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# S Split Corp.

Semi-Annual Report 2022

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## S Split Corp. [SBN.PR.A/SBN]

### Letter to Shareholders

We are pleased to present the 2022 semi-annual report containing the management report of fund performance and the unaudited financial statements for S Split Corp. (the “Fund”).

The first half of 2022 was by most measures a historic six months for financial markets. Few asset classes or strategies provided shelter from the dangerous 2022 cocktail that is tighter monetary policy, run-away inflation and slower economic growth. Equities cratered around the globe, with the S&P 500 Index entering bear market territory, down 20 percent. The S&P/TSX Composite Index fared slightly better, declining 9.8 percent, aided by Energy and commodity-based sectors. While bear markets are a normal occurrence over the course of an investment cycle, this one has had a different feel for many investors given the corresponding decline in fixed income markets. Viewed historically as a tool to lower volatility and preserve capital in a well-diversified portfolio, fixed income has accomplished neither of these in 2022 as interest rates moved rapidly higher.

The net asset value of the Fund declined 18.3 percent from \$18.53 per Unit at December 31, 2021 to \$15.14 per Unit at June 30, 2022. The Fund paid cash distributions of \$0.26 per Preferred share and \$0.21 per Class A share during the period. For a 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  
Mulvihill Capital 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 monthly distributions targeted to be 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 ("BNS") 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 an active covered call writing strategy to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

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

## S Split Corp. [SBN.PR.A/SBN]

### Management Report of Fund Performance

#### Management Report of Fund Performance

This semi-annual management report of fund performance contains the financial highlights for the six months ended June 30, 2022 of S Split Corp. (the "Fund"). The unaudited semi-annual condensed 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@mulvihill.com](mailto:info@mulvihill.com), or by visiting our website at [www.mulvihill.com](http://www.mulvihill.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, 2022, cash distributions of \$0.26 per share were paid to Preferred shareholders unchanged from the prior year and cash distributions of \$0.21 were paid to Class A shareholders compared to \$0.10 in the same period of the prior year.

Since the inception of the Fund on May 17, 2007, the Fund has paid total cash distributions of \$7.94 per Preferred share and \$6.70 per Class A share.

##### Revenue and Expenses

For the six months ended June 30, 2022, the Fund's total revenue per Unit was \$0.20, down from \$0.38 from the same period last year. Total expenses per Unit were \$0.41 compared to \$0.32 in the previous year. The Fund had a net realized and unrealized loss of \$2.71 per Unit in the first half of 2022 as compared to a net realized and unrealized gain of \$2.51 per Unit for the same period of the prior year.

##### Net Asset Value

The net asset value per Unit of the Fund decreased 18.3 percent from \$18.53 at December 31, 2021 to \$15.14 at June 30, 2022. The net asset value of the Fund, excluding the Redeemable Preferred Share liability, decreased \$1.7 million, from \$9.4 million at December 31, 2021 to \$7.7 million at June 30, 2022, reflecting an operating loss of \$1.5 million and cash distributions of \$0.2 million to Preferred and Class A shareholders.

#### Recent Developments

Mulvihill Capital Management Inc., the manager of S Split Corp., announced on May 31, 2022 that the Fund would discontinue paying service fees, which were paid to dealers whose beneficial owners hold Class A shares of the Fund. An increasing number of TSX traded funds have discontinued or did not offer service fees. Discontinuing service fees will lower the management expense ratios of the Fund and will also enhance the ability for fee-based accounts to hold Class A shares of the Fund.

#### Related Party Transactions

Mulvihill Asset Management Inc. ("Mulvihill"), 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 Mulvihill dated April 26, 2007.

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

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

**Management Report of Fund Performance**

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 G. Bertram and R. Peter Gillin.

## S Split Corp. [SBN.PR.A/SBN]

### 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, 2022 is derived from the Fund's unaudited semi-annual condensed financial statements.

