



# Protect what you earn: The case for a flexible core fixed income approach

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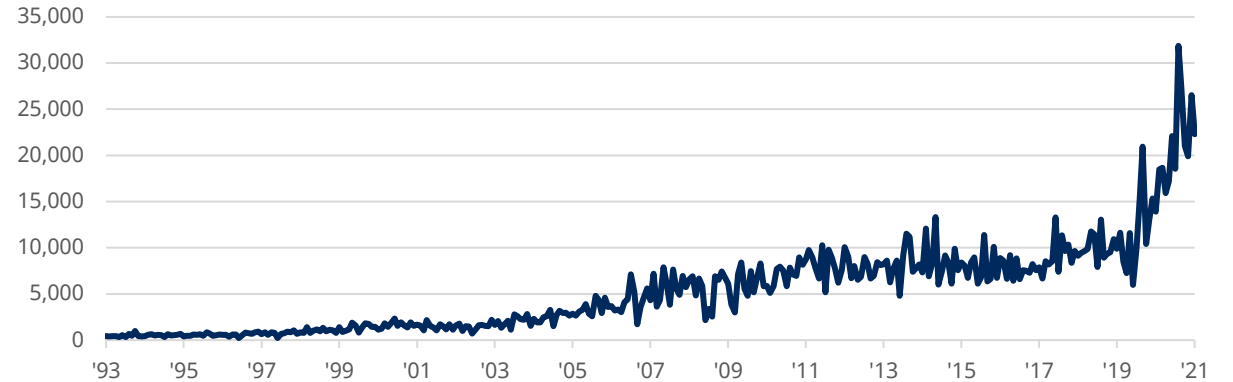
# Despite positive macro backdrop, signs of excess in markets

## Global Risk Appetite<sup>1</sup>



## Call Option Volume<sup>2</sup>

Total equity and index call options, thousands

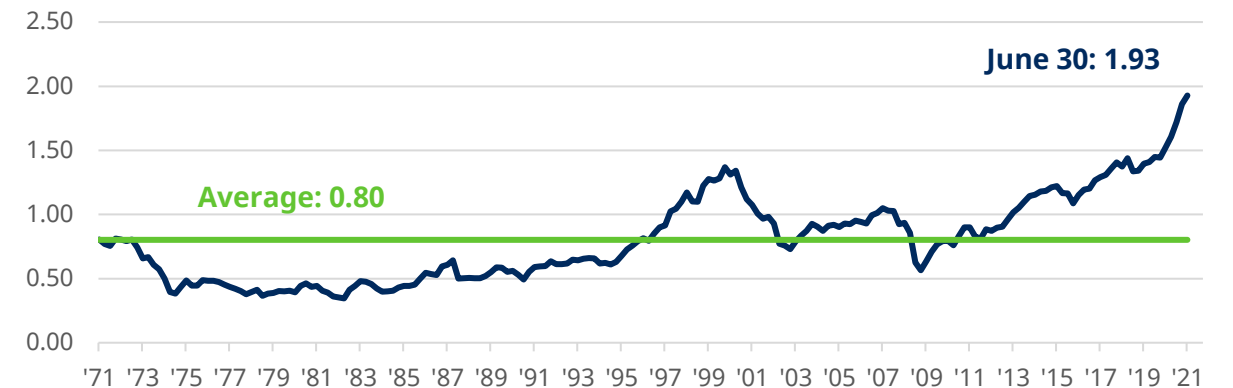


## Relative Performance of Commodities vs. S&P 500<sup>3</sup>



## Buffett Indicator<sup>4</sup>

Wilshire 5000 to GDP Ratio

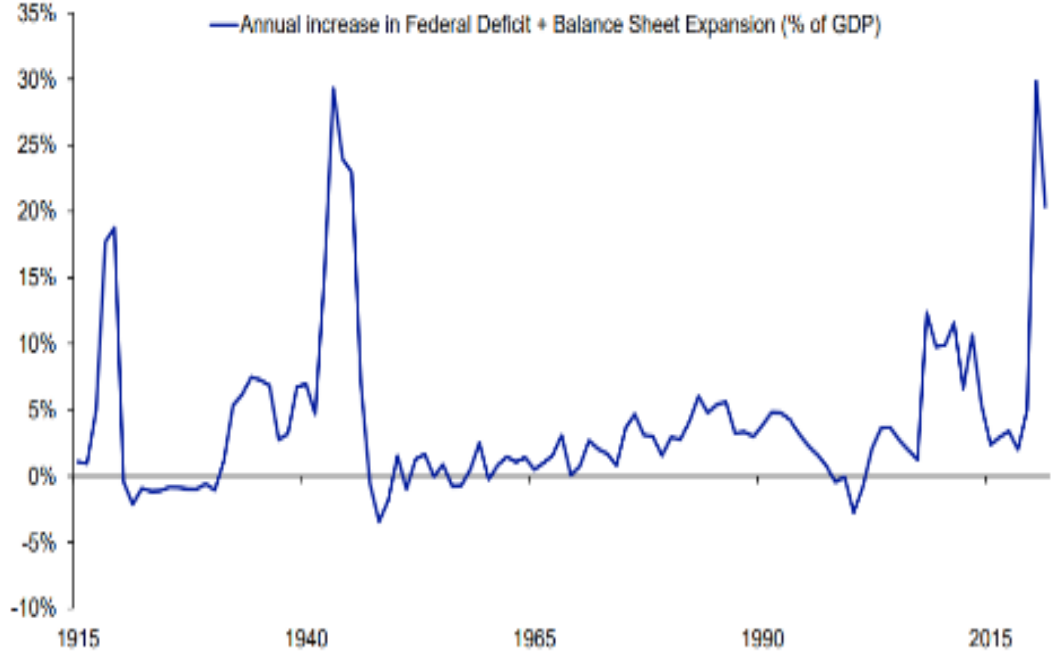


Source: <sup>1</sup>Credit Suisse as of 6/30/21. <sup>2</sup>Bloomberg US Total Option Call Volumes Index as of 6/30/21. <sup>3</sup>Bloomberg Commodities Total Return Index and S&P 500 Index as of 6/30/21. <sup>4</sup>Federal Reserve Bank of St. Louis as of 3/31/21. Past performance is no guarantee of future results and may not be repeated.

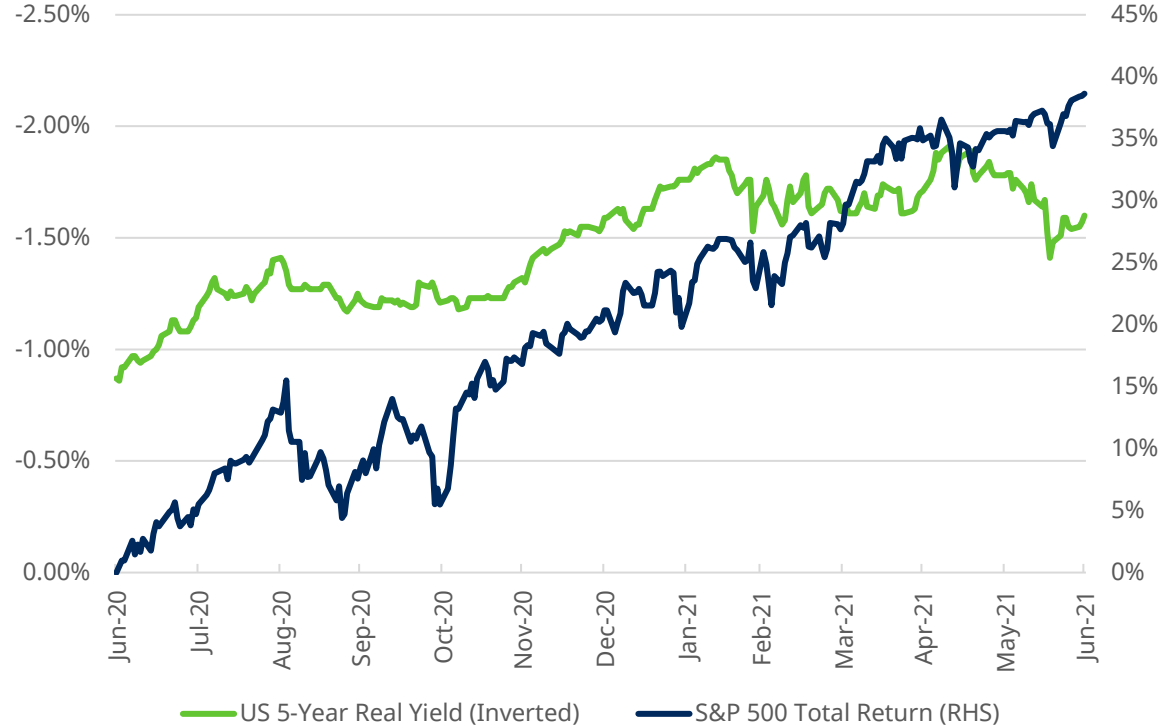
# Monetary policy has driven asset prices

Central bankers are utilizing all tools at their disposal to provide liquidity

## The most coordinated monetary and fiscal policy in history<sup>1</sup>



## Driving risk asset performance<sup>2</sup>



**\$1.3bn: central bank asset purchases every hour since COVID-19 March lockdowns**

Source: <sup>1</sup>Deutsche Bank as of June 30, 2021. <sup>2</sup>Bloomberg as of June 30, 2021. Current performance trends may not continue.

# Growth will continue to rebound in 2021

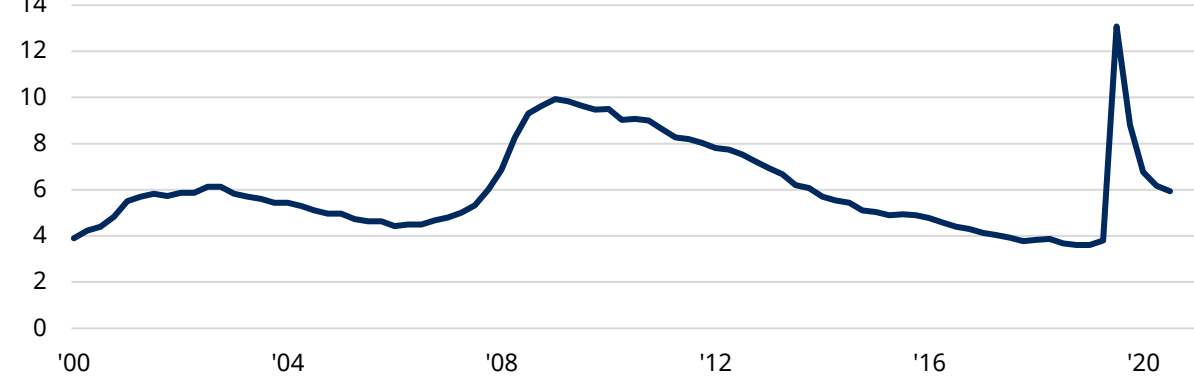
Fallout from current crisis will take years to resolve

