RIVERPARK FUNDS

RiverPark/Wedgewood Fund

(RWGIX / RWGFX)

Wedgewood. PARTNERS, INC.

Second Quarter 2017 Review and Outlook

The Fund did not gain any ground during the second quarter of 2017. This result compares poorly with the gain of +4.7% in our benchmark, the Russell 1000 Growth Index, as well as the S&P 500 Index's gain of 3.1% during the quarter. Our year-to-date gain of +5.4% lags considerably versus the gains of 14.0% and 9.3% in the benchmark Russell 1000 Growth Index and the S&P 500 Index, respectively.

TABLE I
Net Fund Returns for Quarter Ended June 30, 2017

	INSTITUTIONAL SHARES (RWGIX)	RETAIL SHARES (RWGFX)	RUSSELL 1000 GROWTH INDEX	S&P 500 TOTAL RETURN INDEX	MORNINGSTAR LARGE GROWTH CATEGORY[1]
SECOND QUARTER 2017	-0.39%	-0.39%	4.67%	3.09%	5.00%
YEAR-TO-DATE	5.41%	5.26%	13.99%	9.34%	14.05%
ONE YEAR	11.02%	10.77%	20.42%	17.90%	20.04%
THREE YEAR – ANNUALIZED*	2.76%	2.65%	11.11%	9.61%	8.60%
FIVE YEAR – ANNUALIZED*	9.56%	9.40%	15.30%	14.63%	13.63%
SINCE INCEPTION – ANNUALIZED* (SEPTEMBER 30, 2010)	11.02%	10.83%	15.03%	14.19%	12.77%

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.*** *Gross expense ratios, as of the most recent prospectus dated 1/27/2017, for Institutional and Retail classes are 0.82% and 1.08%, respectively.*

**The above returns for the Retail Class Shares were increased by a one-time adjustment as a result of a management change in estimate relating to shareholder servicing and administrative servicing fees. Had this change in estimate not occurred, total returns would have been lower.*

[1] Source: Morningstar Principia

The Fab Five

Top second quarter performance detractors include, Tractor Supply Company, Schlumberger, Core Labs, Fastenal and Ross Stores. Top second quarter performance contributors include, PayPal, Edwards Lifesciences, Alphabet, Visa, and Cognizant.

During the second quarter, we increased our positions in Tractor Supply Company, Fastenal, and Ross Stores. We also initiated a position in Celgene.

Table II
Top Contributors to Performance for the Quarter Ended June 30, 2017

	Average Weight	Percent Impact
PayPal Holdings Inc.	5.30%	1.17%
Alphabet Inc. Class A	6.86%	0.66%
Edwards Lifesciences Corp.	2.66%	0.58%
Visa Inc.	6.07%	0.37%
Cognizant Technology Solutions Corp.	3.22%	0.35%

Portfolio Attribution is produced by RiverPark Advisors, LLC (RiverPark), the Fund's adviser, using FactSet Research Systems Portfolio Analysis Application. Please take into account that attribution analysis is not an exact science, but may be helpful to understand contributors and detractors.

Table III
Top Detractors From Performance for the Quarter Ended June 30, 2017

	Average Weight	Percent Impact
Tractor Supply Co.	4.76%	-1.07%
Schlumberger NV	5.40%	-0.86%
Core Laboratories NV	4.41%	-0.55%
Fastenal Co.	3.71%	-0.48%
Ross Stores, Inc.	2.94%	-0.39%

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A Word on Performance

We typically have not used our quarterly Client Letters to discuss investment performance in detail outside of the usual quarterly updates. Such conversations are best reserved for both direct client calls and in-person client meetings. That said, given that our relative returns over the past few years have lagged this continuous up market, it was high-time to bluntly and humbly discuss our returns in more detail, and to give some context on how we think about recent performance.

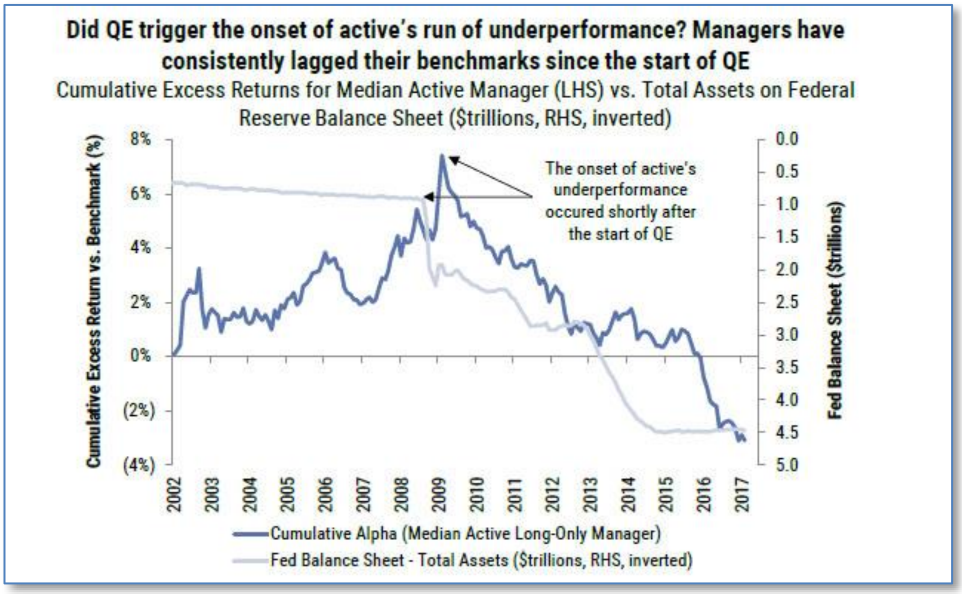
For those clients who have only invested with us since inception of the fund in 2014, we need to address your concerns on our recent performance posthaste.

As we have repeatedly stated in client calls and meetings over the past two years, our better performing years and 25-year history as a firm are of little solace to clients who have hired us over just the past few years – and such client concerns and direct questions and boos are surely warranted, and in order. We know that you fully understand that hiring a focused equity manager will result in a wider range and volatility of periodic investment returns measured in both absolute terms and relative to benchmarks and market indices. We have had two other periods of sharp underperformance (1997 and 2006-2007) in our firm's history, but the last few years has been the worst and the longest by far.

As we examine our results of late, we find that the incidents of underperforming stocks are the same in number and magnitude during most calendar years over our 25-year history. The exception to our return profile over the past few years has been the dearth of truly big winners. We saw this result back in our poor 2005-2007 period. Our defense-first investment philosophy is seemingly little match for an investing environment that rewards risk-taking to the sharp exclusion of the prudence of time-tested valuation disciplines.

That said, while we are disappointed that we have not navigated the challenging investment environment for more conservative investors over the past few years, we are in fact duly proud of how we have navigated the past 10 years of what can easily be described as some of the most extreme environments in stock market history. The last 10 years have been quite unique in stock market history in that they encompass one of the worst bear markets in a generation *and* one of the best bull markets in stock market history. In short, the past 10 years alone have been an unusually demanding, "career-type" test for any equity manager.

On top of that, do any of us truly believe that the current historic bull market would be well into its *ninth* year – with its last double-digit decline recorded way back in the fall of 2011 – if it were not for the world's central banks flooding the world's economy and financial market's with over *$16 trillion?* If reversion to the mean has not been permanently deposited in the dustbin of market history, the rebound in active manager performance versus passive strategies may well define the next 10 years.



