JULY 2026
Insight

HARTFORDFUNDS
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Hartford Strategic Income Fund: I: HSNIX F: HSNFX A: HSNAX C: HSNCX R3: HSNRX R4: HSNSX R5: HSNTX R6: HSNVX Y: HSNYX
Hartford Strategic Income ETF: HFSI
Hartford Dynamic Bond Fund: I: HDBIX F: HDBFX A: HDBAX C: HDBCX R5: HDBRX R6: HDBSX Y: HDBYX
Hartford Dynamic Bond ETF: DYNB

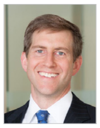
Two Forces Shaping Credit Markets

Rapidly unfolding developments could influence economic growth and bond-market returns.

What You Should Know

- This year, two major themes—AI investment and the Iran conflict—have dominated shifts in market sentiment.
- While these competing forces can create a tug of war between inflation and growth, they can also provide ample opportunities for active bond investors with the skill and resources to identify them.
- Looking ahead to the coming months, we're monitoring the impact of fiscal spending as well as how AI investments will materially impact productivity and revenue generation.

Insight From Sub-Adviser Wellington Management



Campe Goodman, CFA
Hartford Strategic Income Fund
Portfolio Manager

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Portfolio Manager

One of the biggest developments we've witnessed this year has been the emergence of two powerful forces affecting markets. The first is AI investment, which could boost productivity and growth, and ultimately lower prices over time. The second is the conflict involving Iran, which has pushed oil prices higher and created a negative supply shock that weighed on growth while increasing inflation.

These competing forces can be difficult for central banks to navigate because they create a tug of war between inflation and economic growth. However, this situation can also provide ample opportunities for active bond investors, provided they have the skill and resources to identify them.

Complementary Bond Strategies

Hartford Dynamic Bond Fund and Hartford Dynamic Bond ETF have the flexibility to distinguish themselves from other core bond portfolios during periods of elevated interest-rate and credit volatility. In these environments, fixed-income pricing can be pushed to extremes that are inconsistent with fundamentals and reasonable expectations for forward-looking returns, often as asset owners prioritize income and yield. The strategy seeks to move against the biases of large fixed-income investors—seeking to capitalize on price dislocations during periods of forced selling and reducing exposure when robust demand stretches valuations. Episodes such as the pandemic, the inflation shock, and the Silicon Valley Bank collapse created opportunities to take advantage of these market dislocations.

For Hartford Strategic Income Fund and Hartford Strategic Income ETF, our objective is to compound attractive income and total return through disciplined sector rotation across market cycles. Different market environments create different opportunity sets, but our focus is on actively repositioning the portfolio as valuations evolve while maintaining attractive income and diversified exposure to higher-yielding sectors. Both funds are designed to be adaptable and often complement one another as conditions change.

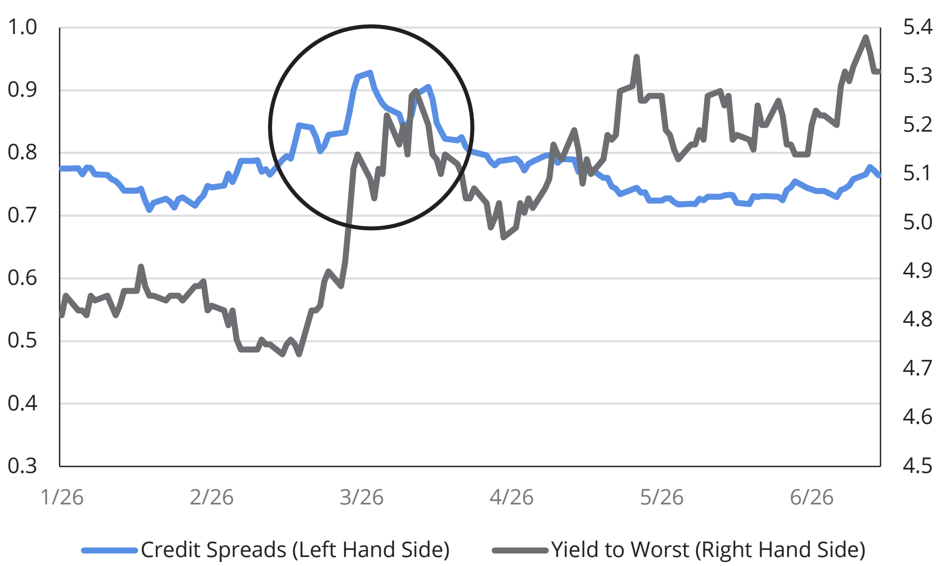
> These competing forces can create a tug of war between inflation and economic growth.