## Personal savings rate<sup>1</sup>

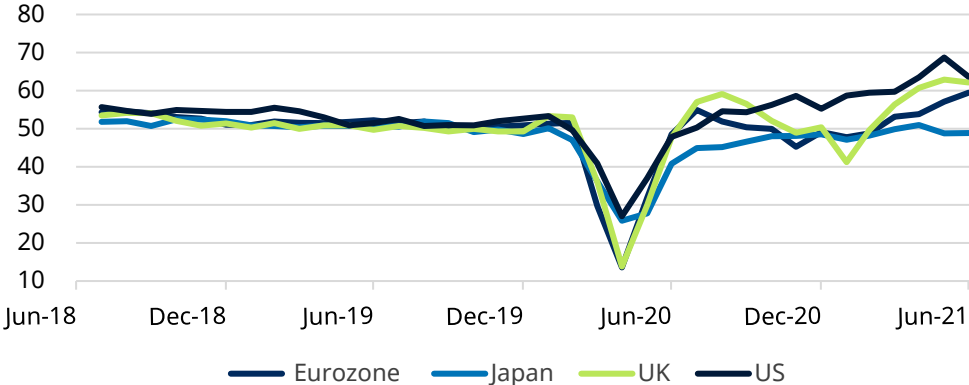
(% of disposable income)



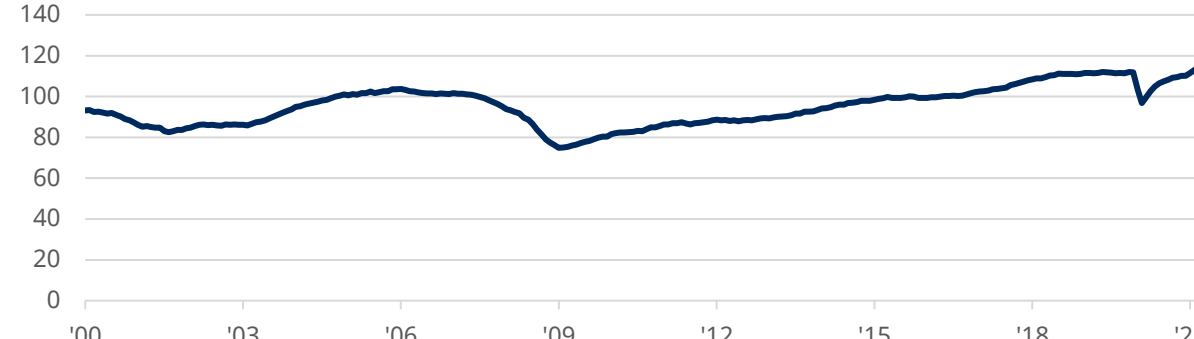
## Unemployment rate (%)<sup>2</sup>



## Global composite PMI<sup>2</sup>



## Leading Indicators<sup>3</sup>

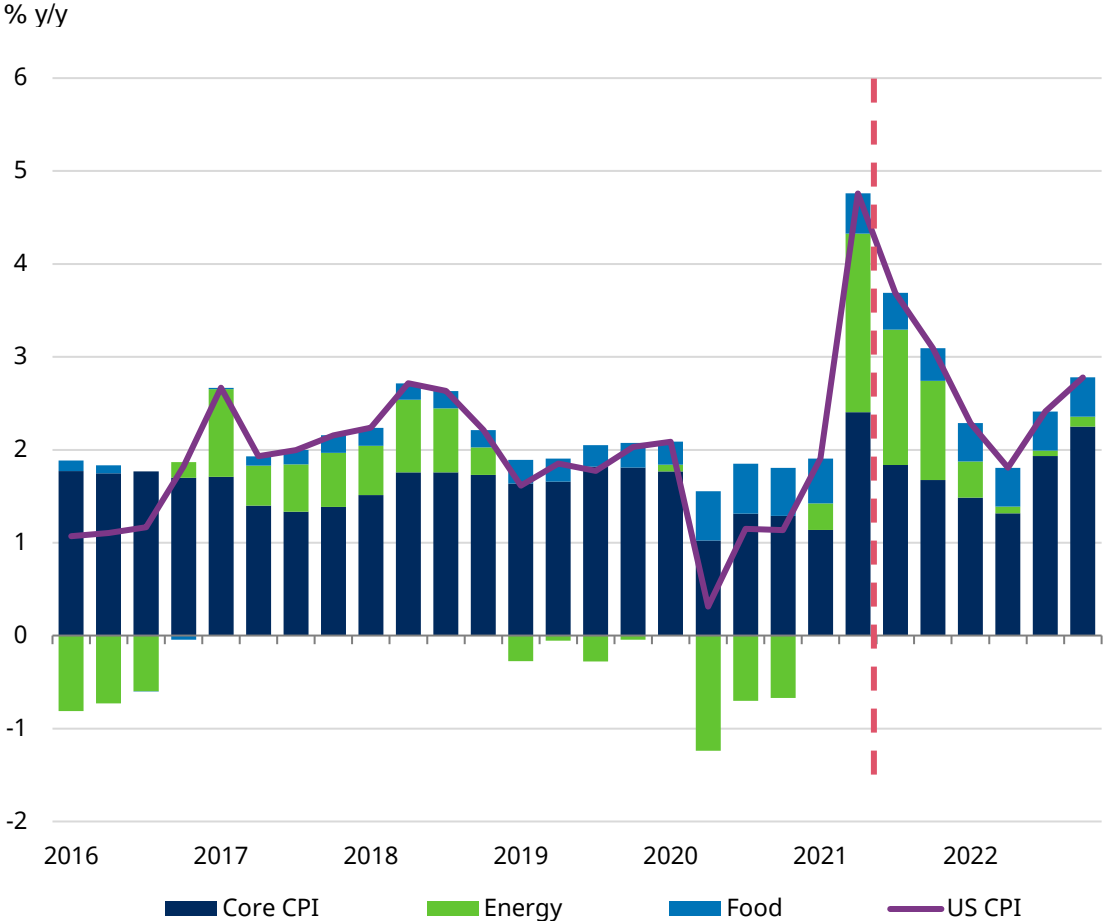


Source: <sup>1</sup>Bloomberg; as of May 31, 2021. <sup>2</sup>Source: Bloomberg; as of June 30, 2021. <sup>3</sup>Conference Board US Leading Index Ten Economic Indicators as of May 31, 2021. Forecasted views are not guarantees and may not be realized.

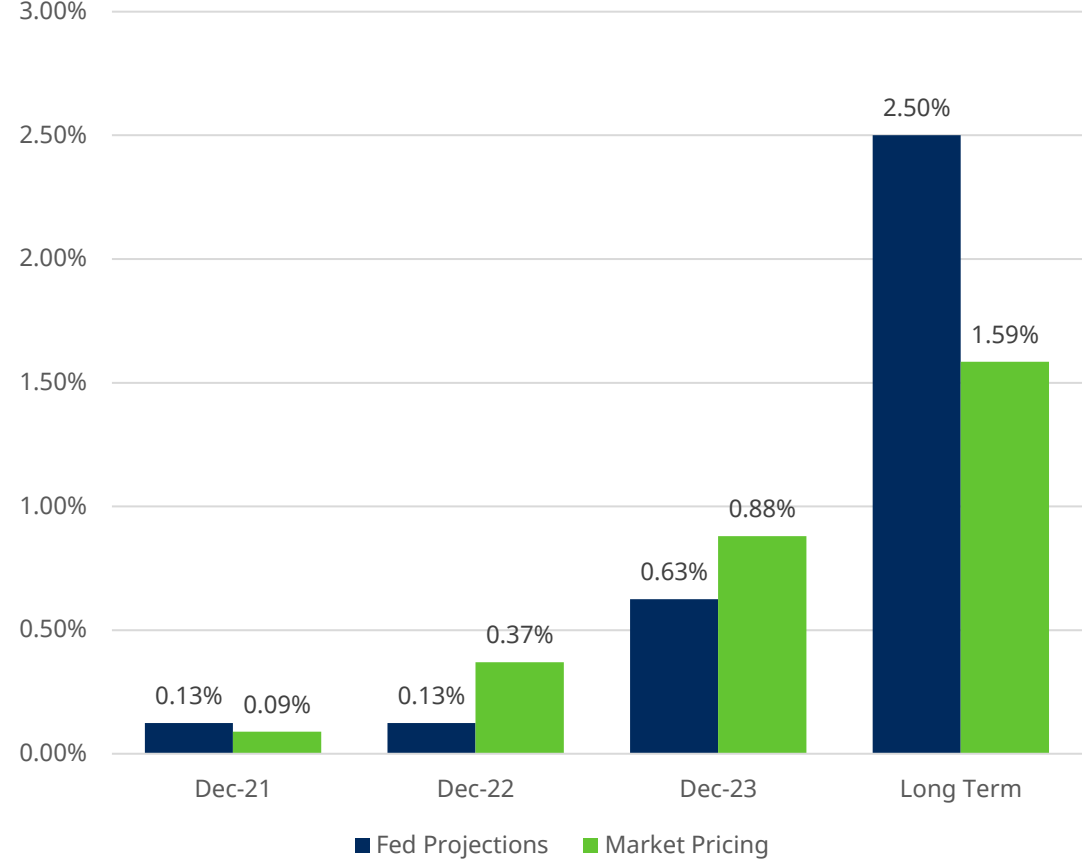
# Uptick of inflation data looking less transitory

Expect Fed to remain on hold for the foreseeable future

## US inflation - contribution breakdown and forecast<sup>1</sup>



## Market pricing for Fed funds rate vs. the Fed's official projections as of June FOMC meeting<sup>2</sup>

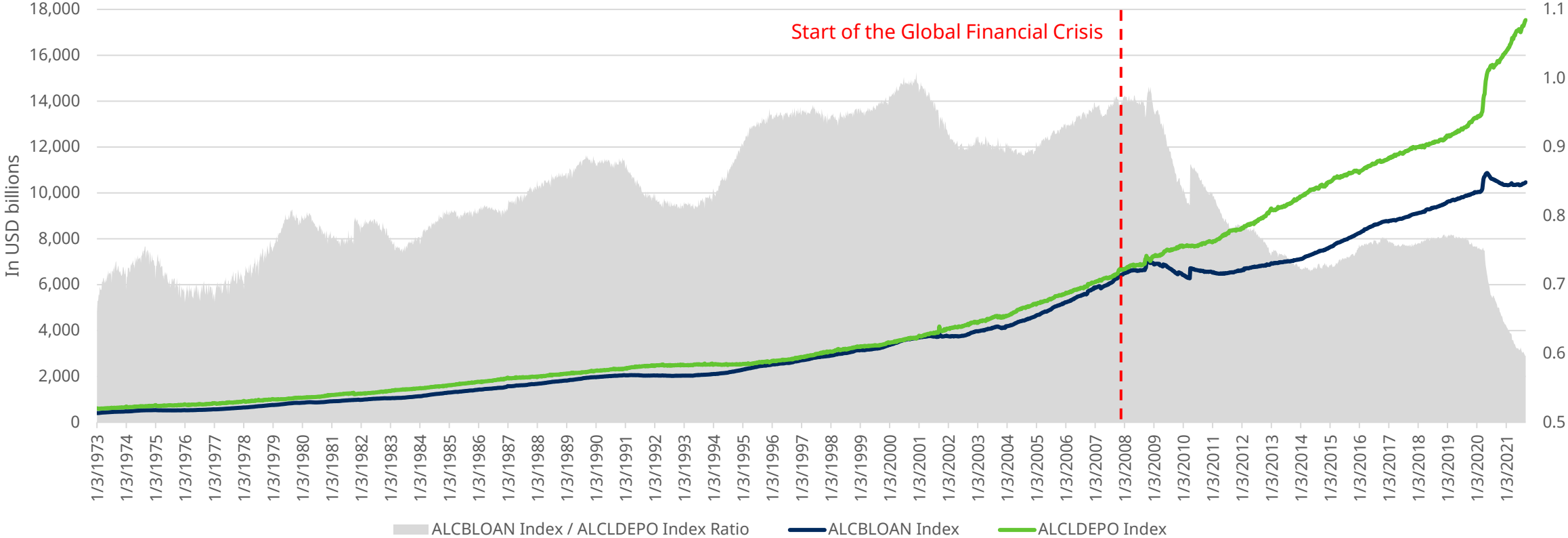


Sources: <sup>1</sup>Refinitiv, Schroders Economics Group as of May 25, 2021. <sup>2</sup>Federal Reserve, Bloomberg, Schroders; data through June 2021. Note: Fed projections are taken from the Fed's Summary of Economic Projections published by the FOMC at the June 2021 meeting; "Market pricing" uses Fed funds futures through December 2023; "Long Term" market data is estimated by using 5y5y yields. Forecast may not be realized and should not be relied upon.

