

Hartford Balanced Income Fund

Tickers **A:** HBLAX **C:** HBLCX **F:** HBLFX **I:** HBLIX **R3:** HBLRX **R4:** HBLSX **R5:** HBLTX **R6:** HBLVX **Y:** HBLVY

Inception Date 07/31/2006

Morningstar® Category Moderately Conservative Allocation

Lipper Peer Group Mixed-Asset Target Allocation Moderate

Market Overview

United States (US) equities registered their largest quarterly return in three years. Financial conditions eased markedly after longer-dated Treasury yields fell sharply from their October peaks amid a faster-than-expected decline in inflation, moderating economic activity, softening labor market conditions, and views that the Federal Reserve (Fed) had reached the end of its prolonged cycle of interest-rate hikes. In November, the Fed's preferred measure of inflation—core personal consumption expenditures—rose at a 1.9% annualized pace over the prior six months, meaning the Fed will have achieved its 2% inflation target if the current trend is sustained. The rapid descent in inflation prompted the Fed to pivot from its “higher-for-longer” policy stance in December, sending Treasury yields lower and driving stocks higher.

Global fixed-income markets generated their strongest quarterly return in more than three decades during the fourth quarter, as measured by the Bloomberg Global Aggregate Index, bolstered by increasing confidence among market participants that central banks have reached the end of their rate hiking cycles. Most fixed-income sectors produced positive excess returns over duration-equivalent government bonds as dovish policy rhetoric drove spread compression. The US dollar (USD) weakened versus most currencies.

Performance Summary

- Hartford Balanced Income Fund (I share) underperformed its benchmark
- Security selection drove benchmark relative underperformance. Weak selection in equities was the largest detractor
- In the equity portion of the Fund, sector allocation, a result of our bottom-up stock selection process, was the primary driver of relative underperformance. Our overweight positions in energy and consumer staples weighed on relative results.
- Security selection also detracted from relative results. Weak selection in healthcare was partially offset by stronger selection in energy.
- Performance in the fixed-income portion of the Fund was positively impacted by security selection decisions, notably within investment-grade (IG) credit and emerging markets (EM) debt

Positioning & Outlook

- We continue to focus on finding high-quality businesses with strong balance sheets and sustainable dividends. We are spending a lot of time on our downside stress test scenarios and are confident in the sustainability of dividends and long-term value of holdings in the portfolio.
- Within equities, utilities, consumer staples, and real estate represented our largest sector overweights relative to the benchmark at quarter-end. We were most underweight to communication services, industrials, and information technology.
- Within fixed income, we remain underweight IG credit and EM debt, while holding an overweight allocation to High Yield Credit. Credit spreads appear tight, but elevated yields should continue to bolster demand for credit. We expect better opportunities for nimble, discerning active investors to increase exposure at wider spreads.

Overall Morningstar Rating™ (I-Share)*



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

Portfolio Managers from Wellington Management

Scott I. St. John, CFA

Senior Managing Director
Fixed-Income Portfolio Manager
Professional Experience Since 1994

Matthew Hand, CFA

Senior Managing Director
Equity Portfolio Manager
Professional Experience Since 1997

Adam H. Illfelder, CFA

Senior Managing Director
Equity Portfolio Manager
Professional Experience Since 1997

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

Top Five Equity Holdings (%)

Merck & Co., Inc.	1.57
Pfizer, Inc.	1.40
JPMorgan Chase & Co.	1.37
ConocoPhillips	1.20
Johnson & Johnson	1.20
Percentage Of Portfolio	6.74

Top Five Fixed-Income Issuers (%)

U.S. Treasury Bonds	1.55
JP Morgan Chase & Co.	1.27
Wells Fargo & Co.	1.14
Morgan Stanley	1.05
Bank of America Corp.	0.93
Percentage Of Portfolio	5.94

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

Performance (%)									
Class	QTD	YTD	Average Annual Total Returns					Expenses ¹	
			1 Year	3 Year	5 Year	10 Year	SI	Gross	Net
A	8.25	7.69	7.69	2.47	6.60	5.67	6.48	0.86%	0.86%
A with 5.5% Max Sales Charge	—	—	1.76	0.56	5.40	5.07	6.13	—	—
F	8.41	8.03	8.03	2.80	6.96	6.00	6.72	0.54%	0.54%
I	8.31	7.95	7.95	2.72	6.86	5.93	6.69	0.62%	0.62%
R3	8.18	7.31	7.31	2.10	6.21	5.31	6.29	1.24%	1.24%
R4	8.26	7.55	7.55	2.39	6.52	5.62	6.54	0.94%	0.94%
R5	8.32	7.94	7.94	2.70	6.84	5.91	6.76	0.65%	0.65%
R6	8.37	8.00	8.00	2.81	6.95	6.02	6.86	0.54%	0.54%
Y	8.42	7.94	7.94	2.70	6.85	5.96	6.83	0.65%	0.65%
Blended Index	9.00	10.30	10.30	2.28	6.53	5.61	—	—	—
Morningstar Category	7.80	10.43	10.43	1.35	5.40	4.16	—	—	—
Lipper Peer Group	8.58	12.35	12.35	2.44	6.88	5.05	—	—	—

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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.

Share Class Inception: A, Y - 7/31/06; F - 2/28/17; I - 2/26/10; R3, R4, R5 - 5/28/10; R6 - 11/7/14. 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 7/31/06. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge.

The Blended Index consists of 45% Russell 1000 Value Index, 44% Bloomberg Corporate Index, 5.5% JP Morgan Emerging Markets Bond Index Plus, and 5.5% Bloomberg U.S. Corporate High-Yield Bond 2% Issuer Cap Index. Indices are unmanaged and not available for direct investment.

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¹Expenses as shown in the Fund's most recent prospectus.

*Class I-Shares Star Ratings: 3-year 4 stars out of 442 products, 5-year 4 stars out of 408 products, and 10-year 5 stars out of 294 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. ©2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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. 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. • For dividend-paying stocks, dividends are not guaranteed and may decrease without notice. • Different investment styles may go in and out of favor, which may cause the Fund to underperform the broader stock market. • 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. • Restricted securities may be more difficult to sell and price than other 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, regulatory and counterparty risk.

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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