

The third quarter was pretty lackluster following a really strong first half of the year. The quarter ended with a selloff in most equity categories ranging from 3-5%. The S&P 500® Index lost 3.3%, while small cap stocks were down 5.1%. The combination of a summer rally in oil prices and higher than expected inflation led to a broader acceptance of the idea that interest rates are likely to remain “higher for longer”. This is a change from earlier in the year when expectations were for a soft economic landing that could lead to rate cuts in 2024:

It’s been a pretty narrow rally this year

The S&P 500 gained 13.1% in the first three quarters of 2023, international stocks gained 7.1%, and small and mid-cap stocks gained 2.5% and 3.9%, respectively. Despite the strength of the S&P 500, most stocks have not been so fortunate. The chart to the right shows that the largest mega-cap companies gained over 24%, driven mainly by large “growth” companies. In fact the seven largest stocks, which make up 28% of the index, gained an average of 88% year to date (as shown in the table at right). On the other hand, the S&P 500 equal weighted index, a better reflection of the average stock, gained only 1.8%. Overall, a little more than half (51%) of stocks in the Russell 3000 have declined this year. The decline in fixed income prices related to rising interest rates mostly offset their higher yields, resulting in paltry bond market with a measly 0.7% gain.

The market has been pricing in some problems for a while

It is not surprising to see a market rally after a terrible year like we saw in 2022. The stock and bond markets have been pricing in the effects of higher interest rates and the potential for a subsequent recession for about two years. Both markets were down double digits last year and, excluding the handful of stocks mentioned above, have not had much of a recovery thus far in 2023. Despite this year’s strong S&P 500 return, the returns since the beginning of 2022 may come as a surprise to many. Value stocks (Russell 1000 Value® Index) have been the best performers and are down about 6%. The average stocks in the S&P 500 is down about 10% and small cap stocks (Russell 2000® Index) and emerging markets (MSCI EM) are down close to 20%! Small cap stocks lost nearly 10% and remain more than 25% below their highs reached in late 2021. At these levels, a fair bit of negativity seems to already be priced in.

As always, there is uncertainty in the market

The new market view that rates will stay higher for longer may bring with it fresh signs of peaking interest rates, which could once again breathe life into stocks, particularly since many sentiment indicators currently sound a bearish tone. The CNN “Fear & Greed Index” currently stands at 25 out of 100, putting it in the “fear” zone. As we’ve seen before, widespread negativity can sometimes reverse and lead to market gains. Additionally, the modest pullback we have seen thus far is not unexpected after such a strong first half of 2023. For the rest of the year, the keys to the market direction will be whether the employment market and corporate earnings can remain strong in the face of higher rates and progression of numerous geopolitical issues across the globe. The market has had 2 years to work on pricing in the impact of higher rates as seen in the returns above, but the geopolitical situation could be the wild card. With this uncertainty, we have been reducing equity allocations to our target weightings and increasing credit quality on the bond side.

New Asset Allocation Options

Earlier this year, we launched 3 new models to broaden our offering to meet the needs of our clients. Our new Income model is designed to provide a yield that is significantly above that of both the S&P 500 and the 10 year Treasury bond using a combination of income producing ETFs. The Income model’s current SEC Yield is 6.1%. Our two US Growth models provide diversified US stock exposure using either mutual funds or ETFs. Please contact your financial advisor if these models could be a good fit for you.

Asset Category	Q3 2023	YTD
Top 50 Mega Cap Stocks	-2.8	24.3
U.S. Large Cap Stocks	-3.3	13.1
S&P 500 Equal Weighted Index	-4.9	1.8
U.S. Mid Cap Stocks	-4.7	3.9
U.S. Small Cap Stocks	-5.1	2.5
U.S. Value Stocks	-3.2	1.8
U.S. Growth Stocks	-3.1	25.0
Developed International Stock	-4.1	7.1
Emerging Markets	-2.9	1.8
Intermediate Bonds	-0.8	0.7

Source: Morningstar Direct. Please see Important Disclosures on page 4 for index definitions.

