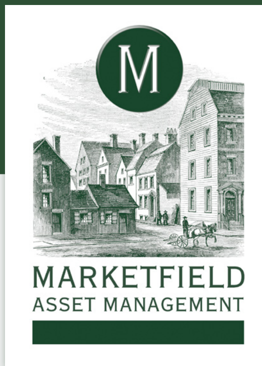


MARKETFIELD FUND

September 30, 2016

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

CUSIP Class I	89834E245
CUSIP Class A	89834E278
CUSIP Class C	89834E252
CUSIP Class R6	89834E229
Inception Date	7/31/2007
Benchmark	S&P 500 Index
Net Assets	$803.6 million
Number of Holdings	96

Portfolio Allocation

(Excluding Cash) (As of 09/30/16)

Equity Long*	94.5%
Equity Short*	-37.6%
Fixed Income Long	0.8%
Fixed Income Short	-0.5%

**Option deltas not reflected. Equity Long includes notional value of long future positions of 1.3%.*

Performance

Quarterly Average Annual Total Return As of 9/30/16

	Tickers	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Since Inception
Class I (7/31/2007)	MFLDX	-0.49%	3.09%	-3.69%	-3.43%	-7.33%	1.94%	4.09%
Class A (Max. 5.5% load) (10/05/12)	MFADX	-5.96%	-2.60%	-9.20%	-8.97%	-9.27%	0.56%	3.20%
Class A (NAV) (10/05/2012)	MFADX	-0.49%	3.05%	-3.92%	-3.66%	-7.54%	1.70%	3.84%
Class C (Max. 1.0% CDSC) (10/05/12)	MFCDX	-1.57%	1.76%	-5.46%	-5.39%	-8.26%	0.92%	3.06%
Class R6 (6/17/13)	MFRIX	-0.48%	3.08%	-3.68%	-3.29%	-7.20%	2.02%	4.14%
S&P 500® Index (7/31/2007)	SPXT	0.02%	3.85%	7.84%	15.43%	11.16%	16.37%	6.74%
HFRI Macro Disc. Th. Index (12/31/07)	HFRIMDT	0.11%	0.34%	-0.90%	-0.70%	-0.22%	0.46%	-

As of August 14, 2016, the Investor Class, Class R2 Class P share classes have closed.

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. For performance information current to the most recent month-end, visit our web site at http://www.marketfield.com/fund/.

Total Annual Fund Operating Expenses are: Class I: 2.34%, Class A: 2.62%, Class C: 3.37%, and Class R6: 2.33%. Expenses include Dividend Expense on Securities Sold Short and Broker Fees and Charges on Short Sales.

Performance data for the classes varies based on differences in their fee and expense structures. The performance figures for Class I shares reflect the historical performance of the then-existing shares of MainStay Marketfield Fund (the predecessor to the Fund, for which the Adviser served as the investment sub-advisor) for periods from October 5, 2012 to April 8, 2016. The performance figures for Class I shares also reflect the historical performance of the then-existing shares of the predecessor fund to MainStay Marketfield Fund (which was subject to a different fee structure, and for which a predecessor entity to the Adviser served as the investment adviser)for periods prior to October 5, 2012. The returns in the table below for periods prior to October 5, 2012 have been calculated using the expenses of the predecessor fund to the MainStay Marketfield Fund. Performance figures for Class A and Class C shares, first offered on October 5, 2012, include the historical performance of Class I shares through October 4, 2012 and are adjusted to reflect differences in fees and expenses. Performance figures for Class R6 shares, first offered on June 17, 2013, include the historical performance of Class I shares through June 16, 2013. Performance data for the classes varies based on differences in their fee and expense structures. The returns in the table above for periods prior to October 5, 2012 have been calculated using the expenses of the predecessor fund to the MainStay Marketfield Fund. Performance data for the classes varies based on differences in their fee and expense structures. Unadjusted, the performance for the newer classes would likely have been different because of differences in certain fees and expenses attributable to each share class.

