FAIRCOURT

SPLIT TRUST

Inception Date: March 17, 2006
Fund Manager: Faircourt Asset Management Inc.
Portfolio Advisor: Faircourt Asset Management Inc.
TSX Symbols: FCS.UN & FCS.PR.C

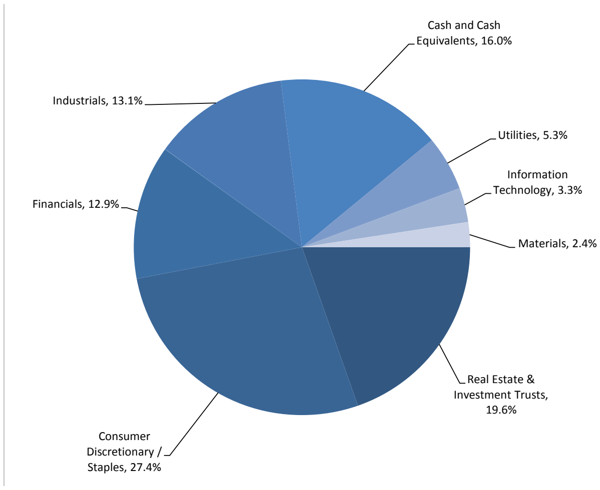
First Quarter 2017

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, 2017

- Alimentation Couche-Tarde Inc.
- Boyd Group Income Fund
- Brookfield Infrastructure
- Canadian Apartment REIT
- Dollarama Inc.
- Microsoft Corp
- Slate Retail REIT
- Walt Disney Co.
- Waste Connections Inc.
- WPT Industrial REIT

PORTFOLIO ALLOCATION



Based on % of Portfolio, Net of Options

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.

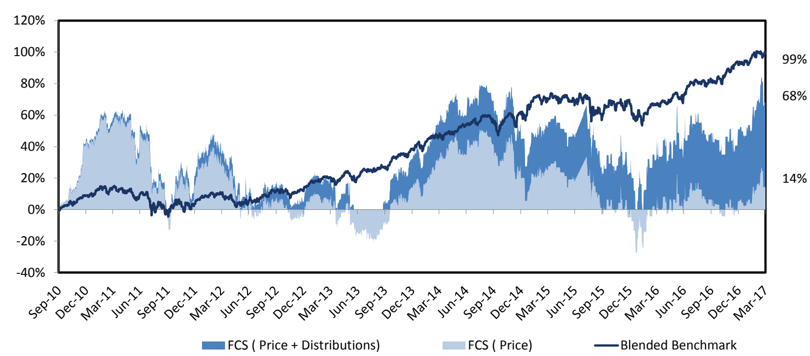
The investment objectives with respect to the Preferred Securities are (i) to provide Securityholders priority distributions of interest in the amount of $0.15 per quarter ($0.60 per annum to yield 6.0% per annum on the subscription price of $10.00); and (ii) to repay to Preferred Securityholders, on June 30, 2019 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 $0.06 per Trust Unit per month to yield 13.41% (market price as at March 31, 2017), 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, 2010. The returns are calculated in Canadian dollars.

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%)



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

Returns for Year Ended March 31, 2017

	1 Year	3 Year	5 Year	Since Inception
FCS Price(1)	16.31%	2.47%	4.42%	8.33%
FCS NAV(1,3)	23.76%	2.80%	4.10%	6.63%
FCS Index (2)	19.28%	9.34%	11.49%	10.34%

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

*FCS since inception is from period September 30, 2010 (Date of merger with FIG)

FAIRCOURT *Asset Management Inc.*
110 Yonge St., Suite 501, Toronto, Ontario, M5C 1T4 416.364.8989 Toll Free: 1.800.831.0304 Fax: 416.360.3466 www.faircourtassetmgt.com

