

**CRESTSTREET 2011 FLOW-THROUGH LIMITED PARTNERSHIP
NATIONAL PORTFOLIO UPDATE – JUNE 2011**

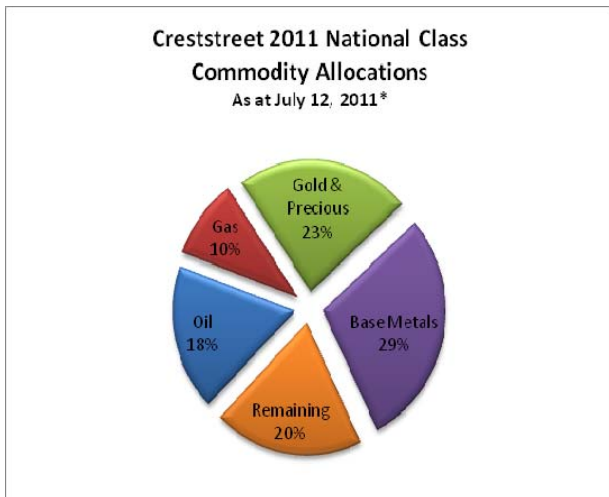
We are pleased to provide advisors with the second quarter update for the 2011 National Class portfolio.

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 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.

Although we had anticipated a correction in the market, we were unaware of the timing and, as such, we opted and guided to have the proceeds systematically invested over time into high quality flow-through issuers over the past several months. The portfolio ended the quarter with approximately 20% remaining to be invested by the end of the year, slightly ahead of our end of summer target as we took the opportunity in May and June to be more aggressive deploying the capital as we searched and uncovered several opportunities.

We expect to be fully invested by the early fall, with the remaining capital anticipated to be invested primarily in energy related issuers. The target allocations towards the sub-sectors remains on track with a balanced portfolio between energy and metals & mining and will provide allocation details upon fully investing the portfolio. Initial premiums are in line with our 15%-20% guidance, currently at 15.4% average and 17.2% weighted average, while the average market capitalization is somewhat higher than we had anticipated, at approximately \$500 million due to several larger company deals.



*Based on book value and gross proceeds, estimated and unaudited

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Your Flow-through Portfolio Managers

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DATE PUBLISHED: July 13, 2011

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