New York Life MainStay Investments®

Marketfield Asset Management

April 30, 2013

# 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 ................................. $8,215M
Number of Holdings ............................. 90

**Top Ten Long Equity Holdings** (As of 4/30/13)

| | |
|---|---|
| iShares MSCI Japan ETF | 3.5% |
| iShares MSCI Mexico ETF | 2.5% |
| BASF SE (Germany) | 2.0% |
| Exxon Mobil Corp. | 1.9% |
| SPDR S&P Regional Banking ETF | 1.9% |
| Eagle Materials Inc. | 1.8% |
| CRH PLC (UK) | 1.6% |
| iShares DJ US Home Construction ETF | 1.6% |
| iShares MSCI Italy ETF | 1.5% |
| Schlumberger Ltd. | 1.5% |
| TOTAL | 19.8% |

**Portfolio Allocation** (As of 4/30/13)

| | |
|---|---|
| Equity Long | 79% |
| Equity Short | 34% |

★★★★★ OVERALL MORNINGSTAR RATING™ (CLASS I)
AMONG 107 LONG-SHORT EQUITY FUNDS AS OF 4/30/13

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

Monthly Average Annual Total Returns as of 4/30/13

| | Tickers | YTD | One Year | Three Year | Five Year | Inception |
|---|---|---|---|---|---|---|
| Class A (Max. 5.5% load) (10/08/2012) | MFADX | -0.55% | 4.42% | 5.59% | 8.02% | 8.11% |
| Class A (NAV) (10/08/2012) | MFADX | 5.24% | 10.49% | 7.60% | 9.24% | 9.18% |
| Class I (07/31/2007) | MFLDX | 5.30% | 10.68% | 7.84% | 9.50% | 9.43% |
| Class R2 (10/08/2012) | MFRDX | 5.25% | 10.31% | 7.47% | 9.12% | 9.05% |
| S&P 500 | N/A | 12.74% | 16.89% | 12.80% | 5.21% | 3.90%** |

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

Quarterly Average Annual Total Returns as of 3/31/13

| | Tickers | YTD | One Year | Three Year | Five Year | Inception |
|---|---|---|---|---|---|---|
| Class A (Max. 5.5% load) (10/08/2012) | MFADX | -0.67% | 5.46% | 6.86% | 8.09% | 8.21% |
| Class A (NAV) (10/08/2012) | MFADX | 5.11% | 11.59% | 8.89% | 9.32% | 9.29% |
| Class I (07/31/2007) | MFLDX | 5.18% | 11.80% | 9.14% | 9.58% | 9.55% |
| Class R2 (10/08/2012) | MFRDX | 5.12% | 11.40% | 8.76% | 9.19% | 9.17% |
| S&P 500 | N/A | 10.61% | 13.96% | 12.67% | 5.81% | 3.61%** |

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

**Total Annual Fund Operating Expenses: Class A: 4.15%, Class R2: 3.91%, and Class I: 2.94%; 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.

## Top five sectors–net

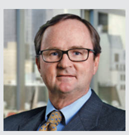
| | |
|---|---|
| Industrial | 22.5% |
| Materials | 13.8% |
| Consumer Discretionary | 10.6% |
| Financials | 4.2% |
| Energy | 4.2% |

*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 $8,215 million in MainStay Marketfield Fund and $578 million in The Marketfield Fund, Ltd.; total assets under management are $8,793 million.



**Myles D. Gillespie**
Principal, Senior Trader

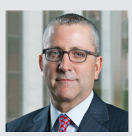
Myles D. Gillespie joined Marketfield Asset Management in 2007. Myles is a graduate of The Hotchkiss School and holds a Bachelor of Arts degree from Franklin and Marshall College (Class of 1983). From 1983 to 1986, he worked as a stock index futures trader with Henderson Brothers and in 1986 became a NYSE Specialist at Quick & Reilly. He was appointed Executive Vice President of JCC Specialist Corp., the successor firm to Quick 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).

**Michael Shaoul**
Chairman and CEO

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.

