MainStay VP MacKay Unconstrained Bond Portfolio

Message from the President and Annual Report

December 31, 2019

NEW YORK LIFE INVESTMENTS

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Message from the President

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

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

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

In the fixed-income markets, slowing economic growth, modest inflation and the Fed's interest rate cuts created an environment of fluctuating but ultimately falling yields and rising prices for most bonds. Higher-credit-quality, longer-duration instruments generally outperformed lower-credit-quality, shorter-duration securities. Long-term Treasury bonds rallied strongly, with the yield on the 10-year note closing the reporting period at 1.92%, down from 2.68% in December 2018. Prices for corporate credit also produced significant gains, with yields on both investment-grade and high-yield corporate bonds finishing near the tightest levels of this credit cycle. Spreads of credit-related securitized product (asset-backed and commercial mortgage-backed securities) tightened as well.

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

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

Sincerely,

Kirk C. Lehneis
President

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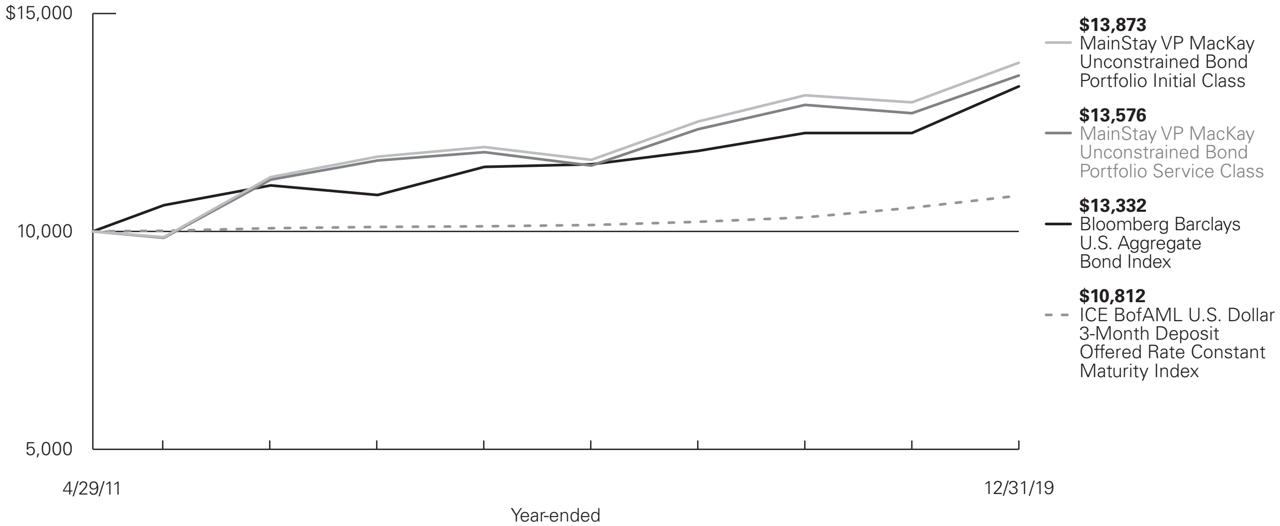
Annual Report

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 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[1] (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.



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

Class	Inception Date	One Year	Five Years	Since Inception	Gross Expense Ratio[2]
Initial Class Shares	4/29/2011	7.06%	3.06%	3.84%	0.75%
Service Class Shares	4/29/2011	6.80	2.81	3.59	1.00

Benchmark Performance	One Year	Five Years	Since Inception
Bloomberg Barclays U.S. Aggregate Bond Index[3]	8.72%	3.05%	3.37%
ICE BofAML U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index[4]	2.60	1.33	0.90
Morningstar Nontraditional Bond Category Average[5]	6.69	2.80	2.23

1. 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.
2. 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.
3. The Bloomberg Barclays U.S. Aggregate Bond Index is the Portfolio's primary broad-based securities market index for comparison purposes. The Bloomberg Barclays U.S. Aggregate Bond Index 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.
4. The Portfolio has selected the ICE BofAML U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index as a secondary benchmark. The ICE BofAML U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index represents the London InterBank Offered Rate ("LIBOR") with a constant 3-month average maturity. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
5. 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 are based on average total returns of similar funds with all dividends and capital gain distributions reinvested.

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

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

Example

As a shareholder of the Portfolio you incur two types of costs: (1) transaction costs, including exchange fees and sales charges (loads) on purchases (as applicable), and (2) ongoing costs, including management fees, distribution and/or service (12b-1) fees, and other Portfolio expenses (as applicable). This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of $1,000 made at the beginning of the six-month period and held for the entire period from July 1, 2019, to December 31, 2019. Shares are only sold in connection with variable life and annuity contracts and the example does not reflect any contract level or transactional fees or expenses. If these costs had been included, your costs would have been higher.

This example illustrates your Portfolio’s ongoing costs in two ways:

Actual Expenses

The second and third data columns in the table below provide information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, to estimate the expenses that you paid during the six months ended December 31, 2019. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

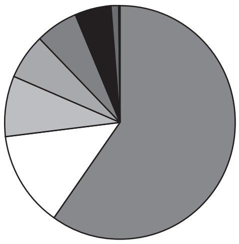
The fourth and fifth data columns in the table below provide information about hypothetical account values and hypothetical expenses based on the Portfolio’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balances or expenses you paid for the six-month period shown. You may use this information to compare the ongoing costs of investing in the Portfolio with the ongoing costs of investing in other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other mutual funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as exchange fees or sales charges (loads). Therefore, the fourth and fifth data columns of the table are useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

Share Class	Beginning Account Value 7/1/19	Ending Account Value (Based on Actual Returns and Expenses) 12/31/19	Expenses Paid During Period[1]	Ending Account Value (Based on Hypothetical 5% Annualized Return and Actual Expenses) 12/31/19	Expenses Paid During Period[1]	Net Expense Ratio During Period[2,3]
Initial Class Shares	$1,000.00	$1,022.80	$3.98	$1,021.27	$3.97	0.78%
Service Class Shares	$1,000.00	$1,021.50	$5.25	$1,020.01	$5.24	1.03%

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 184 (to reflect the six-month period). The table above represents the actual expenses incurred during the six-month period. In addition to the fees and expenses which the Portfolio bears directly, it also indirectly bears a pro rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above-reported expense figures.
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 December 31, 2019 (Unaudited)



61.4%	Corporate Bonds	1.1%	Foreign Government Bonds
13.7	Mortgage-Backed Securities	0.2	Municipal Bonds
8.6	U.S. Government & Federal Agencies	0.0‡	Common Stocks
6.5	Short-Term Investments	–2.2	Investments Sold Short
6.1	Loan Assignments	–0.6	Other Assets, Less Liabilities
5.2	Asset-Backed Securities		

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

‡ Less than one-tenth of a percent.

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

1. United States Treasury Inflation—Indexed Notes, 0.75%–0.875%, due 7/15/28–1/15/29
2. Federal National Mortgage Association (Mortgage Pass-Through Securities), 3.50%–4.50%, due 8/1/48–2/1/49
3. Bank of America Corp., 3.004%–8.57%, due 5/17/22–4/24/28
4. Citigroup, Inc., 2.35%–6.30%, due 8/2/21–7/1/26
5. Federal National Mortgage Association, 3.00%–3.50%, due 5/25/48–12/25/59
6. Morgan Stanley, 3.625%–5.611%, due 4/15/20–1/20/27
7. Federal Home Loan Mortgage Corporation, 3.00%–3.50%, due 9/15/48–10/25/49
8. Goldman Sachs Group, Inc., 2.876%–6.75%, due 7/27/21–10/1/37
9. FREMF Mortgage Trust, 3.499%–4.324%, due 12/25/44–12/25/46
10. GS Mortgage Securities Trust, 2.966%–3.43%, due 6/15/38–9/1/52

Portfolio Management Discussion and Analysis (Unaudited)

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

How did MainStay VP MacKay Unconstrained Bond Portfolio perform relative to its benchmarks and peers during the 12 months ended December 31, 2019?

For the 12 months ended December 31, 2019, MainStay VP MacKay Unconstrained Bond Portfolio returned 7.06% for Initial Class shares and 6.80% for Service Class shares. Over the same period, both share classes underperformed the 8.72% return of the Bloomberg Barclays U.S. Aggregate Bond Index, which is the Portfolio's primary benchmark. For the 12 months ended December 31, 2019, both share classes outperformed the 2.60% return of the ICE BofAML U.S. Dollar 3-Month Deposit Offered Rate Constant Maturity Index, which is the Portfolio's secondary benchmark, and the 6.69% return of the Morningstar Nontraditional Bond Category Average.[2]

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

During the reporting period, the Portfolio held overweight exposure to spread product[3] relative to the Bloomberg Barclays U.S. Aggregate Bond Index, a position that was beneficial to returns on a relative basis. However, the Portfolio also maintained a lower duration[4] profile than the primary benchmark, which detracted from relative returns as yields on U.S. Treasury securities declined and longer maturity bonds outperformed.

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

Throughout the reporting period, we used futures to manage the Portfolio's duration profile. Although we extended the duration of the Portfolio during the reporting period, it remained below the duration of the primary benchmark, which detracted from relative performance.

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

We gradually extended the Portfolio's duration from approximately 1.0 year to 1.7 years during the reporting period. However, the Portfolio's duration remained below that of the Bloomberg Barclays U.S. Aggregate Bond Index. As of December 31, 2019, the benchmark duration was approximately 5.9 years.

What specific factors, risks or market forces prompted significant decisions for the Portfolio during the reporting period?

During the reporting period the Federal Reserve cut interest rates three times, long bonds rallied and credit spreads tightened. That said, these market forces did not prompt us to make any significant changes to the portfolio in 2019. We continued to implement our strategy, introduced in 2018, to reduce the portfolio's risk by trimming bank loans and high-yield exposure. We also looked to improve liquidity and diversify sources of return by increasing our exposure to Treasury securities, agency mortgages and credit-related securitized assets such as asset-backed securities (ABS), commercial mortgage-backed securities (CMBS) and taxable municipals.

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 strongest positive contributor to the Portfolio's absolute performance during the reporting period was spread product, specifically investment-grade credit, high-yield corporate bonds, bank loans and emerging-market debt. (Contributions take weightings and total returns into account.) Emerging markets benefited from renewed risk appetites sparked by dovish central banks. Securitized assets, including residential mortgage-backed securities (RMBS) and consumer-related asset-backed securities, were the weakest contributors to the Portfolio's absolute performance during the same period due to their higher-rated and shorter-duration characteristics.

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

As credit spreads narrowed during the reporting period and the compensation for risk compressed, we reduced the Portfolio's exposure to credit in the form of high-yield bonds and bank loans. At the same time, we methodically added securitized assets—such as ABS, CMBS and RMBS—into the Portfolio, both to reduce volatility and for diversification purposes.

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

As mentioned earlier, we significantly increased the Portfolio's exposure to securitized assets, such as RMBS, CMBS and ABS,

1. Effective January 1, 2020, Dan Roberts no longer serves as a portfolio manager to the Portfolio.
2. See page 5 for more information on benchmark and peer group returns.
3. The terms "spread" and "yield spread" may refer to the difference in yield between a security or type of security and comparable U.S. Treasury issues. The terms may also refer to the difference in yield between two specific securities or types of securities at a given time. The term "spread product" refers to asset classes that typically trade at a spread to comparable U.S. Treasury securities.
4. 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.

while reducing the Portfolio's exposure to high-yield bonds and bank loans. These transactions improved the liquidity and overall credit quality of the Portfolio as spreads tightened during the reporting period.

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

As of December 31, 2019, the Portfolio held overweight exposure relative to the Bloomberg Barclays U.S. Aggregate Bond Index to investment-grade corporate bonds, high-yield bonds and bank loans. As of the same date, the Portfolio held underweight positions in U.S. Treasury securities and agency mortgage-backed securities.

