

Monthly Performance (%) Net of All Fees

Year	Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	Rival North American Growth Fund	-0.22	0.20	-2.52	-0.36	-5.80	0.67	-0.35	0.12					-8.12%
2011	Rival North American Growth Fund	-5.65	1.63	-3.84	-6.36	-1.06	-3.82	3.20	-7.68	-5.69	0.53	-5.16	-4.64	-32.87%
2010	Rival North American Growth Fund	0.34	1.73	0.57	0.94	-4.09	1.10	-2.94	0.63	9.70	2.98	5.93	7.68	26.47%
2009	Rival North American Growth Fund	-3.51	-1.03	1.94	3.40	7.65	-1.89	-2.24	1.06	8.94	-1.39	0.97	3.75	18.19%
2008	Rival North American Growth Fund	-5.56	6.15	-5.99	1.83	9.10	-0.17	-6.67	-2.03	-5.39	-0.27	0.68	-0.71	-9.85%
2007	Rival North American Growth Fund				3.83	-0.17	-0.46	2.52	-2.16	2.99	3.40	-3.55	1.76	8.18%

Note: inception of the Rival North American RRSP Growth Fund was July 1, 2008; returns match those of the Rival North American Growth Fund since that date.

Company - Longs

Company - Shorts

Net Asset Value (Rival North American Growth Fund) \$8.99
Net Asset Value (Rival North American RRSP Growth Fund) \$7.95

Bed Bath and Beyond Incorporated
Cineplex Incorporated
Manitoba Telecom Services
NGL Energy Partners LP

Currencyshares Euro Trust
iShares S&P/TSX Capped Energy Fund
iShares S&P/TSX Capped Materials Fund
SPDR S&P 500 EFT Trust

Annualized return since inception (April 1, 2007) -1.95%
Performance since inception (April 1, 2007) -10.10%
Highest monthly return 9.70%
Lowest monthly return -7.68%

Alphabetical order

Your fund was up 0.12% for the month of August.

North American markets posted positive returns in August. The DJIA was up 0.63% while the S&P 500 was up 2.25%. Canada saw the S&P/TSX Composite Index up 2.65% and the S&P/TSX SmallCap Index return 2.69%.

Although markets were up in August, the breadth in both the US and Canada was very narrow. In the US, the S&P rose on the back of large cap stocks like WMT, IBM and in particular AAPL (although towards the end of the month we began to see small cap stocks play some catch up). In Canada 80% of the gains for the month came from the large cap banks (RBC and TD) and golds (FNV and AEM to name a few). Even with these recent gains the gold sector is still down year-to-date and has been a net negative contributor to the S&P/TSX this year along with base metals and the energy space. As for the S&P/TSX SmallCap Index, 1.60% of the 2.69% move came on the last trading day of the month. This was a rally of the hardest hit small cap names over the past five months. Given our defensive positioning, your fund didn't fully participate in this late month rally.

Your fund's performance was essentially flat in August as we entered the month relatively defensively positioned with a higher than normal cash position and many higher yielding stocks (primarily REITs). Given most of the macro headwinds (Europe, the market being range bound, high unemployment in the US and a slowdown in China) that still exist; we remained defensively positioned for most of the month. Much has been made of this short term market rally, however, to put things in perspective, the S&P/TSX SmallCap Index and the Venture Index are still down 15.5% and 26.7% respectively from their early March highs (the bulk of which we have avoided) so the rally thus far has been fairly muted with the potential for what we believe are further significant gains. What is interesting to us is that in observing small cap commodity stocks over the last few weeks, many names, from a technical perspective have been building fairly attractive bases. This could mean that a significant rally in these stocks could be forthcoming. As we stated last month, we saw the potential for a quick rally in the market (until year end) based on improved performance in the commodity sectors. As such, towards the end of August, at the margin we began to add to our commodity exposure at the expense of some of our more defensive holdings. We are of the belief this may be the first leg in a rally that could extend out until the end of the year. Autumn, historically, has displayed some positive seasonality and can be a strong period for commodities and commodity stocks. Therefore, in the short term, we have added to our commodity exposure including such names as HBM-T, IMG-T, ANS-T and LPX-N. We still continue to emphasize US Consumer Discretionary stocks in the portfolio as well as some defensive names as they continue to look attractive on both a fundamental and technical basis. Our short positions continue to be relatively small with the main objective of hedging market and sector risk.

Despite adding somewhat to our commodity exposure near month end, it is important to note that our main thesis on the markets has not changed. That is, until we break above key resistance levels in North American markets, rallies will be short lived and we will treat them as such by employing our stop loss discipline. Many of the headwinds we have mentioned before still remain and because of this the markets have remained in a trading range for a significant period of time. We continue to watch the key resistance levels of 12,500 on the S&P/TSX and 13,200 on the DJIA as an indication that the markets intend to move higher. As such, we will not become any more aggressive until we see these levels taken out.

Moving into the latter part of 2012, a lot of the negative fundamental news seems to be behind us. The well anticipated poor second quarter numbers particularly in the resource sectors and the lowering of third quarter estimates has now been digested by the markets. There are also a number of positives that may play out until year end which seem to be anticipated by the markets as it climbs the wall of worry. The US election in November will remove some political uncertainty and recent comments by ECB President Mario Draghi and actions by the ECB indicate that the worst may be behind us for Europe at least in the short term. These positive macro developments coupled with improving technical action, may prove to be good for market returns over the next few months.

Given recent positive technical action in the markets, coupled with much lower volatility, we are encouraged that not only our style and discipline is coming back in favour, but that this bodes very well for better absolute performance.

As always, we thank our clients and friends for their continued support.

Tony and Jim

Performance	1 month	3 month	6 month	1 year	YTD	3 YR CAGR	5 YR CAGR	Inception
Rival North American Growth Fund	0.12%	0.44%	-8.11%	-21.22%	-8.12%	-4.25%	-2.78%	-10.10%
S&P/TSX SmallCap (Total Return)	2.69%	2.98%	-12.99%	-12.71%	-3.08%	10.99%	-1.10%	-7.29%
S&P/TSX Composite (Total Return)	2.65%	4.61%	-3.99%	-3.60%	1.88%	6.10%	0.22%	5.94%
Rival North American RRSP Growth Fund	0.12%	0.44%	-8.11%	-21.22%	-8.12%	-4.25%	NA	-20.49%
S&P/TSX SmallCap (Total Return)	2.69%	2.98%	-12.99%	-12.71%	-3.08%	10.99%	-1.10%	-2.73%
S&P/TSX Composite (Total Return)	2.65%	4.61%	-3.99%	-3.60%	1.88%	6.10%	0.22%	-6.62%

Please Note: Comparisons to benchmark returns are for informational purposes only. Fund results may vary significantly. All fund returns are net of fees.

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