MARKETFIELD
ASSET MANAGEMENT

MARKETFIELD FUND JUNE 30, 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 $2,059M
Number of Holdings 94

TOP TEN LONG HOLDINGS (AS OF 6/30/12)

iShares Russell 2000 Index ETF 4.30%
SPDR S&P Regional Banking ETF 2.80%
iShares Dow Jones Transport Avg. ETF 2.50%
IShares MSCI Mexico 2.32%
Priceline.com Inc. 2.08%
General Electric Co. 2.06%
USG Corp. 1.92%
Union Pacific Corp. 1.85%
Sherwin-Williams Co. 1.80%
Ryland Group Inc. 1.80%

TOTAL: 23.43%

PORTFOLIO ALLOCATION (AS OF 6/30/12)

Equity Portfolio Long...87%
Equity Portfolio Short 33%

★★★★★ OVERALL MORNINGSTAR RATING™
AMONG 85 LONG-SHORT EQUITY FUNDS AS OF 6/30/12

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 6/30/12

	Cumulative			Annualized		
	1 Month	YTD	Since Inception*	1 Year	3 Year	Since Inception*
MFLDX	+0.86%	+8.77%	+52.86%	+11.07%	+15.22%	+9.01%
S&P 500	+4.12%	+9.49%	+ 4.33%	+5.45%	+16.40%	+ 0.87%

*Since inception date 7/31/07
Gross Expense Ratio 2.46%
** Net Expense Ratio 2.47%
*** Operating Expense Cap 1.75%

Source: U.S. Bancorp ©

***The net expense ratio includes dividends and interest expense on short positions, acquired fund fees and expenses & the recoupment of previously waived expenses, thus the net expense ratio could be higher that the gross expense ratio. The net expense ratio excluding those expenses would have been 1.55%.*
****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

Industrial...25.71%
Consumer Discretionary.....................................23.91%
Technology..5.26%
Consumer Staples..4.06%
Basic Materials...2.24%

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.

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

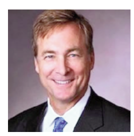
Michael C. Aronstein is Portfolio Manager of the Marketfield Fund. He is also Chief Investment Strategist for Oscar Gruss & Son Incorporated, a NYSE member firm that provides research and investment advice to institutional managers. Prior to joining Oscar Gruss in 2004, Mr. Aronstein was Chief Investment 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 $2,059 million in MFLDX and $476 million in The Marketfield Fund, Ltd.; total assets under management are $2,535 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 contain 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. Gross domestic product (GDP) is the market value of all officially recognized final goods and services produced within a country in a given period. The Emerging Markets Index is a float-adjusted market capitalization index that consists of indices in 26 emerging economies.
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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

During the past week, the Brazilian stock market reached a level at which the annual (52 week) loss for a U.S. dollar investor exceeded the decline in the S&P 500 during 2008. We point this out simply because we seem to be the only ones who find this newsworthy.

As we have been adamant in our concerns about emerging market prospects for more than 18 months, our highlighting the problems that have arisen might be regarded as a combination of talking our book and self-congratulation. The point, however, is to illustrate just how little attitudes have changed compared with results. Recall that the losses suffered by domestic equity investors in 2008 prompted institutions, retail investors, consultants and advisors to flee U.S. stocks on a broad basis. That trend remains in force, despite U.S. equities, as represented by the S&P 500 Index, having outperformed those in emerging markets, as represented by the Emerging Markets Index, over one year, three years and five years periods ending 6.29.12.

The widespread affection for emerging market investment is not difficult to understand when looking at performance during the past decade. Between the end of 2002 and the end of 2007, stocks in Brazil (to continue with our current example) provided U.S. dollar investors with total returns in excess of 1,000%. The fact that there was no serious external participation in Brazil's market during most of that period does not negate the lasting power of the total return data when plugged into asset allocation models. As we have said many times, facts and data exist only in history, whereas the future is entirely hypothetical. Quantitative approaches to investing are necessarily based upon historical occurrences. When long-standing trends are changing, command of historical data becomes as useful as gold bars during a shipwreck.

Our main intermediate concerns continue to revolve around the possibility of a financial shock coming from a part of the world that is currently regarded as immune. In this vein, we doubt that it will involve Europe, as many of the darkest scenarios have already arisen in the popular imagination.

The conceptual fallacy underlying the risks that concern us consists in the idea that direct government intervention can attenuate structural economic deterioration and produce self-sustaining prosperity. Governments are not economies, nor can they create lasting prosperity for more than a small coterie of the ruling class by redirecting resources that derive from the efforts of their citizens.

