

CFA Society of Dayton

MacKay Municipal Managers

December 15, 2021



INVESTMENTS

Today's speaker



Chris Roberti
Managing Director
MacKay Municipal Managers

Chris joined MacKay Municipal Managers in May 2011 and serves as Senior Client Portfolio Manager and Chief Marketing Officer. Prior to joining, Chris was Senior Director with TIAA-CREF Asset Management focusing on investment product business development through institutions within the academic, medical, and research community. From 1991 through 2006, Chris worked with Merrill Lynch, most recently as Head of National Accounts within the asset management division overseeing business development within the broker-dealer community. Chris has a BA from Rutgers University, is a Certified Investment Management Analyst and member of Investments & Wealth Institute.

Agenda

- Macro Backdrop
- Municipal Market – Complex and Evolving
- Active Management
- 2021 Municipal Market Insights – “*Resilience*”
- Investment Opportunities in Today’s Market
- Municipal Bond Asset Allocation Strategies

About MacKay Municipal Managers™



MACKAY MUNICIPAL MANAGERS

Alpha Focus

Recognized leaders in active municipal bond investing

Credit Specialization

Expertise in investment-grade and non-investment-grade municipal credit

Experience

Team averages 25+ years in the industry, co-CIOs working together since 1993

Access

Size enables dynamic management across all market segments



Acquired MMM in 2009

- Boutique fixed-income manager
- 1938: Founded as economic consulting firm
- 197 employees
- 6 primary teams
- 1984: Acquired by New York Life Insurance Co.
- Founded 1845
- Fortune 100 Company
- 2,000+ employees

NEW YORK LIFE INVESTMENT MANAGEMENT LLC

- Subsidiary of New York Life Insurance Co.
- MainStay fund platform

As of September 30, 2021, preliminary.

"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. MacKay Shields LLC is a wholly owned subsidiary of New York Life Investment Management Holdings LLC, which is wholly owned by New York Life Insurance Company. Investments are not guaranteed by New York Life Insurance Company or New York Life Investments. The products and services of New York Life Investments' boutiques are not available to all clients and in all jurisdictions or regions. Diagram not drawn to scale.

Municipal bonds demonstrated resilience in 2021



Source: Bloomberg. As of 9/30/2021

Municipal Index: Bloomberg Municipal Bond Index; HY Muni Index: Bloomberg Municipal High Yield Index; Taxable Muni Index: Bloomberg U.S. Taxable Municipal Index; Muni 1 Yr: Bloomberg Municipal Bond 1-Year (1-2) Index; Muni 3 Yr: Bloomberg Municipal Bond 3-Year (2-4) Index; Muni 5 Yr: Bloomberg Municipal Bond 5-Year (4-6) Index; Muni 7 Yr: Bloomberg Municipal Bond 7-Year (6-8) Index; Muni 10 Yr: Bloomberg Municipal Bond 10-Year (8-12) Index; Muni 15 Yr: Bloomberg Municipal Bond 15-Year (12-17) Index; Muni 20 Yr: Bloomberg Municipal Bond 20-Year (17-22) Index; Muni Long 22+ Yr: Bloomberg Municipal Bond Long Bond (22+) Index.

Past performance is not indicative of future results. It is not possible to invest directly in an index. Index returns do not reflect costs, fees and expenses; actual portfolios would be subject to fees and expenses which would reduce returns.

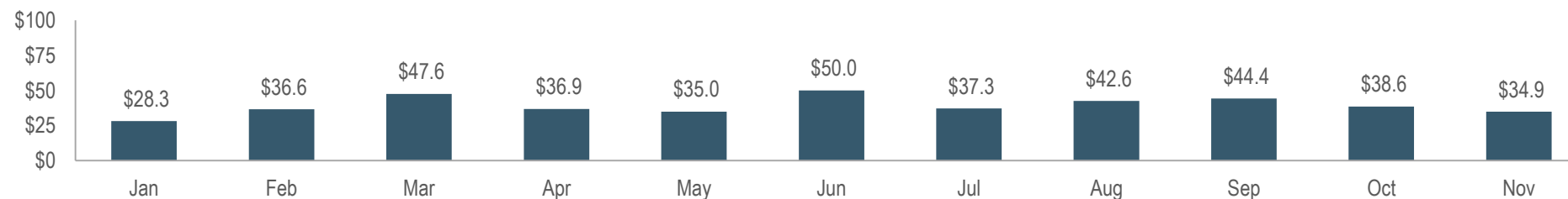
The data presented above do not refer to any past recommendations and do not constitute a recommendation to buy or sell any security. Nothing herein should be construed as a representation, warranty or prediction that the above asset classes or strategies will achieve any particular performance or result, or that investors will be able to avoid losses, including total loss of their investment.

Technical Backdrop

Supply:

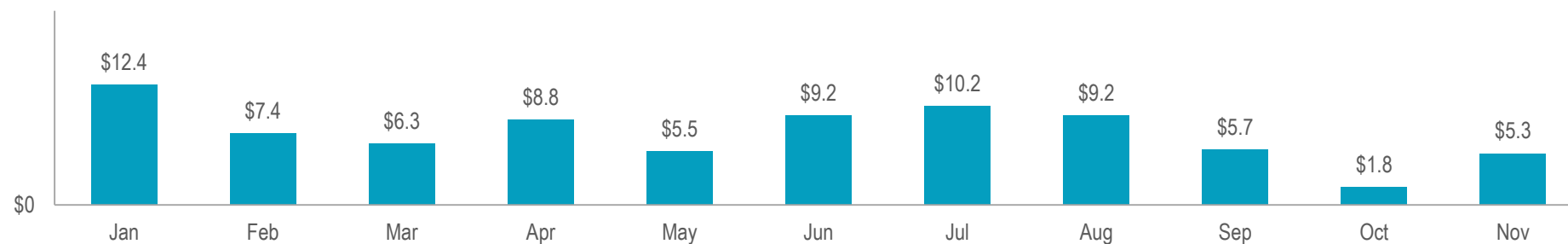
- Muni issuance in November totaled \$35 billion, down 9% month-over-month and 63% year-over-year, with net issuance at \$6 billion.
- YTD gross and net issuance through month-end was +\$432 billion and +\$140 billion, respectively.

2021 Monthly Gross Issuance (\$B)



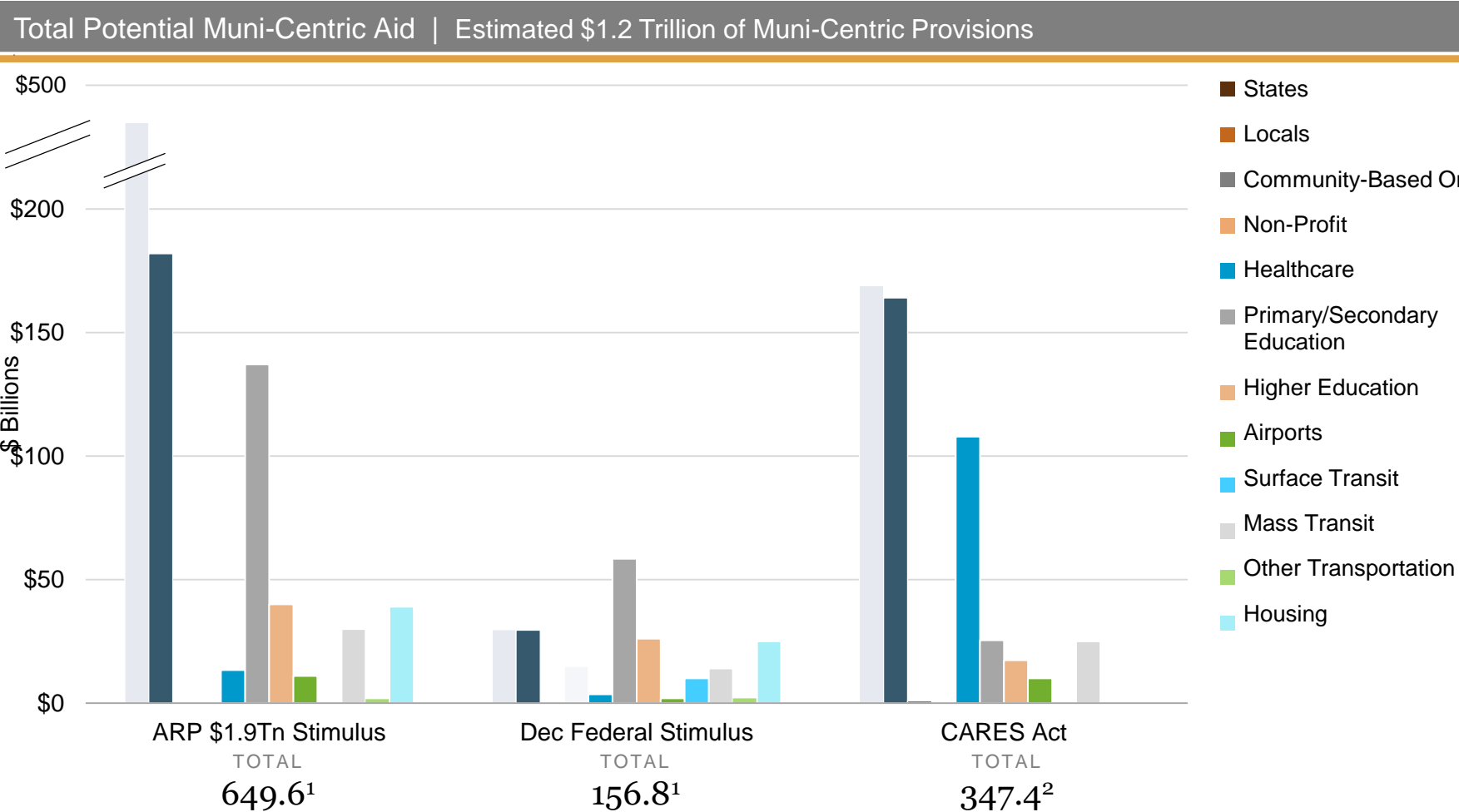
Demand: Muni flows were positive in November, with inflows averaging \$1.0 billion per week.

