating the impact these changes will have on the Fund's financial statements and related disclosures.

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of the World Funds Trust and the shareholders of B. Riley Diversified Equity Fund

We have audited the accompanying statement of assets and liabilities of the B. Riley Diversified Equity Fund (the "Fund"), a series of the World Funds Trust, including the schedule of investments, as of December 31, 2015, and the related statement of operations for the year then ended, the statements of changes in net assets and the financial highlights for the year then ended and for the period February 10, 2014 (commencement of operations) to December 31, 2014. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2015, by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the B. Riley Diversified Equity Fund as of December 31, 2015, and the results of its operations for the year then ended, the changes in its net assets and its financial highlights for the year then ended and for the period February 10, 2014 to December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

Philadelphia, Pennsylvania February 29, 2016 TAIT, WELLER & BAKER LLP

Information pertaining to the trustees and officers of the Trust is set forth below. The names, addresses and birth years of the trustees and officers of the Trust, together with information as to their principal occupations during the past five years, are listed below. The Statement of Additional Information (the "SAI") includes additional information about the trustees and is available without charge upon request by calling, toll-free, (800) 673-0550.

Following is a list of the Trustees and executive officers of the Trust and their principal occupation over the last five years.

NON-INTERESTED TRUSTEES					
	Term of Number				
		Office		of Funds	
		and	Principal	in Fund	Other
Name,	Positions(s)	Length	Occupations(s)	Complex	Directorships
Address	Held with	of Time	During the Past	Overseen	Held by
and Age	the Trust	Served	Five Years	by Trustee	Trustee
David J. Urban	Trustee	Indefinite,	Dean, Jones	15	None
8730 Stony		Since	College of		
Point Pkwy		June 2010	Business, Middle		
Suite 205			Tennessee State		
Richmond, VA			University since		
23235			July 2013; Virginia		
Age: 60			Commonwealth		
			University,		
			Professor of		
			Marketing from		
			1989 to 2013.		
Mary Lou	Trustee	Indefinite,	Accountant, Harris,	15	None
H. Ivey		Since	Hardy &		
8730 Stony		June 2010	Johnstone, P.C.,		
Point Pkwy			accounting firm,		
Suite 205			since 2008.		
Richmond, VA					
23235					
Age: 57					

		Term of Office and	n i d	Number of Funds in Fund	Other
Name,	Positions(s)	Length	Principal Occupations(s)	Complex	Directorships
Address	Held with	of Time	During the Past	Overseen	Held by
and Age	the Trust	Served	Five Years	by Trustee	Trustee
Theo H. Pitt, Jr.	Trustee	Indefinite;	Senior Partner,	15	Independent
8730 Stony		Since	Community		Trustee of
Point Pkwy		August	Financial		Gardner
Suite 205		2013	Institutions		Lewis
Richmond, VA			Consulting (bank		Investment
23235			consulting) since		Trust for the
Age: 79			1997 to present.		two series of
			1		that trust;
					Leeward
					Investment
					Trust for the
					one series of
					that trust;
					Hillman
					Capital
					Management
					Investment
					Trust for the
					one series of
					that trust; and
					Starboard
					Investment
					Trust for the
					28 series of
					that trust; (all
					registered
					investment
					companies).

OFFICERS WHO ARE NOT TRUSTEES					
		Term of		Number	
		Office		of Funds	
		and	Principal	in Fund	Other
Name,	Positions(s)	Length	Occupations(s)	Complex	Directorships
Address	Held with	of Time	During the Past	Overseen	Held by
and Age	the Trust	Served	Five Years	by Trustee	Trustee
John Pasco III	President	Indefinite,	President, Treasurer	N/A	American
8730 Stony	and	Since	and Director of		Growth Fund,
Point Pkwy	Principal	June 2010	Commonwealth		Inc.
Suite 205	Executive		Fund Services, Inc.		
Richmond, VA	Officer		("CFS"), the Trust's		
23235			Administrator,		
Age: 70			Transfer Agent,		
			Disbursing		
			Agent, and		
			Accounting		
			Services Agent		
			since 1993; and		
			President and		
			Director of First		
			Dominion		
			Capital Corp.		
			("FDCC"), the		
			Trust's underwriter.		
			Mr. Pasco is a		
			certified public		
			accountant.		
Karen M. Shupe	Treasurer	Indefinite,	Managing	N/A	N/A
8730 Stony	and	Since	Director of Fund		
Point Pkwy	Principal	June 2008	Operations,		
Suite 205	Financial		Commonwealth		
Richmond, VA	Officer		Fund Services,		
23235			Inc., 2003 - present.		
Age: 51					

