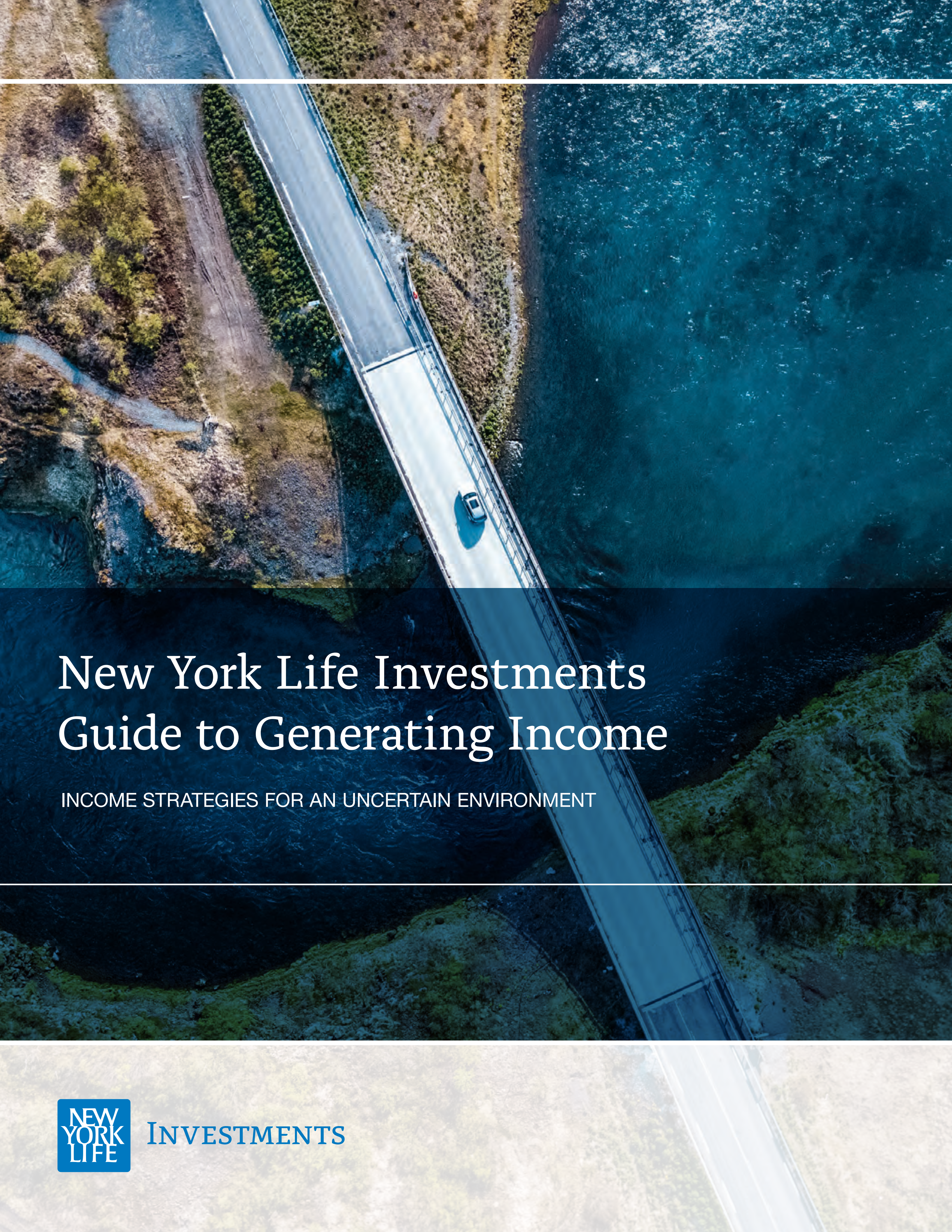


New York Life Investments Guide to Generating Income

INCOME STRATEGIES FOR AN UNCERTAIN ENVIRONMENT

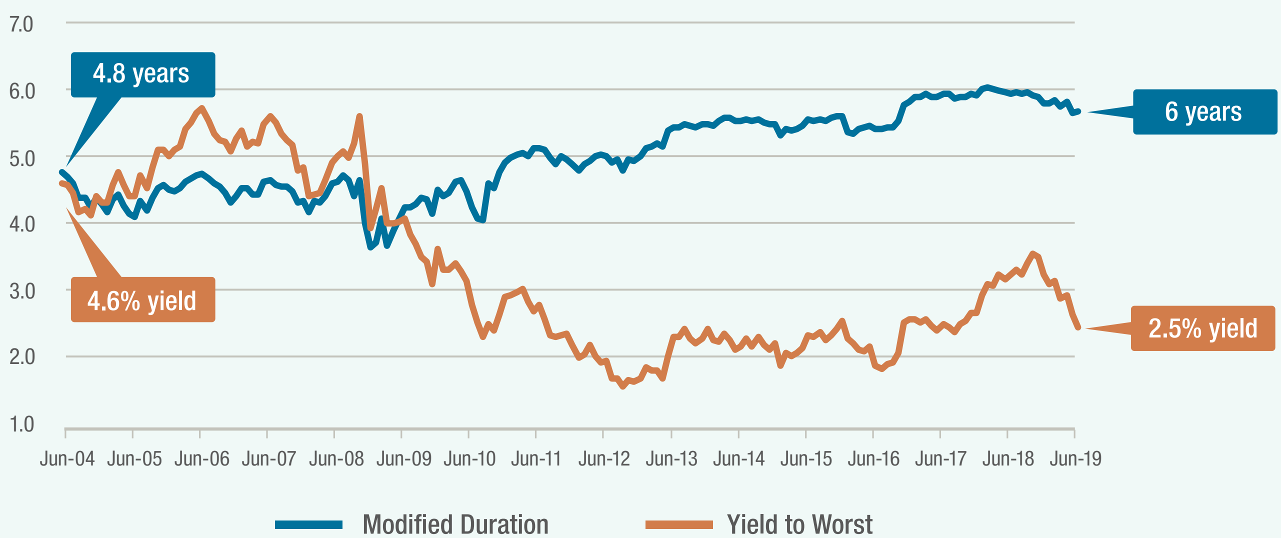
NEW YORK LIFE INVESTMENTS

The need for income is as important as ever. Just ask the 10,000 Baby Boomers who turn 65 every day and investors of all ages who rely on consistent income from their portfolios.[1] Traditionally, investors have looked to core bonds to generate investment income. However, in today's environment investors may not realize that investing in bonds has become riskier than in the past. Since the financial crisis of 2008, loose monetary policy by the U.S. Federal Reserve (Fed) and other central banks has changed the characteristics of the primary U.S. investment-grade bond index, the Bloomberg Barclays U.S. Aggregate Bond Index. As shown in **Figure 1**, the yield of investment-grade core bonds has decreased dramatically over the last 15 years, while duration—which measures the sensitivity of a bond's price to changes in interest rates—has *increased* significantly. With higher duration and lower yields, the risk/reward tradeoff is not the same as it was 15 years ago.

In 2018, the Fed began raising short-term interest rates, because it appeared that the economy could support higher rates. Since then, sentiment has shifted considerably. Expectations surrounding monetary policy have changed dramatically over the last year, as market participants went from predicting additional rate hikes in 2019 to pricing in rate decreases. Slowing economic growth, muted inflation, and global central banks' willingness to increase economic stimulus are just some of the factors that have kept government bond yields near historical lows. In this environment, it's become more challenging to find consistent income for investors.

Figure 1: Bonds have become riskier over time

Core bond duration has increased while yield has decreased

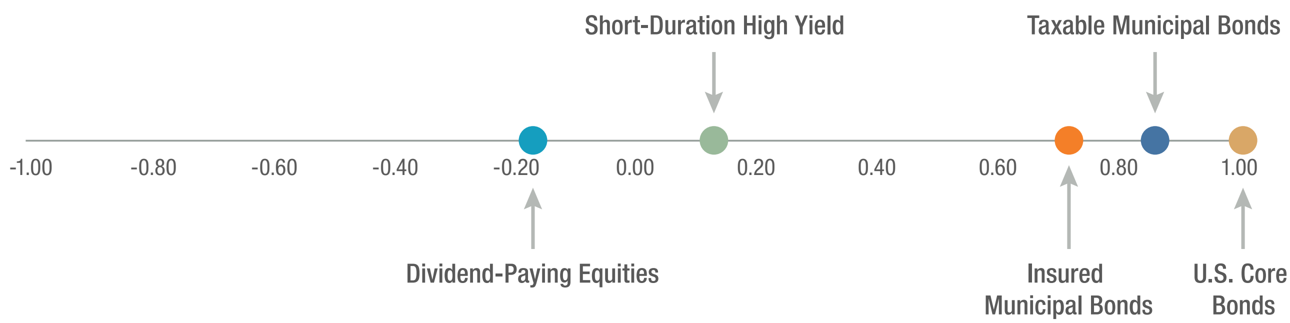


Source: Bloomberg Barclays. As of 6/30/19.

The good news is that there are a variety of income solutions beyond traditional fixed-income investments. While some may be lesser known, these investment strategies can generate income while seeking to mitigate volatility, diversify a traditional income portfolio, and potentially help insulate portfolios from current market risks. Given the current interest rate environment and bouts of volatility driven by trade rhetoric, geopolitical risk, and Fed uncertainty, there is a need to think outside the Barclay's Aggregate Bond Index for income solutions. New York Life Investments can help. **Figure 2** shows our range of fixed-income options, along with high-dividend equities, that can offer attractive yields and help you diversify your fixed-income portfolios.

