

# MainStay MacKay Short Duration High Income Fund

(formerly known as MainStay MacKay Short Duration High Yield Fund)

---

## Message from the President and Semiannual Report

Unaudited | April 30, 2024

### Special Notice:

Beginning in July 2024, new regulations issued by the Securities and Exchange Commission (SEC) will take effect requiring open-end mutual fund companies and ETFs to (1) overhaul the content of their shareholder reports and (2) mail paper copies of the new tailored shareholder reports to shareholders who have not opted to receive these documents electronically.

If you have not yet elected to receive your shareholder reports electronically, please contact your financial intermediary or visit [newyorklifeinvestments.com/accounts](https://newyorklifeinvestments.com/accounts).

Not FDIC/NCUA Insured

Not a Deposit

May Lose Value

No Bank Guarantee

Not Insured by Any Government Agency



INVESTMENTS

This page intentionally left blank

# Message from the President

Stock and bond markets gained broad ground during the six-month period ended April 30, 2024, bolstered by better-than-expected economic growth and the prospect of monetary easing in the face of a myriad of macroeconomic and geopolitical challenges.

Throughout the reporting period, interest rates remained at their highest levels in decades in most developed countries, with the U.S. federal funds rate in the 5.25%–5.50% range, as central banks struggled to bring inflation under control. Early in the reporting period, the U.S. Federal Reserve began to forecast interest rate cuts in 2024, but delayed action as inflation remained stubbornly high, fluctuating between 3.1% and 3.5%. Nevertheless, despite the increasing cost of capital and tighter lending environment that resulted from sustained high rates, economic growth remained surprisingly robust, supported by high levels of consumer spending, low unemployment and strong corporate earnings. Investors tended to shrug off concerns related to sticky inflation and high interest rates—not to mention the ongoing war in Ukraine, intensifying hostilities in the Middle East and simmering tensions between China and the United States—focusing instead on the positives of continued economic growth and surprisingly strong corporate profits.

The S&P 500<sup>®</sup> Index, a widely regarded benchmark of U.S. market performance, produced double-digit gains, reaching record levels in March 2024. Market strength, which had been narrowly focused on mega-cap, technology-related stocks during the previous six months broadened significantly during the reporting period. All industry sectors produced positive results, with the strongest returns in communication services, information technology and industrials, and more moderate gains in the lagging energy, real estate and consumer staples areas. Growth-oriented shares slightly outperformed value-oriented

issues, while large- and mid-cap stocks modestly outperformed their small-cap counterparts. Most overseas equity markets trailed the U.S. market, as developed international economies experienced relatively low growth rates, and weak economic conditions in China undermined emerging markets.

Bonds generally gained ground as well. The yield on the 10-year Treasury note ranged between approximately 4.7% and 3.8%, while the 2-year Treasury yield remained slightly higher, between approximately 5.0% and 4.1%, in an inverted curve pattern often viewed as indicative of an impending economic slowdown. Nevertheless, the prevailing environment of stable interest rates and attractive yields provided a favorable environment for fixed-income investors. Long-term Treasury bonds and investment-grade corporate bonds produced similar gains, while high yield bonds advanced by a slightly greater margin, despite the added risks implicit in an uptick in default rates. International bond markets modestly outperformed their U.S. counterparts, led by a rebound in the performance of emerging-markets debt.

The risks and uncertainties inherent in today's markets call for the kind of insight and expertise that New York Life Investments offers through our one-on-one philosophy, long-lasting focus, and multi-boutique approach.

Thank you for trusting us to help you meet your investment needs.

Sincerely,



Kirk C. Lehneis  
President

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

# Table of Contents

|   |    |
|---|----|
| Semiannual Report   |    |
| Investment and Performance Comparison   | 5  |
| Portfolio of Investments  | 9  |
| Financial Statements  | 23 |
| Notes to Financial Statements   | 29 |
| Board Consideration and Approval of Management Agreement and Subadvisory Agreement            | 38 |
| Discussion of the Operation and Effectiveness of the Fund's Liquidity Risk Management Program | 43 |
| Proxy Voting Policies and Procedures and Proxy Voting Record                                  | 44 |
| Shareholder Reports and Quarterly Portfolio Disclosure  | 44 |

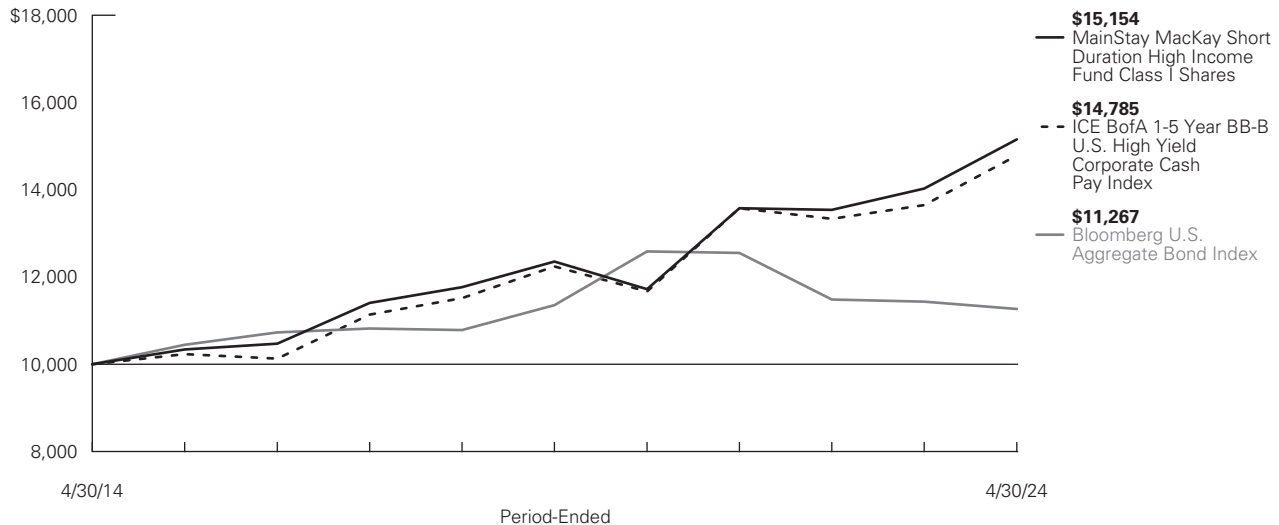
---

**Investors should refer to the Fund's Summary Prospectus and/or Prospectus and consider the Fund's investment objectives, strategies, risks, charges and expenses carefully before investing. The Summary Prospectus and/or Prospectus contain this and other information about the Fund. You may obtain copies of the Fund's Summary Prospectus, Prospectus and Statement of Additional Information, which includes information about the MainStay Funds Trust's Trustees, free of charge, upon request, by calling toll-free 800-624-6782, by writing to NYLIFE Distributors LLC, Attn: MainStay Marketing Department, 30 Hudson Street, Jersey City, NJ 07302 or by sending an e-mail to [MainStayShareholderServices@nylim.com](mailto:MainStayShareholderServices@nylim.com). These documents are also available on [dfinview.com/NYLIM](http://dfinview.com/NYLIM). Please read the Fund's Summary Prospectus and/or Prospectus carefully before investing.**

# Investment and Performance Comparison (Unaudited)

Performance data quoted represents past performance. Past performance is no guarantee of future results. Because of market volatility and other factors, current performance may be lower or higher than the figures shown. Investment return and principal value will fluctuate, and as a result, when shares are redeemed, they may be worth more or less than their original cost. The graph below depicts the historical performance of Class I shares of the Fund. Performance will vary from class to class based on differences in class-specific expenses and sales charges. For performance information current to the most recent month-end, please call 800-624-6782 or visit [newyorklifeinvestments.com](http://newyorklifeinvestments.com).

The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on distributions or Fund share redemptions. Total returns reflect maximum applicable sales charges as indicated in the table below, if any, changes in share price, and reinvestment of dividend and capital gain distributions. The graph assumes the initial investment amount shown below and reflects the deduction of all sales charges that would have applied for the period of investment. Performance figures may reflect certain fee waivers and/or expense limitations, without which total returns may have been lower. For more information on share classes and current fee waivers and/or expense limitations (if any), please refer to the Notes to Financial Statements.



## Average Annual Total Returns for the Period-Ended April 30, 2024

| Class                              | Sales Charge  |                         | Inception Date | Six Months <sup>1</sup> | One Year | Five Years | Ten Years or Since Inception | Gross Expense Ratio <sup>2</sup> |
|------------------------------------|---|-------------------------|----------------|-------------------------|----------|------------|------------------------------|----------------------------------|
| Class A Shares                     | Maximum 3.00% Initial Sales Charge                          | With sales charges      | 12/17/2012     | 2.88%                   | 4.54%    | 3.28%      | 3.67%                        | 1.06%                            |
|                                    |   | Excluding sales charges |                | 6.07                    | 7.78     | 3.92       | 3.99                         | 1.06                             |
| Investor Class Shares <sup>3</sup> | Maximum 2.50% Initial Sales Charge                          | With sales charges      | 12/17/2012     | 3.38                    | 5.00     | 3.19       | 3.58                         | 1.11                             |
|                                    |   | Excluding sales charges |                | 6.03                    | 7.69     | 3.82       | 3.90                         | 1.11                             |
| Class C Shares                     | Maximum 1.00% CDSC if Redeemed Within 18 months of Purchase | With sales charges      | 12/17/2012     | 4.54                    | 5.79     | 3.05       | 3.11                         | 1.86                             |
|                                    |   | Excluding sales charges |                | 5.54                    | 6.79     | 3.05       | 3.11                         | 1.86                             |
| Class I Shares                     | No Sales Charge   |                         | 12/17/2012     | 6.19                    | 8.03     | 4.17       | 4.24                         | 0.81                             |

1. Not annualized.
2. The gross expense ratios presented reflect the Fund's "Total Annual Fund Operating Expenses" from the most recent Prospectus, as supplemented, and may differ from other expense ratios disclosed in this report.
3. Prior to June 30, 2020, the maximum initial sales charge was 3.00%, which is reflected in the applicable average annual total return figures shown.

The footnotes on the next page are an integral part of the table and graph and should be carefully read in conjunction with them.

| <b>Benchmark Performance*</b>  | <b>Six Months<sup>1</sup></b> | <b>One Year</b> | <b>Five Years</b> | <b>Ten Years</b> |
|--|-------------------------------|-----------------|-------------------|------------------|
| Bloomberg U.S. Aggregate Bond Index <sup>2</sup>                             | 4.97%                         | -1.47%          | -0.16%            | 1.20%            |
| ICE BofA 1-5 Year BB-B U.S. High Yield Corporate Cash Pay Index <sup>3</sup> | 7.25                          | 8.33            | 3.85              | 3.99             |
| Morningstar High Yield Bond Category Average <sup>4</sup>                    | 8.40                          | 8.58            | 3.33              | 3.48             |

\* Returns for indices reflect no deductions for fees, expenses or taxes, except for foreign withholding taxes where applicable. Results assume reinvestment of all dividends and capital gains. An investment cannot be made directly in an index.

1. Not annualized.

2. In accordance with new regulatory requirements, the Fund has selected the Bloomberg U.S. Aggregate Bond Index, which represents a broad measure of market performance, as a replacement for the ICE BofA 1-5 Year BB-B U.S. High Yield Corporate Cash Pay Index. The Bloomberg U.S. Aggregate Bond Index measures performance of the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities and commercial mortgage-backed securities.

3. The ICE BofA 1-5 Year BB-B U.S. High Yield Corporate Cash Pay Index, which is generally representative of the market sectors or types of investments in which the Fund invests, generally tracks the performance of BB-B rated U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market with maturities of 1 to 5 years.

4. The Morningstar High Yield Bond Category Average is representative of funds that concentrate on lower-quality bonds, which are riskier than those of higher-quality companies. These funds primarily invest in U.S. high-income debt securities where at least 65% or more of bond assets are not rated or are rated by a major agency such as Standard & Poor's or Moody's at the level of BB and below. Results are based on average total returns of similar funds with all dividends and capital gain distributions reinvested.

**The footnotes on the preceding page are an integral part of the table and graph and should be carefully read in conjunction with them.**

## Cost in Dollars of a \$1,000 Investment in MainStay MacKay Short Duration High Income Fund (Unaudited)

The example below is intended to describe the fees and expenses borne by shareholders during the six-month period from November 1, 2023 to April 30, 2024, and the impact of those costs on your investment.

### Example

As a shareholder of the Fund 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 Fund expenses (as applicable). This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund 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 November 1, 2023 to April 30, 2024.

This example illustrates your Fund'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 April 30, 2024. 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

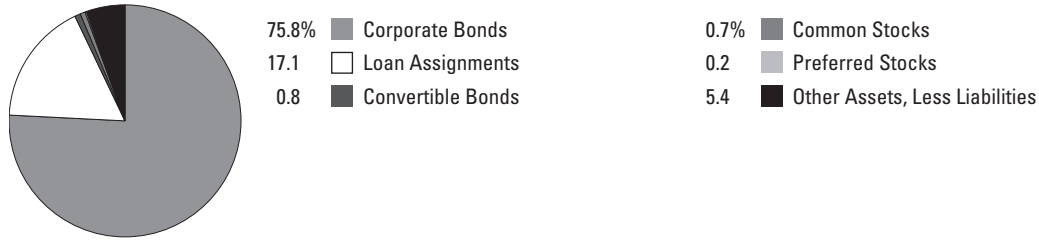
The fourth and fifth data columns in the table below provide information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values 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 Fund 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 11/1/23 | Ending Account Value (Based on Actual Returns and Expenses) 4/30/24 | Expenses Paid During Period <sup>1</sup> | Ending Account Value (Based on Hypothetical 5% Annualized Return and Actual Expenses) 4/30/24 | Expenses Paid During Period <sup>1</sup> | Net Expense Ratio During Period <sup>2</sup> |
|-----------------------|---------------------------------|---|--|---|--|--|
| Class A Shares        | \$1,000.00                      | \$1,060.70  | \$5.23                                   | \$1,019.79  | \$5.12                                   | 1.02%  |
| Investor Class Shares | \$1,000.00                      | \$1,060.30  | \$5.53                                   | \$1,019.49  | \$5.42                                   | 1.08%  |
| Class C Shares        | \$1,000.00                      | \$1,055.40  | \$9.35                                   | \$1,015.76  | \$9.17                                   | 1.83%  |
| Class I Shares        | \$1,000.00                      | \$1,061.90  | \$4.00                                   | \$1,020.98  | \$3.92                                   | 0.78%  |

- Expenses are equal to the Fund'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 Fund bears directly, it also indirectly bears a pro rata share of the fees and expenses of the underlying funds in which it invests. Such indirect expenses are not included in the above-reported expense figures.
- Expenses are equal to the Fund's annualized expense ratio to reflect the six-month period.

---

**Portfolio Composition as of April 30, 2024 (Unaudited)**

See Portfolio of Investments beginning on page 9 for specific holdings within these categories. The Fund's holdings are subject to change.

---

---

**Top Ten Holdings and/or Issuers Held as of April 30, 2024 (excluding short-term investments) (Unaudited)**

- |   |  |
|---|--|
| 1. TransDigm, Inc., 4.625%-6.75%, due 11/15/27-3/1/29     | 6. Churchill Downs, Inc., 4.75%-5.50%, due 4/1/27-1/15/28          |
| 2. CCO Holdings LLC, 5.00%-5.50%, due 5/1/26-2/1/28       | 7. Carnival Corp., 4.00%-7.625%, due 3/1/26-8/1/28                 |
| 3. Great Outdoors Group LLC, 9.18%, due 3/6/28            | 8. Ford Motor Credit Co. LLC, 2.30%-7.35%, due 9/8/24-5/12/28      |
| 4. T-Mobile USA, Inc., 2.25%-5.375%, due 2/15/26-2/1/28   | 9. NMG Holding Co., Inc., 7.125%, due 4/1/26                       |
| 5. IHO Verwaltungs GmbH, 4.75%-6.00%, due 9/15/26-5/15/27 | 10. Mercer International, Inc., 5.50%-12.875%, due 1/15/26-10/1/28 |
-

# Portfolio of Investments April 30, 2024<sup>†^</sup>(Unaudited)

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>Long-Term Bonds 93.7%</b>                               |                     |                   |
| <b>Convertible Bonds 0.8%</b>                              |                     |                   |
| <b>Energy-Alternate Sources 0.3%</b>                       |                     |                   |
| NextEra Energy Partners LP (a)                             |                     |                   |
| (zero coupon), due 6/15/24                                 | \$ 1,700,000        | \$ 1,688,100      |
| (zero coupon), due 11/15/25                                | 1,000,000           | 896,750           |
| 2.50%, due 6/15/26   | 5,000,000           | <u>4,511,075</u>  |
|  |                     | <u>7,095,925</u>  |
| <b>Media 0.4%</b>  |                     |                   |
| Cable One, Inc.  |                     |                   |
| (zero coupon), due 3/15/26                                 | 6,250,000           | 5,421,875         |
| 1.125%, due 3/15/28  | 4,325,000           | <u>3,207,420</u>  |
|  |                     | <u>8,629,295</u>  |
| <b>Oil &amp; Gas 0.1%</b>                                  |                     |                   |
| Gulfport Energy Operating Corp.                            |                     |                   |
| 10.00% (10.00% Cash or 15.00%<br>PIK), due 12/29/49 (b)(c) | 269,000             | <u>3,049,501</u>  |
| Total Convertible Bonds<br>(Cost \$16,121,829)             |                     | <u>18,774,721</u> |
| <b>Corporate Bonds 75.8%</b>                               |                     |                   |
| <b>Advertising 0.5%</b>                                    |                     |                   |
| Lamar Media Corp.  |                     |                   |
| 3.75%, due 2/15/28   | 5,500,000           | 5,076,310         |
| 4.875%, due 1/15/29  | 6,500,000           | <u>6,146,465</u>  |
|  |                     | <u>11,222,775</u> |
| <b>Aerospace &amp; Defense 2.8%</b>                        |                     |                   |
| AAR Escrow Issuer LLC                                      |                     |                   |
| 6.75%, due 3/15/29 (a)                                     | 1,700,000           | 1,709,180         |
| F-Brasile SpA  |                     |                   |
| Series XR  |                     |                   |
| 7.375%, due 8/15/26 (a)                                    | 3,400,000           | 3,383,000         |
| TransDigm, Inc.  |                     |                   |
| 4.625%, due 1/15/29  | 4,000,000           | 3,663,960         |
| 5.50%, due 11/15/27  | 11,000,000          | 10,689,961        |
| 6.375%, due 3/1/29 (a)                                     | 23,500,000          | 23,320,539        |
| 6.75%, due 8/15/28 (a)                                     | 20,485,000          | <u>20,572,042</u> |
|  |                     | <u>63,338,682</u> |
| <b>Airlines 0.5%</b>                                       |                     |                   |
| American Airlines, Inc.                                    |                     |                   |
| 5.50%, due 4/20/26 (a)                                     | 1,000,000           | 988,399           |
| Delta Air Lines, Inc.                                      |                     |                   |
| 4.50%, due 10/20/25 (a)                                    | 1,000,500           | 986,718           |
| 7.00%, due 5/1/25 (a)                                      | 4,375,000           | 4,407,575         |
| 7.375%, due 1/15/26  | 1,500,000           | 1,534,211         |

