

# MainStay VP Indexed Bond Portfolio

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## Message from the President and Annual Report

December 31, 2023

### Special Notice:

Beginning in July 2024, new regulations issued by the Securities and Exchange Commission (SEC) will take effect requiring open-end mutual fund companies and ETFs to (1) overhaul the content of their shareholder reports and (2) mail paper copies of the new tailored shareholder reports to shareholders who have not opted to receive these documents electronically.

If you have not yet elected to receive your shareholder reports electronically, please contact your financial intermediary or visit our website.

Not FDIC/NCUA Insured

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May Lose Value

No Bank Guarantee

Not Insured by Any Government Agency



INVESTMENTS

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# Message from the President

Against a backdrop of easing inflationary pressures and continued economic growth, stocks and bonds generally gained ground during the 12-month period ended December 31, 2023, despite high levels of volatility and sharp disparities between the performance of the different market sectors.

Although the war in Ukraine, the outbreak of hostilities in the Middle East and several other notable events affected financial assets, inflation, interest rate, and economic growth trends stood at the forefront of market developments during most of the period. As the reporting period began, high levels of inflation already showed signs of easing in the face of aggressive rate hikes by U.S. Federal Reserve (the “Fed”). From a peak of 9.1% in June 2022, the annualized U.S. inflation rate dropped to 6.4% in January, and 3.4% in December 2023. At the same time, the Fed increased the benchmark federal funds rate from 4.25%–4.50% at the beginning of reporting period, to 5.25%–5.50% as of the end of 2023. Despite the increasing cost of capital and tighter lending environment that resulted from rising rates, economic growth remained surprisingly robust, bolstered by high levels of consumer spending, low levels of unemployment and better-than-expected corporate earnings. With the pace of rate increases slowing from the prior year, investors began hoping for an early shift to a looser monetary policy, with stock prices and bond yields reacting as economic data and statements from the Fed either reinforced or undercut those hopes. Following months of hawkish rhetoric, the Fed finally reversed its stance in December 2023, signaling a positive economic outlook with little chance of a recession and a likelihood of rate cuts in 2024.

The S&P 500<sup>®</sup> Index, a widely regarded benchmark of U.S. market performance, produced strong gains during the reporting period—recovering all its losses from 2022 and approached new record territory. A preponderance of the Index’s gains were generated by a relatively small number of mega-cap stocks in the information technology, communication services and consumer discretionary sectors that stood to benefit from rapid developments in generative artificial intelligence (“AI”). Value-oriented, interest-rate sensitive and small-capitalization

shares lagged by significant margins, although market strength widened during the closing weeks of the reporting period. Most overseas equity markets trailed the U.S. market, as developed international economies experienced relatively low growth rates, and weak economic conditions in China undermined emerging markets.

Bonds produced generally positive returns, bolstered by attractive and relatively stable yields. The yield on the 10-year Treasury note hit a high of just under 5% in mid-October 2023, ranging between approximately 3.5% and 4.8% for most of the reporting period. The yield curve remained inverted throughout the year, with the 2-year Treasury yield modestly above the 10-year yield. Corporate bond prices trended moderately higher, generally outperforming government securities. After years of low yields and tight credit spreads, the corporate sector benefited from more attractive valuations and income opportunities. Among corporates, markets generally rewarded longer duration and lower credit quality, although an uptick in default rates posed added risks for high-yield corporate bonds. International bond markets produced mixed returns, with emerging-markets issues advancing over their developed-markets counterparts.

The market volatility of recent years reminds us of the constant need for experienced and steadfast portfolio management in the face of uncertainty. New York Life Investments remains dedicated to providing you, as a valued MainStay VP investor, with the guidance, resources and investment solutions you need to pursue your financial goals.

Thank you for trusting us to help meet your investment needs.

Sincerely,



Kirk C. Lehneis  
President

The opinions expressed are as of the date of this report and are subject to change. There is no guarantee that any forecast made will come to pass. This material does not constitute investment advice and is not intended as an endorsement of any specific investment. Past performance is no guarantee of future results.

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## Annual Report

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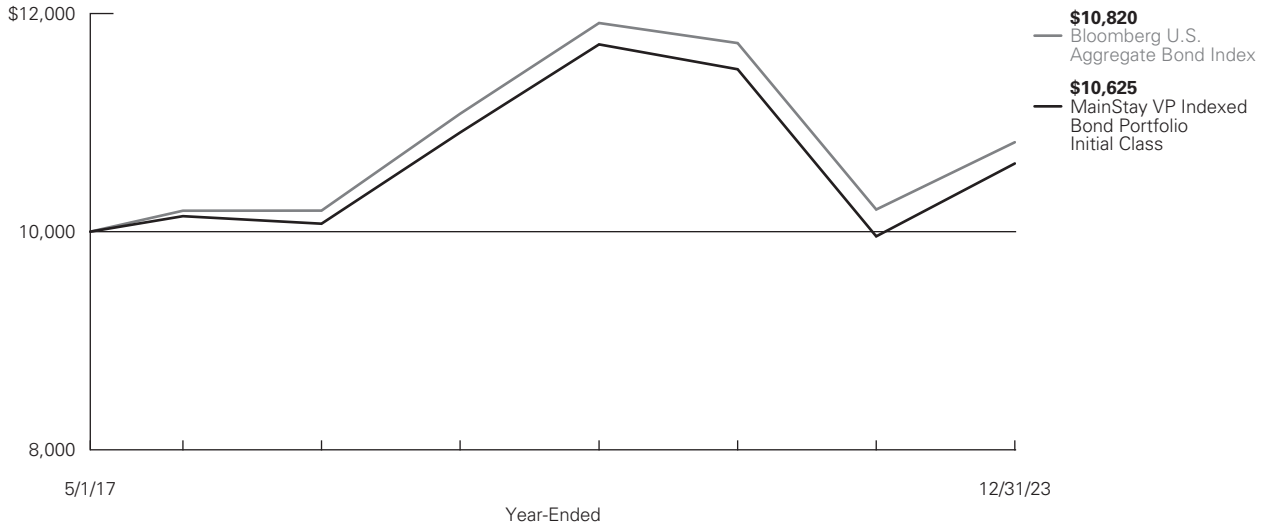
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**Investors should refer to the Portfolio's Summary Prospectus and/or Prospectus and consider the Portfolio's investment objectives, strategies, risks, charges and expenses carefully before investing. The Summary Prospectus and/or Prospectus contain this and other information about the Portfolio. You may obtain copies of the Portfolio's Summary Prospectus, Prospectus and Statement of Additional Information, which includes information about the MainStay VP Funds Trust's Trustees, free of charge, upon request, by calling toll-free 800-598-2019, by writing to New York Life Insurance and Annuity Corporation, 51 Madison Avenue, Room 251, New York, New York 10010 or by sending an email to [MainStayShareholdersServices@nylim.com](mailto:MainStayShareholdersServices@nylim.com). These documents are also available at [newyorklifeinvestments.com/investment-products/vp](http://newyorklifeinvestments.com/investment-products/vp). Please read the Portfolio's Summary Prospectus and/or Prospectus carefully before investing. MainStay VP Funds Trust portfolios are separate account options which are purchased through a variable insurance or variable annuity contract.**

# Investment and Performance Comparison (Unaudited)

Performance data quoted represents past performance. Past performance is no guarantee of future results. Because of market volatility and other factors, current performance may be lower or higher than the figures shown. Investment return and principal value will fluctuate, and as a result, when shares are redeemed, they may be worth more or less than their original cost. The performance table and graph do not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. Please refer to the Performance Summary appropriate for your policy. For performance information current to the most recent month-end, please call 800-598-2019 or visit [www.newyorklife.com](http://www.newyorklife.com).

Performance figures may reflect certain fee waivers and/or expense limitations, without which total returns may have been different. For information on current fee waivers and/or expense limitations (if any), please refer to the Notes to Financial Statements.



## Average Annual Total Returns for the Year-Ended December 31, 2023

Class	Inception Date	One Year	Five Years	Since Inception	Gross Expense Ratio <sup>1</sup>
Initial Class Shares	5/1/2017	5.25%	0.79%	0.70%	0.32%

1. The gross expense ratios presented reflect the Portfolio's "Total Annual Portfolio Operating Expenses" from the most recent Prospectus and may differ from other expense ratios disclosed in this report.

Benchmark Performance*	One Year	Five Years	Since Inception
Bloomberg U.S. Aggregate Bond Index <sup>1</sup>	5.53%	1.10%	1.12%
Morningstar Intermediate Core Bond Category Average <sup>2</sup>	5.59	1.05	0.91

\* Returns for indices reflect no deductions for fees, expenses or taxes, except for foreign withholding taxes where applicable. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.

1. The Bloomberg U.S. Aggregate Bond Index is the Portfolio's primary benchmark. The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures performance of the investment-grade, U.S. dollar denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities and commercial mortgage-backed securities.
2. The Morningstar Intermediate Core Bond Category Average is representative of funds that invest primarily in investment-grade U.S. fixed-income issues including government, corporate, and securitized debt, and hold less than 5% in below-investment-grade exposures. Their durations (a measure of interest-rate sensitivity) typically range between 75% and 125% of the three-year average of the effective duration of the Morningstar Core Bond Index. Results are based on average total returns of similar funds with all dividends and capital gain distributions reinvested.

## Cost in Dollars of a \$1,000 Investment in MainStay VP Indexed Bond Portfolio (Unaudited)

The example below is intended to describe the fees and expenses borne by shareholders during the six-month period from July 1, 2023 to December 31, 2023, and the impact of those costs on your investment.

### Example

As a shareholder of the Portfolio you incur two types of costs: (1) transaction costs, including exchange fees and sales charges (loads) on purchases (as applicable), and (2) ongoing costs, including management fees and other Portfolio expenses (as applicable). This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 made at the beginning of the six-month period and held for the entire period from July 1, 2023 to December 31, 2023. Shares are only sold in connection with variable life and annuity contracts and the example does not reflect any contract level or transactional fees or expenses. If these costs had been included, your costs would have been higher.

This example illustrates your Portfolio's ongoing costs in two ways:

### Actual Expenses

The second and third data columns in the table below provide information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, to estimate the expenses that you paid during the six months ended

December 31, 2023. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

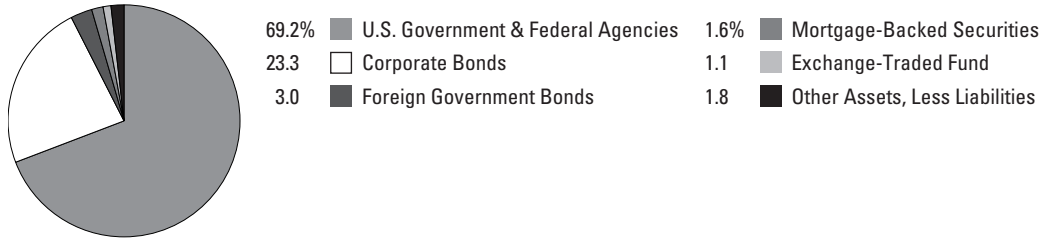
The fourth and fifth data columns in the table below provide information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balances or expenses you paid for the six-month period shown. You may use this information to compare the ongoing costs of investing in the Portfolio with the ongoing costs of investing in other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other mutual funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as exchange fees or sales charges (loads). Therefore, the fourth and fifth data columns of the table are useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

Share Class	Beginning Account Value 7/1/23	Ending Account Value (Based on Actual Returns and Expenses) 12/31/23	Expenses Paid During Period <sup>1</sup>	Ending Account Value (Based on Hypothetical 5% Annualized Return and Actual Expenses) 12/31/23	Expenses Paid During Period <sup>1</sup>	Net Expense Ratio During Period <sup>2</sup>
Initial Class Shares	\$1,000.00	\$1,029.80	\$1.59	\$1,023.64	\$1.58	0.31%

- Expenses are equal to the Portfolio's annualized expense ratio of each class multiplied by the average account value over the period, divided by 365 and multiplied by 184 (to reflect the six-month period). The table above represents the actual expenses incurred during the six-month period. In addition to the fees and expenses which the Portfolio bears directly, it also indirectly bears a pro rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above-reported expense figures.
- Expenses are equal to the Portfolio's annualized expense ratio to reflect the six-month period.

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**Portfolio Composition as of December 31, 2023 (Unaudited)**

See Portfolio of Investments beginning on page 9 for specific holdings within these categories. The Portfolio's holdings are subject to change.

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**Top Ten Holdings and/or Issuers Held as of December 31, 2023 (excluding short-term investments) (Unaudited)**

- |   |   |
|---|---|
| 1. U.S. Treasury Notes, 0.125%-5.00%, due 1/15/24–2/15/33             | 6. UMBS, 15 Year, 1.50%-4.00%, due 5/1/24–9/1/36              |
| 2. UMBS, 30 Year, 2.00%-5.50%, due 6/1/36–2/1/53                      | 7. FHLMC Gold Pools, 30 Year, 3.00%-5.50%, due 7/1/38–1/1/49  |
| 3. GNMA II, Single Family, 30 Year, 2.00%-5.00%, due 11/20/42–9/20/51 | 8. Bank of America Corp., 2.972%-5.08%, due 1/20/27–7/21/52   |
| 4. U.S. Treasury Bonds, 2.75%-4.75%, due 2/15/47–11/15/53             | 9. Mexico Government Bond, 4.125%-4.875%, due 1/21/26–5/19/33 |
| 5. UMBS Pool, 30 Year, 2.00%-4.50%, due 1/1/49–7/1/52                 | 10. iShares iBoxx \$ Investment Grade Corporate Bond ETF      |
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# Portfolio Management Discussion and Analysis (Unaudited)

Answers to the questions reflect the views of portfolio managers Kenneth Sommer and Matthew Downs, of NYL Investors LLC, the Portfolio's Subadvisor.

## How did MainStay VP Indexed Bond Portfolio perform relative to its benchmark and peers during the 12 months ended December 31, 2023?

For the 12 months ended December 31, 2023, MainStay VP Indexed Bond Portfolio returned 5.25% for Initial Class shares. Over the same period, Initial Class shares underperformed the 5.53% return of the Bloomberg U.S. Aggregate Bond Index (the "Index"), which is the Portfolio's benchmark. Although the Portfolio seeks investment results that correspond to the total return performance of fixed-income securities in the aggregate, as represented by the Portfolio's benchmark, the Portfolio's performance will typically lag that of the Index because the Portfolio incurs fees and expenses that the Index does not. For the 12 months ended December 31, 2023, Initial Class shares also underperformed the 5.59% return of the Morningstar Intermediate Core Bond Category Average.<sup>1</sup>

## Were there any changes to the Fund during the reporting period?

Effective on or about June 30, 2023, AJ Rzad no longer served as a portfolio manager for the Portfolio. See the Supplement dated March 3, 2023, for additional information.

## During the reporting period, how was the Portfolio's performance materially affected by investments in derivatives?

U.S. Treasury futures were used to maintain a duration<sup>2</sup> equal to that of the Index and did not materially affect the performance of the Portfolio. Treasury futures were also used to reduce variations between the Portfolio and the Index. These trades reduced tracking error for the Portfolio and the Index.

## During the reporting period, which credit-rating categories were strong performers and which credit rating categories were weak?

All the investment-grade rating categories produced positive excess returns during the reporting period, outperforming matched duration Treasury securities. Credits rated BBB

generated the most positive excess return, followed by credits rated A.<sup>3</sup> Credits rated AA outperformed credits rated AAA.<sup>4</sup>

## What was the Portfolio's duration strategy during the reporting period?

The Portfolio employs a passive strategy that attempts to replicate the duration of the Index. The Portfolio's duration strategy had a neutral impact on performance during the reporting period. As of December 31, 2023, the Portfolio's duration was approximately 6.12 years, compared to a duration of 6.11 years for the Index.

## Which market segments made the strongest contributions to the Portfolio's performance, and which market segments detracted the most?

During the reporting period, all broad sectors in the Index produced positive total returns. The corporate sector made the strongest positive contribution to performance. (Contributions take weightings and total returns into account.) Within the corporate sector, the industrials and financials subsectors were the best performers. The U.S. Treasury sector produced the second-highest contribution to performance, followed by the mortgage-backed securities sector. The commercial mortgage-backed security and U.S. government agency sectors contributed the least to the Portfolio's total return during the reporting period.

## Were there any significant changes to the Portfolio's benchmark during the reporting period?

There were no changes to the Index material enough to lead us to change the Portfolio's investment strategy.

1. See "Investment and Performance Comparison" for more information on benchmark and peer group returns.
2. Duration is a measure of the price sensitivity of a fixed-income investment to changes in interest rates. Duration is expressed as a number of years and is considered a more accurate sensitivity gauge than average maturity.
3. An obligation rated 'A' by Standard & Poor's ("S&P") is deemed by S&P to be somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. In the opinion of S&P, however, the obligor's capacity to meet its financial commitment on the obligation is still strong. An obligation rated 'BBB' by S&P is deemed by S&P to exhibit adequate protection parameters. In the opinion of S&P, however, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. When applied to Fund holdings, ratings are based solely on the creditworthiness of the bonds in the portfolio and are not meant to represent the security or safety of the Fund.
4. An obligation rated 'AAA' has the highest rating assigned by S&P, and in the opinion of S&P, the obligor's capacity to meet its financial commitment on the obligation is extremely strong. An obligation rated 'AA' by S&P is deemed by S&P to differ from the highest-rated obligations only to a small degree. In the opinion of S&P, the obligor's capacity to meet its financial commitment on the obligation is very strong. When applied to Portfolio holdings, ratings are based solely on the creditworthiness of the bonds in the Portfolio and are not meant to represent the security or safety of the Portfolio.

The opinions expressed are those of the portfolio managers as of the date of this report and are subject to change. There is no guarantee that any forecasts will come to pass. This material does not constitute investment advice and is not intended as an endorsement of any specific investment.

Not all MainStay VP Portfolios and/or share classes are available under all policies.



