



SEMI-ANNUAL
REPORT

2015

S SPLIT CORP.


strathbridge
ASSET MANAGEMENT

Letter to Shareholders

We are pleased to present the 2015 semi-annual report containing the management report of fund performance and the unaudited financial statements for S Split Corp (the “Fund”).

The year started off well for Canadian stocks but, after peaking in mid-April, all sectors except Health Care were in decline. The reasons are varied but include a lackluster recovery in the price of oil, sluggish commodity prices in general, and continued concerns about Greece’s potential exit from the Eurozone and its contagion effects in Europe. A neutral stock market persists despite Canadian economic data so far this year that has been, at worst, benign and, in some cases, better than expected such as housing starts and jobs numbers. Market volatility suggests investors are calm or even complacent in the face of the concerns mentioned above.

Cash distributions of \$0.26 per share were paid to Preferred shareholders and \$0.25 per share were paid to Class A shareholders during the six months ended June 30, 2015. The net asset value per Unit of the Fund decreased 4.7 percent, from \$18.78 at December 31, 2014 to \$17.90 at June 30, 2015. The Fund’s total return, including reinvestment of distributions, was negative 1.9 percent for the period. The net realized gain on options attributable to Strathbridge Selective Overwriting strategy (see “The Fund”) amounted to \$0.03 per Unit as compared to a net realized loss on options of \$0.04 per Unit a year ago. For a more detailed review of the operation of the Fund, please see the Results of Operations and the Portfolio Manager Report sections.

On January 2, 2015, Strathbridge Asset Management Inc. (the “Manager”) announced that shareholders had approved a proposal to change the investment restrictions and investment strategy of the Fund. Please refer to the Recent Developments section for details of the proposal.

We thank all shareholders for their continued support and encourage shareholders to review the more 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.

S Split Corp.

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, 2015 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, Standard Life Centre, 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, 2015, cash distributions of \$0.26 per Preferred share and \$0.25 per Class A share were paid.

Since the inception of the Fund in May 2007, the Fund has paid total cash distributions of \$4.26 per Preferred share and \$4.65 per Class A share.

Revenue and Expenses

For the six months ended June 30, 2015, the Fund's total revenue per Unit was \$0.38 as compared to \$0.56 in the prior year. The higher revenue in 2014 was attributable to three quarterly dividends declared by The Bank of Nova Scotia with ex-dates in the first half of the year. Overall expenses decreased 58.4 percent compared to a year ago. However, total expenses per Unit increased by \$0.03 per Unit from the previous year to \$0.28 per Unit mainly due to a decreased number of Units outstanding during the period. The Fund had a net realized and unrealized loss of \$0.46 per Unit in the first half of 2015 as compared to a net realized and unrealized gain of \$1.34 per Unit a year earlier.

Net Asset Value

The net asset value per Unit of the Fund decreased 4.7 percent, from \$18.78 at December 31, 2014 to \$17.90 at June 30, 2015. The aggregate net asset value of the Fund decreased \$1.0 million, from \$21.9 million at December 31, 2014 to \$20.9 million at June 30, 2015, reflecting an operating loss of \$0.4 million and cash distributions of \$0.6 million on the Class A shares and the Preferred shares.

Recent Developments

On November 12, 2014, the Board of Directors approved a proposal to change the Fund's investment restrictions to enable the Fund to 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. A joint management information circular was mailed to shareholders of record on November 21, 2014 and a special meeting of shareholders of the Fund was held on December 23, 2014 to consider and vote upon the proposal. On January 2, 2015, the Manager announced that the proposal was approved by the shareholders to change the investment restrictions and investment strategy of the Fund.

Management Report of Fund Performance**International Financial Reporting Standards Accounting Policies**

The Fund has adopted International Financial Reporting Standards ("IFRS") accounting policies for the year beginning January 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Note 5 to the annual financial statements for the year ended December 31, 2014 discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the year ended December 31, 2013 prepared under Canadian GAAP.

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, 2015 is derived from the Fund's unaudited semi-annual financial statements.

