MainStay MacKay Unconstrained Bond Fund

Message from the President and Semiannual Report

Unaudited | April 30, 2020

Beginning on January 1, 2021, paper copies of each MainStay Fund's annual and semiannual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from MainStay Funds or from your financial intermediary. Instead, the reports will be made available on the MainStay Funds' website. You will be notified by mail and provided with a website address to access the report each time a new report is posted to the website.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. At any time, you may elect to receive reports and other communications from MainStay Funds electronically by calling toll-free 800-624-6782, by sending an e-mail to MainStayShareholderServices@nylim.com, or by contacting your financial intermediary.

You may elect to receive all future shareholder reports in paper form free of charge. If you hold shares of a MainStay Fund directly, you can inform MainStay Funds that you wish to receive paper copies of reports by calling toll-free 800-624-6782 or by sending an e-mail to MainStayShareholderServices@nylim.com. If you hold shares of a MainStay Fund through a financial intermediary, please contact the financial intermediary to make this election. Your election to receive reports in paper form will apply to all MainStay Funds in which you are invested and may apply to all funds held with your financial intermediary.

NEW YORK LIFE INVESTMENTS

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Message from the President

Financial markets experienced high levels of volatility in response to the spreading of a novel coronavirus, which causes the disease known as COVID-19, and a sharpening decline in global economic activity during the six months ended April 30, 2020.

After gaining ground during the first three and a half months of the reporting period, most broad stock and bond indices began to dip in late February as a growing numbers of COVID-19 cases were seen in hotspots around the world. On March 11, 2020, the World Health Organization acknowledged that the disease had reached pandemic proportions, with over 80,000 identified cases in China, thousands in Italy, South Korea and the United States, and more in dozens of additional countries. Governments and central banks pledged trillions of dollars to address the mounting economic and public health crises; however, “stay-at-home” orders and other restrictions on non-essential activity caused global economic activity to slow. Most stocks and bonds lost significant ground in this challenging environment.

In the United States, with the number of reported U.S. COVID-19 cases continuing to rise, the Federal Reserve (“Fed”) cut interest rates twice and announced unlimited quantitative easing. In late March, the federal government declared a national emergency as unemployment claims increased by 22 million in a four-week period, and Congress passed and the President signed the CARES Act to provide a $2 trillion stimulus package, with the promise of further aid for consumers and businesses to come. Investors generally responded positively to the government’s fiscal and monetary measures, as well as prospects for a gradual lessening of restrictions on non-essential businesses. Accordingly, despite mounting signs of recession and rapidly rising unemployment levels, in April, markets regained some of the ground that they had lost in the previous month.

For the reporting period as a whole, U.S. equity indices produced broadly negative performance. Traditionally more volatile small- and mid-cap stocks were particularly hard hit, and value stocks tended to underperform their growth-oriented counterparts. The energy sector suffered the steepest declines due to weakening demand and an escalating petroleum price war between Saudi Arabia and Russia, the world’s second and third largest petroleum producers after the United States. Most other sectors sustained substantial, though milder losses.

The health care and information technology sectors, both of which rebounded strongly in April, generally ended the reporting period in positive territory. International equities followed patterns similar to those seen in the United States, with a decline in March followed by a partial recovery in April. Overall, however, U.S. stocks ended the reporting period with milder losses than those of most other developed and developing economies.

Fixed-income markets also experienced unusually high levels of volatility. Corporate bonds lost value in March before partly recovering in April, with speculative high-yield credit facing the brunt of risk-off investor sentiment. High-grade municipal bonds dipped briefly in mid-March before regaining most of the lost ground, outperforming lower-grade, higher-yielding municipal securities. Recognized safe havens, such as U.S. government bonds, attracted increased investment, driving yields lower and prices higher, positioning long-term Treasury bonds to deliver particularly strong gains. At the opposite end of the fixed-income risk spectrum, emerging-market debt underperformed most other bond types as investors sought to minimize currency and sovereign risks.

Today, as we at New York Life Investments continue to track the curve of the ongoing health crisis and its financial ramifications, we are particularly mindful of the people at the heart of our enterprise—our colleagues and valued clients. By taking appropriate steps to minimize community spread of COVID-19 within our organization, we strive to safeguard the health of our investment professionals so that they can continue to provide you, as a MainStay investor, with world class investment solutions in this rapidly evolving environment.

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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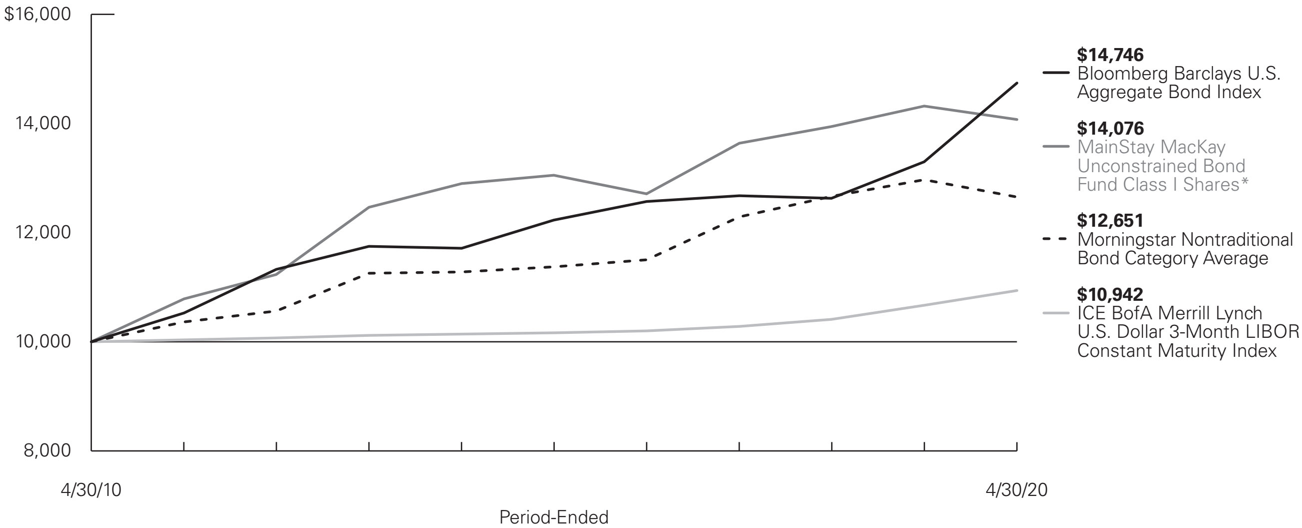
Semiannual Report

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 nylinvestments.com/funds. Please read the Summary Prospectus and/or Prospectus carefully before investing.

Investment and Performance Comparison[1] (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 nylinvestments.com/funds.



Average Annual Total Returns for the Period-Ended April 30, 2020

Class	Sales Charge		Inception Date	Six Months	One Year	Five Years or Since Inception	Ten Years or Since Inception	Gross Expense Ratio[2]
Class A Shares	Maximum 4.5% Initial Sales Charge	With sales charges	2/28/1997	–8.16%	–6.38%	0.33%	2.75%	1.27%
		Excluding sales charges		–3.83	–1.97	1.26	3.22	1.27
Investor Class Shares	Maximum 4.5% Initial Sales Charge	With sales charges	2/28/2008	–8.14	–6.39	0.31	2.66	1.29
		Excluding sales charges		–3.82	–1.98	1.23	3.13	1.29
Class B Shares[3]	Maximum 5% CDSC	With sales charges	2/28/1997	–8.97	–7.41	0.13	2.37	2.04
	if Redeemed Within the First Six Years of Purchase	Excluding sales charges		–4.22	–2.63	0.49	2.37	2.04
Class C Shares	Maximum 1% CDSC	With sales charges	9/1/1998	–5.18	–3.70	0.49	2.37	2.04
	if Redeemed Within One Year of Purchase	Excluding sales charges		–4.23	–2.74	0.49	2.37	2.04
Class I Shares	No Sales Charge		1/2/2004	–3.71	–1.72	1.52	3.48	1.02
Class R2 Shares	No Sales Charge		2/28/2014	–4.00	–2.07	1.14	1.17	1.37
Class R3 Shares	No Sales Charge		2/29/2016	–4.00	–2.31	3.14	3.14	1.62
Class R6 Shares	No Sales Charge		2/28/2018	–3.73	–1.65	0.50	N/A	0.85

* Previously, the chart presented the Fund's annual returns for Class B shares. Class I shares are presented for consistency across the MainStay Fund complex.

1. 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 above, if any, changes in share price, and reinvestment of dividend and capital gain distributions. The graph assumes the initial investment amount shown above 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.
2. The gross expense ratios presented reflect the Fund's "Total Annual Fund Operating Expenses" from the most recent Prospectus and may differ from other expense ratios disclosed in this report.
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	Six Months	One Year	Five Years	Ten Years
Bloomberg Barclays U.S. Aggregate Bond Index[4]	4.86%	10.84%	3.80%	3.96%
ICE BofAML U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index[5]	1.14	2.48	1.48	0.90
Morningstar Nontraditional Bond Category Average[6]	–4.40	–3.44	1.17	2.38

4. The Bloomberg Barclays U.S. Aggregate Bond Index is the Fund's primary broad-based securities market index for comparison purposes. The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
5. The Fund has selected the ICE BofAML U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index as a secondary benchmark. The ICE BofAML 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.
6. 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.

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 Unconstrained Bond Fund (Unaudited)

The example below is intended to describe the fees and expenses borne by shareholders during the six-month period from November 1, 2019, to April 30, 2020, 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 November 1, 2019, to April 30, 2020.

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 April 30, 2020. 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.

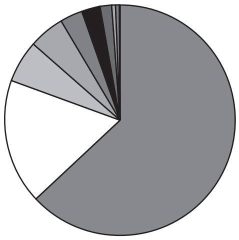
Share Class	Beginning Account Value 11/1/19	Ending Account Value (Based on Actual Returns and Expenses) 4/30/20	Expenses Paid During Period[1]	Ending Account Value (Based on Hypothetical 5% Annualized Return and Actual Expenses) 4/30/20	Expenses Paid During Period[1]	Net Expense Ratio During Period[2,3]
Class A Shares	$1,000.00	$961.70	$6.19	$1,018.55	$ 6.37	1.27%
Investor Class Shares	$1,000.00	$961.80	$6.34	$1,018.40	$ 6.52	1.30%
Class B Shares	$1,000.00	$957.80	$9.98	$1,014.67	$10.27	2.05%
Class C Shares	$1,000.00	$957.70	$9.98	$1,014.67	$10.27	2.05%
Class I Shares	$1,000.00	$962.90	$4.98	$1,019.79	$ 5.12	1.02%
Class R2 Shares	$1,000.00	$960.00	$6.68	$1,018.05	$ 6.87	1.37%
Class R3 Shares	$1,000.00	$960.00	$7.89	$1,016.81	$ 8.12	1.62%
Class R6 Shares	$1,000.00	$962.70	$4.05	$1,020.74	$ 4.17	0.83%

1 Expenses are equal to the Fund's annualized expense ratio of each class multiplied by the average account value over the period, divided by 366 and multiplied by 182 (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.

2 Expenses are equal to the Fund's annualized expense ratio to reflect the six-month period.

3 Expenses are inclusive of dividends and interest on investments sold short.

Portfolio Composition as of April 30, 2020 (Unaudited)



64.5%	Corporate Bonds	0.6%	Convertible Bonds
18.0	Mortgage-Backed Securities	0.5	Municipal Bonds
6.1	Loan Assignments	0.1	Foreign Bonds
5.1	Asset-Backed Securities	0.0‡	Common Stocks
3.2	Short-Term Investments	–1.1	Investments Sold Short
2.7	U.S. Government & Federal Agencies	–1.3	Other Assets, Less Liabilities
1.6	Foreign Government Bonds		

‡ 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 or Issuers Held as of April 30, 2020 (excluding short-term investments) (Unaudited)

1. Morgan Stanley, 3.125%–5.00%, due 7/15/20–11/24/25
2. Fannie Mae Connecticut Avenue Securities, 4.137%–4.937%, due 1/25/29–9/25/29
3. United States Treasury Inflation—Indexed Notes, 0.875%, due 1/15/29
4. Goldman Sachs Group, Inc., 2.60%–3.625%, due 1/22/23–2/7/30
5. Bank of America Corp., 3.004%–8.57%, due 12/20/23–3/10/26
6. Federal National Mortgage Association, 3.00%–3.50%, due 5/25/48–3/25/60
7. Federal Home Loan Mortgage Corporation, 3.00%–5.236%, due 9/15/48–11/25/49
8. GS Mortgage Securities Trust, 2.014%–3.43%, due 6/15/38–9/1/52
9. Wells Fargo Commercial Mortgage Trust, 3.04%–4.194%, due 6/15/36–10/15/52
10. Marathon Petroleum Corp., 4.50%–5.125%, due 4/1/24–5/1/25

Portfolio Management Discussion and Analysis (Unaudited)

Questions answered by portfolio managers Dan Roberts, PhD,[1] Joseph Cantwell, 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 Unconstrained Bond Fund perform relative to its benchmarks and peer group during the six months ended April 30, 2020?

For the six months ended April 30, 2020, Class I shares of MainStay MacKay Unconstrained Bond Fund returned –3.71%, underperforming the 4.86% return of the Fund's primary benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index, and the 1.14% return of the Fund's secondary benchmark, the ICE BofAML U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index. Over the same period, Class I shares outperformed the –4.40% return of the Morningstar Nontraditional Bond Category Average.[2]

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

Financial markets dropped sharply in the first quarter of 2020, which impacted the entire reporting period, as it became increasingly evident that the COVID-19 virus was not merely a medical concern, but an economic one with perhaps larger fiscal implications than those related to personal health. Other than U.S. Treasury securities, nearly all asset classes saw steep losses during the quarter including gold, which is usually a haven during times of uncertainty. The shutdown of most sectors of the economy for a prolonged period of time posed risks to both the consumer and the industrial sectors.

During the reporting period, the Fund underperformed the Bloomberg Barclays U.S. Aggregate Bond Index primarily due to the Fund's relatively overweight exposure to corporate bonds. Both investment-grade and high-yield corporates detracted from relative performance, particularly at the front end of the period where the dealer community stepped away. Underweight exposure to U.S. Treasury bonds also detracted from relative performance as Treasury securities were the best performing fixed-income asset class during the reporting period. In addition, forced selling caused securitized assets to widen out where the Fund held overweight exposure, although these asset classes rebounded in April 2020 as the U.S. Federal Reserve ("Fed") cut rates to near zero and reinstituted a bond-buying program to create liquidity.

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

During the reporting period, the Fund used Treasury futures as a duration[3] hedge. This position negatively affected performance.

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

Though we extended the Fund's duration during the reporting period, it remained below that of the Bloomberg Barclays U.S. Aggregate Bond Index, thereby detracting from performance relative to the benchmark, as longer duration bonds outperformed. As of April 30, 2020, the Fund's duration was 1.9 years.

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

As mentioned above, the Fund's overweight exposure to corporate bonds, both investment grade and high yield, detracted from performance relative to the Bloomberg Barclays U.S. Aggregate Bond Index, as did underweight exposure to U.S. Treasury bonds. Forced selling caused securitized assets to widen out where we were overweight.

Though the Fund held underweight exposure to Treasury securities, its position in longer-maturity Treasury bonds contributed positively to relative performance. (Contributions take weightings and total returns into account.) Security selection in both the collateralized mortgage obligation ("CMO") and emerging market sovereign debt areas enhanced returns as well.

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

Late in the reporting period, the Fund purchased a seasoned credit risk transfer deal from the Federal Home Loan Mortgage Corporation ("Freddie Mac") backed by four-year-old prime mortgage loans. At the time of purchase, the liquidity premium

1. Dan Roberts served as a portfolio manager of the Fund until January 1, 2020.
2. 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.
3. 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.

was high as there were forced sellers of this type of paper. Given the underlying fundamentals of the borrower's credit and bond structure, we believed the market would eventually price those in. We also purchased corporate bonds issued by three-dimensional graphics processor and software maker Nvidia, a high-quality, low-levered company in a rapidly growing industry. The Nvidia issue came to market during the height of pandemic-related volatility and, as such, priced with a very attractive new-issue premium.

One of the Fund's largest sales involved an asset-backed security ("ABS") collateralized by equipment loans from DLL Finance when ABS spreads[4] were particularly narrow in early February and liquidity was readily available. The Fund also sold its position in bonds from integrated oil & gas company Petrobras in early 2020 as valuations were tight though fundamentals were sound.

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

During the reporting period we increased the Fund's exposure to high-yield corporate bonds, ABS and commercial mortgage backed securities while decreasing exposure to U.S. Treasury bonds and investment-grade corporates.

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

As of April 30, 2020, the Fund held overweight exposure relative to the Bloomberg Barclays U.S. Aggregate Bond Index to high-yield bonds, investment-grade corporate bonds and securitized assets. As of the same date, the Fund held relatively underweight exposure to Treasury securities and agency mortgages.

