



This ADV brochure, dated March 30, 2021  
provides information about the qualifications and business practices of:

**NEW YORK LIFE INVESTMENT MANAGEMENT LLC**  
**51 Madison Ave**  
**New York, New York 10010**  
**[www.NewYorkLifeInvestments.com](http://www.NewYorkLifeInvestments.com)**

If you have any questions about the content of this brochure, please contact:

**Kevin M. Bopp**  
**Chief Compliance Officer**  
**Telephone Number: 201-685-6187**  
**[Kevin\\_Bopp@nylim.com](mailto:Kevin_Bopp@nylim.com)**

*This Brochure provides information about the qualifications and business practices of New York Life Investment Management LLC. If you have any questions about the contents of this Brochure, please contact Kevin M. Bopp at (201) 685-6187 or by email at [Kevin\\_Bopp@nylim.com](mailto:Kevin_Bopp@nylim.com).*

*The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority and references to New York Life Investment Management LLC as a "registered investment adviser" are not intended to imply a certain level of skill or training. Additional information about New York Life Investment Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## **ITEM 2: SUMMARY OF MATERIAL CHANGES**

New York Life Investment Management LLC is updating this brochure as part of an annual updating amendment dated March 30, 2021. Included in this update are updates to our assets under management, risk disclosures, and other clarifying items. In addition, since our last annual update, filed March 30, 2020, the following material changes were made:

- Item 4: Separately Managed Accounts Group - Added a description of additional strategies being offered.
- Item 17: Voting Client Securities - Updated description of the Proxy Voting Policy to include Sustainable Voting Guidelines.

### **ITEM 3: TABLE OF CONTENTS**

<b>ADV Item #</b>	<b>Description</b>	<b>Page #</b>
1	Cover Page.....	Cover
2	Summary of Material Changes.....	2
3	Table of Contents.....	3
4	Advisory Business.....	4
5	Fees and Compensation.....	7
6	Performance Based Fees and Side-By-Side Management.....	9
7	Types of Clients.....	9
8	Methods of Analysis, Investment Strategies and Risk of Loss.....	10
9	Disciplinary Information.....	15
10	Other Financial Industry Activities and Affiliations.....	15
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	18
12	Brokerage Practices.....	21
13	Review of Accounts.....	24
14	Client Referrals and Other Compensation.....	26
15	Custody.....	26
16	Investment Discretion.....	26
17	Voting Client Securities.....	25
18	Financial Information.....	28
19	Requirements for State-Registered Advisers.....	28

#### **ITEM 4: ADVISORY BUSINESS**

New York Life Investment Management LLC (“NYLIM” or the “Firm”) is an indirect wholly-owned subsidiary of New York Life Insurance Company (“New York Life”) and a wholly-owned subsidiary of New York Life Investment Management Holdings LLC. As of December 31, 2020, NYLIM managed \$101,744,012,592 of client assets on a discretionary basis, and \$3,768,919,131 of client assets on a non-discretionary basis.

Founded by New York Life in April 2000, NYLIM is currently comprised of our Multi-Assets Solutions team (“MAS”), Separately Managed Accounts Group (“SMA Group”), and mutual fund division, referred to as the MainStay Funds. Through these business units, we provide a broad array of investment advisory services to third-party institutional clients, investment companies, other pooled investment vehicles, and wrap fee programs sponsored by unaffiliated entities (see “*Types of Clients*” section below). These advisory services may be tailored to meet our client’s needs. For example, a client may prohibit the purchase of specific securities, or may prohibit the purchase of securities within a specific sector or industry. Client imposed restrictions are detailed in the client’s investment advisory agreement. With respect to our separately managed account clients, these restrictions are typically communicated to us by a program sponsor.

#### **Multi-Assets Solutions Team**

MAS offers asset allocation and multi-asset advisory services typically through fund-of-funds, customized separate accounts, model portfolio delivery or multi-manager structures. MAS has extensive experience in tactical asset allocations utilizing macro-economic views as well as knowledge of investment risks and correlation of various asset classes across equities, fixed income and alternative asset classes. MAS seeks to provide active management and risk adjusted active returns relative to a client’s stated benchmark or objective.

MAS is an asset allocator and invests in actively-managed and passive underlying funds, including exchange traded funds (“ETFs”), and derivative instruments. MAS may also invest in individual securities, such as stocks and bonds. MAS employs a team-oriented approach to managing multi-asset portfolios for affiliated and unaffiliated clients in the institutional and retail markets. In constructing a portfolio for a client, MAS may make investments in underlying funds that are managed by the Firm or its affiliates and in underlying funds that are managed by third-party managers. Additionally, MAS’s services include assisting clients with solutions-based investing by working with clients to design a strategic benchmark that may fit its intended investment objective.

#### **Separately Managed Accounts Group**

Our SMA Group performs operational, administrative and trading services for high net worth individual and retail separately managed accounts (“SMAs”). These SMAs are offered through programs sponsored by unaffiliated broker-dealers whereby portfolio management, brokerage execution, custodial and administrative services are provided by the sponsor for a single charge (commonly referred to as a “wrap fee program”). As an investment adviser to SMAs in a wrap fee program, NYLIM receives a portion of the wrap fee charged by the sponsor. For this fee,

we perform operational, administrative and trading services, and engage subadvisers to provide subadvisory and trading services as applicable. In certain cases, the client may pay an advisory fee directly to us rather than through the sponsor. In addition, the SMA Group provides certain trade execution and administrative services to IndexIQ Advisors LLC (“IndexIQ”), an affiliated SEC registered investment adviser, to support IndexIQ’s management of sponsored programs.

The Firm understands that the program sponsor bears responsibility for determining whether advisory services provided to participants in a wrap fee program are suitable in light of the participants’ particular facts and circumstances. The Firm remains responsible for determining that it is properly carrying out the services that it has agreed to provide as part of the wrap fee program.

We currently have subadvisory agreements, with respect to SMAs, with affiliated SEC registered investment advisers, including: Ausbil Investment Management Limited (“Ausbil”), Candriam France S.A.S. (“Candriam France”), Candriam Belgium S.A. (“Candriam Belgium”), IndexIQ LLC (“IndexIQ”), and MacKay Shields LLC (“MacKay”). We also currently have subadvisory agreements, with respect to SMAs, with unaffiliated subadvisers, including: Epoch Investment Partners, Inc. (“Epoch”) and Wilshire Associates Incorporated (“Wilshire”). Finally, we retain a third-party vendor, SEI Global Services Inc. (“SEI”), to provide certain non-advisory administrative services. SEI is compensated for those services out of the fees the Firm receives for the services it renders in a wrap fee program.

Our SMA Group currently offers the following investment strategies: (i) convertible securities; (ii) municipal bonds; (iii) large cap equity; (iv) all cap equity; (v) global choice equity; (vi) global equity yield; (vii) us equity yield; (viii) capital growth; (ix) international equity; (x) world equity; (xi) hedged multi strategy; (xii) global oncology impact equity; (xiii) global climate action equity; (xiv) global demographics equity; (xv) global infrastructure; (xvi) multi-asset income; (xvii) multi-asset balanced income; and (xviii) multi-asset growth and income. MacKay is the subadviser to the convertible securities and municipal bond strategies. Epoch is the subadviser to the all cap equity, global choice equity, global equity yield, us equity yield, and capital growth strategies. Candriam France is the subadviser to the international, world, and large cap strategies. Candriam Belgium is the subadviser to the global oncology impact equity, global climate action equity, and global demographics equity strategies. IndexIQ is the subadviser to the hedged multi strategy. Ausbil is the subadviser for the global infrastructure equity strategy. Wilshire is the subadviser to the multi-asset income, multi-asset balanced income, and multi-asset growth and income models (“Multi-Asset Income Models”).

