

MainStay Marketfield Fund

Fund Overview

Objective

The investment objective of the Fund is capital appreciation.

Strategy & Process

The Fund seeks long-term growth of capital above that of the broad equity market over a full market cycle, with volatility that is lower than that of the broad equity market. Correlation between the Fund and the broad equity market may vary considerably over a full market cycle. 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 securities 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 \$3,250 M
 Number of Holdings 106

Top Ten Long Holdings (Excluding Cash) (As of 10/31/15)

Nikkei 225 Index Dec. 2015 Futures*(Japan)... 3.2%
 HSCEI Index Nov. 2015 Futures* (China)..... 2.5%
 Merlin Properties Socimi SA (Spain)..... 2.2%
 Bank of Ireland Trust – Preferred Security..... 2.0%
 Industriade Diseno Textil SA (Spain)..... 2.0%
 Kennedy Wilson Europe Real Estate Plc UK... 2.0%
 iShares MSCI Hong Kong Index ETF..... 1.8%
 iShares U.S. Home Construction ETF..... 1.7%
 Siemens AG (Germany)..... 1.7%
 3M Co. 1.6%
 TOTAL: 20.7%

Portfolio Allocation (As of 10/31/15)

Equity Long 72%
 Equity Short -34%
 Equity Index Futures Long* 6%

Option delta not reflected.

*Notional Value

Fund Performance

Monthly Average Annual Total Returns as of 10/31/15

	Tickers	YTD	One Year	Three Years	Five Years	Inception
Class I (7/31/2007)	MFLDX	-7.14%	-9.38%	-0.82%	3.21%	5.19%
Class A (Max. 5.5% load) (10/05/2012)	MFADX	-12.46%	-14.62%	-2.93%	1.80%	4.22%
Class A (NAV) (10/05/2012)	MFADX	-7.36%	-9.66%	-1.08%	2.96%	4.93%
Class R2 (10/05/2012)	MFRDX	-7.39%	-9.69%	-1.17%	2.85%	4.82%
S&P 500® Index (7/31/2007)	N/A	2.70%	5.20%	16.20%	14.33%	6.71%

Quarterly Average Annual Total Returns as of 9/30/15

	Tickers	YTD	One Year	Three Years	Five Years	Inception
Class I (7/31/2007)	MFLDX	-8.56%	-11.87%	-1.33%	3.62%	5.05%
Class A (Max. 5.5% load) (10/05/2012)	MFADX	-13.75%	-16.88%	-3.39%	2.21%	4.07%
Class A (NAV) (10/05/2012)	MFADX	-8.73%	-12.05%	-1.55%	3.38%	4.80%
Class R2 (10/05/2012)	MFRDX	-8.75%	-12.13%	-1.66%	3.26%	4.69%
HFRI Macro Discretionary Thematic Index (12/31/2007)	N/A	0.15%	-1.08%	0.10%	-0.08%	0.29%
S&P 500® Index (7/31/2007)	N/A	-5.29%	-0.61%	12.40%	13.34%	5.73%

Performance data quoted represents past performance. Past performance is no guarantee of future results. Due to market volatility, current performance may be less or higher than the figures shown. Investment return and principal value will fluctuate, so that upon redemption, shares may be worth more or less than their original cost. Performance figures for Class I shares reflect a contractual fee waiver and/or expense limitation agreement in effect through 2/28/16, without which total returns may have been lower. This agreement shall renew automatically for one-year terms unless written notice is provided prior to the start of the next term or upon approval of the Board. For performance information current to the most recent month-end, visit our web site at mainstayinvestments.com.

Total Annual Fund Operating Expenses are: Class A: 2.73%, Class I: 2.47%, and Class R2: 2.84%. Expenses include *Dividend Expense on Securities Sold Short and Broker Fees and Charges on Short Sales* for each share class, without which, the total net expenses are as follows: Class A: 1.86%, Class I: 1.61%, and Class R2: 1.96%.