4. 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.

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	Principal Amount	Value
Long-Term Bonds 99.2%†		
Asset-Backed Securities 5.1%		
Auto Floor Plan Asset-Backed Securities 1.1%		
Ford Credit Floorplan Master Owner Trust		
Series 2019-4, Class A		
2.44%, due 9/15/26	$ 1,465,000	$ 1,410,535
Series 2017-3, Class A		
2.48%, due 9/15/24	1,550,000	1,525,082
Series 2018-4, Class A		
4.06%, due 11/15/30	5,030,000	4,954,344
		7,889,961
Automobile Asset-Backed Securities 0.6%		
Avis Budget Rental Car Funding AESOP LLC		
Series 2020-1A, Class A		
2.33%, due 8/20/26 (a)	1,360,000	1,205,205
Ford Credit Auto Owner Trust		
Series 2020-1, Class A		
2.04%, due 8/15/31 (a)	1,745,000	1,700,646
Santander Revolving Auto Loan Trust		
Series 2019-A, Class A		
2.51%, due 1/26/32 (a)	1,210,000	1,168,750
		4,074,601
Credit Cards 0.5%		
Capital One Multi-Asset Execution Trust		
Series 2019-A3, Class A3		
2.06%, due 8/15/28	3,565,000	3,615,209
Home Equity 0.0%‡		
First NLC Trust		
Series 2007-1, Class A1		
0.557% (1 Month LIBOR + 0.07%),		
due 8/25/37 (a)(b)	304,157	159,187
GSAA Home Equity Trust		
Series 2007-8, Class A3		
0.937% (1 Month LIBOR + 0.45%),		
due 8/25/37 (b)	144,335	135,745
MASTR Asset-Backed Securities Trust		
Series 2006-HE4, Class A1		
0.537% (1 Month LIBOR + 0.05%),		
due 11/25/36 (b)	81,171	32,901
Morgan Stanley ABS Capital I Trust		
Series 2007-HE4, Class A2A		
0.597% (1 Month LIBOR + 0.11%),		
due 2/25/37 (b)	82,729	30,933
		358,766
Other Asset-Backed Securities 2.9%		
Carrington Mortgage Loan Trust		
Series 2007-HE1, Class A3		
0.677% (1 Month LIBOR + 0.19%),		
due 6/25/37 (b)	3,675,000	3,303,669
Other Asset-Backed Securities (continued)		
CNH Equipment Trust		
Series 2019-B, Class A4		
2.64%, due 5/15/26	$ 4,360,000	$ 4,412,350
DB Master Finance LLC		
Series 2017-1A, Class A2I		
3.629%, due 11/20/47 (a)	1,358,725	1,346,646
DLL Securitization Trust		
Series 2019-MT3, Class A3		
2.08%, due 2/21/23 (a)	1,140,000	1,135,966
Domino's Pizza Master Issuer LLC (a)		
Series 2018-1A, Class A2I		
4.116%, due 7/25/48	157,200	161,229
Series 2015-1A, Class A2II		
4.474%, due 10/25/45	1,689,188	1,734,593
Hilton Grand Vacations Trust		
Series 2019-AA, Class A		
2.34%, due 7/25/33 (a)	2,730,597	2,537,456
JPMorgan Mortgage Acquisition Trust		
Series 2007-HE1, Class AF1		
0.587% (1 Month LIBOR + 0.10%),		
due 3/25/47 (b)	105,074	64,271
MVW Owner Trust		
Series 2019-2A, Class A		
2.22%, due 10/20/38 (a)	2,324,000	2,104,548
Sierra Receivables Funding Co.		
Series 2019-3A, Class A		
2.34%, due 8/20/36 (a)	1,710,682	1,598,952
Sierra Receivables Funding Co. LLC		
Series 2018-2A, Class A		
3.50%, due 6/20/35 (a)	755,154	737,956
Wendy's Funding LLC		
Series 2019-1A, Class A2I		
3.783%, due 6/15/49 (a)	1,708,375	1,658,764
		20,796,400
Student Loans 0.0%‡		
KeyCorp Student Loan Trust		
Series 2000-A, Class A2		
1.999% (3 Month LIBOR + 0.32%),		
due 5/25/29 (b)	126,798	126,291
Total Asset-Backed Securities (Cost $37,916,199)		36,861,228
Convertible Bonds 0.6%		
Machinery—Diversified 0.3%		
Chart Industries, Inc.		
1.00%, due 11/15/24 (a)	2,465,000	2,217,744

	Principal Amount	Value
Convertible Bonds (continued)		
Semiconductors 0.3%		
ON Semiconductor Corp.		
1.625%, due 10/15/23	$ 2,080,000	$ 2,271,891
Total Convertible Bonds (Cost $4,068,144)		4,489,635
Corporate Bonds 64.5%		
Agriculture 0.8%		
Altria Group, Inc.		
3.80%, due 2/14/24	3,660,000	3,918,998
JBS Investments II GmbH		
7.00%, due 1/15/26 (a)	1,915,000	1,986,621
		5,905,619
Airlines 2.1%		
Continental Airlines, Inc.		
Series 2007-1, Class A		
5.983%, due 10/19/23	2,361,769	2,271,714
Series 2005-ERJ1		
9.798%, due 10/1/22	40,715	39,385
Delta Air Lines, Inc.		
Series 2019-1, Class AA		
3.204%, due 10/25/25	3,360,000	3,073,725
Series 2007-1, Class A		
6.821%, due 2/10/24	1,169,547	1,119,970
7.00%, due 5/1/25 (a)	1,750,000	1,796,117
U.S. Airways Group, Inc.		
Series 2010-1, Class A		
6.25%, due 10/22/24	4,294,417	3,990,751
United Airlines, Inc.		
Series 2014-2, Class B		
4.625%, due 3/3/24	3,592,722	3,163,131
		15,454,793
Apparel 0.1%		
Hanesbrands, Inc.		
4.875%, due 5/15/26 (a)	650,000	654,160
Auto Manufacturers 1.6%		
Ford Motor Co.		
8.50%, due 4/21/23	1,925,000	1,898,531
9.00%, due 4/22/25	2,000,000	1,947,500
Ford Motor Credit Co. LLC		
3.35%, due 11/1/22	1,115,000	1,003,500
4.063%, due 11/1/24	2,280,000	1,983,600
4.25%, due 9/20/22	860,000	793,608
General Motors Financial Co., Inc.		
2.90%, due 2/26/25	2,500,000	2,265,549
3.45%, due 4/10/22	2,230,000	2,147,535
		12,039,823

	Principal Amount	Value
Banks 10.5%		
Bank of America Corp.		
3.004%, due 12/20/23 (c)	$ 3,918,000	$ 4,049,065
4.30%, due 1/28/25 (c)(d)	3,526,000	3,168,992
6.30%, due 3/10/26 (c)(d)(e)	3,570,000	3,855,600
8.57%, due 11/15/24 (f)	1,645,000	2,086,351
Barclays PLC		
1.00%, due 5/7/26	2,375,000	2,374,051
BNP Paribas S.A.		
3.052%, due 1/13/31 (a)(c)	2,135,000	2,145,590
Capital One Financial Corp.		
5.55%, due 6/1/20 (c)(d)	1,535,000	1,281,725
Citigroup, Inc.(c)		
3.352%, due 4/24/25	1,880,000	1,975,750
6.30%, due 5/15/24 (d)	6,360,000	6,280,500
Citizens Financial Group, Inc.		
4.15%, due 9/28/22 (a)	2,270,000	2,343,451
Goldman Sachs Group, Inc.		
2.60%, due 2/7/30	2,690,000	2,671,811
2.862% (3 Month LIBOR + 1.17%), due 5/15/26 (b)	3,220,000	3,101,724
2.908%, due 6/5/23 (c)(f)	4,285,000	4,379,824
3.625%, due 1/22/23	3,227,000	3,384,736
JPMorgan Chase & Co.		
4.60%, due 2/1/25 (c)(d)	3,262,000	2,926,014
Lloyds Banking Group PLC		
4.582%, due 12/10/25	1,365,000	1,475,611
4.65%, due 3/24/26	1,985,000	2,154,836
Morgan Stanley		
3.125%, due 1/23/23	6,380,000	6,636,061
4.00%, due 7/23/25	1,920,000	2,114,221
4.829% (3 Month LIBOR + 3.61%), due 7/15/20 (b)(d)	4,098,000	3,688,200
5.00%, due 11/24/25	2,465,000	2,784,673
Popular, Inc.		
6.125%, due 9/14/23	1,582,000	1,522,675
Santander Holdings USA, Inc.		
3.40%, due 1/18/23	1,500,000	1,509,916
3.70%, due 3/28/22	2,000,000	2,025,520
Truist Bank		
2.636% (5 Year Treasury Constant Maturity Rate + 1.15%), due 9/17/29 (b)	2,500,000	2,428,967
Wells Fargo & Co.(c)		
3.584%, due 5/22/28	380,000	408,342
5.90%, due 6/15/24 (d)	3,690,000	3,745,350
		76,519,556
Beverages 0.4%		
Anheuser-Busch InBev Worldwide, Inc.		
4.15%, due 1/23/25	885,000	985,357
4.75%, due 1/23/29 (f)	1,770,000	2,047,674
		3,033,031

	Principal Amount	Value
Corporate Bonds (continued)		
Biotechnology 0.3%		
Biogen, Inc.		
3.15%, due 5/1/50	$ 1,970,000	$ 1,931,652
Building Materials 0.9%		
Builders FirstSource, Inc.(a)		
5.00%, due 3/1/30	2,335,000	2,003,663
6.75%, due 6/1/27	705,000	726,150
Standard Industries, Inc.		
5.375%, due 11/15/24 (a)	3,580,000	3,588,950
		6,318,763
Chemicals 1.4%		
Ashland LLC		
4.75%, due 8/15/22	333,000	347,642
Braskem Netherlands Finance B.V.		
4.50%, due 1/10/28 (a)	1,250,000	1,062,500
Orbia Advance Corp. S.A.B. de C.V.		
4.00%, due 10/4/27 (a)	2,600,000	2,450,526
W.R. Grace & Co.		
5.125%, due 10/1/21 (a)	6,410,000	6,442,050
		10,302,718
Commercial Services 3.0%		
Allied Universal Holdco LLC / Allied Universal Finance Corp.		
6.625%, due 7/15/26 (a)	2,130,000	2,189,853
Ashtead Capital, Inc.		
4.25%, due 11/1/29 (a)	2,060,000	1,973,003
California Institute of Technology		
3.65%, due 9/1/19	2,218,000	2,275,864
Herc Holdings, Inc.		
5.50%, due 7/15/27 (a)	2,320,000	2,174,768
IHS Markit, Ltd.		
3.625%, due 5/1/24	3,710,000	3,813,806
4.125%, due 8/1/23	1,075,000	1,150,734
PayPal Holdings, Inc.		
2.40%, due 10/1/24	3,335,000	3,461,776
Service Corp. International		
5.375%, due 5/15/24	2,200,000	2,233,000
Trustees of the University of Pennsylvania		
3.61%, due 2/15/19	2,315,000	2,742,798
		22,015,602
Computers 1.0%		
Dell International LLC / EMC Corp.(a)		
4.90%, due 10/1/26	4,000,000	4,135,516
8.10%, due 7/15/36	1,045,000	1,275,825
NCR Corp.(a)		
6.125%, due 9/1/29	408,000	404,940
8.125%, due 4/15/25	1,193,000	1,264,580
		7,080,861

	Principal Amount	Value
Distribution & Wholesale 0.4%		
Performance Food Group, Inc.		
5.50%, due 10/15/27 (a)	$ 2,866,000	$ 2,722,757
Diversified Financial Services 3.7%		
AerCap Ireland Capital DAC / AerCap Global Aviation Trust		
3.50%, due 5/26/22	4,430,000	4,121,554
4.50%, due 5/15/21	480,000	465,871
Air Lease Corp.		
2.30%, due 2/1/25	3,275,000	2,836,576
3.25%, due 3/1/25	4,000,000	3,593,234
Ally Financial, Inc.		
5.75%, due 11/20/25	3,820,000	3,915,500
8.00%, due 11/1/31	3,280,000	4,009,800
Avolon Holdings Funding, Ltd.		
3.25%, due 2/15/27 (a)	2,125,000	1,644,590
Capital One Bank USA N.A.		
3.375%, due 2/15/23	3,000,000	3,047,000
Charles Schwab Corp.		
5.375% (5 Year Treasury Constant Maturity Rate + 4.971%), due 6/1/25 (b)(d)	2,060,000	2,108,925
Nationstar Mortgage Holdings, Inc.		
6.00%, due 1/15/27 (a)	1,565,000	1,335,102
		27,078,152
Electric 2.8%		
Appalachian Power Co.		
3.30%, due 6/1/27	1,800,000	1,920,770
Baltimore Gas & Electric Co.		
2.40%, due 8/15/26	475,000	494,550
Duke Energy Corp.		
4.875% (5 Year Treasury Constant Maturity Rate + 3.388%), due 9/16/24 (b)(d)	2,415,000	2,390,850
Entergy Arkansas LLC		
3.50%, due 4/1/26	1,235,000	1,369,489
Evergy, Inc.		
5.292%, due 6/15/22 (g)	663,000	703,508
Potomac Electric Power Co.		
4.15%, due 3/15/43	1,305,000	1,595,912
Public Service Electric & Gas Co.		
3.00%, due 5/15/27	3,405,000	3,683,764
Public Service Enterprise Group, Inc.		
2.65%, due 11/15/22 (f)	3,500,000	3,598,704
WEC Energy Group, Inc.		
3.804% (3 Month LIBOR + 2.113%), due 5/15/67 (b)	5,495,000	4,480,504
		20,238,051

	Principal Amount	Value
Corporate Bonds (continued)		
Entertainment 1.2%		
Eldorado Resorts, Inc.		
7.00%, due 8/1/23	$ 4,515,000	$ 4,334,400
International Game Technology PLC		
6.25%, due 2/15/22 (a)	2,300,000	2,243,937
Six Flags Theme Parks, Inc.		
7.00%, due 7/1/25 (a)	2,285,000	2,364,518
		8,942,855
Food 1.8%		
JBS USA LUX S.A. / JBS Food Co. / JBS USA Finance, Inc.		
5.50%, due 1/15/30 (a)	1,035,000	1,047,937
Kerry Group Financial Services Unlimited Co.		
3.20%, due 4/9/23 (a)	4,595,000	4,760,746
Kraft Heinz Foods Co.		
5.00%, due 7/15/35	809,000	868,496
Smithfield Foods, Inc.		
3.35%, due 2/1/22 (a)	2,490,000	2,430,408
Tyson Foods, Inc.		
3.95%, due 8/15/24	2,892,000	3,170,992
U.S. Foods, Inc.		
6.25%, due 4/15/25 (a)	1,185,000	1,207,219
		13,485,798
Food Services 0.2%		
Aramark Services, Inc.		
6.375%, due 5/1/25 (a)	1,075,000	1,118,000
Forest Products & Paper 0.5%		
Georgia-Pacific LLC		
8.00%, due 1/15/24	2,945,000	3,582,385
Health Care—Services 0.2%		
NYU Langone Hospitals		
3.38%, due 7/1/55	1,700,000	1,542,440
Holding Company—Diversified 0.6%		
CK Hutchison International (17) II, Ltd.		
3.25%, due 9/29/27 (a)	3,855,000	4,109,910
Home Builders 2.7%		
D.R. Horton, Inc.		
5.75%, due 8/15/23	4,250,000	4,711,184
Lennar Corp.		
4.75%, due 11/29/27	188,000	192,700
6.25%, due 12/15/21	2,875,000	2,961,250
8.375%, due 1/15/21	2,540,000	2,603,500
Meritage Homes Corp.		
7.00%, due 4/1/22	4,720,000	4,814,400
Home Builders (continued)		
Toll Brothers Finance Corp.		
3.80%, due 11/1/29	$ 495,000	$ 462,825
4.35%, due 2/15/28	303,000	298,455
5.875%, due 2/15/22	3,735,000	3,842,381
		19,886,695
Insurance 2.4%		
Lincoln National Corp.		
4.049% (3 Month LIBOR + 2.358%), due 5/17/66 (b)	3,537,000	2,405,160
Protective Life Corp.		
8.45%, due 10/15/39	2,476,000	3,268,224
Reliance Standard Life Global Funding II		
2.50%, due 10/30/24 (a)	2,900,000	2,876,604
Scottish Widows, Ltd.		
5.50%, due 6/16/23	GBP 6,500,000	8,831,130
Willis North America, Inc.		
3.875%, due 9/15/49	$ 425,000	463,046
		17,844,164
Internet 2.0%		
Baidu, Inc.		
4.375%, due 5/14/24	2,380,000	2,537,867
Booking Holdings, Inc.		
3.60%, due 6/1/26	2,790,000	2,915,519
Expedia Group, Inc.		
3.25%, due 2/15/30	3,920,000	3,271,900
6.25%, due 5/1/25 (a)	430,000	438,515
Match Group, Inc.		
4.125%, due 8/1/30 (a)	122,000	118,340
Tencent Holdings, Ltd.		
3.28%, due 4/11/24 (a)	3,820,000	4,003,013
Weibo Corp.		
3.50%, due 7/5/24	1,515,000	1,535,589
		14,820,743
Iron & Steel 1.1%		
ArcelorMittal S.A.		
4.55%, due 3/11/26 (f)	3,470,000	3,342,035
Vale Overseas, Ltd.		
6.25%, due 8/10/26	4,330,000	4,745,680
		8,087,715
Leisure Time 0.1%		
NCL Corp., Ltd.		
3.625%, due 12/15/24 (a)	745,000	478,663
Lodging 1.1%		
Hilton Domestic Operating Co., Inc.		
4.875%, due 1/15/30	1,930,000	1,843,150
5.375%, due 5/1/25 (a)	935,000	929,156

