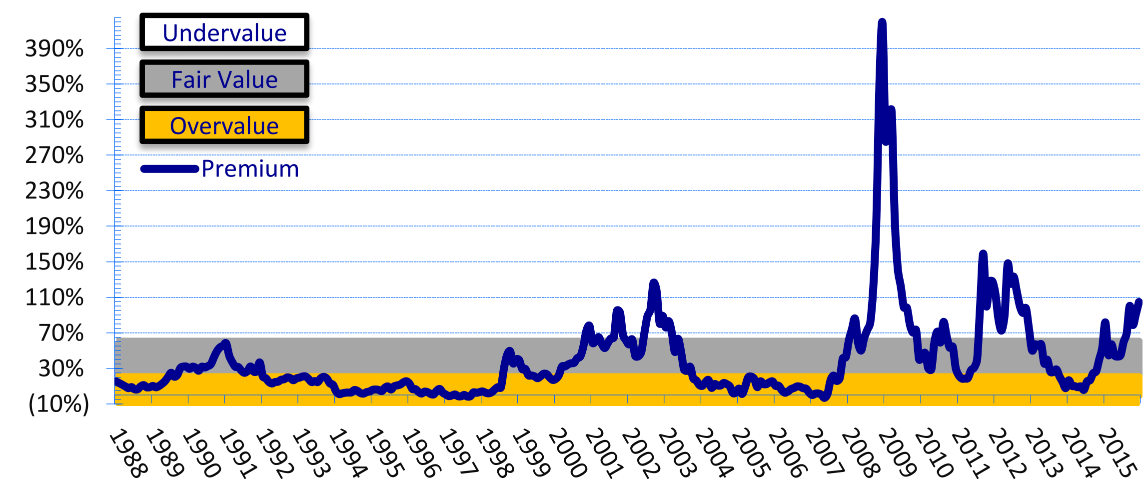
RIVERPARK FUNDS

RiverPark Short Term High Yield Fund
&
RiverPark Strategic Income Fund

Year End 2015 Commentary

There are things known, and things unknown, and in between is perspective.[A] In 2015, the U.S. high yield bond market suffered its third worst performance in nearly 30 years, behind 2000 and 2008. Further, high yield has been in a bear market since June 2014, producing negative returns in 11 out of the past 18 months. As such, the obvious question arises: "Is now the time to buy?" It is a matter of perspective. This letter will address this question while remaining pragmatic. Cutting to the chase: the high yield market is now becoming interesting. Many bonds have justifiably declined in price to reflect significant credit deterioration, but others are victims of the current market; "money good" paper yielding in excess of 10% is now more readily available. Technical pressure may continue, but we think this is the time to selectively buy. In our view, the best "money good" candidates are likely to be off-the-run or smaller issues rated B and CCC, with 3-4 year maturities. These buy opportunities will disappear quickly when investor sentiment improves and liquidations abate. By way of analogy, we would gauge our enthusiasm as a brisk walking pace, not a jog, run or sprint. Caution, but not fear, is warranted.

Cohanzick's Model of High Yield Risk Adjusted Premium to UST

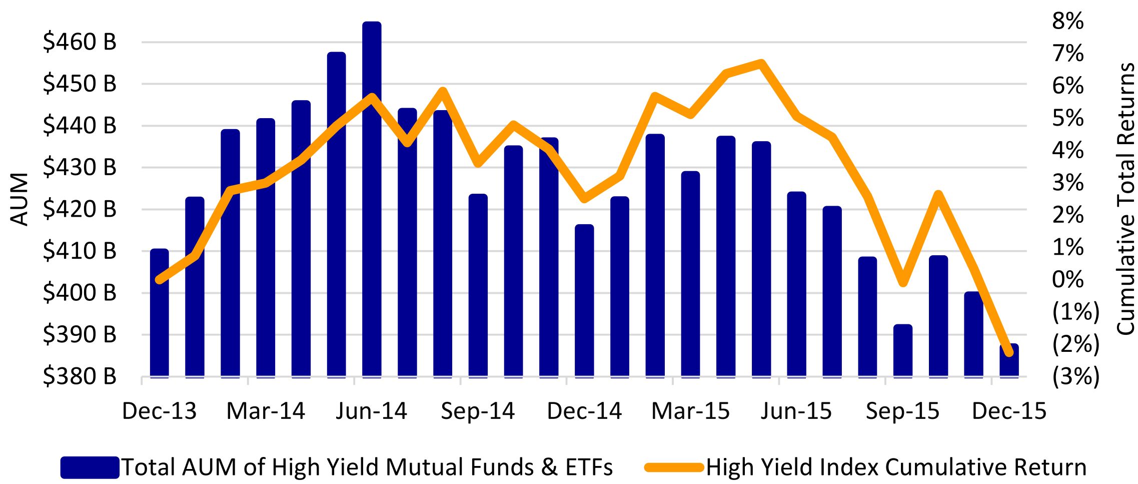


[A] A paraphrase of the quote "There are things known and there are things unknown, and in between are the doors of perception." The statement appears in Aldous Huxley's 1954 book Doors of Perception, but is likely based on a metaphor in William Blake's 1793 poem, *The Marriage of Heaven and Hell*. It is also believed to have inspired Ray Manzarek and Jim Morrison, co-founders of the rock group The Doors, in naming their band.

High Yield Appears Historically Undervalued (Some of it, anyway)

Cohanzick's model[1] of high yield's risk adjusted premium over US Treasuries indicates oversold conditions. This is further substantiated by the high correlation between mutual fund and ETF flows and returns[B]. In other words, regardless of the catalyst, selling begets price declines, ultimately resulting in higher yields.

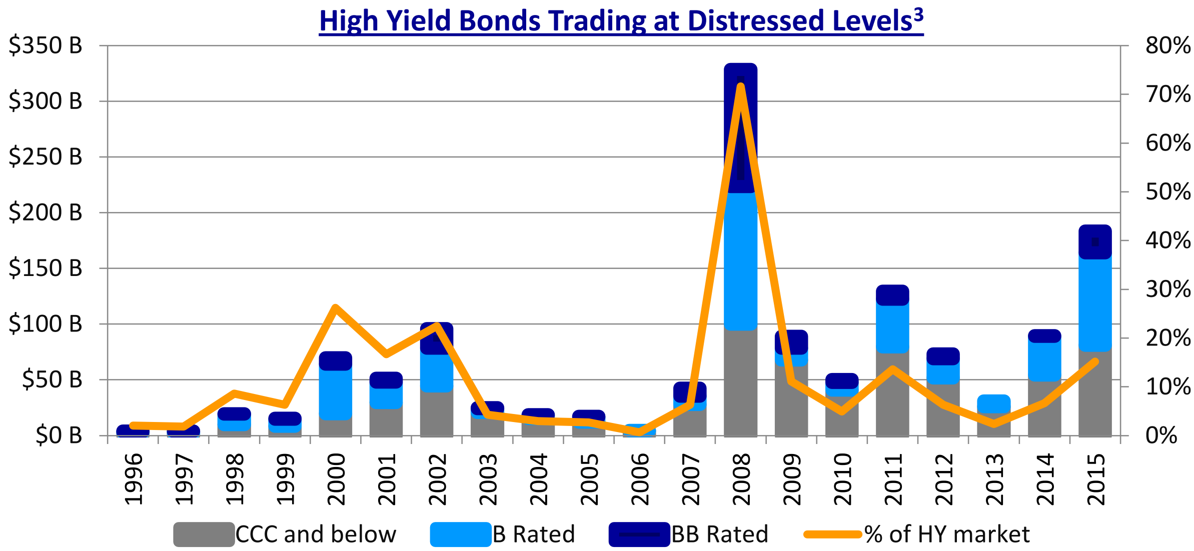
High Yield Mutual Fund & ETF AUM vs Index Total Return[2]



At present, the high yield market has not quite reached the level seen following the debacle in the telecom market in 2001-2002 and is far from the extreme levels wrought from fears of systemic collapse in the 2008-2009 financial meltdown and the chaos in European sovereign debt in 2011. However, as suggested by Cohanzick's model and seconded by multiple traditional measures (such as distress ratio, projected default rates and credit spreads), certain pockets of the high yield market offer value.

The credit spread is the premium yield over the risk free rate (for which the U.S. Treasury yield is the traditional proxy) that reflects the additional return required by investors to compensate them for holding risky assets. A widening in the credit spread generally indicates an increase in the perceived risk of capital loss. The "distress ratio" is the percentage of the high yield market that is trading at a credit spread in excess of 1,000 basis points over the Treasury rate.

