DECEMBER 31, 2023

Fund Commentary

HARTFORDFUNDS
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Hartford Dynamic Bond Fund

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

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

Lipper Peer Group Alternative Credit Focus

Market Overview

US fixed-income markets generated their strongest quarterly return in more than three decades during the fourth quarter, as measured by the Bloomberg US Aggregate Bond Index, bolstered by increasing confidence among market participants that the Federal Reserve (Fed) has reached the end of its rate-hiking cycle. Most fixed-income sectors produced positive excess returns over duration*-equivalent US Treasuries as dovish policy rhetoric drove spread compression.

Performance Summary

- The Hartford Dynamic Bond Fund (I Share) generated a positive total return during the fourth quarter, benefiting from both a decline in sovereign yields and spread tightening.
- Positioning within US Treasuries had a favorable impact on returns during the quarter. Sovereign yields fell sharply, driven by more accommodative central-bank policy expectations amid further evidence of weaker economic data. The US yield curve bull-steepened as further progress on inflation prompted the Fed to pivot.
- Exposure to corporate bonds, both investment grade and high yield, benefited performance. The combination of declining inflation along with dovish comments from the Fed fueled a strong end-of-year rally.
- Exposure to both emerging-market (EM) sovereigns and EM corporates contributed favorably to performance. EM country fundamentals have proven resilient in light of tight monetary policy and moderating global economic growth.

Positioning & Outlook

- We expect robust demand for investment-grade credit to persist given attractive all-in yields and a strong starting point on corporate balance sheets. Dislocations remain along the spread curve, and we believe 10-year maturities offer the greatest upside potential; we also observe attractive, idiosyncratic opportunities in BBBs.
- US economic growth will slow, with slower consumer and government spending while manufacturing and housing find a bottom. Consumers are drawing down excess savings, though this is mitigated by still-low unemployment.
- Corporate fundamentals are expected to deteriorate at the margin, albeit from a strong starting point, with margins under pressure as recent strength in pricing power subsides. We do not anticipate heightened risk of material downgrades, although weaker credits will likely experience reduced access to financing, which could make that cohort more susceptible.
- Spreads at the intermediate segment of the yield curve are wider vs. their history than the long end. European spreads are wider and appear attractive vs. US on a relative basis. We expect a supportive technical backdrop due to expected light supply, buoyed further by attractive all-in yields. With funded ratios hovering around 100%, we expect to see an increasing number of corporate defined-benefit plans de-risk from return-seeking allocations into liability-hedging allocations. We expect bouts of market volatility will generate greater idiosyncratic dispersion and we remain focused on identifying inefficiencies in the pricing of risk.

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 Bonds	21.59
Pacific Gas & Electric Co.	1.88
Charter Communications Operating LLC/Charter Communications Operating Capital	1.54
NOVA Chemicals Corp.	1.31
Intesa Sanpaolo SpA	1.18
Paramount Global	1.10
Aircastle Ltd.	1.06
Regal Rexnord Corp.	1.05
Synchrony Financial	1.04
Capital One Financial Corp.	0.99
Percentage Of Portfolio	**32.74**

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	Average Annual Total Returns 1 Year	3 Year	5 Year	10 Year	SI	Expenses[1] Gross	Net
A	7.52	10.26	10.26	—	—	—	6.33	1.31%	1.10%
A with 4.5% Max Sales Charge	—	—	5.30	—	—	—	3.25	—	—
F	7.51	10.56	10.56	—	—	—	6.68	0.81%	0.65%
I	7.41	10.33	10.33	—	—	—	6.50	1.01%	0.80%
R5	7.59	10.56	10.56	—	—	—	6.60	0.93%	0.75%
R6	7.51	10.56	10.56	—	—	—	6.68	0.81%	0.65%
Y	7.47	10.44	10.44	—	—	—	6.58	0.92%	0.75%
Bloomberg US Aggregate Bond Index	6.82	5.53	5.53	—	—	—	—	—	—
Morningstar Category	5.68	8.13	8.13	—	—	—	—	—	—
Lipper Peer Group	5.22	7.44	7.44	—	—	—	—	—	—

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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: 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.