

# MainStay WMC Small Companies Fund

(formerly known as MainStay MacKay Small Cap Core Fund)

---

## Message from the President and Semiannual Report

Unaudited | April 30, 2021

Sign up for e-delivery of your shareholder reports. For full details on e-delivery, including who can participate and what you can receive via e-delivery, please log in to [newyorklifeinvestments.com/accounts](https://newyorklifeinvestments.com/accounts).

Not FDIC/NCUA Insured

Not a Deposit

May Lose Value

No Bank Guarantee

Not Insured by Any Government Agency



INVESTMENTS

This page intentionally left blank

# Message from the President

With the approval of COVID-19 vaccines and the passage of relief packages by the U.S. Congress, economic prospects improved during the reporting period, and investor risk appetite increased, benefiting both equities and fixed-income markets. Despite some volatility stemming from a sell-off in longer-dated Treasury securities, the stock market and higher-risk segments of the fixed-income market posted gains for the six months ended April 30, 2021.

By the beginning of the reporting period, the economy had made tremendous progress from the second quarter of 2020, when economic activity plunged. But uncertainty about when vaccines would be available and how quickly they could be administered left investors unsure about the economic outlook.

With the approval of several vaccines in November, the outlook brightened and investors became less risk-averse. Anticipating the likely end of the pandemic and a continuation of the economic recovery, they began to see opportunities in investment-grade and high-yield bonds and more cyclical segments of the stock market. The \$900 billion relief and stimulus package passed in December provided further assurance.

In January, the Federal Reserve opted to leave interest rates unchanged, pointing to some uncertainty about the pace of the global recovery. Officials also noted that inflation remained low, citing oil prices in particular.

In March, President Biden signed the \$1.9 billion American Rescue Plan, which, among other provisions, called for payments of \$1,400 for those earning less than \$75,000 per year, plus \$1,400 per dependent. This, combined with the Federal Reserve's new tolerance for inflation and an anticipated \$2 trillion infrastructure spending bill, added to growing concerns about higher prices. Supply shortages in some markets caused some prices to soar, heightening concerns further.

In fixed-income markets, an improving economic outlook and rising inflation expectations led to a sell-off in longer-term Treasuries, with the result that the yield on the 10-year note rose sharply, particularly in February and March. Investment grade corporate bonds were also affected. Early in the reporting period, they performed well as investors shifted out of Treasuries, but as the reporting period progressed, they faltered. Longer-dated securities issued in recent years at historically low interest rates became especially unattractive.

High-yield bonds remained steady, supported by more favorable yields and an improved economic outlook, which reduced their perceived risk. Municipal bonds produced modest gains, and

although the sell-off in Treasuries produced some volatility early in 2021, stronger-than-expected tax revenues, \$350 billion in financial support from the federal government, and the possibility of an increase in federal income tax rates appeared to buoy the market late in the reporting period.

Inflation concerns and volatility in the Treasury market led to a shift in equities markets. Although the S&P 500<sup>®</sup> Index, a widely followed measure of U.S. equities, posted double-digit gains and hit a record high, the rise of Treasury yields disrupted valuations, especially those of growth stocks. Technology companies that saw their valuations soar amid the work-from-home trend in 2020 suffered large declines.

But the fiscal stimulus and continued accommodation from the Federal Reserve gave investors confidence the economic recovery would continue. Combined with the sky-high valuations in technology and growth stocks, this increased the appeal of more cyclical and value-oriented shares. As a result, value stocks outperformed growth stocks during the reporting period.

Reflecting the shift in investor sentiment, the performance of S&P 500<sup>®</sup> Index sectors varied widely. While the information technology sector kept up with the broader market, it lagged cyclical sectors such as energy and financials, which led the way. The shift was further reflected in the performance of small-cap stocks, which outperformed large caps. While developed markets kept pace with the U.S. market, lagging economic and pandemic recoveries appeared to weigh on emerging markets late in the reporting period.

With the lockdown restrictions lifting in the U.S. and the pandemic easing in many regions, we at New York Life Investments are looking forward to a return to a more normal economy. We anticipate that over the next several years, a variety of trends will likely offer long-term investors many attractive opportunities. With this in mind, we continue to develop products and services to help you to take advantage of these trends, manage your risks, and ultimately meet your investment goals.

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.

# Table of Contents

## Semiannual Report

---

Investment and Performance Comparison	5
Portfolio Management Discussion and Analysis	9
Portfolio of Investments	11
Financial Statements	14
Notes to Financial Statements	25
Board Consideration and Approval of Management Agreement and Subadvisory Agreement	34
Discussion of the Operation and Effectiveness of the Fund's Liquidity Risk Management Program	42
Proxy Voting Record	43
Shareholder Reports and Quarterly Portfolio Disclosure	43

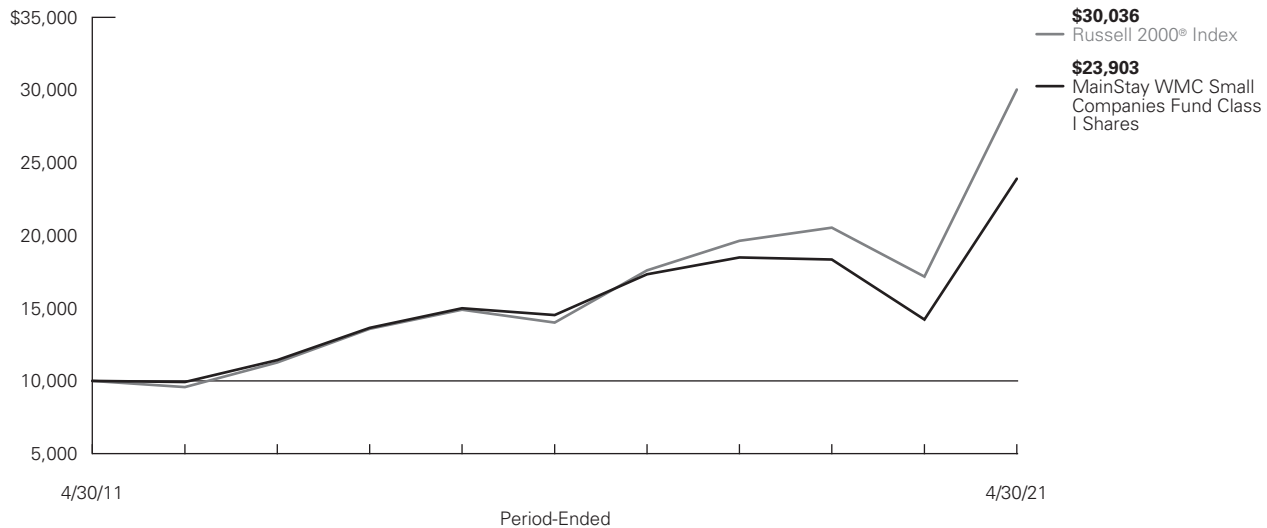
---

**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 Period-Ended April 30, 2021<sup>1</sup>

Class	Sales Charge		Inception Date <sup>2</sup>	Six Months	One Year	Five Years	Ten Years or Since Inception	Gross Expense Ratio <sup>3</sup>
Class A Shares	Maximum 5.5% Initial Sales Charge	With sales charges	1/2/2004	36.95%	58.53%	8.96%	8.22%	1.25%
		Excluding sales charges		44.92	67.76	10.20	8.84	1.25
Investor Class Shares <sup>4</sup>	Maximum 5% Initial Sales Charge	With sales charges	2/28/2008	37.52	58.08	8.66	7.92	1.70
		Excluding sales charges		44.76	67.28	9.90	8.53	1.70
Class B Shares <sup>5</sup>	Maximum 5% CDSC if Redeemed Within the First Six Years of Purchase	With sales charges	1/2/2004	39.22	61.02	8.79	7.72	2.45
		Excluding sales charges		44.22	66.02	9.08	7.72	2.45
Class C Shares	Maximum 1% CDSC if Redeemed Within One Year of Purchase	With sales charges	12/30/2002	43.19	65.00	9.07	7.71	2.45
		Excluding sales charges		44.19	66.00	9.07	7.71	2.45
Class I Shares	No Sales Charge		1/12/1987	45.13	68.12	10.47	9.11	1.00
Class R1 Shares	No Sales Charge		7/31/2012	45.00	67.99	10.36	11.31	1.10
Class R2 Shares	No Sales Charge		7/31/2012	44.84	67.56	10.08	11.03	1.35
Class R3 Shares	No Sales Charge		2/29/2016	44.70	67.13	9.80	11.10	1.60

1. The Fund replaced its subadvisor, changed its investment objective and modified its principal investment strategies as of April 1, 2019. Therefore, the performance information shown in this report prior to April 1, 2019 reflects that of the Fund's prior subadvisor, investment objective and principal investment strategies.
2. 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.
3. 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.
4. Prior to June 30, 2020, the maximum initial sales charge was 5.5%, which is reflected in the average annual total return figures shown.
5. 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>Six Months</b>	<b>One Year</b>	<b>Five Years</b>	<b>Ten Years</b>
Russell 2000 <sup>®</sup> Index <sup>1</sup>	48.06%	74.91%	16.48%	11.63%
Morningstar Small Blend Category Average <sup>2</sup>	48.62	71.22	13.52	9.98

1. The Fund has selected the Russell 2000<sup>®</sup> Index as its primary benchmark. The Russell 2000<sup>®</sup> Index measures the performance of the small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000<sup>®</sup> Index and includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.
2. The Morningstar Small Blend Category Average is representative of funds that favor U.S. firms at the smaller end of the market-capitalization range. Some aim to own an array of value and growth stocks while others employ a discipline that leads to holdings with valuations and growth rates close to the small-cap averages. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. Results are based on average total returns of similar funds with all dividends and capital gain distributions reinvested.

**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 Small Companies Fund (Unaudited)

The example below is intended to describe the fees and expenses borne by shareholders during the six-month period from November 1, 2020, to April 30, 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 November 1, 2020, to April 30, 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 April 30, 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 11/1/20	Ending Account Value (Based on Actual Returns and Expenses) 4/30/21	Expenses Paid During Period <sup>1</sup>	Ending Account Value (Based on Hypothetical 5% Annualized Return and Actual Expenses) 4/30/21	Expenses Paid During Period <sup>1</sup>	Net Expense Ratio During Period <sup>2</sup>
Class A Shares	\$1,000.00	\$1,449.20	\$ 7.35	\$1,018.79	\$ 6.06	1.21%
Investor Class Shares	\$1,000.00	\$1,447.60	\$ 9.04	\$1,017.41	\$ 7.45	1.49%
Class B Shares	\$1,000.00	\$1,442.20	\$13.56	\$1,013.69	\$11.18	2.24%
Class C Shares	\$1,000.00	\$1,441.90	\$13.56	\$1,013.69	\$11.18	2.24%
Class I Shares	\$1,000.00	\$1,451.30	\$ 5.83	\$1,020.03	\$ 4.81	0.96%
Class R1 Shares	\$1,000.00	\$1,450.00	\$ 6.44	\$1,019.54	\$ 5.31	1.06%
Class R2 Shares	\$1,000.00	\$1,448.40	\$ 7.95	\$1,018.30	\$ 6.56	1.31%
Class R3 Shares	\$1,000.00	\$1,447.00	\$ 9.46	\$1,017.06	\$ 7.80	1.56%

- 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 181 (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.

