

# MainStay VP IQ Hedge Multi-Strategy 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.

# Table of Contents

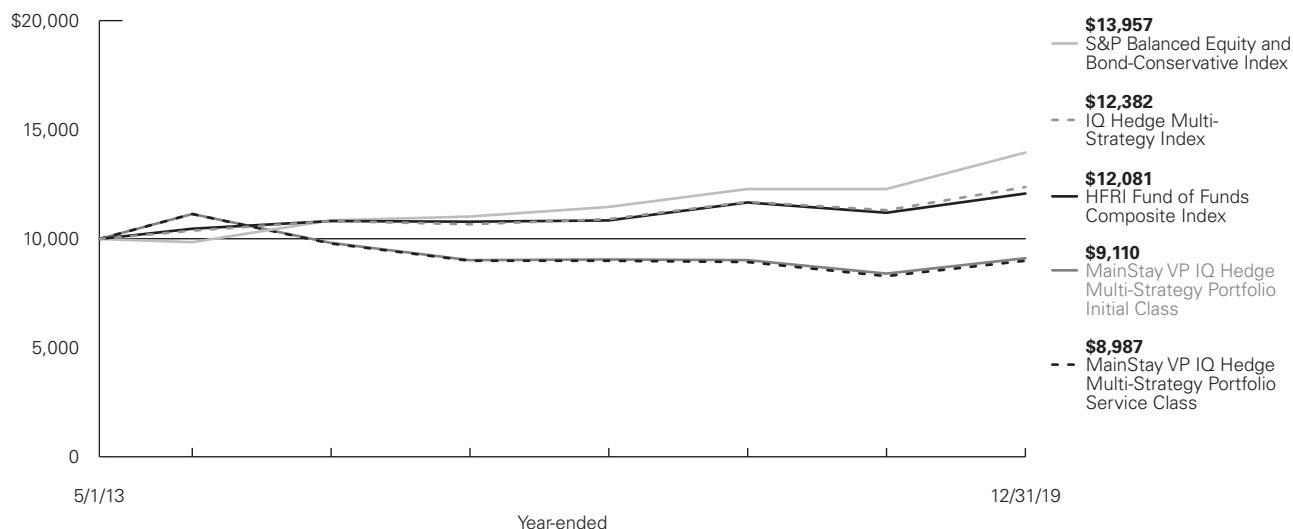
Annual Report	
Investment and Performance Comparison	5
Portfolio Management Discussion and Analysis	8
Portfolio of Investments	10
Financial Statements	19
Notes to Financial Statements	24
Report of Independent Registered Public Accounting Firm	36
Board Consideration and Approval of Management Agreement and Subadvisory Agreement	37
Proxy Voting Policies and Procedures and Proxy Voting Record	41
Shareholder Reports and Quarterly Portfolio Disclosure	41
Board of Trustees and Officers	42

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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	5/1/2013	8.47%	-1.50%	-1.39%	1.07%
Service Class Shares	5/1/2013	8.23	-1.69	-1.59	1.32

Benchmark Performance	One Year	Five Years	Since Inception
S&P Balanced Equity and Bond-Conservative Index <sup>4</sup>	13.73%	5.16%	5.13%
HFRI Fund of Funds Composite Index <sup>5</sup>	7.77	2.25	2.88
IQ Hedge Multi-Strategy Index	9.36	2.76	3.26
Morningstar Multialternative Category Average <sup>6</sup>	7.58	1.50	1.29

- 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 the Financial Statements.
- Effective November 30, 2018, the Portfolio's predecessor fund, MainStay VP Absolute Return Multi-Strategy Portfolio (the "VP ARMS Portfolio"), was reorganized into the Portfolio. The Portfolio assumed the VP ARMS Portfolio's historical performance and accounting information. Therefore, the performance information prior to November 30, 2018, shown in this report is that of the VP ARMS Portfolio, which had a different investment objective and different principal investment strategies and subadvisors. Past performance may have been different if the Portfolio's current subadvisor, investment objective or principal investment strategies had been in place during the periods.
- 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 Portfolio has selected the S&P Balanced Equity and Bond-Conservative Index as its primary benchmark. The S&P Balanced Equity and Bond-Conservative Index consists of a position in the S&P 500 Total Return Index (25%) and a position in the S&P U.S. Treasury Bond 7-10 Year Index (75%). Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
- The Portfolio has selected the HFRI Fund of Funds Composite Index as its secondary benchmark. The HFRI Fund of Funds Composite Index is an equally weighted hedge fund index including over 650 domestic and off-shore fund of funds. The index is rebalanced monthly with performance updates three times per month. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
- The Morningstar Multialternative Category Average is representative of funds that have a majority of their assets exposed to alternative strategies. Funds in this category include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. 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 IQ Hedge Multi-Strategy 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	\$1,031.00	\$3.58	\$1,021.68	\$3.57	0.70%
Service Class Shares	\$1,000.00	\$1,029.70	\$4.86	\$1,020.42	\$4.84	0.95%

- 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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**Portfolio Composition as of December 31, 2019 (Unaudited)**

	Percent		Percent
U.S. Ultra Short Term Treasury Bond Funds	26.8%	U.S. Small Cap Growth Funds	1.5%
Bank Loan Funds	9.1	U.S. Preferred	1.4
Short-Term Investments	9.0	U.S. Small Cap Core Funds	1.3
Investment Grade Corporate Bond Funds	8.0	U.S. Long Term Treasury Bond Funds	1.2
International Small Cap Equity Funds	7.4	Japan Equity Fund	1.2
Floating Rate—Investment Grade Funds	6.1	International Large Cap Growth Fund	0.8
High Yield Corporate Bond Funds	5.3	Mortgage-Backed Security Funds	0.6
International Equity Core Funds	5.3	Volatility Note	0.6
Asia ex Japan Equity Funds	4.8	U.S. Momentum Fund	0.5
Emerging Bonds—Local Currency Funds	3.9	Broad Fund	0.3
U.S. Large Cap Growth Funds	3.0	Municipal Bond Fund	0.1
BRIC Equity Funds	2.6	British Pound Fund	0.0‡
Emerging Small Cap Equity Funds	2.2	Australian Dollar Fund	0.0‡
Europe Equity Funds	2.0	Other Assets, Less Liabilities	-8.2
U.S. Large Cap Core Funds	1.6		<u>100.0%</u>
Emerging Bonds—USD Funds	1.6		

See Portfolio of Investments beginning on page 10 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. iShares Short Treasury Bond ETF               | 6. Xtrackers MSCI EAFE Hedged Equity ETF       |
| 2. SPDR Bloomberg Barclays 1-3 Month T-Bill ETF  | 7. Vanguard Short-Term Corporate Bond ETF      |
| 3. Invesco Senior Loan ETF                       | 8. iShares iBoxx High Yield Corporate Bond ETF |
| 4. Vanguard FTSE All World ex-U.S. Small-Cap ETF | 9. SPDR Blackstone / GSO Senior Loan ETF       |
| 5. iShares Floating Rate Bond ETF                | 10. Goldman Sachs Access Treasury 0-1 Year ETF |
-

# Portfolio Management Discussion and Analysis (Unaudited)

Answers to the questions reflect the views of portfolio managers Greg Barrato and James Harrison of IndexIQ Advisors LLC (“IndexIQ Advisors”), the Portfolio’s Subadvisor.

## How did MainStay VP IQ Hedge Multi-Strategy Portfolio perform relative to its benchmarks and peers during the 12 months ended December 31, 2019?

For the 12 months ended December 31, 2019, MainStay VP IQ Hedge Multi-Strategy Portfolio returned 8.47% for Initial Class shares and 8.23% for Service Class shares. Over the same period, both share classes underperformed the 13.73% return for the S&P Balanced Equity and Bond-Conservative Index, which is the Portfolio’s primary benchmark. For the 12 months ended December 31, 2019, both share classes outperformed the 7.77% return for the HFRI Fund of Funds Composite Index, which is the Portfolio’s secondary benchmark, underperformed the 9.36% return of the IQ Hedge Multi-Strategy Index (“Underlying Index”), which is the Portfolio’s underlying index, and outperformed the 7.58% return of the Morningstar Multi-alternative Category Average.<sup>1</sup>

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

Although the Portfolio’s asset allocation mix was similar to that of the S&P Balanced Equity and Bond-Conservative Index, which allocates 75% to U.S. Treasury bonds and 25% to U.S. equities, the Portfolio had a larger allocation to short-duration<sup>2</sup> assets among its fixed-income holdings compared to the S&P Balanced Equity and Bond-Conservative Index which detracted from the Portfolio’s relative performance. Relative performance also suffered due to the Portfolio’s additional geographic exposure among equity holdings, which included international and emerging-markets equities that underperformed the U.S. equity market.

## During the reporting period, how did the Portfolio’s performance correlate with traditional equity and fixed-income indices?

During the reporting period, the Portfolio maintained a higher correlation to traditional equity indices and a lower, even negative, correlation to investment-grade fixed-income indices. The Portfolio’s correlation to the S&P 500® Index<sup>3</sup> was 80.50%. The Portfolio’s correlation to the Bloomberg Barclays U.S. Aggregate Bond Index<sup>4</sup> was –20.60%.

## During the reporting period, how did the Portfolio’s volatility compare to that of traditional fixed-income indices?

During the reporting period, the annualized daily volatility of the Portfolio was 3.14%, which compared to a volatility of 3.36% for the Bloomberg Barclays U.S. Aggregate Bond Index.

## During the reporting period, how did the Portfolio use derivatives and how was the Portfolio’s performance materially affected by investments in derivatives?

During the reporting period, the Portfolio used total return swaps to affect both long and short exposure to several asset classes and market segments, including, among others, real estate, domestic equity, international equity, emerging markets equities, investment-grade corporate bonds, high-yield corporate bonds, municipal bonds, convertible bonds, preferred securities, emerging-markets debt, mortgage-backed securities, floating-rate notes, developed-markets currencies, broad commodity indices, precious metals, equity-market volatility, and U.S. Treasury bonds.

## How did you allocate the Portfolio’s assets among each of the hedge fund investment styles during the reporting period and why?

The Portfolio’s allocations are driven by the weightings of the component securities in the Underlying Index, which uses quantitative models to determine the weights across the various hedge fund investment styles represented in the Underlying Index, as well as the weights of the assets within these styles. Given the rules-based nature of the process, there is no subjectivity involved in the allocation decision process.

## How did the tactical allocation among the hedge fund investment styles affect the Portfolio’s performance during the reporting period?

