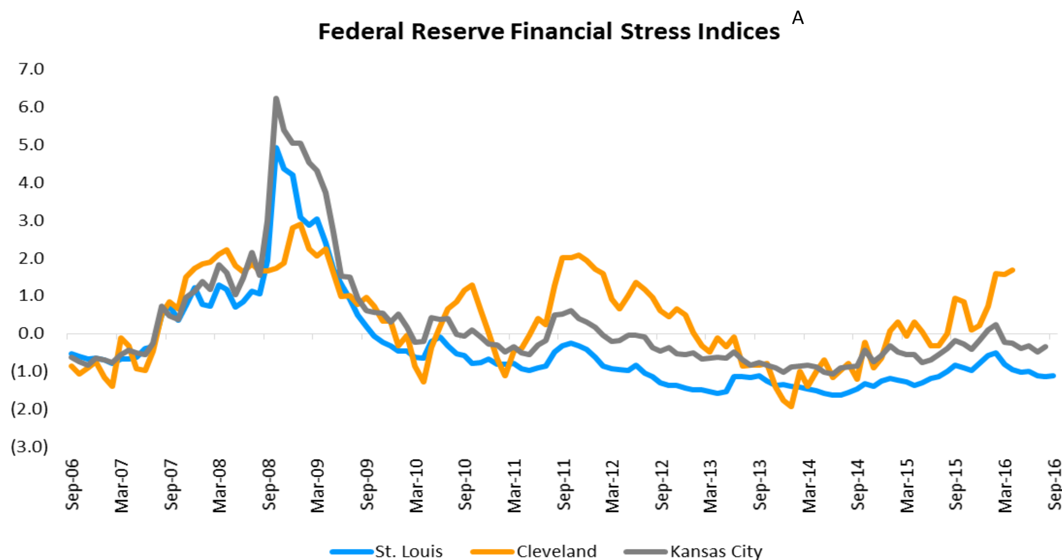
RiverPark Short Term High Yield Fund
&
RiverPark Strategic Income Fund

3Q 2016 Commentary

LIBOR and Term Loans and Bears (Oh My!)[1] Similar to Dorothy in the 1939 movie, *The Wizard of Oz*, society seeks out experts for guidance. In our modern economy, investors look to members of the Federal Reserve to appraise the current state of affairs and provide policy to fulfill their dual mandate of maximizing employment and maintaining price stability. As an input into its analysis reflecting the US economic condition, the Fed calculates a Financial Stress Index ("FSI") [2], determined in slightly different ways by the regional Federal Reserve Banks of Kansas City, St. Louis and Cleveland.



[1] Paraphrased from Lion and Tigers and Bears, Oh my! https://www.youtube.com/watch?v=Etx-nDCZzLo

[2] The Financial Stress Indices calculated by the Federal Reserve Banks of Kansas City, St. Louis and Cleveland use a variety of data series to analyze short and long term trends of financial variables including Treasury bonds, credit spreads, stock market volatility, etc. Specifically related to work by Federal Reserve Bank of Kansas City, an excellent guide, "Financial Stress: What Is It, How Can It Be Measured, and Why Does It Matter?", can be found at https://www.kansascityfed.org/~/media/files/publicat/econrev/econrevarchive/2009/2q09hakkio_keeton.pdf

Strangely, the Cleveland Index has been unavailable since May of this year because the Cleveland Fed has discovered "errors that overestimated stress in the real estate and securitization markets"[B]. Given that the Cleveland Index has shown the greatest level of stress since late 2014, the admission that the data have been in error raises the question: "Is the wizard behind the curtain pulling the right levers at the right time?"

The disparity among the three Fed indices is not the only place one can observe cross currents. For example, central bankers are beginning to question the benefits of continued loose monetary policy to stimulate growth. Inevitably, governments pursue policies promoting prosperity, social advancement and protection from the bottom falling out. Generally, these measures have unintended consequences, both good and bad. However, they also create opportunities.

LIBOR

Traditionally, money market funds have maintained a constant net asset value ("NAV") of $1.00 per share. However, the demise of Lehman Brothers in 2008 sparked a run on these funds endangering their unwavering NAV, potentially "breaking the buck". In fact, the NAV of the $60 billion Reserve Primary Fund, the first money market fund, established in 1971, fell to $0.97. Investors' redemption demands, coinciding with both permanent[3] and mark-to-market declines of the underlying securities, revealed the risks of investments previously thought to be as safe as bank deposits. Fast forward to July 2014: The SEC changed the rules governing these funds in order to prevent future runs on the funds and protect the financial system[4]. The most significant action requires institutional prime money market funds to mark-to-market; in other words, no more constant $1.00 per share NAV. The implementation on October 14, 2016 affects a $2.7 trillion asset class and has been the primary impetus for an exodus of over one trillion dollars out of prime funds, which are large holders of commercial paper[5], and into money market funds holding short term US government bonds and government agency securities.