# Loan to deposit ratio continues to fall

Accommodative Fed policy has changed the relationship since the GFC

## Loan and deposit growth since 1973; Loan/deposit ratio



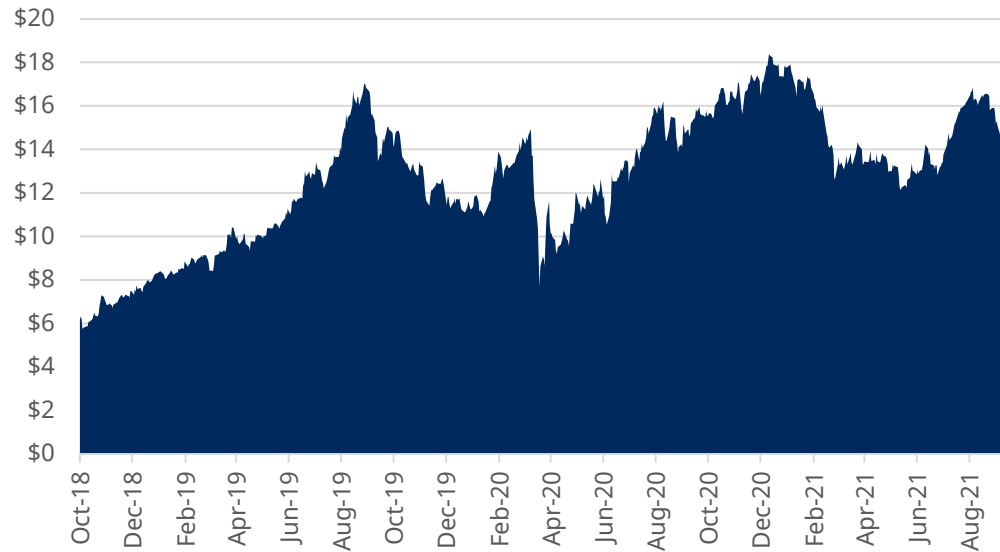
Source: Bloomberg as of September 13, 2021. Past performance should not be relied upon to predict future results.

# Global yields remain low

Reduced hedging costs make US assets relatively attractive for offshore investors

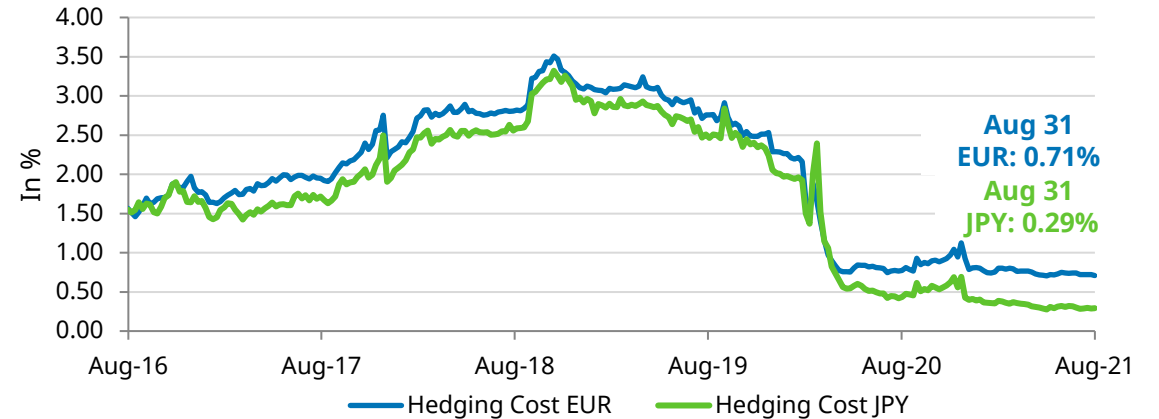
## Negatively-yielding debt: Global Aggregate Index

(listed in trillions of USD)

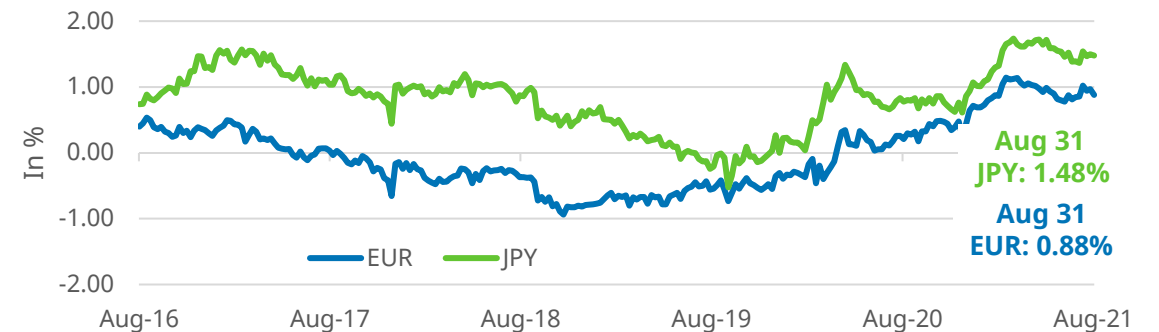


**~25% of investment grade bonds globally yield less than 0%**

## 3-month forward hedging costs



## Yield pick-up from USD corps\* for EUR and JPY investors



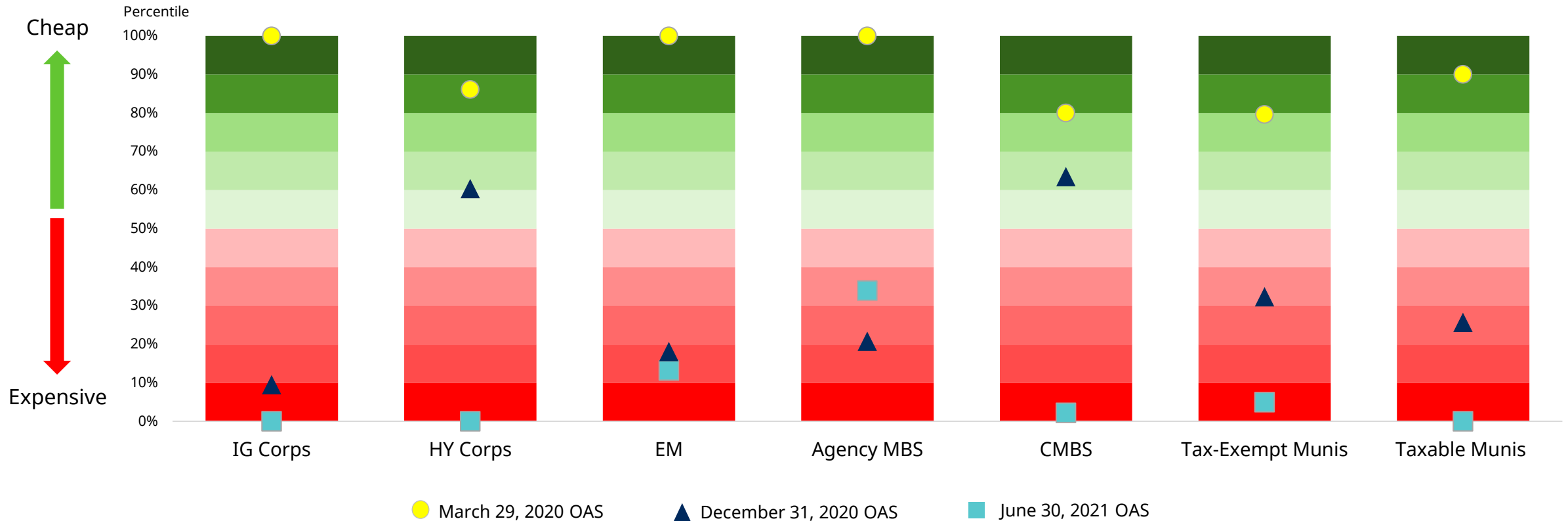
Source: <sup>1</sup>Bloomberg as of September 13, 2021; \*5-year A-rated corporate index. There is no guarantee current performance trends will continue or lead to favorable investment opportunities.



# Spreads are at the most expensive levels since the mid-2000's

Credit spreads are through pre-COVID tight

Current percentile of OAS for various spread sectors over the past 10 years



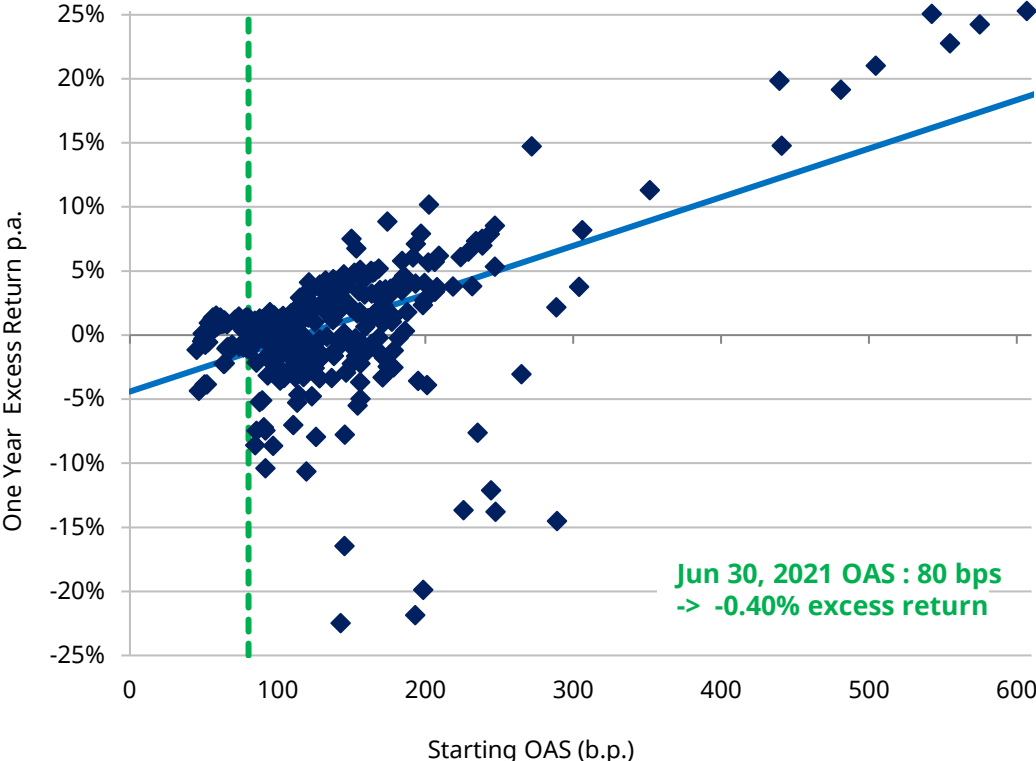
Source: Schroders and Bloomberg; as of June 30, 2021. Indices used are the Bloomberg Barclays U.S. Corporate Index, Bloomberg Barclays U.S. Mortgage Backed Securities Index, Bloomberg Barclays Corporate High Yield Index, Bloomberg Barclays Emerging Markets USD Aggregate, ICE Bank of America 1-10 Year US Municipal Securities Index, Bloomberg Barclays U.S. Aggregate CMBS Index, and the ICE Bank of America Broad U.S. Taxable Municipal Securities Index. Past performance trends should not be relied upon to evaluate current results.



