MainStay Investments®

MARKETFIELD ASSET MANAGEMENT

May 2015

MainStay Marketfield Fund

Fund Overview

Objective

The investment objective of the Fund is capital appreciation.

Strategy & Process

The Fund seeks long-term growth of capital above that of the broad equity market over a full market cycle, with volatility that is lower than that of the broad equity market. Correlation between the Fund and the broad equity market may vary considerably over a full market cycle. The Fund has a broad investment charter that allows it to utilize equity securities, fixed-income instruments, commodities, futures, and options. Additionally, with respect to 50% of the Fund's net assets, the Fund may engage in short sales of securities to profit from an anticipated decline in the price of the security sold short. The use of short selling could result in increased volatility of returns.

Fund Facts

Fund Statistics

CUSIP:	Class A: 56064B878
	Class I: 56064B852
	Class R2: 56064B845
Inception Date	7/31/07
Benchmark	S&P 500 Index
Net Assets	$5,549 M
Number of Holdings	104

Portfolio Allocation (As of 05/31/15)

Equity Long	83%
Equity Short	-12%
Equity Index Futures Long*	7%
Equity Index Futures Short*	-11%

Option delta not reflected.
**Notional Value*

Fund Performance

Monthly Average Annual Total Returns as of 05/31/15

	Tickers	YTD	One Year	Three Years	Five Years	Inception
Class I (07/31/2007)	MFLDX	0.49%	-7.33%	2.74%	5.14%	6.54%
Class A (Max. 5.5% load) (10/05/2012)	MFADX	-5.15%	-12.66%	0.59%	3.70%	5.52%
Class A (NAV) (10/05/2012)	MFADX	0.37%	-7.58%	2.50%	4.88%	6.29%
Class R2 (10/05/2012)	MFRDX	0.31%	-7.71%	2.36%	4.76%	6.16%
HFRI Macro Discretionary Thematic Index (12/31/2007)	N/A	2.85%	1.22%	1.81%	1.09%	0.66%
S&P 500® Index (07/31/2007)	N/A	3.23%	11.81%	19.67%	16.54%	7.15%

Quarterly Average Annual Total Returns as of 3/31/15

	Tickers	YTD	One Year	Three Years	Five Years	Inception
Class I (07/31/2007)	MFLDX	-0.18%	-10.84%	2.85%	4.82%	6.60%
Class A (Max. 5.5% load) (10/05/2012)	MFADX	-5.73%	-15.98%	0.70%	3.39%	5.56%
Class A (NAV) (10/05/2012)	MFADX	-0.25%	-11.09%	2.62%	4.57%	6.34%
Class R2 (10/05/2012)	MFRDX	-0.31%	-11.22%	2.47%	4.44%	6.22%
HFRI Macro Discretionary Thematic Index (12/31/2007)	N/A	1.75%	0.35%	0.37%	0.46%	0.53%
S&P 500® Index (07/31/2007)	N/A	0.95%	12.73%	16.11%	14.47%	7.00%

Performance data quoted represents past performance. Past performance is no guarantee of future results. Due to market volatility, current performance may be less or higher than the figures shown. Investment return and principal value will fluctuate, so that upon redemption, shares may be worth more or less than their original cost. Performance figures for Class I shares reflect a contractual fee waiver and/or expense limitation agreement in effect through 2/28/16, without which total returns may have been lower. This agreement shall renew automatically for one-year terms unless written notice is provided prior to the start of the next term or upon approval of the Board. For performance information current to the most recent month-end, visit our web site at mainstayinvestments.com.

Total Annual Fund Operating Expenses are: Class A: 2.73%, Class I: 2.47%, and Class R2: 2.84%. Expenses include *Dividend Expense on Securities Sold Short and Broker Fees and Charges on Short Sales* for each share class, without which, the total net expenses are as follows: Class A: 1.86%, Class I: 1.61%, and Class R2: 1.96%.

Average annual total returns include the change in share price and reinvestment of capital gains and distributions. Effective 10/5/12, Marketfield Fund became MainStay Marketfield Fund. At that time, the Fund's existing no-load shares became Class I shares. Performance for Class I shares reflects the historical performance of the then-existing shares of Marketfield Fund (which were subject to a different fee structure) for periods prior to 10/5/12. Performance for Class A shares includes the historical performance of Class I shares, adjusted to reflect the differences in fees and expenses. Class I shares are generally available only to corporate and institutional investors. Class R shares are available only through corporate-sponsored retirement programs.

