RIVERPARK FUNDS

Wedgewood Fund

(RWGIX/RWGFX)

Wedgewood. PARTNERS, INC.

Fourth Quarter 2023 Review and Outlook

Performance: Net Returns as of December 31, 2023

	Current Quarter	One Year	Three Year	Five Year	Ten Year	Since Inception
Institutional Class (RWGIX)	11.52%	29.10%	8.25%	17.13%	10.45%	12.67%
Retail Class (RWGFX)	11.27%	28.80%	7.92%	16.76%	10.20%	12.41%
Russell 1000 Growth Total Return Index	14.16%	42.68%	8.86%	19.50%	14.86%	15.88%
S&P 500 Total Return Index	11.69%	26.29%	10.00%	15.69%	12.03%	13.58%
Morningstar Large Growth Category	13.80%	35.98%	4.57%	15.22%	11.57%	12.92%

Total returns presented for periods less than 1 year are cumulative, returns for periods one year and greater are annualized. The inception date of the fund was September 30, 2010. 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 January 26, 2023, for Institutional and Retail classes are 1.00% and 1.25%, respectively.*

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

156 W. 56th Street, 17th Floor | NY, NY 10019 | P 212.484.2100 | www.riverparkfunds.com

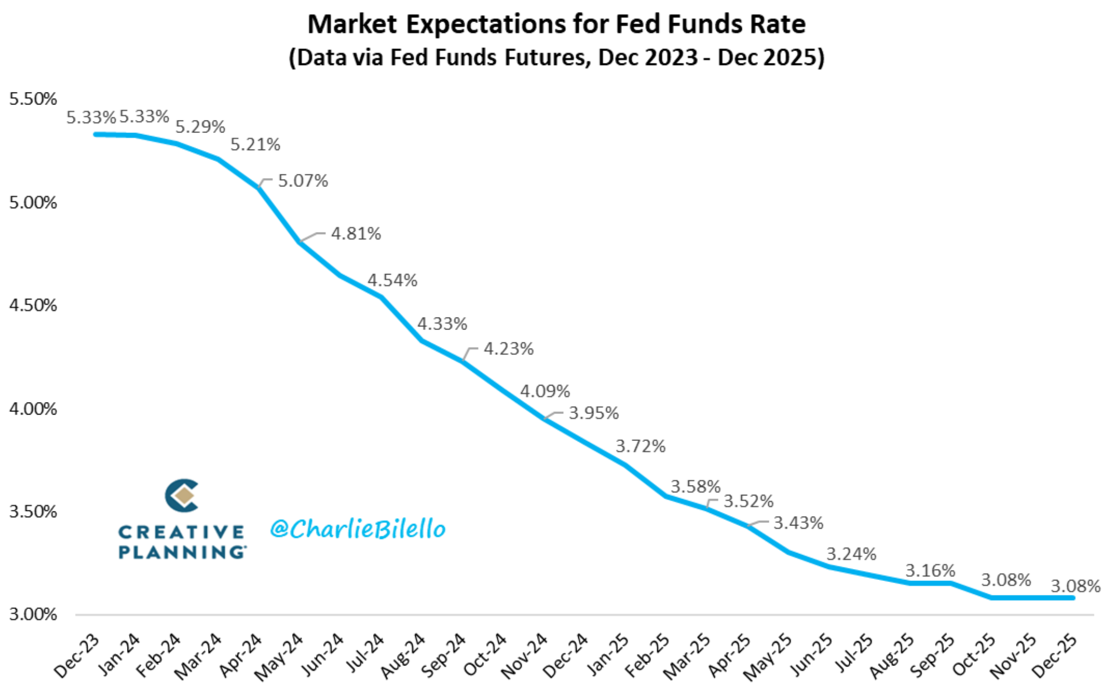
<u>Powell Pivot: The Sequel</u>

"It would be premature to conclude with confidence that we have achieved a sufficiently restrictive stance, or to speculate on when policy might ease."

Fed Chair Powell. December 1, 2023.

On the matter of new rate cuts: "We believe that our policy rate is likely at or near its peak for this tightening cycle…begins to come into view…clearly a topic of discussion…we know that's a risk (policy too tight), and we're very focused on not making that mistake."

Fed Chair Powell. December 13, 2023.



Top performance detractors for the year include First Republic, Texas Pacific Land, PayPal, Tractor Supply Company and UnitedHealth Group. Top performance contributors for the year include Meta Platforms, Alphabet, Apple, Microsoft and Copart.

Top performance detractors for the fourth quarter include Texas Pacific Land, Old Dominion Freight Line, O'Reilly Automotive, Tractor Supply Company, and Pool Corp. Top performance contributors for the fourth quarter include Meta Platforms, Motorola Solutions, Microsoft Corp., Taiwan Semiconductor Manufacturing, and Apple.

During the quarter we trimmed CDW, Meta Platforms and Motorola Solutions. We increased Edwards Lifesciences, PayPal and Visa.

Top Contributors to Performance for the Quarter Ended December 31, 2023	**Average Weight**	**Percent Impact**
Meta Platforms Inc.	9.32%	1.70%
Motorola Solutions, Inc.	6.75%	1.18%
Microsoft Corp.	5.97%	1.15%
TSMC	5.84%	1.11%
Apple Inc.	7.85%	1.02%

Top Detractors to Performance for the Quarter Ended December 31, 2023	**Average Weight**	**Percent Impact**
Texas Pacific Land Corp.	1.84%	-0.30%
Old Dominion Freight Line, Inc.	2.94%	-0.05%
O'Reilly Automotive, Inc.	2.10%	0.12
Tractor Supply Company	4.72%	0.29%
Pool Corp.	2.88%	0.31

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.

