INVESTMENT INSIGHTS

MainStay MacKay Strategic Bond Fund: A compelling solution across multiple market environments

APRIL 2022

Dynamic portfolio management without traditional benchmark constraints can potentially benefit investors across market regimes. Yet, it also pays to be strategic when incorporating different phases of an economic cycle.

The MainStay MacKay Strategic Bond Fund, managed by MacKay Shields Global Fixed Income, is a high conviction, top-down and bottom-up investment solution that offers a number of important benefits across a variety of markets. And in today's challenging market environment, our focus is on strong risk management, diversified sources of potential return and income generation.

Potential total return and income are not off the table

In a low interest rate environment, traditional index-aware strategies are not necessarily the best path to achieve total return and income goals today. In fact, approximately 70% of the Bloomberg U.S. Aggregate Index is comprised of U.S. government-related debt generating low yields and little total return potential.

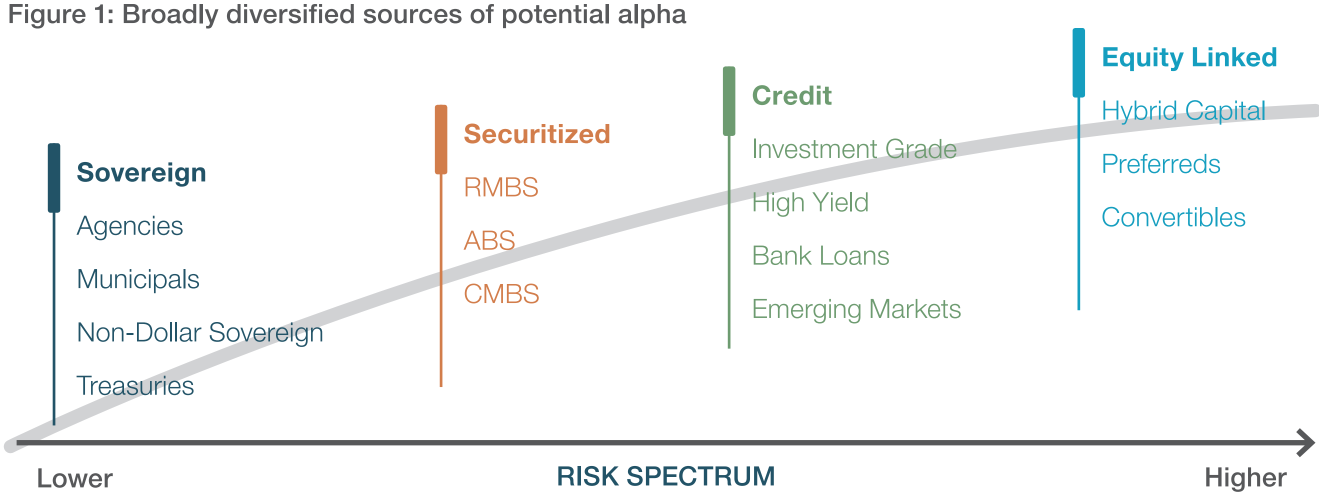
The MainStay MacKay Strategic Bond Fund's (the Fund) process and philosophy are guided by the belief that monetary policy, as dictated by central bank actions, is the single largest contributor to credit creation and an important driver of the inflection points in the market cycle. MacKay Shields Global Fixed Income combines a top-down, macroeconomic outlook in conjunction with bottom-up, fundamental analysis.

The importance of active management is critically important in today's environment. Understanding the implications of central bank policies and implementing a rigorous bottom-up investment approach while agnostic to traditional market benchmarks, can help position investors for better outcomes. The risk of a monetary policy miscalculation is very high, which means the capital markets and traditional bond strategies remain vulnerable.

New York Life Investments

For investors that allocate a portion of their fixed-income risk budget to the Fund, we believe total return and income are still very attainable, despite the challenging yield environment. The benchmark-agnostic nature of the Fund allows it to tap diversified potential sources of return with the goal of capitalizing on a wider investment opportunity set without being limited by traditional benchmark exposures (**see Figure 1 below**).

Figure 1: Broadly diversified sources of potential alpha



For illustrative purposes only; not intended to be a definitive measure of risk.

Key differentiators

MacKay Shields Global Fixed Income	
Our size	Large enough to be influential in the market but nimble enough to make a difference.
Our approach	Combination of fundamental macroeconomic and unique bottom-up research resulting in high-conviction decision making.
Comprehensive risk management	We identify, measure and manage key risk factors.

MainStay MacKay Strategic Bond Fund	
A broad opportunity set	Targets diversified sources of alpha to harness market upside.
High conviction approach	Only adds positions once strong convictions are built.
Benchmark agnostic	Positioning not constrained by index limitations.
Low volatility credit	May help resolve client concerns, providing extra income, greater diversification, and additional potential return.

