MainStay Investments®

MARKETFIELD ASSET MANAGEMENT

May 31, 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 $9,158M
Number of Holdings 97

Top Ten Long Equity Holdings (As of 5/31/13)

iShares MSCI Japan ETF........................ 3.0%
iShares MSCI Mexico ETF 2.1%
BASF SE (Germany).............................. 1.9%
SPDR S&P Regional Banking ETF............ 1.8%
Eagle Materials Inc. 1.8%
Exxon Mobil Corp. 1.7%
iShares DJ US Home Construction ETF..... 1.5%
CRH PLC (UK)...................................... 1.4%
Discover Financial Services.................... 1.4%
iShares MSCI Italy ETF 1.4%
TOTAL.. 18.0%

Portfolio Allocation (As of 5/31/13)

Equity Long 77%
Equity Short 26%

★★★★★ OVERALL MORNINGSTAR RATING™ (CLASS I) AMONG 107 LONG-SHORT EQUITY FUNDS AS OF 5/31/13

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 5/31/13

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class A (Max. 5.5% load) (10/08/2012)	MFADX	1.42%	6.65%	7.92%	8.26%	8.35%
Class A (NAV) (10/08/2012)	MFADX	7.32%	12.86%	9.98%	9.49%	9.40%
Class I (07/31/2007)	MFLDX	7.39%	13.02%	10.21%	9.75%	9.67%
Class R2 (10/08/2012)	MFRDX	7.33%	12.68%	9.85%	9.37%	9.28%
S&P 500	N/A	15.37%	27.28%	16.87%	5.43%	4.26%**

**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

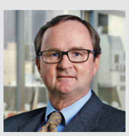
Industrial..........21.0%
Materials..........13.4%
Consumer Discretionary..........11.1%
Financials..........9.2%
Energy..........3.1%

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 $9,158 million in MainStay Marketfield Fund, $89 million in MainStay VP Marketfield Portfolio & $572 million in The Marketfield Fund, Ltd.; total assets under management are $9,819 million.



Myles D. Gillespie
Principal, Senior Trader

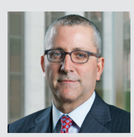
Myles D. Gillespie joined Marketfield Asset Management in 2007. Myles is a graduate of The Hotchkiss School and holds a Bachelor of Arts degree from Franklin and Marshall College (Class of 1983). From 1983 to 1986, he worked as a stock index futures trader with Henderson Brothers and in 1986 became a 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.

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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.

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.

Commentary

May 2013

May was characterized by the clearest example of the "great escape," which is part one of a long process whereby investor preferences will gradually shift towards equity risks at the expense of assets that have been embraced as safe havens.

Fixed income instruments and equities structured to provide current yield i.e., bond substitutes, had one of their worst absolute and relative months since the panic of 2008. We have tried to make the point that the concept of a "great rotation" out of fixed income into equities was unlikely to proceed as benignly as the phrase suggests.

In every prior instance of a fundamentally driven, long-term shift in asset allocation or thematic emphasis, the process begins with serious losses in previously favored sectors. This drives an initial accumulation of portfolio liquidity. Once the owners have recovered from the shock of losing money in the prior favorites, the accumulated liquidity finds its way into assets that have emerged from a long stay in the penalty box and are well along in a bull market.

This phase of general acknowledgement and accelerated buying pressure usually occurs four or five years past the actual low point of the cycle, when the positive price trend and the improving fundamental are undeniable. Discreditation of the previous, competing themes is a necessary first step.

The commodity bull market of the late 1970s was preceded by a collapse in growth stock valuations. Commodities began a bear market in the early 1980s, beginning with a panic liquidation during the Hunt crisis in the first quarter of 1980. This set the stage for a long migration into long term fixed income and equities that had been impaired by the long bear market in bonds.

