

Hartford International Opportunities I IHOIX

A flexible but appealing international equity offering.

Morningstar's Take IHOIX

Morningstar Rating ★★★★★

Morningstar Analyst Rating Silver

Morningstar Pillars

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

Role In Portfolio

Supporting Player

Fund Performance

Year	Total Return (%)	+/- Category
YTD	4.46	-2.59
2020	20.66	11.36
2019	26.02	4.44
2018	-18.68	-4.09
2017	24.53	-0.59

Data through 9-30-21

3-25-21 | by Nicholas Goralka

Hartford International Opportunities' strong leadership and multifaceted process support a Morningstar Analyst Rating of Silver on its cheapest share classes. More expensive share classes receive Bronze and Neutral ratings.

Lead manager Nicolas Choumenkovitch is this strategy's biggest draw. He joined Wellington Management, this fund's subadvisor, in 1995 where he researched emerging markets and international equities before taking this fund over at the end of 2006. His comanager Tara Connolly Stilwell was named to this fund in March 2010, backed by a team of three analysts as well as an impressive arsenal of firm-level resources. Choumenkovitch's experience, depth of knowledge, and stock-picking abilities all stand out, and he plans to pilot the strategy for the foreseeable future.

The strategy's multifaceted approach makes good use of its lead manager's skills. Choumenkovitch and the team focus on a company's return on capital, resulting in a portfolio of larger stocks compared with their MSCI All Country World Index ex USA benchmark and foreign large-blend peers. Position sizing depends on volatility of a company's business model rather than Choumenkovitch's conviction. Higher-weighted holdings are steady earners, like Alibaba BABA and Samsung, while smaller names have less reliable earnings, like Japanese healthcare equipment provider Sysmex. Choumenkovitch also considers macro factors more than many bottom-up managers and will also incorporate high-level input from the firm's economic and fixed-income teams. The approach's overall flexibility helped it edge out its benchmark and peers in the coronavirus-driven sell-off from Jan. 17 through March 23, 2020, and outperform over Choumenkovitch's 15-year tenure.

Turnover runs high, averaging around 100%, meaning the portfolio can look very different over the course of just a few years. This has historically led to higher-than-average trading costs, but for the right price, this strategy is worth considering.

Process Pillar ● Above Average | Nicholas Goralka 03/25/2021

Lead manager Nicolas Choumenkovitch's flexible and multifaceted approach merits an Above Average Process rating.

Choumenkovitch and the team focus on a company's return on capital, looking for strong management teams with histories of effective capital allocation. Their preferred companies usually fall into one of two groups. First, they like underperforming companies where they expect improving results owing to a catalyst, such as Brazilian car rental company Localiza's LZRFY impressive management team. They also like already-successful companies that simply offer

reliable, sustainable returns owing to their competitive advantages, such as Alibaba BABA.

Volatility of a company's business model drives position sizing. Higher-weighted names in the portfolio are steady earners, like Alibaba and Nestle NESN, while smaller names have less reliable earnings, like Japanese healthcare equipment provider Sysmex. Choumenkovitch will incorporate high-level input from the economic and fixed-income teams at Wellington, resulting in minor tweaks to the portfolio that have a history of adding value. Despite these macro-driven adjustments, though, the strategy remains a predominately bottom-up process.

Turnover runs high, averaging around 100%, meaning the portfolio can look very different over the course of just a few years, often leading to higher-than-average trading costs.

Lead manager Nicolas Choumenkovitch and the team like dominant companies and monopolies, such as conglomerates Tencent and Samsung. This drives the portfolio's average market cap higher than the strategy's MSCI ACWI ex USA benchmark and foreign large-blend Morningstar Category as a result, a trend that's been prevalent since 2017. The emerging-markets stake grew from around 9% before 2017 to about 21% in 2021 (in line with the benchmark) as the team found more opportunities like Brazilian energy company Petrobras.

The team doesn't focus its research on themes, but some of Choumenkovitch's favorite picks in the fallout following the emergence of pandemic have centered around the idea of connectivity. He plans to position the portfolio in unique or indispensable assets, such as telecommunications, cable, infrastructure, and utilities companies that keep people connected through the global quarantine periods and economic standstill. He'll also look for companies that can scale rapidly after the virus

subsidies, like Spotify SPOT. These preferences have contributed to a portfolio of pricey stocks; its price/earnings ratio in early 2021 of 29 was far above those of the benchmark (20) and category (21). That adds some risk, but Choumenkovich has successfully taken that route before; the strategy deviated similarly in 2013, a strong period of performance.

Performance Pillar | Nicholas Goralka 03/25/2021

This strategy's returns under lead manager Nicolas Choumenkovitch bested its MSCI ACWI ex USA benchmark and foreign large-blend category over a tough period for international equities. From his November 2006 start through February 2021, its annualized returns of only 3.8% still outclassed the benchmark's 2.1% and category's 1.6%. Furthermore, it achieved its returns without taking outsized risk, resulting in superior risk-adjusted metrics as well.

