

# MainStay WMC Enduring Capital Fund

(formerly known as MainStay MacKay Common Stock Fund)

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## Message from the President and Annual Report

October 31, 2021

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INVESTMENTS

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# Message from the President

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

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

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

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

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

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

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

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

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

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

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

Sincerely,



Kirk C. Lehneis  
President

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

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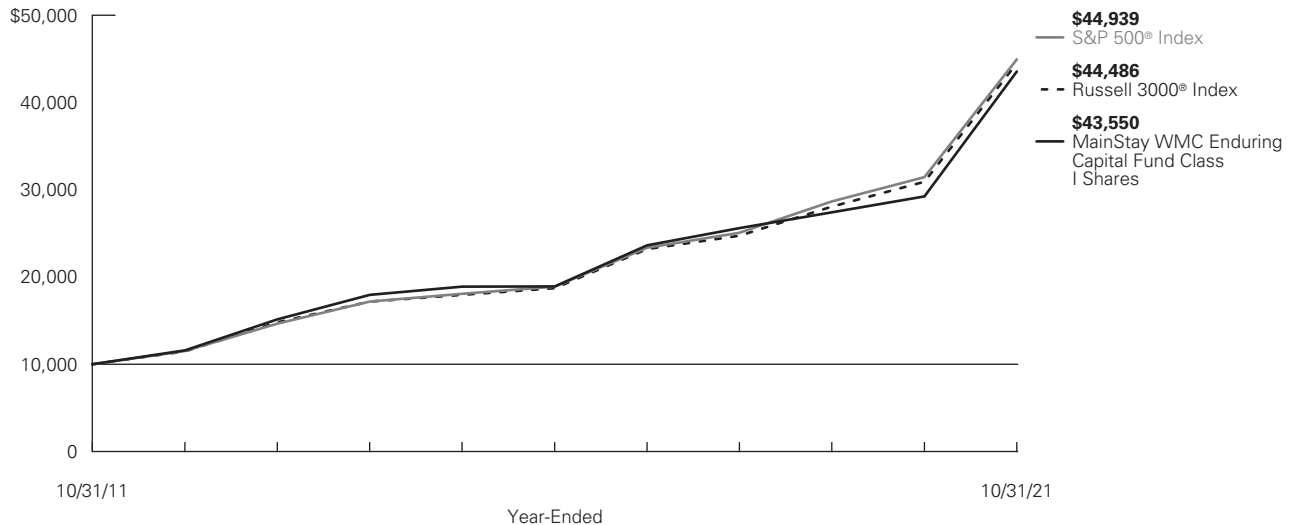
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**Investors should refer to the Fund's Summary Prospectus and/or Prospectus and consider the Fund's investment objectives, strategies, risks, charges and expenses carefully before investing. The Summary Prospectus and/or Prospectus contain this and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

# Investment and Performance Comparison (Unaudited)

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

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



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

Class	Sales Charge		Inception Date <sup>1</sup>	One Year	Five Years	Ten Years or Since Inception	Gross Expense Ratio <sup>2</sup>
Class A Shares	Maximum 5.5% Initial Sales Charge	With sales charges	6/1/1998	40.37%	16.52%	14.91%	0.95%
		Excluding sales charges		48.53	17.85	15.56	0.95
Investor Class Shares <sup>3</sup>	Maximum 5% Initial Sales Charge	With sales charges	2/28/2008	40.81	16.21	14.57	1.15
		Excluding sales charges		48.22	17.53	15.22	1.15
Class B Shares <sup>4</sup>	Maximum 5% CDSC if Redeemed Within the First Six Years of Purchase	With sales charges	6/1/1998	42.08	16.44	14.36	1.90
		Excluding sales charges		47.08	16.66	14.36	1.90
Class C Shares	Maximum 1% CDSC if Redeemed Within One Year of Purchase	With sales charges	9/1/1998	46.07	16.65	14.36	1.90
		Excluding sales charges		47.07	16.65	14.36	1.90
Class I Shares	No Sales Charge		12/28/2004	48.97	18.15	15.85	0.70
Class R3 Shares	No Sales Charge		2/29/2016	48.07	17.43	16.77	1.30
Class R6 Shares	No Sales Charge		4/26/2021	N/A	N/A	11.88	0.64

- Effective March 5, 2021, the Fund replaced its subadvisor and modified its principal investment strategies. The past performance in the graph and table prior to that date reflects the Fund's prior subadvisor and principal investment strategies.
- The gross expense ratios presented reflect the Fund's "Total Annual Fund Operating Expenses" from the most recent Prospectus, as supplemented, and may differ from other expense ratios disclosed in this report.
- Prior to June 30, 2020, the maximum initial sales charge was 5.5%, which is reflected in the average annual total return figures shown.
- 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.

<b>Benchmark Performance*</b>	<b>One Year</b>	<b>Five Years</b>	<b>Ten Years</b>
S&P 500 <sup>®</sup> Index <sup>1</sup>	42.91%	18.93%	16.22%
Russell 3000 <sup>®</sup> Index <sup>2</sup>	43.90	18.91	16.10
Morningstar Large Blend Category Average <sup>3</sup>	40.38	16.60	13.92

1. The S&P 500<sup>®</sup> Index is the Fund's primary benchmark. S&P 500<sup>®</sup> is a trademark of The McGraw-Hill Companies, Inc. The S&P 500<sup>®</sup> Index is widely regarded as the standard index for measuring large-cap U.S. stock market performance. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
2. The Russell 3000<sup>®</sup> Index is the Fund's secondary benchmark. The Russell 3000<sup>®</sup> Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
3. The Morningstar Large Blend Category Average is representative of funds that represent the overall U.S. stock market in size, growth rates and price. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios tend to invest across the spectrum of U.S. industries, and owing to their broad exposure, the portfolios' returns are often similar to those of the S&P 500<sup>®</sup> Index. Results are based on average total returns of similar funds with all dividends and capital gain distributions reinvested.

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

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

## Cost in Dollars of a \$1,000 Investment in MainStay WMC Enduring Capital Fund (Unaudited)

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

### Example

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

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

### Actual Expenses

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

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

### Hypothetical Example for Comparison Purposes

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

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

Share Class	Beginning Account Value 5/1/21	Ending Account Value (Based on Actual Returns and Expenses) 10/31/21	Expenses Paid During Period <sup>1</sup>	Ending Account Value (Based on Hypothetical 5% Annualized Return and Actual Expenses) 10/31/21	Expenses Paid During Period <sup>1</sup>	Net Expense Ratio During Period <sup>2</sup>
Class A Shares	\$1,000.00	\$1,117.70	\$4.75	\$1,020.72	\$4.53	0.89%
Investor Class Shares	\$1,000.00	\$1,116.40	\$5.97	\$1,019.56	\$5.70	1.12%
Class B Shares	\$1,000.00	\$1,112.40	\$9.96	\$1,015.78	\$9.50	1.87%
Class C Shares	\$1,000.00	\$1,112.10	\$9.96	\$1,015.78	\$9.50	1.87%
Class I Shares	\$1,000.00	\$1,119.20	\$3.37	\$1,022.03	\$3.21	0.63%
Class R3 Shares	\$1,000.00	\$1,115.80	\$6.61	\$1,018.95	\$6.31	1.24%
Class R6 Shares	\$1,000.00	\$1,119.20	\$3.15	\$1,022.23	\$3.01	0.59%

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

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**Industry Composition as of October 31, 2021 (Unaudited)**

Machinery	11.3%	Air Freight & Logistics	3.3%
Commercial Services & Supplies	10.9	Electric Utilities	3.3
Road & Rail	7.6	Diversified Financial Services	3.2
Capital Markets	7.1	Household Durables	3.1
Chemicals	7.0	Containers & Packaging	2.9
Equity Real Estate Investment Trusts	6.8	Media	2.9
Insurance	6.2	Trading Companies & Distributors	2.7
Banks	6.2	Short-Term Investment	0.3
Food & Staples Retailing	4.2	Other Assets, Less Liabilities	-0.1
Health Care Equipment & Supplies	3.8		<u>100.0%</u>
Software	3.7		
Health Care Providers & Services	3.6		

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

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

1. Costco Wholesale Corp.	6. Sherwin-Williams Co. (The)
2. Old Dominion Freight Line, Inc.	7. Copart, Inc.
3. Danaher Corp.	8. Canadian National Railway Co.
4. Constellation Software, Inc.	9. Brookfield Asset Management, Inc., Class A
5. Waste Connections, Inc.	10. UnitedHealth Group, Inc.

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# Portfolio Management Discussion and Analysis (Unaudited)

Questions answered by Migene Kim, CFA, and Mona Patni of MacKay Shields LLC (“MacKay Shields”), the Fund’s former Subadvisor, and portfolio manager Mark A. Whitaker of Wellington Management Company LLP (“Wellington”), the Fund’s current Subadvisor.

