SEMI-ANNUAL REPORT
2018

S SPLIT CORP.

strathbridge
ASSET MANAGEMENT

Letter to Shareholders

We are pleased to present the 2018 semi-annual report containing the management report of fund performance and the unaudited financial statements for S Split Corp. (the “Fund”).

Stock markets around the world were mixed in the first half of 2018 as investors balanced the positive impact of tax reform in the United States on earnings versus the potential consequences of a global trade war, desynchronized central banks policies as well as valuation concerns as we enter the 10th year since most markets bottomed in the early part of 2009. For the first six months of 2018, the S&P 500 Index and S&P/TSX Composite Index advanced 2.6 percent and 2.0 percent, respectively, while global markets were generally in the red with the MSCI EAFE Index down 2.4 percent and the MSCI Emerging Markets Index off 6.6 percent, as concerns surrounding trade and tariffs weighed them down. The Federal Reserve Open Market Committee (“FOMC”), which seems to be on the most aggressive path of tightening, raised the overnight interest rate twice so far in 2018, to now sit at 2.0 percent. The short-end of the yield curve in the United States has reacted to the tighter FOMC policy with 2-year yields rising to 2.53 percent from 1.88 percent at the end of 2017. Curiously, long-term interest rates have not moved as rapidly, ending the second quarter at 2.86 percent. This dynamic has caused the yield curve to flatten to its lowest point since 2007 and sits just 30 basis points from being inverted, a condition often associated with an imminent recession. Oil prices resumed their ascent in the first half of 2018 with the Bloomberg WTI Cushing Crude Oil Spot price rising to US$74.15 per barrel on June 29, 2018, up 22.7 percent from US$60.42 at the end of 2017. Meanwhile, other commodities did not fare as well with Copper prices off 9.1 percent, Gold down 3.8 percent and Natural Gas off 16 percent year-to-date. Volatility, as measured by the Chicago Board Options Exchange Volatility Index (“VIX”), picked up in the first half of 2018, spiking to over 50 in early February, after touching all-time lows in November 2017. Given the uncertainty surrounding the global political landscape, trade war rhetoric, NAFTA renegotiations along with the Federal Reserve continuing to shift monetary policy to one that is less accommodating, we remain cautiously optimistic on global stock markets with the view that volatility is likely to remain elevated compared to the low levels witnessed over the past few years.

Cash distributions of $0.26 per share were paid to Preferred shareholders and $0.26 per share were paid to Class A shareholders during the six months ended June 30, 2018. The net asset value per Unit of the Fund decreased from $19.35 at December 31, 2017 to $17.35 at June 30, 2018. The Fund’s total return per Unit and per Class A share, including reinvestment of distributions, was negative 7.8 percent and negative 18.9 percent respectively for the period. For a more detailed review of the operations of the Fund, please see the Results of Operations and the Portfolio Manager Report sections.

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

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

The Fund

The Fund is a split share corporation designed to provide Preferred shareholders with fixed cumulative preferential monthly distributions of 5.25 percent per annum and the Class A shareholders with regular monthly distributions of 6.0 percent per annum on the net asset value of the Fund and return the original issue price of both classes on the termination date of the Fund. The shares are listed on the Toronto Stock Exchange under the ticker symbols SBN.PR.A for the Preferred shares and SBN for the Class A shares. A Unit of the Fund consists of one Preferred share and one Class A share.

To accomplish its objectives, the Fund invests in common shares of The Bank of Nova Scotia and may also invest up to 10 percent of its net assets to purchase call options in respect of securities in which the Fund is permitted to invest.

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

The SSO strategy is a quantitative, technical based methodology that identifies appropriate times to write and/or close out option positions compared to writing continuously and rolling options every thirty days. This proprietary process has been developed over many years through various market cycles. The Manager believes the primary benefit to investors is to maximize the total return of the particular portfolio while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

Management Report of Fund Performance

This semi-annual management report of fund performance contains the financial highlights for the six months ended June 30, 2018 of S Split Corp. (the "Fund"). The unaudited semi-annual financial statements of the Fund are attached.