# Portfolio of Investments December 31, 2023<sup>†</sup>

	Principal Amount	Value
<b>Long-Term Bonds 97.1%</b>		
<b>Corporate Bonds 23.3%</b>		
<b>Aerospace &amp; Defense 0.6%</b>		
Boeing Co. (The)		
3.25%, due 3/1/28	\$ 585,000	\$ 549,304
5.15%, due 5/1/30	250,000	254,503
Lockheed Martin Corp.		
4.30%, due 6/15/62	135,000	120,967
Northrop Grumman Systems Corp.		
7.75%, due 2/15/31	275,000	319,284
RTX Corp.		
3.125%, due 7/1/50	105,000	73,944
3.50%, due 3/15/27	275,000	264,978
		<u>1,582,980</u>
<b>Apparel 0.0% ‡</b>		
NIKE, Inc.		
3.625%, due 5/1/43	95,000	81,797
<b>Auto Manufacturers 0.2%</b>		
General Motors Co.		
5.40%, due 4/1/48	81,000	74,005
General Motors Financial Co., Inc.		
2.40%, due 10/15/28	250,000	221,936
3.10%, due 1/12/32	167,000	142,178
4.35%, due 1/17/27	130,000	127,395
		<u>565,514</u>
<b>Banks 5.8%</b>		
Bank of America Corp.		
2.972%, due 7/21/52 (a)	525,000	370,071
3.846% (5 Year Treasury Constant Maturity Rate + 2.00%), due 3/8/37 (b)		
	230,000	201,941
5.08%, due 1/20/27 (a)	3,040,000	3,033,304
Barclays plc		
5.25%, due 8/17/45	270,000	264,192
Citigroup, Inc.		
2.561%, due 5/1/32 (a)	260,000	216,925
4.45%, due 9/29/27	1,085,000	1,060,055
4.65%, due 7/30/45	180,000	163,480
Cooperatieve Rabobank UA		
5.25%, due 5/24/41	215,000	226,852
Fifth Third Bancorp		
4.337%, due 4/25/33 (a)	200,000	185,958
Goldman Sachs Group, Inc. (The)		
2.64%, due 2/24/28 (a)	715,000	662,812
4.80%, due 7/8/44	420,000	396,743

	Principal Amount	Value
<b>Banks (continued)</b>		
HSBC Holdings plc (a)		
7.336%, due 11/3/26	\$ 575,000	\$ 596,883
7.39%, due 11/3/28	305,000	326,819
JPMorgan Chase & Co. (a)		
1.578%, due 4/22/27	870,000	802,857
4.26%, due 2/22/48	605,000	534,437
4.912%, due 7/25/33	305,000	301,563
Lloyds Banking Group plc		
3.75%, due 1/11/27	1,265,000	1,213,976
Morgan Stanley		
5.05%, due 1/28/27 (a)	75,000	75,072
5.948% (5 Year Treasury Constant Maturity Rate + 2.43%), due 1/19/38 (b)		
	55,000	55,621
6.296%, due 10/18/28 (a)	1,270,000	1,330,374
6.342%, due 10/18/33 (a)	375,000	404,362
State Street Corp.		
5.82%, due 11/4/28 (a)	810,000	840,471
UBS Group AG		
2.593%, due 9/11/25 (a)(c)	500,000	489,142
Wells Fargo & Co.		
3.00%, due 4/22/26	525,000	502,893
4.75%, due 12/7/46	605,000	532,826
		<u>14,789,629</u>
<b>Beverages 0.4%</b>		
Anheuser-Busch InBev Worldwide, Inc.		
5.55%, due 1/23/49	525,000	564,171
Coca-Cola Co. (The)		
2.60%, due 6/1/50	260,000	179,595
Constellation Brands, Inc.		
3.60%, due 2/15/28	130,000	124,731
Keurig Dr Pepper, Inc.		
4.985%, due 5/25/38	95,000	88,794
Molson Coors Beverage Co.		
4.20%, due 7/15/46	95,000	80,951
PepsiCo, Inc.		
3.625%, due 3/19/50	30,000	25,161
		<u>1,063,403</u>
<b>Biotechnology 0.1%</b>		
Amgen, Inc.		
3.375%, due 2/21/50	205,000	152,608
Gilead Sciences, Inc.		
4.60%, due 9/1/35	215,000	212,661
		<u>365,269</u>

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

# Portfolio of Investments December 31, 2023<sup>†</sup> (continued)

	Principal Amount	Value
<b>Corporate Bonds (continued)</b>		
<b>Building Materials 0.0% ‡</b>		
Johnson Controls International plc 6.00%, due 1/15/36	\$ 80,000	\$ 85,400
<b>Chemicals 0.9%</b>		
Dow Chemical Co. (The) 2.10%, due 11/15/30	145,000	124,082
3.60%, due 11/15/50	65,000	50,206
DuPont de Nemours, Inc. 4.493%, due 11/15/25	470,000	466,538
Ecolab, Inc. 2.70%, due 11/1/26	275,000	263,169
LYB International Finance II BV 3.50%, due 3/2/27	275,000	263,781
LYB International Finance III LLC 3.625%, due 4/1/51	50,000	36,381
Mosaic Co. (The) 4.05%, due 11/15/27	505,000	492,438
Nutrien Ltd. 5.875%, due 12/1/36	275,000	286,336
Sherwin-Williams Co. (The) 3.95%, due 1/15/26	320,000	313,744
		<u>2,296,675</u>
<b>Commercial Services 0.0% ‡</b>		
PayPal Holdings, Inc. 5.05%, due 6/1/52	95,000	95,741
<b>Computers 0.7%</b>		
Apple, Inc. 4.50%, due 2/23/36	660,000	674,593
Dell International LLC 3.45%, due 12/15/51	95,000	68,662
5.25%, due 2/1/28	310,000	317,709
5.75%, due 2/1/33	180,000	189,630
HP, Inc. 6.00%, due 9/15/41	40,000	42,135
International Business Machines Corp. 3.50%, due 5/15/29	465,000	443,350
		<u>1,736,079</u>
<b>Cosmetics &amp; Personal Care 0.1%</b>		
Procter & Gamble Co. (The) 2.70%, due 2/2/26	275,000	265,671
Unilever Capital Corp. 3.10%, due 7/30/25	100,000	97,790
		<u>363,461</u>

	Principal Amount	Value
<b>Diversified Financial Services 0.3%</b>		
AerCap Ireland Capital DAC 3.85%, due 10/29/41	\$ 150,000	\$ 120,808
Capital One Financial Corp. 5.268%, due 5/10/33 (a)	155,000	152,091
Nomura Holdings, Inc. 2.999%, due 1/22/32	200,000	168,603
Visa, Inc. 4.30%, due 12/14/45	210,000	195,653
		<u>637,155</u>
<b>Electric 1.9%</b>		
AEP Texas, Inc. 5.25%, due 5/15/52	95,000	91,753
CenterPoint Energy Houston Electric LLC Series AC 4.25%, due 2/1/49	315,000	277,493
Commonwealth Edison Co. 3.65%, due 6/15/46	195,000	153,811
Consolidated Edison Co. of New York, Inc. Series 06-A 5.85%, due 3/15/36	410,000	432,643
DTE Electric Co. 3.375%, due 3/1/25	215,000	211,198
Duke Energy Carolinas LLC 3.875%, due 3/15/46	365,000	295,572
Duke Energy Corp. 4.50%, due 8/15/32	95,000	91,955
5.00%, due 8/15/52	95,000	88,680
Entergy Louisiana LLC 4.20%, due 4/1/50	365,000	308,223
Florida Power & Light Co. 3.80%, due 12/15/42	175,000	151,144
MidAmerican Energy Co. 3.95%, due 8/1/47	400,000	334,284
Ohio Power Co. Series G 6.60%, due 2/15/33	200,000	219,528
PPL Electric Utilities Corp. 3.95%, due 6/1/47	130,000	109,868
Public Service Electric and Gas Co. 2.70%, due 5/1/50	235,000	160,876
Sempra 3.80%, due 2/1/38	275,000	234,820
Southern California Edison Co. Series C 4.125%, due 3/1/48	275,000	230,837
Southern Co. (The) 4.40%, due 7/1/46	350,000	308,151

	Principal Amount	Value
<b>Corporate Bonds (continued)</b>		
<b>Electric (continued)</b>		
Virginia Electric and Power Co.		
4.00%, due 1/15/43	\$ 410,000	\$ 349,699
Xcel Energy, Inc.		
3.30%, due 6/1/25	885,000	<u>863,259</u>
		<u>4,913,794</u>
<b>Entertainment 0.1%</b>		
Warnermedia Holdings, Inc.		
5.141%, due 3/15/52	218,000	<u>187,122</u>
<b>Environmental Control 0.2%</b>		
Republic Services, Inc.		
3.20%, due 3/15/25	320,000	312,517
Waste Management, Inc.		
3.15%, due 11/15/27	320,000	<u>306,315</u>
		<u>618,832</u>
<b>Food 0.4%</b>		
General Mills, Inc.		
4.20%, due 4/17/28	95,000	93,685
Kraft Heinz Foods Co.		
4.375%, due 6/1/46	230,000	200,741
Kroger Co. (The)		
2.20%, due 5/1/30	230,000	196,831
Sysco Corp.		
3.25%, due 7/15/27	320,000	305,874
Tyson Foods, Inc.		
5.10%, due 9/28/48	155,000	<u>140,563</u>
		<u>937,694</u>
<b>Forest Products &amp; Paper 0.2%</b>		
Suzano International Finance BV		
5.50%, due 1/17/27	505,000	<u>511,330</u>
<b>Gas 0.1%</b>		
NiSource, Inc.		
3.49%, due 5/15/27	275,000	<u>264,756</u>
<b>Healthcare-Products 0.4%</b>		
Abbott Laboratories		
3.75%, due 11/30/26	185,000	182,270
4.90%, due 11/30/46	290,000	296,318
Boston Scientific Corp.		
4.70%, due 3/1/49	80,000	76,878
Medtronic, Inc.		
4.625%, due 3/15/45	209,000	203,080

	Principal Amount	Value
<b>Healthcare-Products (continued)</b>		
Stryker Corp.		
3.65%, due 3/7/28	\$ 275,000	\$ 265,965
		<u>1,024,511</u>
<b>Healthcare-Services 0.6%</b>		
Aetna, Inc.		
6.625%, due 6/15/36	275,000	307,877
Elevance Health, Inc.		
4.375%, due 12/1/47	320,000	285,044
HCA, Inc.		
3.625%, due 3/15/32	85,000	76,005
4.625%, due 3/15/52	170,000	144,570
Laboratory Corp. of America Holdings		
3.60%, due 2/1/25	320,000	314,520
UnitedHealth Group, Inc.		
4.25%, due 4/15/47	315,000	<u>280,957</u>
		<u>1,408,973</u>
<b>Home Builders 0.1%</b>		
PulteGroup, Inc.		
5.50%, due 3/1/26	220,000	<u>222,135</u>
<b>Household Products &amp; Wares 0.2%</b>		
Clorox Co. (The)		
3.90%, due 5/15/28	275,000	266,230
Kimberly-Clark Corp.		
2.75%, due 2/15/26	275,000	<u>265,753</u>
		<u>531,983</u>
<b>Insurance 0.8%</b>		
Allstate Corp. (The)		
5.35%, due 6/1/33	275,000	282,419
American International Group, Inc.		
6.25%, due 5/1/36	350,000	371,588
Berkshire Hathaway Finance Corp.		
4.30%, due 5/15/43	425,000	397,679
MetLife, Inc.		
3.60%, due 11/13/25	815,000	800,178
Prudential Financial, Inc.		
3.70%, due 3/13/51	135,000	106,629
3.935%, due 12/7/49	155,000	<u>127,507</u>
		<u>2,086,000</u>
<b>Internet 0.3%</b>		
Alibaba Group Holding Ltd.		
2.70%, due 2/9/41	200,000	136,771
Amazon.com, Inc.		
3.875%, due 8/22/37	535,000	<u>496,445</u>
		<u>633,216</u>

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

# Portfolio of Investments December 31, 2023<sup>†</sup> (continued)

	Principal Amount	Value
<b>Corporate Bonds (continued)</b>		
<b>Machinery—Construction &amp; Mining 0.1%</b>		
Caterpillar, Inc.		
5.30%, due 9/15/35	\$ 325,000	\$ 350,803
<b>Machinery-Diversified 0.1%</b>		
Deere & Co.		
3.90%, due 6/9/42	180,000	161,697
<b>Media 0.8%</b>		
Charter Communications Operating LLC		
4.908%, due 7/23/25	445,000	440,770
5.75%, due 4/1/48	420,000	372,741
Comcast Corp.		
3.40%, due 7/15/46	795,000	615,809
Discovery Communications LLC		
3.95%, due 3/20/28	121,000	115,091
Fox Corp.		
5.576%, due 1/25/49	86,000	82,938
Paramount Global		
4.95%, due 1/15/31	352,000	333,810
Walt Disney Co. (The)		
3.60%, due 1/13/51	204,000	163,972
		<u>2,125,131</u>
<b>Mining 0.1%</b>		
Barrick North America Finance LLC		
5.70%, due 5/30/41	130,000	137,036
Newmont Corp.		
2.25%, due 10/1/30	125,000	107,888
2.60%, due 7/15/32	105,000	89,754
		<u>334,678</u>
<b>Miscellaneous—Manufacturing 0.2%</b>		
3M Co.		
4.00%, due 9/14/48	135,000	115,345
Eaton Corp.		
4.00%, due 11/2/32	275,000	265,988
General Electric Co.		
4.125%, due 10/9/42	99,000	83,152
Parker-Hannifin Corp.		
4.20%, due 11/21/34	95,000	91,102
		<u>555,587</u>
<b>Oil &amp; Gas 0.7%</b>		
BP Capital Markets America, Inc.		
3.001%, due 3/17/52	115,000	80,672
3.588%, due 4/14/27	315,000	305,391

	Principal Amount	Value
<b>Oil &amp; Gas (continued)</b>		
Canadian Natural Resources Ltd.		
6.25%, due 3/15/38	\$ 130,000	\$ 136,007
ConocoPhillips Co.		
5.95%, due 3/15/46	200,000	216,516
EOG Resources, Inc.		
3.90%, due 4/1/35	215,000	197,821
Exxon Mobil Corp.		
4.114%, due 3/1/46	215,000	191,631
Hess Corp.		
7.125%, due 3/15/33	130,000	150,254
Phillips 66 Co.		
4.68%, due 2/15/45	260,000	235,104
Shell International Finance BV		
3.75%, due 9/12/46	325,000	270,054
		<u>1,783,450</u>
<b>Oil &amp; Gas Services 0.0% ‡</b>		
Halliburton Co.		
3.80%, due 11/15/25	12,000	11,759
<b>Pharmaceuticals 1.2%</b>		
AbbVie, Inc.		
3.80%, due 3/15/25	185,000	182,475
4.70%, due 5/14/45	345,000	328,295
Allergan Funding SCS		
3.80%, due 3/15/25	50,000	48,636
4.75%, due 3/15/45	25,000	18,657
AstraZeneca plc		
6.45%, due 9/15/37	250,000	292,171
Bristol-Myers Squibb Co.		
3.70%, due 3/15/52	75,000	58,937
Cigna Group (The)		
4.90%, due 12/15/48	185,000	175,887
CVS Health Corp.		
3.75%, due 4/1/30	50,000	47,035
5.05%, due 3/25/48	340,000	318,005
Eli Lilly & Co.		
3.95%, due 3/15/49	155,000	137,650
GlaxoSmithKline Capital, Inc.		
3.875%, due 5/15/28	320,000	315,496
Johnson & Johnson		
4.95%, due 5/15/33	315,000	340,077
Merck & Co., Inc.		
5.00%, due 5/17/53	220,000	226,206
Mylan, Inc.		
5.20%, due 4/15/48	95,000	78,496

	Principal Amount	Value
<b>Corporate Bonds (continued)</b>		
<b>Pharmaceuticals (continued)</b>		
Pfizer, Inc.		
4.00%, due 12/15/36	\$ 395,000	\$ 372,800
		<u>2,940,823</u>
<b>Pipelines 1.0%</b>		
Enbridge, Inc.		
4.50%, due 6/10/44	275,000	234,772
Energy Transfer LP		
5.00%, due 5/15/50	200,000	178,314
Enterprise Products Operating LLC		
3.70%, due 2/15/26	500,000	492,343
4.80%, due 2/1/49	260,000	245,934
Kinder Morgan, Inc.		
4.30%, due 6/1/25	590,000	582,511
4.80%, due 2/1/33	240,000	230,970
5.45%, due 8/1/52	115,000	109,989
MPLX LP		
4.95%, due 3/14/52	145,000	128,984
ONEOK, Inc.		
5.20%, due 7/15/48	85,000	79,654
TransCanada PipeLines Ltd.		
4.875%, due 1/15/26	10,000	9,972
4.875%, due 5/15/48	150,000	137,420
Williams Cos., Inc. (The)		
3.50%, due 10/15/51	65,000	47,443
		<u>2,478,306</u>
<b>Real Estate Investment Trusts 0.4%</b>		
American Tower Corp.		
2.30%, due 9/15/31	145,000	119,890
AvalonBay Communities, Inc.		
2.90%, due 10/15/26	215,000	204,673
Crown Castle, Inc.		
3.25%, due 1/15/51	95,000	66,381
ERP Operating LP		
3.25%, due 8/1/27	275,000	261,229
Realty Income Corp.		
4.65%, due 3/15/47	155,000	144,319
Simon Property Group LP		
4.25%, due 11/30/46	260,000	218,578
		<u>1,015,070</u>
<b>Retail 0.5%</b>		
Home Depot, Inc. (The)		
2.375%, due 3/15/51	365,000	230,464
Lowe's Cos., Inc.		
4.05%, due 5/3/47	185,000	152,220

