

## Hartford Total Return Bond ETF

Tickers HTRB

### What Happened?

- Most fixed-income spread sectors posted positive excess returns. Mixed economic data set the tone for divergence in sovereign yields, and uncertainty around major central banks' policy paths remained a dominant theme.
- US Treasury yields declined as encouraging inflation and employment data put rate cuts from the Federal Reserve (Fed) back on the table.
- The Fed kept policy rates unchanged and stated it would likely take longer to gain confidence that inflation is on a sustainable path toward its target.

### Performance Highlights

#### Contributors

- Our long-duration positioning vs. the benchmark contributed favorably to relative returns following the decline in yields.
- An overweight to agency MBS helped relative performance as interest-rate volatility subsided. MBS fundamentals remain supportive while valuations appear attractive for new mortgages.
- An allocation to non-agency RMBS had a positive effect on relative results. We continue to favor seasoned RMBS, which embed substantial home-price appreciation and can withstand price declines in our view.

#### Detractors

- None of the sector exposures detracted from relative performance in aggregate during the month. High-yield positioning had a negligible impact on returns as coupon income offset modest spread widening.

### Portfolio Managers from Wellington Management

**Joseph F. Marvan, CFA**  
Senior Managing Director Fixed-Income Portfolio Manager  
Professional Experience Since 1988

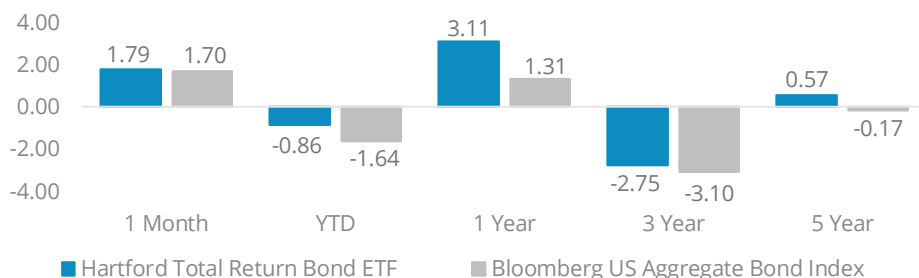
**Campe Goodman, CFA**  
Senior Managing Director Fixed-Income Portfolio Manager  
Professional Experience Since 1997

**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.

### Month End Performance (%) as of 5/31/24



### Overall Morningstar Rating™\*



554 Products | Intermediate Core-Plus Bond Category Based on Risk-Adjusted Returns as of 5/31/24

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). Please see page 3 for standardized performance. Returns for less than one year are not annualized.

**Credit spreads** are the difference in yields between two fixed-income securities with the same maturity, but originating from different investment sectors.

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

**Investment-grade securities** are fixed-income securities that are rated at 'BBB' or higher by Standard & Poor's or Moody's.

### Current Insight and Positioning From Wellington Management

- Corporate fundamentals appear to have stabilized, although margins are likely to come under pressure as pricing power subsides.
- We maintain an underweight to investment-grade credit due to better observed opportunities in various out-of-benchmark sectors, including high-quality securitized credit (residential housing benefits from low supply), BB high yield (more insulated from default risk than CCCs), and select emerging markets where we limit our exposure to high-conviction turnaround stories.
- The Fed is biased toward policy accommodation and will likely guard more against downside growth and labor-market concerns compared to upside inflation risks. We are positioned long duration vs. the benchmark.

#### Sector Exposure (%) as of 5/31/24

Mortgage Backed Securities	40
United States Government	26
Investment Grade Credit	23
Asset Backed Securities	10
High Yield Credit	6
Commercial Mortgage Backed Securities	4
Developed Government and Related (Non-US \$)	1
Bank Loans	0
Emerging Market Debt	0
Other	0
Cash, Cash Equivalents and Cash Offsets	-9

Characteristics are subject to change.  
Percentages may be rounded.

#### Credit Exposure<sup>1</sup> (%) as of 5/31/24

Aaa/AAA	10
Aa/AA	64
A	10
Baa/BBB	16
Ba/BB	7
B	1
Caa/CCC or lower	0
Not Rated	2
Cash & Cash Offsets	-9

<sup>1</sup>Credit exposure is the credit ratings for the underlying securities of the Fund as provided by Standard and Poor's (S&P), Moody's Investors Service, or Fitch and typically range from AAA/Aaa (highest) to C/D (lowest). If S&P, Moody's, and Fitch assign different ratings, the median rating is used. If only two agencies assign ratings, the lower rating is used. Securities that are not rated by any of the three agencies are listed as "Not Rated." Ratings do not apply to the Fund itself or to Fund shares. Ratings may change.

Net Assets	\$1.6 billion
# of Holdings	1,473
# of Issuers	404
Dividend Frequency	Monthly

#### Holdings Characteristics

Effective Duration	6.89 yrs.
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## Performance (%) as of 3/31/24

	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	—	—

**Morningstar® Category** Intermediate Core-Plus Bond **Lipper Peer Group** Core Bond **Expenses**<sup>1</sup>: 0.29%  
 SI = Since Inception. ETF Inception: 09/27/2017.

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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.

\*Star Ratings: 3-year 3 stars out of 554 products, 5-year 3 stars out of 526 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.

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

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**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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