

NYLIM MacKay Convertible Securities SMA[†]

All data as of 06/30/26

Portfolio managed by:



Objective

The portfolio managers seek to employ an active equity-oriented convertible investment strategy that provides participation in the equity markets while emphasizing downside participation. The strategy is designed to help provide competitive performance with below-market risk while focusing on those convertible securities that offer the best risk/reward profile. There is no assurance the investment objectives will be met.

Investment process

From a universe of approximately 500 companies, the portfolio managers identify individual securities that have an underlying equity with a market capitalization of more than \$300 million. The portfolio managers look to reduce risk by targeting balanced convertible securities that are neither “busted” nor “deep in the money”. In particular, they seek convertibles that are expected to participate in 60%–80% of the underlying equity’s price appreciation, but only 30%–50% of its downside. The portfolio managers perform fundamental research to determine which companies display characteristics that they believe will lead to outperformance of the benchmark.

Buy/Sell Disciplines

Buy:

- In-depth company financial analysis
- Positive risk/reward profile
- Evaluate company management

Sell:

- Change in fundamentals
- Change in valuation
- Diversification

Portfolio management team

Edward Silverstein, CFA
Senior Managing Director

Portfolio Performance¹

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Pure Gross Return	16.9%	7.6%	4.8%	-13.5%	8.5%	33.6%	21.4%	-2.9%	11.1%	10.8%	0.1%	4.7%	18.8%	9.9%	-4.7%
BofA U.S. Convertible EX 144A Index	18.4%	11.2%	13.2%	-17.6%	7.3%	46.8%	22.4%	-1.4%	13.8%	11.0%	-3.1%	9.7%	24.3%	14.9%	-5.5%
Net Return*	13.5%	4.4%	1.7%	-16.1%	5.3%	29.8%	17.8%	-5.8%	7.8%	7.6%	-2.9%	1.6%	15.4%	6.8%	-7.6%

Portfolio Performance^{1,2}

	1 Year	3 Years	5 Years	10 Years
Pure Gross Return	35.9%	16.5%	8.1%	11.0%
BofA U.S. Convertible EX 144A Index	38.2%	19.0%	8.7%	13.4%
Net Return*	32.0%	13.1%	4.9%	7.8%

Firm Overview

History	1938 – Founded as an economic consulting firm 1969 – Became a registered investment advisor 1984 – Purchased by New York Life Insurance Company
Firm Assets	\$162 billion as of June 30, 2026
Ownership	Wholly owned independent subsidiary of New York Life Investment Management Holdings LLC

[†] Effective 8/28/26, NYLI MacKay Convertible Securities Portfolio was renamed NYLIM MacKay Convertible Securities SMA.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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Key Differentiators

- “Sweet Spot” orientation: MacKay Shields conducts intensive bottom-up, fundamental research to identify convertible securities with the most attractive risk/reward profile. The team seeks a balance between capital appreciation and attractive income potential while avoiding “busted” and “deep in the money” convertibles.
- Managing downside exposure: The investment team seeks to generate alpha while managing credit risk and adhering to a strict sell discipline. A security may be sold based on valuations, deteriorating fundamentals, or if better risk/reward opportunities are identified.
- A proven disciplined valuation process with an experienced research team. The Convertible Team’s research efforts are supported by the MacKay Shields High Yield Investment Team which includes four former Institutional Investor All American ranked analysts.

Top 10 Holdings^{2, 3}

8.0%	Western Digital Corporation	2.7%	Chefs' Warehouse, Inc.
4.8	Alphabet Inc.	2.4	Hewlett Packard Enterprise Company
4.7	Lumentum Holdings Inc.	2.4	Bank of America Corporation
3.3	Advanced Energy Industries, Inc.	2.4	Guardant Health, Inc.
2.8	NextEra Energy, Inc.	2.4	Snowflake Inc.