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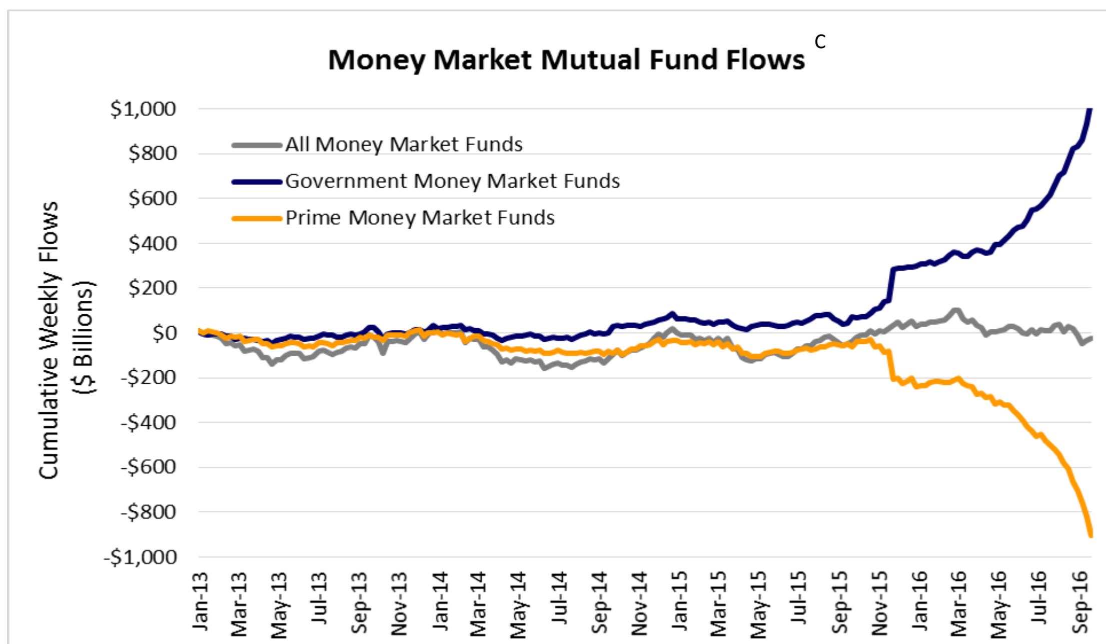
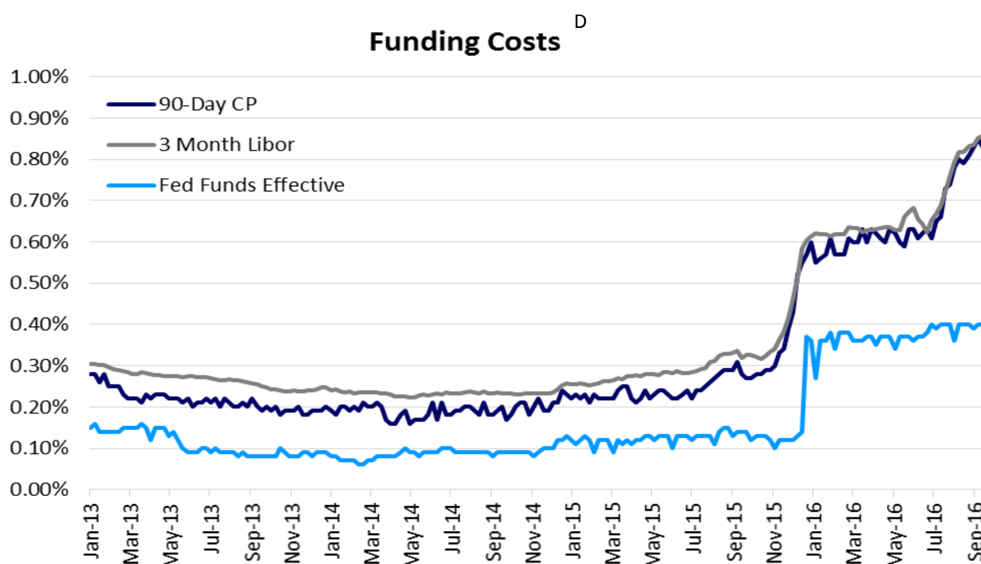
[3] Securities of Lehman Brothers were permanently impaired upon its bankruptcy filing.
[4] SEC's final rule can be found at https://www.sec.gov/rules/final/2014/33-9616.pdf
[5] Commercial paper is an unsecured obligation issued by a corporation or bank to finance short term credit needs. Maturities are typically less than 270 days. As issuers are usually of higher credit quality, investment in commercial paper is generally believed to be low risk.



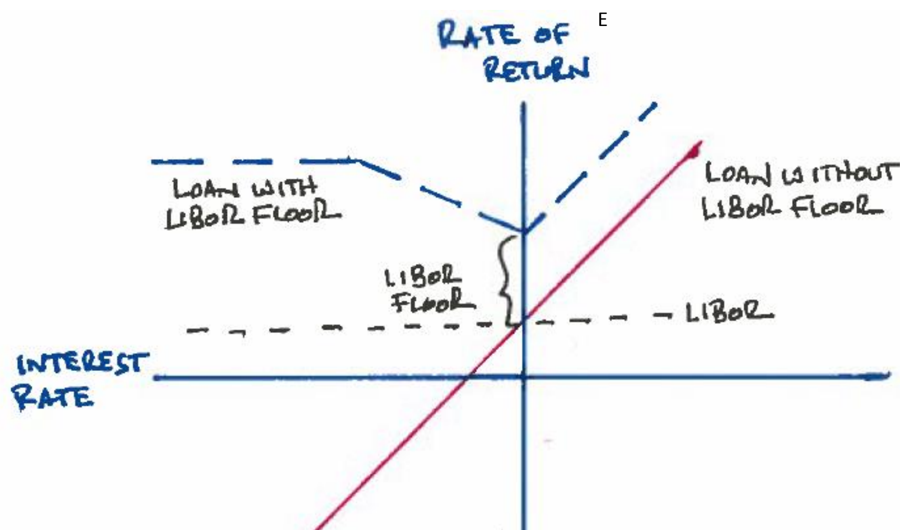
Given that financial institutions and corporations often borrow on a short-term basis, the reduced investor demand for these instruments directly resulting from the impending and wide-sweeping SEC mandate has driven up funding costs. This is particularly important because LIBOR is one of the primary bases for determining the interest rate for over $350 trillion in debt instruments including mortgages, credit cards, auto loans and commercial loans.



TERM LOANS

The change in the money market regulation is having broad unintended consequences for the cost of borrowing throughout the economy. From our perspective, this has created an opportunity.

In today's parlance, a term loan is a bank loan which generally has a floating interest rate based on LIBOR or Prime Rate that re-prices every 1 or 3 months; referred in the high yield market as "leveraged loans".