2021 Monthly Municipal Fund Flows (\$B)



Source: Barclays Research, as of 11/30/21.

Municipal Debt Industry Update



1. Sum of individual sector amounts do not add up to aggregate total due to double counting; ARP: American Rescue Plan. 2. Excludes muni portions of the \$454bn of loans/investments allocated for companies and munis. Source: US Congress, JPMorgan

MacKay Municipal Managers' 2021 insights – Mid-Year Update

“Resilience”

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Top five municipal insights for 2021

“Resilience”

1

Policy: the Biden Administration makes an impact

2

Stamina: key sectors withstand the COVID shutdown

3

Resurrection: Puerto Rico rises while high risk deal bond prices decline

4

Oasis: taxable municipal bonds in a global fixed income world

5

Essentiality: municipal bonds outlast the headlines

Municipal bond market — final frontier for alpha generation potential

Drivers of inefficiency, setting the stage

Complexity	<ul style="list-style-type: none">• \$3.95 trillion outstanding¹ ; 1.0 million² CUSIPS• More than 9x the issuers & 50x the CUSIPS than U.S. Corporate Bond Market²
Product Breadth	<ul style="list-style-type: none">• Tax-backed General Obligation & dedicated Revenue Bonds, securitizations, corporate borrowers, project finance, public-private partnerships, pre-pay gas, & conduit style financings
Passive Investing Base	<ul style="list-style-type: none">• Retail investors hold approximately 70%³ of outstanding debt• Purchase decisions are generally driven by tax-exempt yield & maturity – Not based on credit fundamentals

Secular changes since Financial Crisis

Credit Analysis is Paramount

Although state revenues have finally reached pre-2008 levels, underfunded pensions, demographic shifts, & tax-reform policies hang over the market.⁴

Credit Risk's Return

Sharp reduction of bond insurance re-exposed market to underlying credit risks.⁵

Liquidity

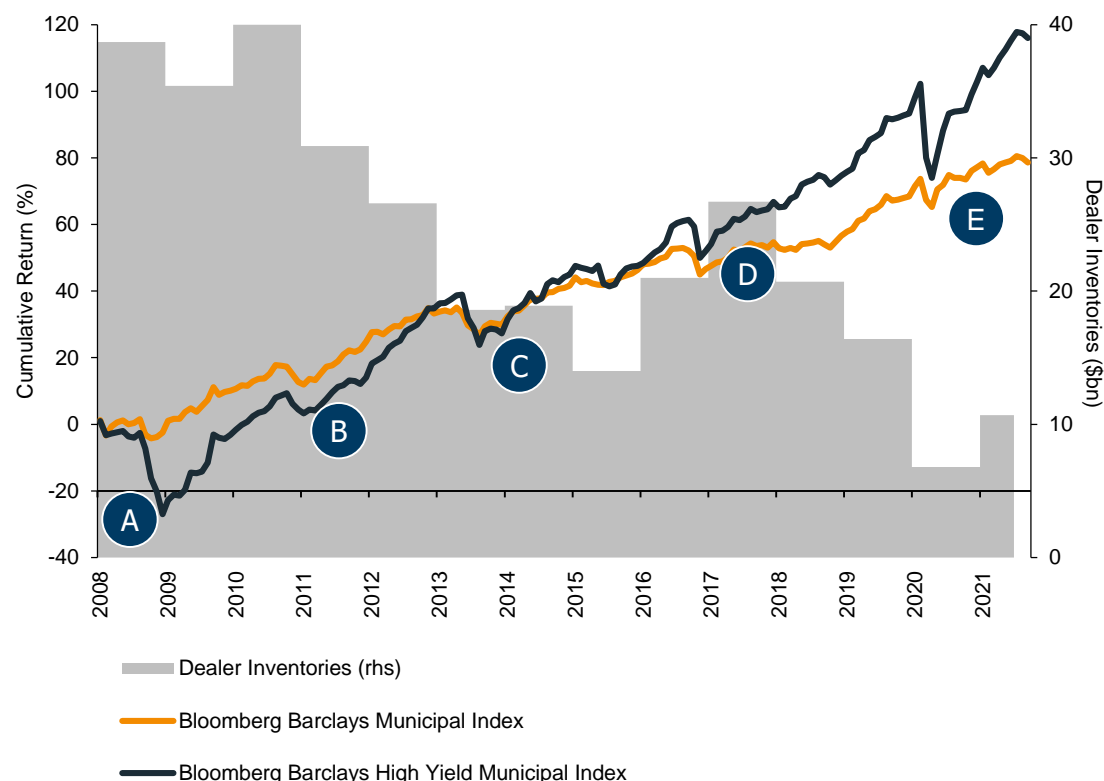
Global Financial Regulation has driven dealer's balance-sheet commitment to municipal bonds down by ~80%.⁶

Periods of volatility
may create
opportunities for
investors

1. Source: US Federal Reserve Z.1 Statistical Release as of Q4 2020. 2. Source: Bloomberg – October 2020. 3. Source: SIFMA US Municipal Securities Holders Q1 2020. 4. Source: National Association of State Budget Officers Fall 2019 Fiscal Survey of the States. 5. Source: Bond Buyer Primary Market Issuance Statistics as of September 2020. 6. Source: US Federal Reserve Z.1 Statistical Release as of Q4 2020.

Why U.S. municipal bonds? Seismic shifts have created opportunities

Market has become less liquid, more volatile, increasing the potential benefits of active management



- A 2008: Lehman collapse
- B 2010: Whitney default predictions
- C 2013: Detroit, Puerto Rico, “liquidity squeeze”
- D 2016: U.S. Presidential Election
- E 2020: COVID19 Pandemic

- Broker-dealer inventories have declined significantly, from \$50 billion in 2007 to \$11 billion as of June 2021.
- New issues wrapped by insurers have also declined significantly, from 60% in 2007 to less than 10% in 2020, making credit analysis increasingly important for investors

Events referenced on timeline are not necessarily the sole cause of market declines during the periods highlighted.

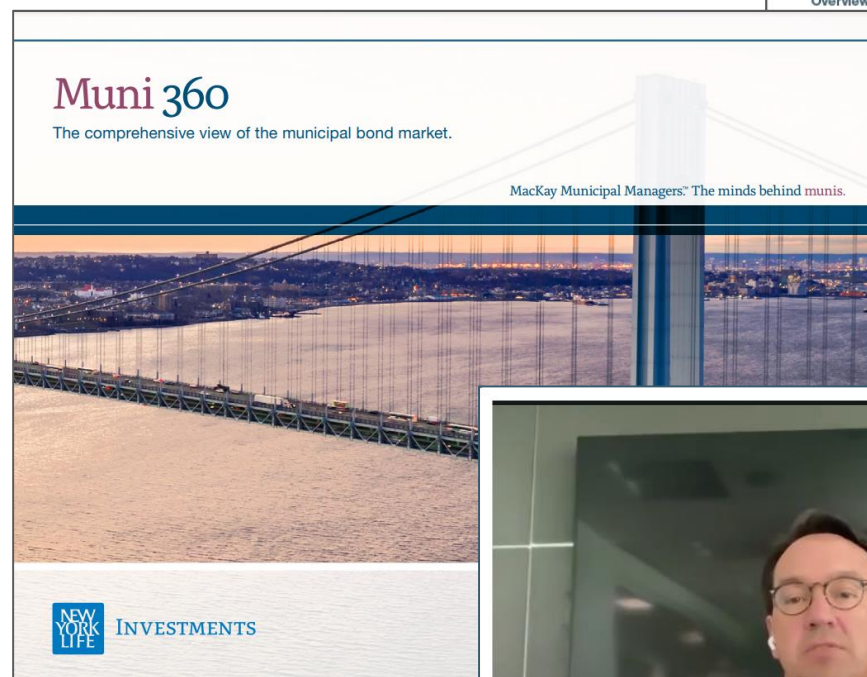
Source: MMM, Bloomberg (Bloomberg Indices) as of September 30, 2021 and U.S. Federal Reserve (Dealer Inventories) as of Q2 2021. Bond Buyer Primary Market Statistics 2020 (Insured Issuance).