## **How did MainStay WMC Enduring Capital Fund perform relative to its benchmarks and peer group during the 12 months ended October 31, 2021?**

For the 12 months ended October 31, 2021, Class I shares of MainStay WMC Enduring Capital Fund returned 48.97%, outperforming the 42.91% return of the Fund’s primary benchmark, the S&P 500<sup>®</sup> Index, and the 43.90% return of the Fund’s secondary benchmark, the Russell 3000<sup>®</sup> Index. Over the same period, Class I shares also outperformed the 40.38% return of the Morningstar Large Blend Category Average.<sup>1</sup>

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

At meetings held on January 21, January 25, and February 3, 2021, the Board of Trustees of The MainStay Funds considered and approved, among other related proposals: (i) appointing Wellington Management Company LLP as the Fund’s subadvisor, and the related subadvisory agreement; (ii) changing the Fund’s name and removing its non-fundamental “names rule” investment policy; and (iii) modifying the Fund’s principal investment strategies and investment process. These changes were effective on March 5, 2021.

In the process of implementing the new principal investment strategies and investment process, the Fund experienced a high level of portfolio turnover. Also, during this transition period, the Fund may not have been pursuing its investment objective or may not have been managed consistent with its investment strategies as stated in the Prospectus. This may have impacted the Fund’s performance.

## **What factors affected the Fund’s relative performance during the reporting period?**

### *MacKay Shields*

During the time MacKay Shields managed the Fund, the Fund’s performance relative to the S&P 500<sup>®</sup> Index benefited from strong stock selection, most notably within information technology and financials stocks. In terms of stock-selection model efficacy, the combination of signals used by the quantitative stock selection model was rewarded over the same period, primarily driven by valuation measures.

### *Wellington*

During the time Wellington managed the Fund, the market grappled with continuing signs of inflation offset by strong consumer demand, with value stocks outperforming growth stocks. Given the Fund is relatively neutral to both growth and value, the performance of these factors did not have an outsized impact on relative returns. From an attribution perspective, the

Fund’s outperformance relative to the S&P 500<sup>®</sup> Index was driven by security selection, partially offset by sector allocation.

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

### *MacKay Shields*

During the time MacKay Shields managed the Fund, the strongest positive contributors to the Fund’s performance relative to the S&P 500<sup>®</sup> Index were the information technology, financials and industrials sectors. (Contributions take weightings and total returns into account.) During the same period, the communication services, consumer staples and consumer discretionary sectors were the weakest contributors to relative performance.

### *Wellington*

During the time Wellington managed the Fund, nine out of eleven sectors posted positive absolute returns, with industrials, consumer staples and health care making the strongest contributions to performance relative to the Index. Information technology, consumer discretionary and financials detracted from relative returns.

## **During the reporting period, which individual stocks made the strongest positive contributions to the Fund’s absolute performance and which stocks detracted the most?**

### *MacKay Shields*

The individual stocks that made the strongest positive contributions to the Fund’s absolute performance during the time MacKay Shields managed the Fund included technology hardware storage & peripherals maker Apple, regional bank Signature Bank and software company Microsoft. The stocks that detracted most significantly from the Fund’s absolute performance during the same period were household products company Procter and Gamble, metals & mining firm Newmont, and utility Dominion Energy.

### *Wellington*

The top two contributors to absolute performance, during the time Wellington managed the Fund, were Costco and Old Dominion Freight. Shares of Costco, a U.S.-based retailer that operates membership warehouse clubs, benefited from growth in online sales. The company also reported third-quarter 2021 earnings ahead of consensus and noted continued improvement in its e-commerce channel. Shares of Old Dominion Freight, a U.S.-based transportation services provider, rose as the company continued to benefit from robust underlying freight demand and excellent pricing conditions stemming from constrained capacity.

1. See page 5 for other share class returns, which may be higher or lower than Class I share returns. See page 6 for more information on benchmark and peer group returns.

The most significant detractors from absolute performance, during the time Wellington managed the Fund, were Cable One and PACCAR. Shares of Cable One, a U.S.-based cable and broadband communications provider, declined due to a combination of regulatory and competitive factors. We used the weakness in shares to initiate the Fund's position (additional details can be found below). Shares of PACCAR, a U.S. truck and heavy machinery manufacturer, were undermined by continued supply-chain production issues.

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

#### *MacKay Shields*

During the time MacKay Shields managed the Fund, the Fund's largest initial purchase was in electric car maker Tesla, while the largest increased position size was in regional banking company Synovus Financial. During the same period, the Fund's largest full sale was in consumer credit services provider Synchrony Financial, while the most significantly reduced position size was in social media company Facebook.

#### *Wellington*

During the time Wellington managed the Fund, we initiated a new position in Cable One and eliminated the Fund's position in Boston Properties. Cable One's fundamentals improved and its stock price surged in 2020, when the company was widely regarded as a 'COVID winner'. Yet, by spring 2021, the price had retreated below pre-pandemic levels despite reporting strong profit growth in both 2020 and 2021. We believe the company has a path to attractive, low-risk, long-term returns. Boston Properties is a real estate company that grows by putting more tenants in their facilities, charging higher rent or expanding their portfolio. All three of these mechanisms have negative trends, with occupancy down, rents falling, and distressed assets in limited supply. As a result, we eliminated the position.

### **How did the Fund's sector and/or country weightings change during the reporting period?**

#### *MacKay Shields*

The Fund's largest increases in sector exposures relative to the S&P 500® Index were in the financials and real estate sectors. Conversely, the Fund's largest decreases in benchmark-relative sector exposures were in industrials and materials.

#### *Wellington*

There were no significant changes to sector weights during the time Wellington managed the Fund.

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

#### *Wellington*

As of October 31, 2021, the Fund's largest benchmark-relative sector exposures were in industrials, financials and materials. As of the same date, the Fund's held relatively underweight exposure to the information technology, consumer discretionary and communication services sectors.

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

# Portfolio of Investments October 31, 2021<sup>†</sup>

	Shares	Value
<b>Common Stocks 99.8%</b>		
<b>Air Freight &amp; Logistics 3.3%</b>		
Expeditors International of Washington, Inc.	188,074	\$ 23,182,001
<b>Banks 6.2%</b>		
First Republic Bank	110,503	23,905,114
M&T Bank Corp.	129,779	19,093,086
		<u>42,998,200</u>
<b>Capital Markets 7.1%</b>		
Brookfield Asset Management, Inc., Class A	418,250	25,258,118
Charles Schwab Corp. (The)	294,904	24,190,975
		<u>49,449,093</u>
<b>Chemicals 7.0%</b>		
Linde plc	73,588	23,489,290
Sherwin-Williams Co. (The)	80,656	25,536,496
		<u>49,025,786</u>
<b>Commercial Services &amp; Supplies 10.9%</b>		
Cintas Corp.	57,091	24,726,112
Copart, Inc. (a)	163,294	25,357,925
Waste Connections, Inc.	190,634	25,928,131
		<u>76,012,168</u>
<b>Containers &amp; Packaging 2.9%</b>		
Ball Corp.	222,583	20,361,893
<b>Diversified Financial Services 3.2%</b>		
Berkshire Hathaway, Inc., Class B (a)	78,237	22,454,801
<b>Electric Utilities 3.3%</b>		
NextEra Energy, Inc.	269,826	23,024,252
<b>Equity Real Estate Investment Trusts 6.8%</b>		
American Tower Corp.	87,114	24,563,534
Public Storage	68,622	22,794,856
		<u>47,358,390</u>
<b>Food &amp; Staples Retailing 4.2%</b>		
Costco Wholesale Corp.	59,059	29,029,861
<b>Health Care Equipment &amp; Supplies 3.8%</b>		
Danaher Corp.	86,049	26,827,497
<b>Health Care Providers &amp; Services 3.6%</b>		
UnitedHealth Group, Inc.	54,782	25,225,467

	Shares	Value
<b>Household Durables 3.1%</b>		
NVR, Inc. (a)	4,367	\$ 21,375,592
<b>Insurance 6.2%</b>		
Brookfield Asset Management Reinsurance Partners Ltd., Class A (b)	3,730	229,955
Markel Corp. (a)	17,142	22,509,674
Progressive Corp. (The)	219,350	20,811,928
		<u>43,551,557</u>
<b>Machinery 11.3%</b>		
Deere & Co.	53,304	18,246,492
Fortive Corp.	262,497	19,873,648
IDEX Corp.	98,642	21,954,750
PACCAR, Inc.	213,722	19,153,766
		<u>79,228,656</u>
<b>Media 2.9%</b>		
Cable One, Inc.	11,771	20,142,653
<b>Road &amp; Rail 7.6%</b>		
Canadian National Railway Co.	190,370	25,300,628
Old Dominion Freight Line, Inc.	80,854	27,599,513
		<u>52,900,141</u>
<b>Software 3.7%</b>		
Constellation Software, Inc.	14,769	25,955,420
<b>Trading Companies &amp; Distributors 2.7%</b>		
Watsco, Inc.	65,619	19,001,950
Total Common Stocks (Cost \$578,086,033)		<u>697,105,378</u>
<b>Short-Term Investment 0.3%</b>		
<b>Affiliated Investment Company 0.3%</b>		
MainStay U.S. Government Liquidity Fund, 0.01% (c)	2,386,117	2,386,117
Total Short-Term Investment (Cost \$2,386,117)		<u>2,386,117</u>
Total Investments (Cost \$580,472,150)	100.1%	699,491,495
Other Assets, Less Liabilities	(0.1)	(716,906)
Net Assets	<u>100.0%</u>	<u>\$ 698,774,589</u>

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

# Portfolio of Investments October 31, 2021<sup>†</sup> (continued)

† Percentages indicated are based on Fund net assets.

