

MainStay MacKay Strategic Bond Fund

(formerly known as MainStay MacKay Unconstrained Bond Fund)

Message from the President and Annual Report

October 31, 2021

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INVESTMENTS

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Message from the President

An improved economic outlook provided support to both the equity and fixed-income markets during the 12-month reporting period ended October 31, 2021, but several factors agitated the markets at times, including inflation concerns, uncertainty about the Federal Reserve's ("Fed") policy, the re-emergence of COVID-19, and political standoffs in Washington. While stock markets posted solid gains, bonds finished down somewhat, due largely to a sell-off in U.S. Treasury issues early in the year.

The reporting period began with a dramatic shift in the market environment when the discovery of two COVID-19 vaccine candidates was announced. The \$900 billion relief package passed in December also added to investor confidence. On the other hand, late in 2021, government inaction added to market uncertainty as Congress came to a stalemate over the debt ceiling and a \$3.5 trillion reconciliation package.

As the reporting period progressed investors became increasingly focused on inflation, and a variety of developments fueled these concerns. Early in 2021, the Fed opted to leave interest rates unchanged, pointing to the low inflation rate. But, mindful of the Fed's new, more lenient approach to pricing pressures—announced late in 2020—and of sizable fiscal spending enacted in response to the pandemic, investors grew concerned, which led to a sell-off in longer-dated Treasury issues in February and March.

Energy prices continued to rebound from a low point at the height of the pandemic in 2020, and shortages in various sectors, including semiconductors and construction supplies, resulted in rising prices. An anticipated \$1+ trillion infrastructure spending bill added to inflation concerns. The Consumer Price Index, a measure of pricing pressures across the economy, ticked up in March, exceeded a 4% annualized rate in April, and remained above 5% through September.

In September, the Fed increased its forecast for inflation in 2021 from 3.4% to 4.2% and its forecast for 2022 from 2.1% to 2.2%. After the reporting period, Fed officials announced that a reduction in the Fed's bond purchasing program would begin in November 2021.

In fixed-income markets, these concerns and the sell-off in issues of longer-term Treasury bonds weighed on investment grade corporate bonds. Early in the reporting period, they performed well as the economic outlook improved, but pricing pressures and uncertainty about when the Fed would reduce its bond-purchasing program took a toll. High-yield bonds fared better, supported by more attractive yields and the improved outlook for economic growth.

In the municipal market, healthy fundamentals, \$350 billion in financial support from the federal government, and the prospect of an increase in federal income tax rates on corporations and higher-earning households provided some support. But intermittent fears about the effect of the Delta variant of COVID-19, inflation concerns, and an anticipated rise in Treasury yields weighed on the market at times.

In equities, turmoil in the Treasury market led to a shift early in the reporting period. The rise of yields on longer Treasury issues disrupted the momentum of growth stocks as investors sought to capture the impact of improving economic growth by moving into more cyclical and value-oriented shares. But growth stocks rebounded later as concerns about the pace of the economic recovery arose with the emergence of the Delta variant. Although value stocks outperformed growth stocks in the first half of the reporting period, by the end of the reporting period, their returns were approximately even.

The performance of individual sectors within the S&P 500[®] Index, a widely regarded benchmark of market performance, varied widely, with inflation and interest-rate sensitive sectors leading. The energy sector more than doubled during the reporting period, followed by the financial sector, while the utilities and consumer staples sectors lagged. Foreign developed markets posted strong returns but underperformed the U.S. market somewhat. Emerging markets gained as well, but a lagging economic and pandemic recovery continued to hinder performance.

In light of higher inflation and rising interest rates, we at New York Life Investments are focused on providing investors with the products and insights they may need to meet the challenge of a changing market environment.

The following annual report contains more detailed information about the specific markets, securities and decisions that affected your MainStay Fund during the 12 months ended October 31, 2021.

Sincerely,



Kirk C. Lehneis
President

The opinions expressed are as of the date of this report and are subject to change. There is no guarantee that any forecast made will come to pass. This material does not constitute investment advice and is not intended as an endorsement of any specific investment. Past performance is no guarantee of future results.

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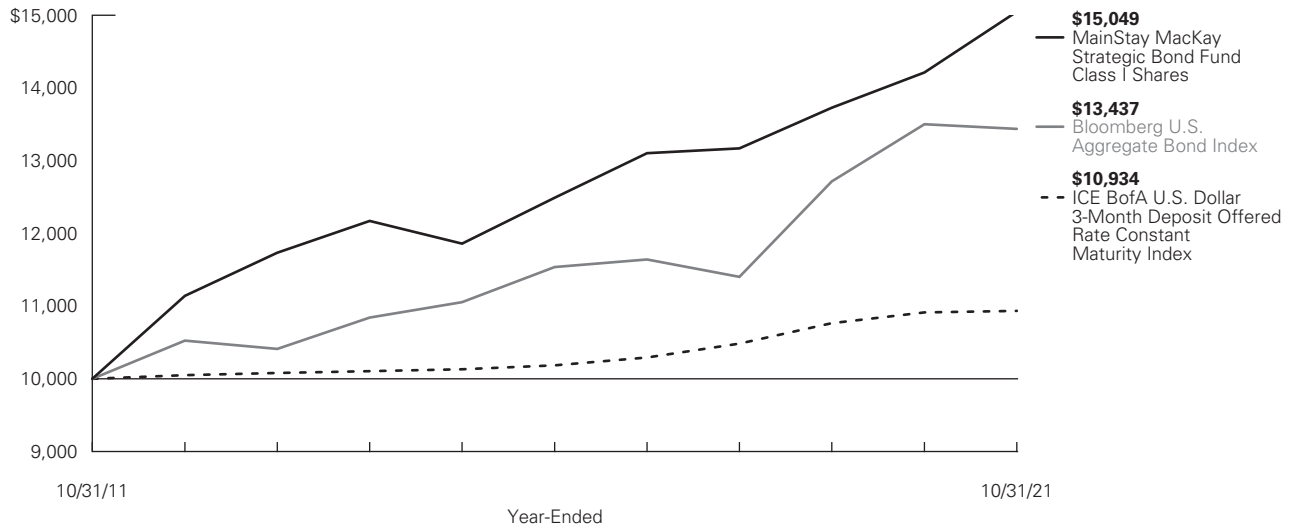
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Investors should refer to the Fund's Summary Prospectus and/or Prospectus and consider the Fund's investment objectives, strategies, risks, charges and expenses carefully before investing. The Summary Prospectus and/or Prospectus contain this and other information about the Fund. You may obtain copies of the Fund's Summary Prospectus, Prospectus and Statement of Additional Information free of charge, upon request, by calling toll-free 800-624-6782, by writing to NYLIFE Distributors LLC, Attn: MainStay Marketing Department, 30 Hudson Street, Jersey City, NJ 07302 or by sending an e-mail to MainStayShareholderServices@nylim.com. These documents are also available via the MainStay Funds' website at newyorklifeinvestments.com. Please read the Fund's Summary Prospectus and/or Prospectus carefully before investing.

Investment and Performance Comparison (Unaudited)

Performance data quoted represents past performance. Past performance is no guarantee of future results. Because of market volatility and other factors, current performance may be lower or higher than the figures shown. Investment return and principal value will fluctuate, and as a result, when shares are redeemed, they may be worth more or less than their original cost. The graph below depicts the historical performance of Class I shares of the Fund. Performance will vary from class to class based on differences in class-specific expenses and sales charges. For performance information current to the most recent month-end, please call 800-624-6782 or visit newyorklifeinvestments.com.

The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on distributions or Fund share redemptions. Total returns reflect maximum applicable sales charges as indicated in the table below, if any, changes in share price, and reinvestment of dividend and capital gain distributions. The graph assumes the initial investment amount shown below and reflects the deduction of all sales charges that would have applied for the period of investment. Performance figures may reflect certain fee waivers and/or expense limitations, without which total returns may have been lower. For more information on share classes and current fee waivers and/or expense limitations (if any), please refer to the Notes to Financial Statements.



Average Annual Total Returns for the Year-Ended October 31, 2021

| Class | Sales Charge | | Inception Date | One Year | Five Years | Ten Years or Since Inception | Gross Expense Ratio ¹ |
|------------------------------------|--|-------------------------|----------------|----------|------------|------------------------------|----------------------------------|
| Class A Shares | Maximum 4.5% Initial Sales Charge | With sales charges | 2/28/1997 | 0.85% | 2.59% | 3.44% | 1.19% |
| | | Excluding sales charges | | 5.61 | 3.54 | 3.91 | 1.19 |
| Investor Class Shares ² | Maximum 4.0% Initial Sales Charge | With sales charges | 2/28/2008 | 1.20 | 2.53 | 3.36 | 1.25 |
| | | Excluding sales charges | | 5.41 | 3.48 | 3.84 | 1.25 |
| Class B Shares ³ | Maximum 5.0% CDSC if Redeemed Within the First Six Years of Purchase | With sales charges | 2/28/1997 | -0.43 | 2.33 | 3.06 | 2.01 |
| | | Excluding sales charges | | 4.57 | 2.70 | 3.06 | 2.01 |
| Class C Shares | Maximum 1% CDSC if Redeemed Within One Year of Purchase | With sales charges | 9/1/1998 | 3.69 | 2.72 | 3.08 | 2.01 |
| | | Excluding sales charges | | 4.69 | 2.72 | 3.08 | 2.01 |
| Class I Shares | No Sales Charge | | 1/2/2004 | 5.88 | 3.80 | 4.17 | 0.95 |
| Class R2 Shares | No Sales Charge | | 2/28/2014 | 5.49 | 3.46 | 2.62 | 1.30 |
| Class R3 Shares | No Sales Charge | | 2/29/2016 | 5.21 | 3.17 | 4.49 | 1.53 |
| Class R6 Shares | No Sales Charge | | 2/28/2018 | 5.97 | N/A | 4.06 | 0.83 |

1. The gross expense ratios presented reflect the Fund's "Total Annual Fund Operating Expenses" from the most recent Prospectus, as supplemented, and may differ from other expense ratios disclosed in this report.
2. Prior to June 30, 2020, the maximum initial sales charge was 4.5%, which is reflected in the average annual total return figures shown.
3. Class B shares are closed to all new purchases as well as additional investments by existing Class B shareholders.

The footnotes on the next page are an integral part of the table and graph and should be carefully read in conjunction with them.

| Benchmark Performance* | One Year | Five Years | Ten Years |
|--|-----------------|-------------------|------------------|
| Bloomberg U.S. Aggregate Bond Index ¹ | -0.48% | 3.10% | 3.00% |
| ICE BofA U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index ² | 0.19 | 1.43 | 0.90 |
| Morningstar Nontraditional Bond Category Average ³ | 5.21 | 3.00 | 2.57 |

1. The Bloomberg U.S. Aggregate Bond Index is the Fund's primary benchmark. 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 passthroughs), asset-backed securities and commercial mortgage-backed securities. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
2. The Fund has selected the ICE BofA U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index as a secondary benchmark. The ICE BofA U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index is unmanaged and tracks the performance of a synthetic asset paying London Interbank Offered Rate to a stated maturity. The index is based on the assumed purchase at par of a synthetic instrument having exactly its stated maturity and with a coupon equal to that day's fixing rate. That issue is assumed to be sold the following business day (priced at a yield equal to the current day fixing rate) and rolled into a new instrument. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
3. The Fund has selected the Morningstar Nontraditional Bond Category Average as an additional benchmark. The Morningstar Nontraditional Bond Category Average contains funds that pursue strategies divergent in one or more ways from conventional practice in the broader bond-fund universe. Morningstar category averages are equal-weighted returns based on constituents of the category at the end of the period. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.

* Returns for indices reflect no deductions for fees, expenses or taxes, except for foreign withholding taxes where applicable.

The footnotes on the preceding page are an integral part of the table and graph and should be carefully read in conjunction with them.

Cost in Dollars of a \$1,000 Investment in MainStay MacKay Strategic Bond Fund (Unaudited)

The example below is intended to describe the fees and expenses borne by shareholders during the six-month period from May 1, 2021 to October 31, 2021, and the impact of those costs on your investment.

Example

As a shareholder of the Fund you incur two types of costs: (1) transaction costs, including exchange fees and sales charges (loads) on purchases (as applicable), and (2) ongoing costs, including management fees, distribution and/or service (12b-1) fees, and other Fund expenses (as applicable). This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 made at the beginning of the six-month period and held for the entire period from May 1, 2021 to October 31, 2021.

This example illustrates your Fund's ongoing costs in two ways:

Actual Expenses

The second and third data columns in the table below provide information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, to estimate the expenses that you paid during the six months ended October 31, 2021. Simply divide your account value by \$1,000 (for example, an

\$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The fourth and fifth data columns in the table below provide information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balances or expenses you paid for the six-month period shown. You may use this information to compare the ongoing costs of investing in the Fund with the ongoing costs of investing in other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other mutual funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as exchange fees or sales charges (loads). Therefore, the fourth and fifth data columns of the table are useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

| Share Class | Beginning Account Value 5/1/21 | Ending Account Value (Based on Actual Returns and Expenses) 10/31/21 | Expenses Paid During Period ¹ | Ending Account Value (Based on Hypothetical 5% Annualized Return and Actual Expenses) 10/31/21 | Expenses Paid During Period ¹ | Net Expense Ratio During Period ^{2,3} |
|-----------------------|--------------------------------|--|--|--|--|--|
| Class A Shares | \$1,000.00 | \$1,011.20 | \$5.32 | \$1,019.91 | \$5.35 | 1.05% |
| Investor Class Shares | \$1,000.00 | \$1,010.30 | \$6.08 | \$1,019.16 | \$6.11 | 1.20% |
| Class B Shares | \$1,000.00 | \$1,006.60 | \$9.86 | \$1,015.37 | \$9.91 | 1.95% |
| Class C Shares | \$1,000.00 | \$1,006.60 | \$9.86 | \$1,015.37 | \$9.91 | 1.95% |
| Class I Shares | \$1,000.00 | \$1,012.70 | \$3.86 | \$1,021.37 | \$3.87 | 0.76% |
| Class R2 Shares | \$1,000.00 | \$1,011.80 | \$5.83 | \$1,019.41 | \$5.85 | 1.15% |
| Class R3 Shares | \$1,000.00 | \$1,009.10 | \$7.04 | \$1,018.20 | \$7.07 | 1.39% |
| Class R6 Shares | \$1,000.00 | \$1,013.00 | \$3.45 | \$1,021.78 | \$3.47 | 0.68% |

- Expenses are equal to the Fund's annualized expense ratio of each class multiplied by the average account value over the period, divided by 365 and multiplied by 184 (to reflect the six-month period). The table above represents the actual expenses incurred during the six-month period. In addition to the fees and expenses which the Fund bears directly, it also indirectly bears a pro rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above-reported expense figures.
- Expenses are equal to the Fund's annualized expense ratio to reflect the six-month period.
- Expenses are inclusive of dividends and interest on investments sold short.

Portfolio Composition as of October 31, 2021 (Unaudited)



‡ Less than one-tenth of a percent.

See Portfolio of Investments beginning on page 11 for specific holdings within these categories. The Fund's holdings are subject to change.

Top Ten Holdings and/or Issuers Held as of October 31, 2021 (excluding short-term investments) (Unaudited)

- | | |
|---|---|
| 1. FNMA, (zero coupon)-5.961%, due 4/25/28-3/25/60 | 6. Federative Republic of Brazil, 4.625%, due 1/13/28 |
| 2. U.S. Treasury Inflation Linked Notes, 0.125%-0.875%, due 1/15/29-7/15/30 | 7. Petroleos Mexicanos, 6.50%-6.75%, due 3/13/27-9/21/47 |
| 3. Bank of America Corp., 2.087%-8.57%, due 11/15/24-10/20/32 | 8. Dell International LLC, 4.90%-8.10%, due 10/1/26-7/15/36 |
| 4. Ally Financial, Inc., 5.75%-8.00%, due 11/20/25-11/1/31 | 9. Goldman Sachs Group, Inc. (The), 1.948%-4.125%, due 11/10/26-7/21/42 |
| 5. Air Lease Corp., 2.30%-3.25%, due 2/1/25-3/1/25 | 10. FHLMC, STRIPS, (zero coupon), due 10/15/47 |
-

Portfolio Management Discussion and Analysis (Unaudited)

Questions answered by portfolio managers, Stephen R. Cianci, CFA, Matt Jacob, Neil Moriarty III, and Shu-Yang Tan, CFA, of MacKay Shields LLC, the Fund's Subadvisor.

How did MainStay MacKay Strategic Bond Fund perform relative to its benchmarks and peer group during the 12 months ended October 31, 2021?

For the 12 months ended October 31, 2021, Class I shares of MainStay MacKay Strategic Bond Fund returned 5.88%, outperforming the -0.48% return of the Fund's primary benchmark, the Bloomberg U.S. Aggregate Bond Index, and the 0.19% return of the Fund's secondary benchmark, the ICE BofA U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index. Over the same period, Class I shares outperformed the 5.21% return of the Morningstar Nontraditional Bond Category Average.¹

Were there any changes to the Fund during the reporting period?

Effective February 28, 2021, the Fund's name was changed from MainStay MacKay Unconstrained Bond Fund to MainStay MacKay Strategic Bond Fund. For more information about this change refer to the supplement dated December 11, 2020. Effective July 20, 2021, Joseph Cantwell no longer served as a portfolio manager of the Fund. For more information about this change refer to supplement dated July 20, 2021.

What factors affected the Fund's relative performance during the reporting period?

Overall risk continued to rally throughout the reporting period. This trend was accentuated by the approval of multiple vaccines in the fourth quarter of 2020, along with the global acceleration of actual vaccinations in the first quarter of 2021. Additionally, the fiscal packages that were passed by the U.S. Congress helped to propel risk assets. Lastly, the U.S. Federal Reserve's monetary policy remained accommodative. These factors were catalysts that led to risk assets out-performing, especially in the first quarter of 2021 when credit spreads² narrowed as risk assets rallied, despite a volatile environment that saw long-term Treasury rates rise faster than short-term rates.

The Fund outperformed the Bloomberg U.S. Aggregate Bond Index during the reporting period due, in part, to the Fund's underweight allocations to U.S. Treasury securities. At the same time, the Fund held overweight exposure to spread product—specifically, investment-grade and high-yield corporate bonds—in which overweight positions and positive security selection aided performance. Furthermore, the Fund's underweight exposure to credits rated AAA³ boosted relative returns. Conversely, an

overweight allocation to consumer asset-backed securities detracted from relative results, although good security selection helped offset some of these losses.

During the reporting period, how was the Fund's performance materially affected by investments in derivatives?

During the reporting period, the Fund used U.S. Treasury futures to hedge its duration.⁴ This position had a positive impact on returns as rates rose.

What was the Fund's duration strategy during the reporting period?

The Fund does not track a fixed-income index and can demonstrate a low correlation to the Bloomberg U.S. Aggregate Bond Index. The average duration of the Fund will normally vary from 0 to 7 years. Duration positioning is based on what is most appropriate at a given point in the cycle. Towards the middle of the reporting period, the Fund's management team extended the duration profile of the Fund, but then began reducing its duration to offset the spread risk. At the end of the reporting period, the Fund's effective duration was 2.0 years compared to 6.4 years for the benchmark.

During the reporting period, which sectors were the strongest positive contributors to the Fund's relative performance and which sectors were particularly weak?

During the reporting period, as stated above, the Fund's underweight exposure to U.S. Treasury securities made a positive contribution to relative performance. (Contributions take weightings and total returns into account.) Furthermore, overweight exposure to corporate bonds, both investment grade and high yield, bolstered relative performance. Within the Fund's corporate positions, security selection among capital goods, banking and technology holdings aided results, while a small overweight position in auto-backed bonds detracted slightly.

What were some of the Fund's largest purchases and sales during the reporting period?

A robust primary calendar for corporate credit offered several opportunities to introduce new names into the Fund in midstream, financials and consumer non-cyclical industries. Meanwhile, the Fund trimmed exposure to higher-quality credits with limited total return potential as spreads narrowed.

1. See page 5 for other share class returns, which may be higher or lower than Class I share returns. See page 6 for more information on benchmark and peer group returns.
2. The terms "spread" and "yield spread" may refer to the difference in yield between a security or type of security and comparable U.S. Treasury issues. The terms may also refer to the difference in yield between two specific securities or types of securities at a given time.
3. An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's ("S&P"), and in the opinion of S&P, the obligor's capacity to meet its financial commitment on the obligation is extremely strong. When applied to Fund holdings, ratings are based solely on the creditworthiness of the bonds in the portfolio and are not meant to represent the security or safety of the Fund.
4. Duration is a measure of the price sensitivity of a fixed-income investment to changes in interest rates. Duration is expressed as a number of years and is considered a more accurate sensitivity gauge than average maturity.

In emerging markets, the Fund reduced exposure to Chinese technology companies, as well as to an oil company rumored to be delisted from U.S. stock exchanges. Through the primary market, the Fund added a new issue from a Mexican petrochemical company at favorable terms, as well as a new Brazilian credit in the consumer non-cyclical sector with a strong global presence and solid fundamentals.

Among commercial mortgage-backed securities (“CMBS”), the Fund took advantage of rich valuations by selling holdings of AAA-rated conduit bonds at levels tighter than pre-pandemic. The Fund also continued to add more opportunistic single-asset deals, such as securitizations backed by Las Vegas properties. Other purchases in the CMBS primary market included securitizations backed by multifamily housing, an office building in Seattle and industrial properties spread throughout the country. In the secondary market, the Fund purchased seasoned subordinate bonds at attractive yields with, in our judgement, sufficient credit enhancement to withstand stresses in the market.

Among non-agency residential mortgage-backed securities, given strong underlying housing fundamentals, the Fund participated in a credit risk transfer deal brought by Freddie Mac, with underlying collateral characteristics that we consider the strongest ever for the program, given the high FICO credit-risk scores of the borrowers.

How did the Fund’s sector weightings change during the reporting period?

During the reporting period, the Fund maintained its risk-positive positioning, keeping broader exposures fairly consistent. Changes included modest additions to CMBS exposure and agency commercial mortgage obligations. At the same time, the Fund trimmed a small amount of its investment-grade credit and bank loans allocations. The most significant activity during the reporting period occurred in sectors where the Fund took advantage of opportunities in the new-issue markets, rotating out of rich secondary positions in favor of cheaper new issues.

How was the Fund positioned at the end of the reporting period?

As of October 31, 2021, relative to the Bloomberg U.S. Aggregate Bond Index, the Fund held overweight exposure to high-yield and investment-grade corporate bonds, along with securitized assets. As of the same date, the Fund held underweight exposure to U.S. Treasury securities and agency mortgages.

The opinions expressed are those of the portfolio managers as of the date of this report and are subject to change. There is no guarantee that any forecasts will come to pass. This material does not constitute investment advice and is not intended as an endorsement of any specific investment.