The Portfolio allocates its assets among six underlying hedge fund investment styles: emerging-markets, long/short, market neutral, event-driven, fixed-income arbitrage, and global macro. During the reporting period, the Portfolio maintained gross exposure ranging from 100% to 120% due to short allocations to the long/short, event-driven and global macro strategies for several months.

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

2. Duration is a measure of the price sensitivity of a fixed-income investment to changes in interest rates. Duration is expressed as a number of years and is considered a more accurate sensitivity gauge than average maturity.

3. “S&P 500®” is a trademark of The McGraw-Hill Companies, Inc. The S&P 500® Index is widely regarded as the standard index for measuring large-cap U.S. stock market performance. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.

4. The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable rate mortgage passthroughs), asset-backed securities and commercial mortgage-backed securities. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.



The aggregate performance of the weighted Underlying Index versus an equal-weighted allocation of the same strategy components indicates that the Portfolio experienced a negative allocation effect attributable to weighting changes during the reporting period. The Portfolio's ability to replicate broad hedge funds added value, as measured between the equal-weighted strategy index and the equal-weighted hedge fund strategy indexes.

**During the reporting period, how did each investment style either contribute to or detract from the Portfolio's absolute performance?**

During the reporting period, contributions from the Portfolio's emerging-market and market-neutral strategies generated nearly 56% of the Portfolio's absolute performance. (Contributions take weightings and total returns into account.) Fixed-income arbitrage, global macro and long/short contributed approximately 37% to the Portfolio's absolute performance.

**How did the Portfolio's investment style weightings change during the reporting period?**

During the reporting period, the Portfolio's allocation to its market-neutral investment style remained relatively constant,

ranging from 33.20% to 33.33%. The Portfolio's allocation to its emerging-market investment style ranged from a low of 24.19% in January 2019 to a high of 33.33% in November 2019. The Portfolio's allocation to its global macro investment style stayed positive, ranging from 7.26% to 21.55% from January 2019 to October 2019, then decreased to -12.00% in November and -12.87% in December. The Portfolio's allocation to its fixed-income arbitrage investment style fluctuated between a high of 24.14% in April 2019 to a low of 4.57% in December 2019. The Portfolio's allocation to its event-driven investment style stood at 5.39% in January 2019, increased to a high of 12.91% in May 2019, decreased to -10.19% in July 2019, stayed between -3.26% to 1.54% from August to October, then increased to 24.46% in December 2019. The Portfolio's allocation to its long/short investment style stood at 4.36% in January 2019, decreased to a low of -7.20% in April 2019 and increased to a high of 21.15% in December 2019.

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>Exchange-Traded Funds 98.6%†</b>		
<b>Bonds 62.7%</b>		
<b>Bank Loan Funds 9.1%</b>		
Invesco Senior Loan ETF (a)	1,116,964	\$ 25,489,118
SPDR Blackstone / GSO Senior Loan ETF	235,803	10,983,704
		<u>36,472,822</u>
<b>Emerging Bonds—Local Currency Funds 3.9%</b>		
SPDR Bloomberg Barclays Convertible Securities ETF	123,537	6,856,303
SPDR Bloomberg Barclays Emerging Markets Local Bond ETF	51,116	1,426,648
VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	208,056	7,075,985
WisdomTree Emerging Markets Local Debt Fund (a)	7,831	281,446
		<u>15,640,382</u>
<b>Emerging Bonds—USD Funds 1.6%</b>		
iShares JP Morgan USD Emerging Markets Bond ETF	48,923	5,604,619
Vanguard Emerging Markets Government Bond ETF	7,252	590,385
		<u>6,195,004</u>
<b>Floating Rate—Investment Grade Funds 6.1%</b>		
iShares Floating Rate Bond ETF (a)	359,002	18,280,382
SPDR Bloomberg Barclays Investment Grade Floating Rate ETF (a)	204,852	6,295,102
		<u>24,575,484</u>
<b>High Yield Corporate Bond Funds 5.3%</b>		
iShares 0-5 Year High Yield Corporate Bond ETF (a)	22,626	1,050,525
iShares iBoxx High Yield Corporate Bond ETF	125,939	11,075,076
SPDR Bloomberg Barclays High Yield Bond ETF	53,967	5,911,545
SPDR Bloomberg Barclays Short Term High Yield Bond ETF	35,252	949,689
Xtrackers USD High Yield Corporate Bond ETF	45,599	2,296,821
		<u>21,283,656</u>
<b>Investment Grade Corporate Bond Funds 8.0%</b>		
iShares Broad USD Investment Grade Corporate Bond ETF (a)	16,037	934,957
iShares iBoxx \$ Investment Grade Corporate Bond ETF	65,440	8,373,702
SPDR Portfolio Short Term Corporate Bond ETF	106,878	3,296,118
Vanguard Intermediate-Term Corporate Bond ETF	66,225	6,048,329
Vanguard Short-Term Corporate Bond ETF	165,381	13,400,823
		<u>32,053,929</u>
<b>Mortgage-Backed Security Funds 0.6%</b>		
iShares MBS ETF	14,807	1,600,044

	Shares	Value
<b>Mortgage-Backed Security Funds (continued)</b>		
Vanguard Mortgage-Backed Securities ETF	16,235	\$ 863,215
		<u>2,463,259</u>
<b>Municipal Bond Fund 0.1%</b>		
VanEck Vectors High-Yield Municipal Index ETF	5,994	383,916
<b>U.S. Long Term Treasury Bond Funds 1.2%</b>		
iShares 20+ Year Treasury Bond ETF (a)	29,445	3,989,208
SPDR Portfolio Long Term Treasury ETF	10,939	425,199
Vanguard Long-Term Treasury ETF	4,162	346,570
		<u>4,760,977</u>
<b>U.S. Ultra Short Term Treasury Bond Funds 26.8%</b>		
Goldman Sachs Access Treasury 0-1 Year ETF	108,924	10,907,649
Invesco Treasury Collateral ETF	16,718	1,764,418
iShares Short Treasury Bond ETF (e)	607,716	67,128,309
SPDR Bloomberg Barclays 1-3 Month T-Bill ETF (a)	298,192	27,263,695
		<u>107,064,071</u>
Total Bonds (Cost \$249,627,688)		<u>250,893,500</u>
<b>Equities 35.9%</b>		
<b>Asia ex Japan Equity Funds 4.8%</b>		
iShares Core MSCI Pacific ETF	136,351	7,964,262
iShares MSCI All Country Asia ex-Japan ETF (a)	119,529	8,785,381
Vanguard FTSE Pacific ETF (a)	33,832	2,354,031
		<u>19,103,674</u>
<b>BRIC Equity Funds 2.6%</b>		
iShares China Large-Cap ETF (a)	106,973	4,667,232
iShares MSCI China ETF	68,511	4,390,870
SPDR S&P China ETF (a)	12,420	1,274,913
		<u>10,333,015</u>
<b>Broad Fund 0.3%</b>		
FlexShares Global Upstream Natural Resources Index Fund (a)	40,707	1,364,906
<b>Emerging Small Cap Equity Fund 2.2%</b>		
SPDR S&P Emerging Markets Small Cap ETF (a)	192,771	8,879,032
<b>Europe Equity Funds 2.0%</b>		
iShares Core MSCI Europe ETF (a)	24,708	1,232,188
iShares MSCI Eurozone ETF	47,507	1,991,493
Vanguard FTSE Europe ETF	77,850	4,562,010
		<u>7,785,691</u>
<b>International Equity Core Funds 5.3%</b>		
iShares Core MSCI EAFE ETF	42,613	2,780,072
Vanguard FTSE Developed Markets ETF	67,294	2,964,974

	Shares	Value
<b>Equities (continued)</b>		
<b>International Equity Core Funds (continued)</b>		
Xtrackers MSCI EAFE Hedged Equity ETF (a)	455,608	\$ 15,390,438
		<u>21,135,484</u>
<b>International Large Cap Growth Funds 0.8%</b>		
iShares MSCI EAFE Growth ETF (a)	36,180	<u>3,128,485</u>
<b>International Small Cap Equity Funds 7.4%</b>		
Schwab International Small-Cap Equity ETF (a)	256,298	8,880,726
Vanguard FTSE All World ex-U.S. Small-Cap ETF (a)	184,513	<u>20,499,394</u>
		<u>29,380,120</u>
<b>Japan Equity Fund 1.2%</b>		
iShares MSCI Japan ETF	80,074	<u>4,743,584</u>
<b>U.S. Large Cap Core Funds 1.6%</b>		
Financial Select Sector SPDR Fund	115,970	3,569,557
Health Care Select Sector SPDR Fund (a)	25,549	2,602,421
Invesco KBW Bank ETF	1,604	93,401
SPDR S&P Bank ETF (a)	5,735	<u>271,208</u>
		<u>6,536,587</u>
<b>U.S. Large Cap Growth Funds 3.0%</b>		
iShares Core S&P U.S. Growth ETF (a)	19,907	1,346,510
Schwab U.S. Large-Cap Growth ETF (a)	17,543	1,629,920
SPDR Portfolio S&P 500 Growth ETF (a)	22,575	946,118
Vanguard Growth ETF (a)	45,213	<u>8,236,452</u>
		<u>12,159,000</u>
<b>U.S. Momentum Fund 0.5%</b>		
iShares Edge MSCI USA Momentum Factor ETF (a)	16,521	<u>2,074,377</u>
<b>U.S. Preferred 1.4%</b>		
Invesco Preferred ETF	93,147	1,398,137
iShares Preferred & Income Securities ETF (a)	110,539	<u>4,155,161</u>
		<u>5,553,298</u>
<b>U.S. Small Cap Core Funds 1.3%</b>		
iShares Russell 2000 ETF	18,047	2,989,846
Schwab U.S. Small-Cap ETF	7,518	568,662
Vanguard Small-Cap ETF	10,374	<u>1,718,349</u>
		<u>5,276,857</u>
<b>U.S. Small Cap Growth Funds 1.5%</b>		
iShares Russell 2000 Growth ETF (a)	10,630	2,277,158
iShares S&P Small-Cap 600 Growth ETF (a)	6,747	1,304,195
Vanguard Small-Cap Growth ETF (a)	11,571	<u>2,299,158</u>
		<u>5,880,511</u>
Total Equities (Cost \$134,647,452)		<u>143,334,621</u>
Total Exchange-Traded Funds (Cost \$384,275,140)		<u>394,228,121</u>

