



1290 DoubleLine Dynamic Allocation Fund

Fund commentary 3Q20

Market overview

The third quarter of 2020 saw a continued, albeit volatile and uncertain, rebound from the COVID-19 financial crisis and economic collapse. Large capitalization US equities rallied by 8.93% and 5.59% 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 0.62%.

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 underperformed its benchmark – a blend of the S&P 500[®] (60%) and BAG (40%).

Fund highlights

What helped performance during the quarter?

- The Fund's allocation to the Shiller Barclays CAPE[®] U.S. Sector Index ("CAPE[®] Index") outperformed the S&P 500[®] during the third quarter. The CAPE[®] Index was allocated to five sectors during the period: communication services, financials, industrial, materials and technology with all five contributing positively to the Index's return.
- The return of the Fund's fixed income investments was positive during the quarter and outperformed that of the Bloomberg Barclays U.S. Aggregate's return. The best returning sectors during the quarter were High Yield Corporate Bonds and Bank Loans. All fixed income sectors contributed positively during the quarter.

What hurt performance during the quarter?

- The Fund's active equity investments underperformed the S&P 500[®] in the third quarter of 2020. A more cautious outlook and focus on value hindered the Fund's performance relative to the S&P 500[®].

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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Past performance is no guarantee of future performance.

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