



Creststreet Resource Fund

February 2010 Newsletter

Net Asset Value Per Share

February 28, 2010: **\$3.7630**

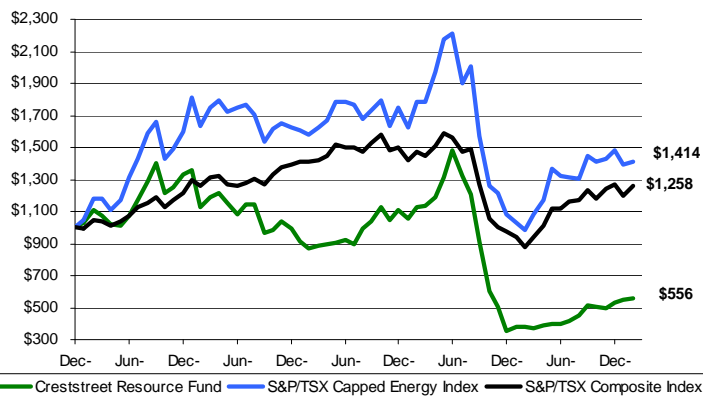
Fund Description

The Creststreet Resource Fund (the "Fund" or "CRF") provides Canadian investors with exposure to a broad array of investments in the conventional energy market in Canada. The Fund's investment objective is to provide the potential for long-term growth of capital and to a lesser extent, the production of income. The Fund invests primarily in equity securities of Canadian resource issuers. The Fund may also invest in international securities.

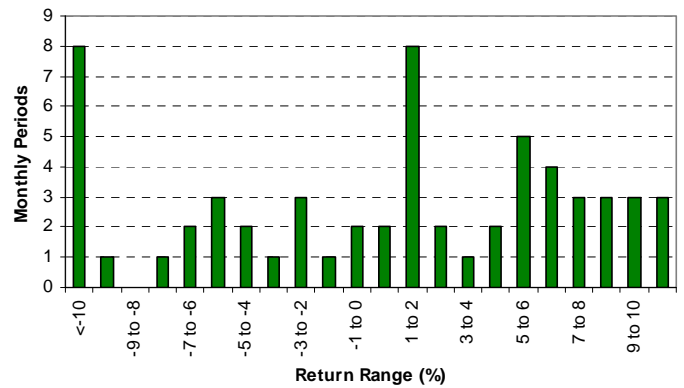
Historical Performance ⁽¹⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005	3.0%	7.5%	-2.8%	-5.6%	-0.5%	5.9%	9.7%	9.7%	8.9%	-13.5%	3.6%	6.3%	33.4%
2006	1.5%	-16.8%	5.4%	2.4%	-5.0%	-6.6%	6.2%	-0.4%	-15.3%	1.4%	6.2%	-4.8%	-25.6%
2007	-7.5%	-5.2%	1.6%	1.3%	1.5%	1.5%	-2.6%	10.9%	4.2%	8.3%	-6.6%	5.4%	11.6%
2008	-5.0%	7.2%	0.6%	5.2%	9.9%	13.4%	-10.9%	-9.2%	-24.1%	-34.3%	-16.0%	-29.0%	-67.7%
2009	5.4%	1.6%	-3.9%	6.3%	1.7%	0.5%	5.0%	8.4%	13.0%	-1.2%	-2.5%	7.4%	48.6%
2010	2.5%	2.0%											4.5%

Performance ⁽¹⁾⁽²⁾



Distribution of Returns ⁽¹⁾



⁽¹⁾ Inception date of the Fund is December 31, 2004. The indicated rates of return are historical annual compound total returns and do not take into account sales, redemptions, distributions or operational charges, or income taxes payable by any security holder that would have reduced returns. Performance is calculated net of fees.
⁽²⁾ See Use of Benchmarks Disclaimer on page 2.