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

	Six months ended June 30, 2015
NET ASSETS PER UNIT	
Net Assets, beginning of period⁽¹⁾	\$ 18.78
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.38
Total expenses	(0.28)
Realized gain (loss) for the period	0.08
Unrealized gain (loss) for the period	(0.54)
Total Increase (Decrease) from Operations⁽²⁾	(0.36)
DISTRIBUTIONS	
Preferred Share	
From net investment income	(0.13)
Non-taxable distributions	(0.13)
Total Preferred Share Distributions	(0.26)
Class A Share	
From net investment income	-
Non-taxable distributions	(0.25)
Total Class A Share Distributions	(0.25)
Total Distributions⁽³⁾	(0.51)
Net Assets, end of period⁽¹⁾	\$ 17.90

(1) All per Unit figures presented in 2015, 2014 and 2013 are referenced to net assets determined in accordance with IFRS which are derived from the Fund's unaudited financial statements for the six months ended June 30, 2015 and the annual audited financial statements for the year ended December 31, 2014. Net assets per Unit for all other prior years were derived from the Fund's audited annual financial statements that were prepared in accordance with Canadian GAAP. Net assets per Unit is the difference between the aggregate value of the assets (including the valuation of securities at closing prices for the years beginning on or after January 1, 2013 and for all other prior years at bid prices) 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, 2015
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value, excluding the Redeemable Preferred Share liability (\$millions)	\$ 20.87
Net Asset Value (\$millions)	\$ 9.21
Number of Units outstanding	1,165,364
Management expense ratio ⁽¹⁾	3.02 ⁽⁴⁾
Portfolio turnover rate ⁽²⁾	0.00%
Trading expense ratio ⁽³⁾⁽⁴⁾	0.00% ⁽⁴⁾
Net Asset Value per Unit ⁽⁵⁾	\$ 17.90
Closing market price - Preferred	\$ 10.40
Closing market price - Class A	\$ 7.78

(1) The management expense ratio ("MER") is the sum of all fees and expenses for the stated period, including federal and provincial sales taxes 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 for 2014 includes the special resolution expense. The MER for 2014 excluding the special resolution expense is 2.33%. The MER for 2011 and 2010 includes the warrant offering costs and/or warrant exercise fees. The MER for 2011 and 2010 excluding the warrant offering costs and/or warrant exercise fees is 2.36% and 2.26% respectively. The MER, including Preferred share distributions, is 5.90%, 5.27%, 5.37%, 5.31%, 5.52% and 5.48% for 2015, 2014, 2013, 2012, 2011 and 2010 respectively.

Management Report of Fund Performance

As a result of the adoption of IFRS, for June 30, 2015, December 31, 2014 and 2013, the net assets per Unit presented in the financial statements and the net asset value per Unit calculated weekly are both valued at closing prices. For all other prior years ended December 31, the net assets per Unit presented in the financial statements differs from the net asset value per Unit calculated weekly, primarily as a result of investments being valued at bid prices for financial statements purposes and at closing prices for weekly net asset value purposes.

		Years ended December 31							
		2014	2013	2012	2011	2010			
\$	19.86	\$	18.23	\$	17.81	\$	21.45	\$	20.89
	0.79		0.56		0.71		0.70		0.72
	(0.55)		(0.46)		(0.43)		(0.49)		(0.50)
	3.20		(0.11)		(0.56)		1.09		0.27
	(2.67)		2.57		1.67		(2.36)		1.46
	0.77		2.56		1.39		(1.06)		1.95
	(0.53)		(0.22)		(0.28)		(0.53)		(0.17)
	–		(0.31)		(0.25)		–		(0.36)
	(0.53)		(0.53)		(0.53)		(0.53)		(0.53)
	(0.26)		–		–		(0.16)		–
	(0.34)		(0.50)		(0.48)		(0.43)		(0.62)
	(0.60)		(0.50)		(0.48)		(0.59)		(0.62)
	(1.13)		(1.03)		(1.01)		(1.12)		(1.15)
\$	18.78	\$	19.86	\$	18.22	\$	17.81	\$	21.45

(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. All distributions were paid in cash.

		Years ended December 31							
		2014	2013	2012	2011	2010			
\$	21.89	\$	61.89	\$	60.08	\$	63.41	\$	84.36
\$	10.23	\$	30.73	\$	27.13	\$	27.84	\$	45.05
	1,165,364		3,116,112		3,295,312		3,556,512		3,930,870
	2.72%		2.51%		2.41%		2.88%		2.93%
	0.00%		4.52%		5.33%		45.90%		54.87%
	0.01%		0.01%		0.01%		0.07%		0.04%
\$	18.78	\$	19.86	\$	18.23	\$	17.83	\$	21.46
\$	10.15	\$	10.35	\$	10.52	\$	10.35	\$	10.38
\$	9.00	\$	8.47	\$	6.66	\$	6.00	\$	8.95

(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. Annualized.

