

MainStay DefinedTerm Municipal Opportunities Fund
Form N-Q
October 25, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-22551

MainStay DefinedTerm Municipal Opportunities Fund

(Exact name of registrant as specified in charter)

51 Madison Avenue, New York, New York 10010
(Address of principal executive offices) (Zip Code)

J. Kevin Gao, Esq., 30 Hudson Street, Jersey City, NJ 07302

(Name and address of agent for service)

Registrant's telephone number, including area code: 800-624-6782

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

Date of fiscal year end: May 31

Date of reporting period: August 31, 2016

Item 1. Schedule of Investments.

The schedule of investments for the period ended August 31, 2016 is filed herewith.

**MainStay DefinedTerm Municipal Opportunities Fund
Portfolio of Investments August 31, 2016 (Unaudited)**

	Principal Amount	Value
Municipal Bonds 144.4% †		
Alabama 1.0% (0.7% of Managed Assets)		
Alabama Special Care Facilities Financing Authority, Methodist Home For The Aging, Revenue Bonds	\$1,000,000	\$1,087,610
5.25%, due 6/1/25		
Jefferson County, Limited Obligation School, Revenue Bonds		
Series A, Insured: AMBAC	250,000	251,453
4.75%, due 1/1/25		
Jefferson County, Public Building Authority, Revenue Bonds		
Insured: AMBAC	4,500,000	4,500,675
5.00%, due 4/1/26		5,839,738
Arizona 0.6% (0.4% of Managed Assets)		
Phoenix Industrial Development Authority, Downtown Phoenix Student LLC, Revenue Bonds		
Series A, Insured: AMBAC	150,000	150,552
4.50%, due 7/1/42		
Phoenix Industrial Development Authority, Espiritu Community Development Corp., Revenue Bonds		
Series A	2,000,000	2,016,900
6.25%, due 7/1/36		
Pima County Industrial Development Authority, PLC Charter Schools Project, Revenue Bonds		
6.75%, due 4/1/36	1,075,000	1,076,677
		3,244,129
California 15.9% (10.7% of Managed Assets)		
California County Tobacco Securitization Agency, Asset-Backed, Revenue Bonds		
5.60%, due 6/1/36 (a)	2,575,000	2,617,951
California Municipal Finance Authority, Southwestern Law School, Revenue Bonds		
6.50%, due 11/1/41	2,165,000	2,606,249
	75,000	55,986

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

Carson Redevelopment Agency, Redevelopment Project Area 1, Tax Allocation			
Series B, Insured: NATL-RE			
(zero coupon), due 10/1/25			
Ceres Unified School District, Unlimited General Obligation			
	Series A	6,375,000	1,134,431
(zero coupon), due 8/1/43			
⊠	City of Sacramento, California, Water, Revenue Bonds	19,500,000	23,672,610
5.00%, due 9/1/42 (b)(c)			
Golden State Tobacco Securitization Corp., Asset-Backed, Revenue Bonds			
	Series A-2	5,000,000	5,135,800
5.30%, due 6/1/37 (a)			
Riverside County Transportation Commission, Limited Tax, Revenue Bonds			
⊠	Series A	19,100,000	23,584,480
5.25%, due 6/1/39 (b)(c)			
Stockton Public Financing Authority, Parking & Capital Projects, Revenue Bonds			
Insured: NATL-RE			
	4.50%, due 9/1/17	100,000	99,581
Insured: NATL-RE			
	4.80%, due 9/1/20	105,000	104,998
Stockton Public Financing Authority, Redevelopment Projects, Revenue Bonds			
Series A, Insured: AGC			
	5.25%, due 9/1/31	630,000	631,355
Series A, Insured: AGC			
	5.25%, due 9/1/34	2,925,000	2,930,908
Stockton Public Financing Authority, Water System, Capital Improvement			
Projects, Revenue Bonds			
Series A, Insured: NATL-RE			
	5.00%, due 10/1/31	175,000	175,574
University of California, Regents Medical Center, Revenue Bonds			
⊠	Series J	23,260,000	27,942,004
5.00%, due 5/15/43 (b)(c)			
Westminster School District, Unlimited General Obligation			
	Series B, Insured: BAM	10,000,000	1,557,400
(zero coupon), due 8/1/48			
			92,249,327
Colorado 0.1% (0.0% ‡ of Managed Assets)			
E-470 Public Highway Authority, Revenue Bonds			
	Series B, Insured: NATL-RE	660,000	350,401
(zero coupon), due 9/1/29			
District of Columbia 0.6% (0.4% of Managed Assets)			
Metropolitan Washington Airports Authority, Revenue Bonds			
	Series C, Insured: AGC	2,400,000	3,298,416
0.00%, due 10/1/41 (a)			
Florida 5.4% (3.6% of Managed Assets)			
City of Orlando, Tourist Development Tax Revenue, 3rd Lien, 6th Cent Contract,			
Revenue Bonds			
	Insured: AGC	15,000,000	15,668,100
5.50%, due 11/1/38			
		12,980,000	15,393,857