	Principal Amount	Value
Corporate Bonds (continued)		
Lodging (continued)		
Marriott International, Inc.		
3.75%, due 10/1/25	$ 5,888,000	$ 5,559,877
		8,332,183
Media 1.1%		
CCO Holdings LLC / CCO Holdings Capital Corp.		
5.875%, due 4/1/24 (a)	996,000	1,023,390
Diamond Sports Group LLC / Diamond Sports Finance Co.		
6.625%, due 8/15/27 (a)(e)	4,248,000	2,325,780
Grupo Televisa S.A.B.		
5.25%, due 5/24/49	1,695,000	1,739,886
Sky, Ltd.		
3.75%, due 9/16/24 (a)	1,480,000	1,623,521
Time Warner Entertainment Co., L.P.		
8.375%, due 3/15/23	1,087,000	1,256,168
		7,968,745
Mining 0.9%		
Anglo American Capital PLC		
4.875%, due 5/14/25 (a)	3,000,000	3,160,557
Corp. Nacional del Cobre de Chile (a)		
3.00%, due 9/30/29	1,890,000	1,819,594
3.75%, due 1/15/31	1,290,000	1,307,067
		6,287,218
Miscellaneous—Manufacturing 0.9%		
General Electric Co.		
3.625%, due 5/1/30	1,400,000	1,405,189
4.25%, due 5/1/40	1,525,000	1,530,189
4.35%, due 5/1/50	1,195,000	1,204,096
Textron Financial Corp.		
3.427% (3 Month LIBOR + 1.735%), due 2/15/67 (a)(b)	4,350,000	2,697,000
		6,836,474
Oil & Gas 3.5%		
Concho Resources, Inc.		
4.30%, due 8/15/28	2,995,000	3,045,594
Gazprom PJSC Via Gaz Capital S.A.		
7.288%, due 8/16/37 (a)	2,520,000	3,455,716
Marathon Petroleum Corp.		
4.50%, due 5/1/23	1,330,000	1,332,341
4.70%, due 5/1/25	1,450,000	1,459,919
5.125%, due 4/1/24 (f)	8,050,000	7,915,228
Occidental Petroleum Corp.		
(zero coupon), due 10/10/36	10,470,000	4,397,400
Petroleos Mexicanos		
6.75%, due 9/21/47	4,835,000	3,324,063

	Principal Amount	Value
Oil & Gas (continued)		
WPX Energy, Inc.		
4.50%, due 1/15/30	$ 1,145,000	$ 933,175
		25,863,436
Packaging & Containers 1.7%		
Berry Global, Inc.		
4.875%, due 7/15/26 (a)	135,000	137,894
Crown European Holdings S.A.		
4.00%, due 7/15/22 (a)	EUR 3,540,000	3,994,096
Reynolds Group Issuer, Inc. / Reynolds Group Issuer LLC		
5.125%, due 7/15/23 (a)	$ 5,271,000	5,297,355
Sealed Air Corp.		
4.00%, due 12/1/27 (a)	123,000	120,540
WRKCo, Inc.		
3.00%, due 9/15/24	2,735,000	2,794,482
		12,344,367
Pharmaceuticals 1.6%		
AbbVie, Inc.		
4.25%, due 11/21/49 (a)	2,790,000	3,216,748
Bausch Health Cos., Inc.(a)		
5.50%, due 11/1/25	3,735,000	3,882,532
5.75%, due 8/15/27	2,835,000	2,989,791
CVS Pass-Through Trust		
5.789%, due 1/10/26 (a)	41,372	43,988
Teva Pharmaceutical Finance Netherlands III B.V.		
3.15%, due 10/1/26	1,607,000	1,398,090
		11,531,149
Pipelines 1.7%		
Enterprise Products Operating LLC		
3.95%, due 1/31/60	1,630,000	1,500,042
4.20%, due 1/31/50	520,000	515,760
Kinder Morgan, Inc.		
5.625%, due 11/15/23 (a)	2,449,000	2,683,268
7.75%, due 1/15/32	2,035,000	2,612,935
MPLX, L.P.		
4.00%, due 3/15/28	560,000	530,993
Targa Resources Partners, L.P. / Targa Resources Partners Finance Corp.		
5.25%, due 5/1/23	3,725,000	3,518,635
Western Midstream Operating L.P.		
5.25%, due 2/1/50	1,800,000	1,415,250
		12,776,883
Real Estate Investment Trusts 1.8%		
American Tower Corp.		
3.00%, due 6/15/23	5,500,000	5,747,385
CyrusOne L.P. / CyrusOne Finance Corp.		
3.45%, due 11/15/29	1,850,000	1,765,825

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	Principal Amount	Value
Corporate Bonds (continued)		
Real Estate Investment Trusts (continued)		
Digital Realty Trust, L.P.		
3.70%, due 8/15/27	$ 3,605,000	$ 3,852,715
GLP Capital, L.P. / GLP Financing II, Inc.		
3.35%, due 9/1/24	1,535,000	1,417,526
Host Hotels & Resorts, L.P.		
3.75%, due 10/15/23	472,000	458,754
		13,242,205
Retail 1.6%		
1011778 B.C. ULC / New Red Finance, Inc.		
5.75%, due 4/15/25 (a)	495,000	520,988
Alimentation Couche-Tard, Inc.		
2.70%, due 7/26/22 (a)	1,500,000	1,508,365
Darden Restaurants, Inc.		
3.85%, due 5/1/27	4,847,000	4,622,756
Kohl's Corp.		
9.50%, due 5/15/25	2,320,000	2,385,300
Starbucks Corp.		
4.45%, due 8/15/49 (f)	1,970,000	2,356,669
		11,394,078
Semiconductors 0.9%		
Broadcom, Inc.		
3.625%, due 10/15/24 (a)	2,040,000	2,149,986
NXP B.V. / NXP Funding LLC		
4.625%, due 6/15/22 (a)	2,960,000	3,087,218
NXP B.V. / NXP Funding LLC / NXP		
3.40%, due 5/1/30 (a)	1,135,000	1,134,631
		6,371,835
Software 0.3%		
Fiserv, Inc.		
2.75%, due 7/1/24	1,080,000	1,129,954
3.20%, due 7/1/26	685,000	733,493
		1,863,447
Telecommunications 5.4%		
Altice France S.A.		
7.375%, due 5/1/26 (a)	2,291,000	2,394,095
AT&T, Inc.		
2.875% (EUAM DB05 + 3.14%), due 3/2/25 (b)(d)	EUR 2,200,000	2,217,354
CommScope Technologies LLC		
5.00%, due 3/15/27 (a)	$ 1,899,000	1,628,393
Crown Castle Towers LLC		
4.241%, due 7/15/48 (a)	3,825,000	4,279,355
Rogers Communications, Inc.		
3.625%, due 12/15/25	5,635,000	6,256,527
Sprint Communications, Inc.		
6.00%, due 11/15/22	1,170,000	1,237,404
Sprint Corp.		
7.875%, due 9/15/23	3,620,000	4,068,337

	Principal Amount	Value
Telecommunications (continued)		
Sprint Spectrum Co. LLC / Sprint Spectrum Co. II LLC / Sprint Spectrum Co. III LLC		
4.738%, due 9/20/29 (a)	$ 4,480,000	$ 4,715,200
T-Mobile USA, Inc.		
3.50%, due 4/15/25 (a)	1,790,000	1,892,782
4.50%, due 4/15/50 (a)	920,000	1,076,768
6.00%, due 3/1/23	3,000,000	3,028,950
Telefonica Emisiones SAU		
5.462%, due 2/16/21	1,000	1,030
VEON Holdings B.V.		
4.95%, due 6/16/24 (a)	3,345,000	3,536,267
Verizon Communications, Inc.		
4.125%, due 3/16/27	685,000	795,103
Vodafone Group PLC		
4.25%, due 9/17/50	1,815,000	1,974,472
		39,102,037
Textiles, Apparel & Luxury Goods 0.2%		
Hanesbrands, Inc.		
5.375%, due 5/15/25	1,160,000	1,162,900
Total Corporate Bonds (Cost $478,339,780)		470,271,863
Foreign Bonds 0.1%		
Banks 0.1%		
Barclays Bank PLC Series Reg S		
10.00%, due 5/21/21	GBP 449,000	604,002
Total Foreign Bonds (Cost $716,008)		604,002
Foreign Government Bonds 1.6%		
Brazil 0.9%		
Brazilian Government International Bond		
4.625%, due 1/13/28 (e)	$ 6,444,000	6,659,939
Mexico 0.7%		
Mexico Government International Bond		
3.25%, due 4/16/30	5,833,000	5,284,756
Total Foreign Government Bonds (Cost $12,697,030)		11,944,695
Loan Assignments 6.1% (b)		
Automobile 0.2%		
KAR Auction Services, Inc. 2019 Term Loan B6		
2.875% (1 Month LIBOR + 2.25%), due 9/19/26	1,474,367	1,330,616

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	Principal Amount	Value
Loan Assignments (continued)		
Broadcasting & Entertainment 0.5%		
Nielsen Finance LLC		
Term Loan B4		
2.864% (1 Month LIBOR + 2.00%),		
due 10/4/23	$ 3,846,050	$ 3,701,823
Buildings & Real Estate 0.5%		
Realogy Group LLC		
2018 Term Loan B		
3.243% (1 Month LIBOR + 2.25%),		
due 2/8/25	3,959,746	3,292,362
Containers, Packaging & Glass 0.5%		
BWAY Holding Co.		
2017 Term Loan B		
4.561% (3 Month LIBOR + 3.25%),		
due 4/3/24	4,631,189	3,963,525
Diversified/Conglomerate Service 0.5%		
Change Healthcare Holdings, Inc.		
2017 Term Loan B		
3.50% (1 Month LIBOR + 2.50%),		
due 3/1/24	4,095,736	3,942,145
Ecological 0.7%		
Advanced Disposal Services, Inc.		
Term Loan B3		
3.00% (1 Week LIBOR + 2.25%),		
due 11/10/23	5,446,478	5,374,993
Finance 0.5%		
Alliant Holdings Intermediate, LLC		
2018 Term Loan B		
3.154% (1 Month LIBOR + 2.75%),		
due 5/9/25	3,661,367	3,414,225
Healthcare, Education & Childcare 0.4%		
Syneos Health, Inc.		
2018 Term Loan B		
2.154% (1 Month LIBOR + 1.75%),		
due 8/1/24	3,169,825	3,058,881
Personal & Nondurable Consumer Products 0.1%		
Aramark Services, Inc.		
2018 Term Loan B2		
2.154% (1 Month LIBOR + 1.75%),		
due 3/28/24	1,102,946	1,040,629

	Principal Amount	Value
Personal & Nondurable Consumer Products (Manufacturing Only) 0.5%		
Prestige Brands, Inc.		
Term Loan B4		
2.404% (1 Month LIBOR + 2.00%),		
due 1/26/24	$ 3,644,515	$ 3,537,458
Personal, Food & Miscellaneous Services 0.2%		
1011778 B.C. Unlimited Liability Co.		
Term Loan B4		
2.154% (1 Month LIBOR + 1.75%),		
due 11/19/26	1,403,014	1,315,618
Telecommunications 1.5%		
Level 3 Financing, Inc.		
2019 Term Loan B		
2.154% (1 Month LIBOR + 1.75%),		
due 3/1/27	2,698,623	2,579,433
SBA Senior Finance II LLC		
2018 Term Loan B		
2.16% (1 Month LIBOR + 1.75%),		
due 4/11/25	8,546,230	8,233,763
		10,813,196
Total Loan Assignments		
(Cost $47,491,291)		44,785,471
Mortgage-Backed Securities 18.0%		
Agency (Collateralized Mortgage Obligations) 4.5%		
Federal Home Loan Mortgage Corporation		
REMIC, Series 4908, Class BD		
3.00%, due 4/25/49	2,490,000	2,649,993
REMIC, Series 4926, Class BP		
3.00%, due 10/25/49	5,395,000	5,757,432
REMIC Series 4888, Class BA		
3.50%, due 9/15/48	2,028,684	2,104,166
REMIC, Series 4924, Class NS		
5.236% (1 Month LIBOR + 6.05%),		
due 10/25/49 (b)	6,641,821	1,006,007
REMIC, Series 4957, Class SB		
5.236% (1 Month LIBOR + 6.05%),		
due 11/25/49 (b)	5,507,551	904,947
Federal National Mortgage Association		
REMIC, Series 2019-25, Class PA		
3.00%, due 5/25/48	2,421,193	2,567,473
REMIC, Series 2019-39, Class LA		
3.00%, due 2/25/49	3,017,704	3,220,525
REMIC, Series 2019-74, Class BA		
3.50%, due 12/25/59	3,637,919	3,928,378
REMIC, Series 2020-10, Class DA		
3.50%, due 3/25/60	3,079,013	3,327,809

	Principal Amount	Value
Mortgage-Backed Securities (continued)		
Agency (Collateralized Mortgage Obligations) (continued)		
Government National Mortgage Association		
Series 2014-91, Class MA		
3.00%, due 1/16/40	$ 2,458,282	$ 2,666,969
Series 2019-29, Class CB		
3.00%, due 10/20/48	2,214,941	2,314,690
Series 2019-43, Class PL		
3.00%, due 4/20/49	2,370,758	2,492,293
		32,940,682
Commercial Mortgage Loans (Collateralized Mortgage Obligations) 9.5%		
Bank		
Series 2019-BN21, Class A5		
2.851%, due 10/17/52	3,480,000	3,643,589
Series 2019-BN19, Class A2		
2.926%, due 8/15/61	3,695,000	3,897,984
Bayview Commercial Asset Trust		
Series 2006-4A, Class A1		
0.717% (1 Month LIBOR + 0.23%),		
due 12/25/36 (a)(b)	16,103	14,068
Benchmark Mortgage Trust		
Series 2019-B12, Class A5		
3.116%, due 8/15/52	3,917,216	4,211,767
BX Commercial Mortgage Trust (a)		
Series 2019-0C11, Class B		
3.605%, due 12/9/41	955,000	925,240
Series 2019-0C11, Class C		
3.856%, due 12/9/41	2,670,000	2,441,346
Series 2019-0C11, Class D		
4.076%, due 12/9/41 (h)	630,000	540,014
Bx Trust		
Series 2018-GW, Class A		
1.614% (1 Month LIBOR + 0.80%),		
due 5/15/35 (b)	1,495,000	1,348,781
CSAIL Commercial Mortgage Trust		
Series 2015-C3, Class A4		
3.718%, due 8/15/48	2,076,000	2,210,900
FREMF Mortgage Trust (a)(i)		
Series 2013-K30, Class B		
3.668%, due 6/25/45	3,975,000	4,091,545
Series 2015-K721, Class B		
3.681%, due 11/25/47	2,075,000	2,097,949
Series 2013-K35, Class B		
4.073%, due 12/25/46	2,360,000	2,476,856
GS Mortgage Securities Trust		
Series 2019-BOCA, Class A		
2.014% (1 Month LIBOR + 1.20%),		
due 6/15/38 (a)(b)	4,585,000	4,228,681
Series 2019-GC42, Class A4		
3.001%, due 9/1/52	1,365,000	1,444,253
Series 2019-GC40, Class A4		
3.16%, due 7/10/52	2,560,000	2,740,288