Copies of the Fund's proxy voting policies and procedures, proxy voting disclosure record and quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll free, by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, P.O. Box 113, Toronto, Ontario, M5H 3T9, by email at info@strathbridge.com, or by visiting our website at www.strathbridge.com. You can also request semi-annual or annual reports at no cost by using one of the above methods.

Results of Operations

Distributions

For the six months ended June 30, 2018, cash distributions of $0.26 per share were paid to Preferred shareholders, and cash distributions of $0.26 per share were paid to Class A shareholders both unchanged from the prior year.

Since the inception of the Fund on May 17, 2007, the Fund has paid total cash distributions of $5.84 per Preferred share and $5.89 per Class A share.

Revenue and Expenses

For the six months ended June 30, 2018, the Fund's total revenue per Unit was $0.37 as compared to $0.36 during the same period last year. Total expenses per Unit were $0.31 per Unit unchanged from the previous year. The Fund had a net realized and unrealized loss of $1.53 per Unit in the first half of 2018 as compared to a net realized and unrealized gain of $0.81 per Unit a year earlier.

Net Asset Value

The net asset value per Unit of the Fund decreased 10.3 percent from $19.35 at December 31, 2017 to $17.35 at June 30, 2018. The aggregate net asset value of the Fund decreased $1.9 million, from $18.9 million at December 31, 2017 to $17.0 million at June 30, 2018, reflecting an operating loss of $1.4 million and cash distributions of $0.5 million to Preferred and Class A shareholders.

Recent Developments

There were no recent developments pertaining to the Fund during the six months ended June 30, 2018.

Related Party Transactions

Strathbridge Asset Management Inc. ("Strathbridge"), as the Investment Manager of the Fund, manages the investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and Strathbridge dated April 26, 2007.

Strathbridge is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Strathbridge dated April 26, 2007. As such, Strathbridge is responsible for providing or arranging for required administrative services to the Fund.

Strathbridge is paid the fees described under the Management Fees section of this report.

During the period, no recommendations or approvals were required to be sought from the Independent Review Committee ("IRC") concerning related party transactions.

Independent Review Committee

National Instrument 81-107 - Independent Review Committee for Investment Funds ("NI 81-107") requires all publicly offered investment funds to establish an IRC to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. The Chief Compliance Officer, designated by the Manager, is in charge of facilitating the fulfillment of these obligations.

The IRC will prepare, for each financial year, a report to securityholders that describes the IRC and its activities during such financial year and includes, if known, a description of each instance when the Manager acted in a conflict of interest matter for which the IRC did not give a positive recommendation or for which a condition, imposed by the IRC, was not met in its recommendation or approval. Members of the IRC are Robert W. Korthals, Michael M. Koerner and Robert G. Bertram.

Management Report of Fund Performance

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years.

Information for the period ended June 30, 2018 is derived from the Fund's unaudited semi-annual financial statements.

	Six months ended June 30, 2018
NET ASSETS PER UNIT	
Net Assets, beginning of period(1)	$ 19.35
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.37
Total expenses	(0.31)
Realized gain (loss) for the period	0.19
Unrealized gain (loss) for the period	(1.72)
Total Increase (Decrease) from Operations(2)	(1.47)
DISTRIBUTIONS	
Preferred Share	
From net investment income	(0.06)
Non-taxable distributions	(0.20)
Total Preferred Share Distributions	(0.26)
Class A Share	
From net investment income	–
Non-taxable distributions	(0.26)
Total Class A Share Distributions	(0.26)
Total Distributions(3)	(0.52)
Net Assets, end of period(1)	$ 17.35

(1) All per Unit figures presented are derived from the Fund's unaudited financial statements for the six months ended June 30, 2018 and the annual audited financial statements for the years ended December 31. Net assets per Unit is the difference between the aggregate value of the assets and the aggregate value of the liabilities, excluding the Redeemable Preferred Share liability, divided by the number of Units then outstanding.