Figure 2: A range of income solutions with attractive yields and diversification benefits

Correlation to U.S. Core Bonds



Source: Morningstar. Period: 6/30/09–6/30/19. See appendix for additional information, including Index definitions. **Past performance is no guarantee of future results which will vary. It is not possible to invest directly in an index.**

The following sections discuss how each of these solutions can help solve specific income needs.

GOAL: HIGH CURRENT INCOME
SOLUTION: SHORT-DURATION HIGH-YIELD BONDS
FUND: MAINSTAY MACKAY SHORT DURATION HIGH YIELD FUND (MDHIX)

Historically, investors have sought out high-yield bonds as a source of income because below investment-grade bonds almost always offer a higher coupon than investment-grade bonds. However, by their nature, high-yield bonds offer higher yields because they have more credit risk when compared with investment-grade bonds. Short-duration high-yield bonds may be an attractive solution for investors who prefer a more conservative approach to high yield. Short-duration high yield can be viewed as a lower-risk, higher-quality high-yield investment—a "high yield light" asset class where investors may give up some upside opportunity while potentially reducing the downside. Historically, short-duration high yield has underperformed the broader high-yield market during periods of price appreciation and outperformed during market sell-offs when spreads widened.[2]

In a period of market volatility, we believe short-duration high-yield bonds compare favorably to investment-grade alternatives, offering a potentially higher yield with less interest rate risk. It is important to remember, however, that higher yields come with a trade-off of lower-quality credits, which may carry higher credit risk. All that said, this asset class offers a compelling risk/reward profile. As shown in **Figure 3**, short-duration high yield compares favorably to other fixed-income asset classes in terms of historical yield versus duration and volatility. If you are particularly concerned about increased market volatility but are still seeking income, then short-duration high-yield bonds may be a good fit.

