RIVERPARK FUNDS

RiverPark/Wedgewood Fund

(RWGIX / RWGFX)

Wedgewood. PARTNERS, INC.

First Quarter 2014 Review and Outlook

Our Composite (net-of-fees) gained approximately +1.9% during the first quarter of 2014. This gain is inline with the gain in the Standard & Poor's 500 Index of +1.8% and middling to the gain of +1.1% in the Russell 1000 Growth Index.

TABLE I
Fund Returns for Quarter ended March 31, 2014

	INSTITUTIONAL SHARES (RWGIX)	RETAIL SHARES (RWGFX)	RUSSELL 1000 GROWTH	S&P 500 (with dividends)	Morningstar Large Growth Category[1]
FIRST QUARTER 2014	2.15%	2.11%	1.12%	1.81%	0.50%
YEAR TO DATE	2.15%	2.11%	1.12%	1.81%	0.50%
ONE YEAR	25.11%	24.84%	23.22%	21.86%	23.66%
THREE YEAR	17.15%	16.89%	14.61%	14.64%	12.70%
SINCE INCEPTION – ANNUALIZED (SEPTEMBER 30, 2010)	19.01%	18.74%	18.01%	17.68%	16.10%

[1] *Source: Morningstar Principia*

*Total returns presented for periods less than 1 year are cumulative, returns for periods one year and greater are annualized. The performance quoted herein represents past performance. Past performance does not guarantee future results. High short-term performance of the fund is unusual and investors should not expect such performance to be repeated. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be higher or lower than the performance quoted. For performance data current to the most recent month end, please call **888.564.4517.***

Gross expense ratio for Retail and Institutional classes are 1.05% and 0.88%, respectively.

Our largest performance detractors during the quarter were **Coach** (-11.5%), **Verisk** (-8.8%) and **Gilead Sciences** (-5.6%). Our biggest winners were **EMC** (+9.0%), **Schlumberger** (+8.2%) and **Varian Medical Systems** (+8.1%).

We had quite the burst of portfolio activity over the past few months. During the quarter we trimmed back positions in Google and Visa due to extended valuation in each. We also had the opportunity to add to existing positions in Berkshire Hathaway, Express Scripts and Stericycle. We sold American Express and Monster Beverage for strictly valuation reasons, but we would certainly like to own these two terrific companies again at more favorable valuations. Our new investments during the quarter were LKQ Corporation and Mead Johnson Nutrition. We discuss each further in this Letter.

Coach was our worst performer during the quarter. We have written about Coach in prior quarterly letters and remain optimistic that management will be successful in stemming the poor performance in their North American stores. We believe that at today's valuation Coach's stock price reflects the view that the company's North American woes are literally beyond repair.

Verisk Analytics was also among our poorest performers in the quarter. The stock gained nearly 29% in 2013 so we are not surprised by the current pullback. We remain bullish on the Company's longer-term growth prospects.

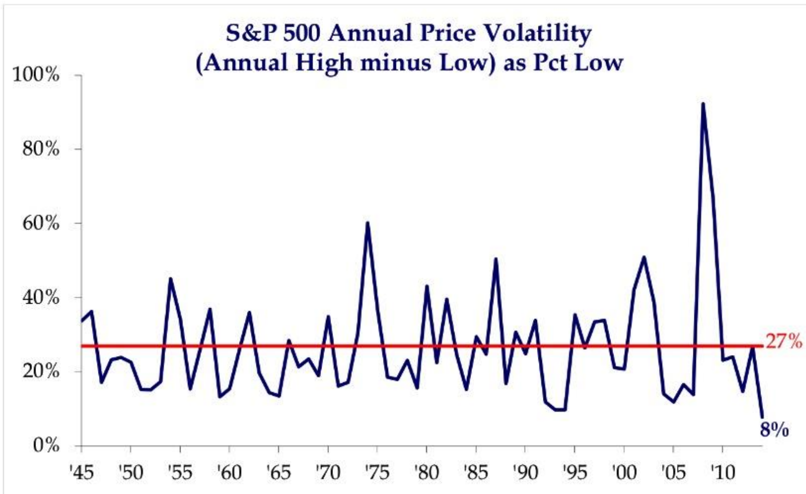
Schlumberger was a top performer during the quarter, continuing its strong performance since the summer of 2012. From late June 2012 through mid-April 2014, the stock (a holding since late September 2011) is up approximately 60% - nearly double the S&P 500 Index's gain of 36%. Schlumberger, in our opinion, continues to do what it does best – dominate their respective industry and generate industry-leading growth and cash flow generation. The Company is a leading global provider of oil services. At the risk of repeating an oil service industry cliché, "the easy oil has been found." The technological development being brought to bear to the extremes and complexities in the exploration and development of hydrocarbon energy is relentless. The Company's depth and breadth of their integrated products and services has been at the forefront of the unceasing progress of energy services for decades. Indeed, according to the Company, over the past decade, total E&P capital expenditures have increased by 400%, yet global oil production is up only a scant 15%. Furthermore, in just the last three years, the upstream E&P industry has spent on average $600 billion per year yielding only a net increase in global oil production coming from the shale deposits in North American. Due to the significant advancements in horizontal drilling and multistage fracking natural gas prices are generally one-third of what they are in Europe or Asia. This differential has had profound implications, for instance in the U.S. chemical industry. Chevron Phillips just this month broke ground on a $6 billion ethane cracker plant in Texas – the first petrochemical refinery built in the U.S. in twenty-five years. Circa-2014 finds the Company at the cutting edge in the continued search for unconventional oil and gas, plus in the environmentally challenging area in offshore and deepwater. The Company continues to enhance their capabilities, scale and integration with strategic acquisitions – including of late, Rock Deformation Research (geological software), Saxon (international land drilling), Gushor (petroleum geochemistry and fluid analysis) and GeoKnowledge (exploration risk and resource software). In an inherently cyclical industry, Schlumberger has been a beacon of consistent profitability – posting net margins regularly between 12½% and 14½%. Free cash flow over the past twelve months ($5.8 billion) is 90% higher than the last cyclical peak in calendar 2007. Schlumberger is the only peer-related company that has increased margins and generated double-digit growth in operating earnings and earnings per share over the past two years.