	Six months ended June 30, 2018
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value, excluding the Redeemable Preferred Share liability ($millions)	$ 16.98
Net Asset Value ($millions)	$ 7.20
Number of Units outstanding	978,753
Management expense ratio(1)	3.31%(4)
Portfolio turnover rate(2)	0.00%
Trading expense ratio(3)	0.02%(4)
Net Asset Value per Unit(5)	$ 17.35
Closing market price - Preferred	$ 10.75
Closing market price - Class A	$ 6.70

(1) The management expense ratio ("MER") is the sum of all fees and expenses for the stated period, including harmonized sales tax but excluding transaction fees and Preferred share distributions, divided by the average net asset value, excluding the Redeemable Preferred Share liability. Generally, the MER increases when the Fund becomes smaller in size due to redemptions. The MER, including Preferred share distributions, is 6.14%, 5.85%, 6.25%, 5.85%, 5.27% and 5.37% for 2018, 2017, 2016, 2015, 2014 and 2013 respectively. The MER for 2015 and 2014 includes the special resolution expense/(recovery). The MER for 2015 and 2014 excluding the special resolution expense/(recovery) is 2.92% and 2.33% respectively.

The information for the years ended December 31 is derived from the Fund's audited annual financial statements.

Years ended December 31				
2017	2016	2015	2014	2013
$ 18.64	$ 15.34	$ 18.78	$ 19.86	$ 18.23
0.72	0.65	0.91	0.79	0.56
(0.60)	(0.54)	(0.50)	(0.55)	(0.46)
1.21	1.23	0.62	3.20	(0.11)
0.45	2.69	(3.49)	(2.67)	2.57
1.78	4.03	(2.46)	0.77	2.56
(0.14)	(0.15)	(0.53)	(0.53)	(0.22)
(0.39)	(0.38)	–	–	(0.31)
(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
–	–	–	(0.26)	–
(0.54)	(0.26)	(0.43)	(0.34)	(0.50)
(0.54)	(0.26)	(0.43)	(0.60)	(0.50)
(1.07)	(0.79)	(0.96)	(1.13)	(1.03)
$ 19.35	$ 18.64	$ 15.34	$ 18.78	$ 19.86

(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized and unrealized gain (loss), less expenses excluding Preferred share distributions, and is calculated based on the weighted average number of Units outstanding during the period. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of Units outstanding during the period.

(3) Distributions to shareholders are based on the number of shares outstanding on the record date for each distribution.

Years ended December 31				
2017	2016	2015	2014	2013
$ 18.94	$ 19.12	$ 17.48	$ 21.89	$ 61.89
$ 9.15	$ 8.86	$ 6.08	$ 10.23	$ 30.73
978,753	1,025,576	1,139,931	1,165,364	3,116,112
3.11%	3.13%	2.85%	2.72%	2.51%
23.23%	77.97%	24.16%	0.00%	4.52%
0.03%	0.08%	0.02%	0.01%	0.01%
$ 19.35	$ 18.64	$ 15.34	$ 18.78	$ 19.86
$ 10.55	$ 10.70	$ 10.10	$ 10.15	$ 10.35
$ 8.25	$ 6.87	$ 4.67	$ 9.00	$ 8.47

(2) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.

(3) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the period.

(4) Annualized.

(5) Net Asset Value per Unit is the difference between the aggregate value of the assets including the valuation of securities at closing prices and the aggregate value of the liabilities, excluding the Redeemable Preferred Share liability, divided by the number of Units then outstanding.

Management Report of Fund Performance

Management Fees

Strathbridge, as the Investment Manager of the Fund, is entitled to fees under the Investment Management Agreement calculated monthly as 1/12 of 1.55 percent of the net asset value of the Fund at each month end. Services received under the Investment Management Agreement include the making of all investment decisions and writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. Strathbridge also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and as to the execution of all portfolio and other transactions.

Strathbridge, as the Manager of the Fund, is entitled to fees under the Management Agreement calculated monthly as 1/12 of 0.10 percent of the net asset value of the Fund at each month end. Services received under the Management Agreement include providing or arranging for required administrative services to the Fund.

