RIVERPARK FUNDS

Q2 2013

RiverPark Long/Short Opportunity Fund

Second Quarter 2013 Performance Summary

In the second quarter of 2013, the RiverPark Long/Short Opportunity Fund (the Fund) declined 1.8%. This compares with the Morningstar Long/Short Equity Category advance of 0.7% and the S&P 500 total return of 2.9%.

Performance as of June 30, 2013

	Fund Performance (RLSIX)	Morningstar L/S Equity Category	S&P 500 w/ Dividend Performance
Current Quarter	-1.82%	0.72%	2.91%
Year To Date	-0.41%	5.80%	13.82%
One Year	1.47%	7.92%	20.60%
Three Year Annualized	13.38%	4.74%	18.47%
ITD Annualized	8.68%	3.16%	14.21%
ITD Cumulative	36.65%	12.39%	64.51%

Contribution and Average Exposure Since Inception

Fund Contribution	
Long	Short
76.04%	-28.62%

Fund Exposure			
Long	Short	Gross	Net
106.10%	51.07%	157.17%	55.03%

Performance since inception of the Mutual Fund RLSIX shares (3/30/12) was -2.18% cumulative, -1.74% annualized.

The performance data quoted is that of the Predecessor fund. The Predecessor fund was not a registered mutual fund and was not subject to the same restrictions as the Fund. Although the investment strategy employed by the Mutual Fund is materially similar to that of the representative performance, the representative performance does not represent historical performance of the Mutual Fund and is not necessarily indicative of future performance of the Mutual Fund. Fund performance is net of all fees and expenses. Performance shown for periods of one year and greater are annualized. Predecessor fund inception: 9/30/2009. Inception to date performance prior to 3/30/2012 is that of the predecessor Fund.

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. MorningstarL/S Equity Category Returns sourced from Morningstar Principia.

The performance quoted herein represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be higher or lower than the performance quoted. High short-term performance of the fund is unusual and investors should not expect such performance to be repeated. For performance data current to the most recent month end, please call 888.564.4517. As of the most recent prospectus, dated 1/28/2013, gross expense ratio was 4.12% and net expense ratio was 3.50%. Fee waivers are contractual and subject to annual approval by the Board of Trustees.

The broader markets had solid second quarter performance driven by strong gains in April and early May, followed by heightened volatility and losses in late May and early June. The late quarter sell-off was triggered by hints from the Fed chairman that a change in policy "might," "at some point" be warranted. This led to a few weeks of investor uncertainty as to what effects an eventual tapering by the Fed may have on the economy and the markets in the near-term. Still, the S&P 500 had its best first half of a year since 1998.

For our Fund, this quarter was, unfortunately, similar to the first quarter of this year – relatively in-line long performance and terrible short performance. Our longs contributed 2.9% in the period, while many of our shorts moved substantially higher and materially hurt our performance. The Fund's short portfolio advanced more than 7.0%, negatively impacting performance by 410 basis points (given our approximately 55% short exposure) and creating a loss for the Fund for the quarter.

The first half of 2013 has certainly been frustrating as the Fund is essentially flat during a strong market advance. Despite our long portfolio keeping relative pace with a strong market, a few of our top long positions (discussed below) have not participated, experiencing a contraction in their valuation multiples. Conversely, many of the companies in our short book have strongly outpaced the market, experiencing dramatic multiple expansion. This has occurred despite our longs posting strong earnings growth and many of the secularly-challenged companies in our short portfolio posting earnings declines (both are trends we expect to continue for these firms given the secular forces impacting their businesses).

This phenomenon of earnings-challenged companies experiencing significant stock advances has been widespread this year in a market that has been described by many as "low-quality" or a "junk" stock rally.[1] While the S&P 500 has advanced 14% through the first half of the year, Bank of America Merrill Lynch recently noted that "low-quality" businesses (which we are generally short) have significantly outpaced "high-quality" businesses (which we are generally long), advancing 20% vs. 12%, respectively.[2]

While rallies such as these do not go on forever, they can, as we have recently witnessed, be swift and dramatic. While our short performance of late has been quite painful, we adhere to our strategy and process and have maintained (and in some instances, increased) our exposure to most of the names that have recently hurt us. (We discuss several of our short investments and our rationale in more detail in our Portfolio Overview section below.)

