RIVERPARK FUNDS

RiverPark Long/Short Opportunity Fund
(RLSIX / RLSFX)

Third Quarter 2019 Performance Summary

Performance: Net Returns as of September 30, 2019

	Current Quarter	Year to Date	One Year	Three Year	Five Year	Ten Year
Institutional Shares (RLSIX)	-1.49%	14.98%	0.75%	11.41%	6.25%	7.21%
Retail Shares (RLSFX)	-1.58%	14.84%	0.50%	11.18%	6.05%	7.06%
Morningstar L/S Equity Category	0.00%	7.70%	-1.60%	4.16%	2.39%	3.35%
HFRI Equity Hedge Index	-1.10%	8.06%	-1.12%	4.80%	3.49%	4.45%
S&P 500 Total Return Index	1.70%	20.55%	4.25%	13.39%	10.84%	13.23%

Annualized performance since inception of the Mutual Fund (3/30/2012) was 4.95% for RLSIX and 4.75% for RLSFX.

The performance quoted for periods prior to March 30, 2012 is that of RiverPark Opportunity Fund, LLC (the "Predecessor Fund"). The inception date of the Predecessor Fund was September 30, 2009. 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. Performance shown for periods of one year and greater are annualized.

Index performance returns do not reflect any management fees, transaction costs, or expenses. Indexes are unmanaged and one cannot invest directly in an Index. Morningstar L/S Equity Category Returns sourced from Morningstar Principia. HFRI Equity Hedge Index performance is sourced from Hedge Fund Research, Inc.

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. For performance data current to the most recent month end, please call 888.564.4517. Expense Ratio: Institutional: 1.80% gross and 1.80% net, Retail: 2.10% gross and 2.00% net as of the most recent prospectus, dated January 28, 2019 as modified by the supplement thereto. Gross Expense Ratio does not reflect the ability of the adviser to recover all or a portion of prior waivers, which would result in higher expenses for the investor. Please reference the prospectus for additional information.

The third quarter of 2019 was a difficult one for the RiverPark Long/Short Opportunity Fund (the "Fund") as the Fund returned -1.5% for the quarter, as compared to the Morningstar L/S Equity Category, which was flat for the quarter, and the broader market (as represented by the S&P 500 Total Return Index), which returned 1.7%. This brought our YTD performance for the Fund to 15.0% as compared to the Morningstar L/S Category's 7.7% advance year to date. The S&P has returned 20.6% for the first three quarters of the year.

During the quarter, both our long and short books suffered small losses as the market rotated away from year-to-date gainers and towards more out of favor companies. In our long book, fundamental performance remained strong throughout the portfolio and we had notable contributions to performance from alternative asset manager **Blackstone,** mobile compute and services leader **Apple**, internet search and advertising innovator **Alphabet,** global ath-leisure pioneer **Nike,** and social network commentary platform **Twitter,** among others**.** Detractors in our long book this quarter included Cologuard cancer screening innovator **Exact Sciences**, beauty retailer **Ulta Beauty,** and e-commerce and cloud computing leader **Amazon.** Two clear aligner investments (**Align Technologies,** which we exited, and **Smile Direct Club,** that we purchased) also represented top five detractors this quarter (we discuss our decision to sell Align and buy Smile Direct (and several of our other contributors and detractors) in more detail in the Portfolio Review section below.

Our shorts appreciated substantially less than the overall market this quarter, yet still detracted from performance by 0.23% (gross) for the quarter. Notable contributions from our short book this quarter included food delivery service provider **Grubhub**, real estate services provider **Zillow Group,** accessories retailer **Tapestry,** energy services firm **Transocean,** and ath-leisure brand **Under Armour**. Detractors from our short book this period included marketing services firm **Cimpress,** grocery retailer **Kroger,** home improvement retailer **Lowe's** and analog semiconductor vendors **Power Integrations** and **Monolithic Power.**

We took advantage of the market's rotation at quarter's end to selectively add to our long and short positions where we saw a widening disconnect between short-term prices and long-term values. In combination with other moves earlier in the quarter, these end of quarter trades contributed to our overall 3Q increase in gross exposure to 156% (vs. 144% at the end of 2Q19) with our longs ending at 103% v. 98% at the end of 2Q and our shorts ending at 53% v. 46% previously. Our net exposure ended the quarter at 51%, slightly below our 2Q19 quarter end level of 53%.

