

## Hartford Checks and Balances Fund

**Tickers** A: HCKAX C: HCKCX F: HCKFX I: HCKIX R3: HCKRX R4: HCKSX R5: HCKTX

**Inception Date** 05/31/2007

**Morningstar® Category** Moderate Allocation

**Lipper Peer Group** Mixed-Asset Target Allocation Growth

### Market Overview

A firmer growth backdrop drove the S&P 500 Index up 10.56% for the quarter, despite the hawkish repricing of Fed pivot expectations. Fourth quarter GDP expanded 3.4%, well ahead of the initial 2.0% consensus, with consumer spending a key tailwind. Inflation has trended down since peaking in June 2022 at 9.1%, but more recent numbers suggest the trend may be flattening. There were also some dents in the resilient macro narrative with ISM manufacturing in contraction for a 16th straight month and softer consumer spending data in February. The Federal Open Market Committee left the target range for the federal funds rate unchanged at 5.25-5.5% at its March meeting. In fixed-income markets, lower quality outperformed government bonds as spreads compressed in most higher-yielding sectors. In equity markets, developed-market growth stocks outperformed value stocks and large stocks outperformed small.

### Performance Summary

- Hartford Checks and Balances Fund (I shares) underperformed its blended benchmark and the Lipper Mixed-Asset Target Allocation Growth peer group average during the quarter
- The main driver of underperformance vs. the benchmark was the performance of the Hartford Dividend and Growth Fund relative to its benchmark, the S&P 500 Index.
- The Hartford Capital Appreciation Fund also underperformed its benchmark, the Russell 3000 Index, while the Hartford Total Return Bond ETF outperformed its benchmark, the Bloomberg US Aggregate Bond Index.

### Positioning & Outlook

- We believe that the global rate-hiking cycle is largely over and expect to see some loosening by the Federal Reserve and European Central Bank late in 2024. In the US, we expect a soft landing with a slowing, but still positive, growth rate alongside moderating inflation. We believe US economic growth is slowing but stands out as a better risk-adjusted return than much of the developed and emerging world.
- At the end of the period, our largest equity overweights were to financials and energy while our largest underweights were to information technology and consumer discretionary relative to the equity component of the blended benchmark.
- Within fixed income, the portfolio maintains an underweight to investment-grade credit due to better observed opportunities in various out-of-benchmark sectors including high-quality securitized credit, BB high yield, and select emerging markets. The portfolio is also overweight agency mortgage-backed securities. The portfolio maintains an above-average duration\* profile.

### Overall Morningstar Rating™ (I-Share)\*



686 Products | Category Based on Risk-Adjusted Returns as of 03/31/2024

### Portfolio Managers from Hartford Funds Management Company

#### Vernon J. Meyer, CFA

Managing Director and Chief Investment Officer  
Professional Experience Since 1987

#### Allison Mortensen, CFA

Head of Multi-Asset Solutions and Managing Director  
Professional Experience Since 1994

#### Jim Glendon, CFA

Portfolio Manager  
Professional Experience Since 2009

The portfolio managers are supported by the full resources of Hartford Funds Management Company.

### Top Holdings (%)

Hartford Dividend and Growth Fund	33.51
Hartford Capital Appreciation Fund	33.42
Hartford Total Return Bond ETF	32.88
<b>Percentage Of Portfolio</b>	<b>100</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.

Class	Performance (%)		Average Annual Total Returns				Expenses <sup>1</sup>		
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI	Gross	Net
A	5.41	5.41	15.40	4.26	8.13	7.45	6.58	0.92%	0.92%
A with 5.5% Max Sales Charge	—	—	9.05	2.31	6.92	6.85	6.23	—	—
F	5.37	5.37	15.76	4.61	8.50	7.78	6.88	0.58%	0.58%
I	5.45	5.45	15.63	4.53	8.41	7.71	6.84	0.68%	0.68%
R3	5.24	5.24	14.95	3.85	7.72	7.05	6.23	1.30%	1.30%
R4	5.31	5.31	15.29	4.18	8.06	7.39	6.53	0.98%	0.98%
R5	5.48	5.48	15.64	4.49	8.33	7.67	6.81	0.70%	0.70%
Blended Index	6.53	6.53	19.73	6.32	10.06	9.08	—	—	—
Morningstar Category	5.32	5.32	15.19	4.05	7.45	6.46	—	—	—
Lipper Peer Group	6.34	6.34	17.59	4.81	8.36	7.14	—	—	—

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

Share Class Inception: A - 5/31/07; F - 2/28/17; I - 2/29/08; R3, R4, R5 - 8/29/08. 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 5/31/07. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge.

The Blended Index consists of 33.3% Bloomberg U.S. Aggregate Bond Index, 33.4% Russell 3000 Index, and 33.3% S&P 500 Index. Indices are unmanaged and not available for direct investment.

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<sup>1</sup>Expenses as shown in the Fund's most recent prospectus.

\*Class I-Shares Star Ratings: 3-year 3 stars out of 686 products, 5-year 4 stars out of 646 products, and 10-year 4 stars out of 487 products for the period ended herein. Other share classes may have different ratings. The Morningstar Rating™ for funds, or "star rating", is calculated for funds and separate accounts with at least a 3-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. Star rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance (without adjusting for any sales load, if applicable), placing more emphasis on downward variations and rewarding consistent performance. 5 stars are assigned to the top 10%, 4 stars to the next 22.5%, 3 stars to the next 35%, 2 stars to the next 22.5%, and 1 star to the bottom 10%. Overall Morningstar Rating is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. For more information about the Morningstar Fund Ratings, including their methodology, please go to [global.morningstar.com/managerdisclosures](http://global.morningstar.com/managerdisclosures). ©2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

**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. • The Fund is considered not actively managed since the Fund consistently invests one third of its assets in each of the same three underlying funds. As a result, the Fund may underperform actively managed funds during certain markets. • The ability of the Fund to meet its investment objective is directly related to the ability of the underlying funds to meet their objectives. The Fund is subject to the risks of the underlying funds, in direct proportion to the amount of assets it invests in each underlying fund. The underlying funds are subject to the risks specific to their investment strategies, such as market, mid-cap securities, foreign securities, emerging-market securities, fixed-income securities (which carry credit, liquidity, call, duration, and interest-rate risks), mortgage-related and asset-backed securities, and derivative risks, and to the extent the underlying fund is an ETF, risks associated with the ETF.

**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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