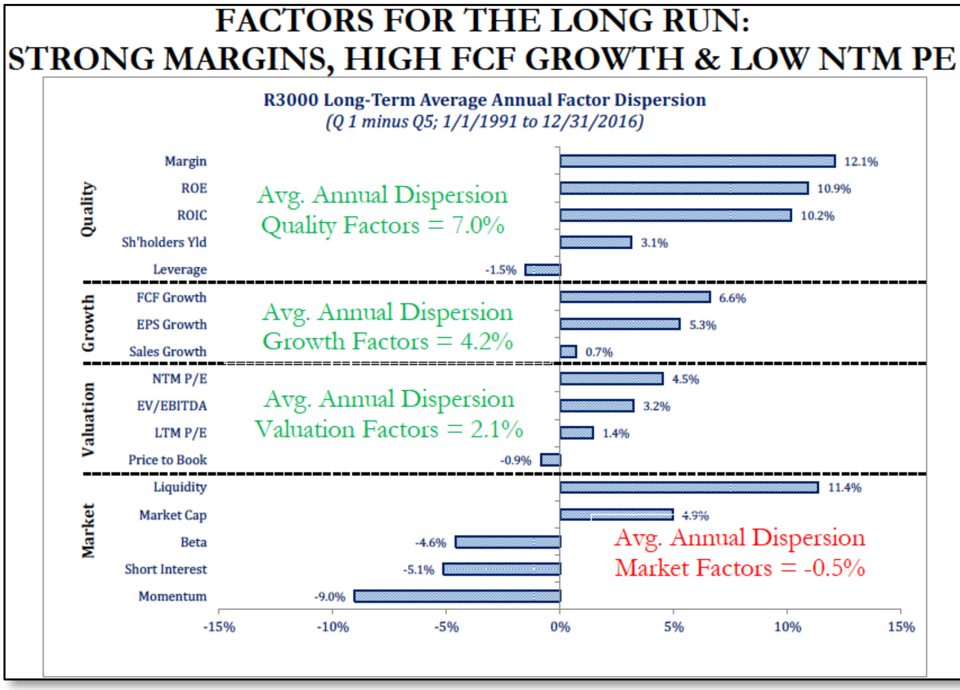
Source: Goldman Sachs

Cutting to the chase, the most pressing, direct question that we are being asked by our clients these days is, ***"Why Wedgewood?!"***

Our humble reply is, ***"If our past 10-year (much less our 25-year) experience as a manager warrants any due consideration, we believe that you should consider investing even more in our strategy."***

Again, while we have no doubt disappointed clients with our underperformance over the past few years, we humbly believe that longer-term performance results – particularly over a full market cycle – are the more relevant measure of a manager than just a few years.

We believe that the laws of intelligent, successful investing are immutable. For 25+ years we have endeavored to own competitively advantaged, best-of-breed businesses that generate profitability without the use of excessive debt. Further, we must have the valuation discipline to invest in such growth companies when they are under-valued and out of favor. This is our craft. We resolve to continue the same whatever Mr. Market may tempt us with.



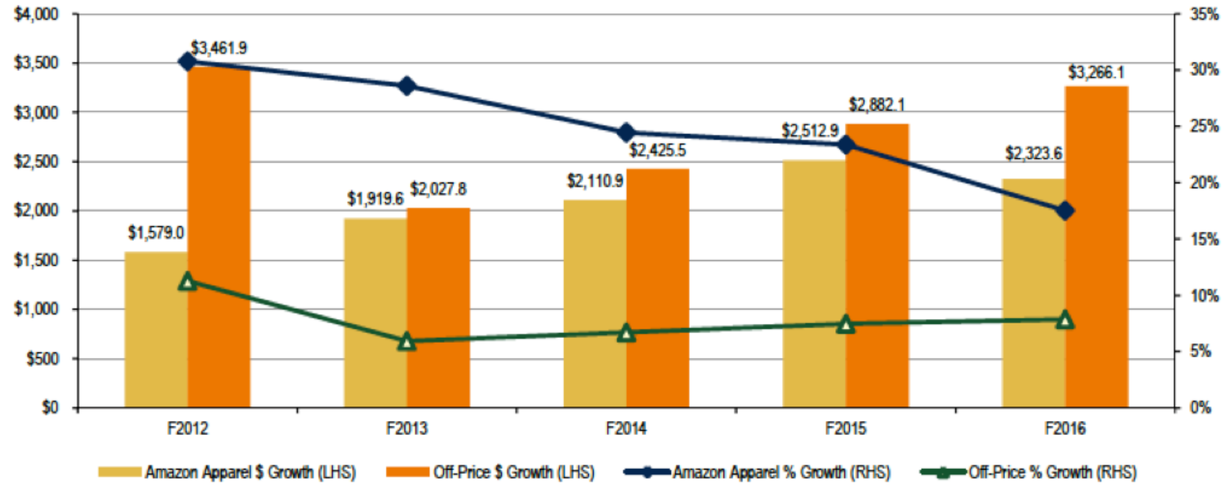
Source: Strategas Research Partners

Our second quarter returns capped one of our most challenging relative performance periods in our 25-year history as our investment process continued to face substantial headwinds in the current binary stock market. The relative underperformance occurred evenly across the quarter, as well as year-to-date. Our technology (health tech and financial tech) surged and contributed the most to our gains, while nearly everything else detracted. Although we own a roughly 35% weighting in information technology and another 5% in biotech and med-tech, it simply was not enough to offset the performance of the rest of the portfolio. Again, our year-to date winners are all "tech" stocks, which include PayPal, Priceline, Edwards Lifesciences, Apple, Visa, Cognizant Technology and Alphabet. The stocks that have underperformed our benchmark so far in 2017 include *all* the other stocks in our portfolio.

Relatedly, our year-to-date underperformance has mimicked the underperformance of value-based indices relative to growth indices. Much of this is coincidental, but we earnestly believe that there is a causal relationship as our growth *company* strategy consistently attempts to invest in what we think are cheaply valued *stocks*. Indeed, we believe the immutable investing dictum that *growth* and *value* are never mutually exclusive is the cornerstone of our investment philosophy. Rather than having "sleeves" of Growth and Value, we only invest when a prospective investment exhibits both. Our valuation discipline has always represented a very prudent divergence from pure growth *at literally any price*. Our "defense-first" investment philosophy dictates such. However, this approach has become increasingly contrarian – and relatively very painful – as the performance gap between Growth and Value of late has rarely been so wide. In addition, and we believe most importantly, we've seen this movie before. Further, we expect the current sequel, circa-2017, to end in similar fashion as the original.

At this point in the bull market, particularly in growth, we can still find companies with good long-term growth prospects, but we find that they are shrouded by overly pessimistic sentiment. In general, and more recently, the retail sector seems to fit this mold quite well; though our collective weight in retail is about in-line with the benchmark (roughly 10%), it is up from zero in the first quarter of 2016. A key element of our investment process is assessing competitive risks, which, in retail means that we want to invest in businesses that can thrive, even in the presence of a rapidly growing e-commerce industry. One such business is Ross Stores, which we have owned for a little over a year. Ross recently reported 12% growth in earnings per share, driven by 3% comparable sales growth—its *33rd consecutive quarter of comp growth*—6% growth in the store base, and expanding merchandise margins. Importantly, part of Ross Stores' sales growth continues to be driven by increased traffic, which bucks the trend of many retailers over the past few years that have seen traffic declines, particularly in mall-based locations. While we hear the perpetual drumbeat of e-commerce incursion, we don't see much evidence as Ross Stores, as well as another portfolio holding, TJX Companies, have differentiated themselves to the point where they (combined with another, smaller retailer, Burlington Stores – not held) have taken more apparel and footwear share than Amazon – the pre-eminent e-commerce retailer – over the past 5 years.

Chart 1: Growth in revenue dollars at off-price retail has exceeded Amazon's apparel and footwear business by an increasing amount since 2013 ($ in mn)



Source: BofA Merrill Lynch Global Research, Euromonitor International, company reports
Note: Amazon apparel and footwear sales includes Amazon private label, 3rd party merchants on Amazon and Zappos

The revenue growth at TJX, ROST and BURL during F2016 equals 164% of the sales declines for all of the department stores within our coverage universe.

We think that Ross Stores and T.J. Maxx's outperformance relative to the rest of the vast retail industry is related to their differentiated value propositions. First, we find that both T.J. Maxx and Ross Stores procure inventory at below market rates, so the preponderance of merchandise at their chains sell for substantial discounts relative to brick and mortar competitors, and e-commerce. Second, Ross and T.J. Maxx rapidly turn the offerings on the floors of their stores, which compels customers to visit frequently. Specifically, these two turn their respective inventories at an annual rate of 12X – a multiple versus other apparel retailers. Third, we think that the average value of a transaction at T.J. Maxx and Ross is too small for even the most aggressive e-commerce players to justify free shipping. Most important, we believe these three drivers are byproducts of entrenched and differentiated value chains, including seasoned, internal buying organizations that quickly modulate to the needs of both consumers and vendors.

