



CRESTSTREET

## Excellence in Energy Investing



CRESTSTREET

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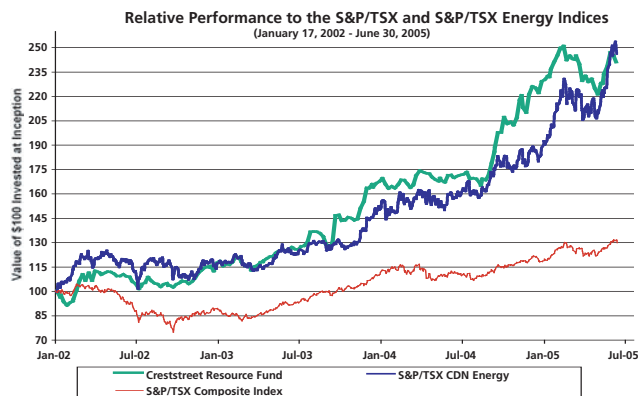
Semi Annual Report 2005

Creststreet Mutual Funds Limited

## Message to Shareholders:

We are pleased to present the June 30, 2005 interim report for the Creststreet Mutual Funds Limited ("the Fund").

In the fall of 2004, the Fund established three new classes: the Creststreet Resource Class (the "Resource Fund"), the Creststreet Managed Income Class (the "Income Fund") and the Creststreet Managed Equity Index Class (the "Equity Index Fund").



As of June 30, 2005 the net asset value of the Resource Fund was \$17.72 per share, delivering a 1 year return of 42%. Since inception in January 2002, shares of the Resource Fund have achieved a compound annualized return of 29%.

The Resource Fund's investment portfolio continues to be strongly weighted to Canadian natural gas producers. We expect that present constrained levels of natural gas production combined with stronger demand from an improving economic environment in North America will support strong natural gas prices for the foreseeable future. With the Resource Fund's solid portfolio of high quality natural gas producers, the Resource Fund is extremely well positioned to continue to outperform the market for its shareholders.

The Resource Fund has been structured to provide for the tax-deferred transfer of assets from flow-through limited partnerships managed by Creststreet in exchange for shares of the Resource Fund with an equal net asset value. To date, six partnerships have rolled their investment portfolios into the Resource Fund. In January 2002, Creststreet 2000 Limited Partnership completed the exchange of its assets for shares of the Resource Fund, followed in January 2003 by Creststreet 2001 Limited Partnership and Creststreet 2001 (II) Limited Partnership and January 2004 by

Creststreet 2002 Limited Partnership. In January 2005, Creststreet 2003 Limited Partnership and Creststreet 2003 (II) Limited Partnership rolled their investment portfolios into the 2005 Series shares of the Resource Fund, thereby increasing the net assets of the Resource Fund by \$67,292,440.

The investment objectives of the Income Fund are to provide a stable level of income while emphasizing capital preservation through investments in equity and fixed income securities of primarily Canadian issuers which may include business income trusts, convertible debentures of trusts and oil and gas trusts and real estate investment trusts. As of June 30, 2005, the Income Fund has paid four monthly distributions of \$0.053 and has a net asset value of \$10.62 per share.

The investment objectives of the Equity Index Fund are to provide long-term growth of capital through investments in index participation units of Canadian, U.S. and other foreign stock exchanges. As of June 30, 2005, the net asset value of the Equity Index Fund was \$10.44 per share.

We encourage you to visit our website at [www.creststreet.com](http://www.creststreet.com) for timely updates on your investments with Creststreet and details on new investment fund offerings.