Figure 3: Short-duration high yield has offered strong, risk-adjusted yield compared to other fixed-income asset classes

	Yield (%)	Duration (years)	Volatility (%)
Short-Duration High Yield	5.00	1.92	3.90
High Yield	6.05	3.38	5.60
Core Bonds	2.49	5.73	2.94
U.S. Treasurys	1.92	6.38	3.42
Short-Duration Investment-grade	2.46	1.80	0.95

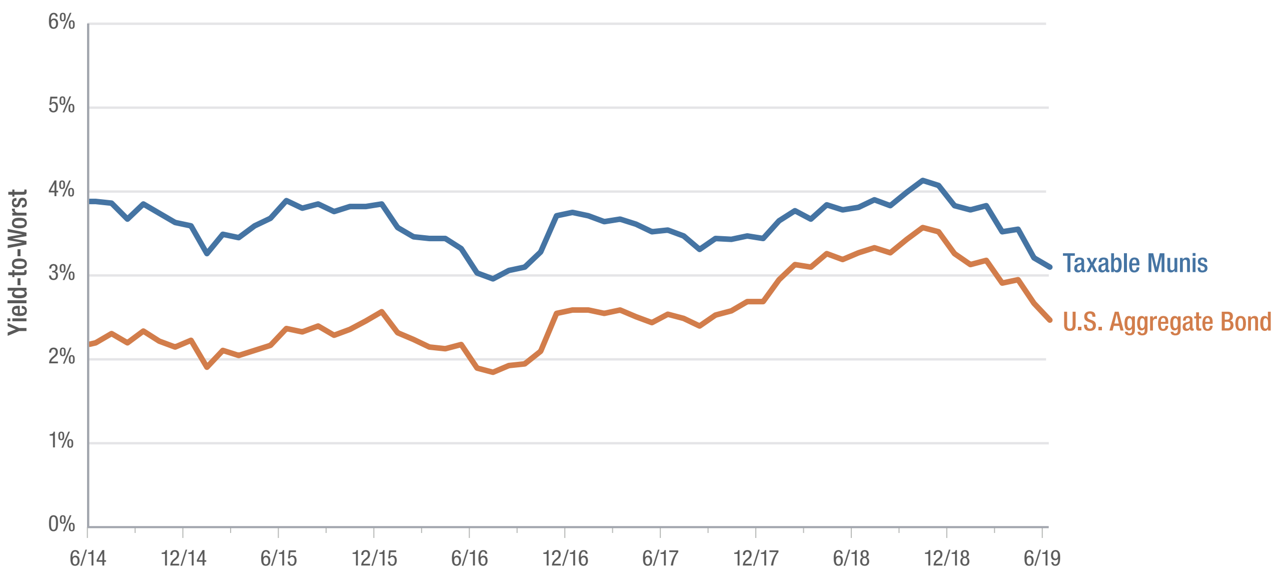
Source: Bloomberg Barclays and ICE BofAML indices. Period: 7/1/14–6/30/19. See appendix for additional information, including Index definitions. **Past performance is no guarantee of future results which will vary. It is not possible to invest directly in an index.**

GOAL: GET MORE FROM YOUR INVESTMENT-GRADE CORE
SOLUTION: TAXABLE MUNICIPAL BONDS
FUND: MAINSTAY MACKAY INFRASTRUCTURE BOND FUND (MGOIX)

Municipal bonds are popular choices for investors because they offer tax-free income in a relatively lower-risk fashion compared with other asset classes. However, many investors overlook taxable municipal bonds, which represent 13% of the $3.8 trillion total municipal bond market. Taxable municipal bonds have out-performed most fixed-income sectors in total return and yield despite the fact that the majority of the market is composed of higher-quality investment-grade bonds.