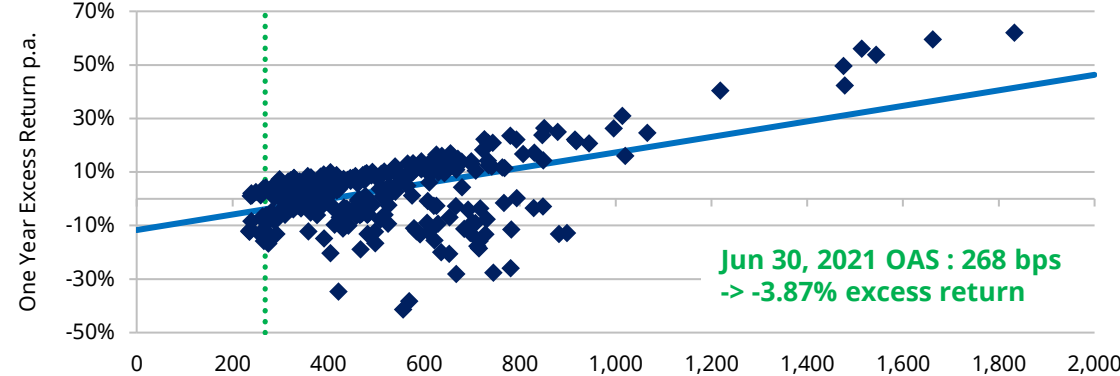
# Prospective returns on an index level leave little room for error

## One-year excess returns versus starting spreads

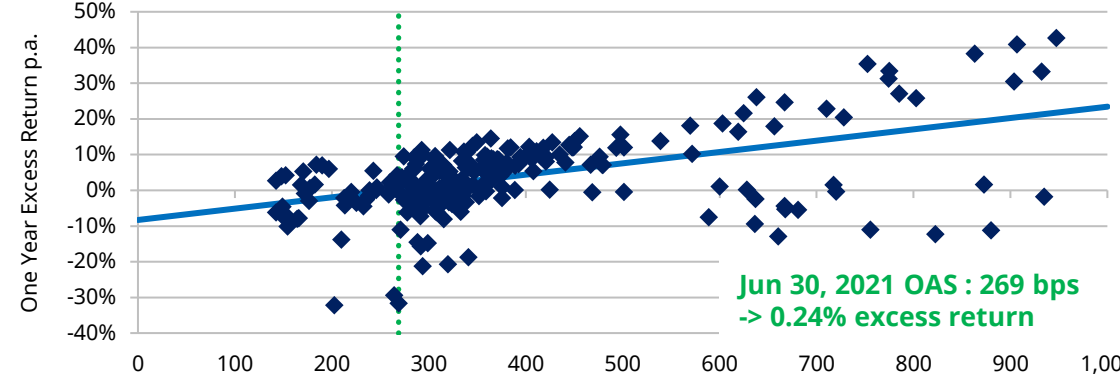
### Investment grade corporates



### High yield



### Emerging market debt

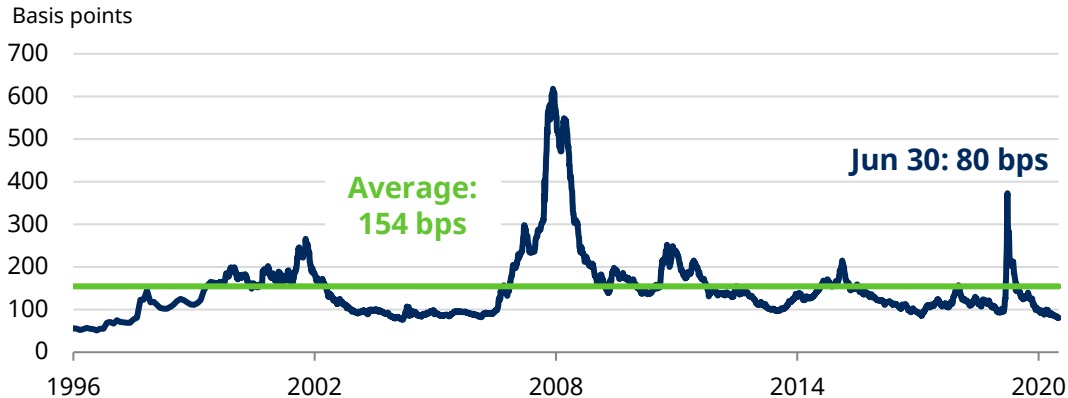


Source: Bloomberg from April 1, 2018 to present and Bloomberg Barclays POINT prior to that date. Based on the Bloomberg Barclays US Corporate Index, Bloomberg Barclays US High Yield Index and Bloomberg Barclays EM USD Aggregate Index. Past performance is no guarantee of future performance. The value of an investment may go down as well as up and is not guaranteed. Investors cannot invest directly in any index. Excess return based on regression analysis.

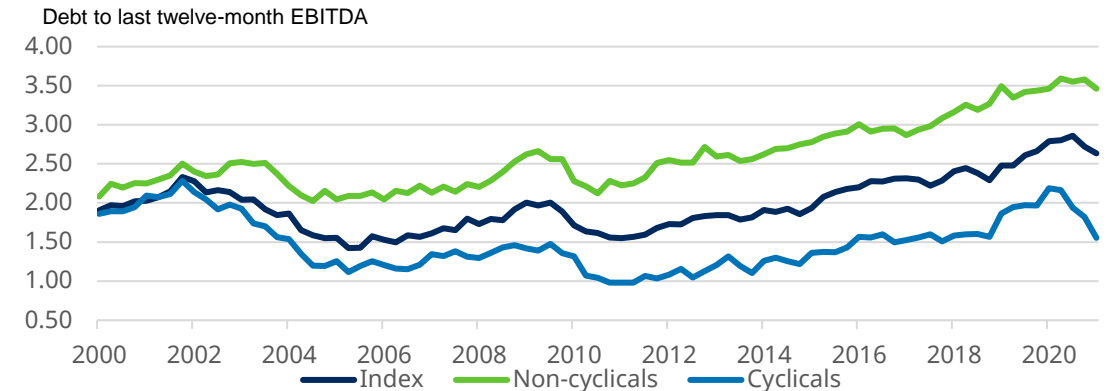
# IG expensive but fundamentals and technicals are supportive

Despite low yields, US fixed income is still attractive for non-US investors

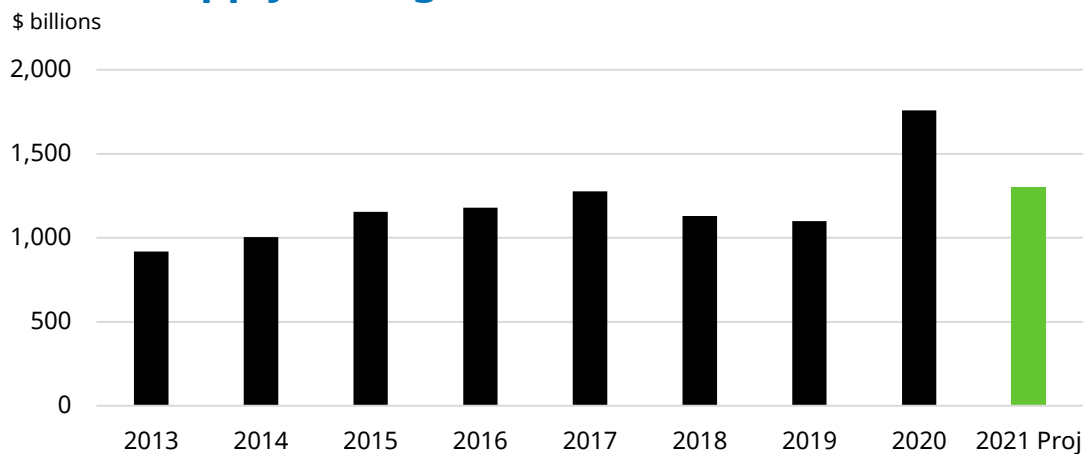
## IG corporate spread<sup>1</sup>



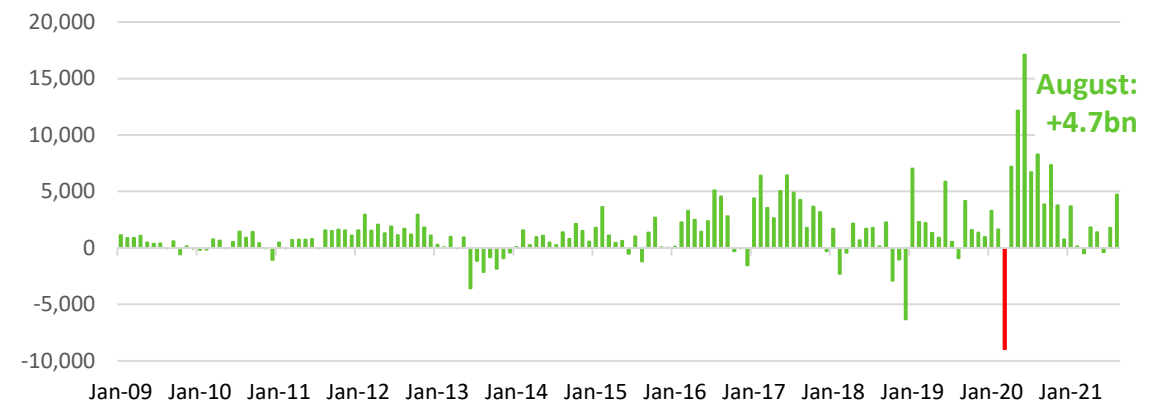
## IG net leverage<sup>2</sup>



## Credit supply falling from record 2020<sup>3</sup>



## US High Grade monthly flows<sup>4</sup> (in USD millions)

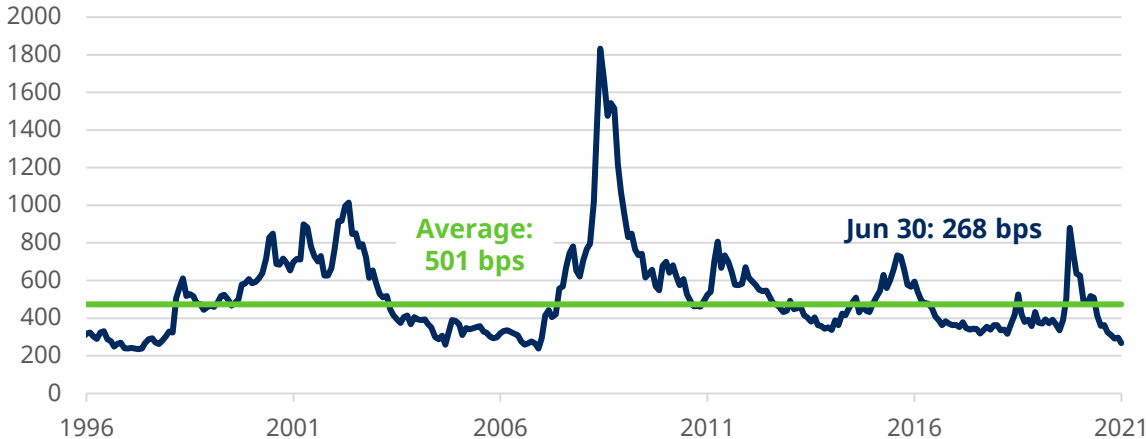


Source: Schroders, Bloomberg; as of June 30, 2021. <sup>1</sup>IG Corporate Index is the Bloomberg Barclays US Corporate Bond Index. <sup>2</sup>Schroders, Bloomberg: as of March 31, 2021. <sup>3</sup>JPMorgan as of June 30, 2021, projected 2021 supply. <sup>4</sup>JP Morgan as of August 31, 2021. Current performance trends are not guaranteed to continue or lead to favorable investment opportunities.