Despite continuously delivering on their off-price business models, both T.J. Maxx and Ross have recently seen their forward 12-month Price-to-Earnings multiples de-rate to a slight discount to the S&P 500 Index and a substantial discount to the Russell 1000 Growth Index. This is in stark contrast to online retailer Amazon, which is a sizeable portion of the indices, and has seen a materially higher multiple on sales and EBITDA, year to date. We think it is much too early to declare the nearly $5 trillion U.S. retail industry "zero-sum" between Amazon (with a low single-digit market share %) and everyone else. However, the market from time to time makes such short-term conclusions, which we think presents us with our current relative and absolute investment opportunity.

Tractor Supply Company is another North American retail holding that we believe will continue to profitably differentiate itself over the next several years by focusing on serving a select demographic, specifically rural land owners who earn higher than average incomes. We think this customer base is underserved due to its fragmented nature and exhibits merchandise needs that are not standard enough, so competitors find it hard to justify the real estate investment in low population density areas, or want to risk working capital investments in slow-turning inventory. In our view, a key element of Tractor's approach is a mundane but disciplined real estate and merchandising strategy that attempts to bring stores and inventory to this naturally underserved customer base. We also would highlight that the Company has a long history of developing a merchandise assortment deliberately differentiated from large competitors—initially, they built the business around the sides of big-box behemoths such as Home Depot, Lowe's, and Wal-Mart—and we believe that the same deliberate approach to e-commerce competition comes naturally to them.

We are comfortable with the volatility of Tractor's results, which can be choppy due to weather, as a substantial portion of their sales is dedicated to outdoor projects and activities, consistent with the requirements of the upkeep of large tracts of land. For example, after posting a solid +2.6% growth in comparable stores sales for the first quarter 2016 (adjusted for Easter holiday timing), the Company reported first quarter 2017 comparable store sales that declined -2.2%. While the stock gave up over 20% of its value during the past three months – we think this has been a significant overreaction. Many market participants assume the Company's weak first quarter comp represents evidence that e-commerce has compromised the long-term potential of Tractor. However, e-commerce is not a new phenomenon. Instead, January and February combined were unseasonably warm in many of the Company's markets, so Tractor's seasonal inventory – typically used to help customers combat winter weather – was marked-down and monetized to make room for spring inventory. We note that the Company's western geographic markets, which were virtually unaffected by weather, posted mid-single digit growth in comparable sales – very healthy levels, and also evidence that weather, rather than e-commerce, likely hurt the balance of Tractor's sales base.

Furthermore, if Amazon were making inroads into TSCO's business, we would expect to see signs of this incursion in Tractor's "CUE" (consumable, usable, edible) categories, which generally are among their faster-turning, often-replenished products that would seem most susceptible to the e-commerce model. However, even in a rough quarter, CUE remained the company's strongest portion of the business.

Over a multi-year timeframe, we continue to think Tractor has ample opportunity to expand its store footprint, while driving traffic growth at existing stores through both customer engagement and merchandising investments. The stock currently discounts earnings that are substantially lower than what we believe the Company can earn on these growth investments over the next several years, likely on unfounded fears regarding e-commerce.

A Word on the Mighty Amazon

We certainly follow Amazon with great interest, and have owned shares in the past, however we struggle to understand how its $470 billion enterprise value can be justified by future profitability – let alone current profits, at just $2.6 billion trailing 12-month net income. Looking at comparably sized businesses, for example, Apple, first eclipsed $470 billion enterprise value in the midst of generating $40 billion in GAAP net income over a 12-month period (fiscal 2012) and went on to post another $220 billion in cumulative GAAP net income, since. Alphabet, also a portfolio holding, only recently eclipsed $470 billion EV in 2015, in the middle of $16 billion in bottom-line value creation, and then posted *another* nearly $20 billion in GAAP income, a year later. Clearly, Apple and Alphabet are both growing businesses that have substantial, and consistent profit generating value propositions.[2] In addition, and more importantly, the reinvestment requirements to maintain those profits appear to be substantially lower than what Amazon apparently requires. According to Jeff Bezos, Amazon CEO:

"We get to monetize in a very unusual way. When [Amazon] wins a Golden Globe, it helps us sell more shoes."

This sounds not far from the strategy brands have been executing for decades in endorsing celebrities and athletes (i.e., content) to sell more products. What is unusual, relative to brands, is that Amazon doesn't appear to have the high levels of merchandise margins available to produce television content that wins Golden Globes. So, maintaining a high-cost fly-wheel that monetizes by selling commodity products (Amazon Prime) – or makes a market for others to sell commodity products (Amazon Fulfillment) – makes us very skeptical that Amazon's retail unit can generate the magnitude of long-term profits we think are necessary to justify today's enterprise value. Using our best estimates, we believe Amazon currently holds less than 2% market share of U.S. retail sales, using the U.S. Department of Commerce's definition of retail sales, excluding cars and fuel. The exact share and/or exact definition of the size of the market is not particularly important; the relevant point, to us, is that the absolute share is not significant. Even if we assume, for example, that Amazon quintuples its U.S. market share, that would leave *90%* of the U.S. retail market up for grabs. We think that investors and retailers alike obviously must be aware of Amazon – now, and for the last 10-15 years, for that matter – but both also should be aware of the size of the opportunity to be found in the substantial portions of the market where Amazon is not. As we consider our own retail exposure, we take the same approach: we have not invested in traditional retailers in suburban malls pursuing business-as-usual strategies; rather, our holdings have differentiated models based upon non-traditional buying strategies (T.J. Maxx, Ross Stores) or upon targeting underserved rural populations with merchandise assortments that are often difficult for, or unattractive to, competitors (Tractor Supply Company). These companies have taken a thoughtful approach to their operations and to their competitive position in relation to online retail, and they have found ways to remain relevant. Finally, we would point

[2] We find it somewhat tautological to say that a value proposition is profit generating. The purpose of a value proposition is to create enough value for a customer and generate acceptable profits. More simply: selling $10 bills for $5 is delightful for customers and will keep them coming back for more, but that doesn't make it a good value proposition.

out that Amazon just wrote a $14 billion check to Whole Foods to admit, very publicly and very clearly, that online retail is not as suitable in some categories as it is in others, and this was after they tried to do it their own way for ten years.

On the energy front, oil prices recently entered bear-market territory on persistent oversupply fears. While our invested companies often trade directionally similar to the commodity, we are often challenged by the idea that Core Labs and Schlumberger are simply bets on the price of oil: In other words, these oil service companies can't add much value beyond what oil is doing. This seems understandable, particularly in the very-near term (days, weeks or months), but over our much longer investment time horizon, we find that the stock performance correlations of both of these stocks, relative to oil, are low. For example, we have owned Schlumberger in portfolios since the Fall of 2011. Through the end of the second quarter 2017, Schlumberger's "R-squared" with oil has been about all of 29% - that is, less than a third of the stock's longer-term stock performance variation can be explained by the performance of oil. In other words, the "weighing machine" of the market over a longer time horizon certainly recognizes that Schlumberger provides substantial value to customers and shareholders, far beyond what the price of the commodity is doing.[3] Certainly the stock has a higher *relative* correlation to oil than, say, the broad S&P 500 Index (which is closer to 12% over the same period), but that is hardly the same as concluding that a long-term investment in Schlumberger is equivalent to simply owning a commodity. We think that oil-well productivity gains provided by both Schlumberger's and Core Lab's innovative technologies and services are key drivers of long-term value creation, particularly as drilling and completion intensity in North American unconventional basins inexorably rises.