We continue to believe that the business prospects and secular trends within our long and short books are widely divergent. Regardless of the broader macro backdrop or near-term market volatility or rotation, we believe these individual secular trends and company fundamentals will be the dominant drivers of the earnings of the businesses we are long and short, and, in turn, their stock prices, over the medium- to-longer-term. We continue to believe that valuations on both sides of our portfolio do not reflect the relative prospects for and/or the risks facing the companies we are long and short. We believe the portfolio is extremely well-positioned on both sides as we head into the balance of the year and remain excited about the return prospects for our strategy over the coming years.

Strategy Review

"May You Live in Interesting Times"

- An English expression purported to be a translation of a traditional Chinese curse

"Interesting times" seems like an appropriate phrase to describe the current geo-political and investing landscape as there is a relatively long list of unique current events causing investors anxiety. These include, to name just a few:

- A polarized US political landscape - with for only the third time in our nation's history, impeachment proceedings beginning against a President;
- A trade conflict with China that threatens to destabilize the global economy;
- A yield curve that recently inverted (a relative rarity that has, in the past, been a harbinger of recession);
- A Federal Reserve that has reversed course from tightening at the end of last year to loosening at the beginning of this year and is now internally divided;[1],
- More than $15 trillion of global fixed income priced at negative interest rates (meaning the investor will be paying the lender for the privilege of providing capital);[2]
- The UK seemingly on the verge of finally leaving the European Union three years after its historic Brexit vote; and
- The Middle East approaching yet another outbreak of military hostilities but this time with Saudi Arabia and Israel potentially on the same side.

Over the past several quarters, investor reactions (and overreactions) to these and other cyclical issues have driven both a significant risk off (4q18) and a risk on move (1H19) in the broader markets as well as multiple powerful short term rotations amongst sectors and between strategies. While navigating these challenges certainly makes these times interesting, we find them to be interesting for a different reason – and it is one that give us great optimism for our long/short equity strategy for the future and helps guide our tactical activity during periods of short-term volatility and rotation.

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[1] The Fed's policy-setting committee is no longer unanimous in its view about the future direction of rates as three members of the Open Market Committee dissented in the latest vote, the most no votes at a single meeting since 2016.
[2] Per analysis of Deutsche Bank, August 7, 2019.

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What makes these times so interesting to us, is the breadth of industries and companies currently experiencing a peak period of ***creative destruction*** – one in which material structural changes driven by technological innovation are both creating and destroying competitive advantage and profit potential. While companies must certainly navigate changes in interest rate and trade policy on a near-term basis, we believe that the ability of companies to innovate and adapt to material structural changes driven by technological innovation is the greater and more existential force that will be the primary determinant of whether they thrive or struggle in the years ahead.

Economist Joseph Schumpeter coined the term "creative destruction" in 1942 in his seminal book *Capitalism, Socialism and Democracy* to describe the process where entrepreneurs introduce radical innovations that create and, in turn, destroy competitive advantage. Schumpeter observed that while, on the one hand, there was a substantial net benefit to society from this process - as more and better goods and services are made available at cheaper prices - he also acknowledged that there would be substantial downside risks - as implied by the word destruction - for those established businesses and their employees, suppliers and owners that failed to adapt.

We believe that we are now in the midst of one of the most "interesting" and all-encompassing periods of creative destruction driven in large part by the widespread proliferation of mobile information technology. And, we believe that the biggest changes from this technological transformation are still ahead of us as the forces of internet proliferation, mobile and cloud computing and applications of artificial intelligence combine with a globally interconnected marketplace of innovation, capital availability and competition to create perhaps the greatest disruption of the widest cross section of industries and companies that we are likely to witness in our lifetimes. We believe that a long/short investment strategy that focuses on identifying and investing in the winners of this period of creativity and destruction, and against the likely losers, is perfectly suited to achieve the twin goals of both protecting capital during periods of market disruption and generating future investment returns in the years to come.

While the secular technological forces that are altering the competitive advantages across industries have been occurring over the past several decades, we believe that their impact on the business models and earnings potential of a wide range of businesses are now becoming more tangible as, in many cases, these effects have been masked in recent years by the great financial crisis, the extended period of historically ultra-low interest rates globally, and, more recently, the impact of a substantial change in US corporate tax policy. As these factors fade into history, we believe the impact of the creative and destructive secular forces of mobile information technology will become increasingly apparent as the primary force creating a widening dispersion of revenue and earnings changes and stock price performance among a broad cross section of companies and industries. This transformation, in turn, offers a deep roster of businesses that we believe have the ability to grow their earnings and cash flow dramatically in the years ahead as they innovate and take market and profit share as well as a growing list of companies that are at risk of substantial valuation destruction should they fail to adapt.

