



# RiverPark Long/Short Opportunity Fund (RLSIX / RLSFX)

## Second Quarter 2024 Performance Summary

### Performance: Net Returns as of June 30, 2024

	Current Quarter	Year to Date	One Year	Three Year	Five Year	Ten Year	Since Inception
<b>Institutional Shares (RLSIX)</b>	3.43%	10.51%	24.86%	-12.16%	3.53%	4.81%	6.18%
<b>Retail Shares (RLSFX)</b>	3.42%	10.46%	24.74%	-12.33%	3.32%	4.60%	6.01%
<b>Morningstar L/S Equity Category</b>	0.57%	7.54%	12.71%	3.80%	5.99%	4.01%	4.29%
<b>S&amp;P 500 Total Return Index</b>	4.28%	15.29%	24.56%	10.01%	15.05%	12.86%	13.95%

*Annualized performance since inception of the Mutual Fund (3/30/2012) was 4.59% for RLSIX and 4.39% for RLSFX.*

*The performance quoted for periods prior to March 30, 2012 is that of RiverPark Opportunity Fund, LLC (the "Predecessor Fund"). The inception date of the Predecessor Fund was September 30, 2009. 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 greater than one year are annualized.*

*Index performance returns do not reflect any management fees, transaction costs, or expenses. Indexes are unmanaged and one cannot invest directly in an Index. Morningstar L/S Equity Category Returns sourced from Morningstar Principia.*

*The performance quoted herein 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. Expense Ratio: Institutional: 1.89% gross and 1.85% net, Retail: 2.14% gross and 2.00% net as of the most recent prospectus, dated January 26, 2024. Gross Expense Ratio does not reflect the ability of the adviser to recover all or a portion of prior waivers, which would result in higher expenses for the investor. Please reference the prospectus for additional information.*



The RiverPark Long/Short Opportunity Fund (the “Fund”) returned 3.43% in the second quarter, versus the S&P 500 Total Return Index, which returned 4.28%.

Stock markets generally followed inflation expectations in the second quarter. April was a difficult month for equities in reaction to persistently high inflation readings. May and June saw a reversal in this trend with inflation numbers decelerating, and stocks rallied. We expect to see a similar tug of war in the second half of the year between inflation readings and economic growth numbers, with small periods of high volatility but no clear overall direction. In the meantime, we are optimistic about the growth prospects and valuations of the companies in our long portfolio and believe our short portfolio should provide good protection in a market sell off.

Overall, our shorts contributed 0.99% versus our long contribution of 2.97%. Our biggest contributors in the short book were a sector hedge, iShares Expanded Tech-Software Sector ETF (IGV), and several individual names, including Surgery Partners (SGRY) and CarMax (KMX).

In the short book, we continue to focus on businesses that we believe are losing competitive market share, that have business models we believe are flawed or are facing cyclical headwinds (including unprofitable technology, subscale internet media, residential real estate, cyclical industrial and consumer lending).

We started the second quarter 92.74% long, 22.26% short, and 70.47% net. We ended the quarter with slightly less gross exposure and more net exposure at 94.25% long, 18.13% short, and 76.11% net.

Below we describe some of our top and bottom performers.

## Portfolio Review

### Top Contributors

Top Contributors to Performance for the Quarter Ended June 30, 2024	Percent Impact
NVIDIA Corp. (long)	1.68%
Alphabet (long)	1.07%
Apple, Inc. (long)	0.92%

*Portfolio Attribution is produced by RiverPark Advisors, LLC (RiverPark), the Fund’s adviser. Although RiverPark believes that its attribution methodology 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.*



**NVIDIA:** NVDA shares were our top contributor in the quarter following blowout 1Q results and guidance driven by strong data center sales (+427% year-over-year). The company reported revenue of \$26 billion, up 262% year-over-year, and EPS of \$6.12, up 462% year-over-year and 9% ahead of expectations. Revenue guidance for 2Q of \$28 billion was 5% above very high expectations. The artificial intelligence arms race kicked-off by ChatGPT and Alphabet's Bard, among others, has generated tremendous demand for Nvidia's next generation graphic processors.

NVDA is the leading designer of graphics processing units (GPU's) required for powerful computer processing. Over the past 20 years, the company has evolved through innovation and adaptation from a predominantly gaming-focused chip vendor to one of the largest semiconductor/software vendors in the world. Over the past decade, the company has grown revenue at a compound annual rate of over 20% while expanding operating margins and, through its asset light business model, producing ever increasing amounts of free cash flow. Following recent results, Jensen Huang, founder and CEO of NVIDIA stated in the company's press release, "a trillion dollars of installed global data center infrastructure will transition from general purpose to accelerated computing as companies race to apply generative AI into every product, service and business process."

