MainStay Investments®

MARKETFIELD ASSET MANAGEMENT

July 2014

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 .... $18,938 M
Number of Holdings 115

Top Ten Long Holdings (Excluding Cash) (As of 7/31/14)

iShares MSCI Japan ETF............................4.0%
iShares MSCI Hong Kong ETF 2.2%
Alcoa, Inc.. 2.0%
Market Vectors Gold Miners ETF................ 1.8%
Bank of Ireland... 1.8%
SPDR S&P Homebuilders ETF 1.5%
Bank of Ireland Trust - Preferred Security 1.5%
Nikkei 225 Index Future Sept 2014*......... 1.4%
Schlumberger, Ltd.................................... 1.4%
iShares MSCI Mexico ETF......................... 1.4%
TOTAL: 19.0%

*Notional Value

Portfolio Allocation (As of 7/31/14)

Equity Long 84%
Futures Long*...................................... 1%
Equity Short 23%
Futures Short* 19%

Option delta not reflected.

**Notional Value*

★★★★ OVERALL MORNINGSTAR RATING™ (CLASS I) AMONG 148 LONG/SHORT EQUITY FUNDS AS OF 7/31/14

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 five-year Morningstar Rating metrics. *Class I shares received 4 stars among 148 Long/Short Equity Funds for the three-year period and 4 stars among 74 Long/Short Equity Funds for the five-year period.*

Fund Performance

Monthly Average Annual Total Returns as of 7/31/14

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class I (07/31/2007)	MFLDX	-5.56%	-0.05%	9.62%	10.48%	8.42%
Class A (Max. 5.5% load) (10/08/2012)	MFADX	-10.87%	-5.76%	7.32%	8.97%	7.28%
Class A (NAV) (10/08/2012)	MFADX	-5.68%	-0.27%	9.37%	10.21%	8.15%
Class R2 (10/08/2012)	MFRDX	-5.75%	-0.39%	9.24%	10.09%	8.04%
S&P 500 Index	N/A	5.66%	16.94%	16.84%	16.79%	6.42%**

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

Quarterly Average Annual Total Returns as of 6/30/14

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class I (07/31/2007)	MFLDX	-3.51%	4.94%	9.35%	12.49%	8.86%
Class A (Max. 5.5% load) (10/08/2012)	MFADX	-8.93%	-1.10%	7.06%	10.95%	7.71%
Class A (NAV) (10/08/2012)	MFADX	-3.63%	4.66%	9.10%	12.21%	8.60%
Class R2 (10/08/2012)	MFRDX	-3.69%	4.54%	8.97%	12.09%	8.48%
S&P 500 Index	N/A	7.14%	24.61%	16.58%	18.83%	6.72%**

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

Total Annual Fund Operating Expenses: Class I: 2.66%, Class A: 2.93%, and Class R2: 3.05%. 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 through 2/28/15 unless extended by New York Life Investments or upon approval of the Board.

Average annual total returns include the change in share price and reinvestment of capital gains and distributions. Effective 10/5/12, 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 10/5/12, includes the historical performance of Class I shares from inception through 10/4/12, 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

Materials 21.0%
Financials....................................16.4%
Industrials....................................8.8%
Consumer Discretionary........................7.7%
Energy..6.3%

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.

MainStay Investments®

MARKETFIELD
ASSET MANAGEMENT

August 2014

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.

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Fund Statistics

CUSIP:	Class A: 56064B878
	Class I: 56064B852
	Class R2: 56064B845
Inception Date	7/31/07
Benchmark	S&P 500 Index
Net Assets	$18,200 M
Number of Holdings	112

Top Ten Long Holdings (Excluding Cash) (As of 8/31/14)

iShares MSCI Japan ETF	2.8%
iShares MSCI Hong Kong ETF	2.8%
Alcoa, Inc.	2.1%
Market Vectors Gold Miners ETF	1.9%
Bank of Ireland	1.8%
SPDR S&P Homebuilders ETF	1.6%
Itau Unibanco Holding S.A. ADR (Brazil)	1.6%
Bank of Ireland Trust - Preferred Security	1.5%
iShares MSCI Mexico ETF	1.5%
Taiheiyo Cement Corp. (Japan)	1.5%
TOTAL:	19.0%

Portfolio Allocation (As of 8/31/14)

Equity Long	85%
Equity Short	19%
Futures Short*	21%

Option delta not reflected.

**Notional Value*

★★★★ Overall Morningstar Rating™ (Class I) Among 148 Long/Short Equity Funds as of 8/31/14

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Fund Performance

Monthly Average Annual Total Returns as of 8/31/14

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class I (07/31/2007)	MFLDX	-4.64%	1.39%	10.78%	10.02%	8.46%
Class A (Max. 5.5% load) (10/08/2012)	MFADX	-10.05%	-4.46%	8.45%	8.51%	7.33%
Class A (NAV) (10/08/2012)	MFADX	-4.82%	1.10%	10.52%	9.75%	8.19%
Class R2 (10/08/2012)	MFRDX	-4.88%	0.99%	10.39%	9.63%	8.08%
S&P 500 Index	N/A	9.89%	25.25%	20.61%	16.88%	6.94%**

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

Quarterly Average Annual Total Returns as of 6/30/14

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class I (07/31/2007)	MFLDX	-3.51%	4.94%	9.35%	12.49%	8.86%
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Equity allocations may include fixed-income exposure.

