



RiverPark Focused Value Fund

(RFVIX / RFVFX)

Our investment philosophy is simple, consistent, and durable. We are rigorous, research-oriented, fundamental value investors. You should expect us to understand deeply the businesses in which we have invested our shareholders' capital and, in each situation, to have a quantitative framework for how we expect to earn an attractive compound return over a multi-year holding period.

RiverPark Focused Value Fund (the Fund) represents a significant investment for me and the RiverPark team. Our goal remains to earn your trust and confidence in our value-oriented approach to investing.

Third Quarter 2017 Performance Summary

In the third quarter of 2017, the Fund returned 3.48%, the total return of the S&P 500 Index was 4.48%, and the total return of the Russell 1000 Value Index was 3.11%.

Table I
Fund Returns for the Quarter ended September 30, 2017

	Institutional Shares (RFVIX)	Retail Shares (RFVFX)	S&P 500 (Total Return)	Russell 1000 Value (Total Return)
Third Quarter 2017	3.48%	3.37%	4.48%	3.11%
Year-To-Date	17.39%	17.00%	14.24%	7.92%
One Year	19.88%	19.44%	18.61%	15.12%
Since Inception - Annualized (March 31, 2015)	-1.36%	-1.64%	10.52%	8.50%

Performance quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be higher or lower than the performance quoted. High short-term performance of the fund is unusual and investors should not expect such performance to be repeated. For performance data current to the most recent month end, please visit the website at www.riverparkfunds.com or call 1-888-564-4517. Expense ratios as of the prospectus dated 1/27/2017: RFVIX 1.00% (gross); 0.97% (net); RFVFX 1.25% (gross) 1.35% (net). Fee waivers are contractual and subject to annual approval by the Board of Trustees.

Index returns are for illustrative purposes only and do not represent fund performance. Index performance returns do not reflect any management fees, transaction costs, or expenses. Indexes are unmanaged and one cannot invest directly in an Index.



Portfolio Summary

Investment returns for the third quarter and for the year-to-date period continued to be satisfactory. After some start-up related challenges in portfolio construction, we have delivered results more consistent with our expectations for the past five quarters and have recovered a great deal of prior underperformance. We believe that our portfolio remains substantially undervalued and has the potential to deliver substantial absolute and relative returns from current levels.

During the quarter, we neither initiated any new positions nor exited any existing positions. Our most significant portfolio move was to reduce our exposure to Calpine Corp. (CPN) as the company agreed to be acquired for \$15.25 per share and the stock traded up accordingly. While we think the company is worth far more than the acquisition price, we expect to continue to reduce this position based on market conditions. As is often the case, we used price fluctuations to add to some positions on weakness and reduce others on strength. We believe this process of “tactical rebalancing”, or buying low and selling high, should be a significant source of profits for us over time. We write more about both our investment in CPN and rebalancing later in this letter.

Our cash position at quarter-end was approximately 8.5%. See below for our top ten holdings, as well as the positions that most significantly contributed and detracted from performance during the quarter:

Table II
Top Ten Holdings as of September 30, 2017

	Percent of Net Assets of the Fund
Marathon Petroleum Corp.	8.5%
CF Industries Holdings, Inc.	6.5%
Calpine Corp.	5.7%
Las Vegas Sands Corp.	5.7%
LyondellBasell Industries N.V.	5.2%
Ally Financial Inc.	5.2%
AerCap Holdings N.V.	4.7%
Macquarie Infrastructure Corp.	4.6%
Liberty Global PLC	4.4%
The Blackstone Group L.P.	<u>4.4%</u>
	54.9%

Numbers may not sum to total due to rounding. Holdings are subject to change. Current and future holdings are subject to risk.