Our SMA Group also provides advisory services to sponsors of Unified Management Accounts (“UMA”) and Diversified Managed Accounts (“DMA”), and Multi-Asset Income Models, which are typically non-discretionary. In these cases, our services are generally limited to providing model portfolios to the sponsors, but in some cases, we may also provide trading services, depending upon the sponsor firm agreement. These model portfolios are generated by the subadvisers noted above.

For additional information regarding the SMA Group’s investment strategies, processes and procedures for selecting securities and other investment products held in an account, and the associated risks, please refer to each subadviser’s Form ADV Part 2A Brochure, which is

provided to account owners upon entering into an investment management agreement and offered annually thereafter.

### **Mutual Funds**

Our mutual fund division offers fixed income, equity and administrative services to various registered investment companies sponsored by NYLIM, including: The MainStay Funds (File No. 811-04550); MainStay VP Funds Trust (File No. 811-03833-01); MainStay Funds Trust (File No. 811-22321); and MainStay MacKay Defined Term Municipal Opportunities Funds (File No. 811-22551). These registered investment companies are referred to herein collectively as the “*The MainStay Funds*,” which is also the name under which all funds are marketed.

NYLIM, through MAS, manages certain portfolios of *The MainStay Funds* directly. For all other portfolios, we engage subadvisers to provide investment management services. The Firm makes recommendations to the boards of *The MainStay Funds* regarding subadvisers to retain to provide subadvisory services, and the boards approve the subadvisory agreements periodically, as required by the Investment Company Act of 1940, as amended (the “1940 Act”). Subadvisers are recommended by the Firm based on a number of factors, including, an evaluation of their skills and investment results in managing assets for specific asset classes, investment styles and strategies. Currently, we engage the following affiliated subadvisers: Candriam Belgium S.A. (SEC File No. 801-80508); Candriam Luxembourg S.C.A. (SEC File No. 801-80510); IndexIQ Advisors LLC (SEC File No. 801-68220); MacKay Shields LLC (SEC File No. 801-5594); and NYL Investors LLC (SEC File No. 801-78759). We also engage the following unaffiliated subadvisers: Brown Advisory LLC (SEC File No. 801-38826), CBRE Clarion Securities LLC (SEC File No. 801-49083); Cushing Asset Management, LP (SEC File No. 801-63255); Epoch Investment Partners, Inc. (SEC File No. 801-63118); FIAM LLC (SEC File No. 801-63658); Janus Capital Management LLC (SEC File No. 801-13991); Markston International, LLC (SEC File No. 801-56141); Mellon Investments Corporation (SEC File No. 801-19785); Pacific Investment Management Company LLC (SEC File No. 801-48187); Segall Bryant & Hamill LLC (SEC File No. 801-47232); T. Rowe Price Associates, Inc (SEC File No. 801-856); Wellington Management Company LLP (SEC File No. 801-15908); and Winslow Capital Management, Inc. (SEC File No. 801-41316).

For additional information regarding *The MainStay Funds*’ fees, investment objectives, investment strategies and associated risks please refer to *The MainStay Funds*’ Prospectuses and Statements of Additional Information, which are available on our website at [www.nylinvestments.com](http://www.nylinvestments.com). This ADV brochure does not constitute an offer to sell, or a solicitation of an offer to buy, shares of *The MainStay Funds*.

### **Other**

NYLIM maintains a Cross Border Discretionary Investment Management License in Korea and has entered into investment management agreements with certain Korean based clients. In connection with these Korean based clients, NYLIM obtained a Korean Delegation pursuant to which we hired our advisory affiliate, NYL Investors, to serve as the sub-adviser to these accounts. NYLIM has also hired NYL Investors to serve as subadviser to a collateralized

loan obligation fund (“CLO”) for which we serve as collateral manager. As a result of these subadvisory arrangements, certain personnel within NYL Investors’ Fixed Income Investors have been dual hatted to NYLIM in order to facilitate the management and administration of the CLO and the Korean based accounts. NYL Investors was formed in October 2013, and is a wholly-owned subsidiary of our parent company New York Life. Prior to its formation, NYL Investors’ investment groups, which include: (i) Fixed Income Investors (ii) Real Estate Investors and (iii) Private Capital Investors operated as part of NYLIM. NYL Investors is an SEC registered investment adviser and maintains a separate Form ADV Brochure that describes the investment process, risks, conflicts and fees associated with the management of the CLO and Korean based accounts.

## **ITEM 5: FEES AND COMPENSATION**

### **FEES**

Clients are generally billed for advisory services according to the fee schedule agreed to by the client and included in their investment management agreement (“IMA”), in the case of a registered investment company, or governing documents. Generally, advisory fees are payable either monthly or quarterly in arrears, based on the value of assets under management at the end of the period or an average. Where we are responsible for valuing a client’s portfolio for fee billing or investment performance purposes, we generally use pricing information provided by an independent pricing vendor. In the event that a vendor is unable to provide a price for a security, or provides a price that we do not believe is accurate, we will apply fair valuation procedures to determine a value for the security. When this occurs, we could have an incentive to apply a value to a security that could be higher than a valuation that would otherwise be applied by a pricing vendor or an independent third party, as a higher valuation would contribute to better investment returns and a higher asset base on which our advisory fee would be based.

All advisory agreements may be terminated by the client upon assignment or by either party upon prior written notice, according to the termination provisions outlined in the IMA. If a contract is terminated, all advisory fees are subject to pro-rata adjustment, based upon the date of termination.

### **Multi-Assets Solutions Team**

MAS offers asset allocation and multi-asset advisory services typically through fund-of-funds structure, customized separate accounts, model portfolio delivery, insurance dedicated funds or multi-manager structures. MAS may also invest in individual securities or derivative investments. The fees associated with such funds are typically based on a percentage of assets under management, as disclosed in each fund’s governing documents or offering materials. Fees for custom separate account management services are negotiable and typically range from 0.10% to 0.45% of assets under management based on account size, objective and other parameters.

### **Separately Managed Accounts Group**

With respect to our SMAs, clients pay the third-party sponsor a single “wrap” fee. Other than execution charges for certain transactions as described below, the wrap fee typically covers asset management, execution, custody, performance monitoring, and administrative costs. In some wrap programs, our investment advisory fee is included in the wrap fee. We may also participate in wrap programs where the client may pay our advisory fee separately from the wrap fee charged by the sponsor.

For our services, the sponsor or client, as applicable, pays us an annual advisory fee ranging from .25% to .80% of assets under management. Our annual fee varies from program to program depending on the sponsor, the investment strategy, the type of account, the services provided, and the amount of assets in the program. Upon receiving our fee from the sponsor, we pay a portion of our fee to each subadviser that provides subadvisory services for program participants.

SMA advisory fees are generally charged and payable quarterly in advance, or in arrears, as determined by the sponsor, based on a percentage of the value of assets under management at the end of the quarter. In certain cases, fees are paid less frequently than quarterly but not more than six months in advance. The compensation schedules for the SMAs are dictated by the sponsor’s billing practices. Please see the applicable sponsor’s Form ADV, Part 2A for more information on the sponsor’s billing practices.