---

**Industry Composition as of April 30, 2021 (Unaudited)**

Biotechnology	9.6%	Life Sciences Tools & Services	1.7%
Software	9.1	Gas Utilities	1.7
Household Durables	6.9	Construction & Engineering	1.7
Building Products	5.5	Marine	1.6
Banks	5.0	Media	1.5
Health Care Equipment & Supplies	4.4	Professional Services	1.5
Thrifts & Mortgage Finance	4.3	Diversified Financial Services	1.5
Auto Components	3.6	Air Freight & Logistics	1.4
Machinery	3.4	Health Care Providers & Services	1.4
Equity Real Estate Investment Trusts	3.2	Communications Equipment	1.3
Chemicals	3.1	Electrical Equipment	1.3
Electronic Equipment, Instruments & Components	2.9	Metals & Mining	1.2
Capital Markets	2.8	Real Estate Management & Development	1.2
Consumer Finance	2.7	Exchange-Traded Fund	0.7
Energy Equipment & Services	2.6	Diversified Telecommunication Services	0.0‡
Food Products	2.5	Short-Term Investments	5.0
Trading Companies & Distributors	2.2	Other Assets, Less Liabilities	-2.3
Internet & Direct Marketing Retail	2.0		<u>100.0%</u>
Semiconductors & Semiconductor Equipment	1.8		

‡ Less than one-tenth of a percent.

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

---

---

**Top Ten Holdings as of April 30, 2021 (excluding short-term investments) (Unaudited)**

1. Boise Cascade Co.	6. GoPro, Inc., Class A
2. Quotient Technology, Inc.	7. JELD-WEN Holding, Inc.
3. Astec Industries, Inc.	8. Tower Semiconductor Ltd.
4. Dana, Inc.	9. Agilysys, Inc.
5. Insteel Industries, Inc.	10. Cloudera, Inc.

---



# 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 Peter W. Carpi, CFA, of Wellington Management Company LLP (“Wellington”), the Fund’s current Subadvisor.

## How did MainStay WMC Small Companies Fund perform relative to its benchmark and peer group during the six months ended April 30, 2021?

For the six months ended April 30, 2021, Class I shares of WMC Small Companies Fund returned 45.13%, underperforming the 48.06% return of the Fund’s primary benchmark, the Russell 2000<sup>®</sup> Index. Over the same period, Class I shares also underperformed the 48.62% return of the Morningstar Small 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 MainStay Funds Trust 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 (iii) modifying the Fund’s principal investment strategies and investment process. For more information on these and other changes, refer to the supplement dated February 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, adverse stock selection undermined returns relative to the Russell 2000<sup>®</sup> Index. In terms of stock selection model efficacy, the combination of signals used by the quantitative stock selection model was not rewarded due mostly to weakness in valuation and sentiment measures.

### Wellington

During the time Wellington managed the Fund, security selection and sector allocation were responsible for the Fund’s underperformance relative to the Russell 2000<sup>®</sup> Index. Weak selection in the energy, materials and information technology sectors was partially offset by positive selection in the consumer discretionary and industrials sectors. Sector allocation, a result of our bottom-up stock selection process, also detracted from returns. The Fund’s overweight exposure to the information technology and energy sectors weighed on relative returns but was partially offset by the positive impact of the Fund’s underweight exposure to health care.

## 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 contributions to the Fund’s performance relative to the Russell 2000<sup>®</sup> Index came from the financials, information technology and utilities sectors. (Contributions take weightings and total returns into account.) Over the same period, the consumer discretionary, health care and industrials sectors were the weakest contributors to relative performance.

### Wellington

During the time Wellington managed the Fund, the industrials, consumer discretionary and communication services sectors provided the strongest positive contributions to relative performance. Over the same period, the energy, information technology and materials sectors detracted most significantly from the Fund’s relative performance.

## 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 electrical component & equipment maker Plug Power, biotechnology company Novavax and electrical component & equipment maker Atkore. The stocks that detracted most significantly from the Fund’s absolute performance during the same period were movie and entertainment company AMC Entertainment Holdings, apparel retailer Express and biotechnology firm Arena Pharmaceuticals.

### Wellington

During the time Wellington managed the Fund, the individual stocks that detracted most significantly from absolute performance were industrial drilling contractor Nabors Industries and biotechnology company Odonate Therapeutics. The share price of Nabors fell from earlier highs as uncertainty regarding the company’s capital deployment decisions—and their impact on the bottom line—weighed on shares. Management stated a focus on debt repayment to reflect an improving operating environment. The Fund continued to hold a position in Nabors at the end of the reporting period. Odonate Therapeutics’ shares declined as the company announced the discontinuation of the development of Tesetaxel, a drug candidate for the treatment of metastatic breast cancer. The company determined that U.S. Food and Drug Administration (FDA) approval was unlikely based on the FDA’s feedback that the drug’s risk of toxicity did not outweigh the benefit. We eliminated the position in Odonate Therapeutics from the Fund.

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 Fund's top two contributors to absolute performance during the same period were integrated wood products manufacturer and building materials distributor Boise Cascade, and wearable camera manufacturer GoPro. The share price of Boise Cascade rose as the company benefited from tight industry conditions. While total volumes were down, margins rose as the imbalance of demand for building materials continued to drive pricing higher. The share price of GoPro rose as the company introduced a rebranded, subscription-based mobile app with powerful video and photo editing capabilities, named Quik, in an effort to expand their application's addressable market beyond GoPro camera owners. Both positions were still held in the Fund as of the end of the reporting period.

### **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 staffing and employment services provider Upwork, while its largest increased position size was in Plug Power, mentioned above. During the same period, the Fund exited its full position in heart medication specialist MyoKardia, while its most significantly reduced position size was in engineering and construction firm TopBuild.

#### *Wellington*

During the time Wellington managed the Fund, the Fund initiated positions in Enova International, a financial technology company offering artificial intelligence and machine learning lending solutions, and Veritone, a cloud-based artificial intelligence media technology company. During the same period, the Fund eliminated positions in Kulicke & Soffa Industries, a capital equipment manufacturer, and B. Riley Financial, a diversified financial company.

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

#### *MacKay Shields*

During the time MacKay Shields managed the Fund, the Fund's largest increases in sector exposures relative to the Russell 2000<sup>®</sup> Index were in the financials and utilities sectors. Conversely, the Fund's largest decreases in benchmark-relative sector exposures were in the health care and information technology sectors.

#### *Wellington*

Wellington seeks to keep the Fund's sector and industry exposures close to those of the Russell 2000<sup>®</sup> Index so that stock selection drives returns. Changes in sector and industry exposures tend to be modest. The largest increases in active weight during the time Wellington managed the Fund were in the industrials, real estate and materials sectors, while the largest decrease was within the information technology sector.

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

#### *MacKay Shields*

At the end of the period when MacKay Shields managed the Fund, the Fund held overweight exposure relative to the Russell 2000<sup>®</sup> Index in the consumer discretionary and information technology sectors. As of the same date, the Fund's most significantly underweight positions relative to the benchmark were in the real estate and materials sectors.

#### *Wellington*

As of April 30, 2021, the Fund's largest overweight exposures relative to the Russell 2000<sup>®</sup> Index were in the information technology and industrials sectors. As of the same date, the Fund's most significantly underweight exposures were to the consumer discretionary and real estate 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 April 30, 2021<sup>†</sup> (Unaudited)

	Shares	Value		Shares	Value
<b>Common Stocks 96.6%</b>			<b>Construction &amp; Engineering 1.7%</b>		
<b>Air Freight &amp; Logistics 1.4%</b>			<b>Consumer Finance 2.7%</b>		
Hub Group, Inc., Class A (a)	82,446	\$ 5,418,351	Badger Daylighting Ltd. (b)	191,405	\$ 6,474,897
<b>Auto Components 3.6%</b>			<b>Diversified Financial Services 1.5%</b>		
Dana, Inc.	296,807	7,509,217	ECN Capital Corp.	888,172	5,954,145
Gentherm, Inc. (a)	92,348	6,575,178	<b>Diversified Telecommunication Services 0.0% ‡</b>		
		14,084,395	CONTRA BMTECHNOLOGIES (a)	7,029	68,955
<b>Banks 5.0%</b>			<b>Electrical Equipment 1.3%</b>		
Allegiance Bancshares, Inc.	90,290	3,575,484	EnerSys	53,864	4,932,865
First Midwest Bancorp, Inc.	186,319	3,907,110	<b>Electronic Equipment, Instruments &amp; Components 2.9%</b>		
OceanFirst Financial Corp.	125,058	2,858,826	FARO Technologies, Inc. (a)	74,352	5,639,228
United Community Banks, Inc.	134,335	4,395,441	Knowles Corp. (a)	273,527	5,716,714
Veritex Holdings, Inc.	138,353	4,673,564			11,355,942
		19,410,425	<b>Energy Equipment &amp; Services 2.6%</b>		
<b>Biotechnology 9.6%</b>			<b>Equity Real Estate Investment Trusts 3.2%</b>		
Apellis Pharmaceuticals, Inc. (a)	84,922	4,302,998	Acadia Realty Trust	313,824	6,555,783
Arena Pharmaceuticals, Inc. (a)	55,151	3,785,013	Uniti Group, Inc.	499,900	5,698,860
Celldex Therapeutics, Inc. (a)	220,138	6,676,785			12,254,643
ChemoCentryx, Inc. (a)	42,400	2,049,192	<b>Food Products 2.5%</b>		
Dicerna Pharmaceuticals, Inc. (a)	130,940	4,084,019	Calavo Growers, Inc.	56,759	4,434,581
Global Blood Therapeutics, Inc. (a)	68,777	2,804,726	Hostess Brands, Inc. (a)	357,110	5,460,212
Kura Oncology, Inc. (a)	106,862	2,877,794			9,894,793
Myovant Sciences Ltd. (a)(b)	201,328	4,207,755	<b>Gas Utilities 1.7%</b>		
Sage Therapeutics, Inc. (a)	44,975	3,542,231	New Jersey Resources Corp.	154,720	6,490,504
TCR2 Therapeutics, Inc. (a)	141,560	3,214,828	<b>Health Care Equipment &amp; Supplies 4.4%</b>		
		37,545,341	Avanos Medical, Inc. (a)	114,938	4,966,471
<b>Building Products 5.5%</b>			Orthofix Medical, Inc. (a)	123,558	5,479,797
Insteel Industries, Inc.	195,974	7,472,489	SI-BONE, Inc. (a)	184,777	6,559,584
JELD-WEN Holding, Inc. (a)	245,878	7,172,261			17,005,852
PGT Innovations, Inc. (a)	250,247	6,589,003	<b>Health Care Providers &amp; Services 1.4%</b>		
		21,233,753	AMN Healthcare Services, Inc. (a)	67,648	5,364,486
<b>Capital Markets 2.8%</b>					
Hamilton Lane, Inc., Class A	57,422	5,193,820			
Moelis & Co., Class A	105,168	5,708,519			
		10,902,339			
<b>Chemicals 3.1%</b>					
Livent Corp. (a)	358,300	6,456,566			
Minerals Technologies, Inc.	71,287	5,570,366			
		12,026,932			
<b>Communications Equipment 1.3%</b>					
Harmonic, Inc. (a)	667,416	5,219,193			

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

# Portfolio of Investments April 30, 2021<sup>†</sup> (Unaudited) (continued)

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Household Durables 6.9%</b>		
Century Communities, Inc. (a)	93,513	\$ 6,914,351
GoPro, Inc., Class A (a)	657,812	7,387,229
Installed Building Products, Inc.	50,834	6,844,798
Skyline Champion Corp. (a)	125,217	5,563,391
		<u>26,709,769</u>
<b>Internet &amp; Direct Marketing Retail 2.0%</b>		
Quotient Technology, Inc. (a)	482,848	7,889,736
<b>Life Sciences Tools &amp; Services 1.7%</b>		
Codexis, Inc. (a)	285,160	6,610,009
<b>Machinery 3.4%</b>		
Astec Industries, Inc.	100,911	7,569,334
Lydall, Inc. (a)	153,049	5,639,856
		<u>13,209,190</u>
<b>Marine 1.6%</b>		
Kirby Corp. (a)	94,688	6,031,626
<b>Media 1.5%</b>		
Cardlytics, Inc. (a)	43,651	6,003,322
<b>Metals &amp; Mining 1.2%</b>		
MP Materials Corp. (a)(b)	157,300	4,725,292
<b>Professional Services 1.5%</b>		
ICF International, Inc.	65,808	5,992,476
<b>Real Estate Management &amp; Development 1.2%</b>		
Marcus & Millichap, Inc. (a)	132,401	4,676,403
<b>Semiconductors &amp; Semiconductor Equipment 1.8%</b>		
Tower Semiconductor Ltd. (a)	252,655	7,150,137
<b>Software 9.1%</b>		
Agilysys, Inc. (a)	141,018	7,108,717
Box, Inc., Class A (a)	298,944	6,367,507
Cloudera, Inc. (a)	552,127	7,006,492
Envestnet, Inc. (a)	59,234	4,373,246
PROS Holdings, Inc. (a)	125,854	5,409,205
Veritone, Inc. (a)(b)	209,400	5,050,728
		<u>35,315,895</u>

