



RiverPark Large Growth Fund

(RPXIX / RPXFX)

Second Quarter 2017 Performance Summary

The broader market and the RiverPark Large Growth Fund (the Fund) continued their strong 2017 performance in the second quarter as the S&P 500 Index and the Russell 1000 Growth Index returned 3.1% and 4.7%, respectively, while the total return for the Fund was 5.3% for the quarter. This brings the Fund's 2017 year-to-date total return to 15.5%.

TABLE I
Fund Returns for the Quarter ended June 30, 2017

	INSTITUTIONAL SHARES (RPXIX)	RETAIL SHARES (RPXFX)	S&P 500 (total return)	RUSSELL 1000 GROWTH (total return)
SECOND QUARTER 2017	5.31%	5.27%	3.09%	4.67%
YEAR-TO-DATE	15.61%	15.49%	9.34%	13.99%
ONE YEAR	26.85%	26.67%	17.90%	20.42%
THREE YEAR – ANNUALIZED	6.35%	6.10%	9.61%	11.11%
FIVE YEAR – ANNUALIZED	12.97%	12.71%	14.63%	15.30%
SINCE INCEPTION – ANNUALIZED (SEPTEMBER 30, 2010)	13.13%	12.86%	14.19%	15.03%

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. Gross expense ratios, as of the prospectus dated 1/27/2017, for Institutional and Retail classes are 0.90% and 1.11%, respectively. 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.



Strategy Review

“What’s in a name? That which we call a rose by any other name would smell as sweet.”
–Juliet to Romeo¹

Wall Street and the media love to make up labels, coin terms and create acronyms to try to simplify the markets, and, every now and then, we get one that takes off and acts as a catch-all for the current market environment: in the 1960’s and 1970’s there was “The Nifty Fifty,” “Black Monday” in the 1980’s, in the 1990’s there was “GARP,” in the 2000’s there was the “dot-com bubble” and the “BRICs,” and in the past several years, we have had the “Flash Crash,” “Taper Tantrum,” and the “New Normal.”

The latest acronym to catch the media’s attention is “FANG.” FANG was coined by CNBC’s Jim Cramer in 2013 to describe a group of internet-focused technology stocks – Facebook, Amazon, Netflix and Google (now Alphabet) - that he thought would outperform. They have; these stocks are now some of the highest market cap stocks in the S&P 500 Index (with the exception of Netflix, Facebook, Amazon, and Google are all in the top 10). Since these stocks have an outsized impact on the index, FANG has come to be thought of as bellwethers for the health of not just the tech industry, but the market as a whole.

Wall Street actually has created an entire list of FANG derivations including: FAANG (including Apple), FAAMG (substituting Microsoft for Netflix), and even Mr. Cramer now prefers FAAA (dropping Netflix, adding Alibaba, and renaming Google to Alphabet). More letters may even be added in the future as many investors think about adding Tesla and Nvidia, but we think it is a little early for FAANGTN.

Ah, but what’s in a name.

A significant amount of investment news has been dedicated to the performance and relative merits of the FANG stocks since they have been standout performers for the first half of the year, advancing 31%, 29%, 21% and 17%, respectively. While the term was originally a shorthand for these red-hot growth stocks, now that they have outperformed the market for an extended period of time, FANG has come to stand for excessive risk and stretched valuations in the technology sector, reminiscent of the dotcom bubble and its dire consequences. See: “FANG Stocks: The Next Bubble?”²

¹ Shakespeare, William. "Act II, Scene II." *The Tragedy of Romeo and Juliet*. Don Mills, Canada: Oxford UP, 2013. Print.

² Cardenal, Andres. "FANG Stocks: The Next Bubble?" *The Motley Fool*. The Motley Fool, 01 Jan. 1970. Web. 14 July 2017. Stores about the risk in FANG stocks include Domm, Patti. "Apple, Facebook and Other Big Tech Stocks Tank, Weigh on Wall Street." *CNBC*. CNBC, 09 June 2017. Web. 14 July 2017. Kahn, Michael. "Are the FANG Stocks Really Dead?" *Barron's*. 12 June 2017. Web. 14 July 2017.



To us, nothing could be further from the truth.

Given that we own three of the four FANGs – Facebook, Amazon and Google – as well as a handful of other internet and technology stocks, we thought it important to address this current belief. To contrast the growth and value we perceive in our mobile internet holdings to the FANG bubble narrative, we have decided to create our own acronym: FAGEPA. Namely, Facebook, Apple, Google, eBay, Priceline and Amazon. Or PAGEFA. Or, since Google is now Alphabet, FAAAEP. Luckily, according to Shakespeare, that which we would call FAGEPA, by any other name, would perform just as well (or that’s what we think he would say).

