

Hartford Healthcare F HGHF

Still appealing.

Morningstar's Take HGHF

Morningstar Rating ★★★

Morningstar Analyst Rating Silver

Morningstar Pillars

Process	Above Average
Performance	—
People	Above Average
Parent	Above Average
Price	—

Role In Portfolio

Specialty

Fund Performance

Year	Total Return (%)	+/- Category
YTD	-7.55	1.73
2021	10.38	3.50
2020	23.02	-4.61
2019	33.77	7.54
2018	-2.63	-2.23

Data through 3-31-22

10-14-21 | by William Samuel Rocco

Hartford Healthcare's evolving management team remains strong, and its attractive process remains intact. Seven of its share classes retain their Morningstar Analyst Ratings of Bronze, while the two cheapest share classes are upgraded to Silver owing to decreased competition in the health Morningstar Category.

Jean Hynes gave up her comanager position on this strategy in June 2021 as expected in order to become the CEO of subadvisor Wellington Management Company. Meanwhile, Robert Deresiewicz will give up his comanager role on this strategy and retire from Wellington in June 2022. Wen Shi was recently promoted from analyst to comanager on this strategy and will take over Deresiewicz's sleeve of the portfolio. That's a fair amount of change, but there are ample grounds to retain confidence in the evolving team. Long-serving comanager Ann Gallo continues to run the healthcare-services/medical-technology sleeve,

and she is talented as well as experienced. Rebecca Sykes, who comanaged the pharmaceutical sleeve with Hynes for 10 months before taking charge of that sleeve in June 2021, is seasoned and skilled. Shi will comanage the biotechnology sleeve with Deresiewicz for 11 months before taking over that sleeve in June 2022, and he is an experienced biotech expert. Wellington's overall healthcare team remains sizable and strong.

This strategy's process, which is distinctive as well as sound, will remain the same going forward. In particular, the team will continue to look for innovative companies with differentiated products or services and attractive valuations relative to their growth prospects; it will continue to focus on different traits in different industries; it will continue to pay significant attention to overseas and smaller-cap stocks; and it will continue to allow its stock selection to result in atypical industry exposures. The team has generally executed the process well. Indeed, though the strategy has posted subpar results during the past year, it has performed pretty well in a variety of climates in the past, and it has delivered good total and risk-adjusted returns over time.

For all these reasons, this strategy continues to be an attractive source of healthcare exposure.

Process Pillar Above Average | William Samuel Rocco 10/14/2021

This sound, distinctive, and repeatable approach earns an Above Average Process rating.

Wellington's healthcare team seeks diversified exposure across the healthcare industries, and it looks for innovative companies with differentiated products or services and attractive valuations relative to their growth prospects. The process capitalizes on the broad expertise of the team and focuses on different traits in different industries.

The team focuses on the usefulness of drugs in development and their probability of success for pharmaceutical and biotech firms, for example, while it emphasizes quality of management and execution for healthcare-services companies.

The team readily allows its stock selection to result in distinctive industry exposure. It also pays ample attention to foreign healthcare stocks that meet its standards, and this fund normally invests roughly 10%-20% of its assets overseas. That is significantly less than Vanguard Health Care VGHAX (which is run by a former manager of this fund with support from the rest of Wellington's healthcare team) and similar to the category norm, but it is far more than the S&P 1500 Health Care Index (which is the category benchmark and ignores overseas names). The team also makes full use of the market-cap spectrum, and this portfolio's average market cap is normally similar to the category norm but much smaller than those of Vanguard Health Care and the S&P 1500 Health Care Index.

This strategy's management team has continued to make broad use of the market-cap spectrum and currently has invested 29.1% of this strategy's assets in giant-caps, 32.7% in large caps, 18.7% in mid-caps, 11.6% in small caps, and 4.3% in micro-caps. This fund has an average market cap of \$39.2 billion versus \$39.0 billion for the typical member of the health category, \$57.8 billion for Vanguard Health Care VGHAX, and \$98.5 billion for the S&P 1500 Health Care Index.

The team has continued to pay ample attention to overseas opportunities. The British drugmaker AstraZeneca, the Chinese biopharmaceutical firm Zai Lab, and Japanese drugmaker Astellas Pharma are top-25 holdings, and there are 30 other overseas healthcare companies in the portfolio. This strategy has 17.5% of its assets invested abroad in aggregate versus 0.0% for the index,

17.4% for its average peer, and 31.3% for Vanguard Health Care.

