

HTRB

## Hartford Total Return Bond ETF

Morningstar® Category Intermediate Core-Plus Bond

Lipper Peer Group Core Bond

Inception Date 09/27/2017

## Market Overview

Global fixed-income markets generated negative total returns during the first quarter, as measured by the Bloomberg Global Aggregate Bond Index. Stronger-than-expected economic data, including persistent inflation pressures, pushed out the expected timing of central-bank rate cuts. Resilient consumer spending and strong corporate earnings helped propel further spread tightening across most fixed income sectors. Most currencies depreciated vs. the US dollar.

## Performance Summary

- The Hartford Total Return Bond ETF outperformed the Bloomberg US Aggregate Bond Index during the quarter.
- Active duration\* and yield-curve management contributed favorably to relative results during the quarter. We held an allocation to Treasury Inflation-Protected Securities (TIPS), which also had a favorable impact on results.
- Our credit positioning benefitted relative returns during the period. We were positioned with an overall underweight to Investment Grade (IG) in favor of High Yield (HY) corporate credit, which helped relative performance as spreads narrowed. Positioning within IG credit also had a positive impact on results, led by security selection within financials, while an underweight to industrials detracted modestly.
- The Fund's allocations to securitized credit (finance sectors (non agency residential mortgage backed securities (RMBS), asset backed securities (ABS), and collateralized loan obligations (CLOs)) contributed positively to relative performance. Non-agency RMBS contributed the most to performance over the quarter as housing-data releases have been strong and the structural housing supply-shortages continued to act as a powerful tailwind for home-price performance.
- Positioning within select emerging-market debt had a favorable impact on results during the quarter.
- An overweight to agency mortgage backed securities (MBS) had a positive impact on performance, benefitting from reduced interest-rate volatility and tighter spreads.

## Positioning &amp; Outlook

- We believe resilient consumer spending and strong company fundamentals should prevent a significant downturn for the US economy.
- The Fund maintains a close-to-neutral risk posture while preserving high-quality liquid assets. We believe inflation should further decelerate, with signs of a more balanced labor market easing upward pressure on wages. The Fund is positioned with a slightly long-duration and a steepening yield-curve bias.
- The Fund maintains an underweight to IG credit due to better observed opportunities in various out-of-benchmark sectors, including high-quality securitized credit (residential housing benefits from low supply) and select emerging markets (where we see compelling valuations and improving fundamentals). We are overweight agency MBS (focus on relative-value opportunities and enhancing cash-flow stability). The Fund also holds select senior CMBS tranches, and high-quality CLOs focusing on income and manager quality.

## Portfolio Managers from Wellington Management

## Joseph F. Marvan, CFA

Senior Managing Director  
Fixed-Income Portfolio Manager  
Professional Experience Since 1988

## Campe Goodman, CFA

Senior Managing Director  
Fixed-Income Portfolio Manager  
Professional Experience Since 1997

## Robert D. Burn, CFA

Senior Managing Director  
Fixed-Income Portfolio Manager  
Professional Experience Since 1998

## Jeremy Forster

Managing Director  
Fixed-Income Portfolio Manager  
Professional Experience Since 2004

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

## Top Ten Holdings (%)

Uniform Mortgage-Backed Security	19.77
Federal National Mortgage Association	12.37
U.S. Treasury Bonds	10.34
U.S. Treasury Notes	10.17
Federal Home Loan Mortgage Corp.	6.54
Government National Mortgage Association	5.62
U.S. Treasury Inflation-Indexed Notes	2.14
Bank of America Corp.	0.91
Federal National Mortgage Association Connecticut Avenue Securities	0.90
U.S. Treasury Inflation-Indexed Bonds	0.74
<b>Percentage Of Portfolio</b>	<b>69.50</b>

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

\*Duration is a measure of the sensitivity of an investment's price to nominal interest-rate movement.

## Performance (%)

Class	QTD	YTD	Average Annual Total Returns				SI
			1 Year	3 Year	5 Year	10 Year	
HTRB NAV	0.07	0.07	3.67	-2.02	1.10	—	1.39
HTRB Market Price	0.15	0.15	3.54	-2.01	1.07	—	1.40
Bloomberg US Aggregate Bond Index	-0.78	-0.78	1.70	-2.46	0.36	—	—
Morningstar Category	-0.20	-0.20	2.91	-2.26	0.75	—	—
Lipper Peer Group	-0.43	-0.43	2.26	-2.50	0.52	—	—

Total Operating Expenses<sup>1</sup>: 0.29%

Morningstar<sup>®</sup> Category Intermediate Core-Plus Bond Lipper Peer Group Core Bond

SI = Since Inception

**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](http://hartfordfunds.com).**

ETF shares are bought and sold at market price, not net asset value (NAV). Total returns are calculated using the daily 4:00 p.m. Eastern Time NAV. Market price returns reflect the midpoint of the bid/ask spread as of the close of trading on the exchange where Fund shares are listed. Market price returns do not represent the returns an investor would receive if they traded shares at other times. Brokerage commissions apply and will reduce returns.

**Bloomberg U.S. Aggregate Bond Index** is composed of securities that cover the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. Indices are unmanaged and not available for direct investment.

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<sup>1</sup>Expenses are the total annual fund operating expenses as shown in the most recent prospectus.

**Important Risks:** Investing involves risk, including the possible loss of principal. The net asset value (NAV) of the Fund's shares may fluctuate due to changes in the market value of the Fund's holdings which may in-turn fluctuate due to market and economic conditions. The Fund's share price may fluctuate due to changes in the relative supply of and demand for the shares on an exchange. The Fund is actively managed and does not seek to replicate the performance of a specified index. The Fund may allocate a portion of its assets to specialist portfolio managers, which may not work as intended. • Fixed income security risks include credit, liquidity, call, duration, event, and interest-rate risk. As interest rates rise, bond prices generally fall. • 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 and related expenses as well as price and counterparty risk. • 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. These risks may be greater for investments in emerging markets. • Investments in high-yield ("junk") bonds involve greater risk of price volatility, illiquidity, and default than higher-rated debt 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. • Restricted securities may be more difficult to sell and price than other securities. • The Fund may have high portfolio turnover, which could increase its transaction costs and an investor's tax liability. • In certain instances, unlike other ETFs, 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 a fund's full 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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