MainStay VP PIMCO Real Return Portfolio

Message from the President and Annual Report

December 31, 2019

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

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

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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

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

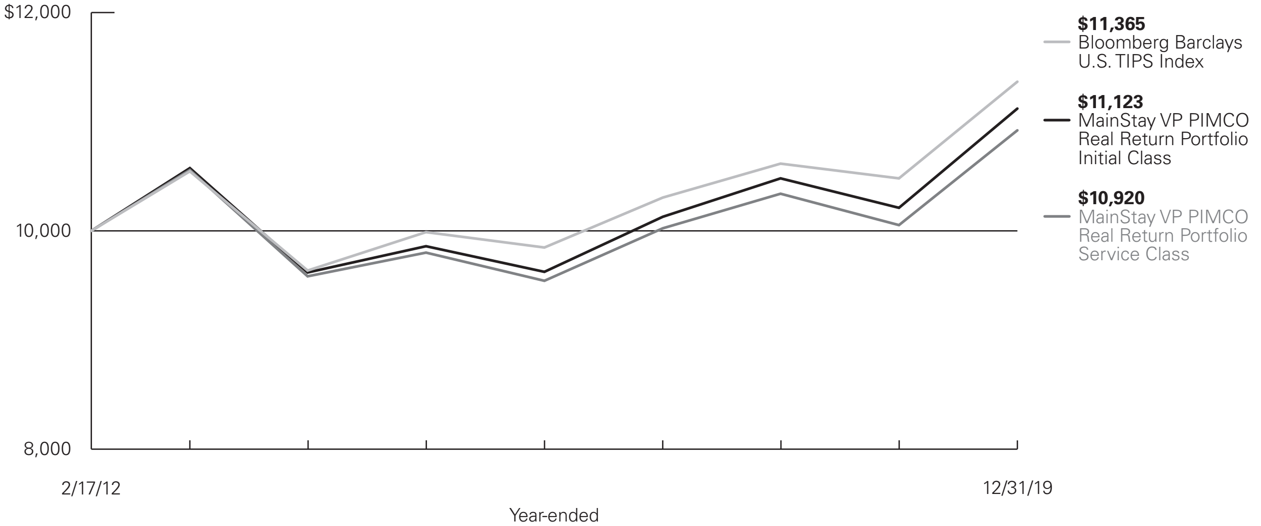
Table of Contents

Annual Report

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	2/17/2012	8.91%	2.44%	1.36%	1.43%
Service Class Shares	2/17/2012	8.64	2.19	1.12	1.68

Benchmark Performance	One Year	Five Years	Since Inception
Bloomberg Barclays U.S. TIPS Index[3]	8.43%	2.62%	1.64%
Morningstar Inflation-Protected Bond Category Average[4]	7.92	2.15	1.15

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. TIPS Index is the Portfolio's primary broad-based securities market index for comparison purposes. The Bloomberg Barclays U.S. TIPS Index includes all publicly issued U.S. Treasury Inflation-Protected Securities ("TIPS") that have at least one year remaining to maturity and are rated investment grade. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.
4. The Morningstar Inflation-Protected Bond Category Average is representative of funds that invest primarily in debt securities that adjust their principal values in line with the rate of inflation. These bonds can be issued by any organization, but the U.S. Treasury is currently the largest issuer for these types of securities. 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 PIMCO Real Return 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

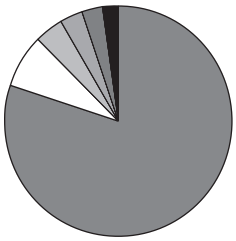
The fourth and fifth data columns in the table below provide information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical 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	$1,021.50	$7.80	$1,017.49	$7.78	1.53%
Service Class Shares	$1,000.00	$1,020.20	$9.06	$1,016.23	$9.05	1.78%

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)



120.5%	U.S. Government & Federal Agencies
11.3	Corporate Bonds
6.0	Asset-Backed Securities
5.0	Short-Term Investments
4.4%	Mortgage-Backed Securities
3.3	Foreign Government Bonds
0.0‡	Purchased Options
(50.5)	Other Assets, Less Liabilities

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 Issuers Held as of December 31, 2019 (excluding short-term investments) (Unaudited)

1. United States Treasury Inflation—Indexed Notes, 0.125%–1.25%, due 4/15/20–7/15/29
2. United States Treasury Inflation—Indexed Bonds, 0.375%–3.375%, due 4/15/23–2/15/49
3. Federal National Mortgage Association (Mortgage Pass-Through Securities), 2.50%–4.537%, due 11/1/34–9/1/49
4. Japanese Government CPI Linked Bond, 0.10%, due 3/10/28–3/10/29
5. Nykredit Realkredit A/S, 1.00%–2.50%, due 10/1/47–10/1/50
6. BRFkredit A/S, 1.00%, due 10/1/50
7. New Zealand Government Inflation Linked Bond, 2.00%–3.00%, due 9/20/25–9/20/35
8. Paragon Mortgages No.13 PLC, 1.007%, due 1/15/39
9. Australia Government Bond, 1.25%–3.00%, due 2/21/22–9/20/25
10. Government National Mortgage Association, 2.124%–2.266%, due 2/20/49–8/20/68

Portfolio Management Discussion and Analysis (Unaudited)

Answers to the questions reflect the views of portfolio managers Stephen A. Rodosky and Daniel He of Pacific Investment Management Company LLC ("PIMCO"), the Portfolio's Subadvisor.

How did MainStay VP PIMCO Real Return Portfolio perform relative to its benchmark and peers during the 12 months ended December 31, 2019?

For the 12 months ended December 31, 2019, MainStay VP PIMCO Real Return Portfolio returned 8.91% for Initial Class shares and 8.64% for Service Class shares. Over the same period, both share classes outperformed the 8.43% return of the Bloomberg Barclays U.S. TIPS Index, which is the Portfolio's benchmark, and the 7.92% return of the Morningstar Inflation-Protected Bond Category Average.[1]

Were there any changes to the Portfolio during the reporting period?

Effective December 13, 2019, Mihir Worah no longer served as a portfolio manager for the Portfolio. Daniel He was added as a portfolio manager as of the same date.

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

Several strategies contributed positively to the Portfolio's performance relative to the Bloomberg Barclays U.S. TIPS Index during the reporting period. (Contributions take weightings and total returns into account.) These included:

- Holding overweight exposure to U.S. real duration[2] (nominal interest rates minus the inflation rate) as U.S. interest rates fell amid the Federal Reserve's shift to a more dovish stance;
- Maintaining tactical exposure to German nominal duration as rates in Germany rallied in the first half of the year before increasing in the fourth quarter;
- Adopting tactical short exposure to U.K. break-even inflation (the difference between nominal and real yields) as inflation expectations in the region fell;
- Maintaining tactical U.S. break-even inflation exposure as inflation expectations in the United States fluctuated over the reporting period;
- Within spread[3] sectors, holding positions in residential mortgage-backed securities and investment-grade corporate credit as spreads generally tightened; and
- Holding positions in emerging-market currencies, such as the Russian ruble, as these currencies appreciated versus the U.S. dollar.

During the reporting period the primary strategy that detracted from the Portfolio's relative performance was maintaining short nominal duration exposure in the United States, the U.K., France and Italy while interest rates generally fell globally.

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

Derivatives may be used in the Portfolio as a means of gaining or decreasing exposure to securities, markets or sectors; as a substitute for exposure that may not otherwise be accessible through the use of cash bonds; for purposes of liquidity; or to take advantage of anticipated changes in market volatility.

The use of futures and options on the German nominal yield curve[4] contributed positively to the Portfolio's performance as yields declined. On the other hand, short exposures to nominal duration in the United States, France, and Italy, which the Portfolio established in part through the use of futures, options and swaps, detracted from performance. Within spread sectors, modest positions on high-yield credit default swaps indices (CDX) modestly detracted from performance. Finally, currency exposure, through the use of currency forwards, contributed to performance overall.

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

The Portfolio's overall duration remained underweight relative to the Bloomberg Barclays U.S. TIPS Index until the fourth quarter of 2019, when the Portfolio shifted to an overweight overall duration. Specifically, the Portfolio maintained an overweight position to real duration (nominal interest rates minus the inflation rate) in the United States, with a duration concentration to the intermediate portion and long end of the real yield curve and an underweight position to nominal duration.

The Portfolio gradually moved to an overweight duration position relative to the benchmark during the reporting period, ending with a duration of 7.87 years as of December 31, 2019, compared to a duration of 7.42 years for the Bloomberg Barclays U.S. TIPS Index.

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

The Portfolio's total duration remained shorter than the duration of the Bloomberg Barclays U.S. TIPS Index for the first three

1. See page 5 for more information on benchmark and peer group returns.
2. Duration is a measure of the price sensitivity of a fixed-income investment to changes in interest rates. Duration is expressed as a number of years and is considered a more accurate sensitivity gauge than average maturity.
3. 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.
4. The yield curve is a line that plots the yields of various securities of similar quality—typically U.S. Treasury issues—across a range of maturities. The U.S. Treasury yield curve serves as a benchmark for other debt and is used in economic forecasting.

quarters of the reporting period, with the majority of the underweight being sourced primarily from Italian and French nominal rates. These positions were neutralized at the start of the third and fourth quarters of 2019, respectively. The Portfolio also maintained short exposure to nominal rates in Japan and the U.K.; however, these positions were brought to neutral amid a dovish pivot in global central bank rhetoric and looming Brexit uncertainties. The Portfolio maintained an overweight position in real duration and inflation exposure in the United States, given relatively attractive levels of inflation expectations and the possible reemergence of inflation risk premiums. Among currencies, the Portfolio held varied positions but generally maintained long exposure to a diversified basket of higher-yielding emerging-market currencies.

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

Within real duration, the Portfolio's long position in U.S. Treasury Inflation-Protected Securities (TIPS) compared to the Bloomberg Barclays U.S. TIPS Index bolstered relative performance as rates across the real yield curve declined. Underweight nominal duration positions, specifically in the United States, the U.K., France, and Italy, detracted from the Portfolio's relative performance amid falling global rates, while overweight duration positions in Germany enhanced relative returns. Falling inflation expectations in the eurozone supported relative performance given the Portfolio's short exposure to eurozone break-even inflation rates. Out-of-benchmark exposures to spread sectors such as investment-grade corporate credit and residential mortgage-backed securities contributed positively amid spread tightening. Lastly, currency strategies, namely a long position in the Russian ruble, augmented relative performance over the reporting period.

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

The Portfolio increased overall duration, reducing its underweight exposure relative to the benchmark and ending the reporting period with an overweight position to overall duration. Regarding nominal duration, the Portfolio largely sold its short positions in Japan and the U.K. in the first half of the year, and reduced its short positions in Italy and France during the third and fourth quarters of 2019, respectively. Among currencies, the Portfolio added a long position to the Russian ruble and Brazilian real, and remained tactical with respect to the Japanese yen and the euro. Lastly, the Portfolio maintained exposure to mortgages, corporate credit and emerging-market debt.

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

As of December 31, 2019, the Portfolio held overweight exposure to U.S. TIPS relative to the Bloomberg Barclays U.S. TIPS Index, while maintaining a defensive posture toward nominal yields. As of the same date, the Portfolio maintained out-of-index exposure to mortgage-backed securities, corporate securities, bonds of non-U.S. developed nations and U.S. dollar-denominated emerging-market securities.

