# MainStay VP PIMCO Real Return Portfolio

## Message from the President and Semiannual Report

Unaudited | June 30, 2020



New York Life Investments

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# Message from the President

High levels of volatility shook financial markets in response to the COVID-19 pandemic and an abrupt decline in global economic activity during the six months ended June 30, 2020.

Markets entered 2020 riding strong fourth quarter performance and an economic expansion of historic longevity. Most broad stock and bond indices began to dip in late February as growing numbers of COVID-19 cases were seen in hotspots around the world. On March 11, 2020, the World Health Organization acknowledged that the disease had reached pandemic proportions, with over 80,000 identified cases in China, thousands in Italy, South Korea and the United States, and more in dozens of additional countries. Governments and central banks pledged trillions of dollars to address the mounting economic and public health crisis; however, "stay-at-home" orders and other restrictions on non-essential activity caused global economic activity to slow. Most stocks and bonds lost significant ground in this challenging environment, with equities declining by roughly a third and the yield on high-yield credit indices shooting higher.

Policymakers responded with extraordinary speed to address the situation. In the United States, the Federal Reserve ("Fed") cut interest rates to near zero and announced unlimited quantitative easing. With help from Treasury, the Fed later rolled out a series of lending facilities to directly support market functioning. In late March, the Federal government declared a national emergency; Congress passed, and the President signed, a $2 trillion CARES Act (The Coronavirus Aid, Relief, and Economic Security Act), with the promise of further assistance for consumers and businesses to come. This enormous wave of policy support helped fuel a rapid recovery in market pricing as stocks bounced back and credit spreads narrowed. Some states rushed to ease restrictions on travel and social gatherings, further fueling optimism that the effects of the pandemic might prove short lived. However, the final weeks of the reporting period saw infection rates beginning to rise in some of the first states to reopen, raising concerns that a second round of restrictive government policies might prove necessary, once again stifling economic activity.

Despite all the market volatility, the broadly based S&P 500® Index finished the first half of 2020 only slightly below its starting point and the technology-heavy NASDAQ Composite Index posted gains, closing in near record territory. Small-cap stocks tended to trail their large cap counterparts, as illustrated by the Russell 2000® Index's loss of approximately 15%, while value-oriented stocks lagged growth-oriented issues. From a global perspective, U.S. stocks generally outperformed international equities, with emerging markets hit particularly hard by the flight from risk.

Fixed-income markets also experienced unusually high levels of volatility. Recognized safe havens, such as U.S. government bonds, attracted increased investment, driving yields lower and prices higher, positioning long-term Treasury bonds to deliver particularly strong gains. Investment-grade corporate bonds lost value in March before recovering in the closing months of the reporting period, while relatively speculative high-yield credit faced the brunt of risk-off sentiment. Emerging market debt underperformed most other bonds types as investors sought to minimize currency and sovereign risks.

Today, as we at New York Life Investments continue to track the ongoing health crisis and its financial ramifications, we are particularly mindful of the people at the heart of our enterprise—our colleagues and valued clients. By taking appropriate steps to minimize community spread of COVID-19 within our organization, we strive to safeguard the health of our investment professionals so they can continue to provide you, as a MainStay investor, with world class investment solutions in this rapidly evolving environment.

Sincerely,

Kirk C. Lehneis
President

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

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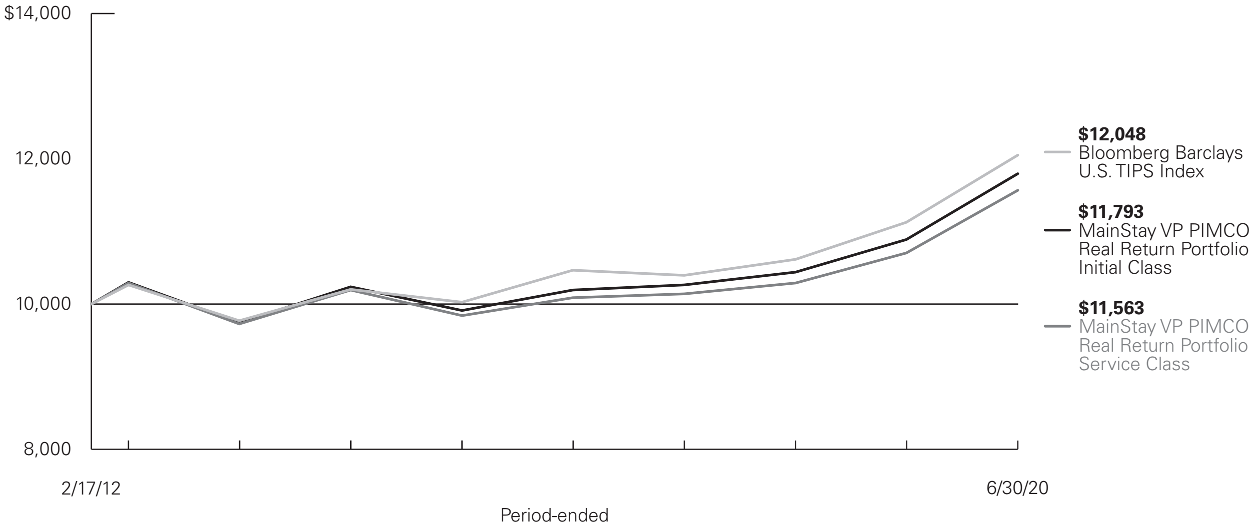
**Investors should refer to the Portfolio's Summary Prospectus and/or Prospectus and consider the Portfolio's investment objectives, strategies, risks, charges and expenses carefully before investing. The Summary Prospectus and/or Prospectus contain this and other information about the Portfolio. You 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 Period-Ended June 30, 2020

| Class | Inception Date | Six Months | One Year | Five Years | Since Inception | Gross Expense Ratio[2] |
|---|---|---|---|---|---|---|
| Initial Class Shares | 2/17/2012 | 6.03% | 8.30% | 3.55% | 1.99% | 1.71% |
| Service Class Shares | 2/17/2012 | 5.90 | 8.03 | 3.29 | 1.75 | 1.96 |

| Benchmark Performance | Six Months | One Year | Five Years | Since Inception |
|---|---|---|---|---|
| Bloomberg Barclays U.S. TIPS Index[3] | 6.01% | 8.28% | 3.75% | 2.25% |
| Morningstar Inflation-Protected Bond Category Average[4] | 4.70 | 6.78 | 3.09 | 1.64 |

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 January 1, 2020, to June 30, 2020, and the impact of those costs on your investment.

### Example

As a shareholder of the Portfolio you incur two types of costs: (1) transaction costs, including exchange fees and sales charges (loads) on purchases (as applicable), and (2) ongoing costs, including management fees, distribution and/or service (12b-1) fees, and other Portfolio expenses (as applicable). This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of $1,000 made at the beginning of the six-month period and held for the entire period from January 1, 2020, to June 30, 2020. Shares are only sold in connection with variable life and annuity contracts and the example does not reflect any contract level or transactional fees or expenses. If these costs had been included, your costs would have been higher.

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

### Actual Expenses

The second and third data columns in the table below provide information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, to estimate the expenses that you paid during the six months ended June 30, 2020. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

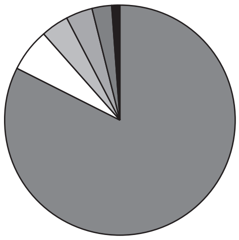
The fourth and fifth data columns in the table below provide information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical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

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

| Share Class | Beginning Account Value 1/1/20 | Ending Account Value (Based on Actual Returns and Expenses) 6/30/20 | Expenses Paid During Period[1] | Ending Account Value (Based on Hypothetical 5% Annualized Return and Actual Expenses) 6/30/20 | Expenses Paid During Period[1] | Net Expense Ratio During Period[2,3] |
|---|---|---|---|---|---|---|
| Initial Class Shares | $1,000.00 | $1,060.30 | $5.12 | $1,019.89 | $5.02 | 1.00% |
| Service Class Shares | $1,000.00 | $1,059.00 | $6.40 | $1,018.65 | $6.27 | 1.25% |

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 366 and multiplied by 182 (to reflect the six-month period). The table above represents the actual expenses incurred during the six-month period. In addition to the fees and expenses which the Portfolio bears directly, it also indirectly bears a pro rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above-reported expense figures.
2. Expenses are equal to the Portfolio's annualized expense ratio to reflect the six-month period.
3. Expenses are inclusive of dividends and interest on investments sold short.

**Portfolio Composition as of June 30, 2020** (Unaudited)



| | |
|---|---|
| 116.0% | U.S. Government & Federal Agencies |
| 8.5 | Corporate Bonds |
| 5.5 | Foreign Government Bonds |
| 5.2 | Asset-Backed Securities |
| 3.9% | Mortgage-Backed Securities |
| 1.6 | Short-Term Investments |
| 0.0‡ | Purchased Options |
| –40.7 | 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 June 30, 2020** (excluding short-term investments) (Unaudited)

1. United States Treasury Inflation—Indexed Notes, 0.125%–1.125%, due 1/15/21–7/15/29
2. United States Treasury Inflation—Indexed Bonds, 0.125%–3.375%, due 1/15/25–2/15/49
3. Federal National Mortgage Association (Mortgage Pass-Through Securities), 2.00%–4.32%, due 11/1/34–9/1/50 TBA
4. Federal Home Loan Mortgage Corporation (Mortgage Pass-Through Securities), 2.50%, due 2/1/50 TBA
5. Italy Buoni Poliennali Del Tesoro, 1.40%, due 5/26/25
6. Japanese Government CPI Linked Bond, 0.10%, due 3/10/28–3/10/29
7. Nykredit Realkredit A/S, 1.00%–2.50%, due 10/1/47–10/1/50
8. Jyske Realkredit A/S, 1.00%–2.50%, due 10/1/47–10/1/50
9. New Zealand Government Inflation Linked Bond, 2.00%–3.00%, due 9/20/25–9/20/35
10. Brazil Letras do Tesouro Nacional (zero coupon), due 10/1/20

# 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, the Portfolio's Subadvisor.*

**How did MainStay VP PIMCO Real Return Portfolio perform relative to its benchmark and peers during the six months ended June 30, 2020?**

For the six months ended June 30, 2020, MainStay VP PIMCO Real Return Portfolio returned 6.03% for Initial Class shares and 5.90% for Service Class shares. Over the same period, Initial Class shares outperformed and Service Class shares underperformed the 6.01% return of the Bloomberg Barclays U.S. TIPS Index, which is the Portfolio's benchmark. As of June 30, 2020, both share classes outperformed the 4.70% return of the Morningstar Inflation-Protected Bond Category Average.[1]

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

Several strategies made positive contributions 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.) Positive strategies included:

- Holding overweight exposure to U.S. interest rate positioning as U.S. rates fell amid pandemic-related fears and central bank policy softening;
- Maintaining underweight exposure to European and U.K. breakeven inflation exposure (the difference between nominal and real yields) as inflation expectations in the region fell;
- Tactically adopting U.S. breakeven inflation exposure as inflation expectations in the United States fluctuated; and
- Short in high-yield corporate exposure as credit spreads[2] widened.

Conversely, several strategies detracted from relative performance during the same period, including:

- Holding positions in agency and non-agency mortgage-backed securities ("MBS");
- Holding positions in investment-grade corporate credit;
- Holding a long position in the Russian ruble; and
- Holding underweight nominal duration[3] positions in the United States, the U.K. and Germany.

**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.

U.S. breakeven inflation positioning, which was in part achieved through swaps, options and futures, made a positive contribution to the Portfolio's relative performance during the reporting period. Exposure to German nominal duration, partially facilitated with futures and options, detracted from performance. Within spread sectors, underweight positioning on high-yield credit default swaps indices ("CDX") enhanced performance. Finally, currency exposure employing currency forwards detracted from overall performance.

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

The Portfolio's average duration remained longer than that of the Bloomberg Barclays U.S. TIPS Index during the reporting period. More specifically, the Portfolio maintained overweight exposure to real duration in the United States. The Portfolio increased its U.S. breakeven inflation exposure during April, which enhanced relative performance during the second quarter of 2020 as inflation expectations rebounded.

The Portfolio's average duration increased during the reporting period, standing at 8.08 years as of June 30, 2020.

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

While the Portfolio entered the reporting period defensively positioned, it experienced bouts of volatility as risk markets sold off in March 2020 amid fears of a global pandemic. Inflation expectations fell, which was negative for performance as the Portfolio held overweight exposure to U.S. breakeven inflation. The Portfolio increased breakeven inflation exposure as breakeven inflation reached the cheapest levels ever. Breakeven inflation, among other risk assets, later rebounded from its lows, which bolstered the Portfolio's relative performance. Spread sectors underperformed Treasury securities as concerns of a global shutdown weighed on corporate earnings projections, and mortgages sold off, negatively affecting the Portfolio's out-of-benchmark exposure to Agency MBS, non-Agency MBS and corporate credit. Policy responses from the U.S. Federal Reserve and Congress eased financial stress on the corporate and MBS sectors, causing spreads to tighten from March levels. The Portfolio held a short high-yield CDX position, which partially offset negative performance from investment-grade credit and MBS.

1. See page 5 for more information on benchmark and peer group returns.
2. 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.
3. Duration is a measure of the price sensitivity of a fixed-income investment to changes in interest rates. Duration is expressed as a number of years and is considered a more accurate sensitivity gauge than average maturity.

### 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, a long position in U.S. Treasury Inflation-Protected Securities ("TIPS") enhanced Portfolio performance as rates across the real yield curve[4] declined. Underweight nominal duration positions in the United States, the U.K. and Germany detracted from performance amid falling global rates. Falling inflation expectations in the U.K. and eurozone were positive for performance given the Portfolio's short exposure to U.K. and eurozone breakeven inflation rates. Out-of-benchmark exposures to spread sectors such as investment-grade corporate credit and residential MBS detracted as spreads widened. Lastly a long position in the Russian ruble detracted over the reporting period.

