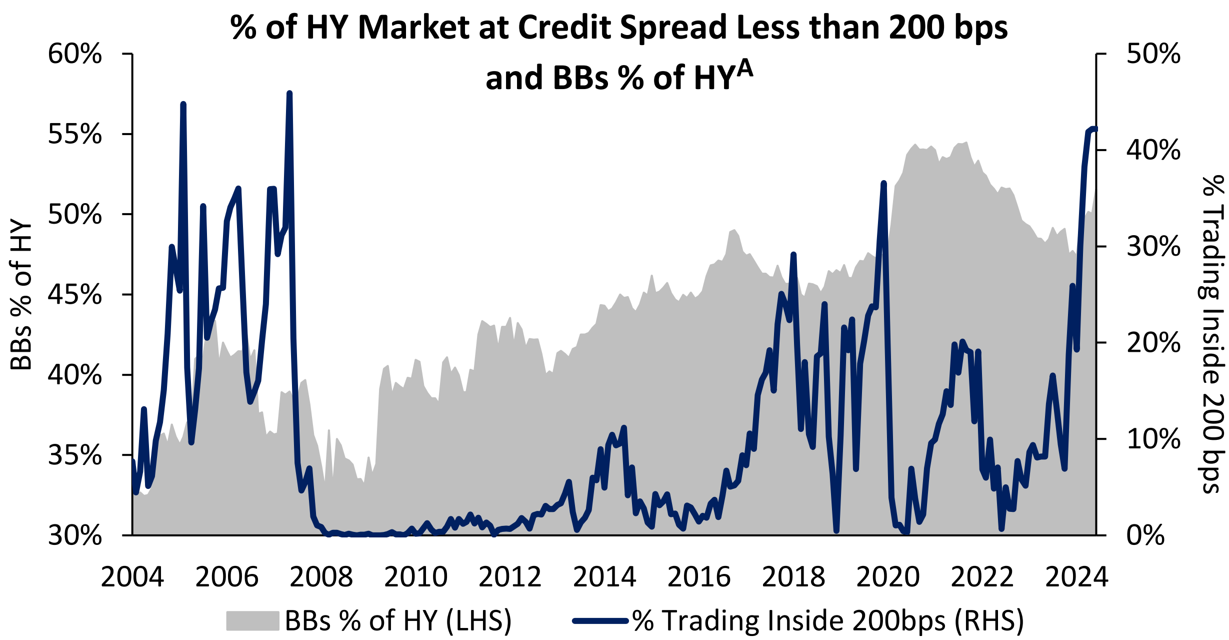
RiverPark Short Term High Yield Fund
(RPHIX/RPHYX)

2Q 2024 Commentary

Chimney Climbing

Skilled mountain climbers sometimes find themselves forced to employ sophisticated techniques. One in particular, known as "chimney climbing", requires that the mountaineer wedge their body between two opposing rock surfaces, pushing on each side in order to continue progressing upward. Figuratively, in today's fixed income market, we find ourselves in a similar position, "between a rock and a hard place". Tight credit spreads as well as the inverted yield curve and elevated uncertainty caused by the interrelationship between economic activity, interest rates, and geopolitics make for a very challenging outlook. After a brief discussion of the tightening of credit spreads, as reflected in the high yield market, we provide specific examples of recent investments made during 2Q24 as further illustration of the ongoing investment themes in our portfolios.



