JUNE 30, 2023

Fund Commentary

HARTFORDFUNDS
Our benchmark is the investor.®

Hartford Dynamic Bond Fund

Tickers A: HDBAX **C**: HDBCX **F**: HDBFX **I**: HDBIX **R5**: HDBRX **R6**: HDBSX **Y**: HDBYX

Morningstar® Category Nontraditional Bond **Inception Date** 06/07/2022

Lipper Peer Group Alternative Credit Focus

Market Overview

High grade global fixed-income sectors generated negative total returns during the second quarter while higher-yielding sectors produced positive returns.

Performance Summary

- The Hartford Dynamic Bond Fund (I shares) generated negative total returns during the second quarter, primarily attributable to the approach's duration* as sovereign yields increased.
- Positioning within US Treasuries had a negative impact on returns during the quarter. Sticky inflation and hawkish central banks pushed bond yields higher and led to negative returns across most global sovereign markets. US yields rose, particularly at the front end, and the yield-curve inversion deepened. Following a 0.25% rate hike in May, the Fed paused in June while retaining a hawkish tilt.
- Exposure to corporate bonds, both investment grade and high yield, benefited performance. High yield outperformed investment grade, driven by receding fears of a more severe recession and the slowing pace of inflation. US lawmakers struck a last-minute deal to raise the debt ceiling and avert a default, further boosting market sentiment.
- Exposure to emerging markets (EM) sovereigns and EM corporates each contributed favorably to performance. Despite global geopolitical tensions, US banking challenges, and tightening monetary policy, EM country fundamentals have remained largely constructive.

Positioning & Outlook

- We expect strong flows into investment grade credit over the next 12 months given the attractive all-in yields and strong starting point on corporate balance sheets. We continue to see dislocations along the spread curve and believe the 7-10 year segment offers upside along with attractive, idiosyncratic opportunities in BBBs. US economic growth is likely to slow as banks tighten lending standards and consumers exhaust their savings, though this is mitigated by still low unemployment.
- Corporate fundamentals will likely deteriorate on the margin, but strong starting points on corporate balance sheets and liquidity profiles should help companies weather the expected economic slow-down. We don't anticipate heightened risk of material downgrades, although weaker credits will likely experience reduced access to financing, which could make that cohort more susceptible. Free cash-flow generation remains robust, and companies are unlikely to increase leverage given increasing economic uncertainty.
- Credit spreads have dislocated along the curve with the intermediate segment appearing attractive at closer to median levels vs. history while the long end appears rich with spreads hovering within the 33rd percentile. We suspect most issuance was pulled forward in the second quarter following the regional-bank stress and heightened macro uncertainty. We expect a supportive technical back drop with light supply through year end and attractive all-in yields, though hedged yields are less attractive for overseas investors.

Portfolio Manager from Wellington Management

Connor Fitzgerald, CFA
Senior Managing Director
Fixed-Income Portfolio Manager
Professional Experience Since 2006

Top Ten Holdings (%)

U.S. Treasury Notes	43.44
Pacific Gas & Electric Co.	2.42
Deutsche Bank AG	1.42
Intesa Sanpaolo SpA	1.36
Qorvo, Inc.	1.12
Capital One Financial Corp.	0.93
Open Text Corp.	0.89
Barclays PLC	0.88
Synchrony Financial	0.87
International Flavors & Fragrances, Inc.	0.78
Percentage Of Portfolio	**54.11**

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.

Performance (%)

Class	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI	Gross	Net
			Average Annual Total Returns					Expenses[1]	
A	-0.38	3.47	6.95	—	—	—	3.12	1.31%	1.10%
A with 4.5% Max Sales Charge	—	—	2.14	—	—	—	-1.25	—	—
F	-0.37	3.58	7.29	—	—	—	3.46	0.81%	0.65%
I	-0.31	3.50	7.15	—	—	—	3.32	1.01%	0.80%
R5	-0.29	3.63	7.23	—	—	—	3.40	0.93%	0.75%
R6	-0.37	3.58	7.29	—	—	—	3.46	0.81%	0.65%
Y	-0.29	3.53	7.20	—	—	—	3.37	0.92%	0.75%
Bloomberg US Aggregate Bond Index	-0.84	2.09	-0.94	—	—	—	—	—	—
Morningstar Category	0.96	2.54	3.10	—	—	—	—	—	—
Lipper Peer Group	0.31	2.29	3.28	—	—	—	—	—	—

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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.

SI = Since Inception. Fund Inception: 06/07/2022

Bloomberg U.S. Aggregate Bond Index is composed of securities that cover the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. Indices are unmanaged and not available for direct investment.

[1]Expenses as shown in the Fund's most recent prospectus. Gross expenses do not reflect contractual expense reimbursement arrangements. Net expenses reflect such arrangements in instances when they reduce gross expenses. These arrangements remain in effect until 2/29/24 unless the Fund's Board of Directors approves an earlier termination.

Important Risks: The Fund is new and has a limited operating history. 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, event, inflation and interest-rate risk. As interest rates rise, bond prices generally fall. • Investments in high-yield ("junk") bonds involve greater risk of price volatility, illiquidity, and default than higher-rated debt securities. • The Fund may engage in active and frequent trading to achieve its objective. As a result, the Fund is expected to have high portfolio turnover, which will increase its transaction costs and could increase an investor's tax liability. • Foreign investments, including foreign government debt, may be more volatile and less liquid than U.S. investments and are subject to the risk of currency fluctuations and adverse political, economic and regulatory developments. These risks may be greater, and include additional risks, for investments in emerging markets. • 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, regulatory and counterparty risk. • 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.

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.