RIVERPARK FUNDS

Wedgewood. PARTNERS, INC.

Wedgewood Partners Fourth Quarter 2012 Review and Outlook

Review and Outlook

During the 4th quarter of 2012, our Composite declined -.01%. We (barely) outperformed our benchmark, the Russell 1000 Growth Index (-1.32%), as well as the Standard & Poor's 500 Index (-.38%). For the year, we are quite pleased to report that our Composite gain of +21.6% outperformed both the Russell 1000 Growth Index (+15.3%) and the Standard & Poor's 500 Index (+16.0%).

TABLE I
Fund returns for period ended December 31, 2012

	INSTITUTIONAL SHARES (RWGIX)	RETAIL SHARES (RWGFX)	RUSSELL 1000 GROWTH	S&P 500
FOURTH QUARTER 2012	0.03%	-0.05%	-1.32%	-0.38%
ONE YEAR	21.68%	21.38%	15.26%	16.00%
SINCE INCEPTION – ANNUALIZED (SEPTEMBER 30, 2010)	15.78%	15.50%	13.22%	12.80%

** Total returns presented for periods less than 1 year are cumulative, returns for periods one year and greater are annualized. The performance quoted herein represents past performance. Past performance does not guarantee future results. High short-term performance of the fund is unusual and investors should not expect such performance to be repeated. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be higher or lower than the performance quoted. For performance data current to the most recent month end, please call **888.564.4517.***
RiverPark Advisors, LLC, the Fund's investment adviser, has agreed contractually to waive its fees and to reimburse expenses of the Fund, to the extent necessary to ensure that operating expenses do not exceed, on an annual basis, 1.00% for the Institutional Class Shares and 1.25% for the Retail Class Shares of the Fund's average net assets. This agreement is in effect until at least January 30, 2014, and subject to annual approval by the Board of Trustees of RiverPark Funds Trust. In the absence of these waivers, total returns would be reduced.

Our leading fourth quarter performance contributors were Cummins (+18.1%), Varian Medical Systems (+16.4%) and Charles Schwab (+12.8%). Our top lagging performers were Apple (-19.9%), National Oilwell Varco (-14.5%) and Express Scripts (-13.8%).

For the year, our top performance contributors were Gilead Sciences (+79.4%), Visa (+50.5%) and Apple (+32.6%). Our top lagging performers were Expeditor's International (-2.0%), and Schlumberger (+3.0%) and Varian Medical Systems (+4.6%).

We were relatively busy during the recent quarter. We bought Priceline.com and Monster Beverages. We trimmed our positions in Google and Visa. We also added to existing holdings in Apple. Over the course of 2012 we added just two others - Charles Schwab in January and Coach in July.

2012 began as most years do on Wall Street – brimming with optimism. According to Bianco Research, economist expectations of GDP growth started at nearly 3% and fell steadily throughout the year to stall-speed growth just 1.6%. Wall Street analysts (hard to find a more consistently exuberant bunch of folks on the planet) began the year expecting fourth quarter 2012 earnings growth of +18% - and steadily fell throughout the year to a piddling 3%. Indeed, while there was plenty of classic hand wringing, "wall-of-worrying" news and events throughout the year (recession fears, European debt crisis fears, recession fears in China, plunging consumer confidence), the stock market (Standard & Poor's 500 Index) climbed that wall and posted a very solid gain of +16%. Yet, to the chagrin and angst of most portfolio managers 2012 will go in the books as a year most would rather forget. Just as 2011 was a tough year for active managers, 2012 was more of the same. According to Goldman Sachs, 49% of Large Cap Growth outperformed their respective benchmarks. Only 35% of Large Cap Core did the same. Large Cap Value fund managers brought up the rear with only 20% outperforming their benchmark. Not to be outdone, 88% of hedge funds underperformed their respective benchmarks too.

