RIVERPARK FUNDS

RiverPark Floating Rate CMBS Fund*

(RCRIX)

Fourth Quarter 2016 Commentary and 2017 Outlook

This is our first quarterly letter since launching the RiverPark Floating Rate CMBS Fund (the "Fund"), as the successor to a private fund that we managed employing the same investment strategy for over six years. We are excited to bring to a larger audience an investment opportunity that has historically been available only to large institutional investors.

We invest primarily in floating-rate commercial mortgage-backed securities ("CMBS"). We focus on CMBS that are secured by institutional-quality[1] commercial real estate assets, primarily in the U.S, and that have conservative credit metrics and strong sponsorship from owners including Blackstone, Brookfield, Related and Goldman Sachs. We believe that the Fund is a compelling investment for those investors seeking income in today's economic environment as it offers a combination of minimal interest rate risk (due to our floating rate investments) and low credit risk (due to our low leverage loans secured by high quality real estate and backed by strong institutional sponsors) at an expected yield to maturity of approximately 6% (gross).[2]

The Fund is structured as an Interval Fund. The Fund publishes its net asset value ("NAV") at the end of each business day, accepts capital daily from investors at NAV and offers the possibility of quarterly redemptions directly from the Fund at NAV. Income from the Fund will be distributed to shareholders monthly. The Fund is available on the Schwab platform and has the ticker symbol "RCRIX".

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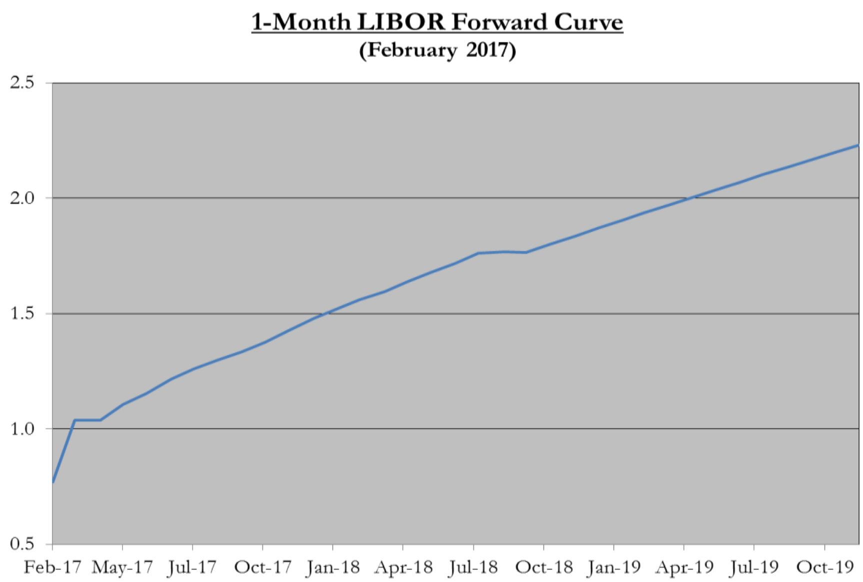
[1] Institutional quality properties are those commercial real estate properties of a sufficient size and stature (typically $100 million and greater) that they merit attention by large national or international "Institutional" investors. These properties are of a high quality design and construction, are typically large (often exceeding 500,000 square feet for an office property or 100 rooms for a hotel), and will have state of the art systems and facilities. Often they have a lead tenant for whom the property is named (or a major "flag" such as Hilton, Hyatt, Four Seasons, etc. in the case of a hotel asset) and are typically located in a prime location.

[2] Reflects the yield-to-maturity (contractual) for the Fund's investments assuming continued performance, repayment in-full at maturity, current NAV, and the current 1-month LIBOR curve.

Performance - Fourth Quarter 2016

During the fourth quarter, the Fund generated a 1.05% net return, which was in-line with our expectations. As of year-end, the Fund held 17 performing CMBS investments, discussed in detail below, and cash totaling $46 million (current Fund assets exceed $50 million). All of the Fund's investments pay a current coupon and 85% of the Fund's assets are floating-rate that re-price monthly to 1-month LIBOR (excluding our two CLOs that re-price to 3-month LIBOR). As LIBOR rates increase (as they did in 2016 by approximately 83% to 77 basis points), these increases (or decreases) are passed through as a part of the loan's current coupon.



