

# MainStay VP Emerging Markets Equity Portfolio

## Message from the President and Annual Report

December 31, 2019

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the MainStay VP Portfolio annual and semi-annual shareholder reports may no longer be sent by mail, unless you specifically request paper copies of the reports from the insurance company that offers your policy. Instead, the reports will be made available online, and you will be notified by mail each time a report is posted and provided with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. At any time, you may elect to receive reports and other communications from the insurance company electronically by following the instructions provided by the insurance company.

You may elect to receive all future shareholder reports in paper form free of charge. You can inform the insurance company that you wish to receive paper copies of reports by following the instructions provided by the insurance company. Your election to receive reports in paper form will apply to all portfolio companies available under your contract.

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INVESTMENTS

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# Message from the President

Equity and fixed-income markets rose broadly during the 12-month reporting period ended December 31, 2019, despite a wide range of global economic and political uncertainties.

The year began on a positive note, with markets recovering from a sharp, late-2018 dip precipitated by concerns regarding the pace of economic growth, a U.S. federal government shutdown and the potential impact of trade disputes between the United States and other nations, particularly China. A wide spectrum of equity and fixed-income sectors gained ground through April 2019 as the government reopened, trade tensions eased and the U.S. Federal Reserve Board ("Fed") signaled a pause in interest rate increases. Mixed macroeconomic signals and the inability of China and the United States to reach a trade agreement caused the market's recovery to suffer during the spring and summer months of 2019. However, accommodative monetary policies from several central banks, including a series of interest rate cuts by the Fed, along with better-than-expected corporate earnings, reassured investors and enabled markets to resume their advance.

Persistent, albeit slow, U.S. economic growth underpinned the U.S. stock market's advance during the reporting period, positioning major U.S. equity indices to reach record territory by late October 2019 and continue rising from there. Sector strength shifted as investor sentiment alternated between risk-on and risk-off positions. In general, for the reporting period, growth-oriented stocks outperformed their value-oriented counterparts by a wide margin, with the information technology sector leading the large-cap S&P 500® Index. However, the traditionally more defensive areas of utilities and communications services generated above-average performance as well. The industrials and consumer discretionary sectors performed in the middle of the pack, while real estate, consumer staples, utilities, health care and materials lagged, and energy brought up the rear on weak oil prices and concerns about future energy demand. Nevertheless, all eleven S&P 500® sectors produced positive returns, with all but energy generating double-digit gains.

In the fixed-income markets, slowing economic growth, modest inflation and the Fed's interest rate cuts created an environment of fluctuating but ultimately falling yields and rising prices for most bonds. Higher-credit-quality, longer-duration instruments generally outperformed lower-credit-quality, shorter-duration securities. Long-term Treasury bonds rallied strongly, with the yield on the 10-year note closing the reporting period at 1.92%,

down from 2.68% in December 2018. Prices for corporate credit also produced significant gains, with yields on both investment-grade and high-yield corporate bonds finishing near the tightest levels of this credit cycle. Spreads of credit-related securitized product (asset-backed and commercial mortgage-backed securities) tightened as well.

International stock and bond markets tended to underperform their U.S. counterparts, constrained by lackluster economic growth in the eurozone and dramatically slowing growth in China and related parts of Asia amid persistent trade tensions with the United States. Uncertainties surrounding the long-standing Brexit drama took a further toll on investor confidence, with progress delayed until the December 2019 election of Boris Johnson's pro-Brexit Conservative Party finally pointed clearly toward an eventual British exit from the European Union. Nevertheless, on average, international securities delivered positive returns supported by the accommodative monetary policies implemented by European and Asian central banks. In general, stocks tended to outperform bonds, with gains in developed-market equities followed closely by those of emerging-market equities. Among bonds, prices for emerging-market securities advanced more than those of developed-market instruments, bolstered by rising risk-on sentiment in the closing months of the reporting period.

As the economic growth cycle lengthens, investors are left to ponder how best to position their portfolios for an uncertain future. When the yield curve inverted in mid-2019 prompting concerns of a potential recession, we were reminded that the direction of the economy is continually subject to change, and perceptions of the economy can shift even more rapidly. As a MainStay VP investor, you can rely on us to manage our portfolios with unflagging energy and dedication so that you can remain focused on your long-term objectives in the face of uncertainty and change. Our goal remains to provide you with the consistently reliable financial tools you need to achieve your long-term objectives.

Sincerely,



Kirk C. Lehneis  
President

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

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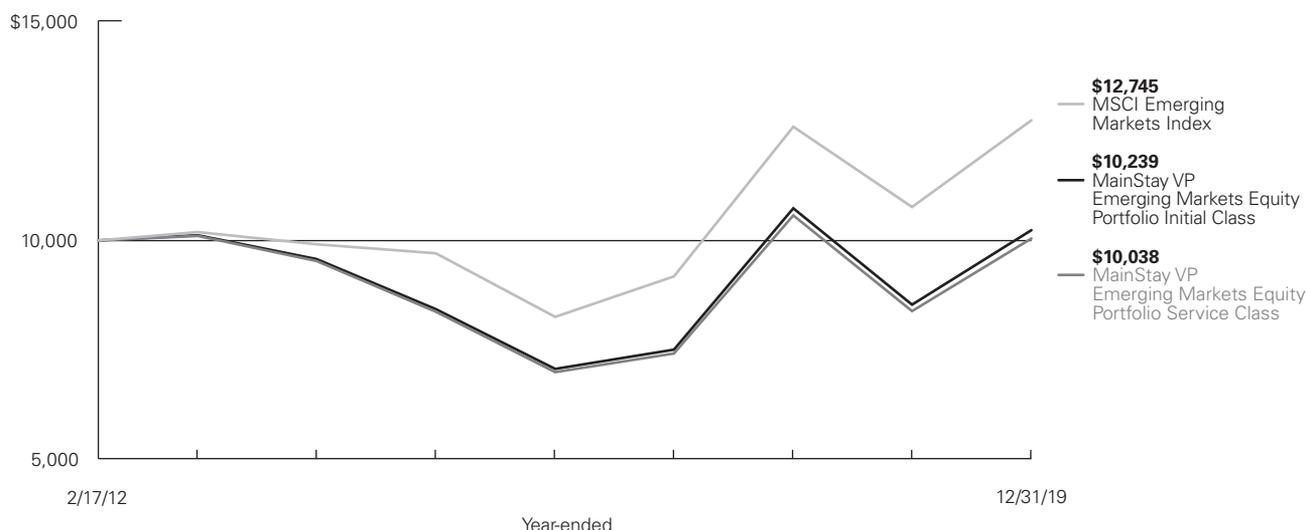
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**Investors should refer to the Portfolio's Summary Prospectus and/or Prospectus and consider the Portfolio's investment objectives, strategies, risks, charges and expenses carefully before investing. The Summary Prospectus and/or Prospectus contain this and other information about the Portfolio. You may obtain copies of the Portfolio's Summary Prospectus and/or the Prospectus and the Statement of Additional Information free of charge, upon request, by calling toll-free 800-598-2019, by writing to New York Life Insurance and Annuity Corporation, 51 Madison Avenue, Room 251, New York, New York 10010 or by sending an email to [MainStayShareholdersServices@nylim.com](mailto:MainStayShareholdersServices@nylim.com). These documents are also available at [nylinvestments.com/vpddocuments](http://nylinvestments.com/vpddocuments). Please read the Summary Prospectus and/or Prospectus carefully before investing. MainStay VP Funds Trust portfolios are separate account options which are purchased through a variable insurance or variable annuity contract.**

# Investment and Performance Comparison<sup>1</sup> (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 performance table and graph do not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. Please refer to the Performance Summary appropriate for your policy. For performance information current to the most recent month-end, please call 800-598-2019 or visit [www.newyorklife.com](http://www.newyorklife.com).



## Average Annual Total Returns for the Year-Ended December 31, 2019

Class	Inception Date	One Year	Five Years	Since Inception <sup>2</sup>	Gross Expense Ratio <sup>3</sup>
Initial Class Shares	2/17/2012	20.08%	3.98%	0.30%	1.15%
Service Class Shares	2/17/2012	19.78	3.72	0.05	1.40

Benchmark Performance	One Year	Five Years	Since Inception
MSCI Emerging Markets Index <sup>4</sup>	18.42%	5.61%	3.13%
Morningstar Diversified Emerging Markets Category Average <sup>5</sup>	19.25	4.84	2.82

- Performance figures may reflect certain fee waivers and/or expense limitations, without which total returns may have been different. For information on current fee waivers and/or expense limitations (if any), please refer to the Notes to Financial Statements.
- Effective January 13, 2015, the Portfolio changed its subadvisors and revised its principal investment strategies. The performance in the bar chart and table prior to that date reflects the Portfolio's prior subadvisors and principal investment strategies.
- The gross expense ratios presented reflect the Portfolio's "Total Annual Portfolio Operating Expenses" from the most recent Prospectus, as supplemented, and may differ from other expense ratios disclosed in this report.
- The MSCI Emerging Markets Index is the Portfolio's primary broad-based securities market index for comparison purposes. The MSCI Emerging

- Markets Index is a free float-adjusted market-capitalization index that is designed to measure equity market performance in the global emerging markets. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
- The Morningstar Diversified Emerging Markets Category Average is representative of funds that tend to divide their assets among 20 or more nations, although they tend to focus on the emerging markets of Asia and Latin America rather than on those of the Middle East, Africa, or Europe. These funds invest predominantly in emerging market equities, but some funds also invest in both equities and fixed income investments from emerging markets. Results are based on average total returns of similar funds with all dividends and capital gain distributions reinvested.

## Cost in Dollars of a \$1,000 Investment in MainStay VP Emerging Markets Equity Portfolio (Unaudited)

The example below is intended to describe the fees and expenses borne by shareholders during the six-month period from July 1, 2019, to December 31, 2019, and the impact of those costs on your investment.

### Example

As a shareholder of the Portfolio 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 Portfolio expenses (as applicable). This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio 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 July 1, 2019, to December 31, 2019. Shares are only sold in connection with variable life and annuity contracts and the example does not reflect any contract level or transactional fees or expenses. If these costs had been included, your costs would have been higher.

This example illustrates your Portfolio'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 December 31, 2019. 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 Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio'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 Portfolio 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 7/1/19	Ending Account Value (Based on Actual Returns and Expenses) 12/31/19	Expenses Paid During Period <sup>1</sup>	Ending Account Value (Based on Hypothetical 5% Annualized Return and Actual Expenses) 12/31/19	Expenses Paid During Period <sup>1</sup>	Net Expense Ratio During Period <sup>2</sup>
Initial Class Shares	\$1,000.00	\$1,070.50	\$6.21	\$1,019.21	\$6.06	1.19%
Service Class Shares	\$1,000.00	\$1,069.20	\$7.51	\$1,017.95	\$7.32	1.44%

- Expenses are equal to the Portfolio's annualized expense ratio of each class multiplied by the average account value over the period, divided by 365 and multiplied by 184 (to reflect the six-month period). The table above represents the actual expenses incurred during the six-month period. In addition to the fees and expenses which the Portfolio 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 Portfolio's annualized expense ratio to reflect the six-month period.

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**Country Composition as of December 31, 2019 (Unaudited)**

China	34.4%	Turkey	1.0%
Republic of Korea	13.9	Poland	0.9
Taiwan	12.1	Colombia	0.8
Brazil	8.6	Hong Kong	0.8
India	8.1	Peru	0.7
Russia	5.1	Greece	0.3
South Africa	4.2	Canada	0.2
Thailand	2.3	Egypt	0.2
Mexico	1.8	Hungary	0.2
United States	1.2	Luxembourg	0.0‡
Indonesia	1.1	Spain	0.0‡
Malaysia	1.1	Other Assets, Less Liabilities	<u>-0.0‡</u>
Philippines	1.0		<u>100.0%</u>

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

‡ Less than one-tenth of a percent.

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**Top Ten Holdings as of December 31, 2019 (excluding short-term investments) (Unaudited)**

1. Alibaba Group Holding, Ltd.	6. Naspers, Ltd.
2. Taiwan Semiconductor Manufacturing Co., Ltd.	7. China Construction Bank Corp.
3. Tencent Holdings, Ltd.	8. SK Hynix, Inc.
4. Samsung Electronics Co., Ltd.	9. Reliance Industries, Ltd.
5. Ping An Insurance Group Co. of China, Ltd.	10. Petroleo Brasileiro S.A. 3.09%

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# Portfolio Management Discussion and Analysis (Unaudited)

Answers to the questions reflect the views of portfolio managers Ping Wang, PhD, and Rui Tang, CFA, of MacKay Shields LLC (“MacKay Shields”), a Subadvisor of the Portfolio, and portfolio managers Jan Boudewijns, Philip Screve and Mohamed Lamine Saidi of Candriam Belgium (“Candriam”), a Subadvisor of the Portfolio.

## How did MainStay VP Emerging Markets Equity Portfolio perform relative to its benchmark and peers during the 12 months ended December 31, 2019?

For the 12 months ended December 31, 2019, MainStay VP Emerging Markets Equity Portfolio returned 20.08% for Initial Class shares and 19.78% for Service Class shares. Over the same period, both share classes outperformed the 18.42% return of the MSCI Emerging Markets Index, which is the Portfolio’s benchmark, and the 19.25% return of the Morningstar Diversified Emerging Markets Category Average.<sup>1</sup>

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

### *Candriam*

The portion of the Portfolio subadvised by Candriam outperformed the MSCI Emerging Markets Index during the reporting period largely due to its investment process, which focuses on the bottom-up selection of reasonably priced stocks of quality companies delivering strong and sustainable profitability. During the reporting period, we followed our investment process as much as technically possible apart from differences linked to Russia sanctions-related restrictions. Our process resulted in a structural tilt toward quality and growth stocks in the Portfolio.

The major political and macroeconomic events of 2019 were reflected in an active but successful investment strategy. While the strong relative performance of the portion of the Portfolio subadvised by Candriam was primarily driven by stock selection, important weighting changes among national markets and industry sectors played a role as well, with allocations in China and the technology sector figuring centrally. During the first quarter of 2019, both positions were significantly overweight relative to the MSCI Emerging Markets Index. Both were heavily reduced during the second quarter as the risk of a U.S.-China trade war became apparent. The third quarter saw progress in trade negotiations, signs of bottoming out among global economic indicators and indications that the hard-hit semiconductor industry was turning the corner. In response, we increased Chinese positions as well as holdings of cyclical and technology stocks, particularly those related to semiconductors and the ongoing 5G cellular buildout, resulting in increased exposure to Taiwan and South Korea at the expense of Brazil, Southeast Asia and India. During the final quarter, due to the massive disparity between valuations of growth and value stocks, we gradually increased value-oriented exposure.

Taken together, these various investment decisions produced solid outperformance as compared to the MSCI Emerging Markets Index, with particularly strong returns from holdings in

China and Poland, and from the technology and financials sectors.

### *MacKay Shields*

The portion of the Portfolio subadvised by MacKay Shields marginally outperformed the MSCI Emerging Markets Index during the reporting period, primarily driven by positive stock selection. During the reporting period, value investing in emerging-market equities was not rewarded by the market. Cheap stocks with good company fundamentals and positive market sentiments broadly underperformed expensive stocks with relatively poor company fundamentals and negative market sentiments. This anti-value market environment negatively affected the efficacy of our stock selection model, particularly in Asian countries that were directly impacted by escalating trade tension between United States and China.

## Which sectors were the strongest positive contributors to the Portfolio’s relative performance, and which sectors were particularly weak?