Despite oil's bear market performance, year to date, oil development activity in North America has exhibited a "V"-shaped recovery, with the U.S. oil rig count more than doubling over last year's depressed levels. We think Core Labs' Production Enhancement (PE) unit is most levered to North American development budgets, as they provide niche completion products and services, especially when the one-size-fits-all completion systems of competitors run into the limits of applicability. During the quarter, Core Labs' PE unit reported 15% year-on-year revenue growth, and 19% sequential revenue growth, along with healthy margin expansion. While Core Labs' other business unit, Reservoir Description (RD), reported less impressive growth – flat sequentially, and down slightly over last year – RD is much less cyclical than the PE unit and we think will likely return to more robust growth as international production budgets inevitably inflect higher, after an unprecedented 3-year decline.

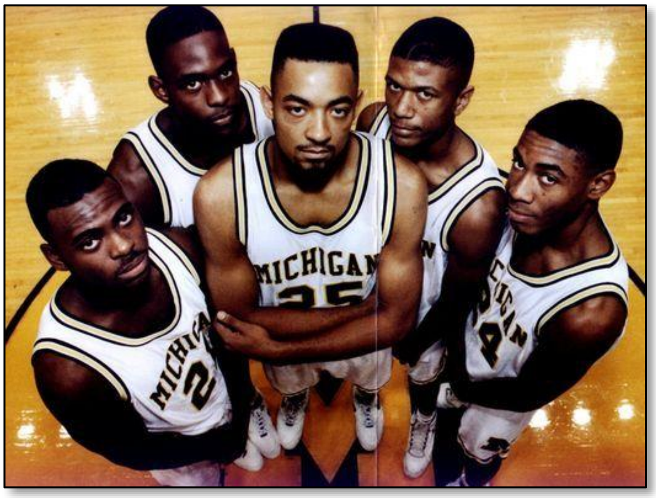
We think the market largely has ignored the fact that OPEC and its partners have been behaving remarkably rationally over the last several quarters—a marked departure from what we had seen for the prior two years. In fact, compliance with the production cuts agreed upon late last year has been historically high. We believe that most of the governments involved, many of which are quasi-authoritarian, are uneasily watching the events unfolding in member states, where the unwinding of governmental ability to placate

[3]Of course, the most important "weight" is the Company, with the ability to redeploy profits into the capital structure (e.g. stock repurchase)

populations with the proceeds of high oil prices is causing massive unrest (e.g., Venezuela). We believe it remains in OPEC's long-term interest to do everything it can to support oil prices.

Despite the headlines crowing about tight U.S. oil output, we think there is less than meets the eye. According to EIA, data through April 2017, U.S. onshore production has risen just 350,000 barrels per day (bbl/d) above its September 2016 trough, which should be more than offset by global demand growth of over 1 million bbl/d, in addition to the over 1 million bbl/d in OPEC production cuts. In addition, oil rig counts in some of the U.S.'s most prolific shale basins have started plateauing as early as April (Eagle Ford), as the full-cycle economics of $40-$50 oil is challenging to even the best operators. Furthermore, setting aside debates about the short-term price of oil, we note that we are now in the middle of a third year of constrained investment in the development of large-scale fields, and we continue to believe that this will lead to a longer-term supply-demand imbalance. We believe much of this imbalance will have to be cured through catch-up investments, particularly in international markets, which should benefit Schlumberger both from a demand and pricing standpoint. We believe Core Labs is more focused on maintaining pricing throughout the cycle, and we think that they will drive growth by doing more work in more basins, globally.

The Fab Five



Source: Detroit Free Press

In 1991, the University of Michigan recruited what was arguably the greatest recruiting class in the history of men's NCAA basketball. Four of the five recruits were McDonalds All-Americans. This recruiting record would not be broken until Kentucky recruited *six* McDonalds All-Americans in 2013. For those readers who are ardent college basketball fans, the names Chris Webber, Jalen Rose, Juwan Howard, Jimmy King and Ray Jackson roll off the tongue as easily as John, Paul, George and Ringo.

The Great Bull Market of 2009-2017 Fab Five are, of course, Apple, Alphabet, Microsoft, Amazon, and Facebook. The gains in these five stocks alone during the Great Bull Market are simply astonishing. The first four stocks' collective market cap fell to about $400 billion at the Great Bear Market of 2007-2009. Facebook joined the hit parade in the spring of 2012. After a sharp dip to almost $15 after the Company's less than smooth IPO, the stock is up *100-fold.*

Today, Mr. Market's Fab-Five combined market capitalization is nearly *$3 trillion.* The wealth created by these five companies alone over the past +8 years is the stuff of Carnegie and Rockefeller. Further, from our perch as Large Cap Growth investment managers, one could argue that ownership of these five companies (or the lack there-of) has been the make or break element of a firm's performance rankings – particularly since 2013. (Throw in Netflix and Tesla for good measure too.) The pace and scale have even accelerated as we mark the halfway point in 2017. Indeed, just a simple equal-weighting in each of these five stocks would have produced a gain of *+21%* over just the past six months. Thank goodness we have owned both Apple and Alphabet in size for a number of years now. Since the beginning of this bull market Apple and Alphabet have gained approximately +1,150% and +550%, respectively. In addition, as we chronicled in our last Letter, our lack of ownership in Facebook, Microsoft (in the current bull market) and not holding Amazon long enough over the recent years certainly makes the short-list of our errors of omission.

Exhibit 1: SPX and NDX returns are increasingly dependent on five Tech stocks
FAAMG YTD performance and index contribution, as of June 7, 2017

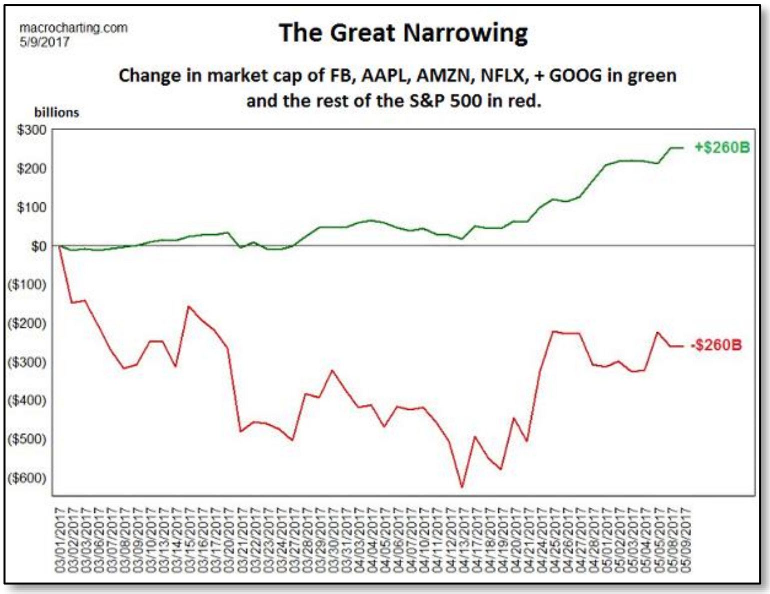
Ticker	YTD Price Perf (%)	% of SPX	% of SPX Move	% of NDX	% of NDX Move	Market Cap Created ($,bn)	Equivalent to the Mkt Cap of:
AAPL	34%	4%	13%	12%	18%	200.1	CMCSA
GOOGL	26%	3%	7%	9%	11%	145.4	IBM
AMZN	35%	2%	6%	7%	11%	125.1	UPS + KR
FB	33%	2%	5%	5%	8%	111.0	BA
MSFT	16%	3%	5%	8%	7%	78.7	MS
Top 5		13%	37%	42%	55%	660.4	
S&P 500/Total	9%					1,808.1	

FAAMG is 13% of the SPX but responsible for ~40% of the YTD perf.

FAAMG is 42% of the NDX but responsible for ~55% of the YTD perf.

Note: For purpose of this exercise we combine GOOGL and GOOG.

Source: FactSet, Bloomberg, Goldman Sachs Global Investment Research.