Equity allocations may include fixed-income exposure.

Top Five Sectors–Net

Financials	23.5%
Consumer Discretionary	13.7%
Information Technology	7.3%
Materials	7.2%
Industrials	5.7%

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security. Current and future portfolio holdings are subject to risk. There can be no guarantee that investment objectives will be met.

Management Team

Michael C. Aronstein
President, CIO, and Portfolio Manager

Michael C. Aronstein is President, Chief Investment Officer, and Portfolio Manager of Marketfield Asset Management LLC. He was one of the founding partners of Marketfield, which was created in 2007. In 2004, Mr. Aronstein joined Oscar Gruss & Son Incorporated, where he held the position of Chief Investment Strategist. Prior to joining Oscar Gruss, Mr. Aronstein was Chief Investment Strategist at Preservation Group, a provider of independent macroeconomic and strategic advice to professional investors. Mr. Aronstein began his investment career in 1979 at Merrill Lynch, serving positions as Senior Market Analyst, Senior Investment Strategist, and Manager of Global Investment Strategy. Mr. Aronstein spent six years as President of Comstock Partners, a diversified investment advisor, and left to found West Course Capital, a discretionary commodity management firm. Mr. Aronstein graduated from Yale College with a Bachelor of Arts degree in 1974. His views on macroeconomic and strategic issues are regularly sought by and disseminated through the financial print and visual media. Mr. Aronstein manages $5,549 million in MainStay Marketfield Fund, $417 million in MainStay VP Marketfield Portfolio, and $255 million in Marketfield Fund Dublin; total assets under management are $6,221 million.

David C. Johnson, Jr.
Principal, Director of Research

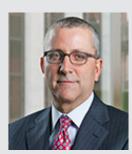
Mr. Johnson joined Marketfield Asset Management LLC as Director of Research in April 2011. Mr. Johnson is a graduate of the University of North Carolina at Chapel Hill. He received his MBA in 1984 from Darden School of Business, University of Virginia. Prior to joining Marketfield, Mr. Johnson was an Investment Analyst, Portfolio Manager, and Head of Business Development at Wilkinson O'Grady & Co., Inc. He spent the first 10 years of his career in the fixed-income department of Salomon Brothers, where he managed one of its primary sales groups. Mr. Johnson was President of Preservation Group, where he worked closely with Mr. Aronstein.

Michael Shaoul
Chairman and CEO

Michael Shaoul is Chairman and CEO of Marketfield Asset Management LLC. Mr. Shaoul is one of the founding partners of Marketfield, which was created in 2007. In his role at Marketfield, he helps formulate the top-down insights that inform the firm's investment decisions and authors a daily commentary that communicates these ideas with clients. He is a frequent contributor to the financial media, which values his views on economic cycles and investment markets. In 1996, Mr. Shaoul joined Oscar Gruss & Son Incorporated. He became its CEO in 2001 and held this position until 2014. He is Treasurer of American Friends of Tel Aviv University and a member of the Board of North American Friends of Manchester University. He was awarded a PhD in Accounting and Finance from the University of Manchester (UK) in 1993.

Myles D. Gillespie
Principal, Senior Trader

Myles D. Gillespie joined Marketfield Asset Management LLC in 2007. Myles is a graduate of The Hotchkiss School and holds a Bachelor of Arts degree from Franklin and Marshall College (Class of 1983). From 1983 to 1986, he worked as a Stock Index Futures Trader with Henderson Brothers and in 1986, became a NYSE Specialist at Quick & Reilly. He was appointed Executive Vice President of JCC Specialist Corp., the successor firm to Quick & Reilly, in 1989. In 1999, he became President of Fleet Specialist, Inc., the successor firm to JCC Specialist Corp., retiring from this position in 2004. During his time at the NYSE, Myles served as a NYSE Floor Official (1993-1999) and NYSE Floor Governor (2001-2004).