Portfolio of Investments October 31, 2021[†]

| | Principal Amount | Value |
|--|---------------------|-------------------|
| Long-Term Bonds 91.7% | | |
| Asset-Backed Securities 11.3% | | |
| Automobile Asset-Backed Securities 4.1% | | |
| American Credit Acceptance Receivables Trust (a) | | |
| Series 2021-4, Class D | | |
| 1.82%, due 2/14/28 | \$ 1,520,000 | \$ 1,517,781 |
| Series 2020-2, Class C | | |
| 3.88%, due 4/13/26 | 2,725,000 | 2,830,404 |
| Avis Budget Rental Car Funding AESOP LLC (a) | | |
| Series 2021-1A, Class A | | |
| 1.38%, due 8/20/27 | 2,000,000 | 1,976,898 |
| Series 2020-2A, Class A | | |
| 2.02%, due 2/20/27 | 1,775,000 | 1,803,442 |
| Series 2020-1A, Class A | | |
| 2.33%, due 8/20/26 | 1,260,000 | 1,297,039 |
| Drive Auto Receivables Trust | | |
| Series 2021-2, Class D | | |
| 1.39%, due 3/15/29 | 1,000,000 | 988,808 |
| Series 2021-1, Class D | | |
| 1.45%, due 1/16/29 | 2,215,000 | 2,211,884 |
| Flagship Credit Auto Trust | | |
| Series 2019-2, Class E | | |
| 4.52%, due 12/15/26 (a) | 815,000 | 849,227 |
| Ford Credit Floorplan Master Owner Trust | | |
| Series 2019-4, Class A | | |
| 2.44%, due 9/15/26 | 1,465,000 | 1,520,039 |
| Series 2018-4, Class A | | |
| 4.06%, due 11/15/30 | 1,570,000 | 1,766,725 |
| GLS Auto Receivables Issuer Trust | | |
| Series 2021-3A, Class D | | |
| 1.48%, due 7/15/27 (a) | 2,455,000 | 2,425,920 |
| GLS Auto Receivables Trust | | |
| Series 2021-2A, Class D | | |
| 1.42%, due 4/15/27 (a) | 915,000 | 904,473 |
| Hertz Vehicle Financing III LP (a) | | |
| Series 2021-2A, Class B | | |
| 2.12%, due 12/27/27 | 1,325,000 | 1,319,744 |
| Series 2021-2A, Class C | | |
| 2.52%, due 12/27/27 | 3,285,000 | 3,299,900 |
| Hertz Vehicle Financing LLC | | |
| Series 2021-1A, Class C | | |
| 2.05%, due 12/26/25 (a) | 1,225,000 | 1,225,832 |
| Santander Drive Auto Receivables Trust | | |
| Series 2021-4, Class D | | |
| 1.67%, due 10/15/27 | 2,760,000 | 2,751,792 |
| Santander Revolving Auto Loan Trust | | |
| Series 2019-A, Class A | | |
| 2.51%, due 1/26/32 (a) | 675,000 | 702,318 |
| | | <u>29,392,226</u> |

| | Principal Amount | Value |
|---|---------------------|------------------|
| Home Equity Asset-Backed Securities 0.5% | | |
| Carrington Mortgage Loan Trust | | |
| Series 2007-HE1, Class A3 | | |
| 0.279% (1 Month LIBOR + 0.19%), due 6/25/37 (b) | \$ 2,452,879 | \$ 2,430,115 |
| First NLC Trust | | |
| Series 2007-1, Class A1 | | |
| 0.159% (1 Month LIBOR + 0.07%), due 8/25/37 (a)(b) | 265,569 | 170,714 |
| GSAA Home Equity Trust | | |
| Series 2007-8, Class A3 | | |
| 0.989% (1 Month LIBOR + 0.90%), due 8/25/37 (b) | 73,452 | 73,684 |
| JPMorgan Mortgage Acquisition Trust | | |
| Series 2007-HE1, Class AF1 | | |
| 0.189% (1 Month LIBOR + 0.10%), due 3/25/47 (b) | 95,328 | 64,970 |
| Mastr Asset-Backed Securities Trust | | |
| Series 2006-HE4, Class A1 | | |
| 0.189% (1 Month LIBOR + 0.10%), due 11/25/36 (b) | 72,453 | 31,119 |
| Morgan Stanley ABS Capital I, Inc. Trust (b) | | |
| Series 2007-HE4, Class A2A | | |
| 0.199% (1 Month LIBOR + 0.11%), due 2/25/37 | 77,212 | 32,989 |
| Series 2007-HE7, Class M1 | | |
| 2.089% (1 Month LIBOR + 2.00%), due 7/25/37 | 635,000 | 670,502 |
| | | <u>3,474,093</u> |
| Other Asset-Backed Securities 6.7% | | |
| American Airlines Pass-Through Trust | | |
| Series 2019-1, Class B | | |
| 3.85%, due 2/15/28 | 922,816 | 879,115 |
| Series 2016-1, Class A | | |
| 4.10%, due 1/15/28 | 971,376 | 980,379 |
| Series 2013-2, Class A | | |
| 4.95%, due 1/15/23 | 1,358,528 | 1,385,143 |
| Series 2016-1, Class B | | |
| 5.25%, due 1/15/24 | 1,006,712 | 992,008 |
| CF Hippolyta LLC (a) | | |
| Series 2020-1, Class A1 | | |
| 1.69%, due 7/15/60 | 843,382 | 843,358 |
| Series 2021-1A, Class B1 | | |
| 1.98%, due 3/15/61 | 3,813,079 | 3,790,182 |
| Series 2020-1, Class A2 | | |
| 1.99%, due 7/15/60 | 1,201,883 | 1,194,074 |

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

Portfolio of Investments October 31, 2021[†] (continued)

| | Principal Amount | Value |
|--|---------------------|------------|
| Asset-Backed Securities (continued) | | |
| Other Asset-Backed Securities (continued) | | |
| Continental Airlines Pass-Through Trust | | |
| Series 2007-1, Class A | | |
| 5.983%, due 4/19/22 | \$ 584,300 | \$ 592,903 |
| Crown Castle Towers LLC | | |
| 4.241%, due 7/15/28 (a) | 3,825,000 | 4,242,817 |
| CVS Pass-Through Trust | | |
| 5.789%, due 1/10/26 (a) | 31,370 | 34,118 |
| DB Master Finance LLC (a) | | |
| Series 2021-1A, Class A23 | | |
| 2.791%, due 11/20/51 | 1,780,000 | 1,787,549 |
| Series 2019-1A, Class A23 | | |
| 4.352%, due 5/20/49 | 1,421,000 | 1,534,877 |
| Domino's Pizza Master Issuer LLC (a) | | |
| Series 2018-1A, Class A2I | | |
| 4.116%, due 7/25/48 | 155,200 | 159,542 |
| Series 2015-1A, Class A2II | | |
| 4.474%, due 10/25/45 | 2,037,750 | 2,109,352 |
| FirstKey Homes Trust (a) | | |
| Series 2021-SFR2, Class B | | |
| 1.607%, due 9/17/38 | 1,355,000 | 1,324,987 |
| Series 2021-SFR1, Class B | | |
| 1.788%, due 8/17/38 | 2,015,000 | 2,001,129 |
| Series 2021-SFR1, Class C | | |
| 1.888%, due 8/17/38 | 2,650,000 | 2,615,074 |
| Home Partners of America Trust | | |
| Series 2021-2, Class B | | |
| 2.302%, due 12/17/26 (a)(c) | 1,765,000 | 1,765,146 |
| Navient Private Education Refi Loan Trust (a) | | |
| Series 2021-EA, Class B | | |
| 2.03%, due 12/16/69 | 2,025,000 | 1,978,194 |
| Series 2020-GA, Class B | | |
| 2.50%, due 9/16/69 | 1,145,000 | 1,152,238 |
| Series 2020-HA, Class B | | |
| 2.78%, due 1/15/69 | 500,000 | 512,109 |
| New Economy Assets Phase 1 Sponsor LLC (a) | | |
| Series 2021-1, Class A1 | | |
| 1.91%, due 10/20/61 | 1,260,000 | 1,239,403 |
| Series 2021-1, Class B1 | | |
| 2.41%, due 10/20/61 | 1,215,000 | 1,209,571 |
| Progress Residential | | |
| Series 2021-SFR4, Class B | | |
| 1.808%, due 5/17/38 (a) | 1,340,000 | 1,325,868 |
| Progress Residential Trust | | |
| Series 2021-SFR2, Class B | | |
| 1.796%, due 4/19/38 (a) | 2,000,000 | 1,979,010 |

| | Principal Amount | Value |
|--|---------------------|-------------------|
| Other Asset-Backed Securities (continued) | | |
| Sierra Timeshare Receivables Funding LLC | | |
| Series 2021-1A, Class C | | |
| 1.79%, due 11/20/37 (a) | \$ 516,656 | \$ 513,008 |
| Taco Bell Funding LLC | | |
| Series 2021-1A, Class A23 | | |
| 2.542%, due 8/25/51 (a) | 1,575,000 | 1,580,267 |
| U.S. Airways Pass-Through Trust | | |
| Series 2010-1, Class A | | |
| 6.25%, due 4/22/23 | 3,301,816 | 3,402,436 |
| United Airlines Pass-Through Trust | | |
| Series 2014-2, Class B | | |
| 4.625%, due 9/3/22 | 2,750,333 | 2,815,223 |
| Series 2020-1, Class A | | |
| 5.875%, due 10/15/27 | 1,377,532 | 1,541,141 |
| | | <u>47,480,221</u> |
| Total Asset-Backed Securities (Cost \$79,528,857) | | <u>80,346,540</u> |

Corporate Bonds 47.1%

Aerospace & Defense 0.3%

| | | |
|------------------------|-----------|------------------|
| BAE Systems plc | | |
| 3.00%, due 9/15/50 (a) | 605,000 | 600,432 |
| Howmet Aerospace, Inc. | | |
| 3.00%, due 1/15/29 | 1,500,000 | 1,477,500 |
| | | <u>2,077,932</u> |

Agriculture 0.2%

| | | |
|---------------------|-----------|-----------|
| BAT Capital Corp. | | |
| 3.734%, due 9/25/40 | 1,330,000 | 1,293,133 |

Airlines 1.0%

| | | |
|-----------------------------|-----------|------------------|
| American Airlines, Inc. (a) | | |
| 5.50%, due 4/20/26 | 1,100,000 | 1,153,900 |
| 5.75%, due 4/20/29 | 660,000 | 710,325 |
| Delta Air Lines, Inc. (a) | | |
| 4.50%, due 10/20/25 | 845,000 | 901,671 |
| 4.75%, due 10/20/28 | 590,000 | 655,155 |
| 7.00%, due 5/1/25 | 2,010,000 | 2,345,571 |
| Mileage Plus Holdings LLC | | |
| 6.50%, due 6/20/27 (a) | 1,520,000 | 1,654,307 |
| | | <u>7,420,929</u> |

Auto Manufacturers 2.5%

| | | |
|--------------------|-----------|-----------|
| Ford Motor Co. | | |
| 8.50%, due 4/21/23 | 1,925,000 | 2,110,762 |
| 9.00%, due 4/22/25 | 2,000,000 | 2,405,000 |

| | Principal Amount | Value |
|---|---------------------|-------------------|
| Corporate Bonds (continued) | | |
| Auto Manufacturers (continued) | | |
| Ford Motor Credit Co. LLC | | |
| 3.35%, due 11/1/22 | \$ 1,115,000 | \$ 1,131,948 |
| 4.063%, due 11/1/24 | 2,280,000 | 2,391,036 |
| 4.25%, due 9/20/22 | 860,000 | 879,617 |
| General Motors Co. | | |
| 6.125%, due 10/1/25 | 585,000 | 678,957 |
| General Motors Financial Co., Inc. | | |
| 2.35%, due 1/8/31 | 708,000 | 687,984 |
| 2.70%, due 6/10/31 | 1,525,000 | 1,507,309 |
| 2.90%, due 2/26/25 | 2,500,000 | 2,601,436 |
| Nissan Motor Acceptance Co. LLC | | |
| 1.85%, due 9/16/26 (a) | 3,610,000 | <u>3,523,182</u> |
| | | <u>17,917,231</u> |
| Banks 10.4% | | |
| Bank of America Corp. | | |
| 2.087%, due 6/14/29 (d) | 1,275,000 | 1,260,749 |
| 2.572%, due 10/20/32 (d) | 940,000 | 941,905 |
| Series MM | | |
| 4.30%, due 1/28/25 (d)(e) | 2,656,000 | 2,689,200 |
| Series DD | | |
| 6.30%, due 3/10/26 (d)(e)(f) | 3,570,000 | 4,125,135 |
| 8.57%, due 11/15/24 | 1,645,000 | 1,986,346 |
| Barclays plc | | |
| 2.852%, due 5/7/26 (d) | 2,375,000 | 2,471,161 |
| 4.375% (5 Year Treasury Constant Maturity Rate + 3.41%), due 3/15/28 (b)(e) | 2,535,000 | 2,493,933 |
| BNP Paribas SA (a) | | |
| 3.052%, due 1/13/31 (d) | 2,135,000 | 2,220,280 |
| 4.625% (5 Year Treasury Constant Maturity Rate + 3.34%), due 2/25/31 (b)(e) | 1,610,000 | 1,618,050 |
| BPCE SA | | |
| 2.045%, due 10/19/27 (a)(d) | 990,000 | 986,086 |
| Citigroup, Inc. (e) | | |
| Series Y | | |
| 4.15% (5 Year Treasury Constant Maturity Rate + 3.00%), due 11/15/26 (b) | 1,590,000 | 1,595,565 |
| Series M | | |
| 6.30%, due 5/15/24 (d) | 3,260,000 | 3,471,248 |
| Citizens Financial Group, Inc. | | |
| 2.638%, due 9/30/32 | 2,270,000 | 2,268,198 |

| | Principal Amount | Value |
|--|---------------------|--------------|
| Banks (continued) | | |
| Citizens Financial Group, Inc. (continued) | | |
| Series G | | |
| 4.00% (5 Year Treasury Constant Maturity Rate + 3.22%), due 10/6/26 (b)(e) | \$ 1,095,000 | \$ 1,103,213 |
| Credit Suisse Group AG | | |
| 3.091%, due 5/14/32 (a)(d) | 1,485,000 | 1,511,970 |
| Deutsche Bank AG | | |
| 3.035%, due 5/28/32 (d) | 460,000 | 464,870 |
| 4.875% (USISDA05 + 2.55%), due 12/1/32 (b) | 1,710,000 | 1,857,858 |
| Freedom Mortgage Corp. | | |
| 7.625%, due 5/1/26 (a) | 1,955,000 | 1,906,125 |
| Goldman Sachs Group, Inc. (The) | | |
| 1.948%, due 10/21/27 (d) | 2,830,000 | 2,832,745 |
| 2.908%, due 7/21/42 (d) | 380,000 | 379,117 |
| 3.21%, due 4/22/42 (d) | 1,330,000 | 1,378,486 |
| Series V | | |
| 4.125% (5 Year Treasury Constant Maturity Rate + 2.95%), due 11/10/26 (b)(e) | 1,430,000 | 1,434,576 |
| Intesa Sanpaolo SpA | | |
| 4.198%, due 6/1/32 (a) | 2,350,000 | 2,369,052 |
| JPMorgan Chase & Co. (d) | | |
| 2.956%, due 5/13/31 | 980,000 | 1,011,697 |
| Series HH | | |
| 4.60%, due 2/1/25 (e) | 2,457,000 | 2,513,183 |
| Lloyds Banking Group plc | | |
| 4.582%, due 12/10/25 | 1,365,000 | 1,509,224 |
| 4.65%, due 3/24/26 | 1,985,000 | 2,205,556 |
| Macquarie Group Ltd. | | |
| 2.871%, due 1/14/33 (a)(d) | 1,490,000 | 1,481,244 |
| Morgan Stanley (d) | | |
| 2.484%, due 9/16/36 | 1,300,000 | 1,263,072 |
| 2.511%, due 10/20/32 | 670,000 | 668,373 |
| NatWest Group plc (b) | | |
| 3.073% (1 Year Treasury Constant Maturity Rate + 2.55%), due 5/22/28 | 2,145,000 | 2,247,739 |
| 4.60% (5 Year Treasury Constant Maturity Rate + 3.10%), due 6/28/31 (e) | 1,860,000 | 1,832,100 |
| Popular, Inc. | | |
| 6.125%, due 9/14/23 | 1,582,000 | 1,689,124 |
| Santander Holdings USA, Inc. | | |
| 3.40%, due 1/18/23 | 1,500,000 | 1,543,689 |

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

Portfolio of Investments October 31, 2021[†] (continued)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| Corporate Bonds (continued) | | |
| Banks (continued) | | |
| Societe Generale SA (a)(b)(e) | | |
| 4.75% (5 Year Treasury Constant Maturity Rate + 3.93%), due 5/26/26 | \$ 715,000 | \$ 732,410 |
| 5.375% (5 Year Treasury Constant Maturity Rate + 4.51%), due 11/18/30 | 2,015,000 | 2,140,938 |
| Standard Chartered plc (a)(b) | | |
| 2.678% (1 Year Treasury Constant Maturity Rate + 1.20%), due 6/29/32 | 780,000 | 764,004 |
| 4.75% (5 Year Treasury Constant Maturity Rate + 3.81%), due 1/14/31 (e)(f) | 945,000 | 928,463 |
| SVB Financial Group | | |
| Series C | | |
| 4.00% (5 Year Treasury Constant Maturity Rate + 3.20%), due 5/15/26 (b)(e) | 1,385,000 | 1,388,463 |
| Texas Capital Bancshares, Inc. | | |
| 4.00% (5 Year Treasury Constant Maturity Rate + 3.15%), due 5/6/31 (b) | 1,075,000 | 1,119,242 |
| UBS Group AG | | |
| 4.375% (5 Year Treasury Constant Maturity Rate + 3.31%), due 2/10/31 (a)(b)(e) | 1,825,000 | 1,812,681 |
| Wells Fargo & Co. (d) | | |
| 3.584%, due 5/22/28 | 380,000 | 409,849 |
| Series S | | |
| 5.90%, due 6/15/24 (e) | 3,295,000 | <u>3,512,997</u> |
| | | <u>74,139,916</u> |
| Beverages 0.3% | | |
| Anheuser-Busch InBev Worldwide, Inc. | | |
| 4.75%, due 1/23/29 | 1,770,000 | <u>2,078,149</u> |
| Biotechnology 0.1% | | |
| Biogen, Inc. | | |
| 3.15%, due 5/1/50 | 890,000 | <u>874,142</u> |
| Chemicals 0.9% | | |
| Alpek SAB de CV | | |
| 3.25%, due 2/25/31 (a) | 825,000 | 816,758 |
| Braskem Netherlands Finance BV | | |
| 4.50%, due 1/10/28 (a) | 1,250,000 | 1,276,575 |

| | Principal Amount | Value |
|---|---------------------|-------------------|
| Chemicals (continued) | | |
| International Flavors & Fragrances, Inc. | | |
| 2.30%, due 11/1/30 (a) | \$ 1,475,000 | \$ 1,454,585 |
| Orbia Advance Corp. SAB de CV | | |
| 4.00%, due 10/4/27 (a) | 2,600,000 | <u>2,808,026</u> |
| | | <u>6,355,944</u> |
| Commercial Services 1.6% | | |
| Allied Universal Holdco LLC | | |
| 6.625%, due 7/15/26 (a) | 2,130,000 | 2,237,842 |
| Ashtead Capital, Inc. | | |
| 4.25%, due 11/1/29 (a) | 2,060,000 | 2,232,087 |
| California Institute of Technology | | |
| 3.65%, due 9/1/19 | 1,118,000 | 1,297,627 |
| IHS Markit Ltd. | | |
| 3.625%, due 5/1/24 | 3,710,000 | 3,914,050 |
| Sodexo, Inc. | | |
| 2.718%, due 4/16/31 (a) | 1,805,000 | <u>1,843,810</u> |
| | | <u>11,525,416</u> |
| Computers 1.3% | | |
| Dell International LLC | | |
| 4.90%, due 10/1/26 | 4,000,000 | 4,557,825 |
| 8.10%, due 7/15/36 | 1,045,000 | 1,583,195 |
| NCR Corp. (a) | | |
| 5.00%, due 10/1/28 | 1,629,000 | 1,649,362 |
| 6.125%, due 9/1/29 | 717,000 | 770,335 |
| Teledyne FLIR LLC | | |
| 2.50%, due 8/1/30 | 965,000 | <u>969,285</u> |
| | | <u>9,530,002</u> |
| Diversified Financial Services 4.0% | | |
| AerCap Ireland Capital DAC | | |
| 3.00%, due 10/29/28 | 1,650,000 | 1,672,986 |
| 3.50%, due 5/26/22 | 892,000 | 904,487 |
| Air Lease Corp. | | |
| 2.30%, due 2/1/25 | 3,275,000 | 3,341,207 |
| 3.25%, due 3/1/25 | 4,000,000 | 4,191,825 |
| Aircastle Ltd. | | |
| 5.25% (5 Year Treasury Constant Maturity Rate + 4.41%), due 6/15/26 (a)(b)(e) | 1,325,000 | 1,358,125 |
| Ally Financial, Inc. | | |
| 5.75%, due 11/20/25 | 3,820,000 | 4,336,493 |
| 8.00%, due 11/1/31 | 3,280,000 | 4,696,382 |
| Avolon Holdings Funding Ltd. | | |
| 3.25%, due 2/15/27 (a) | 2,125,000 | 2,181,117 |
| Banco BTG Pactual SA | | |
| 2.75%, due 1/11/26 (a) | 2,695,000 | 2,587,227 |

| | Principal Amount | Value |
|--|---------------------|-------------------|
| Corporate Bonds (continued) | | |
| Diversified Financial Services (continued) | | |
| OneMain Finance Corp. 3.50%, due 1/15/27 | \$ 1,835,000 | \$ 1,793,712 |
| X-Caliber Funding LLC Series A 5.00%, due 9/24/24 (a)(g)(h) | 1,340,000 | <u>1,341,675</u> |
| | | <u>28,405,236</u> |
| Electric 1.9% | | |
| Appalachian Power Co. Series X 3.30%, due 6/1/27 | 1,800,000 | 1,935,527 |
| Duke Energy Corp. 4.875% (5 Year Treasury Constant Maturity Rate + 3.39%), due 9/16/24 (b)(e) | 2,415,000 | 2,563,523 |
| Ohio Power Co. Series R 2.90%, due 10/1/51 | 955,000 | 950,831 |
| Pacific Gas and Electric Co. 3.50%, due 8/1/50 | 1,205,000 | 1,145,323 |
| Potomac Electric Power Co. 4.15%, due 3/15/43 | 1,305,000 | 1,553,888 |
| WEC Energy Group, Inc. 2.237% (3 Month LIBOR + 2.11%), due 5/15/67 (b) | 5,495,000 | <u>5,137,824</u> |
| | | <u>13,286,916</u> |
| Environmental Control 0.0% ‡ | | |
| Stericycle, Inc. 3.875%, due 1/15/29 (a) | 215,000 | <u>211,775</u> |
| Food 1.2% | | |
| JBS USA Food Co. 7.00%, due 1/15/26 (a) | 960,000 | 998,400 |
| Kraft Heinz Foods Co. 4.25%, due 3/1/31 | 1,722,000 | 1,944,870 |
| 5.00%, due 7/15/35 | 809,000 | 994,719 |
| Performance Food Group, Inc. (a) 4.25%, due 8/1/29 | 660,000 | 660,000 |
| 5.50%, due 10/15/27 | 1,946,000 | 2,028,705 |
| Smithfield Foods, Inc. 3.00%, due 10/15/30 (a) | 1,520,000 | 1,520,407 |
| Tyson Foods, Inc. 3.95%, due 8/15/24 | 2,000 | <u>2,145</u> |
| | | <u>8,149,246</u> |

| | Principal Amount | Value |
|--|---------------------|-------------------|
| Gas 0.3% | | |
| National Fuel Gas Co. 2.95%, due 3/1/31 | \$ 810,000 | \$ 819,116 |
| Southern Co. Gas Capital Corp. Series 21A 3.15%, due 9/30/51 (f) | 1,500,000 | <u>1,518,362</u> |
| | | <u>2,337,478</u> |
| Healthcare-Services 0.4% | | |
| Health Care Service Corp. A Mutual Legal Reserve Co. 3.20%, due 6/1/50 (a) | 1,165,000 | 1,228,012 |
| NYU Langone Hospitals Series 2020 3.38%, due 7/1/55 | 1,635,000 | <u>1,736,099</u> |
| | | <u>2,964,111</u> |
| Home Builders 0.4% | | |
| Lennar Corp. 4.75%, due 11/29/27 | 188,000 | 213,690 |
| Thor Industries, Inc. 4.00%, due 10/15/29 (a) | 1,575,000 | 1,559,722 |
| Toll Brothers Finance Corp. 3.80%, due 11/1/29 (f) | 495,000 | 530,269 |
| 4.35%, due 2/15/28 | 303,000 | <u>330,649</u> |
| | | <u>2,634,330</u> |
| Household Products & Wares 0.2% | | |
| Kronos Acquisition Holdings, Inc. 5.00%, due 12/31/26 (a) | 1,710,000 | <u>1,692,900</u> |
| Insurance 2.1% | | |
| Athene Global Funding 2.50%, due 3/24/28 (a) | 1,900,000 | 1,923,040 |
| Empower Finance 2020 LP 3.075%, due 9/17/51 (a) | 1,495,000 | 1,558,979 |
| Lincoln National Corp. 2.482% (3 Month LIBOR + 2.36%), due 5/17/66 (b) | 3,537,000 | 3,183,300 |
| NMI Holdings, Inc. 7.375%, due 6/1/25 (a) | 685,000 | 787,044 |
| Protective Life Corp. 8.45%, due 10/15/39 | 2,476,000 | 3,930,747 |
| Reliance Standard Life Global Funding II 2.50%, due 10/30/24 (a) | 2,900,000 | 3,001,530 |
| Willis North America, Inc. 3.875%, due 9/15/49 | 425,000 | <u>471,768</u> |
| | | <u>14,856,408</u> |

