

# Alternative Energy Fund

January 2011 Newsletter

## Net Asset Value Per Share

January 31, 2011:

Series A (CAM400)- \$39.1213

Series B (CAM401)- \$38.6609

Series F (CAM402)- \$39.2657

## Fund Description

The Creststreet Alternative Energy Fund (the "Fund" or "CAEF") provides Canadian investors with exposure to a broad array of investments in sub-sectors of the energy market outside of conventional oil and natural gas. The investment objective is to provide stable long-term growth of capital while conservatively managing value at risk. The Fund invests primarily in securities of North American issuers whose businesses exploit opportunities to generate energy beyond what traditional dependence on carbon-emitting sources supply.

## Performance <sup>(1)</sup>

As at January 31, 2011

MTD	3 month	6 month	1 year	3 years	5 years	10 years	Since inception
0.6%	8.2%	5.9%	-4.6%	35.3%	-	-	51.4%

Historical Annual Performance

2007	2008	2009	2010	YTD 2011
34.8%	142.1%	23.7%	-7.5%	0.6%

(1) Inception date of the Fund is November 21, 2007. The indicated rates of return are historical annual compound total returns and do not take into account sales, redemption, distribution or operational charges or income taxes payable by any security holder that would have reduced returns. Performance is calculated net of fees. The performance and other statistics presented in this document are for Series A and may not be indicative of the performance or statistics of the specific series of shares held by a particular investor.

## Portfolio Managers



**Robert J. Toole, CA**  
President, CEO &  
Portfolio Manager



**Michael Clare, CA, CFA**  
Vice President &  
Portfolio Manager

## Top 5 Holdings <sup>long positions only</sup>

5N Plus Inc.  
AltaGas Ltd.  
Pure Technologies Ltd.  
Ruggedcom Inc.  
Windtronics LLC.

## Fund Details

Type ► North American Equity  
Sector ► Alternative Energy  
Inception Date ► November 21, 2007  
RRSP/TFSA eligible ► Yes  
Distributions ► Annually – capital gains

Pricing ► Weekly  
Minimum initial purchase ► \$1,000  
Minimum subsequent purchase ► \$100  
Switch fee ► None

Series	Fund Code	Load Type	Mgmt Fee	Performance Fee	Service Fee	Short-Term Trading Fee
A	CAM400	FE 0-5%	2.00%	2/20 over S&P 500	0.50%	2% within 90 days of purchase
B	CAM 401	FE 0-5%	2.00%	2/20 over S&P 500	1.00%	2% within 90 days of purchase
F	CAM 402	No Load	2.00%	2/20 over S&P 500	0.00%	2% within 90 days of purchase

Performance. Service. Integrity.



### Fund Commentary

The Creststreet Alternative Energy Fund (the "Fund") was up 0.6% during the month of January compared the Wilderhill Clean Energy Index, which was up 0.4%, and the S&P 500 Index, which was up 2.3%.

The Fund continues to employ a strategy of investing in the top renewable energy companies while hedging broader market equity exposure. This strategy has been very profitable for the Fund. Since inception the Fund has generated a compounded annual return of +51.4% outperforming both its benchmarks, as the S&P 500 and the Wilderhill Clean Energy Index were down 3.0% and 21.3%, respectively, on a compounded annual basis since the Fund's inception.

### Outlook and Strategy

Global equity markets continued to rally in January to close the month near levels last seen in September 2008. Despite some laggards in the alternative energy sector, the long-term outlook for the sector remains very positive and we believe the sector will outperform broad North American equity markets over the next decade. We believe most equity investors should have exposure to the alternative energy sector as part of the energy component of their investment portfolio.

In the fourth quarter of 2010, we began to see early signs of money flowing back into the alternative energy sector and cautiously started increasing our net exposure by adding long positions and reducing market hedges. With an improving North American economy, continued robust growth in emerging markets and higher energy prices, we expect that additional capital will flow into the sector in 2011 and we have positioned the Fund to take advantage of these flows.

We recognize that the key risk to the Fund's strategy is that it could potentially underperform the broader equity markets for short periods of time, as it did in 2010. However, we believe continuing the Fund's conservative investment philosophy of having exposure to the highest quality alternative energy names while hedging broader market equity risk will result in superior risk-adjusted returns for our investors the long run.

### Performance Discussion

Performance during the month of January benefitted from positive stock performance in a number of the Fund's positions. The solar sector performed well benefitting First Solar Inc. ("FSLR") and 5N Plus Inc. ("VNP"), two of the Fund's largest positions. This performance has continued so far in early February as VNP announced an extended supply contract with its largest customer, FSLR. The Fund also continues to benefit from strong performance in RuggedCom Inc. ("RCM"), another top holding of the Fund.

**Use of Benchmarks** - WilderHill Clean Energy Index (WCEI) is comprised of North American renewable energy companies and is used as a benchmark to show how the Fund is performing in relation to a basket of similar companies to those in which the Fund invests. The S&P 500 is comprised of 500 U.S. large cap companies and is used as a benchmark to show how the Fund is performing in relation to the broader North American market on a relative basis.

**About Creststreet** - Creststreet is an independent, employee-owned, performance driven asset Management Company. Founded by our strength and expertise in energy, we have built a diversified award-winning investment management team. Creststreet brings to its Fund's investors unique core and specialty products by combining our superior research with our active management style.

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