# MainStay VP MacKay Strategic Bond Portfolio

(formerly known as MainStay VP MacKay Unconstrained Bond Portfolio)

## Message from the President and Semiannual Report

Unaudited | June 30, 2021

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# Message from the President

The COVID-19 pandemic continued to afflict our personal lives and broad segments of the U.S. and global economy throughout the six-month reporting period ended June 30, 2021. However, with the deployment of multiple vaccines around the world, including three highly effective versions approved for emergency use in the United States, investors began to turn their attention toward the gradual reopening of the economy and the shape the "new normal" would take.

The first half of the reporting period saw increasing inflationary concerns as fiscal stimulus business reopenings drove accelerating economic growth, rising commodity prices and increased consumer spending. However, the U.S. Federal Reserve noted that price increases were likely to prove temporary and made clear their intention to remain accommodative for the foreseeable future. Accordingly, after moving higher in the first quarter of 2021, interest rates declined in the second quarter.

In response to the uncertain inflation outlook, equity market leadership shifted from value in the first quarter of the year to growth in the second quarter. Nevertheless, investor sentiment remained buoyant throughout the reporting period, with all eleven sectors in the S&P 500® Index, a widely regarded benchmark of market performance, producing positive returns. Energy led the market's rise fueled by rapidly increasing oil and gas prices, followed by financials and real estate, which benefited from rising interest rates and the economic reopening, respectively. Communication services produced the slowest growth, followed by the traditionally defensive utilities and consumer staples sectors. In the fixed income market, lower-credit-quality issues tended to outperform their higher-grade counterparts, with high-yield corporate bonds generating the strongest performance. Among securitized products, commercial mortgage-backed securities generally produced the strongest returns, followed by mortgage-backed securities and asset-backed securities, while Treasury securities lagged.

Despite the tremendous progress we've seen so far this year, the United States and the world continue to face significant pandemic-related challenges. Newer, more contagious variants of COVID-19 threaten the return of restrictions and lockdowns that could stall the economic recovery. At the same time, supply chain shortages have led to rising prices on everything from laptops to autos, stoking fears of uncontrolled inflation despite reassurance from the U.S. Federal Reserve. At New York Life Investments, we recognize that the shape that the "new normal" eventually takes may differ from our expectations. You can depend on us to keep a sharp watch for the unexpected, and to continue to help you find your way through this rapidly evolving investment landscape.

Sincerely,

Kirk C. Lehneis
President

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

# Table of Contents

Semiannual Report

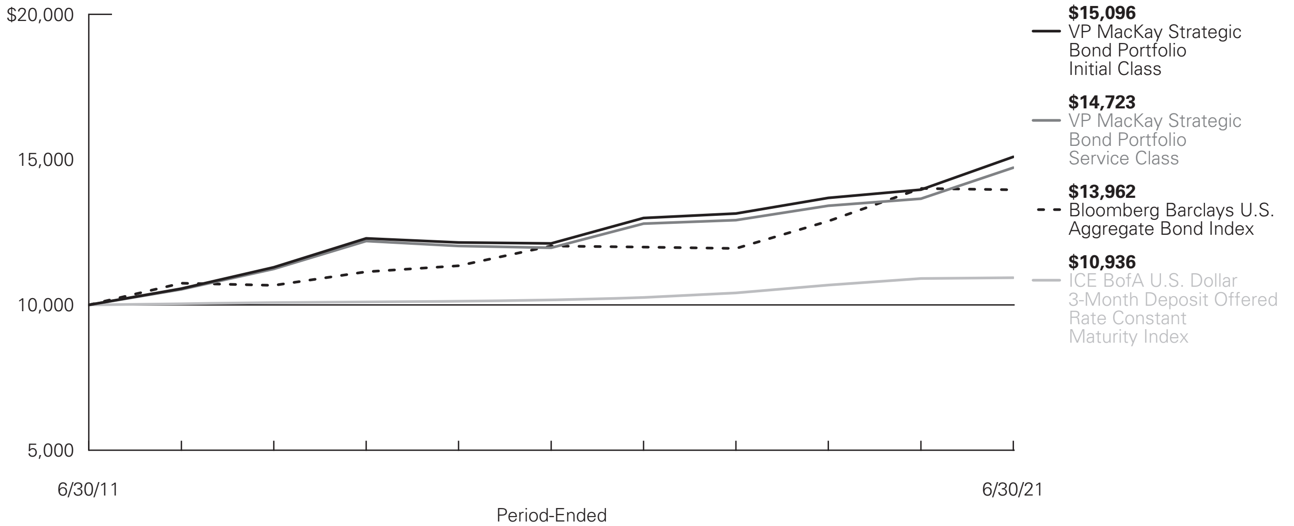


**Investors should refer to the Portfolio's Summary Prospectus and/or Prospectus and consider the Portfolio's investment objectives, strategies, risks, charges and expenses carefully before investing. The Summary Prospectus and/or Prospectus contain this and other information about the Portfolio. You 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. These documents are also available at nylinvestments.com/vpdocuments. Please read the Portfolio's 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 (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.**

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.




## Average Annual Total Returns for the Period-Ended June 30, 2021

| Class | Inception Date | Six Months | One Year | Five Years | Ten Years | Gross Expense Ratio[1] |
|---|---|---|---|---|---|---|
| Initial Class Shares | 4/29/2011 | 1.64% | 8.09% | 4.49% | 4.20% | 0.68% |
| Service Class Shares | 4/29/2011 | 1.52 | 7.82 | 4.23 | 3.94 | 0.93 |

1. 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.

| Benchmark Performance | Six Months | One Year | Five Years | Ten Years |
|---|---|---|---|---|
| Bloomberg Barclays U.S. Aggregate Bond Index[1] | -1.60% | -0.33% | 3.03% | 3.39% |
| ICE BofA U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index[2] | 0.11 | 0.25 | 1.46 | 0.90 |
| Morningstar Nontraditional Bond Category Average[3] | 1.81 | 7.94 | 3.53 | 2.43 |

1. The Bloomberg Barclays U.S. Aggregate Bond Index is the Portfolio's primary benchmark. The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures performance of the investment-grade, U.S. dollar denominated, fixed-rate taxable bond market, including Treasurys, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities and commercial mortgage-backed securities. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
2. The Portfolio has selected the ICE BofA U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index as a secondary benchmark. The ICE BofA U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index is unmanaged and tracks the performance of a synthetic asset paying London Interbank Offered Rate to a stated maturity. The index is based on the assumed purchase at par of a synthetic instrument having exactly its stated maturity and with a coupon equal to that day's fixing rate. That issue is assumed to be sold the following business day (priced at a yield equal to the current day fixing rate) and rolled into a new instrument. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
3. The Portfolio has selected the Morningstar Nontraditional Bond Category Average as an additional benchmark. The Morningstar Nontraditional Bond Category Average contains funds that pursue strategies divergent in one or more ways from conventional practice in the broader bond-fund universe. Morningstar category averages are equal-weighted returns based on constituents of the category at the end of the period. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.

## Cost in Dollars of a $1,000 Investment in MainStay VP MacKay Strategic Bond Portfolio (Unaudited)

The example below is intended to describe the fees and expenses borne by shareholders during the six-month period from January 1, 2021 to June 30, 2021, 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 January 1, 2021 to June 30, 2021. 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 June 30, 2021. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

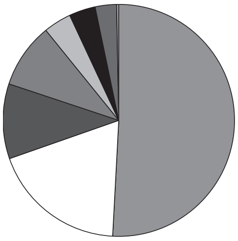
The fourth and fifth data columns in the table below provide information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical 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 1/1/21 | Ending Account Value (Based on Actual Returns and Expenses) 6/30/21 | Expenses Paid During Period[1] | Ending Account Value (Based on Hypothetical 5% Annualized Return and Actual Expenses) 6/30/21 | Expenses Paid During Period[1] | Net Expense Ratio During Period[2, 3] |
|---|---|---|---|---|---|---|
| Initial Class Shares | $1,000.00 | $1,016.40 | $3.15 | $1,021.67 | $3.16 | 0.63% |
| Service Class Shares | $1,000.00 | $1,015.20 | $4.40 | $1,020.43 | $4.41 | 0.88% |

1. 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 181 (to reflect the six-month period). The table above represents the actual expenses incurred during the six-month period. In addition to the fees and expenses which the 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.
2. Expenses are equal to the Portfolio's annualized expense ratio to reflect the six-month period.
3. Expenses are inclusive of dividends and interest on investments sold short.

## **Portfolio Composition as of June 30, 2021** (Unaudited)




See Portfolio of Investments beginning on page 10 for specific holdings within these categories. The Portfolio's holdings are subject to change.

## **Top Ten Issuers Held as of June 30, 2021** (excluding short-term investments) (Unaudited)

1. U.S. Treasury Inflation Linked Notes, 0.125%-0.875%, due 7/15/28–1/15/30
2. FNMA, (zero coupon)-4.442%, due 4/25/29–3/25/60
3. Bank of America Corp., 2.087%-8.57%, due 12/20/23–6/14/29
4. FHLMC Structured Agency Credit Risk Debt Notes, 2.591%-3.992%, due 3/25/29–3/25/30
5. GNMA, 1.00%-2.50%, due 7/20/50–6/20/51
6. Morgan Stanley, 3.794%-5.00%, due 7/15/21–11/24/25
7. JPMorgan Chase & Co., 2.956%-4.60%, due 2/1/25–5/13/31
8. Marathon Petroleum Corp., 4.50%-5.125%, due 5/1/23–12/15/26
9. CF Hippolyta LLC, 1.69%-1.99%, due 7/15/60–3/15/61
10. Federative Republic of Brazil, 4.625%, due 1/13/28

# Portfolio Management Discussion and Analysis (Unaudited)

*Answers to the questions reflect the views of portfolio managers Joseph Cantwell[1], Shu-Yang Tan, CFA, Matt Jacob, Stephen R. Cianci, CFA, and Neil Moriarty III, of MacKay Shields LLC, the Portfolio's Subadvisor.*

**How did MainStay VP MacKay Strategic Bond Portfolio perform relative to its benchmarks and peers during the six months ended June 30, 2021?**

For the six months ended June 30, 2021, MainStay VP MacKay Strategic Bond Portfolio returned 1.64% for Initial Class shares and 1.52% for Service Class shares. Over the same period, both share classes outperformed the –1.60% return of the Bloomberg Barclays U.S. Aggregate Bond Index, which is the Portfolio's primary benchmark, and the 0.11% return of the ICE BofA U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index, which is the Portfolio's secondary benchmark. For the six months ended June 30, 2021, both share classes underperformed the 1.81% return of the Morningstar Nontraditional Bond Category Average.[2]

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

At a meeting held on December 9-10, 2020, the Board of Trustees of MainStay VP Funds Trust considered and approved, changing the Portfolio's name, among other related proposals. For more information on this change refer to the supplement dated December 11, 2020.

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

During the reporting period, the Portfolio outperformed the Bloomberg Barclays U.S. Aggregate Bond Index largely due to its overweight exposure to corporate bonds, both investment grade and high yield. The Portfolio's overall short duration[3] position relative to the benchmark also made a positive contribution to performance. (Contributions take weightings and total returns into account.)

**During the reporting period, how was the Portfolio's performance materially affected by investments in derivatives?**

During the reporting period, the Portfolio used Treasury futures to hedge its duration. This position had a positive impact on returns as interest rates rose.

**What was the Portfolio's duration strategy during the reporting period?**

Though we extended the Portfolio's duration during the reporting period, it remained below that of the Bloomberg Barclays U.S. Aggregate Bond Index, contributing to benchmark-relative performance.

**During the reporting period, which market segments were the strongest positive contributors to the Portfolio's absolute performance and which market segments were particularly weak?**

The Portfolio's overweight exposure to corporate bonds, both investment grade and high yield, made a positive contribution to absolute performance during the reporting period, aided by select and timely purchases as a robust corporate new issue calendar during the second quarter provided opportunities to add exposure at healthy concessions across the ratings spectrum.

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

A robust primary calendar for corporate credit offered several opportunities to introduce new names into the Portfolio in the midstream, financials and consumer non-cyclical industries. Meanwhile, we trimmed the Portfolio's holdings of higher quality credits with limited total return potential as spreads narrowed.

Within emerging markets, we continued to reduce the Portfolio's exposure to Chinese technology companies, as well as an oil major rumored to be delisted from U.S. stock exchanges. Through the primary market, we added a new issue from a Mexican petrochemical company at favorable terms, as well as a new Brazilian credit in the consumer non-cyclical sector from a company with a strong global presence and solid fundamentals.

Within commercial mortgage-backed securities (CMBS), the Portfolio took advantage of rich valuations by selling AAA-rated[4] conduit bonds at levels tighter than pre-pandemic. We also continued to add more opportunistic single-asset deals, such as securitizations[5] backed by Las Vegas properties. The Portfolio was active in the CMBS primary market, purchasing issues backed by

1. Effective July 20, 2021, Joseph Cantwell is no longer a portfolio manager.
2. See page 5 for more information on benchmark and peer group returns.
3. Duration is a measure of the price sensitivity of a fixed-income investment to changes in interest rates. Duration is expressed as a number of years and is considered a more accurate sensitivity gauge than average maturity.
4. An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's ("S&P"), and in the opinion of S&P, the obligor's capacity to meet its financial commitment on the obligation is extremely strong. When applied to Fund holdings, ratings are based solely on the creditworthiness of the bonds in the portfolio and are not meant to represent the security or safety of the Fund.
5. A securitization is a financial instrument created by an issuer by combining a pool of financial assets (such as mortgages). The financial instrument is then marketed to investors, sometimes in tiers.

multifamily housing, an office building in Seattle and industrial properties spread throughout the country. In the secondary market, the Portfolio purchased seasoned subordinate bonds at attractive yields with sufficient credit enhancement to withstand stresses in the market.

Among non-agency residential mortgage-back securities (RMBS), given strong underlying housing fundamentals, the Portfolio participated in a credit-risk transfer deal brought by the Federal Home Loan Mortgage Corporation (known as Freddie Mac) with underlying collateral characteristics generally considered the strongest ever for the program given the high FICO scores of the borrowers.

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

During the reporting period, the Portfolio maintained its risk-positive positioning, keeping broader exposures fairly consistent. Changes included modestly increased exposure to CMBS and agency commercial mortgage obligations while trimming a small amount in investment-grade credit and bank loans. The most significant activity during the reporting period involved taking advantage of opportunities within sectors in the new-issue markets and rotating out of rich secondary positions in favor of more attractively valued new issues.

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

As of June 30, 2021, the Portfolio held overweight positions relative to the Bloomberg Barclays U.S. Aggregate Bond Index in high-yield and investment-grade corporate bonds, as well as securitized assets. As of the same date, the Portfolio held relatively underweight exposure to Treasury securities and agency mortgages.