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>Airlines (continued)</b>                     |                     |                   |
| Mileage Plus Holdings LLC                       |                     |                   |
| 6.50%, due 6/20/27 (a)                          | \$ 2,242,500        | \$ 2,246,287      |
|   |                     | <u>10,163,190</u> |
| <b>Auto Manufacturers 1.1%</b>                  |                     |                   |
| Ford Motor Credit Co. LLC                       |                     |                   |
| 2.30%, due 2/10/25                              | 5,000,000           | 4,858,865         |
| 3.375%, due 11/13/25                            | 1,000,000           | 960,014           |
| 3.664%, due 9/8/24                              | 1,150,000           | 1,140,393         |
| 4.389%, due 1/8/26                              | 3,000,000           | 2,914,943         |
| 5.125%, due 6/16/25                             | 2,000,000           | 1,978,871         |
| 6.80%, due 5/12/28                              | 2,010,000           | 2,051,106         |
| 6.95%, due 3/6/26                               | 5,000,000           | 5,067,655         |
| 6.95%, due 6/10/26                              | 1,500,000           | 1,522,790         |
| 7.35%, due 11/4/27                              | 2,000,000           | 2,068,705         |
| PM General Purchaser LLC                        |                     |                   |
| 9.50%, due 10/1/28 (a)                          | 1,930,000           | <u>1,955,153</u>  |
|   |                     | <u>24,518,495</u> |
| <b>Auto Parts &amp; Equipment 2.4%</b>          |                     |                   |
| Adient Global Holdings Ltd. (a)                 |                     |                   |
| 4.875%, due 8/15/26                             | 4,000,000           | 3,846,315         |
| 7.00%, due 4/15/28                              | 650,000             | 656,663           |
| IHO Verwaltungs GmbH (a)(c)                     |                     |                   |
| 4.75% (4.75% Cash or 5.50%<br>PIK), due 9/15/26 | 10,660,000          | 10,265,311        |
| 6.00% (6.00% Cash or 6.75%<br>PIK), due 5/15/27 | 20,330,000          | 19,975,283        |
| Phinia, Inc.                                    |                     |                   |
| 6.75%, due 4/15/29 (a)                          | 4,500,000           | 4,516,027         |
| Tenneco, Inc.                                   |                     |                   |
| 8.00%, due 11/17/28 (a)                         | 6,000,000           | 5,606,182         |
| ZF North America Capital, Inc.                  |                     |                   |
| 6.875%, due 4/14/28 (a)                         | 8,350,000           | <u>8,405,839</u>  |
|   |                     | <u>53,271,620</u> |
| <b>Building Materials 0.8%</b>                  |                     |                   |
| James Hardie International Finance<br>DAC       |                     |                   |
| 5.00%, due 1/15/28 (a)                          | 8,987,000           | 8,639,204         |
| Summit Materials LLC (a)                        |                     |                   |
| 5.25%, due 1/15/29                              | 5,045,000           | 4,847,707         |
| 6.50%, due 3/15/27                              | 5,705,000           | <u>5,690,238</u>  |
|   |                     | <u>19,177,149</u> |
| <b>Chemicals 2.3%</b>                           |                     |                   |
| ASP Unifrax Holdings, Inc.                      |                     |                   |
| 5.25%, due 9/30/28 (a)                          | 2,400,000           | 1,445,916         |

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

# Portfolio of Investments April 30, 2024<sup>†</sup> (Unaudited) (continued)

|                                    | Principal<br>Amount | Value             |
|------------------------------------|---------------------|-------------------|
| <b>Corporate Bonds (continued)</b> |                     |                   |
| <b>Chemicals (continued)</b>       |                     |                   |
| Avient Corp.                       |                     |                   |
| 5.75%, due 5/15/25 (a)             | \$ 9,500,000        | \$ 9,452,129      |
| GPD Cos., Inc.                     |                     |                   |
| 10.125%, due 4/1/26 (a)            | 8,900,000           | 8,357,383         |
| NOVA Chemicals Corp. (a)           |                     |                   |
| 5.25%, due 6/1/27                  | 6,125,000           | 5,761,820         |
| 8.50%, due 11/15/28                | 4,935,000           | 5,187,075         |
| 9.00%, due 2/15/30                 | 3,435,000           | 3,539,417         |
| Olympus Water US Holding Corp. (a) |                     |                   |
| 7.125%, due 10/1/27                | 2,356,000           | 2,385,849         |
| 9.75%, due 11/15/28                | 6,800,000           | 7,215,607         |
| SCIH Salt Holdings, Inc.           |                     |                   |
| 4.875%, due 5/1/28 (a)             | 2,000,000           | 1,859,577         |
| SCIL IV LLC                        |                     |                   |
| 5.375%, due 11/1/26 (a)            | 6,500,000           | <u>6,238,522</u>  |
|                                    |                     | <u>51,443,295</u> |
| <b>Coal 0.3%</b>                   |                     |                   |
| Coronado Finance Pty. Ltd.         |                     |                   |
| 10.75%, due 5/15/26 (a)            | 5,666,000           | <u>5,859,169</u>  |
| <b>Commercial Services 2.6%</b>    |                     |                   |
| Alta Equipment Group, Inc.         |                     |                   |
| 5.625%, due 4/15/26 (a)            | 5,000,000           | 4,812,358         |
| AMN Healthcare, Inc.               |                     |                   |
| 4.625%, due 10/1/27 (a)            | 2,500,000           | 2,348,330         |
| Gartner, Inc.                      |                     |                   |
| 4.50%, due 7/1/28 (a)              | 5,500,000           | 5,172,187         |
| GEO Group, Inc. (The)              |                     |                   |
| 8.625%, due 4/15/29 (a)            | 1,360,000           | 1,376,809         |
| Graham Holdings Co.                |                     |                   |
| 5.75%, due 6/1/26 (a)              | 12,522,000          | 12,359,448        |
| Herc Holdings, Inc.                |                     |                   |
| 5.50%, due 7/15/27 (a)             | 2,000,000           | 1,942,506         |
| Korn Ferry                         |                     |                   |
| 4.625%, due 12/15/27 (a)           | 4,740,000           | 4,494,792         |
| NESCO Holdings II, Inc.            |                     |                   |
| 5.50%, due 4/15/29 (a)             | 2,000,000           | 1,861,587         |
| Service Corp. International        |                     |                   |
| 7.50%, due 4/1/27                  | 3,150,000           | 3,240,380         |
| TriNet Group, Inc.                 |                     |                   |
| 3.50%, due 3/1/29 (a)              | 500,000             | 437,787           |
| United Rentals North America, Inc. |                     |                   |
| 3.875%, due 11/15/27               | 875,000             | 816,911           |
| 4.875%, due 1/15/28                | 3,450,000           | 3,306,925         |

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>Commercial Services (continued)</b>      |                     |                   |
| Williams Scotsman, Inc. (a)                 |                     |                   |
| 4.625%, due 8/15/28                         | \$ 8,250,000        | \$ 7,614,579      |
| 6.125%, due 6/15/25                         | 8,219,000           | <u>8,188,179</u>  |
|   |                     | <u>57,972,778</u> |
| <b>Cosmetics &amp; Personal Care 0.5%</b>   |                     |                   |
| Edgewell Personal Care Co.                  |                     |                   |
| 5.50%, due 6/1/28 (a)                       | 12,700,000          | <u>12,254,997</u> |
| <b>Distribution &amp; Wholesale 0.5%</b>    |                     |                   |
| G-III Apparel Group Ltd.                    |                     |                   |
| 7.875%, due 8/15/25 (a)                     | 4,765,000           | 4,788,244         |
| H&E Equipment Services, Inc.                |                     |                   |
| 3.875%, due 12/15/28 (a)                    | 4,700,000           | 4,158,972         |
| Ritchie Bros Holdings, Inc.                 |                     |                   |
| 6.75%, due 3/15/28 (a)                      | 2,500,000           | <u>2,523,632</u>  |
|   |                     | <u>11,470,848</u> |
| <b>Diversified Financial Services 1.5%</b>  |                     |                   |
| AG TTMT Escrow Issuer LLC                   |                     |                   |
| 8.625%, due 9/30/27 (a)                     | 9,500,000           | 9,785,475         |
| Cantor Fitzgerald LP                        |                     |                   |
| 7.20%, due 12/12/28 (a)                     | 2,000,000           | 2,029,520         |
| Enact Holdings, Inc.                        |                     |                   |
| 6.50%, due 8/15/25 (a)                      | 12,110,000          | 12,099,101        |
| Jefferies Finance LLC                       |                     |                   |
| 5.00%, due 8/15/28 (a)                      | 3,690,000           | 3,319,933         |
| LPL Holdings, Inc.                          |                     |                   |
| 4.625%, due 11/15/27 (a)                    | 1,350,000           | 1,286,411         |
| Radian Group, Inc.                          |                     |                   |
| 4.875%, due 3/15/27                         | 1,000,000           | 962,609           |
| StoneX Group, Inc.                          |                     |                   |
| 8.625%, due 6/15/25 (a)                     | 3,500,000           | <u>3,508,078</u>  |
|   |                     | <u>32,991,127</u> |
| <b>Electric 1.6%</b>                        |                     |                   |
| Cleanway Energy Operating LLC               |                     |                   |
| 4.75%, due 3/15/28 (a)                      | 6,000,000           | 5,654,098         |
| DPL, Inc.                                   |                     |                   |
| 4.125%, due 7/1/25                          | 3,650,000           | 3,545,452         |
| NextEra Energy Operating<br>Partners LP (a) |                     |                   |
| 3.875%, due 10/15/26                        | 3,500,000           | 3,274,269         |
| 4.25%, due 7/15/24                          | 4,030,000           | 4,012,912         |
| 4.50%, due 9/15/27                          | 4,200,000           | 3,913,415         |
| NRG Energy, Inc.                            |                     |                   |
| 6.625%, due 1/15/27                         | 2,500,000           | 2,494,829         |
| PG&E Corp.                                  |                     |                   |
| 5.00%, due 7/1/28                           | 3,850,000           | 3,668,387         |

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>Corporate Bonds (continued)</b>   |                     |                   |
| <b>Electric (continued)</b>  |                     |                   |
| TransAlta Corp.  |                     |                   |
| 7.75%, due 11/15/29  | \$ 1,000,000        | \$ 1,023,492      |
| Vistra Corp.   |                     |                   |
| 8.00% (5 Year Treasury Constant<br>Maturity Rate + 6.93%), due<br>10/15/26 (a)(d)(e) | 4,500,000           | 4,546,589         |
| Vistra Operations Co. LLC  |                     |                   |
| 5.625%, due 2/15/27 (a)  | 5,000,000           | <u>4,864,747</u>  |
|  |                     | <u>36,998,190</u> |
| <b>Electrical Components &amp; Equipment 0.8%</b>                                    |                     |                   |
| EnerSys  |                     |                   |
| 4.375%, due 12/15/27 (a)   | 4,385,000           | 4,101,020         |
| WESCO Distribution, Inc. (a)   |                     |                   |
| 6.375%, due 3/15/29  | 4,200,000           | 4,172,277         |
| 7.125%, due 6/15/25  | 7,650,000           | 7,655,041         |
| 7.25%, due 6/15/28   | 2,125,000           | <u>2,158,615</u>  |
|  |                     | <u>18,086,953</u> |
| <b>Engineering &amp; Construction 0.1%</b>   |                     |                   |
| Weekley Homes LLC  |                     |                   |
| 4.875%, due 9/15/28 (a)  | 1,550,000           | <u>1,417,589</u>  |
| <b>Entertainment 4.0%</b>  |                     |                   |
| Affinity Interactive   |                     |                   |
| 6.875%, due 12/15/27 (a)   | 1,350,000           | 1,208,324         |
| Boyne USA, Inc.  |                     |                   |
| 4.75%, due 5/15/29 (a)   | 2,500,000           | 2,274,850         |
| Churchill Downs, Inc. (a)  |                     |                   |
| 4.75%, due 1/15/28   | 8,995,000           | 8,498,599         |
| 5.50%, due 4/1/27  | 22,210,000          | 21,626,163        |
| International Game Technology plc (a)  |                     |                   |
| 4.125%, due 4/15/26  | 9,950,000           | 9,581,745         |
| 6.25%, due 1/15/27   | 1,630,000           | 1,627,623         |
| 6.50%, due 2/15/25   | 963,000             | 963,071           |
| Jacobs Entertainment, Inc. (a)   |                     |                   |
| 6.75%, due 2/15/29   | 500,000             | 474,304           |
| 6.75%, due 2/15/29   | 1,485,000           | 1,406,263         |
| Light & Wonder International, Inc.   |                     |                   |
| 7.00%, due 5/15/28 (a)   | 6,500,000           | 6,522,568         |
| Live Nation Entertainment, Inc. (a)  |                     |                   |
| 4.75%, due 10/15/27  | 4,150,000           | 3,911,262         |
| 6.50%, due 5/15/27   | 15,150,000          | 15,179,774        |
| Merlin Entertainments Ltd.   |                     |                   |
| 5.75%, due 6/15/26 (a)   | 1,500,000           | 1,482,208         |

|   | Principal<br>Amount | Value                |
|---|---------------------|----------------------|
| <b>Entertainment (continued)</b>        |                     |                      |
| Vail Resorts, Inc.                      |                     |                      |
| 6.25%, due 5/15/25 (a)                  | \$ 15,582,000       | <u>\$ 15,590,509</u> |
|   |                     | <u>90,347,263</u>    |
| <b>Food 1.0%</b>                        |                     |                      |
| B&G Foods, Inc.                         |                     |                      |
| 5.25%, due 4/1/25                       | 1,754,000           | 1,733,492            |
| 8.00%, due 9/15/28 (a)                  | 2,325,000           | 2,409,288            |
| Chobani LLC (a)                         |                     |                      |
| 4.625%, due 11/15/28                    | 1,500,000           | 1,388,338            |
| 7.625%, due 7/1/29                      | 1,000,000           | 1,010,576            |
| Land O'Lakes Capital Trust I            |                     |                      |
| 7.45%, due 3/15/28 (a)                  | 2,605,000           | 2,550,634            |
| Simmons Foods, Inc.                     |                     |                      |
| 4.625%, due 3/1/29 (a)                  | 11,825,000          | 10,202,689           |
| United Natural Foods, Inc.              |                     |                      |
| 6.75%, due 10/15/28 (a)                 | 5,000,000           | <u>3,837,175</u>     |
|   |                     | <u>23,132,192</u>    |
| <b>Food Service 0.1%</b>                |                     |                      |
| Aramark Services, Inc.                  |                     |                      |
| 5.00%, due 2/1/28 (a)                   | 3,500,000           | <u>3,323,192</u>     |
| <b>Forest Products &amp; Paper 1.0%</b> |                     |                      |
| Mercer International, Inc.              |                     |                      |
| 5.50%, due 1/15/26                      | 15,475,000          | 15,008,277           |
| 12.875%, due 10/1/28 (a)                | 6,725,000           | 7,332,026            |
| Smurfit Kappa Treasury Funding DAC      |                     |                      |
| 7.50%, due 11/20/25                     | 1,000,000           | <u>1,018,072</u>     |
|   |                     | <u>23,358,375</u>    |
| <b>Hand &amp; Machine Tools 0.4%</b>    |                     |                      |
| Regal Rexnord Corp. (a)                 |                     |                      |
| 6.05%, due 2/15/26                      | 2,875,000           | 2,875,408            |
| 6.05%, due 4/15/28                      | 3,720,000           | 3,712,811            |
| Werner FinCo. LP                        |                     |                      |
| 11.50%, due 6/15/28 (a)                 | 3,000,000           | <u>3,272,016</u>     |
|   |                     | <u>9,860,235</u>     |
| <b>Healthcare-Products 1.2%</b>         |                     |                      |
| Bausch + Lomb Corp.                     |                     |                      |
| 8.375%, due 10/1/28 (a)                 | 6,720,000           | 6,940,080            |
| Hologic, Inc.                           |                     |                      |
| 4.625%, due 2/1/28 (a)                  | 5,800,000           | 5,516,224            |
| Teleflex, Inc.                          |                     |                      |
| 4.25%, due 6/1/28 (a)                   | 4,500,000           | 4,158,324            |
| 4.625%, due 11/15/27                    | 2,000,000           | 1,904,351            |

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

# Portfolio of Investments April 30, 2024<sup>†</sup> (Unaudited) (continued)

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>Corporate Bonds (continued)</b>        |                     |                   |
| <b>Healthcare-Products (continued)</b>    |                     |                   |
| Varex Imaging Corp.                       |                     |                   |
| 7.875%, due 10/15/27 (a)                  | \$ 7,500,000        | \$ 7,644,454      |
|   |                     | <u>26,163,433</u> |
| <b>Healthcare-Services 2.5%</b>           |                     |                   |
| Acadia Healthcare Co., Inc.               |                     |                   |
| 5.50%, due 7/1/28 (a)                     | 7,000,000           | 6,736,877         |
| Catalent Pharma Solutions, Inc.           |                     |                   |
| 5.00%, due 7/15/27 (a)                    | 5,216,000           | 5,114,986         |
| Encompass Health Corp.                    |                     |                   |
| 4.50%, due 2/1/28                         | 7,000,000           | 6,570,586         |
| 5.75%, due 9/15/25                        | 4,335,000           | 4,301,325         |
| HCA, Inc.                                 |                     |                   |
| 5.375%, due 2/1/25                        | 13,100,000          | 13,041,268        |
| 5.875%, due 2/15/26                       | 2,000,000           | 2,000,931         |
| 7.58%, due 9/15/25                        | 5,623,000           | 5,752,833         |
| IQVIA, Inc.                               |                     |                   |
| 5.00%, due 10/15/26 (a)                   | 5,515,000           | 5,393,897         |
| 5.70%, due 5/15/28                        | 3,000,000           | 2,999,400         |
| ModivCare, Inc.                           |                     |                   |
| 5.875%, due 11/15/25 (a)                  | 4,000,000           | 3,901,226         |
|   |                     | <u>55,813,329</u> |
| <b>Holding Companies-Diversified 0.5%</b> |                     |                   |
| Benteler International AG                 |                     |                   |
| 10.50%, due 5/15/28 (a)                   | 11,500,000          | 12,242,790        |
| <b>Home Builders 1.2%</b>                 |                     |                   |
| Adams Homes, Inc.                         |                     |                   |
| 7.50%, due 2/15/25 (a)                    | 2,234,000           | 2,230,161         |
| Century Communities, Inc.                 |                     |                   |
| 6.75%, due 6/1/27                         | 5,000,000           | 5,009,795         |
| Installed Building Products, Inc.         |                     |                   |
| 5.75%, due 2/1/28 (a)                     | 6,000,000           | 5,821,606         |
| Meritage Homes Corp.                      |                     |                   |
| 5.125%, due 6/6/27                        | 1,500,000           | 1,459,769         |
| 6.00%, due 6/1/25                         | 624,000             | 623,426           |
| Shea Homes LP                             |                     |                   |
| 4.75%, due 2/15/28                        | 2,310,000           | 2,168,816         |
| STL Holding Co. LLC                       |                     |                   |
| 8.75%, due 2/15/29 (a)                    | 4,085,000           | 4,197,594         |
| Winnebago Industries, Inc.                |                     |                   |
| 6.25%, due 7/15/28 (a)                    | 6,865,000           | 6,718,939         |
|   |                     | <u>28,230,106</u> |

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>Household Products &amp; Wares 0.3%</b> |                     |                   |
| Central Garden & Pet Co.                   |                     |                   |
| 5.125%, due 2/1/28                         | \$ 6,500,000        | \$ 6,223,451      |
| <b>Housewares 0.1%</b>                     |                     |                   |
| Newell Brands, Inc.                        |                     |                   |
| 4.875%, due 6/1/25                         | 1,750,000           | 1,721,840         |
| Scotts Miracle-Gro Co. (The)               |                     |                   |
| 5.25%, due 12/15/26                        | 1,650,000           | 1,606,302         |
|  |                     | <u>3,328,142</u>  |
| <b>Insurance 0.6%</b>                      |                     |                   |
| MGIC Investment Corp.                      |                     |                   |
| 5.25%, due 8/15/28                         | 2,516,000           | 2,415,045         |
| NMI Holdings, Inc.                         |                     |                   |
| 7.375%, due 6/1/25 (a)                     | 11,245,000          | 11,328,293        |
|  |                     | <u>13,743,338</u> |
| <b>Internet 1.3%</b>                       |                     |                   |
| Cars.com, Inc.                             |                     |                   |
| 6.375%, due 11/1/28 (a)                    | 6,500,000           | 6,212,574         |
| Gen Digital, Inc. (a)                      |                     |                   |
| 5.00%, due 4/15/25                         | 7,175,000           | 7,088,067         |
| 6.75%, due 9/30/27                         | 2,500,000           | 2,509,304         |
| Go Daddy Operating Co. LLC                 |                     |                   |
| 5.25%, due 12/1/27 (a)                     | 6,150,000           | 5,937,542         |
| Match Group Holdings II LLC                |                     |                   |
| 5.00%, due 12/15/27 (a)                    | 1,500,000           | 1,420,259         |
| Netflix, Inc.                              |                     |                   |
| 5.875%, due 2/15/25                        | 665,000             | 667,325           |
| Uber Technologies, Inc. (a)                |                     |                   |
| 6.25%, due 1/15/28                         | 1,800,000           | 1,798,979         |
| 7.50%, due 9/15/27                         | 4,500,000           | 4,581,554         |
|  |                     | <u>30,215,604</u> |
| <b>Investment Companies 0.6%</b>           |                     |                   |
| Icahn Enterprises LP                       |                     |                   |
| 4.75%, due 9/15/24                         | 12,500,000          | 12,426,124        |
| <b>Iron &amp; Steel 1.8%</b>               |                     |                   |
| Allegheny Ludlum LLC                       |                     |                   |
| 6.95%, due 12/15/25                        | 2,430,000           | 2,462,523         |
| Big River Steel LLC                        |                     |                   |
| 6.625%, due 1/31/29 (a)                    | 16,450,000          | 16,388,799        |
| Mineral Resources Ltd. (a)                 |                     |                   |
| 8.00%, due 11/1/27                         | 3,010,000           | 3,044,253         |
| 8.125%, due 5/1/27                         | 11,400,000          | 11,506,999        |
| 9.25%, due 10/1/28                         | 6,990,000           | 7,327,869         |
|  |                     | <u>40,730,443</u> |