Despite all of the noise that investors had to filter through in 2012, individual stock returns were quite orderly when it came to corporate earnings growth expectations. Mr. Market was unusually kind to those stocks posting the biggest increases in earnings expectations, but woe to the stocks with the largest decreases in earnings expectations. If we had to hazard our best prospective forecast for 2013, we would forecast that changes in earnings expectations may have an even greater impact than compared to 2012. Our reasoning is pretty straightforward. Corporate America has been "lean and mean" for quite a few years now. That's the good news. The bad news is that Corporate America has little room to get leaner. Even seemingly small changes in corporate margins now have an out-sized effect on earnings. Corporate margins peaked at 10.3% in the fourth quarter of 2011. They have "only" dropped to 9.7% by the third quarter of 2012. This relatively small decline accounts significantly for the concomitant flattening in earnings growth over the past twelve months. Unfortunately, 9.7% is still quite high by historical measures. In our view, "earnings cliffs" are more problematic for the broad stock market than either "fiscal cliffs" or "debt ceiling cliffs."

For a few years now John and Jane Q. Investor have been beyond fed up with of the stock market. Surviving the dot.com/bubble-bust was one thing, but suffering through the housing-credit/bubble-bust was simply too much to bear. Investors have made their mind up to get out of the stock market. Period. So, despite double-digit returns in the stock market, 2012 will set a record for equity mutual fund redemptions. According to the Investment Company Institute, equity fund outflows are expected to reach -$160 billion. The former record for redemptions was set last year at -$148 billion. Since 2007, investors have redeemed nearly $630 billion in equity mutual funds. Conversely, over the last twelve years, net cash inflows into bond funds are approaching *$1.5* trillion. Maybe bonds do have more fun? (Note to contrarian self: As this Letter is being written we get the news that the most recent weekly inflows into equity mutual posted their second biggest week ever at $22 billion – just in the nick of time in a bull market soon to enter its fifth year.)

Our view of the current investing environment is largely unchanged from our thoughts over the past year or so. The Great Bull Market of 2009-2012 marched on, but with increasing headwinds from a weak economic environment, non-stop lowering of said earnings expectations and increasing angst on the political front (elections, fiscal cliff, debt ceiling, etc.). While such "macro-driven" markets have seemed to become both the norm over the past few years and to the frustration of most investors, our focused approach to investing need only be fed by a few exceptional opportunities to move the needle in our portfolio. That said, we do share (unfortunately) the ever-growing consensus view that major moves in the stock market will continue to be driven as much by D.C. legislative proposals, debates, brinksmanship (ad nauseam), rather than the usual mix of corporate earnings and changes in both interest rates and economic growth. The new, new normal of politics is the direct relationship between the ever-growing margin of victory at both the congressional districts and state level, which is proportional to the growing political divide. Said another way, our political divisions throughout the country are manifested in the very hard-Left and hard-Right politicians We The People elect and send to D.C. In addition, since the advent of daily politically centric cable and TV shows, magnified now through the amplifier of innumerable raucous politically centric internet websites and blogs, it seems to most that our country's two-party system has become completely unhinged. But that said, even a cursory reading of U.S. political history shows that most of the current political spit and vigor is quite old hat. This marvelous country of ours was founded on debate and argument. We Americans do love this 236-year old contact sport!

Federal Reserve policy will continue to take center stage. Beyond the academic discussion of the systemic change in the proper role of the price signaling of interest rates in a normally functioning economy, given the fact that the Fed is "loudly" purchasing $85 billion of bonds every month, is it any wonder that the never-ending bond bull market has made bond bears truly extinct? According to David Rosenberg of Gluskin Sheff, since the beginning of 2009, the world's six largest central banks have collectively issued six trillion dollars' worth of IOUs in a herculean attempt to offset private sector deleveraging. Furthermore, before the onset of the Fed's Quantitative Easings, Rosenberg has calculated that the change in the Fed's balance sheet has had a long-held 20% correlation with the S&P 500. Yet, since 2009 that correlation has spiked to an astonishing 85% - eclipsing the historical relationship between stocks and corporate

earnings. Who would have ever thought that bonds would be purchased (speculated?) for capital appreciation and common stocks purchased for income?

So, what's an investor to do? Our best answer is to stay laser-focused on those industries and companies least affected by the legislative whims of D.C. - and be prepared to take advantage of those sure-to-come events of politically driven market volatility. Indeed, our last three purchases (Coach, Priceline.com and Monster Beverages) appear instructive on this score. We believe these three companies share a key profitability attribute that the vast majority of companies (public or private) could only dream of – the ability to generate returns on assets consistently above 25% to 30%. Utilizing the Morningstar stock screener, we screened the 1,515 domestic companies with a market cap of greater than $5 billion that also generated a return on assets of at least 20% and found only *19* companies. We own six of these beauties – Apple, Coach, Monster Beverage, Priceline.com and Verisk Analytics. To think that Mr. Market served up three of these companies in a single year – wonderful! Our lesson? Focus on best-of-breed companies, not worst-of-breed politicians.