Respectfully submitted,

Robert J. Toole  
*Managing Director*

June 30, 2005

## Statement of Net Assets

As at June 30, 2005 and December 31, 2004

	Creststreet Resource Fund		Creststreet Managed Fund		Creststreet Managed Equity Index Fund	
	(Unaudited) June 30, 2005	(Audited) Dec 31, 2004	(Unaudited) June 30, 2005	(Audited) Dec 31, 2004	(Unaudited) June 30, 2005	(Audited) Dec 31, 2004
<b>Assets:</b>						
Investments at Market Value	\$ 54,986,726	\$ 35,530,461	\$ 1,630,483	\$ 212,691	\$ 1,003,110	\$ 139,634
Cash and Cash Equivalents	9,528,914	852,689	24,575	3,548	36,636	10,862
Accounts Receivables	23,757	8,650	8,928	-	-	100
	\$ 64,539,397	\$ 36,391,800	\$ 1,663,986	\$ 216,239	\$ 1,039,746	\$ 150,596
<b>Liabilities:</b>						
Accounts Payable and Accrued Liabilities	343,920	166,519	12,588	-	2,217	-
Redemptions Payable	-	159,230	-	-	-	-
	343,920	325,749	12,588	-	2,217	-
<b>Net Assets</b>	<b>\$ 64,195,477</b>	<b>\$ 36,066,051</b>	<b>\$ 1,651,398</b>	<b>\$ 216,239</b>	<b>\$ 1,037,529</b>	<b>\$ 150,596</b>
<b>Shares Outstanding</b>	<b>3,622,195</b>	<b>2,011,527</b>	<b>155,429</b>	<b>21,766</b>	<b>99,396</b>	<b>15,097</b>
<b>Net Asset Value Per Share</b>	<b>\$ 17.72</b>	<b>\$ 17.93</b>	<b>\$ 10.62</b>	<b>\$ 9.93</b>	<b>\$ 10.44</b>	<b>\$ 9.98</b>

## Statements of Changes in Net Assets

For the Periods Ended June 30, 2005 and 2004

	Creststreet Resource Fund		Creststreet Managed Fund		Creststreet Managed Equity Index Fund	
	(Unaudited) June 30, 2005	(Unaudited) June 30, 2004	(Unaudited) June 30, 2005	(Unaudited) June 30, 2004	(Unaudited) June 30, 2005	(Unaudited) June 30, 2004
Net Increase in Net Assets Resulting from Operations	\$ 4,398,325	\$ 283,670	\$ 44,218	\$ -	\$ 14,752	\$ -
<b>Dividends to Shareholders:</b>						
Capital gain dividend (Note 5)	(8,388,055)	(7,889,334)	(18,583)	-	-	-
<b>Share Capital Transactions:</b>						
Proceeds from issue of shares	67,494,243	36,608,912	1,406,187	-	872,181	-
Reinvested Dividends	8,375,898	7,889,334	3,337	-	-	-
Redemptions	(43,750,985)	(24,306,066)	-	-	-	-
	32,119,156	20,192,180	1,409,524	-	872,181	-
<b>Net Increase in Net Assets</b>	<b>28,129,426</b>	<b>12,586,516</b>	<b>1,435,159</b>	<b>-</b>	<b>886,933</b>	<b>-</b>
<b>Net Assets at Beginning of Year</b>	<b>36,066,051</b>	<b>18,994,296</b>	<b>216,239</b>	<b>-</b>	<b>150,596</b>	<b>-</b>
<b>Net Assets at End of Period</b>	<b>\$ 64,195,477</b>	<b>\$ 31,580,812</b>	<b>\$ 1,651,398</b>	<b>\$ -</b>	<b>\$ 1,037,529</b>	<b>\$ -</b>

See accompanying notes to financial statements

Approved by Creststreet 2005 General Partner Limited on behalf of Creststreet 2005 Limited Partnership