When viewed through this lens, we view the ability to find and focus on innovators such as Amazon, Alphabet and Facebook – three businesses that did not exist 20 years ago and yet are amongst the top five market cap companies in the S&P 500 today – and avoid and/or sell short businesses such as General Electric, Kodak, Sears or Blockbuster, (or other past or current companies that failed to adapt) as the critical foundation to sustaining strong investment returns during and through periods of short-term volatility. It is not just tech innovators that may thrive during this period. Incumbents such as Nike and Adidas (both of which we are long) - who have seized the opportunity to go direct to their customers while enhancing their commitments to product innovation - have maintained strong sales results while also significantly growing margins. This stands in stark contrast to the experience of Under Armour (which we are short), which allowed its brand to go down market to outlets and discounters, pressuring both sales and margins while also putting its premium brand image at risk. While "interesting" political and cyclical developments will always be newsworthy and may result in short-term market volatility, we believe the forces of creative destruction imposed by technological change, and management's ability to adapt to them, will be the critical factors for investing for years to come.

There is no substitute for focused research and deep due diligence in trying to determine the potential winners and losers as not every technology-based business is going to thrive and not every incumbent is going to fail to adapt. In addition, although the innovation and technological breakthroughs that create and destroy business opportunities may be new, the methods for assessing and valuing businesses, we believe, remain the same as they have always been – valuing the enterprise against its potential to generate and sustain profit, create return on invested capital and produce excess free cash flow. We firmly believe that great products and services only become great businesses and companies when they sustainably produce great profits and excess free cash flow. We also believe that, although a business was successful in the past, it does not mean that it will successfully adapt to the competitive challenges of the future. We believe that identifying when and to what degree a business' prospects change for the negative and begin to materially impact sales, margins, earnings and cash flow is critical to timing when best to sell that firm's shares short.

We also continue to believe that valuation will always remain critical in all purchase and sale decisions as great growth or secularly challenged companies only becomes a great investments when the long and short positions are also put on at great valuations. While earnings and cash flow predictions are critical to our strategy, we do not want to dilute the impact of this analysis by executing our trades at excessively high or low prices. This value orientation, we believe, is critical to both helping generate our long term returns and also providing a margin of safety for each investment should our prediction of the company's future earnings not materialize as quickly as we or the market expects and/or if the market falters for a period of time (in a correction or even a bear market) that drives down the prices for all equities. In each of these instances, those firms with excessive valuations are often punished more harshly than those that are more reasonably priced. With respect to our long book, we focus our portfolio almost exclusively on currently profitable enterprises with pristine balance sheets (most with substantial net cash positions) and management teams that we believe to be focused on organic, high return, profitable, long term growth. We then look to use "interesting times" of geo-political disruption and cyclical activity that results in short-term volatility, disruption and sector and strategy rotation to add businesses to the portfolio (or add to current holdings) that we believe have extraordinary long-term potential yet trade down to (or below) ordinary market prices.

Within our long portfolio, some of the companies that we've identified as technological winners that we also believe will be both substantially more profitable *and* more valuable in the future than they are today include, to name a few, the digital media leaders **Alphabet**, **Facebook** and **Twitter,** mobile computing and communications giant **Apple,** e-commerce vendors **Amazon** and **Booking**, enterprise cloud and software as a service champions **Microsoft, Salesforce.com**¸ **Palo Alto Networks, Adobe, ServiceNow, Twilio, Autodesk** and **Teradata,** digital payment platforms **Visa, MasterCard,** and **PayPal,** medical technology innovators **Intuitive Surgical**, **Smile Direct**, **Exact Sciences** and **Illumina**, mobile communication infrastructure provider **American Tower,** cloud infrastructure providers **Equinix** and **Interxion**, global Athleisure brands **Nike** and **Adidas**, media and theme park giant **Walt Disney**, aero and space focused defense contractor **Northrop Grumman,** and data driven healthcare services providers **IQVIA** and **UnitedHealth Group**. Each of these companies (and the others that make up our portfolio) are the leading innovators and disruptors of their respective industries and each are driving revenue, earnings and free cash flow growth at rates that are significantly greater than GDP and the growth expected for the market as a whole and yet each is also, in our opinion, trading at attractive valuations based on that future growth.