As we enter 2013, we find our portfolio of companies possessing prospective growth expectations and profitability metrics meaningfully higher (about 45-50%) than the Standard & Poor's 500 Index, yet our portfolio is only valued near par with the same. As we often remark, we like such odds.

Philosophy and Process

For over 20 years and across several macroeconomic cycles - including a technology/telecom bubble and a credit/housing bubble - Wedgewood Partners has managed risk and pursued reward by thinking and acting like successful business owners. This means that we are particularly concerned about whether or not we are going to permanently lose money on an investment. Furthermore, we expect to being rewarded by the long-term appreciation of equity relative to the underlying appreciation of business fundamentals. This "business owner" approach seems like a common sense investing approach to us. However, we think we are unique because noticeably absent from our approach of focusing on business ownership is the all-too-common practice of managing the volatility of portfolio returns through means of excessive number of portfolio holdings – which, though is not to say that we ignore the prices of stocks. Instead, we do not believe that short-term fluctuations of market prices are very good at discounting the long-term trajectory of business fundamentals. Instead we attempt to limit the long-term loss of capital and believe this "business owner" approach helps us maintain the proper temperament to, actually, take advantage of short-term volatility.

In lieu of managing volatility, which often requires wide and inefficient diversification, we choose to invest in only our best ideas. Given that we are a long-only strategy, the primary way that our portfolio positions will add value is if they appreciate, which is in-line with what we

think a business owner would expect. For example, our focused approach of owning less than two dozen holdings, yields a portfolio where, as of 12/31/2012, every position is overweight, relative to the weightings in the Russell 1000® Growth Index, and most positions by several hundred basis points. That is in contrast to owning underweight positions, which, for a long-only portfolio, primarily add alpha when they depreciate, which begs: if the holdings mostly add value when they depreciate, why own them at all? There are several reasons for this, but the most normative answer is largely do with managing volatility and very little to do with thinking and behaving like a business owner. As we have oft remarked over the years, temperament, not I.Q., is the most propitious attribute of both successful business owners, and likewise, successful investors.

In executing our philosophy, we employ a rigorous but thoughtful, bottom-up research process, where we typically manage to uncover fewer than two dozen uniquely profitable, financially stable growth businesses that are trading at requisite attractive prices. Sustainably higher profitability, relative to competitors, is a particularly important feature of the companies in our portfolio. We think higher profitability is evidence that a company is able to keep competitive threats (i.e. the pressure for a dollar of profits) - at bay. When determining the sustainability of this profitability, we not only analyze and consider rivals as a threat, but also suppliers, customers, substitutes and potential rivals; they all exert pressure on a company's profit and loss statement and/or capital base.

For example, Apple has a return on invested capital profile that is consistently superior (by orders of magnitude) to the vast majority of its competitors. We ask ourselves if that level of profitability is sustainable, and if it is, what, specifically, drives that sustainability. According to our research, Apple has long been the superlative vertically integrated seller of consumer electronics, particularly computers, smartphones and tablets. By "vertically integrated," we mean that Apple designs, manufactures and integrates the hardware and software for all of its devices. This approach contrasts with competitors that either design hardware or outsource software (e.g. Samsung), or design and license software, while outsourcing hardware (e.g. Microsoft). It would not surprise us if both Samsung and Microsoft know full well that Apple's vertical integration was the driving engine behind its profitability. So why not just simply copy it? As we have found, a company like Microsoft is competitively positioned in such a way that would make it extremely risky for them to overhaul the way they currently do business.

