

ITEM 1: COVER PAGE

Part 2A of Form ADV: Firm Brochure

**HARTFORD INVESTMENT MANAGEMENT COMPANY
("HIMCO")**

March 31, 2017

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This brochure provides information about the qualifications and business practices of HIMCO. If you have any questions about the contents of this brochure, please contact us at 860-297-6700 or HIMCOADV@himco.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about HIMCO also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

The following is a summary of the material changes to this Brochure since the last annual update on March 31, 2016:

1. In Item 4 Section B, additional principal strategies were added.
2. Item 5 Section A, fee schedules for new principal strategies were added.
3. In Item 7, HIMCO no longer provides investment advisory services to UCITS funds.
4. In Item 8, Section A, disclosure regarding HIMCO's investment process was updated.
5. In Item 8, disclosure regarding custody has been revised. HIMCO is no longer in the position to directly access private funds accounts.
6. In Item 10 Section C, disclosure relating to providing investment advisory services to UCITS funds has been deleted.
7. In Item 10 Section D, disclosure of a sub-advisory relationship with BlackRock Investment Management LLC has been deleted.
8. In Item 11, disclosure was revised to reflect changes made to HIMCO's Code of Ethics.
9. In Item 17, disclosure relating to standing instructions regarding opposition to the default positions of Glass Lewis Proxy Voting Guidelines and Glass Lewis Conflict Management Procedures has been revised.

HIMCO will provide you with a new Brochure at any time upon request without charge. You may request a Brochure by email at HIMCOADV@himco.com or by phone at (860) 297-6700. The Brochure is also available on HIMCO's website free of charge at www.himco.com. Additional information about Hartford Investment Management may also be obtained on the SEC's website www.adviserinfo.sec.gov.

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ITEM 4: ADVISORY BUSINESS

A. General Description of Advisory Firm

Hartford Investment Management Company ("HIMCO") provides investment advisory and investment management services primarily to institutional clients and retail investors through advisory and sub-advisory relationships. HIMCO is a wholly-owned subsidiary of The Hartford Financial Services Group, Inc. ("The Hartford"), and was organized in 1996 by acquiring the business, personnel and corporate name of an affiliate which had been in operation since 1981 and which performed substantially similar services. Because HIMCO succeeded to the same business and utilized the same personnel as the affiliate prior to the acquisition, the affiliate's historical information is included with HIMCO's. As of December 31, 2016, HIMCO had approximately \$98.3 billion in fixed income, equity and alternative assets under management. (Please see [Section E of this Item 4](#) below for further disclosure regarding assets under management.) HIMCO advises affiliated and unaffiliated insurance companies, including general accounts and separate accounts, registered and unregistered investment companies, corporations, employee benefit plans, and pension plans and generally provides portfolio management services.

B. Description of Advisory Services

HIMCO provides investment advisory services to institutional and other client portfolios including affiliated and unaffiliated insurance companies, including general accounts and separate accounts, registered and unregistered investment companies, corporations, employee benefit plans, and pension plans.

HIMCO serves as investment adviser to a number of investment companies registered under the Investment Company Act of 1940 ("1940 Act") and sponsored and distributed by entities affiliated with HIMCO, and as investment sub-adviser to a number of investment companies registered under the 1940 Act and sponsored and distributed by entities not affiliated with HIMCO. Complete information concerning each such investment company is disclosed in its prospectus and statement of additional information.

HIMCO also provides consulting services to unit investment trusts that are investment companies registered under the 1940 Act. These services primarily include advising on portfolio construction based on criteria predetermined by the unit investment trust receiving such services.

Principal strategies include the following:

Fixed Income

HIMCO manages fixed income assets by using a disciplined process which is designed to create value from three sources: (i) a macro-economic strategy which considers duration and yield curve and strategic asset allocation, (ii) sector rotation, and (iii) security selection. Please see [Section A of Item 8 "Methods of Analysis, Investment Strategies and Risk of Loss"](#) for a description of the investment process.

Core Fixed Income

The objective of the Core Fixed Income strategy is to actively manage a high quality diversified fixed income portfolio in which accounts are normally comprised of at least 90% U.S. dollar denominated investment grade securities (such as obligations of the U.S. Government, its agencies and instrumentalities, corporate debt, asset-backed securities and mortgage-backed and other mortgage-related securities) and with duration similar to broad market benchmark indices such as the Bloomberg Barclays U.S. Government/Credit Bond Index or the Bloomberg Barclays U.S. Aggregate Bond Index.

The strategy may use derivatives, such as but not limited to options, futures and swaps, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance.

Core Plus Fixed Income

The objective of the Core Plus Fixed Income strategy is to actively manage a diversified fixed income portfolio in which accounts are normally comprised of more than 60%, but less than 90% U.S. dollar denominated investment grade securities. The portion invested in securities within the U.S. investment grade sector will be comprised across multi-sector fixed income, including but not exclusively U.S. Treasury, mortgage-related securities, corporate bonds and debt instruments, asset-backed and commercial mortgage-backed securities, among others, and will not effectively exclude broad segment(s) to such investments relative to broad market benchmark indices such as the Bloomberg Barclays U.S. Aggregate Bond Index. The portion invested in securities outside the U.S. investment grade sector will be comprised of fixed income, including high yield, emerging market, and non-dollar denominated securities. Investments in high-yield securities, and foreign securities, including emerging markets, involve risks beyond those inherent in solely higher rated and domestic investments. The strategies may use derivatives, such as but not limited to options, futures and swaps, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The benchmark is the Bloomberg Barclays U.S. Aggregate Bond Index.

Short Duration

The objective of the Short Duration strategy is to seek attractive investments considering both yield and total return in which accounts are normally comprised of at least 65% investment grade securities and have the ability to invest up to 35% in non-investment grade securities (as well as bank loans or loan participation interests). The strategy, under normal circumstances, will maintain an average credit quality of at least Baa3 by Moody's and a dollar weighted average duration and average maturity of less than 3 years. Permitted investments include, but are not limited to: U.S. dollar denominated corporate issues, commercial mortgage-backed securities, asset-backed securities, mortgage-related securities, securities issued or guaranteed by the U.S. Government, and up to 25% of its total assets in securities of foreign issuers. The strategy may use derivatives, such as options, futures and swaps, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The benchmark is the Bloomberg Barclays 1-3 Year U.S. Government/Credit Bond Index.

Intermediate Duration Core Fixed Income

The objective of the Intermediate Duration Core Fixed Income strategy is to actively manage a diversified fixed income portfolio in which accounts are normally comprised of at least 90% U.S. dollar denominated investment grade securities (such as obligations of the U.S. Government, its agencies and instrumentalities, corporate debt, asset-backed securities and mortgage-backed and other mortgage-related securities) and with a duration similar to broad intermediate market benchmark indices that include mortgage securities such as the Bloomberg Barclays Intermediate U.S. Aggregate Bond Index. The strategy may use derivatives, such as but not limited to options, futures and swaps, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance.

Long Duration Corporate Fixed Income

The objective of the Long Duration Corporate Fixed Income strategy is to actively manage a high quality diversified fixed income portfolio in which accounts are predominately comprised of investment grade corporate securities and have a duration similar to long duration benchmark indices, such as the Bloomberg Barclays Long Corporate Index. The strategy may use derivatives, such as but not limited to options, futures and swaps, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance.

High Yield

The objective of the High Yield strategy is to actively manage a high yield portfolio in which accounts are normally invested at least 80% in high yield securities. Investments in high-yielding, lower-rated securities involve risks beyond those inherent in higher-rated investments. The strategy may use derivatives, such as but not limited to options, futures and swaps, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The benchmark is the Bloomberg Barclays U.S. Corporate High Yield Bond Index.

High Quality High Yield

The objective of the High Quality High Yield strategy is to actively manage a high or BB quality high yield portfolio in which accounts are normally invested at least 90% in BB tier high yield and emerging market fixed income securities. Investments in high-yielding, lower-rated securities involve risks beyond those inherent in higher-rated investments. Investments in foreign securities, including emerging markets, involve risks beyond those inherent in solely domestic investments. Foreign securities are subject to certain risk of overseas investing, including currency fluctuations and changes in political and economic conditions. These risks are magnified in emerging markets. The strategy may use derivatives, such as but not limited to options, futures and swaps, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The benchmark is the Bloomberg Barclays Ba U.S. Corporate High Yield Index 2% Issuer Cap-Sector Neutral.

Passive U.S. Aggregate Bond Index

The objective of the Passive U.S. Aggregate Bond Index strategy is to manage a fixed income portfolio in which accounts are managed to replicate the performance of the Bloomberg Barclays U.S. Aggregate Bond Index. The strategy will only invest in bonds which are in the Bloomberg Barclays U.S. Aggregate Bond Index or bonds with the same issuer or obligor as those in the Index. The strategy may use derivatives, such as options, futures and swaps, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance.

Unconstrained Bond

The objective of the Unconstrained Bond strategy is to seek to achieve high current income and capital growth by combining investments in high yield, non-dollar and highly-rated issuers/securities. High yield includes U.S. and non-U.S. issuers. Non-dollar includes emerging markets, corporates, and governments and other non-U.S. issuers. Highly-rated securities include U.S. governments, mortgages, and commercial mortgage backed securities. Other asset classes including, but not limited to, bank loans, convertibles, preferred and common stock are permissible investments. The strategy benchmark is the Bank of America Merrill Lynch U.S. Dollar LIBOR 3-Month Constant Maturity Index. Investments in high-yield securities, and foreign securities, including emerging markets, involve risks beyond those inherent in solely higher rated and domestic investments. The strategy may use derivatives, such as options, futures and swaps, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The portfolio may suffer significant losses on assets that it sells short. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short.

Opportunistic Corporate Fixed Income

The objective of the Opportunistic Corporate Fixed Income strategy is to generate long-term total returns through a market cycle by balancing price appreciation, income generation, and capital preservation. This actively managed and diversified strategy normally invests at least 80% of its total assets in corporate debt securities (as well as bank loans). At least 65% of its total assets will be investment grade rated, and it has the flexibility to hold up to 35% of its total assets in non-investment grade rated securities (as well as bank loans or loan participation interests). The strategy may invest up to 30% of total assets in a combination of securities issued by foreign issuers or denominated in currencies other than the US Dollar. In addition, up to 15% of total assets may be invested in preferred stock, convertible securities, and warrants (including securities carrying warrants), and up to 10% in issues purchased as defaulted securities. The strategy may use derivatives, such as options, futures and swaps, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The benchmark is the Bloomberg Barclays Capital U.S. Corporate Index.

Private Placements

The objective of the Private Placement strategy is to seek relative value debt investment opportunities with the objective of capturing a premium relative to comparable public bonds. This is carried out by investing across the investment grade private credit market, while structuring the portfolio to effectively manage risk. The strategy focuses on both current income generation and capital appreciation with a priority on income generation. The strategy is multi-dimensional, taking into account credit risk, long-term nominal and relative spreads, as well as select return opportunities. The Private Placement strategy starts with the premise that private placements are less liquid than publicly-traded bonds. Based on this premise, we take a longer-term view in our security selection, portfolio construction and value metrics. The process employed in this strategy is built upon fundamental credit and relative value analysis and follows a disciplined and consistent approach in an effort to fully understand and adequately price the risks inherent in each transaction.

