



1290 DoubleLine Dynamic Allocation Fund

Fund commentary 2Q20

Market overview

The second quarter of 2020 was a stimulus induced rebound from the clutches of the COVID-19 meltdown experienced in the first quarter. Large capitalization U.S. equities rallied by 20.54% and 14.29% as measured by the S&P 500[®] Index (S&P 500[®]) and Russell 1000[®] Value Index, respectively. The fixed income market also rallied with the Bloomberg Barclays US Aggregate Index (BAG) appreciating 2.90% while corporate credit, with backing from the Federal Reserve, rallied 9.27%. The economic backdrop is highly uncertain with unemployment still topping double digits and no containment in site for COVID-19 - this leads us to have a cautious outlook going forward.

Fund overview

The 1290 DoubleLine Dynamic Allocation Fund pursues its investment objective, to seek to achieve total return from long-term capital appreciation and income, by investing under normal circumstances, in a diversified range of securities and other financial instruments, including derivatives, which provide investment exposure to equity and fixed income investments. In the second quarter of 2020, the Fund outperformed its benchmark – a blend of the S&P 500[®] (60%) and BAG (40%). The Fund benefited from the subadvisor's tactical allocation shift to equities during much of the quarter.

Fund highlights

The Fund's allocation to the Shiller Barclays CAPE[®] U.S. Sector Index ("CAPE[®] Index") outperformed the S&P 500 in the second quarter. During the quarter the CAPE[®] Index was allocated to four sectors: Communication Services, Financials, Industrials, and Technology. All four of these sectors contributed positively to the CAPE Index return.

The Fund's active equity investments outperformed the S&P 500[®] in the second quarter of 2020. Sector and security selection were strong relative to the S&P 500[®].

The return of the Fund's fixed income investments was positive in the quarter and outperformed the return of the BAG. The best returning sectors in the quarter were Investment Grade Corporate Bonds, High Yield Corporate Bonds and Non-Agency Mortgaged Backed Securities. All fixed income sectors contributed positively during the quarter.

For more information, call (888) 310-0416 or visit 1290funds.com.

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 1290funds.com. Read the prospectus carefully before you invest.

1290 DoubleLine Dynamic Allocation Fund seeks to achieve total return from long-term capital appreciation and income. The Fund's allocations may change at any time. Performance may be affected by one or more of the following risks. Fixed income investments are subject to credit risk and interest rate risk. The fund is subject to the risk that the issuer or guarantor of a fixed income security, or the counterparty to a transaction is unable or unwilling, or perceived as unable or unwilling, to make timely interest or principal payments, or otherwise honor its obligations, which may cause the Fund's holding to lose value. In addition, changes in interest rates may affect the yield, liquidity and value of investments in income producing or debt securities. When interest rates rise, the value of the Fund's debt securities generally decline. Conversely, when interest rates decline the value of the Fund's debt securities generally rises. In general, the value of stocks and other equity securities fluctuate, and sometimes widely fluctuate, in response to changes in a company's financial conditions as well as general market, economic and political conditions and other factors. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Diversification does not eliminate the risk of experiencing investment losses.

The Fund's Index is a blend of 60% S&P 500® Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index. **Standard & Poor's 500® Composite Stock Index** (referred to herein as "Standard & Poor's 500® Index" or "S&P 500® Index") is a weighted index of common stocks of 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. The index is capitalization weighted, thereby giving greater weight to companies with the largest market capitalizations. The **Bloomberg Barclays U.S. Aggregate Bond Index** is an unmanaged index considered representative of the U.S. investment-grade fixed-rate bond market. Includes government and credit securities, agency mortgage pass through securities, asset-backed securities, and commercial-backed mortgage securities. The **Russell 1000® Value Index** measures the performance of those Russell 1000® Index companies with lower price to book ratios and lower forecasted growth values. It is market-capitalization weighted.

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The Shiller Barclays CAPE® US Index Family (the "Index Family") has been developed in part by RSBB-I, LLC, the research principal of which is Robert J. Shiller. RSBB-I, LLC is not an investment advisor and does not guarantee the accuracy and completeness of the Index Family or any data or methodology either included therein or upon which it is based. RSBB-I, LLC shall have no liability for any errors, omissions or interruptions therein and makes no warranties expressed or implied, as to the performance or results experienced by any party from the use of any information included therein or upon which it is based, and expressly disclaims all warranties of the merchantability or fitness for a particular purpose with respect thereto, and shall not be liable for any claims or losses of any nature in connection with the use of such information, including but not limited to, lost profits or punitive or consequential damages even, if RSBB-I, LLC is advised of the possibility of same. Individuals cannot invest directly in an index.

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