Top Five Sectors–Net

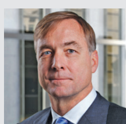
Materials	20.4%
Financials	18.0%
Consumer Discretionary	8.2%
Industrials	7.0%
Information Technology	6.9%

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 President, Porfolio Manager, and Chief Investment Officer of Marketfield Asset Management. He was one of the founding partners of Marketfield, which was created in 2007. 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 $18,200 million in MainStay Marketfield Fund, $485 million in MainStay VP Marketfield Portfolio and $620 million in Marketfield Fund Dublin; total assets under management are $19,305 million.

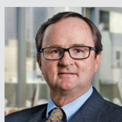


David C. Johnson, Jr.
Principal, Director of Research

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.

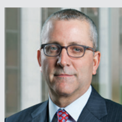
Michael Shaoul
Chairman and CEO

Michael Shaoul is Chairman and CEO of Marketfield Asset Management. Mr. Shaoul is one of the founding partners of Marketfield which was created in 2007. In his role at Marketfield he helps formulate the top down insights that inform the firm's investment decisions and authors a daily commentary that communicates these ideas with clients. He is a frequent contributor to the financial media which values his views on economic cycles and investment markets. In 1996 Mr. Shaoul joined Oscar Gruss and Son Incorporated. He became its CEO in 2001 and held this position until 2014. He is Treasurer of American Friends of Tel Aviv University and a member of the Board of North American Friends of Manchester University. He was awarded a PhD in Accounting and Finance from the University of Manchester (UK) in 1993.



Myles D. Gillespie
Principal, Senior Trader

Myles D. Gillespie joined Marketfield Asset Management LLC 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. 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

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 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 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.

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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, nor its 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 value is the total value of a leveraged position's assets.

Obtain the Prospectus

For more information about MainStay Funds®, 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

Portfolio Discussion:

The two month period ending in August required navigating a market that declined in early to mid-July and then rebounded powerfully in August. The SPX Index gained 2.16% over this period while the Fund lost -1.06%. Although certain portions of the portfolio are starting to act quite well, overall performance remains short of what we would hope to provide.

In July, our exposure to U.S. housing equities was a drag on performance, as the S&P Supercomposite Homebuilder Index fell -12.07% with the bulk of the losses taking place in the last week of the month, following surprisingly weak official data on new home starts and sales. August saw both the data and performance improve, but this index still declined -5.29% over the two month period. The sector remains stuck in a long consolidation following the explosive gains of 2012 and early 2013, but it retains substantial upside should another leg higher in the housing market develop. We are aware that the impossibility of further improvement in new home sales activity is now a widely held opinion, but it actually flies in the face of the general improvement in overall economic activity and clear evidence that the existing home market is back on track.

We also continued to be on the wrong side of the remarkable move lower in European sovereign rates with both the French Government Bond (OAT) and German Bund futures moving up 3.57% and 3.08%, respectively. Our view on Europe is that it is a much less attractive destination for generic risk trades than it was 12 or 24 months ago, but there is no obvious risk of the sort of economic catastrophe that would justify current sovereign yields. On the equity side within Europe, our balance of short index and long specific recovery plays has worked quite well in recent weeks, but the bond market has detached itself to a degree that we did not foresee, but also do not expect to continue. Although the majority of opinion is that U.S. yields may now move lower to catch up with European counterparts, the opposite move seems much more likely.

Exposure to Japan was also a modest drag over this two month period, following strong gains in the springtime. Our view is that the domestic economy is stabilizing, following the introduction of the sales tax and that the local equity market remains on track to challenge its 2013 recovery high later this year. Even though we remain bullish towards Japan, we have trimmed positions in order to make space for our growing allocation to emerging market equities.

Our 180-degree turn on allocations to emerging markets has been notably helpful during a difficult period of performance. The MSCI Emerging Market Index gained 1.43% in July and 2.07% in August, making it 7 straight months of gains. Even so, sentiment towards this area remains tepid at best with China's real estate market dominating concerns. Despite the clear problems in real estate, the local Shanghai "A" Share Index rose 7.48% in July and 0.68% in August. The Fund carries exposure to the overall complex with country exposure in Brazil, Hong Kong, Taiwan, and Mexico (although we view the latter as an extension to our bet on U.S. economic activity). We also hold positions in a number of individual issues, most of which are commodity related.

