

## Market Overview

Global equity markets advanced in U.S.-dollar terms during the fourth quarter of 2017. Investors mainly focused on continued indications of positive economic growth from several regions and expectations surrounding tax reform in the United States. The International Monetary Fund in October upgraded its forecast for global growth in 2017 and 2018. However, it cautioned that recovery from the 2007–2009 global financial crisis remains incomplete, and that latent risks could return as central banks pivot away from extensive stimulus.

Emerging stock markets collectively topped their developed-market peers during the fourth quarter. China's third-quarter annual gross domestic product (GDP) growth was in line with consensus expectations. The World Bank lifted its forecast for China's 2017 GDP, while expecting somewhat decelerated growth in 2018 and 2019 due to domestic policy tightening. South Korea's third-quarter GDP grew year-over-year, and the country's central bank raised interest rates for the first time in six years during November. Brazil's third-quarter GDP also rose year-over-year, and the country's central bank cut its benchmark interest rate in October and December, bringing it to an all-time low. Mexico's third-quarter annualized GDP growth was the weakest since 2013.

## Fund Overview

The 1290 Low Volatility Global Equity Fund pursues its investment objective of seeking long-term capital appreciation while managing portfolio volatility by investing in exchange-traded funds (ETFs) that, in turn, invest substantially all of their assets in equity securities that have lower absolute volatility than the broader markets in which the ETF invest.

## Fund Highlights

### What helped performance during the quarter?

- Equity markets ended the year with a strong fourth quarter. Low volatility stocks in the emerging markets were the best performing asset class in the portfolio. Large-cap U.S. exposure also posted solid gains.
- The United States and Japan, which are the largest weights, produced more than half the portfolio's return. Asian countries, particularly the Philippines, South Korea and India also generated large returns.
- On a sector basis, consumer staples and financials were the top contributors to performance with all sectors posting gains.

### What hurt performance during the quarter?

- Low volatility strategies continued to underperform traditional market-capitalization weighted indices, as equity volatility remained subdued in the fourth quarter of 2017 and traditional indices posted robust returns.
- Utilities were the greatest source of underperformance relative to market cap indices. The Fund was overweight the lowest performing sector in a market that rewarded more volatile stocks.

\* The Fund does not hold a position in any single security directly but has exposure through ETFs.

**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](http://www.1290funds.com). Read the prospectus carefully before you invest.**

1290 Low Volatility Global Equity seeks long-term capital appreciation while managing portfolio volatility. Performance may be affected by one or more of the following risks. Investments in foreign securities, including depositary receipts, involve risks not associated with investing in U.S. securities. 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. Equity securities involve the risk that the value of the securities may fluctuate, 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. To the extent a Fund invests in Underlying ETFs, the Fund will be subject to the risks associated with the securities and other investments in which the Underlying ETF invest and the ability of the Fund to meet its investment objective will directly depend on the ability of the Underlying ETFs to meet their investment objective. In addition, the use of volatility management techniques by the Underlying ETF may limit the Fund's participation in market gains, particularly during periods when market values are increasing, but market volatility is high.

The Fund is new and has a limited operating history. 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.

**Past performance is no guarantee of future performance.**

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, or AXA Advisors.

ALPS, a DST Company, 1290 Broadway, Suite 1100, Denver, CO 80203.

© 2018 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)

(AXA000547) (exp. 6/30/18)