	Principal Amount	Value
Commercial Mortgage Loans (Collateralized Mortgage Obligations) (continued)		
GS Mortgage Securities Trust (continued)		
Series 2017-GS7, Class A4		
3.43%, due 8/10/50	$ 2,720,000	$ 2,947,939
Hawaii Hotel Trust		
Series 2019-MAUI, Class A		
1.964% (1 Month LIBOR + 1.15%),		
due 5/15/38 (a)(b)	2,160,000	2,000,254
Hudson Yards Mortgage Trust		
Series 2019-30HY, Class A		
3.228%, due 7/10/39 (a)	2,490,000	2,617,760
JP Morgan Chase Commercial Mortgage Securities Trust		
Series 2018-AON, Class A		
4.128%, due 7/5/31 (a)	3,370,000	3,488,284
Series 2013-C16, Class A4		
4.166%, due 12/15/46	2,795,000	2,965,698
JPMBB Commercial Mortgage Securities Trust		
Series 2014-C26, Class A3		
3.231%, due 1/15/48	1,940,777	2,027,224
Morgan Stanley Bank of America Merrill Lynch Trust		
Series-2015-C23, Class A3		
3.451%, due 7/15/50	1,290,000	1,364,700
One Bryant Park Trust		
Series 2019-OBP, Class A		
2.516%, due 9/15/54 (a)	4,825,000	4,788,061
Wells Fargo Commercial Mortgage Trust		
Series 2019-C53, Class A4		
3.04%, due 10/15/52	3,000,000	3,189,127
Series 2018-1745, Class A		
3.874%, due 6/15/36 (a)(i)	2,900,000	3,054,597
Series 2018-AUS, Class A		
4.194%, due 8/17/36 (a)(i)	4,310,000	4,480,297
		69,237,202
Residential Mortgage (Collateralized Mortgage Obligation) 0.1%		
JP Morgan Mortgage Trust		
Series 2019-1, Class A3		
4.00%, due 5/25/49 (a)(h)	829,794	860,145
Whole Loan (Collateralized Mortgage Obligations) 3.9%		
Chase Home Lending Mortgage Trust (a)(h)		
Series 2019-ATR2, Class A3		
3.50%, due 7/25/49	843,225	850,512
Series 2019-ATR1, Class A4		
4.00%, due 4/25/49	1,426,230	1,439,187
Fannie Mae Connecticut Avenue Securities (b)		
Series 2017-C02, Class 2M2		
4.137% (1 Month LIBOR + 3.65%),		
due 9/25/29	1,007,197	951,545

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

	Principal Amount	Value
Mortgage-Backed Securities (continued)		
Whole Loan (Collateralized Mortgage Obligations) (continued)		
Fannie Mae Connecticut Avenue Securities (b) (continued)		
Series 2016-C04, Class 1M2 4.737% (1 Month LIBOR + 4.25%), due 1/25/29	$ 2,000,899	$ 1,965,082
Series 2016-C06, Class 1M2 4.737% (1 Month LIBOR + 4.25%), due 4/25/29	2,876,452	2,808,558
Series 2016-C07, Class 2M2 4.837% (1 Month LIBOR + 4.35%), due 5/25/29	1,387,319	1,359,849
Series 2016-C05, Class 2M2 4.937% (1 Month LIBOR + 4.45%), due 1/25/29	4,170,066	4,092,920
Series 2016-C05, Class 2M2B 4.937% (1 Month LIBOR + 4.45%), due 1/25/29	2,915,000	2,751,137
Federal Home Loan Mortgage Corporation Structured Agency Credit Risk Debt Notes (b)		
Series 2016-DNA4, Class M3 4.287% (1 Month LIBOR + 3.80%), due 3/25/29	1,550,000	1,497,907
Series 2016-HQA3, Class M3 4.797% (1 Month LIBOR + 3.85%), due 3/25/29	4,820,000	4,753,454
Series 2016-HQA1, Class M3 7.297% (1 Month LIBOR + 6.35%), due 9/25/28	2,126,989	2,148,370
Galton Funding Mortgage Trust Series 2018-2, Class A51 4.50%, due 10/25/58 (a)(h)	1,570,000	1,609,762
Impac Secured Assets Corp. Series 2006-5, Class 2A 0.687% (1 Month LIBOR + 0.20%), due 12/25/36 (b)	164,928	144,647
Sequoia Mortgage Trust (a)(h)		
Series 2017-1, Class A4 3.50%, due 2/25/47	603,246	612,024
Series 2018-7, Class B3 4.226%, due 9/25/48	1,440,337	1,380,942
		28,365,896
Total Mortgage-Backed Securities (Cost $130,113,726)		131,403,925
Municipal Bonds 0.5%		
California 0.4%		
Regents of the University of California Medical Center Pooled, Revenue Bonds 3.006%, due 5/15/50	2,760,000	2,687,136
New York 0.1%		
New York State Thruway Authority, Revenue Bonds Series M 2.90%, due 1/1/35	$ 645,000	$ 634,202
Total Municipal Bonds (Cost $3,405,000)		3,321,338
U.S. Government & Federal Agencies 2.7%		
United States Treasury Notes 0.2%		
0.125%, due 4/30/22	545,000	544,298
0.25%, due 4/30/25	110,000	110,159
1.50%, due 2/15/30	580,000	628,167
		1,282,624
United States Treasury Inflation—Indexed Bond 0.6% (j)		
0.125%, due 1/15/30	4,438,532	4,695,001
United States Treasury Inflation—Indexed Note 1.9% (j)		
0.875%, due 1/15/29	12,287,198	13,678,058
Total U.S. Government & Federal Agencies (Cost $18,266,105)		19,655,683
Total Long-Term Bonds (Cost $733,013,283)		723,337,840

	Shares	Value
Common Stocks 0.0%‡		
Commercial Services & Supplies 0.0%‡		
Quad/Graphics, Inc.	14	52
Media 0.0%‡		
ION Media Networks, Inc. (k)(l)(m)(n)(o)	22	8,298
Tobacco 0.0%‡		
Turning Point Brands, Inc.	6,802	158,487
Total Common Stocks (Cost $0)		166,837
Short-Term Investments 3.2%		
Affiliated Investment Company 1.4%		
MainStay U.S. Government Liquidity Fund, 0.01% (p)	10,136,015	10,136,015
Unaffiliated Investment Company 1.8%		
State Street Navigator Securities Lending Government Money Market Portfolio, 0.19% (p)(q)	12,874,950	12,874,950
Total Short-Term Investments (Cost $23,010,965)		23,010,965
Total Investments, Before Investments Sold Short (Cost $756,024,248)	102.4%	746,515,642

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

	Principal Amount	Value
Investments Sold Short (1.1%)		
Corporate Bonds Sold Short (1.1%)		
Health Care—Services (0.4%)		
Davita, Inc.		
5.00%, due 5/1/25	$ (2,940,000)	$ (2,984,100)
Mining (0.7%)		
FMG Resources (August 2006) Pty, Ltd.		
5.125%, due 5/15/24 (a)	(5,000,000)	(5,073,500)
Total Investments Sold Short (Proceeds $7,992,518)		(8,057,600)
Total Investments, Net of Investments Sold Short (Cost $748,031,730)	101.3%	738,458,042
Other Assets, Less Liabilities	(1.3)	(9,466,588)
Net Assets	100.0%	$728,991,454

† 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 April 30, 2020.

(c) Fixed to floating rate—Rate shown was the rate in effect as of April 30, 2020.

(d) Securities are perpetual and, thus, do not have a predetermined maturity date. The date shown, if applicable, reflects the next call date.

(e) All or a portion of this security was held on loan. As of April 30, 2020, the aggregate market value of securities on loan was $12,700,905. The Fund received cash collateral with a value of $12,874,950 (See Note 2(O)).

(f) Security, or a portion thereof, was maintained in a segregated account at the Fund's custodian as collateral for securities sold short (See Note 2(N)).

(g) Step coupon—Rate shown was the rate in effect as of April 30, 2020.

(h) Coupon rate may change based on changes of the underlying collateral or prepayments of principal. Rate shown was the rate in effect as of April 30, 2020.

(i) 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 April 30, 2020.

(j) 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.

(k) Security in which significant unobservable inputs (Level 3) were used in determining fair value.

(l) Illiquid security—As of April 30, 2020, the total market value of the security deemed illiquid under procedures approved by the Board of Trustees was $8,298, which represented less than one-tenth of a percent of the Fund's net assets.

(m) Fair valued security—Represents fair value as measured in good faith under procedures approved by the Board of Trustees. As of April 30, 2020, the total market value of fair valued security was $8,298, which represented less than one-tenth of a percent of the Fund's net assets.

(n) Restricted security. (See Note 5)

(o) Non-income producing security.

(p) Current yield as of April 30, 2020.

(q) Represents a security purchased with cash collateral received for securities on loan.

Foreign Currency Forward Contracts

As of April 30, 2020, the Fund held the following foreign currency forward contracts[1]:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
EUR 6,391,000	USD 6,930,949	JPMorgan Chase Bank N.A.	5/4/20	$ 72,626
GBP 9,055,000	USD 11,218,007	JPMorgan Chase Bank N.A.	5/4/20	186,764
USD 7,034,072	EUR 6,391,000	JPMorgan Chase Bank N.A.	5/4/20	30,496
USD 11,787,986	GBP 9,055,000	JPMorgan Chase Bank N.A.	5/4/20	383,216
Total unrealized appreciation				673,102
USD 6,186,708	EUR 5,701,000	JPMorgan Chase Bank N.A.	8/3/20	(72,486)
USD 10,501,279	GBP 8,455,000	JPMorgan Chase Bank N.A.	8/3/20	(151,646)
Total unrealized depreciation				(224,132)
Net unrealized appreciation				$ 448,970

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.

Futures Contracts

As of April 30, 2020, the Portfolio held the following futures contracts[1]:

Type	Number of Contracts	Expiration Date	Value at Trade Date	Current Notional Amount	Unrealized Appreciation (Depreciation)[2]
Short Contracts					
2-Year United States Treasury Note	(138)	June 2020	$(30,411,536)	$(30,419,297)	$ (7,761)
5-Year United States Treasury Note	(251)	June 2020	(31,465,619)	(31,496,578)	(30,959)
10-Year United States Treasury Note	(349)	June 2020	(47,957,465)	(48,532,812)	(575,347)
10-Year United States Treasury Ultra Note	(380)	June 2020	(56,162,637)	(59,671,875)	(3,509,238)
United States Treasury Long Bond	(63)	June 2020	(11,218,520)	(11,404,968)	(186,448)
United States Treasury Ultra Bond	(80)	June 2020	(17,376,948)	(17,982,500)	(605,552)
Total Short Contracts					(4,915,305)
Net Unrealized Depreciation					$(4,915,305)

1. As of April 30, 2020, cash in the amount of $4,097,060 was on deposit with a broker or futures commission merchant for futures transactions.
2. Represents the difference between the value of the contracts at the time they were opened and the value as of April 30, 2020.

Swap Contracts

As of April 30, 2020, the Fund held the following centrally cleared interest rate swap agreements[1]:

Notional Amount	Currency	Expiration Date	Payments made by Fund	Payments Received by Fund	Payment Frequency Paid/ Received	Upfront Premiums Received/ (Paid)	Value	Unrealized Appreciation/ (Depreciation)
$ 40,000,000	USD	3/16/2023	Fixed 2.793%	3-Month USD-LIBOR	Quarterly	$—	$(2,844,920)	$(2,844,920)
41,000,000	USD	3/29/2023	Fixed 2.762%	3-Month USD-LIBOR	Quarterly	—	(2,868,652)	(2,868,652)
						$—	$(5,713,572)	$(5,713,572)

The following abbreviations are used in the preceding pages:

EUAM—European Union Advisory Mission

EUR—Euro

GBP—British Pound Sterling

LIBOR—London Interbank Offered Rate

USD—United States Dollar

The following is a summary of the fair valuations according to the inputs used as of April 30, 2020, 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	$ —	$ 36,861,228	$ —	$ 36,861,228
Convertible Bonds	—	4,489,635	—	4,489,635
Corporate Bonds	—	470,271,863	—	470,271,863
Foreign Bonds	—	604,002	—	604,002
Foreign Government Bonds	—	11,944,695	—	11,944,695
Loan Assignments	—	44,785,471	—	44,785,471
Mortgage-Backed Securities	—	131,403,925	—	131,403,925
Municipal Bonds	—	3,321,338	—	3,321,338
U.S. Government & Federal Agencies	—	19,655,683	—	19,655,683
Total Long-Term Bonds	—	723,337,840	—	723,337,840
Common Stocks (b)	158,539	—	8,298	166,837
Short-Term Investments				
Affiliated Investment Company	10,136,015	—	—	10,136,015
Unaffiliated Investment Company	12,874,950	—	—	12,874,950
Total Short-Term Investments	23,010,965	—	—	23,010,965
Total Investments in Securities	23,169,504	723,337,840	8,298	746,515,642
Other Financial Instruments				
Foreign Currency Forward Contracts (c)	—	673,102	—	673,102
Total Other Financial Instruments	—	673,102	—	673,102
Total Investments in Securities and Other Financial Instruments	$23,169,504	$724,010,942	$ 8,298	$747,188,744
Liability Valuation Inputs				
Long-Term Bonds Sold Short				
Corporate Bonds Sold Short	—	(8,057,600)	—	(8,057,600)
Total Long-Term Bonds Sold Short	—	(8,057,600)	—	(8,057,600)
Other Financial Instruments				
Foreign Currency Forward Contracts (c)	—	(224,132)	—	(224,132)
Futures Contracts (c)	(4,915,305)	—	—	(4,915,305)
Interest Rate Swap Contracts (c)	—	(5,713,572)	—	(5,713,572)
Total Other Financial Instruments	(4,915,305)	(5,937,704)	—	(10,853,009)
Total Investments in Securities Sold Short and Other Financial Instruments	$ (4,915,305)	$ (13,995,304)	$ —	$ (18,910,609)

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

(b) The Level 3 security valued at $8,298 is held in Media within the Common Stocks section of the Portfolio of Investments.

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

Statement of Assets and Liabilities as of April 30, 2020 (Unaudited)

Assets

Investment in unaffiliated securities before investments sold short, at value (identified cost $745,888,233) including securities on loan of $12,700,905	$ 736,379,627
Investment in affiliated investment company, at value (identified cost $10,136,015)	10,136,015
Cash collateral on deposit at broker for futures contracts	4,097,060
Cash collateral on deposit at broker for swap contracts	1,263,147
Cash denominated in foreign currencies (identified cost $909,719)	882,231
Due from custodian	26,609
Receivables:	
Dividends and interest	5,975,663
Fund shares sold	3,269,905
Investment securities sold	182,825
Variation margin on centrally cleared swap contracts	31,492
Securities lending	2,418
Unrealized appreciation on foreign currency forward contracts	673,102
Other assets	99,197
Total assets	763,019,291

Liabilities

Investments sold short (proceeds $7,992,518)	8,057,600
Cash collateral received for securities on loan	12,874,950
Payables:	
Investment securities purchased	8,544,353
Fund shares redeemed	2,867,336
Manager (See Note 3)	368,073
Transfer agent (See Note 3)	297,126
Interest on investments sold short	191,660
Broker fees and charges on short sales	150,400
NYLIFE Distributors (See Note 3)	106,326
Shareholder communication	82,598
Professional fees	45,392
Variation margin on futures contracts	27,562
Custodian	4,906
Trustees	2,395
Accrued expenses	17,477
Unrealized depreciation on foreign currency forward contracts	224,132
Dividend payable	165,551
Total liabilities	34,027,837
Net assets	$ 728,991,454

Composition of Net Assets

Shares of beneficial interest outstanding (par value of $.01 per share) unlimited number of shares authorized	$ 878,356
Additional paid-in capital	960,541,389
	961,419,745
Total distributable earnings (loss)	(232,428,291)
Net assets	$ 728,991,454

Class A	
Net assets applicable to outstanding shares	$167,681,394
Shares of beneficial interest outstanding	20,205,446
Net asset value per share outstanding	$ 8.30
Maximum sales charge (4.50% of offering price)	0.39
Maximum offering price per share outstanding	$ 8.69
Investor Class	
Net assets applicable to outstanding shares	$ 17,892,525
Shares of beneficial interest outstanding	2,137,959
Net asset value per share outstanding	$ 8.37
Maximum sales charge (4.50% of offering price)	0.39
Maximum offering price per share outstanding	$ 8.76
Class B	
Net assets applicable to outstanding shares	$ 6,399,393
Shares of beneficial interest outstanding	775,190
Net asset value and offering price per share outstanding	$ 8.26
Class C	
Net assets applicable to outstanding shares	$ 75,130,952
Shares of beneficial interest outstanding	9,108,193
Net asset value and offering price per share outstanding	$ 8.25
Class I	
Net assets applicable to outstanding shares	$444,654,077
Shares of beneficial interest outstanding	53,532,448
Net asset value and offering price per share outstanding	$ 8.31
Class R2	
Net assets applicable to outstanding shares	$ 6,695,264
Shares of beneficial interest outstanding	807,229
Net asset value and offering price per share outstanding	$ 8.29
Class R3	
Net assets applicable to outstanding shares	$ 238,430
Shares of beneficial interest outstanding	28,727
Net asset value and offering price per share outstanding	$ 8.30
Class R6	
Net assets applicable to outstanding shares	$ 10,299,419
Shares of beneficial interest outstanding	1,240,416
Net asset value and offering price per share outstanding	$ 8.30