In our short book, we look for structural deterioration of long-term competitive advantages across a range of industries brought on by innovation and we currently have significant short positions in, among other industries, consumer packaged goods, energy services, industrial service providers, analog semiconductors, traditional bricks and mortar retailers, physical document storage, select retail and office landlords, and providers of legacy telecom networks and products. In each of these sectors, we have built short positions in a group of businesses that we believe offer a compelling combination of worsening business prospects and elevated valuations.

While the proverb above is often meant as a curse – in that "interesting times" often refer to those historical periods marked by war, unrest and suffering – we believe that prudent investing during interesting times of creative destruction can instead be a great blessing for long-term portfolio returns in a long/short equity fund.

Portfolio Review

Top Contributors to Performance for the Quarter Ended September 30, 2019	Percent Impact
Apple Inc. (long)	0.54%
The Blackstone Group L.P. (long)	0.54%
Alphabet Inc. (long)	0.49%
NIKE, Inc. (long)	0.40%
Northrop Grumman Corp. (long)	0.38%

Portfolio Attribution is produced by RiverPark Advisors, LLC (RiverPark), the Fund's adviser. Although RiverPark believes that its attribution methodology adheres to generally accepted standards in the industry, attribution analysis is not an exact science and different methodologies may produce different results.

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

Apple: AAPL shares were a first quarter top contributor and now again for the third quarter, driven by better-than-expected third quarter earnings. While it seems there is rarely a time of late where there isn't some negative cloud hanging over the company (trade wars, litigation disputes, the strength of the iPhone cycle), Apple, to us, remains one of the best positioned (and most profitable) companies in what we still believe to be the early innings of the mobile technology revolution. The company reported $54 billion of revenue (up 1% year-over-year) and $2.18 EPS (down 6% year-over-year, but $0.08 better-than-expected), while guiding fourth quarter revenue to $61 billion-$64 billion, ahead of analyst expectations.

We believe that the increasing impact of services revenue–services grew 13% for the quarter to $11 billion–combined with substantial share repurchases from the company's $211 billion of cash and $60 billion of annual free cash flow can produce long-term double-digit earnings growth for the company. Over time, we expect the market to shift its focus away from iPhone cycles towards services and recurring revenue, which should result in AAPL shares trading at a higher valuation, more in-line with other secular growth technology services and software firms (as opposed to its current 14x our 2020 EPS estimate).

Blackstone: BX marked its second straight quarter as a top contributor, fueled by both the company's C-corporation conversion on July 1 (broadening its potential shareholder base) and better-than-expected second quarter distributable earnings. Business momentum for the firm remained extremely strong as Fee Related Earnings grew 24% year-over-year and Assets Under Management rose 24% year-over-year (7% quarter-over-quarter) to a record $546 billion.

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We continue to view BX as one of the best risk-reward holdings in our portfolio given its impressive AUM growth (from $400,000 of AUM in 1985 to $88 billion at its 2007 IPO to $546 billion today) and world class fund returns. Despite BX shares' 67% total return through the first seven months of 2019, it still has a below market valuation of approximately 14x our 2020 estimate for distributable earnings, plus a trailing dividend yield of 4.2%. We expect the company's AUM growth and underlying portfolio fundamentals to remain strong while the company's new corporate structure should continue to be a catalyst for improved liquidity and increased institutional ownership.

Alphabet: Internet services leader Alphabet was also a top contributor for the quarter. The company's shares posted a strong advance after reporting second quarter results that exceeded expectations and helped ease concerns about slowing growth (adjusted EPS, excluding last year's EU fine and this year's gain from investments, increased 27%). Revenue increased 19% to $39 billion (22% on a constant currency basis), an improvement over the first quarter's 17% growth. Paid clicks, a key and often underappreciated indicator of the still increasing relevance of the Google franchise to its users, were up 28%, demonstrating the continued opportunity for the company to monetize its traffic with interested advertisers.

With its core advertising business still experiencing healthy growth (16% revenue growth to $33 billion for the quarter), and with Google's newer businesses (e.g., YouTube subscriptions, Hardware, Google Cloud, and Apps) growing even faster (collectively growing revenue by 40% for the quarter to $6 billion), we continue to view Alphabet as among the best-positioned secular growth franchises. Google Cloud is growing particularly fast, reaching an annual run rate of $8 billion in the quarter, up from $4 billion a year ago. We also find the company's valuation at 18x our 2020 EPS estimate compelling (particularly considering this includes the losses from its Other Bets division).