	Six months ended June 30, 2022	
<b>NET ASSETS PER UNIT</b>		
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>\$</b>	<b>18.53</b>
INCREASE (DECREASE) FROM OPERATIONS		
Total revenue		0.20
Total expenses		(0.41)
Realized gain (loss) for the period		0.68
Unrealized gain (loss) for the period		(3.39)
<b>Total Increase (Decrease) from Operations<sup>(2)</sup></b>		<b>(2.92)</b>
DISTRIBUTIONS		
<b>Preferred Share</b>		
From net investment income		—
Non-taxable distributions		(0.26)
<b>Total Preferred Share Distributions</b>		<b>(0.26)</b>
<b>Class A Share</b>		
Non-taxable distributions		(0.21)
<b>Total Class A Share Distributions</b>		<b>(0.21)</b>
<b>Total Distributions<sup>(3)</sup></b>		<b>(0.47)</b>
<b>Net Assets, end of period<sup>(1)</sup></b>	<b>\$</b>	<b>15.14</b>

(1) All per Unit figures presented are derived from the Fund's unaudited financial statements for the six months ended June 30, 2022 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, 2022	
<b>RATIOS/SUPPLEMENTAL DATA</b>		
Net Asset Value, excluding the Redeemable Preferred Share liability (\$millions)	<b>\$</b>	<b>7.70</b>
Net Asset Value (\$millions)	<b>\$</b>	<b>2.61</b>
Number of Units outstanding		<b>508,538</b>
Management expense ratio <sup>(1)</sup>		<b>4.58%<sup>(4)</sup></b>
Portfolio turnover rate <sup>(2)</sup>		<b>16.80%</b>
Trading expense ratio <sup>(3)</sup>		<b>0.01%<sup>(4)</sup></b>
Net Asset Value per Unit <sup>(5)</sup>	<b>\$</b>	<b>15.14</b>
Closing market price – Preferred	<b>\$</b>	<b>10.49<sup>(6)</sup></b>
Closing market price – Class A	<b>\$</b>	<b>4.16<sup>(7)</sup></b>

(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 7.55% for the six months ended June 30, 2022 and 6.85%, 7.47%, 6.44%, 6.18% and 5.85% for the years ended December 31, 2021, 2020, 2019, 2018 and 2017, respectively.

Management Report of Fund Performance

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

		Years ended December 31				
		2021	2020	2019	2018	2017
	\$	14.73	\$ 16.24	\$ 15.76	\$ 19.35	\$ 18.64
		0.90	0.77	0.57	0.74	0.72
		(0.62)	(0.47)	(0.55)	(0.58)	(0.60)
		1.59	(1.37)	0.99	0.33	1.21
		1.94	(0.01)	0.23	(3.10)	0.45
		3.81	(1.08)	1.24	(2.61)	1.78
		(0.16)	(0.32)	(0.23)	(0.17)	(0.14)
		(0.37)	(0.21)	(0.30)	(0.36)	(0.39)
		(0.53)	(0.53)	(0.53)	(0.53)	(0.53)
		(0.21)	—	(0.21)	(0.45)	(0.54)
		(0.21)	—	(0.21)	(0.45)	(0.54)
		(0.74)	(0.53)	(0.74)	(0.98)	(1.07)
	\$	18.53	\$ 14.73	\$ 16.24	\$ 15.76	\$ 19.35

- (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				
		2021	2020	2019	2018	2017
	\$	9.42	\$ 12.10	\$ 14.45	\$ 15.23	\$ 18.94
	\$	4.34	\$ 3.89	\$ 5.55	\$ 5.57	\$ 9.15
		508,538	821,302	889,802	965,993	978,753
		3.72%	3.48%	3.26%	3.23%	3.11%
		14.45%	49.54%	40.20%	0.00%	23.23%
		0.02%	0.08%	0.08%	0.04%	0.03%
	\$	18.53	\$ 14.73	\$ 16.24	\$ 15.76	\$ 19.35
	\$	10.30	\$ 10.11	\$ 10.75	\$ 10.15	\$ 10.55
	\$	6.98	\$ 3.67	\$ 5.31	\$ 5.00	\$ 8.25

- (2) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.
- (3) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the period.
- (4) Annualized.
- (5) Net Asset Value per Unit is the difference between the aggregate value of the assets including the valuation of securities at closing prices and the aggregate value of the liabilities, excluding the Redeemable Preferred Share liability, divided by the number of Units then outstanding.
- (6) The last date with an executed trade was June 27, 2022.
- (7) The last date with an executed trade was June 30, 2022.