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

During the reporting period, the Portfolio maintained overweight exposure to overall duration relative to the Bloomberg Barclays U.S. TIPS Index. As previously mentioned, the Portfolio increased its U.S. breakeven inflation exposure in April, as inflation expectations fell with rising pandemic fears. The Portfolio maintained this exposure through the remainder of the second quarter of 2020, benefiting from a rebound in inflation expectations. 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 June 30, 2020, 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. The Portfolio also continued to hold out-of-Index exposure to MBS, corporate securities, bonds of non-U.S. developed nations and dollar-denominated emerging-market securities.

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.

| | | Principal Amount | | Value |
|---|---|---|---|---|
| **Long-Term Bonds 139.1%†** | | | | |
| **Asset-Backed Securities 5.2%** | | | | |
| **Other Asset-Backed Securities 5.2%** | | | | |
| Argent Securities, Inc. Series 2006-W4, Class A2C 0.345% (1 Month LIBOR + 0.16%), due 5/25/36 (a) | $ | 322,038 | $ | 113,915 |
| Atrium XII Series 2012-A, Class AR 1.928% (3 Month LIBOR + 0.83%), due 4/22/27 (a)(b) | | 297,540 | | 294,872 |
| Black Diamond CLO, Ltd. Series 2015-1A, Class A1R 0.65% (3 Month EURIBOR + 0.65%), due 10/3/29 (a)(b) | EUR | 257,139 | | 287,853 |
| Catamaran CLO, Ltd. Series 2013-1A, Class AR 1.841% (3 Month LIBOR + 0.85%), due 1/27/28 (a)(b) | $ | 1,096,782 | | 1,078,532 |
| CoreVest American Finance Trust Series 2017-1, Class A 2.968%, due 10/15/49 (b) | | 66,397 | | 67,537 |
| Countrywide Asset-Backed Certificates Series 2007-08, Class 1A1 0.375% (1 Month LIBOR + 0.19%), due 11/25/37 (a) | | 757,187 | | 700,151 |
| Credit Suisse First Boston Mortgage Securities Corp. Series 2001-HE17, Class A1 0.805% (1 Month LIBOR + 0.62%), due 1/25/32 (a) | | 954,522 | | 891,622 |
| Credit-Based Asset Servicing & Securitization LLC Series 2007-CB6, Class A3 0.405% (1 Month LIBOR + 0.22%), due 7/25/37 (a)(b) | | 1,107,400 | | 838,860 |
| First Franklin Mortgage Loan Trust Series 2006-FF17, Class A2 0.305% (1 Month LIBOR + 0.12%), due 12/25/36 (a) | | 566,909 | | 469,181 |
| GSAA Home Equity Trust Series 2006-17, Class A3A 0.425% (1 Month LIBOR + 0.24%), due 11/25/36 (a) | | 1,289,145 | | 609,187 |
| Halcyon Loan Advisors Funding, Ltd. Series 2015-1A, Class AR 2.055% (3 Month LIBOR + 0.92%), due 4/20/27 (a)(b) | | 147,760 | | 146,424 |
| Home Equity Asset Trust (a) Series 2005-8, Class M2 0.635% (1 Month LIBOR + 0.45%), due 2/25/36 | | 300,000 | | 278,972 |

| | | Principal Amount | | Value |
|---|---|---|---|---|
| **Other Asset-Backed Securities (continued)** | | | | |
| Home Equity Asset Trust (continued) Series 2004-2, Class M1 0.98% (1 Month LIBOR + 0.795%), due 7/25/34 | $ | 98,596 | $ | 96,275 |
| Jamestown CLO IV, Ltd. Series 2014-4A, Class A1AR 1.909% (3 Month LIBOR + 0.69%), due 7/15/26 (a)(b) | | 108,307 | | 107,973 |
| Jamestown CLO VII, Ltd. Series 2015-7A, Class A1R 1.821% (3 Month LIBOR + 0.83%), due 7/25/27 (a)(b) | | 1,056,743 | | 1,046,606 |
| Jubilee CLO B.V. Series 2015-16A, Class A1R 0.442% (3 Month EURIBOR + 0.80%), due 12/15/29 (a)(b) | EUR | 1,660,000 | | 1,842,107 |
| KVK CLO, Ltd. Series 2013-1A, Class AR 2.211% (3 Month LIBOR + 0.90%), due 1/14/28 (a)(b) | $ | 1,364,826 | | 1,349,435 |
| Legacy Mortgage Asset Trust Series 2019-GS3, Class A1 3.75%, due 4/25/59 (b)(c) | | 175,079 | | 177,740 |
| Long Beach Mortgage Loan Trust Series 2006-7, Class 2A2 0.305% (1 Month LIBOR + 0.12%), due 8/25/36 (a) | | 274,082 | | 134,276 |
| MacKay Shields Euro CLO Series 2A, Class A 1.55% (3 Month EURIBOR + 1.55%), due 8/15/33 (a)(b) | EUR | 250,000 | | 280,875 |
| Man GLG Euro CLO Series 2A, Class A1R 0.87% (3 Month EURIBOR + 0.87%), due 1/15/30 (a)(b) | | 250,000 | | 277,669 |
| Marathon CLO V, Ltd. Series 2013-5A, Class A1R 1.244% (3 Month LIBOR + 0.87%), due 11/21/27 (a)(b) | $ | 1,516,329 | | 1,483,308 |
| Marlette Funding Trust Series 2019-3A, Class A 2.69%, due 9/17/29 (b) | | 98,948 | | 99,469 |
| MASTR Asset Backed Securities Trust Series 2006-WMC4, Class A5 0.335% (1 Month LIBOR + 0.15%), due 10/25/36 (a) | | 129,913 | | 53,098 |
| Morgan Stanley ABS Capital I, Inc. Trust Series 2005-WMC1, Class M3 0.965% (1 Month LIBOR + 0.78%), due 1/25/35 (a) | | 269,563 | | 258,876 |

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)** | | |
| New Century Home Equity Loan Trust | | |
| Series 2004-04, Class M1 0.95% (1 Month LIBOR + 0.765%), due 2/25/35 (a) | $ 76,232 | $ 72,617 |
| New Residential Mortgage Loan Trust | | |
| Series 2018-3A, Class A1 4.50%, due 5/25/58 (b)(d) | 214,371 | 231,820 |
| OCP CLO, Ltd. (a)(b) | | |
| Series 2015-10A, Class A1R 1.811% (3 Month LIBOR + 0.82%), due 10/26/27 | 1,257,784 | 1,247,413 |
| Series 2015-9A, Class A1R 2.019% (3 Month LIBOR + 0.80%), due 7/15/27 | 169,103 | 167,960 |
| RASC Trust (a) | | |
| Series 2006-EMX4, Class A4 0.415% (1 Month LIBOR + 0.23%), due 6/25/36 | 821,944 | 783,545 |
| Series 2006-KS6, Class A4 0.435% (1 Month LIBOR + 0.25%), due 8/25/36 | 295,551 | 291,277 |
| Series 2005-KS8, Class M4 0.775% (1 Month LIBOR + 0.59%), due 8/25/35 | 600,000 | 591,374 |
| Series 2005-EMX1, Class M2 1.28% (1 Month LIBOR + 1.095%), due 3/25/35 | 631,322 | 599,601 |
| Saxon Asset Securities Trust | | |
| Series 2007-03, Class 1A 0.495% (1 Month LIBOR + 0.31%), due 9/25/37 (a) | 172,733 | 161,410 |
| Securitized Asset-Backed Receivables LLC Trust (a) | | |
| Series 2006-HE2, Class A2C 0.335% (1 Month LIBOR + 0.15%), due 7/25/36 | 228,194 | 121,296 |
| Series 2006-HE1, Class A2C 0.345% (1 Month LIBOR + 0.16%), due 7/25/36 | 633,440 | 294,824 |
| SLM Student Loan Trust (a) | | |
| Series 2003-5, Class A5 0.00% (3 Month EURIBOR + 0.27%), due 6/17/24 | EUR 22,944 | 25,702 |
| Series 2004-2, Class A5 0.019% (3 Month EURIBOR + 0.18%), due 1/25/24 | 64,574 | 72,530 |
| Series 2004-3A, Class A6B 1.541% (3 Month LIBOR + 0.55%), due 10/25/64 (b) | $ 479,464 | 455,567 |

| | Principal Amount | Value |
|---|---|---|
| **Other Asset-Backed Securities (continued)** | | |
| SLM Student Loan Trust (continued) | | |
| Series 2011-B, Class A3 2.435% (1 Month LIBOR + 2.25%), due 6/16/42 (a)(b) | $ 55,559 | $ 55,713 |
| Soundview Home Equity Loan Trust (a) | | |
| Series 2007-OPT2, Class 2A3 0.365% (1 Month LIBOR + 0.18%), due 7/25/37 | 231,523 | 213,599 |
| Series 2007-OPT1, Class 1A1 0.385% (1 Month LIBOR + 0.20%), due 6/25/37 | 352,021 | 274,844 |
| SpringCastle Funding Asset-Backed Notes | | |
| Series 2019-AA, Class A 3.20%, due 5/27/36 (b) | 725,313 | 733,097 |
| Stanwich Mortgage Loan LLC | | |
| Series 2019-NPB1, Class A1 3.375%, due 8/15/24 (b)(c) | 198,609 | 198,390 |
| Symphony CLO XIV, Ltd. | | |
| Series 2014-14A, Class AR 2.261% (3 Month LIBOR + 0.95%), due 7/14/26 (a)(b) | 258,684 | 256,375 |
| THL Credit Wind River CLO, Ltd. | | |
| Series 2012-1A, Class AR2 2.099% (3 Month LIBOR + 0.88%), due 1/15/26 (a)(b) | 95,182 | 94,874 |
| Venture CLO, Ltd. | | |
| Series 2018-35A, Class AS 2.248% (3 Month LIBOR + 1.15%), due 10/22/31 (a)(b) | 200,000 | 195,161 |
| Venture XX CLO, Ltd. | | |
| Series 2015-20A, Class AR 2.039% (3 Month LIBOR + 0.82%), due 4/15/27 (a)(b) | 661,479 | 654,420 |
| Venture XXI CLO, Ltd. | | |
| Series 2015-21A, Class AR 2.099% (3 Month LIBOR + 0.88%), due 7/15/27 (a)(b) | 349,741 | 345,362 |
| Voya CLO, Ltd. | | |
| Series 2014-3A, Class A1R 1.711% (3 Month LIBOR + 0.72%), due 7/25/26 (a)(b) | 224,492 | 223,237 |
| Wachovia Mortgage Loan Trust | | |
| Series 2005-WMC1, Class M1 0.845% (1 Month LIBOR + 0.66%), due 10/25/35 (a) | 9,196 | 9,246 |
| Z Capital Credit Partners CLO, Ltd. | | |
| Series 2015-1A, Class A1R 2.126% (3 Month LIBOR + 0.95%), due 7/16/27 (a)(b) | 467,805 | 460,510 |
| Total Asset-Backed Securities (Cost $22,137,837) | | 21,816,577 |

| | | Principal Amount | Value |
|---|---|---|---|
| **Corporate Bonds 8.5%** | | | |
| **Agriculture 0.1%** | | | |
| Reynolds American, Inc. | | | |
| 4.00%, due 6/12/22 | $ | 200,000 | $ 211,298 |
| **Auto Manufacturers 1.0%** | | | |
| BMW U.S. Capital LLC | | | |
| 3.40%, due 8/13/21 (b) | | 600,000 | 615,884 |
| FCE Bank PLC | | | |
| Series Reg S | | | |
| 0.221% (3 Month EURIBOR + 0.50%), due 8/26/20 (a) | EUR | 800,000 | 892,005 |
| Series Reg S | | | |
| 1.875%, due 6/24/21 | | 900,000 | 987,833 |
| Nissan Motor Acceptance Corp. (b) | | | |
| 1.90%, due 9/14/21 | $ | 100,000 | 98,191 |
| 2.65%, due 7/13/22 | | 200,000 | 196,908 |
| Volkswagen Group of America Finance LLC (b) | | | |
| 1.157% (3 Month LIBOR + 0.86%), due 9/24/21 (a) | | 900,000 | 896,804 |
| 4.00%, due 11/12/21 | | 600,000 | 624,602 |
| | | | 4,312,227 |
| **Banks 2.6%** | | | |
| Banco Bilbao Vizcaya Argentaria S.A. | | | |
| Series Reg S | | | |
| 5.875% (EUR 5 Year Interest Swap Rate + 5.66%), due 9/24/23 (a)(e) | EUR | 400,000 | 435,952 |
| Bank of America Corp. 5.875%, (3 Month LIBOR + 2.931%) due 3/15/28 (e)(f) | $ | 190,000 | 194,093 |
| Cooperatieve Rabobank U.A. | | | |
| Series Reg S | | | |
| 6.625% (EUR 5 Year Interest Swap Rate + 6.697%), due 6/29/21 (a)(e) | EUR | 200,000 | 230,598 |
| Credit Suisse Group Funding Guernsey, Ltd. | | | |
| 3.80%, due 9/15/22 | $ | 300,000 | 318,740 |
| Deutsche Bank A.G. | | | |
| 4.25%, due 10/14/21 | | 1,400,000 | 1,436,417 |
| ING Bank N.V. | | | |
| 2.625%, due 12/5/22 (b) | | 400,000 | 419,480 |
| Intesa Sanpaolo S.p.A. | | | |
| 6.50%, due 2/24/21 (b) | | 400,000 | 411,261 |
| Lloyds Banking Group PLC (a) | | | |
| 1.106% (3 Month LIBOR + 0.80%), due 6/21/21 | | 400,000 | 401,672 |
| Series Reg S | | | |
| 4.947% (EUAM DB05+ 5.29%), due 6/27/25 (e) | EUR | 200,000 | 217,678 |

