

# Attractive Alternatives to T-Bills<sup>†</sup>

The Federal Reserve has begun its rate cutting cycle, with further cuts expected through 2025. As short-term rates decline, investors are turning to municipal bonds as an attractive alternative to cash investments like Treasury bills.

- **High Tax-Equivalent Income** - Take advantage of the attractive opportunity with yields not seen in many years by investing in municipal bonds.
- **Total Return Potential** - While Treasury bills face reinvestment risk when rates decline, municipal bonds offer price appreciation potential from falling yields.

## Hypothetical Interest Rate Scenarios and Opportunity Cost: Treasury Bills vs. Municipal Bonds

Scenario	Parallel Rate Move	Treasury Bill Return	Bloomberg Muni Index Tax-Equivalent Yield	Bloomberg Muni Index Price Return	Bloomberg Muni Index TEY + Price Return
1	-100 bps	4.2%	6.5%	6.5%	13.0%
2	-50 bps	4.2%	6.5%	3.3%	9.8%
3	-25 bps	4.2%	6.5%	1.6%	8.1%
4	0 bps	4.2%	6.5%	0.0%	6.5%

Source: Bloomberg as of 3/31/25. Rate scenarios: 1 - 100 bps rate drop. 2 - 50 bps rate drop. 3 - 25 bps rate drop. 4. 0 bps no change. Treasury Bill Return represented by current 6-month US Treasury Bill Rate. Tax-equivalent yield based on top federal tax rate of 40.8%. Tax Equivalent Yield assumes the maximum regular federal income tax rate and the Medicare tax in effect December 2015. Bloomberg Municipal Index Price return based on parallel rate move and Bloomberg Municipal Index effective duration as of 3/31/25 (Calculation =  $6.5\% - (-1 \times \text{Parallel Rate Move})$ ). This information is hypothetical in nature and does not represent any specific investment. Treasury Securities are backed by the full faith and credit of the United States government as to payment of principal and interest if held to maturity. Interest income on these securities is exempt from state and local taxes.

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<sup>†</sup> Effective 8/28/24, the MainStay mutual funds and IndexIQ family of funds was renamed the NYLI family of funds.

### 3 municipal bond solutions for today's portfolios:

#### 1 MTFGX – NYLI MacKay Strategic Muni Allocation Fund Highlights

Flexible mandate to municipal investing - Provides access to an investment-grade municipal strategy with a flexible mandate to opportunistically invest up to 35% in high-yield securities.

#### 2 MMIT – NYLI MacKay Muni Intermediate ETF Highlights

Active management with competitive results and lower expense - Seeks current income exempt from federal tax by investing primarily in investment-grade municipal bonds, with enhanced total return potential through active management.

#### 3 MTBIX – NYLI MacKay Tax Free Bond Fund Highlights

Highly rated, investment grade municipal fund - Provides access to investment-grade municipals, with an active management approach that relies on credit analysis, yield curve positioning, and sector rotation to uncover the most compelling opportunities.

#### About Risk

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

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, or that negative perception of the issuer's ability to make such payments may cause the price of that bond to decline. 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.

**NYLI MacKay Muni Intermediate ETF:** 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. Investing in below investment grade securities may carry a greater risk of nonpayment of interest or principal than higher-rated securities. Liquidity risk is the risk that certain securities may be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth. Income Risk The Fund's income may decline when interest rates fall or if there are defaults in its portfolio. This decline can occur because the Fund may subsequently invest in lower-yielding securities when securities in its portfolio mature, or the Fund otherwise needs to purchase additional securities.

**NYLI MacKay Tax Free Bond Fund:** A portion of the Fund's income may be subject to state and local taxes or the alternative minimum tax. The Fund may invest in derivatives, which may increase the volatility of the Fund's NAV and may result in a loss to the Fund.

**NYLI MacKay Strategic Muni Allocation Bond Fund:** 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. The Fund is a new fund. As a new fund, there can be no assurance that it will grow to or maintain an economically viable size, in which case it could ultimately liquidate.

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-ended 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 (this does not include the effects of sales charges, loads, and redemption fees). The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star.

The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. As of 3/31/25, NYLI MacKay Muni Intermediate ETF rated four stars overall and four stars for the three- and five-year periods from among 260 and 241 Muni National Intermediate funds, respectively. NYLI MacKay Strategic Muni Allocation Fund's Class I shares rated five stars overall and five stars for the three-, and five-year periods from among 260 and 241 Muni National Intermediate funds, respectively. NYLI MacKay Tax Free Bond Fund's Class I shares rated four stars overall and four stars for the three-, five and ten-year periods from among 165, 156 and 114 Muni National Long funds, respectively.

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**Consider the Funds' investment objectives, risks, charges, and expenses carefully before investing. The prospectus and summary prospectus include this and other information about the Funds and are available by visiting the [Prospectus](#). Read the prospectus carefully before investing.**

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#### NYLI MacKay Strategic Muni Allocation Fund (MTFGX)



Overall Morningstar Rating™ based on risk-adjusted returns from among 260 Muni National Interim funds, as of 3/31/25

#### NYLI MacKay Muni Intermediate ETF (MMIT)



Overall Morningstar Rating™ based on risk-adjusted returns from among 260 Muni National Intermediate funds, as of 3/31/25

#### NYLI MacKay Tax Free Bond (MTBIX)



Overall Morningstar Rating™ based on risk-adjusted returns from among 165 Muni national Long funds, as of 3/31/25