



Creststreet Mutual Funds Limited

Annual Information Form dated June 22, 2010 in respect of each of the provinces of Canada relating to the offering of:

Series A, Series B and Series F shares of:

Creststreet Resource Class*
Creststreet Dividend & Income Class*
Creststreet Alternative Energy Class*

and 2011 Series shares of:

Creststreet Resource Class*

* Classes of shares of Creststreet Mutual Funds Limited.

No securities regulatory authority has expressed an opinion about these shares and it is an offence to claim otherwise.

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Name, Formation and History of the Funds

This Annual Information Form dated June 22, 2010 (the “AIF”) contains information about the three Creststreet mutual funds listed on the front cover. We refer to the Creststreet mutual funds described in this document individually as a “Fund” and collectively as the “Funds”. We also refer to (i) the Creststreet Resource Class as the “Resource Fund”, (ii) the Creststreet Dividend & Income Class as the “Dividend & Income Fund” and (iii) the Creststreet Alternative Energy Class as the “Alternative Energy Fund”.

Creststreet Asset Management Limited (“CAML” or “Creststreet” or the “Manager”) is the manager and promoter of the Funds. It is also the investment advisor to the Funds. See Responsibility for operations of the Funds for more information.

The Funds described in this AIF are three separate classes of shares of Creststreet Mutual Funds Limited (the “Corporation”), a mutual fund corporation.

The Corporation was formed under the *Canada Business Corporations Act* (the “CBCA”) by articles of incorporation (the “Articles”) dated October 13, 1999, as amended by articles of amendment dated July 18, 2000, May 16, 2001, December 11, 2001, January 11, 2002, December 5, 2002, May 15, 2003, April 26, 2004, September 2, 2004, December 22, 2004, March 29, 2005, February 10, 2006, January 29, 2007, October 24, 2007, January 18, 2008, February 26, 2008, January 29, 2009 and November 6, 2009. The registered office and principal place of business of the Corporation is Suite 1450, 70 University Avenue, Toronto, Ontario M5J 2M4. Creststreet owns the only issued and outstanding common share of the Corporation.

Although initially incorporated in 1999, the Corporation became “active” on January 15, 2002 with the acquisition of the assets of Creststreet 2000 Limited Partnership (“Creststreet 2000 LP”), a public limited partnership established under the laws of the Province of Ontario to invest in flow-through shares of issuers engaged in resource exploration and development in Canada. The assets of Creststreet 2000 LP were transferred to the Corporation in exchange for 728,689 shares of the Resource Fund.

On January 17, 2003, the Corporation acquired all of the assets of each of Creststreet 2001 Limited Partnership (“Creststreet 2001 LP”), and Creststreet 2001 (II) Limited Partnership (“Creststreet 2001 (II) LP”). The assets of Creststreet 2001 LP and Creststreet 2001 (II) LP were transferred to the Corporation in exchange for 2,538,481 shares of the second series of the Resource Fund. The outstanding shares of the second series were converted on a one-for-one basis into the Series A shares of the Resource Fund on September 30, 2003, resulting in 1,394,704 outstanding Series A shares of the Resource Fund as at September 30, 2003.

On January 23, 2004, the Corporation acquired all of the assets of Creststreet 2002 Limited Partnership (“Creststreet 2002 LP”). The assets of Creststreet 2002 LP were transferred to the Corporation in exchange for 2,311,896 shares of the 2004 Series of the Resource Fund. The outstanding shares of the 2004 Series were converted on a one-to-one basis into Series A shares of the Resource Fund as at September 30, 2004.

On January 21, 2005, the Corporation acquired all of the assets of each of Creststreet 2003 Limited Partnership (“Creststreet 2003 LP”) and Creststreet 2003 (II) Limited Partnership (“Creststreet 2003

(II) LP”). The assets of Creststreet 2003 LP and Creststreet 2003 (II) LP were transferred to the Corporation in exchange for 3,674,050 shares of the 2005 Series of the Resource Fund. The outstanding shares of the 2005 Series were converted on a one-to-one basis into Series A shares of the Resource Fund as at September 30, 2005.

On January 20, 2006, the Corporation acquired all of the assets of Creststreet 2004 Limited Partnership (“Creststreet 2004 LP”). The assets of Creststreet 2004 LP were transferred to the Corporation in exchange for 2,805,959 shares of the 2006 Series of the Resource Fund. The outstanding shares of the 2006 Series were converted on a one-to-one basis into Series A shares of the Resource Fund as at September 30, 2006.

On January 19, 2007, the Corporation acquired all of the assets of Creststreet 2005 Limited Partnership (“Creststreet 2005 LP”). The assets of Creststreet 2005 LP were transferred to the Corporation in exchange for 4,132,880 shares of the 2007 Series of the Resource Fund. The outstanding shares of the 2007 Series were converted on a one-to-one basis into Series A shares of the Resource Fund as at September 30, 2007.

With the approval of its independent review committee (the “IRC”), on January 18, 2008, the Corporation acquired all of the assets of Creststreet 2006 Limited Partnership (“Creststreet 2006 LP”) and Creststreet 2006 (II) Limited Partnership (“Creststreet 2006 (II) LP”). The assets of Creststreet 2006 LP and Creststreet 2006 (II) LP were transferred to the Corporation in exchange for 4,850,335 shares of the 2008 Series of the Resource Fund. The outstanding shares of the 2008 Series were converted on a one-to-one basis into Series A shares of the Resource Fund as at September 30, 2008.

On May 28, 2010, the Corporation acquired all of the assets of Creststreet 2008 Limited Partnership (“Creststreet 2008 LP”) and Creststreet 2009 Limited Partnership (“Creststreet 2009 LP”). The assets of Creststreet 2008 LP were transferred to the Corporation in exchange for 1,567,415.7814 shares of the 2010 Series of the Resource Fund. The assets of Creststreet 2009 LP were transferred to the Corporation in exchange for 805,560.7319 shares of the 2010 Series of the Resource Fund.

Each of the above limited partnerships was a public limited partnership established under the laws of the Province of Ontario to invest in flow-through shares of issuers engaged in resource exploration and development in Canada.

Prior to June 22, 2010, the Dividend & Income Fund was known as the Creststreet Managed Equity Index Fund. On June 22, 2010, shareholders of that Fund voted to approve a change in the fundamental investment objective of the Fund and a change in the fees charged by the Manager of the Fund, including the introduction of a performance fee. The name of the Fund was also changed to "Creststreet Dividend & Income Fund" to reflect the change in fundamental investment objective.

Investment restrictions and practices

We may not change the fundamental investment objectives of a Fund without first obtaining approval of a majority of the votes of the shareholders of the Fund at a meeting to consider the change. The board of directors of the Corporation can make other changes to the investment objectives, strategies and activities of a Fund without the consent of shareholders and subject to any required approval of the Canadian securities regulators.

The Corporation currently qualifies and is expected to continue to qualify as a mutual fund corporation under the *Income Tax Act* (Canada) (“Tax Act”). The Corporation is a registered investment under the Tax Act.

Accordingly, shares of the Funds are qualified investments for RRSPs, RRIFs, RESPs, DPSPs, TFSAs and RDSPs. The Corporation will not engage in any undertaking other than the investment of its funds in property in accordance with the requirements of the Tax Act. The Corporation did not deviate from the relevant requirements in the past year.

Except as indicated below, each Fund has adopted the standard mutual fund investment restrictions and practices contained in securities legislation, including National Instrument 81-102 - Mutual Funds (“NI 81-102”). These are designed in part to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. The Funds are managed in accordance with these restrictions and practices. If a Fund invests in securities of another mutual fund, these investments will be made in accordance with applicable securities legislation. There will be no duplication of management fees or sales charges between the Fund and the other mutual fund in which the Fund invests.

The Funds relied on an approval from the IRC in order to vary the investment restrictions and practices pertaining to the transfer of assets from Creststreet 2006 Limited Partnership and Creststreet 2006 (II) Limited Partnership to Creststreet Resource Class on January 18, 2008, as more fully described above under “Name, Formation and History of the Funds” and below under “Exceptions to standard investment restrictions and practices.”

Exceptions to standard investment restrictions and practices

The Corporation was granted exemptions for a period of 180 days following the date of the transfer of assets of each of Creststreet 2000 LP, Creststreet 2001 LP, Creststreet 2001 (II) LP, Creststreet 2002 LP, Creststreet 2003 LP and Creststreet 2003 (II) LP to the Resource Fund, with respect to securities acquired from such partnerships, from the investment restrictions which would otherwise prohibit the Resource Fund from investing in securities of any issuer if, after giving effect to such an investment, the Resource Fund would own more than 10% of any class of securities of such issuer, other than securities issued or guaranteed as to principal and interest by the Government of Canada or any province thereof or investing more than 10% of the net asset value of the Resource Fund in securities of any one issuer, other than securities issued or guaranteed as to principal and interest by the Government of Canada or any province thereof.