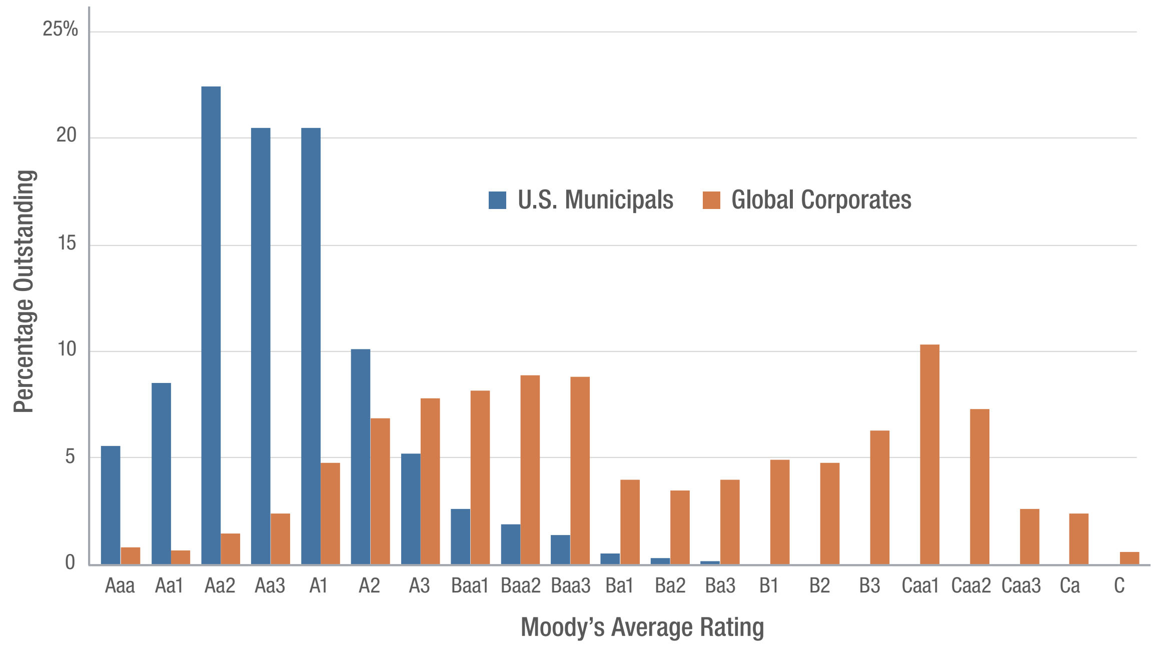
Taxable municipal bonds have generated a higher annualized total return than most other major bond sectors.[3] As shown in **Figure 4**, they also have offered higher yield relative to the Bloomberg Barclays U.S. Aggregate Bond Index. Additionally, **Figure 5** highlights that municipal bonds offer higher quality and historically lower default rates compared to other types of bonds. Over 76% of U.S. municipal bonds outstanding are A1-rated or better; only a tiny portion are below investment-grade. In contrast, only about 10% of the global corporate bond market is AA-rated, and half is below investment-grade. Notwithstanding their higher credit quality, municipals have had significantly lower default rates compared to corporates. This is true as you compare equivalently rated credits, as well as when you compare lower-rated municipals to higher-rated corporates. Due to their low correlation to other fixed-income asset classes, taxable municipal bonds can provide portfolio diversification without sacrificing credit quality. For investors who are looking for more income but don't want to venture into high-yield bonds, taxable municipal bonds could be a compelling option.

Figure 4: Taxable municipal bonds have provided an alternative source of attractive income potential



Source: Bloomberg Barclays indices. As of 6/30/19. See appendix for additional information, including Index definitions. **Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.**

Figure 5: Most municipal bonds are high quality with low default rates, making them attractive for risk-conscious investors



Source: Moody's Investors Service. Moody's US Municipal Bond Defaults & Recoveries, 1970–2017.

	U.S. Municipals[4]	Global Corporates
Rating Spread	Over 76% rated A1 or better; tiny portion below investment grade	Only ~10% are AA rated; half are below investment grade
AAA Default Rate	0%	0.84%
BBB Default Rate	0.81%	4.35%

Sources: S&P USPF Cumulative Average Default Rates, 1986–2017; S&P US Corporate Average Cumulative Default Rates, 1981–2017.

A growing need for infrastructure financing means there is significant opportunity in taxable municipal bonds today. Though relatively small, the taxable market appears poised to grow for several reasons. In 2017, the American Society of Civil Engineers (ASCE) issued a report estimating that deteriorating U.S. infrastructure requires $4 trillion of capital in order to be restored to a state of good repair. With only about 55% of the funding in place, municipalities and public-private partnerships will be expected to pay for the remaining approximately $2 trillion over the course of the next 10 years. Because of IRS limits to the amount of tax-exempt debt municipalities can issue, we believe that taxable municipal bonds will provide most of this new financing.

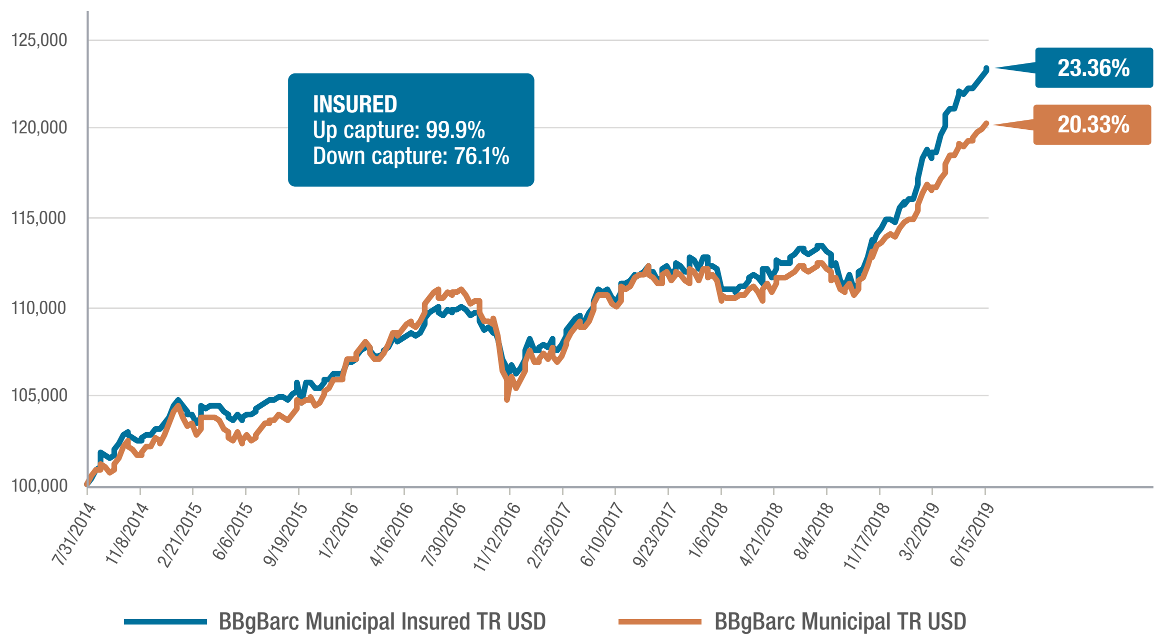
GOAL: MORE TAX-EXEMPT INCOME WITH LESS DOWNSIDE RISK
SOLUTION: INSURED MUNICIPAL BONDS
FUND: IQ MACKAY MUNICIPAL INSURED ETF (MMIN)