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

JEA Electric System, Revenue Bonds Series C 5.00%, due 10/1/37 (b)(c)		31,061,957
Georgia 0.1% (0.0% of Managed Assets)		
Marietta Development Authority, University Facilities-Life University, Inc. Project, Revenue Bonds 6.25%, due 6/15/20	280,000	292,972
Guam 2.2% (1.5% of Managed Assets)		
Guam Government, Waterworks Authority, Revenue Bonds 5.50%, due 7/1/43	7,550,000	8,824,893
Guam International Airport Authority, Revenue Bonds Series C, Insured: AGM 6.00%, due 10/1/34 (d)	3,425,000	4,161,478
		12,986,371
Illinois 20.4% (13.8% of Managed Assets)		
⊗ Chicago Board of Education, Unlimited General Obligation Series A, Insured: AGM 5.50%, due 12/1/39 (b)(c)	20,000,000	22,198,600
Series A 7.00%, due 12/1/44	2,780,000	2,958,559
Chicago O'Hare International Airport, Revenue Bonds Insured: AGM 5.75%, due 1/1/38	5,000,000	6,020,900
Chicago, Illinois Wastewater Transmission, Revenue Bonds Series B, Insured: AGM, FGIC 5.00%, due 1/1/25	130,000	131,495
Series C 5.00%, due 1/1/32	7,120,000	8,294,017
Chicago, Illinois, Sales Tax, Revenue Bonds Series A 5.25%, due 1/1/38	7,515,000	8,100,118
Chicago, Unlimited General Obligation Series A, Insured: AGM 5.00%, due 1/1/26	15,000	15,089
Series C 5.00%, due 1/1/40	15,000,000	15,163,500
Series A 5.25%, due 1/1/27	3,000,000	3,267,810
Cook County, Unlimited General Obligation Series A, Insured: AGM 5.00%, due 11/15/26	1,250,000	1,568,025
⊗ Metropolitan Pier & Exposition Authority, McCormick Place Expansion, Revenue Bonds Insured: NATL-RE (zero coupon), due 6/15/29	27,450,000	17,332,479
Series A 5.50%, due 6/15/50	10,000,000	10,799,200
State of Illinois, Unlimited General Obligation 5.25%, due 7/1/31 (b)(c)	20,000,000	22,523,795

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

		118,373,587
Indiana 0.2% (0.1% of Managed Assets)		
Anderson Economic Development Revenue, Anderson University Project, Revenue Bonds	1,105,000	1,091,729
5.00%, due 10/1/32		
Iowa 0.7% (0.5% of Managed Assets)		
Coralville Urban Renewal Revenue, Tax Increment, Tax Allocation Series C	4,220,000	4,221,561
5.00%, due 6/1/47		
Kansas 3.9% (2.7% of Managed Assets)		
Kansas Development Finance Authority, Adventist Health Sunbelt Obligated Group, Revenue Bonds	19,290,000	22,863,825
Series A		
5.00%, due 11/15/32 (b)(c)		
Louisiana 1.0% (0.7% of Managed Assets)		
Louisiana Public Facilities Authority, Black & Gold Facilities Project, Revenue Bonds		
Series A, Insured: AGC		
4.50%, due 7/1/38	665,000	666,682
Series A, Insured: AGC		
5.00%, due 7/1/22	1,105,000	1,107,641
Series A, Insured: AGC		
5.00%, due 7/1/24	1,200,000	1,202,640
Series A, Insured: AGC		
5.00%, due 7/1/30	2,870,000	2,874,994
		5,851,957
Maryland 4.2% (2.9% of Managed Assets)		
Maryland Health & Higher Educational Facilities Authority, Johns Hopkins Health System Obligated Group, Revenue Bonds		
Series C	20,870,000	24,479,645
5.00%, due 5/15/43 (b)(c)		
Michigan 13.4% (9.1% of Managed Assets)		
Detroit, Michigan Water & Sewerage Department, Senior Lien, Revenue Bonds		
Series A		
5.00%, due 7/1/32	1,500,000	1,697,970
Series A		
5.25%, due 7/1/39	5,000,000	5,733,100
Detroit, Michigan Water Supply System, Revenue Bonds		
Series C		
5.00%, due 7/1/41	1,005,000	1,117,228
Series A		
5.25%, due 7/1/41	2,385,000	2,678,307
Series A		
5.75%, due 7/1/37	5,000,000	5,710,850
Michigan Finance Authority, Detroit Water & Sewer, Revenue Bonds		
Insured: AGM		
5.00%, due 7/1/31	9,445,000	11,270,624