(c) Current yield as of October 31, 2021.

(a) Non-income producing security.

(b) All or a portion of this security was held on loan. As of October 31, 2021, the aggregate market value of securities on loan was \$229,893. The market value of the collateral held included non-cash collateral in the form of U.S. Treasury securities with a value of \$240,999. (See Note 2(f))

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

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Asset Valuation Inputs</b>				
Investments in Securities (a)				
Common Stocks	\$ 697,105,378	\$ —	\$ —	\$ 697,105,378
Short-Term Investment				
Affiliated Investment Company	<u>2,386,117</u>	<u>—</u>	<u>—</u>	<u>2,386,117</u>
Total Investments in Securities	<u>\$ 699,491,495</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 699,491,495</u>

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

# Statement of Assets and Liabilities as of October 31, 2021

## Assets

Investment in unaffiliated securities, at value (identified cost \$578,086,033) including securities on loan of \$229,893	\$697,105,378
Investment in affiliated investment companies, at value (identified cost \$2,386,117)	2,386,117
Cash	217
Receivables:	
Dividends	126,473
Fund shares sold	120,544
Securities lending	66
Other assets	57,700
<b>Total assets</b>	<b>699,796,495</b>

## Liabilities

Payables:	
Fund shares redeemed	442,206
Manager (See Note 3)	309,161
Transfer agent (See Note 3)	95,231
NYLIFE Distributors (See Note 3)	87,978
Professional fees	24,523
Trustees	10,443
Custodian	7,898
Shareholder communication	4,517
Accrued expenses	39,949
<b>Total liabilities</b>	<b>1,021,906</b>
<b>Net assets</b>	<b>\$698,774,589</b>

## Composition of Net Assets

Shares of beneficial interest outstanding (par value of \$.01 per share) unlimited number of shares authorized	\$ 190,743
Additional paid-in-capital	521,682,780
	521,873,523
Total distributable earnings (loss)	176,901,066
<b>Net assets</b>	<b>\$698,774,589</b>

## Class A

Net assets applicable to outstanding shares	\$228,699,755
Shares of beneficial interest outstanding	6,221,335
Net asset value per share outstanding	\$ 36.76
Maximum sales charge (5.50% of offering price)	2.14
Maximum offering price per share outstanding	\$ 38.90

## Investor Class

Net assets applicable to outstanding shares	\$ 29,293,384
Shares of beneficial interest outstanding	797,559
Net asset value per share outstanding	\$ 36.73
Maximum sales charge (5.00% of offering price)	1.93
Maximum offering price per share outstanding	\$ 38.66

## Class B

Net assets applicable to outstanding shares	\$ 5,006,523
Shares of beneficial interest outstanding	151,900
Net asset value and offering price per share outstanding	\$ 32.96

## Class C

Net assets applicable to outstanding shares	\$ 37,233,569
Shares of beneficial interest outstanding	1,130,730
Net asset value and offering price per share outstanding	\$ 32.93

## Class I

Net assets applicable to outstanding shares	\$135,219,265
Shares of beneficial interest outstanding	3,655,425
Net asset value and offering price per share outstanding	\$ 36.99

## Class R3

Net assets applicable to outstanding shares	\$ 479,317
Shares of beneficial interest outstanding	13,130
Net asset value and offering price per share outstanding	\$ 36.51

## Class R6

Net assets applicable to outstanding shares	\$262,842,776
Shares of beneficial interest outstanding	7,104,234
Net asset value and offering price per share outstanding	\$ 37.00

# Statement of Operations for the year ended October 31, 2021

## Investment Income (Loss)

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### Income

Dividends-unaffiliated (net of foreign tax withholding of \$78,849)	\$ 4,957,827
Securities lending	14,113
Dividends-affiliated	179
Other	<u>3,788</u>
Total income	<u>4,975,907</u>

### Expenses

Manager (See Note 3)	2,492,526
Distribution/Service—Class A (See Note 3)	363,791
Distribution/Service—Investor Class (See Note 3)	59,481
Distribution/Service—Class B (See Note 3)	46,860
Distribution/Service—Class C (See Note 3)	232,140
Distribution/Service—Class R3 (See Note 3)	1,557
Transfer agent (See Note 3)	293,618
Registration	129,247
Professional fees	54,236
Custodian	29,012
Shareholder communication	25,710
Trustees	4,399
Insurance	1,353
Shareholder service (See Note 3)	311
Miscellaneous	<u>33,072</u>
Total expenses	<u>3,767,313</u>
Net investment income (loss)	<u>1,208,594</u>

## Realized and Unrealized Gain (Loss)

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Net realized gain (loss) on:	
Unaffiliated investment transactions	73,433,567
Foreign currency transactions	<u>71</u>
Net realized gain (loss)	<u>73,433,638</u>
Net change in unrealized appreciation (depreciation) on unaffiliated investments	<u>47,720,538</u>
Net realized and unrealized gain (loss)	<u>121,154,176</u>
Net increase (decrease) in net assets resulting from operations	<u>\$122,362,770</u>

# Statements of Changes in Net Assets

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

	2021	2020
<b>Increase (Decrease) in Net Assets</b>		
Operations:		
Net investment income (loss)	\$ 1,208,594	\$ 1,152,001
Net realized gain (loss)	73,433,638	(392,753)
Net change in unrealized appreciation (depreciation)	47,720,538	8,091,461
Net increase (decrease) in net assets resulting from operations	122,362,770	8,850,709
Distributions to shareholders:		
Class A	(592,297)	(3,811,045)
Investor Class	(96,995)	(982,374)
Class B	—	(257,924)
Class C	—	(565,775)
Class I	(399,948)	(6,060,406)
Class R3	(1,131)	(13,142)
Total distributions to shareholders	(1,090,371)	(11,690,666)
Capital share transactions:		
Net proceeds from sales of shares	70,930,228	15,271,205
Net asset value of shares issued in connection with the acquisition of MainStay Epoch U.S. All Cap Fund	485,242,709	—
Net asset value of shares issued in connection with the acquisition of MainStay MacKay U.S. Equity Opportunities Fund	147,554,277	—
Net asset value of shares issued to shareholder in reinvestment of distributions	1,063,805	11,515,981
Cost of shares redeemed	(253,450,057)	(92,597,286)
Increase (decrease) in net assets derived from capital share transactions	451,340,962	(65,810,100)
Net increase (decrease) in net assets	572,613,361	(68,650,057)
<b>Net Assets</b>		
Beginning of year	126,161,228	194,811,285
End of year	\$ 698,774,589	\$126,161,228

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 A	Year Ended October 31,				
	2021	2020	2019	2018	2017
Net asset value at beginning of year	\$ 24.95	\$ 24.92	\$ 26.31	\$ 24.56	\$ 19.95
Net investment income (loss) (a)	0.06	0.16	0.26	0.24	0.23
Net realized and unrealized gain (loss)	11.99	1.36	1.28	1.74	4.63
Total from investment operations	12.05	1.52	1.54	1.98	4.86
<b>Less distributions:</b>					
From net investment income	(0.24)	(0.27)	(0.22)	(0.23)	(0.25)
From net realized gain on investments	—	(1.22)	(2.71)	—	—
Total distributions	(0.24)	(1.49)	(2.93)	(0.23)	(0.25)
Net asset value at end of year	\$ 36.76	\$ 24.95	\$ 24.92	\$ 26.31	\$ 24.56
Total investment return (b)	48.53%	6.42%	6.80%	8.07%	24.59%
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	0.19%	0.64%	1.08%	0.90%	1.05%
Net expenses (c)	0.91%	0.99%	0.97%	0.97%	0.96%
Portfolio turnover rate	24%	166%	164%	137%	134%
Net assets at end of year (in 000's)	\$ 228,700	\$ 62,611	\$ 63,814	\$ 63,956	\$ 53,909

