

## Hartford Sustainable Municipal Bond Fund

Tickers A: HMKAX C: HMKCX F: HMKFX I: HMKIX

Morningstar® Category Muni National Intermed Inception Date 5/29/15

### 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 to make policy decisions with limited visibility. The shutdown ended in mid-November, but data gaps persisted, adding to market uncertainty. US agency mortgage-backed securities (MBS), investment-grade (IG) corporates, and high-yield corporate bonds produced positive total returns. MBS and high yield outperformed duration<sup>1</sup>-equivalent US Treasuries, while IG corporate bonds underperformed as spreads<sup>2</sup> widened. The Bloomberg Municipal Bond 1-15 Year Blend (1-17) Index returned 1.41% during the quarter. The ratio of 10-year AAA general obligations (GOs) to 10-year Treasuries decreased from 69.1% to 66.7%, remaining below the long-term historical average of 86% over the last 20 years.\*

### Performance Summary

- The Hartford Sustainable Municipal Bond Fund (I share) outperformed the Bloomberg Municipal Bond Index during the period.
- Security selection in high-yield healthcare and IG transportation, healthcare, industrial development, and student loans were the main contributors of relative returns.
- Duration and yield-curve positioning was also additive to benchmark-relative returns, as the portfolio was overweight to the 10- and 20-year segments of the curve, which benefited from yield declines during the period.
- The Fund's allocation to and security selection within IG GO bonds detracted from performance.

### Positioning & Outlook

- Most states ended fiscal year 2025 with revenues above forecast. Although they have been declining recently, strong reserves keep us positive overall.
- Many municipal sectors have the ability to raise revenues quickly to address inflationary pressures. Labor constrained sectors such as healthcare and state and local governments will face greater challenges if inflation persists. However, local governments still have exceptional cash reserves, and hospitals are in their strongest financial position in the past five years.
- We expect municipals to behave defensively in a downturn given their high quality and strong balance sheets.
- Tax-exempts are somewhat attractive at the corporate tax rate vs. corporate bonds, particularly relative to their recent history and at longer maturities.
- Valuations are fair to rich across the curve, with the long end presenting the most value.
- Following a record-breaking year of issuance in 2025, we expect this trend may continue and may be met by continued demand. A sharp move higher in rates could lead to outflows and a more challenging market environment.

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

Brad W. Libby, 30 years

Elizabeth J. Kleinerman, CFA, 25 years

### Top Ten Holdings (%)

Massachusetts Dev Finance Agency, MA, Rev	3.99
Public Finance Auth, WI, Rev	3.16
Louisiana Public Facs Auth, LA, Rev	2.80
Central Texas Regional Mobility Auth, TX, Rev	2.61
Rhode Island Student Loan Auth, RI, Rev	2.23
Rhode Island Health & Educational Building Corp., RI, Rev	2.16
New York City Municipal Water Finance Auth, NY, Rev	2.08
California Community Choice Financing Auth, CA, Rev	2.06
California Municipal Finance Auth, CA, Rev	1.99
Chicago Board of Education, IL, GO	1.97

**Percentage Of Portfolio 25.05**

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

<sup>1</sup>**Duration** is a measure of the sensitivity of an investment's price to nominal interest-rate movement.

<sup>2</sup>**Spreads** are the difference in yields between two fixed-income securities with the same maturity but originating from different investment sectors.

\*Source: Bloomberg

## Average Annual Total Returns (%)

Class	QTD	YTD	1 Year	3 Year	5 Year	10 Year	SI	Expenses <sup>1</sup>	
								Gross	Net
A	1.66	3.97	3.97	4.19	0.51	2.27	2.42	0.82%	0.69%
A with 4.5% Max Sales Charge	—	—	-0.71	2.60	-0.41	1.80	1.98	—	—
F	1.63	4.28	4.28	4.50	0.80	2.55	2.70	0.50%	0.39%
I	1.72	4.21	4.21	4.43	0.75	2.51	2.66	0.64%	0.46%
Benchmark	1.56	4.25	4.25	3.88	0.80	2.34	—	—	—
Morningstar Category	1.48	4.36	4.36	3.94	0.91	2.05	—	—	—

**Morningstar® Category** Muni National Intermediate

**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).**

Returns prior to 4/30/21 reflect the Fund's performance when it pursued a different objective and principal investment strategy.

Share Class Inception: A, I - 5/29/15; F - 2/28/17. 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 5/29/15. Performance and expenses for other share classes will vary. Additional information is in the prospectus. Only Class A assesses a sales charge. Performance for periods of less than one year is not annualized.

Benchmark: Bloomberg 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.

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<sup>1</sup>Expenses are from the Fund's most recent prospectus at the time of publication. 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 2/28/26 unless the Fund's Board of Directors approves an earlier termination. Without these arrangements, performance would have been lower.

**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. • Municipal securities may be adversely impacted by state/local, political, economic, or market conditions. Investors may be subject to the federal alternative minimum tax as well as state and local income taxes. Capital gains, if any, are taxable. • Fixed income security risks include credit, liquidity, call, duration, and interest-rate risk. As interest rates rise, bond prices generally fall. • Investments in high-yield ("junk") bonds involve greater risk of price volatility, illiquidity, and default than higher-rated debt securities. • Applying sustainability criteria to the investment process may result in foregoing certain investments and underperformance comparative to funds that do not have a similar focus. There is a risk that the securities identified by the sub-adviser as meeting its sustainable investing criteria do not operate as anticipated.

**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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