

## Hartford Schrodgers Tax-Aware Bond Fund

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

### What Happened?

- Treasury yields moved lower in June due to softening inflation data (as measured by the Consumer Price Index and Personal Consumption Expenditures Price Index), though some of the rally was undone late in the month after the presidential debate.
- Tax-exempt municipals bounced back after a dismal May with tax-exempt municipals beating Treasuries and investment-grade corporates in both absolute and excess return terms.
- Corporate spreads moved wider, though performance was mixed. In duration-neutral terms, financials outperformed Treasuries and industrials and utilities underperformed.

### Performance Highlights

#### Contributors

- With yields falling, the duration of the Fund was a material contributor in absolute terms. The Fund is currently near the long end of its historical duration range, which should be beneficial when yields fall.
- Within the tax-exempt sector, the allocation to federal agency tax-exempt bonds was a positive factor. Many of these issuers are housing authority agencies and benefitted from strong demand for new issuance.
- Sector selection within tax-exempt general-obligation bonds contributed to performance, due partially the longer duration of the sector.

#### Detractors

- No sector detracted on a contribution-to-return basis. However, the allocation to industrials detracted relative to other risk assets given wider spreads during the month. On a contribution basis, however, its impact was minimal given the small size of the allocation (less than 2%).

### 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

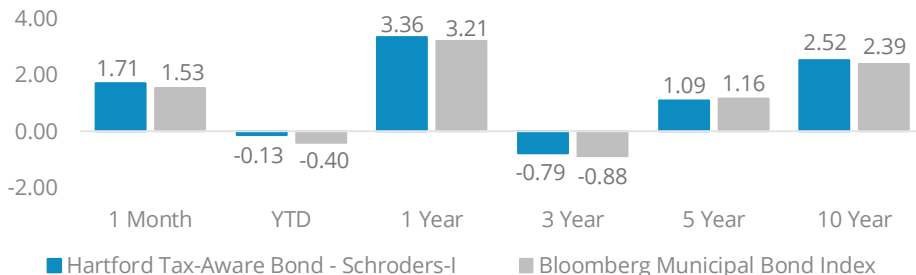
**David May**

Portfolio Manager

Professional Experience Since 2010

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

### Month End Performance (%) (I-Share) as of 6/30/24



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



418 Products | Intermediate Core Bond Category Based on Risk-Adjusted Returns as of 6/30/24

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.

**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.

**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.
- Technical measures continue to be supportive of both taxable and tax-exempts but softened modestly in June. For corporates, flows are still positive, but not as strong as last month, and concessions were elevated, albeit still at low levels historically. Tax-exempts performed well despite heavy supply. Seasonal factors should also support valuations.
- Historically, bond yields have rallied for more than a year after the first rate cut. 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 prior to rate cuts beginning.

**Portfolio Composition(%) as of 6/30/24**

|                                   |    |
|-----------------------------------|----|
| Tax Exempt Municipal              | 81 |
| US Treasuries                     | 7  |
| Cash and Cash Equivalents         | 4  |
| Corporate                         | 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 6/30/24**

|                     |    |
|---------------------|----|
| Aaa/AAA             | 43 |
| Aa/AA               | 38 |
| A                   | 13 |
| Baa/BBB             | 6  |
| Ba/BB               | 0  |
| B                   | 0  |
| Caa/CCC or lower    | 0  |
| Not Rated           | 0  |
| Cash & Cash Offsets | 0  |

<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         | \$1.3 billion |
| # of Holdings      | 267           |
| # of Issuers       | 195           |
| Dividend Frequency | Monthly       |

**Holdings Characteristics**

|                    |           |
|--------------------|-----------|
| Effective Duration | 8.42 yrs. |
|--------------------|-----------|

## Performance (%) as of 6/30/24

| Class                          | QTD   | YTD   | Average Annual Total Returns |        |        |         | Expenses <sup>1</sup> |           |       |
|--------------------------------|-------|-------|------------------------------|--------|--------|---------|-----------------------|-----------|-------|
|                                |       |       | 1 Year                       | 3 Year | 5 Year | 10 Year | SI                    | Gross Net |       |
| A                              | 0.56  | -0.24 | 3.21                         | -1.03  | 0.87   | 2.27    | 3.22                  | 0.84%     | 0.72% |
| A with 4.5% Max Sales Charge   | —     | —     | -1.44                        | -2.54  | -0.05  | 1.80    | 2.85                  | —         | —     |
| F                              | 0.53  | -0.11 | 3.40                         | -0.79  | 1.12   | 2.53    | 3.48                  | 0.52%     | 0.47% |
| I                              | 0.62  | -0.13 | 3.36                         | -0.79  | 1.09   | 2.52    | 3.47                  | 0.61%     | 0.50% |
| SDR                            | 0.53  | -0.11 | 3.40                         | -0.79  | 1.10   | 2.53    | 3.47                  | 0.52%     | 0.47% |
| Y                              | 0.50  | -0.16 | 3.28                         | -0.90  | 1.01   | 2.47    | 3.43                  | 0.63%     | 0.57% |
| Bloomberg Municipal Bond Index | -0.02 | -0.40 | 3.21                         | -0.88  | 1.16   | 2.39    | —                     | —         | —     |
| Morningstar Category           | 0.23  | -0.28 | 3.05                         | -2.99  | -0.15  | 1.26    | —                     | —         | —     |
| Lipper Peer Group              | 0.59  | 0.80  | 4.35                         | -1.31  | 0.96   | 2.24    | —                     | —         | —     |

**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 418 products, 5-year 5 stars out of 374 products, and 10-year 5 stars out of 265 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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