As we have noted in past letters, we invest in a select, but diverse, portfolio of companies that have long-term growth potential driven by ongoing secular trends, strong business fundamentals, and exceptional management teams that are also reasonably valued. Our strategy is grounded on combining the best aspects of **growth** and **value** investing and our FAGEPA holdings are no exception. While there are some speculative technology stocks in the market today that we believe do have excessive risk much like many during the dotcom bubble, our holdings have little in common with those stocks. In fact, our technology holdings are even less expensive than many slower growing companies that also are significant weightings in the S&P 500.

The secular drivers of our internet and technology holdings have each achieved the hype that resulted in the internet bubble of nearly 20 years ago. Internet users have grown from 414 million in 2000 to 3.4 billion in 2016, while usage per user per week has grown from 10 hours in 2005 to 23 hours in 2016.³ This has led to US digital advertising revenue growing from \$8 billion in 2000 to \$72 billion in 2016.⁴ Similarly, consumers have shifted a significant percentage of their purchasing volumes from traditional brick and mortar stores to the internet, as online transactions have grown from \$25 billion in the U.S. in 2000 to \$395 billion in 2016.⁵ In 2000, just 22% of Americans had made an online purchase; last year 80% of Americans shopped online at least *monthly*.⁶ Looking out across the retail landscape, it’s remarkable how much

Coleman, Hank. "FANG Stocks - What Are They and Why You Do Not Want to Invest in Them." Money Q&A. 17 May 2017. Web. 14 July 2017.

Mirhaydari, Anthony. "A Bloody Nightmare of a Selloff for Tech's "FAANG" Stocks." CBS News. CBS Interactive, 09 June 2017. Web. 14 July 2017.

³ "Internet Users." Number of Internet Users (2016) - Internet Live Stats. Web. 14 July 2017.

⁴ "Internet Advertising Revenue Report". Rep. PricewaterhouseCoopers LLP, April, 2006. Web. 14 July 2017.

"Internet Advertising Revenue Report". Rep. PricewaterhouseCoopers LLP, April 2017. Web. 14 July 2017.

⁵ Zaroban, Stefany. "US E-commerce Sales Grow 15.6% in 2016." Digital Commerce 360. N.p., 31 Mar. 2017. Web. 14 July 2017. Source: OECD based on various sources including OECD (2000d); E-Commerce Promotion Council of Japan (ECOM) (2001), ABS (2000); NOIE (2000), Nua (2000), Taylor Nelson Sofres (2000a), NCA/MIC (2000).

⁶ Wallace, Tracey. "Ecommerce Trends in 2017: 135 Statistics About Online Selling." The BigCommerce Blog. N.p., 24 June 2017. Web. 14 July 2017. Smith, Aaron, and Monica Anderson. "Online Shopping and E-Commerce." Pew Research Center: Internet, Science & Tech. N.p., 19 Dec. 2016. Web. 14 July 2017.



market share e-commerce has taken from brick and mortar retailers, including 24% of clothing and accessories, 26% of sporting goods, 33% of electronics, more than 50% of all travel bookings and 46% of office equipment and supplies.⁷ In aggregate, e-commerce at the end of 2016 represented more than 8% of total retail sales up threefold in 10 years.⁸ In addition, since the first smartphone with internet capability was introduced in 2007, the average American adult now spends almost *three hours* on their smartphone each day.⁹

Our FAGEPA holdings have business models that have benefited and continue to benefit from these changes and each has achieved enormous scale and profit growth. Facebook has grown its revenue to \$28 billion and Google has grown its revenue to \$90 billion; together they accounted for 20% of the world’s advertising budgets across all media in 2016, up from just 11% five years ago.¹⁰ Our e-commerce companies have similarly benefited from these secular changes as Amazon, eBay and Priceline have also grown at exceptional rates—Amazon is now at \$143 billion in revenue, eBay at \$9 billion and Priceline at \$11 billion. Apple has arguably benefited the most, as it is the largest, with more than \$200 billion of annual revenue.