		Principal Amount		Value
Long-Term Bonds 145.5%†				
Asset-Backed Securities 6.0%				
Other Asset-Backed Securities 6.0%				
Argent Securities, Inc. Series 2006-W4, Class A2C 1.952% (1 Month LIBOR + 0.16%), due 5/25/36 (a)	$	325,768	$	118,887
Atrium CDO Corp. Series 2012-A, Class AR 2.783% (3 Month LIBOR + 0.83%), due 4/22/27 (a)(b)		300,000		299,443
Black Diamond CLO, Ltd. Series 2015-1A, Class A1R 0.65% (3 Month EURIBOR + 0.65%), due 10/3/29 (a)(b)	EUR	260,000		290,667
Catamaran CLO, Ltd. Series 2013-1A, Class AR 2.786% (3 Month LIBOR + 0.85%), due 1/27/28 (a)(b)	$	1,180,000		1,174,489
CIFC Funding, Ltd. Series 2015-2A, Class AR 2.781% (3 Month LIBOR + 0.78%), due 4/15/27 (a)(b)		1,278,308		1,278,336
CoreVest American Finance Trust Series 2017-1, Class A 2.968%, due 10/15/49 (b)		69,398		69,687
Countrywide Asset-Backed Certificates Series 2007-08, Class 1A1 1.982% (1 Month LIBOR + 0.19%), due 11/25/37 (a)		804,177		770,706
Credit-Based Asset Servicing & Securitization LLC Series 2007-CB6, Class A3 2.012% (1 Month LIBOR + 0.22%), due 7/25/37 (a)(b)		1,165,938		776,182
First Franklin Mortgage Loan Trust Series 2006-FF17, Class A2 1.912% (1 Month LIBOR + 0.12%), due 12/25/36 (a)		591,236		507,794
Halcyon Loan Advisors Funding, Ltd. Series 2015-1A, Class AR 2.886% (3 Month LIBOR + 0.92%), due 4/20/27 (a)(b)		216,030		216,038
Home Equity Asset Trust (a)				
Series 2005-8, Class M2 2.242% (1 Month LIBOR + 0.45%), due 2/25/36		300,000		292,504
Series 2004-2, Class M1 2.587% (1 Month LIBOR + 0.795%), due 7/25/34		111,159		111,020
Other Asset-Backed Securities (continued)				
Jamestown CLO IV, Ltd. Series 2014-4A, Class A1AR 2.691% (3 Month LIBOR + 0.69%), due 7/15/26 (a)(b)	$	201,480	$	201,482
Jamestown CLO VII, Ltd. Series 2015-7A, Class A1R 2.77% (3 Month LIBOR + 0.83%), due 7/25/27 (a)(b)		1,356,678		1,354,212
Jubilee CDO B.V. Series 2015-16A, Class A1R 0.405% (3 Month EURIBOR + 0.80%), due 12/15/29 (a)(b)	EUR	1,660,000		1,857,693
KVK CLO, Ltd. Series 2013-1A, Class AR 2.901% (3 Month LIBOR + 0.90%), due 1/14/28 (a)(b)	$	1,660,000		1,655,820
Legacy Mortgage Asset Trust Series 2019-GS3, Class A1 3.75%, due 4/25/59 (b)(c)		184,092		185,589
Long Beach Mortgage Loan Trust Series 2006-7, Class 2A2 1.912% (1 Month LIBOR + 0.12%), due 8/25/36 (a)		283,019		153,623
Man GLG Euro CLO Series 2A, Class A1R 0.87% (3 Month EURIBOR + 0.87%), due 1/15/30 (a)(b)	EUR	250,000		279,866
Marathon CLO V, Ltd. Series 2013-5A, Class A1R 2.765% (3 Month LIBOR + 0.87%), due 11/21/27 (a)(b)	$	1,660,000		1,650,065
Marlette Funding Trust Series 2019-3A, Class A 2.69%, due 9/17/29 (b)		150,178		150,579
MASTR Asset Backed Securities Trust Series 2006-WMC4, Class A5 1.942% (1 Month LIBOR + 0.15%), due 10/25/36 (a)		132,350		60,703
New Century Home Equity Loan Trust Series 2004-04, Class M1 2.557% (1 Month LIBOR + 0.765%), due 2/25/35 (a)		81,801		80,911
New Residential Mortgage Loan Trust Series 2018-3A, Class A1 4.50%, due 5/25/58 (b)(d)		234,743		247,580
OCP CLO, Ltd. (a)(b)				
Series 2015-10A, Class A1R 2.756% (3 Month LIBOR + 0.82%), due 10/26/27		1,660,000		1,658,556
Series 2015-9A, Class A1R 2.801% (3 Month LIBOR + 0.80%), due 7/15/27		251,110		251,119

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

		Principal Amount	Value
Asset-Backed Securities (continued)			
Other Asset-Backed Securities (continued)			
RASC Trust (a)			
Series 2006-KS6, Class A4 2.042% (1 Month LIBOR + 0.25%), due 8/25/36	$	337,878	$ 336,183
Series 2005-KS8, Class M4 2.382% (1 Month LIBOR + 0.59%), due 8/25/35		600,000	600,682
Residential Asset Securities Corp.			
Series 2006-EMX4, Class A4 2.022% (1 Month LIBOR + 0.23%), due 6/25/36 (a)		923,372	896,976
Saxon Asset Securities Trust			
Series 2007-03, Class A1 2.102% (1 Month LIBOR + 0.31%), due 9/25/37 (a)		185,301	177,499
Securitized Asset-Backed Receivables LLC Trust (a)			
Series 2006-HE2, Class A2C 1.942% (1 Month LIBOR + 0.15%), due 7/25/36		232,554	125,837
Series 2006-HE1, Class A2C 1.952% (1 Month LIBOR + 0.16%), due 7/25/36		659,758	341,530
SLM Student Loan Trust (a)			
Series 2004-2, Class A5 (zero coupon) (3 Month EURIBOR + 0.18%), due 1/25/24	EUR	113,310	126,700
Series 2003-5, Class A5, Series Reg S (zero coupon) (3 Month EURIBOR + 0.27%), due 6/17/24		32,440	36,237
Series 2004-3A, Class A6B 2.49% (3 Month LIBOR + 0.55%), due 10/25/64 (b)	$	500,000	491,242
Series 2011-B, Class A3 3.99% (1 Month LIBOR + 2.25%), due 6/16/42 (b)		119,673	120,471
SoFi Professional Loan Program LLC			
Series 2017-F, Class A1FX 2.05%, due 1/25/41 (b)		116,938	116,854
Soundview Home Equity Loan Trust (a)			
Series 2007-OPT2, Class 2A3 1.972% (1 Month LIBOR + 0.18%), due 7/25/37		244,746	221,970
Series 2007-OPT1, Class 1A1 1.992% (1 Month LIBOR + 0.20%), due 6/25/37		365,111	288,182
SpringCastle Funding Asset-Backed Notes			
Series 2019-AA, Class A 3.20%, due 5/27/36 (b)		845,107	848,246

		Principal Amount	Value
Other Asset-Backed Securities (continued)			
Stanwich Mortgage Loan LLC			
Series 2019-NPB1, Class A1 3.375%, due 8/15/24 (b)(c)	$	221,844	$ 221,376
Symphony CLO, Ltd.			
Series 2014-14A, Class AR 2.951% (3 Month LIBOR + 0.95%), due 7/14/26 (a)(b)		300,000	300,010
THL Credit Wind River CLO, Ltd.			
Series 2012-1A, Class AR2 2.881% (3 Month LIBOR + 0.88%), due 1/15/26 (a)(b)		287,111	287,144
Venture CLO, Ltd.			
Series 2018-35A, Class AS 3.103% (3 Month LIBOR + 1.15%), due 10/22/31 (a)(b)		200,000	199,770
Venture XX CLO, Ltd.			
Series 2015-20A, Class AR 2.821% (3 Month LIBOR + 0.82%), due 4/15/27 (a)(b)		842,823	842,705
Venture XXI CLO, Ltd.			
Series 2015-21A, Class AR 2.881% (3 Month LIBOR + 0.88%), due 7/15/27 (a)(b)		383,789	383,788
Voya CLO, Ltd.			
Series 2014-3A, Class A1R 2.66% (3 Month LIBOR + 0.72%), due 7/25/26 (a)(b)		344,895	344,977
Wachovia Mortgage Loan Trust			
Series 2005-WMC1, Class M1 2.452% (1 Month LIBOR + 0.66%), due 10/25/35 (a)		19,283	19,314
Z Capital Credit Partners CLO, Ltd.			
Series 2015-1A, Class A1R 2.951% (3 Month LIBOR + 0.95%), due 7/16/27 (a)(b)		570,000	568,726
Total Asset-Backed Securities (Cost $23,691,012)			23,589,970
Corporate Bonds 11.3%			
Agriculture 0.1%			
Reynolds American, Inc. 4.00%, due 6/12/22		200,000	208,186
Auto Manufacturers 1.1%			
BMW U.S. Capital LLC 3.40%, due 8/13/21 (b)		600,000	613,673
FCE Bank PLC			
Series Reg S 0.097% (3 Month EURIBOR + 0.50%), due 8/26/20 (a)	EUR	800,000	895,736
Series Reg S 1.875%, due 6/24/21		900,000	1,030,968

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

		Principal Amount	Value
Corporate Bonds (continued)			
Auto Manufacturers (continued)			
Nissan Motor Acceptance Corp. (b)			
1.90%, due 9/14/21	$	100,000	$ 99,250
2.65%, due 7/13/22		200,000	200,626
Volkswagen Group of America Finance LLC (b)			
2.795% (3 Month LIBOR + 0.86%), due 9/24/21 (a)		900,000	906,296
4.00%, due 11/12/21		600,000	620,570
			4,367,119
Banks 3.0%			
Banco Bilbao Vizcaya Argentaria S.A.			
Series Reg S			
5.875% (EUR 5 Year Interest Swap Rate + 5.66%), due 3/15/28 (a)(e)	EUR	400,000	489,622
Bank of America Corp.			
5.875%, due 6/27/20 (e)(f)	$	190,000	210,672
Cooperatieve Rabobank U.A. (a)(e)			
Series Reg S			
5.50% (EUR 5 Year Interest Swap Rate + 5.25%), due 6/29/21	EUR	200,000	229,388
Series Reg S			
6.625% (EUR 5 Year Interest Swap Rate + 6.697%), due 6/29/20		200,000	243,409
Credit Suisse Group Funding Guernsey, Ltd.			
3.80%, due 9/15/22	$	300,000	312,344
Deutsche Bank A.G.			
4.25%, due 10/14/21		1,400,000	1,439,931
ING Bank N.V.			
2.625%, due 12/5/22 (b)		400,000	408,115
Intesa Sanpaolo S.p.A.			
6.50%, due 2/24/21 (b)		400,000	417,854
Lloyds Banking Group PLC (a)			
2.728% (3 Month LIBOR + 0.80%), due 6/21/21		400,000	402,197
Series Reg S			
6.375% (EUR 5 Year Interest Swap Rate + 5.29%), due 9/24/23 (e)	EUR	200,000	229,668
Nykredit Realkredit A/S			
Series Reg S			
1.00%, due 10/1/50	DKK	28,887,116	4,261,358
Series Reg S			
2.50%, due 10/1/47		6,490	1,025
Realkredit Danmark A/S			
2.50%, due 7/1/47		33,020	5,201

		Principal Amount	Value
Banks (continued)			
Royal Bank of Scotland Group PLC			
3.497% (3 Month LIBOR + 1.55%), due 6/25/24	$	300,000	304,548
4.519%, due 6/25/24 (f)		200,000	212,474
State Bank of India			
Series Reg S			
2.993% (3 Month LIBOR + 0.95%), due 4/6/20 (a)		700,000	700,539
UniCredit S.p.A.			
7.83%, due 12/4/23 (b)		1,800,000	2,097,432
			11,965,777
Beverages 0.8%			
Keurig Dr Pepper, Inc.			
3.551%, due 5/25/21		1,400,000	1,429,903
4.057%, due 5/25/23		100,000	105,470
Pernod-Ricard S.A.			
5.75%, due 4/7/21 (b)		1,600,000	1,674,826
			3,210,199
Biotechnology 0.1%			
Amgen, Inc.			
3.625%, due 5/15/22		400,000	413,371
Commercial Services 0.1%			
ERAC USA Finance LLC			
4.50%, due 8/16/21 (b)		400,000	415,414
RELX Capital, Inc.			
3.50%, due 3/16/23		100,000	103,840
			519,254
Computers 0.3%			
EMC Corp.			
2.65%, due 6/1/20		1,100,000	1,100,198
Distribution & Wholesale 0.1%			
Toyota Tsusho Corp.			
Series Reg S			
3.625%, due 9/13/23		200,000	208,603
Diversified Financial Services 1.5%			
AerCap Ireland Capital DAC / AerCap Global Aviation Trust			
4.625%, due 10/30/20		100,000	102,000
Ally Financial, Inc.			
4.125%, due 3/30/20		400,000	401,500
4.125%, due 2/13/22		200,000	206,500
4.25%, due 4/15/21		100,000	102,250
Avolon Holdings Funding, Ltd.			
5.50%, due 1/15/23 (b)		100,000	107,808
BOC Aviation, Ltd.			
2.375%, due 9/15/21 (b)		200,000	199,250

		Principal Amount	Value
Corporate Bonds (continued)			
Diversified Financial Services (continued)			
BRFkredit A/S			
Series Reg S			
1.00%, due 10/1/50	DKK	18,371,047	$ 2,710,080
Jyske Realkredit A/S			
2.50%, due 10/1/47		21,317	3,367
Mitsubishi UFJ Lease & Finance Co., Ltd.			
2.652%, due 9/19/22 (b)	$	200,000	201,339
Nordea Kredit Realkreditaktieselskab			
Series Reg S			
1.00%, due 10/1/50	DKK	11,785,832	1,738,193
2.50%, due 10/1/47		7,821	1,235
			5,773,522
Electric 0.6%			
American Electric Power Co., Inc.			
3.65%, due 12/1/21	$	100,000	103,174
Chugoku Electric Power Co., Inc.			
Series Reg S			
2.701%, due 3/16/20		500,000	500,250
Duke Energy Corp.			
2.409% (3 Month LIBOR + 0.50%), due 5/14/21 (a)(b)		700,000	702,565
IPALCO Enterprises, Inc.			
3.45%, due 7/15/20		500,000	502,162
LG&E & KU Energy LLC			
4.375%, due 10/1/21		100,000	103,322
Southern Power Co.			
2.458% (3 Month LIBOR + 0.55%), due 12/20/20 (a)(b)		300,000	300,073
			2,211,546
Food 0.2%			
Campbell Soup Co.			
3.30%, due 3/15/21		300,000	304,453
Conagra Brands, Inc.			
3.25%, due 9/15/22		200,000	204,863
Danone S.A. (b)			
2.077%, due 11/2/21		200,000	200,208
3.00%, due 6/15/22		200,000	204,498
			914,022
Gas 0.4%			
Sempra Energy			
2.344% (3 Month LIBOR + 0.45%), due 3/15/21 (a)		100,000	100,032
Southern Co. Gas Capital Corp.			
3.50%, due 9/15/21		1,400,000	1,428,916
			1,528,948
Home Builders 0.0%‡			
D.R. Horton, Inc.			
5.75%, due 8/15/23		100,000	110,550