Investment Strategy - Portfolio Construction

Our investment process is a fundamental based "bottom up" approach that emphasizes intensive due diligence of the underlying real estate. To assist investors in better understanding our process, we introduce below concepts that are fundamental to our investment analysis.

Loan-to-Value Ratio (or LTV). In order to calculate the Loan-to-Value Ratio at our level in the capital structure (our "attachment point"), we add up all of the senior and pari passu debt (the "Total Loan") and divide that amount by the underlying value of the commercial real estate securing the Fund's investment. The Loan-to-Value Ratio is key to understanding what would happen to our investment if real estate values were to fall. If the Total Loan is $200 million and the property is appraised at $400 million, then the Loan-to-Value ratio would be 50%. A lower Loan-to-Value Ratio indicates that our investment has more credit support than a loan with a higher LTV.

Debt Coverage Ratio. This ratio is key to understanding how strong the underlying cash flow of the real estate is compared to the amount of debt on that asset. The ratio is calculated by dividing the net cash flow generated by the asset by the amount needed to pay the monthly loan payments at the level of the Total Loan. If the property generates $1 million per month and the debt service is $250,000 per month, then the Debt Coverage Ratio would be 4x. A higher Debt Coverage Ratio indicates stronger cash flow than a lower one.

Debt Yield. This is another way of testing the strength of the underlying cash flow and is closely linked to Debt Coverage Ratio. The Debt Yield is the amount of annual cash flow generated by the property divided by the principal amount of the Total Loan. If the property generates $1 million per month or $12 million per year and the Total Loan is $100 million, then the Debt Yield would be 12%. A higher Debt Yield is stronger than a lower one.

The Fund's investments have the following characteristics as of December 31, 2016:

Number of Investments:	17 (average investment size of $2.4 million)
Purchase Price:	98% (of face)
Wtd. Avg. Coupon:	4.44%
Loan-to-Value Ratio:	47%
Debt Coverage Ratio:	4x
Expected Maturity [(3)]:	3.7 Years
Current Yield-to-Maturity [(4)]:	6%

[3] Represents the contractual maturity of the Fund's loans (or earlier repayment date, if known). Note that 85% of the Fund's current investments are floating-rate and freely open to repayment; based upon historical performance, a two-year repayment date is anticipated by the sub-advisor, though no such repayment date can be assured.

[4] See footnote two on page 1.

Investment Outlook for 2017

We expect 2017 to present a stable investment climate for CMBS, although there will be some uncertainty surrounding rising interest rates, the adoption of Risk Retention (Dodd Frank), a new administration in Washington, and Britain's exit from Europe. We are attracted to floating-rate commercial real estate debt due to its stability, current monthly income and ability to capture upside should interest rates continue to rise.

- **Interest Rates.** We anticipate that interest rates will continue to rise with market participants forecasting two or three additional rate hikes in 2017. During 2016, we saw 1-month LIBOR (CMBS' primary floating-rate index) increase 83% to 77 basis points, one-year forward LIBOR of 1.71% (we recall 1-month LIBOR rates as high as 4.5% in 2008). Since 85% of the Fund's investments re-price to LIBOR, we capture this potential upside and further, unlike fixed-rate loans, our investments are not expected to decline in value as interest rates rise.
- **Commercial Real Estate Values.** We are forecasting stability for US commercial real estate valuations. While revenue growth has slowed somewhat, we see the asset class as stable, supported by in-place cash flow and strong demand from foreign and domestic buyers. We note that the Fund's portfolio currently has a Loan-to-Value Ratio below 50%.
- **Asset and Sponsorship Quality.** We specialize in investing in Single Asset / Single Borrower ("SASB") transactions with an average loan size in excess of $500 million and assets that are owned by well-respected and highly-capitalized sponsors such as Blackstone, Brookfield, Related and Goldman Sachs, among others. The quality of the underlying assets securing our loans is a cornerstone to our investment approach.
- **Property Biases.** At present, we are overweight office and hospitality assets and are underweight retail loans. We prefer office for stability and hospitality as a way to capture operating upside in a higher inflation environment.
- **Wall of Maturities.** Approximately 20% of the CMBS market is scheduled to mature during 2017. While the maturities are well-known, we believe that these maturities (many from the high leverage 2006/2007 vintages) will create buying opportunities.
- **Risk Retention and Dodd Frank.** New risk retention rules were adopted for CMBS at the end of 2016. While many anticipated dislocation, two new compliant transactions have

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been launched and have been well-received. Under Trump, these rules may be somewhat relaxed.