	Principal Amount	Value
<b>Retail (continued)</b>		
McDonald's Corp.		
4.20%, due 4/1/50	\$ 85,000	\$ 75,176
Starbucks Corp.		
3.00%, due 2/14/32	260,000	233,261
Target Corp.		
2.35%, due 2/15/30	185,000	165,064
Walmart, Inc.		
4.30%, due 4/22/44	340,000	322,403
		<u>1,178,588</u>
<b>Semiconductors 0.8%</b>		
Applied Materials, Inc.		
5.10%, due 10/1/35	275,000	288,615
Broadcom, Inc.		
4.926%, due 5/15/37 (c)	410,000	396,769
Intel Corp.		
2.00%, due 8/12/31	338,000	285,432
4.75%, due 3/25/50	112,000	105,816
KLA Corp.		
4.95%, due 7/15/52	105,000	106,076
NVIDIA Corp.		
1.55%, due 6/15/28	460,000	411,880
2.00%, due 6/15/31	220,000	188,567
NXP BV		
5.00%, due 1/15/33	75,000	75,116
QUALCOMM, Inc.		
4.65%, due 5/20/35	115,000	117,626
		<u>1,975,897</u>
<b>Software 1.2%</b>		
Fidelity National Information Services, Inc.		
5.625%, due 7/15/52	75,000	76,122
Fiserv, Inc.		
4.40%, due 7/1/49	105,000	92,548
Microsoft Corp.		
2.921%, due 3/17/52	290,000	214,030
3.30%, due 2/6/27	240,000	233,742
Oracle Corp.		
2.95%, due 5/15/25	2,100,000	2,038,201
4.00%, due 7/15/46	70,000	56,108
5.375%, due 7/15/40	210,000	206,338
Salesforce, Inc.		
3.05%, due 7/15/61	65,000	45,600
		<u>2,962,689</u>
<b>Telecommunications 1.0%</b>		
AT&T, Inc.		
2.55%, due 12/1/33	507,000	413,216
3.50%, due 9/15/53	217,000	157,478

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

# Portfolio of Investments December 31, 2023<sup>†</sup> (continued)

	Principal Amount	Value
<b>Corporate Bonds (continued)</b>		
<b>Telecommunications (continued)</b>		
AT&T, Inc. (continued)		
3.55%, due 9/15/55	\$ 261,000	\$ 187,653
Corning, Inc.		
5.45%, due 11/15/79	30,000	28,955
Deutsche Telekom International Finance BV		
8.75%, due 6/15/30 (d)	275,000	331,199
Telefonica Emisiones SA		
4.895%, due 3/6/48	150,000	132,209
T-Mobile USA, Inc.		
3.40%, due 10/15/52	113,000	82,303
3.875%, due 4/15/30	430,000	407,770
Verizon Communications, Inc.		
2.355%, due 3/15/32	128,000	106,467
3.00%, due 11/20/60	104,000	68,174
5.50%, due 3/16/47	470,000	489,911
Vodafone Group plc		
4.25%, due 9/17/50	190,000	157,599
		<u>2,562,934</u>
<b>Transportation 0.8%</b>		
Burlington Northern Santa Fe LLC		
3.25%, due 6/15/27	751,000	723,849
Canadian National Railway Co.		
6.25%, due 8/1/34	275,000	309,676
CSX Corp.		
3.35%, due 9/15/49	155,000	117,161
FedEx Corp.		
2.40%, due 5/15/31	75,000	64,554
5.25%, due 5/15/50	75,000	74,646
Norfolk Southern Corp.		
3.942%, due 11/1/47	156,000	130,129
Union Pacific Corp.		
2.80%, due 2/14/32	180,000	159,689
3.50%, due 2/14/53	75,000	59,397
3.85%, due 2/14/72	40,000	31,767
United Parcel Service, Inc.		
3.40%, due 11/15/46	505,000	402,407
		<u>2,073,275</u>
Total Corporate Bonds (Cost \$66,525,708)		<u>59,514,136</u>
<b>Foreign Government Bonds 3.0%</b>		
<b>Canada 0.8%</b>		
Province of Ontario Canada		
2.50%, due 4/27/26	1,205,000	1,155,626

	Principal Amount	Value
<b>Canada (continued)</b>		
Province of Quebec Canada		
2.50%, due 4/20/26	\$ 820,000	\$ 786,955
		<u>1,942,581</u>
<b>Japan 0.2%</b>		
Japan Bank for International Cooperation		
2.875%, due 6/1/27	576,000	548,494
<b>Mexico 1.1%</b>		
Mexico Government Bond		
4.125%, due 1/21/26	2,585,000	2,562,739
4.875%, due 5/19/33	360,000	346,931
		<u>2,909,670</u>
<b>Norway 0.2%</b>		
Equinor ASA		
5.10%, due 8/17/40	405,000	415,073
<b>Panama 0.3%</b>		
Panama Government Bond		
3.75%, due 3/16/25	750,000	728,582
<b>Philippines 0.2%</b>		
Philippines Government Bond		
5.00%, due 1/13/37	600,000	615,000
<b>Supranational 0.2%</b>		
European Investment Bank		
2.375%, due 5/24/27	545,000	515,871
Total Foreign Government Bonds (Cost \$8,175,997)		<u>7,675,271</u>
<b>Mortgage-Backed Securities 1.6%</b>		
<b>Commercial Mortgage Loans (Collateralized Mortgage Obligations) 1.6%</b>		
CFCRE Commercial Mortgage Trust		
Series 2016-C6, Class A3		
3.217%, due 11/10/49 (e)	300,000	282,166
Series 2017-C8, Class A3		
3.305%, due 6/15/50	163,342	153,284
Citigroup Commercial Mortgage Trust		
Series 2017-P8, Class A4		
3.465%, due 9/15/50	300,000	281,520
Series 2015-GC35, Class A4		
3.818%, due 11/10/48	300,000	288,874

	Principal Amount	Value
<b>Mortgage-Backed Securities (continued)</b>		
<b>Commercial Mortgage Loans (Collateralized Mortgage Obligations) (continued)</b>		
CSAIL Commercial Mortgage Trust		
Series 2017-CX9, Class A5		
3.446%, due 9/15/50	\$ 300,000	\$ 275,657
FHLMC, Multifamily Structured Pass-Through Certificates		
REMIC, Series K094, Class A2		
2.903%, due 6/25/29	2,000,000	1,860,548
GS Mortgage Securities Trust		
Series 2016-GS3, Class A4		
2.85%, due 10/10/49	300,000	280,612
Series 2014-GC22, Class A5		
3.862%, due 6/10/47	300,000	296,351
Wells Fargo Commercial Mortgage Trust		
Series 2015-SG1, Class A4		
3.789%, due 9/15/48	291,173	282,117
Total Mortgage-Backed Securities (Cost \$4,466,682)		<u>4,001,129</u>

### **U.S. Government & Federal Agencies 69.2%**

	Principal Amount	Value
<b>Federal Home Loan Mortgage Corporation (Mortgage Pass-Through Securities) 7.4%</b>		
FFCB		
0.68%, due 1/13/27	1,125,000	1,012,509
5.30%, due 10/19/26	1,500,000	1,499,648
FHLMC		
5.40%, due 2/24/26	700,000	698,193
FHLMC Gold Pools, 15 Year		
2.50%, due 10/1/31	30,067	27,906
2.50%, due 2/1/32	123,257	115,971
2.50%, due 2/1/33	116,017	109,262
2.50%, due 4/1/33	172,372	160,636
2.50%, due 6/1/33	24,396	22,734
2.50%, due 7/1/33	51,082	48,108
3.00%, due 9/1/27	45,777	44,483
3.00%, due 4/1/32	73,089	69,867
3.00%, due 6/1/32	19,292	18,432
3.00%, due 9/1/32	9,320	8,926
3.00%, due 10/1/32	41,236	39,450
3.00%, due 5/1/33	50,630	48,275
3.00%, due 9/1/33	38,890	37,080
3.50%, due 12/1/25	7,179	7,063
3.50%, due 5/1/33	42,814	42,196
3.50%, due 9/1/33	12,203	11,996
FHLMC Gold Pools, 20 Year		
3.00%, due 9/1/36	71,876	66,996
3.00%, due 11/1/37	35,388	32,859

	Principal Amount	Value
<b>Federal Home Loan Mortgage Corporation (Mortgage Pass-Through Securities) (continued)</b>		
FHLMC Gold Pools, 20 Year (continued)		
3.00%, due 12/1/37	\$ 63,465	\$ 58,902
3.50%, due 2/1/37	66,922	64,103
3.50%, due 1/1/38	64,684	61,464
4.50%, due 5/1/38	33,502	33,472
5.50%, due 1/1/29	3,741	3,759
FHLMC Gold Pools, 30 Year		
3.00%, due 9/1/46	316,986	288,749
3.00%, due 12/1/46	21,200	19,194
3.00%, due 2/1/47	27,752	25,179
3.00%, due 3/1/47	124,775	113,114
3.00%, due 4/1/47	35,167	31,753
3.00%, due 1/1/48	228,724	206,281
3.00%, due 2/1/48	133,438	120,274
3.00%, due 3/1/48	121,432	109,503
3.00%, due 4/1/48	466,981	420,135
3.00%, due 6/1/48	218,322	196,784
3.50%, due 6/1/43	96,391	90,919
3.50%, due 9/1/44	73,078	68,484
3.50%, due 8/1/45	114,059	106,593
3.50%, due 8/1/46	153,231	144,186
3.50%, due 8/1/47	14,165	13,238
3.50%, due 9/1/47	35,092	32,538
3.50%, due 11/1/47	79,318	74,125
3.50%, due 12/1/47	163,694	152,621
3.50%, due 1/1/48	16,060	15,008
3.50%, due 3/1/48	236,345	220,869
3.50%, due 5/1/48	71,716	67,020
3.50%, due 8/1/48	117,509	109,814
3.50%, due 9/1/48	92,042	85,976
3.50%, due 11/1/48	32,448	30,303
3.50%, due 12/1/48	91,214	85,374
4.00%, due 4/1/46	134,413	129,763
4.00%, due 5/1/46	42,125	40,668
4.00%, due 4/1/47	31,187	30,108
4.00%, due 6/1/47	78,257	75,550
4.00%, due 8/1/47	153,201	147,853
4.00%, due 10/1/47	37,312	35,736
4.00%, due 12/1/47	98,056	94,583
4.00%, due 1/1/48	30,004	29,065
4.00%, due 5/1/48	41,327	39,953
4.00%, due 9/1/48	150,252	144,773
4.00%, due 12/1/48	83,389	80,314
4.50%, due 9/1/46	8,418	8,355
4.50%, due 9/1/46	25,539	25,348
4.50%, due 10/1/46	62,786	62,367
4.50%, due 2/1/47	13,298	13,188

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# Portfolio of Investments December 31, 2023<sup>†</sup> (continued)

	Principal Amount	Value
<b>U.S. Government &amp; Federal Agencies (continued)</b>		
<b>Federal Home Loan Mortgage Corporation (Mortgage Pass-Through Securities) (continued)</b>		
FHLMC Gold Pools, 30 Year (continued)		
4.50%, due 11/1/47	\$ 16,242	\$ 16,073
4.50%, due 2/1/48	31,697	31,310
4.50%, due 4/1/48	37,714	37,249
4.50%, due 6/1/48	20,685	20,432
4.50%, due 7/1/48	78,095	77,001
4.50%, due 8/1/48	76,097	74,989
5.00%, due 9/1/38	30,301	30,836
5.00%, due 11/1/41	42,081	42,823
5.00%, due 3/1/47	100,008	100,728
5.00%, due 9/1/48	142,501	143,050
5.00%, due 1/1/49	50,052	50,427
5.50%, due 7/1/38	45,850	47,049
UMBS Pool, 20 Year		
2.00%, due 1/1/41	2,030,336	1,747,521
UMBS Pool, 30 Year		
2.00%, due 11/1/50	2,196,034	1,806,175
2.00%, due 3/1/51	1,872,839	1,542,278
2.50%, due 5/1/50	1,919,244	1,655,585
2.50%, due 10/1/50	1,345,532	1,164,461
3.00%, due 3/1/52	1,005,158	908,762
4.00%, due 7/1/52	1,108,595	1,048,599
4.50%, due 1/1/49	100,111	98,445
		<u>18,773,741</u>

## Federal National Mortgage Association (Mortgage Pass-Through Securities) 14.3%

UMBS, 10 Year		
3.00%, due 4/1/25	5,183	5,098
UMBS, 15 Year		
1.50%, due 3/1/36	1,138,367	995,086
1.50%, due 7/1/36	1,655,035	1,446,159
2.00%, due 9/1/36	2,267,014	2,046,944
2.50%, due 10/1/27	56,979	54,815
2.50%, due 4/1/30	49,325	47,382
2.50%, due 10/1/31	82,873	78,302
2.50%, due 2/1/32	100,357	94,524
2.50%, due 2/1/32	113,253	106,477
2.50%, due 8/1/32	322,385	303,193
2.50%, due 3/1/33	138,750	129,119
2.50%, due 6/1/33	78,056	73,408
3.00%, due 11/1/31	68,795	65,830
3.00%, due 1/1/32	65,108	62,155
3.00%, due 6/1/32	50,437	48,243
3.00%, due 1/1/33	80,226	76,585
3.00%, due 2/1/33	103,369	98,678

	Principal Amount	Value
<b>Federal National Mortgage Association (Mortgage Pass-Through Securities) (continued)</b>		
UMBS, 15 Year (continued)		
3.00%, due 4/1/33	\$ 94,750	\$ 90,450
3.00%, due 5/1/33	127,996	122,208
3.00%, due 9/1/33	20,052	19,092
3.50%, due 5/1/26	8,977	8,808
3.50%, due 11/1/31	13,613	13,286
3.50%, due 5/1/33	35,247	34,603
3.50%, due 6/1/33	54,196	53,474
3.50%, due 7/1/33	25,838	25,367
3.50%, due 9/1/33	33,697	33,081
4.00%, due 5/1/24	2,458	2,439
4.00%, due 11/1/29	23,773	23,338
UMBS, 20 Year		
3.00%, due 2/1/37	104,497	97,336
3.00%, due 1/1/38	203,277	189,126
4.00%, due 2/1/37	17,631	17,215
4.00%, due 8/1/38	106,138	103,332
5.00%, due 8/1/31	11,399	11,323
5.50%, due 8/1/27	20,512	20,589
UMBS, 30 Year		
2.00%, due 8/1/50	1,574,820	1,300,751
2.00%, due 8/1/50	1,676,332	1,385,301
2.00%, due 9/1/50	2,020,527	1,661,727
2.00%, due 2/1/51	1,617,769	1,327,556
2.00%, due 3/1/51	1,738,632	1,441,696
2.00%, due 5/1/51	1,976,125	1,620,804
2.00%, due 1/1/52	2,580,545	2,117,603
2.50%, due 4/1/46	23,265	20,252
2.50%, due 10/1/46	110,189	95,031
2.50%, due 11/1/50	1,662,205	1,421,104
2.50%, due 6/1/51	2,045,464	1,741,475
2.50%, due 12/1/51	686,130	583,993
2.50%, due 4/1/52	867,381	756,140
2.50%, due 4/1/52	1,900,000	1,638,512
3.00%, due 9/1/42	444,740	408,937
3.00%, due 3/1/43	1,267,727	1,165,132
3.00%, due 12/1/43	511,455	469,650
3.00%, due 10/1/44	334,753	307,693
3.00%, due 10/1/46	47,018	42,570
3.00%, due 12/1/46	561,492	508,781
3.00%, due 2/1/47	89,333	80,882
3.00%, due 8/1/47	456,654	415,904
3.00%, due 11/1/47	80,614	72,646
3.00%, due 6/1/48	46,184	41,543
3.50%, due 5/1/45	399,697	376,039
3.50%, due 9/1/45	26,846	25,055
3.50%, due 12/1/45	71,334	66,575

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.



