

## Hartford Healthcare Fund

**Tickers** A: HGHAX C: HGHGX F: HGHFX I: HGHIX R3: HGHXR R4: HGHXR R5: HGHXR R6: HGHVX Y: HGHYX

**Morningstar® Category** Health

**Inception Date** 05/01/2000

**Lipper Peer Group** Global Health/Biotechnology

### Market Overview

The S&P Composite 1500 Health Care Index rose 5.83% during the quarter, underperforming the broader United States (US) market, as measured by the S&P 500 Index. Within the benchmark, medical technology stocks outperformed the most during the quarter.

### Performance Summary

- The Hartford Healthcare Fund (I Share) outperformed the S&P Composite 1500 Health Care Index and the Lipper Global Health/Biotechnology peer group average during the quarter
- Security selection contributed to benchmark-relative performance. Selection was strongest within healthcare services and mid-cap biopharma. This was partially offset by selection within small-cap biopharma, which detracted.
- Sub-sector allocation, a result of our bottom-up stock selection process, detracted from relative performance during the quarter. A benchmark-relative overweight to mid- and small-cap biopharma detracted most from performance. This was partially offset by an underweight to large-cap biopharma, which contributed.

### Positioning & Outlook

- We expect the human and economic impact of COVID-19 to remain challenging but remain optimistic there will be a number of therapies to treat patients and to offer prophylaxis against the virus. As for vaccines, we are cautiously optimistic that one or more will be proven effective at reducing infection rates, and be approved and deployed starting in late 2020 and into 2021.
- The biopharmaceutical industry has come together by spending R&D dollars to develop treatments and vaccines for COVID-19, while seeking minimal profits. We expect the financial benefit of successful treatments to be modest and short-term for the companies developing them, yet we anticipate the goodwill will create a halo-effect for the industry. Additionally, the political backdrop has improved with the Democratic nomination of Joe Biden, whose healthcare policies are moderate in nature. These two events increase the likelihood of manageable drug price legislation, which could remove the five-year overhang on the industry.
- The pandemic has resulted in budgetary shortfalls for governments and health systems around the world, and we expect the industry will be asked to contribute to these budget gaps. We are not expecting a major shift in how healthcare is delivered or reimbursed as a result of the pandemic; however, as the current crisis is centered on healthcare, we will be watching closely for unanticipated consequences in the future.
- At the end of the quarter, our largest overweight exposures relative to the benchmark were to mid- and small-cap biopharma. We ended the quarter underweight large-cap biopharma and medical technology stocks.

### Portfolio Managers from Wellington Management

**Jean M. Hynes, CFA**

Senior Managing Director  
Global Industry Analyst  
Professional Experience Since 1991

**Ann C. Gallo**

Senior Managing Director  
Global Industry Analyst  
Professional Experience Since 1987

**Robert L. Deresiewicz**

Senior Managing Director  
Global Industry Analyst  
Professional Experience Since 1983

**Rebecca Sykes, CFA**

Senior Managing Director  
Global Industry Analyst  
Professional Experience Since 2005

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

### Top Ten Holdings (%)

UnitedHealth Group, Inc.	7.79
Pfizer, Inc.	5.87
Thermo Fisher Scientific, Inc.	4.38
Danaher Corp.	3.66
Bristol-Myers Squibb Co.	3.65
Abbott Laboratories	3.58
Eli Lilly and Co.	3.56
Boston Scientific Corp.	2.99
AstraZeneca plc	2.70
Edwards Lifesciences Corp.	2.59
<b>Percentage Of Portfolio</b>	<b>40.77</b>

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

Class	Performance (%)		Average Annual Total Returns				Expenses <sup>1</sup>		
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI	Gross	Net
A	6.06	11.04	32.64	12.22	12.11	16.46	11.91	1.31%	1.31%
A with 5.5% Max Sales Charge	—	—	25.35	10.12	10.85	15.80	11.60	—	—
F	6.13	11.34	33.11	12.65	12.50	16.83	12.17	0.92%	0.92%
I	6.12	11.27	33.03	12.54	12.43	16.80	12.15	1.02%	1.02%
R3	5.98	10.77	32.22	11.86	11.77	16.13	11.90	1.63%	1.63%
R4	6.04	10.99	32.58	12.18	12.10	16.48	12.14	1.33%	1.33%
R5	6.13	11.26	32.99	12.52	12.43	16.83	12.37	1.03%	1.03%
R6	6.14	11.34	33.11	12.64	12.54	16.94	12.44	0.92%	0.92%
Y	6.12	11.30	33.04	12.61	12.53	16.93	12.43	1.03%	0.97%
S&P Composite 1500 Health Care Index	5.83	5.17	20.12	11.29	12.15	15.68	—	—	—
Morningstar Category	4.95	11.22	31.92	11.33	10.93	15.44	—	—	—
Lipper Peer Group	4.87	9.70	28.86	10.74	9.33	14.38	—	—	—

Morningstar® Category Health Lipper Peer Group Global Health/Biotechnology

**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 - 5/1/00; F - 2/28/17; I - 8/31/06; R3, R4, R5 - 12/22/06; R6 - 2/28/19. 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 5/1/00. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge.

**S&P Composite 1500 Health Care Index** comprises those companies included in the S&P Composite 1500 that are classified as members of the GICS health care sector. Indices are unmanaged and not available for direct investment.

**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. • Risks of focusing investments on the healthcare related sector include regulatory and legal developments, patent considerations, intense competitive pressures, rapid technological changes, potential product obsolescence, and liquidity risk. • Small- and mid-cap securities can have greater risks and volatility than large-cap securities. • 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. These risks may be greater for investments in emerging markets.

<sup>1</sup>Expenses 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 Y. 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](http://hartfordfunds.com). Please read it carefully before investing.

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