Commercial Mortgage Loans

The objective of the Commercial Mortgage Loan strategy is to capture the spread premium over single A-rated public Corporate Industrials to compensate the investor for liquidity risk while providing enhanced structural protections through negotiated covenants, security or priority of payment. HIMCO seeks to achieve this objective by originating commercial mortgage loans on a non-recourse, permanent-financing on both a fixed and floating-rate basis. The strategy targets investments in industrial/warehouse, multifamily, retail, and office, with a loan-to-value (LTV) ratio no higher than 80% (typical LTV range 50%-70%) with typical deal sizes ranging from \$10 to 50 million. The strategy seeks to provide a well-constructed portfolio that delivers to our clients enhanced credit diversification due to access to issuers not available in the public markets and whose performance dynamics differ substantially from corporate credit risk. The process employed relative to this strategy enforces strict underwriting standards, utilizing specific criteria for each investment to build a diversified portfolio of loans in terms of borrowers, geography, asset class, and loan position.

Hedge Funds

The objective of the Hedge Funds strategy is to generate positive absolute returns over a full market cycle and low correlation to traditional equity and fixed income investments over time by investing in a series of hedge funds/partnerships/fund investments or managed accounts. Hedge funds are speculative and involve a high degree of risk including, but not limited to, the risks associated with leverage, derivative instruments such as options and futures, distressed securities, illiquid investments and short sales. Hedge fund performance may be volatile. There are restrictions on transferring interests in hedge

funds. In addition, alternative investment products with an emphasis on specific industry sector and/or public and private companies present certain risks that may not exist in a more diversified portfolio. There can be no assurance that this strategy will achieve its objectives or avoid substantial losses. Hedge funds are subject to conflicts of interest. Multi-manager portfolios are dependent not only on the investment performance of individual managers but also on the ability of the investment manager to effectively allocate the portfolio's assets. Hedge funds can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, often charge high fees and may involve complex tax structures. Furthermore, hedge funds are not subject to the same regulatory requirements as mutual funds or other types of registered investments. Hedge funds and hedge funds of funds may exhibit correlated performance during periods of extreme market disruption and stress when the risk control benefits of non-correlation with other assets may be most important.

Equity

HIMCO manages equity assets using quantitative, fundamental and passive strategies. HIMCO's quantitative equity strategies involve daily collection of stock price and company fundamental information to create portfolios of desired risk and return levels. The quantitative equity group utilizes proprietary multi-factor models. Please see [Section A of Item 8](#) "**Methods of Analysis, Investment Strategies and Risk of Loss**" for a description of the investment process.

Small/Mid Cap Quantitative Equity

The objective of the Small/Mid Cap Quantitative Equity strategy is to seek to maximize long-term capital appreciation. The strategy utilizes a quantitative-based investment process within a universe normally consisting of at least 80% in common stock of small-capitalization and mid-capitalization companies (as defined by the market capitalization range of companies in the Russell 2500 Index) and has the ability to invest up to 20% in securities of foreign issuers and non-dollar securities. Investing in small and mid-sized companies generally involves higher risk than a strategy that invests in larger, more established companies. The strategy's benchmark is the Russell 2500 Index.

Mid Cap Value Quantitative Equity

The objective of the Mid Cap Value Quantitative Equity strategy is to seek to maximize long-term capital appreciation. The strategy utilizes a quantitative-based investment process within a universe having characteristics of a value style, consisting of at least 80% in common stock of mid-capitalization companies and having the ability to invest up to 20% in securities of foreign issuers and non-dollar securities. The strategy benchmark is the Russell Midcap Value Index. Investing in mid-sized companies generally involves higher risk than a strategy that invests in larger, more established companies.

Extended Large Cap Core

The objective of the Extended Large Cap Core strategy is to seek to maximize long-term capital appreciation. The strategy utilizes a quantitative-based investment process with a normal allocation of long positions of up to 130% of total portfolio market value and the ability to short (positions), up to 30% of total portfolio market value, within a primarily U.S. equity universe. The portfolio may suffer significant losses on assets that it sells short. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short. By using the cash proceeds from short sales to purchase additional securities the portfolio expects to use leverage, which involves special risks. The use of leverage may make any change in net asset value even greater and cause increased volatility of returns. The portfolio cannot guarantee that its leveraging strategy will be successful. The portfolio may engage in active and frequent trading, resulting in higher portfolio turnover and transaction costs. This may lead to the distribution of higher capital gains to shareholders, increasing their tax liability. Investments in foreign securities involve risks beyond those inherent in solely domestic investments.

These risks are magnified with investments in emerging markets. Investing in small-cap companies may involve higher risk than investing in larger, more established companies. The use of derivatives such as options, futures and swaps can be illiquid, may disproportionately increase losses, and may have a potentially large impact on performance. The strategy's benchmark is the S&P 500 Index.

Global Enhanced Dividend

The primary objective of the Global Enhanced Dividend strategy is to seek to achieve a high level of current income, with capital appreciation as a secondary objective. The strategy utilizes a quantitative-based investment process with a normal allocation of long positions of up to 140% of total portfolio market value and the ability to short (positions), up to 40% of total portfolio market value, within a global equity universe. The portfolio may suffer significant losses on assets that it sells short. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short. By using the cash proceeds from short sales to purchase additional securities the portfolio expects to use leverage, which involves special risks. The use of leverage may make any change in net asset value even greater and cause increased volatility of returns. The portfolio cannot guarantee that its leveraging strategy will be successful. The portfolio may engage in active and frequent trading, resulting in higher portfolio turnover and transaction costs. This may lead to the distribution of higher capital gains to shareholders, increasing their tax liability. Investments in foreign securities involve risks beyond those inherent in solely domestic investments. These risks are magnified with investments in emerging markets. Investing in small-cap companies may involve higher risk than investing in larger, more established companies. The use of derivatives such as options, futures and swaps can be illiquid, may disproportionately increase losses, and may have a potentially large impact on performance. The strategy's benchmark is the MSCI World Value Index.

Minimum Volatility Equity Income

The objective of the Minimum Volatility Equity Income strategy is to seek less volatility and greater yield than the broad U.S. equity market, while still capturing the equity risk premium over the long term. The strategy utilizes a quantitative-based investment process with portfolios normally comprised of at least 80% in common stock of (U.S.) large-capitalization companies and has the ability to invest up to 20% in securities of foreign issuers and non-dollar securities. The strategy benchmark is the S&P 500 Minimum Volatility Index.

Risk-Managed Equity Income

The objective of the Risk-Managed Equity Income strategy is to seek a high level of current income with low principal volatility. The strategy utilizes a quantitative-based investment process with portfolios normally comprised of at least 80% in common stock of (U.S.) companies and has the ability to use derivatives to enhance income (e.g., a covered call strategy (selling call options) on the underlying stocks of the portfolio to collect the call premium as additional income) and to reduce total portfolio volatility (e.g., by purchasing/selling options on correlated securities/vehicles, such as puts on equity indices/ETFs, calls on VIX/Rates). The strategy benchmark is the S&P 500 Index. The use of derivatives such as options, futures and swaps can be illiquid, may disproportionately increase losses, and may have a potentially large impact on performance.

Large Cap Core Quantitative Equity

The objective of the Large Cap Core Quantitative Equity strategy is to seek to maximize long-term capital appreciation. The strategy utilizes a quantitative-based investment process with portfolios normally comprised of at least 80% in common stock of (U.S.) large-capitalization companies and having the ability to invest up to 20% in securities of foreign issuers and non-dollar securities. Large-capitalization companies are defined as companies with market capitalizations within the collective range of the Russell 1000 and S&P 500 Indices. The strategy benchmark is the S&P 500 Index. Investments in foreign securities involve risks beyond those inherent in solely domestic investments. These risks are magnified in emerging markets.

Large Cap Growth Quantitative Equity

The objective of the Large Cap Growth Quantitative Equity strategy is to seek to maximize long-term capital appreciation. The strategy utilizes a quantitative-based investment process within a universe having characteristics of a growth style, consisting of at least 80% in common stock of (U.S.) large capitalization companies and having the ability to invest up to 20% in securities of foreign issuers and non-dollar securities. Large-capitalization companies are defined as companies with market capitalizations within the collective range of the Russell 1000 and S&P 500 Indices. The strategy benchmark is the Russell 1000 Growth Index. Investments in foreign securities involve risks beyond those inherent in solely domestic investments. These risks are magnified in emerging markets.

Large Cap Value Quantitative Equity

The objective of the Large Cap Value Quantitative Equity strategy is to seek to maximize long-term capital appreciation. The strategy utilizes a quantitative-based investment process within a universe having characteristics of a value style, consisting of at least 80% in common stock of (U.S.) large capitalization companies and having the ability to invest up to 20% in securities of foreign issuers and non-dollar securities. Large-capitalization companies are defined as companies with market capitalizations within the collective range of the Russell 1000 and S&P 500 Indices. The strategy benchmark is the Russell 1000 Value Index. Investments in foreign securities involve risks beyond those inherent in solely domestic investments. These risks are magnified in emerging markets.

International Core Quantitative Equity

The objective of the International Core Quantitative Equity strategy is to seek to maximize long-term capital appreciation. The strategy utilizes a quantitative-based investment process with portfolios normally comprised of at least 80% in common stock, or ADRs (American Depositary Receipts) or GDRs (Global Depositary Receipts), of non-U.S. companies. The strategy benchmark is the MSCI® World ex U.S. (Net of Taxes) Index. Investments in foreign securities involve risks beyond those inherent in solely domestic investments. These risks are magnified in emerging markets.

Global Core Quantitative Equity

The objective of the Global Core Quantitative Equity strategy is to seek to maximize long-term capital appreciation. The strategy utilizes a quantitative-based investment process with portfolios normally comprised of at least 80% in global equity common stock, or ADRs (American Depositary Receipts) or GDRs (Global Depositary Receipts). The strategy benchmark is the MSCI® World (Net of Taxes) Index. Investments in foreign securities involve risks beyond those inherent in solely domestic investments. These risks are magnified in emerging markets.

Small/Mid Cap Value Fundamental Equity

The objective of the Small/Mid Cap Value Fundamental Equity strategy is to seek to maximize long-term capital appreciation. The strategy utilizes a qualitative, fundamental analysis-based investment process within a universe normally consisting of at least 80% in common stock of small-capitalization and mid-capitalization companies (as defined by the market capitalization ranges of companies in the Russell 2500 Value Index and/or a market capitalization range of \$200 million to \$15 billion at the time of initial investment). The strategy benchmark is the Russell 2500 Value Index. Investing in small and mid-sized companies generally involves higher risk than a strategy that invests in larger, more established companies.

Indexed Large Cap Equity

The objective of the Indexed large Cap strategy is to replicate the total return of the S&P 500 Index by investing in at least 95% in listed U.S. equity securities. The strategy benchmark is the S&P 500 Index.