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

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

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

Investor Class	Year Ended October 31,				
	2021	2020	2019	2018	2017
Net asset value at beginning of year	\$ 24.92	\$ 24.90	\$ 26.29	\$ 24.53	\$ 19.93
Net investment income (loss) (a)	(0.01)	0.08	0.20	0.18	0.18
Net realized and unrealized gain (loss)	11.98	1.37	1.27	1.74	4.62
Total from investment operations	11.97	1.45	1.47	1.92	4.80
<b>Less distributions:</b>					
From net investment income	(0.16)	(0.21)	(0.15)	(0.16)	(0.20)
From net realized gain on investments	—	(1.22)	(2.71)	—	—
Total distributions	(0.16)	(1.43)	(2.86)	(0.16)	(0.20)
Net asset value at end of year	\$ 36.73	\$ 24.92	\$ 24.90	\$ 26.29	\$ 24.53
Total investment return (b)	48.22%	6.05%	6.51%	7.82%	24.25%
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	(0.02)%	0.35%	0.82%	0.68%	0.83%
Net expenses (c)	1.19%	1.30%	1.23%	1.21%	1.22%
Expenses (before waiver/reimbursement) (c)	1.19%	1.31%	1.27%	1.23%	1.22%
Portfolio turnover rate	24%	166%	164%	137%	134%
Net assets at end of year (in 000's)	\$ 29,293	\$ 15,544	\$ 17,203	\$ 16,580	\$ 17,216

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

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

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



# Financial Highlights selected per share data and ratios

Class B	Year Ended October 31,				
	2021	2020	2019	2018	2017
Net asset value at beginning of year	\$ 22.40	\$ 22.50	\$ 24.04	\$ 22.46	\$ 18.25
Net investment income (loss) (a)	(0.22)	(0.08)	0.02	(0.02)	0.01
Net realized and unrealized gain (loss)	10.78	1.22	1.15	1.60	4.24
Total from investment operations	10.56	1.14	1.17	1.58	4.25
<b>Less distributions:</b>					
From net investment income	—	(0.02)	—	—	(0.04)
From net realized gain on investments	—	(1.22)	(2.71)	—	—
Total distributions	—	(1.24)	(2.71)	—	(0.04)
Net asset value at end of year	\$ 32.96	\$ 22.40	\$ 22.50	\$ 24.04	\$ 22.46
Total investment return (b)	47.14%(c)	5.28%	5.71%	7.03%	23.31%
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	(0.77)%	(0.39)%	0.10%	(0.07)%	0.06%
Net expenses (d)	1.95%	2.05%	1.98%	1.96%	1.97%
Expenses (before waiver/reimbursement) (d)	1.95%	2.06%	2.02%	1.98%	1.97%
Portfolio turnover rate	24%	166%	164%	137%	134%
Net assets at end of year (in 000's)	\$ 5,007	\$ 3,666	\$ 4,718	\$ 5,855	\$ 6,635

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

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

(c) Total investment return may reflect adjustments to conform to generally accepted accounting principles.

(d) 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.

Class C	Year Ended October 31,				
	2021	2020	2019	2018	2017
Net asset value at beginning of year	\$ 22.38	\$ 22.48	\$ 24.02	\$ 22.45	\$ 18.24
Net investment income (loss) (a)	(0.24)	(0.08)	0.02	(0.02)	0.01
Net realized and unrealized gain (loss)	10.79	1.22	1.15	1.59	4.24
Total from investment operations	10.55	1.14	1.17	1.57	4.25
<b>Less distributions:</b>					
From net investment income	—	(0.02)	—	—	(0.04)
From net realized gain on investments	—	(1.22)	(2.71)	—	—
Total distributions	—	(1.24)	(2.71)	—	(0.04)
Net asset value at end of year	\$ 32.93	\$ 22.38	\$ 22.48	\$ 24.02	\$ 22.45
Total investment return (b)	47.14%(c)	5.29%	5.72%	6.99%	23.33%
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	(0.80)%	(0.38)%	0.10%	(0.08)%	0.06%
Net expenses (d)	1.89%	2.05%	1.98%	1.96%	1.97%
Expenses (before waiver/reimbursement) (d)	1.89%	2.06%	2.02%	1.98%	1.97%
Portfolio turnover rate	24%	166%	164%	137%	134%
Net assets at end of year (in 000's)	\$ 37,234	\$ 6,641	\$ 10,946	\$ 14,964	\$ 15,459

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

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

(c) Total investment return may reflect adjustments to conform to generally accepted accounting principles.

(d) 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.

# Financial Highlights selected per share data and ratios

Class I	Year Ended October 31,				
	2021	2020	2019	2018	2017
Net asset value at beginning of year	\$ 25.09	\$ 25.05	\$ 26.44	\$ 24.67	\$ 20.04
Net investment income (loss) (a)	0.16	0.23	0.32	0.31	0.29
Net realized and unrealized gain (loss)	12.03	1.37	1.28	1.74	4.65
Total from investment operations	12.19	1.60	1.60	2.05	4.94
<b>Less distributions:</b>					
From net investment income	(0.29)	(0.34)	(0.28)	(0.28)	(0.31)
From net realized gain on investments	—	(1.22)	(2.71)	—	—
Total distributions	(0.29)	(1.56)	(2.99)	(0.28)	(0.31)
Net asset value at end of year	\$ 36.99	\$ 25.09	\$ 25.05	\$ 26.44	\$ 24.67
Total investment return (b)	48.97%	6.66%	7.06%	8.36%	24.89%
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	0.48%	0.96%	1.34%	1.16%	1.31%
Net expenses (c)	0.66%	0.74%	0.72%	0.71%	0.71%
Portfolio turnover rate	24%	166%	164%	137%	134%
Net assets at end of year (in 000's)	\$ 135,219	\$ 37,491	\$ 97,903	\$ 98,395	\$ 96,441

- (a) Per share data based on average shares outstanding during the year.  
(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. Class I shares are not subject to sales charges. For periods of less than one year, total return is not annualized.  
(c) In addition to the fees and expenses which the Fund bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.

Class R3	Year Ended October 31,				
	2021	2020	2019	2018	2017
Net asset value at beginning of year	\$ 24.78	\$ 24.77	\$ 26.17	\$ 24.48	\$ 19.90
Net investment income (loss) (a)	(0.04)	0.07	0.17	0.14	0.13
Net realized and unrealized gain (loss)	11.91	1.36	1.28	1.73	4.65
Total from investment operations	11.87	1.43	1.45	1.87	4.78
<b>Less distributions:</b>					
From net investment income	(0.14)	(0.20)	(0.14)	(0.18)	(0.20)
From net realized gain on investments	—	(1.22)	(2.71)	—	—
Total distributions	(0.14)	(1.42)	(2.85)	(0.18)	(0.20)
Net asset value at end of year	\$ 36.51	\$ 24.78	\$ 24.77	\$ 26.17	\$ 24.48
Total investment return (b)	48.07%	6.02%	6.42%	7.66%	24.17%
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	(0.13)%	0.30%	0.70%	0.52%	0.60%
Net expenses (c)	1.28%	1.34%	1.32%	1.32%	1.31%
Portfolio turnover rate	24%	166%	164%	137%	134%
Net assets at end of year (in 000's)	\$ 479	\$ 207	\$ 227	\$ 137	\$ 86

- (a) Per share data based on average shares outstanding during the year.  
(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. Class R3 shares are not subject to sales charges. For periods of less than one year, total return is not annualized.  
(c) In addition to the fees and expenses which the Fund bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.

# Financial Highlights selected per share data and ratios

Class R6	April 26, 2021 <sup>^</sup> through October 31, 2021
Net asset value at beginning of period	\$ 33.07
Net investment income (loss) (a)	0.14
Net realized and unrealized gain (loss)	3.79
Total from investment operations	3.93
Net asset value at end of period	\$ 37.00
Total investment return (b)	11.88%
<b>Ratios (to average net assets)/Supplemental Data:</b>	
Net investment income (loss)††	0.44%
Net expenses††(c)	0.60%
Portfolio turnover rate	24%
Net assets at end of period (in 000's)	\$ 262,843

<sup>^</sup> Inception date.

†† 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.

# Notes to Financial Statements

## Note 1—Organization and Business

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

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

Class	Commenced Operations
Class A	June 1, 1998
Investor Class	February 28, 2008
Class B	June 1, 1998
Class C	September 1, 1998
Class I	December 28, 2004
Class R3	February 29, 2016
Class R6	April 26, 2021
Class R2	N/A*
SIMPLE Class	N/A*

\* Class R2 and SIMPLE Class shares were registered for sale effective as of December 14, 2007 and August 31, 2020, respectively, but have not yet commenced operations.

