

Market Overview

After a steady first quarter, the second quarter of 2019 was more mixed. Nonetheless we ended the period with global equity markets firmly up and the U.S. markets in particular hitting all-time highs. During the period markets experienced a sharp sell-off in May when the U.S.-China trade war further escalated. The U.S. announced an increase in tariffs from 10% to 25% on \$200 billion worth of imports. The U.S. also imposed a far reaching ban on Huawei. However over the month of June, tensions appeared to de-escalate and negotiations were resumed between the American and Chinese administrations. The positive backdrop for equities was further supported by the increasingly dovish U.S. Fed tone. Bond and gold prices rallied. Oil prices moved up, propped by flaring tensions in the Middle East. Global manufacturing indicators continue to deteriorate while consumer demand seems to be holding up in most regions. For the second quarter, U.S. Gross Domestic Product (GDP) growth rate was tracking at a weak 1.25%. U.S. earnings season (for the first quarter of the calendar year since earnings are reported a quarter behind) which was better than expected but still showed slow earnings growth overall, in part explained by the tax benefit companies recorded last year. West and East European names recovered some ground over the period, while Japan was a laggard.

From a sector perspective, financials and technology were the two stronger sectors. Materials and industrials also rebounded strongly. Energy was the weakest sector despite oil prices performing well. Healthcare was also soft.

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-advisor has identified as being entrepreneur-led businesses whose long-term growth prospects have not been fully reflected in their current market valuations.

The Fund underperformed its benchmark, the MSCI AC World (Net) Index, over the quarter. China-exposed names were a significant drag on performance given the escalation of trade and technology tensions between the U.S. and China.

Source: AXA Investment Managers

Fund Highlights

What helped performance during the quarter?

- Stock selection was positive in healthcare, with Dexcom (2.5%*) the largest contributor as competitive pressure is easing in the near-term.
- Ecolab (4.4%*) continued to perform well. Management emphasized at various conferences their digitally enhanced offering.
- In technology, Qualcomm (1.7%*), Facebook (3.5%*), Dassault Systemes (3.7%*) all contributed positively. Qualcomm rallied strongly after the announcement the company had reached a long-awaited settlement with its largest customer, Apple. Dassault Systemes announced the acquisition of clinical data management company Medidata Solutions for \$5.8bn.
- Newly added consultancy firm Booz Allen Hamilton (2.1%*) and real estate logistics player Prologis (2.4%*) were both solid contributor. Lock maker Assa Abloy (2.2%) rebounded strongly over the period.
- Blackrock (2.2%*), Sampo (1.8%*), and Berkshire Hathaway (4.4%*) each had a solid month. Blackrock should benefit from surging fixed income flows. Sampo announced a special dividend.

What hurt performance during the quarter?

- Companies with China-exposure hurt performance. In particular Japanese names such as Unicharm (2.4%*), Kose (2.3%*) and Softbank (3.4%*), followed by Alibaba (2.5%*), Cognex (1.4%*) and Tencent (2.6%*).
- Fedex (2.5%*) was held back as the global economy is slowing and amazon is continually encroaching on its delivery services.
- In technology, Check Point software (2.5%*) disappointed due to slowing billings' growth and not owning large IT firm Microsoft (0.0%*) was also a drag on performance.
- In financials, Charles Schwab (1.8%*) and Credicorp (2.5%*) retreated as yields fell sharply.

Source: AXA Investment Managers

* % of total market value of the Fund's portfolio holdings as of 6/30/19. Subject to change.

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 condition 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 and regulation than U.S. 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 involving foreign securities. 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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