RIVERPARK FUNDS

June 30, 2012

Investment Strategy Update

If you want the right answers to create great, long term investment returns…

you have to start with the right questions.

Following a strong start to the year in which the broader markets posted one of their best return quarters on record (+12.6% as measured by the S&P 500 total return), investors at the end of the second quarter (-2.8% for the S&P 500) find themselves, once again, in a state of panic and confusion due to market volatility and a host of global events.

Greece, Spain, Italy, the Euro, US unemployment, the Presidential election, the fiscal cliff, increasing entitlement expenditures, record debt levels, another debt ceiling approaching, grid lock in congress, oil prices spiking then falling, China and India slowing. Yikes.

On top of the continuous market volatility over the last several years, today's uncertainties have left many investors hyper-focused on short term data points and increasingly asking variations of the same question …

"What should we do ***now***?"

This question takes many forms and, depending on the answer, generally produces contradictory results. In today's media, for example, the following questions and answers would hardly help any investor craft a long-term investment strategy:

"Do you think Unemployment will be higher than expected?" If so, you may want to short stocks and buy bonds; *unless* earnings are a bit better than expected and/or the Fed engages in Quantitative Easing 3 (QE3) in which case you may want to short bonds and buy stocks.

"Are we are on the verge of a double dip recession?" If so, you may want to buy consumer staples and utilities and short tech and discretionary; *unless* we are still in a tepid recovery in which case you may want to own growth like tech and discretionary and short energy and industrials.

"Will Greece/Italy/Spain exit the Euro?" If so, you may want to short the foreign banks and the Euro itself; *unless* the Finance Ministers meet and come up with some new remedy (LTRO, ESM, EFSF, SMP, ELA, etc.) to address the structural issues with the region in which case you may want to short the dollar against the Euro and buy the Euro-Stoxx 50 ETF.

The heightened focus on these short-term and macro-focused questions has driven many investors to reduce or even swear off equity investing (as evidenced by the fact that, per Lipper, domestic equity funds through May of this year suffered their thirteenth consecutive month of outflows, with investors redeeming a net $9.0 billion, while for the ninth consecutive month through May investors were net purchasers of bond funds—$19.9 billion in May alone—despite record low bond yields). This short-term focus has also led to active traders employing near-term risk on/risk off strategies as each data point indicates a slightly different answer or prompts a new question. This in turn has led to increased correlation among stocks and increased the volatility of the market. Given this state of the world with increased volatility, heightened stock correlations and complicated macro issues, there is no shortage of pundits and advisors proclaiming that fundamental research and individual stock picking is no longer practical in today's market.

"Our mutual fund changed its name to more clearly communicate its investment objective. It's now called the 'Make Money Any Which Way' fund."

We couldn't disagree more.

At RiverPark, we do our best to avoid the questions about what to do ***now*** as we find those answers to be of little help and only passing interest in answering what we believe to be the two most critical questions for long-term investors.

First: **"What is the long-term earnings power of a given company?"**

and

Second: **"Is the company's long-term earnings power undervalued or overvalued based on the current stock price?"**

We direct our research and manage our portfolios against these two questions.

In our experience, while myriad economic shocks, investor psychology, politics, natural disasters and terrorist attacks have significant impact on *short-term* stock price movements, most are unpredictable and have little lasting impact on a company's long-term earnings power and, ultimately, the company's long-term value.

Regardless of the volatility of a given day or month, it is critical to our investment process that we ***not*** overly weight the short-term macro issues, even when they may have a near-term impact on a company's earnings in a given quarter (e.g. the movement in currencies and its impact on earnings translation or a slowdown in Europe impacting near-term sales). Given that the vast majority of a company's cash flow is generated beyond the next few years (especially for a growth company), the majority of these short-term events do not have a significant impact on a company's long-term value.

