MARKETFIELD ASSET MANAGEMENT

# MARKETFIELD FUND

**June 30, 2021**

## 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 generally lower than that of the broad equity market. Correlation between the Fund and the broad equity market may vary considerably over an investment cycle. The Fund has a broad investment charter that allows it to utilize equity securities, fixed income instruments, commodities, futures, and options. Additionally, the Fund may engage in short sales of securities using up to 50% of net assets to profit from an anticipated decline in the price of the security. The use of short selling could result in increased volatility of returns.

## Fund Facts

| | |
|---|---|
| CUSIP Class I | 89834E245 |
| CUSIP Class A | 89834E278 |
| CUSIP Class C | 89834E252 |
| Inception Date | 7/31/2007 |
| Benchmark | S&P 500 Index |
| Net Assets | $161.9 million |
| Number of Holdings | 48 |

## Portfolio Allocation

*(Excluding Cash) (As of 06/30/21)*

| | |
|---|---|
| Equity Long* | 87.6% |
| Equity Short* | -25.0% |

**Option deltas not reflected.*

## Performance

Quarterly Average Annual Total Return As of 6/30/21

| | Tickers | 1 Mo | 3 Mo | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Inception |
|---|---|---|---|---|---|---|---|---|---|
| Class I | MFLDX | -3.29% | 0.70% | 5.72% | 27.00% | 8.75% | 9.16% | 4.66% | 5.73% |
| Class A (Max. 5.5% load) | MFADX | -8.63% | -4.92% | -0.24% | 19.72% | 6.47% | 7.68% | 3.83% | 5.05% |
| Class A (NAV) | MFADX | -3.30% | 0.62% | 5.56% | 26.70% | 8.49% | 8.90% | 4.42% | 5.48% |
| Class C (Max. 1.0% CDSC) | MFCDX | -4.29% | -0.54% | 4.22% | 24.78% | 7.67% | 8.06% | 3.63% | 4.68% |
| S&P 500® Index | SPXT | 2.33% | 8.55% | 15.25% | 40.79% | 18.67% | 17.65% | 14.84% | 10.37% |

Class I Inception Date is 7/31/07. Class A Inception Date is 10/5/12, and Class C Inception Date is 10/5/12. S&P 500® Index since inception returns are as of Class I inception date of 7/31/07.

**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. For performance information current to the most recent month-end, visit our web site at http://www.marketfield.com/fund/.**

Total Annual Gross Operating Expenses are: Class I: 2.63%, Class A: 2.91%, and Class C: 3.62%.

Total Annual Operating Expenses After Fee Waiver and/ or Expense Reimbursement are: Class I: 2.36%, Class A: 2.63%, and Class C: 3.36%. Expenses include Dividend Expense on Securities Sold Short and Broker Fees and Charges on Short Sales. Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement are contractual through at least April 30, 2022.

Performance data for the classes varies based on differences in their fee and expense structures. The performance figures for Class I shares reflect the historical performance of the then-existing shares of MainStay Marketfield Fund (the predecessor to the Fund, for which the Adviser served as the investment sub-advisor) for periods from October 5, 2012 to April 8, 2016. The performance figures for Class I shares also reflect the historical performance of the then-existing shares of the predecessor fund to MainStay Marketfield Fund (which was subject to a different fee structure, and for which a predecessor entity to the Adviser served as the investment adviser) for periods prior to October 5, 2012. Performance figures for Class A and Class C shares, first offered on October 5, 2012, include the historical performance of Class I shares through October 4, 2012 and are adjusted to reflect differences in fees and expenses. The returns in the table above for periods prior to October 5, 2012 have been calculated using the expenses of the predecessor fund to the MainStay Marketfield Fund. Performance data for the classes varies based on differences in their fee and expense structures. Unadjusted, the performance for the newer classes would likely have been different because of differences in certain fees and expenses attributable to each share class.

## Regions Exposure *(As of 06/30/21)*

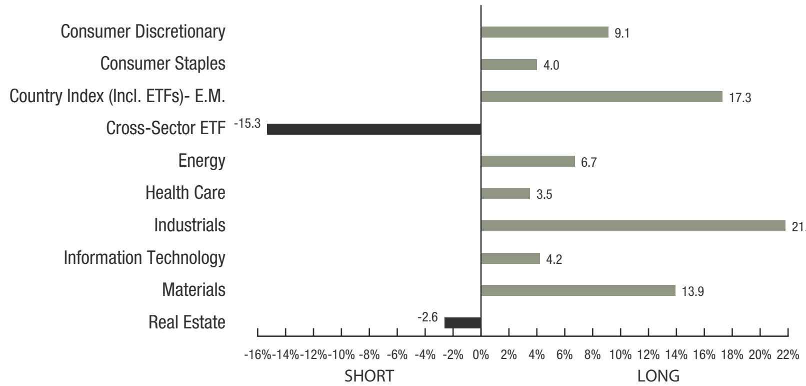
| | Long | Short | Net |
|---|---|---|---|
| U.S. | 54.6% | 25.0% | 29.6% |
| Emerging Markets | 6.8% | 0.0% | 6.8% |
| Europe | 1.7% | 0.0% | 1.7% |
| Japan | 10.7% | 0.0% | 10.7% |
| United Kingdom | 6.6% | 0.0% | 6.6% |
| Australia | 4.5% | 0.0% | 4.5% |
| Canada | 1.9% | 0.0% | 1.9% |
| Other | 0.8% | 0.0% | 0.8% |