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>Corporate Bonds (continued)</b>              |                     |                   |
| <b>Leisure Time 2.3%</b>                        |                     |                   |
| Acushnet Co.                                    |                     |                   |
| 7.375%, due 10/15/28 (a)                        | \$ 1,500,000        | \$ 1,539,900      |
| Carnival Corp. (a)                              |                     |                   |
| 4.00%, due 8/1/28                               | 6,000,000           | 5,485,833         |
| 5.75%, due 3/1/27                               | 10,560,000          | 10,306,152        |
| 7.625%, due 3/1/26                              | 9,660,000           | 9,719,918         |
| Carnival Holdings Bermuda Ltd.                  |                     |                   |
| 10.375%, due 5/1/28 (a)                         | 15,785,000          | 17,115,155        |
| Royal Caribbean Cruises Ltd.                    |                     |                   |
| 9.25%, due 1/15/29 (a)                          | 6,525,000           | <u>6,968,426</u>  |
|   |                     | <u>51,135,384</u> |
| <b>Lodging 1.9%</b>                             |                     |                   |
| Boyd Gaming Corp.                               |                     |                   |
| 4.75%, due 12/1/27                              | 18,270,000          | 17,308,859        |
| Genting New York LLC                            |                     |                   |
| 3.30%, due 2/15/26 (a)                          | 1,000,000           | 956,195           |
| Hilton Domestic Operating Co., Inc. (a)         |                     |                   |
| 5.375%, due 5/1/25                              | 5,590,000           | 5,543,758         |
| 5.75%, due 5/1/28                               | 2,000,000           | 1,976,924         |
| 5.875%, due 4/1/29                              | 9,000,000           | 8,880,799         |
| Hilton Worldwide Finance LLC                    |                     |                   |
| 4.875%, due 4/1/27                              | 3,035,000           | 2,951,495         |
| Marriott International, Inc.                    |                     |                   |
| Series EE                                       |                     |                   |
| 5.75%, due 5/1/25                               | 932,000             | 932,265           |
| Station Casinos LLC                             |                     |                   |
| 4.50%, due 2/15/28 (a)                          | 5,000,000           | <u>4,637,597</u>  |
|   |                     | <u>43,187,892</u> |
| <b>Machinery—Construction &amp; Mining 0.5%</b> |                     |                   |
| Terex Corp.                                     |                     |                   |
| 5.00%, due 5/15/29 (a)                          | 1,500,000           | 1,403,322         |
| Vertiv Group Corp.                              |                     |                   |
| 4.125%, due 11/15/28 (a)                        | 11,000,000          | <u>10,187,186</u> |
|   |                     | <u>11,590,508</u> |
| <b>Machinery-Diversified 0.7%</b>               |                     |                   |
| Briggs & Stratton Corp. Escrow Claim            |                     |                   |
| Shares  |                     |                   |
| 6.875%, due 12/15/20 (f)(g)(h)                  | 3,425,000           | —                 |
| Maxim Crane Works Holdings                      |                     |                   |
| Capital LLC                                     |                     |                   |
| 11.50%, due 9/1/28 (a)                          | 2,000,000           | 2,118,192         |
| TK Elevator U.S. Newco, Inc.                    |                     |                   |
| 5.25%, due 7/15/27 (a)                          | 15,413,000          | <u>14,743,588</u> |
|   |                     | <u>16,861,780</u> |

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>Media 3.9%</b>                          |                     |                   |
| Block Communications, Inc.                 |                     |                   |
| 4.875%, due 3/1/28 (a)                     | \$ 1,500,000        | \$ 1,296,956      |
| CCO Holdings LLC (a)                       |                     |                   |
| 5.00%, due 2/1/28                          | 19,795,000          | 18,026,909        |
| 5.125%, due 5/1/27                         | 1,500,000           | 1,405,759         |
| 5.50%, due 5/1/26                          | 13,485,000          | 13,211,701        |
| CSC Holdings LLC (a)                       |                     |                   |
| 6.50%, due 2/1/29                          | 2,500,000           | 1,864,549         |
| 11.25%, due 5/15/28                        | 4,020,000           | 3,555,826         |
| 11.75%, due 1/31/29                        | 3,095,000           | 2,749,675         |
| Directv Financing LLC                      |                     |                   |
| 5.875%, due 8/15/27 (a)                    | 19,000,000          | 17,709,460        |
| LCPR Senior Secured Financing DAC          |                     |                   |
| 6.75%, due 10/15/27 (a)                    | 16,500,000          | 15,292,618        |
| Scripps Escrow II, Inc.                    |                     |                   |
| 3.875%, due 1/15/29 (a)                    | 3,300,000           | 2,437,697         |
| Sirius XM Radio, Inc. (a)                  |                     |                   |
| 4.00%, due 7/15/28                         | 2,000,000           | 1,782,842         |
| 5.00%, due 8/1/27                          | 1,500,000           | 1,416,585         |
| Sterling Entertainment                     |                     |                   |
| Enterprises LLC                            |                     |                   |
| 10.25%, due 1/15/25 (b)(f)(h)              | 3,000,000           | 2,787,900         |
| Videotron Ltd.                             |                     |                   |
| 5.125%, due 4/15/27 (a)                    | 3,500,000           | 3,381,755         |
| Virgin Media Secured Finance plc           |                     |                   |
| 5.50%, due 5/15/29 (a)                     | 1,000,000           | 908,940           |
| Virgin Media Vendor Financing Notes        |                     |                   |
| IV DAC                                     |                     |                   |
| 5.00%, due 7/15/28 (a)                     | 1,800,000           | <u>1,602,399</u>  |
|  |                     | <u>89,431,571</u> |
| <b>Metal Fabricate &amp; Hardware 0.1%</b> |                     |                   |
| Advanced Drainage Systems, Inc.            |                     |                   |
| 5.00%, due 9/30/27 (a)                     | 2,500,000           | <u>2,420,856</u>  |
| <b>Mining 1.4%</b>                         |                     |                   |
| Alcoa Nederland Holding BV (a)             |                     |                   |
| 5.50%, due 12/15/27                        | 2,000,000           | 1,965,507         |
| 6.125%, due 5/15/28                        | 3,950,000           | 3,922,468         |
| Century Aluminum Co.                       |                     |                   |
| 7.50%, due 4/1/28 (a)                      | 8,615,000           | 8,540,205         |
| Compass Minerals International, Inc.       |                     |                   |
| 6.75%, due 12/1/27 (a)                     | 2,000,000           | 1,875,597         |
| First Quantum Minerals Ltd. (a)            |                     |                   |
| 6.875%, due 10/15/27                       | 4,500,000           | 4,328,462         |
| 9.375%, due 3/1/29                         | 5,500,000           | 5,682,463         |
| IAMGOLD Corp.                              |                     |                   |
| 5.75%, due 10/15/28 (a)                    | 5,816,000           | 5,376,611         |

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

# Portfolio of Investments April 30, 2024<sup>†</sup>(Unaudited) (continued)

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>Corporate Bonds (continued)</b>       |                     |                   |
| <b>Mining (continued)</b>                |                     |                   |
| Novelis Corp.                            |                     |                   |
| 3.25%, due 11/15/26 (a)                  | \$ 1,000,000        | \$ 934,963        |
|  |                     | <u>32,626,276</u> |
| <b>Miscellaneous—Manufacturing 2.4%</b>  |                     |                   |
| Amsted Industries, Inc.                  |                     |                   |
| 5.625%, due 7/1/27 (a)                   | 10,145,000          | 9,862,774         |
| Calderys Financing LLC                   |                     |                   |
| 11.25%, due 6/1/28 (a)                   | 2,985,000           | 3,169,407         |
| EnPro, Inc.                              |                     |                   |
| 5.75%, due 10/15/26                      | 9,334,000           | 9,206,521         |
| Gates Global LLC                         |                     |                   |
| 6.25%, due 1/15/26 (a)                   | 11,010,000          | 11,012,358        |
| Hillenbrand, Inc.                        |                     |                   |
| 5.00%, due 9/15/26 (i)                   | 6,080,000           | 5,938,032         |
| 5.75%, due 6/15/25                       | 3,515,000           | 3,495,731         |
| 6.25%, due 2/15/29                       | 2,885,000           | 2,862,378         |
| LSB Industries, Inc.                     |                     |                   |
| 6.25%, due 10/15/28 (a)                  | 4,500,000           | 4,265,834         |
| Trinity Industries, Inc.                 |                     |                   |
| 7.75%, due 7/15/28 (a)                   | 3,500,000           | 3,577,063         |
|  |                     | <u>53,390,098</u> |
| <b>Oil &amp; Gas 6.5%</b>                |                     |                   |
| Ascent Resources Utica Holdings LLC (a)  |                     |                   |
| 7.00%, due 11/1/26                       | 3,900,000           | 3,894,175         |
| 9.00%, due 11/1/27                       | 1,556,000           | 1,942,229         |
| California Resources Corp.               |                     |                   |
| 7.125%, due 2/1/26 (a)                   | 4,520,000           | 4,545,018         |
| Chevron USA, Inc.                        |                     |                   |
| 3.90%, due 11/15/24                      | 4,550,000           | 4,513,256         |
| Chord Energy Corp.                       |                     |                   |
| 6.375%, due 6/1/26 (a)                   | 3,280,000           | 3,278,669         |
| Civitas Resources, Inc.                  |                     |                   |
| 5.00%, due 10/15/26 (a)                  | 1,900,000           | 1,837,801         |
| Comstock Resources, Inc. (a)             |                     |                   |
| 6.75%, due 3/1/29                        | 2,000,000           | 1,904,223         |
| 6.75%, due 3/1/29                        | 3,500,000           | 3,293,174         |
| Encino Acquisition Partners Holdings LLC |                     |                   |
| 8.50%, due 5/1/28 (a)                    | 8,800,000           | 8,908,161         |
| Gulfport Energy Corp.                    |                     |                   |
| 8.00%, due 5/17/26                       | 94,221              | 95,435            |
| 8.00%, due 5/17/26 (a)                   | 4,510,560           | 4,568,670         |
| Hess Corp.                               |                     |                   |
| 3.50%, due 7/15/24                       | 910,000             | 905,276           |

|                                     | Principal<br>Amount | Value              |
|-------------------------------------|---------------------|--------------------|
| <b>Oil &amp; Gas (continued)</b>    |                     |                    |
| HF Sinclair Corp.                   |                     |                    |
| 6.375%, due 4/15/27 (a)             | \$ 3,538,000        | \$ 3,538,406       |
| Matador Resources Co.               |                     |                    |
| 5.875%, due 9/15/26                 | 13,500,000          | 13,480,572         |
| Moss Creek Resources Holdings, Inc. |                     |                    |
| 7.50%, due 1/15/26 (a)              | 5,711,000           | 5,694,981          |
| Murphy Oil Corp.                    |                     |                    |
| 5.875%, due 12/1/27                 | 3,500,000           | 3,464,512          |
| Occidental Petroleum Corp.          |                     |                    |
| 5.50%, due 12/1/25                  | 2,000,000           | 1,989,820          |
| 5.55%, due 3/15/26                  | 1,000,000           | 995,198            |
| 5.875%, due 9/1/25                  | 3,160,000           | 3,160,087          |
| Parkland Corp.                      |                     |                    |
| 5.875%, due 7/15/27 (a)             | 13,940,000          | 13,591,196         |
| PDC Energy, Inc.                    |                     |                    |
| 5.75%, due 5/15/26                  | 2,775,000           | 2,773,415          |
| Permian Resources Operating LLC (a) |                     |                    |
| 5.375%, due 1/15/26                 | 6,100,000           | 6,027,893          |
| 7.75%, due 2/15/26                  | 3,000,000           | 3,026,787          |
| Range Resources Corp.               |                     |                    |
| 4.875%, due 5/15/25                 | 3,900,000           | 3,866,949          |
| SM Energy Co.                       |                     |                    |
| 6.75%, due 9/15/26                  | 6,670,000           | 6,668,223          |
| Southwestern Energy Co.             |                     |                    |
| 5.70%, due 1/23/25 (i)              | 2,199,000           | 2,189,008          |
| Sunoco LP                           |                     |                    |
| 6.00%, due 4/15/27                  | 1,500,000           | 1,481,860          |
| Talos Production, Inc.              |                     |                    |
| 9.00%, due 2/1/29 (a)               | 9,750,000           | 10,286,835         |
| Transocean Aquila Ltd.              |                     |                    |
| 8.00%, due 9/30/28 (a)              | 6,100,000           | 6,204,279          |
| Transocean Poseidon Ltd.            |                     |                    |
| 6.875%, due 2/1/27 (a)              | 8,602,875           | 8,574,516          |
| Transocean Titan Financing Ltd.     |                     |                    |
| 8.375%, due 2/1/28 (a)              | 7,445,000           | 7,642,687          |
| Viper Energy, Inc.                  |                     |                    |
| 5.375%, due 11/1/27 (a)             | 2,750,000           | 2,682,993          |
|                                     |                     | <u>147,026,304</u> |
| <b>Oil &amp; Gas Services 0.8%</b>  |                     |                    |
| Bristow Group, Inc.                 |                     |                    |
| 6.875%, due 3/1/28 (a)              | 10,500,000          | 10,183,399         |
| Nine Energy Service, Inc.           |                     |                    |
| 13.00%, due 2/1/28                  | 4,500,000           | 3,566,784          |
| Oceaneering International, Inc.     |                     |                    |
| 6.00%, due 2/1/28                   | 3,000,000           | 2,950,726          |

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>Corporate Bonds (continued)</b>  |                     |                   |
| <b>Oil &amp; Gas Services (continued)</b>   |                     |                   |
| Weatherford International Ltd.  |                     |                   |
| 6.50%, due 9/15/28 (a)  | \$ 877,000          | \$ 905,663        |
|   |                     | <u>17,606,572</u> |
| <b>Packaging &amp; Containers 0.3%</b>  |                     |                   |
| Cascades USA, Inc.  |                     |                   |
| 5.125%, due 1/15/26 (a)   | 4,831,000           | 4,678,013         |
| Owens-Brockway Glass Container, Inc.  |                     |                   |
| 6.625%, due 5/13/27 (a)   | 1,000,000           | 999,174           |
| Sealed Air Corp.  |                     |                   |
| 6.125%, due 2/1/28 (a)  | 935,000             | 923,608           |
|   |                     | <u>6,600,795</u>  |
| <b>Pharmaceuticals 1.6%</b>   |                     |                   |
| 1375209 BC Ltd.   |                     |                   |
| 9.00%, due 1/30/28 (a)  | 3,400,000           | 3,337,852         |
| Bausch Health Cos., Inc.  |                     |                   |
| 11.00%, due 9/30/28 (a)   | 7,500,000           | 5,853,675         |
| Endo DAC Escrow Claim Shares<br>(zero coupon), due 10/15/24 (f)(g)                  |                     |                   |
|   | 13,150,000          | —                 |
| Jazz Securities DAC   |                     |                   |
| 4.375%, due 1/15/29 (a)   | 600,000             | 545,897           |
| Organon & Co.   |                     |                   |
| 4.125%, due 4/30/28 (a)   | 15,250,000          | 13,889,041        |
| Par Pharmaceutical, Inc. Escrow<br>Claim Shares<br>(zero coupon), due 4/1/27 (f)(g) |                     |                   |
|   | 1,990,000           | —                 |
| Prestige Brands, Inc.   |                     |                   |
| 5.125%, due 1/15/28 (a)   | 13,500,000          | 12,960,790        |
|   |                     | <u>36,587,255</u> |
| <b>Pipelines 5.9%</b>   |                     |                   |
| Antero Midstream Partners LP (a)  |                     |                   |
| 5.75%, due 3/1/27   | 9,670,000           | 9,494,081         |
| 5.75%, due 1/15/28  | 1,000,000           | 978,708           |
| EnLink Midstream LLC  |                     |                   |
| 5.625%, due 1/15/28 (a)   | 3,700,000           | 3,635,418         |
| EQM Midstream Partners LP   |                     |                   |
| 4.125%, due 12/1/26   | 1,000,000           | 956,791           |
| 6.00%, due 7/1/25 (a)   | 2,195,000           | 2,191,334         |
| FTAI Infra Escrow Holdings LLC  |                     |                   |
| 10.50%, due 6/1/27 (a)  | 8,110,000           | 8,498,201         |
| Genesis Energy LP   |                     |                   |
| 6.25%, due 5/15/26  | 7,000,000           | 6,940,354         |
| 8.00%, due 1/15/27  | 10,000,000          | 10,112,843        |
| 8.25%, due 1/15/29  | 1,950,000           | 1,977,501         |

|   | Principal<br>Amount | Value              |
|---|---------------------|--------------------|
| <b>Pipelines (continued)</b>                          |                     |                    |
| Harvest Midstream I LP                                |                     |                    |
| 7.50%, due 9/1/28 (a)                                 | \$ 1,750,000        | \$ 1,754,795       |
| Hess Midstream Operations LP                          |                     |                    |
| 5.625%, due 2/15/26 (a)                               | 8,434,000           | 8,339,244          |
| ITT Holdings LLC                                      |                     |                    |
| 6.50%, due 8/1/29 (a)                                 | 1,000,000           | 903,218            |
| New Fortress Energy, Inc. (a)                         |                     |                    |
| 6.50%, due 9/30/26                                    | 4,750,000           | 4,542,254          |
| 6.75%, due 9/15/25                                    | 649,000             | 641,026            |
| 8.75%, due 3/15/29                                    | 2,000,000           | 1,950,499          |
| NuStar Logistics LP                                   |                     |                    |
| 5.75%, due 10/1/25                                    | 1,500,000           | 1,491,537          |
| 6.00%, due 6/1/26                                     | 2,200,000           | 2,183,067          |
| Plains All American Pipeline LP<br>Series B           |                     |                    |
| 9.679% (3 Month SOFR +<br>4.372%), due 5/30/24 (d)(e) | 18,663,000          | 18,452,058         |
| Rockies Express Pipeline LLC                          |                     |                    |
| 3.60%, due 5/15/25 (a)                                | 3,805,000           | 3,686,936          |
| Summit Midstream Holdings LLC                         |                     |                    |
| 9.50%, due 10/15/26 (a)(i)                            | 5,165,000           | 5,273,346          |
| Tallgrass Energy Partners LP (a)                      |                     |                    |
| 5.50%, due 1/15/28                                    | 4,000,000           | 3,797,686          |
| 6.00%, due 3/1/27                                     | 6,000,000           | 5,844,425          |
| 7.375%, due 2/15/29                                   | 8,230,000           | 8,239,028          |
| TransMontaigne Partners LP                            |                     |                    |
| 6.125%, due 2/15/26                                   | 4,600,000           | 4,381,500          |
| Venture Global LNG, Inc. (a)                          |                     |                    |
| 8.125%, due 6/1/28                                    | 9,580,000           | 9,795,243          |
| 9.50%, due 2/1/29                                     | 3,000,000           | 3,224,586          |
| Western Midstream Operating LP                        |                     |                    |
| 4.65%, due 7/1/26                                     | 4,315,000           | 4,214,751          |
|   |                     | <u>133,500,430</u> |
| <b>Real Estate Investment Trusts 2.7%</b>             |                     |                    |
| GLP Capital LP  |                     |                    |
| 5.25%, due 6/1/25                                     | 2,500,000           | 2,476,796          |
| 5.375%, due 4/15/26                                   | 700,000             | 691,066            |
| Iron Mountain, Inc.                                   |                     |                    |
| 4.875%, due 9/15/27 (a)                               | 5,000,000           | 4,771,622          |
| MPT Operating Partnership LP                          |                     |                    |
| 5.00%, due 10/15/27                                   | 11,000,000          | 8,997,560          |
| 5.25%, due 8/1/26                                     | 9,155,000           | 8,338,572          |
| RHP Hotel Properties LP                               |                     |                    |
| 4.50%, due 2/15/29 (a)                                | 1,500,000           | 1,379,739          |
| 4.75%, due 10/15/27                                   | 16,300,000          | 15,490,489         |
| 7.25%, due 7/15/28 (a)                                | 2,220,000           | 2,254,417          |