	Shares	Value
<b>Thrifts &amp; Mortgage Finance 4.3%</b>		
Federal Agricultural Mortgage Corp., Class C	4,600	\$ 473,156
MGIC Investment Corp.	432,116	6,585,448
NMI Holdings, Inc., Class A (a)	224,100	5,790,744
WSFS Financial Corp.	75,656	3,865,265
		<u>16,714,613</u>
<b>Trading Companies &amp; Distributors 2.2%</b>		
Boise Cascade Co.	127,534	8,509,068
Total Common Stocks (Cost \$367,575,656)		<u>375,726,405</u>
<b>Exchange-Traded Fund 0.7%</b>		
iShares Russell 2000 ETF (b)	12,279	2,761,425
Total Exchange-Traded Fund (Cost \$2,365,632)		<u>2,761,425</u>
<b>Short-Term Investments 5.0%</b>		
<b>Affiliated Investment Company 2.6%</b>		
MainStay U.S. Government Liquidity Fund, 0.01% (c)	10,184,663	10,184,663
<b>Unaffiliated Investment Company 2.4%</b>		
BlackRock Liquidity FedFund, 0.05% (c)(d)	9,388,946	9,388,946
Total Short-Term Investments (Cost \$19,573,609)		<u>19,573,609</u>
Total Investments (Cost \$389,514,897)	102.3%	398,061,439
Other Assets, Less Liabilities	(2.3)	(8,868,795)
Net Assets	<u>100.0%</u>	<u>\$ 389,192,644</u>

† Percentages indicated are based on Fund net assets.

‡ Less than one-tenth of a percent.

(a) Non-income producing security.

(b) All or a portion of this security was held on loan. As of April 30, 2021, the aggregate market value of securities on loan was \$11,021,670; the total market value of collateral held by the Fund was \$11,631,245. The market value of the collateral held included non-cash collateral in the form of U.S. Treasury securities with a value of \$2,242,299. The Fund received cash collateral with a value of \$9,388,946. (See Note 2(H))

(c) Current yield as of April 30, 2021.

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

Abbreviation(s):

ETF—Exchange-Traded Fund

The following is a summary of the fair valuations according to the inputs used as of April 30, 2021, for valuing the Fund's assets:

<b>Description</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
<b>Asset Valuation Inputs</b>				
Investments in Securities (a)				
Common Stocks	\$ 375,657,450	\$ 68,955	\$ —	\$ 375,726,405
Exchange-Traded Fund	2,761,425	—	—	2,761,425
Short-Term Investments				
Affiliated Investment Company	10,184,663	—	—	10,184,663
Unaffiliated Investment Company	9,388,946	—	—	9,388,946
Total Short-Term Investments	19,573,609	—	—	19,573,609
Total Investments in Securities	<u>\$ 397,992,484</u>	<u>\$ 68,955</u>	<u>\$ —</u>	<u>\$ 398,061,439</u>

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

# Statement of Assets and Liabilities as of April 30, 2021 (Unaudited)

## Assets

Investment in unaffiliated securities, at value (identified cost \$379,330,234) including securities on loan of \$11,021,670	\$387,876,776
Investment in affiliated investment companies, at value (identified cost \$10,184,663)	10,184,663
Cash denominated in foreign currencies (identified cost \$3,511)	3,583
Cash	27,700
Receivables:	
Fund shares sold	1,042,471
Investment securities sold	918,472
Dividends and interest	7,741
Securities lending	5,082
Other assets	187,714
Total assets	<u>400,254,202</u>

## Liabilities

Cash collateral received for securities on loan	9,388,946
Payables:	
Investment securities purchased	1,105,028
Manager (See Note 3)	250,954
Transfer agent (See Note 3)	101,254
Fund shares redeemed	62,375
NYLIFE Distributors (See Note 3)	53,973
Professional fees	42,862
Shareholder communication	35,833
Custodian	16,551
Accrued expenses	3,782
Total liabilities	<u>11,061,558</u>
Net assets	<u>\$389,192,644</u>

## Composition of Net Assets

Shares of beneficial interest outstanding (par value of \$.001 per share) unlimited number of shares authorized	\$ 11,804
Additional paid-in-capital	<u>279,075,547</u>
	279,087,351
Total distributable earnings (loss)	<u>110,105,293</u>
Net assets	<u>\$389,192,644</u>

## Class A

Net assets applicable to outstanding shares	<u>\$180,478,556</u>
Shares of beneficial interest outstanding	<u>5,506,343</u>
Net asset value per share outstanding	\$ 32.78
Maximum sales charge (5.50% of offering price)	1.91
Maximum offering price per share outstanding	<u>\$ 34.69</u>

## Investor Class

Net assets applicable to outstanding shares	<u>\$ 48,541,063</u>
Shares of beneficial interest outstanding	<u>1,514,818</u>
Net asset value per share outstanding (a)	\$ 32.05
Maximum sales charge (5.00% of offering price)	1.69
Maximum offering price per share outstanding	<u>\$ 33.74</u>

## Class B

Net assets applicable to outstanding shares	<u>\$ 5,197,357</u>
Shares of beneficial interest outstanding	<u>189,287</u>
Net asset value and offering price per share outstanding	<u>\$ 27.46</u>

## Class C

Net assets applicable to outstanding shares	<u>\$ 4,128,719</u>
Shares of beneficial interest outstanding	<u>150,441</u>
Net asset value and offering price per share outstanding	<u>\$ 27.44</u>

## Class I

Net assets applicable to outstanding shares	<u>\$150,130,558</u>
Shares of beneficial interest outstanding	<u>4,421,198</u>
Net asset value and offering price per share outstanding	<u>\$ 33.96</u>

## Class R1

Net assets applicable to outstanding shares	<u>\$ 63,867</u>
Shares of beneficial interest outstanding	<u>1,889</u>
Net asset value and offering price per share outstanding (a)	<u>\$ 33.80</u>

## Class R2

Net assets applicable to outstanding shares	<u>\$ 128,258</u>
Shares of beneficial interest outstanding	<u>3,935</u>
Net asset value and offering price per share outstanding	<u>\$ 32.59</u>

## Class R3

Net assets applicable to outstanding shares	<u>\$ 524,266</u>
Shares of beneficial interest outstanding	<u>16,212</u>
Net asset value and offering price per share outstanding	<u>\$ 32.34</u>

(a) The difference between the recalculated and stated NAV was caused by rounding.

# Statement of Operations for the six months ended April 30, 2021 (Unaudited)

## Investment Income (Loss)

### Income

Dividends-unaffiliated (net of foreign tax withholding of \$11,352)	\$ 1,867,423
Securities lending	66,800
Dividends-affiliated	<u>153</u>
Total income	<u>1,934,376</u>

### Expenses

Manager (See Note 3)	1,452,574
Distribution/Service—Class A (See Note 3)	195,675
Distribution/Service—Investor Class (See Note 3)	61,304
Distribution/Service—Class B (See Note 3)	26,123
Distribution/Service—Class C (See Note 3)	19,720
Distribution/Service—Class R2 (See Note 3)	145
Distribution/Service—Class R3 (See Note 3)	1,177
Transfer agent (See Note 3)	260,943
Professional fees	61,513
Registration	51,985
Custodian	32,533
Shareholder communication	28,305
Trustees	3,258
Insurance	1,330
Shareholder service (See Note 3)	323
Miscellaneous	<u>8,776</u>
Total expenses before waiver/reimbursement	2,205,684
Expense waiver/reimbursement from Manager (See Note 3)	<u>(68,669)</u>
Net expenses	<u>2,137,015</u>
Net investment income (loss)	<u>(202,639)</u>

## Realized and Unrealized Gain (Loss)

Net realized gain (loss) on:	
Unaffiliated investment transactions <sup>(a)</sup>	137,713,156
Foreign currency transactions	<u>(33,258)</u>
Net realized gain (loss)	<u>137,679,898</u>
Net change in unrealized appreciation (depreciation) on:	
Unaffiliated investments	(9,836,046)
Translation of other assets and liabilities in foreign currencies	<u>70</u>
Net change in unrealized appreciation (depreciation)	<u>(9,835,976)</u>
Net realized and unrealized gain (loss)	<u>127,843,922</u>
Net increase (decrease) in net assets resulting from operations	<u>\$127,641,283</u>

(a) Includes transition cost of \$20,816.

# Statements of Changes in Net Assets

for the six months ended April 30, 2021 (Unaudited) and the year ended October 31, 2020

	2021	2020
<b>Increase (Decrease) in Net Assets</b>		
Operations:		
Net investment income (loss)	\$ (202,639)	\$ (825,725)
Net realized gain (loss)	137,679,898	(31,360,140)
Net change in unrealized appreciation (depreciation)	<u>(9,835,976)</u>	<u>5,309,960</u>
Net increase (decrease) in net assets resulting from operations	<u>127,641,283</u>	<u>(26,875,905)</u>
Distributions to shareholders:		
Class A	—	(282,121)
Investor Class	—	(788)
Class I	—	(535,257)
Class R1	—	(203)
Class R2	<u>—</u>	<u>(155)</u>
	<u>—</u>	<u>(818,524)</u>
Distributions to shareholders from return of capital:		
Class A	—	(112,552)
Investor Class	—	(315)
Class I	—	(213,538)
Class R1	—	(81)
Class R2	<u>—</u>	<u>(62)</u>
	<u>—</u>	<u>(326,548)</u>
Total distributions to shareholders	<u>—</u>	<u>(1,145,072)</u>
Capital share transactions:		
Net proceeds from sales of shares	22,138,983	19,857,172
Net asset value of shares issued to shareholder in reinvestment of distributions	<u>—</u>	<u>1,124,044</u>
Cost of shares redeemed	<u>(52,776,017)</u>	<u>(51,616,882)</u>
Increase (decrease) in net assets derived from capital share transactions	<u>(30,637,034)</u>	<u>(30,635,666)</u>
Net increase (decrease) in net assets	97,004,249	(58,656,643)
<b>Net Assets</b>		
Beginning of period	<u>292,188,395</u>	<u>350,845,038</u>
End of period	<u>\$389,192,644</u>	<u>\$292,188,395</u>