		Principal Amount	Value
Home Furnishing 0.2%			
Panasonic Corp.			
2.536%, due 7/19/22 (b)	$	800,000	$ 806,953
Machinery—Diversified 0.1%			
Westinghouse Air Brake Technologies Corp.			
3.194% (3 Month LIBOR + 1.30%), due 9/15/21 (a)		600,000	600,091
Media 0.5%			
Charter Communications Operating LLC / Charter Communications Operating Capital Corp.			
3.579%, due 7/23/20		800,000	805,098
4.464%, due 7/23/22		600,000	630,702
COX Communications, Inc.			
3.25%, due 12/15/22 (b)		200,000	205,742
DISH DBS Corp.			
5.125%, due 5/1/20		300,000	301,875
			1,943,417
Miscellaneous—Manufacturing 0.1%			
Textron, Inc.			
2.451% (3 Month LIBOR + 0.55%), due 11/10/20 (a)		580,000	580,023
Oil & Gas 0.2%			
Petrobras Global Finance B.V.			
5.093%, due 1/15/30 (b)		543,000	581,830
6.125%, due 1/17/22		33,000	35,224
6.625%, due 1/16/34	GBP	100,000	159,036
			776,090
Pharmaceuticals 0.2%			
Bristol-Myers Squibb Co.			
3.25%, due 8/15/22 (b)	$	600,000	619,998
Cigna Corp.			
3.75%, due 7/15/23		200,000	209,759
			829,757
Pipelines 0.2%			
Florida Gas Transmission Co. LLC			
5.45%, due 7/15/20 (b)		700,000	711,768
Real Estate Investment Trusts 0.1%			
American Tower Corp.			
3.30%, due 2/15/21		300,000	304,079
Retail 0.2%			
CVS Health Corp.			
2.125%, due 6/1/21		800,000	801,383
3.70%, due 3/9/23		200,000	208,467
			1,009,850

		Principal Amount	Value
Corporate Bonds (continued)			
Semiconductors 0.2%			
Broadcom, Inc.			
3.125%, due 4/15/21 (b)	$	400,000	$ 404,856
NXP B.V. / NXP Funding LLC			
3.875%, due 9/1/22 (b)		400,000	415,020
			819,876
Software 0.1%			
Activision Blizzard, Inc.			
2.60%, due 6/15/22		200,000	202,416
Telecommunications 0.7%			
AT&T, Inc.			
2.657% (3 Month LIBOR + 0.75%), due 6/1/21 (a)		500,000	502,967
2.951% (3 Month LIBOR + 0.95%), due 7/15/21 (a)		800,000	807,615
5.15%, due 2/15/50		300,000	361,967
5.30%, due 8/15/58		100,000	122,601
Deutsche Telekom International Finance B.V.			
1.95%, due 9/19/21 (b)		250,000	250,009
Sprint Corp.			
7.25%, due 9/15/21		300,000	317,250
Telstra Corp., Ltd.			
4.80%, due 10/12/21 (b)		300,000	314,240
			2,676,649
Trucking & Leasing 0.2%			
Park Aerospace Holdings, Ltd.			
5.25%, due 8/15/22 (b)		400,000	426,160
Penske Truck Leasing Co., L.P. / PTL Finance Corp.			
3.65%, due 7/29/21 (b)		200,000	204,618
			630,778
Total Corporate Bonds (Cost $43,880,454)			44,423,042
Foreign Government Bonds 3.3%			
Argentina 0.1%			
Argentina Bocon			
59.928%, due 10/4/22 (d)(g)	ARS	82,453	1,928
Argentina Bonar Bonds			
42.836% (BADLARPP Index + 2.00%), due 4/3/22 (a)		2,854,000	33,606
Argentina POM Politica Monetaria			
56.59%, due 6/21/20 (d)(g)		21,453,000	240,072
			275,606

		Principal Amount	Value
Australia 0.6%			
Australia Government Bond			
Series Reg S 1.25%, due 2/21/22	AUD	980,000	$ 821,978
Series Reg S 3.00%, due 9/20/25		1,450,000	1,495,210
			2,317,188
Canada 0.2%			
Canadian Government Real Return Bond			
4.25%, due 12/1/26	CAD	933,126	911,640
Japan 1.1%			
Japanese Government CPI Linked Bond			
0.10%, due 3/10/28	JPY	209,407,410	1,981,232
0.10%, due 3/10/29		264,220,320	2,499,825
			4,481,057
New Zealand 0.7%			
New Zealand Government Inflation Linked Bond			
Series Reg S 2.00%, due 9/20/25	NZD	1,800,000	1,446,053
Series Reg S 2.50%, due 9/20/35		800,000	717,039
Series Reg S 3.00%, due 9/20/30		500,000	454,881
			2,617,973
Peru 0.3%			
Peru Government Bond (b)			
Series Reg S 5.94%, due 2/12/29	PEN	1,300,000	442,658
Series Reg S 6.15%, due 8/12/32		2,600,000	888,867
			1,331,525
Qatar 0.1%			
Qatar Government International Bond			
Series Reg S 3.875%, due 4/23/23	$	300,000	316,699
Spain 0.2%			
Autonomous Community of Catalonia			
4.95%, due 2/11/20	EUR	500,000	563,632
Total Foreign Government Bonds (Cost $13,463,559)			12,815,320

	Principal Amount	Value
Mortgage-Backed Securities 4.4%		
Agency (Collateralized Mortgage Obligations) 1.3%		
Federal Home Loan Mortgage Corporation		
REMIC (Collateralized		
Mortgage Obligations)		
Series 4779, Class WF		
2.382% (1 Month LIBOR + 0.35%),		
due 7/15/44 (a)	$ 386,524	$ 384,204
Federal Home Loan Mortgage		
Corporation Strips		
Series 278, Class F1		
2.215% (1 Month LIBOR + 0.45%),		
due 9/15/42 (a)	517,266	517,631
Federal National Mortgage Association		
REMIC, Series 2019-5, Class FA		
2.108% (1 Month LIBOR + 0.40%),		
due 3/25/49 (a)	1,549,853	1,540,639
Government National		
Mortgage Association (a)		
REMIC, Series 2019-20, Class FE		
2.124% (1 Month LIBOR + 0.40%),		
due 2/20/49	1,521,608	1,518,575
REMIC, Series 2018-H15, Class FG		
2.266% (12 Month LIBOR + 0.15%),		
due 8/20/68	671,051	657,335
Government National Mortgage Association		
(Mortgage Pass-Through Securities)		
Series 2017-H10, Class FB		
3.629% (12 Month LIBOR + 0.75%),		
due 4/20/67 (a)	360,897	365,411
		4,983,795
Commercial Mortgage Loans (Collateralized Mortgage Obligations) 0.2%		
CGGS Commercial Mortgage Trust		
Series 2018-WSS, Class A		
2.666% (1 Month LIBOR + 0.90%),		
due 2/15/37 (a)(b)	1,000,000	997,482
Whole Loan (Collateralized Mortgage Obligations) 2.9%		
Alternative Loan Trust		
Series 2007-1T1, Class 1A1		
6.00%, due 3/25/37	794,516	545,171
CHL Mortgage Pass-Through Trust		
Series 2007-1, Class A1		
6.00%, due 3/25/37	42,880	35,493
Citigroup Mortgage Loan Trust		
Series 2007-AR4, Class 1A1A		
4.54%, due 3/25/37 (h)	410,758	404,380

	Principal Amount	Value
Whole Loan (Collateralized Mortgage Obligations) (continued)		
Citigroup Mortgage Loan Trust, Inc.		
Series 2019-B, Class A1		
3.258%, due 4/25/66 (b)(d)	$ 288,988	$ 289,327
Series 2004-NCM2, Class 1CB1		
5.50%, due 8/25/34	260,154	263,607
Countrywide Alternative Loan Trust		
Series 2005-29CB, Class A4		
5.00%, due 7/25/35	55,752	47,704
Credit Suisse Mortgage Trust (b)		
Series 2019-RPL9, Class A1		
2.984%, due 10/27/59 (d)	995,330	994,120
Series 2019-RPL4, Class A1		
3.83%, due 8/26/58	285,009	287,250
Eurosail-UK PLC (a)		
Series 2007-3X, Class A3A, Reg S		
1.729% (3 Month LIBOR + 0.95%),		
due 6/13/45	GBP 183,590	242,259
Series 2007-3A, Class A3C		
1.729% (3 Month LIBOR + 0.95%),		
due 6/13/45 (b)	48,952	64,237
Series 2007-3X, Class A3C, Reg S		
1.729% (3 Month LIBOR + 0.95%),		
due 6/13/45	48,952	64,237
GreenPoint Mortgage Funding Trust		
Series 2006-AR4, Class A6A		
1.889% (1 Month LIBOR + 0.18%),		
due 9/25/46 (a)	$ 109,252	104,493
IndyMac Index Mortgage Loan Trust (a)		
Series 2005-AR14, Class 1A1A		
2.268% (1 Month LIBOR + 0.28%),		
due 7/25/35	1,141,359	1,029,768
Series 2005-AR12, Class 2A1A		
2.189% (1 Month LIBOR + 0.48%),		
due 7/25/35	174,252	168,880
Lehman XS Trust		
Series 2007-20N, Class A1		
2.858% (1 Month LIBOR + 1.15%),		
due 12/25/37 (a)	55,016	54,003
Merrill Lynch Mortgage Investors Trust		
Series 2005-A4, Class 1A		
4.224%, due 7/25/35 (h)	220,058	165,373
New Residential Mortgage Loan Trust		
Series 2019-RPL3, Class A1		
2.75%, due 7/25/59 (b)(d)	389,773	389,912
OBX Trust		
Series 2018-1, Class A2		
2.358% (1 Month LIBOR + 0.65%),		
due 6/25/57 (a)(b)	77,372	76,956
Opteum Mortgage Acceptance Corporation		
Series 2005-2, Class M7		
3.508% (1 Month LIBOR + 1.80%),		
due 4/25/35 (a)	100,000	99,450

Portfolio of Investments December 31, 2019 (continued)

		Principal Amount	Value
Whole Loan (Collateralized Mortgage Obligations) (continued)			
Paragon Mortgages No. 13 PLC			
Series 13X, Class A1, Reg S			
1.007% (3 Month LIBOR + 0.24%),			
due 1/15/39 (a)	GBP	2,008,047	$ 2,526,903
Residential Asset Securitization Trust			
Series 2006-A10, Class A5			
6.50%, due 9/25/36	$	263,955	176,506
Silverstone Master Issuer PLC			
Series 2019-1A, Class 2A			
1.46%, due 1/21/70 (b)	GBP	279,000	370,902
Towd Point Mortgage Funding			
Series 2019-GR4A, Class A1			
1.82%, due 10/20/51 (b)		1,244,498	1,654,197
Trinity Square PLC			
Series 2015-1A, Class A			
1.935% (3 Month LIBOR + 1.15%),			
due 7/15/51 (a)(b)		584,615	777,856
Washington Mutual Mortgage Pass-Through Certificates			
Series 2007-HY1, Class A2A			
1.735% (1 Month LIBOR + 0.16%),			
due 2/25/37 (a)	$	723,596	626,986
Series 2006-5, Class 2CB1			
6.00%, due 7/25/36		48,217	43,309
			11,503,279
Total Mortgage-Backed Securities (Cost $17,810,443)			17,484,556