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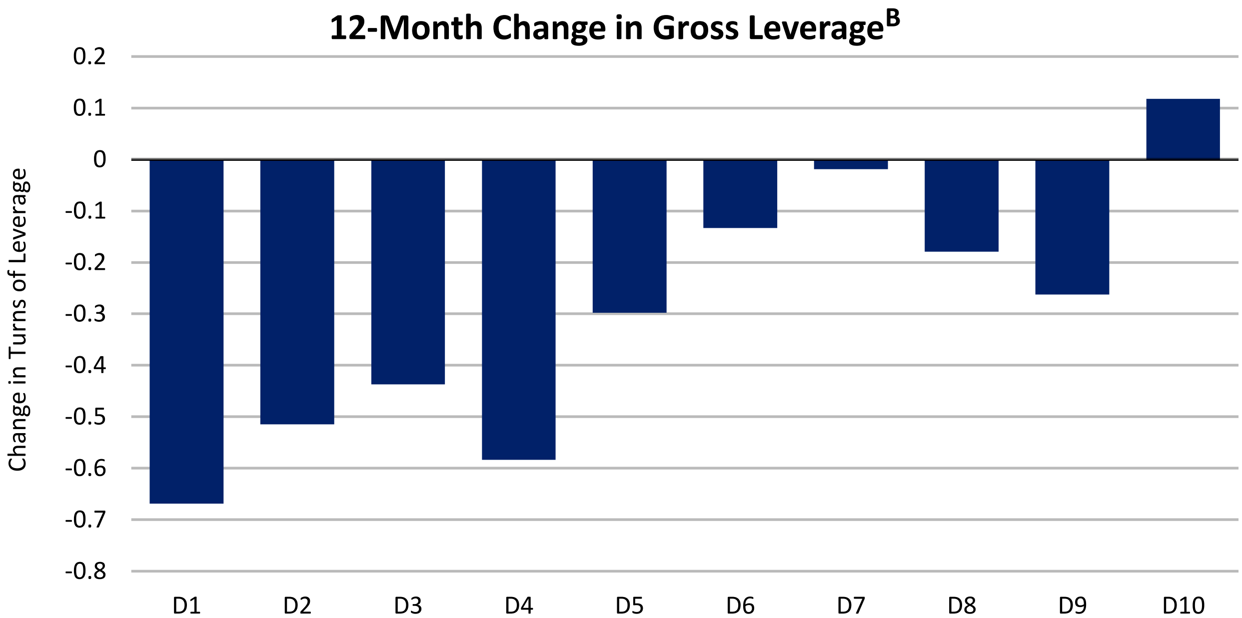
In our 1Q24 investors letter, "Getting off the Bench(mark)" we noted that high yield credit spreads were at their lowest level since the first half of 2007. The graph above amplifies this point. The portion of the high yield bond market that is trading at a credit spread below 200 basis points is greater than at any other time since the Great Financial Crisis.[1] The tightening in high yield credit spreads may be partly attributable to an increase in the concentration of BB bonds, which trade at narrower credit spreads due to better credit quality.



The previous peak in BB concentration, in 3Q21, was largely driven by "fallen angels", credits migrating down from investment grade to high yield.[C] In contrast, the recent rise in BB concentration is from credit quality improvement from the reduction in leverage as shown in the graph above.[D2] Gross leverage[3] is at or below 2x EBITDA in the top three deciles (D1, D2, and D3), approaching investment grade levels. Therefore, the significant portion of the high yield market

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[1] Please note: Even with all the uncertainty in the current environment, we are not predicting another financial crisis, but we think risk is being mispriced in most asset classes.

[2] Based on Bank of America's Credit Stress Indicator (CSI) which determines a level of credit stress among the 900 individual bond issuers in the BofA High Yield Index based on bond price volatility, access to the credit markets (including leverage and credit migration) and diffusion (measured by the difference between a specific issuer's credit spread and a group of credits in the same industry with similar credit rating). BofA then divides the high yield market into ten equal components by the number of issuers (not dollar-weighted by debt outstanding). The first decile (D1) includes the highest quality issuers with the lowest implied credit risk based on CSI while the lowest decile (D10) includes the issuers with the lowest credit quality, often on the verge of restructuring.

[3] Gross leverage is defined as total debt divided by EBITDA. EBITDA is earnings before interest, taxes, depreciation and amortization.

trading at a credit spread less than 200 basis points may be justified by the improvement in credit quality. At the opposite end of the spectrum, gross leverage for credits in the lowest two deciles (D9 and D10) averages 8x EBITDA.[E]

Given today's inverted yield curve, a company looking to issue debt faces a conundrum: at a similar credit spread, floating rate debt will have a higher initial interest rate than a fixed rate bond because the base rate for floating rate debt, SOFR,[4] is about 100 basis points higher than the interest rate for the 5-year Treasury bond.[5] However, a floating rate allows the issuer to benefit from a decline in interest rates. A CFO choosing to issue floating rate debt over fixed, may be betting that rates will go down enough that the total cost of financing will be lower over time.

For fixed income investors, the higher rate on floating rate debt presents the opportunity to earn a higher yield than they would capture in fixed rate bonds of similar credit quality, but that yield advantage would decline if interest rates fell.

Mutual Fund Selected Characteristics[6]

	RPHIX
Yield to Worst (YTW)	6.65%
YTW Duration	0.29
Yield to Maturity (YTM)	N/A
YTM Duration	0.43
Investment Grade	25.49%
High Yield	72.61%
Cash & Other	2.35%
Floating Rate	7.6%
Foreign Exposure	23.5%
Dry Powder	**62.3%**

[4] Per the Federal Reserve Bank of New York, the Secured Overnight Financing Rate (SOFR), is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities that is published on the New York Fed website at 8 a.m. every business day. It is the base rate for all U.S. dollar-denominated floating rate debt.
[5] Per Bloomberg, on June 30, 2024, the SOFR rate was 5.33% versus 4.38% for the 5-year U.S Treasury Bond.
[6] Dry Powder is defined as the sum of cash, cash equivalents, pre-merger SPACs, and maturities of 90 days or less.

