MARKETFIELD
ASSET MANAGEMENT

MARKETFIELD FUND AUGUST 31, 2011

FUND OVERVIEW

OBJECTIVE

The investment objective of the Fund is capital appreciation. We endeavor to accomplish this by seeking low-volatility absolute return in excess of broad equity indexes.

STRATEGY & PROCESS

The Fund attempts to provide returns on capital substantially in excess of the risk-free rate rather than matching any particular index or external benchmark. 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 index-related and other equity securities to reduce its equity exposure or to profit from an anticipated decline in the price of the security sold short.

FUND FACTS

FUND STATISTICS

Ticker Symbol .... MFLDX
CUSIP 89833W865
Minimum Investment $2,500
Inception Date 7/31/07
Benchmark .... S&P 500 Index
Net Assets $702M
Number of Holdings 76

TOP TEN LONG HOLDINGS (AS OF 8/31/11)

Amazon.com Inc. 2.51%
Costco Wholesale Corp. 2.51%
McDonald's Corp. 2.39%
W.W. Grainger Inc. 2.39%
Google Inc. 2.20%
Fast Retailing Co., Ltd. (Tokyo) 2.14%
Hershey Company 2.02%
Colgate–Palmotive Co. 2.01%
International Business Machines 2.01%
SPDR S&P Retail ETF 1.98%
TOTAL: 22.16%

PORTFOLIO ALLOCATION

Equity Portfolio Long 71%
Equity Portfolio Short 32%
Futures Long 13%

Futures allocation reflect notional value (the value of the futures' underlying).

★★★★★ OVERALL MORNINGSTAR RATING™ AMONG 74 LONG-SHORT EQUITY FUNDS AS OF 8/31/11

Ratings are based on risk-adjusted return. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3 year Morningstar Rating metrics.

FUND PERFORMANCE

AS OF QUARTER-END 6/30/11 | AS OF MONTH-END 8/31/11

	1 Year Annualized	Since Inception* Annualized	Since Inception* Cumulative	Cumulative 1 Month	Cumulative YTD	Cumulative Since Inception*	Annualized 1 Year	Annualized 3 Year	Annualized Since Inception*
MFLDX	+14.65%	+8.49%	+37.63%	–2.17%	–3.48%	+30.81%	+10.88%	+7.46%	+6.80%
S&P 500	+30.69%	– 0.27%	– 1.06%	–5.43%	–1.77%	–8.34%	+18.50%	+0.54%	–2.11%

*Since inception date 7/31/07

Gross Expense Ratio 2.43%
**Net Expense Ratio 2.54%
***Operating Expense Cap 1.75%

Source: U.S. Bancorp ©

***The net expense ratio includes dividends and interest expense on short positions, & the recoupment of previously waived expenses.*
**** The Adviser has agreed to waive its management fees and/or to reimburse expenses of the Fund to ensure that total Annual Fund Operating Expenses (exclusive of taxes, leverage, interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, dividends on short positions, acquired fund fees and expenses and extraordinary or non-recurring expenses, such as litigation) do not exceed 1.75% of the Fund's average annual net assets, at least through August 31, 2012 and for an indefinite period thereafter.*

Performance reflects the reinvestment of dividends and other earnings and is net of advisory fees. Performance data quoted 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. Current performance of the Fund may be lower or higher than the performance quoted. Performance data to the most recent month end may be obtained by calling (888) 236-4298. The Fund imposes a redemption fee of 1.00% for shares held less than 60 days. Performance data quoted does not reflect the redemption fee. If reflected, total return would be reduced.

TOP FIVE SECTORS — NET

Consumer Discretionary 17.88%
Industrial 16.49%
Consumer Staples 11.65%
Energy 9.24%
Technology 7.77%

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

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MANAGEMENT TEAM

Michael C. Aronstein
President, Chief Executive Officer,
and Portfolio Manager

Michael C. Aronstein is Portfolio Manager of the Marketfield Fund. He is also Chief Investment Strategist for Oscar Gruss & Son Incorporated, a NYSE member firm that provides research and investment advice to institutional managers. Prior to joining Oscar Gruss in 2004, 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 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 $702 million in MFLDX and $371 million in The Marketfield Fund, Ltd.; total assets under management are $1,073 million.

Michael Shaoul
Chairman

Michael Shaoul also serves as Chief Executive Officer of Oscar Gruss and Son Incorporated, a position he has held since December 2001. He joined Oscar Gruss in 1996 as Chief Operating Officer. Between 1992 and 1996, Mr. Shaoul ran Park Square Associates, a Manhattan-based real estate investment and management company. He was awarded a Ph.D. in Accounting and Finance in 1992 from Manchester University (UK). Mr. Shaoul has written articles on behalf of *Barron's* and has been regularly quoted in *The Wall Street Journal* and *Dow Jones Newswires* regarding his opinions on the investment markets.

Myles D. Gillespie
Chief Operating Officer

Myles D. Gillespie joined Marketfield Asset Management as Chief Operating Officer in 2007. Mr. Gillespie 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 and 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, Mr. Gillespie served as a NYSE floor Official (1993-1999) and NYSE floor Governor (2001-2004).

David C. Johnson, Jr.
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 ten 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.