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

	Shares	Value
<b>Exchange-Traded Note 0.6%</b>		
<b>Volatility 0.6%</b>		
iPath Series B S&P 500 VIX Short-Term Futures ETN (b)	150,184	\$ 2,270,782
Total Exchange-Traded Note (Cost \$3,033,657)		<u>2,270,782</u>
<b>Exchange-Traded Vehicles 0.0%†</b>		
<b>Currencies 0.0%‡</b>		
<b>Australian Dollar Funds 0.0%‡</b>		
Invesco CurrencyShares Australian Dollar Trust	107	<u>7,508</u>
<b>British Pound Funds 0.0%‡</b>		
Invesco CurrencyShares British Pound Sterling Trust (b)	1,167	<u>149,878</u>
Total Exchange-Traded Vehicles (Cost \$151,580)		<u>157,386</u>
<b>Short-Term Investments 9.0%</b>		
<b>Affiliated Investment Company 0.9%</b>		
MainStay U.S. Government Liquidity Fund, 1.40% (c)	3,674,595	<u>3,674,595</u>
<b>Unaffiliated Investment Company 8.1%</b>		
State Street Navigator Securities Lending Government Money Market Portfolio, 1.56% (c)(d)	32,249,469	<u>32,249,469</u>
Total Short-Term Investments (Cost \$35,924,064)		<u>35,924,064</u>
Total Investments (Cost \$423,384,441)	108.2%	432,580,353
Other Assets, Less Liabilities	(8.2)	<u>(32,730,549)</u>
Net Assets	<u>100.0%</u>	<u>\$399,849,804</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 \$51,391,092; the total market value of collateral held by the Portfolio was \$52,655,656. The market value of the collateral held included non-cash collateral in the form of U.S. Treasury securities with a value of \$20,406,187 (See Note 2(Q)).		
(b) Non-income producing security.		
(c) Current yield as of December 31, 2019.		
(d) Represents a security purchased with cash collateral received for securities on loan.		
(e) Security, or a portion thereof, was maintained in a segregated account at the Portfolio's custodian as collateral for swap transactions (See Note 2(M)).		

# Portfolio of Investments December 31, 2019 (continued)

## Swap Contracts

Open OTC total return equity swap contracts as of December 31, 2019 were as follows:

Swap Counterparty	Reference Obligation	Floating Rate <sup>1</sup>	Termination Date(s)	Payment Frequency Paid/Received	Notional Amount Long/ (Short) (000)*	Unrealized Appreciation <sup>2</sup>
Bank of America Merrill Lynch	Consumer Discretionary Select Sector SPDR Fund	1 month LIBOR	4/02/2020	Monthly	\$ (741)	\$—
Morgan Stanley & Co.	Consumer Discretionary Select Sector SPDR Fund	Federal Fund Rate	9/15/2020	Monthly	(741)	—
Bank of America Merrill Lynch	Energy Select Sector SPDR Fund	1 month LIBOR	4/02/2020	Monthly	(998)	—
Morgan Stanley & Co.	Energy Select Sector SPDR Fund	Federal Fund Rate minus 0.12%	9/15/2020	Monthly	(998)	—
Morgan Stanley & Co.	Financial Select Sector SPDR Fund	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	356	—
Bank of America Merrill Lynch	Flexshares Global Upstream	1 month LIBOR plus 0.50%	4/02/2020	Monthly	68	—
Morgan Stanley & Co.	Flexshares Global Upstream	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	68	—
Bank of America Merrill Lynch	Goldman Sachs Access Treasury 0-1 Year ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	544	—
Morgan Stanley & Co.	Goldman Sachs Access Treasury 0-1 Year ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	544	—
Bank of America Merrill Lynch	Granitshares Gold Trust	1 month LIBOR	4/02/2020	Monthly	(8)	—
Morgan Stanley & Co.	Granitshares Gold Trust	Federal Fund Rate minus 0.35%	9/15/2020	Monthly	(8)	—
Morgan Stanley & Co.	Health Care Select Sector SPDR Fund	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	260	—
Bank of America Merrill Lynch	Invesco CurrencyShares Australian Dollar Trust	1 month LIBOR plus 0.50%	4/02/2020	Monthly	—‡	—
Morgan Stanley & Co.	Invesco CurrencyShares Australian Dollar Trust	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	—‡	—
Bank of America Merrill Lynch	Invesco CurrencyShares British Pound Sterling Trust	1 month LIBOR plus 0.50%	4/02/2020	Monthly	7	—
Morgan Stanley & Co.	Invesco CurrencyShares British Pound Sterling Trust	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	7	—
Bank of America Merrill Lynch	Invesco CurrencyShares Euro Currency Trust	1 month LIBOR	4/02/2020	Monthly	(333)	—
Morgan Stanley & Co.	Invesco CurrencyShares Euro Currency Trust	Federal Fund Rate minus 2.30%	9/15/2020	Monthly	(333)	—
Bank of America Merrill Lynch	Invesco CurrencyShares Japanese Yen Trust	1 month LIBOR	4/02/2020	Monthly	(535)	—
Morgan Stanley & Co.	Invesco CurrencyShares Japanese Yen Trust	Federal Fund Rate minus 2.30%	9/15/2020	Monthly	(535)	—
Bank of America Merrill Lynch	Invesco DB US Dollar Index Bullish Fund	1 month LIBOR	4/02/2020	Monthly	(2,004)	—
Morgan Stanley & Co.	Invesco DB US Dollar Index Bullish Fund	Federal Fund Rate minus 4.75%	9/15/2020	Monthly	(2,004)	—
Bank of America Merrill Lynch	Invesco KBW Bank ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	5	—
Morgan Stanley & Co.	Invesco KBW Bank ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	5	—
Bank of America Merrill Lynch	Invesco Preferred ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	70	—
Morgan Stanley & Co.	Invesco Preferred ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	70	—
Bank of America Merrill Lynch	Invesco S&P 500 Low Volatility	1 month LIBOR	4/02/2020	Monthly	(536)	—
Morgan Stanley & Co.	Invesco S&P 500 Low Volatility	Federal Fund Rate minus 0.70%	9/15/2020	Monthly	(536)	—
Bank of America Merrill Lynch	Invesco Senior Loan ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	1,272	—
Morgan Stanley & Co.	Invesco Senior Loan ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	1,272	—

Swap Counterparty	Reference Obligation	Floating Rate <sup>1</sup>	Termination Date(s)	Payment Frequency Paid/Received	Notional Amount Long/ (Short) (000)*	Unrealized Appreciation <sup>2</sup>
Bank of America Merrill Lynch	Invesco Treasury Collateral ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	\$ 88	\$—
Morgan Stanley & Co.	Invesco Treasury Collateral ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	88	—
Bank of America Merrill Lynch	iPath Series B S&P 500 VIX Short-Term Futures ETN	1 month LIBOR plus 0.50%	4/02/2020	Monthly	113	—
Morgan Stanley & Co.	iPath Series B S&P 500 VIX Short-Term Futures ETN	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	113	—
Bank of America Merrill Lynch	iShares 0-5 Year High Yield Corporate Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	52	—
Morgan Stanley & Co.	iShares 0-5 Year High Yield Corporate Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	52	—
Bank of America Merrill Lynch	iShares 20+ Year Treasury Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	199	—
Morgan Stanley & Co.	iShares 20+ Year Treasury Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	199	—
Bank of America Merrill Lynch	iShares 3-7 Year Treasury Bond ETF	1 month LIBOR	4/02/2020	Monthly	(737)	—
Morgan Stanley & Co.	iShares 3-7 Year Treasury Bond ETF	Federal Fund Rate minus 1.10%	9/15/2020	Monthly	(737)	—
Bank of America Merrill Lynch	iShares Broad USD Investment Grade Corporate Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	47	—
Morgan Stanley & Co.	iShares Broad USD Investment Grade Corporate Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	47	—
Morgan Stanley & Co.	iShares China Large-Cap ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	466	—
Bank of America Merrill Lynch	iShares Core MSCI EAFE ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	139	—
Morgan Stanley & Co.	iShares Core MSCI EAFE ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	139	—
Bank of America Merrill Lynch	iShares Core MSCI Emerging Markets ETF	1 month LIBOR	4/02/2020	Monthly	(586)	—
Morgan Stanley & Co.	iShares Core MSCI Emerging Markets ETF	Federal Fund Rate minus 0.35%	9/15/2020	Monthly	(586)	—
Bank of America Merrill Lynch	iShares Core MSCI Europe ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	61	—
Morgan Stanley & Co.	iShares Core MSCI Europe ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	61	—
Bank of America Merrill Lynch	iShares Core MSCI Pacific ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	397	—
Morgan Stanley & Co.	iShares Core MSCI Pacific ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	397	—
Bank of America Merrill Lynch	iShares Core S&P U.S. Growth ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	67	—
Morgan Stanley & Co.	iShares Core S&P U.S. Growth ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	67	—
Bank of America Merrill Lynch	iShares Core S&P U.S. Value ETF	1 month LIBOR	4/02/2020	Monthly	(192)	—
Morgan Stanley & Co.	iShares Core S&P U.S. Value ETF	Federal Fund Rate minus 3.65%	9/15/2020	Monthly	(192)	—
Bank of America Merrill Lynch	iShares Core US REIT ETF	1 month LIBOR	4/02/2020	Monthly	(28)	—
Morgan Stanley & Co.	iShares Core US REIT ETF	Federal Fund Rate minus 3.65%	9/15/2020	Monthly	(28)	—
Bank of America Merrill Lynch	iShares Edge MSCI Min Vol Emerging Markets ETF	1 month LIBOR	4/02/2020	Monthly	(1,085)	—
Morgan Stanley & Co.	iShares Edge MSCI Min Vol Emerging Markets ETF	Federal Fund Rate minus 0.35%	9/15/2020	Monthly	(1,085)	—
Bank of America Merrill Lynch	iShares Edge MSCI Min Vol USA ETF	1 month LIBOR	4/02/2020	Monthly	(1,567)	—
Morgan Stanley & Co.	iShares Edge MSCI Min Vol USA ETF	Federal Fund Rate minus 0.35%	9/15/2020	Monthly	(1,567)	—
Bank of America Merrill Lynch	iShares Edge MSCI USA Momentum Factor ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	104	—
Morgan Stanley & Co.	iShares Edge MSCI USA Momentum Factor ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	104	—
Bank of America Merrill Lynch	iShares Floating Rate Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	912	—

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# Portfolio of Investments December 31, 2019 (continued)