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

Portfolio of Investments October 31, 2021[†] (continued)

| | Principal Amount | Value |
|--|---------------------|-------------------|
| Corporate Bonds (continued) | | |
| Internet 1.1% | | |
| Cablevision Lightpath LLC 3.875%, due 9/15/27 (a) | \$ 1,480,000 | \$ 1,441,076 |
| Expedia Group, Inc. 3.25%, due 2/15/30 | 3,920,000 | 4,030,156 |
| 3.60%, due 12/15/23 | 895,000 | 941,386 |
| 6.25%, due 5/1/25 (a) | 189,000 | 215,856 |
| Match Group Holdings II LLC (a) 3.625%, due 10/1/31 | 1,400,000 | 1,359,036 |
| 4.125%, due 8/1/30 | 122,000 | <u>125,508</u> |
| | | <u>8,113,018</u> |
| Iron & Steel 0.6% | | |
| Vale Overseas Ltd. 3.75%, due 7/8/30 | 1,660,000 | 1,688,967 |
| 6.25%, due 8/10/26 | 1,980,000 | <u>2,296,325</u> |
| | | <u>3,985,292</u> |
| Lodging 1.7% | | |
| Hilton Domestic Operating Co., Inc. 4.875%, due 1/15/30 | 1,930,000 | 2,060,237 |
| 5.375%, due 5/1/25 (a) | 935,000 | 974,691 |
| Hyatt Hotels Corp. 1.80%, due 10/1/24 | 3,920,000 | 3,934,504 |
| Marriott International, Inc. 3.75%, due 10/1/25 (f) Series X | 4,253,000 | 4,563,722 |
| 4.00%, due 4/15/28 | 605,000 | <u>662,442</u> |
| | | <u>12,195,596</u> |
| Machinery-Diversified 0.2% | | |
| Clark Equipment Co. 5.875%, due 6/1/25 (a) | 1,225,000 | <u>1,277,063</u> |
| Media 0.5% | | |
| Grupo Televisa SAB 5.25%, due 5/24/49 | 1,695,000 | 2,203,285 |
| Time Warner Entertainment Co. LP 8.375%, due 3/15/23 | 1,087,000 | <u>1,199,014</u> |
| | | <u>3,402,299</u> |
| Mining 0.6% | | |
| Glencore Funding LLC 1.625%, due 9/1/25 (a) | 2,225,000 | 2,211,024 |
| Industrias Penoles SAB de CV 4.75%, due 8/6/50 (a) | 1,962,000 | <u>2,128,770</u> |
| | | <u>4,339,794</u> |

| | Principal Amount | Value |
|---|---------------------|---------------------|
| Miscellaneous—Manufacturing 0.5% | | |
| Textron Financial Corp. 1.86% (3 Month LIBOR + 1.74%), due 2/15/42 (a)(b) | \$ 4,350,000 | <u>\$ 3,828,000</u> |
| Oil & Gas 1.2% | | |
| Gazprom PJSC Via Gaz Capital SA 7.288%, due 8/16/37 (a) | 2,520,000 | 3,397,151 |
| Marathon Petroleum Corp. 4.50%, due 5/1/23 | 1,330,000 | 1,397,098 |
| 4.70%, due 5/1/25 | 1,450,000 | 1,602,036 |
| Occidental Petroleum Corp. 3.50%, due 8/15/29 | 775,000 | 786,625 |
| 4.30%, due 8/15/39 | 400,000 | 402,000 |
| Petrobras Global Finance BV 5.50%, due 6/10/51 (f) | 810,000 | <u>710,994</u> |
| | | <u>8,295,904</u> |
| Packaging & Containers 0.4% | | |
| Berry Global, Inc. 4.875%, due 7/15/26 (a) | 135,000 | 141,412 |
| Owens-Brockway Glass Container, Inc. 6.625%, due 5/13/27 (a) | 2,325,000 | <u>2,484,844</u> |
| | | <u>2,626,256</u> |
| Pharmaceuticals 0.8% | | |
| AbbVie, Inc. 4.25%, due 11/21/49 | 2,790,000 | 3,355,302 |
| Teva Pharmaceutical Finance Netherlands III BV 3.15%, due 10/1/26 | 2,146,000 | <u>2,022,605</u> |
| | | <u>5,377,907</u> |
| Pipelines 3.3% | | |
| Cheniere Corpus Christi Holdings LLC 2.742%, due 12/31/39 (a) | 1,150,000 | 1,123,777 |
| CNX Midstream Partners LP 4.75%, due 4/15/30 (a) | 1,490,000 | 1,491,862 |
| Energy Transfer LP Series H 6.50% (5 Year Treasury Constant Maturity Rate + 5.69%), due 11/15/26 (b)(e) | 1,395,000 | 1,443,825 |
| Enterprise Products Operating LLC 3.95%, due 1/31/60 | 1,630,000 | 1,786,941 |
| 4.20%, due 1/31/50 | 520,000 | 595,202 |
| Flex Intermediate Holdco LLC 3.363%, due 6/30/31 (a) | 1,540,000 | 1,558,535 |
| Hess Midstream Operations LP (a) 4.25%, due 2/15/30 | 1,820,000 | 1,820,000 |

| | Principal Amount | Value |
|---|---------------------|-------------------|
| Corporate Bonds (continued) | | |
| Pipelines (continued) | | |
| Hess Midstream Operations LP (a) (continued) | | |
| 5.625%, due 2/15/26 | \$ 367,000 | \$ 380,304 |
| Kinder Morgan, Inc. | | |
| 5.625%, due 11/15/23 (a) | 2,449,000 | 2,648,074 |
| 7.75%, due 1/15/32 | 2,035,000 | 2,885,717 |
| MPLX LP | | |
| 4.00%, due 3/15/28 | 560,000 | 615,940 |
| Plains All American Pipeline LP | | |
| 3.80%, due 9/15/30 | 1,040,000 | 1,098,757 |
| Sabine Pass Liquefaction LLC | | |
| 5.75%, due 5/15/24 | 2,146,000 | 2,362,689 |
| Western Midstream Operating LP | | |
| 6.50%, due 2/1/50 (j) | 1,800,000 | 2,154,564 |
| Williams Cos., Inc. (The) | | |
| 3.50%, due 10/15/51 | 1,425,000 | <u>1,458,455</u> |
| | | <u>23,424,642</u> |
| Real Estate Investment Trusts 1.1% | | |
| CyrusOne LP | | |
| 3.45%, due 11/15/29 | 1,850,000 | 1,941,464 |
| GLP Capital LP | | |
| 3.35%, due 9/1/24 | 1,535,000 | 1,617,307 |
| Host Hotels & Resorts LP Series D | | |
| 3.75%, due 10/15/23 | 472,000 | 491,712 |
| Iron Mountain, Inc. | | |
| 4.875%, due 9/15/29 (a) | 1,941,000 | 2,005,247 |
| Office Properties Income Trust | | |
| 2.65%, due 6/15/26 | 1,520,000 | <u>1,519,080</u> |
| | | <u>7,574,810</u> |
| Retail 2.4% | | |
| AutoNation, Inc. | | |
| 4.75%, due 6/1/30 | 2,300,000 | 2,671,780 |
| Darden Restaurants, Inc. | | |
| 3.85%, due 5/1/27 | 3,512,000 | 3,817,813 |
| Macy's Retail Holdings LLC | | |
| 5.875%, due 4/1/29 (a)(f) | 1,170,000 | 1,246,852 |
| Nordstrom, Inc. | | |
| 4.00%, due 3/15/27 | 595,000 | 611,362 |
| 4.25%, due 8/1/31 (f) | 2,150,000 | 2,149,247 |
| QVC, Inc. | | |
| 4.375%, due 9/1/28 | 2,100,000 | 2,147,250 |
| Starbucks Corp. | | |
| 4.45%, due 8/15/49 | 1,970,000 | 2,452,982 |

| | Principal Amount | Value |
|---|---------------------|---------------------|
| Retail (continued) | | |
| Victoria's Secret & Co. | | |
| 4.625%, due 7/15/29 (a) | \$ 1,680,000 | <u>\$ 1,687,392</u> |
| | | <u>16,784,678</u> |
| Semiconductors 0.6% | | |
| Broadcom, Inc. (a) | | |
| 3.469%, due 4/15/34 | 2,040,000 | 2,104,627 |
| 3.75%, due 2/15/51 | 620,000 | 640,754 |
| NXP BV | | |
| 3.40%, due 5/1/30 (a) | 1,135,000 | <u>1,219,771</u> |
| | | <u>3,965,152</u> |
| Software 0.1% | | |
| MSCI, Inc. | | |
| 3.25%, due 8/15/33 (a) | 405,000 | 406,567 |
| Oracle Corp. | | |
| 3.65%, due 3/25/41 | 450,000 | <u>471,422</u> |
| | | <u>877,989</u> |
| Telecommunications 2.9% | | |
| Altice France SA | | |
| 5.125%, due 7/15/29 (a) | 1,655,000 | 1,611,854 |
| AT&T, Inc. | | |
| 3.65%, due 6/1/51 | 1,485,000 | 1,544,557 |
| CommScope Technologies LLC | | |
| 5.00%, due 3/15/27 (a) | 794,000 | 736,704 |
| Sprint Corp. | | |
| 7.875%, due 9/15/23 | 3,620,000 | 4,013,675 |
| Sprint Spectrum Co. LLC | | |
| 4.738%, due 3/20/25 (a) | 1,973,125 | 2,081,647 |
| T-Mobile US, Inc. | | |
| 2.625%, due 2/15/29 | 1,790,000 | 1,774,337 |
| 3.50%, due 4/15/31 (a) | 885,000 | 915,887 |
| VEON Holdings BV | | |
| 4.95%, due 6/16/24 (a) | 3,345,000 | 3,549,982 |
| Verizon Communications, Inc. | | |
| 3.40%, due 3/22/41 | 600,000 | 629,400 |
| 4.016%, due 12/3/29 | 1,495,000 | 1,675,428 |
| Vodafone Group plc | | |
| 4.25%, due 9/17/50 (f) | 1,815,000 | <u>2,127,516</u> |
| | | <u>20,660,987</u> |
| Total Corporate Bonds (Cost \$319,109,502) | | <u>334,480,581</u> |
| Foreign Government Bonds 4.3% | | |
| Brazil 1.2% | | |
| Brazil Government Bond | | |
| 3.75%, due 9/12/31 | 1,770,000 | 1,615,125 |

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

Portfolio of Investments October 31, 2021[†] (continued)

| | Principal Amount | Value |
|---|---------------------|-------------------|
| Foreign Government Bonds (continued) | | |
| Brazil (continued) | | |
| Federative Republic of Brazil | | |
| 4.625%, due 1/13/28 | \$ 7,099,000 | \$ 7,283,361 |
| | | <u>8,898,486</u> |
| Chile 1.0% | | |
| Chile Government Bond | | |
| 2.55%, due 7/27/33 | 1,915,000 | 1,848,569 |
| Corp. Nacional del Cobre de Chile (a) | | |
| 3.00%, due 9/30/29 | 1,890,000 | 1,913,513 |
| 3.75%, due 1/15/31 | 1,290,000 | 1,366,667 |
| Empresa Nacional del Petroleo | | |
| 3.45%, due 9/16/31 (a) | 1,780,000 | 1,688,775 |
| | | <u>6,817,524</u> |
| Colombia 0.2% | | |
| Colombia Government Bond | | |
| 3.25%, due 4/22/32 | 1,365,000 | 1,273,927 |
| Mexico 1.9% | | |
| Comision Federal de Electricidad (a) | | |
| 3.875%, due 7/26/33 | 525,000 | 505,313 |
| 4.677%, due 2/9/51 | 1,855,000 | 1,722,850 |
| Mexico Government Bond | | |
| 2.659%, due 5/24/31 | 2,802,000 | 2,704,210 |
| 3.75%, due 4/19/71 | 1,480,000 | 1,325,695 |
| Petroleos Mexicanos | | |
| 6.50%, due 3/13/27 | 2,535,000 | 2,702,310 |
| 6.75%, due 9/21/47 | 4,835,000 | 4,276,557 |
| | | <u>13,236,935</u> |
| Total Foreign Government Bonds | | |
| (Cost \$31,767,776) | | <u>30,226,872</u> |

Loan Assignments 2.9%

Containers, Packaging & Glass 0.6%

| | | |
|---|-----------|-----------|
| Mauser Packaging Solutions Holding Co. | | |
| Initial Term Loan | | |
| 3.337% (1 Month LIBOR + 3.25%), due 4/3/24 (b) | 4,559,757 | 4,434,364 |

Diversified/Conglomerate Service 0.7%

| | | |
|--|-----------|-----------|
| Change Healthcare Holdings, Inc. | | |
| Closing Date Term Loan | | |
| 3.50% (1 Month LIBOR + 2.50%), due 3/1/24 (b) | 3,584,878 | 3,580,397 |

| | Principal Amount | Value |
|---|---------------------|-------------------|
| Diversified/Conglomerate Service (continued) | | |
| TruGreen LP (b) | | |
| First Lien Second Refinancing Term Loan | | |
| 4.75% (1 Month LIBOR + 4.00%), due 11/2/27 | \$ 1,037,162 | \$ 1,037,162 |
| Second Lien Initial Term Loan | | |
| 9.25% (3 Month LIBOR + 8.50%), due 11/2/28 | 450,000 | 454,500 |
| | | <u>5,072,059</u> |
| Finance 0.5% | | |
| Alliant Holdings Intermediate LLC | | |
| 2018 Initial Term Loan | | |
| 3.337% (1 Month LIBOR + 3.25%), due 5/9/25 (b) | 3,605,468 | 3,575,561 |
| Personal, Food & Miscellaneous Services 0.2% | | |
| 1011778 B.C. Unlimited Liability Co. | | |
| Term Loan B4 | | |
| 1.837% (1 Month LIBOR + 1.75%), due 11/19/26 (b) | 1,381,917 | 1,353,587 |
| Telecommunications 0.9% | | |
| Level 3 Financing, Inc. | | |
| Tranche 2027 Term Loan B | | |
| 1.837% (1 Month LIBOR + 1.75%), due 3/1/27 (b) | 2,698,623 | 2,662,359 |
| SBA Senior Finance II LLC | | |
| Initial Term Loan | | |
| 1.84% (1 Month LIBOR + 1.75%), due 4/11/25 (b) | 3,437,211 | 3,406,276 |
| | | <u>6,068,635</u> |
| Total Loan Assignments | | |
| (Cost \$20,666,538) | | <u>20,504,206</u> |

Mortgage-Backed Securities 22.4%

Agency (Collateralized Mortgage Obligations) 3.0%

| | | |
|------------------------------|-----------|---------|
| FHLMC (j) | | |
| REMIC, Series 5070, Class IG | | |
| 1.50%, due 1/25/44 | 6,412,636 | 361,798 |
| REMIC, Series 5048, Class IC | | |
| 2.00%, due 12/25/50 | 6,934,877 | 684,125 |
| REMIC, Series 5051, Class KI | | |
| 2.50%, due 12/25/50 | 4,282,774 | 704,396 |
| REMIC, Series 5036, Class IO | | |
| 3.50%, due 11/25/50 | 3,827,099 | 625,088 |

| | Principal Amount | Value |
|--|---------------------|------------|
| Mortgage-Backed Securities (continued) | | |
| Agency (Collateralized Mortgage Obligations) (continued) | | |
| FHLMC (j) (continued) | | |
| REMIC, Series 4924, Class NS 5.961% (1 Month LIBOR + 6.05%), due 10/25/49 (b) | \$ 3,151,237 | \$ 436,016 |
| REMIC, Series 4957, Class SB 5.961% (1 Month LIBOR + 6.05%), due 11/25/49 (b) | 1,953,718 | 361,056 |
| FHLMC, STRIPS | | |
| REMIC, Series 358, Class PO (zero coupon), due 10/15/47 | 3,485,780 | 3,286,643 |
| FNMA | | |
| REMIC, Series 2013-110, Class CO (zero coupon), due 12/25/39 | 1,472,465 | 1,383,190 |
| REMIC, Series 2013-105, Class QO (zero coupon), due 5/25/40 | 542,107 | 504,764 |
| REMIC, Series 2013-105, Class KO (zero coupon), due 10/25/43 | 453,046 | 429,750 |
| REMIC, Series 2013-110, Class DO (zero coupon), due 11/25/43 | 641,271 | 594,370 |
| REMIC, Series 2020-78, Class TI 2.00%, due 11/25/50 (j) | 4,111,645 | 467,182 |
| REMIC, Series 2020-91, Class MI 2.00%, due 12/25/50 (j) | 4,859,114 | 526,153 |
| REMIC, Series 2021-2, Class AI 2.00%, due 2/25/51 (j) | 10,001,919 | 1,093,710 |
| REMIC, Series 2020-91, Class AI 2.50%, due 12/25/50 (j) | 4,045,161 | 621,986 |
| REMIC, Series 2021-7, Class EI 2.50%, due 2/25/51 (j) | 2,901,689 | 369,648 |
| REMIC, Series 2021-13, Class BI 3.00%, due 2/25/50 (j) | 2,441,100 | 254,183 |
| REMIC, Series 2020-10, Class DA 3.50%, due 3/25/60 | 2,315,733 | 2,482,998 |
| REMIC, Series 2019-32, Class SB 5.961% (1 Month LIBOR + 6.05%), due 6/25/49 (b)(j) | 2,857,099 | 473,093 |
| FREMFI Mortgage Trust | | |
| REMIC, Series 2017-K63, Class C 3.872%, due 2/25/50 (a)(k) | 1,275,000 | 1,351,759 |
| GNMA | | |
| REMIC, Series 2021-78, Class LA 1.00%, due 5/20/51 | 799,203 | 792,180 |
| REMIC, Series 2021-91, Class MF 1.00%, due 5/20/51 | 973,748 | 959,642 |
| REMIC, Series 2021-15, Class AI 2.00%, due 1/20/51 (j) | 3,809,529 | 429,686 |

| | Principal Amount | Value |
|--|---------------------|-------------------|
| Agency (Collateralized Mortgage Obligations) (continued) | | |
| GNMA (continued) | | |
| REMIC, Series 2021-57, Class AI 2.00%, due 2/20/51 (j) | \$ 5,072,156 | \$ 591,959 |
| REMIC, Series 2021-57, Class IB 2.50%, due 2/20/51 (j) | 3,270,221 | 428,026 |
| REMIC, Series 2021-25, Class LI 2.50%, due 2/20/51 (j) | 2,910,446 | 336,799 |
| REMIC, Series 2021-158, Class NI 3.00%, due 9/20/51 (j) | 5,265,483 | 734,252 |
| | | <u>21,284,452</u> |
| Commercial Mortgage Loans (Collateralized Mortgage Obligations) | | |
| 10.7% | | |
| Bayview Commercial Asset Trust (a)(b) | | |
| Series 2006-4A, Class A1 0.434% (1 Month LIBOR + 0.35%), due 12/25/36 | 11,408 | 11,094 |
| Series 2005-3A, Class A1 0.569% (1 Month LIBOR + 0.48%), due 11/25/35 | 856,264 | 818,543 |
| BX Commercial Mortgage Trust (a) | | |
| Series 2021-VOLT, Class D 1.74% (1 Month LIBOR + 1.65%), due 9/15/36 (b) | 1,540,000 | 1,539,541 |
| Series 2021-VOLT, Class E 2.09% (1 Month LIBOR + 2.00%), due 9/15/36 (b) | 2,125,000 | 2,124,998 |
| Series 2020-VIV2, Class C 3.542%, due 3/9/44 (k) | 1,705,000 | 1,774,399 |
| Series 2020-VIV3, Class B 3.544%, due 3/9/44 (k) | 1,380,000 | 1,457,063 |
| Series 2020-VIVA, Class D 3.549%, due 3/11/44 (k) | 750,000 | 758,892 |
| BX Trust (a) | | |
| Series 2021-MFM1, Class C 1.29% (1 Month LIBOR + 1.20%), due 1/15/34 (b) | 2,695,000 | 2,694,999 |
| Series 2021-MFM1, Class D 1.59% (1 Month LIBOR + 1.50%), due 1/15/34 (b) | 1,010,000 | 1,010,300 |
| Series 2021-LBA, Class DV 1.691% (1 Month LIBOR + 1.60%), due 2/15/36 (b) | 1,270,000 | 1,263,616 |
| Series 2021-ARIA, Class E 2.324% (1 Month LIBOR + 2.24%), due 10/15/36 (b) | 2,700,000 | 2,688,152 |
| Series 2019-OC11, Class A 3.202%, due 12/9/41 | 1,020,000 | 1,079,169 |

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

Portfolio of Investments October 31, 2021[†] (continued)

| | Principal Amount | Value |
|--|---------------------|--------------|
| Mortgage-Backed Securities (continued) | | |
| Commercial Mortgage Loans (Collateralized Mortgage Obligations) (continued) | | |
| BX Trust (a) (continued) | | |
| Series 2019-OC11, Class C 3.856%, due 12/9/41 | \$ 1,265,000 | \$ 1,344,793 |
| Series 2019-OC11, Class E 4.075%, due 12/9/41 (k) | 3,495,000 | 3,503,240 |
| BXHPP Trust | | |
| Series 2021-FILM, Class C 1.19% (1 Month LIBOR + 1.10%), due 8/15/36 (a)(b) | 1,090,000 | 1,087,269 |
| Citigroup Commercial Mortgage Trust | | |
| Series 2015-GC27, Class AS 3.571%, due 2/10/48 | 840,000 | 879,070 |
| COMM Mortgage Trust | | |
| Series 2012-CR4, Class AM 3.251%, due 10/15/45 | 1,280,000 | 1,291,836 |
| Commercial Mortgage Trust | | |
| Series 2013-CR9, Class B 4.269%, due 7/10/45 (a)(k) | 1,020,000 | 1,023,391 |
| CSAIL Commercial Mortgage Trust | | |
| Series 2015-C3, Class A4 3.718%, due 8/15/48 | 2,636,000 | 2,828,072 |
| CSMC WEST Trust | | |
| Series 2020-WEST, Class A 3.04%, due 2/15/35 (a) | 2,250,000 | 2,332,812 |
| DROP Mortgage Trust | | |
| Series 2021-FILE, Class A 1.24% (1 Month LIBOR + 1.15%), due 4/15/26 (a)(b) | 1,065,000 | 1,066,845 |
| Extended Stay America Trust | | |
| Series 2021-ESH, Class D 2.341% (1 Month LIBOR + 2.25%), due 7/15/38 (a)(b) | 1,611,616 | 1,615,653 |
| FREMF Mortgage Trust (a)(k) | | |
| REMIC, Series 2018-K154, Class B 4.02%, due 11/25/32 | 1,750,000 | 1,857,334 |
| REMIC, Series 2018-K155, Class B 4.163%, due 4/25/33 | 2,135,000 | 2,309,566 |
| REMIC, Series 2018-K81, Class C 4.168%, due 9/25/51 | 1,385,000 | 1,504,985 |
| REMIC, Series 2019-K87, Class C 4.322%, due 1/25/51 | 950,000 | 1,040,658 |
| REMIC, Series 2019-K88, Class C 4.38%, due 2/25/52 | 1,470,000 | 1,621,895 |

| | Principal Amount | Value |
|--|---------------------|-------------------|
| Commercial Mortgage Loans (Collateralized Mortgage Obligations) (continued) | | |
| GS Mortgage Securities Corp. Trust | | |
| Series 2019-BOCA, Class A 1.29% (1 Month LIBOR + 1.20%), due 6/15/38 (a)(b) | \$ 4,110,000 | \$ 4,116,676 |
| GS Mortgage Securities Trust | | |
| Series 2017-GS7, Class A4 3.43%, due 8/10/50 | 2,720,000 | 2,943,081 |
| Hudson Yards Mortgage Trust | | |
| Series 2019-30HY, Class A 3.228%, due 7/10/39 (a) | 1,480,000 | 1,590,529 |
| JPMBB Commercial Mortgage Securities Trust | | |
| Series 2014-C26, Class A3 3.231%, due 1/15/48 | 1,885,680 | 1,958,005 |
| JPMorgan Chase Commercial Mortgage Securities Corp. | | |
| Series 2018-AON, Class B 4.379%, due 7/5/31 (a)(k) | 1,330,000 | 1,388,195 |
| Manhattan West Mortgage Trust | | |
| Series 2020-1MW, Class A 2.13%, due 9/10/39 (a) | 1,260,000 | 1,275,568 |
| Morgan Stanley Bank of America Merrill Lynch Trust | | |
| Series 2015-C23, Class A3 3.451%, due 7/15/50 | 1,254,830 | 1,324,647 |
| One Bryant Park Trust | | |
| Series 2019-OBP, Class A 2.516%, due 9/15/54 (a) | 3,825,000 | 3,921,666 |
| SLG Office Trust | | |
| Series 2021-OVA, Class D 2.851%, due 7/15/41 (a) | 1,100,000 | 1,085,820 |
| UBS-Barclays Commercial Mortgage Trust | | |
| Series 2013-C6, Class B 3.875%, due 4/10/46 (a)(l) | 1,010,000 | 1,015,784 |
| Wells Fargo Commercial Mortgage Trust | | |
| Series 2019-C53, Class A4 3.04%, due 10/15/52 | 3,100,000 | 3,304,846 |
| Series 2018-1745, Class A 3.749%, due 6/15/36 (a)(k) | 2,900,000 | 3,176,685 |
| Series 2018-AUS, Class A 4.058%, due 8/17/36 (a)(k) | 4,410,000 | 4,887,006 |
| WFRBS Commercial Mortgage Trust | | |
| Series 2012-C7, Class AS 4.09%, due 6/15/45 (l) | 1,480,000 | 1,486,056 |
| | | <u>76,002,749</u> |

| | Principal Amount | Value |
|---|---------------------|--------------|
| Mortgage-Backed Securities (continued) | | |
| Whole Loan (Collateralized Mortgage Obligations) 8.7% | | |
| Alternative Loan Trust | | |
| Series 2005-31, Class 1A1 0.649% (1 Month LIBOR + 0.56%), due 8/25/35 (b) | \$ 2,318,814 | \$ 2,214,902 |
| Banc of America Alternative Loan Trust | | |
| Series 2005-11, Class 2CB1 6.00%, due 12/25/35 | 454,070 | 453,363 |
| Connecticut Avenue Securities Trust (a)(b) | | |
| Series 2020-R02, Class 2M2 2.089% (1 Month LIBOR + 2.00%), due 1/25/40 | 1,992,602 | 1,999,121 |
| Series 2021-R01, Class 1B1 3.15% (SOFR 30A + 3.10%), due 10/25/41 | 2,205,000 | 2,215,337 |
| FHLMC STACR REMIC Trust | | |
| Series 2020-DNA6, Class M2 2.049% (SOFR 30A + 2.00%), due 12/25/50 (a)(b) | 3,395,000 | 3,420,438 |
| FHLMC STACR Trust (a)(b) | | |
| Series 2018-DNA2, Class M2 2.239% (1 Month LIBOR + 2.15%), due 12/25/30 | 2,265,000 | 2,287,248 |
| Series 2018-HQA2, Class M2 2.389% (1 Month LIBOR + 2.30%), due 10/25/48 | 665,000 | 673,685 |
| Series 2021-DNA5, Class B1 3.099% (SOFR 30A + 3.05%), due 1/25/34 | 1,840,000 | 1,860,699 |
| Series 2019-DNA3, Class B1 3.339% (1 Month LIBOR + 3.25%), due 7/25/49 | 1,590,000 | 1,612,138 |
| Series 2018-DNA2, Class B1 3.789% (1 Month LIBOR + 3.70%), due 12/25/30 | 2,850,000 | 2,967,065 |
| FHLMC Structured Agency Credit Risk Debt Notes (b) | | |
| Series 2018-HQA1, Class M2 2.389% (1 Month LIBOR + 2.30%), due 9/25/30 | 1,189,893 | 1,199,860 |
| Series 2016-DNA4, Class M3 3.889% (1 Month LIBOR + 3.80%), due 3/25/29 | 1,482,293 | 1,532,586 |
| FNMA (b) | | |
| Series 2017-C05, Class 1M2 2.289% (1 Month LIBOR + 2.20%), due 1/25/30 | 990,626 | 1,008,268 |

| | Principal Amount | Value |
|---|---------------------|--------------|
| Whole Loan (Collateralized Mortgage Obligations) (continued) | | |
| FNMA (b) (continued) | | |
| Series 2018-C02, Class 2M2 2.289% (1 Month LIBOR + 2.20%), due 8/25/30 | \$ 1,645,086 | \$ 1,660,783 |
| Series 2017-C07, Class 2M2 2.589% (1 Month LIBOR + 2.50%), due 5/25/30 | 3,329,485 | 3,386,163 |
| Series 2018-C04, Class 2M2 2.639% (1 Month LIBOR + 2.55%), due 12/25/30 | 2,085,519 | 2,119,492 |
| Series 2017-C04, Class 2M2 2.939% (1 Month LIBOR + 2.85%), due 11/25/29 | 1,132,123 | 1,161,209 |
| Series 2017-C02, Class 2M2 3.739% (1 Month LIBOR + 3.65%), due 9/25/29 | 1,768,011 | 1,830,010 |
| Series 2016-C06, Class 1M2 4.339% (1 Month LIBOR + 4.25%), due 4/25/29 | 2,542,180 | 2,640,981 |
| Series 2016-C07, Class 2M2 4.439% (1 Month LIBOR + 4.35%), due 5/25/29 | 2,180,454 | 2,273,606 |
| Series 2015-C04, Class 1M2 5.789% (1 Month LIBOR + 5.70%), due 4/25/28 | 777,603 | 822,716 |
| Galton Funding Mortgage Trust | | |
| Series 2018-2, Class A51 4.50%, due 10/25/58 (a)(l) | 1,293,897 | 1,315,484 |
| GreenPoint Mortgage Funding Trust | | |
| Series 2007-AR3, Class A1 0.529% (1 Month LIBOR + 0.44%), due 6/25/37 (b) | 455,266 | 457,963 |
| GS Mortgage-Backed Securities Corp. Trust | | |
| Series 2021-PJ7, Class A2 2.50%, due 1/25/52 (a)(l) | 2,202,658 | 2,219,780 |
| Impac Secured Assets Trust | | |
| Series 2006-5, Class 2A 0.489% (1 Month LIBOR + 0.40%), due 12/25/36 (b) | 53,665 | 52,879 |
| Mello Warehouse Securitization Trust | | |
| Series 2021-1, Class B 0.989% (1 Month LIBOR + 0.90%), due 2/25/55 (a)(b) | 1,060,000 | 1,057,541 |
| New Residential Mortgage Loan Trust (a) | | |
| Series 2019-5A, Class B7 4.446%, due 8/25/59 (k) | 2,377,908 | 1,780,513 |
| Series 2019-4A, Class B6 4.744%, due 12/25/58 (l) | 2,050,055 | 1,587,524 |

