

### 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	3.57	-0.57			-5.39%
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) \$9.25  
Net Asset Value (Rival North American RRSP Growth Fund) \$8.18

Manitoba Telecom Services  
Mega Brands Incorporated  
Transdigm Group Incorporated  
Trinity Industries Incorporated

iShares S&P/TSX Capped Energy Fund  
iShares S&P/TSX Capped Materials Fund  
SPDR Dow Jones Industrial Average  
SPDR S&P 500 EFT Trust

Annualized return since inception (April 1, 2007) -1.37%  
Performance since inception (April 1, 2007) -7.42%  
Highest monthly return 9.70%  
Lowest monthly return -7.68%

Alphabetical order

Your fund was down 0.57% in October.

In October, Canadian markets for the first time in a long time outperformed their US counterparts. While the S&P 500, DJIA and NASDAQ were all down 1.85%, 2.54% and 4.46% respectively, Canada saw the S&P/TSX Composite up 1.07%, and the S&P/TSX SmallCap and S&P/TSX Venture Indices down 0.40% and 1.50%. The best performing areas were the more defensive sectors including Telecom Services and Consumer Staples as the "risk on" trade took a break. Small and micro cap stocks lagged as evidenced by the negative returns seen in small cap indices. Although your fund's performance was in line with the S&P/TSX SmallCap Index this month, the last six months we have managed to outperform our benchmarks, the S&P/TSX SmallCap Index and the S&P/TSX Venture Index. This outperformance has come from our commitment to our discipline and process which has led to better stock selection.

US markets in October retraced most of their gains made in September. This was largely due to struggles to get through key resistance levels (1460 for the S&P and 13600 for the DJIA) and several disappointing earnings reports. The most noticeable came the day before the 25<sup>th</sup> anniversary of Black Monday, which was the mistaken early release of Google's third quarter earnings. The following week, two other large bellwether stocks, Amazon and Apple also posted weaker than expected numbers and guidance. Apple's negative guidance led to a broad market sell off in October particularly in technology stocks which were down 4.46% as measured by the NASDAQ Composite Index. Although our US holdings were a bit of a drag on our overall performance in October, we have used this recent correction in US stocks to slightly increase our US exposure in some of our favoured areas including technology, consumer discretionary and industrials. Although macro economic issues still remain, the recent US market correction has allowed us to add to our positions as we approach the bottom of the recent market trading range.

Canada on the other hand is experiencing what some would call Groundhog Day. As we mentioned last month: "the S&P/TSX is currently consolidating below the 12500 level and is bumping up against it for the second time in two months". Since that commentary, we have seen the S&P/TSX hit 12500 two more times, resulting in four attempts at breaking this key resistance level we have been talking about for most of the year. The fact that the S&P/TSX has failed for a fourth time is a concern to us. It is this concern and the tight trading range the market is in which has led us to take some profits in several commodity stocks in the portfolio. This has reduced the overall portion of the portfolio in favour of more US exposure. Other than these slight changes we do not see getting any more aggressive (we remain at an approximately 80% net long position) until we finally break through levels that would indicate to us that the S&P/TSX Composite Index could move to its next resistance level of 13500. This narrow trading range over the past few months coupled with the general underperformance from small and mid cap stocks has made it difficult to generate returns. Despite that, your fund has started to turn out positive returns over the last several months. We are confident as we move into a more normal environment for small and mid cap stocks our returns will continue to improve.

As should be fairly clear from our discussion above, our thesis on the markets has not changed. We continue to believe that as long as a number of key macro issues remain unresolved (in the short term, the fiscal cliff has come to the fore), the market will continue in its current trading range. Upon resolution of these issues (in a successful manner) we would expect a more favourable environment for small and micro cap stocks, and this would allow us to take a more aggressive stance. In the meantime we will continue to navigate this range bound market with a view towards generating positive absolute returns.

In the very short term, we have been able to generate a positive return in what we would consider a very difficult market environment. Our relative performance has also improved significantly. We are very encouraged by these results and we are confident that with a return to a more normal environment for small cap stocks, coupled with our disciplined process, this will lead to even better returns for your fund.

As always we thank you for your continued support.

Performance	1 month	3 month	6 month	1 year	YTD	3 YR CAGR	5 YR CAGR	Inception
Rival North American Growth Fund	-0.57%	3.10%	-2.57%	-14.44%	-5.39	-5.59%	-3.43%	-7.42%
S&P/TSX SmallCap (Total Return)	-0.40%	5.27%	-2.56%	-4.24%	-0.64%	8.19%	1.77%	-4.95%
S&P/TSX Composite (Total Return)	1.07%	7.30%	2.64%	4.47%	6.50%	7.36%	-0.34%	10.75%
Rival North American RRSP Growth Fund	-0.57%	3.10%	-2.57%	-14.44%	-5.39%	-5.59%	NA	-18.13%
S&P/TSX SmallCap (Total Return)	-0.40%	5.27%	-2.56%	-4.24%	-0.64%	8.19%	1.77%	-0.28%
S&P/TSX Composite (Total Return)	1.07%	7.30%	2.64%	4.47%	6.50%	7.36%	-0.34%	-2.39%

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

*Tony and Jim*

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