RIVERPARK
FUNDS

RiverPark Short Term High Yield Fund
&
RiverPark Strategic Income Fund

2Q 2016 Commentary

*Whoever coined the phrase **"return-free risk"** to apply to government securities at these ground-hugging yields was a sage as well as an aphorist. Barring a deflationary collapse, the Treasury market will surely have its comeuppance.*

Grant's Interest Rate Observer, December 12, 2008

The world's central bankers' experiment in stimulating economic growth has led to negative interest rates in many countries, an extreme circumstance with unexpected consequences. Since money easily flows around the world, the trending bond trade may be to buy long-dated U.S. Treasuries in anticipation of Japanese and European investors exporting lower interest rates to U.S. shores.

Government Bond Yields

Country	% Trading Negative	Maturities						
		1yr	2yr	3yr	5yr	7yr	10yr	30yr
Switzerland	100%	Negative Yield	Negative Yield	Negative Yield	Negative Yield	Negative Yield	Negative Yield	Negative Yield
Japan	79%	Negative Yield	Negative Yield	Negative Yield	Negative Yield	Negative Yield	Negative Yield	Positive Yield
Germany	71%	Negative Yield	Negative Yield	Negative Yield	Negative Yield	Negative Yield	Negative Yield	Positive Yield
France	59%	Negative Yield	Negative Yield	Negative Yield	Negative Yield	Negative Yield	Positive Yield	Positive Yield
Spain	25%	Negative Yield	Negative Yield	Negative Yield	Positive Yield	Positive Yield	Positive Yield	Positive Yield
Italy	20%	Negative Yield	Negative Yield	Positive Yield	Positive Yield	Positive Yield	Positive Yield	Positive Yield
US	0%	Positive Yield	Positive Yield	Positive Yield	Positive Yield	Positive Yield	Positive Yield	Positive Yield
UK	0%	Positive Yield	Positive Yield	Positive Yield	Positive Yield	Positive Yield	Positive Yield	Positive Yield

Negative Yield   Positive Yield

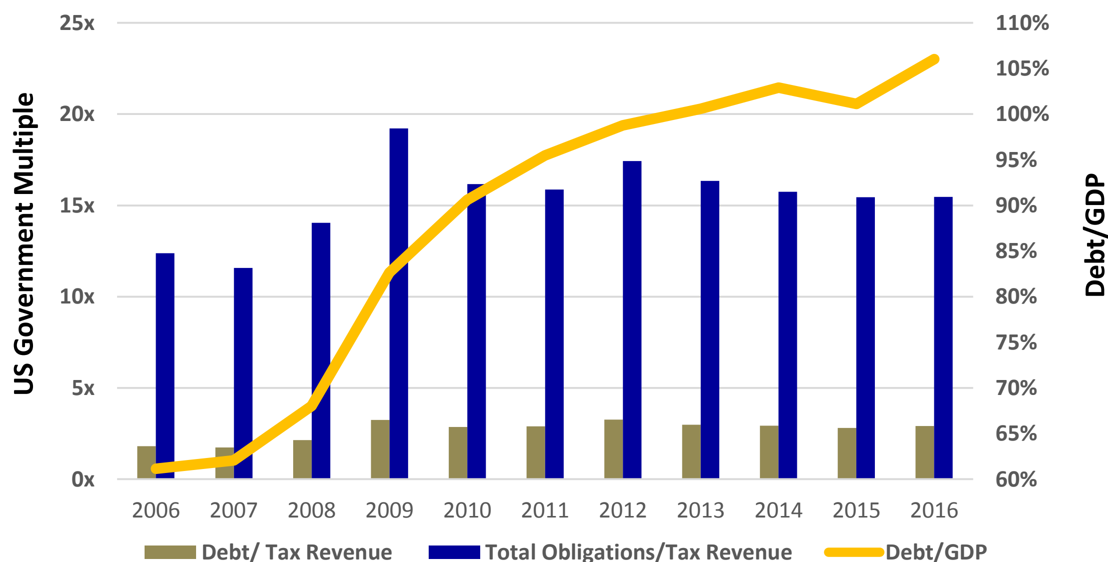
Sources: Citi Research, FactSet (as of 7/6/16)

As bottom-up investors with a longer term focus, we are prepared to sacrifice this short term trade opportunity. If Jim Grant's comment regarding "Return-Free Risk" was true in 2008; it's even truer now. As much as we love our country, for which we are prepared to bleed red, white and blue, the credit statistics and future outlook do not compensate an investor to hold U.S. Treasuries; it may be a good trade but we suspect a poor investment.

