RIVERPARK FUNDS

RiverPark Floating Rate CMBS Fund

(RCRIX/RCRFX)

Second Quarter 2022 Commentary – Rising Rates & Increasing Coupons

Inflation is at levels not seen in 40 years with no sign of abatement. To temper inflation, the Federal Reserve has been aggressively raising interest rates, a trend we expect to continue for at least the remainder of the year, if not beyond. There is also increased fear of a possible economic recession. We have positioned the RiverPark Floating Rate CMBS Fund (the "Fund") to (1) protect against inflation by investing exclusively in floating rate Commercial Mortgage-Backed Securities ("CMBS") that capture rate increases each month and (2) protect against recession by investing in bonds that are collateralized by a stable pool of institutionally owned real estate assets that generate significant free cash flow from long-term leases.

Rising interest rates have had two impacts on the CMBS market. First, they reduced the value of fixed-rate CMBS assets (we don't own any) whose value typically declines as interest rates rise. Second, they spurred a rush of CMBS new issuance (~$74 billion year-to-date vs. $66 billion for the same period in 2021). This wave of new supply put technical pressure on CMBS prices, which reduced our portfolio's value from 99.5% of face value at year-end to just above 94% today.

This explains our 2.3% loss for the quarter, with a mark-to-market decline of roughly 2.8% partly offset by interest income. By comparison, the Bloomberg Barclays U.S. Investment-Grade CMBS Index, which is largely comprised of fixed rate investments, declined 2.9% during the quarter and is now down 8.3% for the year, whereas the Fund is down 3.3% during the same period.

In our view, the Fund's mark-to-market losses are technical in nature and are not based on credit or fundamental concerns within our portfolio. We expect to recover the current six-point discount to face organically as the portfolio ultimately repays at par, or more quickly if the market recovers.

Further, while we can't control global events, we do note that we have a very durable, defensive, and diverse portfolio that is thriving in the post-pandemic world, with occupancy levels of ~96% and an aggregate debt service coverage ratio of 4x (the amount of property cash flow vs.

its debt service). We own exclusively industrial warehouse/distribution assets, life sciences buildings and rental apartment buildings. We do not currently own any retail, office or hotel properties. Our roster of borrower/sponsors is comprised of many of the most successful investors in commercial real estate, including Blackstone, Brookfield, Fortress and KKR.
The current benchmark for all investments in the portfolio is 30-day LIBOR (expected to be phased out by 2023 and replaced by the Secured Overnight Financing Rate). This benchmark has already increased 170 basis points since year-end 2021 and is now 1.8%. As important, and looking ahead, 1-year LIBOR is currently priced at 3.6%, indicating that the market expects several more rate increases. Again, any increases will be captured in our monthly coupon as the benchmark resets each month. Our portfolio, with a weighted average spread over LIBOR of 2.7%, earned a gross return of 2.8% in December 2021. The current portfolio coupon is 4.5% (a 67% increase in just six months), and the portfolio coupon would be 6.3% should the benchmark reach the levels implied by the forward curve one year out.

Putting all this together, if we assume (1) a recovery to par (from 94% today) based on the strong fundamentals of the underlying portfolio as the supply demand imbalance in the market recedes and (2) a floating rate benchmark at the current 1-year LIBOR rate (3.6% up from 1.8% today) plus our current credit spread (the amount of our coupon in excess of the benchmark) at 2.7%, the portfolio would generate in excess of 8% per year over the next two years, well in excess of alternative investments with similar durations and risk profiles and the Fund's recent performance.

In summary, while we face challenges at home, with surging inflation, and abroad, with the unknown consequences of the war in Ukraine, we believe this is an excellent time to invest in the Fund. We take comfort in the strength and stability of our asset-backed portfolio, secured by large and diverse assets owned by many of the most highly capitalized real estate investors in the world. At quarter-end, our portfolio was secured by nearly 1,400 properties comprising over 270 million square feet across the United States. We feel that our portfolio has never been positioned more defensively and should deliver steady, floating rate returns at an attractive spread to LIBOR (or its replacement) for years to come. Additionally, as interest rates rise, our portfolio will capture these increases as part of our monthly coupon.

