MainStay MacKay California Tax Free Opportunities Fund

INVESTING FOR TAX-FREE INCOME IN THE HIGHEST TAX STATE

Bridging the gap after the new limits on state and local tax deductions (SALT)
California Municipal Bonds...
A Golden Opportunity

The Golden State has nearly 9,000 issuers of municipal bonds, coming from 58 counties, 482 municipalities and over 1,000 school districts. Given the vast size and complexity of the California municipal bond market, it’s essential to have professionals on the ground to analyze, actively manage, and carefully monitor your municipal investments, to help maximize income and manage risk.
Largest State Municipal Market\(^1\)
With $574 billion\(^1\) of outstanding debt, California represents 16% of the total $3.85 trillion municipal market; it is the largest economy in the US and the fifth largest economy in the world.

Complex and Fragmented\(^2\)
Consisting of about 9,000 issuers and over 100,000 CUSIPs\(^3\), the California market has a similar number of issuers and more than 3x the amount of CUSIPs than the entire corporate bond market. A large number of those issuers are infrequent participants in the market, which emphasizes the need for in-depth credit research.

Largely Owned By Individual Investors
Roughly 70% of municipal bonds are held by individual investors\(^4\), where a significant portion represents direct holdings of bonds selected simply by yield and maturity. In addition, individual investors typically lack the expertise and research capabilities that are needed in this complex market, which is often driven by emotion as opposed to a disciplined investment approach\(^5\).

Thinly Traded\(^2\)
On any given day, less than 1% of CA municipal securities change hands, making it difficult for individual investors to know if they’re buying and selling at the right price or at the right time.

Missed Opportunities
The securities that trade frequently originate from a limited set of issuers. California State general obligation bonds represented six of the top 10 most-traded California municipal securities for 2018\(^2\). In a market with significant breadth, investors may be missing opportunities that may be more apparent and/or available to an active manager from a value and risk perspective.

<table>
<thead>
<tr>
<th>Market</th>
<th>Market Size</th>
<th>Number of Issuers</th>
<th>Number of CUSIPs</th>
<th>Average Daily Volume</th>
<th>Average Daily Number Of Trades</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Munis</td>
<td>$574 billion(^1)</td>
<td>8,989(^2)</td>
<td>100,415(^3)</td>
<td>$0.7 billion(^2)</td>
<td>3,621(^2)</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>$9.2 trillion</td>
<td>10,000</td>
<td>30,000</td>
<td>$31.2 billion</td>
<td>42,000</td>
</tr>
</tbody>
</table>

1. SIFMA US Municipal Credit Report, 4Q 2018. 2. EMMA, 12/31/18. 3. Bloomberg, 5/2/19. 4. SIFMA, 12/31/18. 5. Represents the opinion of MacKay Municipal Managers, which is subject to change without notice. Chart Source: MSRB, as of 12/31/18 unless otherwise noted.
Specialized Expertise

**MacKay Municipal Managers™ The Minds behind Munis**
Not all municipal managers are created equal. Our suite of municipal bond solutions is managed by the experienced professionals at MacKay Municipal Managers.

**Award-Winning Team**

Entrusted with more than $64 billion in assets under management

MacKay Municipal Managers is a recognized leader in active municipal bond investing and is entrusted with more than $64 billion in assets under management, as of 12/31/20. The team averages over 20 years of industry experience, and it’s Co-CIOs have worked together since 1993. MacKay Municipal Managers is the sub-advisor for New York Life Investments’ municipal bond funds, which have repeatedly ranked among the top five tax-exempt bond fund families by Barron’s. The team was also named Top Manager in 2015 and 2016 by Institutional Investor.

**Active Management**

MacKay Municipal Managers uses an active, opportunistic approach to manage their portfolios. With deep credit and relative value analysis as the cornerstone of their process, they actively seek the most compelling segments of the yield curve and credit spectrum – all with the goal of capitalizing on inefficiencies in the marketplace.

