FAIRCOURT

SPLIT TRUST

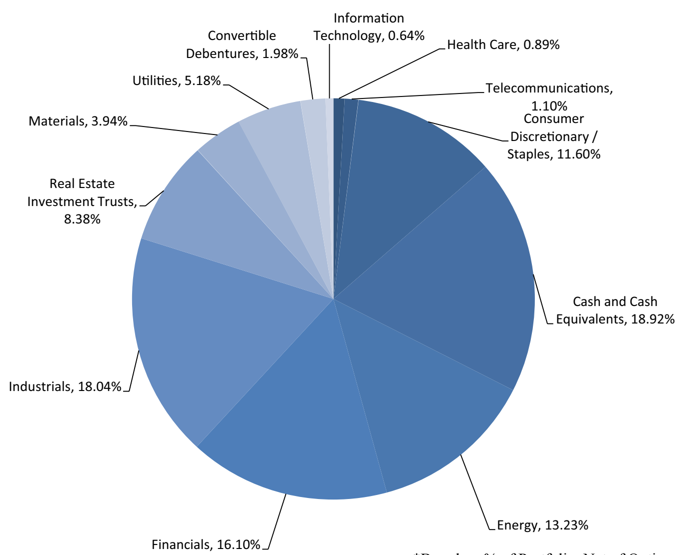
First Quarter 2014

* **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, 2014

- Altria Group Inc.
- Badger Daylighting Ltd.
- Bank of Nova Scotia
- Boyd Group Income Fund
- Canadian Imperial Bank of Commerce
- Cineplex Inc.
- Dollarama Inc.
- Fairfax Financial Holdings Ltd.
- Occidental Petroleum Corp.
- Toronto-Dominion Bank



*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 6.25% 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.

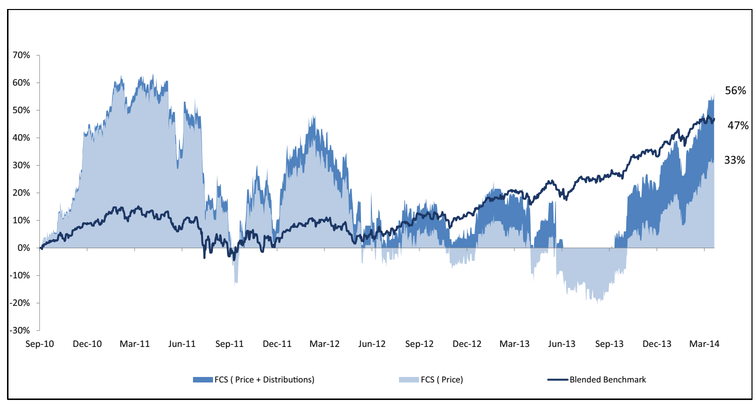
The investment objectives with respect to the Trust Units are: (a) to provide Unitholders with a stable stream of tax efficient monthly cash distributions currently $0.02 per Trust Unit per month to yield 3.83% (market price as at March 31, 2014), a portion of which is tax-deferred; and (b) to return 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 March 31, 2014. The returns are calculated in Canadian dollars.

PERFORMANCE SINCE SEPTEMBER 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%)



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

Returns for Period Ended March 31, 2014

	1 Year	3 Year	Since Inception
FCS Price	31.59%	-0.42%	13.60%
FCS NAV	29.23%	-3.37%	10.32%
Benchmark	20.90%	8.36%	11.22%

Notes:
(1) Assumes reinvestment of distributions;
(2) Source: Bloomberg
(3) Based on Basic NAV; Source: Faircourt Asset Management

* 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.*
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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.

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SPLIT

Faircourt Split Trust: March 2014 Update

North American equity markets generated positive yet muted returns during the first quarter of 2014, overcoming several headwinds that caused volatility to rise and caused investors to re-think certain equity positions. Challenges for markets emanated from the dampening effect on the economy from the extreme weather or polar vortex that covered most of North America; concerns about economic growth in Europe and Asia, as well as the transition in leadership at the U.S. Federal Reserve. These factors combined to provide increased uneasiness in both Canadian and US markets, causing choppy trading that ended in mildly positive returns.

