MainStay Investments®

MARKETFIELD ASSET MANAGEMENT

Combined Oct./Nov. 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	$18,057 M
Number of Holdings	120

Top Ten Long Holdings (Excluding Cash) (As of 11/30/13)

iShares MSCI Japan ETF	3.0%
Nikkei Stock Index Futures*	2.0%
Bank of Ireland	1.8%
SPDR S&P Regional Banking ETF	1.7%
iShares MSCI Mexico ETF	1.6%
Continental AG (Germany)	1.3%
ABB, Ltd. (Switzerland)	1.3%
Taiheiyo Cement Corp. (Japan)	1.3%
Schlumberger, Ltd.	1.3%
Facebook, Inc.	1.3%
TOTAL:	16.6%

**Notional Value*

Portfolio Allocation (As of 11/30/13)

Equity Long	77%
Futures Long*	2%
Equity Short	25%
Futures Short*	13%

Option delta not reflected.
**Notional Value*

★★★★ Overall Morningstar Rating™ (Class I) Among 121 Long-Short Equity Funds as of 11/30/13

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 5 year Morningstar Rating metrics. *Class I shares received 5 stars among 121 Long-Short Equity Funds for the three-year period and 4 stars among 71 Long-Short Equity Funds for the five-year period.*

Fund Performance

Monthly Average Annual Total Returns as of 11/30/13

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class A (Max. 5.5% load) (10/08/2012)	MFADX	8.40%	9.94%	9.33%	13.71%	8.80%
Class A (NAV) (10/08/2012)	MFADX	14.71%	16.34%	11.41%	15.00%	9.77%
Class I (07/31/2007)	MFLDX	14.96%	16.60%	11.66%	15.27%	10.04%
Class R2 (10/08/2012)	MFRDX	14.66%	16.22%	11.28%	14.87%	9.66%
S&P 500	N/A	29.12%	30.30%	17.73%	17.60%	5.78%*

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

Quarterly Average Annual Total Returns as of 9/30/13

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class A (Max. 5.5% load) (10/08/2012)	MFADX	7.27%	9.91%	10.79%	10.25%	8.86%
Class A (NAV) (10/08/2012)	MFADX	13.51%	16.31%	12.90%	11.50%	9.86%
Class I (07/31/2007)	MFLDX	13.76%	16.57%	13.17%	11.78%	10.15%
Class R2 (10/08/2012)	MFRDX	13.53%	16.18%	12.78%	11.39%	9.75%
S&P 500 Index	N/A	19.79%	19.34%	16.27%	10.02%	4.66%*

*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.

Equity allocations may include fixed-income exposure.

Top Five Sectors–Net

Industrial	15.5%
Materials	14.3%
Consumer Discretionary	10.2%
Financials	6.3%
Energy	4.4%

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.

New York Life MainStay Investments®

Marketfield Asset Management

Combined Oct./Nov. 2013

MainStay Marketfield Fund

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Facebook, Inc.	1.5%
Taiheiyo Cement Corp. (Japan)	1.4%
ABB, Ltd. (Switzerland)	1.4%
Schlumberger, Ltd.	1.4%
UniCredit SPA (Italy)	1.3%
BASF SE (Germany)	1.3%
TOTAL:	16.4%

Portfolio Allocation (As of 10/31/13)

Equity Long	77%
Equity Short	30%
Futures Short*	14%

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**Notional Value*

★★★★★ OVERALL MORNINGSTAR RATING™ (CLASS I) AMONG 125 LONG-SHORT EQUITY FUNDS AS OF 10/31/13

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Fund Performance

Monthly Average Annual Total Returns as of 10/31/13

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class A (Max. 5.5% load) (10/08/2012)	MFADX	7.86%	10.45%	9.70%	12.63%	8.83%
Class A (NAV) (10/08/2012)	MFADX	14.14%	16.88%	11.79%	13.91%	9.82%
Class I (07/31/2007)	MFLDX	14.39%	17.22%	12.05%	14.19%	10.09%
Class R2 (10/08/2012)	MFRDX	14.16%	16.83%	11.67%	13.80%	9.71%
S&P 500	N/A	25.30%	27.18%	16.56%	15.17%	5.35%*

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

Quarterly Average Annual Total Returns as of 9/30/13

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class A (Max. 5.5% load) (10/08/2012)	MFADX	7.27%	9.91%	10.79%	10.25%	8.86%
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There can be no guarantee that investment objectives will be met.