It should be noted that there are costs, in addition to the Firm’s advisory fees, that apply to accounts participating in an SMA program or other managed account relationship. These costs include, but are not limited to, broker-dealer spreads, markups or markdowns, commissions, transfer taxes, electronic fund and wire fees, individual retirement account and retirement plan account fees, margin interest, American depositary receipt (“ADR”) related fees, costs associated with exchanging foreign currencies, auction fees, odd-lot differentials, costs associated with corporate actions, exchange fees, foreign clearing, settlement and custodial fees, other charges mandated by law, and certain other transaction charges and other fees that would reasonably be assessed to a brokerage account.

For clients that invest through the SMAs, the wrap fee charged by the sponsor typically covers commissions and certain transactions costs on trades executed through the sponsor (or its affiliates). As a result, we anticipate that client transactions ordinarily will be executed through the sponsor (or its affiliates), consistent with the Firm’s obligation to seek best execution of transactions for client accounts. The Firm, or the subadviser we retain, however, may execute transactions for client accounts through a broker-dealer other than the sponsor (or its affiliates) when the Firm, or the subadviser we retain, reasonably believes doing so will allow it to seek best execution. This might include, for example, (i) situations where a more favorable execution offered by another broker-dealer appears likely to offset any added transaction or other charges of trading through that broker-dealer or (ii) the sponsors (or its affiliates) inability to provide execution or best execution for a given transaction through their pre-determined execution channels. Transactions for clients in the convertible securities and municipal bond strategies will generally be executed through a broker-dealer other than the sponsor (or its affiliates). When a transaction is executed through another broker-dealer, clients will incur any applicable transaction costs, such as commissions, markups, markdowns, and dealer spreads, which are in addition to the wrap fee.



## **COMPENSATION**

There may be instances where registered representatives of our affiliated broker-dealer NYLIFE Distributors LLC (“NYLIFE Distributors”), who may be employees of our Firm recommend that an advisory client, or prospective advisory client, invest in (a) *The MainStay Funds*, (b) a private fund that we or an affiliate may sponsor, or (c) other registered mutual funds or ETFs sponsored by an affiliate. When this occurs, neither NYLIM nor any of our supervised persons receive compensation – whether asset-based sale charges, service fees or other direct payments – for the sales that result from these recommendations to the advisory client. However, NYLIM generally benefits from additional investments made in *The MainStay Funds*, given that its advisory fees are based on a percentage of assets under management. The same is true for (i) any affiliate that is a subadviser to a series of *The MainStay Funds* that receives additional investments, (ii) the Firm or an affiliate that manages or subadvises a private fund, or (iii) an affiliate that sponsors a registered mutual fund or ETF, that receives additional investments in this way.

## **ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As collateral manager to a series of CLOs, NYLIM is entitled to receive additional compensation on a subordinated basis if certain performance targets are achieved. However, pursuant to the agreement that we entered with NYL Investors, 100% of any subordinated fees received by NYLIM are passed on to NYL Investors as subadviser to the CLOs.

We do not receive any performance-based fees relating to the management of any other advisory client accounts.

Given the specific nature of its role as collateral manager for certain CLOs, NYLIM does not believe the potential to receive additional, performance-based compensation in that context is likely to present conflicts in its management of other client accounts investing in the same or similar asset classes for which it receives solely asset-based fees.

## **ITEM 7: TYPES OF CLIENTS**

As discussed in detail in the “*Advisory Business*” section above, NYLIM provides a broad array of investment advisory services to affiliated insurance companies, third-party institutional clients, investment companies, other pooled investment vehicles, and wrap fee programs sponsored by unaffiliated entities.

### **Multi-Assets Solutions Team**

MAS offers asset allocation and multi-asset advisory services typically through registered fund-of-funds, customized separate accounts, model portfolio delivery, insurance dedicated funds or multi-manager funds structures. The minimum account size for a fund managed by MAS is generally dictated by the relevant disclosure contained in the fund’s prospectus and/or statement of additional information. The minimum for custom separate account management

services are negotiable and varies based on the stated investment guidelines of the custom separate account.

### **Separately Managed Accounts Group**

Our SMA Group provides fixed income and equity advisory services to wrap fee programs sponsored by unaffiliated entities. The minimum initial account size for our SMAs is typically \$100,000. This minimum however, may be lower in the case of the UMAs, DMAs, and Multi-Asset Income Models.

### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

All investments involve a risk loss, even in circumstances where measures are taken for the purpose of mitigating that risk. Information on risks related to investment strategies offered by MAS, the SMA Group and to *The MainStay Funds*' investment strategies may be found in the relevant ADV brochures and offering materials for those products.

### **Multi-Assets Solutions Team**

MAS offers asset allocation and multi-asset advisory services typically through registered fund-of-funds, customized separate accounts, model portfolio delivery or multi-manager structures, with the goal of improving risk and return versus a client's stated benchmark. MAS relies upon a combination of valuation metrics, technical indicators, and macro-economic views when developing return estimates, and applies risk modeling to the portfolio management process. Depending on account guidelines, underlying investments will include open-end mutual funds, ETFs, or derivatives. MAS may also invest in individual equity securities or bonds.

MAS uses a top-down driven investment process to determine asset allocation and portfolio analytics in an effort to construct and implement investment portfolios that take into consideration MAS's view of certain risks. MAS believes that careful analysis of economic and market data can provide insight into the prospects for corporate earnings growth broadly and the direction of potential price changes across large populations of securities. MAS attempts to identify macro themes with systemic influence over market pricing and looks for fund investments, composites of individual securities, or derivatives based upon those composites that can be used to take advantage of these systematic themes.

MAS is also engaged in multi-asset advisory services, which entails identifying strategies with the goal of improving risk and return versus a client's stated benchmark. MAS seeks to combine those strategies in a manner that it believes is reasonably designed to curtail, to the extent possible, risk of significant loss. Steps taken include the modeling of historic return series, estimating risk and return, designing and implementing hedging strategies, seeking to optimize portfolio construction within certain constraints, and monitoring the activity of the underlying managers on an ongoing basis. There can be no assurance that these measures,

whether alone or in the aggregate, will be successful in curtailing risk of significant loss. Moreover, it is possible that, in certain market conditions, measures MAS may implement for the purpose of limiting significant losses may magnify the risk of, or result in, significant loss.

MAS's investment process begins with the collection of data and ideas as they relate to business, consumer, government activity and market pricing. From this information, MAS seeks to find segments of the securities markets that it believes are attractively valued, are populated to a significant degree by issuers poised to benefit from developing economic conditions and are likely to experience favorable net capital flows from investors.

MAS considers realized volatility and correlation patterns, trends, and information embedded in derivatives pricing when developing risk /return profiles for investment portfolios. The portfolio construction process incorporates not only MAS's return and risk projections, but also reflects an optimization process that is designed to take into consideration certain limitations on forecasting future financial performance.

