



**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.

**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	.....\$2,296M
Number of Holdings	.....89

**TOP TEN LONG HOLDINGS  
(AS OF 7/31/12)**

iShares Russell 2000 Index ETF	.....4.18%
SPDR S&P Regional Banking ETF	.....2.72%
iShares Dow Jones Transport Avg. ETF	.....2.41%
iShares MSCI Mexico	.....2.32%
Priceline.com Inc	.....2.03%
General Electric Co	.....2.03%
Union Pacific Corp	.....1.87%
BASF SE (Germany)	.....1.85%
Sherwin-Williams Co	.....1.81%
TJX Companies	.....1.77%
TOTAL:	.....22.99%

**PORTFOLIO ALLOCATION  
(AS OF 7/31/12)**

Equity Portfolio Long	.....88%
Equity Portfolio Short	.....27%

**★★★★★ OVERALL MORNINGSTAR RATING™**

**AMONG 87 LONG-SHORT EQUITY FUNDS AS OF 7/31/12**

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 6/30/12

AS OF MONTH-END 7/31/12

	1 Year Annualized	Since Inception*		Cumulative			Annualized			
		Annualized	Cumulative	1 Month	YTD	Since Inception*	1 Year	3 Year	5 Year	Since Inception*
MFLDX	+11.07%	+9.01%	+52.86%	-1.44%	+7.20%	+50.66%	+12.67%	+12.07%	+8.54%	+8.54%
S&P 500	+5.45%	+0.87%	+4.33%	+1.39%	+11.01%	+5.78%	+9.13%	+14.13%	+1.13%	+1.13%

\*Since inception date 7/31/07

Gross Expense Ratio	2.46%
**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 than 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	.....26.36%
Consumer Discretionary	.....25.45%
Basic Materials	.....5.92%
Technology	.....4.80%
Consumer Staples	.....3.29%

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.





**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 \$2,296 million in MFLDX and \$473 million in The Marketfield Fund, Ltd.; total assets under management are \$2,769 million.



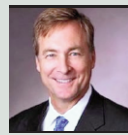
**Michael Shaoul**  
Chairman

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**  
Managing Director & Head 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 and 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).



**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. Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.

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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

Equities have continued to make progress despite additional episodes of public market illiquidity, instability and regulatory failure. Investors of all types continued to withdraw from U.S. equities under the banner of volatility reduction. This in spite of overwhelming evidence that the short-term volatility of stocks is indicative of flaws in the structure of the markets on which they are forced to trade, rather than any abrupt changes in business performance.

The unstable nature of contemporary equity markets was highlighted by the systems error within the electronic market-making infrastructure of Knight Capital. The firm, which executes orders on behalf of many retail brokerages, erroneously traded several days worth of stock in the early part of one trading day, and then had to reverse all of the trades by the end of business. The net result was a large number of extreme dislocations among individual stocks throughout the day. Many had ranges in excess of 10% with no fundamental provocation.

Incidents of this sort rekindle memories of the disorder and collapse of markets in 2008. They are particularly vivid in the case of public equities, where prices are quoted and discussed endlessly throughout market hours. The incessant, real time media focus on equity market volatility and the supposed larger, often apocalyptic implications, has driven retail interest in equities to multi-generational lows.

One of the basic principles of asset allocation that we have observed during the past four decades can be summed up as follows: when a long-term opportunity in a depressed asset class arises, there is always a perfectly reasonable basis for ignoring it. Real, long-term market lows are marked by a combination of indifference and seemingly rational despire.

Investors walked right past long-term government bonds in the early 1980s, despite yields between 12% and 15%. Inflation risks were accepted as a perfectly good argument to avoid locking in government guaranteed rates of return substantially higher than the long-term returns of any other asset class. That view was legitimized by many of the most prestigious firms on Wall Street and their most influential analysts.

A decade ago, the idea that moving money into emerging markets (with 15%+ earnings yield on many stocks) as a means of recovering from the 2000-2002 bear market in U.S. growth stocks was regarded as ridiculous. The reasons were manifold: it was too difficult to execute trades on Emerging Market (EM) exchanges, currency risks were overwhelming (memories of the 1997 EM currency crisis were still fresh), commodity prices were low, governance was weak at both national and corporate levels, local interest rates were too high and the lesson of 2000-2002 was not to over-allocate to aggressive equities. All of these excuses were plausible, but the real story was that investors had just lost tons of money speculating in seemingly invulnerable growth stocks, and were in no mood to take any further risks.

The story is similar today. Operating cash flow yields on many stocks are three to five times those on highly rated bonds and growing. Barring a series of gigantic central banking errors that allow a disorderly run on the global monetary system, private sector activity should proceed, accompanied by profits. Even in the midst of the current European slowdown, many important companies in that region are maintaining operating cash flow yields in the high single digits and beyond.

The confusing part of the current macroeconomic picture derives from the ongoing bear market in government that is dominating the news. Untenable sovereign finances appear to threaten the entire economic and business landscape. Governments, however, are not economies. Their travails influence but do not determine the course of private business activity. In the case of Europe, yields on many corporate bonds are below those of their home government. This is just as it should be, as most of the private businesses are more worthy of credit.

The great question of our age is whether threatened political establishments will arrogate to themselves an increasing share of private assets in order to maintain their lifestyles and influence. To the extent that they do, the results will be harmful to overall economic function, output and standard of living for those outside the rings of political power.

This is the issue at the fore in the Chinese leadership transition, the European debate and the U.S. election. We have no insight into the ultimate outcomes of any of these. What we do know is that the degree to which the enormous powers vested in various states are marshaled to increase governments' control over private economic activity is the crucial long-term, macroeconomic risk factor in nearly every corner of the global economy.



COMMENTARY CONT.

What is required now is an unusual degree of personal and institutional humility among those who have been entrusted with the reins of state. Governments should support economies rather than attempt to lead them. To the extent that opinion turns in this direction, the outlook for accelerated gains in economic activity and standards of living brightens.

Our portfolio continues to reflect a preference for domestic businesses, where fundamental conditions continue to support earnings at levels sufficient to provide more than adequate (inflation +3-5%) real rates of return to equity owners. Short positions remain focused in emerging markets, where the entrenched sense of privilege among those in authority and the bureaucrats supporting them will become increasingly burdensome as external capital flows continue to slow.

August 15, 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.