Portfolio of Investments December 31, 2019

	Principal Amount	Value
Long-Term Bonds 96.3%†		
Asset-Backed Securities 5.2%		
Auto Floor Plan Asset-Backed Securities 0.8%		
Ford Credit Floorplan Master Owner Trust		
Series 2018-4, Class A		
4.06%, due 11/15/30	$ 4,530,000	$ 4,933,545
Navistar Financial Dealer Note Master Owner Trust II		
Series 2018-1, Class A		
2.338% (1 Month LIBOR + 0.63%), due 9/25/23 (a)(b)	4,085,000	4,091,746
		9,025,291
Automobile Asset-Backed Securities 1.0%		
Santander Retail Auto Lease Trust		
Series 2019-B, Class A3		
2.30%, due 1/20/23 (a)	2,325,000	2,332,985
Santander Revolving Auto Loan Trust		
Series 2019-A, Class A		
2.51%, due 1/26/32 (a)	1,875,000	1,866,771
Toyota Auto Loan Extended Note Trust		
Series 2019-1A, Class A		
2.56%, due 11/25/31 (a)	3,400,000	3,452,279
World Omni Auto Receivables Trust		
Series 2019-A, Class A3		
3.04%, due 5/15/24	2,430,000	2,473,192
		10,125,227
Credit Cards 1.1%		
American Express Credit Account Master Trust		
Series 2018-9, Class A		
2.145% (1 Month LIBOR + 0.38%), due 4/15/26 (b)	1,970,000	1,969,607
Capital One Multi-Asset Execution Trust		
Series 2019-A3, Class A3		
2.06%, due 8/15/28	4,310,000	4,230,370
Citibank Credit Card Issuance Trust		
Series 2018-A2, Class A2		
2.054% (1 Month LIBOR + 0.33%), due 1/20/25 (b)	4,945,000	4,945,990
		11,145,967
Home Equity 0.0%‡		
First NLC Trust		
Series 2007-1, Class A1		
1.778% (1 Month LIBOR + 0.07%), due 8/25/37 (a)(b)	70,239	43,582
MASTR Asset-Backed Securities Trust		
Series 2006-HE4, Class A1		
1.758% (1 Month LIBOR + 0.05%), due 11/25/36 (b)	18,708	8,540

	Principal Amount	Value
Home Equity (continued)		
Morgan Stanley ABS Capital I Trust		
Series 2007-HE4, Class A2A		
1.818% (1 Month LIBOR + 0.11%), due 2/25/37 (b)	$ 18,977	$ 8,547
		60,669
Other Asset-Backed Securities 2.3%		
CNH Equipment Trust		
Series 2019-B, Class A4		
2.64%, due 5/15/26	4,405,000	4,472,778
Dell Equipment Finance Trust		
Series 2018-2, Class A3		
3.37%, due 10/22/23 (a)	4,080,000	4,136,063
DLL LLC		
Series 2019-MT3, Class A3		
2.08%, due 2/21/23 (a)	3,570,000	3,563,368
Hilton Grand Vacations Trust		
Series 2019-AA, Class A		
2.34%, due 7/25/33 (a)	3,006,491	3,002,894
John Deere Owner Trust		
Series 2019-B, Class A3		
2.21%, due 12/15/23	3,560,000	3,583,286
JPMorgan Mortgage Acquisition Trust		
Series 2007-HE1, Class AF1		
1.808% (1 Month LIBOR + 0.10%), due 3/25/47 (b)	24,636	17,036
MVW LLC		
Series 2019-2A, Class A		
2.22%, due 10/20/38 (a)	2,745,945	2,728,754
Sierra Receivables Funding LLC		
Series 2019-3A, Class A		
2.34%, due 8/20/36 (a)	1,662,634	1,656,539
Series 2019-1A, Class A		
3.20%, due 1/20/36	974,559	983,323
		24,144,041
Student Loans 0.0%‡		
KeyCorp Student Loan Trust		
Series 2000-A, Class A2		
2.452% (3 Month LIBOR + 0.32%), due 5/25/29 (b)	38,210	38,084
Total Asset-Backed Securities (Cost $54,115,117)		54,539,279
Corporate Bonds 61.4%		
Advertising 0.1%		
Lamar Media Corp.		
5.00%, due 5/1/23	900,000	915,750
Aerospace & Defense 0.4%		
L3Harris Technologies, Inc.		
4.40%, due 6/15/28	3,270,000	3,645,750

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)		
Agriculture 0.8%		
Altria Group, Inc.		
3.80%, due 2/14/24 (c)	$ 3,400,000	$ 3,580,426
Bunge, Ltd. Finance Corp.		
3.50%, due 11/24/20	4,435,000	4,490,324
		8,070,750
Airlines 1.0%		
American Airlines Pass-Through Trust		
Series 2015-2, Class A		
4.00%, due 3/22/29	417,119	439,965
American Airlines, Inc.		
Series 2015-2, Class AA, Pass Through Trust		
3.60%, due 3/22/29	834,235	880,126
Continental Airlines, Inc.		
Series 2007-1, Class A		
5.983%, due 10/19/23	540,420	568,505
Series 2005-ERJ1		
9.798%, due 10/1/22	77,259	79,384
Delta Air Lines, Inc.		
Series 2019-1, Class AA		
3.204%, due 10/25/25	3,695,000	3,843,733
U.S. Airways Group, Inc.		
Series 2012-1, Class A		
5.90%, due 4/1/26	1,099,255	1,220,861
Series 2010-1, Class A		
6.25%, due 10/22/24	744,558	807,539
United Airlines, Inc.		
Series 2014-2, Class B		
4.625%, due 3/3/24	1,096,597	1,130,700
Series 2007-1, Pass Through Trust		
6.636%, due 1/2/24	1,683,670	1,787,754
		10,758,567
Auto Manufacturers 1.9%		
Daimler Finance North America LLC		
2.452% (3 Month LIBOR + 0.55%), due 5/4/21 (a)(b)	2,335,000	2,338,055
Ford Motor Credit Co. LLC		
2.681%, due 1/9/20 (c)	5,675,000	5,675,439
3.145% (3 Month LIBOR + 1.235%), due 2/15/23 (b)	1,230,000	1,209,424
4.063%, due 11/1/24	2,485,000	2,536,155
4.25%, due 9/20/22	900,000	931,043
General Motors Financial Co., Inc.		
3.45%, due 4/10/22	4,000,000	4,090,945
Volkswagen Group of America Finance LLC		
3.875%, due 11/13/20 (a)	3,100,000	3,150,616
		19,931,677

	Principal Amount	Value
Auto Parts & Equipment 0.4%		
LKQ European Holdings B.V.		
3.625%, due 4/1/26 (a)	EUR 2,835,000	$ 3,347,606
ZF North America Capital, Inc.		
4.00%, due 4/29/20 (a)	$ 740,000	743,512
		4,091,118
Banks 13.1%		
Bank of America Corp.		
3.004%, due 12/20/23 (c)(d)	6,566,000	6,719,282
3.499%, due 5/17/22 (d)	6,150,000	6,273,559
3.50%, due 4/19/26 (c)	6,165,000	6,556,793
3.705%, due 4/24/28 (d)	1,695,000	1,812,387
6.30%, due 3/10/26 (d)(e)	1,810,000	2,090,550
8.57%, due 11/15/24	455,000	574,592
Bank of New York Mellon Corp.		
2.661%, due 5/16/23 (d)	3,715,000	3,772,232
Barclays Bank PLC		
5.14%, due 10/14/20	4,249,000	4,337,894
Series Reg S		
10.00%, due 5/21/21	GBP 401,000	591,416
Barclays PLC		
5.20%, due 5/12/26	$ 1,725,000	1,886,707
Capital One Financial Corp.		
5.55%, due 6/1/20 (c)(d)(e)	2,365,000	2,400,168
Citibank N.A.		
3.165%, due 2/19/22 (d)	4,200,000	4,253,209
Citigroup, Inc.		
2.35%, due 8/2/21	4,801,000	4,830,629
3.159% (3 Month LIBOR + 1.25%), due 7/1/26 (b)	10,035,000	10,295,271
5.50%, due 9/13/25 (c)	2,710,000	3,098,858
6.30%, due 5/15/24 (d)(e)	4,290,000	4,648,515
Citizens Bank N.A.		
2.55%, due 5/13/21	1,145,000	1,153,805
Citizens Financial Group, Inc.		
4.15%, due 9/28/22 (a)	1,450,000	1,513,022
4.30%, due 12/3/25	2,550,000	2,740,976
Discover Bank		
7.00%, due 4/15/20 (c)	1,005,000	1,018,484
Goldman Sachs Group, Inc.		
2.876%, due 10/31/22 (d)	2,300,000	2,332,636
3.08% (3 Month LIBOR + 1.17%), due 5/15/26 (b)	3,075,000	3,106,969
3.625%, due 1/22/23	2,813,000	2,929,821
5.25%, due 7/27/21	1,900,000	1,993,899
6.75%, due 10/1/37	1,828,000	2,539,327
Huntington Bancshares, Inc.		
3.15%, due 3/14/21 (c)	3,910,000	3,958,520
Huntington National Bank		
3.55%, due 10/6/23	1,445,000	1,516,026
JPMorgan Chase & Co.		
3.54%, due 5/1/28 (d)	6,265,000	6,656,715

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

Portfolio of Investments December 31, 2019 (continued)

	Principal Amount	Value
Corporate Bonds (continued)		
Banks (continued)		
Lloyds Banking Group PLC		
2.907%, due 11/7/23 (d)	$ 1,160,000	$ 1,177,486
4.582%, due 12/10/25	2,500,000	2,707,758
Morgan Stanley		
3.625%, due 1/20/27	80,000	85,185
3.875%, due 4/29/24	6,015,000	6,394,414
3.875%, due 1/27/26 (c)	400,000	429,637
4.875%, due 11/1/22	1,931,000	2,069,089
5.00%, due 11/24/25	3,840,000	4,325,397
5.611% (3 Month LIBOR + 3.61%), due 4/15/20 (b)(e)	2,125,000	2,143,700
PNC Bank N.A.		
2.45%, due 11/5/20	2,740,000	2,752,890
Royal Bank of Scotland Group PLC		
6.00%, due 12/19/23	205,000	228,001
6.125%, due 12/15/22	970,000	1,061,773
Santander Holdings USA, Inc.		
3.40%, due 1/18/23	5,055,000	5,183,123
Santander UK PLC		
2.125%, due 11/3/20	3,000,000	3,003,578
Truist Bank		
2.636% (5 Year Treasury Constant Maturity Rate + 1.15%), due 9/17/29 (b)	2,700,000	2,700,186
Wells Fargo & Co.		
3.00%, due 10/23/26	1,640,000	1,680,842
5.875%, due 6/15/25 (d)(e)	595,000	661,938
5.90%, due 6/15/24 (d)(e)	3,270,000	3,560,441
		135,767,700
Beverages 0.9%		
Anheuser-Busch InBev Worldwide, Inc.		
4.15%, due 1/23/25	915,000	997,230
4.75%, due 1/23/29	1,833,000	2,124,758
Constellation Brands, Inc.		
4.25%, due 5/1/23	2,985,000	3,172,908
Molson Coors Brewing Co.		
2.10%, due 7/15/21	3,129,000	3,131,743
		9,426,639
Biotechnology 0.4%		
Biogen, Inc.		
3.625%, due 9/15/22	3,560,000	3,705,373
Building Materials 0.5%		
Standard Industries, Inc. (a)		
4.75%, due 1/15/28	970,000	994,250
5.375%, due 11/15/24	3,680,000	3,781,200
		4,775,450
Chemicals 1.0%		
Air Liquide Finance S.A.		
1.75%, due 9/27/21 (a)	$ 1,895,000	$ 1,888,225
Ashland LLC		
4.75%, due 8/15/22 (c)	2,525,000	2,638,625
Braskem Netherlands Finance B.V.		
4.50%, due 1/10/28 (a)	1,015,000	1,010,189
Orbia Advance Corp. S.A.B. de C.V.		
4.00%, due 10/4/27 (a)	2,200,000	2,244,671
W.R. Grace & Co.		
5.125%, due 10/1/21 (a)	2,915,000	3,037,955
		10,819,665
Commercial Services 1.9%		
Ashtead Capital, Inc.		
4.25%, due 11/1/29 (a)	2,250,000	2,297,813
California Institute of Technology		
3.65%, due 9/1/2119	2,434,000	2,360,832
Herc Holdings, Inc.		
5.50%, due 7/15/27 (a)	2,435,000	2,562,837
IHS Markit, Ltd.		
4.125%, due 8/1/23	2,175,000	2,311,090
4.75%, due 2/15/25 (a)	3,105,000	3,391,964
PayPal Holdings, Inc.		
2.40%, due 10/1/24	3,625,000	3,660,751
Service Corp. International		
5.375%, due 5/15/24	530,000	545,900
University of Pennsylvania		
3.61%, due 12/31/99	2,515,000	2,578,300
		19,709,487
Computers 0.8%		
Dell International LLC / EMC Corp. (a)		
4.90%, due 10/1/26	3,695,000	4,068,932
6.02%, due 6/15/26	625,000	719,500
Hewlett Packard Enterprise Co.		
3.60%, due 10/15/20	2,000,000	2,022,718
4.40%, due 10/15/22	1,560,000	1,648,342
		8,459,492
Distribution & Wholesale 0.4%		
H&E Equipment Services, Inc.		
5.625%, due 9/1/25	3,000,000	3,142,500
Performance Food Group, Inc.		
5.50%, due 10/15/27 (a)	975,000	1,042,031
		4,184,531
Diversified Financial Services 2.4%		
AerCap Ireland Capital DAC / AerCap Global Aviation Trust		
4.45%, due 12/16/21	2,200,000	2,293,089
4.625%, due 10/30/20	3,585,000	3,656,720
Air Lease Corp.		
2.125%, due 1/15/20	2,215,000	2,214,873

