

Market Overview

Equity markets around the world capped a year of strong gains in 2017 with a broadly positive final quarter. The synchronized global economic expansion observed throughout the year remained in evidence, providing support for markets' climb further into record territory. In this environment, the U.S. Federal Reserve raised interest rates by 25 basis points (1 basis point equals 1/100 of 1%) to 1.50% and are projected to raise rates three times in 2018. The Chinese government also tightened monetary policy and the European Central Bank announced it would begin to moderate its quantitative easing program, designed to stimulate the bloc's economy. With commodity prices rising, energy and materials saw among the biggest gains during the quarter. Utilities was the only sector to lose value.

Fund Overview

The 1290 SmartBeta Equity Fund pursues its investment objective by investing at least 80% of its net assets, plus borrowings for investment purposes, in equity securities. The Fund's strategy of low volatility, high earnings sustainability was rewarded against a volatile market backdrop. The Fund kept pace with a rising market this quarter and outperformed the benchmark index, the MSCI World Index, as our proprietary measure of Quality, Earnings Sustainability, was strongly rewarded.

Spotlight on Holdings

What helped performance during the quarter?

- Quality factors were rewarded globally over the quarter, including our proprietary measure of Quality, Earnings Sustainability. The Fund's focus on stocks with superior Earnings Sustainability such as Texas Instruments (0.76%*) and Progressive Corporation (0.45%*) therefore helped capture returns.
- The Fund did not hold Philip Morris International (0.00%*) based on the indication of a speculative valuation, this proved beneficial to performance as the stock fell in value over the period.

What hurt performance during the quarter?

- The Fund's avoidance of companies with higher stock specific volatility weighed on performance during the quarter. At individual stock level, the Fund's underweight to Microsoft (0.17%*) and to Apple (0.45%*) featured among the top detractors from performance over the quarter.
- The Fund has an above-benchmark exposure to the utilities sector. This positioning weighed on performance over the quarter as investors sold out of utility companies toward the end of the period.

Source for all figures above: AXA Investment Managers

* % of total market value of fund holdings as of 12/31/17. Subject to change.

Current and future Fund holdings are subject to risk.

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 SmartBeta Equity Fund seeks to achieve long-term capital appreciation. Performance may be affected by one or more of the following risks. In general, stocks and other equity security values 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. 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 values and it may take more time to clear and settle trades.

The **MSCI World Index** is a broad global equity benchmark that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI World benchmark does not offer exposure to emerging markets. Individuals 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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