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Portfolio of Investments October 31, 2021[†] (continued)

| | Principal Amount | Value |
|--|---------------------|--------------------|
| Mortgage-Backed Securities (continued) | | |
| Whole Loan (Collateralized Mortgage Obligations) (continued) | | |
| New Residential Mortgage Loan Trust (a) (continued) | | |
| Series 2019-2A, Class B6 | | |
| 4.946%, due 12/25/57 (l) | \$ 845,164 | \$ 674,218 |
| NewRez Warehouse Securitization Trust | | |
| Series 2021-1, Class B | | |
| 0.989% (1 Month LIBOR + 0.90%), due 5/25/55 (a)(b) | 3,085,000 | 3,077,090 |
| Sequoia Mortgage Trust | | |
| Series 2018-7, Class B3 | | |
| 4.235%, due 9/25/48 (a)(l) | 1,418,200 | 1,427,222 |
| STACR Trust (a)(b) | | |
| Series 2018-DNA3, Class M2 | | |
| 2.189% (1 Month LIBOR + 2.10%), due 9/25/48 | 1,425,000 | 1,443,751 |
| Series 2018-HRP2, Class M3 | | |
| 2.489% (1 Month LIBOR + 2.40%), due 2/25/47 | 4,080,000 | 4,164,783 |
| Series 2018-HRP1, Class B1 | | |
| 3.839% (1 Month LIBOR + 3.75%), due 4/25/43 | 1,785,000 | 1,833,067 |
| Series 2018-HRP2, Class B1 | | |
| 4.289% (1 Month LIBOR + 4.20%), due 2/25/47 | 600,000 | 639,187 |
| WaMu Mortgage Pass-Through Certificates Trust | | |
| Series 2006-AR9, Class 2A | | |
| 1.738% (11th District Cost of Funds Index + 1.50%), due 8/25/46 (b) | 635,211 | 627,176 |
| | | <u>61,697,848</u> |
| Total Mortgage-Backed Securities (Cost \$156,602,341) | | <u>158,985,049</u> |

Municipal Bonds 0.5%

| California 0.5% | | |
|---|-----------|-----------|
| Golden State Tobacco Securitization Corp. | | |
| Revenue Bonds | | |
| Series B, Insured: State Appropriations | | |
| 3.293%, due 6/1/42 | 1,040,000 | 1,054,847 |

| | Principal Amount | Value |
|---|---------------------|------------------|
| California (continued) | | |
| Regents of the University of California | | |
| Medical Center, Pooled Revenue Bonds | | |
| Series N | | |
| 3.006%, due 5/15/50 | \$ 2,760,000 | \$ 2,867,557 |
| | | <u>3,922,404</u> |
| Total Municipal Bonds (Cost \$3,800,000) | | <u>3,922,404</u> |

U.S. Government & Federal Agencies 3.2%

| United States Treasury Inflation - Indexed Notes 3.2% | | |
|---|-----------|--------------------|
| U.S. Treasury Inflation Linked Notes (m) | | |
| 0.125%, due 1/15/30 | 9,697,204 | 10,735,993 |
| 0.125%, due 7/15/30 | 6,626,008 | 7,372,296 |
| 0.875%, due 1/15/29 | 4,160,333 | 4,829,399 |
| | | <u>22,937,688</u> |
| Total U.S. Government & Federal Agencies (Cost \$21,774,136) | | <u>22,937,688</u> |
| Total Long-Term Bonds (Cost \$633,249,150) | | <u>651,403,340</u> |

| | Shares | |
|--|--------|----------------|
| Common Stocks 0.0% ‡ | | |
| Commercial Services & Supplies 0.0% ‡ | | |
| Quad/Graphics, Inc. (n) | 14 | <u>55</u> |
| Tobacco 0.0% ‡ | | |
| Turning Point Brands, Inc. | 6,802 | <u>259,632</u> |
| Total Common Stocks (Cost \$0) | | <u>259,687</u> |

Short-Term Investments 8.4%

| Affiliated Investment Company 7.5% | | |
|--|------------|-------------------|
| MainStay U.S. Government Liquidity Fund, 0.01% (o) | | |
| | 53,258,649 | <u>53,258,649</u> |
| Unaffiliated Investment Companies 0.9% | | |
| BlackRock Liquidity FedFund, 0.025% (o)(p) | | |
| | 3,728,236 | 3,728,236 |

| | Shares | Value |
|--|---------------|-----------------------|
| Short-Term Investments (continued) | | |
| Unaffiliated Investment Companies (continued) | | |
| Wells Fargo Government Money Market Fund, 0.025% (o)(p) | 3,071,746 | \$ 3,071,746 |
| Total Unaffiliated Investment Companies (Cost \$6,799,982) | | <u>6,799,982</u> |
| Total Short-Term Investments (Cost \$60,058,631) | | <u>60,058,631</u> |
| Total Investments (Cost \$693,307,781) | 100.1% | 711,721,658 |
| Other Assets, Less Liabilities | <u>(0.1)</u> | <u>(974,989)</u> |
| Net Assets | <u>100.0%</u> | <u>\$ 710,746,669</u> |

† Percentages indicated are based on Fund net assets.

‡ Less than one-tenth of a percent.

- (a) May be sold to institutional investors only under Rule 144A or securities offered pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.
- (b) Floating rate—Rate shown was the rate in effect as of October 31, 2021.
- (c) Delayed delivery security.
- (d) Fixed to floating rate—Rate shown was the rate in effect as of October 31, 2021.
- (e) Security is perpetual and, thus, does not have a predetermined maturity date. The date shown, if applicable, reflects the next call date.
- (f) All or a portion of this security was held on loan. As of October 31, 2021, the aggregate market value of securities on loan was \$6,587,220. The Fund received cash collateral with a value of \$6,799,982. (See Note 2(N))

- (g) Fair valued security—Represents fair value as measured in good faith under procedures approved by the Board of Trustees. As of October 31, 2021, the total market value was \$1,341,675, which represented 0.2% of the Fund's net assets.
- (h) Security in which significant unobservable inputs (Level 3) were used in determining fair value.
- (i) Step coupon—Rate shown was the rate in effect as of October 31, 2021.
- (j) Collateralized Mortgage Obligation Interest Only Strip—Pays a fixed or variable rate of interest based on mortgage loans or mortgage pass-through securities. The principal amount of the underlying pool represents the notional amount on which the current interest was calculated. The value of these stripped securities may be particularly sensitive to changes in prevailing interest rates and are typically more sensitive to changes in prepayment rates than traditional mortgage-backed securities.
- (k) Collateral strip rate—A bond whose interest was based on the weighted net interest rate of the collateral. The coupon rate adjusts periodically based on a predetermined schedule. Rate shown was the rate in effect as of October 31, 2021.
- (l) Coupon rate may change based on changes of the underlying collateral or prepayments of principal. Rate shown was the rate in effect as of October 31, 2021.
- (m) Treasury Inflation Protected Security—Pays a fixed rate of interest on a principal amount that is continuously adjusted for inflation based on the Consumer Price Index-Urban Consumers.
- (n) Non-income producing security.
- (o) Current yield as of October 31, 2021.
- (p) Represents a security purchased with cash collateral received for securities on loan.

Foreign Currency Forward Contracts

As of October 31, 2021, the Fund held the following foreign currency forward contracts¹:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|-------------------------------|---------------|--------------------------|-----------------|--|
| USD 4,318,798 | EUR 3,643,000 | JPMorgan Chase Bank N.A. | 11/1/21 | \$ 107,491 |
| USD 4,266,464 | EUR 3,652,000 | JPMorgan Chase Bank N.A. | 2/1/22 | <u>44,752</u> |
| Total Unrealized Appreciation | | | | <u>152,243</u> |
| EUR 3,643,000 | USD 4,245,731 | JPMorgan Chase Bank N.A. | 11/1/21 | (34,423) |
| EUR 3,600,000 | USD 4,190,000 | JPMorgan Chase Bank N.A. | 2/1/22 | <u>(18,698)</u> |
| Total Unrealized Depreciation | | | | <u>(53,121)</u> |
| Net Unrealized Appreciation | | | | <u>\$ 99,122</u> |

1. Foreign Currency Forward Contracts are subject to limitations such that they cannot be "sold or repurchased," although the Fund would be able to exit the transaction through other means, such as through the execution of an offsetting transaction.

Portfolio of Investments October 31, 2021[†] (continued)

Futures Contracts

As of October 31, 2021, the Fund held the following futures contracts¹:

| Type | Number of Contracts | Expiration Date | Value at Trade Date | Current Notional Amount | Unrealized Appreciation (Depreciation) ² |
|-----------------------------------|---------------------|-----------------|---------------------|-------------------------|---|
| Long Contracts | | | | | |
| U.S. Treasury 2 Year Notes | 60 | December 2021 | \$ 13,210,911 | \$ 13,155,000 | \$ (55,911) |
| U.S. Treasury Long Bonds | 21 | December 2021 | 3,387,781 | 3,377,719 | (10,062) |
| Total Long Contracts | | | | | <u>(65,973)</u> |
| Short Contracts | | | | | |
| U.S. Treasury 5 Year Notes | (515) | December 2021 | (63,336,753) | (62,701,251) | 635,502 |
| U.S. Treasury 10 Year Notes | (911) | December 2021 | (120,993,410) | (119,070,547) | 1,922,863 |
| U.S. Treasury 10 Year Ultra Bonds | (358) | December 2021 | (52,806,035) | (51,921,187) | 884,848 |
| U.S. Treasury Ultra Bonds | (46) | December 2021 | (9,024,152) | (9,034,687) | (10,535) |
| Total Short Contracts | | | | | <u>3,432,678</u> |
| Net Unrealized Appreciation | | | | | <u>\$ 3,366,705</u> |

- As of October 31, 2021, cash in the amount of \$2,736,451 was on deposit with a broker or futures commission merchant for futures transactions.
- Represents the difference between the value of the contracts at the time they were opened and the value as of October 31, 2021.

Swap Contracts

As of October 31, 2021, the Fund held the following centrally cleared interest swap agreements¹:

| Notional Amount | Currency | Expiration Date | Payments made by Fund | Payments Received by Fund | Payment Frequency Paid/Received | Upfront Premiums Paid/(Received) | Value | Unrealized Appreciation/Depreciation |
|-----------------|----------|-----------------|-----------------------|---------------------------|---------------------------------|----------------------------------|-----------------------|--------------------------------------|
| \$ 40,000,000 | USD | 3/16/23 | Fixed 2.793% | 3 month USD LIBOR | Semi-Annually/Quarterly | \$ — | \$ (1,290,032) | \$ (1,290,032) |
| 41,000,000 | USD | 3/29/23 | Fixed 2.762% | 3 month USD LIBOR | Semi-Annually/Quarterly | — | <u>(1,331,772)</u> | <u>(1,331,772)</u> |
| | | | | | | <u>\$ —</u> | <u>\$ (2,621,804)</u> | <u>\$ (2,621,804)</u> |

- As of October 31, 2021, cash in the amount of \$542,403 was on deposit with a broker for centrally cleared swap agreements.

Abbreviation(s):

EUR—Euro

FHLMC—Federal Home Loan Mortgage Corp.

FNMA—Federal National Mortgage Association

FREMF—Freddie Mac Multifamily

GNMA—Government National Mortgage Association

LIBOR—London Interbank Offered Rate

REMIC—Real Estate Mortgage Investment Conduit

SOFR—Secured Overnight Financing Rate

USD—United States Dollar

USISDA—U.S. dollar International Swaps and Derivatives Association

The following is a summary of the fair valuations according to the inputs used as of October 31, 2021, for valuing the Fund's assets and liabilities:

| Description | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|---|--|---|--|-----------------------|
| Asset Valuation Inputs | | | | |
| Investments in Securities (a) | | | | |
| Long-Term Bonds | | | | |
| Asset-Backed Securities | \$ — | \$ 80,346,540 | \$ — | \$ 80,346,540 |
| Corporate Bonds | — | 333,138,906 | 1,341,675 | 334,480,581 |
| Foreign Government Bonds | — | 30,226,872 | — | 30,226,872 |
| Loan Assignments | — | 20,504,206 | — | 20,504,206 |
| Mortgage-Backed Securities | — | 158,985,049 | — | 158,985,049 |
| Municipal Bonds | — | 3,922,404 | — | 3,922,404 |
| U.S. Government & Federal Agencies | — | 22,937,688 | — | 22,937,688 |
| Total Long-Term Bonds | <u>—</u> | <u>650,061,665</u> | <u>1,341,675</u> | <u>651,403,340</u> |
| Common Stocks | 259,687 | — | — | 259,687 |
| Short-Term Investments | | | | |
| Affiliated Investment Company | 53,258,649 | — | — | 53,258,649 |
| Unaffiliated Investment Companies | 6,799,982 | — | — | 6,799,982 |
| Total Short-Term Investments | <u>60,058,631</u> | <u>—</u> | <u>—</u> | <u>60,058,631</u> |
| Total Investments in Securities | <u>60,318,318</u> | <u>650,061,665</u> | <u>1,341,675</u> | <u>711,721,658</u> |
| Other Financial Instruments | | | | |
| Foreign Currency Forward Contracts (b) | — | 152,243 | — | 152,243 |
| Futures Contracts (b) | 3,443,213 | — | — | 3,443,213 |
| Total Other Financial Instruments | <u>3,443,213</u> | <u>152,243</u> | <u>—</u> | <u>3,595,456</u> |
| Total Investments in Securities and Other Financial Instruments | <u>\$ 63,761,531</u> | <u>\$ 650,213,908</u> | <u>\$ 1,341,675</u> | <u>\$ 715,317,114</u> |
| Liability Valuation Inputs | | | | |
| Other Financial Instruments | | | | |
| Foreign Currency Forward Contracts (b) | \$ — | \$ (53,121) | \$ — | \$ (53,121) |
| Futures Contracts (b) | (76,508) | — | — | (76,508) |
| Interest Rate Swaps (b) | — | (2,621,804) | — | (2,621,804) |
| Total Other Financial Instruments | <u>(76,508)</u> | <u>(2,674,925)</u> | <u>—</u> | <u>(2,751,433)</u> |
| Total Investments in Securities and Other Financial Instruments | <u>\$ (76,508)</u> | <u>\$ (2,674,925)</u> | <u>\$ —</u> | <u>\$ (2,751,433)</u> |

(a) For a complete listing of investments and their industries, see the Portfolio of Investments.

(b) The value listed for these securities reflects unrealized appreciation (depreciation) as shown on the Portfolio of Investments.

Statement of Assets and Liabilities as of October 31, 2021

Assets

| | |
|---|-----------------------|
| Investment in unaffiliated securities, at value (identified cost \$640,049,132) including securities on loan of \$6,587,220 | \$ 658,463,009 |
| Investment in affiliated investment companies, at value (identified cost \$53,258,649) | 53,258,649 |
| Cash | 39,298 |
| Cash denominated in foreign currencies (identified cost \$60,312) | 60,116 |
| Cash collateral on deposit at broker for futures contracts | 2,736,451 |
| Cash collateral on deposit at broker for swap contracts | 542,403 |
| Receivables: | |
| Interest | 4,461,630 |
| Fund shares sold | 1,012,242 |
| Variation margin on futures contracts | 215,284 |
| Investment securities sold | 97,582 |
| Variation margin on centrally cleared swap contracts | 66,455 |
| Securities lending | 4,413 |
| Unrealized appreciation on foreign currency forward contracts | 152,243 |
| Other assets | 34,410 |
| Total assets | <u>\$ 721,144,185</u> |

Liabilities

| | |
|---|-----------------------|
| Cash collateral received for securities on loan | 6,799,982 |
| Payables: | |
| Investment securities purchased | 1,764,982 |
| Fund shares redeemed | 956,598 |
| Manager (See Note 3) | 342,082 |
| Transfer agent (See Note 3) | 176,831 |
| NYLIFE Distributors (See Note 3) | 87,909 |
| Shareholder communication | 65,508 |
| Professional fees | 17,609 |
| Custodian | 4,246 |
| Trustees | 2,108 |
| Accrued expenses | 7,717 |
| Distributions payable | 118,823 |
| Unrealized depreciation on foreign currency forward contracts | 53,121 |
| Total liabilities | <u>10,397,516</u> |
| Net assets | <u>\$ 710,746,669</u> |

Composition of Net Assets

| | |
|--|-----------------------|
| Shares of beneficial interest outstanding (par value of \$.01 per share) unlimited number of shares authorized | \$ 780,484 |
| Additional paid-in-capital | <u>876,672,196</u> |
| | 877,452,680 |
| Total distributable earnings (loss) | <u>(166,706,011)</u> |
| Net assets | <u>\$ 710,746,669</u> |

Class A

| | |
|--|-----------------------|
| Net assets applicable to outstanding shares | <u>\$ 192,190,316</u> |
| Shares of beneficial interest outstanding | <u>21,114,158</u> |
| Net asset value per share outstanding | \$ 9.10 |
| Maximum sales charge (4.50% of offering price) | 0.43 |
| Maximum offering price per share outstanding | <u>\$ 9.53</u> |

Investor Class

| | |
|--|----------------------|
| Net assets applicable to outstanding shares | <u>\$ 16,874,179</u> |
| Shares of beneficial interest outstanding | <u>1,837,563</u> |
| Net asset value per share outstanding | \$ 9.18 |
| Maximum sales charge (4.00% of offering price) | 0.38 |
| Maximum offering price per share outstanding | <u>\$ 9.56</u> |

Class B

| | |
|--|---------------------|
| Net assets applicable to outstanding shares | <u>\$ 3,191,345</u> |
| Shares of beneficial interest outstanding | <u>352,439</u> |
| Net asset value and offering price per share outstanding | <u>\$ 9.06</u> |

Class C

| | |
|--|----------------------|
| Net assets applicable to outstanding shares | <u>\$ 46,536,505</u> |
| Shares of beneficial interest outstanding | <u>5,143,006</u> |
| Net asset value and offering price per share outstanding | <u>\$ 9.05</u> |

Class I

| | |
|--|-----------------------|
| Net assets applicable to outstanding shares | <u>\$ 448,881,341</u> |
| Shares of beneficial interest outstanding | <u>49,264,320</u> |
| Net asset value and offering price per share outstanding | <u>\$ 9.11</u> |

Class R2

| | |
|--|---------------------|
| Net assets applicable to outstanding shares | <u>\$ 1,046,685</u> |
| Shares of beneficial interest outstanding | <u>114,949</u> |
| Net asset value and offering price per share outstanding | <u>\$ 9.11</u> |

Class R3

| | |
|--|-------------------|
| Net assets applicable to outstanding shares | <u>\$ 619,222</u> |
| Shares of beneficial interest outstanding | <u>68,011</u> |
| Net asset value and offering price per share outstanding | <u>\$ 9.10</u> |

Class R6

| | |
|--|---------------------|
| Net assets applicable to outstanding shares | <u>\$ 1,407,076</u> |
| Shares of beneficial interest outstanding | <u>153,944</u> |
| Net asset value and offering price per share outstanding | <u>\$ 9.14</u> |

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

Statement of Operations for the year ended October 31, 2021

Investment Income (Loss)

Income

| | |
|--|-------------------|
| Interest | \$23,731,393 |
| Securities lending | 12,377 |
| Dividends-affiliated | 3,426 |
| Dividends-unaffiliated (net of foreign tax withholding of \$100) | <u>1,348</u> |
| Total income | <u>23,748,544</u> |

Expenses

| | |
|--|-------------------|
| Manager (See Note 3) | 4,077,850 |
| Distribution/Service—Class A (See Note 3) | 457,404 |
| Distribution/Service—Investor Class (See Note 3) | 44,125 |
| Distribution/Service—Class B (See Note 3) | 40,384 |
| Distribution/Service—Class C (See Note 3) | 553,934 |
| Distribution/Service—Class R2 (See Note 3) | 2,535 |
| Distribution/Service—Class R3 (See Note 3) | 1,798 |
| Transfer agent (See Note 3) | 954,610 |
| Interest on investments sold short | 176,208 |
| Registration | 153,738 |
| Shareholder communication | 94,743 |
| Professional fees | 91,962 |
| Custodian | 42,530 |
| Trustees | 16,556 |
| Insurance | 6,253 |
| Broker fees and charges on short sales | 3,758 |
| Shareholder service (See Note 3) | 1,374 |
| Miscellaneous | <u>30,041</u> |
| Total expenses before waiver/reimbursement | 6,749,803 |
| Expense waiver/reimbursement from Manager (See Note 3) | <u>(95,224)</u> |
| Net expenses | <u>6,654,579</u> |
| Net investment income (loss) | <u>17,093,965</u> |

Realized and Unrealized Gain (Loss)

Net realized gain (loss) on:

| | |
|---------------------------------------|-------------------|
| Unaffiliated investment transactions | 18,884,659 |
| Futures transactions | 5,857,439 |
| Investments sold short | (323,676) |
| Swap transactions | (2,115,186) |
| Foreign currency transactions | (439,795) |
| Foreign currency forward transactions | <u>(718,128)</u> |
| Net realized gain (loss) | <u>21,145,313</u> |

Net change in unrealized appreciation (depreciation) on:

| | |
|---|---------------------|
| Unaffiliated investments | (4,967,426) |
| Futures contracts | 907,704 |
| Investments sold short | 130,500 |
| Swap contracts | 2,276,063 |
| Foreign currency forward contracts | 663,375 |
| Translation of other assets and liabilities in foreign currencies | <u>(3,454)</u> |
| Net change in unrealized appreciation (depreciation) | <u>(993,238)</u> |
| Net realized and unrealized gain (loss) | <u>20,152,075</u> |
| Net increase (decrease) in net assets resulting from operations | <u>\$37,246,040</u> |

Statements of Changes in Net Assets

for the years ended October 31, 2021 and October 31, 2020

| | 2021 | 2020 |
|--|----------------|----------------|
| Increase (Decrease) in Net Assets | | |
| Operations: | | |
| Net investment income (loss) | \$ 17,093,965 | \$ 20,944,697 |
| Net realized gain (loss) | 21,145,313 | (4,133,341) |
| Net change in unrealized appreciation (depreciation) | (993,238) | (1,070,079) |
| Net increase (decrease) in net assets resulting from operations | 37,246,040 | 15,741,277 |
| Distributions to shareholders: | | |
| Class A | (3,635,420) | (4,402,631) |
| Investor Class | (323,097) | (440,469) |
| Class B | (45,962) | (108,106) |
| Class C | (629,126) | (1,281,225) |
| Class I | (9,317,197) | (13,052,942) |
| Class R2 | (19,150) | (143,506) |
| Class R3 | (5,926) | (5,136) |
| Class R6 | (24,072) | (197,722) |
| | (13,999,950) | (19,631,737) |
| Distributions to shareholders from return of capital: | | |
| Class A | (221,004) | (131,689) |
| Investor Class | (19,642) | (13,175) |
| Class B | (2,794) | (3,234) |
| Class C | (38,246) | (38,323) |
| Class I | (566,411) | (390,433) |
| Class R2 | (1,164) | (4,292) |
| Class R3 | (360) | (154) |
| Class R6 | (1,463) | (5,914) |
| | (851,084) | (587,214) |
| Total distributions to shareholders | (14,851,034) | (20,218,951) |
| Capital share transactions: | | |
| Net proceeds from sales of shares | 165,058,912 | 207,685,790 |
| Net asset value of shares issued to shareholder in reinvestment of distributions | 13,300,032 | 18,303,153 |
| Cost of shares redeemed | (160,495,682) | (503,088,197) |
| Increase (decrease) in net assets derived from capital share transactions | 17,863,262 | (277,099,254) |
| Net increase (decrease) in net assets | 40,258,268 | (281,576,928) |
| Net Assets | | |
| Beginning of year | 670,488,401 | 952,065,329 |
| End of year | \$ 710,746,669 | \$ 670,488,401 |

Financial Highlights selected per share data and ratios

| Class A | Year Ended October 31, | | | | |
|--|------------------------|------------|------------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Net asset value at beginning of year | \$ 8.80 | \$ 8.74 | \$ 8.65 | \$ 8.90 | \$ 8.81 |
| Net investment income (loss) (a) | 0.22 | 0.22 | 0.23 | 0.24 | 0.25 |
| Net realized and unrealized gain (loss) | 0.27 | 0.06 | 0.11 | (0.22) | 0.15 |
| Total from investment operations | 0.49 | 0.28 | 0.34 | 0.02 | 0.40 |
| Less distributions: | | | | | |
| From net investment income | (0.18) | (0.21) | (0.25) | (0.27) | (0.31) |
| Return of capital | (0.01) | (0.01) | — | (0.00)‡ | (0.00)‡ |
| Total distributions | (0.19) | (0.22) | (0.25) | (0.27) | (0.31) |
| Net asset value at end of year | \$ 9.10 | \$ 8.80 | \$ 8.74 | \$ 8.65 | \$ 8.90 |
| Total investment return (b) | 5.61% | 3.27% | 3.99% | 0.25% | 4.65% |
| Ratios (to average net assets)/Supplemental Data: | | | | | |
| Net investment income (loss) | 2.43% | 2.60% | 2.66% | 2.69% | 2.79% |
| Net expenses (c)(d) | 1.07% | 1.18% | 1.27% | 1.25% | 1.13% |
| Portfolio turnover rate | 53% | 56%(e) | 50%(e) | 22% | 41% |
| Net assets at end of year (in 000's) | \$ 192,190 | \$ 175,682 | \$ 197,686 | \$ 220,618 | \$ 302,192 |

‡ Less than one cent per share.