(4) 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.

Retraction Fee

For retraction of a Class A Share or Preferred Share occurred prior to July 2014, a retraction fee was deducted by Strathbridge from the amount otherwise receivable by the retracting shareholder to compensate Strathbridge, in part, for paying the Agents' fees and expenses of the offering.

Past Performance

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

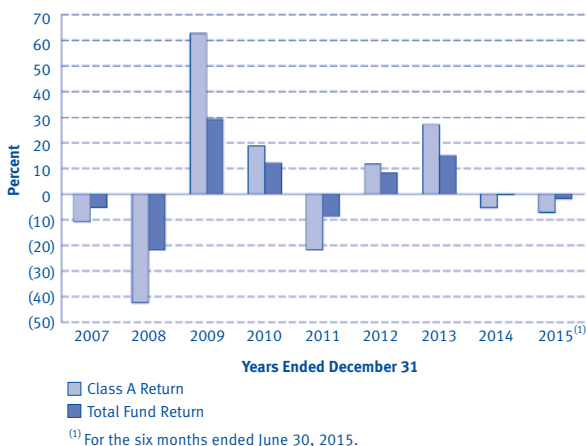
- (1) information shown assumes that all distributions (including deemed distributions based on the intrinsic value of the warrants exercised prior to the expiry date of the warrants) made by the Fund during these periods were reinvested in Units of the Fund,
- (2) information does not take into account 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 eight years and for the six months ended June 30, 2015. The chart also shows, in percentage terms, how much an investment made on January 1 in each year or the date of inception on May 27, 2007 would have increased or decreased by the end of the fiscal year or June 30, 2015 for the six months ended.

Management Report of Fund Performance

Annual Total Return



Portfolio Manager Report

The year started off well for Canadian stocks but, after peaking in mid-April, all sectors except Health Care were in decline. The reasons are varied but include a lackluster recovery in the price of oil, sluggish commodity prices in general, and continued concerns about Greece's potential exit from the Eurozone and its contagion effects in Europe. A neutral stock market persists despite Canadian economic data so far this year that has been, at worst, benign and, in some cases, better than expected such as housing starts and jobs numbers. Market volatility suggests investors are calm or even complacent in the face of the concerns mentioned above.

The Bank of Nova Scotia ("BNS") reported neutral results in the first half of 2015 with a slight miss in the first quarter and slight beat in the next quarter. Markets were weak during this period and all the banks were down, though investors rewarded BNS with the best performance of the Big Five. The total return of BNS shares was negative 0.7 percent for the first half of the year.

The BNS, already well-established in the Caribbean, continues to set itself up for future growth in Latin America. Despite general weakness in these economies so far this year, recent acquisitions have already increased international interest income by 7 percent year-over-year. Even though there is pressure on foreign net-interest-margin, the international operations are still twice as profitable as Canadian operations. The BNS's CEO, Brian Porter, recently held a town hall meeting to address questions about his strategy. Since he took over 18 months ago, he has reduced the senior executive positions by 30 percent and just announced 1,500 job cuts mostly in Canada. Porter assured shareholders that the moves were to "simplify the organizational model" and there remained a wealth of experience within the ranks.

The net asset value ("NAV") per Unit of the Fund at June 30, 2015 was \$17.90 compared to \$18.78 at December 31, 2014. The Fund's Class A and Preferred Shares, which are listed on the Toronto Stock Exchange as SBN and SBN.PR.A, closed on June 30, 2015 at \$7.78 and \$10.40 respectively. When combined, the closing prices represent a 1.6 percent premium to the NAV per Unit.

Management Report of Fund Performance

Cash distributions of \$0.25 per share were paid to Class A shareholders and \$0.26 per share were paid to Preferred shareholders during the first six months of 2015. The value of BNS shares at June 30, 2015 was \$64.47 compared to \$66.31 on December 31, 2014. BNS paid common dividends of \$1.34 during the period with its dividend increased by two cents per share in the second quarter.

The BNS share price has been in a relatively narrow trading range for 2015 so far; however, the volatility has also been low thus making premiums for selling options less attractive. After a quiet first quarter, the Fund has increased its overwriting activity closing the period with 25 percent of the portfolio overwritten as compared to an average of 2.7 percent during the period. The net realized gain on options attributable to Strathbridge Selective Overwriting (“SSO”) strategy amounted to \$0.03 per Unit as compared to a net realized loss of \$0.04 per Unit a year ago.