	Principal Amount	Value
Corporate Bonds (continued)		
Diversified Financial Services (continued)		
Air Lease Corp. (continued)		
2.625%, due 7/1/22	$ 2,155,000	$ 2,180,059
2.75%, due 1/15/23	1,040,000	1,053,790
Ally Financial, Inc.		
5.75%, due 11/20/25	3,570,000	3,993,937
8.00%, due 11/1/31 (c)	3,450,000	4,788,945
Discover Financial Services		
3.85%, due 11/21/22	300,000	313,641
Protective Life Global Funding		
2.161%, due 9/25/20 (a)	3,420,000	3,425,052
Springleaf Finance Corp.		
6.125%, due 3/15/24	880,000	963,600
		24,883,706
Electric 3.0%		
AEP Transmission Co. LLC		
3.10%, due 12/1/26 (c)	3,360,000	3,482,113
Appalachian Power Co.		
3.30%, due 6/1/27	1,400,000	1,453,864
Baltimore Gas & Electric Co.		
2.40%, due 8/15/26	3,260,000	3,236,801
Berkshire Hathaway Energy Co.		
2.375%, due 1/15/21	1,700,000	1,709,087
CMS Energy Corp.		
5.05%, due 3/15/22	1,350,000	1,424,735
Duke Energy Corp.		
4.875% (5 Year Treasury Constant Maturity Rate + 3.388%), due 9/16/24 (b)(e)	2,625,000	2,752,444
Duquesne Light Holdings, Inc. (a)		
5.90%, due 12/1/21	1,494,000	1,588,004
6.40%, due 9/15/20	3,435,000	3,534,534
Entergy Arkansas LLC		
3.50%, due 4/1/26	960,000	1,012,763
FirstEnergy Transmission LLC		
4.35%, due 1/15/25 (a)	1,675,000	1,800,030
Florida Power & Light Co.		
2.75%, due 6/1/23	2,155,000	2,209,144
Public Service Electric & Gas Co.		
3.00%, due 5/15/27	2,635,000	2,726,514
Puget Energy, Inc.		
5.625%, due 7/15/22	585,000	627,607
WEC Energy Group, Inc.		
3.10%, due 3/8/22	2,165,000	2,211,373
4.022% (3 Month LIBOR + 2.113%), due 5/15/67 (b)	1,860,340	1,732,584
		31,501,597
Entertainment 0.8%		
Eldorado Resorts, Inc.		
6.00%, due 4/1/25	3,417,000	3,587,850
7.00%, due 8/1/23	2,395,000	2,490,800
Entertainment (continued)		
International Game Technology PLC		
6.25%, due 2/15/22 (a)	$ 2,595,000	$ 2,737,725
		8,816,375
Environmental Controls 0.6%		
Republic Services, Inc.		
4.75%, due 5/15/23	3,665,000	3,946,929
Waste Management, Inc.		
2.40%, due 5/15/23	505,000	510,198
4.60%, due 3/1/21	1,800,000	1,844,373
		6,301,500
Food 1.2%		
JBS Investments II GmbH		
7.00%, due 1/15/26 (a)	1,775,000	1,930,898
JBS USA LUX S.A. / JBS Food Co. / JBS USA Finance, Inc.		
5.50%, due 1/15/30 (a)	1,435,000	1,541,333
Kerry Group Financial Services Unlimited Co.		
3.20%, due 4/9/23 (a)	2,151,000	2,177,969
Mondelez International Holdings Netherlands B.V.		
2.125%, due 9/19/22 (a)	3,500,000	3,500,749
Smithfield Foods, Inc.		
3.35%, due 2/1/22 (a)	1,805,000	1,810,335
Sysco Corp.		
3.30%, due 7/15/26	1,735,000	1,829,662
		12,790,946
Forest Products & Paper 0.7%		
Georgia-Pacific LLC		
5.40%, due 11/1/20 (a)	4,000,000	4,111,034
8.00%, due 1/15/24	2,180,000	2,649,500
		6,760,534
Health Care—Products 1.3%		
Abbott Laboratories		
3.40%, due 11/30/23 (c)	3,540,000	3,721,902
Baxter International, Inc.		
2.60%, due 8/15/26	6,085,000	6,140,519
Becton Dickinson & Co.		
3.363%, due 6/6/24 (c)	2,245,000	2,338,261
Stryker Corp.		
2.625%, due 3/15/21	1,500,000	1,512,762
		13,713,444
Home Builders 0.7%		
D.R. Horton, Inc.		
4.375%, due 9/15/22	3,350,000	3,512,151
MDC Holdings, Inc.		
5.625%, due 2/1/20	1,072,000	1,073,340
Toll Brothers Finance Corp.		
5.875%, due 2/15/22	2,475,000	2,617,312
		7,202,803

	Principal Amount	Value
Corporate Bonds (continued)		
Home Furnishing 0.3%		
Panasonic Corp.		
2.536%, due 7/19/22 (a)	$ 3,500,000	$ 3,530,418
Housewares 0.2%		
Scotts Miracle-Gro Co.		
5.25%, due 12/15/26	1,960,000	2,092,300
Insurance 3.1%		
Liberty Mutual Group, Inc.		
4.25%, due 6/15/23 (a)	2,695,000	2,863,972
Lincoln National Corp.		
4.262% (3 Month LIBOR + 2.358%), due 5/17/66 (b)	6,418,000	5,647,840
MassMutual Global Funding II (a)		
2.50%, due 10/17/22	3,670,000	3,723,491
2.95%, due 1/11/25	2,995,000	3,076,525
Metropolitan Life Global Funding I		
3.45%, due 10/9/21 (a)	2,610,000	2,682,630
Pricoa Global Funding I		
2.55%, due 11/24/20 (a)	2,025,000	2,036,315
Principal Life Global Funding II		
2.375%, due 11/21/21 (a)	5,550,000	5,582,172
Protective Life Corp.		
8.45%, due 10/15/39	1,564,000	2,336,459
Prudential Financial, Inc.		
5.625%, due 6/15/43 (d)	1,245,000	1,338,375
Reliance Standard Life Global Funding II		
2.50%, due 10/30/24 (a)	3,100,000	3,097,604
		32,385,383
Internet 2.2%		
Booking Holdings, Inc.		
3.60%, due 6/1/26	2,875,000	3,069,245
Expedia Group, Inc.		
3.25%, due 2/15/30 (a)	2,315,000	2,228,099
3.80%, due 2/15/28	2,245,000	2,296,357
5.00%, due 2/15/26	315,000	347,520
GrubHub Holdings, Inc.		
5.50%, due 7/1/27 (a)	245,000	229,394
Match Group, Inc.		
5.00%, due 12/15/27 (a)	1,775,000	1,850,437
Tencent Holdings, Ltd.		
3.80%, due 2/11/25 (a)	5,450,000	5,743,918
VeriSign, Inc.		
4.625%, due 5/1/23	3,670,000	3,728,720
Weibo Corp.		
3.50%, due 7/5/24	1,625,000	1,652,229
Zayo Group LLC / Zayo Capital, Inc.		
5.75%, due 1/15/27 (a)	2,090,000	2,123,962
		23,269,881

	Principal Amount	Value
Investment Company 0.2%		
Icahn Enterprises, L.P. / Icahn Enterprises Finance Corp.		
6.25%, due 5/15/26	$ 2,440,000	$ 2,598,600
Iron & Steel 0.6%		
ArcelorMittal S.A.		
4.55%, due 3/11/26	3,205,000	3,403,506
Vale Overseas, Ltd.		
6.25%, due 8/10/26	2,780,000	3,263,164
		6,666,670
Leisure Time 0.5%		
NCL Corp., Ltd. Class C		
3.625%, due 12/15/24	2,070,000	2,098,462
Royal Caribbean Cruises, Ltd.		
2.65%, due 11/28/20	2,630,000	2,643,471
		4,741,933
Lodging 0.7%		
Boyd Gaming Corp.		
6.375%, due 4/1/26	1,000	1,076
Marriott International, Inc.		
3.75%, due 10/1/25	4,205,000	4,498,649
MGM Resorts International		
6.00%, due 3/15/23	2,300,000	2,524,250
		7,023,975
Machinery—Diversified 0.8%		
CNH Industrial Capital LLC		
4.375%, due 4/5/22	3,550,000	3,705,987
4.875%, due 4/1/21	4,355,000	4,496,538
		8,202,525
Media 2.2%		
Charter Communications Operating LLC / Charter Communications Operating Capital Corp.		
4.464%, due 7/23/22 (c)	2,770,000	2,911,739
Diamond Sports Group LLC / Diamond Sports Finance Co.		
6.625%, due 8/15/27 (a)(f)	4,528,000	4,403,480
Grupo Televisa S.A.B.		
5.25%, due 5/24/49	1,735,000	1,877,419
Sirius XM Radio, Inc. (a)		
3.875%, due 8/1/22	2,545,000	2,599,081
5.375%, due 7/15/26	3,000,000	3,186,563
Sky, Ltd.		
3.75%, due 9/16/24 (a)	1,105,000	1,183,713
Time Warner Entertainment Co., L.P.		
8.375%, due 3/15/23	740,000	873,474
UPCB Finance IV, Ltd.		
5.375%, due 1/15/25 (a)	5,335,000	5,484,380
		22,519,849

	Principal Amount	Value
Corporate Bonds (continued)		
Mining 0.5%		
Anglo American Capital PLC		
4.125%, due 4/15/21 (a)	$ 3,300,000	$ 3,365,873
Corp. Nacional del Cobre de Chile		
3.00%, due 9/30/29 (a)	2,055,000	2,026,374
		5,392,247
Miscellaneous—Manufacturing 0.5%		
Siemens Financieringsmaatschappij N.V.		
2.70%, due 3/16/22 (a)	2,485,000	2,528,986
Textron Financial Corp.		
3.645% (3 Month LIBOR + 1.735%), due 2/15/67 (a)(b)	3,720,000	2,957,400
		5,486,386
Oil & Gas 2.5%		
Concho Resources, Inc.		
4.30%, due 8/15/28	2,900,000	3,162,171
Gazprom PJSC Via Gaz Capital S.A.		
7.288%, due 8/16/37 (a)	2,500,000	3,500,440
Marathon Petroleum Corp.		
5.125%, due 12/15/26	5,755,000	6,519,492
Occidental Petroleum Corp.		
(zero coupon), due 10/10/36	6,555,000	3,292,822
Petrobras Global Finance B.V.		
7.375%, due 1/17/27	1,464,000	1,786,080
Petroleos Mexicanos		
6.75%, due 9/21/47	4,990,000	4,999,381
Valero Energy Corp.		
4.00%, due 4/1/29	2,250,000	2,427,448
		25,687,834
Packaging & Containers 1.4%		
Ball Corp.		
5.00%, due 3/15/22	4,240,000	4,483,800
Reynolds Group Issuer, Inc. / Reynolds Group Issuer LLC		
5.125%, due 7/15/23 (a)	4,215,000	4,315,106
Sealed Air Corp. (a)		
4.00%, due 12/1/27	1,430,000	1,447,875
4.875%, due 12/1/22	1,875,000	1,985,156
WestRock RKT Co.		
4.00%, due 3/1/23 (c)	2,230,000	2,328,100
		14,560,037
Pharmaceuticals 1.9%		
AbbVie, Inc.		
4.25%, due 11/21/49 (a)	3,065,000	3,254,474
Allergan Funding SCS		
3.45%, due 3/15/22	4,165,000	4,260,647
Bausch Health Cos., Inc.		
5.50%, due 11/1/25 (a)	4,590,000	4,796,550