Varian Medical Systems has been a staple in our portfolio since the fall of 2005. The stock has rebounded smartly, up +31% from its April 2013 lows through the first quarter. Varian continues to be the global market share and technological leader in the radiation oncology business. Unfortunately, the incidence of cancer continues its deadly growth. In the U.S. alone, the American Cancer Society projects that some 1.7 million will be diagnosed with cancer in 2014. Expectations of new cancer cases around the world are approaching 25 million over the next three decades. Of these new cases, approximately two-thirds will be treated with some sort of radiation therapy. Varian has been at the forefront of linear particle accelerators (LINACS) since the late 1940's. Today the Company's installed base numbers over 7,300 LINACS across the globe – a 60% market share. As impressive as that may sound, the availability of state-of-the-art radiation therapy (radiosurgery and proton therapy) outside of the U.S. is woefully low. The developed world has access to an estimated 35 to 110 LINACS per million people over the age of 65. In the U.S., it's 110 LINACS per million. Western Europe and Japan is 35 to 65 per million. In India, Africa, Eastern Europe and Southeast Asia there are between 1 and 20 machines per million. In China there is less than 10 machines per million. Complementing the Company's long-term growth opportunity in radiation therapy is the secular trend in the "digitization of radiology," which is a key driver of their lucrative software and flat-panel services business, plus their X-ray tube replacement business that sells into the installed base of competing LINACS. The Company's initiatives to drive greater productivity continue to bear fruit. In 2013 sales per employee increased 14% and operating income per employee increased 20% over 2012 levels. Such productivity has helped the Company offset the continuing losses as they rollout their proton therapy machines. Cutting edge technologies such as proton therapy are one of the many reasons why cancer survivorship rates are up to nearly 70% from 50% from just the 1970's. You will be hearing much more about the marvels of proton therapy in the years to come. The key benefit of proton therapy over the latest x-ray technology is that proton beams, due to proton's relatively larger sub-atomic mass, can be controlled and stopped at the tumor. Conventional X-rays particles cannot be stopped and risk damaging surrounding healthy cells. Due to the exceptional accuracy of a proton beam, the oncologist can more safely deliver much higher doses of radiation (hypofraction), which kills cancer faster with fewer treatments. Furthermore, tumors that are close to vital organs are ideal for proton therapy. These include head and neck, breast, lung, gastrointestinal, prostate and spine. Proton therapy is also ideal for children to avoid longer-term side effects of traditional radiation therapy. The advantages of this therapy have been known since the 1940's, but the cost of commercialization has been a nearly insurmountable hurdle. The Varian proton therapy equipped facility at the Scripps Proton Therapy center in San Diego just went online in January. This $220 million, 102,000 squarefoot, facility is only the 15th proton therapy facility in the U.S. At its core sits a 95-ton superconducting cyclotron where the proton beam is generated using oxygen and hydrogen to create a plasma stream. Protons are then extracted and accelerated to roughly 100,000 miles per second. Such miracles of science and technology (Cincinnati Children's Hospital just recently placed a proton order) come at considerable costs. The Company needs to get the costs of such systems below $25 million in order to drive any meaningful growth and profitability from proton therapy. Given Varian's long and exceptional history of innovation with LINACS, combined with proton therapy's high barriers to entry, we believe the Company is well-positioned to eventually reap a substantial proportion of any potential financial rewards generated by this ground-breaking technology.

Stericycle continued its steady streak of growth. Last quarter earnings per share were up 12%, driven by a 13% increase in revenues, compared to the December 2012 calendar quarter. Stericycle is able to methodically deliver such growth through a unique combination of organic and inorganic means. For instance, during the quarter they closed eight acquisitions that will generate roughly $34 million in incremental annual revenues. As for the Company's competitive positioning, the regulated medical waste industry market opportunity is roughly $10.5 billion spread across a highly fragmented competitive field, consisting of regional or local players, with none generating revenues above $100 million. Stericycle alone operates globally and generates close to $2 billion in annual revenues. Despite Stericycle's strong business performance during the recently reported quarter, the stock detracted from our performance, partially driven by headlines of rumored regulatory action related to one of the Company's incinerators. We believe the issue is not meaningful to company results and we would be willing to add to shares on pullbacks related to this. Stericycle's stock trades in the mid to high-teens EBITDA (earnings before interest, taxes, depreciation and amortization) multiple range, but the company routinely purchases smaller competitors for just 3X-6X EBITDA. This accretion is a byproduct of Stericycle's competitive positioning and we believe it paves a multi-year runway for double-digit growth.

During the quarter, Visa reported strong year-over-year growth with earnings up 14%, as the business continues to operate at a superior level – very much in-line with the past several years. Visa has been a core holding for our clients since October 2008 and rarely has a year gone by without the Company and its partners having to contend with lawsuits and legislation aimed at limiting pricing power and distribution. 2014 is no exception, though most of the news has been favorable, with a ruling for "no change" to Visa's exclusivity for high-value signature transactions. We continue to see Visa's pricing power as being derived from VisaNet's superior value proposition relative to substitutes, particularly paper-based payments, automated clearinghouse (ACH), and more recently, "cryptocurrencies" (e.g. Bitcoin). While these emerging payment platforms, including PayPal and Square, represent very legitimate substitutes to traditional interchange, in our view they are not quite "good enough," as evidenced by merchant acceptance that is largely sequestered to small businesses. While we have been net sellers of Visa over the past 18 months, it has been solely due to valuation – our primary tool for risk management at Wedgewood. We believe Visa will continue to maintain its superior competitive positioning, as competitors find it difficult to achieve the network-effect benefits that have compounded the value proposition of VisaNet, particularly as acceptance and issuance of the Visa brand continues to expand.