[B] Assets under management ("AUM") for mutual funds and ETFs peaked in June 2014 at over $460 billion. By year-end 2015, the bear market in high yield had clawed away over 16% of AUM as a result of net outflows and price declines. The corresponding cumulative return for the period was (7.47%).



As shown in the graph above, the distress ratio has been rising since 2013, but remains below the peaks of 2002 and 2008-2009. Digging into the details, it is interesting to note that the portion of the distress ratio that is made up of B and BB bonds has grown dramatically in comparison to CCCs. Similar to historical periods of large price declines, the distress ratio becomes populated with a mix of truly troubled companies as well as good credits sold out of investor fear or forced liquidations[C].

Credit spreads price in the market's prediction of future default losses. The average default rate for high yield bonds from 1978 through 2014 was 3.34%[4], far below a simplistic calculation that currently implies a one year default rate of 11.58% at year end[5].

	Option Adjusted Spread (basis points)	Estimated Default Loss	Implied Default Rate
BAML HY Master Index[6]	695	60%	11.58%

[C] At the end of 2015, energy and metals/mining bonds comprised 40% of the distress ratio as opposed to 50% at the end of 2014. The decline may be attributed to price declines over the year as well as an increase in bonds in other industries trading at credit spreads over 1000 basis points over the U.S. Treasury rate in sympathy with the commodity credits or as a result of asset class outflows. For comparison, in 2002, telecom, media and utilities represented 43% of the distress ratio, broken down 17%, 10% and 16%, respectively.

The simplistic model effectively divides today's option adjusted spread by the expected principal loss to determine an implied default rate. However, this approach does not take into account future returns from performing debt within the index and future losses during the remaining life of bonds comprising the index. Consequently, analysts have come up with a variety of more comprehensive approaches to predicting defaults to resolve these issues. Overwhelmingly, the most significant factors determining the difference between predicted default rates based on current market spreads and the actual level of defaults experienced are macro-economic factors, such as: GDP growth, corporate profitability relative to leverage and financial market liquidity.

Historical realized default rates only approached the current implied rate during or shortly after recessions, in particular in 1990-91 and 2009, and exceeded it in 2002. Given the prevailing view that the U.S. economy is unlikely to enter recession in 2016, current spreads appear to be overestimating the probability of default and over-compensating high yield investors. This is further borne out by a survey of brokers active in the high yield market who have recently published their estimates for defaults in the high yield market in 2016. These estimates, based on macro-economic and fundamental factors, as noted above, range from 3.00% to 4.80%[7], significantly below the current implied default rate. Barring a U.S. recession, the high yield market is undervalued given default expectations.

This being said, the market is reflecting global concerns, given that the 20-year average of the high yield spread is 532 basis points[8], below the current market spread level of 695 basis points. Parsing the market into segments shows that certain cohorts are dramatically influencing the level of implied defaults for the market, some are inexpensive and some are expensive, due to fundamental or technical factors.

	% of HY Market	Option Adjusted Spread (basis points)	Estimated Default Loss	Implied Default Rate
BAML HY Master Index ("HY Index")	100.00%	695	60%	11.58%
HY Index Ex-Energy, Metals/Mining	86.13%	576	60%	9.60%
HY Index Energy Only	10.92%	1415	60%	23.58%
HY Index Metals/Mining Only	2.95%	1498	60%	24.96%

As shown above, the energy and metals/mining sectors have a significant influence on the market's spread-based implied default rate and reflect intense concerns regarding potential defaults among companies in these industries – clearly not likely to be "money good". With respect to credits outside those industries, the implied default rate of 9.60% is still high relative to historic default rates and particularly high when compared to the broker survey of estimated defaults for credit ex-energy and commodities[9], which ranged from 1.50% to 3.10%. As such, certain segments of the high yield bond market appear to be undervalued with the market overcompensating investors for projected risk.

In the alternative, a review of credit spreads broken down by ratings and industries is also instructive in identifying segments of the market that are inexpensive and those that are expensive.

Option Adjusted Spread (12/31/15)	BAML HY Master Index	Index Ex-Energy & Metals/Mining	Energy	Metals/Mining
All HY Ratings	695	576	1415	1498
BB	424	363	773	790
B	715	628	1484	1899
CCC and lower	1653	1368	3480	2801

As one might expect, option adjusted spreads for energy and metals/mining credits are high and exert a strong influence on the overall Index spread. These spreads are likely appropriate if not underestimating the potential for losses in these industries and we would not deem them inexpensive at this time. Away from those troubled industries, however, we can begin to look for opportunities. Overall the average credit spread, ex-energy and metals/mining, at 576 basis points, is modestly wider than the 20-year average spread, for the whole high yield market, of 532 basis points. Excluding the problematic sectors, CCC bonds, at an average spread of 1368 basis points, are 33% above the 20-year average for all CCCs of 1027 basis points, with some individual bonds presenting opportunities for outsized returns subject to a high degree of scrutiny. In contrast, BB bond spreads, excluding energy and metals/mining credits, at 363 basis points, are only 9% above their long term average -- decidedly not a good buy, despite the fact that the whole market has so significantly repriced.

Sectors to Avoid

BB Rated Bonds – Excluding energy and metals/mining bonds, BB bonds, at an average credit spread of 363 basis points, are overpriced despite the broad decline in the high yield market. We believe that this portion of the market is increasingly risky as there is potential for a dramatic increase in supply resulting from a high level of downgrades of BBB bonds, particularly among issuers in the energy and metals/mining industries, into the BB group. This event could push credit spreads for this rating group wider as certain investment grade investors are forced to sell these bonds upon downgrade or high yield managers rebalance their portfolios in reaction to the increased population of BB bonds from which to choose. The magnitude of this risk is impressive[10]: BBB rated energy and metals/mining bonds total $427.1 billion versus a total of $587.2 billion of BB rated bonds. Although BBB energy and metals/mining bonds represent 17.4% of all BBB bonds, their sheer size, were they all to be downgraded to BB, could overwhelm the market. The fact that the weighted average spread of BBB bonds in these industries is already 447 basis points is a bad omen. We believe this influx of new BB bonds would surely drive wider the spread for all BB bonds, causing prices to decline.

Leveraged Loans – Over the last several years, as low interest rates have led market participants to seek investments that would benefit from rising rates, vehicles that invest in leveraged loans have become popular. Often secured or most senior in corporate capital structures, leveraged loans have also been viewed as relatively safe. However, it has become increasingly apparent that these assumptions are not necessarily true and downside risk is increasing. Leveraged loans are technically floating rate instruments whose coupons are expected to rise along with increases in market rates. That said, most leveraged loans originated over the last few years were issued with a "LIBOR Floor" such that the coupon rate would not rise until market rates exceeded the floor. Given that most floors (e.g. 1.50%) are far above the current level of LIBOR (3 month U.S. LIBOR was 0.61% at year-end), these loans will be, effectively, fixed rate instruments until there has been a substantial rise in rates. Meanwhile, we believe that leveraged loans are expensive, reflecting a high premium for an "out of the money" option on higher interest rates. Beliefs with respect to the benefit of covenants and collateral in leveraged loans are also proving to be misguided. The high demand for leveraged loans over the last few years has created a level of permissiveness among loan investors that has allowed a proliferation of "covenant lite" loans and loans secured only by equity, corporate guarantees, subordinated liens. Given the complexity of some of these loan documents, the devil is often buried deep within the details. Increasingly, loan portfolio managers are going to find that covenants provide them with little protection and poor recoveries. Lastly, the leveraged loan market has been supported to a significant degree by the ongoing demand for new loans to be packaged into newly-issued collateralized loan obligations ("CLOs"). The CLO market has experienced tremendous growth because of the steep yield curve and low level of equity required in these structures. However, the popularity of CLOs is likely to wane as required equity capital increases and the yield curve flattens.

Near Term Maturities – Bonds maturing within 2-3 years have also been popular for investors looking to earn a fixed income return with limited exposure to rising rates. This has been facilitated by the steepness of the yield curve, permitting capital gains as bonds "rolled down the curve" toward maturity. The ease with which the market provided capital to refinance these bonds also permitted investors to achieve higher rates of return when issuers willingly paid prepayment premiums in order to refinance their bonds at ever lower rates. Hence, the space is a bit crowded. Further with the Federal Reserve signaling future rate increases and the yield curve likely to tighten, the roll down benefit diminishes. The game is up – bonds in the 2-3 year maturity range are beginning to adjust to a new pricing.