What sets us apart?

MacKay Shields Global Fixed Income's influential size, high conviction approach, and what we believe is our ability to capture upside by navigating the cycle uniquely supports the strategy we employ within the Fund to offer a multi-asset fixed income solution.

MainStay MacKay Strategic Bond Fund's asset allocation, duration and yield curve positioning, and overall risk is established based on what is most appropriate at a given point in the cycle. This allows the Fund to concentrate on seeking diversified sources of alpha across the spectrum of market segments that we believe are most likely to achieve better risk-adjusted returns.

At the early stages of an economic cycle, it will typically have a growth orientation with a particular focus on capital appreciation opportunities across a variety of markets and instrument types. During the latter stages of an economic cycle the Fund will typically have a more defensive orientation given the vulnerabilities to the economy coupled with reduced levels of compensation.

Our advantages offer potential benefits throughout the cycle

Five pillars uphold the investment process, which contribute to a portfolio construction philosophy that seeks to deliver performance in any market environment.

1. **The Fund seeks diversified sources of alpha,** participating in fixed income markets unbound by geography, ratings, structure, or liquidity.
2. **We engage in active sector rotation,** with a wide flexibility to rotate across sectors, while abiding by a risk management framework.
3. **Our strategic investment focus** is anchored in longer-term macroeconomic developments.
4. **Tactical positioning** within the Fund seeks to exploit pricing inefficiencies, especially during periods of market dislocations.
5. **Bottom-up security selection** is driven by the fundamental research conducted by our industry-focused analysts.

Why it's time to be strategic

The Fund's fundamental bottom-up research approach that aligns to industry, regardless of rating or geography, along with trading and portfolio management helps us identify the best opportunities across markets.

The Fund is a total return strategy that seeks to exploit opportunities in the global bond markets through a process of multi-sector asset allocation.

A combination of fundamental macroeconomic and bottom-up research drives the team's high conviction portfolio positioning. After determining where in the macroeconomic cycle we reside, a bond by bond total return analysis across the global fixed income universe results in a diversified portfolio built to maximize risk adjusted total return and income.

When interest rates rise, most bond investors become fearful, although we believe investors should embrace higher rates. A rising interest rate environment, particularly one driven by strong economic growth, helps improve the return profile of fixed income instruments—and even more so through a flexible, active asset allocation and security selection approach.

A compelling solution for today

We believe the Fund's benefits span a variety of market regimes. In today's environment, we believe investors should consider allocating a portion of their passive fixed income budget to the Fund to potentially benefit from a number of attractive qualities:

- **Potentially pick up income and lower exposure to interest rate risk.** The Fund historically offered a higher yield than the Bloomberg Global Aggregate Bond Index (Aggregate Index), with significantly less duration.[1]
- **Offers strong diversification.** Over the last five years, the Fund has shown low correlation, just 0.49, with the Aggregate Index.[2]
- **Target diversified sources of alpha to capture early-cycle upside potential.** The Fund is positioned across a dozen global fixed income sectors and deemphasizes government bonds to reduce rate sensitivity.

A solutions-oriented product for any market environment

1. Source: Morningstar, as of 12/31/21. Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

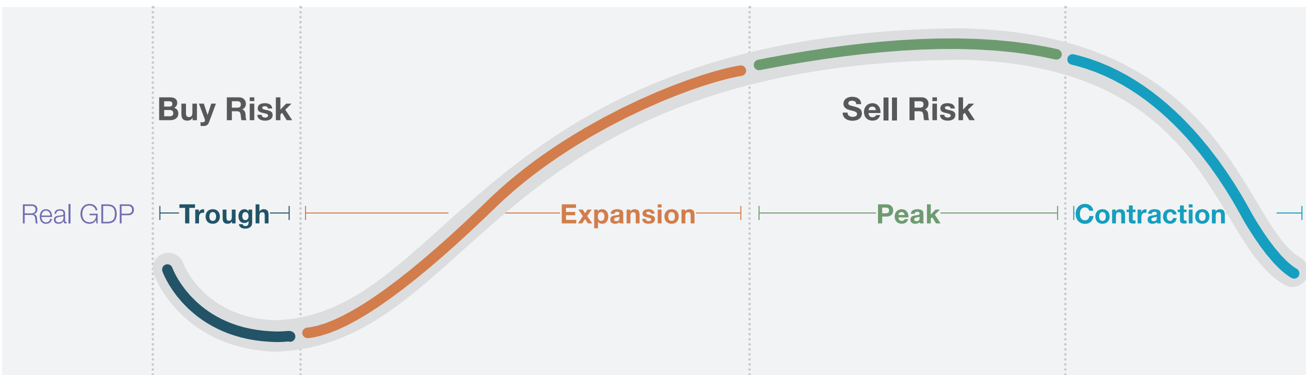
2. Source: Morningstar, as of 12/31/21. Correlation is a statistic that measures the degree in which two variables move in relation to each other. Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

We believe the Fund offers investors attractive portfolio solutions that are both evergreen and topical, particularly in the early stages of the new economic cycle today.