The principal risks associated with MAS's overall investment process include:

- *Asset Allocation Risk.* Although allocation among different asset classes is generally intended to limit exposure to risks associated with any one class, the risk remains that MAS may favor an asset class that performs poorly relative to the other asset classes. It is also possible that particular investments MAS selects within a given asset class may perform less favorably than other securities in that class. MAS could also be incorrect in its analysis of economic trends, countries, industries, companies, the relative attractiveness of asset classes or other matters, which may result in asset allocation decisions that detract from investment performance for a given account.
- *Exchange-Traded Fund Risk:* The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile than the underlying portfolio of securities. Disruptions in the markets for the securities underlying ETFs purchased or sold for an account are likely to result in losses on investments in ETFs. ETFs also have fees and expenses that increase their costs versus the costs of owning the underlying securities directly.
- *Concentration Risk:* To the extent that a fund-of-funds managed by MAS invests a significant portion of its assets in a single underlying fund, it will be particularly sensitive to the risks associated with that underlying fund. Changes in the value of that underlying fund may have a significant effect on the net asset value of the fund-of-funds. Similarly, the extent to which an underlying fund invests more than 25% of its assets in a single industry or economic sector may also adversely impact the fund-of-funds depending on its level of investment in that underlying fund.
- *Conflicts of Interest:* Potential conflicts of interest situations could occur. For example, MAS may be subject to potential conflicts of interest in selecting underlying funds for its fund-of-funds clients because NYLIM or its affiliates may charge higher fees for managing some underlying funds than for other underlying funds. This potential

conflict would be more pronounced where MAS has an opportunity to allocate fund-of-fund assets to an underlying fund managed by NYLIM or an affiliate, on the one hand, and an underlying fund managed by a third party, on the other. In addition, MAS's portfolio managers may also serve as portfolio managers to one or more underlying funds that its fund-of-fund clients invest in and may have an incentive to select certain underlying funds due to compensation considerations. Moreover, a situation could occur where proper action for the fund-of-funds could be averse to the interest of an underlying fund or vice versa. For example, MAS could face a potential conflict in the management of a fund-of-funds if an underlying fund managed by NYLIM was performing less favorably than a similar fund managed by a third party from which NYLIM would receive no fee income. MAS has a fiduciary duty to its clients to act in the best interest of its clients in selecting underlying funds. In this regard, NYLIM has established policies and procedures that seek to balance its duties to its fund-of-funds clients and to the underlying funds in its ongoing management of the fund-of-funds' investment portfolios. In addition, where consistent with its duties to the funds-of-funds, these policies and procedures also seek to manage any potential material adverse effects that might result from a fund-of-funds' investments in an underlying fund.

- *Derivatives Risk:* Derivative transactions may include swap agreements. The value of derivatives is based on certain underlying equity or fixed-income securities, interest rates, currencies, commodities or indices. The use of these transactions is a highly specialized activity that involves investment techniques, tax planning and risks that are different from those of ordinary securities transactions. Derivatives may be difficult to sell at an advantageous price or time and typically are very sensitive to changes in the underlying security, interest rate, currency, commodity or index. As a result, derivatives can be highly volatile. If MAS is incorrect about its expectations of changes to the underlying securities, in interest rates, currencies, commodities, indices or market conditions, the use of derivatives could result in a loss, which in some cases may be unlimited.
- *Market Event Risk:* Some countries and regions in which we invest have experienced security concerns, war or threats of war and aggression, terrorism, economic uncertainty, natural and environmental disasters and/or systemic market dislocations that have led, and in the future may lead, to increased market and liquidity volatility and exchange trading suspensions and closures. These events may have adverse effects on the U.S. and world economies and markets generally, each of which may negatively impact investments and performance.
- *Public Health Crisis:* Disruptions to commercial activity from the Coronavirus (COVID-19) or any other public health crisis, pandemic, epidemic or outbreak of a contagious disease relating to the imposition of quarantines or travel restrictions (or more generally, a failure of containment efforts) may adversely impact our portfolio investments, including by delaying or causing supply chain disruptions or by causing staffing shortages. The U.S. government, various state and local governments and many non-U.S. governmental authorities have implemented enhanced screenings, quarantine requirements and business and travel restrictions, both domestically and

internationally, in connection with the COVID-19 outbreak. Such actions are creating disruption in global demand and supply chains and contributing to significant volatility in financial markets, including changes in interest rates, and are adversely impacting a wide range of different industries. The imposition of travel restrictions and other government policies may impact our ability to travel in connection with potential or existing investments or to our offices, which could negatively impact our ability to effectively identify, monitor, operate and dispose of investments. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, which presents material uncertainty and risk with respect to our performance.

- *ESG Risk:* NYLIM has committed to considering environmental, social, and governance (“ESG”) factors and sustainability risks in the course of its investment decisions, and investment monitoring, to the extent reasonably practicable under the circumstances and where consistent with our fiduciary responsibilities. As a fiduciary and a registered investment advisor with the SEC, NYLIM has a duty to act in the best interest of their advisory clients. Notwithstanding the objectives of NYLIM’s ESG Policies, no activity will be required, or investment decision made, that would be adverse to, or inconsistent with, the fiduciary to its advisory clients.

### **Separately Managed Accounts Group**

Our SMA Group currently offers the following investment strategies: (i) convertible securities; (ii) municipal bonds; (iii) large cap equity; (iv) all cap equity; (v) global choice equity; (vi) global equity yield; (vii) us equity yield; (viii) capital growth; (ix) international equity; (x) world equity; (xi) hedged multi strategy; (xii) global oncology impact equity; (xiii) global climate action equity; (xiv) global demographics equity; (xv) global infrastructure equity; (xvi) multi-asset income; (xvii) multi-asset balanced income; (xviii) multi-asset growth and income. MacKay is the subadviser to the convertible securities and municipal bond strategies. Epoch is the subadviser to the all cap equity, global choice equity, global equity yield, us equity yield, and capital growth strategies. Candriam France is the subadviser to the international, world, and large cap strategies. Candriam Belgium is the subadviser to the global oncology impact equity, global climate action equity, and global demographics equity strategies. IndexIQ is the subadviser to the hedged multi strategy. Ausbil is the subadviser to the global infrastructure equity strategy. Wilshire is the subadviser to the multi-asset income, multi-asset balanced income, and multi-asset growth and income models.

For additional information regarding the SMA Group’s investment strategies, processes and procedures for selecting securities and other investment products held in an account, and the associated risks, please refer to each subadviser’s Form ADV Part 2A Brochure, which is provided to account owners upon entering into an investment management agreement and offered annually thereafter.

### **Other Business-Related Risk**

- *Technology and Cyber Security:* NYLIM is dependent on information technology, telecommunication and other operational systems, including both proprietary or internal systems and systems used or provided by third-party service providers (e.g., administrators, custodians, financial intermediaries, transfer agents and other parties to which we or they outsource the provision of services or business operations). These systems may become disabled or fail to operate properly as a result of events or circumstances wholly or partly beyond our or their control. Further, despite implementation of a variety of risk management and security measures, our information technology and other systems, and those of service providers, could be subject to unauthorized access or other security breaches, resulting in a failure to maintain the security, availability, integrity and confidentiality of data assets. In addition, NYLIM or its third-party service providers may process, store or transmit electronic information, including information relating to the transactions and personally identifiable information. NYLIM has procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Moreover, third-party service providers of NYLIM are subject to the same electronic information security threats as NYLIM. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of clients and personally identifiable information may be lost or improperly accessed, used or disclosed.