Energy Patch – We are uncomfortable predicting the price of oil and gas. Further, we do not believe that debt in the energy sector is trading at prices that provide a margin of safety. Rather, distressed investors are prepared to pay up for the hope of a rebound or control opportunity. Based on our prior experiences, until we see signals of a bottoming such as active "cold stacking" of offshore rigs and severe curtailment of revolving credit line availability, we'll stay on the sidelines. Anchoring one's judgement in past experiences may have its flaws, but, in this case, the desire to protect capital far outweighs the risk of missing an opportunity.

Pockets of Investment Opportunity

Bonds rated B and CCC – As discussed above, credit spreads for these bonds, even excluding the issuers in the troubled energy and metals/mining sectors, have widened to levels significantly above their historic averages and, subject to careful credit analysis, may provide attractive investment opportunities. We acknowledge that the likely wave of downgrades and defaults in the hobbled commodities industries may cause some further widening of credit spreads for issuers in other industries, but, if we deem them to be "money good", they will be of even greater investment merit if they provide higher yield without increased credit risk.

Debt maturing in 3 to 4 years or with effective maturities of less than 1 year – Given the earlier discussion regarding the risks of bonds maturing in 2 to 3 years, we are intuitively drawn to favor bonds maturing in 3 to 4 years or those with effective maturities of less than 1 year. Although there are many factors that may account for such an observation, a simple review of credit spreads by maturity shows that credit spreads for high yield bonds maturing 3 to 4 years out have credit spreads that are 150-200 basis points wider than bonds that have both shorter and longer maturities[11]. With respect to bonds that we consider for the RiverPark Short Term High Yield Fund as well as the short term component of the RiverPark Strategic Income Fund, we maintain that these securities will continue to provide attractive risk-adjusted returns while, due to the extremely short time period until expected repayment, providing excellent liquidity to permit more attractive reinvestment as rates rise or meet investor liquidity needs.

Off-the-run and smaller issues – One of the hallmarks of the high yield component of the RiverPark Strategic Income Fund is a focus on off-the-run and smaller bond issues. As larger investors often conclude that they cannot create a position in these bonds large enough to "move the needle" with respect to portfolio returns, they often provide a higher rate of return because they appeal to a more limited audience or require a heightened level of credit research due to complexity. Since mid-2014, this return advantage has nearly doubled to 172 basis points at year-end 2015 as measured by a comparison of the top 50% of high yield bonds versus the bottom 50%, ranked by size of issue[12]. These bonds, generally, are not included in the large high yield ETFs, HYG and JNK, and are not represented in the commonly traded high yield credit default swap indices (CDX). As such, they may in fact have lower volatility than the large bond issuers that are included in these large fixed income baskets which may suffer wide swings in value due to changes in investor sentiment or momentum.

A Word about Liquidity and Portfolio Management

Obviously, high yield investors became nervous and outflows from the market accelerated following the announcement that the Third Avenue Focused Credit Fund had been besieged by redemptions and was unexpectedly gated, preventing investors from retrieving their capital. This can be extremely disconcerting to investors and deserves comment. Based on our knowledge of the credits held by this portfolio, it is clear to us that the Third Avenue fund was seeking returns significantly higher than those afforded by "money good" high yield bonds. The fund had concentrated positions in a number of credits and held a significant portion of certain issues, limiting the number of prospective buyers should Third Avenue need to sell. Long before the market became aware of Third Avenue's problem, we had, in the ordinary course of scouring the high yield market for potential investments, analyzed virtually every bond listed among Third Avenue's top ten holdings. Given that many of them would be more appropriately described as stressed or distressed, we deemed them too risky for our mandate. Thus, we had virtually no overlap with that fund's holdings[13] and felt only the ancillary effect of general weakness in the high yield market that may have resulted from Third Avenue's revelation.

We believe that The RiverPark Short Term High Yield Fund and the RiverPark Strategic Income Fund are very different than credit opportunity funds such as Third Avenue. Neither of the RiverPark fixed income funds focus on purchasing distressed securities or seek situations in which equity-like returns are expected to be achieved through a restructuring process. Moreover, per their investment guidelines, neither fund may hold a high concentration in any particular security. Rather, both of our funds were conceived and are managed based on strategies that provide diversification and a level of liquidity that should permit the funds to meet investor redemption requirements and take advantage of market opportunities as they present themselves. As a significant portion of the Short Term Fund consists of called and redeemed high yield bonds, the average expected maturity for the portfolio is usually within the 4-8 month range with 30-50% of holdings turning to cash via repayment within 30 days. Thus, there is a natural level of liquidity that is produced on a frequent basis. The RiverPark Strategic Income Fund targets an overlap with the Short Term High Yield fund with respect to

15-25% of its holdings, though, as of year-end, it was overweighed with 32.5% overlapping. The balance of the Strategic Income portfolio is invested in investment grade and non-investment grade bonds that we believe to be "money good" and, based on their investment merits, should find an array of counterparties should we wish to sell specific bonds. We have been acutely aware of issues concerning liquidity in the bond market and proactively shared these thoughts with our investors, particularly in our 1st Quarter 2015 commentary.

Postscript Regarding Topics Discussed in 2015 Quarterly Letters

First Quarter – Liquidity: Rather than rehash this topic, discussed above, we have attached a report (Appendix A) prepared by Morgan Stanley that we think provides a good examination of liquidity in the corporate bond market as it stands today.

Second Quarter – Rising Interest Rates: The Federal Reserve began its tightening cycle in December 2015, surprising many that they waited so long and disturbing others who thought it too soon. The pace and degree of future rates increases, or the potential for the Federal Reserve to reverse course in response to Europe's efforts to stimulate its economy, offset an economic "hard landing" in China or some other future crisis, remain open questions.

Third Quarter – Future Defaults and Potential Credit Losses: Weakness in the energy and metals/mining industries has already caused an increase in the default rate and we expect this to continue. However, even in avoiding such troubled industries, it is possible to run into trouble and experience credit losses. In the third quarter letter, we made our *mea culpa* with respect to two credits in our portfolios. We have completely exited the position in Goodman Networks. The company made its January coupon payment on the bonds, but trade at a level below our average sale price. With respect to Verso/NewPage, we have reduced the position somewhat and are expecting the company to go through a restructuring, but believe that the ultimate recovery will be in excess of current trading levels. The impact of these two investments on portfolio performance in 2015 serves as a reminder that credit mistakes can be quite costly and a lesson on the need to remain vigilant.

Sampling of Fourth Quarter Purchases

Dell[14]-- During the quarter we added to the Strategic Income Fund's position in Dell's 5.625% Secured Notes due 2020. The notes are the only secured bond in the Dell capital structure. The company has announced its intention to refinance this issue upon closure of their merger with EMC, expected to be completed during or soon after summer 2016. In the event that the transaction is cancelled, the bonds yield 4.1% to the expected October 2017 call date, very attractive for a short-term investment grade bond.

Pittsburgh Glass [15]-- During the quarter we added to our position in both funds in the Pittsburgh Glass 8% Secured Notes due 2018. After selling a division in 2014, net leverage at the company, a manufacturer and supplier of automotive glass to the OEM and replacement markets, stood at less than 2.5x. Even excluding the cash received in the sale, the 3.3x gross leverage plus the short maturity of the notes made this an ideal cushion bond for the funds. Operating results continued their strength in 2014 and into 2015, prompting a Moody's upgrade in the spring of 2015. We have been happy to add to the position whenever the opportunity arose, knowing that it was highly likely the company would refinance the bonds in the near future given the strong balance sheet. As the first call date in November 2015 approached, though, no announcement was made except for a small partial redemption similar to that received the year before. We purchased additional notes near the end of October and in early November at roughly 3-4% yields to the 30 day call, or around 5.5% to a November 2016 repayment. Not surprisingly, a few weeks after our purchases the company announced a full redemption of the remaining notes, with the payment date set for December 25th, ultimately resulting in returns for these recent purchases in the 5-6% range.

JackPro [16]-- During the quarter we took advantage of the market dislocation by purchasing, for the Strategic Income Fund, a block of JAC Holding bonds at an 11.6% yield to the 2019 maturity. JAC is the market leader in automotive roof racks, supplying such customers as GM, Ford, Toyota, Honda, Nissan and other OEMs, with key customer relationships dating as far back as 1975. This B- rated, $150 million issue has drifted lower with the overall market dislocation but remains a strong company with a solid niche and moderate leverage. The company continues to perform in line with expectations, with over 4% of the issue recently repaid at 105.75% of par from the first annual excess cash flow sweep. The company sold the bonds in 2014 in order to fund a dividend to sponsor Wynnchurch, which acquired the company in 2010. We calculate gross leverage (debt/EBITDA) at 3.8x, and believe the company will continue to perform well going forward.