How We're Navigating Competing Forces

In response to market volatility in March, we added risk within the Hartford Strategic Income Fund and ETF, increasing exposure to bank loans and high yield. We believed the supply shock from Iran wouldn't materially impair corporate creditworthiness, allowing us to increase our credit-risk exposure meaningfully at more attractive valuations. Those additions contributed positively as markets recovered. We continue to balance offensive opportunities in higher-yielding sectors with defensive, liquid holdings.

The Hartford Dynamic Bond Fund and ETF also had dry powder to deploy during the March selloff. We witnessed a unique period in which both rates and credit spreads[1] widened significantly amid uncertainty surrounding Iran **(FIGURE 1)**. As a result, we added meaningful exposure to high-yield CDX[2] and high-yield bonds, where we believed the best opportunities existed at that time.

FIGURE 1
Both Rates and Spreads Widened Meaningfully in March



As of 6/30/26. Credit spreads and yield to worst are based on Bloomberg US Corporate Investment Grade Index. Yield to worst is the minimum yield that can be received on a bond assuming the issuer doesn't default on any of its payments. Sources: Hartford Funds and Factset, 7/26.

More recently, Dynamic Bond has added exposure to intermediate investment-grade credit, where yields of approximately 5% to 5.5% remain attractive relative to the additional income available in lower-quality bonds. Thematically, the investment team is paying close attention to the growing supply of debt from hyperscalers and the impact it could have on longer-dated credit markets, which has reinforced our preference for shorter-duration[3] credit.

Opportunities Amid AI Dominance

In managing the Dynamic Bond strategy, we've found opportunities in companies raising capital to fund AI-related investments. Oracle has been particularly attractive, in our view, with long bonds yielding more than 7.5%. We also used periods of heavy issuance from large technology companies to reduce our exposure to hyperscalers.

While much of the market focused on companies directly benefiting from AI investment, the Strategic Income investment team found attractive opportunities where we believed AI-related fears appeared excessive. Using Wellington's global research platform, we selectively invested in software issuers, such as Athenahealth and Rocket Software, whose long-term fundamentals remained intact, in our view, despite short-term sentiment pressure. Today, we continue to favor diversified exposure across higher-yielding credit sectors while maintaining liquidity and flexibility to respond as valuations evolve.

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Investors need to consider how AI investments will ultimately translate into productivity gains and revenue.

Looking Ahead

One issue we're watching is the impact of fiscal spending on economic growth. Fiscal support has been a significant contributor to US growth, and a slowdown could have important implications for the economy.

We're also closely monitoring the AI investment cycle. AI has become a major driver of growth and capital spending, but investors need to consider how those investments will ultimately translate into productivity gains and revenue. Understanding that relationship will be critical over the next year.

Regardless of how these themes ultimately unfold, we believe disciplined research, active sector allocation, and a willingness to capitalize on market dislocations will remain critical to identifying opportunities for investors.

To learn more about today's opportunities in fixed income, talk to your financial professional.

As of 6/30/26

Hartford Dynamic Bond Fund Top Ten Holdings (%)	
US Treasury Notes	40.13
US Treasury Bonds	2.42
Pacific Gas & Electric Co.	2.18
Charter Comms Operating Capital LLC	1.00
Intel Corp.	0.99
So. Calif Edison Co.	0.99
HA Sustainable Infrastr. Cap Inc.	0.98
Athene Glbl Fding	0.92
Space Exploration Technologies Corp	0.86
Paramount Glbl	0.86

Hartford Dynamic Bond ETF Top Ten Holdings (%)	
US Treasury Notes	39.25
Pacific Gas & Electric Co.	2.12
US Treasury Bonds	2.00
Charter Comms Operating Capital LLC	1.07
HA Sustainable Infrastr. Cap Inc.	1.00
So. Calif Edison Co.	1.00
Intel Corp.	1.00
Space Exploration Technologies Corp	0.98
Athene Glbl Fding	0.96
Paramount Glbl	0.94