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Portfolio Composition and Characteristics

The greatest strengths of our portfolio are asset and sponsor quality. 100% of the Fund is comprised of three asset types in 18 investments: industrial, life-sciences and multi-family. These asset classes are discussed below with a detailed asset summary on the following page.

Industrial Assets (69% of the portfolio in 13 investments). Industrial assets typically represent the backbone of distribution for retail and commercial goods in the US. The Fund's industrial assets are comprised of large and diversified portfolios of "last mile" warehouse and distribution properties used by such companies as Amazon and Wal-Mart. For example, at issuance, our Blackstone XL distribution portfolio consisted of 406 properties totaling 66 million square feet in 18 states. Within industrial, we also include cold storage, self-storage and data storage assets.

Life-Sciences Assets (13% of the portfolio in 2 investments). Life-Sciences assets are highly specialized modern buildings built for biotechnology and pharmaceutical companies to develop and create new drugs such as for COVID and Cancer. These properties are typically in close proximity to major universities and have specialty features such as high-energy capacity, sterile laboratories, and higher than normal ceiling heights. These properties tend to be fully leased to leading pharma and biotech companies under long-term leases.

Multi-Family Apartments (18% of the portfolio in 3 investments). The Fund's multi-family apartment assets are comprised of portfolios of ten or more apartment complexes, typically with 100 or more units per complex. We have both high-rise and garden style apartments.

Regarding sponsorship, the Fund's CMBS investments are owned by many of the country's leading institutional real estate investors such as Blackstone, Lineage Logistics, Brookfield, Fortress, KKR and Centerbridge, and our investments benefit not only from their experience but also from their deep pockets and significant equity investments in each transaction.

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Fund Investments

	Property Type	Sponsor	Ticker	Location	Ratings[1]	Percent of Net Assets[2]
1	Industrial/Cold Storage	Lineage	2019-ICE4 F	Nationwide	BB	10%
2	Industrial/Distribution	Fortress	2020-UNFI A	IL/PA	BB[3]	9%
3	Industrial/Cold Storage	Lineage	2020-ICE5 F	Nationwide	BB-	8%
4	Apartment Portfolio	Blackstone	2019-MMP F	New York City	B	8%
5	Life Sciences	Brookfield	2019-LIFE G	Massachusetts	B-	7%
6	Apartment Portfolio	Blackstone	2021-MFM1 E/F/G	Nationwide	BB-/B-/NR	6%
7	Industrial/Self Storage	Brookfield	2018-SELF D	Nationwide	A	6%
8	Industrial/Distribution	Blackstone	2021-SOAR F	Nationwide	BB-	5%
9	Industrial/Distribution	Blackstone	2021-XL2 F	Nationwide	BB-	5%
10	Life Sciences	Blackstone	2017-CLS F	Massachusetts	BB	5%
11	Industrial/Data Center	Blackstone	2021-VOLT F	Nationwide	BBB	4%
12	Industrial/Distribution	Blackstone	2021-VINO E	Nationwide	BB	4%
13	Industrial/Self Storage	Centerbridge	2021-STOR F	Nationwide	BB-	4%
14	Apartment Portfolio	Horizon	2021-MHC E	Nationwide	BB	3%
15	Industrial/Distribution	Blackstone	2020-VKNG G	Nationwide	B	3%
16	Industrial/Distribution	Oxford/OMERS	2021-PORT F	Nationwide	BB	3%
17	Industrial/Distribution	KKR	2021-KDIP F	Nationwide	BB-	3%
18	Industrial/Distribution	Blackstone	2019-XL G	Nationwide	BB-	2%

Holdings are as of 6/30/2022 and are subject to change.

[1] Ratings are sourced from Bloomberg and based on the highest assigned rating of any of Moody's, S&P, Fitch, Kroll Bond Rating Agency and DBRS Morningstar.

[2] Excludes Cash so total may not sum to 100%.

[3] Assigned rating by manager - investment is an un-tranched first mortgage.

