NYLIM Global Equity Yield ADR SMA†

Portfolio managed by:

EPOCH

We continue to look for issuers that can produce excess free cash flows and whose management is committed to delivering shareholder yield by paying consistent and growing dividends, repurchasing shares or reducing debt without taking undue risk. Our approach over time tends to exhibit defensive characteristics and can help manage volatility amid rising geopolitical risks.

Market Review

- In contrast to the first quarter of the year in which the MSCI World Index was challenged with inflationary concerns, geopolitical conflict, and concerns about Artificial Intelligence (AI) overspend weighing on markets; the second quarter produced a strong rally. While earnings growth was broadly positive, AI infrastructure spending was the true driver of market performance, with the technology sector returning more than 30% for the three-month period. Particularly strong results from Intel, HP and Dell drove markets higher although a late-June selloff in some megacap tech stocks dampened results in technology and communication services sectors. Nvidia, Alphabet (Google) and Microsoft were all down substantially.
- Dispersion was notable for the second quarter of the year as well. While memory chipmakers and connectivity infrastructure providers produced record earnings (and stock prices) within technology, a sharp decrease in oil prices drove stock prices down within the energy sector. The spread between the two exceeded 47%. From a country perspective, all but two countries in the Index posted positive returns, as Norway and Hong Kong's markets fell sharply. Norway's reversal of fortune illustrates well how different the two quarters were: its energy-centric markets made the country the best-performing nation in the first quarter of the year. Falling oil prices made the country the worst-performing market in the second quarter.

Portfolio Performance[1]

(as of 06/30/26)

	Pure Gross Return	MSCI World Index (Net)	Net Return*
QTR	11.26	13.76	10.46
1 Year	25.87	21.34	22.21
3 Years	20.46	19.24	16.95
5 Years	13.77	11.47	10.44
10 Years	10.73	13.14	7.47
Since Inception[2] (11/30/2010)	11.12	—	7.85

ADR = American Depository Receipt.

Past performance is no guarantee of future results, which will vary.

1. Pure Gross and Net composite performance reflects reinvestment of income and dividends. Based upon a representative account. Individual account results will vary. Additional information about the composite can be provided upon request.

2. Inception date is November 30, 2010. Performance for the most recent quarter is preliminary and subject to change.

* Maximum program fee or highest advisory fee of 3% per annum (25 basis points per month).

† Effective 8/28/26, NYLI Epoch Global Equity Yield ADR SMA was renamed NYLIM Global Equity Yield ADR SMA.

Portfolio Review

- The NYLIM Global Equity Yield ADR SMA (the "Strategy") produced strong absolute returns over the course of the second quarter, with broadly positive results across all but two sectors: communication services and energy. Information technology was the top contributor to results, with all five of the top contributors to performance falling within the sector. Results were particularly strong within the technology hardware & equipment and semiconductor industries as enthusiasm for AI continued. Within the communication services sector results were moderately negative due to industry selection as some members benefitted from the AI boom while others, notably traditional telecom services companies, fell in response to potential competitive threats from new upstarts.
- The strategy underperformed its benchmark for the quarter. Stock selection effects were positive, with particularly strong results within the information technology sector. Other top contributors from a selection perspective include staples and real estate. Selection effects were weakest within communication services due to weak results among a number of traditional telecommunication companies. Allocation effects, a residual of the investment process and philosophy weighed on results, offsetting positive selection effects. From an allocation perspective, an underweight allocation to technology and overweight allocation to utilities detracted most from results.

Outlook

- Macroeconomic and geopolitical conditions remain fluid. As of the end of the quarter, developments suggested that tensions in the Middle East may be moderating, resulting in lower energy prices and reducing pressure on both corporate margins and consumer spending. Nevertheless, geopolitical risks remain elevated, and further volatility cannot be ruled out.
- Meanwhile, AI-related investment continues to be a significant driver of economic activity and equity market leadership. Demand for advanced semiconductors, data center infrastructure, and related technologies remains strong, and supply-demand imbalances in areas such as memory chips are expected to persist through year-end. Although we believe, the pace of investment will eventually normalize, current industry trends remain supportive.
- We continue to look for issuers that can produce excess free cash flows and whose management is committed to delivering shareholder yield by paying consistent and growing dividends, repurchasing shares or reducing debt without taking undue risk. Our approach over time tends to exhibit defensive characteristics and can help manage volatility amid rising geopolitical risks.

Before You Invest

Definitions:

Earnings Per Share (EPS) is a figure describing a public company's profit per outstanding share of stock. It is the ratio of a company's net income to the number of its shares outstanding.

Return On Invested Capital (ROIC) is a calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments. Return on invested capital gives a sense of how well a company is using its money to generate returns.

The **Personal Consumption Expenditures (PCE**) price index is a measure of how much people in the United States pay for goods and services.

The **Morgan Stanley Capital International World Index**—the MSCI World Index—is a free float-adjusted market capitalization weighted index that is designed to measure the equity performance of 23 developed markets.

The **MSCI World High Dividend Yield Index** is based on the MSCI World Index, its parent index, and includes large and mid cap stocks across 23 Developed Markets (DM) countries. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. It is not possible to invest directly in an index.

Free cash flow (FCF) represents the cash available for the company to repay creditors or pay dividends and interest to investors.

Past performance does not guarantee future results.

Portfolio data and holdings are as of 6/30/26, are based on total net assets, and may change daily.

The opinions and statements expressed herein are for informational purposes and subject to change without notice.

About risk

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.

Please keep in mind that there is no assurance that investment objectives will be met, as the underlying investment options are subject to market risk and fluctuate in value.

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