MARCH 31, 2025

Monthly Fund Commentary

Hartford Total Return Bond ETF

ETF: HTRB

What Happened?

- Renewed inflation worries driven by tariffs, along with Germany's fiscal announcement, sent long-duration developed-sovereign yields sharply higher. Most spread sectors produced negative total returns and underperformed government bonds.
- The US Treasury yield curve steepened as front-end yields rallied, and long-dated yields sold off.
- The Federal Reserve kept rates on hold but slowed the pace of its balance sheet runoff, while the European Central Bank and the Swiss National Bank each cut rates by 25 basis points (0.25%).

Portfolio managers from Wellington Management and years of experience

Joseph F. Marvan, CFA, 37 years
Campe Goodman, CFA, 28 years
Robert D. Burn, CFA, 27 years
Jeremy Forster, 21 years
Connor Fitzgerald, CFA, 19 years

Performance Highlights

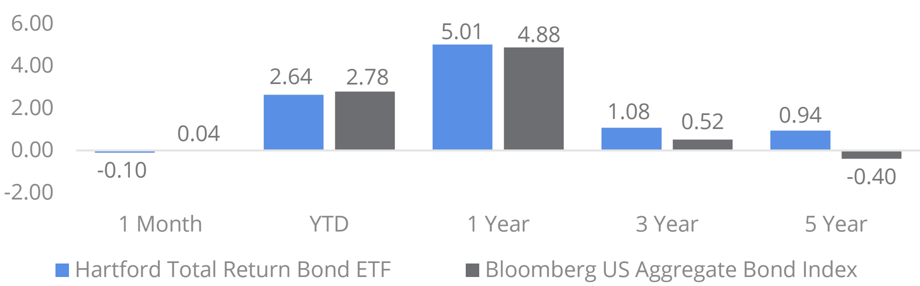
Contributors

- An underweight to investment-grade corporate bonds represented the top positive contributor to relative results as spreads widened.
- Positioning in agency mortgage-backed securities (MBS) helped relative returns. MBS spreads moved wider over the month amid a broader risk-off sentiment as markets considered potential impacts from tariffs, renewed inflation concerns, and weaker economic growth prospects.

Detractors

- Duration positioning detracted from relative performance. Inflation is likely to spike in the short term and remain more volatile over the medium term, limiting the Fed's ability to cut policy rates.
- Positioning in high-yield corporate bonds hurt relative returns as spreads widened. Strong earnings and interest coverage provide ample cushion in the event of deterioration, in our view; more challenged issuers are at greater risk of liability-management exercises.

Month End Performance (%) as of 3/31/25



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. Please see page 3 for standardized performance. Returns for less than one year are not annualized.

Spreads are the difference in yields between two fixed-income securities with the same maturity, but originating from different investment sectors.
Yield curve is a line that plots interest rates of bonds having equal credit quality but differing maturity dates; its slope is used to forecast the state of the economy and interest-rate changes.
Duration is a measure of the sensitivity of an investment's price to nominal interest-rate movement.
Basis point is a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security

Current Insight and Positioning From Wellington Management

- Credit spreads haven't yet widened to levels that compensate for risks to diminished growth prospects. Corporate fundamentals are likely to deteriorate, but from a healthy starting point across most sectors.
- We maintain an underweight to investment-grade (IG) credit due to better observed opportunities in various out-of-benchmark sectors, including high-quality securitized credit (residential housing benefits from low supply and embedded home price appreciation), BB high yield (more insulated from default risk than CCCs), and select emerging markets (we limit exposure to high-conviction turnaround stories).
- We believe there will be upside potential from seeking to take advantage of credit market dislocations as they arise.

Sector Exposure (%) as of 3/31/25

Mortgage Backed Securities	39
United States Government	29
Investment Grade Credit	17
Asset Backed Securities	7
High Yield Credit	6
Commercial Mortgage Backed Securities	5
Developed Government and Related (Non-US $)	1
Emerging Market Debt	1
Bank Loans	0
Other	0
Cash, Cash Equivalents and Cash Offsets	-5

Characteristics are subject to change. Percentages may be rounded.

Credit Exposure[1] (%) as of 3/31/25

Aaa/AAA	8
Aa/AA	66
A	9
Baa/BBB	12
Ba/BB	7
B	1
Caa/CCC or lower	0
Not Rated	1
Cash & Cash Offsets	-5

[1]Credit exposure is the credit ratings for the underlying securities of the Fund as provided by Standard and Poor's (S&P), Moody's Investors Service, or Fitch and typically range from AAA/Aaa (highest) to C/D (lowest). If S&P, Moody's, and Fitch assign different ratings, the median rating is used. If only two agencies assign ratings, the lower rating is used. Securities that are not rated by any of the three agencies are listed as "Not Rated." Ratings do not apply to the Fund itself or to Fund shares. Ratings may change.

Net Assets	$1.9 billion
# of Holdings	1,591
# of Issuers	394
Dividend Frequency	Monthly

Holdings Characteristics

Effective Duration	5.61 yrs.

Average Annual Total Returns (%) as of 3/31/25

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI
HTRB NAV	2.64	2.64	5.01	1.08	0.94	—	1.87
HTRB Market Price	2.73	2.73	4.98	1.16	0.92	—	1.87
Benchmark	2.78	2.78	4.88	0.52	-0.40	—	—
Morningstar Category	2.61	2.61	5.27	0.92	0.99	—	—

Morningstar® Category Intermediate Core-Plus Bond
Expenses[1]: 0.29%
ETF Inception: 09/27/2017.
SI = Since Inception. Performance for periods of less than one year is not annualized.

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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.

Benchmark: Bloomberg US 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 operating expenses from the Fund's most recent prospectus at the time of publication.

Important Risks: Investing involves risk, including the possible loss of principal. Security prices of the Fund's underlying holdings will fluctuate in value depending on general market and economic conditions and the prospects of individual companies. The market price of the Fund's shares will fluctuate in response to changes in the Fund's net asset value, intraday value of the Fund's holdings, and the supply and demand for shares. • The Fund is actively managed and does not seek to replicate the performance of a specified index. • 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, which could increase transaction costs and an investor's tax liability. The risks associated with the TBA market include price and counterparty risk. • 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. • 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, valuation, 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. • Restricted securities may be more difficult to sell and price than other securities. • Investments in high-yield ("junk") bonds involve greater risk of price volatility, illiquidity, and default than higher-rated debt securities. • The portfolio managers may allocate a portion of the Fund's assets to specialist portfolio managers, which may not work as intended. • 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.

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