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

Michigan Finance Authority, Public School Academy, University Learning, Revenue Bonds		
7.375%, due 11/1/30	2,920,000	3,156,257
7.50%, due 11/1/40	2,745,000	2,971,737
Michigan Finance Authority, Trinity Health Corp., Revenue Bonds		
✕ Series 2016	21,630,000	26,874,843
5.25%, due 12/1/41 (b)(c)		
Michigan Public Educational Facilities Authority, Dr. Joseph F. Pollack, Revenue Bonds		
8.00%, due 4/1/30	1,195,000	1,324,944
8.00%, due 4/1/40	500,000	553,500
Michigan Tobacco Settlement Finance Authority, Revenue Bonds		
Series A		
6.00%, due 6/1/34	5,120,000	5,152,461
Series A		
6.00%, due 6/1/48	7,500,000	7,548,000
Wayne County Michigan, Capital Improvement, Limited General Obligation Series A, Insured: AGM	2,135,000	2,187,158
5.00%, due 2/1/38		
		77,976,979
Minnesota 0.4% (0.2% of Managed Assets)		
Blaine Minnesota Senior Housing & Healthcare, Crest View Senior Community Project, Revenue Bonds		
Series A	2,000,000	2,145,460
5.75%, due 7/1/35		
Missouri 0.4% (0.3% of Managed Assets)		
St. Louis County Industrial Development Authority, Nazareth Living Center, Revenue Bonds	2,120,000	2,337,130
6.125%, due 8/15/42		
Nebraska 3.9% (2.7% of Managed Assets)		
Central Plains Energy, Project No. 3, Revenue Bonds		
5.25%, due 9/1/37 (b)(c)	20,000,000	22,938,800
Nevada 2.3% (1.5% of Managed Assets)		
City of Sparks, Tourism Improvement District No. 1, Senior Sales Tax Anticipation, Revenue Bonds		
Series A	12,500,000	13,237,875
6.75%, due 6/15/28 (b)		
New Hampshire 0.6% (0.4% of Managed Assets)		
Manchester Housing & Redevelopment Authority Inc., Revenue Bonds		
Series B, Insured: ACA	4,740,000	3,388,436
(zero coupon), due 1/1/24		
New Jersey 5.2% (3.5% of Managed Assets)		
New Jersey Building Authority, Revenue Bonds		
Series A, Insured: BAM	2,650,000	3,239,121
5.00%, due 6/15/26		