The opinions expressed are those of MacKay Shields LLC 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 not indicative of future results. An investment can't be made in an index.

Continued insights from specialized expertise

Muni 360

- The team routinely deliver insightful perspectives and updates on the municipal marketplace
 - New thought pieces on aspects of the municipal markets
 - Podcasts and video interviews with our investment team
 - Visit our proprietary Muni 360 platform, available at www.muni360.com, for insights and updates



JULY 2021

Overview

With many parts of the economy on hold due to the COVID-19 pandemic, many were concerned with the credit condition of the municipal market and its ability to withstand this significant disruption. While the pandemic should not be underestimated given its lasting impact on certain pockets of credit, much of the municipal market, including the States of California and New York, have demonstrated resilience with revenue collections exceeding mid-2020 forecasts. While the COVID-19 pandemic has led to a paradigm shift in our market, and the economic recovery will be uneven in our opinion, we believe there continues to be attractive investment opportunities for municipal investors who are well-positioned to tactically adjust portfolio exposures. We believe this approach provides better total return opportunities than strategies anchored to more traditionally passive investment approaches.

California and New York: Achieving diversification in high-tax states

Within the municipal market, some states possess a unique set of characteristics, where "state-focused" municipal investment strategies present a compelling opportunity for many residents of those states. This would include states with sound long-term credit fundamentals, diverse issuance, and strong demand stemming from New York fit that profile better tax rates and wealth levels. We are exempt from both federal and state taxes on their ability to achieve their respective municipal markets.

Use Value
at Agency



Liquidity management & why it matters

Liquidity Management Imbedded in the Investment Process

- No leverage in municipal mutual funds
- Total return approach rather than maximum distribution yield
- Maintaining cash reserves
- More modest levels of non-rated bond exposure than others

Market Impact/Rationale:

- Large technical sell-offs in recent years are more pronounced
- Greater price velocity/volatility - now part of the “municipal fabric”
- Navigate and Capitalize vs Forced Selling
- For more about liquidity management and why it matters in the municipal space:

[Liquidity Management: More critical than ever](#)

Perspectives

Liquidity Management: More Critical than Ever

Key Takeaways

- Post financial crisis of 2008, the municipal market has experienced a number of transformative changes due to a reduction in bond insurance, declining institutional participation, and investor uncertainty.
- Liquidity risk arises from the mismatch between the liquidity of the product and that of the market. And this mismatch becomes greater during periods of dislocation.
- Today's new level of volatility presents opportunities for those who manage liquidity properly.


Insights from MacKay Municipal Managers

The municipal bond market has long been fragmented, complex, and less liquid than other fixed income markets. In a market like this, active management can capitalize on the numerous inefficiencies created by those conditions. Notably, the municipal landscape has shifted since the financial crisis of 2008, making one feature of an actively managed approach — liquidity management — more necessary than in the past.

A New Municipal Market Landscape

A number of transformative changes have occurred in the municipal bond market since the financial crisis:

- 1 A reduction in bond insurance.** In the wake of the crisis, the exit of certain bond insurers has left the majority of issues uninsured. Historically, the attributes of insured bonds contributed to their better relative liquidity. Whereas investors could once select from a larger pool of insured bonds designed to provide additional protection from default, investors must now seek in-depth credit analysis. As a result of the smaller percentage of insured bonds coming to market, investors potentially have to own less liquid bonds when constructing portfolios.
- 2 A decline in institutional participation.** New regulations, tax changes and competing investment products have led broker dealers to reduce the amount of capital they commit to municipal trading. In addition, the tax reform legislation of 2017 has caused commercial banks to also reduce their exposure to the municipal market. As a result of this reduction in institutional involvement in the municipal market, the relative liquidity of the municipal market has been negatively impacted.
- 3 Investor uncertainty has increased.** Ongoing individual investor migration to the intermediate portion of the municipal yield curve suggests an increasing concern with market risk. Uncertainty over rising interest rates and municipal credit conditions have driven this “flight to quality” trade. However, while experienced municipal managers recognize that uncertainty contributes to illiquidity, it can also generate opportunities to capture value.



We believe today's municipal bond landscape requires active management

- Market inefficiencies can best be exploited by investors with significant information-gathering capabilities
- Trading costs for institutions are lower than for individual investors
- Professional municipal management teams search for investment opportunities across the entire municipal market

Investors should be notified that Active Management typically charges higher fees.

Actively managed municipal portfolios – gaining broader advocacy

- Moving from “Unmanaged” Municipals to “Managed” Solutions
- Financial Analysts have a challenge buying individual bonds – the post-2008 regulatory environment coupled with recent passage of tax reform
- Banks and Broker Dealers commit far less of their own capital – lack of compelling inventory for Financial Advisors
- Pricing – for those not receiving institutional pricing – escalating trading costs have also become more transparent
- Opportunity cost – there’s little opportunity if active management is off the table
- Research – with headlines and low new issue penetration by monoline insurance companies, the value of full time credit research by career municipal professionals has never been more important

Investors should be notified that Active Management typically charges higher fees.

The current landscape and looking ahead

- Market technicals – supply and demand
- Policy – the political landscape
- Opportunities and portfolio positioning

Four Opportunities

1. State Specific Strategies – California and New York
2. Investment Grade – Short Term Municipals
3. Actively Managed Municipal ETFs
4. Taxable Municipals Bonds

Opportunity 1: CA and NY: Municipal opportunities in high-tax states still remain



INVESTMENT INSIGHTS

California and New York: Municipal opportunities in high-tax states still remain

OCTOBER 2021

Overview

As noted in our 2021 [Top Five Municipal Market Insights](#) published in January, we believed the municipal market would be resilient due to the essential nature of municipal finance in the US. Since that time, municipal credit fundamentals have exceeded expectations and strong investor cash flows have pushed bond prices higher and spreads tighter in 2021. We now reach a pivotal point in public policy as the market is contemplating anticipated initiatives including infrastructure spending, increasing employment opportunities, and addressing climate change. In addition, investor anticipation of higher federal taxes increases the value of tax exemption and municipal demand.

In our opinion, increased demand for tax-free income will be most apparent in states like California and New York, where taxes are already high relative to national averages.

While the COVID-19 pandemic should not be underestimated given its lasting impact on certain pockets of credit, much of the municipal market, including the States of California and New York, have demonstrated resilience with revenue collections exceeding mid-2020 forecasts. Although the pandemic has led to a paradigm shift in our market, and the economic recovery will continue to be uneven in our opinion, we believe there continues to be attractive investment opportunities for municipal investors who are well-positioned to tactically adjust portfolio exposures. We believe this approach provides better total return opportunities than strategies anchored to more traditionally passive investment approaches.

California and New York: Achieving diversification in high-tax states

Within the municipal market, some states possess a unique set of characteristics, where "state-focused" municipal investment strategies present a compelling opportunity for many residents of those states. This would include states with sound long-term credit fundamentals, diverse issuance, and strong demand stemming from high-income tax rates. We believe California and New York fit that profile better than any other states, especially with respect to tax rates and wealth levels.

In addition to the obvious value provided by income exempt from both federal and state taxes, California and New York residents benefit from their ability to achieve broad diversification given the significant size of their respective municipal markets.