The Calm Before the Storm?



Source: Citi

Research

The Great Bull Market of 2009-2014 marched on to new highs during the quarter. Fears of Fed tapering have been put on hold as QEternity marches on as well. The major market indices all made new bull market highs in March. However, as this Letter is being written we do sense what may be the beginning of a meaningful change in investor/speculator attitude, as the NASDAQ has quickly corrected nearly -10% since mid-March. In our previous Letter we discussed our concerns on how overtly festive the stock market had become in 2013 – all stocks were winners, with nary a loser to be found. As spring rolls around, more than a few former high fliers are now in -20% bear-market territory.

Despite weaker than expected 1Q earnings – the second highest number of companies have issued negative EPS guidance on record since tracking began in 2006 – the market is expecting a resurgence of double-digit earnings growth for all of 2014. We remain skeptical given our view that economic growth is coming in fits and starts, at best, and that current corporate margins – at multi-decade highs – are at significant risk of cyclical mean reversion.

Investment restraint continues to be the driving narrative among Wedgewood's investment team. Bargains are few and far between in the current ebullient environment. That said, Mr.

Market is still serving up enough investment opportunities to complete our focused portfolio of +20 stocks. Indeed, our current portfolio sports the usual valuation discount to the benchmark (Russell 1000 Growth Index), with higher prospective earnings growth.

At this time it makes sense to revisit some of Wedgewood's core principles. We are focused investors. We seek to invest in a portfolio of approximately 20-22 holdings. We are long-term growth investors and look to invest in companies that we believe will experience above average growth rates for many years. These businesses in our opinion have sustainable competitive advantages and participate in industries with substantial growth potential. Finally, but most importantly, we try to execute value oriented purchase and sell disciplines. We are contrarian growth investors and try to combine both sides of the growth value coin – in our opinion – the best of both worlds. Our challenge is to find twenty companies that we believe are great businesses selling at attractive prices because Mr. Market is not always 100% efficient in the valuation of companies. We believe that investment opportunity is created when Mr. Market focuses on short term events that are not indicative of long term values.

Even though, our expectations of future returns from our portfolio (and the stock market too) should be considerably less than the past few years, we believe our portfolio is well positioned to generate attractive returns in what we otherwise believe is a risky market. We welcome any meaningful correction in the stock market to temper outsized enthusiasm and to serve up investment opportunity to us…

"What held the Nifty Fifty up? The same thing that held up tulip-bulb prices in long-ago Holland—popular delusions and the madness of crowds. The delusion was that these companies were so good it didn't matter what you paid for them; their inexorable growth would bail you out.

Obviously the problem was not with the companies but with the temporary insanity of institutional money managers—proving again that stupidity well packaged can sound like wisdom. It was so easy to forget that probably no sizable company could possibly be worth over 50 times normal earnings."

"(Eventually all) were taken out and shot one by one"

Forbes, 1977

As 2014 rolled in, the emergence of a two-tiered market had become unmistakable. We believe history often repeats in human behavior and the stock market. Let's take a trip down stock-market memory lane…

Remembrances of the two-tiered, "one-decision" market of the early 1970's are, in our view, quite illustrative to the current go-go environment. The Nifty-Fifty era began in the late 1960's with the emergence of "institutional investing." The earliest such institutions were dominated by a handful of the then prestigious Wall Street firms such as Morgan Guaranty, Kidder Peabody and U.S. Trust. Their evolving *modus operandi* was to invest in only the very "best" companies. Such companies included the clearly defined industry leaders as IBM, Eastman Kodak, Xerox, Philip Morris, Coca-Cola, PepsiCo, Gillette, American Express and Dow Chemical. Healthcare companies dominated the list – Johnson and Johnson, Merck, Pfizer, Bristol-Myers, Eli Lilly, Squibb and Schering Plough. Best-in-class "emerging" leaders included Anheuser–Busch, Wal-Mart, and Walt Disney. Of course, the "emerging-leading" technology companies of the day were fully represented – Texas Instruments, Digital Equipment, Burroughs and Polaroid. By 1972, the investment philosophical mantra became defined as "buy-and-hold forever." By early 1973 no valuation was too great to pay for these anointed companies.

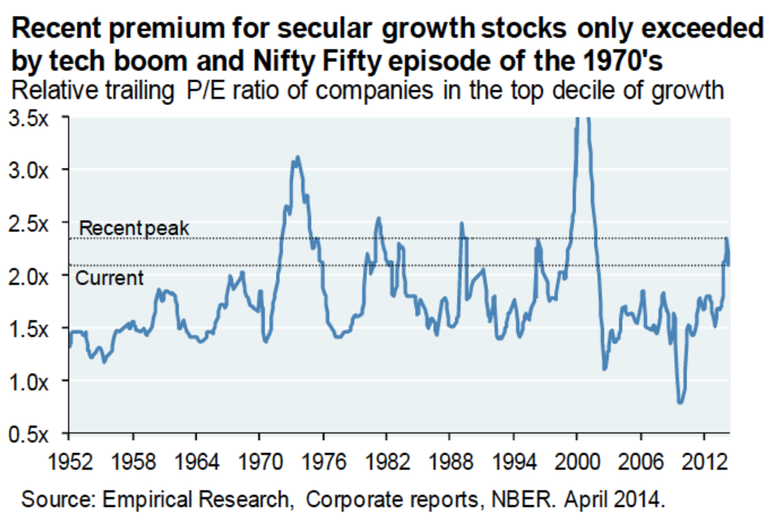
While there never existed an "official Nifty" list, the lists of the niftiest stocks were anywhere from 25 to 50 stocks. At their exuberant peak, when the S&P 500 Index's P/E was at a bull market top 19X, the Nifty Fifty's valuation stood at over 40X. Other nifty lists reached 50X. The Nifty era (mania) was quite different than the dot.com bubble of 1998-2000 in that the nifty companies were, for the most part, established, growing, profitable companies.

