RIVERPARK FUNDS

July 2013

RiverPark Structural Alpha Fund (Tickers: RSAIX/RSAFX)

As this is our first letter since converting to a mutual fund, we thought it would make sense to recap the basic tenets of our strategy for those that are discovering us for the first time. As we all know, the most important decision you can make regarding your portfolio requires no formal advice, training or advanced analytics. Deciding how much risk you can bear only requires an honest assessment of your budget and your tolerance for loss. During periods of extreme volatility, investors often make panicked and emotionally driven decisions that negatively impact performance. The RiverPark Structural Alpha strategy is designed specifically to allow investors to stay invested in the markets while mitigating the emotional and behavioral biases that often result in bad investment decisions.

The portfolio employs a systematic hedged-equity strategy which is short volatility and takes advantage of what we believe is the persistent spread between implied and realized volatility. This spread always exists because buyers in need of market insurance are willing to overpay for that insurance. By harvesting this spread and capturing time value, we believe equity investing becomes more efficient. The goal of this disciplined approach is market exposure with lower volatility, while avoiding the negative consequences of market timing.

Our investment process emphasizes transparency, liquidity, and repeatability, and primarily uses global index options to mitigate the effect of security selection on performance. Since market direction and behavior is impossible to predict, the Fund continuously seeks to make trade-offs between more extreme upside returns in exchange for downside protection in order to give it, in our opinion, the highest probability of success in all market environments. Our systematic and disciplined approach minimizes opportunities for manager bias and error. By trading away some degree of potential upside, we believe the Fund is able to generate more stable returns, protect against downward moves, and lessen portfolio volatility.

Our Observations

July is summer's peak. The days are long, the corn is sweet, the fireworks are bright, and the dog days of heavy humidity have yet to come. July is also the time when the perfect summer song gets cemented into everyone's mind. This is the song that will still play in our heads as we look at summer pictures after the last warm breezes have blown away. How appropriate then, that the undisputed jam of the summer is the racy *Blurred Lines* by Robin Thicke, a song about mixed signals. Clearly the markets and the economy have been sending some mixed signals of their own, but equities have continued to move higher as fast as that song has climbed the charts. Moving up the radio dial to the country station, another summer hit called *Beat This Summer*, by Brad Paisley, has also been steadily moving up the charts. As Paisley sings, "Like the Ferris wheel goes around and around, well the trouble with up is there's always a down." Leave it to the grounded country star to bring some caution and perspective to the table. So far, the market has gone 147 days without a four-day stock market losing streak, the longest such streak to start a year since 1952. While this alone doesn't give us any insight as to what the future may hold, as firm believers in mean reversion, we continue to take a more conservative view of things. Given the impressive run for stocks, the usual market gauge of fear, the VIX or volatility index, has remained muted throughout the year. While this index is showing little signs of investor trepidation, it should never be the only measure by which investors gauge uncertainty and risk. From our perspective, there is likely a greater risk in global markets than this index may suggest. Identifying fear is hard to do, and is the main motivation for having a constant hedge as a key component of our portfolio. Managing risk can often be a counter-intuitive proposition. It is when things look calm and clear that the hedge is often needed the most.

As Steely Dan sang on the song "Pretzel Logic", "Well, I've seen 'em on the TV, the movie show, they say the times are changing but I just don't know." There is an element of circular logic at work in the markets right now. The Federal Reserve was quick to placate the taper fears by reiterating their commitment to keep easing until the economy improves. As long as economic improvement continues, investors seem happy to take risk knowing that the Fed is there to support things. But what happens when the economic improvement accelerates? Will stocks fall in response to the Fed's inevitable withdrawal? We don't know the answer, and

would argue that no one does with any certainty. We believe there is a higher risk betting on any specific outcome, which is why our systematic and risk-managed strategy stays both invested and hedged in all environments.

David Merkel recently posted to his blog that "people forget how crises happen after the events have passed, and begin to believe comforting fictions thereafter." It is a behavioral bias that is deeply entrenched in all of us, which is why it is prudent to pay attention to some of the clues that history can provide. Mark Hulbert, the editor of the Hulbert Financial Digest, has been tracking the performance of investment advisory newsletters since 1980. He recently posted some interesting similarities while looking at bull markets throughout recent history. He found that since the 1920s, the average bull market has gained more than 21% over the 12 months prior to a top, which is more than double the long-term average index returns. In the prior 12 months, the S&P 500 is up nearly 23%. In addition, Hulbert observes that in previous bull markets, the riskier stocks have outperformed the more conservative ones, and this too has held true over the past 12 months. Despite some strong signals that the market may be approaching a peak, the lack of market volatility indicates that investors seem to be acting as if there is little risk to a prolonged pullback. Perhaps the measures of volatility aren't as predictive as they have been in the past?

