

## 1290 Diversified Bond Fund

Fund fact sheet | September 2020

### Investment philosophy:

Seeks to deliver attractive risk-adjusted returns through an actively managed core portfolio of U.S. investment-grade bonds

Invests opportunistically around the core using sovereign, credit and currency strategies to add income and price appreciation potential

Offers a complement to U.S.-only "total return" strategies



Managed by Brandywine Global, a mid-sized boutique firm specializing in strategies that seek to capture value anomalies across investment markets. Brandywine is a signatory of the UN-Principles for Responsible Investment (PRI)

### Morningstar Rating™

Morningstar Category: U.S. Funds Intermediate Core-Plus Bond

TNUIX	Overall	3 year	5 year
Rating	★★★★★	★★★★★	★★★★★
# of funds	459	537	459

Overall Morningstar Rating™ as of Sep. 30, 2020 based on risk-adjusted returns (1 share).

Symbols & CUSIPs:		
Class A	TNUAX	68246A 710
Class I	TNUIX	68246A 686
Class R	TNURX	68246A 678

Min. initial investment: \$1,000 for A shares\*

Inception date: July 6, 2015

Dividends:	Monthly
Adviser:	Equitable Investment Management Group, LLC
Subadviser:	Brandywine Global

\* Refer to the prospectus for other fund minimums.

Expense ratios	Total expense ratio	Net expense ratio**
Class A	1.55%	0.75%
Class I	1.34%	0.50%
Class R	1.88%	1.00%

\*\* The net expense ratio reflects the Adviser's decision to contractually limit expenses through April 30, 2021. Please see the prospectus for additional information.

### Portfolio managers

Anujeet Sareen, CFA®

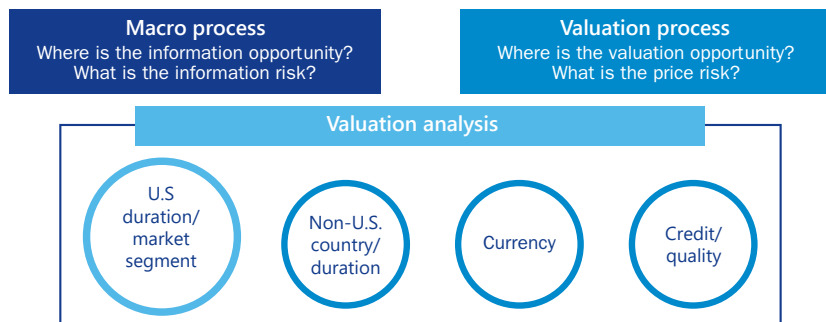
Brian L. Kloss, JD, CPA  
Head of High Yield

Tracy Chen, CFA®, CAIA  
Head of Structured Credit

CFA is a registered trademark of the CFA Institute. CAIA is a registered trademark of the Chartered Alternative Investment Analyst Association.

### Investment process

Combination of top-down and bottom-up



- The manager believes interest rates and exchange rates move toward their long-term averages over time.
- Their process seeks market levels that are at extremes—and may be due to normalize.
- In selecting non-U.S. securities, the team will actively manage currency exposure—and may at times invest pro-actively in currencies.
- The manager pairs this world view with a search for issuers with fundamental characteristics that add a potential margin of safety to attractive valuations.
- The manager evaluates the risk/reward profile of appealing opportunities for inclusion in the portfolio.

### Fund objective:

Seeks to maximize total return consisting of income and capital appreciation.

### How the fund invests:

Under normal circumstances, the fund will invest at least 80% of its net assets, plus borrowings for investment purposes, in a diversified portfolio of U.S. and foreign bonds or other debt securities of varying maturities and other instruments that provide investment exposure to such debt securities, including forwards or derivatives such as options, futures contracts or swap agreements.

### Morningstar U.S. Funds Intermediate Core-Plus Bond category ranking

(As of September 30, 2020)

	1290 Diversified Bond I (TNUIX) rank percentile	Morningstar Rating™	Out of # of investments
1 year	8	—	605
3 year	3	5	537
5 year	4	5	459

\*\* As of September 30, 2020, for class I shares (TNUIX). Other share classes may have different ratings. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10- year (if applicable) Morningstar Rating metrics. Past performance is no guarantee of future results. The Morningstar percentile ranking is based on the fund's total-return percentile rank relative to all managed products that have the same category for the same time period. The highest (or most favorable) percentile rank is 1%, and the lowest (or least favorable) percentile rank is 100%. Morningstar total return includes both income and capital gains or losses and is not adjusted for sales charges.

## Performance (As of September 30, 2020)

	1 month	3 month	YTD	1 year	3 year	5 year	Since inception (7/6/15)
Class A (NAV)	-1.57%	2.11%	7.09%	9.00%	6.44%	5.47%	4.79%
Class A with sales charges (MOP)	-6.00%	-2.47%	2.27%	4.14%	4.81%	4.51%	3.87%
Class I (NAV)	-1.57%	2.01%	7.10%	8.94%	6.66%	5.70%	5.03%
Class R (NAV)	-1.58%	1.92%	6.77%	8.52%	6.15%	5.19%	4.51%
Bloomberg Barclays U.S. Aggregate Bond Index	-0.05%	0.62%	6.79%	6.98%	5.24%	4.18%	4.17%

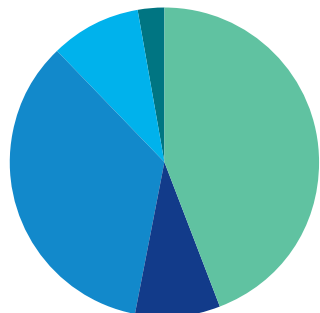
Performance data for periods before May 31, 2018 reflects previous management style, and holdings, and is not indicative of current portfolio holdings.