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.

| | Principal Amount | Value |
|---|---|---|
| **Long-Term Bonds 90.0%** | | |
| **Asset-Backed Securities 9.1%** | | |
| **Automobile Asset-Backed Securities 2.3%** | | |
| American Credit Acceptance Receivables Trust | | |
| Series 2020-2, Class C | | |
| 3.88%, due 4/13/26 (a) | $ 3,615,000 | $ 3,791,011 |
| Avis Budget Rental Car Funding AESOP LLC (a) | | |
| Series 2021-1A, Class A | | |
| 1.38%, due 8/20/27 | 2,550,000 | 2,545,975 |
| Series 2020-2A, Class A | | |
| 2.02%, due 2/20/27 | 2,280,000 | 2,347,759 |
| Drive Auto Receivables Trust | | |
| Series 2021-1, Class D | | |
| 1.45%, due 1/16/29 | 3,075,000 | 3,093,121 |
| Flagship Credit Auto Trust | | |
| Series 2019-2, Class E | | |
| 4.52%, due 12/15/26 (a) | 1,258,000 | 1,327,098 |
| Ford Credit Floorplan Master Owner Trust | | |
| Series 2019-4, Class A | | |
| 2.44%, due 9/15/26 | 1,770,000 | 1,862,815 |
| Series 2018-4, Class A | | |
| 4.06%, due 11/15/30 | 2,295,000 | 2,638,458 |
| GLS Auto Receivables Trust | | |
| Series 2021-2A, Class D | | |
| 1.42%, due 4/15/27 (a) | 1,350,000 | 1,344,812 |
| Hertz Vehicle Financing III LP (a) | | |
| Series 2021-2A, Class B | | |
| 2.12%, due 12/27/27 | 1,570,000 | 1,567,429 |
| Series 2021-2A, Class C | | |
| 2.52%, due 12/27/27 | 1,255,000 | 1,253,207 |
| Hertz Vehicle Financing LLC | | |
| Series 2021-1A, Class C | | |
| 2.05%, due 12/26/25 (a) | 1,180,000 | 1,179,215 |
| | | 22,950,900 |
| **Home Equity Asset-Backed Securities 0.5%** | | |
| Bayview Financial Acquisition Trust | | |
| Series 2006-D, Class 2A4 | | |
| 0.515% (1 Month LIBOR + 0.42%), | | |
| due 12/28/36 (b) | 167,922 | 167,782 |
| Carrington Mortgage Loan Trust | | |
| Series 2007-HE1, Class A3 | | |
| 0.281% (1 Month LIBOR + 0.19%), | | |
| due 6/25/37 (b) | 3,446,847 | 3,399,600 |
| First NLC Trust | | |
| Series 2007-1, Class A1 | | |
| 0.161% (1 Month LIBOR + 0.07%), | | |
| due 8/25/37 (a)(b) | 62,808 | 40,154 |

| | Principal Amount | Value |
|---|---|---|
| **Home Equity Asset-Backed Securities (continued)** | | |
| JP Morgan Mortgage Acquisition Trust | | |
| Series 2007-HE1, Class AF1 | | |
| 0.191% (1 Month LIBOR + 0.10%), | | |
| due 3/25/47 (b) | $ 22,006 | $ 14,106 |
| MASTR Asset-Backed Securities Trust | | |
| Series 2006-HE4, Class A1 | | |
| 0.191% (1 Month LIBOR + 0.10%), | | |
| due 11/25/36 (b) | 17,070 | 7,631 |
| Morgan Stanley ABS Capital I, Inc. Trust (b) | | |
| Series 2007-HE4, Class A2A | | |
| 0.201% (1 Month LIBOR + 0.11%), | | |
| due 2/25/37 | 17,868 | 7,732 |
| Series 2007-HE7, Class M1 | | |
| 2.091% (1 Month LIBOR + 2.00%), | | |
| due 7/25/37 | 930,000 | 961,438 |
| | | 4,598,443 |
| **Other Asset-Backed Securities 6.3%** | | |
| American Airlines Pass-Through Trust | | |
| Series 2016-2, Class A | | |
| 3.65%, due 6/15/28 | 1,576,361 | 1,524,592 |
| Series 2019-1, Class B | | |
| 3.85%, due 2/15/28 | 1,491,003 | 1,421,526 |
| Series 2015-2, Class A | | |
| 4.00%, due 9/22/27 | 381,586 | 375,001 |
| Series 2013-2, Class A | | |
| 4.95%, due 1/15/23 | 4,123,127 | 4,183,583 |
| CF Hippolyta LLC (a) | | |
| Series 2020-1, Class A1 | | |
| 1.69%, due 7/15/60 | 2,285,737 | 2,322,622 |
| Series 2021-1A, Class B1 | | |
| 1.98%, due 3/15/61 | 5,685,000 | 5,733,264 |
| Series 2020-1, Class A2 | | |
| 1.99%, due 7/15/60 | 1,309,697 | 1,329,426 |
| Continental Airlines Pass-Through Trust | | |
| Series 2007-1, Class A | | |
| 5.983%, due 4/19/22 | 299,669 | 306,436 |
| Crown Castle Towers LLC (a) | | |
| 3.72%, due 7/15/23 | 1,550,000 | 1,600,834 |
| 4.241%, due 7/15/28 | 3,755,000 | 4,238,280 |
| DB Master Finance LLC | | |
| Series 2019-1A, Class A23 | | |
| 4.352%, due 5/20/49 (a) | 1,915,875 | 2,116,122 |
| Domino's Pizza Master Issuer LLC | | |
| Series 2015-1A, Class A2II | | |
| 4.474%, due 10/25/45 (a) | 3,127,625 | 3,279,503 |

| | Principal Amount | Value |
|---|---|---|
| **Asset-Backed Securities (continued)** | | |
| **Other Asset-Backed Securities (continued)** | | |
| FirstKey Homes 2020-SFR1 Trust (a)(c) | | |
| Series 2021-SFR1, Class B | | |
| 1.788%, due 8/17/28 | $ 2,285,000 | $ 2,285,526 |
| Series 2021-SFR1, Class C | | |
| 1.888%, due 8/17/28 | 3,800,000 | 3,800,836 |
| Hilton Grand Vacations Trust (a) | | |
| Series 2019-AA, Class A | | |
| 2.34%, due 7/25/33 | 1,526,844 | 1,570,002 |
| Series 2020-AA, Class A | | |
| 2.74%, due 2/25/39 | 1,364,142 | 1,415,306 |
| Series 2020-AA, Class B | | |
| 4.22%, due 2/25/39 | 1,425,169 | 1,514,480 |
| MVW LLC | | |
| Series 2019-2A, Class A | | |
| 2.22%, due 10/20/38 (a) | 1,861,632 | 1,894,921 |
| Navient Private Education Refi Loan Trust (a) | | |
| Series 2020-GA, Class B | | |
| 2.50%, due 9/16/69 | 1,590,000 | 1,604,266 |
| Series 2020-HA, Class B | | |
| 2.78%, due 1/15/69 | 1,100,000 | 1,133,113 |
| PFS Financing Corp. (a) | | |
| Series 2020-B, Class B | | |
| 1.71%, due 6/15/24 | 910,000 | 919,026 |
| Series 2020-A, Class B | | |
| 1.77%, due 6/15/25 | 2,150,000 | 2,182,572 |
| Progress Residential | | |
| Series 2021-SFR4, Class B | | |
| 1.808%, due 5/17/38 (a) | 2,085,000 | 2,085,834 |
| Progress Residential Trust | | |
| Series 2021-SFR2, Class B | | |
| 1.796%, due 4/19/38 (a) | 3,000,000 | 2,994,598 |
| Sierra Timeshare Receivables Funding LLC (a) | | |
| Series 2021-1A, Class C | | |
| 1.79%, due 11/20/37 | 822,043 | 824,854 |
| Series 2020-2A, Class C | | |
| 3.51%, due 7/20/37 | 2,047,707 | 2,114,410 |
| U.S. Airways Pass-Through Trust | | |
| Series 2012-1, Class A | | |
| 5.90%, due 10/1/24 | 914,230 | 955,264 |
| Series 2010-1, Class A | | |
| 6.25%, due 4/22/23 | 584,773 | 594,614 |
| United Airlines Pass-Through Trust | | |
| Series 2014-2, Class B | | |
| 4.625%, due 9/3/22 | 857,312 | 876,581 |
| Series 2020-1, Class A | | |
| 5.875%, due 10/15/27 | 2,122,180 | 2,354,732 |

| | Principal Amount | Value |
|---|---|---|
| **Other Asset-Backed Securities (continued)** | | |
| United Airlines Pass-Through Trust (continued) | | |
| Series 2007-1 | | |
| 6.636%, due 7/2/22 | $ 1,288,140 | $ 1,333,224 |
| Wendy's Funding LLC | | |
| Series 2019-1A, Class A2I | | |
| 3.783%, due 6/15/49 (a) | 1,932,525 | 2,062,024 |
| | | 62,947,372 |
| Total Asset-Backed Securities | | |
| (Cost $87,758,848) | | 90,496,715 |
| **Corporate Bonds 51.1%** | | |
| **Advertising 0.1%** | | |
| Clear Channel International BV | | |
| 6.625%, due 8/1/25 (a) | 1,389,000 | 1,459,603 |
| **Aerospace & Defense 0.5%** | | |
| BAE Systems plc | | |
| 3.00%, due 9/15/50 (a) | 775,000 | 758,193 |
| L3Harris Technologies, Inc. | | |
| 4.40%, due 6/15/28 | 3,270,000 | 3,795,994 |
| | | 4,554,187 |
| **Agriculture 0.2%** | | |
| BAT Capital Corp. | | |
| 3.734%, due 9/25/40 | 1,900,000 | 1,856,513 |
| **Airlines 1.0%** | | |
| American Airlines, Inc. (a) | | |
| 5.50%, due 4/20/26 | 1,640,000 | 1,736,350 |
| 5.75%, due 4/20/29 | 1,000,000 | 1,081,250 |
| Delta Air Lines, Inc. (a) | | |
| 4.50%, due 10/20/25 | 1,185,000 | 1,273,425 |
| 4.75%, due 10/20/28 | 955,000 | 1,061,729 |
| 7.00%, due 5/1/25 | 2,555,000 | 2,981,655 |
| Mileage Plus Holdings LLC | | |
| 6.50%, due 6/20/27 (a) | 2,050,000 | 2,257,050 |
| | | 10,391,459 |
| **Auto Manufacturers 1.9%** | | |
| Ford Motor Co. | | |
| 8.50%, due 4/21/23 | 2,335,000 | 2,605,743 |
| 9.00%, due 4/22/25 | 2,400,000 | 2,958,888 |
| Ford Motor Credit Co. LLC | | |
| 1.391% (3 Month LIBOR + 1.235%), due 2/15/23 (b) | 1,230,000 | 1,225,387 |
| 4.063%, due 11/1/24 | 2,485,000 | 2,643,170 |
| 4.25%, due 9/20/22 | 900,000 | 929,313 |

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

| | Principal Amount | Value |
|---|---|---|
| **Corporate Bonds (continued)** | | |
| **Auto Manufacturers (continued)** | | |
| General Motors Co. | | |
| 6.125%, due 10/1/25 | $ 745,000 | $ 881,933 |
| General Motors Financial Co., Inc. | | |
| 2.35%, due 1/8/31 | 908,000 | 895,924 |
| 2.70%, due 6/10/31 | 2,255,000 | 2,263,106 |
| 3.45%, due 4/10/22 | 4,000,000 | 4,073,649 |
| | | 18,477,113 |
| **Banks 12.5%** | | |
| Bank of America Corp. | | |
| 2.087%, due 6/14/29 (d) | 1,895,000 | 1,910,334 |
| 3.004%, due 12/20/23 (d) | 6,566,000 | 6,804,662 |
| 3.705%, due 4/24/28 (d) | 1,695,000 | 1,874,300 |
| Series MM | | |
| 4.30%, due 1/28/25 (d)(e) | 4,056,000 | 4,193,904 |
| Series DD | | |
| 6.30%, due 3/10/26 (d)(e) | 1,810,000 | 2,088,577 |
| 8.57%, due 11/15/24 | 455,000 | 565,846 |
| Barclays plc | | |
| 2.852%, due 5/7/26 (d) | 3,010,000 | 3,179,983 |
| 5.20%, due 5/12/26 | 1,725,000 | 1,970,192 |
| BNP Paribas SA (a) | | |
| 3.052%, due 1/13/31 (d) | 2,900,000 | 3,057,500 |
| 4.625% (5 Year Treasury Constant Maturity Rate + 3.34%), due 2/25/31 (b)(e) | 1,650,000 | 1,717,683 |
| Citigroup, Inc. | | |
| 5.50%, due 9/13/25 | 2,710,000 | 3,156,581 |
| Series M | | |
| 6.30%, due 5/15/24 (d)(e) | 3,975,000 | 4,275,907 |
| Citizens Financial Group, Inc. | | |
| 2.638%, due 9/30/32 | 2,550,000 | 2,550,050 |
| Series G | | |
| 4.00% (5 Year Treasury Constant Maturity Rate + 3.215%), due 10/6/26 (b)(e) | 1,620,000 | 1,632,150 |
| Credit Suisse Group AG | | |
| 3.091%, due 5/14/32 (a)(d) | 2,195,000 | 2,261,402 |
| Deutsche Bank AG | | |
| 3.035%, due 5/28/32 (d) | 1,125,000 | 1,143,954 |
| Freedom Mortgage Corp. | | |
| 7.625%, due 5/1/26 (a) | 2,920,000 | 3,039,720 |
| Goldman Sachs Group, Inc. (The) | | |
| 1.326% (3 Month LIBOR + 1.17%), due 5/15/26 (b) | 3,075,000 | 3,156,241 |
| 3.21%, due 4/22/42 (d) | 1,990,000 | 2,081,989 |
| 6.75%, due 10/1/37 | 1,828,000 | 2,661,883 |

| | Principal Amount | Value |
|---|---|---|
| **Banks (continued)** | | |
| Huntington National Bank (The) | | |
| 3.55%, due 10/6/23 | $ 1,445,000 | $ 1,540,927 |
| Intesa Sanpaolo SpA | | |
| 4.198%, due 6/1/32 (a) | 3,460,000 | 3,545,670 |
| JPMorgan Chase & Co. (d) | | |
| 2.956%, due 5/13/31 | 1,245,000 | 1,307,881 |
| 3.54%, due 5/1/28 | 4,175,000 | 4,590,265 |
| Series HH | | |
| 4.60%, due 2/1/25 (e) | 5,182,000 | 5,370,107 |
| Lloyds Banking Group plc | | |
| 2.907%, due 11/7/23 (d) | 1,160,000 | 1,196,089 |
| 4.582%, due 12/10/25 | 2,500,000 | 2,809,090 |
| Morgan Stanley | | |
| Series H | | |
| 3.794% (3 Month LIBOR + 3.61%), due 7/15/21 (b)(e) | 2,125,000 | 2,132,969 |
| Series F | | |
| 3.875%, due 4/29/24 | 6,015,000 | 6,542,055 |
| 5.00%, due 11/24/25 | 3,840,000 | 4,427,044 |
| Natwest Group plc (b) | | |
| 3.073% (1 Year Treasury Constant Maturity Rate + 2.55%), due 5/22/28 | 2,685,000 | 2,833,379 |
| 4.60% (5 Year Treasury Constant Maturity Rate + 3.10%), due 6/28/31 (e) | 2,740,000 | 2,752,878 |
| Popular, Inc. | | |
| 6.125%, due 9/14/23 | 1,953,000 | 2,107,287 |
| Santander Holdings USA, Inc. | | |
| 3.40%, due 1/18/23 | 5,055,000 | 5,262,919 |
| Societe Generale SA (a)(b)(e) | | |
| 4.75% (5 Year Treasury Constant Maturity Rate + 3.931%), due 5/26/26 | 1,070,000 | 1,108,788 |
| 5.375% (5 Year Treasury Constant Maturity Rate + 4.514%), due 11/18/30 | 3,850,000 | 4,076,187 |
| Standard Chartered plc (a)(b) | | |
| 2.678% (1 Year Treasury Constant Maturity Rate + 1.20%), due 6/29/32 | 2,435,000 | 2,443,062 |
| 4.75% (5 Year Treasury Constant Maturity Rate + 3.805%), due 1/14/31 (e) | 1,390,000 | 1,430,268 |

