

## Hartford Equity Income Fund

**Tickers** A: HQIAX C: HQICX F: HQIFX I: HQIIX R3: HQIRX R4: HQISX R5: HQITX R6: HQIVX Y: HQIYX

**Inception Date** 08/28/2003

**Morningstar® Category** Large Value

**Lipper Peer Group** Equity Income

## Market Overview

US equities registered their largest quarterly return in three years. Financial conditions eased markedly after longer-dated Treasury yields fell sharply from their October peaks amid a faster-than-expected decline in inflation, moderating economic activity, softening labor market conditions, and views that the Federal Reserve (Fed) had reached the end of its prolonged cycle of interest-rate hikes.

In November, the core Personal Consumption Expenditures Price Index—the Fed's preferred measure of inflation—rose at a 1.9% annualized pace over the prior six months, meaning the Fed will have achieved its 2% inflation target if the current trend is sustained. The rapid descent in inflation prompted the Fed to pivot from its higher-for-longer policy stance in December, sending Treasury yields lower and driving stocks higher. The Fed's Summary of Economic Projections implied that policymakers anticipate 75 basis points\* (bps) of interest-rate cuts in 2024. Financial markets subsequently priced in 150 bps of cuts by year end, although Fed Chair Jerome Powell pushed back on this aggressive forecast. Firming views that the US could achieve a soft landing or no landing were accompanied by concerns about the headwinds to consumer spending, downside risks to corporate earnings, and economic growth uncertainty due to the lagged impact of previous rate hikes.

## Performance Summary

- Hartford Equity Income Fund (I Share) underperformed the Russell 1000 Value Index during the quarter
- Sector allocation, a result of our bottom-up stock selection process, was the primary driver of relative underperformance. Allocation effect was driven by our underweight to industrials and overweights to consumer staples and energy, but modestly offset by our overweight to real estate.
- Stock selection contributed to relative returns. Strong selection in energy, materials, and industrials was partially offset by selection in healthcare, financials, and information technology.
- The top benchmark-relative detractors from relative performance over the period were overweights to Pfizer (healthcare) and ConocoPhillips (energy). The top-relative contributors were not owning benchmark constituents Exxon Mobil (energy) or Chevron (energy).

## Positioning &amp; Outlook

- As we look ahead, our universe is rich with new opportunities. We continue to focus on finding high-quality businesses with strong balance sheets and sustainable dividends. We're spending a lot of time on our downside stress test scenarios, and we're confident in the sustainability of dividends and long-term value of holdings in the portfolio. As always, we appreciate your continued confidence in the team.
- At the end of the period, our largest overweights were utilities, consumer staples, and healthcare. We were most underweight to industrials, communication services, and consumer discretionary.

## Overall Morningstar Rating™ (I-Share)\*



1131 Products | Category Based on Risk-Adjusted Returns as of 12/31/2023

## Portfolio Managers from Wellington Management

**Matthew Hand, CFA**

Senior Managing Director  
Equity Portfolio Manager  
Professional Experience Since 1997

**Adam H. Illfelder, CFA**

Senior Managing Director  
Equity Portfolio Manager  
Professional Experience Since 1997

The portfolio managers are supported by the full resources of Wellington.

## Top Ten Holdings (%)

Merck & Co., Inc.	3.08
Pfizer, Inc.	3.05
JPMorgan Chase & Co.	3.01
ConocoPhillips	2.68
Johnson & Johnson	2.25
Philip Morris International, Inc.	2.19
EOG Resources, Inc.	2.10
Rio Tinto PLC	2.09
Cisco Systems, Inc.	1.94
UnitedHealth Group, Inc.	1.87
<b>Percentage Of Portfolio</b>	<b>24.26</b>

Holdings and characteristics are subject to change. Percentages may be rounded.