For example, economic challenges in Europe or the subpar recovery of the U.S. economy have had little impact on the increasing competitive position of Apple, American Tower or Qualcomm or decreasing competitive position of Nokia, HTC or Research in Motion. What has mattered were the secular dynamics of mobile computing and management execution at the individual companies.

Similarly, the outcome of the U.S. elections or the Fed's decision to employ QE3 will have little impact on the explosive growth in the Internet and online shopping that has bolstered the performance of firms like Google, eBay and Priceline, and led to the decline in bricks-and-mortar retailers like Radio Shack, Barnes & Noble, Best Buy, and Staples. Internet user growth and engagement, and management execution are what have mattered for these companies.

The inquiries that truly matter to us revolve around the secular changes in industries and their impacts on and the responses of individual companies to those changes over the long term. These inquiries are much different, and generally much less dramatic, than those that move markets in the short-term and can only be revealed through patient research and experience. They include:

1. What is the secular change that is occurring? Are these changes, such as globalization, the Internet, mobile computing, and electronic payments, creating or destroying business opportunities in an industry, and for which companies?

2. Is the company gaining or losing a structural competitive advantage? Does the company have patents, a brand, distribution, infrastructure, pricing power, a unique business process or an irreplaceable asset?

3. Is the company's business model generating increasing or decreasing returns on invested capital? How does this translate into excess free cash flow?

4. Who are the managers? What is their strategic direction? How do they allocate capital? What are their incentives?

It is the answers to these questions, as opposed to the balance of payments in Greece, the stability of Spanish banks, the Fed's latest tweak in its quantitative easing or most other short-term macro or global economic issues, that, we believe, have a much greater impact on the long-term earnings growth (or decline) and the free cash flow generation of the companies in which we invest.

At RiverPark, our answers to these secular and company-specific questions have led us to focus in our long portfolios on "sunrise businesses." These are businesses that are being advantaged by and/or are leading a secular change and are at an early point in a long and profitable growth path. Sunrise businesses include companies within such secular themes as the Internet (Google, eBay, Priceline, Bankrate), cloud computing (Equinix), agricultural bio-engineering (Monsanto), medical technology (Intuitive Surgical), electronic payments (American Express, Visa, MasterCard), financial exchanges (Chicago Mercantile Exchange, IntercontinentalExchange), alternative asset management (Blackstone, KKR), unique media content (Disney, Discovery), global brands (Ralph Lauren, Coach, Starbucks, McDonald's) and energy production and exploration (Devon, Southwestern Energy, Cabot). Sunrise businesses, when combined with strong financials (cash-rich balance sheets, high margins, high returns on capital) and quality leadership, have the ability to grow across economic and market cycles. These secularly-advantaged, high-return businesses populate the RiverPark Small Cap (RPS) and the RiverPark

Large Growth (RPX) Funds and the long book of our RiverPark Long/Short Opportunity Fund (RLS).[1]

We also recognize that sunrise doesn't last all morning. Businesses, even formerly sunrise ones, that fail to adapt to innovation often struggle (even in good times and especially in bad times) to grow or even sustain earnings. These are businesses that have their peak profits behind them. While a "sunset" business's demise might be hastened by a difficult macro environment, the root cause of their decline is a loss of competitive advantage and poor management adaptation.

You will not find sunset businesses in the RiverPark Small Cap Growth Fund, the RiverPark Large Growth Fund or the long book of the RiverPark Long/Short Opportunity Fund. In fact, the structure of the RiverPark Long/Short Opportunity Fund, gives us the flexibility to sell short those sunset businesses that still trade at relatively full valuations. We are currently short sunset businesses in domestic food and drug retail, console video gaming, legacy consumer electronics retailing, PC manufacturing, for-profit education, apparel/department store retailing, matured business service industries and analog media. We expect this short exposure to both contribute positively to our overall returns and also protect our capital in declining markets by reducing our market exposure. Our short exposure also allows us to increase our longs in periods of short-term downside market pressure without taking excess market risk.