**Alphabet:** GOOG was a top contributor in the second quarter following strong first quarter earnings driven by better-than-expected Search and YouTube revenues and a reacceleration in the company's Cloud business. AI advances helped improve targeting and measurement in the company's advertising businesses, including in YouTube's fast growing Shorts segment. Google Search revenue was \$46 billion, YouTube revenue was \$8 billion, and Cloud revenue was \$10 billion, 3%, 5% and 2% better than expected respectively. Margins in both operating segments, Services and Cloud, were also ahead of expectations leading to \$1.89 of EPS, 25% higher than estimates.

With its high margin business model (42% EBITDA margins last quarter), continued strength across its core Search and YouTube franchises, and continued growth and expanding profitability in its still relatively small Cloud business, we continue to view Alphabet as among the best-positioned secular growth franchises in the market. Additionally, GOOG shares trade at a compelling 19x the Street's 2025 EPS estimate, a discount to the Russell 1000 Growth Index.

**Apple:** Apple shares were a top contributor in the quarter after a difficult start to the year. The stock was down nearly 11% in the first quarter, driven by factors we discussed in last quarter's update, including an antitrust case, an Apple Watch patent dispute, and slowing China iPhone sales. Ultimately the company's fiscal 2Q24 earnings report delivered a slightly better than expected quarter on both the top and bottom lines and guidance that was also better than investor expectations. Better 2Q24 revenue and gross margins were driven by stronger than expected Services revenues, which grew 14% year-over-year, continuing a multi-quarter trend of



accelerating growth. Gross margins of 46.6% expanded from last quarter's decade high of 45.9%. Guidance of \$90 billion of revenue for 3Q24 was roughly in line with published expectations, reassuring investors. The stock also got a boost from research reports suggesting that iPhone sales may see a boost from an upgrade cycle driven by the upcoming rollout of Apple's AI assistant.

Although near-term trends are a bit muted, Apple is carrying lean inventory into an iPhone refresh cycle later this year and easing comps in the rest of its portfolio. With an installed base of 2.2 billion active devices and significant growth in the company's recurring revenue Services segment, we believe that Apple remains one of the most innovative, best positioned and most profitable companies in the mobile technology industry.

### Top Detractors

Top Detractors From Performance for the Quarter Ended June 30, 2024	Percent Impact
Walt Disney Company (long)	-0.65%
Adyen N.V. (long)	-0.59%
Five, Inc. (long)	-0.49%

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**Disney:** DIS was the top detractor in the quarter following a mixed earnings report, with operating income, EPS, and free cash flow all roughly in line, but weakness in segment revenue and operating income. The Entertainment segment saw slightly weaker than expected revenue and operating income due to lighter Content Sales and Licensing partially offset by stronger Linear Networks and Direct-to-Consumer (DTC). The DTC business grew, with Disney+ Core adding more subscribers than expected (+6.3m v +5.8m) and generated \$47 million of operating income versus expectations of breakeven. The Sports segment generated revenue below expectations, but operating income was better than expected, both driven by ESPN. The Experiences segment beat both revenue and operating income expectations on the back of strong international parks results, price increases at Walt Disney World and cruises, but Disneyland unexpectedly had negative growth in the quarter. In addition, guidance for slightly weaker Experiences revenue and operating income growth as visitor growth normalizes post-Covid also weighed on the stock.



DIS is blessed with a deep library of unique content that includes both live sports (providing large, non-time shifted audiences) and incomparable brands, including Disney, Marvel, Pixar and Lucasfilm, as well as the ABC network, which make it among the best-positioned media companies in the new landscape to combine multi-channel and DTC distribution. In addition, its theme park, cruise and theatrical businesses continue to be generational rites of passages for children and young adults around the world.

We think CEO Bob Iger is doing a steady job rationalizing investments in each of the company's segments, which should lead to higher and more consistent profitability at the theme parks, better value realization in the linear assets, and consolidation of the company's DTC assets leading to higher profitability sooner. We therefore expect DIS to grow its free cash flow significantly over the next 3-4 years, from its depressed \$1 billion in 2022, to more than double 2023's \$4.9 billion, exceeding its previous \$10 billion peak in 2018.

**Adyen:** ADYEN was a top detractor in the quarter following a 1Q24 trading update that included higher than expected volumes (+46% year-over year growth versus 37% expected), but with lower-than-expected take rates (147 basis points versus 155 basis points). This resulted in revenue that was slightly below consensus estimates. Payment volume growth was strong across all segments with digital leading the way at +51%. The 3-basis-point decline in take rate was attributed to existing customers growing rapidly and hitting price reduction tiers. We believe that volume growth is more important than near-term take rate movements.