Technology failures or cyber security breaches, whether deliberate or unintentional, including those arising from use of third-party service providers, could have a material adverse effect on our business and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

- *Other Business Interruptions:* Our investment advisory activities or operations could be interrupted or adversely affected by extraordinary events, emergency situations or circumstances beyond our control, including, without limitation, outbreaks of infectious diseases, pandemics or any other serious public health concerns, war, terrorism, failure of technology, accidents, disasters, government macroeconomic policies or social instability. In order to mitigate the effects of these types of events, we may activate our business continuity and disaster recovery plans. These plans may, for example, require our employees to work and access our information technology, communications or other systems from their homes or other remote locations. However, our business continuity and disaster recovery plans may not be successful, or we could be delayed in implementing or recovering our investment advisory activities or operations. For example, we may have issues or delays in accessing our information technology, communications or other systems, which could have a material adverse effect on our business.

## **ITEM 9: DISCIPLINARY INFORMATION**

There are no legal or disciplinary events involving NYLIM that are material to our advisory business or to the management of client accounts. In the event that your account is managed by a subadviser hired by NYLIM, please refer to the Form ADV of the subadviser for a description of material disciplinary events, if any, involving such subadviser.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The following relationships or arrangements with related persons are material to our business and may create potential conflicts of interest:

### **Broker-Dealers**

Some of our employees, including some of our executive officers, are registered with the Financial Industry Regulatory Association (“FINRA”) as representatives and principals of NYLIFE Distributors. NYLIFE Distributors is our affiliate and is registered as a broker-dealer with the SEC. NYLIFE Distributors serves as the principal underwriter and distributor of *The MainStay Funds*. By virtue of their FINRA registrations, certain of our employees may promote the sale of *The MainStay Funds* to registered representatives of other broker-dealers who may recommend that their customers purchase these shares in one or more series of *The MainStay Funds*. NYLIFE Distributors may compensate registered employees who promote the sale of *The MainStay Funds* for their efforts, and NYLIM may make payments to NYLIFE Distributors to help fund such compensation.

We do not use affiliated broker-dealers to execute securities transactions for our clients. However, in instances where our advisory clients purchase *The MainStay Funds*, NYLIFE Distributors may be listed as the dealer of record on the account.

### **Investment Companies**

We serve as the investment adviser for *The MainStay Funds* (see *Advisory Business-Mutual Funds*).

### **Investment Advisers**

We are affiliated with, and have material relationships with, the following SEC registered investment advisers:

- Ausbil Investment Management Limited (SEC File No. 801-118742) acts as a subadviser for SMAs for which NYLIM serves as adviser.
- Candriam Belgium S.A. (SEC File No. 801-80508) acts as a subadviser for certain mutual funds for which NYLIM serves as adviser.
- Candriam France S.A.S. (SEC File No. 801-80509) acts as a subadviser for SMAs for which NYLIM serves as adviser.

Candriam Luxembourg S.C.A. (SEC File No. 801-80510) acts as a subadviser for a mutual funds for which NYLIM serves as adviser.

- IndexIQ Advisors LLC (SEC File No. 801-68220), serves as the investment adviser for the IndexIQ ETFs. MAS invests client assets in the IndexIQ ETFs and clients of NYLIM may be solicited to invest in the IndexIQ ETFs.
- MacKay Shields LLC (SEC File No. 801-5594), acts as a subadviser for certain mutual funds for which NYLIM serves as adviser. MacKay Shields also provides advisory services to SMA clients who participate in wrap programs that are sponsored by unaffiliated investment advisers or broker-dealers. MacKay Shields also serves as the investment manager of various limited partnerships and also engages in other advisory services. Clients of NYLIM may be solicited to invest in such limited partnerships or in others for which MacKay Shields serves in a similar capacity.
- New York Life Investments Alternatives LLC (SEC File No. 801-118844) and its affiliates comprise a “multi-boutique” platform, encompassing the following three investment advisers:
  - GoldPoint Partners LLC, a relying adviser of New York Life Investments Alternatives, serves as the investment manager of various limited partnerships and also engages in other advisory services. Clients of NYLIM may be solicited to invest in such limited partnerships or in others for which GoldPoint Partners serves in a similar capacity.
  - Madison Capital Funding LLC, a relying adviser of New York Life Investments Alternatives, manages portfolios of commercial loans and related debt and equity investments in which clients of NYLIM may invest.
  - PA Capital, LLC, a relying adviser of New York Life Investments Alternatives, serves as the investment manager of various limited partnerships and also engages in other advisory services. Clients of NYLIM may be solicited to invest in such limited partnerships or in others for which Private Advisors serves in a similar capacity.
- NYL Investors LLC (SEC File No. 801-78759): acts as a subadviser for certain mutual funds and institutional accounts for which NYLIM serves as adviser. As noted above, in some cases, employees of NYL Investors may be dual-hatted and acting in an advisory and administrative capacity with respect to certain CLOs and Korean based accounts managed by NYLIM. Clients of NYLIM may be solicited to invest in CLOs or services for which NYL Investors in a similar capacity.



From time to time, we may enter into arrangements with our affiliated investment advisers to recommend clients to each other. If we pay a cash fee to anyone for soliciting clients on our behalf or if we receive a cash fee from another investment adviser for recommending clients to it, we comply with the requirements of the SEC's cash solicitation rule to the extent that they apply. This rule requires a written agreement between the investment adviser and the person soliciting clients on its behalf. The rule may also require that the soliciting person provide a disclosure document to the potential client at the time that the solicitation is made. As required by the rule, we will not engage another person to solicit clients on our behalf if that person has been subject to securities regulatory or criminal sanctions within the preceding ten years.

Certain personnel within NYL Investors and MacKay have been dual-hatted to NYLIM to facilitate (i) the management and administration of CLOs and the Korean based accounts with respect to NYL Investors, and (ii) trading execution, administration and communication services for certain accounts managed by MAS with respect to MacKay. Moreover, MAS portfolio managers may manage certain MainStay Funds, institutional separate accounts or unregistered funds directly and are involved in asset allocation decisions with respect to certain MainStay Funds' or accounts subadvised by affiliated subadvisers. In these instances, MAS portfolio managers will not direct or have involvement in the investment management of the affiliated subadviser's respective portfolio, except to the extent that the MAS portfolio managers may discuss derivative overlay investments to adjust the applicable asset allocation exposures. Except for the relationships described above, the investment management and operations functions at NYLIM and our affiliates are generally separate. NYLIM and our affiliates have implemented policies intended to limit the dissemination of inside information and to permit the investment management, trading and operations functions of each firm to operate without regard to or interference from the other. We believe that operating independently enables each firm to pursue the investment objectives of clients without reference to limitations resulting from investment activities of the other. To support this policy, we have adopted certain procedures, including a portfolio information barrier between us and these other affiliated investment firms. In the event such information is shared, appropriate controls are placed around the information in order to limit any potential conflicts of interest. In addition, NYLIM has implemented certain monitoring processes, including monitoring personal trading against trading blotters.

### **Banking Institution**

New York Life Trust Company is our affiliate and is a New York State chartered trust company. Some officers and employees of NYLIM are also officers, employees or directors of New York Life Trust Company.