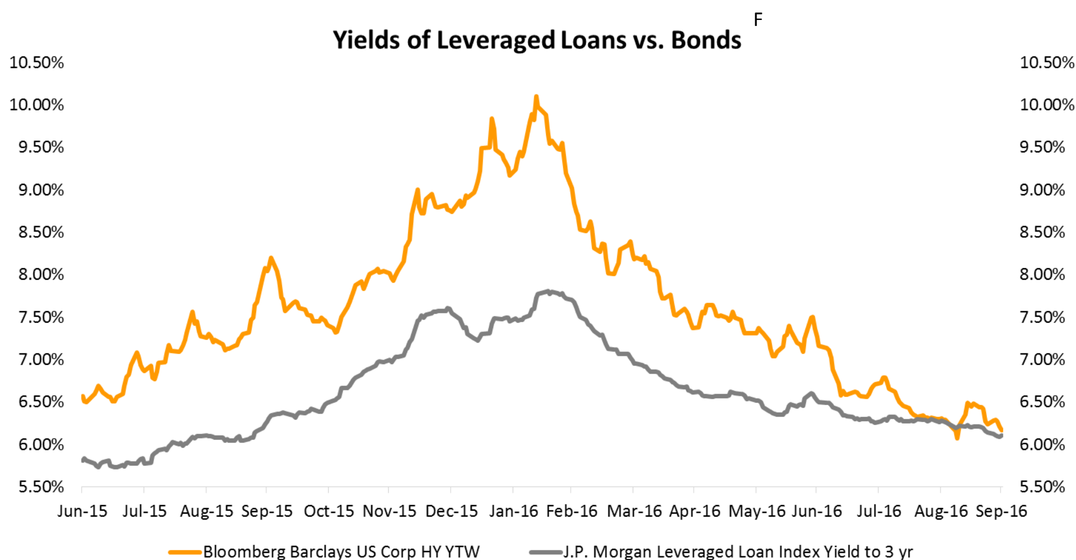


One might consider a term loan with a LIBOR floor as being long both a call option and a put option on LIBOR with a strike price equal to the LIBOR floor[6]. For example, a term loan that has a stated floor of 100 basis points (bp) and a stated coupon of LIBOR + 450 bp is effectively a fixed 5.50% coupon that becomes floating when LIBOR rises above 1% by resetting the coupon rate to incorporate the prevailing LIBOR rate in excess of 1%.

Three-month LIBOR has ranged from 0.22% to 0.35% from 4Q12 through 3Q15, so the LIBOR floors, which are typically higher, have buffered the coupon on term loans from falling so low that lenders would not provide capital. Yet for some time, even with these floors, we have found loans to be unattractive relative to higher-yielding fixed rate corporate bonds because

[6] Typically, leveraged loan LIBOR Floors are 0.75% to 1.00% and a reset every 3 months. Over 90% of leveraged loans have floating rate coupons with floors creating a minimum fixed coupon ("LIBOR floors") that ensures that the interest rate the lender receives is no lower than the floor rate plus an additional interest component reflecting credit risk.

investors were overpaying for the floating rate option and perceived higher credit quality. With the pending change in money market regulations, LIBOR has risen to 0.85% at the end of 3Q16, a level near, or in some cases above, the LIBOR floor for many loans. At the same time, credit spreads for high yield bonds have narrowed since their 1Q16 peak such that we are now seeing a convergence of yields between leveraged loans and high yield bonds as shown below.



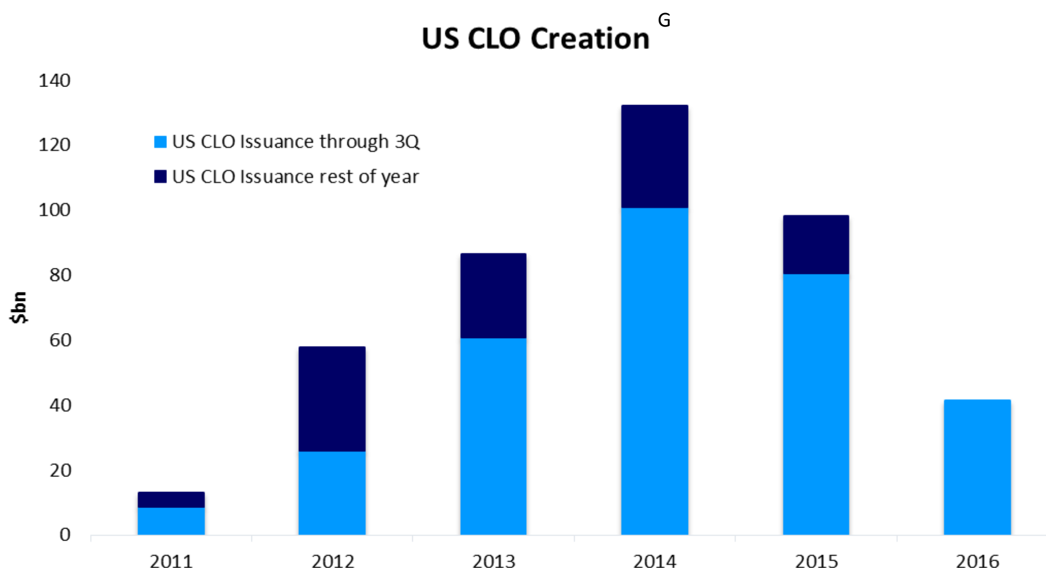
Responding to these changes, we have actively increased the RiverPark funds' exposure[7] to term loans and floating rate securities. In making this shift we are also able to take advantage of optionality provided by LIBOR floors, improve structural credit quality and potentially benefit from market technicals.