| | | Principal Amount | Value |
|---|---|---|---|
| **Banks (continued)** | | | |
| Nykredit Realkredit A/S | | | |
| Series Reg S | | | |
| 1.00%, due 10/1/50 | DKK | 28,468,867 | $ 4,262,282 |
| Series Reg S | | | |
| 2.50%, due 10/1/47 | | 3,930 | 622 |
| Royal Bank of Scotland Group PLC | | | |
| 1.847% (3 Month LIBOR + 1.55%), due 6/25/24 (a) | $ | 300,000 | 300,175 |
| 4.519%, due 6/25/24 (f) | | 200,000 | 217,184 |
| UniCredit S.p.A. | | | |
| 7.83%, due 12/4/23 (b) | | 1,800,000 | 2,074,426 |
| | | | 10,920,580 |
| **Beverages 0.6%** | | | |
| Keurig Dr. Pepper, Inc. | | | |
| 3.551%, due 5/25/21 | | 1,400,000 | 1,438,906 |
| 4.057%, due 5/25/23 | | 100,000 | 108,981 |
| Pernod-Ricard S.A. | | | |
| 5.75%, due 4/7/21 (b) | | 794,000 | 824,776 |
| | | | 2,372,663 |
| **Biotechnology 0.1%** | | | |
| Amgen, Inc. | | | |
| 3.625%, due 5/15/22 | | 400,000 | 418,527 |
| **Commercial Services 0.1%** | | | |
| ERAC USA Finance LLC | | | |
| 4.50%, due 8/16/21 (b) | | 400,000 | 412,801 |
| RELX Capital, Inc. | | | |
| 3.50%, due 3/16/23 | | 100,000 | 106,638 |
| | | | 519,439 |
| **Distribution & Wholesale 0.1%** | | | |
| Toyota Tsusho Corp. | | | |
| Series Reg S | | | |
| 3.625%, due 9/13/23 | | 200,000 | 214,107 |
| **Diversified Financial Services 1.3%** | | | |
| AerCap Ireland Capital DAC / AerCap Global Aviation Trust | | | |
| 4.625%, due 10/30/20 | | 100,000 | 100,435 |
| Ally Financial, Inc. | | | |
| 4.125%, due 2/13/22 | | 200,000 | 205,506 |
| 4.25%, due 4/15/21 | | 100,000 | 101,803 |
| Avolon Holdings Funding, Ltd. | | | |
| 5.50%, due 1/15/23 (b) | | 100,000 | 94,152 |
| BOC Aviation, Ltd. | | | |
| 2.375%, due 9/15/21 (b) | | 200,000 | 199,914 |
| Jyske Realkredit A/S | | | |
| Series Reg S | | | |
| 1.00%, due 10/1/50 | DKK | 18,105,195 | 2,712,026 |
| Series Reg S | | | |
| 2.50%, due 10/1/47 | | 11,472 | 1,816 |



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)** | | |
| **Diversified Financial Services (continued)** | | |
| Mitsubishi UFJ Lease & Finance Co., Ltd. | | |
| 2.652%, due 9/19/22 (b) | $ 200,000 | $ 205,246 |
| Nordea Kredit Realkreditaktieselskab Series Reg S | | |
| 1.00%, due 10/1/50 | DKK 11,630,325 | 1,740,384 |
| 2.50%, due 10/1/47 | 4,595 | 727 |
| Park Aerospace Holdings, Ltd. | | |
| 5.25%, due 8/15/22 (b) | $ 200,000 | 187,735 |
| Realkredit Danmark A/S Series Reg S | | |
| 2.50%, due 4/1/47 | DKK 20,080 | 3,170 |
| | | 5,552,914 |
| **Electric 0.1%** | | |
| American Electric Power Co., Inc. | | |
| 3.65%, due 12/1/21 | $ 100,000 | 104,288 |
| LG&E & KU Energy LLC | | |
| 4.375%, due 10/1/21 | 100,000 | 103,384 |
| Sempra Energy | | |
| 0.763% (3 Month LIBOR + 0.45%), due 3/15/21 (a) | 100,000 | 100,167 |
| | | 307,839 |
| **Food 0.2%** | | |
| Campbell Soup Co. | | |
| 3.30%, due 3/15/21 | 300,000 | 305,071 |
| Conagra Brands, Inc. | | |
| 3.25%, due 9/15/22 | 200,000 | 209,821 |
| Danone S.A. (b) | | |
| 2.077%, due 11/2/21 | 200,000 | 203,262 |
| 3.00%, due 6/15/22 | 200,000 | 208,446 |
| | | 926,600 |
| **Gas 0.3%** | | |
| Southern Co. Gas Capital Corp. | | |
| 3.50%, due 9/15/21 | 1,400,000 | 1,438,506 |
| **Home Builders 0.0%‡** | | |
| D.R. Horton, Inc. | | |
| 5.75%, due 8/15/23 | 100,000 | 113,013 |
| **Home Furnishing 0.2%** | | |
| Panasonic Corp. | | |
| 2.536%, due 7/19/22 (b) | 800,000 | 823,077 |
| **Machinery—Diversified 0.1%** | | |
| Westinghouse Air Brake Technologies Corp. | | |
| 1.613% (3 Month LIBOR + 1.30%), due 9/15/21 (a) | 600,000 | 600,000 |
| **Media 0.2%** | | |
| Charter Communications Operating LLC / Charter Communications Operating Capital Corp. | | |
| 4.464%, due 7/23/22 | $ 600,000 | $ 639,956 |
| Cox Communications, Inc. | | |
| 3.25%, due 12/15/22 (b) | 200,000 | 210,766 |
| | | 850,722 |
| **Miscellaneous—Manufacturing 0.1%** | | |
| Textron, Inc. | | |
| 0.998% (3 Month LIBOR + 0.55%), due 11/10/20 (a) | 580,000 | 578,245 |
| **Oil & Gas 0.2%** | | |
| Petrobras Global Finance B.V. | | |
| 5.093%, due 1/15/30 (b) | 543,000 | 540,828 |
| 6.125%, due 1/17/22 | 33,000 | 34,567 |
| YPF S.A | | |
| 33.088% (BADLARPP Index + 6.00%), due 3/4/21 (a)(g) | ARS 3,130,000 | 47,858 |
| | | 623,253 |
| **Pharmaceuticals 0.3%** | | |
| Cigna Corp. | | |
| 3.75%, due 7/15/23 | $ 133,000 | 144,369 |
| CVS Health Corp. | | |
| 2.125%, due 6/1/21 | 800,000 | 810,539 |
| 3.70%, due 3/9/23 | 200,000 | 214,787 |
| | | 1,169,695 |
| **Pipelines 0.2%** | | |
| Florida Gas Transmission Co. LLC | | |
| 5.45%, due 7/15/20 (b) | 700,000 | 701,040 |
| **Real Estate Investment Trusts 0.1%** | | |
| American Tower Corp. | | |
| 3.30%, due 2/15/21 | 300,000 | 305,099 |
| **Semiconductors 0.1%** | | |
| NXP B.V. / NXP Funding LLC | | |
| 3.875%, due 9/1/22 (b) | 400,000 | 422,854 |
| **Software 0.1%** | | |
| Activision Blizzard, Inc. | | |
| 2.60%, due 6/15/22 | 200,000 | 207,540 |
| **Telecommunications 0.4%** | | |
| AT&T, Inc. | | |
| 1.10% (3 Month LIBOR + 0.75%), due 6/1/21 (a) | 500,000 | 502,533 |
| 5.15%, due 2/15/50 | 300,000 | 384,684 |
| 5.30%, due 8/15/58 | 100,000 | 129,874 |

| | | Principal Amount | Value |
|---|---|---|---|
| **Corporate Bonds (continued)** | | | |
| **Telecommunications (continued)** | | | |
| Sprint Corp. | | | |
| 7.25%, due 9/15/21 | $ | 300,000 | $ 314,505 |
| Telstra Corp., Ltd. | | | |
| 4.80%, due 10/12/21 (b) | | 300,000 | 314,175 |
| | | | 1,645,771 |
| **Trucking & Leasing 0.0%‡** | | | |
| Penske Truck Leasing Co., L.P. / PTL Finance Corp. | | | |
| 3.65%, due 7/29/21 (b) | | 200,000 | 204,707 |
| Total Corporate Bonds (Cost $34,901,285) | | | 35,439,716 |
| **Foreign Government Bonds 5.5%** | | | |
| **Argentina 0.0%‡** | | | |
| Argentina Bocon | | | |
| 30.022%, due 10/4/22 (d)(g) | ARS | 63,170 | 1,255 |
| Bonos del Tesoro Nacional en Pesos Badlar | | | |
| 26.415% (BADLARPP Index + 2.00%), due 4/3/22 (a)(g) | | 2,854,000 | 41,317 |
| | | | 42,572 |
| **Australia 0.5%** | | | |
| Australia Government Bond | | | |
| Series Reg S | | | |
| 1.25%, due 2/21/22 | AUD | 980,000 | 802,766 |
| Series Reg S | | | |
| 3.00%, due 9/20/25 | | 1,450,000 | 1,462,173 |
| | | | 2,264,939 |
| **Brazil 0.6%** | | | |
| Brazil Letras do Tesouro Nacional | | | |
| (zero coupon), due 10/1/20 | BRL | 13,706,000 | 2,507,176 |
| **Canada 0.2%** | | | |
| Canadian Government Real Return Bond | | | |
| 4.25%, due 12/1/26 | CAD | 927,270 | 886,159 |
| **Italy 2.1%** | | | |
| Italy Buoni Poliennali Del Tesoro | | | |
| Series Reg S | | | |
| 1.40%, due 5/26/25 (b) | EUR | 7,594,300 | 8,713,689 |
| **Japan 1.1%** | | | |
| Japanese Government CPI Linked Bond | | | |
| 0.10%, due 3/10/28 | JPY | 209,055,510 | 1,928,015 |
| 0.10%, due 3/10/29 | | 263,778,480 | 2,441,249 |
| | | | 4,369,264 |

| | | Principal Amount | Value |
|---|---|---|---|
| **New Zealand 0.6%** | | | |
| New Zealand Government Inflation Linked Bond | | | |
| Series Reg S | | | |
| 2.00%, due 9/20/25 | NZD | 1,800,000 | $ 1,410,133 |
| Series Reg S | | | |
| 2.50%, due 9/20/35 | | 800,000 | 737,103 |
| Series Reg S | | | |
| 3.00%, due 9/20/30 | | 500,000 | 454,781 |
| | | | 2,602,017 |
| **Peru 0.3%** | | | |
| Peru Government Bond (b) | | | |
| Series Reg S | | | |
| 5.94%, due 2/12/29 | PEN | 1,300,000 | 423,696 |
| Series Reg S | | | |
| 6.15%, due 8/12/32 | | 2,600,000 | 838,852 |
| | | | 1,262,548 |
| **Qatar 0.1%** | | | |
| Qatar Government International Bond | | | |
| Series Reg S | | | |
| 3.875%, due 4/23/23 | $ | 300,000 | 321,708 |
| Total Foreign Government Bonds (Cost $22,713,387) | | | 22,970,072 |
| **Mortgage-Backed Securities 3.9%** | | | |
| **Agency (Collateralized Mortgage Obligations) 1.1%** | | | |
| Federal Home Loan Mortgage Corporation REMIC (Collateralized Mortgage Obligations) | | | |
| Series 4779, Class WF | | | |
| 0.72% (1 Month LIBOR + 0.35%), due 7/15/44 (a) | | 330,636 | 331,560 |
| Federal Home Loan Mortgage Corporation Strips | | | |
| Series 278, Class F1 | | | |
| 0.635% (1 Month LIBOR + 0.45%), due 9/15/42 (a) | | 455,352 | 460,931 |
| Federal National Mortgage Association REMICS REMIC, Series 2019-5, Class FA | | | |
| 0.585% (1 Month LIBOR + 0.40%), due 3/25/49 (a) | | 1,407,207 | 1,405,894 |
| Government National Mortgage Association (a) | | | |
| REMIC, Series 2019-20, Class FE | | | |
| 0.59% (1 Month LIBOR + 0.40%), due 2/20/49 | | 1,286,386 | 1,284,090 |
| REMIC, Series 2018-H15, Class FG | | | |
| 2.266% (12 Month LIBOR + 0.15%), due 8/20/68 | | 615,986 | 609,505 |

