MARKETFIELD FUND MAY 31, 2012

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 $1,671M
Number of Holdings 97

TOP TEN LONG HOLDINGS (AS OF 5/31/12)

SPDR S&P Regional Banking ETF.............................2.73%
iShares Dow Jones Transport Avg. ETF.....................2.45%
IShares MSCI Mexico...2.06%
Priceline.com Inc. 1.93%
BASF SE (Germany) 1.78%
Fast Retailing Co. Ltd. (Japan) 1.76%
Sherwin-Williams Co. 1.75%
Google Inc. 1.74%
Union Pacific Corp. 1.73%
TJX Cos. 1.71%

TOTAL: 19.64%

PORTFOLIO ALLOCATION (AS OF 5/31/12)

Equity Portfolio Long 81%
Equity Portfolio Short 35%

★★★★★ OVERALL MORNINGSTAR RATING™
AMONG 81 LONG-SHORT EQUITY FUNDS AS OF 5/31/12

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 3/31/12			AS OF MONTH-END 5/31/12					
		Since Inception*		Cumulative			Annualized		
	1 Year Annualized	Annualized	Cumulative	1 Month	YTD	Since Inception*	1 Year	3 Year	Since Inception*
MFLDX	+9.35%	+9.08%	+50.06%	– 0.13%	+7.85%	+51.56%	+8.70%	+14.17%	+8.98%
S&P 500	+8.54%	+1.52%	+7.28%	– 6.01%	+5.16%	+0.02%	– 0.41%	+14.92%	+0.04%

*Since inception date 7/31/07

Gross Expense Ratio 2.46%
**Net Expense Ratio 1.55%
***Operating Expense Cap 1.75%

Source: U.S. Bancorp ©

***The net expense ratio excludes dividends and interest expense on short positions, acquired fund fees and expenses & the recoupment of previously waived expenses. The net expense ratio including those expenses would have been 2.47%.*
**** 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 April 30, 2013 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...23.80%
Industrial...21.07%
Technology..6.82%
Energy..4.24%
Consumer Staples...3.85%

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

292 MADISON AVENUE
14TH FLOOR
NEW YORK NY, 10017
(212) 514-2350
WWW.MARKETFIELD.COM
MARKETFIELD
ASSET MANAGEMENT

MANAGEMENT TEAM

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

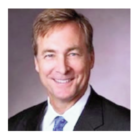
Michael C. Aronstein is Portfolio Manager of the Marketfield Fund. He is also Chief Investment Strategist for Oscar Gruss & Son Incorporated, a NYSE member firm that provides research and investment advice to institutional managers. Prior to joining Oscar Gruss in 2004, Mr. Aronstein was Chief Investment 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 $1,671 million in MFLDX and $475 million in The Marketfield Fund, Ltd.; total assets under management are $2,146 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 JJC Specialist Corp., the successor firm to Quick and Reilly, in 1989. In 1999 he became President of Fleet Specialist, Inc., the successor firm to JJC 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. Diversification does not assure a profit or protect against a loss in a declining market.***

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.
 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 ext 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.) The Marketfield Fund received 5 stars among 81 Long-Short Equity Funds for the three-year period ending 5/31/2012.
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

A listener to current financial news could be forgiven for assuming that he or she had mistakenly tuned in to the Geography Channel. It is difficult to find a financial headline that does not revolve around some nation or nations in the midst of a dire fiscal drama. In nearly every instance, the welcome prospect of a final act and curtain fall seems far off.

Implicit in the incessant news feed is a fundamental confusion between governments and economies. The Spanish government is not the Spanish economy, although, as with Greece, Argentina, Venezuela, China and possibly France, it has the ability to severely impede economic function.

The current environment of non-stop fiscal crises is part of a long, secular reckoning between governments and free markets. This is and will continue to be the dominant theme of this decade. The various forms of resolution to this fundamental conflict will be primary determinants of economic prospects for the next several generations. In some sense, we are at a decision point of similar moment as was the case in the aftermath of World War II.

The nearly complete destruction of the developed world's capital stock during the Second World War allowed the U.S., as the one intact major economy, to set the tone for the recovery and establish economic parameters along essentially free market lines. This process was particularly apparent in Germany and Japan, which became, for all intents and purposes, protectorates of the United States. It can be argued that these two nations, following their defeat, became the outstanding growth stories of the last half of the 20th century. Germany's prosperity has continued, while Japan has reverted to many of the cultural and political rigidities that have been traditional depressants to their economic progress.

For those nations that chose or were forced to follow the Soviet model, the result was chronic impairment of economic function and a reversion to general privation. For others, prosperity begat temptation, and political rulers began to intrude more directly in economic matters.