Performance attribution is shown gross of fees. Holdings are subject to change.

Top Contributors to Performance for the Year Ended December 31, 2023	Average Weight	Percent Impact
Meta Platforms Inc.	8.64%	9.80%
Alphabet Inc.	7.74%	3.95%
Apple Inc.	7.68%	3.46%
Microsoft Corp.	5.61%	3.04%
Copart, Inc.	5.58%	3.01%

Top Detractors to Performance for the Year Ended December 31, 2023	Average Weight	Percent Impact
First Republic Bank	0.95%	-5.14%
Texas Pacific Land Corp.	1.98%	-1.29%
PayPal Holdings, Inc.	4.85%	-0.52%
Tractor Supply Company	5.52%	-0.27%
UnitedHealth Group Inc.	5.43%	-0.13%

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Meta Platforms was a leading contributor to performance for the quarter – and the year. Core advertising revenue growth accelerated to +23% while operating margin rebounded strongly from a year ago. The Company has been a consistent beneficiary of artificial intelligence (AI) over the past several years, investing aggressively in deep learning recommendation systems that help power its products, which reach nearly half the population of the planet. Meta Platform's AI investments, combined with its massive scale, allow the Company to quickly spin up new products across its digital advertising real estate to reinforce its competitive positioning. For example, the Company's relatively new Reels product is just over two years old, yet it has driven a +40% increase in the time Instagram users spend on the app. Reels content and other content served up to Instagram users is often driven by several very large and expensive AI recommendation systems that must sort through billions of datapoints in real time and come up with a probability of a user engagement. The Company is one of the few companies that has been able to consistently and profitably monetize AI technologies for shareholders and we continue to hold it has a top position in our portfolios.

Taiwan Semiconductor Manufacturing was also a top contributor to performance. The Company began shipping chips that were fabricated using its industry-leading "N3" node. Nearly all of the Company's N3 capacity has been filled by high-end chip designers such as Apple, NVIDIA and even Intel. As high-performance computing, particularly related to AI in both data centers and edge devices, continues to build momentum, the Company will be a key supplier for many years to come. Despite the boom-and-bust cycle in demand seen for many semiconductors during Covid-19 and post-Covid-19, the Company should be able to post solid double-digit growth next year as inventories and end-market demand across most of its technology nodes get back to normal levels. The Company also maintains dominant market share in leading-edge nodes, which is in short supply, given the difficulties its competitors have had in scaling up EUV-based manufacturing. The Company has been able to secure higher prices because of this and can still generate excellent returns on elevated capital expenditures necessary for this scarce capacity. The Company is arguably one of a handful of the world's most important and largest companies, but because the Company's shares trade as an ADR (American Depositary Receipt) the shares are not part of the major stock market indices in the U.S. As a result, the shares are woefully under owned by U.S. investors (institutional and individual), particularly for a company that regularly generates cash flow return on invested capital in excess of *+40%*. Therefore, our growing position in these shares represent a significantly relatively overweight portfolio position versus our peers and benchmarks. We could not be more pleased by this anachronistic institutional imperative.

Microsoft was a leading contributor to performance for the quarter. The Company grew revenues +12% with healthy double-digit revenue growth in its core Office 365 and +28% growth in its Azure and other cloud services businesses leading to +25% growth in operating income. Microsoft has generated quite a few headlines related to its AI investments and initiatives, this year. The Company already has a commanding hold on the productivity software market, with the segment reporting almost 50% operating margins last fiscal year, but any new AI features introduced over the course of the year could help solidify that lead.

Motorola Solutions was a top contributor to performance during the quarter. The Company continues to post steady revenue growth, driven by sales of Land Mobile Radio (LMR), video surveillance, and 911 command center solutions. In addition, most of the expense headwinds from last year's chip shortages are not repeating because supply has eased somewhat, helping drive the double-digit growth of adjusted operating profit growth. Motorola's customers primarily consist of local, state and federal public safety agencies and commercial enterprises, all of which require very high uptime for their communication and security networks. The funding environment for these customers has been particularly strong not only due to solid normal public budgets, but also to the array of federal and state stimulus measures taken over the past few years. Many of these customers are very conservative and have long-lead times when making decisions, so Motorola has plenty of runway to upgrade them to proven technologies that have been on the market for years. We trimmed some of our position to recognize some of the healthy valuation multiple expansion over the past few years, even though we continue to hold the stock as a core weighting.

Apple was also a top contributor to performance during the fourth quarter. The Company's services segment revenue growth accelerated to +16% over last year, one of the fastest growth rates since Covid-19 lockdowns, helping drive +11% growth in earnings per share. The strength in the Company's services segment was aided by over 1 billion paid subscribers across Apple's media platforms. We estimate that there are more than 2 billion iOS devices in Apple's global installed base, which still represents a very large addressable share of their current subscriber count. Apple also continues to innovate across its hardware portfolio, with custom silicon for nearly all its device form factors. More recently, the Company launched its new line of Mac computers, which included their M3 family of chips, including the M3 Max, which contains up to an astonishing *92 billion* transistors. Apple's long-term strategy of creating products with customized hardware and software should continue to differentiate their products and help drive solid revenue growth and expense leverage across the Company's ecosystem.

Texas Pacific Land detracted from performance during the fourth quarter. Oil and gas royalty revenues declined year over year, mostly due to lower oil and gas prices. Although reported production also declined, this is related to transient operational issues experienced by producers that operate on the Company’s acreage. While it was a challenging quarter for commodity prices and the Company’s oil and gas operator-customers, with the rig count declining in many U.S. basins, it possesses a uniquely high-quality land, evidenced by a rising rig count on the Company's acreage. Importantly the Company's well inventory grew almost +30% quarter over quarter, which should convert into increased production over the coming year.