Swap Counterparty	Reference Obligation	Floating Rate <sup>1</sup>	Termination Date(s)	Payment Frequency Paid/Received	Notional Amount Long/ (Short) (000)*	Unrealized Appreciation <sup>2</sup>
Morgan Stanley & Co.	iShares Floating Rate Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	\$ 912	\$—
Bank of America Merrill Lynch	iShares iBoxx \$ Investment Grade Corporate Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	418	—
Morgan Stanley & Co.	iShares iBoxx \$ Investment Grade Corporate Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	418	—
Bank of America Merrill Lynch	iShares iBoxx High Yield Corporate Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	553	—
Morgan Stanley & Co.	iShares iBoxx High Yield Corporate Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	553	—
Bank of America Merrill Lynch	iShares JP Morgan USD Emerging Markets Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	280	—
Morgan Stanley & Co.	iShares JP Morgan USD Emerging Markets Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	280	—
Bank of America Merrill Lynch	iShares MBS ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	80	—
Morgan Stanley & Co.	iShares MBS ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	80	—
Bank of America Merrill Lynch	iShares MSCI All Country Asia ex Japan ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	438	—
Morgan Stanley & Co.	iShares MSCI All Country Asia ex Japan ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	438	—
Morgan Stanley & Co.	iShares MSCI China ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	438	—
Bank of America Merrill Lynch	iShares MSCI EAFE Growth ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	156	—
Morgan Stanley & Co.	iShares MSCI EAFE Growth ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	156	—
Bank of America Merrill Lynch	iShares MSCI Eurozone ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	99	—
Morgan Stanley & Co.	iShares MSCI Eurozone ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	99	—
Bank of America Merrill Lynch	iShares MSCI Japan ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	237	—
Morgan Stanley & Co.	iShares MSCI Japan ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	237	—
Bank of America Merrill Lynch	iShares Russell 2000 ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	149	—
Morgan Stanley & Co.	iShares Russell 2000 ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	149	—
Bank of America Merrill Lynch	iShares Russell 2000 Growth ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	114	—
Morgan Stanley & Co.	iShares Russell 2000 Growth ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	114	—
Bank of America Merrill Lynch	iShares Russell 2000 Value ETF	1 month LIBOR	4/02/2020	Monthly	(629)	—
Morgan Stanley & Co.	iShares Russell 2000 Value ETF	Federal Fund Rate minus 0.35%	9/15/2020	Monthly	(629)	—
Bank of America Merrill Lynch	iShares S&P Small CAP 600 Value ETF	1 month LIBOR	4/02/2020	Monthly	(428)	—
Morgan Stanley & Co.	iShares S&P Small CAP 600 Value ETF	Federal Fund Rate minus 4.20%	9/15/2020	Monthly	(428)	—
Bank of America Merrill Lynch	iShares S&P Small-Cap 600 Growth ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	65	—
Morgan Stanley & Co.	iShares S&P Small-Cap 600 Growth ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	65	—
Bank of America Merrill Lynch	iShares Short Treasury Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	3,350	—
Morgan Stanley & Co.	iShares Short Treasury Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	3,350	—
Bank of America Merrill Lynch	iShares Silver Trust	1 month LIBOR	4/02/2020	Monthly	(122)	—
Morgan Stanley & Co.	iShares Silver Trust	Federal Fund Rate minus 0.35%	9/15/2020	Monthly	(122)	—
Bank of America Merrill Lynch	iShares U.S. Preferred Stock ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	207	—
Morgan Stanley & Co.	iShares U.S. Preferred Stock ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	207	—
Bank of America Merrill Lynch	Schwab Intermediate-Term U.S. Treasury ETF	1 month LIBOR	4/02/2020	Monthly	(366)	—

Swap Counterparty	Reference Obligation	Floating Rate <sup>1</sup>	Termination Date(s)	Payment Frequency Paid/Received	Notional Amount Long/ (Short) (000)*	Unrealized Appreciation <sup>2</sup>
Morgan Stanley & Co.	Schwab Intermediate-Term U.S. Treasury ETF	Federal Fund Rate minus 3.50%	9/15/2020	Monthly	\$ (366)	\$—
Bank of America Merrill Lynch	Schwab International Small-Cap Equity ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	443	—
Morgan Stanley & Co.	Schwab International Small-Cap Equity ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	443	—
Bank of America Merrill Lynch	Schwab U.S. Large Cap Growth ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	81	—
Morgan Stanley & Co.	Schwab U.S. Large Cap Growth ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	81	—
Bank of America Merrill Lynch	Schwab U.S. Large Cap Value ETF	1 month LIBOR	4/02/2020	Monthly	(202)	—
Morgan Stanley & Co.	Schwab U.S. Large Cap Value ETF	Federal Fund Rate minus 2.85%	9/15/2020	Monthly	(202)	—
Bank of America Merrill Lynch	Schwab U.S. REIT ETF	1 month LIBOR	4/02/2020	Monthly	(97)	—
Morgan Stanley & Co.	Schwab U.S. REIT ETF	Federal Fund Rate minus 2.30%	9/15/2020	Monthly	(97)	—
Bank of America Merrill Lynch	Schwab US Small-Cap ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	28	—
Morgan Stanley & Co.	Schwab US Small-Cap ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	28	—
Bank of America Merrill Lynch	SPDR Blackstone / GSO Senior Loan ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	548	—
Morgan Stanley & Co.	SPDR Blackstone / GSO Senior Loan ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	548	—
Bank of America Merrill Lynch	SPDR Bloomberg Barclays 1-3 Month T-Bill ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	1,361	—
Morgan Stanley & Co.	SPDR Bloomberg Barclays 1-3 Month T-Bill ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	1,361	—
Bank of America Merrill Lynch	SPDR Bloomberg Barclays Convertible Securities ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	342	—
Morgan Stanley & Co.	SPDR Bloomberg Barclays Convertible Securities ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	342	—
Bank of America Merrill Lynch	SPDR Bloomberg Barclays Emerging Markets Local Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	71	—
Morgan Stanley & Co.	SPDR Bloomberg Barclays Emerging Markets Local Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	71	—
Bank of America Merrill Lynch	SPDR Bloomberg Barclays High Yield Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	295	—
Morgan Stanley & Co.	SPDR Bloomberg Barclays High Yield Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	295	—
Bank of America Merrill Lynch	SPDR Bloomberg Barclays Invest	1 month LIBOR plus 0.50%	4/02/2020	Monthly	314	—
Morgan Stanley & Co.	SPDR Bloomberg Barclays Invest	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	314	—
Bank of America Merrill Lynch	SPDR Bloomberg Barclays Short Term High Yield Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	47	—
Morgan Stanley & Co.	SPDR Bloomberg Barclays Short Term High Yield Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	47	—
Bank of America Merrill Lynch	SPDR Dow Jones International Real Estate ETF	1 month LIBOR	4/02/2020	Monthly	(971)	—
Morgan Stanley & Co.	SPDR Dow Jones International Real Estate ETF	Federal Fund Rate minus 0.60%	9/15/2020	Monthly	(971)	—
Bank of America Merrill Lynch	SPDR Gold MiniShares Trust	1 month LIBOR	4/02/2020	Monthly	(16)	—
Morgan Stanley & Co.	SPDR Gold MiniShares Trust	Federal Fund Rate minus 1.90%	9/15/2020	Monthly	(16)	—
Bank of America Merrill Lynch	SPDR Gold Shares	1 month LIBOR	4/02/2020	Monthly	(608)	—

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)

Swap Counterparty	Reference Obligation	Floating Rate <sup>1</sup>	Termination Date(s)	Payment Frequency Paid/Received	Notional Amount Long/ (Short) (000)*	Unrealized Appreciation <sup>2</sup>
Morgan Stanley & Co.	SPDR Gold Shares	Federal Fund Rate minus 0.35%	9/15/2020	Monthly	\$ (608)	\$—
Bank of America Merrill Lynch	SPDR Portfolio Long Term Treasury ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	21	—
Morgan Stanley & Co.	SPDR Portfolio Long Term Treasury ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	21	—
Bank of America Merrill Lynch	SPDR Portfolio S&P 500 Growth ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	47	—
Morgan Stanley & Co.	SPDR Portfolio S&P 500 Growth ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	47	—
Bank of America Merrill Lynch	SPDR Portfolio S&P 500 Value ETF	1 month LIBOR	4/02/2020	Monthly	(135)	—
Morgan Stanley & Co.	SPDR Portfolio S&P 500 Value ETF	Federal Fund Rate minus 0.35%	9/15/2020	Monthly	(135)	—
Morgan Stanley & Co.	SPDR Portfolio Short Term Corporate Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	165	—
Bank of America Merrill Lynch	SPDR Portfolio Short Term Corporate Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	165	—
Bank of America Merrill Lynch	SPDR S&P Bank ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	14	—
Morgan Stanley & Co.	SPDR S&P Bank ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	14	—
Morgan Stanley & Co.	SPDR S&P China ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	127	—
Bank of America Merrill Lynch	SPDR S&P Emerging Markets Small Cap ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	443	—
Morgan Stanley & Co.	SPDR S&P Emerging Markets Small Cap ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	443	—
Morgan Stanley & Co.	Technology Select Sector SPDR Fund	Federal Fund Rate minus 0.05%	9/15/2020	Monthly	(1,522)	—
Bank of America Merrill Lynch	VanEck Vectors High-Yield Municipal Index ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	19	—
Morgan Stanley & Co.	VanEck Vectors High-Yield Municipal Index ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	19	—
Bank of America Merrill Lynch	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	353	—
Morgan Stanley & Co.	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	353	—
Bank of America Merrill Lynch	Vanguard Emerging Markets Government Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	29	—
Morgan Stanley & Co.	Vanguard Emerging Markets Government Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	29	—
Bank of America Merrill Lynch	Vanguard FTSE All World ex-U.S. Small-Cap ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	1,023	—
Morgan Stanley & Co.	Vanguard FTSE All World ex-U.S. Small-Cap ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	1,023	—
Bank of America Merrill Lynch	Vanguard FTSE Developed Markets ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	148	—
Morgan Stanley & Co.	Vanguard FTSE Developed Markets ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	148	—
Bank of America Merrill Lynch	Vanguard FTSE Emerging Markets ETF	1 month LIBOR	4/02/2020	Monthly	(653)	—
Morgan Stanley & Co.	Vanguard FTSE Emerging Markets ETF	Federal Fund Rate minus 0.35%	9/15/2020	Monthly	(653)	—
Bank of America Merrill Lynch	Vanguard FTSE Europe ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	228	—
Morgan Stanley & Co.	Vanguard FTSE Europe ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	228	—
Bank of America Merrill Lynch	Vanguard FTSE Pacific ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	117	—
Morgan Stanley & Co.	Vanguard FTSE Pacific ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	117	—