Municipal bonds in general are a good source of tax-exempt income. While municipal bonds are generally considered lower-risk alternatives compared to other income sources, they still can suffer periods of volatility. For investors looking for additional downside-risk mitigation while still receiving an attractive yield, insured municipal bonds have offered both. Insured municipal bonds can also provide attractive risk-adjusted total return and can complement an existing portfolio of investment-grade or high-yield municipal bonds.

Figure 6 shows that insured municipal bonds, as represented by the Bloomberg Barclays Municipal Insured Bond Index, have offered a higher total return over the past five years when compared to traditional municipal bonds. Insured municipal bonds also have had attractive upside/downside characteristics, as they have captured essentially all the upside in the market, while participating in only about three-quarters of the downside, as noted in the figure. For investors who want tax-free income and are looking to limit the volatility of their municipal bond portfolio, insured municipal bonds may be a strong option.

Figure 6: Insured municipal bonds have outperformed their traditional counterparts

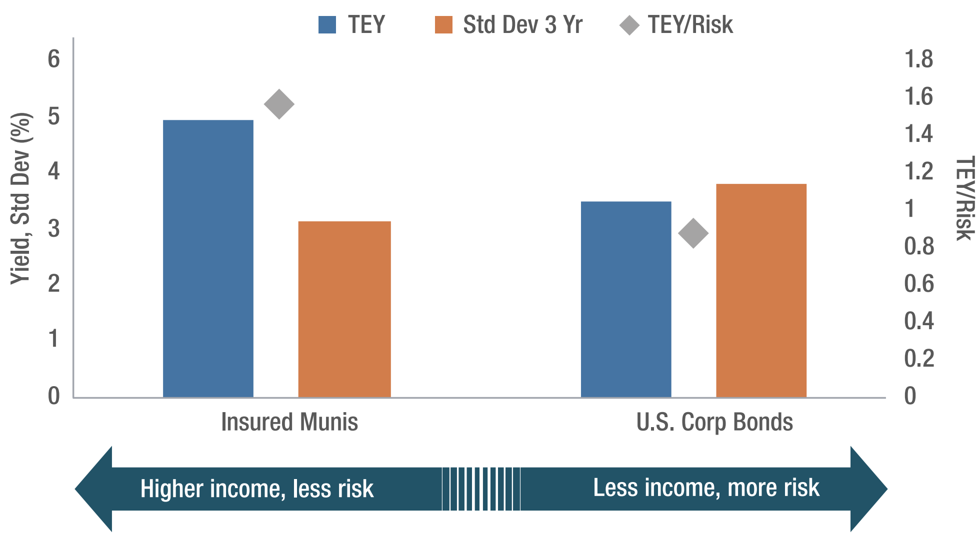
Growth of $100,000



Source: Bloomberg Barclays. As of 4/30/19.

As shown in **Figure 7**, insured municipal bonds also offer attractive current income. When accounting for the tax benefit, insured municipal bonds can provide higher income than many other income producing securities, with substantially lower risk.

Figure 7: Insured municipal bonds have generated higher income with lower risk than corporate bonds



Insured municipal bonds have generated lower standard deviation (risk), resulting in attractive yield per unit of risk vs. corporate bonds.

Source: Bloomberg Barclays indices. As of 5/31/19. See appendix for additional information. **Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.**