While our underperformance has been mostly driven by our short book, we also note that, despite our long portfolio's overall 13% year-to-date rise, several of our top long portfolio positions have *declined* this year. **Apple**, **Qualcomm**, and **Cognizant Technology Solutions**,

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[1] Xydias, Alexis. "Junk Stocks Spur Broadest Equity Advance Since 1995." *Bloomberg.com* 20 May 2013; Mackenzie, Michael and Massoudi, Arash. "Move into 'junk' stocks powers bull run.' *FT.com* 21 May 2013
[2] Bank of America Merrill Lynch research. Business quality based on Stand & Poor's Quality Rankings reflecting the long-term growth and stability of a company's earnings and dividends.

all top 10 positions, and all top detractors in the quarter, declined 23%, 1%, and 13%, respectively, through the first six months of the year. These companies, as with nearly every company in our long book, are growing their earnings at substantially greater rates than the S&P 500.[3] Yet, while the market has experienced solid multiple expansion through the past year (from 11.8x to 13.8x forward earnings) these companies have seen their multiples contract. These three companies, in particular, despite our expected long-term earnings growth rates ranging from 15%-20%, currently trade at or below market multiples.

In the long run, it is our belief that the divergence of stock price direction from future earnings potential is unsustainable. Given our strategy of investing in high-quality, secularly-advantaged companies and against secularly-challenged companies that are struggling to adapt, this market period, where our strategy has been out of favor, has clearly been a difficult one. Nonetheless, following this period of underperformance, we believe that the values on the long and short sides of our Fund are particularly compelling and we will look to selectively increase our exposure on both sides of the portfolio (should this divergence continue).

While we monitor our performance daily and write to you quarterly, we measure our performance, as we do our portfolio companies, over the long-term. For the trailing three years, our long/short strategy returned an annualized 13.4% to investors, which compared well with the Morningstar Long/Short Equity category's return of 4.7%, and the S&P 500 Index total return of 18.5%. Since inception in October 2009, the strategy has cumulatively returned 36.7%, which compares with a return of 12.4% for the Morningstar Long/Short Equity category and a 64.5% total return for the S&P 500. Returns over the trailing three years and since inception were each generated with approximately 55% net market exposure.

Notwithstanding our lackluster recent performance, we are pleased to report that the Fund has recently received significant votes of confidence. A couple of large investors that have done substantial due diligence on our process and firm made large investments in the Fund during the second quarter. These in-flows more than doubled the Fund's assets under management to more than $88 million at quarter-end. In addition to these flows, RiverPark employees, including Morty Schaja (our CEO and my partner) and myself, have added to our holdings in the Fund this year and remain among the Fund's largest investors.

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[3] Source: Bloomberg estimates 11% long-term EPS growth for the S&P 500 and 23% long-term EPS growth for our portfolio (equal-weighted).

Portfolio Overview

"Sometimes [Mr. Market's] idea of value [for a company] appears plausible and justified by business developments and prospects as you know them. Often, on the other hand, Mr. Market lets his enthusiasm or his fears run away with him, and the value he proposes seems to you a little short of silly." Benjamin Graham, The Intelligent Investor, 1949

This statement seems to us to be as, if not more, appropriate today than it was over 60 years ago when Benjamin Graham first published his seminal work on investing. We believe "Mr. Market" has let his enthusiasm run away with him this year with many of our more secularly-challenged shorts. In fact, five such short positions – **Best Buy, Sony, Hewlett Packard, Electronic Arts**, and **First Solar** - have advanced astonishing amounts this year – 131%, 89%, 74%, 58%, and 45%, respectively. These five companies, in addition to benefitting from what has been described as a low-quality rally (see above discussion), to us, have four things in common:

(1) Their industries are in decline;
(2) Their net income has declined;
(3) Their managements have pronounced that, despite their industry being in decline, they will soon turn around their businesses; and
(4) The market seems overly optimistic that such a turnaround is not just possible, but likely.

While low quality companies often get a stock price boost as a result of market enthusiasm from their turnaround announcements, as Warren Buffet once famously observed, "most turnarounds don't turn." To us, turnaround announcements, especially when they emanate from secularly-challenged firms, are another variation of a management team saying "this time is different." When, in our experience, it rarely is. As we have seen with our most successful shorts over time, misplaced optimism that "this time is different" while initially driving a stock rally, eventually led to continued, often substantial declines.

One of our most important portfolio and risk management tasks is to determine when the market value for a portfolio company appears justified or when the market is over-reacting due to misplaced optimism (or fear). In forecasting the future of our portfolio companies, we give more weight to long-term secular drivers, a company's competitive positioning, earnings and management's past execution – *history* and *facts* -- than to the *hope* for future earnings and the *belief* in management's plan for future execution.