As bottom-up credit analysts, we expect to be paid more, in the form of greater yield, as risks increase. Further, good credit analysis does not only encompass past performance, but must look forward to assure principal repayment. The U.S. Treasury bond has long been considered a "risk free"[1] asset, a bastion of safety well anchored in the country's stable democracy, rule of law and dedication to social and economic mobility. Regardless, the county's credit quality has deteriorated; the U.S. continues to fail to address budget deficits and continues to grow its Federal obligations. More disconcerting, these problems are not being addressed due to legislative gridlock as symbolized by the 2011 credit rating downgrade[2] to AA+ after being rated AAA for 70 years.

Looking through our "credit lens" by applying corporate metrics, we see a U.S. government balance sheet that is grossly over-extended and in need of a turnaround specialist. Currently, our government leaders are "not playing nice in the sandbox", so solutions are unlikely to be implemented.

U.S. Leverage Metrics



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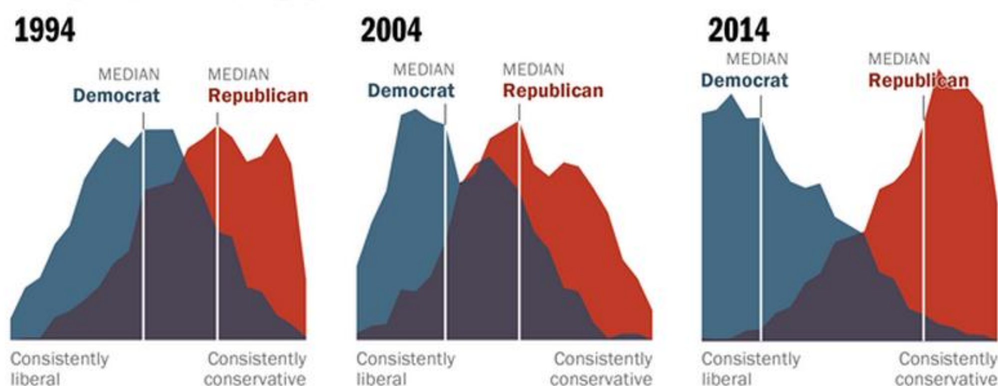
[1] The risk-free rate of return is the theoretical rate of return of an investment without any probability of loss over the investment period. A further discussion of the concept can be explored in "What is a risk free rate? A Search for the Basic Building Block" by Aswath Damodaran of NYU's Stern School of Business dated December 2008 (http://people.stern.nyu.edu/adamodar/pdfiles/papers/riskfreerate.pdf)

[2] At the time, S&P attributed the downgrade, in part, to "political brinksmanship" in the debate over government debt which impaired its ability to manage its finances "less stable, less effective and less predictable."

As shown in the graph on the prior page, one measure of credit quality is the multiple of total government debt versus tax revenue. By this measure, U.S. debt is approximately 2.9x total revenues, an increase of 60% over the last 10 years. Thinking of this metric as a total enterprise value to sales ratio, this is not so bad, but not so good[3]. However, total Federal obligations, including debt and entitlements, have ballooned to 15.5x tax revenues, clearly a concern. Unaddressed, the government's total obligations are too high and will jeopardize future generations. Indeed, debt as a percentage of gross domestic product is now over 105%, a level above the "bang point"[4] at which academics warn that government may be denied access to further credit because the marketplace has diminished confidence that incremental debt can be repaid.