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

New Jersey Economic Development Authority, Continental Airlines, Inc. Project, Revenue Bonds		
5.25%, due 9/15/29 (d)	6,120,000	6,865,110
Series B		
5.625%, due 11/15/30 (d)	2,500,000	2,914,500
New Jersey Tobacco Settlement Financing Corp., Revenue Bonds		
Series 1A		
4.75%, due 6/1/34	2,185,000	2,142,480
Series 1A		
5.00%, due 6/1/41	10,000,000	9,856,700
New Jersey Transportation Trust Fund Authority, Revenue Bonds		
Series C, Insured: AGM	10,000,000	5,211,900
(zero coupon), due 12/15/34		
		30,229,811
New York 4.4% (3.0% of Managed Assets)		
Nassau County Tobacco Settlement Corp., Asset-Backed, Revenue Bonds		
Series A-3	5,000,000	4,951,350
5.125%, due 6/1/46		
New York Liberty Development Corp., World Trade Center, Revenue Bonds		
Class 3	2,500,000	3,319,050
7.25%, due 11/15/44 (b)		
New York Transportation Development Corp., American Airlines, Inc. - John Kennedy Airport Project, Revenue Bonds	4,000,000	4,465,760
5.00%, due 8/1/26 (d)		
New York Transportation Development Corp., LaGuardia Airport Terminal B Redevelopment Project, Revenue Bonds		
Series A, Insured: AGM	3,725,000	4,012,868
4.00%, due 7/1/36 (d)		
Series A		
5.00%, due 7/1/41 (d)	5,000,000	5,783,950
Riverhead Industrial Development Agency, Revenue Bonds	3,395,000	3,090,876
7.00%, due 8/1/43		
		25,623,854
Ohio 6.3% (4.3% of Managed Assets)		
American Municipal Power, Inc., Prairie State Energy Campus, Revenue Bonds		
Series A, Insured: BAM	15,000,000	18,005,550
5.25%, due 2/15/31		
Buckeye Tobacco Settlement Financing Authority, Asset-Backed, Senior Turbo, Revenue Bonds		
Series A-2		
5.125%, due 6/1/24	2,550,000	2,503,947
Series A-2		
5.75%, due 6/1/34	2,425,000	2,410,887
Series A-2		
5.875%, due 6/1/30	13,890,000	13,869,026
		36,789,410
Pennsylvania 5.3% (3.6% of Managed Assets)		
Harrisburg, Capital Appreciation, Unlimited General Obligation		
Series F, Insured: AMBAC	95,000	76,337
(zero coupon), due 9/15/21		
	14,260,000	17,975,557

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

Pennsylvania Economic Development Financing Authority, Capitol Region Parking System, Revenue Bonds Series B 6.00%, due 7/1/53 (b)(c)		
Pennsylvania Turnpike Commission, Revenue Bonds Series B, Insured: BAM 5.25%, due 12/1/44	5,000,000	6,035,650
Philadelphia Authority for Industrial Development, Nueva Esperanza Inc., Revenue Bonds 8.20%, due 12/1/43	2,000,000	2,342,500
Philadelphia Gas Works Co., 1998 General Ordinance, Revenue Bonds Series 14 5.00%, due 10/1/33	1,030,000	1,264,418
Series 14 5.00%, due 10/1/34	1,000,000	1,222,580
Philadelphia, Unlimited General Obligation 6.00%, due 8/1/36	1,625,000	1,921,562
		30,838,604
Puerto Rico 19.8% (13.4% of Managed Assets)		
Commonwealth of Puerto Rico, Aqueduct & Sewer Authority, Revenue Bonds Series A, Insured: AGC 5.00%, due 7/1/25		
Senior Lien—Series A, Insured: AGC 5.125%, due 7/1/47	2,840,000	2,934,686
Commonwealth of Puerto Rico, Public Improvement, Unlimited General Obligation		
Series A, Insured: AGM 5.00%, due 7/1/35	15,500,000	16,700,320
Insured: AGM 5.125%, due 7/1/30	715,000	716,194
Series A, Insured: AGC 5.25%, due 7/1/23	100,000	100,229
Series A-4, Insured: AGM 5.25%, due 7/1/30	4,175,000	4,477,521
Series A, Insured: AGM 5.375%, due 7/1/25	655,000	717,533
Series A, Insured: AMBAC 5.50%, due 7/1/19	55,000	57,224
Series A, Insured: NATL-RE 5.50%, due 7/1/21	680,000	732,904
Series A, Insured: AGM 5.50%, due 7/1/27	2,210,000	2,433,254
Series A, Insured: AGC 5.50%, due 7/1/29	390,000	455,742
Series A, Insured: AGC 5.50%, due 7/1/32	255,000	264,774
Series C, Insured: AGM 5.50%, due 7/1/32	1,410,000	1,412,679
Series C, Insured: AGM 5.75%, due 7/1/37	5,440,000	5,448,595
	2,970,000	3,103,442