Nike: NKE shares were a top contributor for the quarter on significantly better-than-expected fiscal first quarter 2020 earnings, up 28%, and 22% above consensus, with sales, gross margin and operating margin all exceeding Street estimates. The company emphasized the success of several of its key drivers, including constant currency revenue growth of 10%, and digital sales up an impressive 42%. Gross margins expanded 150 basis points year-over-year and operating margin expanded 190 basis points to 14.8% as the benefits of its direct to consumer (DTC) initiatives continue to result in higher profitability.

We believe that Nike will continue to be a long-term beneficiary of both the global consumer shift to athleisure and its emerging DTC sales model. NKE has been aggressively managing its brands and distribution (including partnerships with Amazon, Alibaba's Tmall in China and Zalando in Europe), has accelerated its shift to a DTC business and re-invigorated its research and development commitment to again be amongst the leaders in product innovation. We believe these initiatives will ultimately result in substantially higher margins for the company than in its historical bricks and mortar-only distribution model. For fiscal 2019, DTC sales were 32% of Nike's total sales, up from 28% in fiscal 2018 and 16% in 2012; we believe this could be over 40% of sales in the next few years. This shift alone supports substantial revenue and profit growth even without market growth or the company taking incremental share, as DTC sales bring in 65% more revenue per item sold than wholesale sales at almost double the gross margin, resulting in almost triple the gross profit dollars. In addition to revenue growth from its DTC shift, we expect Nike to grow traditional sales volumes as well.

Northrop Grumman: NOC shares advanced for the quarter on beat and raise second quarter results and continued above-industry growth, which we expect to continue for the next several years. In addition, there is an increasing expectation that the large Ground Based Strategic Deterrent (GBSD) project, on which Boeing and Northrop were each bidding, would be fully awarded to NOC, as Boeing appears to have dropped out of the bidding. For the quarter, NOC's organic revenue accelerated to 4% growth, operating margin grew 70 basis points to 11.6%, EPS exceeded expectations by $0.38, and management increased 2019 EPS guidance. With $13.5 billion of net program awards in the quarter, the company's book-to-bill ratio was a healthy 1.6.

We continue to believe that Northrop is well-positioned to outgrow the industry and accelerate its revenue growth given its focus on aerospace, high technology content and continued synergies from the Orbital ATK acquisition. Additionally, the GBSD program could total $100 billion over the next several decades and begin to add to growth as early as 2021. Even without GBSD, we expect double-digit operating income growth from NOC in the years to come, which should continue to be augmented by strategic acquisitions, debt pay down and continued share buybacks from more than $2.5 billion of annual free cash flow (guidance calls for $2.6-$3.0 billion of FCF this year).

Top Detractors From Performance for the Quarter Ended September 30, 2019	**Percent Impact**
Exact Sciences Corp. (long)	-0.47%
Align Technology, Inc. (long)	-0.43%
SmileDirectClub, Inc. (long)	-0.43%
Ulta Beauty, Inc. (long)	-0.42%
Amazon.com, Inc. (long)	-0.42%

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Exact Sciences: After being a top contributor for first and second quarters and advancing 94% year-to-date through September 5, EXAS shares were our top detractor for the third quarter as the market rotated out of momentum stocks. Despite the sharp decline, the company had three pieces of positive news during the quarter: (1) the company delivered a significant beat-and-raise quarter, (2) the FDA approved Cologuard for the 45 and older population (from 50 and older), which represents a more than $3 billion incremental annual revenue opportunity, and (3) the company announced the acquisition of Genomic Health, a provider of genomic based tests that assist in diagnosed cancer management (the company's key product is the Oncotype DX Breast test used to assess in breast cancer patients the likelihood of chemotherapy success and recurrence risk).

Exact reported 94% year-over-year revenue growth on 93% volume growth and management raised its full-year guidance to 76%-78% revenue growth on 79% volume growth. The company's quarterly results reinforce our thesis that the Pfizer deal, which, among other benefits, adds 1,000 Pfizer field sales representatives to EXAS's 500 sales reps, will materially accelerate the adoption of Cologuard as a standard of care in the $15 billion colon cancer screening test market (colorectal cancer is the second leading cause of cancer deaths in the US). The FDA approval of Cologuard for patients 45-49 enlarges its market and should also accelerate its adoption. Additionally, the company's acquisition of Genomic Health not only creates a leading cancer diagnostics company, but takes advantage of several synergies including GHDX's large oncology sales force, global scale, and GHDX's partnership with Belgian-based BioCartis. We believe that the combined company will be able to generate gross margins in excess of 80%, accelerate EXAS's path to generating positive free cash flow and pool its R&D activities to bring multiple additional products to market.