Stock selection continues to drive industry exposure. The team has found plenty of attractive biotech stocks, and the strategy has a 19.1% stake in that industry versus 14.6% for the S&P 1500 Health Care Index and 31.9% for the typical peer. (The category contains several offerings that focus exclusively or largely on biotech stocks.)

Performance Pillar | William Samuel Rocco 10/14/2021

This strategy has posted subpar results during the past year. A diverse array of holdings have weighed on performance, including the Japanese drugmaker Eisai, U.S. biotech company Seagen, and U.S. insurer Humana. For the 12 months through September, the Institutional share class has returned 17.2% versus 18.3% for its typical rival in the health category, 23.2% for the S&P 1500 Health Care Index (the category benchmark), and 18.3% for the MSCI ACWI/Health Index (which also is a reasonable benchmark given this strategy's overseas exposure).

But this strategy has performed pretty well in a variety of climates in the past, and its longer-term record is solid. It has posted better total and risk-adjusted returns than its typical rival over three, five, and 10 years. It has earned better total and risk-adjusted returns than the S&P 1500 Health Care over three years and similar ones over five and 10 years. And it has posted better total and risk-adjusted returns than the MSCI ACWI/Health Index over three, five, and 10 years. Over the past decade, for example, its Institutional share class has earned an annualized return of 18.0% and a Morningstar Risk-Adjusted Return of 14.6% versus 16.8% and 13.0% for its typical rival, 17.4% and 14.7% for the S&P 1500 Health Care Index), and 14.4% and 12.0% for the MSCI ACWI/Health Index.

People Pillar | Above Average | William Samuel Rocco 10/14/2021

Jean Hynes gave up her comanager position on this strategy in June 2021, as expected, in order to become the CEO of subadvisor Wellington Management Company. (She remains on the firm's

healthcare team and manages Vanguard Health Care VGHAX.) Meanwhile, Robert Deresiewicz will give up his comanager role on this strategy and retire from Wellington in June 2022. Wen Shi was recently promoted from analyst to comanager on this strategy and will take over Deresiewicz's sleeve of the portfolio.

That's a fair amount of change--and Hynes and Deresiewicz are seasoned and skilled--but there are ample grounds to retain confidence in the evolving team. Ann Gallo, who has served as a manager on this strategy since it opened in 2000 and who runs the healthcare-services/medical-technology sleeve, remains in place and is talented as well as experienced. Rebecca Sykes comanaged the pharmaceutical sleeve with Hynes for 10 months before taking charge of that sleeve in June 2021; she has ample pharmaceutical expertise and 16 years of investment experience overall. Shi will comanage the biotechnology sleeve with Deresiewicz for 11 months before taking over that sleeve in June 2022; he has considerable biotechnology expertise and 14 years of relevant experience overall. Wellington's overall healthcare team remains sizable and strong.

For all these reasons, this fund retains its Above Average People rating.

Parent Pillar | Above Average | Elizabeth Foos 12/21/2020

Hartford Funds has evolved over the past decade by hiring strong subadvisors, honing its product lineup, and improving some fee structures. These efforts support an Above Average Parent Pillar rating.

The firm maintains a long-standing relationship with well-respected subadvisor Wellington Management Company. Wellington has long run the firm's equity funds--over half of its \$116 billion in fund assets--and took the reins of Hartford Fund's fixed-income platform beginning in 2012. In 2016, Hartford Funds began offering strategic-beta exchange-traded funds with its acquisition of Lattice Strategies and partnered with U.K.-based Schroders to expand its investment platform further. The Schroders alliance added another

strong subadvisor to Hartford's lineup, with expertise in non-U.S. strategies.

Hartford Funds mostly leaves day-to-day investment decisions to its well-equipped subadvisors and instead steers product development, risk oversight, and distribution for its strategies. In 2013, the firm reorganized and grew its product-management and distribution effort. Since then, leadership has added resources to its distribution and oversight teams, merged and liquidated subpar offerings, introduced new strategies, evolved its strategic partnerships with MIT AgeLab and AARP, and lowered some fees. That said, fees are still not always best in class but have improved.

Price Pillar | William Samuel Rocco 10/14/2021

It's critical to evaluate expenses, as they come directly out of returns. The share class on this report levies a fee that ranks in its Morningstar category's middle quintile. That's not great, but based on our assessment of the fund's People, Process and Parent pillars in the context of these fees, we think this share class will still be able to deliver positive alpha relative to the category benchmark index, explaining its Morningstar Analyst Rating of Silver.