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

# Portfolio of Investments April 30, 2024<sup>†</sup> (Unaudited) (continued)

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>Corporate Bonds (continued)</b>               |                     |                   |
| <b>Real Estate Investment Trusts (continued)</b> |                     |                   |
| SBA Communications Corp.                         |                     |                   |
| 3.875%, due 2/15/27                              | \$ 2,000,000        | \$ 1,879,594      |
| VICI Properties LP (a)                           |                     |                   |
| 3.50%, due 2/15/25                               | 9,615,000           | 9,422,770         |
| 4.625%, due 6/15/25                              | 2,985,000           | 2,936,807         |
| Vornado Realty LP                                |                     |                   |
| 3.50%, due 1/15/25                               | 2,500,000           | <u>2,447,878</u>  |
|  |                     | <u>61,087,310</u> |
| <b>Retail 3.9%</b>                               |                     |                   |
| 1011778 B.C. Unlimited Liability Co.             |                     |                   |
| 3.875%, due 1/15/28 (a)                          | 12,300,000          | 11,346,913        |
| Asbury Automotive Group, Inc.                    |                     |                   |
| 4.50%, due 3/1/28                                | 13,905,000          | 13,043,779        |
| CEC Entertainment LLC                            |                     |                   |
| 6.75%, due 5/1/26 (a)                            | 3,830,000           | 3,775,876         |
| Dave & Buster's, Inc.                            |                     |                   |
| 7.625%, due 11/1/25 (a)                          | 2,160,000           | 2,173,995         |
| Group 1 Automotive, Inc.                         |                     |                   |
| 4.00%, due 8/15/28 (a)                           | 2,000,000           | 1,818,892         |
| Ken Garff Automotive LLC                         |                     |                   |
| 4.875%, due 9/15/28 (a)                          | 7,500,000           | 6,928,914         |
| KFC Holding Co.                                  |                     |                   |
| 4.75%, due 6/1/27 (a)                            | 9,157,000           | 8,838,008         |
| Murphy Oil USA, Inc.                             |                     |                   |
| 5.625%, due 5/1/27                               | 5,670,000           | 5,594,485         |
| NMG Holding Co., Inc.                            |                     |                   |
| 7.125%, due 4/1/26 (a)                           | 22,478,000          | 22,373,737        |
| Patrick Industries, Inc.                         |                     |                   |
| 7.50%, due 10/15/27 (a)                          | 3,547,000           | 3,589,053         |
| PetSmart, Inc. (a)                               |                     |                   |
| 4.75%, due 2/15/28                               | 6,445,000           | 5,947,759         |
| 7.75%, due 2/15/29                               | 2,500,000           | <u>2,376,210</u>  |
|  |                     | <u>87,807,621</u> |
| <b>Software 2.9%</b>                             |                     |                   |
| ACI Worldwide, Inc.                              |                     |                   |
| 5.75%, due 8/15/26 (a)                           | 3,500,000           | 3,482,441         |
| Camelot Finance SA                               |                     |                   |
| 4.50%, due 11/1/26 (a)                           | 17,420,000          | 16,590,122        |
| Central Parent LLC                               |                     |                   |
| 8.00%, due 6/15/29 (a)                           | 3,500,000           | 3,600,821         |
| Clarivate Science Holdings Corp.                 |                     |                   |
| 3.875%, due 7/1/28 (a)                           | 4,000,000           | 3,642,418         |
| Open Text Corp. (a)                              |                     |                   |
| 3.875%, due 2/15/28                              | 5,725,000           | 5,225,811         |
| 6.90%, due 12/1/27                               | 2,850,000           | 2,910,067         |

|   | Principal<br>Amount | Value                |
|---|---------------------|----------------------|
| <b>Software (continued)</b>                       |                     |                      |
| PTC, Inc. (a)                                     |                     |                      |
| 3.625%, due 2/15/25                               | \$ 10,320,000       | \$ 10,107,735        |
| 4.00%, due 2/15/28                                | 4,600,000           | 4,261,523            |
| SS&C Technologies, Inc.                           |                     |                      |
| 5.50%, due 9/30/27 (a)                            | 11,500,000          | 11,178,208           |
| Veritas US, Inc.                                  |                     |                      |
| 7.50%, due 9/1/25 (a)                             | 6,000,000           | <u>5,458,611</u>     |
|   |                     | <u>66,457,757</u>    |
| <b>Telecommunications 2.2%</b>                    |                     |                      |
| Connect Finco SARL                                |                     |                      |
| 6.75%, due 10/1/26 (a)                            | 7,170,000           | 6,944,057            |
| Frontier Communications<br>Holdings LLC (a)       |                     |                      |
| 5.00%, due 5/1/28                                 | 4,250,000           | 3,909,950            |
| 5.875%, due 10/15/27                              | 6,750,000           | 6,474,320            |
| Sprint LLC  |                     |                      |
| 7.625%, due 2/15/25                               | 1,400,000           | 1,410,422            |
| T-Mobile USA, Inc.                                |                     |                      |
| 2.25%, due 2/15/26                                | 24,000,000          | 22,626,866           |
| 4.75%, due 2/1/28                                 | 7,555,000           | 7,354,130            |
| 5.375%, due 4/15/27                               | 570,000             | 571,123              |
| Viasat, Inc.                                      |                     |                      |
| 5.625%, due 9/15/25 (a)                           | 1,525,000           | <u>1,465,153</u>     |
|   |                     | <u>50,756,021</u>    |
| <b>Toys, Games &amp; Hobbies 0.4%</b>             |                     |                      |
| Mattel, Inc. (a)                                  |                     |                      |
| 3.375%, due 4/1/26                                | 5,469,000           | 5,207,399            |
| 5.875%, due 12/15/27                              | 4,265,000           | <u>4,241,183</u>     |
|   |                     | <u>9,448,582</u>     |
| <b>Transportation 0.5%</b>                        |                     |                      |
| RXO, Inc.   |                     |                      |
| 7.50%, due 11/15/27 (a)                           | 1,500,000           | 1,519,635            |
| Watco Cos. LLC                                    |                     |                      |
| 6.50%, due 6/15/27 (a)                            | 11,055,000          | <u>10,898,992</u>    |
|   |                     | <u>12,418,627</u>    |
| Total Corporate Bonds<br>(Cost \$1,726,575,633)   |                     | <u>1,719,266,513</u> |
| <b>Loan Assignments 17.1%</b>                     |                     |                      |
| <b>Aerospace &amp; Defense 0.9%</b>               |                     |                      |
| Chromalloy Corp.                                  |                     |                      |
| Term Loan   |                     |                      |
| 9.058% (3 Month SOFR + 3.75%),<br>due 3/27/31 (d) | 13,300,000          | 13,360,954           |

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>Loan Assignments (continued)</b>   |                     |                   |
| <b>Aerospace &amp; Defense (continued)</b>  |                     |                   |
| SkyMiles IP Ltd.  |                     |                   |
| Initial Term Loan   |                     |                   |
| 9.075% (3 Month SOFR + 3.75%),<br>due 10/20/27 (d)                                      | \$ 1,931,739        | \$ 1,990,094      |
| TransDigm, Inc.   |                     |                   |
| Tranche Term Loan J   |                     |                   |
| 8.559% (3 Month SOFR + 3.25%),<br>due 2/28/31 (d)                                       | 4,488,750           | <u>4,513,137</u>  |
|   |                     | <u>19,864,185</u> |
| <b>Automobile 0.3%</b>  |                     |                   |
| Dealer Tire Financial LLC   |                     |                   |
| Term Loan B3  |                     |                   |
| 9.066% (1 Month SOFR + 3.75%),<br>due 12/14/27 (d)                                      | 3,456,337           | 3,473,619         |
| Tenneco, Inc.   |                     |                   |
| First Lien Term Loan B 10.169% - 10.402%<br>(3 Month SOFR + 5.00%), due<br>11/17/28 (d) | 3,850,000           | <u>3,764,819</u>  |
|   |                     | <u>7,238,438</u>  |
| <b>Banking 0.3%</b>   |                     |                   |
| Jane Street Group LLC   |                     |                   |
| 2024 Repricing Term Loan  |                     |                   |
| 7.93% (1 Month SOFR + 2.50%),<br>due 1/26/28 (d)  | 6,526,461           | <u>6,527,818</u>  |
| <b>Beverage, Food &amp; Tobacco 0.4%</b>  |                     |                   |
| B&G Foods, Inc.   |                     |                   |
| Tranche Term Loan B4  |                     |                   |
| 7.818% (1 Month SOFR + 2.50%),<br>due 10/10/26 (d)                                      | 2,495,163           | 2,490,909         |
| United Natural Foods, Inc.  |                     |                   |
| Initial Term Loan   |                     |                   |
| 8.68% (1 Month SOFR + 3.25%),<br>due 10/22/25 (d)                                       | 3,530,054           | 3,490,341         |
| Term Loan   |                     |                   |
| 10.079%, due 4/25/31  | 4,000,000           | <u>3,950,000</u>  |
|   |                     | <u>9,931,250</u>  |
| <b>Buildings &amp; Real Estate 0.2%</b>   |                     |                   |
| GEO Group, Inc. (The)   |                     |                   |
| Term Loan   |                     |                   |
| 10.569% (1 Month SOFR +<br>5.25%), due 4/4/29 (d)                                       | 4,400,000           | <u>4,451,335</u>  |

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>Capital Equipment 0.3%</b>                      |                     |                   |
| DexKo Global, Inc.                                 |                     |                   |
| First Lien 2023 Incremental Term Loan              |                     |                   |
| 9.559% (3 Month SOFR + 4.25%),<br>due 10/4/28 (d)  | \$ 2,493,750        | \$ 2,488,294      |
| TK Elevator Midco GmbH                             |                     |                   |
| USD Facility Term Loan B2                          |                     |                   |
| 8.791% (6 Month SOFR + 3.50%),<br>due 4/30/30 (d)  | 4,987,500           | <u>5,002,876</u>  |
|  |                     | <u>7,491,170</u>  |
| <b>Cargo Transport 0.4%</b>                        |                     |                   |
| Genesee & Wyoming, Inc.                            |                     |                   |
| Initial Term Loan                                  |                     |                   |
| 7.301% (3 Month SOFR + 2.00%),<br>due 4/10/31 (d)  | 3,000,000           | 2,999,064         |
| GN Loanco LLC                                      |                     |                   |
| Term Loan B  |                     |                   |
| 9.816% (1 Month SOFR + 4.50%),<br>due 12/19/30 (d) | 5,201,778           | <u>5,083,115</u>  |
|  |                     | <u>8,082,179</u>  |
| <b>Chemicals, Plastics &amp; Rubber 1.4%</b>       |                     |                   |
| Innophos Holdings, Inc.                            |                     |                   |
| Initial Term Loan                                  |                     |                   |
| 8.93% (1 Month SOFR + 3.50%),<br>due 2/5/27 (d)    | 8,081,674           | 8,069,051         |
| Jazz Pharmaceuticals plc                           |                     |                   |
| Additional Dollar Tranche Term Loan B1             |                     |                   |
| 8.43% (1 Month SOFR + 3.00%),<br>due 5/5/28 (d)    | 16,332,200          | 16,422,942        |
| SCIH Salt Holdings, Inc.                           |                     |                   |
| First Lien Incremental Term Loan B1                |                     |                   |
| 9.442% (1 Month SOFR + 4.00%),<br>due 3/16/27 (d)  | 7,409,411           | <u>7,414,701</u>  |
|  |                     | <u>31,906,694</u> |
| <b>Electronics 1.0%</b>                            |                     |                   |
| Camelot U.S. Acquisition LLC                       |                     |                   |
| Amendment No. 6 Refinancing Term Loan              |                     |                   |
| 8.066% (1 Month SOFR + 2.75%),<br>due 1/31/31 (d)  | 11,223,659          | 11,234,882        |
| Proofpoint, Inc.                                   |                     |                   |
| First Lien Initial Term Loan                       |                     |                   |
| 8.68% (1 Month SOFR + 3.25%),<br>due 8/31/28 (d)   | 2,244,260           | 2,251,554         |
| Vertiv Group Corp.                                 |                     |                   |
| Term Loan B1                                       |                     |                   |
| 7.943% (1 Month SOFR + 2.50%),<br>due 3/2/27 (d)   | 2,487,500           | 2,494,652         |

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

# Portfolio of Investments April 30, 2024<sup>†</sup> (Unaudited) (continued)

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>Loan Assignments (continued)</b>                |                     |                   |
| <b>Electronics (continued)</b>                     |                     |                   |
| VS Buyer LLC                                       |                     |                   |
| 2024 Refinancing Initial Term Loan                 |                     |                   |
| 8.569% (1 Month SOFR + 3.25%),<br>due 4/12/31 (d)  | \$ 2,000,000        | \$ 2,005,000      |
| WEX, Inc.  |                     |                   |
| Term Loan B1                                       |                     |                   |
| 7.316% (1 Month SOFR + 2.00%),<br>due 3/31/28 (d)  | 4,932,303           | <u>4,940,782</u>  |
|  |                     | <u>22,926,870</u> |
| <b>Energy (Electricity) 0.6%</b>                   |                     |                   |
| Talen Energy Supply LLC (d)                        |                     |                   |
| Initial Term Loan B                                |                     |                   |
| 9.826% (3 Month SOFR + 4.50%),<br>due 5/17/30      | 7,774,521           | 7,784,239         |
| Initial Term Loan C                                |                     |                   |
| 9.826% (3 Month SOFR + 4.50%),<br>due 5/17/30      | 4,820,856           | <u>4,826,882</u>  |
|  |                     | <u>12,611,121</u> |
| <b>Entertainment 0.2%</b>                          |                     |                   |
| ECL Entertainment LLC                              |                     |                   |
| Term Loan B  |                     |                   |
| 10.066% (1 Month SOFR +<br>4.75%), due 9/3/30 (d)  | 2,487,500           | 2,491,386         |
| NAI Entertainment Holdings LLC                     |                     |                   |
| Tranche Term Loan B                                |                     |                   |
| 10.945% (1 Month SOFR +<br>3.00%), due 5/8/25 (d)  | 2,486,624           | <u>2,472,326</u>  |
|  |                     | <u>4,963,712</u>  |
| <b>Finance 1.1%</b>                                |                     |                   |
| Aretec Group, Inc.                                 |                     |                   |
| Term Loan B1                                       |                     |                   |
| 9.916% (1 Month SOFR + 4.50%),<br>due 8/9/30 (d)   | 1,989,975           | 1,998,930         |
| First Eagle Holdings, Inc.                         |                     |                   |
| 2020 Refinancing Term Loan                         |                     |                   |
| 7.802% (3 Month SOFR + 2.50%),<br>due 2/1/27 (d)   | 1,189,639           | 1,187,302         |
| Mativ Holdings, Inc.                               |                     |                   |
| Term Loan B  |                     |                   |
| 9.18% (1 Month SOFR + 3.75%),<br>due 4/20/28 (d)   | 1,448,926           | 1,445,303         |
| Mileage Plus Holdings LLC                          |                     |                   |
| Initial Term Loan                                  |                     |                   |
| 10.733% (3 Month SOFR +<br>5.25%), due 6/21/27 (d) | 1,625,000           | 1,666,077         |

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>Finance (continued)</b>                          |                     |                   |
| Osaic Holdings, Inc.                                |                     |                   |
| Term Loan   |                     |                   |
| 9.323% (1 Month LIBOR +<br>4.00%), due 8/17/28      | 2,050,000           | \$ 2,058,786      |
| Term Loan B2  |                     |                   |
| 9.816% (1 Month SOFR + 4.50%),<br>due 8/17/28 (d)   | \$ 2,394,000        | 2,404,972         |
| RealTruck Group, Inc. (d)                           |                     |                   |
| Initial Term Loan                                   |                     |                   |
| 8.93% (1 Month SOFR + 3.50%),<br>due 1/31/28        | 8,679,510           | 8,598,912         |
| Second Amendment Incremental Term Loan              |                     |                   |
| 10.43% (1 Month SOFR + 5.00%),<br>due 1/31/28       | 5,000,000           | <u>4,966,665</u>  |
|   |                     | <u>24,326,947</u> |
| <b>Healthcare &amp; Pharmaceuticals 0.3%</b>        |                     |                   |
| Bausch & Lomb Corp.                                 |                     |                   |
| First Incremental Term Loan                         |                     |                   |
| 9.316% (1 Month SOFR + 4.00%),<br>due 9/29/28 (d)   | 2,686,500           | 2,691,537         |
| Owens & Minor, Inc.                                 |                     |                   |
| Term Loan B1  |                     |                   |
| 9.166% (1 Month SOFR + 3.75%),<br>due 3/29/29 (d)   | 3,178,917           | <u>3,195,803</u>  |
|   |                     | <u>5,887,340</u>  |
| <b>Healthcare, Education &amp; Childcare 1.6%</b>   |                     |                   |
| Endo Luxembourg Finance Co. SARL                    |                     |                   |
| Term Loan B   |                     |                   |
| 9.826%, due 4/9/31                                  | 13,650,000          | 13,603,071        |
| LifePoint Health, Inc.                              |                     |                   |
| First Lien 2024 Refinancing Term Loan               |                     |                   |
| 10.056% (3 Month SOFR +<br>4.75%), due 11/16/28 (d) | 15,960,000          | 16,013,195        |
| Organon & Co.                                       |                     |                   |
| Dollar Term Loan                                    |                     |                   |
| 8.433% (1 Month SOFR + 3.00%),<br>due 6/2/28 (d)    | 7,627,500           | <u>7,656,103</u>  |
|   |                     | <u>37,272,369</u> |
| <b>High Tech Industries 0.5%</b>                    |                     |                   |
| Central Parent LLC                                  |                     |                   |
| First Lien 2023 Refinancing Term Loan               |                     |                   |
| 9.309% (3 Month SOFR + 4.00%),<br>due 7/6/29 (d)    | 1,989,975           | 1,996,864         |

|   | Principal<br>Amount | Value               |
|---|---------------------|---------------------|
| <b>Loan Assignments (continued)</b>                                 |                     |                     |
| <b>High Tech Industries (continued)</b>                             |                     |                     |
| Open Text Corp.   |                     |                     |
| 2023 Replacement Term Loan  |                     |                     |
| 8.166% (1 Month SOFR + 2.75%),<br>due 1/31/30 (d)                   | \$ 9,315,315        | <u>\$ 9,340,056</u> |
|   |                     | <u>11,336,920</u>   |
| <b>Hotel, Gaming &amp; Leisure 0.1%</b>                             |                     |                     |
| Motion Acquisition Ltd.   |                     |                     |
| USD Facility Term Loan B  |                     |                     |
| 9.071% (3 Month SOFR + 3.50%),<br>due 11/12/29 (d)                  | 2,900,000           | <u>2,894,925</u>    |
| <b>Hotels, Motels, Inns &amp; Gaming 0.5%</b>                       |                     |                     |
| Caesars Entertainment, Inc.   |                     |                     |
| Incremental Term Loan B1  |                     |                     |
| 8.066% (1 Month SOFR + 2.75%),<br>due 2/6/31 (d)                    | 6,200,000           | 6,201,289           |
| Four Seasons Holdings, Inc.   |                     |                     |
| First Lien 2024 Repricing Term Loan                                 |                     |                     |
| 7.316% (1 Month SOFR + 2.00%),<br>due 11/30/29 (d)                  | 5,262,213           | <u>5,259,582</u>    |
|   |                     | <u>11,460,871</u>   |
| <b>Insurance 0.2%</b>   |                     |                     |
| USI, Inc.   |                     |                     |
| 2023 Term Loan B  |                     |                     |
| 8.302% (3 Month SOFR + 3.00%),<br>due 11/22/29 (d)                  | 4,617,706           | <u>4,626,364</u>    |
| <b>Leisure, Amusement, Motion Pictures &amp; Entertainment 0.2%</b> |                     |                     |
| Carnival Corp.  |                     |                     |
| 2024 Repricing Advance Term Loan                                    |                     |                     |
| 8.067% (1 Month LIBOR +<br>2.75%), due 8/8/27                       | 4,405,123           | 4,427,148           |
| NASCAR Holdings LLC   |                     |                     |
| Initial Term Loan   |                     |                     |
| 7.93% (1 Month SOFR + 2.50%),<br>due 10/19/26 (d)                   | \$ 898,957          | <u>903,452</u>      |
|   |                     | <u>5,330,600</u>    |
| <b>Manufacturing 0.7%</b>   |                     |                     |
| Adient U.S. LLC   |                     |                     |
| Term Loan B2  |                     |                     |
| 8.066% (1 Month SOFR + 2.75%),<br>due 1/31/31 (d)                   | 6,032,500           | 6,052,293           |

