

CRESTSTREET 2010 FLOW-THROUGH LIMITED PARTNERSHIP QUÉBEC PORTFOLIO UPDATE – JUNE 2011

We are pleased to provide advisors with the second quarter update for the 2010 Québec Class portfolio.

It was a challenging month and quarter for most global equity markets, in particular for the natural resource sectors as global macro head-winds have overshadowed underlying fundamentals, both in the commodity complexes and the resource equities. In the base metals complex, copper was actually up 2.5% for the month for the month of June, with profit margins and net asset values for producers and developers at current prices remaining very attractive. It is a similar situation for our positive oil outlook, with producers generating very strong rates of return in the current commodity price environment. Despite the strong commodity prices, the underlying equities have underperformed over the short term, witnessed by quarterly returns of -8.6% for the S&P TSX Materials Index, -8.2% for the S&P TSX Global Gold Index and -11.5% for the S&P TSX Capped Energy Index. These indices have returned -10.0%, -13.1% and -2.2%, respectively, year to date. Of particular note during the quarter was the broad based sell-off in the smaller capitalization equities, as witnessed by the -17.1% quarterly return for the resource heavy S&P TSX Venture Index. Despite the aggressive sell-off in the underlying equities, the underlying commodities prices have been relatively resilient resulting in equities trading at very attractive valuations.

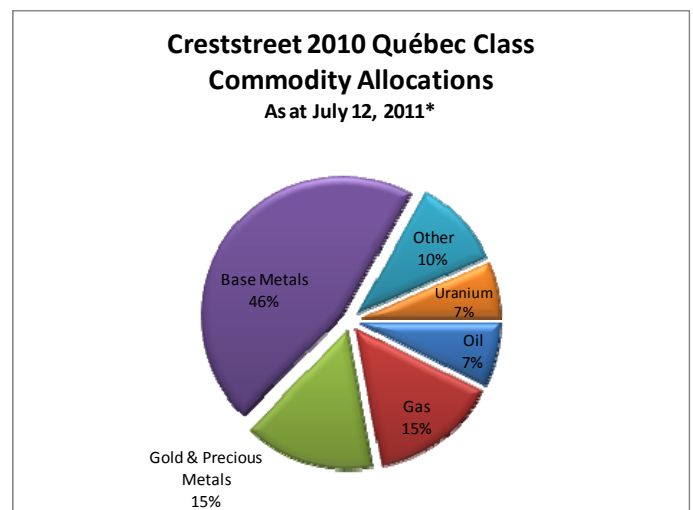
As we highlighted in our previous commentary, we expected the summer market to be volatile and made a conscious decision to remain near fully invested as we balance capital gains with our positive outlook and time horizon of existing investments through the second half of 2011 and into 2012. Volatility in the smaller capitalization stocks however has been above our expectations with the S&P TSX Venture Index returning -17.1% for the quarter. We did eliminate the loan facility early in the year as per our previous quarterly commentary to reduce the portfolio's volatility while activity within the portfolio was relatively quiet during the second quarter.

The 2010 Québec class portfolio remains fully invested after eliminating the loan facility as we await catalysts over the coming quarters for the portfolio's investments. As a reminder, any sales within the portfolio will generate a capital gain for investors during the year in which they are realized.

We have estimated the 2011 capital gains realized to date for the 2010 Québec class portfolio, as detailed in the chart below. Note these are preliminary estimates for the first half of 2011, and are very likely to change over the second half of the year with the sales of any additional positions within the portfolio. We will provide additional information in the next quarterly update expected in mid October.

NAV & Capital Gains Estimate Summary		
As at June 30, 2011		
Net Asset Value	\$	6.66
Estimated Capital Gain per unit for 2011*	\$	1.19

*Capital gains estimates are preliminary in nature, estimated and unaudited and are subject to change



*Based on market value of investment portfolio, estimated and unaudited

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Your Flow-through Portfolio Managers

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(*Note that the data is estimated, un-audited as at June 30, 2011. Portfolio allocation data is based upon market value of investment portfolio as at June 30' 2011). This document is for information purposes only and does not constitute an offer to sell or a solicitation to buy the securities referred to herein. The opinions contained in this report are solely those of Creststreet Asset Management Limited ("CAML") and are subject to change without notice. CAML makes every effort to ensure that the information has been derived from sources believed to be reliable and accurate. However, CAML assumes no responsibility for any losses or damages, whether direct or indirect which arise from the use of this information. CAML is under no obligation to update the information contained herein. The information should not be regarded as a substitute for the exercise of your own judgment. Please read the prospectus before investing.

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