RIVERPARK FUNDS

RiverPark Floating Rate CMBS Fund
(RCRIX/RCRFX)

Investment Philosophy

The RiverPark Floating Rate CMBS Fund (the "Fund") seeks to generate current income and capital appreciation consistent with the preservation of capital by investing in commercial mortgage backed securities ("CMBS"), predominately in the United States. CMBS are debt instruments that are secured by commercial real estate ("CRE") assets. The Fund is managed by Edward L. Shugrue III, an industry veteran with over 30 years of experience.

The Fund generates its returns primarily from the monthly current cash coupon of its investments and, for investments purchased or held at a discount, loan repayments at par. Since the market dislocation associated with the Coronavirus, the Fund has focused on purchasing high-quality CMBS at discounted purchase prices with the expectation that they will return to par.

Investment Opportunity

The Fund provides fixed income investors a unique opportunity to invest in CMBS, currently trading at discounts to par as a result of the Coronavirus pandemic. Individual investors may not purchase CMBS directly but only through a vehicle such as the Fund. The Fund's focus on floating rate investments provides an opportunity for investors to benefit from rising rates. In addition, the Fund has historically invested in CMBS that have an average loan-to-value ratio of approximately 50%, benefit from high levels of in-place cash flow and are protected by subordinate layers of debt and equity credit support, thus reducing the risk of default.

Further, the Fund focuses on large single asset or single borrower ("SASB") transactions, generally involving some of the largest, most iconic real estate assets and backed by some of the largest, best-capitalized real estate investors. These investors, including Blackstone, Vornado Realty Trust and Brookfield Properties, have made large equity investments that are subordinate to the Fund's investments, and these companies have the financial means and the expertise to support these investments even during times of stress.

Having closely observed and invested in the U.S. CMBS market through multiple business cycles, we believe that the CMBS market, and in particular the segment in which the Fund concentrates its investments, is attractively priced relative to its risk profile and offers compelling opportunities, particularly post Coronavirus. We believe that this is a once in a decade opportunity. The

156 W. 56th Street, 17th Floor | NY, NY 10019 | P 212.484.2100 | www.riverparkfunds.com

approximately $800 billion[1] CMBS market is traded privately as opposed to on an open exchange, creating barriers to entry and an advantage for experienced investors.

Investment Process

The Fund's investment process is a fundamental based "bottom up" focus on credit quality, comprised of three interrelated components: analysis of the underlying properties, analysis of the security's legal structure and yield, and ongoing portfolio management focused on trading and risk management.

Real Estate Analysis. The process of analyzing investment opportunities begins at the property level. The properties that secure the Fund's investments will typically consist of office buildings, hotels, and industrial and multi-family properties. Often, the investment process stops at this juncture if the underlying assets are not of a sufficiently high quality to provide adequate collateral or security for the investment. In addition, the Fund seeks investments that are sponsored by the largest, best-capitalized, professional real estate operators in the world.

Legal Structure and Yield Analysis. Should an investment pass the credit quality analysis described above, the process continues with an examination of the legal documents underlying the security (typically the loan documents and the CMBS indenture) and an analysis of the various yield-to-maturity scenarios in order to determine the appropriate investment tranche and price.

Ongoing Portfolio Management. All investments are continuously monitored by reviewing periodic leasing and occupancy reports, property level cash flow statements and market data. The Fund expects to invest primarily in assets that will repay at par at maturity and is intended to be primarily a "buy and hold" investor. If, however, a trading opportunity arises where an asset may be sold at an attractive price, either offensively (to capture additional perceived upside) or defensively (to protect against perceived credit erosion), the Fund will do so.

Detailed Downside Protection Analysis

The predecessor private fund that was converted into the Fund was created by the portfolio manager in 2010 at a time when the CMBS market was beginning to recover from the effects of the 2008 financial crisis, primarily as a vehicle to manage his own assets (he continues to have over $10 million invested in the Fund). As a result, the focus has always been first and foremost on managing downside risk and not chasing yield. Key considerations include:

[1] Source: J.P. Morgan CMBS Weekly Datasheet December 30, 2019

156 W. 56th Street, 17th Floor | NY, NY 10019 | P 212.484.2100 | www.riverparkfunds.com

1. Loan-to-Value Ratio (“LTV”)

   The loan to value ratio is a vital component of the risk analysis, because it measures the amount of excess value in the underlying property that protects the loan from first experiencing a default, and further, in the event of a default, realizing a loss. A loan with a low LTV, and thus a relatively large amount of protection, will be safer in situations where market values decline, and will also be much less sensitive to market movements generally, and thus less volatile.