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Performance

Performance: Net Returns as June 30, 2022	Current Quarter	Year to Date	One Year	Three Year	Five Year	Ten Year	Since Inception
RCRIX	-2.32%	-3.35%	-3.06%	-2.63%	-0.18%	2.45%	3.89%
RCRFX	-2.39%	-3.48%	-3.42%	-2.99%	-0.51%	2.28%	3.73%
Bloomberg Barclays U.S. Investment-Grade CMBS Index	-2.88%	-8.28%	-8.90%	-0.22%	1.60%	2.43%	3.72%
Bloomberg Barclays U.S. Aggregate Bond Index	-4.69%	-10.35%	-10.29%	-0.93%	0.88%	1.54%	2.34%

Annualized performance since inception of the Fund (9/30/16) was 0.51% for RCRIX and 0.21% for RCRFX.

The performance quoted herein is net of all fees and expenses and represents past performance. Past performance does not guarantee future results. Performance shown for periods of one year or greater are annualized. 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.

The performance data quoted for periods prior to September 30, 2016 is that of the predecessor fund. The inception date of the Predecessor Fund was May 31, 2010. The performance of the Predecessor Fund includes the deduction of actual fees and expenses, which were higher than the fees and expenses charged to the Fund. Although the Fund is managed in a materially equivalent manner to its predecessor, the Predecessor Fund was not a registered mutual fund and was not subject to the same investment and tax restrictions as the Fund.

Expense Ratio: Institutional: 0.94% gross and 0.85% net, Retail: 1.29% gross and 1.25% net as of the most recent prospectus, dated January 26, 2022.

The Adviser has agreed to waive fees and reimburse expenses until at least January 31, 2022 to the extent necessary to assure that expenses will not exceed certain pre-agreed limits. The Adviser has the ability, subject to annual approval by the Board of Trustees, to recapture all or a portion of such waivers. The Gross Expense Ratio reflects actual expenses, and the Net Expense Ratio reflects the impact of such waivers or recaptures, if any.

Index returns are for illustrative purposes only and do not represent fund performance. Index performance returns do not reflect any management fees, transaction costs, or expenses. Indexes are unmanaged and one cannot invest directly in an Index.

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Conclusion and Looking Ahead

The world is adapting to living with COVID and inflation not seen in forty years while facing the atrocities and unknown challenges from the ongoing war in Ukraine. Our response is a defensive portfolio constructed with floating-rate and highly collateralized assets that are thriving in this environment. We believe that this kind of portfolio should experience lower volatility and generate, as the Fund has done historically, steady and predictable monthly dividends in a floating-rate inflation-hedged investment. Inflation is our number one concern for the year ahead and our portfolio is ideally positioned to maximize returns and to minimize interest rate-driven losses. We are excited for the year ahead and the Fund's prospects. As a reminder, management of the Fund continues to be a major investor in the strategy.

Please reach out with any questions.

Sincerely,

Edward L. Shugrue III
Portfolio Manager
RiverPark Funds
New York, New York

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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 summary and full prospectus, which may be obtained by calling 1-888-564-4517 or by visiting the website at www.riverparkfunds.com. Please read the prospectus carefully before investing.

Securities referenced herein are not meant to be an investment recommendation and may or may not be held in the Fund. Any opinion stated herein represents the author's judgment at the time it was made and is subject to change without notice.

Investing involves risk including possible loss of principal. Bonds and bond funds are subject to credit risk, default risk and interest rate risk and may decline in value as interest rates rise. High yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments. CMBS are not backed by the full faith and credit of the U.S. government and are subject to risk of default on the underlying mortgages. Securities backed by commercial real estate assets are subject to risks similar to those of direct ownership of commercial real estate loans including, but not limited to, declines in the value of real estate, declines in rental or occupancy rates and risks related to general and local economic conditions. There can be no assurance that the Fund will achieve its stated objectives. The Fund is not diversified. The value of the collateral securing CMBS can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. As a result, CMBS may not be fully collateralized and may decline significantly in value.

The RiverPark Floating Rate CMBS Fund is distributed by SEI Investments Distribution Co., One Freedom Valley Drive, Oaks, PA 19456 which is not affiliated with RiverPark Advisors, LLC.