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>Manufacturing (continued)</b>                          |                     |                   |
| Chart Industries, Inc.                                    |                     |                   |
| Amendment No. 5 Term Loan                                 |                     |                   |
| 8.673% (1 Month SOFR + 3.25%),<br>due 3/15/30 (d)         | \$ 5,467,197        | \$ 5,480,865      |
| Summit Materials LLC                                      |                     |                   |
| Term Loan B2  |                     |                   |
| 7.799% (3 Month SOFR + 2.50%),<br>due 1/12/29 (d)         | 4,250,000           | <u>4,276,562</u>  |
|   |                     | <u>15,809,720</u> |
| <b>Media 1.3%</b>   |                     |                   |
| Block Communications, Inc.                                |                     |                   |
| Term Loan   |                     |                   |
| 7.814% (3 Month SOFR + 2.25%),<br>due 2/25/27 (d)         | 11,280,000          | 10,904,004        |
| DIRECTV Financing LLC                                     |                     |                   |
| 2024 Refinancing Term Loan B                              |                     |                   |
| 10.68% (1 Month SOFR + 5.25%),<br>due 8/2/29 (d)          | 12,643,769          | 12,643,769        |
| Lamar Media Corp.   |                     |                   |
| Term Loan B   |                     |                   |
| 6.916% (1 Month SOFR + 1.50%),<br>due 2/5/27 (d)          | 5,000,000           | <u>4,985,715</u>  |
|   |                     | <u>28,533,488</u> |
| <b>Mining, Steel, Iron &amp; Non-Precious Metals 0.3%</b> |                     |                   |
| American Rock Salt Co. LLC                                |                     |                   |
| First Lien Initial Term Loan                              |                     |                   |
| 9.43% (1 Month SOFR + 4.00%),<br>due 6/9/28 (d)           | 4,297,903           | 3,807,224         |
| Gates Global LLC  |                     |                   |
| Initial Dollar Term Loan B3                               |                     |                   |
| 7.916% (1 Month SOFR + 2.50%),<br>due 3/31/27 (d)         | 2,732,518           | <u>2,738,443</u>  |
|   |                     | <u>6,545,667</u>  |
| <b>Oil &amp; Gas 1.1%</b>                                 |                     |                   |
| GIP III Stetson I LP                                      |                     |                   |
| 2023 Initial Term Loan                                    |                     |                   |
| 9.666% (1 Month SOFR + 4.25%),<br>due 10/31/28 (d)        | 4,193,059           | 4,203,542         |
| GIP Pilot Acquisition Partners LP                         |                     |                   |
| Initial Term Loan   |                     |                   |
| 8.308% (3 Month SOFR + 3.00%),<br>due 10/4/30 (d)         | 5,137,125           | 5,154,786         |
| New Fortress Energy, Inc.                                 |                     |                   |
| Initial Term Loan   |                     |                   |
| 10.33% (3 Month SOFR + 5.00%),<br>due 10/30/28 (d)        | 4,688,250           | 4,706,670         |

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

# Portfolio of Investments April 30, 2024<sup>†</sup> (Unaudited) (continued)

|   | Principal<br>Amount | Value             |
|---|---------------------|-------------------|
| <b>Loan Assignments (continued)</b>                                   |                     |                   |
| <b>Oil &amp; Gas (continued)</b>                                      |                     |                   |
| NGL Energy Operating LLC  |                     |                   |
| Initial Term Loan   |                     |                   |
| 9.816% (1 Month SOFR + 4.50%),<br>due 2/3/31 (d)                      | \$ 2,850,000        | \$ 2,859,975      |
| PetroQuest Energy LLC (b)(f)  |                     |                   |
| Term Loan   |                     |                   |
| 15.00% (15.00% PIK), due<br>11/8/25 (c)                               | 4,497,757           | 2,158,923         |
| 2020 Term Loan  |                     |                   |
| 15.00% (15.00% PIK) (3 Month<br>LIBOR + 6.50%), due<br>9/19/26 (c)(d) | 292,416             | 292,416           |
| Term Loan   |                     |                   |
| 15.00% (3 Month LIBOR +<br>6.50%), due 1/1/28 (d)                     | 381,165             | 381,165           |
| Prairie Acquiror LP   |                     |                   |
| Initial Term Loan B2  |                     |                   |
| 10.066% (1 Month SOFR +<br>4.75%), due 8/1/29 (d)                     | 3,000,000           | 3,001,875         |
| TransMontaigne Operating Co. LP                                       |                     |                   |
| Tranche Term Loan B   |                     |                   |
| 8.93% (1 Month SOFR + 3.50%),<br>due 11/17/28 (d)                     | 2,932,500           | <u>2,933,723</u>  |
|   |                     | <u>25,693,075</u> |
| <b>Personal, Food &amp; Miscellaneous Services 0.4%</b>               |                     |                   |
| 1011778 B.C. Unlimited Liability Co.                                  |                     |                   |
| Term Loan B5  |                     |                   |
| 7.566% (1 Month SOFR + 2.25%),<br>due 9/20/30 (d)                     | 3,491,250           | 3,491,250         |
| KFC Holding Co.   |                     |                   |
| 2021 Term Loan B  |                     |                   |
| 7.183% (1 Month SOFR + 1.75%),<br>due 3/15/28 (d)                     | 2,559,045           | 2,555,447         |
| WW International, Inc.  |                     |                   |
| Initial Term Loan   |                     |                   |
| 8.93% (1 Month SOFR + 3.50%),<br>due 4/13/28 (d)                      | 5,043,625           | <u>2,272,784</u>  |
|   |                     | <u>8,319,481</u>  |
| <b>Retail 1.4%</b>  |                     |                   |
| Great Outdoors Group LLC  |                     |                   |
| Term Loan B2  |                     |                   |
| 9.18% (1 Month SOFR + 3.75%),<br>due 3/6/28 (d)                       | 31,935,840          | <u>31,903,904</u> |

|  | Principal<br>Amount | Value             |
|--|---------------------|-------------------|
| <b>Services: Business 0.4%</b>   |                     |                   |
| Brown Group Holdings LLC   |                     |                   |
| Facility Incremental Term Loan B2 8.316% - 8.343%<br>(1 Month SOFR + 3.00%, 3 Month<br>SOFR + 3.00%), due 7/2/29 (d) |                     |                   |
|  | \$ 2,000,000        | \$ 2,001,250      |
| Dun & Bradstreet Corp.   |                     |                   |
| 2024 Incremental Term Loan B2<br>8.068% (1 Month SOFR + 2.75%),<br>due 1/18/29 (d)                                   |                     |                   |
|  | 2,785,237           | 2,790,025         |
| GIP II Blue Holding LP   |                     |                   |
| Initial Term Loan  |                     |                   |
| 9.066% (1 Month SOFR + 3.75%),<br>due 9/29/28 (d)  | 5,489,960           | <u>5,516,427</u>  |
|  |                     | <u>10,307,702</u> |
| <b>Software 0.5%</b>   |                     |                   |
| Cloud Software Group, Inc.   |                     |                   |
| First Lien Dollar Term Loan B<br>9.909% (3 Month SOFR + 4.50%),<br>due 3/30/29 (d)                                   |                     |                   |
|  | 7,863,597           | 7,856,221         |
| UKG, Inc.  |                     |                   |
| First Lien 2024 Refinancing Term Loan<br>8.814% (3 Month SOFR + 3.50%),<br>due 2/10/31 (d)                           |                     |                   |
|  | 2,500,000           | <u>2,510,698</u>  |
|  |                     | <u>10,366,919</u> |
| <b>Telecommunications 0.2%</b>   |                     |                   |
| Connect Finco Sarl   |                     |                   |
| Amendment No. 4 Term Loan<br>9.816% (1 Month SOFR + 4.50%),<br>due 9/27/29 (d)                                       |                     |                   |
|  | 2,523,518           | 2,449,915         |
| CSC Holdings LLC   |                     |                   |
| 2022 Refinancing Term Loan<br>9.821% (1 Month SOFR + 4.50%),<br>due 1/18/28 (d)                                      |                     |                   |
|  | 2,000,000           | <u>1,927,084</u>  |
|  |                     | <u>4,376,999</u>  |
| <b>Utilities 0.3%</b>  |                     |                   |
| Constellation Renewables LLC   |                     |                   |
| Term Loan<br>8.105% (3 Month SOFR + 2.50%),<br>due 12/15/27 (d)  |                     |                   |
|  | 2,609,840           | 2,607,392         |

|   | Principal<br>Amount | Value                |
|---|---------------------|----------------------|
| <b>Loan Assignments (continued)</b>               |                     |                      |
| <b>Utilities (continued)</b>                      |                     |                      |
| PG&E Corp.  |                     |                      |
| Term Loan   |                     |                      |
| 7.816% (1 Month SOFR + 2.50%),<br>due 6/23/27 (d) | \$ 3,250,000        | \$ 3,253,048         |
|   |                     | <u>5,860,440</u>     |
| Total Loan Assignments<br>(Cost \$386,882,650)    |                     | <u>386,848,503</u>   |
| Total Long-Term Bonds<br>(Cost \$2,129,580,112)   |                     | <u>2,124,889,737</u> |

|   | Shares  |                   |
|---|---------|-------------------|
| <b>Common Stocks 0.7%</b>   |         |                   |
| <b>Capital Markets 0.1%</b>   |         |                   |
| Ares Capital Corp.  | 73,313  | <u>1,510,981</u>  |
| <b>Electrical Equipment 0.0% ‡</b>                                  |         |                   |
| Energy Technologies, Inc. (b)(f)(j)                                 | 2,021   | <u>656,825</u>    |
| <b>Energy Equipment &amp; Services 0.0% ‡</b>                       |         |                   |
| Nine Energy Service, Inc. (j)                                       | 18,072  | <u>39,036</u>     |
| <b>Independent Power and Renewable Electricity Producers 0.0% ‡</b> |         |                   |
| GenOn Energy, Inc. (h)  | 20,915  | <u>449,672</u>    |
| <b>Oil, Gas &amp; Consumable Fuels 0.3%</b>                         |         |                   |
| Gulfport Energy Corp. (j)   | 37,023  | 5,875,920         |
| PetroQuest Energy, Inc. (b)(f)(j)                                   | 11,867  | —                 |
| Talos Energy, Inc. (j)  | 71,517  | <u>942,594</u>    |
|   |         | <u>6,818,514</u>  |
| <b>Pharmaceuticals 0.2%</b>   |         |                   |
| Endo Finance Holdings, Inc. (j)                                     | 2,078   | 58,575            |
| Endo, Inc. (j)  | 182,691 | <u>5,149,694</u>  |
|   |         | <u>5,208,269</u>  |
| <b>Wireless Telecommunication Services 0.1%</b>                     |         |                   |
| Vodafone Group plc, Sponsored ADR                                   | 94,870  | <u>797,857</u>    |
| Total Common Stocks<br>(Cost \$14,615,727)                          |         | <u>15,481,154</u> |

|   | Shares        | Value                   |
|---|---------------|-------------------------|
| <b>Preferred Stock 0.2%</b>                 |               |                         |
| <b>Electrical Equipment 0.2%</b>            |               |                         |
| Energy Technologies Ltd. (b)(f)(j)          |               |                         |
|   | 4,501         | \$ 4,050,900            |
| Total Preferred Stock<br>(Cost \$4,295,472) |               | <u>4,050,900</u>        |
| Total Investments<br>(Cost \$2,148,491,311) | 94.6%         | 2,144,421,791           |
| Other Assets, Less Liabilities              | 5.4           | <u>122,949,578</u>      |
| Net Assets                                  | <u>100.0%</u> | <u>\$ 2,267,371,369</u> |

† Percentages indicated are based on Fund net assets.

^ Industry classifications may be different than those used for compliance monitoring purposes.

‡ Less than one-tenth of a percent.

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

(b) Illiquid security—As of April 30, 2024, the total market value deemed illiquid under procedures approved by the Board of Trustees was \$13,377,630, which represented 0.6% of the Fund's net assets.

(c) PIK ("Payment-in-Kind")—issuer may pay interest or dividends with additional securities and/or in cash.

(d) Floating rate—Rate shown was the rate in effect as of April 30, 2024.

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

(f) Security in which significant unobservable inputs (Level 3) were used in determining fair value.

(g) Issue in non-accrual status.

(h) Restricted security. (See Note 5)

(i) Step coupon—Rate shown was the rate in effect as of April 30, 2024.

(j) Non-income producing security.

Abbreviation(s):

ADR—American Depositary Receipt

LIBOR—London Interbank Offered Rate

SOFR—Secured Overnight Financing Rate

USD—United States Dollar

# Portfolio of Investments April 30, 2024<sup>†</sup>(Unaudited) (continued)

The following is a summary of the fair valuations according to the inputs used as of April 30, 2024, for valuing the Fund's assets:

| Description                     | Quoted<br>Prices in<br>Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total                   |
|---------------------------------|--|---|--|-------------------------|
| <b>Asset Valuation Inputs</b>   |  |   |  |                         |
| Investments in Securities (a)   |  |   |  |                         |
| Long-Term Bonds                 |  |   |  |                         |
| Convertible Bonds               | \$ —   | \$ 18,774,721   | \$ —   | \$ 18,774,721           |
| Corporate Bonds                 | —  | 1,716,478,613   | 2,787,900  | 1,719,266,513           |
| Loan Assignments                | —  | 384,015,999   | 2,832,504  | 386,848,503             |
| Total Long-Term Bonds           | —  | <u>2,119,269,333</u>                                      | <u>5,620,404</u>                                   | <u>2,124,889,737</u>    |
| Common Stocks                   | 14,374,657   | 449,672   | 656,825  | 15,481,154              |
| Preferred Stock                 | —  | —   | 4,050,900  | 4,050,900               |
| Total Investments in Securities | <u>\$ 14,374,657</u>   | <u>\$ 2,119,719,005</u>                                   | <u>\$ 10,328,129</u>                               | <u>\$ 2,144,421,791</u> |

(a) For a complete listing of investments and their industries, see the Portfolio of Investments.

# Statement of Assets and Liabilities as of April 30, 2024 (Unaudited)

## Assets

|   |                      |
|---|----------------------|
| Investment in securities, at value<br>(identified cost \$2,148,491,311) | \$2,144,421,791      |
| Cash  | 138,118,047          |
| Due from custodian  | 708,858              |
| Receivables:  |                      |
| Interest  | 29,143,095           |
| Fund shares sold  | 15,594,670           |
| Other assets  | <u>637,365</u>       |
| Total assets  | <u>2,328,623,826</u> |

## Liabilities

|                                  |                        |
|----------------------------------|------------------------|
| Payables:                        |                        |
| Investment securities purchased  | 51,539,290             |
| Fund shares redeemed             | 6,583,117              |
| Manager (See Note 3)             | 1,163,395              |
| Transfer agent (See Note 3)      | 443,927                |
| NYLIFE Distributors (See Note 3) | 111,766                |
| Professional fees                | 49,502                 |
| Custodian                        | 21,714                 |
| Accrued expenses                 | 1,518                  |
| Distributions payable            | <u>1,338,228</u>       |
| Total liabilities                | <u>61,252,457</u>      |
| Net assets                       | <u>\$2,267,371,369</u> |

## Composition of Net Assets

|   |                        |
|---|------------------------|
| Shares of beneficial interest outstanding (par value of \$.001 per share) unlimited number of shares authorized | \$ 240,259             |
| Additional paid-in-capital  | <u>2,349,804,737</u>   |
|   | 2,350,044,996          |
| Total distributable earnings (loss)   | <u>(82,673,627)</u>    |
| Net assets  | <u>\$2,267,371,369</u> |

## Class A

|  |                       |
|--|-----------------------|
| Net assets applicable to outstanding shares    | <u>\$ 383,579,784</u> |
| Shares of beneficial interest outstanding      | <u>40,650,730</u>     |
| Net asset value per share outstanding          | \$ 9.44               |
| Maximum sales charge (3.00% of offering price) | <u>0.29</u>           |
| Maximum offering price per share outstanding   | <u>\$ 9.73</u>        |

## Investor Class

|  |                     |
|--|---------------------|
| Net assets applicable to outstanding shares    | <u>\$ 5,225,043</u> |
| Shares of beneficial interest outstanding      | <u>553,651</u>      |
| Net asset value per share outstanding          | \$ 9.44             |
| Maximum sales charge (2.50% of offering price) | <u>0.24</u>         |
| Maximum offering price per share outstanding   | <u>\$ 9.68</u>      |

## Class C

|  |                      |
|--|----------------------|
| Net assets applicable to outstanding shares              | <u>\$ 39,990,523</u> |
| Shares of beneficial interest outstanding                | <u>4,239,769</u>     |
| Net asset value and offering price per share outstanding | <u>\$ 9.43</u>       |

## Class I

|  |                        |
|--|------------------------|
| Net assets applicable to outstanding shares              | <u>\$1,838,576,019</u> |
| Shares of beneficial interest outstanding                | <u>194,815,101</u>     |
| Net asset value and offering price per share outstanding | <u>\$ 9.44</u>         |

# Statement of Operations for the six months ended April 30, 2024 (Unaudited)

## Investment Income (Loss)

### Income

|              |                   |
|--------------|-------------------|
| Interest     | \$ 72,073,723     |
| Dividends    | <u>1,597,452</u>  |
| Total income | <u>73,671,175</u> |

### Expenses

|   |                   |
|---|-------------------|
| Manager (See Note 3)                                      | 6,660,536         |
| Transfer agent (See Note 3)                               | 1,315,643         |
| Distribution/Service—Class A (See Note 3)                 | 445,870           |
| Distribution/Service—Investor Class (See Note 3)          | 6,495             |
| Distribution/Service—Class C (See Note 3)                 | 176,425           |
| Distribution/Service—Class R2 (See Note 3) <sup>(a)</sup> | 602               |
| Distribution/Service—Class R3 (See Note 3) <sup>(a)</sup> | 334               |
| Professional fees   | 92,252            |
| Registration  | 86,708            |
| Shareholder communication                                 | 45,594            |
| Trustees  | 24,396            |
| Custodian   | 22,546            |
| Shareholder service (See Note 3)                          | 308               |
| Miscellaneous   | <u>40,262</u>     |
| Total expenses before waiver/reimbursement                | 8,917,971         |
| Expense waiver/reimbursement from Manager (See Note 3)    | <u>(302,921)</u>  |
| Net expenses  | <u>8,615,050</u>  |
| Net investment income (loss)                              | <u>65,056,125</u> |

## Realized and Unrealized Gain (Loss)

|   |                      |
|---|----------------------|
| Net realized gain (loss) on investments                             | <u>236,859</u>       |
| Net change in unrealized appreciation (depreciation) on investments | <u>52,468,460</u>    |
| Net realized and unrealized gain (loss)                             | <u>52,705,319</u>    |
| Net increase (decrease) in net assets resulting from operations     | <u>\$117,761,444</u> |

(a) Class liquidated and is no longer offered for sale as of February 23, 2024.

# Statements of Changes in Net Assets

for the six months ended April 30, 2024 (Unaudited) and the year ended October 31, 2023

|   | Six months<br>ended<br>April 30,<br>2024 | Year<br>ended<br>October 31,<br>2023 |
|---|--|--------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>  |  |                                      |
| Operations:   |  |                                      |
| Net investment income (loss)  | \$ 65,056,125                            | \$ 95,813,155                        |
| Net realized gain (loss)  | 236,859                                  | (17,516,270)                         |
| Net change in unrealized appreciation<br>(depreciation)                                 | 52,468,460                               | 27,342,387                           |
| Net increase (decrease) in net assets<br>resulting from operations                      | 117,761,444                              | 105,639,272                          |
| Distributions to shareholders:  |  |                                      |
| Class A   | (11,236,231)                             | (17,419,336)                         |
| Investor Class  | (159,448)                                | (294,090)                            |
| Class C   | (975,906)                                | (1,298,778)                          |
| Class I   | (54,275,253)                             | (77,891,562)                         |
| Class R2 <sup>(a)</sup>   | (11,971)                                 | (32,277)                             |
| Class R3 <sup>(a)</sup>   | (3,177)                                  | (10,945)                             |
| Total distributions to shareholders   | (66,661,986)                             | (96,946,988)                         |
| Capital share transactions:   |  |                                      |
| Net proceeds from sales of shares   | 717,767,677                              | 1,113,612,550                        |
| Net asset value of shares issued to<br>shareholders in reinvestment of<br>distributions | 58,970,099                               | 86,836,188                           |
| Cost of shares redeemed   | (407,831,315)                            | (729,398,889)                        |
| Increase (decrease) in net assets<br>derived from capital share<br>transactions         | 368,906,461                              | 471,049,849                          |
| Net increase (decrease) in net assets   | 420,005,919                              | 479,742,133                          |
| <b>Net Assets</b>   |  |                                      |
| Beginning of period   | 1,847,365,450                            | 1,367,623,317                        |
| End of period   | \$2,267,371,369                          | \$1,847,365,450                      |

(a) Class liquidated and is no longer offered for sale as of February 23, 2024.