	Principal Amount	Value
<b>U.S. Government &amp; Federal Agencies (continued)</b>		
<b>Federal National Mortgage Association (Mortgage Pass-Through Securities) (continued)</b>		
UMBS, 30 Year (continued)		
3.50%, due 12/1/45	\$ 187,998	\$ 177,553
3.50%, due 1/1/46	131,505	123,762
3.50%, due 1/1/46	105,865	98,802
3.50%, due 4/1/46	44,105	41,162
3.50%, due 9/1/46	237,480	222,865
3.50%, due 10/1/46	107,748	100,557
3.50%, due 10/1/46	41,355	38,595
3.50%, due 1/1/47	80,985	75,893
3.50%, due 7/1/47	17,053	15,915
3.50%, due 7/1/47	100,761	94,788
3.50%, due 10/1/47	60,569	56,455
3.50%, due 11/1/47	199,966	186,621
3.50%, due 11/1/47	85,809	80,037
3.50%, due 11/1/47	230,850	215,443
3.50%, due 12/1/47	16,523	15,411
3.50%, due 8/1/48	106,696	99,529
3.50%, due 9/1/48	136,492	127,324
3.50%, due 2/1/49	254,319	236,450
3.50%, due 6/1/49	2,904	2,701
3.50%, due 10/1/52	618,666	567,620
4.00%, due 8/1/44	110,615	107,324
4.00%, due 2/1/45	88,645	85,461
4.00%, due 9/1/45	16,772	16,170
4.00%, due 5/1/46	77,111	74,340
4.00%, due 9/1/46	30,835	29,727
4.00%, due 9/1/46	37,569	36,208
4.00%, due 2/1/47	16,277	15,692
4.00%, due 4/1/47	6,335	6,107
4.00%, due 5/1/47	46,957	45,090
4.00%, due 5/1/47	37,949	36,586
4.00%, due 6/1/47	147,455	142,683
4.00%, due 10/1/47	15,773	15,155
4.00%, due 11/1/47	15,423	14,836
4.00%, due 12/1/47	35,302	33,902
4.00%, due 1/1/48	85,921	82,636
4.00%, due 1/1/48	16,217	15,621
4.00%, due 1/1/48	92,448	88,833
4.00%, due 2/1/48	46,005	44,304
4.00%, due 6/1/48	211,255	203,138
4.00%, due 7/1/48	110,003	105,867
4.00%, due 7/1/48	36,259	34,853
4.00%, due 7/1/48	177,219	170,486
4.00%, due 8/1/48	28,233	27,154
4.00%, due 9/1/48	112,315	108,139
4.00%, due 9/1/48	27,358	26,305

	Principal Amount	Value
<b>Federal National Mortgage Association (Mortgage Pass-Through Securities) (continued)</b>		
UMBS, 30 Year (continued)		
4.00%, due 10/1/48	\$ 19,179	\$ 18,446
4.00%, due 11/1/48	49,180	47,311
4.00%, due 1/1/49	39,410	37,871
4.50%, due 7/1/46	16,504	16,367
4.50%, due 12/1/46	26,006	25,775
4.50%, due 4/1/47	250,903	246,829
4.50%, due 5/1/47	6,797	6,721
4.50%, due 7/1/47	107,008	105,020
4.50%, due 7/1/47	25,269	24,893
4.50%, due 8/1/47	1,372	1,355
4.50%, due 2/1/48	102,440	100,713
4.50%, due 4/1/48	15,727	15,499
4.50%, due 4/1/48	8,064	7,951
4.50%, due 4/1/48	32,491	32,090
4.50%, due 5/1/48	62,658	61,784
4.50%, due 6/1/48	34,886	34,403
4.50%, due 8/1/48	62,000	60,883
4.50%, due 10/1/48	21,292	20,974
4.50%, due 9/1/49	280,356	275,664
4.50%, due 11/1/52	1,104,352	1,070,843
5.00%, due 6/1/39	70,782	71,926
5.00%, due 6/1/40	17,618	17,903
5.00%, due 7/1/47	32,439	32,555
5.00%, due 1/1/48	39,178	39,378
5.00%, due 4/1/48	26,895	27,162
5.00%, due 5/1/48	35,460	35,470
5.00%, due 9/1/48	22,586	22,777
5.00%, due 2/1/53	472,841	467,785
5.50%, due 6/1/36	21,314	21,949
5.50%, due 5/1/44	46,343	47,724
5.50%, due 9/1/48	71,105	72,442
UMBS, Single Family, 30 Year		
5.50%, due 1/25/54 TBA (f)	1,650,000	1,656,961
		<u>36,559,941</u>
<b>Government National Mortgage Association (Mortgage Pass-Through Securities) 5.5%</b>		
GNMA I, Single Family, 30 Year		
3.00%, due 6/15/45	13,320	12,120
3.00%, due 10/15/45	7,917	7,224
3.00%, due 5/15/48	58,865	52,836
3.50%, due 3/15/45	6,514	6,153
3.50%, due 4/15/45	12,882	12,166
3.50%, due 5/15/48	23,086	21,337
4.00%, due 8/15/46	23,261	22,461
4.00%, due 11/15/47	54,233	52,368

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

# Portfolio of Investments December 31, 2023<sup>†</sup> (continued)

	Principal Amount	Value
<b>U.S. Government &amp; Federal Agencies (continued)</b>		
<b>Government National Mortgage Association (Mortgage Pass-Through Securities) (continued)</b>		
GNMA I, Single Family, 30 Year		
(continued)		
4.00%, due 7/15/49	\$ 49,103	\$ 47,174
4.50%, due 8/15/46	48,612	48,086
4.50%, due 2/15/47	2,804	2,769
4.50%, due 4/15/47	16,875	17,109
4.50%, due 8/15/47	88,541	88,377
4.50%, due 8/15/47	122,123	123,702
5.00%, due 4/15/47	16,072	15,948
5.00%, due 12/15/47	18,285	18,000
GNMA II, Single Family, 30 Year		
2.00%, due 6/20/51	4,536,603	3,841,297
2.50%, due 4/20/47	25,606	22,676
2.50%, due 5/20/51	4,614,259	4,038,784
3.00%, due 11/20/45	244,430	225,052
3.00%, due 8/20/46	81,374	74,768
3.00%, due 9/20/46	43,399	39,868
3.00%, due 10/20/46	273,091	250,809
3.00%, due 1/20/47	316,469	290,520
3.00%, due 5/20/47	55,637	51,073
3.00%, due 12/20/47	164,301	150,424
3.00%, due 2/20/48	180,666	165,373
3.00%, due 3/20/48	208,730	191,073
3.00%, due 9/20/51	1,330,801	1,205,312
3.50%, due 11/20/42	101,894	95,281
3.50%, due 9/20/44	135,135	127,796
3.50%, due 11/20/45	151,655	143,004
3.50%, due 7/20/46	15,674	14,775
3.50%, due 10/20/46	16,684	15,724
3.50%, due 11/20/46	203,059	191,381
3.50%, due 1/20/47	230,135	217,120
3.50%, due 5/20/47	166,405	156,835
3.50%, due 9/20/47	164,947	155,333
3.50%, due 10/20/47	296,883	279,555
3.50%, due 12/20/47	147,227	138,850
3.50%, due 7/20/48	79,520	74,682
3.50%, due 10/20/48	83,524	78,602
4.00%, due 12/20/46	13,911	13,427
4.00%, due 1/20/47	105,642	101,994
4.00%, due 2/20/47	25,426	24,551
4.00%, due 3/20/47	18,666	18,000
4.00%, due 4/20/47	40,016	38,583
4.00%, due 5/20/47	33,647	32,523
4.00%, due 7/20/47	13,111	12,638
4.00%, due 11/20/47	164,781	159,068
4.00%, due 12/20/47	36,432	35,108

	Principal Amount	Value
<b>Government National Mortgage Association (Mortgage Pass-Through Securities) (continued)</b>		
GNMA II, Single Family, 30 Year		
(continued)		
4.00%, due 4/20/48	\$ 122,297	\$ 118,134
4.00%, due 5/20/48	54,599	52,723
4.00%, due 6/20/48	22,831	21,958
4.00%, due 8/20/48	154,430	148,574
4.00%, due 9/20/48	82,761	79,560
4.00%, due 3/20/49	20,673	19,931
4.50%, due 8/20/46	48,336	48,405
4.50%, due 4/20/47	37,839	37,684
4.50%, due 11/20/47	34,855	34,503
4.50%, due 1/20/48	79,665	78,821
4.50%, due 3/20/48	33,638	33,297
4.50%, due 5/20/48	27,674	27,355
4.50%, due 6/20/48	45,616	45,084
5.00%, due 8/20/45	61,603	62,693
5.00%, due 11/20/46	37,996	38,700
5.00%, due 11/20/47	34,361	34,647
5.00%, due 3/20/48	20,179	20,409
5.00%, due 6/20/48	41,724	41,995
		<u>14,164,162</u>
<b>United States Treasury Bonds 4.1%</b>		
U.S. Treasury Bonds		
2.75%, due 8/15/47	235,000	182,988
2.75%, due 11/15/47	300,000	233,508
2.875%, due 5/15/49	250,000	198,652
3.00%, due 2/15/47	315,000	257,525
3.00%, due 5/15/47	175,000	142,933
3.00%, due 2/15/48	1,730,000	1,409,747
3.00%, due 8/15/48	715,000	581,999
3.00%, due 2/15/49	845,000	687,586
3.00%, due 8/15/52	1,020,000	834,129
3.125%, due 5/15/48	1,310,000	1,091,394
3.375%, due 11/15/48	550,000	479,230
3.625%, due 5/15/53	415,000	383,680
4.00%, due 11/15/52	1,900,000	1,874,617
4.125%, due 8/15/53	350,000	353,773
4.75%, due 11/15/53	1,600,000	1,794,250
		<u>10,506,011</u>
<b>United States Treasury Notes 37.9%</b>		
U.S. Treasury Notes		
0.125%, due 1/15/24	700,000	698,713
0.125%, due 2/15/24	400,000	397,517
0.25%, due 3/15/24	1,400,000	1,386,055
0.25%, due 5/15/24	1,300,000	1,276,641
0.25%, due 6/15/24	1,300,000	1,271,613

	Principal Amount	Value
<b>U.S. Government &amp; Federal Agencies (continued)</b>		
<b>United States Treasury Notes (continued)</b>		
U.S. Treasury Notes (continued)		
0.25%, due 5/31/25	\$ 1,850,000	\$ 1,742,252
0.25%, due 6/30/25	200,000	187,852
0.25%, due 8/31/25	150,000	140,033
0.375%, due 4/15/24	1,000,000	986,250
0.375%, due 7/15/24	400,000	390,094
0.375%, due 8/15/24	1,250,000	1,214,160
0.50%, due 8/31/27	800,000	706,812
0.875%, due 1/31/24	1,825,000	1,818,534
1.00%, due 7/31/28	225,000	197,903
1.125%, due 2/29/28	400,000	357,562
1.25%, due 3/31/28	200,000	179,344
1.25%, due 5/31/28	875,000	781,655
1.25%, due 6/30/28	1,200,000	1,070,156
1.50%, due 2/29/24	1,650,000	1,639,988
1.50%, due 1/31/27	325,000	301,679
1.75%, due 6/30/24	2,875,000	2,827,046
1.75%, due 7/31/24	2,100,000	2,060,379
1.875%, due 8/31/24	650,000	636,695
1.875%, due 2/28/27	475,000	445,275
1.875%, due 2/28/29	1,710,000	1,550,088
2.00%, due 4/30/24	2,535,000	2,508,462
2.125%, due 7/31/24	150,000	147,469
2.25%, due 3/31/24	2,575,000	2,555,788
2.375%, due 3/31/29	1,550,000	1,439,018
2.375%, due 5/15/29	825,000	764,672
2.50%, due 4/30/24	300,000	297,258
2.50%, due 5/15/24	2,000,000	1,980,469
2.50%, due 5/31/24	3,200,000	3,164,250
2.50%, due 3/31/27	300,000	286,723
2.625%, due 7/31/29	700,000	655,484
2.75%, due 6/30/25	275,000	268,265
2.75%, due 7/31/27	775,000	743,939
2.75%, due 5/31/29	675,000	637,268
2.875%, due 5/31/25	300,000	293,168
2.875%, due 6/15/25	750,000	733,008
2.875%, due 4/30/29	400,000	380,484
3.00%, due 7/31/24	1,500,000	1,482,305
3.125%, due 8/15/25	3,175,000	3,111,748
3.125%, due 8/31/29	1,490,000	1,431,040
3.25%, due 8/31/24	1,600,000	1,581,062
3.25%, due 6/30/29	1,275,000	1,234,011
3.50%, due 9/15/25	1,575,000	1,551,806
3.50%, due 1/31/28	1,075,000	1,058,035
3.50%, due 1/31/30	1,810,000	1,770,194
3.50%, due 2/15/33	175,000	169,702
3.625%, due 5/15/26	1,805,000	1,784,059

	Principal Amount	Value
<b>United States Treasury Notes (continued)</b>		
U.S. Treasury Notes (continued)		
3.625%, due 3/31/28	\$ 250,000	\$ 247,275
3.75%, due 4/15/26	1,000,000	990,703
3.75%, due 6/30/30	375,000	371,631
3.875%, due 1/15/26	500,000	496,191
3.875%, due 9/30/29	2,325,000	2,320,277
3.875%, due 11/30/29	1,425,000	1,422,272
4.00%, due 12/15/25	2,500,000	2,486,621
4.00%, due 2/15/26	1,000,000	995,430
4.00%, due 2/29/28	500,000	501,641
4.00%, due 10/31/29	1,520,000	1,527,066
4.00%, due 2/28/30	2,075,000	2,084,808
4.125%, due 6/15/26	1,450,000	1,449,660
4.125%, due 10/31/27	960,000	966,037
4.125%, due 8/31/30	585,000	592,335
4.25%, due 9/30/24	2,375,000	2,362,847
4.25%, due 10/15/25	2,300,000	2,295,687
4.375%, due 10/31/24	1,200,000	1,194,891
4.375%, due 8/15/26	1,300,000	1,308,734
4.375%, due 11/30/30	800,000	822,625
4.50%, due 11/15/25	3,000,000	3,010,078
4.50%, due 7/15/26	700,000	706,508
4.625%, due 6/30/25	200,000	200,477
4.625%, due 3/15/26	175,000	176,518
4.625%, due 9/15/26	2,325,000	2,357,423
4.625%, due 10/15/26	1,385,000	1,405,559
4.625%, due 11/15/26	2,625,000	2,666,426
4.875%, due 10/31/30	795,000	840,837
5.00%, due 8/31/25	300,000	302,766
5.00%, due 10/31/25	4,275,000	4,323,763
		<u>96,721,069</u>
Total U.S. Government & Federal Agencies		<u>176,724,924</u>
(Cost \$184,089,268)		
Total Long-Term Bonds		<u>247,915,460</u>
(Cost \$263,257,655)		

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

# Portfolio of Investments December 31, 2023<sup>†</sup> (continued)

	Shares	Value
<b>Exchange-Traded Fund 1.1%</b>		
iShares iBoxx \$ Investment Grade		
Corporate Bond ETF	24,654	\$ 2,728,212
Total Exchange-Traded Fund		
(Cost \$2,486,968)		<u>2,728,212</u>
Total Investments		
(Cost \$265,744,623)	98.2%	250,643,672
Other Assets, Less Liabilities	<u>1.8</u>	<u>4,673,990</u>
Net Assets	<u>100.0%</u>	<u>\$ 255,317,662</u>

† Percentages indicated are based on Portfolio net assets.

^ Industry classifications may be different than those used for compliance monitoring purposes.

‡ Less than one-tenth of a percent.

(a) Fixed to floating rate—Rate shown was the rate in effect as of December 31, 2023.

(b) Floating rate—Rate shown was the rate in effect as of December 31, 2023.

(c) May be sold to institutional investors only under Rule 144A or securities offered pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

(d) Step coupon—Rate shown was the rate in effect as of December 31, 2023.

(e) Coupon rate may change based on changes of the underlying collateral or prepayments of principal. Rate shown was the rate in effect as of December 31, 2023.

(f) TBA—Security purchased on a forward commitment basis with an approximate principal amount and maturity date. The actual principal amount and maturity date will be determined upon settlement. As of December 31, 2023, the total net market value was \$1,656,961, which represented 0.6% of the Portfolio's net assets. All or a portion of this security is a part of a mortgage dollar roll agreement.

## Futures Contracts

As of December 31, 2023, the Portfolio held the following futures contracts<sup>1</sup>:

Type	Number of Contracts	Expiration Date	Value at Trade Date	Current Notional Amount	Unrealized Appreciation (Depreciation) <sup>2</sup>
<b>Long Contracts</b>					
U.S. Treasury 5 Year Notes	110	March 2024	\$ 11,736,690	\$ 11,965,078	\$ 228,388
U.S. Treasury 10 Year Notes	96	March 2024	10,508,286	10,837,500	329,214
U.S. Treasury 10 Year Ultra Bonds	42	March 2024	4,752,240	4,956,656	204,416
U.S. Treasury Long Bonds	76	March 2024	8,835,737	9,495,250	659,513
U.S. Treasury Ultra Bonds	20	March 2024	2,442,588	2,671,875	229,287
Total Long Contracts					<u>1,650,818</u>

Type	Number of Contracts	Expiration Date	Value at Trade Date	Current Notional Amount	Unrealized Appreciation (Depreciation) <sup>2</sup>
<b>Short Contracts</b>					
U.S. Treasury 2 Year Notes	(52)	March 2024	\$ (10,603,850)	\$ (10,707,531)	\$ (103,681)
Net Unrealized Appreciation					<u>\$ 1,547,137</u>

1. As of December 31, 2023, cash in the amount of \$933,856 was on deposit with a broker or futures commission merchant for futures transactions.

2. Represents the difference between the value of the contracts at the time they were opened and the value as of December 31, 2023.

Abbreviation(s):

ETF—Exchange-Traded Fund

FFCB—Federal Farm Credit Bank

FHLMC—Federal Home Loan Mortgage Corp.

GNMA—Government National Mortgage Association

REMIC—Real Estate Mortgage Investment Conduit

TBA—To Be Announced

UMBS—Uniform Mortgage Backed Securities

The following is a summary of the fair valuations according to the inputs used as of December 31, 2023, for valuing the Portfolio's assets and liabilities:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Asset Valuation Inputs</b>				
Investments in Securities (a)				
Long-Term Bonds				
Corporate Bonds	\$ —	\$ 59,514,136	\$ —	\$ 59,514,136
Foreign Government Bonds	—	7,675,271	—	7,675,271
Mortgage-Backed Securities	—	4,001,129	—	4,001,129
U.S. Government & Federal Agencies	—	176,724,924	—	176,724,924
Total Long-Term Bonds	—	247,915,460	—	247,915,460
Exchange-Traded Fund	2,728,212	—	—	2,728,212
Total Investments in Securities	2,728,212	247,915,460	—	250,643,672
Other Financial Instruments				
Futures Contracts (b)	1,650,818	—	—	1,650,818
Total Investments in Securities and Other Financial Instruments	<u>\$ 4,379,030</u>	<u>\$ 247,915,460</u>	<u>\$ —</u>	<u>\$ 252,294,490</u>
<b>Liability Valuation Inputs</b>				
Other Financial Instruments				
Futures Contracts (b)	<u>\$ (103,681)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (103,681)</u>

(a) For a complete listing of investments and their industries, see the Portfolio of Investments.

(b) The value listed for these securities reflects unrealized appreciation (depreciation) as shown on the Portfolio of Investments.