Conclusion

Investing in 2015 was challenging. If the first weeks of 2016 are any indication, this new year will also prove to be just as challenging. That said, we believe the market psychology is overly negative which will provide opportunities to make investments at attractive purchase prices. The uncertainty of macroeconomic and industry-specific cycles creates a heightened level of anxiety. When they are anxious, "people often avoid making decisions out of fear of making a mistake," but "the failure to make decisions is one of life's biggest mistakes"[17]. With respect to the RiverPark Short Term High Yield Fund, we will continue to purchase debt with ultra-short expected maturities, sacrificing yield, if necessary. With respect to the RiverPark Strategic Income Fund, we will maintain a large overlap with Short Term High Yield, but also gradually seek to add "money good", high yield exposure emphasizing off-the-run paper or debt of smaller issuers with maturities in the range of 3 to 4 years and ratings of B or CCC. We are cognizant of the market environment and recognize that prices may decline before they rise. Thus, our pace will be slow. Nevertheless, we believe opportunity awaits and wish to participate in the future spoils.

This is how we see the landscape now. Of course, we will remain flexible and may alter our approach should circumstances change.

Sincerely,

David K. Sherman and the Cohanzick Team

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[1] An internal model comparing high yield market yields to intermediate US Treasuries yields, adjusted for static losses and tax differentials, to provide an indicative snapshot of high yield valuation and attractiveness. Please note, the model anticipates periods of potential excessive returns as well as potential losses. The model is a guide and should not be relied upon as a stand-alone measure to determine investment decisions.

[2] Source for the High Yield cumulative total returns is Bank of America Merrill Lynch Master Index (H0A0). Source for AUM of High Yield Mutual Funds and ETFs is Bank of America Merrill Lynch High Yield Chart Book.

[3] Bank of America Merrill Lynch index data

[4] Defaults and Returns in the High-Yield Bond and Distressed Debt Market: The Year 2014 in Review and Outlook. Edward I.Altman and Brenda J. Kuehne.

[5] Analysis of this type is used by market strategists at many broker-dealers with some minor variation in methodology.

[6] Bank of America Merrill Lynch index data

[7] Cohanzick 2016 Projected Default Rate Survey

[8] J.P. Morgan 2015 High-Yield Annual Review

[9] Cohanzick 2016 Projected Default Rate Survey

[10] Bank of America Merrill Lynch index data

[11] Bank of America Merrill Lynch index data

[12] Bank of America Merrill Lynch index data

[13] Source for comparison of holdings is based on Bloomberg Analytics.

[14] As of 9/30/15, our position in Dell represented 0.84% of the Strategic Income portfolio and 1.46% as of 12/31/15.

[15] As of 9/30/2015, our position in Pittsburgh Glass represented 1.54% of the Short Term High Yield portfolio and 0.0% of the Strategic Income portfolio. During the quarter, the Short Term High Yield and Strategic Income portfolios purchased 1.178MM bonds of Pittsburgh Glass. As of 12/31/2015, our position in Pittsburgh Glass represented 0.0% of the Short Term High Yield and the Strategic Income portfolios because the bonds were called on 12/25/15.

[16] As of 9/30/2015, our position in JackPro represented 0.32% of the Strategic Income portfolio and 1.01% as of 12/31/15.

[17] Rabbi Noah Weinberg

RiverPark Short Term High Yield Fund
&
RiverPark Strategic Income Fund

Year End 2015

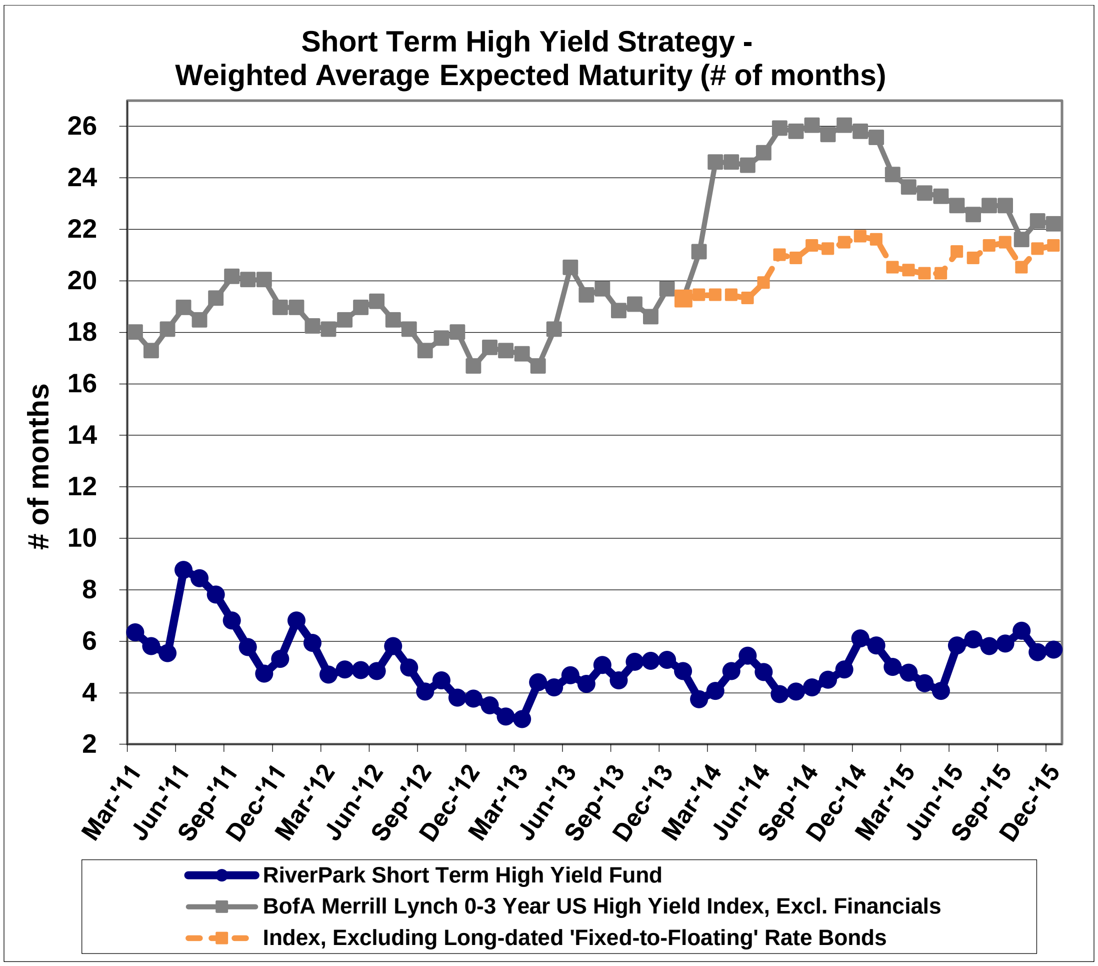
RIVERPARK SHORT TERM HIGH YIELD FUND
December 31, 2015

	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			
4Q15	0.27%	0.10%	(0.17%)	(0.13%)	(1.53%)
FY 2015	1.22%	0.86%	0.15%	1.01%	(1.60%)
5 Year	3.29%	2.99%	0.28%	2.04%	3.69%
Since Inception*	3.30%	2.98%	0.28%	1.99%	3.94%

** 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 1/28/2015, 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. 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 December 31, 2015 the portfolio was comprised of securities with an average maturity of 5.7 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.



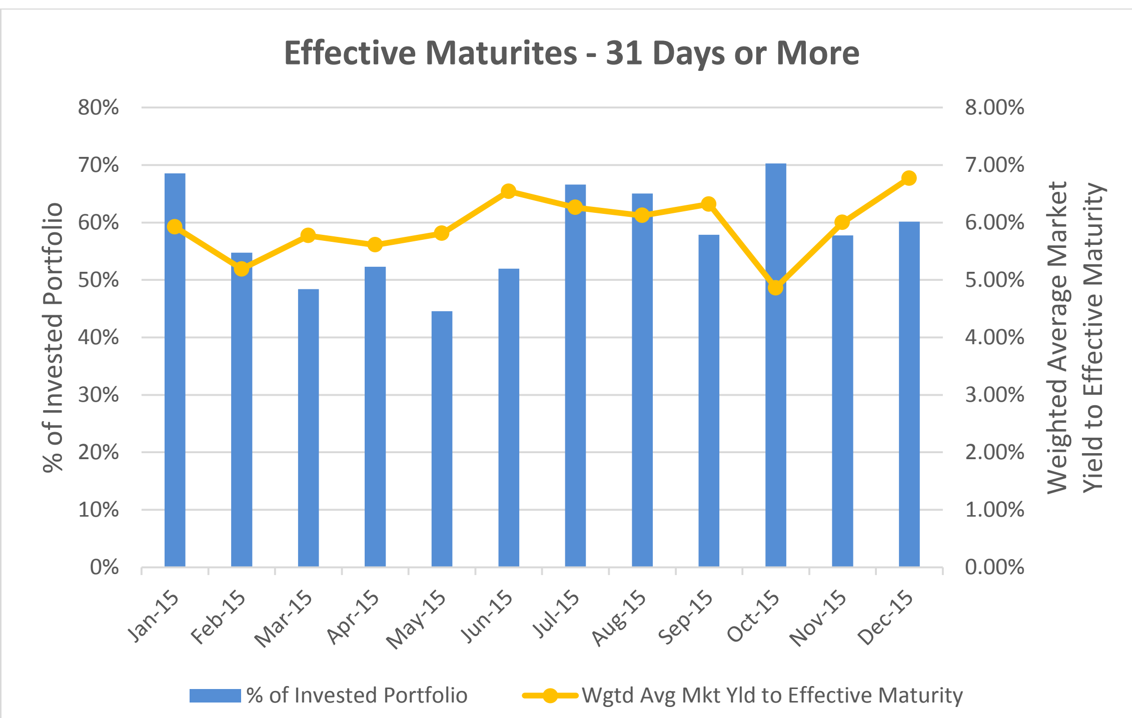
Source: Bloomberg Professional Analytics

