

Market Overview

After a dismal fourth quarter in 2018, global equity markets recorded strong positive returns in the first quarter of 2019. Volatility plummeted from its December highs. Market optimism was fueled by renewed hope for a market-friendly resolution to the U.S.-China trade dispute while the U.S. Federal Reserve signaled a pause in interest rate rises. Other central banks followed suit over the period, dampening expectations of imminent monetary and credit tightening. In China, the measures taken by the government appear to provide some relief and support to the economy. However a number of leading manufacturing indicators continue to point to a moderate global slowdown, affecting in particular Europe.

All sectors ended the month substantially up. Cyclical were the best performing sectors, including the technology, real estate, energy (supported by rising oil prices and oil supply cuts), industrials and consumer discretionary sectors. Laggards were found among defensive sectors such as healthcare and utilities. Financials also under-performed on the back of increasingly dovish stance from central banks and scandals roiling the Nordics banks. Regionally, North America was the best performing region, followed by Western Europe. Japan also recovered from its December lows but lagged behind other developed markets. Emerging markets saw a strong rally in Chinese equities but a more muted performance in most other markets.

Fund Overview

The 1290 Global Talents Fund pursues its investment objective to seek to provide long-term capital growth, by primarily 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 its benchmark, the MSCI AC World (Net) Index, over the quarter. The outperformance was the result of stock selection, particularly within the communication services, technology and healthcare sectors. Growth outperformed value in all regions outside the U.K., while quality stocks outperformed the main markets in developed countries. This outperformance of quality growth stocks in most regions was supportive.

There were limited changes to the Fund's portfolio over the period. The Fund exited Japanese industrial manufacturer THK (0.00%*) due to slowing industrials trends. The Fund added real estate investment trust (REIT) Prologis Inc (2.16%*), as the subadviser believes the company is well-positioned to reap the rewards of e-commerce growth and the growing demand for warehousing space and logistics expertise. The Fund added U.S. health insurer United Health (1.89%*) as it trades on an attractive valuation and the subadviser believes it has unmatched data analytics capabilities. The Fund took some profits from large positions in Stryker (2.06%*), following its strong outperformance, and reduced their stake in Fresenius SE (1.03%*) given its weaker outlook.

Source: AXA Investment Managers

* % of total market value of the Fund's portfolio holdings as of 3/31/19. Subject to change.

Fund Highlights

What helped performance during the quarter?

- Technology and technology-related names were the Fund's strongest performers over the period. Softbank (3.68%*) jumped as it announced a large buyback program and highlighted its large discount to net asset value. IT security provider Proofpoint (2.34%*) reported solid results in a context where cyber-attacks continue to be a hot topic. Dassault Systemes (3.17%*), IPG Photonics (2.11%*) and Cognex (1.61%*) all rebounded strongly. Alibaba (2.72%*) bucked the trend and reported solid gains despite the China broader economic slowdown.
- After a tough backdrop in 2018, beer manufacturer Anheuser-Busch Inbev (3.43%*) rose as muted interest rates and a better growth outlook in a number of its major markets are expected to support its cash flow generation.
- Stryker (2.06%*) continued to perform strongly after reporting another solid year and providing an upbeat guidance.

What hurt performance during the quarter?

- Financials were among the Fund's laggards, including U.S. interest-sensitive financials names such as Berkshire Hathaway (4.27%*) and Charles Schwab (2.10%*).
- A number of consumer staples disappointed with their outlook for the coming year, in particular Henkel (2.41%*), which also lowered its mid-term guidance, and Unicharm (3.11%*).
- Publicis (1.43%*) continued to disappoint when it reported lower sales and investors appear to be anxious about following rumors of a potential large external acquisition.
- While Dexcom (1.81%*) results continue to defy expectations, the stock sold off as competitors make further inroads.

Source: AXA Investment Managers

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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. In general, the value of stocks and other 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. 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. Diversification does not eliminate the risk of experiencing investment losses.

MSCI AC World (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. An individual cannot invest directly in an index.

Past performance is no guarantee of future performance.

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AXA Equitable Life Insurance Company (NY, NY)

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