Not FDIC/NCUA Insured	Not a Deposit	May Lose Value
No Bank Guarantee	Not Insured by Any Government Agency	



Opportunity 2: Short Term Investment Grade Municipals

- 1. Dial down duration in a rising interest rate environment
- 2. Lower volatility municipal solution without sacrificing income
- 3. “Stepping stone” until a long-term asset allocation strategy is determined

Hypothetical Portfolio Example: Adding short term municipals dampened volatility without reducing risk-adjusted returns



	10-yr Annualized Return	10-yr Annualized Standard Deviation (Risk)	10-yr Sharpe Ratio
Investment Grade Muni (70%) + High Yield Muni (30%)	4.72%	4.32%	0.95
Investment Grade Muni (50%) + High Yield Muni (30%) + ST Muni (20%)	4.22%	3.77%	0.96

Source: Morningstar, as of 9/30/21. Short-Term Munis are represented by a blend of the Bloomberg 1-and 3-Year Municipal Bond Indices. Investment-Grade Munis are represented by the Bloomberg Investment Grade Municipal Index. High-Yield Munis are represented by the Bloomberg U.S. High Yield Municipal bond Index. **Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.**

Opportunity 3: Actively Managed Municipal ETFs

- **The challenge:** Laddered muni fixed income portfolios face significant headwinds
 - Supply side has been muted; demand off the charts
 - Summertime seasonality in play with significant number of bonds coming due, and increasing numbers of callable bonds
 - Dealer inventories shrinking
 - As bonds come due, quickly sourcing adequate replacement bonds is challenging
 - Cash drag is costly, especially in current low-yield environment
- **The solution:** Consider reinvesting cash proceeds into actively managed municipal bond ETFs, like MMIT

Supplementing a laddered portfolio with MMIT has historically not only helped to reduce drag, but also increased total return and diversification without increasing volatility.

INVESTMENT INSIGHTS

How active municipal ETFs can serve as a transition management solution

JULY 2021

Overview

Investors seeking to source new bonds for their laddered municipal fixed income strategies are facing significant headwinds. Municipal bond ETFs can help with transition management and ease potential disruption by providing replacement income and reducing cash drag.

However, investors should carefully evaluate risk, return, and liquidity characteristics of municipal ETFs. Active ETFs, often overshadowed by passive strategies, can provide similar benefits to their passive counterparts, but may introduce opportunities for added alpha and portfolio diversification.

ETFs: A proven asset allocation tool

ETFs have become a fixture in core asset allocation models due to their liquidity, low cost, and transparency. These features helped lead to an explosion in the growth of passive ETFs, but there is significant opportunity in the active ETF space as well. In particular, we believe active ETF strategies in the municipal bond market can provide these same benefits (liquidity, transparency, etc.) while also generating potential alpha opportunities for investors. This is especially true in the current environment, as recent market dislocations have revealed inefficiencies and presented new opportunities that skilled active managers can uncover.

Using ETFs for transition management

One of the specific ways active ETFs are proving useful is by reducing cash drag in laddered municipal bond portfolios. In a laddered bond portfolio, each "rung" represents a staggered maturity date. The goal of these strategies is to generate uninterrupted income, while also keeping some flexibility and liquidity by investing a portion of the portfolio in shorter-maturity bonds. When the shortest rung rolls off, the proceeds are meant to be used to buy the new longest rung. But, what happens if it takes longer than anticipated to find that next rung? In that instance, investors must contend with cash drag, or missed returns due to holding on to cash for too long. This scenario could become more commonplace. Sourcing adequate replacement bonds in today's municipal marketplace is becoming increasingly challenging, due in part to declining inventories and shifting supply and demand dynamics.

On the supply side, expectations may be muted going forward as a result of increasing tax-revenue collection and the recent federal aid packages. According to Citi Research, "state and local governments are not really resorting to deficit financing." While state and local government budgets have been ravaged by the pandemic, recent revenues have come in stronger than expected and reduced market-access needs. Looking at national, state, and local government tax revenue, Citi notes that total revenues for 2020 "are above 2019 revenues by 3.7%, indicating growth and/or pent-up demand."¹ In other words, some state and local issuers already have the financial capital they require, and for the time being, do not need to tap the market by issuing new debt.

1. Citi Research, 5/24/21

index IQ
A NEW YORK LIFE INVESTMENTS COMPANY

Opportunity 4: Taxable Municipal Bonds – An underutilized asset class

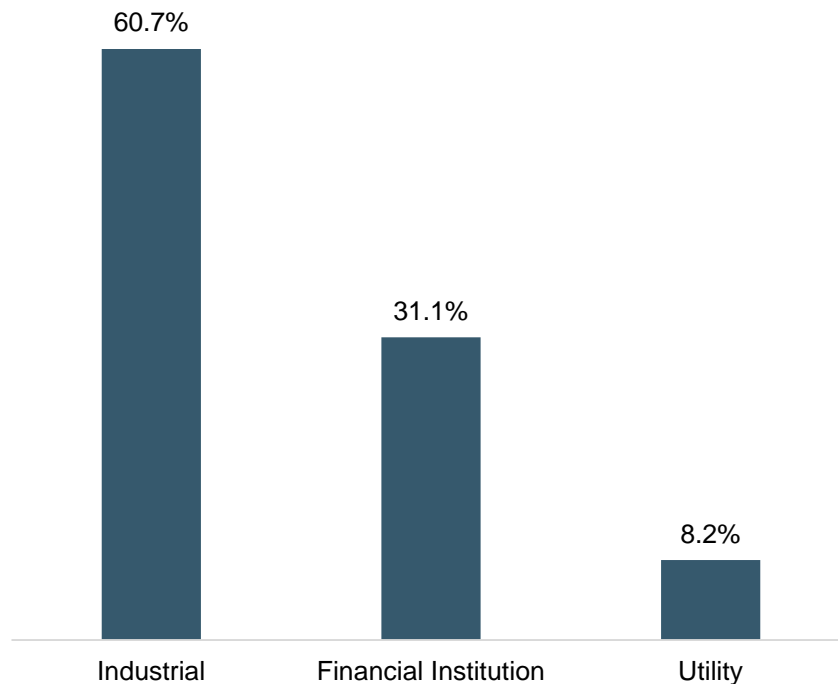
Opportunity for Qualified Accounts

- With taxable municipal bonds, harness strong municipal attributes, issuers, sectors, and total return potential for qualified accounts via taxable municipal bonds (IRA/401(k) etc)

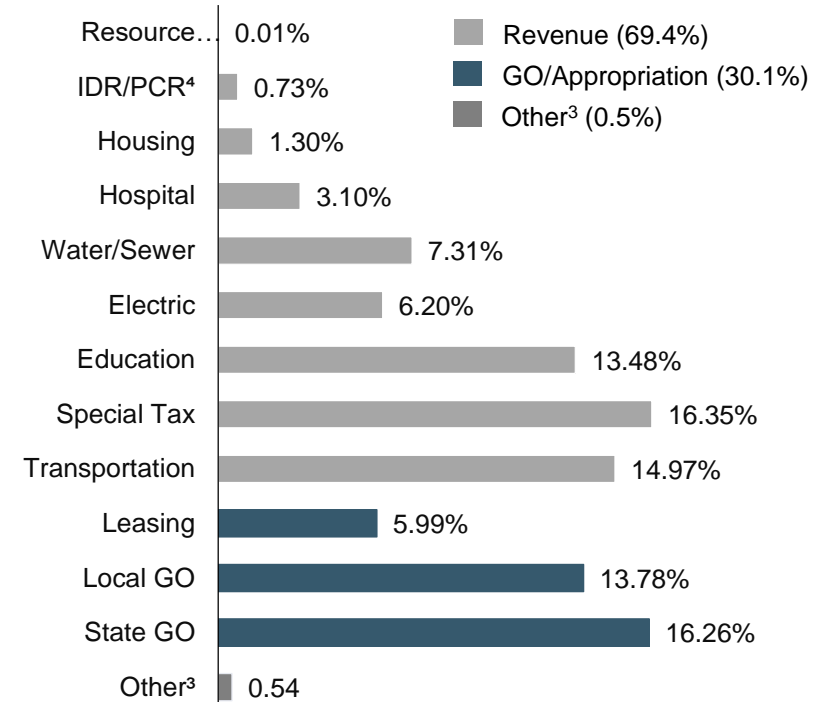


Diversification: U.S. Taxable Municipal Market Has a Diverse Sector Distribution

Sector Distribution of US Corporates¹



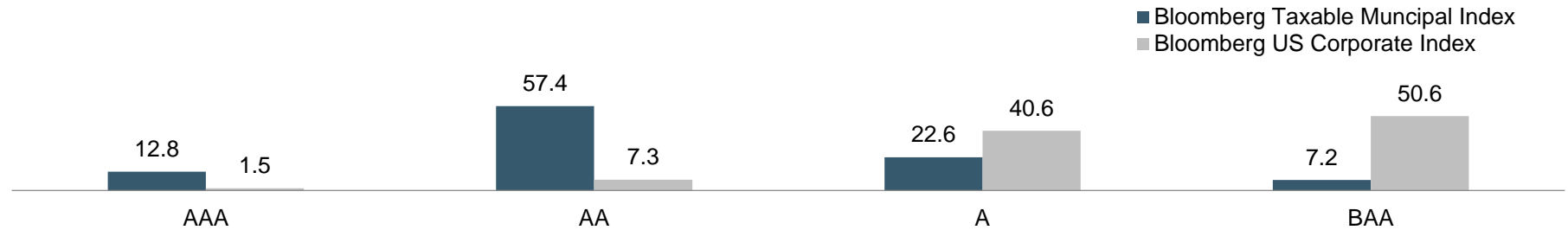
Sector Distribution of Taxable Municipals² (%)