Statement of Operations for the six months ended April 30, 2020 (Unaudited)

Investment Income (Loss)

Income	
Interest	$ 16,052,588
Dividends-affiliated	202,937
Securities lending	16,992
Dividends-unaffiliated	650
Other	24
Total income	16,273,191
Expenses	
Manager (See Note 3)	2,600,464
Transfer agent (See Note 3)	864,242
Distribution/Service—Class A (See Note 3)	231,960
Distribution/Service—Investor Class (See Note 3)	23,484
Distribution/Service—Class B (See Note 3)	36,205
Distribution/Service—Class C (See Note 3)	417,548
Distribution/Service—Class R2 (See Note 3)	8,990
Distribution/Service—Class R3 (See Note 3)	570
Interest on investments sold short	470,004
Broker fees and charges on short sales	263,645
Registration	86,009
Shareholder communication	66,534
Professional fees	63,728
Custodian	27,333
Trustees	11,798
Shareholder service (See Note 3)	3,710
Miscellaneous	27,138
Total expenses	5,203,362
Net investment income (loss)	11,069,829

Realized and Unrealized Gain (Loss) on Investments, Futures Contracts, Swap Contracts and Foreign Currency Transactions

Net realized gain (loss) on:	
Unaffiliated investment transactions	8,989,059
Investments sold short	(1,253,055)
Futures transactions	(12,273,349)
Swap transactions	(285,197)
Foreign currency forward transactions	(196,603)
Foreign currency transactions	(83,658)
Net realized gain (loss) on investments, investments sold short, futures transactions, swap transactions and foreign currency transactions	(5,102,803)
Net change in unrealized appreciation (depreciation) on:	
Unaffiliated investments	(33,607,813)
Investments sold short	875,232
Futures contracts	(6,729,961)
Swap contracts	(2,324,055)
Foreign currency forward contracts	752,057
Translation of other assets and liabilities in foreign currencies	(69,777)
Net change in unrealized appreciation (depreciation) on investments, investments sold short, futures contracts, swap contracts and foreign currencies	(41,104,317)
Net realized and unrealized gain (loss) on investments, investments sold short, futures transactions, swap transactions and foreign currency transactions	(46,207,120)
Net increase (decrease) in net assets resulting from operations	$(35,137,291)

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

Statements of Changes in Net Assets

for the six months ended April 30, 2020 (Unaudited) and the year ended October 31, 2019

	2020	2019
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	$ 11,069,829	$ 28,754,267
Net realized gain (loss) on investments, investments sold short, futures transactions, swap transactions and foreign currency transactions	(5,102,803)	(28,186,885)
Net change in unrealized appreciation (depreciation) on investments, investments sold short, futures contracts, swap contracts and foreign currencies	(41,104,317)	39,981,208
Net increase (decrease) in net assets resulting from operations	(35,137,291)	40,548,590
Distributions to shareholders:		
Class A	(2,312,387)	(5,918,444)
Investor Class	(230,981)	(567,935)
Class B	(62,551)	(194,065)
Class C	(723,321)	(2,298,974)
Class I	(7,616,719)	(20,315,490)
Class R2	(86,525)	(190,167)
Class R3	(2,512)	(4,980)
Class R6	(194,363)	(1,364,064)
Total distributions to shareholders	(11,229,359)	(30,854,119)
Capital share transactions:		
Net proceeds from sale of shares	133,582,810	243,248,062
Net asset value of shares issued to shareholders in reinvestment of distributions	10,230,292	28,366,577
Cost of shares redeemed	(320,520,327)	(486,086,847)
Increase (decrease) in net assets derived from capital share transactions	(176,707,225)	(214,472,208)
Net increase (decrease) in net assets	(223,073,875)	(204,777,737)
Net Assets		
Beginning of period	952,065,329	1,156,843,066
End of period	$ 728,991,454	$ 952,065,329

Financial Highlights selected per share data and ratios

Class A	Six months ended April 30, 2020*	Year ended October 31, 2019	2018	2017	2016	2015
Net asset value at beginning of period	$ 8.74	$ 8.65	$ 8.90	$ 8.81	$ 8.72	$ 9.27
Net investment income (loss) (a)	0.10	0.23	0.24	0.25	0.35	0.36
Net realized and unrealized gain (loss) on investments	(0.43)	0.11	(0.23)	0.15	0.08	(0.63)
Net realized and unrealized gain (loss) on foreign currency transactions	0.00 ‡	0.00 ‡	0.01	(0.00)‡	(0.02)	0.02
Total from investment operations	(0.33)	0.34	0.02	0.40	0.41	(0.25)
Less distributions:						
From net investment income	(0.11)	(0.25)	(0.27)	(0.31)	(0.32)	(0.30)
Return of capital	—	—	(0.00)‡	(0.00)‡	—	—
Total distributions	(0.11)	(0.25)	(0.27)	(0.31)	(0.32)	(0.30)
Net asset value at end of period	$ 8.30	$ 8.74	$ 8.65	$ 8.90	$ 8.81	$ 8.72
Total investment return (b)	(3.83%)	3.99%	0.25%	4.65%	4.94%	(2.70%)
Ratios (to average net assets)/Supplemental Data:						
Net investment income (loss)	2.44% ††	2.66%	2.69%	2.79%	4.04%	4.01%
Net expenses (c)(d)	1.27% ††	1.27%	1.25%	1.13%	1.16%	1.01%
Portfolio turnover rate	34% (e)	50% (e)	22%	41%	15%	22%
Net assets at end of period (in 000's)	$ 167,681	$ 197,686	$ 220,618	$ 302,192	$ 412,834	$ 584,184

* Unaudited.
‡ 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. 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:

Period Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
April 30, 2020*††	1.10%	0.17%
October 31, 2019	1.07%	0.20%
October 31, 2018	1.03%	0.22%
October 31, 2017	1.01%	0.12%
October 31, 2016	1.00%	0.16%
October 31, 2015	0.96%	0.05%

(e) The portfolio turnover rate not including mortgage dollar rolls was 31% and 44% for the six months ended April 30, 2020 and for the year ended October 31, 2019.

Financial Highlights selected per share data and ratios

Investor Class	Six months ended April 30, 2020*	Year ended October 31, 2019	2018	2017	2016	2015
Net asset value at beginning of period	$ 8.81	$ 8.72	$ 8.97	$ 8.88	$ 8.78	$ 9.33
Net investment income (loss) (a)	0.10	0.23	0.24	0.24	0.35	0.36
Net realized and unrealized gain (loss) on investments	(0.43)	0.11	(0.23)	0.16	0.10	(0.63)
Net realized and unrealized gain (loss) on foreign currency transactions	0.00 ‡	0.00 ‡	0.01	(0.00)‡	(0.03)	0.02
Total from investment operations	(0.33)	0.34	0.02	0.40	0.42	(0.25)
Less distributions:						
From net investment income	(0.11)	(0.25)	(0.27)	(0.31)	(0.32)	(0.30)
Return of capital	—	—	(0.00)‡	(0.00)‡	—	—
Total distributions	(0.11)	(0.25)	(0.27)	(0.31)	(0.32)	(0.30)
Net asset value at end of period	$ 8.37	$ 8.81	$ 8.72	$ 8.97	$ 8.88	$ 8.78
Total investment return (b)	(3.82%)	3.93%	0.23%	4.59%	5.00%	(2.70%)
Ratios (to average net assets)/Supplemental Data:						
Net investment income (loss)	2.41% ††	2.63%	2.68%	2.74%	4.01%	3.99%
Net expenses (c)(d)	1.30% ††	1.29%	1.27%	1.15%	1.18%	1.03%
Portfolio turnover rate	34% (e)	50% (e)	22%	41%	15%	22%
Net assets at end of period (in 000's)	$ 17,893	$ 19,748	$ 20,451	$ 22,033	$ 31,851	$ 32,498

* Unaudited.
‡ 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. 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:

Period Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
April 30, 2020*††	1.13%	0.17%
October 31, 2019	1.09%	0.20%
October 31, 2018	1.05%	0.22%
October 31, 2017	1.03%	0.12%
October 31, 2016	1.02%	0.16%
October 31, 2015	0.98%	0.05%

(e) The portfolio turnover rate not including mortgage dollar rolls was 31% and 44% for the six months ended April 30, 2020 and for the year ended October 31, 2019.

Financial Highlights selected per share data and ratios

Class B	Six months ended April 30, 2020*	Year ended October 31, 2019	2018	2017	2016	2015
Net asset value at beginning of period	$ 8.70	$ 8.61	$ 8.86	$ 8.77	$ 8.68	$ 9.23
Net investment income (loss) (a)	0.07	0.16	0.17	0.18	0.28	0.29
Net realized and unrealized gain (loss) on investments	(0.44)	0.11	(0.23)	0.15	0.10	(0.62)
Net realized and unrealized gain (loss) on foreign currency transactions	0.00 ‡	0.00 ‡	0.01	(0.00)‡	(0.03)	0.02
Total from investment operations	(0.37)	0.27	(0.05)	0.33	0.35	(0.31)
Less distributions:						
From net investment income	(0.07)	(0.18)	(0.20)	(0.24)	(0.26)	(0.24)
Return of capital	—	—	(0.00)‡	(0.00)‡	—	—
Total distributions	(0.07)	(0.18)	(0.20)	(0.24)	(0.26)	(0.24)
Net asset value at end of period	$ 8.26	$ 8.70	$ 8.61	$ 8.86	$ 8.77	$ 8.68
Total investment return (b)	(4.22%)	3.20%	(0.52%)	3.86%	4.16%	(3.45%)
Ratios (to average net assets)/Supplemental Data:						
Net investment income (loss)	1.65% ††	1.90%	1.92%	2.00%	3.26%	3.24%
Net expenses (c)(d)	2.05% ††	2.04%	2.02%	1.90%	1.93%	1.78%
Portfolio turnover rate	34% (e)	50% (e)	22%	41%	15%	22%
Net assets at end of period (in 000's)	$ 6,399	$ 7,970	$ 11,015	$ 15,223	$ 18,313	$ 19,833

* Unaudited.
‡ 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. 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:

Period Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
April 30, 2020*††	1.88%	0.17%
October 31, 2019	1.84%	0.20%
October 31, 2018	1.80%	0.22%
October 31, 2017	1.78%	0.12%
October 31, 2016	1.77%	0.16%
October 31, 2015	1.73%	0.05%

(e) The portfolio turnover rate not including mortgage dollar rolls was 31% and 44% for the six months ended April 30, 2020 and for the year ended October 31, 2019.

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

Financial Highlights selected per share data and ratios

Class C	Six months ended April 30, 2020*	Year ended October 31, 2019	2018	2017	2016	2015
Net asset value at beginning of period	$ 8.69	$ 8.60	$ 8.85	$ 8.76	$ 8.67	$ 9.22
Net investment income (loss) (a)	0.07	0.16	0.17	0.18	0.28	0.29
Net realized and unrealized gain (loss) on investments	(0.44)	0.11	(0.23)	0.15	0.10	(0.62)
Net realized and unrealized gain (loss) on foreign currency transactions	0.00 ‡	0.00 ‡	0.01	(0.00)‡	(0.03)	0.02
Total from investment operations	(0.37)	0.27	(0.05)	0.33	0.35	(0.31)
Less distributions:						
From net investment income	(0.07)	(0.18)	(0.20)	(0.24)	(0.26)	(0.24)
Return of capital	—	—	(0.00)‡	(0.00)‡	—	—
Total distributions	(0.07)	(0.18)	(0.20)	(0.24)	(0.26)	(0.24)
Net asset value at end of period	$ 8.25	$ 8.69	$ 8.60	$ 8.85	$ 8.76	$ 8.67
Total investment return (b)	(4.23%)	3.21%	(0.52%)	3.86%	4.16%	(3.46%)
Ratios (to average net assets)/Supplemental Data:						
Net investment income (loss)	1.66% ††	1.90%	1.92%	2.00%	3.27%	3.24%
Net expenses (c)(d)	2.05% ††	2.04%	2.02%	1.90%	1.93%	1.78%
Portfolio turnover rate	34% (e)	50% (e)	22%	41%	15%	22%
Net assets at end of period (in 000's)	$ 75,131	$ 91,598	$ 128,279	$ 167,595	$ 220,513	$ 315,183

* Unaudited.
‡ 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. 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:

Period Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
April 30, 2020*††	1.88%	0.17%
October 31, 2019	1.84%	0.20%
October 31, 2018	1.80%	0.22%
October 31, 2017	1.78%	0.12%
October 31, 2016	1.77%	0.16%
October 31, 2015	1.73%	0.05%

(e) The portfolio turnover rate not including mortgage dollar rolls was 31% and 44% for the six months ended April 30, 2020 and for the year ended October 31, 2019.

Financial Highlights selected per share data and ratios

Class I	Six months ended April 30, 2020*	Year ended October 31, 2019	2018	2017	2016	2015
Net asset value at beginning of period	$ 8.75	$ 8.66	$ 8.91	$ 8.82	$ 8.72	$ 9.28
Net investment income (loss) (a)	0.11	0.25	0.26	0.26	0.37	0.38
Net realized and unrealized gain (loss) on investments	(0.43)	0.11	(0.23)	0.16	0.11	(0.63)
Net realized and unrealized gain (loss) on foreign currency transactions	0.00 ‡	0.00 ‡	0.01	(0.00)‡	(0.03)	0.02
Total from investment operations	(0.32)	0.36	0.04	0.42	0.45	(0.23)
Less distributions:						
From net investment income	(0.12)	(0.27)	(0.29)	(0.33)	(0.35)	(0.33)
Return of capital	—	—	(0.00)‡	(0.00)‡	—	—
Total distributions	(0.12)	(0.27)	(0.29)	(0.33)	(0.35)	(0.33)
Net asset value at end of period	$ 8.31	$ 8.75	$ 8.66	$ 8.91	$ 8.82	$ 8.72
Total investment return (b)	(3.71%)	4.24%	0.51%	4.90%	5.32%	(2.56%)
Ratios (to average net assets)/Supplemental Data:						
Net investment income (loss)	2.68% ††	2.91%	2.94%	2.99%	4.30%	4.25%
Net expenses (c)(d)	1.02% ††	1.02%	1.00%	0.88%	0.91%	0.76%
Portfolio turnover rate	34% (e)	50% (e)	22%	41%	15%	22%
Net assets at end of period (in 000's)	$ 444,654	$ 604,981	$ 717,129	$ 837,363	$ 735,359	$ 1,263,695

* Unaudited.
‡ 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 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:

Period Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
April 30, 2020*††	0.85%	0.17%
October 31, 2019	0.82%	0.20%
October 31, 2018	0.78%	0.22%
October 31, 2017	0.76%	0.12%
October 31, 2016	0.75%	0.16%
October 31, 2015	0.71%	0.05%

(e) The portfolio turnover rate not including mortgage dollar rolls was 31% and 44% for the six months ended April 30, 2020 and for the year ended October 31, 2019.

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

Financial Highlights selected per share data and ratios

Class R2	Six months ended April 30, 2020*	Year ended October 31, 2019	2018	2017	2016	2015
Net asset value at beginning of period	$ 8.74	$ 8.65	$ 8.90	$ 8.81	$ 8.72	$ 9.27
Net investment income (loss) (a)	0.10	0.22	0.23	0.23	0.34	0.35
Net realized and unrealized gain (loss) on investments	(0.45)	0.11	(0.23)	0.16	0.10	(0.63)
Net realized and unrealized gain (loss) on foreign currency transactions	0.00 ‡	0.00 ‡	0.01	(0.00)‡	(0.03)	0.02
Total from investment operations	(0.35)	0.33	0.01	0.39	0.41	(0.26)
Less distributions:						
From net investment income	(0.10)	(0.24)	(0.26)	(0.30)	(0.32)	(0.29)
Return of capital	—	—	(0.00)‡	(0.00)‡	—	—
Total distributions	(0.10)	(0.24)	(0.26)	(0.30)	(0.32)	(0.29)
Net asset value at end of period	$ 8.29	$ 8.74	$ 8.65	$ 8.90	$ 8.81	$ 8.72
Total investment return (b)	(4.00%)	3.89%	0.16%	4.54%	4.84%	(2.81%)
Ratios (to average net assets)/Supplemental Data:						
Net investment income (loss)	2.34% ††	2.54%	2.67%	2.63%	3.97%	3.87%
Net expenses (c)(d)	1.37% ††	1.37%	1.34%	1.23%	1.28%	1.11%
Portfolio turnover rate	34% (e)	50% (e)	22%	41%	15%	22%
Net assets at end of period (in 000's)	$ 6,695	$ 7,232	$ 6,657	$ 773	$ 662	$ 112

* Unaudited.
‡ 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 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:

Period Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
April 30, 2020*††	1.20%	0.17%
October 31, 2019	1.17%	0.20%
October 31, 2018	1.14%	0.20%
October 31, 2017	1.11%	0.12%
October 31, 2016	1.12%	0.16%
October 31, 2015	1.06%	0.05%

(e) The portfolio turnover rate not including mortgage dollar rolls was 31% and 44% for the six months ended April 30, 2020 and for the year ended October 31, 2019.