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

Class A and Investor Class shares are offered at net asset value ("NAV") per share plus an initial sales charge. No initial sales charge applies to investments of \$1 million or more (and certain other qualified purchases) in Class A and Investor Class shares. However, a CDSC of 1.00% may be imposed on certain redemptions made within 18 months of the date of purchase on shares that were purchased without an initial sales charge. Class C shares are offered at NAV without an initial sales charge, although a 1.00% CDSC may be imposed on certain redemptions of such shares made within one year of the date of purchase of Class C shares. When Class B shares were offered, they were offered at NAV without an initial sales charge, although a CDSC that declines depending on the

number of years a shareholder held its Class B shares may be imposed on certain redemptions of such shares made within six years of the date of purchase of such shares. Class I, Class R1, Class R2, Class R3 and Class R6 shares are offered at NAV without a sales charge. Class R2 and SIMPLE Class shares are currently expected to be offered at NAV without a sales charge. Depending upon eligibility, Class B shares convert to either Class A or Investor Class shares at the end of the calendar quarter eight years after the date they were purchased. In addition, depending upon eligibility, Class C shares convert to either Class A or Investor Class shares at the end of the calendar quarter ten years after the date they were purchased. Additionally, Investor Class shares may convert automatically to Class A shares. Under certain circumstances and as may be permitted by the Trust's multiple class plan pursuant to Rule 18f-3 under the 1940 Act, specified share classes of the Fund may be converted to one or more other share classes of the Fund as disclosed in the capital share transactions within these Notes. The classes of shares have the same voting (except for issues that relate solely to one class), dividend, liquidation and other rights, and the same terms and conditions, except that under distribution plans pursuant to Rule 12b-1 under the 1940 Act, Class B and Class C shares are subject to higher distribution and/or service fees than Class A, Investor Class, Class R2, Class R3 and SIMPLE Class shares. Class I, Class R1 and Class R6 shares are not subject to a distribution and/or service fee. Class R1, Class R2 and Class R3 shares are subject to a shareholder service fee, which is in addition to fees paid under the distribution plans for Class R2 and Class R3 shares.

The Fund's investment objective is to seek long-term growth of capital.

## Note 2—Significant Accounting Policies

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

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

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

defined in Note 3(A)). To assess the appropriateness of security valuations, the Manager, the Subadvisor or the Fund's third-party service provider, who is subject to oversight by the Manager, regularly compares prior day prices, prices on comparable securities and the sale prices to the prior and current day prices and challenges prices with changes exceeding certain tolerance levels with third-party pricing services or broker sources.

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

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

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

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

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

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

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

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

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

Securities which may be valued in this manner include, but are not limited to: (i) a security for which trading has been halted or suspended; (ii) a debt security that has recently gone into default and for which there is not a current market quotation; (iii) a security of an issuer that has entered into a restructuring; (iv) a security that has been delisted from a national exchange; (v) a security for which the market price is not readily available from a third-party pricing source or, if so provided, does not, in the opinion of the Manager or the Subadvisor, reflect the security's market

# Notes to Financial Statements (continued)

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. No securities held by the Fund as of October 31, 2021 were fair valued in such a manner.

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

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

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

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

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

**(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 and distributions from net realized capital and currency gains, if any, at least annually. Unless a shareholder elects otherwise, all dividends and distributions are reinvested at NAV in the same class of shares of the Fund. Dividends and distributions to shareholders are determined in accordance with federal income tax regulations and may differ from determinations using GAAP.

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

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.

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

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

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

**(H) 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.

**(I) Securities Lending.** In order to realize additional income, the Fund may engage in securities lending, subject to the limitations set forth in the 1940 Act and relevant guidance by the staff of the Securities and Exchange Commission ("SEC"). If the Fund engages in securities lending, the Fund will lend through its custodian, JPMorgan Chase Bank, N.A., ("JPMorgan"), acting as securities lending agent on behalf of the Fund. Under the current arrangement, JPMorgan will manage the Fund's collateral in accordance with the securities lending agency agreement between the Fund and JPMorgan, and indemnify the Fund against counterparty risk. The loans will be collateralized by cash (which may be invested in a money market fund) and/or non-cash collateral (which may include U.S. Treasury securities and/or U.S. government agency securities issued or guaranteed by the United States government or its agencies or instrumentalities) at least equal at all times to the market value of the securities loaned. The Fund bears the risk of delay in recovery of, or loss of rights in, the securities loaned. The Fund may also record a realized gain or loss on securities deemed sold due to a borrower's inability to return securities on loan. The Fund bears the risk of any loss on investment of cash collateral. The Fund will receive compensation for lending its securities in the form of fees or it will retain a portion of interest earned on the investment of any cash collateral. The Fund will also continue to receive interest and dividends on the securities loaned and any gain or loss in the market price of the securities loaned that may occur during the term of the loan will be for the account of the Fund. Income earned from securities lending activities, if any, is reflected in the Statement of Operations. Securities on loan as of October 31, 2021, are shown in the Portfolio of Investments.

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

**(J) 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

# Notes to Financial Statements (continued)

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.

## 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. The Fund's subadvisor changed effective March 5, 2021 due to the replacement of MacKay Shields LLC ("MacKay") as the Fund's subadvisor and the appointment of Wellington Management Company LLP ("Wellington" or the "Subadvisor") as the Fund's subadvisor. Wellington, a registered investment adviser, is responsible for the day-to-day portfolio management of the Fund. Pursuant to the terms of a Subadvisory Agreement ("Subadvisory Agreement") between New York Life Investments and Wellington, New York Life Investments pays for the services of the Subadvisor.

Pursuant to the Management Agreement, the Fund pays the Manager a monthly fee for the services performed and the facilities furnished at an annual rate of the Fund's average daily net assets as follows: 0.55% up to \$500 million; 0.525% from \$500 million to \$1 billion; and 0.50% on assets in excess of \$1 billion. During the year ended October 31, 2021, the effective management fee rate was 0.55%.

New York Life Investments has contractually agreed to waive fees and/or reimburse expenses so that Class R6 fees and expenses do not exceed those of Class I. This agreement will remain in effect until February 28, 2022, and shall renew automatically for one-year terms unless New York Life Investments provides written notice of termination prior to the start of the next term or upon approval of the Board.

New York Life Investments has agreed to voluntarily waive fees and/or reimburse expenses of the appropriate class of the Fund so that Total Annual Fund Operating Expenses (excluding taxes, interest, litigation, extraordinary expenses, brokerage and other transaction expenses relating to the purchase and sale of portfolio investments, and acquired (underlying) fund fees and expenses) of a class do not exceed the following percentages of average daily net assets: Investor Class, 1.85%; Class B, 2.60%; and Class C, 2.60%. These voluntary waivers or reimbursements may be discontinued at any time without notice.

During the year ended October 31, 2021, New York Life Investments earned fees from the Fund in the amount of \$2,492,526 and paid MacKay and Wellington in the amount of \$129,263 and \$951,126, respectively.

JPMorgan provides sub-administration and sub-accounting services to the Fund pursuant to an agreement with New York Life Investments. These services include calculating the daily NAVs of the Fund, maintaining the general ledger and sub-ledger accounts for the calculation of the Fund's NAVs, and assisting New York Life Investments in conducting various aspects of the Fund's administrative operations. For providing these services to the Fund, JPMorgan is compensated by New York Life Investments.

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

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

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

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

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

In accordance with the Shareholder Services Plans for the Class 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 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 R3 shares. This is in addition to any fees paid under the Class R3 Plan.

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

Class R3	\$311
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**(C) Sales Charges.** The Fund was advised by the Distributor that the amount of initial sales charges retained on sales of Class A and Investor Class shares during the year ended October 31, 2021, were \$26,586 and \$6,268, respectively.

The Fund was also advised that the Distributor retained CDSCs on redemptions of Class A, Class B and Class C shares during the year ended October 31, 2021, of \$463, \$1,206 and \$311, respectively.

**(D) Transfer, Dividend Disbursing and Shareholder Servicing Agent.** NYLIM Service Company LLC, an affiliate of New York Life Investments, is the Fund's transfer, dividend disbursing and shareholder servicing agent pursuant to an agreement between NYLIM Service Company LLC and the Trust. NYLIM Service Company LLC has entered into an agreement with DST Asset Manager Solutions, Inc. ("DST"), pursuant to which DST performs certain transfer agent services on behalf of NYLIM Service Company LLC. New York Life Investments has contractually agreed to limit the transfer agency expenses charged to the Fund's share classes to a maximum of 0.35% of that share class's average daily net assets on an annual basis after deducting any applicable Fund or class-level expense reimbursement or small account

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

Affiliated Investment Companies	Value, Beginning of Year	Purchases at Cost	Proceeds from Sales	Net Realized Gain/(Loss) on Sales	Change in Unrealized Appreciation/(Depreciation)	Value, End of Year	Dividend Income	Other Distributions	Shares End of Year
MainStay U.S. Government Liquidity Fund	\$ 71	\$ 101,563	\$ (99,248)	\$ —	\$ —	\$ 2,386	\$ —(a)	\$ —	2,386

(a) Less than \$500.

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

Class R3	\$60,248	12.6%
Class R6	42,425	0.0‡

‡ Less than one-tenth of a percent.

fees. This agreement will remain in effect until February 28, 2022, and shall renew automatically for one-year terms unless New York Life Investments provides written notice of termination prior to the start of the next term or upon approval of the Board. During the year ended October 31, 2021, transfer agent expenses incurred by the Fund and any reimbursements, pursuant to the aforementioned Transfer Agency expense limitation agreement, were as follows:

Class	Expense	Waived
Class A	\$75,201	\$—
Investor Class	73,439	—
Class B	14,694	—
Class C	68,360	—
Class I	55,775	—
Class R3	164	—
Class R6	5,985	—

**(E) Small Account Fee.** Shareholders with small accounts adversely impact the cost of providing transfer agency services. In an effort to reduce total transfer agency expenses, the Fund has implemented a small account fee on certain types of accounts. As described in the Fund's prospectus, certain shareholders with an account balance of less than \$1,000 (\$5,000 for Class A share accounts) are charged an annual per account fee of \$20 (assessed semi-annually), the proceeds from which offset transfer agent fees as reflected in the Statement of Operations. This small account fee will not apply to certain types of accounts as described further in the Fund's prospectus.