The company operates a global payments platform, integrating the full payments stack to serve modern global merchants. Unlike many of its legacy peers, Adyen's roots are in technology designed specifically for multi-platform sellers. The company's platform was fully built in-house on a single code base and operates as a single, integrated end-to-end network, giving it an advantage over competitors that have separate platforms for gateway, risk management, processing, issuing, acquiring and settlement. The company's single platform also allows its merchant customers to use one payment service provider globally across all commerce channels (in-store, on the web, and on mobile devices), providing them lower payment costs, a single back end, a single contract and better visibility of end customers.

We believe that the transition to next-generation, single-provider, omni-channel payment processing is in its infancy, and we believe the company will continue to take market share against its competitors. The company should have healthy revenue growth in the coming quarters as it rolls out more products and features, and we expect margins to expand as it leverages its fixed cost infrastructure.



**Five9:** FIVN was a top detractor in the quarter after reporting better-than-expected first quarter earnings accompanied by revenue guidance for the second quarter that was slightly below expectations. The 2Q24 shortfall is related to the pace at which some large deals will realize revenue through the year, while the company kept its full year 2024 guidance the same. FIVN reported \$247 million of revenue, 13% year-over-year revenue growth and \$7 million higher than estimates, and \$0.48 of EPS, 17% growth and \$0.10 better than estimates.

Five9 is a leader in providing cloud-based software to contact centers. The company’s suite of applications provides contact center agents with a unified communication platform (voice, email, text, chat, web, social) and a desktop of tools to help agents engage customers more quickly and effectively. FIVN is well-positioned as contact centers transition to the cloud and has high customer retention (112% net revenue retention last quarter). The company doubled its strategic sales team over the past year and signed new partnerships with AT&T, CDW and Microsoft. We believe the company can grow its top line in the high teens, while improving on its 1Q 61% gross margin and 11% operating income margin, leading to 20%+ EPS growth for the foreseeable future.

### Top Ten Long Holdings

Below is a list of our top ten long holdings as of the end of the quarter:

Holdings	Percent of Net Assets
Microsoft Corp.	6.8%
NVIDIA Corp.	6.0%
Alphabet Inc.	5.6%
Apple Inc.	4.9%
Amazon.com, Inc.	4.5%
Meta Platforms, Inc.	4.4%
Uber Technologies, Inc.	3.4%
Netflix, Inc.	3.2%
Shopify Inc.	3.2%
The Walt Disney Co.	3.0%
	<b>44.9%</b>

*Holdings subject to change.*



Below is a list of the key secular themes represented on both sides of our portfolio as of the end of the quarter.

Long Portfolio Themes		Short Portfolio Themes	
AI/Cloud Computing	▪ 16.6%	Alternative Asset Managers	▪ 0.6%
Internet Media	▪ 13.0%	Consumer Discretionary	▪ 0.9%
E-Commerce	▪ 7.7%	Consumer Lending	▪ 2.4%
Application Software	▪ 7.1%	Travel Services	▪ 0.7%
Payments	▪ 6.2%	Cyclical Industrial	▪ 2.7%
Content Streaming	▪ 6.2%	Residential Real Estate	▪ 1.9%
Mobile Compute	▪ 4.9%	Travel and Leisure	▪ 1.5%
Alternative Asset Managers	▪ 4.6%	Flawed Technology	▪ 0.6%
Rides/Delivery	▪ 4.1%	Legacy Business Services	▪ 1.3%
Healthcare Technology	▪ 3.5%	Market Indexes	▪ 3.7%

*This is a representative (non-exhaustive) list of our largest current long and short themes. Holdings subject to change.*

## Summary

We continue to believe that our secular-themed long/short portfolio is well positioned to generate strong absolute and relative performance in the years to come. We will continue to keep you apprised of our process and portfolio holdings in these letters each quarter. As always, please do not hesitate to contact us if you have any questions or comments about anything we have written or about any of our funds.

We thank you for your interest in the RiverPark Long/Short Opportunity Fund.