### **Insurance Company**

NYLIM is an indirect wholly-owned subsidiary of New York Life. New York Life is a mutual insurance company that is an admitted insurer in all 50 states and in the District of Columbia. MAS may manage a portion of the New York Life general account from time to time. As a result, the potential exists for conflicts to arise as to the allocation of investment opportunities between New York Life and MAS's other clients. However, the New York Life general

account has an investment objective that is different from the objectives of MAS's other clients. As a result of these different objectives, transactions that are appropriate for New York Life will typically not be appropriate for MAS's other clients and vice versa. Such a determination is typically made by the portfolio manager prior to executing a trade, and the rationale for the investment decision is documented as part of the trading process.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT**

### **TRANSACTIONS AND PERSONAL TRADING:**

#### **Code of Ethics and Personal Trading**

NYLIM has a fiduciary relationship with our clients that requires that we and our employees place the interests of our clients first and foremost. As such, our Code of Ethics (the "Code") covers all employees and sets forth guidelines that promote ethical conduct generally. In addition to the Code's policies regarding personal securities trading, the Code requires our employees to follow policies and procedures relating to the conduct standards of our Code including: conflicts of interest, inside information and information barriers, gifts and entertainment, personal political contributions, and selective disclosure of mutual fund portfolio holdings. A copy of our Code is available upon request. Our contact information appears on the cover page of this brochure.

While we permit our employees to engage in personal securities transactions, we recognize that these transactions may raise potential conflicts of interests. This is particularly true when they involve securities owned by, or considered for purchase or sale for, a client account.

We address potential conflicts of interests in our Code by requiring that, with regard to investments and investment opportunities, our employees' first obligation is to our clients. Our Code requires that all of our employees adhere to the highest duty of trust and fair dealing. All employees: (i) must conduct their personal securities transactions in a manner that does not interfere with any client's portfolio transactions, or take inappropriate advantage of an employee's relationship with a client, (ii) may not trade while in possession of material, non-public information, (iii) may not engage in short-term trading (the purchase and sale or sale and purchase within 30 days) of any mutual fund advised or subadvised by us, and (iv) must certify annually to compliance with the Code and related policies.

Some provisions of our Code, particularly with respect to personal trading, apply only to Access Persons and Investment Personnel. Access Persons are defined as officers or directors of NYLIM, or employees who have access to non-public information regarding any clients purchase or sale of securities, or who have non-public information regarding the portfolio holdings of any mutual fund that we advise. While certain exceptions may apply, generally Access Persons:

- Subject to certain exceptions, may not purchase or sell "Covered Securities" without pre-clearance through our Compliance Department. Covered Securities excludes: i) transactions involving direct obligations of the US

Government; ii) shares issued by open-end mutual funds, including the *MainStay Funds*; iii) commercial paper; iv) certificates of deposit; v) bankers' acceptances; vi) high quality short term investments and interests in qualified state college tuition programs; and vii) cryptocurrencies or digital currencies, such as Bitcoin or Ether, which are a virtual or digital representation of value. However, a virtual currency token offered in an initial or digital coin offering will be deemed a Covered Security for purposes of the Code and subject to preclearance requirements.

- May not profit from the purchase and sale or sale and purchase of the same Covered Security within 60 days.
- May not purchase or sell a Covered Security on a day when there is a buy or sell order for a client.
- May not purchase securities in initial public offerings or in connection with private placements except with the express written prior approval of our Chief Compliance Officer or designee.
- May not participate in investment clubs.
- Must file quarterly reports and certifications of covered trading activity.

Investment Personnel must adhere to the following additional restrictions. Investment Personnel are defined as employees who in connection with their regular functions participate in making recommendations regarding the purchase or sale of securities for client accounts (i.e., portfolio managers, traders and analysts):

- May not purchase or sell securities (subject to a de minimis threshold) for their own account if such securities have been purchased or sold for a client account in the prior seven days, or can reasonably be expected to be purchased or sold for a client account in the next seven days.
- May not trade in options with respect to individual securities.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

In the ordinary course of providing our investment advisory services, we may also recommend that clients purchase or sell securities or interests in which our affiliates have a material financial interest. For example:

- MAS may manage a portion of the New York Life general account from time to time. As such, MAS may recommend that unaffiliated clients purchase or sell securities that are also held in this affiliated account.

- We may purchase or sell shares of our proprietary mutual funds, *The MainStay Funds*, or the IndexIQ ETFs managed by our affiliate IndexIQ, for client accounts.
- We may recommend investments to our clients that the clients of our advisory affiliates also own. In addition, if the value of such assets increases, the amounts payable based on the Firm's asset-based fees will also increase, subject to the effect of any applicable fee caps, expense reimbursements or other, similar agreements.

As a result of these recommendations and potential transactions, conflicts of interest could arise between us and our clients. These conflicts include:

- Unfair allocation of limited investment opportunities between our affiliated and unaffiliated accounts.
- Placing trades for our affiliated accounts before or after trades for our other accounts to take advantage of (or avoid) market impact.
- Using information concerning transactions in our advisory affiliate's client accounts, or in *The MainStay Funds*, to the benefit of our client accounts.

These potential conflicts are mitigated by the fact that the New York Life general account generally has a different investment strategy than MAS's accounts. As a result of these different strategies, transactions that are appropriate for the New York Life typically will not be appropriate for an unaffiliated MAS managed account and vice versa.

To address potential conflicts of interest across affiliates, each adviser affiliate operates independently with respect to investment strategy, and trading. Furthermore, affiliates are generally not privy to another affiliate's investment information (i.e., investment decisions, research) that may potentially pose conflicts of interest. Specifically, NYLIM and our affiliated investment advisers have established information barrier policies designed to limit the dissemination of material non-public information. In the event such material non-public information is shared, the Firm's policies call for appropriate controls to be placed around the information in an effort to limit the effects of any potential conflicts of interest that may arise. However, NYLIM and its affiliates may share information concerning counterparty risk.

In addition, NYLIM's Chief Investment Officer ("CIO") may participate in discussions with MAS's portfolio managers and with the portfolio managers of affiliated underlying funds. As a result, the CIO is in a position to come into possession of material non-public information or restricted information. The CIO and MAS's portfolio managers are subject to the restrictions and limitations on the communication and use of such information. The CIO and each MAS portfolio manager have discretion to determine when, under the circumstances, it would be prudent to exercise recusal from any discussion of matters that bear on MAS managed accounts and the affiliated underlying funds about which he or she possesses material non-public information or restricted information.

## **ITEM 12: BROKERAGE PRACTICES**

### **Multi-Assets Solutions Team**

NYLIM has entered into a Services Agreement with MacKay pursuant to which certain MacKay dual-hatted employees provide certain trading execution, administration, and communication services for certain accounts managed by MAS. Pursuant to this arrangement, all orders must be initiated by an individual within MAS who has authority to make decisions to buy or sell securities for specific accounts. Trade instructions/orders are uploaded into MacKay's trade order management system. The trade instructions are in the form of a trade blotter and contain all pertinent information including among other things pre-allocation by account. Upon receipt of the order, the MacKay dual-hatted employees on the trading desk determine which broker to use. When selecting or recommending a broker-dealer, such personnel consider a number of factors regarding the broker-dealer and the reasonableness of its compensation including:

- The quality of executions, which includes the accuracy and timeliness of executions, clearance of transactions and error/dispute resolution;
- The ongoing reliability and speed with which transactions are executed;
- The integrity to handle transactions and ability to maintain the confidentiality of trading activity and information;
- Reputation, financial condition, disciplinary history and stability;
- Compensation, which includes net prices paid or received, negotiated commission rates available and other current transaction costs (for example, its brokerage commission or a mark-up or mark-down);
- The ability to provide access to securities in underwritten offerings and in the secondary market, its willingness to commit its own capital, its trading expertise and market knowledge, and the nature and frequency of its coverage in terms of providing market outlook, quotes on specific securities and sector research;
- Block trading and block positioning capabilities and ability to execute difficult transactions;
- Responsiveness to portfolio managers, traders and investment operations personnel;
- The nature of the research created or developed by the broker-dealer, which is called "proprietary research" – except where the research results in a mark-up or mark-down of a fixed income security;
- Access third party research;

- Value and quality of the research and other products and services other than brokerage services received from the broker-dealer or that the broker-dealer pays for (either by cash payments or commission);
- Pre-trade and post-trade analysis, and available algorithm performance; and
- Regulatory, legal and macro-economic matters that may affect the broker-dealer.