Director

Director

## Statement of Operations

For the Periods Ended June 30, 2005 and 2004

	Creststreet Resource Fund		Creststreet Managed Income Fund		Creststreet Managed Equity Index Fund	
	(Unaudited) June 30, 2005	(Unaudited) June 30, 2004	(Unaudited) June 30, 2005	(Unaudited) June 30, 2004	(Unaudited) June 30, 2005	(Unaudited) June 30, 2004
<b>Investment Income:</b>						
Interest Income	\$ 202,117	\$ 107,829	\$ 781	\$ -	\$ 492	\$ -
Dividend Income	438,033	-	33,466	-	4,400	-
	640,150	107,829	34,247	-	4,892	-
<b>Expenses:</b>						
Management Fees (Note 3)	961,964	493,326	4,215	-	1,373	-
Service Fees	234,293	112,810	3,719	-	2,197	-
Operating Expenses	140,875	50,358	1,592	-	1,403	-
Transfer Agent and Custodian Fee	110,429	130,483	878	-	568	-
Legal and Filing Fees	68,375	143,502	45	-	32	-
Shareholder Reporting	39,751	2,500	250	-	60	-
	1,555,687	932,979	10,699	-	5,633	-
Net Income (Loss) from Investment Operations	(915,537)	(825,150)	23,548	-	(741)	-
<b>Realized and Unrealized Gain on Investments:</b>						
Proceeds of Investments Sold	85,133,153	34,238,251	56,174	-	-	-
Cost of Investments at Beginning of Period	24,272,785	13,462,214	214,108	-	140,106	-
Purchases of Investments During the Period	99,275,556	44,760,720	1,453,301	-	847,983	-
Cost of Investments at End of Period	(46,910,242)	(25,584,997)	(1,606,450)	-	(988,089)	-
Cost of Investments Sold	76,638,099	32,637,937	60,959	-	-	-
Net realized Gain on Sale of Investments	8,495,054	1,600,314	(4,785)	-	-	-
Change in unrealized appreciation/ depreciation of investments	(3,181,192)	(491,494)	25,455	-	15,493	-
Net Gain on Investments	5,313,862	1,108,820	20,670	-	15,493	-
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>\$ 4,398,325</b>	<b>\$ 283,670</b>	<b>\$ 44,218</b>	<b>\$ -</b>	<b>\$ 14,752</b>	<b>\$ -</b>

**Statements of Financial Highlights – Resource Fund**

For the period ended June 30, 2005 and years ended  
December 31, 2004, 2003 and 2002

	(Unaudited) Period ended June 30, 2005	2004	(Audited) Year ended December 31 2003	2002
<b>Data per Share</b>				
Net asset value beginning of period - January 1	\$ 17.93	\$ 15.49	\$ 11.37	\$ 10.00
Net asset value end of period	\$ 17.72	\$ 17.93	\$ 15.49	\$ 11.37
Capital Gain Dividend Per Share	\$ 1.52	\$ 2.31	\$ 0.73	\$ -
Net loss from investment operations	-\$ 0.18	\$ (0.51)	\$ (0.47)	\$ (0.38)
Net Increase in Net Assets Resulting from Operations	\$ 0.85	\$ 3.47	\$ 3.54	\$ 1.43
<b>Ratio/Supplemental Data</b>				
Total net assets - end of year (\$ millions)	\$ 64.20	\$ 36.07	\$ 19.00	\$ 3.67
Weighted average net assets (\$ millions)	\$ 92.59	\$ 40.31	\$ 24.36	\$ 5.41
Management Expense Ratio (MER)	3.39%	3.93%	4.64%	6.71%
Portfolio turnover rate	35.44%	43.30%	47.27%	66.41%
Annual rate of return since inception to end of period	28.84%	31.39%	21.12%	13.70%

**Statement of Investment Portfolio - Resource Fund** (Unaudited)

As at June 30, 2005

Description	Number of Shares	Cost	Market Value
Kereco Energy Ltd.	334,600	\$ 3,339,086	\$ 4,617,480
Compton Petroleum Corporation	350,000	3,284,057	3,902,500
Mount Copper Wind Power Energy Inc.	2,343,900	3,590,000	3,515,850
Tempest Energy Corp. Class A	920,213	5,595,661	3,450,799
Hawker Resources Inc.	700,000	2,571,123	3,430,000
Real Resources Inc.	180,000	1,179,438	2,970,000
Peregrine Energy Ltd.	1,219,900	2,881,145	2,866,765
Rider Resources Inc.	225,000	2,058,750	2,763,000
Cyries Energy Inc.	230,800	2,102,239	2,654,200
Pubinco Point Wind Farm Inc.	10,000	2,500,000	2,500,000
Clear Energy Inc.	464,000	2,227,170	2,250,400
Crew Energy Inc.	152,000	1,114,371	2,120,400
Accrete Energy Inc.	248,670	880,932	1,952,060
Mission Oil & Gas Inc.	217,338	1,363,410	1,738,703
True Energy Inc.	400,000	1,472,213	1,652,000
Highpine Oil & Gas Limited	75,000	1,350,045	1,556,250
West Energy Ltd	321,700	412,068	1,528,075
Tusk Energy Corp.	275,000	797,500	1,465,750
Vault Energy Trust	131,000	1,125,213	1,368,950
Espoir Exploration Corp. Class `A`	437,000	1,597,695	1,249,820
Prospex Resources Ltd.	348,000	1,280,685	1,207,560
White Fire Energy Ltd.	426,200	1,160,167	1,120,905
Birchcliff Energy Ltd.	230,500	922,041	945,050
Bear Ridge Resources Ltd.	200,600	742,220	657,969
Prairie Schooner Petroleum Ltd.	40,000	520,045	604,000
Timing Energy Inc.	500,000	500,045	500,000
Chamaelo Exploration Ltd	52,400	342,923	398,240
<b>Total Investment Portfolio</b>		<b>\$ 46,910,242</b>	<b>\$ 54,986,726</b>