2. Credit Support

Investment Example: Time Warner Center Class “E” (1)

Class/Tranche	Current Rating	Current Face ($mm)	Cumulative Face ($mm)	Coupon	Loan-to-Value	Loan per Sq. Foot
CMBS Loan						
Class A	AAA	$332	$332	LIBOR +85bps	25%	$308
Class B	AA-	122	454	LIBOR +160bps	35%	422
Class C	A	54	507	LIBOR +185bps	39%	471
Class D	BBB+	70	577	LIBOR +225bps	44%	536
Class E	**BBB-**	**65**	**642**	**LIBOR +325bps**	**49%**	**596**
Class F	BB	33	675	LIBOR +425bps	52%	627
Total CMBS Loan		$675				
Implied Equity		635				
Appraised Value		$1,310				

(1) *As of December 31, 2018. Source: Offering Memorandum and Bloomberg*

Further to the LTV analysis is the concept of credit support. CMBS are sold in tranches, which represent slices of the overall loan. The tranches are structured from most senior to most junior, with the cashflow from the loan going first to the senior most classes and losses, if any, being applied first to the junior most classes. As a result, an investor in CMBS can target within a single transaction the desired level of risk. For example, an investor in the Class “E” tranche in the above illustrated transaction, that position benefits from credit support from the “F” tranche, which is more junior, typically a mezzanine loan that is subordinate to the CMBS structure and the sponsor’s equity. The Fund targets investments with LTV ratios of typically 50%, which means that the total of credit support from junior tranches, mezzanine loans and sponsor equity will be equal to or greater than 50% for such an investment.

3. Cash Flow

   The underlying cashflow -- the rent from the office buildings, warehouses, or multifamily buildings, or the net operating income of the hotels --are used by the borrower to make interest payments during the life of the loan. Unlike residential MBS, where the primary source of repayment is a homeowner’s salary or a sale of the property, the cashflow from the properties in CMBS is identified and allocated first to the payment of debt so that even in the case where the borrowing entity experiences some unforeseen difficulty, the payments will still be made in priority to satisfy the obligations under the loan.

4. Diversification

   The true credit risk is much more diversified than would be indicated by simply counting the number of positions in the Fund. For example, a typical office building will, in most cases, have a diverse underlying tenant base. As a result, although the investment is nominally in the real estate sector, the risk profile is diversified to almost every industry sector in the U.S. Similarly, the hotels in which the Fund invests typically have a diverse client base from business to leisure and are not overly dependent upon any one season (e.g. a ski resort).

5. Sponsor Quality

   One of the most important subjective criteria in making an investment decision (in addition to the criteria set forth above) is the sponsor of the investment. The Fund seeks transactions that are sponsored by seasoned, well-capitalized real estate investment firms such as Blackstone, Vornado Realty Trust, and Brookfield Properties, etc. The importance of the sponsor cannot be overstated. The better sponsors have a track record of successfully buying and selling the best assets profitably and paying their debt obligations in a timely manner. Further, in times of stress, the better sponsors have the asset management and financial resources available to manage through these periods profitably thus protecting their investment as well as their creditors. As a lender to Blackstone, for example, the CMBS investment benefits from the full Blackstone real estate team and from Blackstone's large capital base without paying fees to them.

Portfolio Manager

Edward L. Shugrue, III – Managing Director and Portfolio Manager
30 years of experience in the Commercial Real Estate Industry

- Experience
  - Portfolio Manager since 2010
  - Capital Trust (now Blackstone Mortgage Trust) – CFO
  - RiverBank America – Head of Real Estate
  - Bear Stearns (Real Estate Group) – Associate
- Education
  - University of Pennsylvania – B.A. (honors) in Political Science and a degree from the Wharton School of Business

156 W. 56th Street, 17th Floor | NY, NY 10019 | P 212.484.2100 | www.riverparkfunds.com

To determine if this 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 prospectuses, which may be obtained by calling 888.564.4517, or by visiting the website at www.riverparkfunds.com. Please read the prospectus carefully before investing.

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.

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 securities market 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.

Investments and sponsors referenced are provided for example only and may or not be held by the Fund.

The RiverPark Funds are distributed by SEI Investments Distribution Co., One Freedom Valley Drive, Oaks, PA 19456, which is not affiliated with RiverPark Advisors, LLC, or its affiliates.