Old Dominion was a bottom contributor to performance during the fourth quarter. The Company reported slight declines in revenue as conditions normalized compared to the past two years of frenetic shipping activity. The Company's continued pricing power in the face of these shorter-term, cyclical volume declines is a testament to the high-valued nature of the prompt two-day service they provide to their shipping customers. As the freight cycle returns to normal, especially after the industry's digestion of a large, bankrupt competitor (Yellow Freight), the Company should be able to resume its long-term trajectory of operating leverage and volume share gains relative to other modes of shipping. We trimmed positions earlier in the year as the stock was getting ahead of itself in discounting the likely customer and market share benefits of Yellow’s liquidation; however we continue to hold a position in Old Dominion Freight Line given their nearly unrivaled operations.

O'Reilly Automotive was also a bottom contributor to portfolio performance. The Company reported +11% sales growth for the quarter, driven by a +17% increase in sales to professional service providers, leading to +12% growth in operating income and +17% increase in earnings per share. The Company – true to its long capital allocation culture - has aggressively bought back shares over the past 12 months. O'Reilly Automotive’s professional sales segment continues to dramatically outpace its publicly traded competitors. The Company has a mostly singular focus on the United States, whereas several of its competitors have diverted their attention away from the large and fragmented U.S. professional market, toward non-U.S. or non-automotive markets.

In the short-term, investors are focused on the mild weather that has unfolded during the late fall and early winter of 2023. Mild weather often leads to temporary slowdowns in sales growth for auto parts, but we would look to take advantage of that because O'Reilly's long-term competitive positioning and extraordinary returns on capital are well-entrenched.

Tractor Supply Company was a bottom contributor to performance during the quarter. Sales grew just +4% due to adverse weather trends that affected their seasonal categories; however, earnings per share grew +11% as the Company has done an excellent job harvesting leverage from the large price and infrastructure investments made during Covid-19. Weather is impossible to predict in the short-term, however, over a longer time frame excellent businesses like Tractor Supply are able to adapt to and take advantage of the environment and still drive superior returns. For example, the Company has been dramatically expanding its selling floor space with minimal net investment, while aggressively investing in the areas of e-Commerce that have better profitability compared to traditional brick and mortar strategies such as "buy online, pick up in store." The Company is consistently focused on a niche market of relatively higher-income rural landowners who need merchandise that is not as widely or conveniently available at big-box or storeless e-commerce sites. Their long-held strategy should continue to drive superior returns over the long-term, despite short-term variability in weather patterns.

PayPal Holdings also contributed less to portfolio performance than most holdings during the fourth quarter. The total payment volume handled by PayPal during its most recent quarter grew +15%, which helped drive healthy revenue growth and +20% earnings per share growth. Critically, the Company's new management team has significant opportunity to drive more revenue and earnings growth across the massive, multi-trillion-dollar payments addressable market. PayPal's rapidly growing payment processing brand, Braintree, represents one of those revenue growth opportunities, either by raising prices, as the Company had previously used a low-price strategy to establish a beachhead in this market, or by adding value-added services. PayPal's branded checkout remains the largest volume and profit driver for the business, and we expect this to continue to track in-line with e-commerce growth in the near term, and eventually take share as the Company rolls out new features to its over +400 million users and +30 million merchants. We added to our position with the stock trading at just 10X forward earnings estimates during the quarter because there are many more long-term growth opportunities relative to most financial companies that trade for similar multiples and compared to technology companies that trade for much higher multiples.

UnitedHealth Group contributed less to portfolio performance than the majority of our holdings during the quarter. The Company reported double-digit revenue, operating earnings and earnings per share growth during their third quarter. The Company has been able to adjust pricing in its health care segment to keep up with medical cost inflation while working with its Optum units to deliver more value-based care that replaces the traditional fee for service health care model. Value-based care is a sensible, long-term growth opportunity for the Company to pursue and also differentiates it from the vast majority of healthcare providers, particularly as it relates to Medicare patients. For example, the Company's value-based care programs provide more preventative care opportunities and home-based care visits for patients which helps save the U.S. healthcare system billions in unnecessary spending while also providing patients with better outcomes, as diseases and behaviors are caught or corrected at earlier stages. The Company has invested in several core assets over many years to execute this value-based strategy and it will become the standard of care as the proportion of people in the U.S. with healthcare insurance coverage continues to reach new highs.

Edwards Lifesciences was a bottom contributor to performance despite reporting double-digit growth in revenue compared to a year ago. This was driven by +10% constant currency growth in the Company's flagship transcatheter aortic valve replacement franchise. The Company also announced plans to spin-off its slower-growing critical care unit which tends to have different research and development needs compared to the segment dedicated to structural heart ailments. Edwards (along with many medical technology stocks) was out of favor during 2023 due to investor's focus on the effects of "GLP-1" drugs on the general health of populations. We believe structural heart disease is a not problem that can be easily alleviated by GLP-1 drugs. There is a very large, untreated population suffering from severe aortic stenosis, as well as other forms of structural heart disease which the Company should continue to serve for the foreseeable future. During the quarter, the stock traded to forward earnings multiples that were near multi-year lows despite this opportunity, so we added to our position in the portfolio.

Company Commentaries

Artificial Intelligence

More recently, "AI" has risen to the top of investor interests. We think it is important to point out that AI and machine learning development is not a particularly new phenomenon and has been going on for decades, as we have witnessed from the companies in Wedgewood's portfolio. Not only have our companies been investing and developing key AI technologies, but they have - most importantly – been *monetizing* these investments and will continue to do so for the foreseeable future.

