by MainStay Investments

- Incorporate FINRA letter comments
- Submit a print production request as well (3,000 copies)

have design hyperlink these to the AGGE and AGGP web pages. See what we did with QGTA flyer.

...rt solution... ...ter portfolios

May 31, 2016

Building a Smarter Core with AGGE and AGGP

AGGE | IQ Enhanced Core Bond U.S. ETF
AGGP | IQ Enhanced Core Plus Bond U.S. ETF

Asset Class Evaluation—Have you reviewed your core bond allocations recently?

Considering Factors for Your Core Fixed Income Allocations

1 Performance—Have your investments outperformed or provided alpha?

According to S&P (Standard & Poor's), 93% of intermediate-term investment grade managers underperformed the Barclays U.S. Aggregate Bond Index for the 2015 calendar year.

93% underperformed in 2015

Source: S&P, as of 12/31/15. **Past performance is no guarantee of future results.**

2 Diversification—Are your allocations truly diverse?

Consider different investment styles within fixed income to achieve a higher level of diversification.

3 Transparency—Do you know what you own?

Top active managers' fund holdings can be complex derivatives, while some don't even hold bonds as a majority of their top holdings.

Add AGGE and AGGP expenses. See how we did it in QGTA flyer. It's basically a replica of #4 on the inside.

4 Cost Efficiency—Are your fund fees below or above average?

Fees are a growing concern, especially with new fiduciary standards—most funds are not delivering alpha after fees.

Lauren can provide updates through 6/30/16

Average Expense Ratio:
...ar Intermediate-Term Bond Category

0.82%

Source: Morningstar, as of 5/31/16. Average expense ratio for the Morningstar Intermediate-Term Bond Category includes all share classes. Average expense ratio for the Morningstar Intermediate-Term Bond Category Class A is 0.87% and Class I is 0.53%.

5 Tax Efficiency—Do you own tax-efficient s...

Some active funds have embedded capital ga... can result in tax consequences. Funds in the Morningstar Intermediate-Term Bond Category may distribute capital gains, with the average fund distributing a capital gain of $0.08 per share in 2015.

2015 Capital Gains:
Morningstar Intermediate-Term Bond Category

164/288	$0.08/share
Number of funds distributing capital gains	Average 2015 capital gain

Source: Morningstar, as of 12/31/15.

Asset allocation and diversification cannot assure a profit or protect against loss in a declining market.

Active management (also called active investing) refers to a portfolio management strategy where the manager makes specific investments with the goal of outperforming an investment benchmark index. Active management typically charges higher fees.

Alpha is a measure of performance on a risk-adjusted basis.

The Morningstar Intermediate-Term Bond Category includes portfolios that invest primarily in corporate and other investment-grade U.S. fixed income issues and typically have durations of 3.5 to 6.0 years. These portfolios are less sensitive to interest rates, and therefore are less volatile, than portfolios that have longer durations.

Build a Smarter Core with AGGE and AGGP

Five Reasons to Consider Our Core Fixed Income Solutions

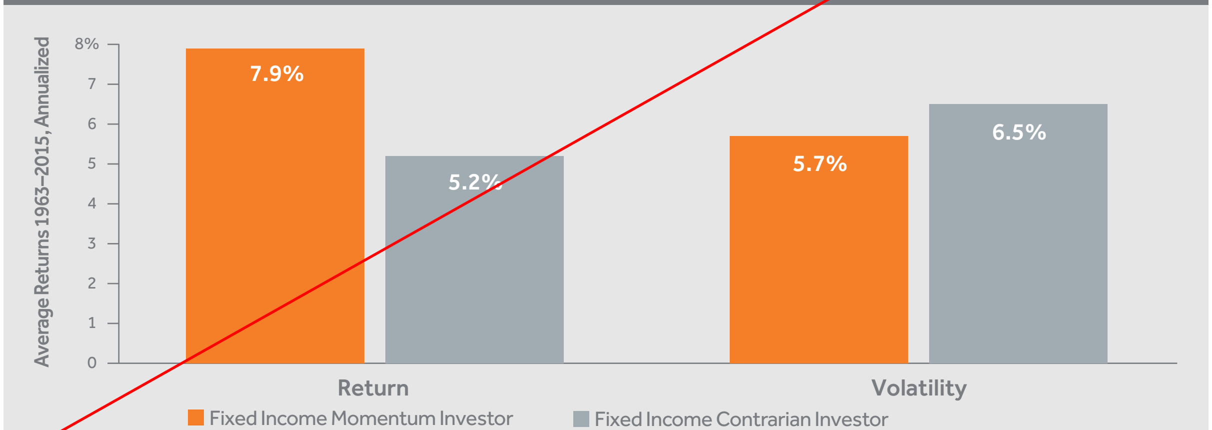
1 Performance

AGGE and AGGP seek to enhance returns with comparable levels of risk to the fixed income market by employing a **momentum** investment approach. Momentum investing seeks to capitalize on the persistence of ongoing trends in the market by dynamically allocating assets across U.S. fixed income sectors, overweighting sectors with high momentum and underweighting sectors with low momentum. There is no assurance that the investment objectives will be met.

