Fund Commentary

HARTFORDFUNDS
Our benchmark is the investor.®

HTRB Hartford Total Return Bond ETF

Inception Date 09/27/2017
Morningstar® Category Intermediate Core-Plus Bond
Lipper Peer Group Core Bond

Overall Morningstar Rating™ (I-Share)*

★★★★

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

Market Overview

US fixed-income markets generated their strongest quarterly return in more than three decades during the fourth quarter (as measured by the Bloomberg US Aggregate Bond Index), bolstered by increasing confidence among market participants that the US Federal Reserve (Fed) has reached the end of its rate-hiking cycle. Most fixed-income sectors produced positive excess returns over duration*-equivalent US Treasuries as dovish policy rhetoric drove spread compression.

Performance Summary

- The Hartford Total Return Bond ETF outperformed the Bloomberg US Aggregate Bond Index during the quarter
- Active duration- and yield-curve management contributed favorably to relative results during the quarter
- Our credit positioning had a positive impact on relative results in aggregate during the period. We were underweight Investment Grade (IG) in favor of High Yield (HY) corporate credit, which helped relative performance as spreads narrowed.
- The Fund's allocations to securitized credit (RMBS, CMBS, ABS, and CLOs) had a positive impact on performance. Non-agency RMBS was the largest contributor as housing data improved despite affordability challenges.
- Positioning within emerging-market (EM) debt had a negative impact on relative performance during the quarter
- An overweight to agency MBS contributed to relative returns benefitting from reduced interest rate volatility and tighter spreads

Positioning & Outlook

- The Fund was underweight to IG credit due to better observed opportunities in various out-of-benchmark sectors, including high-quality securitized credit (residential housing benefits from low supply), BB high yield (more insulated from default risk than CCCs) and select emerging markets (where we see compelling valuations and improving fundamentals). We are overweight to agency MBS (focus on relative value opportunities and enhancing cash-flow stability). While fixed-income markets rallied sharply to close out 2023, we believe there is scope for yields to remain supported by expected weaker growth and as central banks pivot to more accommodative monetary policies, and we maintain an above-average duration profile.
- With continued uncertainty around growth, inflation, and the Fed's reaction function, we are seeking to be cautious but nimble with credit beta, outperform the benchmark responsibly by taking advantage of numerous perceived market inefficiencies, and to deliver resilience in a wide range of market scenarios. Bouts of volatility should generate greater idiosyncratic dispersion and create better entry points to add credit exposure. We are closely monitoring several risks to our outlook that could lead us to adjust the portfolio's exposures.

Portfolio Managers from Wellington Management

Joseph F. Marvan, CFA
Senior Managing Director
Fixed-Income Portfolio Manager
Professional Experience Since 1988

Campe Goodman, CFA
Senior Managing Director
Fixed-Income Portfolio Manager
Professional Experience Since 1997

Robert D. Burn, CFA
Senior Managing Director
Fixed-Income Portfolio Manager
Professional Experience Since 1998

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

Top Ten Holdings (%)

Uniform Mortgage-Backed Security	14.40
Federal National Mortgage Association	13.99
U.S. Treasury Bonds	12.03
U.S. Treasury Notes	7.73
Federal Home Loan Mortgage Corp.	6.52
Government National Mortgage Association	6.24
U.S. Treasury Inflation-Indexed Notes	1.95
Bank of America Corp.	0.96
U.S. Treasury Inflation-Indexed Bonds	0.82
Pacific Gas & Electric Co.	0.79
Percentage Of Portfolio	**65.43**

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.

Fund Commentary

Hartford Total Return Bond ETF

Performance (%)

Class	QTD	YTD	Average Annual Total Returns 1 Year	3 Year	5 Year	10 Year	SI
HTRB NAV	7.46	7.04	7.04	-3.10	1.84	—	1.43
HTRB Market Price	7.32	6.80	6.80	-3.13	1.80	—	1.43
Bloomberg US Aggregate Bond Index	6.82	5.53	5.53	-3.31	1.10	—	—
Morningstar Category	6.77	6.22	6.22	-2.99	1.48	—	—
Lipper Peer Group	6.74	5.85	5.85	-3.31	1.25	—	—

Total Operating Expenses[1]: 0.29%

Morningstar® Category Intermediate Core-Plus Bond **Lipper Peer Group** Core Bond

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 U.S. Aggregate Bond Index is composed of securities that cover the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. Indices are unmanaged and not available for direct investment.

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

*Star Ratings: 3-year 3 stars out of 568 products, 5-year 4 stars out of 536 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.

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 which may in-turn fluctuate due to market and economic conditions. 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. • The risks associated with mortgage-related and asset-backed securities as well as collateralized loan obligations (CLOs) include credit, interest-rate, prepayment, liquidity, default and extension risk. • The purchase of securities in the To-Be-Announced (TBA) market can result in higher portfolio turnover and related expenses as well as price and counterparty risk. • 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, regulatory, 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, economic and regulatory developments. These risks may be greater for investments in emerging markets. • Investments in high-yield ("junk") bonds involve greater risk of price volatility, illiquidity, and default than higher-rated debt 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. • Restricted securities may be more difficult to sell and price than other securities. • The Fund may have high portfolio turnover, which could increase its transaction costs and an investor's tax liability. • 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.

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.

ETFs are distributed by ALPS Distributors, Inc. (ALPS). Advisory services are provided by Hartford Funds Management Company, LLC (HFMC). Certain funds are sub-advised by Wellington Management Company LLP. HFMC and Wellington Management are SEC registered investment advisers. Hartford Funds refers to Hartford Funds Distributors, LLC, Member FINRA, and HFMC, which are not affiliated with any sub-adviser or ALPS.

HFA002290