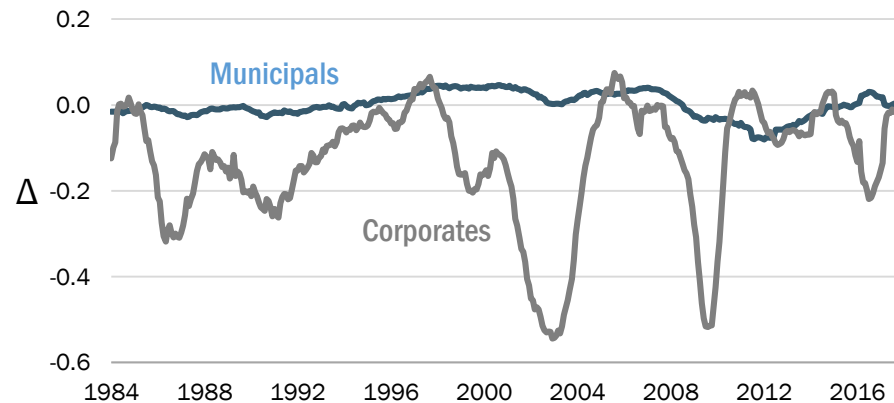
1. Source: Bloomberg US Corporate Bond Index, September 2021. 2. Source: Bloomberg Taxable Municipal Index, September 2021. 3. Other = Pre-refunded & Insured. 4. IDR—Industrial Development Revenue; PCR—Pollution Control Revenue; GO = General Obligation. Please see Index Descriptions at the end of this presentation.

Taxable Municipals vs. Corporates

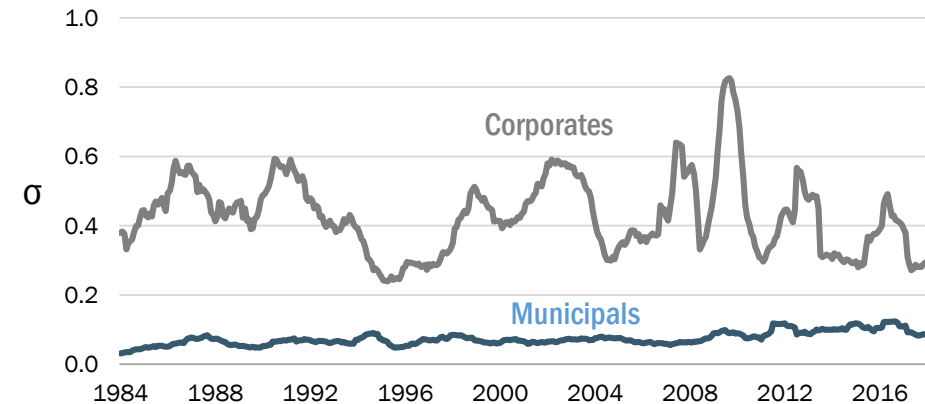
Rating Distribution | Taxable Municipal vs Corporate Bonds (%)¹



Moody's Historical Rating Drift^{2,3}



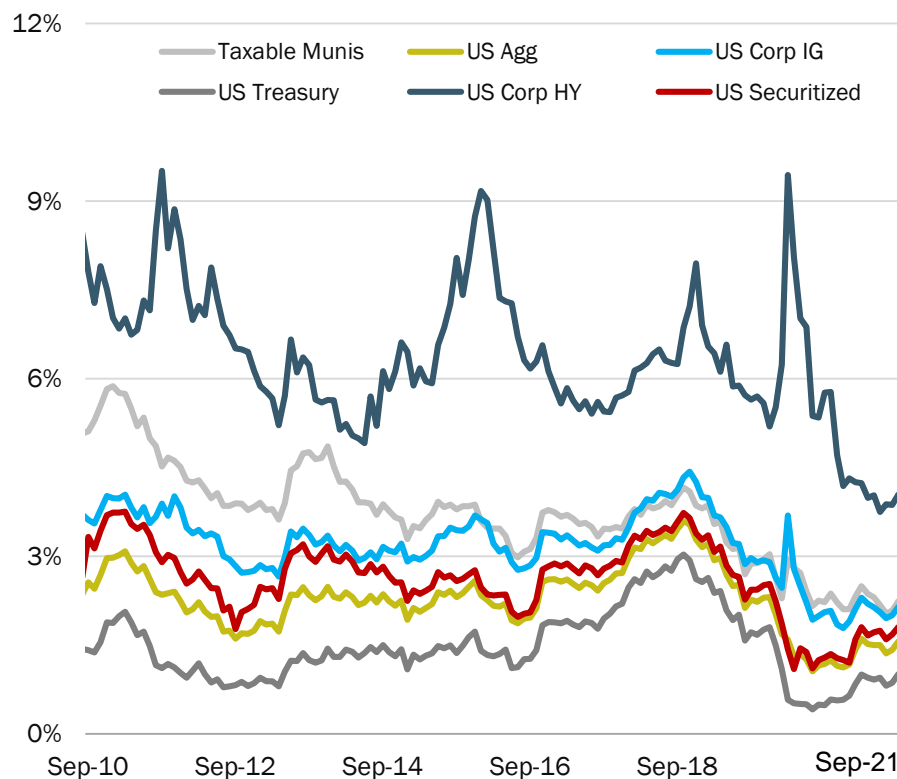
Moody's Historical Ratings Volatility^{2,4}



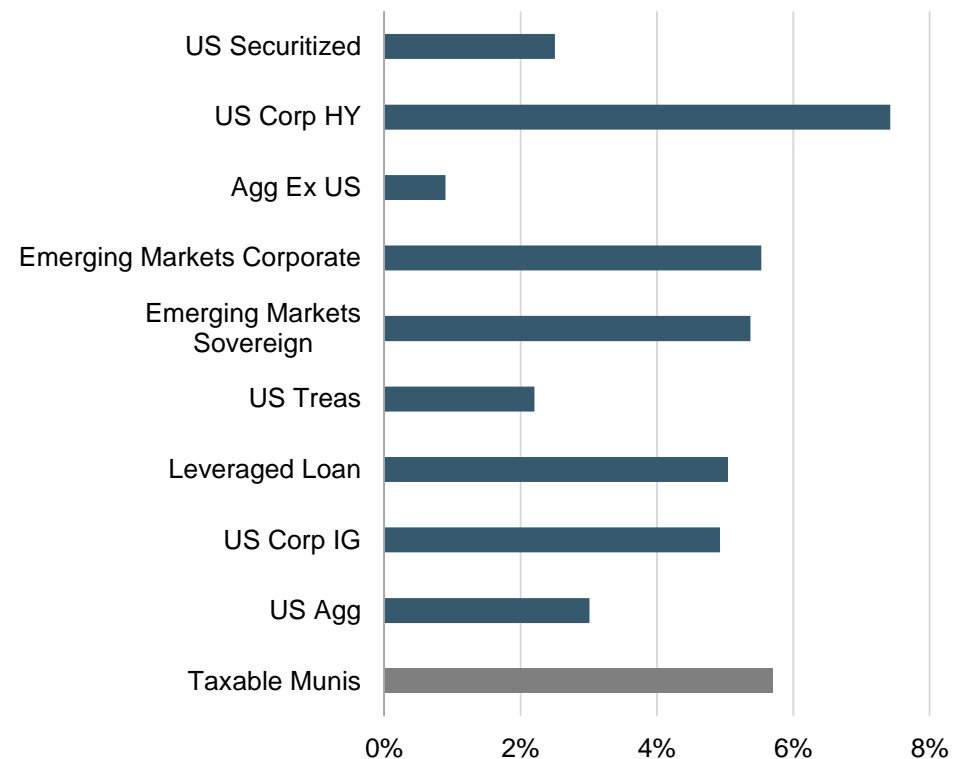
1. Bloomberg Taxable Municipal Index, Bloomberg US Corporate Index as of September 30, 2021; 2. Source: As of January 1, 2019. Moody's US Municipal Bond Defaults and Recoveries, Moody's Trends in Global Corporates Rating Transitions. Moody's US Municipal Bond Defaults and Recoveries, 1970-2018 (Excel Data); 3. Rating drift (Δ) measures the net average number of notches a credit changes over the study period (one year). It is defined as the average upgraded notches per issuer minus the average downgraded notches per issuer; 4. Volatility metrics (σ) measure the incidence, magnitude, and direction of rating changes. Rating volatility measures the gross average number of notches a credit will change over the study period, in this case one year. Please see Index Descriptions at the end of this presentation.

