MainStay Investments®

Marketfield Asset Management

March 2014

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 .... $21,348 M
Number of Holdings 139

Top Ten Long Holdings (Excluding Cash) (As of 3/31/14)

Bank of Ireland..2.2%
Alcoa, Inc..1.5%
Facebook, Inc. 1.4%
Bank of Ireland Trust - Preferred Security 1.4%
Fiat Indistrical SpA (Italy)........................1.3%
Continental AG (Germany)........................1.3%
UniCredit SpA (Italy).................................1.3%
iShares MSCI Mexico ETF..........................1.3%
BHP Billiton Ltd. ADR 1.3%
BASF S.E. Corp. (Germany).......................1.2%
TOTAL: 14.2%

Portfolio Allocation (As of 3/31/14)

Equity Long 85%
Equity Short 26%
Futures Short* 16%

Option delta not reflected.

**Notional Value*

★★★★ Overall Morningstar Rating™ (Class I) Among 144 Long-Short Equity Funds as of 3/31/14

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 five-year Morningstar Rating metrics. *Class I shares received 5 stars among 144 Long-Short Equity Funds for the three-year period and 4 stars among 73 Long-Short Equity Funds for the five-year period.*

Fund Performance

Quarterly Average Annual Total Returns as of 3/31/14

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class I (07/31/2007)	MFLDX	-1.84%	9.14%	10.09%	16.25%	9.49%
Class A (Max. 5.5% load) (10/08/2012)	MFADX	-7.24%	2.91%	7.80%	14.68%	8.31%
Class A (NAV) (10/08/2012)	MFADX	-1.84%	8.90%	9.85%	15.98%	9.23%
Class R2 (10/08/2012)	MFRDX	-1.90%	8.79%	9.71%	15.85%	9.11%
S&P 500 Index	N/A	1.81%	21.86%	14.66%	21.16%	6.16%*

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

Total Annual Fund Operating Expenses: Class I: 2.66%, Class A: 2.93%, and Class R2: 3.05%. 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

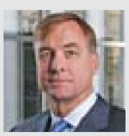
Materials 18.8%
Financials..15.9%
Industrials..12.9%
Consumer Discretionary.........................10.3%
Energy..5.4%

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 $21,348 million in MainStay Marketfield Fund, $414 million in MainStay VP Marketfield Portfolio & $776 million in Marketfield Fund Dublin; total assets under management are $22,538 million.

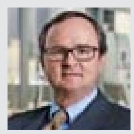


David C. Johnson, Jr.
Principal, Director of Research

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.

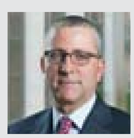
Michael Shaoul
Chairman and CEO

Michael Shaoul also serves as Chief Executive Officer of Oscar Gruss & 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

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.

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

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

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

The past month's market movements have been characterized by a continuing move away from high valuation, growth sectors toward more cyclically exposed lower multiple stocks. Fixed-income markets have been generally quiet, with yields backing up in the middle of the yield curve (3-yr – 7-yr) and falling at the long end.

A more specific characterization of the type of stocks that were most heavily liquidated after having been clear market leaders is as follows: companies that were expected to grow independently of traditional cyclical aspects of the domestic economy.

In some way, the enormous premiums commanded by these names were indicative of a general lack of enthusiasm for overall economic prospects. This is a perspective that is obviously shared by the majority of members of the Federal Reserve board.

Leadership shifts from growing companies that seem immune to fluctuations in business cycles toward those more geared to the economy will normally take place during periods when cyclical aspects of the economy begin to accelerate and prospects for both operating and pricing leverage appear. After a period of modest nominal growth, the valuation gap between the two sorts of businesses is heavily skewed toward the former.

Prospects for increased nominal growth are disruptive to growth stock valuations, as the discount factors for future earnings begin to increase with rising bond yields or expected inflation.

The clearest historical example of this sort of change took place in the period between 1972 and 1974, when the "nifty fifty" growth names, most of which were in basic, non-volatile consumer businesses, lost more than two thirds of their value as oil price rises began to infect the price structure of the entire economy. Then as now, Federal Reserve policy was extremely accommodative and real interest rates were suppressed.

A bear market of the magnitude of that seen in 1973-1974 is not likely at present, as the wild exuberance for stocks that permeated the institutional and academic communities is nowhere in sight. That does not mean that the sectors benefitting from the greatest enthusiasm over the past year cannot suffer their own, private bear market. They are certainly off to a good start.

The adverse consequences of a more inflationary environment will be borne by those whose earning power is not linked to the current cycle of asset inflation but see costs increased by the expected migration of the inflationary impulse to more prosaic consumer and business activity.