	Principal Amount	Value
Pharmaceuticals (continued)		
Bristol-Myers Squibb Co.		
3.40%, due 7/26/29 (a)	$ 3,280,000	$ 3,510,333
Eli Lilly & Co.		
2.35%, due 5/15/22 (c)	1,700,000	1,721,924
Zoetis, Inc.		
2.339% (3 Month LIBOR + 0.44%), due 8/20/21 (b)	1,655,000	1,656,467
3.25%, due 8/20/21	1,045,000	1,064,477
		20,264,872
Pipelines 0.9%		
Enterprise Products Operating LLC		
3.125%, due 7/31/29	2,345,000	2,413,014
4.20%, due 1/31/50	545,000	585,019
MPLX, L.P.		
4.00%, due 3/15/28	2,500,000	2,589,432
4.125%, due 3/1/27	1,780,000	1,869,782
Spectra Energy Partners, L.P.		
4.75%, due 3/15/24	818,000	890,746
Targa Resources Partners, L.P. / Targa Resources Partners Finance Corp.		
5.25%, due 5/1/23	950,000	959,500
		9,307,493
Real Estate 0.1%		
Realogy Group LLC / Realogy Co-Issuer Corp.		
5.25%, due 12/1/21 (a)	640,000	646,400
Real Estate Investment Trusts 2.1%		
American Tower Corp.		
3.00%, due 6/15/23	5,000,000	5,110,590
Boston Properties, L.P.		
3.20%, due 1/15/25	4,800,000	4,982,836
Crown Castle International Corp.		
3.40%, due 2/15/21	1,255,000	1,272,077
CyrusOne L.P. / CyrusOne Finance Corp.		
3.45%, due 11/15/29	2,030,000	2,035,562
Equinix, Inc.		
5.875%, due 1/15/26	2,275,000	2,414,366
ESH Hospitality, Inc.		
5.25%, due 5/1/25 (a)	5,145,000	5,318,644
Host Hotels & Resorts, L.P.		
3.75%, due 10/15/23	329,000	344,224
Iron Mountain, Inc.		
6.00%, due 8/15/23	340,000	347,225
		21,825,524
Retail 1.0%		
Alimentation Couche-Tard, Inc.		
2.70%, due 7/26/22 (a)	1,650,000	1,668,139

	Principal Amount	Value
Corporate Bonds (continued)		
Retail (continued)		
Darden Restaurants, Inc.		
3.85%, due 5/1/27	$ 2,025,000	$ 2,117,065
Dollar General Corp.		
3.25%, due 4/15/23 (c)	4,115,000	4,250,382
Starbucks Corp.		
4.45%, due 8/15/49	2,065,000	2,395,373
		10,430,959
Semiconductors 0.7%		
Broadcom, Inc.		
3.625%, due 10/15/24 (a)	2,470,000	2,568,526
NXP B.V. / NXP Funding LLC (a)		
4.625%, due 6/15/22	1,755,000	1,849,819
4.625%, due 6/1/23	1,065,000	1,138,592
ON Semiconductor Corp.		
2019 Term Loan B		
3.799% (1 Month LIBOR + 2.00%),		
due 9/19/26	1,881,432	1,893,714
		7,450,651
Software 1.1%		
Fiserv, Inc.		
2.75%, due 7/1/24	1,135,000	1,155,049
3.20%, due 7/1/26	720,000	745,665
Microsoft Corp.		
3.30%, due 2/6/27	2,055,000	2,196,603
MSCI, Inc.		
5.75%, due 8/15/25 (a)	4,005,000	4,200,244
PTC, Inc.		
6.00%, due 5/15/24 (c)	2,569,000	2,681,394
		10,978,955
Special Purpose Entity 0.3%		
CK Hutchison International (17) II, Ltd.		
3.25%, due 9/29/27 (a)	3,260,000	3,320,245
Telecommunications 2.8%		
AT&T, Inc.		
3.20%, due 3/1/22	4,275,000	4,376,509
CommScope Technologies LLC		
5.00%, due 3/15/27 (a)	1,600,000	1,504,000
CommScope, Inc.		
5.00%, due 6/15/21 (a)	361,000	361,181
Crown Castle Towers LLC (a)		
3.72%, due 7/15/43	1,550,000	1,602,891
4.241%, due 7/15/48	3,755,000	4,156,631
Hughes Satellite Systems Corp.		
5.25%, due 8/1/26	540,000	592,650
Sprint Spectrum Co. LLC / Sprint Spectrum Co. II LLC / Sprint Spectrum Co. III LLC		
4.738%, due 9/20/29 (a)	4,750,000	5,030,155

	Principal Amount	Value
Telecommunications (continued)		
T-Mobile USA, Inc.		
4.50%, due 2/1/26	$ 2,245,000	$ 2,301,125
6.00%, due 3/1/23	1,200,000	1,221,600
6.50%, due 1/15/26	1,235,000	1,324,179
Telefonica Emisiones SAU		
4.57%, due 4/27/23	1,781,000	1,916,611
5.462%, due 2/16/21	279,000	289,574
Verizon Communications, Inc.		
3.01% (3 Month LIBOR + 1.10%),		
due 5/15/25 (b)	2,455,000	2,511,263
5.15%, due 9/15/23	1,722,000	1,914,711
		29,103,080
Transportation 0.5%		
United Parcel Service, Inc.		
2.50%, due 4/1/23 (c)	4,965,000	5,056,370
Total Corporate Bonds (Cost $618,239,298)		638,775,441
Foreign Government Bonds 1.1%		
Brazil 0.6%		
Brazilian Government International Bond		
4.625%, due 1/13/28	5,360,000	5,756,640
Mexico 0.5%		
Mexico Government International Bond		
4.15%, due 3/28/27	5,231,000	5,605,017
Total Foreign Government Bonds (Cost $11,317,209)		11,361,657
Loan Assignments 6.1% (b)		
Advertising 0.2%		
Syneos Health, Inc.		
2018 Term Loan B		
3.799% (1 Month LIBOR + 2.00%),		
due 8/1/24	2,550,777	2,555,029
Chemicals, Plastics & Rubber 0.4%		
Axalta Coating Systems U.S. Holdings, Inc.		
Term Loan B3		
3.695% (3 Month LIBOR + 1.75%),		
due 6/1/24	4,299,000	4,304,911
Distribution & Wholesale 0.0%‡		
KAR Auction Services, Inc.		
2019 Term Loan B6		
4.063% (1 Month LIBOR + 2.25%),		
due 9/19/26	411,755	414,500

	Principal Amount	Value
Loan Assignments (continued)		
Environmental Controls 0.4%		
GFL Environmental, Inc.		
2018 Term Loan B		
4.799% (1 Month LIBOR + 3.00%),		
due 5/30/25	$ 3,891,828	$ 3,892,524
Food—Wholesale 0.5%		
U.S. Foods, Inc.		
2016 Term Loan B		
3.549% (1 Month LIBOR + 1.75%),		
due 6/27/23	5,090,375	5,102,190
Health Services 0.5%		
BWAY Holding Co.		
2017 Term Loan B		
TBD, due 4/3/24	5,107,647	5,083,702
Household Products & Wares 0.2%		
Prestige Brands, Inc.		
Term Loan B4		
3.799% (1 Month LIBOR + 2.00%),		
due 1/26/24	2,317,910	2,331,674
Insurance 0.4%		
Alliant Holdings Intermediate, LLC		
2018 Term Loan B		
4.799% (1 Month LIBOR + 3.00%),		
due 5/9/25	4,029,772	4,027,254
Internet 0.2%		
Match Group, Inc.		
2017 Term Loan B		
4.436% (3 Month LIBOR + 2.50%),		
due 11/16/22	1,859,375	1,857,051
Leisure Time 0.3%		
Bombardier Recreational Products, Inc.		
2016 Term Loan B		
3.799% (1 Month LIBOR + 2.00%),		
due 5/23/25	3,036,563	3,043,610
Lodging 0.1%		
Boyd Gaming Corp.		
Term Loan B3		
3.853% (1 Week LIBOR + 2.25%),		
due 9/15/23	326,942	328,846
MGM Growth Properties Operating Partnership, L.P.		
2016 Term Loan B		
3.799% (1 Month LIBOR + 2.00%),		
due 3/21/25	705,203	707,596
		1,036,442
Media 0.3%		
Nielsen Finance LLC		
Term Loan B4		
3.71% (1 Month LIBOR + 2.00%),		
due 10/4/23	$ 2,925,000	$ 2,933,126
Real Estate 0.4%		
Realogy Group LLC		
2018 Term Loan B		
4.049% (1 Month LIBOR + 2.25%),		
due 2/8/25	4,353,893	4,274,073
Software 0.4%		
IQVIA, Inc.		
2018 USD Term Loan B3		
3.695% (3 Month LIBOR + 1.75%),		
due 6/11/25	3,792,250	3,805,523
Support Services 1.0%		
Advanced Disposal Services, Inc.		
Term Loan B3		
3.853% (1 Week LIBOR + 2.25%),		
due 11/10/23	5,537,729	5,556,767
Change Healthcare Holdings, Inc.		
2017 Term Loan B		
4.299% (1 Month LIBOR + 2.50%),		
due 3/1/24	4,612,270	4,624,760
		10,181,527
Telecommunications 0.8%		
Level 3 Financing, Inc.		
2019 Term Loan B		
3.549% (1 Month LIBOR + 1.75%),		
due 3/1/27	3,963,602	3,980,119
SBA Senior Finance II LLC		
2018 Term Loan B		
3.55% (1 Month LIBOR + 1.75%),		
due 4/11/25	4,212,883	4,225,758
		8,205,877
Total Loan Assignments (Cost $62,770,826)		63,049,013
Mortgage-Backed Securities 13.7%		
Agency (Collateralized Mortgage Obligations) 3.1%		
Federal Home Loan Mortgage Corporation		
REMIC, Series 4908, Class BD		
3.00%, due 4/25/49	2,690,000	2,753,189
REMIC, Series 4911, Class MB		
3.00%, due 9/25/49	5,005,000	5,092,378
REMIC Series 4888, Class BA		
3.50%, due 9/15/48	2,160,551	2,247,329

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

	Principal Amount	Value
Mortgage-Backed Securities (continued)		
Agency (Collateralized Mortgage Obligations) (continued)		
Federal National Mortgage Association		
REMIC, Series 2019-39, Class LA		
3.00%, due 2/25/49	$ 3,273,111	$ 3,371,112
Series 2019-25, Class PA		
3.00%, due 5/25/48	2,625,088	2,695,895
REMIC, Series 2019-74, Class BA		
3.50%, due 12/25/59	4,192,304	4,379,795
Government National Mortgage Association		
Series 2014-91, Class MA		
3.00%, due 1/16/40	2,867,878	2,931,885
Series 2019-29, Class CB		
3.00%, due 10/20/48	2,177,494	2,210,102
Series 2019-43, Class PL		
3.00%, due 4/20/49	2,546,207	2,611,499
Series 2019-74, Class AT		
3.00%, due 6/20/49	3,356,896	3,415,903
		31,709,087
Agency Collateral PAC CMO 1.1%		
Federal Home Loan Mortgage Corporation		
REMIC, Series 4926, Class BP		
3.00%, due 10/25/49	5,470,000	5,612,103
Federal National Mortgage Association		
REMIC, Series 2019-58, Class LP		
3.00%, due 10/25/49	5,775,000	5,881,750
		11,493,853
Commercial Mortgage Loans (Collateralized Mortgage Obligations) 7.6%		
Bank		
Series 2019-BN21, Class A5		
2.851%, due 10/17/52	5,810,000	5,904,304
Series 2019-BN19, Class A2		
2.926%, due 8/15/61	3,760,000	3,851,772
Benchmark Mortgage Trust		
Series 2019-B14, Class A5		
3.049%, due 12/15/62	2,970,000	3,065,582
Series 2019-B12, Class A5		
3.116%, due 8/15/52	3,752,000	3,896,462
BX Trust		
Series 2019-0C11, Class B		
3.605%, due 12/9/41	1,010,000	1,035,426
Series 2019-0C11, Class C		
3.856%, due 12/9/41	2,940,000	3,021,448
Series 2019-0C11, Class D		
4.076%, due 12/9/41	705,000	717,212
FREMF Mortgage Trust (a)(g)		
Series 2013-K33, Class B		
3.499%, due 8/25/46	3,090,000	3,203,447
Series 2013-K30, Class B		
3.556%, due 6/25/45	4,220,000	4,380,917
Commercial Mortgage Loans (Collateralized Mortgage Obligations) (continued)		
FREMF Mortgage Trust (continued)		
Series 2013-K35, Class B		
3.939%, due 12/25/46	$ 2,375,000	$ 2,492,583
Series 2012-K17, Class B		
4.324%, due 12/25/44	2,510,000	2,596,773
GS Mortgage Securities Trust		
Series 2019-BOCA, Class A		
2.966% (1 Month LIBOR + 1.20%), due 6/15/38 (a)(b)	4,660,000	4,658,491
Series 2019-GC42, Class A4		
3.001%, due 9/1/52	1,490,000	1,531,177
Series 2019-GC40, Class A4		
3.16%, due 7/10/52	2,699,000	2,809,234
Series 2017-GS7, Class A4		
3.43%, due 8/10/50	2,990,000	3,164,235
Hawaii Hotel Trust		
Series 2019-MAUI, Class A		
2.916% (1 Month LIBOR + 1.15%), due 5/15/38 (a)(b)	2,480,000	2,477,027
Hudson Yards Mortgage Trust		
Series 2019-30HY, Class A		
3.228%, due 7/10/39 (a)	2,825,000	2,923,429
JP Morgan Chase Commercial Mortgage Securities Trust		
Series 2018-AON, Class A		
4.128%, due 7/5/31 (a)	3,088,000	3,269,272
Series 2013-C16, Class A4		
4.166%, due 12/15/46	2,380,000	2,541,371
JPMBB Commercial Mortgage Securities Trust		
Series 2015-C28, Class A4		
3.227%, due 10/15/48	3,250,000	3,373,328
Series 2014-C26, Class A3		
3.231%, due 1/15/48	2,200,000	2,281,638
One Bryant Park Trust		
Series 2019-OBP, Class A		
2.516%, due 9/15/54 (a)	5,155,000	5,018,645
Wells Fargo Commercial Mortgage Trust		
Series 2019-C53, Class A4		
3.04%, due 10/15/52	3,261,000	3,360,691
Series 2018-1745, Class A		
3.749%, due 6/15/36 (a)(g)	2,900,000	3,099,446
Series 2018-AUS, Class A		
4.058%, due 8/17/36 (a)(g)	4,200,000	4,564,436
		79,238,346
Whole Loan (Collateralized Mortgage Obligations) 1.9%		
Chase Home Lending Mortgage Trust (a)(h)		
Series 2019-ATR2, Class A3		
3.50%, due 7/25/49	1,884,638	1,916,147

