

Market Overview

The second quarter of 2019 brought largely negative news on the U.S./China trade front, a corresponding dovish shift from central banks, and middling economic data. Equities, credit and bonds rallied in response to these mixed signals, but each market reflects different interpretations of the outlook. In the second quarter we also saw the first bout of sustained U.S. dollar weakness in some time, apparently a reflection of both U.S. Federal Reserve dovishness and a narrowing growth differential between the U.S. and the rest of the world. Although the Fed kept its benchmark interest rate on hold, officials signaled that further signs of an economic slowdown could spur the bank to begin cutting interest rates.

Precious metals posted a gain in the second quarter of 2019 with palladium and gold prices moving higher while platinum was lower, and silver only rallied marginally.

Oil prices started to retreat in the quarter over concerns about rising shale oil production in the U.S., a slowing global economy and escalation of the U.S.-China trade tension. Brent crude oil is strongly in backwardation – meaning the current (spot) price is higher than the futures market price – which typically suggests a tight physical oil market.

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 second quarter of 2019 the Fund underperformed its benchmark, the ICE BofAML 3-Month U.S. Treasury Bill Index.

Fund Highlights*

What helped performance during the quarter?

- Precious and base metals strategy was the top contributor to performance, driven mostly by the strong performance from gold.
- Real return strategy contributed to performance due to expectation of an interest rate cut.
- Convertible securities added to performance as equity markets remain robust.

What hurt performance during the quarter?

- Managed futures was the top detractor to performance
- Multi-strategies detracted from performance mainly due to the underlying equity long/short strategy as value continues to underperform growth.
- Merger arbitrage detracted from performance mostly driven by specific holdings within the health care sector.

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 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 value and it may take more time to clear and settle trades involving foreign securities. The Fund is also subject to the risks associated with the securities or other investments in which the Underlying ETFs, and the ability of the Fund to meet its objective will directly depend on the ability of the Underlying ETFs to meet their investment objectives. 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 3-Month U.S. 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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