

Hartford Equity Income I | HQIX

Reliable in tough conditions.

Morningstar's Take HQIX

Morningstar Rating ★★★★★

Morningstar Analyst Rating Silver

Morningstar Pillars

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

Role In Portfolio

Core

Fund Performance

Year	Total Return (%)	+/- Category
YTD	14.94	-1.36
2020	4.62	1.71
2019	26.19	1.15
2018	-7.74	0.79
2017	17.77	1.82

Data through 9-30-21

4-01-21 | by Alec Lucas

Hartford Equity Income's reliability merits a Morningstar Analyst Rating of Silver for its cheapest shares, while its moderately priced shares get Bronze, and its pricey C shares Neutral.

Michael Reckmeyer has distinguished himself since joining subadvisor Wellington Management in 1994. His tenure as a lead manager began in 2008, when he took over this fund, a slice of Vanguard Equity Income VEIPX, and the equity portion of Vanguard Wellesley Income VWINX. These strategies have flourished, and in 2015 he was the co-recipient of Morningstar's Fund Manager of the Year award in the allocation category.

Reckmeyer's process isn't too venturesome, but it works. He buys 60 to 75 stocks with above-average dividend yields and low valuations but unappreciated growth prospects. He also keeps

this portfolio's sector weightings within 8 percentage points of the Russell 1000 Value Index's, though its industry positioning can still stand out. Its 10% to 14% stake in pharmaceuticals stocks since mid-2012 has often been one of the large-value Morningstar Category's highest weightings and 5 to 6 percentage points more than the index.

The fund won't wow in rallies and it can struggle when interest-rates spike. Both factors contributed to its bottom-quintile showing over the past year through March 31, 2021. The fund, though, has held up better than the the index and most peers in every market drop of 10% or more over Reckmeyer's 13-plus years and that's helped it outperform.

Reckmeyer has no immediate plans to retire, but he has begun to make succession plans. It's likely that Adam Illfelder or Mattew Hand will take over, comanagers here since late 2018. Although Reckmeyer will be a hard act to follow, his now seven-person team continues to add talent, including analyst Dan Zoellick in 2020, who pointed Reckmeyer toward healthcare firm Becton, Dickinson and Co. BDx. Its shares became attractively valued in November when the market gravitated toward cyclicals. Whether this pick works out or not, swimming against the tide has been key to this fund's success.

Process Pillar Above Average | Alec Lucas 04/01/2021

The fund earns an Above Average Process rating for its focus on yield without neglecting total return. Lead manager Michael Reckmeyer is a stickler for dividends, valuations, and healthy balance sheets. He buys stocks with above-average dividend yields and low valuations but unappreciated growth prospects. Typically, these stocks offer a yield above the S&P 500's upon purchase. Unlike the strategy he runs for Vanguard Wellesley Income, however, his portfolio here can

hold a stock if its yield falls below the S&P 500's. Reckmeyer can be contrarian, adding to out-of-favor stocks whose challenges are more than reflected in their share prices. While he generally holds stocks for about four to five years, Reckmeyer is quick to sell if stocks' fundamentals deteriorate or hit their target price. He can also swap a name for a similar stock trading at a better valuation.

Although Reckmeyer's process is fundamentally driven, it's not benchmark-agnostic. He keeps the portfolio's sector weightings within 8 percentage points of the Russell 1000 Value Index's. That can lead to sizable differences in financials and consumer staples between this fund and his sleeve of Vanguard Equity Income, which is indexed to the FTSE High Dividend Yield Index. Consumer staples stocks, for example, accounted for about 6.9% of the Russell 1000 Value Index in February 2021, versus 13% for the FTSE High Dividend Yield Index.

The fund's income orientation shows in its 60- to 75-stock portfolio. The year-end 2020 portfolio's projected one-year yield of 2.7% (before fees) ranked in the large-value category's top third. That it did not rank higher shows manager Michael Reckmeyer's total-return focus and caution about investing in stocks whose yields have become so high that it signals limited growth prospects or a distressed dividend. Reckmeyer hasn't been perfect, however. The portfolio held Kraft Heinz KHC in early 2019 when the firm cut its quarterly dividend by more than one third.

While its sector weightings typically hew closely to those of the Russell 1000 Value Index, the fund's industry positioning can stand out. Its 10% to 14% stake in pharmaceuticals stocks since mid-2012 has often been one of the category's highest weightings and 5 to 6 percentage points more than the index. Top-15 holdings Johnson & Johnson JNJ and Pfizer PFE have each been in the portfolio since at least early 2009. Reckmeyer also

opportunistically bought Eli Lilly LLY for its drug pipeline in late 2016.

Since early 2012, Reckmeyer has also departed from the index by investing in 7% to 20% of the fund's assets in overseas dividend payers. Most of these holdings are multinationals that pay stout dividends, such as Netherlands' Unilever. At year-end 2020, the fund's 7.8% non-U.S. stake ranked in the category's top third.

Performance Pillar | Alec Lucas 04/01/2021

The fund has a strong record since manager Michael Reckmeyer took over as lead in early 2008. Through March 2021, the Y shares' 8.8% annualized gain beat the Russell 1000 Value Index by 1.2 percentage points and placed in the large-value category's top quintile. Over the same period, the fund's risk-adjusted results were superior, too.

Reckmeyer's focus on well-capitalized dividend payers and willingness to buy them when they're out of favor has helped limit the fund's losses in faltering markets, including early 2020 bear market. From the index's Feb. 12 peak through its March 23 bottom in 2020, the Y shares' dreadful 34.6% loss was still 3.5 percentage points better than the index. Amid the credit crisis, the Y shares' 28.6% loss in 2008 beat the index by 8.2 percentage points. The fund also held up relatively well in 2011 and the 2015-16 correction.