Historical Performance (%)	1 Year	3 Year	5 Year	10 Year	Since Inception
Average Annual Total Returns (as of 3/31/22)					
Hartford Healthcare Fund F	2.49	13.73	12.10	15.21	11.90
Hartford Healthcare Fund Y	2.39	13.66	12.05	15.25	12.14
S&P Composite 1500 Health Care Index	17.20	16.21	15.11	16.01	—
MSCI ACWI/Healthcare Index	12.56	13.83	12.43	12.96	—
Morningstar Health Category Average	-2.53	11.04	11.31	13.94	—

Expenses: ¹ (%)	F	Y
Gross	0.88	0.99
Net	0.88	0.99

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.

Fund Inception: 5/1/00. Share Class Inception: F - 2/28/17; Y - 5/1/00. Performance prior to the inception of a class reflects performance and operating expenses of another class, excluding sale charges if applicable. Performance of other share classes will vary. Since inception performance is calculated from 5/1/00. Performance ad expenses for other share classes will vary. Additional information can be found in the prospectus.

¹Expenses as shown in the Fund's most recent prospectus.

Morningstar Rating™

Based on Risk-Adjusted Returns as of 3/31/22 | Morningstar Category: Health

Class	Morningstar Ratings*							
	Overall		3 Year		5 Year		10 Year	
	Star Rating	Rating Group	Star Rating	Rating Group	Star Rating	Rating Group	Star Rating	Rating Group
F	★★★	141	3	141	3	131	4	109
Y	★★★★	141	3	141	3	131	4	109

Top Ten Holdings (%) (as of 3/31/22)

UnitedHealth Group, Inc.	9.91
Eli Lilly & Co.	7.02
Pfizer, Inc.	6.98
Bristol-Myers Squibb Co.	4.31
Danaher Corp.	4.02
Humana, Inc.	3.26
Boston Scientific Corp.	2.87
Edwards Lifesciences Corp.	2.63
Stryker Corp.	2.60
Becton Dickinson and Co.	2.46

% of Portfolio 46.06

Sector Exposure (%) (as of 3/31/22)

Medical Technology	33
Biopharma Large Cap	27
Health Care Services	26
Biopharma Mid Cap	10
Biopharma Small Cap	4

Based on sub-adviser's classification of health care subsectors, which includes combining biotechnology and pharmaceuticals in terms of capitalization: biopharma small-cap, biopharma mid-cap, and biopharma large-cap. Excludes cash. May not total to 100% due to rounding.

Market Cap Distribution (%) (as of 3/31/22)

Less than \$2 billion	5
\$2 billion - \$5 billion	8
\$5 billion - \$10 billion	7
Greater than \$10 billion	80
Not Classified	0

The 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. The MSCI ACWI Health Care Index includes large- and mid-cap securities that are classified in the Health Care per the Global Industry Classification Standard. Indices are unmanaged and not available for direct investment.

Alpha is the measure of the performance of a portfolio after adjusting for risk. Alpha is calculated by comparing the volatility of the portfolio and comparing it to some benchmark. The alpha is the excess return of the portfolio over the benchmark.

*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. Other share classes may have different ratings.

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Morningstar awarded the Class F share of the Fund a Silver rating on 10/14/21. The Morningstar Analyst Rating™ is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the US, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the US Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five-pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark over the long term on a risk adjusted basis. They consider quantitative and qualitative factors in their research and weights will vary.

The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. Analyst Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Analyst Rating Committee, and are continuously monitored and reevaluated at least every 14 months. The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause the Manager Research Group's expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund. For more detailed information about Morningstar's Rating for Funds and Analyst Rating, including their methodology, please go to global.morningstar.com/managerdisclosures.

The views and opinions expressed within this report are those of Morningstar and are subject to change based on market, economic, and other conditions. All fund holdings and information referenced herein are as of 10/14/21 unless otherwise noted. There is no guarantee that the Fund will continue to hold any security listed in the Top Ten Holdings or referenced within this report. Holdings are subject to change. Percentages may be rounded. For the Fund's most recent publicly available list of holdings, please visit hartfordfunds.com.

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, changes in funding or subsidies, patent and intellectual property considerations, intense competitive pressures, rapid technological changes, long and costly process for obtaining product approval by government agencies, potential product obsolescence, rising cost of medical products and services, 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, economic and regulatory developments. These risks may be greater, and include additional risks, for investments in emerging markets.

Investors should carefully consider a fund's investment objectives, risks, charges and expenses. This and other important information is contained in the fund's [prospectus](#) and summary prospectus, which can be obtained by visiting hartfordfunds.com. Please read it carefully before investing.

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