# Statement of Assets and Liabilities as of December 31, 2023

## Assets

Investment in securities, at value (identified cost \$265,744,623)	\$250,643,672
Cash	3,396,428
Cash collateral on deposit at broker for futures contracts	933,856
Receivables:	
Interest	1,831,727
Investment securities sold	650,000
Other assets	14,049
<b>Total assets</b>	<b><u>257,469,732</u></b>

## Initial Class

Net assets applicable to outstanding shares	<u>\$255,317,662</u>
Shares of beneficial interest outstanding	<u>29,250,945</u>
Net asset value per share outstanding	<u>\$ 8.73</u>

## Liabilities

Payables:	
Investment securities purchased	1,941,522
Manager (See Note 3)	53,754
Shareholder communication	43,964
Variation margin on futures contracts	36,056
Professional fees	32,174
Custodian	25,989
Accrued expenses	18,611
<b>Total liabilities</b>	<b><u>2,152,070</u></b>
Net assets	<b><u>\$255,317,662</u></b>

## Composition of Net Assets

Shares of beneficial interest outstanding (par value of \$.001 per share) unlimited number of shares authorized	\$ 29,251
Additional paid-in-capital	<u>286,366,448</u>
	286,395,699
Total distributable earnings (loss)	<u>(31,078,037)</u>
Net assets	<b><u>\$255,317,662</u></b>

# Statement of Operations

for the year ended December 31, 2023

## Investment Income (Loss)

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### Income

Interest	\$ 8,637,626
Dividends	<u>183,633</u>
Total income	<u>8,821,259</u>

### Expenses

Manager (See Note 3)	653,881
Professional fees	78,952
Custodian	64,183
Trustees	6,695
Miscellaneous	<u>2,281</u>
Total expenses	<u>805,992</u>

Net investment income (loss)	<u>8,015,267</u>
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## Realized and Unrealized Gain (Loss)

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Net realized gain (loss) on:

Unaffiliated investment transactions	(2,176,162)
Futures transactions	<u>(2,382,813)</u>

Net realized gain (loss)	<u>(4,558,975)</u>
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Net change in unrealized appreciation (depreciation) on:

Unaffiliated investments	8,230,646
Futures contracts	<u>1,739,740</u>

Net change in unrealized appreciation (depreciation)	<u>9,970,386</u>
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Net realized and unrealized gain (loss)	<u>5,411,411</u>
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Net increase (decrease) in net assets resulting from operations	<u>\$13,426,678</u>
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# Statements of Changes in Net Assets

for the years ended December 31, 2023 and December 31, 2022

	2023	2022
<b>Increase (Decrease) in Net Assets</b>		
Operations:		
Net investment income (loss)	\$ 8,015,267	\$ 5,997,650
Net realized gain (loss)	(4,558,975)	(18,031,556)
Net change in unrealized appreciation (depreciation)	9,970,386	(31,077,237)
Net increase (decrease) in net assets resulting from operations	13,426,678	(43,111,143)
Distributions to shareholders:		
Initial Class	(6,208,537)	(11,493,602)
Capital share transactions:		
Net proceeds from sales of shares	6,717,751	66,908,730
Net asset value of shares issued to shareholders in reinvestment of distributions	6,208,537	11,493,602
Cost of shares redeemed	(38,241,669)	(180,601,111)
Increase (decrease) in net assets derived from capital share transactions	(25,315,381)	(102,198,779)
Net increase (decrease) in net assets	(18,097,240)	(156,803,524)
<b>Net Assets</b>		
Beginning of year	273,414,902	430,218,426
End of year	<u>\$255,317,662</u>	<u>\$ 273,414,902</u>



# Financial Highlights selected per share data and ratios

Initial Class	Year Ended December 31,				
	2023	2022	2021	2020	2019
Net asset value at beginning of year	\$ 8.51	\$ 10.30	\$ 11.25	\$ 10.62	\$ 9.80
Net investment income (loss) (a)	0.26	0.19	0.14	0.18	0.27
Net realized and unrealized gain (loss)	0.17	(1.58)	(0.36)	0.60	0.55
Total from investment operations	0.43	(1.39)	(0.22)	0.78	0.82
<b>Less distributions:</b>					
From net investment income	(0.21)	(0.28)	(0.31)	(0.13)	—
From net realized gain on investments	—	(0.12)	(0.42)	(0.02)	—
Total distributions	(0.21)	(0.40)	(0.73)	(0.15)	—
Net asset value at end of year	\$ 8.73	\$ 8.51	\$ 10.30	\$ 11.25	\$ 10.62
Total investment return (b)	5.25%	(13.34)%	(1.95)%	7.40%	8.37%(c)
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	3.06%	2.06%	1.26%	1.59%	2.66%
Net expenses (d)	0.31%	0.32%	0.30%	0.29%	0.30%
Portfolio turnover rate (e)	49%	182%	239%	191%	65%
Net assets at end of year (in 000's)	\$ 255,318	\$ 273,415	\$ 430,218	\$ 757,632	\$ 422,163

(a) Per share data based on average shares outstanding during the year.

(b) Total return does not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. For periods of less than one year, total return is not annualized.

(c) Total investment return may reflect adjustments to conform to generally accepted accounting principles.

(d) In addition to the fees and expenses which the Portfolio bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.

(e) The portfolio turnover rate not including mortgage dollar rolls were 48%, 146%, 55%, 138%, and 57% for the years ended December 31, 2023, 2022, 2021, 2020 and 2019, respectively.

# Notes to Financial Statements

## Note 1—Organization and Business

MainStay VP Funds Trust (the "Fund") was organized as a Delaware statutory trust on February 1, 2011. The Fund is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Fund is comprised of thirty-one separate series (collectively referred to as the "Portfolios"). These financial statements and notes relate to the MainStay VP Indexed Bond Portfolio (the "Portfolio"), a "diversified" portfolio, as that term is defined in the 1940 Act, as interpreted or modified by regulatory authorities having jurisdiction, from time to time.

Shares of the Portfolio are currently offered to certain separate accounts to fund variable annuity policies and variable universal life insurance policies issued by New York Life Insurance and Annuity Corporation ("NYLIAC"), a wholly-owned subsidiary of New York Life Insurance Company ("New York Life") and may also be offered to fund variable annuity policies and variable universal life insurance policies issued by other insurance companies. NYLIAC allocates shares of the Portfolio to, among others, certain NYLIAC separate accounts. Shares of the Portfolio are also offered to the MainStay VP Conservative Allocation Portfolio, MainStay VP Moderate Allocation Portfolio, MainStay VP Growth Allocation Portfolio and MainStay VP Equity Allocation Portfolio, which operate as "funds-of-funds," and other variable insurance funds.

The following table lists the Portfolio's share class that has been registered and commenced operations:

Class	Commenced Operations
Initial Class	May 1, 2017

Shares of the Portfolio are offered and are redeemed at a price equal to their respective net asset value ("NAV") per share. No sales or redemption charge is applicable to the purchase or redemption of the Portfolio's shares.

The Portfolio's investment objective is to seek investment results that correspond to the total return performance of fixed-income securities in the aggregate, as represented by the Portfolio's primary benchmark index.

## Note 2—Significant Accounting Policies

The Portfolio is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification *Topic 946 Financial Services—Investment Companies*. The Portfolio prepares its financial statements in accordance with generally accepted accounting principles ("GAAP") in the United States of America and follows the significant accounting policies described below.

**(A) Securities Valuation.** Investments are usually valued as of the close of regular trading on the New York Stock Exchange (the "Exchange") (usually 4:00 p.m. Eastern time) on each day the Portfolio is open for business ("valuation date").

Pursuant to Rule 2a-5 under the 1940 Act, the Board of Trustees of the Fund (the "Board") has designated New York Life Investment Management LLC ("New York Life Investments" or the "Manager") as its Valuation Designee (the "Valuation Designee"). The Valuation Designee is responsible for performing fair valuations relating to all investments in the Portfolio's portfolio for which market quotations are not readily available; periodically assessing and managing material valuation risks; establishing and applying fair value methodologies; testing fair valuation methodologies; evaluating and overseeing pricing services; ensuring appropriate segregation of valuation and portfolio management functions; providing quarterly, annual and prompt reporting to the Board, as appropriate; identifying potential conflicts of interest; and maintaining appropriate records. The Valuation Designee has established a valuation committee ("Valuation Committee") to assist in carrying out the Valuation Designee's responsibilities and establish prices of securities for which market quotations are not readily available. The Portfolio's and the Valuation Designee's policies and procedures ("Valuation Procedures") govern the Valuation Designee's selection and application of methodologies for determining and calculating the fair value of Portfolio investments. The Valuation Designee may value the Portfolio's portfolio securities for which market quotations are not readily available and other Portfolio assets utilizing inputs from pricing services and other third-party sources. The Valuation Committee meets (in person, via electronic mail or via teleconference) on an ad-hoc basis to determine fair valuations and on a quarterly basis to review fair value events with respect to certain securities for which market quotations are not readily available, including valuation risks and back-testing results, and to preview reports to the Board.

The Valuation Committee establishes prices of securities for which market quotations are not readily available based on such methodologies and measurements on a regular basis after considering information that is reasonably available and deemed relevant by the Valuation Committee. The Board shall oversee the Valuation Designee and review fair valuation materials on a prompt, quarterly and annual basis and approve proposed revisions to the Valuation Procedures.

Investments for which market quotations are not readily available are valued at fair value as determined in good faith pursuant to the Valuation Procedures. A market quotation is readily available only when that quotation is a quoted price (unadjusted) in active markets for identical investments that the Portfolio can access at the measurement date, provided that a quotation will not be readily available if it is not reliable. "Fair value" is defined as the price the Portfolio would reasonably expect to receive upon selling an asset or liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the asset or liability. Fair value measurements are determined within a framework that establishes a three-tier hierarchy that maximizes the use of observable market data and minimizes the use of unobservable inputs to establish a classification of fair value measurements for disclosure purposes. "Inputs" refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as the risk inherent in a particular valuation

technique used to measure fair value using a pricing model and/or the risk inherent in the inputs for the valuation technique. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Portfolio. Unobservable inputs reflect the Portfolio's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the information available. The inputs or methodology used for valuing assets or liabilities may not be an indication of the risks associated with investing in those assets or liabilities. The three-tier hierarchy of inputs is summarized below.

- Level 1—quoted prices (unadjusted) in active markets for an identical asset or liability
- Level 2—other significant observable inputs (including quoted prices for a similar asset or liability in active markets, interest rates and yield curves, prepayment speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Portfolio's own assumptions about the assumptions that market participants would use in measuring fair value of an asset or liability)

The level of an asset or liability within the fair value hierarchy is based on the lowest level of an input, both individually and in the aggregate, that is significant to the fair value measurement. The aggregate value by input level of the Portfolio's assets and liabilities as of December 31, 2023, is included at the end of the Portfolio of Investments.

The Portfolio may use third-party vendor evaluations, whose prices may be derived from one or more of the following standard inputs, among others:

• Benchmark yields	• Reported trades
• Broker/dealer quotes	• Issuer spreads
• Two-sided markets	• Benchmark securities
• Bids/offers	• Reference data (corporate actions or material event notices)
• Industry and economic events	• Comparable bonds
• Monthly payment information	

An asset or liability for which a market quotation is not readily available is valued by methods deemed reasonable in good faith by the Valuation Committee, following the Valuation Procedures to represent fair value. Under these procedures, the Valuation Designee generally uses a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant information. The Valuation Designee may also use an income-based valuation approach in which the anticipated future cash flows of the asset or liability are discounted to calculate fair value. Discounts may also be applied due to the nature and/or duration of any restrictions on the disposition of the asset or liability. Fair value represents a good faith approximation of the value of a security. Fair value determinations involve the consideration of a number of subjective factors, an analysis of applicable facts and circumstances and the

exercise of judgment. As a result, it is possible that the fair value for a security determined in good faith in accordance with the Valuation Procedures may differ from valuations for the same security determined for other funds using their own valuation procedures. Although the Valuation Procedures are designed to value a security at the price the Portfolio may reasonably expect to receive upon the security's sale in an orderly transaction, there can be no assurance that any fair value determination thereunder would, in fact, approximate the amount that the Portfolio would actually realize upon the sale of the security or the price at which the security would trade if a reliable market price were readily available. During the year ended December 31, 2023, there were no material changes to the fair value methodologies.

Securities which may be valued in this manner include, but are not limited to: (i) a security for which trading has been halted or suspended or otherwise does not have a readily available market quotation on a given day; (ii) a debt security that has recently gone into default and for which there is not a current market quotation; (iii) a security of an issuer that has entered into a restructuring; (iv) a security that has been delisted from a national exchange; (v) a security subject to trading collars for which no or limited trading takes place; and (vi) a security whose principal market has been temporarily closed at a time when, under normal conditions, it would be open. Securities valued in this manner are generally categorized as Level 2 or 3 in the hierarchy.

Exchange-traded funds ("ETFs") are valued at the last quoted sales prices as of the close of regular trading on the relevant exchange on each valuation date. Securities that are not traded on the valuation date are valued at the mean of the last quoted bid and ask prices. Prices are normally taken from the principal market in which each security trades. These securities are generally categorized as Level 1 in the hierarchy.

Futures contracts are valued at the last posted settlement price on the market where such futures are primarily traded. These securities are generally categorized as Level 1 in the hierarchy.

Debt securities (other than convertible and municipal bonds) are valued at the evaluated bid prices (evaluated mean prices in the case of convertible and municipal bonds) supplied by a pricing agent or broker selected by the Valuation Designee, in consultation with the Subadvisor. The evaluations are market-based measurements processed through a pricing application and represents the pricing agent's good faith determination as to what a holder may receive in an orderly transaction under market conditions. The rules-based logic utilizes valuation techniques that reflect participants' assumptions and vary by asset class and per methodology, maximizing the use of relevant observable data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs. The evaluated bid or mean prices are deemed by the Valuation Designee, in consultation with the Subadvisor, to be representative of market values at the regular close of trading of the Exchange on each valuation date. Debt securities purchased on a delayed delivery basis are marked to market daily until settlement at the forward settlement date. Debt securities, including corporate bonds, U.S. government and federal agency bonds, municipal bonds, foreign bonds, convertible bonds,

# Notes to Financial Statements (continued)

asset-backed securities and mortgage-backed securities are generally categorized as Level 2 in the hierarchy.

The information above is not intended to reflect an exhaustive list of the methodologies that may be used to value portfolio investments. The Valuation Procedures permit the use of a variety of valuation methodologies in connection with valuing portfolio investments. The methodology used for a specific type of investment may vary based on the market data available or other considerations. The methodologies summarized above may not represent the specific means by which portfolio investments are valued on any particular business day.

**(B) Income Taxes.** The Portfolio's policy is to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), applicable to regulated investment companies and to distribute all of its taxable income to the shareholders of the Portfolio within the allowable time limits.

The Manager evaluates the Portfolio's tax positions to determine if the tax positions taken meet the minimum recognition threshold in connection with accounting for uncertainties in income tax positions taken or expected to be taken for the purposes of measuring and recognizing tax liabilities in the financial statements. Recognition of tax benefits of an uncertain tax position is permitted only to the extent the position is "more likely than not" to be sustained assuming examination by taxing authorities. The Manager analyzed the Portfolio's tax positions taken on federal, state and local income tax returns for all open tax years (for up to three tax years) and has concluded that no provisions for federal, state and local income tax are required in the Portfolio's financial statements. The Portfolio's federal, state and local income tax and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state and local departments of revenue.

**(C) Dividends and Distributions to Shareholders.** Dividends and distributions are recorded on the ex-dividend date. The Portfolio intends to declare and pay dividends from net investment income and distributions from net realized capital and currency gains, if any, at least annually. All dividends and distributions are reinvested at NAV in the same class of shares of the Portfolio. Dividends and distributions to shareholders are determined in accordance with federal income tax regulations and may differ from determinations using GAAP.

**(D) Security Transactions and Investment Income.** The Portfolio records security transactions on the trade date. Realized gains and losses on security transactions are determined using the identified cost method. Dividend income is recognized on the ex-dividend date, net of any foreign tax withheld at the source, and interest income is accrued as earned using the effective interest rate method. Discounts and premiums on securities purchased, other than temporary cash investments that mature in 60 days or less at the time of purchase, for the Portfolio are accreted and amortized, respectively, on the effective interest rate method.

The Portfolio may place a debt security on non-accrual status and reduce related interest income by ceasing current accruals and writing off all or a

portion of any interest receivables when the collection of all or a portion of such interest has become doubtful. A debt security is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is reasonably assured.

**(E) Expenses.** Expenses of the Fund are allocated to the individual Portfolios in proportion to the net assets of the respective Portfolios when the expenses are incurred, except where direct allocations of expenses can be made. The expenses borne by the Portfolio, including those of related parties to the Portfolio, are shown in the Statement of Operations.

**(F) Use of Estimates.** In preparing financial statements in conformity with GAAP, the Manager makes estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates and assumptions.

**(G) Futures Contracts.** A futures contract is an agreement to purchase or sell a specified quantity of an underlying instrument at a specified future date and price, or to make or receive a cash payment based on the value of a financial instrument (e.g., foreign currency, interest rate, security or securities index). The Portfolio is subject to risks such as market price risk, leverage risk, liquidity risk, counterparty risk, operational risk, legal risk and/or interest rate risk in the normal course of investing in these contracts. Upon entering into a futures contract, the Portfolio is required to pledge to the broker or futures commission merchant an amount of cash and/or U.S. government securities equal to a certain percentage of the collateral amount, known as the "initial margin." During the period the futures contract is open, changes in the value of the contract are recognized as unrealized appreciation or depreciation by marking to market such contract on a daily basis to reflect the market value of the contract at the end of each day's trading. The Portfolio agrees to receive from or pay to the broker or futures commission merchant an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as "variation margin." When the futures contract is closed, the Portfolio records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Portfolio's basis in the contract.