C. Availability of Customized Services for Individual Clients

HIMCO may tailor the investment program for certain accounts based on the client's particular needs as well as overall financial condition, goals, risk tolerance and other factors unique to the client's particular circumstances, including regulatory restrictions. HIMCO may also agree to investment guidelines for certain accounts which restrict or prohibit investments in certain securities or asset classes.

D. Wrap Fee Programs

HIMCO does not provide portfolio management services in connection with any wrap fee programs.

E. Assets Under Management

As of December 31, 2016, HIMCO had approximately \$98.6 billion of assets under management:

	<u>U.S. Dollar Amount</u>
Discretionary	\$98,515,841,394
Non-Discretionary	<u>\$70,878,869</u>
Total	\$98,586,721,263

ITEM 5: FEES AND COMPENSATION

A. Advisory Fees and Compensation

Except as noted below, HIMCO generally receives a percentage of assets under management as compensation for its services. HIMCO's general fee schedules are included below. The fee schedule may vary due to servicing requirements, account inception date and other factors. Fee schedules for different styles of fixed income and equity management will vary depending on research intensity, degree of active management and size of account. HIMCO may, in its sole discretion, negotiate terms and charge different fees for certain accounts based on a client's particular needs as well as overall financial condition, goals, risk tolerance and other factors unique to the client's particular circumstances. HIMCO may enter into agreements where the fees charged for a particular account will be the lowest fees charged. Clients that negotiate fees with differing breakpoints than below may end up paying a higher fee than as set forth below due to fluctuations in the client's assets under management and/or account performance.

Standard fee schedules for unaffiliated clients in principal investment strategies are as follows:

CORE FIXED INCOME

Assets	Basis Points
First \$75 Million	25
Next \$100 Million	20
Next \$300 Million	18.5

CORE PLUS FIXED INCOME

Assets	Basis Points
First \$75 Million	30
Next \$100 Million	25
Next \$300 Million	20

SHORT DURATION

Assets	Basis Points
First \$75 Million	20
Next \$100 Million	15

INTERMEDIATE DURATION CORE FIXED INCOME

Assets	Basis Points
First \$75 Million	25
Next \$100 Million	20
Next \$300 Million	18.5

HIGH YIELD

Assets	Basis Points
First \$25 Million	50
Next \$75 Million	40
Next \$100 Million	35
Over \$200 Million	Negotiable

PASSIVE U.S. AGGREGATE BOND INDEX

Assets	Basis Points
First \$500 Million	5
Next \$500 Million	2
Over \$1 Billion	1
<i>Standard Minimum Separate Account Size \$100 million</i>	

HIGH QUALITY HIGH YIELD

Assets	Basis Points
First \$25 Million	50
Next \$75 Million	40
Next \$100 Million	35
Over \$200 Million	Negotiable

LONG DURATION CORPORATE FIXED INCOME

Assets	Basis Points
First \$25 Million	30
Next \$75 Million	25
Over \$100 million	20

UNCONSTRAINED BOND

Assets	Basis Points
First \$25 Million	50
Next \$75 Million	40
Over \$100 Million	35

OPPORTUNISTIC CORPORATE FIXED INCOME

Assets	Basis Points
First \$25 Million	30
Next \$75 Million	25
Over \$100 Million	20

PRIVATE PLACEMENTS

25 basis points on all assets for non-discretionary accounts.

COMMERCIAL MORTGAGE LOANS

25 basis points on all assets for non-discretionary accounts.

HEDGE FUNDS

The highest management fee for this product is 0.90%

SMALL / MID CAP QUANTITATIVE EQUITY

The highest management fee for this product is 0.85%

MID CAP VALUE QUANTITATIVE EQUITY

The highest management fee for this product is 0.85%.

EXTENDED LARGE CAP CORE

The highest management fee for this product is 0.75%

GLOBAL ENHANCED DIVIDEND

The highest management fee for this product is 0.75%

MINIMUM VOLATILITY EQUITY INCOME

The highest management fee for this product is 0.40%.

RISK-MANAGED EQUITY INCOME

The highest management fee for this product is 0.60%.

LARGE CAP CORE QUANTITATIVE EQUITY

The highest management fee for this product is 0.50%.

LARGE CAP GROWTH QUANTITATIVE EQUITY

The highest management fee for this product is 0.55%.

LARGE CAP VALUE QUANTITATIVE EQUITY

The highest management fee for this product is 0.55%.

INTERNATIONAL CORE QUANTITATIVE EQUITY

The highest management fee for this product is 0.65%.

GLOBAL CORE QUANTITATIVE EQUITY

The highest management fee for this product is 0.60%.

SMALL/MID CAP VALUE FUNDAMENTAL EQUITY

The highest management fee for this product is 0.85%.

INDEXED LARGE CAP EQUITY

The highest management fee for this product is 0.125%.

Corporate Credit CDOs

	<i>Base Management Fee:</i>
Series 30	0.20%

	<i>Deferred Management Fee:</i>
Series 30	0.10%

See [Types of Clients](#) in **Item 7** below for minimum account sizes. Clients investing directly in mutual funds advised or sub-advised by HIMCO will bear the fees and expenses disclosed in such mutual fund's prospectus.

B. Payment of Fees

Fees are generally payable to HIMCO quarterly in arrears based on the quarter-end market value or average value for the quarter. HIMCO sends a quarterly bill to each client or their designee for the amount due which states both the value of the account on which the fee was based and the manner in which the fee was calculated. Clients are responsible for verifying that the fee was correctly calculated. If a client terminates the relationship prior to the end of a period, the fee is prorated for the number of days in the period prior to termination.

For consulting services, HIMCO receives an initial fee and an annual fee, in each case based on the net asset value of the unit investment trust receiving the consulting services. Such consulting fees are individually negotiated.

With respect to its role as adviser to 1940 Act registered investment companies sponsored by affiliated entities, HIMCO is paid a monthly management fee based on the average daily net assets of each fund.

With respect to its role as sub-adviser to 1940 Act registered investment companies sponsored by a non-affiliated entity, HIMCO is paid a monthly management fee based on the average daily net assets of each fund.

HIMCO is reimbursed on a cost basis for expenses incurred in managing affiliated assets, including affiliated entities' general accounts and separate accounts. With respect to such assets, HIMCO does not specifically identify or bill costs on a portfolio-by-portfolio or fund-by-fund basis to its affiliates.

C. Additional Fees and Expenses

Clients will pay all interest, charges, taxes, fees, commissions, brokerage costs and expenses of every kind related to their account. Clients may also bear expenses "passed through" from third parties performing services such as audit, administration and custody expenses. See [Item 12](#) "**Brokerage Practices.**" In addition, clients whose uninvested assets are swept into money market mutual funds for short-term cash management purposes either by HIMCO or by their custodian will also bear the additional fees and expenses assessed by such money market mutual funds to the extent of their investment in such funds. To the extent that the investment guidelines for an account permit the investment of account assets in mutual funds or other collective investment vehicles, the account may (depending on the arrangement) bear the fees and costs associated with such collective investment vehicles, as well as the investment advisory fee of HIMCO. Clients investing directly in mutual funds advised or sub-advised by HIMCO will bear the fees and expenses disclosed in such mutual fund's prospectus.

HIMCO may from time to time, in its discretion, elect to participate in bankruptcies or workouts involving issuers of securities held in advisory accounts and to join creditors' committees or informal steering committees on behalf of some or all of its clients. HIMCO may in its discretion pass along, in addition to the fees noted below, the pro-rata costs of participating in such litigation or workouts (including legal fees) to participating advisory accounts.

D. Prepayment of Fees

Clients of HIMCO are not required to pre-pay fees.

E. Additional Compensation and Conflicts of Interest

HIMCO supervised persons do not accept compensation for the sale of investment products.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

HIMCO may receive performance based fees from certain accounts and certain investment professionals manage both accounts that are charged a performance based fee and accounts that are charged other types of fees.

The fees described for the Corporate Credit CDOs in [Section A of Item 5](#) “Fees and Compensation” could be considered performance based fees. In addition to reserving the right to negotiate and charge different management fees for accounts based on client specific needs and goals as noted above, HIMCO also reserves the right, in its sole discretion, subject to applicable law, to negotiate and charge performance-based fees or include a performance based component to any of its fee structures.

Side-by-side management by HIMCO of registered investment companies and non-U.S. mutual funds, managed accounts and private investment funds may raise potential conflicts of interest, including conflicts associated with the differences in fee structures for such products. Performance-based fees may provide an incentive for HIMCO to purchase investments that are more speculative and/or involve a higher degree of risk than might otherwise be the case in the absence of such performance-based compensation. The prospect of earning a higher compensation from a portfolio with a higher fee structure (such as a private fund with a performance-based fee) may provide HIMCO with an incentive to favor the portfolio with the higher fee structure when, for example, allocating securities transactions expected to more likely result in favorable performance. Such private investment funds may provide greater fees (including performance based fees) or may be funds in which related persons of HIMCO have an interest.

A conflict may arise if HIMCO pursues or enforces the rights of certain HIMCO clients with respect to an issuer in which other HIMCO clients have invested – such as if certain clients hold investments in the debt securities of an issuer which has become financially impaired and other clients hold the equity securities of the same issuer, or if different clients hold investments in different tranches of an issuer’s debt securities. As a result, the prices, liquidity, availability and terms of certain clients’ investments could be adversely affected by actions taken on behalf of other client accounts.

Portfolio managers at HIMCO manage multiple portfolios for multiple clients. These accounts may include general accounts and separate accounts of affiliated and unaffiliated insurance companies, registered and unregistered investment companies, corporations, employee benefit plans and pension plans. The portfolios managed by portfolio managers may have investment objectives, strategies and risk profiles that differ from each other. Portfolio managers make investment decisions for each portfolio based on the investment objectives, policies, practices and other relevant investment considerations applicable to that portfolio. Consequently, the portfolio managers may purchase securities for one portfolio and not another portfolio. Securities purchased in one portfolio may perform differently than the securities purchased for another portfolio. A portfolio manager or other investment professional at HIMCO may place transactions, including short sale transactions, on behalf of one portfolio that are directly or indirectly contrary to investment decisions made on behalf of other portfolios, or make investment decisions that are similar to those made for other portfolios, both of which have the potential to adversely impact one portfolio and not another, depending on market conditions. In addition, some portfolios may have fee structures that are or have the potential to be higher, in some cases significantly higher, than the fees paid by other portfolios to HIMCO. Because a portfolio manager’s compensation is affected by revenues earned by HIMCO, the incentives associated with fee paying portfolios may be different than those associated with other portfolios managed on a cost reimbursement basis.

Fees are generally based on the account values determined in accordance with HIMCO’s Pricing Policy. To the extent that HIMCO’s fees are based on account values, HIMCO may benefit by receiving a fee based on the impact, if any, of the increased value of assets in an account. If a security held in an account does not have a readily available market value, a conflict may arise in that HIMCO’s interests

would be served by placing the highest possible value on that security. Although HIMCO is not the official agent of record for client portfolios (other than the affiliated general accounts and guaranteed separate accounts of affiliated insurance companies), HIMCO may provide assistance to the official pricing agents of clients' accounts, typically custodians, fund administrators or accounting agents, but has adopted a pricing policy and procedures to manage the conflict posed by pricing securities for which there is no readily available market value.

