

# MainStay VP MacKay Mid Cap Core 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.

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INVESTMENTS

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# Message from the President

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

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

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

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

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

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

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

Sincerely,



Kirk C. Lehneis  
President

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

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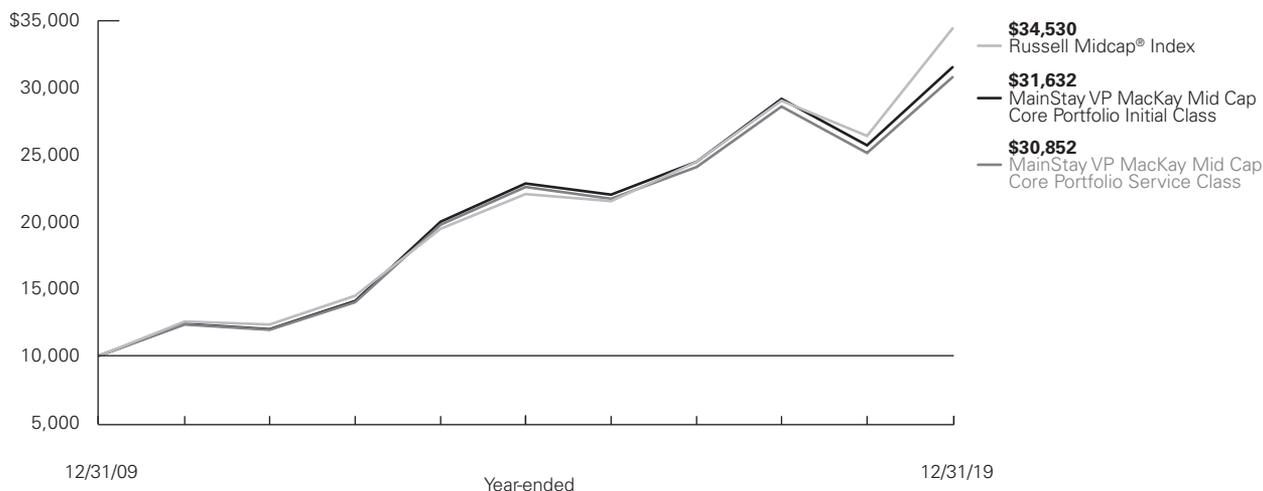
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**Investors should refer to the Portfolio's Summary Prospectus and/or Prospectus and consider the Portfolio's investment objectives, strategies, risks, charges and expenses carefully before investing. The Summary Prospectus and/or Prospectus contain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

# Investment and Performance Comparison<sup>1</sup> (Unaudited)

Performance data quoted represents past performance. Past performance is no guarantee of future results. Because of market volatility and other factors, current performance may be lower or higher than the figures shown. Investment return and principal value will fluctuate, and as a result, when shares are redeemed, they may be worth more or less than their original cost. The performance table and graph do not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. Please refer to the Performance Summary appropriate for your policy. For performance information current to the most recent month-end, please call 800-598-2019 or visit [www.newyorklife.com](http://www.newyorklife.com).



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

Class	Inception Date	One Year	Five Years	Ten Years	Gross Expense Ratio <sup>2</sup>
Initial Class Shares	7/2/2001	22.88%	6.65%	12.21%	0.88%
Service Class Shares	6/5/2003	22.57	6.39	11.93	1.13

Benchmark Performance	One Year	Five Years	Ten Years
Russell Midcap <sup>®</sup> Index <sup>3</sup>	30.54%	9.33%	13.19%
Morningstar Mid-Cap Blend Category Average <sup>4</sup>	26.21	7.15	11.09

- Performance figures may reflect certain fee waivers and/or expense limitations, without which total returns may have been different. For information on current fee waivers and/or expense limitations (if any), please refer to the Notes to Financial Statements.
- 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 Russell Midcap<sup>®</sup> Index is the Portfolio's primary broad-based securities market index for comparison purposes. The Russell Midcap<sup>®</sup> Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap<sup>®</sup> Index is a subset of the Russell 1000<sup>®</sup> Index and it includes approximately 800 of the smallest securities based on a

- combination of their market cap and current index membership. The Russell Midcap<sup>®</sup> Index represents approximately 31% of the total market capitalization of the Russell 1000<sup>®</sup> Index companies. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
- The Morningstar Mid-Cap Blend Category Average is representative of funds that invest primarily in U.S. stocks of various sizes and styles, giving it a middle-of-the-road profile. The U.S. mid-cap range for market capitalization typically falls between \$1 billion and \$8 billion and represents 20% of the total capitalization of the U.S. equity market. The blend style is assigned to funds where neither growth nor value characteristics predominate. Results are based on average total returns of similar funds with all dividends and capital gain distributions reinvested.

## Cost in Dollars of a \$1,000 Investment in MainStay VP MacKay Mid Cap Core 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	\$1,064.30	\$4.47	\$1,020.87	\$4.38	0.86%
Service Class Shares	\$1,000.00	\$1,063.00	\$5.77	\$1,019.61	\$5.65	1.11%

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

Equity Real Estate Investment Trusts	7.1%	Pharmaceuticals	1.1%
IT Services	6.5	Multiline Retail	1.0
Software	6.1	Chemicals	0.9
Insurance	4.9	Diversified Financial Services	0.9
Hotels, Restaurants & Leisure	4.8	Distributors	0.7
Semiconductors & Semiconductor Equipment	4.4	Interactive Media & Services	0.7
Specialty Retail	4.3	Airlines	0.6
Capital Markets	3.9	Building Products	0.6
Health Care Providers & Services	3.8	Paper & Forest Products	0.6
Health Care Equipment & Supplies	3.3	Personal Products	0.6
Electronic Equipment, Instruments & Components	3.2	Textiles, Apparel & Luxury Goods	0.6
Machinery	3.2	Electrical Equipment	0.5
Food Products	3.1	Construction & Engineering	0.3
Life Sciences Tools & Services	3.0	Containers & Packaging	0.3
Electric Utilities	2.3	Industrial Conglomerates	0.3
Household Durables	2.3	Media	0.3
Exchange-Traded Funds	2.2	Communications Equipment	0.2
Food & Staples Retailing	1.9	Road & Rail	0.2
Aerospace & Defense	1.7	Diversified Consumer Services	0.1
Commercial Services & Supplies	1.7	Diversified Telecommunication Services	0.1
Consumer Finance	1.7	Health Care Technology	0.1
Independent Power & Renewable Electricity Producers	1.7	Internet & Direct Marketing Retail	0.1
Metals & Mining	1.7	Real Estate Management & Development	0.1
Multi-Utilities	1.7	Technology Hardware, Storage & Peripherals	0.1
Biotechnology	1.6	Thrifts & Mortgage Finance	0.1
Professional Services	1.5	Auto Components	0.0‡
Banks	1.4	Short-Term Investments	0.4
Entertainment	1.4	Other Assets, Less Liabilities	-0.2
Energy Equipment & Services	1.2		<u>100.0%</u>
Oil, Gas & Consumable Fuels	1.1		

See Portfolio of Investments beginning on page 9 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 Core S&P Mid-Cap ETF	6. AutoZone, Inc.
2. Lam Research Corp.	7. Tyson Foods, Inc., Class A
3. Dollar General Corp.	8. McKesson Corp.
4. O'Reilly Automotive, Inc.	9. Kroger Co.
5. Ingersoll-Rand PLC	10. Synchrony Financial

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# Portfolio Management Discussion and Analysis (Unaudited)

Answers to the questions reflect the views of portfolio managers Migene Kim, CFA, and Mona Patni of MacKay Shields LLC, the Portfolio's Subadvisor.

## How did MainStay VP MacKay Mid Cap Core Portfolio perform relative to its benchmark and peers during the 12 months ended December 31, 2019?