RiverPark FAGEPA Revenue Growth			
	<u>5-Year CAGR</u>	<u>10-Year CAGR</u>	<u>15-Year CAGR</u>
Facebook*	49%	78%	NA
Amazon.com	23%	29%	29%
Alphabet	19%	24%	59%
eBay**	11%	8%	18%
Priceline	20%	25%	16%
Apple	15%	27%	28%
Average	15%	20%	21%

*Using 9-Year CAGR instead of 10-Year CAGR because Facebook public data only goes back to 2009.
 **5-Year and 10-Year CAGR are using eBay’s marketplace revenue in order to exclude the impact of PayPal.

Although the revenue growth of our FAGEPA stocks has been spectacular, we believe that any comparison to the insanity of the dotcom bubble is misplaced. The revenue and earnings growth history, strong profitability, and market dominance of FAGEPA bears little resemblance to the

⁷ Chen, Oliver. “Retail’s Disruption Yields Opportunities – Store Wars.” Cowen and Company. April 6, 2017. July 19th, 2017 Page 45

⁸ Chen, Oliver. “Retail’s Disruption Yields Opportunities – Store Wars.” Cowen and Company. April 6, 2017. July 19th, 2017 Page 43

⁹ Research Department of the Travel Industry Association of America. Traveler’s Use of the Internet. 2004 Edition. Rep. N.p.: Travel Industry Association of America, 2004. Print.

¹⁰ Top Thirty Global Media Owners 2017. Rep. Zenith The ROI Agency, Apr.-May 2017. Web. 14 July 2017.



lack of operating history, meager revenue, lack of earnings, and what proved to be flash-in-the-pan businesses of the dotcom era. Such dotcom darlings as Pets.com, Verticalnet, and eToys, for example, had peak annual revenue of only \$9 million, \$18 million, and \$35 million, respectively, yet were valued at \$300 million, \$11 billion, and \$9 billion (multiples of 35x, 600x and 240x *revenue* - none generated profits). Even the more established companies of the dotcom bubble had extreme valuations that bear no relation to the valuations of our holdings today.

Established Technology Company Bubble Valuations

<u>Companies</u>	<u>Peak 2000 P/E*</u>
Cisco Systems	126
Microsoft	63
Intel	52
Oracle	333
Dell	75
Qualcomm	177
Sun Microsystems	118
Yahoo Holdings	648
Average	199

*The Peak 2000 P/E ratio is using forward 12-month EPS.

In contrast, despite strong market outlooks, our FAGEPA companies are reasonably priced. Each has a strong history of profitability, have net cash on their balance sheets, are extraordinarily profitable (with average EBTIDA margins of over 43%), have limited capital expenditures in relation to operating cash flow, and still have exceptional growth potential (with average projected earnings growth of 20%, 3-4x that of the market's long-term earnings growth rate of 6%-7%). Yet, for greater than 20% long-term earnings growth, FAGEPA today trades at just under 20x forward earnings. As a result, we do not believe that excess risk has crept into this portion of our portfolio. To us, our desired combination of both **growth** and **value** remains well intact.



RiverPark's Reasonably-Priced FAGEPA Stocks

<u>Company</u>		<u>Position Size</u>	<u>2018 PE</u>	<u>Earnings Growth</u>	
				<u>2017</u>	<u>2018</u>
Facebook	F	4.8%	17.4	41.9%	44.1%
Amazon.com*	A	3.3%	40.8	59.4%	25.8%
Alphabet	G	4.7%	17.5	24.8%	23.2%
eBay	E	2.6%	14.1	9.3%	20.5%
Priceline	P	3.9%	19.5	18.9%	22.9%
Apple	A	3.6%	11.5	8.2%	19.1%
Weighted Average		22.9%	19.9	27.1%	25.9%
Entire Portfolio**		98.7%	19.4	20.2%	23.2%
S&P 500 Index			16.6	20.1%	12.0%
Russell 1000 Growth Index			19.0	11.8%	14.1%

*At 40.8x EPS, Amazon trades at a significantly higher multiple than the rest of our FAGEPA holdings. Due to material non-cash charges, such as depreciation that currently significantly exceeds capital expenditures which we expect to reverse in the coming years, we value the company on a multiple of free cash flow per share. At a 4.2% FCF yield, AMZN shares are much more in-line with the rest of our FAGEPA holdings. For Amazon earnings growth we use FCF growth.

**Entire portfolio earnings growth excludes outliers Chipotle (+955%), EOG Resources (-149%) and Southwestern Energy (+551%) for 2017, and EOG Resources (+237%) for 2018.