Swap Counterparty	Reference Obligation	Floating Rate <sup>1</sup>	Termination Date(s)	Payment Frequency Paid/Received	Notional Amount Long/ (Short) (000)*	Unrealized Appreciation <sup>2</sup>
Bank of America Merrill Lynch	Vanguard Growth ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	\$ 411	\$—
Morgan Stanley & Co.	Vanguard Growth ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	411	—
Bank of America Merrill Lynch	Vanguard Intermediate-Term Corporate Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	302	—
Morgan Stanley & Co.	Vanguard Intermediate-Term Corporate Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	302	—
Bank of America Merrill Lynch	Vanguard Intermediate-Term Treasury ETF	1 month LIBOR	4/02/2020	Monthly	(327)	—
Morgan Stanley & Co.	Vanguard Intermediate-Term Treasury ETF	Federal Fund Rate minus 7.15%	9/15/2020	Monthly	(327)	—
Bank of America Merrill Lynch	Vanguard Long-Term Treasury ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	17	—
Morgan Stanley & Co.	Vanguard Long-Term Treasury ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	17	—
Bank of America Merrill Lynch	Vanguard Mortgage-Backed Securities ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	43	—
Morgan Stanley & Co.	Vanguard Mortgage-Backed Securities ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	43	—
Bank of America Merrill Lynch	Vanguard Real Estate ETF	1 month LIBOR	4/02/2020	Monthly	(603)	—
Morgan Stanley & Co.	Vanguard Real Estate ETF	Federal Fund Rate minus 0.15%	9/15/2020	Monthly	(603)	—
Bank of America Merrill Lynch	Vanguard Short-Term Corporate Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	669	—
Morgan Stanley & Co.	Vanguard Short-Term Corporate Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	669	—
Bank of America Merrill Lynch	Vanguard Small-Cap ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	86	—
Morgan Stanley & Co.	Vanguard Small-Cap ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	86	—
Bank of America Merrill Lynch	Vanguard Small-Cap Growth ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	115	—
Morgan Stanley & Co.	Vanguard Small-Cap Growth ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	115	—
Bank of America Merrill Lynch	Vanguard Small-Cap Value ETF	1 month LIBOR	4/02/2020	Monthly	(939)	—
Morgan Stanley & Co.	Vanguard Small-Cap Value ETF	Federal Fund Rate minus 0.35%	9/15/2020	Monthly	(939)	—
Bank of America Merrill Lynch	Vanguard Value ETF	1 month LIBOR	4/02/2020	Monthly	(1,588)	—
Morgan Stanley & Co.	Vanguard Value ETF	Federal Fund Rate minus 0.60%	9/15/2020	Monthly	(1,588)	—
Bank of America Merrill Lynch	WisdomTree Emerging Markets Local Debt Fund	1 month LIBOR plus 0.50%	4/02/2020	Monthly	14	—
Morgan Stanley & Co.	WisdomTree Emerging Markets Local Debt Fund	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	14	—
Bank of America Merrill Lynch	Xtrackers MSCI EAFE Hedged Equity ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	768	—
Morgan Stanley & Co.	Xtrackers MSCI EAFE Hedged Equity ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	768	—
Bank of America Merrill Lynch	Xtrackers MSCI Europe Hedged Equity ETF	1 month LIBOR	4/02/2020	Monthly	(930)	—
Morgan Stanley & Co.	Xtrackers MSCI Europe Hedged Equity ETF	Federal Fund Rate minus 7.15%	9/15/2020	Monthly	(930)	—
Bank of America Merrill Lynch	Xtrackers MSCI Japan Hedged Equity ETF	1 month LIBOR	4/02/2020	Monthly	(1,087)	—
Morgan Stanley & Co.	Xtrackers MSCI Japan Hedged Equity ETF	Federal Fund Rate minus 6.50%	9/15/2020	Monthly	(1,087)	—

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)

Swap Counterparty	Reference Obligation	Floating Rate <sup>1</sup>	Termination Date(s)	Payment Frequency Paid/Received	Notional Amount Long/ (Short) (000)*	Unrealized Appreciation <sup>2</sup>
Bank of America Merrill Lynch	Xtrackers USD High Yield Corporate Bond ETF	1 month LIBOR plus 0.50%	4/02/2020	Monthly	\$ 115	\$—
Morgan Stanley & Co.	Xtrackers USD High Yield Corporate Bond ETF	Federal Fund Rate plus 0.50%	9/15/2020	Monthly	115	—
					\$ (41)	\$—

1. Portfolio pays or receives the floating rate and receives or pays the total return of the reference entity.

2. Reflects the value at reset date as of December 31, 2019.

\* Notional amounts reflected as a positive value indicate a long position held by the Portfolio or Index and a negative value indicates a short position.

‡ Notional Amount less than 1,000

The following abbreviations are used in the preceding pages:

BRIC—Brazil, Russia, India and China

DB—Deutsche Bank

EAFE—Europe, Australasia and Far East

EM—Emerging Markets

ETF—Exchange-Traded Fund

ETN—Exchange-Traded Note

FTSE—Financial Times Stock Exchange

KBW—Keefe, Bruyette & Woods

LIBOR—London Interbank Offered Rate

MBS—Mortgage-Backed Security

MSCI—Morgan Stanley Capital International

REIT—Real Estate Investment Trust

SPDR—Standard & Poor's Depository Receipt

USD—United States Dollar

VIX—CBOE Volatility Index

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:

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)				
Exchange-Traded Funds	\$394,228,121	\$ —	\$ —	\$394,228,121
Exchange-Traded Note	2,270,782	—	—	2,270,782
Exchange-Traded Vehicles	157,386	—	—	157,386
Short-Term Investments				
Affiliated Investment Company	3,674,595	—	—	3,674,595
Unaffiliated Investment Company	32,249,469	—	—	32,249,469
Total Short-Term Investments	35,924,064	—	—	35,924,064
Total Investments in Securities	\$432,580,353	\$ —	\$ —	\$432,580,353

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

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

## Assets

Investment in unaffiliated securities, at value (identified cost \$419,709,846) including securities on loan of \$51,391,092	\$428,905,758
Investment in affiliated investment company, at value (identified cost \$3,674,595)	3,674,595
Cash	293,310
Receivables:	
Dividends	167,698
Manager (See Note 3)	105,985
Securities lending	54,732
Investment securities sold	40,286
Portfolio shares sold	17,815
Total assets	<u>433,260,179</u>

## Liabilities

Cash collateral received for securities on loan	32,249,469
Payables:	
Custodian	551,978
Dividends and interest on OTC swaps contracts	282,305
Portfolio shares redeemed	118,115
NYLIFE Distributors (See Note 3)	82,085
Shareholder communication	59,477
Professional fees	50,738
Offering costs	5,000
Trustees	617
Accrued expenses	10,591
Total liabilities	<u>33,410,375</u>
Net assets	<u>\$399,849,804</u>

## Composition of Net Assets

Shares of beneficial interest outstanding (par value of \$.001 per share) unlimited number of shares authorized	\$ 45,804
Additional paid-in capital	<u>459,199,869</u>
	459,245,673
Total distributable earnings (loss)	<u>(59,395,869)</u>
Net assets	<u>\$399,849,804</u>

## Initial Class

Net assets applicable to outstanding shares	<u>\$ 10,748,524</u>
Shares of beneficial interest outstanding	<u>1,230,209</u>
Net asset value per share outstanding	<u>\$ 8.74</u>

## Service Class

Net assets applicable to outstanding shares	<u>\$389,101,280</u>
Shares of beneficial interest outstanding	<u>44,573,915</u>
Net asset value per share outstanding	<u>\$ 8.73</u>

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

## Investment Income (Loss)

### Income

Dividends-unaffiliated	\$11,541,219
Securities lending	570,999
Dividends-affiliated	47,241
Total income	<u>12,159,459</u>

### Expenses

Manager (See Note 3)	3,003,914
Custodian	1,619,158
Distribution/Service—Service Class (See Note 3)	976,291
Shareholder communication	109,116
Professional fees	52,837
Trustees	10,077
Offering (See Note 2)	3,493
Miscellaneous	24,913
Total expenses before waiver/reimbursement	5,799,799
Expense waiver/reimbursement from Manager (See Note 3)	<u>(2,019,855)</u>
Net expenses	<u>3,779,944</u>
Net investment income (loss)	<u>8,379,515</u>

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

### Net realized gain (loss) on:

Unaffiliated investment transactions	8,449,340
Swap transactions	(4,556,044)
Foreign currency transactions	<u>(7,481)</u>

Net realized gain (loss) on investments, swap transactions and foreign currency transactions	<u>3,885,815</u>
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### Net change in unrealized appreciation (depreciation) on:

Unaffiliated investments	19,043,634
Translation of other assets and liabilities in foreign currencies	<u>6,662</u>

Net change in unrealized appreciation (depreciation) on investments and foreign currencies	<u>19,050,296</u>
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Net realized and unrealized gain (loss) on investments, swap transactions and foreign currency transactions	<u>22,936,111</u>
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Net increase (decrease) in net assets resulting from operations	<u>\$31,315,626</u>
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# 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)	\$ 8,379,515	\$ (352,297)
Net realized gain (loss) on investments, investments sold short, futures transactions, swap transactions, investments from affiliated and unaffiliated investment companies and foreign currency transactions	3,885,815	(20,979,140)
Net change in unrealized appreciation (depreciation) on investments, investments sold short, futures contracts, swap contracts and foreign currencies	19,050,296	(15,928,954)
Net increase (decrease) in net assets resulting from operations	31,315,626	(37,260,391)
Distributions to shareholders:		
Initial Class	(192,294)	(180,327)
Service Class	(5,105,960)	(2,734,766)
	(5,298,254)	(2,915,093)
Distributions to shareholders from return of capital:		
Initial Class	(8,032)	—
Service Class	(213,271)	—
	(221,303)	—
Total distributions to shareholders	(5,519,557)	(2,915,093)
Capital share transactions:		
Net proceeds from sale of shares	10,347,572	471,625,822
Net asset value of shares issued in connection with the acquisition of MainStay VP Absolute Return Multi-Strategy Portfolio	—	1,472,556
Net asset value of shares issued to shareholders in reinvestment of distributions	5,519,557	2,915,093
Cost of shares redeemed	(41,966,563)	(609,037,844)
Increase (decrease) in net assets derived from capital share transactions	(26,099,434)	(133,024,373)
Net increase (decrease) in net assets	(303,365)	(173,199,857)
<b>Net Assets</b>		
Beginning of year	400,153,169	573,353,026
End of year	\$399,849,804	\$ 400,153,169

† Consolidated Statement of Changes in Net Assets for the period January 1, 2018 to November 30, 2018.