Our shift toward a higher level of investment in loans should also permit us to improve portfolio quality, providing greater principal protection if the economy begins to weaken. In contrast to bonds, which are usually unsecured, loans often reside at the top of corporate capital structures, secured, on a first or second priority basis, by assets of the issuer. Thus, in the case of financial distress, the loan holder would have a superior claim on assets that should provide a higher degree of principal recovery as compared to unsecured bonds. Although there has been a proliferation of "covenant-lite" loans that provide little in the way of lender protection in the case of credit deterioration, these loans still have financial covenants similar to unsecured bonds. Therefore, the choice between an investment in an unsecured high yield

[7] Exposure to leveraged loans and floating rate securities for the RiverPark Short Term High Yield Fund increased from 13.5% at the end of 4Q15 to 17.8% at the end of 3Q16 and for the RiverPark Strategic Income Fund rose from 7.8% at the end of 4Q15 to 15.5% at the end of 3Q16.

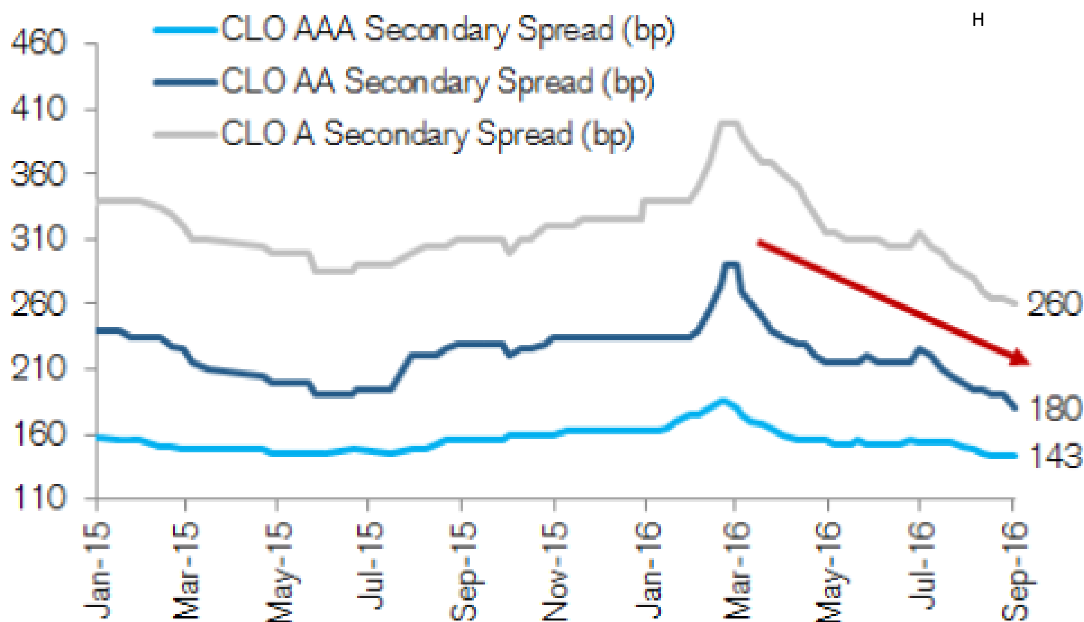
bond and a "covenant-lite" leveraged loan becomes a matter of price and expected rate of return.

The increase in loans in our portfolio may temper market volatility and provide modest price appreciation if some potential technical changes play out. Collateralized loan obligations ("CLOs") are a product that securitizes pools of leveraged loans by issuing various tranches of locked-in term financing. Further, a substantial portion of the CLO financing is rated investment grade under the theory that the lower layers of capital will absorb losses of the underlying leveraged loan portfolio in aggregate. Similar to banks, CLOs have a better asset-liability match than daily-liquidity mutual funds and a capitalization of both equity and debt.



Over the last several years, CLOs were a driving force behind leveraged loan issuance. In fact, creation of CLOs was so robust that covenant-lite loans expanded rapidly. However, CLO issuance in 2016 has dropped back to levels similar to 2012. With a rise in LIBOR, a steep yield curve and a worldwide thirst for yield, the stage has been set for potential growth in issuance of CLOs.

Credit spreads for the lower tier investment grade tranches of CLOs have been declining since 1Q16, reflecting increased demand and making new CLO formation more attractive for sponsors. Surely, investment bankers will be cognizant of these developments and crank up their CLO-making machinery.



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Reacting to these factors, the secondary market should be supported with purchases from CLO formation. Ultimately, new issuance of term loans should also increase. As the level of capital flowing into one asset class versus another often dictates relative performance, the expected inflow into CLOs may result in a sellers' market for loans as bids multiply.

Observations Put Into Practice during 3Q16

Caesars Entertainment Resort Properties ("CERPLC")[I] - The convergence between high yield bonds and leveraged loans is exemplified by RiverPark Strategic Income's investment in CERPLC. The company owns six high-end gaming facilities located predominantly in and around Las Vegas. The term loan matures 10/11/2020 and has a coupon of LIBOR +600 bp with a LIBOR floor of 100 bp for a total interest rate of 7.00% at present. The loan is secured by the casino and hotel assets and would have first priority for repayment from any asset sale proceeds. Although the company's sister subsidiary has been undergoing a very contentious financial restructuring, our credit is bankruptcy remote, unaffected by its affiliate's woes. With strong EBITDA growth and positive free cash flow, the credit is well supported. CERPLC also has an outstanding bond issue that has the same collateral, same priority in the capital structure, same maturity and an 8% coupon, a security we have owned in the past. In September, the loan had a 7.5% yield-to-worst, which was almost 100 bp higher than the bonds. Moreover, in the event that interest rates jump up, the loan would see an increase in its coupon and likely appreciate while the bond would likely decline in price due to its fixed rate. In the interest of simplifying the overall corporate capital structure, we expect CERPLC will likely refinance the secured debt

prior to maturity, in which case, the loan will have a slightly higher capital appreciation than the bonds. Since our purchase, this relative value opportunity has narrowed as the loan has appreciated in price more than the bonds.

