



# Creststreet Energy Opportunities Fund

March 2010 Newsletter

## Net Asset Value Per Share

March 31, 2010:

**Series A: \$19.0898**  
**Series F: \$19.2925**  
**Series 2009: \$19.0038**

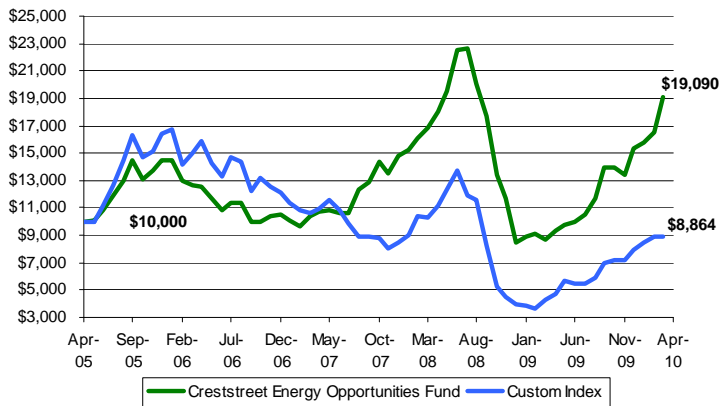
## Fund Description

Creststreet Energy Opportunities Fund (The "Fund" or "CEOF") seeks to provide shareholders with long-term capital growth by employing fundamental securities selection by taking both long and short investment positions in equity, debt and derivative securities and through strategic trading. The Fund's portfolio will consist primarily of securities of issuers engaged in the global, albeit primarily North American, energy sector.

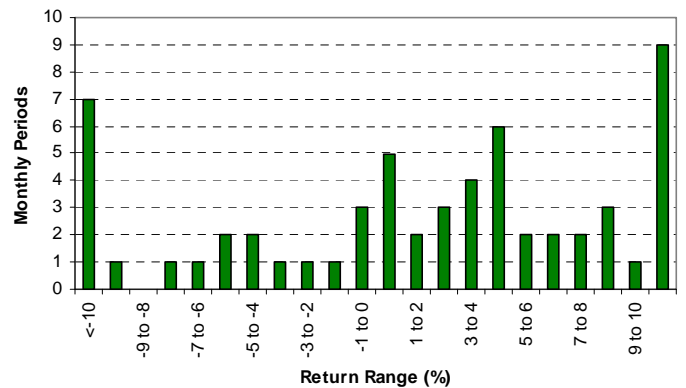
## Historical Performance <sup>(1)(2)</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005					1.3%	6.6%	10.3%	8.4%	11.7%	-9.3%	4.8%	5.4%	44.5%
2006	0.4%	-10.5%	-2.5%	-0.6%	-7.2%	-6.9%	5.0%	-0.8%	-11.5%	-0.5%	4.9%	0.2%	-27.5%
2007	-3.4%	-5.1%	8.1%	3.0%	1.0%	-1.9%	0.4%	16.4%	3.9%	11.4%	-6.0%	9.6%	41.2%
2008	2.9%	6.0%	4.2%	7.4%	8.3%	15.3%	0.2%	-11.0%	-12.0%	-24.4%	-12.7%	-27.6%	-42.8%
2009	4.7%	2.5%	-4.1%	7.7%	3.8%	2.0%	5.8%	11.6%	18.6%	0.5%	-4.0%	14.1%	81.1%
2010	3.1%	4.3%	15.8%										24.6%

## Performance <sup>(1)(2)</sup>



## Distribution of Returns <sup>(1)</sup>



<sup>(1)</sup> The indicated historical performance and rate of return of the Creststreet Energy Opportunities Fund (the "Fund"), includes the historical performance of its predecessor fund, the Creststreet Energy Hedge Fund L.P. ("CEHFLP") for the period of May 5, 2005 to Sept. 24, 2008. CEHFLP, which has the identical investment mandate and strategies as the Fund, was rolled into and established the Fund on September 24, 2008. The performance and other statistics presented in this document may not be indicative of the performance or statistics of the specific series of shares held by a particular investor. <sup>(2)</sup> See "Use of Benchmarks" on page 2.