### *Candriam*

In the portion of the Portfolio subadvised by Candriam, the financials, communication services and industrials sectors made the strongest positive contributions to performance relative to the MSCI Emerging Markets Index during the reporting period. (Contributions take weightings and total returns into account.) During the same period, the consumer staples, consumer discretionary and utilities sectors made the weakest contributions to the relative performance of the Candriam portion of the Portfolio, with underweight allocations in all three sectors.

### *MacKay Shields*

In the portion of the Portfolio subadvised by MacKay Shields, the sectors that made the most substantial positive contributions to the Portfolio’s performance relative to the MSCI Emerging Markets Index during the reporting period included energy, materials and information technology. During the same period, the sectors that detracted the most from the relative performance of the MacKay Shields portion of the Portfolio were industrials, communication services and utilities.

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

### *Candriam*

In the Candriam portion of the Portfolio, the strongest contributions to absolute performance came from Taiwanese

1. See page 5 for more information on benchmark and peer group returns.

semiconductor manufacturer Taiwan Semiconductor Manufacturing, Chinese information technology and e-commerce company Alibaba Group and South Korean electrical equipment company Samsung Electronics. Taiwan Semiconductor Manufacturing made progress in monetizing its leading position in quickly growing areas of 5G communications and high-performance computing. Alibaba Group reported healthy profitability from its core marketplace and growing synergies within its business ecosystem. Samsung Electronics benefited from easing macro headwinds, positive data points related to its Galaxy Fold cellphone, an improving outlook for 5G smartphones in 2020 and DRAM price hikes in the spot market.

During the reporting period, the most substantial detractors from absolute performance in the Candriam portion of the Portfolio included Argentinian bank Grupo Financiero Galicia, South Korean dental implant services company Osstem Implant and South Korean Cosmax, the world's biggest cosmetics manufacturer. All produced negative total returns and were divested. Grupo Financiero Galicia shares lost more than half their value on August 18, 2019, when the entire Argentinian stock market dropped precipitously in response to the results of the country's primary elections. Osstem Implant reported an earning shock in the second quarter of 2019 when the company recognized a significant amount of provisions, dampening operating profits. Cosmax suffered sales declines in China as Chinese product designers and manufacturers took steps to close the technology gap with their Korean counterparts.

#### *Mackay Shields*

The stocks that made the most substantial contributions to the absolute performance of the Mackay Shields portion of the Portfolio during the reporting period included South African Internet & direct marketing retailer Naspers Limited, Chinese Internet & direct marketing retailer Alibaba Group and semiconductor maker Taiwan Semiconductor Manufacturing. Over the same period, the stocks that detracted the most from the absolute performance of the Mackay Shields portion of the Portfolio were South African cable & satellite services provider Multichoice Group and Indian mortgage finance companies Indiabulls Housing Finance and Dewan Housing Finance.

#### **Did the Portfolio make any significant purchases or sales during the reporting period?**

##### *Candriam*

Significant purchases in the Candriam portion of the Portfolio during the reporting period included shares of CNOOC, the largest producer of offshore crude oil and natural gas in China, and Indian housing financial company Housing Development Finance Corporation ("HDFC"). Both were purchased with the goal of risk reduction: CNOOC as added energy and value

exposure, and HDFC as one of the more defensive names among India-based financials.

During the reporting period, significant sales in the Candriam portion of the Portfolio included partial positions in Chinese bank China Merchants Bank, and Chinese provider of internet, mobile and telecom services Tencent. We reduced holdings of China Merchants Bank in favor of other Chinese banks. We reduced holdings of Tencent based on the margin and cost pressures facing the company; however, the stock appeared to be approaching more attractive valuation levels as the reporting period ended.

##### *Mackay Shields*

The most substantial position initiated in the Mackay Shields portion of the Portfolio during the reporting period was in South Korean auto parts maker Hyundai Mobis, while the largest increased purchase was in Chinese information technology and e-commerce company Alibaba Group. During the same period, the most substantial position that the Mackay Shields portion of the Portfolio exited entirely was in Mexican telecommunications services provider América Móvil, S.A.B. de C.V., while the largest decreased position size was in diversified financial services firm China Construction Bank.

#### **How did the Portfolio's sector weightings change during the reporting period?**

##### *Candriam*

During the reporting period, the Candriam portion of the Portfolio saw its most substantial weighting increase relative to the MSCI Emerging Markets Index in the information technology sector, while smaller weighting increases occurred in the consumer discretionary and real estate sectors. During the same period, the Candriam portion of the Portfolio saw a large decrease in its sector weightings relative to the benchmark in industrials, with smaller weighting reductions in health care and utilities.

##### *Mackay Shields*

In the Mackay Shields portion of the Portfolio, the most substantial increases in sector weightings relative to the MSCI Emerging Markets Index during the reporting period were in consumer discretionary and financials. Over the same period, the Mackay Shields portion of the Portfolio saw its most substantial decreases in sector weightings relative to the benchmark in utilities and materials.

**How was the Portfolio positioned at the end of the reporting period?**

*Candriam*

As of December 31, 2019, the sectors that were most substantially overweight relative to the MSCI Emerging Markets Index in the Candriam portion of the Portfolio were information technology, materials and real estate. As of the same date, the sectors that were most substantially underweight relative to the Index in the Candriam portion of the Portfolio were utilities and consumer staples.

*MacKay Shields*

As of December 31, 2019, the sectors in the MacKay Shields portion of the Portfolio that were most substantially overweight relative to the MSCI Emerging Markets Index were information technology and consumer discretionary. As of the same date, the sectors in the MacKay Shields portion of the Portfolio that were most substantially underweight relative to the Index were communication services and consumer staples.

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.

Not all MainStay VP Portfolios and/or share classes are available under all policies.

# Portfolio of Investments December 31, 2019

	Shares	Value
<b>Common Stocks 94.7%†</b>		
<b>Brazil 6.0%</b>		
Afya, Ltd., Class A (Diversified Consumer Services) (a)(b)	30,000	\$ 813,600
B3 S.A.—Brasil Bolsa Balcao (Capital Markets)	95,000	1,014,779
Banco Bradesco S.A. (Banks)	109,400	926,555
Banco BTG Pactual S.A. (Capital Markets)	84,000	1,589,708
Banco do Brasil S.A. (Banks)	146,000	1,917,051
Banco Santander Brasil S.A. (Banks)	9,800	120,639
BB Seguridade Participacoes S.A. (Insurance)	146,000	1,368,285
Construtora Tenda S.A. (Household Durables)	88,400	663,434
Cosan S.A. (Oil, Gas & Consumable Fuels)	80,400	1,390,466
Cyrela Brazil Realty S.A. Empreendimentos e Participacoes (Household Durables)	220,900	1,630,378
IRB Brasil Resseguros S.A. (Insurance)	178,300	1,726,399
JBS S.A. (Food Products)	103,600	664,449
JSL S.A. (Road & Rail)	101,400	674,790
Magazine Luiza S.A. (Multiline Retail)	95,000	1,126,482
Marfrig Global Foods S.A. (Food Products) (b)	180,600	447,156
Minerva S.A. (Food Products) (b)	147,600	471,122
Notre Dame Intermedica Participacoes S.A. (Health Care Providers & Services)	57,200	970,468
Petrobras Distribuidora S.A. (Specialty Retail)	108,600	811,794
Qualicorp Consultoria e Corretora de Seguros S.A. (Health Care Providers & Services)	59,000	544,137
Raia Drogasil S.A. (Food & Staples Retailing)	17,000	471,793
Rumo S.A. (Road & Rail) (b)	150,000	973,227
Ser Educacional S.A. (Diversified Consumer Services) (c)	30,500	210,400
Tupy S.A. (Auto Components)	38,100	239,623
Vale S.A. (Metals & Mining)	186,175	2,466,783
Wiz Solucoes e Corretagem de Seguros S.A. (Insurance)	126,600	444,376
XP, Inc, Class A (Capital Markets) (b)	12,000	462,240
		<u>24,140,134</u>
<b>Canada 0.2%</b>		
Pan American Silver Corp. (Metals & Mining)	36,000	<u>852,840</u>
<b>China 34.4%</b>		
AAC Technologies Holdings, Inc. (Electronic Equipment, Instruments & Components)	220,000	1,919,844
Agricultural Bank of China, Ltd., Class H (Banks)	1,231,000	541,859
Aier Eye Hospital Group Co., Ltd., Class A (Health Care Providers & Services)	160,177	909,686
Alibaba Group Holding, Ltd., Sponsored ADR (Internet & Direct Marketing Retail) (b)	103,219	21,892,750
Anhui Conch Cement Co., Ltd., Class H (Construction Materials)	411,500	2,999,525
ANTA Sports Products, Ltd. (Textiles, Apparel & Luxury Goods)	150,000	1,342,672

	Shares	Value
<b>China (continued)</b>		
BAIC Motor Corp., Ltd., Class H (Automobiles) (c)	1,868,000	\$ 1,059,579
Baidu, Inc., Sponsored ADR (Interactive Media & Services) (b)	15,900	2,009,760
Bank of China, Ltd., Class H (Banks)	4,066,000	1,737,585
Bank of Shanghai Co., Ltd., Class A (Banks)	1,139,942	1,553,046
Beijing Enterprises Water Group, Ltd. (Water Utilities) (b)	1,200,000	606,753
Brilliance China Automotive Holdings, Ltd. (Automobiles)	1,000,000	1,036,921
BYD Electronic International Co., Ltd. (Communications Equipment)	493,000	947,748
Changyou.com, Ltd., ADR (Entertainment) (a)	7,200	70,488
China Aoyuan Group, Ltd. (Real Estate Management & Development)	1,875,000	3,055,901
China CITIC Bank Corp., Ltd., Class H (Banks)	1,728,000	1,035,607
China Construction Bank Corp., Class H (Banks)	6,572,100	5,676,146
China Galaxy Securities Co., Ltd., Class H (Capital Markets)	327,500	192,912
China High Speed Transmission Equipment Group Co., Ltd. (Electrical Equipment) (a)	115,000	81,613
China Lesso Group Holdings, Ltd. (Building Products)	1,100,000	1,410,238
China Life Insurance Co., Ltd., Class H (Insurance)	326,000	905,753
China Lumena New Materials Corp. (Chemicals) (b)(d)(e)(f)	260,000	0
China Medical System Holdings, Ltd. (Pharmaceuticals)	357,000	514,038
China Merchants Bank Co., Ltd., Class H (Banks)	540,000	2,775,432
China Mobile, Ltd. (Wireless Telecommunication Services)	157,000	1,319,700
China National Building Material Co., Ltd., Class H (Construction Materials)	1,088,000	1,214,738
China Overseas Grand Oceans Group, Ltd. (Real Estate Management & Development)	438,000	302,968
China Overseas Land & Investment, Ltd. (Real Estate Management & Development)	660,000	2,570,615
China Pacific Insurance Group Co., Ltd., Class H (Insurance)	44,400	174,927
China Vanke Co., Ltd., Class H (Real Estate Management & Development)	108,800	464,253
China Zhongwang Holdings, Ltd. (Metals & Mining)	833,600	332,700
Chitina Holding, Ltd. (Personal Products)	53,000	420,789
CITIC, Ltd. (Industrial Conglomerates)	538,000	719,423
CNOOC, Ltd. (Oil, Gas & Consumable Fuels)	2,611,000	4,342,563
Country Garden Services Holdings Co., Ltd. (Commercial Services & Supplies)	380,183	1,280,726

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

# Portfolio of Investments December 31, 2019 (continued)

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>China (continued)</b>		
ENN Energy Holdings, Ltd. (Gas Utilities)	100,000	\$ 1,092,745
Geely Automobile Holdings, Ltd. (Automobiles)	600,000	1,173,466
Great Wall Motor Co., Ltd., Class H (Automobiles)	650,500	480,844
Haitong Securities Co., Ltd., Class H (Capital Markets)	436,800	516,270
Hangzhou Tigermed Consulting Co., Ltd., Class A (Life Sciences Tools & Services)	84,919	769,863
Huadian Power International Corp., Ltd., Class H (Independent Power & Renewable Electricity Producers)	736,000	279,579
Hundsun Technologies, Inc., Class A (Software)	89,773	1,001,774
Industrial & Commercial Bank of China, Ltd., Class H (Banks)	5,046,000	3,885,374
JD.com, Inc., ADR (Internet & Direct Marketing Retail) (b)	99,952	3,521,309
JinkoSolar Holding Co., Ltd., ADR (Semiconductors & Semiconductor Equipment) (a)(b)	6,300	141,687
Jumei International Holding, Ltd., ADR (Internet & Direct Marketing Retail) (b)	67,500	138,375
Kweichow Moutai Co., Ltd., Class A (Beverages)	4,385	744,714
LexinFintech Holdings, Ltd., ADR (Consumer Finance) (b)	43,100	598,659
Logan Property Holdings Co., Ltd. (Real Estate Management & Development)	182,000	305,502
Luxshare Precision Industry Co., Ltd., Class A (Electronic Equipment, Instruments & Components)	199,930	1,047,626
Luye Pharma Group, Ltd. (Pharmaceuticals) (a)(c)	749,500	561,719
Meituan Dianping, Class B (Internet & Direct Marketing Retail) (b)	94,000	1,229,239
Metallurgical Corp. of China, Ltd., Class H (Construction & Engineering)	731,000	164,168
Momo, Inc., Sponsored ADR (Interactive Media & Services)	27,304	914,684
NetEase, Inc., ADR (Entertainment)	7,900	2,422,456
New Oriental Education & Technology Group, Inc., Sponsored ADR (Diversified Consumer Services) (b)	9,000	1,091,250
PICC Property & Casualty Co., Ltd., Class H (Insurance)	828,000	997,770
Pinduoduo, Inc., ADR (Internet & Direct Marketing Retail) (b)	7,000	264,740
Ping An Bank Co., Ltd., Class A (Banks)	619,946	1,464,047
Ping An Insurance Group Co. of China, Ltd., Class H (Insurance)	683,000	8,072,623

	Shares	Value
<b>China (continued)</b>		
Postal Savings Bank of China Co., Ltd., Class H (Banks) (c)	2,400,000	\$ 1,632,381
Qudian, Inc., Sponsored ADR (Consumer Finance) (a)(b)	10,300	48,513
Sany Heavy Industry Co., Ltd., Class A (Machinery)	379,906	929,899
Shimao Property Holdings, Ltd. (Real Estate Management & Development)	440,000	1,705,273
Sihuan Pharmaceutical Holdings Group, Ltd. (Pharmaceuticals)	3,111,000	371,293
Silergy Corp. (Semiconductors & Semiconductor Equipment)	30,000	950,729
Sinopec Engineering Group Co., Ltd., Class H (Construction & Engineering)	1,144,000	684,142
Sinotruk Hong Kong, Ltd. (Machinery)	659,500	1,406,631
Springland International Holdings, Ltd. (Food & Staples Retailing)	300,000	84,699
Sunac China Holdings, Ltd. (Real Estate Management & Development)	318,000	1,899,683
Sunny Optical Technology Group Co., Ltd. (Electronic Equipment, Instruments & Components)	110,000	1,904,316
Tencent Holdings, Ltd. (Interactive Media & Services)	347,000	16,725,896
Uni-President China Holdings, Ltd. (Food Products)	358,000	375,812
Vipshop Holdings, Ltd., ADR (Internet & Direct Marketing Retail) (b)	169,900	2,407,483
Want Want China Holdings, Ltd. (Food Products)	580,000	541,868
Weichai Power Co., Ltd., Class H (Machinery)	581,000	1,225,779
Weiqiao Textile Co., Ltd., Class H (Textiles, Apparel & Luxury Goods)	249,000	72,217
Xinyi Solar Holdings, Ltd. (Semiconductors & Semiconductor Equipment)	142,000	100,774
Yanzhou Coal Mining Co., Ltd., Class H (Oil, Gas & Consumable Fuels)	486,000	436,585
YiChang HEC ChangJiang Pharmaceutical Co., Ltd., Class H (Pharmaceuticals) (c)	55,000	312,328
Yihai International Holding, Ltd. (Food Products) (b)	100,000	586,476
Yonyou Network Technology Co., Ltd., Class A (Software)	199,935	815,159
Yuexiu Property Co., Ltd. (Real Estate Management & Development)	1,472,000	340,028
Zhongsheng Group Holdings, Ltd. (Specialty Retail)	200,000	818,757
Zoomlion Heavy Industry Science & Technology Co., Ltd., Class H (Machinery)	1,202,200	1,007,452
		<u>137,683,914</u>