The ebullient interest in AI, starting early on in 2023, was precipitated by NVIDIA's surge in its AI chip revenues (and surging stock price). The fundamental driver of that performance has been the rapid rise in data center GPU revenues during the past few quarters. Investors have been wondering: "Where are all of these GPUs going?" and then have filled in the blanks, with "large language models (LLM)," "generative AI" etc., being bandied about in the daily headlines.

The majority of the recent boost in GPU spending has been driven by the handful of cloud-scale service providers (e.g. Azure, AWS, GCI, OCI) that can make very large but not always consistent purchases of compute equipment but that can also send skewed signals to the rest of the market. Many of these GPUs are destined to be utilized for generative AI ("chatbots") that consume vast amounts of compute power conventional CPUs cannot practically provide. How useful these generative artificial intelligence (GenAI) applications will prove to be to the masses is open to question.

However, there are benefits of AI that are very real and massive and that have been around for years – companies did not just discover it during NVIDIA's recent earnings releases. Meta Platforms, Alphabet, Apple, and Taiwan Semiconductor Manufacturing, to name a few, have created some of the most profitable franchises extant by developing and applying AI.

Meta Platforms and AI

We have owned Meta Platforms (formerly known as Facebook) continuously since 2018. The Company has been at the vanguard of not only developing but also implementing and monetizing some of the most powerful AI applications in the world. Over the past 5 years, the Company's revenues have more than doubled, while returns on invested capital have consistently clocked in near the mid-to-high 20% range. We struggle to find businesses that have been as successful at deploying use-case AI at scale as Meta Platforms.

Many might be surprised to learn the Company has been aggressively investing in AI for years to drive better returns for advertising customers and to improve the user experience for the Company's various apps. Last year, the Company revealed that it had built one of the world's fastest supercomputers - its AI Research SuperCluster (RSC). Supercomputers are typically used in academia, and barriers to building a supercomputer are massive - we estimate Meta's RSC likely cost several billion dollars. Thus, the RSC was one of the first privately owned supercomputing systems that the Company has been using for its internal product development. AI has truly become the lifeblood of some key user experiences, in addition to its key advertising tools. For example, Meta has developed a product recognition system that automatically tags and serves up visually similar products on Marketplace to help make photos more attractive and relevant to shoppers. Shopping on the Company's various properties is a massively competively advantaged addressable market that drive new revenue streams and expand the value proposition for advertisers. Another use-case example of AI is in content curation, particularly around harmful content. The Company has an AI system that has been trained on policy-violating content - which they have labeled and amassed over the years - and can flag misleading or sensationalized content.

However, Meta Platforms does not just rely on just one AI system to run all its products and advertising platform. The Company has numerous AI systems that are in use anytime users interact with both Instagram and Facebook. These systems are often used to analyze user generated content and then make predictions about what the user wants to see. One of the Company's more recent AI-driven success stories is their lightning-quick ramping up of their Reels product in response to a consumer shift toward short-form video consumption. The content users see on Reels is completely dependent on AI systems, which collect data and then use "recommenders" to predict what it "thinks" will be the most relevant content for users and will create a positive user experience. In just a few years after rollout, their Reels product has gone from $0 to a staggering *$10 billion* in revenue, all the while growing substantially faster than TikTok, thanks to their powerful AI-driven recommendation engines that serve up videos not only based on what the user's friends are doing, but also on learnings from what its AI engines "think" consumers will appreciate.

In the field of generative AI, the Company recently rolled out a slew of chatbots and content creation tools. "Meta AI" is a personal assistant that can be integrated into any of Meta's messaging threads. The Company also created 28 different AI "personalities" with which users can interact with depending on their needs. Users can also create images and videos simply by describing them with written text. These "Gen-AI" features will at the very least keep users engaged, and they will also present new and novel monetization forms.

The most impressive aspect to the Company's AI acumen is that the development of their capabilities has been primarily organic. In fact, they have not made a material acquisition since 2014. That means virtually all of the Company's development has been organic over the past 9 years. The Company has spent a combined *$120 billion* on research and development over that timeframe, with much of it dedicated to AI, so we more than welcome Meta Platforms' continued investment in this field.

The Company's core value proposition is that it matches advertisers up with the Company's user base, which includes 3.1 billion daily users. We would hazard a guess that the only other applications with a daily user base as large as their properties are likely owned by Alphabet, but Alphabet rarely discloses detailed user-based-data. The vast majority of Meta Platforms' advertisers are small to medium sized businesses - more than 10 million of them. In addition, over 160 million businesses use their free tools and services. Not long ago, it would have been inconceivable for any of these small businesses to have the ability to regularly reach an audience numbered in the millions. Of course, Meta Platforms offers this access to advertisers on demand. It is physically impossible for the Company's employees to interact with all 3.1 billion *daily* users and 10 million advertisers, so it has been Meta's deep, aggressive and long-term investments in AI that have created the productive benefits of scale and automation that have led to one of the most dominant and profitable businesses in our portfolio. Think about these staggering numbers as table stakes for any would be social media competitor.

Alphabet and AI

In 2023 Alphabet was a top contributor to portfolio performance thanks to its search revenues accelerating due to the investments they have been making in AI over the past several years. The Company has spent almost *$150 billion* on research and development in just 5 years, creating products and services that helped drive a more than doubling of revenues. For example, almost 80% of the Company's advertising customers use an AI-enabled tool when they run their Google Search and YouTube campaigns.

Although the Company was criticized by the media for being "late" to the AI party when they rolled out a Gen-AI chatbot after Microsoft, Google has been creating scaled, context-aware AI functions for at least a decade, such as semantic search. While not necessarily a "large language model (LLM)," semantic search has become a mainstay in all-things search – predicting what users want to see or type before they type it. Consumers probably do not really care what kind of AI framework is being used behind the technology they are using, as long as it is useful to them – but these AI features are what have helped drive the rapid growth of Alphabet's Google franchise.