We dare say that through the prism of 2014, that even a casual look at the list of these nifty companies, one could easily assume that most of these existing companies would have been, at worst, decent investments if held over the past +40 years. They would be indeed, but a holding period of over 40 years is exceedingly rare – even for endowments and foundations with stated investment horizons in perpetuity. However, as wonderful as these *businesses* may have been, the respective stock *valuations* were not only "priced-to-perfection," most were "priced-to-destruction." Let's put the late-1972/early 1973 valuation on a few of these beauties to complete the narrative. Consider the peak P/E's of a portfolio of the stocks of some of the highest flyers back then: Polaroid 95X, Walt Disney 82X, McDonalds 86X, Johnson and Johnson 57X, Digital Equipment 56X, Coca-Cola 46X, Eastman Kodak 44X, Merck 43X and American Express 38X.

In fact, the real life experience of a portfolio of these stocks over the decade from 1972 to 1982 was literally a wipeout. The Nifty's P/Es of two to four times the S&P 500's lofty P/E of 19X, plus the ravages of the both the 1973-1974 and the 1980-1982 bear markets saw to that shellacking. From their 1972-73 highs, such stocks as Polaroid, Avon and Xerox cratered -91%, -86% and -71%, respectively. Since that ignoble period, there have been a few retrospective studies of the era. Siegel (1998) may be the most referenced. Siegel propounds the less than convincing view that if only an investor (or portfolio manager) truly had the courage of their convictions and held steadfast on to such stocks for +25 years then all would have worked out just swimmingly well. 25 years?? Ok, sure.

If an investor did hold on to a few of the very best of the nifty stocks through 1998 (Siegel) they would have done much better than the S&P 500's compound gain of nearly 13%. The very short list of winners includes Philip Morris (18.8%), Pfizer (18.1%), Bristol-Myers (16.8%), Gillette (16.8%), Coca-Cola (16.2%) and Merck (15.9%). Please note, in our view, a significant flaw in Siegel's study was not his methodology, but his time frame. As we already mentioned, a twenty-five year holding period through two of the worst bear markets in modern history is beyond the stretch of realism for the individual and institutional investor, plus the study's ending date of August 1998 also coincides with modern peak valuations where none of these companies have been valued since. Said another way, the only circumstances for any of the Nifty Fifty stocks to have possibly outperformed the S&P 500 from late 1972 was to pick the dozen or so companies with the best 25-year future growth rates AND sell them all at their respective peak valuations in late 1998. All of the aforementioned six stocks have gone through corporate changes since 1998, most notably Phillip Morris (divestitures and acquisitions), Gillette (acquired by Proctor & Gamble) and Bristol-Myers (divestitures: Mead Johnson and acquisitions: Squibb). Of the remaining three, Coca-Cola, Merck nor Pfizer has exceeded its stock price peak set *sixteen years* ago in the fall of 1998.

The very notable exception that was not included in Siegel (1998), which does though appear in other such retrospective studies, is the famed Wal-Mart. Wal-Mart Discount City went public in October 1970 at $16.50. By January 1972, the Company had increased their stores to 51 from just 24 in early 1968. Over the same five years their revenues had boomed from $12.6 million to $78 million. Fast forward +25 years and after eleven 2-for-1 stock splits, 100 shares at the stock's initial public offering (IPO) would now be 204,800 shares. The stock at a current price of $77 is little higher than its 1999 peak of $70. At that peak, a $10,000 investment at the IPO would have been worth nearly $87,000,000 – and would throw off nearly $2.4 million in annual dividends. The Walton family still owns a massive, multibillion stake in Wal-Mart stock. At the Company's IPO, Wal-Mart sported a not-so-whopping market capitalization of just $22 million – far below the size and radar screen of most "institutional" investors at the time, and for more than a few years still to come. In the pantheon of the greatest growth companies *and* growth stocks, Wal-Mart and Sam Walton are uniquely Ruthian in stature. Beware of "what-if" investment scenarios that include Wal-Mart…



Source: J.P. Morgan

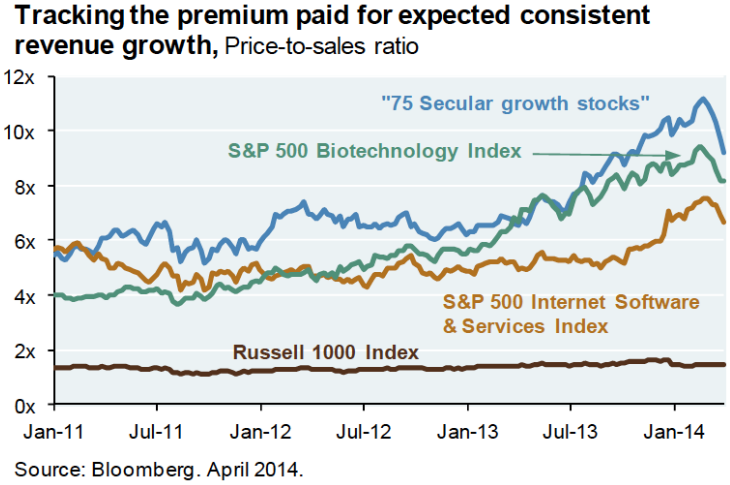
Every era, every bull market has its favorite sons; its "must own," institutional favorites. Though no era is exactly the same, respective eras do share a rhythm with each other. The current era is no different on this score. The nifty institutional favorites circa-2014 consists of roughly four buckets of enamored companies – best-in-class established growth companies, the new, new future technology growth companies, biotechnology and the cluster pile-up of software as services brood of recent IPO fame. Let's name names…

The first category is the most interesting and of interest to us at Wedgewood since this is where we fish. We have owned – and still own – a dwindling list of these darlings. We have been net sellers of our crop of such great businesses as their respective stocks have become, in our view, less great or simply un-investable at all. The roundup of our net selling or complete liquidation over the past 6-9 months includes American Express, Monster Beverage, Charles Schwab, Visa, Gilead Sciences, Google and Cognizant Technology.