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, 2015

	% of Net Asset Value ⁽¹⁾
Financials - The Bank of Nova Scotia	100.0 %
Cash	0.6 %
Other Assets (Liabilities)	(0.6)%
	100.0 %

⁽¹⁾ 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 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 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 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, 2014.

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 7, 2015

Notice to Shareholders

The Fund's independent auditor has not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

Financial Statements

Statements of Financial Position

As at June 30, 2015 (Unaudited) and December 31, 2014 (Audited)

	Note	June 30, 2015	Dec. 31, 2014
ASSETS			
Financial assets at fair value through profit or loss		\$ 20,868,939	\$ 21,769,573
Cash		115,447	288,154
TOTAL ASSETS		20,984,386	22,057,727
LIABILITIES			
Accrued liabilities		54,383	141,667
Derivative liabilities		36,082	–
Accrued management fees	5	28,355	30,736
Redeemable Preferred shares		11,653,640	11,653,640
Class J shares		100	100
TOTAL LIABILITIES		11,772,560	11,826,143
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES		\$ 9,211,826	\$ 10,231,584
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE		\$ 7.9047	\$ 8.7797

The notes are an integral part of the Financial Statements.

Financial Statements

Statements of Comprehensive Income

Six months ended June 30 (Unaudited)

	Note	2015	2014
INCOME			
Dividend income		\$ 438,358	\$ 1,752,668
Net realized gain on investments at fair value through profit or loss	3	52,226	780,537
Net realized gain/(loss) on options at fair value through profit or loss	3	40,714	(114,804)
Net change in unrealized gain/loss on investments at fair value through profit or loss	3	(633,679)	3,518,259
TOTAL INCOME		(102,381)	5,936,660
EXPENSES			
Management fees	5	173,222	500,529
Service fees		22,529	77,295
Administrative and other expenses		55,352	78,290
Transaction fees	6	115	1,035
Custodian fees		8,707	11,343
Audit fees		15,566	13,796
Director fees	5	9,600	10,200
Independent review committee fees	5	3,509	3,490
Legal fees		1,746	2,178
Shareholder reporting costs		7,854	9,376
Harmonized sales tax		23,385	64,779
TOTAL EXPENSES		321,585	772,311
OPERATING PROFIT/(LOSS)		(423,966)	5,164,349
Preferred share distributions		(305,908)	(817,980)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES	7	\$ (729,874)	\$ 4,346,369
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES PER CLASS A SHARE	7	\$ (0.6263)	\$ 1.3953

The notes are an integral part of the Financial Statements.

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

Six months ended June 30 (Unaudited)

	Note	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, BEGINNING OF YEAR		\$ 10,231,584	\$ 30,731,473
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares		(729,874)	4,346,369
Class A Share Capital Transactions			
Value for Class A shares redeemed		–	(2,084,134)
Class A Share Distributions			
Non-taxable distributions		(289,884)	(879,055)
Changes in Net Assets Attributable to Holders of Class A Shares during the Period		(1,019,758)	1,383,180
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, END OF PERIOD		\$ 9,211,826	\$ 32,114,653

The notes are an integral part of the Financial Statements.

Financial Statements

Statements of Cash Flows

Six months ended June 30 (Unaudited)

	Note	2015	2014
CASH, BEGINNING OF YEAR		\$ 288,154	\$ –
Cash Flows Provided by (Used In) Operating Activities			
Operating Profit/(Loss)		(423,966)	5,164,349
Adjustments to Reconcile Net Cash Provided by (Used In) Operating Activities			
Proceeds from disposition of investment securities		395,977	3,318,106
Net realized (gain)/loss on investments at fair value through profit or loss		(52,226)	(780,537)
Net realized (gain)/loss on options at fair value through profit or loss		(40,714)	114,804
Net change in unrealized gain/loss on investments at fair value through profit or loss		633,679	(3,518,259)
(Increase)/decrease in dividends receivable and due from brokers - investments		–	(2,485,028)
Increase/(decrease) in accrued management fees and accrued liabilities		(89,665)	(12,426)
		847,051	(3,363,340)
Cash Flows Provided by (Used In) Financing Activities			
Class A share distributions		(289,884)	(879,055)
Preferred share distributions		(305,908)	(817,980)
		(595,792)	(1,697,035)
Net Increase/(Decrease) in Cash During the Period		(172,707)	103,974
CASH, END OF PERIOD		\$ 115,447	\$ 103,974
Dividends received		\$ 438,358	\$ 1,169,372

The notes are an integral part of the Financial Statements.