Year-to-Date Returns for Largest 7 Stocks		
Name	S&P 500 Weighting	YTD Return
Apple Inc	7.2	32.3
Microsoft Corp	6.7	32.5
Alphabet Inc	4.1	48.3
Amazon.com Inc	3.2	51.3
NVIDIA Corp	3.1	197.7
Tesla Inc	2.0	103.1
Meta Platforms Inc	2.0	149.5

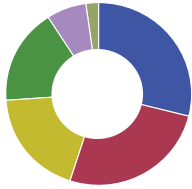
Source: Morningstar Direct. Please see Important Disclosures on page 4 for index definitions.

Returns since January 2022	
Name	1/2022 - 9/2023
Top 50 Mega Cap Stocks	-7.8
U.S. Large Cap Stocks	-5.9
S&P 500 Equal Weighted Index	-9.9
U.S. Mid Cap Stocks	-14.1
U.S. Small Cap Stocks	-18.4
U.S. Value Stocks	-5.9
U.S. Growth Stocks	-11.4
Developed International Stock	-8.4
Emerging Markets	-18.6
Intermediate Bonds	-7.6

Source: Morningstar Direct. Please see Important Disclosures on page 4 for index definitions.

Fund Holdings:

Equity 98%
Fixed Income 0%
Cash 2%

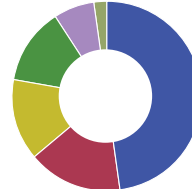


Aggressive Growth Allocation Model %

Category	Fund Name	%
U.S. Large Cap	William Blair Large Cap Growth I	8%
	Hartford Core Equity Y	7%
	Diamond Hill Large Cap I	7%
	JPMorgan US Value I	7%
U.S. Mid Cap	Vanguard Mid Cap Index Admiral	26%
	Fuller & Thaler Behavioral Small Cap Equity	11%
U.S. Small Cap	Schwab Small Cap Index	8%
	MFS International Diversification I	7%
International	Harding Loevner Intl Small Companies	10%
	Vanguard Emerging Mkts Stock Idx	7%
Emerging Markets	Vanguard Emerging Mkts Stock Idx	7%
	Federated Treasury Cash	2%

Fund Holdings:

Equity 98%
Fixed Income 0%
Cash 2%

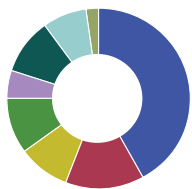


Growth Allocation Model %

Category	Fund Name	%
U.S. Large Cap	William Blair Large Cap Growth I	12%
	Hartford Core Equity Y	12%
	Diamond Hill Large Cap I	12%
	JPMorgan US Value I	12%
U.S. Mid Cap	Vanguard Mid Cap Index Admiral	16%
	Fuller & Thaler Behavioral Small Cap Equity	8%
U.S. Small Cap	Schwab Small Cap Index	6%
	MFS International Diversification I	13%
International	MFS International Diversification I	13%
	Vanguard Emerging Mkts Stock Idx	7%
Emerging Markets	Vanguard Emerging Mkts Stock Idx	7%
	Federated Treasury Cash	2%

Fund Holdings:

Equity 80%
Fixed Income 18%
Cash 2%

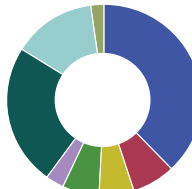


Moderate Growth Allocation Model %

Category	Fund Name	%
U.S. Large Cap	William Blair Large Cap Growth I	11%
	Hartford Core Equity Y	10%
	Diamond Hill Large Cap I	10%
	JPMorgan US Value I	11%
U.S. Mid Cap	Vanguard Mid Cap Index Admiral	14%
	Fuller & Thaler Behavioral Small Cap Equity	5%
U.S. Small Cap	Schwab Small Cap Index	4%
	MFS International Diversification I	10%
International	Harding Loevner Intl Small Companies	10%
	Vanguard Emerging Mkts Stock Idx	5%
Emerging Markets	Vanguard Emerging Mkts Stock Idx	5%
	Vanguard Interm-Term Bond Index	4%
Intermediate Gov't/Credit	Federated Hermes Total Return Bond	6%
	Lord Abbett Short Duration Income F3	8%
Short-Term Bond	Lord Abbett Short Duration Income F3	8%
	Federated Treasury Cash	2%