U.S. Government & Federal Agencies 120.5%

	Principal Amount	Value
Federal National Mortgage Association (Mortgage Pass-Through Securities) 10.7%		
2.50%, due 9/1/49 TBA (i)	7,300,000	7,213,933
3.00%, due 8/1/49 TBA (i)	14,300,000	14,489,759
3.50%, due 3/1/48	180,125	186,478
3.50%, due 10/1/48 TBA (i)	3,600,000	3,703,359
3.50%, due 10/1/48 TBA (i)	9,200,000	9,459,652
3.527% (12 Month Treasury Average Index + 1.20%),		
due 6/1/43 (a)	266,188	268,111
4.00%, due 10/1/48 TBA (i)	5,800,000	6,034,945
4.186% (11th District Cost of Funds Index + 1.926%),		
due 12/1/36 (a)	249,281	258,206
4.537% (1 Year Treasury Constant Maturity Rate + 2.36%),		
due 11/1/34 (a)	312,193	331,277
		41,945,720
United States Treasury Inflation—Indexed Bonds 41.0%		
0.375%, due 7/15/27 (j)	19,482,855	19,873,136
0.625%, due 4/15/23	10,193,945	10,351,707
United States Treasury Inflation—Indexed Bonds (continued)		
0.625%, due 2/15/43	$ 1,992,265	$ 2,014,709
0.75%, due 2/15/42	3,906,118	4,056,812
0.75%, due 2/15/45	1,650,083	1,711,154
0.875%, due 2/15/47	9,490,687	10,169,650
1.00%, due 2/15/46	5,191,176	5,708,560
1.00%, due 2/15/48	2,617,123	2,895,770
1.00%, due 2/15/49	5,972,101	6,635,879
1.375%, due 2/15/44 (j)	16,452,110	19,400,837
1.75%, due 1/15/28 (j)	16,746,348	18,812,421
2.00%, due 1/15/26	11,199,253	12,448,491
2.125%, due 2/15/40	3,857,414	5,041,610
2.125%, due 2/15/41	3,219,664	4,240,590
2.375%, due 1/15/25 (j)	20,341,527	22,670,351
2.375%, due 1/15/27	5,078,560	5,861,889
2.50%, due 1/15/29	6,951,532	8,377,694
3.375%, due 4/15/32 (k)	474,062	650,837
		160,922,097
United States Treasury Inflation—Indexed Notes 68.8%		
0.125%, due 4/15/20	4,627,215	4,621,612
0.125%, due 4/15/21 (j)	35,239,541	35,166,766
0.125%, due 1/15/22	10,266,478	10,260,982
0.125%, due 4/15/22 (j)	45,900,932	45,833,172
0.125%, due 7/15/22	4,276,780	4,294,640
0.125%, due 1/15/23	13,080,300	13,078,997
0.125%, due 7/15/26	14,825,449	14,872,212
0.25%, due 1/15/25	9,205,406	9,287,183
0.25%, due 7/15/29	10,914,992	11,020,909
0.375%, due 7/15/23	6,338,159	6,425,719
0.375%, due 1/15/27 (j)	16,342,009	16,589,961
0.50%, due 1/15/28	15,660,819	16,065,507
0.625%, due 7/15/21	2,032,279	2,055,071
0.625%, due 1/15/24	690,378	704,992
0.625%, due 1/15/26 (j)	41,844,845	43,127,110
0.75%, due 7/15/28 (j)	18,566,010	19,531,809
0.875%, due 1/15/29	5,666,234	6,016,958
1.125%, due 1/15/21	4,822,994	4,867,659
1.25%, due 7/15/20	5,651,912	5,705,920
		269,527,179
Total U.S. Government & Federal Agencies (Cost $465,811,369)		472,394,996
Total Long-Term Bonds (Cost $564,656,837)		570,707,884

Short-Term Investments 5.0%

	Shares	Value
Affiliated Investment Company 0.4%		
MainStay U.S. Government Liquidity Fund, 1.40% (l)	1,528,468	1,528,468
Total Affiliated Investment Company (Cost $1,528,468)		1,528,468

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

		Principal Amount	Value
Short-Term Investments (continued)			
Foreign Government Bonds 0.9%			
Argentina Treasury Bills			
(zero coupon), due 2/26/20	ARS	790,000	$ 10,160
(zero coupon), due 4/8/20		1,126,250	17,682
(zero coupon), due 5/13/20		6,264,500	94,169
(zero coupon), due 8/27/20		1,325,000	18,811
41.333%, due 4/3/20 (m)		3,720,000	62,598
43.313% (BADLARPP Index + 3.00%), due 6/22/20 (a)(m)		1,170,000	22,228
Brazil Letras do Tesouro Nacional (zero coupon), due 7/1/20	BRL	13,706,000	3,337,570
Total Foreign Government Bonds (Cost $3,529,951)			3,563,218
Repurchase Agreement 3.7%			
Societe Generale S.A. 1.55%, dated 12/31/19 due 1/2/20 Proceeds at Maturity $14,401,240 (Collateralized by a United States Treasury Note with a rate of 2.38% and a maturity date of 8/15/24, with a Principal Amount of $14,131,000 and a Market Value of $14,567,350)	$	14,400,000	14,400,000
Total Repurchase Agreement (Cost $14,400,000)			14,400,000
Total Short-Term Investments (Cost $19,458,419)			19,491,686
Total Investments Excluding Purchased Options (Cost $584,115,256)		150.5%	590,199,570
Total Purchased Options (Cost $70,229)		0.00%‡	7,444
Total Investments (Cost $584,185,485)		150.5%	590,207,014
Other Assets, Less Liabilities		(50.5)	(198,167,852)
Net Assets		100.0%	$ 392,039,162

† Percentages indicated are based on Portfolio net assets.

‡ Less than one-tenth of a percent.

(a) Floating rate—Rate shown was the rate in effect as of December 31, 2019.

(b) 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.

(c) Step coupon—Rate shown was the rate in effect as of December 31, 2019.

(d) 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.

(e) Securities are perpetual and, thus, do not have a predetermined maturity date. The date shown, if applicable, reflects the next call date.

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

(g) Illiquid security—As of December 31, 2019, the total market value of these securities deemed illiquid under procedures approved by the Board of Trustees was $242,000, which represented 0.1% of the Portfolio's net assets. (Unaudited)

(h) Collateral strip rate—A bond whose interest was based on the weighted net interest rate of the collateral. The coupon rate adjusts periodically based on a predetermined schedule. Rate shown was the rate in effect as of 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 $40,901,648, which represented 10.4% of the Portfolio's net assets. All or a portion of these securities are a part of a mortgage dollar roll agreement.

(j) Delayed delivery security.

(k) Security, or a portion thereof, was maintained in a segregated account at the Portfolio's custodian as collateral for swap contracts and delayed delivery transactions (See Note 2(L) and Note 2(T)).

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

(m) Fair valued security—Represents fair value as measured in good faith under procedures approved by the Board of Trustees. As of December 31, 2019, the total market value of fair valued securities was $84,826, which represented less than one-tenth of a percent of the Portfolio's net assets.

Foreign Currency Forward Contracts

As of December 31, 2019, the Portfolio held the following foreign currency forward contracts[1,2]:

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
BRL	3,356,961	USD	832,848	Bank of America, N.A.*	1/3/20	$ 1,656
BRL	3,356,961	USD	824,604	Bank of America, N.A.*	2/4/20	9,136
BRL	3,356,961	USD	794,980	Credit Suisse International*	1/3/20	39,525
BRL	13,706,000	USD	3,302,651	JPMorgan Chase Bank N.A.*	1/3/20	104,514
IDR	26,087,434,400	USD	1,832,678	Societe Generale*	3/18/20	33,458
JPY	99,300,000	USD	912,642	Bank of America, N.A.	1/10/20	1,423
KRW	1,229,162,200	USD	1,036,000	Bank of America, N.A.*	3/18/20	28,840
KRW	858,416,400	USD	724,000	Credit Suisse International*	3/18/20	19,658
MXN	36,994,000	USD	1,889,358	Bank of America, N.A.	1/22/20	61,813
MXN	35,955,781	USD	1,849,802	Bank of America, N.A.	5/5/20	17,757
MXN	1,941,000	USD	99,074	JPMorgan Chase Bank N.A.	1/22/20	3,300
RUB	16,339,075	USD	251,333	JPMorgan Chase Bank N.A.*	1/24/20	11,442
RUB	97,934,908	USD	1,511,693	JPMorgan Chase Bank N.A.*	2/18/20	58,622
SGD	1,162,000	USD	855,372	Credit Suisse International	3/18/20	9,224
TWD	24,033,586	USD	794,000	Bank of America, N.A.*	3/18/20	10,626
TWD	32,032,736	USD	1,059,000	Credit Suisse International*	3/18/20	13,432
USD	3,562,869	BRL	13,706,000	JPMorgan Chase Bank N.A.*	1/3/20	155,704
Total unrealized appreciation						580,130
USD	2,187,648	AUD	3,222,000	Bank of America, N.A.	1/10/20	(73,809)
USD	825,618	BRL	3,356,961	Bank of America, N.A.*	1/3/20	(8,887)
USD	832,848	BRL	3,356,961	Credit Suisse International*	1/3/20	(1,656)
USD	3,273,465	BRL	13,706,000	JPMorgan Chase Bank N.A.*	7/2/20	(105,597)
USD	887,188	CAD	1,179,000	JPMorgan Chase Bank N.A.	1/10/20	(20,801)
USD	8,633,280	DKK	58,209,890	Bank of America, N.A.	1/2/20	(104,517)
USD	8,723,999	DKK	57,880,000	Societe Generale	4/1/20	(17,993)
USD	9,654,340	EUR	8,727,000	Bank of America, N.A.	1/10/20	(139,012)
USD	5,844,988	GBP	4,520,000	Bank of America, N.A.	1/10/20	(143,423)
USD	75,479	GBP	58,000	JPMorgan Chase Bank N.A.	1/10/20	(1,363)
USD	5,485,203	JPY	599,700,000	Bank of America, N.A.	1/10/20	(35,083)
USD	1,791,759	KRW	2,107,950,170	JPMorgan Chase Bank N.A.*	3/18/20	(34,388)
USD	1,877,739	MXN	35,955,781	Bank of America, N.A.	1/22/20	(18,673)
USD	148,246	MXN	2,979,219	JPMorgan Chase Bank N.A.	1/22/20	(8,887)
USD	2,501,130	NZD	3,863,000	Bank of America, N.A.	1/10/20	(99,573)
USD	1,328,478	PEN	4,457,842	JPMorgan Chase Bank N.A.*	1/15/20	(16,529)
USD	857,905	SGD	1,172,458	JPMorgan Chase Bank N.A.	3/18/20	(14,472)
USD	1,866,998	TWD	56,574,045	Societe Generale*	3/18/20	(27,058)
Total unrealized depreciation						(871,721)
Net unrealized depreciation						$(291,591)

* Non-deliverable forward.

1. As of December 31, 2019, cash collateral of $360,000 was due to a broker for foreign currency forward contracts.
2. 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.

Future 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					
5-Year United States Treasury Note	103	March 2020	$ 12,249,832	$ 12,216,766	$ (33,066)
Euro-BTP	3	March 2020	484,880	479,392	(5,488)
Euro Bund	117	March 2020	22,718,358	22,374,919	(343,439)
Short-Term Euro-BTP	147	March 2020	18,533,816	18,538,571	4,755
United States Treasury Ultra Bond	19	March 2020	3,567,848	3,451,469	(116,379)
Total Long Contracts					(493,617)
Short Contracts					
10-Year Australia Government Bond	(7)	March 2020	714,937	(702,245)	12,692
10-Year Japan Government Bond	(3)	March 2020	4,205,180	(4,201,739)	3,441
10-Year United States Treasury Note	(197)	March 2020	(25,452,283)	(25,299,109)	153,174
10-Year United States Treasury Ultra Note	(26)	March 2020	(3,701,925)	(3,658,282)	43,643
2-Year United States Treasury Note	(7)	March 2020	(1,510,624)	(1,508,500)	2,124
3-Year Australia Government Bond	(13)	March 2020	(1,056,282)	(1,049,241)	7,041
Euro BOBL	(76)	March 2020	(11,424,589)	(11,391,850)	32,739
Euro Schatz	(518)	March 2020	(65,080,350)	(65,021,346)	59,004
Euro-Buxl 30 Year Bond	(29)	March 2020	(6,618,379)	(6,453,162)	165,217
UK Long Gilt	(1)	March 2020	(175,058)	(174,026)	1,032
United States Treasury Long Bond	(80)	March 2020	(12,665,086)	(12,472,500)	192,586
Total Short Contracts					672,693
Net Unrealized Appreciation					$ 179,076

1. As of December 31, 2019, cash in the amount of $1,781,005 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.

Purchased Options on Futures Contracts

Description	Counterparty	Strike Price	Expiration Date	Number of Contracts	Notional Amount	Premium Paid (Received)	Market Value
Put-Euro Bund	Morgan Stanley & Co., LLC	$157.00	2/21/2020	23	EUR 2,300,000	$271	$258
						$271	$258

Description	Counterparty	Strike Price	Expiration Date	Number of Contracts	Notional Amount	Premium Paid (Received)	Market Value
Call-Euro Schatz	Morgan Stanley & Co., LLC	$114.00	2/21/2020	485	EUR 48,500,000	$2,998	$2,720
Call-Euro BOBL	Morgan Stanley & Co., LLC	139.00	2/21/2020	21	2,100,000	130	118
						$3,128	$2,838

Purchased Swaption

Description	Counterparty	Strike Price	Expiration Date	Number of Contracts	Notional Amount	Premium Paid (Received)	Market Value
Call-IRO 1-Year/1-Year Forward Swap Rate	Bank of America Securities, Inc.	$1.50	3/10/2020	47,060,000	$47,060,000	$66,830	$4,348
						$66,830	$4,348