Municipals can provide attractive yield potential

Taxable Municipal Bond Yields¹

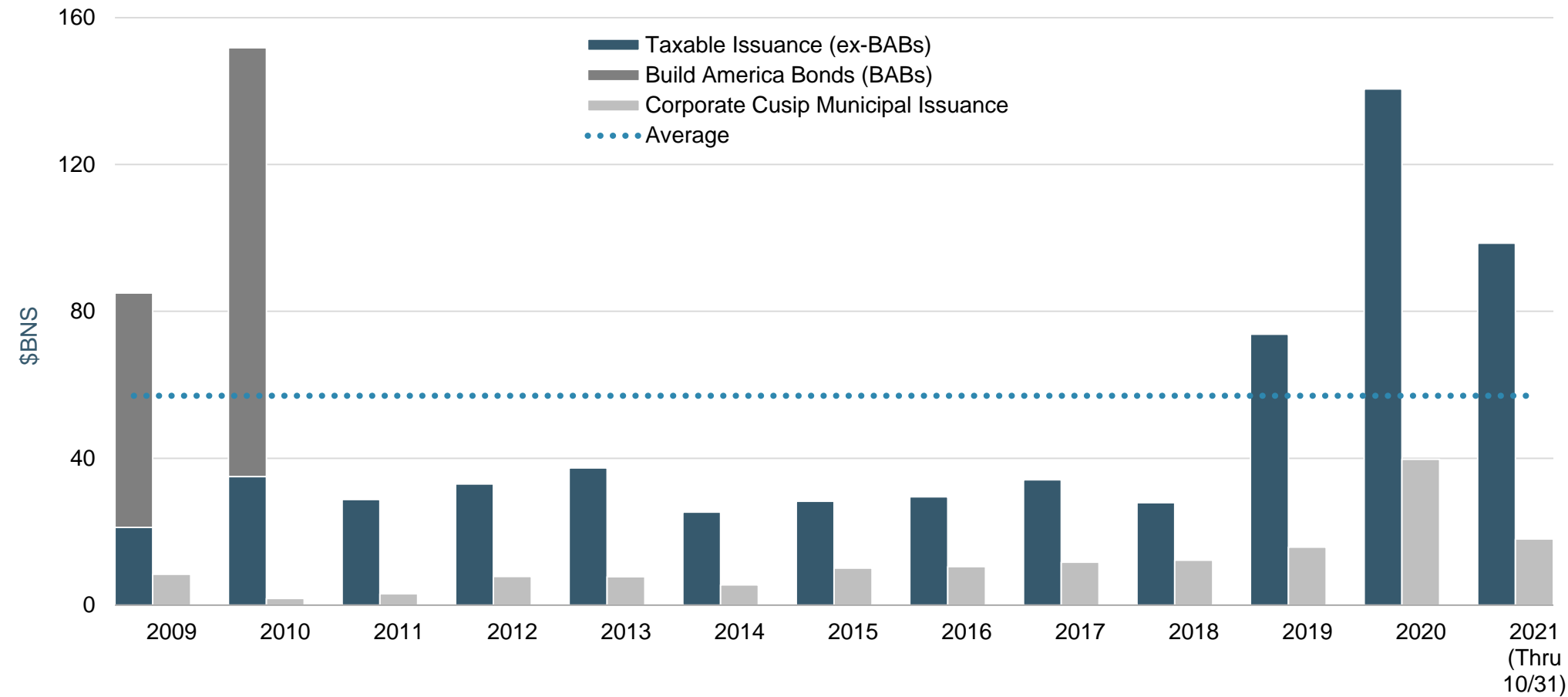


10 Year Annualized Total Return¹



1. Source: Bloomberg, ICE Data September 30, 2011 – September 30, 2021. US Securitized: Bloomberg US Securitized Index; US Corp HY: Bloomberg US Corporate High Yield Total Return Index; Agg Ex US: Bloomberg Global Aggregate ex USD Total Return Index; EM Corp, Emerging Markets Corporate: ICE BofA Emerging Markets Corporate Index; EM Sovereign, Emerging Markets Sovereign: Bloomberg Emerging Markets USD Sovereign Bond Index; US Treas: Bloomberg US Treasury Total Return Unhedged USD Index; Leveraged Loan: Credit Suisse Leveraged Loan Index; US Corp IG: ICE BofA US Corporate Index; US Agg: Bloomberg US Aggregate Bond Index; Taxable Munis: Bloomberg Taxable Municipal Bond Index. **Past performance is not indicative of future results.** It is not possible to invest directly in an index. Please see Index Descriptions at the end of this presentation.

Data and Trends: Taxable Municipal Issuance

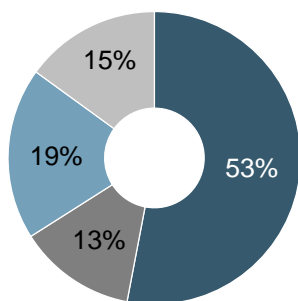


Source: SIFMA. October 2021

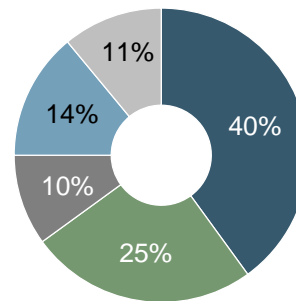
Enhance Your Core Fixed Income Portfolio

Replacing Just 25% with Taxable Municipals Could Enhance Yield and Returns, While Keeping the Risk Profile in Line with the Global Aggregate

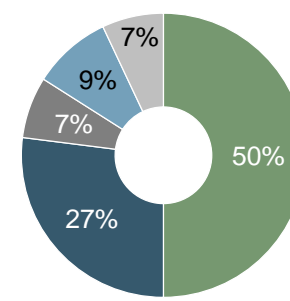
100% GLOBAL AGG



75% GLOBAL AGG / 25% TAXABLE MUNIS



50% GLOBAL AGG \ 50% TAXABLE MUNIS



■ Taxable Municipals

■ U.S. Treasury

■ Securitized

■ Investment Grade Corporate

■ Government Related

	Yield	5-Yr Total Return	5-Yr Std Dev	5-Yr Sharpe Ratio	5-Yr Correlation to S&P 500
100% GLOBAL AGGREGATE INDEX	1.03%	2.47%	4.58%	0.31	0.25
75% GLOBAL AGGREGATE INDEX – 25% TAXABLE MUNI INDEX	1.37%	3.13%	4.98%	0.40	0.21
50% GLOBAL AGGREGATE INDEX /50% TAXABLE MUNI INDEX	1.71%	3.79%	5.38%	0.49	0.18

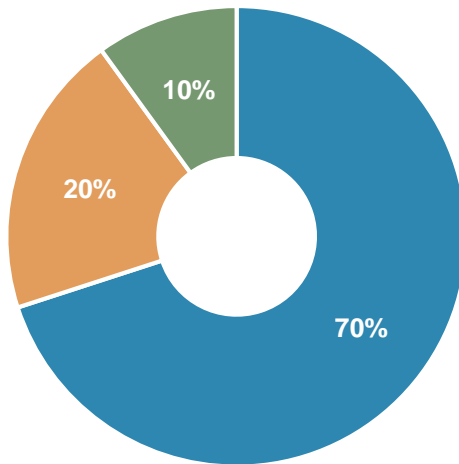
As of August 31, 2021

Source: Morningstar, Yield is represented by Yield to Worst. Global Aggregate is represented by Bloomberg Global Aggregate Index and Taxable Municipal is represented by Bloomberg Taxable Municipal Index..