Below is a hypothetical risk and return analysis of an investor who employed a momentum investment approach vs. an investor who did not.

The momentum investor invests in the top two performing fixed income segments of the prior 12 months vs. the contrarian investor who invests in the bottom two performing fixed income segments of the prior 12 months.

Momentum in Fixed Income:
Capitalizing on the persistence of ongoing market trends enhanced returns and did not increase volatility



Sources: IndexIQ, New York Life Strategic Asset Allocation and Solutions Group Research, Bloomberg, and Federal Reserve Economic Data (FRED). The performance results shown above are based on a methodology that is derived from an analysis of past market data with the benefit of hindsight. Such results are inherently limited and should not be relied upon as an indicator of the manager's actual performance results. Unlike an actual performance record, results do not represent actual trading. Since the trades have not been executed, the results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity, and do not reflect the deduction of advisory fees, brokerage commissions, or other expenses. No representation is being made that any account will or is likely to achieve performance results similar to those that may be shown.

:
AGGE and AGGP provide exposure across a broad range of fixed income sectors

2 Diversification

Diversification comes in many forms, including holding different investment styles within the same asset class. The unique momentum investment approach that AGGE and AGGP employ may provide an **element of diversification** for your core bond allocations.

Break out bond terms as requested by team

AGGE and AGGP serve as core portfolio solutions, providing exposure across a broad range of fixed income sectors for a clean, simple, and transparent portfolio.

Sector Range Guidelines

	AGGE	AGGP
Sector	Minimum/Maximum	Minimum/Maximum
U.S. Government	0% 50%	0% 50%
U.S. Investment-Grade Corporate Bonds	0% 50%	0% 50%
U.S. Investment-Grade Mortgage Backed Securities	0% 50%	0% 50%
U.S. High Yield Debt		0% 25%
U.S. Dollar Emerging Market Debt		0% 5%

Build a Smarter Core with AGGE and AGGP (continued)

AGGE and AGGP's ETF structure offers transparency, cost efficiency, tax efficiency, flexibility, and liquidity.

3 Transparency

Investors have access to daily **ETF holdings** on IQetfs.com, offering a level of daily transparency that many active fund managers may not provide.

update holdings - should mimic fact sheets

Top 5 Fund Holdings: AGGE

Ticker	Name	Market Value
LQD	iShares iBoxx $ Investment Grade Corporate Bond ETF	28%
VMBS	Vanguard Mortgage-Backed Securities ETF	27%
VCIT	Vanguard Intermediate-Term Corporate Bond ETF	21%
MBG	SPDR Barclays Mortgage Backed Bond ETF	14%
MBB	iShares MBS ETF	9%

Top 5 Fund Holdings: AGGP

Ticker	Name	Market Value
LQD	iShares iBoxx $ Investment Grade Corporate Bond ETF	28%
VCIT	Vanguard Intermediate-Term Corporate Bond ETF	21%
VMBS	Vanguard Mortgage-Backed Securities ETF	13%
JNK	SPDR Barclays High Yield Bond ETF	10%
HYG	iShares iBoxx $ High Yield Corporate Bond ETF	8%

Source: IndexIQ, as of 5/31/16. Holdings are subject to change.

4 Cost Efficiency

AGGE and AGGP offer **competitive expense ratios** vs. active managers, who may be not be providing the expected alpha.