Name, Address and Age David Bogaert 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 52	Positions(s) Held with the Trust Vice President	Term of Office and Length of Time Served Indefinite, Since November 2013	Principal Occupations(s) During the Past Five Years Managing Director of Business Development, Commonwealth Fund Services, Inc., October 2013 – present;	Number of Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee N/A
Ann T.	Assistant	Indefinite,	Senior Vice President of Business Development and other positions for Huntington Asset Services, Inc. from 1986 to 2013. Director, Fund	N/A	N/A
MacDonald 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 61	Treasurer	Since November 2015	Administration and Fund Accounting, Commonwealth Fund Services, Inc., 2003 – present.	N/A	N/A
John H. Lively 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 47	Secretary	Indefinite, Since November 2013	Attorney, The Law Offices of John H. Lively & Associates, Inc. (law firm), March 2010 to present: Attorney, Husch Blackwell Sanders LLP (law firm), March 2007 to February 2010.	N/A	N/A

Name, Address and Age	Positions(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupations(s) During the Past Five Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
Cynthia D. Baughman 8730 Stony Point Pkwy Suite 205 Richmond,VA 23235 Age: 47	Assistant Secretary	Indefinite, Since November 2013	Attorney, The Law Offices of John H. Lively & Associates, Inc. (law firm), July 2011 to present; Associate, Investment Law Group, LLP (law firm) (May 2009 – June 2011).	N/A	N/A
Holly B. Giangiulio 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 53	Assistant Secretary	Indefinite, Since November 2015	Managing Director, Corporate Operations, Commonwealth Fund Services, Inc., January 2015-present, Corporate Accounting and HR Manager from 2010 to 2015.	N/A	N/A
Julian G. Winters 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 47	Chief Compliance Officer	Indefinite, Since August 2013.	Managing Member of Watermark Solutions, LLC (investment compliance and consulting) since March 2007.	N/A	N/A

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 1-800-637-0550 or on the SEC's website at 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 on or through the SEC's website at 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 1-800-637-0550 or on the SEC's website at 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.

B. RILEY DIVERSIFIED EQUITY FUND FUND EXPENSES (unaudited)

Fund Expenses Example

As a shareholder of the Fund, you incur Two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments of Class A shares and (2) ongoing costs, including management fees, distributions (12b-1) 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, July 1, 2015, and held for the six months ended December 31, 2015.

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 sales charges (loads). 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. RILEY DIVERSIFIED EQUITY FUND - continued FUND EXPENSES (unaudited)

Institutional Class	Beginning Account Value	Ending Account Value	Expenses Paid During the Period* July 1, 2015 through
Shares	July 1, 2015	December 31, 2015	December 31, 2015
Actual	\$1,000	\$ 892.73	\$5.96
Hypothetical			
(5% return before			
expenses)	\$1,000	\$1,018.75	\$6.36

	Beginning	Ending Account	Expenses Paid During the Period* July 1, 2015
	Account Value	Value	through
Class A Shares	July 1, 2015	December 31, 2015	December 31, 2015
Actual	\$1,000	\$ 892.43	\$7.15
Hypothetical			
(5% return before			
expenses)	\$1,000	\$1,017.50	\$7.63

^{*} Expenses are equal to the Fund's annualized expense ratio of 1.25% for Institutional Class and 1.50% for Class A, 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.

Investment Advisor:

B. Riley Asset Management, a division of B. Riley Capital Management, LLC 11100 Santa Monica Blvd., Suite 800 Los Angeles, California 90025

Distributor:

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

Independent Registered Public Accounting Firm:

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

Transfer Agent, Fund Accounting and Fund Administration:

Commonwealth Fund Services, Inc. 8730 Stony Point Parkway, Suite 205 Richmond, Virginia 23235 (800) 628-4077 Toll Free

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

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 Service at (800) 673-0550 Toll Free.