FAIRCOURT

SPLIT

Faircourt Split Trust: March 2017 Update

The first quarter saw strong returns along with historic equity market highs in anticipation of positive economic changes to come from the Trump White House. The S&P 500 continued to climb through most of the quarter, clocking in a first quarter return of 5.48% and the DJIA reached 20,000 for the first time in its history. Yet despite the market exuberance, policy challenges began to show disrupting the Trump Administration's economic reforms. Before and after the inauguration, President Trump discussed streamlining regulations in the energy and financial services sector; personal and corporate tax reform as well as the elimination of Obama-Care, all of which was interpreted as a Presidency focused on reduced red tape. However the policy initiative that got the most attention and caused market volatility was immigration, causing the Trump presidency its first major challenge.

The US unemployment picture improved through much of the first-quarter with the ADP results showing businesses adding 246,000 jobs in the month of January up from 150,000 in December with widespread increases in construction manufacturing healthcare and shipping. Also noteworthy was an increase in the participation rate, a measure of those actively seeking work, to over 63%. Of note was that manufacturing added 15,000, jobs the most in more than two years with factories rebounding from headwinds including the strong dollar and slower overseas growth.

However as the quarter ended, a surprise nonfarm payrolls number in March brought renewed concerns for the US economy as only 98,000 jobs were created in March, well below the consensus expectation of 180,000 jobs. In addition, there were downward revisions to the jobs reports from the previous two months. These revisions have become common in recent Q1 economic reports as weather changes can cause adjustments to labour flows and economic growth, and thus have been downplayed as due to timing rather than economic weakness. As expected in mid March, the Federal Reserve Open Market Committee announced an increase in the federal funds target rate of .25% to a range of 0.75% to 1%. The unemployment rate remained little changed and inflation moved closer to the FOMC's 2% longer-term objective. Restraining a forecast of higher interest rates is the reality of financial instability and the heightened political uncertainty both domestically and globally that could hurt current economic progress.

Following on the restrained forecast of interest rates, there has also been considerable attention regarding recent US dollar weakness. President Trump's comments with respect to the Federal Reserve prior to the election spoke of his dissatisfaction with interest rate policy and the work of Fed Chair Janet Yellen. The low interest rate environment, he stated, was artificially low, hurting savers, and forcing equity investment bubbles. By the end of this quarter, the President had changed his opinion, suggesting that current low rates were good for the economy and that Chair Yellen should have her tenure at the Federal Reserve extended. This has served to weaken the USD and strengthen commodities such as base metals and gold.

The Canadian economy grew at an annualized rate of almost 4% in the first quarter, and with that, the Bank of Canada revised its growth projections for 2017 yet cut growth forecasts for 2018, raising questions about the country's economic sustainability. The rise in energy production provided western Canada with the nation's leading jobs growth, while the country posted strong monthly gains in each month of the new-year. Canada's unemployment rate ended the quarter at 6.7% while the labour participation rate increased as more people actively sought employment. The employment results far exceeded economists' expectations after showing strong jobs growth over the previous eight months.

A risk to the Bank of Canada's GDP forecast is the significant portion of growth attributed to residential investment taking place in the GTA. In addition, on the horizon are concerns of rising protectionism from Canada's trading partners, most notably the US. As our balance of trade is in a trade surplus with the US at roughly $11 billion, there are concerns that as the Trump Administration attempts to re-open trade agreements to make US trade fair for American workers, there are concerns that Canada's trade surplus may be affected through tariffs, taxes or other trade barriers. Given Canada's export oriented economy, global trade disruption would be the most important source of uncertainty surrounding the outlook. As a result, caution remains with respect to Canada's longer-term economic growth.

In Canada, for the first quarter of 2017, the TSX Composite gained 2.41% under-performing the S&P 500 by a wide margin. Of note in Canada was weakness in the energy sector that dragged down the performance for the TSX. On the positive side, 9 of 11 market sectors out-performed the TSX in Q1 with five sectors; Information Tech, Consumer Discretionary, Utilities, Telecommunications and Materials all generating gains in excess of 5% in the first quarter.