HIMCO's goal is to provide high quality investment services to all of its clients, while meeting our fiduciary obligation to treat all clients fairly, and HIMCO has adopted and implemented policies and procedures, including brokerage and trade allocation policies and procedures, that it believes address the conflicts associated with managing multiple accounts for multiple clients. Moreover, HIMCO monitors a variety of areas, including compliance with applicable laws and regulations, investment guidelines, the allocation of securities, and compliance with HIMCO's Code of Ethics. See [Item 11](#) **“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading”** and [Item 12](#) **“Brokerage Practices.”**

ITEM 7: TYPES OF CLIENTS

HIMCO provides investment advisory services to institutional and other client portfolios including general accounts and separate accounts of affiliated and unaffiliated insurance companies, registered and unregistered investment companies, corporations, employee benefit plans and pension plans.

HIMCO serves as an asset manager for its affiliates and provides investment advisory services for a variety of vehicles that support the product mix of its affiliates.

HIMCO also provides investment advice to pooled investment vehicles. HIMCO serves as investment adviser to a number of investment companies registered under the 1940 Act, which are sponsored and distributed by entities affiliated with HIMCO. HIMCO also serves as investment sub-adviser to a number of investment companies registered under the 1940 Act, which are sponsored and distributed by entities unaffiliated with HIMCO.

HIMCO also advises private funds, which are exempt from registration pursuant to either Section 3(c)1 or Section 3(c)7 of the 1940 Act. HIMCO also provides investment advisory services to certain collateralized debt obligations (CDOs).

As a general rule, HIMCO requires a minimum of \$40 million for starting or maintaining a managed fixed income separate account, although certain strategies may have lower or higher account minimum requirements. In addition, as a general rule, HIMCO requires a minimum of \$1 million for starting or maintaining a managed equity separate account, although certain strategies may have lower or higher account minimum requirements. HIMCO retains the ability to waive minimum amounts.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

Investing in securities involves the risk of loss including possible loss of principal that clients should be prepared to bear.

Fixed Income Strategies

HIMCO manages investment portfolios using a top-down and bottom-up investment process, with multiple levels of investment input, within a governance framework that is designed to ensure thematic consistency (to the extent mandates are similar) appropriate to the mandate. Ultimately, portfolio managers are responsible for portfolio construction that draws upon the resources of HIMCO and pursues client objectives within the constraints set by the client. The process, inputs and governance structure are best illustrated by an examination of HIMCO's multi-sector portfolio approach outlined below.

HIMCO manages multi-sector fixed income portfolios using a disciplined process designed to generate value from three sources: (i) a macro-economic strategy which considers duration, yield curve, and strategic asset allocation (ii) sector rotation and (iii) security selection. Each of these three value levers is analyzed within a three-pronged framework: fundamentals, market pricing, and market technicals. Fundamental analysis consists of evaluating the macro-economic environment, and the impact it has on key credit drivers. Market pricing is examined, and an evaluation is made by various specialist teams (Sector Teams) to determine if market prices accurately reflect fundamentals. If they do not, this may present an opportunity to buy or sell in the markets or securities examined. Market technicals are assessed by reviewing fund flows, supply, broker deal activity and synthetic activity. HIMCO then implements buy and sell decisions leveraging in-house market expertise and execution capabilities.

In addition to the individual portfolio managers (who have primary responsibility for the construction and management of client portfolios), and various functional specialists (sector analysts and traders, macroeconomic and quantitative analysts), there are two groups exerting significant influence over HIMCO's investment process. The Investment Strategy Committee ("ISC") has overall responsibility for all aspects of the investment process. The ISC is chaired by HIMCO's President and is comprised of senior investment professionals. Many ISC responsibilities are executed through a Portfolio Strategy Group ("PSG"). The PSG is a cross-functional team comprised of key consumers and providers of investment information – representing portfolio management, sector specialists, credit research and macroeconomic and quantitative analysts.

The multi-sector investment process has three main phases: economic analysis, risk calibration and asset allocation relative value debate and portfolio construction. The Portfolio Strategy Group (PSG) meets weekly to discuss developments across three main areas (1) economic data releases and overall economic trends, (2) market pricing vs. economic fundamentals and (3) how portfolios are currently positioned vs. the groups target positioning. The PSG coordinates the input of macroeconomists, senior portfolio managers, sector heads, research analysts, and traders, in examining critical structural drivers of the U.S. and global economies. This includes fiscal and monetary conditions, growth and inflation data and trends, geo-political events and policy initiatives. A formal outlook is presented to the ISC for discussion on a quarterly basis. Various economic and capital market scenarios are outlined and estimated probabilities are assigned with respect to the likelihood of each scenario. Sector specialists also offer their view on their asset class/sectors likely performance in each of the defined scenarios. Through the quarterly ISC process, a HIMCO view is developed for an intermediate term outlook on growth, rates, inflation and overall portfolio risk appetite.

Portfolio managers synthesize the array of analyses provided by the PSG, sector teams and others in formalizing and implementing portfolio-level decisions. Portfolio managers also may engage the PSG in *ad hoc* scenario and portfolio optimization analysis as economic conditions, market technicals, or price or volatility relationships evolve. Although portfolio construction ultimately resides with the portfolio managers, the recommendations to portfolio managers are considered guideposts to construct portfolios, and surveillance is in place to detect deviations beyond prescribed parameters. Such deviations result in discussions to understand the rationale for the deviation. To the extent the PSG may be dissatisfied with the rationale for such deviations, it is charged with escalating the matter to the ISC for resolution.

Examples of Sector Level Analysis and Investment Strategies

- Investment Grade Credit:** HIMCO employs a fundamentally driven, research-intensive investment process to manage assets invested in the Investment Grade Credit Sector (“IG Credit”). Using macro economic assumptions from HIMCO’s ISC as a backdrop, IG Credit Research Analysts provide an in-depth review of an issuer’s industry and competitive position, business strategy, operating profile, financial condition, and management team. Financial analysis includes detailed review of historical and projected metrics, including (but not limited to) revenue and profitability, cash flows generation, financial and operating leverage, liquidity, and asset valuations (book and market). An understanding of an issuer’s financial strategy is determined and monitored. IG Credit Research Analysts assess issuer ratings migration risk and event risk, both of which are key drivers of investment grade security performance. IG Credit research analysts review bond indentures, prospectuses, and other legal documents to identify structural issues which can impact security-level relationships within an issuer’s capital structure. IG Credit research analysts collaborate with sector traders to synthesize fundamental and structural analysis with a specialist assessment of current market conditions and securities pricing. This investment process provides the IG Credit team with a consistent framework to determine relative value, risk, and performance potential across industries, issuers, and securities in a manner which is aligned with objectives of maximizing total return, meeting Net Investment Income goals, and preserving capital.
- High Yield Credit (High Yield Securities and Levered Bank Loans):** HIMCO employs a fundamentally driven, research-intensive investment process to manage assets invested in the High Yield Credit Sector (“HY Credit”). Using macro economic assumptions from HIMCO’s ISC as a backdrop, HY Credit research analysts provide an in-depth review of an issuer’s industry and competitive position, business strategy, operating profile, financial condition, and management team. Financial analysis includes detailed review of historical and projected metrics, including (but not limited to) revenue and profitability, cash flows generation, financial and operating leverage, liquidity, and asset valuations (book and market). An understanding of an issuer’s financial strategy, issuer ratings migration risk and event risk is determined and monitored. Within the High Yield and Leveraged Loan asset classes, analysts also assess financial and operational covenants to understand the flexibility which issuers have with regards to future financings and their capitalization in order to quantify the risk premium which is appropriate at each level of an issuer’s capital. Research Analysts may also include an estimate of the enterprise value of an issuer using a discounted cash flow analysis of the issuer, sum of parts analysis, and enterprise valuation multiples in order to assesses the expected recovery value within the different levels of the capital structure. HY Credit research analysts collaborate with sector traders to synthesize fundamental, structural, and enterprise valuation analysis with a specialist assessment of current market conditions and securities pricing. This investment process provides the HY Credit team with a consistent framework to determine relative value, risk, and performance potential across industries, issuers, and securities in a manner which is aligned with objectives of maximizing total return, meeting Net Investment Income goals, and preserving capital.

- Asset Backed Securities (“ABS”): For “programmatic” or frequent issuers of ABS securities, HIMCO analyzes the issuer’s fundamental underwriting practices, historical performance of previously issued securities and motivation for utilizing the ABS market. In addition, HIMCO maintains a database containing key collateral and structural metrics of as many past transactions as possible. For all issuers, frequent or infrequent, HIMCO analyzes the collateral and structure of the transaction against other similar transactions in the market place. Also, the collateral and structure, as well as other factors are reviewed to determine the alignment of interests between ABS investors and issuers. Finally, HIMCO develops performance expectations and stress tests those expectations through the transaction’s cash flow waterfall. The relative value and credit merits of each transaction are then compared to other similar ABS to arrive at an investment decision.
- Mortgage-Backed Securities (“MBS”): HIMCO’s MBS team employs a stochastic process to analyze the overall structure of the security or portfolio. The outlook of HIMCO’s Investment Strategy Committee (ISC) includes assumptions on levels of economic activity, Federal Reserve Board activity, interest rate movements, and swap spread levels as well as probability weights for several different possible environments. The MBS team then models the levels of implied volatility and option-adjusted spread levels for each scenario. This is used as the base input into the MBS team’s positioning forecasts. The MBS team builds a series of stochastic outcomes for the fixed mortgage index under each path. The weighted outcome of this model becomes the MBS team’s excess return forecast for the sector, but equally as important, each individual economic rate path gives the MBS team a measure of risk/reward surrounding the forecast. This is extremely important since mortgage performance will ultimately depend on the actual path of rates.

The MBS team then rigorously stresses the model’s assumptions based on its experience within the mortgage market and compare these outputs with the model’s base case outputs to identify risks and opportunities. The systems the MBS team uses include: Citigroup Yield Book (including customized stochastic analyses taking into account curve shifts, prepayment stress tests, and volatility adjustments), Bloomberg, Barclays POINT, Intex, and proprietary excel models. The MBS team receives major brokerage research, with one-on-one access to specific research analysts. The MBS team builds on street research and performs its own proprietary analyses at both a market and security level.

The final step of the process includes monitoring our economic and rate forecasts and underlying assumptions, as well as monitoring our specific security assumptions. The MBS team watches for variances in the MBS team’s assumed rate paths, curve shape, levels of implied volatility and swap spread levels. The MBS team also monitors all of its securities using a variety of reports that show pricing, risk characteristics, and prepayment history. Delinquencies and losses are monitored relative to support levels over time.

- Commercial Mortgage Backed Securities (“CMBS”): HIMCO begins its evaluation of every CMBS bond with a review of the assets underlying the bonds. Typically, this involves a re-underwriting of properties and loans within each deal. For certain CMBS, HIMCO uses an internally developed underwriting model to perform bottom-up, fundamental analysis of CMBS deal structures. This underwriting combines market forecast of rents and vacancy by property type and sub-market along with tenant rollover to derive monthly cash flows for each property. The projected loan level losses are then modeled to examine the impact on the CMBS capital structure. HIMCO analyzes the underwriting results to determine points in the capital structure where we believe investors are being adequately compensated for the risk and arrive at an investment decision.