North America faced one of the coldest winters it has faced over the last 50 years, leaving many investors to wonder if the US recovery would stall. Although some economic measures were weakened by weather related issues, the US saw positive data as rising durable goods orders, greater than expected retail sales results, and falling jobless claims all contributed to a positive quarter. Even the number of hours Americans worked also went higher during the quarter, suggesting manufacturing is likely to continue to strengthen.

As Canada is an export led economy, it is important that the countries we trade with sustain acceptable levels of growth in order to grow our economy. The U.S. is our largest trading partner and is leading the global economy out of a post 2008 financial crisis. However, with GDP growth rates of less than 3%, the U.S. economic recovery has been slower than in previous cycles, and will hamper growth prospects in Canada.

Growth in China continues to be slow and previous infrastructure building has been reduced significantly. As a result, countries that export large amounts of industrial commodities to China look more vulnerable to a slowdown in investment spending. Economies that supply China with consumer goods could benefit as growth shifts towards increased household consumption.

We also see continued slow growth in Europe. During Q1, the head of the European Central Bank (ECB) Mario Draghi publicly considered further quantitative easing measures to support European economic resurgence. These comments increased uncertainty over the future direction of global stimulus, as increased liquidity in global terms is something developed markets, including Canada and the United States have been working to reduce. Further complicating the discussion on global liquidity in the first quarter were comments regarding the lackluster state of job growth and the need for further stimulative support that came from the U.S. FOMC as it met for the first time with its new Chair, Janet Yellen.

Broad market indices were weakening before Ms. Yellen provided her comments on jobs growth and employment. Previous forward guidance on interest rate policy from the Federal Reserve was tied to a 6.5% unemployment rate. That was now dismissed as not reflecting the true picture of the domestic jobs market or the lack of strength in the economy due in part to a declining labour participation rate. The Fed did not change its stance with respect to reducing its Balance Sheet by $10 billion per month, however it reiterated the desire to keep interest rates at or near zero for a sustained period, comments that buoyed equity markets. Despite the positive effects on capital markets, new questions have emerged about the length of time and what form of stimulus would be utilized moving forward.

The Fund portfolio uses 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 Fund 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 significant cash flow from option writing of approximately $0.51 million or $0.22 per weighted average number of Trust Units outstanding during the period ended March 31, 2014. The Fund declared regular monthly distributions totaling $0.06 per Trust Unit in the quarter. Since inception of the option writing program, the Fund has generated significant cash flow from option premium of approximately $7.44 million or $2.56 per weighted average number of Trust Units outstanding during the period ended March 31, 2014. Although volatility has returned to more normalized market levels, the Manager continues to believe that option writing can add incremental value going forward.

For the quarter, The S&P/TSX delivered a quarterly return of 6.06% while the S&P 500, in Canadian terms, produced a quarterly return of 5.76%.

The NAV of the Trust Units, combined with paid distributions during the quarter ended March 31, 2014, provided a total return for holders of Trust Units of 12.63%, results which have outperformed the blended benchmark return of 5.97%.

The energy sector performed well during the period as oil prices exceeded $100/bbl and the fund benefitted from several leading positions including Crescent Point (up 17.2%), Baytex Energy (up 11.1%) and Newalta Corp. (up 16.27%). The Fund also was able to earn attractive options premium on energy securities that exhibited higher than average volatility as a result of geo-political risks evident in the quarter. Such names included Concho Resources, Continental Resources, Whiting Petroleum and Valero Energy Corp.

The Fund's consumer discretionary holdings also performed well, with fashion retailer Michael Kors returning 14.88% during the quarter as a result of solid demand for its designer clothing and accessories.

Badger Daylighting, a leading provider of non-destructive excavation services continued to perform very well during the quarter, up 46%, as did the Fund's 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 fifteen states across the U.S.. Boyd was up 8% in the quarter. Subsequent to the quarter, Boyd agreed to acquire 25 auto repair shops in the U.S. for $33million. This acquisition is part of Boyd's growth strategy to continue to be the largest multi-shop auto repair operator in North America in terms of number of locations.

The fund will continue to focus on holding a diversified portfolio of leading companies, many of which generate stable and growing distributions. The core positions in Badger Daylighting, Fairfax Financial, Dollarama, Boyd Group and Bank of Nova Scotia continue to grow the NAV of the Fund and will continue to make up a healthy weighting n the portfolio going forward. The Fund will also continue to employ its option writing program to provide income to the Fund while reducing the volatility of the portfolio.