Fund Holdings:

Equity 60%
Fixed Income 38%
Cash 2%

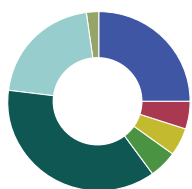


Growth & Income Allocation Model %

Category	Fund Name	%
U.S. Large Cap	American Funds AMCAP F3	9%
	Hartford Core Equity Y	9%
	Diamond Hill Large Cap I	8%
	Vanguard Equity-Income Adm	12%
U.S. Mid Cap	Vanguard Mid Cap Index Admiral	7%
	Fuller & Thaler Behavioral Small Cap Equity	3%
U.S. Small Cap	Schwab Small Cap Index	3%
	MFS Intl Diversification I	6%
International	MFS Intl Diversification I	6%
	Vanguard Emerging Mkts Stock Idx	3%
Emerging Markets	Vanguard Emerging Mkts Stock Idx	3%
	Vanguard Interm-Term Bond	10%
Intermediate Gov't/Credit	Federated Hermes Total Return Bond	14%
	Lord Abbett Short Duration Income F3	14%
Short-Term Bond	Lord Abbett Short Duration Income F3	14%
	Federated Treasury Cash	2%

Fund Holdings:

Equity 40%
Fixed Income 58%
Cash 2%

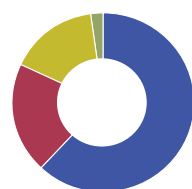


Conservative Income Allocation Model %

Category	Fund Name	%
U.S. Large Cap	American Funds AMCAP F3	5%
	Hartford Core Equity Y	5%
	Diamond Hill Large Cap I	5%
	Vanguard Equity-Income Adm	10%
U.S. Mid Cap	Vanguard Mid Cap Index Admiral	5%
	Fuller & Thaler Behavioral Small Cap Equity	5%
U.S. Small Cap	Fuller & Thaler Behavioral Small Cap Equity	5%
	MFS Intl Diversification I	5%
International	MFS Intl Diversification I	5%
	Vanguard Interm-Term Bond	17%
Intermediate Gov't/Credit	Federated Hermes Total Return Bond	20%
	Lord Abbett Short Duration Income F3	21%
Short-Term Bond	Lord Abbett Short Duration Income F3	21%
	Federated Treasury Cash	2%

Fund Holdings:

Equity 98%
Fixed Income 0%
Cash 2%



U.S. Growth Allocation Model %

Category	Fund Name	%
U.S. Large Cap	William Blair Large Cap Growth I	14%
	Diamond Hill Large Cap I	12%
	Hartford Core Equity Y	12%
	Schwab Fundamental US Large Comp	12%
	JPMorgan US Value I	12%
U.S. Mid Cap	Vanguard Mid Cap Index Admiral	15%
	MFS Mid Cap Growth I	5%
U.S. Small Cap	Fuller & Thaler Behavioral Small Cap Equity	9%
	Schwab Small Cap Index	7%
International	Schwab Small Cap Index	7%
	Federated Hermes Govt Obl Cash	2%