# 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	\$ 8.22	\$ 8.92	\$ 9.04	\$ 9.03	\$ 9.82
Net investment income (loss) (a)	0.20	(0.05)	(0.08)	(0.10)	(0.06)
Net realized and unrealized gain (loss) on investments	0.49	(0.55)	0.16	0.03	(0.72)
Net realized and unrealized gain (loss) on foreign currency transactions	(0.00)‡	0.00 ‡	(0.10)	0.08	(0.01)
Total from investment operations	0.69	(0.60)	(0.02)	0.01	(0.79)
<b>Less distributions:</b>					
From net investment income	(0.16)	(0.10)	(0.10)	—	—
Return of capital	(0.01)	—	—	—	—
Total distributions	(0.17)	(0.10)	(0.10)	—	—
Net asset value at end of year	\$ 8.74	\$ 8.22	\$ 8.92	\$ 9.04	\$ 9.03
Total investment return (b)	8.47%	(6.88%)	(0.25%)	0.11% (c)	(8.04%)
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	2.36%	(0.53%)	(0.93%)	(1.11%)	(0.59%)
Net expenses (d)	0.70%	1.43%	1.43%	1.46%	1.47%
Net expenses (before waiver/reimbursement) (d)(e)	1.20%	2.96%	2.63%	2.63%	2.00%
Portfolio turnover rate	151%	450%	185%	267%	115%
Net assets at end of year (in 000's)	\$ 10,749	\$ 9,059	\$ 149,753	\$ 201,252	\$ 3,051

‡ Less than one cent per share.

† Consolidated Financial Highlights for the periods January 1, 2018 to November 30, 2018, January 1, 2017 to December 31, 2017 and January 9, 2016 to December 31, 2016.

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

(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	0.70%	—
December 31, 2018	1.43%	1.28%
December 31, 2017	1.43%	1.05%
December 31, 2016	1.46%	0.95%
December 31, 2015	1.47%	0.53%

# 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	\$ 8.18	\$ 8.87	\$ 8.99	\$ 9.00	\$ 9.79
Net investment income (loss) (a)	0.18	(0.00)‡	(0.11)	(0.12)	(0.11)
Net realized and unrealized gain (loss) on investments	0.49	(0.63)	0.18	0.03	(0.67)
Net realized and unrealized gain (loss) on foreign currency transactions	(0.00)‡	0.00 ‡	(0.11)	0.08	(0.01)
Total from investment operations	0.67	(0.63)	(0.04)	(0.01)	(0.79)
<b>Less distributions:</b>					
From net investment income	(0.12)	(0.06)	(0.08)	—	—
Return of capital	(0.00)‡	—	—	—	—
Total distributions	(0.12)	(0.06)	(0.08)	—	—
Net asset value at end of year	\$ 8.73	\$ 8.18	\$ 8.87	\$ 8.99	\$ 9.00
Total investment return (b)	8.23%	(7.14%)	(0.51%)	(0.11%)(c)	(8.07%)(c)
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	2.09%	0.03%	(1.20%)	(1.36%)	(1.15%)
Net expenses (d)	0.95%	1.60%	1.68%	1.71%	1.72%
Net expenses (before waiver/reimbursement) (d)(e)	1.45%	2.84%	2.88%	2.80%	2.51%
Portfolio turnover rate	151%	450%	185%	267%	115%
Net assets at end of year (in 000's)	\$ 389,101	\$ 391,094	\$ 423,600	\$ 366,470	\$ 330,375

‡ Less than one cent per share.

† Consolidated Financial Highlights for the periods January 1, 2018 to November 30, 2018, January 1, 2017 to December 31, 2017 and January 9, 2016 to December 31, 2016.

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

(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	0.95%	—
December 31, 2018	1.60%	0.99%
December 31, 2017	1.68%	1.05%
December 31, 2016	1.71%	0.90%
December 31, 2015	1.72%	0.79%

# 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 IQ Hedge Multi-Strategy 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.

Effective at the close of business on November 30, 2018, the Portfolio acquired the assets and liabilities of MainStay VP Absolute Return Multi-Strategy Portfolio (the “Reorganization”), which was a separate series of the Fund (the “VP ARMS Portfolio”). The Reorganization was approved by the Fund’s Board of Trustees (the “Board”) and shareholders pursuant to an Agreement and Plan of Reorganization (the “Reorganization Agreement”), see Note 10 for additional information. The VP ARMS Portfolio was the accounting survivor in the Reorganization and as such, the financial statements and the financial highlights reflect the financial information of the VP ARMS Portfolio through November 30, 2018.

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 May 1, 2013. 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 investment returns that correspond (before fees and expenses) generally to the price and yield performance of its underlying index, the IQ Hedge Multi-Strategy Index. The IQ Hedge Multi-Strategy Index seeks to achieve performance similar to the overall hedge fund universe by replicating the “beta” portion of the hedge fund return characteristics (i.e., that portion of the returns that are non-idiosyncratic, or unrelated to manager skill) by using the following hedge fund investment styles: long/short equity; global macro;

market neutral; event-driven; fixed-income arbitrage; and emerging markets.

The Portfolio is a “fund of funds” that seeks to achieve its investment objective by investing primarily in exchange-traded funds (“ETFs”), other exchange-traded vehicles issuing equity securities organized in the U.S., such as exchange-traded commodity pools (“ETVs”), and exchange-traded notes (“ETNs”) (such ETFs, ETVs and ETNs are referred to collectively as “exchange-traded products” or “ETPs”), but may also invest in one or more financial instruments, including but not limited to, futures contracts, reverse repurchase agreements, options, and swap agreements (collectively, “Financial Instruments”) in order to seek to achieve exposure to investment strategies and/or asset classes that are similar to those of the IQ Hedge Multi-Strategy Index.

## 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 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 Subadvisor (as defined in Note 3(A)).

To assess the appropriateness of security valuations, the Manager, the Subadvisor 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:

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

An asset or liability for which market values cannot be measured using the methodologies described above is valued by methods deemed reasonable in good faith by the Valuation Committee, following the procedures established by the Board, to represent fair value. Under these procedures, the 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 Subadvisor, reflect the security’s market value; (vi) a security subject to trading collars for which no or limited trading takes place; and (vii) a security whose principal market has been temporarily closed at a time when, under normal conditions, it would be open. Securities valued in this manner are generally categorized as Level 3 in the hierarchy. As of December 31, 2019, no securities held by the Portfolio were fair valued in such a manner.

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 Subadvisor conclude that such events may have affected the accuracy of the last price of such securities reported on the local foreign market, the Subcommittee may, pursuant to procedures adopted by the Board, adjust the value of the local price to reflect the estimated impact on the price of such securities as a result of such events. In this instance, securities are generally categorized as Level 3 in the hierarchy. Additionally, certain foreign equity securities are also fair valued

# Notes to Financial Statements (continued)

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 securities held by the Portfolio were fair valued in such a manner.

Equity securities, including ETPs, 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.

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

Total return swap contracts, which are arrangements to exchange a market-linked return for a periodic payment, are based on a notional principal amount. To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Portfolio will receive a payment from or make a payment to the counterparty. Total return swap contracts are marked to market daily based upon quotations from market makers and these securities are generally categorized as Level 2 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 purchase and thereafter assuming a constant amortization to maturity of the difference between such cost and the value on maturity date. Amortized cost approximates the current fair value of a security. Securities valued using the amortized cost method are not valued using quoted prices in an active market and are generally categorized as Level 2 in the hierarchy.

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

**(B) Income Taxes.** The 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.

**(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 on 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 ETPs and mutual funds, which are subject to management fees and other fees that may cause the costs of investing in ETPs and mutual funds to be greater than the costs of owning the underlying securities directly. These indirect expenses of ETPs 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.

In addition, the Portfolio bears a pro rata share of the fees and expenses of the ETPs in which it invests. Because the ETPs have varied expense and fee levels and the Portfolio may own different proportions of the ETPs at different times, the amount of fees and expenses incurred indirectly by the Portfolio may vary.

**(G) Offering and Organization Costs.** Offering costs paid in connection with the offering of shares of the Portfolio are amortized on a straight-line basis over 12 months from the date of commencement of operations. Organization costs paid in connection with the organization of the Portfolio are expensed on the first day of operations.

**(H) Use of Estimates.** In preparing the 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.

**(I) 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 Subadvisor to be creditworthy, pursuant to guidelines established by the Board. During the term of any repurchase agreement, the Manager or the Subadvisor will continue to monitor the creditworthiness of the counterparty. Under the 1940 Act, repurchase agreements are considered to be collateralized loans by the 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.

**(J) 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.

# Notes to Financial Statements (continued)

**(K) 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 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.

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

Certain standardized swaps, including certain credit default and interest rate swaps, are subject to mandatory clearing and exchange-trading, and more types of standardized swaps are expected to be subject to mandatory clearing and exchange-trading in the future. The counterparty risk for exchange-traded and cleared derivatives is expected to be generally lower than for uncleared derivatives, but cleared contracts are not risk-free. In a cleared derivative transaction, the Portfolio typically enters into the transaction with a financial institution counterparty, and performance of the transaction is effectively guaranteed by a central clearinghouse, thereby reducing or eliminating the Portfolio's exposure to the credit risk of its original counterparty. The Portfolio will be required to post specified levels of margin with the clearinghouse or at the instruction of the clearinghouse; the margin required by a clearinghouse may be greater than the margin the Portfolio would be required to post in an uncleared transaction. As of December 31, 2019, all swap positions outstanding are shown in the Portfolio of Investments.

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

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

*Equity Swaps (Total Return Swaps):* Total return swap contracts are agreements between counterparties to exchange cash flow, one based on a market-linked return of an individual asset or group of assets (such as an index), and the other on a fixed or floating rate. As a total return swap, an equity swap may be structured in different ways. For example, when the Portfolio enters into a “long” equity swap, the counterparty may agree to pay the Portfolio the amount, if any, by which the notional amount of the equity swap would have increased in value had it been invested in a particular referenced security or securities, plus the dividends that would have been received on those securities. In return, the Portfolio will generally agree to pay the counterparty interest on the notional amount of the equity swap plus the amount, if any, by which that notional amount would have decreased in value had it been invested in such referenced security or securities, plus, in certain instances, commissions or trading spreads on the notional amounts. Therefore, the Portfolio’s return on the equity swap generally should equal the gain or loss on the notional amount, plus dividends on the referenced security or securities less the interest paid by the Portfolio on the notional amount. Alternatively, when the Portfolio enters into a “short” equity swap, the counterparty will generally agree to pay the Portfolio the amount, if any, by which the notional amount of the equity swap would have decreased in value had the Portfolio sold a particular referenced security or securities short, less the dividend expense that the Portfolio would have incurred on the referenced security or securities, as adjusted for interest payments or other economic factors. In this situation, the Portfolio will generally be obligated to pay the amount, if any, by which the notional amount of the swap would have increased in value had it been invested directly in the referenced security or securities.