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| | | Principal Amount | Value |
|---|---|---|---|
| **Mortgage-Backed Securities (continued)** | | | |
| **Agency (Collateralized Mortgage Obligations) (continued)** | | | |
| Government National Mortgage Association (Mortgage Pass-Through Securities) Series 2017-H10, Class FB 1.904% (12 Month LIBOR + 0.75%), due 4/20/67 (a) | $ | 341,366 | $ 348,027 |
| | | | 4,440,007 |
| **Commercial Mortgage Loans (Collateralized Mortgage Obligations) 0.1%** | | | |
| AREIT Trust Series 2020-CRE4, Class A 2.805% (1 Month LIBOR + 2.62%), due 4/14/37 (a)(b) | | 400,000 | 400,651 |
| **Whole Loan (Collateralized Mortgage Obligations) 2.7%** | | | |
| CHL Mortgage Pass-Through Trust Series 2007-1, Class A1 6.00%, due 3/25/37 | | 41,744 | 32,921 |
| Citigroup Mortgage Loan Trust Series 2007-AR4, Class 1A1A 4.004%, due 3/25/37 (h) | | 365,604 | 334,419 |
| Citigroup Mortgage Loan Trust, Inc. Series 2019-B, Class A1 3.258%, due 4/25/66 (b)(d) | | 274,378 | 273,584 |
| Series 2004-NCM2, Class 1CB1 5.50%, due 8/25/34 | | 244,185 | 246,820 |
| Countrywide Alternative Loan Trust Series 2005-29CB, Class A4 5.00%, due 7/25/35 | | 47,968 | 39,430 |
| Series 2007-1T1, Class 1A1 6.00%, due 3/25/37 | | 714,769 | 444,502 |
| Credit Suisse Mortgage Trust (b) Series 2019-RPL9, Class A1 3.092%, due 10/27/59 (d) | | 973,375 | 1,000,342 |
| Series 2019-RPL4, Class A1 3.522%, due 8/26/58 | | 277,137 | 282,972 |
| Eurosail-UK PLC (a) Series 2007-3A, Class A3C 1.143% (3 Month LIBOR + 0.95%), due 6/13/45 (b) | | 45,599 | 55,749 |
| Series 2007-3X, Class A3A, Reg S 1.143% (3 Month LIBOR + 0.95%), due 6/13/45 | GBP | 171,015 | 209,083 |
| Series 2007-3X, Class A3C, Reg S 1.143% (3 Month LIBOR + 0.95%), due 6/13/45 | | 45,599 | 55,749 |
| GreenPoint Mortgage Funding Trust Series 2006-AR4, Class A6A 0.365% (1 Month LIBOR + 0.18%), due 9/25/46 (a) | $ | 102,243 | 90,647 |

| | | Principal Amount | Value |
|---|---|---|---|
| **Whole Loan (Collateralized Mortgage Obligations) (continued)** | | | |
| IndyMac INDEX Mortgage Loan Trust Series 2005-AR14, Class 1A1A 0.465% (1 Month LIBOR + 0.28%), due 7/25/35 (a) | $ | 1,068,439 | $ 867,734 |
| Series 2005-AR12 Class 2A1A 0.665% (1 Month LIBOR + 0.48%), due 7/25/35 (a) | | 150,533 | 137,214 |
| Lehman XS Trust Series 2007-20N, Class A1 1.335% (1 Month LIBOR + 1.15%), due 12/25/37 (a) | | 50,948 | 45,791 |
| Merrill Lynch Mortgage Investors Trust Series 2005-A4, Class 1A 3.496%, due 7/25/35 (h) | | 202,682 | 141,674 |
| New Residential Mortgage Loan Trust Series 2019-RPL3, Class A1 2.75%, due 7/25/59 (b)(d) | | 369,775 | 387,664 |
| OBX Trust Series 2018-1, Class A2 0.835% (1 Month LIBOR + 0.65%), due 6/25/57 (a)(b) | | 62,437 | 61,617 |
| Opteum Mortgage Acceptance Corporation Series 2005-2, Class M7 1.985% (1 Month LIBOR + 1.80%), due 4/25/35 (a) | | 100,000 | 91,427 |
| Paragon Mortgages No. 13 PLC Series 13X, Class A1, Reg S 0.908% (3 Month LIBOR + 0.24%), due 1/15/39 (a) | GBP | 1,942,181 | 2,302,753 |
| Residential Asset Securitization Trust Series 2006-A10, Class A5 6.50%, due 9/25/36 | $ | 258,297 | 156,230 |
| Silverstone Master Issuer PLC Series 2019-1A, Class 2A 1.235% (SONIA + 0.75%), due 1/21/70 (a)(b) | GBP | 219,000 | 272,954 |
| Structured Asset Securities Corp. Mortgage Loan Trust Series 2005-OPT1, Class A2 0.395% (1 Month LIBOR + 0.21%), due 11/25/35 (a) | $ | 1,201,876 | 1,188,991 |
| Towd Point Mortgage Funding Series 2019-GR4A, Class A1 1.677% (3 Month LIBOR + 1.025%), due 10/20/51 (a)(b) | GBP | 1,110,900 | 1,375,763 |
| Trinity Square PLC Series 2015-1A, Class A 1.818% (3 Month LIBOR + 1.15%), due 7/15/51 (a)(b) | | 528,161 | 654,606 |

| | Principal Amount | Value |
|---|---|---|
| **Mortgage-Backed Securities (continued)** | | |
| **Whole Loan (Collateralized Mortgage Obligations) (continued)** | | |
| Washington Mutual Mortgage Pass-Through Certificates | | |
| Series 2007-HY1, Class A2A | | |
| 0.345% (1 Month LIBOR + 0.16%), due 2/25/37 (a) | $ 659,094 | $ 531,887 |
| Series 2006-5, Class 2CB1 | | |
| 6.00%, due 7/25/36 | 46,208 | 40,060 |
| | | 11,322,583 |
| Total Mortgage-Backed Securities (Cost $17,029,707) | | 16,163,241 |
| **U.S. Government & Federal Agencies 116.0%** | | |
| **Federal Home Loan Mortgage Corporation (Mortgage Pass-Through Securities) 3.6%** | | |
| 2.50%, due 2/1/50 TBA (i) | 14,600,000 | 15,164,833 |
| **Federal National Mortgage Association (Mortgage Pass-Through Securities) 7.7%** | | |
| 2.00%, due 3/1/50 TBA (i) | 2,700,000 | 2,751,510 |
| 2.89% (12 Month Monthly Treasury Average Index + 1.20%), due 6/1/43 (a) | 240,254 | 240,794 |
| 3.00%, due 12/1/49 TBA (i) | 8,500,000 | 8,925,337 |
| 3.50%, due 4/1/49 TBA (i) | 12,900,000 | 13,562,921 |
| 4.00%, due 8/1/48 TBA (i) | 800,000 | 845,910 |
| 4.00%, due 8/1/48 TBA (i) | 5,000,000 | 5,301,269 |
| 4.122% (11th District Cost of Funds Index+1.926%), due 12/1/36 (a) | 205,766 | 212,360 |
| 4.32% (1 Year Treasury Constant Maturity Rate + 2.36%), due 11/1/34 (a) | 280,632 | 294,601 |
| | | 32,134,702 |
| **United States Treasury Notes 0.1%** | | |
| 1.75%, due 12/31/24 (j) | 330,000 | 352,095 |
| **United States Treasury Inflation—Indexed Bonds 36.9%** | | |
| 0.125%, due 1/15/30 | 956,880 | 1,033,719 |
| 0.375%, due 7/15/27 (j) | 19,411,182 | 21,095,740 |
| 0.625%, due 2/15/43 | 1,985,448 | 2,334,845 |
| 0.75%, due 2/15/42 | 3,892,776 | 4,657,851 |
| 0.75%, due 2/15/45 | 1,644,435 | 2,009,510 |
| 0.875%, due 2/15/47 | 12,156,585 | 15,485,702 |
| 1.00%, due 2/15/46 (j) | 4,859,572 | 6,286,747 |
| 1.00%, due 2/15/48 | 2,608,170 | 3,444,487 |
| 1.00%, due 2/15/49 (j) | 3,107,859 | 4,141,676 |
| 1.375%, due 2/15/44 (j) | 16,380,489 | 22,331,308 |
| 1.75%, due 1/15/28 (j) | 14,229,055 | 16,972,962 |
| 2.00%, due 1/15/26 | 11,160,901 | 12,970,305 |
| 2.125%, due 2/15/40 | 4,105,255 | 6,048,026 |

| | Principal Amount | Value |
|---|---|---|
| **United States Treasury Inflation—Indexed Bonds (continued)** | | |
| 2.125%, due 2/15/41 | $ 3,782,459 | $ 5,643,575 |
| 2.375%, due 1/15/25 (j) | 12,366,763 | 14,229,206 |
| 2.375%, due 1/15/27 | 5,061,167 | 6,144,825 |
| 2.50%, due 1/15/29 | 6,366,365 | 8,159,660 |
| 3.375%, due 4/15/32 (k) | 472,440 | 703,034 |
| | | 153,693,178 |
| **United States Treasury Inflation—Indexed Notes 67.7%** | | |
| 0.125%, due 4/15/21 (j) | 19,995,622 | 20,089,918 |
| 0.125%, due 4/15/22 (j) | 45,701,550 | 46,365,743 |
| 0.125%, due 1/15/22 (j) | 10,229,094 | 10,366,966 |
| 0.125%, due 7/15/22 | 4,262,142 | 4,362,414 |
| 0.125%, due 1/15/23 | 13,035,480 | 13,352,847 |
| 0.125%, due 10/15/24 (j) | 5,996,043 | 6,279,764 |
| 0.125%, due 7/15/26 (j) | 17,124,616 | 18,182,448 |
| 0.25%, due 7/15/29 (j) | 26,903,196 | 29,430,781 |
| 0.375%, due 7/15/23 | 6,316,435 | 6,577,571 |
| 0.375%, due 1/15/27 (j) | 16,285,404 | 17,547,422 |
| 0.50%, due 1/15/28 (j) | 17,058,961 | 18,700,012 |
| 0.625%, due 7/15/21 | 2,025,320 | 2,060,494 |
| 0.625%, due 4/15/23 | 10,159,111 | 10,563,109 |
| 0.625%, due 1/15/24 (k) | 688,018 | 724,589 |
| 0.625%, due 1/15/26 (j) | 39,061,342 | 42,290,824 |
| 0.75%, due 7/15/28 (j) | 18,497,554 | 20,854,303 |
| 0.875%, due 1/15/29 | 11,161,647 | 12,715,988 |
| 1.125%, due 1/15/21 | 1,992,927 | 2,011,058 |
| | | 282,476,251 |
| Total U.S. Government & Federal Agencies (Cost $452,522,155) | | 483,821,059 |
| Total Long-Term Bonds (Cost $549,304,371) | | 580,210,665 |

| | Shares | |
|---|---|---|
| **Short-Term Investments 1.6%** | | |
| **Affiliated Investment Company 0.5%** | | |
| MainStay U.S. Government Liquidity Fund, 0.05% (l) | 1,860,439 | 1,860,439 |
| Total Affiliated Investment Company (Cost $1,860,439) | | 1,860,439 |
| **Foreign Government Bonds 0.0%‡** | | |
| Argentina Treasury Bills (g) | | |
| (zero coupon), due 8/27/20 | ARS 1,126,250 | 21,196 |
| 30.366%, due 8/28/20 | 3,628,000 | 58,187 |
| Total Foreign Government Bonds (Cost $84,582) | | 79,383 |

| | Principal Amount | | Value |
|---|---|---|---|
| **Repurchase Agreement 1.1%** | | | |
| Credit Agricole Corp. 0.12%, dated 6/30/20 due 7/1/20 Proceeds at Maturity $4,700,016 (Collateralized by a United States Treasury Note with a rate of 3.38% and a maturity date of 5/15/44, with a Principal Amount of $3,363,000 and a Market Value of $4,780,386) | $ 4,700,000 | | $ 4,700,000 |
| Total Repurchase Agreement (Cost $4,700,000) | | | 4,700,000 |
| Total Short-Term Investments (Cost $6,645,021) | | | 6,639,822 |
| Total Investments Excluding Purchased Options (Cost $555,949,392) | | 140.7% | 586,850,487 |
| Total Purchased Options (Cost $6,755) | | 0.0%‡ | 3,592 |
| Total Investments (Cost $555,956,147) | | 140.7% | 586,854,079 |
| Other Assets, Less Liabilities | | (40.7) | (169,826,312) |
| Net Assets | | 100.0% | $ 417,027,767 |

† 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 June 30, 2020.

(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 June 30, 2020.

(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 June 30, 2020.

(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 June 30, 2020.

(g) Illiquid security—As of June 30, 2020, the total market value of these securities deemed illiquid under procedures approved by the Board of Trustees was $169,812, which represented less than one-tenth of a percent of the Portfolio's net assets.

(h) Collateral strip rate—A bond whose interest was based on the weighted net interest rate of the collateral. The coupon rate adjusts periodically based on a predetermined schedule. Rate shown was the rate in effect as of June 30, 2020.

(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 June 30, 2020, the total net market value of these securities was $46,551,780, which represented 11.2% 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 securities sold short .

(l) Current yield as of June 30, 2020.

## Foreign Currency Forward Contracts

As of June 30, 2020, the Portfolio held the following foreign currency forward contracts[1,2]:

| Currency Purchased | | Currency Sold | | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|
| BRL | 14,021,438 | USD | 2,561,461 | Bank of America, N.A* | 7/2/20 | $ 16,911 |
| BRL | 13,706,000 | USD | 2,502,922 | JPMorgan Chase Bank N.A.* | 7/2/20 | 17,444 |
| BRL | 13,706,000 | USD | 2,511,107 | JPMorgan Chase Bank N.A.* | 8/4/20 | 5,110 |
| DKK | 12,137,344 | USD | 1,816,070 | Societe Generale | 7/1/20 | 13,910 |
| EUR | 635,000 | USD | 708,424 | JPMorgan Chase Bank N.A. | 7/2/20 | 4,998 |
| USD | 3,273,465 | BRL | 13,706,000 | JPMorgan Chase Bank N.A. | 7/2/20 | 753,100 |
| USD | 996,067 | DKK | 6,562,789 | JPMorgan Chase Bank N.A. | 10/1/20 | 4,612 |
| USD | 6,312,121 | DKK | 41,737,194 | Morgan Stanley & Co. | 10/1/20 | 6,788 |
| USD | 1,880,700 | EUR | 1,667,000 | Bank of America, N.A | 7/2/20 | 7,826 |
| USD | 971,777 | GBP | 768,000 | Bank of America, N.A | 7/2/20 | 20,148 |
| USD | 6,015,658 | GBP | 4,853,000 | JPMorgan Chase Bank N.A. | 7/2/20 | 2,303 |

| Currency Purchased | | Currency Sold | | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|
| USD | 1,733,649 | JPY | 185,162,382 | Bank of America, N.A | 8/4/20 | $ 18,083 |
| USD | 4,709,497 | JPY | 507,600,000 | Bank of America, N.A. | 7/2/20 | 8,409 |
| USD | 1,510,966 | JPY | 161,559,315 | Morgan Stanley & Co. | 8/4/20 | 14,087 |
| USD | 1,291,342 | PEN | 4,457,841 | Bank of America, N.A | 10/5/20 | 34,887 |
| Total unrealized appreciation | | | | | | $ 928,616 |