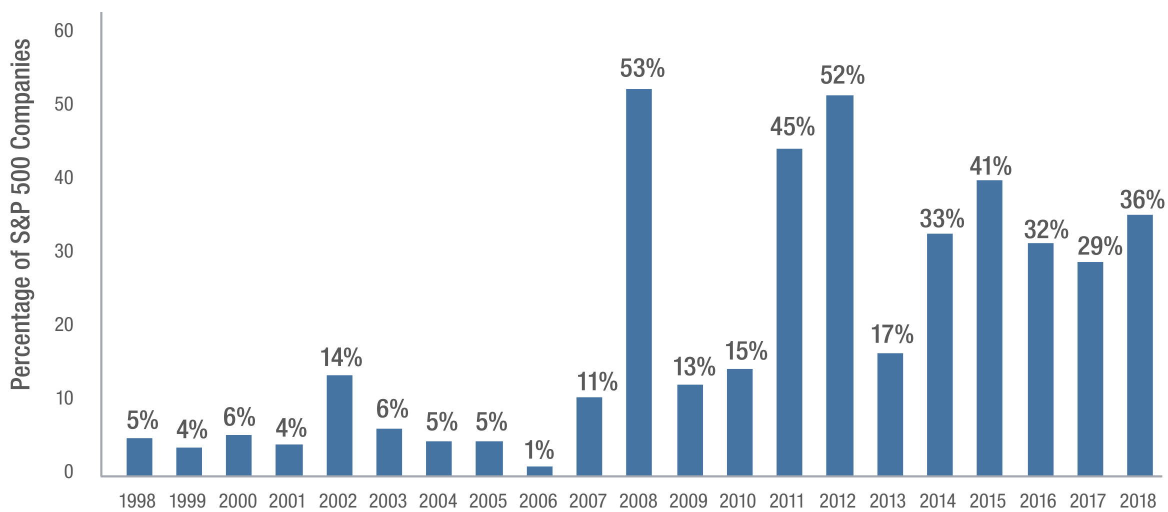
GOAL: INCOME AND CAPITAL APPRECIATION
SOLUTION: DIVIDEND-PAYING EQUITIES
FUND: MAINSTAY EPOCH U.S. EQUITY YIELD FUND (EPLCX)

Some investors may be looking for a combination of income and longer-term growth. In these circumstances, dividend-paying equities may be a solid choice. Bond yields have plummeted due to loose monetary policy, while dividend-paying equities increasingly offer competitive, or even higher yields than U.S. Treasurys. **Figure 8** shows that in the early 2000s, only a small percentage of dividend-paying equities offered yields higher than U.S. Treasurys. Since the financial crisis in 2008, a much higher percentage of stocks paid a dividend that exceeded U.S. Treasury yields. It should be noted that unlike Treasurys and other fixed-income assets, dividend-paying stocks are riskier, though they offer much greater growth opportunities than bonds.

Due to their attractive income and growth potential, dividend-paying stocks can be an essential part of a diversified portfolio, particularly as they historically have provided low correlations to growth and value equities. However, not all dividend-paying equity strategies are created equal. Equity income strategies that focus on shareholder yield and companies that generate free cash flow tend to be lower risk than pure dividend-paying stocks. As shown in **Figure 9**, stocks that consistently increase their dividends have outperformed all other stocks over the past five decades. From March 1972 through the end of 2018, dividend growers have offered a very attractive annualized compound growth rate of 12.5%. The combination of possible growth, along with current income potential, makes dividend-paying equities a good option for investors willing to tolerate some shorter-term volatility for longer-term gain.

Figure 8: Many dividend-paying equities now offer higher yields than Treasurys

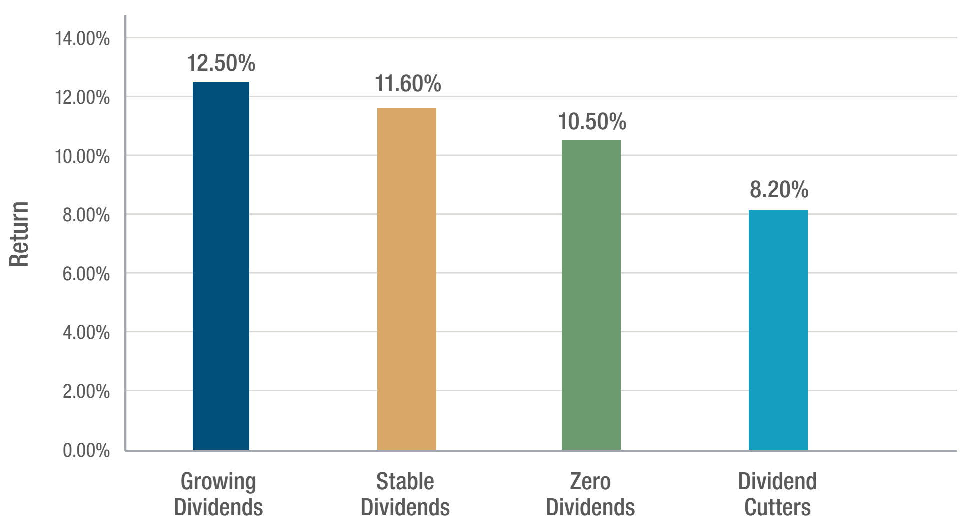
Percentage of S&P 500 Companies with dividend yield greater than the 10-year U.S. Treasury Yield



Source: FactSet. As of 12/31/18.