**Table III
Top Contributors to Performance
for the Quarter ended September 30, 2017**

	Percent Impact
CF Industries Holdings, Inc.	1.41%
LyondellBasell Industries N.V.	0.86%
Ally Financial Inc.	0.76%
Calpine Corp.	0.75%
Marathon Petroleum Corp.	0.65%

**Table IV
Top Detractors from Performance
for the Quarter ended September 30, 2017**

	Percent Impact
Allergan PLC	-0.56%
Alliance Data Systems Corp.	-0.55%
Colony NorthStar, Inc.	-0.37%
Macquarie Infrastructure Corp.	-0.28%
Liberty Interactive Corp. QVC	-0.11%

Portfolio Attribution is produced by RiverPark Advisors, LLC (RiverPark), the Fund's adviser, using the FactSet Research Systems Portfolio Analysis Application. Although RiverPark believes that the FactSet model adheres to generally accepted standards in the industry, attribution analysis is not an exact science and different methodologies may produce different results.

Performance attribution is shown gross of fees. Holdings are subject to change.

Portfolio Update: Calpine Corp. (CPN)

During the quarter we reduced our holding of Calpine when a private equity group offered to acquire the company at \$15.25 per share and the acquisition was unanimously approved by CPN's board of directors. While we were pleased to see the stock trade up by 30% after the initial news of the deal surfaced, we were somewhat disappointed by the acquisition price and the overall outcome of the investment. CPN offers some important lessons for us as investors.

We purchased Calpine as we believed it had a fleet of efficient natural gas and geothermal power generation assets, generally situated in well-functioning competitive power markets. We expected them to be significant beneficiaries of asset retirements in both Texas, where low natural gas and electricity prices rendered most coal-fired generating assets non-economic, and in the Northeast which has a significant number of older, less efficient coal-fired plants. We were surprised that over the duration of the investment, no coal-fired assets were retired in Texas (although one retirement was recently announced), or in the Northeast where new capacity has entered the market in anticipation of the coal retirements, reducing profitability in the near term. In both markets, we believe it is a matter of when, not if, coal-fired retirements occur and that these retirements will benefit efficient, flexible producers like Calpine.

In addition to slower-than-expected asset retirements, Texas has experienced relatively cool summer weather for the last three years, which has led to less need for air conditioning and reduced demand for electricity. More normal Texas weather patterns would have benefited Calpine through higher pricing in the short term and the willingness for users to contract at higher prices over the longer term.



While our projections were slightly optimistic with respect to both Texas weather and the pace of asset retirements, our underlying analysis of the company's asset quality and durability of cash flows turned out to be largely accurate. Calpine was able to deliver operating cash flow nearly consistent with our projections through improved operations and portfolio rationalization. However, continued frustration with the pace of improvement weighed on investors and on the stock.

In retrospect, we made the CPN position too big, too fast. We initiated our position in April 2015, shortly after we launched the Fund. At the time, CPN had an attractive free cash flow yield of nearly 10%. Between our initial purchase and May 2017 (when rumors of an acquisition began to surface), CPN traded down to a free cash flow yield in excess of 20%. While this valuation was extraordinarily attractive, we were unable to increase our investment as we had already hit our internal position limits. After this frustrating experience, we have become much more careful about giving ourselves room to add to investments should they trade down significantly.

We were also somewhat surprised that management agreed to sell the business at what we believe to be a very attractive price for the purchaser and a less appealing price for the company's owners, including ourselves. We regard CPN management as thoughtful and shareholder-oriented. In previous years, the company has been an aggressive purchaser of its own stock, at levels significantly higher than the acquisition price. Management has repeatedly indicated that they believed the company to be undervalued. Further, in that Calpine is efficiently run and is already financed like a leveraged buyout, we are not sure what a private equity buyer will do that management could not have done alone. We suspect that management and the board believe that greater patience is required for implementation of their strategic plan and that private equity buyers are more patient than public shareholders. While we disagree with their decision, and believe the price is too low, no competitive buyer has appeared. The acquisition is likely to close in early 2018, ending CPN's experience as a publicly-traded company and ours as CPN shareholders.

Investment Strategy: Rebalancing – as close to a “free lunch” as there is

In several previous letters, we have written about changes to our portfolio based on price changes within the quarter. We have indicated that we tend to add to positions experiencing price declines and to reduce positions where prices have risen. This “tactical rebalancing” of our portfolio has been, and we believe will continue to be, a source of significant profitability over time and is worthy of a more comprehensive explanation.

