FAIRCOURT

SPLIT TRUST

Fourth Quarter 2011

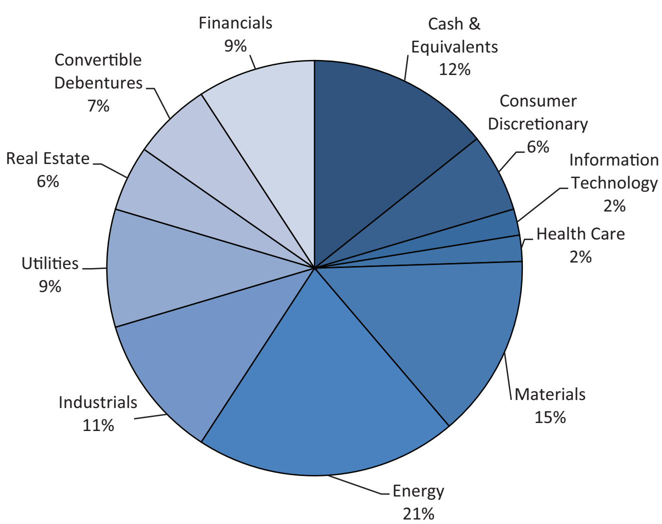
Inception Date: March 16, 2006
Fund Manager: Faircourt Asset Management Inc.
Portfolio Advisor: Faircourt Asset Management Inc.
TSX Symbols: FCS.UN & FCS.PR.B

Faircourt Split Trust was created using a dual security structure, consisting of Trust Units and Preferred Securities, to provide investors with leveraged capital growth potential based on a portfolio of North American equity securities.

TOP TEN HOLDINGS as at December 31, 2011

- AltaGas Ltd.
- Bank of Nova Scotia
- Black Diamond Group Ltd.
- Canadian National Railway Co.
- Capital Power Corp.
- Fairfax Financial Holdings Ltd.
- Keyera Corp.
- McDonald's Corp.
- Secure Energy Services Inc.
- Toronto-Dominion Bank

PORTFOLIO ALLOCATION



Investment Objectives

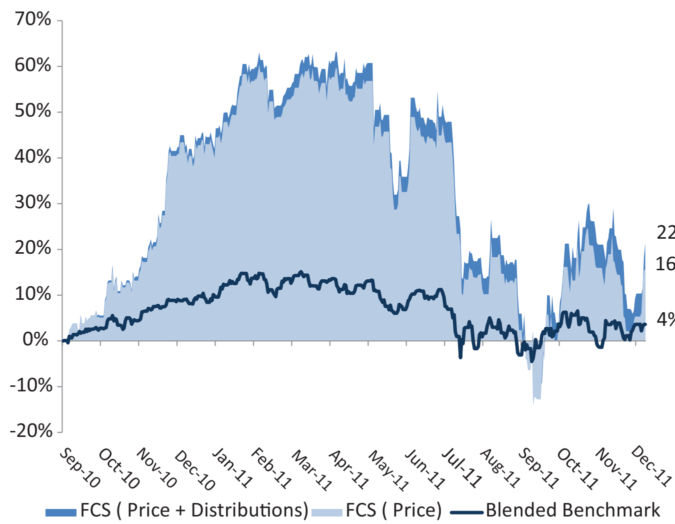
The investment objectives of the Trust are to achieve a balance between the objectives of the Preferred Securityholders and Unitholders, subject to the prior rights of Preferred Securityholders.

The investment objectives with respect to the Preferred Securities are (i) to provide Securityholders priority distributions of interest in the amount of $0.15625 per quarter ($0.625 per annum to yield per annum on the subscription price of $10.00); and (ii) to repay to Preferred Securityholders, on December 31, 2014 in priority to any return of the original subscription price to Unitholders, the original subscription price of the Preferred Securities.