Other businesses that we admire, but sport in our view, unsustainable nifty valuations include such stalwarts as Chipotle Mexican Grill, Starbucks, Michael Kors, Illumina, and Mastercard. Stalwart businesses sporting wart-like valuations are a recipe for investment mediocrity – at best.

The true zeitgeist institutional favorites of the day are what we consider to be "future tech" and "future biotech." These companies, with rare exception, are indisputable industry leaders, with exceptional track records of market share gain and disruption, plus quite bright futures of revenue growth and further competitive disruption. In the technology space, Mr. Market's most favored companies include Tesla, Amazon, Salesforce.com and Facebook. According to Bloomberg, since the Great Bear Market of 2007-2009 low in early March 2009, the S&P 500 Index has gained nearly 180% – by comparison, the NASDAQ 100 Index has gained 257%!

The market's love affair with biotech companies is mostly well deserved on the business front. New biotech drugs like Gilead Sciences hepatitis-C cure (note, *cure*, not chronic relief) Solvaldi is the stuff of Jonas Salk-type legend. Yet again, the incredible developments, products and promise borne in U.S. biotechnology industry have not gone unnoticed by Mr. Market. Indeed, the NASDAQ Biotech ETF (IBB) has gained over *180%* through this February just since September 30, 2011.



Source: J.P. Morgan

Unfortunately, at least as far as our investment policy process, discipline and restraint are concerned; many of these circa-favored companies generate little if any noteworthy profits or cash flow for shareholders. Furthermore, we would like to offer the view that these companies (and many more) possess a relatively unreliable *competitive advantage* that their lessor rivals would never possess in the current era, namely an incredibly rich stock price.

In terms of cost of capital, a rich stock price is no doubt better than the cheapest debt, and at times, even better than cash in the bank. Uber-rich stock valuations are essentially *zero* cost of capital. Said another way, Mr. Market is willingly funding your growth *and* your disruptive business model. Such business models purport and promise to throw off buckets of shareholder earnings and cash in the nirvana future. Which begs if a businesses' value proposition is so compelling that it warrants Nifty-Fifty like multiples, then it would seem that there should be boat-loads of profitability being captured for the benefit of shareholders. For companies like Salesforce.com and Amazon, apparently they still need more time to figure this out. (Hint: they will eventually need to raise prices and/or lower costs) Now, if these benevolent angels of cash-on-the-barrel ever arrive, bully for them. In the interim, we are skeptical of such hope and promises – not withstanding the incredible run these stocks have made over the past few years. Call us old-fashioned, but we much prefer cash-in-the-hand, than cash-birds-in-the-bush.

Investment Process

As we have observed in past letters:

> *Every investment cycle has a handful of growth stock darlings that even the casual stock market observer could name...The lesson we have learned...is that exceptional corporate growth is, well, exceptional. The higher the expected growth rate, the higher one's skepticism must be.*

We go on to suggest a few theories as to why such growth is so difficult (e.g. profit margin mean reversion and credit cycles) but ultimately, we found it too difficult (if not impossible) to accurately predict earnings growth.

Fast-forward to today - a global economic catastrophe and two Cardinal World Series Championships later ☺ - we still can't accurately predict earnings growth. So what have we done and what will we continue to do, in order to manage that reality?

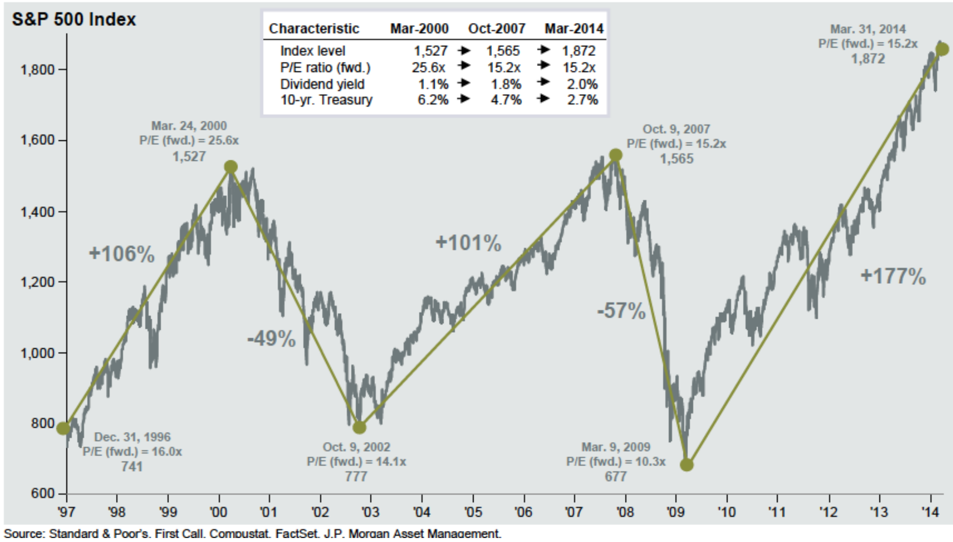
Focus on value!

(Or "valuation," for the style-box inclined)

While sustainably high profitability and earnings growth are the potential "reward" element of our investment strategy, particularly because it represents not only the intrinsic value creation of our businesses, but also the capture of that value, we must *always* be skeptical of its sustainability. It is our valuation analysis where we express our skepticism and control for the risk of the inevitability of unsustainable growth - our *memento mori* for bulls that never seem to die. (We are not complaining.)