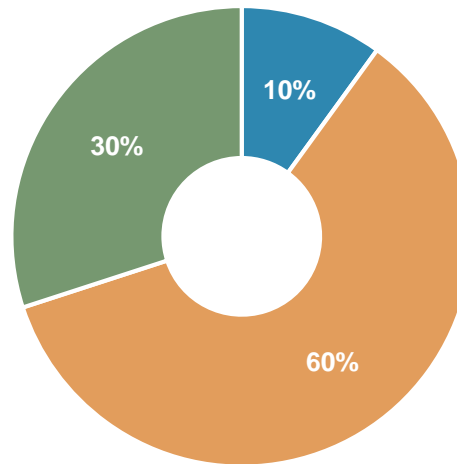
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Asset allocation guide – “road map”

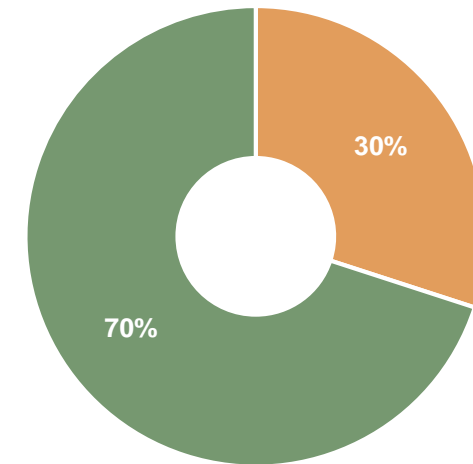
Goal: Principal Preservation
(Conservative)



Goal: Income Preservation
(Moderate)



Goal: Purchasing Power Preservation
(Aggressive)



■ MainStay MacKay Short Term Municipal Fund [I: MSTIX]

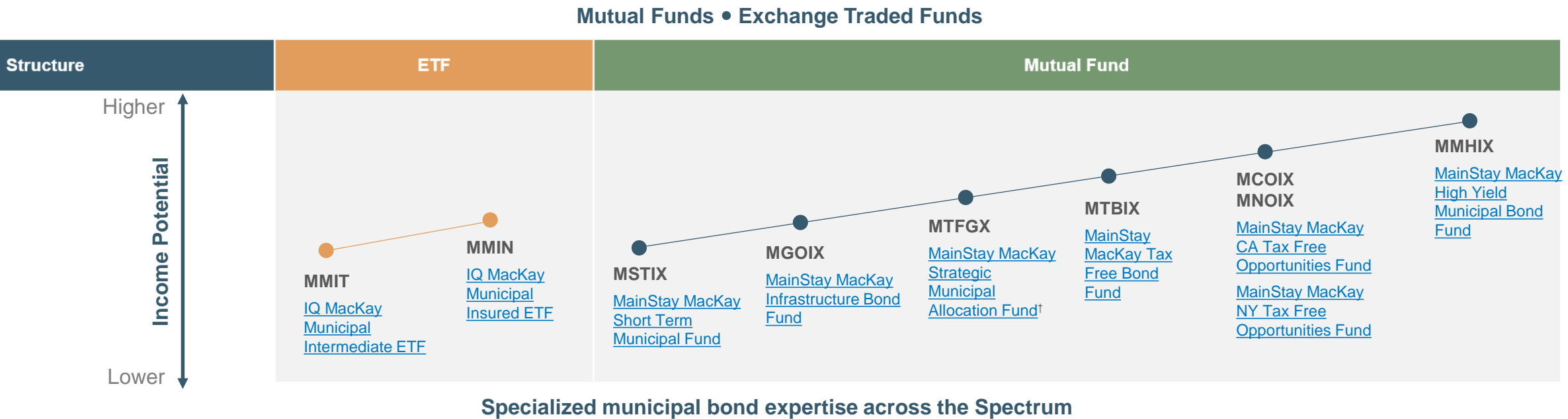
■ MainStay MacKay Tax Free Bond Fund [I: MTBIX]

■ MainStay MacKay High Yield Municipal Bond Fund [I: MMHIX]

As of 9/30/2021. For illustrative purposes only. There can be no assurance that goals or objectives will be met. The Asset Allocation Guides provide financial advisors and their clients with a framework that incorporates the related concepts of investor objectives and relative risk. This should be viewed in the context of a starting point in the conversation that takes place between the advisor and the client.

Municipal bond fund and ETF lineup

Not all municipal managers are created equal. New York Life Investments suite of municipal bond products is managed by the experienced professionals at MacKay Municipal Managers. Recognized leader in active municipal bond investing and entrusted with \$77 billion in assets, as of 6/30/21, MacKay Municipal Managers manages a suite of highly rated, award-winning municipal bond solutions, available in multiple structures,* including:



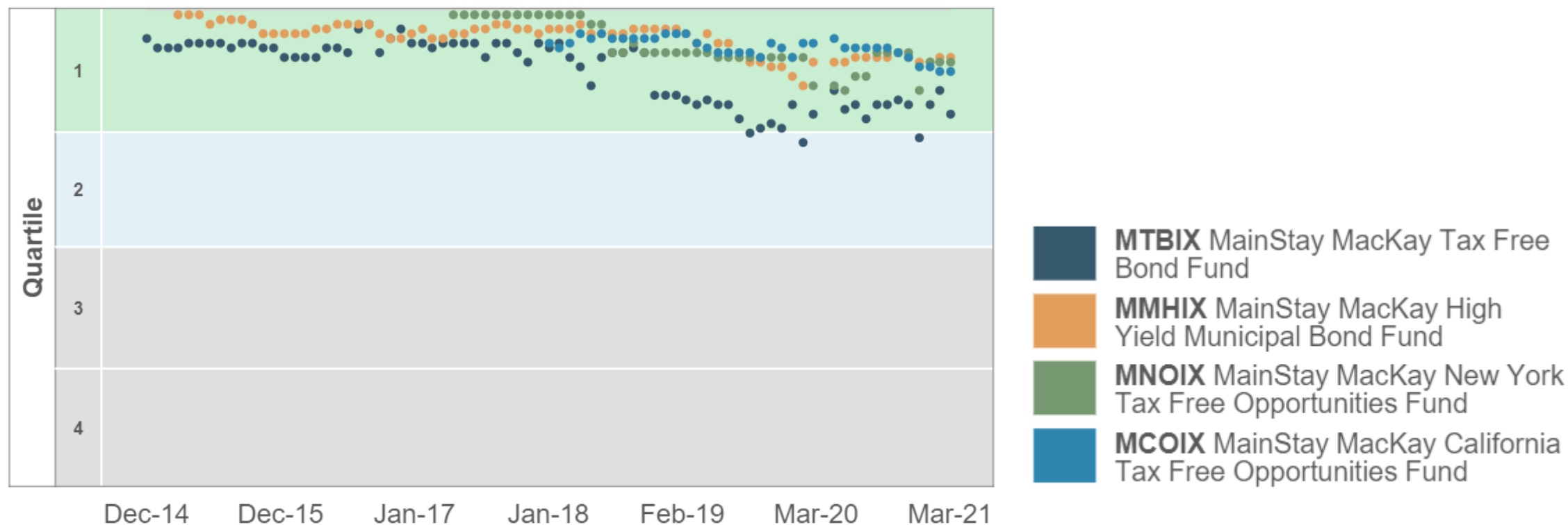
Visit www.muni360.com for complete information about all of these solutions, including links to the most current Fund page, which includes the prospectus, investment objectives, performance, risk, and other important information. Returns represent past performance which is no guarantee of future results. Current performance may be lower or higher. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Visit nylinvestments.com/etfs and nylinvestments.com/funds for the most recent month-end performance.

† Prior to November 30, 2021, the Fund was named MainStay MacKay Intermediate Tax Free Bond Fund and its principal investment strategies were modified.

* AUM is preliminary. Product availability varies based on firm.

Consistently top quartile municipal funds

Since inception, MainStay's core, high yield, and single state municipal bond funds **have consistently ranked in or near the top quartile** in their respective Morningstar categories over all 5-year rolling periods.



Source: Morningstar, 3/31/21. There have been other time periods where these funds did not rank in the top quartile. Class I shares are generally only available to corporate and institutional investors. Past performance is no guarantee of future results, which will vary.

