MARCH 31, 2025

Fund Commentary

HF

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** 4/29/05

Market Overview

Global fixed-income markets generated positive total returns during the first quarter, as measured by the Bloomberg Global Aggregate Bond Index hedged to US dollars. Trade tensions and monetary policy divergence drove market volatility and an increasingly clouded economic outlook. Most fixed-income sectors underperformed government bonds as spreads widened amid an expected deteriorating growth/inflation tradeoff. The US dollar (USD) depreciated vs. most currencies following the US administration's policies aimed at reducing the trade deficit. In this environment, bank loans, as represented by the Morningstar/LSTA US Leveraged Loan Index, returned 0.48%.

Performance Summary

- Hartford Floating Rate Fund (I Share) underperformed the Morningstar/LSTA US Leveraged Loan Index during the quarter.
- Sector allocation had a slightly negative effect on benchmark-relative performance over the period. An underweight to the chemicals sector and an overweight to financial institutions contributed to benchmark-relative performance over the period, while an overweight to building materials and underweight to wireless detracted.
- Security selection detracted from benchmark-relative performance over the period. Positive security selection in the consumer cyclical services and food and beverage sectors contributed to relative returns while weaker selection within the financial institutions and leisure sectors detracted.
- The Fund's out-of-benchmark allocation to high-yield credit had a positive impact on relative performance.
- Quality positioning had a negligible impact on relative performance during the period.

Positioning & Outlook

- The recent acceleration of protectionist policies by the US has increased volatility and downside risks. The market is now pricing in more interest-rate cuts in 2025 to combat slower growth. However, this puts the Federal Reserve (Fed) in a challenging spot as inflation remains above target and may have near-term risk to the upside as tariffs take effect. While still not our base case, given the stagflationary pressures, we believe there is an increasing probability of a US recession in 2025. Following the recent market volatility, bank-loan spreads have widened, and yields are in the high single digits and have already priced in expected rate declines. Bank loans offer an attractive carry and the potential for modest price appreciation
- From a high level, bank-loan issuer earnings remain relatively strong, although the market is somewhat bifurcated as lower-quality companies continue to be pressured by higher interest costs. However, we expect lower rates to decrease the debt-servicing costs for floating-rate borrowers. We prefer companies with stable to improving credit profiles that are not overly exposed to the consumer. Additionally, we believe broad macro and policy uncertainty may impact near-term spending and decision-making from consumers and corporations. We also expect to see more fundamental pressure on issuers operating in sectors acutely affected by tariff-related measures such as automotives and retailers.

Portfolio manager from Wellington Management and years of experience

Jeffrey W. Heuer, CFA, 36 years

Top Ten Holdings (%)

SPDR Blackstone Senior Loan ETF	3.32
Asurion LLC	1.76
Caesars Entertainment, Inc.	1.35
Acrisure LLC	1.29
MH Sub I LLC	1.23
First Brands Group LLC	1.18
Invesco Senior Loan ETF	1.13
HUB International Ltd.	1.12
LBM Acquisition LLC	1.04
McAfee LLC	1.01
Percentage Of Portfolio	**14.43**

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

Average Annual Total Returns (%)

								Expenses[1]	
Class	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI	Gross	Net
A	0.00	0.00	5.94	5.14	7.14	3.79	3.85	1.05%	1.03%
A with 3% Max Sales Charge	—	—	2.76	4.08	6.49	3.47	3.70	—	—
F	0.18	0.18	6.44	5.53	7.46	4.13	4.15	0.69%	0.69%
I	0.17	0.17	6.27	5.43	7.42	4.07	4.12	0.78%	0.78%
R3	-0.04	-0.04	5.69	4.89	6.85	3.53	3.64	1.37%	1.28%
R4	0.13	0.13	6.07	5.19	7.13	3.80	3.87	1.11%	1.03%
R5	0.17	0.17	6.18	5.37	7.37	4.05	4.10	0.81%	0.81%
Y	0.17	0.17	6.27	5.42	7.40	4.08	4.16	0.80%	0.78%
Benchmark	0.48	0.48	6.86	7.21	8.96	4.98	—	—	—
Morningstar Category	0.22	0.22	6.17	5.99	7.50	3.90	—	—	—

Morningstar® Category Bank Loan

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. Performance for periods of less than one year is not annualized.

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

[1]Expenses are from the Fund's most recent prospectus at the time of publication. 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 2/28/26. 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, valuation, 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.
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.