FAIRCOURT

SPLIT TRUST

First Quarter 2012

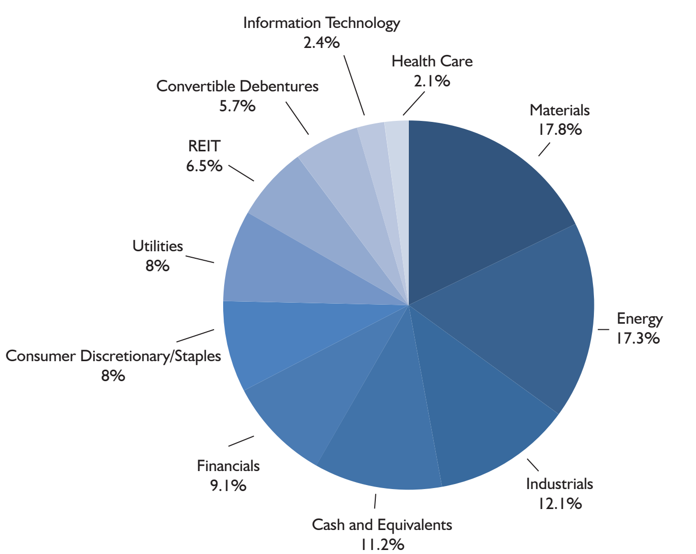
Inception Date: March 31, 2012
Fund Manager: Faircourt Asset Management Inc.
Portfolio Advisor: Faircourt Asset Management Inc.
TSX Symbols: FCS.UN & FCS.P.R.B

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 March 31, 2012

- AltaGas Ltd.
- Bank of Nova Scotia
- Black Diamond Group Ltd.
- Capital Power Corp.
- Fairfax Financial Holdings Ltd.
- McDonald's Corp.
- Philip Morris International Inc.
- Progressive Waste Solutions Inc.
- Secure Energy Services Inc.
- Toronto-Dominion Bank

PORTFOLIO ALLOCATION



Investment Objectives

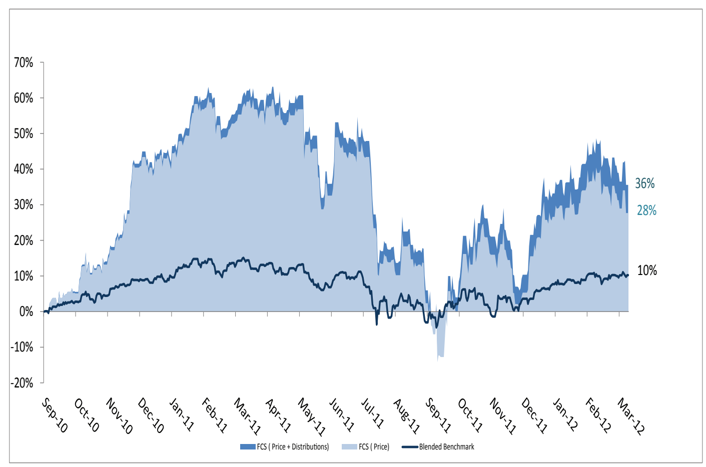
The investment objectives of the Trust are to achieve a balance between the objectives of the Preferred Securityholders and Unitholders, subject to the prior rights of Preferred Securityholders.

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 4.0% (market price as at March 31, 2012), 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 March 31, 2012. 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.

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.

FAIRCOURT *Asset Management Inc.*
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Management fees and expenses are associated with an investment in the fund. The performance data provided assumes reinvestment of distribution only and does not take into account redemption charges or income taxes payable by any security holder that would have reduced returns. An investment in the fund is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. There can be no assurance that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance may not be repeated.

FAIRCOURT

SPLIT

Faircourt Split Trust: December Update

As we entered 2012, optimism for a North American economic recovery and de-coupling from economic realities of Europe was taking hold, providing significant gains for equities in the first month of the year. As the quarter progressed, a more cautionary tone from investors and analysts emerged as economic data out of the US revealed slower housing starts, reduced consumer confidence and renewed potential for further stimulus programs to sustain the US economic recovery.