Past Performance

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

(1) information shown assumes that all distributions (including deemed distributions based on the intrinsic value of the warrants exercised prior to the expiry date of the warrants) made by the Fund during these periods were reinvested in Units of the Fund,

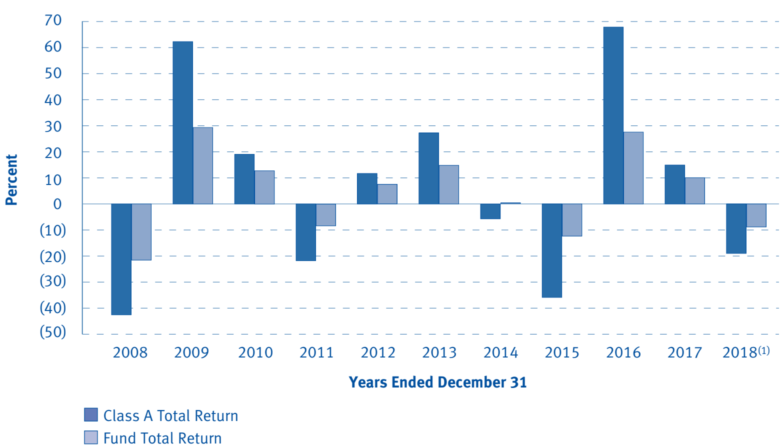
(2) information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and

(3) past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The following bar chart illustrates how the Fund's total return varied from year to year in each of the past ten years and for the six months ended June 30, 2018. The chart also shows, in percentage terms, how much an investment made on January 1 in each year would have increased or decreased by the end of the fiscal year or June 30, 2018 for the six months ended.

Total Return



(1) For the six months ended June 30, 2018.

Portfolio Manager Report

Stock markets around the world were mixed in the first half of 2018 as investors balanced the positive impact of tax reform in the United States on earnings versus the potential consequences of a global trade war, desynchronized central banks policies as well as valuation concerns as we enter the 10th year since most markets bottomed in the early part of 2009. For the first six months of 2018, the S&P 500 Index and S&P/TSX Composite Index advanced 2.6 percent and 2.0 percent, respectively, while global markets were generally in the red with the MSCI EAFE Index down 2.4 percent and the MSCI Emerging Markets Index off 6.6 percent, as concerns surrounding trade and tariffs weighed them down. The Federal Reserve Open Market Committee ("FOMC"), which seems to be on the most aggressive path of tightening, raised the overnight interest rate twice so far in 2018, to now sit at 2.0 percent. The short-end of the yield curve in the United States has reacted to the tighter FOMC policy with 2-year yields rising to 2.53 percent from 1.88 percent at the end of 2017. Curiously, long-term interest rates have not moved as rapidly, ending the second quarter at 2.86 percent. This dynamic has caused the yield curve to flatten to its lowest point since 2007 and sits just 30 basis points from being inverted, a condition often associated with an imminent recession. Oil prices resumed their ascent in the first half of 2018 with the Bloomberg WTI Cushing Crude Oil Spot price rising to US$74.15 per barrel on June 29, 2018, up 22.7 percent from US$60.42 at the end of 2017. Meanwhile, other commodities did not fare as well with Copper prices off 9.1 percent, Gold down 3.8 percent and Natural Gas off 16 percent year-to-date. Volatility, as measured by the Chicago Board Options Exchange Volatility Index ("VIX"), picked up in the first half of 2018, spiking to over 50 in early February, after touching all-time lows in November 2017. Given the uncertainty surrounding the global political landscape, trade war rhetoric, NAFTA renegotiations, along with the Federal Reserve continuing to shift monetary policy to one that is less accommodating, we remain cautiously optimistic on global stock markets with the view that volatility is likely to remain elevated compared to the low levels witnessed over the past few years.