Hartford Strategic Income Fund Top Ten Holdings(%)	
US Treasury Notes	18.16
US Treasury Bonds	7.56
Uniform Mortgage Backed Security	6.73
Fed'l Home Loan Mtge Corp	2.31
Fed'l Nat'l Mtge Assn CT Ave Sec Trust	1.93
Pretium Mtge Credit Ptnrs LL	1.21
PRPM LLC	0.83
Verizon Master Tr	0.83
Romania Gov't Bds	0.80
US Tsy Infl Indxd Bonds	0.75

Hartford Strategic Income Fund Top Ten Holdings(%)	
US Treasury Notes	21.71
US Treasury Bonds	8.05
Uniform Mortgage Backed Security	7.20
Pretium Mtge Credit Ptnrs LLC	1.65
Fed'l Nat'l Mtge Assn CT Ave Sec Trust	1.64
Fed'l Home Loan Mtge Corp	1.42
Avis Budget Rental Car Fund AESOP LLC	1.00
CrossCountry Int HoldCo LLC	0.79
PRPM LLC	0.68
Romania Gov't Bds	0.65

[1] Credit spreads are the difference in yield between a bond with credit risk and a risk-free Treasury of the same maturity.

[2] A credit default swap index (CDX) bundles dozens or hundreds of individual credit default swap contracts into one security instead of buying protection on a single company.

[3] Duration is a measure of the sensitivity of an investment's price to nominal interest-rate movement. A shorter-duration investment's price is less sensitive to nominal interest-rate movement.

The Bloomberg US Corporate Investment Grade Index is a broad based benchmark that measures the investment grade, fixed-rate, taxable, corporate bond market.

Important Risks for Hartford Strategic Income Fund: 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, event and interest-rate risk. As interest rates rise, bond prices generally fall. • Investments in high-yield ("junk") bonds are considered speculative, involve heightened credit risk and greater risk of price volatility, illiquidity, and default than investment grade bonds. • Foreign investments, including foreign government debt, 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. • 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, valuation, and counterparty risk. • The risks associated with mortgage-related and asset-backed securities as well as collateralized loan obligations (CLOs) include credit, interest-rate, prepayment, liquidity, default and extension risk. • The purchase of securities in the To-Be-Announced (TBA) market can result in higher portfolio turnover, which could increase transaction costs and an investor's tax liability. The risks associated with the TBA market include price and counterparty risk. • Restricted securities may be more difficult to sell and price than other securities. • Loans can be difficult to value and less liquid than other types of debt instruments; they are also subject to nonpayment, collateral, bankruptcy, default, extension, prepayment and insolvency risks. • 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. • The portfolio managers may allocate a portion of the Fund's assets to specialist portfolio managers, which may not work as intended.

Additional risks for Hartford Strategic Income ETF: The market price of the Fund's shares will fluctuate in response to changes in the Fund's net asset value, intraday value of the Fund's holdings, and the supply and demand for shares on the exchange. • The Fund is actively managed and does not seek to replicate the performance of a specified index. • The Fund may effect creations and redemptions partly or wholly for cash, rather than in-kind, which may make the Fund less tax-efficient and incur more fees than an ETF that primarily or wholly effects creations and redemptions in-kind. • The Fund may have high portfolio turnover, which could increase its transaction costs and an investor's tax liability.

Important Risks for Hartford Dynamic Bond Fund: 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, event, inflation and interest-rate risk. As interest rates rise, bond prices generally fall. • The Fund may engage in active and frequent trading to achieve its objective. As a result, the Fund is expected to have high portfolio turnover, which will increase its transaction costs and could increase an investor's tax liability. •Investments in high-yield ("junk") bonds are considered speculative, involve heightened credit risk and greater risk of price volatility, illiquidity, and default than investment grade bonds. • Foreign investments, including foreign government debt, 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. •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, valuation, and counterparty risk. •Restricted securities may be more difficult to sell and price than other securities. • 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.

Additional risks for Hartford Dynamic Bond ETF: The Fund is new and has a limited operating history. The market price of the Fund's shares will fluctuate in response to changes in the Fund's net asset value, intraday value of the Fund's holdings, and the supply and demand for shares. •The Fund is actively managed and does not seek to replicate the performance of a specified index. • The Fund may effect creations and redemptions partly or wholly for cash, rather than in-kind, which may make the Fund less tax-efficient and incur more fees than an ETF that primarily or wholly effects creations and redemptions in-kind.

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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