


Creststreet Alternative Energy Fund

July 2009 Newsletter

Net Asset Value Per Share

July 31, 2009:

Series A - $38.2808
Series B - $38.1044
Series F - $38.1708

Fund Description

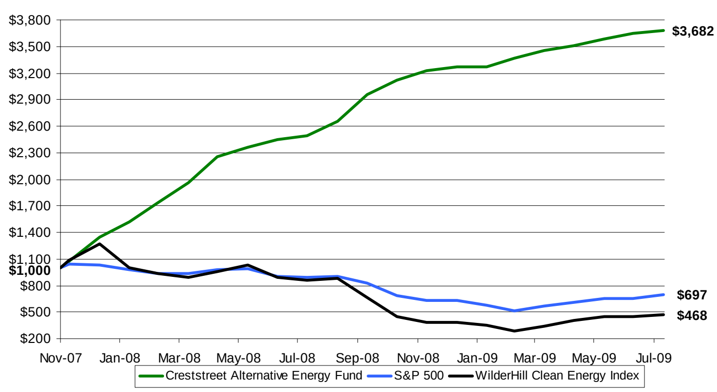
The Creststreet Alternative Energy Fund (the “Fund” or “CAEF”) provides Canadian investors with exposure to a broad array of investments in sub-sectors of the energy market outside of conventional oil and natural gas. The investment objective is to provide stable long-term growth of capital while conservatively 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.

Historical Performance [1]

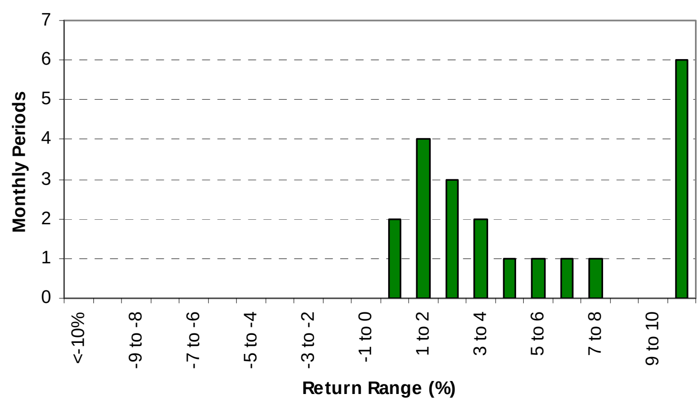
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007											7.6%	25.3%	34.8%
2008	12.6%	14.5%	12.9%	14.9%	4.7%	3.8%	2.0%	6.4%	11.3% *	5.7%	3.2%	1.5%	142.1%
2009	0.1%	2.8%	2.7%	1.5%	2.1%	1.8%	0.9%						12.6%

* Manager clarified performance fee calculation language in prospectus in favor of unitholders resulting in a +9.6% increase in NAV.

Performance [1][2]



Distribution of Returns [1]



Statistics [1][2]

	CAEF	S&P 500 Index	WilderHill Clean Energy Index
Compounded Annual Return (since inception)	115.9%	-19.2%	-36.1%
1 Year Return	47.5%	-22.1%	-45.8%
Standard Deviation	6.4%	7.0%	14.1%
R-Squared		0.01	0.00
Correlation		(0.08)	0.02
Beta		(0.07)	0.01
Monthly Alpha		6.5%	6.6%
Sharpe Ratio	6.50	-1.51	-1.12
Largest Month Gain	25.3%	9.4%	17.5%
Largest Month Loss	n.a.	-16.9%	-32.1%

Top 5 Holdings as at July 31, 2009 *long positions only

Advantage Oil & Gas Ltd.

Itron Inc.

Algonquin Power Income Fund

HTC Purenergy Inc.

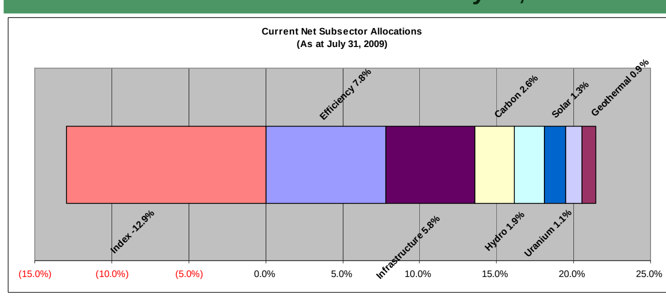
MasTec Inc.