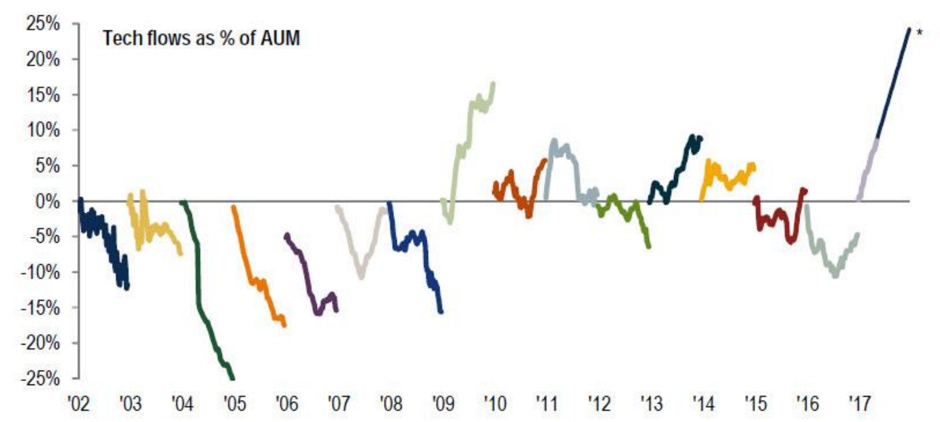
Shades of 1999?

Source: Zero Hedge

Of course, no two stock market environments are perfectly alike, but that certainly doesn't mean that investors should ignore the study of past market environments and history altogether. In our view, such study can be quite valuable in informing one of the existence of current extremes as compared to past extremes. (Charlie Munger reminds all of us investors to read history, then read some more history, and then re-read it all again.) The actors (stocks) always change, but the market script of greed and fear cycles doesn't.

The quality of the leading technology companies today in terms of competitive advantages, market dominance, profitability, and balance sheet strength is unparalleled compared to the vast majority of the tech hit parade circa-2000. That said, investors' enthusiasm for the current crop of tech darlings does suggest that this is becoming a very "crowded trade." Consider that the Fab Five alone makes up *23%* of the benchmark (Russell 1000 Growth Index) – and the top-15 holdings make up *33%* of the benchmark. The benchmark itself has morphed into a focused tech fund.

Chart 1: Tech inflows annualizing strongest in 15 years



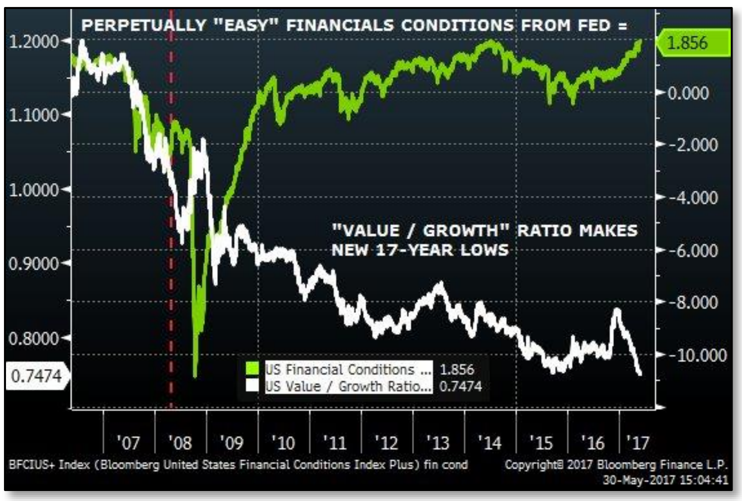
Source: BofA Merrill Lynch Global Investment Strategy, EPFR Global; * YTD total annualized

We are also reminded that the current euphoria for technology stocks, to the exclusion of many other sectors, has more than a passing resemblance to circa 2000. For those who may not remember or who may not have been part of the investment scene in the late-1990's, the dichotomy of the returns of the tech sector versus Berkshire Hathaway – one of our larger holdings back in the day – was striking. It's fair to say that, back then, Warren Buffett's Luddite views on tech stocks was not *au courant* in Silicon Valley – or in New York City.

Source: Zero Hedge

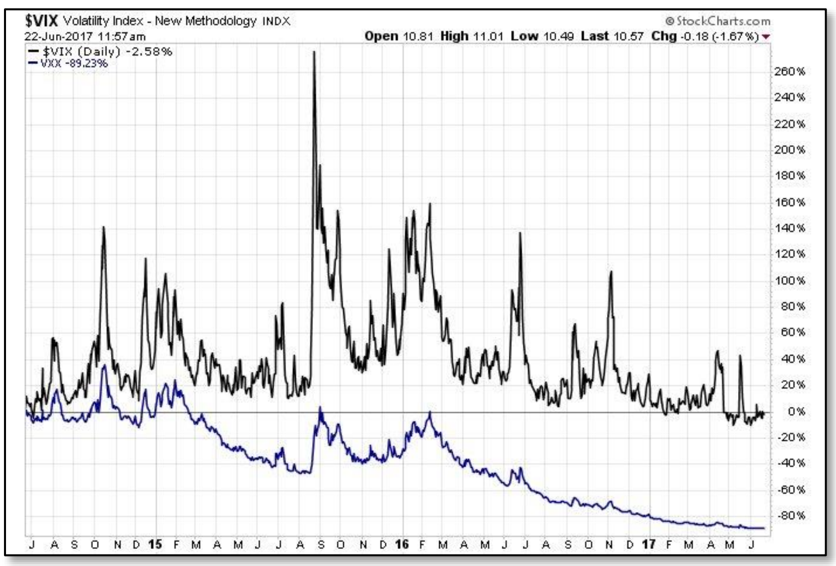
The extreme return differential between tech stocks and Berkshire was a poignant microcosm back then between the dismal performance of Value strategies versus Growth strategies. At that era's extreme, specifically the 15 months from the start of 1998 until the Nasdaq 100 peaked on March 24, 2000, the Russell 1000 Growth Index compounded at a staggering rate of +37.8%, the Russell 1000 Value Index lagged considerably compounding at a rate of just +10.3%, and the small-cap Russell 2000 Value Index was a no-show, compounding at a dismal rate of *-1.4%.*

The graphic below tells a similar tale of woe. Despite a few, short bursts of relative outperformance, most value-oriented strategies have not come close to keeping pace with most of the more aggressive or momentum-oriented growth strategies for far too long.

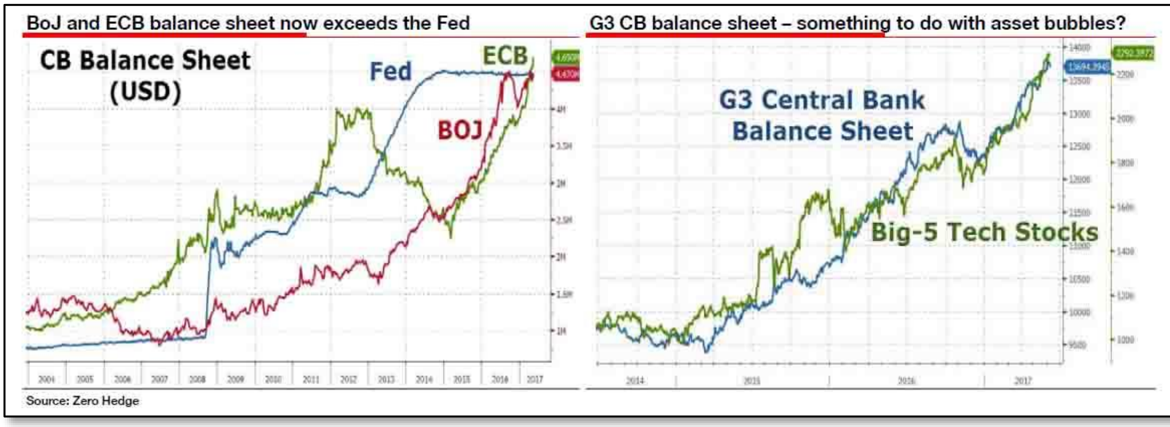


(An aside: During the 2000-2002 bear market, the NASDAQ 100 fell *-83%.* Berkshire Hathaway stock *gained* +35%.)