The previous table profiles our Fund at quarter-end. In the current environment we continue to pursue four main themes:

1) Floating rate debt – continuing to take advantage of the inverted yield curve
2) Foreign issuers – better credit characteristics with higher yield than U.S. counterparts
3) Event-driven debt – catalysts hold potential for higher rates of return
4) Higher credit quality issuers – leaning into investment grade opportunities

Traditionally, we have highlighted various positions with in-depth write-ups. Below we provide bullet points on a number of investments made during the quarter, in each case to illustrate an investment theme that we are pursuing throughout our portfolios. If you would like to discuss any of these positions in more depth, please don't hesitate in reaching out – we welcome the conversation.

Lower Risk, Higher Yield Investment Grade

Alterna Funding LLC (TAX 2024-1A A) 6.26% due 5/16/39

- AAA-rated property tax lien asset-backed securitization with weighted-average life less than three years.
- Better credit spread (135 basis points), higher credit quality and lower interest rate risk than the BBB corporate bond index[7] - attractive relative value investment for portfolios that include investment grade in their mandate.
- Loan-to-value ratio less than 20%, secured by "super priority" liens on real property, portfolio diversified over eight states and Washington D.C.
- Managed by a well-established and experienced purchaser and servicer of tax liens.

Floating Rate Secured Debt Yielding More Than Unsecured Bond

Crocs Inc. (CROX) 1st Lien Secured Term Loan due 2/20/29

- Secured loan to publicly owned global leader in innovative casual footwear.
- Term loan has 7.35% yield-to-maturity versus 6.36% yield-to-worst for unsecured CROX 4.25% Senior Notes due 3/15/29, benefitting from inverted yield curve.
- Low leverage (0.9x EBITDA) through the term loan for a company with enterprise value in excess of $10 bn and consistent history of repaying debt.

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[7] The ICE BofA BBB Corporate Index had a weighted average credit spread of 110 basis points and option-adjusted duration of 6.47 on 6/30/24. Compared to the weighted average life of Alterna Funding at less than 3 years, the BBB Index has significantly higher interest rate risk.

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High Quality, Short Term High Yield

Sizzling Platter (SIZPLT) 8.5% Secured Note due 11/28/25

- Privately-owned franchisor of fast-food restaurant brands, including Little Caesars, Wingstop and Jamba.
- Strong operating metrics and cash flow generation with leverage significantly below the valuation of comparable franchisors[8]
- Multiple purchases at yields in the 6.5-6.6% range, anticipating repayment prior to "going current" on 11/28/24, but the bond has "cushion" characteristics as the yield would increase to 7.79% if it remained outstanding until maturity.[9]

Short Term High Yield and Credit Opportunity

Forum Energy Technologies (FET) 9% 1st Lien Note due 8/4/25 and 11% 2nd Lien Term Loan due 12/8/26

- Publicly owned, US-based oilfield equipment and consumables manufacturer with a diversified portfolio of consumable and activity-based equipment used in drilling, well construction/completion, and oil and gas transportation and processing.
- Announced acquisition of Canadian oil field servicing business, Variperm, in December 2023, increasing net leverage from 1.4x to 1.9x, but expected to result in a doubling of free cash flow.
- Began purchasing the 9% Notes near par in 1Q24 and added to the position at similar levels in 2Q24 based on strong credit quality and solid short-term yield. Management has indicated its intention to repay this bond by the end of 2024.
- Opportunistically participated in the purchase of the 11% 2nd Lien Term Loan that was given to the private equity seller as part of the consideration in FET's purchase of Variperm. Given *pari passu*[F] security interest on Asset Based Lending (ABL) collateral (receivables, inventory, cash) with the 9% Notes, believe this security offers excess return for similar credit risk. The coupon on the 2nd Lien Term Loan steps up to 17% on the first anniversary of the Variperm transaction (1/5/25) and 17.5% on the second anniversary; however, we do not expect to receive the full benefits of these step ups given management's intention to repay the loan in 2025. Our purchases were made at an average YTM of 12%, but given the coupon step ups and expectation of early repayment we anticipate earning a mid-to-high teens rate of return.

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[8] Carrols recently acquired Burger King at 6.9x EBITDA. Brinker International trades at 6.6x EBITDA.

[9] A fixed income instrument "goes current" when it is within one year of maturity. In general, corporate management teams prefer to repay debt prior to it going current to alleviate any concerns of default. A "cushion bond" is a bond for which the yield increases the longer it remains outstanding.