Written Inflation-Capped Options

Description	Counterparty	Initial Index	Floating Rate	Expiration Date	Number of Contracts	Notional Amount	Premium Paid (Received)	Market Value
Cap-OTC USA Non-Revised Consumer Price Index-Urban (CPI-U), American Style-Call	JPMorgan Chase Bank N.A.	238.643	Maximum of [0, Final Index/Initial Index – $(1 + 4.000\%)^{10}$]	5/16/2024	(300,000)	$ (300,000)	$ (2,085)	$ (7)
Floor-OTC USA Non-Revised Consumer Price Index-Urban (CPI-U), American Style-Put	JPMorgan Chase Bank N.A.	234.781	Maximum of [0, Final Index/Initial Index]	10/02/2020	(1,900,000)	(1,900,000)	(35,068)	—
							$(37,153)	$ (7)

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

Written Options on Futures Contracts

Description	Counterparty	Strike Price	Expiration Date	Number of Contracts	Notional Amount	Premium Paid (Received)	Market Value
Call-10-Year United States Treasury Note	Morgan Stanley & Co., LLC	$129.50	1/24/2020	(48)	$ (48,000)	$(42,307)	$ (6,750)
Call-Euro Bund	Morgan Stanley & Co., LLC	172.00	2/21/2020	(23)	EUR (2,300,000)	(31,969)	(14,447)
						$(74,276)	$(21,197)

Description	Counterparty	Strike Price	Expiration Date	Number of Contracts	Notional Amount	Premium Paid (Received)	Market Value
Put-10-Year United States Treasury Note	Morgan Stanley & Co., LLC	$129.50	1/24/2020	(48)	$ (48,000)	$(42,307)	$ (58,500)
Put-Euro Bund	Morgan Stanley & Co., LLC	172.00	2/21/2020	(23)	EUR (2,300,000)	(28,873)	(53,404)
						$(71,180)	$(111,904)

Written Swaptions

Description	Counterparty	Strike Price	Expiration Date	Number of Contracts	Notional Amount	Premium Paid (Received)	Market Value
Call-IRO 5-Year/5-Year Forward Swap Rate	Bank of America Securities, Inc.	$1.40	3/10/2020	(10,100,000)	$ (10,100,000)	$(69,908)	$(10,384)
Call-Markit iTraxx Europe	Bank of America Securities, Inc.	0.45	3/18/2020	(400,000)	EUR (400,000)	(311)	(612)
Call-Markit iTraxx Europe	Bank of America Securities, Inc.	0.43	3/18/2020	(1,200,000)	(1,200,000)	(741)	(1,025)
						$(70,960)	$(12,021)

Description	Counterparty	Strike Price	Expiration Date	Number of Contracts	Notional Amount	Premium Paid (Received)	Market Value
Put-Markit iTraxx Europe	Bank of America Securities, Inc.	$0.70	3/18/2020	(1,200,000)	EUR (1,200,000)	$(1,335)	$(354)
Put-Markit iTraxx Europe	Bank of America Securities, Inc.	0.80	3/18/2020	(400,000)	(400,000)	(488)	(77)
						$(1,823)	$(431)

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)
$4,800,000	USD	12/16/2022	3-Month USD-LIBOR	Fixed 2.25%	Quarterly/Semi-Annually	$ (5,492)	$ 78,378	$ 72,886
50,000	USD	12/21/2026	Fixed 1.75%	3-Month USD-LIBOR	Semi-Annually/Quarterly	889	147	1,036
14,000,000	JPY	9/20/2027	Fixed 0.30%	6-Month JPY-LIBOR	Semi-Annually/Semi-Annually	196	(2,228)	(2,032)
50,000,000	JPY	3/20/2028	Fixed 0.30%	6-Month JPY-LIBOR	Semi-Annually/Semi-Annually	726	(7,978)	(7,252)
1,600,000	NZD	3/21/2028	Fixed 3.25%	3-Month NZD Bank Bill	Semi-Annually/Quarterly	(3,908)	(132,768)	(136,676)
3,700,000	USD	6/20/2028	Fixed 2.25%	3-Month USD-LIBOR	Semi-Annually/Quarterly	(168,826)	(118,148)	(286,974)
106,980,000	JPY	3/20/2029	Fixed 0.45%	6-Month JPY-LIBOR	Semi-Annually/Semi-Annually	4,508	(30,557)	(26,049)
900,000	USD	9/12/2029	Fixed 1.75%	3-Month USD-LIBOR	Semi-Annually/Quarterly	(2,136)	12,885	10,749
700,000	USD	2/12/2045	Fixed 2.00%	3-Month USD-LIBOR	Semi-Annually/Quarterly	12,779	14,780	27,559
2,310,000	USD	12/21/2046	Fixed 2.25%	3-Month USD-LIBOR	Semi-Annually/Quarterly	166,769	(69,682)	97,087
1,170,000	USD	12/15/2047	Fixed 2.00%	12-Month USD-FFR	Annually/Annually	(2,103)	(36,576)	(38,679)
1,100,000	USD	12/11/2049	Fixed 2.25%	3 Month LIBOR BBA	Semi-Annually/Quarterly	4,794	(35,832)	(31,038)
100,000	USD	1/15/2050	Fixed 2.00%	3 Month LIBOR BBA	Semi-Annually/Quarterly	713	2,503	3,216
290,000	USD	1/16/2050	Fixed 1.63%	3 Month LIBOR BBA	Semi-Annually/Quarterly	1,316	32,299	33,615
600,000	USD	1/22/2050	Fixed 1.75%	3-Month USD-LIBOR	Semi-Annually/Quarterly	3,384	49,557	52,941
1,400,000	USD	2/3/2050	Fixed 1.625%	3-Month USD-LIBOR	Semi-Annually/Quarterly	(13,849)	155,878	142,029

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)
500,000	USD	2/7/2050	Fixed 1.875%	3-Month USD-LIBOR	Semi-Annually/Quarterly	$ (896)	$ 26,919	$ 26,023
500,000	USD	3/12/2050	Fixed 2.25%	3-Month USD-LIBOR	Semi-Annually/Quarterly	1,228	(16,119)	(14,891)
220,000	USD	3/20/2050	Fixed 2.00%	3-Month USD-LIBOR	Semi-Annually/Quarterly	4,752	5,540	10,292
						$ 4,844	$ (71,002)	$ (66,158)

Open OTC interest rate swap agreements as of December 31, 2019 were as follows:

Notional Amount	Currency	Expiration Date	Counterparty	Payments made by Portfolio	Payments Received by Portfolio	Payment Frequency Paid/ Received	Upfront Premiums Received/ (Paid)	Value	Unrealized Appreciation/ (Depreciation)
$4,190,000	ILS	2/16/2020	Bank of America N.A.	Fixed 0.285%	3-Month TELBOR	Annually/Quarterly	$—	$ (2,853)	$ (2,853)
880,000	ILS	2/16/2028	Bank of America N.A.	3-Month TELBOR	Fixed 1.963%	Quarterly/Annually	—	29,622	29,622
2,570,000	ILS	6/20/2020	Bank of America N.A.	Fixed 0.37%	3-Month TELBOR	Annually/Quarterly	—	(2,153)	(2,153)
540,000	ILS	6/20/2028	Bank of America N.A.	3-Month TELBOR	Fixed 1.998%	Quarterly/Annually	—	17,893	17,893
							$—	$42,509	$42,509

As of December 31, 2019, the Portfolio held the following open centrally cleared inflation 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)
$1,300,000	USD	11/23/2020	Fixed 2.027%	12-Month USD-CPI	At Maturity	$ —	$ 1,392	$ 1,392
1,300,000	USD	11/25/2020	Fixed 2.021%	12-Month USD-CPI	At Maturity	—	1,559	1,559
4,600,000	USD	9/20/2021	Fixed 1.58%	12-Month USD-CPI	At Maturity	—	20,642	20,642
1,100,000	USD	4/27/2023	Fixed 2.263%	12-Month USD-CPI	At Maturity	—	(25,267)	(25,267)
510,000	USD	5/9/2023	Fixed 2.262%	12-Month USD-CPI	At Maturity	—	(11,521)	(11,521)
780,000	USD	5/10/2023	Fixed 2.281%	12-Month USD-CPI	At Maturity	—	(18,325)	(18,325)
2,800,000	EUR	3/15/2024	Fixed 1.03%	12-Month EUR-CPI	At Maturity	943	(10,286)	(9,343)
2,200,000	GBP	9/15/2024	UK RPI	Fixed 3.85%	At Maturity	(356)	104,556	104,200
560,000	EUR	12/15/2026	12-Month EUR-CPI	Fixed 1.385%	At Maturity	1,370	12,741	14,111
800,000	EUR	6/15/2027	12-Month EUR-CPI	Fixed 1.36%	At Maturity	9,338	18,040	27,378
1,100,000	USD	7/25/2027	12-Month USD-CPI	Fixed 2.067%	At Maturity	—	10,202	10,202
600,000	USD	9/25/2027	12-Month USD-CPI	Fixed 2.15%	At Maturity	—	9,350	9,350
1,200,000	USD	10/17/2027	12-Month USD-CPI	Fixed 2.155%	At Maturity	—	19,980	19,980
3,900,000	EUR	11/15/2027	12-Month EUR-CPI	Fixed 1.52%	At Maturity	2,824	157,710	160,534
1,000,000	EUR	3/15/2028	12-Month EUR-CPI	Fixed 1.535%	At Maturity	(109)	43,992	43,883
510,000	USD	5/9/2028	12-Month USD-CPI	Fixed 2.352%	At Maturity	—	23,221	23,221
770,000	USD	5/9/2028	12-Month USD-CPI	Fixed 2.36%	At Maturity	—	35,681	35,681
850,000	EUR	5/15/2028	12-Month EUR-CPI	Fixed 1.62%	At Maturity	(46)	45,426	45,380
2,600,000	USD	11/4/2029	12-Month USD-CPI	Fixed 1.76%	At Maturity	1,394	(59,987)	(58,593)
3,460,000	GBP	6/15/2030	UK RPI	Fixed 3.40%	At Maturity	(11,553)	182,599	171,046
2,070,000	GBP	4/15/2031	UK RPI	Fixed 3.14%	At Maturity	163,392	(114,167)	49,225
2,690,000	GBP	10/15/2031	UK RPI	Fixed 3.53%	At Maturity	2,837	127,405	130,242
200,000	EUR	3/15/2033	Fixed 1.71%	12-Month EUR-CPI	At Maturity	344	(16,872)	(16,528)
						$170,378	$ 558,071	$728,449

As of December 31, 2019, the Portfolio held the following centrally cleared credit default swap contracts[1]:

Reference Obligation	Termination Date	Buy/Sell Protection[2]	Notional Amount (000)[3]	(Pay)/ Receive Fixed Rate[4]	Payment Frequency Paid/ Received	Upfront Premiums Received/ (Paid)	Value	Unrealized Appreciation/ (Depreciation)[5]
Daimler AG 0.625%, 03/05/20	12/20/2020	Sell	150	1.00%	Quarterly	$ (973)	$ 1,441	$ 468
General Electric Co. 2.70%, 10/09/22	12/20/2020	Sell	100	1.00%	Quarterly	1,354	634	1,988
General Electric Co. 2.70%, 10/09/22	12/20/2023	Sell	100	1.00%	Quarterly	3,836	1,331	5,167
CDX North American High Yield Series 33	12/20/2024	Buy	13,365	(5.00)%	Quarterly	780,280	(1,287,882)	(507,602)
						$784,497	$(1,284,476)	$(499,979)

As of December 31, 2019, the Portfolio held the following OTC credit default swap contracts:

Reference Entity	Counterparty	Termination Date	Buy/Sell Protection[2]	Notional Amount (000)[3]	(Pay)/ Receive Fixed Rate[4]	Payment Frequency Paid/ Received	Upfront Premiums Received/ (Paid)	Value	Unrealized Appreciation/ (Depreciation)[5]
United Mexican States	Bank of America N.A.	12/20/2023	Buy	2,300	(1.00)%	Quarterly	$(18,126)	$(39,729)	$(57,855)
							$(18,126)	$(39,729)	$(57,855)

1. As of December 31, 2019, cash in the amount of $1,824,000 was on deposit with a broker for centrally cleared swap agreements.
2. Buy-Portfolio may pay a premium and buy credit protection. If a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

   Sell-Portfolio may receive a premium and sell credit protection. If a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
3. The maximum potential amount the Portfolio could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap contract.
4. The annual fixed rate represents the interest received by the Portfolio (as a seller of protection) or paid by the Portfolio (as a buyer of protection) annually on the notional amount of the credit default swap contract.
5. Represents the difference between the value of the credit default swap contracts at the time they were opened and the value at December 31, 2019.