For the U.S., the ability to back away from the debt precipice will require political cooperation, not seen in many years. Congress needs to focus on reducing budget deficits and, more importantly, chip away at our future debt obligations. Hard decisions that may be politically unpopular require leadership. This may be difficult. As shown in the Pew Research Study below, the politically active electorate has become more polarized over the last 20 years. Consequently, the art of political compromise has been lost, as acrimony and hardened positions prohibit progress and increase risk for investors and all citizens.



[3] At 2Q16, the S&P 500 Index was trading at approximately 2.2x Enterprise Value/Sales ratio. Over the last 10 years the estimated ratio's band is between 1.4x-2.6x. Source: Bloomberg Financial Analytics.

[4] A term coined by economists Carmen Reinhart and Kenneth Rogoff in their book, "This Time is Different, Eight Centuries of Financial Folly". Based on their studies, the bang point is the time when a country's debt reaches 90% of its GDP.

The U.S. benefits as a sovereign with the ability to print its own money. Notwithstanding, were we long term bondholders of the "U.S. Corporation", we would be selling. This "company" does not appear to have a business plan to foster growth and is adding leverage in order to benefit its shareholders to the detriment of its bondholders -- financial engineering on a grand scale. Historically, we believe the U.S. reacts and best charts a course in periods of crisis, which gives us faith in our country. Nonetheless, as credit analysts, we do not want to invest in U.S. government bonds (or, frankly, the bonds of most developed countries) without knowing the strategy for repayment; we are just not being paid well enough to hold them.

Instead, we'll stick with the relative safety and low volatility[5] of the RiverPark Short Term High Yield Fund which typically has a weighted average effective maturity of 3– 6 months while earning yields similar to long-dated U.S. Treasuries. Alternatively, for the more venturesome willing to incur some volatility, we continue to find opportunities in investment grade and high yield corporate debt for RiverPark Strategic Income Fund. High yield spreads remain attractive, especially among smaller bond issues, a particular focus of our research efforts.

HIGH YIELD SPREAD ANALYSIS: A HISTORICAL PERSPECTIVE
(Sep 1986 - Jun 2016 monthly)

As of 6/30/16	ML U.S. HY Yield-to-Worst Spread	Risk Adjusted Spread	Risk Adjusted Spread % of UST
Loss Adj Exp	**0 bp**	**258 bp**	**258 bp**
90th Pctile	810 bp	552 bp	282%
75th Pctile	658 bp	400 bp	152%
50th Pctile	483 bp	225 bp	48%
25th Pctile	391 bp	133 bp	21%
10th Pctile	318 bp	60 bp	10%
Current	**631 bp**	**373bp**	**356%**
Current Pctile	**72nd**	**72nd**	**93rd**

[5] The Sharpe Ratio is a measure for evaluating returns in comparison to their volatility. The greater the Sharpe Ratio, the more attractive the risk-adjusted return. The RiverPark Short Term Fund (RPHIX) has the second highest 5-Year Sharpe Ratio of 3.9 in Morningstar's entire mutual fund universe excluding money market funds and consolidating multiple share classes for a given fund.

At quarter-end, the Merrill Lynch U.S. High Yield Master II[6] Index offered a 631 basis point premium to U.S. Treasuries of similar maturity representing the 72nd percentile of monthly spreads for almost 30 years. According to the Altman Kuehne High Yield Bond Default and Return Report, the average annual loss from defaults incurred in high yield from 1986 to 2015 was 258 basis points. After applying this loss adjustment expense against current high yield spread results, the risk-adjusted credit spread provides a 356% premium over the paltry 1.05% yield of a U.S. Treasury with similar maturity. Thus, while the risk-adjusted high yield spread at 373 basis points over the Treasury rate is attractive, ranking nearly in the top quartile for the index over the past 30 years, the value provided by high yield is even more obvious when considering that the current risk-adjusted yield premium over the Treasury rate is in the 93rd percentile historically. Moreover, as highlighted in our past two quarterly letters, we continue to believe that smaller high yield issues are undervalued: the option-adjusted spread for the smaller bonds in the JLIT[7] segment of the BAML high yield index, ex-energy, remains 159 basis points wider than for larger bonds in the JLRG[7] segment and have tightened by only 25 basis points since the end of 2015.