# S Split Corp. [SBN.PR.A/SBN]

## Management Report of Fund Performance

### Management Fees

Mulvihill, as the Investment Manager of the Fund, is entitled to fees under the Investment Management Agreement calculated monthly as  $\frac{1}{12}$  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. Mulvihill 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.

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

### Past Performance

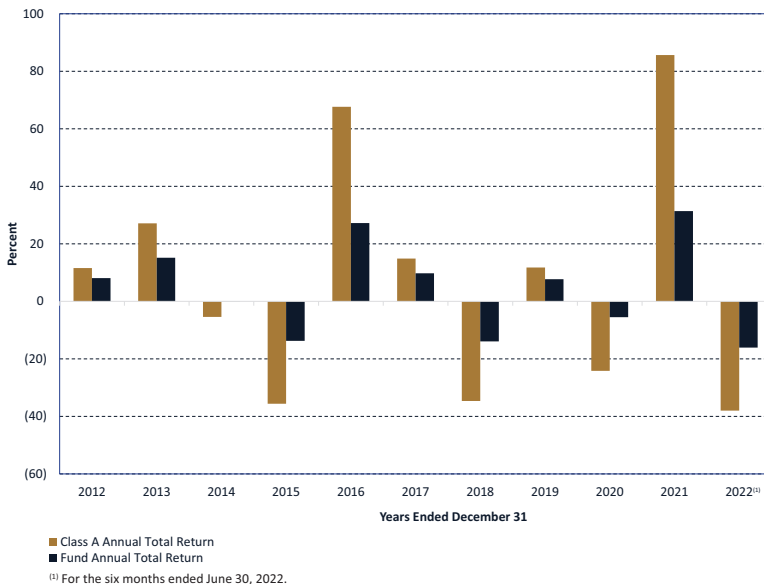
The following chart sets out the Fund's year-by-year past performance. It is important to note that the:

- (1) information shown assumes that all distributions made by the Fund during these periods were reinvested in Units of the Fund;
- (2) information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns; and
- (3) past performance of the Fund does not necessarily indicate how it will perform in the future.

### Year-By-Year Returns

The following bar chart illustrates how the Fund's total return varied from year to year in each of the past ten years and for the six months ended June 30, 2022. 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, 2022 for the six months ended.

#### Total Return





Management Report of Fund Performance

Portfolio Manager Report

The first half of 2022 was by most measures a historic six months for financial markets. Few asset classes or strategies provided shelter from the dangerous 2022 cocktail that is tighter monetary policy, run-away inflation and slower economic growth. Equities cratered around the globe, with the S&P 500 Index entering bear market territory, down 20 percent. The S&P/TSX Composite Index fared slightly better, declining 9.8 percent, aided by energy and commodity-based sectors. While bear markets are a normal occurrence over the course of an investment cycle, this one has had a different feel for many investors given the corresponding decline in fixed income markets. Viewed historically as a tool to lower volatility and preserve capital in a well-diversified portfolio, fixed income has accomplished neither of these in 2022 as interest rates moved rapidly higher.

The Bank of Nova Scotia (“BNS”) reported adjusted earnings of \$2.18 per share in the second quarter and \$2.15 in the first quarter beating consensus estimates on both occasions. This was the eighth consecutive improvement in quarterly net income. The second quarter earnings represent a 12 percent increase over the same quarter last year. The strong report prompted management to increase the next quarterly dividend from \$1.00 to \$1.03 per share.

A big contributor to the strong earnings was domestic banking operations which increased 27 percent year over year, along with good numbers from the mortgage and commercial loan divisions. The international segment also saw robust earnings growth.

From a share price perspective, the first six months of the calendar year 2022 were difficult for most equities including banks. BNS was the weakest performer among the big six banks with a total return of negative 13.9 percent. The stock closed the period ending June 30th at \$76.18 and paid dividends of \$1.00 per share in each of the first two quarters.