On January 20, 2006, the Resource Fund was granted forward-looking relief from the Canadian securities regulatory authorities that allows the Resource Fund to restrict redemptions on the Resource Fund’s shares issued when a Creststreet limited partnership transfers its assets to the Resource Fund. The relief allows the Resource Fund to restrict redemptions of such shares for a period of no longer than 140 days following the issue of such shares, subject to certain terms and conditions.

Each of the Funds has obtained permission from securities regulatory authorities to deviate from NI 81-102 by selling securities short, by providing a security interest over Fund assets in connection with the short sales and by depositing Fund assets with dealers as security in connection with such

transactions. A short sale by a Fund involves borrowing securities from a lender which are then sold in the open market (or “sold short”). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest the Fund is required to pay to the lender). In this way, the Fund has more opportunities for gains when markets are generally volatile or declining.

The Funds will engage in short selling only within certain controls and limitations. Securities will be sold short only for cash and the Fund will receive the cash proceeds within normal trading settlement periods for the market in which the short sale is made. All short sales will be effected only through market facilities through which those securities normally are bought and sold and a Fund will short sell a security only if: (i) the security is listed and posted for trading on a stock exchange and either the issuer of the security has a market capitalization of not less than \$100 million of the security sold short at the time the short sale is made, or the investment advisor has pre-arranged to borrow securities for the purposes of such short sale; or (ii) the security is a bond, debenture or other evidence of indebtedness of or guaranteed by the Government of Canada or any province or territory of Canada or the Government of the U.S. As well, at the time securities of a particular issuer are sold short by a Fund, the aggregate market value of all securities of that issuer sold short will not exceed 5% of the net assets of the Fund. The Fund also will place a “stop-loss” order (effectively a standing instruction) with a dealer to immediately repurchase for the Fund the securities sold short if the trading price of the securities exceeds 120% (or a lower percentage determined by the Manager) of the price at which the securities were sold short. The aggregate market value of all securities sold short by a Fund will not exceed 20% of its net assets on a daily marked-to-market basis. The Fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. The Fund also will hold cash cover in an amount, including the Fund’s assets deposited with lenders, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis. No proceeds from short sales will be used by a Fund to purchase long positions other than cash cover. Where a short sale is effected in Canada, every dealer that holds Fund assets as security in connection with the short sale must be a registered dealer and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund. Where a short sale is effected outside Canada, every dealer that holds Fund assets as security in connection with the short sale must be a member of a stock exchange and have a net worth in excess of the equivalent of \$50 million determined from its most recent audited financial statements. The aggregate assets deposited by a Fund with any single dealer as security in connection with short sales will not exceed 10% of the Fund’s total assets at the time of deposit.

On January 17, 2008, the Resource Fund was granted relief from the Canadian securities regulatory authorities that allowed the Resource Fund to acquire illiquid assets from each of Creststreet 2006 LP and Creststreet 2006 (II) LP, notwithstanding that, immediately after such acquisition, more than 10% of the net assets of the Resource Fund would consist of illiquid assets. The relief was granted on the condition that, in accordance with NI 81-102, the Resource Fund take all necessary steps to reduce the percentage of illiquid assets held by the Resource Fund to 15% or less within 90 days of the acquisition. As described hereunder, the Resource Fund completed the acquisition of illiquid assets from each of Creststreet 2006 LP and Creststreet 2006 (II) LP on January 18, 2008. The

Resource Fund subsequently reduced the percentage of illiquid assets held by it to less than 15% on April 9, 2008.

As of August 20, 2008, the Resource Fund had more than 15% of its net assets invested in illiquid assets for a period of 90 days or more. This was as a result of an increase in the mark-to-market valuation on a private company investment held by it based on a verified arm's length third party transaction. The Canadian securities administrators granted the Resource Fund an additional 90 days from August 20, 2008 to November 18, 2008 to reduce the percentage of its net assets made up of illiquid assets to 15% or less in compliance with the restriction concerning illiquid assets set forth in section 2.4(2) of NI 81-102. On November 20, 2008, the Corporation announced that it had filed an application with the Canadian securities administrators to extend the period the Resource Fund had to reduce the percentage of illiquid assets held by the Resource Fund to below 15% of the net assets of the Resource Fund. However, as of December 12, 2008, the percentage of illiquid assets held by the Resource Fund had fallen below the 15% threshold as a result of the decrease in the mark-to-market valuation of the illiquid assets held by the Resource Fund. The application was therefore withdrawn.

As of August 28, 2009, when it increased the mark-to-market valuation of its investment in Athabasca Oil Sands Corp. ("Athabasca") based on a verified arm's length third party transaction, the Resource Fund had more than 15% of its net assets invested in illiquid assets for a period of 90 days or more. As at November 20, 2009, illiquid securities comprised 21.3% of the Resource Fund's net assets, of which 15.9% were securities in Athabasca. On November 24, 2009, the Corporation announced that it had filed an application with the Canadian securities administrators to extend the period the Resource Fund had to reduce the percentage of illiquid assets held by the Resource Fund to below 15% of the net assets of the Resource Fund. However, Athabasca became a reporting issuer on March 30, 2010 and, as a result, the Resource Fund's investment in Athabasca ceased to be considered an illiquid asset. The application was therefore withdrawn because the Resource Fund no longer had more than 15% of its net assets invested in illiquid assets.

Interim investments

While waiting to invest or disburse cash reserves in the Funds, the Corporation may buy short-term debt securities and money market instruments, or may deposit cash in interest bearing accounts with a bank or trust company.

Description of shares of the Funds

Each Fund is a class of shares of the Corporation, issuable in series. The interest of each shareholder in a Fund is shown by how many shares are registered in the name of such shareholder. There is no limit to the number of shares of each Fund that can be issued and there is no fixed issue price.

The authorized capital of the Corporation consists of one common share, which was issued to and is held by Creststreet, and 1,000 classes of special shares issuable in series (the special shares are sometimes referred to herein as "mutual fund shares"). The first class of outstanding special shares is designated as the Resource class, the second class is designated as the Dividend & Income class and the third class is designated as the Alternative Energy class. The Corporation may in the future issue shares of other classes of special shares and thereby create new public or private funds.

Each Fund has designated the following series of shares to be offered under this AIF:

<u>Fund</u>	<u>Series</u>
Resource Fund	2011 Series, Series A, Series B and Series F
Dividend & Income Fund	Series A, Series B and Series F
Alternative Energy Fund	Series A, Series B and Series F

The Fund may in the future create new series of shares of the Funds.

Certificates representing shares of the Corporation will be issued only on the request in writing of a shareholder to the Manager.

Other than with respect to (i) the time at which 2011 Series shares of the Resource Fund may be first issued or first redeemed or switched and (ii) the Net Asset Value (“NAV”) of the shares of each series of mutual fund shares of a Fund, each series of mutual fund shares of a Fund has identical rights, privileges, restrictions and conditions as all other series of mutual fund shares of the Fund. The mutual fund shares are redeemable at the option of the holder and are non-voting (other than as required by law, including by NI 81-102). The common share is redeemable at the option of the holder at a redemption price equal to: (A) for redemptions at a time when any shares of any class other than the common share are outstanding, \$1.00; and (B) for redemptions at a time when no shares of any class other than the common share are outstanding, the net asset value of the Corporation on the date on which payment for the common share being redeemed is made; plus in each case any unpaid dividends or other distributions declared payable thereon with a record date on or before the date on which the common share is redeemed. A fractional share carries the rights and privileges and is subject to the restrictions and conditions applicable to whole shares in the proportion which it bears to one share. The common share of the Corporation is entitled to one vote per share and to receive any dividend declared with respect to the common share by the Corporation. The common share and the mutual fund shares are fully paid and non-assessable when issued.

The rights, privileges, restrictions and conditions attached to the shares of the Corporation may be modified, amended or varied by articles of amendment, the application for which must be authorized by a special resolution passed at a meeting of shareholders of the Corporation duly called for considering the same, by the affirmative vote of the holders of not less than 66 2/3% of all the outstanding shares represented and voted at such meeting in addition to such other vote as may be required by the CBCA. Neither the holders of mutual fund shares nor the holder of the common share are entitled to vote separately as a class or as a series of a class, or to exercise dissent rights, with respect to any amendment of the articles of the Corporation to increase or decrease any maximum number of authorized shares of such class or series or to increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the shares of such class or series, effect an exchange, reclassification or cancellation of all or part of the shares of that class or series or to create a new class or series of shares equal to or superior to the shares of that class or series.

No shareholder holds any assets of a Fund. Shareholders have those rights described in this AIF, the simplified prospectus and as created in the Articles of the Corporation.

