



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

Monthly Summary for September 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	0.67	-0.35	0.12	3.57				-4.85%
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)	Net Asset Value (Rival North American RRSP Growth Fund)
Aeropostale Incorporated	Freeport-McMoran Copper	\$9.31	\$8.23
Family Dollar Stores	iShares S&P/TSX Capped Energy Fund		
First Majestic Silver Corporation	SPDR S&P Homebuilders ETF	Annualized return since inception (April 1, 2007)	-1.29%
Market Vectors Junior Gold Miners	UBS AG-REG	Performance since inception (April 1, 2007)	-6.89%
		Highest monthly return	9.70%
		Lowest monthly return	-7.68%

Alphabetical order

Your fund was up 3.57% in September.

North American markets proved to be stronger in September, with small and micro cap stocks leading the way as investors' appetite for risk has increased. The DJIA and S&P/TSX Composite Index were up 2.65% and 3.43% respectively, while the S&P/TSX SmallCap Index was up 2.93%. The S&P/TSX Venture Index, led all indices, and was up 7.56%. A significant portion of the Canadian markets' performance in September was attributable to the materials sector and in particular the gold space. Despite this particularly strong month from these two areas, the performance contribution from both still remains negative year to date. Your fund's performance was strong in September given our increasing exposure to the commodity space (as mentioned in last month's commentary) and our decreased weighting in some relatively more defensive names and sectors. Although we have increased our commodity stock exposure, we continue to predominantly stick to junior producers at the expense of more speculative micro cap exploration companies.

Our relative performance has significantly improved in the short term and your fund has notably outperformed its benchmark over the last six months. This has been achieved through our commitment to our process and discipline, coupled with our style coming back into favour. Our process led us to add back to our commodity stock exposure in late August and early September which, we believe, is a trading rally that could last for the balance of the year. Although we are not satisfied with our absolute performance year to date, we are very encouraged by our recent performance and continue to believe that a strong fourth quarter is on the horizon.

It has been a long time since we have seen positive fundamental data coupled with strong technical indicators. As we have stated in the past, we were and are very cognizant of the key resistance levels of 12,500 on the S&P/TSX and 13,200 on the DJIA as an indication that markets intend to move higher. On September 6th, 2012 the DJIA broke through the 13,200 level and has been trading well above that level ever since. One would have to go back to early May 2007 to find this kind of technical strength in the US markets. We continue to see a series of higher highs and higher lows on the DJIA that leads us to believe that the next resistance level is 13,600. The S&P/TSX is currently consolidating below the 12,500 level and is bumping up against it for the second time in two months. Similar to the DJIA, it is also seeing higher highs and higher lows which could be setting the stage for what could be a strong move for the TSX out of its current trading range. If the S&P/TSX does break through the 12,500 level you could see Canada outperforming the US markets for the first time in a long time. Assuming the S&P/TSX Composite Index is able to break above its current resistance level, we would further increase our Canadian exposure with the view that the S&P/TSX Composite Index could move to its next resistance level of 13,500.

As we stated earlier this year, we have been of the view that strong returns from equities were possible if macro concerns lessened which could lead to expanding market multiples. Over the past few months we have started to see this unfold which has led to stronger markets. An increasing supply of reserves into the world's banking system and the Federal Reserve's QE3 program have continued to be very bullish for markets. Global indicators are starting to turn and are showing better month over month growth. With regards to equities, we are on the cusp of third quarter earnings reports which have been guided down to what investors are expecting to be the worst earnings season since 2009. The big question becomes, how much of these weak earnings are already expected by investors and baked into the markets? Any improvement in an already dismal outlook for earnings this quarter could be another positive catalyst for North American markets into the last quarter of 2012.

At Rival, we are always analyzing risk and risks to your portfolio. It is this process that keeps us from getting any more aggressive than the 80% net long position we currently hold. Although we are bullish and expect to be into the year end, we would not be surprised to see some kind of short term pull back in North American equity markets. This pull back could be due to the rally we have seen from the June lows and the continued existence of several macro uncertainties including, the fiscal cliff in the US, slower growth in China and continued European debt concerns. Despite our positive outlook, we are always trying to reduce risk and decrease volatility and therefore, we do not expect to increase our current net long position until current macro issues are fully addressed.

As always we thank you for your on-going support and trust.

Performance	1 month	3 month	6 month	1 year	YTD	3 YR CAGR	5 YR CAGR	Inception
Rival North American Growth Fund	3.57%	3.33%	-2.37%	-13.49%	-4.85%	-5.85%	-2.67%	-6.89%
S&P/TSX SmallCap (Total Return)	2.93%	8.32%	-5.86%	5.61%	-0.24%	8.35%	-1.06%	-4.57%
S&P/TSX Composite (Total Return)	3.43%	7.02%	0.95%	9.17%	5.38%	5.52%	0.22%	9.57%
Rival North American RRSP Growth Fund	3.57%	3.33%	-2.37%	-13.49%	-4.85%	-5.85%	NA	-17.65%
S&P/TSX SmallCap (Total Return)	2.93%	8.32%	-5.86%	5.61%	-0.24%	8.35%	-1.06%	0.11%
S&P/TSX Composite (Total Return)	3.43%	7.02%	0.95%	9.17%	5.38%	5.52%	0.22%	-3.42%

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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