Comparisons to other periods of excessive valuation do not apply either. The valuations of our FAGEPA holdings are a far cry from, for example, those of the Nifty Fifty from the 1970's (see table below). While many of the Nifty Fifty were established and profitable companies that may have fit our growth profile, we would not have classified them as great investments due to their excessive PE multiples. Their poor subsequent stock performance¹¹ is not particularly relevant to our holdings today due to their inflated valuations.

¹¹ The Nifty Fifty were a group of premier growth stocks whose valuations expanded dramatically in the late 1960s peaking in 1972 before suffering brutally (with many being slashed over 50% in value) during the 1973-1974 bear market.



Nifty Fifty Excessive Valuations

<u>Company</u>	<u>1972 P/E*</u>	<u>Company</u>	<u>1972 P/E*</u>
Polaroid	95	Schering	48
Baxter Labs	71	American Hospital Supply	48
Disney Walt	71	Black and Decker	48
McDonald's	71	Coca-Cola	46
Int'l Flavors & Fragrances	69	Burroughs	46
MGIC Investment	69	Xerox	46
Avon Products	61	Schlumberger Ltd.	46
Johnson and Johnson	57	Eastman Kodak	44
Digital Equipment	56	Merck & Co.	43
Emery Air Freight	55	AMP	43
Simplicity Patterns	50	Lilly Eli & Co.	41
Kresge (S. S.)	50		
		Average	55

*1972 P/E ratio is using trailing 12-month EPS.

In every market there certainly are often speculative stocks with extreme valuations and this market is no exception. Tesla, Netflix (the N in FANG), and the newly public Snap (the TeNeS stocks maybe?) are all richly valued. While all three of these companies have terrific consumer offerings with growing adoption and potentially bright futures, none of these businesses has yet proven that it can generate high returns on capital, let alone any returns for shareholders. To us, their current market values are not supported by current or near-term earnings or free cash flow.

Bubble-Like Technology Stocks

Tesla:	<ul style="list-style-type: none"> • No earnings, no P/E • \$54 billion market value (up \$22 billion in 2017) vs. \$7 billion revenue • Increasing cash burn: \$1.4 billion in 2016 and \$2.7 billion for 2017
Netflix:	<ul style="list-style-type: none"> • 61x EPS • \$70 billion market value (up \$26 billion in 2017) vs. \$9 billion revenue • Increasing cash burn: \$1.6 billion in 2016 and \$2.1 billion for 2017
Snapchat:	<ul style="list-style-type: none"> • No earnings, no P/E • \$18 billion market value vs. \$515 million revenue • Increasing cash burn: \$700 million in 2016 and \$900 million for 2017

While all three of these companies have interesting consumer products and services, to us, none has either the visibility into long-term earnings growth, or the great entry price that we require.



Similarly, there are many other large cap stocks that are well represented in the S&P 500, the Russell 1000 Growth Index, and in the portfolios of many other large cap growth funds, with stable businesses and not outlandish valuations that resemble those of our stocks. However, these companies have neither the growth we require, nor trade at great prices.

Expensive and Low Growth Russell 1000 Growth Stocks (That RiverPark Does Not Own)

<u>Company</u>	<u>Revenue Growth</u>		<u>Earnings Growth</u>		<u>2018 P/E</u>
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	
Microsoft	13%	8%	9%	9%	22
Coca-Cola	-16%	-12%	-1%	5%	23
Pepsico	1%	4%	6%	8%	21
Altria Group	2%	2%	8%	8%	21
Colgate-Palmolive	2%	4%	4%	8%	23
Raytheon	5%	4%	10%	12%	20
Simon Property	3%	5%	5%	11%	23
Emerson Electric	4%	9%	-13%	12%	21
Ecolab	4%	5%	10%	12%	25
Estee Lauder	5%	6%	6%	11%	26
Air Products & Chemicals	-16%	4%	-18%	11%	21
Dish Network	-3%	-4%	-9%	-11%	27
Average	0%	3%	1%	8%	23

Note: Revenue growth, Earnings growth and 2018 PE are all per Bloomberg.

We are not trying to make a market call – which is difficult at best - but rather refuting the suggestion that FANG implies an excessive market that MUST be poised for a correction. Rather, we believe that internet stocks – by whatever name one wants to use - are no different than any other sector of the market. There always exist some great companies, with amazing growth opportunities, selling at attractive prices because their growth is unappreciated. It is our job, to find those companies and populate our fund with them.