Mutual fund shares of each of the Funds have the following attributes:

1. the shares have no voting rights except as described below;
2. the shares are redeemable at the option of the holder;
3. on the termination of a Fund, the assets of the Fund will be distributed and all shareholders in the Fund will share in the value of the Fund in accordance with the NAV of each series;
4. there are no pre-emptive rights;
5. the shares of a Fund cannot be transferred except in limited circumstances;
6. there is no liability for further calls or assessments; and
7. a fractional share of a Fund carries the rights and privileges and is subject to the restrictions and conditions applicable to whole shares in the proportion which it bears to one share, except that a fractional share does not entitle its holder to a vote.

Subject to certain exceptions, the changes outlined below cannot be made to a Fund unless approved by a majority of holders of mutual fund shares of the Fund voting thereon:

1. a change in the basis of calculation, or the introduction, of a fee or expense that is charged to a Fund or directly to its shareholders in a way that could result in an increase in charges to the Fund or to its shareholders;
2. a change in the manager of the Fund (other than to an affiliate of CAML);
3. a change in the fundamental investment objectives of a Fund;
4. a change in the auditors of a Fund;
5. a Fund's reorganization with, or transfer of its assets to, another mutual fund or the Fund's acquisition of another mutual fund's assets if this latter transaction would be a "significant change" (as defined in NI 81-102) to the Fund; or
6. a decrease in the frequency of the calculation of the net asset value per share of a Fund.

At any meeting of mutual fund shareholders, each mutual fund shareholder will be entitled to one vote for each whole mutual fund share registered in the shareholder's name. Shareholders of a series of a Fund are not entitled to vote on a matter referred to above if they, as shareholders of that series of shares, are not affected by the matter.

Shareholders of a series of a Fund will vote separately, as a series of a Fund, on a matter referred to above if that series of a Fund is affected by the action in a manner different from shareholders of other series of a Fund.

Valuation of Portfolio Securities

The NAV per share of a series of a Fund at any particular time will be the quotient obtained by dividing the net asset value of the Fund attributable to such series by the total number of shares of such series outstanding at such time. The net asset value of a Fund attributable to a series shall equal the market value of the assets of the Fund attributable to such series less the liabilities of the Fund attributable to such series.

The market value of an asset of a Fund on any given date shall be determined by reference to the following principles:

- (a) the value of any security which is listed on a stock exchange will be the closing sale price on such date or, if there is no sale price, the average of the closing bid and the closing asked prices on such date, all as reported by any report in common use or authorized by such stock exchange;
- (b) the value of any security which is traded on an over-the-counter market will be the average of the closing bid and the closing asked prices on such date, all as reported by the financial press;
- (c) the value of any share or unit of a mutual fund will be the net asset value for such share or unit on such date, after deduction of any applicable redemption fee;
- (d) the value of any security in respect of which there is a resale restriction shall be discounted by the same rate as was applicable at the time of purchase of such security until such restriction is lifted, such rate to be determined by Creststreet, provided however, that the discount may be tapered on the basis determined by Creststreet where the restriction is to be lifted on a specific date; and
- (e) the value of any security or other asset for which a market quotation is not readily available will be its market value on such date as determined by Creststreet.

National Instrument 81-106 – *Investment Fund Continuous Disclosure* (“NI 81-106”) requires an investment fund, such as a Fund, to calculate its net assets in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). Canadian GAAP was recently modified by the introduction of section 3855 Financial Instruments - Recognition and Measurement of the handbook of the Canadian Institute of Chartered Accountants. Section 3855 redefines fair value as being the closing bid price for long positions and the closing ask price for short positions, in lieu of the closing or last trade price for all positions. Section 3855 applies to interim and annual financial statements for fiscal years beginning on or after October 1, 2006. Therefore, the combined effect of NI 81-106 and section 3855 would require a Fund to determine the value of securities listed on a recognized public securities exchange or on NASDAQ using the fair value as defined by section 3855. However, NI-81-106 permits investment funds, such as a Fund, to calculate its net asset value in accordance with Canadian GAAP without giving effect to section 3855 for purposes other than issuing annual or interim financial statements, such as the issue and redemption of shares of the Fund. Financial statements of a Fund will contain a reconciliation of the NAV per share of each series of a Fund that is reported in such financial statements in accordance with Canadian GAAP to the NAV per share of each series of a Fund used by a Fund for all other purposes.

Calculation of Net Asset Value

When you buy shares of a series of a Fund you pay the price or NAV per share, plus any applicable sales charges. When you redeem (sell) shares, you receive the NAV per share, less any applicable redemption charges.

All transactions are based on the NAV. Provided that the determination of the NAV per share of each series of a Fund has not been suspended, we usually calculate NAV for each series of a Fund after the close of the TSX on each Valuation Date (as hereinafter defined). In some circumstances, we may calculate it at another time set by the board of directors of the Corporation. In this AIF, "Valuation Date" means each Friday or, if the TSX is not open for business on any such day, the day immediately preceding such day that the TSX is open for business. If a Fund uses specified derivatives, the NAV for each series of such Fund will be calculated on a daily basis, in accordance with applicable securities requirements.

We calculate the NAV of a series of a Fund by adding up the market value of the assets of the Fund attributable to such series less the liabilities of the Fund attributable to such series. The NAV per share of a series of a Fund at any particular time will be the quotient obtained by dividing the net asset value of the Fund attributable to such series by the total number of shares of such series outstanding at such time.

Common expenses of the Corporation are shared by all classes (*i.e.* each Fund) and series and are allocated on an equitable basis among the classes and series. These expenses include income taxes and refundable capital gains taxes. We have the right, however, to allocate expenses to a particular class (*i.e.* a Fund) or series where it is reasonable to do so.

Subject to prior receipt of any necessary regulatory approvals, the Manager may declare a suspension of the determination of the NAV per share of each series of a Fund for the whole or part of any period:

- (a) during which normal trading is suspended on a stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and traded, or on which specified derivatives are traded, which represent more than 50% by value, or underlying market exposure, of the total assets attributable to the Fund, without allowance for liabilities, and only if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative; or
- (b) with the approval of the relevant securities regulatory authorities if required, or as otherwise required or permitted under applicable securities laws.

Purchases and Switches

General

Mutual fund shares of each Fund are offered for sale on a continuous basis through registered dealers. In the provinces in which the mutual fund shares of each Fund are offered, purchase orders must be placed with dealers registered in such investor's province of residence.

About different types of shares

Each Fund offers Series A, Series B and Series F shares. Series F shares are available to investors who have entered into a fee based program through their dealer. Your dealer's participation in the Series F program is subject to our terms and conditions. 2011 Series shares of the Resource Fund will only be issued, if at all, in connection with the purchase of assets of public limited partnerships established to invest in flow-through shares of issuers engaged in resource exploration and development in Canada, which shares will be distributed to the partners thereof on the dissolution of the partnership (each, a "Limited Partnership Rollover Transaction"). CAML will act as the investment advisor to each such limited partnership ("Public LP").

Purchase Price

Shares of each series of a Fund may be purchased at their NAV per share from time to time, computed as described under **Valuation of Portfolio Securities** and **Calculation of Net Asset Value**. The purchase price per share is the NAV per share next determined following receipt by the Fund of a complete subscription. Any subscription received on a Valuation Date after the cut-off time or on any day that is not a Valuation Date is deemed to have been received on the following Valuation Date. The purchase price per share is then the NAV per share established on the Valuation Date following the day of actual receipt of the subscription. The cut-off time for receipt of subscriptions is 4:00 pm Eastern time, except that on days that the TSX closes early, the cut-off time is such earlier closing time.

Purchases

We do not charge a fee or commission when you buy mutual fund shares. When you buy shares, you negotiate the sales commission you pay directly with your dealer. Your broker or dealer will generally deduct the sales commission and forward to us the net amount of the order to be invested in the Fund or Funds selected.

Unless requested by a shareholder in writing to Creststreet, we do not issue a certificate when you buy shares of a Fund, but your dealer will send you a confirmation which is proof of your purchase. A record of the number of shares you own and their value will appear on your next account statement.

No sales charges are payable for 2011 Series shares of the Resource Fund to be acquired by a Public LP on the transfer of its assets to the Resource Fund and subsequently distributed to the partners thereof on a Limited Partnership Rollover Transaction.

Minimum amount you can invest

Your first purchase of shares of any series of a Fund must be at least \$1,000. Each purchase thereafter must be at least \$100. These minimums do not apply in respect of a Limited Partnership Rollover Transaction.

Switches from one Fund to another Fund

You can switch shares from one Fund to another by contacting your dealer (except that shares of the Resource Fund acquired in connection with a Limited Partnership Rollover Transaction may not be switched before the date on which such shares may be first redeemed). A switch is a transfer of your investment money from one Fund to another. You must maintain a minimum account balance of \$1,000, and you must switch at least \$1,000 worth of securities.

