Investment Management

NYLIM U.S. Equity Yield 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.

Market Review

- In contrast to the first quarter of the year in which the 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 80% for the three-month period in the benchmark. 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 the information technology sector, a sharp decrease in oil prices drove stock prices down within the energy sector. The spread between the two exceeded 90%.

Portfolio Performance[1,2] (as of 6/30/26)

	Pure Gross Return	Russell 1000 Value Index	Net Return*
QTR	11.89	13.87	11.08
YTD	15.41	16.26	13.72
1 Year	23.91	27.12	20.30
3 Years	18.71	17.79	15.25
5 Years	12.81	11.17	9.51
Since Inception[1] (7/31/2019)	12.52	12.12	9.22

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

1. Pure Gross and Net composite performance reflects-reinvestment of income and dividends. Results shown in U.S. dollars.

2. Supplemental information as of June 30, 2026. Based upon a representative account. Individual account results will vary. Additional information about the composite can be provided upon request

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

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

Portfolio Review

- The NYLIM U.S. Equity Yield SMA (the "Strategy") produced strong absolute returns over the course of the second quarter. Information technology was the primary driver of performance, led by results within the technology hardware & equipment and semiconductor industries as enthusiasm for AI continued. Other top drivers of performance included results within the financials, health care, and industrials sectors. Energy and communication services were the top detractors from performance. Energy stocks fell on lower oil prices, which arose on the apparent cessation of hostilities in Iran and the reopening of the Strait of Hormuz. Within the communication services sector results were modestly 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.
- On a relative basis, the strategy lagged the benchmark. While absolute returns within the information technology benchmark were strong and an overweight allocation to the sector added value, stock selection lagged. Communication services detracted from results due in part to a sharp selloff in telecommunications companies. Results from the utilities sector also meaningfully detracted from results, as the negative effects of an overweight allocation to the sector offset positive stock selection effects within it. Overall, sector allocation effects, which are a residual of the investment approach, added value for the quarter.

.

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 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 investors navigate 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.

The **Personal Consumption Expenditures (PCE)** Price Index is a measure of the prices paid for goods and services by U.S. households and nonprofit institutions.

The **Russell 1000® Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® Index companies with lower price-to-book ratios and lower expected growth values. Index results assume the reinvestment of all capital gain and dividend distributions. An investment cannot be made directly into an index.

The **MSCI U.S.A High Dividend Yield Index** is based on the MSCI U.S.A Index and includes large and mid-cap stocks. The MSCI U.S.A High Dividend Yield Index is designed to reflect the performance of equities in the MSCI U.S.A Index (excluding real estate investment trusts) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.

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.

This portfolio does not use derivatives. Annualized performance is of the NYLIM U.S. Equity Yield Composite. Actual individual client account results may vary.

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.

The information provided in this presentation should not be construed as a recommendation to buy, sell or hold any particular security. There is no assurance that any of the securities discussed herein will remain in any account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. A complete list of recommendations is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities mentioned herein.

New York Life Investment Management LLC engages the services of Epoch Investment Partners, Inc. (Epoch), an unaffiliated federally registered advisor.

"New York Life Investment Management" is the brand name and service mark used to represent a group of affiliated investment advisors of New York Life Insurance Company, including New York Life Investment Management LLC, a registered investment advisor. Securities distributed by NYLIFE Distributors LLC, 30 Hudson Street, Jersey City, NJ 07302, Member FINRA/SIPC.

The products and services of New York Life Investment Management' boutiques are not available to all clients and in all jurisdictions or regions.

New York Life Investment Management
Managed Accounts
30 Hudson Street, Jersey City, NJ 07302
888-474-7725
nylim.com

5058054 MAEUE02c-08/26