

QUVU

## Hartford Quality Value ETF

Morningstar® Category Large Value

Lipper Peer Group Large-Cap Value

Inception Date 10/13/2023

The Fund converted from a mutual fund to an actively-managed exchange-traded fund (ETF), while maintaining a substantially similar principal investment strategy, on 10/13/23

## Market Overview

US equities surged for the third consecutive quarter as the S&P 500 Index registered a series of record highs. Performance was narrowly driven by a select group of mega-cap technology companies, resulting in a significant performance differential between the market-cap weighted S&P 500 Index and the equal-weighted version of the Index, as well as the considerable outperformance of growth stocks vs. their value counterparts. The Federal Reserve's (Fed) median projection showed that policymakers expect only one 25 basis points (bps) reduction in interest rates in 2024, down from three cuts projected in March, although a majority of economists forecast two cuts this year.

The Russell 1000 Value Index returned -2.17 % for the period. Within the Index, nine out of 11 sectors declined during the quarter. Consumer discretionary and healthcare were the bottom performing sectors, while utilities and consumer staples were the top performing sectors over the period.

## Performance Summary

- Hartford Quality Value ETF outperformed the Russell 1000 Value Index during the quarter.
- Security selection was the primary driver of relative performance. Strong selection within healthcare, industrials, and financials was partially offset by weak selection within materials, utilities, and real estate.
- Sector allocation, a result of our bottom-up selection process, also contributed to returns. Allocation effect was driven by our overweight to utilities. This was partially offset by an overweight to the communication services sector.
- Top relative contributors over the period included an overweight position in Qualcomm (information technology) and an out-of-benchmark position in AstraZeneca (healthcare). Top relative detractors included overweight allocations to LKQ (consumer discretionary) and Knight-Swift Transportation (industrials).

## Positioning &amp; Outlook

- Within this environment, the Fed remains in the challenging position of balancing resilient employment with inflation that is moderating but remains above target. The path of interest rates from here is expected to be heavily data dependent. Policy makers will continue to monitor key macroeconomic indicators such as consumer spending, business sentiment, wage growth, and employment to drive decisions. Lastly, we think uncertainty around the election outcome and impacts across sectors may increase market volatility in the back half of the year.
- We believe that opportunistically investing in out of favor growth and cyclical names with positive risk/reward skew provides upside exposure while maintaining an overweight to more defensive segments may provide the opportunity for upside participation while insulating the portfolio from valuation-driven corrections.
- At the end of the period, our largest overweights were to the communication services and healthcare sectors. We were most underweight in industrials and financials.

## Portfolio Managers from Wellington Management

**Matthew G. Baker**

Senior Managing Director  
Equity Portfolio Manager  
Professional Experience Since 1995

**Nataliya Kofman**

Senior Managing Director  
Equity Portfolio Manager  
Professional Experience Since 1998

**Brian J. Schmeer, CFA**

Managing Director  
Equity Research Analyst  
Professional Experience Since 2012

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

## Top Ten Holdings (%)

JP Morgan Chase & Co.	3.85
Wells Fargo & Co.	2.90
Merck & Co., Inc.	2.50
American Express Co.	2.25
Philip Morris International, Inc.	2.22
Gilead Sciences, Inc.	2.17
QUALCOMM, Inc.	2.13
EOG Resources, Inc.	2.11
Elevance Health, Inc.	2.04
Morgan Stanley	2.01
<b>Percentage Of Portfolio</b>	<b>24.18</b>

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

## Performance (%)

	QTD	YTD	Average Annual Total Returns				SI
			1 Year	3 Year	5 Year	10 Year	
QUVU NAV	-0.37	6.21	11.70	5.84	9.44	7.69	7.80
QUVU Market Price	-0.20	6.30	—	—	—	—	16.21
Russell 1000 Value Index	-2.17	6.62	13.06	5.52	9.01	8.23	—
Morningstar Category	-1.44	7.33	14.82	6.46	9.86	8.44	—
Lipper Peer Group	-0.28	9.01	16.69	7.33	10.64	9.00	—

Total Operating Expenses<sup>1</sup>: 0.45%

Morningstar® Category Large Value Lipper Peer Group Large-Cap Value

SI = Since Inception. Fund Inception: 10/13/2023.

Prior to the close of business on 10/13/23, the Fund operated as an open-end mutual fund (the "Predecessor Fund"). The Fund has the same investment objective, strategies and policies as the Predecessor Fund. The NAV returns prior to October 16, 2023, include the returns of the Predecessor Fund's share classes and operating expenses as follows: Class F (2/28/17-10/13/23); Class I (8/31/06-2/27/17); and Class A excluding sales charges (1/2/96-8/30/06). The Market Price performance does not include the Predecessor Fund's NAV performance and instead reflects the Fund's Market Price beginning with the Fund's listing on the exchange. Had the Predecessor Fund been structured as an exchange-traded fund, the performance may have differed.

**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.

<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 market prices of the Fund's shares will generally 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. • Different investment styles may go in and out of favor, which may cause the Fund to underperform the broader stock market. • For dividend-paying stocks, dividends are not guaranteed and may decrease without notice. • To the extent the Fund focuses on one or more sectors, the Fund may be subject to increased volatility and risk of loss if adverse developments occur. • 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. • Financially material environmental, social and/or governance (ESG) characteristics are one of several factors that may be considered. The Fund may perform differently from funds that do not integrate ESG into their analysis.

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.

ETFs are distributed by ALPS Distributors, Inc. (ALPS). Advisory services are provided by Hartford Funds Management Company, LLC (HFMC). Certain funds are sub-advised by Wellington Management Company LLP. HFMC and Wellington Management are SEC registered investment advisers. Hartford Funds refers to Hartford Funds Distributors, LLC, Member FINRA, and HFMC, which are not affiliated with any sub-adviser or ALPS.