The Fund uses a diversified approach to North American equities maintaining exposure in many, but not all, of the sub-sectors within the S&P/TSX and S&P 500. The Fund will continue to focus on holding a diversified portfolio of leading companies, many of which generate stable and growing distributions. Criteria we look for are sound business models, long term steady demand for products or services, growing positive cash flow, minimal need for debt or need to raise significant amounts of capital as well as having a lower dividend payout ratio. The Manager maintains a meaningful US weighting in the Fund. We also see opportunities in Canada that focus on the consumer, offering value and convenience.

In order to generate additional returns and reduce risk, the Fund writes covered calls on securities held in the portfolio and cash secured put options on securities desired to be held in the portfolio. We believe that option writing can continue to add incremental value going forward.

Of note is the continued strength of Dollarama, the discount retailer that has had significant success over the last few years. During Q1, the company's equity was up 12% based on an 11% upside quarterly earnings surprise and 12% sales growth that helped our portfolio. We also saw solid results from. Another long-term position that continues to generate strong gains in the Fund is Boyd Group. A key holding of the fund, it is one of the largest operators of non-franchised collision repair centres in North America, operating in five Canadian provinces and twenty US states. The company continues to grow through accretive acquisitions with a strong balance sheet and very favourable long-term industry trends. As the average age of automobiles on the road extends to over 10 years, the demand for repairs and maintenance out of warranty is resilient. In addition its distribution to investors continues to be generated within a conservative payout ratio.

We continue to see solid growth from Walt Disney with its combined businesses in movies, television, theme parks, vacations and overall entertainment value that drive bottom line results. In 2016, Disney had four of the top five, and six of the top 10 grossing movies as measured in US box office receipts. The global totals are even more impressive where Disney landed all top five spots for worldwide box office and became the first film studio to take in over $7 billion in ticket sales in a single year. Recently we have seen a run up in Disney, from strong operations, reduced concerns over ESPN, as well as speculation of a potential take over by Apple. Although this is a remote possibility, it highlights some of the key assets and cash flow generating capabilities of Disney's varied business lines.

New Flyer is a Canadian growth story that continues to generate interest as the largest transit bus and motor coach manufacturer and parts distributor in North America. With the acquisition of Motor Coach Industries International, Inc. ("MCI") in November 2015, New Flyer has experienced significant growth over the past twelve months. Fiscal 2016 revenues of $2.3 billion was an increase of 47.8% compared to 2015, while net earnings increased by 131.7% while earnings per share rose to $2.10, an increase of 116.5%.

We continue to consider fundamentals for multi-family residential to be compelling. Along with Canadian Apartment Properties REIT, we now hold a position in InterRent REIT that operates in three main markets; Ottawa, the Greater Toronto Area and Montreal. Its focus is in being able to source undervalued assets, reposition properties either through capital improvement and or re-development, and improving properties to their best use thereby increasing cash flows for the REIT. As we continue to see price increases for the average home in the GTA rise over $700,000, in addition to changes to mortgage rules by the federal government, we see a strong tailwind for multi-family REIT's over the next several years.

We believe that option writing can continue to add incremental value going forward. The Fund generated significant income from option writing of approximately $0.24 million or $0.24 per weighted average number of Trust Units outstanding during the quarter ended March 31, 2017.

On March 8, the Fund announced an increase in its monthly distribution to $0.06/month or $0.72/year yielding 13.4% as at March 31. Dividends combined with premiums earned from our option-writing program facilitate this increase to provide investors with this higher distribution rate.

Since inception of the option-writing program in 2009, the Fund has generated significant income from option premium of approximately $9.7 million or $3.86 per weighted average number of Trust Units outstanding. For the quarter ending March 31, 2017, the Fund's NAV combined with paid distributions during the quarter generated a return of 9.22% significantly outperforming the benchmark return of 3.33%.