For the 12 months ended December 31, 2019, MainStay VP MacKay Mid Cap Core Portfolio returned 22.88% for Initial Class shares and 22.57% for Service Class shares. Over the same period, both share classes underperformed the 30.54% return of the Russell Midcap® Index, which is the Portfolio's benchmark, and the 26.21% return of the Morningstar Mid-Cap Blend Category Average.<sup>1</sup>

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

The investment backdrop to 2019 was generally not conducive to systematic stock picking. Market breadth remained narrow, with only a few sectors dominating the gains in U.S. equities. U.S.-China trade negotiations introduced a significant degree of uncertainty into markets throughout the year, which particularly affected the relative performance of high beta<sup>2</sup> and cyclical stocks. Concerns over the economic cycle and a global manufacturing slowdown added to volatility, especially given the historic length of the equity bull market.

The narrow breadth of the market, in which there are only a few winners and many losers, undermined the effectiveness of the Portfolio's multi-factor stock selection process. Value continued to face significant challenges, as investors generally disregarded price or company fundamentals in pursuit of exposure to growth style companies. Trend-following investment approaches, relying on momentum or sentiment signals, also proved inconsistent, and even risky, in an environment in which market breadth was narrow and nonstop macroeconomic and political themes steered the markets, with frequent risk-on and risk-off movements. Consequently, our stock selection model proved broadly ineffective during the reporting period, detracting from relative performance.

## During the reporting period, which sectors and/or countries were the strongest positive contributors to the Portfolio's relative performance, and which sectors and/or countries were particularly weak?

The information technology sector provided the strongest positive contribution to the Portfolio's performance relative to the Russell Midcap® Index. (Contributions take weightings and total returns into account.) The sectors that detracted the most from

the Portfolio's relative performance during the reporting period included industrials, health care and communication services.

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

The stocks that made the most substantial positive contribution to the Portfolio's absolute performance during the reporting period included semiconductor equipment makers Lam Research and Qorvo, and technology product reseller CDW. The stocks that detracted the most from the Portfolio's absolute performance during the reporting period included oil & gas exploration & production companies EQT and Cabot Oil & Gas, and electric utility PG&E.

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

The Portfolio's largest initial purchase during the reporting period was in shares of medical product distributor McKesson, while the Portfolio's largest increase in position size was in discount retailer Dollar General. During the same period, the most substantial position that the Portfolio exited completely was in computer hardware company Dell Technologies, while the Portfolio's most substantial decrease in position size was in multiline health maintenance organization (HMO) Centene.

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

During the reporting period, the Portfolio's most substantial sector-weighting increases relative to the Russell Midcap® Index were in consumer discretionary and consumer staples. Over the same period, the Portfolio's most substantial sector-weighting decreases relative to the benchmark were in communication services and real estate.

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

As of December 31, 2019, the Portfolio sector exposures most substantially overweight relative to the Russell Midcap® Index included health care and consumer discretionary. As of the same date, the Portfolio sector exposures that were most substantially underweight relative to the benchmark included industrials and real estate.

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

2. Beta is a measure of volatility in relation to the market as a whole. A beta higher than 1 indicates that a security or portfolio will tend to exhibit higher volatility than the market. A beta lower than 1 indicates that a security or portfolio will tend to exhibit lower volatility than the market.

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

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

# Portfolio of Investments December 31, 2019

	Shares	Value
<b>Common Stocks 97.6%†</b>		
<b>Aerospace &amp; Defense 1.7%</b>		
Curtiss-Wright Corp.	31,860	\$ 4,488,755
Huntington Ingalls Industries, Inc.	23,712	5,948,867
L3Harris Technologies, Inc.	286	56,591
Spirit AeroSystems Holdings, Inc., Class A	73,004	5,320,531
		<u>15,814,744</u>
<b>Airlines 0.6%</b>		
United Airlines Holdings, Inc. (a)	58,734	5,173,878
<b>Auto Components 0.0%‡</b>		
Lear Corp.	2,442	335,042
<b>Banks 1.4%</b>		
Bank OZK	135,044	4,119,517
Comerica, Inc.	630	45,202
Fifth Third Bancorp	21,617	664,507
First Hawaiian, Inc.	30,001	865,529
Signature Bank	42,366	5,787,619
Texas Capital Bancshares, Inc. (a)	19,996	1,135,173
		<u>12,617,547</u>
<b>Biotechnology 1.6%</b>		
Alkermes PLC (a)	134,478	2,743,351
Exelixis, Inc. (a)	176,980	3,118,388
Incyte Corp. (a)	72,003	6,287,302
United Therapeutics Corp. (a)	31,542	2,778,219
		<u>14,927,260</u>
<b>Building Products 0.6%</b>		
Fortune Brands Home & Security, Inc.	633	41,360
Owens Corning	86,430	5,628,322
		<u>5,669,682</u>
<b>Capital Markets 3.9%</b>		
Ameriprise Financial, Inc.	38,727	6,451,144
Cboe Global Markets, Inc.	29,258	3,510,960
Evercore, Inc., Class A	69,204	5,173,691
Janus Henderson Group PLC	165,367	4,043,223
Legg Mason, Inc.	42,752	1,535,224
LPL Financial Holdings, Inc.	61,220	5,647,545
Morningstar, Inc.	13,326	2,016,357
State Street Corp.	92,230	7,295,393
		<u>35,673,537</u>
<b>Chemicals 0.9%</b>		
Cabot Corp.	29,943	1,422,891
Huntsman Corp.	229,028	5,533,317
Olin Corp.	52,260	901,485
		<u>7,857,693</u>
<b>Commercial Services &amp; Supplies 1.7%</b>		
ADT, Inc. (b)	118,402	938,928

	Shares	Value
<b>Commercial Services &amp; Supplies (continued)</b>		
Clean Harbors, Inc. (a)	63,646	\$ 5,457,644
KAR Auction Services, Inc. (b)	153,396	3,342,499
Republic Services, Inc.	64,086	5,744,028
		<u>15,483,099</u>
<b>Communications Equipment 0.2%</b>		
EchoStar Corp., Class A (a)	48,754	2,111,536
<b>Construction &amp; Engineering 0.3%</b>		
AECOM (a)	64,618	2,786,974
<b>Consumer Finance 1.7%</b>		
Discover Financial Services	46,960	3,983,147
SLM Corp.	421,308	3,753,854
Synchrony Financial	205,230	7,390,333
		<u>15,127,334</u>
<b>Containers &amp; Packaging 0.3%</b>		
Ardagh Group S.A.	10,380	203,240
Avery Dennison Corp.	10,917	1,428,162
WestRock Co.	17,451	748,823
		<u>2,380,225</u>
<b>Distributors 0.7%</b>		
LKQ Corp. (a)	169,428	6,048,580
Pool Corp.	87	18,477
		<u>6,067,057</u>
<b>Diversified Consumer Services 0.1%</b>		
Frontdoor, Inc. (a)	20,988	995,251
<b>Diversified Financial Services 0.9%</b>		
AXA Equitable Holdings, Inc.	244,316	6,054,150
Jefferies Financial Group, Inc.	13,862	296,231
Voya Financial, Inc.	29,909	1,823,851
		<u>8,174,232</u>
<b>Diversified Telecommunication Services 0.1%</b>		
CenturyLink, Inc.	44,871	592,746
<b>Electric Utilities 2.3%</b>		
Entergy Corp.	60,402	7,236,160
Evergy, Inc.	34,836	2,267,475
FirstEnergy Corp.	106,364	5,169,290
PG&E Corp. (a)	58,134	631,917
Pinnacle West Capital Corp.	19,117	1,719,192
PPL Corp.	116,098	4,165,596
		<u>21,189,630</u>
<b>Electrical Equipment 0.5%</b>		
Acuity Brands, Inc.	23,662	3,265,356
Regal Beloit Corp.	17,582	1,505,195
		<u>4,770,551</u>

