FAIRCOURT SPLIT TRUST

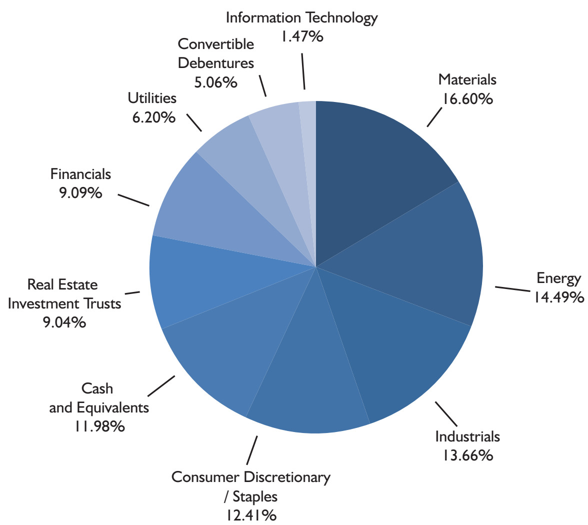
First Quarter 2013

***Inception Date:** March 17, 2006
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, 2013

- Aecon Group Inc.
- Black Diamond Group Ltd.
- Capital Power Corp.
- Cineplex Inc.
- Dollarama Inc.
- Fairfax Financial Holdings Ltd.
- Mag Silver Corp.
- McDonald's Corp.
- Philip Morris International Inc.
- Secure Energy Services Inc.



PORTFOLIO ALLOCATION

Investment Objectives

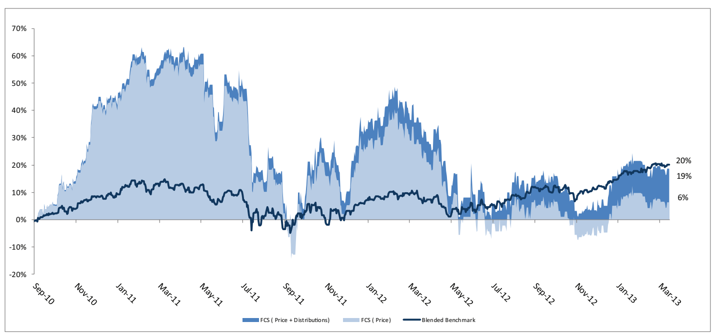
The investment objectives of the Trust are to achieve a balance between the objectives of the Preferred Securityholders and Unitholders, subject to the prior rights of Preferred Securityholders.

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 4.8% (market price as at March 31, 2013), 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, 2013. 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.

PERFORMANCE SINCE SEPTEMBER 30, 2010



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

PAST PERFORMANCE

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.

* On September 30, 2010, Faircourt Split Trust originally launched March 17, 2006 merged with Faircourt Income & Growth Split Trust, so the effective Inception Date of FCS has become October 1, 2010."

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FAIRCOURT

SPLIT

Faircourt Split Trust: March 2013 Update

The Canadian economy continued to produce modest growth in Q1 as gross domestic product generated a 1% year over year gain in January. That result lead to only mild enthusiasm as housing and construction concerns in Toronto and Vancouver continued to cast a long shadow over the rest of the economy. Encouraging figures were seen in manufacturing activity that helped to counteract weakness in commodities, as base metals and energy both suffered due to continued North American economic struggles. The combination of lacklustre growth, forecasts of a sharp drop in real estate construction activity, muted business investment and continued austerity measures from Ottawa may hamper further growth in 2013, with government forecasts being adjusted down to an annual 1-2% GDP growth range.

On a positive note, the Canadian economy continues to create new jobs however, the key challenge moving forward is the ability of our major trading partner, the United States, to continue to grow out of the worst recession it has faced in 50 years.

The US economy was lead during the latter half of 2012 by the resurgence in housing construction and new home sales. The US Federal Reserve as well as most levels of government in the U.S. has stated that the key to restoring confidence in the US economy lies in the housing sector. As Americans regain confidence in home values, the "wealth effect" will assist in consumer spending and business investment. We witnessed stronger employment results and/or reduced joblessness during the first months of Q1, resulting in less concern over government spending issues and debt ceiling negotiations.

The unemployment rate has improved to a level of 7.6%, while key sectors such as automobiles and construction are now contributing positively to GDP growth. The challenge is that the US economy is still quite fragile and continued gains are needed to bring confidence, employment and consumption levels to the point where stimulus measures can be reduced. The U.S. economy is not out of the woods yet, however gains have been noted.

As the quarter ended, sobering results were released as employers hired new workers at their weakest pace in nine months, a sign that sequestration (spending cuts) and tax hikes announced in late December are becoming more difficult to ignore. Wide ranging spending cuts from education to weapons development to reduced funding for national parks were part of the first $85 billion in cuts that went into effect March 1st. Over the next 10 years a total of $1.1 trillion in across the board spending cuts is earmarked. This represents a significant headwind for the US economy going forward.

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, performance in FCS during Q1 illustrated outperformance relative to its underlying benchmark. The return based on market price of FCS units was 12.95% vs 6.02% for the funds benchmark, a blend between the S&P TSX Composite and the S&P 500. We maintain a diversified approach to North American equities, maintaining exposure in many of the sub-sectors within the S&PTSX and S&P 500.

In order to generate additional returns and to reduce risk, the Trust writes covered call options on securities held in the portfolio and cash secured put options on securities desired to be held in the portfolio. Writing a call options tends to decrease the Fund's exposure to the underlying instrument. Writing put options tends to increase the Fund's exposure to the underlying instrument. This strategy has performed well since its implementation in the latter part of 2008, funding the distribution of the securities and also contributing to the net asset value. During the quarter the fund used the option strategy to both reduce the volatility of the portfolio and generate significant cash flow from option premiums of approximately $417,000 or $0.128 per weighted average number of Trust Units outstanding during the period ended March 31, 2013. During the period ended March 31, 2013 the Fund declared regular monthly distributions totaling $0.06 per Trust Unit. Although volatility has returned to more normalized market levels, the Manager continues to believe that option writing can add incremental value going forward. Since implementation of the option writing program in the latter part of 2008, the Fund has generated significant cash flow from option premium of approximately $5,330,000 or $1.79 per weighted average number of Trust Units outstanding during the period ended March 31, 2013.

The Fund benefitted from several leading positions during the period which generated positive returns. The Fund's position in Secure Energy Services and Badger Daylighting performed very well during the period. Secure provides a range of waste disposal services for the energy sector and has been growing steadily since its IPO in 2010, returning +23% during the period. Badger Daylighting is North America's largest provider of non-destructive excavating services, returning +32% during the period. We believe both companies offer a compelling combination of growth and steady recurring revenue streams and will continue to be core holdings in the Fund.

McDonald's and Philip Morris International, with strong brands continued to perform well during the quarter returning +14% and +12% respectively. Finally, Aecon Group Inc, a company that is involved in construction, development and infrastructure projects, a new addition to the Fund, returned +23% during the quarter.

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 employ its option writing program that provides income to the Fund while reducing the volatility of the portfolio. We believe that option writing can add incremental value going forward.