Statistics ⁽¹⁾⁽²⁾

	CRF	S&P/TSX Capped Energy Index	S&P/TSX Composite Index
Compounded Annual Return (since inception)	-10.7%	6.9%	4.5%
1 Year Return	45.1%	44.1%	43.2%
Standard Deviation	9.6%	7.9%	4.9%
R-Squared		0.53	0.45
Correlation		0.73	0.67
Beta		0.88	1.31
Monthly Alpha		-1.2%	-1.1%
Largest Month Gain	13.4%	16.7%	11.2%
Largest Month Loss	-34.3%	-21.4%	-16.9%

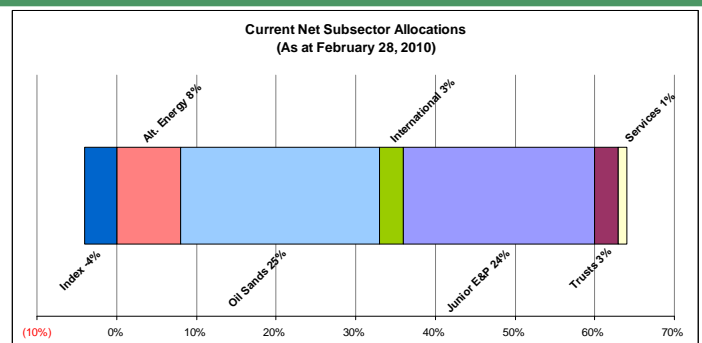
Top Holdings as at February 28, 2010 ^{long positions only}

- Advantage Oil & Gas Ltd.
- Athabasca Oil Sands Corp.
- Midway Energy Ltd.
- RuggedCom Inc.
- Wild Stream Exploration Inc.

Terms

Fund AUM	\$25.2M	Minimum Initial Subscription	\$ 1,000
Performance Fee	None	Year End	December 31
Management Fee	2%	Redemptions and Contributions	Weekly
Administrator	RBC Dexia Investor Services	Pricing	Weekly
Type	North American Equity	Auditors	KPMG LLP
Fund Code	CAM 100	RRSP / TFSA eligible	Yes

Sub-Sector Allocation as at February 28, 2010



Fund Commentary

The Creststreet Resource Fund was up 2.0 percent during the month of February 2010 compared to the S&P/TSX Capped Energy Index, which was up 1.7 percent, and the S&P/TSX Composite Index, which up 4.8%.

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 unless robust economic growth begins to materialize. Trading action in February provided some confirmation of our viewpoint, as the broader markets continued to sell-off on heavy volume early in the month (a sell-off that began in January) and subsequently rallied on lighter volume. As of mid March, the S&P 500 Index was approaching a new 52-week high on decreasing volume. As such, the Fund continues to take a cautious investment approach while positioning itself to take advantage of a market correction.

Commodities Review

NYMEX crude oil closed the month of February at US\$79.66, an increase of 9.3 percent month-over-month. The price of oil remains strong as the market continues to look past the current supply overhang in the form of increased OPEC spare capacity and record storage levels to a period of renewed tightness in supply. As of mid-March we are beginning 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.

NYMEX natural gas prices closed the month at US\$4.81 per million British thermal units (mmbtu), which represents a decline of 6.2% 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 of February, the Fund maintained exposure to a number of junior and intermediate oil-weighted producers with significant growth prospects both domestically and internationally. With the rapid rise in crude oil from its lows in early 2009, we have seen renewed enthusiasm from the markets with respect to oil producers and we believe that funds will continue to flow into the best companies driving valuations back to their historic norms. 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.

The Fund also continues to hold a number of private investments. These investments, which are principally oil sands developers, have been highly successful investments for the Fund. In accordance with its private investment valuation policy, the Fund marks these investments to market based on third party transactions. Recently we have seen increased activity in the market for these securities as well as a corresponding up-tick in valuations. In particular, the Fund's largest position is in Athabasca Oil Sands Corporation. In 2009 Athabasca announced that PetroChina intends on acquiring a 60% interest in its two most advanced oil sands development projects for \$1.9 billion. In February Athabasca filed a preliminary prospectus for its initial public offering. The value of Athabasca shares have appreciated significantly in private sale transactions that have occurred since these announcements; however, we continue to believe that the net realizable value of our private investments could be substantially higher as oil prices continue to recover.

Use of Benchmarks 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, Canada M5J 2M4
Tel: (416) 864-6330
Fax: (416) 862-8950
www.creststreet.com

Investor Inquiries

Robert J. Toole
Managing Director
Tel: (416) 862-7018
rtoole@creststreet.com

Published March 15, 2010

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.

Commissions, trailing commissions, management fees and expenses all may be associated with this investment product. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The indicated rates of return are the historical annual compound total returns including changes in share value and reinvestment of all distributions 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 rate of return table shown is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual fund or returns on investment in the mutual fund.

*Creststreet Resource Fund is managed by Creststreet Asset Management Limited, a wholly owned subsidiary of Creststreet Capital Corporation. *Creststreet® and Creststreet logo are registered trademarks of Creststreet Capital Corporation.*