



RiverPark Floating Rate CMBS Fund

(RCRIX/RCREX)

Portfolio Update – Repositioning for the “New Normal” (November 9, 2020)

The RiverPark Floating Rate CMBS Fund (the “Fund”) has made a strong recovery from the initial price shock brought by COVID-19 in mid-March 2020. The return to par for the CMBS market is likely to slow down from here, in part because it has already rallied so much, and in part, because the current visibility for an end to the pandemic and its impact on certain sectors, notwithstanding a vaccine, is still unclear.

While we had hoped that investors would stay the course as return expectations normalized, the Fund’s largest investor gave us notice to redeem last week and has substantially left the fund as of today. More importantly, for remaining shareholders, including ourselves, we have repositioned the portfolio for the “new normal” world by eliminating our exposure to hotel and office assets. Although these sectors still offer potential upside, they also have the highest volatility. In fact, increasingly negative market sentiment regarding a paradigm shift away from business travel and towards lower office rents longer term was largely responsible for the poor performance of the Fund over the last two months.

The remaining portfolio contains only assets that we expect to thrive no matter how the pandemic plays out: industrial (~65%) and multi-family apartment (~35%). The industrial sector, in particular, benefits from the explosion in on-line retail. While we had been opportunistic immediately following the pandemic, generating trading gains, we think now is the time to adopt a more defensive position, consistent with the initial investment strategy of focusing on stable and durable cash flows.

We believe the Fund should be viewed by investors, once again, as a current yield strategy, with a current gross coupon of around 2.5% and expected upside in the form of a gradual return to par over the next 12 months for assets that are currently marked at around 96% of face value. In our opinion, the Fund represents an attractive risk/return trade-off in the current near zero percent interest rate environment, and as rates eventually normalize the Fund should participate as the predominantly floating rate coupons reset on a monthly basis.

We remain substantial investors in the Fund and believe lower risk, albeit with lower return expectations, is the right strategy at this time.



We welcome the opportunity to discuss the repositioned portfolio with you.

Best regards,

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To determine if a Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and other information may be found in the Fund's summary and full prospectus, which may be obtained by calling 1-888-564-4517 or by visiting the website at www.riverparkfunds.com. Please read the prospectus carefully before investing.

Investing involves risk including possible loss of principal. Bonds and bond funds are subject to credit risk, default risk and interest rate risk and may decline in value as interest rates rise. High yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments. CMBS are not backed by the full faith and credit of the U.S. government and are subject to risk of default on the underlying mortgages. Securities backed by commercial real estate assets are subject to risks similar to those of direct ownership of commercial real estate loans including, but not limited to, declines in the value of real estate, declines in rental or occupancy rates and risks related to general and local economic conditions. There can be no assurance that the Fund will achieve its stated objectives. The Fund is not diversified. The value of the collateral securing CMBS can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. As a result, CMBS may not be fully collateralized and may decline significantly in value.

This material represents the portfolio manager's opinion and is an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the Fund or any security in particular.

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