

Market Overview

Equity and credit markets declined in the first quarter of 2018 as higher interest rates, rising trade tensions with China, ongoing uncertainty with the North American Free Trade Agreement (NAFTA), and the implosion of the short volatility trade shook investor confidence. For the S&P 500[®], the first quarter's decline broke a streak of nine straight quarters of gains (similar streaks of seven and eight quarters of positive returns were interrupted for the Russell 2000[®] and the ICE BofA/Merrill Lynch High Yield Master II Index, respectively).

Convertibles, as measured by the ICE BofA/Merrill Lynch All US Convertibles Index (the "Convertibles Index"), the Fund's benchmark, bucked the trends in equities and credit by rising +2.40% during the quarter. This can likely be attributed to the higher weighting of an outperforming Technology sector in the convertibles universe. With credit spreads generally stable, convertibles also benefited from higher volatility, which we believe makes the embedded options in convertibles more valuable.

Fund Overview

The 1290 Convertible Securities Fund pursues its investment objective by investing at least 80% of its net assets, plus borrowings for investment purposes, in a diversified portfolio of convertible securities.

Overweight positions in technology were a primary driver of convertibles for the quarter, bolstering results. Offsetting these gains was weaker performance in the Fund's overweight position in healthcare. While the manager still remains positive on the outlook for technology, they do not necessarily expect the sector to duplicate this past quarter's outsized relative contribution. They expect breadth to widen and other growth-oriented sectors, such as healthcare, to become more significant contributors to longer-term results.

Looking ahead, the manager expects recent positive economic momentum to be tempered by uncertainty around trade policies, resulting in a volatile trading environment which they believe could persist for some time. This volatile trading environment highlights the benefits of owning convertibles bonds. Convertibles carry an average 2.7% current yield, which provides some downside support, while the embedded equity option provides opportunities for capital appreciation. They believe convertibles will remain an attractive vehicle for investors to obtain risk-mitigated exposure to the upside potential of equities under current volatile market conditions.

Source for all data above: Palisade Capital Management

Spotlight on Holdings

What helped performance during the quarter?

- A significant portion of the outperformance was derived from an overweight and strong security selection in the Technology sector. Notably, double-digit returns from our two Micron issues, Booking Holdings Inc. (2.90%*) and Salesforce.com, Inc. (0.00%*) drove results.
- Underweights to the underperforming REITs (real estate investment trusts) industry within the financials sector and the utilities sector also added value.
- Elsewhere, the Fund benefited from a slight outperformance in the energy and materials sectors, driven by solid returns from Cheniere Energy, Inc. (0.40%*) and Rexnord Corp. (0.37%*), respectively.

What hurt performance during the quarter?

- Offsetting the outperformance was unfavorable security selection in the healthcare sector, held back by disappointing returns from Dermira, Inc. (0.71%*) and Incyte Corporation (0.53%*).
- An underweight and underperformance in the relatively strong consumer staples sector, notably a lack of exposure to Herbalife Ltd. (0.00%*), which posted double-digit returns, hindered results.
- The Fund was also hampered by an overweight to the underperforming Industrials sector, particularly within the building & construction industry.

* % of total market value of the Fund's portfolio holdings as of 3/31/18. Subject to change.
Current and future Fund holdings are subject to risk.

An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. To obtain a prospectus containing this and other information, please call 1-888-310-0416 or download the file from www.1290funds.com. Read the prospectus carefully before you invest.

1290 Convertible Securities Fund seeks to achieve a high level of total return. Performance may be affected by one or more of the following risks. The value of convertible securities fluctuates in relation to changes in interest rates and the credit quality of the issuer and, in addition, fluctuates in relation to the underlying common stock. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument, which may be different than the current market price of the security. If a convertible security held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into underlying common stock or sell it to a third party. Convertible securities are subject to equity risk, interest rate risk and credit risk and are often lower quality securities. Lower quality may lead to greater volatility in the price of a security and may negatively affect a security's liquidity. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer-specific risks that apply to the underlying common stock.

Past performance is no guarantee of future performance.

The S&P 500® Index is an unmanaged weighted index of common stocks of 500 of the largest U.S. companies, deemed by Standard & Poor's to be representative of the larger capitalization portion of the United States stock market.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. It consists of approximately 2,000 of the smallest securities based a combination of their market cap and current index membership.

The ICE BofA/ML U.S. High Yield Master II Index (H0A0) tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.

ICE BofA Merrill Lynch All U.S. Convertibles Index (the "Index") consists of U.S. dollar denominated investment grade and non-investment grade convertible securities sold into the U.S. market and publicly traded in the United States. The Index constituents are market value weighted based on the convertible securities prices and outstanding shares, and the underlying index is rebalanced daily. Individuals cannot invest directly in an index.

The Fund may not be successful in implementing its investment strategy or may not employ a successful investment strategy, and there can be no assurance that the Fund will grow to or maintain an economically viable size, which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Until the Fund is fully capitalized it may not be pursuing its investment objective or executing its principal investment strategies.

1290 Funds is part of the family of mutual funds advised by AXA Equitable Funds Management Group, LLC (FMG, LLC), doing business in this instance as 1290 Asset Managers. FMG, LLC is a wholly owned subsidiary of AXA Equitable Life Insurance Company (AXA Equitable), NY, NY. AXA Distributors, LLC is the wholesale distributor of the 1290 Funds. AXA Advisors, LLC (member FINRA, SIPC) offers the 1290 Funds to retail investors.

"AXA" is the brand name of AXA Equitable Financial Services, LLC and its family of companies, including AXA Equitable, AXA Advisors, LLC, and AXA Distributors, LLC. AXA S.A. is a French holding company for a group of international insurance and financial services companies, including AXA Equitable Financial Services, LLC.

1290 Funds® is a registered service mark of AXA Equitable Life Insurance Company, New York 10104.

The Fund is distributed by ALPS Distributors, Inc., which is not affiliated with FMG, LLC, AXA Equitable, AXA Distributors, AXA Advisors or the subadviser.

ALPS, a DST Company, 1290 Broadway, Suite 1100, Denver, CO 80203.

© 2018 AXA Equitable Life Insurance Company. All rights reserved.

1290 Avenue of the Americas, New York, NY 10104

Mutual Funds: Are Not a Deposit of Any Bank • Are Not FDIC Insured • Are Not Insured by Any Federal Government Agency • Are Not Guaranteed by Any Bank or Savings Association • May Go Down in Value

AXA Equitable Life Insurance Company (NY, NY)

(AXA000573) (exp. 9/30/18)