# High yield spreads have fully retraced, but fundamentals are positive

Prefer the BB segment of the market

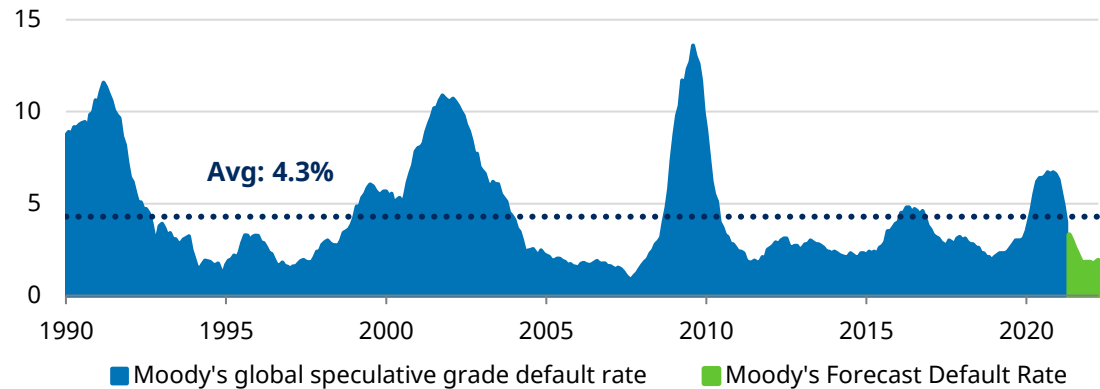
## US HY Spreads (bps)



## Spread (in bps) between BB-rated and BBB-rated bonds

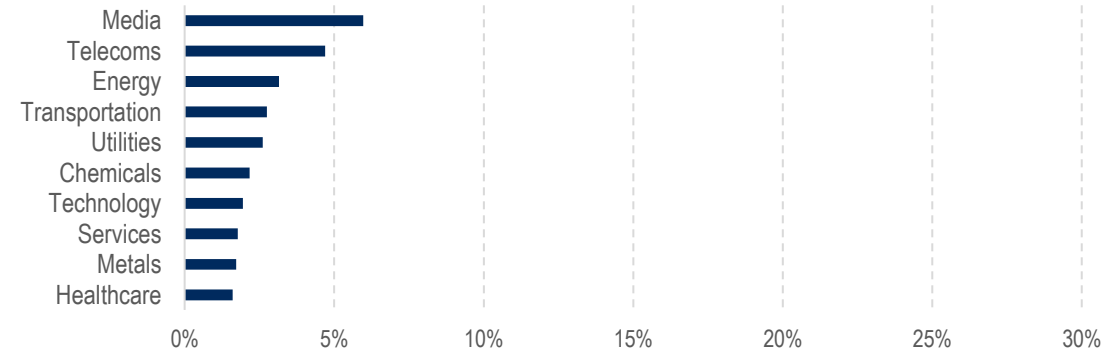


## Global default rate (% on a trailing 12-month basis)



## US HY Distress Ratio by sector<sup>1</sup>

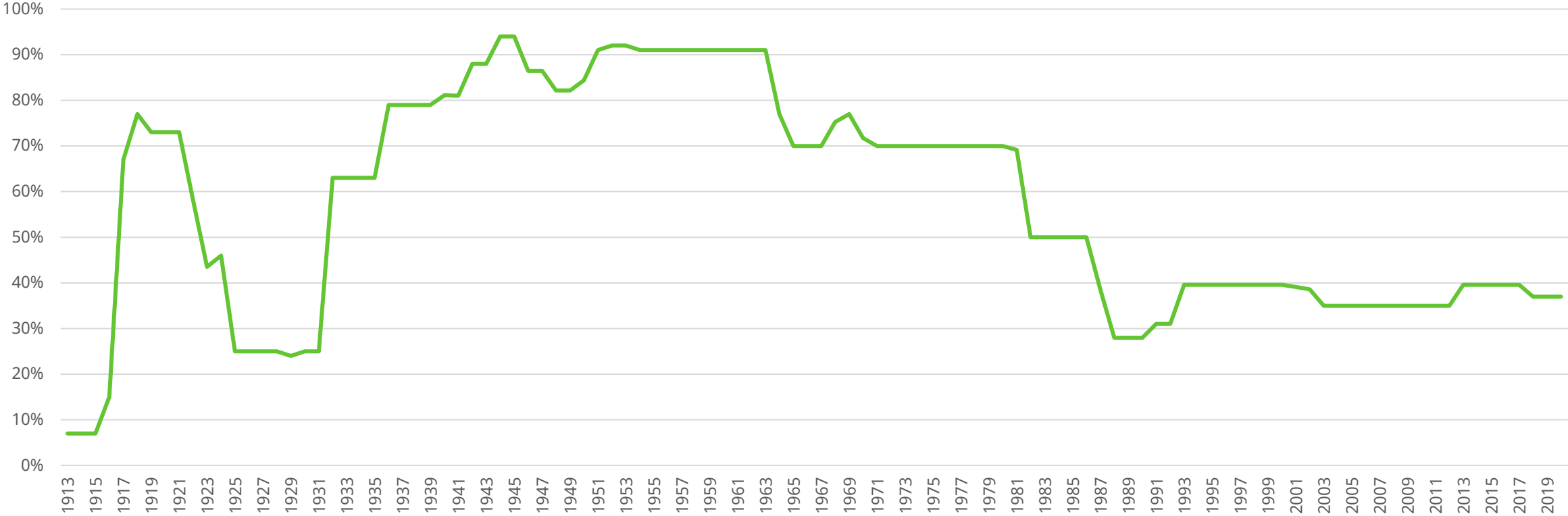
(as a % of the industry)



Source: Bloomberg Barclays, Moody's and BofA; as of June 30, 2021; Moody's default rate and forecast as of June 30, 2021; Yields may fluctuate over time. <sup>1</sup>Distressed ratio is defined as any bond trading at a spread of 1,000 bps or more. Current performance trends are not guaranteed to continue or lead to favorable investment opportunities.

# Highest marginal income tax rates (1913-2020)

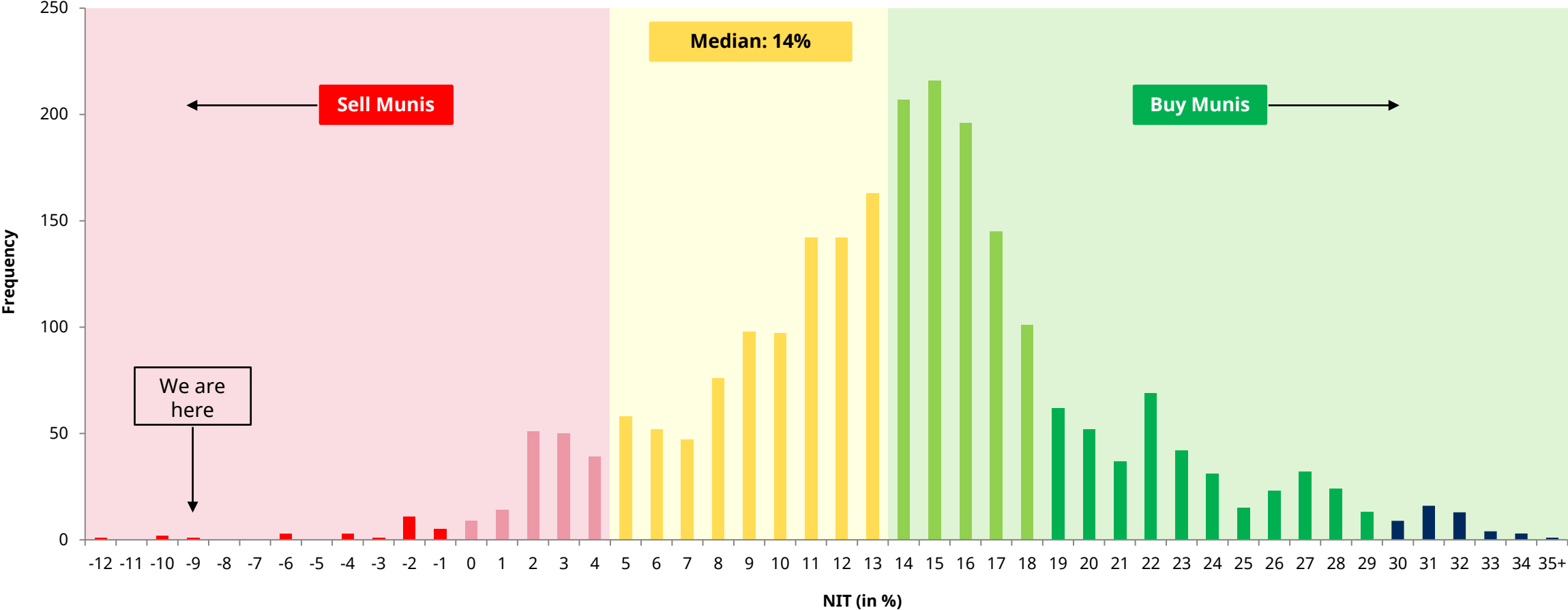
Relatively stable over the last 30 years



Source: Internal Revenue Service.

# Municipal valuations: Net Implied Tax Rate

## Frequency of observations

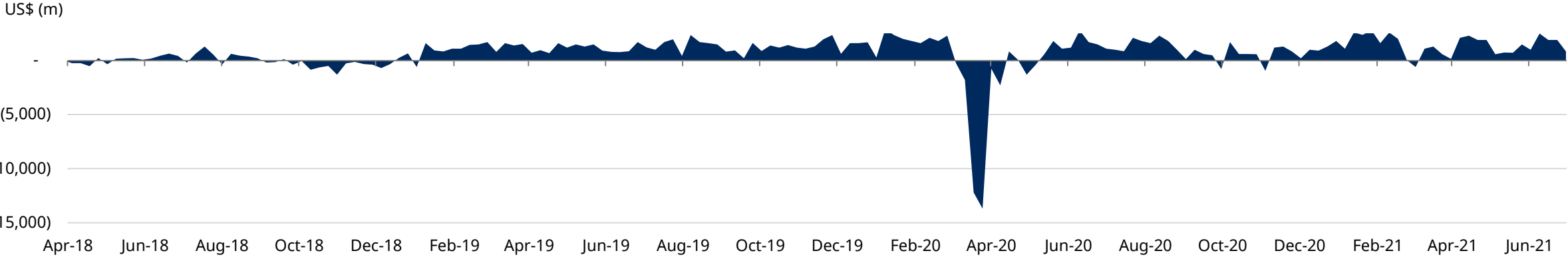


Source: Thomson Reuters and Bloomberg, through June 30, 2021. For illustration only, based on the views of the Schroders US Multi-Sector Fixed Income team. Not a recommendation to buy/sell any security.