As an indicator of market sentiment, the VIX is widely followed, and through a host of financial products, it has become as much a traded asset as it is a predictive data point. Mike Pringle, the global head of equity trading at Citibank, acknowledged this when he wrote "a big mistake the market makes is looking at the VIX as an indicator of stock market risk. Why? Because it's an asset class and it's more traded for yield than protection." There are billions of dollars in assets under management linked to the VIX through structured notes, effectively dampening volatility. While the VIX may still be relevant as sentiment indicator during extreme moves, some evidence suggests that it has become less so during normal market conditions.

Our Conclusions

Selling volatility is a key component of what we do. We do not believe that the persistently low equity volatility exhibited this year represents a structural change in the marketplace. Our experience and research clearly illustrate that selling volatility on equity indices has a positive expected return over time. Similar to what makes the insurance industry profitable, there is constant demand by investors to protect their portfolios. While many people believe they are patient investors, few actually behave that way. Portfolio protection is often a counter-intuitive undertaking, even though it becomes more necessary as rallies get extended. Given the uncertain outcomes, a steady but smaller return stream is, in our opinion, a safer alternative to taking on more risk in order to chase returns.

Our Performance

Performance: Net Returns as of Quarter Ending 6/30/2013

	Current Quarter	One Year	Since Inception*
RiverPark Structural Alpha Fund, Institutional	-0.80%	7.85%	9.90%
RiverPark Structural Alpha Fund, Retail	-0.80%	7.85%	9.90%
S&P 500	2.91%	20.60%	8.47%

** Total returns presented for periods less than one year are cumulative, returns for periods one year and greater are annualized. Inception date was September 26, 2008.*

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.

The performance data quoted for periods prior to June 28, 2013 is that of the Predecessor Fund. The Fund will be 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. If the annual returns for the predecessor partnership were charged the same fees and expenses as the Fund, the annual returns for the predecessor partnership would have been higher.

RiverPark Advisors, LLC, the Fund's investment adviser, has agreed contractually to waive its fees and to reimburse expenses of the Fund, to the extent necessary to ensure that operating expenses do not exceed, on an annual basis, 1.75% for the Institutional Class Shares and 2.00% for the Retail Class Shares of the Fund's average net assets. This agreement is in effect until at least September 30, 2014, and subject to annual approval by the Board of Trustees of RiverPark Funds Trust. The expense ratios stated are as of the most recent prospectus, dated June 27, 2013.

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The RiverPark Structural Alpha Fund (RSAIX / RSAFX) gained 0.80% in July, vs. the S&P 500 which rose 5.09%, and the Morningstar OE Long Short index, which gained 2.57%. For the year, the Fund has risen 2.6%, vs. the S&P 500, which has gained 19.62% and the Morningstar index, which has risen 9.0%.

July was another month in which equities went directly higher without stopping. The market never declined more than 0.38% on any day, which gave us very little opportunity to take advantage of a pick-up in volatility. The VIX index declined from nearly 17 (an already relatively low level) down to 12.

As expected, the Fund's long-biased options performed well (up 2.5%), and the constant hedge declined (down 1.3%). While the Fund typically generates positive alpha[1] from its short dated option book, the sharp rise of 8% in the S&P 500 from its intraday low on June 24th of 1560 through the July closing level of 1685 hurt these positions. This portion of the portfolio was slightly down again this month, losing 0.4%.

To determine if this Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges, and expenses before investing. This and other information may be found in the Fund's summary and full prospectuses, 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, derivatives, and futures by the Fund has the potential to significantly increase the Fund's volatility. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principals or from social, economic or political instability in other nations. There can be no assurance that the Fund will achieve its stated objectives. Diversification does not protect against market loss. The Fund may not be suitable for all investors.

The RiverPark Funds are distributed by SEI Investments Distribution Co., which is not affiliated with the Adviser, or its affiliates.

[1] A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.