The use of futures contracts involves, to varying degrees, elements of market risk in excess of the amount recognized in the Statement of Assets and Liabilities. The contract or notional amounts and variation margin reflect the extent of the Portfolio's involvement in open futures positions. There are several risks associated with the use of futures contracts as hedging techniques. There can be no assurance that a liquid market will exist at the time when the Portfolio seeks to close out a futures contract. If no liquid market exists, the Portfolio would remain obligated to meet margin requirements until the position is closed. Futures contracts may involve a small initial investment relative to the risk assumed, which could result in losses greater than if the Portfolio did not invest in futures contracts. Futures contracts may be more volatile than direct investments in the instrument underlying the futures and may not correlate to the underlying instrument, causing a given hedge not to achieve its objectives. The Portfolio's activities in futures contracts have

minimal counterparty risk as they are conducted through regulated exchanges that guarantee the futures against default by the counterparty. In the event of a bankruptcy or insolvency of a futures commission merchant that holds margin on behalf of the Portfolio, the Portfolio may not be entitled to the return of the entire margin owed to the Portfolio, potentially resulting in a loss. The Portfolio may invest in futures contracts to seek enhanced returns or to reduce the risk of loss by hedging certain of its holdings. The Portfolio's investment in futures contracts and other derivatives may increase the volatility of the Portfolio's NAVs and may result in a loss to the Portfolio.

**(H) Securities Lending.** In order to realize additional income, the Portfolio may engage in securities lending, subject to the limitations set forth in the 1940 Act and relevant guidance by the staff of the Securities and Exchange Commission ("SEC"). If the Portfolio engages in securities lending, the Portfolio will lend through its custodian, JPMorgan Chase Bank, N.A., ("JPMorgan"), acting as securities lending agent on behalf of the Portfolio. Under the current arrangement, JPMorgan will manage the Portfolio's collateral in accordance with the securities lending agency agreement between the Portfolio and JPMorgan, and indemnify the Portfolio against counterparty risk. The loans will be collateralized by cash (which may be invested in a money market fund) and/or non-cash collateral (which may include U.S. Treasury securities and/or U.S. government agency securities issued or guaranteed by the United States government or its agencies or instrumentalities) at least equal at all times to the market value of the securities loaned. Non-cash collateral held at year end is segregated and cannot be transferred by the Portfolio. The Portfolio bears the risk of delay in recovery of, or loss of rights in, the securities loaned. The Portfolio may also record a realized gain or loss on securities deemed sold due to a borrower's inability to return securities on loan. The Portfolio bears the risk of any loss on investment of cash collateral. The Portfolio will receive compensation for lending its securities in the form of fees or it will retain a portion of interest earned on the investment of any cash collateral. The Portfolio will also continue to receive interest and dividends on the securities loaned and any gain or loss in the market price of the securities loaned that may occur during the term of the loan will be for the account of the Portfolio. Income earned from securities lending activities, if any, is reflected in the Statement of Operations.

**(I) Dollar Rolls.** The Portfolio may enter into dollar roll transactions in which it sells mortgage-backed securities ("MBS") from its portfolio to a counterparty from whom it simultaneously agrees to buy a similar security on a delayed delivery basis. The Portfolio generally transfers MBS where the MBS are "to be announced," therefore, the Portfolio accounts for these transactions as purchases and sales.

When accounted for as purchase and sales, the securities sold in connection with the dollar rolls are removed from the portfolio and a realized gain or loss is recognized. The securities the Portfolio has agreed to acquire are included at market value in the Portfolio of Investments and liabilities for such purchase commitments are included as payables for investments purchased. During the roll period, the Portfolio foregoes

principal and interest paid on the securities. The Portfolio is compensated by the difference between the current sales price and the forward price for the future as well as by the earnings on the cash proceeds of the initial sale. Dollar rolls may be renewed without physical delivery of the securities subject to the contract. Dollar roll transactions involve certain risks, including the risk that the securities returned to the Portfolio at the end of the roll period, while substantially similar, could be inferior to what was initially sold to the counterparty.

**(J) Debt Securities Risk.** The ability of issuers of debt securities held by the Portfolio to meet their obligations may be affected by, among other things, economic or political developments in a specific country, industry or region. Debt securities are also subject to the risks associated with changes in interest rates.

Investments in the Portfolio are not guaranteed, even though some of the Portfolio's underlying investments are guaranteed by the U.S. government or its agencies or instrumentalities. The principal risk of mortgage-related and asset-backed securities is that the underlying debt may be prepaid ahead of schedule, if interest rates fall, thereby reducing the value of the Portfolio's investment. If interest rates rise, less of the debt may be prepaid and the Portfolio may lose money because the Portfolio may be unable to invest in higher yielding assets. The Portfolio is subject to interest-rate risk and can lose principal value when interest rates rise. Bonds are also subject to credit risk, in which the bond issuer may fail to pay interest and principal in a timely manner.

The Portfolio may invest in foreign debt securities, which carry certain risks that are in addition to the usual risks inherent in domestic instruments. Foreign regulatory regimes and securities markets can have less stringent investor protections and disclosure standards and less liquid trading markets than U.S. regulatory regimes and securities markets, and can experience political, social and economic developments that may affect the value of investments in foreign securities. These risks include those resulting from currency fluctuations, future adverse political or economic developments and possible imposition of currency exchange blockages or other foreign governmental laws or restrictions. Economic sanctions and other similar governmental actions or developments could, among other things, effectively restrict or eliminate the Fund's ability to purchase or sell certain foreign securities or groups of foreign securities, and thus may make the Fund's investments in such securities less liquid or more difficult to value. These risks are likely to be greater in emerging markets than in developed markets. The ability of issuers of debt securities held by the Portfolio to meet their obligations may be affected by, among other things, economic or political developments in a specific country, industry or region.

**(K) Indemnifications.** Under the Fund's organizational documents, its officers and trustees are indemnified against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Portfolio enters into contracts with third-party service providers that contain a variety of representations and warranties and that may provide general indemnifications. The Portfolio's maximum exposure under these arrangements is unknown, as this would



# Notes to Financial Statements (continued)

involve future claims that may be made against the Portfolio that have not yet occurred. The Manager believes that the risk of loss in connection with these potential indemnification obligations is remote. However, there can be no assurance that material liabilities related to such obligations will not arise in the future, which could adversely impact the Portfolio.

**(L) Quantitative Disclosure of Derivative Holdings.** The following tables show additional disclosures related to the Portfolio's derivative and hedging activities, including how such activities are accounted for and their effect on the Portfolio's financial positions, performance and cash flows.

The Portfolio entered into futures contracts in order to hedge against anticipated changes in interest rates that might otherwise have an adverse effect upon the value of the Portfolio's securities as well as help manage the duration and yield curve positioning of the portfolio. These derivatives are not accounted for as hedging instruments.

Fair value of derivative instruments as of December 31, 2023:

Asset Derivatives	Interest Rate Contracts Risk	Total
Futures Contracts - Net Assets—Net unrealized appreciation on futures contracts (a)	\$1,650,818	\$1,650,818
Total Fair Value	<u>\$1,650,818</u>	<u>\$1,650,818</u>

(a) Includes cumulative appreciation (depreciation) of futures contracts as reported in the Portfolio of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

Liability Derivatives	Interest Rate Contracts Risk	Total
Futures Contracts - Net Assets—Net unrealized depreciation on futures contracts (a)	\$(103,681)	\$(103,681)
Total Fair Value	<u>\$(103,681)</u>	<u>\$(103,681)</u>

(a) Includes cumulative appreciation (depreciation) of futures contracts as reported in the Portfolio of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

The effect of derivative instruments on the Statement of Operations for the year ended December 31, 2023:

Net Realized Gain (Loss) from:	Interest Rate Contracts Risk	Total
Futures Transactions	\$(2,382,813)	\$(2,382,813)
Total Net Realized Gain (Loss)	<u>\$(2,382,813)</u>	<u>\$(2,382,813)</u>

Net Change in Unrealized Appreciation (Depreciation)	Interest Rate Contracts Risk	Total
Futures Contracts	\$1,739,740	\$1,739,740
Total Net Change in Unrealized Appreciation (Depreciation)	<u>\$1,739,740</u>	<u>\$1,739,740</u>

Average Notional Amount	Total
Futures Contracts Long	\$34,826,482
Futures Contracts Short	<u>\$(8,571,606)</u>

## Note 3—Fees and Related Party Transactions

**(A) Manager and Subadvisor.** New York Life Investments, a registered investment adviser and an indirect, wholly-owned subsidiary of New York Life, serves as the Portfolio's Manager pursuant to an Amended and Restated Management Agreement ("Management Agreement"). The Manager provides offices, conducts clerical, recordkeeping and bookkeeping services and keeps most of the financial and accounting records required to be maintained by the Portfolio. Except for the portion of salaries and expenses that are the responsibility of the Portfolio, the Manager pays the salaries and expenses of all personnel affiliated with the Portfolio and certain operational expenses of the Portfolio. The Portfolio reimburses New York Life Investments in an amount equal to the portion of the compensation of the Chief Compliance Officer attributable to the Portfolio. NYL Investors LLC ("NYL Investors" or "Subadvisor"), a registered investment adviser and a direct, wholly-owned subsidiary of New York Life, serves as the Subadvisor to the Portfolio and is responsible for the day-to-day portfolio management of the Portfolio. Pursuant to the terms of a Subadvisory Agreement between New York Life Investments and NYL Investors, New York Life Investments pays for the services of the Subadvisor.

Pursuant to the Management Agreement, the Fund pays the Manager, on behalf of the Portfolio, a monthly fee for the services performed and the facilities furnished at an annual rate of the Portfolio's average daily net assets as follows: 0.25% up to \$1 billion and 0.20% in excess of \$1 billion. During the year ended December 31, 2023, the effective management fee rate was 0.25% (exclusive of any applicable waivers/reimbursements) of the Portfolio's average daily net assets.

New York Life Investments has contractually agreed to waive fees and/or reimburse expenses so that the Total Annual Portfolio 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) portfolio/fund fees and expenses) of Initial Class shares do not exceed 0.375% of the Portfolio's average daily net assets. This agreement will remain in effect until May 1, 2024, and shall renew automatically for one-year terms unless New York Life Investments provides written notice of termination prior to the start of the next term or upon approval of the Board.

During the year ended December 31, 2023, New York Life Investments earned fees from the Portfolio in the amount of \$653,881 and paid the Subadvisor fees in the amount of \$326,940.

JPMorgan provides sub-administration and sub-accounting services to the Portfolio pursuant to an agreement with New York Life Investments. These services include calculating the daily NAVs of the Portfolio, maintaining the general ledger and sub-ledger accounts for the calculation of the Portfolio's NAVs, and assisting New York Life Investments in conducting various aspects of the Portfolio's administrative operations. For providing these services to the Portfolio, JPMorgan is compensated by New York Life Investments.

Pursuant to an agreement between the Fund and New York Life Investments, New York Life Investments is responsible for providing or procuring certain regulatory reporting services for the Portfolio. The Portfolio will reimburse New York Life Investments for the actual costs incurred by New York Life Investments in connection with providing or procuring these services for the Portfolio.

#### Note 4—Federal Income Tax

As of December 31, 2023, the cost and unrealized appreciation (depreciation) of the Portfolio's investment portfolio, including applicable derivative contracts and other financial instruments, as determined on a federal income tax basis, were as follows:

	Federal Tax	Gross Unrealized Cost Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation/Depreciation
Investments in Securities	\$266,255,222	\$1,570,678	\$(17,351,659)	\$(15,780,981)

As of December 31, 2023, the components of accumulated gain (loss) on a tax basis were as follows:

Ordinary Income	Accumulated Capital and Other Gain (Loss)	Other Temporary Differences	Unrealized Appreciation (Depreciation)	Total Accumulated Gain (Loss)
\$8,026,771	\$(23,493,258)	\$—	\$(15,611,550)	\$(31,078,037)

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is primarily due to mark to market of futures contracts, wash sale and straddle loss deferral adjustments.

As of December 31, 2023, for federal income tax purposes, capital loss carryforwards of \$23,323,827, as shown in the table below, were available to the extent provided by the regulations to offset future realized gains of the Portfolio. Accordingly, no capital gains distributions are

expected to be paid to shareholders until net gains have been realized in excess of such amounts.

Capital Loss Available Through	Short-Term Capital Loss Amounts (000's)	Long-Term Capital Loss Amounts (000's)
Unlimited	\$9,353	\$13,970

During the years ended December 31, 2023 and December 31, 2022, the tax character of distributions paid as reflected in the Statements of Changes in Net Assets was as follows:

	2023	2022
Distributions paid from:		
Ordinary Income	\$6,208,537	\$ 7,933,251
Long-Term Capital Gains	—	3,560,351
Total	\$6,208,537	\$11,493,602

#### Note 5—Custodian

JPMorgan is the custodian of cash and securities held by the Portfolio. Custodial fees are charged to the Portfolio based on the Portfolio's net assets and/or the market value of securities held by the Portfolio and the number of certain transactions incurred by the Portfolio.

#### Note 6—Line of Credit

The Portfolio and certain other funds managed by New York Life Investments maintain a line of credit with a syndicate of banks in order to secure a source of funds for temporary purposes to meet unanticipated or excessive redemption requests.

Effective July 25, 2023, under the credit agreement (the "Credit Agreement"), the aggregate commitment amount is \$600,000,000 with an additional uncommitted amount of \$100,000,000. The commitment fee is an annual rate of 0.15% of the average commitment amount payable quarterly, regardless of usage, to JPMorgan, who serves as the agent to the syndicate. The commitment fee is allocated among the Portfolio and certain other funds managed by New York Life Investments based upon their respective net assets and other factors. Interest on any revolving credit loan is charged based upon the Federal Funds Rate, Daily SOFR + 0.10%, or the Overnight Bank Funding Rate, whichever is higher. The Credit Agreement expires on July 23, 2024, although the Portfolio, certain other funds managed by New York Life Investments and the syndicate of banks may renew the Credit Agreement for an additional year on the same or different terms or enter into a credit agreement with a different syndicate of banks. Prior to July 25, 2023, the aggregate commitment amount and the commitment fee were the same as those under the current Credit Agreement. During the year ended December 31, 2023, there were no borrowings made or outstanding with respect to the Portfolio under the Credit Agreement.

# Notes to Financial Statements (continued)

## Note 7—Interfund Lending Program

Pursuant to an exemptive order issued by the SEC, the Portfolio, along with certain other funds managed by New York Life Investments, may participate in an interfund lending program. The interfund lending program provides an alternative credit facility that permits the Portfolio and certain other funds managed by New York Life Investments to lend or borrow money for temporary purposes directly to or from one another, subject to the conditions of the exemptive order. During the year ended December 31, 2023, there were no interfund loans made or outstanding with respect to the Portfolio.

## Note 8—Purchases and Sales of Securities (in 000's)

During the year ended December 31, 2023, purchases and sales of U.S. government securities were \$82,826 and \$98,514, respectively. Purchases and sales of securities, other than U.S. government securities and short-term securities, were \$39,975 and \$54,615, respectively.

## Note 9—Capital Share Transactions

Transactions in capital shares for the years ended December 31, 2023 and December 31, 2022, were as follows:

Initial Class	Shares	Amount
Year ended December 31, 2023:		
Shares sold	783,139	\$ 6,717,751
Shares issued to shareholders in reinvestment of distributions	763,686	6,208,537
Shares redeemed	(4,420,609)	(38,241,669)
Net increase (decrease)	<u>(2,873,784)</u>	<u>\$ (25,315,381)</u>
Year ended December 31, 2022:		
Shares sold	7,946,321	\$ 66,908,730
Shares issued to shareholders in reinvestment of distributions	1,386,074	11,493,602
Shares redeemed	(18,986,252)	(180,601,111)
Net increase (decrease)	<u>(9,653,857)</u>	<u>\$(102,198,779)</u>

## Note 10—Other Matters

As of the date of this report, the Portfolio faces a heightened level of risk associated with current uncertainty, volatility and state of economies, financial markets, rising interest rates, and labor and health conditions around the world. Events such as war, acts of terrorism, recessions, rapid inflation, the imposition of international sanctions, earthquakes, hurricanes, epidemics and pandemics and other unforeseen natural or human disasters may have broad adverse social, political and economic effects on the global economy, which could negatively impact the value of the Portfolio's investments. Developments that disrupt global economies and financial markets may magnify factors that affect the Portfolio's performance.

## Note 11—Subsequent Events

In connection with the preparation of the financial statements of the Portfolio as of and for the year ended December 31, 2023, events and transactions subsequent to December 31, 2023, through the date the financial statements were issued, have been evaluated by the Manager for possible adjustment and/or disclosure. No subsequent events requiring financial statement adjustment or disclosure have been identified.



# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of MainStay VP Funds Trust and Shareholders of MainStay VP Indexed Bond Portfolio

## ***Opinion on the Financial Statements***

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of MainStay VP Indexed Bond Portfolio (one of the portfolios constituting MainStay VP Funds Trust, referred to hereafter as the "Portfolio") as of December 31, 2023, the related statement of operations for the year ended December 31, 2023, the statements of changes in net assets for each of the two years in the period ended December 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2023 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2023 and the financial highlights for each of the five years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

## ***Basis for Opinion***

These financial statements are the responsibility of the Portfolio's management. Our responsibility is to express an opinion on the Portfolio's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Portfolio in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2023 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP  
New York, New York  
February 26, 2024

We have served as the auditor of one or more investment companies in the MainStay group of funds since 1984.

# Board Consideration and Approval of Management Agreement and Subadvisory Agreement (Unaudited)

The continuation of the Management Agreement with respect to the MainStay VP Indexed Bond Portfolio (“Portfolio”) and New York Life Investment Management LLC (“New York Life Investments”) and the Subadvisory Agreement between New York Life Investments and NYL Investors LLC (“NYL Investors”) with respect to the Portfolio (together, “Advisory Agreements”) is subject to annual review and approval by the Board of Trustees of MainStay VP Funds Trust (“Board” of the “Trust”) in accordance with Section 15 of the Investment Company Act of 1940, as amended (“1940 Act”). At its December 6–7, 2023 meeting, the Board, including the Trustees who are not an “interested person” (as such term is defined in the 1940 Act) of the Trust (“Independent Trustees”) voting separately, unanimously approved the continuation of each of the Advisory Agreements for a one-year period.