# Financial Highlights selected per share data and ratios

Class A	Six months ended April 30, 2021*	Year Ended October 31,				
		2020	2019	2018	2017	2016
Net asset value at beginning of period	\$ 22.62	\$ 24.59	\$ 28.34	\$ 31.91	\$ 26.45	\$ 26.35
Net investment income (loss) (a)	(0.03)	(0.07)	0.07	0.06	0.03	0.22
Net realized and unrealized gain (loss) on investments	10.19	(1.83)	0.24	(0.98)	5.54	(0.09)
Net realized and unrealized gain (loss) on foreign currency transactions	(0.00)‡	—	—	—	—	—
Total from investment operations	10.16	(1.90)	0.31	(0.92)	5.57	0.13
<b>Less distributions:</b>						
From net investment income	—	(0.05)	(0.05)	—	(0.11)	(0.03)
From net realized gain on investments	—	—	(4.01)	(2.65)	—	—
Return of capital	—	(0.02)	—	—	—	—
Total distributions	—	(0.07)	(4.06)	(2.65)	(0.11)	(0.03)
Net asset value at end of period	\$ 32.78	\$ 22.62	\$ 24.59	\$ 28.34	\$ 31.91	\$ 26.45
Total investment return (b)	44.92%	(7.76)%	1.41%	(3.48)%	21.09%	0.49%
<b>Ratios (to average net assets)/Supplemental Data:</b>						
Net investment income (loss)	(0.17)%††	(0.30)%	0.27%	0.19%	0.10%	0.85%
Net expenses (c)	1.21%††	1.25%	1.25%	1.23%	1.24%	1.25%
Expenses (before waiver/reimbursement) (c)	1.23%††	—%	—%	—%	—%	—%
Portfolio turnover rate	68%	208%	205%	92%	60%	65%
Net assets at end of period (in 000's)	\$ 180,479	\$ 115,403	\$ 141,548	\$ 155,636	\$ 163,350	\$ 114,041

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

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

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

# Financial Highlights selected per share data and ratios

Investor Class	Six months ended April 30, 2021*	Year Ended October 31,				
		2020	2019	2018	2017	2016
Net asset value at beginning of period	\$ 22.14	\$ 24.07	\$ 27.85	\$ 31.48	\$ 26.09	\$ 26.05
Net investment income (loss) (a)	(0.06)	(0.13)	(0.01)	(0.02)	(0.05)	0.14
Net realized and unrealized gain (loss) on investments	9.97	(1.80)	0.24	(0.96)	5.48	(0.10)
Net realized and unrealized gain (loss) on foreign currency transactions	(0.00)‡	—	—	—	—	—
Total from investment operations	9.91	(1.93)	0.23	(0.98)	5.43	0.04
<b>Less distributions:</b>						
From net investment income	—	(0.00)‡	—	—	(0.04)	—
From net realized gain on investments	—	—	(4.01)	(2.65)	—	—
Return of capital	—	(0.00)‡	—	—	—	—
Total distributions	—	(0.00)‡	(4.01)	(2.65)	(0.04)	—
Net asset value at end of period	\$ 32.05	\$ 22.14	\$ 24.07	\$ 27.85	\$ 31.48	\$ 26.09
Total investment return (b)	44.76%	(8.02)%	1.09%	(3.74)%	20.82%	0.15%
<b>Ratios (to average net assets)/Supplemental Data:</b>						
Net investment income (loss)	(0.40)%††	(0.57)%	(0.05)%	(0.06)%	(0.16)%	0.57% (c)
Net expenses (d)	1.49%††	1.52%	1.55%	1.49%	1.50%	1.52% (e)
Expenses (before waiver/reimbursement) (d)	1.65%††	1.70%	1.64%	1.56%	1.50%	1.52% (e)
Portfolio turnover rate	68%	208%	205%	92%	60%	65%
Net assets at end of period (in 000's)	\$ 48,541	\$ 41,547	\$ 49,342	\$ 48,569	\$ 57,488	\$ 79,614

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

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

(c) Without the custody fee reimbursement, net investment income (loss) would have been 0.56%.

(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.

(e) Without the custody fee reimbursement, net expenses would have been 1.53%.

# Financial Highlights selected per share data and ratios

Class B	Six months ended April 30, 2021*	Year Ended October 31,				
		2020	2019	2018	2017	2016
Net asset value at beginning of period	\$ 19.04	\$ 20.86	\$ 24.83	\$ 28.54	\$ 23.80	\$ 23.94
Net investment income (loss) (a)	(0.14)	(0.25)	(0.16)	(0.22)	(0.23)	(0.03)
Net realized and unrealized gain (loss) on investments	8.56	(1.57)	0.20	(0.84)	4.97	(0.11)
Net realized and unrealized gain (loss) on foreign currency transactions	(0.00)‡	—	—	—	—	—
Total from investment operations	8.42	(1.82)	0.04	(1.06)	4.74	(0.14)
<b>Less distributions:</b>						
From net realized gain on investments	—	—	(4.01)	(2.65)	—	—
Net asset value at end of period	\$ 27.46	\$ 19.04	\$ 20.86	\$ 24.83	\$ 28.54	\$ 23.80
Total investment return (b)	44.22%	(8.72)%	0.35%	(4.46)%	19.92%	(0.58)%
<b>Ratios (to average net assets)/Supplemental Data:</b>						
Net investment income (loss)	(1.15)%††	(1.30)%	(0.74)%	(0.80)%	(0.86)%	(0.15)% (c)
Net expenses (d)	2.24%††	2.27%	2.30%	2.24%	2.25%	2.27% (e)
Expenses (before waiver/reimbursement) (d)	2.40%††	2.45%	2.39%	2.31%	2.25%	2.27% (e)
Portfolio turnover rate	68%	208%	205%	92%	60%	65%
Net assets at end of period (in 000's)	\$ 5,197	\$ 4,447	\$ 7,442	\$ 10,698	\$ 15,188	\$ 17,670

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

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

(c) Without the custody fee reimbursement, net investment income (loss) would have been (0.16)%.

(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.

(e) Without the custody fee reimbursement, net expenses would have been 2.28%.

# Financial Highlights selected per share data and ratios

Class C	Six months ended April 30, 2021*	Year Ended October 31,				
		2020	2019	2018	2017	2016
Net asset value at beginning of period	\$ 19.03	\$ 20.84	\$ 24.81	\$ 28.52	\$ 23.79	\$ 23.93
Net investment income (loss) (a)	(0.14)	(0.25)	(0.13)	(0.22)	(0.24)	(0.04)
Net realized and unrealized gain (loss) on investments	8.55	(1.56)	0.17	(0.84)	4.97	(0.10)
Net realized and unrealized gain (loss) on foreign currency transactions	(0.00)‡	—	—	—	—	—
Total from investment operations	8.41	(1.81)	0.04	(1.06)	4.73	(0.14)
<b>Less distributions:</b>						
From net realized gain on investments	—	—	(4.01)	(2.65)	—	—
Net asset value at end of period	\$ 27.44	\$ 19.03	\$ 20.84	\$ 24.81	\$ 28.52	\$ 23.79
Total investment return (b)	44.19%	(8.69)%	0.35%	(4.47)%	19.88%	(0.59)%
<b>Ratios (to average net assets)/Supplemental Data:</b>						
Net investment income (loss)	(1.15)%††	(1.30)%	(0.60)%	(0.81)%	(0.88)%	(0.16)% (c)
Net expenses (d)	2.24%††	2.27%	2.30%	2.24%	2.25%	2.27% (e)
Expenses (before waiver/reimbursement) (d)	2.40%††	2.45%	2.39%	2.31%	2.25%	2.27% (e)
Portfolio turnover rate	68%	208%	205%	92%	60%	65%
Net assets at end of period (in 000's)	\$ 4,129	\$ 3,201	\$ 5,469	\$ 14,156	\$ 17,770	\$ 17,921

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

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

(c) Without the custody fee reimbursement, net investment income (loss) would have been (0.17)%.

(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.

(e) Without the custody fee reimbursement, net expenses would have been 2.28%.

# Financial Highlights selected per share data and ratios

Class I	Six months ended April 30, 2021*	Year Ended October 31,				
		2020	2019	2018	2017	2016
Net asset value at beginning of period	\$ 23.40	\$ 25.44	\$ 29.19	\$ 32.72	\$ 27.11	\$ 27.02
Net investment income (loss) (a)	0.02	(0.01)	0.17	0.14	0.11	0.29
Net realized and unrealized gain (loss) on investments	10.54	(1.90)	0.22	(1.02)	5.68	(0.10)
Net realized and unrealized gain (loss) on foreign currency transactions	(0.00)‡	—	—	—	—	—
Total from investment operations	10.56	(1.91)	0.39	(0.88)	5.79	0.19
<b>Less distributions:</b>						
From net investment income	—	(0.09)	(0.13)	—	(0.18)	(0.10)
From net realized gain on investments	—	—	(4.01)	(2.65)	—	—
Return of capital	—	(0.04)	—	—	—	—
Total distributions	—	(0.13)	(4.14)	(2.65)	(0.18)	(0.10)
Net asset value at end of period	\$ 33.96	\$ 23.40	\$ 25.44	\$ 29.19	\$ 32.72	\$ 27.11
Total investment return (b)	45.13%	(7.55)%	1.67%	(3.26)%	21.40%	0.71%
<b>Ratios (to average net assets)/Supplemental Data:</b>						
Net investment income (loss)	0.12%††	(0.06)%	0.66%	0.45%	0.36%	1.10%
Net expenses (c)	0.96%††	1.00%	1.00%	0.98%	0.99%	1.00%
Expenses (before waiver/reimbursement) (c)	0.98%††	—%	—%	—%	—%	—%
Portfolio turnover rate	68%	208%	205%	92%	60%	65%
Net assets at end of period (in 000's)	\$ 150,131	\$ 127,115	\$ 146,525	\$ 306,746	\$ 332,900	\$ 325,316

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

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

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

# Financial Highlights selected per share data and ratios

Class R1	Six months ended April 30, 2021*	Year Ended October 31,				
		2020	2019	2018	2017	2016
Net asset value at beginning of period	\$ 23.31	\$ 25.34	\$ 29.09	\$ 32.65	\$ 27.05	\$ 26.96
Net investment income (loss) (a)	(0.00)‡	(0.04)	0.10	0.12	0.08	0.26
Net realized and unrealized gain (loss) on investments	10.49	(1.88)	0.26	(1.03)	5.68	(0.10)
Net realized and unrealized gain (loss) on foreign currency transactions	(0.00)‡	—	—	—	—	—
Total from investment operations	10.49	(1.92)	0.36	(0.91)	5.76	0.16
<b>Less distributions:</b>						
From net investment income	—	(0.08)	(0.10)	—	(0.16)	(0.07)
From net realized gain on investments	—	—	(4.01)	(2.65)	—	—
Return of capital	—	(0.03)	—	—	—	—
Total distributions	—	(0.11)	(4.11)	(2.65)	(0.16)	(0.07)
Net asset value at end of period	\$ 33.80	\$ 23.31	\$ 25.34	\$ 29.09	\$ 32.65	\$ 27.05
Total investment return (b)	45.00%	(7.62)%	1.57%	(3.36)%	21.34%	0.61%
<b>Ratios (to average net assets)/Supplemental Data:</b>						
Net investment income (loss)	(0.01)%††	(0.18)%	0.41%	0.38%	0.25%	0.97%
Net expenses (c)	1.06%††	1.10%	1.10%	1.08%	1.09%	1.10%
Expenses (before waiver/reimbursement) (c)	1.08%††	—%	—%	—%	—%	—%
Portfolio turnover rate	68%	208%	205%	92%	60%	65%
Net assets at end of period (in 000's)	\$ 64	\$ 44	\$ 65	\$ 63	\$ 97	\$ 85

