DECEMBER 31, 2020

Fund Commentary

HARTFORDFUNDS
Our benchmark is the investor.®

HSRT

Hartford Short Duration ETF

Morningstar® Category Short-Term Bond **Inception Date** 05/30/2018
Lipper Peer Group Short Investment Grade Debt

Market Overview

United States (US) fixed income sectors generated positive returns over the fourth quarter of 2020. Encouraging vaccine developments propelled market confidence despite growing COVID-19 infections and the United Kingdom's (UK) formal exit from the European Union (EU). Most fixed income spread sectors outperformed as credit spreads tightened, the US presidential election concluded, and major central banks' policies aimed to mitigate risks. The US Treasury yield curve steepened as easy Federal Reserve (Fed) monetary policy anchored front-end yields while the prospect of additional fiscal stimulus lifted inflation expectations. The Bloomberg Barclays 1-3 Year US Government/Credit Index returned 0.21% during the quarter.

Performance Summary

- The Hartford Short Duration ETF outperformed the Bloomberg Barclays 1-3 Year US Government/Credit Index and the Lipper Short Investment Grade Debt peer group average during the quarter
- Out-of-benchmark allocations to bank loans and high yield, as well as an overweight to and security selection within investment grade (IG) financials and industrials, were the main contributors to benchmark-relative outperformance during the period
- Exposure to non-agency mortgage backed securities (MBS), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS) contributed to relative performance
- The Fund's duration* and yield curve posture slightly detracted from relative performance due primarily to an overweight to the 5-year portion of the curve as the yield curve steepened due to rising yields further out on the curve.

Positioning & Outlook

- We are positioned with a moderate pro-cyclical risk posture, favoring the credit and securitized sectors. Our base case expectation is for a substantial global recession followed by a gradual recovery that will depend on public health and fiscal measures.
- Monetary and fiscal responses have surpassed what we saw during the Global Financial Crisis (GFC) in both size and speed and will continue to be supportive for the economy and markets. We expect rates to hold steady in the near term, particularly given adjustments to the Fed's monetary policy framework that allow inflation to rise above 2 percent. The front-end of the yield curve is anchored as policy rates are expected to stay at the zero-lower bound for the foreseeable future. The Fund's duration posture is close to neutral.
- At the end of the quarter, we maintained exposure to bank loans and high yield credit and continued to overweight IG corporate credit, favoring financials and industrials. We continue to favor US banks, as balance sheets are less risky on improved capital ratios and regulation. In securitized, we maintain exposure to agency MBS pass-throughs and collateralized mortgage obligations (CMOs) for their better relative liquidity and attractive income versus Treasuries. Additionally, we remain focused on the traditional higher-quality ABS sectors.

Portfolio Manager from Wellington Management

Timothy E. Smith
Senior Managing Director
Fixed-Income Portfolio Manager
Professional Experience Since 1985

The portfolio manager is supported by the full resources of Wellington.

Top Ten Holdings (%)

FNMA Mortgage Backed Securities (POOLS)	5.15
FHLMC Mortgage Backed Securities (POOLS)	4.52
COLT Mortgage Loan Trust	1.52
Towd Point Mortgage Trust	1.51
Morgan Stanley	1.23
Bank of America Corp.	1.20
CSMC Trust	1.11
GNMA Mortgage Backed Securities (POOLS)	1.00
Elanco Animal Health, Inc.	0.98
JP Morgan Chase & Co.	0.97
Percentage Of Portfolio	**19.19**

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.

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Hartford Short Duration ETF

Performance (%)

Class	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI
			Average Annual Total Returns				
HSRT NAV	1.42	3.83	3.83	—	—	—	4.34
HSRT Price Return	1.54	3.78	3.78	—	—	—	4.35
Bloomberg Barclays 1-3 Year US Government/Credit Index	0.21	3.33	3.33	—	—	—	—
Morningstar Category	1.06	3.81	3.81	—	—	—	—
Lipper Peer Group	1.14	3.57	3.57	—	—	—	—

Total Operating Expenses[1]: 0.29%

Morningstar® Category Short-Term Bond **Lipper Peer Group** Short Investment Grade Debt

SI = Since Inception

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.

ETF shares are bought and sold at market price, not net asset value (NAV). Total returns are calculated using the daily 4:00 p.m. Eastern Time NAV. Market price returns reflect the midpoint of the bid/ask spread as of the close of trading on the exchange where Fund shares are listed. Market price returns do not represent the returns an investor would receive if they traded shares at other times. Brokerage commissions apply and will reduce returns.

Bloomberg Barclays 1-3 Year U.S. Government/Credit Index is an unmanaged index comprised of the U.S. Government/Credit component of the U.S. Aggregate Index. Indices are unmanaged and not available for direct investment.

Additional Information Regarding Bloomberg Barclays Indices Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). BARCLAYS® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

Important Risks: Investing involves risk, including the possible loss of principal. The net asset value (NAV) of the Fund's shares may fluctuate due to changes in the market value of the Fund's holdings. The Fund's share price may fluctuate due to changes in the relative supply of and demand for the shares on an exchange. The Fund is actively managed and does not seek to replicate the performance of a specified index. The Fund may allocate a portion of its assets to specialist portfolio managers which may not work as intended. • Fixed income security risks include credit, liquidity, call, duration, event, and interest-rate risk. As interest rates rise, bond prices generally fall. • Loans can be difficult to value and less liquid than other types of debt instrument; they are also subject to nonpayment, collateral, bankruptcy, default, extension, prepayment and insolvency risks. • The risks associated with mortgage-related and asset-backed securities include credit, interest-rate, prepayment, liquidity, default and extension risk. • High-yield ("junk") bonds involve greater risk of price volatility, illiquidity, and default than higher-rated debt securities. • Derivatives are generally more volatile and sensitive to changes in market or economic conditions than other securities; their risks include currency, leverage, liquidity, index, pricing, and counterparty 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. • Restricted securities may be more difficult to sell and price than other securities. • Obligations of U.S. Government agencies are supported by varying degrees of credit but are generally not backed by the full faith and credit of the U.S. Government. • In certain instances, unlike other ETFs, the Fund may effect creations and redemptions partly or wholly for cash, rather than in-kind, which may make the Fund less tax-efficient and incur more fees than an ETF that primarily or wholly effects creations and redemptions in-kind.

[1]Expenses are the total annual fund operating expenses as shown in the most recent prospectus.

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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