Align Technology: ALGN shares were our next largest detractor for the quarter as the company reported disappointing results and reduced its 2019 outlook. Although second quarter revenues, up 22% year-over-year, were at the high-end of its guidance and earnings ($1.83 EPS) were up 41% year-over-year, Invisalign case volumes (up 24% year-over-year) were lower-than-expected (due to softness in China and slower growth for North American young adults). The company also reduced its 2019 guidance to the low-end of its long-term operating model, with third quarter Invisalign case volume up 16%-19% year-over-year, on a tough year-over-year comparison.

Due to an elevated valuation and increasing competition, for the past several quarters, we have been trimming our position, making ALGN one of our smaller positions. We sold out of our position during the quarter and used the proceeds to establish a small position in Smile Direct Club, an Align competitor with a different approach to the market that we believe has substantially greater growth and profitability prospects.

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Smile Direct Club: Despite initiating a position approximately 20% below its September IPO price, SDC was also a top detractor this quarter as the newly public company's shares were not initially well received after its IPO (despite pricing above the expected range).

Smile Direct Club is the industry pioneer of the direct-to-consumer orthodontic model providing clear aligners through a retail footprint rather than through a dentist or orthodontic office (which is Align's business model). The traditional orthodontic model, which includes both metal braces and clear aligners, requires repeated in-office doctor visits, is not widely accessible, and can be cost prohibitive (typically costing \$5,000 - \$8,000 for a full case). Smile Direct Club is doctor-directed via remote tele-dentistry and requires no office visits. Patients are evaluated through mail-order impression kits or digital scans through 300+ SmileShops. Most importantly, at less than \$2,000 per case, SDC aligners costs 60%-75% less than the traditional model and are just as effective.

The company's addressable orthodontics market opportunity is quite large at more than 120 million people in the US and 500 million globally, as 85% of people worldwide have malocclusion (misaligned teeth), with less than one percent treated annually, largely due to expense and accessibility. With its better accessibility and lower price points, Smile Direct Club is growing the market for those getting treated, and with Align's key patents having expired in 2017, growth is just starting (SDC shipped less than 260,000 orders last year). SDC's revenue increased from \$21 million for 2016 (pre-patent expiration) to \$432 million for 2018 (post), and increased 113% for the first six months of 2019.

We expect continued strong growth to be fueled by (1) SDC opening 20 SmileShops per month for the remainder of 2019, (2) the company's partnership agreements with CVS and Walgreen's to open up locations within their stores, (3) continued international expansion (SDC launched in Canada in 4Q18, Australia in 2Q19, and the UK in 3Q19), and (4) new products, including a night-time only product, retainers, and whitening.

The company also has a highly profitable business model. SDC reported a 78% gross margin for the first half of 2019, up from 66% for 1H18, and sees long-term gross margins of 80%-85% and 25%-30% EBITDA margins (similar to Align's). We believe that with its DTC model, SDC can grow to be larger than Align's current \$14 billion market capitalization. It is currently growing more than 5x faster, and at its current \$5.1 billion market capitalization, SDC trades at 3.4x our 2020 projected revenue (versus Align at 5.0x).

Ulta Beauty: Ulta shares were our final top detractor for the quarter on an earnings miss and reduced guidance. While the company still generated 6% same store sales growth on impressive 5% traffic growth, industry declines in higher price cosmetics hurt average ticket size growth, which increased only 0.8%. While Ulta's other categories–skincare, haircare and fragrance–were up solidly in the quarter (showing that the company continues to take share) the

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underperformance of higher-margin cosmetics (50% of sales) was difficult to overcome. Management lowered full-year same-store-sales guidance to a still healthy 4%-6% growth (from 6%-7%) to reflect continuing cosmetic category struggles and also reduced EPS guidance for the next two quarters to 8%-10% growth (from mid to high teens).

Despite the cosmetic industry's near-term challenges, we believe that ULTA's store base can still expand by more than 50% over the next several years (to in excess of 1,700 stores), with revenue and earnings each growing even more through strong same store sales, continued online sales growth, operating margin expansion and share repurchases from the company's robust free cash flow.