We conduct fundamental and original research on each potential investment idea. For those situations where we decide to initiate a position, we develop a target position size. This target, for initial positions, is generally in the range of 2% to 5%. Where the investment falls within that range is based on our



analysis of both the potential for gain and loss in the position as well as our assessment of timing for value realization. Investments with substantial upside, limited downside, and where there is an event in the near-term we think is likely to unlock value tend to be large initial positions. Conversely, those where upside is more muted, the risk of loss is greater, or the time horizon for value recognition may be longer, tend to be smaller.¹

We develop a detailed investment model for each of our portfolio positions. These models generally incorporate our estimates of multi-year operational and financial trends including, among other things, returns on incremental invested capital and the benefit of capital allocation such as share repurchases or deleveraging. We tend to look beyond short-term cyclical impacts or operational missteps and, in many instances, the opportunity for us to invest at an attractive valuation is the result of these temporary challenges. Some market participants have a shorter term perspective than we do. Rather than looking at the company from a multi-year perspective, they may look to annual, quarterly, monthly, or even shorter time frames. This shorter term focus can create price volatility and the opportunity for a long-term investor to buy low and sell high. As evidence of how significant this volatility can be, on average the stocks in our portfolio have experienced a 50% spread between their lowest price and their highest price over the past 12 months. Our ability to “lean-in” when securities are near their lows and trim when they are nearer their highs has the potential to enhance our returns over simply buying and holding.

One example of this strategy is our position in LyondellBasell Industries NV (LYB). We purchased our first shares of LYB in September 2015 at approximately \$87 per share. At that point, we felt that it was a great business with excellent management and superlative capital allocation, but that the valuation was good, not great. Our initial position size was 3.1%. Between September 2015 and June 2016 we added to our position as we learned more about the company and as the share price declined. By June 2016, LYB was a 4.7% position at an average cost of approximately \$82 per share (nearly 6% below our initial purchase price). Since June 2016, we have maintained LYB between a 4% and 5% position and have used price volatility to our advantage. Had we simply bought and held our initial shares from September 2015, based on today’s price of nearly \$100 and cumulative dividends of nearly \$7 per share, we would have earned an undiscounted total return of \$19 on our \$87 share price or 22% over two years. While the calculations are admittedly less precise based on the timing of purchases, sales and dividends, the market value of our current position plus the cumulative dividends we have received is 33% greater than our net invested capital in LYB.

¹ As to why we own any position with inferior reward potential, risk of loss or timing, the simple reason is diversification. As we have described in previous letters, we think the “right” balance of concentration and diversification is 20-25 positions. Within this portfolio there will always be some investments that we feel are superior to others and we want our relative position sizing to reflect this preference.



Buy and hold returns are driven entirely by the initial purchase price and the ultimate sale price. They are independent of the prices at which the security trades between purchase and sale. With the benefit of a fundamental analysis of the *value* of the securities we own, we are able to take advantage of changes in *price* to enhance our returns. Much has been written recently about the penetration of passive investment strategies such as index investing and ETFs. We believe that as the share trading due to these value-independent market participants increases, the potential for disciplined, value-conscious investors to create profits through tactical rebalancing is likely to increase and we want to be in a position to take advantage of these opportunities.

Conclusion

Thank you for your interest in the RiverPark Focused Value Fund. We continue to believe we have a durable and differentiated investment process that can deliver attractive returns over time. We have identified a portfolio of well-managed, high-quality businesses at reasonable valuations that we believe offer compelling return potential over the next several years. We look forward to updating you in future letters.

Sincerely,

David Berkowitz
Portfolio Manager and Co-Chief Investment Officer

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 or 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.

Mutual fund investing involves risk including possible loss of principal. In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic or political instability in other nations. The Fund may invest in securities of companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments may result in significant returns to the Fund, they involve a substantial degree of risk. There can be no assurance that the Fund will achieve its stated objectives. The Fund is not diversified.

This material represents 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 funds or any security in particular.



Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The index was developed with a base value of 200 as of August 31, 1992.

S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic equity market through changes in the aggregate market value of 500 stocks representing all major industries. Investors cannot invest directly in an index.

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