

Market Overview

Global equities advanced sharply in the final quarter of 2019, the benchmark MSCI World Index rising by almost 9% in U.S. dollar terms to cap a more than 27% annual return. The index's climb to new record highs was helped by the announcement of a 'Phase One' trade deal between the US and China and a reduction in uncertainty surrounding Brexit after the U.K. government and European Union agreed a new draft deal and the incumbent Conservative party won a comfortable majority in the country's general election. Investor sentiment was also lifted by strong domestic economic data, encouraging corporate results, and continued accommodative monetary policies in the U.S. Against this supportive macroeconomic backdrop, all sectors rose, with cyclicals comfortably outperforming traditionally defensive areas of the market. Information technology stocks proved to be particularly strong, adding to the significant gains made earlier in the year.

Fund Overview

The 1290 SmartBeta Equity Fund pursues its investment objective to seek to achieve long-term capital appreciation by investing at least 80% of its net assets, plus borrowings for investment purposes, in equity securities.

Fund Highlights

What helped performance during the quarter?

- Market conditions during the fourth quarter proved challenging for our low volatility, high quality, approach. Although both of these factors were firmly out of favor, the Fund continued to benefit from its low level of exposure to the energy sector, which extended its run of underperformance. In this environment, not owning stocks such as Royal Dutch Shell (0.00%*) and BP (0.00%*) contributed to relative returns.
- The Fund's low level of exposure to Boeing (0.00%*) also helped performance during the quarter. Shares of the company remained volatile as investors digested news relating to the firm's 737 MAX aircraft, which were grounded in March amid safety concerns. Boeing announced in the fourth quarter that it would suspend production of the planes and dismissed its CEO.

What hurt performance during the quarter?

- The increase in risk appetite in the fourth quarter created several headwinds for Fund performance. Periods of strong equity market returns, especially when driven by more volatile and lower quality companies, have historically been challenging for relative returns and proved to be so on this occasion.
- Most notably, Fund performance was hurt by a lower-than-benchmark exposure to the information technology sector. Underweight positions in stocks that make up a large proportion of the capitalization-weighted index – such as Apple (0.72%*), Microsoft (1.21%*) and Facebook (0.00%*) – were among the top detractors during the quarter.
- The Fund's positioning in financials also weighed on performance amid weakness in Canadian banks and insurers Chubb (0.67%*) and Travelers (0.00%*).

Source for all figures above: AXA Rosenberg Investment Management LLC

- % of total market value of fund holdings as of 12/31/19. 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, the values of stocks and other equity securities 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 and regulation 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 values and it may take more time to clear and settle trades involving foreign securities.

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.

Past performance is no guarantee of future performance.

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AXA Equitable Life Insurance Company (NY, NY)

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