- **Trump Effect.** While uncertain of what the new administration will mean for CMBS, it is expected that the administration will ease regulation, resulting in increased supply and liquidity.

In 2017 we will continue to emphasize high-quality investments (in terms of asset quality and sponsorship) with a strong bias towards floating-rate assets and an emphasis on office and hospitality assets. In all instances, we are focused on performing loans, in good locations, with robust cash flow coverage, and conservative Loan-to-Value Ratios.

Detailed Asset-by Asset Portfolio Review

The Fund is currently invested in Single Asset /Single Borrower CMBS investments with an average loan size in excess of $500 million. We are biased to these assets as they represent higher quality, more institutional properties, with stronger sponsorship (typically, leading private equity and investment funds).

Our portfolio as of December 31, 2016 is discussed below.

1. **Ritz-Carlton Grand Cayman $4.8mm (12% of portfolio) sponsored by Five Mile**
   This asset is a top performing hotel in the Caribbean with an attractive basis of <$350k/key, a Debt Yield of 16%, a loan maturity of < 4 years and a coupon of LIBOR + 3.80%.

2. **Gramercy 2005 CDO $4.2mm (10% of portfolio) sponsored by CW Capital**
   This "legacy" front-pay CLO asset is in its final stages of repayment and quite conservatively structured (at our attachment point) with an LTV of 38%. The Class B's repaid in full in January 2017 and the Class D's are expected to be repaid in full in April with the refinancing of the Willis Tower in Chicago (owned by Blackstone).

3. **Hilton Fort Lauderdale $3.9mm (10% of portfolio) sponsored by Blackstone**
   This asset is a strong performer in south Florida with an attractive basis of <$150k/key, a Debt Yield of 17%, a loan maturity of < 3 years and a coupon of LIBOR + 4.15%.

4. **<u>Four Seasons Maui $2.9mm (7% of portfolio) sponsored by Michael Dell</u>**
   This asset is one of the top performing hotels in the Four Seasons Portfolio and has been owned by Dell since 2006. The investment enjoys a Debt Yield of 15%, an LTV of 36%, a loan maturity of < 5 years and a coupon of LIBOR + 3.34%.

5. **<u>Four Seasons Hualalai $2.5mm (6% of portfolio) sponsored by Michael Dell</u>**
   This asset is another top performing hotel in the Four Seasons Portfolio, is located on the Kona Coast on the Big Island of Hawaii and has been owned by Dell since 2006. The investment enjoys a Debt Yield of 11%, an LTV of 47%, a loan maturity of < 6 years and a coupon of LIBOR + 5.25%. We have invested in this loan for other clients (in various formats) since 2006.

6. **<u>Ashford Hospitality $2.5mm (6% of portfolio) sponsored by Ashford (NYSE: AHT)</u>**
   This loan is secured by a diverse portfolio of 24 hotels owned by Ashford Hospitality Trust with an attractive basis of $100k/key, a Debt Yield of 13%, an LTV < 50%, a loan maturity of four years and a coupon of LIBOR + 4.00%. We have been a lender to AHT for several years.

7. **<u>Hilton Orlando $2.4mm (6% of portfolio) sponsored by RIDA and ARES</u>**
   This asset is a strong performer and is connected to the Orange County Convention Center in Orlando (the second largest convention center in the U.S.) with an attractive basis of <$250k/key, a Debt Yield of 14%, a loan maturity of < 5 years and a coupon of LIBOR + 3.75%.

8. **<u>The Cosmopolitan - Las Vegas $2.0mm (5% of portfolio) sponsored by Blackstone</u>**
   This prestigious luxury asset in Las Vegas was acquired by Blackstone from Deutsche Bank at a significant discount. The loan has a Debt Yield of 17%, an LTV of 43%, a maturity of < 5 years and a coupon of LIBOR + 4.65%.

9. **<u>Mills Fleet Farm $2.0mm (5% of portfolio) sponsored by Davidson Kempner</u>**
   This loan represented acquisition financing of <60% loan-to-cost for David Kempner's purchase of this portfolio of centers wholly leased by Mills Fleet Farm (a diversified retail chain owned by KKR). The loan has a Debt Yield of 16% (with EBITDA/Total Loan of 60%), a basis per square foot of <$50, a loan maturity of < 5 years and a coupon of LIBOR + 7.25%.

