FAIRCOURT SPLIT TRUST

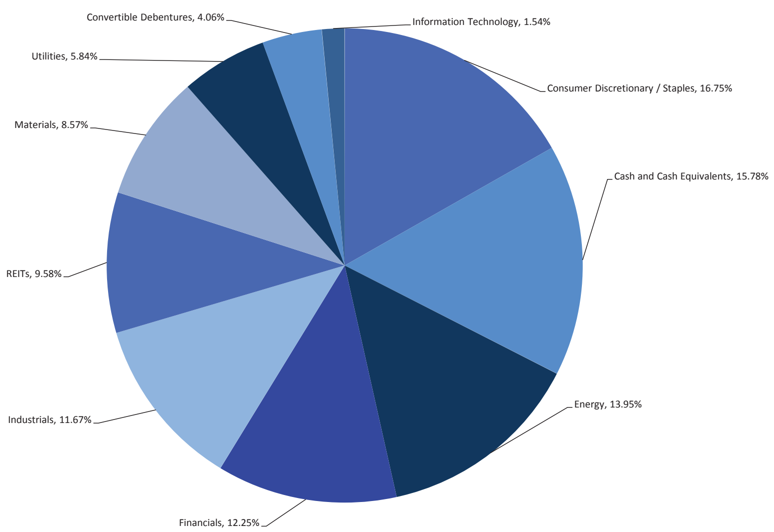
Third Quarter 2013

* **Inception Date:** March 17, 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 September 30, 2013

- Badger Daylighting Ltd.
- Bank of Nova Scotia
- Baytex Energy Corp.
- Dollarama Inc.
- Fairfax Financial Holdings Ltd.
- McDonald's Corp.
- Osisko Mining Corporation
- Toronto-Dominion Bank
- Trilogy Energy Corp.
- Walt Disney Co.



PORTFOLIO ALLOCATION

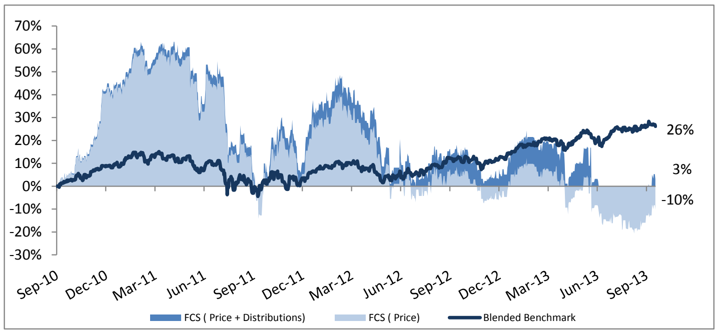
Investment Objectives

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 5.7% (market price as at September 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 September 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.



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

PERFORMANCE SINCE SEPTEMBER 30, 2010
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: September 2013 Update

In the last weeks of the first half of the year, US Fed officials publicly discussed the potential for tapering or reducing monthly mortgage and treasury buying. The view expressed from the FOMC was that there has been gradual and continued improvements in labour markets, housing and consumer sentiment, thus supporting a removal of a small portion of the monthly stimulus provided by the Fed. Although the announcement was intended to communicate support for an improving US economy, the tapering announcement sent markets in directions that Fed Officials did not anticipate or desire. Immediate reactions were seen in higher rates for mortgages and consumer lending which had an immediate negative effect on consumer purchasing and home builders, thus dampening investor confidence.

As a result most of Q3 witnessed subdued economic results from previous quarters. The unemployment rate in the US improved marginally to 7.2% but more importantly the participation rate remains at multi decade lows with young people being squeezed out of the labour market by more experienced and over qualified available workers. Housing starts also showed signs of slower growth as actual starts fell short of analyst expectations, in large part due to the back up in mortgage rates and reduced investment demand. The US Fed had made a point in the spring that their bond-buying decisions were going to be tied to labour market strength, and so in mid September as employment growth slowed, the decision of the FOMC was to maintain stimulus, and the market reacted positively to the news.

For Canada, Q3 began with an upbeat pronouncement by the IMF that upgraded Canada's GDP growth prospects into 2014. By September, joblessness in Canada had been reduced to a rate of 7.1%, the lowest rate in 5 years. Bank of Canada Governor Stephen Poloz kept interest rates unchanged and said there will be a gradual normalization of borrowing costs as slack in the economy is reduced and inflation picks up. By analysts estimates that could be 2015.

However, the IMF says the world economy is still in first gear and will take at least another year to achieve acceptable growth levels. With emerging economies generating 5-7% growth rates, overall global economic activity remains relatively slow.

For the quarter, the S&P 500 produced positive returns of 2.55%. Leading the charge were strong sector returns in Materials, Industrials and Consumer Discretionary. The SP/TSX also delivered a solid quarterly return of 6.25% led by Energy, Consumer Discretionary and Financials. The Fund returned on a nav basis, including distributions paid in the quarter, 20.4% during the period. 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 $1,464,000 or $0.50 per weighted average number of Trust Units outstanding during the period ended September 30, 2013. During the YTD period ended September 30, 2013 the Fund declared regular monthly distributions totaling $0.18 per Trust Unit. Since inception of the option writing program in 2009 and up to and including September 30, 2013, the Fund has generated cash flow from option writing of approximately $6,377,000 or $2.15 per weighted average number of Trust Units outstanding. Although volatility has returned to more normalized market levels, the Manager continues to believe that option writing can add incremental value going forward.

The Fund benefitted from several leading positions during the period. Consumer discretionary companies Cineplex Inc. and Lorillard Inc., with strong brands and recession resistant business lines generated solid returns in the first half of 2013, returning 23.7% and 19.8% respectively. Dollarama Inc., the largest operator of dollar stores in Canada, returned 14.1% during the period and 43.0% year to date. All stores are corporate owned and offer consumers strong value proposition at select fixed price points of $3 or less. Dollarama, Cineplex and Lorillard all offer a compelling combination of growth and steady recurring revenue streams and we expect that they 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. We also like Whiting Petroleum and Occidental Petroleum Corporation, both oil and natural gas exploration companies primarily in south United States and bakken region. Badger Daylighting returned 30.8% during the period and is up 115.2% year to date. Whiting Petroleum returned 27.3% during the period and is up 38.0% year to date. Occidental Petroleum Corporation returned 24.8% year to date.

In the industrial space we like Boyd Group, one of North America's largest operators of auto repair shops, and Alaris Royalty Corp. whose primary goal is to return cash to shareholders by investing in well-managed companies and receiving a royalty in return. Boyd returned 15.6% during the period and is up 72.3% year to date. Alaris returned 17.1% during the period and is up 56.1% year to date.

We believe that select investment in the financial sector; with positions in TD Bank, Element Financial, and Fairfax Financial provide several 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. Element Financial provides lease financing services to North American markets. 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 is up 19.4% year to date. TD Bank returned 10.8% during the period and is up 13.9% year to date. Element Financial returned 8.6% during the period and is up 83.1% year to date.

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 continue to 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.