



History has shown that drawdowns, like the current one, have presented a prime buying opportunity for municipal investors and set the stage for a positive total return experience down the road.

- Munis have returned -8.98% YTD, as of 6/30/22.¹
- Munis have experienced a drawdown of -5% or more only 7 other times since January 1994 using daily returns. Each of these periods were very short lived, with the longest drawdown occurring in 1994. None of the drawdowns lasted longer than 10 months.
- These periods ultimately presented strong buying opportunities for munis. In fact, munis experienced double-digit returns during the subsequent 12 months in 5 out of the 7 periods.

Municipal bonds have done historically well following periods of stress

Period	Peak Date	Trough Date	Drawdown	Return (12 months following trough)
Fed Rate Rise (1994)	2/1/1994	11/30/1994	-8.26	+18.90
Fed Rate Rise ('04 - '06)	3/17/2004	5/13/2004	-5.29	+8.65
Subprime Mortgage Collapse/Global Financial Crisis	1/23/2008	10/16/2008	-11.22	+19.85
Meredith Whitney 60 Minutes Interview	10/12/2010	1/17/2011	-6.46	+15.20
Taper Tantrum	5/2/2013	9/5/2013	-6.77	+10.22
Trump Election Victory	7/6/2016	12/1/2016	-5.71	+5.95
COVID-19	3/9/2020	3/23/2020	-10.94	+13.18
Fed Rate Rise ('22)	8/4/2021	6/30/2022	-9.38	?

Source: Morningstar, as of 6/30/22 for time period 1/1/1994 – 6/30/2022. Municipal bonds represented by Bloomberg Municipal Bond Index. Bloomberg Municipal Bond Index is considered representative of the broad market for investment-grade tax-exempt bonds with a maturity of at least one year. Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

1. Morningstar, as of 6/30/22. Municipal bonds represented by Bloomberg Municipal Bond Index.

Meredith Whitney 60 Minutes Interview: Meredith Whitney was a perceived market expert based on her bearish view on Financial Stocks in 2007, which preceded the 2008 Global Financial Crisis. On December 19, 2010, in an interview on the CBS television program 60 Minutes, Whitney stated that 50 to 100 counties, cities, and towns in the United States would have "significant" municipal bond defaults totaling "hundreds of billions" of dollars, and that "it'll be something to worry about within the next 12 months."

Taper Tantrum: On May 22, 2013, Federal Reserve Chair Ben Bernanke announced that the Fed would start tapering asset purchases at some future date, which sent a negative shock to the market, causing bond investors to start selling their bonds. As a result, the yield on 10-year U.S. Treasuries rose from a low point of 1.07% on 5/1/2013 (a few weeks prior to the announcement) to 3.04% on 12/31/2013.

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. 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.

For more information about MainStay Funds®, call 888-474-7725 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.

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