The net asset value (“NAV”) per Unit of the Fund at June 30, 2022 was \$15.14 compared to \$18.53 on December 31, 2021. The Fund’s Class A and Preferred Shares, which are listed on the Toronto Stock Exchange as SBN and SBN.PR.A, were last traded at \$4.16 and \$10.49, respectively. When combined, the prices represent a \$0.49 discount to the NAV per Unit. A distribution of \$0.21 per share was paid to the Class A shareholders and \$0.26 per share was paid to the Preferred shareholders during the first six months of 2022. The Fund’s total return per Unit, including reinvestment of distributions, was negative 16.1 percent.

Volatility traded in the high teens for much of the six months ending June 30. No options were written during this period.

## S Split Corp. [SBN.PR.A/SBN]

### 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.mulvihill.com](http://www.mulvihill.com).

#### Asset Mix and Portfolio Holdings

June 30, 2022

	<b>% OF NET ASSET VALUE*</b>
Financials – The Bank of Nova Scotia	99.7%
Cash	0.9%
Other Assets (Liabilities)	(0.6)%
	<b>100.0%</b>

\* 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.

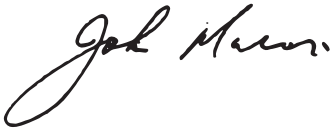
### Management's Responsibility for Financial Reporting

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 Mulvihill Capital 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, 2021.

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  
Mulvihill Capital Management Inc.



John D. Germain  
Director  
Mulvihill Capital Management Inc.

August 17, 2022

## S Split Corp. [SBN.PR.A/SBN]

### Notice to Shareholders

The accompanying unaudited Condensed Financial Statements for the six months ended June 30, 2022 have been prepared by management and have not been reviewed by the independent auditor of the Fund.

## S Split Corp. [SBN.PR.A/SBN]

### Condensed Financial Statements

#### Statements of Financial Position

As at June 30, 2022 (Unaudited) and December 31, 2021 (Audited)

	Note	2022	2021
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	2	<b>\$ 7,678,944</b>	\$ 9,080,370
Cash		<b>72,195</b>	323,265
Dividends receivable		—	101,400
<b>TOTAL ASSETS</b>		<b>7,751,139</b>	9,505,035
<b>LIABILITIES</b>			
Accrued management fees	4	<b>10,456</b>	13,225
Accrued liabilities		<b>41,992</b>	69,229
Redeemable Preferred shares		<b>5,085,380</b>	5,085,380
Class J shares		<b>100</b>	100
<b>TOTAL LIABILITIES</b>		<b>5,137,928</b>	5,167,934
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES</b>		<b>\$ 2,613,211</b>	\$ 4,337,101
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE</b>		<b>\$ 5.1387</b>	\$ 8.5286

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

## S Split Corp. [SBN.PR.A/SBN]

### Condensed Financial Statements

#### Statements of Comprehensive Income

Six months ended June 30 (Unaudited)

	Note	2022	2021
<b>INCOME</b>			
Dividend income		\$ 101,600	\$ 315,720
Interest income		26	—
Net realized gain on investments at fair value through profit or loss		343,379	260,293
Net change in unrealized gain/(loss) on investments at fair value through profit or loss		(1,724,117)	1,801,475
<b>TOTAL INCOME/(LOSS), NET</b>		<b>(1,279,112)</b>	<b>2,377,488</b>
<b>EXPENSES</b>			
Management fees	4	72,432	110,299
Administrative and other expenses		54,904	65,089
Service fees		4,936	7,143
Transaction fees	5	664	754
Custodian fees		16,988	16,251
Audit fees		15,537	16,545
Director fees	4	10,200	10,521
Independent review committee fees	4	6,833	4,504
Legal fees		235	1,740
Shareholder reporting costs		7,240	7,096
Harmonized sales tax		17,017	20,244
<b>TOTAL EXPENSES</b>		<b>206,986</b>	<b>260,186</b>
<b>OPERATING PROFIT/(LOSS)</b>		<b>(1,486,098)</b>	<b>2,117,302</b>
Preferred share distributions	3	(133,491)	(215,592)
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES</b>	6	<b>\$ (1,619,589)</b>	<b>\$ 1,901,710</b>
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE</b>	6	<b>\$ (3.1848)</b>	<b>\$ 2.3155</b>