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

Series C-7, Insured: NATL-RE 6.00%, due 7/1/27		
Series A, Insured: AGM 6.00%, due 7/1/33	875,000	876,995
Series A, Insured: AGM 6.00%, due 7/1/34	755,000	821,584
Puerto Rico Convention Center District Authority, Revenue Bonds Series A, Insured: AGC 4.50%, due 7/1/36	8,195,000	8,199,098
Series A, Insured: AGC 5.00%, due 7/1/27	635,000	636,187
Series A, Insured: AMBAC 5.00%, due 7/1/31	1,295,000	1,298,263
Puerto Rico Electric Power Authority, Revenue Bonds Series DDD, Insured: AGM 3.625%, due 7/1/23	540,000	528,768
Series DDD, Insured: AGM 3.65%, due 7/1/24	1,735,000	1,697,299
Series SS, Insured: NATL-RE 5.00%, due 7/1/19	5,200,000	5,268,744
Series PP, Insured: NATL-RE 5.00%, due 7/1/24	1,035,000	1,036,387
Series PP, Insured: NATL-RE 5.00%, due 7/1/25	65,000	65,086
Series TT, Insured: AGM 5.00%, due 7/1/27	210,000	213,501
Series VV, Insured: AGM 5.25%, due 7/1/27	730,000	828,455
☒ Puerto Rico Highways & Transportation Authority, Revenue Bonds Series AA-1, Insured: AGM 4.95%, due 7/1/26	5,675,000	5,920,898
Series K, Insured: AGC, AGM 5.00%, due 7/1/18	560,000	561,814
Series N, Insured: AMBAC 5.25%, due 7/1/30	425,000	450,551
Series N, Insured: AMBAC 5.25%, due 7/1/31	1,095,000	1,161,751
Series CC, Insured: AGM 5.25%, due 7/1/32	410,000	475,170
Series N, Insured: NATL-RE 5.25%, due 7/1/32	4,000,000	4,382,160
Series CC, Insured: AGM 5.25%, due 7/1/34	1,510,000	1,762,668
Series N, Insured: AGC 5.25%, due 7/1/34	1,040,000	1,214,023
Series L, Insured: AMBAC 5.25%, due 7/1/38	2,600,000	2,747,966
Series N, Insured: AGC, AGM 5.50%, due 7/1/25	250,000	285,148
Series CC, Insured: AGM 5.50%, due 7/1/29	700,000	817,999

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

Series N, Insured: AGC, AGM 5.50%, due 7/1/29	6,000,000	7,011,420
Series CC, Insured: AGM 5.50%, due 7/1/30	3,070,000	3,610,995
Puerto Rico Municipal Finance Agency, Revenue Bonds		
Series A, Insured: AGM 5.00%, due 8/1/20	580,000	589,297
Series A, Insured: AGM 5.00%, due 8/1/21	810,000	822,984
Series A, Insured: AGM 5.00%, due 8/1/22	810,000	822,984
Series A, Insured: AGM 5.00%, due 8/1/30	1,030,000	1,046,511
Series C, Insured: AGC 5.25%, due 8/1/21	3,775,000	4,013,920
Puerto Rico Municipal Finance Agency, Unlimited General Obligation		
Series A, Insured: AGM 5.00%, due 8/1/27	2,580,000	2,634,825
Series A, Insured: AGM 5.25%, due 8/1/21	230,000	233,452
Puerto Rico Public Buildings Authority, Government Facilities, Revenue Bonds		
Series F, Insured: AGC 5.25%, due 7/1/21	2,000,000	2,161,220
Series M-3, Insured: NATL-RE 6.00%, due 7/1/25	250,000	279,193
Series M-3, Insured: NATL-RE 6.00%, due 7/1/27	10,000,000	10,449,300
		114,688,843
Rhode Island 3.1% (2.1% of Managed Assets)		
Narragansett Bay Commission Wastewater System, Revenue Bonds		
Series A 5.00%, due 9/1/38 (b)(c)	15,000,000	17,887,650
Tennessee 2.7% (1.8% of Managed Assets)		
Chattanooga, TN, Industrial Development Board, Lease Rental, Revenue Bonds		
Insured: AGM 5.00%, due 10/1/30 (b)(c)	15,000,000	15,626,400
Texas 4.0% (2.7% of Managed Assets)		
Harris County-Houston Sports Authority, Revenue Bonds		
Series H, Insured: NATL-RE (zero coupon), due 11/15/28	50,000	33,533
Series A, Insured: AGM, NATL-RE (zero coupon), due 11/15/38	175,000	71,557
Series H, Insured: NATL-RE (zero coupon), due 11/15/38	260,000	96,645
Texas Municipal Gas Acquisition & Supply Corp. III, Revenue Bonds 5.00%, due 12/15/32 (b)(c)	20,000,000	22,854,760
		23,056,495
U.S. Virgin Islands 3.1% (2.1% of Managed Assets)		
	2,475,000	2,706,536