Below we highlight five of our more successful shorts (we have now covered all but **Nokia**) that, to us, took a similar path to some of our current top shorts. These companies were all in declining industries, reported declining earnings, announced a turnaround, and their stocks posted significant rallies before eventually continuing their downward descent.

Company	Date (of starting stock quote)	Industry in Decline	Net Income in Decline	Misplaced Optimism	Short-term Stock Rally (date to peak)	Date of Stock Peak	Long-term Stock Decline (peak through 6/30/13)
Radio Shack	10/20/2009	Legacy Consumer Electronics	$299m to $189m	"The company's recent initiatives are gaining traction"	52%	4/21/2010	-86%
Nokia	3/2/2009	Commodity Handsets	$3.3b to $260m	"Being a catalyst for change has been our heritage and it will be our future."	73%	6/1/2009	-76%
Apollo Group	9/30/2011	For-Profit Education	$610m to $529m	"[W]e believe that the recent initiatives we put in place…support our strategic goals of positioning our company for sustainable, long-term growth…"	44%	1/17/2012	-69%
JC Penney	10/20/2011	Big Box Retail	$657m to $249m	"New General Building His Army; Turnaround Roadmap - Initiating with Overweight"	65%	2/9/2012	-60%
Dell	3/26/2007	PC Stack	$3.0b to $1.4b	"The history of turnarounds suggests that a good part of the stock rise comes in the first 12 months."	31%	11/6/2007	-56%

Dates display start of optimism and do not specifically correspond to the timing of short positions; net income in decline source: Bloomberg net income of Misplaced optimism sources: RSH - Lehman Bros. research October 20, 2009; NOK - management 4Q08 earnings call January 22, 2009; APOL - management 3Q11 earnings call June 30, 2011; JCP - JP Morgan research October 20, 2011; DELL - Goldman Sachs research March 26, 2007.

Basing our decisions on facts, not hopes, served us well with these positions. Despite the market's previous hope for turnarounds at **Radio Shack, Nokia, Apollo Group, JC Penny** and **Dell**, we gave more weight to the facts of the secular headwinds and earnings declines for each, and maintained (and oftentimes increased) our short positions following brief but powerful rallies. When the misplaced optimism wore off, all five stocks posted significant declines -- 86%, 76%, 69%, 60% and 56%, respectively -- from their peaks.

Secular headwinds are powerful forces and most companies facing such headwinds, despite current hope to the contrary, generally continue to struggle. We believe that many of our current shorts, including **Best Buy, Sony, Hewlett Packard, Electronic Arts**, and **First Solar**, while rallying this year, will trace a similar path, eventually posting significant stock price declines, in-line with our expectation of continued earnings declines, when the market's currents hopes wane and the reality of secular decline returns.

Company	Date	Industry in Decline	Net Income in Decline	Misplaced Optimism	Short-term Stock Rally (six months ending 6/30/2013)	Long-term Stock Decline
Best Buy	1/1/2013	Big Box Retail	$1.4b to -$228m	"Best Buy Turnaround"	131%	TBD
Sony	1/1/2013	Legacy Consumer Electronics	$127b to -$399b yen/$?	"Sales are expected to significantly increase." Said for 6 of 8 business segments by management	89%	TBD
Hewlett Packard	1/1/2013	PC Stack	$7.3b to -$12.7b	"We want you to understand the journey that we're on to turn around one of the great technology franchises."	74%	TBD
Electronic Arts	1/1/2013	Console Video Games	$242m to -$276m	"Visions of digital entertainment powerhouse developing."	58%	TBD
First Solar	1/1/2013	Shrinking Solar Market Profit Pool	$158m to -$96m	"We believe EPS in the $5-$16 range (net income of $506m - $1.6b) can be achieved in the 2015-2017 time frame"	45%	TBD

Net income in decline source: Bloomberg net income of previous five years; long-term stock decline is to-be-determined.
Misplaced optimism sources: BBY - JP Morgan research June 24, 2013 , SNE - management 4Q12 earnings call May 9, 2013, HP - management at analyst meeting October 3, 2012, EA - Robert Baird, FSLR - JP Morgan March 16, 2013

As Mark Twain has famously said, "history does not repeat itself, but it does rhyme." We look forward to updating you in our future letters whether our expectations for the performance of our current secularly-challenged shorts rhymes with our previous secularly-challenged shorts.

Portfolio Impact, Changes, Themes and Holdings

The below charts depict significant portfolio contributors, detractors and changes during the most recent quarter.