In contrast to the financial engineering of the U.S. government, many high yield bond issuers are doing "the right thing": investing for growth, using cash flow to reduce debt, taking advantage of the low interest rate environment to refinance and reduce their interest expense, serving the interests of both shareholders and bondholders. These are the companies we look for in constructing our portfolios.

A good example of a company that is responsibly managing its balance sheet is Coeur Mining[8]. A silver and gold mining company, Coeur is a great example of a company managing its debt load and thinking proactively. Recent investor presentations make specific references to cost reductions and sustainable free cash flow as well as prudent balance sheet management. In 1Q16, Moody's and S&P upgraded the credit, S&P noting that cost reduction efforts and improved liquidity reflect Coeur's management's dedication to responsibly manage its

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[6] The Merrill Lynch U.S. High Yield Master II Index (H0A0) is a commonly used benchmark index for high-yield corporate bonds administered by Bank of America Merrill Lynch.

[7] The JLIT is comprised of high yield bonds in the Merrill Lynch U.S. High Yield Master II Index that are in the bottom 50% of the index as ranked by issue size. The JLRG is the segment of the index representing bonds in the top 50% of the index as ranked by size.

[8] As of 3/31/2016, our position in Coeur Mining Inc. represented 0.00% of the Strategic Income portfolio and 1.73% as of 6/30/2016. As of 3/31/2016, our position in Coeur Mining Inc. represented 0.00% of the Short Term High Yield portfolio and 1.81% as of 6/30/2016.

business. In fact, at a shareholder meeting in 2Q16, management discussed its interest in refinancing its secured debt and bonds. With increasing EBITDA and a focus on cost reduction, the 10.5% yield on the $378 million 7 7/8% senior notes due 2021 represents a pickup of over 900 bp versus the Treasury rate.

HC2[9] is a publicly traded holding company that has assembled a portfolio of private equity holdings in several industry sectors. This year, core operating subsidiaries have increased adjusted EBITDA by 29%. The uncorrelated nature of the portfolio has helped to insulate the company from industry-specific trends. Our secured bond, the 11% Secured Note due 2019, is collateralized by net assets that have fair market value that is double the amount of HC2's debt. The company is not widely followed; thus, while the bond's yield-to-worst, exceeding 14%, is very attractive, many funds ignore this $300 million issue due to its size. This investment is hardly a risk free; however, at a yield more than 1,300 bp over the 3-year U.S. Treasury rate, we believe the bond provides more than adequate compensation for its risk. It is also worth noting that HC2 has publicly announced its interest in acquiring a publicly-traded agribusiness operator. Given the covenants in the HC2 bond indenture, we would expect that, if it is successful in completing the acquisition, it is likely to retire the bond as part of a global financing program, the early repayment increasing our rate of return.

Hunt Companies[10], a multinational real estate developer, is using free cash flow remaining after scheduled debt service to repurchase its bonds, de-levering its balance sheet. Already conservatively levered with consolidated loan-to-value of 35%, the company's improving balance sheet recently spurred S&P to upgrade the company's credit rating, causing our bonds, the $525 million 9.625% due 2021, to rise. Despite these positive factors, at June 30, the bond yielded 850 bp in excess of the comparable maturity Treasury bond, solid compensation given the improving risk profile. Given the size of the bond issue, we might expect it to be more widely held, possibly included in an ETF, and trade at a much tighter credit spread. However, the company does not report its financials publicly and has required that its credit rating remain private information, making it more difficult for investors to consider the bond.

[9] As of 3/31/2016, our position in HC2 Holdings Inc. represented 2.52% of the Strategic Income portfolio and 2.59% as of 6/30/2016.

[10] As of 3/31/2016, our position in Hunt Companies Inc. represented 3.08% of the Strategic Income portfolio and 3.19% as of 6/30/2016.

Over the last year, several companies whose bonds we hold in portfolio have also successfully taken steps to reduce leverage and improve. Examples include:

- Cleaver Brooks – Improving operations, repurchasing bonds
- JAC Holding – Improving operations, repurchasing bonds
- Lansing – Sold equity, repurchasing bonds
- Mauser – Improving operations, planning IPO
- McGraw Hill Enterprises – Deleveraging merger, planning IPO
- Quad Graphics – Improving operations, repurchasing bonds

We continue to identify bonds that are undervalued and we believe will engage in corporate actions that are beneficial to debtholders. Clearly, these bonds are not "risk free", but we believe that, at yields far in excess of Treasury rates, we are being well compensated.