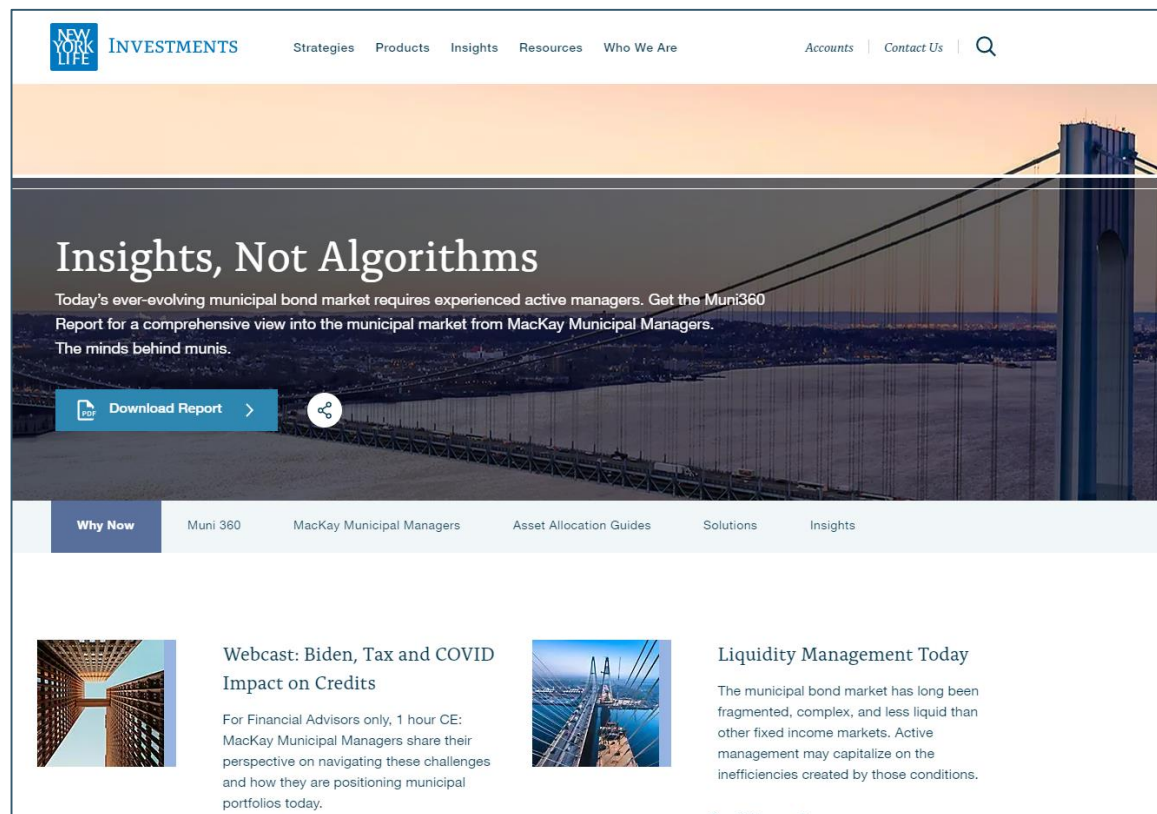
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* AUM is preliminary.



Questions?

Municipal Solutions from MacKay Municipal Managers

High Yield Muni	Tax Free Bond	Intermediate	Short Term Muni	California Tax Free Opp	New York Tax Free Opp	Infrastructure Bond	Municipal Insured ETF	Municipal Intermediate ETF
MMHIX	MTBIX	MTFGX	MSTIX	MCOIX	MNOIX	MGOIX	MMIN	MMIT

To learn more, call us at: **888-474-7725**

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Please submit your questions using the Q&A box.



Disclosures

Bloomberg 3-Year Municipal Bond Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

Bloomberg U.S. Aggregate Bond Index is an unmanaged market value-weighted performance benchmark for investment-grade or better fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year.

Bloomberg Municipal Bond Index is considered representative of the broad market for investment-grade, tax-exempt bonds with a maturity of at least one year. Bonds subject to the alternative minimum tax or with floating or zero coupons are excluded.

Bloomberg High Yield Municipal Index: An unmanaged index of municipal bonds with the following characteristics: fixed coupon rate, credit rating of Ba1 or lower or non-rated using the middle rating of Moody's, S&P, and Fitch, outstanding par value of at least \$3 million, and issued as part of a transaction of at least \$20 million. In addition, the bonds must have a dated-date after December 31, 1990 and must be at least one year from their maturity date.

Bloomberg California Municipal Bond Index is a market value-weighted index of California investment-grade, tax-exempt, fixed-rate municipal bonds with maturities of one year or more.

Bloomberg Global Aggregate Bond Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg New York Municipal Bond Index is a market value-weighted index of New York investment-grade, tax-exempt, fixed-rate municipal bonds with maturities of one year or more.

Bloomberg Taxable Municipal Index is a rules-based, marker-value-weighted index engineered for the long-term taxable bond market.

Bloomberg U.S. Corporate Index measures the investment-grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers.

Bloomberg U.S. Corporate High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. Must have at least one year to final maturity regardless of call features. Must have at least \$150 million par amount outstanding. Must be rated high-yield (Ba1/BB+ or lower) by at least two of the following ratings agencies: Moody's, S&P, Fitch. Must be fixed rate, although it can carry a coupon that steps up or changes according to a predetermined schedule. Must be dollar-denominated and non-convertible. Must be publicly issued.

Bloomberg US Treasury Index measure the public obligations of the US Treasury with a remaining maturity of one year or more. Must be a US Treasury security. Must have at least \$300 million par amount outstanding. Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies.

Bloomberg U.S. Securitized Bond Index is an unmanaged index of asset-backed securities, collateralized mortgage-backed securities, and fixed-rate mortgage-backed securities agencies: Moody's, S&P, Fitch. Must be fixed rate. Must be dollar-denominated and non-convertible.

It is not possible to invest directly in an index.

Disclosures

Credit Suisse Leveraged Loan Index is a representative index of tradable, senior secured, U.S. dollar-denominated non-investment grade loans.

ICE BofAML Emerging Markets Corporate Plus Index tracks the performance of U.S. dollar and euro denominated emerging markets non-sovereign debt publicly issued in the major domestic and Eurobond markets. In order to qualify for inclusion in the Index an issuer must have risk exposure to countries other than members of the FX G10, all Western European countries, and territories of the U.S. and Western European countries.

ICE BofA US Corporate Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million.

S&P 500® Index is widely regarded as the standard index for measuring large-cap U.S. stock market performance.

Active management is the use of a human element, such as a single manager, co-managers or a team of managers, to actively manage a fund's portfolio. Active management strategies typically have higher fees than passive management.

Yield to Worst is an estimate of the lowest yield that you can expect to earn from a bond when holding to maturity, absent a default. It is a measure that is used in place of yield to maturity with callable bonds. As callable bonds can be bought back before their stated maturity date, yield to maturity does not provide an accurate picture of what an investor can expect to earn.

Standard Deviation is a statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Sharpe Ratio is a risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance.

Correlation is a statistical measure that calculates the strength of the relationship between the relative movements of two variables. A correlation of -1.0 shows a perfect negative correlation, in which two variables move in exact opposite directions. A correlation of 1.0 shows a perfect positive correlation, in which two variables move in the same direction.

It is not possible to invest directly in an index.

About risk

All investments are subject to market risk and will fluctuate in value

A portion of a municipal fund's income may be subject to state and local taxes or the Alternative Minimum Tax. Funds that invest in bonds are subject to interest-rate risk and can lose principal value when interest rates rise. Bonds are also subject to credit risk, in which the bond issuer may fail to pay interest and principal in a timely manner. High-yield securities (commonly referred to as "junk bonds") are generally considered speculative because they present a greater risk of loss than higher-quality debt securities and may be subject to greater price volatility. High-yield municipal bonds may be subject to increased liquidity risk as compared to other high-yield debt securities.

Municipal securities risks include the ability of the issuer to repay the obligation, the relative lack of information about certain issuers, and the possibility of future tax and legislative changes which could affect the market for and value of municipal securities. Such uncertainties could cause increased volatility in the municipal securities market and could negatively impact the Fund's net asset value and/or the distributions paid by the Fund. Securities purchased by the Fund that are liquid at the time of purchase may subsequently become illiquid due to events relating to the issuer of the securities, market events, economic conditions, or investor perceptions.

Income from municipal bonds held by the Funds could be declared taxable because of unfavorable changes in tax law, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of a bond issuer. The Funds may invest in derivatives, which may increase the volatility of the Funds' net asset value and may result in a loss to the Fund. Funds that invest in bonds are subject to interest-rate risk and can lose principal value when interest rates rise. Bonds are also subject to credit risk, in which the bond issuer may fail to pay interest and principal in a timely manner.

Because state-specific municipal Funds invests primarily in municipal bonds issued by or interests in the States of New York and California and their political subdivisions, agencies and instrumentalities, events in New York and California are likely to affect the Funds' investments and performance. These events may include fiscal or political policy changes, tax base erosion, and state constitutional limits on tax increases, budget deficits and other financial difficulties. New York and California continue to experience financial difficulties due to the economic environment. Any deterioration of New York and California's fiscal situations and economic situations of their municipalities could cause greater volatility and increase the risk of investing in New York and California.

MainStay Funds and IQ ETFs

Please ask your clients to consider the investment objectives, risks, charges, and expenses of the investment company carefully before investing. The prospectus or summary prospectus contains this and other information about the fund and can be obtained by contacting you, the financial professional. Instruct your clients to read the prospectus or summary prospectus carefully before investing.

For more information

888-474-7725

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