| | Principal Amount | Value |
|---|---|---|
| **Corporate Bonds (continued)** | | |
| **Banks (continued)** | | |
| SVB Financial Group | | |
| Series C | | |
| 4.00% (5 Year Treasury Constant Maturity Rate + 3.202%), due 5/15/26 (b)(e) | $ 2,070,000 | $ 2,106,846 |
| Texas Capital Bancshares, Inc. | | |
| 4.00% (5 Year Treasury Constant Maturity Rate + 3.15%), due 5/6/31 (b) | 1,615,000 | 1,677,904 |
| Truist Bank | | |
| 2.636% (5 Year Treasury Constant Maturity Rate + 1.15%), due 9/17/29 (b) | 2,700,000 | 2,827,143 |
| UBS Group AG | | |
| 4.375% (5 Year Treasury Constant Maturity Rate + 3.313%), due 2/10/31 (a)(b)(e) | 2,715,000 | 2,773,916 |
| Wells Fargo & Co. | | |
| 3.00%, due 10/23/26 | 1,640,000 | 1,768,585 |
| Series U | | |
| 5.875%, due 6/15/25 (d)(e) | 595,000 | 666,346 |
| Series S | | |
| 5.90%, due 6/15/24 (d)(e) | 3,270,000 | 3,523,425 |
| | | 124,143,888 |
| **Beverages 0.5%** | | |
| Anheuser-Busch InBev Worldwide, Inc. | | |
| 4.75%, due 1/23/29 | 1,833,000 | 2,183,588 |
| Constellation Brands, Inc. | | |
| 4.25%, due 5/1/23 | 2,985,000 | 3,184,045 |
| | | 5,367,633 |
| **Biotechnology 0.5%** | | |
| Biogen, Inc. | | |
| 3.15%, due 5/1/50 | 1,125,000 | 1,104,854 |
| 3.625%, due 9/15/22 | 3,560,000 | 3,698,612 |
| | | 4,803,466 |
| **Building Materials 0.3%** | | |
| Builders FirstSource, Inc. (a) | | |
| 5.00%, due 3/1/30 | 2,200,000 | 2,313,190 |
| 6.75%, due 6/1/27 | 755,000 | 808,794 |
| | | 3,121,984 |
| **Chemicals 0.7%** | | |
| Alpek SAB de CV | | |
| 3.25%, due 2/25/31 (a) | 1,250,000 | 1,265,013 |
| **Chemicals (continued)** | | |
| Braskem Netherlands Finance BV | | |
| 4.50%, due 1/10/28 (a) | $ 1,015,000 | $ 1,069,506 |
| International Flavors & Fragrances, Inc. | | |
| 2.30%, due 11/1/30 (a) | 2,035,000 | 2,023,514 |
| Orbia Advance Corp. SAB de CV | | |
| 4.00%, due 10/4/27 (a) | 2,200,000 | 2,411,750 |
| | | 6,769,783 |
| **Commercial Services 1.7%** | | |
| Allied Universal Holdco LLC | | |
| 6.625%, due 7/15/26 (a) | 1,320,000 | 1,399,504 |
| Ashtead Capital, Inc. | | |
| 4.25%, due 11/1/29 (a) | 2,250,000 | 2,430,000 |
| California Institute of Technology | | |
| 3.65%, due 9/1/19 | 1,614,000 | 1,798,798 |
| IHS Markit Ltd. | | |
| 4.125%, due 8/1/23 | 2,175,000 | 2,321,595 |
| 4.75%, due 2/15/25 (a) | 3,105,000 | 3,476,047 |
| Sodexo, Inc. | | |
| 2.718%, due 4/16/31 (a) | 2,705,000 | 2,759,878 |
| Trustees of the University of Pennsylvania (The) | | |
| 3.61%, due 2/15/19 | 2,515,000 | 2,843,442 |
| | | 17,029,264 |
| **Computers 1.2%** | | |
| Dell International LLC | | |
| 4.90%, due 10/1/26 | 3,695,000 | 4,264,340 |
| 6.02%, due 6/15/26 | 625,000 | 750,329 |
| 8.10%, due 7/15/36 | 1,240,000 | 1,889,916 |
| NCR Corp. (a) | | |
| 5.00%, due 10/1/28 | 2,230,000 | 2,305,976 |
| 6.125%, due 9/1/29 | 893,000 | 973,370 |
| 8.125%, due 4/15/25 | 1,484,000 | 1,622,754 |
| | | 11,806,685 |
| **Distribution & Wholesale 0.3%** | | |
| Performance Food Group, Inc. | | |
| 5.50%, due 10/15/27 (a) | 2,955,000 | 3,105,557 |
| **Diversified Financial Services 3.7%** | | |
| AerCap Ireland Capital DAC | | |
| 3.30%, due 1/23/23 | 1,400,000 | 1,452,015 |
| 4.45%, due 12/16/21 | 2,200,000 | 2,233,405 |
| Air Lease Corp. | | |
| 2.30%, due 2/1/25 | 3,640,000 | 3,762,966 |
| 2.625%, due 7/1/22 | 2,155,000 | 2,195,812 |
| 2.75%, due 1/15/23 | 1,040,000 | 1,072,992 |

| | Principal Amount | Value |
|---|---|---|
| **Corporate Bonds (continued)** | | |
| **Diversified Financial Services (continued)** | | |
| Aircastle Ltd. | | |
| 5.25% (5 Year Treasury Constant Maturity Rate + 4.41%), due 6/15/26 (a)(b)(e) | $ 1,305,000 | $ 1,318,050 |
| Ally Financial, Inc. | | |
| 5.75%, due 11/20/25 | 3,570,000 | 4,098,923 |
| 8.00%, due 11/1/31 | 3,450,000 | 4,957,817 |
| Avolon Holdings Funding Ltd. | | |
| 3.25%, due 2/15/27 (a) | 2,340,000 | 2,412,569 |
| Banco BTG Pactual SA | | |
| 2.75%, due 1/11/26 (a) | 3,885,000 | 3,785,932 |
| Capital One Financial Corp. | | |
| Series E | | |
| 3.935% (3 Month LIBOR + 3.80%), due 9/1/21 (b)(e) | 2,365,000 | 2,373,467 |
| Discover Financial Services | | |
| 3.85%, due 11/21/22 | 300,000 | 314,356 |
| Home Point Capital, Inc. | | |
| 5.00%, due 2/1/26 (a) | 1,034,000 | 964,205 |
| Intercontinental Exchange, Inc. | | |
| 3.00%, due 9/15/60 | 2,130,000 | 2,053,582 |
| OneMain Finance Corp. | | |
| 3.50%, due 1/15/27 | 2,715,000 | 2,735,363 |
| 6.125%, due 3/15/24 | 880,000 | 947,100 |
| | | 36,678,554 |
| **Electric 1.4%** | | |
| AEP Transmission Co. LLC | | |
| 3.10%, due 12/1/26 | 3,360,000 | 3,647,871 |
| Appalachian Power Co. | | |
| Series X | | |
| 3.30%, due 6/1/27 | 1,400,000 | 1,516,338 |
| Duke Energy Corp. | | |
| 4.875% (5 Year Treasury Constant Maturity Rate + 3.388%), due 9/16/24 (b)(e) | 2,625,000 | 2,789,062 |
| FirstEnergy Transmission LLC | | |
| 4.35%, due 1/15/25 (a) | 1,675,000 | 1,837,677 |
| Pacific Gas and Electric Co. | | |
| 3.50%, due 8/1/50 | 1,605,000 | 1,430,474 |
| Puget Energy, Inc. | | |
| 5.625%, due 7/15/22 | 585,000 | 608,437 |
| WEC Energy Group, Inc. | | |
| 2.268% (3 Month LIBOR + 2.112%), due 5/15/67 (b) | 1,860,340 | 1,708,182 |
| | | 13,538,041 |
| **Electronics 0.1%** | | |
| FLIR Systems, Inc. | | |
| 2.50%, due 8/1/30 | $ 1,335,000 | $ 1,345,099 |
| **Environmental Control 0.3%** | | |
| Republic Services, Inc. | | |
| 4.75%, due 5/15/23 | 1,999,000 | 2,138,597 |
| Stericycle, Inc. | | |
| 3.875%, due 1/15/29 (a) | 310,000 | 309,389 |
| Waste Management, Inc. | | |
| 2.40%, due 5/15/23 | 505,000 | 522,285 |
| | | 2,970,271 |
| **Food 1.1%** | | |
| JBS USA Food Co. | | |
| 7.00%, due 1/15/26 (a) | 885,000 | 938,100 |
| Kraft Heinz Foods Co. | | |
| 4.25%, due 3/1/31 | 2,364,000 | 2,685,477 |
| 5.00%, due 7/15/35 | 997,000 | 1,222,940 |
| Smithfield Foods, Inc. (a) | | |
| 3.00%, due 10/15/30 | 2,005,000 | 2,021,494 |
| 3.35%, due 2/1/22 | 1,805,000 | 1,830,372 |
| Sysco Corp. | | |
| 3.30%, due 7/15/26 | 1,735,000 | 1,885,707 |
| | | 10,584,090 |
| **Gas 0.1%** | | |
| National Fuel Gas Co. | | |
| 2.95%, due 3/1/31 | 960,000 | 965,569 |
| **Healthcare-Products 0.7%** | | |
| Baxter International, Inc. | | |
| 2.60%, due 8/15/26 | 6,085,000 | 6,476,724 |
| **Healthcare-Services 0.4%** | | |
| Health Care Service Corp. A Mutual Legal Reserve Co. | | |
| 3.20%, due 6/1/50 (a) | 1,845,000 | 1,900,124 |
| NYU Langone Hospitals | | |
| Series 2020 | | |
| 3.38%, due 7/1/55 | 1,805,000 | 1,911,916 |
| | | 3,812,040 |
| **Home Builders 0.7%** | | |
| DR Horton, Inc. | | |
| 4.375%, due 9/15/22 | 3,350,000 | 3,472,188 |
| Lennar Corp. | | |
| 4.75%, due 11/29/27 | 868,000 | 1,003,293 |

| | Principal Amount | Value |
|---|---|---|
| **Corporate Bonds (continued)** | | |
| **Home Builders (continued)** | | |
| Toll Brothers Finance Corp. | | |
| 3.80%, due 11/1/29 (f) | $ 1,251,000 | $ 1,341,698 |
| 4.35%, due 2/15/28 | 764,000 | 838,490 |
| | | 6,655,669 |
| **Home Furnishings 0.4%** | | |
| Panasonic Corp. | | |
| 2.536%, due 7/19/22 (a) | 3,500,000 | 3,569,203 |
| **Household Products & Wares 0.2%** | | |
| Kronos Acquisition Holdings, Inc. | | |
| 5.00%, due 12/31/26 (a) | 2,465,000 | 2,501,975 |
| **Housewares 0.2%** | | |
| Scotts Miracle-Gro Co. (The) | | |
| 5.25%, due 12/15/26 | 1,960,000 | 2,038,400 |
| **Insurance 2.2%** | | |
| Athene Global Funding | | |
| 2.50%, due 3/24/28 (a) | 2,985,000 | 3,059,514 |
| Empower Finance 2020 LP | | |
| 3.075%, due 9/17/51 (a) | 2,270,000 | 2,297,115 |
| Lincoln National Corp. | | |
| 2.513% (3 Month LIBOR + 2.357%), due 5/17/66 (b) | 6,418,000 | 5,663,885 |
| MassMutual Global Funding II | | |
| 2.95%, due 1/11/25 (a) | 2,995,000 | 3,206,328 |
| NMI Holdings, Inc. | | |
| 7.375%, due 6/1/25 (a) | 870,000 | 996,985 |
| Protective Life Corp. | | |
| 8.45%, due 10/15/39 | 1,564,000 | 2,511,293 |
| Reliance Standard Life Global Funding II | | |
| 2.50%, due 10/30/24 (a) | 3,100,000 | 3,232,812 |
| Willis North America, Inc. | | |
| 3.875%, due 9/15/49 | 840,000 | 943,613 |
| | | 21,911,545 |
| **Internet 1.1%** | | |
| Cablevision Lightpath LLC | | |
| 3.875%, due 9/15/27 (a) | 2,140,000 | 2,115,047 |
| Expedia Group, Inc. | | |
| 3.25%, due 2/15/30 | 2,315,000 | 2,418,126 |
| 3.60%, due 12/15/23 | 1,215,000 | 1,291,258 |
| 3.80%, due 2/15/28 | 2,245,000 | 2,441,642 |
| 5.00%, due 2/15/26 | 315,000 | 359,344 |

| | Principal Amount | Value |
|---|---|---|
| **Internet (continued)** | | |
| Expedia Group, Inc. (continued) | | |
| 6.25%, due 5/1/25 (a) | $ 231,000 | $ 268,712 |
| Match Group Holdings II LLC (a) | | |
| 4.125%, due 8/1/30 | 148,000 | 150,590 |
| 5.00%, due 12/15/27 | 1,775,000 | 1,865,969 |
| | | 10,910,688 |
| **Iron & Steel 0.3%** | | |
| Vale Overseas Ltd. | | |
| 6.25%, due 8/10/26 | 2,780,000 | 3,344,340 |
| **Lodging 0.8%** | | |
| Hilton Domestic Operating Co., Inc. | | |
| 4.875%, due 1/15/30 | 2,120,000 | 2,263,100 |
| 5.375%, due 5/1/25 (a) | 1,135,000 | 1,194,588 |
| Marriott International, Inc. | | |
| 3.75%, due 10/1/25 | 1,860,000 | 2,003,833 |
| MGM Resorts International | | |
| 6.00%, due 3/15/23 | 2,300,000 | 2,460,310 |
| | | 7,921,831 |
| **Machinery-Diversified 0.2%** | | |
| Clark Equipment Co. | | |
| 5.875%, due 6/1/25 (a) | 1,535,000 | 1,623,263 |
| **Media 1.0%** | | |
| Charter Communications Operating LLC | | |
| 4.464%, due 7/23/22 | 2,770,000 | 2,867,750 |
| Grupo Televisa SAB | | |
| 5.25%, due 5/24/49 | 1,735,000 | 2,193,955 |
| Sirius XM Radio, Inc. | | |
| 5.375%, due 7/15/26 (a) | 3,000,000 | 3,097,500 |
| Sky Ltd. | | |
| 3.75%, due 9/16/24 (a) | 1,105,000 | 1,207,727 |
| Time Warner Entertainment Co. LP | | |
| 8.375%, due 3/15/23 | 740,000 | 836,195 |
| | | 10,203,127 |
| **Mining 0.6%** | | |
| Glencore Funding LLC | | |
| 1.625%, due 9/1/25 (a) | 3,165,000 | 3,200,984 |
| Industrias Penoles SAB de CV | | |
| 4.75%, due 8/6/50 (a) | 2,672,000 | 2,875,740 |
| | | 6,076,724 |

| | Principal Amount | Value |
|---|---|---|
| **Corporate Bonds (continued)** | | |
| **Miscellaneous—Manufacturing 0.3%** | | |
| Textron Financial Corp. | | |
| 1.891% (3 Month LIBOR + 1.735%), due 2/15/42 (a)(b) | $ 3,720,000 | $ 3,162,000 |
| **Oil & Gas 2.0%** | | |
| BP Capital Markets plc | | |
| 4.875% (5 Year Treasury Constant Maturity Rate + 4.398%), due 3/22/30 (b)(e) | 525,000 | 576,450 |
| Gazprom PJSC Via Gaz Capital SA | | |
| 7.288%, due 8/16/37 (a) | 2,500,000 | 3,481,025 |
| Marathon Petroleum Corp. | | |
| 4.50%, due 5/1/23 | 1,615,000 | 1,722,324 |
| 4.70%, due 5/1/25 | 1,755,000 | 1,979,254 |
| 5.125%, due 12/15/26 | 5,755,000 | 6,766,895 |
| Petrobras Global Finance BV | | |
| 5.50%, due 6/10/51 | 1,215,000 | 1,215,425 |
| 5.60%, due 1/3/31 | 1,370,000 | 1,534,400 |
| Valero Energy Corp. | | |
| 4.00%, due 4/1/29 | 2,250,000 | 2,512,583 |
| | | 19,788,356 |
| **Packaging & Containers 1.3%** | | |
| Ball Corp. | | |
| 5.00%, due 3/15/22 | 4,240,000 | 4,346,000 |
| Berry Global, Inc. | | |
| 4.875%, due 7/15/26 (a) | 166,000 | 175,655 |
| Graham Packaging Co., Inc. | | |
| 7.125%, due 8/15/28 (a) | 1,000,000 | 1,077,500 |
| Owens-Brockway Glass Container, Inc. | | |
| 6.625%, due 5/13/27 (a) | 2,950,000 | 3,208,125 |
| Sealed Air Corp. | | |
| 4.875%, due 12/1/22 (a) | 1,875,000 | 1,950,000 |
| WestRock RKT LLC | | |
| 4.00%, due 3/1/23 | 2,230,000 | 2,338,058 |
| | | 13,095,338 |
| **Pharmaceuticals 1.3%** | | |
| AbbVie, Inc. | | |
| 3.45%, due 3/15/22 | 4,165,000 | 4,235,233 |
| 4.25%, due 11/21/49 | 3,065,000 | 3,673,446 |
| Becton Dickinson and Co. | | |
| 3.363%, due 6/6/24 | 2,245,000 | 2,405,270 |
| Teva Pharmaceutical Finance Netherlands III BV | | |
| 3.15%, due 10/1/26 | 2,575,000 | 2,449,469 |
| | | 12,763,418 |

| | Principal Amount | Value |
|---|---|---|
| **Pipelines 1.8%** | | |
| Enterprise Products Operating LLC | | |
| 3.95%, due 1/31/60 | $ 1,760,000 | $ 1,961,845 |
| 4.20%, due 1/31/50 | 545,000 | 628,604 |
| Flex Intermediate Holdco LLC | | |
| 3.363%, due 6/30/31 (a) | 2,310,000 | 2,338,354 |
| Hess Midstream Operations LP | | |
| 5.625%, due 2/15/26 (a) | 389,000 | 405,727 |
| MPLX LP | | |
| 4.00%, due 3/15/28 | 2,500,000 | 2,792,892 |
| 4.125%, due 3/1/27 | 1,780,000 | 1,988,966 |
| Plains All American Pipeline LP | | |
| 3.80%, due 9/15/30 | 1,330,000 | 1,423,177 |
| Sabine Pass Liquefaction LLC | | |
| 5.75%, due 5/15/24 | 2,710,000 | 3,041,122 |
| Spectra Energy Partners LP | | |
| 4.75%, due 3/15/24 | 818,000 | 897,774 |
| Western Midstream Operating LP | | |
| 6.50%, due 2/1/50 (g) | 1,975,000 | 2,286,724 |
| | | 17,765,185 |
| **Real Estate Investment Trusts 1.3%** | | |
| Boston Properties LP | | |
| 3.20%, due 1/15/25 | 4,800,000 | 5,142,292 |
| CyrusOne LP | | |
| 3.45%, due 11/15/29 | 2,030,000 | 2,156,093 |
| Host Hotels & Resorts LP | | |
| Series D | | |
| 3.75%, due 10/15/23 | 329,000 | 346,857 |
| Iron Mountain, Inc. | | |
| 4.875%, due 9/15/29 (a) | 2,599,000 | 2,682,688 |
| Office Properties Income Trust | | |
| 2.65%, due 6/15/26 | 2,310,000 | 2,343,762 |
| | | 12,671,692 |
| **Retail 2.7%** | | |
| 7-Eleven, Inc. (a) | | |
| 2.50%, due 2/10/41 | 395,000 | 367,759 |
| 2.80%, due 2/10/51 | 1,240,000 | 1,156,770 |
| AutoNation, Inc. | | |
| 4.75%, due 6/1/30 | 2,880,000 | 3,406,186 |
| Darden Restaurants, Inc. | | |
| 3.85%, due 5/1/27 | 2,025,000 | 2,249,749 |
| Dollar General Corp. | | |
| 3.25%, due 4/15/23 | 2,794,000 | 2,915,605 |
| Macy's Retail Holdings LLC | | |
| 5.875%, due 4/1/29 (a)(f) | 1,750,000 | 1,882,003 |
| Macy's, Inc. | | |
| 8.375%, due 6/15/25 (a) | 2,605,000 | 2,868,626 |