Hoping and praying for political leadership while carefully investing,

David Sherman and the Cohanzick Team

POST SCRIPT: On July 13th, Germany became the first Eurozone country to issue 10 year bonds with a negative yield.

RIVERPARK FUNDS

RiverPark Short Term High Yield Fund
&
RiverPark Strategic Income Fund

Second Quarter 2016

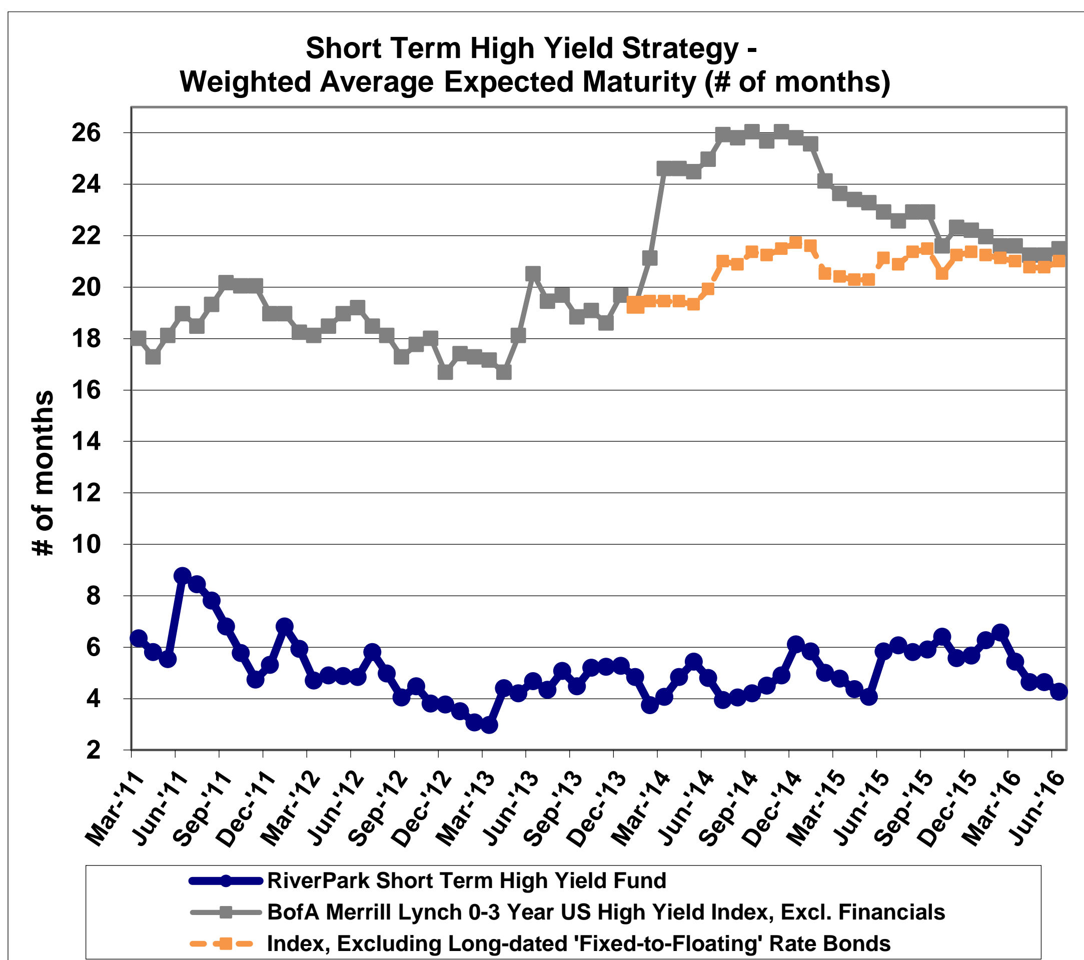
RIVERPARK SHORT TERM HIGH YIELD FUND
JUNE 30, 2016

	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			
2Q16	0.81%	0.86%	0.29%	1.04%	5.47%
YTD 2016	1.80%	1.78%	0.65%	2.27%	8.22%
One Year	1.77%	1.52%	0.59%	2.32%	3.58%
Five Year	3.17%	2.86%	0.34%	2.14%	4.73%
Since Inception*	3.33%	3.03%	0.37%	2.21%	5.03%

** 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 June 30, 2016 the portfolio was comprised of securities with an average maturity of 4.3 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.