Dell ("DELL")[J]- Our experience with Dell securities in both RiverPark funds also demonstrates the opportunity presented by the recent rise in LIBOR. In our 4Q15 letter, we discussed our position in the secured bonds of Dell. We noted that the bonds we owned were likely to be refinanced as a result of Dell's announced plan to acquire EMC, but that, even if the refinancing didn't happen, we were comfortable with the attractive yield-to-maturity these bonds offered. During 3Q16, Dell closed on its purchase of EMC and these notes were redeemed as anticipated. This presented an opportunity to rebalance and continue to keep our exposure to this credit which we believe will de-lever going forward via asset sales and free cash flow growth, from merger synergies. In the RiverPark Strategic Income portfolio, we chose to retain our exposure to this credit via the 1st lien loan due in 2023 that was issued as part of the transaction. This loan offered an above market yield for an investment grade loan. The loan provides an additional benefit compared to the 1st lien bonds in that the fixed coupon of the bonds will make that issue more sensitive to changes in interest rates while the floating coupon on the loan, LIBOR + 325 bp with a 75 bp LIBOR floor, would provide a benefit from any increases in LIBOR and downside protection with respect to a decline in LIBOR through the LIBOR floor provision. In the RiverPark Short Term High Yield Fund, we also chose to maintain exposure to Dell, but in this case through the 1st lien loan that is due in 2018. This shorter maturity issue reflects the nature of the fund strategy, providing insulation from the volatility of longer dated paper while providing floating rate exposure with a coupon of LIBOR + 200 bp and a 0 bp LIBOR floor. This loan is callable at par with proceeds from asset sales/excess cash flow, likely to arise as a result of the EMC merger. In the event this loan, purchased at a discount, is partially or fully redeemed prior to 2018, the RiverPark Short Term High Yield Fund would benefit from capital appreciation too.

Reddy Ice ("RDDY")[K] - RiverPark Strategic Income's investment in the Reddy Ice 1st lien loan, due 2019, is another good example of how we are employing leveraged loans instead of high yield bonds to achieve return objectives. Reddy Ice is the largest manufacturer and distributor of packaged ice in the US. Since emerging from Chapter 11 in 2012, the company has improved efficiency and profitability leading to a reduction in leverage. When properly capitalized, the ice business is relatively stable with variance in operating performance largely dependent on weather. Purchased at a discount to yield over 9.00%, RDDY carries an attractive LIBOR + 550 bp coupon with a 125 bp LIBOR floor. We expect required free cash flow sweeps will de-lever the balance sheet and potentially serve as a catalyst for an early refinancing which would provide a capital gain in excess of the expected yield.

Sidebar: Reddy Ice serves as a good example of how longevity in the high yield market is beneficial in maintaining an inventory of investment ideas to permit opportunistic purchases. Cohanzick's initial investment in Reddy Ice's predecessor, Packaged Ice, was in 1997, nearly 20 years ago, and we have been involved in the credit off and on since then. The company has been focused on developing disruptive technologies and "roll-up" industry consolidation.[8] Our experience has given us insight that these actions can easily lead to an over-levered balance sheet. Further, over the years, the company has been taken private in an LBO (2003), fought off anti-trust litigation (2008-2012) with minimal negative impact and restructured its over-levered balance sheet through Chapter 11 (2012-2013). Fortunately, with watchful wariness, we have been able to avoid and take advantage of the company's major disruptions but for a fire that burned one of its warehouses, melting its inventory.

BEARS (Oh my!)

We are neither bulls nor bears. That being said, we have decidedly become defensive in our portfolios. We are "not in Kansas anymore". The confluence of mixed signals and ever-increasing exogenous risk leads us to be cautious. We are optimistic about the quality and return of our portfolios consistent with the funds' mandates. Further, we remain nimble to take advantage of the unintended consequences resulting from government action.

Watching out for the flying monkeys,

David Sherman and the Cohanzick Team

[8] As well described in The New Yorker's February 12, 2001 article: The Emperor of Ice. http://www.newyorker.com/magazine/2001/02/12/the-emperor-of-ice-2.

[A] Federal Reserve Economic Data ("FRED") prepared by the Federal Reserve of St. Louis https://fred.stlouisfed.org in which the compilation of the Financial Stress Index can be found at https://fredblog.stlouisfed.org/2014/11/on-financial-stress

[B] Cleveland Financial Stress Index under review; revised index expected Q4:2016 https://www.clevelandfed.org

[C] Source: Investment Company Institute (ICI)

[D] Source: Bloomberg

[E] Drawing developed and produced by Cohanzick Management, LLC

[F] Source: J.P. Morgan Markets, Bloomberg, Barclays

[G] Source: Bank of America Merrill Lynch Global Research

[H] Source: Credit Suisse, Bloomberg

[I] As of 9/30/2016, our position in Caesars Entertainment Resort Properties represented 1.32% of the Strategic Income portfolio.

[J] As of 9/30/2016, our position in Dell represented 2.49% of the Strategic Income portfolio and 2.71% of the Short Term High Yield portfolio.

[K] As of 9/30/2016, our position in Reddy Ice represented 0.30% of the Strategic Income portfolio.