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| | Principal Amount | Value |
|---|---|---|
| **Corporate Bonds (continued)** | | |
| **Retail (continued)** | | |
| Nordstrom, Inc. | | |
| 4.00%, due 3/15/27 | $ 840,000 | $ 871,618 |
| 4.25%, due 8/1/31 (a) | 3,200,000 | 3,332,796 |
| QVC, Inc. | | |
| 4.375%, due 9/1/28 | 2,430,000 | 2,478,600 |
| Starbucks Corp. | | |
| 4.45%, due 8/15/49 | 2,065,000 | 2,561,352 |
| Victoria's Secret & Co. | | |
| 4.625%, due 7/15/29 (a) | 2,445,000 | 2,445,000 |
| | | 26,536,064 |
| **Semiconductors 0.6%** | | |
| Broadcom, Inc. (a) | | |
| 3.469%, due 4/15/34 | 2,470,000 | 2,612,654 |
| 3.75%, due 2/15/51 | 910,000 | 949,957 |
| NXP BV (a) | | |
| 3.40%, due 5/1/30 | 1,380,000 | 1,506,833 |
| 4.625%, due 6/1/23 | 1,065,000 | 1,144,601 |
| | | 6,214,045 |
| **Software 0.1%** | | |
| Oracle Corp. | | |
| 3.65%, due 3/25/41 | 685,000 | 726,344 |
| **Telecommunications 2.8%** | | |
| Altice France SA | | |
| 5.125%, due 7/15/29 (a) | 2,410,000 | 2,421,809 |
| AT&T, Inc. | | |
| 3.65%, due 6/1/51 | 1,860,000 | 1,930,962 |
| CommScope Technologies LLC | | |
| 5.00%, due 3/15/27 (a) | 3,909,000 | 4,001,839 |
| CommScope, Inc. | | |
| 7.125%, due 7/1/28 (a) | 930,000 | 1,007,888 |
| Sprint Spectrum Co. LLC | | |
| 4.738%, due 3/20/25 (a) | 4,453,125 | 4,777,580 |
| Telefonica Emisiones SA | | |
| 4.57%, due 4/27/23 | 1,781,000 | 1,907,685 |
| T-Mobile US, Inc. | | |
| 2.625%, due 2/15/29 | 2,355,000 | 2,325,562 |
| 4.50%, due 2/1/26 | 2,245,000 | 2,287,924 |
| Verizon Communications, Inc. | | |
| 1.256% (3 Month LIBOR + 1.10%), due 5/15/25 (b) | 2,455,000 | 2,531,915 |
| 3.40%, due 3/22/41 | 900,000 | 952,058 |
| 3.55%, due 3/22/51 | 1,000,000 | 1,068,367 |

| | Principal Amount | Value |
|---|---|---|
| **Telecommunications (continued)** | | |
| Vodafone Group plc | | |
| 4.25%, due 9/17/50 | $ 2,020,000 | $ 2,359,371 |
| | | 27,572,960 |
| Total Corporate Bonds (Cost $476,158,093) | | 506,309,690 |
| **Foreign Government Bonds 3.0%** | | |
| **Brazil 1.1%** | | |
| Brazil Government Bond | | |
| 3.75%, due 9/12/31 | 2,565,000 | 2,530,373 |
| Federative Republic of Brazil | | |
| 4.625%, due 1/13/28 | 7,789,000 | 8,413,911 |
| | | 10,944,284 |
| **Chile 0.4%** | | |
| Corp. Nacional del Cobre de Chile (a) | | |
| 3.00%, due 9/30/29 | 2,055,000 | 2,134,426 |
| 3.75%, due 1/15/31 | 1,635,000 | 1,780,204 |
| | | 3,914,630 |
| **Colombia 0.2%** | | |
| Colombia Government International Bond | | |
| 3.25%, due 4/22/32 | 2,065,000 | 2,022,585 |
| **Mexico 1.3%** | | |
| Comision Federal de Electricidad | | |
| 4.677%, due 2/9/51 (a) | 2,765,000 | 2,668,252 |
| Mexico Government Bond | | |
| 2.659%, due 5/24/31 | 3,402,000 | 3,323,380 |
| 3.75%, due 4/19/71 | 2,230,000 | 2,039,112 |
| Petroleos Mexicanos | | |
| 6.75%, due 9/21/47 | 4,990,000 | 4,416,150 |
| | | 12,446,894 |
| Total Foreign Government Bonds (Cost $29,957,676) | | 29,328,393 |
| **Loan Assignments 3.7%** | | |
| **Containers, Packaging & Glass 0.5%** | | |
| Mauser Packaging Solutions Holding Co. Initial Term Loan | | |
| 3.354% (1 Month LIBOR + 3.25%), due 4/3/24 (b) | 5,018,517 | 4,894,845 |

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| | Principal Amount | Value |
|---|---|---|
| **Loan Assignments (continued)** | | |
| **Diversified/Conglomerate Service 0.6%** | | |
| Change Healthcare Holdings, Inc. | | |
| Closing Date Term Loan | | |
| 3.50% (1 Month LIBOR + 2.50%), | | |
| due 3/1/24 (b) | $ 4,192,236 | $ 4,186,996 |
| TruGreen LP (b) | | |
| First Lien Second Refinancing Term Loan | | |
| 4.75% (1 Month LIBOR + 4.00%), | | |
| due 11/2/27 | 1,487,525 | 1,494,963 |
| Second Lien Initial Term Loan | | |
| 9.25% (3 Month LIBOR + 8.50%), | | |
| due 11/2/28 | 645,000 | 657,900 |
| | | 6,339,859 |
| **Ecological 0.2%** | | |
| GFL Environmental, Inc. | | |
| 2020 Refinancing Term Loan | | |
| 3.50% (1 Month LIBOR + 3.00%), | | |
| due 5/30/25 (b) | 1,970,434 | 1,971,173 |
| **Finance 1.2%** | | |
| Alliant Holdings Intermediate LLC | | |
| 2018 Initial Term Loan | | |
| 3.354% (1 Month LIBOR + 3.25%), | | |
| due 5/9/25 (b) | 3,968,405 | 3,925,114 |
| Iqvia, Inc. | | |
| Dollar Term Loan B3 | | |
| 1.897% (3 Month LIBOR + 1.75%), | | |
| due 6/11/25 (b) | 3,734,500 | 3,709,994 |
| Match Group, Inc. | | |
| 2020 Refinancing Term Loan | | |
| 1.906% (3 Month LIBOR + 1.75%), | | |
| due 2/13/27 (b) | 1,859,000 | 1,832,663 |
| ON Semiconductor Corp. | | |
| 2019 New Replacement Term Loan B4 | | |
| 2.104% (1 Month LIBOR + 2.00%), | | |
| due 9/19/26 (b) | 1,853,140 | 1,846,191 |
| | | 11,313,962 |
| **Personal & Nondurable Consumer Products 0.2%** | | |
| Prestige Brands, Inc. | | |
| Term Loan B4 | | |
| 4.25% (3 Month LIBOR + 1.00%), | | |
| due 1/26/24 (b) | 1,535,575 | 1,535,300 |

| | Principal Amount | Value |
|---|---|---|
| **Radio and TV Broadcasting 0.2%** | | |
| Nielsen Finance LLC | | |
| Term Loan B4 | | |
| 2.081% (1 Month LIBOR + 2.00%), | | |
| due 10/4/23 (b) | $ 2,067,297 | $ 2,064,713 |
| **Telecommunications 0.8%** | | |
| Level 3 Financing, Inc. | | |
| Tranche 2027 Term Loan B | | |
| 1.854% (1 Month LIBOR + 1.75%), | | |
| due 3/1/27 (b) | 3,963,602 | 3,904,148 |
| SBA Senior Finance II LLC | | |
| Initial Term Loan | | |
| 1.86% (1 Month LIBOR + 1.75%), | | |
| due 4/11/25 (b) | 4,148,728 | 4,112,427 |
| | | 8,016,575 |
| Total Loan Assignments | | |
| (Cost $36,326,411) | | 36,136,427 |
| **Mortgage-Backed Securities 18.9%** | | |
| **Agency (Collateralized Mortgage Obligations) 3.1%** | | |
| FHLMC | | |
| REMIC, Series 5070, Class IG | | |
| 1.50%, due 1/25/44 | 9,997,555 | 607,178 |
| REMIC, Series 5048, Class IC | | |
| 2.00%, due 12/25/50 | 10,460,641 | 1,000,896 |
| REMIC, Series 5051, Class KI | | |
| 2.50%, due 12/25/50 | 6,707,476 | 1,036,708 |
| REMIC, Series 5036, Class IO | | |
| 3.50%, due 11/25/50 | 5,880,932 | 922,260 |
| REMIC, Series 4924, Class NS | | |
| 5.959% (1 Month LIBOR + 6.05%), | | |
| due 10/25/49 (b) | 4,269,854 | 626,557 |
| REMIC, Series 4957, Class SB | | |
| 5.959% (1 Month LIBOR + 6.05%), | | |
| due 11/25/49 (b) | 3,045,715 | 530,378 |
| FNMA | | |
| REMIC, Series 2013-110, Class CO | | |
| (zero coupon), due 12/25/39 | 2,587,675 | 2,452,000 |
| REMIC, Series 2013-105, Class QO | | |
| (zero coupon), due 5/25/40 | 973,202 | 913,984 |
| REMIC, Series 2013-105, Class KO | | |
| (zero coupon), due 10/25/43 | 685,279 | 653,747 |
| REMIC, Series 2013-110, Class DO | | |
| (zero coupon), due 11/25/43 | 1,004,617 | 939,933 |
| REMIC, Series 2020-78, Class TI | | |
| 2.00%, due 11/25/50 | 6,256,813 | 713,263 |



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| | Principal Amount | Value |
|---|---|---|
| **Mortgage-Backed Securities (continued)** | | |
| **Agency (Collateralized Mortgage Obligations) (continued)** | | |
| FNMA (continued) | | |
| REMIC, Series 2020-91, Class MI 2.00%, due 12/25/50 | $ 7,716,995 | $ 828,203 |
| REMIC, Series 2021-2, Class AI 2.00%, due 2/25/51 | 15,466,027 | 1,708,632 |
| REMIC, Series 2020-91, Class AI 2.50%, due 12/25/50 | 6,333,423 | 986,239 |
| REMIC, Series 2021-7, Class EI 2.50%, due 2/25/51 | 4,747,997 | 566,376 |
| REMIC, Series 2021-13, Class BI 3.00%, due 2/25/50 | 4,050,000 | 500,930 |
| REMIC, Series 2020-10, Class DA 3.50%, due 3/25/60 | 2,235,217 | 2,416,998 |
| GNMA | | |
| REMIC, Series 2021-77, Class BA 1.00%, due 7/20/50 | 2,320,424 | 2,263,969 |
| REMIC, Series 2021-78, Class LA 1.00%, due 5/20/51 | 1,304,369 | 1,277,041 |
| REMIC, Series 2021-87, Class EG 1.00%, due 5/20/51 | 1,038,621 | 1,029,570 |
| REMIC, Series 2021-87, Class EK 1.00%, due 5/20/51 | 994,109 | 985,445 |
| REMIC, Series 2021-91, Class MF 1.00%, due 5/20/51 | 1,136,192 | 1,125,464 |
| REMIC, Series 2021-105, Class DA 1.00%, due 6/20/51 | 3,350,000 | 3,263,992 |
| REMIC, Series 2021-15, Class AI 2.00%, due 1/20/51 | 12,015,900 | 1,318,693 |
| REMIC, Series 2021-57, Class AI 2.00%, due 2/20/51 | 7,803,034 | 926,955 |
| REMIC, Series 2021-57, Class IB 2.50%, due 2/20/51 | 4,959,754 | 631,340 |
| REMIC, Series 2021-25, Class LI 2.50%, due 2/20/51 | 4,555,628 | 540,283 |
| | | 30,767,034 |
| **Commercial Mortgage Loans (Collateralized Mortgage Obligations) 7.5%** | | |
| Bayview Commercial Asset Trust | | |
| Series 2005-3A, Class A1 0.572% (1 Month LIBOR + 0.48%), due 11/25/35 (a)(b) | 1,151,570 | 1,090,979 |
| BX Commercial Mortgage Trust (a)(h) | | |
| Series 2020-VIV2, Class C 3.66%, due 3/9/44 | 2,450,000 | 2,591,891 |
| Series 2020-VIV3, Class B 3.662%, due 3/9/44 | 1,680,000 | 1,824,360 |

| | Principal Amount | Value |
|---|---|---|
| **Commercial Mortgage Loans (Collateralized Mortgage Obligations) (continued)** | | |
| BX Commercial Mortgage Trust (a)(h) (continued) | | |
| Series 2020-VIVA, Class D 3.667%, due 3/11/44 | $ 950,000 | $ 979,772 |
| BX Trust (a) | | |
| Series 2021-MFM1, Class C 1.273% (1 Month LIBOR + 1.20%), due 1/15/34 (b) | 2,325,000 | 2,324,999 |
| Series 2021-MFM1, Class D 1.573% (1 Month LIBOR + 1.50%), due 1/15/34 (b) | 1,050,000 | 1,050,000 |
| Series 2021-LBA, Class DV 1.673% (1 Month LIBOR + 1.60%), due 2/15/36 (b) | 2,000,000 | 2,001,798 |
| Series 2019-OC11, Class A 3.202%, due 12/9/41 | 1,395,000 | 1,502,782 |
| Series 2019-OC11, Class B 3.605%, due 12/9/41 | 340,000 | 372,156 |
| Series 2019-OC11, Class C 3.856%, due 12/9/41 | 895,000 | 972,657 |
| Series 2019-OC11, Class E 4.075%, due 12/9/41 (h) | 2,525,000 | 2,640,752 |
| COMM Mortgage Trust | | |
| Series 2012-CR4, Class AM 3.251%, due 10/15/45 | 1,855,000 | 1,871,251 |
| Series 2013-CR9, Class B 4.413%, due 7/10/45 (a)(h) | 1,500,000 | 1,514,161 |
| CSAIL Commercial Mortgage Trust | | |
| Series 2015-C3, Class A4 3.718%, due 8/15/48 | 2,715,503 | 2,963,627 |
| CSMC WEST Trust | | |
| Series 2020-WEST, Class A 3.04%, due 2/15/35 (a) | 3,107,500 | 3,238,927 |
| DROP Mortgage Trust | | |
| Series 2021-FILE, Class A 1.22% (1 Month LIBOR + 1.15%), due 4/15/26 (a)(b) | 1,535,000 | 1,540,851 |
| Extended Stay America Trust | | |
| Series 2021-ESH, Class D 2.344%, due 7/15/38 (a) | 2,400,000 | 2,417,243 |
| GB Trust (a)(b) | | |
| Series 2020-FLIX, Class C 1.673% (1 Month LIBOR + 1.60%), due 8/15/37 | 1,300,000 | 1,303,643 |
| Series 2020-FLIX, Class D 2.423% (1 Month LIBOR + 2.35%), due 8/15/37 | 1,920,000 | 1,924,220 |