Sincerely,

Conrad van Tienhoven  
Portfolio Manager



**Performance through and Exposure as of June 30, 2024**

Period	RLSIX	Morningstar L/S Equity	S&P 500 Total Return	Contribution		Exposure*			
				Long	Short	Long	Short	Gross	Net
Q2 2024	3.4%	0.6%	4.3%	3.0%	1.0%	92.9%	19.7%	112.6%	73.1%
YTD 2024	10.5%	7.5%	15.3%	11.8%	-0.2%	92.6%	21.2%	113.8%	71.5%
1 Year	24.9%	12.7%	24.6%	27.8%	-0.8%	92.3%	22.7%	115.0%	69.7%
3 Year	-12.2%	3.8%	10.0%	-10.3%	0.7%	106.2%	33.7%	139.9%	72.5%
5 Year	3.5%	6.0%	15.0%	5.7%	-0.7%	105.3%	35.9%	141.2%	69.4%
10 Year	4.8%	4.0%	12.9%	7.9%	-3.6%	107.1%	43.0%	150.1%	64.0%
ITD	6.0%	4.3%	13.9%	9.4%	-19.3%	107.0%	45.8%	152.8%	61.2%

**Historical Performance and Exposure**

Period	RLSIX	Morningstar L/S Equity	S&P 500 Total Return	Contribution		Exposure*			
				Long	Short	Long	Short	Gross	Net
2009†	1.7%	1.3%	6.0%	5.7%	-3.6%	84.9%	40.7%	125.6%	44.2%
2010	4.7%	4.7%	15.1%	13.9%	-7.0%	99.3%	45.2%	144.5%	54.0%
2011	8.5%	-3.3%	2.1%	3.8%	6.9%	115.8%	56.3%	172.0%	59.5%
2012	18.9%	3.6%	16.0%	26.3%	-5.6%	106.9%	54.2%	161.1%	52.7%
2013	12.0%	14.6%	32.4%	42.0%	-20.3%	109.0%	52.2%	161.2%	56.9%
2014	-3.9%	2.8%	13.7%	5.3%	-7.9%	111.8%	52.3%	164.1%	59.4%
2015	0.6%	-2.2%	1.4%	-2.5%	3.9%	107.2%	49.0%	156.2%	58.1%
2016	-1.7%	2.1%	12.0%	7.9%	-8.5%	111.9%	54.5%	166.4%	57.3%
2017	22.1%	10.7%	21.8%	36.6%	-9.2%	121.3%	59.8%	181.1%	61.5%
2018	-2.1%	-6.7%	-4.4%	-3.7%	2.5%	103.6%	44.6%	148.2%	59.0%
2019	19.9%	11.9%	31.5%	30.4%	-7.0%	94.9%	43.1%	138.0%	51.8%
2020	54.7%	5.5%	18.4%	56.8%	-4.9%	98.8%	37.3%	136.1%	61.4%
2021	2.1%	12.5%	28.7%	13.0%	-8.8%	118.5%	41.4%	160.0%	77.1%
2022	-53.9%	-8.4%	-18.1%	-57.1%	6.2%	116.0%	37.9%	153.9%	78.2%
2023	43.8%	9.9%	26.3%	51.7%	-5.8%	95.8%	26.4%	122.2%	69.3%

† Inception date of the Fund was September 30, 2009.

Annualized performance since inception of the Mutual Fund (3/30/12) was 4.6% for RLSIX.

The performance quoted herein represents past performance. Past performance does not guarantee future results. The performance quoted for periods prior to March 30, 2012 is that of RiverPark Opportunity Fund, LLC (the "Predecessor Fund"). The inception date of the Predecessor Fund was September 30, 2009. 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 greater than one year are annualized.

The Contribution numbers set forth above are produced by RiverPark Advisors, LLC, the Fund's adviser, in accordance with generally accepted standards in the industry. Contribution is shown gross of management fees and expenses and is geometrically linked on a monthly basis. Contribution is not an exact science and different methodologies may produce different results.

\* Where applicable, the exposures are delta-adjusted and are computed by averaging the exposures of each month-end within each period.





**To determine if the 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 888.564.4517, or by visiting the website at [www.riverparkfunds.com](http://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 use of leverage may accelerate the velocity of potential losses. Furthermore, the risk of loss from a short sale is unlimited because the Fund must purchase the shorted security at a higher price to complete the transaction and there is no upper limit for the security price. The use of options, swaps and derivatives by the Fund has the potential to increase significantly the Fund's volatility. There can be no assurance that the Fund will achieve its stated objectives.*

*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 funds or any security in particular.*

*Standard and Poor's 500 Total Return Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.*

*Morningstar Long/Short Equity Category portfolios hold sizeable stakes in both long and short positions in equities and related derivatives. Some funds that fall into this category will shift their exposure to long and short positions depending on their macro outlook or the opportunities they uncover through bottom-up research. Some funds may simply hedge long stock positions through exchange-traded funds or derivatives.*

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