



What's under the hood of your daily-liquid high yield municipal strategy?

From MacKay Municipal Managers™

At MacKay Municipal Managers, our daily-liquid high yield municipal bond strategy is designed to capture total return through pragmatic risk-taking, disciplined security selection, liquidity management and diversification. Below, we will highlight the factors that we maintain differentiate our management style. These factors also can apply to all daily-liquid funds that include a high yield allocation.

Not all high yield municipal bonds are created equal, particularly when considering the nature of a project, security features, political considerations and long-term viability.

It's one thing to invest in essential service credits, such as water and sewer authorities, with a well-established consumer base and virtually no competition. It's another to invest in speculative, single site project-finance deals without a track record of revenue generation. New issue deals like the latter are often small in scale, esoteric, issued without a credit rating and lack marketability.

To that end, MacKay Municipal Managers practices strict underwriting standards. Strict underwriting standards through all markets is paramount and assists the portfolios through turbulent times. We favor larger-scale projects that feature substantial city and/or state sponsorship (i.e., "skin in the game") as well as a

diverse buyer base. We seek to avoid owning 100% of any single issue, instead investing in issues that offer us multiple trading partners.

While the more speculative segments of the high yield municipal market may reward investors at times, it's critical to also understand whether this embedded credit risk is well-aligned with the risk profile of the typical municipal bond investor. The addition of equity holdings to some high yield municipal portfolios may create further potential misalignment.

We believe that liquidity management is more critical than ever today, especially within the context of a daily-liquid high yield municipal bond mutual fund. Prudent liquidity management can be the difference between reactive forced selling into a liquidity vacuum to meet fund redemptions versus a proactive approach where ample liquidity enables active managers to navigate and uncover opportunities at attractive levels.

We believe investors benefit from being exposed to a wide variety of geographies, sectors, credit ratings, active curve positioning and even credit enhancements, when applicable. Diversification, in our view, can help mitigate credit and liquidity risks. Yet some managers either lack, or don't enforce, position size limits, leading to concentration risk. A few ways investors can evaluate this risk is by reviewing position size limits, holdings counts relative to AUM and the percentage of assets represented by a fund's top ten holdings.

Mackay Municipal Managers' Key Daily-Liquid High Yield Portfolio Considerations

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| 1. Strict underwriting standards | <ul style="list-style-type: none"> • Portfolios emphasize: <ul style="list-style-type: none"> — Larger-scale projects with strong state/local sponsorship, including: <ul style="list-style-type: none"> – Basic essential services (water, sewer, roads, schools, utilities, healthcare, housing, trash removal and transportation) – State and Local General Obligations • Portfolios exclude: <ul style="list-style-type: none"> — Equities |
| 2. Credit discipline | <ul style="list-style-type: none"> • Portfolios emphasize: <ul style="list-style-type: none"> — Marketable securities with a credit rating — Lower-rated investment grade names • Portfolios exclude: <ul style="list-style-type: none"> — Outsized positions in smaller-scale, thinly traded, esoteric non-rated bonds — Large percentage of outstanding deal ownership within industrial sector issues |
| 3. Focus on liquidity | <ul style="list-style-type: none"> • Portfolios emphasize: <ul style="list-style-type: none"> — Marketable issues – improves buy/sell execution — Varying amounts of cash/equivalents and short-term securities - enables manager to limit reactive forced selling and act as liquidity provider to others • Portfolios exclude: <ul style="list-style-type: none"> — Leverage |
| 4. Commitment to diversification | <ul style="list-style-type: none"> • Portfolios emphasize: <ul style="list-style-type: none"> — Strict risk parameters in regard to exposure by issuer and sector, i.e. 2.5% maximum single position size — 1,000+ holdings • Portfolios exclude: <ul style="list-style-type: none"> — Outsized concentrated positions |
| 5. Flexibility | <ul style="list-style-type: none"> • Portfolios emphasize: <ul style="list-style-type: none"> — Attractively-valued securities during market volatility and dislocations — Buying at the “right” dollar price and/or valuation with goal to create asymmetric outcomes (i.e. greater upside potential than downside potential) • Portfolios exclude: <ul style="list-style-type: none"> — Yield-chasing – buying maximum yield securities, even at unfavorable prices and/or with limited covenants (i.e. bond-holder protection) |

Not all municipal managers are created equal.

Our municipal bond strategies are actively managed by the experienced professionals at MacKay Municipal Managers, the minds behind munis. Recognized leaders in municipal bond investing, MacKay Municipal Managers is entrusted with more than \$80 billion in assets, as of 12/31/24.

Strict underwriting standards, a focus on liquidity, and commitment to diversification are at the core

of the team's active, opportunistic approach.

Grounded in deep credit and relative value analysis, MacKay Municipal Managers actively seeks the most compelling segments of the yield curve and credit spectrum – all with the goal of capitalizing on “inefficiencies in the marketplace. Through this active and disciplined process, MacKay Municipal Managers delivers a suite of highly rated, award-winning municipal bond solutions.