| | Principal Amount | Value |
|---|---|---|
| **Mortgage-Backed Securities (continued)** | | |
| **Commercial Mortgage Loans (Collateralized Mortgage Obligations) (continued)** | | |
| GS Mortgage Securities Corp. Trust | | |
| Series 2019-BOCA, Class A | | |
| 1.273% (1 Month LIBOR + 1.20%), | | |
| due 6/15/38 (a)(b) | $ 4,480,000 | $ 4,488,326 |
| GS Mortgage Securities Trust | | |
| Series 2017-GS7, Class A4 | | |
| 3.43%, due 8/10/50 | 2,990,000 | 3,289,637 |
| Hudson Yards Mortgage Trust | | |
| Series 2019-30HY, Class A | | |
| 3.228%, due 7/10/39 (a) | 1,580,000 | 1,719,926 |
| J.P. Morgan Chase Commercial Mortgage Securities Corp. | | |
| Series 2018-AON, Class B | | |
| 4.379%, due 7/5/31 (a)(h) | 1,960,000 | 2,067,926 |
| JPMBB Commercial Mortgage Securities Trust | | |
| Series 2014-C26, Class A3 | | |
| 3.231%, due 1/15/48 | 2,044,974 | 2,167,006 |
| Manhattan West Mortgage Trust | | |
| Series 2020-1MW, Class A | | |
| 2.13%, due 9/10/39 (a) | 1,725,000 | 1,764,309 |
| Morgan Stanley Bank of America Merrill Lynch Trust | | |
| Series 2015-C23, Class A3 | | |
| 3.451%, due 7/15/50 | 1,391,014 | 1,499,437 |
| One Bryant Park Trust | | |
| Series 2019-OBP, Class A | | |
| 2.516%, due 9/15/54 (a) | 4,585,000 | 4,747,589 |
| SLG Office Trust | | |
| Series 2021-OVA, Class D | | |
| 2.851%, due 7/15/41 (a) | 1,600,000 | 1,614,119 |
| UBS-Barclays Commercial Mortgage Trust | | |
| Series 2013-C6, Class B | | |
| 3.875%, due 4/10/46 (a)(i) | 1,485,000 | 1,500,954 |
| Wells Fargo Commercial Mortgage Trust | | |
| Series 2019-C53, Class A3 | | |
| 2.787%, due 10/15/52 | 1,005,000 | 1,054,147 |
| Series 2019-C53, Class A4 | | |
| 3.04%, due 10/15/52 | 3,566,000 | 3,852,787 |
| Series 2018-1745, Class A | | |
| 3.874%, due 6/15/36 (a)(h) | 2,900,000 | 3,226,230 |
| Series 2018-AUS, Class A | | |
| 4.194%, due 8/17/36 (a)(h) | 4,325,000 | 4,890,149 |
| WFRBS Commercial Mortgage Trust | | |
| Series 2012-C7, Class AS | | |
| 4.09%, due 6/15/45 (i) | 2,290,000 | 2,318,582 |
| | | 74,327,193 |

| | Principal Amount | Value |
|---|---|---|
| **Whole Loan (Collateralized Mortgage Obligations) 8.3%** | | |
| Alternative Loan Trust | | |
| Series 2005-31, Class 1A1 | | |
| 0.651% (1 Month LIBOR + 0.56%), | | |
| due 8/25/35 (b) | $ 3,152,141 | $ 2,997,340 |
| Chase Home Lending Mortgage Trust | | |
| Series 2019-ATR2, Class A3 | | |
| 3.50%, due 7/25/49 (a)(i) | 336,000 | 345,602 |
| Connecticut Avenue Securities Trust | | |
| Series 2020-R02, Class 2M2 | | |
| 2.091% (1 Month LIBOR + 2.00%), | | |
| due 1/25/40 (a)(b) | 4,127,462 | 4,145,654 |
| FHLMC STACR REMIC Trust | | |
| Series 2020-DNA6, Class M2 | | |
| 2.018% (SOFR 30A + 2.00%), due | | |
| 12/25/50 (a)(b) | 4,235,000 | 4,280,060 |
| FHLMC STACR Trust (a)(b) | | |
| Series 2018-DNA2, Class M2 | | |
| 2.242% (1 Month LIBOR + 2.15%), | | |
| due 12/25/30 | 2,500,000 | 2,527,890 |
| Series 2019-DNA3, Class B1 | | |
| 3.341% (1 Month LIBOR + 3.25%), | | |
| due 7/25/49 | 2,240,000 | 2,260,103 |
| Series 2018-DNA2, Class B1 | | |
| 3.791% (1 Month LIBOR + 3.70%), | | |
| due 12/25/30 | 3,095,000 | 3,213,933 |
| Series 2019-DNA2, Class B1 | | |
| 4.442% (1 Month LIBOR + 4.35%), | | |
| due 3/25/49 | 1,100,000 | 1,142,183 |
| FHLMC Structured Agency Credit Risk Debt Notes (b) | | |
| Series 2017-DNA3, Class M2 | | |
| 2.591% (1 Month LIBOR + 2.50%), | | |
| due 3/25/30 | 1,240,000 | 1,267,606 |
| Series 2017-HQA1, Class M2 | | |
| 3.642% (1 Month LIBOR + 3.55%), | | |
| due 8/25/29 | 3,220,349 | 3,331,551 |
| Series 2016-DNA4, Class M3 | | |
| 3.891% (1 Month LIBOR + 3.80%), | | |
| due 3/25/29 | 2,121,500 | 2,196,905 |
| Series 2016-HQA3, Class M3 | | |
| 3.941% (1 Month LIBOR + 3.85%), | | |
| due 3/25/29 | 5,458,561 | 5,655,040 |
| Series 2016-HQA4, Class M3 | | |
| 3.992% (1 Month LIBOR + 3.90%), | | |
| due 4/25/29 | 2,137,585 | 2,226,753 |
| FNMA (b) | | |
| Series 2017-C05, Class 1M2 | | |
| 2.292% (1 Month LIBOR + 2.20%), | | |
| due 1/25/30 | 1,325,210 | 1,346,335 |



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| | Principal Amount | Value |
|---|---|---|
| **Mortgage-Backed Securities (continued)** | | |
| **Whole Loan (Collateralized Mortgage Obligations) (continued)** | | |
| FNMA (b) (continued) | | |
| Series 2017-C07, Class 2M2 | | |
| 2.591% (1 Month LIBOR + 2.50%), due 5/25/30 | $ 1,805,243 | $ 1,827,087 |
| Series 2018-C04, Class 2M2 | | |
| 2.642% (1 Month LIBOR + 2.55%), due 12/25/30 | 2,631,415 | 2,678,357 |
| Series 2017-C03, Class 1M2 | | |
| 3.092% (1 Month LIBOR + 3.00%), due 10/25/29 | 1,288,011 | 1,328,047 |
| Series 2017-C02, Class 2M2 | | |
| 3.742% (1 Month LIBOR + 3.65%), due 9/25/29 | 2,405,810 | 2,493,170 |
| Series 2016-C06, Class 1M2 | | |
| 4.341% (1 Month LIBOR + 4.25%), due 4/25/29 | 2,963,347 | 3,080,423 |
| Series 2016-C07, Class 2M2 | | |
| 4.442% (1 Month LIBOR + 4.35%), due 5/25/29 | 3,171,385 | 3,324,297 |
| Galton Funding Mortgage Trust | | |
| Series 2018-2, Class A51 | | |
| 4.50%, due 10/25/58 (a)(i) | 1,750,000 | 1,802,220 |
| GreenPoint Mortgage Funding Trust | | |
| Series 2007-AR3, Class A1 | | |
| 0.312% (1 Month LIBOR + 0.22%), due 6/25/37 (b) | 671,968 | 668,638 |
| Mello Warehouse Securitization Trust | | |
| Series 2021-1, Class B | | |
| 0.992% (1 Month LIBOR + 0.90%), due 2/25/55 (a)(b) | 1,600,000 | 1,604,212 |
| New Residential Mortgage Loan Trust (a) | | |
| Series 2019-5A, Class B7 | | |
| 4.459%, due 8/25/59 (h) | 3,664,951 | 2,993,718 |
| Series 2019-4A, Class B6 | | |
| 4.77%, due 12/25/58 (i) | 3,198,085 | 2,563,631 |
| Series 2019-2A, Class B6 | | |
| 4.963%, due 12/25/57 (i) | 1,294,982 | 947,014 |
| NewRez Warehouse Securitization Trust | | |
| Series 2021-1, Class B | | |
| 0.992% (1 Month LIBOR + 0.90%), due 5/25/55 (a)(b) | 4,615,000 | 4,619,419 |
| OBX Trust | | |
| Series 2021-J1, Class A1 | | |
| 2.50%, due 5/25/51 (a)(i) | 2,567,438 | 2,601,836 |
| Sequoia Mortgage Trust (a)(i) | | |
| Series 2021-4, Class A1 | | |
| 2.50%, due 6/25/51 | 2,109,215 | 2,137,474 |

| | Principal Amount | Value |
|---|---|---|
| **Whole Loan (Collateralized Mortgage Obligations) (continued)** | | |
| Sequoia Mortgage Trust (a)(i) (continued) | | |
| Series 2017-1, Class A4 | | |
| 3.50%, due 2/25/47 | $ 130,740 | $ 130,946 |
| Series 2018-7, Class B3 | | |
| 4.217%, due 9/25/48 | 1,605,968 | 1,654,803 |
| STACR Trust (a)(b) | | |
| Series 2018-DNA3, Class M2 | | |
| 2.192% (1 Month LIBOR + 2.10%), due 9/25/48 | 2,025,000 | 2,051,625 |
| Series 2018-HRP2, Class M3 | | |
| 2.491% (1 Month LIBOR + 2.40%), due 2/25/47 | 5,750,000 | 5,856,074 |
| WaMu Mortgage Pass-Through Certificates Trust | | |
| Series 2006-AR9, Class 2A | | |
| 1.843% (11th District Cost of Funds Index + 1.50%), due 8/25/46 (b) | 945,022 | 924,966 |
| | | 82,224,912 |
| Total Mortgage-Backed Securities (Cost $181,929,571) | | 187,319,139 |
| **Municipal Bond 0.3%** | | |
| **California 0.3%** | | |
| Regents of the University of California Medical Center, Pooled Revenue Bonds | | |
| Series N | | |
| 3.006%, due 5/15/50 | 3,170,000 | 3,268,603 |
| Total Municipal Bond (Cost $3,170,000) | | 3,268,603 |
| **U.S. Government & Federal Agencies 3.9%** | | |
| **Federal National Mortgage Association (Mortgage Pass-Through Security) 0.2%** | | |
| UMBS, 30 Year | | |
| 2.00%, due 10/1/50 | 2,376,054 | 2,402,503 |
| **United States Treasury Bond 0.0% ‡** | | |
| U.S. Treasury Bonds | | |
| 2.375%, due 5/15/51 | 200,000 | 213,531 |
| **United States Treasury Inflation - Indexed Notes 3.7%** | | |
| U.S. Treasury Inflation Linked Notes (j) | | |
| 0.125%, due 1/15/30 | 5,246,938 | 5,759,266 |

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

| | Principal Amount | Value |
|---|---|---|
| **U.S. Government & Federal Agencies (continued)** | | |
| **United States Treasury Inflation - Indexed Notes (continued)** | | |
| U.S. Treasury Inflation Linked Notes (j) (continued) | | |
| 0.75%, due 7/15/28 | $ 10,197,386 | $ 11,699,908 |
| 0.875%, due 1/15/29 | 16,139,434 | 18,673,409 |
| | | 36,132,583 |
| Total U.S. Government & Federal Agencies (Cost $35,547,375) | | 38,748,617 |
| Total Long-Term Bonds (Cost $850,847,974) | | 891,607,584 |

| | | Shares | |
|---|---|---|---|
| **Short-Term Investments 10.5%** | | | |
| **Affiliated Investment Company 10.3%** | | | |
| MainStay U.S. Government Liquidity Fund, 0.01% (k) | | 101,945,025 | 101,945,025 |
| **Unaffiliated Investment Company 0.2%** | | | |
| Wells Fargo Government Money Market Fund, 0.025% (k)(l) | | 2,060,506 | 2,060,506 |
| Total Short-Term Investments (Cost $104,005,531) | | | 104,005,531 |
| Total Investments (Cost $954,853,505) | 100.5% | | 995,613,115 |
| Other Assets, Less Liabilities | (0.5) | | (4,942,829) |
| Net Assets | 100.0% | | $ 990,670,286 |

† Percentages indicated are based on Portfolio net assets.

‡ Less than one-tenth of a percent.

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

(b) Floating rate—Rate shown was the rate in effect as of June 30, 2021.

(c) Delayed delivery security.

(d) Fixed to floating rate—Rate shown was the rate in effect as of June 30, 2021.

(e) Security is perpetual and, thus, does not have a predetermined maturity date. The date shown, if applicable, reflects the next call date.

(f) All or a portion of this security was held on loan. As of June 30, 2021, the aggregate market value of securities on loan was $1,989,253. The Portfolio received cash collateral with a value of $2,060,506. (See Note 2(N))

(g) Step coupon—Rate shown was the rate in effect as of June 30, 2021.

(h) Collateral strip rate—A bond whose interest was based on the weighted net interest rate of the collateral. The coupon rate adjusts periodically based on a predetermined schedule. Rate shown was the rate in effect as of June 30, 2021.

(i) Coupon rate may change based on changes of the underlying collateral or prepayments of principal. Rate shown was the rate in effect as of June 30, 2021.

(j) Treasury Inflation Protected Security—Pays a fixed rate of interest on a principal amount that is continuously adjusted for inflation based on the Consumer Price Index-Urban Consumers.

(k) Current yield as of June 30, 2021.

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

## Foreign Currency Forward Contracts

As of June 30, 2021, the Portfolio held the following foreign currency forward contracts[1]:

| Currency Purchased | | Currency Sold | | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|
| USD | 2,767,361 | EUR | 2,287,000 | JPMorgan Chase Bank N.A. | 8/2/21 | $ 53,758 |
| USD | 615,149 | GBP | 442,000 | JPMorgan Chase Bank N.A. | 8/2/21 | 3,672 |
| Total Unrealized Appreciation | | | | | | 57,430 |
| EUR | 1,230,000 | USD | 1,501,803 | JPMorgan Chase Bank N.A. | 8/2/21 | (42,366) |
| Total Unrealized Depreciation | | | | | | (42,366) |
| Net Unrealized Appreciation | | | | | | $ 15,064 |

1. Foreign Currency Forward Contracts are subject to limitations such that they cannot be “sold or repurchased,” although the Portfolio would be able to exit the transaction through other means, such as through the execution of an offsetting transaction.

## Futures Contracts

As of June 30, 2021, the Portfolio held the following futures contracts[1]:

| Type | Number of Contracts | Expiration Date | Value at Trade Date | Current Notional Amount | Unrealized Appreciation (Depreciation)[2] |
|---|---|---|---|---|---|
| **Long Contracts** | | | | | |
| U.S. Treasury 2 Year Notes | 357 | September 2021 | $ 78,784,571 | $ 78,654,351 | $ (130,220) |
| U.S. Treasury Long Bonds | 196 | September 2021 | 31,198,018 | 31,507,000 | 308,982 |
| Total Long Contracts | | | | | 178,762 |
| **Short Contracts** | | | | | |
| U.S. Treasury 5 Year Notes | (839) | September 2021 | (103,490,234) | (103,557,508) | (67,274) |
| U.S. Treasury 10 Year Notes | (873) | September 2021 | (115,442,534) | (115,672,500) | (229,966) |
| U.S. Treasury 10 Year Ultra Bonds | (183) | September 2021 | (26,773,913) | (26,938,172) | (164,259) |
| U.S. Treasury Ultra Bonds | (88) | September 2021 | (16,326,307) | (16,956,500) | (630,193) |
| Total Short Contracts | | | | | (1,091,692) |
| Net Unrealized Depreciation | | | | | $ (912,930) |

1. As of June 30, 2021, cash in the amount of $2,410,274 was on deposit with a broker or futures commission merchant for futures transactions.
2. Represents the difference between the value of the contracts at the time they were opened and the value as of June 30, 2021.

## Swap Contracts

As of June 30, 2021, the Portfolio held the following centrally cleared interest rate swap agreements[1]:

| Notional Amount | Currency | Expiration Date | Payments made by Portfolio | Payments Received by Portfolio | Payment Frequency Paid/ Received | Upfront Premiums Paid/ (Received) | Value | Unrealized Appreciation/ (Depreciation) |
|---|---|---|---|---|---|---|---|---|
| $ 50,000,000 | USD | 3/16/23 | Fixed 2.793% | 3 month USD LIBOR | Quarterly | $ — | $ (2,162,481) | $ (2,162,481) |
| 50,000,000 | USD | 3/29/23 | Fixed 2.762% | 3 month USD LIBOR | Quarterly | — | (2,171,499) | (2,171,499) |
| | | | | | | $ — | $ (4,333,980) | $ (4,333,980) |

1. As of June 30, 2021, cash in the amount of $901,765 was on deposit with a broker for centrally cleared swap agreements.

