

Market Overview

Global markets declined significantly in the fourth quarter of 2018 as investors were concerned about a long list of issues, including slowing growth, tightening global liquidity, Chinese–U.S. trade protectionism, corporate leverage and U.S. political gridlock. The Federal Reserve (Fed) raised the federal funds rate by 0.25 percentage points for the fourth time in 2018, putting the target range at 2.25% to 2.50%, and lowered its interest rate policy expectations for 2019 from four to three hikes. Although the yield curve briefly steepened in response to the Fed’s meeting, driven by a fall in short-end yields, the quarter was still characterized by a strong flattening of the Treasury curve. The European Central Bank held rates steady, indicating it would do so at least through the summer of 2019, but also announced it would discontinue its bond buying program at the end of 2018. Uncertainty about Brexit and disruption from the new Italian government’s fiscal spending plans weighed on Eurozone markets, while ongoing US/China trade and tariff disputes threatened to weaken China’s economy.

Fund Overview

The 1290 Multi-Alternative Strategies Fund pursues its investment objective of seeking long-term growth of capital by investing in exchange-traded funds comprising various non-traditional or alternative asset categories and strategies. In the fourth quarter of 2018 the Fund underperformed its all cash benchmark, the ICE BofAML US 3-Month Treasury Bill Index.

Fund Highlights*

What helped performance during the quarter?

- Precious metals were the largest contributor to performance as gold was up about 7.7% driven by the “risk-off” environment..

What hurt performance during the quarter?

- Almost all assets classes underperformed relative to cash for the quarter, as it was one of the few to post positive performance for the period.
- Commodities was the worst performing asset class driven by the large decline in energy prices fueled by oversupply concerns.
- While convertible securities and global real estate outperformed relative to the broad equity markets, they were not immune to the market correction during the period.

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. Read the prospectus carefully before you invest.

1290 Multi-Alternative Strategies Fund seeks long-term growth of capital. 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 value and it may take more time to clear and settle trades. The Fund is also subject to the risks associated with the securities or other investments in which the Underlying ETF invest, and the ability of the Fund to meet its objective will directly depend on the ability of the Underlying ETFs to meet their investment objective. Alternative investments may use a different approach to investing than do traditional investments (such as equity or fixed income investments) and the performance of alternative investments is not expected to correlate closely with more traditional investments; however, it is possible that alternative investments will decline in value along with equity or fixed income markets, or both, or that they may not otherwise perform as expected. Alternative investments may have different characteristics and risks than do traditional investments, can be highly volatile, may be less liquid, particularly in periods of stress, and may be more complex and less transparent than traditional investments. Alternative investments also may have more complicated tax considerations than traditional investments. The use of alternative investments may not achieve the desired effect.

ICE BofAML US 3-Month Treasury Bill Index measures the returns of negotiable debt obligations issued by the U.S. government and backed by its full faith and credit, having a maturity of three months. An individual cannot invest in an index.

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.

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AXA Equitable Life Insurance Company (NY, NY)

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