[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 shown is based on Series A of the Fund. Performance is calculated net of fees.
[2] See Use of Benchmarks Disclaimer on page 3.

Terms

Fund AUM:	$50.6M
Minimum Initial Subscription:	$ 1,000
Performance Fee:	20% with hurdle rate above S&P 500
Management Fee:	2%
Type:	North American Equity
Fund Codes & Load Type:	CAM400-FEL -0.5% Trailer CAM401-FEL -1.0% Trailer CAM402-F Class only
Pricing:	Weekly
Redemptions and Contributions:	Weekly
Year End:	December 31
Auditors:	KPMG LLP
Administrator:	RBC Dexia Investor Services
RRSP / TFSA eligible:	Yes

Sub-Sector Allocation as at July 31, 2009



Fund Commentary

The Creststreet Alternative Energy Fund was up 0.9 percent during the month of July compared to the S&P 500 Index, which was up 7.4%, and the Wilderhill Clean Energy Index, which was up 5.2 percent.

Outlook

After declining for the first two weeks of July, North American equity markets rebounded strongly during the second half of the month, leading to significant gains of 7.4% for the S&P, 8.6% for the DJIA, and 4.0% for the TSX. This latest upswing has been fuelled by several large-cap companies in the US delivering better than expected earnings (earnings "beats"), as well as economic data points that indicate that the rate of contraction has continued to soften, supporting a widely held thesis that US GDP growth will turn positive in Q3. While understanding that a GDP up-tick in the current quarter remains probable due to a potential inventory rebuild and stronger federal government spending, we continue to be cautious on the medium and long-term prospects for economic growth and as a consequence on the potential for sustainable broader equity market appreciation. Our view on the equity markets is driven by two pieces of fundamental analysis. First, earnings per share will be reduced in the medium to long-term by corporate deleveraging and a likely increase to corporate tax rates that will be necessary to help reduce the US federal deficit. It is also important to keep in mind that the recent earnings "beats" were often on very conservative and downwardly revised estimates. Many of the "beats" resulted in year over year profitability comparisons being down in the order of 20-50%. Furthermore, the upside surprise to the suppressed earnings estimates was primarily due to cost-cutting measures and employment reductions, not revenue growth. In fact, several of the "beats" were accompanied by revenue estimate misses, signaling economic weakness and raising doubt over the long-term sustainability of the earnings numbers. Second, we are concerned about the state of the American consumer, which has been responsible for 70% of US GDP and 80% of US GDP growth over the past decade. The consumer is facing a contracting credit market and continues to experience substantial job losses after having undergone a personal wealth shock as a result of the housing and equity market crashes. These factors helped cause Personal Consumption Expenditures to contract at an annualized rate of -1.3% in June and remain as a significant drag on GDP growth for the entire second quarter. It will be difficult for corporate profits to grow if this former engine of economic growth remains weak. China and other emerging countries are backfilling the hole left by a diminished American consumer by providing cheap credit, thus far an effective mechanism but not sustainable in the longer-term.

Despite our broad medium and long-term macroeconomic views and irrespective of the already impressive ~50% rise in equity indices off of their lows we, for the first time this year, believe that the risk / reward to taking on a little bit of market exposure is favourable. This is largely a trading oriented call. Having been net short or neutral on a beta-adjusted basis for much of the year, the Fund may position itself up to 30% net long in the next month or two. We are cognizant that this may be a great contrarian indicator and as such will remain liquid and adhere to our risk management protocols. We will not hesitate to reduce such length quickly and aggressively should our comfort level diminish, as we suspect it might.

We remain excited about the growth prospects of several companies within our targeted sector of alternative energy. July saw several developments resulting from elements of the US government stimulus package focused on alternative energy, including grants being made to several battery producers, loan guarantees being provided to power producers, and the commencement of the review process for applications made under the Department of Energy's Smart Grid Investment Grant program. We believe these and other similar programs will continue to provide catalysts for some of our favoured names in the space.

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 a performance-driven investment management firm focused exclusively on the energy sector. Founded in 2000, our mission is to achieve ***excellence in energy investing*** through strong and consistent investment performance across all of our energy investment products for our Canadian and international institutional and high net worth investors**.**

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