Performance data quoted represents past performance. **Past performance does not guarantee future results.** Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance data may be higher or lower than actual data quoted. For the most current month-end performance data please call (888) 310-0416.

Maximum Offering Price (MOP) for Class A shares includes the fund's maximum sales charge of 5.50%. Performance shown at NAV does not include these sales charges and would have been lower had it been taken into account. Returns over one year are average annual returns.

As of 6/15/2018, the 1290 Diversified Bond Fund was restructured, which included, among other things, the Fund adopting a new broad-based benchmark that is reflective of its universe of holdings.

## Sector weightings (As of September 30, 2020)



Government/Government Related	44.17%
U.S.	18.57%
Non-U.S.	25.60%
ABS/MBS	9.08%
Agency	2.59%
Non-agency	6.49%
Corporate bond - investment grade	34.62%
Corporate bond - high yield	9.40%
Bank loans	0.00%
Cash and other securities	2.73%

Note: includes derivative P&L. Subject to change.

## Statistics (As of September 30, 2020)

Avg effective duration	2.31	30 Day SEC Yield	3.16%
Effective maturity	17.25	30 Day Unsubsidized Yield	2.54%
Yield to maturity	3.80		

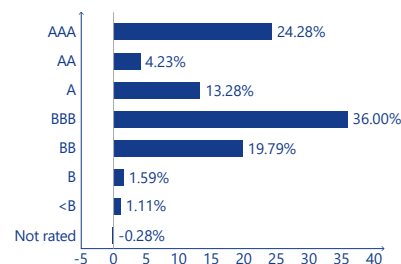
For the credit quality ratings shown above, the rating is the result of a composite algorithm based on an average of the ratings from three nationally recognized statistical rating organizations: Moody's, S&P and Fitch. If only two of the recognized agencies rate a bond, the composite rating is based on an average of the two. Likewise, if only one of the agencies rates a bond, the composite rating is based on that one rating. Credit quality is measured on a scale that ranges from AAA (highest) to D (lowest). Credit quality does not remove market risk and is subject to change.

## Top 10 holdings

U.S. Treasury Notes, 0.21%, 4/30/22	10.46%
U.S. Treasury Notes, 0.17%, 7/31/22	8.02%
Republic of South Africa, 8.75%, 2/28/48	7.41%
Euro-BTP, expiration date December 8, 2020 (Future contract)	5.87%
Mex Bonos Desarr Fix Rt, 6.50%, 6/9/22	4.91%
Mex Bonos Desarr Fix Rt, 8.00%, 11/7/47	2.80%
Republic of Indonesia, 7.50%, 4/15/40	2.14%
Bank of Nova Scotia (The), 0.65%, 9/15/23	2.13%
Freeport-McMoRan, Inc., 5.45%, 3/15/43	2.09%
Hungary Government Bond, 3.00%, 8/21/30	1.98%
<b>Total Top 10 holdings</b>	<b>47.81%</b>

Holdings are subject to change.

## Credit quality rating for underlying holdings



For more information, call (888) 310-0416 or visit [1290funds.com](http://1290funds.com).

### Risks

**An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, which contains this and other information, please log on to [1290funds.com](http://1290funds.com) or contact your investment professional. Read the prospectus carefully before investing.**

Effective June 15, 2018 the 1290 Unconstrained Bond Managers Fund was changed to 1290 Diversified Bond Fund. Please refer to prospectus for more information.

Investment Grade Securities Risk: Debt securities are generally considered to be investment grade if they are rated BBB or Higher.

Credit risk: The fund is subject to the risk that the issuer or the guarantor of a fixed income security is unable or unwilling to make timely principal and/or interest payments.

Foreign securities risk: Investments in foreign securities involve risks not associated with investments in U.S. securities. Foreign markets may be less liquid, more volatile and subject to less government supervision and regulation than U.S. markets. Security values, also may be negatively affected by changes in the exchange rates between the U.S. dollar and foreign currencies. There are greater risks involved in investing in emerging market countries and/or their securities markets, and investments in these countries and/or markets are more susceptible to loss than investments in developed countries and/or markets.

Bloomberg Barclays U.S. Aggregate Bond Index covers the U.S. dollar denominated investment-grade, fixed-rate, taxable bond market of securities. The index includes bonds from the Treasury, government-related and corporate securities, agency fixed rate and hybrid adjustable mortgage pass through securities, asset-backed securities and commercial mortgage-backed securities.

Average effective duration is a measure of a fund's interest-rate sensitivity-- the longer a fund's duration, the more sensitive the fund is to shifts in interest rates.

Yield to maturity is the rate of return anticipated on a bond if held until the end of its lifetime.

30 Day SEC Yield represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. This reflects fee waivers and/or expense reimbursements during the period. Without waivers and/or reimbursements, yields would be reduced.

30 Day Unsubsidized Yield does not adjust for any fee waivers and/or expense reimbursements in effect.

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.

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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

**1290**  
FUNDS