Regions Exposure *(As of 09/30/16)*

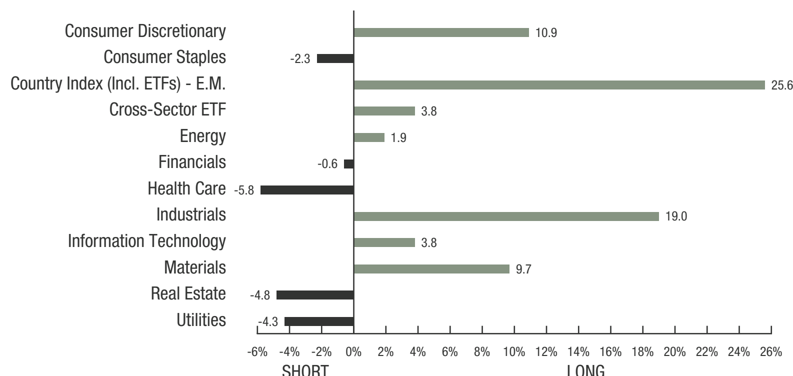
	Long	Short	Net
U.S.	42.70	37.70	5.00%
Emerging Markets	30.30	0.00	30.30%
Japan	5.80	0.00	5.80%
Europe	11.60	0.00	11.60%
Canada	2.50	0.00	2.50%
Other	1.60	0.00	1.60%

Portfolio Management

Michael C. Aronstein
President, Chief Investment Officer
Portfolio Manager
Marketfield Asset Management LLC

Michael Shaoul
Chairman, CEO
Portfolio Manager
Marketfield Asset Management LLC

Sectors Net Exposure



Before You Invest

Before considering an investment in the Fund, you should understand that you could lose money.

The Fund regularly makes short sales of securities, which involves 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.

Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. These risks may be greater for emerging markets. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Investing in mid-cap stocks may carry more risk than investing in stocks of larger, more well-established companies. 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 may increase the volatility of the Fund's NAV and may result in a loss to the Fund.

Notional value is the total value of a leveraged position's assets. Correlation is a statistical measure of the degree to which the movements of two variables (stock/option/convertible prices or returns) are related. Option Delta is the relationship between the option price and the underlying price, which reflects the sensitivity of the price of the option to changes in the price of the underlying security.

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.

Sector allocations are subject to change and are not recommendations to buy or sell any security.

Diversification does not assure a profit nor protect against loss in a declining market.

For more information about Marketfield Fund, call 800-311-6583 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.

The Marketfield Fund is managed by Marketfield Asset Management LLC and distributed by Quasar Distributors, LLC.

Contact Us

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Director of Client Services
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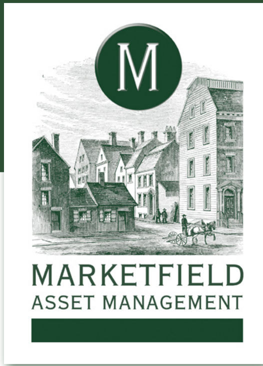


Commentary

October 21, 2016

Chairman's Report   September 2016

The portfolio performed as would be expected given market conditions in the 3rd quarter returning 3.50% gross and 3.09% net of fees, compared to the 3.32% generated by the SPX index. The portfolio carried a roughly 60% net long position over the course of the quarter, with long positions totaling approximately 90% and short positions 30%.

On a geographic basis, exposure to Emerging Market equities was the largest driver of this positive performance, generating 1.5% from exposure of 20.4%. The majority of the portfolio's emerging market exposure is through country level ETFs, which is a reflection of our belief that currency movements are likely to be a large contributor to returns and these are fully captured by unhedged ETF instruments. Foreign flows to emerging markets are also likely to be a key factor and these tend to be dominated by index level investments, which again are efficiently captured by ETFs.