When we receive your order to switch, we will exchange, on a tax-deferred “rollover” basis, shares of the current Fund for shares of the new Fund. See **Income Tax Considerations**.

The movement of your investment money from one Fund to another Fund within the Corporation, as described above, will not result in a capital gain or loss. In certain circumstances, the switch may accelerate the time at which the Corporation realizes gains and pays capital gains dividends.

If you switch your shares of a Fund to shares of another Fund or if you switch the type of account in which you hold your shares (for example, switching from an investment account to an RRSP), your dealer may charge fees. Shares of the Resource Fund acquired in connection with a Limited Partnership Rollover Transaction and outstanding on September 30, 2011 will be automatically switched on a tax-deferred “rollover” basis into Series A shares of the Resource Fund on a one-for-one basis.

Switches from one series of a Fund to another series of the same Fund

At the Manager’s discretion, you can switch your shares of one series to shares of another series of the same Fund by contacting your dealer. Switching shares from one series to another series of the same Fund is not a disposition for tax purposes.

Processing Orders

All orders for mutual fund shares are forwarded to the registered office of the Funds for acceptance or rejection and each Fund reserves the right to reject any order in whole or in part. Dealers must transmit an order for shares to the registered office of the Funds without charge to the investor. They must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. The decision to accept or reject any order for mutual fund shares will be made within one business day of receipt of the order by the Fund. In the event that any purchase order is rejected, all monies received with the order are returned immediately to the subscriber. Payment for all orders of mutual fund shares must be received at a Fund’s registered office on or before the settlement date - currently the third business day from (but not including) the day the subscription price for the mutual fund shares so ordered is determined.

All orders placed are settled within the time periods described above. Where payment of the subscription price is not received on a timely basis, Creststreet, on behalf of the Fund, redeems the mutual fund shares ordered by the cut-off time on the first business day following such period. The redemption proceeds reduce the amount owing to the Fund in respect of the failed purchase transaction. If the difference is favourable to the Fund, the Fund keeps the difference. If there is a shortfall, the dealer making the order for mutual fund shares pays to the Fund the amount of the shortfall. The dealer may then be able to collect such amount, together with its costs and interest

from the investor on whose behalf the application was placed, depending on its arrangements with the investor. Where no dealers have been involved in processing a purchase order, Creststreet is entitled to collect the amounts described above from the investor who has failed to remit payment.

Redemption of Securities

You may redeem (sell) your shares of a Fund at NAV on any Valuation Date. In order to redeem your shares of a Fund, you or your dealer must forward your redemption order to Creststreet. Unless your redemption order is received by us before 4:00 p.m. Eastern time on a Valuation Date, it will be processed for redemption on the next Valuation Date.

If we do not receive all the documents we need to process your redemption request within three business days, we are required to notify you that your redemption order is incomplete. If, within 10 business days, we still have not received all the documentation, we are required to repurchase your shares. If the repurchase amount is less than the redemption proceeds, the Fund will keep the difference. If the repurchase amount is greater than the redemption proceeds, we must pay the Fund the difference, and we will collect this amount from your dealer. Your dealer may have the right to collect it from you.

We will pay the redemption proceeds to you within three business days after the Valuation Date on which your redemption request is processed.

There are no redemption charges payable by you for redeeming shares of a Fund. However, a short-term trading fee may be payable by you and reduce your redemption proceeds if you engage in short-term trading. See “**Short-term trading**”.

Restrictions on redemption

Under exceptional circumstances we may be unable to process your redemption order. This would occur if Canadian securities regulators allow us to suspend your right to redeem, for example:

if normal trading is suspended in any market where securities are traded which represent more than 50% of a Fund’s total asset value if those securities are not traded on another market or exchange that represents a reasonable and practical alternative; or

in other circumstances with the consent of the Canadian securities regulators

If we suspend redemption rights before the redemption proceeds have been determined, you may either withdraw your redemption request or redeem your shares at the NAV per share next determined after the suspension has been lifted.

Where a suspension occurs, you may either withdraw your redemption request by notice in writing to Creststreet or by so instructing your dealer, or receive payment based on the NAV per share, as determined on the next Valuation Date following the termination of the suspension.

Responsibility for operations of the Funds

Manager

CAML is the manager of the Funds. CAML was incorporated under the laws of Canada on March 14, 2000. The address, phone number and website address of CAML are as follows:

70 University Avenue, Suite 1450
Toronto, Canada
M5J 2M4
Tel: 416-864-6330
Tel: (outside Toronto) 1-866-864-6330
Fax: 416-862-8950
website: www.creststreet.com
e-mail: info@creststreet.com

Although the board of directors of the Corporation is responsible for its overall direction, CAML has been retained by the Corporation, pursuant to an amended and restated management agreement (“Management Agreement”) made as of December 30, 2004, as amended from time to time, to provide investment advisory and administrative services and facilities to the Funds.

CAML has no obligation to the Funds other than to render services under the Management Agreement honestly and in good faith and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Management Agreement expired on May 31, 2007 but was renewed automatically for an additional five-year term and will continue to be renewed automatically every five years unless notice of termination is given by either party. The Management Agreement will be terminated on the insolvency or bankruptcy of CAML and may be terminated by either CAML or the Corporation on 90 days’ written notice.

Directors, officers and portfolio managers of CAML

The names, municipalities of residence, offices held with CAML and principal occupations of the directors, officers and portfolio managers of CAML are as follows:

<u>Name and Municipality of Residence</u>	<u>Office</u>	<u>Principal Occupation</u>
ROBERT J. TOOLE Toronto, Ontario	President, Chief Executive Officer and Director	President, Chief Executive Officer and Portfolio Manager of the Manager
DONNA E. SHEA Toronto, Ontario	Senior Vice President, Finance, Chief Financial Officer and Director	Senior Vice President, Finance and Chief Financial Officer of the Manager
KEVIN A. WOOD Toronto, Ontario	Senior Vice President, Sales and Marketing	Senior Vice President, Sales and Marketing of

<u>Name and Municipality of Residence</u>	<u>Office</u>	<u>Principal Occupation</u>
WILLIAM SHAW Toronto, Ontario	Senior Vice President	the Manager Senior Vice President, Senior Portfolio Manager of the Manager
PAUL G. MACDONALD Toronto, Ontario	Vice President	Vice President and Portfolio Manager of the Manager
MICHAEL D. CLARE Toronto, Ontario	Vice President	Vice President and Portfolio Manager of the Manager
ALEX NAYYAR Toronto, Ontario	Vice President, Sales	Vice President, Sales of the Manager
SHERYL J. CHIDDENTON Toronto, Ontario	Secretary, Treasurer, Vice President, Compliance and Investment Services and Director	Secretary, Treasurer and Vice President, Compliance and Investment Services of the Manager

Biographies of each director, officer and portfolio manager, including his or her principal occupations for the last five years, are set forth below:

Robert J. Toole is a portfolio manager of the Manager and has primary responsibility for providing investment advice to the Funds. Mr. Toole is the President, Chief Executive Officer and a director of the Manager. Mr. Toole has over 20 years of investment experience in the natural resource sector with specialization in conventional and renewable energy companies. He has raised and invested over \$1.1 billion in his career in various investment partnerships and mutual funds. Prior to forming Creststreet in March 2000, Mr. Toole was head of the Resource Group of a Canadian merchant banking firm. Mr. Toole holds a Bachelor of Commerce (Honours) degree from Queen's University and is a member of the Canadian Institute of Chartered Accountants.

Donna E. Shea is the Senior Vice President, Finance, Chief Financial Officer and a director of the Manager. Prior to joining the Manager in January 2003, Ms. Shea was the Vice President, Finance of the Toronto Community Foundation, a non-profit organization. Prior to December 2000, Ms. Shea was Assistant Vice President, Management Information Systems at Manulife Financial Limited. Prior to May 1998, Ms. Shea was Vice President Operations at a Canadian merchant-banking firm. Ms. Shea holds a Bachelor of Commerce degree from the University of Windsor and is a member of the Canadian Institute of Chartered Accountants.

Kevin A. Wood is the Senior Vice President, Sales and Marketing. Mr. Wood is a sales executive with over 20 years experience in the mutual fund industry. Prior to joining Creststreet in May 2010 Kevin was a Vice President, National Sales for an independent mutual fund company. While there Mr. Wood helped grow the firm from just over \$300 Million in 2001 to over \$4.5 Billion in 2010. Mr. Wood is responsible for all sales and marketing support to investment advisors across Canada. Mr. Wood holds an Honors Degree in Economics from the University of Toronto.