More recently, the Company announced its next generation LLM, Gemini, which will serve as the updated engine for Google's Bard chatbot tool. The update offers an array of content recognition and understanding capabilities across several different types of information and media types. Gemini can understand and produce more accurate, complex computer code, text and related images and audio to help users find or create what they need.

However, the Company's AI capabilities go well beyond software and extend into hardware infrastructure. Many of Gemini's capabilities are enabled by Alphabet's proprietary hardware technology. Google's own infrastructure - used to power all of its services - has had custom, AI-dedicated hardware since at least 2015. The Company created and open-sourced the ubiquitous machine learning "TensorFlow" framework nearly a decade ago and then specialized an integrated circuit, the Tensor Processing Unit (TPU), to accelerate Google's most popular and monetizable products which billions of people use every day, including YouTube, Gmail, and Maps. Today, the Company's Gemini LLM has been designed to be trained on their in-house TPUs so they can run faster and more efficiently.

When it comes to AI, Alphabet has been one of the most aggressive investors and innovators. The Company has an ample budget dedicated to maintaining leadership in productizing and monetizing AI. Alphabet even has ample room to rationalize spending in other non-AI areas to drive better returns on investments and also increase capital returns to shareholders at these relatively attractive forward earnings multiples.

Apple and AI

Apple continues to develop new products and services that capture dominant profit share in some of the largest and most competitive industries around the globe. Having owned Apple continuously for the past 16 years, we find Apple's vertically integrated product development strategy has been consistently ahead of the curve, including their capabilities in machine learning and AI.

Apple has developed well over a dozen custom processors and other integrated circuits since it launched its first "A-series" processors. The A-series processor family enables Apple-specific functions that sometimes take competitors years to mimic. For example, in 2017 Apple's AI muscles began to flex with their A11 Bionic processor which featured a "neural processing unit" that provided the iPhone X with enough processing power specifically dedicated to operating the device's FaceID 3D mathematical algorithms that users could securely unlock their phones and also make digital payment authorizations. It took years for competitors to copy this feature using similar biometric scanning, but even those have been sparingly embraced by users.

Meanwhile Apple's FaceID helps authorize over 600 million payments per year. FaceID is now standard for most Apple mobile devices – of which we think ships over 200 million units per year - thanks to the Company's investment in and development of its neural processing units.

Taiwan Semiconductor Manufacturing and AI

AI is enabled by hardware as much by software. The integrated circuits that drive the most popular AI applications are usually different from traditional CPUs. AI accelerators (e.g., GPUs) are designed to handle very large volumes of data and have many hundreds if not thousands of computing cores (compared to a few or maybe half dozen in a CPU). Taiwan Semiconductor has dominant market share in the leading-edge semiconductor fabrication capacity that is key to manufacturing these AI accelerators. The Company's aggressive investment in this leading-edge capacity and tight R&D alignment that has helped NVIDIA move from a GPU development cycle of two to three years up to an annual development cycle. This creates very valuable competitive differentiation for NVIDIA and Taiwan Semiconductor, in turn, can charge premium prices for that capacity. AI accelerators can become a much larger portion of the Company's revenues over the next several years as Alphabet, Apple, Microsoft, Amazon and many other large-scale cloud and device manufacturers look to drive AI workloads to custom silicon.

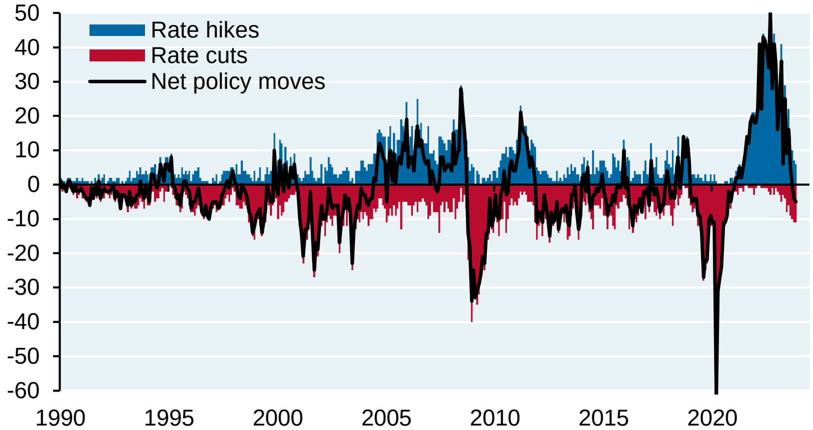
In conclusion, AI development has been a multiyear phenomenon that has reasserted itself in the headlines over the past nine months. As we have seen, AI has been an important component in the growth and profitability of several of the companies in Wedgewood's portfolio both more recently and over the years. We continue to invest in superior businesses that have excellent profitability and a byproduct of owning superior businesses is that it often leads us to companies that have adopted or even invented the headline-grabbing technology of the day. That said, we do not let investment "themes" drive our security selection; rather, we continue to stay disciplined with respect to valuation and the long-term growth opportunities for our portfolio.