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Colombia 0.8%</b>		
Bancolombia S.A., Sponsored ADR (Banks)	24,000	\$ 1,314,960
Corp. Financiera Colombiana S.A. (Diversified Financial Services) (b)	9,604	89,986
Geopark, Ltd. (Oil, Gas & Consumable Fuels)	42,000	928,200
Interconexion Electrica S.A. E.S.P. (Electric Utilities)	115,365	687,860
		<u>3,021,006</u>
<b>Egypt 0.2%</b>		
Commercial International Bank Egypt S.A.E., GDR (Banks)	180,000	918,000
<b>Greece 0.3%</b>		
FF Group (Textiles, Apparel & Luxury Goods) (b)(d)(e)(f)	19,000	51,150
Hellenic Telecommunications Organization S.A. (Diversified Telecommunication Services)	63,312	1,012,703
Motor Oil Hellas Corinth Refineries S.A. (Oil, Gas & Consumable Fuels)	11,334	262,149
		<u>1,326,002</u>
<b>Hong Kong 0.8%</b>		
China Metal Recycling Holdings, Ltd. (Metals & Mining) (b)(d)(e)(f)	75,000	0
China Resources Cement Holdings, Ltd. (Construction Materials)	236,000	300,440
CSPC Pharmaceutical Group, Ltd. (Pharmaceuticals)	180,000	429,193
Kingboard Laminates Holdings, Ltd. (Electronic Equipment, Instruments & Components)	477,000	591,330
Sino Biopharmaceutical, Ltd. (Pharmaceuticals)	508,000	710,599
Xinyi Glass Holdings, Ltd. (Auto Components)	800,000	1,059,507
		<u>3,091,069</u>
<b>Hungary 0.2%</b>		
OTP Bank Nyrt. (Banks)	14,899	779,144
<b>India 8.1%</b>		
Adani Ports & Special Economic Zone, Ltd. (Transportation Infrastructure)	120,000	615,651
Alkem Laboratories, Ltd. (Pharmaceuticals)	5,182	145,282
Asian Paints, Ltd. (Chemicals)	49,279	1,235,942
Avanti Feeds, Ltd. (Food Products)	48,215	397,862
Avenue Supermarts, Ltd. (Food & Staples Retailing) (b)(c)	3,682	94,915
Axis Bank, Ltd. (Banks)	150,334	1,584,887
Bajaj Auto, Ltd. (Automobiles)	2,624	116,903
Bajaj Finance, Ltd. (Consumer Finance)	40,344	2,388,033
Bajaj Finserv, Ltd. (Insurance)	4,537	598,762
Bandhan Bank, Ltd. (Banks) (c)	65,199	465,667
BEML, Ltd. (Machinery)	23,418	322,342

	Shares	Value
<b>India (continued)</b>		
Bharti Infratel, Ltd. (Diversified Telecommunication Services)	89,892	\$ 317,993
Birla Corp., Ltd. (Construction Materials)	7,606	65,060
Coal India, Ltd. (Oil, Gas & Consumable Fuels)	23,927	70,881
Deepak Nitrite, Ltd. (Chemicals)	21,157	110,486
Dr. Lal PathLabs, Ltd. (Health Care Providers & Services) (c)	10,523	220,402
Dr. Reddy's Laboratories, Ltd. (Pharmaceuticals)	3,380	135,883
Granules India, Ltd. (Pharmaceuticals)	131,835	227,827
Graphite India, Ltd. (Electrical Equipment)	42,353	179,670
HCL Technologies, Ltd. (IT Services)	32,010	255,172
HDFC Asset Management Co., Ltd. (Capital Markets) (c)	10,292	459,965
Hindustan Petroleum Corp., Ltd. (Oil, Gas & Consumable Fuels)	127,328	471,204
Hindustan Unilever, Ltd. (Household Products)	65,396	1,759,361
Housing Development Finance Corp., Ltd. (Thriffs & Mortgage Finance)	99,265	3,355,809
ICICI Bank, Ltd. (Banks)	140,940	1,063,593
ICICI Lombard General Insurance Co., Ltd. (Insurance) (c)	5,362	103,750
Indian Oil Corp., Ltd. (Oil, Gas & Consumable Fuels)	293,721	517,255
Infosys, Ltd. (IT Services)	100,495	1,030,600
ITC, Ltd. (Tobacco)	107,246	357,296
KEI Industries, Ltd. (Electrical Equipment)	10,382	66,536
Larsen & Toubro, Ltd. (Construction & Engineering)	14,074	257,314
Maruti Suzuki India, Ltd. (Automobiles)	10,200	1,053,179
Motherson Sumi Systems, Ltd. (Auto Components)	36,906	75,799
Nestle India, Ltd. (Food Products)	723	149,627
NMDC, Ltd. (Metals & Mining)	231,528	418,435
Petronet LNG, Ltd. (Oil, Gas & Consumable Fuels)	749,338	2,814,028
Power Grid Corp. of India, Ltd. (Electric Utilities)	54,014	144,233
PVR, Ltd. (Entertainment)	12,000	318,576
REC, Ltd. (Diversified Financial Services)	227,183	455,142
Reliance Industries, Ltd. (Oil, Gas & Consumable Fuels)	253,002	5,373,508
State Bank of India (Banks) (b)	14,459	67,617
Suven Life Sciences, Ltd. (Pharmaceuticals)	34,137	147,016
Tata Consultancy Services, Ltd. (IT Services)	11,386	345,353
Tech Mahindra, Ltd. (IT Services)	13,659	145,664
Titan Co., Ltd. (Textiles, Apparel & Luxury Goods)	36,000	600,133
UltraTech Cement, Ltd. (Construction Materials)	3,155	179,236
Vedanta, Ltd. (Metals & Mining)	340,000	725,222
Whirlpool of India, Ltd. (Household Durables)	7,112	234,848
		<u>32,239,919</u>

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# Portfolio of Investments December 31, 2019 (continued)

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Indonesia 1.1%</b>		
PT Adaro Energy Tbk (Oil, Gas & Consumable Fuels)	3,213,100	\$ 359,904
PT Bank Rakyat Indonesia Persero Tbk (Banks)	5,336,900	1,691,507
PT Bumi Serpong Damai Tbk (Real Estate Management & Development) (b)	772,100	69,799
PT Indah Kiat Pulp & Paper Corp. Tbk (Paper & Forest Products)	795,400	441,173
PT Indofood Sukses Makmur Tbk (Food Products)	1,900,000	1,084,639
PT Matahari Department Store Tbk (Multiline Retail)	786,800	238,605
PT Telekomunikasi Indonesia Persero Tbk (Diversified Telecommunication Services)	2,300,000	657,735
		<u>4,543,362</u>
<b>Luxembourg 0.0%†</b>		
Reinet Investments SCA (Capital Markets)	5,629	<u>111,527</u>
<b>Malaysia 1.1%</b>		
AMMB Holdings BHD (Banks)	806,000	770,434
Dialog Group BHD (Energy Equipment & Services)	1,800,000	1,518,152
Genting Malaysia BHD (Hotels, Restaurants & Leisure)	441,600	355,180
IOI Properties Group BHD (Real Estate Management & Development)	248,500	75,331
Malaysia Airports Holdings BHD (Transportation Infrastructure)	96,200	178,736
MISC BHD (Marine)	351,400	717,318
Telekom Malaysia BHD (Diversified Telecommunication Services)	818,500	764,373
		<u>4,379,524</u>
<b>Mexico 1.8%</b>		
Aleatica, S.A.B. de C.V. (Transportation Infrastructure)	66,500	98,831
America Movil S.A.B. de C.V., Series L (Wireless Telecommunication Services)	1,200,000	958,350
Concentradora Fibra Danhos S.A. de C.V. (Equity Real Estate Investment Trusts)	52,700	79,994
Controladora Vuela Cia de Aviacion S.A.B. de C.V., Class A (Airlines) (b)	64,400	67,372
Credito Real S.A.B. de C.V. (Consumer Finance)	81,700	102,149
Fibra Uno Administracion S.A. de C.V. (Equity Real Estate Investment Trusts)	820,600	1,270,774
Grupo Financiero Banorte S.A.B. de C.V., Class O (Banks)	322,700	1,801,624
Kimberly-Clark de Mexico S.A.B. de C.V., Class A (Household Products) (b)	383,600	763,447

	Shares	Value
<b>Mexico (continued)</b>		
Macquarie Mexico Real Estate Management S.A. de C.V. (Equity Real Estate Investment Trusts) (c)	51,700	\$ 67,594
PLA Administradora Industrial, S. de R.L. de C.V. (Equity Real Estate Investment Trusts)	41,900	68,698
Qualitas Controladora S.A.B. de C.V. (Insurance)	68,300	287,685
Wal-Mart de Mexico S.A.B. de C.V. (Food & Staples Retailing)	596,500	1,712,443
		<u>7,278,961</u>
<b>Peru 0.7%</b>		
Credicorp, Ltd. (Banks)	4,000	852,520
Southern Copper Corp. (Metals & Mining)	46,000	1,954,080
		<u>2,806,600</u>
<b>Philippines 1.0%</b>		
Ayala Land, Inc. (Real Estate Management & Development)	500,000	449,205
Bank of The Philippine Islands (Banks)	180,340	313,000
BDO Unibank, Inc. (Banks)	112,570	351,191
Cebu Air, Inc. (Airlines)	59,060	104,371
First Gen Corp. (Independent Power & Renewable Electricity Producers)	450,900	215,011
Globe Telecom, Inc. (Wireless Telecommunication Services)	23,656	943,531
GT Capital Holdings, Inc. (Industrial Conglomerates)	50,000	836,213
PLDT, Inc. (Wireless Telecommunication Services)	18,360	358,173
Security Bank Corp. (Banks)	30,460	117,281
Universal Robina Corp. (Food Products)	80,000	229,045
		<u>3,917,021</u>
<b>Poland 0.9%</b>		
Asseco Poland S.A. (Software)	26,574	445,830
CD Projekt S.A. (Entertainment)	20,000	1,473,418
Cyfrowy Polsat S.A. (Media)	9,731	71,664
Dino Polska S.A. (Food & Staples Retailing) (b)(c)	14,000	531,379
Enea S.A. (Electric Utilities) (b)	116,456	242,956
PLAY Communications S.A. (Wireless Telecommunication Services) (c)	60,183	555,208
Powszechna Kasa Oszczednosci Bank Polski S.A. (Banks)	47,384	430,389
		<u>3,750,844</u>
<b>Republic of Korea 12.4%</b>		
BNK Financial Group, Inc. (Banks) (b)	8,656	57,335
Celltrion, Inc. (Biotechnology) (b)	5,932	928,438
Chongkundang Holdings Corp. (Pharmaceuticals) (b)	1,792	156,507

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	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Republic of Korea (continued)</b>		
Daelim Industrial Co., Ltd. (Construction & Engineering) (b)	13,335	\$ 1,043,554
DB HiTek Co., Ltd. (Semiconductors & Semiconductor Equipment) (b)	6,970	166,347
DongKook Pharmaceutical Co., Ltd. (Pharmaceuticals) (b)	1,043	80,359
Dongwon Industries Co., Ltd. (Food Products) (b)	467	85,408
Doosan Bobcat, Inc. (Machinery) (b)	10,846	322,158
GS Holdings Corp. (Oil, Gas & Consumable Fuels) (b)	1,598	71,302
Hana Financial Group, Inc. (Banks)	45,336	1,446,581
Hankook Tire & Technology Co., Ltd. (Auto Components) (b)	28,000	812,314
HDC Hyundai Development Co.-Engineering & Construction, Class E (Construction & Engineering) (b)	15,461	342,924
Hyosung Chemical Corp. (Chemicals) (b)	567	70,847
Hyundai Heavy Industries Holdings Co., Ltd. (Machinery) (b)	1,766	516,155
Hyundai Marine & Fire Insurance Co., Ltd. (Insurance) (b)	38,000	885,555
Hyundai Mobis Co., Ltd. (Auto Components)	6,808	1,507,067
Hyundai Motor Co. (Automobiles)	3,424	356,775
Industrial Bank of Korea (Banks) (b)	56,530	576,812
Kakao Corp. (Interactive Media & Services) (b)	13,563	1,800,269
KB Financial Group, Inc. (Banks) (b)	65,175	2,685,449
Kia Motors Corp. (Automobiles) (b)	68,753	2,633,713
Koh Young Technology, Inc. (Semiconductors & Semiconductor Equipment) (b)	10,500	957,888
Korea Investment Holdings Co., Ltd. (Capital Markets) (b)	20,000	1,252,108
LG Household & Health Care, Ltd. (Personal Products) (b)	660	719,668
NAVER Corp. (Interactive Media & Services) (b)	7,200	1,161,140
NCSOFT Corp. (Entertainment) (b)	2,200	1,029,184
Orion Corp. (Food Products) (b)	4,400	401,401
POSCO (Metals & Mining)	7,917	1,619,067
Posco International Corp. (Trading Companies & Distributors) (b)	13,920	224,487
Samsung Biologics Co., Ltd. (Life Sciences Tools & Services) (b)(c)	259	96,975
Samsung Electronics Co., Ltd. (Technology Hardware, Storage & Peripherals)	327,370	15,795,967
Samsung Engineering Co., Ltd. (Construction & Engineering) (b)	110,000	1,826,279
Samsung SDI Co., Ltd. (Electronic Equipment, Instruments & Components) (b)	3,200	653,033
Shinhan Financial Group Co., Ltd. (Banks) (b)	14,464	542,189

	Shares	Value
<b>Republic of Korea (continued)</b>		
SK Hynix, Inc. (Semiconductors & Semiconductor Equipment) (b)	67,996	\$ 5,532,815
SK Materials Co., Ltd. (Chemicals) (b)	2,500	401,012
Woongjin Coway Co., Ltd. (Household Durables)	11,153	897,872
		<u>49,656,954</u>
<b>Russia 5.1%</b>		
Gazprom PAO, Sponsored ADR (Oil, Gas & Consumable Fuels)	278,399	2,288,440
LUKOIL PJSC, Sponsored ADR (Oil, Gas & Consumable Fuels)	1,792	176,888
Magnitogorsk Iron & Steel Works PJSC, Registered, Sponsored GDR (Metals & Mining)	9,147	79,213
MMC Norilsk Nickel PJSC ADR (Metals & Mining)	5,300	1,633,390
MMC Norilsk Nickel PJSC (Metals & Mining)	67,187	2,048,531
PhosAgro PJSC, GDR (Chemicals)	8,343	105,956
Polymetal International PLC (Metals & Mining)	104,000	1,646,213
Polyus PJSC (Metals & Mining) (b)	8,000	915,022
QIWI PLC, Sponsored ADR (IT Services)	44,000	851,840
Rosneft Oil Co. PJSC, GDR (Oil, Gas & Consumable Fuels)	81,229	585,499
Sberbank of Russia PJSC, Sponsored ADR (Banks)	141,355	2,318,222
Surgutneftegas PJSC, Sponsored ADR (Oil, Gas & Consumable Fuels)	215,658	1,740,360
Tatneft PJSC (Oil, Gas & Consumable Fuels)	140,000	1,712,944
TCS Group Holding PLC (Banks)	100,000	2,150,000
X5 Retail Group N.V., GDR (Food & Staples Retailing)	24,000	828,000
Yandex N.V., Class A (Interactive Media & Services) (b)	32,000	1,391,680
		<u>20,472,198</u>
<b>South Africa 4.2%</b>		
Absa Group, Ltd. (Banks)	44,124	470,349
African Rainbow Minerals, Ltd. (Metals & Mining)	9,318	108,881
Anglo American Platinum, Ltd. (Metals & Mining)	5,089	475,011
AngloGold Ashanti, Ltd. (Metals & Mining)	40,000	903,898
Ascendis Health, Ltd. (Pharmaceuticals) (b)	204,652	22,210
Assore, Ltd. (Metals & Mining)	4,864	94,460
Astral Foods, Ltd. (Food Products)	8,611	133,506
Capitec Bank Holdings, Ltd. (Banks)	17,000	1,755,323
DataTec, Ltd. (Electronic Equipment, Instruments & Components)	166,991	395,838
Exxaro Resources, Ltd. (Oil, Gas & Consumable Fuels)	82,789	775,164