Not only do we believe that FAGEPA is a great combination of strong growth and reasonable value, we also believe it to be a good representation of our Fund as a whole. We have found other opportunities enabling us to own a broadly diverse portfolio of companies with exceptional long-term growth potential (driven by ongoing secular trends, strong business fundamentals, and exceptional management teams) and reasonable valuations. In addition to the substantial additional global growth we expect from the digital media, e-commerce and mobile computing trends represented by FAGEPA, we are just as excited about the expanded market opportunities for our select group of consumer discretionary brands (**Starbucks, Disney, CarMax, Dollar Tree, Dollarama and Nike**), the expanded market share of innovative asset managers (**Blackstone, Blackrock and Affiliated Managers Group**), the continued organic asset growth



at our discount brokerage companies (**Schwab** and **TD Ameritrade**), the increasing dominance of electronic payments globally (**Visa** and **MasterCard**), the continued explosion in mobile communication (**American Tower**), the emergence of cloud computing (**Equinix** and **Adobe**), the growth in financial exchanges (**CME Group** and **Intercontinental Exchange**), the demand for innovative healthcare solutions (**Intuitive Surgical**, **Align Technologies**, and **Illumina**) and the continued importance of energy exploration and production (**Schlumberger**, **EOG Resources**, and **Southwestern Energy**), among others. These secular trends are all growing significantly greater than GDP and the earnings outlook for our businesses that are leading these trends are forecast to grow significantly more than the market as a whole.

The growth for our holdings from secular trends, combined with their reasonable valuations, gives us great optimism in our future absolute and relative returns. Whatever new name the media may come up with to describe future stocks or markets, we believe that if we remain disciplined in our focus on exceptional growth companies at great prices, our performance in the years to come has the potential to smell as sweet as it has so far this year.

Portfolio Review

Table I Top Contributors to Performance for the Quarter Ended June 30, 2017	
	Percent Impact
The Blackstone Group L.P.	0.70%
Align Technology, Inc.	0.66%
Las Vegas Sands Corp.	0.41%
Intuitive Surgical, Inc.	0.38%
American Tower Corp.	0.35%

Contributors and Detractors are produced by RiverPark Advisors, LLC (RiverPark), the Fund's adviser, using FactSet Research Systems Portfolio Analysis Application. Please take into account that attribution analysis is not an exact science, but may be helpful to understand contributors and detractors.

Performance attribution is shown ex-cash and gross of fees. Holdings are subject to change.

Blackstone: Blackstone's shares were our top contributor during the quarter in response to both excellent earnings results and the launch of a new \$40 billion infrastructure fund. With respect to its core business, the company reported that Economic Net Income for the previous quarter increased more than 2.5 times year-over-year, while distributable earnings tripled year-over-year, and realizations hit a record of almost \$17 billion. Fee-earning AUM also increased 15% year-over-year to \$280 billion—a firm record—as the company's prodigious capital raising momentum remains well intact. The new infrastructure business has a target AUM of \$40 billion and an anchor commitment of \$20 billion from the Public Investment Fund of Saudi Arabia. This new platform represents a 14% increase in fee-paying AUM (driving fee-related EPS) and is structured to provide permanent capital to the firm. Despite the stock's strong 2017



performance, and despite Blackstone's extraordinary fundamentals and strong record of fund raising since its IPO in 2007, the company's stock remains extremely inexpensive at 10x EPS with a 6.4% dividend yield, a valuation among the lowest in our universe.

Align Technology: Align's shares were a top contributor for the quarter in response to very strong first quarter results. The company reported revenue growth of 30% for the quarter, even better than the previous quarter's 27% growth, with EPS growing an impressive 71% year-over-year. The company's business momentum has accelerated throughout the year and positive leading indicators suggest it should continue. Management reported a 32% year-over-year increase in teenagers starting treatment with the company's core Invisalign products and a 47% increase in iTero scanner revenue. Both these factors indicate a strong pipeline as the teen market is the least penetrated and largest market for orthodontia, and scanner sales tend to generate Invisalign shipments. In addition to the strong quarterly results, management stated that 2017 revenue growth would be in the upper half of its 15%-25% long term range. The company continues to execute well on its core initiatives of international expansion, increased orthodontist and dentist utilization, and product innovation. Align currently has only an 8% global market share, so there is still tremendous opportunity for the company to grow. ALGN shares have increased more than 75% in the past year and were up nearly 20% the day following the earnings release.