(a) Per share data based on average shares outstanding during the year.

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. For periods of less than one year, total return is not annualized.

(c) In addition to the fees and expenses which the Fund bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.

(d) The expense ratios presented below show the impact of short sales expense:

| Year Ended | Net Expenses (excluding short sale expenses) | Short Sales Expenses |
|------------------|--|-------------------------|
| October 31, 2021 | 1.04% | 0.03% |
| October 31, 2020 | 1.07% | 0.11% |
| October 31, 2019 | 1.07% | 0.20% |
| October 31, 2018 | 1.03% | 0.22% |
| October 31, 2017 | 1.01% | 0.12% |

(e) The portfolio turnover rate not including mortgage dollar rolls was 53% and 44% for the years ended October 31, 2020 and 2019, respectively.

Financial Highlights selected per share data and ratios

| Investor Class | Year Ended October 31, | | | | |
|--|------------------------|-----------|-----------|-----------|-----------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Net asset value at beginning of year | \$ 8.88 | \$ 8.81 | \$ 8.72 | \$ 8.97 | \$ 8.88 |
| Net investment income (loss) (a) | 0.21 | 0.22 | 0.23 | 0.24 | 0.24 |
| Net realized and unrealized gain (loss) | 0.27 | 0.06 | 0.11 | (0.22) | 0.16 |
| Total from investment operations | 0.48 | 0.28 | 0.34 | 0.02 | 0.40 |
| Less distributions: | | | | | |
| From net investment income | (0.17) | (0.20) | (0.25) | (0.27) | (0.31) |
| Return of capital | (0.01) | (0.01) | — | (0.00)‡ | (0.00)‡ |
| Total distributions | (0.18) | (0.21) | (0.25) | (0.27) | (0.31) |
| Net asset value at end of year | \$ 9.18 | \$ 8.88 | \$ 8.81 | \$ 8.72 | \$ 8.97 |
| Total investment return (b) | 5.41% | 3.29% | 3.93% | 0.23% | 4.59% |
| Ratios (to average net assets)/Supplemental Data: | | | | | |
| Net investment income (loss) | 2.30% | 2.54% | 2.63% | 2.68% | 2.74% |
| Net expenses (c)(d) | 1.20% | 1.24% | 1.29% | 1.27% | 1.15% |
| Portfolio turnover rate | 53% | 56%(e) | 50%(e) | 22% | 41% |
| Net assets at end of year (in 000's) | \$ 16,874 | \$ 18,139 | \$ 19,748 | \$ 20,451 | \$ 22,033 |

‡ Less than one cent per share.

(a) Per share data based on average shares outstanding during the year.

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. For periods of less than one year, total return is not annualized.

(c) In addition to the fees and expenses which the Fund bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.

(d) The expense ratios presented below show the impact of short sales expense:

| Year Ended | Net Expenses (excluding short sale expenses) | Short Sales Expenses |
|------------------|--|-------------------------|
| October 31, 2021 | 1.17% | 0.03% |
| October 31, 2020 | 1.13% | 0.11% |
| October 31, 2019 | 1.09% | 0.20% |
| October 31, 2018 | 1.05% | 0.22% |
| October 31, 2017 | 1.03% | 0.12% |

(e) The portfolio turnover rate not including mortgage dollar rolls was 53% and 44% for the years ended October 31, 2020 and 2019, respectively.

Financial Highlights selected per share data and ratios

| Class B | Year Ended October 31, | | | | |
|--|------------------------|----------|----------|-----------|-----------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Net asset value at beginning of year | \$ 8.76 | \$ 8.70 | \$ 8.61 | \$ 8.86 | \$ 8.77 |
| Net investment income (loss) (a) | 0.14 | 0.15 | 0.16 | 0.17 | 0.18 |
| Net realized and unrealized gain (loss) | 0.27 | 0.06 | 0.11 | (0.22) | 0.15 |
| Total from investment operations | 0.41 | 0.21 | 0.27 | (0.05) | 0.33 |
| Less distributions: | | | | | |
| From net investment income | (0.10) | (0.15) | (0.18) | (0.20) | (0.24) |
| Return of capital | (0.01) | (0.00)‡ | — | (0.00)‡ | (0.00)‡ |
| Total distributions | (0.11) | (0.15) | (0.18) | (0.20) | (0.24) |
| Net asset value at end of year | \$ 9.06 | \$ 8.76 | \$ 8.70 | \$ 8.61 | \$ 8.86 |
| Total investment return (b) | 4.57% | 2.44% | 3.20% | (0.52)% | 3.86% |
| Ratios (to average net assets)/Supplemental Data: | | | | | |
| Net investment income (loss) | 1.55% | 1.77% | 1.90% | 1.92% | 2.00% |
| Net expenses (c)(d) | 1.95% | 2.00% | 2.04% | 2.02% | 1.90% |
| Portfolio turnover rate | 53% | 56%(e) | 50%(e) | 22% | 41% |
| Net assets at end of year (in 000's) | \$ 3,191 | \$ 4,872 | \$ 7,970 | \$ 11,015 | \$ 15,223 |

‡ Less than one cent per share.

(a) Per share data based on average shares outstanding during the year.

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. For periods of less than one year, total return is not annualized.

(c) In addition to the fees and expenses which the Fund bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.

(d) The expense ratios presented below show the impact of short sales expense:

| Year Ended | Net Expenses (excluding short sale expenses) | Short Sales Expenses |
|------------------|--|-------------------------|
| October 31, 2021 | 1.92% | 0.03% |
| October 31, 2020 | 1.89% | 0.11% |
| October 31, 2019 | 1.84% | 0.20% |
| October 31, 2018 | 1.80% | 0.22% |
| October 31, 2017 | 1.78% | 0.12% |

(e) The portfolio turnover rate not including mortgage dollar rolls was 53% and 44% for the years ended October 31, 2020 and 2019, respectively.

Financial Highlights selected per share data and ratios

| Class C | Year Ended October 31, | | | | |
|--|------------------------|-----------|-----------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Net asset value at beginning of year | \$ 8.75 | \$ 8.69 | \$ 8.60 | \$ 8.85 | \$ 8.76 |
| Net investment income (loss) (a) | 0.14 | 0.15 | 0.16 | 0.17 | 0.18 |
| Net realized and unrealized gain (loss) | 0.27 | 0.06 | 0.11 | (0.22) | 0.15 |
| Total from investment operations | 0.41 | 0.21 | 0.27 | (0.05) | 0.33 |
| Less distributions: | | | | | |
| From net investment income | (0.10) | (0.15) | (0.18) | (0.20) | (0.24) |
| Return of capital | (0.01) | (0.00)‡ | — | (0.00)‡ | (0.00)‡ |
| Total distributions | (0.11) | (0.15) | (0.18) | (0.20) | (0.24) |
| Net asset value at end of year | \$ 9.05 | \$ 8.75 | \$ 8.69 | \$ 8.60 | \$ 8.85 |
| Total investment return (b) | 4.69% | 2.45% | 3.21% | (0.52)% | 3.86% |
| Ratios (to average net assets)/Supplemental Data: | | | | | |
| Net investment income (loss) | 1.55% | 1.78% | 1.90% | 1.92% | 2.00% |
| Net expenses (c)(d) | 1.95% | 2.00% | 2.04% | 2.02% | 1.90% |
| Portfolio turnover rate | 53% | 56%(e) | 50%(e) | 22% | 41% |
| Net assets at end of year (in 000's) | \$ 46,537 | \$ 65,158 | \$ 91,598 | \$ 128,279 | \$ 167,595 |

‡ Less than one cent per share.

(a) Per share data based on average shares outstanding during the year.

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. For periods of less than one year, total return is not annualized.

(c) In addition to the fees and expenses which the Fund bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.

(d) The expense ratios presented below show the impact of short sales expense:

| Year Ended | Net Expenses (excluding short sale expenses) | Short Sales Expenses |
|------------------|--|-------------------------|
| October 31, 2021 | 1.92% | 0.03% |
| October 31, 2020 | 1.89% | 0.11% |
| October 31, 2019 | 1.84% | 0.20% |
| October 31, 2018 | 1.80% | 0.22% |
| October 31, 2017 | 1.78% | 0.12% |

(e) The portfolio turnover rate not including mortgage dollar rolls was 53% and 44% for the years ended October 31, 2020 and 2019, respectively.

Financial Highlights selected per share data and ratios

| Class I | Year Ended October 31, | | | | |
|--|------------------------|------------|------------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Net asset value at beginning of year | \$ 8.81 | \$ 8.75 | \$ 8.66 | \$ 8.91 | \$ 8.82 |
| Net investment income (loss) (a) | 0.25 | 0.24 | 0.25 | 0.26 | 0.26 |
| Net realized and unrealized gain (loss) | 0.27 | 0.06 | 0.11 | (0.22) | 0.16 |
| Total from investment operations | 0.52 | 0.30 | 0.36 | 0.04 | 0.42 |
| Less distributions: | | | | | |
| From net investment income | (0.21) | (0.23) | (0.27) | (0.29) | (0.33) |
| Return of capital | (0.01) | (0.01) | — | (0.00)‡ | (0.00)‡ |
| Total distributions | (0.22) | (0.24) | (0.27) | (0.29) | (0.33) |
| Net asset value at end of year | \$ 9.11 | \$ 8.81 | \$ 8.75 | \$ 8.66 | \$ 8.91 |
| Total investment return (b) | 5.88% | 3.53% | 4.24% | 0.51% | 4.90% |
| Ratios (to average net assets)/Supplemental Data: | | | | | |
| Net investment income (loss) | 2.70% | 2.83% | 2.91% | 2.94% | 2.99% |
| Net expenses (c)(d) | 0.79% | 0.94% | 1.02% | 1.00% | 0.88% |
| Expenses (before waiver/reimbursement) | 0.82% | 0.94% | 1.02% | 1.00% | 0.88% |
| Portfolio turnover rate | 53% | 56%(e) | 50%(e) | 22% | 41% |
| Net assets at end of year (in 000's) | \$ 448,881 | \$ 404,964 | \$ 604,981 | \$ 717,129 | \$ 837,363 |

‡ Less than one cent per share.

(a) Per share data based on average shares outstanding during the year.

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. Class I shares are not subject to sales charges. For periods of less than one year, total return is not annualized.

(c) In addition to the fees and expenses which the Fund bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.

(d) The expense ratios presented below show the impact of short sales expense:

| Year Ended | Net Expenses (excluding short sale expenses) | Short Sales Expenses |
|------------------|--|-------------------------|
| October 31, 2021 | 0.76% | 0.03% |
| October 31, 2020 | 0.83% | 0.11% |
| October 31, 2019 | 0.82% | 0.20% |
| October 31, 2018 | 0.78% | 0.22% |
| October 31, 2017 | 0.76% | 0.12% |

(e) The portfolio turnover rate not including mortgage dollar rolls was 53% and 44% for the years ended October 31, 2020 and 2019, respectively.

Financial Highlights selected per share data and ratios

| Class R2 | Year Ended October 31, | | | | |
|--|------------------------|---------|----------|----------|---------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Net asset value at beginning of year | \$ 8.81 | \$ 8.74 | \$ 8.65 | \$ 8.90 | \$ 8.81 |
| Net investment income (loss) (a) | 0.21 | 0.21 | 0.22 | 0.23 | 0.23 |
| Net realized and unrealized gain (loss) | 0.27 | 0.07 | 0.11 | (0.22) | 0.16 |
| Total from investment operations | 0.48 | 0.28 | 0.33 | 0.01 | 0.39 |
| Less distributions: | | | | | |
| From net investment income | (0.17) | (0.20) | (0.24) | (0.26) | (0.30) |
| Return of capital | (0.01) | (0.01) | — | (0.00)‡ | (0.00)‡ |
| Total distributions | (0.18) | (0.21) | (0.24) | (0.26) | (0.30) |
| Net asset value at end of year | \$ 9.11 | \$ 8.81 | \$ 8.74 | \$ 8.65 | \$ 8.90 |
| Total investment return (b) | 5.49% | 3.27% | 3.89% | 0.16% | 4.54% |
| Ratios (to average net assets)/Supplemental Data: | | | | | |
| Net investment income (loss) | 2.33% | 2.49% | 2.54% | 2.67% | 2.63% |
| Net expenses (c)(d) | 1.17% | 1.29% | 1.37% | 1.34% | 1.23% |
| Portfolio turnover rate | 53% | 56%(e) | 50%(e) | 22% | 41% |
| Net assets at end of year (in 000's) | \$ 1,047 | \$ 934 | \$ 7,232 | \$ 6,657 | \$ 773 |

‡ Less than one cent per share.

(a) Per share data based on average shares outstanding during the year.

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. Class R2 shares are not subject to sales charges. For periods of less than one year, total return is not annualized.

(c) In addition to the fees and expenses which the Fund bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.

(d) The expense ratios presented below show the impact of short sales expense:

| Year Ended | Net Expenses (excluding short sale expenses) | Short Sales Expenses |
|------------------|--|-------------------------|
| October 31, 2021 | 1.14% | 0.03% |
| October 31, 2020 | 1.18% | 0.11% |
| October 31, 2019 | 1.17% | 0.20% |
| October 31, 2018 | 1.14% | 0.20% |
| October 31, 2017 | 1.11% | 0.12% |

(e) The portfolio turnover rate not including mortgage dollar rolls was 53% and 44% for the years ended October 31, 2020 and 2019, respectively.

Financial Highlights selected per share data and ratios

| Class R3 | Year Ended October 31, | | | | |
|--|------------------------|---------|---------|---------|---------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Net asset value at beginning of year | \$ 8.80 | \$ 8.74 | \$ 8.65 | \$ 8.90 | \$ 8.81 |
| Net investment income (loss) (a) | 0.19 | 0.20 | 0.20 | 0.21 | 0.21 |
| Net realized and unrealized gain (loss) | 0.27 | 0.05 | 0.11 | (0.22) | 0.16 |
| Total from investment operations | 0.46 | 0.25 | 0.31 | (0.01) | 0.37 |
| Less distributions: | | | | | |
| From net investment income | (0.15) | (0.18) | (0.22) | (0.24) | (0.28) |
| Return of capital | (0.01) | (0.01) | — | (0.00)‡ | (0.00)‡ |
| Total distributions | (0.16) | (0.19) | (0.22) | (0.24) | (0.28) |
| Net asset value at end of year | \$ 9.10 | \$ 8.80 | \$ 8.74 | \$ 8.65 | \$ 8.90 |
| Total investment return (b) | 5.21% | 2.90% | 3.63% | (0.09)% | 4.28% |
| Ratios (to average net assets)/Supplemental Data: | | | | | |
| Net investment income (loss) | 2.05% | 2.27% | 2.29% | 2.36% | 2.34% |
| Net expenses (c)(d) | 1.42% | 1.52% | 1.62% | 1.60% | 1.48% |
| Portfolio turnover rate | 53% | 56%(e) | 50%(e) | 22% | 41% |
| Net assets at end of year (in 000's) | \$ 619 | \$ 276 | \$ 218 | \$ 190 | \$ 114 |

‡ Less than one cent per share.

(a) Per share data based on average shares outstanding during the year.

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. Class R3 shares are not subject to sales charges. For periods of less than one year, total return is not annualized.

(c) In addition to the fees and expenses which the Fund bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.

(d) The expense ratios presented below show the impact of short sales expense:

| Year Ended | Net Expenses (excluding short sale expenses) | Short Sales Expenses |
|------------------|--|-------------------------|
| October 31, 2021 | 1.39% | 0.03% |
| October 31, 2020 | 1.41% | 0.11% |
| October 31, 2019 | 1.42% | 0.20% |
| October 31, 2018 | 1.38% | 0.22% |
| October 31, 2017 | 1.36% | 0.12% |

(e) The portfolio turnover rate not including mortgage dollar rolls was 53% and 44% for the years ended October 31, 2020 and 2019, respectively.

Financial Highlights selected per share data and ratios

| Class R6 | Year Ended October 31, | | | February 28, 2018 [^] through October 31, 2018 |
|--|------------------------|---------|-----------|--|
| | 2021 | 2020 | 2019 | |
| Net asset value at beginning of period | \$ 8.84 | \$ 8.75 | \$ 8.66 | \$ 8.83 |
| Net investment income (loss) (a) | 0.26 | 0.25 | 0.27 | 0.19 |
| Net realized and unrealized gain (loss) | 0.26 | 0.09 | 0.11 | (0.14) |
| Total from investment operations | 0.52 | 0.34 | 0.38 | 0.05 |
| Less distributions: | | | | |
| From net investment income | (0.21) | (0.24) | (0.29) | (0.22) |
| Return of capital | (0.01) | (0.01) | — | (0.00)‡ |
| Total distributions | (0.22) | (0.25) | (0.29) | (0.22) |
| Net asset value at end of period | \$ 9.14 | \$ 8.84 | \$ 8.75 | \$ 8.66 |
| Total investment return (b) | 5.97% | 4.04% | 4.43% | 0.54% |
| Ratios (to average net assets)/Supplemental Data: | | | | |
| Net investment income (loss) | 2.83% | 2.88% | 3.13% | 3.18%†† |
| Net expenses (c)(d) | 0.69% | 0.82% | 0.84% | 0.85%†† |
| Portfolio turnover rate | 53% | 56%(e) | 50%(e) | 22% |
| Net assets at end of period (in 000's) | \$ 1,407 | \$ 465 | \$ 22,632 | \$ 52,504 |

[^] Inception date.

‡ Less than one cent per share.

†† Annualized.

(a) Per share data based on average shares outstanding during the period.

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. Class R6 shares are not subject to sales charges. For periods of less than one year, total return is not annualized.

(c) In addition to the fees and expenses which the Fund bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.

(d) The expense ratios presented below show the impact of short sales expense:

| Year Ended | Net Expenses (excluding short sale expenses) | Short Sales Expenses |
|------------------|--|-------------------------|
| October 31, 2021 | 0.67% | 0.02% |
| October 31, 2020 | 0.66% | 0.16% |
| October 31, 2019 | 0.64% | 0.20% |
| October 31, 2018 | 0.62% | 0.23% |

(e) The portfolio turnover rate not including mortgage dollar rolls was 53% and 44% for the years ended October 31, 2020 and 2019, respectively.

Notes to Financial Statements

Note 1—Organization and Business

The MainStay Funds (the "Trust") was organized on January 9, 1986, as a Massachusetts business trust. The Trust is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company, and is comprised of twelve funds (collectively referred to as the "Funds"). These financial statements and notes relate to the MainStay MacKay Strategic Bond Fund (formerly known as MainStay MacKay Unconstrained Bond Fund) (the "Fund"), a "diversified" fund, as that term is defined in the 1940 Act, as interpreted or modified by regulatory authorities having jurisdiction, from time to time.

The following table lists the Fund's share classes that have been registered and commenced operations:

| Class | Commenced Operations |
|----------------|----------------------|
| Class A | February 28, 1997 |
| Investor Class | February 28, 2008 |
| Class B | February 28, 1997 |
| Class C | September 1, 1998 |
| Class I | January 2, 2004 |
| Class R2 | February 28, 2014 |
| Class R3 | February 29, 2016 |
| Class R6 | February 28, 2018 |
| SIMPLE Class | N/A* |

* SIMPLE Class shares were registered for sale effective as of August 31, 2020 but have not yet commenced operations.

Class B shares of the MainStay Group of Funds are closed to all new purchases as well as additional investments by existing Class B shareholders. Existing Class B shareholders may continue to reinvest dividends and capital gains distributions, as well as exchange their Class B shares for Class B shares of other funds in the MainStay Group of Funds as permitted by the current exchange privileges. Class B shareholders continue to be subject to any applicable contingent deferred sales charge ("CDSC") at the time of redemption. All other features of the Class B shares, including but not limited to the fees and expenses applicable to Class B shares, remain unchanged. Unless redeemed, Class B shareholders will remain in Class B shares of their respective fund until the Class B shares are converted to Class A or Investor Class shares pursuant to the applicable conversion schedule.

Class A and Investor Class shares are offered at net asset value ("NAV") per share plus an initial sales charge. No initial sales charge applies to investments of \$1 million or more (and certain other qualified purchases) in Class A and Investor Class shares. However, a CDSC 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. Class C shares are offered at NAV without an initial sales charge, although a 1.00% CDSC may be imposed on certain redemptions of such shares made within one year of the date of purchase of Class C shares. When Class B shares were offered, they were offered at NAV without an initial sales charge, although a CDSC that declines depending on the number of years a shareholder held its Class B shares may be imposed

on certain redemptions of such shares made within six years of the date of purchase of such shares. Class I, Class R2, Class R3 and Class R6 shares are offered at NAV without a sales charge. SIMPLE Class shares are currently expected to be offered at NAV without a sales charge. Depending upon eligibility, Class B shares convert to either Class A or Investor Class shares at the end of the calendar quarter eight years after the date they were purchased. In addition, depending upon eligibility, Class C shares convert to either Class A or Investor Class shares at the end of the calendar quarter ten years after the date they were purchased. Additionally, Investor Class shares may convert automatically to Class A shares. Under certain circumstances and as may be permitted by the Trust's multiple class plan pursuant to Rule 18f-3 under the 1940 Act, specified share classes of the Fund may be converted to one or more other share classes of the Fund as disclosed in the capital share transactions within these Notes. The classes of shares have the same voting (except for issues that relate solely to one class), dividend, liquidation and other rights, and the same terms and conditions, except that under distribution plans pursuant to Rule 12b-1 under the 1940 Act, Class B and Class C shares are subject to higher distribution and/or service fees than Class A, Investor Class, Class R2 and SIMPLE Class shares. Class I and Class R6 shares are not subject to a distribution and/or service fee. Class R2 and Class R3 shares are subject to a shareholder service fee. This is in addition to any fees paid under a distribution plan, where applicable.

The Fund's investment objective is to seek total return by investing primarily in domestic and foreign debt securities.

Note 2—Significant Accounting Policies

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification *Topic 946 Financial Services—Investment Companies*. The Fund prepares its financial statements in accordance with generally accepted accounting principles ("GAAP") in the United States of America and follows the significant accounting policies described below.

(A) Securities Valuation. Investments are usually valued as of the close of regular trading on the New York Stock Exchange (the "Exchange") (usually 4:00 p.m. Eastern time) on each day the Fund is open for business ("valuation date").

The Board of Trustees of the Trust (the "Board") adopted procedures establishing methodologies for the valuation of the Fund's securities and other assets and delegated the responsibility for valuation determinations under those procedures to the Valuation Committee of the Trust (the "Valuation Committee"). The procedures state that, subject to the oversight of the Board and unless otherwise noted, the responsibility for the day-to-day valuation of portfolio assets (including fair value measurements for the Fund's assets and liabilities) rests with New York Life Investment Management LLC ("New York Life Investments" or the "Manager"), aided to whatever extent necessary by the Subadvisor (as defined in Note 3(A)). To assess the appropriateness of security

Notes to Financial Statements (continued)

valuations, the Manager, the Subadvisor or the Fund's third-party service provider, who is subject to oversight by the Manager, regularly compares prior day prices, prices on comparable securities and the sale prices to the prior and current day prices and challenges prices with changes exceeding certain tolerance levels with third-party pricing services or broker sources.

The Board authorized the Valuation Committee to appoint a Valuation Subcommittee (the "Subcommittee") to establish the prices of securities for which market quotations are not readily available or the prices of which are not otherwise readily determinable under the procedures. The Subcommittee meets (in person, via electronic mail or via teleconference) on an as-needed basis. The Valuation Committee meets to ensure that actions taken by the Subcommittee were appropriate.

For those securities valued through either a standardized fair valuation methodology or a fair valuation measurement, the Subcommittee deals with such valuation and the Valuation Committee reviews and affirms, if appropriate, the reasonableness of the valuation based on such methodologies and measurements on a regular basis after considering information that is reasonably available and deemed relevant by the Valuation Committee. Any action taken by the Subcommittee with respect to the valuation of a portfolio security or other asset is submitted for review and ratification (if appropriate) to the Valuation Committee and the Board at the next regularly scheduled meeting.

