RIVERPARK FUNDS

RiverPark Floating Rate CMBS Fund
(RCRIX)

Third Quarter 2018 Commentary and Outlook

Thank you for your interest in the RiverPark Floating Rate CMBS Fund (the “Fund”). As our name suggests, we invest primarily in floating rate CMBS that reset monthly to LIBOR, which has been steadily increasing over the last year. Within CMBS, our investments primarily consist of larger ($500+ million) Single Asset / Single-Borrower (“SASB”) transactions with large institutional sponsors such as Blackstone, Related and Vornado. We emphasize performing CMBS investments that pay a monthly coupon. The Fund currently has $48 million of net assets, is fully invested and all of our investments are performing and paying monthly coupons.

The Fund’s investments have the following characteristics as of September 30, 2018:

Number of Investments:	22 (average investment size of $2.2 million)
Purchase Price:	99.8% (of face)
Weighted. Avg. Coupon[1]:	4.6%
Loan-to-Value Ratio:	45%
Debt Coverage Ratio:	4x
Weighted Avg. Maturity[2]:	4.8 Years
Current Yield-to-Maturity[3]:	5.3% (gross)

The Fund is structured as an Interval Fund. The Fund publishes its net asset value (“NAV”) at the end of each business day, accepts capital daily from investors at NAV and offers the possibility of quarterly redemptions directly from the Fund at NAV. Income from the Fund will be distributed to shareholders monthly. The Fund is available on the Schwab platform and has the ticker symbol “RCRIX”. An investment in the Fund is suitable only for long-term investors who can bear the risks associated with the limited liquidity of the shares.

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[1] Each of the Fund’s investments pays a monthly coupon. The total amount of monthly coupon payments when annualized and divided by the Fund’s total investments represents the Fund’s “Weighted Avg. Coupon”

[2] Represents the average contractual maturity of the Fund’s investments (or earlier repayment date, if known). Note that 100% of the Fund’s current investments are floating-rate and freely open to repayment.

[3] Reflects the yield-to-maturity (contractual) for the Fund’s investments assuming continued performance, repayment in-full at maturity, current NAV, and one year LIBOR.

Historical Monthly Returns

	RiverPark Floating Rate CMBS Fund (RCRIX)	Bloomberg Barclays U.S. Investment-Grade CMBS Index	Bloomberg Barclays U.S. Aggregate Bond Index
Oct-16	0.25%	(0.78%)	(0.76%)
Nov-16	0.34%	(1.81%)	(2.37%)
Dec-16	0.45%	(0.35%)	0.14%
Jan-17	0.75%	0.70%	0.20%
Feb-17	0.48%	0.20%	0.67%
Mar-17	0.40%	0.03%	(0.05%)
Apr-17	0.59%	0.80%	0.77%
May-17	0.51%	0.88%	0.77%
Jun-17	0.10%	(0.33%)	(0.10%)
Jul-17	0.61%	0.64%	0.43%
Aug-17	0.40%	1.11%	0.90%
Sep-17	0.08%	(0.95%)	(0.48%)
Oct-17	0.30%	0.42%	0.06%
Nov-17	0.27%	(0.31%)	(0.13%)
Dec-17	0.40%	0.28%	0.46%
Jan-18	0.38%	(0.99%)	(1.15%)
Feb-18	0.26%	(0.62%)	(0.95%)
Mar-18	0.25%	0.41%	0.64%
Apr-18	0.43%	(0.65%)	(0.74%)
May-18	0.40%	0.80%	0.71%
Jun-18	0.06%	(0.12%)	(0.12%)
Jul-18	0.48%	0.02%	0.02%
Aug-18	0.28%	0.99%	0.64%
Sep-18	0.21%	(0.46%)	(0.64%)
Annualized Performance	**4.44%**	**(0.06%)**	**(0.57%)**

Since inception, the Fund has provided consistent monthly returns with low volatility.

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Performance – Year-to-Date and Third Quarter 2018

For the last twelve months, the Fund delivered a 3.79% net return (0.97% for the third quarter), in-line with our expectations, compared to -0.24% (0.55% for the third quarter) for the Bloomberg Barclays U.S. Investment-Grade CMBS Index and -1.22% (0.02% for the third quarter) for the Bloomberg Barclays U.S. Aggregate Bond Index.