Consider, if Microsoft decided to mimic Apple's vertical integration, then original equipment manufacturers (OEM) that equip their hardware with Windows would no longer be supplier partners, and instead convert to direct rivals. While the OEM and Microsoft would still be competing for a dollar of profitability, it would be a vastly different dynamic that could potentially jeopardize Microsoft's vitally important supply chain. That is the potential risk that we believe Microsoft would face in order to mimic Apple and we think that is an unlikely scenario. In fact, so desperate, in our view, that Microsoft has become of late by entirely missing the paradigm shift of the mobile internet (and the significant threat it poses to their business model) that their current strategy with their Surface tablet strategy has positioned them as a direct competitor with many of their key OEM partners. Redmond, we have a problem! Of

course, there are several companies that Apple competes with for a dollar of profitability, not just Microsoft, but this is an important exercise that is part of our process to uncover competitively advantaged businesses.

Company Commentaries

During the quarter, the Fund outperformed the benchmark, in part due to positive performance from Charles Schwab, Priceline.com and Monster Beverage. Performance detractors included National Oilwell Varco and Apple.

Charles Schwab

In our opinion, Charles Schwab continues to exhibit a sustainable low-cost advantage relative to competitors in the financial services industry. Through the end of the 2012 calendar year, the Company posted non-interest expenses as a percentage of total client assets that was below 0.19%. This level of expense control resulted in full-year, pre-tax profit margins in excess of 30%, which is a multiple of some of the most well-established wealth management platforms in the world. We think that this abnormally low expense rate emanates from Schwab's long history of investing in and leveraging its information technology infrastructure. In contrast, we have found that many of Schwab's rivals rely on more expensive and less efficient human capital to gather assets. We anticipate that Schwab will continue to leverage this low-cost infrastructure, which enables the Company to pass along more favorable economics to clients, at the expense of more expensive competitors.

The stock continues to trade at a historically low price to book ratio, though that is somewhat offset by a higher forward price to earnings ratio, but we think earnings-based valuation metrics are somewhat misleading in this historically low interest rate environment. The Company is incurring losses on its money market funds due to fee waivers that they extend to clients, in order to avoid a negative rate of return on the funds.

As Schwab continues to grow its total platform assets, we think this growth will eventually be complemented by fee decompression, so we continue to believe Charles Schwab represents an excellent balance between business quality and valuation.

Priceline.com

Priceline.com was added to the portfolio during the fourth quarter after a multi-month decline from the stock's all-time high. Priceline.com is an online travel agency made up of a several online properties such as TravelJigsaw, Agoda and, of course, Priceline.com. However, the vast majority of its profitability is generated from its internationally focused, hotel booking site, Booking.com.

We think that Priceline.com has been able to generate superior return on invested capital, relative to its peer group, because of its rapidly increasing scale in the international hotel industry, which is a highly fragmented market. Rather than face the daunting task of advertising across several different languages, cultural preferences and mediums, over 200,000 of these international hotels have turned to Booking.com to list inventory.

In turn, this inventory consolidation has made Booking.com much more relevant to international travelers. The site hosts over 30 million unique visitors per month, a multiple of the site's closest rivals, as we estimate. This traffic has built up over the years, particularly as the Company has aggressively reinvested in a formidable search engine marketing (SEM) program, particularly with Google, and boasts that a relevant search term by a customer almost always places Booking.com ads at the top of Google searches. Priceline.com's online advertising budget routinely exceeds 25% of gross profits and in the most recent twelve months the Company spent over $1 billion, mostly on SEM. While visibility through SEM is expensive, very few competitors have the resources and scale to achieve it.

In our view, Priceline.com's opportunity for double-digit growth is robust, as they have tapped into only a fraction of worldwide hotel supply and demand. Also with its ample financial strength, the Company recently purchased Kayak, a travel-focused search engine at a cost of a little more than 5% ($1.8 billion) of Priceline.com's market capitalization. During the 12 months prior to the acquisition, Kayak drove over 10% of Priceline.com's traffic, so this acquisition appears to be a prudent attempt to lock-in traffic costs.

Our portfolios also have a sizable position in Google, so Priceline.com introduces competitive overlap risk, but we think it is minimal. For instance, if we assume Priceline.com's entire online marketing budgets were allocated to Google, then it would amount to less than 3% of Google's trailing 12-month operating profit. So while the two Companies are competing for the same dollar of profitability, we see it as an acceptable level of risk, given the vast potential of their respective businesses.

Monster Beverages

We also added Monster Beverage to the portfolio during the fourth quarter. For over 20 years, prior to a name change in January 2012, the Company was known as Hansen Natural - with roots tracing back to the 1930's. Monster Beverage primarily manufactures beverages that compete in the alternative beverage industry, with a particular focus on the energy drink category.