Financial Highlights selected per share data and ratios

Class R3	Six months ended April 30, 2020*	Year ended October 31, 2019	2018	2017	February 29, 2016^ through October 31, 2016
Net asset value at beginning of period	$ 8.74	$ 8.65	$ 8.90	$ 8.81	$ 8.20
Net investment income (loss) (a)	0.09	0.20	0.21	0.21	0.21
Net realized and unrealized gain (loss) on investments	(0.44)	0.11	(0.23)	0.16	0.86
Net realized and unrealized gain (loss) on foreign currency transactions	0.00 ‡	0.00 ‡	0.01	(0.00)‡	(0.27)
Total from investment operations	(0.35)	0.31	(0.01)	0.37	0.80
Less distributions:					
From net investment income	(0.09)	(0.22)	(0.24)	(0.28)	(0.19)
Return of capital	—	—	(0.00)‡	(0.00)‡	—
Total distributions	(0.09)	(0.22)	(0.24)	(0.28)	(0.19)
Net asset value at end of period	$ 8.30	$ 8.74	$ 8.65	$ 8.90	$ 8.81
Total investment return (b)	(4.00%)	3.63%	(0.09%)	4.28%	9.77%
Ratios (to average net assets)/Supplemental Data:					
Net investment income (loss)	2.10% ††	2.29%	2.36%	2.34%	3.32% ††
Net expenses (c)(d)	1.62% ††	1.62%	1.60%	1.48%	1.50% ††
Portfolio turnover rate	34% (e)	50% (e)	22%	41%	15%
Net assets at end of period (in 000's)	$ 238	$ 218	$ 190	$ 114	$ 32

* Unaudited.
^ 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 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:

Period Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
April 30, 2020*††	1.46%	0.17%
October 31, 2019	1.42%	0.20%
October 31, 2018	1.38%	0.22%
October 31, 2017	1.36%	0.12%
October 31, 2016	1.34%	0.16%

(e) The portfolio turnover rate not including mortgage dollar rolls was 31% and 44% for the six months ended April 30, 2020 and for the year ended October 31, 2019.

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

Financial Highlights selected per share data and ratios

Class R6	Six months ended April 30, 2020*	Year ended October 31, 2019	February 28, 2018^ through October 31, 2018
Net asset value at beginning of period	$ 8.75	$ 8.66	$ 8.83
Net investment income (loss) (a)	0.12	0.27	0.19
Net realized and unrealized gain (loss) on investments	(0.44)	0.11	(0.15)
Net realized and unrealized gain (loss) on foreign currency transactions	0.00 ‡	0.00 ‡	0.01
Total from investment operations	(0.32)	0.38	0.05
Less distributions:			
From net investment income	(0.13)	(0.29)	(0.22)
Return of capital	—	—	(0.00)‡
Total distributions	(0.13)	(0.29)	(0.22)
Net asset value at end of period	$ 8.30	$ 8.75	$ 8.66
Total investment return (b)	(3.73%)	4.43%	0.54%
Ratios (to average net assets)/Supplemental Data:			
Net investment income (loss)	2.86% ††	3.13%	3.18% ††
Net expenses (c)(d)	0.83% ††	0.84%	0.85% ††
Portfolio turnover rate	34% (e)	50% (e)	22%
Net assets at end of period (in 000's)	$ 10,299	$ 22,632	$ 52,504

* Unaudited.
^ 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:

Period Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
April 30, 2020*††	0.66%	0.17%
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 31% and 44% for the six months ended April 30, 2020 and for the year ended October 31, 2019.

Notes to Financial Statements (Unaudited)

Note 1–Organization and Business

The MainStay Funds (the ''Trust'') was organized on January 9, 1986, as a Massachusetts business trust and is governed by a Declaration of 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 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 Fund currently offers eight classes of shares. Class A and Class B shares commenced operations on February 28, 1997. Class C shares commenced operations on September 1, 1998. Class I shares commenced operations on January 2, 2004. Investor Class shares commenced operations on February 28, 2008. Class R2 shares commenced operations on February 28, 2014. Class R3 shares commenced operations on February 29, 2016. Class R6 shares were registered for sale effective February 28, 2017. Class R6 shares commenced operations on February 28, 2018.

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. 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, as disclosed in the Fund's prospectus, Class A shares may convert automatically to Investor Class shares and 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 and Class R2 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 Standard 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 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 April 30, 2020 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 six-month period ended April 30, 2020, 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. As of April 30, 2020, securities that were fair valued in such a manner are shown in the Portfolio of Investments.

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.

Futures contracts are valued at the last posted settlement price on the market where such futures are primarily traded. Investments in mutual funds, including money market funds, are valued at their respective NAVs as of the close of the Exchange on the valuation date. These securities are generally categorized as Level 1 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.

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. As of April 30, 2020, no foreign equity securities held by the Fund were fair valued in such a manner.

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. As of April 30, 2020, securities that were fair valued in such a manner are shown in the Portfolio of Investments.

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.

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.

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.

A portfolio investment may be classified as an illiquid investment under the Trust's written liquidity risk management program and related procedures ("Liquidity Program"). Illiquidity of an investment might prevent the sale of such investment at a time when the Manager or the Subadvisor might wish to sell, and these investments could have the effect of decreasing the overall level of the Fund's liquidity. Further, the lack of an established secondary market may make it more difficult to value illiquid investments, requiring the Fund to rely on judgments that may be somewhat subjective in measuring value, which could vary materially from the amount that the Fund could realize upon disposition. Difficulty in selling illiquid investments may result in a loss or may be costly to the Fund. An illiquid investment is any investment that the Manager or Subadvisor reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. The liquidity classification of each investment will be made using information obtained after reasonable inquiry and taking into account, among other things, relevant market, trading and investment-specific considerations in accordance with the Liquidity Program. Illiquid investments are often valued in accordance with methods deemed by the Board in good faith to be reasonable and appropriate to accurately reflect their fair value. The liquidity of the Fund's investments, as shown in the Portfolio of Investments, was determined as of April 30, 2020, and can change at any time. Illiquid investments as of April 30, 2020, are shown in the Portfolio of Investments.

(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 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 ("REITs") 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 over the life of the respective securities.

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.

(H) Repurchase Agreements. The Fund may enter into repurchase agreements (i.e., buy a security from another party with the agreement that it will be sold back in the future) to earn income. The Fund may enter into repurchase agreements only with counterparties, usually financial institutions, that are deemed by the Manager or the Subadvisor to be creditworthy, pursuant to guidelines established by the Board. During the term of any repurchase agreement, the Manager or the Subadvisor will continue to monitor the creditworthiness of the counterparty. Under the 1940 Act, repurchase agreements are considered to be collateralized loans by the Fund to the counterparty secured by the securities transferred to the Fund.

Repurchase agreements are subject to counterparty risk, meaning the Fund could lose money by the counterparty's failure to perform under the terms of the agreement. The Fund mitigates this risk by ensuring the repurchase agreement is collateralized by cash, U.S. government securities, fixed income securities and/or other securities. The collateral is held by the Fund's custodian and valued daily on a mark to market basis to determine if the value, including accrued interest, exceeds the repurchase price. In the event of the counterparty's default on the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. Under certain circumstances, such as in the event of default or bankruptcy by the counterparty, realization and/or retention of the collateral may be limited or subject to delay, to legal proceedings and possible realized loss to the Fund. As of April 30, 2020, the Fund did not hold any repurchase agreements.

(I) 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 help manage the duration and yield curve of the portfolio while minimizing the exposure to wider bid/ask spreads in traditional bonds. 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 held as of April 30, 2020, are shown in the Portfolio of Investments.

(J) 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 April 30, 2020, the Fund did not hold any unfunded commitments.

(K) 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 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 April 30, 2020, all swap positions 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 ("variation margin") 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.

Credit Default Swaps: The Fund may enter into credit default swaps to simulate long and short bond positions or to take an active long or short position with respect to the likelihood of a default or credit event by the issuer of the underlying reference obligation. The types of reference obligations underlying the swaps that may be entered into by the Fund include debt obligations of a single issuer of corporate or sovereign debt, a basket of obligations of different issuers or a credit index. A credit index is an equally-weighted credit default swap index that is designed to track a representative segment of the credit default swap market (e.g., investment grade, high volatility, below investment grade or emerging markets) and provides an investor with exposure to specific "baskets" of issuers of certain debt instruments. Index credit default swaps have standardized terms including a fixed spread and standard maturity dates. The composition of the obligations within a particular index changes periodically. Credit default swaps involve one party, the protection buyer, making a stream of payments to another party, the protection seller, in exchange for the right to receive a contingent payment if there is a credit event related to the underlying reference obligation. In the event that the reference obligation matures prior to the termination date of the contract, a similar security will be substituted for the duration of the contract term. Credit events are defined under individual swap agreements and generally include bankruptcy, failure to pay, restructuring, repudiation/moratorium, obligation acceleration and obligation default. Selling protection effectively adds leverage to a portfolio up to the notional amount of the swap agreement. Potential liabilities under these contracts may be reduced by: the auction rates of the underlying reference obligations; upfront payments received at the inception of a swap; and net amounts received from credit default swaps purchased with the identical reference obligation. As of April 30, 2020, open swap agreements are shown in the Portfolio of Investments.

(L) 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 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 April 30, 2020, are shown in the Portfolio of Investments.

(M) 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.

(N) Securities Sold Short. During the six-month period ended April 30, 2020, 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.

(O) 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, State Street Bank and Trust Company ("State Street"), acting as securities lending agent on behalf of the Fund. State Street will manage the Fund's collateral in accordance with the securities lending agency agreement between the Fund and State Street, 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. As of April 30, 2020, the Fund had securities on loan with an aggregate market value of $12,700,905 and received cash collateral, which was invested into the State Street Navigator Securities Lending Government Money Market Portfolio, with a value of $12,874,950.

(P) 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.

(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.

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. 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.

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. Because the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

(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 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.

Fair value of derivative instruments as of April 30, 2020:

Asset Derivatives

	Statement of Assets and Liabilities Location	Foreign Exchange Contracts Risk	Interest Rate Contracts Risk	Total
Forward Contracts	Unrealized appreciation on foreign currency forward contracts	$673,102	$	$673,102
Total Fair Value		$673,102	$ —	$673,102

Liability Derivatives

	Statement of Assets and Liabilities Location	Foreign Exchange Contracts Risk	Interest Rate Contracts Risk	Total
Futures Contracts	Net Assets—Net unrealized depreciation on investments, swap contracts and futures contracts (a)	$ —	$ (4,915,305)	$ (4,915,305)
Centrally Cleared Swap Contracts	Net Assets—Net unrealized depreciation on investments, swap contracts and futures contracts (b)	—	(5,713,572)	(5,713,572)
Forward Contracts	Unrealized depreciation on foreign currency forward contracts	(224,132)	—	(224,132)
Total Fair Value		$(224,132)	$(10,628,877)	$(10,853,009)

(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.

The effect of derivative instruments on the Statement of Operations for the period ended April 30, 2020:

Realized Gain (Loss)

	Statement of Operations Location	Foreign Exchange Contracts Risk	Interest Rate Contracts Risk	Total
Futures Contracts	Net realized gain (loss) on futures transactions	$ —	$(12,273,349)	$(12,273,349)
Swap Contracts	Net realized gain (loss) on swap transactions	—	(285,197)	(285,197)
Forward Contracts	Net realized gain (loss) on foreign currency forward transactions	(196,603)	—	(196,603)
Total Realized Gain (Loss)		$(196,603)	$(12,558,546)	$(12,755,149)

Change in Unrealized Appreciation (Depreciation)

	Statement of Operations Location	Foreign Exchange Contracts Risk	Interest Rate Contracts Risk	Total
Futures Contracts	Net change in unrealized appreciation (depreciation) on futures contracts	$ —	$(6,729,961)	$(6,729,961)
Swap Contracts	Net change in unrealized appreciation (depreciation) on swap contracts	—	(2,324,055)	(2,324,055)
Forward Contracts	Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	752,057	—	752,057
Total Change in Unrealized Appreciation (Depreciation)		$752,057	$(9,054,016)	$(8,301,959)

Average Notional Amount

	Foreign Exchange Contracts Risk	Interest Rate Contracts Risk	Total
Futures Contracts Long (a)	$ —	$ 96,535,152	$ 96,535,152
Futures Contracts Short	$ —	$(244,064,465)	$(244,064,465)
Swap Contracts Long	$ —	$ 81,000,000	$ 81,000,000
Forward Contracts Long (b)	$ 11,609,237	$ —	$ 11,609,237
Forward Contracts Short	$(22,223,967)	$ —	$ (22,223,967)

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

(b) Positions were open three 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.

Under 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 six-month period ended April 30, 2020, the effective management fee rate was 0.59%, inclusive of a fee for fund accounting services of 0.01% of the Fund's average daily net assets.

New York Life Investments has contractually agreed to waive fees and/or reimburse expenses so that Total Annual Fund Operating Expenses (excluding taxes, interest, litigation, extraordinary expenses, brokerage and other transaction expenses relating to the purchase or sale of portfolio investments, and acquired (underlying) fund fees and expenses) of Class R6 do not exceed those of Class I. This agreement will remain in effect until February 28, 2021 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 by the Board.

During the six-month period ended April 30, 2020, New York Life Investments earned fees from the Fund in the amount of $2,600,464 and paid the Subadvisor in the amount of $1,271,613.

State Street 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, State Street is compensated by New York Life Investments.

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 indirect, wholly-owned subsidiary of New York Life. 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 distribution 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, the Distributor receives a monthly distribution and/or service fee from the Class R3 shares at an annual rate of 0.50% of the average daily net assets of the Class R3 shares. 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 Plan 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 six-month period ended April 30, 2020, shareholder service fees incurred by the Fund were as follows:

Class R2	$3,596
Class R3	114

(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 six-month period ended April 30, 2020 were $9,859 and $2,706, respectively.

The Fund was also advised that the Distributor retained CDSCs on redemptions of Class A, Class B and Class C shares during the six-month period ended April 30, 2020, of $448, $2,557 and $1,654, 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. Effective November 1, 2019, New York Life Investments contractually agreed to limit the transfer agency expenses charged to each of the Fund's share classes to a maximum of 0.35% of that share class's average daily net assets on an annual basis (excluding small account fees) after deducting any other applicable expense cap reimbursements or transfer agency waivers. This agreement will remain in effect until February 28, 2021, 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 six-month period ended April 30, 2020, transfer agent expenses incurred by the Fund and any applicable waivers were as follows:

Class	Expense	Waiver
Class A	$181,936	$—
Investor Class	21,383	—
Class B	8,228	—
Class C	94,957	—
Class I	550,162	—
Class R2	7,070	—
Class R3	225	—
Class R6	281	—

(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 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.

(F) Investments in Affiliates (in 000's). During the six-month period ended April 30, 2020, 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 Company	Value, Beginning of Period	Purchases at Cost	Proceeds from Sales	Net Realized Gain/(Loss) on Sales	Change in Unrealized Appreciation/ (Depreciation)	Value, End of Period	Dividend Income	Other Distributions	Shares End of Period
MainStay U.S. Government Liquidity Fund	$51,822	$282,261	$(323,947)	$—	$—	$10,136	$203	$—	10,136

(G) Capital. As of April 30, 2020, New York Life and its affiliates beneficially held shares of the Fund with the values and percentages of net assets as follows:

Class R3	$28,388	11.9%
Class R6	25,203	0.2

Note 4–Federal Income Tax

As of April 30, 2020, 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	$748,554,655	$19,426,781	$(29,523,394)	$(10,096,613)

As of October 31, 2019, for federal income tax purposes, capital loss carryforwards of $206,233,668 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	$32,091	$174,142

During the year ended October 31, 2019, the tax character of distributions paid as reflected in the Statements of Changes in Net Assets was as follows:

	2019
Distributions paid from:	
Ordinary Income	$30,854,119

Note 5–Restricted Securities

Restricted securities are subject to legal or contractual restrictions on resale. Private placement securities are generally considered to be restricted except for those securities traded between qualified institutional investors under the provisions of Rule 144A of the Securities Act of 1933, as amended. Disposal of restricted securities may involve time consuming negotiations and expenses, and prompt sale at an acceptable price may be difficult to achieve.

As of April 30, 2020, the Fund held the following restricted securities:

Security	Date(s) of Acquisition	Shares	Cost	4/30/20 Value	Percent of Net Assets
ION Media Networks, Inc. Common Stock	3/11/14	22	$—	$8,298	0.0%‡
Total		22	$—	$8,298	

‡ Less than one-tenth of a percent.

