HCRB Hartford Core Bond ETF

Morningstar® Category Intermediate Core Bond **Inception Date** 02/19/2020
Lipper Peer Group Core Bond

Market Overview

United States (US) fixed income sectors generated positive returns over the third quarter of 2020. COVID-19 cases swelled amid encouraging vaccine trial developments and economic data continued to rebound as restrictions eased. The Federal Reserve's (Fed) low-for-longer policy stance accompanied by a tolerance for a temporary inflation overshoot prompted a moderate steepening of the US yield curve. Fixed income credit spreads tightened, supported by expansionary fiscal policy, purchase programs by the Fed, and strong demand even as corporate issuance set records for the year. The Bloomberg Barclays US Aggregate Bond Index returned 0.62% during the quarter.

Performance Summary

- The Hartford Core Bond ETF outperformed the Bloomberg Barclays US Aggregate Bond Index but underperformed the Lipper Core Bond peer group average during the quarter
- We were overweight investment grade (IG) credit during the period, which contributed favorably to relative results. We maintain an overweight to communications as we think their cash flows are largely unaffected by the economic deceleration we are seeing, and many of these names continue to be focused on debt reduction.
- Within agency mortgage-backed securities, we were overweight conventional pass-throughs, which had a positive impact on relative results. An allocation to collateralized mortgage obligations also had a slight positive impact.
- The Fund's allocation to securitized sectors, including commercial mortgage-backed securities (CMBS), non-agency residential mortgage-backed securities (RMBS), asset-backed securities, and collateralized loan obligations (CLOs) had a positive impact on relative performance as spreads continued to tighten over the period
- We implemented tactical duration* positions during the quarter, which overall had a negative impact on relative performance. Our allocation to Treasury Inflation Protected Securities (TIPS) had a positive impact on results as TIPS outperformed duration-equivalent nominal US Treasuries.

Positioning & Outlook

- We are expressing our pro-risk view primarily through an overweight to IG credit and parts of the structured finance universe
- We positioned the Fund for rising inflation expectations as we continued to believe the TIPS market was underpricing inflation expectations
- We reduced a portion of our overweight exposure to IG credit. The Fund maintained an out-of-benchmark allocation to select non-agency RMBS. The Fund also held senior CMBS with attractive collateral and high-quality CLOs.

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 2000

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

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

Top Ten Holdings (%)

U.S. Treasury Notes	26.01
FNMA Mortgage Backed Securities (POOLS)	19.74
U.S. Treasury Bonds	10.74
GNMA Mortgage Backed Securities (POOLS)	9.21
UMBS	5.17
Towd Point Mortgage Trust	1.80
New Residential Mortgage Loan Trust	1.33
Bank of America Corp.	1.16
JPMorgan Chase & Co.	1.01
CSMC Trust	0.94
Percentage Of Portfolio	**77.11**

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

SEPTEMBER 30, 2020

Fund Commentary

Hartford Core Bond ETF

Performance (%)

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI
			Average Annual Total Returns				
HCRB NAV	0.87	—	—	—	—	—	6.07
HCRB Price Return	0.53	—	—	—	—	—	6.00
Bloomberg Barclays US Aggregate Bond Index	0.62	—	—	—	—	—	—
Morningstar Category	0.94	—	—	—	—	—	—
Lipper Peer Group	1.25	—	—	—	—	—	—

Total Operating Expenses[1]: 0.29%

Morningstar® Category Intermediate Core 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), and are not individually redeemed from the Fund. 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 U.S. Aggregate Bond Index is composed of securities from the Bloomberg Barclays Government/Credit Bond Index, Mortgage-Backed Securities Index, Asset-Backed Securities Index, and Commercial Mortgage-Backed Securities Index. Indices are unmanaged and not available for direct investment.

Important Risks: The Fund is new and has a limited operating history. 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, and interest-rate risk. As interest rates rise, bond prices generally fall. • 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. • 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 additional price and counterparty risk. • 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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