Average annual total returns include the change in share price and reinvestment of capital gains and distributions. Effective 10/5/12, Marketfield Fund became MainStay Marketfield Fund. At that time, the Fund's existing no-load shares became Class I shares. Performance for Class I shares reflects the historical performance of the then-existing shares of Marketfield Fund (which were subject to a different fee structure) for periods prior to 10/5/12. Performance for Class A shares includes the historical performance of Class I shares, adjusted to reflect the differences in fees and expenses. Class I shares are generally available only to corporate and institutional investors. Class R shares are available only through corporate-sponsored retirement programs.

Equity allocations may include fixed-income exposure.

Top Five Sectors—Net

Consumer Discretionary	14.8%
Industrials	11.8%
Financials	7.9%
Materials	3.7%
Information Technology	2.6%

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.



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Kennedy Wilson Europe Real Estate Plc UK... 2.0%
Bank of Ireland Trust – Preferred Security... 1.9%
Industria de Diseno Textil SA (Spain) 1.7%
iShares MSCI Hong Kong Index ETF 1.6%
iShares U.S. Home Construction ETF 1.5%
D.R. Horton, Inc. 1.5%
Bank of Ireland 1.4%
TOTAL: 18.6%

Portfolio Allocation (As of 9/30/15)

Equity Long 57%
Equity Short -43%
Equity Index Futures Long* 5%

Option delta not reflected.

*Notional Value

Fund Performance

Quarterly Average Annual Total Returns as of 9/30/15

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Financials	9.2%
Industrials	5.6%
Materials	3.1%
Telecommunication Services	1.6%

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Management Team



Michael C. Aronstein
President, CIO, and Portfolio Manager

Michael C. Aronstein is President, Chief Investment Officer, and Portfolio Manager of Marketfield Asset Management LLC. 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 degree 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 \$3,250 million in MainStay Marketfield Fund, \$333 million in MainStay VP Marketfield Portfolio, and \$74 million in Marketfield Fund Dublin; total assets under management are \$3,657 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 LLC. 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 & 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.

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.

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

The S&P 500® Index is a trademark of McGraw Hill Financial Inc. The S&P 500® Index is widely regarded as the standard index for measuring large-cap U.S. stock market performance. The securities holdings and volatility of the Fund differ significantly from the stocks that make up the S&P 500 Index.

The HFRI Macro Discretionary Thematic Index is a broad-based hedge fund index, consisting of strategies that are primarily reliant on the evaluation of market data, relationships, and influences, as interpreted by an individual or group of individuals who make decisions on portfolio positions. These strategies employ an investment process most heavily influenced by top-down analysis of macroeconomic variables.

An investment cannot be made directly into an index.

"A" share refers to shares in mainland China-based companies that trade on Chinese stock exchanges, such as the Shanghai Stock Exchange. "H" share refers to a share of a company incorporated in the Chinese mainland that is listed on the Hong Kong Stock Exchange or other foreign exchange. H-shares are still regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong exchange.

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

Chairman's Report

The two-month period of this report witnessed the culmination of the violent correction in September and subsequent equally impressive recovery in October. Having accurately identified the risk of a late summer decline and purchased substantial protection in early August, our portfolio reached its most defensive stance since inception at the end of that month. During September and October, we reduced hedges and increased long positions once it became apparent that the worst was behind us. This led to some slippage in performance in September as the value of hedges dissipated, and although October was a positive month, the portfolio generated substantially less than the overall S&P 500 Index (SPX Index). Overall, this meant that we succeeded in navigating the entire drawdown and recovery that took place between mid-August and October with very little change to the portfolio value, while experiencing only a fraction of the decline seen at the worse point of the correction.

More important is the fact that for the first time in a number of months, our macro thought process allowed us to predict a substantial move in the market, and this does help give us confidence that our thoughts about how this cycle will develop are along the right path. We believe that a process of deteriorating credit conditions in the U.S. has begun, caused by a combination of overly aggressive corporate issuance and a reduction of U.S. Dollar (USD) liquidity. This has substantial negative implications for the U.S. equity market going forward, or at least the portions of it that have been at the center of debt issuance. With this in mind, even after rebalancing the portfolio in October, we remain roughly flat in our U.S. exposure, although this is a reflection of long and short positions balancing themselves out, rather than a lack of gross exposure.