Abbreviation(s):

EUR—Euro

FHLMC—Federal Home Loan Mortgage Corp.

FNMA—Federal National Mortgage Association

GBP—British Pound Sterling

GNMA—Government National Mortgage Association

LIBOR—London Interbank Offered Rate

REMIC—Real Estate Mortgage Investment Conduit

SOFR—Secured Overnight Financing Rate

UMBS—Uniform Mortgage Backed Securities

USD—United States Dollar

The following is a summary of the fair valuations according to the inputs used as of June 30, 2021, for valuing the Portfolio's assets and liabilities:

| Description | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|---|---|---|---|---|
| **Asset Valuation Inputs** | | | | |
| Investments in Securities (a) | | | | |
| Long-Term Bonds | | | | |
| Asset-Backed Securities | $ — | $ 90,496,715 | $ — | $ 90,496,715 |
| Corporate Bonds | — | 506,309,690 | — | 506,309,690 |
| Foreign Government Bonds | — | 29,328,393 | — | 29,328,393 |
| Loan Assignments | — | 36,136,427 | — | 36,136,427 |
| Mortgage-Backed Securities | — | 187,319,139 | — | 187,319,139 |
| Municipal Bond | — | 3,268,603 | — | 3,268,603 |
| U.S. Government & Federal Agencies | — | 38,748,617 | — | 38,748,617 |
| Total Long-Term Bonds | — | 891,607,584 | — | 891,607,584 |
| Short-Term Investments | | | | |
| Affiliated Investment Company | 101,945,025 | — | — | 101,945,025 |
| Unaffiliated Investment Company | 2,060,506 | — | — | 2,060,506 |
| Total Short-Term Investments | 104,005,531 | — | — | 104,005,531 |
| Total Investments in Securities | 104,005,531 | 891,607,584 | — | 995,613,115 |
| Other Financial Instruments | | | | |
| Foreign Currency Forward Contracts (b) | — | 57,430 | — | 57,430 |
| Futures Contracts (b) | 308,982 | — | — | 308,982 |
| Total Other Financial Instruments | 308,982 | 57,430 | — | 366,412 |
| Total Investments in Securities and Other Financial Instruments | $ 104,314,513 | $ 891,665,014 | $ — | $ 995,979,527 |
| **Liability Valuation Inputs** | | | | |
| Other Financial Instruments | | | | |
| Foreign Currency Forward Contracts (b) | $ — | $ (42,366) | $ — | $ (42,366) |
| Futures Contracts (b) | (1,221,912) | — | — | (1,221,912) |
| Interest Rate Swaps (b) | — | (4,333,980) | — | (4,333,980) |
| Total Other Financial Instruments | $ (1,221,912) | $ (4,376,346) | $ — | $ (5,598,258) |

(a) For a complete listing of investments and their industries, see the Portfolio of Investments.
(b) The value listed for these securities reflects unrealized appreciation (depreciation) as shown on the Portfolio of Investments.

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

## Assets

| | |
|---|---|
| Investment in unaffiliated securities, at value (identified cost $852,908,480) including securities on loan of $1,989,253 | $ 893,668,090 |
| Investment in affiliated investment companies, at value (identified cost $101,945,025) | 101,945,025 |
| Cash | 5,525,612 |
| Cash denominated in foreign currencies (identified cost $1,915,586) | 1,872,092 |
| Cash collateral on deposit at broker for futures contracts | 2,410,274 |
| Cash collateral on deposit at broker for swap contracts | 901,765 |
| Receivables: | |
| Investment securities sold | 6,987,040 |
| Interest | 6,208,083 |
| Securities lending | 1,158 |
| Portfolio shares sold | 300 |
| Unrealized appreciation on foreign currency forward contracts | 57,430 |
| Other assets | 14,243 |
| Total assets | 1,019,591,112 |

## Liabilities

| | |
|---|---|
| Cash collateral received for securities on loan | 2,060,506 |
| Payables: | |
| Investment securities purchased | 19,777,513 |
| Variation margin on centrally cleared swap contracts | 5,589,601 |
| Portfolio shares redeemed | 493,641 |
| Manager (See Note 3) | 468,543 |
| NYLIFE Distributors (See Note 3) | 198,747 |
| Shareholder communication | 93,041 |
| Professional fees | 61,980 |
| Variation margin on futures contracts | 58,634 |
| Broker fees and charges on short sales | 51,986 |
| Custodian | 23,908 |
| Trustees | 161 |
| Accrued expenses | 199 |
| Unrealized depreciation on foreign currency forward contracts | 42,366 |
| Total liabilities | 28,920,826 |
| Net assets | $ 990,670,286 |

## Composition of Net Assets

| | |
|---|---|
| Shares of beneficial interest outstanding (par value of $.001 per share) unlimited number of shares authorized | $ 96,624 |
| Additional paid-in-capital | 990,501,531 |
| | 990,598,155 |
| Total distributable earnings (loss) | 72,131 |
| Net assets | $ 990,670,286 |

**Initial Class**

| | |
|---|---|
| Net assets applicable to outstanding shares | $ 24,026,610 |
| Shares of beneficial interest outstanding | 2,335,504 |
| Net asset value per share outstanding | $ 10.29 |

**Service Class**

| | |
|---|---|
| Net assets applicable to outstanding shares | $966,643,676 |
| Shares of beneficial interest outstanding | 94,288,893 |
| Net asset value per share outstanding | $ 10.25 |

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

## Investment Income (Loss)

| | |
|---|---|
| **Income** | |
| Interest | $ 16,758,087 |
| Securities lending | 5,332 |
| Dividends-affiliated | 3,339 |
| Other | 115,007 |
| Total income | 16,881,765 |
| **Expenses** | |
| Manager (See Note 3) | 2,838,009 |
| Distribution/Service—Service Class (See Note 3) | 1,204,959 |
| Professional fees | 69,122 |
| Shareholder communication | 51,596 |
| Broker fees and charges on short sales | 51,570 |
| Interest on investments sold short | 30,201 |
| Custodian | 21,919 |
| Trustees | 10,359 |
| Miscellaneous | 16,742 |
| Total expenses | 4,294,477 |
| Net investment income (loss) | 12,587,288 |

## Realized and Unrealized Gain (Loss)

| | |
|---|---|
| Net realized gain (loss) on: | |
| Unaffiliated investment transactions | 20,228,205 |
| Futures transactions | 7,849,411 |
| Investments sold short | (323,725) |
| Swap transactions | (1,303,362) |
| Foreign currency transactions | 177,845 |
| Foreign currency forward transactions | (96,029) |
| Net realized gain (loss) | 26,532,345 |
| Net change in unrealized appreciation (depreciation) on: | |
| Unaffiliated investments | (24,767,051) |
| Futures contracts | (1,191,205) |
| Investments sold short | 206,075 |
| Swap contracts | 1,412,191 |
| Foreign currency forward contracts | 240,842 |
| Translation of other assets and liabilities in foreign currencies | (54,351) |
| Net change in unrealized appreciation (depreciation) | (24,153,499) |
| Net realized and unrealized gain (loss) | 2,378,846 |
| Net increase (decrease) in net assets resulting from operations | $ 14,966,134 |



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

# Statements of Changes in Net Assets

**for the six months ended June 30, 2021 (Unaudited) and the year ended December 31, 2020**

| | 2021 | 2020 |
|---|---|---|
| **Increase (Decrease) in Net Assets** | | |
| Operations: | | |
| Net investment income (loss) | $ 12,587,288 | $ 25,072,270 |
| Net realized gain (loss) | 26,532,345 | (12,109,969) |
| Net change in unrealized appreciation (depreciation) | (24,153,499) | 36,714,085 |
| Net increase (decrease) in net assets resulting from operations | 14,966,134 | 49,676,386 |
| Distributions to shareholders: | | |
| Initial Class | (296,669) | (692,907) |
| Service Class | (11,035,016) | (22,210,493) |
| | (11,331,685) | (22,903,400) |
| Distributions to shareholders from return of capital: | | |
| Initial Class | — | (16,255) |
| Service Class | — | (521,050) |
| | — | (537,305) |
| Total distributions to shareholders | (11,331,685) | (23,440,705) |
| Capital share transactions: | | |
| Net proceeds from sales of shares | 22,661,941 | 75,789,465 |
| Net asset value of shares issued to shareholder in reinvestment of distributions | 11,331,685 | 23,440,705 |
| Cost of shares redeemed | (38,817,128) | (173,638,542) |
| Increase (decrease) in net assets derived from capital share transactions | (4,823,502) | (74,408,372) |
| Net increase (decrease) in net assets | (1,189,053) | (48,172,691) |
| **Net Assets** | | |
| Beginning of period | 991,859,339 | 1,040,032,030 |
| End of period | $990,670,286 | $ 991,859,339 |

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

# Financial Highlights selected per share data and ratios

| Initial Class | Six months ended June 30, 2021* | Year Ended December 31, 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| Net asset value at beginning of period | $ 10.25 | $ 9.92 | $ 9.60 | $ 10.06 | $ 9.90 | $ 9.54 |
| Net investment income (loss) (a) | 0.15 | 0.28 | 0.29 | 0.30 | 0.29 | 0.37 |
| Net realized and unrealized gain (loss) on investments | 0.02 | 0.33 | 0.38 | (0.43) | 0.18 | 0.33 |
| Net realized and unrealized gain (loss) on foreign currency transactions | 0.00‡ | (0.01) | 0.00‡ | 0.00‡ | 0.00‡ | 0.01 |
| Total from investment operations | 0.17 | 0.60 | 0.67 | (0.13) | 0.47 | 0.71 |
| **Less distributions:** | | | | | | |
| From net investment income | (0.13) | (0.26) | (0.35) | (0.33) | (0.31) | (0.35) |
| Return of capital | — | (0.01) | — | — | — | — |
| Total distributions | (0.13) | (0.27) | (0.35) | (0.33) | (0.31) | (0.35) |
| Net asset value at end of period | $ 10.29 | $ 10.25 | $ 9.92 | $ 9.60 | $ 10.06 | $ 9.90 |
| Total investment return (b) | 1.64% | 6.12% | 7.06% | (1.21)% | 4.81% | 7.50% |
| **Ratios (to average net assets)/Supplemental Data:** | | | | | | |
| Net investment income (loss) | 2.85%†† | 2.84% | 2.96% | 3.04% | 2.89% | 3.80% |
| Net expenses (c)(d) | 0.63%†† | 0.70% | 0.76% | 0.75% | 0.67% | 0.72% |
| Portfolio turnover rate | 31% | 52%(e) | 51%(e) | 33% | 32% | 34% |
| Net assets at end of period (in 000's) | $ 24,027 | $ 22,538 | $ 49,296 | $ 116,901 | $ 137,454 | $ 122,586 |

* Unaudited.
‡ Less than one cent per share.
†† Annualized.
(a) Per share data based on average shares outstanding during the period.
(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.
(d) The expense ratios presented below show the impact of short sales expense:

| Period Ended | Net Expenses (excluding short sale expenses) | Short Sales Expenses |
|---|---|---|
| June 30, 2021*†† | 0.61% | 0.02% |
| December 31, 2020 | 0.62% | 0.08% |
| December 31, 2019 | 0.61% | 0.15% |
| December 31, 2018 | 0.60% | 0.15% |
| December 31, 2017 | 0.60% | 0.07% |
| December 31, 2016 | 0.62% | 0.10% |

(e) The portfolio turnover rate not including mortgage dollar rolls was 51% and 45% for the years ended December 31, 2020 and 2019, respectively.



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

# Financial Highlights selected per share data and ratios

| Service Class | Six months ended June 30, 2021* | Year Ended December 31, 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| Net asset value at beginning of period | $ 10.21 | $ 9.89 | $ 9.57 | $ 10.03 | $ 9.87 | $ 9.51 |
| Net investment income (loss) (a) | 0.13 | 0.26 | 0.26 | 0.28 | 0.26 | 0.34 |
| Net realized and unrealized gain (loss) on investments | 0.03 | 0.31 | 0.39 | (0.43) | 0.19 | 0.33 |
| Net realized and unrealized gain (loss) on foreign currency transactions | 0.00‡ | (0.01) | 0.00‡ | 0.00‡ | 0.00‡ | 0.01 |
| Total from investment operations | 0.16 | 0.56 | 0.65 | (0.15) | 0.45 | 0.68 |
| **Less distributions:** | | | | | | |
| From net investment income | (0.12) | (0.23) | (0.33) | (0.31) | (0.29) | (0.32) |
| Return of capital | — | (0.01) | — | — | — | — |
| Total distributions | (0.12) | (0.24) | (0.33) | (0.31) | (0.29) | (0.32) |
| Net asset value at end of period | $ 10.25 | $ 10.21 | $ 9.89 | $ 9.57 | $ 10.03 | $ 9.87 |
| Total investment return (b) | 1.52% | 5.86% | 6.80% | (1.46)% | 4.55% | 7.23% |
| **Ratios (to average net assets)/Supplemental Data:** | | | | | | |
| Net investment income (loss) | 2.54%†† | 2.59% | 2.66% | 2.79% | 2.64% | 3.54% |
| Net expenses (c)(d) | 0.88%†† | 0.93% | 1.01% | 1.00% | 0.92% | 0.97% |
| Portfolio turnover rate | 31% | 52%(e) | 51%(e) | 33% | 32% | 34% |
| Net assets at end of period (in 000's) | $ 966,644 | $ 969,321 | $ 990,736 | $ 999,100 | $ 1,064,435 | $ 882,928 |

* Unaudited.
‡ Less than one cent per share.
†† Annualized.
(a) Per share data based on average shares outstanding during the period.
(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.
(d) The expense ratios presented below show the impact of short sales expense:

| Period Ended | Net Expenses (excluding short sale expenses) | Short Sales Expenses |
|---|---|---|
| June 30, 2021*†† | 0.86% | 0.02% |
| December 31, 2020 | 0.86% | 0.07% |
| December 31, 2019 | 0.86% | 0.15% |
| December 31, 2018 | 0.85% | 0.15% |
| December 31, 2017 | 0.85% | 0.07% |
| December 31, 2016 | 0.87% | 0.10% |

(e) The portfolio turnover rate not including mortgage dollar rolls was 51% and 45% for the years ended December 31, 2020 and 2019, respectively.

# Notes to Financial Statements (Unaudited)

## 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 Strategic Bond Portfolio (formerly known as MainStay VP MacKay Unconstrained Bond 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 Growth Allocation Portfolio (formerly known as MainStay VP Moderate Growth Allocation Portfolio) and MainStay VP Equity Allocation Portfolio (formerly known as MainStay VP Growth Allocation Portfolio), which operate as “funds-of-funds," and other variable insurance funds.

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

| Class | Commenced Operations |
|---|---|
| Initial Class | April 29, 2011 |
| Service Class | April 29, 2011 |

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 total return by investing primarily in domestic and foreign debt securities.

## 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 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.

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

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

"Fair value" is defined as the price the 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 that maximizes the use of observable market data and minimizes the use of unobservable inputs to establish a classification of fair value measurements for disclosure purposes. "Inputs" refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as the risk inherent in a particular valuation technique used to measure fair value using a pricing model and/or the risk inherent in the inputs for the valuation technique. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the 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. The aggregate value by input level of the Portfolio's assets and liabilities as of June 30, 2021, is included at the end of the Portfolio of Investments.

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

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

An asset or liability for which market values cannot be measured using the methodologies described above is valued by methods deemed reasonable in good faith by the Valuation Committee, following the procedures established by the Board, to represent fair value. Under these procedures, the Portfolio generally uses a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant information. The Portfolio may also use an income-based valuation approach in which the anticipated future cash flows of the asset or liability are discounted to calculate fair value. Discounts may also be applied due to the nature and/or duration of any restrictions on the disposition of the asset or liability. Fair value represents a good faith approximation of the value of a security. Fair value determinations involve the consideration of a number of subjective factors, an analysis of applicable facts and circumstances and the exercise of judgment. As a result, it is possible that the fair value for a security determined in good faith in accordance with the Portfolio's valuation procedures may differ from valuations for the same security determined by other funds using their own valuation procedures. Although the Portfolio's valuation procedures are designed to value a security at the price the Portfolio may reasonably expect to receive upon the security's sale in an orderly transaction, there can be no assurance that any fair value determination thereunder would, in fact, approximate the amount that the Portfolio would actually realize upon the sale of the security or the price at which the security would trade if a reliable market price were readily available. During the six-month period ended June 30, 2021, there were no material changes to the fair value methodologies.