## Note 4-Federal Income Tax

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

	Federal Tax Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation/Depreciation
Investments in Securities	\$580,489,716	\$122,932,489	\$(3,930,710)	\$119,001,779

# Notes to Financial Statements (continued)

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

Ordinary income	Accumulated Capital and Other Gain (Loss)	Unrealized Appreciation (Depreciation)	Total Accumulated Gain (Loss)
\$24,816,380	\$33,082,907	\$119,001,779	\$176,901,066

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is primarily due to wash sale adjustments.

The following table discloses the current year reclassifications between total distributable earnings (loss) and additional paid-in capital arising from permanent differences; net assets as of October 31, 2021 were not affected.

Total Distributable Earnings (Loss)	Additional Paid-In Capital
\$(15,593,398)	\$15,593,398

The Fund utilized \$363,834 of capital loss carryforwards during the year ended October 31, 2021.

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

	2021	2020
Distributions paid from:		
Ordinary Income	\$1,090,371	\$ 2,154,756
Long-Term Capital Gains	—	9,535,910
Total	\$1,090,371	\$11,690,666

## Note 5—Custodian

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

Prior to November 23, 2020, these services were provided by State Street. The services provided by State Street were a direct expense of the Fund and are included in the Statement of Operations as Custodian fees which totaled \$1,419 for the period November 1, 2020 through November 22, 2020.

## Note 6—Line of Credit

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

Effective July 27, 2021, under the credit agreement (the "Credit Agreement"), the aggregate commitment amount is \$600,000,000 with an additional uncommitted amount of \$100,000,000. The commitment

fee is an annual rate of 0.15% of the average commitment amount payable quarterly, regardless of usage, to JPMorgan, who serves as the agent to the syndicate. The commitment fee is allocated among the Fund and certain other funds managed by New York Life Investments based upon their respective net assets and other factors. Interest on any revolving credit loan is charged based upon the Federal Funds Rate or the one-month London Interbank Offered Rate ("LIBOR"), whichever is higher. The Credit Agreement expires on July 26, 2022, although the Fund, certain other funds managed by New York Life Investments and the syndicate of banks may renew the Credit Agreement for an additional year on the same or different terms or enter into a credit agreement with a different syndicate of banks. Prior to July 27, 2021, the aggregate commitment amount and the commitment fee were the same as those under the current Credit Agreement. During the year ended October 31, 2021, there were no borrowings made or outstanding with respect to the Fund under the Credit Agreement.

## Note 7—Interfund Lending Program

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

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

During the year ended October 31, 2021, purchases and sales of securities, other than short-term securities, were \$111,519 and \$273,666, respectively.

## Note 9—Capital Share Transactions

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

<b>Class A</b>	<b>Shares</b>	<b>Amount</b>
Year ended October 31, 2021:		
Shares sold	629,407	\$ 20,661,799
Shares issued in connection with the acquisition of MainStay Epoch U.S. All Cap Fund	1,545,799	50,867,461
Shares issued in connection with the acquisition of MainStay MacKay U.S. Equity Opportunities Fund	1,903,874	62,650,579
Shares issued to shareholders in reinvestment of distributions	20,437	567,749
Shares redeemed	(718,791)	(23,585,068)
Net increase (decrease) in shares outstanding before conversion	3,380,726	111,162,520
Shares converted into Class A (See Note 1)	331,330	10,668,239
Shares converted from Class A (See Note 1)	(98)	(2,684)
Net increase (decrease)	<u>3,711,958</u>	<u>\$ 121,828,075</u>
Year ended October 31, 2020:		
Shares sold	371,300	\$ 8,874,189
Shares issued to shareholders in reinvestment of distributions	157,411	3,758,985
Shares redeemed	(681,380)	(16,032,818)
Net increase (decrease) in shares outstanding before conversion	(152,669)	(3,399,644)
Shares converted into Class A (See Note 1)	104,209	2,571,686
Shares converted from Class A (See Note 1)	(3,304)	(71,354)
Net increase (decrease)	<u>(51,764)</u>	<u>\$ (899,312)</u>

<b>Investor Class</b>	<b>Shares</b>	<b>Amount</b>
Year ended October 31, 2021:		
Shares sold	42,505	\$ 1,372,487
Shares issued in connection with the acquisition of MainStay Epoch U.S. All Cap Fund	319,550	10,519,323
Shares issued in connection with the acquisition of MainStay MacKay U.S. Equity Opportunities Fund	145,980	4,805,532
Shares issued to shareholders in reinvestment of distributions	3,475	96,668
Shares redeemed	(62,442)	(1,996,602)
Net increase (decrease) in shares outstanding before conversion	449,068	14,797,408
Shares converted into Investor Class (See Note 1)	18,310	582,017
Shares converted from Investor Class (See Note 1)	(293,620)	(9,430,654)
Net increase (decrease)	<u>173,758</u>	<u>\$ 5,948,771</u>
Year ended October 31, 2020:		
Shares sold	56,719	\$ 1,340,955
Shares issued to shareholders in reinvestment of distributions	41,039	981,666
Shares redeemed	(95,721)	(2,291,076)
Net increase (decrease) in shares outstanding before conversion	2,037	31,545
Shares converted into Investor Class (See Note 1)	16,201	379,207
Shares converted from Investor Class (See Note 1)	(85,403)	(2,129,027)
Net increase (decrease)	<u>(67,165)</u>	<u>\$ (1,718,275)</u>

<b>Class B</b>	<b>Shares</b>	<b>Amount</b>
Year ended October 31, 2021:		
Shares sold	2,818	\$ 77,793
Shares issued in connection with the acquisition of MainStay Epoch U.S. All Cap Fund	56,787	1,683,892
Shares redeemed	(34,885)	(1,022,198)
Net increase (decrease) in shares outstanding before conversion	24,720	739,487
Shares converted from Class B (See Note 1)	(36,451)	(1,053,903)
Net increase (decrease)	<u>(11,731)</u>	<u>\$ (314,416)</u>
Year ended October 31, 2020:		
Shares sold	10,544	\$ 208,129
Shares issued to shareholders in reinvestment of distributions	11,381	246,389
Shares redeemed	(37,905)	(829,164)
Net increase (decrease) in shares outstanding before conversion	(15,980)	(374,646)
Shares converted from Class B (See Note 1)	(30,111)	(643,112)
Net increase (decrease)	<u>(46,091)</u>	<u>\$ (1,017,758)</u>

# Notes to Financial Statements (continued)

Class C	Shares	Amount
Year ended October 31, 2021:		
Shares sold	16,835	\$ 458,023
Shares issued in connection with the acquisition of MainStay Epoch U.S. All Cap Fund	69,442	2,057,308
Shares issued in connection with the acquisition of MainStay MacKay U.S. Equity Opportunities Fund	1,092,350	32,362,061
Shares redeemed	(318,984)	(9,452,874)
Net increase (decrease) in shares outstanding before conversion	859,643	25,424,518
Shares converted from Class C (See Note 1)	(25,621)	(763,015)
Net increase (decrease)	834,022	\$ 24,661,503

Year ended October 31, 2020:		
Shares sold	27,320	\$ 517,704
Shares issued to shareholders in reinvestment of distributions	21,541	465,937
Shares redeemed	(234,136)	(5,092,314)
Net increase (decrease) in shares outstanding before conversion	(185,275)	(4,108,673)
Shares converted from Class C (See Note 1)	(4,980)	(107,400)
Net increase (decrease)	(190,255)	\$ (4,216,073)

Class I	Shares	Amount
Year ended October 31, 2021:		
Shares sold	1,135,325	\$ 35,962,374
Shares issued in connection with the acquisition of MainStay Epoch U.S. All Cap Fund	3,846,331	127,191,639
Shares issued in connection with the acquisition of MainStay MacKay U.S. Equity Opportunities Fund	1,443,561	47,736,105
Shares issued to shareholders in reinvestment of distributions	14,290	398,556
Shares redeemed	(3,390,505)	(113,090,422)
Net increase (decrease) in shares outstanding before conversion	3,049,002	98,198,252
Shares converted from Class I (See Note 1)	(887,869)	(29,360,331)
Net increase (decrease)	2,161,133	\$ 68,837,921
Year ended October 31, 2020:		
Shares sold	209,862	\$ 4,279,265
Shares issued to shareholders in reinvestment of distributions	252,734	6,052,970
Shares redeemed	(2,876,895)	(68,274,019)
Net increase (decrease)	(2,414,299)	\$ (57,941,784)

Class R3	Shares	Amount
Year ended October 31, 2021:		
Shares sold	6,288	\$ 208,023
Shares issued to shareholders in reinvestment of distributions	30	832
Shares redeemed	(1,534)	(48,435)
Net increase (decrease)	4,784	\$ 160,420
Year ended October 31, 2020:		
Shares sold	2,143	\$ 50,963
Shares issued to shareholders in reinvestment of distributions	422	10,034
Shares redeemed	(3,390)	(77,895)
Net increase (decrease)	(825)	\$ (16,898)

Class R6	Shares	Amount
Year ended October 31, 2021: <sup>(a)</sup>		
Shares sold	332,147	\$ 12,189,729
Shares issued in connection with the acquisition of MainStay Epoch U.S. All Cap Fund	8,858,124	292,923,086
Shares redeemed	(2,973,906)	(104,254,458)
Net increase (decrease) in shares outstanding before conversion	6,216,365	200,858,357
Shares converted into Class R6 (See Note 1)	887,869	29,360,331
Net increase (decrease)	7,104,234	\$ 230,218,688

(a) The inception of the class was April 26, 2021.