# Financial Highlights selected per share data and ratios

| Class A  | Six months ended April 30, 2024* | Year Ended October 31, |            |            |            |            |
|--|----------------------------------|------------------------|------------|------------|------------|------------|
|  |                                  | 2023                   | 2022       | 2021       | 2020       | 2019       |
| Net asset value at beginning of period                   | \$ 9.18                          | \$ 9.09                | \$ 9.83    | \$ 9.45    | \$ 9.84    | \$ 9.76    |
| Net investment income (loss)                             | 0.29(a)                          | 0.51(a)                | 0.37(a)    | 0.37(a)    | 0.42       | 0.44       |
| Net realized and unrealized gain (loss)                  | 0.26                             | 0.09                   | (0.73)     | 0.42       | (0.37)     | 0.08       |
| Total from investment operations                         | 0.55                             | 0.60                   | (0.36)     | 0.79       | 0.05       | 0.52       |
| <b>Less distributions:</b>                               |                                  |                        |            |            |            |            |
| From net investment income                               | (0.29)                           | (0.51)                 | (0.38)     | (0.41)     | (0.44)     | (0.44)     |
| Return of capital  | —                                | —                      | —          | (0.00)‡    | —          | —          |
| Total distributions                                      | (0.29)                           | (0.51)                 | (0.38)     | (0.41)     | (0.44)     | (0.44)     |
| Net asset value at end of period                         | \$ 9.44                          | \$ 9.18                | \$ 9.09    | \$ 9.83    | \$ 9.45    | \$ 9.84    |
| Total investment return (b)                              | 6.07%                            | 6.72%                  | (3.66)%    | 8.40%      | 0.65%      | 5.40%      |
| <b>Ratios (to average net assets)/Supplemental Data:</b> |                                  |                        |            |            |            |            |
| Net investment income (loss)                             | 6.17%††                          | 5.52%                  | 3.92%      | 3.78%      | 4.46%      | 4.48%      |
| Net expenses (c)   | 1.02%††                          | 1.02%                  | 1.02%      | 1.01%      | 1.02%      | 1.04%      |
| Expenses (before waiver/reimbursement) (c)               | 1.06%††                          | 1.06%                  | 1.02%      | 1.01%      | 1.02%      | 1.04%      |
| Portfolio turnover rate                                  | 13%                              | 22%                    | 30%        | 47%        | 64%        | 32%        |
| Net assets at end of period (in 000's)                   | \$ 383,580                       | \$ 327,716             | \$ 300,909 | \$ 303,646 | \$ 252,753 | \$ 237,475 |

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. For periods of less than one year, total return is not annualized.

(c) In addition to the fees and expenses which the Fund 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.

| Investor Class   | Six months ended April 30, 2024* | Year Ended October 31, |          |          |          |          |
|--|----------------------------------|------------------------|----------|----------|----------|----------|
|  |                                  | 2023                   | 2022     | 2021     | 2020     | 2019     |
| Net asset value at beginning of period                   | \$ 9.18                          | \$ 9.09                | \$ 9.83  | \$ 9.46  | \$ 9.84  | \$ 9.76  |
| Net investment income (loss)                             | 0.29(a)                          | 0.50(a)                | 0.36(a)  | 0.37(a)  | 0.42     | 0.43     |
| Net realized and unrealized gain (loss)                  | 0.26                             | 0.09                   | (0.72)   | 0.40     | (0.36)   | 0.08     |
| Total from investment operations                         | 0.55                             | 0.59                   | (0.36)   | 0.77     | 0.06     | 0.51     |
| <b>Less distributions:</b>                               |                                  |                        |          |          |          |          |
| From net investment income                               | (0.29)                           | (0.50)                 | (0.38)   | (0.40)   | (0.44)   | (0.43)   |
| Return of capital  | —                                | —                      | —        | (0.00)‡  | —        | —        |
| Total distributions                                      | (0.29)                           | (0.50)                 | (0.38)   | (0.40)   | (0.44)   | (0.43)   |
| Net asset value at end of period                         | \$ 9.44                          | \$ 9.18                | \$ 9.09  | \$ 9.83  | \$ 9.46  | \$ 9.84  |
| Total investment return (b)                              | 6.03%                            | 6.63%                  | (3.73)%  | 8.18%    | 0.67%    | 5.33%    |
| <b>Ratios (to average net assets)/Supplemental Data:</b> |                                  |                        |          |          |          |          |
| Net investment income (loss)                             | 6.11%††                          | 5.43%                  | 3.82%    | 3.72%    | 4.38%    | 4.40%    |
| Net expenses (c)   | 1.08%††                          | 1.11%                  | 1.10%    | 1.10%    | 1.11%    | 1.11%    |
| Portfolio turnover rate                                  | 13%                              | 22%                    | 30%      | 47%      | 64%      | 32%      |
| Net assets at end of period (in 000's)                   | \$ 5,225                         | \$ 5,299               | \$ 5,400 | \$ 5,780 | \$ 6,278 | \$ 7,156 |

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. For periods of less than one year, total return is not annualized.

(c) In addition to the fees and expenses which the Fund 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.

# Financial Highlights selected per share data and ratios

| Class C  | Six months ended April 30, 2024* | Year Ended October 31, |           |           |           |           |
|--|----------------------------------|------------------------|-----------|-----------|-----------|-----------|
|  |                                  | 2023                   | 2022      | 2021      | 2020      | 2019      |
| Net asset value at beginning of period                   | \$ 9.18                          | \$ 9.09                | \$ 9.83   | \$ 9.45   | \$ 9.84   | \$ 9.76   |
| Net investment income (loss)                             | 0.25(a)                          | 0.43(a)                | 0.29(a)   | 0.29(a)   | 0.34      | 0.36      |
| Net realized and unrealized gain (loss)                  | 0.26                             | 0.09                   | (0.72)    | 0.41      | (0.37)    | 0.08      |
| Total from investment operations                         | 0.51                             | 0.52                   | (0.43)    | 0.70      | (0.03)    | 0.44      |
| <b>Less distributions:</b>                               |                                  |                        |           |           |           |           |
| From net investment income                               | (0.26)                           | (0.43)                 | (0.31)    | (0.32)    | (0.36)    | (0.36)    |
| Return of capital  | —                                | —                      | —         | (0.00)‡   | —         | —         |
| Total distributions                                      | (0.26)                           | (0.43)                 | (0.31)    | (0.32)    | (0.36)    | (0.36)    |
| Net asset value at end of period                         | \$ 9.43                          | \$ 9.18                | \$ 9.09   | \$ 9.83   | \$ 9.45   | \$ 9.84   |
| Total investment return (b)                              | 5.54%                            | 5.84%                  | (4.46)%   | 7.48%     | (0.19)%   | 4.54%     |
| <b>Ratios (to average net assets)/Supplemental Data:</b> |                                  |                        |           |           |           |           |
| Net investment income (loss)                             | 5.36%††                          | 4.68%                  | 3.05%     | 2.98%     | 3.64%     | 3.65%     |
| Net expenses (c)   | 1.83%††                          | 1.86%                  | 1.85%     | 1.85%     | 1.86%     | 1.86%     |
| Portfolio turnover rate                                  | 13%                              | 22%                    | 30%       | 47%       | 64%       | 32%       |
| Net assets at end of period (in 000's)                   | \$ 39,991                        | \$ 29,903              | \$ 25,772 | \$ 35,636 | \$ 40,948 | \$ 48,550 |

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. For periods of less than one year, total return is not annualized.

(c) In addition to the fees and expenses which the Fund 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.

# Financial Highlights selected per share data and ratios

| Class I  | Six months ended April 30, 2024* | Year Ended October 31, |              |              |              |              |
|--|----------------------------------|------------------------|--------------|--------------|--------------|--------------|
|  |                                  | 2023                   | 2022         | 2021         | 2020         | 2019         |
| Net asset value at beginning of period                   | \$ 9.18                          | \$ 9.09                | \$ 9.84      | \$ 9.46      | \$ 9.84      | \$ 9.76      |
| Net investment income (loss)                             | 0.30(a)                          | 0.54(a)                | 0.39(a)      | 0.40(a)      | 0.45         | 0.46         |
| Net realized and unrealized gain (loss)                  | 0.26                             | 0.08                   | (0.73)       | 0.41         | (0.36)       | 0.08         |
| Total from investment operations                         | 0.56                             | 0.62                   | (0.34)       | 0.81         | 0.09         | 0.54         |
| <b>Less distributions:</b>                               |                                  |                        |              |              |              |              |
| From net investment income                               | (0.30)                           | (0.53)                 | (0.41)       | (0.43)       | (0.47)       | (0.46)       |
| Return of capital  | —                                | —                      | —            | (0.00)‡      | —            | —            |
| Total distributions                                      | (0.30)                           | (0.53)                 | (0.41)       | (0.43)       | (0.47)       | (0.46)       |
| Net asset value at end of period                         | \$ 9.44                          | \$ 9.18                | \$ 9.09      | \$ 9.84      | \$ 9.46      | \$ 9.84      |
| Total investment return (b)                              | 6.19%                            | 6.98%                  | (3.52)%      | 8.66%        | 1.01%        | 5.67%        |
| <b>Ratios (to average net assets)/Supplemental Data:</b> |                                  |                        |              |              |              |              |
| Net investment income (loss)                             | 6.41%††                          | 5.78%                  | 4.14%        | 4.05%        | 4.72%        | 4.73%        |
| Net expenses (c)   | 0.78%††                          | 0.78%                  | 0.77%        | 0.76%        | 0.77%        | 0.79%        |
| Expenses (before waiver/reimbursement) (c)               | 0.81%††                          | 0.81%                  | 0.77%        | 0.76%        | 0.77%        | 0.79%        |
| Portfolio turnover rate                                  | 13%                              | 22%                    | 30%          | 47%          | 64%          | 32%          |
| Net assets at end of period (in 000's)                   | \$ 1,838,576                     | \$ 1,483,473           | \$ 1,034,873 | \$ 1,147,287 | \$ 1,101,084 | \$ 1,268,856 |

\* Unaudited.

‡ Less than one cent per share.

†† Annualized.

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

(b) Total investment return is calculated exclusive of sales charges and assumes the reinvestment of dividends and distributions. Class I shares are not subject to sales charges. For periods of less than one year, total return is not annualized.

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

# Notes to Financial Statements (Unaudited)

## Note 1—Organization and Business

MainStay Funds Trust (the "Trust") was organized as a Delaware statutory trust on April 28, 2009. The Trust is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company, and is comprised of thirty-nine funds (collectively referred to as the "Funds"). These financial statements and notes relate to the MainStay MacKay Short Duration High Income Fund (formerly MainStay MacKay Short Duration High Yield Fund) (the "Fund"), a "diversified" fund, as that term is defined in the 1940 Act, as interpreted or modified by regulatory authorities having jurisdiction, from time to time.

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

| Class          | Commenced Operations |
|----------------|----------------------|
| Class A        | December 17, 2012    |
| Investor Class | December 17, 2012    |
| Class C        | December 17, 2012    |
| Class I        | December 17, 2012    |

Effective at the close of business on February 23, 2024, Class R2 and R3 shares were liquidated.

Class A and Investor Class shares are offered at net asset value ("NAV") per share plus an initial sales charge. No initial sales charge applies to investments of \$250,000 or more (and certain other qualified purchases) in Class A and Investor Class shares. Effective April 15, 2019, a contingent deferred sales charge ("CDSC") of 1.00% may be imposed on certain redemptions of Class A and Investor Class shares made within 18 months of the date of purchase on shares that were purchased without an initial sales charge. For purchases of Class A and Investor Class shares made from August 1, 2017 through April 14, 2019, a CDSC of 1.00% may be imposed on certain redemptions (for investments of \$500,000 which paid no initial sales charge) of such shares within 18 months of the date of purchase on shares that were purchased without an initial sales charge. Class C shares are offered at NAV without an initial sales charge and a 1.00% CDSC may be imposed on certain redemptions of such shares made within 18 months of the date of purchase of Class C shares. Investments in Class C shares are subject to a purchase maximum of \$250,000. Class I shares are offered at NAV without a sales charge. In addition, depending upon eligibility, Class C shares convert to either Class A or Investor Class shares at the end of the calendar quarter eight years after the date they were purchased. Additionally, Investor Class shares may convert automatically to Class A shares. Under certain circumstances and as may be permitted by the Trust's multiple class plan pursuant to Rule 18f-3 under the 1940 Act, specified share classes of the Fund may be converted to one or more other share classes of the Fund as disclosed in the capital share transactions within these Notes. The classes of shares have the same voting (except for issues that relate solely to one class), dividend, liquidation and other rights, and the same terms and conditions, except that under a distribution plan pursuant to Rule 12b-1 under the 1940 Act, Class C shares are subject to higher

distribution and/or service fees than Class A and Investor Class shares. Class I shares are not subject to a distribution and/or service fee.

The Fund's investment objective is to seek high current income. Capital appreciation is a secondary objective.

## Note 2—Significant Accounting Policies

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification *Topic 946 Financial Services—Investment Companies*. The Fund 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 Fund is open for business ("valuation date").

Pursuant to Rule 2a-5 under the 1940 Act, the Board of Trustees of the Trust (the "Board") has designated New York Life Investment Management LLC ("New York Life Investments" or the "Manager") as its Valuation Designee (the "Valuation Designee"). The Valuation Designee is responsible for performing fair valuations relating to all investments in the Fund's portfolio for which market quotations are not readily available; periodically assessing and managing material valuation risks; establishing and applying fair value methodologies; testing fair valuation methodologies; evaluating and overseeing pricing services; ensuring appropriate segregation of valuation and portfolio management functions; providing quarterly, annual and prompt reporting to the Board, as appropriate; identifying potential conflicts of interest; and maintaining appropriate records. The Valuation Designee has established a valuation committee ("Valuation Committee") to assist in carrying out the Valuation Designee's responsibilities and establish prices of securities for which market quotations are not readily available. The Fund's and the Valuation Designee's policies and procedures ("Valuation Procedures") govern the Valuation Designee's selection and application of methodologies for determining and calculating the fair value of Fund investments. The Valuation Designee may value the Fund's portfolio securities for which market quotations are not readily available and other Fund assets utilizing inputs from pricing services and other third-party sources. The Valuation Committee meets (in person, via electronic mail or via teleconference) on an ad-hoc basis to determine fair valuations and on a quarterly basis to review fair value events with respect to certain securities for which market quotations are not readily available, including valuation risks and back-testing results, and to preview reports to the Board.

The Valuation Committee establishes prices of securities for which market quotations are not readily available based on such methodologies and measurements on a regular basis after considering information that is reasonably available and deemed relevant by the Valuation Committee. The Board shall oversee the Valuation Designee and review fair valuation

# Notes to Financial Statements (Unaudited) (continued)

materials on a prompt, quarterly and annual basis and approve proposed revisions to the Valuation Procedures.

Investments for which market quotations are not readily available are valued at fair value as determined in good faith pursuant to the Valuation Procedures. A market quotation is readily available only when that quotation is a quoted price (unadjusted) in active markets for identical investments that the Fund can access at the measurement date, provided that a quotation will not be readily available if it is not reliable. "Fair value" is defined as the price the Fund 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 Fund. Unobservable inputs reflect the Fund'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 (unadjusted) 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 Fund'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 Fund's assets and liabilities as of April 30, 2024, is included at the end of the Portfolio of Investments.

The Fund 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 a market quotation is not readily available is valued by methods deemed reasonable in good faith by the Valuation Committee, following the Valuation Procedures to represent fair value.

Under these procedures, the Valuation Designee 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 Valuation Designee 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 Valuation Procedures may differ from valuations for the same security determined for other funds using their own valuation procedures. Although the Valuation Procedures are designed to value a security at the price the Fund 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 Fund 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 April 30, 2024, 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 or otherwise does not have a readily available market quotation on a given day; (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 subject to trading collars for which no or limited trading takes place; and (vi) 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 2 or 3 in the hierarchy.

Equity securities, rights and warrants, if applicable, are valued at the last quoted sales prices as of the close of regular trading on the relevant exchange on each valuation date. Securities that are not traded on the

valuation date are valued at the mean of the last quoted bid and ask prices. Prices are normally taken from the principal market in which each security trades. These securities are generally categorized as Level 1 in the hierarchy.

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 Valuation Designee, 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 Valuation Designee, in consultation with the Subadvisor, to be representative of market values at the regular close of trading of the Exchange on each valuation date. Debt securities purchased on a delayed delivery basis are marked to market daily until settlement at the forward settlement date. Debt securities, including corporate bonds, U.S. government and federal agency bonds, municipal bonds, foreign bonds, convertible bonds, asset-backed securities and mortgage-backed securities are generally categorized as Level 2 in the hierarchy.

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

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 Trust'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 Fund's liquidity. Further, the lack of an established secondary market may make it more difficult to value illiquid investments, requiring the Fund to rely on judgments that may be somewhat subjective in measuring value, which could vary materially from the amount that the Fund could realize upon disposition. Difficulty in selling illiquid investments may result in a loss or may be costly to the Fund. 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 fair valued in accordance with the Fund's procedures described above. The liquidity of the Fund's investments was determined as of April 30, 2024, and can change at any time.

**(B) Income Taxes.** The Fund'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 Fund within the allowable time limits.

The Manager evaluates the Fund'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 Fund'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 Fund's financial statements. The Fund's federal, state and local income tax and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state and local departments of revenue.

**(C) Dividends and Distributions to Shareholders.** Dividends and distributions are recorded on the ex-dividend date. The Fund intends to declare and pay dividends from net investment income, if any, at least monthly 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 Fund. Dividends and distributions to shareholders are determined in accordance with federal income tax regulations and may differ from determinations using GAAP.

**(D) Security Transactions and Investment Income.** The Fund records security transactions on the trade date. Realized gains and losses on security transactions are determined using the identified cost method. Dividend income is recognized on the ex-dividend date, net of any foreign tax withheld at the source, and interest income is accrued as earned using the effective interest rate method. Distributions received from real estate investment trusts may be classified as dividends, capital gains and/or return of capital. Discounts and premiums on securities purchased for the Fund are accreted and amortized, respectively, on the effective

# Notes to Financial Statements (Unaudited) (continued)

interest rate method. Income from payment-in-kind securities is accreted daily based on the effective interest rate method.

Investment income and realized and unrealized gains and losses on investments of the Fund 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 Fund 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.

**(E) Expenses.** Expenses of the Trust are allocated to the individual Funds in proportion to the net assets of the respective Funds when the expenses are incurred, except where direct allocations of expenses can be made. Expenses (other than transfer agent expenses and fees incurred under the shareholder services plans and/or the distribution plans further discussed in Note 3(B)) 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 Fund, including those of related parties to the Fund, are shown in the Statement of Operations.

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

**(G) Loan Assignments, Participations and Commitments.** The Fund 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 Fund 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, the Secured Overnight Financing Rate ("SOFR") or an alternative reference rate.

The loans in which the Fund may invest are generally readily marketable, but may be subject to some restrictions on resale. For example, the Fund may be contractually obligated to receive approval from the agent bank and/or borrower prior to the sale of these investments. If the Fund purchases an assignment from a lender, the Fund will generally have direct contractual rights against the borrower in favor of the lender. If the Fund purchases a participation interest either from a lender or a participant, the Fund typically will have established a direct contractual relationship with the seller of the participation interest, but not with the borrower. Consequently, the Fund is subject to the credit risk of the lender or participant who sold the participation interest to the Fund, 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 Fund 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 Fund 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.

**(H) Debt Securities Risk.** The ability of issuers of debt securities held by the Fund 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 Fund 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.

The loans in which the Fund invests are usually rated below investment grade, or if unrated, determined by the Subadvisor to be of comparable quality (commonly referred to as "junk bonds") and are generally considered speculative because they present a greater risk of loss, including default, than higher quality debt securities. Moreover, such securities may, under certain circumstances, be particularly susceptible to liquidity and valuation risks.

Although certain loans are collateralized, there is no guarantee that the value of the collateral will be sufficient to repay the loan. In a recession or serious credit event, the value of these investments could decline significantly. As a result, the Fund's NAVs could go down and you could lose money.