"Fair value" is defined as the price the Fund would reasonably expect to receive upon selling an asset or liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the asset or liability. Fair value measurements are determined within a framework that establishes a three-tier hierarchy that maximizes the use of observable market data and minimizes the use of unobservable inputs to establish a classification of fair value measurements for disclosure purposes. "Inputs" refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as the risk inherent in a particular valuation technique used to measure fair value using a pricing model and/or the risk inherent in the inputs for the valuation technique. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the information available. The inputs or methodology used for valuing assets or liabilities may not be an indication of the risks associated with investing in those assets or liabilities. The three-tier hierarchy of inputs is summarized below.

- Level 1—quoted prices in active markets for an identical asset or liability
- Level 2—other significant observable inputs (including quoted prices for a similar asset or liability in active markets, interest rates and yield curves, prepayment speeds, credit risk, etc.)

- Level 3—significant unobservable inputs (including the Fund's own assumptions about the assumptions that market participants would use in measuring fair value of an asset or liability)

The level of an asset or liability within the fair value hierarchy is based on the lowest level of an input, both individually and in the aggregate, that is significant to the fair value measurement. The aggregate value by input level of the Fund's assets and liabilities as of October 31, 2021, is included at the end of the Portfolio of Investments.

The Fund may use third-party vendor evaluations, whose prices may be derived from one or more of the following standard inputs, among others:

| | |
|--------------------------------|--|
| • Benchmark yields | • Reported trades |
| • Broker/dealer quotes | • Issuer spreads |
| • Two-sided markets | • Benchmark securities |
| • Bids/offers | • Reference data (corporate actions or material event notices) |
| • Industry and economic events | • Comparable bonds |
| • Monthly payment information | |

An asset or liability for which market values cannot be measured using the methodologies described above is valued by methods deemed reasonable in good faith by the Valuation Committee, following the procedures established by the Board, to represent fair value. Under these procedures, the Fund generally uses a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant information. The Fund may also use an income-based valuation approach in which the anticipated future cash flows of the asset or liability are discounted to calculate fair value. Discounts may also be applied due to the nature and/or duration of any restrictions on the disposition of the asset or liability. Fair value represents a good faith approximation of the value of a security. Fair value determinations involve the consideration of a number of subjective factors, an analysis of applicable facts and circumstances and the exercise of judgment. As a result, it is possible that the fair value for a security determined in good faith in accordance with the Fund's valuation procedures may differ from valuations for the same security determined by other funds using their own valuation procedures. Although the Fund's valuation procedures are designed to value a security at the price the Fund may reasonably expect to receive upon the security's sale in an orderly transaction, there can be no assurance that any fair value determination thereunder would, in fact, approximate the amount that the Fund would actually realize upon the sale of the security or the price at which the security would trade if a reliable market price were readily available. During the year ended October 31, 2021, there were no material changes to the fair value methodologies.

Securities which may be valued in this manner include, but are not limited to: (i) a security for which trading has been halted or suspended; (ii) a debt security that has recently gone into default and for which there is not a current market quotation; (iii) a security of an issuer that has entered into a restructuring; (iv) a security that has been delisted from a national exchange; (v) a security for which the market price is not readily available

from a third-party pricing source or, if so provided, does not, in the opinion of the Manager or the Subadvisor, reflect the security's market value; (vi) a security subject to trading collars for which no or limited trading takes place; and (vii) a security whose principal market has been temporarily closed at a time when, under normal conditions, it would be open. Securities valued in this manner are generally categorized as Level 3 in the hierarchy. Securities that were fair valued in such a manner as of October 31, 2021, are shown in the Portfolio of Investments.

Certain securities held by the Fund may principally trade in foreign markets. Events may occur between the time the foreign markets close and the time at which the Fund's NAVs are calculated. These events may include, but are not limited to, situations relating to a single issuer in a market sector, significant fluctuations in U.S. or foreign markets, natural disasters, armed conflicts, governmental actions or other developments not tied directly to the securities markets. Should the Manager or the Subadvisor conclude that such events may have affected the accuracy of the last price of such securities reported on the local foreign market, the Subcommittee may, pursuant to procedures adopted by the Board, adjust the value of the local price to reflect the estimated impact on the price of such securities as a result of such events. In this instance, securities are generally categorized as Level 3 in the hierarchy. Additionally, certain foreign equity securities are also fair valued whenever the movement of a particular index exceeds certain thresholds. In such cases, the securities are fair valued by applying factors provided by a third-party vendor in accordance with valuation procedures adopted by the Board and are generally categorized as Level 2 in the hierarchy. No foreign equity securities held by the Fund as of October 31, 2021 were fair valued in such a manner.

Equity securities are valued at the last quoted sales prices as of the close of regular trading on the relevant exchange on each valuation date. Securities that are not traded on the valuation date are valued at the mean of the last quoted bid and ask prices. Prices are normally taken from the principal market in which each security trades. These securities are generally categorized as Level 1 in the hierarchy.

Investments in mutual funds, including money market funds, are valued at their respective NAVs at the close of business each day on the valuation date. These securities are generally categorized as Level 1 in the hierarchy.

Futures contracts are valued at the last posted settlement price on the market where such futures are primarily traded. These securities are generally categorized as Level 1 in the hierarchy.

Swaps are marked to market daily based upon quotations from pricing agents, brokers or market makers. These securities are generally categorized as Level 2 in the hierarchy.

Debt securities (other than convertible and municipal bonds) are valued at the evaluated bid prices (evaluated mean prices in the case of convertible and municipal bonds) supplied by a pricing agent or broker selected by the Manager, in consultation with the Subadvisor. The evaluations are market-based measurements processed through a pricing application

and represents the pricing agent's good faith determination as to what a holder may receive in an orderly transaction under market conditions. The rules-based logic utilizes valuation techniques that reflect participants' assumptions and vary by asset class and per methodology, maximizing the use of relevant observable data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs. The evaluated bid or mean prices are deemed by the Manager, in consultation with the Subadvisor, to be representative of market values at the regular close of trading of the Exchange on each valuation date. Debt securities purchased on a delayed delivery basis are marked to market daily until settlement at the forward settlement date. Debt securities, including corporate bonds, U.S. government and federal agency bonds, municipal bonds, foreign bonds, convertible bonds, asset-backed securities and mortgage-backed securities are generally categorized as Level 2 in the hierarchy.

Foreign currency forward contracts are valued at their fair market values measured on the basis of the mean between the last current bid and ask prices based on dealer or exchange quotations and are generally categorized as Level 2 in the hierarchy.

Loan assignments, participations and commitments are valued at the average of bid quotations obtained from the engaged independent pricing service and are generally categorized as Level 2 in the hierarchy. Certain loan assignments, participations and commitments may be valued by utilizing significant unobservable inputs obtained from the pricing service and are generally categorized as Level 3 in the hierarchy.

Temporary cash investments acquired in excess of 60 days to maturity at the time of purchase are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities and ratings), both as furnished by independent pricing services. Temporary cash investments that mature in 60 days or less at the time of purchase ("Short-Term Investments") are valued using the amortized cost method of valuation, unless the use of such method would be inappropriate. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of the difference between such cost and the value on maturity date. Amortized cost approximates the current fair value of a security. Securities valued using the amortized cost method are not valued using quoted prices in an active market and are generally categorized as Level 2 in the hierarchy.

The information above is not intended to reflect an exhaustive list of the methodologies that may be used to value portfolio investments. The valuation procedures permit the use of a variety of valuation methodologies in connection with valuing portfolio investments. The methodology used for a specific type of investment may vary based on the market data available or other considerations. The methodologies summarized above may not represent the specific means by which portfolio investments are valued on any particular business day.

Notes to Financial Statements (continued)

(B) Income Taxes. The Fund's policy is to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), applicable to regulated investment companies and to distribute all of its taxable income to the shareholders of the Fund within the allowable time limits.

The Manager evaluates the Fund's tax positions to determine if the tax positions taken meet the minimum recognition threshold in connection with accounting for uncertainties in income tax positions taken or expected to be taken for the purposes of measuring and recognizing tax liabilities in the financial statements. Recognition of tax benefits of an uncertain tax position is permitted only to the extent the position is "more likely than not" to be sustained assuming examination by taxing authorities. The Manager analyzed the Fund's tax positions taken on federal, state and local income tax returns for all open tax years (for up to three tax years) and has concluded that no provisions for federal, state and local income tax are required in the Fund's financial statements. The Fund's federal, state and local income tax and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state and local departments of revenue.

(C) Foreign Taxes. The Fund may be subject to foreign taxes on income and other transaction-based taxes imposed by certain countries in which it invests. A portion of the taxes on gains on investments or currency purchases/repatriation may be reclaimable. The Fund will accrue such taxes and reclaims as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

The Fund may be subject to taxation on realized capital gains, repatriation proceeds and other transaction-based taxes imposed by certain countries in which it invests. The Fund will accrue such taxes as applicable based upon its current interpretation of tax rules and regulations that exist in the market in which it invests. Capital gains taxes relating to positions still held are reflected as a liability in the Statement of Assets and Liabilities, as well as an adjustment to the Fund's net unrealized appreciation (depreciation). Taxes related to capital gains realized, if any, are reflected as part of net realized gain (loss) in the Statement of Operations. Changes in tax liabilities related to capital gains taxes on unrealized investment gains, if any, are reflected as part of the change in net unrealized appreciation (depreciation) on investments in the Statement of Operations. Transaction-based charges are generally assessed as a percentage of the transaction amount.

(D) Dividends and Distributions to Shareholders. Dividends and distributions are recorded on the ex-dividend date. The Fund intends to declare and pay dividends from net investment income, if any, at least monthly and distributions from net realized capital and currency gains, if any, at least annually. Unless a shareholder elects otherwise, all dividends and distributions are reinvested at NAV in the same class of shares of the Fund. Dividends and distributions to shareholders are determined in accordance with federal income tax regulations and may differ from determinations using GAAP.

(E) Security Transactions and Investment Income. The Fund records security transactions on the trade date. Realized gains and losses on security transactions are determined using the identified cost method. Dividend income is recognized on the ex-dividend date, net of any foreign tax withheld at the source, and interest income is accrued as earned using the effective interest rate method and includes any realized gains and losses from repayments of principal on mortgage-backed securities. Distributions received from real estate investment trusts may be classified as dividends, capital gains and/or return of capital. Discounts and premiums on securities purchased for the Fund are accreted and amortized, respectively, on the effective interest rate method.

Investment income and realized and unrealized gains and losses on investments of the Fund are allocated pro rata to the separate classes of shares based upon their relative net assets on the date the income is earned or realized and unrealized gains and losses are incurred.

The Fund may place a debt security on non-accrual status and reduce related interest income by ceasing current accruals and writing off all or a portion of any interest receivables when the collection of all or a portion of such interest has become doubtful. A debt security is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is reasonably assured.

(F) Expenses. Expenses of the Trust are allocated to the individual Funds in proportion to the net assets of the respective Funds when the expenses are incurred, except where direct allocations of expenses can be made. Expenses (other than transfer agent expenses and fees incurred under the shareholder services plans and/or the distribution plans further discussed in Note 3(B)) are allocated to separate classes of shares pro rata based upon their relative net assets on the date the expenses are incurred. The expenses borne by the Fund, including those of related parties to the Fund, are shown in the Statement of Operations.

Additionally, the Fund may invest in mutual funds, which are subject to management fees and other fees that may cause the costs of investing in mutual funds to be greater than the costs of owning the underlying securities directly. These indirect expenses of mutual funds are not included in the amounts shown as expenses in the Statement of Operations or in the expense ratios included in the Financial Highlights.

(G) Use of Estimates. In preparing financial statements in conformity with GAAP, the Manager makes estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates and assumptions.

(H) Futures Contracts. A futures contract is an agreement to purchase or sell a specified quantity of an underlying instrument at a specified future date and price, or to make or receive a cash payment based on the value of a financial instrument (e.g., foreign currency, interest rate, security or securities index). The Fund is subject to risks such as market price risk and/or interest rate risk in the normal course of investing in these contracts. Upon entering into a futures contract, the Fund is required to pledge to the broker or futures commission merchant an amount of cash and/or U.S. government securities equal to a certain

percentage of the collateral amount, known as the "initial margin." During the period the futures contract is open, changes in the value of the contract are recognized as unrealized appreciation or depreciation by marking to market such contract on a daily basis to reflect the market value of the contract at the end of each day's trading. The Fund agrees to receive from or pay to the broker or futures commission merchant an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as "variation margin." When the futures contract is closed, the Fund records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract.

The use of futures contracts involves, to varying degrees, elements of market risk in excess of the amount recognized in the Statement of Assets and Liabilities. The contract or notional amounts and variation margin reflect the extent of the Fund's involvement in open futures positions. There are several risks associated with the use of futures contracts as hedging techniques. There can be no assurance that a liquid market will exist at the time when the Fund seeks to close out a futures contract. If no liquid market exists, the Fund would remain obligated to meet margin requirements until the position is closed. Futures contracts may involve a small initial investment relative to the risk assumed, which could result in losses greater than if the Fund did not invest in futures contracts. Futures contracts may be more volatile than direct investments in the instrument underlying the futures and may not correlate to the underlying instrument, causing a given hedge not to achieve its objectives. The Fund's activities in futures contracts have minimal counterparty risk as they are conducted through regulated exchanges that guarantee the futures against default by the counterparty. In the event of a bankruptcy or insolvency of a futures commission merchant that holds margin on behalf of the Fund, the Fund may not be entitled to the return of the entire margin owed to the Fund, potentially resulting in a loss. The Fund may invest in futures contracts to seek enhanced returns or to reduce the risk of loss by hedging certain of its holdings. The Fund's investment in futures contracts and other derivatives may increase the volatility of the Fund's NAVs and may result in a loss to the Fund. Open futures contracts as of October 31, 2021, are shown in the Portfolio of Investments.

(I) Loan Assignments, Participations and Commitments. The Fund may invest in loan assignments and participations ("loans"). Commitments are agreements to make money available to a borrower in a specified amount, at a specified rate and within a specified time. The Fund records an investment when the borrower withdraws money on a commitment or when a funded loan is purchased (trade date) and records interest as earned. These loans pay interest at rates that are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank or the London Interbank Offered Rate ("LIBOR").

The loans in which the Fund may invest are generally readily marketable, but may be subject to some restrictions on resale. For example, the Fund may be contractually obligated to receive approval from the agent bank

and/or borrower prior to the sale of these investments. If the Fund purchases an assignment from a lender, the Fund will generally have direct contractual rights against the borrower in favor of the lender. If the Fund purchases a participation interest either from a lender or a participant, the Fund typically will have established a direct contractual relationship with the seller of the participation interest, but not with the borrower. Consequently, the Fund is subject to the credit risk of the lender or participant who sold the participation interest to the Fund, in addition to the usual credit risk of the borrower. In the event that the borrower, selling participant or intermediate participants become insolvent or enter into bankruptcy, the Fund may incur certain costs and delays in realizing payment, or may suffer a loss of principal and/or interest.

Unfunded commitments represent the remaining obligation of the Fund to the borrower. At any point in time, up to the maturity date of the issue, the borrower may demand the unfunded portion. Unfunded amounts, if any, are marked to market and any unrealized gains or losses are recorded in the Statement of Assets and Liabilities. As of October 31, 2021, the Fund did not hold any unfunded commitments.

(J) Swap Contracts. The Fund may enter into credit default, interest rate, equity, index and currency exchange rate swap contracts ("swaps"). In a typical swap transaction, two parties agree to exchange the future returns (or differentials in rates of future returns) earned or realized at periodic intervals on a particular investment or instrument based on a notional principal amount. Generally, the Fund will enter into a swap on a net basis, which means that the two payment streams under the swap are netted, with the Fund receiving or paying (as the case may be) only the net amount of the two payment streams. Therefore, the Fund's current obligation under a swap generally will be equal to the net amount to be paid or received under the swap, based on the relative value of notional positions attributable to each counterparty to the swap. The payments may be adjusted for transaction costs, interest payments, the amount of interest paid on the investment or instrument or other factors. Collateral, in the form of cash or securities, may be required to be held in segregated accounts with the custodian bank or broker in accordance with the terms of the swap. Swap agreements are privately negotiated in the over the counter ("OTC") market and may be executed in a multilateral or other trade facilities platform, such as a registered commodities exchange ("centrally cleared swaps").

Certain standardized swaps, including certain credit default and interest rate swaps, are subject to mandatory clearing and exchange-trading, and more types of standardized swaps are expected to be subject to mandatory clearing and exchange-trading in the future. The counterparty risk for exchange-traded and cleared derivatives is expected to be generally lower than for uncleared derivatives, but cleared contracts are not risk-free. In a cleared derivative transaction, the Fund typically enters into the transaction with a financial institution counterparty, and performance of the transaction is effectively guaranteed by a central clearinghouse, thereby reducing or eliminating the Fund's exposure to the credit risk of its original counterparty. The Fund will be required to post specified levels of margin with the clearinghouse or at the instruction of

Notes to Financial Statements (continued)

the clearinghouse; the margin required by a clearinghouse may be greater than the margin the Fund would be required to post in an uncleared transaction. As of October 31, 2021, all swap positions outstanding are shown in the Portfolio of Investments.

Swaps are marked to market daily based upon quotations from pricing agents, brokers, or market makers and the change in value, if any, is recorded as unrealized appreciation or depreciation. Any payments made or received upon entering into a swap would be amortized or accreted over the life of the swap and recorded as a realized gain or loss. Early termination of a swap is recorded as a realized gain or loss. Daily changes in valuation of centrally cleared swaps, if any, are recorded as a receivable or payable for the change in value as appropriate on the Statement of Assets and Liabilities.

The Fund bears the risk of loss of the amount expected to be received under a swap in the event of the default or bankruptcy of the swap counterparty. The Fund may be able to eliminate its exposure under a swap either by assignment or other disposition, or by entering into an offsetting swap with the same party or a similar credit-worthy party. Swaps are not actively traded on financial markets. Entering into swaps involves elements of credit, market, and documentation risk in excess of the amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibilities that there will be no liquid market for these swaps, that the counterparty to the swaps may default on its obligation to perform or disagree as to the meaning of the contractual terms in the swaps and that there may be unfavorable changes in interest rates, the price of the index or the security underlying these transactions.

Interest Rate Swaps : An interest rate swap is an agreement between two parties where one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps often exchange a fixed payment for a floating payment that is linked to an interest rate (most often LIBOR). The Fund will typically use interest rate swaps to limit, or manage, its exposure to fluctuations in interest rates, or to obtain a marginally lower interest rate than it would have been able to get without the swap.

(K) Foreign Currency Forward Contracts. The Fund may enter into foreign currency forward contracts, which are agreements to buy or sell foreign currencies on a specified future date at a specified rate. The Fund is subject to foreign currency exchange rate risk in the normal course of investing in these transactions. During the period the forward contract is open, changes in the value of the contract are recognized as unrealized appreciation or depreciation by marking to market such contract on a daily basis to reflect the market value of the contract at the end of each day's trading. Cash movement occurs on the settlement date. When the forward contract is closed, the Fund records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract. The Fund may purchase and sell foreign currency forward contracts for purposes of seeking to enhance portfolio returns and manage portfolio risk more efficiently. Foreign currency forward contracts may also be used to gain exposure to a particular currency or to hedge against the risk of loss due to changing

currency exchange rates. Foreign currency forward contracts to purchase or sell a foreign currency may also be used in anticipation of future purchases or sales of securities denominated in foreign currency, even if the specific investments have not yet been selected.

The use of foreign currency forward contracts involves, to varying degrees, elements of risk in excess of the amount recognized in the Statement of Assets and Liabilities, including counterparty risk, market risk and illiquidity risk. Counterparty risk is heightened for these instruments because foreign currency forward contracts are not exchange-traded and therefore no clearinghouse or exchange stands ready to meet the obligations under such contracts. Thus, the Fund faces the risk that its counterparties under such contracts may not perform their obligations. Market risk is the risk that the value of a foreign currency forward contract will depreciate due to unfavorable changes in exchange rates. Illiquidity risk arises because the secondary market for foreign currency forward contracts may have less liquidity relative to markets for other securities and financial instruments. Risks also arise from the possible movements in the foreign exchange rates underlying these instruments. While the Fund may enter into forward contracts to reduce currency exchange risks, changes in currency exchange rates may result in poorer overall performance for the Fund than if it had not engaged in such transactions. Exchange rate movements can be large, depending on the currency, and can last for extended periods of time, affecting the value of the Fund's assets. Moreover, there may be an imperfect correlation between the Fund's holdings of securities denominated in a particular currency and forward contracts entered into by the Fund. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to the risk of currency exchange loss. The unrealized appreciation (depreciation) on forward contracts also reflects the Fund's exposure at the valuation date to credit loss in the event of a counterparty's failure to perform its obligations. Open foreign currency forward contracts as of October 31, 2021, are shown in the Portfolio of Investments.

(L) Foreign Currency Transactions. The Fund's books and records are maintained in U.S. dollars. Prices of securities denominated in foreign currency amounts are translated into U.S. dollars at the mean between the buying and selling rates last quoted by any major U.S. bank at the following dates:

- (i) market value of investment securities, other assets and liabilities— at the valuation date; and
- (ii) purchases and sales of investment securities, income and expenses—at the date of such transactions.

The assets and liabilities that are denominated in foreign currency amounts are presented at the exchange rates and market values at the close of the period. The realized and unrealized changes in net assets arising from fluctuations in exchange rates and market prices of securities are not separately presented.

Net realized gain (loss) on foreign currency transactions represents net currency gains or losses realized as a result of differences between the

amounts of securities sale proceeds or purchase cost, dividends, interest and withholding taxes as recorded on the Fund's books, and the U.S. dollar equivalent amount actually received or paid. Net currency gains or losses from valuing such foreign currency denominated assets and liabilities, other than investments at valuation date exchange rates, are reflected in unrealized foreign exchange gains or losses.

(M) Securities Sold Short. During the year ended October 31, 2021, the Fund engaged in sales of securities it did not own ("short sales") as part of its investment strategies. When the Fund enters into a short sale, it must segregate or maintain with a broker the cash proceeds from the security sold short or other securities as collateral for its obligation to deliver the security upon conclusion of the sale. During the period a short position is open, depending on the nature and type of security, a short position is reflected as a liability and is marked to market in accordance with the valuation methodologies previously detailed (See Note 2(A)). Liabilities for securities sold short are closed out by purchasing the applicable securities for delivery to the counterparty broker. A gain, limited to the price at which the Fund sold the security short, or a loss, unlimited as to dollar amount, will be recognized upon termination of a short sale if the market price on the date the short position is closed out is less or greater, respectively, than the proceeds originally received. Any such gain or loss may be offset, completely or in part, by the change in the value of the hedged investments. Interest on short positions held is accrued daily, while dividends declared on short positions existing on the record date are recorded on the ex-dividend date as a dividend expense in the Statement of Operations. Broker fees and other expenses related to securities sold short are disclosed in the Statement of Operations. Short sales involve risk of loss in excess of the related amounts reflected in the Statement of Assets and Liabilities. As of October 31, 2021, there were no securities sold short.

(N) Securities Lending. In order to realize additional income, the Fund may engage in securities lending, subject to the limitations set forth in the 1940 Act and relevant guidance by the staff of the Securities and Exchange Commission ("SEC"). If the Fund engages in securities lending, the Fund will lend through its custodian, JPMorgan Chase Bank, N.A., ("JPMorgan"), acting as securities lending agent on behalf of the Fund. Under the current arrangement, JPMorgan will manage the Fund's collateral in accordance with the securities lending agency agreement between the Fund and JPMorgan, and indemnify the Fund against counterparty risk. The loans will be collateralized by cash (which may be invested in a money market fund) and/or non-cash collateral (which may include U.S. Treasury securities and/or U.S. government agency securities issued or guaranteed by the United States government or its agencies or instrumentalities) at least equal at all times to the market value of the securities loaned. The Fund bears the risk of delay in recovery of, or loss of rights in, the securities loaned. The Fund may also record a realized gain or loss on securities deemed sold due to a borrower's inability to return securities on loan. The Fund bears the risk of any loss on investment of cash collateral. The Fund will receive compensation for lending its securities in the form of fees or it will retain a portion of interest earned on the investment of any cash collateral. The Fund will

also continue to receive interest and dividends on the securities loaned and any gain or loss in the market price of the securities loaned that may occur during the term of the loan will be for the account of the Fund. Income earned from securities lending activities, if any, is reflected in the Statement of Operations. Securities on loan as of October 31, 2021, are shown in the Portfolio of Investments.

Prior to November 23, 2020, these services were provided by State Street Bank and Trust Company ("State Street").

(O) Dollar Rolls. The Fund may enter into dollar roll transactions in which it sells mortgage-backed securities ("MBS") from its portfolio to a counterparty from whom it simultaneously agrees to buy a similar security on a delayed delivery basis. The Fund generally transfers MBS where the MBS are "to be announced," therefore, the Fund accounts for these transactions as purchases and sales.

When accounted for as purchase and sales, the securities sold in connection with the dollar rolls are removed from the portfolio and a realized gain or loss is recognized. The securities the Fund has agreed to acquire are included at market value in the Portfolio of Investments and liabilities for such purchase commitments are included as payables for investments purchased. During the roll period, the Fund foregoes principal and interest paid on the securities. The Fund is compensated by the difference between the current sales price and the forward price for the future as well as by the earnings on the cash proceeds of the initial sale. Dollar rolls may be renewed without physical delivery of the securities subject to the contract. The Fund maintains liquid assets from its portfolio having a value not less than the repurchase price, including accrued interest. Dollar roll transactions involve certain risks, including the risk that the securities returned to the Fund at the end of the roll period, while substantially similar, could be inferior to what was initially sold to the counterparty.