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan, Revenue Bonds		
Insured: AGM		
5.00%, due 10/1/32		
Virgin Islands Public Finance Authority, Revenue Bonds		
Series C	10,000,000	10,039,800
5.00%, due 10/1/30		
Series A, Insured: AGM	4,650,000	5,085,008
5.00%, due 10/1/32		17,831,344
Utah 3.8% (2.5% of Managed Assets)		
County of Utah UT, IHC Health Services, Inc., Revenue Bonds		
Series B	20,000,000	21,886,343
4.00%, due 5/15/47 (b)(c)		
Virginia 5.5% (3.7% of Managed Assets)		
Tobacco Settlement Financing Corp., Revenue Bonds		
Series B1	7,500,000	7,350,525
5.00%, due 6/1/47		
⊗ Virginia Commonwealth Transportation Board, Capital Projects, Revenue Bonds	20,315,000	24,348,498
5.00%, due 5/15/31 (b)(c)		31,699,023
Washington 3.8% (2.6% of Managed Assets)		
Washington Health Care Facilities Authority, Multicare Health System, Revenue Bonds		
Series A	19,665,000	22,299,717
5.00%, due 8/15/44 (b)(c)		
Wisconsin 0.1% (0.1% of Managed Assets)		
Public Finance Authority, Bancroft NeuroHealth Project, Revenue Bonds		
Series A	500,000	515,935
5.00%, due 6/1/36 (b)		
Total Investments	144.4	% 837,203,724
(Cost \$755,058,632) (f)		
Floating Rate Note Obligations (e)	(35.7) (207,205,000)
Fixed Rate Municipal Term Preferred Shares, at Liquidation Value	(12.1) (70,000,000)
Other Assets, Less Liabilities	3.4	19,700,146
Net Assets Applicable to Common Shares	100.0	% \$579,698,870

⊗ Among the Fund's 10 largest holdings or issuers held, as of August 31, 2016. May be subject to change daily.

† Percentages indicated are based on Fund net assets.

‡ Less than one-tenth of a percent.

(a) Step coupon - Rate shown was the rate in effect as of August 31, 2016.

(b) May be sold to institutional investors only under Rule 144A or securities offered pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

(c) All or portion of principal amount transferred to a Tender Option Bond ("TOB") Issuer in exchange for TOB Residuals and cash.

(d) Interest on these securities was subject to alternative minimum tax.

(e) Face value of Floating Rate Notes issued in TOB transactions.

(f)

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

As of August 31, 2016, cost is \$547,644,837 for federal income tax purposes and net unrealized appreciation is as follows:

Gross unrealized appreciation	\$86,398,558
Gross unrealized depreciation	(4,044,671)
Net unrealized appreciation	\$82,353,887

“Managed Assets” is defined as the Fund’s total assets, minus the sum of its accrued liabilities (other than Fund liabilities incurred for the purpose of creating effective leverage (i.e. tender option bonds) or Fund liabilities related to liquidation preference of any preferred shares issued).

The following abbreviations are used in the above portfolio:

ACA	—ACA Financial Guaranty Corp.
AGC	—Assured Guaranty Corp.
AGM	—Assured Guaranty Municipal Corp.
AMBAC	—Ambac Assurance Corp.
BAM	—Build America Mutual Assurance Co.
FGIC	—Financial Guaranty Insurance Co.
NATL-RE	—National Public Finance Guarantee Corp.

As of August 31, 2016, the Fund held the following futures contracts¹:

Type	Number of Contracts (Short)	Expiration Date	Notional Amount	Unrealized Appreciation (Depreciation) ²
10-Year United States Treasury Note	(700)	December 2016	\$ (91,645,313)	\$ 37,619

1. As of August 31, 2016, cash in the amount of \$945,000 was on deposit with a broker for futures transactions.

2. Represents the difference between the value of the contracts at the time they were opened and the value as of August 31, 2016.

The following is a summary of the fair valuations according to the inputs used as of August 31, 2016, for valuing the Fund's assets and liabilities.

Asset Valuation Inputs

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments in Securities (a)				
Municipal Bonds	\$ —	\$837,203,724	\$ —	\$837,203,724
Total Investments in Securities	—	837,203,724	—	837,203,724
Other Financial Instruments				
Futures Contracts Short (b)	37,619	—	—	37,619
Total Investments in Securities and Other Financial Instruments	\$ 37,619	\$837,203,724	\$ —	\$837,241,343

(a) For a complete listing of investments and their industries, see the Portfolio of Investments.

