

Market Overview

Global stocks managed a gain of 1.73% in the second quarter of 2018, as measured by the MSCI World Index. The energy sector led the market higher as oil prices rose over the period, while consumer staples, industrials, telecoms and financials recorded negative returns. Global markets were susceptible to political uncertainty from Italy, on-going Brexit (U.K.s decision to leave the European Union) negotiations and fears of trade wars between the U.S. and its major trading partners.

The U.S. Federal Reserve raised interest rates from 1.75% to 2% and hinted at another two rate rises by the end of the year. The European Central Bank announced quantitative easing would be discontinued at the end of the year, but reassured markets that interest rate hikes were unlikely before the autumn of 2019. The U.S. recorded strong gains with the NASDAQ Composite Index reaching an all-time high driven by strong performance of major tech companies. Europe was also up but faced weaker economic data as Gross Domestic Product (GDP) growth moderated. Shares in Asia were down over the second quarter in local currency terms as trade-war fears and a stronger U.S. dollar had a negative impact on investor sentiment.

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 underperformed its benchmark the MSCI World Index (Net) for the second quarter of 2018 mainly due to low volatility underperformance.

Fund Highlights

What helped performance during the quarter?

- Not holding tobacco companies contributed positively to performance this quarter.
- Fund positioning in financials was rewarded, notably the underweight exposure to U.S. investment banks such as JP Morgan (0.44%*), Wells Fargo (0.00%*) and Bank of America (0.00%*).

What hurt performance during the quarter?

- Low volatility underperformed over the full quarter, despite recovering late in the period. The strategy's low volatility focus therefore weighed on performance.
- The subadviser's proprietary measure of quality went unrewarded this quarter as the performance of the quality factor in general weakened. At stock level, positions in Starbucks (0.62%*) and 3M (0.72%*) were examples of companies which the Fund held overweight positions due to their high earnings sustainability.
- The Fund's underweight exposure to the energy sector detracted from performance this quarter.

Source for all figures above: AXA Investment Managers

* % of total market value of fund holdings as of 6/30/18. 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 (Net)** 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.

The **NASDAQ Composite**, an index of more than 3,000 stocks listed on the Nasdaq exchange that includes the world's foremost technology and biotech giants.

Past performance is no guarantee of future performance.

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AXA Equitable Life Insurance Company (NY, NY)

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