William Shaw joined Creststreet in May, 2010 as Senior Vice President and Senior Portfolio Manager and is responsible for providing investment advice to the Funds and for overseeing investment research. From August, 2001 to November, 2009, Mr. Shaw was a Senior Vice President and Portfolio Manager at Mavrix Fund Management where he was responsible for management of the Mavrix Dividend and Income Fund. Under Mr. Shaw's stewardship, the Mavrix Dividend and Income Fund was recognized as "the best Canadian Dividend Fund of the Year" for 2003 by the Canadian Investment Awards and was a finalist in the same category in 2004. Mr. Shaw has been a portfolio manager for more than 15 years and has also managed money for institutions, foundations and private clients. Mr. Shaw holds BA, BAS and MBA degrees as well as CA, CMA and CFP designations.

Paul G. MacDonald is a Vice President and Portfolio Manager and is responsible for providing investment advice to the Funds and for overseeing investment research in the natural resource sectors. Paul joined Creststreet in May of 2010 after spending five years at a boutique Canadian investment management firm where he specialized in the broad natural resource sectors and specialty flow through investments. Prior to that, Paul spent three years as an investment associate with a major North American investment firm. Paul obtained a Bachelor of International Finance degree from Griffith University in Australia and holds a CFA charter.

Michael D. Clare is a Vice President and Portfolio Manager and specializes in equity security selection with a focus on the conventional and alternative energy sectors. Mr. Clare is responsible for the development analysis and trading execution of investments for Creststreet's funds. Mr. Clare also specializes in the analysis of crude oil and natural gas markets. Mr. Clare joined Creststreet in 2008 after beginning his career with Deloitte & Touche LLP. Mr. Clare holds a Bachelor of Commerce (Honours) degree from Queen's University and has earned the Chartered Accountant (CA) and Chartered Financial Analyst (CFA) designations.

Alex. Nayyar is Vice President, Sales. Prior to joining Creststreet in May, 2010, Mr. Nayyar was Vice President, National Sales Manager for an independent mutual fund company. Mr. Nayyar is responsible for sales and support to investment advisors across Canada. Mr. Nayyar holds a Bachelor of Arts degree from the University of Toronto.

Sheryl J. Chiddenton is the Secretary, Treasurer and Vice President, Compliance and Investment Services of the Manager. Prior to joining Creststreet in June 2001, Ms. Chiddenton was an Executive Assistant in the private client division of a Canadian merchant-banking firm. Ms. Chiddenton is a member of the Canadian Investor Relations Institute and the Association of Canadian Compliance Professionals.

Directors and officers of the Corporation

The names, municipalities of residence, offices held with the Corporation and principal occupations of the directors and officers of the Corporation are as follows:

<u>Name and Municipality of Residence</u>	<u>Office</u>	<u>Principal Occupation</u>
ROBERT J. TOOLE Toronto, Ontario	President, Chief Executive Officer and Director	President, Chief Executive Officer and a director of the Manager
JEFFREY S. BOYCE Calgary, Alberta	Director	President, Chief Executive Officer and director of SURE Energy Inc.
STUART P. HENSMAN Toronto, Ontario	Director	Corporate Director Chairman of the Board of Governors of CI Funds and a director of Rifco Inc. and Ria Resources and Canacol Energy
JOHN E. THOMPSON Calgary, Alberta	Director	President, Chief Executive Officer and director of Sirius Energy Inc.
DONNA E. SHEA Toronto, Ontario	Senior Vice President, Finance and Chief Financial Officer	Senior Vice President Finance and Chief Financial Officer and a director of the Manager
SHERYL J. CHIDDENTON Toronto, Ontario	Secretary and Treasurer	Secretary and Treasurer, Vice President, Compliance and Investment Services, and a director of the Manager

Biographies of each director and officer, including his or her principal occupations for the last five years, are set forth above under **Responsibility for operation of the Funds – Directors, officers and portfolio managers of CAML** except for the biographies of Messrs. Boyce, Hensman and Thompson which are set forth below.

Jeffrey S. Boyce is President, Chief Executive Officer and a director of Sure Energy Inc. From 2003 to 2006, he was Co-Founder, President, Chief Executive Officer and a director of Clear Energy Inc., a public oil and gas company. From 1994 to 2003, he was Co-Founder, President, Chief Executive Officer and a director of Vermilion Resources Ltd.

Stuart P. Hensman is the Chairman of the Board of Governors of CI Funds and a member of the Board of Directors of Rifco Inc., Ria Resources and Canacol Energy. Prior to 2003, Mr. Hensman

was the Chairman and Chief Executive Officer of Scotia Capital (USA) Inc. Mr. Hensman was a Managing Director (Institutional Equities) at Scotia Capital Inc. (London) from 1987 to 1999. Prior to this, he held a number of analytical and portfolio management positions at Sun Life Assurance Co. of Canada from 1981 to 1986. Mr. Hensman holds a Bachelor of Arts degree from the University of Winnipeg and a Masters of Science from the Loughborough University in the UK.

John E. Thompson is President, Chief Executive Officer and a director of Sirius Energy Inc., a private oil and gas company. From March 2004 to August 2006, he was President, Chief Executive Officer and a director of Timing Energy Inc., a private oil and gas company. From 2001 to 2003, he was President, Chief Executive Officer and a director of Cougar Hydrocarbons Inc., a private oil and gas company. From September 1999 to December 2000, he was President, Chief Executive Officer and a director of Basinview Energy Inc., a public oil and gas company. Mr. Thompson sits on the Board of Directors of Alberta Clipper Energy Inc.

Investment advisor

CAML provides investment advice and portfolio management services for each of the Funds. The Management Agreement outlines the investment advisory services to be provided by CAML. For more information see **Responsibility for operations of the Funds - Manager** above.

CAML is required to comply with the investment restrictions and objectives of each of the Funds and to execute trades in a cost-effective manner. CAML may consider research, statistical analysis and other services provided to the Funds by various brokers in determining whether brokerage commissions and execution costs are relatively competitive.

Investment decisions are independently formulated by CAML. Investment decisions are implemented according to the investment objectives of each Fund. The Resource Fund from time to time enters into transfer agreements whereby it becomes contractually committed to acquire portfolio securities from limited partnerships on a tax deferred rollover basis. See **Name, formation and history of the Funds**.

Robert J. Toole, President and Chief Executive Officer of CAML, is principally responsible for the day-to-day management of the portfolio of the Funds. See **Responsibility for operations of the Funds – Manager**.

Brokerage arrangements

CAML makes decisions as to the purchase and sale of portfolio securities and other assets of the Funds such as cash and term deposits as well as decisions regarding the execution of portfolio transactions of a Fund. CAML seeks to obtain the best execution of securities transactions when arranging or executing trades on behalf of the Funds. Trades are generally allocated to brokers based on a number of factors, including execution capability, commission rate, financial responsibility and responsiveness.

Expense Reimbursements

As at December 31, 2009, expense reimbursements were paid to the following employees of Creststreet:

	Creststreet Resource Class	Creststreet Alternative Energy Class	Creststreet Dividend & Income Class (formerly the Managed Equity Index Class)
Michael Clare	\$326	\$352	\$41
David Doyle	\$-	\$7,078	\$-
Stephen Martin	\$10,405	\$2,407	\$-
Grant Bunker	\$-	\$486	\$-
Total	\$10,731	\$10,323	\$41

Independent Review Committee

The IRC for the Funds was established on May 1, 2007 and consists of three individuals, currently Stuart Hensman (Chair), John Thompson, and Jeffrey Boyce, each of whom is independent from Manager and companies related to the Manager. The IRC became fully operational on November 1, 2007. The mandate of the IRC is to:

review and provide input on the Manager's written policies and procedures that deal with conflict of interest matters;

review conflict of interest matters referred to it by the Manager and make recommendations to the Manager regarding whether the Manager's proposed actions in connection with the conflict of interest matter achieves a fair and reasonable result for the Fund;

consider and, if deemed appropriate, approve the Manager's decision on a conflict of interest matter that the Manager refers to the IRC for approval; and

perform other duties as may be required of the IRC under applicable securities laws.

As at December 31, 2009, the annual retainer paid to each member of the IRC was as follows:

(a)	Jeffrey S. Boyce:	\$19,233
(b)	John E. Thompson:	\$19,233
(c)	Stuart P. Hensman:	\$23,510

For information regarding approvals granted by the IRC and relied on by the Funds, please see “Investment restrictions and practices” above.

Custodian

CAML has appointed RBC Dexia Investor Services Trust (the “Custodian”) as custodian of the Funds to hold portfolio securities of the Funds, pursuant to an agreement dated October 16, 2008, as amended, from time to time, between the Corporation and the Custodian.