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

## Condensed Financial Statements

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

Six months ended June 30 (Unaudited)

	2022	2021
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, BEGINNING OF PERIOD	\$ 4,337,101	\$ 3,885,446
<b>Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares</b>	<b>(1,619,589)</b>	1,901,710
<b>Class A Share Distributions</b>		
Non-taxable distributions	(104,301)	(84,922)
<b>Changes in Net Assets Attributable to Holders of Class A Shares</b> <b>during the Period</b>	<b>(1,723,890)</b>	1,816,788
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, END OF PERIOD	\$ 2,613,211	\$ 5,702,234

## Statements of Cash Flows

Six months ended June 30 (Unaudited)

	2022	2021
CASH, BEGINNING OF PERIOD	\$ 323,265	\$ 27,888
<b>Cash Flows Provided By (Used In) Operating Activities</b>		
<b>Operating Profit/(Loss)</b>	<b>(1,486,098)</b>	2,117,302
<b>Adjustments to Reconcile Net Cash Provided By (Used In) Operating Activities</b>		
Net realized gain on investments at fair value through profit or loss	(343,379)	(260,293)
Net change in unrealized (gain)/loss on investments at fair value through profit or loss	1,724,117	(1,801,475)
Decrease in dividends receivable	101,400	—
Increase/(decrease) in accrued management fees and accrued liabilities	(30,006)	3,957
Purchase of investment securities	(1,460,228)	(1,278,124)
Proceeds from disposition of investment securities	1,480,916	1,618,816
	1,472,820	(1,717,119)
<b>Cash Flows Used In Financing Activities</b>		
Preferred share distributions	(133,491)	(215,592)
Class A share distributions	(104,301)	(84,922)
	(237,792)	(300,514)
<b>Net Increase/(Decrease) in Cash during the Period</b>	<b>(251,070)</b>	99,669
CASH, END OF PERIOD	\$ 72,195	\$ 127,557
Dividends received	\$ 203,000	\$ 315,720
Interest received	\$ 26	\$ —

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

## S Split Corp. [SBN.PR.A/SBN]

### Schedule of Investments

As at June 30, 2022 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Class A Shares and Redeemable Preferred Shares
INVESTMENTS				
<b>Canadian Common Shares</b>				
<b>Financials</b>				
The Bank of Nova Scotia	100,800	\$ 7,011,050	\$ 7,678,944	99.7%
<b>Total Canadian Common Shares</b>		\$ 7,011,050	\$ 7,678,944	99.7%
Adjustment for transaction fees		(3,734)		
<b>TOTAL INVESTMENTS</b>		\$ 7,007,316	\$ 7,678,944	99.7%
OTHER NET ASSETS			19,747	0.3%
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES AND REDEEMABLE PREFERRED SHARES			\$ 7,698,691	100.0%



## Notes to Condensed Financial Statements

June 30, 2022 (Unaudited)

**1. Basis of Presentation**

The semi-annual condensed financial statements for S Split Corp. (the “Fund”) have been prepared in compliance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”).

These semi-annual condensed financial statements follow the same accounting policies and method of application as, and should be read in conjunction with, the most recent audited financial statements for the year ended December 31, 2021.

These condensed financial statements were approved by the Board of Directors on August 17, 2022.

**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, 2021.

**Credit Risk**

The Fund had no exposure to derivative financial instruments as at June 30, 2022 and December 31, 2021 and for the periods then ended.

**Liquidity Risk**

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

	As at June 30, 2022 Financial Liabilities		
	On Demand	< 3 months	Total
Accrued liabilities	\$ –	\$ 41,992	\$ 41,992
Accrued management fees	–	10,456	10,456
Redeemable Preferred shares	5,085,380	–	5,085,380
Class J shares	100	–	100
Class A shares	2,613,211	–	2,613,211
	\$ 7,698,691	\$ 52,448	\$ 7,751,139

	As at December 31, 2021 Financial Liabilities		
	On Demand	< 3 months	Total
Accrued liabilities	\$ –	\$ 69,229	\$ 69,229
Accrued management fees	–	13,225	13,225
Redeemable Preferred shares	5,085,380	–	5,085,380
Class J shares	100	–	100
Class A shares	4,337,101	–	4,337,101
	\$ 9,422,581	\$ 82,454	\$ 9,505,035