The big news for The Bank of Nova Scotia ("BNS") for the first half of 2018 is the sheer number and value of acquisitions it has announced. Five significant acquisitions have been announced since November 2017 for a total value of approximately $7 billion dollars. The most recent, and arguably most significant, is the purchase of MD Financial Management "MD") in May for $2.6 billion. MD was the largest remaining non-bank private investment counsel in Canada. One of the key positives for this deal is that it provides BNS with access to a large number of high-net-worth Canadians that are generally difficult to access. While it remains to be seen whether cross-selling and synergies will be lucrative, the opportunity is there.

Investors are mixed in their outlook and have ratcheted the share price down to mid-2017 levels. BNS closed on June 29, 2018 at $74.44 down from $81.12 on December 29, 2017, making it the worst performer in the big six banks. This has occurred despite a good earnings report for the quarter of $1.71 earnings per share compared to a consensus estimate of $1.67. The breakdown was mixed with domestic numbers a little weaker than expected but International operations delivering better than expected earnings. The bank paid dividends of $1.61 per share in the first half of 2018.

The net asset value ("NAV") per Unit of the Fund at June 30, 2018 was $17.35 compared to $19.35 at December 31, 2017. The Fund's Class A and Preferred Shares, which are listed on the Toronto Stock Exchange as SBN and SBN.PR.A, were bid on June 29, 2018 at $6.70 and $10.54 respectively. When combined, the closing prices represent a 0.6 percent discount to the NAV per Unit. Cash distributions of $0.2625 per share were paid to Class A shareholders and $0.2625 per share were paid to Preferred shareholders during the first six months of 2018.

Volatility has been moving higher, albeit slowly, after the historic lows set in 2017. Implied volatility spiked briefly in February to multi-year highs during some short-lived market turmoil but returned to low-teen levels for the remainder on the period. With the exception of a couple of days in February as just noted, the low volatility levels did not produce attractive overwriting opportunities. The average overwritten percentage for the period was 3.2 percent.

Management Report of Fund Performance

Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly portfolio summary, which includes the percentage of net asset value for each holding, and a monthly portfolio list are available on our website at www.strathbridge.com.

Asset Mix and Portfolio Holdings

June 30, 2018

	% of Net Asset Value*
Financials - The Bank of Nova Scotia	94.1%
Cash	5.2%
Other Assets (Liabilities)	0.7%
	100.0%

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

Forward-Looking Statements

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

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

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

Management's Responsibility for Financial Reporting

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

The condensed financial statements have been prepared by management in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this semi-annual report is consistent with the condensed financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the annual financial statements for the year ended December 31, 2017.

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

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

John P. Mulvihill
Director
Strathbridge Asset Management Inc.

John D. Germain
Director
Strathbridge Asset Management Inc.

August 9, 2018

Notice to Shareholders

The accompanying unaudited Condensed Financial Statements for the six months ended June 30, 2018 have been prepared by management and have not been reviewed by the independent auditor of the Fund.

Statements of Financial Position

As at June 30, 2018 (Unaudited) and December 31, 2017 (Audited)

	Note	June 30, 2018	Dec. 31, 2017
ASSETS			
Financial assets at fair value through profit or loss	2	**$ 15,989,712**	$ 18,779,280
Dividends receivable		**176,136**	182,885
Cash		**876,855**	30,860
Derivative assets	2	**–**	18,921
TOTAL ASSETS		**17,042,703**	19,011,946
LIABILITIES			
Accrued liabilities		**35,914**	44,249
Accrued management fees	4	**23,080**	26,601
Redeemable Preferred shares		**9,787,530**	9,787,530
Class J shares		**100**	100
TOTAL LIABILITIES		**9,846,624**	9,858,480
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES		**$ 7,196,079**	$ 9,153,466
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE		**$ 7.3523**	$ 9.3522

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

Condensed Financial Statements

Statements of Comprehensive Income

Six months ended June 30 (Unaudited)