10. **<u>The Time Warner Center NYC $2.0mm (5% of portfolio) sponsored by Related/GIC</u>**
    This iconic New York City asset represents the office component of The Time Warner Center with an attractive basis of <$600/square foot, a Debt Yield of 11%, an LTV of <50%, a loan maturity of three years and a coupon of LIBOR + 3.25%.

11. **<u>The Palmer House Hilton $2.0mm (5% of portfolio) sponsored by Thor Equities</u>**
    Another iconic hotel located in the Chicago Loop, this asset has an attractive basis of <$135k/key, a Debt Yield of 19%, a loan maturity of < 3 years, an LTV of <40% and a coupon of LIBOR + 3.30%.

12. **<u>Simply Self Storage $1.9mm (5% of portfolio) sponsored by Brookfield</u>**
    This highly diversified portfolio of 102 self-storage facilities is owned and managed by Brookfield as a part of the Simply Self Storage brand. The loan has an attractive basis of $69/square foot, a Debt Yield of 11%, an LTV of 54%, a loan maturity of < 5 years and a coupon of 4.5%.

13. **<u>Park Avenue Tower $1.9mm (5% of portfolio) sponsored by The Blackstone Group</u>**
    This Class A mid-town Manhattan office tower located at Park Avenue and 55th Street is owned by Blackstone. The loan has an attractive basis of $682/square foot, an LTV of 53%, a loan maturity of < 3 years, and a coupon of LIBOR + 2.44%.

14. **<u>The Ritz-Carlton South Beach (Miami) $1.9mm (5% of portfolio) sponsored by Flag</u>**
    This asset is one of the most modern and best performing assets in South Beach with an attractive basis of $356k/key, a Debt Yield of 11%, an LTV of 40%, a loan maturity of < 5 years and a coupon of 5.7%. This loan was originally purchased at 95% of face value for a YTM of 7%.

15. **<u>1211 Avenue of the Americas $1.9mm (5% of portfolio) sponsored by Ivanhoe/Beacon</u>**
    Also known as the Fox News Headquarters in mid-town Manhattan on Sixth Avenue between 47th and 48th Streets, this loan has an attractive basis of $514/square foot, an LTV of 50%, a remaining loan term of 8.5 years, and a coupon of 4.28%. This loan was originally purchased at 89% of face value for a yield to maturity of 6%.

16. <u>Equity Inns Hotel Portfolio $1.8mm (4% of portfolio) sponsored by Goldman Sachs</u>

This diversified portfolio consists of 96 properties and over 11,000 rooms. The loan has an attractive basis of <$80k/key, a Debt Yield of 11%, an LTV of <60%, a loan maturity of < 3 years and a coupon of LIBOR + 4.75%. We have invested in this portfolio for other clients since 2007.

17. <u>Wrightwood 2005 CDO $1mm (1% of portfolio) sponsored by Torchlight</u>

This whole loan CLO asset is in its final stages of repayment and quite conservatively structured (at our attachment point) with an LTV of 22%. The bonds are expected to be repaid in full by June 2017.

The Ritz-Carlton South Beach

Park Avenue Tower NYC

The Time Warner Center NYC

The Cosmopolitan Las Vegas

Conclusion

We are excited about having successfully converted our private investment fund into the RiverPark Floating Rate CMBS Fund and are hard at work sourcing new investments, actively managing the existing portfolio and carefully analyzing our markets. We are uncovering attractive opportunities in both the new issue and legacy markets and anticipate seeing numerous opportunities in the year ahead. Importantly, our team has over $10 million invested in the Fund. We believe that fixed-income assets are an important part of any comprehensive investment strategy, and that in this environment, investors can best protect their capital, while generating upside, by investing in floating-rate securities such as LIBOR-based floating-rate CMBS, which are the dominant investment type for the Fund.

Sincerely,

Edward L. Shugrue III
Portfolio Manager
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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. For more information about Talmage, please visit the website at www.talmagellc.com.

Mutual fund 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. Securities backed by commercial real estate assets are subject to securities market 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 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, Talmage, LLC, or their affiliates.

** This material has been updated. Please note this Fund launched as the RiverPark Commercial Real Estate Fund. The name and certain characteristics of the Fund changed effective 3/10/2017.*