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

	Principal Amount	Value
Mortgage-Backed Securities (continued)		
Whole Loan (Collateralized Mortgage Obligations) (continued)		
Chase Home Lending Mortgage Trust (continued)		
Series 2019-ATR1, Class A4		
4.00%, due 4/25/49	$ 2,297,782	$ 2,311,580
Fannie Mae Connecticut Avenue Securities		
Series 2016-C06, Class 1M2		
5.958% (1 Month LIBOR + 4.25%),		
due 4/25/29 (b)	3,120,000	3,350,815
Fannie Mae Connecticut Avenue Securities		
(Mortgage Pass-Through Securities)		
Series 2016-C05, Class 2M2		
6.158% (1 Month LIBOR + 4.45%),		
due 1/25/29 (b)	5,141,758	5,430,618
Federal Home Loan Mortgage Corporation		
Structured Agency Credit Risk		
Debt Notes		
Series 2016-HQA3, Class M3		
5.558% (1 Month LIBOR + 3.85%),		
due 3/25/29 (b)	1,425,000	1,519,783
JP Morgan Mortgage Trust		
Series 2019-1, Class A3		
4.00%, due 5/25/49 (a)(h)	1,310,012	1,326,899
Seasoned Loans Structured		
Transaction Trust		
Series 2019-1, Class A1		
3.50%, due 5/25/29	2,309,727	2,398,803
Sequoia Mortgage Trust		
Series 2018-7, Class B3		
4.233%, due 9/25/48	1,456,864	1,501,698
		19,756,343
Total Mortgage-Backed Securities		
(Cost $140,944,854)		142,197,629
Municipal Bonds 0.2%		
Texas 0.2%		
New York State Thruway Authority,		
Revenue Bonds		
Series M		
2.90%, due 1/1/35	1,620,000	1,616,306
Total Municipal Bonds		
(Cost $1,620,000)		1,616,306
U.S. Government & Federal Agencies 8.6%		
Federal Home Loan Mortgage Corporation		
(Mortgage Pass-Through Securities) 0.2%		
4.00%, due 2/1/49	2,369,902	2,472,821
Federal National Mortgage Association		
(Mortgage Pass-Through Securities) 3.2%		
3.50%, due 10/1/48 TBA (i)	$ 5,296,000	$ 5,448,053
4.00%, due 8/1/48	12,857,939	13,407,037
4.00%, due 2/1/49	3,159,345	3,292,977
4.00%, due 2/1/49	1,811,472	1,887,093
4.50%, due 1/1/49	8,763,128	9,256,349
		33,291,509
United States Treasury Inflation—Indexed Notes 5.2% (j)		
0.75%, due 7/15/28	22,373,681	23,537,554
0.875%, due 1/15/29	28,774,571	30,555,632
		54,093,186
Total U.S. Government & Federal Agencies		
(Cost $86,807,000)		89,857,516
Total Long-Term Bonds		
(Cost $975,814,304)		1,001,396,841

	Shares	Value
Common Stocks 0.0%‡		
Software 0.0%‡		
salesforce.com, Inc. (k)	1,267	206,065
Total Common Stocks		
(Cost $146,797)		206,065
Short-Term Investments 6.5%		
Affiliated Investment Company 5.6%		
MainStay U.S. Government Liquidity Fund,		
1.40% (l)	57,671,470	57,671,470
Total Affiliated Investment Company		
(Cost $57,671,470)		57,671,470
Unaffiliated Investment Company 0.4%		
State Street Navigator Securities Lending		
Government Money Market Portfolio,		
1.56% (l)(m)	4,571,640	4,571,640
Total Unaffiliated Investment Company		
(Cost $4,571,640)		4,571,640

	Principal Amount	Value
U.S. Government & Federal Agencies 0.5%		
United States Treasury Bills		
1.548%, due 1/28/20 (n)	$ 5,250,000	5,243,995
Total U.S. Government		
(Cost $5,243,995)		5,243,995
Total Short-Term Investments		
(Cost $67,487,105)		67,487,105
Total Investments, Before Investments		
Sold Short		
(Cost $1,043,448,206)	102.8%	1,069,090,011

	Principal Amount	Value
Investments Sold Short (2.2%)		
Corporate Bonds Sold Short (2.2%)		
Health Care Providers & Services (0.3%)		
Davita, Inc.		
5.00%, due 5/1/25	$ (3,015,000)	$ (3,101,681)
Internet & Direct Marketing Retail (0.9%)		
Netflix, Inc.		
4.375%, due 11/15/26	(8,495,000)	(8,707,375)
Metals & Mining (0.5%)		
FMG Resources (August 2006) Pty, Ltd.		
5.125%, due 5/15/24 (a)	(5,000,000)	(5,312,500)
Semiconductors & Semiconductor Equipment (0.5%)		
Amkor Technology, Inc.		
6.625%, due 9/15/27 (a)	(5,050,000)	(5,561,313)
Total Investments Sold Short (Proceeds $21,588,398)		(22,682,869)
Total Investments, Net of Investments Sold Short (Cost $1,021,859,808)	100.6%	1,046,407,142
Other Assets, Less Liabilities	(0.6)	(6,375,112)
Net Assets	100.0%	$1,040,032,030

† 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 December 31, 2019.

(c) Security, or a portion thereof, was maintained in a segregated account at the Portfolio's custodian as collateral for securities sold short (See Note 2(O)).

(d) Fixed to floating rate—Rate shown was the rate in effect as of December 31, 2019.

(e) Securities are perpetual and, thus, do 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 December 31, 2019, the aggregate market value of securities on loan was $4,403,480. The Portfolio received cash collateral with a value of $4,571,640 (See Note 2(P)).

(g) 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 December 31, 2019.

(h) Coupon rate may change based on changes of the underlying collateral or prepayments of principal. Rate shown was the rate in effect as of December 31, 2019.

(i) TBA—Securities purchased on a forward commitment basis with an approximate principal amount and maturity date. The actual principal amount and maturity date will be determined upon settlement. As of December 31, 2019, the total net market value of these securities was $5,448,053, which represented 0.5% of the Portfolio's net assets. All or a portion of these securities are a part of a mortgage dollar roll agreement.

(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) Non-income producing security.

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

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

(n) Interest rate shown represents yield to maturity.

Foreign Currency Forward Contracts

As of December 31, 2019, the Portfolio held the following foreign currency forward contracts[1]:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD 3,484,006	EUR 3,118,000	JPMorgan Chase Bank N.A.	2/3/20	$(20,189)
USD 1,560,803	GBP 1,210,000	JPMorgan Chase Bank N.A.	2/3/20	(43,390)
Total unrealized depreciation				$(63,579)

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 December 31, 2019, 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					
2-Year United States Treasury Note	588	March 2020	$126,807,639	$126,714,000	$ (93,639)
Euro Bund	19	March 2020	3,664,680	3,633,534	(31,146)
United States Treasury Long Bond	10	March 2020	1,585,429	1,559,062	(26,367)
Total Long Contracts					(151,152)
Short Contracts					
5-Year United States Treasury Note	(563)	March 2020	(66,961,216)	(66,777,078)	184,138
10-Year United States Treasury Note	(688)	March 2020	(89,076,740)	(88,354,250)	722,490
10-Year United States Treasury Ultra Note	(629)	March 2020	(89,380,331)	(88,502,266)	878,065
Euro-BTP	(24)	March 2020	(3,829,446)	(3,835,137)	(5,691)
United States Treasury Ultra Bond	(36)	March 2020	(6,738,673)	(6,539,625)	199,048
Total Short Contracts					1,978,050
Net Unrealized Appreciation					$1,826,898

1. As of December 31, 2019, cash in the amount of $2,597,562 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 December 31, 2019.

Swap Contracts

As of December 31, 2019, 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 Received/ (Paid)	Value	Unrealized Appreciation / (Depreciation)
$50,000,000	USD	3/16/2023	Fixed 2.793%	3-Month USD-LIBOR	Semi-Annually/Quarterly	$—	$(1,727,593)	$(1,727,593)
50,000,000	USD	3/29/2023	Fixed 2.762%	3-Month USD-LIBOR	Semi-Annually/Quarterly	—	(1,692,816)	(1,692,816)
						$—	$(3,420,409)	$(3,420,409)

1. As of December 31, 2019, cash in the amount of $1,240,476 was on deposit with a broker for centrally cleared swap agreements.

The following abbreviations are used in the preceding pages:

BTP—Buoni del Tesoro Poliennali (Eurex Exchange index)

EUR—Euro

GBP—British Pound Sterling

LIBOR—London Interbank Offered Rate

REMIC—Real Estate Mortgage Investment Conduit

TBA—To Be Announced

USD—United States Dollar

Portfolio of Investments December 31, 2019 (continued)

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

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Asset Valuation Inputs				
Investments in Securities (a)				
Long-Term Bonds				
Asset-Backed Securities	$ —	$ 54,539,279	$ —	$ 54,539,279
Corporate Bonds	—	638,775,441	—	638,775,441
Foreign Government Bonds	—	11,361,657	—	11,361,657
Loan Assignments	—	63,049,013	—	63,049,013
Mortgage-Backed Securities	—	142,197,629	—	142,197,629
Municipal Bonds	—	1,616,306	—	1,616,306
U.S. Government & Federal Agencies	—	89,857,516	—	89,857,516
Total Long-Term Bonds	—	1,001,396,841	—	1,001,396,841
Common Stocks	206,065	—	—	206,065
Short-Term Investments				
Affiliated Investment Company	57,671,470	—	—	57,671,470
Unaffiliated Investment Company	4,571,640	—	—	4,571,640
U.S. Government & Federal Agencies	—	5,243,995	—	5,243,995
Total Short-Term Investments	62,243,110	5,243,995	—	67,487,105
Total Investments in Securities	62,449,175	1,006,640,836	—	1,069,090,011
Other Financial Instruments				
Futures Contracts (b)	1,983,741	—	—	1,983,741
Total Investments in Securities and Other Financial Instruments	$64,432,916	$1,006,640,836	$ —	$1,071,073,752
Liability Valuation Inputs				
Long-Term Bonds Sold Short				
Corporate Bonds Sold Short	$ —	$ (22,682,869)	$ —	$ (22,682,869)
Total Long-Term Bonds Sold Short	—	(22,682,869)	—	(22,682,869)
Other Financial Instruments				
Foreign Currency Forward Contracts (b)	—	(63,579)	—	(63,579)
Futures Contracts (b)	(156,843)	—	—	(156,843)
Interest Rate Swap Contracts (b)	—	(3,420,409)	—	(3,420,409)
Total Other Financial Instruments	(156,843)	(3,483,988)	—	(3,640,831)
Total Investments in Securities Sold Short and Other Financial Instruments	$ (156,843)	$ (26,166,857)	$ —	$ (26,323,700)

(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.

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

Investments in Securities	Balance as of December 31, 2018	Accrued Discounts (Premiums)	Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Purchases	Sales (a)	Transfers into Level 3	Transfers out of Level 3	Balance as of December 31, 2019	Change in Unrealized Appreciation (Depreciation) from Investments Still Held at December 31, 2019
Long-Term Bonds										
Loan Assignments										
Advertising	$2,937,500	$687	$(178,093)	$169,593	$—	$(2,929,687)	$—	$—	$—	$—
Total	$2,937,500	$687	$(178,093)	$169,593	$—	$(2,929,687)	$—	$—	$—	$—

(a) Sales include principal reductions.

