MainStay Investments®

MARKETFIELD ASSET MANAGEMENT

August 31, 2013

MainStay Marketfield Fund

Fund Overview

Objective

The investment objective of the Fund is capital appreciation. We endeavor to accomplish this by seeking low-volatility absolute returns 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.

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	$13,477 M
Number of Holdings	109

Top Ten Long Equity Holdings (As of 8/31/13)

iShares MSCI Japan ETF	2.2%
SPDR S&P Regional Banking ETF	1.9%
iShares MSCI Mexico ETF	1.8%
Bank of Ireland	1.6%
Facebook, Inc.	1.5%
Apache Corp.	1.4%
BASF SE (Germany)	1.4%
Taiheiyo Cement Corp. (Japan)	1.3%
Lloyds Banking Group PLC (UK)	1.3%
Alcoa, Inc.	1.2%
TOTAL:	15.6%

Portfolio Allocation (As of 8/31/13)

Equity Long	73%
Equity Short	28%
Futures Short	3%

Option delta not reflected.

★★★★★ OVERALL MORNINGSTAR RATING™ (CLASS I)
AMONG 119 LONG-SHORT EQUITY FUNDS AS OF 8/31/13

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 5 year Morningstar Rating metrics. *Class I shares received 4 stars among 119 Long-Short Equity Funds for the three-year period and 5 stars among 70 Long-Short Equity Funds for the five-year period.*

Fund Performance

Monthly Average Annual Total Returns as of 8/31/13

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class A (Max. 5.5% load) (10/08/2012)	MFADX	3.75%	6.14%	11.75%	9.22%	8.39%
Class A (NAV) (10/08/2012)	MFADX	9.79%	12.32%	13.87%	10.46%	9.40%
Class I (07/31/2007)	MFLDX	9.97%	12.54%	14.14%	10.73%	9.67%
Class R2 (10/08/2012)	MFRDX	9.80%	12.18%	13.75%	10.35%	9.29%
S&P 500 Index	N/A	16.15%	18.70%	18.40%	7.32%	4.19%*

*Inception date used was for Class I (07/31/07)

Quarterly Average Annual Total Returns as of 6/30/13

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class A (Max. 5.5% load) (10/08/2012)	MFADX	1.48%	5.82%	10.27%	9.36%	8.24%
Class A (NAV) (10/08/2012)	MFADX	7.39%	11.98%	12.37%	10.60%	9.28%
Class I (07/31/2007)	MFLDX	7.51%	12.19%	12.63%	10.86%	9.54%
Class R2 (10/08/2012)	MFRDX	7.40%	11.82%	12.24%	10.48%	9.16%
S&P 500 Index	N/A	13.82%	20.60%	18.45%	7.01%	3.96%*

*Inception date used was for Class I (07/31/07)

Total Annual Fund Operating Expenses: Class A: 4.15%, Class R2: 3.91%, and Class I: 2.94%; Effective October 5, 2012, New York Life Investment Management LLC ("New York Life Investments") has contractually agreed to waive fees and/or reimburse expenses so that Total Annual Fund Operating Expenses (excluding taxes, interest, litigation, extraordinary expenses, brokerage and other transaction expenses relating to the purchase or sale of portfolio investments, and acquired (underlying) fund fees and expenses) for Class I shares do not exceed 1.56% of its average daily net assets. This agreement will be in effect for a two-year period unless extended by New York Life Investments and approved by the Board of Trustees.

Average annual total returns include the change in share price and reinvestment of capital gains and distributions. Effective 10/8/12, Marketfield Fund was renamed MainStay Marketfield Fund. At that time, the Fund's existing no-load shares were redesignated Class I shares. Performance for Class A and R2 shares, first offered 10/8/12, includes the historical performance of Class I shares from inception through 10/8/12, adjusted to reflect the applicable sales charge and fees and expenses for such shares. Class I shares are generally available only to corporate and institutional investors.

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 800-MAINSTAY (624-6782).

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.

Equity allocations may include fixed-income exposure.

Top Five Sectors–Net

Industrial	15.5%
Materials	12.6%
Consumer Discretionary	10.8%
Financials	7.6%
Energy	3.7%

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, Chief Investment Officer,
and Portfolio Manager

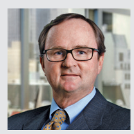
Michael C. Aronstein is Portfolio Manager of MainStay Marketfield Fund. In 2004, Mr. Aronstein joined Oscar Gruss & Son Incorporated, where he held the position of Chief Investment Strategist. Prior to joining Oscar Gruss, Mr. Aronstein was Chief Investment Strategist at Preservation Group, a provider 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 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 $13,477 million in MainStay Marketfield Fund, $165 million in MainStay VP Marketfield Portfolio & $596 million in The Marketfield Fund, Ltd.; total assets under management are $14,238 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.