	Note	2018	2017
INCOME			
Dividend income		$ 355,962	$ 367,080
Interest income		1,541	–
Net realized gain on investments at fair value through profit or loss		205,662	940,369
Net realized loss on options at fair value through profit or loss		(17,656)	–
Net change in unrealized gain/loss on investments at fair value through profit or loss		(1,686,743)	(109,572)
TOTAL INCOME/(LOSS), NET		(1,141,234)	1,197,877
EXPENSES			
Management fees	4	147,576	158,956
Service fees		18,994	22,583
Administrative and other expenses		53,072	50,043
Transaction fees	5	1,890	2,859
Custodian fees		15,519	14,512
Audit fees		15,143	14,857
Director fees	4	10,200	10,200
Independent review committee fees	4	3,750	3,750
Legal fees		1,254	2,175
Shareholder reporting costs		9,689	9,209
Harmonized sales tax		25,221	24,786
TOTAL EXPENSES		302,308	313,930
OPERATING PROFIT/(LOSS)		(1,443,542)	883,947
Preferred share distributions		(256,922)	(269,214)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES	6	$ (1,700,464)	$ 614,733
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE	6	$ (1.7374)	$ 0.5994

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

Statements of Changes in Net Assets Attributable to Holders of Class A Shares

Six months ended June 30 (Unaudited)

	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, BEGINNING OF YEAR	**$ 9,153,466**	$ 8,860,833
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares	**(1,700,464)**	614,733
Class A Share Distributions		
Non-taxable distributions	**(256,923)**	(271,726)
Changes in Net Assets Attributable to Holders of Class A Shares during the Period	**(1,957,387)**	343,007
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, END OF PERIOD	**$ 7,196,079**	$ 9,203,840

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

Condensed Financial Statements

Statements of Cash Flows

Six months ended June 30 (Unaudited)

		2018		2017
CASH, BEGINNING OF YEAR	$	**30,860**	$	312,799
Cash Flows Provided by (Used In) Operating Activities				
Operating Profit/(Loss)		**(1,443,542)**		883,947
Adjustments to Reconcile Net Cash Provided by (Used In) Operating Activities				
Net realized gain on investments at fair value through profit or loss		**(205,662)**		(940,369)
Net realized loss on options at fair value through profit or loss		**17,656**		–
Net change in unrealized gain/loss on investments at fair value through profit or loss		**1,686,743**		109,572
Decrease in dividends receivable		**6,749**		700
Decrease in accrued management fees and accrued liabilities		**(11,856)**		(6,420)
Purchase of investment securities		**10,899**		(4,454,097)
Proceeds from disposition of investment securities		**1,298,853**		5,057,469
		2,803,382		(233,145)
Cash Flows Used In Financing Activities				
Preferred share distributions		**(256,922)**		(269,214)
Class A share distributions		**(256,923)**		(271,726)
		(513,845)		(540,940)
Net Increase in Cash during the Period		**845,995**		109,862
CASH, END OF PERIOD	$	**876,855**	$	422,661

Dividends received	$	**362,711**	$	367,780
Interest received	$	**1,541**	$	–

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

Schedule of Investments

As at June 30, 2018 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares
INVESTMENTS				
Canadian Common Shares				
Financials				
The Bank of Nova Scotia	214,800	$ 14,026,958	$ 15,989,712	94.1%
Total Canadian Common Shares		$ 14,026,958	$ 15,989,712	94.1%
Adjustment for transaction fees		(5,253)		
TOTAL INVESTMENTS		$ 14,021,705	$ 15,989,712	94.1%
OTHER NET ASSETS			993,897	5.9%
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES AND REDEEMABLE PREFERRED SHARES			$ 16,983,609	100.0%

Notes to Condensed Financial Statements

June 30, 2018 (Unaudited)

1. Basis of Presentation

The condensed semi-annual financial statements for the S Split Corp. (the "Fund") have been prepared in compliance with International Financial Reporting Standards ("IFRS"), specifically the International Accounting Standard ("IAS") 34 Interim Financial Reporting. However, not all disclosures required by IFRS for annual financial statements have been presented and, accordingly, these condensed semi-annual financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended December 31, 2017.

