

## Hartford Sustainable Municipal Bond Fund

Tickers A: HMKAX C: HMKCX F: HMKFX I: HMKIX

Morningstar® Category Muni National Interm Inception Date 5/29/15

### Market Overview

US fixed-income markets generated positive total returns during the first quarter, as measured by the Bloomberg US Aggregate Bond Index. Trade tensions and monetary-policy divergence drove market volatility and an increasingly clouded economic outlook. Most fixed-income sectors underperformed US Treasuries as spreads widened amid an expected deteriorating growth/inflation tradeoff.

The Bloomberg Municipal Bond 1-15 Year Blend (1-17) Index returned 0.39% during the quarter. The ratio of 10-year AAA general obligations (GOs) to 10-year Treasuries increased from 68.4% to 77.4%, remaining below the long-term historical average of 88% over the last 20 years.

### Performance Summary

- The Hartford Sustainable Municipal Bond Fund (I Share) outperformed the Bloomberg Municipal Bond Index over the period.
- The primary contributor to relative returns was security selection in investment-grade (IG) and high-yield revenue bonds, particularly in the healthcare, education, and utilities sectors.
- The Fund's security selection in GO bonds, specifically in local GOs, positively impacted performance over the period.
- Duration\* and yield-curve positioning contributed to performance, as we maintained an overweight position in the 10-year segment of the curve, where yields rose in the AAA Municipal GO curve.
- Our underweight allocation in IG revenue bonds, specifically in port, airport, and marina modestly detracted from benchmark-relative returns.

### Positioning & Outlook

- Fundamentals are broadly positive after generous direct and indirect Federal support and coming out of the pandemic.
- Many municipal sectors have natural outlets for inflationary pressures, but the more labor-constrained sectors will be more challenged.
- Expect municipals to behave defensively in a downturn given their high quality and strong balance sheets.
- Tax-exempt municipal valuations as proxied by the Muni/TSY ratio are unattractive relative to history. However, municipal bond all-in yields look attractive relative to comparable quality corporates at intermediate and long maturities.
- Despite higher issuance this year, we expect demand to remain robust, particularly if rates begin to trend lower.

#### Portfolio managers from Wellington Management and years of experience

Brad W. Libby, 29 years

Elizabeth J. Kleinerman, CFA, 24 years

#### Top Ten Holdings (%)

California Municipal Finance Auth, CA, Rev	2.78
Massachusetts Dev Finance Agency, MA, Rev	2.76
Central Texas Regional Mobility Auth, TX, Rev	2.43
State of Maryland, MD, GO	2.27
Chicago Board of Education, IL, GO	2.09
Public Finance Auth, WI, Rev	2.00
California Community Choice Financing Auth, CA, Rev	1.93
State of Illinois, IL, GO	1.90
South Carolina Jobs-Economic Dev Auth, SC, Rev	1.83
South Carolina State Housing Finance & Dev Auth, SC, Rev	1.74
<b>Percentage Of Portfolio</b>	<b>21.73</b>

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

\*Duration is a measure of the sensitivity of an investment's price to nominal interest-rate movement.

## Average Annual Total Returns (%)

Class	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI	Expenses <sup>1</sup>	
								Gross	Net
A	-0.22	-0.22	1.88	1.27	1.00	—	2.18	0.82%	0.69%
A with 4.5% Max Sales Charge	—	—	-2.70	-0.27	0.07	—	1.70	—	—
F	-0.15	-0.15	2.08	1.57	1.26	—	2.46	0.50%	0.39%
I	-0.16	-0.16	2.01	1.50	1.23	—	2.42	0.64%	0.46%
Benchmark	-0.22	-0.22	1.22	1.53	1.07	—	—	—	—
Morningstar Category	-0.08	-0.08	1.70	1.58	1.22	—	—	—	—

**Morningstar® Category** Muni National Intermediate

**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).**

Returns prior to 4/30/21 reflect the Fund's performance when it pursued a different objective and principal investment strategy.

Share Class Inception: A, I - 5/29/15; F - 2/28/17. 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 5/29/15. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge. Performance for periods of less than one year is not annualized.

Benchmark: Bloomberg Municipal Bond Index is designed to cover the USD-denominated long-term tax exempt bond market. Indices are unmanaged and not available for direct investment.

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<sup>1</sup>Expenses are from the Fund's most recent prospectus at the time of publication. Gross expenses do not reflect contractual expense reimbursement arrangements. Net expenses reflect such arrangements in instances when they reduce gross expenses. These arrangements remain in effect until 2/28/26 unless the Fund's Board of Directors approves an earlier termination. Without these arrangements, performance would have been lower.

**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. • Municipal securities may be adversely impacted by state/local, political, economic, or market conditions. Investors may be subject to the federal alternative minimum tax as well as state and local income taxes. Capital gains, if any, are taxable. • Fixed income security risks include credit, liquidity, call, duration, and interest-rate risk. As interest rates rise, bond prices generally fall. • Investments in high-yield ("junk") bonds involve greater risk of price volatility, illiquidity, and default than higher-rated debt securities. • Applying sustainability criteria to the investment process may result in foregoing certain investments and underperformance comparative to funds that do not have a similar focus. There is a risk that the securities identified by the sub-adviser as meeting its sustainable investing criteria do not operate as anticipated.

**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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