The notion that the Chinese economy is recession-proof because the Communist Party leaders have policy tools to "stimulate", i.e., spend, strikes us as fundamentally mistaken. GDP statistics can indeed be elevated by an increase in expenditure by any sectors in the economy. Raw output (which GDP measures) is, however, not always a measure of prosperity or investment opportunity.

Output is a valuable measure of economic strength when it occurs in anticipation of or response to a real demand from ultimate consumers of the products and services being produced. GDP provoked by the solipsistic aims of a ruler is waste. The idea that paying people to dig holes and then fill them up (or building more high speed rail links in the Chinese countryside) can stimulate an economy is nonsense. Both can produce temporary elevations of GDP statistics. Period.

In both instances, governments would be much better off simply handing out money to the people who would have been employed in the make-work projects. That would at least eliminate the prospect that people would fall into unfilled holes or that maintenance expenditures would have to be allocated for underutilized rail systems (or empty buildings, palaces, opera houses and the like).

Direct grants of money to citizens in lieu of putting them to work on uneconomic projects also has the great advantage of allowing the population more leeway to decide what products and services it would actually prefer, rather than those (like high speed trains) that the leaders consider cool. This brings us right back to square one in the debate between economic freedom and government control. If people understood that the economic decisions of the population at large were of unique benefit in guiding the deployment of economic resources, they would also understand that extracting greater shares of those resources through increased taxation and placing the discretion in the hands of governments is ultimately harmful. These are facts that those in power and their minions have no interest in acknowledging.

Admirers of dictatorships, of which there are more than a few in the U.S. investment community, like to point out that in systems like China, things get done—there is no gridlock. True enough, but what gets done is not the basis for anything more than a transitory elevation of GDP statistics and the enrichment of those in power.

Real prosperity demands the devolution of economic authority to as great a cohort of individual citizens as are able to contribute to productive activity. This process necessarily diminishes the power and privileges of those in and associated with government. Their reluctance to hand over the controls is understandable but tragic nonetheless, as the ultimate harm that results from the misdirection of resources (even with the best of intentions attached) falls

COMMENTARY CONT.

almost entirely on those in greatest need of economic advancement. The notorious 1%, so easily demonized in political discourse, is nearly immune to the toxic effects of governments' economic manipulations.

A great deal of our long-term skepticism regarding the investment prospect within the BRIC (Brazil, Russia, India & China) markets is in response to excessive degrees of government economic control in all four cases. Each of the four nations has their own particular form of political interference in economic matters. Now that the migration of manufacturing capacity of the past fifteen years is nearing an end, hypertrophic growth in export and extractive industries is no longer in prospect. Portfolio flows into these markets have thus far taken up much of the slack, but equity performance shortfalls are beginning to have their effects. Fixed income remains the last bastion of capital inflows toward the major emerging markets. It is our sense that, as in the developed world, fewer corporate and sovereign credits will be considered safe as the current cycle progresses. Secondary corporate bond spreads are already beginning to widen.

Absent support from external flows of wealth and real economic demand from developed markets, emerging market economies will be called upon to stand on their own insofar as long-term, sustainable growth is concerned. We don't believe that they have reached a point of economic maturity at which the results will prove satisfactory.

In some sense, they are Greece writ large, albeit without the acute issues of sovereign finance. Recall that in the seven years leading up to the 2004 Athens Olympics, Greek GDP handily exceeded world GDP growth. While Chairman Greenspan was lamenting the "jobless recovery" in 2004, Greece was growing at nearly 6%. Their stimulus, aka spending, worked in producing a nice looking string of statistics. Instead of empty airports and idle steel mills, they built beautiful athletic venues. Now they can't afford the dynamite to blow them up.

Effects from the slowdowns in Europe and emerging markets are already filtering through to domestic corporate results. Companies with large export exposures, particularly those tied to industrial and extractive activities overseas have seen substantial, often abrupt declines in equity prices. Our portfolio exposure to these sectors is substantially lower than during the first quarter, and our emphasis remains on companies more reliant on domestic conditions.

The great challenge over the next several months will be to try to maintain some distance from the political currents that will undoubtedly dominate the financial media and short-term market movements. As we have said before, our strong feelings about the proper conduct of economic policy do not endow us with any useful insights into political outcomes. We feel that we understand the economic consequences of political actions, but that does not translate into any practical advantages in guessing the results of elections. That is why political forecasting, whether regarding European dissolution, fiscal cliffs or presidential elections does not play a part in our investment process.

July 17, 2012
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.