

**TRPA** Hartford AAA CLO ETF

Inception Date 5/30/18 Morningstar® Category Securitized Bond - Focused

## Market Overview

US fixed-income markets delivered positive total returns in the fourth quarter of 2025 as policy uncertainty, fiscal developments, and divergent central-bank actions shaped the investment landscape. The US began the quarter with its longest government shutdown on record, which delayed key economic data and forced the Federal Reserve (Fed) to make policy decisions with limited visibility. The shutdown ended in mid-November, but data gaps persisted, adding to market uncertainty. US agency MBS, investment-grade corporate, and high-yield corporate bonds produced positive total returns. MBS and high yield outperformed duration\*-equivalent US Treasuries, while investment-grade corporate bonds underperformed as spreads widened. Collateralized Loan Obligation (CLO) bonds generated positive total returns over the period as measured by the JP Morgan CLOIE AAA Index, generating 1.22%.

## Performance Summary

- The Hartford AAA CLO ETF performed in line with the JP Morgan CLOIE AAA Index during the fourth quarter.
- The portfolio's out-of-benchmark allocations to single A and AA CLOs contributed to relative returns over the quarter.
- The portfolio's security selection within AAA CLOs was a contributor over the period.

## Positioning & Outlook

- We are constructive on the 6-month US economic outlook based on above-consensus growth, contained inflation, and range-bound unemployment. Macro regime is late-cycle but resilient, with additional, albeit limited, policy easing.
- CLO spreads are tight vs. their history, but the sector offers attractive income relative to other credit sectors.
- Bank-loan fundamentals were resilient amid solid earnings, cash-flow growth, and margins holding up despite tariffs and higher labor costs.
- Loan default and LME rates have been fairly stable; heavy refinancing activity has pushed the maturity wall out to 2028.
- CLO structures are strong and designed to withstand short-term spikes in defaults.
- We expect CLO spreads to remain range-bound as any spread pressure from potential ETF outflows in a prolonged rate-cutting cycle is offset by continued economic growth.
- Expectations for favorable regulatory changes under the Trump administration are supportive for both CLO ETFs and bank demand, especially at the top of the capital structure.
- In Europe, forthcoming regulatory changes (Solvency II) beginning in 2027 are expected to be supportive of demand for higher-rated CLO tranches.

### Portfolio managers from Wellington Management and years of experience

Alyssa Irving, 30 years  
Cory D. Perry, CFA, 27 years

### Top Ten Holdings (%)

CIFC Funding Ltd.	7.17
ARES XXVII CLO Ltd.	3.51
OCP CLO Ltd.	3.14
Barings CLO Ltd.	2.87
Bain Capital Credit CLO Ltd.	2.46
Voya CLO Ltd.	1.98
Benefit Street Partners CLO XV Ltd.	1.88
KKR CLO 52 Ltd.	1.88
AGL CLO 3 Ltd.	1.87
Palmer Square CLO Ltd.	1.73
<b>Percentage Of Portfolio</b>	<b>28.49</b>

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

Effective 2/12/24, the Fund changed its objective, principal investment strategy, portfolio managers and benchmark as well as reduced the Fund's management fee rate. Returns prior to 2/12/24 reflect the performance of the Fund's prior objective and principal investment strategy.

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

## Average Annual Total Returns (%)

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI
TRPA NAV	1.22	5.46	5.46	6.44	3.01	—	3.46
TRPA Market Price	1.28	5.43	5.43	6.46	3.02	—	3.47
Benchmark	1.22	5.45	5.45	7.06	4.68	—	—
Morningstar Category	1.25	6.17	6.17	6.69	2.79	—	—

Expenses<sup>1</sup>: 0.24%

**Morningstar® Category** Securitized Bond - Focused

SI = Since Inception. Performance for periods of less than one year is not annualized

**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.

Benchmark: JP Morgan CLOIE AAA Index is designed to track the performance of broadly-syndicated, arbitrage US CLO debt from AAA tranches. Indices are unmanaged and not available for direct investment.

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<sup>1</sup>Expenses are the total annual operating expenses from the Fund's most recent prospectus at the time of publication.

**Important Risks:** Investing involves risk, including the possible loss of principal. Security prices of the Fund's underlying holdings will fluctuate in value depending on general market and economic conditions and the prospects of individual companies. The market price of the Fund's shares will fluctuate in response to changes in the Fund's net asset value, intraday value of the Fund's holdings, and the supply and demand for shares on the exchange. • The Fund is actively managed and does not seek to replicate the performance of a specified index. • The Fund invests significantly in collateralized loan obligations (CLOs) which are associated with a number of risks including liquidity, interest-rate, credit, event, and call risk as well as the risk of default of the underlying assets. CLOs are managed by investment advisers, independent of the investment manager and sub-adviser, who may have conflicts of interest or limited operating histories. Newly issued CLOs purchased in the primary market typically experience delayed or extended settlement periods. • 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. • Loans can be difficult to value and less liquid than other types of debt instrument; they are also subject to nonpayment, collateral, bankruptcy, default, extension, prepayment and insolvency risks. • Restricted securities may be more difficult to sell and price than other securities. • 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. • 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 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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