**Local Presence**

With an office location in Century City in Los Angeles, MacKay Municipal Managers has a local presence in the State of California, the largest issuer in the municipal market.
A Track Record of Excellence

MainStay MacKay California Tax Free Opportunities Fund

A: MSCAX  I: MCOIX  C: MSCCX  INV: MSCVX  R6: MSODX

Consistent and competitive performance results

Since inception, the Fund has never ranked lower than the top quartile of its Morningstar California Long peer group, in any rolling 3-year period.\(^1\)

Outperformed the category for the one, three and five years\(^1,2\)

<table>
<thead>
<tr>
<th>Fund</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCAX (NAV)</td>
<td>4.76%</td>
<td>4.88%</td>
<td>4.35%</td>
<td>4.49%</td>
</tr>
<tr>
<td>(max 4.5% load)</td>
<td>0.04%</td>
<td>3.28%</td>
<td>3.39%</td>
<td>3.88%</td>
</tr>
<tr>
<td>MCOIX (no load)</td>
<td>5.12%</td>
<td>5.14%</td>
<td>4.63%</td>
<td>4.76%</td>
</tr>
<tr>
<td>Bloomberg Barclays California Municipal Bond Index(^3)</td>
<td>5.15%</td>
<td>4.61%</td>
<td>3.84%</td>
<td>N/A</td>
</tr>
<tr>
<td>Morningstar Category Average</td>
<td>4.55%</td>
<td>4.36%</td>
<td>3.81%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

\(^1\) Source: Bloomberg, Morningstar Direct. As of 12/31/20. Rankings are based on total return and do not include the effects of sales charges. The Morningstar Muni California Long category includes all Muni California long portfolios that invest at least 80% of assets in California municipal debt. Past performance is no guarantee of future results. There may have been other time periods where the Fund did not rank in the top quartile.

\(^2\) Average annual total returns include the change in share price and reinvestment of dividends and capital gain distributions. Class I shares are generally only available to corporate and institutional investors.

\(^3\) Bloomberg Barclays California Municipal Bond Index is a market value-weighted index of California investment-grade, tax-exempt, fixed-rate municipal bonds with maturities of one year or more. Index results assume the reinvestment of all capital gain and dividend distributions. An investment cannot be made directly into an index.

Returns represent past performance which is no guarantee of future results. Current performance may be lower or higher. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Performance reflects a contractual fee waiver and/or expense limitation agreement for Class A and I shares in effect through 8/31/21, without which total returns may have been lower. This agreement renews automatically for one-year terms unless written notice is provided before the start of the next term or upon approval of the Board. No initial sales charge applies on investments of $250,000 or more (and certain other qualified purchases). However, a contingent deferred sales charge of 1.00% may be imposed on certain redemptions made within 18 months of the date of purchase on shares that were purchased without an initial sales charge. Visit www.newyorklifeinvestments.com for the most recent month-end performance. Expenses stated are as of the fund’s most recent prospectus.
The Power of Tax-Equivalent Yields

As a result of limits on the amount of deductions for state and local income taxes (SALT), tax-exempt municipal solutions are more attractive than ever, especially for residents in high-tax states.

To demonstrate the power of earning tax-free income, compare an investment in taxable bonds versus tax-exempt bonds. For the taxable investment, nearly half of the income earned goes to taxes, for an investor in the top tax bracket. Meanwhile, the investment in a California municipal bond earns income free of both federal and state taxes, helping investors keep more of what they earn.

CA Municipal Bonds help California Residents keep more of what they earn

Taxes paid and income kept on a hypothetical $100,000 investment yielding 4%

Hypothetical illustration does not include local income taxes, which may impact the outcome. An investor’s actual federal tax rate will vary depending on income, investments, and deductions. The tax information shown is current but subject to change. Investors should consult their tax advisor to understand how changes in tax legislation or state and local income taxes, where applicable, may affect their personal financial situation. These calculations are for illustrative purposes only and are not intended to predict or depict any fund’s performance. These calculations do not include any of the fees or expenses associated with investing in the Fund, which will lower performance. There can be no assurance that investment objectives will be met. A portion of the Fund’s income may be subject to state and local taxes or the alternative minimum tax.

California investors need to earn a higher yield from taxable investments, to equal that of a tax-free yield from a CA municipal bond.

