

## Hartford Schrodgers Tax-Aware Bond Fund

**Tickers** A: STWVX C: HFKCX F: HFKFX I: STWTX SDR: HFKVX Y: HFKYX

### What Happened?

- Strong technicals continued in March; spreads narrowed and flows into investment-grade credit remained positive (+\$101 billion year-to-date). With yields modestly higher after February, the asset class remains attractive with elevated all-in yields.
- Performance for tax-exempt municipals lagged other investment-grade sectors both in excess return terms and absolute terms. Generally elevated supply in the sector was the main reason because credit fundamentals remain strong.
- Dovish testimony by Federal Reserve (Fed) Chairman Powell was mildly surprising as the inflation data printed just prior to his testimony was hotter than expected (core CPI printed at +0.4% month-over-month vs. +0.3% expected). Also notable that the non-farm payrolls report surprised to the upside, however, the labor market appeared to be softening due to an uptick in the unemployment rate, to 3.9%, and slowing wage growth.

### Performance Highlights

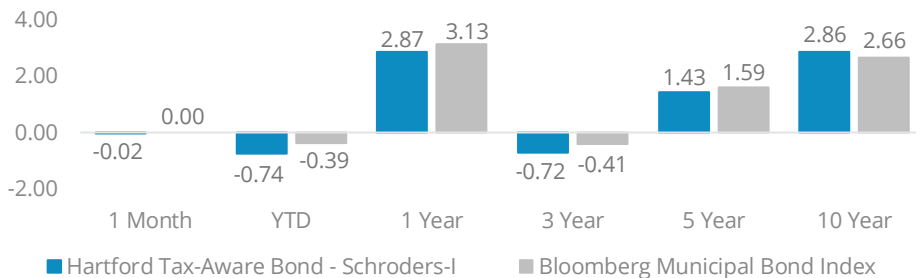
#### Contributors

- The allocation to corporates was a notable contributor for the month given the asset class outperformed Treasuries, mortgage-backed securities, and tax-exempt municipals
- With yields elevated across asset classes, the duration of the Fund is near the long end of its historical range. This was partially beneficial as yields moved lower for taxable bonds and the asset class comprises nearly 20% of the Fund.
- Within the tax-exempt sector, the allocation to corporate-supported tax-exempt bonds was a positive factor. Many of these issuers are prepay gas deals that benefitted from recent new issuance and strong demand for high-quality paper.

#### Detractors

- Tax-exempt municipals didn't keep pace with corporates or taxable municipals as the additional supply resulted in negative excess returns vs. Treasuries and generally negative absolute returns as well. Relative to the Bloomberg US Aggregate Bond Index, the duration differences also detracted with yields higher on tax-exempts and lower for taxable bonds.

### Month End Performance (%) (I-Share) as of 3/31/24



### Portfolio Managers from Schrodgers

**Lisa Hornby, CFA**  
Portfolio Manager  
Professional Experience Since 2007

**Neil G. Sutherland, CFA**  
Portfolio Manager  
Professional Experience Since 1997

**Julio C. Bonilla, CFA**  
Portfolio Manager  
Professional Experience Since 1998

**David May**  
Portfolio Manager  
Professional Experience Since 2010

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

**Overall Morningstar Rating™ (I-Share)\***



426 Products | Intermediate Core Bond Category Based on Risk-Adjusted Returns as of 3/31/24

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. Please see page 3 for standardized performance. Returns for less than one year are not annualized.

### Current Insight and Positioning From Schroders

- With yields elevated across asset classes, the duration of the Fund is near the long end of its historical range. The allocation to corporates in the Fund was modestly higher over the period.
- We believe the Fed will begin cutting in summer 2024. The current level of yields presents an attractive entry point as yields are trading close to the 90th percentile of ranges over the last decade.
- After the first rate cut, bond yields historically rally for over one year. With notable levels of cash sitting in money market funds, we feel that fixed income is well positioned as investors seek to lock in cyclically high yields.

### Portfolio Composition(%) as of 3/31/24

Tax Exempt Municipal	81
US Treasuries	7
Corporate	5
Cash and Cash Equivalents	4
Agency Mortgage Backed Securities	0
Asset Backed Securities	0
Cash	0
Government Related Agencies	0
Mortgage Backed Securities	0
Other	0
Taxable Municipal	0

Characteristics are subject to change.  
Percentages may be rounded.