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. Class R1 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 R2	Six months ended April 30, 2021*	Year Ended October 31,				
		2020	2019	2018	2017	2016
Net asset value at beginning of period	\$ 22.50	\$ 24.47	\$ 28.21	\$ 31.81	\$ 26.37	\$ 26.28
Net investment income (loss) (a)	(0.04)	(0.09)	0.04	0.03	(0.01)	0.19
Net realized and unrealized gain (loss) on investments	10.13	(1.83)	0.25	(0.98)	5.54	(0.10)
Net realized and unrealized gain (loss) on foreign currency transactions	(0.00)‡	—	—	—	—	—
Total from investment operations	10.09	(1.92)	0.29	(0.95)	5.53	0.09
<b>Less distributions:</b>						
From net investment income	—	(0.04)	(0.02)	—	(0.09)	(0.00)‡
From net realized gain on investments	—	—	(4.01)	(2.65)	—	—
Return of capital	—	(0.01)	—	—	—	—
Total distributions	—	(0.05)	(4.03)	(2.65)	(0.09)	(0.00)‡
Net asset value at end of period	\$ 32.59	\$ 22.50	\$ 24.47	\$ 28.21	\$ 31.81	\$ 26.37
Total investment return (b)	44.84%	(7.84)%	1.30%	(3.59)%	21.00%	0.34% (c)
<b>Ratios (to average net assets)/Supplemental Data:</b>						
Net investment income (loss)	(0.26)%††	(0.40)%	0.18%	0.09%	(0.03)%	0.73%
Net expenses (d)	1.31%††	1.35%	1.35%	1.33%	1.34%	1.35%
Expenses (before waiver/reimbursement) (d)	1.33%††	—%	—%	—%	—%	—%
Portfolio turnover rate	68%	208%	205%	92%	60%	65%
Net assets at end of period (in 000's)	\$ 128	\$ 88	\$ 111	\$ 137	\$ 137	\$ 112

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

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

(c) 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 R3	Six months ended April 30, 2021*	Year Ended October 31,				February 29, 2016^ through October 31, 2016
		2020	2019	2018	2017	
Net asset value at beginning of period	\$ 22.35	\$ 24.32	\$ 28.11	\$ 31.78	\$ 26.39	\$ 23.88
Net investment income (loss) (a)	(0.08)	(0.15)	(0.04)	(0.05)	(0.10)	(0.01)
Net realized and unrealized gain (loss) on investments	10.07	(1.82)	0.26	(0.97)	5.55	2.52
Net realized and unrealized gain (loss) on foreign currency transactions	(0.00)‡	—	—	—	—	—
Total from investment operations	9.99	(1.97)	0.22	(1.02)	5.45	2.51
<b>Less distributions:</b>						
From net investment income	—	—	—	—	(0.06)	—
From net realized gain on investments	—	—	(4.01)	(2.65)	—	—
Total distributions	—	—	(4.01)	(2.65)	(0.06)	—
Net asset value at end of period	\$ 32.34	\$ 22.35	\$ 24.32	\$ 28.11	\$ 31.78	\$ 26.39
Total investment return (b)	44.70%	(8.10)%	1.04%	(3.83)%	20.68%	10.51% (c)
<b>Ratios (to average net assets)/Supplemental Data:</b>						
Net investment income (loss)	(0.51)%††	(0.67)%	(0.15)%	(0.15)%	(0.32)%	(0.07)%†† (d)
Net expenses (e)	1.56%††	1.60%	1.60%	1.58%	1.59%	1.60%†† (f)
Expenses (before waiver/reimbursement) (e)	1.58%††	—%	—%	—%	—%	—%
Portfolio turnover rate	68%	208%	205%	92%	60%	65%
Net assets at end of period (in 000's)	\$ 524	\$ 343	\$ 342	\$ 204	\$ 181	\$ 81

^ Commencement of operations.

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. Class R3 shares are not subject to sales charges. 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) Without the custody fee reimbursement, net investment income (loss) would have been (0.80)%.

(e) 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.

(f) Without the custody fee reimbursement, net expenses would have been 1.61%.



# Notes to Financial Statements (Unaudited)

## Note 1—Organization and Business

MainStay Funds Trust (the "Trust") was organized as a Delaware statutory trust on April 28, 2009. 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 thirty-two funds (collectively referred to as the "Funds"). These financial statements and notes relate to the MainStay WMC Small Companies Fund (formerly known as MainStay MacKay Small Cap Core 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	January 2, 2004
Investor Class	February 28, 2008
Class B	January 2, 2004
Class C	December 30, 2002
Class I	January 12, 1987
Class R1	July 31, 2012
Class R2	July 31, 2012
Class R3	February 29, 2016
Class R6	N/A*
SIMPLE Class	N/A*

\* Class R6 shares were registered for sale effective as of February 28, 2017 and SIMPLE Class shares were registered for sale effective as of August 31, 2020 but have not yet commenced operations.

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

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

initial sales charge, although a CDSC that declines depending on the number of years a shareholder held its Class B shares may be imposed on certain redemptions of such shares made within six years of the date of purchase of such shares. Class I, Class R1, Class R2, Class R3 and Class R6 shares are offered at NAV without a sales charge. SIMPLE Class shares are currently expected to be offered at NAV without a sales charge. Depending upon eligibility, Class B shares convert to either Class A or Investor Class shares at the end of the calendar quarter eight years after the date they were purchased. In addition, depending upon eligibility, Class C shares convert to either Class A or Investor Class shares at the end of the calendar quarter ten years after the date they were purchased. Additionally, Investor Class shares may convert automatically to Class A shares. Under certain circumstances and as may be permitted by the Trust's multiple class plan pursuant to Rule 18f-3 under the 1940 Act, specified share classes of the Fund may be converted to one or more other share classes of the Fund as disclosed in the capital share transactions within these Notes. The classes of shares have the same voting (except for issues that relate solely to one class), dividend, liquidation and other rights, and the same terms and conditions, except that under distribution plans pursuant to Rule 12b-1 under the 1940 Act, Class B and Class C shares are subject to higher distribution and/or service fees than Class A, Investor Class, Class R2, 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 Standard Codification *Topic 946 Financial Services—Investment Companies*. The Fund prepares its financial statements in accordance with generally accepted accounting principles ("GAAP") in the United States of America and follows the significant accounting policies described below.

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

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

# Notes to Financial Statements (Unaudited) (continued)

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

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

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

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

- Level 1—quoted prices in active markets for an identical asset or liability

- Level 2—other significant observable inputs (including quoted prices for a similar asset or liability in active markets, interest rates and yield curves, prepayment speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Fund's own assumptions about the assumptions that market participants would use in measuring fair value of an asset or liability)

The level of an asset or liability within the fair value hierarchy is based on the lowest level of an input, both individually and in the aggregate, that is significant to the fair value measurement. The aggregate value by input level of the Fund's assets and liabilities as of April 30, 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 six-month period ended April 30, 2021, there were no material changes to the fair value methodologies.

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

exchange; (v) a security for which the market price is not readily available from a third-party pricing source or, if so provided, does not, in the opinion of the Manager or the Subadvisor, reflect the security's market value; (vi) a security subject to trading collars for which no or limited trading takes place; and (vii) a security whose principal market has been temporarily closed at a time when, under normal conditions, it would be open. Securities valued in this manner are generally categorized as Level 3 in the hierarchy. No securities held by the Fund as of April 30, 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 April 30, 2021 were fair valued in such a manner.

Equity securities, including exchange-traded funds ("ETFs"), 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

# Notes to Financial Statements (Unaudited) (continued)

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 ETFs and mutual funds, which are subject to management fees and other fees that may cause the costs of investing in ETFs and mutual funds to be greater than the costs of owning the underlying securities directly. These indirect expenses of ETFs and 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) 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 April 30, 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").

**(I) Large Transaction Risks.** From time to time, the Fund may receive large purchase or redemption orders from affiliated or unaffiliated mutual funds or other investors. Such large transactions could have adverse effects on the Fund's performance if the Fund were required to sell securities or invest cash at times when it otherwise would not do so. This activity could also accelerate the realization of capital gains and increase the Fund's transaction costs. The Fund has adopted procedures designed to mitigate the negative impacts of such large transactions, but there can be no assurance that these procedures will be effective.

**(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 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: 0.80% up to \$1 billion, 0.775% from \$1 billion to \$2 billion and 0.75% in excess of \$2 billion. During the six-month period ended April 30, 2021, the effective management fee rate was 0.80% of the Fund's average daily net assets, exclusive of any applicable waivers/reimbursements.

During the six-month period ended April 30, 2021, New York Life Investments earned fees from the Fund in the amount of \$1,452,574 and waived fees and/or reimbursed expenses, including the voluntary waiver/reimbursement of certain class specific expenses in the amount of \$68,669 and paid Wellington and MacKay \$224,995 and \$472,936, 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, Investor Class and Class R2 Plans, the Distributor receives a monthly distribution fee from the Class A, Investor Class and Class R2 shares at an annual rate of 0.25% of the average daily net assets of the Class A, Investor Class and Class R2 shares for distribution and/or service activities as designated by the Distributor. Pursuant to the Class B and Class C Plans, Class B and Class C shares pay the Distributor a monthly distribution fee at an annual rate of 0.75% of the average daily net assets of the Class B and Class C shares, along with a service fee at an annual rate of 0.25% of the average daily net assets of the Class B and Class C shares, for a total 12b-1 fee of 1.00%. Pursuant to the Class R3 Plan, Class R3 shares pay the Distributor a monthly 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 R1 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 R1, Class R2 and Class R3 shares, the Manager has agreed to provide, through its affiliates or independent third parties, various shareholder and administrative support services to shareholders of the Class R1, Class R2 and Class R3 shares. For its services, the Manager, its affiliates or independent third-party service providers are entitled to a shareholder service fee accrued daily and paid monthly at an annual rate of 0.10% of the average daily net assets of the Class R1, Class R2 and Class R3 shares. This is in addition to any fees paid under the Class R2 and Class R3 Plans.

During the six-month period ended April 30, 2021, shareholder service fees incurred by the Fund were as follows:

Class R1	\$ 29
Class R2	58
Class R3	236

**(C) Sales Charges.** The Fund was advised by the Distributor that the amount of initial sales charges retained on sales of Class A and Investor Class shares during the six-month period ended April 30, 2021, were \$13,843 and \$4,945, respectively.

# Notes to Financial Statements (Unaudited) (continued)

The Fund was also advised that the Distributor retained CDSCs on redemptions of Class A, Class B and Class C shares during the six-month period ended April 30, 2021, of \$4,026, \$1,552 and \$129, respectively.

## (D) Transfer, Dividend Disbursing and Shareholder Servicing Agent.

NYLIM Service Company LLC, an affiliate of New York Life Investments, is the Fund's transfer, dividend disbursing and shareholder servicing agent pursuant to an agreement between NYLIM Service Company LLC and the Trust. NYLIM Service Company LLC has entered into an agreement with DST Asset Manager Solutions, Inc. ("DST"), pursuant to which DST performs certain transfer agent services on behalf of NYLIM Service Company LLC. New York Life Investments has contractually agreed to limit the transfer agency expenses charged to the Fund's share classes to a maximum of 0.35% of that share class's average daily net assets on an annual basis after deducting any applicable Fund or class-level expense reimbursement or small account fees. This agreement will remain in effect until February 28, 2022, and shall renew automatically for one-year terms unless New York Life Investments provides written notice of termination prior to the start of the next term or upon approval of the Board. During the six-month period ended April 30, 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	\$ 59,112	\$ —
Investor Class	122,870	(36,081)
Class B	13,089	(3,843)
Class C	9,882	(2,906)
Class I	55,746	—
Class R1	22	—
Class R2	44	—
Class R3	178	—

**(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.

**(F) Investments in Affiliates (in 000's).** During the six-month period ended April 30, 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 Period	Purchases at Cost	Proceeds from Sales	Net Realized Gain/(Loss) on Sales	Change in Unrealized Appreciation/(Depreciation)	Value, End of Period	Dividend Income	Other Distributions	Shares End of Period
MainStay U.S. Government Liquidity Fund	\$ 14	\$ 37,937	\$ (27,766)	\$ —	\$ —	\$ 10,185	\$ —(a)	\$ —	10,185

(a) Less than \$500.

**(G) Capital.** As of April 30, 2021, New York Life and its affiliates beneficially held shares of the Fund with the values and percentages of net assets as follows:

Class R1	\$63,867	100.0%
Class R2	62,477	48.7
Class R3	43,080	8.2

## Note 4–Federal Income Tax

As of April 30, 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	\$394,717,413	\$28,895,109	\$(15,232,703)	\$13,662,406

As of October 31, 2020, for federal income tax purposes, capital loss carryforwards of \$28,988,630 were available as shown in the table below, to the extent provided by the regulations to offset future realized gains of the Fund through the years indicated. To the extent that these capital loss carryforwards are used to offset future capital gains, it is probable that the capital gains so offset will not be distributed to shareholders. No capital gain distributions shall be made until any capital loss carryforwards have been fully utilized.