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

# Portfolio of Investments December 31, 2019 (continued)

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Electronic Equipment, Instruments &amp; Components 3.2%</b>		
Arrow Electronics, Inc. (a)	67,017	\$ 5,679,020
Avnet, Inc.	126,948	5,387,673
CDW Corp.	51,475	7,352,689
Jabil, Inc.	133,370	5,512,182
SYNNEX Corp.	42,522	5,476,834
		<u>29,408,398</u>
<b>Energy Equipment &amp; Services 1.2%</b>		
Helmerich & Payne, Inc.	126,779	5,759,570
Patterson-UTI Energy, Inc.	503,493	5,286,676
		<u>11,046,246</u>
<b>Entertainment 1.4%</b>		
Lions Gate Entertainment Corp., Class B (a)	253,460	2,516,858
Live Nation Entertainment, Inc. (a)	17,925	1,281,100
Roku, Inc. (a)	9,513	1,273,791
Take-Two Interactive Software, Inc. (a)	52,163	6,386,316
Zynga, Inc., Class A (a)	290,834	1,779,904
		<u>13,237,969</u>
<b>Equity Real Estate Investment Trusts 7.1%</b>		
Alexandria Real Estate Equities, Inc.	4,039	652,622
American Campus Communities, Inc.	23,874	1,122,794
American Homes 4 Rent, Class A	73,314	1,921,560
Americold Realty Trust	59,056	2,070,503
Apartment Investment & Management Co., Class A	107	5,527
AvalonBay Communities, Inc.	9,241	1,937,838
Boston Properties, Inc.	7,538	1,039,189
Brandywine Realty Trust	71,591	1,127,558
Camden Property Trust	6,654	705,989
Colony Capital, Inc.	349,199	1,658,695
Columbia Property Trust, Inc.	63,730	1,332,594
CoreSite Realty Corp.	3,329	373,247
Corporate Office Properties Trust	59,283	1,741,735
CyrusOne, Inc.	32,978	2,157,750
Digital Realty Trust, Inc.	11,753	1,407,304
Duke Realty Corp.	2,979	103,282
Empire State Realty Trust, Inc., Class A	112,618	1,572,147
Equity LifeStyle Properties, Inc.	38,278	2,694,388
Equity Residential	54,971	4,448,253
Essex Property Trust, Inc.	2,905	873,998
Extra Space Storage, Inc.	1,059	111,852
Gaming and Leisure Properties, Inc.	53,375	2,297,794
Healthpeak Properties, Inc.	14,353	494,748
Host Hotels & Resorts, Inc.	153,901	2,854,864
Invitation Homes, Inc.	27,977	838,471
Life Storage, Inc.	7,139	773,011
Mid-America Apartment Communities, Inc.	22,357	2,947,994
OUTFRONT Media, Inc.	67,741	1,816,814
Paramount Group, Inc.	21,229	295,508
Realty Income Corp.	17,480	1,287,052

	Shares	Value
<b>Equity Real Estate Investment Trusts (continued)</b>		
Retail Properties of America, Inc., Class A	107,429	\$ 1,439,549
SBA Communications Corp.	17,728	4,272,271
SITE Centers Corp.	74,965	1,051,009
Sun Communities, Inc.	18,109	2,718,161
UDR, Inc.	5,130	239,571
Ventas, Inc.	65,232	3,766,496
VEREIT, Inc.	256,260	2,367,842
Welltower, Inc.	62,022	5,072,159
Weyerhaeuser Co.	38,385	1,159,227
W.P. Carey, Inc.	2,019	161,601
		<u>64,912,967</u>
<b>Food &amp; Staples Retailing 1.9%</b>		
Kroger Co.	260,015	7,537,835
Sprouts Farmers Market, Inc. (a)	218,531	4,228,575
U.S. Foods Holding Corp. (a)	144,663	6,059,933
		<u>17,826,343</u>
<b>Food Products 3.1%</b>		
Bunge, Ltd.	102,771	5,914,471
Hershey Co.	49,130	7,221,127
Pilgrim's Pride Corp. (a)	157,986	5,168,512
TreeHouse Foods, Inc. (a)	39,481	1,914,829
Tyson Foods, Inc., Class A	86,445	7,869,953
		<u>28,088,892</u>
<b>Health Care Equipment &amp; Supplies 3.3%</b>		
Align Technology, Inc. (a)	6,161	1,719,165
DENTSPLY SIRONA, Inc.	89,354	5,056,543
Hill-Rom Holdings, Inc.	51,240	5,817,277
Hologic, Inc. (a)	72,581	3,789,454
ResMed, Inc.	23,010	3,565,860
STERIS PLC	40,017	6,099,391
West Pharmaceutical Services, Inc.	28,447	4,276,438
		<u>30,324,128</u>
<b>Health Care Providers &amp; Services 3.8%</b>		
AmeriSourceBergen Corp.	74,185	6,307,209
Cardinal Health, Inc.	75,088	3,797,951
Centene Corp. (a)	3,328	209,231
DaVita, Inc. (a)	80,969	6,075,104
McKesson Corp.	55,207	7,636,232
MEDNAX, Inc. (a)	121,512	3,376,819
WellCare Health Plans, Inc. (a)	20,924	6,909,314
		<u>34,311,860</u>
<b>Health Care Technology 0.1%</b>		
Cerner Corp.	15,402	1,130,353
<b>Hotels, Restaurants &amp; Leisure 4.8%</b>		
Aramark	139,061	6,035,247
Caesars Entertainment Corp. (a)	431,598	5,869,733
Chipotle Mexican Grill, Inc. (a)	1,468	1,228,877
Darden Restaurants, Inc.	55,346	6,033,267

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

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Hotels, Restaurants &amp; Leisure (continued)</b>		
Extended Stay America, Inc.	354,551	\$ 5,268,628
MGM Resorts International	205,391	6,833,359
Norwegian Cruise Line Holdings, Ltd. (a)	111,711	6,525,040
Yum China Holdings, Inc.	130,811	6,280,236
		<u>44,074,387</u>
<b>Household Durables 2.3%</b>		
Lennar Corp., Class A	27,381	1,527,586
Newell Brands, Inc.	24,088	462,971
NVR, Inc. (a)	1,589	6,051,564
PulteGroup, Inc.	140,951	5,468,899
Tempur Sealy International, Inc. (a)	22,049	1,919,586
Toll Brothers, Inc.	136,720	5,401,807
		<u>20,832,413</u>
<b>Independent Power &amp; Renewable Electricity Producers 1.7%</b>		
AES Corp.	330,804	6,583,000
NRG Energy, Inc.	87,682	3,485,359
Vistra Energy Corp.	230,474	5,298,597
		<u>15,366,956</u>
<b>Industrial Conglomerates 0.3%</b>		
Carlisle Cos., Inc.	14,482	2,343,767
<b>Insurance 4.9%</b>		
American National Insurance Co.	15,056	1,771,790
Arch Capital Group, Ltd. (a)	88,354	3,789,503
Athene Holding, Ltd., Class A (a)	123,521	5,809,193
Brighthouse Financial, Inc. (a)	130,150	5,105,785
Everest Re Group, Ltd.	1,198	331,654
Fidelity National Financial, Inc.	100,852	4,573,638
First American Financial Corp.	61,645	3,595,136
Hartford Financial Services Group, Inc.	84,445	5,131,723
Mercury General Corp.	10,132	493,732
Old Republic International Corp.	173,233	3,875,222
Reinsurance Group of America, Inc.	36,057	5,879,454
Unum Group	160,004	4,665,717
		<u>45,022,547</u>
<b>Interactive Media &amp; Services 0.7%</b>		
IAC/InterActiveCorp (a)	14,285	3,558,536
TripAdvisor, Inc.	95,317	2,895,731
		<u>6,454,267</u>
<b>Internet &amp; Direct Marketing Retail 0.1%</b>		
Qurate Retail, Inc., Series A (a)	92,513	779,885
<b>IT Services 6.5%</b>		
Akamai Technologies, Inc. (a)	75,738	6,542,248
Amdocs, Ltd.	55,114	3,978,680
Booz Allen Hamilton Holding Corp.	82,724	5,884,158
CACI International, Inc., Class A (a)	22,942	5,735,271
DXC Technology Co.	162,271	6,099,767