Securities which may be valued in this manner include, but are not limited to: (i) a security for which trading has been halted or suspended; (ii) a debt security that has recently gone into default and for which there is not a current market quotation; (iii) a security of an issuer that has entered into a restructuring; (iv) a security that has been delisted from a national exchange; (v) a security for which the market price is not readily available from a third-party pricing source or, if so provided, does not, in the opinion of the Manager or the Subadvisor, reflect the security's market value; (vi) a security subject to trading collars for which no or limited trading takes place; and (vii) a security whose principal market has been temporarily closed at a time when, under normal conditions, it would be open. Securities valued in this manner are generally categorized as Level 3 in the hierarchy. No securities held by the Portfolio as of June 30, 2021 were fair valued in such a manner.

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

Futures contracts are valued at the last posted settlement price on the market where such futures are primarily traded. These securities are generally categorized as Level 1 in the hierarchy.

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

Debt securities (other than convertible and municipal bonds) are valued at the evaluated bid prices (evaluated mean prices in the case of convertible and municipal bonds) supplied by a pricing agent or broker selected by the Manager, in consultation with the Subadvisor. The evaluations are market-based measurements processed through a pricing application and represents the pricing agent's good faith determination as to what a holder may receive in an orderly transaction under market conditions. The rules-based logic utilizes valuation techniques that reflect participants' assumptions and vary by asset class and per methodology, maximizing the use of relevant observable data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs. The evaluated bid or mean prices are deemed by the Manager, in consultation with the Subadvisor, to be representative of market values at the regular close of trading of the Exchange on each valuation date. Debt securities purchased on a delayed delivery basis are marked to market daily until settlement at the forward settlement date. Debt securities, including corporate bonds, U.S. government and federal agency bonds, municipal bonds, foreign bonds, convertible bonds, asset-backed securities and mortgage-backed securities are generally categorized as Level 2 in the hierarchy.

Foreign currency forward contracts are valued at their fair market values measured on the basis of the mean between the last current bid and ask prices based on dealer or exchange quotations and are generally categorized as Level 2 in the hierarchy.

Loan assignments, participations and commitments are valued at the average of bid quotations obtained from the engaged independent pricing service and are generally categorized as Level 2 in the hierarchy. Certain loan assignments, participations and commitments may be valued by utilizing significant unobservable inputs obtained from the pricing service and are generally categorized as Level 3 in the hierarchy.

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

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

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

The Manager evaluates the Portfolio's tax positions to determine if the tax positions taken meet the minimum recognition threshold in connection with accounting for uncertainties in income tax positions taken or expected to be taken for the purposes of measuring and recognizing tax liabilities in the financial statements. Recognition of tax benefits of an uncertain tax position is permitted only to the extent the position is "more likely than not" to be sustained assuming examination by taxing authorities. The Manager analyzed the Portfolio's tax positions taken on federal, state and local income tax returns for all open tax years (for up to three tax years) and has concluded that no provisions for federal, state and local income tax are required in the Portfolio's financial statements. The Portfolio's federal, state and local income tax and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state and local departments of revenue.

**(C) Foreign Taxes.** The Portfolio may be subject to foreign taxes on income and other transaction-based taxes imposed by certain countries in which it invests. A portion of the taxes on gains on investments or currency purchases/repatriation may be reclaimable. The Portfolio will accrue such taxes and reclaims as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

The Portfolio may be subject to taxation on realized capital gains, repatriation proceeds and other transaction-based taxes imposed by certain countries in which it invests. The Portfolio will accrue such taxes as applicable based upon its current interpretation of tax rules and regulations that exist in the market in which it invests. Capital gains taxes relating to positions still held are reflected as a liability in the Statement of Assets and Liabilities, as well as an adjustment to the Portfolio's net unrealized appreciation (depreciation). Taxes related to capital gains realized, if any, are reflected as part of net realized gain (loss) in the Statement of Operations. Changes in tax liabilities related to capital gains taxes on unrealized investment gains, if any, are reflected as part of the change in net unrealized appreciation (depreciation) on investments in the Statement of Operations. Transaction-based charges are generally assessed as a percentage of the transaction amount.

**(D) Dividends and Distributions to Shareholders.** Dividends and distributions are recorded on the ex-dividend date. The Portfolio intends to declare and pay dividends from net investment income and distributions from net realized capital and currency gains, if any, at least annually. Unless a shareholder elects otherwise, all dividends and distributions are reinvested at NAV in the same class of shares of the Portfolio. Dividends and distributions to shareholders are determined in accordance with federal income tax regulations and may differ from determinations using GAAP.

**(E) Security Transactions and Investment Income.** The Portfolio records security transactions on the trade date. Realized gains and losses on security transactions are determined using the identified cost method. Dividend income is recognized on the ex-dividend date, net of any foreign tax withheld at the source, and interest income is accrued as earned using the effective interest rate method and includes any realized gains and losses from repayments of principal on mortgage-backed securities. Discounts and premiums on securities purchased for the Portfolio are accreted and amortized, respectively, on the effective interest rate method.

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.

The Portfolio may place a debt security on non-accrual status and reduce related interest income by ceasing current accruals and writing off all or a portion of any interest receivables when the collection of all or a portion of such interest has become doubtful. A debt security is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is reasonably assured.

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

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

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

**(H) Futures Contracts.** A futures contract is an agreement to purchase or sell a specified quantity of an underlying instrument at a specified future date and price, or to make or receive a cash payment based on the value of a financial instrument (e.g., foreign currency, interest rate, security or securities index). The Portfolio is subject to risks such as market price risk and/or interest rate risk in the normal course of investing in these contracts. Upon entering into a futures contract, the Portfolio is required to pledge to the broker or futures commission merchant an amount of cash and/or U.S. government securities equal to a certain percentage of the collateral amount, known as the “initial margin.” During the period the futures contract is open, changes in the value of the contract are recognized as unrealized appreciation or depreciation by marking to market such contract on a daily basis to reflect the market value of the contract at the end of each day’s trading. The Portfolio agrees to receive from or pay to the broker or futures commission merchant an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as “variation margin.” When the futures contract is closed, the Portfolio records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Portfolio's basis in the contract.

The use of futures contracts involves, to varying degrees, elements of market risk in excess of the amount recognized in the Statement of Assets and Liabilities. The contract or notional amounts and variation margin reflect the extent of the Portfolio's involvement in open futures positions. There are several risks associated with the use of futures contracts as hedging techniques. There can be no assurance that a liquid market will exist at the time when the Portfolio seeks to close out a futures contract. If no liquid market exists, the Portfolio would remain obligated to meet margin requirements until the position is closed. Futures contracts may involve a small initial investment relative to the risk assumed, which could result in losses greater than if the Portfolio did not invest in futures contracts. Futures contracts may be more volatile than direct investments in the instrument underlying the futures and may not correlate to the underlying instrument, causing a given hedge not to achieve its objectives. The Portfolio's activities in futures contracts have minimal counterparty risk as they are conducted through regulated exchanges that guarantee the futures against default by the counterparty. In the event of a bankruptcy or insolvency of a futures commission merchant that holds margin on behalf of the Portfolio, the Portfolio may not be entitled to the return of the entire margin owed to the Portfolio, potentially resulting in a loss. The Portfolio may invest in futures contracts to seek enhanced returns or to reduce the risk of loss by hedging certain of its holdings. The Portfolio's investment in futures contracts and other derivatives may increase the volatility of the Portfolio's NAVs and may result in a loss to the Portfolio. Open futures contracts as of June 30, 2021 are shown in the Portfolio of Investments.

**(I) Loan Assignments, Participations and Commitments.** The Portfolio may invest in loan assignments and participations ("loans"). Commitments are agreements to make money available to a borrower in a specified amount, at a specified rate and within a specified time. The Portfolio records an investment when the borrower withdraws money on a commitment or when a funded loan is purchased (trade date) and records interest as earned. These loans pay interest at rates that are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank or the London Interbank Offered Rate ("LIBOR").

The loans in which the Portfolio may invest are generally readily marketable, but may be subject to some restrictions on resale. For example, the Portfolio may be contractually obligated to receive approval from the agent bank and/or borrower prior to the sale of these investments. If the Portfolio purchases an assignment from a lender, the Portfolio will generally have direct contractual rights against the borrower in favor of the lender. If the Portfolio purchases a participation interest either from a lender or a participant, the Portfolio typically will have established a direct contractual relationship with the seller of the participation interest, but not with the borrower. Consequently, the Portfolio is subject to the credit risk of the lender or participant who sold the participation interest to the Portfolio, in addition to the usual credit risk of the borrower. In the event that the borrower, selling participant or intermediate participants become insolvent or enter into bankruptcy, the Portfolio may incur certain costs and delays in realizing payment, or may suffer a loss of principal and/or interest.

Unfunded commitments represent the remaining obligation of the Portfolio to the borrower. At any point in time, up to the maturity date of the issue, the borrower may demand the unfunded portion. Unfunded amounts, if any, are marked to market and any unrealized gains or losses are recorded in the Statement of Assets and Liabilities. As of June 30, 2021, the Portfolio did not hold any unfunded commitments.

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

Certain standardized swaps, including certain credit default and interest rate swaps, are subject to mandatory clearing and exchange-trading, and more types of standardized swaps are expected to be subject to mandatory clearing and exchange-trading in the future. The counterparty risk for exchange-traded and cleared derivatives is expected to be generally lower than for uncleared derivatives, but cleared contracts are not risk-free. In a cleared derivative transaction, the Portfolio typically enters into the transaction with a financial institution counterparty, and performance of the transaction is effectively guaranteed by a central clearinghouse, thereby reducing or eliminating the Portfolio's exposure to the credit risk of its original counterparty. The Portfolio will be required to post specified levels of margin with the clearinghouse or at the instruction of the clearinghouse; the margin required by a clearinghouse may be greater than the margin the Portfolio would be required to post in an uncleared transaction. As of June 30, 2021, all swap positions outstanding are shown in the Portfolio of Investments.

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

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

*Interest Rate Swaps* : An interest rate swap is an agreement between two parties where one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps often exchange a fixed payment for a floating payment that is linked to an interest rate (most often LIBOR). The Portfolio will typically use interest rate swaps to limit, or manage, its exposure to fluctuations in interest rates, or to obtain a marginally lower interest rate than it would have been able to get without the swap.

**(K) Foreign Currency Forward Contracts.** The Portfolio may enter into foreign currency forward contracts, which are agreements to buy or sell foreign currencies on a specified future date at a specified rate. The Portfolio is subject to foreign currency exchange rate risk in the normal course of investing in these transactions. During the period the forward contract is open, changes in the value of the contract are recognized as unrealized appreciation or depreciation by marking to market such contract on a daily basis to reflect the market value of the contract at the end of each day's trading. Cash movement occurs on the settlement date. When the forward contract is closed, the Portfolio records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Portfolio's basis in the contract. The Portfolio may purchase and sell foreign currency forward contracts for purposes of seeking to enhance portfolio returns and manage portfolio risk more efficiently. Foreign currency forward contracts may also be used to gain exposure to a particular currency or to hedge against the risk of loss due to changing currency exchange rates. Foreign currency forward contracts to purchase or sell a foreign currency may also be used in anticipation of future purchases or sales of securities denominated in foreign currency, even if the specific investments have not yet been selected.

The use of foreign currency forward contracts involves, to varying degrees, elements of risk in excess of the amount recognized in the Statement of Assets and Liabilities, including counterparty risk, market risk and illiquidity risk. Counterparty risk is heightened for these instruments because foreign currency forward contracts are not exchange-traded and therefore no clearinghouse or exchange stands ready to meet the obligations under such contracts. Thus, the Portfolio faces the risk that its counterparties under such contracts may not perform their obligations. Market risk is the risk that the value of a foreign currency forward contract will depreciate due to unfavorable changes in exchange rates. Illiquidity risk arises because the secondary market for foreign currency forward contracts may have less liquidity relative to markets for other securities and financial instruments. Risks also arise from the possible movements in the foreign exchange rates underlying these instruments. While the Portfolio may enter into forward contracts to reduce currency exchange risks, changes in currency exchange rates may result in poorer overall performance for the Portfolio than if it had not engaged in such transactions. Exchange rate movements can be large, depending on the currency, and can last for extended periods of time, affecting the value of the Portfolio's assets. Moreover, there may be an imperfect correlation between the Portfolio's holdings of securities denominated in a particular currency and forward contracts entered into by the Portfolio. Such imperfect correlation may prevent the Portfolio from achieving the intended hedge or expose the Portfolio to the risk of currency exchange loss. The unrealized appreciation (depreciation) on forward contracts also reflects the Portfolio's exposure at the valuation date to credit loss in the event of a counterparty's failure to perform its obligations. Open foreign currency forward contracts as of June 30, 2021, are shown in the Portfolio of Investments.

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

(i) market value of investment securities, other assets and liabilities— at the valuation date; and

(ii) purchases and sales of investment securities, income and expenses—at the date of such transactions.

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

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

**(M) Securities Sold Short.** The Portfolio may engage in sales of securities it does not own ("short sales") as part of its investment strategies. When the Portfolio enters into a short sale, it must segregate or maintain with a broker the cash proceeds from the security sold short or other securities as collateral for its obligation to deliver the security upon conclusion of the sale. During the period a short position is open, depending on the nature and type of security, a short position is reflected as a liability and is marked to market in accordance with the valuation methodologies previously detailed (See Note 2(A)). Liabilities for securities sold short are closed out by purchasing the applicable securities for delivery to the counterparty broker. A gain, limited to the price at which the Portfolio sold the security short, or a loss, unlimited as to dollar amount, will be recognized upon termination of a short sale if the market price on the date the short position is closed out is less or greater, respectively, than the proceeds originally received. Any such gain or loss may be offset, completely or in part, by the change in the value of the hedged investments. Interest on short positions held is accrued daily, while dividends declared on short positions existing on the record date are recorded on the ex-dividend date as a dividend expense in the Statement of Operations. Broker fees and other expenses related to securities sold short are disclosed in the Statement of Operations. Short sales involve risk of loss in excess of the related amounts reflected in the Statement of Assets and Liabilities. For the six-month period ended June 30, 2021, the Portfolio did not enter into any securities sold short.

**(N) Securities Lending.** In order to realize additional income, the Portfolio may engage in securities lending, subject to the limitations set forth in the 1940 Act and relevant guidance by the staff of the Securities and Exchange Commission ("SEC"). If the Portfolio engages in securities lending, the Portfolio will lend through its custodian, JPMorgan Chase Bank, N.A., ("JPMorgan"), acting as securities lending agent on behalf of the Portfolio. Under the current arrangement, JPMorgan will manage the Portfolio's collateral in accordance with the securities lending agency agreement between the Portfolio and JPMorgan, 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 bears the risk of delay in recovery of, or loss of rights in, the securities loaned. 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. Securities on loan as of June 30, 2021, are shown in the Portfolio of Investments.

Prior to February 22, 2021, these services were provided by State Street Bank and Trust Company ("State Street").

**(O) Dollar Rolls.** The Portfolio may enter into dollar roll transactions in which it sells mortgage-backed securities ("MBS") from its portfolio to a counterparty from whom it simultaneously agrees to buy a similar security on a delayed delivery basis. The Portfolio generally transfers MBS where the MBS are "to be announced," therefore, the Portfolio accounts for these transactions as purchases and sales.

When accounted for as purchase and sales, the securities sold in connection with the dollar rolls are removed from the portfolio and a realized gain or loss is recognized. The securities the Portfolio has agreed to acquire are included at market value in the Portfolio of Investments and liabilities for such purchase commitments are included as payables for investments purchased. During the roll period, the Portfolio foregoes principal and interest paid on the securities. The Portfolio is compensated by the difference between the current sales price and the forward price for the future as well as by the earnings on the cash proceeds of the initial sale. Dollar rolls may be renewed without physical delivery of the securities subject to the contract. The Portfolio maintains liquid assets from its portfolio having a value not less than the repurchase price, including accrued interest. Dollar roll transactions involve certain risks, including the risk that the securities returned to the Portfolio at the end of the roll period, while substantially similar, could be inferior to what was initially sold to the counterparty.

**(P) Delayed Delivery Transactions.** The Portfolio may purchase or sell securities on a delayed delivery basis. These transactions involve a commitment by the Portfolio to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed delivery purchases are outstanding, the Portfolio will designate liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed delivery basis, the Portfolio assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its NAV. The Portfolio may dispose of or renegotiate a delayed delivery transaction after it is entered into, and may sell delayed delivery securities before they are delivered, which may result in a realized gain or loss. When the Portfolio has sold a security it owns on a delayed delivery basis, the Portfolio does not participate in future gains and losses with respect to the security. As of June 30, 2021, delayed delivery transactions are shown in the Portfolio of Investments.