The most marked change in the relationship between governments and markets during the post-war era consisted in the routine utilization of debt in order to increase the economic influence of the political leadership. This was a new feature of peacetime economies in the developed world, and the initial effects seemed promising to the uninformed observer. Like all debt driven processes, the expansion of purchasing power that occurs in the initial stages seems like a magical elixir. Many college students have experienced the excitement of newly found spending power when issued their first credit card. The moment of truth arrives long after the first debts are incurred.

Compound interest is inexorable but slow. This fact has allowed political authorities and certain popular soothsayers to convince many of their citizens that constant expansion of government debt is a beneficial force. When the process reaches its inevitable end, the result is treated as some sort of unfortunate accident rather than an ill-conceived deception. Placing the blame on markets and economic freedom becomes the next resort. This is the stage we are now entering.

The post-war experiment whereby political rulers arrogated increasingly larger shares of economic influence to themselves and their inner circles has run up against the laws of economics, markets and arithmetic. The ways in which leaders respond to these harsh facts will range from benevolent (we hope) to despotic and violently tyrannical. The most common responses, as seen thus far, will lie somewhere in the low-middle ground, characterized by ignorant, futile, but lawful, and mostly democratic efforts to turn back the tides.

As we enter the summer months, expect to hear more somber rhetoric about the tyranny of markets, which will be characterized as caring only about such inhumane parameters as solvency, profit, creditworthiness and liquidity. Arguments will be made that markets need to be subordinated to the common good as defined by the leaders of those governments being denied access to further credit and discretionary spending authority.

Europe has taken center stage in the current act of this drama, but a great many nations in the developing world are moving along the same path. The thing to keep in mind about the European situation is that the various rescues proposed and in process represent governments bailing one another out. Germany is not being asked to refinance the Spanish sardine fleet. Italian band-saw manufacturers do not seem to need loans from the European Central Bank, nor do the fashion houses of Milan. It is the impairment of government finance and the captive banking systems that both support and depend upon it that is the trouble. It is little wonder that hysterical politicians dominate headlines. Influence is waning and lifestyles are at risk, which, in the halls of power, constitutes true emergency.

COMMENTARY CONT.

Circumstances in the developing world are similar, although the specifics vary depending upon the particulars of the governments involved. The enormous influx of external capital to emerging market economies has filled the coffers of most governments with reserves sufficient to preclude the sort of solvency issues at work in Europe. Governments in the BRIC (Brazil, Russia, India & China) nations are not only able to spend, they are also able to direct actions of the private sector by fiat. The term "macro-prudential management", first applied to administrative orders meant to control certain specific financial activities, would be an apt description of the methods by which most emerging market governments exert influence over their economies.

In contrast to the U.S., and, to a lesser extent, Europe, governments in most developing markets can simply order their major industries to maintain unprofitable production, increase hiring, turn over most foreign exchange receipts, buy only from local suppliers and support the current political leadership.

None of these edicts has anything to do with increasing the profitability or prospects of the targeted businesses. They are undertaken for political, not economic ends. In that respect they are identical to the borrowing binges that characterize the quest for political influence among governments in the developed world. Both are economically harmful but useful in the immediate maintenance of political power.

Markets are beginning to exact discipline in Europe by severely limiting the terms under which their most profligate governments can borrow. In the case of emerging market economies, the most heavy-handed governments will see private sector access to external capital curtailed along with any lack of demand for sovereign obligations.

In many cases, the inward flows that have accounted for so much of the apparent prosperity in these nations will begin to reverse. The chorus promoting an external devaluation by Greece may find that process at work in several important emerging market economies, where, in contrast to Greece, there is actually a great deal of foreign investment capital at risk.

As always, the practical issue for us is one of timing. It is always difficult, if not impossible, to identify points at which broad scale, long term trends head toward near term resolution. It is our sense that the end of the second quarter might bring some more widespread recognition of the fundamental problems that we see afflicting much of the developing world, along with some resolve within the European Union to restrain the financial adventures of their member governments. This would remove some of the external pressures weighing on their private sectors and allow more sustainable growth to proceed. We have continued to increase our holdings of equities in Europe, while maintaining the bulk of the long positions in domestically focused U.S. equities. Major sectors include transportation, construction and retail and manufacturing. Short positions are concentrated in emerging markets and companies that are expected to derive much of their growth from strength in these economies.

We will conclude with a hypothetical exercise about which we have been thinking for several years. Assume that one morning Chairman Bernanke got a call on his emergency line from the head of a foreign central bank, who confessed that someone had forgotten to secure the back door of the bank overnight, and raccoons had gotten in and eaten all of the reserves. Suppose that Dr. Bernanke, being the good sport that he is, agreed to simply wire a replacement set of reserves that afternoon, with the proviso that they be kept in a more secure location. The question, which we will not try to answer here, is "what are the practical, economic consequences of such a scenario?" We would be interested to hear any thoughts on the matter. We will offer our own in our mid-year letter.

June 13, 2012
Michael C. Aronstein
President