## Statistics <sup>(1)(2)</sup>

	CEOF	Creststreet Custom Index	S&P/TSX Capped Energy Index	S&P/TSX Composite Index
Compounded Annual Return (since inception)	14.0%	-2.4%	5.4%	5.2%
1 Year Return	119.2%	108.8%	33.4%	38.0%
Since Inception (simple return)	90.9%	-11.4%	29.6%	28.5%
Standard Deviation	9.1%	10.9%	7.9%	5.0%
R-Squared		0.47	0.33	0.28
Correlation		0.69	0.57	0.53
Beta		0.57	0.65	0.97
Monthly Alpha		1.3%	1.0%	1.0%
Largest Month Gain	18.6%	19.9%	16.7%	11.2%
Largest Month Loss	-27.6%	-36.6%	-21.4%	-16.9%

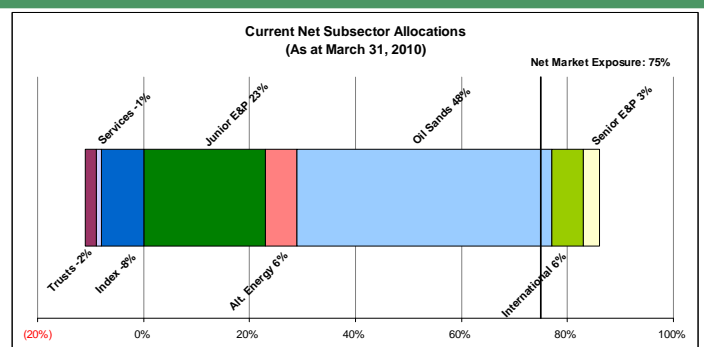
## Top Holdings as at March 31, 2010 <sup>long positions only</sup>

- Athabasca Oil Sands Corp.
- Midway Energy Ltd.
- Orleans Energy Ltd.
- RuggedCom Inc.
- Wild Stream Exploration Inc.

## Terms

Fund AUM	\$20.3 M	Minimum Initial Subscription	\$ 25,000
Performance Fee	20% of the increase in NAV of the Shares in each month	Year End	December 31
Management Fee	2%	Redemption	Monthly with 15 days notice
Administrator	RBC Dexia Investor Services	Contributions	Monthly
Lock Up	None	Auditors	KPMG LLP
Early Redemption Fees	3% in the first 6 months, and 1.5% in the subsequent 7th through 18th month	Prime Broker	Scotia Capital Inc.

## Sub-Sector Allocation as at March 31, 2010



## Fund Commentary

Creststreet Energy Opportunities Fund (the "Fund") was up 15.8 percent for the month of March 2010 compared to the Creststreet Custom Index, which was up 0.06 percent for the month.

## Outlook

We have held and continue to hold the viewpoint that the rally in North American equity markets over the past year has largely been driven by momentum and the tremendous amount of liquidity made available by central banks across the globe. We also continue to believe that we are in the middle of a long-term secular bear market and that broad equity market valuations are not sustainable. Nevertheless, equity markets continue to benefit from the perfect storm of higher global growth rates combined with low interest rates. In this type of environment, equity markets are likely to continue to rally until we are faced with either a double dip recession, which is still possible, or a period of central bank tightening, which is increasingly likely in our view as strong growth will inevitably be met with a withdrawal of liquidity. As such, we believe that it will be extremely important to track changes in central bank policies over the next 3 to 6 months.

## Commodities Review

NYMEX crude oil closed the month at US\$83.76, an increase of 5.1 percent month-over-month. The price of oil remains strong as the market continues to trade on long-term fundamentals as we look to a period of renewed tightness in supply. Recently we have begun to see evidence of increased oil demand in North America and believe that this could be the catalyst that continues to drive the oil price higher in the near-term.