Our U.S. longs are focused either on sectors, such as housing and defense, which are out of phase with the overall economic cycle, or on issuers that are not overly dependent on credit issuance for their business models. Our short exposure focuses on sectors that have become aggressive utilizers of leverage for corporate purposes, together with companies that have a central role in the issuance, structuring, or holding of corporate credit.

Outside of the U.S. we remain more constructive. Japan remains our largest destination for investment, and this country appears to be navigating this cycle much better than is generally appreciated. Having cut back long exposure across the portfolio in early August, we did add back to our Japanese exposure in recent weeks, taking advantage of the sharp declines in a number of industrial issues. Our exposure to China was also increased, but this remains substantially lower than it was in the springtime. This is more a reflection of the underlying volatility of Chinese markets, rather than any change in attitude, and the contribution of China to portfolio returns is somewhat larger than the simple weighting would suggest. We have changed the composition of exposure and we now own positions in a limited number of A-share (Shanghai mainland) issues, following the steep decline of the summer months, although the majority of our positions remain in the H-share (Hong Kong) market.

Our exposure in Europe remains focused on commercial property managers, and we are happy with the opportunity these represent to participate in a steady period of appreciating property values. We also added to industrial exposure, taking advantage of depressed valuations. Our overall portfolio has a net exposure that is comfortably positive without being fully committed to rising global markets. This reflects what we perceive to be a potentially difficult environment, should U.S. credit markets take another turn for the worse (the subject of the Portfolio Manager's report). We are generally more willing to take risk in countries which are somewhat earlier in their business cycles, such as Europe and Japan or, as in the case of China, helped by a central bank that is moving from tight to loose monetary and fiscal conditions.

November 16, 2015

Michael Shaoul
Chairman, CEO

Commentary (continued)

Portfolio Manager's Commentary

We believe a day will come when macroeconomic considerations do not begin and end with the focus on central bankers. This is, however, not that day.

We remain focused on the consequences of the great monetary experiment that ventured into uncharted territory with the onset of Quantitative Easing (QE) III in 2012. The benefits of the belated, but vigorous, response to monetary turmoil in 2008 were almost unambiguously positive for markets, if not the overall economy.

The actions of the Federal Reserve (Fed) in the wake of Lehman Brothers' collapse prevented a cataclysmic monetary and credit contraction (the one that did arise from the 4th quarter of 2008 was, nonetheless, extremely serious). The continuation of emergency policy past the point of emergency was, in our view, ill-advised and potentially dangerous.

By subsidizing fixed-income markets through direct purchases, the Fed has, in essence, done what the Chinese government did for cotton in 2010, when it took a great deal of domestic production into its stockpiles. Encouraged by the government's demand and the price floor that it created, cotton farmers responded with rapidly increasing production. We can recall a photograph taken within three weeks of the price top that showed a farmer standing outside of his home, unable to enter because the entire place was stuffed full of cotton. Needless to say, this particular episode of subsidy and speculation did not work out well. Cotton remains 70% below the highs, as the Chinese continue to liquidate their stockpiles. At least the farmer may be able to sleep indoors.

The stockpiling of bonds by central banks has had a similar effect on fixed-income markets. Production has soared, and prices remain at or near all-time highs. The 64 trillion dollar question remains...when is enough, enough?

In order to consider the issue of timing, it is instructive to look back on the sequence of events that undermined credit markets between 2006 and 2008.

What did we learn from the previous crisis in credit?

The cycle of excess that focused on property markets was subsidized by demand from a part of the government's financial infrastructure, the government-sponsored enterprises (GSEs), which are distinct from the Federal Reserve, but acted similarly in the past cycle. Fannie Mae and Freddie Mac were buyers of last resort in the mortgage markets, supporting prices and encouraging production. When all was said and done, they amassed the equivalent of the Chinese cotton stockpile, or the Fed's fixed-income hoard. Trillions of dollars went to support demand for mortgages and the homes that underpinned them. Producers did not disappoint, and a glut ensued. This led to the subsequent bear market that began slowly in 2007 and accelerated into a full-blown panic and collapse in 2008.

The sequence of reversal, liquidation, and credit distress unfolded over years. House prices began to decline in 2006. Mortgage markets remained relatively intact for more than a year following. Subprime lenders were still attracting buyers two years past the peak in house prices. Shares in Fannie Mae traded above \$50 in November of 2007, on their way to losing more than 90% of their value.

