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

Rival Capital Management Inc.

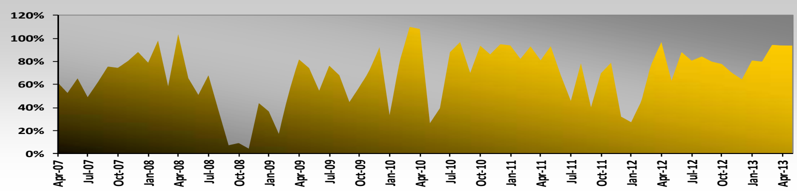
Monthly Summary for May 2013

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	-4.01	2.57	-1.89	3.42								**-0.76%**
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.

Leverage Statistics



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)	**-0.83%**
Performance since inception (April 1, 2007)	**-5.00%**
Highest monthly return	**9.70%**
Lowest monthly return	**-7.68%**

Your fund was up 3.42% for the month of May.

May ended with the broader markets, the S&P/TSX Composite Index and the S&P 500, up 1.77% and 2.34% respectively for the month. Given that the majority of investors in US markets have been calling for a correction of some significance, one could argue that the broader market decoupled from the age old adage, “sell in May and go away”. As this advance continues, we are continuing to see a rotation from large cap dividend paying stocks and yield plays into more cyclical and economically sensitive small cap stocks. Investors’ appetites seem to be moving more towards growth and capital appreciation and away from yield and capital preservation. This will only continue to bode well for the area of the market that your fund participates in, North American small cap stocks.

In our client letter a year ago, we stated that, “current bearish concerns are mostly macro-economic and politically related and not stock related.” We also stated that, “aside from the resource space, strong returns from equities are possible if macro concerns lessen as there is significant opportunity for market multiples to expand.” The last macro headwind to dominate the headlines was the fiscal cliff and that was almost six months ago. Since then the market has been focusing on stock specifics which in turn has lead to a strong first half of 2013 in the US markets. Your fund has been positioned well through this period and this is now starting to be reflected in our performance. Over the last year the S&P/TSX SmallCap Index is up 1.41%, the S&P/TSX Venture is down 25.38% while the Rival North American Growth Fund is up 6.13%. This outperformance relative to our benchmark is largely due to our process directing us out of the resource sectors and into the technology, consumer discretionary and financial sectors. It is worth noting, that during this same period, the S&P/TSX was up 13.34%. However, as we alluded to earlier, the main driver of this performance has been from large cap dividend payers and yield plays. These are areas that your fund does not participate in given their generally lower than average growth rates and larger market capitalization.

Entering June your fund is at a 94% net long position with approximately 62% in US equities and 32% in Canada. Our increased exposure to technology and financials, particularly in the US, was a major benefit to our strong performance in May. On a relative basis our continued low weighting in the resource sectors also benefitted our performance in May. It is worth noting that year to date, the materials and utilities sectors are the only negative contributing sectors to the S&P/TSX. It is this rolling over of sectors, like the utilities that have made us very cautious on the dividend trade as a whole. As the dividend trade comes to an end, or at least begins to slow, we are of the belief that funds will begin to flow even more towards growth and smaller cap stocks. This we feel will continue to benefit the Fund’s returns. In May, we made relatively few changes to the make up of the portfolio believing that our areas of emphasis (technology, consumer discretionary and financials) will continue to benefit from fund flows as well as improving economic fundamentals particularly in the US. Despite still relatively tepid growth in the US economy, we believe improvement in housing statistics, car sales and employment statistics will continue to drive many areas of the US market higher.

As for Canada, it once again underperformed US markets in May. This has been a consistent theme for the last couple of years and we are watching it closely. We went into 2013 with the view that the Canadian market would experience a catch up rally to its US counterpart. We were wrong in our timing. However, we are now of the opinion this will play out later in 2013. The commodity sectors seem to be at least stabilizing and we are especially starting to see that in the materials sector. For the first time in a long time, we are also started to see the new highs list being populated by stocks other than the large cap dividend payers. If this rotation into the more economically sensitive stocks plays out, the S&P/TSX Composite Index could see highs of 14200 to 14300 (Mar 2011 highs), or 14% to 15% from current levels. As we’ve stated in previous commentaries, for us to have the confidence that these upside targets are attainable in Canada we need to see the S&P/TSX Composite Index get out of its current trading range and decisively break above the 12900 level. If this were to happen we could see your fund tilting again towards Canada as we feel the Canadian catch up rally would be under way.

We are very cognizant of the fact that the US market is up over 25% (trough to peak) in the last seven months. A correction of 3% to 5% would be healthy for the markets and would give us more confidence that new highs are attainable. This, coupled with the rotation we are seeing into economically sensitive stocks, gives us some reassurance that North American small cap stocks will be the beneficiaries over the second half of 2013.

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	3.42%	4.07%	2.15%	6.13%	-0.76%	-6.05%	-3.46%	-5.00%
S&P/TSX SmallCap (Total Return)	1.67%	-1.90%	-0.04%	1.41%	-2.38%	1.59%	-1.11%	-8.71%
S&P/TSX Composite (Total Return)	1.77%	-0.53%	4.99%	13.34%	2.99%	5.40%	0.05%	14.79%
Rival North American RRSP Growth Fund	3.42%	4.07%	2.15%	6.13%	-0.76%	-6.05%	NA	-15.98%
S&P/TSX SmallCap (Total Return)	1.67%	-1.90%	-0.04%	1.41%	-2.38%	1.59%	-1.11%	-4.24%
S&P/TSX Composite (Total Return)	1.77%	-0.53%	4.99%	13.34%	2.99%	5.40%	0.05%	1.17%

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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