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# Portfolio of Investments December 31, 2019 (continued)

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>South Africa (continued)</b>		
Impala Platinum Holdings, Ltd. (Metals & Mining) (b)	232,287	\$ 2,380,253
Liberty Holdings, Ltd. (Insurance)	65,011	513,599
MTN Group, Ltd. (Wireless Telecommunication Services)	121,932	718,133
Naspers, Ltd. (Internet & Direct Marketing Retail)	34,940	5,714,708
Old Mutual, Ltd. (Insurance)	142,517	200,049
Resilient REIT, Ltd. (Equity Real Estate Investment Trusts)	62,129	301,818
Sibanye Gold, Ltd. (Metals & Mining) (b)	299,992	768,721
Standard Bank Group, Ltd. (Banks)	78,213	939,941
Wilson Bayly Holmes-Ovcon, Ltd. (Construction & Engineering)	7,709	76,017
		<u>16,747,879</u>
<b>Spain 0.0%</b>		
Banco Santander S.A. (Banks) (a)(b)	22,599	<u>94,304</u>
<b>Taiwan 12.1%</b>		
Accton Technology Corp. (Communications Equipment)	180,000	1,008,773
Airtac International Group (Machinery)	85,000	1,322,764
Asia Cement Corp. (Construction Materials)	226,000	361,500
ASPEED Technology, Inc. (Semiconductors & Semiconductor Equipment)	36,000	1,151,683
Center Laboratories, Inc. (Pharmaceuticals)	218,687	437,710
Chailease Holding Co., Ltd. (Diversified Financial Services)	520,012	2,393,891
Compeq Manufacturing Co., Ltd. (Electronic Equipment, Instruments & Components)	314,000	472,409
CTBC Financial Holding Co., Ltd. (Banks)	1,636,000	1,222,484
Delta Electronics, Inc. (Electronic Equipment, Instruments & Components)	30,000	151,616
E.Sun Financial Holding Co., Ltd. (Banks)	1,871,443	1,741,777
Formosa Plastics Corp. (Chemicals)	220,000	732,428
Giant Manufacturing Co., Ltd. (Leisure Products)	120,000	852,654
Globalwafers Co., Ltd. (Semiconductors & Semiconductor Equipment)	60,000	765,587
Hon Hai Precision Industry Co., Ltd. (Electronic Equipment, Instruments & Components)	853,892	2,586,429
Largan Precision Co., Ltd. (Electronic Equipment, Instruments & Components)	7,400	1,234,280
MediaTek, Inc. (Semiconductors & Semiconductor Equipment)	74,000	1,094,806
Nanya Technology Corp. (Semiconductors & Semiconductor Equipment)	45,000	125,196
Novatek Microelectronics Corp. (Semiconductors & Semiconductor Equipment)	58,000	423,725

	Shares	Value
<b>Taiwan (continued)</b>		
Pou Chen Corp. (Textiles, Apparel & Luxury Goods)	467,000	\$ 610,682
Powertech Technology, Inc. (Semiconductors & Semiconductor Equipment)	270,000	898,889
Radiant Opto-Electronics Corp. (Semiconductors & Semiconductor Equipment)	23,000	92,071
Realtek Semiconductor Corp. (Semiconductors & Semiconductor Equipment)	71,000	556,593
Ruentex Industries, Ltd. (Textiles, Apparel & Luxury Goods) (b)	243,600	597,278
Taishin Financial Holding Co., Ltd. (Banks)	432,000	208,960
Taiwan Semiconductor Manufacturing Co., Ltd. (Semiconductors & Semiconductor Equipment)	1,764,000	19,477,733
Uni-President Enterprises Corp. (Food Products)	280,000	693,065
United Microelectronics Corp. (Semiconductors & Semiconductor Equipment)	2,042,000	1,120,556
Walsin Technology Corp. (Electronic Equipment, Instruments & Components)	175,000	1,395,236
Wei Chuan Foods Corp. (Food Products)	636,000	531,467
Win Semiconductors Corp. (Semiconductors & Semiconductor Equipment)	98,000	961,137
Yageo Corp. (Electronic Equipment, Instruments & Components)	46,000	670,581
Yuanta Financial Holding Co., Ltd. (Diversified Financial Services)	1,471,000	991,233
Zhen Ding Technology Holding, Ltd. (Electronic Equipment, Instruments & Components)	268,000	<u>1,278,447</u>
		<u>48,163,640</u>
<b>Thailand 2.3%</b>		
Advanced Info Service PCL, NVDR (Wireless Telecommunication Services)	215,600	1,533,123
Airports of Thailand PCL, NVDR (Transportation Infrastructure)	380,000	941,952
Charoen Pokphand Foods PCL, NVDR (Food Products)	1,105,800	1,015,215
CP ALL PCL, NVDR (Food & Staples Retailing)	240,000	578,892
Electricity Generating PCL, NVDR (Independent Power & Renewable Electricity Producers)	16,600	181,774
Gulf Energy Development PCL, NVDR (Independent Power & Renewable Electricity Producers)	21,200	117,488
JMT Network Services PCL, NVDR (Commercial Services & Supplies)	558,200	372,708
Krung Thai Bank PCL, NVDR (Banks)	1,091,800	597,772
PTG Energy PCL, NVDR (Specialty Retail)	793,700	426,610

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	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Thailand (continued)</b>		
PTT Exploration & Production PCL, NVDR (Oil, Gas & Consumable Fuels)	60,500	\$ 251,463
PTT PCL, NVDR (Oil, Gas & Consumable Fuels)	432,500	635,313
Ratchaburi Group PCL, NVDR (Independent Power & Renewable Electricity Producers)	112,500	258,211
Siam Commercial Bank PCL, NVDR (Banks)	101,400	412,997
Srisawad Corp. PCL, NVDR (Consumer Finance)	620,000	1,417,853
Thanachart Capital PCL, NVDR (Banks)	134,800	240,764
		<u>8,982,135</u>
<b>Turkey 1.0%</b>		
Aksa Akriklik Kimya Sanayii A/S (Textiles, Apparel & Luxury Goods)	47,941	110,404
Coca-Cola Icecek A/S (Beverages)	39,294	255,619
Enerjisa Enerji A/S (Electric Utilities) (c)	376,478	467,671
Otokar Otomotiv ve Savunma Sanayi A/S (Machinery)	3,020	80,716
Pegasus Hava Tasimaciligi A/S (Airlines) (b)	39,964	580,415
Turk Hava Yollari AO (Airlines) (b)	480,000	1,166,717
Turkiye Garanti Bankasi A/S (Banks) (b)	650,000	1,217,179
Vestel Elektronik Sanayi ve Ticaret A/S (Household Durables) (b)	54,800	116,251
		<u>3,994,972</u>
Total Common Stocks (Cost \$334,102,352)		<u>378,951,949</u>
<b>Exchange-Traded Funds 0.7%</b>		
<b>United States 0.7%</b>		
iShares MSCI Emerging Markets ETF (Capital Markets)	1,390	62,369
Xtrackers Harvest CSI 300 China A-Shares ETF (Capital Markets) (a)	46,545	1,379,594
iShares MSCI Saudi Arabia ETF (Capital Markets)	43,696	1,351,080
iShares Core MSCI Emerging Markets ETF (Capital Markets)	1,672	89,887
Total Exchange-Traded Funds (Cost \$2,859,293)		<u>2,882,930</u>
<b>Preferred Stocks 4.1%</b>		
<b>Brazil 2.6%</b>		
Banco Bradesco S.A. 5.74% (Banks)	191,600	1,722,766
Itau Unibanco Holding S.A. 5.06% (Banks)	414,395	3,821,825
Petroleo Brasileiro S.A. 3.09% (Oil, Gas & Consumable Fuels)	632,400	4,744,533
Telefonica Brasil S.A. 4.89% (Diversified Telecommunication Services)	5,200	74,949
		<u>10,364,073</u>

	Shares	Value
<b>Colombia 0.0%†</b>		
Grupo Aval Acciones y Valores S.A. 3.97%	309,868	\$ 137,626
<b>Republic of Korea 1.5%</b>		
Amorepacific Corp. 1.21% (Personal Products) (b)	895	69,189
Hyundai Motor Co. 1.30% (Automobiles)	11,012	756,066
Hyundai Motor Co. 1.43% (Automobiles)	13,223	819,827
LG Household & Health Care, Ltd. 1.18% (Personal Products) (b)	291	194,008
Samsung Electronics Co., Ltd. 2.19% (Technology Hardware, Storage & Peripherals)	99,964	3,924,394
		<u>5,763,484</u>
Total Preferred Stocks (Cost \$14,721,852)		<u>16,265,183</u>
<b>Short-Term Investments 0.5%</b>		
<b>Affiliated Investment Company 0.1%</b>		
MainStay U.S. Government Liquidity Fund, 1.40% (g)	609,210	609,210
<b>Unaffiliated Investment Company 0.4%</b>		
State Street Navigator Securities Lending Government Money Market Portfolio, 1.56% (g)(h)	1,529,240	1,529,240
Total Short-Term Investments (Cost \$2,138,450)		<u>2,138,450</u>
Total Investments (Cost \$353,821,947)	100.0%	400,238,512
Other Assets, Less Liabilities	(0.0)‡	(155,317)
Net Assets	100.0%	<u>\$400,083,195</u>

† Percentages indicated are based on Portfolio net assets.

‡ Less than one-tenth of a percent.

(a) All or a portion of this security was held on loan. As of December 31, 2019, the aggregate market value of securities on loan was \$3,062,764; the total market value of collateral held by the Portfolio was \$3,138,125. The market value of the collateral held included non-cash collateral in the form of U.S. Treasury securities with a value of \$1,608,885 (See Note 2(N)).

(b) Non-income producing security.

(c) May be sold to institutional investors only under Rule 144A or securities offered pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

(d) Fair valued security—Represents fair value as measured in good faith under procedures approved by the Board of Trustees. As of December 31, 2019, the total market value of fair valued securities was \$51,150, which represented less than one-tenth of a percent of the Portfolio's net assets.

# Portfolio of Investments December 31, 2019 (continued)

- (e) Security in which significant unobservable inputs (Level 3) were used in determining fair value.
- (f) Illiquid security—As of December 31, 2019, the total market value of these securities deemed illiquid under procedures approved by the Board of Trustees was \$51,150, which represented less than one-tenth of a percent of the Portfolio's net assets. (Unaudited)
- (g) Current yield as of December 31, 2019.

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

The following abbreviations are used in the preceding pages:

- ADR—American Depositary Receipt  
 ETF—Exchange-Traded Fund  
 GDR—Global Depositary Receipt  
 NVDR—Non-Voting Depositary Receipt  
 PCL—Provision for Credit Losses

The following is a summary of the fair valuations according to the inputs used as of December 31, 2019, for valuing the Portfolio's assets and liabilities:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Asset Valuation Inputs</b>				
Investments in Securities (a)				
Common Stocks (b)	\$378,900,799	\$ —	\$51,150	\$378,951,949
Exchange-Traded Funds	2,882,930	—	—	2,882,930
Preferred Stocks	16,265,183	—	—	16,265,183
Short-Term Investments				
Affiliated Investment Company	609,210	—	—	609,210
Unaffiliated Investment Company	1,529,240	—	—	1,529,240
Total Short-Term Investments	2,138,450	—	—	2,138,450
Total Investments in Securities	<u>\$400,187,362</u>	<u>\$ —</u>	<u>\$51,150</u>	<u>\$400,238,512</u>

- (a) For a complete listing of investments and their industries, see the Portfolio of Investments.
- (b) The Level 3 securities valued \$0, \$0 and \$51,150 are held in China, Hong Kong and Greece, respectively within the Common Stocks section of the Portfolio of Investments.

The table below sets forth the diversification of the Portfolio's investments by industry.

### Industry Diversification (Unaudited)

	Value	Percent †		Value	Percent †
Airlines	\$ 1,918,875	0.5%	Real Estate Management & Development	\$ 11,238,558	2.8%
Auto Components	3,694,310	0.9	Road & Rail	1,648,017	0.4
Automobiles	9,487,273	2.4	Semiconductors & Semiconductor Equipment	34,518,216	8.6
Banks	60,148,191	15.0	Software	2,262,763	0.6
Beverages	1,000,333	0.2	Specialty Retail	2,057,161	0.5
Biotechnology	928,438	0.2	Technology Hardware, Storage & Peripherals	19,720,361	4.9
Building Products	1,410,238	0.4	Textiles, Apparel & Luxury Goods	3,384,536	0.8
Capital Markets	8,482,439	2.1	Thriffs & Mortgage Finance	3,355,809	0.8
Chemicals	2,656,671	0.7	Tobacco	357,296	0.1
Commercial Services & Supplies	1,653,434	0.4	Trading Companies & Distributors	224,487	0.1
Communications Equipment	1,956,521	0.5	Transportation Infrastructure	1,835,170	0.5
Construction & Engineering	4,394,398	1.1	Water Utilities	606,753	0.1
Construction Materials	5,120,499	1.3	Wireless Telecommunication Services	6,386,218	1.6
Consumer Finance	4,555,207	1.1		398,100,062	99.5
Diversified Consumer Services	2,115,250	0.5	Short-Term Investments	2,138,450	0.5
Diversified Financial Services	3,930,252	1.0	Other Assets, Less Liabilities	(155,317)	(0.0)‡
Diversified Telecommunication Services	2,827,753	0.7	Net Assets	<u>\$400,083,195</u>	<u>100.0%</u>
Electric Utilities	1,542,720	0.4			
Electrical Equipment	327,819	0.1			
Electronic Equipment, Instruments & Components	14,300,985	3.6			
Energy Equipment & Services	1,518,152	0.4			
Entertainment	5,314,122	1.3			
Equity Real Estate Investment Trusts	1,788,878	0.4			
Food & Staples Retailing	4,302,121	1.1			
Food Products	7,808,118	1.9			
Gas Utilities	1,092,745	0.3			
Health Care Providers & Services	2,644,693	0.7			
Hotels, Restaurants & Leisure	355,180	0.1			
Household Durables	3,542,783	0.9			
Household Products	2,522,808	0.6			
Independent Power & Renewable Electricity Producers	1,052,063	0.3			
Industrial Conglomerates	1,555,636	0.4			
Insurance	16,279,533	4.1			
Interactive Media & Services	24,003,429	6.0			
Internet & Direct Marketing Retail	35,168,604	8.8			
IT Services	2,628,629	0.7			
Leisure Products	852,654	0.2			
Life Sciences Tools & Services	866,838	0.2			
Machinery	7,133,896	1.8			
Marine	717,318	0.2			
Media	71,664	0.0‡			
Metals & Mining	19,422,720	4.9			
Multiline Retail	1,365,087	0.3			
Oil, Gas & Consumable Fuels	29,948,649	7.5			
Paper & Forest Products	441,173	0.1			
Personal Products	1,403,654	0.3			
Pharmaceuticals	4,251,964	1.1			

† Percentages indicated are based on Portfolio net assets.