Management Team

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

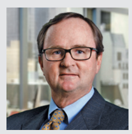
Michael C. Aronstein is Portfolio Manager of MainStay Marketfield Fund. In 2004, Mr. Aronstein joined Oscar Gruss & Son Incorporated, where he held the position of Chief Investment Strategist. Prior to joining Oscar Gruss, Mr. Aronstein was Chief Investment Strategist at Preservation Group, a provider 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 $18,057 million in MainStay Marketfield Fund, $307 million in MainStay VP Marketfield Portfolio & $725 million in Marketfield Fund Dublin; total assets under management are $19,089 million.

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.

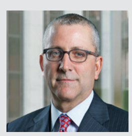
Michael Shaoul
Chairman and CEO

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.



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 & 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).



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. 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. However, a mutual fund investor's risk is limited to the amount invested in a fund. Investments in absolute return strategies are not intended to outperform stocks and bonds during strong market rallies.

The Fund involves the risk that the macroeconomic trends identified by portfolio management will not come to fruition and their advantageous duration may not last as long as portfolio management forecasts. The Fund may invest in derivatives, which often involve leverage, may increase the volatility of the Fund's NAV, and may result in a loss to the Fund.

 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 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.

Notional is the total value of a leveraged position's assets.

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

Commentary

Combined Oct./Nov. Commentary

In keeping with our normal practice, this month's commentary will address certain macroeconomic and asset allocation issues that have been recently raised by our clients. We try to maintain a consistent thread through each of the individual discussions in order to provide some sense of the strategic coherence of our portfolio.

Since this past summer, we have focused on the various consequences of an environment marked by persistent monetary inflation. In spite of the Federal Reserve Board's (and now, the remaining developed world's central banks) best efforts, the inflationary effects of their radical monetary experimentation have been wholly confined to asset prices. Fissures in the real economy and banking systems in the wake of the Panic of 2008 prevented the excesses in money, credit and asset prices from spilling over into traditional consumer prices and wages.

Time has healed most of the severe infirmities in the real economy. This is the case in the U.S., Europe and Japan. The stage is set for the beginnings of more traditional inflationary consequences as monetary policy remains inappropriately expansive.

In our previous commentary, we touched on the issue of unequal income and wealth distribution, which has become a media and political touchstone for all sorts of spurious commentary. We tried to explain that severe distortions in income and wealth distributions are side effects of all monetary expansions that provoke credit and asset inflations. The differences in financial outcomes between those who are in the inflationary flow and those on the outside are profound.

In this piece we move on to a related anxiety that we hear raised in discussions pertaining to markets rather than political economy. The issue is one of valuation, particularly as pertains to equity markets.

There seems to be a general unease about public equity prices in relation to their economic value. Price to earnings (P/E) ratios are cited as evidence that buying and owning stocks at current levels is unusually perilous in light of history.

The latest, popular twist on equity market valuation uses a ten-year moving average of inflation-adjusted company earnings as the denominator of the ratio. The numerator is the "real" current price. The theory is that a longer-term average is a more realistic appraisal of the underlying economic output of a company than an immediate snapshot.

The idea that there are temporary, extraordinary factors that can create deceptive corporate earnings results is generally correct.

We would suggest that such an approach is much more useful following periods of unusually depressed earnings derived from exogenous shocks rather than as a means of pointing to unsustainably elevated P/E ratios. In the aftermath of a serious economic downturn, it is very useful to have a device that prevents being caught in a spiral of negativity. Normalizing earnings higher to reflect the temporary nature of recessions and depressions is a very useful means of countering the emotional tendency to sell at lows.

