FAIRCOURT SPLIT TRUST

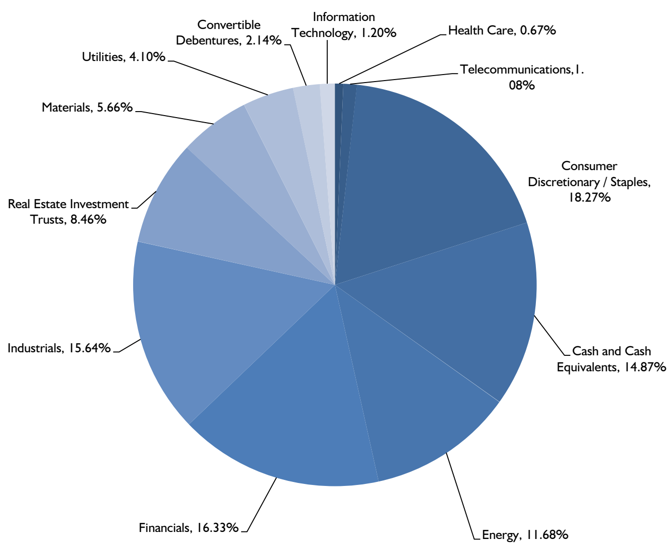
Fourth Quarter 2013

* **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 December 31, 2013

- Badger Daylighting Ltd.
- Bank of Nova Scotia
- Boyd Group Income Fund
- Cineplex Inc.
- Dollarama Inc.
- Fairfax Financial Holdings Ltd.
- Osisko Mining Corporation
- Toronto-Dominion Bank
- Trilogy Energy Corp.
- Whiting Petroleum Corp.



*Based on % of Portfolio, Net of Options

PORTFOLIO ALLOCATION

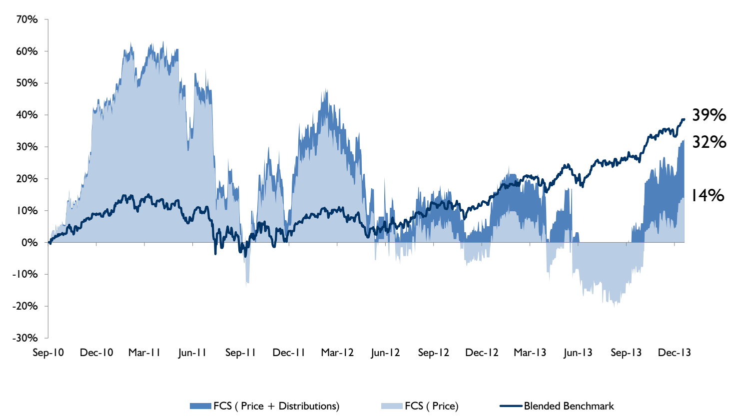
Investment Objectives

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 4.48% (market price as at December 31, 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 returns are calculated in Canadian dollars.



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

PERFORMANCE SINCE DECEMBER 31, 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."

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FAIRCOURT

SPLIT

Faircourt Split Trust: December 2013 Update

Equity markets in Canada turned in a solid twelve months with the TSX having its best performance since 2010, up 9.55%, Strongest among S&P/TSX sub indexes were Healthcare up 72%, Consumer Discretionary up 43%, while industrials were up 37% with railroads leading very strong gains. 2013 also saw strong performance from Financials that generated a return of 23%, with Insurance companies re-gaining lost ground from prior year weakness.

The Canadian economy ended the year with less than robust employment data, however the unemployment rate remains at 6.9%. GDP growth remains constrained due in large part to the slower than anticipated recovery in the US that is producing GDP growth at less than 3%. Canadian GDP gains were driven by manufacturing, wholesale and retail trade. Manufacturing gains were in durable goods, transportation equipment, machinery, and primary metals. 2014 looks brighter for the economy as the year ended on a high in the US with employment gains, housing recovery and consumer confidence taking hold, with prospects for strong returns in the new year.