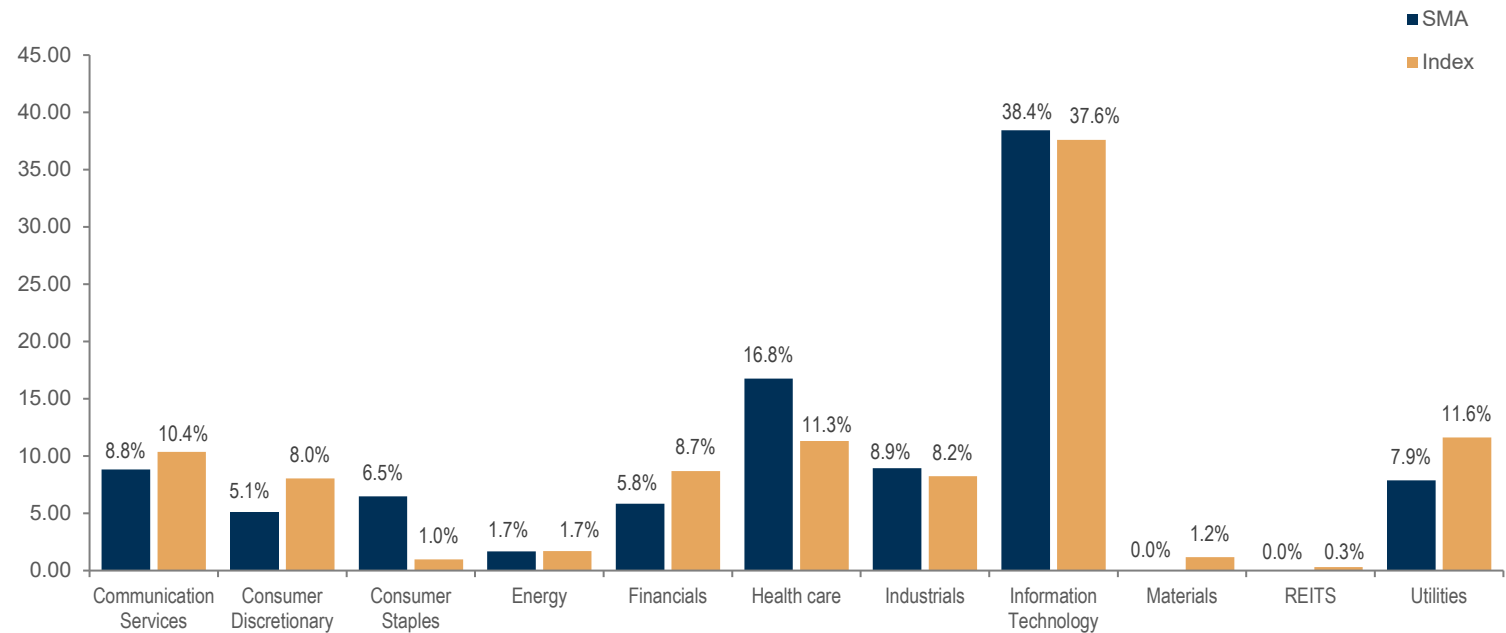
Portfolio Characteristics^{2, 3}

Number of Positions	54
Current Yield	1.1%
Wtd. Avg. Market Cap.	\$289.7 billion
Wtd. Avg. Delta	0.74

Market Cap Breakdown

Small (< \$2.5 billion)	3%
Mid (\$2.5–\$19 billion)	36%
Large (>\$19 billion)	61%

Sector Diversification^{2, 3}



Busted Convertibles are securities that are less equity sensitive and are unlikely to convert.
Deep in the Money Convertibles are securities whose underlying stock is well above the conversion price and has high equity sensitivity.

Average Delta expresses average price change of a derivatives based on the underlying security’s change of price.
Current Yield represents the return an investor would expect to earn, if the owner purchased the bond and held it for a year.

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Important Information

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

1. Pure Gross and Net composite performance reflects reinvestment of income and dividends. Performance is of the NYLIM MacKay Convertible Securities Composite. Individual account results may vary.

2. Supplemental information as of 06/30/2026.

3. Based upon a representative account. Provided for informational purposes only and may change daily.

Sectors and holdings are subject to change. This is not a recommendation to buy or sell any of the securities shown. There is no assurance that these securities will be profitable. All investments are subject to market risk, including possible loss of principal. Diversification cannot assure a profit or protect against loss in a declining market.

* Maximum program fee or highest advisory fee of 3% per annum (50 basis points per quarter).

Results shown in U.S. dollars.

This portfolio does not use derivatives.

The **ICE BofA U.S. Convertible Ex 144A Index** is an unmanaged market-capitalization weighted index of domestic corporate convertible securities. To be included in the Index, bonds and preferred stocks must be convertible only to common stock and have a market value or original par value of at least \$50 million. Securities issued under Rule 144A are not included in the Index. Results assume the reinvestment of all capital gains and distributions. An investment cannot be made directly into an index.

MacKay Shields LLC is an asset management affiliate of New York Life Investment Management LLC (NYLIM) and is a Registered Investment Advisor. New York Life Investment Management, an SEC-registered investment advisor, claims compliance with the Global Investment Performance Standards (GIPS®). To receive a complete list and description of MacKay Shields' composites that adhere to the GIPS standards, please use the contact information below.

Investment objectives may not be met as the underlying investment options are subject to market risk and fluctuate in value. Please keep in mind that there are fees and expenses associated with investing in managed accounts. Accordingly, you can lose money investing in a separately managed account. Issuer of convertible securities may not be as financially strong as those issuing securities with higher credit ratings and may be more vulnerable to changes in the economy. Investing in below grade securities may carry a greater risk of non payment of interest and principal than higher-rated bonds.

New York Life Investment Management LLC 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.

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