Andrew Lyss
Principal, Senior Trader

Mr. Lyss joined Marketfield Asset Management LLC in 2012. He was previously Executive Vice President at Oscar Gruss, which he re-joined in 1997. Mr. Lyss previously worked for Oscar Gruss from 1993 to 1995. Mr. Lyss specializes in special situations, including merger arbitrage, spinoffs, bankruptcy, and post-bankruptcy valuations. Prior to re-joining Oscar Gruss in 1997, Mr. Lyss was employed by Arnhold & S. Bleichroeder from 1995 to 1997 in institutional sales and by Prudential Securities from 1983 to 1989 in varied positions. Mr. Lyss received a BS/BA from the University of Denver in 1982.

Before You Invest

The Fund regularly makes short sales of securities, which involve the risk that losses may exceed the original amount invested. The Fund may also use options and futures contracts, which have the risks of unlimited losses of the underlying holdings due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates, and currency exchange rates. However, a mutual fund investor's risk is limited to the amount invested in a fund. Investments in absolute return strategies are not intended to outperform stocks and bonds during strong market rallies. The Fund invests in smaller companies, which involve additional risks, such as limited liquidity and greater volatility.

The Fund invests in foreign securities, which involve greater volatility, and political, economic, and currency risks, and differences in accounting methods. These risks are greater for investments in emerging markets. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment by the Fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. Investments in asset-backed and mortgage-backed securities involve additional risks, such as credit risk, prepayment risk, possible illiquidity and default, and increased susceptibility to adverse economic developments. The Fund involves the risk that the macroeconomic trends identified by portfolio management will not come to fruition and their advantageous duration may not last as long as portfolio management forecasts. The Fund may invest in derivatives, which often involve leverage, may increase the volatility of the Fund's NAV, and may result in a loss to the Fund.

MainStay Marketfield Fund is subadvised by Marketfield Asset Management LLC and distributed by NYLIFE Distributors LLC, 169 Lackawanna Avenue, Parsippany, NJ 07054, a wholly owned subsidiary of New York Life Insurance Company. NYLIFE Distributors LLC is a Member FINRA/SIPC.

MainStay Investments® is a registered service mark and name under which New York Life Investment Management LLC does business. MainStay Investments, an indirect subsidiary of New York Life Insurance Company, New York, NY 10010, provides investment advisory products and services.

Neither New York Life Investment Management LLC, its representatives, nor its affiliates provide tax, legal, or accounting advice. Please consult your own advisors on these matters.

Notional value is the total value of a leveraged position's assets.

The S&P 500® Index is a trademark of the McGraw-Hill Companies, Inc. The S&P 500® Index is widely regarded as the standard index for measuring large-cap U.S. stock market performance. The securities holdings and volatility of the Fund differ significantly from the stocks that make up the S&P 500 Index.

The HFRI Macro Discretionary Thematic Index is a broad-based hedge fund index, consisting of strategies that are primarily reliant on the evaluation of market data, relationships, and influences, as interpreted by an individual or group of individuals who make decisions on portfolio positions. These strategies employ an investment process most heavily influenced by top-down analysis of macroeconomic variables.

An investment cannot be made directly into an index.

Obtain the Prospectus

For more information about MainStay Funds®, call 800-MAINSTAY (624-6782) for a prospectus or summary prospectus. Investors are asked to consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus or summary prospectus contains this and other information about the investment company. Please read the prospectus or summary prospectus carefully before investing.

Commentary

Central bank holdings of long-term government bonds continue to expand from record levels. Market volatility of those instruments is rising faster. The ten and thirty day volatility of the U.S. long-bond ETF is about twice that of the S&P 500. Government bonds have been more volatile than hog futures over the past month.

The basic precepts of diversification and risk management are beginning to break down in the face of bloated and illiquid fixed-income markets.

Accepted practice in modern asset management is to use measured volatility as a proxy for risk. The approach is one that we regard as seriously flawed, but the fact remains that it is widely utilized among institutional investors and consultants.

The dramatic rise in equity market volatility in 2008-2009 led to a general re-rating of equities as an asset class. They were assumed to provide much more risk per unit of return than previously, and were thus taken down as a proportion of most investors' allocations. The great long-term risk in the capital markets is the potential for bonds to suffer a similar, secular revulsion that precipitates a long period of liquidation and depressed returns.