Performance: Net Returns as September 30, 2018

	Current Quarter	Year to Date	One Year	Three Year	Five Year	Since Inception
RCRIX	0.97%	2.78%	3.79%	3.65%	3.89%	6.42%
Bloomberg Barclays U.S. Investment-Grade CMBS Index	0.55%	(0.63%)	(0.24%)	1.66%	2.41%	4.51%
Bloomberg Barclays U.S. Aggregate Bond Index	0.02%	(1.60%)	(1.22%)	1.31%	2.16%	2.82%

Annualized performance since inception of the Fund (9/30/16) was 4.44%.

The performance quoted herein is net of all fees and expenses and represents past performance. Past performance 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. For performance data current to the most recent month end, please call 888.564.4517.

The performance data quoted for periods prior to September 30, 2016 is that of the predecessor fund. The inception date of the Predecessor Fund was May 31, 2010. The performance of the Predecessor Fund includes the deduction of actual fees and expenses, which were higher than the fees and expenses charged to the Fund. Although the Fund is managed in a materially equivalent manner to its predecessor, the Predecessor Fund was not a registered mutual fund and was not subject to the same investment and tax restrictions as the Fund.

Performance shown for periods of one year or greater are annualized.

The expense ratio, as of the most recent prospectus, dated December 11, 2017, is 1.00%.

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.

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At September 30, 2018, the Fund held 22 performing CMBS investments. All of the Fund's investments pay a current coupon and 100% of the Fund's assets are floating-rate that reset monthly. As the base interest rate increases (1-month LIBOR increased by 85% to 2.26% during the year), this change is passed through as a part of the investment's current coupon.

Investment Strategy - Portfolio Construction

Our investment process is a fundamental based "bottom up" approach that emphasizes intensive analysis of the underlying real estate and each security's legal structure. The following concepts are fundamental to our investment analysis.

Loan-to-Value Ratio (LTV). The Fund's LTV is calculated by adding all senior and same level debt to the Fund (the "Total Loan") and dividing that by the property value securing our investment. A $200 million Total Loan secured by a property appraised at $400 million, would have a 50% LTV Ratio. A lower LTV Ratio indicates greater credit support than a higher LTV.

Debt Coverage Ratio. This ratio indicates the strength of the underlying property cash flow as compared to the amount of debt on that asset and is calculated by dividing the asset's net cash flow by the amount of the loan payments for the Total Loan. If the property generates $1 million of cash flow and the debt service is $250,000, then the Debt Coverage Ratio would be 4x. A higher Debt Coverage Ratio indicates stronger cash flow than a lower one.

Debt Yield. The Debt Yield is the amount of annual property cash flow divided by the Total Loan. For example, a property generating $12 million in annual cash flow with a $100 million Total Loan would have a Debt Yield of 12%. A higher Debt Yield is stronger than a lower one.

Investment Outlook – 2018

Thus far, 2018 has presented a stable and improving climate for CMBS with net supply growing and with stable credit spreads. 2018 CMBS issuance through the end of the third quarter was approximately $58 billion, which is 5% below the same period in 2017. Importantly, approximately 50% of year-to-date CMBS issuance was represented by Single Asset / Single Borrower (SASB) transactions (a 12% increase from 2017), which we favor. CMBS new issuance spreads have remained stable with the benchmark AAA priced at swaps + 72 basis points, (essentially flat YOY but 13 basis points tighter than at June 30, 2018); we anticipate spreads to hold steady at this level for 2018. We are attracted to floating-rate commercial real estate debt due

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to its stability, current monthly income and ability to capture upside should interest rates continue to rise. Below are trends impacting the market.

- **Interest Rates.** We anticipate that interest rates will continue to rise; market participants are forecasting additional Fed rate hikes in 2018 and early 2019. During the quarter, one-month LIBOR (CMBS' primary floating-rate index) increased by 17 basis points to 2.26% and one-year forward LIBOR increased by a like amount to 2.93% (one-month LIBOR rates were as high as 4.5% in 2008). Currently, 100% of the Fund's investments re-price to LIBOR, so we capture this potential upside and, unlike fixed-rate securities, our investments are not expected to decline in value as interest rates rise.