Statement of Assets and Liabilities as of December 31, 2019

Assets

Investment in unaffiliated securities before investments sold short, at value (identified cost $985,776,736) including securities on loan of $4,403,480	$1,011,418,541
Investment in affiliated investment company, at value (identified cost $57,671,470)	57,671,470
Cash collateral on deposit at broker for futures contracts	2,597,562
Cash collateral on deposit at broker for swap contracts	1,240,476
Cash denominated in foreign currencies (identified cost $1,120,308)	1,150,807
Receivables:	
Dividends and interest	7,751,435
Variation margin on futures contracts	348,480
Investment securities sold	170,611
Portfolio shares sold	113,720
Securities lending	2,437
Total assets	1,082,465,539

Liabilities

Investments sold short (proceeds $21,588,398)	22,682,869
Due to custodian	1,268,687
Cash collateral received for securities on loan	4,571,640
Payables:	
Investment securities purchased	12,069,245
Manager (See Note 3)	505,194
Portfolio shares redeemed	411,321
Variation margin on centrally cleared swap contracts	224,947
NYLIFE Distributors (See Note 3)	209,973
Interest on investments sold short	203,868
Broker fees and charges on short sales	88,390
Shareholder communication	68,055
Professional fees	46,928
Custodian	13,127
Trustees	1,651
Accrued expenses	4,035
Unrealized depreciation on foreign currency forward contracts	63,579
Total liabilities	42,433,509
Net assets	$1,040,032,030

Composition of Net Assets

Shares of beneficial interest outstanding (par value of $.001 per share) unlimited number of shares authorized	$ 105,132
Additional paid-in capital	1,070,262,202
	1,070,367,334
Total distributable earnings (loss)	(30,335,304)
Net assets	$1,040,032,030

Initial Class

Net assets applicable to outstanding shares	$ 49,296,288
Shares of beneficial interest outstanding	4,968,216
Net asset value per share outstanding	$ 9.92

Service Class

Net assets applicable to outstanding shares	$ 990,735,742
Shares of beneficial interest outstanding	100,163,984
Net asset value per share outstanding	$ 9.89

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

Statement of Operations for the year ended December 31, 2019

Investment Income (Loss)

Income	
Interest	$ 39,166,851
Dividends—Affiliated	859,078
Securities lending	15,020
Total income	40,040,949
Expenses	
Manager (See Note 3)	6,195,279
Distribution/Service—Service Class (See Note 3)	2,499,822
Interest on investments sold short	1,121,171
Broker fees and charges on short sales	545,237
Shareholder communication	157,894
Professional fees	138,315
Custodian	58,970
Trustees	27,695
Interest expense	24,484
Miscellaneous	42,803
Total expenses	10,811,670
Net investment income (loss)	29,229,279

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

Net realized gain (loss) on:	
Unaffiliated investment transactions	1,182,199
Investments sold short	(951,230)
Futures transactions	(19,500,526)
Swap transactions	2,321,375
Foreign currency forward transactions	192,261
Foreign currency transactions	(43,509)
Net realized gain (loss) on investments, investments sold short, futures transactions, swap transactions and foreign currency transactions	(16,799,430)
Net change in unrealized appreciation (depreciation) on:	
Unaffiliated investments	58,973,717
Investments sold short	(1,465,708)
Futures contracts	8,233,843
Swap contracts	(5,827,868)
Foreign currency forward contracts	(59,363)
Translation of other assets and liabilities in foreign currencies	36,178
Net change in unrealized appreciation (depreciation) on investments, investments sold short, futures contracts, swap contracts and foreign currencies	59,890,799
Net realized and unrealized gain (loss) on investments, investments sold short, futures transactions, swap transactions and foreign currency transactions	43,091,369
Net increase (decrease) in net assets resulting from operations	$ 72,320,648

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 years ended December 31, 2019 and December 31, 2018

	2019	2018
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	$ 29,229,279	$ 34,155,942
Net realized gain (loss) on investments, investments sold short, futures transactions, swap transactions and foreign currency transactions	(16,799,430)	6,106,337
Net change in unrealized appreciation (depreciation) on investments, investments sold short, futures contracts, swap contracts and foreign currencies	59,890,799	(56,748,864)
Net increase (decrease) in net assets resulting from operations	72,320,648	(16,486,585)
Distributions to shareholders:		
Initial Class	(3,033,734)	(4,472,392)
Service Class	(33,021,498)	(33,201,095)
Total distributions to shareholders	(36,055,232)	(37,673,487)
Capital share transactions:		
Net proceeds from sale of shares	39,299,533	141,396,906
Net asset value of shares issued to shareholders in reinvestment of distributions	36,055,232	37,673,487
Cost of shares redeemed	(187,588,436)	(210,799,083)
Increase (decrease) in net assets derived from capital share transactions	(112,233,671)	(31,728,690)
Net increase (decrease) in net assets	(75,968,255)	(85,888,762)
Net Assets		
Beginning of year	1,116,000,285	1,201,889,047
End of year	$1,040,032,030	$1,116,000,285

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	Year ended December 31, 2019	2018	2017	2016	2015
Net asset value at beginning of year	$ 9.60	$ 10.06	$ 9.90	$ 9.54	$ 10.12
Net investment income (loss) (a)	0.29	0.30	0.29	0.37	0.40
Net realized and unrealized gain (loss) on investments	0.38	(0.43)	0.18	0.33	(0.66)
Net realized and unrealized gain (loss) on foreign currency transactions	0.00 ‡	0.00 ‡	0.00 ‡	0.01	0.02
Total from investment operations	0.67	(0.13)	0.47	0.71	(0.24)
Less distributions:					
From net investment income	(0.35)	(0.33)	(0.31)	(0.35)	(0.34)
Net asset value at end of year	$ 9.92	$ 9.60	$ 10.06	$ 9.90	$ 9.54
Total investment return (b)	7.06%	(1.21%)	4.81%	7.50%	(2.42%)
Ratios (to average net assets)/Supplemental Data:					
Net investment income (loss)	2.96%	3.04%	2.89%	3.80%	4.01%
Net expenses (c)(d)	0.76%	0.75%	0.67%	0.72%	0.65%
Portfolio turnover rate	51%(e)	33%	32%	34%	26%
Net assets at end of year (in 000's)	$ 49,296	$ 116,901	$ 137,454	$ 122,586	$ 129,311

‡ Less than one cent per share.
(a) Per share data based on average shares outstanding during the year.
(b) Total return does not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. For periods of less than one year, total return is not annualized.
(c) In addition to the fees and expenses which the Portfolio bears directly, it also indirectly bears a pro-rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above expense ratios.
(d) The expense ratios presented below show the impact of short sales expense:

Year Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
December 31, 2019	0.61%	0.15%
December 31, 2018	0.60%	0.15%
December 31, 2017	0.60%	0.07%
December 31, 2016	0.62%	0.10%
December 31, 2015	0.62%	0.03%

(e) The portfolio turnover rate not including mortgage dollar rolls was 45% for the year ended December 31, 2019.

Financial Highlights selected per share data and ratios

	Year ended December 31,				
Service Class	**2019**	**2018**	**2017**	**2016**	**2015**
Net asset value at beginning of year	$ 9.57	$ 10.03	$ 9.87	$ 9.51	$ 10.09
Net investment income (loss) (a)	0.26	0.28	0.26	0.34	0.38
Net realized and unrealized gain (loss) on investments	0.39	(0.43)	0.19	0.33	(0.66)
Net realized and unrealized gain (loss) on foreign currency transactions	0.00 ‡	0.00 ‡	0.00 ‡	0.01	0.02
Total from investment operations	0.65	(0.15)	0.45	0.68	(0.26)
Less distributions:					
From net investment income	(0.33)	(0.31)	(0.29)	(0.32)	(0.32)
Net asset value at end of year	$ 9.89	$ 9.57	$ 10.03	$ 9.87	$ 9.51
Total investment return (b)	6.80%	(1.46%)	4.55%	7.23%	(2.66%)
Ratios (to average net assets)/Supplemental Data:					
Net investment income (loss)	2.66%	2.79%	2.64%	3.54%	3.77%
Net expenses (c)(d)	1.01%	1.00%	0.92%	0.97%	0.90%
Portfolio turnover rate	51%(e)	33%	32%	34%	26%
Net assets at end of year (in 000's)	$ 990,736	$ 999,100	$ 1,064,435	$ 882,928	$ 748,317

‡ Less than one cent per share.

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

(b) Total return does not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. For periods of less than one year, total return is not annualized.

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

(d) The expense ratios presented below show the impact of short sales expense:

Year Ended	Net Expenses (excluding short sale expenses)	Short Sale Expenses
December 31, 2019	0.86%	0.15%
December 31, 2018	0.85%	0.15%
December 31, 2017	0.85%	0.07%
December 31, 2016	0.87%	0.10%
December 31, 2015	0.87%	0.03%

(e) The portfolio turnover rate not including mortgage dollar rolls was 45% for the year ended December 31, 2019.

Notes to Financial Statements

Note 1–Organization and Business

MainStay VP Funds Trust (the "Fund") was organized as a Delaware statutory trust on February 1, 2011. The Fund is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Fund is comprised of thirty-one separate series (collectively referred to as the "Portfolios"). These financial statements and notes relate to the MainStay VP MacKay 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 New York Life Insurance and Annuity Corporation ("NYLIAC"), a wholly-owned subsidiary of New York Life Insurance Company ("New York Life") and may also be offered to fund variable annuity policies and variable universal life insurance policies issued by other insurance companies. NYLIAC allocates shares of the Portfolios to, among others, certain NYLIAC separate accounts. Shares of the Portfolio are also offered to the MainStay VP Conservative Allocation Portfolio, MainStay VP Moderate Allocation Portfolio, MainStay VP Moderate Growth Allocation Portfolio and MainStay VP Growth Allocation Portfolio, which operate as "funds-of-funds."

The Portfolio currently offers two classes of shares. Initial Class and Service Class shares commenced operations on 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 Board authorized the Valuation Committee to appoint a Valuation Subcommittee (the "Subcommittee") to deal in the first instance with establishing the prices of securities for which market quotations are not readily available or the prices of which are not otherwise readily determinable under these procedures. The Subcommittee meets (in person, via electronic mail or via teleconference) on an as-needed basis. Subsequently, the Valuation Committee meets to ensure that actions taken by the Subcommittee were appropriate. The procedures state that, subject to the oversight of the Board and unless otherwise noted, the responsibility for the day-to-day valuation of portfolio assets (including fair value measurements for the Portfolio's assets and liabilities) rests with New York Life Investment Management LLC ("New York Life Investments" or the "Manager"), aided to whatever extent necessary by the Subadvisor (as defined in Note 3(A)).

To assess the appropriateness of security valuations, the Manager, the Subadvisor or the Portfolio's third-party service provider, who is subject to oversight by the Manager, regularly compares prior day prices, prices on comparable securities and the sale prices to the prior and current day prices and challenges prices with changes exceeding certain tolerance levels with third-party pricing services or broker sources. For those securities valued through either a standardized fair valuation methodology or a fair valuation measurement, the Subcommittee deals in the first instance with such valuation and the Valuation Committee reviews and affirms, if appropriate, the reasonableness of the valuation based on such methodologies and measurements on a regular basis after considering information that is reasonably available and deemed relevant by the Valuation Committee. Any action taken by the Subcommittee with respect to the valuation of a portfolio security or other asset is submitted for review and ratification (if appropriate) to the Valuation Committee and the Board at the next regularly scheduled meeting.

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

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

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

The level of an asset or liability within the fair value hierarchy is based on the lowest level of an input, both individually and in the aggregate, that is significant to the fair value measurement. As of December 31, 2019, the aggregate value by input level of the Portfolio's assets and liabilities is included at the end of the Portfolio's Portfolio of Investments.

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

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

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

Securities which may be valued in this manner include, but are not limited to: (i) a security for which trading has been halted or suspended; (ii) a debt security that has recently gone into default and for which there is not a current market quotation; (iii) a security of an issuer that has entered into a restructuring; (iv) a security that has been delisted from a national exchange; (v) a security for which the market price is not readily available from a third-party pricing source or, if so provided, does not, in the opinion of the Manager or the Subadvisor, reflect the security's market value; (vi) a security subject to trading collars for which no or limited trading takes place; and (vii) a security whose principal market has been temporarily closed at a time when, under normal conditions, it would be open. Securities valued in this manner are generally categorized as Level 3 in the hierarchy. As of December 31, 2019, no securities held by the Portfolio were fair valued in such a manner.