European equities generated a 0.9% return from 10.9% exposure, a reflection of the deep Brexit drawdown that took place at the end of the 2nd quarter and was largely erased in July. Japanese equities generated a 30 basis point return from 9.7% exposure, which was cut back toward the end of the quarter. US exposure generated 0.8%, but the net average position of 15.1% (average exposure over the quarter) is a balance between long positions totaling 47.3% and short positions of -32.1%. US performance was dominated by the long side of the portfolio with gains in housing related equities and materials. Small losses were generated in overall short positions, mostly in REITs and Healthcare and small gains in Utilities.

On a sector basis Industrials generated 1.2% from total exposure of 22.2% and Materials 0.8% from average exposure of 9.9%. The worst performance came from Healthcare, which lost -0.3% from net average exposure of -5.50%.

Few changes were made to the portfolio over the course of the quarter. The most notable was the movement of some long sided exposure from Japan to emerging markets. Our portfolio remains positioned to benefit from a general rotation away from US defensive sectors to more economically sensitive sectors and for continued appreciation in emerging markets and commodities.

October 21, 2016

Michael Shaoul

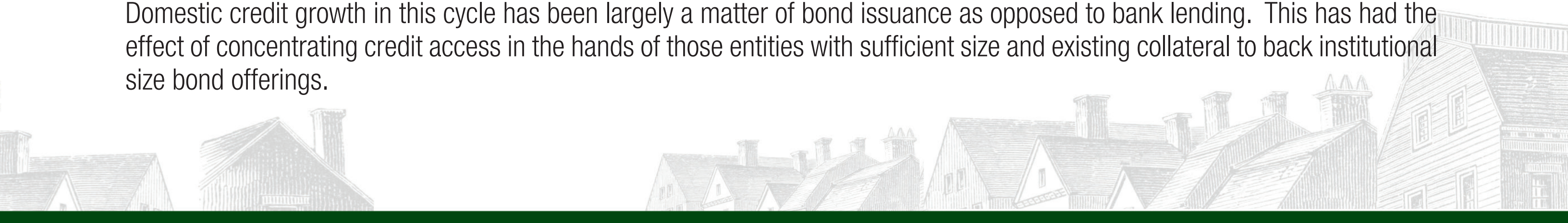
Chairman, CEO & Portfolio Manager

Widespread distortion is the residue of large-scale credit expansions. This basic tenet is generally clear only in hindsight, as the imbalances created by unfettered access to credit in certain portions of an economy correct violently as credit is withdrawn.

Unusually generous expansions of credit can disturb nominal prices, relative prices, wealth and income distribution, political imperatives, international relations and the function of markets, both financial and physical.

For the past half-decade, global credit has expanded at an accelerating rate, led by corporate bond issuance in the U.S. Total credit market debt outstanding in the U.S. has grown by approximately $11 trillion even with the Federal Reserve absorbing more than $3 trillion since the advent of quantitative easing.

Domestic credit growth in this cycle has been largely a matter of bond issuance as opposed to bank lending. This has had the effect of concentrating credit access in the hands of those entities with sufficient size and existing collateral to back institutional size bond offerings.



Commentary (continued)

This contrasts with the last cycle of credit excess that began fifteen years ago and was characterized by mortgage lending collateralized by single-family homes. This made credit access much more egalitarian. Even at the height of the prior cycle, the cultural distortions created by unconstrained credit growth did not include an incessant, popular veneration of exaggerated personal wealth and its pathologies.

The 2007 peak of the prior cycle had, in common with the present situation, an inflation of asset prices relative to the incomes available to support those prices once credit became less available. The main difference was the distribution of the inflated asset values. During the past cycle the asset inflation was shared by a greater number of families through the ownership of houses. At present, the benefits of inflated values for financial assets, art, high value collectables and luxury housing across the globe are shared by a relatively small number of people. This has provoked political and cultural backlashes against the privileged classes and against the market economy, which is mistakenly accused of complicity in the inflationary process.

It is highly unfortunate that regulatory remedies suggested to rein in the concentrated accumulations of wealth that have characterized this cycle of credit expansion are likely to exacerbate the problem by weighing disproportionately on prospects for those in the middle and lower ends of the income distribution.