The following abbreviations are used in the preceding pages:

ARS—Argentine Peso

AUD—Australian Dollar

BADLARPP—Average rate on 30-day deposits of at least 1 million Argentinian Pesos

BRL—Brazilian Real

BTP—Buoni del Tesoro Poliennali (Eurex Exchange index)

CAD—Canadian Dollar

COP—Colombian Peso

DKK—Danish Krone

EUR—Euro

EURIBOR—Euro Interbank Offered Rate

FFR—Federal Fund Rate

GBP—British Pound Sterling

IDR—Indonesian Rupiah

ILS—Israeli Shekel

JPY—Japanese Yen

KRW—South Korean Won

LIBOR—London Interbank Offered Rate

MXN—Mexican Peso

NZD—New Zealand Dollar

PEN—Peruvian Sol

REMIC—Real Estate Mortgage Investment Conduit

RUB—New Russian Ruble

SGD—Singapore Dollar

TBA—To Be Announced

TELBOR—Tel Aviv Interbank Offered Rate

TWD—New Taiwan Dollar

USD—United States Dollar

ZAR—South African Rand

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	$ —	$ 23,589,970	$ —	$ 23,589,970
Corporate Bonds	—	44,423,042	—	44,423,042
Foreign Government Bonds	—	12,815,320	—	12,815,320
Mortgage-Backed Securities	—	17,484,556	—	17,484,556
U.S. Government & Federal Agencies	—	472,394,996	—	472,394,996
Total Long-Term Bonds	—	570,707,884	—	570,707,884
Purchased Options	7,444	—	—	7,444
Short-Term Investments				
Affiliated Investment Company	1,528,468	—	—	1,528,468
Repurchase Agreement	—	14,400,000	—	14,400,000
Foreign Government Bonds	—	3,563,218	—	3,563,218
Total Short-Term Investments	1,528,468	17,963,218	—	19,491,686
Total Investments in Securities	1,535,912	588,671,102	—	590,207,014
Other Financial Instruments				
Credit Default Swap Contracts (b)	—	7,623	—	7,623
Foreign Currency Forward Contracts (b)	—	580,130	—	580,130
Futures Contracts (b)	677,448	—	—	677,448
Inflation Swap Contracts (b)	—	868,026	—	868,026
Interest Rate Swap Contracts (b)	—	524,948	—	524,948
Total Other Financial Instruments	677,448	1,980,727	—	2,658,175
Total Investments in Securities and Other Financial Instruments	$2,213,360	$590,651,829	$ —	$592,865,189
Liability Valuation Inputs				
Other Financial Instruments				
Foreign Currency Forward Contracts (b)	$ —	$ (871,721)	$ —	$ (871,721)
Futures Contracts (b)	(498,372)	—	—	(498,372)
Credit Default Swap Contracts (b)	—	(565,457)	—	(565,457)
Inflation Swap Contracts (b)	—	(139,577)	—	(139,577)
Interest Rate Swap Contracts (b)	—	(548,597)	—	(548,597)
Written Options	(145,560)	—	—	(145,560)
Total Other Financial Instruments	$ (643,932)	$ (2,125,352)	$ —	$ (2,769,284)

(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.

Sale-Buyback Transactions:

Counterparty	Borrowing Rate (a)	Borrowing Date	Maturity Date	Amount Borrowed (a)	Payable for Sale-Buyback Transactions (b)
Barclays Capital Inc.	2.80%	12/26/2019	1/3/2020	$ 19,601,534	$ 19,600,024
Barclays Capital Inc.	2.45	12/27/2019	1/3/2020	19,641,960	19,640,638
Barclays Capital Inc.	2.80	12/26/2019	1/3/2020	19,579,907	19,578,215
Barclays Capital Inc.	2.45	12/27/2019	1/3/2020	19,615,659	19,614,155
Barclays Capital Inc.	2.80	12/26/2019	1/3/2020	16,607,005	16,605,573
Barclays Capital Inc.	2.03	11/20/2019	2/21/2020	19,898,973	19,918,953
Barclays Capital Inc.	2.04	11/20/2019	2/21/2020	18,880,582	18,913,768
Barclays Capital Inc.	2.04	11/20/2019	2/21/2020	22,634,553	22,693,442
Barclays Capital Inc.	2.02	11/20/2019	2/21/2020	35,138,115	35,141,377
Barclays Capital Inc.	2.02	11/20/2019	2/21/2020	322,889	323,005
Barclays Capital Inc.	1.90	11/6/2019	2/24/2020	37,335,834	37,338,431
Barclays Capital Inc.	1.91	11/15/2019	5/18/2020	27,905,404	27,956,500
				$257,162,415	$257,324,081

(a) The average amount of borrowings outstanding during the period ended December 31, 2019 was $159,383,099 at a weighted average interest rate of 2.40%. Average borrowings may include reverse repurchase agreements and sale-buyback transactions, if held during the period.

(b) Payable for sale-buyback transactions includes $161,666 of deferred price drop.

Statement of Assets and Liabilities as of December 31, 2019

Assets

Investment in unaffiliated securities before outstanding written options, at value (identified cost $582,657,017)	$588,678,546
Investment in affiliated investment company, at value (identified cost $1,528,468)	1,528,468
Cash collateral on deposit at broker for swap contracts	1,824,000
Cash collateral on deposit at broker for futures contracts	1,781,005
Cash denominated in foreign currencies (identified cost $994,422)	976,757
Cash	56,570
Receivables:	
Investment securities sold	146,631,823
Dividends and interest	1,483,300
Variation margin on centrally cleared swap contracts	288,244
Portfolio shares sold	279,077
Unrealized appreciation on foreign currency forward contracts	580,130
Other assets	64,756
Unrealized appreciation on OTC swap contracts	47,515
Premiums paid for OTC swap contracts	18,126
Total assets	744,238,317

Liabilities

Cash collateral due to broker for foreign currency forward contracts	360,000
Written options, at value (premiums received $255,392)	145,560
Payables:	
Sale buyback transaction	257,324,081
Investment securities purchased	92,316,613
Variation margin on futures contracts	593,142
Portfolio shares redeemed	147,559
Manager (See Note 3)	126,941
NYLIFE Distributors (See Note 3)	72,251
Custodian	67,607
Professional fees	63,441
Shareholder communication	45,774
Trustees	593
Accrued expenses	1,011
Unrealized depreciation on foreign currency forward contracts	871,721
Unrealized depreciation on OTC swap contracts	62,861
Total liabilities	352,199,155
Net assets	$392,039,162

Composition of Net Assets

Shares of beneficial interest outstanding (par value of $.001 per share) unlimited number of shares authorized	$ 45,515
Additional paid-in capital	456,181,370
	456,226,885
Total distributable earnings (loss)	(64,187,723)
Net assets	$392,039,162

Initial Class	
Net assets applicable to outstanding shares	$ 48,706,758
Shares of beneficial interest outstanding	5,645,381
Net asset value per share outstanding	$ 8.63
Service Class	
Net assets applicable to outstanding shares	$343,332,404
Shares of beneficial interest outstanding	39,869,915
Net asset value per share outstanding	$ 8.61

Statement of Operations for the year ended December 31, 2019

Investment Income (Loss)

Income	
Interest	$14,472,186
Dividends-affiliated	20,999
Securities lending	753
Other	15
Total income	14,493,953
Expenses	
Interest expense	3,918,543
Manager (See Note 3)	1,800,186
Distribution/Service—Service Class (See Note 3)	785,989
Custodian	168,508
Professional fees	122,573
Shareholder communication	111,148
Trustees	8,811
Miscellaneous	16,462
Total expenses before waiver/reimbursement	6,932,220
Expense waiver/reimbursement from Manager (See Note 3)	(229,070)
Net expenses	6,703,150
Net investment income (loss)	7,790,803

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

Net realized gain (loss) on:	
Unaffiliated investment transactions	2,913,483
Investments sold short	(20,508)
Futures transactions	(5,370,130)
Written option transactions	252,044
Swap transactions	(1,228,989)
Foreign currency forward transactions	(34,302)
Foreign currency transactions	1,474,752
Net realized gain (loss) on investments, investments sold short, futures transactions, swap transactions, written option transactions and foreign currency transactions	(2,013,650)
Net change in unrealized appreciation (depreciation) on:	
Unaffiliated investments	21,813,435
Futures contracts	1,598,923
Swap contracts	(266,395)
Written option contracts	97,503
Foreign currency forward contracts	(904,345)
Translation of other assets and liabilities in foreign currencies	53,765
Net change in unrealized appreciation (depreciation) on investments, futures contracts, swap contracts, written options and foreign currencies	22,392,886
Net realized and unrealized gain (loss) on investments, investments sold short, futures transactions, written options, swap transactions and foreign currency transactions	20,379,236
Net increase (decrease) in net assets resulting from operations	$28,170,039

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)	$ 7,790,803	$ 8,405,382
Net realized gain (loss) on investments, investments sold short, futures transactions, swap transactions, written option transactions and foreign currency transactions	(2,013,650)	(3,673,329)
Net change in unrealized appreciation (depreciation) on investments, futures contracts, written options, swap contracts, written options and foreign currencies	22,392,886	(13,460,121)
Net increase (decrease) in net assets resulting from operations	28,170,039	(8,728,068)
Distributions to shareholders:		
Initial Class	(1,424,708)	(740,327)
Service Class	(9,622,993)	(3,847,156)
Total distributions to shareholders	(11,047,701)	(4,587,483)
Capital share transactions:		
Net proceeds from sale of shares	82,521,582	46,796,177
Net asset value of shares issued to shareholders in reinvestment of distributions	11,047,701	4,587,483
Cost of shares redeemed	(45,227,235)	(44,576,278)
Increase (decrease) in net assets derived from capital share transactions	48,342,048	6,807,382
Net increase (decrease) in net assets	65,464,386	(6,508,169)
Net Assets		
Beginning of year	326,574,776	333,082,945
End of year	$392,039,162	$326,574,776

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

Statement of Cash Flows

for the year ended December 31, 2019

Cash flows used in operating activities:

Net increase in net assets resulting from operations	$ 28,170,039
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities	
Long term investments purchased	(1,006,874,450)
Long term investments sold	919,197,478
Purchases to cover securities sold short	(85,684,828)
Proceeds from securities sold short	85,664,320
Sale of short term investments, net	42,527,249
Purchase of affiliated investments, net	(664,377)
Amortization (accretion) of discount and premium, net	(5,185,721)
Increase in investment securities sold receivable	(13,131,449)
Decrease in dividends and interest receivable	66,292
Increase in premiums paid for OTC swap contracts	(18,126)
Increase in other assets	(64,756)
Decrease in unrealized appreciation for open forward foreign currency contracts	338,051
Increase in premiums from written options	176,553
Increase in investment securities purchased payable	34,624,723
Decrease in interest payable for securities sold short	(6,950)
Decrease in cash collateral due to broker for foreign currency forward contracts	(540,000)
Decrease in cash collateral due to broker for TBA	(270,000)
Increase in professional fees payable	934
Decrease in custodian payable	(8,854)
Increase in shareholder communication payable	6,246
Increase in due to Trustees	229
Decrease in due to manager	(11,738)
Increase in due to NYLIFE Distributors	12,419
Increase in variation margin on centrally cleared swap contracts	(143,777)
Decrease in variation margin on futures contracts	(439,298)
Increase in unrealized depreciation for open forward foreign currency contracts	566,294
Decrease in accrued expenses	(2)
Increase in unrealized appreciation on OTC swap contracts	(44,518)
Increase in unrealized depreciation on OTC swap contracts	56,444
Net realized gain from unaffiliated investments	(2,913,483)
Net realized loss from securities sold short	20,508
Net change in unrealized (appreciation) depreciation on unaffiliated investments	(21,813,435)
Net change in unrealized (appreciation) depreciation on written options	(97,503)
Net cash used in operating activities*	(26,485,486)

Cash flows from financing activities:

Proceeds from shares sold	$ 82,663,556
Payment on shares redeemed	(45,298,177)
Proceeds from sale-buyback transactions	3,233,935,501
Payments on sale-buyback transactions	(3,245,411,371)
Net cash from financing activities	25,889,509
Effect of exchange rate changes on cash	22,203
Net decrease in cash and restricted cash	(573,774)
Cash, restricted cash and foreign currency at beginning of year	5,212,106
Cash, restricted cash and foreign currency at end of year	$ 4,638,332

Non-cash financing activities not included herein consist of all reinvestment of dividends and distributions of $11,047,701.

* Included in operating expenses is cash of $3,925,493 paid for interest on borrowings.

Supplemental disclosure of cash flow information:

The following tables provide a reconciliation of cash and restricted cash reported within the Statement of Assets and Liabilities that sums to the total of the such amounts shown on the Statement of Cash Flows:

Cash and restricted cash at beginning of year	
Cash	$ 25,920
Cash denominated in foreign currencies	1,004,149
Cash collateral on deposit at broker for futures contracts	2,316,399
Cash collateral on deposit at broker for swap contracts	1,865,638
Total cash and restricted cash shown in the Statement of Cash Flows	$5,212,106
Cash and restricted cash at end of year	
Cash	$ 56,570
Cash denominated in foreign currencies	976,757
Cash collateral on deposit at broker for futures contracts	1,781,005
Cash collateral on deposit at broker for swap contracts	1,824,000
Total cash and restricted cash shown in the Statement of Cash Flows	$4,638,332

Restricted cash consists of cash that has been segregated to cover the Portfolio's collateral or margin obligations under derivative contracts. It is separately reported on the Statement of Assets and Liabilities as cash collateral on deposit at brokers.