Powell Pivot: The Sequel

Chart of the year: the most intense global tightening cycle in decades is ending

Central banks hiking/cutting rates

Number of central banks

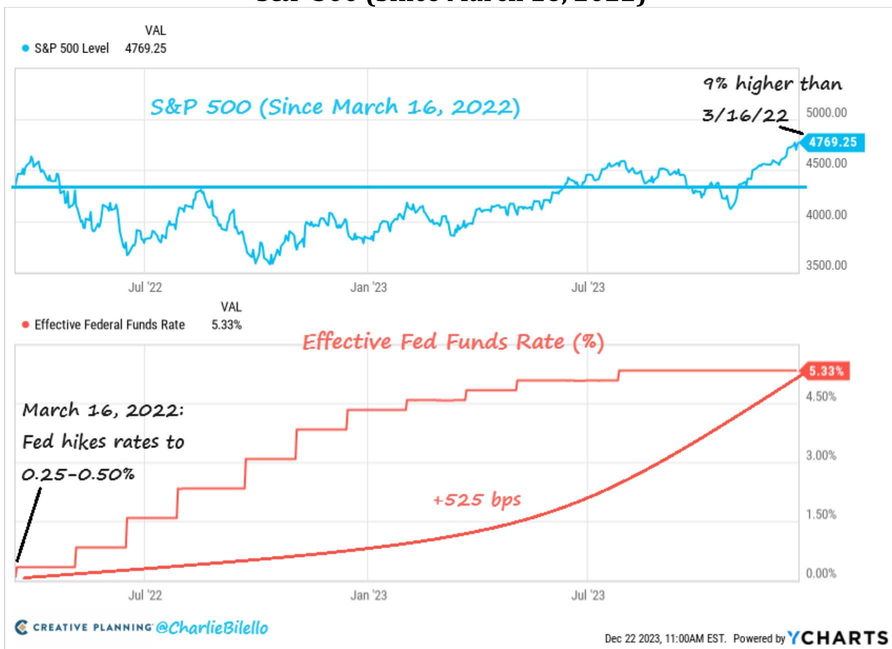


Source: Individual Central Banks, Haver Analytics, JPMAM, November 2023

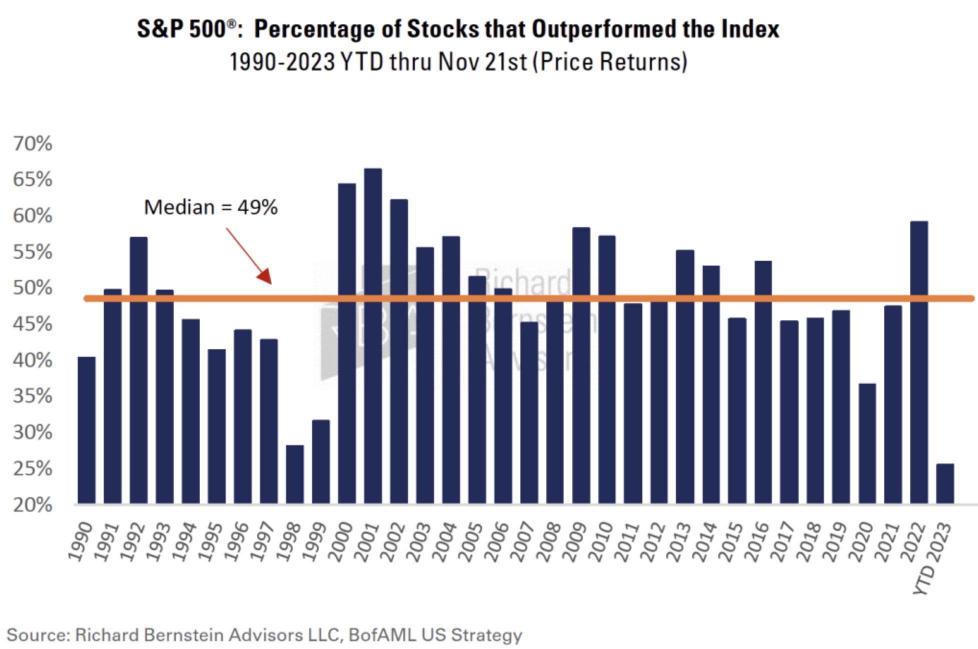
The bull run in stock prices in 2023 caught most market prognosticators by surprise. In our +37 years of dueling with Mr. Market, we have, with rare exception, not been surprised by outsized moves in the major stock market indices. The year 2023 was no exception. Consensus expectations of a recession (both soft and hard), given the strong historical signals of lengthy inverted yield curves, due to the tightest monetary policy since 1979-1980, plus quite lengthy consecutive months of negative leading economic indicators did not come to pass.

On the other the other hand, such signals did prove a stiff headwind for much of the stock market. Indeed, the equal-weighted S&P 500 Index was essentially flat from January 2021 through the lows of late October in 2023.

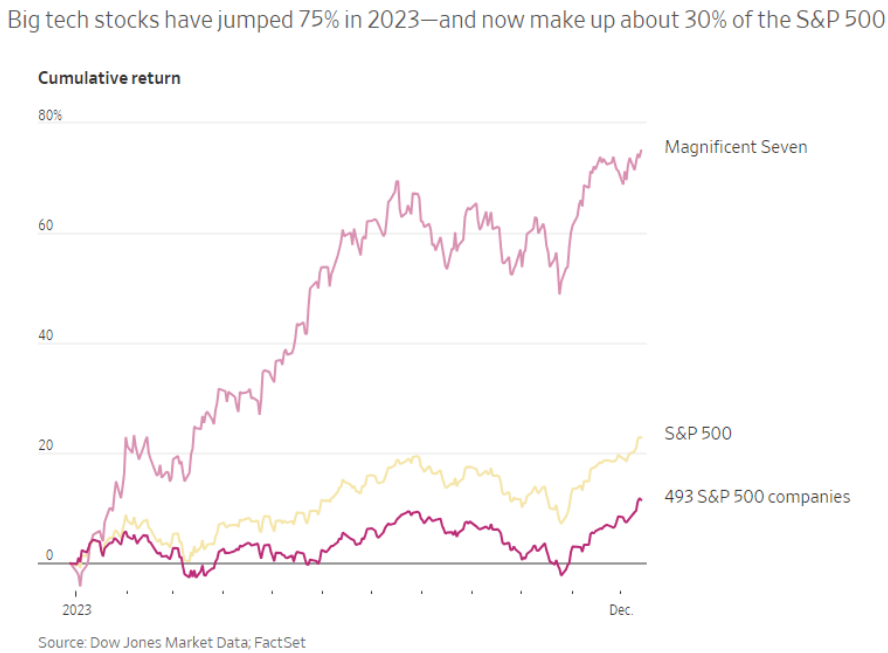
S&P 500 (Since March 16, 2022)

