

Hartford Healthcare Fund

Tickers A: HGHAX C: HGHXC F: HGHFX I: HGHIX R3: HGHRX R4: HGHSX R5: HGHTX Y: HGHYX

Morningstar® Category Health

Inception Date 05/01/2000

Lipper Peer Group Global Health/Biotechnology

Market Overview

The S&P Composite 1500 Health Care Index fell by -0.5% in US dollar (USD) terms during the quarter, outperforming the broader United States (US) market (-0.8% as measured by the S&P 500 Index). Returns were mixed across industries within the sector, but large-cap biopharma stocks were particularly weak within the benchmark during the quarter.

Performance Summary

- Hartford Healthcare Fund (I Share) outperformed the S&P Composite 1500 Health Care Index and the Lipper Global Health/Biotechnology peer group average during the quarter
- Sub-sector allocation, a result of our bottom-up stock selection process, contributed to relative performance during the quarter. A benchmark-relative overweight to mid-cap biopharma and an underweight to large-cap biopharma contributed most to performance. This was slightly offset by an underweight to medical technology, which detracted.
- Security selection detracted from benchmark-relative performance during the quarter. Selection was weakest within mid-cap biopharma. This was partially offset by selection within small- and large-cap biopharma, which contributed.
- Top contributors to benchmark-relative performance included Johnson & Johnson and Loxo Oncology

Positioning & Outlook

- The health care sector benefited broadly since the US elections in 2016, but a number of uncertainties recently drove stock volatility. Regarding drug pricing, we continue to believe that meaningful structural reform is unlikely in the foreseeable future, regardless of political rhetoric. We are mindful of the risks, however. Regarding efforts to repeal the Affordable Care Act ("ObamaCare"), we continue to believe that most of the millions of Americans who obtained insurance coverage in the past few years will retain coverage in some form, regardless of any adjustments that might be made.
- We are impressed so far with the efforts of new Food and Drug Administration (FDA) Commissioner Scott Gottlieb, and believe that the tone he has set will favor innovative companies and programs. In selecting stocks for the Fund, these are the types of companies and programs we seek, as well as companies that provide solutions to the challenges facing the health care delivery system.
- Over the long term, the tailwinds of innovation, an aging population, and the globalization of demand for cutting-edge, Western-style health care should continue to drive growth of the health care sector. We believe that we are well-resourced and favorably-positioned to capitalize on that growth.
- At the end of the quarter our largest overweights were to mid-cap biopharma, small-cap biopharma, and health care services, relative to the benchmark. We ended the quarter underweight large-cap biopharma stocks.

Portfolio Managers from Wellington Management

Jean M. Hynes, CFA

Senior Managing Director
Global Industry Analyst
Professional Experience Since 1993

Ann C. Gallo

Senior Managing Director
Global Industry Analyst
Professional Experience Since 1987

Robert L. Deresiewicz

Senior Managing Director
Global Industry Analyst
Professional Experience Since 1983

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

Top Ten Holdings (%)

UnitedHealth Group, Inc.	5.70
Medtronic plc	4.32
Bristol-Myers Squibb Co.	4.19
Allergan plc	3.25
Boston Scientific Corp.	2.83
Stryker Corp.	2.70
Thermo Fisher Scientific, Inc.	2.55
Eli Lilly & Co.	2.39
AstraZeneca plc	2.33
Abbott Laboratories	2.16
Percent of Portfolio	32.42

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

Performance (%)									
Class	QTD	YTD	Average Annual Total Returns				Expenses ¹		
			1 Year	3 Year	5 Year	10 Year	SI	Gross	Net
A	1.58	1.58	9.66	5.14	15.72	13.01	11.51	1.31%	1.31%
A with 5.5% Max Sales Charge	—	—	3.63	3.17	14.42	12.37	11.16	—	—
F	1.65	1.65	10.02	5.45	16.06	13.34	11.74	0.91%	0.91%
I	1.62	1.62	9.94	5.41	16.04	13.33	11.73	1.03%	1.03%
R3	1.48	1.48	9.31	4.81	15.36	12.71	11.54	1.62%	1.62%
R4	1.55	1.55	9.60	5.13	15.71	13.08	11.78	1.32%	1.32%
R5	1.61	1.61	9.96	5.44	16.06	13.43	11.99	1.03%	1.03%
Y	1.65	1.65	10.05	5.55	16.17	13.51	12.05	0.93%	0.93%
S&P Composite 1500 Health Care Index	-0.50	-0.50	12.35	6.17	14.47	12.68	—		
Morningstar Category	1.61	1.61	14.01	3.31	14.83	13.21	—		
Lipper Peer Group	0.27	0.27	7.90	1.12	12.72	11.26	—		

Morningstar® Category Health **Lipper Peer Group** Global Health/Biotechnology

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.

Share Class Inception: A, Y – 5/1/00; F – 2/28/17; I – 8/31/06; R3, R4, R5 – 12/22/06. 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 5/1/00. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge.

S&P Composite 1500 Health Care Index comprises those companies included in the S&P Composite 1500 that are classified as members of the GICS health care sector. **S&P 500 Index** is a market capitalization-weighted price index composed of 500 widely held common stocks. These indices are unmanaged and not available for direct investment.

Important Risks: Investing involves risk, including the possible loss of principal. There is no guarantee a fund will achieve its stated objective. Security prices fluctuate in value depending on general market and economic conditions and the prospects of individual companies. • Risks of focusing investments on the healthcare related sector include regulatory and legal developments, patent considerations, intense competitive pressures, rapid technological changes, potential product obsolescence, and liquidity risk. • 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 and economic developments. These risks may be greater for investments in emerging markets. • Small- and mid-cap securities can have greater risks and volatility than large-cap securities.

¹Expenses as shown in the fund's most recent prospectus. Gross and Net expenses are the same.

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. Please read it carefully before investing.

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