How the Markets Performed

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.

The U.S./China trade dispute widened existing cracks in the global economy and abruptly reversed the risk rally that had buoyed the bond markets since the start of the year. The 10-year US Treasury yield fell over the quarter to 2.01%, its lowest level since late 2016.

Though the S&P 500 Index posted a gain of 4.30% for the second quarter, the U.S. stock market experienced increased volatility. U.S. stocks outperformed their developed market peers, driven by strength in the technology sector. Stocks rallied at the end of June ahead of the G20 summit, at which the U.S. agreed to suspend additional tariffs on Chinese goods and China shared plans to buy certain U.S. farm products. U.S. large and mid-cap stocks outperformed small-cap stocks and growth outperformed value for the quarter.

Within international equities, the MSCI World Index and the MSCI Emerging Markets Index rose modestly.

The Allocations Drive Performance

Each Fund's performance will reflect the performance of the underlying asset classes and depend upon their percentage weighting within the Fund. Here's why:

The 1290 Retirement Funds are managed to target a specific year of planned retirement. The Asset mix will become more conservative each year, until about 10 years after the target retirement year, when it will become relatively stable. The Funds balance the need for appreciation with the need for income as retirement approaches, and focus on supporting an income stream over a long-term retirement withdrawal horizon.

To achieve its exposures, the Fund invests in exchange traded funds (ETFs) representing various equity and bond asset classes. So the Funds' performance will be a function of the asset class performance and the percentage weighting of each in the Funds. Current target and actual allocations, as well as performance, are available in an accompanying quarterly Fund Fact Sheet.

Funds Highlights

What helped the Funds' performance during the quarter?

- A reversal from prior quarter, the low volatility factor outperformed its market cap-weight counterpart across various regions as equity markets were impacted by the continuing trade tensions.
- The Funds' fixed income mix outperformed its relative benchmark's fixed income mix.
- Underweight in Real Estate helped relative performance as equities and fixed income were the better performing asset classes.

What hurt the Funds' performance during the quarter?

- With equity markets remaining robust, performance of funds with lower equity exposure (2035 to 2045) detracted

Source: FMG, LLC

*The Funds do 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 Funds 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.

The 1290 Retirement Funds seek the highest total return over time consistent with their asset mix while managing portfolio volatility. Total return includes capital growth and income. 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. 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. Fixed income investments are subject to interest rate risk so that when interest rates rise, the prices of fixed income securities can decrease and the investor can lose principal value. 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 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. Diversification does not eliminate the risk of experiencing investment losses. The underlying ETFs may be unsuccessful in maintaining a portfolio of investments that minimize volatility.

An investment in the fund will not ensure that an investor will have assets sufficient to cover retirement expenses or that an investor will have enough saved to be able to retire in, or within a few years of, the target year identified in the Fund's name.

Morgan Stanley Capital International (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. **Morgan Stanley Capital International (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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