Branding and innovation are both extremely important elements to Monster's consistent returns on invested capital, relative to a competitive field that includes offerings from such branding masters as Coca-Cola and PepsiCo. Monster's early entrance into the U.S. energy drink market came in the mid 1990's and coincided with its rival's, Red Bull, entrance. The latter was the first energy drink to reach critical mass on an international scale but, importantly, proliferated the value proposition of beverage functionality to consumers around the world. This functionality

continues to be a defining factor for this category and usually commands a premium on a per-ounce basis, relative to CSDs.

Launched over 10 years ago, Monster Energy's 16-ounce form-factor and pricing strategy were defining characteristics for the energy drink category and quickly boosted the Monster brand into a leadership position. The Company maintains this lead while it continues to meticulously curate its brands by exclusively focusing on unconventional marketing mediums and constantly launching innovative offerings. For instance, through the first 11 months of 2012, new products drove almost one-third of Monster Beverage's U.S. unit growth, according to Nielsen data provided by the Company. In addition, a recently launched, non-carbonated, low-carb, energy drink line, dubbed "Monster Rehab," includes tea-based and non-citrus flavors, and has quickly become one of the Company's most successful products. We estimate Monster Rehab generated almost 10% of U.S. gross revenues during 2011, after launching in February of the same year. Further, Monster Beverage cultivates brand awareness through non-traditional mediums, with, we estimate, less that 10% of the Company's marketing budget dedicated to conventional mediums such as radio, television, newspaper and online. This unconventional marketing effort focuses on targeting niche audiences in emerging sports such as motocross, BMX racing, snowboarding, skiing, Formula 1 and Professional Bull Riders, in contrast to many of Monster's rivals that historically have applied more conventional methods to their marketing efforts because they appear to be unsuccessful at penetrating unconventional audiences.

We believe that there is ample room for growth as the Company's sales represent a small fraction of the worldwide alternative beverage market. For instance, about 20% of Monster's gross sales are generated outside of the U.S., yet the Company states that it has had an average presence of only three years in these markets. In this relatively short time frame, the Company's unit sales are already a quarter of Red Bull's, despite the latter Company's multi-decade head start. We think Monster's rapid market share take is a testament to the portability of their brand, and the consumer's ability and willingness to support two large players, many years into the future.

National Oilwell Varco

When it comes to the global oil service business National Oilwell Varco is truly a jack-of-all-trades. Over the many decades the Company has been uniquely successful through countless mergers and acquisitions, by both vertically and horizontally integrating their plethora of products and services. Indeed, the Company has been so successful in offering a global one-stop-shop that their well-known industry sobriquet is "No Other Vender." The Company traces its roots to its founding in antebellum Houston in 1841. The Company's two main predecessors, Oilwell Supply and National Supply were founded in 1862 and 1893, respectively. Varco took its formal name in 1915 from three key partners – Edgar Vuilleumiere, Walter Abegg and Baldwin Reinhold. Fast-forwarding into the 20th century finds Oilwell Supply acquired by U.S. Steel in 1930 and in 1958 Armco Steel merged with National Supply. In 1987, National Supply merged with USS Oilwell to become National Oilwell. The Company finally took its current

name and form when in 2005 National Oilwell and Varco merged to become National Oilwell Varco.

The Company's current, and enduring competitive advantage must be credited to the singular foresight and vision of CEO Pete Miller. Miller began his career at the Company in 1996, and was named CEO in 2001. Miller foresaw that the oil service business was woefully wedded in the past philosophy of custom drilling rigs and related custom repair parts and services. His revolutionary view was that manifold advances in oil well productivity and efficiency could be achieved via standardization. Furthermore, the first-mover advantage of the company which could lead the consolidation of this fragmented industry would be uniquely positioned – potentially reaping the benefits of less severe boom-bust orders, capturing a greater percentage of contract bill-of-goods and a concomitant stream of annuity-like service and repair part revenues. Miller and team thus began an orchestrated 15-year string of +300 deals – including nearly $6 billion over the past 18 months alone. Keystone Miller acquisitions include the $2.4 billion acquisition of Varco in 2005 and the $7.4 billion purchase of Grant Prideco in 2007.