| Currency Purchased | | Currency Sold | | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|
| DKK | 6,562,789 | USD | 993,929 | JPMorgan Chase Bank N.A. | 7/1/20 | $ (4,440) |
| DKK | 28,873,718 | USD | 4,355,997 | Morgan Stanley & Co. | 7/1/20 | (2,628) |
| EUR | 593,000 | USD | 668,728 | Morgan Stanley & Co. | 7/2/20 | (2,493) |
| ILS | 8,993 | USD | 2,618 | Bank of America, N.A | 9/15/20 | (18) |
| JPY | 185,162,382 | USD | 1,732,919 | Bank of America, N.A | 7/2/20 | (18,055) |
| JPY | 161,559,315 | USD | 1,510,324 | Morgan Stanley & Co. | 7/2/20 | (14,058) |
| USD | 2,180,841 | AUD | 3,235,000 | JPMorgan Chase Bank N.A. | 7/2/20 | (51,633) |
| USD | 2,558,540 | BRL | 14,021,438 | Bank of America, N.A | 8/4/20 | (15,586) |
| USD | 2,562,341 | BRL | 14,021,438 | Bank of America, N.A. | 7/2/20 | (16,030) |
| USD | 2,504,614 | BRL | 13,706,000 | JPMorgan Chase Bank N.A. | 10/2/20 | (6,286) |
| USD | 845,624 | CAD | 1,159,000 | Bank of America, N.A | 7/2/20 | (8,088) |
| USD | 8,620,964 | DKK | 59,113,088 | Bank of America, N.A. | 7/1/20 | (291,676) |
| USD | 220,417 | DKK | 1,470,000 | JPMorgan Chase Bank N.A. | 7/1/20 | (1,219) |
| USD | 1,356,752 | DKK | 8,987,344 | Societe Generale | 10/1/20 | (987) |
| USD | 11,927,079 | EUR | 10,680,000 | JPMorgan Chase Bank N.A. | 7/2/20 | (71,897) |
| USD | 12,484,091 | EUR | 11,119,000 | JPMorgan Chase Bank N.A. | 8/4/20 | (17,048) |
| USD | 6,896,082 | GBP | 5,621,000 | Morgan Stanley & Co. | 8/4/20 | (70,400) |
| USD | 2,451,875 | NZD | 3,933,000 | Morgan Stanley & Co. | 7/2/20 | (86,089) |
| Total unrealized depreciation | | | | | | (678,631) |
| Net unrealized appreciation | | | | | | $ 249,985 |

* Non-deliverable forward.

1. As of June 30, 2020, cash collateral of $680,000 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.

### Futures Contracts

As of June 30, 2020, 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 | 249 | September 2020 | $ 31,238,011 | $ 31,309,805 | $ 71,794 |
| Euro BOBL | 101 | September 2020 | 15,237,651 | 15,316,647 | 78,996 |
| Euro Bund | 61 | September 2020 | 12,066,159 | 12,097,529 | 31,370 |
| United States Treasury Ultra Bond | 14 | September 2020 | 3,079,617 | 3,054,188 | (25,429) |
| 10-Year United States Treasury Ultra Note | 84 | September 2020 | 13,241,002 | 13,228,688 | (12,314) |
| Total Long Contracts | | | | | 144,417 |

| Type | Number of Contracts | Expiration Date | Value at Trade Date | Current Notional Amount | Unrealized Appreciation (Depreciation)[2] |
|---|---|---|---|---|---|
| **Short Contracts** | | | | | |
| 10-Year Australia Government Bond | (7) | September 2020 | $ (707,198) | $ (718,752) | $ (11,554) |
| 10-Year Japan Government Bond | (3) | September 2020 | (4,220,921) | (4,221,811) | (890) |
| 10-Year United States Treasury Note | (476) | September 2020 | (66,011,543) | (66,245,813) | (234,270) |
| 2-Year United States Treasury Note | (63) | September 2020 | (13,910,615) | (13,912,172) | (1,557) |
| 3-Year Australia Government Bond | (13) | September 2020 | (1,049,715) | (1,050,179) | (464) |
| Euro Schatz | (594) | September 2020 | (74,785,488) | (74,837,609) | (52,121) |
| Euro-BTP | (14) | September 2020 | (2,204,386) | (2,263,088) | (58,702) |
| Euro-Buxl 30 Year Bond | (23) | September 2020 | (5,550,790) | (5,683,874) | (133,084) |
| Short-Term Euro-BTP | (86) | September 2020 | (10,760,350) | (10,809,953) | (49,603) |
| United States Treasury Long Bond | (89) | September 2020 | (15,855,783) | (15,892,063) | (36,280) |
| Total Short Contracts | | | | | (578,525) |
| Net Unrealized Depreciation | | | | | $(434,108) |

1. As of June 30, 2020, cash in the amount of $1,332,154 was on deposit with a broker or futures commission merchant for futures transactions.
2. Represents the difference between the value of the contracts at the time they were opened and the value as of June 30, 2020.

## Purchased Options on Futures Contracts

| Description | Counterparty | Strike Price | Expiration Date | Number of Contracts | Notional Amount | Premium Paid (Received) | Market Value |
|---|---|---|---|---|---|---|---|
| Put- 5-Year United States Treasury Note | Morgan Stanley & Co., LLC | $ 106.75 | 7/24/2020 | 118 | 118,000 | $1,070 | $ 118 |
| | | | | | | $1,070 | $ 118 |

| Description | Counterparty | Strike Price | Expiration Date | Number of Contracts | Notional Amount | Premium Paid (Received) | Market Value |
|---|---|---|---|---|---|---|---|
| Call- Euro Schatz | Morgan Stanley & Co., LLC | EUR 116.00 | 8/21/2020 | 577 | EUR 57,700,000 | $3,572 | $3,241 |
| Call- 5-Year United States Treasury Note | Morgan Stanley & Co., LLC | $ 136.00 | 7/24/2020 | 233 | 233,000 | 2,113 | 233 |
| | | | | | | $5,685 | $3,474 |

## 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) | $ (4) |
| 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) | $ (4) |

## Written Swaptions

| Description | Counterparty | Strike Price | Expiration Date | Number of Contracts | Notional Amount | Premium Paid (Received) | Market Value |
|---|---|---|---|---|---|---|---|
| Put-Federal National Mortgage Association | JPMorgan Chase Bank N.A. | $102.09 | 8/6/2020 | (2,200,000) | $(2,200,000) | $ (8,594) | $ (2,174) |
| Put-Federal National Mortgage Association | JPMorgan Chase Bank N.A. | 102.56 | 8/6/2020 | (900,000) | (900,000) | (4,781) | (1,175) |
| Put-Federal National Mortgage Association | JPMorgan Chase Bank N.A. | 100.79 | 7/7/2020 | (2,300,000) | (2,300,000) | (14,914) | (841) |
| Put-Federal National Mortgage Association | JPMorgan Chase Bank N.A. | 100.46 | 7/7/2020 | (1,500,000) | (1,500,000) | (10,313) | (382) |
| Put-Federal National Mortgage Association | JPMorgan Chase Bank N.A. | 100.87 | 7/7/2020 | (800,000) | (800,000) | (5,250) | (318) |
| Put-Federal National Mortgage Association | JPMorgan Chase Bank N.A. | 102.50 | 7/7/2020 | (1,400,000) | (1,400,000) | (6,508) | — |
| Put-Federal National Mortgage Association | JPMorgan Chase Bank N.A. | 102.53 | 7/7/2020 | (900,000) | (900,000) | (3,164) | — |
| | | | | | | $(53,524) | $ (4,890) |

| Description | Counterparty | Strike Price | Expiration Date | Number of Contracts | Notional Amount | Premium Paid (Received) | Market Value |
|---|---|---|---|---|---|---|---|
| Call-OTC CDX.IG-34 5-Year Index | BOFA Securities, Inc. | $ 0.55 | 9/16/2020 | (1,300,000) | $ (1,300,000) | $ (910) | $ (632) |
| Call-OTC CDX.IG-34 5-Year Index | BOFA Securities, Inc. | 0.60 | 8/19/2020 | (1,500,000) | (1,500,000) | (900) | (788) |
| Call-OTC iTraxx Europe 33 5-Year Index | Bank of America, N.A. | 0.48 | 9/16/2020 | (1,300,000) | EUR (1,300,000) | (735) | (579) |
| | | | | | | $ (2,545) | $ (1,999) |

| Description | Counterparty | Strike Price | Expiration Date | Number of Contracts | Notional Amount | Premium Paid (Received) | Market Value |
|---|---|---|---|---|---|---|---|
| Put-OTC iTraxx Europe 33 5-Year Index | Bank of America, N.A. | $ 1.00 | 9/16/2020 | (1,300,000) | $ (1,300,000) | $ (2,535) | $ (2,682) |
| Put-OTC CDX.IG-34 5-Year Index | BOFA Securities, Inc. | 1.10 | 8/19/2020 | (1,500,000) | (1,500,000) | (2,895) | (1,907) |
| Put-OTC CDX.IG-34 5-Year Index | BOFA Securities, Inc. | 1.15 | 8/19/2020 | (4,600,000) | (4,600,000) | (6,440) | (5,052) |
| Put-OTC CDX.IG-34 5-Year Index | BOFA Securities, Inc. | 1.10 | 9/16/2020 | (1,300,000) | (1,300,000) | (2,633) | (2,856) |
| | | | | | | $(14,503) | $(12,497) |

### Swap Contracts

As of June 30, 2020, 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) |
|---|---|---|---|---|---|---|---|---|
| $14,000,000 | JPY | 9/20/2027 | Fixed 3.00% | 6-Month JPY-LIBOR | Quarterly/Semi-Annually | $ 183 | $ (2,925) | $ (2,742) |
| 50,000,000 | JPY | 3/20/2028 | Fixed 3.00% | 6-Month JPY-LIBOR | Quarterly/Semi-Annually | 681 | (10,891) | (10,210) |
| 1,600,000 | NZD | 3/21/2028 | Fixed 3.25% | 3-Month NZD Bank Bill | Quarterly/Semi-Annually | (3,703) | (212,253) | (215,956) |
| 106,980,000 | JPY | 3/20/2029 | Fixed 0.45% | 6-Month JPY-LIBOR | Quarterly/Semi-Annually | 4,255 | (37,763) | (33,508) |
| | | | | | | $ 1,416 | $(263,832) | $(262,416) |

Open OTC interest rate swap agreements as of June 30, 2020 were as follows:[1]

| 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) |
|---|---|---|---|---|---|---|---|---|---|
| $880,000 | ILS | 2/16/2028 | Bank of America N.A. | Fixed 1.963% | 3-Month TELBOR | Quarterly/Annually | $— | $31,548 | $31,548 |
| 540,000 | ILS | 6/20/2028 | Bank of America N.A. | Fixed 1.998% | 3-Month TELBOR | Quarterly/Annually | — | 19,230 | 19,230 |
| | | | | | | | $— | $50,778 | $50,778 |

As of June 30, 2020, 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 | $ — | $ (21,511) | $ (21,511) |
| 1,300,000 | USD | 11/25/2020 | Fixed 2.021% | 12-Month USD-CPI | At Maturity | — | (21,380) | (21,380) |
| 4,600,000 | USD | 9/20/2021 | Fixed 1.58% | 12-Month USD-CPI | At Maturity | — | (72,328) | (72,328) |
| 3,300,000 | GBP | 5/15/2022 | Fixed 2.60% | UK RPI | At Maturity | (437) | 23,048 | 22,611 |
| 3,400,000 | GBP | 6/15/2022 | Fixed 2.89% | UK RPI | At Maturity | (1,269) | 26,336 | 25,067 |
| 1,100,000 | USD | 4/27/2023 | Fixed 2.263% | 12-Month USD-CPI | At Maturity | — | (59,136) | (59,136) |
| 510,000 | USD | 5/9/2023 | Fixed 2.263% | 12-Month USD-CPI | At Maturity | — | (27,291) | (27,291) |
| 780,000 | USD | 5/10/2023 | Fixed 2.281% | 12-Month USD-CPI | At Maturity | — | (42,488) | (42,488) |
| 2,800,000 | EUR | 3/15/2024 | Fixed 1.03% | 12-Month EUR-CPI | At Maturity | 835 | (102,678) | (101,843) |

| 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) |
|---|---|---|---|---|---|---|---|---|
| 2,200,000 | GBP | 9/15/2024 | Fixed 3.85% | UK RPI | At Maturity | $ (316) | $167,830 | $167,514 |
| 6,800,000 | GBP | 1/15/2025 | Fixed 3.33% | UK RPI | At Maturity | (199,075) | 122,725 | (76,350) |
| 800,000 | EUR | 6/15/2027 | Fixed 1.36% | 12-Month EUR-CPI | At Maturity | 8,749 | 55,124 | 63,873 |
| 1,000,000 | EUR | 3/15/2028 | Fixed 1.535% | 12-Month EUR-CPI | At Maturity | (104) | 93,533 | 93,429 |
| 510,000 | USD | 5/9/2028 | Fixed 2.353% | 12-Month USD-CPI | At Maturity | — | 52,874 | 52,874 |
| 770,000 | USD | 5/9/2028 | Fixed 2.36% | 12-Month USD-CPI | At Maturity | — | 80,526 | 80,526 |
| 2,600,000 | USD | 11/4/2029 | Fixed 1.76% | 12-Month USD-CPI | At Maturity | 1,323 | 82,969 | 84,292 |
| 4,200,000 | GBP | 1/15/2030 | Fixed 3.39% | UK RPI | At Maturity | 33,089 | 95,071 | 128,160 |
| 2,200,000 | USD | 5/19/2030 | Fixed 1.28% | 12-Month USD-CPI | At Maturity | — | (49,600) | (49,600) |
| 3,460,000 | GBP | 6/15/2030 | Fixed 3.40% | UK RPI | At Maturity | (11,046) | 292,807 | 281,761 |
| 200,000 | EUR | 3/15/2033 | Fixed 1.71% | 12-Month EUR-CPI | At Maturity | 332 | (31,288) | (30,956) |
| | | | | | | $(167,919) | $665,143 | $497,224 |

As of June 30, 2020, 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 | Buy | 150 | 1.00% | Quarterly | $ (575) | $ 553 | $ (22) |
| General Electric Co. 2.70%, 10/09/22 | 12/20/2020 | Sell | 100 | 1.00% | Quarterly | 658 | 59 | 717 |
| General Electric Co. 2.70%, 10/09/22 | 12/20/2023 | Sell | 100 | 1.00% | Quarterly | 3,354 | (1,608) | 1,746 |
| CDX North American High Yield Series 33 | 12/20/2024 | Sell | 1,288 | 5.00% | Quarterly | 70,934 | 7,717 | 78,651 |
| CDX North American High Yield Series 34 | 6/20/2025 | Sell | 4,750 | 5.00% | Quarterly | (268,870) | 34,602 | (234,268) |
| | | | | | | $(194,499) | $41,323 | $(153,176) |

1. As of June 30, 2020, cash in the amount of $3,175,000 was on deposit with a broker for centrally cleared swap agreements.
2. Buy—Portfolio pays premium and buys 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 receives premium and sells 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 June 30, 2020.