Capital Loss Available Through	Short-Term Capital Loss Amounts (000’s)	Long-Term Capital Loss Amounts (000’s)
Unlimited	\$28,329	\$660

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

	2020
Distributions paid from:	
Ordinary Income	\$ 818,524
Return of Capital	326,548
Total	\$1,145,072

## 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 \$3,595 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 28, 2020, 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 27, 2021, 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 28, 2020, the aggregate commitment amount and the commitment fee were the same as those under the current Credit Agreement, but State Street served as agent to the syndicate. During the six-month period ended April 30, 2021, there were no borrowings made or outstanding with respect to the Fund under the Credit Agreement or the credit agreement for which State Street served as agent.

## 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 six-month period ended April 30, 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 six-month period ended April 30, 2021, purchases and sales of securities, other than short-term securities, were \$240,316 and \$265,638, respectively.

## Note 9–Capital Share Transactions

Transactions in capital shares for the six-month period ended April 30, 2021 and the year ended October 31, 2020, were as follows:

# Notes to Financial Statements (Unaudited) (continued)

Class A	Shares	Amount
Period ended April 30, 2021:		
Shares sold	464,625	\$ 14,624,764
Shares redeemed	(423,869)	(12,762,497)
Net increase (decrease) in shares outstanding before conversion	40,756	1,862,267
Shares converted into Class A (See Note 1)	362,757	10,753,941
Net increase (decrease)	403,513	\$ 12,616,208
Year ended October 31, 2020:		
Shares sold	419,388	\$ 9,148,407
Shares issued to shareholders in reinvestment of distributions	15,292	386,723
Shares redeemed	(1,188,798)	(26,796,187)
Net increase (decrease) in shares outstanding before conversion	(754,118)	(17,261,057)
Shares converted into Class A (See Note 1)	129,031	3,002,869
Shares converted from Class A (See Note 1)	(28,861)	(553,897)
Net increase (decrease)	(653,948)	\$(14,812,085)

Investor Class	Shares	Amount
Period ended April 30, 2021:		
Shares sold	57,497	\$ 1,731,286
Shares redeemed	(83,501)	(2,438,357)
Net increase (decrease) in shares outstanding before conversion	(26,004)	(707,071)
Shares converted into Investor Class (See Note 1)	15,354	474,926
Shares converted from Investor Class (See Note 1)	(351,211)	(10,166,918)
Net increase (decrease)	(361,861)	\$(10,399,063)
Year ended October 31, 2020:		
Shares sold	111,230	\$ 2,363,416
Shares issued to shareholders in reinvestment of distributions	13	523
Shares redeemed	(222,057)	(4,907,783)
Net increase (decrease) in shares outstanding before conversion	(110,814)	(2,543,844)
Shares converted into Investor Class (See Note 1)	37,113	770,934
Shares converted from Investor Class (See Note 1)	(99,326)	(2,314,940)
Net increase (decrease)	(173,027)	\$(4,087,850)

Class B	Shares	Amount
Period ended April 30, 2021:		
Shares sold	2,112	\$ 55,676
Shares redeemed	(18,683)	(468,337)
Net increase (decrease) in shares outstanding before conversion	(16,571)	(412,661)
Shares converted from Class B (See Note 1)	(27,696)	(703,349)
Net increase (decrease)	(44,267)	\$ (1,116,010)
Year ended October 31, 2020:		
Shares sold	2,350	\$ 43,292
Shares redeemed	(63,078)	(1,203,362)
Net increase (decrease) in shares outstanding before conversion	(60,728)	(1,160,070)
Shares converted from Class B (See Note 1)	(62,534)	(1,153,862)
Net increase (decrease)	(123,262)	\$ (2,313,932)

Class C	Shares	Amount
Period ended April 30, 2021:		
Shares sold	26,749	\$ 709,547
Shares redeemed	(31,549)	(804,222)
Net increase (decrease) in shares outstanding before conversion	(4,800)	(94,675)
Shares converted from Class C (See Note 1)	(12,973)	(358,600)
Net increase (decrease)	(17,773)	\$ (453,275)
Year ended October 31, 2020:		
Shares sold	19,589	\$ 345,692
Shares redeemed	(105,175)	(1,949,802)
Net increase (decrease) in shares outstanding before conversion	(85,586)	(1,604,110)
Shares converted from Class C (See Note 1)	(8,584)	(155,033)
Net increase (decrease)	(94,170)	\$ (1,759,143)

Class I	Shares	Amount
Period ended April 30, 2021:		
Shares sold	151,888	\$ 4,987,421
Shares redeemed	(1,162,771)	(36,297,595)
Net increase (decrease)	(1,010,883)	\$(31,310,174)
Year ended October 31, 2020:		
Shares sold	314,190	\$ 7,865,459
Shares issued to shareholders in reinvestment of distributions	28,199	736,297
Shares redeemed	(690,650)	(16,663,151)
Net increase (decrease) in shares outstanding before conversion	(348,261)	(8,061,395)
Shares converted into Class I (See Note 1)	20,359	403,929
Net increase (decrease)	(327,902)	\$ (7,657,466)



<b>Class R1<sup>(a)</sup></b>	<b>Shares</b>	<b>Amount</b>
Year ended October 31, 2020:		
Shares sold	29	\$ 650
Shares issued to shareholders in reinvestment of distributions	11	284
Shares redeemed	(705)	(15,558)
Net increase (decrease)	(665)	\$ (14,624)

<b>Class R2</b>	<b>Shares</b>	<b>Amount</b>
Period ended April 30, 2021:		
Shares sold	46	\$ 1,389
Shares redeemed	(1)	(29)
Net increase (decrease)	45	\$ 1,360
Year ended October 31, 2020:		
Shares sold	151	\$ 3,457
Shares issued to shareholders in reinvestment of distributions	9	217
Shares redeemed	(826)	(20,394)
Net increase (decrease)	(666)	\$ (16,720)

<b>Class R3</b>	<b>Shares</b>	<b>Amount</b>
Period ended April 30, 2021:		
Shares sold	1,027	\$ 28,900
Shares redeemed	(165)	(4,980)
Net increase (decrease)	862	\$ 23,920
Year ended October 31, 2020:		
Shares sold	3,989	\$ 86,799
Shares redeemed	(2,718)	(60,645)
Net increase (decrease)	1,271	\$ 26,154

(a) No activity during the period ended April 30, 2021.

## Note 10—Recent Accounting Pronouncement

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update 2020-04 (“ASU 2020-04”), which provides optional guidance to ease the potential accounting burden associated with transitioning away from LIBOR and other reference rates that are expected to be discontinued. ASU 2020-04 was effective immediately upon release of the update on March 12, 2020 and remains effective through December 31, 2022. At this time, the Manager is evaluating the implications of certain other provisions of ASU 2020-04 related to new disclosure requirements and any impact on the financial statement disclosures has not yet been determined.

## Note 11—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 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 12—Subsequent Events

In connection with the preparation of the financial statements of the Fund as of and for the six-month period ended April 30, 2021, events and transactions subsequent to April 30, 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.

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

The continuation of the Management Agreement with respect to the MainStay WMC Small Companies Fund (formerly known as the MainStay MacKay Small Cap Core Fund) (“Fund”) and New York Life Investment Management LLC (“New York Life Investments”) and the Subadvisory Agreement between New York Life Investments and MacKay Shields LLC (“MacKay”) with respect to the Fund (together, “Advisory Agreements”), following an initial term of up to two years, is subject to annual review and approval by the Board of Trustees of MainStay Funds Trust (“Board” of the “Trust”) in accordance with Section 15 of the Investment Company Act of 1940, as amended (“1940 Act”). At its December 9–10, 2020 meeting, the Board, including the Trustees who are not an “interested person” (as such term is defined in the 1940 Act) of the Trust (“Independent Trustees”) voting separately, unanimously approved the continuation of each of the Advisory Agreements for a one-year period.

In reaching the decision to approve the continuation of each of the Advisory Agreements, the Board considered information furnished by New York Life Investments and MacKay in connection with an annual contract review process undertaken by the Board that took place at meetings of the Board and its Contracts Committee during September 2020 through December 2020, as well as other information furnished to the Board and its Committees throughout the year, as deemed relevant by the Trustees. Information requested by and furnished to the Board for consideration in connection with the contract review process included, among other items, reports on the Fund and “peer funds” prepared by Strategic Insight Mutual Fund Research and Consulting, LLC (“Strategic Insight”), an independent third-party service provider engaged by the Board to report objectively on the Fund’s investment performance, management fee and total expenses. The Board also considered information on the fees charged to other investment advisory clients of New York Life Investments and/or MacKay that follow investment strategies similar to those of the Fund, if any, and, when applicable, the rationale for any differences in the Fund’s management and subadvisory fees and the fees charged to those other investment advisory clients. In addition, the Board considered information furnished by New York Life Investments and MacKay in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel to the Independent Trustees, which encompassed a variety of topics, including those summarized below.

The Board took into account information provided in connection with its meetings throughout the year, including, among other items, information regarding the legal standards and fiduciary obligations applicable to its consideration of the continuation of each of the Advisory Agreements and investment performance reports on the Fund as well as presentations from New York Life Investments and MacKay personnel. The Board also took into account other information received from New York Life Investments throughout the year, including, among other items, periodic reports on legal and compliance matters, risk management, portfolio turnover, brokerage commissions and non-advisory services provided to the Fund by New York Life Investments. The contract review process, including the structure and format for materials provided to the Board, has been developed in consultation with the Board. The Independent

Trustees also met in executive sessions with their independent legal counsel and, for a portion thereof, with senior management of New York Life Investments.

In addition to information provided to the Board throughout the year, the Board received information in connection with its June 2020 meeting provided specifically in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel regarding the Fund’s distribution arrangements. In addition, the Board received information regarding the Fund’s asset levels, share purchase and redemption activity and the payment of Rule 12b-1 and/or other fees by applicable share classes of the Fund, among other information.

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

The Trustees noted that, throughout the year, the Trustees are afforded an opportunity to ask questions of, and request additional information or materials from, New York Life Investments and MacKay. The Board’s decision with respect to each of the Advisory Agreements may have also been based, in part, on the Board’s knowledge of New York Life Investments and MacKay resulting from, among other things, the Board’s consideration of each of the Advisory Agreements in prior years, the advisory agreements for other funds in the MainStay Group of Funds, the Board’s review throughout the year of the performance and operations of other funds in the MainStay Group of Funds and each Trustee’s business

judgment and industry experience. In addition to considering the above-referenced factors, the Board observed that in the marketplace there are a range of investment options available to the Fund's shareholders and such shareholders, having had the opportunity to consider other investment options, have chosen to invest in the Fund.

The factors that figured prominently in the Board's decision to approve the continuation of each of the Advisory Agreements during its December 9–10, 2020 meeting are summarized in more detail below, and the Board did not consider any factor or information controlling in reaching such decision.

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

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

The Board also considered the range of services that New York Life Investments provides to the Fund under the terms of the Management Agreement, including: (i) fund accounting and ongoing supervisory services provided by New York Life Investments' Fund Administration and Accounting Group; (ii) investment supervisory and analytical services provided by New York Life Investments' Investment Consulting Group; (iii) compliance services provided by the Trust's Chief Compliance Officer as well as New York Life Investments' compliance department, including supervision and implementation of the Fund's compliance program; (iv) legal services provided by New York Life Investments' Office of the General Counsel; and (v) risk management monitoring and analysis by compliance and investment personnel. The Board noted that New York Life Investments provides certain other non-advisory services to the Fund.

