



1290 Multi-Alternative Strategies Fund

Fund commentary 2Q20

Market overview

The second quarter of 2020 began with massive fiscal and monetary support driving optimism for a quick U.S. recovery from the Covid-19 shutdown. Global equities strongly rebounded after experiencing one of the worst quarters in recent memory. In the U.S., small-cap equities outperformed large caps. Abroad, emerging markets outperformed developed markets. Overall, most major equity regions experienced double-digit gains.

The U.S. ten-year Treasury note yield ended the quarter at +0.66%, rebounding from April lows. The yield curve was supported in May by U.S. Federal Reserve chairman Jerome Powell's contention that negative interest rates were not likely. Stronger than expected U.S. employment data in June supplied additional support.

Convertibles produced strong absolute returns with every sector posting positive results. Crude oil rose +91.7%, recovering from a steep decline in the first quarter. The sharp rise in U.S. unemployment claims and fears of a Covid-19 resurgence spurred gold to a 7-year high over the quarter.

Fund overview

The 1290 Multi-Alternative Strategies Fund pursues its investment objective to seek 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 2020 the Fund outperformed its benchmark, the ICE BofA 3-Month U.S. Treasury Bill Index.

Fund highlights

What helped performance during the quarter?*

- Convertible securities were the top contributor to performance, capturing the upside from the equity market recovery.
- Precious base metals contributed to performance, with silver and gold holdings up substantially for the period
- Global real estate added to performance with U.S. real estate investment trusts (REITs) up 11.8% for the three-month period.

What hurt performance during the quarter?*

- Managed futures were the top detractor from performance, mainly driven by short positions in silver, cotton, and copper during the period.
- The Fund's long/short equity strategy was down about 2.6%, as the value tilt in this sector continued to be a drag on performance.

For more information, call (888) 310-0416 or visit 1290funds.com.

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 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 in addition to those associated with investing in U.S. securities. Foreign markets, particularly emerging markets, may be less liquid, more volatile and subject to less government supervision and regulation than U.S. markets, and it may take more time to clear and settle trades involving foreign securities, which could negatively impact the Fund's investments and cause it to lose money. 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, as well as trade barriers and other protectionist trade policies (including those of the U.S.) governmental instability, or other political or economic actions, also may adversely impact security values. The Fund is also subject to the risks associated with the securities or other investments in which the Underlying ETFs 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 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 and may result in losses for the Fund.

ICE BofA 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.

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