Private Placement Strategy

HIMCO employs a fundamentally driven, research-intensive investment process to manage private placement investments. Private research analysts, traders, and portfolio managers work under the direction of the Head of Alternatives, who is ultimately responsible for strategy recommendations and performance within the sector. The Private Placement Team contributes key inputs to HIMCO's Investment Strategy Committee and utilizes relevant outputs to update its sector views. Private placement research incorporates a holistic review of an issuer's industry and competitive position, business strategy, operating profile, financial condition, and management. Financial analysis includes a detailed review of historical and projected metrics, including (but not limited to) revenue and profitability, financial and operating leverage, liquidity, and asset valuations (book and market). Particular emphasis is placed on each issuer's cash flow profile and outlook (generation and utilization). Private research analysts also conduct structural analysis by reviewing bond indentures, private placement memorandums, and other legal documents. This enables HIMCO to identify specific characteristics including the level of covenant protection, and security-level relationships within an issuer's capital structure. Private placement analysts may collaborate with traders to synthesize fundamental and structural analysis with a specialist assessment of current market conditions and securities pricing. This investment process provides the Private Placement Team with a consistent framework to determine relative value, risk, and performance potential across industries, issuers, and securities.

Commercial Mortgage Loan ("CML") Strategy

HIMCO's CML underwriters are members of the Private Real Estate (PRE) group. Underwriters are assigned to geographic regions across the continental U.S. after they have developed market expertise as well as strong relationships with brokers and sponsors/borrowers in their designated region. CML opportunities are primarily sourced by a network of independent mortgage brokers representing borrowers, although HIMCO occasionally deals directly with potential borrowers. HIMCO will periodically update the broker network on deal parameters of particular interest to HIMCO, including loan duration, property type, geographic location and spread/coupon requirements. Underwriters conduct a detailed analysis of a loan opportunity considering a number of factors, including collateral cash flows, occupancy/tenancy characteristics, market strengths and challenges, collateral value, quality and location, and the strength of the proposed sponsor/borrower. If the underwriter determines that a loan opportunity satisfies HIMCO's preliminary underwriting criteria and portfolio requirements, the underwriter determines a projected credit rating (based on both internal and external models) and proposed loan pricing (the spread over comparable Treasuries) and proceeds. The underwriter will then review the proposed terms with the Head of Alternatives for feedback. Assuming the Head of Alternatives concurs with the underwriter's proposed deal terms, the underwriter circulates a non-binding proposal to the potential sponsor/borrower. The Head of Alternatives must be consulted on any material changes to the proposed deal terms.

Hedge Funds Strategy

HIMCO's process for building a portfolio of hedge funds begins with the development of a strategic mix of underlying hedge fund strategies consistent with the risk tolerance and objectives of the client. After a strategic allocation is determined, analysis is conducted across the universe of underlying investable hedge funds to find managers who we believe have competitive advantages in their particular discipline and can deliver the risk/return profile that fits best in the overall portfolio. Emphasis is put on finding a portfolio of investments that are both qualitatively and quantitatively differentiated from one another. Due diligence is conducted across several aspects of each underlying hedge fund including: the mechanics of the investment process, operational and compliance procedures, counterparties and service providers, and legal documents. Fund investments are then sized based upon the expected volatility of the investment and its diversification value (correlation with other investments). Portfolios of funds are then actively managed based on the ongoing assessment of the underlying funds ability to continue to perform in line with initial expectations and the prospects for returns across different strategies.

Equity Strategies

- Quantitative Equity: HIMCO manages equity assets by using quantitative analysis. This involves daily collection of stock price and company fundamental information to create portfolios of desired risk and return levels. The quantitative equity group utilizes proprietary multi-factor models. Each model follows the same basic structure but is customized to a given investment strategy/product. HIMCO also employs its quantitative-based investment process for specified “extension” portfolios. HIMCO’s “extension” portfolios increase their long positions to a specified amount (i.e. 130% or 140% of total portfolio market value) while simultaneously shorting positions up to a specified amount (i.e. 30% or 40%), in order to keep the portfolio invested fully in the market (100% net position) consistent with other long-only mandates.
- Passive Equity: For passive equity strategies, HIMCO seeks to match the attributes of the underlying index in order to deliver comparable performance. On a daily basis, the portfolio managers seek to keep each portfolio fully invested, minimizing unexposed cash. Each portfolio’s active risk, as well as security, sector, and country exposures are assessed utilizing portfolio management software. Exposure to USD and international currencies, where applicable, are also reviewed daily. The ratio of currency forwards to equity securities is reviewed to confirm that hedged portfolios are in compliance.

Managing tightly to an index requires in-depth knowledge of each index provider’s methodology. Most indexes add, delete, and/or modify the weight of its constituents through a quarterly rebalance process. There are also frequent situations where material events require ad hoc changes to the index outside of the quarterly rebalance process. Portfolio managers buy and sell securities when necessary to stay in line with the index. Portfolio management software is utilized to assess potential changes to the portfolio and run optimizations.

- Fundamental Equity: HIMCO also manages equity asset mandates utilizing fundamental analysis. The fundamental equity group utilizes a variety of methods to identify equity securities worthy of ‘deep dive’ analyses from among the investable universe for a given mandate. These methods include, but are not limited to, screens developed in conjunction with HIMCO’s quantitative equity group, internally developed comparable-company analyses, and conversations with industry and sell-side contacts. Once an equity security is identified as worthy of a ‘deep dive’, a fundamental analyst will perform extensive research on the issuer, with a focus on synthesizing the key drivers of value, our expectation of how these drivers will evolve over time, an understanding of how our expectations deviate from the rest of the market. These factors drive a thorough assessment of the intrinsic value of the issuer, and of what that value might be in a reasonable downside scenario, utilizing various valuation techniques. Analysts then present ‘deep dive’ analyses to a group comprised, among others, of portfolio managers, fundamental equity analysts, and high yield and investment grade analysts. This group helps vet the thesis and challenges the assumptions and results of our assessment of intrinsic value. With this input, the fundamental equity portfolio manager determines the appropriate position size for a given equity security as a function of the implied upside and downside and the conviction level around the thesis. Constraints to position sizing may include industry concentration, trading liquidity of the security, and maximum position size limitations. As events transpire that alter our assessment of intrinsic value or downside risk, the fundamental analyst reconsiders these assessments and communicates them to the portfolio manager (and, when necessary, the broader vetting group). Position sizing is thus frequently reassessed against the most current view of intrinsic value, downside risk, and conviction level.

B. Material, Significant or Unusual Risks Relating to Investment Strategies

Please note that certain HIMCO strategies may invest in some of the instruments outlined in [Section C of this Item 8](#) “Risks Associated With Particular Types of Securities”. Please refer to [Section C](#) for additional information on the risks associated with those instruments.

Fixed Income Strategies:

Fixed income strategies may be subject to the following risks:

- Credit risk refers to the risk that the issuer of a security will not be able to make timely principal and interest payments.
- Currency risk refers to the risk that changes in the exchange rate between currencies will adversely affect the value of an investment.
- Liquidity risk refers to the risk that certain securities may be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth. Private placement securities can be less liquid than other types of fixed income securities.
- Interest rate risk refers to the risk that investments may go down in value when interest rates rise, because when interest rates rise, the prices of bonds and fixed rate loans fall. Generally, the longer the maturity of a bond or fixed rate loan, the more sensitive it is to this risk. These risks are greater during periods of inflation. Falling interest rates also create the potential for a decline in the portfolio's income.
- Extension risk refers to the risk that, generally, rising interest rates tend to extend the duration of fixed rate mortgage-backed securities, making them more sensitive to changes in interest rates causing the portfolio to exhibit additional volatility.
- Prepayment risk refers to the risk that when interest rates decline, borrowers may pay off their obligations sooner than expected. This can reduce the returns of a portfolio because HIMCO may have to reinvest that money at lower prevailing interest rates.
- Recovery risk refers to the risk that a security holder may not recover some or all of its principal after a security has defaulted.
- Call risk refers to the risk that an issuer, during a period of falling interest rates, may redeem a security by repaying it prior to maturity. Income to the portfolio will be reduced if the proceeds from the redemption are reinvested at lower interest rates.

Commercial Mortgage Loan (“CML”) Strategy:

Please refer to [Section C of this Item 8](#) “Risks Associates With Particular Types of Securities” for additional information on the risks associated with commercial mortgage loans.

Equity Strategies:

- Quantitative equity strategies involve the risk that the value of securities selected using quantitative analysis can react differently to issuer, political, market, and economic developments than the market as a whole or securities selected using only fundamental analysis. The factors

used in quantitative analysis and the weight placed on those factors may not be predictive of a security's value. In addition, factors that affect a security's value can change over time and these changes may not be reflected in the quantitative model.

- Small and mid-cap quantitative equity strategies invest in small or mid-sized companies. These strategies generally involve higher risk than a strategy that invests in larger, more established companies. Small and mid-sized companies may have limited operating or business history. They also frequently rely on narrower product lines and niche markets, and thus, can suffer severely from isolated business setbacks. Small capitalization stocks are often more difficult to value or dispose of, more difficult to obtain information about and more volatile than stocks of larger, more established companies.
- Passive equity strategies, by definition, are not actively managed. Instead they are designed to match the components of a reference index. Therefore, the adverse performance of a particular stock ordinarily will not result in the elimination of the stock from a passive equity portfolio. The portfolio will generally remain invested in a stock even when its price is falling, provided it continues to be a component of the portfolio's reference index. Passive equity strategies are also subject to the risk of tracking error. Tracking error can cause a passive equity strategy's performance to diverge from that of its reference index, either on a daily or aggregate basis. Factors such as cash flows, transaction costs, imperfect correlation between the portfolio's securities and those in the index, asset valuation, timing variances, changes to the composition of the reference index, and regulatory requirements may cause tracking error. Tracking error may cause a passive equity strategy's performance to be less than expected.
- The Extended Large Cap Core strategy and the Global Enhanced Dividend strategy may involve more risk than other investment strategies that do not engage in short selling. By investing the proceeds received from selling securities short, the strategy is employing a form of leverage. The use of leverage may increase the strategy's exposure to long equity positions and make any change in the strategy's value greater than without the use of leverage. The long/short approach of these strategies could result in a relatively higher level of portfolio turnover and increased transaction costs. The Global Enhanced Dividend strategy involves investments in foreign securities, including emerging markets, which are subject to certain risks of overseas investing, including currency fluctuations and changes in political and economic conditions. Although the Extended Large Cap Core strategy and the Global Enhanced Dividend strategy, may result in relatively higher levels of portfolio turnover, HIMCO does not employ high volume trading or investment strategies generally included in market definitions of 'high frequency trading' investment styles.

Hedge Funds Strategy:

Risks in hedge fund strategies include but are not limited to equity market risk, interest rate duration risk, currency and commodity market risk, leverage risk and short selling risk. In addition, hedge fund investments in many cases have business risk associated with narrowly focused businesses and key person risk relating to the primary portfolio managers of the funds.

