

## Hartford Moderate Allocation Fund

**Tickers** A: HBAAX C: HBACX F: HBADX I: HBAIX R3: HBARX R4: HBASX R5: HBATX

**Morningstar® Category** Moderate Allocation **Inception Date** 05/28/2004

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

### Market Overview

Equity markets maintained their upward momentum with the S&P 500 Index gaining 5.9% for the quarter, modestly ahead of the Bloomberg US Aggregate Bond Index, which returned 5.2% over the period. Small- and mid-cap US stocks delivered better returns than their mega- and large-cap counterparts. Across developing markets, the MSCI EM Index returned 8.72% in 3Q, outperforming both developed as well as the broad US. In fixed-income markets, most credit sectors generated excess returns over duration<sup>1</sup>- equivalent Treasuries as spreads were relatively stable during the quarter.

The September Federal Open Market Committee meeting concluded with a 50-basis point<sup>2</sup> (0.50%) rate cut. As of the end of the quarter, the Fed's latest Summary of Economic Projections ("dot plot") indicates a median Fed-funds rate of 4.4% for 2024, suggesting 100 basis points (1.00%) of cuts by the end of the year and another 100 basis points in 2025. Bonds rallied on growing confidence that the Federal Reserve (Fed) would hit its 2% inflation target, and that inflation and employment risks were balanced, culminating in the start of a Fed easing cycle late in the quarter.

### Performance Summary

- Hartford Moderate Allocation Fund (I Share) underperformed its benchmark during the period.
- The main driver of the Fund's underperformance versus the benchmark was the performance of the underlying positions relative to their individual benchmarks. In particular, Hartford Core Equity Fund, Hartford International Opportunities Fund, and Hartford Schroders International Multi-Cap Value Fund underperformed their respective benchmarks.
- Exposure to Hartford Small Company Fund and Hartford Small Cap Value Fund contributed to outperformance, partially offsetting these effects.

### Positioning & Outlook

- Over the period, we increased our positions in Hartford Schroders Emerging Markets Equity Fund and Hartford Strategic Income while decreasing our position in Hartford Core Bond ETF.
- We continue to favor equities as the combination of policy easing by global central banks, falling global inflation, and positive (if muted) economic growth is favorable for risk assets. A soft landing seems likely in the US as recession has likely been averted and moderating inflation has allowed the Fed to begin cutting rates.
- We favor domestic equities, particularly large caps, as small caps may be more susceptible to weakness on earnings disappointments in a slowing economy.
- Outside the US, valuations are attractive, but growth remains muted. While the recent stimulus in China has provided a floor for markets and increased investor confidence, it will take some time to work its way through the economy and there are still many headwinds faced by China (such as the potential for increased US tariffs, lack of domestic demand and manufacturing overcapacity).
- Within fixed income, we favor a neutral duration position.

### Portfolio Managers from Hartford Funds Management Company

#### Vernon J. Meyer, CFA

Managing Director and  
Chief Investment Officer  
Professional Experience Since 1987

#### Allison Mortensen, CFA

Head of Multi-Asset Solutions and  
Managing Director  
Professional Experience Since 1994

#### Jim Glendon, CFA

Portfolio Manager  
Professional Experience Since 2009

The portfolio managers are supported by the full resources of Hartford Funds Management Company.

<sup>1</sup>**Duration** is a measure of the sensitivity of an investment's price to nominal interest-rate movement.

<sup>2</sup>**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.

Class	Performance (%)		Average Annual Total Returns				Expenses <sup>1</sup>		
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI	Gross	Net
A	5.67	13.16	23.53	3.85	6.75	5.41	5.45	1.03%	1.03%
A with 5.5% Max Sales Charge	—	—	16.74	1.91	5.55	4.82	5.15	—	—
F	5.72	13.47	23.82	4.21	7.14	5.77	5.75	0.67%	0.67%
I	5.72	13.37	23.82	4.11	7.05	5.71	5.72	0.76%	0.76%
R3	5.52	12.86	23.04	3.48	6.39	5.04	5.12	1.37%	1.37%
R4	5.65	13.13	23.45	3.79	6.71	5.36	5.41	1.07%	1.07%
R5	5.71	13.36	23.81	4.13	7.03	5.69	5.68	0.77%	0.77%
Blended Index	6.18	12.73	23.45	4.50	7.90	7.09	—	—	—
Morningstar Category	5.34	12.27	21.99	4.89	8.01	6.89	—	—	—
Lipper Peer Group	5.64	11.21	20.78	3.75	6.67	5.82	—	—	—

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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 - 5/28/04; F - 2/28/17; I - 8/31/06; R3, R4, R5 - 12/22/06. 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 5/28/04. 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 40% Bloomberg US Aggregate Bond Index, 40% Russell 3000 Index and 20% MSCI ACWI ex USA Index (net of dividend withholding tax). Indices are unmanaged and not available for direct investment.

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

**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 invests in other underlying funds in a fund-of-funds structure. The ability of the Fund to meet its investment objective is directly related to the ability of the underlying funds to meet their objectives as well as the investment manager's allocation among those underlying funds. The Fund is subject to the risks of the underlying funds, in direct proportion to the amount of assets it invests in each underlying fund. The underlying funds are subject to the risks specific to their investment strategies, such as market, small- and mid-cap securities, foreign securities, emerging-market securities, fixed-income securities (which carry credit, liquidity, call, duration, and interest-rate risks), mortgage-related and asset-backed securities, and derivative risks, and to the extent the underlying fund is an ETF, risks associated with ETFs.

**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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