In order to use the measure as a signal to reduce exposure to stocks, one is forced to accept the logic behind a downward adjustment to earnings that reversion to a ten-year average brings about during periods of prosperity and normal expansion.

Consider the arithmetic. For a company that has grown its real earnings at 10% for a decade, the ten-year average will be about 30% below the level of the current year. On this basis, the smoothed P/E ratio will be about 50% higher then what is indicated by analysts or shown in the newspapers. If a company selling at twenty times current earnings and growing real earnings at around 10% per annum should really be regarded as selling at thirty times earnings for purposes of risk analysis, there must be some overriding variable that is being overlooked by markets.

In essence, one using this measure as a sell discipline for the entire asset class is being forced to adjust earnings downward (in a normally expansive environment) to account for the fact that in circumstances similar to 2008, 1930 or 1974, there will be unanticipated, macroeconomic forces that will overwhelm company fundamentals and make current earnings an exaggerated measure of real, long term output value.

In a long period of expansion, healthy companies revert to a long-term average of their annual earnings in the face of some serious exogenous shock. The present level of earnings compared to a long average is of no use in predicting when and in what form that shock

Commentary Cont.

will occur. The crucial variable that needs forecasting insight is the arrival of a systemic shock sufficient to derail the real earnings progress of nearly all public companies. This is unlikely to be discovered in even the most careful company analysis. The perspective must be more general, more abstract.

It is why "value investing" i.e., attempting to find a discrepancy between the current price of an asset and its intrinsic, long-term economic value, works very well as a buying discipline and hardly at all as a guide to selling. In fact, using valuation as a basis for short selling is a proven recipe for disaster.

To the extent that one incorporates broad valuation measures into any asset allocation process, it is important to keep in mind that the composition of equity markets and the general conditions in which they operate is subject to relentless change over time.

Every market cycle in history has been characterized by a completely unique array of macroeconomic, technical, business and valuation metrics. Each, in isolation, is prognostic only in hindsight.

There is little to be gained in a practical, investment management sense, by comparing the valuation of RCA in 1929 to that of Avon products in 1972. Both were extremely high and subsequently collapsed, the former under the weight of a catastrophic deflation and the latter (along with its siblings in the "nifty fifty") in face of a rapid acceleration in inflation and interest rates.

The only general lesson learned by studying historical market outcomes is the invariability of human nature and the limitless forms of folly that can overtake entire societies.

In the case of current equity market valuations, there is no denying that the unusually depressed valuations that persisted in the wake of 2008 are largely a thing of the past. Stock prices have passed from the abnormally inexpensive phase to more normal levels. This is a process characteristic of all bull markets. It can be said that the easy money has been made, that we are passing from a phase of alpha to beta in the asset allocation process. Understanding that one needed a greater than normal exposure to U.S. equities over the past five years was the primary source of alpha (more return with less risk) for anyone with the responsibility for making broad allocation decisions. Now things become less simple.

The next phase of advance in equity prices will be driven by the monetary inflation that has already created great valuation excesses in a host of other asset classes. Its effect across various business sectors will be very uneven, with some benefitting unduly and others struggling to maintain margins in face of accelerating cost pressures. In technical terms, the breadth of the advance should begin to gradually narrow.

While most of the worries that we encounter revolve around equity markets and their potential vulnerabilities, we would ask that you consider the following; During the summer of 2012, the U.S. 30 year bond traded at a P/E equivalent of 40 times. Dollar bonds of similar maturity in Thailand, Malaysia and Chile traded above 20 times their coupon output. The Philippine 20 year sold at 30 times "earnings".

In commercial and agricultural real estate, the story is the same. Office buildings, apartments, cropland and forestland routinely sell for between 20 and 40 times their current income streams. In the highest-grade locales, multiples can breach 50.
Price to rent ratios for luxury residential properties are similarly elevated.