These condensed semi-annual financial statements follow the same accounting policies and method of application as the most recent audited financial statements for the year ended December 31, 2017 with the exception of the adoption of IFRS 9: Financial Instruments ("IFRS 9").

Standards, Amendments and Interpretations Effective for the Current Year

The Fund has adopted IFRS 9 for the first time for the period beginning on January 1, 2018.

The adoption of IFRS 9 has been applied retrospectively by the Fund. IFRS 9 requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit and loss or other comprehensive income, based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Upon adoption of IFRS 9, the Fund's financial assets and liabilities previously classified as at fair value through profit or loss ("FVTPL") and amortized cost under IAS 39 "Financial Instruments: Recognition and Measurement", continued to be classified at FVTPL and amortized cost.

Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

(a) Classification

Financial Assets

The Fund classifies its investments in equity securities based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. Further, an option to irrevocably designate any equity securities at fair value through other comprehensive income ("FVOCI") has not been taken.

Consequently, these financial assets are mandatorily measured at FVTPL.

Held for Trading

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition on initial recognition they are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit-taking.

All derivatives are included in this category and mandatorily measured at FVTPL.

The Fund does not apply general hedge accounting to any of its derivatives positions.

Financial Assets and Financial Liabilities at Amortized Cost

The financial assets and liabilities measured at amortized cost include cash, dividends receivable, due from brokers - investments, due to brokers - investments, accrued liabilities, accrued management fees, redemptions payable, Redeemable Preferred shares and the Fund's obligation for net assets attributable to holders of Class A shares.

IFRS 9 replaced the incurred loss model in IAS 39 with the expected credit loss model ("ECL"), as the new impairment model for financial assets carried at amortized cost. The Fund's financial assets measured at amortized cost consist of receivables with no financing component and which have maturities of less than 12 months, as such, it has chosen to apply the simplified ECL approach, whereby any loss allowance is recognized based on the lifetime ECLs. Given the short-term nature of the receivables and high credit quality, this amendment has not had a material impact on the financial statements and these receivables are not considered impaired.

These condensed financial statements were approved by the Board of Directors on August 9, 2018.

2. Risks Associated with Financial Instruments

The various types of risks associated with its investment strategies, financial instruments and markets in which the Fund invests remain unchanged from the prior year and are described in Note 6 of the audited financial statements for the year ended December 31, 2017.

Credit Risk

The Fund measures credit risk and lifetime ECLs related to the receivables using historical analysis and forward-looking information in determining the ECL.

During the periods ended June 30, 2018 and December 31, 2017, the counterparties to the Fund's derivative financial instruments had a credit rating of A-1 or higher from Standard & Poor's Ratings Services.

Liquidity Risk

The amounts in the table are the contractual undiscounted cash flows:

As at June 30, 2018 Financial Liabilities	On Demand	< 3 months	Total
Accrued liabilities	$ –	$ 35,914	$ 35,914
Accrued management fees	–	23,080	23,080
Redeemable Preferred shares	9,787,530	–	9,787,530
Class J shares	100	–	100
Class A shares	7,196,079	–	7,196,079
	$ 16,983,709	$ 58,994	$ 17,042,703

As at December 31, 2017 Financial Liabilities	On Demand	< 3 months	Total
Accrued liabilities	$ –	$ 44,249	$ 44,249
Accrued management fees	–	26,601	26,601
Redeemable Preferred shares	9,787,530	–	9,787,530
Class J shares	100	–	100
Class A shares	9,153,466	–	9,153,466
	$ 18,941,096	$ 70,850	$ 19,011,946

Notes to Condensed Financial Statements

June 30, 2018 (Unaudited)

Market Risk

(a) Price Risk

Approximately 94 percent (December 31, 2017 - 99 percent) of the Fund's net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, held at June 30, 2018 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at June 30, 2018, the net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, would have increased or decreased by $0.8 million (December 31, 2017 - $0.9 million) respectively or 4.7 percent (December 31, 2017 - 5.0 percent) of the net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

Concentration Risk

Concentration risk arises as a result of the concentration of exposures with the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk:

	June 30, 2018	Dec. 31, 2017
Financials	100.0%	100.0%

Fair Value Measurement

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2018 and December 31, 2017.