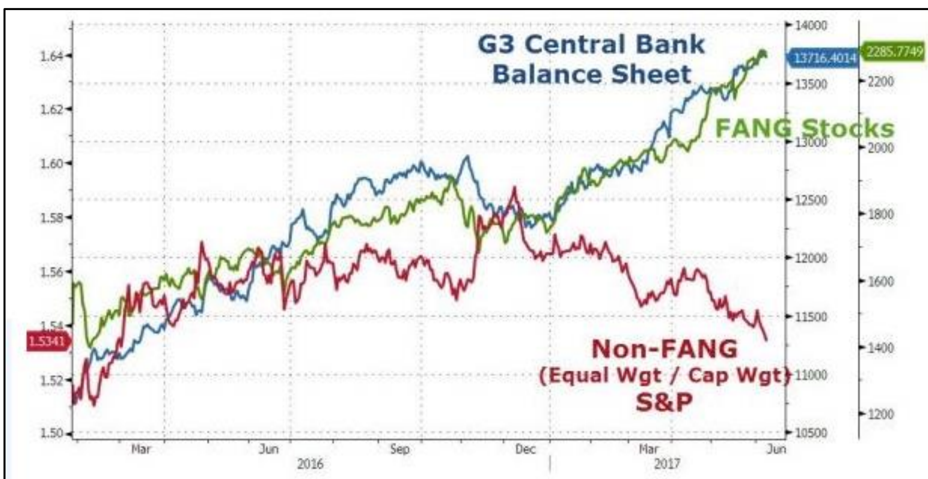
Perhaps the best lessons learned from market history are investor emotions. Fear and greed no doubt push the market pendulum far and wide. However, at market highs, greed can morph into a permanent state of complacency. Such investor complacency, starting in non-stop force in early 2016, and continuing for all of 2017, is as comfortably numb as it was back in the halcyon days of the spring of 2007. Note warily that margin debt is approaching $550 billion – or about *double* the amount at the top of the tech bust in 2000. In our opinion, if there is a "bubble" anywhere, there is a huge bubble in "volatility" – or the lack there of.



Investors of all stripes could be forgiven if this era's historically low volatility is, well, the new norm, even the half dozen volatility spikes since 2010 have been minor affairs. The current generation of central bankers abhor market volatility. (One could make a persuasive argument that such money mandarins hate markets altogether.)



Source: Zero Hedge



Central Bank balance sheets rule the world... until they don't.

Source: Zero Hedge

At each and every spike in market volatility since the 2008 global financial meltdown, central bankers' riposte has set an extinguishing firehouse of liquidity to quickly calm all market tantrums. Central Banks have stepped on the liquidity accelerator since 2016. It is no surprise then that 2017 is a standout in terms of historically low market volatility for more than 25 years now.

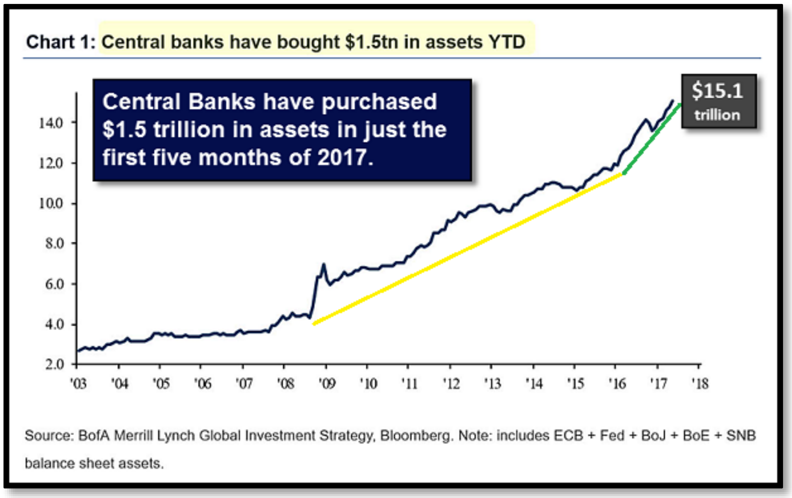


Chart 1: Central banks have bought $1.5tn in assets YTD

Source: BofA Merrill Lynch Global Investment Strategy, Bloomberg. Note: includes ECB + Fed + BoJ + BoE + SNB balance sheet assets.

Volatility Index: Lowest Daily Closes (1990 - 2017)

Rank	Date	Open	High	Low	Close
1	12/22/93	10.03	10.03	9.28	9.31
2	12/23/93	9.50	9.55	9.17	9.48
3	12/27/93	9.50	9.79	8.89	9.70
4	06/02/17	10.08	10.30	9.58	9.75
5	05/08/17	10.53	10.55	9.67	9.77
6	05/26/17	9.93	10.48	9.65	9.81
7	12/28/93	9.81	9.96	9.70	9.82
8	06/26/17	10.13	10.44	9.68	9.86
9	01/24/07	10.41	10.41	9.87	9.89
9	06/01/17	10.42	10.54	9.69	9.89
11	11/21/06	10.05	10.06	9.84	9.90
12	01/28/94	9.86	10.31	9.59	9.94
13	05/09/17	9.87	10.14	9.56	9.96
14	11/20/06	10.42	10.48	9.91	9.97
14	12/14/06	10.74	10.75	9.64	9.97
16	05/25/17	9.82	10.29	9.72	9.99
17	02/16/07	10.42	10.44	9.98	10.02
17	05/24/17	10.61	10.90	9.88	10.02
17	06/23/17	10.25	10.69	9.85	10.02

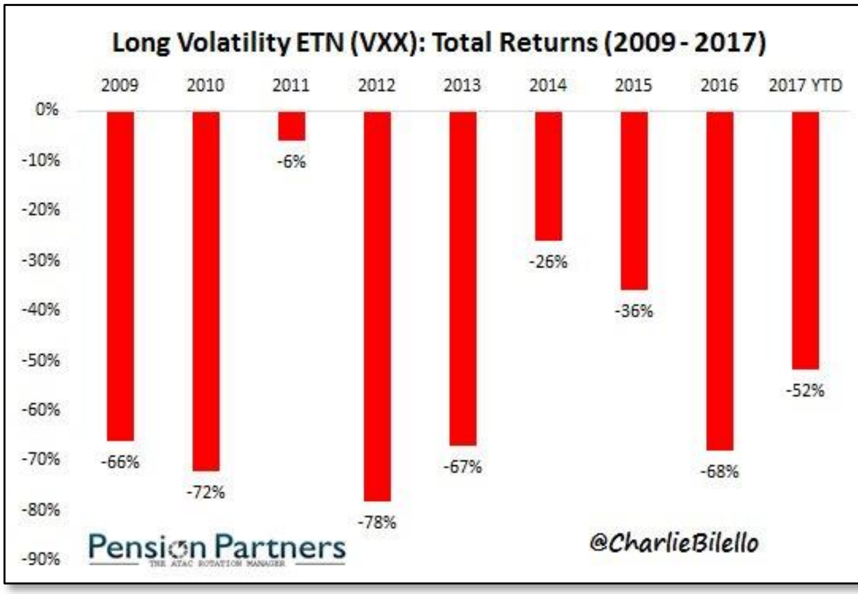
Pension Partners — THE ATAC ROTATION MANAGER — @CharlieBilello

Some Central Banks have joined the Fab Five party too. The Swiss National Bank (SNB) owns nearly $80 billion in just U.S. stocks – up from $27 billion at the beginning of 2015. The staid SNB owns the mantle of the eighth largest public shareholder of U.S. equities. The SNB owns more publicly traded shares of Facebook than founder Mark Zuckerberg – and they are also one of the largest owners of Apple as well.

Please note, the SNB created this capital literally with the press of a button. This cost-less, taxpayer-funded capital has been then in turn invested into real productive assets. Make no mistake about it, this "free" capital is very real, and in the context of one of the greatest bull markets on record, the returns have been quite spectacular too!

(The multi-billion SNB equity portfolio is Exhibit A in proving that Central Bank's Quantitative Easing monetary policy has no doubt richly rewarded asset owners, while simultaneously destroying the income of the retired saver class.)