	Shares	Value
<b>IT Services (continued)</b>		
Euronet Worldwide, Inc. (a)	36,882	\$ 5,811,128
Fiserv, Inc. (a)	32,192	3,722,361
Genpact, Ltd.	109,232	4,606,313
Global Payments, Inc.	28,728	5,244,584
GoDaddy, Inc., Class A (a)	86,271	5,859,526
Leidos Holdings, Inc.	63,852	6,250,472
		<u>59,734,508</u>
<b>Life Sciences Tools &amp; Services 3.0%</b>		
Avantor, Inc. (a)	278,238	5,050,020
Bruker Corp.	109,694	5,591,103
Charles River Laboratories International, Inc. (a)	38,275	5,846,889
IQVIA Holdings, Inc. (a)	34,928	5,396,725
PRA Health Sciences, Inc. (a)	53,142	5,906,733
		<u>27,791,470</u>
<b>Machinery 3.2%</b>		
AGCO Corp.	70,192	5,422,332
Allison Transmission Holdings, Inc.	59,767	2,887,942
Crane Co.	1,296	111,949
Cummins, Inc.	13,897	2,487,007
Ingersoll-Rand PLC	63,320	8,416,494
Oshkosh Corp.	43,385	4,106,390
Timken Co.	95,448	5,374,677
Woodward, Inc.	5,293	626,903
		<u>29,433,694</u>
<b>Media 0.3%</b>		
Altice U.S.A., Inc., Class A (a)	10,998	300,685
Fox Corp., Class B (a)	48,136	1,752,150
News Corp., Class B	39,495	573,073
ViacomCBS, Inc., Class A (b)	4,346	195,005
		<u>2,820,913</u>
<b>Metals &amp; Mining 1.7%</b>		
Newmont Goldcorp Corp.	108,311	4,706,113
Reliance Steel & Aluminum Co.	47,460	5,683,809
Steel Dynamics, Inc.	162,867	5,543,993
		<u>15,933,915</u>
<b>Multi-Utilities 1.7%</b>		
CenterPoint Energy, Inc.	177,674	4,845,170
Consolidated Edison, Inc.	68,526	6,199,547
DTE Energy Co.	15,849	2,058,310
MDU Resources Group, Inc.	8,587	255,120
Public Service Enterprise Group, Inc.	22,772	1,344,686
WEC Energy Group, Inc.	8,465	780,727
		<u>15,483,560</u>
<b>Multiline Retail 1.0%</b>		
Dollar General Corp.	60,356	9,414,329
<b>Oil, Gas &amp; Consumable Fuels 1.1%</b>		
Cabot Oil & Gas Corp.	87,850	1,529,469

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

# Portfolio of Investments

December 31, 2019 (continued)

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Oil, Gas &amp; Consumable Fuels (continued)</b>		
HollyFrontier Corp.	59,614	\$ 3,023,026
PBF Energy, Inc., Class A	171,884	5,392,001
		<u>9,944,496</u>
<b>Paper &amp; Forest Products 0.6%</b>		
Domtar Corp.	133,447	5,103,013
<b>Personal Products 0.6%</b>		
Nu Skin Enterprises, Inc., Class A	132,044	5,411,163
<b>Pharmaceuticals 1.1%</b>		
Horizon Therapeutics PLC (a)	26,585	962,377
Mylan N.V. (a)	315,358	6,338,696
Perrigo Co. PLC	50,248	2,595,812
		<u>9,896,885</u>
<b>Professional Services 1.5%</b>		
IHS Markit, Ltd. (a)	3,767	283,844
ManpowerGroup, Inc.	57,106	5,544,993
Nielsen Holdings PLC	13,011	264,123
Robert Half International, Inc.	47,515	3,000,572
TransUnion	56,484	4,835,595
		<u>13,929,127</u>
<b>Real Estate Management &amp; Development 0.1%</b>		
Jones Lang LaSalle, Inc.	5,522	961,325
<b>Road &amp; Rail 0.2%</b>		
Schneider National, Inc., Class B	85,866	1,873,596
<b>Semiconductors &amp; Semiconductor Equipment 4.4%</b>		
Entegris, Inc.	89,448	4,480,450
KLA Corp.	40,797	7,268,801
Lam Research Corp.	33,302	9,737,505
MKS Instruments, Inc.	45,968	5,056,940
Qorvo, Inc. (a)	55,691	6,472,965
Skyworks Solutions, Inc.	45,070	5,448,062
Teradyne, Inc.	26,634	1,816,172
		<u>40,280,895</u>
<b>Software 6.1%</b>		
Cadence Design Systems, Inc. (a)	103,044	7,147,132
CDK Global, Inc.	33,332	1,822,594
Citrix Systems, Inc.	33,814	3,749,973
Dropbox, Inc., Class A (a)	305,818	5,477,200
Fair Isaac Corp. (a)	5,194	1,946,088
Fortinet, Inc. (a)	62,138	6,633,853
LogMeIn, Inc.	34,795	2,983,323
Nuance Communications, Inc. (a)	23,135	412,497
Palo Alto Networks, Inc. (a)	31,683	7,326,694
SS&C Technologies Holdings, Inc.	106,504	6,539,346
Synopsys, Inc. (a)	52,758	7,343,913

	Shares	Value
<b>Software (continued)</b>		
Teradata Corp. (a)	153,720	\$ 4,115,084
		<u>55,497,697</u>
<b>Specialty Retail 4.3%</b>		
Advance Auto Parts, Inc.	28,614	4,582,818
AutoNation, Inc. (a)	99,776	4,852,107
AutoZone, Inc. (a)	6,668	7,943,655
Best Buy Co., Inc.	82,665	7,257,987
O'Reilly Automotive, Inc. (a)	19,350	8,480,331
Penske Automotive Group, Inc.	32,043	1,609,200
Tractor Supply Co.	49,736	4,647,332
		<u>39,373,430</u>
<b>Technology Hardware, Storage &amp; Peripherals 0.1%</b>		
Xerox Holdings Corp. (a)	30,637	1,129,586
<b>Textiles, Apparel &amp; Luxury Goods 0.6%</b>		
Skechers U.S.A., Inc., Class A (a)	132,784	5,734,941
<b>Thriffs &amp; Mortgage Finance 0.1%</b>		
New York Community Bancorp, Inc.	46,607	560,216
Total Common Stocks (Cost \$788,844,484)		<u>893,218,155</u>
<b>Exchange-Traded Funds 2.2%</b>		
iShares Core S&P Mid-Cap ETF	63,039	12,974,687
iShares Russell Mid-Cap ETF	99,421	5,927,480
SPDR S&P 500 ETF Trust	3,220	1,036,389
Total Exchange-Traded Funds (Cost \$19,271,921)		<u>19,938,556</u>
<b>Short-Term Investments 0.4%</b>		
<b>Affiliated Investment Company 0.3%</b>		
MainStay U.S. Government Liquidity Fund, 1.40% (c)	2,349,380	2,349,380
<b>Unaffiliated Investment Company 0.1%</b>		
State Street Navigator Securities Lending Government Money Market Portfolio, 1.56% (c)(d)	1,130,747	1,130,747
Total Short-Term Investments (Cost \$3,480,127)		<u>3,480,127</u>
Total Investments (Cost \$811,596,532)	100.2%	916,636,838
Other Assets, Less Liabilities	(0.2)	(1,951,126)
Net Assets	100.0%	<u>\$914,685,712</u>
†	Percentages indicated are based on Portfolio net assets.	
‡	Less than one-tenth of a percent.	

(a) Non-income producing security.

(b) All or a portion of this security was held on loan. As of December 31, 2019, the aggregate market value of securities on loan was \$3,757,330; the total market value of collateral held by the Portfolio was \$3,895,863. The market value of the collateral held included non-cash collateral in the form of U.S. Treasury securities with a value of \$2,765,116 (See Note 2(H)).

(c) Current yield as of December 31, 2019.