In our investment process minds, we think "profitability" before we consider "growth." Importantly, when we measure business profitability, we first make sure it exists. That might sound absurd or simplistic, but we can think of crazier things to do, namely, attempting to determine the risk/reward proposition for the equity of a business that generates and captures minuscule value, relative to its market capitalization. That is not to say it is absurd for others to try and maybe even have success, but growth for growth's sake is well beyond our "circle of competence."

We believe that profitability represents the existence of value creation and capture – the higher the sustained profitability the better. Further, as these profits are retained and successfully reinvested back into the business at continued high levels of profitability, the ensuing earnings growth is what drives long-term shareholder returns. We like the rewards of a rapidly appreciating stock just as much as any investor, but we also like to maintain those rewards by recognizing the ever-present risk that we could be wrong.



These risks are certainly higher today and very much at the forefront in our minds as the current bull market just passed its 5-year anniversary. Prudent, repeatable investment "process" implies investment "discipline." Our focus on *value* in the current bull-run environment requires more rarified investment "restraint."

Our Newest Investments

LKQ Corporation

LKQ Corporation is the world's largest procurer and distributor of alternative and aftermarket collision replacement parts for automobiles and other vehicles. The Company has grown rapidly since its inception in 1998, by executing an expansion strategy that has included aggressive organic and inorganic investments. To date, LKQ's strategy has resulted in a business with unparalleled scale, at over $5 billion in revenues across three continents, compared with aftermarket and salvage parts competitors that routinely post less than $100 million in sales, usually with the largest footprints limited to regional geographies.

LKQ has a very clear, defensible value proposition that we believe should continue to generate superior business results for many years to come. Consider vehicle owners and collision repair shops have three options when sourcing replacement collision parts: the original equipment manufacturer (also known as "OEMs" – think GM, Chrysler, Toyota or Honda), aftermarket manufacturers (generic car parts, similar in quality to OEM - "off-brand") or alternative parts, which includes recycled, remanufactured and refurbished OEM parts (usually from the purchase and dismantling of salvage vehicles). LKQ specializes in procuring and distributing the latter two categories – alternative and aftermarket replacement collision parts – which is a $15 billion market opportunity in the U.S. These alternative parts are typically 20% to 50% cheaper than

OEM parts, with headlamp assemblies, hoods, as well as rear and front bumper covers rounding out some of the most popular products.

So popular have alternative parts been that in 2013, nearly a third of all collision replacement parts were alternative, compared to the turn of the century – when less than a quarter of replacement collision parts were alternative. We give a lot of credit to LKQ for driving this secular trend, as their rapidly increasing scale has improved the availability and reliability of alternative parts, with nearly 100,000 SKU's available to most U.S. collision shops within 24 hours, compared to a few thousand SKU's offered at most OEM dealerships. A vast North American network of over 300 LKQ facilities, including dismantling plants, warehouses and cross-docking platforms, are the backbone for procuring recycled, refurbished and remanufactured parts from over 270,000 salvage vehicles per year (as of 2013). When alternative parts are not available, LKQ has a deep inventory of aftermarket parts, with the ultimate value-added goal of achieving fulfillment rates consistently in excess of 90%, compared to OEMs that are at 60-70% fulfillment, and regional players that are even lower.

LKQ's North American operation is its most mature at 75% of revenues. As recent as 2010, all of the Company's revenues came from this region. This changed in late 2011, when LKQ entered the European market, specifically the UK, with the purchase of EuroCarParts, which is a national distributor of aftermarket mechanical parts. Roughly 18 months later, LKQ purchased Sator Beheer, also an automotive aftermarket parts distributor, but in the Benelux region of mainland Western Europe. While LKQ's European presence is nascent, they are quickly building scale, as both acquisitions represent businesses that have top, second or third positioning in regional market share.

We expect LKQ to continue their consolidating acquisition strategy, especially overseas, as there is a vacuum of supply for alternative parts in the European Union. Much of this has to do with long-standing legislation that made it difficult to utilize or even forbade the use of aftermarket collision parts. More expensive, OEM parts have dominated the collision replacement parts market, with European alternative parts utilization (APU) in the single-digit percentages (recall APU is ~1/3rd in the U.S.). However, as the region began overturning restrictive legislation during the middle of the last decade, a healthier supply and demand dynamic for alternative parts has emerged.

With a proven strategy that has driven a much higher APU in North America, we think LKQ should be able to use a similar playbook in Europe. A particularly important facet of this strategy is LKQ's excellent relationship with property and casualty insurers. The industry estimates that P&C insurers are involved, in the form of paying claims, for nearly 85% of all collision repair work in the U.S. As a result, North American P&C insurers have been fierce advocates for higher APU rates, as cheaper parts with similar efficacy helps contain the cost of an auto insurance claim. LKQ has been keen to partner with all of the top North American auto insurers, investing heavily in IT capabilities that help insurers incentivize consumers and auto body shops to use alternative parts, when at all possible. (In fact, "LKQ" is an acronym for the insurance industry jargon, "Like in Kind and Quality.") We expect LKQ to use a similar strategy in the U.K. and rest of Western Europe, where aftermarket addressable opportunity – both mechanical and collision – is well in excess of LKQ's current North American addressable market, where they are primarily focused on collision. When combined with the current, very low APU rates, we think LKQ's opportunity for growth in the E.U. is extremely compelling.

LKQ's E.U. purchases are new, in the sense that it is a new geography, but the Company has a rich history of growth through acquisition, with over 170 made since its founding in 1998 – most located in North America. The salvage parts industry in North America is extremely fragmented, and very mature, so we think LKQ's "roll-up" strategy makes imminent sense, here, especially considering that the Company's market multiple is typically two to three times higher than its targets (which often go out at 4X-6X EBITDA). This cost of capital advantage is a byproduct of the Company's scale, which increases along with each purchase – and represents a virtuous cycle of growth and reinvestment. In addition, LKQ has expanded its share count by just a single digit percentage over the past five years. While they carry about $1.2 billion in debt, the Company threw off over $400 million in operating cash flow during 2013, so there are ample financial resources available to continue reinvesting in both organic and inorganic growth.

