

## Market Overview

Global stock markets rose nearly across the board in the fourth quarter of 2019, with widespread gains particularly evident in December. Equities were supported by signs of easing U.S. and China trade tensions, including news of a “phase one” deal, as well as greater clarity on Brexit and hopes for continued accommodative policies by major central banks. As measured by MSCI indexes in U.S.-dollar terms, emerging equity markets collectively outperformed a global index for the quarter, while the strong overall gains of developed and frontier markets trailed the global gauge.

## Fund Overview

The 1290 Low Volatility Global Equity Fund pursues its investment objective to seek long-term capital appreciation while managing portfolio volatility by investing in exchange-traded funds (ETFs). Under normal market conditions, the Fund invests at least 80% of its net assets, plus borrowing for investment purposes, in equity ETFs. The Fund will, under normal market conditions, invest in 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 invests. In the fourth quarter of 2019 the Fund underperformed the MSCI ACWI (Net) Index (a traditional, market-cap weighted index), and outperformed the MSCI ACWI Minimum Volatility (net) Index (a counterpart constructed to reflect the minimally volatile components from that index).

## Fund Highlights\*

### What helped performance during the quarter?

- Compared to the minimum volatility index, stock selection within U.S. equities was a top contributor to outperformance. From a sector perspective, stock selections within real estate and information technology were the top contributors to performance.
- Compared to the traditional index, the Fund’s underweighted position in the volatile energy sector helped performance.

### What hurt performance during the quarter?

- Low-volatility holdings underperformed market-cap weighted counterparts in all regions, as the equity markets continue to rise following progress made on U.S./China trade discussions coupled with a dovish Federal Reserve policy.
- Compared to the traditional index, the Fund underperformed mainly due to stock selection. On a sector basis, the Fund’s underweighted position in information technology and the stocks selected with the sector were the largest detractors to performance.
- Relative to the minimum volatility index, the Fund’s underweighting in health care holdings hurt performance. On a regional basis, stock selection within developed markets detracted from performance.

Source: FMG LLC

\*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 Fund 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 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. Equity securities involve the risk that the value of the stocks or other equity securities may 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. The Fund will be subject to the risks associated with the securities and other investments in which the Underlying ETFs 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 objectives. An index-based ETF's performance may not match that of the index it seeks to track. An actively managed ETF's performance will reflect its adviser's ability to make investment decisions that are suited to achieving the ETF's investment objective. In addition, the use of volatility management techniques may limit the Underlying ETFs, and in turn, the Fund's participation in market gains, particularly during periods when market values are increasing, but market volatility is high. The underlying ETFs may be unsuccessful in maintaining a portfolio of investments that minimize volatility.

**The Morgan Stanley Capital International (MSCI) ACWI Minimum Volatility (Net) Index** aims to reflect the performance characteristics of a minimum variance strategy applied to large and mid cap equities across 23 developed markets and 23 emerging markets countries. The index is calculated by optimizing the MSCI ACWI Index, its parent index, in USD for the lowest absolute risk (within a given set of constraints). Historically, the index has shown lower beta and volatility characteristics relative to the MSCI ACWI Index. **MSCI ACWI (Net) Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 developed markets and 23 emerging markets. The index covers approximately 85% of the global investment opportunities. **MSCI World (Net) Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The index consists of 23 developed market country indexes. **MSCI Emerging Markets (Net Dividends) Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. You 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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