In Europe, tackling the sovereign debt issue continued to be a challenge for the ECB and other international agencies as leadership in Greece was viewed as an impediment to successful refinancing. The Spanish government announced deepening recessionary fears and the Italian government came to loggerheads with unions fighting overdue austerity measures.

The situation in emerging markets also posed harsh new realities as China announced slower economic results. While China's economy grew at a robust level of 8%, well ahead of the growth achieved in G-20 markets, the reduced GDP growth figure concerned investors, particularly in the commodities sector.

Our portfolio approach, based on the noted macro economic backdrop is to focus on those leading companies that maintain a sound balance sheet, strong and growing cash flows, and leading products and services in expanding domestic and international markets. As a result, we maintain a diversified approach to North American equities, maintaining exposure in many of the sub-sectors within the S&P/TSX and S&P 500.

We believe that select investments in the financial sector, with positions in TD Bank, Bank of Nova Scotia and Fairfax Financial will provide significant benefits for the fund. TD has strong and growing operations both at home and in the United States, and has continued to generate increased earnings and cash flow in its core business units. Bank of Nova Scotia provides exposure to non North American markets, as BNS maintains emerging markets exposure over and above the other Canadian Banks. We also hold a key position in Fairfax Financial that through its subsidiaries is engaged in property and casualty insurance and reinsurance and investment management. Its investment/hedging strategies and financial acumen differentiate the company from most financial service businesses, producing stable non correlated returns over the long term.

The fund also holds key positions in global consumer staples, which have historically shown recession resilience, such as McDonalds Corp and Philip Morris. McDonald's continues to enjoy cash flow, strong brand recognition, and earnings growth from its expanding global operations, including a focus on new locations in China. With a dividend yield of approximately 3% and a 5% free cash flow yield, we see McDonalds as a lower risk way to participate in a global recovery while having leverage to emerging markets growth. Philip Morris continues to evidence strong revenue and earnings growth as its Asian business units continue to expand in new and growing markets.

We are encouraged by the prospect of a re-ignited senior mining and metals sector. Many of the leading global miners are resident on the TSX, with a focus on export markets, and have been experiencing significant cash flow and earnings growth over the last several years. We believe that the outlook is constructive for global mining and materials companies as the temporary economic slowdown in emerging markets, notably China, is causing significant policy change with respect to lending and interest rate accommodation, leading to further gains for the sector. We see select pockets of value, as industry leaders with large market caps are trading at attractive valuations. We continue to focus on those companies that are market leaders with strong balance sheets that have competitive positions that together will assist them in weathering volatility better than their weaker competitors. It is also expected that these leaders should rebound strongly once resilient economic growth returns. Black Diamond Group Ltd, Pacific Rubiales Energy Corporation, Trilogy Energy Corp., Agrium Inc., Freeport-McMoRan Copper & Gold Inc., Secure Energy Services Inc., and Canadian Natural Resources Ltd., should continue to rebound strongly once investor fears subside and sustained economic growth returns.

In order to generate additional returns and to reduce risk, our Manager writes covered call options on securities held in the portfolio and cash secured put options on securities desired to be held in the portfolio. It is our belief that option writing has the potential to add value in certain sectors that have sustained volatility. The volatility underlying certain sectors allows the option writer the potential to generate significant premium income. In addition, an option writing strategy is an effective way to help lower the level of volatility for an investor, and potentially improve returns. In addition to strong fundamentals, the Manager believes the volatility in precious metals, industrial metals and other resource equities will remain above the broader market, producing sound returns for investors through our active options program.

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. Overall, our investment strategy will continue to focus on North America's leading companies, generating stable monthly distributions, while reducing the volatility of the underlying portfolio,

If a Unitholder wishes to retain its current percentage ownership in the Trust and assuming that all Warrants are exercised, such Unitholder should purchase all of the Units, and, if applicable, Preferred Securities and Series B Warrants, for which it may subscribe pursuant to the Warrants delivered under the Offering. If a Unitholder does not do so and other holders of Warrants exercise any of their Warrants, that Unitholder's current percentage ownership in the Trust will be diluted by the issue of Units under the Offering.