- **LIBOR.** At present, our entire portfolio is tied to LIBOR. Discussions are underway to retire LIBOR as a benchmark by 2021 subject to finding a suitable alternative and obtaining agreement from the relevant government and industry participants. We believe that the ultimate phasing out of LIBOR will have little to no impact for us, but are carefully monitoring the situation as it develops.

- **Weighted Average Maturity.** The contractual weighted average maturity of the portfolio is 4.8 years, but since our investments are open to prepayment without penalty, we anticipate a shorter actual holding period. We believe that a shorter average portfolio maturity is more conservative (and more easily managed) than a portfolio with a longer expected maturity.

Throughout 2018 we will continue to emphasize investments secured by high quality assets and backed by strong sponsors, with a strong bias towards floating-rate assets and an emphasis on office and hospitality assets. In all instances, we are focused on performing assets, in good locations, with robust cash flow coverage, and conservative Loan-to-Value Ratios.

Portfolio Review

We are fully invested and all of our 22 investments are performing. During the quarter, two loans repaid in full totaling $6.5 million (The Hilton Ft. Lauderdale and The Four Seasons Hualalai) and we profitably sold portions of nine investments (The Four Seasons Maui and the Motel 6 Portfolio in full) for approximately $13 million to meet redemptions and to rebalance the portfolio. During the period we made $9.5 million of new investments including three "add-ons" to existing investments (Sava, Bloomberg Tower NYC and 5 Bryant Park NYC) and three new investments as noted below:

1. **<u>850 Third Avenue - New York City ($5 million-HNA and Murray Hill Properties)</u>**
   This Class A office tower located in Midtown Manhattan between 51st and 52nd Streets was acquired by the sponsors in 2016. We invested in the BBB- securities, which have a basis per square foot of $204 and are at a 26% LTV attachment point.

2. **<u>Palmer House Hilton – Chicago ($2 million – Thor Equities)</u>**
   We have been an investor in the debt secured by this iconic Chicago landmark hotel for many years. The loan was repaid in full in the second quarter and we took the opportunity to participate in the refinancing led by JP Morgan. Our investment is rated B and has an attractive basis per key of under $200,000. Our LTV is 57%. Thor Equities is the sponsor.

3. **<u>LaQuinta Portfolio – Nationwide ($1 million – CorePoint Lodging)</u>**
   We acquired bonds rated A- that are secured by the nationwide portfolio of 314 LaQuinta Hotels (40,184 rooms) owned and operated by CorePoint Lodging, a publically traded U.S. lodging REIT (NYSE: CPLG), which was spun out of Blackstone Group (and in which Blackstone remains as a 30% owner). Our investment has an LTV of 34%.

We are pleased with the high quality of the assets, with strong sponsors and excellent credit metrics, that we were able to acquire this quarter.

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Conclusion

We are excited about the prospects for CMBS and are hard at work sourcing new investments, actively managing the existing portfolio and carefully analyzing our markets. Importantly, as the Fund's portfolio manager, I have over $10 million invested in the Fund. We believe that fixed-income assets are an important part of any comprehensive investment strategy, and that in this environment, investors can best protect their capital, while generating upside, by investing in floating-rate securities such as LIBOR-based floating-rate CMBS, which represent 100% of the Fund's investments.

Sincerely,

Edward L. Shugrue III
Portfolio Manager
CEO - Talmage, LLC
New York, New York

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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. For more information about Talmage, please visit the website at www.talmagellc.com.

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.

The Fund is structured as a closed-end "interval" fund. Interval funds price their portfolios and publish their NAV daily. Investors wishing to purchase fund shares may do so daily at NAV. The Fund will make quarterly repurchase offers for between 5% and 25% of outstanding shares at NAV with no discount.

An investment in the Fund is suitable only for long-term investors who can bear the risks associated with the limited liquidity of the shares.

Talmage, LLC, through its subsidiary, Talimco, LLC, is the sub-adviser to the RiverPark Floating Rate CMBS Fund.

There currently is no secondary market for the Fund's shares and the Fund expects that no secondary market will develop. The shares are, therefore, not readily marketable. Even if such a market were to develop, shares of closed-end funds frequently trade at prices lower than their net asset value.

The RiverPark Floating Rate CMBS Fund is distributed by SEI Investments Distribution Co., One Freedom Valley Drive, Oaks, PA 19456 which is not affiliated with RiverPark Advisors, LLC, Talmage, LLC, or their affiliates.