



# Creststreet Resource Fund

April 2010 Newsletter

## Net Asset Value Per Share

**April 30, 2010: \$4.1390**

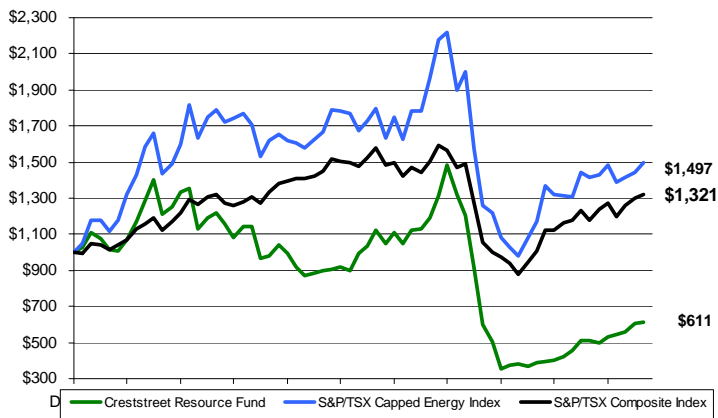
## Fund Description

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.

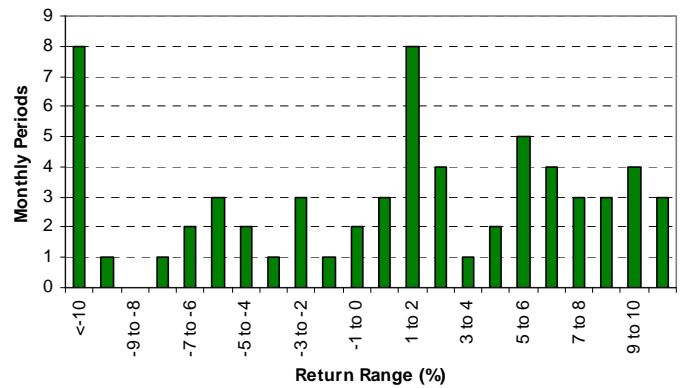
## Historical Performance <sup>(1)</sup>

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%	9.2%	0.7%									15.0%

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



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



<sup>(1)</sup> 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.  
<sup>(2)</sup> See Use of Benchmarks Disclaimer on page 2.

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

	CRF	S&P/TSX Capped Energy Index	S&P/TSX Composite Index
Compounded Annual Return (since inception)	-8.8%	7.9%	5.4%
1 Year Return	56.3%	27.8%	30.9%
Standard Deviation	9.5%	7.8%	4.8%
R-Squared		0.53	0.45
Correlation		0.73	0.67
Beta		0.88	1.32
Monthly Alpha		-1.1%	-1.0%
Largest Month Gain	13.4%	16.7%	11.2%
Largest Month Loss	-34.3%	-21.4%	-16.9%

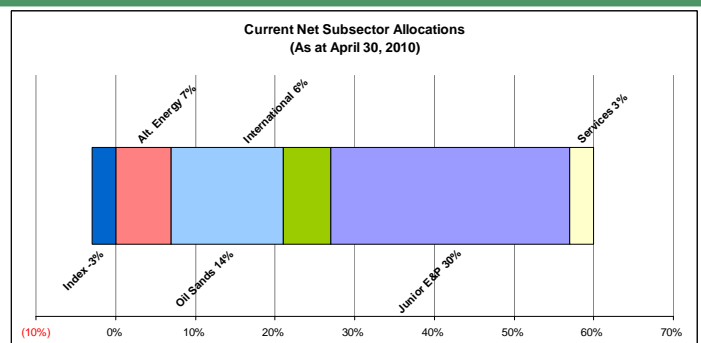
## Top Holdings as at April 30, 2010 <sup>long positions only</sup>

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

## Terms

Fund AUM	\$26.3M	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 April 30, 2010



### Fund Commentary

The Creststreet Resource Fund was up 0.7 percent during the month of April 2010 compared to the S&P/TSX Capped Energy Index, which was up 3.8 percent, and the S&P/TSX Composite Index, which up 1.4 percent.

### 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\$86.29, an increase of 3.0 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 medium-term. Nevertheless, we expect some near-term weakness in crude oil as result of elevated inventory levels and broader financial market concerns.

NYMEX natural gas prices closed the month at US\$3.93 per million British thermal units (mmbtu), which represents an increase of 1.4% 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 continued to selectively reduce 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 are also actively looking for an entry point into some of our favourite oil companies in the event that near-term weakness in crude oil results in the equities pricing in spot crude as opposed to longer dated crude.

We continue to remain cautious, however, with respect to investing in natural gas producers in the near-term as we 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 significant 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.

**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 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.

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