Amazon: AMZN shares were also a top detractor for the quarter as the company reported disappointing operating income growth due to increased spending on one-day shipping and greater AWS headcount. Nevertheless, sales exceeded estimates with year-over-year FX-adjusted sales growth accelerating to 21%, reaching $63 billion for the quarter. North American Retail sales grew a robust 20%, International Retail sales grew a healthy FX-adjusted 17%, and AWS grew 37%. Third quarter sales guidance implies a continuing strong 17%-24% year-over-year growth.

Even with continued heavy investment spending, the company has long-term profit tailwinds. AWS, the market leader in the public cloud market, is growing much faster than retail and is also a much higher margin business (25% operating margin vs. 4% for North American retail last quarter). Amazon Advertising, already a $9 billion revenue business after just a few years, could exceed $40 billion in revenue by 2023, and is also high margin. Importantly, the company has been delivering on its goal to increase free cash flow; for the trailing twelve months, free cash flow grew 140% to $25 billion or $49 per share. We believe that over the next several years, Amazon's revenue will more than double to in excess of $500 billion annually with free cash flow per share exceeding $100 per share.

New Long Position

In addition to Smile Direct Club, during the quarter we initiated a new position in **Twilio**, a leading enterprise software business focused on communications. Twilio's service is a cloud-based platform that allows companies to embed digital communications capabilities (video, chat, voice, SMS, fax, and email) into their customer facing applications without needing to build back-end infrastructure and interfaces. These applications, often used for video-enabled help desks, appointment reminders, IT alerts, text notifications, brand emails, and online banking authentication services, are costly to build and operate and have historically been unreliable (subject to latency and packet losses, among other issues). By using Twilio's platform, companies are able to create a more robust communications offering for client acquisition, retention and service while saving substantially on internal human resources, infrastructure, scale, and technical support costs.

At the end of 2Q19, the company had more than five million free trials and 162,000 active customers; base revenue (recurring, usage-based revenue) grew 90% year-over-year with same customer sales growing 40%. Twilio is expected to generate in excess of $1.1 billion of revenue for 2019, which is three times larger than its closest competitor. Revenue is forecast to triple over the next four years. In addition, with its February 2019 acquisition of SendGrid, the leading email platform as a service vendor, and its launch of Flex, a new contact center solution, we believe the company's total addressable market is greater than $40 billion, which should grow by 50% over the next few years, providing a strong secular tailwind for Twilio. The company's 2Q19 54% Non-GAAP gross margin should expand toward the company's long-term model of 60%-65%, and we expect the company's 1% Non-GAAP operating margin to expand to 25% as the company grows to scale over the next several years. We have been following the company for some time and took advantage of the stock's 30% sell-off from its 52-week high during the third quarter growth stock sell-off to establish a small position.

Top Ten Long Holdings

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

Holdings	Percent of Net Assets
Microsoft Corp.	5.8%
Alphabet Inc.	5.0%
Amazon.com, Inc.	5.0%
The Blackstone Group L.P.	4.9%
Apple Inc.	4.6%
Facebook, Inc.	3.9%
salesforce.com, Inc.	3.7%
NIKE, Inc.	3.6%
Palo Alto Networks, Inc.	3.2%
Mastercard Inc.	3.0%
	42.7%

Holdings subject to change.

Below is a list of the key secular themes represented on both sides of our portfolio as of the end of the quarter.

Long Portfolio Themes		
Enterprise Software	▪	15.2%
Internet Advertising	▪	11.7%
Electronic Payments	▪	9.3%
Tech Real Estate	▪	7.7%
Med Tech	▪	6.2%
E-Commerce	▪	6.1%
Athleisure	▪	5.6%
Creative and Design Software	▪	5.5%
Alternative Asset Management	▪	4.9%
Mobile Compute	▪	4.6%
IT Security Software	▪	3.2%
Aero/Space Defense	▪	2.8%
Healthcare Insurance and Services	▪	2.8%
Free Cash Flow Energy E&P	▪	2.6%
Healthcare Data Services	▪	2.5%

Short Portfolio Themes		
Industrial Products and Services	▪	10.1%
Consumer Packaged Goods	▪	7.7%
Analog Semiconductors	▪	4.3%
Energy Services	▪	3.0%
Beverage Vendors	▪	2.6%
Consumer Staples Retailers	▪	2.2%
Hard Lines Retail	▪	1.9%
Mattress Producers	▪	1.7%
Global Package Delivery	▪	1.7%
Legacy IT Vendors	▪	1.6%
Hotels	▪	1.5%
Apparel Retail	▪	1.5%
Retail Landlords	▪	1.4%
Overvalued Internet	▪	1.3%
Business Services	▪	1.2%

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

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Summary

We continue to believe that our secular-themed long/short portfolio is well positioned to generate strong absolute and relative performance in the years to come. We will continue to keep you apprised of our process and portfolio holdings in these letters each quarter. As always, please do not hesitate to contact us if you have any questions or comments about anything we have written or about any of our funds.