(b) The value listed for these securities reflects unrealized appreciation (depreciation) as shown on the Portfolio of Investments.

The Fund recognizes transfers between the levels as of the beginning of the period.

For the period ended August 31, 2016, the Fund did not have any transfers between Level 1 and Level 2 fair value measurements.

As of August 31, 2016, the Fund did not hold any investments with significant unobservable inputs (Level 3).

MainStay DefinedTerm Municipal Opportunities Fund

NOTES TO PORTFOLIOS OF INVESTMENTS August 31, 2016 (Unaudited)

SECURITIES VALUATION.

Investments are usually valued as of the close of regular trading on the New York Stock Exchange (the "Exchange") (generally 4:00 p.m. Eastern time) on each day the Fund is open for business ("valuation date").

The Board of Trustees (the "Board") of the MainStay DefinedTerm Municipal Opportunities Fund (the "Fund") adopted procedures establishing methodologies for the valuation of the Fund's securities and other assets and delegated the responsibility for valuation determinations under those procedures to the Valuation Committee of the Fund (the "Valuation Committee"). The Board authorized the Valuation Committee to appoint a Valuation Sub-Committee (the "Sub-Committee") to deal in the first instance with establishing the prices of securities for which market quotations are not readily available or the prices of which are not otherwise readily determinable under these procedures. The Sub-Committee meets (in person, via electronic mail or via teleconference) on an as-needed basis. Subsequently, the Valuation Committee meets to ensure that actions taken by the Sub-Committee were appropriate. The procedures recognize that, subject to the oversight of the Board and unless otherwise noted, the responsibility for the day-to-day valuation of portfolio assets (including fair value measurements for the Fund's assets and liabilities) rests with New York Life Investment Management LLC ("New York Life Investments" or the "Manager"), aided to whatever extent necessary by the Subadvisor to the Fund.

To assess the appropriateness of security valuations, the Manager, Subadvisor or the Fund's third party service provider, who is subject to oversight by the Manager, regularly compares prior day prices, prices on comparable securities, and the sale prices to the prior and current day prices and challenges prices with changes exceeding certain tolerance levels with third party pricing services or broker sources. For those securities valued through either a standardized fair valuation methodology or a fair valuation measurement, the Sub-Committee deals in the first instance with such valuation and the Valuation Committee reviews and affirms the reasonableness of the valuation based on such methodologies and measurements on a regular basis after considering all relevant information that is reasonably available. Any action taken by the Sub-Committee with respect to the valuation of a portfolio security or other asset is submitted by the Valuation Committee to the Board for its review and ratification, if appropriate, at its next regularly scheduled meeting.

"Fair value" is defined as the price the Fund would receive upon selling an asset or liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the asset or liability. Fair value measurements

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

are determined within a framework that has established a three-tier hierarchy which maximizes the use of observable market data and minimizes the use of unobservable inputs to establish a classification of fair value measurements for disclosure purposes. "Inputs" refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as the risk inherent in a particular valuation technique used to measure fair value using a pricing model and/or the risk inherent in the inputs for the valuation technique. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the information available. The inputs or methodology used for valuing assets or liabilities may not be an indication of the risks associated with investing in those assets or liabilities. The three-tier hierarchy of inputs is summarized below.

Level 1 – quoted prices in active markets for an identical asset or liability

Level 2 – other significant observable inputs (including quoted prices for a similar asset or liability in active markets, interest rates and yield curves, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Fund's own assumptions about the assumptions that market participants would use in measuring the fair value of an asset or liability)

The level of an asset or liability within the fair value hierarchy is based on the lowest level of an input, both individually and in the aggregate, that is significant to the fair value measurement. As of August 31, 2016, the aggregate value by input level of the Fund's assets and liabilities is included at the end of the Fund's Portfolio of Investments.

The Fund may use third party vendor evaluations, whose prices may be derived from one or more of the following standard inputs among others:

- Benchmark yields
- Broker dealer quotes
- Two-sided markets
- Bids/offers
- Industry and economic events
- Monthly payment information
- Reported trades
- Issuer spreads
- Benchmark securities
- Reference data (corporate actions or material event notices)
- Comparable bonds