It is becoming increasingly clear that we are in the middle stages of a global asset inflation enabled by the Federal Reserve Board's increasingly inappropriate monetary policies. When, if and how the process permeates the real economy and begins to influence fixed income and equity markets is the $64,000 question.

The transition from asset inflation to consumer price inflation is still in its infant phase in the developed world, but much farther along in most emerging markets. That is one of the background factors that have kept us negative on the latter since the end of 2010.

The inflationary forces afflicting many important developing market economies are nearing a critical stage. As central banks in these nations wrestle with the issue, they are confronted with two opposing pressures.

On the one hand, the frenzy of borrowing and bond issuance over the past four years has introduced a dangerous degree of leverage in much of the private sector. As proceeds from the borrowing binge have leached into the real economy and lifted traditional measures of inflation, yields have risen substantially. The poor performance of emerging market fixed income has provoked a steady outflow from funds concentrated in those sectors. This, in turn, has weakened currencies, which raised import prices and exacerbates domestic measures of inflation.

Commentary Cont.

The natural response to this cycle would be monetary tightening by the central bank. Some tightening is already in process as a secondary effect of their attempts to slow currency declines by buying local currency for dollars. This makes local liquidity tighter, which, in countries that have run up a great deal of debt, is extremely painful.

Real economic consequences from waning liquidity and rising inflation have central bankers caught between rocks and hard places. The political pressures to avoid tightening are extreme, but the invidious effect of inflation are, as always, weighing heavily on the poorer members of society.

We are concerned that in certain, more authoritarian nations with dwindling international reserves, the traditional route of default on external debt will become a populist tactic. Once that line is crossed, risk premiums on emerging market credit will be adjusted higher in a manner that will shock many holders.

The migration of inflation from asset prices to the real economy is a complex process. We will explore that process in detail in our annual letter. For the moment, we will simply propose that inflationary forces in an expansive monetary regime act somewhat like leavening in dough. It does not matter much where, exactly the fermentation begins, but once started, the reaction gradually permeates the entire mass.

In stable monetary conditions, a price rise in one sector would be offset by a corresponding fall in others, as nominal purchasing power would remain constant. This was the theoretical worry during the OPEC oil shock of forty years past.

The Federal Reserve allowed the money supply to expand in the hope that this would prevent other parts of the economy from deflating while oil expenditures skyrocketed. The end result was a decade of near-hyperinflation and a collapse of the dollar and bond markets, as the input cost pressures of rising energy prices were allowed to migrate throughout the economy.

It was left to Paul Volcker to put a stranglehold on money supply for three years before the trend was broken. In the process, short-term rates exceeded 20%, the long bond breached 15% and the “misery index” became a popular indicator.

At present, we are at the very first stages of this process. It is so obscure as to exist almost entirely in our imaginations. Markets, central bankers and the financial press are mainly concerned with the deflationary residue of the 2008 banking and property collapse.

A decade ago the chairman of the Federal Reserve was outlining his strategy to cope with a world in which we had run out of Treasury bonds for the central bank to buy. Today, his successor can buy $85 billion worth between cocktails and hors d’oeuvres.

During what we believe to be a transition phase between macroeconomic environments, our gradual movement of the portfolio toward what we believe will be new leadership themes has been costly. Many of the more cyclical and resource related sectors where we have increased exposure have hardly participated in the recent advance. Short positions in fixed income instruments have likewise contributed little since the end of the second quarter.

Our decision to remain in construction related names in light of our concerns about interest rates continues to weigh on the overall performance.

Our lack of real participation in what has been a very simple buy and hold environment, and one which we largely anticipated, has been disappointing, but not unusual. During periods of broad transition, we are normally out of phase with the markets’ impulses for at least a few months. The current period has not been an exception.

We continue to examine our longer-term hypotheses and will, as always, be happy to share our thoughts with you between formal communications. All our best for the holidays and the New Year, and many thanks for your support.

Dec. 4, 2013

Michael C. Aronstein
President, CIO & Portfolio Manager