Figure 9: Stocks with growing dividends have outperformed over time

Annual compound return: S&P 500 (March 1972 – December 2018)

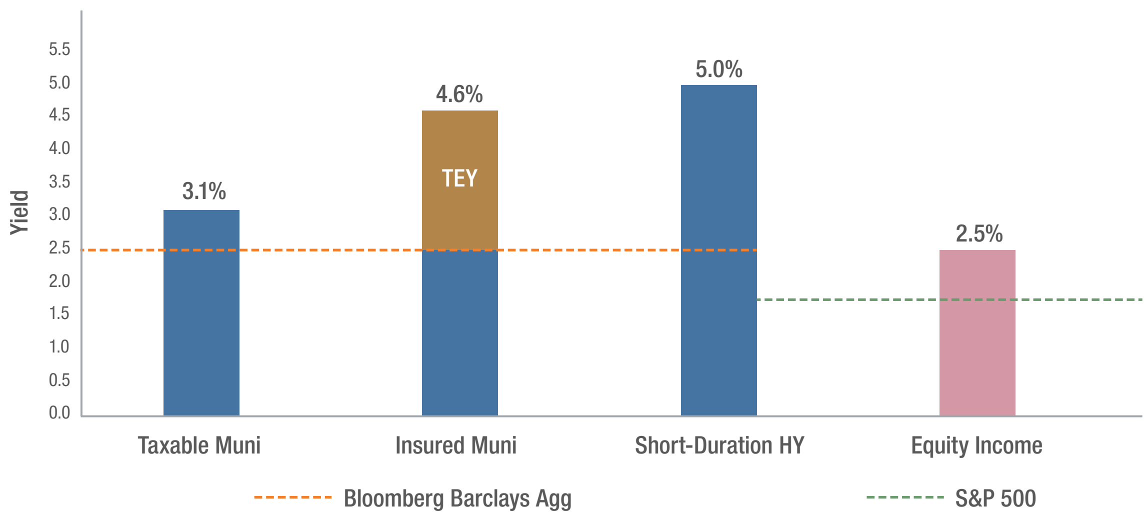


Source: Ned Davis Research. As of 12/31/18. Based on equally weighted compound total returns of dividend and non-dividend paying S&P stocks. Each of the four portfolios were reconstituted at the beginning of each year based on the actual dividends paid over the previous year. **Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.**

A RANGE OF SOLUTIONS FOR THE CURRENT ENVIRONMENT

The need for income isn't going anywhere. After hints from the Fed that rates were finally going to rise, it now seems likely that we've re-entered a "lower for longer" interest rate environment. That said, markets can change quickly, and volatility can return at any time. **Figure 10** plots out the respective incomes of the approaches discussed in this guide against more traditional stock and bond indices. We don't just believe in constructing an income portfolio, but rather a *resilient* income portfolio. That's why we believe a diversified approach to income can help investors reach their long-term goals. While the traditional methods of generating income may have changed, today's investors can still find income solutions outside of core fixed income.

Figure 10: These income strategies have outperformed the broader markets and can serve as strong, alternative solutions



Sources: Bloomberg Barclays, ICE BofAML, S&P indices. As of 6/30/19. See appendix for additional information, including Index definitions. **Past performance is no guarantee of future results which will vary. It is not possible to invest directly in an index.**

OUR INCOME SOLUTIONS

Fund Name	Objective	Investment Universe	Vehicle
MainStay MacKay Short Duration High Yield Fund (MDHIX)	Seeks high current income	Primarily high-yield bonds with maturities of less than three years	Mutual Fund
MainStay MacKay Infrastructure Bond Fund (MGOIX)	Seeks current income	Infrastructure debt instruments that may include high-grade municipal bonds	Mutual Fund
IQ MacKay Municipal Insured ETF (MMIN)	Seeks current income exempt from federal income tax	Investment-grade municipal bonds covered by an insurance policy guaranteeing the payment of principal and interest	Exchange-Traded Fund
MainStay Epoch U.S. Equity Yield Fund (EPLCX)	Seeks current income and capital appreciation	Domestic equities of various market capitalizations, with a focus on companies that pay dividends, buy back stock and reduce debt	Mutual Fund

Click on the fund name for the most current fund page, which includes the prospectus, investment objectives, performance, risk, current Morningstar ratings 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/funds for the most recent month-end performance.

BEFORE YOU INVEST

Before considering an investment in these Funds, you should understand that you could lose money.

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.

Diversification does not ensure a profit or protect against a loss in a declining market.

Dividend payments are not guaranteed and the amount, if any, can vary over time.

ETFs trade like stocks, are subject to investment risk and will fluctuate in market value.

Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. There are risks associated with fixed-income investments, including credit risk, interest rate risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer term securities.

Non-investment-grade (high-yield or junk) securities present greater price volatility and more risk to principal and income than higher rated securities.

Standard deviation measures how widely dispersed returns have been over a specific period of time. A high standard deviation indicates that the range is wide, implying greater potential for volatility.

Yield to worst is the bond yield computed by using the lower of either the yield to maturity or the yield to call on every possible call date.

Additional Information for Figure 2: Dividend-Paying Equities: Russell 1000 Value TR USD Index; **Short-Duration High Yield:** ICE BofAML 1-5Y BB-B Cash Pay HY TR USD Index; **Insured Municipal Bonds:** Bloomberg Barclays Municipal Insured TR USD Index; **Taxable Municipal Bonds:** Bloomberg Barclays Taxable Municipal TR USD Index; **U.S. Core Bonds:** Bloomberg Barclays US Agg Bond TR USD Index.

Additional Information for Figure 3: Short-Duration High Yield: ICE BofAML 1-5Y BB-B Cash Pay HY TR USD Index; **High Yield:** Ice BofAML US High Yield TR USD Index; **Core Bonds:** Bloomberg Barclays US Agg Bond TR USD Index; **U.S. Treasurys:** Bloomberg Barclays Aggregate Bond Treasury TR Index; **Short-Duration Investment Grade:** ICE BofAML 1-3Y US Corp TR USD Index.