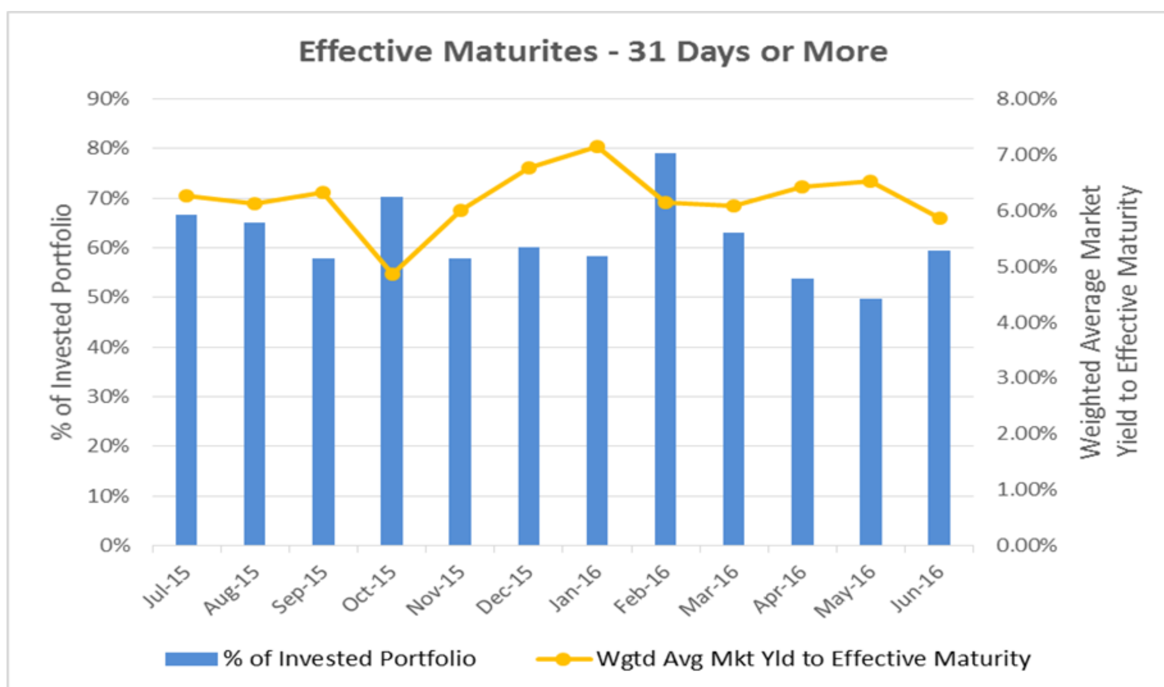
Source: Bloomberg Professional Analytics

At quarter-end, the invested portfolio had a weighted average Expected Effective Maturity of 11/05/16, and 41% 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 6/30/16