The Funds pay the Custodian for its services. The custodian agreement with RBC Dexia Investor Services Trust may be terminated by either party on 90 days prior written notice or immediately by either party on written notice if:

- (a) either party is declared bankrupt or shall be insolvent;
- (b) the assets or the business of either party shall become liable to seizure or confiscation by any public or governmental authority; or
- (c) the Corporation’s powers and authorities to act on behalf of or represent the Fund have been revoked or terminated.

Marketable securities are held at the Custodian’s principal offices in Toronto, with the exception of foreign assets. Foreign assets may be held by local sub-custodians appointed by the Custodian or under its authority in various foreign jurisdictions, where a Fund may have assets invested. The Custodian or the sub-custodians may use the facilities of any domestic or foreign depository or clearing agency authorized to operate a book-based system.

Auditor

The auditor of the Funds is KPMG LLP located at Suite 4600, 333 Bay Street, Toronto, Ontario M5H 1S5.

Valuation Agent and Recordkeeper

The valuation agent and recordkeeper of the shares of the Funds is RBC Dexia Investor Services Trust pursuant to an Amended and Restated Valuation and Recordkeeping Services Agreement, dated January 29, 2009. The calculation of the net asset value per share of each Fund will be completed by the valuation agent at its principal office in Toronto. The share transfer registers of the Funds will be kept by the recordkeeper at its principal office in Toronto.

Conflicts of interest

CAML and its affiliates, directors and officers may engage in the promotion, management or investment management of any other fund or other investment vehicle and certain conflicts may arise from time to time in the management of such funds or vehicles and in determining appropriate investment opportunities.

Although none of the directors or officers of the Corporation or CAML will devote his or her full time to the business and affairs of the Corporation or CAML, each will devote as much time as is necessary for the management of the affairs of the Corporation and CAML.

Principal holders of shares

Except as stated below, as at May 31, 2010, no person or company owned of record or, to the knowledge of the Funds, beneficially, directly or indirectly, more than 10% of the outstanding shares of any series of a Fund.

10% shareholders in Creststreet Dividend & Income Fund

33,973.78	12.09%	Carter, Kenneth
30,221.57	10.76%	Ferster Larry

CAML is the holder of the one outstanding common share of the Corporation, being all of the outstanding voting shares of the Corporation. All of the outstanding voting shares of CAML are owned by Creststreet Partners Limited. Robert J. Toole, the President and Chief Executive Officer of CAML, owns substantially all of the voting shares of Creststreet Partners Limited.

IRC share ownership

The members of the IRC currently do not own any shares of the Funds, the Manager or any person or company that provide services to the Funds or the Manager.

Fund governance

Fund governance refers to the policies, practices and guidelines of the Funds that relate to:

business practices;

sales practices; and

internal conflicts of interest.

The board of directors of CAML, the manager of the Funds, has adopted appropriate policies, procedures and guidelines to ensure the proper management of the Funds. These include fiduciary duty guidelines and policies on personal conflicts of interest, best execution practices, soft dollar arrangements, brokerage arrangements, trade allocation practices, cross trading, record keeping and personal investing. In addition, CAML has adopted sales, marketing, advertising and accounting policies relating to the Funds. The systems that have been implemented monitor and manage the business and sales practices, risk and internal conflicts of interest relating to the Funds while ensuring compliance with regulatory and corporate requirements. The reporting systems in place ensure that these policies and guidelines are communicated to the persons responsible for these matters and monitor their effectiveness.

In addition to the oversight of the Corporation's operations required to be carried out by CAML, the Corporation also has a Board of Directors, with all of the regular duties imposed upon directors of a

business corporation under the CBCA. Under that Act, the directors must act honestly, in good faith and in the best interests of the investors in the Funds, and must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances. To help them carry out their obligations to the Funds' investors, the directors have engaged CAML. Three of the four directors of the Corporation are independent of both CAML and the Corporation.

Independent Review Committee

Under NI 81-107, the Manager must refer all conflict of interest matters for review or approval to the IRC. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, to maintain records in respect of these matters and to provide the IRC with guidance and assistance in carrying out its functions and duties.

The IRC conducts regular assessments of its members and provides a report, at least annually, to the Funds and their shareholders in respect of its functions. The report prepared by the IRC will be available on the Manager's website (www.creststreet.com), or at a shareholder's request at no cost, by contacting the applicable Fund at 70 University Avenue, Suite 1450, Toronto, Ontario, M5J 2M4; telephone: 416-864-6330; toll free: 1-866-864-6330.

Derivatives risk management

All of the Funds may invest in over-the-counter derivatives including debt-like securities, swaps, warrants, options, futures and forward contracts and options on future contracts. The use of derivatives by the Funds is described as follows: (i) to hedge risks associated with exiting investments which may be accomplished through the purchase of put options which would guarantee a minimum sale price and, therefore, minimize downside risk; (ii) to replicate the direct holding of equity or debt securities for speculative purposes, or to increase liquidity and efficiency in rebalancing the portfolio by, for example, the purchase of futures contracts to provide similar returns to a direct investment in the underlying equity or debt security, but requiring a significantly smaller initial investment. The Funds are limited in their use of derivatives by the ability to set aside margin to offset the market exposure created by the derivative investments.

CAML has established policies and procedures which stipulate the objectives of derivatives trading. Such policies and procedures are reviewed regularly by CAML's board of directors to ensure the net value at risk from derivative positions does not exceed the prevailing limits. The board of directors will be responsible for reviewing the policies on derivatives trading on an annual basis to ensure the risk management process is robust.

Stress testing is employed to ensure that potential losses resulting from derivative trades remain within acceptable limits during periods of increased volatility. CAML members will not directly execute derivative trades, but will be solely responsible for the authorization of these trades.

Short selling risk management

The Funds may engage in short selling from time to time as described on page 4. CAML has developed written policies and procedures relating to short selling by the Funds (including objectives, goals and risk management procedures). Any agreements, policies and procedures that are applicable to a Fund relating to short selling (including trading limits and controls) will be

reviewed by the board of directors of CAML on an annual basis. The decision to effect any particular short sale will be made by CAML and reviewed and monitored as part of CAML's ongoing compliance procedures and risk control measures.

Short-term trading

Short-term trading in shares of the Funds can have an adverse effect on the Funds. Such trading can increase brokerage and other administrative costs of the Funds and interfere with the long-term investment decisions of the Manager. We have adopted certain restrictions to deter short-term trading.

If an investor redeems or switches shares of a Fund within 90 days of purchase, the investor may be subject to a short-term trading fee of 2% of the amount switched or redeemed. All trades determined by the Manager to be short-term trades will be subject to this fee. This amount will be retained by the Fund and not by us or any distributor. This fee is in addition to any other fees that may apply and will reduce the amount otherwise payable to an investor on the redemption or reduce the amount switched. The Manager may take such additional action as it considers appropriate to prevent further similar activity by the investor. These actions may include the delivery of a warning to the investor, placing the investor on a watch list to monitor his or her trading activity and/or the subsequent refusal of further purchases by the investor if the investor continues to attempt such trading activity.

While these restrictions and our monitoring attempt to deter short-term trading, we cannot ensure that such trading will be completely eliminated. We may reassess what is adverse short-term trading in the Funds at any time and may charge or exempt transactions from these fees in our sole discretion.

The restrictions imposed on short-term trading, including the short-term trading fees, will not apply to (i) redemptions initiated by us, (ii) special circumstances as determined by us in our sole discretion and (iii) shares received on the reinvestment of distributions.

Policies on proxy voting

CAML has adopted written policies on how securities held by a Fund are voted. Generally, these policies prescribe that voting rights should be exercised with a view to the best interests of a Fund and its shareholders.

The proxy voting policies that have been developed by CAML are general in nature and provide guidance in such areas as corporate governance, management and director compensation, takeover protection, and shareholder rights issues. The guidelines attempt to address the most common issues encountered by the Funds, but cannot contemplate all possible scenarios. When exercising voting rights, CAML will generally vote with management of the issuer on matters that are routine in nature, and will vote in a manner that, in its view, will maximize the value of the Fund's investment in the issuer. CAML will deviate from this standing policy if, in its opinion, management's position is contrary to the interests of those of the Funds. Examples of routine matters include voting on the size and composition of the board of directors, and voting on the appointment or the retention of an issuer's auditors. CAML will consider non-routine matters on a case-by-case basis and will vote in a manner that is, in its view, most consistent with maximizing the value of the Fund's investment in

the issuer. Non-routine matters include such items as shareholder proposals, management and director compensation, shareholder rights plans, corporate restructuring plans, and takeover bids.

In order to discharge its obligations under the proxy voting policies, when voting, CAML will review research on management performance, corporate governance and any other factors considered relevant by CAML. Where appropriate in the circumstances, including with respect to any situations in which the Funds or CAML are in a conflict of interest position, CAML will seek the advice of the independent directors of CAML or third party advisors prior to casting its vote in respect of securities held by a Fund.