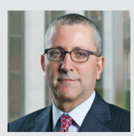
Michael Shaoul
Chairman and CEO

Michael Shaoul 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
Principal, Senior Trader

Myles D. Gillespie joined Marketfield Asset Management 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. He has twenty-three years of securities industry experience. 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

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, 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 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 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.

 For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ (based on a Morningstar Risk Adjusted Return measure that accounts for variation in a fund's monthly performance, including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) MainStay Marketfield Fund Class I shares received 4 stars among 119 Long-Short Equity Funds for the three-year period & 5 stars among 70 Long-Short Equity Funds for the five year period ending 8/31/13.

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 or affiliates provide tax, legal or accounting advice. Please consult your own advisors on these matters.

The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time.

Obtain the Prospectus

For more information, 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

Last month we spent a good portion of the commentary discussing the fact that central banks are invariably late in recognizing economic transition points. This is a function of their bureaucratic structure (particularly true of the Federal Reserve) and the need for tremendous amounts of historic, factual evidence before they will acknowledge that economic trends have changed.

As if on cue, the Federal Reserve subsequently decided to forego the slightest alteration in its emergency stimulus path, confounding most observers who choose to spend time guessing what the Fed is going to do from one moment to the next.

Our contention has been that the Fed, in paying attention to an array of traditional economic statistics is missing the transition to a more robust economic environment that has been underway for the better part of a year.

In declining to moderate its bond purchases, the Fed cited "the tightening of financial conditions" as a central rationale. In looking at all of the normal metrics of credit stress, we can find none that would indicate harsher conditions than prevailed earlier in the year.

It seems to us that the Fed simply panicked at the decline in bond prices and the lack of liquidity that became evident across the entire fixed income arena. We believe that bonds backed up for normal reasons as the economy showed evidence of improvement. The same retreat in bond prices was evident in every high-grade market, from Germany, Britain and Sweden to Australia and Korea.

The explicit acknowledgement of better economic conditions by central bankers may have been the proximate trigger for the markets' recognition of the fundamentals, but the changed macroeconomic conditions were the real driving force.

In certain respects, capital market conditions are reminiscent of 1980, 1984, 1987, 1994, 1997 and 2004. In each instance, accelerating economic activity drove sharp increases in long-term interest rates. The Federal Reserve followed with tighter policy, which prevailed until the rise in rates provoked a serious crisis. In the current case, fixed income markets have signaled a change in economic conditions, and the Federal Reserve Board (FRB) has chosen to ignore them.

It has been our opinion that the least convincing explanation for the FRB's reluctance to respond to the signals provided by capital markets is that their economic outlook is actually correct and the markets are not.

More likely, they have been spending too much time in private meetings with bond fund managers, traders and emerging market ministers, all of whom were very unnerved by the recent declines in fixed income markets and the strength of the dollar. Public comments from these quarters seemed to fall under the heading of begging the Fed not to follow through with the small diminution of asset purchases that markets had come to expect. We have to believe that the private entreaties, after a few glasses of wine, were even more urgent and persuasive.

The policy inertia of the Federal Reserve might appear somewhat harmless on the surface. There is little doubt that it appears so to the majority of the board and the Chairman. They seem to believe that there will be adequate time once the data is unambiguously positive and their inflation targets of 2 to 3% have been met to politely disembark from QEIII (Quantitative Easing). Should they be mistaken, the downside of potentially adverse outcomes is now substantially more than it was two weeks ago.

An important, new set of risks has arisen in light of their recent failure to follow through on the modest withdrawal of asset purchases that markets anticipated.

Now that the Federal Reserve has implied that they can address unrest in the bond market by properly calibrating their monthly asset purchases, they had better hope that markets perform to expectations. A failure of bonds to continue their recent rally with the QE throttle being held wide open would undermine the notion that rising rates were remediable by fine tuning monetary policy.

The Fed has now gone down all of its rhetorical and operational escape paths. Talk of a slight moderation in asset purchases exaggerated an already weakening trend in bond markets. They mistakenly laid the blame for higher long rates at the feet of their proposed policy shift and quickly abandoned it, although it was a proper, if feeble first step. If events and the accompanying data now prove that tighter policy was, indeed, appropriate, the FOMC will have a very hard time going back to a path they just abandoned.

Commentary Cont.

Once markets have the sense that the Fed is no longer in control and is institutionally unable to reverse course in an appropriate time frame, a more severe crisis of confidence could arise. Our sense is that the next meaningful decline in bond prices will prove to be one more than market structures can tolerate.

Our portfolio allocations remain skewed toward greater strength in the more cyclically sensitive sectors of domestic, European and Japanese equity markets. Short positions are concentrated in fixed income instruments and those sectors and companies that would be pressured by rising rates and increasing input costs.

Sept 30, 2013

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, nor investment advice.