The investment objectives with respect to the Trust Units are: (a) to provide Unitholders with a stable stream of tax efficient monthly cash distributions currently $0.02 per Trust Unit per month to yield 4.42% (market price as at Dec.31, 2011), a portion of which is tax-deferred; and (b) to return to Unitholders, on December 31, 2014 at least the original subscription price of the Units.

The following shows the returns since the merger for the trust units ending December 31, 2011. The annual return for the Benchmark as well as the individual components of the blended benchmark are also provided.The returns are calculated in Canadian dollars.

PAST PERFORMANCE



Source: Bloomberg. Data is based on price and includes distributions.

One Year Return -16.2%
FCS.UN – Market Price $5.43
Benchmark -4.7%

The Benchmark for the Fund is composed of the S&P TSX Composite Index (weight of 70%) and the S&P 500 in Cdn dollars (weight of 30%)

Past Performance:
In accordance with applicable securities laws, historical performance data prior to the Fund's merger with Faircourt Income & Growth Split Trust in September 2010, cannot be presented.

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FAIRCOURT

SPLIT

Faircourt Split Trust: December Update

As 2011 came to a close, the global banking crisis that began in 2008 transitioned into a sovereign debt crisis, affecting many countries in the G-20. The concerns on a macro level have led to increased volatility in capital markets and investors have become more cautious.

The odds of a sovereign default have grown in Europe in 2012, but history has shown that default combined with currency depreciation can, over time, lead to growth and recovery. We must remember that countries such as Brazil have gone through the transition of default to re-birth and growth, now among the leaders in GDP growth. Growth is needed to reduce sovereign debt and reduce unemployment. This will require patience and time as well as a measure of fiscal restraint. Unfortunately, the common currency in the Eurozone makes this process more difficult and complicated.

In Canada, 30% of GDP is derived from exports, so the strength of the global economy is important to Canada. Canada's economic dependency relies on the US, as 75% of exports, or 23% of GDP is focused south of our border. Although trade with Europe is not significant, with direct exposure to European nations of only 4% of exports, or the equivalent of 1.2% of GDP, there are concerns with respect to the global economic slowdown which has dragged down commodity prices, resulting in recent weakness in the Canadian dollar. That has in effect helped non-commodity based export buffer the Canadian economy. On the TSX, the sectors most negatively affected by uncertainty in financial markets and the slowdown in the global economy included commodities, technology, financial institutions and consumer discretionary. The more resilient sectors on the TSX in 2011 included health care, telecom, consumer staples, and utlitities.

U.S. markets experienced significant volatility that negatively affected investor psyches. Continued challenges in residential real estate construction affected the core of the U.S. economy, and until construction re-accelerates, stubborn unemployment and tensions for further stimulus will be front and centre to resurrecting the U.S. economy. Sectors of the S&P 500 most negatively affected this past year in the U.S. included financials, industrials and materials. Sectors that continued to generate strong returns despite global uncertainties included energy, consumer discretionary and staples, and health care.

As we enter 2012, equity prices as measured based on forward price-earnings ratios look inexpensive based on historical norms. The key for investors is earnings strength, as the big question is, will earnings continue to grow or will earnings suffer from further global economic deterioration. We see potential buying opportunities for select North American equities. The sell-off in 2011 has produced opportunities to invest in companies with world-class, global franchises and strong balance sheets. U.S. corporations still have record amounts of cash on their balance sheets of close to $2 trillion, which could lead to further shareholder-friendly moves including share buybacks and dividend increases.

Potential headwinds though still exist that could derail capital markets. Of concern are the potential repercussions from threats to shipping in the Straits of Hormuz that has the potential to result in $150+ per barrel of oil.

As a result of these market realities, the fund will continue to focus on holding a diversified portfolio of leading companies, many of which generate stable and growing distributions. The Fund will also take advantage of the increased volatility noted, by generating additional income from its option writing program. Our options strategy should reduce volatility and generate stable monthly distributions.