**\*Basis point** is a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security

Performance (%)									
Class	QTD	YTD	Average Annual Total Returns					Expenses <sup>1</sup>	
			1 Year	3 Year	5 Year	10 Year	SI	Gross	Net
A	8.18	7.03	7.03	9.99	11.82	8.93	9.13	0.97%	0.97%
A with 5.5% Max Sales Charge	—	—	1.14	7.93	10.56	8.31	8.83	—	—
F	8.23	7.34	7.34	10.34	12.20	9.26	9.41	0.64%	0.64%
I	8.20	7.23	7.23	10.24	12.08	9.19	9.37	0.74%	0.74%
R3	8.05	6.58	6.58	9.56	11.40	8.53	8.91	1.35%	1.35%
R4	8.11	6.90	6.90	9.88	11.73	8.86	9.18	1.06%	1.06%
R5	8.24	7.28	7.28	10.23	12.08	9.19	9.47	0.75%	0.75%
R6	8.24	7.37	7.37	10.34	12.18	9.30	9.56	0.64%	0.64%
Y	8.22	7.28	7.28	10.25	12.11	9.25	9.54	0.73%	0.73%
Russell 1000 Value Index	9.50	11.46	11.46	8.86	10.91	8.40	—	—	—
Morningstar Category	9.68	11.63	11.63	9.74	11.37	8.39	—	—	—
Lipper Peer Group	9.70	11.41	11.41	8.70	10.96	8.27	—	—	—

Morningstar® Category Large Value Lipper Peer Group Equity Income

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For more current performance information to the most recent month ended, please visit [hartfordfunds.com](http://hartfordfunds.com).

Share Class Inception: A, Y - 8/28/03; F - 2/28/17; I - 8/31/06; R3, R4, R5 - 12/22/06; R6 - 11/7/14. Performance shown prior to the inception of a class reflects performance and operating expenses of another class(es) (excluding sales charges, if applicable). Had fees and expenses of a class been reflected for the periods prior to the inception of that class, performance would be different. Since inception (SI) performance is from 8/28/03. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge.

**Russell 1000 Value Index** is an unmanaged index measuring the performance of those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values. Indices are unmanaged and not available for direct investment.

<sup>1</sup>Expenses as shown in the Fund's most recent prospectus.

\*Class I-Shares Star Ratings: 3-year 4 stars out of 1131 products, 5-year 4 stars out of 1075 products, and 10-year 4 stars out of 821 products for the period ended herein. Other share classes may have different ratings. The Morningstar Rating™ for funds, or "star rating", is calculated for funds and separate accounts with at least a 3-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. Star rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance (without adjusting for any sales load, if applicable), placing more emphasis on downward variations and rewarding consistent performance. 5 stars are assigned to the top 10%, 4 stars to the next 22.5%, 3 stars to the next 35%, 2 stars to the next 22.5%, and 1 star to the bottom 10%. Overall Morningstar Rating is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. For more information about the Morningstar Fund Ratings, including their methodology, please go to [global.morningstar.com/managerdisclosures](http://global.morningstar.com/managerdisclosures). ©2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

**Important Risks:** Investing involves risk, including the possible loss of principal. Security prices fluctuate in value depending on general market and economic conditions and the prospects of individual companies. • For dividend-paying stocks, dividends are not guaranteed and may decrease without notice. • Mid-cap securities can have greater risks and volatility than large-cap securities. • Different investment styles may go in and out of favor, which may cause the Fund to underperform the broader stock market. • To the extent the Fund focuses on one or more sectors, the Fund may be subject to increased volatility and risk of loss if adverse developments occur. • Foreign investments may be more volatile and less liquid than U.S. investments and are subject to the risk of currency fluctuations and adverse political, economic and regulatory developments. • Integration of environmental, social, and/or governance (ESG) characteristics into the investment process may not work as intended.

**Investors should carefully consider a fund's investment objectives, risks, charges and expenses. This and other important information is contained in a fund's full prospectus and summary prospectus, which can be obtained by visiting [hartfordfunds.com](http://hartfordfunds.com). Please read it carefully before investing.**

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