Financial Highlights selected per share data and ratios

Initial Class	Year ended December 31, 2019	2018	2017	2016	2015
Net asset value at beginning of year	$ 8.20	$ 8.54	$ 8.40	$ 8.11	$ 8.71
Net investment income (loss) (a)	0.20	0.23	0.23	0.17	0.11
Net realized and unrealized gain (loss) on investments	0.50	(0.53)	0.15	0.21	(0.51)
Net realized and unrealized gain (loss) on foreign currency transactions	0.01	0.10	(0.09)	0.05	0.19
Total from investment operations	0.71	(0.20)	0.29	0.43	(0.21)
Less distributions:					
From net investment income	(0.28)	(0.14)	(0.15)	(0.14)	(0.39)
Net asset value at end of year	$ 8.63	$ 8.20	$ 8.54	$ 8.40	$ 8.11
Total investment return (b)	8.56%(c)	(2.38%)(c)	3.45%	5.28%	(2.51%)
Ratios (to average net assets)/Supplemental Data:					
Net investment income (loss)	2.35%	2.78%	2.71%	2.05%(d)	1.26%
Net expenses (e)	1.65%	1.43%	1.03%	0.91%(f)	0.72%
Expenses (before waiver/reimbursement)(e)	1.71%	1.43%	1.03%	0.91%(f)	0.72%
Interest expense and fees	1.09%	0.81%	0.42%	0.32%	0.15%
Portfolio turnover rate (g)	187%	157%	121%	143%	84%
Net assets at end of year (in 000's)	$ 48,707	$ 44,523	$ 45,563	$ 36,060	$ 68,794

(a) Per share data based on average shares outstanding during the period.
(b) Total return does not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. For periods of less than one year, total return is not annualized.
(c) Total investment return may reflect adjustments to conform to generally accepted accounting principles.
(d) Without the custody fee reimbursement, net investment income (loss) would have been 2.04%.
(e) 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.
(f) Without the custody fee reimbursement, net expenses would have been 0.92%.
(g) The portfolio turnover rates not including mortgage dollar rolls were 139%, 48%, 96%, 91% and 59% for the years ended December 31, 2019, 2018, 2017, 2016 and 2015, respectively.

Service Class	Year ended December 31, 2019	2018	2017	2016	2015
Net asset value at beginning of year	$ 8.19	$ 8.53	$ 8.39	$ 8.10	$ 8.70
Net investment income (loss) (a)	0.18	0.21	0.21	0.18	0.05
Net realized and unrealized gain (loss) on investments	0.49	(0.54)	0.15	0.19	(0.46)
Net realized and unrealized gain (loss) on foreign currency transactions	0.01	0.10	(0.09)	0.04	0.17
Total from investment operations	0.68	(0.23)	0.27	0.41	(0.24)
Less distributions:					
From net investment income	(0.26)	(0.11)	(0.13)	(0.12)	(0.36)
Net asset value at end of year	$ 8.61	$ 8.19	$ 8.53	$ 8.39	$ 8.10
Total investment return (b)	8.30%(c)	(2.63%)(c)	3.20%	5.03%	(2.76%)
Ratios (to average net assets)/Supplemental Data:					
Net investment income (loss)	2.14%	2.53%	2.46%	2.15%(d)	0.56%
Net expenses (e)	1.89%	1.68%	1.28%	1.16%(f)	0.97%
Expenses (before waiver/reimbursement)(e)	1.96%	1.68%	1.28%	1.16%(f)	0.97%
Interest expense and fees	1.09%	0.81%	0.42%	0.32%	0.15%
Portfolio turnover rate (g)	187%	157%	121%	143%	84%
Net assets at end of year (in 000's)	$ 343,332	$ 282,052	$ 287,520	$ 282,006	$ 283,273

(a) Per share data based on average shares outstanding during the period.
(b) Total return does not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. For periods of less than one year, total return is not annualized.
(c) Total investment return may reflect adjustments to conform to generally accepted accounting principles.
(d) Without the custody fee reimbursement, net investment income (loss) would have been 2.14%.
(e) 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.
(f) Without the custody fee reimbursement, net expenses would have been 1.17%.
(g) The portfolio turnover rates not including mortgage dollar rolls were 139%, 48%, 96%, 91% and 59% for the years ended December 31, 2019, 2018, 2017, 2016 and 2015, respectively.

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 PIMCO Real Return Portfolio (the “Portfolio”), a “non-diversified” portfolio, as that term is defined in the 1940 Act, as interpreted or modified by regulatory authorities having jurisdiction, from time to time. Since the Portfolio has historically operated as a “diversified” portfolio, it will not operate as “non-diversified” without first obtaining shareholder approval.

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

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

The Portfolio’s investment objective is to seek maximum real return, consistent with preservation of real capital and prudent investment management.

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 were held by the Portfolio.

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.

Options contracts are valued at the last posted settlement price on the market where such options are primarily traded.

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.

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.

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.

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.

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

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

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

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

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

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

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

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

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

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

(K) 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.

(L) 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 counter-party 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 clearing-house may be greater than the margin the Portfolio would be required to post in an uncleared transaction. As of December 31, 2019, all swap positions outstanding are shown in the Portfolio of Investments.

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

Inflation Swaps: Inflation swap agreements are contracts in which one party agrees to pay the cumulative percentage increase in a price index (the Consumer Price Index with respect to CPI swaps) over the term of the swap (with some lag on the inflation index), and the other pays a compounded fixed rate. Inflation swaps may be used to protect the net asset value, or NAV, of a Fund against an unexpected change in the rate of inflation measured by an inflation index since the value of these agreements is expected to increase if there are unexpected inflation increases.

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 the London Interbank Offered Rate ("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.

Credit Default Swaps: The Portfolio may enter into credit default swaps to simulate long and short bond positions or to take an active long or short position with respect to the likelihood of a default or credit event by the issuer of the underlying reference obligation. The types of reference obligations underlying the swaps that may be entered into by the Portfolio include debt obligations of a single issuer of corporate or sovereign debt, a basket of obligations of different issuers or a credit index. A credit index is an equally-weighted credit default swap index that is designed to track a representative segment of the credit default swap market (e.g., investment grade, high volatility, below investment grade or emerging markets) and provides an investor with exposure to specific "baskets" of issuers of certain debt instruments. Index credit default swaps have standardized terms including a fixed spread and standard maturity dates. The composition of the obligations within a particular index changes periodically. Credit default swaps involve one party, the protection buyer, making a stream of payments to another party, the protection seller, in exchange for the right to receive a contingent payment if there is a credit event related to the underlying reference obligation. In the event that the reference obligation matures prior to the termination date of the contract, a similar security will be substituted for the duration of the contract term. Credit events are defined under individual swap agreements and generally include bankruptcy, failure to pay, restructuring, repudiation/moratorium, obligation acceleration and obligation default. Selling protection effectively adds leverage to a portfolio up to the notional amount of the swap agreement. Potential liabilities under these contracts may be reduced by: the auction rates of the underlying reference obligations; upfront payments received at the inception of a swap; and net amounts received from credit default swaps purchased with the identical reference obligation.

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

The Portfolio may also purchase put and call options. Purchasing call options tends to increase the Portfolio's exposure to the underlying instrument. Alternatively, purchasing put options tends to decrease the Portfolio's exposure to the underlying instrument. The Portfolio pays a premium which is included on the Portfolio's Statement of Assets and

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

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

The Portfolio may purchase or write option on exchanged-traded futures contracts ("Futures Option") to hedge an existing position or futures investment, for speculative purposes or to manage exposure to market movements. A Futures Option is an option contract in which the underlying instrument is a single futures contract.

The Portfolio may purchase or write inflation-capped options to enhance returns or for hedging opportunities. An inflation-capped option pays out if inflation exceeds a certain level over a specified period of time. The purpose of purchasing inflation-capped options is to protect the Portfolio from inflation erosion above a certain rate on a given notional exposure. When the Portfolio writes an inflation-capped option, an amount equal to the premium received is recorded as a liability and subsequently marked to market to reflect the current value of the option written. As of December 31, 2019, all open options are shown in the Portfolio of Investments.

(N) Interest Rate and Credit Default Swaptions. The Portfolio may enter into interest rate or credit default swaption agreements. A swaption is an option to enter into a pre-defined swap agreement at a specified date in the future. The writer of the swaption becomes the counterparty to the swap if the buyer exercises. The interest rate swaption agreement will specify whether the buyer of the swaption will be a fixed-rate receiver or a fixed rate buyer. The credit default swaption agreement will specify whether the buyer of the swaption will be buying protection or selling protection. As of December 31, 2019, all open swaptions are shown in the Portfolio of Investments.

(O) 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 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.

(P) Dollar Rolls. The Portfolio may enter into dollar roll transactions in which it sells mortgage-backed securities ("MBS") from its portfolios to a counterparty from whom the Portfolio 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 a 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).

(Q) Reverse Repurchase Agreements. The Portfolio may enter into reverse repurchase agreements with banks or broker/dealers, which involve the sale of a security by a Portfolio and its agreement to repurchase the instrument at a specified time and price. Under a reverse repurchase agreement, the Portfolio continues to receive any principal and interest payments on the underlying security during the term of the agreement. These agreements involve the sale of debt securities, or obligations, held by a Portfolio, with an agreement to repurchase the obligations at an agreed-upon price, date and interest payment. The proceeds will be used to purchase other debt securities either maturing, or under an agreement to resell, at a date simultaneous with or prior to the expiration of the reverse repurchase agreement. Reverse repurchase agreements will be utilized, when permitted by law, only when the interest income to be earned from the investment of the proceeds from the transaction is greater than the interest expense of the reverse repurchase transaction.

The Portfolio will limit its investments in reverse repurchase agreements and other borrowing to no more than 33%, or as otherwise limited herein, of its total assets. While a reverse repurchase agreement is outstanding, the Portfolios will maintain liquid assets in an amount at least equal in value to the Portfolios' commitments to cover their obligations under the agreement. The use of reverse repurchase agreements by the Portfolio creates leverage that increases the Portfolio's investment risk. If the income and gains on securities purchased with the proceeds of reverse repurchase agreements exceed the cost of the agreements, the Portfolio's earnings or NAV will increase faster than otherwise would be the case; conversely, if the income and gains fail to exceed the costs, earnings or NAV would decline faster than otherwise would be the case. If the buyer of the obligation subject to the reverse repurchase agreement becomes bankrupt, realization upon the underlying securities may be delayed and there is a risk of loss due to any decline in their value. As of December 31, 2019, the Portfolio did not hold any reverse repurchase agreements.

(R) Sale-Buybacks. The Portfolio may enter into financing transactions referred to as 'sale-buybacks'. A sale-buyback transaction consists of a sale of a security by the Portfolio to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed-upon price and date. The Portfolio is not entitled to receive principal and interest payments, if any, made on the security sold to the counterparty during the term of the agreement. The agreed-upon proceeds for securities to be repurchased by the Portfolio are reflected as a liability on the Statement of Assets and Liabilities. The Portfolio will recognize net income represented by the price differential between the price received for the transferred security and the agreed-upon repurchase price. This is commonly referred to as the "price drop". A price drop consists of (i) the foregone interest and inflationary income adjustments, if any, the Portfolio would have otherwise received had the security not been sold and (ii) the negotiated financing terms between the Portfolio and counterparty. Foregone interest and inflationary income adjustments, if any, are recorded as components of interest income on the Statement of Operations. Interest payments based upon negotiated financing terms made by the Portfolio to counterparties are recorded as a component of interest expense on the Statement of Operations. In periods of increased demand for the security, the Portfolio may receive a fee for use of the security by the counterparty, which may result in interest income to the Portfolio. The Portfolio will segregate cash or liquid assets, enter into off-setting transactions or use other measures permitted by applicable laws to "cover" the Portfolio's current obligations.

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

(T) Delayed Delivery Transactions. The Portfolio may purchase or sell securities on a delayed delivery basis. These transactions involve a commitment by the Portfolio to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed delivery purchases are outstanding, the Portfolio will designate liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed delivery basis, the Portfolio assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its NAV. The Portfolio may dispose of or renegotiate a delayed delivery transaction after it is entered into, and may sell delayed delivery securities before they are delivered, which may result in a realized gain or loss. When the Portfolio has sold a security it owns on a delayed delivery basis, the Portfolio does not participate in future gains and losses with respect to the security. As of December 31, 2019, delayed delivery transactions are shown in the Portfolio of Investments.

(U) Treasury Inflation-Protected Securities. The Portfolio invests in Treasury Inflation-Protected Securities ("TIPS") which are specially structured bonds in which the principal amount is adjusted to keep pace with inflation. The inflation (deflation) adjustment is applied to the principal of each bond on a monthly basis and is accounted for as interest income on the Statement of Operations. TIPS are subject to interest rate risk. As of December 31, 2019, TIPS are shown in the Portfolio of Investments.

(V) 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 did not have any portfolio securities on loan.

