

Hartford Short Duration Fund

Tickers A: HSDAX C: HSDCX F: HSDFX I: HSDIX R3: HSDRX R4: HSDSX R5: HSDTX R6: HSDVX Y: HSDYX

Morningstar® Category Short-Term Bond

Inception Date 10/31/2002

Lipper Peer Group Short Investment Grade Debt

Market Overview

United States (US) fixed income sectors generated positive returns over the fourth quarter of 2020. Encouraging vaccine developments propelled market confidence despite growing COVID-19 infections and the United Kingdom's (UK) formal exit from the European Union (EU). Most fixed income spread sectors outperformed as credit spreads tightened, the US presidential election concluded, and major central banks' policies aimed to mitigate risks. The US Treasury yield curve steepened as easy Federal Reserve (Fed) monetary policy anchored front-end yields while the prospect of additional fiscal stimulus lifted inflation expectations. The Bloomberg Barclays 1-3 Year US Government/Credit Index returned 0.21% during the quarter.

Performance Summary

- The Hartford Short Duration Fund (I Share) outperformed the Bloomberg Barclays 1-3 Year US Government/Credit Index and the Lipper Short Investment Grade Debt peer group average during the quarter
- Out-of-benchmark allocations to bank loans and high yield, as well as an overweight to and security selection within investment grade (IG) financials and industrials, were the main contributors to benchmark-relative outperformance during the period
- Exposure to non-agency mortgage backed securities (MBS), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS) contributed to relative performance
- The Fund's duration* and yield curve posture slightly detracted from relative performance due primarily to an overweight to the 5-year portion of the curve as the yield curve steepened due to rising yields further out on the curve

Positioning & Outlook

- We are positioned with a moderate pro-cyclical risk posture, favoring the credit and securitized sectors. Our base case expectation is for a substantial global recession followed by a gradual recovery that will depend on public health and fiscal measures.
- Monetary and fiscal responses have surpassed what we saw during the Global Financial Crisis (GFC) in both size and speed and will continue to be supportive for the economy and markets. We expect rates to hold steady in the near term, particularly given adjustments to the Fed's monetary policy framework that allow inflation to rise above 2 percent. The front-end of the yield curve is anchored as policy rates are expected to stay at the zero-lower bound for the foreseeable future. The Fund's duration posture is close to neutral.
- At the end of the quarter, we maintained exposure to bank loans and high yield credit and continued to overweight IG corporate credit, favoring financials and industrials. We continue to favor US banks, as balance sheets are less risky on improved capital ratios and regulation. In securitized, we maintain exposure to agency MBS pass-throughs and collateralized mortgage obligations (CMOs) for their better relative liquidity and attractive income versus Treasuries. Additionally, we remain focused on the traditional higher-quality ABS sectors.

Portfolio Manager from Wellington Management

Timothy E. Smith

Senior Managing Director
Fixed-Income Portfolio Manager
Professional Experience Since 1985

The portfolio manager is supported by the full resources of Wellington.

Wellington Management has been sub-advising the Fund since 2012.

Top Ten Holdings (%)

FNMA Mortgage Backed Securities (POOLS)	3.45
FHLMC Mortgage Backed Securities (POOLS)	2.74
Bank of America Corp.	1.53
COLT Mortgage Loan Trust	1.35
U.S. Treasury Notes	1.16
CSMC Trust	1.14
Morgan Stanley	0.99
New Residential Mortgage Loan Trust	0.96
GNMA Mortgage Backed Securities (POOLS)	0.90
Angel Oak Mortgage Trust	0.88
Percentage Of Portfolio	15.10

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

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

Class	Performance (%)		Average Annual Total Returns					Expenses ¹	
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI	Gross	Net
A	1.45	3.77	3.77	3.37	3.02	2.41	2.75	0.84%	0.81%
A with 2% Max Sales Charge	—	—	1.69	2.68	2.61	2.21	2.64	—	—
F	1.54	4.24	4.24	3.77	3.39	2.74	2.96	0.45%	0.45%
I	1.55	4.08	4.08	3.66	3.31	2.70	2.94	0.53%	0.53%
R3	1.39	3.44	3.44	3.11	2.76	2.17	2.64	1.17%	1.17%
R4	1.57	3.90	3.90	3.44	3.06	2.46	2.81	0.87%	0.87%
R5	1.59	4.10	4.10	3.68	3.35	2.73	2.98	0.57%	0.57%
R6	1.54	4.13	4.13	3.75	3.39	2.76	2.99	0.45%	0.45%
Y	1.58	4.09	4.09	3.70	3.36	2.75	2.99	0.54%	0.54%
Bloomberg Barclays 1-3 Year US Government/Credit Index	0.21	3.33	3.33	2.98	2.21	1.60	—	—	—
Morningstar Category	1.06	3.81	3.81	3.14	2.68	2.11	—	—	—
Lipper Peer Group	1.14	3.57	3.57	2.97	2.58	1.93	—	—	—

Morningstar® Category Short-Term Bond Lipper Peer Group Short Investment Grade Debt

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 - 10/31/02; F - 2/28/17; I - 2/26/10; R3, R4, R5 - 9/30/11; R6 - 2/28/19; Y - 11/28/03. 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 for A, F, and I is from 10/31/02; R3, R4, R5, R6, and Y is from 11/28/03. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge.

Bloomberg Barclays 1-3 Year U.S. Government/Credit Index is an unmanaged index comprised of the U.S. Government/Credit component of the U.S. Aggregate Index. Indices are unmanaged and not available for direct investment.

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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, event, and interest-rate risk. As interest rates rise, bond prices generally fall. • Loans can be difficult to value and less liquid than other types of debt instruments; they are also subject to nonpayment, collateral, bankruptcy, default, extension, prepayment and insolvency risks. • 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. • Investments in high-yield ("junk") bonds involve greater risk of price volatility, illiquidity, and default than higher-rated debt 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, 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. • 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.

¹Expenses as shown in the Fund's most recent prospectus. Gross expenses do not reflect contractual fee waivers or expense reimbursement arrangements. Net expenses reflect such arrangements only with respect to Class A. These arrangements remain in effect until 2/28/21 unless the Fund's Board of Directors approves an earlier termination.

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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