Las Vegas Sands: LVS shares advanced strongly for the quarter in response to a sustained resurgence in visitation and gross gaming revenue (GGR) in the company's core Macau market. GGR is up 16% for the year-to-date, accelerating to 24% growth in May, the tenth consecutive month of growth for the market since the implementation of stricter anti-corruption policies from mainland China. The renewed growth has come from both a resurgence of VIP business, as well as strong demand from the longer-stay mass market traveler. We believe that a return to growth for the mass and premium-mass volumes in Macau bodes extremely well for LVS, which has the largest mass-focused room base and retail and gaming footprint in the region.

Intuitive Surgical: ISRG shares advanced for the quarter on strong results. The standouts were 18% procedure growth, which was way ahead of the Street's expectation of 11% growth, and 133 system placements, 13 more than consensus. Management also raised procedure growth guidance for the year to 12%-14% from its prior 9%-12%. The company remains the dominant player in minimally invasive robotic surgery. Robotic surgery is in its infancy, and we estimate that Intuitive's market penetration for currently approved procedures is only 25% while the number of approved procedures continues to grow.

American Tower: AMT shares had a strong quarter, as the company reported excellent first quarter results, posting double-digit growth in the company's key metrics, including its 16th consecutive quarter of double-digit growth in both adjusted EBITDA and consolidated AFFO. This double-double has been achieved through a number of different macroeconomic, currency and



wireless investment cycles and exemplifies the durability of the company’s business. These business fundamentals have been complemented by the company’s commitment to shareholders, as the company grew its dividend by 22%.

Wireless data usage growth remains robust with the average U.S. smartphone now consuming more than 1.4 gigabits of data per month, a 1,700% increase from just 5 years ago. Even greater data usage growth is occurring in the company’s international markets. Global wireless carriers have consistently increased their capital commitments to their networks to keep up with this massively expanding usage, which then drives additional demand for American Tower’s assets. We continue to believe that AMT is well positioned both domestically and internationally to profit from this exploding global wireless data growth for years to come.

Table II Top Detractors From Performance for the Quarter Ended June 30, 2017	
	Percent Impact
Dollar Tree, Inc.	-0.43%
Schlumberger N.V.	-0.37%
Southwestern Energy Co.	-0.35%
The Walt Disney Co.	-0.25%
EOG Resources, Inc.	-0.16%

Contributors and Detractors are produced by RiverPark Advisors, LLC (RiverPark), the Fund’s adviser, using FactSet Research Systems Portfolio Analysis Application. Please take into account that attribution analysis is not an exact science, but may be helpful to understand contributors and detractors.

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Dollar Tree: DLTR shares struggled for the quarter as investors continued to rotate out of retail stocks, particularly in reaction to the Amazon-Whole Foods merger announced during June. While we believe that Dollar Tree’s geographic footprint, lower-income consumer at its Family Dollar division and dollar-priced format at its Dollar Tree stores have less competitive overlap with Whole Foods and Amazon than most all other grocers and retailers, the market has taken a draconian view towards nearly all general merchandise retailers over the last several months. Amazon’s ambitions notwithstanding, we continue to be encouraged by the company’s execution and note that same-store sales at Family Dollar improved throughout the last quarter from mid-single-digit negative for February to mid-single-digit positive for April, which bodes well for the future. We also note that earnings during the last quarter came in at the high end of guidance with solid margin expansion and inventory control and that the company maintained its guidance on earnings for the balance of the year.

We continue to believe that the DLTR/FDO combination has the potential to create substantial shareholder value through a combination of square footage growth (the company plans to open 650 new stores this year), solid same-store-sales growth, margin expansion, and substantial free



cash flow generation, even in a more Amazon-centric environment. We believe that the combination of merger synergies and debt pay-down with continued top line growth and expense control will drive greater than 25% earnings growth for the company for the next few years and should lead to a materially higher stock price.

Schlumberger: Following a strong rebound in 2016, our energy holdings have struggled this year, as downside oil and gas price volatility have returned to the market. For June alone, the price of oil declined by nearly 11% while the price of natural gas was down nearly 5%. For the year-to-date the price of oil and gas are both down 19%. While we believe that Schlumberger is the best positioned energy services company in the world, its near-term results are impacted by the decline in global E&P activity, which reacts to oil and gas prices. SLB shares remain under additional pressure from a sector rotation away from all things energy (despite a strong year for the market, the S&P 500 energy sector was down over 13% in the first half of 2017). Near-term headwinds from commodity prices notwithstanding, SLB's earnings comparisons should turn positive starting later this year, showing strong year-over year-growth, even at current commodity prices (the Street projects over 100% earnings growth for the company in 2018 at oil prices of around \$45/barrel).