We have made the point in prior commentary that regional wage pressures, centered around areas of the country where industrial capital spending is accelerating, will begin to migrate to other regions and to lower wage consumer and service sectors where capacity is adequate. These sectors will find it difficult to compete for employees with industrial enterprises that enjoy tighter capacity and greater end product pricing power.

Pressure on the real incomes of consumers who are outside the boundaries of inflating sectors is already becoming manifest in the poor relative performance of consumer products and retail sectors.

Economic volatility is generally the result of abnormal consumption and business investment cycles. Disturbances in both are often prompted by large changes in the financing environment. The consumer goods that are vulnerable to disruption in their normal cycles are those that rely upon the availability of credit. Housing and automobiles are the clear examples.

Business investment, in the forms of inventory accumulation and capital spending is also strongly influenced by financing conditions.

During the post WWII decades, run of the mill business cycles consisted in excessive inventory accumulation, which provoked tighter bank credit and eventually, the liquidation of inventories that were carried on credit. Automobiles were often the focal point in these cycles.

Deferred consumption of durables and deferred capital spending each result in deteriorated and inadequate household and business infrastructure. The process is currently visible in the trucking industry, where years of underinvestment in equipment have resulted in a fleet that is abnormally aged and undersized for the current level of demand. The scramble to upgrade has been a great boon to manufacturers, but as it proceeds, shipping rates and delays have risen sharply, to the detriment of other sectors of the economy.

On the consumer side, the clearest deferrals of normal spending patterns have been in autos and housing. Both were responses to extreme financial pressures in the aftermath of 2008. The deficit in automobile sales and the abnormally aged fleet are both gradually returning to normalcy. This has supported a very robust automotive cycle and increases in both investment and hiring.

Commentary Cont.

The story is very different in housing, where new home starts are running below the worst levels seen during the credit crunch of 1966. The collapse of housing activity is a reasonable reaction to the historic excesses that preceded the collapse in 2008. But the failure of activity to recover with general economic conditions is highly unusual.

One important difference between automobiles and housing at present consists in the different financing conditions supporting each sector. Automobile finance has gone well beyond normal to a point of extraordinary ease, while housing finance is still impaired. For those unable to take advantage of the overall generosity of financing conditions, leasing is a ready option. This is a normal feature of the automobile business, but its expansion into the single family home market is a new feature of this cycle and has supported both pricing and the absorption of existing homes.

The turn in the automobile market was marked by price jumps and shortages of used cars. The same phenomena are currently visible in housing, where shortages of existing properties are holding back sales' rates. As more non-bank sources of finance arise to take advantage of the vacuum left by the over-regulated traditional housing finance sector, activity in new homes should begin to trend back toward normal levels.

Deferred investment on the business side, while not categorical, is still an unusual feature of the current recovery. Its relative absence has left nominal business sales' growth well below normal for this stage of recovery.

Behavior in the corporate sector has a great deal to do with the incentive structures that have arisen since 2008. There is a clear tendency to reward managers for eliminating any unused capacity and using free cash flows and proceeds from disposals to repurchase shares. In industries where tight capacity has led to increased prices and profit margins, the tendency is to limit capital spending to what is necessary to maintain or increase efficiency, rather than boosting capacity.

These behaviors are well entrenched, and will likely result in a cycle where price increases proceed farther and persist longer than normal. No CEO faces criticism or the intrusion of external opportunists because margins are too high or capital expenditures inadequate.

A great deal of our macroeconomic analysis consists of attempts to identify abnormalities in price, activity, relative fortune, valuation and conception. To the extent that we are able to identify the processes by which these abnormalities have arisen, we can make some educated suppositions as to their potential reversion toward normalcy.

We are in a highly abnormal cycle on many fronts. Financing is extraordinarily easy and inexpensive in both real and nominal terms. To date, most of the results of seemingly limitless money and credit have been confined to the inflation of asset prices. This has dramatically skewed income and wealth distributions, with the attendant political outcries mostly failing to identify the real sources of the distortions.

We appear to have reached a point at which deferred activity in the real economy is beginning to trend toward normal levels. The starting point of the process, whether in energy production, home construction, agricultural prices, plant expansions or repatriation of manufacturing capacity is immaterial. As long as monetary conditions remain uncommonly generous, strength in any important sectors and prices can be transmitted through large portions of the economy, both domestic and global.

Our portfolio continues to comprise companies in a variety of industries that can take advantage of tightening capacity through increased prices and, eventually, increased volumes in response to more normal activity levels. Positions are dispersed throughout developed markets. Short exposure is concentrated in sectors where we regard capacity as adequate and see potential for input and employment cost pressures.

April 22, 2014

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.