

## ESG Integration and Sustainable Investment Philosophy



### ESG Integration

All our actively managed products sub-advised by Wellington Management and Schroders consider financially material environmental, social, and governance (ESG) research in varying degrees.

Hartford Funds believes that ESG research is an extension of fundamental research and can provide greater insight into the evaluation of a company or issuer, which can potentially enhance returns and lower risk. Wellington and Schroders also recognize the value of ESG research in the overall assessment of a company's or issuer's opportunity and risk. Simply put, we believe that better long-term investment decisions can be made by considering financially material ESG factors. ESG integration does not mean investment in certain sectors or countries is prohibited, nor does it mean sacrificing returns.

Both Wellington and Schroders have their own ESG integration philosophy. They have invested considerable time and resources to develop proprietary ESG ratings and tools, and to create teams of analysts dedicated to ESG research. Portfolio managers for our actively managed products can use this ESG research as an extension of their traditional financial research to help provide greater insight when selecting securities. Each sub-adviser and each portfolio manager have discretion as to how ESG research is incorporated.

Integrating ESG research alongside the traditional financial analysis of a company can help the portfolio manager execute more informed investment decisions. It does not mean, however, that the investment process will lead to the achievement of any ESG outcomes, nor should it result in sacrificing portfolio returns. Further, integrating ESG research into the investment process does not mean the portfolio managers are making moral or ethical judgments on behalf of a fund's shareholders. The objective is simply to have more comprehensive information to drive better investment decisions.

## Sustainable Investing

Hartford Funds also offers several products that go beyond ESG integration and have a defined sustainable-investment strategy. We categorize these funds as Sustainable Funds.

Sustainable Funds:

- Seek to benefit financially by investing in companies/issuers that are on a path towards positive social and/or environmental change.
- Have a sustainable framework that outlines how securities are included in the portfolio.

Each fund may have different components in its sustainability framework depending on its asset class and investment objective. Impact Funds are a type of sustainable fund that seek to generate positive, measurable, and reportable social and/or environmental impact alongside a financial return.

## Our Commitment

Our commitment as a firm is to provide competitive long-term investment performance for our shareholders. That commitment doesn't change when it comes to our ESG integration and sustainable investing philosophy. We will continue to look for ways to provide our clients with varying product choices so that they can decide how they choose to invest.

**Important Risks:** Investing involves risk, including the possible loss of principal. Integration of financially material environmental, social, and/or governance (ESG) characteristics into the investment process may not work as intended. Focusing on investments that involve sustainable initiatives may result in foregoing certain investments and may result in different performance compared to funds that do not have a similar focus.

**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](http://hartfordfunds.com). Please read it carefully before investing.**

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