RIVERPARK FUNDS

RiverPark Short Term High Yield Fund

Third Quarter 2016

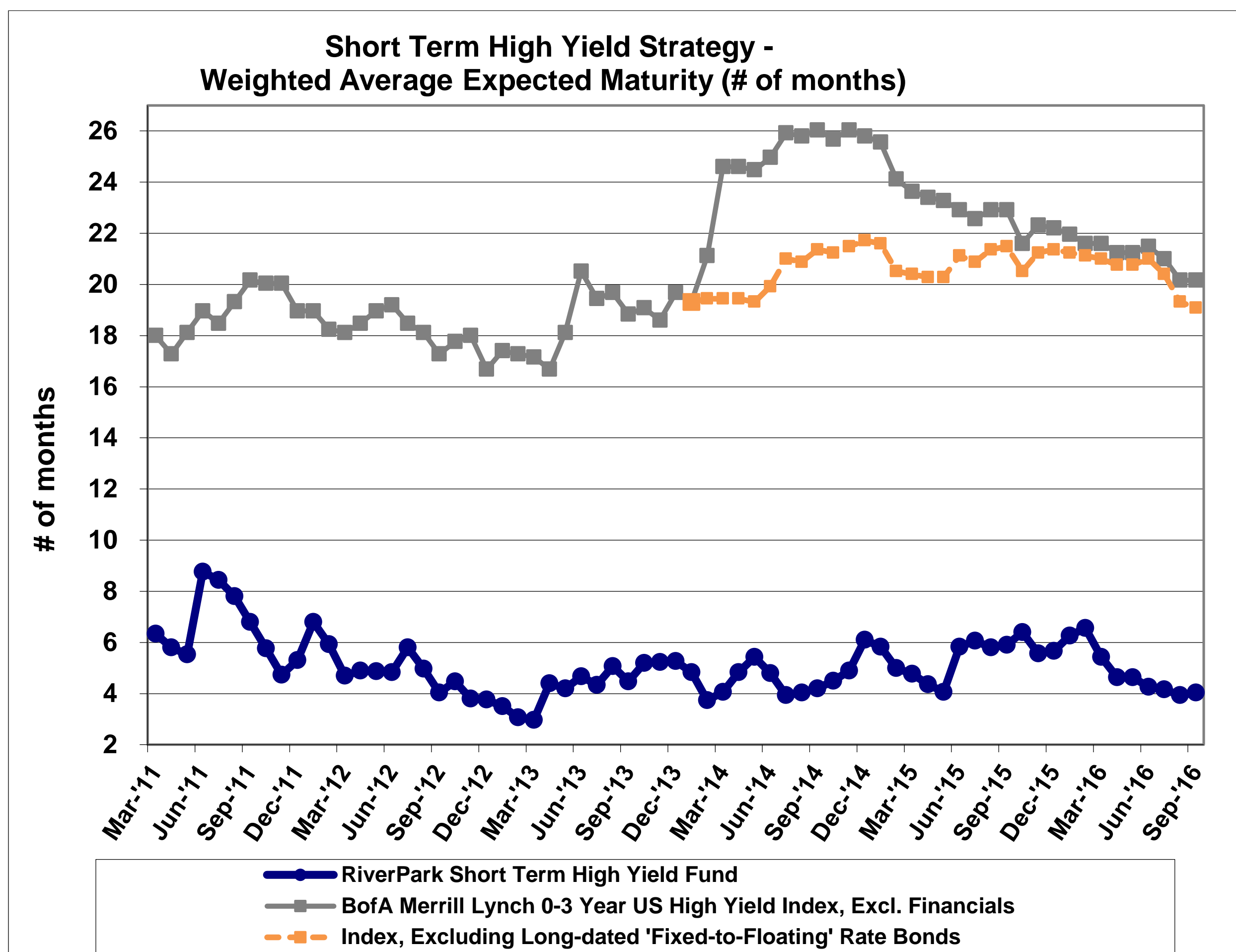
RIVERPARK SHORT TERM HIGH YIELD FUND
SEPTEMBER 30, 2016

	RiverPark Short Term High Yield Fund Performance		BofA Merrill Lynch 1-Year U.S. Treasury Index[1]	BofA Merrill Lynch 1-3 Yr U.S. Corp Index[1]	BofA Merrill Lynch 0-3 Yr U.S. HY Index Ex-Financials[1]
	RPHIX	RPHYX			
3Q16	0.96%	0.91%	0.06%	0.34%	4.02%
YTD 2016	2.78%	2.70%	0.71%	2.61%	12.57%
One Year	3.05%	2.81%	0.54%	2.48%	10.85%
Five Year	3.37%	3.06%	0.32%	2.33%	6.18%
Since Inception*	3.35%	3.06%	0.36%	2.17%	5.50%

** Total Returns presented for periods less than 1 year are cumulative, returns for periods one year and greater are annualized. Fund Inception Date: September 30, 2010.*
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.
As of the most recent prospectus, dated 1/28/2016, gross expense ratio was 0.87%. 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.
[1] The BofA Merrill Lynch 1-3 Year U.S. Corporate Index is a subset of the BofA Merrill Lynch U.S. Corporate Master Index tracking the performance of U.S. dollar denominated investment grade rated corporate debt publicly issued in the U.S. domestic market. This subset includes all securities with a remaining term to maturity of less than 3 years. The BofA Merrill Lynch 1-Year U.S. Treasuries Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The BofA Merrill Lynch 0-3 Year U.S. High Yield Index Excluding Financials considers all securities from the BofA Merrill Lynch US High Yield Master II Index and the BofA Merrill Lynch U.S. High Yield 0-1 Year Index, and then applies the following filters: securities greater than or equal to one month but less than 3 years to final maturity, and exclude all securities with Level 2 sector classification = Financial (FNCL).

As of September 30, 2016 the portfolio was comprised of securities with an average maturity of 4.0 months. The average maturity is based on the Weighted Average Expected Effective Maturity, which may differ from the stated maturity because of a corporate action or event.