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

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

**(I) LIBOR Replacement Risk.** The Fund may invest in certain debt securities, derivatives or other financial instruments that have relied or continue to rely on LIBOR, as a "benchmark" or "reference rate" for various interest rate calculations. As of January 1, 2022, the United Kingdom Financial Conduct Authority ("FCA"), which regulates LIBOR,

ceased its active encouragement of banks to provide the quotations needed to sustain most LIBOR rates due to the absence of an active market for interbank unsecured lending and other reasons. In connection with supervisory guidance from U.S. regulators, certain U.S. regulated entities have generally ceased to enter into certain new LIBOR contracts after January 1, 2022. On March 15, 2022, the Adjustable Interest Rate (LIBOR) Act was signed into law. This law provides a statutory fallback mechanism on a nationwide basis to replace LIBOR with a benchmark rate that is selected by the Board of Governors of the Federal Reserve System and based on SOFR (which measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities) for tough legacy contracts. On February 27, 2023, the Federal Reserve System's final rule in connection with this law became effective, establishing benchmark replacements based on SOFR and Term SOFR (a forward-looking measurement of market expectations of SOFR implied from certain derivatives markets) for applicable tough legacy contracts governed by U.S. law. In addition, the FCA has announced that it will require the publication of synthetic LIBOR for the one-month, three-month and six-month U.S. Dollar LIBOR settings after June 30, 2023 through at least September 30, 2024. Certain of the Fund's investments may involve individual tough legacy contracts which may be subject to the Adjustable Interest Rate (LIBOR) Act or synthetic LIBOR and no assurances can be given that these measures will have had the intended effects. Although the transition process away from LIBOR for many instruments has been completed, some LIBOR use is continuing and there are potential effects related to the transition away from LIBOR or continued use of LIBOR on the Fund.

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 Fund's performance and/or net asset value. It could also lead to a reduction in the interest rates on, and the value of, some LIBOR-based investments and reduce the effectiveness of hedges mitigating risk in connection with LIBOR-based investments. Uncertainty and risk also remain regarding the willingness and ability of issuers and lenders to include enhanced 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 Fund'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. The usefulness of LIBOR as a benchmark could deteriorate anytime during this transition period. Any such effects of the transition process, including unforeseen effects, could result in losses to the Fund.

**(J) Indemnifications.** Under the Trust's organizational documents, its officers and trustees are indemnified against certain liabilities that may arise out of performance of their duties to the Trust. Additionally, in the normal course of business, the Fund enters into contracts with third-party service providers that contain a variety of representations and warranties and that may provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund 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 Fund.

### **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 Insurance Company ("New York Life"), serves as the Fund'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 Fund. Except for the portion of salaries and expenses that are the responsibility of the Fund, the Manager pays the salaries and expenses of all personnel affiliated with the Fund and certain operational expenses of the Fund. The Fund reimburses New York Life Investments in an amount equal to the portion of the compensation of the Chief Compliance Officer attributable to the Fund. MacKay Shields LLC ("MacKay Shields" or the "Subadvisor"), a registered investment adviser and an indirect, wholly-owned subsidiary of New York Life, serves as the Subadvisor to the Fund and is responsible for the day-to-day portfolio management of the Fund. Pursuant to the terms of an Amended and Restated Subadvisory Agreement ("Subadvisory Agreement") between New York Life Investments and MacKay Shields, New York Life Investments pays for the services of the Subadvisor.

Pursuant to the Management Agreement, the Fund pays the Manager a monthly fee for the services performed and the facilities furnished at an annual rate of 0.65% of the Fund's average daily net assets.

New York Life Investments has contractually agreed to waive fees and/or reimburse expenses so that the Total Annual Operating Expenses (excluding taxes, interest, litigation, extraordinary expenses, brokerage and other transaction expenses relating to the purchase or sale of portfolio investments and acquired (underlying) fund fees and expenses) do not exceed the following percentages of average daily net assets: Class A, 1.02%; Investor Class, 1.13%; Class C, 1.88% and Class I, 0.78%. This agreement will remain in effect until February 28, 2025, 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 April 30, 2024, New York Life Investments earned fees from the Fund in the amount of \$6,660,536 and

# Notes to Financial Statements (Unaudited) (continued)

waived fees and/or reimbursed certain class specific expenses in the amount of \$302,921 and paid the Subadvisor fees in the amount of \$3,178,808.

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

Pursuant to an agreement between the Trust and New York Life Investments, New York Life Investments is responsible for providing or procuring certain regulatory reporting services for the Fund. The Fund 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 Fund.

**(B) Distribution and Service Fees.** The Trust, on behalf of the Fund, has entered into a distribution agreement with NYLIFE Distributors LLC (the "Distributor"), an affiliate of New York Life Investments. The Fund has adopted distribution plans (the "Plans") in accordance with the provisions of Rule 12b-1 under the 1940 Act.

Pursuant to the Class A, Investor Class and Class R2 Plans, the Distributor receives a monthly fee from the Class A, Investor Class and Class R2 shares at an annual rate of 0.25% of the average daily net assets of the Class A, Investor Class and Class R2 shares for distribution and/or service activities as designated by the Distributor. Pursuant to the Class C Plan, Class C shares pay the Distributor a monthly distribution fee at an annual rate of 0.75% of the average daily net assets of the Class C shares, along with a service fee at an annual rate of 0.25% of the average daily net assets of the Class C shares, for a total 12b-1 fee of 1.00%. Pursuant to the Class R3 Plan, Class R3 shares pay the Distributor a monthly distribution fee at an annual rate of 0.25% of the average daily net assets of the Class R3 shares, along with a service fee at an annual rate of 0.25% of the average daily net assets of the Class R3 shares, for a total 12b-1 fee of 0.50%. Class I shares are not subject to a distribution and/or service fee.

The Plans provide that the distribution and service fees are payable to the Distributor regardless of the amounts actually expended by the Distributor for distribution of the Fund's shares and service activities.

In accordance with the Shareholder Services Plans for the Class R2 and Class R3 shares, the Manager has agreed to provide, through its affiliates or independent third parties, various shareholder and administrative support services to shareholders of the Class R2 and Class R3 shares. For its services, the Manager, its affiliates or independent third-party service providers are entitled to a shareholder service fee accrued daily and paid monthly at an annual rate of 0.10% of the average daily net assets of the Class R2 and Class R3 shares. This is in addition to any fees paid under the Class R2 and Class R3 Plans.

During the period November 1, 2023 through February 28, 2024, shareholder service fees incurred by the Fund were as follows:

|           |       |
|-----------|-------|
| Class R2* | \$241 |
| Class R3* | 67    |

\* Effective at the close of business on February 23, 2024, Class R2 and R3 shares were liquidated.

**(C) Sales Charges.** The Fund was advised by the Distributor that the amount of initial sales charges retained on sales of Class A and Investor Class shares during the six-month period ended April 30, 2024, were \$17,397 and \$118, respectively.

The Fund was also advised that the Distributor retained CDSCs on redemptions of Class A, Investor Class and Class C shares during the six-month period ended April 30, 2024, of \$45,686, \$300 and \$3,662, respectively.

**(D) Transfer, Dividend Disbursing and Shareholder Servicing Agent.** NYLIM Service Company LLC, an affiliate of New York Life Investments, is the Fund's transfer, dividend disbursing and shareholder servicing agent pursuant to an agreement between NYLIM Service Company LLC and the Trust. NYLIM Service Company LLC has entered into an agreement with SS&C Global Investor & Distribution Solutions, Inc. ("SS&C"), pursuant to which SS&C performs certain transfer agent services on behalf of NYLIM Service Company LLC. New York Life Investments has contractually agreed to limit the transfer agency expenses charged to the Fund's share classes to a maximum of 0.35% of that share class's average daily net assets on an annual basis after deducting any applicable Fund or class-level expense reimbursement or small account fees. This agreement will remain in effect until February 28, 2025, 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 April 30, 2024, transfer agent expenses incurred by the Fund and any reimbursements, pursuant to the aforementioned Transfer Agency expense limitation agreement, were as follows:

| Class          | Expense    | Waived |
|----------------|------------|--------|
| Class A        | \$ 228,415 | \$—    |
| Investor Class | 3,910      | —      |
| Class C        | 26,449     | —      |
| Class I        | 1,056,446  | —      |
| Class R2*      | 331        | —      |
| Class R3*      | 92         | —      |

\* Effective at the close of business on February 23, 2024, Class R2 and R3 shares were liquidated.

**(E) Small Account Fee.** Shareholders with small accounts adversely impact the cost of providing transfer agency services. In an effort to reduce total transfer agency expenses, the Fund has implemented a small account fee on certain types of accounts. As described in the Fund's

prospectus, certain shareholders with an account balance of less than \$1,000 (\$5,000 for Class A share accounts) are charged an annual per account fee of \$20 (assessed semi-annually), the proceeds from which offset transfer agent fees as reflected in the Statement of Operations. This small account fee will not apply to certain types of accounts as described further in the Fund's prospectus.

**(F) Capital.** As of April 30, 2024, New York Life and its affiliates beneficially held shares of the Fund with the values and percentages of net assets as follows:

|         |             |      |
|---------|-------------|------|
| Class A | \$6,378,580 | 1.7% |
| Class I | 5,886,557   | 0.3  |

### Note 4-Federal Income Tax

As of April 30, 2024, the cost and unrealized appreciation (depreciation) of the Fund's investment portfolio, including applicable derivative contracts and other financial instruments, as determined on a federal income tax basis, were as follows:

|                           | Federal Tax Cost | Gross Unrealized Appreciation | Gross Unrealized Depreciation | Net Unrealized Appreciation/Depreciation |
|---------------------------|------------------|-------------------------------|-------------------------------|--|
| Investments in Securities | \$2,151,246,162  | \$26,278,115                  | \$(33,102,486)                | \$(6,824,371)                            |

### Note 5-Restricted Securities

Restricted securities are subject to legal or contractual restrictions on resale. Private placement securities are generally considered to be restricted except for those securities traded between qualified institutional investors under the provisions of Rule 144A of the Securities Act of 1933, as amended. Disposal of restricted securities may involve time consuming negotiations and expenses, and prompt sale at an acceptable price may be difficult to achieve.

As of April 30, 2024, restricted securities held by the Fund were as follows:

| Security  | Date(s) of Acquisition | Principal Amount/Shares | Cost         | 4/30/24 Value | Percent of Net Assets |
|---|------------------------|-------------------------|--------------|---------------|-----------------------|
| Briggs & Stratton Corp. Escrow Claim Shares                                     |                        |                         |              |               |                       |
| Corporate Bond<br>6.875%, due 12/15/20  | 2/26/21                | \$ 3,425,000            | \$ 3,724,482 | \$ —          | 0.0% ‡                |
| GenOn Energy, Inc.<br>Common Stock  | 12/14/18               | 20,915                  | 2,342,005    | 449,672       | 0.0‡                  |
| Sterling Entertainment Enterprises LLC<br>Corporate Bond<br>10.25%, due 1/15/25 | 12/28/17               | \$ 3,000,000            | 2,993,887    | 2,787,900     | 0.1                   |
| Total   |                        |                         | \$ 9,060,374 | \$ 3,237,572  | 0.1%                  |

‡ Less than one-tenth of a percent.

As of October 31, 2023, for federal income tax purposes, capital loss carryforwards of \$75,137,122, as shown in the table below, were available to the extent provided by the regulations to offset future realized gains of the Fund. 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                      | \$22,986                                | \$52,151                               |

During the year ended October 31, 2023, the tax character of distributions paid as reflected in the Statements of Changes in Net Assets was as follows:

|                          | 2023         |
|--------------------------|--------------|
| Distributions paid from: |              |
| Ordinary Income          | \$96,946,988 |

# Notes to Financial Statements (Unaudited) (continued)

## Note 6—Custodian

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

## Note 7—Line of Credit

The Fund 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 25, 2023, under the credit agreement (the "Credit Agreement"), the aggregate commitment amount is \$600,000,000 with an additional uncommitted amount of \$100,000,000. The commitment fee is an annual rate of 0.15% of the average commitment amount payable quarterly, regardless of usage, to JPMorgan, who serves as the agent to the syndicate. The commitment fee is allocated among the Fund 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, Daily Simple SOFR + 0.10%, or the Overnight Bank Funding Rate, whichever is higher. The Credit Agreement expires on July 23, 2024, although the Fund, 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 25, 2023, the aggregate commitment amount and the commitment fee were the same as those under the current Credit Agreement. During the six-month period ended April 30, 2024, there were no borrowings made or outstanding with respect to the Fund under the Credit Agreement.

## Note 8—Interfund Lending Program

Pursuant to an exemptive order issued by the SEC, the Fund, 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 Fund 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 April 30, 2024, there were no interfund loans made or outstanding with respect to the Fund.

## Note 9—Purchases and Sales of Securities (in 000's)

During the six-month period ended April 30, 2024, purchases and sales of securities, other than short-term securities, were \$594,282 and \$262,498, respectively.

## Note 10—Capital Share Transactions

Transactions in capital shares for the six-month period ended April 30, 2024 and the year ended October 31, 2023, were as follows:

| Class A   | Shares       | Amount         |
|---|--------------|----------------|
| Six-month period ended April 30, 2024:                          |              |                |
| Shares sold   | 9,456,931    | \$ 89,321,595  |
| Shares issued to shareholders in reinvestment of distributions  | 1,084,763    | 10,238,252     |
| Shares redeemed   | (5,680,307)  | (53,600,673)   |
| Net increase (decrease) in shares outstanding before conversion | 4,861,387    | 45,959,174     |
| Shares converted into Class A (See Note 1)                      | 117,855      | 1,115,966      |
| Shares converted from Class A (See Note 1)                      | (32,307)     | (305,173)      |
| Net increase (decrease)   | 4,946,935    | \$ 46,769,967  |
| Year ended October 31, 2023:                                    |              |                |
| Shares sold   | 11,152,609   | \$ 103,171,985 |
| Shares issued to shareholders in reinvestment of distributions  | 1,700,212    | 15,715,196     |
| Shares redeemed   | (10,382,531) | (95,962,463)   |
| Net increase (decrease) in shares outstanding before conversion | 2,470,290    | 22,924,718     |
| Shares converted into Class A (See Note 1)                      | 141,358      | 1,307,397      |
| Shares converted from Class A (See Note 1)                      | (11,736)     | (108,177)      |
| Net increase (decrease)   | 2,599,912    | \$ 24,123,938  |
| Investor Class  | Shares       | Amount         |
| Six-month period ended April 30, 2024:                          |              |                |
| Shares sold   | 28,727       | \$ 271,548     |
| Shares issued to shareholders in reinvestment of distributions  | 16,425       | 155,046        |
| Shares redeemed   | (46,527)     | (438,321)      |
| Net increase (decrease) in shares outstanding before conversion | (1,375)      | (11,727)       |
| Shares converted into Investor Class (See Note 1)               | 11,420       | 107,803        |
| Shares converted from Investor Class (See Note 1)               | (33,668)     | (318,538)      |
| Net increase (decrease)   | (23,623)     | \$ (222,462)   |
| Year ended October 31, 2023:                                    |              |                |
| Shares sold   | 67,150       | \$ 621,181     |
| Shares issued to shareholders in reinvestment of distributions  | 30,998       | 286,556        |
| Shares redeemed   | (96,228)     | (889,274)      |
| Net increase (decrease) in shares outstanding before conversion | 1,920        | 18,463         |
| Shares converted into Investor Class (See Note 1)               | 26,620       | 246,344        |
| Shares converted from Investor Class (See Note 1)               | (45,322)     | (418,984)      |
| Net increase (decrease)   | (16,782)     | \$ (154,177)   |

| <b>Class C</b>  | <b>Shares</b> | <b>Amount</b> |
|---|---------------|---------------|
| Six-month period ended April 30, 2024:                          |               |               |
| Shares sold   | 1,432,695     | \$ 13,520,882 |
| Shares issued to shareholders in reinvestment of distributions  | 92,859        | 876,291       |
| Shares redeemed   | (506,605)     | (4,784,333)   |
| Net increase (decrease) in shares outstanding before conversion | 1,018,949     | 9,612,840     |
| Shares converted from Class C (See Note 1)                      | (37,966)      | (358,919)     |
| Net increase (decrease)   | 980,983       | \$ 9,253,921  |
| Year ended October 31, 2023:                                    |               |               |
| Shares sold   | 1,475,489     | \$ 13,628,109 |
| Shares issued to shareholders in reinvestment of distributions  | 119,409       | 1,103,667     |
| Shares redeemed   | (1,058,198)   | (9,773,443)   |
| Net increase (decrease) in shares outstanding before conversion | 536,700       | 4,958,333     |
| Shares converted from Class C (See Note 1)                      | (113,708)     | (1,051,200)   |
| Net increase (decrease)   | 422,992       | \$ 3,907,133  |

| <b>Class I</b>  | <b>Shares</b> | <b>Amount</b>  |
|---|---------------|----------------|
| Six-month period ended April 30, 2024:                          |               |                |
| Shares sold   | 65,089,611    | \$ 614,646,408 |
| Shares issued to shareholders in reinvestment of distributions  | 5,051,504     | 47,685,566     |
| Shares redeemed   | (36,894,934)  | (347,978,143)  |
| Net increase (decrease) in shares outstanding before conversion | 33,246,181    | 314,353,831    |
| Shares converted into Class I (See Note 1)                      | 34,662        | 327,455        |
| Shares converted from Class I (See Note 1)                      | (60,029)      | (568,594)      |
| Net increase (decrease)   | 33,220,814    | \$ 314,112,692 |
| Year ended October 31, 2023:                                    |               |                |
| Shares sold   | 107,578,702   | \$ 995,906,069 |
| Shares issued to shareholders in reinvestment of distributions  | 7,535,877     | 69,688,085     |
| Shares redeemed   | (67,346,456)  | (622,749,207)  |
| Net increase (decrease) in shares outstanding before conversion | 47,768,123    | 442,844,947    |
| Shares converted into Class I (See Note 1)                      | 11,944        | 110,187        |
| Shares converted from Class I (See Note 1)                      | (9,206)       | (85,567)       |
| Net increase (decrease)   | 47,770,861    | \$ 442,869,567 |

| <b>Class R2</b>  | <b>Shares</b> | <b>Amount</b> |
|--|---------------|---------------|
| Six-month period ended April 30, 2024: <sup>(a)</sup>          |               |               |
| Shares sold  | 46            | \$ 430        |
| Shares issued to shareholders in reinvestment of distributions | 1,271         | 11,971        |
| Shares redeemed  | (83,592)      | (793,124)     |
| Net increase (decrease)  | (82,275)      | \$ (780,723)  |
| Year ended October 31, 2023:                                   |               |               |
| Shares sold  | 26,857        | \$ 250,837    |
| Shares issued to shareholders in reinvestment of distributions | 3,492         | 32,277        |
| Shares redeemed  | (2,509)       | (23,182)      |
| Net increase (decrease)  | 27,840        | \$ 259,932    |

| <b>Class R3</b>  | <b>Shares</b> | <b>Amount</b> |
|--|---------------|---------------|
| Six-month period ended April 30, 2024: <sup>(a)</sup>          |               |               |
| Shares sold  | 720           | \$ 6,814      |
| Shares issued to shareholders in reinvestment of distributions | 316           | 2,973         |
| Shares redeemed  | (24,954)      | (236,721)     |
| Net increase (decrease)  | (23,918)      | \$ (226,934)  |
| Year ended October 31, 2023:                                   |               |               |
| Shares sold  | 3,737         | \$ 34,369     |
| Shares issued to shareholders in reinvestment of distributions | 1,126         | 10,407        |
| Shares redeemed  | (142)         | (1,320)       |
| Net increase (decrease)  | 4,721         | \$ 43,456     |

(a) Class liquidated and is no longer offered for sale as of February 23, 2024.

## Note 11—Other Matters

As of the date of this report, the Fund faces a heightened level of risk associated with current uncertainty, volatility and state of economies, financial markets, a high interest rate environment, and labor and health conditions around the world. Events such as war, acts of terrorism, recessions, rapid inflation, the imposition of economic sanctions, earthquakes, hurricanes, epidemics and pandemics and other unforeseen natural or human disasters may have broad adverse social, political and economic effects on the global economy, which could negatively impact the value of the Fund's investments. Developments that disrupt global economies and financial markets may magnify factors that affect the Fund's performance.

## Note 12—Subsequent Events

In connection with the preparation of the financial statements of the Fund as of and for the six-month period ended April 30, 2024, events and transactions subsequent to April 30, 2024, 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.

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

The continuation of the Management Agreement with respect to the MainStay MacKay Short Duration High Income Fund (formerly known as the MacKay Short Duration High Yield Fund) (“Fund”) and New York Life Investment Management LLC (“New York Life Investments”) and the Subadvisory Agreement between New York Life Investments and MacKay Shields LLC (“MacKay”) with respect to the Fund (together, “Advisory Agreements”) is subject to annual review and approval by the Board of Trustees of MainStay Funds Trust (“Board” of the “Trust”) in accordance with Section 15 of the Investment Company Act of 1940, as amended (“1940 Act”). At its December 6–7, 2023 meeting, the Board, including the Trustees who are not an “interested person” (as such term is defined in the 1940 Act) of the Trust (“Independent Trustees”) voting separately, unanimously approved the continuation of each of the Advisory Agreements for a one-year period.

