



# Rival North American Growth Fund LP Rival North American RRSP Growth Fund

Monthly Summary for January 2012

## Monthly Performance (%) Net of All Fees

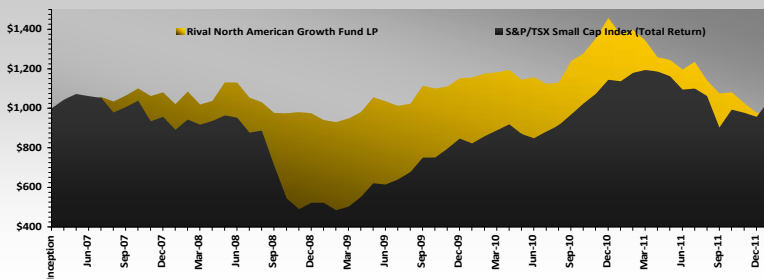
Year	Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	Rival North American Growth Fund	-0.22												-0.22%
2011	Rival North American Growth Fund	-5.65	1.63	-3.84	-6.36	-1.06	-3.82	3.20	-7.68	-5.69	0.53	-5.16	-4.64	-32.87%
2010	Rival North American Growth Fund	0.34	1.73	0.57	0.94	-4.09	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.

## Fund Description

The Rival North American Growth Fund's primary objective is to deliver positive absolute returns in all market environments. The Investment Manager intends to meet this objective primarily through investing from both a long and short perspective in small and mid cap North American equities. The portfolio will normally be relatively concentrated and is not expected to exceed 30 long and 30 short positions. The investment team will vary the allocation of long and short positions and sector weightings as deemed appropriate based on the Manager's macro environment analysis. The Manager employs a rigorous technical and fundamental approach to security selection.

## Growth of Initial Investment (\$1,000) (net of all fees)



## Fund Information & Statistics

Lead Portfolio Manager	Antoni (Tony) Warzel, B. Comm (Hons), CFA
Fund Inception (Rival North American Growth Fund)	April 2007
Fund Inception (Rival North American RRSP Growth Fund)	July 2008
Management Fee/Incentive Fee	2%/20%
Minimum Initial Subscription	\$150,000
Subscription/Redemption	Monthly
Fund Administrator	IAS Inc. and SGGG FSI
Legal Counsel	Thompson Dorfman Sweatman LLP
Auditor	BDO Canada LLP

## Company - Longs

Conagra Foods Incorporated  
Deere & Company  
Genuine Parts Company

## Company - Shorts

Financial Select Sector SPDR Fund  
iShares S&P/TSX Capped Energy Fund  
iShares S&P/TSX Capped Materials Fund

Alphabetical order

Net Asset Value (Rival North American Growth Fund)	\$9.76
Net Asset Value (Rival North American RRSP Growth Fund)	\$8.63

Total Fund Assets Under Management (CAD – 000,000)	\$18.6
Annualized return since inception (April 1, 2007)	-0.49%
Performance since inception (April 1, 2007)	-2.37%
Annualized Standard Deviation	14.70%
Highest monthly return	9.70%
Lowest monthly return	-7.68%
% of months above the Benchmark* (BM) when BM is positive	23.53%
% of months above the Benchmark (BM) when BM is negative	70.83%

\*Benchmark is the TSX/S&P SmallCap Index. This is shown for informational purposes only.

Your fund was down 0.22% in January.

Our performance was essentially flat in January as we kept a fairly market neutral position given our previously stated concerns over global macro issues (Europe, Greece, bank debt, slowing Chinese growth). These issues continue to exist today. Our short positions, mainly in index related securities, offset our long positions in terms of performance. As we outlined in our December commentary, we were stepped out of many of our names in that month given the sharp declines that were seen in stock prices particularly in the resource sectors. This resulted in a higher level of cash than normal in the portfolio as we entered 2012. We continue to be comfortable with our cash level and our hedge positions given the extreme volatility we have been seeing and the above mentioned global macro issues. That said, we are very cognizant that both the US and global economies are starting to show signs of life and could lead to stronger equity markets in 2012.

Despite many significant macro concerns, January saw a bounce back in many names that essentially relieved an oversold condition in the market. The weakest areas of the market in December were the areas of greatest strength in January (small and micro cap resource stocks), while previously strong sectors including Utilities and Telecom lagged. If this is indeed an inflection point towards a more "risk on" type of market, we would prefer to see some more positive technical signs and a break above the current 11,500 to 12,550, trading range of the TSX before becoming more bullish. This point in the market does have some similarities to the circumstances that existed in March 2009. During that period we experienced a bottom in the market before seeing a significant rally that, over the next twenty four months, delivered a considerable return for equities. We do not think we are setting up for a rally of the March 2009 magnitude. We do however believe that if this market can sustain a move above the 12,550 level on the TSX, coupled with the continued stronger economic data and good fundamental valuations, we could be in a similar environment that could produce strong returns in 2012. We would like to see the 12,550 level sustained and taken out to the upside to prove the validity of this market move before taking a more aggressive stance in your portfolio.

There is no doubt economic data coupled with early corporate earnings are showing signs of a stronger North American economy. Our concern continues to be that a macro shock (e.g. Greek default) could possibly lead to a significant market decline. Therefore, as we enter February, we are comfortable with a 30% net long position. We continue to have a relatively light weighting in the resource sectors with a focus more on Technology and Industrial names which should benefit from a stronger North American economy. We will continue to keep our hedges on until we feel the risk of an 11,500 bottom on the TSX is alleviated.

Going forward we are starting to see many positive signs developing in this market. The market is beginning to broaden out and volatility has significantly lessened in the last few weeks. Also, we are starting to see less correlation between sectors and individual stocks. This will allow us to add a lot of value through sector and stock selection as we move through 2012. These factors coupled with what we believe are very cheap equity valuations make us much more optimistic for the market and therefore our fund's performance in 2012.

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

## Tony and Jim

Performance	1 month	3 month	6 month	12 month	YTD	2 YR CAGR	3 YR CAGR	4 YR CAGR	Inception
Rival North American Growth Fund	-0.22%	-9.77%	-21.01%	-29.00%	-0.22%	-8.12%	1.24%	-1.13%	-2.37%
S&P/TSX SmallCap (Total Return)	8.87%	4.92%	-5.37%	-8.37%	8.87%	12.54%	25.87%	3.94%	4.13%
S&P/TSX Composite (Total Return)	4.37%	2.38%	-2.44%	-5.65%	4.37%	8.81%	15.97%	1.57%	8.54%
Rival North American RRSP Growth Fund	-0.22%	-9.77%	-21.01%	-29.00%	-0.22%	-8.12%	1.24%	n/a	-13.65%
S&P/TSX SmallCap (Total Return)	8.87%	4.92%	-5.37%	-8.37%	8.87%	12.54%	25.87%	3.94%	9.23%
S&P/TSX Composite (Total Return)	4.37%	2.38%	-2.44%	-5.65%	4.37%	8.81%	15.97%	1.57%	-4.34%

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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