We initiated a position in LKQ only after a steep sell-off in the shares towards the latter half of January 2014. The roughly 20% correction in shares, along with the potential for 20% growth in 2014 (and beyond), saw LKQ's P/E multiple contract to very attractive levels, historically and relatively speaking. We look forward to more opportunistic purchases in the coming months and years.

In conclusion, we believe LKQ's scale benefits should continue to compound, particularly as the business expands into new, under-penetrated geographies, such as Europe, which should lead to several years of continued growth. The Company's solid financial positioning and cost of capital advantage are important elements that reinforce our conviction in LKQ's expansion and profit opportunities. If (though we hope "when") the stock trades at attractive multiples, we will be looking to add to positions, as we expect LKQ's domestic dominance and international expansion will yield a favorable, multi-year investment opportunity.

Mead Johnson Nutrition

Edward Mead Johnson: founder of not one, but two great companies in his lifetime. Now, how many of us can say that?! In 1885, after graduating from the University of Michigan with a degree in law, he and his two brothers, Robert Wood Johnson I and James Wood Johnson, would found Johnson & Johnson, the consumer healthcare products company in Brunswick, New Jersey. With no lack of success, Edward soon decided he wanted to do more. Ten short years later, he broke off from Johnson & Johnson and founded American Ferment Company in Jersey City, N.J., making nutritional products. Fast forward another ten years, in 1905 American Ferment re-established itself as Mead Johnson and Company and the +100 year history of the Mead Johnson Nutrition Company begins. While Mead Johnson's name has remained intact throughout its history, the company – with sales then of $131 million – was acquired in 1967 by Bristol-Myers for $240 million. Bristol-Myers Squibb owned Mead Johnson as a wholly owned subsidiary for the next four decades until they announced in April 2008 plans to sell 10-20% of Mead Johnson to the public through an IPO in order to better focus on its burgeoning biopharmaceutical business. Bristol-Myers Squibb would proceed to split off Mead Johnson and by February 2009 the IPO was complete. Shortly thereafter, in November of 2009, Bristol-Myers would spin out the rest of their ownership of Mead Johnson in a stock swap, valued at $7.7 billion. Mead Johnson Nutrition would operate as a fully independent public company going forward.

Edward Mead Johnson's decision to break away from Johnson and Johnson stemmed from a personal experience that also drove a strong desire to work on nutritionals, primarily in digestive aids. In 1888, Johnson's first child was born, sadly enough, with a feeding disorder and congenital heart defect that required Johnson to prepare a physician-directed product to feed the child. This was a time in history where, in some U.S. cities, up to 30% of infants died before reaching their first birthday (cdc.gov) with leading causes attributed to gastrointestinal disorders and infant digestive problems. Needless to say, Johnson had much motivation. In 1911, the company launched its first infant feeding nutritional product, Dextri Maltose, a carbohydrate powder mixed with milk. It went on to be the first clinically supported, physician-recommended (not to mention the company's best-selling) infant feeding product in the U.S. This product laid the foundation for Mead Johnson's later flagship infant nutritional product, Enfamil.

During World War I, the company could no longer import potato starch (Dextri Maltose's source of carbohydrate) from Germany and was forced to relocate to America's breadbasket where they could have access to an alternate supply of carbohydrates. The company settled in Evansville, Indiana where they found ample supplies of corn, their new source of carbohydrates. Today, the company maintains its Global Operations Center in Evansville. (As an aside, a friend of the firm has its own ties to Mead Johnson via Dextri Maltose and their move to Evansville. After relocating to Evansville, Mead Johnson had difficulty with the production of their best-selling product. Mead Johnson teamed up with George Koch Sons, Inc. who provided packaging containers for Dextri Maltose. Mead Johnson would go on to use Koch packaging exclusively for nearly two decades.)

Over the coming decades, Mead Johnson produced numerous nutritional science breakthroughs. Casec, its first milk-derived product, was introduced in the 1920's to assist gastrointestinal disorders and infant digestive problems – two of the leading causes of death in infants in the United States at the time. According to the National Institute of Health, two-thirds of American children in the early 1900's suffered from rickets – a disorder caused by a lack of vitamin D, calcium, and phosphate, and leads to softening and weakening of bones. Mead Johnson found that cod liver oil provided a source of vitamin D and the company introduced a product that allowed doctors to administer a standardized dose of the supplement. In 1931, the Company introduced the processed (dry and precooked) infant cereal Pablum. The considerable success of Pablum was due to its ease of preparation. Pablum was easily tolerable for infants, and it contained considerable amount of vitamins and minerals. Pablum was sold to H. J. Heinz in 2005.

Mead Johnson introduced its reconstructed milk, Recolac and Powdered Lactid Acid Half Skim Milk in the mid-1920's. Reconstructed milk breaks cow's milk into its major nutritional components and reassembles them, along with other ingredients, into combinations thought to be more appropriate for infant feeding. Olac was later introduced which used vegetable oils rather than animal fats as a fat component.

Sobee Powder was one of the company's initial products, developed shortly after Recolac. This was the first powder produced by Mead Johnson that offered soybean flour as a source of protein for children allergic to the protein in cow's milk. Nearly two decades later, the company developed Mutramigen, the first protein hydrolysate formula in the U.S. for infants with cow's milk protein allergies. This product was a breakthrough in nutrition and remains today one of Mead Johnson's most important products. ProSobee, introduced in the 1960's, was the first infant formula in the U.S. with soy protein isolated from whole soy flour.

Mead Johnson introduced its first baby formula in 1911 and over the century expanded into vitamins, pharmaceutical products, and prenatal nutrition. Enfamil, undoubtedly the brand most recognized today in the United States, was first introduced in the 1950's in both powder form and concentrated liquid. Enfamil was the first routine infant formula patterned after the nutritional composition of human milk. Throughout the years, Enfamil underwent several modifications to improve the formulation in order to keep up with the advancement of science and pediatric nutrition. Today, the Company's Enfamil brand is recognized worldwide for its leadership in pediatric nutrition.