Further, a signal feature of the Great Bull Market, courtesy of central-planning central banks, are those investment strategies that incorporate "long volatility," which has been routinely, and systematically crushed. When one measures the current state of seemingly non-existent stock market volatility, squared against current valuations, the idea of a bubble in investor compliancy may not seem so far-fetched.


Long Volatility ETN (VXX): Total Returns (2009 - 2017)
2009
2010
2011
2012
2013
2014
2015
2016
2017 YTD
0%
-10%
-20%
-30%
-40%
-50%
-60%
-70%
-80%
-90%
-66%
-72%
-6%
-78%
-67%
-26%
-36%
-68%
-52%
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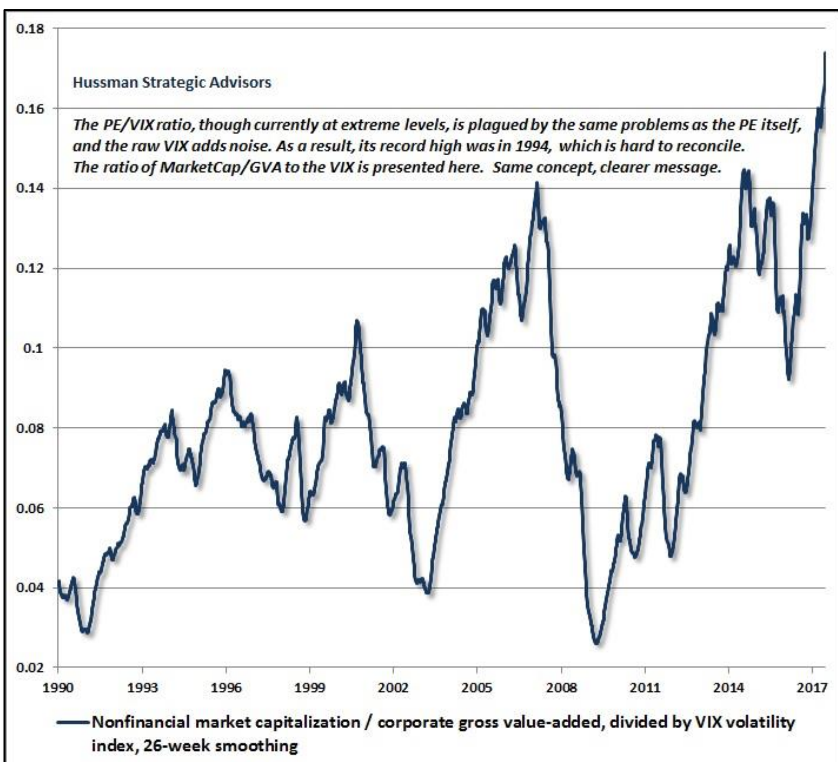
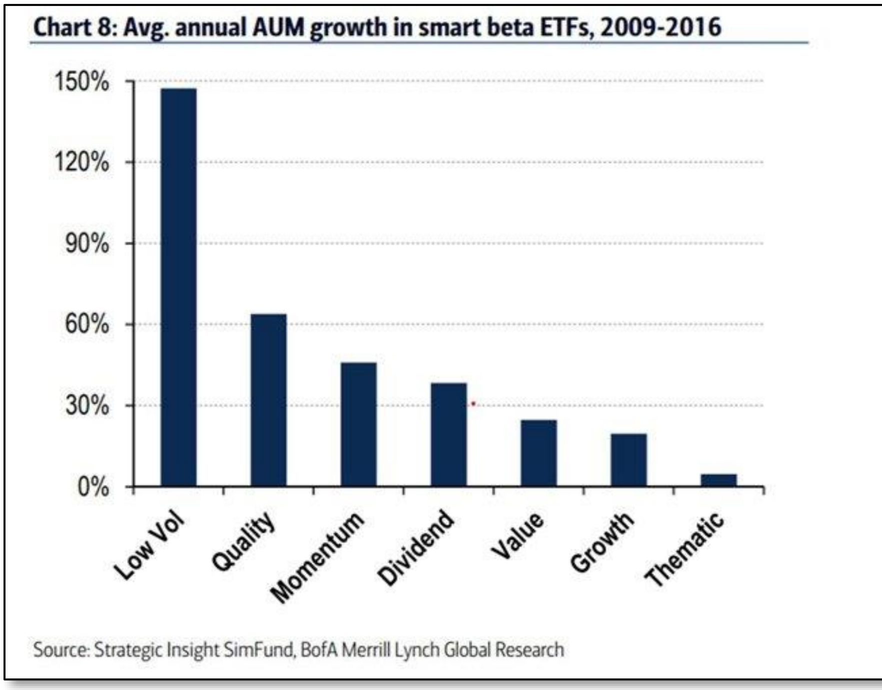
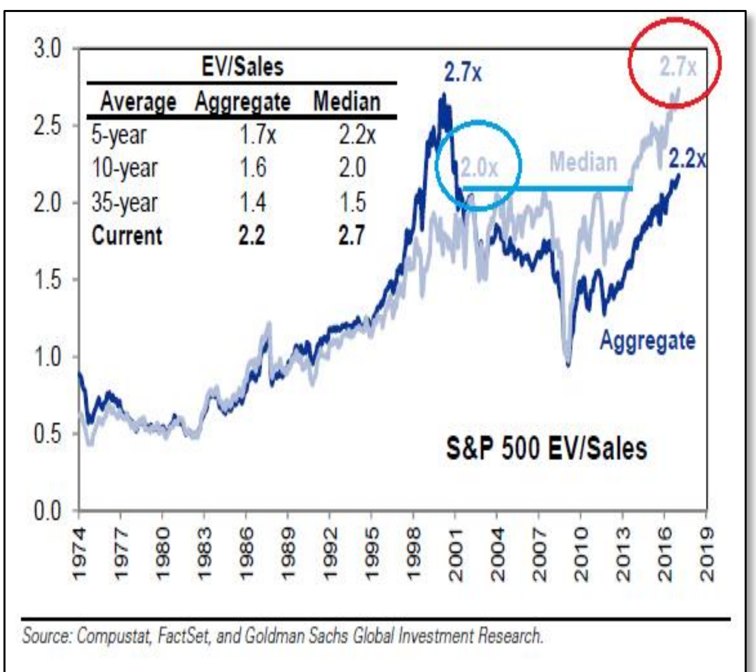
@CharlieBilello

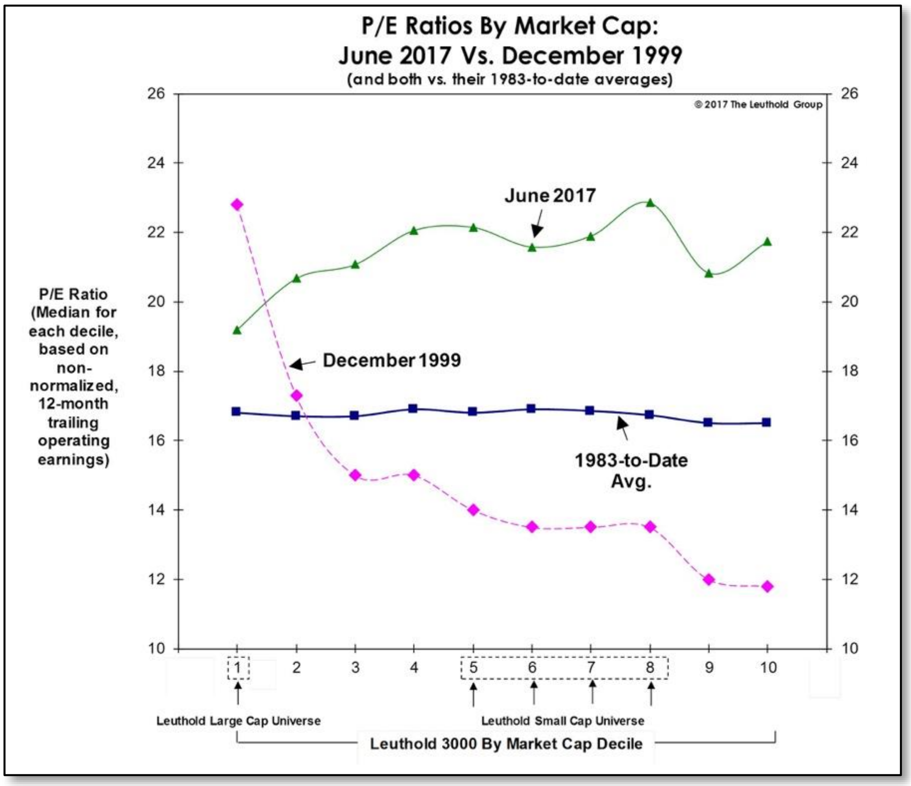

Hussman Strategic Advisors
The PE/VIX ratio, though currently at extreme levels, is plagued by the same problems as the PE itself, and the raw VIX adds noise. As a result, its record high was in 1994, which is hard to reconcile.
The ratio of MarketCap/GVA to the VIX is presented here. Same concept, clearer message.
0.18
0.16
0.14
0.12
0.1
0.08
0.06
0.04
0.02
1990
1993
1996
1999
2002
2005
2008
2011
2014
2017
Nonfinancial market capitalization / corporate gross value-added, divided by VIX volatility index, 26-week smoothing