Macro-economic issues are clearly important. Worldwide deleveraging and slowing growth must be taken into account. Changes in regulation and changing commodity prices can impact business processes and margins. However, in most cases, economic and macro issues impact the daily price of a company's shares much more than the business itself. It is this near-term stock price impact that then provides opportunity as we attempt to answer our second critical question: "Is the company's long-term earnings power undervalued or overvalued based on the current stock price?" It is in answering this question that we believe we can use the market's short term volatility to our advantage.

We have always employed a "value orientation to growth" in managing our portfolios. This belief is grounded on the simple fact that a great (or poor) company only becomes a great investment if it is bought (or sold short) at a great price. The increased macro focus in the short-term has led to valuations often changing more dramatically than business outlooks. The increased correlation in the market demonstrates that investors are often not distinguishing quality, growing companies from challenged, shrinking ones but are rather buying or selling "the market." Rather than reducing the potential for fundamental investors to succeed, we believe this short-term volatility and increased correlation should give an enormous advantage to long-term investors by providing better entry and exit points.

[1] See holdings table on page 8.

Regardless of the current economic environment or the crisis du jour, quality, growing companies outperform challenged and shrinking companies over time. We spend the majority of our effort distinguishing them from each other and focusing on the long-term trajectory of their respective earnings and cash flow. We spend very little of our research time trying to predict the start or the end of the next recession, the possibility of the next tsunami, earthquake or terrorist attack or the possible outcome of the myriad of other high-drama macro issues on which the media and many market strategists are focused. Rather, we recognize that it is because of these issues that stock prices are so much more volatile than the underlying value of the businesses they represent. We welcome the opportunity to buy sunrise businesses at cheap prices in all of our funds when the market is fearful and, in the RiverPark Long/Short Opportunity Fund, to short sunset businesses at high prices when the market is overjoyed.

"No one ever went broke making a profit."

There is a simple saying in equity investing that you can have cheap equity prices or good news, but you can't have both at the same time. There is certainly no shortage of bad news today. If you have a long-term focus and are an investor today for the future, you are much better off with cheaper prices today and better news tomorrow…especially if you are asking the right questions.

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To determine if a Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and other information may be found in the Fund's prospectus, which may be obtained by calling 1-888-564-4517 or by visiting the website at www.riverparkfunds.com. Please read the prospectus carefully before investing.

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 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 upper 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.

This material represents 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.

S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic equity market through changes in the aggregate market value of 500 stocks representing all major industries. Investors cannot invest directly in an index.

The RiverPark funds are distributed by SEI Investments Distribution Co., which is not affiliated with the Adviser or its affiliates, or with any of the companies discussed within this letter.

Percent Holdings as of June 30, 2012 Mentioned on Pages 4-5

	Percent of Net Assets of the Fund		
	RiverPark Long/Short Opportunity Fund	RiverPark Large Growth Fund	RiverPark Small Cap Growth Fund
Google	3.4%	3.9%	
eBay	2.8%	3.4%	
Priceline	2.4%	2.7%	
Bankrate	2.3%		2.3%
Equinix	3.1%	3.1%	
Monsanto	3.1%	4.4%	
Intuitive Surgical	1.1%	1.5%	
American Express	2.5%	3.6%	
Visa	1.5%	1.5%	
MasterCard	1.5%	1.3%	
Chicago Mercantile Exchange	1.3%	1.8%	
IntercontinentalExchange	1.0%	1.2%	
Blackstone	4.7%	4.3%	
KKR	1.6%	2.5%	
Disney	1.5%	1.5%	
Discovery	2.2%	2.0%	
Ralph Lauren	1.4%	2.1%	
Coach	1.4%	2.4%	
Starbucks	1.9%	2.4%	
McDonald’s	1.9%	2.4%	
Devon	1.3%	1.5%	
Southwestern Energy	1.6%	2.8%	
Cabot	1.2%	1.6%	