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
DKK—Danish Krone
EUAM —European Union Advisory Mission
EUR—Euro
EURIBOR—Euro Interbank Offered Rate
GBP—British Pound Sterling
ILS—Israeli Shekel
JPY—Japanese Yen
LIBOR—London Interbank Offered Rate
NZD—New Zealand Dollar
PEN—Peruvian Sol
REMIC—Real Estate Mortgage Investment Conduit
TBA—To Be Announced
TELBOR—Tel Aviv Interbank Offered Rate
USD—United States Dollar

The following is a summary of the fair valuations according to the inputs used as of June 30, 2020, 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 | $ — | $ 21,816,577 | $ — | $ 21,816,577 |
| Corporate Bonds | — | 35,439,716 | — | 35,439,716 |
| Foreign Government Bonds | — | 22,970,072 | — | 22,970,072 |
| Mortgage-Backed Securities | — | 16,163,241 | — | 16,163,241 |
| U.S. Government & Federal Agencies | — | 483,821,059 | — | 483,821,059 |
| Total Long-Term Bonds | — | 580,210,665 | — | 580,210,665 |
| Purchased Options | 3,592 | — | — | 3,592 |
| Short-Term Investments | | | | |
| Affiliated Investment Company | 1,860,439 | — | — | 1,860,439 |
| Repurchase Agreement | — | 4,700,000 | — | 4,700,000 |
| Foreign Government Bonds | — | 79,383 | — | 79,383 |
| Total Short-Term Investments | 1,860,439 | 4,779,383 | — | 6,639,822 |
| Total Investments in Securities | 1,864,031 | 584,990,048 | — | 586,854,079 |
| Other Financial Instruments | | | | |
| Credit Default Swap Contracts (b) | — | 81,114 | — | 81,114 |
| Foreign Currency Forward Contracts (b) | — | 928,616 | — | 928,616 |
| Futures Contracts (b) | 182,160 | — | — | 182,160 |
| Inflation Swap Contracts (b) | — | 1,000,107 | — | 1,000,107 |
| Interest Rate Swap Contracts (b) | — | 50,778 | — | 50,778 |
| Total Other Financial Instruments | 182,160 | 2,060,615 | — | 2,242,775 |
| Total Investments in Securities and Other Financial Instruments | $2,046,191 | $587,050,663 | $ — | $589,096,854 |
| **Liability Valuation Inputs** | | | | |
| Other Financial Instruments | | | | |
| Foreign Currency Forward Contracts (b) | $ — | $ (678,631) | $ — | $ (678,631) |
| Futures Contracts (b) | (616,268) | — | — | (616,268) |
| Credit Default Swap Contracts (b) | — | (234,290) | — | (234,290) |
| Inflation Rate Swap Contracts (b) | — | (502,883) | — | (502,883) |
| Interest Rate Swap Contracts (b) | — | (262,416) | — | (262,416) |
| Written Options | — | (19,390) | — | (19,390 |
| Total Other Financial Instruments | $ (616,268) | $ (1,697,610) | $ — | $ (2,313,878) |

(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 | Ammount Borrowed (a) | Payable for Sale-Buyback Transcations (b) |
|---|---|---|---|---|---|
| Barclays Capital Inc. | 0.23% | 6/25/2020 | 7/2/2020 | $ 22,423,806 | $ 22,424,282 |
| Barclays Capital Inc. | 0.23 | 6/25/2020 | 7/2/2020 | 10,362,925 | 10,362,894 |
| Barclays Capital Inc. | 0.23 | 6/25/2020 | 7/2/2020 | 18,697,725 | 18,697,840 |
| Barclays Capital Inc. | 0.23 | 6/25/2020 | 7/2/2020 | 18,135,331 | 18,135,274 |
| Barclays Capital Inc. | 0.23 | 6/25/2020 | 7/2/2020 | 20,868,131 | 20,868,379 |
| Barclays Capital Inc. | 0.23 | 6/25/2020 | 7/2/2020 | 21,082,732 | 21,082,797 |
| Barclays Capital Inc. | 0.23 | 6/25/2020 | 7/2/2020 | 20,069,743 | 20,069,683 |
| Barclays Capital Inc. | 0.23 | 5/4/2020 | 7/6/2020 | 822,215 | 822,250 |
| Barclays Capital Inc. | 0.23 | 5/5/2020 | 7/6/2020 | 309,332 | 309,317 |
| Barclays Capital Inc. | 0.23 | 5/18/2020 | 7/20/2020 | 5,911,711 | 5,898,383 |
| Barclays Capital Inc. | 0.23 | 5/26/2020 | 7/27/2020 | 41,297,399 | 41,195,209 |
| Barclays Capital Inc. | 0.23 | 5/26/2020 | 7/27/2020 | 46,095,817 | 45,959,317 |
| Barclays Capital Inc. | 0.23 | 5/26/2020 | 7/27/2020 | 30,562,293 | 30,479,831 |
| Barclays Capital Inc. | 0.23 | 5/11/2020 | 8/6/2020 | 471,420 | 471,838 |
| Barclays Capital Inc. | 0.22 | 5/21/2020 | 8/21/2020 | 6,601,385 | 6,586,860 |
| | | | | $263,711,965 | $263,364,154 |

(a) During the period ended June 30, 2020, the Portfolio's average amount of borrowing was $155,916,537 at a weighted average interest rate of 1.19%.

(b) Payable for sale-buyback transactions includes $347,811 of deferred price drop.

# Statement of Assets and Liabilities as of June 30, 2020 (Unaudited)

## Assets

| | |
|---|---|
| Investment in unaffiliated securities before outstanding written options, at value (identified cost $554,095,708) | $584,993,640 |
| Investment in affiliated investment company, at value (identified cost $1,860,439) | 1,860,439 |
| Cash denominated in foreign currencies (identified cost $1,510,432) | 1,479,961 |
| Cash collateral on deposit at broker for futures contracts | 1,332,154 |
| Cash collateral on deposit at broker for swap contracts | 1,485,000 |
| Receivables: | |
| Investment securities sold | 216,372,199 |
| Dividends and interest | 1,393,219 |
| Portfolio shares sold | 336,465 |
| Variation margin on futures contracts | 19,713 |
| Unrealized appreciation on foreign currency forward contracts | 928,616 |
| Unrealized appreciation on OTC swap contracts | 50,778 |
| Other assets | 2,444 |
| Total assets | 810,254,628 |

## Liabilities

| | |
|---|---|
| Cash collateral due to broker for foreign currency forward contracts | 680,000 |
| Cash collateral due to broker for swap contracts | 1,010,000 |
| Due to custodian | 43,036 |
| Written options, at value (premiums received $107,724) | 19,390 |
| Payables: | |
| Sale buyback transaction | 263,711,965 |
| Investment securities purchased | 126,407,223 |
| Portfolio shares redeemed | 253,925 |
| Manager (See Note 3) | 147,423 |
| NYLIFE Distributors (See Note 3) | 74,003 |
| Shareholder communication | 72,807 |
| Professional fees | 47,321 |
| Custodian | 44,122 |
| Variation margin on centrally cleared swap contracts | 32,520 |
| Trustees | 458 |
| Accrued expenses | 4,037 |
| Unrealized depreciation on foreign currency forward contracts | 678,631 |
| Total liabilities | 393,226,861 |
| Net assets | $417,027,767 |

## Composition of Net Assets

| | |
|---|---|
| Shares of beneficial interest outstanding (par value of $.001 per share) unlimited number of shares authorized | $ 45,616 |
| Additional paid-in capital | 457,213,953 |
| | 457,259,569 |
| Total distributable earnings (loss) | (40,231,802) |
| Net assets | $417,027,767 |

| | |
|---|---|
| **Initial Class** | |
| Net assets applicable to outstanding shares | $ 49,311,424 |
| Shares of beneficial interest outstanding | 5,378,731 |
| Net asset value per share outstanding | $ 9.17 |
| **Service Class** | |
| Net assets applicable to outstanding shares | $367,716,343 |
| Shares of beneficial interest outstanding | 40,237,428 |
| Net asset value per share outstanding | $ 9.14 |



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

# Statement of Operations for the six months ended June 30, 2020 (Unaudited)

## Investment Income (Loss)

| | |
|---|---|
| **Income** | |
| Interest | $ 2,050,392 |
| Dividends—affiliated | 3,496 |
| Securities lending | 549 |
| Total income | 2,054,437 |
| **Expenses** | |
| Manager (See Note 3) | 1,011,106 |
| Interest expense | 945,100 |
| Distribution/Service—Service Class (See Note 3) | 443,603 |
| Custodian | 79,293 |
| Professional fees | 62,572 |
| Shareholder communication | 52,145 |
| Trustees | 4,749 |
| Miscellaneous | 7,958 |
| Total expenses before waiver/reimbursement | 2,606,526 |
| Expense waiver/reimbursement from Manager (See Note 3) | (146,050) |
| Net expenses | 2,460,476 |
| Net investment income (loss) | (406,039) |

## 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 | 2,676,776 |
| Futures transactions | (3,480,522) |
| Written option transactions | (148,824) |
| Swap transactions | (187,542) |
| Foreign currency forward transactions | (23,905) |
| Foreign currency transactions | 693,122 |
| Net realized gain (loss) on investments, futures transactions, swap transactions, written option transactions and foreign currency transactions | (470,895) |
| Net change in unrealized appreciation (depreciation) on: | |
| Unaffiliated investments | 24,876,403 |
| Futures contracts | (613,184) |
| Swap contracts | (14,556) |
| Written option contracts | (21,498) |
| Foreign currency forward contracts | 541,576 |
| Translation of other assets and liabilities in foreign currencies | 64,114 |
| Net change in unrealized appreciation (depreciation) on investments, futures contracts, swap contracts, written options and foreign currencies | 24,832,855 |
| Net realized and unrealized gain (loss) on investments, futures transactions, written options, swap transactions and foreign currency transactions | 24,361,960 |
| Net increase (decrease) in net assets resulting from operations | $23,955,921 |

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

# Statements of Changes in Net Assets

**for the six months ended June 30, 2020 (Unaudited) and the year ended December 31, 2019**

| | 2020 | 2019 |
|---|---|---|
| **Increase (Decrease) in Net Assets** | | |
| Operations: | | |
| Net investment income (loss) | $ (406,039) | $ 7,790,803 |
| Net realized gain (loss) on investments, investments sold short, futures transactions, swap transactions, written option transactions and foreign currency transactions | (470,895) | (2,013,650) |
| Net change in unrealized appreciation (depreciation) on investments, futures contracts, written options, swap contracts, written options and foreign currencies | 24,832,855 | 22,392,886 |
| Net increase (decrease) in net assets resulting from operations | 23,955,921 | 28,170,039 |
| Distributions to shareholders: | | |
| Initial Class | — | (1,424,708) |
| Service Class | — | (9,622,993) |
| Total distributions to shareholders | — | (11,047,701) |
| Capital share transactions: | | |
| Net proceeds from sale of shares | 46,803,292 | 82,521,582 |
| Net asset value of shares issued to shareholders in reinvestment of distributions | — | 11,047,701 |
| Cost of shares redeemed | (45,770,608) | (45,227,235) |
| Increase (decrease) in net assets derived from capital share transactions | 1,032,684 | 48,342,048 |
| Net increase (decrease) in net assets | 24,988,605 | 65,464,386 |
| **Net Assets** | | |
| Beginning of period | 392,039,162 | 326,574,776 |
| End of period | $417,027,767 | $392,039,162 |



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 six months ended June 30, 2020 (Unaudited)**

## Cash flows used in operating activities:

| | |
|---|---|
| Net increase in net assets resulting from operations | $ 23,955,921 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities | |
| Long term investments purchased | (613,946,110) |
| Long term investments sold | 631,365,432 |
| Sale of short term investments, net | 15,362,868 |
| Sale of affiliated investments, net | (331,972) |
| Amortization (accretion) of discount and premium, net | (1,371,000) |
| Increase in investment securities sold receivable | (69,740,376) |
| Decrease in dividends and interest receivable | 90,081 |
| Decrease in premiums paid for OTC swap contracts | 18,126 |
| Decrease in other assets | 62,312 |
| Increase in unrealized appreciation for open forward foreign currency contracts | (348,486) |
| Decrease in premiums from written options | (147,668) |
| Increase in investment securities purchased payable | 34,090,610 |
| Increase in cash collateral due to broker for foreign currency forward contracts | 650,000 |
| Decrease in professional fees payable | (16,120) |
| Decrease in custodian payable | (23,485) |
| Increase in shareholder communication payable | 27,033 |
| Decrease in due to Trustees | (135) |
| Increase in due to manager | 20,482 |
| Increase in due to NYLIFE Distributors | 1,752 |
| Increase in variation margin on centrally cleared swap contracts | 320,764 |
| Decrease in variation margin on futures contracts | (612,855) |
| Decrease in unrealized depreciation for open forward foreign currency contracts | (193,090) |
| Increase in accrued expenses | 3,026 |
| Increase in unrealized appreciation on OTC swap contracts | (3,263) |
| Decrease in unrealized depreciation on OTC swap contracts | (62,861) |
| Net realized gain from unaffiliated investments | (2,676,776) |
| Net change in unrealized (appreciation) depreciation on unaffiliated investments | (24,876,403) |
| Net change in unrealized (appreciation) depreciation on written options | 21,498 |
| Net cash used in operating activities* | (8,360,695) |

## Cash flows from financing activities:

| | |
|---|---|
| Proceeds from shares sold | 46,745,904 |
| Payment on shares redeemed | (45,664,242) |
| Increase in due to custodian | 43,036 |
| Proceeds from reverse repurchase agreements | (9,816,375) |
| Payments on reverse repurchase agreements | 9,816,375 |
| Payments from sale-buyback transactions | (2,147,008,233) |
| Proceeds on sale-buyback transactions | 2,153,235,819 |
| Net cash from financing activities | 7,352,284 |
| Effect of exchange rate changes on cash | (12,806) |
| Net decrease in cash and restricted cash | (341,217) |
| Cash, restricted cash and foreign currency at beginning of period | 4,638,332 |
| Cash, restricted cash and foreign currency at end of period | $ 4,297,115 |

* Included in operating expenses is cash of $945,100 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 period | |
| 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 |
| Cash and restricted cash at end of period | |
| Cash denominated in foreign currencies | $1,479,961 |
| Cash collateral on deposit at broker for futures contracts | 1,332,154 |
| Cash collateral on deposit at broker for swap contracts | 1,485,000 |
| Total cash and restricted cash shown in the Statement of Cash Flows | $4,297,115 |

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.

