

## Hartford Balanced Income Fund

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

**Morningstar® Category** Allocation--30% to 50% Equity

**Inception Date** 07/31/2006

**Lipper Peer Group** Mixed-Asset Target Allocation Moderate

### Market Overview

United States (US) equities suffered their largest quarterly loss since 2011. Volatility was elevated, as markets contended with a confluence of moderating growth, tighter liquidity and monetary policy, trade uncertainty, swelling fiscal deficits, and political turmoil. Despite rising corporate headwinds and a challenging macro environment, third-quarter earnings were relatively solid. Global fixed income sectors generated mixed returns during the fourth quarter. Sovereign yields declined across most markets amid a spike in equity market volatility and increasing concerns about slowing global growth. Geopolitical uncertainty remained elevated despite some seemingly positive developments, including a temporary trade truce between the US and China and survived confidence vote by United Kingdom Prime Minister May. Corporate bonds underperformed by a wide margin, owing to lack of progress on key political issues in Europe and sharp selloff in energy prices.

### Performance Summary

- Hartford Balanced Income Fund (I Share) outperformed its benchmark and Lipper Mixed-Asset Target Allocation Moderate peer group average during the quarter
- Performance in the equity portion of the Fund contributed to relative outperformance. Security selection was the driver of relative performance. Strong security selection in health care and energy more than offset weaker selection in consumer staples and materials.
- Sector allocation within equities, a result of our bottom-up stock selection process, contributed to performance, which was driven by our overweight positions in utilities and consumer staples. The main detractor from relative performance was our overweight position in energy.
- Performance in the fixed income portion was negative. Security selection within investment grade (IG) credit was the primary detractor although security selection and an overweight to emerging market debt (EMD) also detracted from relative performance.

### Positioning & Outlook

- Economic updates remained solid during the quarter, but rising uncertainty on a range of issues contributed to a deterioration in investor sentiment. Job growth remained steady through the quarter and the unemployment rate remained below 4%. Consumer confidence and retail sales have remained strong throughout the year, and initial reports from the holiday season have been solid. Inflation remains benign, partly thanks to lower oil prices, which should benefit the consumer in 2019. As the US Federal Reserve highlighted in December, wages have started to increase which should also help the US consumer, but may also serve as a source of margin pressure in several domestic industries.
- Within equities, utilities and health care represented our largest sector overweights relative to the benchmark at quarter-end, while real estate was the largest underweight
- Within fixed income, we maintained a moderately pro-cyclical risk posture. We slightly reduced weights to EMD and slightly increased weights to IG and high yield Credit, from a contribution to spread duration\* perspective.

### Portfolio Managers from Wellington Management

#### Scott I. St. John, CFA

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

#### W. Michael Reckmeyer, III, CFA

Senior Managing Director  
Equity Portfolio Manager  
Professional Experience Since 1984

#### Ian R. Link, CFA

Senior Managing Director  
Equity Portfolio Manager  
Professional Experience Since 1989

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

### Top Five Equity Holdings (%)

JP Morgan Chase & Co.	2.06
Pfizer, Inc.	1.74
Verizon Communications, Inc.	1.54
Cisco Systems, Inc.	1.35
Chevron Corp.	1.13
<b>Percentage Of Portfolio</b>	<b>7.82</b>

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

### Top Five Fixed-Income Issuers (%)

Bank of America Corp.	1.31
Morgan Stanley	1.20
Goldman Sachs Group, Inc.	1.18
JP Morgan Chase & Co.	0.96
CVS Health Corp.	0.87
<b>Percentage Of Portfolio</b>	<b>5.52</b>

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

Class	Performance (%)		Average Annual Total Returns				Expenses <sup>1</sup>		
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI	Gross	Net
A	-4.84	-5.05	-5.05	5.58	4.75	9.04	6.43	0.93%	0.93%
A with 5.5% Max Sales Charge	—	—	-10.28	3.60	3.57	8.42	5.94	—	—
F	-4.77	-4.81	-4.81	5.89	5.04	9.29	6.63	0.61%	0.61%
I	-4.79	-4.81	-4.81	5.83	5.01	9.28	6.62	0.69%	0.69%
R3	-4.92	-5.40	-5.40	5.24	4.42	8.82	6.32	1.31%	1.31%
R4	-4.84	-5.16	-5.16	5.53	4.72	9.09	6.54	1.01%	1.01%
R5	-4.77	-4.82	-4.82	5.82	5.00	9.34	6.73	0.71%	0.71%
R6	-4.72	-4.76	-4.76	5.94	5.09	9.45	6.83	0.61%	0.61%
Y	-4.73	-4.80	-4.80	5.89	5.08	9.45	6.82	0.65%	0.65%
Blended Index	-5.62	-5.03	-5.03	5.32	4.70	8.89	—	—	—
Morningstar Category	-5.99	-4.97	-4.97	3.60	2.44	5.92	—	—	—
Lipper Peer Group	-7.64	-5.81	-5.81	4.31	3.18	7.51	—	—	—

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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](http://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 Barclays Corporate Index, 5.5% JP Morgan Emerging Markets Bond Index Plus, and 5.5% Bloomberg Barclays U.S. Corporate High-Yield Bond 2% Issuer Cap Index. Indices are unmanaged and not available for direct investment.

**Important Risks:** Investing involves risk, including the possible loss of principal.

- The Fund seeks to achieve its investment objective by allocating assets among different asset classes and/or specialist portfolio managers. There is no guarantee a fund will achieve its stated objective. Security prices fluctuate in value depending on general market and economic conditions and the prospects of individual companies.
- 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.
- 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.
- Different investment styles may go in and out favor, which may cause a fund to underperform the broader stock market.

expenses are the same.

**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](http://hartfordfunds.com). Please read it carefully before investing.**

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<sup>1</sup> Expenses as shown in the Fund's most recent prospectus. Gross and Net