At quarter-end, the invested portfolio had a weighted average Expected Effective Maturity of 6/18/16, and 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 12/31/15

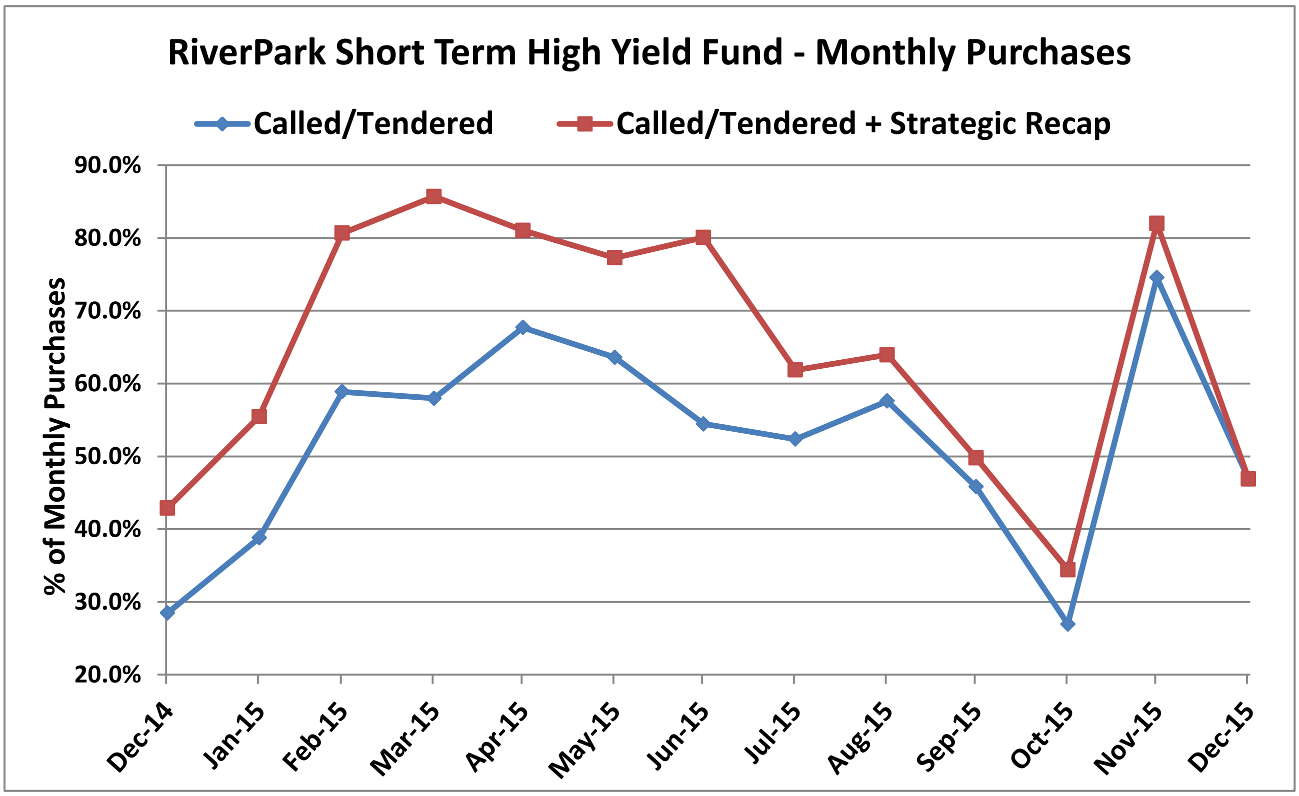
Expected Effective Maturity	Redeemed Debt	Event-Driven	Strategic Recap	Cushion Bonds	Short Term Maturities	
0-30 days	23.7%	4.0%			12.2%	**39.9%**
31-60 days	2.2%	5.3%			4.9%	**12.5%**
61-90 days					0.3%	**0.3%**
91-180 days		7.1%		0.6%	10.0%	**17.7%**
181-270 days				5.1%		**5.1%**
271 -365 days			2.2%		9.3%	**11.5%**
1-2 years		1.1%	1.6%		4.8%	**7.4%**
2-3 years					5.7%	**5.7%**
	25.9%	**17.4%**	**3.8%**	**5.6%**	**47.2%**	**06/18/16**

As of December 31, 2015 the Weighted Average Market Yield to Effective Maturity was 6.77% for Effective Maturities of 31 days or more. That comprised 60% of the invested Portfolio.



New purchases made by the Fund during the quarter consisted of 47.2% Called/Tendered, 14.4% Event-Driven, 5.2% Strategic Recap, 1.1% Cushion Bonds, and 32.1% Short Term Maturities. Called and Tendered securities continue to be the most 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 over 52% 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
DECEMBER 31, 2015

	RiverPark Strategic Income Fund Performance		Barclay's Aggregate Bond Index[1]	Morningstar Multisector Bond Category[2]
	RSIIX	RSIVX		
4Q15	(2.59%)	(2.66%)	(0.57%)	(0.56%)
FY 2015	(3.83%)	(4.18%)	0.55%	(2.03%)
Since Inception*	1.18%	0.90%	2.80%	1.46%

** 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 1/28/2015, gross expense ratio was 0.91%. 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	32.5%	7.9%	1.07	8.3%	1.56
Buy & Hold “Money Good”	38.9%	8.7%	3.33	8.7%	3.57
Priority Based (Above the Fray)	8.8%	10.8%	2.97	10.8%	3.23
Off The Beaten Path	5.8%	12.8%	3.17	12.8%	3.25
Interest Rate Resets	1.5%	17.1%	2.10	17.1%	2.10
ABS	7.1%	6.0%	2.36	6.2%	2.64
Distressed	1.4%				
Hedges	(0.6%)				
Invested Portfolio	95.3%	8.8%	2.43	9.0%	2.75
Cash	4.7%				
Total Portfolio	100.0%	8.4%	2.32	8.6%	2.62

The five largest positions totaled 16.3% of the Fund.

HomeFed Corp.	4.1%
Hunt Cos Inc.	3.2%
Audatex North America Inc.	3.2%
Master Asset Vehicle	2.9%
Ford Motor Credit	2.9%
	16.3%

For the quarter, the five worst performing positions’ negative contribution outweighed the five best performing positions (inclusive of interest) on a net basis by 128 basis points. The five best and worst performing positions for the quarter were as follows:

Positive Contribution - 0.32%	Negative Contribution - (1.60%)
Tempel Steel Co.	Waste Italia SPA
Central Garden & Pet Co.	Quad Graphics Inc.
Cambium Learning Group Inc.	Accuride Corporation
Audatex North America Inc.	NewPage Corp.
Cablevision Systems Corp.	Goodman Networks Inc.

In 4Q15, Tempel Steel, Central Garden & Pet and Cambium all successfully refinanced their bonds. Audatex moved closer to its takeout price as it anticipates the closing of a buyout of the company. The short-dated Cablevision bonds recovered from their lows on the announcement of the acquisition by Altice.

Waste Italia traded lower on a downgrade and tight liquidity. Quad Graphics declined on weak Q3 earnings. Accuride moved lower on industry-wide concerns about softer truck orders. NewPage traded down on a weak 3Q combined with the company inching closer to a restructuring. We exited the Goodman Networks position after further declines on concerns about operating results and the ability to make the next coupon payment.