## Note 10-Fund Acquisition

At a meeting held on February 3, 2021, the Board approved the acquisition of the assets and assumption of liabilities of the MainStay Epoch U.S. All Cap Fund and MainStay MacKay U.S. Equity Opportunities Fund in exchange for shares of the Fund, followed by the complete liquidation of the MainStay Epoch U.S. All Cap Fund and MainStay MacKay U.S. Equity Opportunities Fund (the "Reorganizations"). The Reorganizations were completed on April 23, 2021. The shareholders of MainStay Epoch U.S. All Cap Fund and MainStay MacKay U.S. Equity Opportunities Fund received the same class of shares of the Fund in a tax free transaction. The shares were issued at NAV on April 23, 2021.

The aggregate net assets of the Fund immediately before the Reorganizations were \$187,724,016, and the combined net assets after the Reorganizations were \$820,521,002.

The chart below shows a summary of net assets, shares outstanding, net asset value per share outstanding and total distributable earnings (loss), before and after the Reorganizations:

	Before Reorganizations			After Reorganizations
	MainStay MacKay		MainStay WMC Enduring Capital Fund	MainStay WMC Enduring Capital Fund
	MainStay Epoch U.S. All Cap Fund	U.S. Equity Opportunities Fund		
<b>Net Assets:</b>				
Class A	\$ 50,867,461	\$62,650,579	\$87,142,173	\$200,660,213
Investor Class	10,519,323	4,805,532	17,434,982	32,759,837
Class B	1,683,892	—	4,099,234	5,783,126
Class C	2,057,308	32,362,061	6,361,805	40,781,174
Class I	127,191,639	47,736,105	72,422,410	247,350,154
Class R3	—	—	263,412	263,412
Class R6	292,923,086	—	—	292,923,086
<b>Shares Outstanding:</b>				
Class A	3,212,607	10,880,048	2,648,143	6,097,816
Investor Class	706,000	869,370	529,629	995,159
Class B	184,739	—	138,242	195,029
Class C	225,389	8,073,963	214,736	1,376,528
Class I	6,191,031	8,105,427	2,190,089	7,479,981
Class R3	—	—	8,046	8,046
Class R6	14,258,883	—	—	8,858,124
<b>Net Asset Value Per Share Outstanding:</b>				
Class A	\$ 15.83	\$ 5.76	\$ 32.91	\$ 32.91
Investor Class	\$ 14.90	\$ 5.53	\$ 32.92	\$ 32.92
Class B	\$ 9.12	\$ —	\$ 29.65	\$ 29.65
Class C	\$ 9.13	\$ 4.01	\$ 29.63	\$ 29.63
Class I	\$ 20.54	\$ 5.89	\$ 33.07	\$ 33.07
Class R3	\$ —	\$ —	\$ 32.74	\$ 32.74
Class R6	\$ 20.54	\$ —	\$ —	\$ 33.07
<b>Total distributable earnings (loss)</b>	\$ 72,877,246	\$17,038,871	\$68,125,333	\$111,784,098

Assuming the Reorganizations had been completed on November 1, 2020, the beginning of the annual reporting period of the Fund, the Fund's pro forma results of operations for the year ended October 31, 2021, are as follows (Unaudited):

Net investment income (loss)	\$ 1,458,570
Net realized and unrealized gain (loss)	335,172,085
Net change in net assets resulting from operations	\$336,630,655

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of MainStay Epoch U.S. All Cap Fund and MainStay MacKay U.S. Equity Opportunities Fund that have been included in MainStay WMC Enduring Capital Fund's statement of operations since October 31, 2021.

For financial reporting purposes, assets received and shares issued by the Fund were recorded at fair value; however, the cost basis of the investments received from MainStay Epoch U.S. All Cap Fund and MainStay MacKay U.S. Equity Opportunities Fund, in the amount of \$437,024,665 and \$132,966,049, respectively, were carried forward to align ongoing reporting of the Fund's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

## Note 11-Litigation

The Fund has been named as a defendant in the case entitled *Kirschner v. FitzSimons*, No. 12-2652 (S.D.N.Y.) (the "FitzSimons action") as a result of its ownership of shares in the Tribune Company ("Tribune") in 2007 when Tribune effected a leveraged buyout transaction ("LBO") by which Tribune converted to a privately-held company. In its complaint, the plaintiff asserts claims against certain insiders, shareholders, professional advisers, and others involved in the LBO.

# Notes to Financial Statements (continued)

Separately, the complaint also seeks to obtain from former Tribune shareholders, including the Fund, any proceeds they received in connection with the LBO. The sole claim and cause of action brought against the Fund is for fraudulent conveyance pursuant to United States Bankruptcy Code Section 548(a)(1)(A).

In June 2011, certain Tribune creditors filed numerous additional actions asserting state law constructive fraudulent conveyance claims (the “SLCFC actions”) against specifically-named former Tribune shareholders and, in some cases, putative defendant classes comprised of former Tribune shareholders. One of the SLCFC actions, entitled *Deutsche Bank Trust Co. Americas v. Blackrock Institutional Trust Co.*, No. 11-9319 (S.D.N.Y.) (the “Deutsche Bank action”), named the Fund as a defendant.

The FitzSimons action and Deutsche Bank action have been consolidated with the majority of the other Tribune LBO-related lawsuits in a multidistrict litigation proceeding entitled *In re Tribune Co. Fraudulent Conveyance Litig.*, No. 11-md-2296 (S.D.N.Y.) (the “MDL Proceeding”).

On September 23, 2013, the District Court granted the defendants’ motion to dismiss the SLCFC actions, including the Deutsche Bank action, on the basis that the plaintiffs did not have standing to pursue their claims. On September 30, 2013, the plaintiffs in the SLCFC actions filed a notice of appeal to the United States Court of Appeals for the Second Circuit. On October 28, 2013, the defendants filed a joint notice of cross-appeal of that same order. On November 5, 2014, the Second Circuit Court of Appeals held an oral argument on appeal. On March 29, 2016, the United States Court of Appeals for the Second Circuit issued its opinion on the appeal of the SLCFC actions. The appeals court affirmed the District Court’s dismissal of those lawsuits, but on different grounds than the District Court. The appeals court held that while the plaintiffs have standing under the U.S. Bankruptcy Code, their claims were pre-empted by Section 546(e) of the Bankruptcy Code—the statutory safe harbor for settlement payments. On April 12, 2016, the plaintiffs in the SLCFC actions filed a petition seeking rehearing en banc before the appeals court. On July 22, 2016, the appeals court denied the petition. On September 9, 2016, the plaintiffs filed a petition for writ of certiorari in the U.S. Supreme Court challenging the Second Circuit’s decision that the safe harbor of Section 546(e) applied to their claims. Certain shareholder defendants filed a joint brief in opposition to the petition for certiorari on October 24, 2016. The plaintiffs filed a reply in support of the petition on November 4, 2016. On April 3, 2018, Justice Kennedy and Justice Thomas issued a “Statement” related to the petition for certiorari suggesting that the Second Circuit and/or District Court may want to take steps to reexamine the application of the Section 546(e) safe harbor to the previously dismissed state law constructive fraudulent transfer claims based on the Supreme Court’s decision in *Merit Management Group LP v. FTI Consulting, Inc.* On April 10, 2018, the plaintiffs filed in the Second Circuit a motion for that court to recall its mandate, vacate its prior decision, and remand to the District Court for further proceedings consistent with *Merit Management*. On April 20, 2018, the shareholder defendants filed a response to the plaintiffs’ motion to recall the mandate. On May 15, 2018, the Second Circuit issued an order recalling the mandate “in anticipation of further panel review.” On December 19,

2019, the Second Circuit issued an amended opinion that again affirmed the district court’s ruling on the basis that plaintiffs’ claims were preempted by Section 546(e) of the Bankruptcy Code. Plaintiffs filed a motion for rehearing and rehearing en banc on January 2, 2020, which was denied on February 6, 2020. Plaintiffs filed a new petition for certiorari with the Supreme Court on July 6, 2020. In that petition, plaintiffs stated that “[t]o make it more likely that there will be a quorum for this petition,” they have “abandon[ed] the case and let the judgment below stand” with respect to certain defendants. That list did not include the Fund. Defendants filed an opposition to the certiorari petition on August 26, 2020. Plaintiffs filed a reply in support of the petition for certiorari on September 8, 2020. On March 12, 2021, the Solicitor General filed an amicus brief recommending that certiorari be denied. Plaintiffs filed a supplemental brief in response to the Solicitor General’s amicus brief on March 31, 2021, and Defendants filed a supplemental brief on April 1, 2021. The Supreme Court denied the petition for certiorari on April 19, 2021.