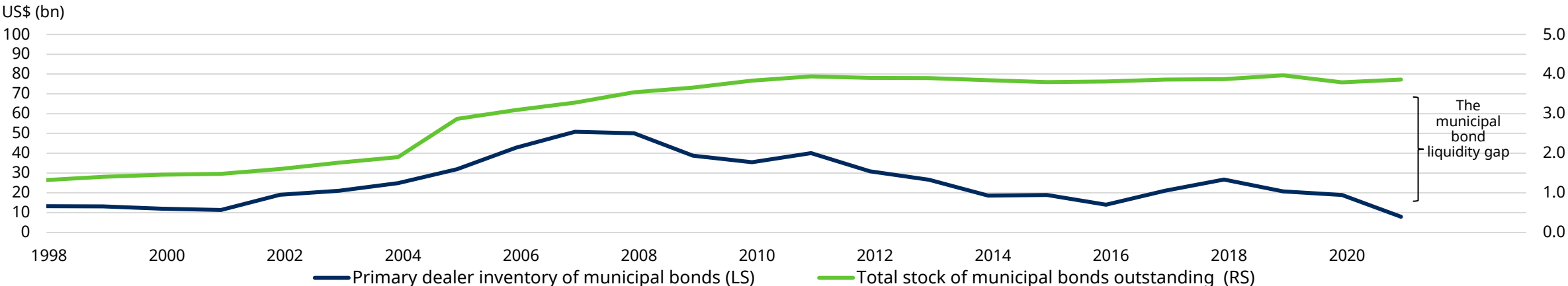
# Markets recovered from the dip in 2020 with steady inflows

2021 total inflows YTD to \$68.1bn, ranked as 3<sup>rd</sup> highest since 1992

## Municipal fund flows<sup>1</sup>



## Primary dealer municipal bond inventory<sup>2</sup>



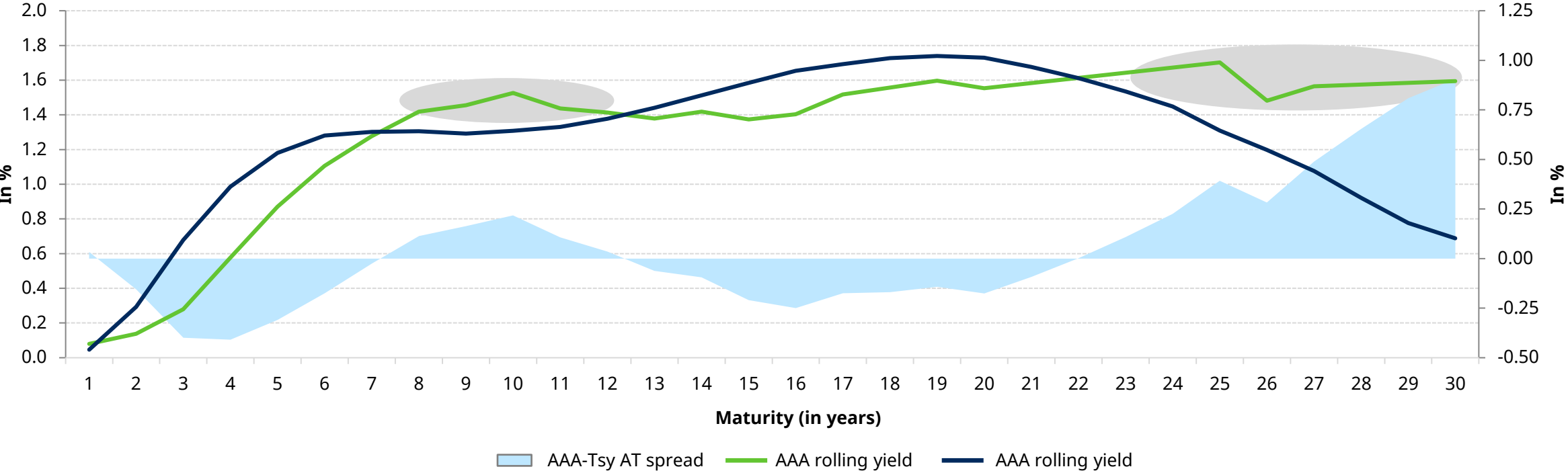
<sup>1</sup>Source: JPMorgan. Chart depicts weekly fund flow reporting only and is through June 30, 2021. <sup>2</sup>Source: Federal Reserve System and Bloomberg. Data is through June 30, 2021. The opinions stated in this document include some forecasted views. We believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know. However, there is no guarantee that any forecasts or opinions will be realized.

# Opportunities exist across parts of the municipal market

We evaluate all sectors on an after-tax basis to maximize after-tax total returns

The rolling yield for the 10-year part of the curve currently matches that of the long end

Roll down yield for 1-year holding period  
MMD AAA curve vs. Treasury after-tax



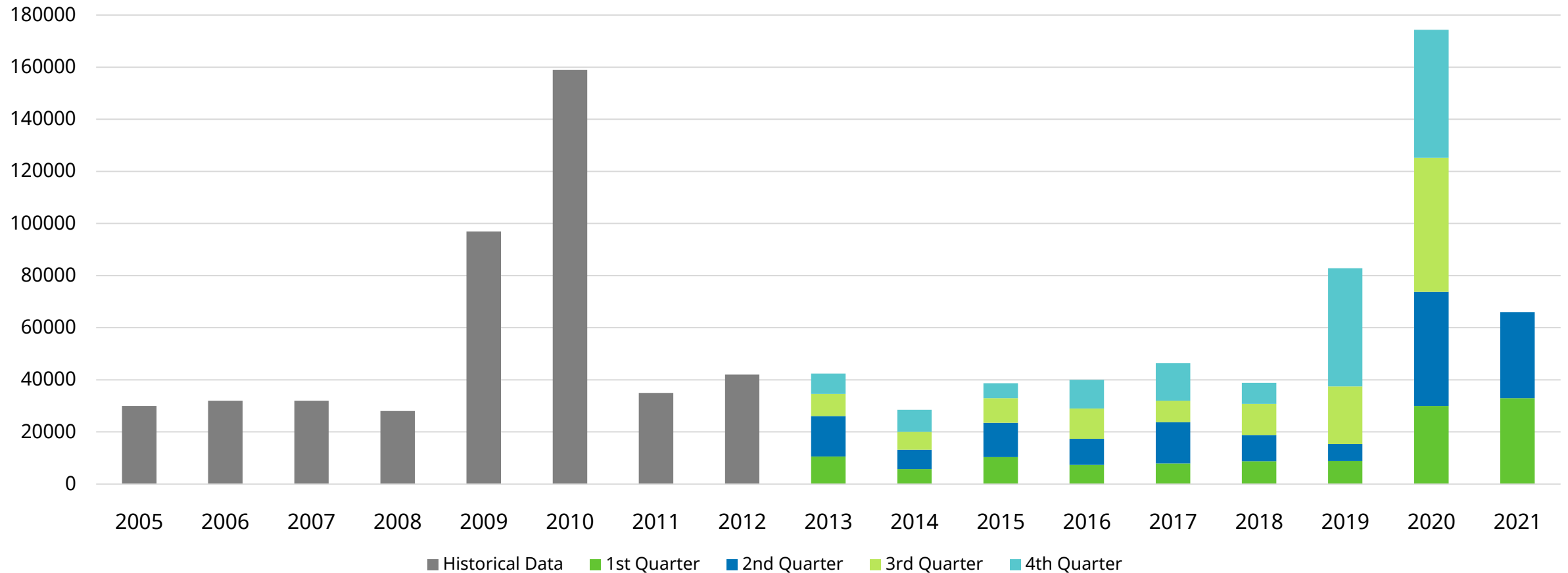
Source: Schroders and MMD as of September 13, 2021. The views and forecasts shared are those of the Schroders US Multi-Sector Fixed Income team and may not lead to favorable investment outcomes.



# Significant increase in taxable municipal issuance

2020 taxable municipal issuance was a record-breaking year

Municipal issuers refinance tax-exempt bonds with taxable bonds due to low absolute yields



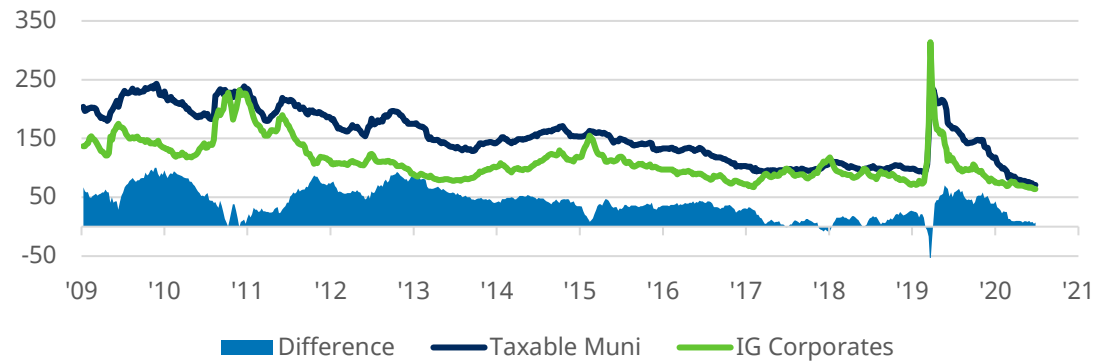
Source: Bloomberg; as of June 30, 2021.

# Taxable municipals: no longer an alternative to corporates

Fundamentals remain robust but significant issuance possible

## Taxable municipal spreads versus corporates<sup>1</sup>

OAS to Treasuries, in bps

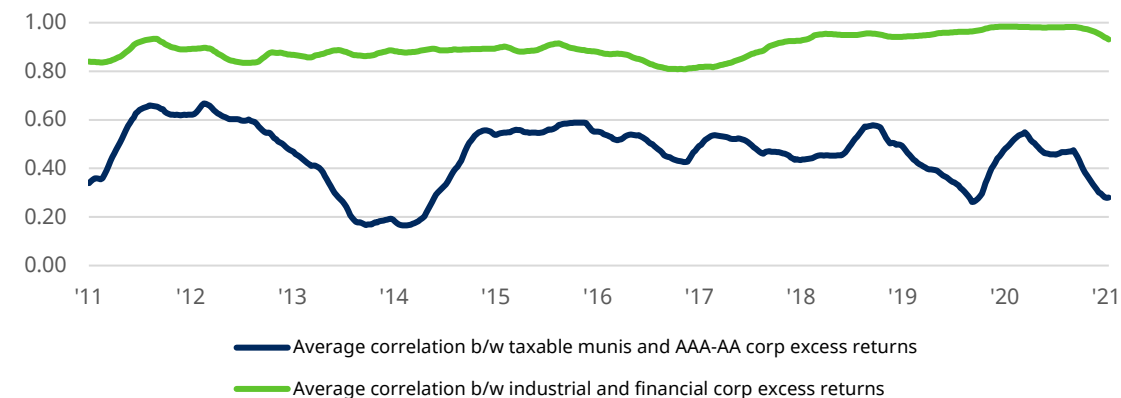


## Spread capture no longer attractive<sup>1</sup>

Taxable muni spread as % of AAA-A corporates

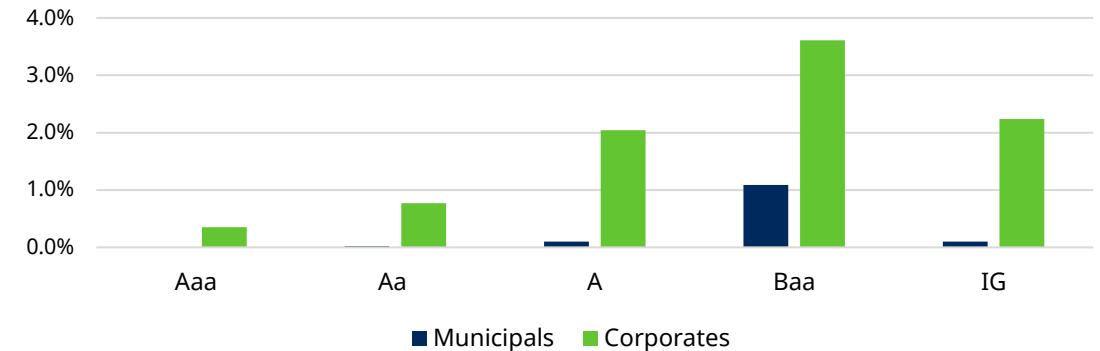


## Taxable municipals and corporates relatively uncorrelated<sup>2</sup>



## Corporates of similar rating have higher defaults<sup>3</sup>

10-year cumulative default rates by rating (1970-2020)



Source: <sup>1</sup>As of June 30, 2021. Indices used are the ICE Bank of America AAA-A US Corporate Index (C010) and the ICE Bank of America Taxable Municipal Securities Index (TXMB). <sup>2</sup>ICE. Chart depicts 52-week rolling average of 13-week trailing excess return correlations. <sup>3</sup>Moody's US Municipal Bond Defaults and Recoveries, 1970-2020. Current performance trends are not guaranteed to continue or lead to favorable investment outcomes.