Relationships between sources of artificial demand and the excesses that they create are normally straightforward. Mortgages, property prices, and supply are parts of a linear system, as are agricultural subsidies and the excess crop production that they encourage.

The unique aspect of current conditions is the broad scope of the subsidies now being provided by the Federal Reserve. By depressing all yields, they invite excesses in every corner of the global economy. The misallocation of capital abetted by the Fed creates the potential for over-production of nearly everything.

Consider the elements of the global economy that have expanded at hyper normal rates since QE began in earnest.

Commentary (continued)

Global debt, or from the other side of the balance sheet, global financial wealth, has grown much faster than underlying output or activity. The resulting distribution is highly distorted and has become a focus of political conflict across the globe. Money raised in capital markets does not filter broadly throughout the system, but tends to remain within the sphere of capital assets, inflating and liquefying them. The benefits are disproportionately skewed towards those who entered the QE era with existing wealth.

In the physical realm, excessively generous financing terms have enabled over-production of commodities, retail capacity, ships, restaurants, entertainment content, internet connections, luxury apartments, and a litany of goods and services meant to appeal to the ultra rich.

Where are we today?

The investment issue at present is which among those overbuilt sectors serves as a foundation for a significant quantity of outstanding bonds, and are business conditions in those sectors sufficiently distressed to begin undermining creditworthiness? There are more moving parts than the mortgage cycle of a decade ago, but the process and underlying principles are the same.

The energy sector illustrates the issue. Excessive investment, production, leverage, and expectations characterized the global energy sector until 2014. They have now given way to conditions of distress. The sequence of deterioration was exactly the same as witnessed in the housing cycle, although the collapse in price took place more rapidly in energy markets, owing to their greater liquidity and constant price discovery.

In both instances, distress in the underlying credit instruments did not become apparent until more than a year past the clear break in prices. Spreads in the high-yield market, as a whole, remained near a five-year low almost a year past the collapse in energy prices. Their persistent widening through the second quarter of this year prompted us to begin reducing our domestic equity exposures.

While most equity markets reached a point of maximum volatility in August, pressures in credit persisted and intensified through the beginning of October. They have now subsided with the sharp improvement in equity markets, but remain above August levels. The practical question from here forward is whether we have reached a point of distress in business conditions similar in nature to 2007, where deflation of the underlying assets (in that case, anything to do with homes, land, or construction) triggers an unwind of credit sufficient to broadly undermine credit markets.

In spite of the clear extremes on volatility and sentiment reached during the recent liquidation, we are concerned that financial conditions among important borrowers have deteriorated to a point where actual impairment of their ability to pay is in prospect.

This is the critical point of distinction between a market dislocation and an actual crisis that could mark a meaningful low.

From 2007 onward, mortgage markets were beset by relentless increases in impairments and defaults. Dislocations in financing channels undermined the demand for homes, just at the point where more involuntary selling was expanding the supply. The negative feedback mechanism in place led to a disastrous conclusion, arrested only by the emergency intervention of the Federal Reserve.

Distress among commodity producers is hardly new news. Stocks in these sectors are already down substantially, as are the currencies of countries most linked to raw material production. The question remains as to whether distress in these markets is sufficient to mark an important turning point.

Our feeling is that some dislocation, sufficient to cause an emergency monetary response from one or more major central banks, will be necessary to drive another phase of advance in prices of risk assets.



Commentary (continued)

Credit events are the result of accumulating stress over long periods of time. Product prices are important near-term inputs for equities, whereas time is a more powerful determinant of credit outcomes. Once fundamental pressures have arisen and the longer they stay in place, the more likely they are to end with serious credit impairment and crisis.

The actions of the Federal Reserve and other central banks have served to extend credit and capacity cycles beyond their normal boundaries. Limitless access to credit has enabled survival among impaired participants. Until markets reach a point where the numbers regarding debt service simply don't work, marginal participants in business with no practical barriers to entry will continue to drive aggregate profitability down.

We believe that the process has reached a point at which the turmoil in credit that precipitated the liquidation in August has simply paused, not reversed.

November 16, 2015

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, or investment advice.