Certain securities held by the Portfolio may principally trade in foreign markets. Events may occur between the time the foreign markets close and the time at which the Portfolio's NAVs are calculated. These events may include, but are not limited to, situations relating to a single issuer in a market sector, significant fluctuations in U.S. or foreign markets, natural disasters, armed conflicts, governmental actions or other developments not tied directly to the securities markets. Should the Manager or the Subadvisor conclude that such events may have affected the accuracy of the last price of such securities reported on the local foreign market, the Subcommittee may, pursuant to procedures adopted by the Board, adjust the value of the local price to reflect the estimated impact on the price of such securities as a result of such events. In this instance, securities are generally categorized as Level 3 in the hierarchy. Additionally, certain foreign equity securities are also fair valued whenever the movement of a particular index exceeds certain thresholds. In such cases, the securities are fair valued by applying factors provided by a third-party vendor in accordance with valuation procedures adopted by the Board and are generally categorized as Level 2 in the hierarchy. As of December 31, 2019, no foreign equity securities held by the Portfolio were fair valued in such a manner.

Equity securities are valued at the last quoted sales prices as of the close of regular trading on the relevant exchange on each valuation date. Securities that are not traded on the valuation date are valued at the mean of the last quoted bid and ask prices. Prices are normally taken from the principal market in which each security trades. 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.

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

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 brokers 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.

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. As of December 31, 2019, no securities held by the Portfolio were fair valued in such a manner.

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.

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.

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

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

(B) Income Taxes. The Portfolio's policy is to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), applicable to regulated investment companies and to distribute all of its taxable income to the shareholders of the Portfolio within the allowable time limits. Therefore, no federal, state and local income tax provisions are required.

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

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

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

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

(E) Security Transactions and Investment Income. The Portfolio records security transactions on the trade date. Realized gains and losses on security transactions are determined using the identified cost method. Dividend income is recognized on the ex-dividend date, net of any foreign tax withheld at the source, and interest income is accrued as earned using the effective interest rate method 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 over the life of the respective securities.

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 Portfolio's Statement of Operations or in the expense ratios included in the Financial Highlights.

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

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

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

(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 December 31, 2019, the Portfolio did not hold any unfunded commitments.

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

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

(K) 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.

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 ("variation margin") 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. As of December 31, 2019, open swap agreements are shown in the Portfolio of Investments.

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

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

(M) 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.

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

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

(O) Securities Sold Short. The Portfolio may engage in sales of securities it does not own ("short sales") as part of its investment strategies. When the Portfolio enters into a short sale, it must segregate or maintain with a broker the cash proceeds from the security sold short or other securities as collateral for its obligation to deliver the security upon conclusion of the sale. During the period a short position is open, depending on the nature and type of security, a short position is reflected as a liability and is marked to market in accordance with the valuation methodologies previously detailed (See Note 2(A)). Liabilities for securities sold short are closed out by purchasing the applicable securities for delivery to the counterparty broker. A gain, limited to the price at which the Portfolio sold the security short, or a loss, unlimited as to dollar amount, will be recognized upon termination of a short sale if the market price on the date the short position is closed out is less or greater, respectively, than the proceeds originally received. Any such gain or loss may be offset, completely or in part, by the change in the value of the hedged investments. Interest on short positions held is accrued daily, while dividends declared on short positions existing on the record date are recorded on the ex-dividend date as a dividend expense in the Statement of Operations. Broker fees and other expenses related to securities sold short are disclosed in the Statement of Operations. Short sales involve risk of loss in excess of the related amounts reflected in the Statement of Assets and Liabilities. As of December 31, 2019, securities sold short are shown in the Portfolio of Investments.

(P) Securities Lending. In order to realize additional income, the Portfolio may engage in securities lending, subject to the limitations set forth in the 1940 Act and relevant guidance by the staff of the Securities and Exchange Commission ("SEC"). If the Portfolio engages in securities lending, the Portfolio will lend through its custodian, State Street Bank and Trust Company ("State Street"), acting as securities lending agent on behalf of the Portfolio. State Street will manage the Portfolio's collateral in accordance with the securities lending agency agreement between the Portfolio and State Street, and indemnify the Portfolio against counterparty risk. The loans will be collateralized by cash (which may be invested in a money market fund) and/or non-cash collateral (which may include U.S. Treasury securities and/or U.S. Government Agency securities issued or guaranteed by the United States government or its agencies or instrumentalities) at least equal at all times to the market value of the securities loaned. The Portfolio may bear the risk of delay in recovery of, or loss of rights in, the securities loaned should the borrower of the securities experience financial difficulty. The Portfolio may also record a realized gain or loss on securities deemed sold due to a borrower's inability to return securities on loan. The Portfolio bears the risk of any loss on investment of cash collateral. The Portfolio will receive compensation for lending its securities in the form of fees or it will retain a portion of interest earned on the investment of any cash collateral. The Portfolio will also continue to receive interest and dividends on the securities loaned and any gain or loss in the market price of the securities loaned that may occur during the term of the loan will be for the account of the Portfolio. Income earned from securities lending activities, if any, is reflected in the Statement of Operations. As of December 31, 2019, the Portfolio had securities on loan with an aggregate market value of $4,403,480 and received cash collateral, which was invested into the State Street Navigator Securities Lending Government Money Market Portfolio, with a value of $4,571,640.

(Q) 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.

The Portfolio accounts for a dollar roll transaction as a purchase and sale whereby the difference in the sales price and purchase price of the security sold is recorded as a realized gain (loss).

(R) 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 may invest in high-yield debt securities (sometimes called "junk bonds"), which are generally considered speculative because they present a greater risk of loss, including default, than higher quality 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.

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, the Portfolio's NAVs could go down and you could lose money.

In addition, loans generally are subject to 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 transactions, 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 Portfolio may invest in foreign debt securities, which carry certain risks that are in addition to the usual risks inherent in domestic debt 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.

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

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

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

(U) Indemnifications. Under the Fund's organizational documents, its officers and trustees are indemnified against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Portfolio enters into contracts with third-party service providers that contain a variety of representations and warranties and which may provide general indemnifications. The Portfolio's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Portfolio that have not yet occurred. Based on experience, management is of the view that the risk of loss in connection with these potential indemnification obligations is remote. However, there can be no assurance that material liabilities related to such obligations will not arise in the future, which could adversely impact the Portfolio.

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

Fair value of derivative instruments as of December 31, 2019:

Asset Derivatives

	Statement of Assets and Liabilities Location	Interest Rate Contracts Risk	Total
Futures Contracts	Net Assets—Net unrealized appreciation on investments, swap contracts and futures contracts (a)	$1,983,741	$1,983,741
Total Fair Value		$1,983,741	$1,983,741

Liability Derivatives

	Statement of Assets and Liabilities Location	Foreign Exchange Contracts Risk	Interest Rate Contracts Risk	Total
Futures Contracts	Net Assets—Net unrealized depreciation on investments, swap contracts and futures contracts (a)	$ —	$ (156,843)	$ (156,843)
Centrally Cleared Swap Contracts	Net Assets—Net unrealized depreciation on investments, swap contracts and futures contracts (b)	—	(3,420,409)	(3,420,409)
Forward Contracts	Unrealized depreciation on foreign currency forward contracts	(63,579)	—	(63,579)
Total Fair Value		$(63,579)	$(3,577,252)	$(3,640,831)

(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 year ended December 31, 2019:

Realized Gain (Loss)

	Statement of Operations Location	Foreign Exchange Contracts Risk	Interest Rate Contracts Risk	Total
Futures Contracts	Net realized gain (loss) on futures transactions	$ —	$(19,500,526)	$(19,500,526)
Swap Contracts	Net realized gain (loss) on swap transactions	—	2,321,375	2,321,375
Forward Contracts	Net realized gain (loss) on foreign currency forward transactions	192,261	—	192,261
Total Realized Gain (Loss)		$192,261	$(17,179,151)	$(16,986,890)

Change in Unrealized Appreciation (Depreciation)

	Statement of Operations Location	Foreign Exchange Contracts Risk	Interest Rate Contracts Risk	Total
Futures Contracts	Net change in unrealized appreciation (depreciation) on futures contracts	$ —	$ 8,233,843	$ 8,233,843
Swap Contracts	Net change in unrealized appreciation (depreciation) on swap contracts	—	(5,827,868)	(5,827,868)
Forward Contracts	Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	(59,363)	—	(59,363)
Total Change in Unrealized Appreciation (Depreciation)		$(59,363)	$ 2,405,975	$ 2,346,612

Average Notional Amount

	Foreign Exchange Contracts Risk	Interest Rate Contracts Risk	Total
Futures Contracts Long	$ —	$ 48,170,112	$ 48,170,112
Futures Contracts Short	$ —	$(254,709,055)	$(254,709,055)
Swap Contracts Long	$ —	$ 433,333,333	$ 433,333,333
Forward Contracts Long (a)	$ 4,289,245	$ —	$ 4,289,245
Forward Contracts Short	$(5,880,689)	$ —	$ (5,880,689)

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

The Fund, on behalf of the Portfolio, pays New York Life Investments in its capacity as the Portfolio's investment manager and administrator, pursuant to the Management Agreement, a monthly fee for the services performed and the facilities furnished at an annual rate of the 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 year ended December 31, 2019, the effective management fee rate was 0.57%.

During the year ended December 31, 2019, New York Life Investments earned fees from the Portfolio in the amount of $6,195,279 and paid the Subadvisor in the amount of $3,097,639.

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

Pursuant to an agreement between the Fund and New York Life Investments, New York Life Investments is responsible for providing or procuring certain regulatory reporting services for the Portfolio. The Portfolio will reimburse New York Life Investments for the actual costs incurred by New York Life Investments in connection with providing or procuring these services for the Portfolio.

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

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

Affiliated Investment Company	Value, Beginning of Year	Purchases at Cost	Proceeds from Sales	Net Realized Gain/(Loss) on Sales	Change in Unrealized Appreciation/ (Depreciation)	Value, End of Year	Dividend Income	Other Distributions	Shares End of Year
MainStay U.S. Government Liquidity Fund	$7,374	$531,548	$(481,251)	$—	$—	$57,671	$859	$—	57,671

Note 4–Federal Income Tax

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

	Federal Tax Cost	Gross Unrealized Appreciation	Gross Unrealized (Depreciation)	Net Unrealized Appreciation/ (Depreciation)
Investments in Securities	$1,022,238,728	$30,776,414	$(10,028,409)	$20,748,005

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

Ordinary Income	Accumulated Capital and Other Gain (Loss)	Other Temporary Differences	Unrealized Appreciation (Depreciation)	Total Accumulated Gain (Loss)
$718,073	$(51,269,157)	$—	$20,215,780	$(30,335,304)

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is primarily due to mark to market of futures.

As of December 31, 2019, for federal income tax purposes, capital loss carryforwards of $51,269,157 as shown in the table below, were available to the extent provided by the regulations to offset future realized gains of the Portfolio through the years indicated. Accordingly, no capital gains distributions are expected to be paid to shareholders until net gains have been realized in excess of such amounts.

Capital Loss Available Through	Short-Term Capital Loss Amounts (000's)	Long-Term Capital Loss Amounts (000's)
Unlimited	$11,196	$40,073

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

2019		2018	
Tax-Based Distributions from Ordinary Income	Tax-Based Distributions from Long-Term Gains	Tax-Based Distributions from Ordinary Income	Tax-Based Distributions from Long-Term Gains
$36,055,232	$—	$37,673,487	$—

Note 5–Custodian

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

Note 6–Line of Credit

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

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

Note 7–Interfund Lending Program

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

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

During the year ended December 31, 2019, purchases and sales of U.S. government securities were $243,551 and $122,239, respectively. Purchases and sales of securities, other than U.S. government securities and short-term securities, were $289,633 and $548,195, respectively.