# MUSE (Municipal US Sustainability Explorer)



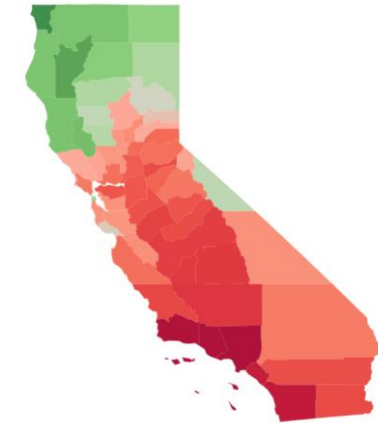
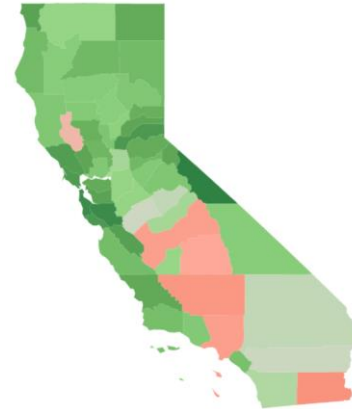
## Example - Los Angeles County Metrics

Summary Score for Los Angeles County

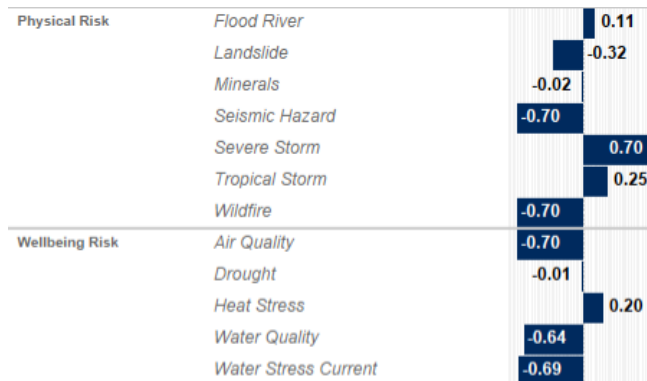
Overall ESG Score -0.11 Environmental: Wellbeing Risk Score -0.70

Overall Sustainability Score -0.11

<b>Environmental</b>	<i>Physical Risk</i>	-0.22
	<i>Wellbeing Risk</i>	-0.70
<b>Social</b>	<i>Human Capital</i>	-0.05
	<i>Social Stability</i>	0.16
<b>Governance</b>	<i>Environmental Governance</i>	-0.10
	<i>Political Stability</i>	-0.29



### Some of the Underlying ESG Metrics



Source: Schroders. The proprietary analytical ESG tool discussed in this slide is designed to enhance the research process but do not guarantee favorable investment outcomes.

# Dynamic sector allocation can maximize after-tax returns

And even for those in the top tax bracket, municipals bonds don't always win

Taxable bonds have provided higher after-tax total returns in 4\* of the past 10 calendar years

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
US Corporates 9.64%	US Municipals -0.75%	US Municipals 6.05%	US Municipals 3.31%	US Corporates 3.85%	US Municipals 4.48%	US Municipals 1.66%	US Corporates 11.07%	US Corporates 8.03%	US Municipals 1.25%
US Municipals 4.21%	US Corporates -1.65%	US Corporates 3.39%	US Treasuries 0.93%	US Treasuries 0.42%	US Corporates 3.36%	US Treasuries 0.49%	US Municipals 7.70%	US Treasuries 7.76%	US Corporates -1.29%
US Treasuries 1.06%	US Treasuries -3.45%	US Treasuries 2.96%	US Corporates -0.50%	US Municipals 0.26%	US Treasuries 0.66%	US Corporates -2.22%	US Treasuries 5.89%	US Municipals 5.63%	US Treasuries -2.46%
Municipals underperform the top sector by 5.43%	Municipals outperform the next best sector by 0.90%	Municipals outperform the next best sector by 2.66%	Municipals outperform the next best sector by 2.38%	Municipals underperform the top sector by 3.59%	Municipals outperform the next best sector by 1.12%	Municipals outperform the next best sector by 1.17%	Municipals underperform the top sector by 3.37%	Municipals underperform the top sector by 2.40%	Municipals outperform the next best sector by 2.54%

\*As of June 30, 2021 and counts 2021 as a calendar year. Source: US Corporates are represented by the Bloomberg Barclays US Credit Corporate 5-7 Year Index; US Treasuries are represented by the Bloomberg Barclays US Treasury 5-7 Index for 2009, 2018, 2019 and 2020 and the Bloomberg Barclays US Treasury 4-7 Year Index from 2010-2017 and US Municipals are represented by the Bloomberg Barclays Municipal Index 7-year Index for 2009-2018, the Bloomberg Barclays Municipal Index 10-year Index for 2019 and 2020 and the Bloomberg Barclays Municipal Index 15-year Index for 2021. All indices have a duration of +/-0.60 years of one another. Tax rate used: 35% for 2009 -2012, 43.4% for 2013 -2017 and 40.4% for 2018-2020. The tax rates include the net investment income tax. Returns do not reflect state and/or local taxes, nor do they reflect the AMT. Investors cannot invest directly in any index. Other effective tax rates would have achieved different results. Actual results will vary. Past performance is no guarantee of future results and may not be repeated.

# US Multi-Sector fixed income

## Current portfolio themes

### Picks



**Cyclical and COVID-sensitive corporates**



**Focus on income in short and intermediate maturities**



**AAA CLOs**



**Higher quality HY and BBB-rated corporates**

### Pans



**Long duration, higher quality corporates**



**Agency MBS**



**Tax-exempt municipals**

# Biographies of key investment professionals



**Julio C. Bonilla,  
CFA**

Portfolio Manager,  
US Fixed Income

- 2013 Schroders
- 2010 STW Fixed Income Management, Portfolio Manager
- 2000 Wells Capital Management, Senior Portfolio Manager
- 1997 Wells Fargo Institutional Brokerage, Associate

MBA, Pepperdine University  
BA, University of San Diego

23 years of investment experience  
11 years with Schroders



**Julie R. Mandell**

Investment Director

- 2014 Schroders
- 2001 AllianceBernstein, Fixed Income Product Director from 2010 to 2014. Prior to that she was a Multi-Asset Product Manager (2008–2010), Fixed Income Product Manager (2006–2008) and a Client Portfolio Manager for Municipal Bonds (2004–2006)
- 1996 Sanford C Bernstein, Associate Portfolio Manager

MBA, New York University  
BS, Union College, New York

25 years of investment experience  
7 years with Schroders

Source: Schroders.

# Disclaimer

Risks: All investments involve risks including the risk of possible loss of principal. The market value of a portfolio may decline as a result of a number of factors, including interest rate risk, credit risk, inflation/deflation risk, mortgage and asset-backed securities risk, US Government securities risk, foreign investment risk, derivatives and liquidity risk. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Frequent trading of the portfolio may result in relatively high transaction costs and may result in taxable capital gains. Duration is a measure of volatility expressed in years. The higher the number, the greater potential for volatility as interest rates change. **No investment strategy or risk management technique can guarantee future returns or eliminate risk in any market environment.**

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Thank you



Seeks total return on an after-tax basis.

**Tickers** A: STWVX C: HFKCX F: HFKFX I: STWTX SDR: HFKVX  
Y: HFKYX

**Inception Date** 10/03/2011

**Morningstar<sup>®</sup> Category** Intermediate Core Bond

**Lipper Peer Group** General & Insured Municipal Debt

**Performance (%)**

Class	QTD	YTD	Average Annual Total Returns				SI
			1 Year	3 Year	5 Year	10 Year	
A	0.87	0.35	2.31	4.89	2.85	—	4.56
A with 4.5% Max Sales Charge	—	—	-2.32	3.29	1.91	—	4.08
F	0.93	0.38	2.57	5.13	3.10	—	4.83
I	0.83	0.37	2.45	5.07	3.08	—	4.81
Y	0.81	0.34	2.46	5.03	3.05	—	4.80
Bloomberg Barclays Municipal Bond Index	1.42	1.06	4.17	5.10	3.25	—	—
Morningstar Category	1.77	-1.22	0.77	5.26	3.02	—	—
Lipper Peer Group	2.03	1.95	5.97	5.02	3.20	—	—

Share Class Inception: A - 12/30/14; F - 2/28/17; I - 10/3/11; Y - 10/24/16. Share class performance prior to 10/24/16 reflects the performance of the predecessor fund. Performance shown prior to the inception of a class reflects performance and operating expenses of another class(es) (excluding sales charges, as applicable). Had fees and expenses of a class been reflected for the periods prior to the inception of that class, performance would be different. A portion of Class A performance reflects the performance of the predecessor fund's Investor Class adjusted for distribution fees of the predecessor fund's Advisor Class. Since inception (SI) performance is from 10/3/11. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge.

**Bloomberg Barclays Municipal Bond Index** is designed to cover the USD-denominated long-term tax exempt bond market. Indices are unmanaged and not available for direct investment.

**Portfolio Managers from Schroders**

**Lisa Hornby**

Portfolio Manager  
Professional Experience Since 2007

**Neil G. Sutherland, CFA**

Portfolio Manager  
Professional Experience Since 1997

**Julio C. Bonilla, CFA**

Portfolio Manager  
Professional Experience Since 1998

**David May**

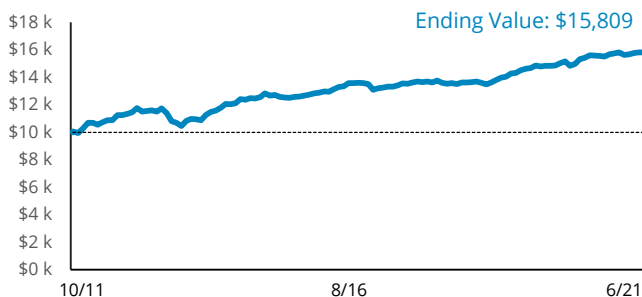
Portfolio Manager  
Professional Experience Since 2010

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

**Expenses (%)<sup>1</sup>**

	A	F	I	Y
Gross	0.83	0.53	0.61	0.64
Net	0.72	0.47	0.50	0.57

**Value of a \$10,000 Investment (Class I)**



**Calendar Year Returns (%)**

2020	6.01
2019	7.59
2018	0.34
2017	4.13
2016	2.56
2015	2.58
2014	15.40
2013	-5.36
2012	12.11

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).