Schedule of Investments

As at June 30, 2015 (Unaudited)

	Number of Shares/ (Contracts)	Average Cost/ (Proceeds)	Fair Value	% of Net Assets Attributable to Holders of Class A Shares
INVESTMENTS				
Canadian Common Shares				
Financials				
The Bank of Nova Scotia	323,700	\$ 17,318,518	\$ 20,868,939	100.2 %
Total Canadian Common Shares		\$ 17,318,518	\$ 20,868,939	100.2 %
Options				
Written Covered Call Options (100 shares per contract)				
The Bank of Nova Scotia - July 2015 @ \$65	(815)	\$ (57,050)	\$ (36,082)	
Total Options		\$ (57,050)	\$ (36,082)	(0.2)%
Adjustment for transaction fees		(8,575)		
TOTAL INVESTMENTS		\$ 17,252,893	\$ 20,832,857	100.0 %
OTHER NET LIABILITIES			(3,473)	0.0 %
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A SHARES, excluding the Redeemable Preferred share liability			\$ 20,829,384	100.0 %

The notes are an integral part of the Financial Statements.

S Split Corp.

Notes to Financial Statements

June 30, 2015

1. Basis of Presentation

The semi-annual financial statements for the S Split Corp. (the “Fund”) have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by 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 semi-annual financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended December 31, 2014.

These 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, 2014.

These financial statements were approved by the Board of Directors on August 7, 2015.

2. Risks Associated with Financial Instruments

The various types of risks associated with its investment strategies, financial instruments and markets in which it invests by the Fund remain unchanged from the prior year and are described in Note 7 of the audited financial statements for the year ended December 31, 2014.

Credit Risk

During the periods ended June 30, 2015 and December 31, 2014, 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, 2015		
	Financial Liabilities		
	On Demand	< 3 months	Total
Accrued liabilities	\$ -	\$ 54,383	\$ 54,383
Derivative liabilities	-	36,082	36,082
Accrued management fees	-	28,355	28,355
Redeemable Preferred shares	11,653,640	-	11,653,640
Class J shares	100	-	100
	\$ 11,653,740	\$ 118,820	\$ 11,772,560

	As at December 31, 2014		
	Financial Liabilities		
	On Demand	< 3 months	Total
Accrued liabilities	\$ -	\$ 141,667	\$ 141,667
Accrued management fees	-	30,736	30,736
Redeemable Preferred shares	11,653,640	-	11,653,640
Class J shares	100	-	100
	\$ 11,653,740	\$ 172,403	\$ 11,826,143

Market Risk

(a) Price Risk

Approximately 100 percent (December 31, 2014 - 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, 2015 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at June 30, 2015, the net assets attributable to holders of Class A shares, excluding the Redeemable Preferred Share liability, would have increased or decreased by \$1.0 million (December 31, 2014 - \$1.1 million) respectively or 5.0 percent (December 31, 2014 - 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, 2015	Dec. 31, 2014
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, 2015 and December 31, 2014.

	As at June 30, 2015				Total
	Level 1	Level 2	Level 3		
Canadian Common Shares	\$ 20,868,939	\$ -	\$ -	\$ 20,868,939	
Options	-	(36,082)	-	(36,082)	
	\$ 20,868,939	\$ (36,082)	\$ -	\$ 20,832,857	

	As at December 31, 2014				Total
	Level 1	Level 2	Level 3		
Canadian Common Shares	\$ 21,769,573	\$ -	\$ -	\$ 21,769,573	

There were no transfers between Level 1 and Level 2 during the six months ended June 30, 2015 and during the year ended December 31, 2014.

3. Financial Instruments by Category

The following tables present the carrying amounts of the Fund's financial instruments by category as at June 30, 2015 and December 31, 2014.