See accompanying notes to financial statements

**Statement of Investment Portfolio - Managed Income Fund** (Unaudited)

As at June 30, 2005

Description	Number of Shares	Cost	Market Value
Superior Plus Income Fund	5,000	\$ 157,155	\$ 159,250
Yellow Pages Income Fund	10,000	142,434	149,100
Spinrite Income Fund	10,000	116,542	124,400
Allied Properties Real Estate Investment Trust	7,000	104,134	109,200
AG Growth Income Fund	7,000	98,742	108,500
Inter Pipeline Fund	11,000	104,265	107,580
Boston Pizza Royalties Income Fund	6,500	103,862	105,950
Crescent Point Energy Trust	5,500	101,800	101,640
Gateway Casinos Income Fund	5,250	104,885	101,535
Boralex Power Income Fund	9,000	98,796	99,450
Taylor NGL LTD	10,500	99,165	98,490
Pembina Pipeline Income Fund	7,000	97,233	97,300
Avenir Div Income Trust	8,500	96,008	94,945
Hardwoods Dist. Income Fund	7,500	95,119	87,375
StarPoint Energy Trust	4,550	86,310	85,768
<b>Total Investment Portfolio</b>		<b>\$ 1,606,450</b>	<b>\$ 1,630,483</b>

*See accompanying notes to financial statements***Statement of Investment Portfolio - Managed Equity Index Fund** (Unaudited)

As at June 30, 2005

Description	Number of Shares	Cost	Market Value
S&P/TSX 60 Index Participation Units	11,915	\$ 640,294	\$ 663,666
MSCI International Equity Index RSP Participation Units	15,715	347,795	339,444
<b>Total Investment Portfolio</b>		<b>\$ 988,089</b>	<b>\$ 1,003,110</b>

*See accompanying notes to financial statements*

## Notes to Financial Statements

For the period ended June 30, 2005 (unaudited)

### 1. Creststreet Mutual Funds Limited

Creststreet Mutual Funds Limited (the "Fund") is a mutual fund incorporated under the Canada Business Corporations Act and is registered to carry on business under the name of Creststreet Mutual Funds Limited. The Fund is comprised of three classes of mutual fund shares. The Creststreet Resource Fund was established on January 15, 2002. The Fund added two new classes during 2004, namely the Creststreet Managed Income Fund and the Creststreet Managed Equity Index Fund.

The investment objectives of the classes are as follows:

#### Creststreet Resource Fund

To provide the potential for long-term growth of capital and to a lesser extent, production of income through investments in equity securities of primarily Canadian resource issuers.

#### Creststreet Managed Income Fund

To provide a stable level of income while emphasizing capital preservation through investments in equity and fixed income securities of primarily Canadian issuers which may include business income trusts, convertible debentures of trusts and oil and gas trusts and real estate investment trusts.

#### Creststreet Managed Equity Index Fund

To provide long-term growth of capital through investments in index participation units of Canadian, U.S. and other foreign stock exchanges.

Creststreet Asset Management Limited (the "Manager") is the Manager of the Fund.

Creststreet Resource Fund has been structured to provide for the tax-deferred transfer of assets from flow-through limited partnerships managed by Creststreet in exchange for shares of the Resource Fund with an equal net asset value. To date the following six partnerships have rolled their investment portfolios into the Resource Fund:

Date	Partnership	Net Assets Transferred	Ratio of Resource Fund Shares Received
January 15, 2002	Creststreet 2000 Limited Partnership	\$7,286,890	0.728689
January 17, 2003	Creststreet 2001 Limited Partnership	\$15,312,298	0.738044
January 17, 2003	Creststreet 2001 (II) Limited Partnership	\$14,294,962	0.817004
January 23, 2004	Creststreet 2002 Limited Partnership	\$36,608,912	0.660476
January 21, 2005	Creststreet 2003 Limited Partnership	\$41,781,603	0.652611
January 21, 2005	Creststreet 2003 (II) Limited Partnership	\$25,510,837	0.557083

Upon the above transfers, the Partnerships were dissolved at which time the net assets were allocated 99.99% to the Limited Partners and 0.01% to the General Partner.