**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.



**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

**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, 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 involve 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.**

**© 2013 Morningstar, Inc. All Rights Reserved. The information contained herein (1) is proprietary to Morningstar, (2) may not be copied or distributed and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. 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 next 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.) MainStay Marketfield Fund Class I received 5 stars among 107 Long-Short Equity Funds for the three-year period & 5 stars among 64 Long-Short Equity Funds for the five year period ending 4/30/13.*

*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 or 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.*

## 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 contain this and other information about the investment company. Please read the prospectus or summary prospectus carefully before investing.**

April 30, 2013

# Commentary

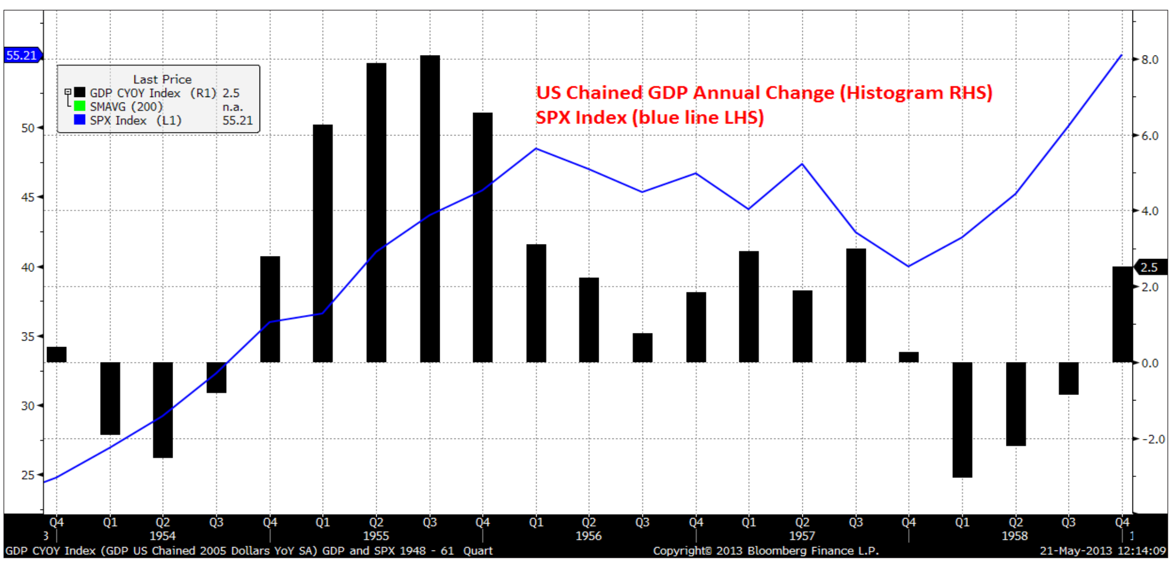
Year to date returns in developed economies' equity markets have extended to the point at which they have become an elephant in the room for all categories of investor. Even those harboring a deep, temperamental aversion to stocks have been forced to acknowledge the remarkable advance in prices during an era that was supposed to be characterized by meager, single digit annual returns.

After grudging acknowledgment of the numbers, the inveterate pessimists go back to laying out the same roster of observations that are supposed to make the skeptical, underinvested appear to be in possession of real insight and rational composure. The run of the mill stock market participant who has seen the value of his or her equity holdings double since the fourth quarter of 2008 is, in the kingdom of the pessimists, reckoned a fool.

We will try to summarize certain of the most popular thematic objections to the continuing bull market from the hundreds of investor meetings we have attended and explain what we believe to be the analytic flaws underlying each.

The most general objection to the continuing increase in stock prices is the apparent weakness in GDP figures accompanying that rise. The fact that Europe is suffering an officially designated recession makes the recovery in their capital markets since last summer all the more confounding.