The growing regulatory intrusions that have been evident in the domestic economy for the past eight years make it increasingly difficult for more prosaic start-up businesses to form and succeed. There is much less red tape and regulatory risk involved in starting a business that will hire dozens of skilled software engineers (who are likely secure in their economic status under most any circumstance) than in buying a service sector franchise or starting a construction business that will hire entry-level and blue collar workers.

In spite of the publicity given to the glamorous, venture capital funded technology and “sharing” start-ups, employment by newly started businesses in the economy as a whole is running at near record lows. As of last year, there were about 1.5 million fewer people employed by firms less than one year old, than there were twenty years ago.

By mandating generous minimum wages, benefits and collective bargaining, government is making potential entrepreneurs think long and hard about the risks inherent in being an employer rather than an employee. This is an important reason why the overall pace of activity in the real economy is so meager in spite of record monetary intervention and negligible or negative real rates of interest.

We are highlighting the dynamics of the most recent credit expansion because it appears to be ending. If so, many of the distortions in activity and prices will also be nearing their ends, and are likely to correct with varying degrees of disorder and consequence.

Credit expansions built on any basis distort market signals by artificially raising demand and pricing in the portions of the economy that are deemed worthy of credit extension. Malinvestment is the term used to describe the build out of excess capacity to fulfill demand in a sector or sectors that are enjoying the elevated (but transitory) fortunes associated with being welcomed at the borrowing window.

In the current cycle, the distortions of relative income and wealth that have arisen from limitless capital markets’ credit and interest rates that have been manipulated to near zero have led to a combination of malinvestment and malconsumption. Both are centered on the wealthiest members of the global economy, who have seemingly melded into a separate, stateless elite with interests that transcend national economies. They are, however, similarly dependent on the continued progress of the global credit express.

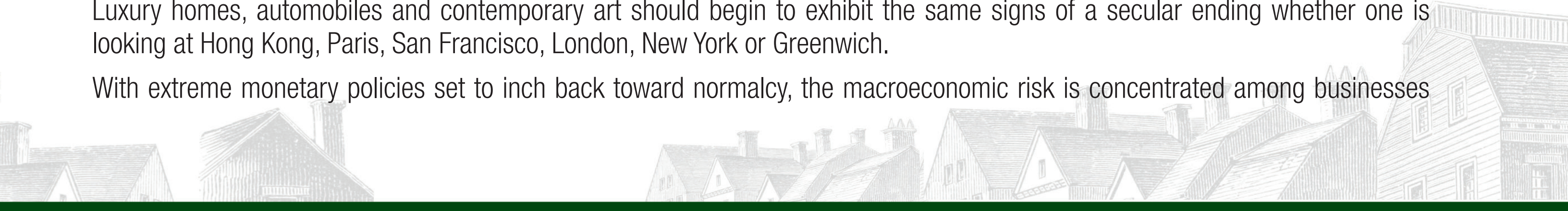
The end-stage dynamic that is unfolding consists in the rapid deceleration and decline in the Federal Reserve’s balance sheet and the attendant fall in banking system reserves. The stresses precipitated by this contraction are becoming evident in domestic and foreign money market conditions, particularly in the cost and availability of short-term dollar funding.

Balance sheet growth in the other G7 central banks has begun to decelerate, with the notable exception of the Bank of England, which is dealing with its own, very specific issues.

With the increasing internationalization of luxury goods and property, evidence of ebbing credit support for both should be manifest across a host of widely dispersed locales.

Luxury homes, automobiles and contemporary art should begin to exhibit the same signs of a secular ending whether one is looking at Hong Kong, Paris, San Francisco, London, New York or Greenwich.

With extreme monetary policies set to inch back toward normalcy, the macroeconomic risk is concentrated among businesses



Commentary (continued)

structured to capitalize on continuing, seemingly limitless wealth accumulation by the beneficiaries of asset inflation. These have flourished during the post 2009 cycle, with even the most mainstream brands desperately trying to introduce some wildly overpriced version that can be categorized as a luxury good.