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

# Financial Highlights selected per share data and ratios

| Initial Class | Six months ended June 30, 2020* | Year ended December 31, 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|
| Net asset value at beginning of period | $ 8.63 | $ 8.20 | $ 8.54 | $ 8.40 | $ 8.11 | $ 8.71 |
| Net investment income (loss) (a) | 0.00‡ | 0.20 | 0.23 | 0.23 | 0.17 | 0.11 |
| Net realized and unrealized gain (loss) on investments | 0.51 | 0.50 | (0.53) | 0.15 | 0.21 | (0.51) |
| Net realized and unrealized gain (loss) on foreign currency transactions | 0.03 | 0.01 | 0.10 | (0.09) | 0.05 | 0.19 |
| Total from investment operations | 0.54 | 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 period | $ 9.17 | $ 8.63 | $ 8.20 | $ 8.54 | $ 8.40 | $ 8.11 |
| Total investment return (b) | 6.26%(c) | 8.56%(c) | (2.38%)(c) | 3.45% | 5.28% | (2.51%) |
| **Ratios (to average net assets)/Supplemental Data:** | | | | | | |
| Net investment income (loss) | 0.03%†† | 2.35% | 2.78% | 2.71% | 2.05%(d) | 1.26% |
| Net expenses (e) | 1.00%†† | 1.65% | 1.43% | 1.03% | 0.91%(f) | 0.72% |
| Expenses (before waiver/reimbursement) (e) | 1.07%†† | 1.71% | 1.43% | 1.03% | 0.91%(f) | 0.72% |
| Interest expense and fees | 0.47%†† | 1.09% | 0.81% | 0.42% | 0.32% | 0.15% |
| Portfolio turnover rate (g) | 105% | 187% | 157% | 121% | 143% | 84% |
| Net assets at end of period (in 000's) | $ 49,311 | $ 48,707 | $ 44,523 | $ 45,563 | $ 36,060 | $ 68,794 |

* Unaudited.
‡ Less than one cent per share.
†† Annualized.
(a) Per share data based on average shares outstanding during the period.
(b) Total return does not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. For periods of less than one year, total return is not annualized.
(c) 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 65%, 139%, 48%, 96%, 91% and 59% for the six months ended June 30, 2020 and for the years ended December 31, 2019, 2018, 2017, 2016 and 2015, respectively.



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

# Financial Highlights selected per share data and ratios

| Service Class | Six months ended June 30, 2020* | Year ended December 31, 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|
| Net asset value at beginning of period | $ 8.61 | $ 8.19 | $ 8.53 | $ 8.39 | $ 8.10 | $ 8.70 |
| Net investment income (loss) (a) | (0.01) | 0.18 | 0.21 | 0.21 | 0.18 | 0.05 |
| Net realized and unrealized gain (loss) on investments | 0.51 | 0.49 | (0.54) | 0.15 | 0.19 | (0.46) |
| Net realized and unrealized gain (loss) on foreign currency transactions | 0.03 | 0.01 | 0.10 | (0.09) | 0.04 | 0.17 |
| Total from investment operations | 0.53 | 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 period | $ 9.14 | $ 8.61 | $ 8.19 | $ 8.53 | $ 8.39 | $ 8.10 |
| Total investment return (b) | 6.16% (c) | 8.30%(c) | (2.63%)(c) | 3.20% | 5.03% | (2.76%) |
| **Ratios (to average net assets)/Supplemental Data:** | | | | | | |
| Net investment income (loss) | (0.23%)†† | 2.14% | 2.53% | 2.46% | 2.15%(d) | 0.56% |
| Net expenses (e) | 1.25% †† | 1.89% | 1.68% | 1.28% | 1.16%(f) | 0.97% |
| Expenses (before waiver/reimbursement) (e) | 1.32% †† | 1.96% | 1.68% | 1.28% | 1.16%(f) | 0.97% |
| Interest expense and fees | 0.47% †† | 1.09% | 0.81% | 0.42% | 0.32% | 0.15% |
| Portfolio turnover rate (g) | 105% | 187% | 157% | 121% | 143% | 84% |
| Net assets at end of period (in 000's) | $ 367,716 | $ 343,332 | $ 282,052 | $ 287,520 | $ 282,006 | $ 283,273 |

* Unaudited.
†† Annualized.
(a) Per share data based on average shares outstanding during the period.
(b) Total return does not reflect any deduction of sales charges, mortality and expense charges, contract charges or administrative charges. For periods of less than one year, total return is not annualized.
(c) 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 65%, 139%, 48%, 96%, 91% and 59% for the six months ended June 30, 2020 and for the years ended December 31, 2019, 2018, 2017, 2016 and 2015, respectively.

# Notes to Financial Statements (Unaudited)

## Note 1–Organization and Business

MainStay VP Funds Trust (the "Fund") was organized as a Delaware statutory trust on February 1, 2011. The Fund is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Fund is comprised of thirty-one separate series (collectively referred to as the "Portfolios"). These financial statements and notes relate to the MainStay VP 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," and other variable insurance 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 procedures state that, subject to the oversight of the Board and unless otherwise noted, the responsibility for the day-to-day valuation of portfolio assets (including fair value measurements for the Portfolio's assets and liabilities) rests with New York Life Investment Management LLC ("New York Life Investments" or the "Manager"), aided to whatever extent necessary by the Subadvisor (as defined in Note 3(A)). To assess the appropriateness of security valuations, the Manager, the Subadvisor or the Portfolio's third-party service provider, who is subject to oversight by the Manager, regularly compares prior day prices, prices on comparable securities and the sale prices to the prior and current day prices and challenges prices with changes exceeding certain tolerance levels with third-party pricing services or broker sources.

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

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

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

- Level 1—quoted prices in active markets for an identical asset or liability
- Level 2—other significant observable inputs (including quoted prices for a similar asset or liability in active markets, interest rates and yield curves, prepayment speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Portfolio's own assumptions about the assumptions that market participants would use in measuring fair value of an asset or liability)

The level of an asset or liability within the fair value hierarchy is based on the lowest level of an input, both individually and in the aggregate, that is significant to the fair value measurement. The aggregate value by input level of the Portfolio's assets and liabilities as of June 30, 2020 is included at the end of the Portfolio of Investments.

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

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

An asset or liability for which market values cannot be measured using the methodologies described above is valued by methods deemed reasonable in good faith by the Valuation Committee, following the procedures established by the Board, to represent fair value. Under these procedures, the Portfolio generally uses a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant information. The Portfolio may also use an income-based valuation approach in which the anticipated future cash flows of the asset or liability are discounted to calculate fair value. Discounts may also be applied due to the nature and/or duration of any restrictions on the disposition of the asset or liability. Fair value represents a good faith approximation of the value of a security. Fair value determinations involve the consideration of a number of subjective factors, an analysis of applicable facts and circumstances and the exercise of judgment. As a result, it is possible that the fair value for a security determined in good faith in accordance with the Portfolio's valuation procedures may differ from valuations for the same security determined by other funds using their own valuation procedures. Although the Portfolio's valuation procedures are designed to value a security at the price the Portfolio may reasonably expect to receive upon the security's sale in an orderly transaction, there can be no assurance that any fair value determination thereunder would, in fact, approximate the amount that the Portfolio would actually realize upon the sale of the security or the price at which the security would trade if a reliable market price were readily available. During the six-month period ended June 30, 2020, 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 June 30, 2020, 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 June 30, 2020, 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 broker selected by the Manager, in consultation with the Subadvisor. The evaluations are market-based measurements processed through a pricing application and represents the pricing agent's good faith determination as to what a holder may receive in an orderly transaction under market conditions. The rules based logic utilizes valuation techniques that reflect participants' assumptions and vary by asset class and per methodology, maximizing the use of relevant observable data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs. The evaluated bid or mean prices are deemed by the Manager, in consultation with the Subadvisor, to be representative of market values at the regular close of trading of the Exchange on each valuation date. Debt securities purchased on a delayed delivery basis are marked to market daily until settlement at the forward settlement date. Debt securities, including corporate bonds, U.S. government and federal agency bonds, municipal bonds, foreign bonds, convertible bonds, asset-backed securities and mortgage-backed securities are generally categorized as Level 2 in the hierarchy.

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

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 June 30, 2020, 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. Temporary cash investments that mature in 60 days or less at the time of purchase ("Short-Term Investments") are valued using the amortized cost method of valuation, unless the use of such method would be inappropriate. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of the difference between such cost and the value on maturity date. Amortized cost approximates the current fair value of a security. Securities valued using the amortized cost method are not valued using quoted prices in an active market and are generally categorized as Level 2 in the hierarchy.

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

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 June 30, 2020 and can change at any time. Illiquid investments as of June 30, 2020, 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.

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

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

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

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

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

Investment income and realized and unrealized gains and losses on investments of the Portfolio are allocated pro rata to the separate classes of shares based upon their relative net assets on the date the income is earned or realized and unrealized gains and losses are incurred.

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

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

Additionally, the Portfolio may invest in mutual funds, which are subject to management fees and other fees that may cause the costs of investing in mutual funds to be greater than the costs of owning the underlying securities directly. These indirect expenses of mutual funds are not included in the amounts shown as expenses in the 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, the Manager 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. Repurchase agreements as of June 30, 2020, 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 contracts. Upon entering into a futures contract, the Portfolio is required to pledge to the broker or futures commission merchant an amount of cash and/or U.S. government securities equal to a certain percentage of the collateral amount, known as the "initial margin." During the period the futures contract is open, changes in the value of the contract are recognized as unrealized appreciation or depreciation by marking to market such contract on a daily basis to reflect the market value of the contract at the end of each day's trading. The Portfolio agrees to receive from or pay to the broker or futures commission merchant an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as "variation margin." When the futures contract is closed, the Portfolio records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Portfolio's basis in the contract.

The use of futures contracts involves, to varying degrees, elements of market risk in excess of the amount recognized in the Statement of Assets and Liabilities. The contract or notional amounts and variation margin reflect the extent of the Portfolio's involvement in open futures positions. There are several risks associated with the use of futures contracts as hedging techniques. There can be no assurance that a liquid market will exist at the time when the Portfolio seeks to close out a futures contract. If no liquid market exists, the Portfolio would remain obligated to meet margin requirements until the position is closed. Futures contracts may involve a small initial investment relative to the risk assumed, which could result in losses greater than if the Portfolio did not invest in futures contracts. Futures contracts may be more volatile than direct investments in the instrument underlying the futures and may not correlate to the underlying instrument, causing a given hedge not to achieve its objectives. The Portfolio's activities in futures contracts have minimal counterparty risk as they are conducted through regulated exchanges that guarantee the futures against default by the counterparty. In the event of a bankruptcy or insolvency of a futures commission merchant that holds margin on behalf of the Portfolio, the Portfolio may not be entitled to the return of the entire margin owed to the Portfolio, potentially resulting in a loss. The Portfolio's investment in futures contracts and other derivatives may increase the volatility of the Portfolio's NAVs and may result in a loss to the Portfolio. Open futures contracts as of June 30, 2020, 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 June 30, 2020, 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 counterparty risk for exchange-traded and cleared derivatives is expected to be generally lower than for uncleared derivatives, but cleared contracts are not risk-free. In a cleared derivative transaction, the Portfolio typically enters into the transaction with a financial institution counterparty, and performance of the transaction is effectively guaranteed by a central clearinghouse, thereby reducing or eliminating the Portfolio's exposure to the credit risk of its original counterparty. The Portfolio will be required to post specified levels of margin with the clearinghouse or at the instruction of the clearinghouse; the margin required by a clearinghouse may be greater than the margin the Portfolio would be required to post in an uncleared transaction. As of June 30, 2020, 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 June 30, 2020, 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 June 30, 2020, 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 June 30, 2020, 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. During the period ended June 30, 2020, the Portfolio's average amount of borrowing was $66,442 at a weighted average interest rate of 0.12%. As of June 30, 2020, 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 June 30, 2020, 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 June 30, 2020, 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.