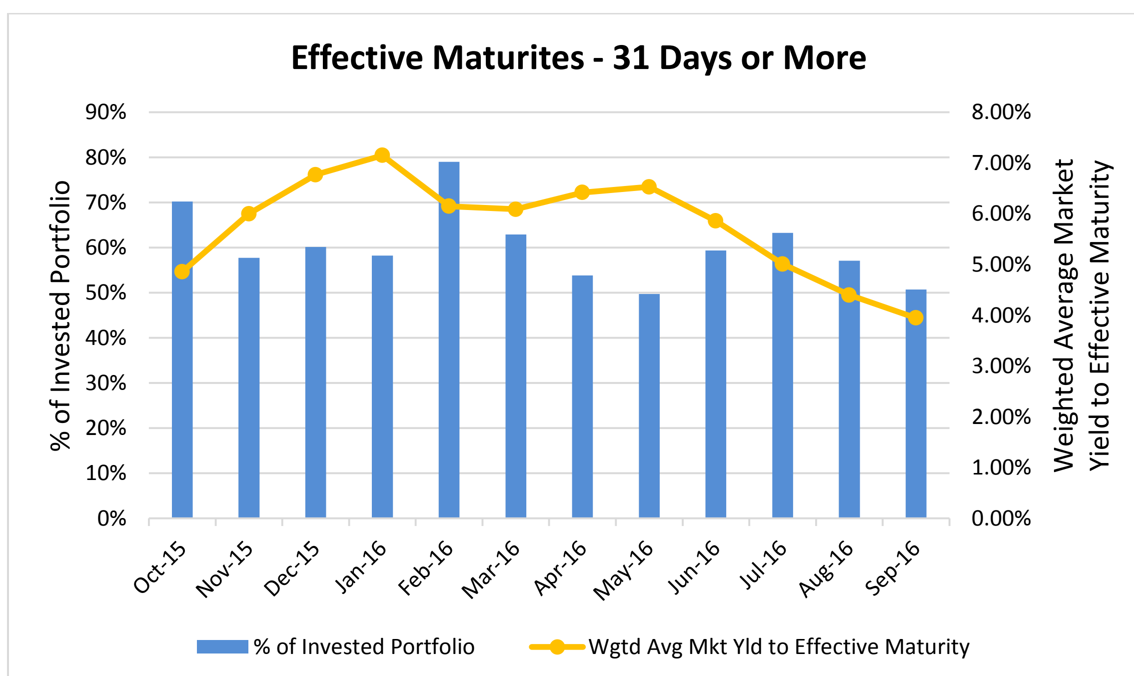
Source: Bloomberg Professional Analytics

At quarter-end, the invested portfolio had a weighted average Expected Effective Maturity of 1/29/17, and 49% was comprised of securities with an Expected Effective Maturity of 30 days or less. Below is a more specific breakdown of the portfolio's holdings by credit strategy:

% Of Invested Portfolio As of 9/30/16

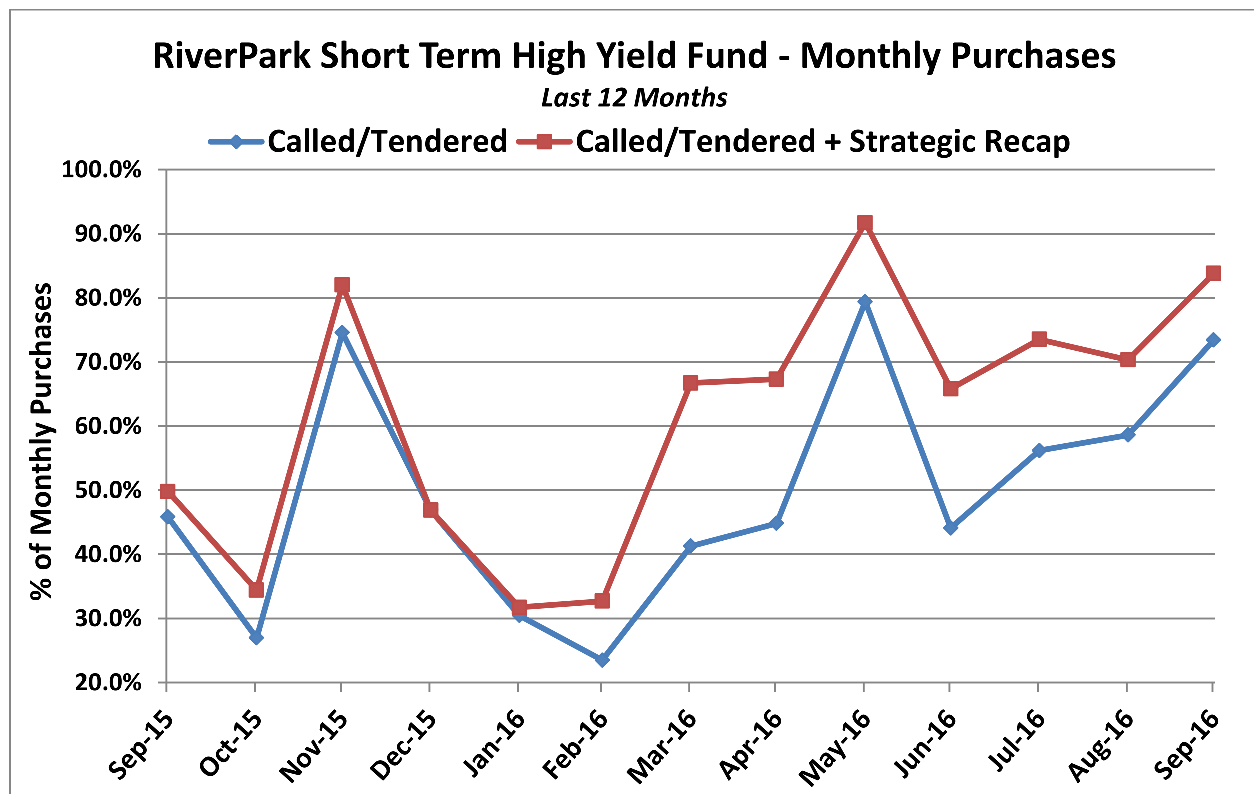
Expected Effective Maturity	Redeemed Debt	Event-Driven	Strategic Recap	Cushion Bonds	Short Term Maturities	
0-30 days	43.1%	1.9%	1.9%		2.3%	**49.3%**
31-60 days	1.5%	1.9%	4.8%		1.7%	**9.9%**
61-90 days				2.1%	11.9%	**14.0%**
91-180 days		5.6%		2.1%	3.9%	**11.6%**
181-270 days		4.2%				**4.2%**
271-365 days			0.4%		0.7%	**1.1%**
1-2 years				0.8%	4.4%	**5.2%**
2-3 years				0.9%	3.9%	**4.7%**
	44.6%	**13.7%**	**7.1%**	**5.8%**	**28.8%**	**01/29/17**

As of September 30, 2016 the Weighted Average Market Yield to Effective Maturity was 3.95% for Effective Maturities of 31 days or more. That comprised 51% of the invested Portfolio.