In reaching the decision to approve the continuation of each of the Advisory Agreements, the Board considered information and materials furnished by New York Life Investments and MacKay in connection with an annual contract review process undertaken by the Board that took place at meetings of the Board and its Contracts Committee from September 2023 through December 2023, including information and materials furnished by New York Life Investments and MacKay in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel to the Independent Trustees, which encompassed a variety of topics, including those summarized below. Information and materials requested by and furnished to the Board for consideration in connection with the contract review process included, among other items, reports on the Fund and “peer funds” prepared by Institutional Shareholder Services Inc. (“ISS”), an independent third-party service provider engaged by the Board to report objectively on the Fund’s investment performance, management fee and total expenses. The Board also considered information on the fees charged to other investment advisory clients of New York Life Investments and/or MacKay that follow investment strategies similar to those of the Fund, if any, and, when applicable, the rationale for differences in the Fund’s management and subadvisory fees and the fees charged to those other investment advisory clients. In addition, the Board considered information regarding the legal standards and fiduciary obligations applicable to its consideration of the continuation of each of the Advisory Agreements. The contract review process, including the structure and format for information and materials provided to the Board, has been developed in consultation with the Board. The Independent Trustees also met in executive sessions with their independent legal counsel and, for portions thereof, with senior management of New York Life Investments.

The Board’s deliberations with respect to the continuation of each of the Advisory Agreements reflect a year-long process, and the Board also took into account information furnished to the Board and its Committees throughout the year, as deemed relevant and appropriate by the Trustees, including, among other items, reports on investment performance of the Fund and investment-related matters for the Fund as well as presentations from New York Life Investments and, generally annually,

MacKay personnel. In addition, the Board took into account other information provided by New York Life Investments throughout the year, including, among other items, periodic reports on legal and compliance matters, risk management, portfolio turnover, brokerage commissions and non-advisory services provided to the Fund by New York Life Investments, as deemed relevant and appropriate by the Trustees.

In addition to information provided to the Board throughout the year, the Board received information in connection with its June 2023 meeting provided specifically in response to requests prepared on behalf of the Board, and in consultation with the Independent Trustees, by independent legal counsel to the Independent Trustees regarding the Fund’s distribution arrangements. In addition, the Board received information regarding the Fund’s asset levels, share purchase and redemption activity and the payment of Rule 12b-1 and/or certain other fees by the applicable share classes of the Fund, among other information.

In considering the continuation of each of the Advisory Agreements, the Trustees reviewed and evaluated the information and factors they believed to reasonably be necessary and appropriate in light of legal advice furnished to them by independent legal counsel to the Independent Trustees and through the exercise of their own business judgment. Although individual Trustees may have weighed certain factors or information differently and the Board did not consider any single factor or information controlling in reaching its decision, the factors that figured prominently in the Board’s consideration of the continuation of each of the Advisory Agreements are summarized in more detail below and include, among other factors: (i) the nature, extent and quality of the services provided to the Fund by New York Life Investments and MacKay; (ii) the qualifications of the portfolio managers of the Fund and the historical investment performance of the Fund, New York Life Investments and MacKay; (iii) the costs of the services provided, and profits realized, by New York Life Investments and MacKay with respect to their relationships with the Fund; (iv) the extent to which economies of scale have been realized or may be realized if the Fund grows and the extent to which any economies of scale have been shared, have benefited or may benefit the Fund’s shareholders; and (v) the reasonableness of the Fund’s management and subadvisory fees and total ordinary operating expenses. Although the Board recognized that comparisons between the Fund’s fees and expenses and those of other funds are imprecise given different terms of agreements, variations in fund strategies and other factors, the Board considered the reasonableness of the Fund’s management fee and total ordinary operating expenses as compared to the peer funds identified by ISS. Throughout their considerations, the Trustees acknowledged the commitment of New York Life Investments and its affiliates to serve the MainStay Group of Funds, as well as their capacity, experience, resources, financial stability and reputations. The Trustees also acknowledged the entrepreneurial and other risks assumed by New York Life Investments in sponsoring and managing the Fund. With respect to the Subadvisory Agreement, the Board took into account New York Life Investments’ recommendation to approve the continuation of the Subadvisory Agreement.

The Trustees noted that, throughout the year, the Trustees are afforded an opportunity to ask questions of, and request additional information or materials from, New York Life Investments and MacKay. The Board's decision with respect to each of the Advisory Agreements may have also been based, in part, on the Board's knowledge of New York Life Investments and MacKay resulting from, among other things, the Board's consideration of each of the Advisory Agreements in prior years, the advisory agreements for other funds in the MainStay Group of Funds, the Board's review throughout the year of the performance and operations of other funds in the MainStay Group of Funds and each Trustee's business judgment and industry experience. In addition to considering the above-referenced factors, the Board observed that in the marketplace there are a range of investment options available to investors and that the Fund's shareholders, having had the opportunity to consider other investment options, have invested in the Fund.

The factors that figured prominently in the Board's decision to approve the continuation of each of the Advisory Agreements during the Board's December 6–7, 2023 meeting are summarized in more detail below.

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

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

The Board also considered the range of services that New York Life Investments provides to the Fund under the terms of the Management Agreement, including: (i) fund accounting and ongoing supervisory services provided by New York Life Investments' Fund Administration and Accounting Group; (ii) investment supervisory and analytical services

provided by New York Life Investments' Investment Consulting Group; (iii) compliance services provided by the Trust's Chief Compliance Officer as well as New York Life Investments' compliance department, including supervision and implementation of the Fund's compliance program; (iv) legal services provided by New York Life Investments' Office of the General Counsel; and (v) risk management monitoring and analysis by compliance and investment personnel. In addition, the Board considered New York Life Investments' willingness to invest in personnel and other resources, such as cyber security, information security and business continuity planning, that may benefit the Fund and noted that New York Life Investments is responsible for compensating the Trust's officers, except for a portion of the salary of the Trust's Chief Compliance Officer. The Board recognized that New York Life Investments provides certain other non-advisory services to the Fund and has over time provided an increasingly broad array of non-advisory services to the MainStay Group of Funds as a result of regulatory and other developments.

The Board also examined the range, and the nature, extent and quality, of the investment advisory services that MacKay provides to the Fund and considered the terms of each of the Advisory Agreements. The Board evaluated MacKay's experience and performance in serving as subadvisor to the Fund and advising other portfolios and MacKay's track record and experience in providing investment advisory services as well as the experience of investment advisory, senior management and/or administrative personnel at MacKay. The Board considered New York Life Investments' and MacKay's overall resources, legal and compliance environment, capabilities, reputation, financial condition and history. In addition to information provided in connection with quarterly meetings with the Trust's Chief Compliance Officer, the Board considered information regarding the compliance policies and procedures of New York Life Investments and MacKay and acknowledged their commitment to further developing and strengthening compliance programs that may relate to the Fund. The Board also considered MacKay's ability to recruit and retain qualified investment professionals and willingness to invest in personnel and other resources that may benefit the Fund. In this regard, the Board considered the qualifications and experience of the Fund's portfolio managers, the number of accounts managed by the portfolio managers and the method for compensating the portfolio managers.

In addition, the Board considered information provided by New York Life Investments and MacKay regarding their respective business continuity and disaster recovery plans.

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

### **Investment Performance**

In evaluating the Fund's investment performance, the Board considered investment performance results over various periods in light of the Fund's investment objective, strategies and risks. The Board considered investment reports on, and analysis of, the Fund's performance provided to the Board throughout the year. These reports include, among other

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

items, information on the Fund's gross and net returns, the Fund's investment performance compared to a relevant investment category and the Fund's benchmarks, the Fund's risk-adjusted investment performance and the Fund's investment performance as compared to peer funds, as appropriate, as well as portfolio attribution information and commentary on the effect of market conditions. The Board also considered information provided by ISS showing the investment performance of the Fund as compared to peer funds. In addition, the Board reviewed the methodology used by ISS to construct the group of peer funds for comparative purposes.

The Board also took into account its discussions with senior management at New York Life Investments concerning the Fund's investment performance over various periods as well as discussions between representatives of MacKay and the members of the Board's Investment Committee, which generally occur on an annual basis.

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

## **Costs of the Services Provided, and Profits and Other Benefits Realized, by New York Life Investments and MacKay**

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

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

In evaluating the costs of the services provided by New York Life Investments and MacKay, and profitability of New York Life Investments and its affiliates, including MacKay, due to their relationships with the Fund, the Board considered, among other factors, New York Life Investments' and its affiliates', including MacKay's, continuing investments in, or willingness to invest in, personnel and other resources that may support and further enhance the management of the Fund, and that New York Life Investments is responsible for paying the subadvisory fee for the Fund. The Board also considered the financial resources of New York Life Investments and MacKay and acknowledged that New York Life Investments and MacKay must be in a position to recruit and retain experienced professional personnel and to maintain a strong financial

position for New York Life Investments and MacKay to continue to provide high-quality services to the Fund. The Board recognized that the Fund benefits from the allocation of certain fixed costs among the funds in the MainStay Group of Funds, among other expected benefits resulting from its relationship with New York Life Investments.

The Board considered information regarding New York Life Investments' methodology for calculating profitability and allocating costs provided by New York Life Investments in connection with the fund profitability analysis presented to the Board. The Board concluded that New York Life Investments' methods for allocating costs and procedures for estimating overall profitability of the relationship with the funds in the MainStay Group of Funds were reasonable. The Board recognized the difficulty in calculating and evaluating a manager's profitability with respect to the Fund and considered that other profitability methodologies may also be reasonable.

The Board also considered certain fall-out benefits that may be realized by New York Life Investments and its affiliates, including MacKay, due to their relationships with the Fund, including reputational and other indirect benefits. The Board recognized, for example, the benefits to MacKay from legally permitted "soft-dollar" arrangements by which brokers provide research and other services to MacKay in exchange for commissions paid by the Fund with respect to trades in the Fund's portfolio securities. In addition, the Board considered its review of the management agreement for a money market fund advised by New York Life Investments and an affiliated subadvisor that serves as an investment option for the Fund, including the potential rationale for and costs associated with investments in this money market fund by the Fund, if any, and considered information from New York Life Investments that the nature and type of specific investment advisory services provided to this money market fund are distinct from, or in addition to, the investment advisory services provided to the Fund.

The Board observed that, in addition to fees earned by New York Life Investments under the Management Agreement for managing the Fund, New York Life Investments' affiliates also earn revenues from serving the Fund in various other capacities, including as the Fund's transfer agent and distributor. The Board considered information about these other revenues and their impact on the profitability of the relationship with the Fund to New York Life Investments and its affiliates. The Board noted that, although it assessed the overall profitability of the relationship with the Fund to New York Life Investments and its affiliates as part of the contract review process, when considering the reasonableness of the fee paid to New York Life Investments under the Management Agreement, the Board considered the profitability of New York Life Investments' relationship with the Fund on a pre-tax basis and without regard to distribution expenses incurred by New York Life Investments from its own resources.

After evaluating the information deemed relevant by the Trustees, the Board concluded that any profits realized by New York Life Investments and its affiliates, including MacKay, due to their relationships with the Fund were not excessive and other expected benefits that may accrue to New York Life Investments and its affiliates, including MacKay, are reasonable.

### **Management and Subadvisory Fees and Total Ordinary Operating Expenses**

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

In assessing the reasonableness of the Fund's fees and expenses, the Board primarily considered comparative data provided by ISS on the fees and expenses of similar mutual funds managed by other investment advisers. The Board reviewed the methodology used by ISS to construct the group of peer funds for comparative purposes. In addition, the Board considered information provided by New York Life Investments and MacKay on fees charged to other investment advisory clients, including institutional separate accounts and/or other funds, that follow investment strategies similar to those of the Fund, if any. The Board considered the contractual management fee schedule for the Fund as compared to those for such other investment advisory clients, taking into account the rationale for differences in fee schedules. The Board also took into account information provided by New York Life Investments about the more extensive scope of services provided to registered investment companies, such as the Fund, as compared with other investment advisory clients. Additionally, the Board considered the impact of voluntary waivers and expense limitation arrangements on the Fund's net management fee and expenses. The Board also considered that in proposing fees for the Fund, New York Life Investments considers the competitive marketplace for mutual funds. The Board considered its discussions with representatives from New York Life Investments regarding the management fee paid by the Fund. The Board also considered its discussions with representatives from New York Life Investments regarding the total net expenses paid by the Fund.

The Board took into account information from New York Life Investments, as provided in connection with the Board's June 2023 meeting, regarding the reasonableness of the Fund's transfer agent fee schedule, including industry data demonstrating that the fees that NYLIM Service Company LLC, an affiliate of New York Life Investments and the Fund's transfer agent, charges the Fund are within the range of fees charged by transfer agents to other mutual funds. In addition, the Board considered NYLIM Service Company LLC's profitability in connection with the transfer agent services it provides to the Fund. The Board also took into account

information provided by NYLIM Service Company LLC regarding the sub-transfer agency payments it made to intermediaries in connection with the provision of sub-transfer agency services to the Fund.

The Board considered the extent to which transfer agent fees contributed to the total expenses of the Fund. The Board acknowledged the role that the MainStay Group of Funds historically has played in serving the investment needs of New York Life Insurance Company customers, who often maintain smaller account balances than other shareholders of funds, and the impact of small accounts on the expense ratios of Fund share classes. The Board also recognized measures that it and New York Life Investments have taken that are intended to mitigate the effect of small accounts on the expense ratios of Fund share classes, including through the imposition of an expense limitation on net transfer agency expenses. The Board also considered that NYLIM Service Company LLC had waived its contractual cost of living adjustments during certain years.

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

### **Economies of Scale**

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

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

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

## Conclusion

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

## Discussion of the Operation and Effectiveness of the Fund'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 Fund 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 Fund's liquidity risk. A Fund's liquidity risk is the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of the remaining investors' interests in the Fund. The Board of Trustees of MainStay Funds Trust (the "Board") previously approved the designation of 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 February 27, 2024, the Administrator provided the Board with a written report addressing the Program's operation and assessing the adequacy and effectiveness of its implementation for the period from January 1, 2023, through December 31, 2023 (the "Review Period"), as required under the Liquidity Rule. The report noted that the Administrator concluded that (i) the Program operated effectively to assess and manage the Fund's liquidity risk, (ii) the Program has been and continues to be adequately and effectively implemented to monitor and, as applicable, respond to the Fund's liquidity developments and (iii) the Fund's investment strategy continues to be appropriate for an open-end fund. In addition, the report summarized the operation of the Program and the information and factors considered by the Administrator in its assessment of the Program's implementation, such as the liquidity risk assessment framework and the liquidity classification methodologies, and discussed notable geopolitical, market and other economic events that impacted liquidity risk during the Review Period.

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

Each Fund 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 Fund's subadvisor, subject to appropriate oversight by the Administrator, and liquidity classification determinations are made by taking into account the Fund'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 funds 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 fund's investments in illiquid investments. Specifically, the Liquidity Rule prohibits acquisition of illiquid investments if, immediately after acquisition, doing so would result in a fund holding more than 15% of its net assets in illiquid investments that are assets. The Program includes provisions reasonably designed to determine, periodically review and comply with the HLIM requirement, as applicable, and to comply with the 15% limit on illiquid investments.

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

## Proxy Voting Policies and Procedures and Proxy Voting Record

The Fund is required to file with the SEC its proxy voting record for the 12-month period ending June 30 on Form N-PX. A description of the policies and procedures that are used to vote proxies relating to portfolio securities of the Fund is available free of charge upon request by calling 800-624-6782 or visiting the SEC's website at [www.sec.gov](http://www.sec.gov). The most recent Form N-PX or proxy voting record is available free of charge upon request by calling 800-624-6782; visiting [newyorklifeinvestments.com](http://newyorklifeinvestments.com); or visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

## Shareholder Reports and Quarterly Portfolio Disclosure

The Fund 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 Fund's holdings report is available free of charge upon request by calling New York Life Investments at 800-624-6782.

This page intentionally left blank.

This page intentionally left blank.

# MainStay Funds

## Equity

### U.S. Equity

MainStay Epoch U.S. Equity Yield Fund  
MainStay Fiera SMID Growth Fund  
MainStay PineStone U.S. Equity Fund  
MainStay S&P 500 Index Fund  
MainStay Winslow Large Cap Growth Fund  
MainStay WMC Enduring Capital Fund  
MainStay WMC Growth Fund  
MainStay WMC Small Companies Fund  
MainStay WMC Value Fund

### International Equity

MainStay Epoch International Choice Fund  
MainStay PineStone International Equity Fund  
MainStay WMC International Research Equity Fund

### Emerging Markets Equity

MainStay Candriam Emerging Markets Equity Fund

### Global Equity

MainStay Epoch Capital Growth Fund  
MainStay Epoch Global Equity Yield Fund  
MainStay PineStone Global Equity Fund

## Fixed Income

### Taxable Income

MainStay Candriam Emerging Markets Debt Fund  
MainStay Floating Rate Fund  
MainStay MacKay High Yield Corporate Bond Fund  
MainStay MacKay Short Duration High Income Fund  
MainStay MacKay Strategic Bond Fund  
MainStay MacKay Total Return Bond Fund  
MainStay MacKay U.S. Infrastructure Bond Fund  
MainStay Short Term Bond Fund

### Tax-Exempt Income

MainStay MacKay Arizona Muni Fund  
MainStay MacKay California Tax Free Opportunities Fund<sup>1</sup>  
MainStay MacKay Colorado Muni Fund  
MainStay MacKay High Yield Municipal Bond Fund  
MainStay MacKay New York Tax Free Opportunities Fund<sup>2</sup>  
MainStay MacKay Oregon Muni Fund  
MainStay MacKay Short Term Municipal Fund  
MainStay MacKay Strategic Municipal Allocation Fund  
MainStay MacKay Tax Free Bond Fund  
MainStay MacKay Utah Muni Fund

### Money Market

MainStay Money Market Fund

## Mixed Asset

MainStay Balanced Fund  
MainStay Income Builder Fund  
MainStay MacKay Convertible Fund

## Speciality

MainStay CBRE Global Infrastructure Fund  
MainStay CBRE Real Estate Fund  
MainStay Cushing MLP Premier Fund

## Asset Allocation

MainStay Conservative Allocation Fund  
MainStay Conservative ETF Allocation Fund  
MainStay Equity Allocation Fund  
MainStay Equity ETF Allocation Fund  
MainStay Growth Allocation Fund  
MainStay Growth ETF Allocation Fund  
MainStay Moderate Allocation Fund  
MainStay Moderate ETF Allocation Fund

---

## Manager

### New York Life Investment Management LLC

New York, New York

## Subadvisors

### Candriam<sup>3</sup>

Strassen, Luxembourg

### CBRE Investment Management Listed Real Assets LLC

Radnor, Pennsylvania

### Cushing Asset Management, LP

Dallas, Texas

### Epoch Investment Partners, Inc.

New York, New York

### Fiera Capital Inc.

New York, New York

### IndexIQ Advisors LLC<sup>3</sup>

New York, New York

### MacKay Shields LLC<sup>3</sup>

New York, New York

### NYL Investors LLC<sup>3</sup>

New York, New York

### PineStone Asset Management Inc.

Montreal, Québec

### Wellington Management Company LLP

Boston, Massachusetts

### Winslow Capital Management, LLC

Minneapolis, Minnesota

## Legal Counsel

### Dechert LLP

Washington, District of Columbia

## Independent Registered Public Accounting Firm

### KPMG LLP

Philadelphia, Pennsylvania

## Distributor

### NYLIFE Distributors LLC<sup>3</sup>

Jersey City, New Jersey

## Custodian

### JPMorgan Chase Bank, N.A.

New York, New York

1. This Fund is registered for sale in AZ, CA, NV, OR, TX, UT, WA (all share classes); and MI (Class A and Class I shares only); and CO, FL, GA, HI, ID, MA, MD, NH, NJ and NY (Class I and Class C2 shares only).
2. This Fund is registered for sale in CA, CT, DE, FL, MA, NJ, NY, VT (all share classes) and SD (Class R6 shares only).
3. An affiliate of New York Life Investment Management LLC.

**For more information**

800-624-6782

[newyorklifeinvestments.com](http://newyorklifeinvestments.com)

“New York Life Investments” is both a service mark, and the common trade name, of certain investment advisors affiliated with New York Life Insurance Company. The MainStay Funds<sup>®</sup> are managed by New York Life Investment Management LLC and distributed by NYLIFE Distributors LLC, 30 Hudson Street, Jersey City, NJ 07302, a wholly owned subsidiary of New York Life Insurance Company. NYLIFE Distributors LLC is a Member FINRA/SIPC.

©2024 NYLIFE Distributors LLC. All rights reserved.