In the U.S., almost half of nominal consumption is accounted for by the wealthiest 20% of households. Bank lending to individuals has been dominated by the portion of every bank that has become focused on the ultra high net worth customer and their particular needs for loans collateralized by restricted securities holdings, shares in private partnerships, illiquid luxury goods and rarified properties across the globe.

It is likely that any distress in this sector will, given the present political environment, be met with approval rather than concern. There will be almost no constituency advocating policies that would rescue any persons or institutions suffering because the fortunes of the very wealthy and those who cater to them are threatened.

To the extent that these high-end problems exert a general dampening effect on the economic statistics as a whole, we would postulate that the response from government would be largely fiscal. The monetary experiments of the past half-decade are unlikely to be repeated. Nonetheless, governments will feel the need to provide more support, which will almost certainly take the form of increased fiscal expansion.

The distinction between fiscal stimulus and current monetary support is crucial in considering the macroeconomic tone of the years to come.

The basis of monetary policy support during this cycle was the subsidization of bond issuance through the mechanism of quantitative easing. It was akin to the government's support of agricultural prices by buying and storing large quantities of farm products. In this instance it was the Federal Reserve, not the Department of Agriculture that was doing the buying and storing. The economic effects were the same, except that the incomes of city slickers and not farmers were boosted by the exercise.

In both instances consumers suffered, either paying more for food when those subsidies prevailed or paying more for bonds (if one was a saver or retiree) when the Federal Reserve was doing the hoarding.

When stimulus is attempted through the mechanism of increased government borrowing and spending, the beneficiaries are entirely different than those who benefit from monetary expansions of the sort that we have recently witnessed.

Credit expansions are based on balance sheet inflation providing increased and apparently robust collateral backing. The benefits are concentrated among those with a good deal of balance sheet heft to begin with.

Fiscal expansions, even when based on accelerating borrowing by governments, are based solely on "full faith and credit" and do not require inflating asset bases to justify the increased extension of debt. When most of the fiscal expansion is in the form of increased expenditure (as opposed to declining taxation), the main beneficiaries are those on the receiving end of income support, subsidy and social welfare programs. These can be thought of as income statement items as contrasted with the balance sheet support that comes from asset based lending and the resulting asset inflation.

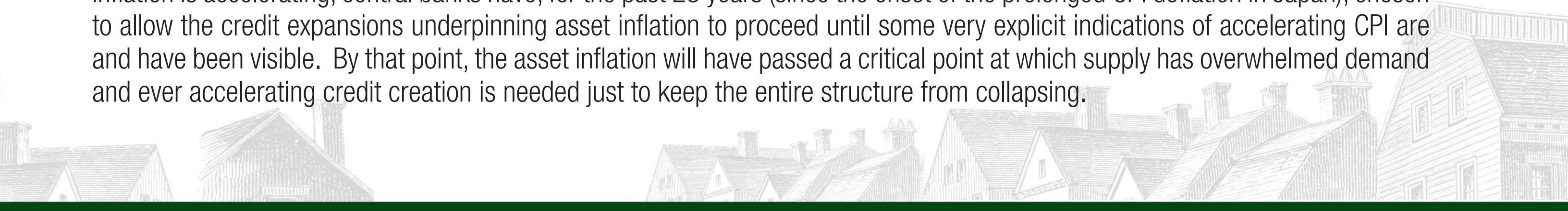
In practical terms, there exists a great difference in the measurement systems used to scrutinize excess demand manifest in balance sheet items versus excess consumption demand underpinned by credit based fiscal expansions.

The former is just tallied as increased asset pricing, whether the asset is a public security, a painting or a waterfront estate. In contrast, the excesses derived from artificial expansions of income and consumption feed directly into Consumer Price Index (CPI) and other traditional measures of inflation.