Post Reorganization Bonds, Foreign Issuer

Mangrove Luxco III (MANGRV) 7.775% Senior Secured Notes due 10/19/25

- Privately-owned German manufacturer of heat exchanger and other cooling & heating products through its Kelvion Products and Kelvion Thermal Solutions businesses, primarily serving North America and Western Europe end markets.
- Completed an out of court restructuring transaction in mid-2019 resulting in balance sheet deleveraging, debt maturity extension, and additional equity investment by sponsor Triton Partners. Post-restructuring, has reduced leverage from 4.2x EBITDA in 2021 to 1.5x at 1Q24, via EBITDA growth and allocating free cash flow to debt paydown, yet remained a CCC-rated credit.
- As part of the restructuring, issued 7.775% Senior Secured Notes which included a first lien on collateral and financial covenants.
- We began purchasing the notes in 1Q24 in the low- to mid-90s with yield-to-worst averaging 9.6% based on constructive view of several means by which the company could address the 2025 maturity. Added to the position in 2Q24 with additional purchases in the high-90s, with yield-to-worst averaging about 8.0% given strong ongoing performance and management intention to refinance the bonds in Summer 2024.
- Coinciding with S&Ps upgrade in the credit to B on July 2, 2024, the company conditionally called the Notes with anticipated repayment date of August 1, 2024. With the weighted average of our purchases below par, should an early repayment occur, it would result in a realized return in excess of the yield-to-maturity.

Short Term High Yield, Strong Collateral with Pending Event

NAI Entertainment Holdings (NAIEH) 1st Lien Term Loan due 5/8/25

- Wholly owned subsidiary of National Amusements, Inc. (NAI), Sheri Redstone's vehicle holding controlling ownership of Paramount Global (Paramount).
- Collateralized by the Redstone family's Class A voting and Class B non-voting shares of Paramount as well as movie theater and other real estate assets. Class A shares represent the controlling interest with respect to Paramount, which has been the subject of a widely publicized saga regarding its takeover or sale.
- Despite weakened operating cash flow from the theater business, collateral in the equity that was the critical controlling interest in Paramount gave us comfort that the loan was "money good."
- Began purchasing the Term Loan in 4Q23 at a yield-to-maturity in excess of 12% following an amendment process that provided lenders with a higher interest rate, better covenant protection and mandatory repayments in exchange for a waiver of certain events of default. Continued to add to the position in 1Q and 2Q24 at yields above 10%.
- Sale of Paramount or NAI could lead to repayment before or at maturity.

Core Value, Foreign Issuer

Gaming Innovation Group (dba Gentoo Media) (GIGNO) EURIBOR + 725 Senior Secured Floating Rate Note due 12/18/26 (EUR-denominated) and STIB + 725 Senior Secured Floating Rate Note due 12/18/26 (SEK-denominated)

- Publicly owned, Malta-based online marketing service that attracts and drives web traffic to iGaming operator clients. Generates revenue primarily by contracted revenue-share after successful player acquisition, as well as direct ad sales. Operates 100+ websites, reaching users across 20+ countries.
- Strong performance driven by fast growth of iGaming and Sports betting.
- High recurring revenue (65%+), high margin, low CAPEX requirements, and highly scalable operations. Low leverage at 1.7x EBITDA versus total enterprise value of 9.5x EBITDA.
- Participated in issuance of SEK Note in December 2023, at 11.285% yield-to-maturity, and "tap" add-on issuance of the EUR Note in June 2024 at a yield-to-maturity of 9.29%.
- Planning 3Q24 spinoff of lower margin platform and sportsbook operations to focus on marketing business. Debt covenants post-spin-off require pro-forma leverage to remain below 2.5x EBITDA for the life of the bond.

Core Value, Foreign Issuer

Azerion Group NV (AZRN) EURIBOR + 675 Senior Secured Floating Rate Note due 10/2/26

- Publicly owned, Netherlands-based agent for digital advertising inventory serving on-line gaming providers with presence in most major European countries including Germany, France, Italy, and the Netherlands
- Asset-lite business generating significant free cash flow with 2.1x EBITDA net leverage at 1Q24; steady revenue and EBITDA growth both organic and via acquisitions.
- Good covenant protection: pro forma leverage must be below 3.0x EBITDA to incur additional debt while dividends to shareholders are only permitted if leverage is below 2.25x EBITDA.
- Originally purchased the Senior Note in September 2023 at 98.5, at a yield-to-maturity of 11.29%, and participated in June 2024 add-on issuance of Senior Secured Notes issued at a yield-to-maturity of 10.09%.