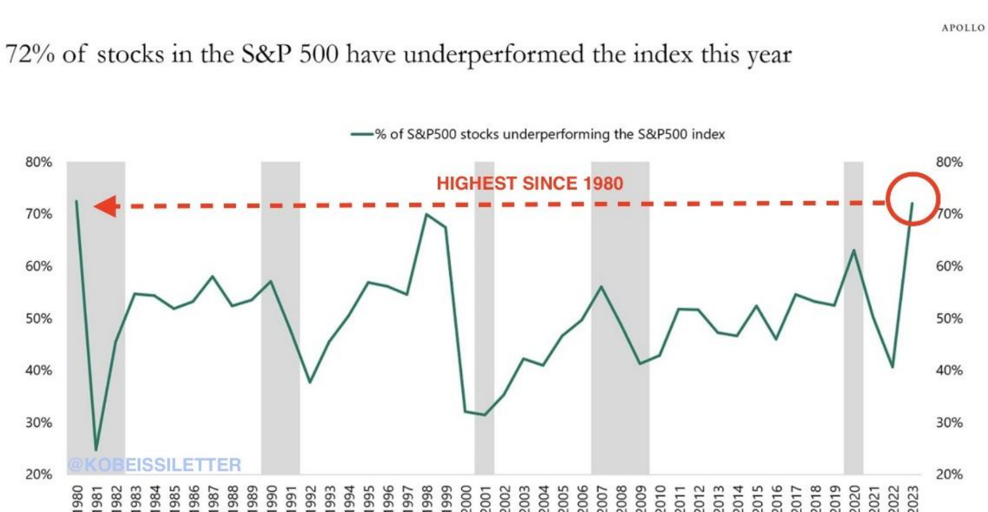


Relatedly, the large majority of gains in the stock through the fall of 2023 fell to a half a dozen mega-cap technology stocks. Active managers had their hands full navigating these crosswinds all year.



Even with the broad year-end rally in stocks, the gain in the so-called "Magnificent Seven" technology stocks far outperformed the rest of the market. (The Magnificent Seven includes Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA and Tesla.)





Source: Kobeissi Letter

All told, most of the huge gains in these stocks were reversals of the plunge in these same stocks suffered in 2022.

Other notable stock market data points:

- According to Bianco Research, since the S&P 500 was first compiled in 1926, this is only the 13th time this index has reached at least nine consecutive up weeks. The last one was the nine weeks ending in late January 2004.

- According to Charlie Bilello, the S&P 500 Index outperformed the equally weighted index by +12% in 2023, the second biggest outperformance on record, with data going back to 1971 - only 1998 was bigger at +16%. In addition, the Russell 2000 closed out the year, gaining +24% since just October 27, one of the biggest small cap rallies in history.

- According to the Kobeissi Letter[1], the Nasdaq 100 gained a remarkable +55% in 2023 - its best year since 2009. This follows a -33% decline in 2022, which was the worst year since 2008. This completes a round trip from its lows in the winter of 2021 (a drop of -36%) and achieves a new high in just 243 days.

- According to Jason Goepfert, the S&P 500 equal-weight index, in late October cycled from a 52-week low to a 52-week high in just 33 days, the quickest since 1982 and 1957.

However, give credit where credit is due. Despite the Fed's historic monetary tightening, which has suffocated bank profitability (and torpedoed a few banks earlier in the year), the stock market did sniff out the Fed's success in reining in inflation caused by pandemic-related stimulus measures – and the soon to end Powell & Co. monetary noose.

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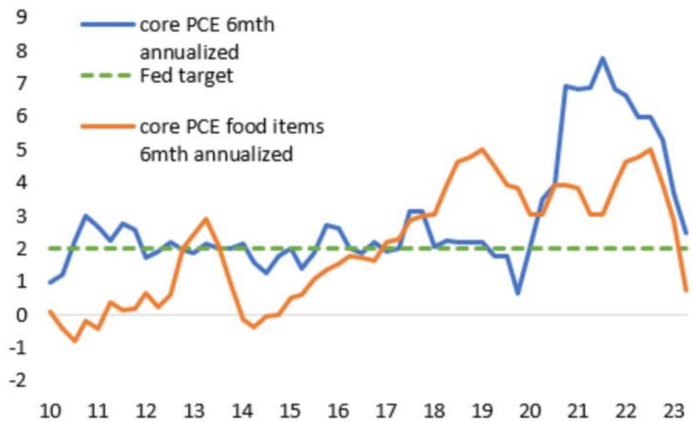
[1] The Kobeissi Letter showcases fundamental and technical analysis on the S&P 500, Crude Oil, Natural Gas, Gold, Bonds and Options. www.thekobeissiletter.com