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

The following abbreviations are used in the preceding pages:

ETF—Exchange-Traded Fund

SPDR—Standard & Poor's Depository Receipt

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)				
Common Stocks	\$893,218,155	\$ —	\$ —	\$893,218,155
Exchange-Traded Funds	19,938,556	—	—	19,938,556
Short-Term Investments				
Affiliated Investment Company	2,349,380	—	—	2,349,380
Unaffiliated Investment Company	1,130,747	—	—	1,130,747
Total Short-Term Investments	<u>3,480,127</u>	<u>—</u>	<u>—</u>	<u>3,480,127</u>
Total Investments in Securities	<u>\$916,636,838</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$916,636,838</u>

(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 \$809,247,152) including securities on loan of \$3,757,330	\$914,287,458
Investment in affiliated investment company, at value (identified cost \$2,349,380)	2,349,380
Receivables:	
Dividends	982,518
Portfolio shares sold	255,276
Securities lending	1,602
Total assets	<u>917,876,234</u>

## Liabilities

Due to custodian	264
Cash collateral received for securities on loan	1,130,747
Payables:	
Investment securities purchased	975,690
Manager (See Note 3)	629,995
Portfolio shares redeemed	253,901
NYLIFE Distributors (See Note 3)	108,143
Shareholder communication	40,717
Professional fees	33,543
Custodian	14,226
Trustees	1,390
Accrued expenses	1,906
Total liabilities	<u>3,190,522</u>
Net assets	<u>\$914,685,712</u>

## Composition of Net Assets

Shares of beneficial interest outstanding (par value of \$.001 per share) unlimited number of shares authorized	\$ 68,134
Additional paid-in capital	<u>751,976,391</u>
	752,044,525
Total distributable earnings (loss)	<u>162,641,187</u>
Net assets	<u>\$914,685,712</u>

## Initial Class

Net assets applicable to outstanding shares	<u>\$398,240,416</u>
Shares of beneficial interest outstanding	<u>29,359,263</u>
Net asset value per share outstanding	<u>\$ 13.56</u>

## Service Class

Net assets applicable to outstanding shares	<u>\$516,445,296</u>
Shares of beneficial interest outstanding	<u>38,774,660</u>
Net asset value per share outstanding	<u>\$ 13.32</u>

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

## Investment Income (Loss)

### Income

Dividends-unaffiliated (a)	\$ 14,219,256
Securities lending	951,284
Dividends-affiliated	15,847
Other	1,121
Total income	<u>15,187,508</u>

### Expenses

Manager (See Note 3)	7,602,098
Distribution/Service—Service Class (See Note 3)	1,177,300
Professional fees	108,206
Shareholder communication	103,250
Custodian	35,185
Trustees	22,263
Miscellaneous	33,541
Total expenses before waiver/reimbursement	9,081,843
Expense waiver/reimbursement from Manager (See Note 3)	(213,008)
Net expenses	<u>8,868,835</u>
Net investment income (loss)	<u>6,318,673</u>

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

Net realized gain (loss) on:	
Unaffiliated investment transactions	64,752,696
Foreign currency transactions	(5)
Net realized gain (loss) on investments and foreign currency transactions	<u>64,752,691</u>
Net change in unrealized appreciation (depreciation) on:	
Unaffiliated investments	112,581,706
Translation of other assets and liabilities in foreign currencies	(1)
Net change in unrealized appreciation (depreciation) on investments and foreign currencies	<u>112,581,705</u>
Net realized and unrealized gain (loss) on investments and foreign currency transactions	<u>177,334,396</u>
Net increase (decrease) in net assets resulting from operations	<u>\$183,653,069</u>

(a) Dividends recorded net of foreign withholding taxes in the amount of \$1,158.

# 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)	\$ 6,318,673	\$ 9,264,216
Net realized gain (loss) on investments and foreign currency transactions	64,752,691	48,167,494
Net change in unrealized appreciation (depreciation) on investments and foreign currencies	112,581,705	(171,183,352)
Net increase (decrease) in net assets resulting from operations	183,653,069	(113,751,642)
Distributions to shareholders:		
Initial Class	(29,305,651)	(66,126,079)
Service Class	(35,122,238)	(59,668,222)
Total distributions to shareholders	(64,427,889)	(125,794,301)
Capital share transactions:		
Net proceeds from sale of shares	95,825,814	120,202,744
Net asset value of shares issued to shareholders in reinvestment of distributions	64,427,889	125,794,301
Cost of shares redeemed	(213,935,937)	(137,924,416)
Increase (decrease) in net assets derived from capital share transactions	(53,682,234)	108,072,629
Net increase (decrease) in net assets	65,542,946	(131,473,314)
<b>Net Assets</b>		
Beginning of year	849,142,766	980,616,080
End of year	\$ 914,685,712	\$ 849,142,766

# 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	\$ 11.94	\$ 15.57	\$ 13.37	\$ 13.00	\$ 15.83
Net investment income (loss) (a)	0.11	0.16	0.12	0.13	0.13
Net realized and unrealized gain (loss) on investments	2.54	(1.68)	2.42	1.28	(0.73)
Total from investment operations	2.65	(1.52)	2.54	1.41	(0.60)
<b>Less distributions:</b>					
From net investment income	(0.16)	(0.15)	(0.16)	(0.11)	(0.09)
From net realized gain on investments	(0.87)	(1.96)	(0.18)	(0.93)	(2.14)
Total distributions	(1.03)	(2.11)	(0.34)	(1.04)	(2.23)
Net asset value at end of year	\$ 13.56	\$ 11.94	\$ 15.57	\$ 13.37	\$ 13.00
Total investment return (b)	22.88%	(11.98%)	19.14%	11.17%	(3.68%)
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	0.84%	1.08%	0.87%	1.09%	0.88%
Net expenses (c)	0.86%	0.86%	0.86%	0.86%	0.86%
Expenses (before waiver/reimbursement) (c)	0.88%	0.88%	0.88%	0.89%	0.88%
Portfolio turnover rate	174%	181%	155%	164%	174%
Net assets at end of year (in 000's)	\$ 398,240	\$ 453,343	\$ 503,364	\$ 558,783	\$ 506,368

(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) 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.

Service Class	Year ended December 31,				
	2019	2018	2017	2016	2015
Net asset value at beginning of year	\$ 11.74	\$ 15.35	\$ 13.18	\$ 12.83	\$ 15.64
Net investment income (loss) (a)	0.08	0.12	0.09	0.12	0.09
Net realized and unrealized gain (loss) on investments	2.49	(1.66)	2.38	1.24	(0.71)
Total from investment operations	2.57	(1.54)	2.47	1.36	(0.62)
<b>Less distributions:</b>					
From net investment income	(0.12)	(0.11)	(0.12)	(0.08)	(0.05)
From net realized gain on investments	(0.87)	(1.96)	(0.18)	(0.93)	(2.14)
Total distributions	(0.99)	(2.07)	(0.30)	(1.01)	(2.19)
Net asset value at end of year	\$ 13.32	\$ 11.74	\$ 15.35	\$ 13.18	\$ 12.83
Total investment return (b)	22.57%	(12.20%)	18.85%	10.89%	(3.92%)
<b>Ratios (to average net assets)/Supplemental Data:</b>					
Net investment income (loss)	0.58%	0.83%	0.64%	0.83%	0.61%
Net expenses (c)	1.11%	1.11%	1.11%	1.11%	1.11%
Expenses (before waiver/reimbursement) (c)	1.13%	1.13%	1.13%	1.14%	1.13%
Portfolio turnover rate	174%	181%	155%	164%	174%
Net assets at end of year (in 000's)	\$ 516,445	\$ 395,800	\$ 477,253	\$ 435,287	\$ 426,143

(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) 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.

# 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 MacKay Mid Cap Core Portfolio (the “Portfolio”), a “diversified” portfolio, as that term is defined in the 1940 Act, as interpreted or modified by regulatory authorities having jurisdiction, from time to time.

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

The Portfolio currently offers two classes of shares. Initial Class shares commenced operations on July 2, 2001. Service Class shares commenced operations on June 5, 2003. Shares of the Portfolio are offered and are redeemed at a price equal to their respective net asset value (“NAV”) per share. No sales or redemption charge is applicable to the purchase or redemption of the Portfolio’s shares. Under the terms of the Fund’s multiple class plan adopted pursuant to Rule 18f-3 under the 1940 Act, the classes differ in that, among other things, Service Class shares of the Portfolio pay a combined distribution and service fee of 0.25% of average daily net assets attributable to Service Class shares of the Portfolio to the Distributor (as defined in Note 3(B)) pursuant to a plan adopted in accordance with Rule 12b-1 under the 1940 Act. Contract owners of variable annuity contracts purchased after June 2, 2003, are permitted to invest only in the Service Class shares.