The strategy suffered stinging damages in the sell-off spurred by the novel coronavirus and the concurrent collapse of crude oil prices but fared no worse than others. From the index's Jan. 17 peak through March 23, 2020, the Y shares lost 33% to the benchmark's 34% and category's 34%. It felt the brunt of the global economic shutdown and quarantine in some of its largest holdings, such as Airbus AIR and French aerospace supplier Safran SAFR. The damage wasn't limited to the air travel industry, however, as the strategy also felt the pain of owning cyclical financials like Spanish bank Banco Santander SAN and energy companies like Canadian Natural Resources CNQ. But some of the largest and most resilient companies in the portfolio helped stabilize performance as stocks sold off, and excellent consumer discretionary and tech picks helped the strategy recover in the ensuing rally.

People Pillar ● Above Average | Nicholas Goralka 03/25/2021

Nicolas Choumenkovitch is the main draw to this strategy, and he supports its Above Average People rating. He joined Wellington Management, this fund's subadvisor, in 1995 after working with C.S. First Boston's affiliate in Buenos Aires. At Wellington, he first worked on emerging markets, moving to broader international-equity

responsibilities in 2000 before taking over this fund at the end of 2006. Tara Connolly Stilwell joined Wellington in 2008 after 10 years as a portfolio manager with Goldman Sachs Asset Management International, and was named a manager on this fund in March 2010. She splits her time between this strategy, Hartford International Growth HNCAX, and Hartford Global Impact HGXAX.

Choumenkovitch and Stilwell work with a team of three analysts dedicated to this fund. Yaroslav Pan, who arrived in 2005, and Erin Harrington, who arrived in 2007, provide most of the support. A third analyst who was with Wellington since 2006 left in late 2018, replaced by a less experienced associate analyst. Every team member has sector responsibilities, covering two or three broad sectors each, though they're compensated on the performance of the entire fund. This team also makes good use of Wellington's global industry research group for further support, as well as the firm's economists and fixed-income analysts when assessing global economic conditions.

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 | Nicholas Goralka 03/25/2021

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 second-cheapest quintile. 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 be able to deliver positive alpha relative to the category benchmark index, explaining its Morningstar Analyst Rating of Silver.

Historical Performance (Class I) (%)	1 Year	3 Year	5 Year	10 Year	Since Inception
Average Annual Total Returns (as of 9/30/21)					
Hartford International Opportunities Fund I	22.43	10.44	9.48	9.16	6.08
Hartford International Opportunities Fund Y	22.44	10.46	9.54	9.26	6.37
MSCI ACWI ex USA Index	23.92	8.03	8.94	7.48	—
Morningstar Foreign Large Blend Category Average	23.96	7.55	8.33	8.07	—

Expenses (%)* Class I: Net: 0.79 Gross: 0.79 Class Y: Net: 0.77 Gross: 0.80

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: 7/22/96. Share Class Inception: I - 5/30/08; Y - 7/22/96. 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 7/22/96. Performance and expenses for other share classes will vary. Additional information is in the prospectus

*Expenses as shown in the Fund's most recent prospectus. Gross expenses do not reflect contractual fee waivers or expense reimbursement arrangements. Net expenses reflect such arrangements only with respect to Class Y. These arrangements remain in effect until 2/28/22 unless the Fund's Board of Directors approves an earlier termination.

Morningstar Rating™ (Class I)

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

	Overall	3 Year	5 Year	10 Year
Star Rating	★★★★	★★★★	★★★★	★★★★
# of Funds in Category	691	691	591	397

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

Taiwan Semiconductor Manufacturing Co., Ltd.	2.87	Constellation Software, Inc.	2.16
Siemens AG	2.25	Sony Corp.	2.14
AstraZeneca plc	2.18	Tencent Holdings Ltd.	2.10
BNP Paribas S.A.	2.18	iShares MSCI ACWI ex U.S. ETF	1.98
Royal Dutch Shell plc	2.17	Rio Tinto plc	1.89
		% of Portfolio	21.92

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 3/25/21. 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.

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The MSCI ACWI ex USA Index captures large and mid cap representation across developed markets (excluding the US) and emerging markets countries. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

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. • 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. • Mid-cap securities can have greater risks and volatility than large-cap securities. • To the extent the Fund focuses on one or more sectors, geographic regions or countries, the Fund may be subject to increased volatility and risk of loss if adverse developments occur. • Integration of environmental, social, and/or governance (ESG) factors into the investment process may not work as intended. • The Fund may have high portfolio turnover, which could increase its transaction costs and an investor's tax liability.

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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