	RiverPark Strategic Income Fund (RSIIX, RSIVX)[1]	Barclays U.S. Aggregate Bond Index*	Markit iBoxx USD Liquid High Yield Index*
YTW	8.40%	2.52%	7.88%
Effective Maturity	10/07/2018	9/01/2023	4/15/2021
YTM	8.56%	2.52%	7.98%
Stated Maturity	6/13/2019	9/16/2023	3/02/2022
SEC 30 Day Yield	6.01%	2.22%	7.85%

1. Numbers represent a weighted average for RSIIX and RSIVX

***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.

This material must be preceded or accompanied by a current prospectus. Investors should read it 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. 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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December 14, 2015

North America

Leveraged Finance

Leveraged Finance Insights

Liquidity Stressing the Cycle

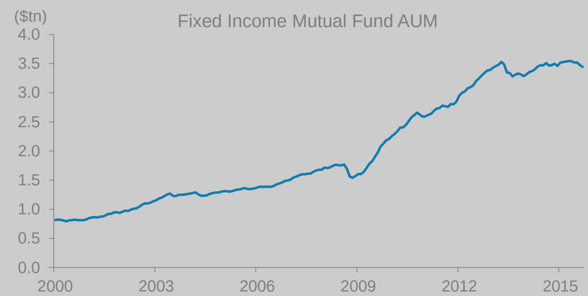
The recent report of a high yield mutual fund halting redemptions has exacerbated already-elevated fears around liquidity. In our view, the fact that investors are dealing with outflows and illiquidity is not new and to some extent already reflected in positioning. However, at the very least, this event does not encourage investors to step in and buy and, most importantly, as we have learned in the past, technicals can and will become fundamental if they last long enough.

Drivers of the Liquidity Backdrop: The combination of significant growth in credit markets, increasing susceptibility to retail flows, and shrinking dealer balance sheets has created a problematic liquidity backdrop. This did not matter much when volatility was low and the Fed was easing aggressively. Liquidity is not a problem until you need it in a big way. A Fed hike around the corner, oil rolling over, and market swings intensifying have exposed the vulnerabilities around liquidity in credit markets.

Tighter Credit Conditions: More important than the situation with this one fund, the longer markets remain dislocated the more the risk grows that this is the tightening in credit conditions that drives a cycle turn, a key reason why we moderated our constructive high yield call in our 2016 outlook. However, in our view, the current situation is very different from the Great Financial Crisis, when the system had multiple layers of leverage, all of which were linked to the banking system in ways that were neither completely known nor understood. This is much less the case today.

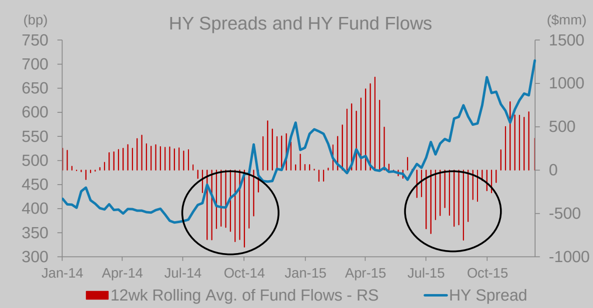
Focus from Regulators: The combination of the growth in fixed income mutual funds, especially in less liquid sectors, and weakening liquidity has attracted attention from regulators. In September, they proposed a comprehensive package of rule reforms to enhance liquidity management by open-end funds, including mutual funds and exchange-traded funds, which we detail in this note.

Meaningful Growth in Mutual Fund AUM Causing Increased Demand for Daily Liquidity



Source: Morgan Stanley Research, ICI

Outflows and Illiquidity Not New Issues for HY



Source: Morgan Stanley Research, EPFR, the Yield Book

Due to the nature of the fixed income market, the issuers or bonds of the issuers recommended or discussed in this report may not be continuously followed. Accordingly, investors must regard this report as providing stand-alone analysis and should not expect continuing analysis or additional reports relating to such issuers or bonds of the issuers.

Liquidity Stressing the Cycle

The past year-and-a-half has been volatile for credit markets. Problems that began with the energy sector have spread to the rest of the market, with weak liquidity acting as the transmission mechanism. The substantial growth in credit debt outstanding, an increasing susceptibility of the market to daily inflows and outflows, as well as shrinking dealer balance sheets have all helped to create an environment where 'gap risk' is the norm – too many people trying to fit through too small a doorway. And as we have learned over the past few months, just one 'idiosyncratic' surprise can now re-price entire credits and sectors.

More than any other concern, investors have feared that when the cycle turns and default risks rise in a material way, this liquidity challenge will be magnified. As an example of this risk, this past week, it was widely reported in the media that a high yield mutual fund blocked investors from withdrawing funds to enable an orderly liquidation. This action has exacerbated already elevated fears around liquidity in the asset class.

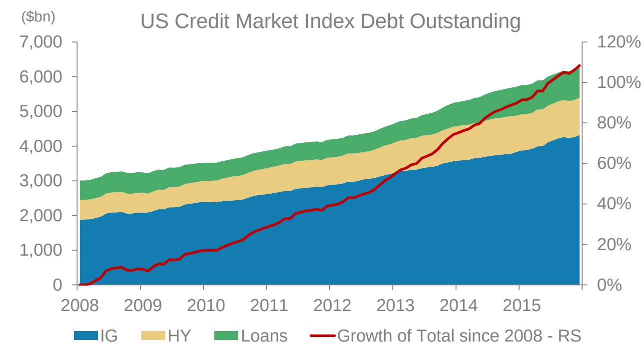
While the actions of this fund are not insignificant, their holdings are nowhere near that of the typical high yield mutual fund. In addition, the fact that investors are dealing with outflows and illiquidity is nothing new and to some extent already reflected in positioning. However, at the very least, this event may increase concerns around forced selling and does not encourage investors to step in and buy. Most importantly, technicals can and will become fundamental if they last long enough. Dislocations in markets like these drive tightening credit conditions and reduced access to capital. Companies eventually have to retrench as a result, impacting the economy, earnings and defaults. That is a credit cycle in a nutshell.

Drivers of the Challenging Liquidity Backdrop

Over the past year, liquidity has been a much addressed topic across Morgan Stanley Research, detailing our views on the liquidity challenges in credit markets and fixed income more broadly (for example, see *Liquidity Conundrum: Shifting Risks, What It Means*, March 20, 2015). In short, no matter how we slice it, credit markets have grown substantially since the crisis. Low rates and easy liquidity drove the need for yield, which led to significant demand for credit. Spreads compressed as a result, and all-time low yields incentivized companies to issue debt. They responded accordingly. As we show in Exhibit 1, US credit markets have more than doubled in size since 2008.

Exhibit 1

Credit Markets Have Grown Substantially

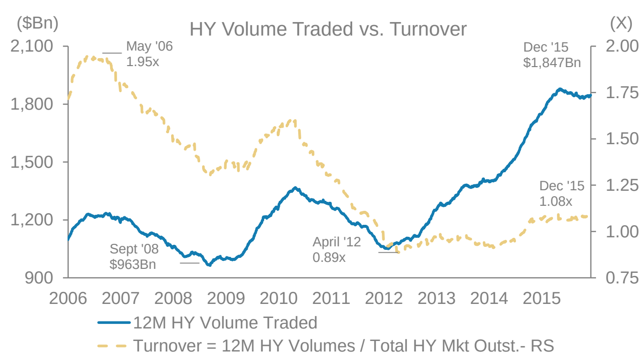


Source: Morgan Stanley Research, the Yield Book, S&P LCD
Note: For total debt we are using bonds outstanding in the Citi cash indices for IG and HY, as well as the S&P LSTA index for leveraged loans.

Trading volumes have actually increased materially since the credit crisis, but have not kept pace with the growth in debt outstanding, leading to much lower market turnover.

Exhibit 2

Trading Volumes Have Risen, but Not in Line with the Growth in Credit Markets



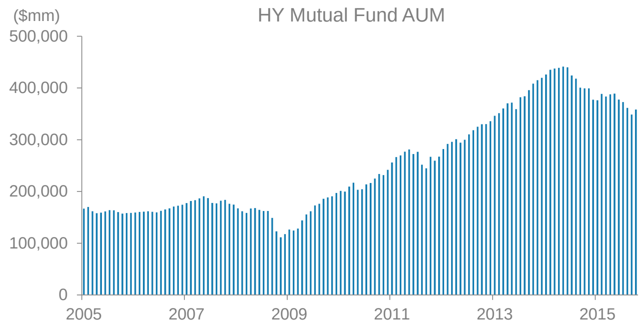
Source: Morgan Stanley Research, Bloomberg, S&P LCD

Not only have credit markets grown, so has mutual fund ownership of the asset class. As mentioned earlier, low and declining yields for most fixed income asset classes pushed retail money into credit over multiple years.