The explosion in fixed-income volatility is a global phenomenon. Over the past several weeks, German Bunds have exceeded the volatility levels reached in the aftermath of the Lehman Brothers' failure and the run on banks and money funds that followed. Realized volatility in smaller markets is less apparent, as the absence of liquidity makes actual transactions rare.

The bull market in bonds began in the fall of 1981, with bond yields in the middle teens and widespread concerns about hyperinflation besetting the global economy. Allocations to long-duration instruments were miniscule. The largest bond trading institution on the planet had been taken over by a commodity dealer.

Thirty-four years on, circumstances are somewhat changed. Bonds yielding next to nothing are offered and absorbed in record size. Interest rates below zero are hardly considered worthy of comment. Global deflation is the chimera of the age.

Central banks have made the transit from fighting inflation to actively and explicitly encouraging it.

The risks inherent in fixed-income markets arise from both sides - credit and duration.

Central banks have provided direct subsidies to bond issuers through open market purchases and the suppression of short-term financing costs. This has allowed legions of questionable borrowers to access public markets. The phenomenon is particularly apparent among certain emerging market borrowers, sovereign and corporate. Restructuring is a term heard more frequently in those quarters.

The secular, macroeconomic environment directly ahead of us might be thought of as the age of default, where the interests of debtors and creditors collide in an insoluble conflict. The interminable saga of Greece is a good model.

Greece's creditors, among which are entities enjoying high credit ratings and access to capital markets and central bank liquidity, want the illusion of some real repayment. Unfortunately, Greece has no money, no ability to access public markets to borrow more, a collapsing banking system, and an economy that seems to have no forward gears.

The good news is that the money on which the arguments revolve is the exact sort that the European Central Bank (ECB) conjures up in record quantities day in and day out to facilitate ever more buying of local sovereign bonds yielding next to nothing. If Germany really feels like it needs the money from Greece, perhaps they can issue a trillion Euros of perpetual bonds yielding 50 basis points and have the ECB buy all of them and return a few hundred billion to the International Monetary Fund (IMF) and other creditors on behalf of Greece. Everyone could be told that the money appeared suddenly from a rich, Hellenic uncle, and all would be happy.

Our proposal has the ring of nonsense to it, but why? What, we ask, is the exact harm in simply expanding the size and scope of quantitative easing to smooth over all the internecine battles over money when most of the world is drowning in the stuff?

Commentary (continued)

Two problems attend the route of money printing, one political and one economic. The political problem is already evident in the global discourse. While central banks can provide endless amounts of their own money, the ultimate destinations cannot be specified.

In the current example of quantitative ease, piles of money have arisen in capital markets and among participants in those markets. The extent of the misdistribution is such that the contrasts in wealth and consumption habits between owners and managers of capital assets and those engaged in the more prosaic aspects of the economy have been raised as a defining political issue of the age. The populist narratives that have arisen seem more concerned with forcibly impairing the privileges of wealth than with removing barriers to more general prosperity.

Statutory limits on compensation and 90% marginal tax rates are increasingly put forth as remedies for the uneven distribution of wealth. As destructive as these are to the general well-being, they are becoming more persuasive in a world where the economic fate of an entire nation, in this case Greece, is being determined behind closed doors by a group of politicians and bureaucrats.

It is not surprising that more people are willing to believe that their economic prospects depend not on economic and personal factors, but upon their being on the right side of political power. After all, if authorities are willing to provide unlimited funding to markets that are already inflated, e.g., high-grade fixed income, then it would seem only fair that they use this power where there is distress. The majority of Greek citizens understands that the determination of winners and losers in their situation is a political matter. They have seen the ECB conjure Euros from thin air when it felt the need, and wonder why they can't be on the receiving end. The decision-making process cannot help but seem arbitrary and politically motivated, because in reality, it is.

The societal problems arising from overly generous monetary interventions are becoming more apparent and widely acknowledged. Not so the economic consequences.

We have made the point repeatedly over the past two years that the only condition in markets or the economy that will persuade central bankers that their easing has gone too far is a rise in more traditional measures of activity and inflation that undermine the foundations of high-grade bond markets.

That process appears to have commenced, with labor markets tightening, rental costs accelerating, and energy prices stabilizing after their 2014 collapse.

In certain ways, the resolution of the Greek impasse is likely to provide clues about policy direction and its influence on the long-term outlook for prices and yields.