In addition, the Board considered New York Life Investments' willingness to invest in personnel, infrastructure, technology, operational enhancements, cyber security, information security, shareholder privacy resources and business continuity planning designed to benefit the Fund and noted that New York Life Investments is responsible for compensating the Trust's officers, except for a portion of the salary of the Trust's Chief Compliance Officer. The Board recognized that New York Life Investments has provided an increasingly broad array of non-advisory services to the MainStay Group of Funds as a result of regulatory and other developments, including in connection with the designation of New York Life Investments as the administrator of the MainStay Group of Funds' liquidity risk management program adopted under the 1940 Act. The Board considered benefits to shareholders from being part of the MainStay Group of Funds, including the privilege of exchanging investments between the same class of shares of funds in the MainStay Group of Funds, including without the imposition of a sales charge (if any).

The Board also examined the nature, extent and quality of the investment advisory services that MacKay provides to the Fund and considered the terms of each of the Advisory Agreements. The Board evaluated MacKay's experience in serving as subadvisor to the Fund and advising other portfolios and MacKay's track record and experience in providing investment advisory services, the experience of investment advisory, senior management and administrative personnel at MacKay and New York Life Investments' and MacKay's overall resources, legal and compliance environment, capabilities and history. In addition to information provided in connection with quarterly meetings with the Trust's Chief Compliance Officer, the Board considered information regarding the compliance policies and procedures of New York Life Investments and MacKay and acknowledged their commitment to further developing and strengthening compliance programs relating to the Fund. The Board reviewed MacKay's ability to attract and retain qualified investment professionals and willingness to invest in personnel to service and support the Fund. In this regard, the Board considered the experience of the Fund's portfolio managers, the number of accounts managed by the portfolio managers and the method for compensating the portfolio managers.

In addition, the Board considered discussions with New York Life Investments regarding the implementation of its business continuity plans and recognized steps taken by New York Life Investments and MacKay to continue to provide the same nature, extent and quality of services to the Fund during the COVID-19 pandemic.

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

### ***Investment Performance***

In evaluating the Fund's investment performance, the Board considered investment performance results over various periods in light of the Fund's investment objective, strategies and risks. The Board considered

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

investment reports on, and analysis of, the Fund's performance provided to the Board throughout the year. These reports include, among other items, information on the Fund's gross and net returns, the Fund's investment performance compared to relevant investment categories and the Fund's benchmarks, the Fund's risk-adjusted investment performance and the Fund's investment performance as compared to peer funds, as appropriate, as well as portfolio attribution information and commentary on the effect of market conditions. The Board also considered information provided by Strategic Insight showing the investment performance of the Fund as compared to peer funds.

The Board also gave weight to its discussions with senior management at New York Life Investments concerning the Fund's investment performance attributable to MacKay as well as discussions between the Fund's portfolio managers and the members of the Board's Investment Committee, which generally occur on an annual basis. In addition, the Board considered any specific actions that New York Life Investments or MacKay had taken, or had agreed to take, to seek to enhance Fund investment performance and the results of those actions. In considering the investment performance of the Fund, the Board noted that the Fund underperformed its peer funds for the one-, three-, five- and ten-year periods ended July 31, 2020. The Board considered its discussions with representatives from New York Life Investments and MacKay regarding the Fund's investment performance.

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

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

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

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

In evaluating the costs of the services provided by New York Life Investments and MacKay and profits realized by New York Life Investments and its affiliates, including MacKay, the Board considered, among other factors, each party's continuing investments in, or willingness to invest in, personnel, systems, equipment and other resources and infrastructure to support and further enhance the

management of the Fund, and that New York Life Investments is responsible for paying the subadvisory fee for the Fund. The Board also considered the financial resources of New York Life Investments and MacKay and acknowledged that New York Life Investments and MacKay must be in a position to attract and retain experienced professional personnel and to maintain a strong financial position for New York Life Investments and MacKay to continue to provide high-quality services to the Fund. The Board recognized that the Fund benefits from the allocation of certain fixed costs among the funds in the MainStay Group of Funds, among other expected benefits resulting from its relationship with New York Life Investments.

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

The Board also considered certain fall-out benefits that may be realized by New York Life Investments and its affiliates due to their relationships with the Fund, including reputational and other indirect benefits. The Board recognized, for example, the benefits to MacKay from legally permitted "soft-dollar" arrangements by which brokers provide research and other services to MacKay in exchange for commissions paid by the Fund with respect to trades on the Fund's portfolio securities. In addition, the Board considered its review of a money market fund advised by New York Life Investments and an affiliated subadvisor that serves as an investment option for the Fund, including the potential rationale for and costs associated with investments in this money market fund by the Fund, if any, and considered information from New York Life Investments that the nature and type of specific investment advisory services provided to this money market fund are distinct from, or in addition to, the investment advisory services provided to the Fund.

The Board observed that, in addition to fees earned by New York Life Investments for managing the Fund, New York Life Investments' affiliates also earn revenues from serving the Fund in various other capacities, including as the Fund's transfer agent and distributor. The Board considered information about these other revenues and their impact on the profitability of the relationship with the Fund to New York Life Investments and its affiliates. The Board noted that, although it assessed the overall profitability of the Fund to New York Life Investments and its affiliates as part of the contract review process, when considering the reasonableness of the fee paid to New York Life Investments and its

affiliates under each of the Advisory Agreements, the Board considered the profitability of New York Life Investments' relationship with the Fund on a pre-tax basis and without regard to distribution expenses incurred by New York Life Investments from its own resources.

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

### ***Management and Subadvisory Fees and Total Ordinary Operating Expenses***

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

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

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

the transfer agent services it provides to the Fund. The Board also took into account information received from NYLIM Service Company LLC regarding the sub-transfer agency payments it made to intermediaries in connection with the provision of sub-transfer agency services to the Fund.

The Board considered that, because the Fund's transfer agent fees are billed on a per-account basis, the impact of transfer agent fees on a share class's expense ratio may be more significant in cases where the share class has a high number of small accounts. The Board considered the extent to which transfer agent fees comprised total expenses of the Fund. The Board acknowledged the role that the MainStay Group of Funds historically has played in serving the investment needs of New York Life Insurance Company customers, who often maintain smaller account balances than other shareholders of funds, and the impact of small accounts on the expense ratios of Fund share classes. The Board also recognized measures that it and New York Life Investments have taken to mitigate the effect of small accounts on the expense ratios of Fund share classes, including through the imposition of an expense limitation on net transfer agency expenses. The Board noted that, for purposes of allocating transfer agency fees and expenses, each retail fund in the MainStay Group of Funds combines the shareholder accounts of its Class A, A2, I, R1, R2 and R3 shares (as applicable) into one group and the shareholder accounts of its Investor Class, SIMPLE Class and Class B, C and C2 shares (as applicable) into another group. The Board also noted that the per-account fees attributable to each group of share classes is then allocated among the constituent share classes based on relative net assets and that a MainStay Fund's Class R6 shares, if any, are not combined with any other share class for this purpose. The Board considered New York Life Investments' rationale with respect to these groupings and previously received a report from an independent consultant engaged to conduct comparative analysis of these groupings. The Board also considered that NYLIM Service Company LLC had waived its contractual cost of living adjustments during the past seven years.

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

### ***Economies of Scale***

The Board considered information regarding economies of scale, including whether the Fund's expense structure permits economies of scale to be appropriately shared with the Fund's shareholders. The Board also considered a report from New York Life Investments, previously prepared at the request of the Board, that addressed economies of scale, including with respect to the mutual fund business generally and the various ways in which the benefits of economies of scale may be shared with the funds in the MainStay Group of Funds. Although the Board recognized the difficulty of determining economies of scale with precision, the Board acknowledged that economies of scale may be shared with the Fund in a number of ways, including, for example, through the imposition of management fee breakpoints, initially setting management fee rates at



## **Board Consideration and Approval of Management Agreement and Subadvisory Agreement (Unaudited) (continued)**

scale or making additional investments to enhance services. The Board reviewed information from New York Life Investments showing how the Fund's management fee schedule compared to fee schedules of other funds and accounts managed by New York Life Investments. The Board also reviewed information from Strategic Insight showing how the Fund's management fee schedule compared with fees paid for similar services by peer funds at varying asset levels.

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

### ***Conclusion***

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

# Board consideration and Approval of Subadvisory Agreement with Wellington Management Company LLP (Unaudited)

The Subadvisory Agreement between New York Life Investment Management LLC (“New York Life Investments”) and Wellington Management Company LLP (“Wellington”) with respect to the MainStay WMC Small Companies Fund (formerly known as the MainStay MacKay Small Cap Core Fund) (“Fund”) (“New Subadvisory Agreement”), must be approved initially and, following an initial term of up to two years, is subject to annual review and approval by the Board of Trustees of MainStay Funds Trust (“Board” of the “Trust”) in accordance with Section 15 of the Investment Company Act of 1940, as amended (“1940 Act”). At its February 3, 2021 meeting, the Board, including the Trustees who are not an “interested person” (as such term is defined in the 1940 Act) of the Trust (“Independent Trustees”) voting separately, unanimously approved the New Subadvisory Agreement for an initial two-year period.

At meetings held on January 21, January 25 and February 3, 2021, the Board considered and approved New York Life Investments’ recommendations to appoint Wellington as the subadvisor to the Fund, to approve the New Subadvisory Agreement and to approve the related changes to the Fund’s principal investment strategies, name and investment process (the “Repositioning”), all effective on or about March 5, 2021. The Board noted that the material terms of the New Subadvisory Agreement are substantially identical to the terms of the then-current subadvisory agreement with MacKay Shields LLC (“MacKay”) with respect to the Fund, but that the subadvisory fee schedule under the New Subadvisory Agreement with Wellington includes fees that are lower at every level of assets than the subadvisory fees paid to MacKay under the then-current subadvisory agreement.

In reaching the decisions to approve the Repositioning and New Subadvisory Agreement, the Board considered information furnished by New York Life Investments and Wellington in connection with meetings of the Board and its Contracts, Investment and Risk and Compliance Oversight Committees held on January 21, January 25 and February 3, 2021, as well as other information furnished to the Board and its Committees throughout the year, as deemed relevant by the Trustees. In addition, the Board considered information previously provided to the Board in connection with its review of the subadvisory agreements for other funds in the MainStay Group of Funds, as deemed relevant to each Trustee. The Board also considered information furnished by Wellington in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel to the Independent Trustees, which encompassed a variety of topics, including those summarized below.

The Board took into account information provided in connection with its meetings throughout the year, including, among other items, information regarding the legal standards and fiduciary obligations applicable to its consideration of the New Subadvisory Agreement and investment performance reports on the Fund as well as presentations from New York Life Investments and Wellington personnel. The contract review process, including the structure and format for materials provided to the Board, has been developed in consultation with the Board. The Independent

Trustees also met in executive sessions with their independent legal counsel and, for a portion thereof, with senior management of New York Life Investments.

In considering the Repositioning and the New Subadvisory Agreement, the Trustees reviewed and evaluated the information and factors they believed to reasonably be necessary and appropriate in light of legal advice furnished to them by independent legal counsel and through the exercise of their own business judgment. Although individual Trustees may have weighed certain factors or information differently, the factors considered by the Board are described in greater detail below and include, among other factors: (i) the nature, extent and quality of the services to be provided to the Fund by Wellington; (ii) the investment performance of the Fund, the qualifications of the proposed portfolio managers of the Fund and the historical investment performance of products managed by such portfolio managers with investment strategies similar to those of the Fund, as repositioned; (iii) the anticipated costs of the services to be provided, and profits expected to be realized, by Wellington from its relationship with the Fund; (iv) the extent to which economies of scale may be realized if the Fund grows and the extent to which economies of scale may benefit the Fund’s shareholders; and (v) the reasonableness of the Fund’s proposed subadvisory fee to be paid by New York Life Investments to Wellington and estimated total ordinary operating expenses. Although the Board recognized that comparisons between the Fund’s proposed fees and estimated expenses and those of other funds are imprecise given different terms of agreements, variations in fund strategies and other factors, the Board considered the reasonableness of the Fund’s proposed fees and estimated total ordinary operating expenses as compared to the peer funds identified by New York Life Investments.