**Market Risk****(a) Price Risk**

Approximately 100 percent (December 31, 2021 – 100 percent) of the Fund’s net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, held at June 30, 2022

## S Split Corp. [SBN.PR.A/SBN]

### Notes to Condensed Financial Statements

June 30, 2022 (Unaudited)

were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at June 30, 2022, the net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, would have increased or decreased by \$0.4 million (December 31, 2021 – \$0.5 million) respectively or 5.0 percent (December 31, 2021 – 4.8 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, 2022	Dec. 31, 2021
Financials	100%	100%

#### 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, 2022 and December 31, 2021:

	As at June 30, 2022				Total
	Level 1	Level 2	Level 3		
Canadian Common Shares	\$ 7,678,944	\$ –	\$ –	\$ 7,678,944	

	As at December 31, 2021				Total
	Level 1	Level 2	Level 3		
Canadian Common Shares	\$ 9,080,370	\$ –	\$ –	\$ 9,080,370	

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, 2022 and during the year ended December 31, 2021.

#### 3. Shares

For the six months ended June 30, 2022, cash distributions paid to Preferred shareholders were \$133,491 (June 30, 2021 – \$215,592) representing a payment of \$0.26 (June 30, 2021 – \$0.26) per Preferred share and cash distributions paid to Class A shareholders were \$104,301 (June 30, 2021 – \$84,922) representing a payment of \$0.21 (June 30, 2021 – \$0.10) per Class A share.

During the six months ended June 30, 2022, there were no Preferred shares and Class A shares redeemed (December 31, 2021 – 312,764 were redeemed with a total retraction value of \$5,173,367).

## Notes to Condensed Financial Statements

June 30, 2022 (Unaudited)

During the six months ended June 30, 2022 and year ended December 31, 2021, share transactions are as follows:

	June 30, 2022	Dec. 31, 2021
<b>Redeemable Preferred Shares</b>		
Shares outstanding, beginning of period	508,538	821,302
Shares redeemed	-	(312,764)
Shares outstanding, end of period	508,538	508,538
<b>Class A Shares</b>		
Shares outstanding, beginning of period	508,538	821,302
Shares redeemed	-	(312,764)
Shares outstanding, end of period	508,538	508,538
<b>Class J Shares</b>		
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, 2022 were \$72,432 (June 30, 2021 – \$110,299) of which \$10,456 (June 30, 2021 – \$18,910) 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, 2022 were \$10,200 (June 30, 2021 – \$10,521).

##### (c) Independent Review Committee Fees

Total remuneration paid to the external members of the Independent Review Committee for the six months ended June 30, 2022 were \$6,833 (June 30, 2021 – \$4,504).

#### 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, 2022 and 2021 is disclosed below:

	June 30, 2022	June 30, 2021
Soft Dollars	\$ 414	\$ 461
Percentage of Total Transaction Fees	62.3%	61.1%

## S Split Corp. [SBN.PR.A/SBN]

### Notes to Condensed Financial Statements

June 30, 2022 (Unaudited)

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

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The increase/(decrease) in net assets attributable to holders of Class A shares per Class A share for the six months ended June 30, 2022 and 2021 is calculated as follows:

	June 30, 2022	June 30, 2021
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares	\$ (1,619,589)	\$ 1,901,710
Weighted Average Number of Class A Shares Outstanding during the Period	508,538	821,302
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares per Class A Share	(3.1848)	2.3155

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**Investment Funds Managed by  
Mulvihill Capital Management Inc.**

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**EXCHANGE-TRADED FUNDS**

Mulvihill Canadian Bank Enhanced Yield ETF (CBNK)

**MUTUAL FUNDS**

Mulvihill Premium Yield Fund

**SPLIT SHARES**

Premium Income Corporation (PIC.PR.A, PIC.A)

S Split Corp. (SBN.PR.A, SBN)

Top 10 Split Trust (TXT.PR.A, TXT.UN)

World Financial Split Corp. (WFS.PR.A, WFS)

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