(P) Delayed Delivery Transactions. The Fund may purchase or sell securities on a delayed delivery basis. These transactions involve a commitment by the Fund to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed delivery purchases are outstanding, the Fund will designate liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed delivery basis, the Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its NAV. The Fund may dispose of or renegotiate a delayed delivery transaction after it is entered into, and may sell delayed delivery securities before they are delivered, which may result in a realized gain or loss. When the Fund has sold a security it owns on a delayed delivery basis, the Fund does not participate in future gains and losses with respect to the security. Delayed delivery transactions as of October 31, 2021, are shown in the Portfolio of Investments.

Notes to Financial Statements (continued)

(Q) Debt and Foreign Securities Risk. The ability of issuers of debt securities held by the Fund to meet their obligations may be affected by, among other things, economic or political developments in a specific country, industry or region. Debt securities are also subject to the risks associated with changes in interest rates. The Fund primarily invests in high yield debt securities (commonly referred to as “junk bonds”), which are considered speculative because they present a greater risk of loss, including default, than higher rated debt securities. These securities pay investors a premium—a higher interest rate or yield than investment grade debt securities—because of the increased risk of loss. These securities can also be subject to greater price volatility. In times of unusual or adverse market, economic or political conditions, these securities may experience higher than normal default rates.

Investments in the Fund are not guaranteed, even though some of the Fund’s underlying investments are guaranteed by the U.S. government or its agencies or instrumentalities. 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. If interest rates rise, less of the debt may be prepaid and the Fund may lose money because the Fund may be unable to invest in higher yielding assets. The Fund is 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.

The Fund may invest in loans which are usually rated below investment grade and are generally considered speculative because they present a greater risk of loss, including default, than higher rated debt securities. These investments pay investors a higher interest rate than investment grade debt securities because of the increased risk of loss. Although certain loans are collateralized, there is no guarantee that the value of the collateral will be sufficient to repay the loan. In a recession or serious credit event, the value of these investments could decline significantly. As a result of these and other events, the Fund’s NAVs could go down and you could lose money.

In addition, loans generally are subject to the extended settlement periods that may be longer than seven days. As a result, the Fund may be adversely affected by selling other investments at an unfavorable time and/or under unfavorable conditions or engaging in borrowing transactions, such as borrowing against its credit facility, to raise cash to meet redemption obligations or pursue other investment opportunities.

In certain circumstances, loans may not be deemed to be securities. As a result, the Fund may not have the protection of anti-fraud provisions of the federal securities laws. In such cases, the Fund generally must rely on the contractual provisions in the loan agreement and common-law fraud protections under applicable state law.

The ability of issuers of debt securities held by the Fund to meet their obligations may be affected by, among other things, economic or political developments in a specific country, industry or region. Debt securities are also subject to the risks associated with changes in interest rates. The

Fund may invest in foreign securities, which carry certain risks that are in addition to the usual risks inherent in domestic securities. These risks include those resulting from currency fluctuations, future adverse political or economic developments and possible imposition of currency exchange blockages or other foreign governmental laws or restrictions. These risks are likely to be greater in emerging markets than in developed markets. The ability of issuers of debt securities held by the Fund to meet their obligations may be affected by, among other things, economic or political developments in a specific country, industry or region.

(R) Counterparty Credit Risk. In order to better define its contractual rights and to secure rights that will help the Fund mitigate its counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement (“ISDA Master Agreement”) or similar agreement with its counterparties. An ISDA Master Agreement is a bilateral agreement between the Fund and a counterparty that governs certain OTC derivatives and typically contains collateral posting terms and netting provisions. Under an ISDA Master Agreement, the Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments’ payables and/ or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. Bankruptcy or insolvency laws of a particular jurisdiction may restrict or prohibit the right of offset in bankruptcy, insolvency or other events. In addition, certain ISDA Master Agreements may contain provisions for early termination of OTC derivative transactions in the event the net assets of the Fund decline below specific levels or if the Fund fails to meet the terms of its ISDA Master Agreements. The result would cause the Fund to accelerate payment of any net liability owed to the counterparty.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements, if any, in the Statement of Assets and Liabilities.

(S) LIBOR Replacement Risk. The Fund may invest in certain debt securities, derivatives or other financial instruments that utilize the LIBOR, as a “benchmark” or “reference rate” for various interest rate calculations. The United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that after 2021 it will cease its active encouragement of banks to provide the quotations needed to sustain LIBOR. However, certain LIBOR tenors will continue beyond 2021 and the most widely used LIBOR tenors may continue until mid-2023. As a result, it is anticipated that LIBOR will be discontinued or will no longer be sufficiently robust to be representative of its underlying market around that time. Although financial regulators and industry working groups have suggested alternative reference rates, such as European Interbank Offer Rate (“EURIBOR”), Sterling Overnight Interbank Average Rate (“SONIA”) and Secured Overnight Financing Rate (“SOFR”), there are challenges to converting certain contracts and transactions to a new benchmark and neither the full effects of the transition process nor its ultimate outcome is

known. New York Life Investments is currently working to assess exposure and will modify contracts as necessary.

The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for, or value of, any securities or payments linked to those reference rates, which may adversely affect the Fund's performance and/or net asset value. Uncertainty and risk also remain regarding the willingness and ability of issuers and lenders to include revised provisions in new and existing contracts or instruments. Consequently, the transition away from LIBOR to other reference rates may lead to increased volatility and illiquidity in markets that are tied to LIBOR, fluctuations in values of LIBOR-related investments or investments in issuers that utilize LIBOR, increased difficulty in borrowing or refinancing and diminished effectiveness of hedging strategies, adversely affecting the Fund's performance. Furthermore, the risks associated with the expected discontinuation of LIBOR and transition may be exacerbated if the work necessary to effect an orderly transition to an alternative reference rate is not completed in a timely manner. While the transition away from LIBOR has already begun with no material adverse effect to the Fund's performance, the transition is expected to last through mid-2023 for some LIBOR tenors. The usefulness of LIBOR as a benchmark could deteriorate anytime during this transition period.

(T) Indemnifications. Under the Trust's organizational documents, its officers and trustees are indemnified against certain liabilities that may arise out of performance of their duties to the Trust. Additionally, in the

Fair value of derivative instruments as of October 31, 2021:

| Asset Derivatives | Foreign Exchange Contracts Risk | Interest Rate Contracts Risk | Total |
|---|--|---|--------------------|
| Futures Contracts - Net Assets—Net unrealized appreciation on futures contracts (a) | \$ — | \$3,443,213 | \$3,443,213 |
| Forward Contracts - Unrealized appreciation on foreign currency forward contracts | 152,243 | — | 152,243 |
| Total Fair Value | <u>\$152,243</u> | <u>\$3,443,213</u> | <u>\$3,595,456</u> |

(a) Includes cumulative appreciation (depreciation) of futures contracts as reported in the Portfolio of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

| Liability Derivatives | Foreign Exchange Contracts Risk | Interest Rate Contracts Risk | Total |
|---|--|---|----------------------|
| Futures Contracts - Net Assets—Net unrealized depreciation on futures contracts (a) | \$ — | \$ (76,508) | \$ (76,508) |
| Centrally Cleared Swap Contracts - Net Assets—Net unrealized depreciation on swap contracts (b) | — | (2,621,804) | (2,621,804) |
| Forward Contracts - Unrealized depreciation on foreign currency forward contracts | (53,121) | — | (53,121) |
| Total Fair Value | <u>\$(53,121)</u> | <u>\$(2,698,312)</u> | <u>\$(2,751,433)</u> |

(a) Includes cumulative appreciation (depreciation) of futures contracts as reported in the Portfolio of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

(b) Includes cumulative appreciation (depreciation) of centrally cleared swap agreements as reported in the Portfolio of Investments. Only the current day's variation margin is reported within the Statement of Assets and Liabilities.

normal course of business, the Fund enters into contracts with third-party service providers that contain a variety of representations and warranties and that may provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. The Manager believes that the risk of loss in connection with these potential indemnification obligations is remote. However, there can be no assurance that material liabilities related to such obligations will not arise in the future, which could adversely impact the Fund.

(U) Quantitative Disclosure of Derivative Holdings. The following tables show additional disclosures related to the Fund's derivative and hedging activities, including how such activities are accounted for and their effect on the Fund's financial positions, performance and cash flows.

The Fund entered into futures contracts to help manage the duration and yield curve positioning of the portfolio while minimizing the exposure to wider bid/ask spreads in traditional bonds. The Fund entered into interest rate and credit default swap contracts in order to obtain a desired return at a lower cost to the Fund, rather than directly investing in an instrument yielding that desired return or to hedge against credit and interest rate risk. The Fund also entered into foreign currency forward contracts to gain exposure to a particular currency or to hedge against the risk of loss due to changing currency exchange rates. These derivatives are not accounted for as hedging instruments.

Notes to Financial Statements (continued)

The effect of derivative instruments on the Statement of Operations for the year ended October 31, 2021:

| Net Realized Gain (Loss) from: | Foreign Exchange Contracts Risk | Interest Rate Contracts Risk | Total |
|--------------------------------|--|---------------------------------------|---------------------|
| Futures Contracts | \$ — | \$ 5,857,439 | \$ 5,857,439 |
| Swap Contracts | — | (2,115,186) | (2,115,186) |
| Forward Contracts | (718,128) | — | (718,128) |
| Total Net Realized Gain (Loss) | <u>\$ (718,128)</u> | <u>\$ 3,742,253</u> | <u>\$ 3,024,125</u> |

| Net Change in Unrealized Appreciation (Depreciation) | Foreign Exchange Contracts Risk | Interest Rate Contracts Risk | Total |
|--|--|---------------------------------------|---------------------|
| Futures Contracts | \$ — | \$ 907,704 | \$ 907,704 |
| Swap Contracts | — | 2,276,063 | 2,276,063 |
| Forward Contracts | 663,375 | — | 663,375 |
| Total Net Change in Unrealized Appreciation (Depreciation) | <u>\$ 663,375</u> | <u>\$ 3,183,767</u> | <u>\$ 3,847,142</u> |

| Average Notional Amount | Total |
|----------------------------|-----------------------|
| Futures Contracts Long | \$ 47,402,877 |
| Futures Contracts Short | \$(152,049,425) |
| Swap Contracts Long | \$ 81,000,000 |
| Forward Contracts Long (a) | \$ 3,887,358 |
| Forward Contracts Short | <u>\$ (8,793,432)</u> |

(a) Positions were open five months during the reporting period.

Note 3—Fees and Related Party Transactions

(A) Manager and Subadvisor. New York Life Investments, a registered investment adviser and an indirect, wholly-owned subsidiary of New York Life Insurance Company ("New York Life"), serves as the Fund's Manager, pursuant to an Amended and Restated Management Agreement ("Management Agreement"). The Manager provides offices, conducts clerical, recordkeeping and bookkeeping services and keeps most of the financial and accounting records required to be maintained by the Fund. Except for the portion of salaries and expenses that are the responsibility of the Fund, the Manager pays the salaries and expenses of all personnel affiliated with the Fund and certain operational expenses of the Fund. The Fund reimburses New York Life Investments in an amount equal to the portion of the compensation of the Chief Compliance Officer attributable to the Fund. MacKay Shields LLC ("MacKay Shields" or the "Subadvisor"), a registered investment adviser and an indirect, wholly-owned subsidiary of New York Life, serves as Subadvisor to the Fund and is responsible for the day-to-day portfolio management of the Fund. Pursuant to the terms of an Amended and Restated Subadvisory Agreement ("Subadvisory Agreement") between New York Life Investments and MacKay Shields, New York Life Investments pays for the services of the Subadvisor.

Pursuant to the Management Agreement, the Fund pays the Manager a monthly fee for the services performed and the facilities furnished at an annual rate of the Fund's average daily net assets as follows: 0.60% up

to \$500 million; 0.55% from \$500 million to \$1 billion; 0.50% from \$1 billion to \$5 billion; and 0.475% in excess of \$5 billion, plus a fee for fund accounting services previously provided by New York Life Investments under a separate fund accounting agreement furnished at an annual rate of the Fund's average daily net assets as follows: 0.05% up to \$20 million; 0.0333% from \$20 million to \$100 million; and 0.01% in excess of \$100 million. During the year ended October 31, 2021, the effective management fee rate was 0.60%, inclusive of a fee for fund accounting services of 0.01% of the Fund's average daily net assets.

Effective July 1, 2021, New York Life Investments has contractually agreed to waive fees and/or reimburse expenses so that Total Annual Fund Operating Expenses (excluding taxes, interest expenses (including interest on securities sold short), litigation, extraordinary expenses, brokerage and other transaction expenses relating to the purchase or sale of portfolio investments and acquired (underlying) fund fees and expenses) for Class I shares do not exceed 0.70% of its average daily net assets, and, for Class R6, do not exceed those of Class I. This agreement will remain in effect until February 28, 2023, and shall renew automatically for one-year terms unless New York Life Investments provides written notice of termination prior to the start of the next term or upon approval of the Board.

Prior to July 1, 2021, New York Life Investments had contractually agreed to waive fees and/or reimburse expenses so that Class R6 fees and expenses did not exceed those of Class I.

During the year ended October 31, 2021, New York Life Investments earned fees from the Fund in the amount of \$4,077,850 and paid the Subadvisor in the amount of \$1,944,048.

JPMorgan provides sub-administration and sub-accounting services to the Fund pursuant to an agreement with New York Life Investments. These services include calculating the daily NAVs of the Fund, maintaining the general ledger and sub-ledger accounts for the calculation of the Fund's NAVs, and assisting New York Life Investments

in conducting various aspects of the Fund's administrative operations. For providing these services to the Fund, JPMorgan is compensated by New York Life Investments.

Prior to November 23, 2020, these services were provided by State Street.

Pursuant to an agreement between the Trust and New York Life Investments, New York Life Investments is responsible for providing or procuring certain regulatory reporting services for the Fund. The Fund will reimburse New York Life Investments for the actual costs incurred by New York Life Investments in connection with providing or procuring these services for the Fund.

(B) Distribution and Service Fees. The Trust, on behalf of the Fund, has entered into a distribution agreement with NYLIFE Distributors LLC (the "Distributor"), an affiliate of New York Life Investments. The Fund has adopted distribution plans (the "Plans") in accordance with the provisions of Rule 12b-1 under the 1940 Act.

Pursuant to the Class A, Investor Class and Class R2 Plans, the Distributor receives a monthly fee from the Class A, Investor Class and Class R2 shares at an annual rate of 0.25% of the average daily net assets of the Class A, Investor Class and Class R2 shares for distribution and/or service activities as designated by the Distributor. Pursuant to the Class B and Class C Plans, Class B and Class C shares pay the Distributor a monthly distribution fee at an annual rate of 0.75% of the average daily net assets of the Class B and Class C shares, along with a service fee at an annual rate of 0.25% of the average daily net assets of the Class B and Class C shares, for a total 12b-1 fee of 1.00%. Pursuant to the Class R3 Plan, Class R3 shares pay the Distributor a monthly distribution fee at an annual rate of 0.25% of the average daily net assets of the Class R3 shares, along with a service fee at an annual rate of 0.25% of the average daily net assets of the Class R3 shares, for a total 12b-1 fee of 0.50%. Class I and Class R6 shares are not subject to a distribution and/or service fee.

The Plans provide that the distribution and service fees are payable to the Distributor regardless of the amounts actually expended by the Distributor for distribution of the Fund's shares and service activities.

In accordance with the Shareholder Services Plans for the Class R2 and Class R3 shares, the Manager has agreed to provide, through its affiliates or independent third parties, various shareholder and administrative support services to shareholders of the Class R2 and Class R3 shares. For its services, the Manager, its affiliates or independent third-party service providers are entitled to a shareholder service fee accrued daily and paid monthly at an annual rate of 0.10% of the average daily net assets of the Class R2 and Class R3 shares. This is in addition to any fees paid under the Class R2 and Class R3 Plans.

During the year ended October 31, 2021, shareholder service fees incurred by the Fund were as follows:

| | |
|----------|---------|
| Class R2 | \$1,014 |
| Class R3 | 360 |

(C) Sales Charges. The Fund was advised by the Distributor that the amount of initial sales charges retained on sales of Class A and Investor Class shares during the year ended October 31, 2021, were \$28,957 and \$2,400, respectively.

The Fund was also advised that the Distributor retained CDSCs on redemptions of Class A, Class B and Class C shares during the year ended October 31, 2021, of \$2,546, \$1,468 and \$1,255, respectively.

(D) Transfer, Dividend Disbursing and Shareholder Servicing Agent. NYLIM Service Company LLC, an affiliate of New York Life Investments, is the Fund's transfer, dividend disbursing and shareholder servicing agent pursuant to an agreement between NYLIM Service Company LLC and the Trust. NYLIM Service Company LLC has entered into an agreement with DST Asset Manager Solutions, Inc. ("DST"), pursuant to which DST performs certain transfer agent services on behalf of NYLIM Service Company LLC. New York Life Investments has contractually agreed to limit the transfer agency expenses charged to the Fund's share classes to a maximum of 0.35% of that share class's average daily net assets on an annual basis after deducting any applicable Fund or class-level expense reimbursement or small account fees. This agreement will remain in effect until February 28, 2022, and shall renew automatically for one-year terms unless New York Life Investments provides written notice of termination prior to the start of the next term or upon approval of the Board. During the year ended October 31, 2021, transfer agent expenses incurred by the Fund and any reimbursements, pursuant to the aforementioned Transfer Agency expense limitation agreement, were as follows:

| Class | Expense | Waived |
|----------------|-----------|--------|
| Class A | \$231,144 | \$— |
| Investor Class | 45,196 | — |
| Class B | 10,242 | — |
| Class C | 140,930 | — |
| Class I | 525,326 | — |
| Class R2 | 1,283 | — |
| Class R3 | 449 | — |
| Class R6 | 40 | — |

(E) Small Account Fee. Shareholders with small accounts adversely impact the cost of providing transfer agency services. In an effort to reduce total transfer agency expenses, the Fund has implemented a small account fee on certain types of accounts. As described in the Fund's prospectus, certain shareholders with an account balance of less than \$1,000 (\$5,000 for Class A share accounts) are charged an annual per account fee of \$20 (assessed semi-annually), the proceeds from which offset transfer agent fees as reflected in the Statement of Operations.

Notes to Financial Statements (continued)

This small account fee will not apply to certain types of accounts as described further in the Fund's prospectus.

(F) Investments in Affiliates (in 000's). During the year ended October 31, 2021, purchases and sales transactions, income earned from investments and shares held of investment companies managed by New York Life Investments or its affiliates were as follows:

| Affiliated Investment Companies | Value, Beginning of Year | Purchases at Cost | Proceeds from Sales | Net Realized Gain/(Loss) on Sales | Change in Unrealized Appreciation/ (Depreciation) | Value, End of Year | Dividend Income | Other Distributions | Shares End of Year |
|---|--------------------------|-------------------|---------------------|-----------------------------------|---|--------------------|-----------------|---------------------|--------------------|
| MainStay U.S. Government Liquidity Fund | \$ 30,619 | \$ 276,655 | \$ (254,015) | \$ — | \$ — | \$ 53,259 | \$ 3 | \$ — | 53,259 |

(G) Capital. As of October 31, 2021, New York Life and its affiliates beneficially held shares of the Fund with the values and percentages of net assets as follows:

| | | |
|----------|-----------|------|
| Class I | \$985,602 | 0.2% |
| Class R3 | 32,034 | 5.2 |
| Class R6 | 28,888 | 2.1 |

Note 4-Federal Income Tax

As of October 31, 2021, the cost and unrealized appreciation (depreciation) of the Fund's investment portfolio, including applicable derivative contracts and other financial instruments, as determined on a federal income tax basis, were as follows:

| | Federal Tax Cost | Gross Unrealized Appreciation | Gross Unrealized Depreciation | Net Unrealized Appreciation/ (Depreciation) |
|---------------------------|------------------|-------------------------------|-------------------------------|---|
| Investments in Securities | \$693,297,558 | \$22,420,105 | \$(7,935,344) | \$14,484,761 |

As of October 31, 2021, the components of accumulated gain (loss) on a tax basis were as follows:

| Ordinary income | Accumulated Capital and Other Gain (Loss) | Other Temporary Differences | Unrealized Appreciation (Depreciation) | Total Accumulated Gain (Loss) |
|-----------------|---|-----------------------------|--|-------------------------------|
| \$— | \$(181,892,991) | \$(118,823) | \$15,305,804 | \$(166,706,011) |

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is primarily due to mark to market of forwards and futures contracts. The other temporary differences are primarily due to dividends payable.

As of October 31, 2021, for federal income tax purposes, capital loss carryforwards of \$180,575,457 were available as shown in the table below, to the extent provided by the regulations to offset future realized gains of the Fund through the years indicated. To the extent that these capital loss carryforwards are used to offset future capital gains, it is probable that the capital gains so offset will not be distributed to

shareholders. No capital gain distributions shall be made until any capital loss carryforwards have been fully utilized.

| Capital Loss Available Through | Short-Term Capital Loss Amounts (000's) | Long-Term Capital Loss Amounts (000's) |
|--------------------------------|---|--|
| Unlimited | \$27,869 | \$152,707 |

The Fund utilized \$27,165,017 of capital loss carryforwards during the year ended October 31, 2021.

During the years ended October 31, 2021 and October 31, 2020, the tax character of distributions paid as reflected in the Statements of Changes in Net Assets was as follows:

| | 2021 | 2020 |
|--------------------------|--------------|--------------|
| Distributions paid from: | | |
| Ordinary Income | \$13,999,950 | \$19,631,737 |
| Return of Capital | 851,084 | 587,214 |
| Total | \$14,851,034 | \$20,218,951 |

Note 5-Custodian

JPMorgan is the custodian of cash and securities held by the Fund. Custodial fees are charged to the Fund based on the Fund's net assets and/or the market value of securities held by the Fund and the number of certain transactions incurred by the Fund.

Prior to November 23, 2020, these services were provided by State Street. The services provided by State Street were a direct expense of the Fund and are included in the Statement of Operations as Custodian fees which totaled \$2,458 for the period November 1, 2020 through November 22, 2020.

Note 6-Line of Credit

The Fund and certain other funds managed by New York Life Investments maintain a line of credit with a syndicate of banks in order to secure a source of funds for temporary purposes to meet unanticipated or excessive redemption requests.

Effective July 27, 2021, under the credit agreement (the "Credit Agreement"), the aggregate commitment amount is \$600,000,000 with an additional uncommitted amount of \$100,000,000. The commitment fee is an annual rate of 0.15% of the average commitment amount payable quarterly, regardless of usage, to JPMorgan, who serves as the

agent to the syndicate. The commitment fee is allocated among the Fund and certain other funds managed by New York Life Investments based upon their respective net assets and other factors. Interest on any revolving credit loan is charged based upon the Federal Funds Rate or the one-month LIBOR, whichever is higher. The Credit Agreement expires on July 26, 2022, although the Fund, certain other funds managed by New York Life Investments and the syndicate of banks may renew the Credit Agreement for an additional year on the same or different terms or enter into a credit agreement with a different syndicate of banks. Prior to July 27, 2021, the aggregate commitment amount and the commitment fee were the same as those under the current Credit Agreement. During the year ended October 31, 2021, there were no borrowings made or outstanding with respect to the Fund under the Credit Agreement.

Note 7—Interfund Lending Program

Pursuant to an exemptive order issued by the SEC, the Fund, along with certain other funds managed by New York Life Investments, may participate in an interfund lending program. The interfund lending program provides an alternative credit facility that permits the Fund and certain other funds managed by New York Life Investments to lend or borrow money for temporary purposes directly to or from one another, subject to the conditions of the exemptive order. During the year ended October 31, 2021, there were no interfund loans made or outstanding with respect to the Fund.

Note 8—Purchases and Sales of Securities (in 000's)

During the year ended October 31, 2021, purchases and sales of U.S. government securities were \$22,281 and \$21,454, respectively. Purchases and sales of securities, other than U.S. government securities and short-term securities, were \$329,672 and \$317,436 respectively.

