

Hartford Floating Rate Fund

Tickers A: HFLAX C: HFLCX F: HFLFX I: HFLIX R3: HFLRX R4: HFLSX R5: HFLTX Y: HFLYX

Morningstar® Category Bank Loan

Inception Date 04/29/2005

Lipper Peer Group Loan Participation

Market Overview

Global fixed income markets generated negative total returns during the first quarter, as measured by the Bloomberg Global Aggregate Index. In this environment, bank loans, as represented by the Morningstar/LSTA Leveraged Loan Index, returned 2.51%.

Performance Summary

- Hartford Floating Rate Fund (I Share) underperformed the Morningstar/LSTA Leveraged Loan Index during the quarter.
- Sector allocation had a negligible effect on benchmark-relative performance over the period. An underweight to the government and government related sector and an overweight to wirelines contributed to benchmark-relative performance over the period while an underweight to the health care sector and an overweight to cable and satellite detracted.
- Security selection was the main detractor from benchmark-relative performance over the period. Positive security selection in the retailers and technology sectors was offset by weaker selection within the consumer cyclical services and wireless sectors.
- The fund's out-of-benchmark allocation to high yield credit detracted from relative performance.
- Quality positioning had a negligible impact on relative performance during the period.

Positioning & Outlook

- Economic data remains strong, and the pace of inflation has decelerated. Bank loans offer an attractive carry and the potential for price appreciation, in our view. Additionally, bank loans remain the beneficiary of a higher for longer rate environment.
- While the impact of higher rates has had a limited impact on corporate earnings, we expect to see further deterioration in the coming quarters as the economy slows. We don't believe higher interest expense alone will trigger a wave of defaults. Instead, a decline in earnings will be the primary driver of weaker corporate fundamentals, so we prefer companies with stable to improving credit profiles. Issuers with unhedged floating rate capital structures may experience pressure on free cash flow if rates remain elevated. However, these issuers may experience a tailwind to earnings with lower financing costs if the Fed moves to a more accommodative policy. Additionally, bank loan mutual fund flows have turned positive in 2024. We continue to favor higher quality issuers, as we believe lower quality issuers are more susceptible to fundamental weakness given the higher cost environment. While we expect default rates to remain around long-term averages (~3-4%) over the next 12 months, we do not see a full-scale default cycle on the horizon. However, we are anticipating an increase in downgrade activity in the lower quality parts of the market given weakening fundamentals. Because of their senior secured position in corporate capital structures, loans have historically provided higher recovery rates in the event of default than unsecured high-yield bonds. We believe greater issuer dispersions in the bank loan market may present opportunities for skilled credit selection to potentially drive enhanced returns.

Portfolio Managers from Wellington Management

David B. Marshak

Managing Director
Fixed-Income Portfolio Manager
Professional Experience Since 1995

Jeffrey W. Heuer, CFA

Managing Director
Fixed-Income Portfolio Manager
Professional Experience Since 1989

The portfolio managers are supported by the full resources of Wellington.

Top Ten Holdings (%)

SPDR Blackstone Senior Loan ETF	2.84
Asurion LLC	1.97
Acrisure LLC	1.58
First Brands Group LLC	1.48
MH Sub I LLC	1.38
HUB International Ltd.	1.29
McAfee Corp.	1.27
Sedgwick Claims Management Services, Inc.	1.24
Peraton Corp.	1.20
UFC Holdings LLC	1.17
Percentage Of Portfolio	15.42

Holdings and characteristics are subject to change. Percentages may be rounded.

Class	Performance (%)		Average Annual Total Returns				Expenses ¹		
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI	Gross	Net
A	1.86	1.86	10.31	3.68	3.63	3.27	3.75	1.06%	1.04%
A with 3% Max Sales Charge	—	—	7.00	2.63	3.00	2.96	3.58	—	—
F	1.94	1.94	10.55	4.01	3.94	3.59	4.03	0.71%	0.71%
I	1.92	1.92	10.50	3.92	3.89	3.54	4.00	0.78%	0.78%
R3	1.80	1.80	10.01	3.38	3.37	3.02	3.53	1.39%	1.29%
R4	1.86	1.86	10.32	3.63	3.62	3.27	3.75	1.12%	1.04%
R5	1.91	1.91	10.57	3.90	3.87	3.54	3.99	0.82%	0.82%
Y	1.92	1.92	10.48	3.90	3.87	3.57	4.05	0.80%	0.79%
Morningstar LSTA US Leveraged Loan Index	2.51	2.51	12.47	5.99	5.48	4.55	—	—	—
Morningstar Category	2.33	2.33	11.57	4.77	4.14	3.49	—	—	—
Lipper Peer Group	2.29	2.29	11.24	4.72	4.07	3.46	—	—	—

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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.

Share Class Inception: A, Y - 4/29/05; F - 2/28/17; I - 8/31/06; R3, R4, R5 - 12/22/06. 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 4/29/05. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge.

Morningstar LSTA US Leveraged Loan Index is a market-value-weighted index that is designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments. Indices are unmanaged and not available for direct investment.

¹Expenses as shown in the Fund's most recent prospectus. Gross expenses do not reflect contractual expense reimbursement arrangements, if any. Net expenses reflect such arrangements in instances when they reduce gross expenses. These arrangements remain in effect until at least 2/28/25. Without these arrangements, performance would have been lower.

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. • 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. • 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 involve greater risk of price volatility, illiquidity, and default than higher-rated debt securities. • 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, regulatory and counterparty risk. • 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. • The Fund's investments may fluctuate in value over a short period of time. • Financially material environmental, social and/or governance (ESG) characteristics are one of several factors that may be considered and as a result, the investment process may not work as intended.

The Fund should not be considered an alternative to CDs or money market funds. This Fund is intended for investors who are looking to complement their traditional fixed-income investments.

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

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