FAIRCOURT SPLIT TRUST

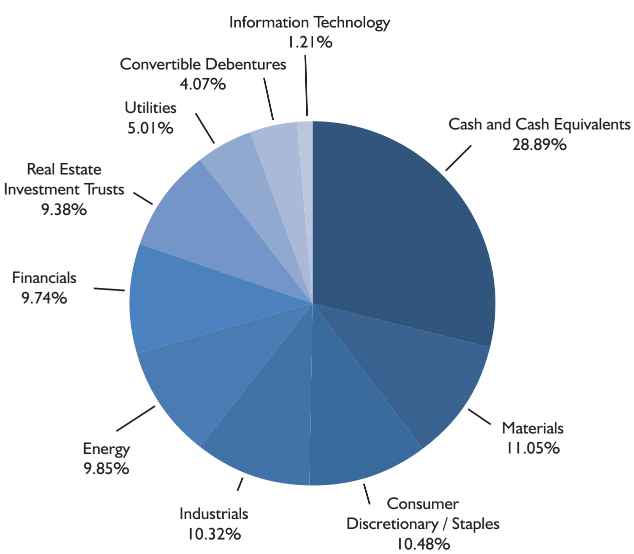
Second Quarter 2013

*__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 June 30, 2013

- Fairfax Financial Holdings Ltd.
- Badger Daylighting Ltd.
- Secure Energy Services Inc.
- Canadian Apartment Properties REIT
- Canadian Imperial Bank of Commerce
- Yamana Gold Inc.
- Bank of Nova Scotia
- Walt Disney Co
- McDonald's Corp.
- Dollarama Inc.



PORTFOLIO ALLOCATION

Investment Objectives

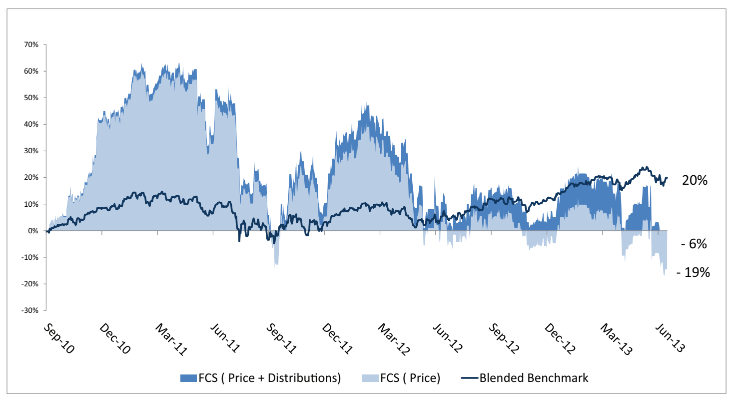
The investment objectives of the Trust are to achieve a balance between the objectives of the Preferred Securityholders and Unitholders, subject to the prior rights of Preferred Securityholders.

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 6.0% (market price as at June 30, 2013), a portion of which is tax-deferred; and (b) to return to Unitholders, on December 31, 2019 at least the original subscription price of the Units.

The following shows the returns since the merger for the trust units ending June 30, 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."

FAIRCOURT *Asset Management Inc.*
141 Adelaide St. West, Suite 1402, Toronto, Ontario, M5H 3L5 416.364.8989 Toll Free: 1.800.831.0304 Fax: 416.360.3466 www.faircourtassetmgt.com

FAIRCOURT SPLIT

Faircourt Split Trust: June 2013 Update

During the early spring, the U.S. economy continued to build momentum with positive signs in employment gains, consumer confidence and the housing sector. The U.S. Department of Labor reported that the economy added 195,000 jobs in each month of the quarter beating expectations in each month. Coinciding with jobs growth was positive consumer confidence most notably present in the auto sector as light motor vehicle sales reached a 7% gain year to date. On the housing front, continued optimism was reflected in housing starts up over 20% in May on a year over year basis. The combined effects of the noted results led to continued strength in the US dollar, US equity markets and weakness for US dollar traded commodities.

In Canada, May employment surged with a gain of 95,000 new full time jobs added to the economy, a significant rise in jobs as the typical range for annual employment gains is roughly 250,000 from the Canadian economy. Primary concerns lie in commodity price weakening due to more moderate emerging markets growth and real estate market pressures in Toronto and Vancouver as longer term interest rates begin to rise. The key for the overall economy, due to our strong relationship with the US, is the level of buoyancy of the US economy

Also of note, is more moderate growth in BRIC economies such as China and India, where annual growth rates have been reduced to 6% from 9% in previous years. In addition, the challenge for these countries is the longer term building stronger domestic consumption patterns to insulate domestic economies from external currency forces.

Risk in the global economy still exists as many countries in Europe continue to work on the early stages of growth. Also of note, is more moderate growth in BRIC economies such as China and India, where annual growth rates have been reduced to 6% from 9% in previous years.In addition, the challenge for these countries is the longer term building stronger domestic consumption patterns to insulate domestic economies from external currency forces.

The key consideration for global equity markets going forward is the pace of change that central banks will use to reduce stimulus as various domestic economies improve. We have witnessed considerable market turbulence since US Fed Chairman Ben Bernanke stated the strong economic indicators the Fed was seeing and suggested the Fed's preference to "taper" stimulus in the coming months

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 reduce risk, the Trust may write covered calls on securities held in the portfolio and cash secured put options on securities desired to be held in the portfolio. The Fund generated cash flow from option writing of approximately $1,184,000, or $0.36 per weighted average number of Trust Units outstanding during the period ended June 30, 2013. During the YTD period ended June 30, 2013 the Fund declared regular monthly distributions totaling $0.12 per Trust Unit.

The Fund benefitted from several leading positions during the period. Consumer staples companies McDonald's and Philip Morris International, with strong global brands and recession resistant business lines generated solid returns in the first half of 2013, returning 21% and 12% respectively. Both companies continue to expand in new and growing markets. Dollarama Inc., the largest operator of dollar stores in Canada, returned 25% during the period, All stores are corporate owned and offer consumers strong value proposition at select fixed price points of $3 or less. Dollarama, McDonald's and Philip Morris all offer a compelling combination of growth and steady recurring revenue streams and will continue to be core holdings in the Fund.

In the energy space we like Badger Daylighting, North America's largest provider of non-destructive excavating services, and Secure Energy Services. Secure provides a range of waste disposal services for the energy sector and has been growing steadily since its IPO in 2010, returning 36% during the period. Badger Daylighting returned 63% during the period.

We also hold a key position in Fairfax Financial that through its subsidiaries is engaged in property and casualty insurance, reinsurance and investment management. Its investment/hedging strategies and financial acumen differentiate the company from most financial service businesses, producing stable returns over the long term. Fairfax returned 19% during the period.

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.