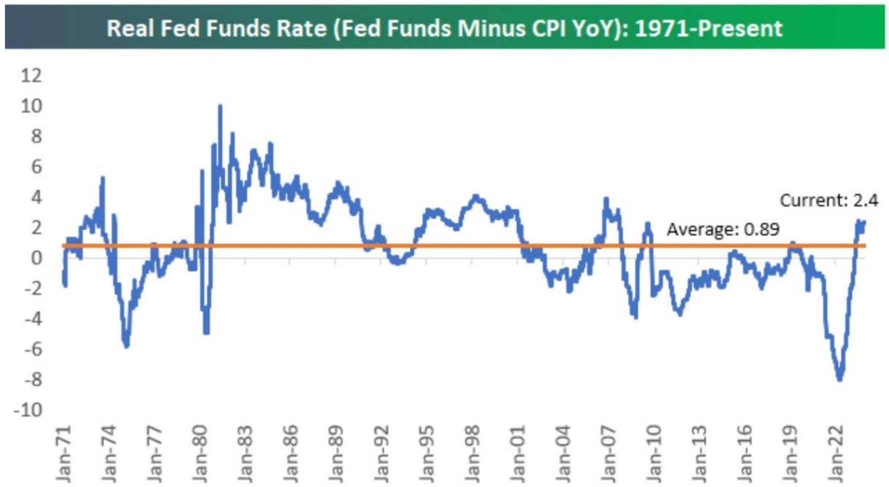
Figure 1: Core PCE 6mth annualized



Source: BEA

In late October, the die was cast. The Fed was done – its last interest rate hike was seemingly ages ago last August. The Fed was done tightening. Then….

Then on December 13, Powell & Co. served up a fresh batch of spiked punch. At his December 13 press conference Fed Chair Powell, channeling his first "pivot" back in December 2018, pivoted again acknowledging what the stock market began pricing in back in October, the Federal Reserve was most likely finished raising rates. Not only that, but Powell also strongly hinted that the Fed is projecting three rate *cuts* in 2024. The markets are way ahead of the Fed, pricing in *seven* Fed rate cuts throughout the course of 2024 and into early 2025 – literally even Fed meeting starting in March throughout 2024. (See graphic on the first page.)



So once again, 2024 will yet be another year wherein financial markets will be dominated by the often-daily Fed-speak from far too many Fed-pontiff speakers. We caution that the markets might be careful what they wish for. We concede that the Federal Funds Rate is currently too high if inflation stays at current levels. That said, even a cursory review over the decades of significant monetary easing is rarely seen outside of hard-landing recessions.

Table 1: The 1st Fed cut

The 1st time Fed cut rates and cross asset returns in following 3 months

1st Fed cut	Background	Recession	Returns 3 months after Fed cut: 10Y yield	2s10s	US$	Oil	SPX
Sep 3, 1973	1st cut preceded oil shock/recession	Nov'73 - Mar'75	-52bps	17bps	5.0%	83.7%	-9.9%
Jul 1, 1974	1st cut as stagflation raged	Nov'73 - Mar'75	32bps	69bps	1.8%	-2.3%	-26.3%
Apr 1, 1980	1st cut after oil shock, short recession	Jan'80 - Jul'80	-256bps	302bps	-9.7%	0.5%	12.5%
Jun 1, 1981	1st cut preceded recession begins	Jul'81 - Nov'82	195bps	-36bps	5.5%	-3.1%	-7.1%
Oct 2, 1984	1st cut (to weaken US$)...soft landing	None	-84bps	125bps	3.9%	-12.5%	1.1%
Oct 19, 1987	1st cut after stock market crash	Jul'90 - Mar'91	-150bps	-17bps	-5.7%	-12.7%	10.9%
Jun 5, 1989	1st cut was 12 months before recession	Jul'90 - Mar'91	-17bps	-13bps	0.4%	-7.2%	9.5%
Jul 6, 1995	1st cut...soft landing (after bond crash in '94)	None	1bps	-15bps	3.6%	-2.0%	5.1%
Sep 29, 1998	1st cut after LTCM collapse	None	12bps	-15bps	-1.4%	-26.7%	18.4%
Jan 3, 2001	1st cut post-dotcom crash, preceded recession	Mar'01 - Nov'01	-20bps	46bps	5.0%	-6.5%	-17.9%
Sep 18, 2007	1st cut preceded recession & GFC in 2008	Dec'07 - Jun'09	-36bps	43bps	-2.3%	11.0%	-4.3%
Jul 31, 2019	1st cut...soft landing (prior to COVID crash)	None	-33bps	2bps	-1.2%	-7.5%	1.9%
Average			**-34bps**	**42bps**	**0.4%**	**1.2%**	**-0.5%**

Source: BofA Global Investment Strategy, Bloomberg, Global Financial Data

BofA GLOBAL RESEARCH

In terms of the stock market, we hope that Powell & Co. do not find a reason to cut rates numerous times in 2024, much less into 2025. If they do, it will prima facie[2] evidence that once again Fed policy stayed the course too long. In the current case, they've been too tight, for too long.

[2] "Prima Facie" is defined by the Oxford English Dictionary as: At first sight; on the face of it.

We at Wedgewood will continue to plod along as always - navigating the trade winds of the stock market however they may blow and patiently waiting for the inevitable squalls so we can swing a fat oar.

February 2024

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Chief Investment Officer	Senior Portfolio Manager	Research Analyst

Top Ten Holdings

The below charts depict the top 10 holdings as of the end of the quarter.

Holdings	Percent of Net Assets
Meta Platforms, Inc.	8.5%
Alphabet Inc.	8.2%
Visa Inc.	7.5%
Apple Inc.	7.4%
PayPal Holdings, Inc.	6.7%
Microsoft Corp.	5.9%
Copart, Inc.	5.9%
TSMC	5.8%
UnitedHealth Group Inc.	5.5%
Motorola Solutions, Inc.	5.5%
Total	**66.8%**

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

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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.

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