Note 9—Capital Share Transactions

Transactions in capital shares for the years ended October 31, 2021 and October 31, 2020, were as follows:

| Class A | Shares | Amount |
|---|---------------|-----------------|
| Year ended October 31, 2021: | | |
| Shares sold | 4,142,465 | \$ 37,695,529 |
| Shares issued to shareholders in reinvestment of distributions | 386,703 | 3,514,807 |
| Shares redeemed | (3,881,418) | (35,230,020) |
| Net increase (decrease) in shares outstanding before conversion | 647,750 | 5,980,316 |
| Shares converted into Class A (See Note 1) | 598,420 | 5,426,216 |
| Shares converted from Class A (See Note 1) | (90,110) | (816,457) |
| Net increase (decrease) | 1,156,060 | \$ 10,590,075 |
| Year ended October 31, 2020: | | |
| Shares sold | 3,549,959 | \$ 30,759,137 |
| Shares issued to shareholders in reinvestment of distributions | 488,987 | 4,220,842 |
| Shares redeemed | (6,892,108) | (59,273,038) |
| Net increase (decrease) in shares outstanding before conversion | (2,853,162) | (24,293,059) |
| Shares converted into Class A (See Note 1) | 265,023 | 2,297,846 |
| Shares converted from Class A (See Note 1) | (70,039) | (603,380) |
| Net increase (decrease) | (2,658,178) | \$ (22,598,593) |
| Investor Class | Shares | Amount |
| Year ended October 31, 2021: | | |
| Shares sold | 113,560 | \$ 1,040,464 |
| Shares issued to shareholders in reinvestment of distributions | 36,650 | 335,936 |
| Shares redeemed | (273,230) | (2,505,424) |
| Net increase (decrease) in shares outstanding before conversion | (123,020) | (1,129,024) |
| Shares converted into Investor Class (See Note 1) | 155,880 | 1,424,394 |
| Shares converted from Investor Class (See Note 1) | (238,288) | (2,185,706) |
| Net increase (decrease) | (205,428) | \$ (1,890,336) |
| Year ended October 31, 2020: | | |
| Shares sold | 155,915 | \$ 1,356,863 |
| Shares issued to shareholders in reinvestment of distributions | 51,115 | 444,676 |
| Shares redeemed | (304,909) | (2,639,908) |
| Net increase (decrease) in shares outstanding before conversion | (97,879) | (838,369) |
| Shares converted into Investor Class (See Note 1) | 83,544 | 726,787 |
| Shares converted from Investor Class (See Note 1) | (183,114) | (1,598,912) |
| Net increase (decrease) | (197,449) | \$ (1,710,494) |

Notes to Financial Statements (continued)

| Class B | Shares | Amount |
|---|---------------|----------------|
| Year ended October 31, 2021: | | |
| Shares sold | 8,800 | \$ 78,983 |
| Shares issued to shareholders in reinvestment of distributions | 4,318 | 39,009 |
| Shares redeemed | (146,647) | (1,325,666) |
| Net increase (decrease) in shares outstanding before conversion | (133,529) | (1,207,674) |
| Shares converted from Class B (See Note 1) | (70,410) | (635,484) |
| Net increase (decrease) | (203,939) | \$ (1,843,158) |
| Year ended October 31, 2020: | | |
| Shares sold | 13,761 | \$ 117,932 |
| Shares issued to shareholders in reinvestment of distributions | 10,913 | 93,552 |
| Shares redeemed | (309,879) | (2,667,687) |
| Net increase (decrease) in shares outstanding before conversion | (285,205) | (2,456,203) |
| Shares converted from Class B (See Note 1) | (74,998) | (645,966) |
| Net increase (decrease) | (360,203) | \$ (3,102,169) |

| Class C | Shares | Amount |
|---|---------------|-----------------|
| Year ended October 31, 2021: | | |
| Shares sold | 471,716 | \$ 4,268,995 |
| Shares issued to shareholders in reinvestment of distributions | 72,232 | 652,329 |
| Shares redeemed | (2,400,170) | (21,673,078) |
| Net increase (decrease) in shares outstanding before conversion | (1,856,222) | (16,751,754) |
| Shares converted from Class C (See Note 1) | (447,633) | (4,024,920) |
| Net increase (decrease) | (2,303,855) | \$ (20,776,674) |
| Year ended October 31, 2020: | | |
| Shares sold | 425,749 | \$ 3,655,007 |
| Shares issued to shareholders in reinvestment of distributions | 140,651 | 1,205,409 |
| Shares redeemed | (3,582,005) | (30,766,598) |
| Net increase (decrease) in shares outstanding before conversion | (3,015,605) | (25,906,182) |
| Shares converted from Class C (See Note 1) | (79,690) | (688,962) |
| Net increase (decrease) | (3,095,295) | \$ (26,595,144) |

| Class I | Shares | Amount |
|---|---------------|-----------------|
| Year ended October 31, 2021: | | |
| Shares sold | 13,192,767 | \$ 120,262,456 |
| Shares issued to shareholders in reinvestment of distributions | 956,891 | 8,707,229 |
| Shares redeemed | (10,934,086) | (99,338,416) |
| Net increase (decrease) in shares outstanding before conversion | 3,215,572 | 29,631,269 |
| Shares converted into Class I (See Note 1) | 89,508 | 811,957 |
| Net increase (decrease) | 3,305,080 | \$ 30,443,226 |
| Year ended October 31, 2020: | | |
| Shares sold | 19,754,574 | \$ 169,630,141 |
| Shares issued to shareholders in reinvestment of distributions | 1,386,876 | 11,983,027 |
| Shares redeemed | (44,391,197) | (377,209,880) |
| Net increase (decrease) in shares outstanding before conversion | (23,249,747) | (195,596,712) |
| Shares converted into Class I (See Note 1) | 59,162 | 512,587 |
| Net increase (decrease) | (23,190,585) | \$(195,084,125) |

| Class R2 | Shares | Amount |
|--|---------------|----------------|
| Year ended October 31, 2021: | | |
| Shares sold | 14,072 | \$ 127,816 |
| Shares issued to shareholders in reinvestment of distributions | 2,234 | 20,315 |
| Shares redeemed | (7,400) | (67,031) |
| Net increase (decrease) | 8,906 | \$ 81,100 |
| Year ended October 31, 2020: | | |
| Shares sold | 134,616 | \$ 1,173,741 |
| Shares issued to shareholders in reinvestment of distributions | 17,187 | 147,798 |
| Shares redeemed | (873,599) | (7,642,240) |
| Net increase (decrease) | (721,796) | \$ (6,320,701) |

| Class R3 | Shares | Amount |
|--|---------------|---------------|
| Year ended October 31, 2021: | | |
| Shares sold | 57,029 | \$ 519,396 |
| Shares issued to shareholders in reinvestment of distributions | 536 | 4,872 |
| Shares redeemed | (20,844) | (189,665) |
| Net increase (decrease) | 36,721 | \$ 334,603 |
| Year ended October 31, 2020: | | |
| Shares sold | 7,100 | \$ 62,561 |
| Shares issued to shareholders in reinvestment of distributions | 488 | 4,213 |
| Shares redeemed | (1,200) | (10,300) |
| Net increase (decrease) | 6,388 | \$ 56,474 |

| Class R6 | Shares | Amount |
|--|---------------|-----------------|
| Year ended October 31, 2021: | | |
| Shares sold | 116,756 | \$ 1,065,273 |
| Shares issued to shareholders in reinvestment of distributions | 2,794 | 25,535 |
| Shares redeemed | (18,194) | (166,382) |
| Net increase (decrease) | 101,356 | \$ 924,426 |
| Year ended October 31, 2020: | | |
| Shares sold | 107,790 | \$ 930,408 |
| Shares issued to shareholders in reinvestment of distributions | 23,680 | 203,636 |
| Shares redeemed | (2,666,072) | (22,878,546) |
| Net increase (decrease) | (2,534,602) | \$ (21,744,502) |

Note 10—Other Matters

An outbreak of COVID-19, first detected in December 2019, has developed into a global pandemic and has resulted in travel restrictions, closure of international borders, certain businesses and securities markets, restrictions on securities trading activities, prolonged quarantines, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The continued impact of COVID-19 and related new variants is uncertain and could further adversely affect the global economy, national economies, individual issuers and capital markets in unforeseeable ways and result in a substantial and extended economic downturn. Developments that disrupt global economies and financial markets, such as COVID-19, may magnify factors that affect the Fund's performance.

Note 11—Subsequent Events

In connection with the preparation of the financial statements of the Fund as of and for the year ended October 31, 2021, events and transactions subsequent to October 31, 2021, through the date the financial statements were issued have been evaluated by the Manager for possible adjustment and/or disclosure. No subsequent events requiring financial statement adjustment or disclosure have been identified.

Report of Independent Registered Public Accounting Firm

To the Shareholders of the Fund and Board of Trustees
The MainStay Funds:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of MainStay MacKay Strategic Bond Fund (formerly, MainStay MacKay Unconstrained Bond Fund) (the Fund), one of the funds constituting The MainStay Funds, including the portfolio of investments, as of October 31, 2021, the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the financial statements) and the financial highlights for each of the years or periods in the five-year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of October 31, 2021, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or periods in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of October 31, 2021, by correspondence with custodians, the transfer agent, agent banks, and brokers or by other appropriate auditing procedures when replies from brokers and agent banks were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

We have served as the auditor of one or more New York Life Investment Management investment companies since 2003.

Philadelphia, Pennsylvania
December 24, 2021

Federal Income Tax Information (Unaudited)

The Fund is required under the Internal Revenue Code to advise shareholders in a written statement as to the federal tax status of dividends paid by the Fund during such fiscal years.

For the fiscal year ended October 31, 2021, the Fund designated approximately \$1,592 under the Internal Revenue Code as qualified dividend income eligible for reduced tax rates.

The dividends paid by the Fund during the fiscal year ended October 31, 2021 should be multiplied by 0.01% to arrive at the amount eligible for the corporate dividend-received deduction.

In February 2022, shareholders will receive an IRS Form 1099-DIV or substitute Form 1099, which will show the federal tax status of the distributions received by shareholders in calendar year 2021. The amounts that will be reported on such 1099-DIV or substitute Form 1099 will be the amounts you are to use on your federal income tax return and will differ from the amounts which we must report for the Fund's fiscal year ended October 31, 2021.

Proxy Voting Record

The Fund is required to file with the SEC its proxy voting records for the 12-month period ending June 30 on Form N-PX. The most recent Form N-PX or proxy voting record is available free of charge upon request by calling 800-624-6782; visiting the MainStay Funds' website at newyorklifeinvestments.com; or visiting the SEC's website at www.sec.gov.

Shareholder Reports and Quarterly Portfolio Disclosure

The Fund is required to file its complete schedule of portfolio holdings with the SEC 60 days after its first and third fiscal quarter on Form N-PORT. The Fund's holdings report is available free of charge upon request by calling New York Life Investments at 800-624-6782.

Board of Trustees and Officers (Unaudited)

The Trustees and officers of the Fund are listed below. The Board oversees the MainStay Group of Funds (which consists of MainStay Funds and MainStay Funds Trust), MainStay VP Funds Trust, MainStay MacKay DefinedTerm Municipal Opportunities Fund, MainStay CBRE Global Infrastructure Megatrends Fund, the Manager and the Subadvisors, and elects the officers of the Funds who are responsible for the day-to-day operations of the Fund. Information pertaining to the Trustees and officers is set forth below. Each Trustee serves until his or her successor is elected and qualified or until his or her resignation, death or removal. Under the Board's retirement policy, unless an exception is made, a Trustee must tender his or her resignation by the end of the calendar year

during which he or she reaches the age of 75. Mr. Nolan reached the age of 75 during the calendar year 2021. Accordingly, Mr. Nolan is expected to serve until the end of calendar year 2021, at which time he intends to retire. Additionally, Ms. Hammond was appointed as a Trustee of the Fund effective as of Mr. Nolan's retirement. Officers are elected annually by the Board. The business address of each Trustee and officer listed below is 51 Madison Avenue, New York, New York 10010. A majority of the Trustees are not "interested persons" (as defined by the 1940 Act and rules adopted by the SEC thereunder) of the Fund ("Independent Trustees").

| | Name and Year of Birth | Term of Office, Position(s) Held and Length of Service | Principal Occupation(s) During Past Five Years | Number of Portfolios in Fund Complex Overseen by Trustee | Other Directorships Held by Trustee |
|--------------------|------------------------|---|--|--|--|
| Interested Trustee | Yie-Hsin Hung* 1962 | MainStay Funds: Trustee since 2017; MainStay Funds Trust: Trustee since 2017 | Senior Vice President of New York Life since joining in 2010, Member of the Executive Management Committee since 2017, Chief Executive Officer, New York Life Investment Management Holdings LLC & New York Life Investment Management LLC since 2015. Senior Managing Director and Co-President of New York Life Investment Management LLC from January 2014 to May 2015. Previously held positions of increasing responsibility, including head of NYLIM International, Alternative Growth Businesses, and Institutional investments since joining New York Life in 2010 | 78 | <i>MainStay VP Funds Trust:</i> Trustee since 2017 (31 portfolios); <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since 2017; and <i>MainStay CBRE Global Infrastructure Megatrends Fund:</i> Trustee since June 2021 |

* This Trustee is considered to be an "interested person" of the MainStay Group of Funds, MainStay VP Funds Trust and MainStay MacKay DefinedTerm Municipal Opportunities Fund, within the meaning of the 1940 Act because of her affiliation with New York Life Insurance Company, New York Life Investment Management LLC, Candriam Belgium S.A., Candriam Luxembourg S.C.A., IndexIQ Advisors LLC, MacKay Shields LLC, NYL Investors LLC, NYLIFE Securities LLC and/or NYLIFE Distributors LLC, as described in detail above in the column entitled "Principal Occupation(s) During Past Five Years."

Independent Trustees

| Name and Year of Birth | Term of Office, Position(s) Held and Length of Service | Principal Occupation(s) During Past Five Years | Number of Portfolios in Fund Complex Overseen by Trustee | Other Directorships Held by Trustee |
|--------------------------------------|---|---|--|---|
| David H. Chow 1957 | MainStay Funds: Trustee since 2016, Advisory Board Member (June 2015 to December 2015); MainStay Funds Trust: Trustee since 2016, Advisory Board Member (June 2015 to December 2015) | Founder and CEO, DanCourt Management, LLC since 1999 | 78 | <i>MainStay VP Funds Trust:</i> Trustee since 2016, Advisory Board Member (June 2015 to December 2015) (31 portfolios); <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since 2016, Advisory Board Member (June 2015 to December 2015); <i>MainStay CBRE Global Infrastructure Megatrends Fund:</i> Trustee since June 2021; <i>Market Vectors Group of Exchange-Traded Funds:</i> Independent Chairman of the Board of Trustees since 2008 and Trustee since 2006 (56 portfolios); and <i>Berea College of Kentucky:</i> Trustee since 2009, Chair of the Investment Committee since 2018 |
| Susan B. Kerley 1951 | MainStay Funds: Chairman since 2017 and Trustee since 2007; MainStay Funds Trust: Chairman since 2017 and Trustee since 1990** | President, Strategic Management Advisors LLC since 1990 | 78 | <i>MainStay VP Funds Trust:</i> Chairman since January 2017 and Trustee since 2007 (31 portfolios)***; <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Chairman since 2017 and Trustee since 2011; <i>MainStay CBRE Global Infrastructure Megatrends Fund:</i> Trustee since June 2021; and <i>Legg Mason Partners Funds:</i> Trustee since 1991 (45 portfolios) |
| Alan R. Latshaw 1951 | MainStay Funds: Trustee; MainStay Funds Trust: Trustee since 2007** | Retired; Partner, Ernst & Young LLP (2002 to 2003); Partner, Arthur Andersen LLP (1989 to 2002); Consultant to the MainStay Funds Audit and Compliance Committee (2004 to 2006) | 78 | <i>MainStay VP Funds Trust:</i> Trustee since 2007 (31 portfolios)***; <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since 2011; and <i>MainStay CBRE Global Infrastructure Megatrends Fund:</i> Trustee since June 2021 |
| Richard H. Nolan, Jr. 1946 | MainStay Funds: Trustee since 2007; MainStay Funds Trust: Trustee since 2007** | Managing Director, ICC Capital Management since 2004; President—Shields/Alliance, Alliance Capital Management (1994 to 2004) | 78 | <i>MainStay VP Funds Trust:</i> Trustee since 2006 (31 portfolios)***; and <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since 2011 |
| Jacques P. Perold 1958 | MainStay Funds: Trustee since 2016, Advisory Board Member (June 2015 to December 2015); MainStay Funds Trust: Trustee since 2016, Advisory Board Member (June 2015 to December 2015) | Founder and Chief Executive Officer, Capshift Advisors LLC (Since 2018); President, Fidelity Management & Research Company (2009 to 2014); President and Chief Investment Officer, Geode Capital Management, LLC (2001 to 2009) | 78 | <i>MainStay VP Funds Trust:</i> Trustee since 2016, Advisory Board Member (June 2015 to December 2015) (31 portfolios); <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since 2016, Advisory Board Member (June 2015 to December 2015); <i>MainStay CBRE Global Infrastructure Megatrends Fund:</i> Trustee since June 2021; <i>Partners in Health:</i> Trustee since 2019; <i>Allstate Corporation:</i> Director since 2015; and MSCI, Inc.: Director since 2017 |

Board of Trustees and Officers (Unaudited) (continued)

| | Name and Year of Birth | Term of Office, Position(s) Held and Length of Service | Principal Occupation(s) During Past Five Years | Number of Portfolios in Fund Complex Overseen by Trustee | Other Directorships Held by Trustee |
|-----------------------------|------------------------------------|---|--|--|--|
| Independent Trustees | Richard S. Trutanic 1952 | MainStay Funds: Trustee since 1994; MainStay Funds Trust: Trustee since 2007** | Chairman and Chief Executive Officer, Somerset & Company (financial advisory firm) since 2004; Managing Director, The Carlyle Group (private investment firm) (2002 to 2004); Senior Managing Director, Partner and Board Member, Groupe Arnault S.A. (private investment firm) (1999 to 2002) | 78 | <i>MainStay VP Funds Trust:</i> Trustee since 2007 (31 portfolios)***; <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since 2011; and <i>MainStay CBRE Global Infrastructure Megatrends Fund:</i> Trustee since June 2021 |

** Includes prior service as a Director/Trustee of certain predecessor entities to MainStay Funds Trust.

*** Includes prior service as a Director of MainStay VP Series Fund, Inc., the predecessor to MainStay VP Funds Trust.

| | Name and Year of Birth | Term of Office, Position(s) Held and Length of Service | Principal Occupation(s) During Past Five Years | Number of Portfolios in Fund Complex Overseen by Trustee | Other Directorships Held by Trustee |
|------------------------------|------------------------------|---|--|--|--|
| Advisory Board Member | Karen Hammond 1956 | MainStay Funds: Advisory Board Member since June 2021; MainStay Funds Trust: Advisory Board Member since June 2021 | Retired, Managing Director, Devonshire Investors (2007 to 2013); Senior Vice President, Fidelity Management & Research Co. (2005 to 2007); Senior Vice President and Corporate Treasurer, FMR Corp. (2003 to 2005); Chief Operating Officer, Fidelity Investments Japan (2001 to 2003) | 78 | <i>MainStay VP Funds Trust:</i> Advisory Board Member since June 2021 (31 portfolios); <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Advisory Board Member since June 2021; <i>MainStay CBRE Global Infrastructure Megatrends Fund:</i> Advisory Board Member since June 2021; <i>Two Harbors Investment Corp:</i> Trustee since 2018, Chair of the Special Committee since 2019; <i>Rhode Island School of Design:</i> Trustee and Chair of the Finance Committee since 2015 |

Officers of the Trust (Who are not Trustees)*

| Name and Year of Birth | Position(s) Held and Length of Service | Principal Occupation(s) During Past Five Years |
|------------------------------------|--|--|
| Kirk C. Lehneis 1974 | President, MainStay Funds, MainStay Funds Trust since 2017 | Chief Operating Officer and Senior Managing Director since 2016, New York Life Investment Management LLC; Chairman of the Board since 2017, NYLIFE Distributors LLC; Chairman of the Board, NYLIM Service Company LLC since 2017; Trustee, President and Principal Executive Officer of IndexIQ Trust, IndexIQ ETF Trust and IndexIQ Active ETF Trust since January 2018; President, MainStay MacKay DefinedTerm Municipal Opportunities Fund and MainStay VP Funds Trust since 2017** and MainStay CBRE Global Infrastructure Megatrends Fund since June 2021; Senior Managing Director, Global Product Development (2015 to 2016); Managing Director, Product Development (2010 to 2015), New York Life Investment Management LLC |
| Jack R. Benintende 1964 | Treasurer and Principal Financial and Accounting Officer, MainStay Funds since 2007, MainStay Funds Trust since 2009 | Managing Director, New York Life Investment Management LLC since 2007; Treasurer and Principal Financial and Accounting Officer, MainStay MacKay DefinedTerm Municipal Opportunities Fund since 2011, MainStay VP Funds Trust since 2007** and MainStay CBRE Global Infrastructure Megatrends Fund since June 2021; and Assistant Treasurer, New York Life Investment Management Holdings LLC (2008 to 2012) |
| J. Kevin Gao 1967 | Secretary and Chief Legal Officer, MainStay Funds and MainStay Funds Trust since 2010 | Managing Director and Associate General Counsel, New York Life Investment Management LLC since 2010; Secretary and Chief Legal Officer, MainStay MacKay DefinedTerm Municipal Opportunities Fund since 2011, MainStay VP Funds Trust since 2010** and MainStay CBRE Global Infrastructure Megatrends Fund since June 2021 |
| Scott T. Harrington 1959 | Vice President—Administration, MainStay Funds since 2005, MainStay Funds Trust since 2009 | Managing Director, New York Life Investment Management LLC (including predecessor advisory organizations) since 2000; Member of the Board of Directors, New York Life Trust Company since 2009; Vice President—Administration, MainStay MacKay DefinedTerm Municipal Opportunities Fund since 2011, MainStay VP Funds Trust since 2005** and MainStay CBRE Global Infrastructure Megatrends Fund since June 2021 |
| Kevin M. Bopp 1969 | Vice President and Chief Compliance Officer, MainStay Funds and MainStay Funds Trust since 2021 and 2014 to 2020 | Vice President and Chief Compliance Officer, New York Life Investments Alternatives LLC and New York Life Investment Management Holdings LLC since 2020; Vice President since 2018 and Chief Compliance Officer since 2016, New York Life Investment Management LLC; Vice President and Chief Compliance Officer, IndexIQ Advisors LLC, IndexIQ Holdings Inc., IndexIQ LLC and IndexIQ Trust since 2017; Director and Associate General Counsel (2011 to 2014) and Vice President and Assistant General Counsel (2010 to 2011), New York Life Investment Management LLC; Vice President and Chief Compliance Officer, MainStay VP Funds Trust and MainStay MacKay DefinedTerm Municipal Opportunities Fund since June 2021 and 2014 to 2020 and MainStay CBRE Global Infrastructure Megatrends Fund since June 2021; Assistant Secretary, MainStay Funds, MainStay Funds Trust and MainStay VP Funds Trust (2010 to 2014)**, MainStay MacKay DefinedTerm Municipal Opportunities Fund (2011 to 2014) |

* The officers listed above are considered to be “interested persons” of the MainStay Group of Funds, MainStay VP Funds Trust and MainStay MacKay DefinedTerm Municipal Opportunities Fund within the meaning of the 1940 Act because of their affiliation with the MainStay Group of Funds, New York Life Insurance Company and/or its affiliates, including New York Life Investment Management LLC, NYLIM Service Company LLC, NYLIFE Securities LLC and/or NYLIFE Distributors LLC, as described in detail in the column captioned “Principal Occupation(s) During Past Five Years.” Officers are elected annually by the Board.

** Includes prior service as an Officer of MainStay VP Series Fund, Inc., the predecessor to MainStay VP Funds Trust.

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MainStay Funds

Equity

U.S. Equity

MainStay Epoch U.S. Equity Yield Fund
MainStay MacKay S&P 500 Index Fund
MainStay Winslow Large Cap Growth Fund
MainStay WMC Enduring Capital Fund
MainStay WMC Growth Fund
MainStay WMC Small Companies Fund
MainStay WMC Value Fund

International Equity

MainStay Epoch International Choice Fund
MainStay MacKay International Equity Fund
MainStay WMC International Research Equity Fund

Emerging Markets Equity

MainStay Candriam Emerging Markets Equity Fund

Global Equity

MainStay Epoch Capital Growth Fund
MainStay Epoch Global Equity Yield Fund

Fixed Income

Taxable Income

MainStay Candriam Emerging Markets Debt Fund
MainStay Floating Rate Fund
MainStay MacKay High Yield Corporate Bond Fund
MainStay MacKay Short Duration High Yield Fund
MainStay MacKay Strategic Bond Fund
MainStay MacKay Total Return Bond Fund
MainStay MacKay U.S. Infrastructure Bond Fund
MainStay Short Term Bond Fund

Tax-Exempt Income

MainStay MacKay California Tax Free Opportunities Fund¹
MainStay MacKay High Yield Municipal Bond Fund
MainStay MacKay New York Tax Free Opportunities Fund²
MainStay MacKay Short Term Municipal Fund
MainStay MacKay Strategic Municipal Allocation Fund³
MainStay MacKay Tax Free Bond Fund

Money Market

MainStay Money Market Fund

Mixed Asset

MainStay Balanced Fund
MainStay Income Builder Fund
MainStay MacKay Convertible Fund

Speciality

MainStay CBRE Global Infrastructure Fund
MainStay CBRE Real Estate Fund
MainStay Cushing MLP Premier Fund

Asset Allocation

MainStay Conservative Allocation Fund
MainStay Conservative ETF Allocation Fund
MainStay Defensive ETF Allocation Fund
MainStay Equity Allocation Fund
MainStay Equity ETF Allocation Fund
MainStay ESG Multi-Asset Allocation Fund
MainStay Growth Allocation Fund
MainStay Growth ETF Allocation Fund
MainStay Moderate Allocation Fund
MainStay Moderate ETF Allocation Fund

Manager

New York Life Investment Management LLC

New York, New York

Subadvisors

Candriam Belgium S.A.⁴

Brussels, Belgium

Candriam Luxembourg S.C.A.⁴

Strassen, Luxembourg

CBRE Investment Management Listed Real Assets LLC

Radnor, Pennsylvania

Cushing Asset Management, LP

Dallas, Texas

Epoch Investment Partners, Inc.

New York, New York

MacKay Shields LLC⁴

New York, New York

NYL Investors LLC⁴

New York, New York

Wellington Management Company LLP

Boston, Massachusetts

Winslow Capital Management, LLC

Minneapolis, Minnesota

Legal Counsel

Dechert LLP

Washington, District of Columbia

Independent Registered Public Accounting Firm

KPMG LLP

Philadelphia, Pennsylvania

Distributor

NYLIFE Distributors LLC⁴

Jersey City, New Jersey

Custodian

JPMorgan Chase Bank, N.A.

New York, New York

1. This Fund is registered for sale in AZ, CA, NV, OR, TX, UT, WA and MI (Class A and I shares only), and CO, FL, GA, HI, ID, MA, MD, NH, NJ and NY (Class I shares only).

2. This Fund is registered for sale in CA, CT, DE, FL, MA, NJ, NY and VT.

3. Prior to November 30, 2021, the Fund's name was formerly MainStay MacKay Intermediate Tax Free Bond Fund.

4. An affiliate of New York Life Investment Management LLC.

For more information

800-624-6782

newyorklifeinvestments.com

"New York Life Investments" is both a service mark, and the common trade name, of certain investment advisors affiliated with New York Life Insurance Company. The MainStay Funds[®] are managed by New York Life Investment Management LLC and distributed by NYLIFE Distributors LLC, 30 Hudson Street, Jersey City, NJ 07302, a wholly owned subsidiary of New York Life Insurance Company. NYLIFE Distributors LLC is a Member FINRA/SIPC.

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