Equity swaps generally do not involve the delivery of securities or other referenced assets. Accordingly, the risk of loss with respect to equity swaps is normally limited to the net amount of payments that the

Portfolio is contractually obligated to make. If the other party to an equity swap defaults, the Portfolio’s risk of loss consists of the net amount of payments that the Portfolio is contractually entitled to receive, if any. The Portfolio will segregate cash or liquid assets, enter into offsetting transactions or use other measures permitted by applicable law to “cover” the Portfolio’s current obligations. The Portfolio and New York Life Investments, however, believe these transactions do not constitute senior securities under the 1940 Act and, accordingly, will not treat them as being subject to the Portfolio’s borrowing restrictions.

Equity swaps are derivatives and their value can be very volatile. The Portfolio may engage in total return swaps to gain exposure to emerging markets securities, along with offsetting long total return swap positions to maintain appropriate currency balances and risk exposures across all swap positions. To the extent that the Manager, or the Subadvisor do not accurately analyze and predict future market trends, the values or assets or economic factors, the Portfolio may suffer a loss, which may be substantial.

**(N) 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.

**(O) Options Contracts.** The Portfolio may write call and put options on securities and financial derivative instruments it owns or in which it may invest. Writing put options tends to increase the Portfolio’s exposure to the underlying instrument. Writing call options tends to decrease the Portfolio’s exposure to the underlying instrument. When the Portfolio writes a call or put, an amount equal to the premium received is recorded as a liability and subsequently marked to market to reflect the current value of the option written. These liabilities are reflected as written options outstanding on the Statement of Assets and Liabilities. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying futures, swaps, security or currency transaction to determine the realized gain or loss. Certain options may be written with premiums to be determined on a future date. The Portfolio, as a writer of an option, has no control over whether the underlying instrument may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the instrument underlying the written option. There is the risk the Portfolio may not be able to enter into a closing transaction because of an illiquid market. Writing call options involves risk of loss in excess of the related amounts reflected in the Statement of Assets and Liabilities.

# Notes to Financial Statements (continued)

The Portfolio may also purchase put and call options. Purchasing call options tends to increase the Portfolio's exposure to the underlying instrument. Alternatively, purchasing put options tends to decrease the Portfolio's exposure to the underlying instrument. The Portfolio pays a premium which is included on the Portfolio's Statement of Assets and Liabilities as an investment and subsequently marked to market to reflect the current value of the option. Premiums paid for purchasing options which expire are treated as realized losses. Certain options may be purchased with premiums to be determined on a future date. The premiums for these options are based upon implied volatility parameters at specified terms. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying investment transaction to determine the realized gain or loss when the underlying transaction is sold.

The Portfolio may purchase or write foreign currency options. Purchasing a foreign currency option gives the Portfolio the right, but not the obligation, to buy or sell a specified amount of the currency at a specified rate of exchange that may be exercised on or before the option's expiration date. Writing a foreign currency option obligates the Portfolio to buy or sell a specified amount of foreign currency at a specified rate of exchange, and such option may be exercised on or before the option's expiration date in exchange for an option premium. These options may be used as a short or long hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies. The risks associated with writing a foreign currency put option include the risk that the Portfolio may incur a loss if the value of the referenced foreign currency decreases and the option is exercised. The risks associated with writing a foreign currency call option include the risk that if the value of the referenced foreign currency increases, and if the option is exercised, the Portfolio must either acquire the referenced foreign currency at the then higher price for delivery or, if the Portfolio already owns the referenced foreign currency, forego the opportunity for profit with respect to such foreign currency. As of December 31, 2019, the Portfolio did not purchase or write any options contracts.

**(P) 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. As of December 31, 2019, the Portfolio did not enter into any securities sold short.

**(Q) 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 \$51,391,092; the total market value of collateral held by the Portfolio was \$52,655,656. The market value of the collateral held included non-cash collateral in the form of U.S. Treasury securities with a value of \$20,406,187 and cash collateral, which was invested into the State Street Navigator Securities Lending Government Money Market Portfolio, with a value of \$32,249,469.

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

**(S) 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.

**(T) LIBOR Risk.** The Portfolio may invest in certain debt securities, derivatives or other financial instruments that utilize the London Interbank Offered Rate ("LIBOR"), as a "benchmark" or "reference rate" for various interest rate calculations. In July 2017, the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced a desire to phase out the use of LIBOR by the end of 2021. Although financial regulators and industry working groups have suggested alternative reference rates, such as European Interbank Offer Rate ("EURIBOR"), Sterling Overnight Interbank Average Rate ("SONIA") and Secured Overnight Financing Rate ("SOFR"), global consensus on alternative rates is lacking and the process for amending existing contracts or instruments to transition away from LIBOR remains unclear. The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for, or value of, any securities or payments linked to those reference rates, which may adversely affect the Portfolio's performance and/or net asset value. Uncertainty and risk also remain regarding the willingness and ability of issuers and lenders to include revised provisions in new and existing contracts or instruments. Consequently, the transition away from LIBOR to other reference rates may lead to increased volatility and illiquidity in markets that are tied to LIBOR, fluctuations in values of LIBOR-related investments or investments in issuers that utilize LIBOR, increased difficulty in borrowing or refinancing and diminished effectiveness of hedging strategies, adversely affecting the Portfolio's performance. Furthermore, the risks associated with the expected discontinuation of LIBOR and transition may be exacerbated if the work necessary to effect an orderly transition to an alternative reference rate is not completed in a timely manner. Because the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

**(U) 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.

**(V) 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.

The Portfolio utilizes a range of derivative instruments for a variety of different purposes. Total return swaps ("TRS") are one form of derivative that is used. In some cases, TRS contracts are entered into so as to affect long and short exposure to individual securities or indices within a particular strategy. In other cases, TRS are used to gain exposure to the strategy itself, which may also use derivatives. For example, a TRS contract is used to generate the return available from a customized index comprised of a diversified basket of exchange-traded futures. Other examples of derivative positions into which the Portfolio may enter include interest rate swaps, credit default swaps and option contracts. These instruments are frequently used to obtain a desired return at a lower cost to the Portfolio than is available when investing directly in the underlying instrument or to hedge against credit and interest rate risks. The Portfolio may also enter into foreign currency forward contracts to gain exposure to a particular currency or to hedge against the risk of loss due to changing currency exchange rates. These derivatives are not accounted for as hedging instruments.

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

#### Realized Gain (Loss)

	Statement of Operations Location	Equity Contracts Risk
Swap Contracts	Net realized gain (loss) on swap transactions	\$(4,556,044)
Total Realized Gain (Loss)		<u>\$(4,556,044)</u>

#### Average Notional Amount

	Equity Contracts Risk
Swap Contracts Long	\$ 40,221,974
Swap Contracts Short	<u>\$(40,520,838)</u>

### Note 3—Fees and Related Party Transactions

**(A) Manager and Subadvisor.** New York Life Investments, a registered investment adviser and an indirect, wholly-owned subsidiary of New York Life, serves as the Portfolio's Manager, pursuant to an Amended and Restated Management Agreement ("Management Agreement"). The Manager provides offices, conducts clerical,

# Notes to Financial Statements (continued)

recordkeeping 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. IndexIQ Advisors LLC ("IndexIQ Advisors" or "Subadvisor"), a registered investment adviser and an affiliate of New York Life Investments, serves as Subadvisor to the Portfolio and is responsible for the day-to-day portfolio management of the Portfolio. Pursuant to the terms of a Subadvisory Agreement ("Subadvisory Agreement") between New York Life Investments and IndexIQ Advisors, New York Life Investments pays for the services of the Subadvisor.

Prior to the Reorganization, the VP ARMS Portfolio had different sub-advisors. Candriam France, a registered investment adviser, served as a subadvisor, pursuant to the terms of a subadvisory agreement between New York Life Investments and Candriam France, and was responsible for the day-to-day portfolio management of a portion of the Portfolio and the Cayman Subsidiary. Cushing<sup>®</sup> Asset Management, LP ("Cushing"), a registered investment adviser, served as a subadvisor, pursuant to the terms of a subadvisory agreement between New York Life Investments and Cushing, and was responsible for the day-to-day portfolio management of a portion of the VP ARMS Portfolio. MacKay Shields LLC ("MacKay Shields"), a registered investment adviser and an indirect, wholly-owned subsidiary of New York Life, served as a subadvisor, pursuant to the terms of an amended and restated subadvisory agreement between New York Life Investments and MacKay Shields, and was responsible for the day-to-day portfolio management of a portion of the Portfolio. Prior to January 1, 2018, Cornerstone Capital Management Holdings LLC served as a subadvisor to the VP ARMS Portfolio. Effective January 1, 2018, all investment personnel of Cornerstone Capital Management Holdings LLC transitioned to MacKay Shields due to an organizational restructuring. New York Life Investments paid for the services of these 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 0.75% of the Portfolio's average daily net assets.

**(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 Unrealized Appreciation/ (Depreciation)	Value, End of Year	Dividend Income	Other Distributions	Shares End of Year
MainStay U.S. Government Liquidity Fund	\$—	\$33,015	\$(29,340)	\$—	\$—	\$3,675	\$47	\$—	3,675

**(D) Capital.** As of December 31, 2019, New York Life and its affiliates beneficially held shares of the Portfolio with the values and percentages of net assets as follows:

Initial Class	\$1,542,003	14.3%
Service Class	26,056	0.0‡

‡ Less than one-tenth of a percent.

New York Life Investments has contractually agreed to waive fees and/or reimburse expenses so that the total annual operating expenses (excluding taxes, interest, litigation, extraordinary expenses, brokerage and other transaction expenses relating to the purchase or sale of portfolio investments and acquired (underlying) portfolio/fund fees and expenses) do not exceed 0.70% and 0.95% for Initial Class shares and Service Class shares, respectively. This agreement will remain in effect until May 1, 2020, and shall renew automatically for one-year terms unless New York Life Investments provides written notice of termination prior to the start of the next term or upon approval of the Board.

During the year ended December 31, 2019, New York Life Investments earned fees from the Portfolio in the amount of \$3,003,914 and waived its fees and/or reimbursed expenses in the amount of \$2,019,855 and paid the Subadvisor in the amount of \$464,550.

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.