Although strong performances were noted in many sectors, Canada had one of the weakest equity markets during 2013 when reviewing G8 countries, and has some opportunities to catch up. The Materials Index generated a negative return of -31%, however in 2014, relative to other commodity producing countries, Canada is in a good position with its close proximity to the growing US economy where sectors such as Materials & Industrials will likely benefit from the North American manufacturing renaissance.

US equities ended 2013 with the best year of performance in more than 15 years. The S&P500 rose +41.3% over the year with all 10 sector indexes ending the year with gains as investors rode the US Fed's extraordinary stimulus to a dramatic increase.

The US economy continued to take strides towards greater employment, increased manufacturing and a sustained housing recovery, providing increased confidence for consumers. Factory activity in the US mid Atlantic picked up in November, which was taken as an upbeat signal on labour conditions. Manufacturing makes up 12% of the US economy and has been expanding as automobiles, construction materials and appliances are all growing in demand. From the housing sector, the Case Shiller Index of 20 US Cities showed home sale price increases in December of 13% on a year over year basis. The sustained momentum in the housing market has a dual effect, both increasing the level of confidence in the economy as residential construction continues while also supporting payrolls in the construction industry.

The results of the economic recovery to date led US Federal Reserve Chairman Bernanke to announce on December 18th, that the Fed would finally begin its tapering of the monthly $85 billion in mortgage backed securities and US Treasury bill purchases, beginning in January. The capital markets had long expected tapering to begin, and the market took the news in stride as most equity sectors rallied across North America.

The US economy is not out of the woods yet, and has some challenges ahead. A key underlying concern amongst economists is the lack of pick up in business investment and capital spending that has prevented further jobs growth. A further issue facing the global economy is improvement in overseas markets that would help sustain gains through increased export activity. In addition, declines in the unemployment rate, now below 7%, are not as impressive as the number alone would suggest as the participation rate has continued to drop, and is now at a 35 year low.

For the quarter, the S&P 500 produced break out returns of over +14.3% to end the year with a total return of +41.3%. Leading sectors for the quarter included Industrials at 12.9% and Information Technology at 12.8%. For the year, leading sectors were Consumer Discretionary up 41%, Healthcare at 38% and Industrials at 37% and Financials at 33%,

The S&P/TSX also delivered a solid quarterly return of +7.3% led by Energy, Consumer Discretionary and Financials.

The NAV of the Trust Units, combined with paid distributions during the quarter ended December 31, 2013, provided a total return for holders of Trust Units of +19.3%, results which have outperformed the blended benchmark return of +9.37%. The blended benchmark for the Trust is comprised of a 70% weight in the S&P/TSX Composite Total Return Index and a 30% weight in the S&P 500–CDN$ Total Return Index. For the year ended December 31, 2013, the NAV of the Trust Units combined with paid distributions provided a total return for holders of Trust Units of +21.6% versus +21.5% for the blended benchmark. For the first half of the year the Fund held some metals and mining holdings which contributed to the weaker than expected performance of the Fund. Once the decision was made to reduce our exposure in that space the Fund generated a total return of +43.6% in the second half of the year.

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 $2.01million or $0.72 per weighted average number of Trust Units outstanding during the period ended December 31, 2013. For the year, the Fund declared regular monthly distributions totaling $0.24 per Trust Unit.

The Fund benefitted from several leading positions during the period.

Badger Daylighting, a leading provider of non-destructive excavation services continued to perform very well during the quarter, up 31%, as did the funds position in Boyd Group Income fund, an autobody repair company that has generated excellent growth over the past several years, and now operates in 5 provinces and 15 U.S. States. Boyd was up 20.7% in the quarter. Dollarama Inc., the largest operator of dollar stores in Canada, returned 5% during the period, All stores are corporate owned and offer consumers strong value proposition at select fixed price points of $3 or less.

In the U.S., the Fund benefitted from its position in Iconix Brands, a consumer oriented company that buys older brands, rejuvenates them and licences them to drive sales and margins. Iconix was up 19.5% in 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.