The corollary of the fund's superior showings in down markets is that it tends to lag in rallies. Its 2009, 2012, and 2013 calendar-year returns each finished in or near the category's bottom third. The fund's income orientation can also make it sensitive to short-term interest-rate spikes. That happened during 2013's taper tantrum and in 2016's second half, when the 10-year Treasury's yield shot up about 120 basis points between July 8 and Dec. 15. The fund lagged more than four fifths of peers during that stretch.

People Pillar Above Average | Alec Lucas 04/01/2021

This fund's subadvisor has a proven lead in Wellington Management's Michael Reckmeyer, but uncertainty about succession keeps its People rating at Above Average.

Reckmeyer's experience extends well beyond his October 2007 start date here. He began in the industry in 1984 and joined Wellington a decade later. In 2008, he took over this fund as well as a slice of Vanguard Equity Income and the equity portion of Vanguard Wellesley Income. He has distinguished himself on all these strategies and was the co-recipient of Morningstar's 2015 Fund Manager of the Year award in the allocation category.

Reckmeyer's success has come amid significant team changes since the unexpected March 2015 exit of analyst Alexandra Katthagen. The team has navigated six total departures. Two were retirements, but two were due to poor performance, including the August 2019 cessation of Ian Link's comanager duties here. Reckmeyer has added three analysts since 2017 and tapped team veterans Adam Illfelder and Matthew Hand as comanagers to replace Link. Reckmeyer, who has no immediate plans to retire, has begun to make succession plans. It's likely that Illfelder or Hand will take over, but he'll be a hard act to follow.

Reckmeyer invests at least \$500,000 here and Hand at least \$100,000. Reckmeyer also invests more than \$1 million each in Vanguard Equity Income and Vanguard Wellesley Income.

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 | Alec Lucas 04/01/2021

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 Bronze.

Historical Performance (%)	1 Year	3 Year	5 Year	10 Year	Since Inception
Average Annual Total Returns (as of 9/30/21)					
Hartford Equity Income Fund I	29.90	11.07	11.60	13.31	9.66
Morningstar Percentile Ranking	72	27	41	34	—
Funds within Category	1205	1144	1022	747	—
Hartford Equity Income Fund Y	29.92	11.11	11.65	13.40	9.86
Morningstar Percentile Ranking	72	27	40	32	—
Funds within Category	1205	1144	1022	747	—
Russell 1000 Value Index	35.01	10.07	10.94	13.51	—
Morningstar Large Value Category Average	34.79	9.62	11.14	12.72	—

Yields (%)

(Class I): 30-Day SEC Yield: 1.62 Unsubsidized 30-Day SEC Yield: 1.62 (Class Y): 30-Day SEC Yield: 1.60 Unsubsidized 30-Day SEC Yield: 1.60

Expenses (%)* (Class I): Net: 0.74 Gross: 0.74 (Class Y): Net: 0.76 Gross: 0.76

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: 8/28/03. Share Class Inception: I - 8/31/06; Y - 8/28/03. Performance shown prior to the inception of a class reflects performance and operating expenses of another class(es) (excluding sales charges, if applicable). Had fees and expenses of a class been reflected for the periods prior to the inception of that class, performance would be different. Since inception (SI) performance is from 8/28/03. Performance and expenses for other share classes will vary. Additional information is in the prospectus.

Morningstar rankings are based on average total returns of all products in their peer group and do not take into account sales charges.

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

Morningstar Rating™ (Class I)

For the Large Value Category based on Risk-Adjusted Returns as of 9/30/21

	Overall	3 Year	5 Year	10 Year
Star Rating	★★★★	★★★★	★★★★	★★★★
# of Funds in Category	1144	1144	1022	747

Top Ten Holdings (%) (as of 9/30/21)

Cisco Systems, Inc.	3.26	Bank of America Corp.	2.69
JP Morgan Chase & Co.	3.24	Morgan Stanley	2.44
UnitedHealth Group, Inc.	3.22	Chubb Ltd.	2.26
Comcast Corp.	2.97	Eaton Corp. plc	2.26
Johnson & Johnson	2.95	MetLife, Inc.	2.19
		Percent Of Portfolio	27.48

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.

Morningstar awarded the Class I share of the Fund a Silver rating on 4/1/21. 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.

©2021 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.

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 information is as of 4/1/21, 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

A basis point is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security.

Indices are unmanaged and not available for direct investment. Russell 1000 Value Index is an unmanaged index measuring the performance of those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values.

30-Day SEC Yield reflects the hypothetical net current income earned, after the deduction of a fund's expenses, during a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the period. Actual income distributions will usually differ. Unsubsidized 30-Day SEC Yield is the Fund's 30-Day SEC yield without the impact of fee/expense waivers.

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. • For dividend-paying stocks, dividends are not guaranteed and may decrease without notice. • 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. • Different investment styles may go in and out of favor, which may cause the Fund to underperform the broader stock market. • To the extent the Fund focuses on one or more sectors, the Fund may be subject to increased volatility and risk of loss if adverse developments occur.

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.

Mutual funds are distributed by Hartford Funds Distributors, LLC (HFD), Member FINRA. Advisory services are provided by Hartford Funds Management Company, LLC (HFMC). Certain funds are sub-advised by Wellington Management Company LLP. HFD and HFMC are not affiliated with any sub-adviser.

226144 MFAR202_1121