## Portfolio Management

**Michael C. Aronstein**
President, Chief Investment Officer
Portfolio Manager
Marketfield Asset Management LLC

**Michael Shaoul**
Chairman, CEO
Portfolio Manager
Marketfield Asset Management LLC

## Sectors Net Exposure




## Before You Invest

**Mutual fund investing involves risk. Principal loss is possible. Before considering an investment in the Fund, you should understand that you could lose money. Past performance does not guarantee future results.**

*The Fund regularly makes short sales of securities, which involves 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.*

*Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. These risks may be greater for emerging markets. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Investing in mid-cap stocks may carry more risk than investing in stocks of larger, more well-established companies. 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 may increase the volatility of the Fund's NAV and may result in a loss to the Fund.*

Notional value is the total value of a leveraged position's assets. Correlation is a statistical measure of the degree to which the movements of two variables (stock/option/convertible prices or returns) are related. Option Delta is the relationship between the option price and the underlying price, which reflects the sensitivity of the price of the option to changes in the price of the underlying security.

The S&P 500® Index is a trademark of McGraw Hill Financial 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. An investment cannot be made directly into an index.

Regions and Sectors Exposures are subject to change and are not recommendations to buy or sell any security. Only equities and equity instruments classified in Regions and Sectors Exposures. Options premiums, and not delta exposure, are used in Sectors and Regions Exposures, when applicable. Options premiums, and not delta exposure, are used in Sectors and Regions Exposures, when applicable. The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC ("S&P"). GICS is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

**Diversification does not assure a profit nor protect against loss in a declining market.**

**For more information about Marketfield Fund, call 800-311-6583 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.**

The Marketfield Fund is managed by Marketfield Asset Management LLC and distributed by Quasar Distributors, LLC.

## Contact Us

**Eilene Nicoll**
Managing Director
Director of Client Services
Marketfield Asset Management LLC
**enicoll@marketfield.com**
**www.marketfield.com**
**212-514-2357**

## Commentary

MARKETFIELD
ASSET MANAGEMENT

**Chairman's Report June 2021**

Marketfield Fund generated a return of 0.70% for the second quarter, compared to a total return of 8.55% for the SPX index and a 7.31% return for the MSCI World Index. The quarter started strongly, but from Mid-May onwards cyclical exposure lost ground while growth equities broke out to the upside. Absent actually losing money, this is the worst combination for our portfolio, which remains positioned towards strong cyclical activity in the U.S. and elsewhere. Although this view is expressed through a variety of different sectors and geographic exposure this was a very broad divide between winners and losers, with the June performance of the Russell 1000 growth index outperforming its Value rival by the largest amount in 20 years. We do not ourselves target "value" as a concept in our portfolio, but many of the cyclical equities that we own are included in the category, as are most of the country benchmarks that we are exposed to, while our index hedges on the short side gained ground during the last few weeks of the quarter.

It is hard to point to a clear fundamental catalyst behind the shift in performance, other than the swing of momentum forcing new funds down a very well defined path that generally bypassed our own exposure. Looking ahead we do not expect this to continue, particularly if earnings once again make clear the power of corporate performance is in cyclically focused sectors. We believe that we are still fairly early in the resurgence of activity centered around durable goods production and consumption, and that the reflationary forces being generated are likely to remain in place for much longer than consensus expects. However, this view is at odds with far more influential voices than our own, particularly that of the Federal Reserve. This institution has thus far managed to keep the debate around monetary policy centered around the concept of "transitory" inflationary pressures, or put another way, a short window of excess profitability for sectors that stand to benefit from them. This means that P/E valuations in many cases (particularly extractive industries and homebuilders) remain quite modest, since current earnings are not expected to persist much longer. If we are correct, and durable goods spending proves to be surprisingly "durable", then a rerating of many of these sectors should follow in due course.

As to specific performance, we would note that Energy bucked the deterioration during late-May and June, probably reflecting the lower positioning towards in the average portfolio. We have used periods of weakness to add to this sector, mostly by increasing the size of existing positions, and ended the quarter with 6.7% of exposure to the sector. Materials overall performed well, but made most of the return early in the quarter and lagged thereafter. Homebuilders were little changed overall, but again saw the same split between early and late quarter performance, and Industrial exposure generated a small loss, caused mostly by a sharp decline in machinery and transportation equities late in the quarter. As far as geographic exposure was concerned, overall U.S. performance was slightly negative, while Japan and Europe were virtually unchanged. Emerging market performance was positive, helped by materials exposure in Brazil and Russia.

On the short side, the portfolio suffered losses in its index hedges and also its Commercial Real Estate exposure. As far as the former is concerned, the hedges did their job during periods of general weakness, but the narrowing of performance later in the quarter meant that the long side of the portfolio was unable to compensate for the drag of hedging. For Commercial Real Estate, we have been surprised at the market's willingness to look through the obvious deterioration of market fundamentals, and also the widespread use of the sector as an "inflation hedge" that ignores the long term nature of most office lease obligations. We did therefore trim positions significantly during the quarter and will wait for a more opportune moment to reengage.

## Commentary (continued)

July 8, 2021

Michael Shaoul

Chairman, CEO & Portfolio Manager

The foregoing represents the opinions of the Chairman, CEO & Portfolio Manager, and are not intended to be a forecast of future events, a guarantee of future results, or investment advice.

**Definitions:**

MSCI World Index, the World Index measures the market performance of large and mid-cap companies that have a global presence.

Russell 1000 Growth Index represents the top 1000 companies by market capitalization in the United States.

P/E is the price-to-earnings ratio. The ratio for valuing a company that measures its current share price relative to its per-share earnings (EPS).