Note 6–Custodian

State Street 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.

Note 7–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 30, 2019, 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 State Street, 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 28, 2020, 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. Prior to July 30, 2019, the aggregate commitment amount and the commitment fee were the same as those under the current Credit Agreement. During the six-month period ended April 30, 2020, there were no borrowings made or outstanding with respect to the Fund under the Credit Agreement.

Note 8–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 six-month period ended April 30, 2020, there were no interfund loans made or outstanding with respect to the Fund.

Note 9–Purchases and Sales of Securities (in 000's)

During the six-month period ended April 30, 2020, purchases and sales of U.S. government securities were $68,204 and $117,611, respectively. Purchases and sales of securities, other than U.S. government securities and short-term securities, were $195,050 and $317,869, respectively.

Note 10–Capital Share Transactions

Transactions in capital shares for the six-month period ended April 30, 2020 and the year ended October 31, 2019, were as follows:

Class A	Shares	Amount
Six-month period ended April 30, 2020:		
Shares sold	1,474,369	$ 12,641,107
Shares issued to shareholders in reinvestment of distributions	254,733	2,181,509
Shares redeemed	(4,211,122)	(36,028,535)
Net increase (decrease) in shares outstanding before conversion	(2,482,020)	(21,205,919)
Shares converted into Class A (See Note 1)	106,033	905,125
Shares converted from Class A (See Note 1)	(34,843)	(297,680)
Net increase (decrease)	(2,410,830)	$(20,598,474)
Year ended October 31, 2019:		
Shares sold	3,923,370	$ 34,022,695
Shares issued to shareholders in reinvestment of distributions	648,525	5,604,208
Shares redeemed	(7,651,832)	(66,214,975)
Net increase (decrease) in shares outstanding before conversion	(3,079,937)	(26,588,072)
Shares converted into Class A (See Note 1)	322,178	2,786,179
Shares converted from Class A (See Note 1)	(128,869)	(1,117,966)
Net increase (decrease)	(2,886,628)	$(24,919,859)

Investor Class	Shares	Amount
Six-month period ended April 30, 2020:		
Shares sold	89,799	$ 776,017
Shares issued to shareholders in reinvestment of distributions	26,209	226,076
Shares redeemed	(172,159)	(1,474,553)
Net increase (decrease) in shares outstanding before conversion	(56,151)	(472,460)
Shares converted into Investor Class (See Note 1)	40,977	353,676
Shares converted from Investor Class (See Note 1)	(87,307)	(750,300)
Net increase (decrease)	(102,481)	$ (869,084)
Year ended October 31, 2019:		
Shares sold	415,571	$ 3,647,957
Shares issued to shareholders in reinvestment of distributions	63,631	554,684
Shares redeemed	(546,532)	(4,791,206)
Net increase (decrease) in shares outstanding before conversion	(67,330)	(588,565)
Shares converted into Investor Class (See Note 1)	178,617	1,558,761
Shares converted from Investor Class (See Note 1)	(215,720)	(1,882,993)
Net increase (decrease)	(104,433)	$ (912,797)

Class B	Shares	Amount
Six-month period ended April 30, 2020:		
Shares sold	8,622	$ 73,412
Shares issued to shareholders in reinvestment of distributions	6,147	52,355
Shares redeemed	(123,531)	(1,050,794)
Net increase (decrease) in shares outstanding before conversion	(108,762)	(925,027)
Shares converted from Class B (See Note 1)	(32,629)	(278,866)
Net increase (decrease)	(141,391)	$(1,203,893)
Year ended October 31, 2019:		
Shares sold	104,200	$ 905,650
Shares issued to shareholders in reinvestment of distributions	18,886	162,262
Shares redeemed	(416,600)	(3,591,602)
Net increase (decrease) in shares outstanding before conversion	(293,514)	(2,523,690)
Shares converted from Class B (See Note 1)	(69,649)	(598,047)
Net increase (decrease)	(363,163)	$(3,121,737)

Class C	Shares	Amount
Six-month period ended April 30, 2020:		
Shares sold	328,820	$ 2,816,878
Shares issued to shareholders in reinvestment of distributions	75,363	640,945
Shares redeemed	(1,820,656)	(15,513,142)
Net increase (decrease) in shares outstanding before conversion	(1,416,473)	(12,055,319)
Shares converted from Class C (See Note 1)	(17,490)	(150,282)
Net increase (decrease)	(1,433,963)	$ (12,205,601)
Year ended October 31, 2019:		
Shares sold	594,342	$ 5,094,058
Shares issued to shareholders in reinvestment of distributions	236,574	2,030,445
Shares redeemed	(5,070,579)	(43,589,224)
Net increase (decrease) in shares outstanding before conversion	(4,239,663)	(36,464,721)
Shares converted from Class C (See Note 1)	(134,378)	(1,153,207)
Net increase (decrease)	(4,374,041)	$ (37,617,928)

Class I	Shares	Amount
Six-month period ended April 30, 2020:		
Shares sold	13,612,854	$ 116,261,338
Shares issued to shareholders in reinvestment of distributions	797,072	6,846,540
Shares redeemed	(30,052,625)	(253,236,126)
Net increase in shares outstanding before conversion	(15,642,699)	(130,128,248)
Shares converted into Class I (See Note 1)	25,322	218,327
Net increase (decrease)	(15,617,377)	$(129,909,921)
Year ended October 31, 2019:		
Shares sold	22,646,970	$ 196,115,570
Shares issued to shareholders in reinvestment of distributions	2,133,464	18,457,022
Shares redeemed	(38,501,534)	(333,217,757)
Net increase (decrease) in shares outstanding before conversion	(13,721,100)	(118,645,165)
Shares converted into Class I (See Note 1)	46,998	407,273
Net increase (decrease)	(13,674,102)	$(118,237,892)

Class R2	Shares	Amount
Six-month period ended April 30, 2020:		
Shares sold	72,182	$ 631,217
Shares issued to shareholders in reinvestment of distributions	10,118	86,525
Shares redeemed	(102,910)	(845,358)
Net increase (decrease)	(20,610)	$ (127,616)
Year ended October 31, 2019:		
Shares sold	132,894	$ 1,151,880
Shares issued to shareholders in reinvestment of distributions	22,001	190,167
Shares redeemed	(97,010)	(839,676)
Net increase (decrease)	57,885	$ 502,371

Class R3	Shares	Amount
Six-month period ended April 30, 2020:		
Shares sold	3,596	$ 31,613
Shares issued to shareholders in reinvestment of distributions	232	1,979
Shares redeemed	(3)	(22)
Net increase (decrease)	3,825	$ 33,570
Year ended October 31, 2019:		
Shares sold	3,394	$ 29,402
Shares issued to shareholders in reinvestment of distributions	431	3,725
Shares redeemed	(931)	(8,016)
Net increase (decrease)	2,894	$ 25,111

Class R6	Shares	Amount
Six-month period ended April 30, 2020:		
Shares sold	41,143	$ 351,228
Shares issued to shareholders in reinvestment of distributions	22,616	194,363
Shares redeemed	(1,410,533)	(12,371,797)
Net increase (decrease)	(1,346,774)	$(11,826,206)
Year ended October 31, 2019:		
Shares sold	262,885	$ 2,280,850
Shares issued to shareholders in reinvestment of distributions	157,868	1,364,064
Shares redeemed	(3,896,936)	(33,834,391)
Net increase (decrease)	(3,476,183)	$(30,189,477)

Note 11–Recent Accounting Pronouncements

To improve the effectiveness of fair value disclosure requirements, the Financial Accounting Standards Board issued Accounting Standards Update 2018-13, Fair Value Measurement Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"), which adds, removes, and modifies certain fair value measurement disclosure requirements. ASU 2018-13 is effective for interim and annual reporting periods beginning after December 15, 2019. The Manager evaluated the implications of certain provisions of ASU 2018-13 and determined to early adopt aspects related to the removal and modifications of certain fair value measurement disclosures, which are currently in place as of April 30, 2020. The Manager is evaluating the implications of certain other provisions of ASU 2018-13 related to new disclosure requirements and has not yet determined the impact of those provisions on the financial statement disclosures, if any.

Note 12–Subsequent Events

In connection with the preparation of the financial statements of the Fund as of and for the six-month period ended April 30, 2020, events and transactions subsequent to April 30, 2020, 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.

Note 13–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 impact of COVID-19 is uncertain and could 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.

Board Consideration and Approval of Management Agreement and Subadvisory Agreement (Unaudited)

The continuation of the Management Agreement with respect to the MainStay MacKay Unconstrained Bond Fund ("Fund") and New York Life Investment Management LLC ("New York Life Investments") and the Subadvisory Agreement between New York Life Investments and MacKay Shields LLC ("MacKay") with respect to the Fund (together, "Advisory Agreements"), following an initial term of up to two years, is subject to annual review and approval by the Board of Trustees of The MainStay Funds ("Board" of the "Trust") in accordance with Section 15 of the Investment Company Act of 1940, as amended ("1940 Act"). At its December 10-11, 2019 in-person meeting, the Board, including the Trustees who are not an "interested person" (as such term is defined in the 1940 Act) of the Trust ("Independent Trustees") voting separately, unanimously approved the continuation of each of the Advisory Agreements for a one-year period.

In reaching the decision to approve the continuation of each of the Advisory Agreements, the Board considered information furnished by New York Life Investments and MacKay in connection with an annual contract review process undertaken by the Board that took place at meetings of the Board and its Contracts Committee between October 2019 and December 2019, as well as other information furnished to the Board and its Committees throughout the year, as deemed relevant by the Trustees. Information requested by and furnished to the Board for consideration in connection with the contract review process included, among other items, reports on the Fund and "peer funds" prepared by Strategic Insight Mutual Fund Research and Consulting, LLC ("Strategic Insight"), an independent third-party service provider engaged by the Board to report objectively on the Fund's investment performance, management fee and total expenses. The Board also considered information on the fees charged to other investment advisory clients of New York Life Investments and/or MacKay that follow investment strategies similar to the Fund, if any, and, when applicable, the rationale for any differences in the Fund's management and subadvisory fees and the fees charged to those other investment advisory clients. In addition, the Board considered information furnished by New York Life Investments and MacKay in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel to the Independent Trustees, which encompassed a variety of topics, including those summarized below. The Board took into account information provided in connection with its meetings throughout the year, including, among other items, information regarding the legal standards and fiduciary obligations applicable to its consideration of the continuation of each of the Advisory Agreements and investment performance reports on the Fund prepared by the Investment Consulting Group of New York Life Investments as well as presentations from New York Life Investments and MacKay personnel. The Board also took into account other information received from New York Life Investments throughout the year, including, among other items, periodic reports on legal and compliance matters, risk management, portfolio turnover, brokerage commissions, sales and marketing activity and non-advisory services provided to the Fund by New York Life Investments. The contract review process, including the structure and format for materials provided to the Board, has been developed in consultation with the Board. The Independent Trustees also met in executive sessions with their independent legal counsel and, for a portion thereof, with senior management of New York Life Investments joining.

In addition to information provided to the Board throughout the year, the Board received information in connection with its June 2019 meeting provided specifically in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel regarding the Fund's distribution arrangements. In addition, the Board received information regarding the Fund's asset levels, share purchase and redemption activity and the payment of Rule 12b-1 and/or other fees by applicable share classes of the Fund. New York Life Investments also provided the Board with information regarding the revenue sharing payments made by New York Life Investments from its own resources to intermediaries that promote the sale or distribution of Fund shares or that provide servicing to the Fund's shareholders.

In considering the continuation of each of the Advisory Agreements, the Trustees reviewed and evaluated all of the information and factors they believed to reasonably be necessary and appropriate in light of legal advice furnished to them by independent legal counsel and through the exercise of their own business judgment. Although individual Trustees may have weighed certain factors or information differently, the factors considered by the Board are described in greater detail below and include, among other factors: (i) the nature, extent and quality of the services provided to the Fund by New York Life Investments and MacKay; (ii) the qualifications of the portfolio managers of the Fund and the historical investment performance of the Fund, New York Life Investments and MacKay; (iii) the costs of the services provided, and profits realized, by New York Life Investments and MacKay from their relationships with the Fund; (iv) the extent to which economies of scale have been realized or may be realized as the Fund grows and the extent to which economies of scale have benefited or may benefit the Fund's shareholders; and (v) the reasonableness of the Fund's management and subadvisory fees and total ordinary operating expenses, particularly as compared to any similar funds and accounts managed by New York Life Investments and/or MacKay. Although the Board recognized that comparisons between the Fund's fees and expenses and those of other funds are imprecise given different terms of agreements, variations in fund strategies and other factors, the Board considered the reasonableness of the Fund's management fee and total ordinary operating expenses as compared to the peer funds identified by Strategic Insight. Throughout their considerations, the Trustees acknowledged the commitment of New York Life Investments and its affiliates to serve the MainStay Group of Funds, as well as their capacity, experience, resources, financial stability and reputations.

The Trustees noted that, throughout the year, the Trustees are also afforded an opportunity to ask questions of, and request additional information or materials from, New York Life Investments and MacKay. The Board's conclusions with respect to each of the Advisory Agreements may have also been based, in part, on the Board's knowledge of New York Life Investments and MacKay resulting from, among other things, the Board's consideration of each of the Advisory Agreements in prior years, the advisory agreements for other funds in the MainStay Group of Funds, the Board's review throughout the year of the performance and operations of other funds in the MainStay Group of Funds and the Board's business judgment and industry experience. In addition to considering the above-referenced factors, the Board observed that in the marketplace there are a range of investment options available to the Fund's shareholders and such shareholders, having had the opportunity to consider other investment options, have chosen to invest in the Fund. The factors that figured prominently in the Board's decision to approve the continuation of each of the Advisory Agreements during its December 10-11, 2019 in-person meeting are summarized in more detail below, and the Board did not consider any factor or information controlling in making such approval.

Nature, Extent and Quality of Services Provided by New York Life Investments and MacKay

The Board examined the nature, extent and quality of the services that New York Life Investments provides to the Fund. The Board evaluated New York Life Investments' experience and capabilities in serving as manager of the Fund and considered that the Fund operates in a "manager-of-managers" structure. The Board also considered New York Life Investments' responsibilities under this structure, including evaluating the performance of MacKay, making recommendations to the Board as to whether the Subadvisory Agreement should be renewed, modified or terminated and periodically reporting to the Board regarding the results of New York Life Investments' evaluation and monitoring functions. The Board noted that New York Life Investments manages other mutual funds, serves a variety of other investment advisory clients, including other pooled investment vehicles, and has experience overseeing mutual fund service providers, including subadvisors. The Board considered the experience of senior personnel at New York Life Investments providing management and administrative and other non-advisory services to the Fund as well as New York Life Investments' reputation and financial condition. The Board observed that New York Life Investments devotes significant resources and time to providing management and non-advisory services to the Fund, including New York Life Investments' supervision and due diligence reviews of MacKay and ongoing analysis of, and interactions with, MacKay with respect to, among other things, the Fund's investment performance and risks as well as MacKay's investment capabilities and subadvisory services with respect to the Fund.

The Board also considered the range of services that New York Life Investments provides to the Fund under the terms of the Management Agreement, including: (i) fund accounting and ongoing supervisory services provided by New York Life Investments' Fund Administration and Accounting Group; (ii) investment supervisory and analytical services provided by New York Life Investments' Investment Consulting Group; (iii) compliance services provided by the Trust's Chief Compliance Officer as well as New York Life Investments' compliance department, including supervision and implementation of the Fund's compliance program; (iv) legal services provided by New York Life Investments' Office of the General Counsel; and (v) risk management monitoring and analysis by compliance and investment personnel. The Board noted that New York Life Investments provides certain other non-advisory services to the Fund. In addition, the Board considered New York Life Investments' willingness to invest in personnel, infrastructure, technology, operational enhancements, cyber security, information security, shareholder privacy resources and business continuity planning designed to benefit the Fund and noted that New York Life Investments is responsible for compensating the Trust's officers, except for a portion of the salary of the Trust's Chief Compliance Officer. The Board recognized that New York Life Investments has provided an increasingly broad array of non-advisory services to the MainStay Group of Funds as a result of regulatory and other developments, including in connection with the designation of New York Life Investments as the administrator of the MainStay Group of Funds' liquidity risk management program adopted under the 1940 Act. The Board considered benefits to shareholders from being part of the MainStay Group of Funds, including the privilege of exchanging investments between the same class of shares of funds in the MainStay Group of Funds, including without the imposition of a sales charge (if any).