In theoretical terms, there is no difference in the ultimate harm and economic dislocation that arises in the aftermath of either asset inflation or consumer price inflation.

In practical terms, the economic policy community (including nearly every employee or manager of a central bank) is trained to consider only consumer price inflation as genuine inflation, while ignoring the hypertrophy of asset prices arising from reckless private credit expansions.

The consequences of this dichotomy can be severe. When traditional measures of inflation are low at the same time that asset inflation is accelerating, central banks have, for the past 25 years (since the onset of the prolonged CPI deflation in Japan), chosen to allow the credit expansions underpinning asset inflation to proceed until some very explicit indications of accelerating CPI are and have been visible. By that point, the asset inflation will have passed a critical point at which supply has overwhelmed demand and ever accelerating credit creation is needed just to keep the entire structure from collapsing.



Commentary (continued)

This was the general story of the Asian inflation of the mid 1990s, the growth stock excesses of the late 1990s, the housing mania of 2001-2007 and, we expect, the ultra-luxury intoxication of 2010-2016.

The combination of a shrinking monetary base in the U.S. and modest interest rate rises will likely be enough to trigger further trauma and deflation in the top tiers of the global economy, while sparing the middle and lower income portions where credit expansion has hardly infiltrated.

We are facing a dissonant economy, with two diametrically opposed trends taking hold at the same time. The relative fortunes of the notorious 1% are apt to decline precipitously after enjoying the direct inflationary benefits of monetary and credit expansion. The luxury end of the global economy is where the deflation of the next few years will be concentrated.

At the same time, the vast majority of the population and the more prosaic (or normal) aspects of the economy are about to embark on a rapid shift toward more inflation particularly in labor intensive services, where a shortage of entry and mid-level workers will likely have a dramatic effect on wages and overall employment costs.

It is our sense that global central banks' express desire to produce more traditional CPI will delay any really forceful tightening actions until developed world inflation is well beyond 3% and accelerating.

Disruption of the luxury economy will provide enough headlines and real financial stress to dampen any tightening impulses that G-7 central bankers may harbor, while providing the rationale for more expansionary fiscal measures.

It has been our observation that central banks tend to react to conventional economic metrics and textbook definitions when searching for risk. It is why the obvious excesses that have led to regular crises over the past 50 years have come as surprises to monetary and regulatory authorities. Crises are born of unusual distortions and imbalances, which place the metrics describing them outside the bounds of conventional analysis. It is the unknown, unprecedented disturbance that can create calamity simply because officials are prepared for risks with historical precedents that can be factually dissected.

In the present case, the intermingling of deflationary and inflationary forces will act as a paralytic agent for central bankers across the developing world. Something akin to the current status quo is likely to persist for far too long, as has already been the case.

The unevenness of the present macroeconomic environment is reflected in our portfolio. We favor businesses and geographic regions that stand to benefit from more inflationary fiscal policy and its effects in the developed world. The long portfolio comprises equities from an assortment of emerging market economies as well as Europe and Japan. The stabilization of activity and liquidity measures in China should provide monetary support to the developing world, where China has replaced the U.S. as the principle source of external finance.

Our short book is dominated by slow growing; "stable" companies that are vulnerable to changes in domestic inflation expectations and have already reaped the benefits of expanding margins. As labor and input costs move higher, many of the companies in our short portfolio will have a difficult time passing the cost increases through.

In addition to our traditional securities holdings, we have a moderate derivative exposure directly to the level of the U.S. CPI over the next two years. Surprises to the high side will be helpful to the fund.

October 17, 2016

Michael C. Aronstein

President, CIO & Portfolio Manager

The foregoing represents the opinions of the Chairman, CEO & Portfolio Manager and of the President, CIO & Portfolio Manager, respectively, and are not intended to be a forecast of future events, a guarantee of future results, or investment advice.

The consumer price index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

Basis point (BPS) refer to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01% (0.0001), and is used to denote the percentage change in a financial instrument.