### Credit Exposure<sup>1</sup> (%) as of 3/31/24

Aaa/AAA	42
Aa/AA	40
A	13
Baa/BBB	5
Ba/BB	0
B	0
Caa/CCC or lower	0
Not Rated	0
Cash & Cash Offsets	-1

<sup>1</sup>Credit exposure is the credit ratings for the underlying securities of the Fund as provided by Standard and Poor's (S&P), Moody's Investors Service, or Fitch and typically range from AAA/Aaa (highest) to C/D (lowest). If S&P, Moody's, and Fitch assign different ratings, the average rating is used. If only two ratings agencies assign ratings, the average rating is used. Securities that are not rated by any of the three agencies are listed as "Not Rated". The ratings breakdown includes cash and cash equivalents. Ratings do not apply to the Fund itself or to Fund shares. Ratings may change.

Net Assets	\$1.2 billion
# of Holdings	250
# of Issuers	186
Dividend Frequency	Monthly

### Holdings Characteristics

Effective Duration	8.55 yrs.
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**Credit spreads** are the difference in yields between two fixed-income securities with the same maturity, but originating from different investment sectors.

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

**Investment-grade securities** are fixed-income securities that are rated at "BBB" or higher by Standard & Poor's or Moody's.

## Performance (%) as of 3/31/24

Class	QTD	YTD	Average Annual Total Returns				Expenses <sup>1</sup>		
			1 Year	3 Year	5 Year	10 Year	SI	Gross Net	
A	-0.80	-0.80	2.62	-0.93	1.21	2.62	3.24	0.84%	0.72%
A with 4.5% Max Sales Charge	—	—	-1.98	-2.43	0.28	2.15	2.86	—	—
F	-0.64	-0.64	3.00	-0.66	1.48	2.89	3.50	0.52%	0.47%
I	-0.74	-0.74	2.87	-0.72	1.43	2.86	3.48	0.61%	0.50%
SDR	-0.64	-0.64	3.01	-0.66	1.48	2.88	3.50	0.52%	0.47%
Y	-0.66	-0.66	2.89	-0.79	1.37	2.83	3.46	0.63%	0.57%
Bloomberg Municipal Bond Index	-0.39	-0.39	3.13	-0.41	1.59	2.66	—	—	—
Morningstar Category	-0.51	-0.51	2.01	-2.45	0.36	1.43	—	—	—
Lipper Peer Group	0.21	0.21	3.97	-0.84	1.29	2.47	—	—	—

**Morningstar® Category** Intermediate Core Bond **Lipper Peer Group** General & Insured Municipal Debt

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Share Class Inception: A - 12/30/14; F - 2/28/17; I - 10/3/11; SDR - 10/24/16; Y - 10/24/16. Share class performance prior to 10/24/16 reflects the performance of the predecessor fund. Performance shown prior to the inception of a class reflects performance and operating expenses of another class(es) (excluding sales charges, as applicable). Had fees and expenses of a class been reflected for the periods prior to the inception of that class, performance would be different. A portion of Class A performance reflects the performance of the predecessor fund's Investor Class adjusted for distribution fees of the predecessor fund's Advisor Class. Since inception (SI) performance is from 10/3/11. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge.

**Bloomberg Municipal Bond Index** is designed to cover the USD-denominated long-term tax exempt bond market. Indices are unmanaged and not available for direct investment.

\*Class I-Shares Star Ratings: 3-year 5 stars out of 426 products, 5-year 5 stars out of 385 products, and 10-year 5 stars out of 275 products for the period ended herein. Other share classes may have different ratings. The Morningstar Rating™ for funds, or "star rating", is calculated for funds and separate accounts with at least a 3-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. Star rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance (without adjusting for any sales load, if applicable), placing more emphasis on downward variations and rewarding consistent performance. 5 stars are assigned to the top 10%, 4 stars to the next 22.5%, 3 stars to the next 35%, 2 stars to the next 22.5%, and 1 star to the bottom 10%. Overall Morningstar Rating is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. For more information about the Morningstar Fund Ratings, including their methodology, please go to [global.morningstar.com/managerdisclosures](http://global.morningstar.com/managerdisclosures). ©2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

<sup>1</sup>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 2/28/25 unless the Fund's Board of Directors approves an earlier termination. Without these arrangements, performance would have been lower.

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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; these risks may be magnified if the Fund focuses its assets in municipal securities of issuers in a few select states. Investors may be subject to the federal Alternative Minimum Tax as well as state and local income taxes. Capital gains, if any, are taxable. • 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. • Mortgage-related and asset-backed securities' risks include credit, interest-rate, prepayment, and extension risk. • 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. • 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, economic and regulatory developments. • The Fund may have high portfolio turnover, which could increase its transaction costs and an investor's tax liability. • Financially material environmental, social and/or governance (ESG) characteristics are one of several factors that may be considered and as a result, the investment process may not work as intended.

**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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