‡ Less than one-tenth of a percent.

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

# Portfolio of Investments December 31, 2019 (continued)

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining value:

Investments in Securities	Balance as of December 31, 2018	Accrued Discounts (Premiums)	Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Purchases	Sales	Transfers in to Level 3	Transfers out of Level 3	Balance as of December 31, 2019	Change in Unrealized Appreciation (Depreciation) from Investments
										Still Held as of December 31, 2019 (a)
Common Stocks										
China	\$0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0	\$ —
Greece	0	—	—	(53,342)	—	—	104,492	—	51,150	(53,342)
Hong Kong	0	—	—	—	—	—	—	—	0	—
<b>Total</b>	<u>\$0</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$(53,342)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$104,492</u>	<u>\$ —</u>	<u>\$51,150</u>	<u>\$(53,342)</u>

(a) Included in "Net change in unrealized appreciation (depreciation) on investments" in the Statement of Operations.

As of December 31, 2019, a security with a market value of \$104,492 transferred from Level 2 to Level 3 as the fair value obtained by an independent pricing service, utilized significant unobservable inputs.

As of December 31, 2018, the fair value obtained for this security, as determined by an independent pricing service, utilized significant other observable inputs.

# Statement of Assets and Liabilities as of December 31, 2019

## Assets

Investment in unaffiliated securities, at value (identified cost \$353,212,737) including securities on loan of \$3,062,764	\$399,629,302
Investment in affiliated investment company, at value (identified cost \$609,210)	609,210
Cash denominated in foreign currencies (identified cost \$1,455,249)	1,473,650
Cash	89,707
Receivables:	
Dividends	683,031
Portfolio shares sold	1,418
Securities lending	1,337
Total assets	<u>402,487,655</u>

## Liabilities

Cash collateral received for securities on loan	1,529,240
Payables:	
Manager (See Note 3)	330,323
Custodian	212,772
Portfolio shares redeemed	115,328
Foreign capital gains tax (See Note 2(C))	93,110
Professional fees	57,338
Shareholder communication	28,566
NYLIFE Distributors (See Note 3)	26,413
Trustees	608
Accrued expenses	10,762
Total liabilities	<u>2,404,460</u>
Net assets	<u>\$400,083,195</u>

## Composition of Net Assets

Shares of beneficial interest outstanding (par value of \$.001 per share) unlimited number of shares authorized	\$ 42,314
Additional paid-in capital	<u>397,557,629</u>
	397,599,943
Total distributable earnings (loss)	<u>2,483,252</u>
Net assets	<u>\$400,083,195</u>

## Initial Class

Net assets applicable to outstanding shares	<u>\$273,041,637</u>
Shares of beneficial interest outstanding	<u>28,875,880</u>
Net asset value per share outstanding	<u>\$ 9.46</u>

## Service Class

Net assets applicable to outstanding shares	<u>\$127,041,558</u>
Shares of beneficial interest outstanding	<u>13,437,848</u>
Net asset value per share outstanding	<u>\$ 9.45</u>

# Statement of Operations for the year ended December 31, 2019

## Investment Income (Loss)

### Income

Dividends-unaffiliated (a)	\$11,794,669
Non-cash dividends	3,539,124
Securities lending	94,158
Dividends-affiliated	27,874
Interest	6,442
Other	4,009
Total income	<u>15,466,276</u>

### Expenses

Manager (See Note 3)	4,595,888
Custodian	519,294
Distribution/Service—Service Class (See Note 3)	324,093
Professional fees	137,974
Shareholder communication	61,044
Trustees	12,043
Interest expense	159
Miscellaneous	30,351
Total expenses	<u>5,680,846</u>

Net investment income (loss) 9,785,430

## Realized and Unrealized Gain (Loss) on Investments and Foreign Currency Transactions

Net realized gain (loss) on:

Unaffiliated investment transactions (b)	2,902,766
Foreign currency forward transactions	32,173
Foreign currency transactions	<u>(704,769)</u>

Net realized gain (loss) on investments and foreign

currency transactions	<u>2,230,170</u>
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Net change in unrealized appreciation (depreciation) on:

Unaffiliated investments (c)	69,309,374
Translation of other assets and liabilities in foreign currencies	<u>(6,090)</u>

Net change in unrealized appreciation (depreciation) on

investments and foreign currencies	<u>69,303,284</u>
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Net realized and unrealized gain (loss) on investments and

foreign currency transactions	<u>71,533,454</u>
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Net increase (decrease) in net assets resulting from operations \$81,318,884

(a) Dividends recorded net of foreign withholding taxes in the amount of \$1,555,293.

(b) Realized gain (loss) on security transactions recorded net of foreign capital gains tax in the amount of \$217,412.

(c) Net change in unrealized appreciation (depreciation) on investments recorded net of foreign capital gains tax in the amount of \$(24,355).

# Statements of Changes in Net Assets

for the years ended December 31, 2019 and December 31, 2018

	2019	2018
<b>Increase (Decrease) in Net Assets</b>		
Operations:		
Net investment income (loss)	\$ 9,785,430	\$ 7,359,299
Net realized gain (loss) on investments, futures transactions, swap transactions and foreign currency transactions	2,230,170	7,779,638
Net change in unrealized appreciation (depreciation) on investments and foreign currencies	69,303,284	(142,424,318)
Net increase (decrease) in net assets resulting from operations	81,318,884	(127,285,381)
Distributions to shareholders:		
Initial Class	(3,920,323)	(6,159,288)
Service Class	(1,358,927)	(1,891,460)
Total distributions to shareholders	(5,279,250)	(8,050,748)
Capital share transactions:		
Net proceeds from sale of shares	6,085,713	90,103,733
Net asset value of shares issued to shareholders in reinvestment of distributions	5,279,250	8,050,748
Cost of shares redeemed	(190,653,638)	(165,937,159)
Increase (decrease) in net assets derived from capital share transactions	(179,288,675)	(67,782,678)
Net increase (decrease) in net assets	(103,249,041)	(203,118,807)
<b>Net Assets</b>		
Beginning of year	503,332,236	706,451,043
End of year	\$ 400,083,195	\$ 503,332,236

# Financial Highlights selected per share data and ratios

Initial Class	Year ended December 31,				
	2019	2018	2017	2016	2015
Net asset value at beginning of year	\$ 7.99	\$ 10.22	\$ 7.22	\$ 6.83	\$ 8.27
Net investment income (loss) (a)	0.19	0.12	0.09	0.06	0.06
Net realized and unrealized gain (loss) on investments	1.42	(2.19)	3.03	0.37	(1.38)
Net realized and unrealized gain (loss) on foreign currency transactions	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)
Total from investment operations	1.60	(2.09)	3.11	0.42	(1.34)
<b>Less distributions:</b>					
From net investment income	(0.13)	(0.14)	(0.11)	(0.03)	(0.10)
Net asset value at end of year	\$ 9.46	\$ 7.99	\$ 10.22	\$ 7.22	\$ 6.83
Total investment return (b)	20.08%	(20.55%)	43.12%	6.23%	(16.20%)
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	2.18%	1.27%	0.94%	0.91%(c)	0.77%
Net expenses (d)(e)	1.17%	1.16%	1.24%	1.29%(g)	1.40%
Portfolio turnover rate	121%	135%	149%	123%	207%
Net assets at end of year (in 000's)	\$ 273,042	\$ 371,834	\$ 497,861	\$ 257,593	\$ 204,138

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

(b) Total return does not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. 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 0.83%.

(d) In addition to the fees and expenses which the Portfolio 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) The expense ratios presented below show the impact of short sales expense:

Year Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
December 31, 2019	1.17%	—
December 31, 2018	1.16%	—
December 31, 2017	1.24%	0.00%(f)
December 31, 2016	1.29%(g)	0.00%(f)
December 31, 2015	1.40%	0.00%(f)

(f) Less than 0.01%.

(g) Without the custody fee reimbursement, net expenses would have been 1.37%.

# Financial Highlights selected per share data and ratios

Service Class	Year ended December 31,				
	2019	2018	2017	2016	2015
Net asset value at beginning of year	\$ 7.98	\$ 10.20	\$ 7.21	\$ 6.82	\$ 8.25
Net investment income (loss) (a)	0.17	0.10	0.07	0.05	0.04
Net realized and unrealized gain (loss) on investments	1.41	(2.19)	3.02	0.36	(1.37)
Net realized and unrealized gain (loss) on foreign currency transactions	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)
Total from investment operations	1.57	(2.11)	3.08	0.40	(1.35)
<b>Less distributions:</b>					
From net investment income	(0.10)	(0.11)	(0.09)	(0.01)	(0.08)
Net asset value at end of year	\$ 9.45	\$ 7.98	\$ 10.20	\$ 7.21	\$ 6.82
Total investment return (b)	19.78%	(20.74%)	42.77%	5.96%	(16.42%)
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	2.00%	1.07%	0.73%	0.69%(c)	0.52%
Net expenses (d)(e)	1.42%	1.41%	1.49%	1.55%(g)	1.65%
Portfolio turnover rate	121%	135%	149%	123%	207%
Net assets at end of year (in 000's)	\$ 127,042	\$ 131,498	\$ 208,590	\$ 155,777	\$ 163,884

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

(b) Total return does not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. 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 0.62%.

(d) In addition to the fees and expenses which the Portfolio 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) The expense ratios presented below show the impact of short sales expense:

Year Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
December 31, 2019	1.42%	—
December 31, 2018	1.41%	—
December 31, 2017	1.49%	0.00%(f)
December 31, 2016	1.55%(g)	0.00%(f)
December 31, 2015	1.65%	0.00%(f)

(f) Less than 0.01%.

(g) Without the custody fee reimbursement, net expenses would have been 1.62%.

# Notes to Financial Statements

## Note 1—Organization and Business

MainStay VP Funds Trust (the “Fund”) was organized as a Delaware statutory trust on February 1, 2011. The Fund is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Fund is comprised of thirty-one separate series (collectively referred to as the “Portfolios”). These financial statements and notes relate to the MainStay VP Emerging Markets Equity Portfolio (the “Portfolio”), a “diversified” portfolio, as that term is defined in the 1940 Act, as interpreted or modified by regulatory authorities having jurisdiction, from time to time.

Shares of the Portfolio are currently offered to certain separate accounts to fund variable annuity policies and variable universal life insurance policies issued by New York Life Insurance and Annuity Corporation (“NYLIAC”), a wholly-owned subsidiary of New York Life Insurance Company (“New York Life”) and may also be offered to fund variable annuity policies and variable universal life insurance policies issued by other insurance companies. NYLIAC allocates shares of the Portfolios to, among others, certain NYLIAC separate accounts. Shares of the Portfolio are also offered to the MainStay VP Conservative Allocation Portfolio, MainStay VP Moderate Allocation Portfolio, MainStay VP Moderate Growth Allocation Portfolio and MainStay VP Growth Allocation Portfolio, which operate as “funds-of-funds.”

The Portfolio currently offers two classes of shares. Initial Class and Service Class shares commenced operations on February 17, 2012. Shares of the Portfolio are offered and are redeemed at a price equal to their respective net asset value (“NAV”) per share. No sales or redemption charge is applicable to the purchase or redemption of the Portfolio’s shares. Under the terms of the Fund’s multiple class plan adopted pursuant to Rule 18f-3 under the 1940 Act, the classes differ in that, among other things, Service Class shares of the Portfolio pay a combined distribution and service fee of 0.25% of average daily net assets attributable to Service Class shares of the Portfolio to the Distributor (as defined in Note 3(B)) pursuant to a plan adopted in accordance with Rule 12b-1 under the 1940 Act. Contract owners of variable annuity contracts purchased after June 2, 2003, are permitted to invest only in the Service Class shares.

The Portfolio’s investment objective is to seek long-term capital appreciation.

## Note 2—Significant Accounting Policies

The Portfolio 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 Portfolio 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 Portfolio is open for business (“valuation date”).

The Board of Trustees of the Fund (the “Board”) adopted procedures establishing methodologies for the valuation of the Portfolio’s securities

and other assets and delegated the responsibility for valuation determinations under those procedures to the Valuation Committee of the Fund (the “Valuation Committee”). The Board authorized the Valuation Committee to appoint a Valuation Subcommittee (the “Subcommittee”) to deal in the first instance with establishing the prices of securities for which market quotations are not readily available or the prices of which are not otherwise readily determinable under these procedures. The Subcommittee meets (in person, via electronic mail or via teleconference) on an as-needed basis. Subsequently, the Valuation Committee meets to ensure that actions taken by the Subcommittee were appropriate. 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 Portfolio’s assets and liabilities) rests with New York Life Investment Management LLC (“New York Life Investments” or the “Manager”), aided to whatever extent necessary by the Subadvisors (as defined in Note 3(A)).

To assess the appropriateness of security valuations, the Manager, the Subadvisors or the Portfolio’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. For those securities valued through either a standardized fair valuation methodology or a fair valuation measurement, the Subcommittee deals in the first instance 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 Portfolio 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 which 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 Portfolio. Unobservable inputs reflect the Portfolio’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 Portfolio'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. As of December 31, 2019, the aggregate value by input level of the Portfolio's assets and liabilities is included at the end of the Portfolio's Portfolio of Investments.

The Portfolio 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 Portfolio 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 Portfolio 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 Portfolio's valuation procedures may differ from valuations for the same security determined by other funds using their own valuation procedures. Although the Portfolio's valuation procedures are designed to value a security at the price the Portfolio 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 Portfolio would actually realize upon the sale of the security or the price at which the security would trade if a reliable market price were readily available. During the year ended December 31, 2019, 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 Subadvisors, reflect the security's market value; (vi) a security subject to trading collars for which no or limited trading takes place; and (vii) a security whose principal market has been temporarily closed at a time when, under normal conditions, it would be open. Securities valued in this manner are generally categorized as Level 3 in the hierarchy. As of December 31, 2019, securities that were fair valued in such a manner are shown in the Portfolio of Investments.

Certain securities held by the Portfolio may principally trade in foreign markets. Events may occur between the time the foreign markets close and the time at which the Portfolio'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 Subadvisors conclude that such events may have affected the accuracy of the last price of such securities reported on the local foreign market, the Subcommittee may, pursuant to procedures adopted by the Board, adjust the value of the local price to reflect the estimated impact on the price of such securities as a result of such events. In this instance, securities are generally categorized as Level 3 in the hierarchy. Additionally, certain foreign equity securities are also fair valued whenever the movement of a particular index exceeds certain thresholds. In such cases, the securities are fair valued by applying factors provided by a third-party vendor in accordance with valuation procedures adopted by the Board and are generally categorized as Level 2 in the hierarchy. As of December 31, 2019, no foreign equity securities held by the Portfolio 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 as of the close of the Exchange 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. Other temporary cash investments which 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

# Notes to Financial Statements (continued)

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.