\$250K
Class A trades at NAV

Pays 1% upfront
with 25 bps trail and
18 months CDSC
of 1%.#

National

NYLI MacKay High Yield Muni Bond Fund†

A: MMHAX INV: MMHVX C: MMHDX I: MMHIX R6: MMHEX

NYLI MacKay Strategic Muni Allocation Fund†

A: MTFDX INV: MTFEX C: MTFEX I: MTFGX R6: MTFHX

State Specific

NYLI MacKay California Muni Fund†

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

NYLI MacKay New York Muni Fund†

A: MNOAX INV: MNOVX C: MNOCX I: MNOIX R6: MNODX

As of 2/28/25, NYLI MacKay High Yield Muni Bond Fund's Class I shares rated four (four A) stars overall and three (three A) stars, four (three A) stars and four (four A) stars for the three-, five-, and ten-year periods from among 180, 173 and 117 High Yield Muni funds. NYLI MacKay California Muni Fund's Class I shares rated five (four A) stars overall and four (three A) stars, four (three A) stars and five (four A) stars for the three-, five-, and ten-year periods from among 100, 97 and 77 Muni California Long funds. NYLI MacKay New York Muni Fund's Class I shares rated five (four A) stars overall and four (three A) stars, five (three A) stars and five (four A) stars for the three-, five-, and ten-year periods from among 79, 75 and 61 Muni New York Long funds. NYLI MacKay Strategic Muni Allocation Fund's Class I shares rated five (four A) stars overall and five (four A) and five (four A) stars for the three-, and five-year periods from among 259 and 240 Muni National Intermediate funds.

#A CDSC maybe imposed for NAV purchases of certain Class A and Class shares. See the prospectus.

† Effective 8/28/24, the MainStay mutual fund family name was renamed the NYLI family of funds.

MMHIX



Overall Morningstar Rating™ based on risk-adjusted returns from among 180 High Yield Muni funds, as of 2/28/25*

MCOIX



Overall Morningstar Rating™ based on risk-adjusted returns from among 100 Muni California Long funds, as of 2/28/25*

MNOIX



Overall Morningstar Rating™ based on risk-adjusted returns from among 79 Muni New York Long funds, as of 2/28/25*

MTFGX



Overall Morningstar Rating™ based on risk-adjusted returns from among 259 Muni National Interim funds, as of 2/28/25*

Disclosure

Morningstar Rating

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.

The Morningstar Medalist Rating

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The Morningstar Medalist Rating™ is the summary expression of Morningstar’s forward-looking analysis of investment strategies as offered via specific vehicles using a rating scale of Gold, Silver, Bronze, Neutral, and Negative. The Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Investment products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with a fee assessment, forms the basis for Morningstar’s conviction in those products’ investment merits and determines the Medalist Rating they’re assigned. Pillar ratings take the form of Low, Below Average, Average, Above Average, and High. Pillars may be evaluated via an analyst’s qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques. Vehicles are sorted by their expected performance into rating groups defined by their Morningstar Category and their active or passive status. When analysts directly cover a vehicle, they assign the three pillar ratings based on their qualitative assessment, subject to the oversight of the Analyst Rating Committee, and monitor and reevaluate them at least every 14 months. When the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about these ratings, including their methodology, please go to global.morningstar.com/managerdisclosures/.

The Morningstar Medalist Ratings are not statements of fact, nor are they credit or risk ratings. The Morningstar Medalist Rating (i) should not be used as the sole basis in evaluating an investment product, (ii) involves unknown risks and uncertainties which may cause expectations not to occur or to differ significantly from what was expected, (iii) are not guaranteed to be based on complete or accurate assumptions or models when determined algorithmically, (iv) involve the risk that the return target will not be met due to such things as unforeseen changes in changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rates, exchange rate changes, and/or changes in political and social conditions, and (v) should not be considered an offer or solicitation to buy or sell the investment product. A change in the fundamental factors underlying the Morningstar Medalist Rating can mean that the rating is subsequently no longer accurate.

Before You Invest

Before considering an investment in the Funds, 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.

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.

NYLI MacKay High Yield Muni Bond Fund, NYLI MacKay California Muni Fund, and NYLI MacKay New York Muni 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 Fund: 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.

NYLI MacKay New York Muni Fund and NYLI MacKay California Muni Fund: Because the Fund invests primarily in municipal bonds issued by or on behalf of the States of New York and CA and its political subdivisions, agencies, and instrumentalities, events in New York and CA 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. New York and CA may experience financial difficulties due to the economic environment. Any deterioration of New York and CA’s fiscal situation and economic situation of its municipalities could cause greater volatility and increase the risk of investing in New York and CA.

Definitions:

The **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. Bonds subject to the alternative minimum tax or with floating or zero coupons are excluded. Index results assume the reinvestment of all capital gain and dividend distributions. An investment cannot be made directly into an index.

Active management is the use of a human element, such as a single manager, co-managers or a team of managers, to actively manage a fund's portfolio. Active management strategies typically have higher fees than passive management.

Credit ratings: Moody's rates borrowers on a scale from Aaa through C. Aaa through Baa3 represent investment grade, while Ba1 through C represent non-investment grade. Standard & Poor's rates borrowers on a scale from AAA to D. AAA through BBB represent investment grade, while BB through D represent non-investment grade. Fitch rates borrowers on a scale from AAA to D. AAA to BBB represent investment grade, while BB through D represent non-investment grade.

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.



For more information

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newyorklifeinvestments.com

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