Since the commencement of the crisis in 2010, Greece has suffered through five years of austerity and internal deflation. Not surprisingly, the patience of the society has worn thin.

It is our guess that there will be little, if any, agreement by the Greek government to continue to deflate and further tighten fiscal policy. Additional monetary transfers from Greece to its creditors seem unlikely. The final resolution is some form of default. Whether the process will be managed by the European Union (EU) and ECB or allowed to proceed on its own is unknowable.

In either event, real losses to creditors will be involved. If Greece defaults in solitary fashion, creditors will simply lose their principal. If the ECB cranks up the money machine and attempts to paper over some of the damage, the era of austerity and deflation that has allowed bond yields to approach zero will end.

A straightforward, unmanaged default will impair high-yield and distressed investors, while a large rescue package and fiscal concessions will undermine high-grade, long-duration assets that are priced for unending austerity and deflation.

In either case, bond investors are increasingly reliant on the whims of official institutions to support a richly valued asset class that is presumed to provide safety, if not real yield.

Commentary (continued)

In the final analysis, the entire question of market risks boils down to the willingness of investors to stay put in the fixed income complex. We are not certain what particular data points or market gyrations would prompt more generalized outflows, but we suspect that events in Greece will provide more of a secular cue than is currently appreciated.

Our positioning at this juncture is more pro-cyclical than anti fixed income. The key variable that will put the high-grade, fixed-income markets and other safe havens at risk is the economic performance of China. Monetary stimulus there has begun to bear fruit in capital markets. Still lacking is a turn in their economy that would convince investors that the spectacular performance of local markets is on solid footing. This is a similar sequence of events that led us to direct equity capital toward European markets in 2011 and 2012.

The improving liquidity profile of the Chinese markets is critical to our portfolio positioning there. Despite the sharp slowdown in reported activity, private savings in China are still growing at between 3.5 and 4 trillion dollars per annum. The government is actively moving to create viable capital markets to recirculate these savings in China and throughout the region.

Much commentary is spent on the Chinese economy slowing from its +10% growth to its latest +7% official growth rate, and perhaps unofficially, +5-6%. But, commentators miss that the impact of the Chinese economy on the global economy is so much greater now than at the time investors were last excited at its prospects. Some perspective is in order. When the term BRIC (Brazil, Russia, India & China) was coined in 2001, Chinese Gross Domestic Product (GDP) was around $1.3 trillion or 4% of global GDP. Its growth rate was in the 8% range. Even in 2007, when China's economy was ostensibly growing at 14% and its market was at the top of investors' allocation lists, its GDP, measured in dollars, was $3.6 trillion or 6% of global GDP. Now, with a GDP of $10 trillion or over 12% of global GDP, its growth (even at +5%) will have an outsized influence on the world economy.

Skeptical investors cite a litany of concerns, including a significant real estate downturn and worries about too much debt residing in the local government sector and banking system, in addition to a rigid capital market. We think investors and commentators overlook the impact of the serious reform agenda that is underway and the Chinese authority's monetary policy response. The development of a municipal bond market through the provincial governments swapping debt for local government loans will go a long way toward alleviating a debt crisis. The Shanghai-Hong Kong Connect is a large step toward opening up the capital markets. Lastly, China has eased its monetary policy significantly and seems to be reducing some of the restrictions it has put on its property markets. If all these moves stabilize and eventually give rise to a pickup in Chinese economic growth as we expect, investors will take notice. We believe that the markets will recognize this before it becomes clear in economic statistics and that this will be a secular move.

Other important emerging market economies remain depressed, with a lack of demand leadership from China being a big factor. As China attempts to make the transition from a top-down, government-orchestrated investment economy to a more balanced mix of investment and consumption, their traditional role as a primary export destination for the bulk of developing economies has produced a sharp slowdown across the emerging market landscape.

A stabilization and turn for the better in China will be transmitted across global markets and change expectations for nominal growth potentials. We have positioned our portfolio in anticipation of this process, both in our long exposures to beneficiaries of a more robust Asian region and our avoidance of assets that are priced for stagnation or even deflation.

June 25, 2015
Michael C. Aronstein
President, CIO & Portfolio Manager

The information provided herein represents the opinion of the Portfolio Manager and is not intended to be a forecast of future events, a guarantee of future results, or investment advice.