A portfolio investment may be classified as an illiquid investment under the Portfolio's written liquidity risk management program and related procedures ("Liquidity Program"). Illiquidity of an investment might prevent the sale of such investment at a time when the Manager or the Subadvisors might wish to sell, and these investments could have the effect of decreasing the overall level of the Portfolio's liquidity. Further, the lack of an established secondary market may make it more difficult to value illiquid investments, requiring the Portfolio to rely on judgments that may be somewhat subjective in measuring value, which could vary materially from the amount that the Portfolio could realize upon disposition. Difficulty in selling illiquid investments may result in a loss or may be costly to the Portfolio. An illiquid investment is any investment that the Manager or Subadvisors reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. The liquidity classification of each investment will be made using information obtained after reasonable inquiry and taking into account, among other things, relevant market, trading and investment-specific considerations in accordance with the Liquidity Program. Illiquid investments are often valued in accordance with methods deemed by the Board in good faith to be reasonable and appropriate to accurately reflect their fair value. The liquidity of the Portfolio's investments, as shown in the Portfolio of Investments, was determined as of December 31, 2019, and can change at any time. Illiquid investments as of December 31, 2019, are shown in the Portfolio of Investments.

**(B) Income Taxes.** The Portfolio'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 Portfolio within the allowable time limits. Therefore, no federal, state and local income tax provisions are required.

Management evaluates the Portfolio'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. Management has analyzed the Portfolio'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 Portfolio's financial statements. The Portfolio'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. The Portfolio'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 local departments of revenue.

**(C) Foreign Taxes.** The Portfolio 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 Portfolio 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 Portfolio 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 Portfolio 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 Portfolio's net unrealized appreciation (depreciation). Taxes related to capital gains realized, if any, are reflected as part of net realized gain (loss) in the Statement of Operations. Changes in tax liabilities related to capital gains taxes on unrealized investment gains, if any, are reflected as part of the change in net unrealized appreciation (depreciation) on investments in the Statement of Operations. Transaction-based charges are generally assessed as a percentage of the transaction amount.

**(D) Dividends and Distributions to Shareholders.** Dividends and distributions are recorded on the ex-dividend date. The Portfolio 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 the shareholder elects otherwise, all dividends and distributions are reinvested in the same class of shares of the Portfolio, at NAV. 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 Portfolio 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 ("REITs") 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 Portfolio 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 Fund are allocated to the individual Portfolios in proportion to the net assets of the respective Portfolios when the expenses are incurred, except where direct allocations of expenses can be made. Expenses (other than fees incurred under the distribution and service plans, further discussed in Note 3(B), which are charged directly to the Service Class shares) 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 Portfolio, including those of related parties to the Portfolio, are shown in the Statement of Operations.

Additionally, the Portfolio 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 Portfolio's 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, management makes estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

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

Repurchase agreements are subject to counterparty risk, meaning the Portfolio could lose money by the counterparty's failure to perform under the terms of the agreement. The Portfolio mitigates this risk by ensuring the repurchase agreement is collateralized by cash, U.S. government securities, fixed income securities and/or other securities. The collateral is held by the Portfolio's custodian and valued daily on a mark to market basis to determine if the value, including accrued interest, exceeds the repurchase price. In the event of the counterparty's default on the obligation to repurchase, the Portfolio has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. Under certain circumstances, such as in the event of default or bankruptcy by the counterparty, realization and/or retention of the collateral may be limited or subject to delay, to legal proceedings and possible realized loss to the Portfolio. As of December 31, 2019, the Portfolio did not hold any repurchase agreements.

**(I) Futures Contracts.** A futures contract is an agreement to purchase or sell a specified quantity of an underlying instrument at a specified future date and price, or to make or receive a cash payment based on the value of a financial instrument (e.g., foreign currency, interest rate, security, or securities index). The Portfolio is subject to risks such as market price risk and/or interest rate risk in the normal course of investing in these transactions. Upon entering into a futures contract,

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

The use of futures contracts involves, to varying degrees, elements of market risk in excess of the amount recognized in the Statement of Assets and Liabilities. The contract or notional amounts and variation margin reflect the extent of the Portfolio's involvement in open futures positions. There are several risks associated with the use of futures contracts as hedging techniques. There can be no assurance that a liquid market will exist at the time when the Portfolio seeks to close out a futures contract. If no liquid market exists, the Portfolio would remain obligated to meet margin requirements until the position is closed. Futures may involve a small initial investment relative to the risk assumed, which could result in losses greater than if they had not been used. Futures may be more volatile than direct investments in the instrument underlying the futures, and may not correlate to the underlying instrument, causing a given hedge not to achieve its objectives. The Portfolio's activities in futures contracts have minimal counterparty risk as they are conducted through regulated exchanges that guarantee the futures against default by the counterparty. In the event of a bankruptcy or insolvency of a futures commission merchant that holds margin on behalf of the Portfolio, the Portfolio may not be entitled to the return of the entire margin owed to the Portfolio, potentially resulting in a loss. The Portfolio's investment in futures contracts and other derivatives may increase the volatility of the Portfolio's NAVs and may result in a loss to the Portfolio. As of December 31, 2019, the Portfolio did not hold any futures contracts.

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

# Notes to Financial Statements (continued)

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

The use of foreign currency forward contracts involves, to varying degrees, elements of risk in excess of the amount recognized in the Statement of Assets and Liabilities, including counterparty risk, market risk and illiquidity risk. Counterparty risk is heightened for these instruments because foreign currency forward contracts are not exchange-traded and therefore no clearinghouse or exchange stands ready to meet the obligations under such contracts. Thus, the Portfolio faces the risk that its counterparties under such contracts may not perform their obligations. Market risk is the risk that the value of a foreign currency forward contract will depreciate due to unfavorable changes in exchange rates. Illiquidity risk arises because the secondary market for foreign currency forward contracts may have less liquidity relative to markets for other securities and financial instruments. Risks also arise from the possible movements in the foreign exchange rates underlying these instruments. While the Portfolio may enter into forward contracts to reduce currency exchange risks, changes in currency exchange rates may result in poorer overall performance for the Portfolio than if it had not engaged in such transactions. Exchange rate movements can be large, depending on the currency, and can last for extended periods of time, affecting the value of the Portfolio's assets. Moreover, there may be an imperfect correlation between the Portfolio's holdings of securities denominated in a particular currency and forward contracts entered into by the Portfolio. Such imperfect correlation may prevent the Portfolio from achieving the intended hedge or expose the Portfolio to the risk of currency exchange loss. The unrealized appreciation (depreciation) on forward contracts also reflects the Portfolio's exposure at the valuation date to credit loss in the event of a counterparty's failure to perform its obligations. As of December 31, 2019, the Portfolio did not hold any foreign currency forward contracts.

**(K) Securities Sold Short.** The Portfolio may engage in sales of securities it does not own ("short sales") as part of its investment strategies. When the Portfolio enters into a short sale, it must segregate or maintain with a broker the cash proceeds from the security sold short or other securities as collateral for its obligation to deliver the security upon conclusion of the sale. During the period a short position is open, depending on the nature and type of security, a short position is reflected as a liability and is marked to market in accordance with the valuation methodologies previously detailed (See Note 2(A)). Liabilities for securities sold short are closed out by purchasing the applicable securities for delivery to the counterparty broker. A gain, limited to the price at which the Portfolio sold the security short, or a loss, unlimited as to dollar amount, will be recognized upon termination of a short sale if the market price on the date the short position is closed out is less or greater, respectively, than the proceeds originally received. Any such gain or loss may be offset, completely or in part, by the change in the value of the hedged investments. Interest on short positions held is accrued daily, while dividends declared on short positions existing on the record date are recorded on the ex-dividend date as a dividend expense in the Statement of Operations. Broker fees and other expenses related to securities sold short are disclosed in the Statement of Operations. Short sales involve risk of loss in excess of the related amounts reflected in the Statement of Assets and Liabilities. During the

year ended December 31, 2019, the Portfolio did not engage in short sales as part of its investment strategies.

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

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

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

Net realized gain (loss) on foreign currency transactions represents net currency gains or losses realized as a result of differences between the amounts of securities sale proceeds or purchase cost, dividends, interest and withholding taxes as recorded on the Portfolio's books, and the U.S. dollar equivalent amount actually received or paid. Net currency gains or losses from valuing such foreign currency denominated assets and liabilities, other than investments at valuation date exchange rates, are reflected in unrealized foreign exchange gains or losses.

**(M) Rights and Warrants.** Rights are certificates that permit the holder to purchase a certain number of shares, or a fractional share, of a new stock from the issuer at a specific price. Warrants are instruments that entitle the holder to buy an equity security at a specific price for a specific period of time. These investments can provide a greater potential for profit or loss than an equivalent investment in the underlying security. Prices of these investments do not necessarily move in tandem with the prices of the underlying securities.

There is risk involved in the purchase of rights and warrants in that these investments are speculative investments. The Portfolio could also lose the entire value of its investment in warrants if such warrants are not exercised by the date of its expiration. The Portfolio is exposed to risk until the sale or exercise of each right or warrant is completed. As of December 31, 2019, the Portfolio did not hold any rights or warrants.

**(N) Securities Lending.** In order to realize additional income, the Portfolio 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 Portfolio engages in securities lending, the Portfolio will lend through its custodian, State Street Bank and Trust Company ("State Street"), acting as securities lending agent on behalf of the Portfolio. State Street will manage the Portfolio's collateral in accordance with the securities lending agency agreement between the Portfolio and State Street, and indemnify the Portfolio 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 Portfolio may bear the

risk of delay in recovery of, or loss of rights in, the securities loaned should the borrower of the securities experience financial difficulty. The Portfolio may also record a realized gain or loss on securities deemed sold due to a borrower's inability to return securities on loan. The Portfolio bears the risk of any loss on investment of cash collateral. The Portfolio 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 Portfolio 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 Portfolio. Income earned from securities lending activities, if any, is reflected in the Statement of Operations. As of December 31, 2019, the Portfolio had securities on loan with an aggregate market value of \$3,062,764; the total market value of collateral held by the Portfolio was \$3,138,125. The market value of the collateral held included non-cash collateral in the form of U.S. Treasury securities with a value of \$1,608,885 and cash collateral, which was invested into the State Street Navigator Securities Lending Government Money Market Portfolio, with a value of \$1,529,240.

**(O) Foreign Securities Risk.** The Portfolio invests in foreign securities, which carry certain risks that are in addition to the usual risks inherent in domestic securities. These risks include those resulting from currency fluctuations, future adverse political or economic developments and possible imposition of currency exchange blockages or other foreign governmental laws or restrictions. These risks are likely to be greater in emerging markets than in developed markets. The ability of issuers of securities held by the Portfolio to meet their obligations may be affected by economic or political developments in a specific country, industry or region. For example, the Portfolio has significant investments in the Asia-Pacific region. The development and stability of the Asia-Pacific region can be adversely affected by, among other regional and global developments, trade barriers, exchange controls and other measures imposed or negotiated by the countries with which they trade. Some Asia-Pacific countries can be characterized as emerging markets or newly industrialized and may experience more volatile economic cycles and less liquid markets than developed countries.

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

Master Agreements. The result would cause the Portfolio to accelerate payment of any net liability owed to the counterparty.

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

**(Q) Indemnifications.** Under the Fund's organizational documents, its officers and trustees are indemnified against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Portfolio enters into contracts with third-party service providers that contain a variety of representations and warranties and which may provide general indemnifications. The Portfolio's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Portfolio that have not yet occurred. Based on experience, management is of the view 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 Portfolio.

**(R) Quantitative Disclosure of Derivative Holdings.** The following tables show additional disclosures related to the Portfolio's derivative and hedging activities, including how such activities are accounted for and their effect on the Portfolio's financial positions, performance and cash flows. Foreign currency forward contracts were used to hedge against the risk of loss due to changing currency exchange rates. These derivatives are not accounted for as hedging instruments.

The effect of derivative instruments on the Statement of Operations for the year ended December 31, 2019:

#### Realized Gain (Loss)

	Statement of Operations Location	Foreign Exchange Contracts Risk	Total
Forward Contracts	Net realized gain (loss) on foreign currency forward transactions	\$32,173	\$32,173
Total Realized Gain (Loss)		\$32,173	\$32,173

#### Average Notional Amount

	Foreign Exchange Contracts Risk	Total
Forward Contracts Long (a)	\$ 209,223	\$ 209,223
Forward Contracts Short (a)	\$(518,388)	\$(518,388)

(a) Positions were open less than one month during the reporting period.

### Note 3—Fees and Related Party Transactions

**(A) Manager and Subadvisors.** New York Life Investments, a registered investment adviser and an indirect, wholly-owned subsidiary

# Notes to Financial Statements (continued)

of New York Life, serves as the Portfolio's Manager, pursuant to an Amended and Restated Management Agreement ("Management Agreement"). The Manager provides offices, conducts clerical, record-keeping and bookkeeping services, and keeps most of the financial and accounting records required to be maintained by the Portfolio. Except for the portion of salaries and expenses that are the responsibility of the Portfolio, the Manager pays the salaries and expenses of all personnel affiliated with the Portfolio and certain operational expenses of the Portfolio. The Portfolio reimburses New York Life Investments in an amount equal to a portion of the compensation of the Chief Compliance Officer attributable to the Portfolio. MacKay Shields LLC ("MacKay Shields" or "Subadvisor"), a registered investment adviser and an indirect, wholly-owned subsidiary of New York Life, serves as a Sub-advisor to the Portfolio, pursuant to the terms of an Amended and Restated Subadvisory Agreement ("Subadvisory Agreement") between New York Life Investments and MacKay Shields. Candriam Belgium ("Candriam Belgium" or "Subadvisor," and, together with MacKay Shields, the "Subadvisors"), a registered investment adviser and a direct, wholly-owned subsidiary of New York Life, serves as a Sub-advisor to the Portfolio, pursuant to the terms of an Amended and Restated Subadvisory Agreement between New York Life Investments and Candriam Belgium. Each Subadvisor is responsible for managing a portion of the Portfolio's assets, as designated by the Manager from time to time. New York Life Investments pays for the services of the Subadvisors.

The Fund, on behalf of the Portfolio, pays New York Life Investments in its capacity as the Portfolio's investment manager and administrator, pursuant to the Management Agreement, a monthly fee for the services performed and the facilities furnished at an annual rate of Portfolio's average daily net assets as follows: 1.00% up to \$1 billion and 0.975% in excess of \$1 billion. During the year ended December 31, 2019, the effective management fee rate was 1.00%.

**(C) Investments in Affiliates (in 000's).** During the year ended December 31, 2019, purchases and sales transactions, income earned from investments and shares held of investment companies managed by New York Life Investments or its affiliates were as follows:

Affiliated Investment Company	Value, Beginning of Year	Purchases at Cost	Proceeds from Sales	Net Realized Gain/(Loss) on Sales	Change in		Value, End of Year	Dividend Income	Other Distributions	Shares End of Year
					Unrealized Appreciation/ (Depreciation)	Unrealized Appreciation/ (Depreciation)				
MainStay U.S. Government Liquidity Fund	\$1,319	\$53,314	\$(54,024)	\$ —	\$ —	\$609	\$28	\$ —	609	

## Note 4—Federal Income Tax

As of December 31, 2019, the cost and unrealized appreciation (depreciation) of the Portfolio's investment portfolio, including applicable derivative contracts and other financial instruments, as determined on a federal income tax basis, were as follows:

Investments in	Federal Tax Cost	Gross Unrealized Appreciation (Depreciation)	Gross Unrealized Appreciation (Depreciation)	Net Unrealized Appreciation/ (Depreciation)
Securities	\$359,407,931	\$47,296,125	\$(6,465,544)	\$40,830,581

During the year ended December 31, 2019, New York Life Investments earned fees from the Portfolio in the amount of \$4,595,888 and paid MacKay Shields and Candriam Belgium in the amount of \$1,079,539 and \$1,218,188, respectively.

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

Pursuant to an agreement between the Fund and New York Life Investments, New York Life Investments is responsible for providing or procuring certain regulatory reporting services for the Portfolio. The Portfolio 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 Portfolio.