Fast forward to late 2012, the Company stands astride the global oil services industry like no other. Leveraging over 800 worldwide manufacturing, sales and service centers, National Oilwell Varco is a global leader in providing major mechanical components and integrated solutions for both land and offshore drilling rigs. Post-Macondo, the Company's integration of deep-sea rig technology, with the magnified emphasis of safety, has put the Company in a class by itself. In addition, with a growing panoply of 139 brands, which include complete land drilling and well servicing rigs, tubular inspection and internal tubular coatings, drill string equipment, extensive lifting and handling equipment, and a broad offering of downhole drilling motors, bits and tools, as well as supply chain services through the Company's network of distribution service centers, all located near major drilling and production activity, it is literally impossible to drill or operate an oil well or rig without calling Houston. The tale of the standardization-consolidation tape underscores Miller's vision. Little more than ten years ago the Company could only scratch out middling single-digit pre-tax operating margins. Over the past few years the Company has consistently generated pre-tax operating margins of around 19%-20%. The Company has also cut their financial leverage by 25% over the past decade. Returns on equity and invested capital have doubled has well.

The stock was essentially flat in 2012 reflecting the continued decline in North America in both oil and gas rig count. U.S. rig count has doubled since the mid-2009 bottom, plus (according to CFO Clay Williams) an "unprecedented surge" in U.S. oil production has created a "new parsimoniousness…sweeping through the North American oil complex." Rig counts are down over 168 since the beginning of 2012. Due to an over-supplied market and "fierce" price competition the Company's new North American rig orders have ground to a halt.

A notable bright spot in North America is the Company's omnipresence in the booming shale industry – which continues to be a unique American success story. The EIA recently reported that due to the surge in U.S. energy production (led by North Dakota and Texas) net oil imports in 2012 would account for little more than 40% of U.S. oil consumption – the lowest dependence

in foreign oil since 1992. The oil production in Texas has doubled over the past three years and has reached a level of output last recorded in 1987. Not to be outdone, Pennsylvania's natural gas production has quadrupled since just 2009. A renaissance is emerging in the cost-competiveness in U.S. manufacturing due to the "flipping of the energy equation" with abundant and cheap natural gas. Credit such cutting edge technology such as expanded horizontal drilling and hydraulic fracturing. National Oilwell Varco is a leader in both technologies. (On a related note: Berkshire Hathaway owned Burlington Northern railroad expects to boost daily crude-oil shipments in 2013 by 40% to 700,000 barrels – in large part from Bakken shale. In addition, Union Tank Car Company – which is owned by Chicago-based Marmon; which in turn is 60% owned by Berkshire – is scrambling to increase their +80,000 fleet of leased tank cars).

However, outside of the gloom in North America, the Company has reported extensive customer activity in nearly every corner of the globe. Key international markets include Argentina, Kuwait, Algeria, Saudi Arabia, Brazil, Oman, Iraq and Indonesia. The Company has increased its investments in Eastern Europe, Russia, Africa and Latin America. The sweet spot for the Company continues to be deepwater offshore. New technologies are driving the fleet growth of next generation large deepwater rigs. Once again, from CFO Williams, *"Shipyards are underemployed, hungry, and aggressive on pricing. Deepwater day rates are high and rising. Capital is available and cheap. Construction time is shortening, and execution risk is approaching zero, at least for our customers. Importantly, this situation has been stable for eight-plus quarters, and our deepwater drilling contractor customers seem to be exhibiting a growing confidence with what we hope is a new era."*

We remain cognizant that the oil 'bidness is not for the faint of heart – for both companies and investors. We also continue to be of the opinion that the best business models in this industry are the best-in-technology-class service companies. We believe we own two of the very best in both National Oilwell Varco and Schlumberger. That said, when it comes to the shares of such companies, we continue to give wide berth in swings of valuation in our purchase and sales – particularly our purchases. While the valuation of the Company shares are, in our opinion, not demanding at current prices, we require a larger margin of safety to increase our current holdings.

Miller will be retiring in 2013. In our opinion, the Company is in good hands with a depth and breath of seasoned executives. Company veteran CFO Clay Williams will take the reigns as the new COO. Miller's legacy and culture is firmly ensconced at the Company. Fittingly, Morningstar named Miller as their CEO of the year. As homage to Rockefeller's Standard Oil, Miller's last act as CEO should be the renaming of National Oilwell Varco to Standard Oilwell.