When selecting a broker-dealer, neither we nor MacKay consider the broker's referral of clients to us or to MacKay. We also do not consider its sale of shares of (i) *The MainStay Funds*, (ii) any private funds that we or any of our affiliates advise or (iii) other registered mutual funds or ETFs sponsored by an affiliate. We have trading relationships with broker-dealers that have consulting or other divisions, which might decide to refer clients or investors to us or our affiliates on their own accord. NYLIM or MacKay does not consider these referrals when selecting a broker-dealer for executing trades for its client accounts. When evaluating compensation (e.g., commissions), we are not required to solicit competitive bids, and do not have an obligation to seek the lowest available commission cost, but rather best overall execution.

#### **Separately Managed Accounts Group**

As discussed above, for clients that invest through the SMAs, the Firm anticipates that client transactions ordinarily will be executed through the sponsor (or its affiliates) because the wrap fee charged by the sponsor typically covers commissions and certain transactions costs on trades executed through the sponsor (or its affiliates). The Firm may execute transactions for client accounts through a broker-dealer other than the sponsor (or its affiliates) where we reasonably believe doing so will allow us to seek best execution. See Item 5 for more information.

Subadvisers consider execution costs or trade pricing as part of evaluating the overall execution quality of transactions that are executed outside of the broker-dealer channel typically available through a given wrap fee program. For wrap programs, we implement a rotation methodology that is reasonably designed to avoid systematic favoring of one sponsor or product over another and to trade similarly situated accounts equitably over time. We note however, that there may be instances when prevailing market conditions or the nature of an order requires us to deviate from our standard rotation. In addition, deviations from the Firm's standard rotation may result from operational variances, due to technology failures or to the failure of SMA personnel to implement the standard rotation properly.

The subadvisers who provide models with respect to trades in the SMAs may execute trades for other clients with similar strategies prior to our placing trades with wrap sponsors. In addition, we and our subadvisers may not conduct transactions on behalf of our wrap accounts as frequently as we do on behalf of other clients because, among other reasons, the wrap program transactions may be de minimis due to the wrap fee programs lower minimum account balances and/or minimum size order requirements. NYLIM may not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with our

investment approach. Clients are encouraged to consult their own financial advisors and legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of an investment manager and a particular strategy and participating in a wrap or other program. In the course of providing services to program clients who have a financial advisor, we typically rely on information or directions communicated by the financial advisor acting with apparent authority on behalf of its clients.

For clients that invest through a UMA, DMA, or Multi-Asset Income program, NYLIM provides the program sponsor with a copy of the model portfolio. The program sponsor, which typically has investment discretion with respect to the trading conducted in the underlying accounts, then implements the model in accordance with its internal investment and trading procedures. In the event that NYLIM serves as investment manager to more than one UMA, DMA, or Multi-Asset Income program that follows the same investment strategy, we will implement the rotation methodology described above in order to ensure that all clients are treated fairly and equitably over time.

### **SOFT DOLLARS**

MAS receives brokerage and research services from broker-dealers that execute portfolio transactions for clients, and from third parties with which such broker-dealers have arrangements. The brokerage commissions that are used to acquire research in these types of arrangements are known as soft dollars.

Specifically, MAS obtains soft dollar credits (to pay for soft dollar services) from the portfolios of *The MainStay Funds* that execute agency transactions including OTC agency transactions. These soft dollar credits may be generated by either MAS directly or by a subadviser to *The MainStay Funds*.

Generally, the total amount of dollar commissions generated from each eligible *MainStay Fund* account is limited to approximately 30% of eligible commissions on an annual basis. The nature of the products and services provided by brokerage firms generally include information and analysis concerning investment strategy, securities markets and economic and industry matters.

An inherent conflict of interest exists with respect to the use of soft dollars because of an investment advisers' ability to purchase certain products and services on a cash basis using its own resources. Thus, the adviser has an incentive to disregard its best execution obligation when directing transactions and an incentive to generate more trades to earn soft dollar credits for services.

To manage the conflicts related to soft dollar usage, we, and each subadviser to *The MainStay Funds*, have policies and procedures in place to review all soft dollars and determines in good faith that the amount of commissions paid is reasonable in relation to the value of the brokerage and research services provided. In addition, soft dollar arrangements are only entered into for services and products that qualify under the safe harbor provisions set forth in Section 28(e) ("Section 28(e)") of the Securities Exchange Act of 1934, as amended.

Research products and services provided by brokers through which transactions are effected on behalf of client accounts are used for the benefit of all clients collectively. We also seek to allocate soft dollar benefits to client accounts in proportion to the soft dollar credits that are generated by the account.

Sometimes, a portion of the brokerage and research products and services used by our subadvisers are eligible under Section 28(e) and another portion is not eligible. These are referred to as “mixed-use” products and services. When this occurs, we and the subadviser will make a good faith allocation between the research and non-research portion of services, and will use its own funds to pay for the percentage of the service that is used for non-research purposes.

### **AGGREGATION AND ALLOCATION**

If we believe that the purchase or sale of the same security is in the best interest of more than one client, we may aggregate the securities to be sold or purchased. We will not aggregate trades (also known as “bunching” trades) unless we believe that doing so is consistent with our duty to seek best execution for our clients.

When we allocate bunched trades to client accounts, we do not favor the interest of one client over another. In addition, it is not permissible to allocate or re-allocate an order to enhance the performance of one account over another, or to favor one account over another.

To the extent possible, orders are pre-allocated prior to execution. However, there may be instances where pre-allocating certain trades may not be feasible or practicable given the unique nature of the respective market. In these instances, such allocation will never unfairly discriminate against or advantage one account over another.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **MONITORING**

#### **Multi-Assets Solutions Team**

All MAS managed accounts are monitored on a regular basis in an effort to ensure that client objectives are being pursued in accordance with applicable investment strategies and guidelines. MAS meets periodically to review prevailing markets conditions, to reassess existing positioning, and to discuss new trading ideas.

#### **Separately Managed Accounts Group**

For our SMAs, certain elements of the account maintenance and reconciliation functions has been outsourced to a third-party vendor. Nonetheless, our SMA Group continues to be responsible for overseeing client accounts. In addition, investment guidelines are monitored via our sub-administrator’s APL Accounting System. On a daily basis, the SMA Group also reviews: (i) trade reconciliation reports; (ii) new account activity; (iii) cash reports; and (iv) trade settlement.



### **Trade Errors**

NYLIM has a policy in place pertaining to the correction of trade errors. In the event that an error occurs, it is identified and corrected as soon as practicable. Generally, client accounts are made whole for any losses. However, pursuant to the policy, we may not reimburse for a de minimis error, which we define as a loss of \$25 or less per account.

With respect to trade errors that occur in the wrap fee accounts managed by our SMA Group, such errors are typically corrected in accordance with each sponsor's trade error policy. This may include the use of a trade error account that is maintained at the sponsor.