**(B) Distribution and Service Fees.** The Fund, on behalf of the Portfolio, has entered into a distribution agreement with NYLIFE Distributors LLC (the "Distributor"), an indirect, wholly-owned subsidiary of New York Life. The Portfolio has adopted a distribution plan (the "Plan") in accordance with the provisions of Rule 12b-1 under the 1940 Act. Under the Plan, the Distributor has agreed to provide, through its affiliates or independent third parties, various distribution-related, shareholder and administrative support services to the Service Class shareholders. For its services, the Distributor is entitled to a combined distribution and service fee accrued daily and paid monthly at an annual rate of 0.25% of the average daily net assets attributable to the Service Class shares of the Portfolio.

As of December 31, 2019, the components of accumulated gain (loss) on a tax basis were as follows:

Ordinary Income	Accumulated Capital and Other Gain (Loss)	Other Temporary Differences	Unrealized Appreciation (Depreciation)	Total Accumulated Gain (Loss)
\$10,703,663	\$(48,779,435)	\$(100,741)	\$40,659,765	\$2,483,252

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is primarily due to wash sale adjustments and Passive Foreign Investment Company ("PFIC") adjustments. The other temporary differences are primarily due to foreign taxes payable.

As of December 31, 2019, for federal income tax purposes, capital loss carryforwards of \$48,779,435, as shown in the table below, were available to the extent provided by the regulations to offset future realized gains of the Portfolio through the years indicated. Accordingly, no capital gains distributions are expected to be paid to shareholders until net gains have been realized in excess of such amounts.

Capital Loss Available Through	Short-Term Capital Loss Amounts (000's)	Long-Term Capital Loss Amounts (000's)
Unlimited	\$48,779	\$ —

The Portfolio utilized \$2,198,424 of capital loss carryforwards during the year ended December 31, 2019.

During the years ended December 31, 2019, and December 31, 2018, the tax character of distributions paid as reflected in the Statements of Changes in Net Assets were as follows:

2019		2018	
Tax-Based Distributions from Ordinary Income	Tax-Based Distributions from Long-Term Gains	Tax-Based Distributions from Ordinary Income	Tax-Based Distributions from Long-Term Gains
\$5,279,250	\$ —	\$8,050,748	\$ —

## Note 5—Custodian

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

## Note 6—Line of Credit

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

Effective July 30, 2019, under the credit agreement (the "Credit Agreement"), the aggregate commitment amount is \$600,000,000 with an additional uncommitted amount of \$100,000,000. The commitment fee is an annual rate of 0.15% of the average commitment amount payable quarterly, regardless of usage, to State Street, who serves as the agent to the syndicate. The commitment fee is allocated among the Portfolio 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 28, 2020, although the Portfolio, certain other funds managed by New York Life Investments and the syndicate of banks may renew the Credit Agreement for an additional year on the same or different terms. Prior to July 30, 2019, the aggregate commitment amount and the commitment fee were the same as those under the current Credit Agreement. During the year ended December 31, 2019, there were no borrowings made or outstanding with respect to the Portfolio under the Credit Agreement.

## Note 7—Interfund Lending Program

Pursuant to an exemptive order issued by the SEC, the Portfolio, 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 Portfolio and certain other funds managed by New York Life Investments to lend or borrow money for temporary purposes directly to or from one another subject to the conditions of the exemptive order. During the year ended December 31, 2019, there were no interfund loans made or outstanding with respect to the Portfolio.

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

During the year ended December 31, 2019, purchases and sales of securities, other than short-term securities, were \$551,822 and \$723,223, respectively.

## Note 9—Capital Share Transactions

Transactions in capital shares for the years ended December 31, 2019 and December 31, 2018, were as follows:

Initial Class	Shares	Amount
Year ended December 31, 2019:		
Shares sold	463,656	\$ 3,912,418
Shares issued to shareholders in reinvestment of distributions	467,198	3,920,323
Shares redeemed	(18,574,183)	(160,566,943)
Net increase (decrease)	(17,643,329)	\$(152,734,202)
Year ended December 31, 2018:		
Shares sold	8,761,163	\$ 79,889,183
Shares issued to shareholders in reinvestment of distributions	722,470	6,159,288
Shares redeemed	(11,668,289)	(114,852,370)
Net increase (decrease)	(2,184,656)	\$ (28,803,899)
Service Class	Shares	Amount
Year ended December 31, 2019:		
Shares sold	252,320	\$ 2,173,295
Shares issued to shareholders in reinvestment of distributions	161,878	1,358,927
Shares redeemed	(3,448,546)	(30,086,695)
Net increase (decrease)	(3,034,348)	\$ (26,554,473)
Year ended December 31, 2018:		
Shares sold	1,116,001	\$ 10,214,550
Shares issued to shareholders in reinvestment of distributions	222,010	1,891,460
Shares redeemed	(5,311,676)	(51,084,789)
Net increase (decrease)	(3,973,665)	\$ (38,978,779)

## Note 10—Recent Accounting Pronouncement

To improve the effectiveness of fair value disclosure requirements, the Financial Accounting Standards Board recently issued Accounting Standards Update (ASU) 2018-13, Fair Value Measurement Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13), which adds, removes, and modifies

# Notes to Financial Statements (continued)

certain aspects relating to fair value disclosure. ASU 2018-13 is effective for interim and annual reporting periods beginning after December 15, 2019. For the year ended December 31, 2018, management evaluated the implications of certain other provisions of the ASU and determined to early adopt aspects related to the removal and modifications of certain fair value measurement disclosures under the ASU, which are currently in place as of December 31, 2019. At this time, management is evaluating the implications of certain other provisions of the ASU related to new disclosure requirements and any impact on the financial statement disclosures has not yet been determined.

## **Note 11—Subsequent Events**

In connection with the preparation of the financial statements of the Portfolio as of and for the year ended December 31, 2019, events and transactions subsequent to December 31, 2019, through the date the financial statements were issued have been evaluated by the Portfolio's management for possible adjustment and/or disclosure. No subsequent events requiring financial statement adjustment or disclosure have been identified.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of MainStay VP Funds Trust and Shareholders of  
MainStay VP Emerging Markets Equity Portfolio

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of MainStay VP Emerging Markets Equity Portfolio (one of the portfolios constituting MainStay VP Funds Trust, referred to hereafter as the "Portfolio") as of December 31, 2019, the related statement of operations for the year ended December 31, 2019, the statements of changes in net assets for each of the two years in the period ended December 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2019 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2019 and the financial highlights for each of the five years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian and transfer agent. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
New York, New York  
February 19, 2020

We have served as the auditor of one or more investment companies in the MainStay group of funds since 1984.

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

The continuation of the Management Agreement with respect to the MainStay VP Emerging Markets Equity Portfolio (“Portfolio”) and New York Life Investment Management LLC (“New York Life Investments”) and the Subadvisory Agreements between New York Life Investments and each of MacKay Shields LLC (“MacKay”) and Candriam Belgium S.A. (“Candriam Belgium”) with respect to the Portfolio (collectively, “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 VP 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 10-11, 2019 in-person meeting, the Board, including the Trustees who are not an “interested person” (as such term is defined in the 1940 Act) of the Trust (“Independent Trustees”) voting separately, unanimously approved the continuation of each of the Advisory Agreements for a one-year period.

In reaching the decision to approve the continuation of each of the Advisory Agreements, the Board considered information furnished by New York Life Investments, MacKay and Candriam Belgium in connection with an annual contract review process undertaken by the Board that took place at meetings of the Board and its Contracts Committee between October 2019 and December 2019, as well as other information furnished to the Board and its Committees throughout the year, as deemed relevant by the Trustees. Information requested by and furnished to the Board for consideration in connection with the contract review process included, among other items, reports on the Portfolio 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 Portfolio’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, MacKay and/or Candriam Belgium that follow investment strategies similar to the Portfolio, if any, and, when applicable, the rationale for any differences in the Portfolio’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, MacKay and Candriam Belgium 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 Portfolio prepared by the Investment Consulting Group of New York Life Investments as well as presentations from New York Life Investments, MacKay and Candriam Belgium personnel. The Board also took into account other information received from New York Life Investments throughout the year, including, among other items, periodic reports on legal and compliance matters, risk management, portfolio turnover, brokerage commissions, sales and marketing activity and non-advisory services provided to the Portfolio by New York Life Investments. The contract review process, including the structure and format for materials provided to the Board, has been developed in consultation with the Board. The Independent Trustees also met in executive sessions with

their independent legal counsel and, for a portion thereof, with senior management of New York Life Investments joining.

In addition to information provided to the Board throughout the year, the Board received information in connection with its June 2019 meeting provided specifically in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel regarding the Portfolio’s distribution arrangements. In addition, the Board received information regarding the Portfolio’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 Portfolio. New York Life Investments also provided the Board with information regarding the revenue sharing payments made by New York Life Investments from its own resources to insurance companies that issue variable contracts under which the Portfolio serves as an investment option or intermediaries that promote the sale, distribution and/or servicing of such variable contracts or the Portfolio’s shares.

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

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

review throughout the year of the performance and operations of other funds in the MainStay Group of Funds and the Board's business judgment and industry experience. In addition to considering the above-referenced factors, the Board observed that in the marketplace, notably under variable life insurance policies and variable annuity contracts for which the Portfolio serves as an investment option, there are a range of investment options available to the Portfolio's shareholders and such shareholders, having had the opportunity to consider other investment options, have chosen to invest in the Portfolio. The factors that figured prominently in the Board's decision to approve the continuation of each of the Advisory Agreements during its December 10-11, 2019 in-person meeting are summarized in more detail below, and the Board did not consider any factor or information controlling in making such approval.

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

The Board examined the nature, extent and quality of the services that New York Life Investments provides to the Portfolio. The Board evaluated New York Life Investments' experience and capabilities in serving as manager of the Portfolio and considered that the Portfolio operates in a "manager-of-managers" structure. The Board also considered New York Life Investments' responsibilities under this structure, including evaluating the performance of MacKay and Candriam Belgium, 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 Portfolio 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 Portfolio, including New York Life Investments' supervision and due diligence reviews of MacKay and Candriam Belgium and ongoing analysis of, and interactions with, MacKay and Candriam Belgium with respect to, among other things, the Portfolio's investment performance and risks as well as MacKay's and Candriam Belgium's investment capabilities and subadvisory services with respect to the Portfolio.

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

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

### **Investment Performance**

In evaluating the Portfolio's investment performance, the Board considered investment performance results over various periods in light of the Portfolio's investment objective, strategies and risks, generally placing greater emphasis on the Portfolio's long-term performance track record. The Board considered investment reports on, and analysis of, the Portfolio's performance provided to the Board throughout the year by the Investment Consulting Group of New York Life Investments. These reports include, among other items, information on the Portfolio's gross and net returns, the Portfolio's investment performance compared to relevant investment categories and the Portfolio's benchmark, the Portfolio's risk-adjusted investment performance and the Portfolio's investment performance as compared to peer funds, as appropriate, as

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

well as portfolio attribution information and commentary on the effect of current and recent market conditions. The Board also considered information provided by Strategic Insight showing the investment performance of the Portfolio as compared to peer funds.

The Board also gave weight to its discussions with senior management at New York Life Investments concerning the Portfolio's investment performance attributable to MacKay and Candriam Belgium as well as discussions between the Portfolio'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, MacKay or Candriam Belgium had taken, or had agreed with the Board to take, to seek to enhance Portfolio investment performance and the results of those actions. In considering the investment performance of the Portfolio, the Board noted that the Portfolio underperformed its peer funds for the one- and five-year periods ended July 31, 2019, and performed in line with its peer funds for the three-year period ended July 31, 2019. The Board considered its discussions with representatives from New York Life Investments, MacKay and Candriam Belgium regarding the Portfolio's investment performance relative to that of its benchmark index and peer funds.

Based on these considerations, the Board concluded that its review of the Portfolio'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, MacKay and Candriam Belgium

The Board considered information provided by New York Life Investments, MacKay and Candriam Belgium with respect to the costs of the services provided under each of the Advisory Agreements. The Board also considered the profits realized by New York Life Investments and its affiliates, including MacKay and Candriam Belgium, due to their relationships with the Portfolio. Because MacKay and Candriam Belgium are affiliates of New York Life Investments whose subadvisory fees are paid by New York Life Investments, not the Portfolio, the Board considered cost and profitability information for New York Life Investments, MacKay and Candriam Belgium 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, MacKay and Candriam Belgium and profits realized by New York Life Investments and its affiliates, including MacKay and Candriam Belgium, 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 Portfolio, and that New York Life Investments is responsible for paying the subadvisory fees for the Portfolio. The Board also considered the financial resources of New York Life Investments, MacKay and Candriam Belgium and acknowledged

that New York Life Investments, MacKay and Candriam Belgium must be in a position to attract and retain experienced professional personnel and to maintain a strong financial position for New York Life Investments, MacKay and Candriam Belgium to continue to provide high-quality services to the Portfolio. The Board recognized that the Portfolio benefits from the allocation of certain fixed costs across the MainStay Group of Funds, among other expected benefits resulting from its relationship with New York Life Investments.

The Board considered information regarding New York Life Investments' methodology for calculating profitability and allocating costs provided by New York Life Investments in connection with the fund profitability analysis presented to the Board. The Board previously engaged an independent third-party consultant to review the methods used to allocate costs to and among the funds in the MainStay Group of Funds. The Board noted that the independent consultant had concluded that New York Life Investments' methods for allocating costs and procedures for estimating overall profitability of the relationship with the funds in the MainStay Group of Funds are reasonable and that New York Life Investments continued to use the same method of calculating profit and allocating costs since the independent consultant's review. The Board recognized the difficulty in evaluating a manager's profitability with respect to the Portfolio 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, MacKay and Candriam Belgium and their affiliates due to their relationships with the Portfolio, 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 Portfolio with respect to trades on the Portfolio'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 Portfolio, including the potential rationale for and costs associated with investments in this money market fund by the Portfolio, 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 Portfolio. In addition, the Board requested and reviewed information regarding the Portfolio's securities lending activity and the corresponding potential dividend received tax deduction for insurance company affiliates of New York Life Investments.

The Board noted that the Portfolio serves as an investment option primarily under variable contracts issued by affiliates of New York Life Investments that would receive fees under those contracts. The Board observed that, in addition to fees earned by New York Life Investments for managing the Portfolio, New York Life Investments' affiliates also earn revenues from serving the Portfolio in various other capacities, including as the Portfolio's distributor. The Board considered information about these other revenues and their impact on the profitability of the relationship with the Portfolio to New York Life Investments and its affiliates. The Board noted that, although it assessed the overall profitability of the Portfolio 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 Portfolio 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 and Candriam Belgium, due to their relationships with the Portfolio 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 Portfolio's total ordinary operating expenses. The Board primarily considered the reasonableness of the management fee paid by the Portfolio to New York Life Investments, because the subadvisory fees paid to MacKay and Candriam Belgium are paid by New York Life Investments, not the Portfolio. The Board also considered the reasonableness of the subadvisory fees 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 Portfolio'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, MacKay and Candriam Belgium 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 Portfolio, if any. The Board considered the similarities and differences in the contractual management fee schedules of the Portfolio 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 Portfolio, as compared with other investment advisory clients. Additionally, the Board considered the impact of any contractual breakpoints and voluntary waivers on the Portfolio's net management fee and expenses. The Board also considered that in proposing fees for the Portfolio, New York Life Investments considers the competitive marketplace for mutual funds.

Based on the factors outlined above, the Board concluded that the Portfolio'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 Portfolio's expense structure permits economies of scale to be appropriately shared with the Portfolio's beneficial shareholders. The Board also considered a report from New York Life Investments, previously prepared at the request of the Board, that addressed economies of scale, including with respect to the mutual fund business generally and the various ways in which the benefits of economies of scale may be shared with the funds in the MainStay Group of Funds.