<u>Apple</u>

2012 was the year that Apple was "out-sized." In our 24/7/365 world of non-stop information flow, 2012 was a bandwidth firehouse when it came to Apple. The vitriol between Apple "fan-boys," who believe that the Company can do no wrong and Apple "haters," who believe that the

Company's best days are behind them, reached a new high even the firing of a top executive quickly led to rumored plotlines and intrigue worthy of Shakespeare. More than previous years, it seemed that anything and everything associated with Apple was out-sized, which included the Company's early year earnings "beats" and its late year earnings "misses," the stock's early year gain and its late year decline. Including too the Company's product successes (iPhone and iPad mini) and perceived product failures (iOS Maps). The naysayers are absolutely sure that Steve Jobs would have never released such a flawed product as iOS Maps. Yet, Steve Jobs was absolutely convinced that a smaller version of the iPad would be a flawed product and was adamantly opposed to allowing third-party developers into their App Store. Well.

Early this month the Company announced that its App Store hit the 40 billion app download mark. More impressive still was the fact that half of those downloads were logged in 2012 alone. The learning curve of iOS Maps has not been as steep as initially believed, and the iPad mini is such a success that the Company is feverously ramping up supply production to meet out-sized demand. But even for Apple bulls like ourselves must admit and recognize that the "expectations bar" is higher for the Company than literally any of their competitors. Early versions of Mobile Me, iCloud and, yes, iOS Maps have not been "insanely-great" – not even close. So while we agree that Apple is far from blemish free, we do disagree with the oft knee-jerk verdict that the Company, post-Steve Jobs, must be irrevocably on a path similar to Polaroid's decline and demise post-Edwin Land. The opposing view/question will be if the Company's future will be more similar to the growth and prosperity of Disney post-Walt Disney? In our view (Apple circa-2012) it is far too soon to tell. But both tales are worthy of our study and conjecture.

So, if we can pull ourselves out of the gravitational pull of all-things-Apple, we will try to summarize our views and opinions on both Apple the company, and Apple the stock. In our opinion, Apple-the-company continues to operate at a level that is quite unique (and envy) in the annals Corporate America. The Company exited fiscal 2011 (September) with a revenue base of $108 billion – up 66% over 2010; and an earnings base of $26 billion – up 85% over 2010. So, despite all of the strum und drang during 2012, Apple generated revenue, earnings and earnings per share growth of 44%, 61% and 59%, respectively. 2012 return on invested capital at 42% speaks to the Company's unrivaled competitive position. Even after spending billions on capital expenditures, the Company still generated $41 billion in free cash flow – an increase of 38%. The 1st National Bank of Cupertino is now sitting on Ft. Knox-like pile of liquid assets of more than $120 billion. If we project single-digit growth rates in the Company's free cash flow generation, Apple's cash-liquidity hoard could be in excess of $200 billion by mid-2014. How big is $200 billion? The current market caps of both Google and Microsoft are approximately $225 billion.

Driving this performance, in our opinion, was no more than "business-as-usual" for the Company. The global expansion of the Company's Mac and iOS ecosystem of products (iPhone, iPad and iPod Touch), services, iCloud and the App Store - intertwined with their +390 industry leading stores – continued to facilitate the growth of new customers, as well has the repeat purchase of tens of Apple customers. Indeed, this competitively advantaged asset of Apple –

backboned with +775,000 Apps, +400 million iOS users and +200 million iCloud users – was the driving force of the sale of over 200 million iOS devices in 2012. Not to be out done by the success of iOS, the Company's Mac franchise continues to grow at multiples of PC growth. In fact, given that +80% of Mac unit sales are laptops – and with the launch of the App Store on Mac OS, plus the ubiquity of the iTunes Store on Macs – the line between Macs and iOS devices has become intentionally blurred. The Company exits 2012 with a complete product refresh, the oldest hardware product in Apple's portfolio is a mere five months old.