C. Risks Associated With Particular Types of Securities

Risks Generally Associated with Fixed Income Securities:

Fixed income securities are subject to credit risk. Credit risk refers to the risk that the issuer of a security will not be able to make timely principal and interest payments. Securities rated below investment grade (also referred to as "high yield" or "junk" bonds) are subject to heightened credit risk, which can result in a

portfolio being more sensitive to adverse developments in the U.S. and abroad. Lower rated securities generally involve greater risk of default or price changes due to changes in the issuer's creditworthiness than higher rated debt securities. The market prices of these securities may fluctuate more than higher quality securities and may decline significantly in periods of general economic difficulty.

Certain fixed income securities may be subject to liquidity risk. Liquidity risk refers to the possibility that a security may be difficult or impossible to sell at the time that the seller would like or at the price the seller believes the security is worth. Such fixed income securities may also be difficult to value. Private placement securities can be less liquid than other types of fixed income securities. The liquidity of fixed income securities may also be negatively impacted by rising interest rates across the U.S. financial system and decreases in fixed income dealer market making capacity.

Fixed income securities are subject to interest rate risk and may decrease in value when interest rates rise. When interest rates rise, the prices of fixed rate bonds and loans fall. Generally, the longer the maturity of a bond or fixed rate loan, the more sensitive it is to this risk. These risks are greater during periods of inflation. Falling interest rates also create the potential for a decline in a portfolio's income.

Municipal securities are subject to risks that include the possibility that the issuer may be unable to repay the obligation, the relative lack of information about certain issuers of municipal securities, and the possibility of future legislative changes which could affect the market for and value of municipal securities. In addition, state or local political or economic conditions and developments can adversely affect the obligations issued by state and local governments. The value of the obligations may be adversely affected by future changes in federal or state income tax laws, including tax rate reductions or the determination that municipal securities are subject to taxation.

Treasury obligations may differ in their interest rates, maturities, times of issuance and other characteristics. Obligations of U.S. Government agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. Government. No assurance can be given that the U.S. Government will provide financial support to its agencies and authorities if it is not obligated by law to do so.

Money market securities are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

When-issued and delayed delivery securities and forward commitments involve the risk that the security will lose value prior to its delivery. There also is the risk that the security will not be issued or that the other party to the transaction will not meet its obligation. If this occurs, an investor loses both the investment opportunity for the assets it set aside to pay for the security and any gain in the security's price.

Fixed income securities are also subject to currency risk, the risk that changes in the exchange rate between currencies will adversely affect the financial condition of issuers and the value of an investment.

Risks Generally Associated with Equity Securities:

Equity securities are subject to market risk. Market risk is the risk that one or more securities in which a strategy invests will go down in value, including the possibility that the securities will go down sharply and unpredictably. Equity securities may decline in value due to the activities and financial prospects of individual companies or due to general market and economic movements and trends. Investments in small capitalization and mid-capitalization companies involve greater risks than investments in larger, more established companies. These securities may be subject to more abrupt or erratic price movements and may be subject to greater liquidity risk. In addition, these issuers often face greater business risks.

American Depositary Receipts or “ADRs” are subject to various risks of loss that are different from the risks of investing in securities of U.S.-based companies. ADRs are certificates that represent a specified number of shares of a foreign stock. Investments in the securities of foreign issuers, including emerging markets, involve significant risks that are not typically associated with investing in the securities of domestic issuers. Please see “[Risks Generally Associated with Foreign Securities](#)” below for additional detail.

Investments in warrants may involve substantially more risk than investments in common stock. If the price of stock underlying a warrant does not rise above the exercise price before the warrant expires, the warrant generally expires without any value and the portfolio loses any amount it paid for the warrant. Warrants may trade in the same markets as their underlying stock; however, the price of the warrant does not necessarily move with the price of the underlying stock.

Risks Generally Associated with Derivatives:

Derivatives are instruments whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Derivatives are volatile and may involve significant risks. In addition to credit risk, liquidity risk and currency risk described above, derivatives may be subject to counterparty risk, hedging risk, index risk, and leverage risk.

- Counterparty risk refers to the risk that the counterparty to a derivatives contract may be unable or unwilling to honor its obligations under the contract.
- Hedging is a strategy that uses a derivative to offset the risks associated with another security. While hedging can reduce losses it can also reduce or eliminate gains or create losses if the market moves in a manner different than that anticipated by HIMCO or if the cost of the derivative outweighs the benefit of the hedge. HIMCO is not required to hedge and may choose not to do so.
- Index risk refers to the risk that if the derivative is linked to the performance of an index, it will be subject to the risks associated with changes in that index. If the index changes, the portfolio could receive lower interest payments or experience a reduction in the value of the derivative to below what the portfolio paid. Certain indexed securities, including inverse securities (which move in an opposite direction to the index), may create leverage, to the extent that they increase or decrease in value at a rate that is a multiple of the changes in the applicable index.
- Leverage risk refers to the risk that relatively small market movements may result in large changes in the value of an investment. Certain investments that involve leverage can result in losses that greatly exceed the amount originally invested.

Risks Generally Associated with Structured Products:

Structured products include mortgage-backed and other asset-backed securities. Those securities often represent an interest in “pools” of mortgages or other assets (such as receivables or other financial instruments derived from various sources that generate cash flows, including, but not limited to, credit cards, student loans, auto loans, utility stranded costs, bank loans and special servicer advances). Mortgage-related securities include both agency and non-agency residential mortgage as well as commercial mortgages. These securities can be issued in several forms which prioritize interest and/or principal payments.

A class of structured securities may be subordinated to the right of payment of another class. Subordinated structured securities typically have higher yields and present greater risks than

unsubordinated structured securities. Holders of mortgage-backed or asset-backed securities that are subordinated to other interests in the same mortgage or asset pool may only receive payments after the pool's obligations to other investors have been satisfied. Although structured securities markets have recovered substantially from the extremely distressed conditions of 2008-2009, certain sectors and/or structures may continue to experience pricing and liquidity challenges.

Structured securities are subject to credit risk from defaults on the underlying assets. For example, an unexpectedly high rate of defaults on the mortgages or assets held by a pool may substantially limit the pool's ability to make payments of principal or interest, which would reduce the values of those securities and in some cases render them worthless. The risk of such defaults is generally higher in the case of pools whose cash flows derive from credit extended to borrowers of limited or negative credit history (i.e., "subprime" borrowers). In addition to default risk, structured products may also be subject to prepayment risk and extension risk as defined in [Item 8 under Fixed Income Strategies](#).

Structured securities can be affected by general macroeconomic conditions as well as sometimes local economic factors such as the level of unemployment or home prices. With respect to mortgage-related securities, a significant risk is that the value of the underlying real estate may go down. In addition to economic factors, many other factors may affect real estate values including the amount of new construction in a particular area, the laws and regulations (including zoning and tax laws) affecting real estate and the costs of owning, maintaining and improving real estate. The availability of mortgages and changes in interest rates may also affect real estate values. The real estate industry is particularly sensitive to economic downturns. If real estate related investments are concentrated in one geographic area or in one property type, the portfolio risks associated with that area or property type will be greater.

Risks Generally Associated with Mutual Funds, ETFs, ETNs, Unregistered Pooled Investment Vehicles, and Real Estate Related Securities:

HIMCO may also invest in mutual funds and exchange traded funds ("ETFs") and exchange traded notes ("ETNs"). HIMCO may also buy and sell interests in investment companies which may not be registered under the 1940 Act, such as private placements in pooled investment vehicles and other private issuers. In addition, HIMCO offers advice on interests in partnerships and other vehicles that invest in mortgage-related securities such as real estate investment trusts ("REITs"), multiple class pass-throughs, whole loans, leveraged fixed-income portfolios and/or direct interests in real estate.

Investments in mutual funds incur fees that are separate and apart from fees charged by HIMCO for investment advisory services. Investors in mutual funds will bear a proportionate share of the operating expenses of the mutual funds, including advisory fees, in addition to the fees paid to HIMCO for investment advisory services.

An investment in an ETF generally presents the following risks: the same primary risks as an investment in a fund that is not exchange-traded that has the same investment objectives, strategies and policies as the ETF; the risk that the ETF may fail to accurately track the market segment or index that underlies its investment objective; price fluctuation, resulting in a loss to the fund; the risk that the ETF may trade at a price that is lower than its net asset value ("NAV"); and the risk that an active market for the ETF's shares may not develop or be maintained. The portfolio will indirectly pay a proportional share of the asset-based fees of the ETFs. ETFs are also subject to specific risks depending on the nature of the ETF, such as liquidity risk, sector risk, and foreign and emerging market risk, as well as risks associated with fixed income securities, real estate investments and commodities. An investment in an ETF presents the risk that the ETF may no longer meet the listing requirements of any applicable exchanges on which the ETF is listed.

ETNs are a type of unsecured, unsubordinated debt security that have characteristics and risks similar to those of fixed-income securities and trade on a major exchange similar to shares of ETFs. Unlike other

types of fixed income securities, however, the performance of ETNs is based upon that of a market index or other reference asset minus fees and expenses, no coupon payments are made and no principal protection exists. The value of an ETN may be affected by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying commodities or securities markets, changes in the applicable interest rates, changes in the issuer's credit rating and economic, legal, political or geographic events that affect the referenced commodity or security. The ability to sell ETN holdings also may be limited by the availability of a secondary market and such holdings may have to be sold at a discount. ETNs also are subject to counterparty credit risk, fixed-income risk and tracking error risk (where the ETN's performance may not match or correlate to that of its market index). ETNs also incur certain expenses not incurred by their applicable index.

Real estate investment trusts ("REITs") are pooled investment vehicles that invest primarily in income-producing real estate or real estate related loans or interests. Like registered investment companies, REITs are not taxed on income distributed to shareholders so long as they comply with several requirements of the Internal Revenue Code of 1986, as amended ("Code"). Investing in REITs involves certain risks. REITs may have limited financial resources, may trade less frequently and in limited volume and may be more volatile than other securities. REITs are also subject to additional risks, such as poor performance by the manager of the REIT, adverse changes to the tax laws or failure by the REIT to qualify for tax-free pass-through of income under the Code, the risks of financing projects, heavy cash flow dependency, default by borrowers, and self-liquidation. In addition, some REITs have limited diversification because they invest in a limited number of properties, a narrow geographic area or a single type of property. A REIT may be affected by changes in the value of the underlying property owned by such REIT or by the quality of any credit extended by the REIT. Also, the organizational documents of a REIT may contain provisions that make changes in control of the REIT difficult and time-consuming. Because REITs are pooled investment vehicles that have expenses of their own, investors will indirectly bear their proportionate share of those expenses. REITs are also subject to interest rate risks.

For additional risks related to real estate-related securities, please see **Risks Generally Associated with Commercial Mortgage Loan Investments** below.

