

Hartford Municipal Opportunities Fund

Tickers A: HHMAX C: HHMCX F: HHMFX I: HHMIX Y: HHMYX

Morningstar® Category Muni National Intermediate

Inception Date 05/31/2007

Lipper Peer Group Intermediate Municipal 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). Municipal spreads tightened considerably over the fourth quarter to touch below the long-term historical average for the first time since January 2020. New issuance began strong but slowed down as the quarter progressed due to expected volatility around the November election and multiple holiday schedules. The Bloomberg Barclays Municipal Bond 1-15 Year Blend (1-17) Index returned 1.33% during the quarter. The ratio of 10-year AAA general obligations (GOs) to 10-year Treasuries dropped from 126.1% to 76.3%.

Performance Summary

- The Hartford Municipal Opportunities Fund (I Share) outperformed the Bloomberg Barclays Municipal Bond 1-15 Year Blend (1-17) Index and the Lipper Intermediate Municipal Debt peer group average during the quarter
- Security selection within investment grade (IG) revenue bonds and state general obligation (GO) bonds contributed. Overweights to and security selection within IG student loans, port, airport and marina, and special tax were the main contributors within revenue bonds. An out-of-benchmark allocation to high yield revenue bonds also contributed, particularly tobacco, industrial development, and health care.
- Duration* and yield curve positioning detracted from relative performance as the Fund was overweight the long-end of the yield curve while long-end yields rose on the prospect of additional fiscal stimulus.

Positioning & Outlook

- We believe that municipal fundamentals will continue to be challenged by the COVID-19 fallout but remain positive given the prospect of additional stimulus and due to supportive technicals
- Prior federal support has softened or even eliminated the worst of the pandemic fallout. Many sectors received direct aid, while others benefitted indirectly from support for consumers and businesses. To date, support for states and localities for lost revenues has been left out. However, direct federal aid to states and localities is likely to be featured in President-elect Biden's initial stimulus package.
- Issuance will likely to continue to skew to taxable munis, which limits tax-exempt issuance, strengthening tax-exempt valuations. That said, reauthorization of tax-exempt advance refunding or an increase in Treasury rates could change the dynamic and create a surge in tax-exempt supply.
- Valuation looks slightly rich, but credit spreads have room to further tighten given strong technicals and improving credit characteristics. Still, not all issuers and sectors will feel the effect evenly, creating an opportunity for security selection.

Portfolio Managers from Wellington Management

Timothy D. Haney, CFA

Senior Managing Director
Fixed-Income Portfolio Manager
Professional Experience Since 1988

Brad W. Libby

Managing Director
Fixed-Income Portfolio Manager &
Credit Analyst
Professional Experience Since 1996

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

Top Ten Holdings (%)

State of Illinois, GO	2.23
New York State Dormitory Auth Rev	2.03
Illinois State Finance Auth Rev	1.66
Buckeye, OH, Tobacco Settlement Finance Auth	1.53
State of Texas, GO	1.48
California State, GO Taxable	1.45
Chicago, IL, Transit Auth	1.28
Metropolitan Transportation Auth.	1.18
Metropolitan Transportation Auth, NY, Rev	1.15
City of New York, NY, GO	1.07
Percentage Of Portfolio	15.06

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	1.90	4.27	4.27	4.31	3.56	4.53	3.05	0.70%	0.70%
A with 4.5% Max Sales Charge	—	—	-0.42	2.72	2.61	4.05	2.71	—	—
F	1.98	4.60	4.60	4.61	3.87	4.81	3.33	0.39%	0.39%
I	2.07	4.64	4.64	4.60	3.86	4.80	3.32	0.46%	0.46%
Y	1.96	4.50	4.50	4.56	3.83	4.79	3.31	0.47%	0.47%
Bloomberg Barclays Municipal 1-15 Year Blend (1-17) Index	1.33	4.73	4.73	4.23	3.39	3.84	—	—	—
Morningstar Category	1.92	4.51	4.51	3.99	3.23	3.89	—	—	—
Lipper Peer Group	1.87	4.29	4.29	3.77	3.00	3.59	—	—	—

Morningstar® Category Muni National Intermediate Lipper Peer Group Intermediate Municipal 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, I - 5/31/07; F - 2/28/17; Y - 5/31/18. 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 5/31/07. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge.

Bloomberg Barclays Municipal Bond 1-15 Year Blend (1-17) Index is a sub-index of the Bloomberg Barclays Municipal Bond Index. It is a rules-based market value-weighted index of bonds with maturities of one year to 17 years engineered for the tax-exempt bond market. 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. • Fixed income security risks include credit, liquidity, call, duration, and interest-rate risk. As interest rates rise, bond prices generally fall. • Municipal securities may be adversely impacted by state/local, political, economic, or market conditions. Investors may be subject to the federal Alternative Minimum Tax as well as state and local income taxes. Capital gains, if any, are taxable. • Investments in high-yield ("junk") bonds involve greater risk of price volatility, illiquidity, and default than higher-rated debt securities.

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

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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