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Core Value, Foreign Issuer

Neptune Bidco (aka Nofitech) (NOFINO) NIBOR + 675 Senior Secured Floating Rate Note due 6/28/28 (NOK-denominated)

- Norwegian provider of Recirculating Aquaculture System systems (i.e. infrastructure, fish tanks) to the land-based fish farming industry primarily in Norway, UK, US and Japan. Founded in 2011, provides end-to-end services from project design (via proprietary technology) through construction and ongoing servicing. Service revenues (15% of total) expected to increase over time.
- Supported by significant investment by two strong European private equity sponsors.
- Net leverage of 5.1x EBITDA but projected to decline rapidly via working capital release and free cash flow generation from contractual project backlog through 2025.
- Covenants permit a small amount of additional debt and minimal dividends or share repurchases.
- Participated in new issue in June 2024 at 11.48% yield-to-maturity.

Losing Footing

In high yield investing, as in mountain climbing, it is inevitable that one takes a misstep and experiences a slip or fall. That said, it is critical to recognize when investments have greater risk and size them appropriately or acknowledge that the risk profile has increased necessitating actions to mitigate the risk or avoid further loss. Sometimes you just have to “take your lumps” and move on. Thus, we profile one such recent investment.

Hughes Satellite Systems (SATS) 5.25% Senior Secured Notes due 8/1/26

- Operating subsidiary of Echostar providing broadband services to approximately 1 million customers, both home consumer and small-to-medium sized businesses, via its fleet of eight owned and leased GEO satellites. Controlled by Charles Ergen.
- In August 2023, announced corporate restructuring through which Echostar merged with DISH Network Corporation (DISH), another company controlled by Charles Ergen. Stated intention of the transaction was to capture cost and revenue synergies with the DISH pay TV business and the Boost Mobile and Gen Mobile retail wireless brands. Also gave Echostar access to $1.5 bn of cash on the Hughes balance sheet that could be used to address upcoming debt maturities in DISH’s levered capital structure.
- Despite concerns about the potential for cash to be taken from Hughes to support DISH, we believed that Hughes would repay the 5.25% bonds at maturity given the collateral value of the Hughes satellite network, its solid cash flow generation and 1.5x gross leverage through the secured bonds. Initially purchased bonds in November 2023 at price of 88.5, with the yield to a near-term maturity of 10.20%. Added to the position in May 2024 at a price of 71.5 with yield-to-maturity of 22.56%. Given the distressed nature of

the broader corporate structure and potential for aggressive action by the controlling shareholder, limited the position size.

- Following review of corporate disclosures made in 2Q24, we determined that, in addition to making dividend payments to DISH as anticipated, Hughes had also moved the new Echostar XXIV satellite out of the bonds' collateral pool and completed a series of asset transfers and a lease transaction adverse to Hughes bondholders. Concluding that, with these changes, the Hughes secured bonds might be the "fulcrum"[10] securities, rather than the unsecured bonds, we quickly sold the bonds in early June at price of 69.5, realizing a loss but eliminating the potential for a far worse outcome.
- Reflects the current challenges of investing in the leveraged finance market in which there is potential for both "creditor on creditor" violence between similarly situated lenders and "bad actor" risks from controlling shareholders seeking to maximize the option value in distressed companies.

In this market, between a rock and a hard place, when traditional investing holds risks both macro and micro, we are pressed to use a wide array of skills and seek opportunities outside the mainstream to capture return while preserving capital.

Seeking the handholds and footholds,

DKS

David Sherman and the CrossingBridge Team

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[10] In a restructuring, the "fulcrum" security is that which is converted to equity (as opposed to being repaid in cash or with new debt), often the lowest priority claim to receive any recovery.

Endnotes

[A] BB % of HY: ICE BofA BB US High Yield Index from 1/31/04 to 6/30/24
% of HY Trading at Credit Spread Less Than 200 Basis Points: *The Speculative Grade Beat – Turbulence Disrupts the Soft Landing*, Citigroup Global Markets, May 31, 2024; reflects the FTSE US High Yield Index from 1/31/04 to 6/30/24

[B] *Unmistakable Shift*, Bank of America, June 21, 2024, data from June 21, 2023 and June 21, 2024

[C] Bank of America, data from 1/31/00 to 6/30/24

[D] *Unmistakable Shift*, Bank of America, June 21, 2024

[E] *Unmistakable Shift*, Bank of America, June 21, 2024

30-Day SEC Yields as of 6/30/24 (Subsidized/Unsubsidized):
RiverPark Short Term High Yield Fund (RPHIX): 4.61%/4.61%

[F] Pari-passu is a Latin phrase that means “on equal footing”. In the context of corporate capital structures, it means that two instruments rank equally with respect to their claim on company assets.