Additional Information for Figure 4: Taxable Muni: Bloomberg Barclays Taxable Municipal TR USD; **U.S. Agg:** Bloomberg Barclays US Agg Bond TR USD.

Additional Information for Figure 7: Insured Muni: Bloomberg Barclays Municipal Insured TR USD Index; **Muni:** Bloomberg Barclays Municipal TR USD Index; **US Corp Bonds:** Bloomberg Barclays US Corp Bond TR USD Index.

Additional Information for Figure 10: Taxable Muni: Bloomberg Taxable Municipal Index; **Insured Muni:** Bloomberg Barclays Municipal Insured Index; **Short-Duration High Yield:** Ice BofAML 1-5Y BB-B Cash Pay HY Index; **Equity Income:** S&P 500 Dividend Aristocrats Index.

1. Source: Pew Research Center, December 20, 2010

2. Sources: **High Yield:** Ice BofAML US High Yield TR USD Index; **Short Duration High Yield:** ICE BofAML 1-5Y BB-B Cash Pay HY TR USD Index. Period: 5/1/02–4/30/19.

3. Sources: **US Corp HY:** ICE BofAML US High Yield Index; **Taxable Muni:** ICE BofAML Taxable Municipal Index; **Muni HY:** Bloomberg Barclays Municipal High Yield Index; **Emerging Mkts Sovereign:** ICE BofAML Emerging Markets BBB & Lower Sovereign; **Emerging Mkts Corp:** ICE BofAML Emerging Markets Corporate Plus Index; **US Corp IG:** Bloomberg Barclays US Corp. Investment Grade; **Leveraged Loan:** S&P/LSTA Leveraged Loan Index; **Muni IG:** Bloomberg Barclays Municipal Investment Grade Index; **US Agg:** Bloomberg Barclays US Aggregate Index; **US Securitized:** Bloomberg Barclays US Securitized: MBS/ABS/CMBS; **US Treasury:** Bloomberg Barclays US Treasury Index; **Agg ex US:** Bloomberg Barclays Aggregate Ex-US Index. Period: 12/31/09–12/20/18.

4. Moody's rates borrowers on a scale from Aaa through C. Aaa through Baa3 represent investment grade, while Ba1 through C represent non-investment grade. Credit ratings: S&P rates borrowers on a scale from AAA to D. AAA through BBB represent investment grade, while BB through D represent non-investment grade. Past performance is no guarantee of future results.

ABOUT RISK

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

MainStay MacKay Short Duration High Yield Fund
The Fund is not a money market fund and does not attempt to maintain a stable NAV. The Fund's net asset value per share will fluctuate. Investing in below investment grade securities may carry a greater risk of nonpayment of interest or principal than higher-rated bonds. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. These risks may be greater for emerging markets.

Floating-rate loans are generally considered to have speculative characteristics that involve default risk of principal and interest, collateral impairment, borrower industry concentration, and limited liquidity. Issuers of convertible securities may not be as financially strong as those issuing securities with higher credit ratings and are more vulnerable to changes in the economy. The Fund may invest in derivatives, which may increase the volatility of the Fund's NAV. 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, or that negative perception of the issuer's ability to make such payments may cause the price of that bond to decline.

MainStay MacKay Infrastructure Bond Fund
Mutual funds are subject to market risk and fluctuate in value. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. 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 which is the possibility that the bond issuer may fail to pay interest and principal in a timely manner. Municipal bond risks include the inability 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.

The Fund's investments in infrastructure-related securities will expose the Fund to potential adverse economic, regulatory, political, legal and other changes affecting such investments. Issuers of securities in infrastructure-related businesses are subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, high leverage, costs associated with environmental or other regulations and the effects of economic slowdowns. Rising interest rates could lead to higher financing costs and reduced earnings for infrastructure companies. The Fund may invest in derivatives, which may increase the volatility of the Fund's NAV.

IQ MacKay Municipal Insured ETF

The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund's investments more than the market as a whole, to the extent that the Fund's investments are concentrated in the securities of a particular issuer or issuers, region, market, industry, group of industries, project types, group of project types, sector or asset class. Municipal Bond 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.

The Fund is a new fund. As a new fund, there can be no assurance that it will grow to or maintain an economically viable size, in which case it could ultimately liquidate. Fixed-income securities most frequently trade in institutional round lot size transactions. Until the Fund grows significantly in size, the Fund expects to purchase a significant number of bonds in amounts less than the institutional round lot size, which are frequently referred to as "odd" lots. Odd lot size positions may have more price volatility than institutional round lot size positions. Insured Municipal Bonds are covered by insurance policies that guarantee the timely payment of principal and interest. The insurance does not guarantee the market value of an insured security, or the Fund's share price or distributions, and shares of the Fund are not insured.

The Fund may purchase insurance for an uninsured bond directly from a qualified Municipal Bond insurer. The supply of insured municipal securities which meet the Fund's investment guidelines is limited. A portion of the 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. Municipal bond 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.

MainStay Epoch U.S. Equity Yield Fund

The principal risk of investing in value stocks is that the price of the security may not approach its anticipated value. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Investing in mid-cap stocks may carry more risk than investing in stocks of larger, more well-established companies. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. These risks may be greater for emerging markets.

For more information about MainStay Funds® and IndexIQ ETFs, call 800-624-6782 for a prospectus or summary prospectus. Investors are asked to consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus or summary prospectus contains this and other information about the investment company. Please read the prospectus or summary prospectus carefully before investing.

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