



1290 DoubleLine Dynamic Allocation Fund

Fund commentary 1Q21

Market overview

The first quarter of 2021 saw hope for a return to pre-pandemic normalcy driving stocks to all-time highs. Large cap equities rallied 6.17% (S&P 500[®] Index) while fears of inflation catalyzed a bond sell off with the broad fixed income market down 3.37% (Bloomberg Barclay; US Aggregate Bond Index (BAG)).

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 fourth quarter of 2020, the Fund underperformed its benchmark – a blend of the S&P 500[®] Index (60%) and the BAG (40%).

Fund highlights

What helped performance during the quarter?

- Security selection in the actively managed equity allocation outperformed the S&P 500[®] Index and helped performance.
- Sector rotation and selection in the Index allocated portion that tracks the Shiller Barclays Cape[®] US Sector TR USD Index outperformed the S&P 500[®] Index and helped performance.
- Sector asset allocation and security selection helped the actively managed fixed income sleeve outperform the BAG and helped performance.

What hurt performance during the quarter?

- The strategies were positioned more conservatively from an asset allocation / risk management standpoint. There was less exposure to equity in the Fund than its benchmark.
- The sole negative returning fixed income sector was government securities.

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. The Fund is subject to the risk that the securities markets will move down, sometimes rapidly and un-predictably, based on overall economic conditions and other factors, which may negatively affect Fund performance. 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. 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. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. The Fund's investments in derivatives may rise or fall in value more rapidly than other investments and may reduce the Fund's returns and increase the volatility of the Fund's net asset value. Investing in derivatives involves investment techniques and risk analyses different from, and risks in some respects greater than, those associated with investing in more traditional investments, such as stocks and bonds. 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.

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