An asset or liability for which market values cannot be measured using the methodologies described above is valued by methods deemed reasonable in good faith by the Valuation Committee, following the procedures established by the Board, to represent fair value. Under these procedures, the Fund generally uses a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information. The Fund may also use an income-based valuation approach in which the anticipated future cash flows of the asset or liability are discounted to calculate fair value. Discounts may also be applied due to the nature and/or duration of any restrictions on the disposition of the asset or liability. Fair value represents a good faith approximation of the value of the security. Fair value determinations involve the consideration of a number of subjective factors, an analysis of applicable facts and circumstances and the exercise of judgment. As a result, it is possible that the fair value for a security determined in good faith in accordance with the Fund's valuation procedures may differ from valuations for the same security determined by other funds using their own valuation procedures. Although the Fund's valuation procedures are designed to value a security at the price the Fund may reasonably expect to receive upon its sale in an orderly transaction, there can be no assurance that any fair value determination there under would, in fact, approximate the amount that the Fund would actually realize upon the sale of the security or the price at which the security would trade if a reliable market price were readily available. During the period ended August 31, 2016, there were no material changes to the fair value methodologies.

Securities which may be valued in this manner include, but are not limited to: (i) a security for which trading has been halted or suspended; (ii) a debt security that has recently gone into default and for which there is not a current market quotation; (iii) a security of an issuer that has entered into a restructuring; (iv) a security that has been de-listed from a national exchange; (v) a security for which the market price is not readily available from a third party pricing source or, if so provided, does not, in the opinion of the Manager or Subadvisor reflect the security's market value; (vi) a security subject to trading collars for which no or limited trading takes place; and (vii) a security whose principal market has been temporarily closed at a time when, under normal conditions, it would be open. Securities for which market quotations or observable inputs are not readily available are generally categorized as Level 3 in the hierarchy. As of August 31, 2016, no securities held by the Fund were fair valued in such a manner.

Municipal debt securities are valued at the evaluated mean prices supplied by a pricing agent or brokers selected by the Manager, in consultation with the Subadvisor. Those values reflect broker/dealer supplied prices and electronic data processing techniques, if the evaluated mean prices are deemed by the Manager, in consultation with the Subadvisor, to be representative of market values, at the regular close of trading of the Exchange on each valuation date. Debt securities purchased on a delayed delivery basis are marked to market daily until settlement at the forward settlement date. Municipal debt securities are generally categorized as Level 2 in the hierarchy.

Futures contracts are valued at the last posted settlement price on the market where such futures are primarily traded and are generally categorized as Level 1 in the hierarchy.

Temporary cash investments acquired in excess of 60 days to maturity at the time of purchase are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields,

maturities, and ratings), both as furnished by independent pricing services. Other temporary cash investments which mature in 60 days or less at the time of purchase (“Short-Term Investments”) are valued using the amortized cost method of valuation, unless the use of such method would be inappropriate. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of the difference between such cost and the value on maturity date. Amortized cost approximates the current fair value of a security. Securities valued at amortized cost are not valued using quoted prices in an active market and are generally categorized as Level 2 in the hierarchy.

The information above is not intended to reflect an exhaustive list of the methodologies that may be used to value portfolio investments. The valuation procedures permit the use of a variety of valuation methodologies in connection with valuing portfolio investments. The methodology used for a specific type of investment may vary based on the market data available or other considerations. The methodologies summarized above may not represent the specific means by which portfolio investments are valued on any particular business day.

Item 2. Controls And Procedures.

Based on an evaluation of the Disclosure Controls and Procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, the “Disclosure Controls”) as of a date within 90 days prior to the filing date (the “Filing Date”) of this Form N-Q (the “Report”), the Registrant’s principal executive and principal financial officers have

(a) concluded that the Disclosure Controls are reasonably designed to ensure that information required to be disclosed by the Registrant in the Report is recorded, processed, summarized and reported by the Filing Date, including ensuring that information required to be disclosed in the Report is accumulated and communicated to the Registrant’s management, including the Registrant’s principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in the Registrant’s internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the Registrant's last fiscal quarter that have

(b) materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3. Exhibits.

(a) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

MAINSTAY DEFINEDTERM MUNICIPAL OPPORTUNITIES FUND

By: /s/ Stephen P. Fisher

Stephen P. Fisher

President and Principal Executive Officer

Date: October 25, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Stephen P. Fisher

Stephen P. Fisher

President and Principal Executive Officer

Date: October 25, 2016

By: /s/ Jack R. Benintende

Edgar Filing: MainStay DefinedTerm Municipal Opportunities Fund - Form N-Q

Jack R. Benintende

Treasurer and Principal Financial and

Accounting Officer

Date: October 25, 2016