Fund / Index Name	Fund / Index Performance at Net Asset Value**					Up Capture	Down Capture	Expense Ratio	
	YTD	1 Year	3 Years*	5 Years*	10 Years*			Gross	Net ⁵
Large Cap									
American Funds AMCAP F3	14.92	21.27	4.60	6.14	9.86	97.42	98.66	0.34	0.34
Diamond Hill Large Cap I	2.00	13.23	8.51	6.70	9.12	95.88	100.67	0.67	0.67
Hartford Core Equity Y ²	8.71	16.31	7.37	8.95	11.75	97.49	95.58	0.45	0.45
JPMorgan US Value I	0.79	13.61	13.18	8.07	10.03	95.49	100.84	0.76	0.69
Schwab Fundamental US Large Company	6.26	19.53	15.22	9.54	10.79	-	-	0.25	0.25
Vanguard Equity-Income Adm	-1.11	12.65	12.02	7.80	9.70	87.45	86.27	0.19	0.19
William Blair Large Cap Growth I	22.01	27.05	5.85	11.52	14.39	105.34	99.07	0.79	0.65
Benchmark 1: S&P 500 TR USD	13.07	21.62	10.15	9.92	11.91	100.00	100.00	-	-
Mid Cap and Small Cap									
Fuller & Thaler Behavioral Sm-Cp Eq Inst ³	6.54	19.03	16.54	8.11	11.11	-	-	0.77	0.77
MFS Mid Cap Growth	7.31	14.95	0.29	6.66	10.54	102.05	107.50	0.79	0.78
Schwab Small Cap Index	2.62	9.01	7.21	2.46	6.69	108.83	122.70	0.04	0.04
Vanguard Mid Cap Index Admiral	3.30	12.61	7.26	6.49	9.05	104.41	111.07	0.05	0.05
Benchmark 1: Russell 2500 TR USD	3.59	11.28	8.39	4.55	7.90	107.17	117.75	-	-
International									
Harding Loevner Intl Small Coms Instl	0.43	13.97	-0.25	1.96	4.60	-	-	1.12	1.12
MFS Intl Diversification I ⁴	5.04	20.52	2.14	3.74	4.91	84.50	102.12	0.84	0.83
Benchmark 1: MSCI EAFE NR USD	7.08	25.65	5.75	3.24	3.82	83.61	109.77	-	-
Emerging Markets									
Vanguard Emerging Mkts Stock Idx Adm	2.48	10.89	-0.22	2.00	2.49	84.53	110.38	0.14	0.14
Benchmark 1: MSCI EM NR USD	1.82	11.70	-1.73	0.55	2.07	83.97	110.15	-	-
Intermediate Gov't/Credit									
Vanguard Interm-Term Bond Index Adm	-0.75	1.11	-5.40	0.72	1.56	11.53	-2.25	0.07	0.07
Benchmark 1: BBgBarc US Govt/Credit Index	0.65	2.20	-2.93	1.02	1.27	7.75	-3.41	-	-
Short-Term Bond									
Lord Abbett Short Duration Income	2.67	3.70	0.15	1.56	1.82	14.68	3.31	0.48	0.48
Vanguard Short-Term Investment-Grade Adm	2.13	3.89	-1.06	1.47	1.62	11.14	2.39	0.10	0.10
Benchmark 1: BBgBarc US Govt/Credit 1-3 Yr	1.87	2.77	-0.72	1.21	1.02	4.62	-3.82	-	-

Performance shown is historical and is no guarantee of future results. Current performance may be lower or higher than the data quoted. To obtain performance data current to the most recent month end, please call (800) 846-6666. *Returns greater than one year are annualized.

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Important Disclosures:

²Hartford Administrative Services Company ("HASCO"), the Fund's transfer agent, has contractually agreed to waive its transfer agency fee and/or reimburse transfer agency-related expenses to the extent necessary to limit the transfer agency fee for Class A as follows: 0.13%. This contractual arrangement will remain in effect until February 29, 2024 unless the Board of Directors of The Hartford Mutual Funds, Inc. approves its earlier termination.³ Fuller & Thaler has contractually agreed to waive its management fee and/or reimburse Fund expenses so that total annual operating expenses do not exceed 1.26%, 1.76%, 1.21%, 0.93% and 0.83% for A Shares, C Shares, Investor Shares, Institutional Shares and R6 Shares, respectively, of the Fund's average daily net assets through January 31, 2024. ⁴Massachusetts Financial Services Company has agreed in writing to bear the fund's expenses, excluding management fees, distribution and service fees, interest, taxes, extraordinary expenses, brokerage and transaction costs, investment-related expenses, and fees and expenses associated with investments in investment companies and other similar investment vehicles, such that "Other Expenses" do not exceed 0.10% of the class' average daily net assets annually for each of Class A shares. This written agreement will continue until modified by the fund's Board of Trustees, but such agreement will continue until at least September 30, 2023. ⁵ Investors pay the net expense ratio of the fund. Diversification and Asset Allocation does not ensure a profit or guarantee protection against a loss. It is important to note that short-term and trailing performance will fluctuate. We expect all of the funds at some point to experience underperformance versus their benchmarks and peer groups. However, we believe that our research process has helped us identify funds that are likely to perform well over the long term. Our decision to remove a fund is not based on short-term performance, but on in-depth analysis using our Monitoring Criteria. The mutual fund categories are determined by Davenport using a combination of Morningstar categories and a returns-based style analysis provided by Zephyr StyleADVISOR.

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Index Definitions: U.S. Large Caps represented by the S&P 500 Total Return Index. U.S. Mid Caps represented by the Russell Midcap Index. U.S. Small Caps represented by the Russell 2000 Index. U.S. Growth Stocks represented by the Russell 1000 Growth Index. U.S. Value Stocks represented by the Russell 1000 Value Index. International Stocks represented by the MSCI EAFE Index. Int'l Small Stocks represented by the MSCI ACWI ex USA Small Index. Intermediate Term Bonds represented by the Bloomberg Intermediate Government/Credit Index. Bank Loans represented by the S&P/LSTA Leveraged Loan index definition Index. High Yield Bonds represented by the Bloomberg U.S. Corporate High Yield Index. Corporate Bonds are represented by the Bloomberg U.S. Corporate Bond Index. Government Bonds represented by the Bloomberg's U.S. Government Index. Cash represented by the Federated Govt Obligations. Commodities are represented by the S&P GSCI Index. Emerging Market Stocks is represented by the MSCI Emerging Markets (MSCI EM) Index. Aggregate Bond is represented by Bloomberg US Agg Bond TR USD Index.

Performance shown is historical and is no guarantee of future results. Investing in securities carries risk including the possible loss of principal.

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The **Russell 2500® Index** is a market cap-weighted index that includes the smallest 2,500 companies covered in the Russell 3000 universe of United States-based listed equities. The **Bloomberg U.S. Corporate High Yield Index** measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The **Bloomberg Intermediate Government/Credit Index** is an unmanaged index composed of debt securities with maturities from one to ten years issued or guaranteed by the U.S. Treasury, U.S. Government agencies, quasi-federal corporations and fixed rate dollar denominated SEC-registered corporate debt that are rated investment grade or higher by Moody's Investors Service and Standard and Poor's Corporation or Fitch Investor's Service, in that order. 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Gross Expense Ratio is the total annual operating expenses of a fund divided by its average net assets. **Net Expense Ratio** is the total annual operating expenses of a fund, less any fee waivers, divided by its average net assets. This is the expense ratio actually charged by the fund for the previous fiscal year. The **mean reversion**, or reversion to the mean, is a theory used in finance that suggests that asset price volatility and historical returns eventually will revert to the long-run mean or average level of the entire dataset.



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Suffolk, VA 23434
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101 North Main Street
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141 Technology Park Drive
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901 East Cary Street, Suite 1100
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Virginia Beach, VA

477 Viking Drive, Suite 200
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Franklin, VA

105 West Fourth Avenue
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Lynchburg, VA

1104 Commerce Street
Lynchburg, VA 24504
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Roanoke, VA

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(540) 345-1909

Williamsburg, VA

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