Note 9–Capital Share Transactions

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

Initial Class	Shares	Amount
Year ended December 31, 2019:		
Shares sold	248,157	$ 2,451,502
Shares issued to shareholders in reinvestment of distributions	308,514	3,033,734
Shares redeemed	(7,761,613)	(76,641,030)
Net increase (decrease)	(7,204,942)	$ (71,155,794)
Year ended December 31, 2018:		
Shares sold	4,511,420	$ 44,611,372
Shares issued to shareholders in reinvestment of distributions	456,270	4,472,392
Shares redeemed	(6,464,408)	(63,695,434)
Net increase (decrease)	(1,496,718)	$ (14,611,670)

Service Class	Shares	Amount
Year ended December 31, 2019:		
Shares sold	3,740,489	$ 36,848,031
Shares issued to shareholders in reinvestment of distributions	3,364,366	33,021,498
Shares redeemed	(11,297,274)	(110,947,406)
Net increase (decrease)	(4,192,419)	$ (41,077,877)
Year ended December 31, 2018:		
Shares sold	9,736,875	$ 96,785,534
Shares issued to shareholders in reinvestment of distributions	3,399,126	33,201,095
Shares redeemed	(14,954,626)	(147,103,649)
Net increase (decrease)	(1,818,625)	$ (17,117,020)

Note 10–Recent Accounting Pronouncement

To improve the effectiveness of fair value disclosure requirements, the Financial Accounting Standards Board recently issued Accounting Standards Update (ASU) 2018-13, Fair Value Measurement Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13), which adds, removes, and modifies certain aspects relating to fair value disclosure. ASU 2018-13 is effective for interim and annual reporting periods beginning after December 15, 2019. For the year ended December 31, 2018, management evaluated the implications of certain other provisions of the ASU and determined to early adopt aspects related to the removal and modifications of certain fair value measurement disclosures under the ASU, which are currently in place as of December 31, 2019. At this time, management is evaluating the implications of certain other provisions of the ASU related to new disclosure requirements and any impact on the financial statement disclosures has not yet been determined.

Note 11–Subsequent Events

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

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of MainStay VP Funds Trust and Shareholders of
MainStay VP MacKay Unconstrained Bond Portfolio

Opinion on the Financial Statements

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

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian, transfer agent, agent banks and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
February 19, 2020

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

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

The continuation of the Management Agreement with respect to the MainStay VP MacKay Unconstrained Bond Portfolio ("Portfolio") and New York Life Investment Management LLC ("New York Life Investments") and the Subadvisory Agreement between New York Life Investments and MacKay Shields LLC ("MacKay") with respect to the Portfolio (together, "Advisory Agreements"), following an initial term of up to two years, is subject to annual review and approval by the Board of Trustees of MainStay VP Funds Trust ("Board" of the "Trust") in accordance with Section 15 of the Investment Company Act of 1940, as amended ("1940 Act"). At its December 10-11, 2019 in-person meeting, the Board, including the Trustees who are not an "interested person" (as such term is defined in the 1940 Act) of the Trust ("Independent Trustees") voting separately, unanimously approved the continuation of each of the Advisory Agreements for a one-year period.

In reaching the decision to approve the continuation of each of the Advisory Agreements, the Board considered information furnished by New York Life Investments and MacKay in connection with an annual contract review process undertaken by the Board that took place at meetings of the Board and its Contracts Committee between October 2019 and December 2019, as well as other information furnished to the Board and its Committees throughout the year, as deemed relevant by the Trustees. Information requested by and furnished to the Board for consideration in connection with the contract review process included, among other items, reports on the Portfolio and "peer funds" prepared by Strategic Insight Mutual Fund Research and Consulting, LLC ("Strategic Insight"), an independent third-party service provider engaged by the Board to report objectively on the Portfolio's investment performance, management fee and total expenses. The Board also considered information on the fees charged to other investment advisory clients of New York Life Investments and/or MacKay that follow investment strategies similar to the Portfolio, if any, and, when applicable, the rationale for any differences in the Portfolio's management and subadvisory fees and the fees charged to those other investment advisory clients. In addition, the Board considered information furnished by New York Life Investments and MacKay in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel to the Independent Trustees, which encompassed a variety of topics, including those summarized below. The Board took into account information provided in connection with its meetings throughout the year, including, among other items, information regarding the legal standards and fiduciary obligations applicable to its consideration of the continuation of each of the Advisory Agreements and investment performance reports on the Portfolio prepared by the Investment Consulting Group of New York Life Investments as well as presentations from New York Life Investments and MacKay personnel. The Board also took into account other information received from New York Life Investments throughout the year, including, among other items, periodic reports on legal and compliance matters, risk management, portfolio turnover, brokerage commissions, sales and marketing activity and non-advisory services provided to the Portfolio by New York Life Investments. The contract review process, including the structure and format for materials provided to the Board, has been developed in consultation with the Board. The Independent Trustees also met in executive sessions with their independent legal counsel and, for a portion thereof, with senior management of New York Life Investments joining.

In addition to information provided to the Board throughout the year, the Board received information in connection with its June 2019 meeting provided specifically in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel regarding the Portfolio's distribution arrangements. In addition, the Board received information regarding the Portfolio's asset levels, share purchase and redemption activity and the payment of Rule 12b-1 and/or other fees by applicable share classes of the Portfolio. New York Life Investments also provided the Board with information regarding the revenue sharing payments made by New York Life Investments from its own resources to insurance companies that issue variable contracts under which the Portfolio serves as an investment option or intermediaries that promote the sale, distribution and/or servicing of such variable contracts or the Portfolio's shares.

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

The Trustees noted that, throughout the year, the Trustees are also afforded an opportunity to ask questions of, and request additional information or materials from, New York Life Investments and MacKay. The Board's conclusions with respect to each of the Advisory Agreements may have also been based, in part, on the Board's knowledge of New York Life Investments and MacKay resulting from, among other things, the Board's consideration of each of the Advisory Agreements in prior years, the advisory agreements for other funds in the MainStay Group of Funds, the Board's review throughout the year of the performance and operations of other funds in the MainStay Group of Funds and the Board's business judgment and industry experience. In addition to considering the above-referenced factors, the Board observed that in the marketplace, notably under variable life insurance policies and variable annuity contracts for which the Portfolio serves as an investment option, there are a range of investment options available to the Portfolio's shareholders and such shareholders, having had the opportunity to consider other investment options, have chosen to invest in the Portfolio. The factors that figured prominently in the Board's decision to approve the continuation of each of the Advisory Agreements during its December 10-11, 2019 in-person meeting are summarized in more detail below, and the Board did not consider any factor or information controlling in making such approval.

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

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

The Board also considered the range of services that New York Life Investments provides to the Portfolio under the terms of the Management Agreement, including: (i) fund accounting and ongoing supervisory services provided by New York Life Investments' Fund Administration and Accounting Group; (ii) investment supervisory and analytical services provided by New York Life Investments' Investment Consulting Group; (iii) compliance services provided by the Trust's Chief Compliance Officer as well as New York Life Investments' compliance department, including supervision and implementation of the Portfolio's compliance program; (iv) legal services provided by New York Life Investments' Office of the General Counsel; and (v) risk management monitoring and analysis by compliance and investment personnel. The Board noted that New York Life Investments provides certain other non-advisory services to the Portfolio. In addition, the Board considered New York Life Investments' willingness to invest in personnel, infrastructure, technology, operational enhancements, cyber security, information security, shareholder privacy resources and business continuity planning designed to benefit the Portfolio and noted that New York Life Investments is responsible for compensating the Trust's officers, except for a portion of the salary of the Trust's Chief Compliance Officer. The Board recognized that New York Life Investments has provided an increasingly broad array of non-advisory services to the MainStay Group of Funds as a result of regulatory and other developments, including in connection with the designation of New York Life Investments as the administrator of the MainStay Group of Funds' liquidity risk management program adopted under the 1940 Act.

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

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

Investment Performance

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

The Board also gave weight to its discussions with senior management at New York Life Investments concerning the Portfolio's investment performance attributable to MacKay as well as discussions between the Portfolio's portfolio managers and the members of the Board's Investment Committee, which generally occur on an annual basis. In addition, the Board considered any specific actions that New York Life Investments or MacKay had taken, or had agreed with the Board to take, to seek to enhance Portfolio investment performance and the results of those actions.

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

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

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

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

In evaluating the costs of the services provided by New York Life Investments and MacKay and profits realized by New York Life Investments and its affiliates, including MacKay, the Board considered, among other factors, each party's continuing investments in, or willingness to invest in, personnel, systems, equipment and other resources and infrastructure to support and further enhance the management of the Portfolio, and that New York Life Investments is responsible for paying the subadvisory fee for the Portfolio. The Board also considered the financial resources of New York Life Investments and MacKay and acknowledged that New York Life Investments and MacKay must be in a position to attract and retain experienced professional personnel and to maintain a strong financial position for New York Life Investments and MacKay to continue to provide high-quality services to the Portfolio. The Board recognized that the Portfolio benefits from the allocation of certain fixed costs across the MainStay Group of Funds, among other expected benefits resulting from its relationship with New York Life Investments.

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

The Board also considered certain fall-out benefits that may be realized by New York Life Investments and Mackay and their affiliates due to their relationships with the Portfolio, including reputational and other indirect benefits. In addition, the Board considered its review of a money market fund advised by New York Life Investments and an affiliated subadvisor that serves as an investment option for the Portfolio, including the potential rationale for and costs associated with investments in this money market fund by the Portfolio, if any, and considered information from New York Life Investments that the nature and type of specific investment advisory services provided to this money market fund are distinct from, or in addition to, the investment advisory services provided to the Portfolio. In addition, the Board requested and reviewed information regarding the Portfolio's securities lending activity and the corresponding potential dividend received tax deduction for insurance company affiliates of New York Life Investments.

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

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

Management and Subadvisory Fees and Total Ordinary Operating Expenses

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

In assessing the reasonableness of the Portfolio's fees and expenses, the Board primarily considered comparative data provided by Strategic

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

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

Economies of Scale

The Board considered information regarding economies of scale, including whether the Portfolio's expense structure permits economies of scale to be appropriately shared with the Portfolio's beneficial shareholders. The Board also considered a report from New York Life Investments, previously prepared at the request of the Board, that addressed economies of scale, including with respect to the mutual fund business generally and the various ways in which the benefits of economies of scale may be shared with the funds in the MainStay Group of Funds. Although the Board recognized the difficulty of determining future economies of scale with precision, the Board acknowledged that economies of scale may be shared with the Portfolio in a number of ways, including, for example, through the imposition of management fee breakpoints, initially setting management fee rates at scale or making additional investments to enhance services. The Board reviewed information from New York Life Investments showing how the Portfolio's management fee schedule compared to fee schedules of other funds and accounts managed by New York Life Investments. The Board also reviewed information from Strategic Insight showing how the Portfolio's management fee schedule compared with fees paid for similar services by peer funds at varying asset levels.

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

Conclusion

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

Proxy Voting Policies and Procedures and Proxy Voting Record

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

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

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*.

Board of Trustees and Officers (Unaudited)

The Trustees and officers of the Funds are listed below. The Board oversees the MainStay Group of Funds (which consists of MainStay Funds and MainStay Funds Trust), MainStay VP Funds Trust, MainStay MacKay DefinedTerm Municipal Opportunities Fund, the Manager and the Subadvisors, and elects the officers of the Funds who are responsible for the day-to-day operations of the Funds. Information pertaining to the Trustees and officers is set forth below. Each Trustee serves until his or her successor is elected and qualified or until his or her resignation, death or removal. Under the Board's retirement policy, unless an exception is made, a Trustee must tender his or her resignation by the end of the calendar year during which he or she reaches the age of 75. Officers are elected annually by the Board. The business address of each Trustee and officer listed below is 51 Madison Avenue, New York, New York 10010. A majority of the Trustees are not "interested persons" (as defined by the 1940 Act and rules adopted by the SEC thereunder) of the Fund ("Independent Trustees").

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

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

Independent Trustees

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

Independent Trustees

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

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

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

Officers of the Trust (Who are not Trustees)*

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

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

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

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MainStay VP Portfolios

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

Equity Portfolios

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

Mixed Asset Portfolios

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

Income Portfolios

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

Money Market

MainStay VP U.S. Government Money Market Portfolio

Alternative

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

Asset Allocation Portfolios

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

Manager

New York Life Investment Management LLC
New York, New York

Subadvisors

Candriam Belgium S.A.*
Brussels, Belgium

Cushing Asset Management, LP
Dallas, Texas

Eagle Asset Management, Inc.
St Petersburg, Florida

Epoch Investment Partners, Inc.
New York, New York

FIAM LLC
Smithfield, Rhode Island

IndexIQ Advisors LLC*
New York, New York

Janus Capital Management LLC
Denver, Colorado

MacKay Shields LLC*
New York, New York

Mellon Investments Corporation
Boston, Massachusetts

NYL Investors LLC*
New York, New York

Pacific Investment Management Company LLC
Newport Beach, California

T. Rowe Price Associates, Inc.
Baltimore, Maryland

Winslow Capital Management, LLC
Minneapolis, Minnesota

Distributor

NYLIFE Distributors LLC*
Jersey City, New Jersey

Custodian

State Street Bank and Trust Company
Boston, Massachusetts

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
New York, New York

Legal Counsel

Dechert LLP
Washington, District of Columbia

Some Portfolios may not be available in all products.
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2019 Annual Report

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

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

New York Life Insurance Company

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

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

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

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