As at June 30, 2018

	Level 1	Level 2	Level 3	Total
Canadian Common Shares	$ 15,989,712	$ –	$ –	$ 15,989,712

As at December 31, 2017

	Level 1	Level 2	Level 3	Total
Canadian Common Shares	$ 18,779,280	$ –	$ –	$ 18,779,280
Options	18,921	–	–	18,921
	$ 18,798,201	$ –	$ –	$ 18,798,201

There were no transfers between Level 1 and Level 2 and the Fund did not hold any financial instruments within Level 3 of the fair value hierarchy during the six months ended June 30, 2018 and during the year ended December 31, 2017.

3. Shares

For the six months ended June 30, 2018, cash distributions paid to Preferred shareholders were $256,922 (June 30, 2017 - $269,214) representing a payment of $0.26 (June 30, 2017 - $0.26) per Preferred share and cash distributions paid to Class A shareholders were $256,923 (June 30, 2017 - $271,726) representing a payment of $0.26 (June 30, 2017 - $0.26) per Class A share.

During the six months ended June 30, 2018 and 2017, nil Preferred shares and Class A shares were redeemed.

During the six months ended June 30, 2018 and year ended December 31, 2017, share transactions are as follows:

	June 30, 2018	Dec. 31, 2017
Redeemable Preferred Shares		
Shares outstanding, beginning of year	978,753	1,025,576
Shares redeemed	–	(46,823)
Shares outstanding, end of period	978,753	978,753
Class A Shares		
Shares outstanding, beginning of year	978,753	1,025,576
Shares redeemed	–	(46,823)
Shares outstanding, end of period	978,753	978,753
Class J Shares		
Shares outstanding, beginning and end of period	100	100

4. Related Party Transactions

(a) Management Fees

Total management fees for the six months ended June 30, 2018 were $147,576 (June 30, 2017 - $158,956) of which $23,080 (June 30, 2017 - $26,446) was unpaid.

(b) Director Fees

Total director fees paid to the external members of the Board of Directors for the six months ended June 30, 2018 were $10,200 (June 30, 2017 - $10,200).

(c) Independent Review Committee Fees

Total remuneration paid to the external members of the Independent Review Committee for the six months ended June 30, 2018 were $3,750 (June 30, 2017 - $3,750).

5. Brokerage Commissions and Soft Dollars

The ascertainable soft dollar value received as a percentage of total transaction fees paid during the six months ended June 30, 2018 and 2017 is disclosed below:

	June 30, 2018	June 30, 2017
Soft Dollars	$ 376	$ 1,925
Percentage of Total Transaction Fees	19.9%	67.3%

Notes to Condensed Financial Statements

June 30, 2018 (Unaudited)

6. Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares per Class A Share

The increase/(decrease) in net assets attributable to holders of Class A shares per Class A share for the six months ended June 30, 2018 and 2017 is calculated as follows:

	June 30, 2018	June 30, 2017
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares	$ (1,700,464)	$ 614,733
Weighted Average Number of Class A Shares Outstanding during the Period	978,753	1,025,576
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares per Class A Share	$ (1.7374)	$ 0.5994

Investment Funds Managed by Strathbridge Asset Management Inc.

UNIT TRUSTS

Canadian Utilities & Telecom Income Fund (UTE.UN)
Core Canadian Dividend Trust (CDD.UN)
Low Volatility U.S. Equity Income Fund (LVU.UN)
NDX Growth & Income Fund (NGI.UN)
U.S. Financials Income Fund (USF.UN)
Top 10 Canadian Financial Trust (TCT.UN)

SPLIT SHARES

Premium Income Corporation (PIC.PR.A/PIC.A)
S Split Corp. (SBN.PR.A/SBN)
Top 10 Split Trust (TXT.PR.A/TXT.UN)
World Financial Split Corp. (WFS.PR.A/WFS)

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