New purchases made by the Fund during the quarter consisted of 62.9% Called/Tendered, 4.5% Event-Driven, 13.0% Strategic Recap, 2.9% Cushion Bonds, and 16.6% Short Term Maturities. Called and Tendered securities continue to be a significant component of our purchases. The supply of these bonds remained ample during most of the period.

When combining Called/Tendered purchases with Strategic Recap (which represent securities that are in the process of being refinanced but have not yet been officially redeemed), the figure reached 76% of our purchases during the quarter. We will continue to try focusing a large portion of the Fund in redeemed or soon-to-be redeemed securities, especially in times of market weakness, both to keep the Fund's duration short, and also to ensure that adequate pools of near-term cash are available to take advantage of attractive new purchases.



RIVERPARK FUNDS

RiverPark Strategic Income Fund

Third Quarter 2016

RIVERPARK STRATEGIC INCOME FUND
SEPTEMBER 30, 2016

	RiverPark Strategic Income Fund Performance		Barclay's Aggregate Bond Index[1]	Morningstar Multisector Bond Category[2]
	RSIIX	RSIVX		
3Q16	3.06%	3.00%	0.46%	2.70%
YTD 2016	8.14%	7.95%	5.60%	7.70%
One Year	5.34%	5.08%	5.19%	7.10%
Since Inception*	3.55%	3.27%	4.03%	3.63%

** Total Returns presented for periods less than 1 year are cumulative, returns for periods one year and greater are annualized. Inception Date: September 30, 2013*

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.

As of the most recent prospectus, dated 1/28/2016, gross expense ratio was 0.90%. 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. This option is available contractually to the advisor until January 31, 2016. Please reference the prospectus for additional information.

[1] The Barclays U.S. Aggregate Bond Index is a broad-based unmanaged index of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS.

[2] Source: Morningstar Principia. The Morningstar Multisector Bond Category is used for funds that seek income by diversifying their assets among several fixed-income sectors, usually U.S. government obligations, foreign bonds, and high-yield domestic debt securities.

Category	Weight	YTW	YTW Duration	YTM	YTM Duration
RiverPark Short Term High Yield Overlap	31.0%	3.1%	0.36	6.3%	1.65
Buy & Hold “Money Good”	45.9%	6.7%	2.15	7.0%	3.09
Priority Based (Above the Fray)	6.1%	12.1%	2.24	12.2%	2.59
Off The Beaten Path	5.9%	13.0%	2.06	13.2%	2.45
Interest Rate Resets	1.7%	2.4%	0.13	7.8%	2.64
ABS	5.5%	3.0%	0.74	3.5%	1.29
Equity	0.1%				
Distressed	0.4%				
Hedges	-2.8%	4.0%	5.52	4.0%	5.91
Invested Portfolio	93.8%	6.0%	1.33	7.4%	2.34
Cash	6.2%				
Total Portfolio	100.0%	5.7%	1.25	7.0%	2.19

The five largest positions totaled 15.97% of the Fund.

Homefed Corp	3.93%
Casella Waste	3.26%
Sprint Nextel	3.01%
Master Asset Vehicle II	2.90%
HC2 Holdings Inc.	2.87%
	15.97%

For the quarter, the five best performing positions’ positive contribution outweighed the five worst performing positions (inclusive of interest) on a net basis by 75 basis points. The five best and worst performing positions for the quarter were as follows:

Positive Contribution – 0.87%	Negative Contribution - (0.12%)
HC2 Holdings Inc.	Owens-Brockway Glass Container Inc.
Quad Graphics Inc.	Aircastle LTD
Techniplas LLC	CIT Group Inc.
Hot Topic Inc.	Verso Corp
Hunt Cos Inc.	SAMI Investments II Trust 2006-AR3

In 3Q16, HC2, Quad Graphics, Techniplas, Hot Topic and Hunt Cos all traded higher as the companies reported stronger than expected Q2 earnings.

The short positions in Owens and AirCastle weakened as the companies reported Q2 earnings that met or topped expectations. The short position in CIT Group declined as the company announced an asset sale and made progress towards separating its aircraft leasing business. NewPage/Verso fell as the company exited chapter 11 and the newly public equity settled into a lower trading level. SAMI Investments realized a loss upon exiting the position.

	RiverPark Strategic Income Fund (RSIIX, RSIVX)[1]	Barclays U.S. Aggregate Bond Index*	Markit iBoxx USD Liquid High Yield Index*
YTW	5.67%	2.21%	5.69%
Effective Maturity	3/9/2018	4/11/2025	3/27/2021
YTM	6.93%	2.22%	6.02%
Stated Maturity	6/5/2019	5/3/2025	10/11/2022
SEC 30 Day Yield	5.29%	1.72%	5.43%

1. Numbers represent a weighted average for RSIIX and RSIVX

This material must be preceded or accompanied by a current prospectus. Investors should read it carefully before investing.

***These index characteristics are calculated by Bloomberg Professional Analytics and are based on the iShares ETFs which are passive ETFs comprised of the underlying securities of these indices.

RiverPark Strategic Income Fund has similar yield, but shorter duration than the indices. We believe the portfolio is well positioned and defensive relative to the indices.

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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. Bonds and bond funds are subject to interest rate risk and will decline in value as interest rates rise. High yield bonds and non-investment grade securities involve greater risks of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments. The RiverPark Strategic Income Fund may invest in securities of companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments may result in significant returns to the Fund, they involve a substantial degree of risk. There can be no assurance that the Fund will achieve its stated objectives.

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