On August 2, 2013, the plaintiff in the FitzSimons action filed a Fifth Amended Complaint. On May 23, 2014, the defendants filed motions to dismiss the FitzSimons action, including a global motion to dismiss Count I, which is the claim brought against former Tribune shareholders for intentional fraudulent conveyance under U.S. federal law. On January 6, 2017, the United States District Court for the Southern District of New York granted the shareholder defendants’ motion to dismiss the intentional fraudulent conveyance claim in the FitzSimons action. In dismissing the intentional fraudulent conveyance claim, the Court denied the plaintiff’s request to amend the complaint. The Court’s order is not immediately appealable, but the plaintiff has asked the Court to direct entry of a final judgment in order to make the order immediately appealable. On February 23, 2017, the Court issued an order stating that it intends to permit an interlocutory appeal of the dismissal order, but will wait to do so until it has resolved outstanding motions to dismiss filed by other defendants.

On July 18, 2017, the plaintiff submitted a letter to the District Court seeking leave to amend its complaint to add a constructive fraudulent transfer claim. The shareholder defendants opposed that request.

On August 24, 2017, the Court denied the plaintiff’s request without prejudice to renewal of the request in the event of an intervening change in the law. On March 8, 2018, the plaintiff renewed his request for leave to file a motion to amend the complaint to assert a constructive fraudulent transfer claim based on the Supreme Court’s ruling in *Merit Management*. The shareholder defendants opposed that request. On June 18, 2018, the District Court ordered that the request would be stayed pending further action by the Second Circuit in the still-pending appeal, discussed above. On December 18, 2018, the plaintiff filed a letter with the District Court requesting that the stay be dissolved in order to permit briefing on the motion to amend the complaint and indicating the plaintiff’s intention to file another motion to amend the complaint to reinstate claims for intentional fraudulent transfer. The shareholder defendants opposed that request. On January 14, 2019, the Court held a case management conference, during which the Court stated that it

would not lift the stay prior to further action from the Second Circuit. The Court stated that it would allow the plaintiff to file a motion to amend to try to reinstate its intentional fraudulent transfer claim. On January 23, 2019, the Court ordered the parties still facing pending claims to participate in a mediation. On March 27, 2019, the Court held a telephone conference and decided to allow the plaintiff to file a motion for leave to amend. On April 4, 2019, the plaintiff filed a motion to amend the Fifth Amended Complaint to assert a federal constructive fraudulent transfer claim against certain shareholder defendants. On April 10, 2019, the shareholder defendants filed a brief in opposition to the plaintiff's motion to amend. On April 12, 2019, the plaintiff filed a reply brief. The Court denied leave to amend the complaint on April 23, 2019. On June 13, 2019, the Court entered judgment pursuant to Rule 54(b), which would permit an appeal of the Court's dismissal of the claim against the shareholder defendants. On July 15, 2019, the Trustee filed a notice of appeal to the Second Circuit. Appellant filed his brief on January 7, 2020. The shareholder defendants filed an opposition brief on April 27, 2020, and Appellant filed a reply brief on May 18, 2020. The Court held oral argument on August 24, 2020 and, on August 20, 2021, affirmed the district court's dismissal of plaintiff's intentional fraudulent conveyance claims and denial of leave to amend. Plaintiff filed a petition for rehearing en banc on September 3, 2021. The petition was denied on October 7, 2021. In addition, the District Court has entered two bar orders in connection with the plaintiff's settlement with certain non-shareholder defendants. The orders bar claims against the settling defendants, but contain a judgment reduction provision that preserves the value of any potential claim by a shareholder defendant against a settling defendant. Specifically, the judgment reduction provision reduces the amount of money recoverable against a shareholder defendant to the extent the shareholder defendant could have recovered on a claim against a settling defendant.

The value of the proceeds received by the Fund in connection with the LBO and the Fund's cost basis in shares of Tribune was as follows:

<b>Fund</b>	<b>Proceeds</b>	<b>Cost Basis</b>
MainStay WMC Enduring Capital Fund*	\$797,198	\$773,884

\* Includes amounts received by MainStay MacKay U.S. Equity Opportunities Fund as a result of fund acquisition (see Note 10).

At this stage of the proceedings, the Fund does not believe a loss is probable; however, it is difficult to assess with any reasonable certainty the outcome of the pending litigation or the effect, if any, on the Fund's net asset value.

## **Note 12—Other Matters**

An outbreak of COVID-19, first detected in December 2019, has developed into a global pandemic and has resulted in travel restrictions, closure of international borders, certain businesses and securities markets, restrictions on securities trading activities, prolonged quarantines, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The continued impact of COVID-19 and related new variants is uncertain and could further

adversely affect the global economy, national economies, individual issuers and capital markets in unforeseeable ways and result in a substantial and extended economic downturn. Developments that disrupt global economies and financial markets, such as COVID-19, may magnify factors that affect the Fund's performance.

## **Note 13—Subsequent Events**

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

# Report of Independent Registered Public Accounting Firm

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

## ***Opinion on the Financial Statements***

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

## ***Basis for Opinion***

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of October 31, 2021, by correspondence with the custodian and the transfer agent. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

**KPMG LLP**

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

Philadelphia, Pennsylvania  
December 24, 2021



## Federal Income Tax Information (Unaudited)

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

For the fiscal year ended October 31, 2021, the Fund designated approximately \$1,072,916 under the Internal Revenue Code as qualified dividend income eligible for reduced tax rates.

The dividends paid by the Fund during the fiscal year ended October 31, 2021 should be multiplied by 98.33% to arrive at the amount eligible for the corporate dividend-received deduction.

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

## Proxy Voting Record

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

## Shareholder Reports and Quarterly Portfolio Disclosure

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

# Board of Trustees and Officers (Unaudited)

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

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

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

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

Independent Trustees

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

# Board of Trustees and Officers (Unaudited) (continued)

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

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

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

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

## Officers of the Trust (Who are not Trustees)\*

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

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

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

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# MainStay Funds

## Equity

### U.S. Equity

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

### International Equity

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

### Emerging Markets Equity

MainStay Candriam Emerging Markets Equity Fund

### Global Equity

MainStay Epoch Capital Growth Fund  
MainStay Epoch Global Equity Yield Fund

## Fixed Income

### Taxable Income

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

### Tax-Exempt Income

MainStay MacKay California Tax Free Opportunities Fund<sup>1</sup>  
MainStay MacKay High Yield Municipal Bond Fund  
MainStay MacKay New York Tax Free Opportunities Fund<sup>2</sup>  
MainStay MacKay Short Term Municipal Fund  
MainStay MacKay Strategic Municipal Allocation Fund<sup>3</sup>  
MainStay MacKay Tax Free Bond Fund

### Money Market

MainStay Money Market Fund

## Mixed Asset

MainStay Balanced Fund  
MainStay Income Builder Fund  
MainStay MacKay Convertible Fund

## Speciality

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

## Asset Allocation

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

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## Manager

### New York Life Investment Management LLC

New York, New York

## Subadvisors

### Candriam Belgium S.A.<sup>4</sup>

Brussels, Belgium

### Candriam Luxembourg S.C.A.<sup>4</sup>

Strassen, Luxembourg

### CBRE Investment Management Listed Real Assets LLC

Radnor, Pennsylvania

### Cushing Asset Management, LP

Dallas, Texas

### Epoch Investment Partners, Inc.

New York, New York

### MacKay Shields LLC<sup>4</sup>

New York, New York

### NYL Investors LLC<sup>4</sup>

New York, New York

### Wellington Management Company LLP

Boston, Massachusetts

### Winslow Capital Management, LLC

Minneapolis, Minnesota

## Legal Counsel

### Dechert LLP

Washington, District of Columbia

## Independent Registered Public Accounting Firm

### KPMG LLP

Philadelphia, Pennsylvania

## Distributor

### NYLIFE Distributors LLC<sup>4</sup>

Jersey City, New Jersey

## Custodian

### JPMorgan Chase Bank, N.A.

New York, New York

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

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

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

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

**For more information**

800-624-6782

[newyorklifeinvestments.com](http://newyorklifeinvestments.com)

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

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