Shareholder Yield Strategies Aims to Navigate Risk Amid Market Volatility

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Overview
In the face of a volatile and uncertain start to 2025, Epoch Investment Partners' shareholder yield strategies—have once again demonstrated resilience relative to broad equity indices. Against a backdrop of economic contraction, shifting trade policies, and market drawdowns, the firm's Global and U.S. Equity Yield Funds have historically shown limited downside participation relative to broad equity indices.

Year-to-Date Performance: Resilience in a Tumultuous Market
The NYLI Epoch Global Equity Yield Fund is up 2.6% year-to-date (as of 4/30/2025), outperforming the MSCI World Index, which is down 1.2%. Meanwhile, the NYLI Epoch U.S. Equity Yield Fund has declined by 1.1%, but this still represents outperformance relative to the S&P 500, which has fallen more than 5%.[1]

We attribute this resilience to the strategies' natural defensiveness. Companies with strong free cash flow and disciplined capital return policies—through dividends, share buybacks, and debt reduction—tend to be concentrated in traditionally stable sectors like consumer staples, healthcare, and utilities. Moreover, Epoch has selectively invested in technology companies that now exhibit similar return discipline.

Top Contributors: Stability and Strategic Exposure
Among the names that have weathered the recent market turbulence particularly well are:
- **Philip Morris International** and **Imperial Tobacco**, both have delivered consistent earnings and attractive dividends.
- **IBM**, which has benefited from its AI consulting business as demand for AI-related services remains robust.
- **Deutsche Telekom**, a defensive play with strong U.S. (T-Mobile) and European operations, relatively insulated from tariff pressures.

While defensive sectors helped support performance, Epoch's exposure to AI-linked technology, like **Broadcom**, saw short-term pressure. However, the team remains confident in the long-term potential of AI as a secular growth theme and is maintaining positions accordingly.

Dividend Sustainability: A Key Pillar of the Strategy
A defining feature of the shareholder yield approach is a focus on not just dividend yield, but dividend growth. This requires confidence in the sustainability of free cash flows, even amid economic slowdowns. Unlike the regulatory disruptions seen during the 2020 pandemic, today's environment, while uncertain, is not expected to force widespread dividend cuts. Most companies in the portfolio maintain ample cash flow buffers, and if necessary, can reduce share buybacks before reducing dividends.

Technology's Evolving Role in Shareholder Yield

A notable trend over the past several years has been the rising inclusion of technology companies in Epoch's shareholder yield strategies. While historically underrepresented in dividend-focused portfolios, more tech companies now combine strong free cash flow with balanced capital return policies. This shift began following the 2018 correction and accelerated during the COVID-19 pandemic, when tech firms proved their resilience. Companies like **Meta** have been added following the introduction of dividend programs to complement existing buybacks—signaling a broader cultural shift in the sector toward disciplined capital allocation.

Navigating Tariffs and Economic Uncertainty

The escalation of trade tensions and tariff threats is top of mind for the Epoch team. While many companies have yet to fully assess or disclose the potential impact of retaliatory tariffs, Epoch's focus remains on identifying businesses with the capacity to sustain shareholder returns through uncertainty. Sectors such as utilities, telecoms, and healthcare appear more insulated, while more cyclical and discretionary names face higher risk. Importantly, the strategies' defensive bias and fully invested mandate compel careful selection of companies able to weather macroeconomic shocks.

A Complementary Core Allocation

From an asset allocation perspective, Epoch's shareholder yield strategies are often used in institutional portfolios as a defensive equity allocation, paired with more growth-oriented managers. The strategies are also seen as a core equity holding seeking market-like returns over a cycle but with lower volatility, making them particularly attractive in turbulent times.

Final Thoughts: Positioning for Uncertainty with Confidence

As policy headlines continue to shift, Epoch's shareholder yield strategies remain anchored in their fundamental investment principles—resilience, discipline, and long-term value creation. The team welcomes volatility as an opportunity to reinforce quality positioning, trusting that their blend of stable and emerging growth companies will continue to deliver for clients through cycles. For investors seeking lower-volatility equity exposure without compromising on return potential, Epoch's shareholder yield approach offers a compelling solution.

For more information, visit the NYLI Epoch Global Equity Yield Fund and the NYLI Epoch U.S. Equity Yield Fund product webpages.

[1] To access the most up-to-date information about a specific fund, simply click on the fund's name. This will take you to a detailed page that includes the prospectus, the fund's investment objectives, its performance history, key risk factors, Morningstar ratings, top holdings and other essential details. Please note that the returns shown are based on past performance. Past performance is not indicative of future results. The current performance of the fund may be higher or lower than the performance data shown. The return on investment and the principal value of the fund will vary, and when shares are sold, they may be worth more or less than their original cost. For the most recent month-end performance data, please visit www.NewYorkLifeInvestments.com

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About Risk:
All investments are subject to risk and will fluctuate in value.
The principal risk of investing in **value stocks** is that the price of the security may not approach its anticipated value. Investing in **smaller companies** involves special risks, including higher volatility and lower liquidity. Investing in **mid-cap stocks** may carry more risk than investing in stocks of larger, more well-established companies. **Foreign securities** are subject to interest rate, currency exchange rate, economic, and political risks. These risks may be greater for emerging markets. 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.

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 www.nylinvestments.com. Read the prospectus carefully before investing.

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NYLI Epoch Global Equity Yield Fund Top 10 Holdings	**% as of 3/31/2025**
AbbVie Inc.	2.0
Microsoft Corporation	1.9
Cisco Systems, Inc.	1.9
International Business Machines Corporation	1.9
Philip Morris International Inc.	1.8
Broadcom Inc.	1.6
Taiwan Semiconductor Manufacturing Company Limited	1.5
Coca-Cola Europacific Partners plc	1.4
MetLife, Inc.	1.3
Walmart Inc.	1.2

NYLI Epoch U.S. Equity Yield Fund Top 10 Holdings	**% as of 3/31/2025**
AbbVie Inc.	2.3
MetLife, Inc.	2.2
JPMorgan Chase & Co.	2.2
Bank of America Corporation	2.0
Cummins Inc.	1.9
Johnson & Johnson	1.9
Chevron Corporation	1.8
Philip Morris International Inc.	1.7
UnitedHealth Group Incorporated	1.6
Medtronic Public Limited Company	1.6

Portfolio data as of 03/31/25. Percentages based on total net assets and may change daily

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