Although the Board recognized the difficulty of determining future economies of scale with precision, the Board acknowledged that economies of scale may be shared with the Portfolio in a number of ways, including, for example, through the imposition of management fee breakpoints, initially setting management fee rates at scale or making additional investments to enhance services. The Board reviewed information from New York Life Investments showing how the Portfolio'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 Portfolio'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 Portfolio's beneficial shareholders through the Portfolio's expense structure and other methods to share benefits from economies of scale.

### **Conclusion**

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

## Proxy Voting Policies and Procedures and Proxy Voting Record

A description of the policies and procedures that New York Life Investments uses to vote proxies related to the Portfolio's securities is available free of charge upon request (i) by calling 800-598-2019; (ii) by visiting New York Life Investments' website at <https://www.nylinvestments.com/mainstay/products-and-performance/mainstay-vp-funds-trust>; or (iii) by visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

The Portfolio is required to file with the SEC its proxy voting record for the 12-month period ending June 30 on Form N-PX. The Portfolio's most recent Form N-PX or proxy voting record is available free of charge upon request (i) by calling 800-598-2019; (ii) by visiting New York Life Investments' website at <https://www.nylinvestments.com/mainstay/products-and-performance/mainstay-vp-funds-trust>; or (iii) by visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

## Shareholder Reports and Quarterly Portfolio Disclosure

The Portfolio 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 Portfolio's holdings report is available free of charge upon request by calling 800-598-2019 or by visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

# Board of Trustees and Officers (Unaudited)

The Trustees and officers of the Funds are listed below. The Board oversees the MainStay Group of Funds (which consists of MainStay Funds and MainStay Funds Trust), MainStay VP Funds Trust, MainStay MacKay DefinedTerm Municipal Opportunities Fund, the Manager and the Subadvisors, and elects the officers of the Funds who are responsible for the day-to-day operations of the Funds. Information pertaining to the Trustees and officers is set forth below. Each Trustee serves until his or her successor is elected and qualified or until his or her

resignation, death or removal. Under the Board's retirement policy, unless an exception is made, a Trustee must tender his or her resignation by the end of the calendar year during which he or she reaches the age of 75. Officers are elected annually by the Board. The business address of each Trustee and officer listed below is 51 Madison Avenue, New York, New York 10010. A majority of the Trustees are not "interested persons" (as defined by the 1940 Act and rules adopted by the SEC thereunder) of the Fund ("Independent Trustees").

	<b>Name and Date of Birth</b>	<b>Term of Office, Position(s) Held and Length of Service</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Trustee</b>	<b>Other Directorships Held by Trustee</b>
<b>Interested Trustee</b>	<b>Yie-Hsin Hung*</b> 8/12/62	<b>MainStay VP Funds Trust:</b> Trustee since 2017	Senior Vice President of New York Life since joining in 2010, Member of the Executive Management Committee since 2017, Chief Executive Officer, New York Life Investment Management Holdings LLC & New York Life Investment Management LLC since 2015. Senior Managing Director and Co-President of New York Life Investment Management LLC from January 2014 to May 2015. Previously held positions of increasing responsibility, including head of NYLIM International, Alternative Growth Businesses, and Institutional investments since joining New York Life in 2010.	76	<i>MainStay Funds</i> : Trustee since 2017 (12 Funds); <i>MainStay Funds Trust</i> : Trustee since 2017 (32 Funds); and <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund</i> : Trustee since 2017.

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

## Independent Trustees

Name and Date of Birth	Term of Office, Position(s) Held and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
<b>David H. Chow</b> 12/29/57	<b>MainStay VP Funds Trust:</b> Trustee since 2016, Advisory Board Member (June 2015 to December 2015).	Founder and CEO, DanCourt Management, LLC (since 1999)	76	<i>MainStay Funds:</i> Trustee since 2016, Advisory Board Member (June 2015 to December 2015) (12 Funds); <i>MainStay Funds Trust:</i> Trustee since 2016, Advisory Board Member (June 2015 to December 2015) (32 Funds); <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since 2016, Advisory Board Member (June 2015 to December 2015); <i>Market Vectors Group of Exchange-Traded Funds:</i> Independent Chairman of the Board of Trustees since 2008 and Trustee since 2006 (57 portfolios); and <i>Berea College of Kentucky:</i> Trustee since 2009.
<b>Susan B. Kerley</b> 8/12/51	<b>MainStay VP Funds Trust:</b> Chairman since January 2017 and Trustee since 2007***	President, Strategic Management Advisors LLC (since 1990)	76	<i>MainStay Funds:</i> Chairman since 2017 and Trustee since 2007 (12 Funds); <i>MainStay Funds Trust:</i> Chairman since 2017 and Trustee since 1990. (32 Funds)**; <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Chairman since 2017 and Trustee since 2011; and <i>Legg Mason Partners Funds:</i> Trustee since 1991 (54 portfolios).
<b>Alan R. Latshaw</b> 3/27/51	<b>MainStay VP Funds Trust:</b> Trustee since 2007***.	Retired; Partner, Ernst & Young LLP (2002 to 2003); Partner, Arthur Andersen LLP (1989 to 2002); Consultant to the MainStay Funds Audit and Compliance Committee (2004 to 2006)	76	<i>MainStay Funds:</i> Trustee since 2006 (12 Funds); <i>MainStay Funds Trust:</i> Trustee since 2007. (32 Funds)** <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee and Audit Committee Financial Expert since 2011; <i>State Farm Associates Funds Trusts:</i> Trustee since 2005 (4 portfolios); <i>State Farm Mutual Fund Trust:</i> Trustee since 2005 (15 portfolios); and <i>State Farm Variable Product Trust:</i> Trustee since 2005 (9 portfolios).
<b>Richard H. Nolan, Jr.</b> 11/16/46	<b>MainStay VP Funds Trust:</b> Trustee since 2006***.	Managing Director, ICC Capital Management (since 2004); President—Shields/Alliance, Alliance Capital Management (1994 to 2004)	76	<i>MainStay Funds:</i> Trustee since 2007 (12 Funds); <i>MainStay Funds Trust:</i> Trustee since 2007 (32 Funds)**; and <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since 2011.

Independent Trustees

Name and Date of Birth	Term of Office, Position(s) Held and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
<b>Jacques P. Perold</b> 5/12/58	<b>MainStay VP Funds Trust:</b> Trustee since 2016, Advisory Board Member (June 2015 to December 2015).	Retired; President, Fidelity Management & Research Company (2009 to 2014); Founder, President and Chief Executive Officer, Geode Capital Management, LCC (2001 to 2009)	76	<i>MainStay Funds:</i> Trustee since 2016, Advisory Board Member (June 2015 to December 2015) (12 Funds); <i>MainStay Funds Trust:</i> Trustee since 2016, Advisory Board Member (June 2015 to December 2015) (32 Funds); <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since 2016, Advisory Board Member (June 2015 to December 2015); <i>Allstate Corporation:</i> Director since 2015; <i>MSCI, Inc.:</i> Director since 2017 and <i>Boston University:</i> Trustee since 2014.
<b>Richard S. Trutanic</b> 2/13/52	<b>MainStay VP Funds Trust:</b> Trustee since 2007***.	Chairman and Chief Executive Officer, Somerset & Company (financial advisory firm) (since 2004); Managing Director, The Carlyle Group (private investment firm) (2002 to 2004); Senior Managing Director, Partner and Board Member, Groupe Arnault S.A. (private investment firm) (1999 to 2002)	76	<i>MainStay Funds:</i> Trustee since 1994 (12 Funds); <i>MainStay Funds Trust:</i> Trustee since 2007 (32 Funds)**; and <i>MainStay MacKay DefinedTerm Municipal Opportunities Fund:</i> Trustee since 2011.

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

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

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

Name and Date of Birth	Position(s) Held and Length of Service	Principal Occupation(s) During Past Five Years
<b>Kirk C. Lehneis</b> 6/29/74	President, MainStay VP Funds Trust (since 2017)	Chief Operating Officer and Senior Managing Director (since 2016), New York Life Investment Management LLC; Chairman of the Board (since 2017), NYLIFE Distributors LLC; Chairman of the Board, NYLIM Service Company LLC (since 2017); Trustee, President and Principal Executive Officer of IndexIQ Trust, IndexIQ ETF Trust and IndexIQ Active ETF Trust (since January 2018); President, MainStay MacKay DefinedTerm Municipal Opportunities Fund, MainStay Funds and MainStay Funds Trust (since 2017)**; Senior Managing Director, Global Product Development (From 2015—2016); Managing Director, Product Development (From 2010—2015), New York Life Investment Management LLC
<b>Jack R. Benintende</b> 5/12/64	Treasurer and Principal Financial and Accounting Officer, MainStay VP Funds Trust (since 2007)**	Managing Director, New York Life Investment Management LLC (since 2007); Treasurer and Principal Financial and Accounting Officer, MainStay MacKay DefinedTerm Municipal Opportunities Fund (since 2011), MainStay Funds Trust (since 2009) and MainStay Funds (since 2007); and Assistant Treasurer, New York Life Investment Management Holdings LLC (2008 to 2012)
<b>Kevin M. Bopp</b> 2/24/69	Vice President and Chief Compliance Officer, MainStay VP Funds Trust (since 2014)	Chief Compliance Officer, New York Life Investment Management LLC, IndexIQ Trust, IndexIQ ETF Trust and IndexIQ Active ETF Trust (since 2016), Director and Associate General Counsel (2011 to 2014) and Vice President and Assistant General Counsel (2010 to 2011), New York Life Investment Management LLC; Vice President and Chief Compliance Officer, MainStay Funds, MainStay Funds Trust and MainStay MacKay DefinedTerm Municipal Opportunities Fund (since 2014); Assistant Secretary, MainStay Funds, MainStay Funds Trust and MainStay VP Funds Trust (2010 to 2014)**; MainStay MacKay DefinedTerm Municipal Opportunities Fund (2011 to 2014)
<b>J. Kevin Gao</b> 10/13/67	Secretary and Chief Legal Officer, MainStay VP Funds Trust (since 2010)**	Managing Director and Associate General Counsel, New York Life Investment Management LLC (since 2010); Secretary and Chief Legal Officer, MainStay MacKay DefinedTerm Municipal Opportunities Fund (since 2011), MainStay Funds and MainStay Funds Trust (since 2010)
<b>Scott T. Harrington</b> 2/8/59	Vice President—Administration, MainStay VP Funds Trust (since 2005)**	Managing Director, New York Life Investment Management LLC (including predecessor advisory organizations) (since 2000); Member of the Board of Directors, New York Life Trust Company (since 2009); Vice President—Administration, MainStay MacKay DefinedTerm Municipal Opportunities Fund (since 2011), MainStay Funds Trust (since 2009) and MainStay Funds (since 2005)

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

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

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# MainStay VP Portfolios

MainStay VP offers a wide range of Portfolios. The full array of MainStay VP offerings is listed here, with information about the manager, subadvisors, legal counsel, and independent registered public accounting firm.

## Equity Portfolios

MainStay VP Eagle Small Cap Growth Portfolio  
MainStay VP Emerging Markets Equity Portfolio  
MainStay VP Epoch U.S. Equity Yield Portfolio  
MainStay VP Fidelity Institutional AM® Utilities Portfolio†  
MainStay VP Large Cap Growth Portfolio  
MainStay VP MacKay Common Stock Portfolio  
MainStay VP MacKay Growth Portfolio  
MainStay VP MacKay International Equity Portfolio  
MainStay VP MacKay Mid Cap Core Portfolio  
MainStay VP MacKay S&P 500 Index Portfolio  
MainStay VP MacKay Small Cap Core Portfolio  
MainStay VP Mellon Natural Resources Portfolio  
MainStay VP T. Rowe Price Equity Income Portfolio

## Mixed Asset Portfolios

MainStay VP Balanced Portfolio  
MainStay VP Income Builder Portfolio  
MainStay VP Janus Henderson Balanced Portfolio  
MainStay VP MacKay Convertible Portfolio

## Income Portfolios

MainStay VP Bond Portfolio  
MainStay VP Floating Rate Portfolio  
MainStay VP Indexed Bond Portfolio  
MainStay VP MacKay Government Portfolio  
MainStay VP MacKay High Yield Corporate Bond Portfolio  
MainStay VP MacKay Unconstrained Bond Portfolio  
MainStay VP PIMCO Real Return Portfolio

## Money Market

MainStay VP U.S. Government Money Market Portfolio

## Alternative

MainStay VP Cushing Renaissance Advantage Portfolio  
MainStay VP IQ Hedge Multi-Strategy Portfolio

## Asset Allocation Portfolios

MainStay VP Conservative Allocation Portfolio  
MainStay VP Growth Allocation Portfolio  
MainStay VP Moderate Allocation Portfolio  
MainStay VP Moderate Growth Allocation Portfolio

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## Manager

**New York Life Investment Management LLC**  
New York, New York

## Subadvisors

**Candriam Belgium S.A.\***  
Brussels, Belgium

**Cushing Asset Management, LP**  
Dallas, Texas

**Eagle Asset Management, Inc.**  
St Petersburg, Florida

**Epoch Investment Partners, Inc.**  
New York, New York

**FIAM LLC**  
Smithfield, Rhode Island

**IndexIQ Advisors LLC\***  
New York, New York

**Janus Capital Management LLC**  
Denver, Colorado

**MacKay Shields LLC\***  
New York, New York

**Mellon Investments Corporation**  
Boston, Massachusetts

**NYL Investors LLC\***  
New York, New York

**Pacific Investment Management Company LLC**  
Newport Beach, California

**T. Rowe Price Associates, Inc.**  
Baltimore, Maryland

**Winslow Capital Management, LLC**  
Minneapolis, Minnesota

## Distributor

**NYLIFE Distributors LLC\***  
Jersey City, New Jersey

## Custodian

**State Street Bank and Trust Company**  
Boston, Massachusetts

## Independent Registered Public Accounting Firm

**PricewaterhouseCoopers LLP**  
New York, New York

## Legal Counsel

**Dechert LLP**  
Washington, District of Columbia

Some Portfolios may not be available in all products.

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\* An affiliate of New York Life Investment Management LLC

# 2019 Annual Report

This report is for the general information of New York Life Variable Annuities and NYLIAC Variable Universal Life Insurance Products policyowners. It must be preceded or accompanied by the appropriate product(s) and funds prospectuses if it is given to anyone who is not an owner of a New York Life variable annuity policy or a NYLIAC Variable Universal Life Insurance Product. This report does not offer for sale or solicit orders to purchase securities.

The performance data quoted in this report represents past performance. Past performance is no guarantee of future results. Due to market volatility and other factors, current performance may be lower or higher than the figures shown. The most recent month-end performance summary for your variable annuity or variable life policy is available by calling 800-598-2019 and is updated periodically on [www.newyorklife.com](http://www.newyorklife.com).

The New York Life Variable Annuities and NYLIAC Variable Universal Life Insurance Products are issued by New York Life Insurance and Annuity Corporation (a Delaware Corporation) and distributed by NYLIFE Distributors LLC (Member FINRA/SIPC).

## **New York Life Insurance Company**

New York Life Insurance and Annuity Corporation (NYLIAC) (A Delaware Corporation)

51 Madison Avenue, Room 551  
New York, NY 10010

[www.newyorklife.com](http://www.newyorklife.com)

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NYLIFE Distributors LLC, 30 Hudson Street, Jersey City, NJ 07302

New York Life Investment Management LLC is the investment manager to the MainStay VP Funds Trust

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You may obtain copies of the Prospectus and the Statement of Additional Information free of charge, upon request, by calling toll-free 800-598-2019 or writing to New York Life Insurance and Annuity Corporation, 51 Madison Avenue, New York, NY 10010.

Not FDIC Insured

No Bank Guarantee

May Lose Value

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