The growth in mutual funds in this cycle is not limited to credit alone. As we show in Exhibit 4, fixed income mutual fund AUM also increased significantly since 2008.

Exhibit 3

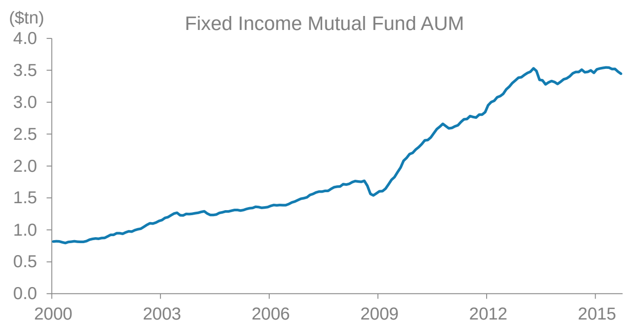
The Need for Daily Liquidity Increased Steadily for Most of this Cycle



Source: Morgan Stanley Research, ICI

Exhibit 4

Meaningful Growth in Mutual Fund AUM Across Fixed Income as Well



Source: Morgan Stanley Research, ICI

And while credit markets have grown without pause, the capacity to absorb risk has gotten smaller and smaller. Due to a host of factors, including regulatory pressures on fixed income businesses, dealer balance sheets have contracted meaningfully.

Exhibit 5

Dealer Balance Sheets Much Smaller Post-Crisis

Source: Morgan Stanley Research, Bloomberg, Federal Reserve Bank of New York

This combination of significant growth in credit markets, increasing susceptibility to retail inflows/outflows, and shrinking dealer balance sheets has created a problematic liquidity backdrop. This did not matter that much when volatility was low and the Fed was easing aggressively. Liquidity is not a problem until you need it in a big way. A Fed hike around the corner, oil rolling over, and market swings intensifying have exposed the vulnerabilities around liquidity in credit markets.

Broadening Stress in Credit Markets

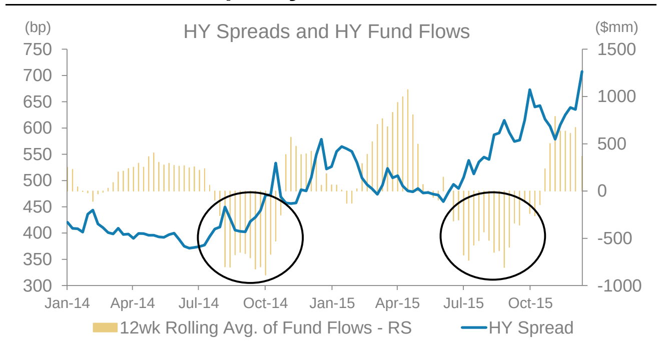
Over much of this cycle, investors have feared what could happen if outflows become too large for funds to handle. This past week, the market witnessed one example of that risk, with a high yield mutual fund blocking redemptions. Our view on this situation is as follows:

First, we would note that this fund is very different from the typical high yield fund. Without going into too many details, according to the latest public filings this fund consists of 58% CCC or lower-rated bonds, and 31% not rated bonds. According to our analysts, of the top 10 HY funds, the median holds 7.4% in CCC bonds and 7.2% in not rated issuers, which is significantly higher quality.

Second, the fact that high yield funds are facing outflows, and having to deal with weak liquidity is not at all a new issue. As we show in Exhibit 6, over the past year-and-a-half the HY market has experienced several waves of significant outflows.

Exhibit 6

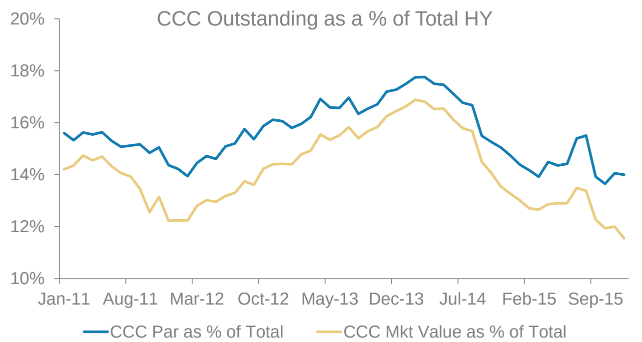
Outflows and Illiquidity Are Not New Issues for HY



Source: Morgan Stanley Research, EPFR, the Yield Book

This risk is why most funds have become more conservatively positioned over the past year. For example, CCCs have shrunk as a percentage of the overall market (despite downgrades), in part due to the lack of demand for riskier credit.

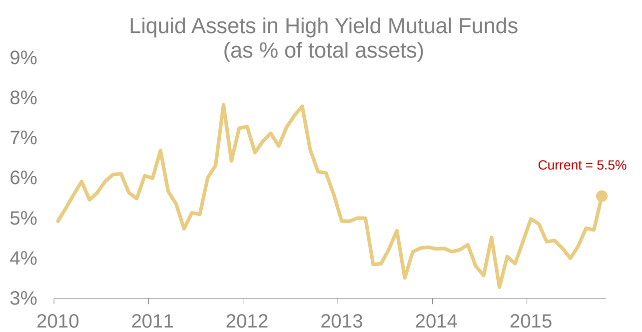
Exhibit 7
CCCs Shrinking as a % of the Overall Market



Source: Morgan Stanley Research, the Yield Book

In addition, mutual fund cash balances are as high as they have been since 2012 according to the latest available data point (note: the data lags by around a month). In fact, given all the volatility in high yield and negative press over the past year, we could argue that many of the 'weak hands' that were hiding in the asset class have already left.

Exhibit 8
Cash Levels at the Highest Point Since 2012

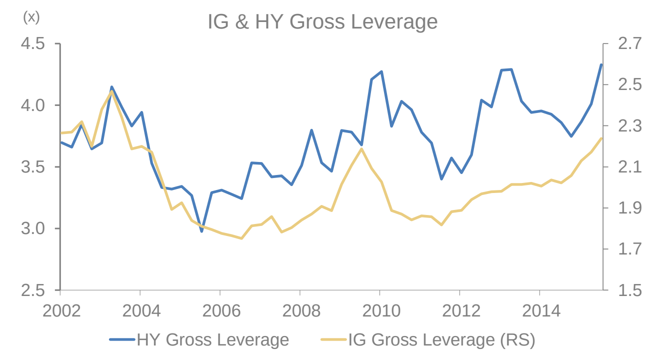


Source: Morgan Stanley Research, ICI

However, a fund being forced to halt redemptions is by no means good news. At the very least, it stokes fears in an already jittery market. For investors thinking about jumping in and taking advantage of the value in the market, the possibility of other forced sellers, real or not, is enough to keep them on the sidelines.

However, the real risk, in our view, is that if these liquidity issues lead to dislocations in markets that persist, they will eventually drive weakening fundamentals. Bear markets are always technical in nature at first. As we have described in the past, credit cycles tend to have two common characteristics. During an expansion, the reach for yield drives higher leverage – **the fuel.** We haven't seen excesses everywhere, but leverage is certainly elevated.

Exhibit 9
Corporate Leverage Has Risen in This Cycle

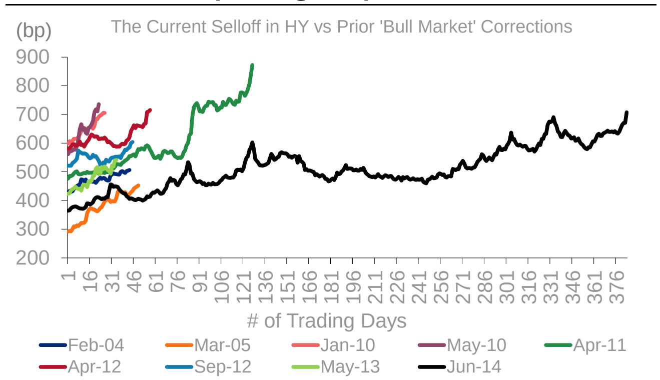


Source: Morgan Stanley Research, Bloomberg, S&P Capital IQ

High leverage by itself tells you nothing about when a cycle will turn. At some point, credit conditions tighten, and that is **the match.** Companies lose access to capital and have to retrench, preserving liquidity. Economic growth weakens as a result and earnings and asset values both decline, ultimately impacting fundamentals and driving defaults.

As we show in Exhibit 10, corrections in bull markets typically last a few months.