Overall going forward, the key to performance will be the degree to which investor allocations start to favor one or more of our "off center" thematics (we hold a good portion of the portfolio in positions that move broadly in line with the overall market). We are encouraged that the economic debate is starting to turn back in favor of our own beliefs (particularly as regards to the U.S. economy), but this is yet to be matched by investor allocations which remain much more defensive than economic and corporate data would indicate.

Macroeconomic Commentary:

The broad thematic underpinning of our portfolio continues to envision a world in which the response to overly accommodative monetary policy is beginning to make the leap from asset inflation to demand expansion within traditional economic sectors. The corridor for this transit of liquidity from the balance sheet (asset prices and wealth) to the income statement (GDP and income) will be business spending and investment.

We have made the point that businesses, through the agency of the bond market (as opposed to bank credit), have enjoyed the fruits of quantitative easing ("QE") to a greater extent than any other broad sector of the economy. Their liquidity positions are such that there is no practical impediment to their spending to upgrade the capital stock or expand output. Unlike prior expansions, the banking system is hardly involved in the expansion of liquidity that has taken place in the era of QE, and thus will be ineffective as a conduit for tightening policy should the Federal Reserve ever determine that there are risks to its largess.

Among the various concerns articulated by some of the approximately 65 attendees at the last Open Market Committee meeting was the low level of equity market volatility implied by the VIX. This is a topic that is clearly on the minds of many in the financial community, the financial press, and official observers of all stripes.

Commentary Cont.

When a popular price measure is widely cited as anomalous, it is useful to think about factors that may actually affect its fundamental level. In the case of equity market volatility measures, the popular rationales include the low level of interest rates prompting more energized selling in a quest for yield and the implicit determination on the part of central bankers to arrest any episodic volatility with emergency monetary interventions.

Both of these explanations are valid, but may be missing a fundamental factor pertaining to the nature of business in the post-2008 world. It is our feeling that the low level of volatility, implied by the pricing of equity index options, reflects a changed world in which businesses are well along in a concerted effort to make their results much less cyclical than historical data would suggest.

The conscious elimination of financial risk from business operations is a natural outgrowth of the experiences of 2008-9, when failure was a constant undertone in the economy and markets.

In response, historically cyclical businesses have restructured their balance sheets and operating philosophies to eliminate as much cyclical variability as is possible. Most of this movement has been volitional, although with the financial sector, regulation has compounded the natural instincts of managers and prompted exaggerated (and largely unnecessary) retreats from reasonable business risks.

In other traditionally volatile industries, leverage has been used sparingly and largely through bond issuance at extraordinarily low rates and generous terms. Dependence on short dated bank loans, which can be called or have the terms changed quickly, is, to a great degree, absent from the current landscape.

Airlines, homebuilders, automobile manufacturers, industrials, and even mining companies appear to have restructured balance sheets, rationalized capacity, and reined in capital spending to a point at which the cycles of extraordinary profitability, followed by deep losses, are remnants of the past.

If this is at least partially true, it would not only account for the low levels of equity volatility but would also justify some of the expansion in multiples that has given pause to many investors. Less cyclical earnings results are normally afforded higher valuations.

We are well aware of the perils of suggesting that something fundamental has changed after a long advance in stock prices. There is no doubt that something unforeseen will arise to produce a sense of emergency at a point in the not too distant future. However, we believe that it will not originate in the equity market or involve the prospect of diminished earnings.

The downside of limitless monetary expansion and the asset inflations that have followed close behind is centered on those markets where the price rise has been compounded by supply expansion and deteriorating fundamentals. These characteristics are most apparent in the bond market, about which there is little or no discussion when the topic of risk arises in FOMC meetings.

Our general concerns about an economy being too strong to accommodate continued enthusiasm for bonds have been the source behind most of our poor performance over the past several quarters. We have viewed the bond market as the only weak link in the Federal Reserve's stubborn adherence to a policy of expansion that has outlived its useful life.

Concerns about global economic weakness have driven flows back toward fixed income, following the miniature panic during 2013. This view has been supported by the recognition, late last year, that many emerging market economies were slowing dramatically as capital fled in response to years of poor equity market performance. The tightening of credit in emerging market economies, in response to rising inflation in 2010 and 2011, is now past. This is particularly striking in China, where the Shanghai Composite Index is back to levels of June 2001 and institutional observers are beginning to back down from their long held belief that China would provide the long-term leadership for global growth.

MainStay Investments®

MARKETFIELD
ASSET MANAGEMENT

Commentary Cont.

China does have structural problems, both politically and economically, but they have around $4 trillion to cushion the pain.

We have, for the first time in a decade, the prospect that the monetary and business cycles of both developed and developing economies will be in a synchronized expansion. Emerging equity markets are already suggesting that their economies are likely to show signs of life by early 2015.

Our exposures to a world of faster than expected growth remain in place, with our main portfolio additions, during the past months, involving emerging market equities in Asia and Latin America.

September 2, 2014

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.