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RIVERPARK FUNDS

RiverPark Short Term High Yield Fund

(RPHIX/RPHYX)

Second Quarter 2024

RIVERPARK SHORT TERM HIGH YIELD FUND
June 30, 2024

	RiverPark Short Term High Yield Fund Performance		BofA 1-3 Yr U.S. Corp Index[1]	BofA 1-Year U.S. Treasury Index[2]	BofA 0-3 Yr U.S. HY Index Ex-Financials[3]
	RPHIX	RPHYX			
2Q24	1.49%	1.44%	1.11%	1.11%	1.31%
YTD 2024	2.97%	2.75%	1.96%	1.95%	3.23%
One Year	6.51%	6.17%	6.01%	5.02%	8.91%
Five Year	3.24%	2.99%	1.86%	1.69%	4.57%
Ten Year	2.93%	2.66%	1.97%	1.36%	4.73%
Since Inception*	3.22%	2.93%	2.12%	1.08%	5.18%

** Total Returns presented for periods less than 1 year are cumulative, returns for periods one year and greater are annualized. Fund Inception Date: September 30, 2010.*

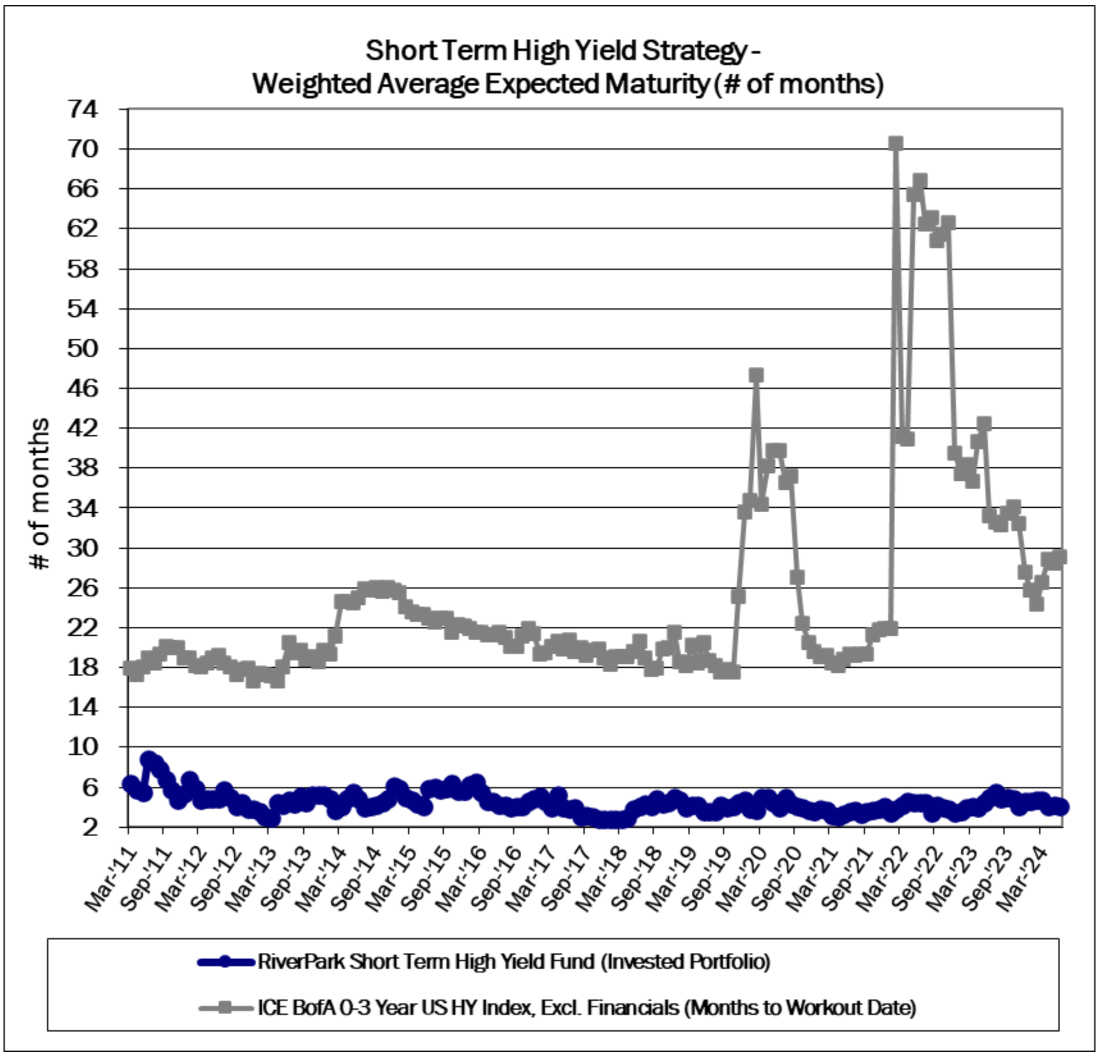
The performance quoted herein represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be higher or lower than the performance. For performance current to the most recent month end, please call 1.888.564.4517 or visit www.riverparkfunds.com.