NYMEX natural gas prices closed the month at US\$3.87 per million British thermal units (mmbtu), which represents a decline of 19.6% from the previous month. We continue to expect that soft natural gas prices will persist well into 2010 before natural gas storage levels rebalance and natural gas prices improve.

## Fund Performance and Strategy

During the month, the Fund selectively reduced some of its exposure to its smaller capitalization and less liquid positions in light of our views on the market. Nevertheless, the Fund continues to maintain exposure to a number of junior and intermediate oil-weighted producers with significant growth prospects both domestically and internationally. We continue to remain cautious with respect to investing in natural gas producers in the near-term as we continue to believe the market remains oversupplied. We have limited our exposure to those names with the lowest cost projects that will generate material growth over time while also maintaining short positions in those companies with high cost structures and too much financial leverage.

In early April, the Fund successfully achieved liquidity on its major private investment in Athabasca Oil Sands Corp. ("Athabasca" or the "Company"). Athabasca has been one of the most successful investments for the Fund with the value of the initial investment having risen more than 40 fold at the point where the Fund achieved liquidity on the portion the Fund was overweight relative to a normal position weighting. Even after achieving liquidity on a portion of the investment, Athabasca continues to be one of the largest holdings of the Fund. This investment continues to give excellent exposure to upside in global crude oil prices and the further development potential of the Company's oil sands leases. We believe the Company's shares are trading at a discount to their underlying net asset value and will continue to appreciate as the Company, which is now fully funded, makes progress in moving its three most advanced oil sands development projects into production over the next several years.

Creststreet would like to thank all of the Fund's investors for their patience and understanding as we have worked our way through the volatile markets of the past couple years. We are very pleased that this patience has now paid off handsomely for our investors.

**Use of Benchmarks:** The Creststreet Custom Index is comprised of 50 widely-followed conventional North American listed energy exploration and development companies. The Creststreet Custom Index is used to provide investors with a relevant benchmark to the Fund. The Index is reset to an equal-value weight on a monthly basis. The S&P/TSX Capped Energy Index is comprised of shares of Canadian companies involved in exploration and/or production of energy resources and is designed to track the performance of the entire energy sector and is used as a benchmark to show how the Fund is performing in relation to the Canadian conventional energy resource sector on a relative basis. The S&P/TSX Composite Index covers approximately 95% of the Canadian-based Toronto Stock Exchange-listed companies and is designed to track the performance of the Canadian equities market as a whole and is used as a benchmark to show how the Fund is performing in relation to the broader Canadian equity 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.

### Creststreet Asset Management Limited

70 University Avenue, Suite 1450  
Toronto, Ontario M5J 2M4  
Tel: 1 (416) 864-6330  
Toll Free: 1 (866) 864-6330  
Fax: 1 (416) 862-8950  
www.creststreet.com

### Investor Inquiries

Sheryl Chiddenton  
Manager, Compliance & Investment Services  
Tel: 1 416 864-3125  
Toll Free: 1 866 864-6330, ext 3125  
sheryl@creststreet.com

Published April 15, 2010

*This newsletter 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 offering memorandum before investing.*

*Commissions, trailing commissions, management fees and expenses all may be associated with this investment product. The indicated rates of return are the historical annual compound total returns and does 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 indicated historical performance and rate of return of the Creststreet Energy Opportunities Fund (the "Fund"), includes the historical performance of its predecessor fund, the Creststreet Energy Hedge Fund L.P. ("CEHFLP") for the period of May 5, 2005 to September 24, 2008. CEHFLP, which has the identical investment mandate and strategies as the Fund, was rolled into and established the Fund on September 24, 2008. The performance and other statistics presented in this document may not be indicative of the performance or statistics of the specific series of shares held by a particular investor. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.*

*Creststreet Energy Opportunities Fund is managed by Creststreet Asset Management Ltd., a wholly owned subsidiary of Creststreet Partners Limited. \*Creststreet® and the Creststreet logo are registered trademarks of Creststreet Capital Corporation, an affiliate of Creststreet Partners Limited.*