In reaching the decision to approve the continuation of each of the Advisory Agreements, the Board considered information and materials furnished by New York Life Investments and NYL Investors in connection with an annual contract review process undertaken by the Board that took place at meetings of the Board and its Contracts Committee from September 2023 through December 2023, including information and materials furnished by New York Life Investments and NYL Investors in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel to the Independent Trustees, which encompassed a variety of topics, including those summarized below. Information and materials requested by and furnished to the Board for consideration in connection with the contract review process included, among other items, reports on the Portfolio and “peer funds” prepared by Institutional Shareholder Services Inc. (“ISS”), an independent third-party service provider engaged by the Board to report objectively on the Portfolio’s investment performance, management fee and total expenses. The Board also considered information on the fees charged to other investment advisory clients of New York Life Investments and/or NYL Investors that follow investment strategies similar to those of the Portfolio, if any, and, when applicable, the rationale for differences in the Portfolio’s management and subadvisory fees and the fees charged to those other investment advisory clients. In addition, the Board considered information regarding the legal standards and fiduciary obligations applicable to its consideration of the continuation of each of the Advisory Agreements. The contract review process, including the structure and format for information and materials provided to the Board, has been developed in consultation with the Board. The Independent Trustees also met in executive sessions with their independent legal counsel and, for portions thereof, with senior management of New York Life Investments.

The Board’s deliberations with respect to the continuation of each of the Advisory Agreements reflect a year-long process, and the Board also took into account information furnished to the Board and its Committees throughout the year, as deemed relevant and appropriate by the Trustees, including, among other items, reports on investment performance of the Portfolio and investment-related matters for the Portfolio as well as presentations from New York Life Investments and, generally annually, NYL Investors personnel. In addition, the Board took into account other

information provided by New York Life Investments throughout the year, including, among other items, periodic reports on legal and compliance matters, risk management, portfolio turnover, brokerage commissions and non-advisory services provided to the Portfolio by New York Life Investments, as deemed relevant and appropriate by the Trustees.

In addition to information provided to the Board throughout the year, the Board received information in connection with its June 2023 meeting provided specifically in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel to the Independent Trustees regarding the Portfolio’s distribution arrangements. In addition, the Board received information regarding the Portfolio’s asset levels and share purchase and redemption activity, among other information.

In considering the continuation of each of the Advisory Agreements, the Trustees reviewed and evaluated the information and factors they believed to reasonably be necessary and appropriate in light of legal advice furnished to them by independent legal counsel to the Independent Trustees and through the exercise of their own business judgment. Although individual Trustees may have weighed certain factors or information differently and the Board did not consider any single factor or information controlling in reaching its decision, the factors that figured prominently in the Board’s consideration of the continuation of each of the Advisory Agreements are summarized in more detail below and include, among other factors: (i) the nature, extent and quality of the services provided to the Portfolio by New York Life Investments and NYL Investors; (ii) the qualifications of the portfolio managers of the Portfolio and the historical investment performance of the Portfolio, New York Life Investments and NYL Investors; (iii) the costs of the services provided, and profits realized, by New York Life Investments and NYL Investors with respect to their relationships with the Portfolio; (iv) the extent to which economies of scale have been realized or may be realized if the Portfolio grows and the extent to which any economies of scale have been shared, have benefited or may benefit the Portfolio’s shareholders; and (v) the reasonableness of the Portfolio’s management and subadvisory fees and total ordinary operating expenses. Although the Board recognized that comparisons between the Portfolio’s fees and expenses and those of other funds are imprecise given different terms of agreements, variations in fund strategies and other factors, the Board considered the reasonableness of the Portfolio’s management fee and total ordinary operating expenses as compared to the peer funds identified by ISS. Throughout their considerations, the Trustees acknowledged the commitment of New York Life Investments and its affiliates to serve the MainStay Group of Funds, as well as their capacity, experience, resources, financial stability and reputations. The Trustees also acknowledged the entrepreneurial and other risks assumed by New York Life Investments in sponsoring and managing the Portfolio. With respect to the Subadvisory Agreement, the Board took into account New York Life Investments’ recommendation to approve the continuation of the Subadvisory Agreement.

The Trustees noted that, throughout the year, the Trustees are afforded an opportunity to ask questions of, and request additional information or materials from, New York Life Investments and NYL Investors. The Board's decision with respect to each of the Advisory Agreements may have also been based, in part, on the Board's knowledge of New York Life Investments and NYL Investors resulting from, among other things, the Board's consideration of each of the Advisory Agreements in prior years, the advisory agreements for other funds in the MainStay Group of Funds, the Board's review throughout the year of the performance and operations of other funds in the MainStay Group of Funds and each Trustee's business judgment and industry experience. In addition to considering the above-referenced factors, the Board observed that in the marketplace, notably under variable life insurance policies and variable annuity contracts for which the Portfolio serves as an investment option, there are a range of investment options available to investors and that the Portfolio's shareholders, having had the opportunity to consider other investment options, have invested in the Portfolio.

The factors that figured prominently in the Board's decision to approve the continuation of each of the Advisory Agreements during the Board's December 6–7, 2023 meeting are summarized in more detail below.

### ***Nature, Extent and Quality of Services Provided by New York Life Investments and NYL Investors***

The Board examined the nature, extent and quality of the services that New York Life Investments provides to the Portfolio. The Board evaluated New York Life Investments' experience and capabilities in serving as manager of the Portfolio and considered that the Portfolio operates in a "manager-of-managers" structure. The Board also considered New York Life Investments' responsibilities and services provided pursuant to this structure, including overseeing the services provided by NYL Investors, evaluating the performance of NYL Investors, making recommendations to the Board as to whether the Subadvisory Agreement should be renewed, modified or terminated and periodically reporting to the Board regarding the results of New York Life Investments' evaluation and monitoring functions. The Board noted that New York Life Investments manages other mutual funds, serves a variety of other investment advisory clients, including other pooled investment vehicles, and has experience overseeing mutual fund service providers, including subadvisors. The Board considered the experience of senior personnel at New York Life Investments providing management and administrative and other non-advisory services to the Portfolio. The Board observed that New York Life Investments devotes significant resources and time to providing management and administrative and other non-advisory services to the Portfolio, including New York Life Investments' oversight and due diligence reviews of NYL Investors and ongoing analysis of, and interactions with, NYL Investors with respect to, among other things, the Portfolio's investment performance and risks as well as NYL Investors' investment capabilities and subadvisory services with respect to the Portfolio.

The Board also considered the range of services that New York Life Investments provides to the Portfolio under the terms of the Management Agreement, including: (i) fund accounting and ongoing supervisory services provided by New York Life Investments' Fund Administration and Accounting Group; (ii) investment supervisory and analytical services provided by New York Life Investments' Investment Consulting Group; (iii) compliance services provided by the Trust's Chief Compliance Officer as well as New York Life Investments' compliance department, including supervision and implementation of the Portfolio's compliance program; (iv) legal services provided by New York Life Investments' Office of the General Counsel; and (v) risk management monitoring and analysis by compliance and investment personnel. In addition, the Board considered New York Life Investments' willingness to invest in personnel and other resources, such as cyber security, information security and business continuity planning, that may benefit the Portfolio and noted that New York Life Investments is responsible for compensating the Trust's officers, except for a portion of the salary of the Trust's Chief Compliance Officer. The Board recognized that New York Life Investments provides certain other non-advisory services to the Portfolio and has over time provided an increasingly broad array of non-advisory services to the MainStay Group of Funds as a result of regulatory and other developments.

The Board also examined the range, and the nature, extent and quality, of the investment advisory services that NYL Investors provides to the Portfolio and considered the terms of each of the Advisory Agreements. The Board evaluated NYL Investors' experience and performance in serving as subadvisor to the Portfolio and advising other portfolios and NYL Investors' track record and experience in providing investment advisory services as well as the experience of investment advisory, senior management and administrative personnel at NYL Investors. The Board considered New York Life Investments' and NYL Investors' overall resources, legal and compliance environment, capabilities, reputation, financial condition and history. In addition to information provided in connection with quarterly meetings with the Trust's Chief Compliance Officer, the Board considered information regarding the compliance policies and procedures of New York Life Investments and NYL Investors and acknowledged their commitment to further developing and strengthening compliance programs that may relate to the Portfolio. The Board also considered NYL Investors' ability to recruit and retain qualified investment professionals and willingness to invest in personnel and other resources that may benefit the Portfolio. In this regard, the Board considered the qualifications and experience of the Portfolio's portfolio managers, the number of accounts managed by the portfolio managers and the method for compensating the portfolio managers.

In addition, the Board considered information provided by New York Life Investments and NYL Investors regarding their respective business continuity and disaster recovery plans.

Based on these considerations, among others, the Board concluded that the Portfolio would likely continue to benefit from the nature, extent and quality of these services.

# Board Consideration and Approval of Management Agreement and Subadvisory Agreement (Unaudited) (continued)

## ***Investment Performance***

In evaluating the Portfolio's investment performance, the Board considered investment performance results over various periods in light of the Portfolio's investment objective, strategies and risks. The Board considered investment reports on, and analysis of, the Portfolio's performance provided to the Board throughout the year. These reports include, among other items, information on the Portfolio's gross and net returns, the Portfolio's investment performance compared to a relevant investment category and the Portfolio's benchmark, the Portfolio's risk-adjusted investment performance and the Portfolio's investment performance as compared to peer funds, as appropriate, as well as portfolio attribution information and commentary on the effect of market conditions. The Board also considered information provided by ISS showing the investment performance of the Portfolio as compared to peer funds. In addition, the Board reviewed the methodology used by ISS to construct the group of peer funds for comparative purposes.

The Board also took into account its discussions with senior management at New York Life Investments concerning the Portfolio's investment performance over various periods as well as discussions between representatives of NYL Investors and the members of the Board's Investment Committee, which generally occur on an annual basis. In considering the investment performance of the Portfolio, the Board noted that the Portfolio underperformed its peer funds for the one-, three- and five-year periods ended July 31, 2023. The Board considered its discussions with representatives from New York Life Investments and NYL Investors regarding the Portfolio's investment performance.

Based on these considerations, among others, the Board concluded that its review of the Portfolio's investment performance and related information supported a determination to approve the continuation of each of the Advisory Agreements.

## ***Costs of the Services Provided, and Profits and Other Benefits Realized, by New York Life Investments and NYL Investors***

The Board considered the costs of the services provided under each of the Advisory Agreements. The Board also considered the profitability of New York Life Investments and its affiliates, including NYL Investors, due to their relationships with the Portfolio as well as by New York Life Investments and its affiliates due to their relationships with the MainStay Group of Funds. Because NYL Investors is an affiliate of New York Life Investments whose subadvisory fee is paid by New York Life Investments, not the Portfolio, the Board considered cost and profitability information for New York Life Investments and NYL Investors in the aggregate.

In addition, the Board acknowledged the difficulty in obtaining reliable comparative data about mutual fund managers' profitability because such information generally is not publicly available and may be impacted by numerous factors, including the structure of a fund manager's organization, the types of funds it manages, the methodology used to allocate certain fixed costs to specific funds and the manager's capital structure and costs of capital.

In evaluating the costs of the services provided by New York Life Investments and NYL Investors, and profitability of New York Life Investments and its affiliates, including NYL Investors due to their relationships with the Portfolio, the Board considered, among other factors, New York Life Investments' and its affiliates', including NYL Investors', continuing investments in, or willingness to invest in, personnel and other resources that may support and further enhance the management of the Portfolio, and that New York Life Investments is responsible for paying the subadvisory fee for the Portfolio. The Board also considered the financial resources of New York Life Investments and NYL Investors and acknowledged that New York Life Investments and NYL Investors must be in a position to recruit and retain experienced professional personnel and to maintain a strong financial position for New York Life Investments and NYL Investors to continue to provide high-quality services to the Portfolio. The Board recognized that the Portfolio benefits from the allocation of certain fixed costs among the funds in the MainStay Group of Funds, among other expected benefits resulting from its relationship with New York Life Investments.

The Board considered information regarding New York Life Investments' methodology for calculating profitability and allocating costs provided by New York Life Investments in connection with the fund profitability analysis presented to the Board. The Board concluded that New York Life Investments' methods for allocating costs and procedures for estimating overall profitability of the relationship with the funds in the MainStay Group of Funds were reasonable. The Board recognized the difficulty in calculating and evaluating a manager's profitability with respect to the Portfolio and considered that other profitability methodologies may also be reasonable.

The Board also considered certain fall-out benefits that may be realized by New York Life Investments and its affiliates, including NYL Investors, due to their relationships with the Portfolio, including reputational and other indirect benefits. In addition, the Board considered its review of the management agreement for a money market fund advised by New York Life Investments and an affiliated subadvisor that serves as an investment option for the Portfolio, including the potential rationale for and costs associated with investments in this money market fund by the Portfolio, if any, and considered information from New York Life Investments that the nature and type of specific investment advisory services provided to this money market fund are distinct from, or in addition to, the investment advisory services provided to the Portfolio. In addition, the Board considered the potential dividend received tax deduction for insurance company affiliates of New York Life Investments from the Portfolio's securities lending activity.

The Board noted that the Portfolio serves as an investment option primarily under variable contracts issued by affiliates of New York Life Investments that would receive fees under those contracts. The Board observed that, in addition to fees earned by New York Life Investments under the Management Agreement for managing the Portfolio, New York Life Investments' affiliates also earn revenues from serving the Portfolio in various other capacities. The Board considered information about these other revenues and their impact on the profitability of the relationship with

the Portfolio to New York Life Investments and its affiliates. The Board noted that, although it assessed the overall profitability of the relationship with the Portfolio to New York Life Investments and its affiliates as part of the contract review process, when considering the reasonableness of the fee paid to New York Life Investments under the Management Agreement, the Board considered the profitability of New York Life Investments' relationship with the Portfolio on a pre-tax basis and without regard to distribution expenses incurred by New York Life Investments from its own resources.

After evaluating the information deemed relevant by the Trustees, the Board concluded that any profits realized by New York Life Investments and its affiliates, including NYL Investors, due to their relationships with the Portfolio were not excessive and other expected benefits that may accrue to New York Life Investments and its affiliates, including NYL Investors, are reasonable.

### ***Management and Subadvisory Fees and Total Ordinary Operating Expenses***

The Board evaluated the reasonableness of the fee paid under each of the Advisory Agreements and the Portfolio's total ordinary operating expenses. With respect to the management fee and subadvisory fee, the Board primarily considered the reasonableness of the management fee paid by the Portfolio to New York Life Investments because the subadvisory fee paid to NYL Investors is paid by New York Life Investments, not the Portfolio. The Board also considered the reasonableness of the subadvisory fee paid by New York Life Investments and the amount of the management fee retained by New York Life Investments.

In assessing the reasonableness of the Portfolio's fees and expenses, the Board primarily considered comparative data provided by ISS on the fees and expenses of similar mutual funds managed by other investment advisers. The Board reviewed the methodology used by ISS to construct the group of peer funds for comparative purposes. In addition, the Board considered information provided by New York Life Investments and NYL Investors on fees charged to other investment advisory clients, including institutional separate accounts and/or other funds, that follow investment strategies similar to those of the Portfolio, if any. The Board considered the contractual management fee schedule for the Portfolio as compared to those for such other investment advisory clients, taking into account the rationale for differences in fee schedules. The Board also took into account information provided by New York Life Investments about the more extensive scope of services provided to registered investment companies, such as the Portfolio, as compared with other investment advisory clients. Additionally, the Board considered the impact of contractual breakpoints, voluntary waivers and expense limitation arrangements on the Portfolio's net management fee and expenses. The Board also considered that in proposing fees for the Portfolio, New York Life Investments considers the competitive marketplace for mutual funds.

Based on the factors outlined above, among other considerations, the Board concluded that the Portfolio's management fee and total ordinary operating expenses are within a range that is competitive and support a conclusion that these fees and expenses are reasonable.

### ***Economies of Scale***

The Board considered information regarding economies of scale, including whether economies of scale may exist with respect to the Portfolio and whether the Portfolio's management fee and expense structure permits any economies of scale to be appropriately shared with the Portfolio's shareholders. The Board also considered a report from New York Life Investments, previously prepared at the request of the Board, that addressed economies of scale, including with respect to the mutual fund business generally, and the various ways in which the benefits of economies of scale may be shared with the funds in the MainStay Group of Funds. Although the Board recognized the difficulty of determining economies of scale with precision, the Board acknowledged that economies of scale may be shared with the Portfolio in a number of ways, including, for example, through the imposition of fee breakpoints, initially setting management fee rates at scale or making additional investments to enhance the services provided to the Portfolio. The Board reviewed information from New York Life Investments showing how the Portfolio's management fee schedule compared to fee schedules of other funds and accounts managed by New York Life Investments. The Board also reviewed information from ISS showing how the Portfolio's management fee schedule compared with fees paid for similar services by peer funds at varying asset levels.

Based on this information, the Board concluded that economies of scale are appropriately shared for the benefit of the Portfolio's shareholders through the Portfolio's management fee and expense structure and other methods to share benefits from economies of scale.

### ***Conclusion***

On the basis of the information and factors summarized above, among other information and factors deemed relevant by the Trustees, and the evaluation thereof, the Board, including the Independent Trustees voting separately, unanimously voted to approve the continuation of each of the Advisory Agreements.

## Proxy Voting Policies and Procedures and Proxy Voting Record

The Portfolio is required to file with the SEC its proxy voting record for the 12-month period ending June 30 on Form N-PX. A description of the policies and procedures that are used to vote proxies relating to portfolio securities of the Portfolio is available free of charge upon request by calling 800-598-2019 or visiting the SEC's website at [www.sec.gov](http://www.sec.gov). The most recent Form N-PX or proxy voting record is available free of charge upon request by calling 800-598-2019; visiting <https://www.newyorklifeinvestments.com/investment-products/vp>; or visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

## Shareholder Reports and Quarterly Portfolio Disclosure

The Portfolio is required to file its complete schedule of portfolio holdings with the SEC 60 days after its first and third fiscal quarter on Form N-PORT. The Portfolio's holdings report is available free of charge upon request by calling 800-598-2019 or by visiting the SEC's website at [www.sec.gov](http://www.sec.gov).