Exhibit 10
The Longer Credit Markets Remain Dislocated, the More it Risks Impacting Corporate Behavior



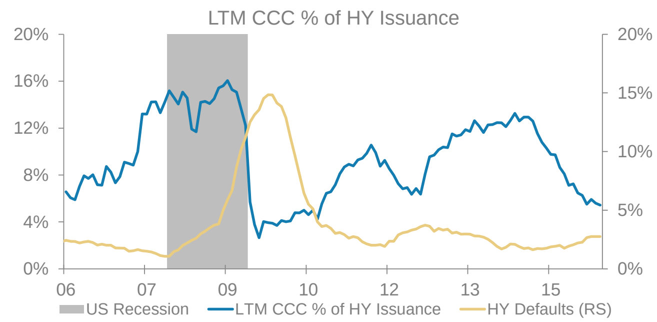
Source: Morgan Stanley Research, the Yield Book

Even in 2011, high yield sold off for six months. That was a severe downturn, but it did not last long enough to impact corporate behavior in a major way. This correction has now lasted a year-and-a-half and, because of issues around liquidity, the weakness is spreading out.

As we show in Exhibit 11, markets are already restricting access to capital for weaker-quality companies.

Exhibit 11

Significantly Lower CCC Issuance – an Example of More Restrictive Credit Conditions

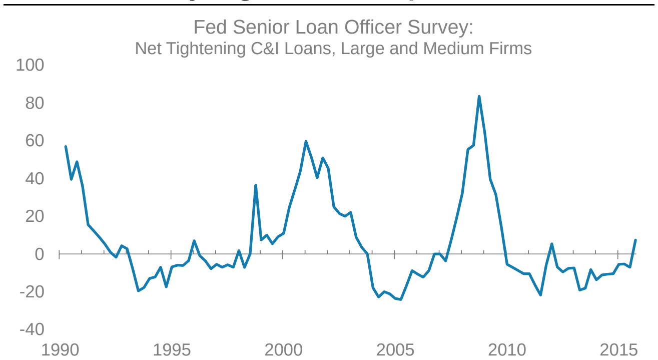


Source: Morgan Stanley Research, the Yield Book, NBER, Moody's

And less availability of capital is not just an issue confined to the high yield credit market. As we show in Exhibit 12, banks are also now tightening lending standards for C&I loans to large and medium firms.

Exhibit 12

Tighter Credit Conditions No Longer Just an Issue for Low-Quality High Yield Companies



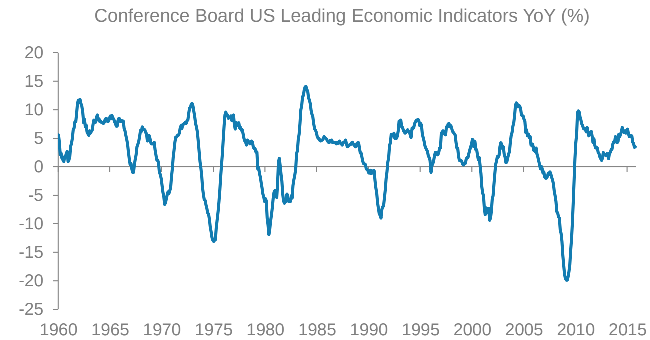
Source: Morgan Stanley Research, the Federal Reserve

In our view, the longer markets remain dislocated, the more the risk grows that this sell-off is the tightening in credit conditions that drives a cycle turn.

And we believe it is important to note that this is taking place when the US economy is already weak and decelerating.

Exhibit 13

Leading Economic Indicators Index Already Turning Lower



Source: Morgan Stanley Research, Bloomberg

Why Is This Not 2007/08?

Though we do not want to downplay the seriousness of the current situation and the potential for further deterioration, we believe that what we are now going through is very different from what led markets to unravel spectacularly during the Great Financial Crisis.

It is tempting to draw parallels to the hedge fund closures in June 2007 that in some ways could be seen as the beginning of the crisis. However, it is important to remember that the crisis was rooted in multiple layers of leverage that were neither completely known nor understood, in particular the way the linkages all circled back to the banking system – from housing to subprime RMBS to collateralized debt obligations (CDOs) to CDO squared and structured investment vehicles (SIVs), to name just a few. The banking system was intertwined in different aspects of every layer of leverage in the system.

This is simply not the case to nearly the same extent now. Leverage is elevated in certain sectors. However, higher leverage in non-financial corporates is very different from multiple layers of interlinked and elevated leverage. Furthermore, the banking system is meaningfully less levered, substantially more regulated and, in our view, much better understood by market participants. In addition, dealer balance sheets are smaller, which does present liquidity challenges, but it also mitigates the risk that balance sheets have to contract significantly as occurred during the financial crisis.

Clearly, liquidity risks are substantial, as noted earlier, and continued market dislocations can surely impact the credit cycle as well as the broader economy. And along these lines we laid out the case for more subdued return forecasts across most asset classes in our recently published global strategy outlook (for details, see *The Lower Frontier*, November 29, 2015). However, we believe it is important to drive home the message that the systemic implications of current developments are significantly more muted than in 2007/08.

Regulatory Implications

As detailed above, the issue of worsening liquidity in credit markets is not a new one. There was much debate about this issue over the past year and we have seen cash bonds underperform their synthetic counterparts across markets in part for this reason.

The combination of the growth in the fixed income mutual fund industry, especially in less liquid sectors, and worsening liquidity has caused regulators to focus on the issue. In September, the regulators proposed a comprehensive package of rule reforms to enhance liquidity management by open-end funds, including mutual funds and exchange-traded funds.

The proposed reforms require mutual funds to implement programs to manage liquidity risk and enhance disclosures regarding fund liquidity and redemption practices. The purpose of the proposal is to ensure investors can redeem their shares and receive their assets in a timely manner. The proposed reforms would also provide a framework under which mutual funds could elect to use 'swing pricing' to pass on the costs stemming from shareholder purchase or redemption activity to the shareholders associated with that activity.

The management of the liquidity risk program would require asset managers to classify the fund portfolio assets based on the amount of time an asset could be converted to cash without a market impact. Funds would be required to classify each asset position or portion of a position into one of six liquidity categories that would be convertible to cash within a certain number of days: one business day; 2-3 business days; 4-7 calendar days; 8-15 calendar days; 16-30 calendar days; and more than 30 calendar days. It would also require assessment, periodic review and management of a fund's liquidity risk; establishment of a fund's three-day liquid asset minimum; and board approval and review. In addition, the proposal would codify the 15% limit on illiquid assets included in current Commission guidelines.

These new proposed rules do not provide asset managers with prescriptive guidance on establishing liquidity management programs. There is no explicit guidance on the mapping between liquidity category and asset class. Asset managers would be required to come up with their own processes to make that determination. This creates potential for significant differences across asset managers.

Last week's event regarding a mutual fund halting redemption creates a greater urgency around some of these proposed rules. Furthermore, it raises the question whether these rules could have prevented such an event or whether this was an idiosyncratic issue. The comment period for the proposed regulation ends on January 13, 2016.

Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMO)

Principal is returned on a monthly basis over the life of the security. Principal prepayment can significantly affect the monthly income stream and the maturity of any type of MBS, including standard MBS, CMOs and Lottery Bonds. Yields and average lives are estimated based on prepayment assumptions and are subject to change based on actual prepayment of the mortgages in the underlying pools. The level of predictability of an MBS/CMO's average life, and its market price, depends on the type of MBS/CMO class purchased and interest rate movements. In general, as interest rates fall, prepayment speeds are likely to increase, thus shortening the MBS/CMO's average life and likely causing its market price to rise. Conversely, as interest rates rise, prepayment speeds are likely to decrease, thus lengthening average life and likely causing the MBS/CMO's market price to fall. Some MBS/CMOs may have “original issue discount” (OID). OID occurs if the MBS/CMO’s original issue price is below its stated redemption price at maturity, and results in “imputed interest” that must be reported annually for tax purposes, resulting in a tax liability even though interest was not received. Investors are urged to consult their tax advisors for more information. Government agency backing applies only to the face value of the CMO and not to any premium paid.

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(as of November 30, 2015)

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Stock Rating Category	Coverage Universe Count	Coverage Universe % of Total	Investment Banking Clients (IBC) Count	IBC % of Total IBC	IBC % of Rating Category
Overweight/Buy	**1206**	**35%**	**332**	**43%**	**28%**
Equal-weight/Hold	**1469**	**43%**	**347**	**44%**	**24%**
Not-Rated/Hold	**91**	**3%**	**11**	**1%**	**12%**
Underweight/Sell	**648**	**19%**	**91**	**12%**	**14%**
Total	**3,414**		**781**		

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months.

Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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