Table I
Top Contributors to Performance for the Quarter Ended June 30, 2013

	Percent Impact
Priceline.com Inc. (long)	0.78%
CME Group Inc. (long)	0.47%
Stamps.com (long)	0.44%
TD Ameritrade Hldg. Corp. (long)	0.39%
Starbucks Corp. (long)	0.39%

Table II
Top Detractors From Performance for the Quarter Ended June 30, 2013

	Percent Impact
Equinix Inc. (long)	- 0.61%
Apple Inc. (long)	- 0.58%
First Solar Inc. (short)	- 0.50%
Cognizant Tech. Solutions (long)	- 0.45%
Sony Corp. (short)	- 0.41%

Table III
Top Long Position Size Increases for the Quarter Ended June 30, 2013

	Amount
National Oilwell Varco Inc.	1.72%
Cognizant Technology Solutions	1.65%
Trimble Navigation LTD	1.32%
Southwestern Energy Co.	1.25%
Noble Energy Inc.	1.22%

Table IV
Top Long Position Size Decreases for the Quarter Ended June 30, 2013

	Amount
TripAdvisor Inc.	- 1.99%
DollarTree Inc.	- 1.68%
Google Inc.	- 1.54%
Charles Schwab Corp.	- 1.09%
Starbucks Corp.	- 1.09%

Table V
Top Short Position Size Increases for the Quarter Ended June 30, 2013

	Amount
Kroger Co.	- 1.12%
Green Dot Corp.	- 0.91%
Best Buy Co. Inc.	- 0.89%
Darden Restaurants Inc.	- 0.86%
Fairway Group Holdings Corp.	- 0.82%

Table VI
Top Short Position Size Decreases for the Quarter Ended June 30, 2013

	Amount
Six Flags Entertainment Corp.	1.16%
Walgreen Co.	1.08%
Blackberry LTD	0.73%
Rackspace Hosting Inc.	0.72%
Consol Energy Inc.	0.56%

See below for Fund's top 10 holdings

Below is a list of our top ten long holdings as of the end of the quarter:

Table VII Top Ten Long Equity Holdings as of June 30, 2013	
	Percent of Net Assets of the Fund
The Blackstone Group L.P.	6.5%
Equinix Inc.	5.7%
QUALCOMM, Inc.	5.7%
Realogy Holdings Corp.	5.3%
Apple Inc.	4.9%
Southwestern Energy Co.	4.4%
Cognizant Technology Solutions	3.6%
Dollar Tree, Inc	3.5%
Google Inc.	3.3%
Priceline.com Inc.	3.2%
	46.0%

This is a representative (non-exhaustive) list of our largest current long and short themes and top 10 long positions. Holdings subject to change.

Below is a list of the most significant secular themes represented in our long and short portfolios:

Long

- E-Commerce and Internet Media
- Mobile Computing
- Alternative Asset Manager
- Global Brands
- Dollar Stores
- On Line Broker
- Electronic Payments
- Data Centers
- Media Content Owners
- Next Generation Media
- Natural Gas E&P
- Global Agriculture

Short

- PC Stack
- Console Video Games
- Legacy IT Hardware
- Matured Business Services
- Defense Contractors
- Print/Analog Media
- For-Profit Education
- Big Box Retail
- Legacy Consumer Electronics
- Commodity Handsets

Summary

We believe our secular-themed, large and small capitalization, long and short portfolio is well positioned to generate strong absolute and relative performance. While market volatility continues and macro-economic challenges remain, the long-term drivers benefitting our long portfolio and pressuring our short portfolio have not changed.

We will continue to keep you apprised of our process and portfolio holdings. As always, please do not hesitate to contact us if you have any questions or comments about anything we have written in our letters or about any of our Funds.

We thank you for your support as investors in the RiverPark Long/Short Opportunity Fund.

Sincerely,

Mitch Rubin
Portfolio Manager and Chief Investment Officer

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 or full prospectus, 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.

The use of leverage by the fund managers may accelerate the velocity of potential losses. Furthermore, the risk of loss from a short sale is unlimited because the Fund must purchase the shorted security at a higher price to complete the transaction and there is no upper limit for the security price. The use of options, swaps and derivatives by the Fund has the potential to significantly increase the Fund's volatility. There can be no assurance that the Fund will achieve its stated objectives.

This material represents the portfolio manager's opinion and is an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the funds or any security in particular.

Standard and Poor's 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The "Morningstar Long/Short Equity Category" is the average performance of the 243 funds that currently comprise Morningstar's Long/Short Equity Category.

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