Gross expense ratios, as of the most recent prospectus dated 1/26/2024, for Institutional and Retail classes are 0.92% and 1.19%, respectively. 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.

[1] The BofA 1-3 Year U.S. Corporate Index is a subset of the BofA U.S. Corporate Master Index tracking the performance of U.S. dollar denominated investment grade rated corporate debt publicly issued in the U.S. domestic market. This subset includes all securities with a remaining term to maturity of less than 3 years. [2] The BofA 1-Year U.S. Treasuries Index is an unmanaged

index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of less than one year. [3] The BofA 0-3 Year U.S. High Yield Index Excluding Financials considers all securities from the BofA US High Yield Master II Index and the BofA U.S. High Yield 0-1 Year Index, and then applies the following filters: securities greater than or equal to one month but less than 3 years to final maturity, and exclude all securities with Level 2 sector classification = Financial (FNCL).

As of June 30, 2024, the portfolio was comprised of securities with an average maturity of 4.03 months. The average maturity is based on the Weighted Average Expected Effective Maturity, which may differ from the stated maturity because of a corporate action or event.



Source: Bloomberg Professional Analytics

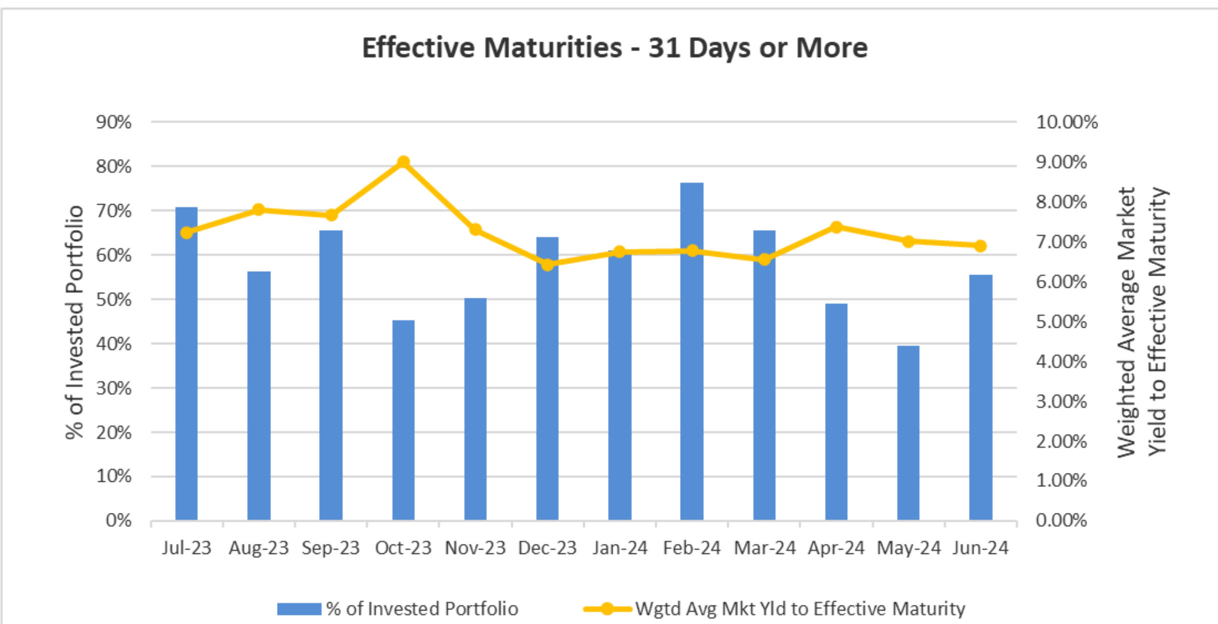
At quarter-end, the invested portfolio had a weighted average Expected Effective Maturity of 10/29/24, and 44.59% was comprised of securities with an Expected Effective Maturity of 30 days or less. Below is a more specific breakdown of the portfolio's holdings by credit strategy:

% Of Invested Portfolio As of 6/30/24

Expected Effective Maturity	Redeemed Debt	Event-Driven	Strategic Recap	Cushion Bonds	Short Term Maturities	
0-30 days	20.17%		0.34%		24.08%	**44.59%**
31-60 days		0.00%			10.79%	**10.79%**
61-90 days	5.96%				0.41%	**6.37%**
91-180 days	1.43%	3.05%	1.36%	2.70%	8.73%	**17.27%**
181-270 days		1.93%	2.73%		3.09%	**7.75%**
271-365 days		1.98%			1.08%	**3.06%**
1-2 years				1.02%	8.36%	**9.38%**
2-3 years					0.79%	**0.79%**
	27.56%	**6.95%**	**4.43%**	**3.72%**	**57.33%**	**10/29/24**

Source: CrossingBridge

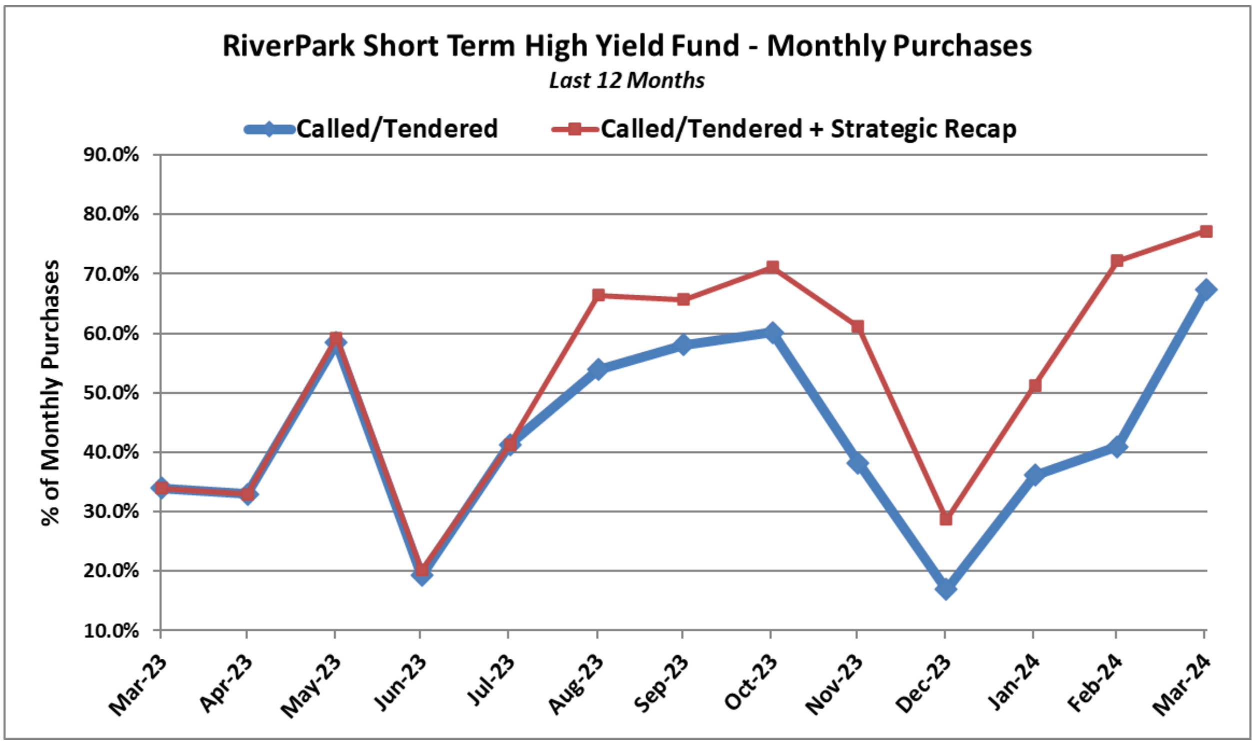
As of June 30, 2024, the Weighted Average Market Yield to Effective Maturity was 6.90% for Effective Maturities of 31 days or more. That comprised 55% of the invested Portfolio.



RiverPark Short Term High Yield Fund (RPHIX) – 30-Day SEC Yield as of 6/30/24: 4.61%

New purchases made by the Fund during the quarter consisted of 45.6% Called/Tendered, 2.1% Event-Driven, 7.4% Strategic Recap, 1.3% Cushion Bonds, and 43.5% Short Term Maturities. Called and Tendered securities continue to be a significant component of our purchases. The supply of these bonds remained ample during most of the period.

When combining Called/Tendered purchases with Strategic Recap (which represent securities that are in the process of being refinanced but have not yet been officially redeemed), the figure reached 53.0% of our purchases during the quarter. We will continue to try focusing a large portion of the Fund in redeemed or soon-to-be redeemed securities, especially in times of market weakness, both to keep the Fund's duration short, as well as to help ensure that adequate pools of near-term cash are available to take advantage of attractive new purchases.



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This material must be preceded or accompanied by a current prospectus. Investors should read it carefully before investing.

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