

Market Overview

Global equities markets delivered a positive performance in the second quarter of 2017. The dollar and the yen weakened, while the euro and the sterling gained. Bond prices moved lower in most regions as central banks in developed economies are talking up prospects of monetary tightening. Oil prices resumed their slide and ended the period well below \$50. While political risk in the eurozone abated with French President Macron winning a parliamentary majority, the snap election in the U.K. led to a hung parliament. U.K. economic data points to mounting headwinds particularly to consumer spending. In the U.S. the Fed raised its fund rate a second time as expected. The initial soft first quarter GDP print was revised up to 1.4%. The first quarter's corporate earnings season finished on a strong note with most regions coming ahead of expectations.

In terms of regional performance, emerging markets (outside of Russia and Brazil) and Japan were the strongest regions among global equities. The U.S. market delivered a weak performance as the 'Trump rally' lost some steam due to the new administration's struggles with passing any meaningful reform. Sector wise, energy was unsurprisingly negative while technology, healthcare, industrials and financials ranked top of the league. The technology sector however went through several short-lived but sharp sell-offs as investors took some benefits after the strong year-to-date performance.

Fund Overview

The 1290 Global Talents Fund pursues its investment by investing in a diversified portfolio of equity securities issued by U.S. and non-U.S. companies that the sub-adviser has identified as being entrepreneur-led businesses whose long term growth prospects have not been fully reflected in their current market valuations. The fund outperformed the MSCI ACWI (its index) over the period. The subadviser's approach continues to be bottom-up driven and searching for companies with robust top and bottom lines' outlook, healthy financials and solid competitive moats. Their positioning continues to be overweight sectors with secular tailwinds and profitable growth opportunities such as technology, online retail, consumer staples and healthcare. The Fund is underweight more cyclical, price-taking, capex heavy and rate sensitive sectors such as real estate, financials, industrials, energy and utilities. The Fund exited two positions over the period bringing the total portfolio holdings' count to 47. The Fund sold French telecom operator Iliad (0.0%*), which after a strong performance, had come to reach a full valuation. The Fund also sold Synchronoss Technologies (0.0%*) after a disappointing stock performance as the subadviser lost confidence in management's strategic vision and execution.

* % of total market value of fund holdings as of 6/30/17. Subject to change.
Current and future Fund holdings are subject to risk.

Spotlight on Holdings

What helped performance during the quarter?

- Outperformance was primarily driven by a positive stock selection. Stock selection in consumer discretionary, industrials, telecommunication, technology, consumer staples and materials all helped the Funds performance.
- In addition, the overweight in European equities had a small beneficial effect as the region outperformed and the euro re-rated versus the dollar.
- Alibaba (2.99%*) performed very strongly as it announced an increased annual revenue guidance to up to 49% year-on-year.
- We saw good results from a number of technology companies held in the portfolio, in particular fiber laser manufacturer IPG Photonics (2.76%*).
- Japanese cosmetics maker Kose (2.49%*) had solid numbers on the back of resurgent Chinese demand for its products.
- Chinese sports retailer Anta Sports Products (1.84%*) reassured that domestic demand for its sporting goods remains solid.
- Softbank (3.00%*) moved higher as it is increasingly shaping as a technology leader and consolidator with its Vision Fund.
- The LVMH Group (0.00%*) decided to simplify its holding structure and made an offer for the shares of Christian Dior (which the Fund owned) (1.81%*) at a 15% premium to its market price.

What hurt performance during the quarter?

- Stock selection among healthcare and financials were a partial offset to an overall positive performance.
- In healthcare, Hikma (1.68%*) disappointed by announcing that the FDA approval for its Advair generic drug had been postponed into next year resulting in a cut in full year financial guidance. DexCom's (1.72%*) share price continued to weaken in the face of increased competitive threats.
- Amazon (3.29%*) announced it is acquiring Whole Foods, which led to a general and sharp selloff in U.S. grocery & drug retail including the Fund's holding in auto parts retailer O'Reilly (1.46%*), which continued to move lower.
- Bank of the Ozarks (2.33%*) saw its share price fall as the U.S. regional bank issued fresh capital to reinforce its position ahead of its first Dodd Frank Act stress test exercise. The subadviser continues to see the bank as well positioned and with a focused and sound strategy.
- Synchronoss Technologies (0.00%*) issued a profit warning, which led to a sharp share price correction. As mentioned above, we decided to exit due to a lack of communication and disclosure as well as lost trust in management's strategic vision and execution.

* % of total market value of fund holdings as of 6/30/17. 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 Global Talents Fund seeks to provide long-term capital growth. Performance may be affected by one or more of the following risks. Foreign markets, particularly emerging markets, may be less liquid, more volatile and subject to less government supervision than domestic markets. Security values also may be negatively affected by changes in the exchange rates between the U.S. dollar and foreign currencies. Differences between U.S. and foreign legal, political and economic systems, regulatory regimes and market practices also may impact security values and it may take more time to clear and settle trades.

MSCI ACWI (Net) Index, the Fund's benchmark, is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

Past performance is no guarantee of future performance.

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.

© 2017 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)

(AXA000453) (exp. 12/31/17)