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

Rival Capital Management Inc.

Monthly Summary for May 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	0.20	-2.52	-0.36	-5.80								**-8.53%**
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

Canadian Reit Trust Units
Manitoba Telecom Services
Primaris Retail REIT
(The) Hersey Company

Alphabetical order

Company - Shorts

B2Gold Corporation
Banro Corporation
Financial Select Sector SPDR
HSBC Holdings PLC-SP ADR

Net Asset Value (Rival North American Growth Fund)	**$8.95**
Net Asset Value (Rival North American RRSP Growth Fund)	**$7.92**
Annualized return since inception (April 1, 2007)	**-2.12%**
Performance since inception (April 1, 2007)	**-10.50%**
Highest monthly return	**9.70%**
Lowest monthly return	**-7.68%**

Your fund was down 5.80% in May.

May was a difficult month for North American markets as both global macro issues and concerns over worldwide economic growth created more havoc for investors. Large cap indices in North America were down over 6% with the S&P/TSX Composite Index down 6.14% and the DJIA down 6.21%. Our benchmarks, the S&P/TSX SmallCap Index and the S&P/TSX Venture Index, were also unable to avoid the pressure from these macro concerns as they were down 7.71% and 9.43% respectively.

For the third consecutive month, due to our more cautious stance and a relatively low weighting in the underperforming resource sectors, your fund outperformed its benchmarks. The S&P/TSX SmallCap Index is down 15.51% and the S&P/TSX Venture Index is down 22.84% over this time period which, from a relative perspective, proves our process and discipline is again adding value and is giving us increased confidence that once better overall markets prevail, positive absolute returns will follow.

Markets have continued to be under pressure, however in our opinion, current bearish concerns are mostly macro-economic and politically related and not stock related. Main concerns continue to be centered on risks associated with the European debt crisis and worries over the slowing down of Chinese growth. This has significantly impacted the multiple that investors are willing to pay for earnings, as North American earnings (not including the resource sectors) are showing solid growth. We believe alleviation or at least postponement of some of these concerns could lead to a multiple expansion that could drive this market much higher. In the meantime we continue to keep a larger than normal cash component in your fund.

Given the macro concerns that exist, the question becomes how much of these macro concerns are currently priced into the market? We would argue that the market is oversold in the near term and is discounting most of the macro issues. On a fundamental basis, the S&P 500 is trading at a 2 multiple discount to the market's 30 year average. This would imply that the S&P has upside potential to 1500 (+16%) if it were to just return to its average multiple. On a yield basis, we are seeing yield ratios between Canadian and US bonds relative to stock dividend yields that we have not seen since market bottoms in 2009 and before that, the late 50's in the US and the early 40's in Canada. This is all against the backdrop of improving economic statistics particularly as they relate to the US consumer. Consumer confidence continues to remain high and US housing data is starting to show that housing, which has been in a five year recession, is finally starting to show signs of a bottom. If the worst is indeed behind us for the US housing market, this would be a huge positive for both the US consumer and US equity markets. *(For these reasons we continue to focus on the Consumer Discretionary, Industrial and Technology sectors of the market relative to the resource sectors. We are also warming up to select US financials as they too will be beneficiaries of an improving housing market).*

As we have mentioned in previous comments, the 11,500 level on the TSX is where we see technical support for the market. The market has once again slightly undercut this level and has bounced above it. We are still of the opinion that the market is in a trading range between 11,500 and 12,500 and we are currently testing the bottom of this range. If this level were to hold, we would expect a rally in the Canadian market. US markets are at similar support levels after the recent market correction.

From an investment management perspective, the last 18 months has seen some of the most difficult equity markets in memory. With this behind us we believe better returns are very close upon us. Over the last several months our process and discipline has added value to the portfolio by significantly outperforming its benchmarks. That coupled with what we see as a better investable environment on the horizon, should lead to the positive absolute returns we strive for at Rival Capital Management. Rest assured we are not satisfied with our recent performance, however, as we work through these difficult markets, we take comfort in the small positives as well as keeping the risk we overlay on your fund very low. This is seen through the higher than normal cash levels and the defensive positioning in the fund. It is our belief that until macro concerns are alleviated, this market will be range bound. We will continue to use our ability to be nimble in this market to take advantage of this 11,500 to 12,500 (TSX) range, while keeping our focus on consumer sectors with yield support.

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	-5.80%	-8.51%	-12.78%	-28.13%	-8.53%	-5.38%	-2.89%	-10.50%
S&P/TSX SmallCap (Total Return)	-7.71%	-15.51%	-7.88%	-22.60%	-5.88%	13.18%	-3.47%	-9.97%
S&P/TSX Composite (Total Return)	-6.14%	-8.22%	-4.26%	-14.19%	-2.60%	6.42%	-1.12%	1.28%
Rival North American RRSP Growth Fund	-5.80%	-8.51%	-12.78%	-28.13%	-8.53%	-5.38%	n/a	-20.84%
S&P/TSX SmallCap (Total Return)	-7.71%	-15.51%	-7.88%	-22.60%	-5.88%	13.18%	-3.47%	-5.57%
S&P/TSX Composite (Total Return)	-6.14%	-8.22%	-4.26%	-14.19%	-2.60%	6.42%	-1.12%	-10.73%

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

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