Capital Management Inc.

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

Monthly Summary for January 2013

Monthly Performance (%) Net of All Fees

Year	Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	Rival North American Growth Fund	-0.66												**-0.66%**
2012	Rival North American Growth Fund	-0.22	0.20	-2.52	-0.36	-5.80	0.67	-0.35	0.12	3.57	-0.57	0.45	2.93	**-2.17%**
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

Capstone Mining Corporation
Hovnanian Enterprises
Manitoba Telecom Services
Texas Capital Bancshares Incorporated

Alphabetical order

Company - Shorts

Air Canada Class B
iShares S&P/TSX Materials Sector Index
iShares DJ Transportation Index
SPDR S&P 500 ETF Trust

Net Asset Value (Rival North American Growth Fund)	**$9.50**
Net Asset Value (Rival North American RRSP Growth Fund)	**$8.40**
Annualized return since inception (April 1, 2007)	**-0.86%**
Performance since inception (April 1, 2007)	**-4.91%**
Highest monthly return	**9.70%**
Lowest monthly return	**-7.68%**

Your fund was down 0.66 for the month of January.

As we exited 2012, we believed that equities would out-perform other asset classes and more importantly small cap stocks would out-perform the large cap market. This was based on leading global indicators accelerating, Europe stabilizing, Chinese markets and demand improving and valuations for small cap stocks being at very attractive levels. We are now starting to see these factors play out. This is now being reflected in equity markets as in early January the major (large cap) North American indices all broke out above their short term resistance levels that we have been highlighting for the last several months. As such, we have increased our net long exposure to 81% as we enter February (up from 65% at the end of December) as we are gaining more confidence that our 14200 target for the TSX is attainable.

Although our macro call on the market has been a good one over the last several months, in January our performance was hampered by our exposure to commodity stocks (particularly gold equities) and our lack of US equities. We continue to expect the Canadian market to start outperforming US equities given all of the unresolved fiscal issues that still lie ahead for the US and the relative under-performance of Canadian equities over the last two years. January saw the US markets have a particularly strong month with the DJIA up 5.77%, the S&P up 5.18% and the NASDAQ up 4.06%. Canadian indices continued to lag US markets as the S&P/TSX Composite was up 2.50%, the S&P/TSX SmallCap Index was up 2.60% and S&P/TSX Venture was up only 0.03%. Our call on the sectors that will be significant beneficiaries in this rally did not play out in January, but we believe we are early and not wrong. As we stated last month, we took down our US exposure and used the proceeds to purchase companies in some of the hardest hit areas (materials and energy) in anticipation of a first quarter rally. These sectors had lagged significantly going into January and it was our belief that they would begin to participate in a broadening rally. Even with the underperformance of the materials sector (-3.51%), and many junior energy stocks, other holdings and our other names in the Industrial and Consumer Discretionary sectors managed to offset most of these losses. We still believe a very powerful move is setting up in Canada. Canada has lagged the US markets for the last two years and on top of that has been one of the worst performing markets globally over the last year. Technically our markets look very good (not over extended) and the larger sectors (energy and materials) have not yet participated in any kind of rally. We exited 2012 with a 14.62% weighting in the energy sector and a 23.63% weighting in the materials sector, which we believe will reward us as the macro environment has definitely improved for commodities which should eventually lead to the TSX moving higher.

Looking forward to the next few months we would not be surprised to see a small correction (back to 12500 for the TSX or 3%) in equity prices. Stocks and markets are looking tired and consolidation is needed before we move higher on all major North American indices. So long as markets stay above their key support levels (TSX 12500, DJIA 13500 and S&P 1460), we will look to decrease our short positions (hedges) and continue to be buyers of equities on any pullbacks. Going into February, we feel the portfolio is well positioned to take advantage of the broadening equity advance. We are excited about the prospects for several commodities particularly copper as it continues to move higher on expanding global economic growth. Copper stocks are well represented in the fund (Capstone, Copper Mountain and Lundin Mining) and although they have lagged, we still expect them to outperform in 2013. We continue to have a much larger portion of the portfolio in Canadian stocks as we feel they are less extended than US equities and offer more compelling opportunities both technically and fundamentally. Although we have recently increased our commodity stock exposure, the portfolio continues to be well diversified (see the Fund Fact Sheet) and is focused on many stock specific situations that are screening well for us on an earnings growth and technical basis. Small cap names in Canada that continue to look attractive include ATS Automation, Matinrea, Carfinco and Auto Canada.

Over the last six months, both the fund's relative and absolute performance has significantly improved as we continue to stick with our process and discipline that over the long term we feel can deliver above average returns. Adding to our confidence going forward is that if history is correct, a strong January (above 4% returns) bodes well for stock market performance over the balance of the year. On average, this statistic has led to higher markets, aside from the Great Depression years and 1987. This January saw 18 of the top 20 stock markets up for the month. There is never any guarantee that history will repeat, but given markets have finally broken through the trading ranges we have been talking about for months it only gives us more confidence that 2013 could be a good year for equities.

As always, we thank you for your 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	-0.66%	2.71%	5.91%	-2.60%	-0.66%	-6.32%	-1.43%	-4.91%
S&P/TSX SmallCap (Total Return)	2.60%	0.96%	6.29%	-7.85%	2.60%	5.28%	1.47%	-4.04%
S&P/TSX Composite (Total Return)	2.25%	2.91%	10.42%	5.01%	2.25%	7.53%	2.25%	13.97%
Rival North American RRSP Growth Fund	0.66%	2.71%	5.91%	-2.60%	0.66%	-6.32%	NA	-15.90%
S&P/TSX SmallCap (Total Return)	2.60%	0.96%	6.29%	-7.85%	2.60%	5.28%	1.47%	0.65%
S&P/TSX Composite (Total Return)	2.25%	2.91%	10.42%	5.01%	2.25%	7.53%	2.25%	0.45%

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

Capital Management Inc.
160 -99 Scurfield Boulevard, Winnipeg, MB R3Y 1Y1 Phone: 204-992-6210 Fax: 204-992-6215 Email: info@rivalcapital.ca Web: www.rivalcapital.ca
301—1205 West Hastings Street, Vancouver, BC, V6E 4T7 Phone: 778-373-9695 Email: jmcgovern@rivalcapital.ca