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

## Note 2—Significant Accounting Policies

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

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

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

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

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

An asset or liability for which market values cannot be measured using the methodologies described above is valued by methods deemed reasonable in good faith by the Valuation Committee, following the procedures established by the Board, to represent fair value. Under these procedures, the Portfolio generally uses a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant information. The Portfolio may also use an income-based valuation approach in which the anticipated future cash flows of the asset or liability are discounted to calculate fair value. Discounts may also be applied due to the nature and/or duration of any restrictions on the disposition of the asset or liability. Fair value represents a good faith approximation of the value of a security. Fair value determinations involve the consideration of a number of subjective factors, an analysis of applicable facts and circumstances and the exercise of judgment. As a result, it is possible that the fair value for a security determined in good faith in accordance with the Portfolio’s valuation procedures may differ from valuations for the same security determined by other funds using their own valuation procedures. Although the Portfolio’s valuation procedures are designed to value a security at the price the Portfolio may reasonably expect to receive upon the security’s sale in an orderly transaction, there can be no assurance that any fair value determination thereunder would, in fact, approximate the amount that the Portfolio would actually realize upon the sale of the security or the price at which the security would trade if a reliable market price were readily available. During the year ended December 31, 2019, there were no material changes to the fair value methodologies.

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

readily available from a third-party pricing source or, if so provided, does not, in the opinion of the Manager or the 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.

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

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

Temporary cash investments acquired in excess of 60 days to maturity at the time of purchase are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities and ratings), both as furnished by independent pricing services. Other temporary cash investments which mature in 60 days or less at the time of purchase (“Short-Term Investments”) are valued using the amortized cost method of valuation, unless the use of such method would be inappropriate. The amortized cost method involves valuing a security at its cost on the date of 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

# Notes to Financial Statements (continued)

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) 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.

**(D) 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.

**(E) Expenses.** Expenses of the Fund are allocated to the individual Portfolios in proportion to the net assets of the respective Portfolios when the expenses are incurred, except where direct allocations of expenses can be made. Expenses (other than fees incurred under the distribution and service plans, further discussed in Note 3(B), which are charged directly to the Service Class shares) are allocated to separate classes of shares pro rata based upon their relative net assets on the date the expenses are incurred. The expenses borne by the Portfolio, including those of related parties to the Portfolio, are shown in the Statement of Operations.

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

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

**(G) 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.

**(H) Securities Lending.** In order to realize additional income, the Portfolio may engage in securities lending, subject to the limitations set forth in the 1940 Act and relevant guidance by the staff of the Securities and Exchange Commission (“SEC”). If the Portfolio engages in securities lending, the Portfolio will lend through its custodian, State Street Bank and Trust Company (“State Street”), acting as securities lending agent on behalf of the Portfolio. State Street will manage the Portfolio’s collateral in accordance with the securities lending agency agreement between the Portfolio and State Street, and indemnify the Portfolio against counterparty risk. The loans will be collateralized by cash (which may be invested in a money market fund) and/or non-cash collateral (which may include U.S. Treasury securities and/or U.S. Government Agency securities issued or guaranteed by the United States government or its agencies or instrumentalities) at least equal at all times to the market value of the securities loaned. The Portfolio may bear the risk of delay in recovery of, or loss of rights in, the securities loaned should the borrower of the securities experience financial difficulty. The Portfolio may also record a realized gain or loss on securities deemed sold due to a borrower’s inability to return securities on loan. The Portfolio bears the risk of any loss on investment of cash collateral. The Portfolio will receive compensation for lending its securities in the form of fees or it will retain a portion of interest earned on the investment of any cash collateral. The Portfolio will also continue to receive interest and dividends on the securities loaned and any gain or loss in the market price of the securities loaned that may occur during the term of the loan will be for the account of the Portfolio. Income earned from securities lending activities, if any, is reflected in the Statement of Operations. As of December 31, 2019, the Portfolio had securities on loan with an aggregate market value of \$3,757,330; the total market value of collateral held by the Portfolio was \$3,895,863. The market value of the collateral held included non-cash collateral in the form of U.S. Treasury securities with a value of \$2,765,116 and cash collateral, which was invested into the State Street Navigator Securities Lending Government Money Market Portfolio, with a value of \$1,130,747.

**(I) 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.

**(J) 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.

### 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, record-keeping and bookkeeping services, and keeps most of the financial and accounting records required to be maintained by the Portfolio. Except for the portion of salaries and expenses that are the responsibility of the Portfolio, the Manager pays the salaries and expenses of all personnel affiliated with the Portfolio and certain operational expenses of the Portfolio. The Portfolio reimburses New York Life Investments in an amount equal to a portion of the compensation of the Chief Compliance Officer attributable to the Portfolio. MacKay Shields LLC ("MacKay Shields" or the "Subadvisor"), a registered investment adviser and an indirect, wholly-owned subsidiary of New York Life, serves as Subadvisor to the Portfolio and is responsible for the day-to-day portfolio management of the Portfolio. Pursuant to the terms of an Amended and Restated Subadvisory Agreement ("Subadvisory Agreement") between New York Life Investments and MacKay Shields, New York Life Investments pays for the services of the Subadvisor.

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 percentage of the

Portfolio's average daily net assets as follows: 0.85% up to \$1 billion; 0.80% from \$1 billion to \$2 billion; and 0.775% in excess of \$2 billion. During the year ended December 31, 2019, the effective management fee rate was 0.85% (exclusive of any applicable waivers/reimbursements).

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 0.86% for the Initial Class shares and 1.11% for Service Class shares. 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 \$7,602,098 and waived fees/reimbursed expenses in the amount of \$213,008 and paid the Subadvisor in the amount of \$3,694,545.

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.

# Notes to Financial Statements (continued)

**(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	\$2,713	\$41,264	\$(41,628)	\$ —	\$ —	\$2,349	\$16	\$ —	2,349

## 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:

	Federal Tax Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation/Depreciation
Investments in Securities	\$818,350,321	\$105,533,905	\$(7,247,388)	\$98,286,517

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

Ordinary Income	Accumulated Capital and Other Gain (Loss)	Other Temporary Differences	Unrealized Appreciation (Depreciation)	Total Accumulated Gain (Loss)
\$26,566,072	\$37,495,536	\$293,066	\$98,286,513	\$162,641,187

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is primarily due to wash sale adjustments. The other temporary differences are primarily due to deferred dividends from REITs.

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

2019		2018	
Tax-Based Distributions from Ordinary Income	Tax-Based Distributions from Long-Term Gains	Tax-Based Distributions from Ordinary Income	Tax-Based Distributions from Long-Term Gains
\$8,888,934	\$55,538,955	\$45,839,145	\$79,955,156

## Note 5—Custodian

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

## Note 6—Line of Credit

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

Effective July 30, 2019, under the credit agreement (the "Credit Agreement"), the aggregate commitment amount is \$600,000,000 with an additional uncommitted amount of \$100,000,000. The commitment fee is an annual rate of 0.15% of the average commitment amount payable quarterly, regardless of usage, to State Street, who serves as the agent to the syndicate. The commitment fee is allocated among the Portfolio and certain other funds managed by New York Life Investments based upon their respective net assets and other factors. Interest on any revolving credit loan is charged based upon the Federal Funds Rate or the one-month London Interbank Offered Rate ("LIBOR"), whichever is higher. The Credit Agreement expires on July 28, 2020, although the Portfolio, certain other funds managed by New York Life Investments and the syndicate of banks may renew the Credit Agreement for an additional year on the same or different terms. Prior to July 30, 2019, the aggregate commitment amount and the commitment fee were the same as those under the current Credit Agreement. During the year ended December 31, 2019, there were no borrowings made or outstanding with respect to the Portfolio under the Credit Agreement.