### 2. Basis of Presentation

The interim period financial statements have been prepared by the Manager in accordance with Canadian generally accepted accounting principles. The preparation of the financial data is based on accounting policies and practices consistent with those used in the preparation of the audited annual statements. These interim period financial statements do not include all the disclosures required by generally accepted accounting principles and accordingly should be read together with the audited annual financial statements and the accompanying notes included in the Fund's 2004 Annual Report.

### 3. Management Fee and Operating Expenses

The Manager provides investment and administrative services to the Fund. In consideration for such services the Manager receives a fee equal to 2.0% per annum of the net value of the Resource Fund, 1.1% per annum of the net value of the Managed Income Fund and 0.5% of the net value of the Managed Equity Index Fund calculated and payable monthly in arrears. For the six months ended June 30, 2005 the management fee amounted to \$961,964 (\$493,326 in 2004) for the Resource Fund, \$4,215 (\$ Nil in 2004) for the Managed Income Fund and \$1,373 (\$ Nil in 2004) for the Managed Equity Index Fund. The Fund is responsible for the payment of all expenses relating to the operation of the Fund and the carrying on of its business.

### 4. Brokerage Commissions

Brokerage commissions paid during the six months ended June 30, 2005 amounted to \$218,124 (\$313,819 in 2004) for the Resource Fund, \$4,835 (\$ Nil in 2004) for the Managed Income Fund and \$1,171 (\$ Nil in 2004) for the Managed Equity Index Fund.

### 5. Dividends to Shareholders

On March 4, 2005, the Resource Fund paid a capital gain dividend totaling \$8,388,055 (\$7,889,334 in 2004) or \$1.5227 (\$2.3054 per share in 2004) to Resource Fund shareholders of record as at February 27, 2005. As of June 30, 2005, the Managed Income Fund has paid four monthly capital gains dividends of \$0.053 each (\$ Nil for 2004) to Managed Income Fund shareholders.

### 6. Subscription & Redemption of Securities

Securities of the Fund may be subscribed or redeemed at the net asset value per share next determined after receipt of a subscription or redemption request at the registered office of the Fund or its Transfer Agent. Requests received before 4:00 p.m. EST on a valuation day will receive the net asset value per share on that valuation day. Subscription or redemption requests received after 4:00 p.m. EST will receive the net asset value per share on the next valuation day. Subscription or redemption requests may be provided electronically or in written form, provided that all documentation is in good order and has been signature guaranteed as necessary. Appropriate signature guarantors include Canadian Chartered Banks and Trust Companies, a Dealer, a member of a recognized Stock Exchange in Canada or any Guarantor acceptable to the Fund.

### 7. Statement of Portfolio Transactions

An unaudited Statement of Portfolio Transactions for the six months ended June 30, 2005 will be provided, without charge, by contacting:

Creststreet Mutual Funds Limited  
c/o Creststreet Asset Management Limited  
Suite 1450, 70 University Avenue  
Toronto, Ontario M5J 2M4

### Directors of the General Partner

J. Paul Charron  
*President and Chief Executive Officer*  
Acclaim Energy Trust

Stuart P. Hensman  
*Corporate Director*

Larry J. Macdonald  
*Chairman*  
Point Energy Inc.

Robert J. Toole  
*Managing Director*  
Creststreet Capital Corporation

### Officers of the General Partner

Robert J. Toole, President  
Donna Shea, Vice-President, Finance  
Sheryl Chiddenton, Secretary Treasurer  
Aaron C.B. Maybin, Associate

### Legal Counsel

McCarthy Tétrault LLP  
Toronto, Ontario

### Auditors

KPMG LLP  
Toronto, Ontario

### Transfer Agent & Registrar

International Financial Data Services (Canada) Limited

### Custodian

National Bank Correspondent Network

### Clearing & Settlement Services

FundSERV Inc.

### Fund Symbols

CAM 100, CAM 103, CAM 104, CAM 200 and CAM300

### Registered Address

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