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Federal Tax Rate</th>
<th>California State Tax Rate</th>
<th>Combined Rate</th>
<th>With a tax-free yield of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$81,051 - $172,750</td>
<td>22.0%</td>
<td>9.3%</td>
<td>31.3%</td>
<td>2.50%</td>
</tr>
<tr>
<td>$172,751 - $329,850</td>
<td>24.0%</td>
<td>9.3%</td>
<td>33.3%</td>
<td>3.00%</td>
</tr>
<tr>
<td>$329,851 - $418,850</td>
<td>35.8%**</td>
<td>9.3%</td>
<td>45.1%</td>
<td>3.50%</td>
</tr>
<tr>
<td>$418,851 - $628,300</td>
<td>38.8%**</td>
<td>10.3%</td>
<td>49.1%</td>
<td>4.00%</td>
</tr>
<tr>
<td>$628,301 +</td>
<td>40.8%**</td>
<td>13.3%***</td>
<td>54.1%</td>
<td>4.50%</td>
</tr>
</tbody>
</table>

*2021 tax brackets shown are for married, filing jointly. **Includes additional 3.8% Medicare surtax. ***Includes 1% CA state mental health services tax. The table assumes that federal taxable income is equal to state income subject to tax and, in cases where more than one state income tax rate falls within a federal income tax bracket, the highest state income tax rate corresponding to the highest income within that federal tax bracket is used.
For more information about the highly rated MainStay MacKay California Tax Free Opportunities Fund and how this Fund can help you keep more of what you earn, speak with your advisor today, call 800-624-8782, or visit www.newyorklifeinvestments.com

The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive five stars; the next 22.5% receive four stars; the next 35% receive three stars; the next 22.5% receive two stars; and the bottom 10% receive one star.

As of 12/31/20. MainStay MacKay California Tax Free Opportunities Fund’s Class A and I shares rated four stars overall and four stars for Class A and I for the three- and five-year periods from among 93 and 76 Muni California Long funds.

The Morningstar Analyst Rating is not a credit or risk rating. It is a subjective evaluation performed by the manager research analysts of Morningstar. Morningstar evaluates funds based on five key pillars, which are process, performance, people, parent, and price. Analysts use this five pillar evaluation to determine how they believe funds are likely to perform over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weighting of each pillar may vary. The Analyst Rating scale is Gold, Silver, Neutral, Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflect an Analyst’s conviction in a fund’s prospects for outperformance. Analyst Ratings are continuously monitored and reevaluated at least every 14 months.

Bronze Morningstar Analyst Rating: Fund with advantages that outweigh the disadvantages across the five pillars and with a sufficient level of analyst conviction to warrant a positive rating.

For more detailed information about Morningstar’s Analyst Rating, including its methodology, visit https://www.morningstar.com/content/dam/marketing/shared/research/methodology/813568-QuantRatingForFundsMethodology.pdf.

The Morningstar Analyst Rating should not be used as the sole basis in evaluating a mutual fund. Morningstar Analyst Ratings involve unknown risks and uncertainties which may cause Morningstar’s expectations not to occur or to differ significantly from what we expected.

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ABOUT RISK

Before considering an investment in the Fund, you should understand that you could lose money. Municipal bond risks include the ability of the issuer to repay the obligation, the relative lack of information about certain issuers, and the possibility of future tax and legislative changes, which could affect the market for and value of municipal securities.

A portion of the Fund’s income may be subject to state and local taxes or the alternative minimum tax. Income from municipal bonds held by the Fund could be declared taxable because of unfavorable changes in tax law, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of a bond issuer. High-yield municipal bonds may be subject to increased liquidity risk as compared to other high-yield debt securities. The Fund may invest in derivatives, which may increase the volatility of the Fund’s NAV. Funds that invest in bonds are 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.

Because the Fund invests primarily in municipal bonds issued by or on behalf of the State of California and its political subdivisions, agencies, and instrumentalities, events in California are likely to affect the Fund’s investments and performance. These events may include fiscal or political policy changes, tax base erosion, and state constitutional limits on tax increases, budget deficits, and other financial difficulties. California may experience financial difficulties due to the economic environment. Any deterioration of California’s fiscal situation and economic situation of its municipalities could cause greater volatility and increase the risk of investing in California.

For more information about MainStay Funds®, call 800-624-6782 for a prospectus or summary prospectus. Investors are asked to consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus or summary prospectus contains this and other information about the investment company. Please read the prospectus carefully before investing.

For more information
800-624-6782
www.newyorklifeinvestments.com