



## RiverPark Strategic Income Fund

(RSIIX / RSIVX)

### RiverPark Strategic Income Fund Overview

The RiverPark Strategic Income Fund launched on October 1, 2013. Similar to the RiverPark Short Term High Yield Fund, the Fund is sub-advised by Cohanzick Management LLC and is managed by David Sherman, Cohanzick's Founder and CEO.

The Fund's stated objective is to seek high current income and capital appreciation consistent with the preservation of capital by investing in both investment grade and non-investment grade debt, preferred stock, convertible bonds, bank loans, high yield bonds and income producing equities.

The Fund invests in both investment grade and non-investment grade securities. The Fund will allocate assets strategically into investment grade or other defensive securities during times where Cohanzick believes spreads are narrow and attractively priced high yield opportunities are limited, and conversely, may invest all of its assets in high yield securities when spreads are wide and offer attractive returns. In both cases, Cohanzick seeks to invest primarily in debt where the enterprise value of the issuer exceeds the value of the issuer's senior and equally ranked debt. Cohanzick refers to debt meeting this valuation criterion as "Money-Good" and believes Money-Good debt can be expected to pay interest and principal obligations in full, notwithstanding mark-to-market variances over time. However, there is no guarantee that investments that Cohanzick believes are Money-Good will in fact return all interest and principal.

The Fund may also make special situations investments in which a Company is overleveraged, industry challenged, or faced with a company-specific issue. Cohanzick believes these opportunities may offer attractive return profiles even though a portion of the stated principal may be impaired because the current yield and ultimate recovery are expected to exceed the purchase price. Again, there is no guarantee that special situation investments will in fact result in a positive return.



The Fund has relatively low turnover. Cohanzick utilizes a bottom-up approach to analyze business models, credit quality and bond covenants.

## COHANZICK'S ANALYTICAL CREDIT-FOCUSED INVESTMENT PROCESS

### BUSINESS MODEL

- Competitive Advantage
- Supply/Demand
- Barriers to Entry
- Profitability Measures
- Pricing Power and Control
- Negative Surprises

### FINANCIAL ANALYSIS

- Capital Structure
- Debt/ EBITDA-Cap Ex
- Interest Coverage
- Liquidity and Working Capital
- Sales & Margin Trends
- Hidden Assets

The Search for  
"Money Good"  
Investments

### QUALITATIVE ANALYSIS

- Management
- Customers & Suppliers
- Competitors
- Industry Consultants
- Journalists
- Former Employees
- Wall Street
- Other Investors

### SECURITY & COVENANTS

- Coupon & Maturity
- Call & Put Schedule
- Sinking Fund
- Change of Control
- Financial Covenants
- Debt Incurrence
- Carve Outs

We believe we can outperform the benchmarks by remaining relatively small and being opportunistic. Specifically, we seek to invest in securities that are not widely followed, for which the market, in Cohanzick's opinion, is not assessing risk appropriately and that, therefore, represent an unusually attractive investment opportunity. These situations may include high yield securities, asset back securities, distressed securities and equities with fixed-income characteristics.

The Fund has the ability to manage for total return to take advantage of areas that provide, in our opinion, unique risk/return opportunities. The Fund may also be positioned defensively by investing in shorter dated maturities, or securities with higher credit ratings, increasing the percentage of the Fund in cash alternatives and by partially hedging the portfolio.



The Fund is managed across a few categories:

- A. Short Term High Yield Overlap - Securities that are also holdings in the RiverPark Short Term High Yield Fund.
- B. Buy and Hold - Securities that Cohanzick believes hold limited credit risk and provide above market yields.
- C. Priority Based - Securities of issuers experiencing credit stress, with bankruptcy a distinct longer-term possibility that Cohanzick believes are protected from capital loss due to their priority in the issuer's capital structure. Cohanzick calls these investments "Above-the-fray securities of dented credits."
- D. Off the Beaten Path - Securities that are not widely followed and/or are less liquid.
- E. Rate Expectations - Securities that present opportunities because of rising or falling interest rates. This category would include floating rate securities and opportunities that present themselves because of a difference between a security's yield to maturity and its yield to worst.
- F. Other - The Fund will invest opportunistically in asset backed securities, distressed securities and equities with fixed-income characteristics.

In summary, a key benefit of the Strategic Income Fund is the flexibility to vary its allocation across credit ratings, investment categories and by duration. In this way the Fund hopes to achieve its objective of both outperforming the high yield averages in up markets and being able to protect capital during the down periods.