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.

<sup>1</sup> Expenses as shown in the Fund's most recent prospectus. Gross expenses do not reflect contractual expense reimbursement arrangements. Net expenses reflect such arrangements in instances when they reduce gross expenses. These arrangements remain in effect until 2/28/22 unless the Fund's Board of Directors approves an earlier termination.

Mutual funds are distributed by Hartford Funds Distributors, LLC (HFD), Member FINRA. Advisory services are provided by Hartford Funds Management Company, LLC (HFMC). Certain funds are sub-advised by Schroder Investment Management North America Inc. Schroder Investment Management North America Ltd. serves as a secondary sub-adviser to certain funds. HFD and HFMC are not affiliated with any sub-adviser.

JUNE 30, 2021

# Hartford Schrodgers Tax-Aware Bond Fund

## Portfolio Composition

Tax Exempt Municipal	52
Corporate	29
US Treasuries	17
Taxable Municipal	1
Cash	0
Cash & Cash Equivalents	0
Agency Mortgage Backed Securities	0
Asset Backed Securities	0
Government Related Agencies	0
Mortgage Backed Securities	0
Other	0

## Tax Exempt Municipal Sector Exposure

Fed Agency	13
Corp Supported	11
Transportation	8
Housing	5
General Obligation	5
Utilities	3
Leasing	2
Healthcare	1
Other Revenue	1
Education	1
Sales Tax Revenue	1
Pre-Refunded	0
Floating Rate Bonds	0
Higher Education	0
Insured	0
Moral Obligation	0
Not for Profit	0
Special Assessment	0
Tax Increment Financing	0

Net Assets	\$466 million
# of Holdings	211
# of Issuers	132
Dividend Frequency	Monthly

## Holdings Characteristics

Effective Duration	3.63 yrs.
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## Yields (Class I)

30-Day SEC Yield	0.65%
Unsubsidized 30-Day SEC Yield	0.54%

## Credit Exposure<sup>†</sup> (%)

Aaa/AAA	32
Aa/AA	16
A	33
Baa/BBB	18
Ba/BB	0
B	0
Caa/CCC or lower	0
Not Rated	0
Cash & Cash Offsets	1

<sup>†</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 average rating is used. If only two ratings agencies assign ratings, the average rating is used. Securities that are not rated by any of the three agencies are listed as "Not Rated". The ratings breakdown includes cash and cash equivalents. Ratings do not apply to the Fund itself or to Fund shares. Ratings may change.

## Top Ten Issuers (%)

as of 3/31/21

U.S. Treasury Notes	5.40
Kentucky Public Energy Auth	3.18
Main Street, GA, Natural Gas, Inc.	3.09
State of Maryland Department of Transportation	2.93
Louisiana Local Gov't Environmental Facs. & Community Dev. Auth	2.76
JPMorgan Chase & Co.	2.52
Curators of The University Of Missouri, MI, Rev	2.42
Chicago, IL, O'Hare International Airport Rev	2.21
New York State Dormitory Auth Rev	2.01
Illinois Housing Dev Auth	1.99
<b>Percentage Of Portfolio</b>	<b>28.51</b>

## Top Ten Issuers (%)

as of 6/30/21

U.S. Treasury Notes	17.22
Kentucky Public Energy Auth	3.07
Main Street, GA, Natural Gas, Inc.	2.96
JPMorgan Chase & Co.	2.82
Louisiana State Local Govt Environmental Facs & Community Dev Auth Rev	2.68
Chicago, IL, O'Hare International Airport	2.15
Illinois Housing Dev Auth	1.90
Minnesota Housing Finance Agency Rev	1.64
Rhode Island Housing & Mortgage Finance Corp.	1.51
Macquarie Group Ltd.	1.50
<b>Percentage Of Portfolio</b>	<b>37.45</b>

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

**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. • Fixed income security risks include credit, liquidity, call, duration, and interest-rate risk. As interest rates rise, bond prices generally fall. • Mortgage-related and asset-backed securities' risks include credit, interest-rate, prepayment, 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. • 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. • Municipal securities may be adversely impacted by state/local, political, economic, or market conditions; these risks may be magnified if the Fund focuses its assets in municipal securities of issuers in a few select states. Investors may be subject to the federal Alternative Minimum Tax as well as state and local income taxes. Capital gains, if any, are taxable. • 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. • The Fund may have high portfolio turnover, which could increase its transaction costs and an investor's tax liability. • Integration of environmental, social, and/or governance (ESG) factors into the investment process may not work as intended.

**Effective Duration** measures the sensitivity of an asset or portfolio's price to nominal interest rate movement. **30-Day SEC Yield** reflects the hypothetical net current income earned, after the deduction of a fund's expenses, during a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the period. Actual income distributions will usually differ. **Unsubsidized 30-Day SEC Yield** is the Fund's 30-Day SEC yield without the impact of fee/expense waivers.

Index Provider Notices may be found at [hartfordfunds.com/index-notices](http://hartfordfunds.com/index-notices).

MF9300\_0721 224516

JUNE 30, 2021

# Hartford Schroders Tax-Aware Bond ETF

**HARTFORDFUNDS**

Our benchmark is the investor.®

**HTAB**

Seeks total return on an after-tax basis.

**Morningstar® Category** Intermediate Core Bond  
**Lipper Peer Group** General & Insured Municipal Debt

**Inception Date** 04/18/2018  
**Net Assets** \$103 million  
**Shares Outstanding** 4,750,000

**CUSIP** 41653L404  
**IOPV Ticker** HTAB  
**Stock Exchange** NYSE Arca

## Performance (%)

	QTD	YTD	Average Annual Total Returns				SI
			1 Year	3 Year	5 Year	10 Year	
HTAB NAV	0.89	0.37	2.47	5.00	—	—	4.76
HTAB Price Return	1.17	0.60	2.08	5.06	—	—	4.82
Bloomberg Barclays Municipal Bond Index	1.42	1.06	4.17	5.10	—	—	—
Morningstar Category	1.77	-1.22	0.77	5.26	—	—	—
Lipper Peer Group	2.03	1.95	5.97	5.02	—	—	—

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).

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.

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 Barclays Municipal Bond Index** is designed to cover the USD-denominated long-term tax exempt bond market. Indices are unmanaged and not available for direct investment.

## Portfolio Managers from Schroders

**Lisa Hornby**  
 Portfolio Manager  
 Professional Experience Since 2007

**Neil G. Sutherland, CFA**  
 Portfolio Manager  
 Professional Experience Since 1997

**Julio C. Bonilla, CFA**  
 Portfolio Manager  
 Professional Experience Since 1998

**David May**  
 Portfolio Manager  
 Professional Experience Since 2010

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

**Total Operating Expenses<sup>1</sup>:** 0.40%

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

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

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



## Hartford Schroders Tax-Aware Bond ETF

Portfolio Composition	
Tax Exempt Municipal	56
Corporate	29
US Treasuries	13
Taxable Municipal	1
Cash & Cash Equivalents	1
Cash	0
Agency Mortgage Backed Securities	0
Asset Backed Securities	0
Government Related Agencies	0
Mortgage Backed Securities	0
Other	0

Tax Exempt Municipal Sector Exposure	
Fed Agency	15
Corp Supported	11
Transportation	8
Housing	6
General Obligation	6
Utilities	4
Higher Education	1
Other Revenue	1
Leasing	1
Healthcare	1
Education	1
Pre-Refunded	0
Floating Rate Bonds	0
Insured	0
Moral Obligation	0
Not for Profit	0
Sales Tax Revenue	0
Special Assessment	0
Tax Increment Financing	0

Top Ten Issuers (%)	
as of 3/31/21	
U.S. Treasury Notes	18.19
Louisiana Local Gov't Environmental Facs. & Community Dev. Auth	2.48
Ohio Housing Finance Agency Rev	2.26
State of Maryland Department of Transportation	2.20
Curators of The University Of Missouri, MI, Rev	2.18
Iowa Finance Auth	2.15
JPMorgan Chase & Co.	2.03
Kentucky Public Energy Auth	1.75
Chicago, IL, O'Hare International Airport Rev	1.67
Main Street, GA, Natural Gas, Inc.	1.60
<b>Percentage Of Portfolio</b>	<b>36.51</b>

Top Ten Issuers (%)	
as of 6/30/21	
U.S. Treasury Notes	12.75
Louisiana State Local Govt Environmental Facs & Community Dev Auth Rev	2.71
JPMorgan Chase & Co.	2.52
Black Belt Energy Gas Dist, AL	2.50
Kentucky Public Energy Auth	2.45
Chicago, IL, O'Hare International Airport	2.35
Main Street, GA, Natural Gas, Inc.	2.21
Illinois Housing Dev Auth	2.18
Goldman Sachs Group, Inc.	1.82
Crown Castle International Corp.	1.77
<b>Percentage Of Portfolio</b>	<b>33.26</b>

Net Assets	\$103 million
# of Holdings	182
# of Issuers	126
Dividend Frequency	Monthly

Holdings Characteristics	
Effective Duration	3.77 yrs.

Yields	
30-Day SEC Yield	0.77%
Unsubsidized 30-Day SEC Yield	0.77%

Credit Exposure <sup>†</sup> (%)	
Aaa/AAA	29
Aa/AA	18
A	31
Baa/BBB	21
Ba/BB	0
B	0
Caa/CCC or lower	0
Not Rated	0
Cash & Cash Offsets	1

<sup>†</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.

**Benchmark** Bloomberg Barclays Municipal Bond Index

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

**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. 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. • Fixed income security risks include credit, liquidity, call, duration, and interest-rate risk. As interest rates rise, bond prices generally fall. • Municipal securities may be adversely impacted by state/local, political, economic, or market conditions; these risks may be magnified if the Fund focuses its assets in municipal securities of issuers in a few select states. Investors may be subject to the federal Alternative Minimum Tax as well as state and local income taxes. Capital gains, if any, are taxable. • The risks associated with mortgage-related and asset-backed securities include credit, interest-rate, prepayment, and extension risk. • 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. • The purchase of securities in the To-Be-Announced (TBA) market can result in additional 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, 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 and economic developments. • 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.

**30-Day SEC Yield** reflects the hypothetical net current income earned, after the deduction of a fund's expenses, during a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the period. Actual income distributions will usually differ. **Unsubsidized 30-Day SEC Yield** is the Fund's 30-Day SEC yield without the impact of fee/expense waivers. **Effective Duration** measures the sensitivity of an investment's price to nominal interest rate movement. **IOPV, or Indicative Optimized Portfolio Value**, is a calculation disseminated by the stock exchange that approximates the Fund's NAV every fifteen seconds throughout the trading day.

Exchange-traded products are distributed by ALPS Distributors, Inc. (ALPS). Advisory services are provided by Hartford Funds Management Company, LLC (HFMC). Certain funds are sub-advised by Schroder Investment Management North America Inc. Schroder Investment Management North America Ltd. serves as a secondary sub-adviser to certain funds. Hartford Funds refers to Hartford Funds Distributors, LLC, Member FINRA, HFMC, and Lattice, which are not affiliated with ALPS or any sub-adviser.

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