

Resource Fund

May 2010 Newsletter

Net Asset Value Per Share

May 31, 2010:

Series A	-	\$3.8113
Series 2010-1	-	\$3.8112
Series 2010-2	-	\$3.8112

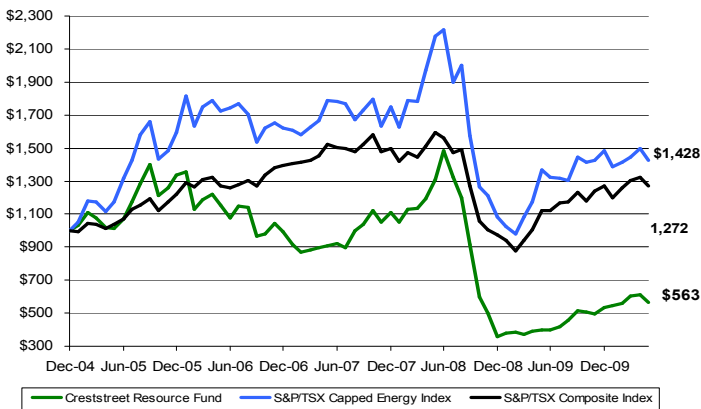
Fund Description

The Creststreet Resource Fund (the "Fund" or "CRF") provides Canadian investors with exposure to a broad spectrum of investments in the natural resource sectors. 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.

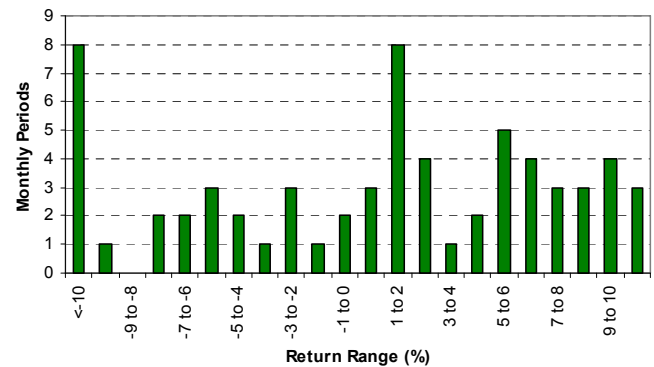
Historical Performance (1)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Creststreet 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%	-7.9%								5.9%

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 3.

Statistics (1)(2)

	S&P/TSX Capped Energy Index CRF	S&P/TSX Composite Index
Compounded Annual Return (since inception)	-10.1%	4.5%
1 Year Return	41.5%	13.4%
Standard Deviation	9.5%	4.8%
R-Squared		0.53
Correlation		0.73
Beta		0.88
Monthly Alpha		-1.1%
Largest Month Gain	13.4%	11.2%
Largest Month Loss	-34.3%	-16.9%

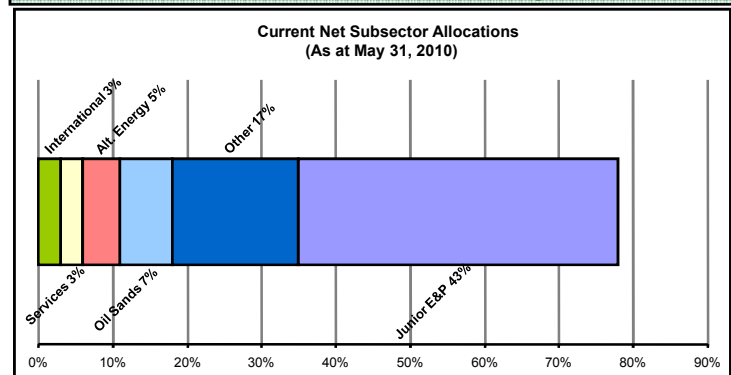
Top 5 Holdings as at May 31, 2010 ^{*long positions only}

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

Terms

Fund AUM	\$32.4 M	Minimum Initial Subscription	\$1,000
Performance Fee	None	Year End	December 31
Management Fee	2%	Redemption and Contributions	Weekly
Administrator	RBC Dexia Investor Services	Pricing	Weekly
Type	North American Equity	Auditors	KPMG LLP
Fund Code	CAM100 – FE 0-5% CAM151 – FE 0-5% New CAM152 – F Class New	RRSP/TFSA Eligible	Yes

Sub-Sector Allocation as at May 31, 2010



Performance. Service. Integrity.



New Portfolio Manager

Creststreet is pleased to announce that Mr. Paul MacDonald has joined Creststreet's investment management team as a Portfolio Manager. Paul will be the lead manager of the Creststreet Resource Fund going forward with a mandate to diversify the Fund into the broader natural resources sectors.

Fund and Commodity Commentary

The Creststreet Resource Fund has returned +5.9% year to date versus the S&P/TSX Capped Energy Index of -3.9% and the S&P TSX Composite Index of 0.1% through the end of May. The Fund declined by 7.9% for the month of May 2010 compared to the S&P/TSX Capped Energy Index and the S&P/TSX Index returns of -4.6 % and -3.7% respectively.

Crude oil closed down 14% for the month with the longer dated contracts faring better. The price of natural gas had a long awaited reprieve, returning a positive 7% for the month and continued the positive trend through early June. We expect the rebound to be relatively short lived, barring any extraordinary catalysts. In the Materials sectors, the base metal prices have come under increased pressure with fears over Chinese demand destruction and de-stocking in the short term. Fears and political posturing surrounding the global economic recovery and financial system contagion has increased the volatility in conjunction with technically driven sell offs in many of the major commodities. Copper was down 7% for the month and continued its precipitous decline, falling 10% from the start of May through early June. Nickel prices took one of the hardest hits in the base metals, dropping by 30% from the start of May through early June. In the precious metals sector, Gold has been going against its seasonal trend as investor demand has increased in the very short term in response to growing concerns surrounding the European financial crisis.

Fund Strategy

In line with the recently updated investment strategies in early June, we initiated the process of diversifying the portfolio's exposure towards the broader resource space. We reduced the exposure to the Energy sector through early June and eased into a number of the base metal equities, increasing the exposure to 26% at what we think are very attractive valuations. We have also increased the weighting towards fertilizer equities to approximately 13%. With gold through US\$1,250 oz in early June, we have opted to remain underweight the precious metals equities as we transition the portfolio strategy and await for our preferred core positions to drift into our target ranges. We expect over the near term to continue to diversify the portfolio into the broader resource sectors.

We understand that the increase in market volatility and global economic uncertainty has resulted in fragile markets that are hyper sensitive to noise and political rhetoric. This, in conjunction with what is quickly becoming the summer doldrums, is only exacerbating the volatility. While the market noise is fuel for the long term pessimists, we view it as an opportunity to add core positions, increase the broader diversification and be more active over the typically quiet summer months.

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 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

Tel: (416) 864-6330

Fax: (416) 862-8950

www.creststreet.com

Investor Inquiries

Kevin Wood

Alex Nayyar

Published June 9, 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. Please read the prospectus before investing. 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.