We remain impressed by the fact that, during the downturn, SLB aggressively managed expenses, materially enhanced its portfolio with tactical M&A activity (including its 2016 acquisition of Cameron International, which is projected to be materially accretive), while maintaining a fortress balance sheet. As a result, the company is poised to grow operating margins substantially over the next several years as the industry stabilizes and returns to growth. SLB management has stated that it intends to generate 65% incremental margins as revenue begins to recover; in fact, generating a 66% incremental margin in its North American land group in the first quarter of 2017. The company expects that it will be able to achieve its previous peak earnings (\$5-\$6 per share) over the next few years, even before achieving past peak revenue.

EOG Resources and Southwestern Energy: As with SLB noted above, our energy E&P holdings-- EOG in oil and SWN in natural gas--were also top detractors from performance for the quarter and through 2017 in reaction to the pressure on oil and gas prices. We believe that the market is underestimating EOG and SWN's opportunities. Even at current commodity prices, both companies are positioned for significant production growth, as both companies have taken steps to thrive in a low price environment.

For EOG, the company has permanently shifted to a "premium" drilling program with a minimum return of 30% at \$40 (per barrel) oil and \$2.50 (per cubic meter) gas prices. The company does not intend to change any of its investing hurdles based on improving oil prices which means that returns have the potential to be substantially higher at prices in excess of \$40 (with oil currently at about \$45 per barrel, we believe there is little downside risk to near-term



returns). For 2017, the company is currently targeting 18% production growth, fully funded by cash flow at current oil prices, with upside to 25% or greater production growth should oil increase back towards \$60 a barrel.

Over the next four years, should oil maintain a minimum of \$40 per barrel, the company expects to double its crude oil production, also fully funded by cash flow, inclusive of funding its dividends. EOG's inventory of premium drilling locations rose 40% during 2016 to in excess of 6,000 locations, a 21-year inventory at current production levels. EOG continues to add to its inventory faster than it drills and has maintained a fortress balance sheet throughout the downturn. We remain optimistic that, with stable-to-rising prices, EOG will trade on the long-term value embedded in its prodigious reserves, which we believe to be materially above its current market price.

In the case of SWN, the company took substantial positive steps to stabilize its balance sheet during 2016 while continuing to invest in its internal drilling capabilities and prove the potential across its three core acreage positions (Fayetteville, Marcellus and SW Appalachia) this year. SWN exited the first quarter with sequential production growth for the first time since 2015, plans to exit 2017 with a 20% year-over-year production growth rate and projects double-digit production growth for 2018 and beyond. Importantly, given its hedge position and the notable reduction in the company's operating expenses, we expect the company's cash flow to be sufficient to not only fund this growth in production (SWN generated \$318 million of cash flow compared to capital investments of \$290 million in the first quarter) but also to continue to deleverage the company's balance sheet. SWN shares, in our opinion, remain extremely cheap in relation to the long-term value embedded in its reserves, and we believe that a combination of a stable gas price environment and strong production could lead to a substantial rerating higher for the company's shares.

Disney: Despite reporting better-than-expected second quarter operating income and EPS, DIS shares were a top detractor for the quarter as investors continue to focus negatively on the company's cable network trends, particularly a profit slowdown and subscriber declines at ESPN. These concerns at ESPN have been a focal point for investors for several quarters and have resulted in the lackluster performance of DIS shares for the past 18 months in an otherwise strong equity market. DIS shares have appreciated only 4% since the end of 2015 as compared to the broader market, which is up over 20% during this time, and DIS's earnings, which have increased over 20% during the same period. While we acknowledge that ESPN's business momentum has slowed from the outsized growth of the past decade, some of the subscriber volume pressures on the segment are being offset by a combination of increases in contractual subscriber fees and in advertising rates from a solid demand environment (given the uniqueness of live sports in creating large, non-time shifted audiences for advertisers). In addition, Disney's investment in direct-to-market technology (including its recent investment in BAMTech, a live streaming platform for sports and other programming) has the potential to recapture subscriber



growth on over-the-top platforms and re-accelerate the growth trajectory for Disney’s sports programming division over time.

More importantly, however, we believe that the market has ignored the impressive growth and increasingly valuable position of Disney’s other media segments. The profit growth at the company’s non-cable media divisions has materially accelerated over the past several years as the studio, the consumer products division, and theme parks have all grown impressively in the past year and now represent the majority of the company’s operating profit. It is the growth of these divisions that has helped fuel Disney’s greater than 17% compound annual EPS growth rate over the past 3, 5 and 7 years. For the quarter, theme park margins were better than expected and the highest in years, and studio entertainment also posted better-than-expected operating income.