Although individual Trustees may have weighed certain factors or information differently, the Board’s decisions to approve the Repositioning and the New Subadvisory Agreement were based on a consideration of the information provided to the Trustees throughout the year, such as presentations from Wellington personnel, as well as information furnished specifically in connection with the contract review process for the Fund, in each case as deemed relevant to each Trustee. The Trustees noted that, throughout the year, the Trustees would be afforded an opportunity to ask questions of, and request additional information or materials from, New York Life Investments and Wellington with respect to the Fund. The Board took note of New York Life Investments’ belief that Wellington, with its resources and historical investment performance track record for strategies similar to those of the Fund, as repositioned, is well qualified to serve as the Fund’s subadvisor. In addition to considering the above-referenced factors, the Board observed that in the marketplace there are a range of investment options available to the Fund’s shareholders and such shareholders, having had the opportunity to consider other investment options, have chosen to invest in the Fund.

The factors that figured prominently in the Board’s decisions to approve the Repositioning and the New Subadvisory Agreement are summarized in more detail below, and the Board did not consider any factor or information controlling in reaching such decisions.

# Board consideration and Approval of Subadvisory Agreement with Wellington Management Company LLP (Unaudited) (continued)

## **Nature, Extent and Quality of Services to be Provided by Wellington**

In considering the Repositioning and the New Subadvisory Agreement, the Board considered New York Life Investments' responsibilities as manager of the Fund, noting that New York Life Investments is responsible for supervising the Fund's subadvisor. The Board examined the nature, extent and quality of the investment advisory services that Wellington proposed to provide to the Fund. Further, the Board evaluated and/or examined the following with regard to Wellington:

- experience in providing investment advisory services;
- experience in serving as advisor or subadvisor to other funds with similar strategies as those of the Fund, as repositioned, and the performance track record of those funds;
- experience of investment advisory, senior management and administrative personnel;
- overall legal and compliance environment, resources and history and policies and procedures in place with respect to matters that may involve conflicts of interest between the Fund's investments and those of other accounts managed by Wellington;
- New York Life Investments' and Wellington's belief that their respective compliance policies, procedures and systems are reasonably designed to prevent violation of the federal securities laws and their commitment to further developing and strengthening compliance programs relating to the MainStay Group of Funds generally and the Fund specifically;
- ability to attract and retain qualified investment professionals and willingness to invest in personnel to service and support the Fund;
- portfolio construction and risk management processes;
- experience of the Fund's proposed portfolio managers, including with respect to investment strategies similar to those of the Fund, the number of accounts managed by the portfolio managers and the method for compensating the portfolio managers; and
- overall reputation, financial condition and assets under management.

Based on these considerations, the Board concluded that the Fund would likely benefit from the nature, extent and quality of the proposed investment advisory services to be provided by Wellington.

## **Investment Performance**

In evaluating the Fund's investment performance, the Board considered investment performance results over various periods in light of the Fund's investment objective, strategies and risks. The Board considered investment reports on, and analysis of, the Fund's performance provided to the Board throughout the year. These reports include, among other items, information on the Fund's gross and net returns, the Fund's investment performance compared to relevant investment categories and the Fund's benchmarks, the Fund's risk-adjusted investment performance

and the Fund's investment performance as compared to peer funds, as appropriate, as well as portfolio attribution information and commentary on the effect of market conditions.

The Board also gave weight to its discussions with senior management at New York Life Investments concerning the Fund's investment performance and remediation efforts undertaken by New York Life Investments, and other alternatives to the Repositioning, and the New Subadvisory Agreement considered by New York Life Investments. In addition, the Board considered steps taken to seek to improve the Fund's investment performance and discussions between the Fund's current portfolio management team and the Investment Committee of the Board. The Board further considered that shareholders may benefit from Wellington's investment process, including its portfolio construction and risk management processes. The Board noted that the Repositioning had not yet been implemented so an investment performance track record for the Fund, as repositioned, was not available.

The Board evaluated the Fund's proposed portfolio management team, investment process, strategies and risks. The Board noted that Wellington currently manages one or more portfolios with investment strategies similar to those of the Fund, as repositioned. Additionally, the Board considered the historical performance of such portfolio or portfolios and other portfolios managed by the proposed portfolio managers for the Fund. Based on these considerations, the Board concluded that the Fund was likely to be managed responsibly and capably by Wellington.

Based on these considerations, the Board concluded that the selection of Wellington as the subadvisor to the Fund is likely to benefit the Fund's long-term investment performance.

## **Costs of the Services to be Provided, and Profits to be Realized, by Wellington**

The Board considered the anticipated costs of the services to be provided by Wellington under the New Subadvisory Agreement and the profits expected to be realized by Wellington due to its relationship with the Fund. The Board considered that Wellington's subadvisory fee had been negotiated at arm's-length by New York Life Investments and that these fees would be paid by New York Life Investments, not the Fund.

In evaluating the anticipated costs of the services to be provided by Wellington and profits expected to be realized by Wellington, the Board considered, among other factors, Wellington's investments in, or willingness to invest in, personnel, systems, equipment and other resources and infrastructure to support and further enhance the services proposed to be provided to the Fund, and that New York Life Investments would be responsible for paying the subadvisory fee to Wellington. The Board also considered the financial resources of Wellington and acknowledged that Wellington must be in a position to attract and retain experienced professional personnel and to maintain a strong financial position for Wellington to be able to provide high-quality services to the Fund.



In considering anticipated costs and profitability, the Board also considered certain fall-out benefits that may be realized by Wellington due to its relationship with the Fund, including reputational and other indirect benefits. The Board recognized, for example, the potential benefits to Wellington from legally permitted “soft-dollar” arrangements by which brokers would provide research and other services to Wellington in exchange for commissions paid by the Fund with respect to trades in the Fund’s portfolio securities. In addition, the Board also requested and received information from New York Life Investments concerning other material business relationships between Wellington and its affiliates and New York Life Investments and its affiliates, and considered the existence of a strategic partnership between New York Life Investments and Wellington that relates to certain current and future products that represented a conflict of interest associated with New York Life Investments’ recommendation to approve the Repositioning and the New Subadvisory Agreement.

The Board took into account the fact that the Fund would undergo changes to its principal investment strategies in connection with the Repositioning. The Board noted estimates from New York Life Investments and Wellington that a significant portion of the holdings of the Fund would be sold to align the Fund’s holdings with the strategies that would be pursued by Wellington. Additionally, the Board considered New York Life Investments’ representation that New York Life Investments would work closely with Wellington to seek to execute the optimal transition strategy and that New York Life Investments would make every effort to minimize potential direct and indirect costs associated with the Repositioning.

The Board considered that any profits realized by Wellington due to its relationship with the Fund would be the result of arm’s-length negotiations between New York Life Investments and Wellington, acknowledging that any such profits would be based on fees paid to Wellington by New York Life Investments, not the Fund.

### ***Subadvisory Fee and Estimated Total Ordinary Operating Expenses***

The Board evaluated the reasonableness of the fee to be paid under the New Subadvisory Agreement and the Fund’s estimated total ordinary operating expenses. The Board primarily considered the reasonableness of the management fee to be paid by the Fund to New York Life Investments because the subadvisory fee to be paid to Wellington would be paid by New York Life Investments, not the Fund. The Board also considered the reasonableness of the subadvisory fee to be paid by New York Life Investments and the amount of the management fee expected to be retained by New York Life Investments.

In assessing the reasonableness of the Fund’s proposed fees and estimated expenses, the Board considered information provided by New York Life Investments on fees and expenses of peer funds. The Board also considered that in proposing fees for the Fund, New York Life Investments considers the competitive marketplace for mutual funds.

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

### ***Economies of Scale***

The Board considered information regarding economies of scale, including whether the Fund’s proposed expense structure would permit economies of scale to be appropriately shared with the Fund’s shareholders. The Board also considered a report from New York Life Investments, previously prepared at the request of the Board, that addressed economies of scale, including with respect to the mutual fund business generally and the various ways in which the benefits of economies of scale may be shared with the funds in the MainStay Group of Funds. Although the Board recognized the difficulty of determining economies of scale with precision, the Board acknowledged that economies of scale may be shared with the Fund in a number of ways, including, for example, through the imposition of fee breakpoints, initially setting management fee rates at scale or making additional investments to enhance services.

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

### ***Conclusion***

On the basis of the information and factors summarized above, among other information and factors deemed relevant by the Trustees, and the evaluation thereof, the Board, including the Independent Trustees voting separately, unanimously voted to approve the Repositioning and the New Subadvisory Agreement.

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

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), the Fund has adopted and implemented a liquidity risk management program (the "Program"), which New York Life Investment Management LLC believes is reasonably designed to assess and manage the Fund's liquidity risk (the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund). The Board of Trustees of MainStay Funds Trust (the "Board") designated New York Life Investment Management LLC as administrator of the Program (the "Administrator"). The Administrator has established a Liquidity Risk Management Committee to assist the Administrator in the implementation and day-to-day administration of the Program and to otherwise support the Administrator in fulfilling its responsibilities under the Program.

At a meeting of the Board held on March 8, 2021, the Administrator provided the Board with a written report addressing the Program's operation and assessing its adequacy and effectiveness of implementation for the period from January 1, 2020 through December 31, 2020 (the "Review Period"), as required under the Liquidity Rule. The report noted that the Administrator concluded that (i) the Program operated effectively to assess and manage the Fund's liquidity risk, (ii) the Program has been adequately and effectively implemented to monitor and, as applicable, respond to the Fund's liquidity developments and (iii) the Fund's investment strategy continues to be appropriate for an open-end fund. In addition, the report discussed notable events that impacted liquidity risk during the Review Period, including the COVID-19 pandemic and the resulting economic shutdown.

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

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

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

There can be no assurance that the Program will achieve its objectives under all circumstances in the future. Please refer to the Fund's prospectus for more information regarding the Fund's exposure to liquidity risk and other risks to which it may be subject.

## Proxy Voting Record

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

## Shareholder Reports and Quarterly Portfolio Disclosure

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

This page intentionally left blank.

This page intentionally left blank.

This page intentionally left blank.

# 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 Intermediate Tax Free Bond Fund  
MainStay MacKay New York Tax Free Opportunities Fund<sup>2</sup>  
MainStay MacKay Short Term Municipal Fund  
MainStay MacKay Tax Free Bond Fund

### Money Market

MainStay Money Market Fund

## Mixed Asset

MainStay Balanced Fund  
MainStay Income Builder Fund  
MainStay MacKay Convertible Fund

## Speciality

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

## Asset Allocation

MainStay Conservative Allocation Fund  
MainStay Conservative ETF Allocation Fund  
MainStay Defensive ETF Allocation Fund  
MainStay Equity Allocation Fund  
MainStay Equity ETF Allocation Fund  
MainStay Growth Allocation Fund  
MainStay Growth ETF Allocation Fund  
MainStay Moderate Allocation Fund  
MainStay Moderate ETF Allocation Fund

---

## Manager

### New York Life Investment Management LLC

New York, New York

## Subadvisors

### Candriam Belgium S.A.<sup>3</sup>

Brussels, Belgium

### Candriam Luxembourg S.C.A.<sup>3</sup>

Strassen, Luxembourg

### CBRE Clarion Securities LLC

Radnor, Pennsylvania

### Cushing Asset Management, LP

Dallas, Texas

### Epoch Investment Partners, Inc.

New York, New York

### MacKay Shields LLC<sup>3</sup>

New York, New York

### NYL Investors LLC<sup>3</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>3</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. 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.

©2021 NYLIFE Distributors LLC. All rights reserved.