## 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:



	<b>Federal Tax Cost</b>	<b>Gross Unrealized Appreciation</b>	<b>Gross Unrealized Depreciation</b>	<b>Net Unrealized Appreciation/Depreciation</b>
Investments				
in Securities	\$423,802,921	\$9,664,904	\$(887,472)	\$8,777,432

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

<b>Ordinary Income</b>	<b>Accumulated Capital and Other Gain (Loss)</b>	<b>Other Temporary Differences</b>	<b>Unrealized Appreciation (Depreciation)</b>	<b>Total Accumulated Gain (Loss)</b>
\$—	\$(68,171,693)	\$—	\$8,775,824	\$(59,395,869)

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

The following table discloses the current year reclassifications between total distributable earnings (loss) and additional paid-in capital arising from permanent differences; net assets as of December 31, 2019 were not affected.

<b>Total Distributable Earnings (Loss)</b>	<b>Additional Paid-In Capital</b>
\$(3,013,223)	\$3,013,223

The reclassifications for the Portfolio are primarily due to merger-related tax adjustments.

As of December 31, 2019, for federal income tax purposes, capital loss carryforwards of \$68,115,836, 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.

<b>Capital Loss Available Through</b>	<b>Short-Term Capital Loss Amounts (000's)</b>	<b>Long-Term Capital Loss Amounts (000's)</b>
Unlimited	\$68,093	\$23

The Portfolio utilized \$7,830,734 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:

	<b>2019</b>	<b>2018</b>
Distributions paid from:		
Ordinary Income	\$5,298,254	\$2,915,093
Return of Capital	221,303	—
<b>Total</b>	<b>\$5,519,557</b>	<b>\$2,915,093</b>

## 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 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 \$603,814 and \$630,343, respectively.

# Notes to Financial Statements (continued)

## 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	163,150	\$ 1,400,071
Shares issued to shareholders in reinvestment of distributions	23,044	200,326
Shares redeemed	(58,615)	(505,432)
Net increase (decrease)	127,579	\$ 1,094,965
Year ended December 31, 2018:		
Shares sold	1,208,739	\$ 10,226,499
Shares issued in connection with the acquisition of MainStay VP Absolute Return Multi-Strategy Portfolio	171,924	1,448,027
Shares issued to shareholders in reinvestment of distributions	21,468	180,327
Shares redeemed	(17,082,507)	(146,009,563)
Net increase (decrease)	(15,680,376)	\$(134,154,710)

Service Class	Shares	Amount
Year ended December 31, 2019:		
Shares sold	1,046,021	\$ 8,947,501
Shares issued to shareholders in reinvestment of distributions	611,715	5,319,231
Shares redeemed	(4,883,438)	(41,461,131)
Net increase (decrease)	(3,225,702)	\$ (27,194,399)
Year ended December 31, 2018:		
Shares sold	54,944,534	\$ 461,399,323
Shares issued in connection with the acquisition of MainStay VP Absolute Return Multi-Strategy Portfolio	2,931	24,529
Shares issued to shareholders in reinvestment of distributions	332,206	2,734,766
Shares redeemed	(55,252,849)	(463,028,281)
Net increase (decrease)	26,822	\$ 1,130,337

## Note 10—Fund Acquisitions

At a meeting held on June 19-21, 2018, the Board approved the Reorganization Agreement providing for the acquisition of the assets and liabilities of the VP ARMS Portfolio in exchange for shares of the Portfolio, followed by the complete liquidation of the VP ARMS Portfolio. The Reorganization was completed on November 30, 2018. The shareholders of VP ARMS Portfolio received newly-issued Service Class shares in tax-free transactions. The shares were issued at the NAV of the Service Class shares of the VP ARMS Portfolio as of November 30, 2018. Refer to the Statements of Changes in Net Assets and Note 9 for details of the capital transactions in relation to the acquisition. The Reorganization provided shareholders the opportunity to continue to participate in a suitable multi-alternative option of the VP ARMS Portfolio with lower management fees and estimated operating expenses. Additionally, the strategy pursued by the Portfolio provides exposure to sources of return not generally available through traditional equity and fixed-income indices and diversification. The aggregate net assets of the VP ARMS Portfolio and the Portfolio immediately before the acquisition and the combined net assets after the acquisition were the same.

The chart below shows a summary of net assets, shares outstanding, net unrealized appreciation/(depreciation), undistributed net investment income and accumulated net realized gains/(losses), before and after the Reorganization:

	Before Reorganization		After Reorganization
	MainStay VP Absolute Return Multi-Strategy Portfolio*	MainStay VP IQ Hedge Multi-Strategy Portfolio	MainStay VP IQ Hedge Multi-Strategy Portfolio
<b>Net Assets:</b>			
Initial Class	\$ 7,886,520	\$ 1,448,027	\$ 9,334,547
Service Class	409,673,122	24,529	409,697,651
<b>Shares Outstanding:</b>			
Initial Class	936,368	147,500	1,108,292
Service Class	48,946,792	2,500	48,949,723
<b>Net asset value per share outstanding:</b>			
Initial Class	\$ 8.42	\$ 9.82	\$ 8.42
Service Class	\$ 8.37	\$ 9.81	\$ 8.37
Net unrealized appreciation/ (depreciation)	1,070,738	(24,021)	1,046,518
Undistributed net investment income	(3,672,195)	4,328	(3,672,195)
Accumulated net realized gain/(loss)	(84,540,598)	(7,951)	(84,540,598)
* Represents the accounting survivor.			
Assuming the acquisition of VP ARMS Portfolio had been completed on January 1, 2018, the beginning of the annual reporting period of the Portfolio, the Portfolio's pro forma results of operations for the period ended December 31, 2018, are as follows (Unaudited):			
Net investment income (loss)			\$ (3,363,799)
Net realized and unrealized gain (loss)			(58,076,467)
Net change in net assets resulting from operations			\$(61,440,266)

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the VP ARMS Portfolio that have been included in the Portfolio's Statement of Operations since November 30, 2018.

For financial reporting purposes, assets received and shares issued by the Portfolio were recorded at fair value; however, the cost basis of the investments received from VP ARMS Portfolio, in the amount of \$198,874,304, was carried forward to align ongoing reporting of the Portfolio's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

## Note 11—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 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 12—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 IQ Hedge Multi-Strategy Portfolio

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of MainStay VP IQ Hedge Multi-Strategy 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, transfer agent and brokers. 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 Agreement (Unaudited)

The continuation of the Management Agreement with respect to the MainStay VP IQ Hedge Multi-Strategy Portfolio (“Portfolio”) and New York Life Investment Management LLC (“New York Life Investments”) and the Subadvisory Agreement between New York Life Investments and IndexIQ Advisors LLC (“IndexIQ Advisors”) with respect to the Portfolio (together, “Advisory Agreements”), following an initial term of up to two years, is subject to annual review and approval by the Board of Trustees of MainStay 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 and IndexIQ Advisors 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 and/or IndexIQ Advisors 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 and IndexIQ Advisors 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 and IndexIQ Advisors 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 and IndexIQ Advisors; (ii) the qualifications of the portfolio managers of the Portfolio and the historical investment performance of the Portfolio, New York Life Investments and IndexIQ Advisors; (iii) the costs of the services provided, and profits realized, by New York Life Investments and IndexIQ Advisors 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 and/or IndexIQ Advisors. 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 and IndexIQ Advisors. The Board’s conclusions with respect to each of the Advisory Agreements may have also been based, in part, on the Board’s knowledge of New York Life Investments and IndexIQ Advisors 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

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

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 and IndexIQ Advisors

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 IndexIQ Advisors, 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 sub-advisors. 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 IndexIQ Advisors and ongoing analysis of, and interactions with, IndexIQ Advisors with respect to, among other things, the Portfolio's investment performance and risks as well as IndexIQ Advisors' 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 IndexIQ Advisors provides to the Portfolio. The Board evaluated IndexIQ Advisors' experience in serving as sub-advisor to the Portfolio and advising other portfolios and IndexIQ Advisors' track record and experience in providing investment advisory services, the experience of investment advisory, senior management and administrative personnel at IndexIQ Advisors, and New York Life Investments' and IndexIQ Advisors' overall legal and compliance environment, resources and history. In addition to information provided in connection with its quarterly meetings with the Trust's Chief Compliance Officer, the Board considered that each of New York Life Investments and IndexIQ Advisors 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 IndexIQ Advisors. The Board reviewed IndexIQ Advisors' 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.

The Board considered the Portfolio's investments in exchange-traded funds ("ETFs") in excess of statutory limitations under the 1940 Act in reliance on exemptive relief issued to the ETFs, including the conditions of the applicable exemptive relief, and the Portfolio's investing fund agreements with these ETFs in accordance with such relief. The Board concluded that the management fees charged to the Portfolio are for advisory services provided to the Portfolio that are in addition to, and not duplicative of, services provided to the underlying ETFs under their respective advisory contracts.

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 benchmarks, the Portfolio's risk-adjusted investment performance and the Portfolio's investment performance as compared to peer funds, as appropriate, as well as portfolio attribution information and commentary on the effect of current and recent market conditions. The Board also considered information provided by Strategic Insight showing the investment performance of the 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 IndexIQ Advisors 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 or IndexIQ Advisors 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 three- and five-year periods ended July 31, 2019, and performed in line with its peer funds for the one-year period ended July 31, 2019. The Board considered its discussions with representatives from New York Life Investments and Index IQ Advisors 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 and IndexIQ Advisors**

The Board considered information provided by New York Life Investments and IndexIQ Advisors 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 IndexIQ Advisors, due to their relationships with the Portfolio. Because IndexIQ Advisors is an affiliate of New York Life Investments whose subadvisory fee is paid by New York Life Investments, not the Portfolio, the Board considered cost and profitability information for New York Life Investments and IndexIQ Advisors in the aggregate.

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

In evaluating the costs of the services provided by New York Life Investments and IndexIQ Advisors and profits realized by New York Life Investments and its affiliates, including IndexIQ Advisors, 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 fee for the Portfolio. The Board also considered the financial resources of New York Life Investments and IndexIQ Advisors and acknowledged that New York Life Investments and IndexIQ Advisors must be in a position to attract and retain experienced professional personnel and to maintain a strong financial position for New York Life Investments and IndexIQ Advisors 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 and IndexIQ Advisors and their affiliates due to their relationships with the Portfolio, including reputational and other indirect benefits. In addition, the Board considered its review of a money market fund advised by New York Life Investments and an affiliated subadvisor that serves as an investment option for the 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

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

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 IndexIQ Advisors, 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 fee paid to IndexIQ Advisors is paid by New York Life Investments, not the Portfolio. The Board also considered the reasonableness of the subadvisory fee paid by New York Life Investments and the amount of the management fee retained by New York Life Investments.

In assessing the reasonableness of the 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 and IndexIQ Advisors 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 voluntary waivers and expense limitation arrangements 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.

† Fidelity Institutional AM is a registered trade mark of FMR LLC. Used with permission.

\* 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

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May Lose Value

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**INVESTMENTS**