The Board also examined the nature, extent and quality of the investment advisory services that MacKay provides to the Fund. The Board evaluated MacKay's experience in serving as subadvisor to the Fund and advising other portfolios and MacKay's track record and experience in providing investment advisory services, the experience of investment advisory, senior management and administrative personnel at MacKay, and New York Life Investments' and MacKay's overall legal and compliance environment, resources and history. In addition to information provided in connection with its quarterly meetings with the Trust's Chief Compliance Officer, the Board considered that each of New York Life Investments and MacKay believes its compliance policies and procedures are reasonably designed to prevent violation of the federal securities laws and acknowledged their commitment to further developing and strengthening compliance programs relating to the Fund. The Board also considered the policies and procedures in place with respect to matters that may involve conflicts of interest between the Fund's investments and those of other accounts managed by MacKay. The Board reviewed MacKay's ability to attract and retain qualified investment professionals and willingness to invest in personnel to service and support the Fund. In this regard, the Board considered the experience of the Fund's portfolio managers, the number of accounts managed by the portfolio managers and the method for compensating the portfolio managers.

Based on these considerations, the Board concluded that the Fund would likely continue to benefit from the nature, extent and quality of these services.

Investment Performance

In evaluating the Fund's investment performance, the Board considered investment performance results over various periods in light of the Fund's investment objective, strategies and risks, generally placing greater emphasis on the Fund's long-term performance track record. The Board considered investment reports on, and analysis of, the Fund's performance provided to the Board throughout the year by the Investment Consulting Group of New York Life Investments. These reports include, among other items, information on the Fund's gross and net returns, the Fund's investment performance compared to relevant investment categories and the Fund's benchmarks, the Fund's risk-adjusted investment performance and the Fund's investment performance as compared to peer funds, as appropriate, as well as portfolio attribution information and commentary on the effect of current and recent market conditions. The Board also considered information provided by Strategic Insight showing the investment performance of the Fund as compared to peer funds.

The Board also gave weight to its discussions with senior management at New York Life Investments concerning the Fund's investment performance attributable to MacKay as well as discussions between the Fund's portfolio managers and the members of the Board's Investment Committee, which generally occur on an annual basis. In addition, the Board considered any specific actions that New York Life Investments or MacKay had taken, or had agreed with the Board to take, to seek to enhance Fund investment performance and the results of those actions.

Based on these considerations, the Board concluded that its review of the Fund's investment performance and related information supported a determination to approve the continuation of each of the Advisory Agreements.

Costs of the Services Provided, and Profits Realized, by New York Life Investments and MacKay

The Board considered information provided by New York Life Investments and MacKay with respect to the costs of the services provided under each of the Advisory Agreements. The Board also considered the profits realized by New York Life Investments and its affiliates, including MacKay, due to their relationships with the Fund. Because MacKay is an affiliate of New York Life Investments whose subadvisory fee is paid by New York Life Investments, not the Fund, the Board considered cost and profitability information for New York Life Investments and MacKay in the aggregate.

In addition, the Board acknowledged the difficulty in obtaining reliable comparative data about mutual fund managers' profitability, because such information generally is not publicly available and may be impacted by numerous factors, including the structure of a fund manager's organization, the types of funds it manages, the methodology used to allocate certain fixed costs to specific funds and the manager's capital structure and costs of capital.

In evaluating the costs of the services provided by New York Life Investments and MacKay and profits realized by New York Life Investments and its affiliates, including MacKay, the Board considered, among other factors, each party's continuing investments in, or willingness to invest in, personnel, systems, equipment and other resources and infrastructure to support and further enhance the management of the Fund, and that New York Life Investments is responsible for paying the subadvisory fee for the Fund. The Board also considered the financial resources of New York Life Investments and MacKay and acknowledged that New York Life Investments and MacKay must be in a position to attract and retain experienced professional personnel and to maintain a strong financial position for New York Life Investments and MacKay to continue to provide high-quality services to the Fund. The Board recognized that the Fund benefits from the allocation of certain fixed costs across the MainStay Group of Funds, among other expected benefits resulting from its relationship with New York Life Investments.

The Board considered information regarding New York Life Investments' methodology for calculating profitability and allocating costs provided by New York Life Investments in connection with the fund profitability analysis presented to the Board. The Board previously engaged an independent third-party consultant to review the methods used to allocate costs to and among the funds in the MainStay Group of Funds. The Board noted that the independent consultant had concluded that New York Life Investments' methods for allocating costs and procedures for estimating overall profitability of the relationship with the funds in the MainStay Group of Funds are reasonable and that New York Life Investments continued to use the same method of calculating profit and allocating costs since the independent consultant's review. The Board recognized the difficulty in evaluating a manager's profitability with respect to the Fund and noted that other profitability methodologies may also be reasonable.

The Board also considered certain fall-out benefits that may be realized by New York Life Investments and MacKay and their affiliates due to their relationships with the Fund, including reputational and other indirect benefits. In addition, the Board considered its review of a money market fund advised by New York Life Investments and an affiliated subadvisor that serves as an investment option for the Fund, including the potential rationale for and costs associated with investments in this money market fund by the Fund, if any, and considered information from New York Life Investments that the nature and type of specific investment advisory services provided to this money market fund are distinct from, or in addition to, the investment advisory services provided to the Fund.

The Board observed that, in addition to fees earned by New York Life Investments for managing the Fund, New York Life Investments' affiliates also earn revenues from serving the Fund in various other capacities, including as the Fund's transfer agent and distributor. The Board considered information about these other revenues and their impact on the profitability of the relationship with the Fund to New York Life Investments and its affiliates. The Board noted that, although it assessed the overall profitability of the Fund to New York Life Investments and its affiliates as part of the contract review process, when considering the reasonableness of the fee paid to New York Life Investments and its affiliates under each of the Advisory Agreements, the Board considered the profitability of New York Life Investments' relationship with the Fund on a pre-tax basis and without regard to distribution expenses incurred by New York Life Investments from its own resources.

After evaluating the information deemed relevant by the Trustees, the Board concluded that any profits realized by New York Life Investments and its affiliates, including MacKay, due to their relationships with the Fund were not excessive.

Management and Subadvisory Fees and Total Ordinary Operating Expenses

The Board evaluated the reasonableness of the fee paid under each of the Advisory Agreements and the Fund's total ordinary operating expenses. The Board primarily considered the reasonableness of the management fee paid by the Fund to New York Life Investments, because the subadvisory fee paid to MacKay is paid by New York Life Investments, not the Fund. The Board also considered the reasonableness of the subadvisory fee paid by New York Life Investments and the amount of the management fee retained by New York Life Investments.

In assessing the reasonableness of the Fund's fees and expenses, the Board primarily considered comparative data provided by Strategic Insight on the fees and expenses charged by similar mutual funds managed by other investment advisers. In addition, the Board considered information provided by New York Life Investments and MacKay on fees charged to other investment advisory clients, including institutional separate accounts and/or other funds that follow investment strategies similar to those of the Fund, if any. The Board considered the similarities and differences in the contractual management fee schedules of the Fund and these similarly-managed accounts and/or funds, taking into account the rationale for any differences in fee schedules. The Board also took into account explanations provided by New York Life Investments about the more extensive scope of services provided to registered investment companies, such as the Fund, as compared with other investment advisory clients. Additionally, the Board considered the impact of any contractual breakpoints, voluntary waivers and expense limitation arrangements on the Fund's net management fee and expenses. The Board also considered that in proposing fees for the Fund, New York Life Investments considers the competitive marketplace for mutual funds.

The Board noted that, outside of the Fund's management fee and the fees charged under a share class's Rule 12b-1 and/or shareholder services plans, a share class's most significant "other expenses" are transfer agent fees. Transfer agent fees are charged to the Fund based on the number of shareholder accounts (a "per-account" fee). The Board took into account information from New York Life Investments regarding the reasonableness of the Fund's transfer agent fee schedule, including industry data demonstrating that the per-account fees that NYLIM Service Company LLC, an affiliate of New York Life Investments and the Fund's transfer agent, charges the Fund are within the range of per-account fees charged by transfer agents to other mutual funds. In addition, the Board considered NYLIM Service Company LLC's profitability in connection with the transfer agent services it provides to the Fund. The Board also took into account information received from NYLIM Service Company LLC regarding the sub-transfer agency payments it made to intermediaries in connection with the provision of sub-transfer agency services to the Fund.

The Board considered that, because the Fund's transfer agent fees are billed on a per-account basis, the impact of transfer agent fees on a share class's expense ratio may be more significant in cases where the share class has a high number of small accounts. The Board considered the extent to which transfer agent fees comprised total expenses of the Fund. The Board acknowledged the role that the MainStay Group of Funds historically has played in serving the investment needs of New York Life Insurance Company customers, who often maintain smaller account balances than other shareholders of funds, and the impact of small accounts on the expense ratios of Fund share classes. The Board also recognized measures that it and New York Life Investments have taken to mitigate the effect of small accounts on the expense ratios of Fund share classes, including through the imposition of an expense limitation on net transfer agency expenses. The Board noted that, for purposes of allocating transfer agency fees and expenses, each retail fund in the MainStay Group of Funds combines the shareholder accounts of its Class A, I, R1, R2, and Class R3 shares (as applicable) into one group and the shareholder accounts of its Investor Class and Class B and C shares (as applicable) into another group. The Board also noted that the per-account fees attributable to each group of share classes is then allocated among the constituent share classes based on relative net assets and that a MainStay Fund's Class R6 shares, if any, are not combined with any other share class for this purpose. The Board considered New York Life Investments' rationale with respect to these groupings and received a report from an independent consultant engaged to conduct comparative analysis of these groupings. The Board also considered that NYLIM Service Company LLC had waived its contractual cost of living adjustments during the past six years.

Based on the factors outlined above, the Board concluded that the Fund's management fee and total ordinary operating expenses were within a range that is competitive and support a conclusion that these fees and expenses are reasonable.

Economies of Scale

The Board considered information regarding economies of scale, including whether the Fund's expense structure permits economies of scale to be appropriately shared with the Fund's shareholders. The Board also considered a report from New York Life Investments, previously prepared at the request of the Board, that addressed economies of scale, including with respect to the mutual fund business generally and the various ways in which the benefits of economies of scale may be shared with the funds in the MainStay Group of Funds. Although the Board recognized the difficulty of determining future economies of scale with precision, the Board acknowledged that economies of scale may be shared with the Fund in a number of ways, including, for example, through the imposition of management fee breakpoints, initially setting management fee rates at scale or making additional investments to enhance services. The Board reviewed information from New York Life Investments showing how the Fund's management fee schedule compared to fee schedules of other funds and accounts managed by New York Life Investments. The Board also reviewed information from Strategic Insight showing how the Fund's management fee schedule compared with fees paid for similar services by peer funds at varying asset levels.

Based on this information, the Board concluded that economies of scale are appropriately reflected for the benefit of the Fund's shareholders through the Fund's expense structure and other methods to share benefits from economies of scale.

Conclusion

On the basis of the information and factors summarized above and the evaluation thereof, the Board, including the Independent Trustees voting separately, unanimously voted to approve the continuation of each of the Advisory Agreements.

Discussion of the Operation and Effectiveness of the Fund's Liquidity Risk Management Program (Unaudited)

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), the Fund has adopted and implemented a liquidity risk management program (the "Program"), which New York Life Investment Management LLC believes is reasonably designed to assess and manage the Fund's liquidity risk. The Board of Trustees of The MainStay Funds (the "Board") designated New York Life Investment Management LLC as administrator of the Program (the "Administrator"). The Administrator has established a Liquidity Risk Management Committee to assist the Administrator in the implementation and day-to-day administration of the Program and to otherwise support the Administrator in fulfilling its responsibilities under the Program.

At a meeting of the Board held on March 11, 2020, the Administrator provided the Board with a written report addressing the Program's operation, adequacy and effectiveness of implementation for the period from December 1, 2018 through December 31, 2019 (the "Review Period"), as required under the Liquidity Rule. The report noted that the Administrator concluded that (i) the Program operated effectively to assess and manage the Fund's liquidity risk, (ii) the Program has been adequately and effectively implemented to monitor and, as applicable, respond to the Fund's liquidity developments and (iii) the Fund's investment strategy continues to be appropriate for an open-end fund.

In accordance with the Program, the Fund's liquidity risk is assessed no less frequently than annually taking into consideration certain factors, as applicable, such as (i) investment strategy and liquidity of portfolio investments, (ii) short-term and long-term cash flow projections and (iii) holdings of cash and cash equivalents and borrowing arrangements and other funding sources. Certain factors are considered under both normal and reasonably foreseeable stressed conditions.

Each Fund portfolio investment is classified into one of four liquidity categories. The classification is based on a determination of the number of days it is reasonably expected to take to convert the investment into cash, or sell or dispose of the investment, in current market conditions without significantly changing the market value of the investment. The Administrator has delegated liquidity classification determinations to the Fund's subadvisor, subject to appropriate oversight by the Administrator, and classification determinations are made by taking into account the Fund's reasonably anticipated trade size, various market, trading and investment-specific considerations, as well as market depth, and, in certain cases, third-party vendor data.

The Liquidity Rule requires funds that do not primarily hold assets that are highly liquid investments to adopt a minimum amount of net assets that must be invested in highly liquid investments that are assets (an "HLIM"). In addition, the Liquidity Rule limits a fund's investments in illiquid investments. Specifically, the Liquidity Rule prohibits acquisition of illiquid investments if doing so would result in a fund holding more than 15% of its net assets in illiquid investments that are assets. The Program includes provisions reasonably designed to determine, periodically review and comply with the HLIM requirement, as applicable, and to comply with the 15% limit on illiquid investments.

Proxy Voting Policies and Procedures and Proxy Voting Record

A description of the policies and procedures that New York Life Investments uses to vote proxies related to the Fund's securities is available free of charge upon request, by visiting the MainStay Funds' website at *nylinvestments.com/funds* or visiting the SEC's website at *www.sec.gov.*

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 *nylinvestments.com/funds*; 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 by visiting the SEC's website at *www.sec.gov* or upon request by calling New York Life Investments at 800-624-6782.

MainStay Funds

Equity

U.S. Equity

MainStay Epoch U.S. All Cap Fund
MainStay Epoch U.S. Equity Yield Fund
MainStay MacKay Common Stock Fund
MainStay MacKay Growth Fund
MainStay MacKay S&P 500 Index Fund
MainStay MacKay Small Cap Core Fund
MainStay MacKay U.S. Equity Opportunities Fund
MainStay MAP Equity Fund
MainStay Winslow Large Cap Growth Fund[1]

International Equity

MainStay Epoch International Choice Fund
MainStay MacKay International Equity Fund
MainStay MacKay International Opportunities 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[2]
MainStay Floating Rate Fund
MainStay MacKay High Yield Corporate Bond Fund
MainStay MacKay Infrastructure Bond Fund[3]
MainStay MacKay Short Duration High Yield Fund
MainStay MacKay Total Return Bond Fund
MainStay MacKay Unconstrained Bond Fund
MainStay Short Term Bond Fund[4]

Tax-Exempt Income

MainStay MacKay California Tax Free Opportunities Fund[5]
MainStay MacKay High Yield Municipal Bond Fund
MainStay MacKay Intermediate Tax Free Bond Fund
MainStay MacKay New York Tax Free Opportunities Fund[6]
MainStay MacKay Short Term Municipal Fund
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 Growth Allocation Fund[7]
MainStay Moderate Allocation Fund
MainStay Moderate Growth Allocation Fund[8]

Manager

New York Life Investment Management LLC
New York, New York

Subadvisors

Candriam Belgium S.A.[9]
Brussels, Belgium

Candriam Luxembourg S.C.A.[9]
Strassen, Luxembourg

CBRE Clarion Securities LLC
Radnor, Pennsylvania

Cushing Asset Management, LP
Dallas, Texas

Epoch Investment Partners, Inc.
New York, New York

MacKay Shields LLC[9]
New York, New York

Markston International LLC
White Plains, New York

NYL Investors LLC[9]
New York, New York

Winslow Capital Management, LLC
Minneapolis, Minnesota

Legal Counsel

Dechert LLP
Washington, District of Columbia

Independent Registered Public Accounting Firm

KPMG LLP
Philadelphia, Pennsylvania

1. Formerly known as MainStay Large Cap Growth Fund.
2. Formerly known as MainStay MacKay Emerging Markets Debt Fund.
3. Effective August 31, 2020, MainStay MacKay Infrastructure Bond Fund will be renamed MainStay MacKay U.S. Infrastructure Bond Fund.
4. Formerly known as MainStay Indexed Bond Fund.
5. Class A and Class I shares of this Fund are registered for sale in AZ, CA, MI, NV, OR, TX, UT and WA. Class I shares are registered for sale in CO, FL, GA, HI, ID, MA, MD, NH, NJ and NY.
6. This Fund is registered for sale in CA, CT, DE, FL, MA, NJ, NY and VT.
7. Effective July 31, 2020, MainStay Growth Allocation Fund will be renamed MainStay Equity Allocation Fund.
8. Effective July 31, 2020, MainStay Moderate Growth Allocation Fund will be named MainStay Growth Allocation Fund.
9. An affiliate of New York Life Investment Management LLC.

For more information
800-624-6782
nylinvestments.com/funds

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