We thank you for your interest in the RiverPark Long/Short Opportunity Fund.

Sincerely,

Mitch Rubin
Portfolio Manager and Chief Investment Officer

Performance through and Exposure as of September 30, 2019

Period	RLSIX	Morningstar L/S Equity	HFRI Equity Hedge Index	S&P 500 Total Return	Contribution		Exposure*			
					Long	Short	Long	Short	Gross	Net
QTD	-1.5%	0.0%	-1.1%	1.7%	-0.7%	-0.2%	100.2%	52.9%	153.1%	47.3%
YTD 2019	15.0%	7.7%	8.1%	20.6%	20.0%	-3.5%	91.7%	40.5%	132.3%	51.2%
1 Year	0.7%	-1.6%	-1.1%	4.3%	0.9%	1.6%	91.4%	39.0%	130.3%	52.4%
3 Year	11.4%	4.2%	4.8%	13.4%	16.7%	-3.5%	107.5%	49.6%	157.0%	57.9%
5 Year	6.2%	2.4%	3.5%	10.8%	12.2%	-3.7%	108.3%	50.3%	158.6%	58.0%
10 Year	7.2%	3.3%	4.5%	13.2%	15.0%	-5.5%	107.7%	50.9%	158.5%	56.8%

Historical Performance and Exposure

Period	RLSIX	Morningstar L/S Equity	HFRI Equity Hedge Index	S&P 500 Total Return	Contribution		Exposure*			
					Long	Short	Long	Short	Gross	Net
2009†	1.7%	1.3%	2.9%	6.0%	5.7%	-3.6%	84.9%	40.7%	125.6%	44.2%
2010	4.7%	4.7%	10.5%	15.1%	13.9%	-7.0%	99.3%	45.2%	144.5%	54.0%
2011	8.5%	-3.3%	-8.4%	2.1%	3.8%	6.9%	115.8%	56.3%	172.0%	59.5%
2012	18.9%	3.6%	7.4%	16.0%	26.6%	-5.5%	106.9%	54.2%	161.1%	52.7%
2013	12.0%	14.6%	14.3%	32.4%	37.2%	-22.9%	109.0%	52.2%	161.2%	56.9%
2014	-3.9%	2.8%	1.8%	13.7%	6.0%	-7.8%	111.8%	52.3%	164.1%	59.4%
2015	0.6%	-2.2%	-1.0%	1.4%	-1.9%	4.5%	107.2%	49.0%	156.2%	58.1%
2016	-1.7%	2.1%	5.5%	12.0%	7.6%	-7.8%	111.9%	54.5%	166.4%	57.3%
2017	22.1%	10.7%	13.3%	21.8%	35.7%	-11.2%	121.3%	59.8%	181.1%	61.5%
2018	-2.1%	-6.7%	-6.9%	-4.4%	-3.2%	2.9%	103.6%	44.6%	148.2%	59.0%

† Inception date of the Fund was September 30, 2009.
Annualized performance since inception of the Mutual Fund (3/30/12) was 5.0% for RLSIX.
The performance quoted herein represents past performance. Past performance does not guarantee future results. The performance quoted for periods prior to March 30, 2012 is that of RiverPark Opportunity Fund, LLC (the "Predecessor Fund"). The inception date of the Predecessor Fund was September 30, 2009. 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.

** Where applicable, the exposures are delta-adjusted and are computed by averaging the exposures of each month-end within each period.*

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To determine if the 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 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 increase significantly 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 Total Return 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.

Morningstar Long/Short Equity Category portfolios hold sizeable stakes in both long and short positions in equities and related derivatives. Some funds that fall into this category will shift their exposure to long and short positions depending on their macro outlook or the opportunities they uncover through bottom-up research. Some funds may simply hedge long stock positions through exchange-traded funds or derivatives.

The HFRI Equity Hedge Index consists of funds where portfolio managers maintain long and short positions in primarily equity and derivative securities.

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