### **Compliance Oversight**

New York Life's Investments Compliance area is an extension of the New York Life Corporate Compliance Department. The Chief Compliance Officer ("CCO") of NYLIM is responsible for the oversight and maintenance of the compliance function. Under this structure, certain compliance and other support functions within NYLIM are supported by the infrastructure within the Corporate Compliance Department of New York Life. The CCO of NYLIM also serves as the CCO of IndexIQ and New York Life Investments Alternatives LLC.

NYLIM is an investment adviser registered with the SEC under Section 203 of the Advisers Act. In this regard, pursuant to Rule 206(4)-7 under the Advisers Act it is unlawful for us to provide investment advice to clients unless we: (i) have written policies and procedures in place that are reasonably designed to detect and prevent violations of the Advisers Act, (ii) review no less frequently than annually, the adequacy of our policies and procedures and the effectiveness of their implementation; and (iii) designate a Chief Compliance Officer responsible for administering the policies and procedures under the Rule. Also pursuant to the Rule, we have put in place a program tailored to our business that includes written policies and procedures that we believe are reasonably designed to detect and prevent violations of the Advisers Act and other governing laws and regulations. Such policies and procedures include, but not limited to, those relating to code of ethics, personal trading, information barrier, books and records, sales and marketing, proxy voting, anti-money laundering, privacy and cyber security (the "Compliance Program").

Although we acknowledge that compliance is the responsibility of all employees, Investments Compliance is primarily responsible for overseeing the implementation of the Compliance Program. As such, Investments Compliance maintains an assessment calendar which provides for a portion of the Firm's policies and procedures to be assessed each quarter. Testing criteria includes ongoing evaluations and tests of the effectiveness of the Firm's Compliance Program including ensuring that each policy and procedure properly reflects current implementation practices and applicable rules and regulations. Procedures are revised as needed throughout the year, or as we deem necessary or appropriate, to enhance implementation practices or to reflect rule changes. The results of these reviews, including procedural revisions that are made, are reported to the NYLIM Compliance Committee on a semi-annual basis.

## **CLIENT REPORTING**

The content, frequency and form of client reports varies by client. Such reporting requirements are typically part of the contract negotiations and are memorialized in the client's investment management agreement. Our written client reports typically include portfolio holdings, transaction and performance information, and information covering capital markets and portfolio outlook. Customized reporting is typically provided as frequently as desired by clients.

With respect to our SMAs, account holders typically receive client reports from the account sponsor and do not receive client reports from us.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

From time to time we may enter into solicitation agreements with certain of our other affiliated or unaffiliated investment advisers to refer clients to each other. In this case we may pay or receive a cash fee for such referrals. If we pay or receive a cash fee for client referrals, we comply with the requirements of the SEC's cash solicitation rules to the extent that they apply.

## **ITEM 15: CUSTODY**

We do not have direct or indirect custody of client funds or securities. All client accounts are maintained at qualified custodians, such as banks or broker-dealers that are chosen by the client. Clients receive account statements directly from their custodians. In addition, clients receive duplicate account statements from us. When a client receives an account statement from us, the client should carefully review the statement and compare it to the account statement that the client received from its custodian. The two statements should be consistent.

## **ITEM 16: INVESTMENT DISCRETION**

We have discretion to manage investments on behalf of client accounts. Clients may impose restrictions on this discretion by, among other things, prohibiting the purchase of specific securities, or prohibiting the purchase of securities within a specific industry. We also manage client accounts on a non-discretionary basis.

Client imposed restrictions are detailed in the client's investment advisory agreement. Prior to onboarding a new client account, we obtain all necessary information to ensure that the account, including any relevant restrictions, is properly established on our trading and accounting systems.

## **ITEM 17: VOTING CLIENT SECURITIES**

NYLIM has adopted a Proxy Voting Policy. This Policy is designed to ensure that all proxies are voted in the best interest of our clients without regard to our interests or the interests of our affiliates. In voting proxies, NYLIM takes into account long term economic value in evaluating

issues relating to items such as corporate governance, including structures and practices, accountability and transparency, the nature of long-term business plans, including sustainability policies and practices to address environmental and social factors that are likely to have an impact on shareholder value, and other non-financial measures of corporate performance. With respect to *The MainStay Funds* where NYLIM has retained the services of a subadviser to provide day-to-day portfolio management for a MainStay Fund, NYLIM may delegate proxy voting authority to the subadviser; provided that the subadviser either (i) follows NYLIM's Proxy Voting Policy and the MainStay Funds' Procedures; or (ii) has demonstrated that its proxy voting policies and procedures are consistent with NYLIM's Proxy Voting Policies and Procedures or are otherwise implemented in the best interests of NYLIM's clients and appear to comply with governing regulations.

To assist us in researching and voting proxies for those accounts for which we have retained voting rights, we have engaged Institutional Shareholder Services ("ISS"), a third party proxy service provider. Where a client has contractually delegated proxy voting authority to us, we vote proxies in accordance with ISS' Sustainability voting guidelines unless the client provides us with alternative guidelines ("Custom Guidelines"). Custom Guidelines must be detailed in the client's investment advisory agreement.

A portfolio manager can override an ISS voting recommendation if he/she believes it is in the best interest of the client involved to vote otherwise. To override an ISS recommendation, the portfolio manager must submit a written override request to Investments Compliance. Upon receipt of an override request, Investments Compliance reviews the request to determine whether any potential material conflict of interests exist between us and our clients.

Material conflicts may exist when we or one of our affiliates:

- Manages the issuer's or proponent's pension plan.
- Administers the issuer's or proponent's employee benefit plan.
- Provides brokerage, underwriting, insurance or banking services to the issuer or proponent.
- Manages money for an employee group.

Additional material conflicts may exist if one of our executives is a close relative of, or has a personal or business relationship with:

- An executive of the issuer or proponent.
- A director of the issuer or proponent.
- A person who is a candidate to be a director of the issuer.
- A participant in the proxy contest.
- A proponent of a proxy proposal.

If a potential conflict exists, Investments Compliance refers the override requests to our Proxy Voting Committee for appropriate resolution. The Proxy Voting Committee considers the facts and circumstances of the potential conflict, and determines how to vote. This determination could include: permitting or denying the override request; delegating the vote to an independent third party; or obtaining voting instructions from the client.

A material conflict may also exist when we manage a separate account, a fund or other collective investment vehicle that invests in an affiliated fund. When we receive a proxy in our capacity as a shareholder of an underlying portfolio of an affiliated fund, we will vote in accordance with the recommendation of ISS based on our guidelines. If there is no relevant guideline, then we will vote in accordance with the recommendation of ISS based on its research. If ISS does not provide a recommendation, we then may address the conflict by “echoing” or “mirroring” the vote of the other shareholders in those underlying funds.

A copy of our proxy voting policies and procedures or information as to how proxies were voted for securities held in their account is available upon request. NYLIM’s contact information appears on the cover page of this brochure.

### **ITEM 18: FINANCIAL INFORMATION**

At this time, NYLIM is not required to file a balance sheet for our most recent fiscal year because we do not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. NYLIM has no financial condition that impairs its ability to meet contractual commitments to clients and has never been the subject of a bankruptcy proceeding.

### **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

NYLIM is registered with the SEC and provides notice filings to certain states. We are not registered with any state securities authorities.