The following procedures are in place to ensure that portfolio securities held by the Funds are voted in accordance with the instructions of the Fund. When the Fund's investment manager receives meeting circulars from portfolio companies, the receipt is logged on an internal proxy voting memo. The investment manager will review and analyze the content of the circular and form recommendations as to how to vote after consulting Creststreet's Proxy Voting Guidelines. The investment manager will then either (i) use the proxy voting memo to recommend voting in accordance with established guidelines, (ii) detail the reasons for voting on non-routine matters that have been considered on a case-by-case basis, or (iii) detail the reasons for deviating from standing policy. Any items considered on a case-by-case basis or that deviate from standing policy will be approved by an officer of the Fund before being submitted to a proxy agent, and a voting record will be maintained by the Chief Financial Officer.

CAML's proxy voting policies and procedures are available at no cost to any shareholder of a Fund upon request at any time by calling 416-864-6330 (in Greater Toronto) or toll-free 1-866-864-6330 (outside Greater Toronto) or by writing to CAML at 70 University Avenue, Suite 1450, Toronto, Canada, M5J 2M4. A Fund's proxy voting record for the annual period ended June 30, 2009 is available at no cost to any shareholder of a Fund upon request. The proxy voting records for the Funds are also available on our website at www.creststreet.com.

Management fees and expenses

Each Fund pays CAML an annual management fee which is unique to each series of a Fund as set out in the simplified prospectus. The fee is calculated and accrued weekly and paid monthly based on the average NAV of each series the Fund for the applicable month. Each Fund is also responsible for its operating expenses (other than fees payable to any investment advisor, which are payable by CAML).

In addition to the management fee, each Fund pays to CAML, on a quarterly basis, a service fee (the "Service Fee") which is unique to each series of a Fund as set out in the simplified prospectus. CAML, in turn, pays a service fee to dealers based on the total NAV of the shares of each series of the Fund held by their clients equal, in the aggregate, to the Service Fee.

The Alternative Energy Fund also pays a performance fee to Creststreet (the "Alternative Energy Performance Fee"). The Alternative Energy Performance Fee is equal to 20% of the amount, if any, by which the Alternative Energy Fund's cumulative total return (expressed as a dollar amount), if any, for a period exceeds the cumulative total return (expressed as a dollar amount), if any, that would have been earned had the Fund invested in the S&P500 index during that period. The

Alternative Energy Performance Fee is estimated and accrued weekly, calculated at calendar year-end and is paid within 15 days after calendar year-end if positive. The Alternative Energy Performance Fee will be pro-rated for any period that the Fund exists that is less than a full calendar year. No Alternative Energy Performance Fee will be payable if the performance of both the Fund and the S&P 500 index are negative during the calendar year.

If, for any reason, the performance fee index (*i.e.* the S&P 500 index) for the Alternative Energy Fund is no longer available, a similar benchmark index as selected by CAML will be used, subject to the receipt of any necessary approvals.

The Resource Fund also pays a performance fee to Creststreet (the "Resource Fund Performance Fee") in respect of its Series B and Series F shares. The Resource Fund Performance Fee is paid within 15 days to Creststreet in respect of the previous fiscal quarter if the percentage gain in the NAV per share of the applicable series of the Fund over the preceding fiscal quarter or quarters since a Resource Fund Performance Fee for such series was last payable, exceeds the percentage gain or loss of the benchmark (the "Resource Fund Benchmark"), over the same period, and provided that the NAV per share of the applicable series of the Fund (including distributions) is greater than all previous values of the series at the end of each previous fiscal quarter in which a Resource Fund Performance Fee was paid.

The Resource Fund Performance Fee will be equal to this excess return per security multiplied by the number of shares of the relevant series outstanding at the end of the quarter multiplied by 20%.

The Resource Fund Benchmark will be calculated as follows:

- i. 25% of the percentage gain or loss of the S&P/TSX Capped Gold Index; plus
- ii. 25% of the percentage gain or loss of the S&P/TSX Paper & Forest Products Index; plus
- iii. 25% of the percentage gain or loss of the S&P/TSX Capped Materials Index; plus
- iv. 25% of the percentage gain or loss of the S&P/TSX Capped Energy Index.

The Dividend & Income Fund also pays a performance fee to Creststreet (the "Dividend & Income Performance Fee") in respect of its Series B shares. The Dividend & Income Performance Fee is paid within 15 days to Creststreet in respect of the previous fiscal quarter if the percentage gain in the NAV per Series B share of the Fund over the preceding fiscal quarter or quarters since the Dividend & Income Performance Fee was last payable, exceeds the percentage gain or loss of the benchmark (the "Dividend & Income Benchmark"), over the same period.

The Dividend & Income Performance Fee will be equal to this excess return per share multiplied by the number of shares of the relevant series outstanding at the end of the quarter multiplied by 20%.

The Dividend & Income Benchmark will be calculated as follows:

- i. 50% of the percentage gain or loss of the S&P/TSX Income Trust Index; plus
- ii. 50% of the percentage gain or loss of the DEX Universe Bond Index.

Income tax considerations

This section describes the principal Canadian federal income tax considerations applicable to the Corporation and to investors who are residents of Canada, who deal with the Corporation at arm's length, who are not affiliated with the Corporation and who hold shares of the Funds as capital property for tax purposes.

This summary takes into account the current provisions of the Tax Act and the regulations under the Tax Act, all proposals to amend the Tax Act and regulations publicly announced prior to the date hereof and the published administrative practices of the Canada Revenue Agency.

This summary is not intended to be exhaustive of all possible income tax considerations. You should consult your own tax advisor for advice with respect to the tax consequences of an investment in the Funds in your particular circumstances.

Tax Status of the Corporation

The Corporation qualifies as a "mutual fund corporation" for the purposes of the Tax Act and the balance of this summary assumes that it will continue to so qualify. The Corporation will not qualify as an "investment corporation" as defined in the Tax Act.

All income of the Corporation, including taxable capital gains net of allowable capital losses, will be subject to tax at normal corporate rates. Taxes payable on net realized capital gains are refundable on a formula basis when shares are redeemed or the Corporation elects to pay capital gains dividends. Dividends received by the Corporation on taxable dividends from taxable Canadian corporations are subject to a 33 $\frac{1}{3}$ % tax which is refundable on payment of sufficient taxable dividends by the Corporation. Taxes payable by the Corporation on income from other sources (such as interest, foreign income and distributions of income from royalty trusts and exchange traded funds) are not refundable. Due to deductible expenses and to tax refunds available to the Corporation upon the payment of capital gains dividends and taxable dividends, the Corporation is not expected to have any material net income tax liability in any year.

The Corporation, like any other mutual fund corporation with a multi-class structure, must compute its earnings for tax purposes as a single entity. As a result, dividends paid to an investor in a Fund will differ from the dividends or distributions that would be paid to the investor if the investor invested in a mutual fund that made the same investments but did not have a multi-class corporate structure. For example, if a particular Fund has a net loss or net realized capital loss, that net loss or net realized capital loss may be applied to reduce the income and net realized capital gains of the Corporation as a whole. This will generally benefit investors in other Funds if it reduces the amount of dividends that would otherwise be paid to them since their current income inclusions will be reduced but not the value of their shares in such other Funds. The amount of capital gains dividends paid by a Fund will be affected by the level of redemptions from all Funds as well as accrued gains and losses of the Corporation as a whole. The Corporation may have to dispose of some of its investments because of investors switching from one Fund to another Fund. As a result, more of its accrued gains and losses may be recognized at an earlier time compared with a mutual fund that does not allow for tax-deferred switching. In certain circumstances, this could accelerate the recognition of gains by investors as a consequence of the earlier payment of capital gains dividends.

The Resource Fund will acquire property on a tax-deferred basis on the Limited Partnership Rollover Transactions, if any. The Resource Fund has acquired, and expects to acquire in the future, property on a tax-deferred basis in transactions similar to the Limited Partnership Rollover Transactions (such transactions and the Limited Partnership Rollover Transactions are referred to collectively as “Exchange Transactions”). Property acquired in an Exchange Transaction has included, and will in the future include, “flow-through shares” which have nominal cost to the Corporation for tax purposes and other property having a cost for tax purposes that is less than the fair market value thereof. If the flow-through shares or other properties are identical to other securities held by the Corporation as capital property, the cost of such properties will be averaged. A disposition of such flow-through shares, other properties or identical property, including because of switching by investors from the Resource Fund to another Fund, may result in the recognition of larger capital gains than if Exchange Transactions did not occur.

The higher a Fund’s portfolio turnover rate in a year, the greater the chance the Corporation will generate gains and losses in the year.

The earnings and tax liability, if any, of the Corporation will be allocated among the Funds in the sole discretion of the Corporation acting reasonably.