We have tried to explain for many years that GDP growth is neither a correlate of nor a necessary precedent for equity market performance. We will cite one particularly decisive case complete with illustration. In the five years beginning with the fourth quarter of 1953, real GDP growth in the U.S. averaged about 1.9% per annum. During that five-year period, the compound annual total return for U.S. equities was greater than 22% with dividends reinvested. This period was the middle portion of a bull market that lasted about a dozen years and was characterized by moderate growth.




Source: Bloomberg as of 5/21/13.

The prevailing worry that kept a majority of investors out of that market was the traditional pattern of depression following the end of war as government expenditures were withdrawn from the economy.

Sixty years on, moderation in government expenditure has again slowed the reported rate of GDP growth. This has prompted a steady stream of commentators and investors to bemoan the disconnection between the equity market and the economy.

The fact is that the two always appear to be out of synchrony. Whenever economists are trotted out long into a bull market to explain just how good the economy looks and why high stock prices are fundamentally justified, it is time to run for the hills.

## Commentary Cont.

A second common argument justifying continued caution is crafted by comparing corporate profits to GDP. The problem with this as a decisive risk factor is related to our prior point. We are in a period where government spending is slowing after generations of profligacy. Some of the slowing is volitional while markets compel others, as in the case of southern Europe, Detroit and Iceland. In both instances, the effects on nominal GDP are comparable to periods following major wars, where massive pullback in military expenditure (as in the 1950s) slowed the rate of growth.

In looking at the ratio of profits to GDP, it is worth considering that GDP may be depressed rather than profits unsustainably elevated. Because the slowing of nominal GDP is a function of less spending by the government, the overall effect on the rate of accumulation of real wealth is benign.

A third pillar of pessimism that arises during most of our discussions is a general displeasure with Federal Reserve policy. The sheer novelty of the expansion in reserve bank credit among nearly all central banks has many believing that this is an experiment that cannot end well. That is probably the case, but particularly so for people who refuse to allow their capital to be stored in the form of ownership in entities that can take advantage of the remarkably suppressed real costs of debt. In most instances, this means operating businesses with access to public debt markets.

Monetary policy leading to an expansion of low or no cost credit on a scale now visible can be legitimately criticized as providing immediate benefit to a very small segment of the population. People with access to the proceeds of the limitless flow of credit can help themselves to some portion, either directly as in the case of systems like China, or indirectly as brokers, traders and managers of an ever expanding flow of liquidity. Anyone fortunate enough to be compensated with a percentage of the inflated corpus of liquid and near liquid savings and capital market flows can earn untold sums. The vast majority of people, not enjoying access to this heavily stocked fishing ground, can only hope to participate through second, third and fourth derivatives.

The artificial and heavily skewed distribution of immediate benefits that always accompanies a persistent inflation of money and credit is the strongest argument against it. It can lead to a fracturing of social cohesion, whereby more and more people have a sense that there is something wrong when property brokers marketing condominiums and townhomes to Chinese generals, Russian parliamentarians and bond fund managers can earn tens of millions of dollars annually without leaving sight of Central Park or Knightsbridge.

Global credit inflation has, to date, simply elevated the volume of underemployed savings around the world and enriched those who can participate in the fruits of its transit. This is the most pernicious aspect of current central bank largess.

From a practical standpoint, the great expansion of central bank credit has enabled metastatic growth in publicly traded debt instruments. That growth is particularly striking in developing economies, where companies and governments that never had access to long-term debt finance are now issuing perpetual bonds at rates below the fifty-year average for the U.S. long bond.

At present, the main risk to global financial systems consists in the size and structure of publicly issued and owned bonds. Banks, where all of the regulatory attention is focused, will not be the center of the next financial crises. They are too liquid and too chastened by their recent experiences.

As always, risks will surface in areas where regulators are paying no attention. Their advent will come as a shock, and people again will be talking about the colors of swan feathers.

From a portfolio standpoint, we maintain a strong bias toward economically sensitive equities in the U.S. and Europe. The latter region comprises more than a quarter of our equity holdings. The short portion of the portfolio, which has not been of great help this year, is concentrated in emerging markets, precious metals and long duration dollar bonds.

May 21, 2013

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, nor investment advice.