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

The Portfolio primarily invests in high yield debt securities (commonly referred to as "junk bonds"), which are considered speculative because they present a greater risk of loss, including default, than higher rated debt securities. These securities pay investors a premium—a higher interest rate or yield than investment grade debt securities—because of the increased risk of loss. These securities can also be subject to greater price volatility. In times of unusual or adverse market, economic or political conditions, these securities may experience higher than normal default rates.

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

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

(X) 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 declines 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.

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

(Z) 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.

(AA) 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 manage its exposure to the securities markets or to movements in interest rates and currency values. The Portfolio wrote or purchased options to enhance returns or to hedge an existing position or future investment. The Portfolio entered into forward foreign currency contracts to hedge the currency exposure associated with some or all of the Portfolio's securities or as a part of an investment strategy. The Portfolio utilizes credit default, interest rate and inflation swap agreements to manage its exposure to credit, interest rate and inflation risk.

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

Asset Derivatives

	Statement of Assets and Liabilities Location	Foreign Exchange Contracts Risk	Credit Contracts Risk	Interest Rate Contracts Risk	Total
Purchased Options	Investments in securities, at value	$ —	$ —	$ 7,444	$ 7,444
Futures Contracts	Net Assets—Net unrealized appreciation on investments, swap contracts and futures contracts (a)	—	—	677,448	677,448
OTC Swap Contracts	Unrealized appreciation on OTC swap contracts	—	—	47,515	47,515
Centrally Cleared Swap Contracts	Net Assets—Net unrealized appreciation on investments, swap contracts and futures contracts (b)	—	7,623	1,345,459	1,353,082
Forward Contracts	Unrealized appreciation on foreign currency forward contracts	580,130	—	—	580,130
Total Fair Value		$580,130	$7,623	$2,077,866	$2,665,619

Liability Derivatives

	Statement of Assets and Liabilities Location	Foreign Exchange Contracts Risk	Credit Contracts Risk	Interest Rate Contracts Risk	Total
Written Options	Investments in written options, at value	$ —	$ —	$ (145,560)	$ (145,560)
Futures Contracts	Net Assets—Net unrealized depreciation on investments, swap contracts and futures contracts (a)	—	—	(498,372)	(498,372)
OTC Swap Contracts	Unrealized depreciation on OTC swap contracts	—	(57,855)	(5,006)	(62,861)
Centrally Cleared Swap Contracts	Net Assets—Net unrealized depreciation on investments, swap contracts and futures contracts (b)	—	(507,602)	(683,168)	(1,190,770)
Forward Contracts	Unrealized depreciation on foreign currency forward contracts	(871,721)	—	—	(871,721)
Total Fair Value		$(871,721)	$(565,457)	$(1,332,106)	$(2,769,284)

(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	Credit Contracts Risk	Interest Rate Contracts Risk	Total
Purchased Options	Net realized gain (loss) on investment transactions	$ —	$ —	$ 770,383	$ 770,383
Written Options	Net realized gain (loss) on written option transactions	—	—	252,044	252,044
Futures Contracts	Net realized gain (loss) on futures transactions	—	—	(5,370,130)	(5,370,130)
Swap Contracts	Net realized gain (loss) on swap transactions	—	(234,131)	(994,858)	(1,228,989)
Forward Contracts	Net realized gain (loss) on foreign currency forward transactions	(34,302)	—	—	(34,302)
Total Realized Gain (Loss)		$(34,302)	$(234,131)	$(5,342,561)	$(5,610,994)

Change in Unrealized Appreciation (Depreciation)

	Statement of Operations Location	Foreign Exchange Contracts Risk	Credit Contracts Risk	Interest Rate Contracts Risk	Total
Purchased Options	Net change in unrealized appreciation (depreciation) on investments	$ —	$ —	$ (62,678)	$ (62,678)
Written Options	Net change in unrealized appreciation (depreciation) on written options	—	—	97,503	97,503
Futures Contracts	Net change in unrealized appreciation (depreciation) on futures contracts	—	—	1,598,923	1,598,923
Swap Contracts	Net change in unrealized appreciation (depreciation) on swap contracts	—	(662,209)	395,814	(266,395)
Forward Contracts	Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	(904,345)	—	—	(904,345)
Total Change in Unrealized Appreciation (Depreciation)		$(904,345)	$(662,209)	$2,029,562	$ 463,008

Average Notional Amount

	Foreign Exchange Contracts Risk	Credit Contracts Risk	Interest Rate Contracts Risk	Total
Purchased Options	$ —	$ —	$ 119,740,799	$ 119,740,799
Written Options	$ —	$ —	$ (22,168,640)	$ (22,168,640)
Written Swaptions	$ —	$ —	$ (18,162,734)	$ (18,162,734)
Written Inflation—Capped Options	$ —	$ —	$ (2,200,000)	$ (2,200,000)
Futures Contracts Long	$ —	$ —	$ 53,735,965	$ 53,735,965
Futures Contracts Short	$ —	$ —	$(146,948,798)	$(146,948,798)
Swap Contracts Long	$ —	$11,418,988	$ 81,867,724	$ 93,286,712
Forward Contracts Long	$ 34,562,057	$ —	$ —	$ 34,562,057
Forward Contracts Short	$(91,889,787)	$ —	$ —	$ (91,889,787)

Certain Transfers Accounted for as Secured Borrowings

Remaining Contractual Maturity of the Agreements

	Overnight and Continuous	Up to 30 days	31-90 days	Greater than 90 days	Total
Sale-Buyback Transactions United States Treasury Obligations	$ —	$95,038,605	$134,328,976	$27,956,500	$257,324,081
Total Borrowings	$ —	$95,038,605	$134,328,976	$27,956,500	$257,324,081
Gross amount of recognized liabilities for sale-buyback financing transactions					$257,324,081

Borrowings and other financing transactions summary

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral (received)/pledged as of December 31, 2019:

Counterparty	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral (Received)/ Pledged	Net Exposure (a)
Master Securities Forward Transaction Agreement Barclays Capital Inc.	$(257,324,081)	$(257,324,081)	$256,898,829	$(425,252)
Total Borrowings and Other Financing Transactions	$(257,324,081)			

(a) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity.

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. Pacific Investment Management Company LLC (" PIMCO" or the "Subadvisor"), a registered investment adviser, serves as Subadvisor to the Portfolio and is responsible for the day-to-day portfolio management of the Portfolio. Pursuant to the terms of a Subadvisory Agreement ("Subadvisory Agreement") between New York Life Investments and PIMCO, New York Life Investments pays for the services of the Subadvisor.

The Fund, on behalf of the Portfolio, pays New York Life Investments in its capacity as the Portfolio's investment manager and administrator, pursuant to the Management Agreement, a monthly fee for the services performed and the facilities furnished at an annual percentage of the average daily net assets of 0.50%. During the year ended December 31, 2019, the effective management fee rate (exclusive of any applicable waivers/reimbursements) was 0.50% .

Effective, May 1, 2019, New York Life Investments has contractually agreed to waive fees and/or reimburse expenses so that total annual portfolio operating expenses (excluding taxes, interest, litigation, extraordinary expenses, brokerage and other transaction expenses relating to the purchase or sale of portfolio investments, and acquired (underlying) portfolio/fund fees and expenses) do not exceed 0.53% for the Initial Class shares and 0.78% for Service Class shares. This agreement will remain in effect until May 1, 2020, and shall renew automatically for one-year terms unless New York Life Investments provides written notice of termination prior to the start of the next term or upon approval of the Board.

During the year ended December 31, 2019, New York Life Investments earned fees from the Portfolio in the amount of $1,800,186 and waived fees/reimbursed expenses in the amount of $229,070 and paid the Subadvisor in the amount of $900,093.

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.

Notes to Financial Statements (continued)

(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	$864	$82,954	$(82,290)	$ —	$ —	$1,528	$21	$ —	1,528

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	$584,551,523	$12,192,838	$(6,075,106)	$6,117,732

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)
$8,259,517	$(79,033,061)	$—	$6,585,821	$(64,187,723)

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is primarily due to mark to market of swaps contract and straddle loss deferral.

As of December 31, 2019, for federal income tax purposes, capital loss carryforwards of $78,764,667, 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	$25,699	$53,066

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
$11,047,701	$—	$4,587,483	$—

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 $984,645 and $899,849, respectively. Purchases and sales of securities, other than U.S. government securities and short-term securities, were $107,915 and $105,013, respectively.

The Portfolio may purchase securities from or sell securities to other portfolios managed by the Subadvisor. These interportfolio transactions are primarily used for cash management purposes and are made pursuant to Rule 17a-7 under the 1940 Act. The Rule 17a-7 transaction during the year ended December 31, 2019, was as follows:

Purchases (000's)	Sales (000's)	Realized Gain/(Loss) (000's)
$—	$543	$(29)

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	651,387	$ 5,608,170
Shares issued to shareholders in reinvestment of distributions	165,706	1,424,708
Shares redeemed	(599,073)	(5,169,589)
Net increase (decrease)	218,020	$ 1,863,289
Year ended December 31, 2018:		
Shares sold	442,236	$ 3,714,900
Shares issued to shareholders in reinvestment of distributions	89,899	740,327
Shares redeemed	(438,397)	(3,643,210)
Net increase (decrease)	93,738	$ 812,017

Service Class	Shares	Amount
Year ended December 31, 2019:		
Shares sold	8,984,695	$ 76,913,412
Shares issued to shareholders in reinvestment of distributions	1,120,695	9,622,993
Shares redeemed	(4,671,355)	(40,057,646)
Net increase (decrease)	5,434,035	$ 46,478,759
Year ended December 31, 2018:		
Shares sold	5,154,188	$ 43,081,277
Shares issued to shareholders in reinvestment of distributions	467,591	3,847,156
Shares redeemed	(4,893,856)	(40,933,068)
Net increase (decrease)	727,923	$ 5,995,365

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 PIMCO Real Return Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of MainStay VP PIMCO Real Return Portfolio (one of the portfolios constituting MainStay VP Funds Trust, referred to hereafter as the "Portfolio") as of December 31, 2019, the related statements of operations and cash flows 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 and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2019 and the financial highlights for each of the five years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian, transfer agent and brokers; 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 PIMCO Real Return Portfolio ("Portfolio") and New York Life Investment Management LLC ("New York Life Investments") and the Subadvisory Agreement between New York Life Investments and Pacific Investment Management Company LLC ("PIMCO") 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 PIMCO 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 PIMCO 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 PIMCO 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 PIMCO 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 PIMCO; (ii) the qualifications of the portfolio managers of the Portfolio and the historical investment performance of the Portfolio, New York Life Investments and PIMCO; (iii) the costs of the services provided, and profits realized, by New York Life Investments and PIMCO 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 PIMCO. 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 PIMCO. 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 PIMCO 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 PIMCO

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 PIMCO, 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 PIMCO and ongoing analysis of, and interactions with, PIMCO with respect to, among other things, the Portfolio's investment performance and risks as well as PIMCO'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 PIMCO provides to the Portfolio. The Board evaluated PIMCO's experience in serving as subadvisor to the Portfolio and advising other portfolios and PIMCO's track record and experience in providing investment advisory services, the experience of investment advisory, senior management and administrative personnel at PIMCO, and New York Life Investments' and PIMCO'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 PIMCO 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 PIMCO. The Board reviewed PIMCO's ability to attract and retain qualified investment professionals and willingness to invest in personnel to service and support the Portfolio. In this regard, the Board considered the experience of the Portfolio's portfolio managers, the number of accounts managed by the portfolio managers and the method for compensating the portfolio managers.

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

Investment Performance

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

The Board also gave weight to its discussions with senior management at New York Life Investments concerning the Portfolio's investment performance attributable to PIMCO 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 PIMCO 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 PIMCO

The Board considered information provided by New York Life Investments and PIMCO 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 and PIMCO due to their relationships with the Portfolio. The Board considered that PIMCO's subadvisory fee had been negotiated at arm's-length by New York Life Investments and that this fee is paid by New York Life Investments, not the Portfolio. On this basis, the Board primarily considered the costs and profitability for New York Life Investments and its affiliates with respect to the Portfolio.

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 PIMCO and profits realized by New York Life Investments and its affiliates and PIMCO, 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 PIMCO and acknowledged that New York Life Investments and PIMCO 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 PIMCO 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 PIMCO and their affiliates due to their relationships with the Portfolio, including reputational and other indirect benefits. In this regard, the Board also requested and received information from New York Life Investments concerning other material business relationships between PIMCO and its affiliates and New York Life Investments and its affiliates. 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 due to their relationships with the Portfolio were not excessive. With respect to PIMCO, the Board considered that any profits realized by PIMCO due to its relationship with the Portfolio are the result of arm's-length negotiations between New York Life Investments and PIMCO, acknowledging that any such profits are based on the subadvisory fee paid to PIMCO by New York Life Investments, not the Portfolio.

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

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

Economies of Scale

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

Conclusion

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

Proxy Voting Policies and Procedures and Proxy Voting Record

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

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."

	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
Independent Trustees	**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.

	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
Independent Trustees	**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

New York Life Insurance Company

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

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

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

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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