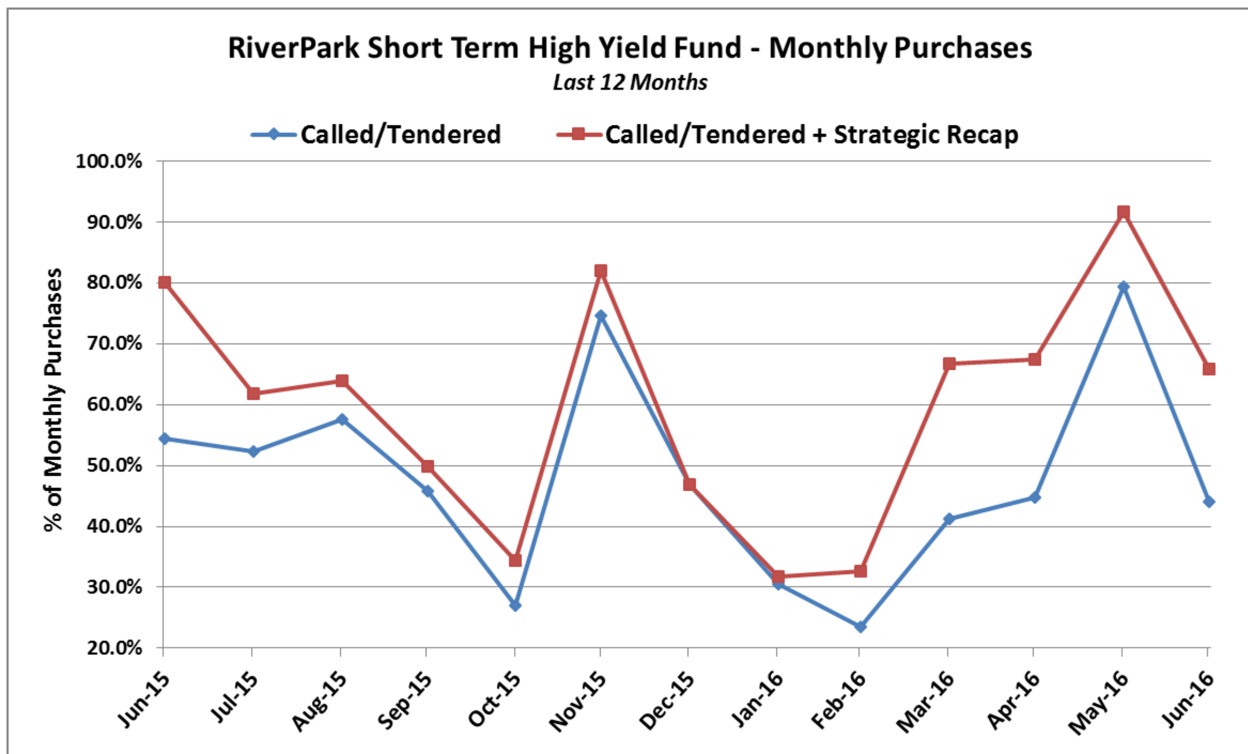
Expected Effective Maturity	Redeemed Debt	Event-Driven	Strategic Recap	Cushion Bonds	Short Term Maturities	
0-30 days	30.8%		4.5%		5.4%	**40.7%**
31-60 days		8.8%	0.9%	1.0%	1.9%	**12.6%**
61-90 days				3.2%	0.2%	**3.4%**
91-180 days		2.0%		1.6%	17.3%	**20.9%**
181-270 days		2.7%	1.6%	3.4%	3.5%	**11.2%**
271-365 days		4.3%				**4.3%**
1-2 years					7.0%	**7.0%**
2-3 years						**0.0%**
	30.8%	**17.8%**	**7.0%**	**9.2%**	**35.3%**	**11/05/16**

As of June 30, 2016 the Weighted Average Market Yield to Effective Maturity was 5.86% for Effective Maturities of 31 days or more. That comprised 59.3% of the invested Portfolio.



New purchases made by the Fund during the quarter consisted of 57% Called/Tendered, 11.8% Event-Driven, 18.5% Strategic Recap, 4.3% Cushion Bonds, and 8.3% 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 nearly 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 STRATEGIC INCOME FUND
JUNE 30, 2016

	RiverPark Strategic Income Fund Performance		Barclay's Aggregate Bond Index[1]	Morningstar Multisector Bond Category[2]
	RSIIX	RSIVX		
2Q16	5.21%	5.15%	2.21%	3.09%
YTD 2016	4.92%	4.80%	5.31%	4.87%
One Year	-0.51%	-0.86%	6.00%	1.95%
Since Inception*	2.75%	2.46%	4.23%	2.96%