Averag

same update as the front page

Morningsta
Bond Category

0.82%

VS

Total Annual Fund Expenses

0.34% AGGE

0.35% AGGP

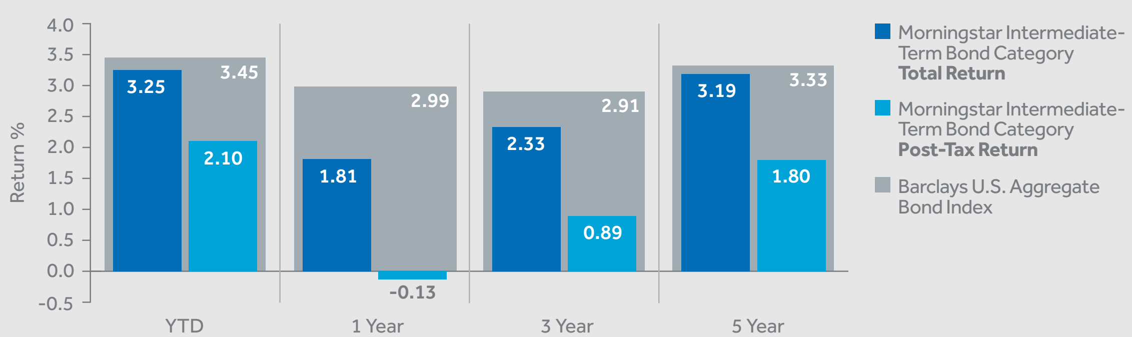
Source: Morningstar, as of 5/31/16. Average expense ratio for the Morningstar Intermediate-Term Bond Category includes all share classes. Average expense ratio for the Morningstar Intermediate-Term Bond Category Class A is 0.87% and Class I is 0.53%.

5 Tax Efficiency

Because of their ETF structure, AGGE and AGGP offer a tax-efficient solution for a portfolio. The ETF structure may **reduce or eliminate short-term capital gains** on portfolio turnover, thus providing significant tax alpha.

: The ETF structure offers a tax-efficient solution, providing competitive post-tax returns

Pre-Tax and Post-Tax Performance



update -- Lauren can pull the post-tax returns for you

Source: Morningstar, as of 5/31/16. Periods longer than one year are annualized. **Past performance is no guarantee of future results.** Neither New York Life Investment Management LLC, nor its affiliates or representatives provide tax, legal, or accounting advice. Please contact your own professionals.

About risk

AGGE and AGGP: As with all investments, there are certain risks of investing in the Funds. The Funds' shares will change in value, and you could lose money by investing in the Funds. The Funds' investment performance, because they are fund of funds, depends on the investment performance of the ETPs in which they invest.

Funds that invest in bonds are subject to interest rate risk and can lose principal value when interest rates rise. Bonds are also subject to credit risk, which is the possibility that the bond issuer may fail to pay interest and principal in a timely manner.

The principal risk of mortgage-backed securities is that the underlying debt may be prepaid ahead of schedule if interest rates fall, thereby reducing the value of the Funds' investment. If interest rates rise, less of the debt may be prepaid and the Funds may lose money.

The value of the Funds' investment in ETPs is based on stock market prices and the Funds could lose money due to stock market developments, the failure of an active trading market to develop, or exchange trading halts or de-listings.

As new Funds, there can be no assurance that they will grow to or maintain an economically viable size, in which case they may experience greater tracking error to their Underlying Indexes than they otherwise would at higher asset levels, or they could ultimately liquidate.

AGGP: Securities of issuers based in countries with developing economies (emerging markets) may present market, credit, liquidity, legal, political, and other risks different from, or greater than, the risks of investing in developed foreign countries. Emerging markets are subject to greater market volatility than more developed markets.

High yield securities have speculative characteristics and present a greater risk of loss than higher quality debt securities. These securities can also be subject to greater price volatility.

Post-tax return (pre-liquidation): Reflects the maximum federal tax rates on the distributions at the time the distributions are reinvested. Calculation based on a few assumptions: 1. The investor does not sell the holding at the end of the time period. 2. Distributions are taxed at the highest federal tax rate prevailing and then reinvested. 3. State and local taxes are excluded. 4. Only the capital gains are adjusted for tax-exempt funds because the income from these funds is nontaxable. This data point follows the guidelines established by the SEC in the spring of 2001 for reporting after-tax performance. Besides tax-adjustment, this total return is also adjusted for the effects of sales loads per the SEC's recommendation. (Morningstar Research Report, 24 October 2003)

The Barclays U.S. Aggregate Bond Index is a broad-based index that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasurys, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities, with maturities of at least one year.

NEW YORK LIFE MAINSTAY INVESTMENTS®

Consider the Funds' investment objectives, risks, and charges and expenses carefully before investing. The prospectus and the statement of additional information include this and other relevant information about the Funds and are available by visiting IQetfs.com or calling 888-934-0777. Read the prospectus carefully before investing.

For more information

888-934-0777

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