## Note 7—Interfund Lending Program

Pursuant to an exemptive order issued by the SEC, the Portfolio, along with certain other funds managed by New York Life Investments, may participate in an interfund lending program. The interfund lending program provides an alternative credit facility that permits the Portfolio and certain other funds managed by New York Life Investments to lend or borrow money for temporary purposes directly to or from one another subject to the conditions of the exemptive order. During the year ended December 31, 2019, there were no interfund loans made or outstanding with respect to the Portfolio.

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

During the year ended December 31, 2019, purchases and sales of securities, other than short-term securities, were \$1,548,008 and \$1,657,372, respectively.

## Note 9—Capital Share Transactions

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

Initial Class	Shares	Amount
Year ended December 31, 2019:		
Shares sold	619,575	\$ 8,402,467
Shares issued to shareholders in reinvestment of distributions	2,337,954	29,305,651
Shares redeemed	(11,560,001)	(155,467,700)
Net increase (decrease)	(8,602,472)	\$(117,759,582)
Year ended December 31, 2018:		
Shares sold	4,580,915	\$ 65,688,231
Shares issued to shareholders in reinvestment of distributions	4,635,445	66,126,079
Shares redeemed	(3,575,706)	(55,816,319)
Net increase (decrease)	5,640,654	\$ 75,997,991

Service Class	Shares	Amount
Year ended December 31, 2019:		
Shares sold	6,621,506	\$ 87,423,347
Shares issued to shareholders in reinvestment of distributions	2,851,850	35,122,238
Shares redeemed	(4,406,274)	(58,468,237)
Net increase (decrease)	5,067,082	\$ 64,077,348
Year ended December 31, 2018:		
Shares sold	3,770,863	\$ 54,514,513
Shares issued to shareholders in reinvestment of distributions	4,251,410	59,668,222
Shares redeemed	(5,413,515)	(82,108,097)
Net increase (decrease)	2,608,758	\$ 32,074,638

## Note 10—Litigation

The Portfolio has been named as a defendant in the case entitled *Kirschner v. FitzSimons*, No. 12-2652 (S.D.N.Y.) (the “*FitzSimons* action”) as a result of its ownership of shares in the Tribune Company (“Tribune”) in 2007 when Tribune effected a leveraged buyout transaction (“LBO”) by which Tribune converted to a privately-held company. In its complaint, the plaintiff asserts claims against certain insiders, major shareholders, professional advisers, and others involved in the LBO. Separately, the complaint also seeks to obtain from former Tribune shareholders, including the Portfolio, any proceeds they received in connection with the LBO. The sole claim and cause of action brought against the Portfolio is for fraudulent conveyance pursuant to United States Bankruptcy Code Section 548(a)(1)(A).

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

The *FitzSimons* action and *Deutsche Bank* action have been consolidated with the majority of the other Tribune LBO related lawsuits in a

multidistrict litigation proceeding entitled *In re Tribune Co. Fraudulent Conveyance Litig.*, No. 11-md-2296 (S.D.N.Y.) (the “MDL Proceeding”).

On September 23, 2013, the District Court granted the defendants’ motion to dismiss the SLCFC actions, including the *Deutsche Bank* action, on the basis that the plaintiffs did not have standing to pursue their claims. On September 30, 2013, the plaintiffs in the SLCFC actions filed a notice of appeal to the United States Court of Appeals for the Second Circuit. On October 28, 2013, the defendants filed a joint notice of cross-appeal of that same order. On March 29, 2016, the United States Court of Appeals for the Second Circuit issued its opinion on the appeal of the SLCFC actions. The appeals court affirmed the District Court’s dismissal of those lawsuits, but on different grounds than the District Court. The appeals court held that while the plaintiffs have standing under the U.S. Bankruptcy Code, their claims were preempted by Section 546(e) of the Bankruptcy Code—the statutory safe harbor for settlement payments. On April 12, 2016 the Plaintiffs in the SLCFC actions filed a petition seeking rehearing en banc before the appeals court. On July 22, 2016, the appeals court denied the petition. On September 9, 2016, the plaintiffs filed a petition for writ of certiorari in the U.S. Supreme Court challenging the Second Circuit’s decision that the safe harbor of Section 546(e) applied to their claims. Certain shareholder defendants filed a joint brief in opposition to the petition for certiorari on October 24, 2016. The plaintiffs filed a reply in support of the petition on November 4, 2016. On April 3, 2018, Justice Kennedy and Justice Thomas issued a “Statement” related to the petition for certiorari suggesting that the Second Circuit and/or District Court may want to take steps to reexamine the application of the Section 546(e) safe harbor to the previously dismissed state law constructive fraudulent transfer claims based on the Supreme Court’s decision in *Merit Management Group LP v. FTI Consulting, Inc.* On April 10, 2018, the plaintiffs filed in the Second Circuit a motion for that court to recall its mandate, vacate its prior decision, and remand to the District Court for further proceedings consistent with *Merit Management*. On April 20, 2018, the shareholder defendants filed a response to the plaintiffs’ motion to recall the mandate. On May 15, 2018, the Second Circuit issued an order recalling the mandate “in anticipation of further panel review.” On December 19, 2019, the Second Circuit issued an amended opinion that again affirmed the district court’s ruling on the basis that plaintiffs’ claims were preempted by Section 546(e) of the Bankruptcy Code. Plaintiffs filed a motion for rehearing and rehearing en banc on January 2, 2020, which was denied on February 6, 2020.

On August 2, 2013, the plaintiff in the *FitzSimons* action filed a Fifth Amended Complaint. On May 23, 2014, the defendants filed motions to dismiss the *FitzSimons* action, including a global motion to dismiss Count I, which is the claim brought against former Tribune shareholders, for intentional fraudulent conveyance under U.S. federal law.

On January 6, 2017, the United States District Court for the Southern District of New York granted the shareholder defendants’ motion to dismiss the intentional fraudulent conveyance claim in the *FitzSimons* action. In dismissing the intentional fraudulent conveyance claim, the Court denied the plaintiff’s request to amend the complaint. While the District Court’s dismissal of the intentional fraudulent conveyance claim was not immediately appealable, the Trustee asked the District Court to enter judgment immediately so that an appeal could be taken. On February 23, 2017, the Court issued an order stating that it intended to

# Notes to Financial Statements (continued)

permit an interlocutory appeal of the dismissal order, but would wait to do so until it has resolved outstanding motions to dismiss filed by other defendants.

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

On August 24, 2017, the Court denied the plaintiff's request without prejudice to renewal of the request in the event of an intervening change in the law. On March 8, 2018, the plaintiff renewed the request for leave to file a motion to amend the complaint to assert a constructive fraudulent transfer claim based on the Supreme Court's ruling in *Merit Management*. The shareholder defendants opposed that request. On June 18, 2018, the District Court ordered that the request would be stayed pending further action by the Second Circuit in the still-pending appeal, discussed above. On December 18, 2018, the plaintiff filed a letter with the District Court requesting that the stay be dissolved in order to permit briefing on the motion to amend the complaint and indicating the plaintiff's intention to file another motion to amend the complaint to reinstate claims for intentional fraudulent transfer. The shareholder defendants opposed that request. On January 14, 2019, the Court held a case management conference, during which the Court stated that it would not lift the stay prior to further action from the Second Circuit. The Court held that it would allow the plaintiff to file a motion to amend to try to reinstate its intentional fraudulent transfer claim. On January 23, 2019, the Court ordered the parties still facing pending claims to participate in a mediation. On March 27, 2019, the Court held a telephone conference and decided to allow the plaintiff to file a motion for leave to amend. On April 4, 2019, the plaintiff filed a motion to amend the Fifth Amended Complaint to assert a federal constructive fraudulent transfer claim against certain shareholder defendants. On April 10, 2019, the shareholder defendants filed a brief in opposition to the plaintiff's motion to amend. On April 12, 2019, the plaintiff filed a reply brief. The Court denied leave to amend the complaint on April 23, 2019. On June 13, 2019, the Court entered judgment pursuant to Rule 54(b), which would permit an appeal of the Court's dismissal of the claim against the shareholder defendants. On July 15, 2019, the Trustee filed a notice of appeal to the Second Circuit. Appellant filed his brief on January 7, 2020. The shareholder defendants' brief is currently due April 6, 2020. In addition, the District Court has entered two bar orders in connection with the plaintiff's settlement with certain non-shareholder defendants. The orders bar claims against the settling defendants, but contain a judgment reduction provision that

preserves the value of any potential claim by a shareholder defendant against a settling defendant. Specifically, the judgment reduction provision reduces the amount of money recoverable against a shareholder defendant to the extent the shareholder defendant could have recovered on a claim against a settling defendant.