The Fund is actively managed and isn't limited by traditional benchmark constraints. It can access areas—and amounts—of the market that index-aware strategies cannot, and then seeks to capitalize on the high conviction/best security selection opportunities available. We believe that high conviction position selection allows the strategy the potential to deliver greater yield, lower interest rate risk, better risk-adjusted returns, and diversified sources of alpha.

Supported by the team's size, approach, and ability to navigate the cycle, the Fund has demonstrated how an expanded investment approach that considers a wider multi-asset universe can deliver compelling opportunities, even in low-yield environments and volatile market regimes.

Figure 2: Allocation that shifts through the cycle



	Trough	Expansion	Peak	Contraction
Central bank action	• Easy monetary policy • Low interest rates • Wide credit spreads	• On hold/tighter policy • ↑ Interest rates • ↓ Credit spreads	• On hold/easing • High interest rates, but falling • Narrow credit spreads, but widening	• Easing policy • ↓ Interest rates • ↑ Credit spreads
Sector emphasis	• High Yield • Emerging Market • Equities • Convertibles	• Investment Grade • Asset-Backed Securities • Commercial Mortgage-Backed Securities	• Agencies • Agency Mortgage-Backed Securities • Global Government	• Treasuries
Duration	Shorten	Short	Lengthen	Long
Yield curve	Steepener	Steepener to Flattener	Flattener to Steepener	Steepener

This above is a stylized illustration for informational purposes only. Portfolios are actively managed and all expressions of opinion are subject to change without notice and are not intended to be a guarantee of future events.

Average Annual Total Returns (%) as of 3/31/22

		1 Yr	3 Yrs	5 Yrs	10 Yrs	SI
Class A	*(NAV)*	-2.10	2.52	2.37	2.99	4.83
	(max 4.5% load)	-6.50	0.96	1.43	2.51	4.64
Class I	*(no load)*	-1.80	2.79	2.63	3.25	5.12

Fund inception: 2/28/1997

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 I shares in effect through 2/28/23, without which total returns may have been lower. This agreement renews automatically for one-year terms unless written notice is provided prior to the start of the next term or upon approval of the Board. No initial sales charge applies on investments of $1 million 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.

Total annual operating expenses: Class A: 1.08% (Net Expense: 1.08%), and Class I: 0.83% (Net Expense: 0.73%).

About Risk

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

Investing in below investment grade securities may carry a greater risk of nonpayment of interest or principal than higher-rated bonds. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. These risks may be greater for emerging markets.

Short positions pose a risk because they lose value as a security's price increases; therefore, the loss on a short sale is theoretically unlimited. As a result, these funds may not be suitable for all investors. The use of leverage may increase the Fund's exposure to long equity positions and make any change in the Fund's NAV greater than it would be without the use of leverage. This could result in increased volatility of returns.

Issuers of convertible securities may not be as financially strong as those issuing securities with higher credit ratings and are more vulnerable to economic changes. The Fund may invest in derivatives, which may increase the volatility of the Fund's NAV. The principal risk of mortgage dollar rolls is that the security the Fund receives at the end of the transaction may be worth less than the security the Fund sold to the same counterparty at the beginning of the transaction. 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 fund's investment. 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 which is the possibility that the bond issuer may fail to pay interest and principal in a timely manner. If interest rates rise, less of the debt may be prepaid. Unconstrained bond funds generally have higher fees than the standard core bond funds. Certain environmental, social, and governance ("ESG") criteria may be considered when evaluating an investment opportunity. This may result in the Fund having exposure to securities or sectors that are significantly different than the composition of the Fund's benchmark and performing differently than other funds and strategies in its peer group that do not take into account ESG criteria.

Asset allocation and diversification may not protect against market risk, loss of principal, or volatility of returns.

MacKay Shields Global Fixed Income refers to MacKay Shields Global Fixed Income team.

Definitions:

The **Bloomberg U.S. Aggregate Bond Index** is a broad-based benchmark that measures 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.

The **Bloomberg Global Aggregate Corporate Index** is a flagship measure of global investment grade, fixed-rate corporate debt. This multi-currency benchmark includes bonds from developed and emerging markets issuers within the industrial, utility and financial sectors. You cannot invest directly in an index.

Alpha measures a fund's risk-adjusted performance and is expressed as an annualized percentage.

Duration provides a measure of a fund's interest-rate sensitivity. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates.

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 or summary prospectus carefully before investing.

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