**(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, currently State Street Bank and Trust Company ("State Street"), acting as securities lending agent on behalf of the Portfolio. Under the current arrangement, 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 bears the risk of delay in recovery of, or loss of rights in, the securities loaned. The Portfolio may also record a realized gain or loss on securities deemed sold due to a borrower's inability to return securities on loan. The Portfolio bears the risk of any loss on investment of cash collateral. The Portfolio will receive compensation for lending its securities in the form of fees or it will retain a portion of interest earned on the investment of any cash collateral. The Portfolio will also continue to receive interest and dividends on the securities loaned and any gain or loss in the market price of the securities loaned that may occur during the term of the loan will be for the account of the Portfolio. Income earned from securities lending activities, if any, is reflected in the Statement of Operations. As of June 30, 2020, 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. The Portfolio is subject to interest-rate risk and its holdings in bonds 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 debt securities, which carry certain risks that are in addition to the usual risks inherent in domestic debt securities. These risks include those resulting from currency fluctuations, future adverse political or economic developments and possible imposition of currency exchange blockages or other foreign governmental laws or restrictions. These risks are likely to be greater in emerging markets than in developed markets. The ability of issuers of 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 Replacement Risk.** The Portfolio may invest in certain debt securities, derivatives or other financial instruments that utilize the London Interbank Offered Rate ("LIBOR"), as a "benchmark" or "reference rate" for various interest rate calculations. The United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that after 2021 it will cease its active encouragement of banks to provide the quotations needed to sustain LIBOR. As a result, it is anticipated that LIBOR will be discontinued or will no longer be sufficiently robust to be representative of its underlying market around that time. Although financial regulators and industry working groups have suggested alternative reference rates, such as the European Interbank Offer Rate ("EURIBOR"), Sterling Overnight Interbank Average Rate ("SONIA") and Secured Overnight Financing Rate ("SOFR"), there are challenges to converting certain contracts and transactions to a new benchmark and neither the full effects of the transition process nor its ultimate outcome is known.

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 that may provide general indemnifications. The Portfolio's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Portfolio that have not yet occurred. The Manager believes that the risk of loss in connection with these potential indemnification obligations is remote. However, there can be no assurance that material liabilities related to such obligations will not arise in the future, which could adversely impact the Portfolio.

(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 June 30, 2020:

### 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 | $ — | $ — | $ 3,593 | $ 3,593 |
| Futures Contracts | Net Assets—Net unrealized appreciation on investments, swap contracts and futures contracts (a) | — | — | 182,160 | 182,160 |
| OTC Swap Contracts | Unrealized appreciation on OTC swap contracts | — | — | 50,778 | 50,778 |
| Centrally Cleared Swap Contracts | Net Assets—Net unrealized appreciation on investments, swap contracts and futures contracts (b) | — | 81,114 | 1,000,108 | 1,081,222 |
| Forward Contracts | Unrealized appreciation on foreign currency forward contracts | 928,616 | — | — | 928,616 |
| Total Fair Value | | $928,616 | $81,114 | $1,236,639 | $2,246,369 |

### 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 | $ — | $ — | $ (19,390) | $ (19,390) |
| Futures Contracts | Net Assets—Net unrealized depreciation on investments, swap contracts and futures contracts (a) | — | — | (616,268) | (616,268) |
| Centrally Cleared Swap Contracts | Net Assets—Net unrealized depreciation on investments, swap contracts and futures contracts (b) | — | (234,290) | (765,300) | (999,590) |
| Forward Contracts | Unrealized depreciation on foreign currency forward contracts | (678,631) | — | — | (678,631) |
| Total Fair Value | | $(678,631) | $(234,290) | $(1,400,958) | $(2,313,879) |

(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.

# Notes to Financial Statements (Unaudited) (continued)

(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 period ended June 30, 2020:

### 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 | $ — | $ — | $ 927,570 | $ 927,570 |
| Written Options | Net realized gain (loss) on written option transactions | — | — | (148,824) | (148,824) |
| Futures Contracts | Net realized gain (loss) on futures transactions | — | — | (3,480,522) | (3,480,522) |
| Swap Contracts | Net realized gain (loss) on swap transactions | — | 651,227 | (838,769) | (187,542) |
| Forward Contracts | Net realized gain (loss) on foreign currency forward transactions | (23,905) | — | — | (23,905) |
| Total Realized Gain (Loss) | | $(23,905) | $651,227 | $(3,540,545) | $(2,913,223) |

### 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 | $ — | $ — | $ 59,621 | $ 59,621 |
| Written Options | Net change in unrealized appreciation (depreciation) on written options | — | — | (21,498) | (21,498) |
| Futures Contracts | Net change in unrealized appreciation (depreciation) on futures contracts | — | — | (613,184) | (613,184) |
| Swap Contracts | Net change in unrealized appreciation (depreciation) on swap contracts | — | 404,658 | (419,214) | (14,556) |
| Forward Contracts | Net change in unrealized appreciation (depreciation) on foreign currency forward contracts | 541,576 | — | — | 541,576 |
| Total Change in Unrealized Appreciation (Depreciation) | | $541,576 | $404,658 | $(994,275) | $ (48,041) |

### Average Notional Amount

| | Foreign Exchange Contracts Risk | Credit Contracts Risk | Interest Rate Contracts Risk | Total |
|---|---|---|---|---|
| Purchased Options | $ — | $ — | $ 152,960,478 | $ 152,960,478 |
| Written Options (a) | $ — | $ — | $ (11,923,080) | $ (11,923,080) |
| Written Swaptions | $ — | $ — | $ (24,510,092) | $ (24,510,092) |
| Written Inflation—Capped Options | $ — | $ — | $ (2,200,000) | $ (2,200,000) |
| Futures Contracts Long | $ — | $ — | $ 74,283,075 | $ 74,283,075 |
| Futures Contracts Short | $ — | $ — | $(184,201,326) | $(184,201,326) |
| Swap Contracts Long | $ — | $9,825,812 | $ 82,574,807 | $ 92,400,619 |
| Forward Contracts Long | $ 22,988,441 | $ — | $ — | $ 22,988,441 |
| Forward Contracts Short | $(69,491,693) | $ — | $ — | $ (69,491,693) |

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

### 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 June 30, 2020:

| 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. | $(263,364,154) | $(263,364,154) | $265,031,325 | $1,667,171 |
| Total Borrowings and Other Financing Transactions | $(263,364,154) | | | |

(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.

### 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 | $ — | $256,305,456 | $7,058,698 | $ — | $263,364,154 |
| Total Borrowings | $ — | $256,305,456 | $7,058,698 | $ — | $263,364,154 |
| Gross amount of recognized liabilities for reverse repurchase agreements and sale-buyback financing transactions | | | | | $263,364,154 |

## Note 3–Fees and Related Party Transactions

**(A) Manager and Subadvisor.** New York Life Investments, a registered investment adviser and an indirect, wholly-owned subsidiary of New York Life, serves as the Portfolio's Manager pursuant to an Amended and Restated Management Agreement ("Management Agreement"). The Manager provides offices, conducts clerical, recordkeeping and bookkeeping services, and keeps most of the financial and accounting records required to be maintained by the Portfolio. Except for the portion of salaries and expenses that are the responsibility of the Portfolio, the Manager pays the salaries and expenses of all personnel affiliated with the Portfolio and certain operational expenses of the Portfolio. The Portfolio reimburses New York Life Investments in an amount equal to the portion of the compensation of the Chief Compliance Officer attributable to the Portfolio. 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 Portfolio's average daily net assets of 0.50% on all assets. During the six-month period ended June 30, 2020, the effective management fee rate (exclusive of any applicable waivers/reimbursements) was 0.50%.

New York Life Investment Management LLC ("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) Initial and of Service Class shares do not exceed 0.53% and 0.78% of the Portfolio's average daily net assets, respectively. This agreement will remain in effect until May 1, 2021, 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 six-month period ended June 30, 2020, New York Life Investments earned fees from the Portfolio in the amount of $1,011,106 and waived its fees and/or reimbursed expenses in the amount of $146,050 and paid the Subadvisor in the amount of $505,553.

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

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

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

**(C) Investments in Affiliates (in 000's).** During the six-month period ended June 30, 2020, 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 Period | Purchases at Cost | Proceeds from Sales | Net Realized Gain/(Loss) on Sales | Change in Unrealized Appreciation/ (Depreciation) | Value, End of Period | Dividend Income | Other Distributions | Shares End of Period |
|---|---|---|---|---|---|---|---|---|---|
| MainStay U.S. Government Liquidity Fund | $1,528 | $71,499 | $(71,167) | $ — | $ — | $1,860 | $3 | $ — | 1,860 |

## Note 4–Federal Income Tax

As of June 30, 2020, 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, was as follows:

| | Federal Tax Cost | Gross Unrealized Appreciation | Gross Unrealized (Depreciation) | Net Unrealized Appreciation/ (Depreciation) |
|---|---|---|---|---|
| Investments in Securities | $556,322,186 | $33,330,223 | $(2,798,330) | $30,531,893 |

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 year ended December 31, 2019, the tax character of distributions paid as reflected in the Statements of Changes in Net Assets was as follows:

| 2019 | |
|---|---|
| Tax-Based Distributions from Ordinary Income | Tax-Based Distributions from Long-Term Gains |
| $11,047,701 | $ — |

## 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 28, 2020, 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 JP Morgan Chase Bank NA, 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 27, 2021, although the Portfolio, certain other funds managed by New York Life Investments and the syndicate of banks may renew the Credit Agreement for an additional year on the same or different terms or enter into a credit agreement with a different syndicate of banks. Prior to July 28, 2020, the aggregate commitment amount and the commitment fee were the same as those under the current Credit Agreement, but State Street Served as agent to the syndicate. As of June 30, 2020, there were no borrowings outstanding with respect to the Portfolio under the Credit Agreement or the credit agreement for which State Street served as agent.

## Note 7–Interfund Lending Program

Pursuant to an exemptive order issued by the SEC, the Portfolio, along with certain other funds managed by New York Life Investments, may participate in an interfund lending program. The interfund lending program provides an alternative credit facility that permits the Portfolio and certain other funds managed by New York Life Investments to lend or borrow money for temporary purposes directly to or from one another subject to the conditions of the exemptive order. During the six-month period ended June 30, 2020, there were no interfund loans made or outstanding with respect to the Portfolio.

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

During the six-month period ended June 30, 2020, purchases and sales of U.S. government securities were $602,508 and $613,359, respectively. Purchases and sales of securities, other than U.S. government securities and short-term securities, were $11,438 and $18,007, 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 transactions during the six-month period ended June 30, 2020, were as follows:

| Purchases (000's) | Sales (000's) | Realized Gain/ (Loss) (000's) |
|---|---|---|
| $XX | $XXX | $XX |

## Note 9–Capital Share Transactions

Transactions in capital shares for the six-month period ended June 30, 2020 and the year ended December 31, 2019, were as follows:

| Initial Class | Shares | Amount |
|---|---|---|
| Six-month period ended June 30, 2020: | | |
| Shares sold | 117,417 | $ 1,043,221 |
| Shares redeemed | (384,067) | (3,455,378) |
| Net increase (decrease) | (266,650) | $ (2,412,157) |
| 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 |

| Service Class | Shares | Amount |
|---|---|---|
| Six-month period ended June 30, 2020: | | |
| Shares sold | 5,158,085 | $ 45,760,071 |
| Shares redeemed | (4,790,572) | (42,315,230) |
| Net increase (decrease) | 367,513 | $ 3,444,841 |
| 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 |

## Note 10–Recent Accounting Pronouncement

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2020-04 ("ASU 2020-04"), which provides optional guidance to ease the potential accounting burden associated with transitioning away from LIBOR and other reference rates that are expected to be discontinued. ASU 2020-04 is effective immediately upon release of the update on March 12, 2020 through December 31, 2022. At this time, the Manager is evaluating the implications of certain other provisions of ASU 2020-04 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 six-month period ended June 30, 2020, events and transactions subsequent to June 30, 2020, through the date the financial statements were issued have been evaluated by the Manager, for possible adjustment and/or disclosure. No subsequent events requiring financial statement adjustment or disclosure have been identified.

## Note 12–Other Matters

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

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

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), the Portfolio has adopted and implemented a liquidity risk management program (the "Program"), which New York Life Investment Management LLC believes is reasonably designed to assess and manage the Portfolio's liquidity risk. The Board designated New York Life Investment Management LLC as administrator of the Program (the "Administrator"). The Administrator has established a Liquidity Risk Management Committee to assist the Administrator in the implementation and day-to-day administration of the Program and to otherwise support the Administrator in fulfilling its responsibilities under the Program.

At a meeting of the Board held on March 11, 2020, the Administrator provided the Board with a written report addressing the Program's operation, adequacy and effectiveness of implementation for the period from December 1, 2018 through December 31, 2019, as required under the Liquidity Rule. The report noted that the Administrator concluded that (i) the Program operated effectively to assess and manage the Portfolio's liquidity risk, (ii) the Program has been adequately and effectively implemented to monitor and, as applicable, respond to the Portfolio's liquidity developments and (iii) the Portfolio's investment strategy continues to be appropriate for an open-end portfolio.

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

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

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

## 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*.

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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 Emerging Markets Equity Portfolio
MainStay VP Epoch U.S. Equity Yield Portfolio
MainStay VP Fidelity Institutional AM® Utilities 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 Small Cap Growth Portfolio
MainStay VP T. Rowe Price Equity Income Portfolio
MainStay VP Winslow Large Cap Growth 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 CBRE Global Infrastructure Portfolio
MainStay VP IQ Hedge Multi-Strategy Portfolio

## Asset Allocation Portfolios

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

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## Manager

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

## Subadvisors

**Brown Advisory LLC**
Baltimore, Maryland

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

**CBRE Clarion Securities LLC**
Radnor, Pennsylvania

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

**FIAM LLC**
Smithfield, Rhode Island

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

**Janus Capital Management LLC**
Denver, Colorado

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

**Mellon Investments Corporation**
Boston, Massachusetts

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

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

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

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

**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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2020 Semiannual Report



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