Mutual fund investing involves risk. Principal loss is possible. 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 regularly makes short sales of securities, which involves the risk that losses may exceed the original amount invested, however a mutual fund investor's risk is limited to the amount invested in a fund. 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. The investment in options is not suitable for all investors. Investments in absolute return strategies are not intended to outperform stocks and bonds during strong market rallies. ***The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contains this and other important information about the investment company, and may be obtained by calling (888) 236-4298. Read carefully before investing.***

*The S&P 500 Index (SPX) is a broad-based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The securities holdings and volatility of the Fund differ significantly from the stocks that make up the SPX. You cannot invest directly in an index.
Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.

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The Marketfield Fund is advised by Marketfield Asset Management and distributed by Quasar Distributors, LLC. Quasar Distributors is not affiliated with Sincere & Co., LLC.

COMMENTARY

Despite the frenetic action in capital markets few changes in the fundamental trends driving global capital markets were evident in August. Markets did respond more forcefully to the continuing secular deterioration of governments and financial institutions, but not to a degree that would imply a full recognition of the problem.

Leaders of both governments and global financial institutions (which have become, in many senses, quasi-private wards of the state) are, in most cases, fighting the market forces that are rendering their operating models obsolete. In both instances, the basic role is one of financial intermediary, accessing liquid funds on one hand and dispensing them with the other. In the case of governments, their borrowing is intended to fulfill political aims, while the banks are intending to use their deposit liabilities and market funding to earn a profit.

In the world of 2011, access to liquid capital hardly places one in a privileged role. The long-term legacy of easy central bank policy is a global glut of passive, liquid capital earning next to nothing in relatively safe assets. Financial intermediaries are finding that the competition to provide capital to seemingly worthwhile endeavors is forcing them to price their capital and services uneconomically. Informational transparency and access is collapsing financial spreads, forcing the creation of ever more complex, obscure and difficult to price instruments for sale to their customers. This trend will not end well for either party.

In the case of governments, privileged financial and informational positions have been undermined by the growth of capital markets and communications networks. It is interesting to watch as political leaders wage futile battles against both free markets and free speech in order to stave off their descent from power and privilege.

We have said for some time that this particular phase of adjustment to a new economic reality would end with the European Central Bank (ECB) capitulating under duress with a combination of lower base rates and a dramatic increase in its balance sheet. Any proposed solutions from Europe that do not involve this course from the ECB will fail, unless the German people are willing to transfer a good proportion of their wealth and future cash flow to the creditors and populations of the Mediterranean states. We doubt that this will be the outcome, but we are sensitive to the possibility of our being wrong.

The fact is that the monies being argued over in Europe are gone. They have been spent and in many cases wasted over the course of years. The question now is one of apportioning the financial pain that must follow losses of this magnitude. It is not surprising that every interested party has a good idea of how someone else can bear the burden. In the final analysis, everyone with an income stream deriving from the governments of impaired European states is an obligee, from the holders of bonds to public employees, pensioners, farmers and students. The process of prioritizing their claims on a finite pool of cash flow is a political issue.

In the U.S., we have been fortunate to enter the realm of political wrangling over government finances before being forced by market refusals of our debt. Although the fight over the federal debt ceiling had the tone of a bad reality show, the exercise was worthwhile. U.S. government bonds have responded to the acrimonious debate with one of their best performances in history. Those who blame the debt ceiling debate for the current travails in the economy could not be further from the truth. In fact, the debt ceiling is the best mechanism that we have to restore some discipline to public finance.

By placing a hard, numerical cap on borrowing, the political manipulation surrounding budgetary and accounting protocols disappears. It will no longer be important that the definition of a budget cut is a smaller than expected increase or that Social Security accounting cannot truly distinguish between assets and liabilities. All that will matter is a number that limits federal borrowing to an exact level at a specific point in the future. That number, combined with the receipts collected by the government, constitutes a hard and fast spending cap in real dollars.
No accounting gimmicks can alter the fact that the government can only spend the sum of its receipts and borrowings. Exactly how that finite number of dollars is spent is a reasonable task for our political leaders. The debt ceiling is like a fence around a children's' playground. Within its boundaries they are essentially free to do as they like, but they cannot go beyond.

As the end game in Europe continues, we are maintaining a reasonably conservative mix in the portfolio. Short exposure comprises about a third of our positions, with a concentration in financials and non-dollar indices. The tightening cycles in emerging markets are beginning to seriously affect their economic and credit cycles. The added risk of overpopulation by Western investment tourists also exists within emerging markets (EM) and a sizeable portion of our shorts are directed towards EM.

COMMENTARY CONT.

The long side of our portfolio is reasonably aggressive with respect to domestic industrial and consumer companies. These have been weak during general market liquidations, but in most cases have exhibited some relative strength despite their economic sensitivity. We therefore remain enthusiastic about their long term prospects. The short positions have allowed us to maintain exposure in areas that, by themselves, would be too volatile for our comfort and that of our clients and we were generally pleased with the resilience of our portfolio during some of August's more volatile sessions. This is true to our belief that the avoidance of deep drawdowns is the single most important contribution to the long term performance of a portfolio.

In addition to the short positions our significant allocation towards the 30 year treasury bond remains in place as a hedge against a more acute and destructive resolution to the problems in Europe and global banks. The steepness of the yield curve from 10 to 30 years still suggest to us that there is value in the latter, particularly in a world where deflationary pressures remain.

September 4, 2011
Michael C. Aronstein
President

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, nor investment advice.