# Board of Trustees and Officers (Unaudited)

The Trustees and officers of the Portfolio are listed below. The Board oversees the MainStay Group of Funds (which consists of MainStay Funds and MainStay Funds Trust), MainStay VP Funds Trust, MainStay MacKay DefinedTerm Municipal Opportunities Fund, MainStay CBRE Global Infrastructure Megatrends Term Fund, the Manager and the Subadvisors, and elects the officers of the Portfolios who are responsible for the day-to-day operations of the Portfolio. Information pertaining to the Trustees and officers is set forth below. Each Trustee serves until his or her successor is elected and qualified or until his or her resignation,

death or removal. Under the Board's retirement policy, unless an exception is made, a Trustee must tender his or her resignation by the end of the calendar year during which he or she reaches the age of 75. Officers are elected annually by the Board. The business address of each Trustee and officer listed below is 51 Madison Avenue, New York, New York 10010. A majority of the Trustees are not "interested persons" (as defined by the 1940 Act and rules adopted by the SEC thereunder) of the Portfolio ("Independent Trustees").

	<b>Name and Year of Birth</b>	<b>Term of Office, Position(s) Held and Length of Service</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Trustee</b>	<b>Other Directorships Held by Trustee</b>
<b>Interested Trustee</b>	<b>Naïm Abou-Jaoudé*</b> 1966	<b>MainStay VP Funds Trust:</b> Trustee since 2023	Chief Executive Officer of New York Life Investment Management LLC (since 2023). Chief Executive Officer of Candriam (an affiliate of New York Life Investment Management LLC) (2007 to 2023).	81	<i>MainStay Funds</i> : Trustee since 2023 (11 Funds) <i>MainStay Funds Trust</i> : Trustee since 2023 (37 Funds); <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund</i> : Trustee since 2023; <i>MainStay CBRE Global Infrastructure Megatrends Term Fund</i> : Trustee since 2023; and <i>New York Life Investment Management International</i> (Chair) since 2015

\* This Trustee is considered to be an "interested person" of the MainStay Group of Funds, MainStay VP Funds Trust, MainStay CBRE Global Infrastructure Megatrends Term Fund and MainStay MacKay DefinedTerm Municipal Opportunities Fund, within the meaning of the 1940 Act because of his affiliation with New York Life Investment Management LLC and Candriam, as described in detail above in the column entitled "Principal Occupation(s) During Past Five Years."

# Board of Trustees and Officers (Unaudited) (continued)

Independent Trustees	Name and Year of Birth	Term of Office, Position(s) Held and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
	<b>David H. Chow</b> 1957	<b>MainStay VP Funds Trust:</b> Trustee since January 2016, Advisory Board Member (June 2015 to December 2015)	Founder and CEO, DanCourt Management, LLC since 1999	81	<i>MainStay Funds:</i> Trustee since January 2016, Advisory Board Member (June 2015 to December 2015) (11 Funds); <i>MainStay Funds Trust:</i> Trustee since January 2016, Advisory Board Member (June 2015 to December 2015) (37 Funds); <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since January 2016, Advisory Board Member (June 2015 to December 2015); <i>MainStay CBRE Global Infrastructure Megatrends Term Fund:</i> Trustee since 2021; <i>VanEck Vectors Group of Exchange-Traded Funds:</i> Trustee since 2006 and Independent Chairman of the Board of Trustees from 2008 to 2022 (57 portfolios); and <i>Berea College of Kentucky:</i> Trustee since 2009, Chair of the Investment Committee since 2018
	<b>Karen Hammond</b> 1956	<b>MainStay VP Funds Trust:</b> Trustee since December 2021, Advisory Board Member (June 2021 to December 2021)	Retired, Managing Director, Devonshire Investors (2007 to 2013); Senior Vice President, Fidelity Management & Research Co. (2005 to 2007); Senior Vice President and Corporate Treasurer, FMR Corp. (2003 to 2005); Chief Operating Officer, Fidelity Investments Japan (2001 to 2003)	81	<i>MainStay Funds:</i> Trustee since December 2021, Advisory Board Member (June 2021 to December 2021) (11 Funds); <i>MainStay Funds Trust:</i> Trustee since December 2021, Advisory Board Member (June 2021 to December 2021) (37 Funds); <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since December 2021, Advisory Board Member (June 2021 to December 2021); <i>MainStay CBRE Global Infrastructure Megatrends Term Fund:</i> Trustee since December 2021, Advisory Board Member (June 2021 to December 2021); <i>Two Harbors Investment Corp.:</i> Director since 2018; <i>Rhode Island State Investment Commission:</i> Member since 2017; and <i>Blue Cross Blue Shield of Rhode Island:</i> Director since 2019
	<b>Susan B. Kerley</b> 1951	<b>MainStay VP Funds Trust:</b> Chair since 2017 and Trustee since 2007**	President, Strategic Management Advisors LLC since 1990	81	<i>MainStay Funds:</i> Chair since January 2017 and Trustee since 2007 (11 Funds); <i>MainStay Funds Trust:</i> Chair since January 2017 and Trustee since 1990 (37 Funds)***; <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Chair since January 2017 and Trustee since 2011; <i>MainStay CBRE Global Infrastructure Megatrends Term Fund:</i> Trustee since June 2021; and <i>Legg Mason Partners Funds:</i> Trustee since 1991 (45 portfolios)



Independent Trustees

Name and Year of Birth	Term of Office, Position(s) Held and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
<b>Alan R. Latschaw</b> 1951	<b>MainStay VP Funds Trust:</b> Trustee since 2007**	Retired; Partner, Ernst & Young LLP (2002 to 2003); Partner, Arthur Andersen LLP (1989 to 2002); Consultant to the MainStay Funds Audit and Compliance Committee (2004 to 2006)	81	<i>MainStay Funds</i> : Trustee since 2006 (11 Funds); <i>MainStay Funds Trust</i> : Trustee since 2007 (37 Funds)***; <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund</i> : Trustee since 2011; and <i>MainStay CBRE Global Infrastructure Megatrends Term Fund</i> : Trustee since June 2021
<b>Jacques P. Perold</b> 1958	<b>MainStay VP Funds Trust:</b> Trustee since January 2016, Advisory Board Member (June 2015 to December 2015)	Founder and Chief Executive Officer, CapShift Advisors LLC (since 2018); President, Fidelity Management & Research Company (2009 to 2014); President and Chief Investment Officer, Geode Capital Management, LLC (2001 to 2009)	81	<i>MainStay Funds</i> : Trustee since January 2016, Advisory Board Member (June 2015 to December 2015) (11 Funds); <i>MainStay Funds Trust</i> : Trustee since January 2016, Advisory Board Member (June 2015 to December 2015) (37 Funds); <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund</i> : Trustee since January 2016, Advisory Board Member (June 2015 to December 2015); <i>MainStay CBRE Global Infrastructure Megatrends Term Fund</i> : Trustee since June 2021; <i>Allstate Corporation</i> : Director since 2015; <i>Partners in Health</i> : Trustee since 2019; and <i>MSCI Inc.</i> : Director since 2017
<b>Richard S. Trutanic</b> 1952	<b>MainStay VP Funds Trust:</b> Trustee since 2007**	Chairman and Chief Executive Officer, Somerset & Company (financial advisory firm) since 2004; Managing Director, The Carlyle Group (private investment firm) (2002 to 2004); Senior Managing Director, Partner and Board Member, Groupe Arnault S.A. (private investment firm) (1999 to 2002)	81	<i>MainStay Funds</i> : Trustee since 1994 (11 Funds); <i>MainStay Funds Trust</i> : Trustee since 2007 (37 Funds)***; <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund</i> : Trustee since 2011; and <i>MainStay CBRE Global Infrastructure Megatrends Term Fund</i> : Trustee since June 2021

\*\* Includes prior service as a Director of MainStay VP Series Fund, Inc., the predecessor to MainStay VP Funds Trust.

\*\*\* Includes prior service as a Director/Trustee of certain predecessor entities to MainStay Funds Trust.

# Board of Trustees and Officers (Unaudited) (continued)

Name and Year of Birth	Position(s) Held and Length of Service	Principal Occupation(s) During Past Five Years
<b>Kirk C. Lehneis</b> 1974	President, MainStay VP Funds Trust (since 2017)	Chief Operating Officer and Senior Managing Director (since 2016), New York Life Investment Management LLC and New York Life Investment Management Holdings LLC; Member of the Board of Managers (since 2017) and Senior Managing Director (since 2018), NYLIFE Distributors LLC; Chairman of the Board and Senior Managing Director, NYLIM Service Company LLC (since 2017); Trustee, President and Principal Executive Officer of IndexIQ Trust, IndexIQ ETF Trust and IndexIQ Active ETF Trust (since 2018); President, MainStay CBRE Global Infrastructure Megatrends Term Fund (since 2021), MainStay MacKay DefinedTerm Municipal Opportunities Fund, MainStay Funds and MainStay Funds Trust (since 2017); Senior Managing Director, Global Product Development (from 2015 to 2016); Managing Director, Product Development (from 2010 to 2015), New York Life Investment Management LLC
<b>Jack R. Benintende</b> 1964	Treasurer and Principal Financial and Accounting Officer, MainStay VP Funds Trust (since 2007)**	Managing Director, New York Life Investment Management LLC (since 2007); Treasurer and Principal Financial and Accounting Officer, MainStay CBRE Global Infrastructure Megatrends Term Fund (since 2021), MainStay MacKay DefinedTerm Municipal Opportunities Fund (since 2011), MainStay Funds Trust (since 2009) and MainStay Funds (since 2007); and Assistant Treasurer, New York Life Investment Management Holdings LLC (2008 to 2012)
<b>J. Kevin Gao</b> 1967	Secretary and Chief Legal Officer, MainStay VP Funds Trust (since 2010)**	Managing Director and Associate General Counsel, New York Life Investment Management LLC (since 2010); Secretary and Chief Legal Officer, MainStay CBRE Global Infrastructure Megatrends Term Fund (since 2021), MainStay MacKay DefinedTerm Municipal Opportunities Fund (since 2011), MainStay Funds and MainStay Funds Trust (since 2010)
<b>Kevin M. Gleason</b> 1967	Vice President and Chief Compliance Officer, MainStay VP Funds Trust (since June 2022)	Vice President and Chief Compliance Officer, IndexIQ Trust, IndexIQ ETF Trust and IndexIQ Active ETF Trust (since June 2022); Vice President and Chief Compliance Officer, MainStay CBRE Global Infrastructure Megatrends Term Fund, MainStay MacKay DefinedTerm Municipal Opportunities Fund (since June 2022); MainStay Funds Trust and MainStay Funds (since June 2022); Senior Vice President, Voya Investment Management and Chief Compliance Officer, Voya Family of Funds (2012 to 2022)
<b>Scott T. Harrington</b> 1959	Vice President—Administration, MainStay VP Funds Trust (since 2005)**	Managing Director, New York Life Investment Management LLC (including predecessor advisory organizations) (since 2000); Member of the Board of Directors, New York Life Trust Company (since 2009); Vice President—Administration, MainStay CBRE Global Infrastructure Megatrends Term Fund (since 2021), MainStay MacKay DefinedTerm Municipal Opportunities Fund (since 2011), MainStay Funds Trust and MainStay Funds (since 2009)

Officers of the Trust (Who are not Trustees)\*

\* The officers listed above are considered to be “interested persons” of the MainStay Group of Funds, MainStay VP Funds Trust, MainStay CBRE Global Infrastructure Megatrends Term Fund and MainStay MacKay DefinedTerm Municipal Opportunities Fund within the meaning of the 1940 Act because of their affiliation with the MainStay Group of Funds, New York Life Insurance Company and/or its affiliates, including New York Life Investment Management LLC, New York Life Insurance Company, NYLIM Service Company LLC, NYLIFE Securities LLC and/or NYLIFE Distributors LLC, as described in detail in the column captioned “Principal Occupation(s) During Past Five Years.” Officers are elected annually by the Board.

\*\* Includes prior service as an Officer of MainStay VP Series Fund, Inc., the predecessor to MainStay VP Funds Trust.

# MainStay VP Portfolios

MainStay VP offers a wide range of Portfolios. The full array of MainStay VP offerings is listed here, with information about the manager, subadvisors, legal counsel, and independent registered public accounting firm.

## Equity

MainStay VP American Century Sustainable Equity Portfolio  
MainStay VP Candriam Emerging Markets Equity Portfolio  
MainStay VP Epoch U.S. Equity Yield Portfolio  
MainStay VP Fidelity Institutional AM<sup>®</sup> Utilities Portfolio<sup>†</sup>  
MainStay VP Natural Resources Portfolio  
MainStay VP PineStone International Equity Portfolio<sup>1</sup>  
MainStay VP S&P 500 Index Portfolio  
MainStay VP Small Cap Growth Portfolio  
MainStay VP Wellington Growth Portfolio  
MainStay VP Wellington Mid Cap Portfolio  
MainStay VP Wellington Small Cap Portfolio  
MainStay VP Wellington U.S. Equity Portfolio  
MainStay VP Winslow Large Cap Growth Portfolio

## Mixed Asset

MainStay VP Balanced Portfolio  
MainStay VP Income Builder Portfolio  
MainStay VP Janus Henderson Balanced Portfolio  
MainStay VP MacKay Convertible Portfolio

## Income

MainStay VP Bond Portfolio  
MainStay VP Floating Rate Portfolio  
MainStay VP Indexed Bond Portfolio  
MainStay VP MacKay Government Portfolio<sup>2</sup>  
MainStay VP MacKay High Yield Corporate Bond Portfolio  
MainStay VP MacKay Strategic Bond Portfolio  
MainStay VP PIMCO Real Return Portfolio

## Money Market

MainStay VP U.S. Government Money Market Portfolio

## Alternative

MainStay VP CBRE Global Infrastructure Portfolio  
MainStay VP IQ Hedge Multi-Strategy Portfolio

## Asset Allocation

MainStay VP Conservative Allocation Portfolio  
MainStay VP Equity Allocation Portfolio  
MainStay VP Growth Allocation Portfolio  
MainStay VP Moderate Allocation Portfolio

## Manager

**New York Life Investment Management LLC**  
New York, New York

## Subadvisors

**American Century Investment Management, Inc.**  
Kansas City, Missouri

**Brown Advisory LLC**  
Baltimore, Maryland

**Candriam\***  
Strassen, Luxembourg

**CBRE Investment Management Listed Real Assets LLC**  
Radnor, Pennsylvania

**Epoch Investment Partners, Inc.**  
New York, New York

**FIAM LLC**  
Smithfield, Rhode Island

**IndexIQ Advisors LLC\***  
New York, New York

**Janus Henderson Investors US LLC**  
Denver, Colorado

**MacKay Shields LLC\***  
New York, New York

**Newton Investment Management North America, LLC**  
Boston, Massachusetts

**NYL Investors LLC\***  
New York, New York

**Pacific Investment Management Company LLC**  
Newport Beach, California

**PineStone Asset Management Inc.**  
Montreal, Québec

**Segall Bryant & Hamill, LLC**  
Chicago, Illinois

**Wellington Management Company LLP**  
Boston, Massachusetts

**Winslow Capital Management, LLC**  
Minneapolis, Minnesota

## Legal Counsel

**Dechert LLP**  
Washington, District of Columbia

## Independent Registered Public Accounting Firm

**PricewaterhouseCoopers LLP**  
New York, New York

## Distributor

**NYLIFE Distributors LLC\***  
Jersey City, New Jersey

## Custodian

**JPMorgan Chase Bank, N.A.**  
New York, New York

Some Portfolios may not be available in all products.

<sup>†</sup> Fidelity Institutional AM is a registered trade mark of FMR LLC. Used with permission.

\* An affiliate of New York Life Investment Management LLC.

1. Prior to August 28, 2023, the Portfolio's name was MainStay VP MacKay International Equity Portfolio.
2. Effective on or about May 1, 2024, the MainStay VP MacKay Government Portfolio will be renamed the MainStay VP U.S. Infrastructure Bond Portfolio.

# 2023 Annual Report

This report is for the general information of New York Life Variable Annuities and NYLIAC Variable Universal Life Insurance Products policyowners. It must be preceded or accompanied by the appropriate product(s) and funds prospectuses if it is given to anyone who is not an owner of a New York Life variable annuity policy or a NYLIAC Variable Universal Life Insurance Product. This report does not offer for sale or solicit orders to purchase securities.

The performance data quoted in this report represents past performance. Past performance is no guarantee of future results. Due to market volatility and other factors, current performance may be lower or higher than the figures shown. The most recent month-end performance summary for your variable annuity or variable life policy is available by calling 800-598-2019 and is updated periodically on [newyorklife.com](http://newyorklife.com).

The New York Life Variable Annuities and NYLIAC Variable Universal Life Insurance Products are issued by New York Life Insurance and Annuity Corporation (a Delaware Corporation) and distributed by NYLIFE Distributors LLC (Member FINRA/SIPC).

## **New York Life Insurance Company**

New York Life Insurance and Annuity Corporation (NYLIAC) (A Delaware Corporation)

51 Madison Avenue, Room 551  
New York, NY 10010

[newyorklife.com](http://newyorklife.com)

## **[newyorklifeinvestments.com](http://newyorklifeinvestments.com)**

NYLIFE Distributors LLC, 30 Hudson Street, Jersey City, NJ 07302

New York Life Investment Management LLC is the investment manager to the MainStay VP Funds Trust

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You may obtain copies of the Prospectus and the Statement of Additional Information free of charge, upon request, by calling toll-free 800-598-2019 or writing to New York Life Insurance and Annuity Corporation, 51 Madison Avenue, New York, NY 10010.

Not FDIC Insured

No Bank Guarantee

May Lose Value