Risks Generally Associated with Foreign Securities, including Emerging Markets:

Foreign securities, including emerging markets securities, are subject to certain risks of overseas investing, including currency fluctuations and changes in political and economic conditions. Emerging markets strategies are also subject to unique risks. Securities markets in the emerging market countries of Asia, Latin America, Eastern Europe, Africa and the Middle East can be less liquid, **may be** subject to greater price volatility, **may** have smaller market capitalizations, **may** have less government regulation and **may** not be subject to as extensive and frequent accounting, financial and other reporting requirements as the securities markets of more developed countries. These risks are not normally associated with investments in more developed countries.

Risks Generally Associated with Commercial Mortgage Loan Investments:

- ***Investment in Real Estate Generally.*** Commercial mortgage loans are subject to the uncertainty of cash flow of the borrowers to meet fixed or variable obligations due to the risks incident to development and ownership of real estate, including risks associated with changes in the general economic climate, changes in the overall real estate market, local real estate conditions, the financial condition of buyers and sellers of properties, supply of or demand for competing properties in an area, accelerated construction activity, technological innovations that alter space requirements, the availability of financing, changes in interest rates, competition based on sale prices, energy and supply shortages, various uninsured and uninsurable risks and government regulations.

- *Environmental Matters.* The real properties which secure commercial mortgage loans will be subject to U.S. federal and state environmental laws, regulations and administrative rulings which, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste. Real property owners are subject to U.S. federal and state environmental laws which impose joint and several liability on past and present owners and users, and in some cases, lenders of real property for hazardous substance remediation and removal costs. To the extent it becomes an owner of property serving as collateral for a mortgage loan, a lender may be exposed to risk of loss from environmental claims arising in respect of undisclosed or unknown environmental problems or as to which inadequate reserves have been established. It is anticipated that lender will not take title to a property unless said property is acceptable pursuant to an environmental study, and that if the lender takes title, it would be taken in the name of a separate legal entity.
- *Creditor Risks.* As debt, commercial mortgage loans generally are subject to various creditor risks, including (i) the possible invalidation of an investment transaction as a “fraudulent conveyance” under the relevant creditors’ rights laws, (ii) so-called lender liability claims by the borrower, and (iii) as noted above, environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any underlying real property owner or property, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or credit issues suffered by tenants, can significantly diminish or adversely impact the collectability of commercial mortgage loans.
- *Uninsured Losses.* The lender will require borrowers to maintain insurance coverage against liability to third parties and property damage as is customary for similarly situated real property. However, there can be no assurance that insurance will be available or sufficient to cover any or all such risks. Insurance against certain risks, such as earthquakes, floods, or acts of terrorism may be unavailable, available in amounts that are less than the full market value or replacement cost of real property securing the commercial mortgage loan, or subject to a large deductible or not economically insurable. In addition, there can be no assurance that the particular risks that are currently insurable will continue to be insurable on an economic basis.
- *Prepayment Risks.* Due to the possibility of prepayments, commercial mortgage loans may have an unknown maturity. In the absence of a known maturity, market participants generally refer to an estimated average life. An average life estimate is a function of an assumption regarding anticipated prepayment patterns, which are based upon current interest rates, current conditions in the relevant end-use markets and other factors. The assumption is necessarily subjective, and there can be no assurance that estimated average life will correspond to a loan’s actual average life.
- *Troubled Assets.* Defaulted commercial mortgage loans operating in work-out modes or under bankruptcy protection laws may, in certain circumstances, be subject to potential liabilities that could exceed the value of the original investment, including disallowance of claims or lender liability. In addition, under certain circumstances, payments to a lender may be reclaimed if any such payments or distributions are later determined to have been fraudulent conveyances or preferential payments under applicable law.
- *Investments May be Subject to Usury Limitations.* Interest charged on commercial mortgage loan investments may be subject to usury laws imposing maximum interest rates and penalties for violation, including restitution of excess interest and unenforceability of debt.
- *Uncertainty of Projections.* The lender’s determination to make a particular commercial mortgage loan will be based on a variety of projections, including projections regarding future growth rates and demand in the applicable market, construction costs, market prices and disposition timing

and proceeds, all of which are inherently uncertain. To the extent that the actual outcome of any of such matters differs from that assumed by the lender, actual net income and cash flow from the real property could be materially affected and could be materially lower than those projected.

ITEM 9: DISCIPLINARY INFORMATION

A. Criminal or Civil Proceedings

None

B. Administrative Proceedings Before Regulatory Authorities

None

C. Self-Regulatory Organization (SRO) Proceedings

None

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

HIMCO is not a registered broker-dealer. HIMCO is affiliated with HIMCO Distribution Services Company ("HDSCO"), a registered broker-dealer, and certain employees of HIMCO, including some management personnel, are registered representatives of HDSCO.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status

HIMCO has been registered with the Commodity Futures Trading Commission ("CFTC") as a Commodity Trading Adviser since February 18, 2009 and as a Commodity Pool Operator since January 1, 2013. Certain of HIMCO's management persons are registered or have an application pending to register as an associated person of a CPO and CTA (HIMCO).

C. Material Relationships or Arrangements with Industry Participants

HIMCO has material relationships or arrangements with the following industry participants:

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker:

HIMCO is affiliated with HDSCO, a limited purpose broker-dealer. Certain employees of HIMCO are registered representatives of HDSCO. HDSCO is a limited purpose broker-dealer through which HIMCO would not be able to execute trades. However to further mitigate any actual or perceived conflict of interest, HIMCO's Prohibited Brokerage Arrangements Policy prohibits HIMCO from executing transactions on behalf of its advisory clients through affiliated broker-dealers or other financial intermediaries.

Moreover, pursuant to its Prohibited Brokerage Arrangements Policy, HIMCO is prohibited from: (a) agreeing, expressly or implied, to select a counterparty for a portfolio transaction to compensate it for recommending HIMCO as an investment adviser to prospective or existing clients; (b) directing any trade for any mutual fund or other client portfolio to a counterparty, or causing any counterparty to receive any remuneration such as a commission, mark up or fee in connection with any portfolio transaction as compensation for or in recognition of any promotion or sale of the shares of or interests in any mutual fund advised or sub-advised by HIMCO; (c) taking into account any counterparty's promotion or sale of the shares of or interests in any fund in allocating portfolio transactions to counterparties; and (d) entering into any agreement (oral or written) or other understanding under which HIMCO will or will seek to direct, (i) portfolio securities transactions, or (ii) any remuneration, including but not limited to any commission, mark-up, mark-down, step-out, or other fee (or portion thereof) received or to be received from an account's securities transactions effected through any other counterparty, to a counterparty in consideration for the promotion or sale of shares issued by any mutual fund advised or sub-advised by HIMCO.

2. Investment company or other pooled investment vehicle investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund):

Domestic mutual funds:

HIMCO advises certain U.S. mutual funds, each of which is a series of a U.S. registered open-end investment company (HIMCO Variable Insurance Trust (“HVIT”)) which is distributed by affiliates.

To the extent permitted by the Advisers Act, the 1940 Act, ERISA and other applicable law, HIMCO’s clients may invest in registered and unregistered pooled investment vehicles which may be advised by HIMCO or an affiliate of HIMCO.

Because HIMCO acts as investment adviser to numerous client accounts as well as registered and unregistered investment companies, there are certain conflicts of interest inherent in such arrangements including conflicts associated with the difference in fee structures, portfolio manager related conflicts, and conflicts related to fair and equitable allocation of investment opportunities. Please see **Side-By-Side Management in Item 6** for information on conflicts related to differing fee structures. HIMCO monitors for portfolio manager related conflicts of interest through its Code of Ethics and policies related to personal trading (please see **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading in Item 11**).

HIMCO addresses the conflict related to fair and equitable allocation of investment opportunities through its Trade Allocation Policy and Procedures, which has the purpose of promoting fair and equitable treatment in terms of allocation of investment opportunities and trade executions for client accounts. Under its Trade Allocation Policy and Procedures, HIMCO must act primarily for its clients’ benefit and ensure that over time, each client is treated fairly and equitably. There may be instances where Hartford affiliated entities (“Hartford Investors”) will regularly receive an investment allocation in advance of other HIMCO clients. Such instances include situations where HIMCO clients require Hartford Investor co-investment or where the nuances of a specific market, such as that for commercial mortgage loans, dictate such co-investment.

Please see additional disclosure under **Item 6 “Performance-Based Fees and Side-By-Side Management”**.

Because HIMCO’s President also serves in various roles for HIMCO’s affiliates including Chief Investment Officer of The Hartford Financial Services Group, Inc. (and its subsidiaries), head of the various life insurance and annuity run-off businesses of The Hartford Financial Services Group, Inc., and Trustee and Chairman of the Board of HVIT (defined above), there are certain conflicts of interest inherent to serving the objectives of each role. Such conflicts are primarily mitigated through the controls imposed by HIMCO’s policies and procedures, including the Trade Allocation Policy and Procedures discussed above.

3. Other Investment adviser or financial planner:

None

4. Futures commission merchant, commodity pool operator, or commodity trading adviser:

None

5. Banking or thrift institution:

None

6. Accountant or accounting firm:

None

7. Lawyer or law firm:

None

8. Insurance company or agency:

HIMCO is investment manager for the general accounts and certain separate accounts of certain affiliated U.S. and foreign based life and property and casualty insurance companies within The Hartford including American Maturity Life Insurance Company, Fencourt Reinsurance Company, Ltd., First State Insurance Company, Hartford Accident and Indemnity Company, Hartford Casualty Insurance Company, Hartford Financial Products International Limited, Hartford Fire Insurance Company, Hartford Insurance Company of Illinois, Hartford Insurance Company of the Midwest, Hartford Insurance Company of the Southeast, Hartford International Life Reassurance Corporation, Hartford Life and Accident Insurance Company, Hartford Life and Annuity Insurance Company, Hartford Life Insurance Company, Hartford Lloyds Insurance Company, Hartford Underwriters Insurance Company, Heritage Reinsurance Company, Ltd., Maxum Indemnity Company, Maxum Casualty Insurance Company, New England Insurance Company, New England Reinsurance Corporation, New Ocean Insurance Company, Ltd., Nutmeg Insurance Company, Pacific Insurance Company, Limited, Property and Casualty Insurance Company of Hartford, Sentinel Insurance Company, Ltd., Trumbull Insurance Company, and Twin City Fire Insurance Company. Through its affiliation with The Hartford, HIMCO is also affiliated with other insurance companies, but has no material business relationships with such other entities.

HIMCO's investment activity for its affiliated advisory accounts may pose a conflict of interest with respect to fair and equitable access to investment opportunities. This conflict is addressed through HIMCO's Trade Allocation Policy and Procedures which promote fair and equitable allocation of investment opportunities across all client accounts. Under its Trade Allocation Policy and Procedures, HIMCO must act primarily for its clients' benefit and ensure that over time each client is treated fairly and equitably. There may be instances where Hartford Investors will regularly receive an investment allocation in advance of other HIMCO clients. Such instances include situations where HIMCO clients require Hartford Investor co-investment or where the nuances of a specific market, such as that for commercial mortgage loans, dictate such co-investment.