**(Q) Debt and Foreign Securities Risk.** The ability of issuers of debt securities held by the Portfolio to meet their obligations may be affected by, among other things, economic or political developments in a specific country, industry or region. Debt securities are also subject to the risks associated with changes in interest rates. The Portfolio primarily invests in high yield debt securities (commonly referred to as "junk bonds"), which are considered speculative because they present a greater risk of loss, including default, than higher rated debt securities. These securities pay investors a premium—a higher interest rate or yield than investment grade debt securities—because of the increased risk of loss. These securities can also be subject to greater price volatility. In times of unusual or adverse market, economic or political conditions, these securities may experience higher than normal default rates.

Investments in the Portfolio are not guaranteed, even though some of the Portfolio's underlying investments are guaranteed by the U.S. government or its agencies or instrumentalities. The principal risk of mortgage-related and asset-backed securities is that the underlying debt may be prepaid ahead of schedule, if interest rates fall, thereby reducing the value of the Portfolio's investment. If interest rates rise, less of the debt may be prepaid and the Portfolio may lose money because the Portfolio may be unable to invest in higher yielding assets. The Portfolio is subject to interest-rate risk and can lose principal value when interest rates rise. Bonds are also subject to credit risk, in which the bond issuer may fail to pay interest and principal in a timely manner.

The Portfolio may invest in loans which are usually rated below investment grade and are generally considered speculative because they present a greater risk of loss, including default, than higher rated debt securities. These investments pay investors a higher interest rate than investment grade debt securities because of the increased risk of loss. Although certain loans are collateralized, there is no guarantee that the value of the collateral will be sufficient to repay the loan. In a recession or serious credit event, the value of these investments could decline significantly. As a result of these and other events, the Portfolio's NAVs could go down and you could lose money.

In addition, loans generally are subject to the extended settlement periods that may be longer than seven days. As a result, the Portfolio may be adversely affected by selling other investments at an unfavorable time and/or under unfavorable conditions or engaging in borrowing trans-actions, such as borrowing against its credit facility, to raise cash to meet redemption obligations or pursue other investment opportunities.

In certain circumstances, loans may not be deemed to be securities. As a result, the Portfolio may not have the protection of anti-fraud provisions of the federal securities laws. In such cases, the Portfolio generally must rely on the contractual provisions in the loan agreement and common-law fraud protections under applicable state law.

The ability of issuers of debt securities held by the Portfolio to meet their obligations may be affected by, among other things, economic or political developments in a specific country, industry or region. Debt securities are also subject to the risks associated with changes in interest rates. The

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

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

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

**(S) LIBOR Replacement Risk.** The Portfolio may invest in certain debt securities, derivatives or other financial instruments that utilize the London Interbank Offered Rate ("LIBOR"), as a "benchmark" or "reference rate" for various interest rate calculations. The United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that after 2021 it will cease its active encouragement of banks to provide the quotations needed to sustain LIBOR. However, it is possible that certain LIBOR tenors may continue beyond 2021 and the most widely used LIBOR tenors may continue until mid-2023. As a result, it is anticipated that LIBOR will be discontinued or will no longer be sufficiently robust to be representative of its underlying market around that time. Although financial regulators and industry working groups have suggested alternative reference rates, such as European Interbank Offer Rate ("EURIBOR"), Sterling Overnight Interbank Average Rate ("SONIA") and Secured Overnight Financing Rate ("SOFR"), there are challenges to converting certain contracts and transactions to a new benchmark and neither the full effects of the transition process nor its ultimate outcome is known. New York Life Investments is currently working to assess exposure and will modify contracts as necessary.

The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for, or value of, any securities or payments linked to those reference rates, which may adversely affect the Portfolio's performance and/or net asset value. Uncertainty and risk also remain regarding the willingness and ability of issuers and lenders to include revised provisions in new and existing contracts or instruments. Consequently, the transition away from LIBOR to other reference rates may lead to increased volatility and illiquidity in markets that are tied to LIBOR, fluctuations in values of LIBOR-related investments or investments in issuers that utilize LIBOR, increased difficulty in borrowing or refinancing and diminished effectiveness of hedging strategies, adversely affecting the Portfolio's performance. Furthermore, the risks associated with the expected discontinuation of LIBOR and transition may be exacerbated if the work necessary to effect an orderly transition to an alternative reference rate is not completed in a timely manner. Because the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021 with respect to certain LIBOR tenors or mid-2023 for the remaining LIBOR tenors.

**(T) 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 that 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. The Manager believes that the risk of loss in connection with these potential indemnification obligations is remote. However, there can be no assurance that material liabilities related to such obligations will not arise in the future, which could adversely impact the Portfolio.

**(U) Quantitative Disclosure of Derivative Holdings.** The following tables show additional disclosures related to the Portfolio's derivative and hedging activities, including how such activities are accounted for and their effect on the Portfolio's financial positions, performance and cash flows. These derivatives are not accounted for as hedging instruments.

The Portfolio entered into futures contracts in order to help manage the duration and yield curve of the portfolio while minimizing the exposure to wider bid/ask spreads in traditional bonds.

The Portfolio also entered into interest rate swaps to hedge the potential risk of rising short term interest rates.

The Portfolio entered into foreign currency forward contracts to hedge against the risk of loss due to changing currency exchange rates.

Fair value of derivative instruments as of June 30, 2021:

| Asset Derivatives | Foreign Exchange Contracts Risk | Interest Rate Contracts Risk | Total |
|---|---|---|---|
| Futures Contracts - Net Assets—Net unrealized appreciation on futures contracts (a) | $ — | $308,982 | $308,982 |
| Forward Contracts - Unrealized appreciation on foreign currency forward contracts | 57,430 | — | 57,430 |
| Total Fair Value | $57,430 | $308,982 | $366,412 |

(a) Includes cumulative appreciation (depreciation) of futures contracts as reported in the Portfolio of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

| Liability Derivatives | Foreign Exchange Contracts Risk | Interest Rate Contracts Risk | Total |
|---|---|---|---|
| Futures Contracts - Net Assets—Net unrealized depreciation on futures contracts (a) | $ — | $(1,221,912) | $(1,221,912) |
| Centrally Cleared Swap Contracts - Net Assets—Net unrealized depreciation on swap contracts (b) | — | (4,333,980) | (4,333,980) |
| Forward Contracts - Unrealized depreciation on foreign currency forward contracts | (42,366) | — | (42,366) |
| Total Fair Value | $(42,366) | $(5,555,892) | $(5,598,258) |

(a) Includes cumulative appreciation (depreciation) of futures contracts as reported in the Portfolio of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.
(b) Includes cumulative appreciation (depreciation) of centrally cleared swap agreements as reported in the Portfolio of Investments. Only the current day's variation margin is reported within the Statement of Assets and Liabilities.

The effect of derivative instruments on the Statement of Operations for the six-month period ended June 30, 2021:

| Net Realized Gain (Loss) from: | Foreign Exchange Contracts Risk | Interest Rate Contracts Risk | Total |
|---|---|---|---|
| Futures Contracts | $ — | $ 7,849,411 | $ 7,849,411 |
| Swap Contracts | — | (1,303,362) | (1,303,362) |
| Forward Contracts | (96,029) | — | (96,029) |
| Total Net Realized Gain (Loss) | $(96,029) | $ 6,546,049 | $ 6,450,020 |

| Net Change in Unrealized Appreciation (Depreciation) | Foreign Exchange Contracts Risk | Interest Rate Contracts Risk | Total |
|---|---|---|---|
| Futures Contracts | $ — | $(1,191,205) | $(1,191,205) |
| Swap Contracts | — | 1,412,191 | 1,412,191 |
| Forward Contracts | 240,842 | — | 240,842 |
| Total Net Change in Unrealized Appreciation (Depreciation) | $240,842 | $ 220,986 | $ 461,828 |

| Average Notional Amount | Total |
|---|---|
| Futures Contracts Long | $ 64,737,294 |
| Futures Contracts Short | $(158,474,025) |
| Swap Contracts Long | $ 100,000,000 |
| Forward Contracts Long (a) | $ 4,210,953 |
| Forward Contracts Short | $ (7,501,775) |

(a) Positions were open four months during the reporting period.

## 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, recordkeeping and bookkeeping services and keeps most of the financial and accounting records required to be maintained by the Portfolio. Except for the portion of salaries and expenses that are the responsibility of the Portfolio, the Manager pays the salaries and expenses of all personnel affiliated with the Portfolio and certain operational expenses of the Portfolio. The Portfolio reimburses New York Life Investments in an amount equal to the 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.

Pursuant to the Management Agreement, the Fund pays the Manager, on behalf of the Portfolio, a monthly fee for the services performed and the facilities furnished at an annual rate of the Portfolio's average daily net assets as follows: 0.60% up to $500 million; 0.55% from $500 million to $1 billion; 0.50% from $1 billion to $5 billion; and 0.475% in excess of $5 billion. During the six-month period ended June 30, 2021, the effective management fee rate was 0.58%.

During the six-month period ended June 30, 2021, New York Life Investments earned fees from the Portfolio in the amount of $2,838,009 and paid the Subadvisor fees in the amount of $1,418,994.

JPMorgan 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, JPMorgan is compensated by New York Life Investments.

Prior to February 22, 2021, these services were provided by State Street.

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 affiliate of New York Life Investments. 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.

**(C) Investments in Affiliates (in 000's).** During the six-month period ended June 30, 2021, purchases and sales transactions, income earned from investments and shares held of investment companies managed by New York Life Investments or its affiliates were as follows:

| Affiliated Investment Companies | Value, Beginning of Period | Purchases at Cost | Proceeds from Sales | Net Realized Gain/(Loss) on Sales | Change in Unrealized Appreciation/ (Depreciation) | Value, End of Period | Dividend Income | Other Distributions | Shares End of Period |
|---|---|---|---|---|---|---|---|---|---|
| MainStay U.S. Government Liquidity Fund | $ 63,644 | $ 244,682 | $ (206,381) | $ — | $ — | $ 101,945 | $ 3 | $ — | 101,945 |

## Note 4-Federal Income Tax

As of June 30, 2021, 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 | $954,573,291 | $43,994,102 | $(2,954,278) | $41,039,824 |

As of December 31, 2020, for federal income tax purposes, capital loss carryforwards of $62,846,244, as shown in the table below, were available to the extent provided by the regulations to offset future realized gains of the Portfolio. Accordingly, no capital gains distributions are expected to be paid to shareholders until net gains have been realized in excess of such amounts.

| Capital Loss Available Through | Short-Term Capital Loss Amounts (000's) | Long-Term Capital Loss Amounts (000's) |
|---|---|---|
| Unlimited | $17,257 | $45,589 |

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

| | 2020 |
|---|---|
| Distributions paid from: | |
| Ordinary Income | $22,903,400 |
| Return of Capital | 537,305 |
| Total | $23,440,705 |

## Note 5–Custodian

JPMorgan 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.

Prior to February 22, 2021, these services were provided by State Street. The services provided by State Street were a direct expense of the Portfolio and are included in the Statement of Operations as Custodian fees which totaled $6,055 for the period January 1, 2021 through February 21, 2021.

## 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 27, 2021, under the credit agreement (the “Credit Agreement”), the aggregate commitment amount is $600,000,000 with an additional uncommitted amount of $100,000,000. The commitment fee is an annual rate of 0.15% of the average commitment amount payable quarterly, regardless of usage, to JPMorgan, who serves as the agent to the syndicate. The commitment fee is allocated among the 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 26, 2022, 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 or enter into a credit agreement with a different syndicate of banks. Prior to July 27, 2021, the aggregate commitment amount and the commitment fee were the same as those under the current Credit Agreement. During the six-month period ended June 30, 2021, 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 six-month period ended June 30, 2021, 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 six-month period ended June 30, 2021, purchases and sales of U.S. government securities were $46,582 and $34,635, respectively. Purchases and sales of securities, other than U.S. government securities and short-term securities, were $244,553 and $276,927 respectively.

## Note 9–Capital Share Transactions

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

| Initial Class | Shares | Amount |
|---|---|---|
| Period ended June 30, 2021: | | |
| Shares sold | 138,856 | $ 1,427,428 |
| Shares issued to shareholders in reinvestment of distributions | 28,929 | 296,260 |
| Shares redeemed | (31,607) | (324,492) |
| Net increase (decrease) | 136,178 | $ 1,399,196 |
| Year ended December 31, 2020: | | |
| Shares sold | 258,514 | $ 2,583,158 |
| Shares issued to shareholders in reinvestment of distributions | 73,639 | 709,162 |
| Shares redeemed | (3,101,043) | (29,875,147) |
| Net increase (decrease) | (2,768,890) | $ (26,582,827) |

| Service Class | Shares | Amount |
|---|---|---|
| Period ended June 30, 2021: | | |
| Shares sold | 2,071,902 | $ 21,234,513 |
| Shares issued to shareholders in reinvestment of distributions | 1,081,194 | 11,035,425 |
| Shares redeemed | (3,756,979) | (38,492,636) |
| Net increase (decrease) | (603,883) | $ (6,222,698) |
| Year ended December 31, 2020: | | |
| Shares sold | 7,366,851 | $ 73,206,307 |
| Shares issued to shareholders in reinvestment of distributions | 2,339,365 | 22,731,543 |
| Shares redeemed | (14,977,424) | (143,763,395) |
| Net increase (decrease) | (5,271,208) | $ (47,825,545) |

## Note 10–Other Matters

An outbreak of COVID-19, first detected in December 2019, has developed into a global pandemic and has resulted in travel restrictions, closure of international borders, certain businesses and securities markets, restrictions on securities trading activities, prolonged quarantines, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The continued impact of COVID-19 and related new variants is uncertain and could further adversely affect the global economy, national economies, individual issuers and capital markets in unforeseeable ways and result in a substantial and extended economic downturn. Developments that disrupt global economies and financial markets, such as COVID-19, may magnify factors that affect the Portfolio's performance.

## Note 11–Subsequent Events

In connection with the preparation of the financial statements of the Portfolio as of and for the six-month period ended June 30, 2021, events and transactions subsequent to June 30, 2021, through the date the financial statements were issued have been evaluated by the Manager for possible adjustment and/or disclosure. No subsequent events requiring financial statement adjustment or disclosure have been identified.

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

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

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

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

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

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

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

## Proxy Voting Record

The Portfolio is required to file with the SEC its proxy voting records 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.*

## 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*.

# 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
MainStay VP Candriam Emerging Markets Equity Portfolio
MainStay VP Epoch U.S. Equity Yield Portfolio
MainStay VP Fidelity Institutional AM® Utilities Portfolio†
MainStay VP MacKay International Equity Portfolio
MainStay VP MacKay S&P 500 Index Portfolio
MainStay VP Natural Resources Portfolio
MainStay VP Small Cap Growth Portfolio
MainStay VP T. Rowe Price Equity Income Portfolio
MainStay VP Wellington Growth Portfolio
MainStay VP Wellington Mid Cap Portfolio
MainStay VP Wellington Small Cap Portfolio
MainStay VP Wellington U.S. Equity Portfolio
MainStay VP Winslow Large Cap Growth Portfolio

## Mixed Asset
MainStay VP Balanced Portfolio
MainStay VP Income Builder Portfolio
MainStay VP Janus Henderson Balanced Portfolio
MainStay VP MacKay Convertible Portfolio

## Income
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 Strategic Bond Portfolio
MainStay VP PIMCO Real Return Portfolio

## Money Market
MainStay VP U.S. Government Money Market Portfolio

## Alternative
MainStay VP CBRE Global Infrastructure Portfolio
MainStay VP IQ Hedge Multi-Strategy Portfolio

## Asset Allocation
MainStay VP Conservative Allocation Portfolio
MainStay VP Equity Allocation Portfolio
MainStay VP Growth Allocation Portfolio
MainStay VP Moderate Allocation Portfolio

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

## Subadvisors
**Brown Advisory LLC**
Baltimore, Maryland

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

**CBRE Clarion Securities LLC**
Radnor, Pennsylvania

**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

**Segall Bryant & Hamill, LLC**
Chicago, Illinois

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

**Wellington Management Company LLP**
Boston, Massachusetts

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

## Legal Counsel
**Dechert LLP**
Washington, District of Columbia

## Independent Registered Public Accounting Firm
**PricewaterhouseCoopers LLP**
New York, New York

## Distributor
**NYLIFE Distributors LLC***
Jersey City, New Jersey

## Custodian
**JPMorgan Chase Bank, N.A.**
New York, New York

Some Portfolios may not be available in all products.
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* An affiliate of New York Life Investment Management LLC

2021 Semiannual Report



**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

newyorklife.com

**nylinvestments.com**

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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