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

Portfolio	Proceeds	Cost Basis
MainStay VP MacKay Mid Cap Core Portfolio	\$808,180	\$790,269

At this stage of the proceedings, it would be difficult to assess with any reasonable certainty the probable outcome of the pending litigation or the effect, if any, on the Portfolio's net asset value.

## 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 MacKay Mid Cap Core Portfolio

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of MainStay VP MacKay Mid Cap Core 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 broker; when replies were not received from broker, we performed other auditing procedures. 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 MacKay Mid Cap Core Portfolio (“Portfolio”) and New York Life Investment Management LLC (“New York Life Investments”) and the Subadvisory Agreement between New York Life Investments and MacKay Shields LLC (“MacKay”) with respect to the 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 MacKay in connection with an annual contract review process undertaken by the Board that took place at meetings of the Board and its Contracts Committee between October 2019 and December 2019, as well as other information furnished to the Board and its Committees throughout the year, as deemed relevant by the Trustees. Information requested by and furnished to the Board for consideration in connection with the contract review process included, among other items, reports on the 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 MacKay that follow investment strategies similar to the Portfolio, if any, and, when applicable, the rationale for any differences in the Portfolio’s management and sub-advisory fees and the fees charged to those other investment advisory clients. In addition, the Board considered information furnished by New York Life Investments and MacKay in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel to the Independent Trustees, which encompassed a variety of topics, including those summarized below. The Board took into account information provided in connection with its meetings throughout the year, including, among other items, information regarding the legal standards and fiduciary obligations applicable to its consideration of the continuation of each of the Advisory Agreements and investment performance reports on the Portfolio prepared by the Investment Consulting Group of New York Life Investments as well as presentations from New York Life Investments and MacKay personnel. The Board also took into account other information received from New York Life Investments throughout the year, including, among other items, periodic reports on legal and compliance matters, risk management, portfolio turnover, brokerage commissions, sales and marketing activity and non-advisory services provided to the 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 MacKay; (ii) the qualifications of the portfolio managers of the Portfolio and the historical investment performance of the Portfolio, New York Life Investments and MacKay; (iii) the costs of the services provided, and profits realized, by New York Life Investments and MacKay from their relationships with the 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 MacKay. 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 MacKay. The Board’s conclusions with respect to each of the Advisory Agreements may have also been based, in part, on the Board’s knowledge of New York Life Investments and MacKay resulting from, among other things, the Board’s consideration of each of the Advisory Agreements in prior years, the advisory agreements for other funds in the MainStay Group of Funds, the Board’s review throughout the year of the performance and operations of other funds in the MainStay Group of Funds and the Board’s business judgment and industry experience. In addition to considering the above-referenced factors, the Board observed that in

the marketplace, 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 MacKay**

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

The Board also considered the range of services that New York Life Investments provides to the Portfolio under the terms of the Management Agreement, including: (i) fund accounting and ongoing supervisory services provided by New York Life Investments' Fund Administration and Accounting Group; (ii) investment supervisory and analytical services provided by New York Life Investments' Investment Consulting Group; (iii) compliance services provided by the Trust's Chief Compliance Officer as well as New York Life Investments' compliance department, including supervision and implementation of the Portfolio's compliance program; (iv) legal services provided by New York Life Investments' Office of the General Counsel; and (v) risk management monitoring and analysis by compliance and investment personnel. The Board noted that New York Life Investments provides certain other non-advisory services to the Portfolio. In addition, the Board considered New York Life Investments' willingness to invest in personnel, infrastructure, technology, operational enhancements, cyber security, information security, shareholder privacy resources and business continuity planning designed to benefit the Portfolio and noted that

New York Life Investments is responsible for compensating the Trust's officers, except for a portion of the salary of the Trust's Chief Compliance Officer. The Board recognized that New York Life Investments has provided an increasingly broad array of non-advisory services to the MainStay Group of Funds as a result of regulatory and other developments, including in connection with the designation of New York Life Investments as the administrator of the MainStay Group of Funds' liquidity risk management program adopted under the 1940 Act.

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

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

### **Investment Performance**

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

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

performance attributable to MacKay 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 MacKay had taken, or had agreed with the Board to take, to seek to enhance Portfolio investment performance and the results of those actions.

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 MacKay

The Board considered information provided by New York Life Investments and MacKay with respect to the costs of the services provided under each of the Advisory Agreements. The Board also considered the profits realized by New York Life Investments and its affiliates, including MacKay, due to their relationships with the Portfolio. Because MacKay 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 MacKay in the aggregate.

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

In evaluating the costs of the services provided by New York Life Investments and MacKay and profits realized by New York Life Investments and its affiliates, including MacKay, the Board considered, among other factors, each party's continuing investments in, or willingness to invest in, personnel, systems, equipment and other resources and infrastructure to support and further enhance the management of the 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 MacKay and acknowledged that New York Life Investments and MacKay must be in a position to attract and retain experienced professional personnel and to maintain a strong financial position for New York Life Investments and MacKay to continue to provide high-quality services to the 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 MacKay and their affiliates due to their relationships with the Portfolio, including reputational and other indirect benefits. The Board recognized, for example, the benefits to MacKay from legally permitted "soft-dollar" arrangements by which brokers provide research and other services to MacKay in exchange for commissions paid by the Portfolio with respect to trades on the Portfolio's portfolio securities. In addition, the Board considered its review of a money market fund advised by New York Life Investments and an affiliated subadvisor that serves as an investment option for the Portfolio, including the potential rationale for and costs associated with investments in this money market fund by the Portfolio, if any, and considered information from New York Life Investments that the nature and type of specific investment advisory services provided to this money market fund are distinct from, or in addition to, the investment advisory services provided to the Portfolio. In addition, the Board requested and reviewed information regarding the Portfolio's securities lending activity and the corresponding potential dividend received tax deduction for insurance company affiliates of New York Life Investments.

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

After evaluating the information deemed relevant by the Trustees, the Board concluded that any profits realized by New York Life Investments and its affiliates, including MacKay, 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 MacKay 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 MacKay on fees charged to other investment advisory clients, including institutional separate accounts and/or other funds that follow investment strategies similar to those of the Portfolio, if any. The Board considered the similarities and differences in the contractual management fee schedules of the Portfolio and these similarly-managed accounts and/or funds, taking into account the rationale for any differences in fee schedules. The Board also took into account explanations provided by New York Life Investments about the more extensive scope of services provided to registered investment companies, such as the Portfolio, as compared with other investment advisory clients. Additionally, the Board considered the impact of any contractual breakpoints, 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.

# MainStay VP Portfolios

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

## Equity Portfolios

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

## Mixed Asset Portfolios

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

## Income Portfolios

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

## Money Market

MainStay VP U.S. Government Money Market Portfolio

## Alternative

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

## Asset Allocation Portfolios

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

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## Manager

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

## Subadvisors

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

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

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

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

**FIAM LLC**  
Smithfield, Rhode Island

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

**Janus Capital Management LLC**  
Denver, Colorado

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

**Mellon Investments Corporation**  
Boston, Massachusetts

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

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

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

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

## Distributor

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

## Custodian

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

## Independent Registered Public Accounting Firm

**PricewaterhouseCoopers LLP**  
New York, New York

## Legal Counsel

**Dechert LLP**  
Washington, District of Columbia

Some Portfolios may not be available in all products.

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\* An affiliate of New York Life Investment Management LLC

# 2019 Annual Report

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

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

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

## **New York Life Insurance Company**

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

51 Madison Avenue, Room 551  
New York, NY 10010

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

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

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

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

Not FDIC Insured

No Bank Guarantee

May Lose Value

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**INVESTMENTS**