We have littered our past few Letters with a myriad of charts and graphics depicting what we believe is a very richly valued stock market. The retort we most often hear from clients is, *"With interest rates so low, so what?"* Again, this is an area ripe with rich market history, which may not be fully appreciated by investors of this era.



The graphic below speaks volumes. Related to the graphic at the bottom of page 14 (and the bottom of page 18), the search for almost any "value" across all market caps is minimally absolute; and on the max, nothing but relative.



We have shared the following quote from John Hussman with clients of late. It is worthy of your careful consideration:

Investors should recognize that in data since 1940 and prior to 2008, U.S. interest rates were at or below present levels about 15% of the time. During those periods, the average level of the Shiller cyclically-adjusted P/E was about -50% below present levels, and the average ratios of MarketCap/GVA, MarketCap/GDP and Tobin's Q (market capitalization to replacement cost of corporate assets) were all about -60% below present levels.

That's roughly the same distance that current market valuations are from post-war pre-bubble norms, even regardless of the level of interest rates. Put simply, investors have vastly overstated the argument that low interest rates "justify" extreme market valuations. Indeed, the correlation between the two is weak, nonexistent, or goes entirely the wrong way in most periods of U.S. history outside of the inflation-disinflation cycle from 1970 to 1998.

Company Commentaries

Celgene Corporation

Wedgewood has not owned a biotech stock since we sold out of Gilead Sciences in the spring of 2014. Over the following three years we saw the biotech space go through quite a cycle. From 2014 through mid-2015, we witnessed essentially the entire biotech space move up in frenzied unison, causing a strong relative performance headwind for us in the process. The biotech space then sold off sharply as political rhetoric began to focus on taking action to reduce prescription drug pricing. Indeed, our cautious stance on the group was validated when biotech stocks (IBB) literally crashed (–40%) from July 2015 in just six short months. It should come as no surprise that this broad sell off raised our interest in the space, and we began buying shares of Celgene Corporation.

Celgene is a global biopharmaceutical company engaged primarily in the development of therapies for the treatment of cancer and immune-inflammatory diseases. Celgene's current blockbuster drug is Revlimid, an indication for the treatment of patients with multiple myeloma, a cancer that forms in plasma cells. While Multiple Meyloma is considered a relatively uncommon cancer, it is the second most common blood cancer in the world with approximately 114,000 new cases diagnosed each year.[4] Revlimid is considered a leading therapy for Multiple Meyloma and as a result of its success, accounted for more than 60% of Celgene's 2016 revenues.

Such strong sales in a single drug has resulted in the stock trading at a lower valuation than its biotech peers as investors are concerned about whether Celgene will be able to replace its revenue stream once Revlimid goes off patent in 2027 and generics enter the market (which will begin gradually as early as 2022). Management is not concerned; rather, their focus remains on business development to grow beyond the loss of exclusivity, particularly in Revlimid, with a pipeline and R&D model that they believe will create significant growth potential through *2030*.

Management has regularly provided long-term goals with current 2020 targets for revenue to grow +17% on a compounded basis and earnings growth of more than +20% on a compounded annual basis. Their confidence, as well as ours, in this long-term guidance is backed by a plethora of pending data that could result in potential value-creating events as data readouts are expected from 17 Phase 3 trials over the next 18 months. In addition to these late stage results, the company has 30 unique molecules in development with 50 programs supporting those molecules. Management is confident that several of these have blockbuster potential and that a few even have peak potential in the multi-billion dollar range. We believe it would be difficult to find another biotech name with a pipeline as deep as Celgene's.

One of Celgene's drugs that investors are awaiting with much anticipation is Ozanimod, which Celgene added to its line-up via its acquisition of Receptos in June 2015. Ozanimod is expected to enter the market

[4] www.myeloma.org

next year but has already been noted as having the potential to be a best-in-class oral agent in Phase 3 trials for Inflammatory Bowel Disease (IBD) and Relapsing Multiple Sclerosis (RMS). While deemed expensive at $7.2 billion, this acquisition significantly enhances Celgene's Immune-Inflammatory (I&I) portfolio and further diversifies the company's revenue stream beginning in 2019 with projected revenue generation in the billions of dollars in the IBD space alone.

By fiscal year-end 2017, Celgene is expected to have four drugs with sales exceeding $1 billion dollars each – Revlimid, Abraxane (treatment of solid tumors), Pomalyst (another myeloma drug), and Otezla (an oral alternative for advanced psoriasis and psoriatic arthritis) – and well on their way to diversifying their revenue stream. Management continues to reiterate confidence in meeting or beating their current long-term expectations. We take comfort too in the fact that Celgene is attributing a significant portion of their growth to volume growth versus price increases in their drugs. From a cash flow standpoint, Celgene generates billions of dollars in free cash flow each year that the company can spend on drug development as well as share buybacks and additional acquisitions. With the stock trading at attractive valuations relative to the peer group, in our view, the addition of Celgene to the portfolio is a great opportunity to re-enter the biotech space and to benefit from the growth opportunities in Celgene's existing pipeline and R&D efforts.

Thank you for your continued confidence in Wedgewood Partners.

July, 2017

David A. Rolfe, CFA
Chief Investment Officer

Michael X. Quigley, CFA
Senior Portfolio Manager

Morgan L. Koenig, CFA
Portfolio Manager

Christopher T. Jersan, CFA
Research Analyst

Table IV Top Ten Holdings For the Quarter Ended June 30, 2017	
	Percent of Net Assets of the Fund
Berkshire Hathaway Inc.	8.7%
Apple Inc.	7.3%
The Kraft Heinz Co.	6.6%
Alphabet Inc.	6.3%
Visa Inc.	6.1%
The Priceline Group Inc.	6.1%
Schlumberger Ltd.	5.6%
QUALCOMM Inc.	5.5%
Tractor Supply Co.	5.1%
PayPal Holdings Inc.	5.1%
Total	**62.3%**

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

The information and statistical data contained herein have been obtained from sources, which we believe to be reliable, but in no way are warranted by us to accuracy or completeness. We do not undertake to advise you as to any change in figures or our views. This is not a solicitation of any order to buy or sell. We, our affiliates and any officer, director or stockholder or any member of their families, may have a position in and may from time to time purchase or sell any of the above mentioned or related securities. Past results are no guarantee of future results.

To determine if this 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 summary and full prospectuses, which may be obtained by calling 888.564.4517, or by visiting the website at www.riverparkfunds.com. Please read the prospectus 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. Narrowly focused investments typically exhibit higher volatility. There can be no assurance that the Fund will achieve its stated objectives. The Fund is not diversified.

The RiverPark Funds are distributed by SEI Investments Distribution Co., which is not affiliated with Wedgewood Partners, RiverPark Advisors, LLC, or their affiliates.

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Wedgewood Partners is committed to communicating with our investment partners as candidly as possible because we believe our investors benefit from understanding our investment philosophy, investment process, stock selection methodology and investor temperament. 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," "think," "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.

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