How the Markets Performed

The fourth quarter of 2019 brought a steady recovery in global markets following the volatility that afflicted indexes around the world earlier in the year. As was the case last year, 2019 featured extreme price movements as the latest news, including trade talks, Brexit, European Union political instability and even a political conflict between South Korea and Japan dating back to World War II, influenced stock prices. As an example, while global markets started the year off strong, a few tweets that fueled trade war fears in May sent indexes around the world tumbling. August also saw more measurable declines until markets began to recover and rebound based, in part, on more positive geopolitical headlines.

The U.S. market moved strongly higher during the fourth quarter of 2019. Volatility generally decreased throughout the quarter. All domestic equity asset classes had strong performance with large cap stocks exhibiting the largest gains. The S&P 500 Index gained 9.07% for the quarter and 31.49% for the year.

For the quarter, growth outperformed value in all three market cap spaces (large, mid and small). In general, the market rotated away from lower volatility stocks and into more cyclical stocks. During the quarter, the best performing sectors were technology, health care and financials. Real estate, utilities and energy were the weakest performing sectors.

Despite better-than-expected U.S. Q3 real growth of 1.9% annualized, and strong consumer spending, the Federal Reserve lowered its target fed funds rate by 25 basis points, although Chairman Jerome Powell indicated future cuts would be reliant on a material deterioration in the economy.

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?

- Having no dedicated position in real estate contributed to performance as it was the worst performing sector within the S&P 500 Index with essentially flat performance for the period.
- Within domestic equities, having an overweight to large-cap equities relative to their respective benchmark contributed to performance.

What hurt the Funds' performance during the quarter?

- Market volatility remained muted for much of the quarter as U.S. and China trade talks showed progress. As a result, low volatility underperformed relative to market cap.
- The retirement funds' fixed income mix underperformed relative to their respective benchmark due to lower exposure to high yield (with the exception of 1290 Retirement Fund 2020) and shorter duration.

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 stocks and 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. Fixed income investments are subject to credit risk and interest rate risk. The fund is subject to the risk that the issuer of a fixed income security or the counterparty to the transaction is unable or unwilling to make timely interest or principal payments, or otherwise honor its obligations, which may cause the Fund’s holding to lose value. In addition, changes in interest rates may affect the yield, liquidity and value of investments in income producing or debt securities. When interest rates rise, the value of the Fund’s debt securities generally decline. Conversely, when interest rates decline the value of the Fund’s debt securities generally rises. 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.

The **S&P 500® Index** is an unmanaged index which contains 500 of the largest U.S. industrial, transportation, utility and financial companies deemed by Standard and Poor’s to be representative of the larger capitalization portion of the U.S. stock market. 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)

(AXA000866) (exp. 6/30/20)