China will be on the short list of focus for the Company in 2013 – and beyond. As recently as 2009, China accounted for about $770 million in sales. In fiscal 2012, China generated $22.8 billion for the Company. Apple currently has eleven stores in China – six were opened just last year. Per capita, Apple only has one store per every 216 million people in China. The Company expects to exceed its initial goal of 25 Apple stores in the future. The Company also has a network of over 2,000 authorized offline specialty retailers in China. In terms of context, there are over 3,700 KFC restaurants in 700 cities across China; Starbucks has more than 570 locations in China. According to McKinsey Insights China's report on "Understanding China's Love for Luxury," the luxury market in China is projected to reach $27 billion by 2015 – or as much as 20% of the global luxury market. The iPhone has become a status symbol in China, particularly among youths. McKinsey also reports that the average smartphone user in China is 22 to 24 years old, compared to 35 to 40 years of age in the U.S. The Chinese New Year will be on February 10th. Apple will be stocked with plenty of iPhones and iPads ripe for the New Year selling season. Consider, in the last March quarter, Google's revenues were $10.7 billion. Apple could well match that in China alone in their March 2013 quarter. China is on track to be the Company's largest market in little more than three years.

Apple-the-stock has been on a roller coaster ride for all of 2012. At the stock's 2012 peak the shares were up 74% - and finished 2012 -28% off of the mid-September highs. During the Company's winter of discontent, consensus expectations for fiscal 2013 have fallen over the past few months and are now just 10% greater than the $44 per share the Company earned in 2012. The steep decline in the Company's expected 2013 growth rate embedded in current earnings expectations is far too dire in our opinion. In addition, with the stock currently at $520, the market implied revenue growth at current prices infers a deleterious decline in the Company's competitive position. But, if in fact consensus expectations do come to pass, the stock is currently valued at little more than 12X 2013 earnings. In our view, the stock possesses an asymmetric risk/reward profile worthy to be the Fund's largest holding.

On behalf of Wedgewood Partners we thank you for your confidence and continued interest. We hope these Letters give you some added insight into our portfolio strategy and process. As always, please do not hesitate to contact us if you have any questions or comments about anything we have written in our Letters.

Sincerely,

David A. Rolfe, CFA	Dana L. Webb, CFA	Michael X. Quigley, CFA
Chief Investment Officer	Senior Portfolio Manager	Portfolio Manager

To determine if a Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and other information may be found in the Fund's prospectus, which may be obtained by clicking here **or calling 1-888-564-4517. Please read the prospectus carefully before investing.**

This report includes candid statements and observations regarding investment strategies, individual securities, and economic and market conditions at a specific point in time; however, there is no guarantee that these statements, opinions or forecasts will prove to be correct. These comments may also include the expression of opinions that are speculative in nature and should not be relied on as statements of fact. The information provided in this material should not be considered a recommendation to buy, sell or hold any particular security. This information is for educational purposes only.

Objective and Risks. The RiverPark/Wedgewood Fund's investment objective seeks long-term capital appreciation. There can be no assurance that the Fund will achieve its objective.

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. Narrowly focused investments typically exhibit higher volatility. Technology companies are subject to severe competition and the price of an individual security may be more volatile. There can be no assurance that the Fund will achieve its stated objectives. Diversification does not protect against market risk. See the prospectus for a complete description of the principal risks.

RiverPark Capital and Wedgewood Partner's are both committed to communicating with our investment partners as candidly as possible because we believe our investors benefit from understanding our investment philosophy and approach. Our views and opinions include "forward-looking statements" which may or may not be accurate over the long term. Forward-looking statements can be identified by words like "believe," "expect," "anticipate," or similar expressions. You should not place undue reliance on forward-looking statements, which are current as of the date of this report. We disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. While we believe we have a reasonable basis for our appraisals and we have confidence in our opinions, actual results may differ materially from those we anticipate.

Table III
Top Ten Holdings as of December 31, 2012

	Percent of Net Assets of the Fund
Apple Inc.	9.4%
Berkshire Hathaway Inc.	7.1%
Cummins Inc.	5.8%
QUALCOMM, Inc.	5.6%
Google, Inc.	5.6%
Cognizant Technology Solutions	5.1%
Express Scripts Holding Co.	5.0%
Varian Medical Systems, Inc.	4.6%
Charles Schwab Corp.	4.3%
Coach, Inc.	4.1%
	56.6%

Holdings are subject to change. Current and future holdings are subject to risk.

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