In our opinion, Disney has the best collection of media assets in the world (Disney, ESPN, ABC, Marvel, Pixar, and Lucasfilm to name the most prominent), which is strongly augmented by the consistency and high profitability of its unique parks business and its broad consumer products division. In addition, with a strong balance sheet, growing free cash flow (\$8 billion for the trailing twelve months), a deep library of owned content and a management and creative team that we believe to be among the best in media, we believe that DIS has many years of strong growth still ahead.

Top Ten Holdings and Industry Exposure

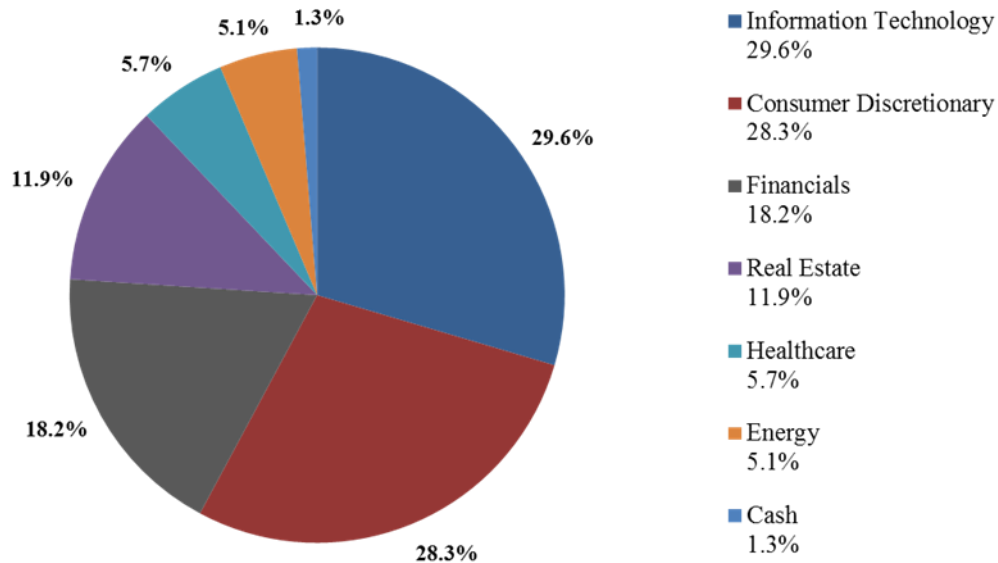
The below charts depict the Fund’s top 10 holdings and industry exposure as of the end of the quarter.

Table VI Top Ten Holdings as of June 30, 2017	
	Percent of Net Assets of the Fund
The Blackstone Group L.P.	4.8%
Facebook, Inc.	4.8%
Alphabet Inc.	4.7%
Dollar Tree, Inc.	4.0%
The Priceline Group Inc.	3.9%
The Charles Schwab Corp.	3.6%
Apple Inc.	3.6%
The Walt Disney Co.	3.6%
Equinix, Inc.	3.5%
American Tower Corp.	3.4%
	39.9%

Holdings are subject to change. Current and future holdings are subject to risk.



Industry Exposure as of June 30, 2017



Allocations are subject to change.

Summary

We believe our secular-themed, large capitalization growth portfolio is well positioned to generate strong absolute and relative performance. While market volatility continues and macro-economic challenges remain, the vast majority of the companies in which we are invested are benefiting from strong secular growth trends, generate substantial and growing excess cash flow each year, and have large cash balances to fund future growth and/or return to shareholders. This strong fundamental foundation allows our companies to continue to invest in their long term growth during difficult periods and contributes to our confidence to maintain, and, in select instances, increase our positions at attractive prices during difficult periods.

We will continue to keep you apprised of our process and portfolio holdings. As always, please do not hesitate to contact us if you have any questions or comments about anything we have written in our letters or about any of our Funds.

We thank you for your support as investors in the RiverPark Large Growth Fund.

Sincerely,

Mitch Rubin
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. There can be no assurance that the Funds will achieve their stated objectives.

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.

The Russell 1000 Index is a stock market index that represents the highest-ranking 1,000 stocks in the Russell 3000 Index, which represents about 90% of the total market capitalization of that index. 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.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 stocks as of February 5, 1971.

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