Japanese stocks became the world's clear favorite in the 1980s. The long retreat from the Japan, Inc. thesis began in 1990 and redirected global liquidity flows to U.S. growth stocks, which enjoyed an historic run through the decade. The domestic growth and technology stock mania reached its peak in early 2000. It was only after a bear market of historic proportions had undermined the Dow 36,000 cohort and highlighted the fundamental invalidity of the dot-com stories that a long shift to the fundamentally compelling trends at work in emerging market economies and commodities could proceed in earnest.

The point here is that important shifts in institutional and retail asset allocations drive acceleration in developing bull markets only after serious losses in asset types that were the previous favorites. In this vein, it is completely normal for bull and bear markets to coexist. The practical challenge consists in the markets' constant oscillation between emphasis on one or the other.

At present, managing one's attention and response is made even more difficult by a relentless and invasive financial news apparatus that highlights, without context or perspective, whichever of the many co-extent and apparently contradictory themes that happen to prevail from day to day. The media spotlight is directed almost entirely by the daily or hourly fluctuations in markets, which may or may not have anything to do with the fundamental forces that are driving durable shifts in investment results.

The ratings imperative for those in media makes it difficult to continue to emphasize longer-term trends, as they don't change often enough to provide much reportorial excitement.

We would be encouraged to hear of a single instance during which markets responded violently to a piece of government data and one of the commentators pointed out that the data series in question had no predictive value whatsoever. This observation would be correct with respect to just about all of the popular statistical releases pertaining to the economy.

The structural risks in presumably safe assets that concern us at present have two aspects of risk, technical and fundamental.

The technical risks involve structures of ownership, leverage, market liquidity and flows, each of which can exacerbate the price response to changes in attitudes even in the absence of fundamental problems. This is probably the case in parts of the high yield market, where fundamental business results do not appear threatened, but where ownership and issuance of the instruments has become excessive in light of the greatly diminished willingness of dealers to make orderly and accommodative markets for sellers. This creates the potential for severe declines in the face of moderate bad news, which in turn creates its own negative momentum and news cycle.

Commentary Cont.

The process can become self-reinforcing and ultimately feed back into the fundamental status of issuers who have come to rely on accommodative market conditions.

The greater risks arise when poor fundamental conditions combine with dangerous technical market structures. This mix produces real, irretrievable bear markets rather than garden-variety, transitory panics. This is the mixture that we believe exists among many popular emerging market assets, stocks and bonds alike.

Fixed income instruments in the developing world face a host of fundamental, local macroeconomic headwinds ranging from deteriorating current accounts and fiscal conditions to accelerating inflation, declining currency values and decaying credit quality.

Each of the major emerging market economies has their own particular mixture of these fundamental, macroeconomic issues. Conditions are rendered more dangerous for investors by a very precarious technical structure, which includes a massive liquidity mismatch between funds offering instantaneous liquidity and markets unwilling to provide it at anything close to the last published prices.

We have been trying to describe the building risks in emerging market debt for the past year as part of our general concerns about risks in the entire fixed income sphere. Our immediate sense is that these issues have reached a critical juncture, at which recognition of the problem provokes a withdrawal of funds from the entire emerging market complex. This will have the effect of further tightening local liquidity, exacerbating the fundamental pressures on these economies and capital markets at a time when there is little appetite on the part of the dealer community to provide for an orderly exit.

To the extent that conditions become disorderly, we could see acute effects in currencies, equities and fixed income instruments. In some sense this might be reminiscent of the final stages of liquidation in 2008, with the main conceptual error shifted from belief in the durability of U.S. housing values to an equally misguided faith in the developing world as a robust source of growth.

The fund is approximately 45% net long developed market equities, with an emphasis on more cyclical businesses. Short positions remain concentrated in emerging market equities, fixed income instruments, precious metals and long duration treasury bonds. As is normally the case in market cycles, the greatest immediate risks arise at points where economic activity is accelerating and recognition of that fact begins to set in. It appears that such a point is at hand.

June 20, 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.