In 1978, a major manufacturer of infant formula (and competitor of Mead Johnson) reformulated two of its soy products, resulting in infant formula products that contained inadequate amount of chloride, an essential nutrient for growth and development in infants. By mid-1979, a substantial number of infants were diagnosed with a syndrome associated with chloride deficiency. What soon followed was a criminal investigation by the U.S. Department of Justice, but more importantly, the passage of the Infant Formula Act of 1980 and its subsequent amendments in 1986. The Act established provisions for current good manufacturing practices (CGMP), quality control, nutrient requirements, and quality factors indicating that infant formulas marketed in the United States should be safe and contain all of the nutrients required to support infant growth and health. During the legislative history of the Act, one Senator stated why infant formula needs more regulation than other foods: "…there is simply no margin for error in the production of baby formula. An infant relies on the formula to sustain life and provide the proper nourishment at a time of rapid physical and mental development" (fda.gov). The regulations have directly resulted in *decreased* competition in the industry.

The Company has developed numerous other infant and children's nutritional formulas and supplements. Also found on their list of achievements, Mead Johnson developed products that aid in the treatment for respiratory problems as well as the first weight loss product. For those readers who are over the age of, say 60, may remember the unintended pop culture phenomenon of the Company's weight-loss product Metrecal. Metrecal was essentially this country's first diet protein shake that actually worked. Launched in late 1959, Metrecal was first a powder made up of corn oil, soybean flour and powdered skim milk, plus the powder was loaded with vitamins, minerals and protein. Mixed with water, Metrecal was a 900 calorie-per-day daily diet plan that literally worked wonders. (How could it not when consuming just 900 calories per day?!) A year later the Company introduced Metrecal in a pre-mixed liquid can. As Metrecal moved from the pharmacy, to the kitchen, then on to the nation's patios in the early 1960's, the country's diet craze was in full swing – even Bergdorf Goodman made a high society purse flask that "could be the solution for every secret Metrecal drinker."

So successful was Metrecal that the Company formed an exclusive division (the Edward Dalton Company) for its production and marketing. The Company would proceed to rollout Metrecal milkshakes, Metrecal clam chowder, Metrecal cookies and Metrecal noodles and tuna. By 1965, the Metrecal franchise peaked and would lose its dominance in the 1970's to other crash-diet products – particularly Slim-Fast. By the late 1970's, due to a rash of deaths, the FDA pulled Metrecal and many similar products off the market.

Today, the company's worldwide recognition equates to over 70 products in more than 50 markets leading to a global share of 14% in the infant formula market – a #2 ranking. Mead Johnson International was formed in the mid-1950's to provide a framework for conducting business overseas. Its first Mexican manufacturing facility was built in Mexico City, which today is the site of the company's Latin American regional headquarters. In the 1960's Mead Johnson constructed manufacturing facilities in the Philippines to support their growing presence in Asia. In the 1980's the company expanded into Western Europe, initially offering nutrition products for infants and older babies. Expansion into Central and Eastern Europe soon followed. Over the years, Mead Johnson would continue to develop and introduce formulas in different markets internationally.

Mead Johnson Nutrition Company has three reportable segments – Asia, Latin America, and North America/Europe – which comprised 52%, 20%, and 28% respectively of net sales for the calendar year. In total, 77% of the company's net sales were generated in countries outside the United States. The Asia-Pacific region, alone will likely account for 50% of future global growth. We have identified several drivers of the growth in these regions. In late 2013, China announced it would loosen its one-child policy, allowing couples to have two children so long as one of the parents is an only child. By our estimates, this could expand the total addressable market for pediatric nutrition by a few billion per annum. In addition, the 2008 milk and infant formula scandal has had a long-lasting and material impact on the Chinese infant formula market. Melamine, a toxic chemical used in milk products to artificially boost protein, sickened an estimated 300,000 children. More than 50,000 children were hospitalized and six died from kidney damage. As a result of this scandal, Western brands garnered preferred trust and premium pricing as China, plus other regions, continue to lack the availability of high quality children's nutrition and a mature food supply. We are also seeing a demographic shift of more women in the work force, which will likely increase the use of infant formula and children's nutrition.

Mead Johnson Nutrition has more than a century of research and development, resulting in superior quality, consumer loyalty and leading profitability. As the strict regulations outlined above detail, the FDA scrutinizes the quality of infant formula, creating significant barriers to entry, particularly in the United States. Currently there are three brand-name infant formula manufacturers and only one private label manufacturer of infant formula in the U.S. Their R&D efforts have led to products with tangible, scientifically proven benefits to newborns versus other products. Outside of the U.S., Mead Johnson boasts the first formula, EFSA-approved (think Europe's FDA) Nutramigen LIPIL, which has proven benefits for visual development superior to those offered by breast milk. Given their global footprint, we believe Mead Johnson is positioned quite well to take advantage of prospective growth opportunities. After a pull back in the stock earlier in the quarter, we were able to (finally) initiate a new position in the portfolio.

April 2014

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Table II
Top Ten Holdings For the Quarter Ending December 31, 2013

	Percent of Net Assets of the Fund
Berkshire Hathaway Inc.	9.4%
Apple Inc.	9.2%
QUALCOMM, Inc.	6.5%
Express Scripts Holding Co.	6.3%
EMC Corp.	5.8%
Cognizant Technology Solutions	5.7%
M&T Bank Corp.	4.8%
Stericycle, Inc.	4.6%
Cummins Inc.	4.5%
Google Inc.	3.9%
	60.7%

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

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 full or summary 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. 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 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. The Fund is not suitable for all investors.

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.

The S&P 500 Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation, with each stock's weight in the Index proportionate to its market value. The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-book ratios and higher forecasted growth values.

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