** 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%	6.3%	0.51	7.8%	1.74
Buy & Hold "Money Good"[1]	38.8%	8.2%	2.70	8.7%	3.44
Priority Based (Above the Fray)[2]	7.4%	11.8%	2.57	12.2%	2.70
Off The Beaten Path[3]	6.5%	13.2%	2.62	13.3%	2.72
Interest Rate Resets	3.0%	1.8%	0.12	8.5%	3.00
ABS	5.8%	3.2%	1.06	3.6%	1.59
Distressed	0.6%				
Hedges	-2.1%	4.2%	5.65	4.2%	5.92
Invested Portfolio	90.9%	7.7%	1.67	8.8%	2.56
Cash	9.1%				
Total Portfolio	100.0%	7.0%	1.52	8.0%	2.32

The five largest positions totaled 16.97% of the Fund.

Denali Borrower	3.97%
Homefed Corp	3.87%
Hunt Cos Inc.	3.19%
Casella Waste Systems	3.05%
Master Asset Vehicle II	2.89%
	16.97%

For the quarter, the five best performing positions' positive contribution outweighed the five worst performing positions (inclusive of interest) on a net basis by 187 basis points. The five best and worst performing positions for the quarter were as follows:

Positive Contribution – 2.08%	Negative Contribution - (0.21%)
Postmedia Network Inc.	Sanjel Corp
Marsico Holdings LLC	Fresh Market Inc.
Hunt Cos Inc.	SAMI II Trust 2006-AR8
HC2 Holdings Inc.	Waste Italia SPA
Southern States Coop Inc.	Bi-Lo LLC

In 2Q16, Postmedia bonds advanced as distressed investors bought up a controlling position and the company made progress towards a successful restructuring agreement. Marsico gained as the company repurchased the position at an attractive level. Hunt Cos traded higher after the S&P raised its private rating on the bonds. After a positive write-up in Barron's followed by favorable first quarter earnings, HC2 benefitted from new investors buying into the credit and from the high coupon. Southern States Coop reported a slightly improved March quarter followed by a favorable new supply agreement that includes an asset sale of existing inventory to the new supplier.

Sanjel continued towards a restructuring that will not have a favorable outcome for bondholders. Fresh Market traded lower after issuance on investor concerns about progress on the company's operational restructuring, mitigated somewhat by a better-than-expected first quarter. SAMI AR8 declined on higher-than-expected losses in the underlying mortgage portfolio and an extended time frame on payout from litigation; we liquidated this position during the quarter. While Waste Italia traded at a slightly higher price, the position contributed to losses due to the missed coupon payment on the bond. Bi-Lo weakened after reporting a weaker first quarter.

	RiverPark Strategic Income Fund (RSIIX, RSIVX)[1]	Barclays U.S. Aggregate Bond Index*	Markit iBoxx USD Liquid High Yield Index*
YTW	7.04%	2.08%	6.54%
Effective Maturity	4/29/2018	1/17/2024	7/3/2021
YTM	7.96%	2.08%	6.72%
Stated Maturity	6/8/2019	2/1/2024	7/26/2022
SEC 30 Day Yield	5.52%	2.07%	6.33%

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 has a much higher Yield-to-Worst and Yield-to-Maturity than the indices even though its effective maturity is much shorter. 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.

The RiverPark Strategic Income Fund and RiverPark Short Term High Yield Fund are distributed by SEI Investments Distribution Co., One Freedom Valley Drive, Oaks, PA 19456 which is not affiliated with RiverPark Advisors, LLC, Cohanzick Management, LLC, or their affiliates.

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[1] "Money Good" debt securities are investments that are believed to have limited credit risk: the issuer's enterprise value is believed to exceed the total debt that is senior or pari-pasu in ranking to the issue held, and the issuer is expected to make timely payments of interest and principal.
[2] "Above the Fray" debt securities are investments comprised of issuers experiencing industry and/or credit stress, with restructuring a distinct longer-term possibility, but where the issuer's enterprise value exceeds the current market value of total debt that is senior or pari-pasu in ranking to the issue held.
[3] "Off the Beaten Path" debt securities are investments of smaller, not widely-followed, and generally less liquid issuers.