Notes to Financial Statements

June 30, 2015

	As at June 30, 2015				
	Financial Instruments at FVTPL		Financial Instruments		Total
	Designated at Inception	Held for Trading	at Amortized Cost		
Assets					
Non-derivative financial assets	\$ 20,868,939	\$ -	\$ -	\$ -	\$ 20,868,939
Cash	-	-	-	115,447	115,447
	\$ 20,868,939	\$ -	\$ -	\$ 115,447	\$ 20,984,386
Liabilities					
Accrued liabilities	\$ -	\$ -	\$ 54,383	\$ -	\$ 54,383
Derivative liabilities	-	36,082	-	-	36,082
Accrued management fees	-	-	28,355	-	28,355
Redeemable Preferred shares	-	-	11,653,640	-	11,653,640
Class J shares	-	-	100	-	100
	\$ -	\$ 36,082	\$ 11,736,478	\$ -	\$ 11,772,560

	As at December 31, 2014				
	Financial Instruments at FVTPL		Financial Instruments		Total
	Designated at Inception	Held for Trading	at Amortized Cost		
Assets					
Non-derivative financial assets	\$ 21,769,573	\$ -	\$ -	\$ -	\$ 21,769,573
Cash	-	-	-	288,154	288,154
	\$ 21,769,573	\$ -	\$ -	\$ 288,154	\$ 22,057,727
Liabilities					
Accrued liabilities	\$ -	\$ -	\$ 141,667	\$ -	\$ 141,667
Accrued management fees	-	-	30,736	-	30,736
Redeemable Preferred shares	-	-	11,653,640	-	11,653,640
Class J shares	-	-	100	-	100
	\$ -	\$ -	\$ 11,826,143	\$ -	\$ 11,826,143

The following table presents the net gain/(loss) on financial instruments at FVTPL by category for the six months ended June 30, 2015 and 2014.

	June 30, 2015	June 30, 2014
Net Realized Gain/(Loss) on Financial Instruments at FVTPL		
Designated at Inception	\$ 40,714	\$ 780,537
Held for Trading	52,226	(114,804)
	92,940	665,733
Net Change in Unrealized Gain/Loss on Financial Instruments at FVTPL		
Designated at Inception	(654,647)	3,518,259
Held for Trading	20,968	-
	(633,679)	3,518,259
Net Gain/(Loss) on Financial Instruments at FVTPL	\$ (540,739)	\$ 4,183,992

4. Shares

For the six months ended June 30, 2015, cash distributions paid to Preferred shareholders were \$305,908 (June 30, 2014 - \$817,980) representing a payment of \$0.26 (June 30, 2014 - \$0.26) per Preferred share and cash distributions paid to Class A shareholders were \$289,884 (June 30, 2014 - \$879,055) representing a payment of \$0.25 (June 30, 2014 - \$0.28) per Class A share.

Notes to Financial Statements

June 30, 2015

During the six months ended June 30, 2015, nil (June 30, 2014 - nil) each of Preferred shares and Class A shares were redeemed with a total retraction value of nil (June 30, 2014 - nil).

During the six months ended June 30, 2015 and year ended December 31, 2014, share transactions are as follows:

	June 30, 2015	Dec. 31, 2014
Redeemable Preferred Shares		
Shares outstanding, beginning of year	1,165,364	3,116,112
Shares redeemed	-	(1,950,748)
Shares outstanding, end of period	1,165,364	1,165,364
Class A Shares		
Shares outstanding, beginning of year	1,165,364	3,116,112
Shares redeemed	-	(1,950,748)
Shares outstanding, end of period	1,165,364	1,165,364
Class J Shares		
Shares outstanding, beginning and end of period	100	100

5. Related Party Transactions

(a) Management Fees

Total management fees for the six months ended June 30, 2015 were \$173,222 (June 30, 2014 - \$500,529).

(b) Board of Directors' Remuneration

Total remuneration paid to the external members of the Board of Directors for the six months ended June 30, 2015 were \$9,600 (June 30, 2014 - \$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, 2015 were \$3,509 (June 30, 2014 - \$3,490).

6. 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, 2015 and 2014 is disclosed below:

	June 30, 2015	June 30, 2014
Soft Dollars	\$ 81	\$ 651
Percentage of Total Transaction Fees	70.4%	62.9%

Notes to Financial Statements

June 30, 2015

7. 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, 2015 and 2014 is calculated as follows:

	June 30, 2015	June 30, 2014
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares	\$ (729,874)	\$ 4,346,369
Weighted Average Number of Class A Shares Outstanding during the Period	1,165,364	3,115,074
Increase/(Decrease) in Net Assets Attributable to Holders of Class A Shares per Class A share	\$ (0.6263)	\$ 1.3953

Investment Funds Managed by
Strathbridge Asset Management Inc.

UNIT TRUSTS

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