Fund Shares Held outside a Registered Tax Plan

Dividends

Dividends received by an investor on shares of a Fund must be taken into account in computing the investor’s income, whether they are reinvested in additional shares of a Fund or paid in cash.

A dividend will either be a capital gains dividend or a taxable dividend.

A capital gains dividend received by an investor on shares of a Fund will be treated as a capital gain realized by the investor, one-half of which will be included in calculating the investor’s income as a taxable capital gain. A “Canadian-controlled private corporation” may be liable to pay an additional refundable tax of $6\frac{2}{3}\%$ on its “aggregate investment income” for the year which includes taxable capital gains.

If the investor is an individual, a taxable dividend received on shares of a Fund will be subject to the gross-up and dividend tax credit rules including the enhanced gross-up and dividend tax credit applied to dividends designated as “eligible dividends”. If the investor is a corporation, other than a “specified financial institution”, an amount equal to the taxable dividend received will generally be deductible in computing taxable income. “Specified financial institutions” should consult their own tax advisors. A private corporation or a corporation controlled by or for the benefit of an individual or a related group of individuals will be liable to pay a $33\frac{1}{3}\%$ refundable tax on taxable dividends. A corporation, other than a private corporation or a financial intermediary corporation, will generally be subject to a non-refundable 10% tax on taxable dividends.

When an investor purchases shares of a Fund, a portion of the price paid may reflect income and capital gains of the Fund for the year as well as accrued income and capital gains. When dividends are paid out of these amounts, they must be included in the investor’s income for tax purposes, even

though the Fund earned such amounts before the investor acquired the shares. This could occur if the investor buys shares just before a dividend is declared.

Dispositions

A switch of shares of one Fund to shares of another Fund will occur on a tax-deferred “rollover” basis so that an investor will not realize a capital gain or capital loss on the switch. The cost of the shares of the new Fund acquired on the switch will be equal to the adjusted cost base of the shares switched from the former Fund. A switch of shares from one series of a Fund to another series of the same Fund and the automatic switch of Series 2011 Shares of the Resource Fund acquired in connection with a Limited Partnership Rollover Transaction into Series A Shares of the Resource Fund on a one-for-one basis will occur on a similar tax-deferred basis.

An investor must take into account in computing the investor’s income any capital gain or capital loss realized on the redemption or other disposition of a share of a Fund, other than a switch as described above.

The investor’s capital gain will be the amount by which the redemption price exceeds the adjusted cost base of the share and any reasonable costs of disposition. One-half of the capital gain will be included in calculating income as a taxable capital gain.

A “Canadian-controlled private corporation” may be liable to pay an additional refundable tax of 6²/₃% on its “aggregate investment income” for the year which includes taxable capital gains.

The adjusted cost base of a share of a Fund will be the weighted average cost of all shares of the same series of the Fund owned by the investor, including shares purchased on the reinvestment of dividends. Shares received on the reinvestment of a dividend will have a cost equal to the amount of the dividend. Any sales charge paid in respect of a purchase of shares will be included in the cost of the investor’s shares for these purposes.

If the share price and any reasonable costs of disposition on a redemption or other disposition, other than a switch as described above, are less than the adjusted cost base of the share, the investor will realize a capital loss. Generally, one-half of the investor’s capital loss can be deducted against the investor’s taxable capital gains.

If the investor is a corporation, a trust of which a corporation is a beneficiary or a partnership of which a corporation is a member, in certain circumstances the amount of the investor’s capital loss on the disposition of a share may be reduced by taxable dividends previously received on the share (or on other shares of the Corporation switched for that share). These rules may also apply where a trust or partnership is a member of a partnership or a beneficiary of a trust that owns shares of a Fund.

In certain situations where an investor disposes of shares of a Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if the investor, the investor’s spouse or another person affiliated with the investor (including a corporation controlled by the investor) has acquired shares of the same Fund within 30 days before or after the investor disposes of the investor’s shares, which are considered to be “substituted property”. In these circumstances, the investor’s capital loss may be deemed to be a “superficial loss” and denied. The amount of the denied capital loss will be

added to the adjusted cost base to the owner of the shares which are substituted property. In certain circumstances where a trust, corporation or partnership disposes of shares of a Fund and would otherwise realize a capital loss, recognition of the capital loss may be “suspended”. This may occur if a person affiliated with the trust, corporation or partnership has acquired shares of the same Fund within 30 days before or after the shares are disposed of, which are considered to be “substituted property”.

Alternative Minimum Tax

Individuals may be subject to alternative minimum tax. Capital gains, capital gains dividends and taxable dividends may give rise to liability for such minimum tax.

Other Considerations

We will issue tax statements to each investor each year indicating the amount of taxable dividends and capital gains dividends paid by the Corporation to the investor. Investors should keep detailed records of the purchase cost, sales charges and dividends related to their Fund shares in order to calculate the adjusted cost base of their shares. Investors may wish to consult their own tax advisors to assist with these calculations.

Fund Shares Held in a Registered Tax Plan

The Corporation is a registered investment under the Tax Act and shares of the Funds are qualified investments for registered tax plans, such as an RRSP, RRIF, DPSP, RESP, TFSA or RDSP.

A registered plan will not be subject to tax on taxable dividends and capital gains dividends paid by a Fund, nor on any capital gains it realizes on redeeming shares, as long as the proceeds remain in the plan. Amounts may be withdrawn from a TFSA free of tax.

A share will generally not be a prohibited investment for a TFSA unless the holder of the TFSA has a significant interest in the Corporation or the Corporation does not deal at arm’s length with the holder. Holders of TFSAs should consult their own advisors.

Remuneration of directors and officers

There are three directors of the Corporation that are not employees of CAML. These directors, who are also members of the IRC, received a total of \$61,976 in fees for the financial year ending December 31, 2009. For a breakdown of these fees, please see “Independent Review Committee.” Executive officers of the Corporation currently do not receive any compensation from the Corporation for their services.

Material contracts

The following material contracts entered into by the Corporation are currently in effect:

- (a) the Management Agreement made between CAML and the Corporation; and

- (b) the Custodian Agreement between RBC Dexia Investor Services Trust and the Corporation.

Copies of the contracts referred to above may be inspected during normal business hours at the offices of CAML at Suite 1450, 70 University Avenue, Toronto, Ontario M5J 2M4.

AUDITORS' CONSENT

Creststreet Resource Class
Creststreet Dividend & Income Class
Creststreet Alternative Energy Class
(collectively, the "Funds")

We have read the simplified prospectus (the "Prospectus") and the accompanying annual information form of the Funds dated June 22, 2010 (the "Final Prospectus") relating to the sale and issue of mutual fund shares of the Funds. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We hereby consent to the use through incorporation by reference in the above-mentioned Prospectus and Final Prospectus of our report dated February 26, 2010 to the shareholders on the following financial statements of each of the Funds:

- Statements of net assets as at December 31, 2009 and 2008;
- Statement of investment portfolio as at December 31, 2009; and
- Statements of operations and changes in net assets for the years ended December 31, 2009 and 2008.

"KPMG LLP"

Chartered Accountants, Licensed Public Accountants
Toronto, Canada

June 22, 2010

CERTIFICATE OF THE FUNDS, THE MANAGER AND THE PROMOTER

DATED: June 22, 2010

This annual information form, together with the simplified prospectus, required to be sent or delivered to a purchaser during the currency of this annual information form and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this simplified prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador and Québec and do not contain any misrepresentations.

On behalf of Creststreet Mutual Funds Limited

(signed)	<i>Robert J. Toole</i> Chief Executive Officer	(signed)	<i>Donna Shea</i> Chief Financial Officer
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(signed)	<i>Stuart P. Hensman</i> Director	(signed)	<i>Jeffrey S. Boyce</i> Director
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**On behalf of Creststreet Asset Management Limited,
as manager and promoter of the Funds**

(signed)	<i>Robert J. Toole</i> Chief Executive Officer and Director	(signed)	<i>Donna Shea</i> Chief Financial Officer and Director
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(signed)	<i>Sheryl J. Chiddenton</i> Director
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[BACK COVER]

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M5J 2M4
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Tel: (Outside Toronto) 1-866-864-6330

CRESTSTREET RESOURCE CLASS
CRESTSTREET DIVIDEND & INCOME CLASS
CRESTSTREET ALTERNATIVE ENERGY CLASS

The Funds' management reports of fund performance and financial statements contain more information about the Funds. You can obtain a copy of these management reports of fund performance, financial statements, a statement of portfolio transactions, information circulars and material contracts, by:

calling toll-free 1-866-864-6330
outside Greater Toronto, 416-864-6330
in Greater Toronto

contacting your broker or dealer

e-mailing info@creststreet.com

visiting the website
www.creststreet.com or
www.sedar.com