HIMCO's investment activity for its affiliated advisory accounts may in certain circumstances limit the implementation of investment strategies for non-affiliated clients. For example, in certain regulated industries and in certain emerging or international markets, there may be limits on the aggregate amount of investment by affiliated investors which may not be exceeded without certain actions being taken. If such aggregate ownership thresholds are reached, HIMCO's ability to purchase or dispose of investments may be restricted accordingly. As a result, HIMCO may, in its discretion, limit purchases of certain investments, sell existing investments, or otherwise abstain

from exercising certain rights (such as voting rights), if it deems it appropriate or necessary. In addition, exceeding other ownership thresholds may require governmental and regulatory reporting, which may require the disclosure of the identity of the advisory account holding the investment or the intended strategy regarding such investment, which could have an adverse impact on the price or liquidity of such security. Further, in certain circumstances, and where it has the authority to do so, HIMCO may elect not to pursue a legal cause of action available to an advisory account based on a cost benefit analysis that may include factors such as the business relationships and dealings of HIMCO's affiliates.

Although HIMCO will give advice to and make investment decisions for its clients as it believes is in the best interests of such clients, HIMCO may give advice and take action with respect to any funds or accounts it manages, including affiliated accounts, that may differ from action taken by HIMCO on behalf of other funds or accounts. Action taken with respect to a HIMCO client, including affiliated accounts, may itself adversely or beneficially impact other HIMCO clients. For example, HIMCO may purchase a security for one advisory account, and establish a short position in the same security for another advisory account. The subsequent short sale may impair the value of the security held in the first advisory account. Conversely, HIMCO may establish a short position in a security for one advisory account, and then purchase the same security for another advisory account. The subsequent purchase may increase the price of the underlying position in the short sale portfolio, to the detriment of that advisory account.

HIMCO is not obligated to recommend, buy or sell, or take any short position with respect to, or to refrain from recommending, buying or selling or taking any short position with respect to, any security that HIMCO, its affiliates or their respective access persons, as defined by the Advisers Act, may buy or sell for its or their own account or for the accounts of any other client. In addition, HIMCO is not obligated to seek information or to make available to or share with any client any information, investment strategies or investment opportunities developed or used in connection with other clients, and HIMCO personnel may act on the basis of such information for certain portfolios in a manner that may have an adverse effect on other portfolios.

Pursuant to an investment management agreement with HVIT, HIMCO serves as adviser to affiliated mutual funds and investment options available under variable annuity and variable life insurance contracts issued by Hartford Life Insurance Company.

Transactions in investments by one or more HIMCO clients may have the effect of diluting or otherwise negatively impacting the values, prices or investment strategies of another HIMCO client, particularly (but not necessarily limited to) those in less liquid strategies such as small cap equities or emerging markets.

Please see additional disclosure under [Item 6](#) **“Performance-Based Fees and Side-By-Side Management”**.

9. Pension consultant:

None

10. Real estate broker or dealer;

None

11. Sponsor or syndicator of limited partnerships:

None

D. Material Conflicts of Interest Relating to Other Investment Advisers

None

ITEM 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

HIMCO has adopted a Code of Ethics which applies to all of its Covered Persons (which includes all HIMCO employees, HIMCO consultants and Hartford employees with access to HIMCO systems or floors). HIMCO will provide a copy of the Code of Ethics to any client or prospective client upon request.

The Code of Ethics is predicated upon the following principles: (1) interests of HIMCO's clients must come first, and Covered Persons must minimize and manage any conflict or appearance of conflict between the self-interest of any Covered Person, HIMCO, The Hartford, its shareholders and/or any of HIMCO's clients;; (2) personal securities transactions shall be conducted in such a manner as to manage or mitigate any actual or apparent conflict of interest, or any abuse of an individual's position of trust and responsibility; and (3) personnel must never improperly use their position with HIMCO, or The Hartford, for personal or private gain to themselves, their family or any other person. It further provides that all Covered Persons must comply with all applicable federal securities laws. Among its most significant provisions, it imposes certain trading restrictions on certain persons who are likely to know about HIMCO's trading activity. Included in these restrictions, there are prohibitions on the purchase of equity securities in initial public offerings, and - except for ETFs, ETNs, S&P 100 issuers in transactions of \$10,000 or less in aggregate per security per day, non-HIMCO managed mutual funds, automatic investment plan purchases, automatic redemption plan sales, government securities, documented managed accounts, Hartford 401k Plan transactions (the initial decision to join and changes in allocations thereunder), 529 Plans, non-Hartford Plans, high quality money market investments and a limited number of currencies – Covered Persons are required to pre-clear their securities transactions prior to execution. In addition, there is a sixty (60) day holding requirement, a one (1) day blackout period for all Covered Persons and a fourteen (14) day blackout period for investment personnel. Also, Covered Persons are required to maintain certain of their personal accounts with designated broker-dealers (exemptions may be granted on a case-by-case basis) to facilitate electronic receipt of trade confirmations and account statements, and may not engage in excessive personal trading (which is generally defined as more than 10 pre-cleared trades per quarter). The Code of Ethics also addresses issues such as political contributions, market timing, late trading, gifts and entertainment, service on boards of directors and outside business activities.

The Code of Ethics requires all Covered Persons to submit quarterly reports of transactions in accounts in which they or their immediate family members have a beneficial interest. In addition, all Covered Persons must submit annual reports of their accounts and holdings.

Although it would violate HIMCO's Code of Ethics and other compliance policies and procedures, other conflicts could arise if HIMCO personnel improperly use confidential information or material, non-public inside information for their personal benefit.

B. Securities that HIMCO or a Related Person Has a Material Financial Interest In

From time to time HIMCO, or any related person or any of their respective employees or principals may have a material financial interests in securities owned by or recommended to clients of HIMCO. For example, such parties may (1) purchase interests in funds or other private investment vehicles managed by HIMCO or its related persons, (2) invest in mutual funds advised or subadvised by HIMCO or its related persons, or (3) participate in Hartford's Voluntary Employees Beneficiary Association, an ERISA retirement benefit plan, "The Excess Benefit Trust", a "Top Hat" plan for certain senior executives of The Hartford that invests in highly liquid short-term corporate paper and short-term floaters. Such investments may not be balanced among funds or strategies and accordingly, these situations may give rise to potential conflicts of interests since an employee of HIMCO may have an economic interest in maximizing performance in a fund or account in which they are invested. Potential conflicts could also occur if

HIMCO engages in transactions with any entities which hold significant interests in The Hartford. Any such transactions will be conducted in compliance with the requirements of the Advisers Act and the 1940 Act, as applicable.

Pursuant to an investment management agreement with the HVIT, HIMCO serves as adviser to affiliated mutual funds and investment options available under variable annuity and variable life insurance contracts issued by Hartford Life Insurance Company.

C. Securities that HIMCO or a Related Person Has a Material Financial Interest In

From time to time HIMCO, or any related person or any of their respective employees or principals may invest in the same securities owned by or recommended to clients of HIMCO. HIMCO is not obligated to recommend, buy or sell, or take any short position with respect to, or to refrain from recommending, buying or selling or taking any short position with respect to, any security that HIMCO, its affiliates or their respective access persons, as defined by the Advisers Act, may buy or sell for its or their own account or for the accounts of any other client. In addition, HIMCO is not obligated to seek information or to make available to or share with any client any information, investment strategies or investment opportunities developed or used in connection with other clients, and HIMCO personnel may act on the basis of such information for certain portfolios in a manner that may have an adverse effect on other portfolios.

HIMCO has adopted policies and procedures relating to personal securities transactions and insider trading that are designed to mitigate actual conflicts of interest. Under HIMCO's Code of Ethics, Covered Persons are subject to a one day blackout period which prohibits them from purchasing or selling a security for a personal account on the same day in which HIMCO transacts in that security in an advisory account. In addition, HIMCO's investment professionals are subject to a fourteen day blackout restriction which prevents them buying or selling a security within seven calendar days before or seven calendar days after the same security is trading for an advisory account. The fourteen day blackout restriction is limited to the types of securities that the investment professional's business unit purchases for advisory accounts. All securities that are part of the S&P 100 Index (generally the largest and most established companies in the S&P 500 Index) are exempt from the one day and fourteen day blackout period restrictions and securities for which HIMCO transacts in Passive Index Portfolios are exempt from the one day and fourteen day blackout period restrictions.

Material Non-Public Information held by HIMCO could have the effect of restricting investment activities of client accounts

HIMCO may not be able to make or dispose of investments in its client accounts because of insider trading restrictions imposed upon it by its business activities. From time to time, HIMCO's public side personnel or private side personnel may come into possession of material, non-public information or other information that could limit the ability of client accounts to buy and sell investments. The investment flexibility of client accounts may be constrained as a consequence. For example, if HIMCO's private side personnel come into possession of material, non-public information regarding a private side holding, the issuer of that security will be placed on HIMCO's restricted list and HIMCO's public side personnel will not be permitted to transact in securities of that issuer until such time as the material non-public information has either been publicly disclosed or become stale. HIMCO is not permitted to obtain or use material non-public information in effecting purchases and sales in public securities transactions.

In addition, HIMCO may have information material to the management of client accounts and may be prevented by internal policies or by the terms of the information barriers that separate HIMCO's private side from the public side from sharing that information with relevant personnel of HIMCO.

D. Conflicts of Interest Created by Contemporaneous Trading

HIMCO may from time to time purchase or sell securities owned by affiliated clients from or to unaffiliated clients. All such transactions are conducted in accordance with Section 206-(3) of the Advisers Act and HIMCO's policies. HIMCO discloses the capacity in which it is acting and the material terms of the transaction and obtains the consent of the clients involved prior to settlement.

To the extent permitted by applicable law, HIMCO may from time to time effect "cross transactions" (where HIMCO causes an advisory account to buy a security from, or sell a security to, another client of HIMCO). HIMCO may have a conflict regarding both parties in a cross transaction, where it represents an advisory account on one side of the transaction and another advisory account on the other side of the transaction (including affiliated accounts). Cross transactions will be effected on commercially reasonable terms and HIMCO will, to the extent required by applicable law, obtain necessary consents prior to entering into principal transactions.

In addition, HIMCO may from time to time engage in the "netting" of foreign exchange transactions. In this context, a "netted" trade consists of executing offsetting buy and sell orders in the same instrument, with the same dealer, at more or less the same time. Under certain circumstances, such transactions could be viewed as indirect cross trades. There may also be circumstances in which HIMCO may engage in the "netting" of Treasury bonds, although our practice is not to do so.

HIMCO manages a large portfolio for its affiliated accounts and thus, in the ordinary course of business, may compete with its other clients in the market for securities. Please see [Item 12](#) "**Brokerage Practices – Order Aggregation**" below for a discussion of policies and procedures HIMCO uses to address pertinent conflicts of interest.

Although HIMCO has affiliated broker-dealers, pursuant to HIMCO's Prohibited Brokerage Arrangements Policy HIMCO will execute transactions on behalf of its advisory clients only through brokers-dealers or other financial intermediaries that are not affiliated with HIMCO.

HIMCO will resolve the foregoing conflicts on a case-by-case basis, taking into account the interests of the relevant clients, the circumstances under which the conflict arose, and applicable laws. Nonetheless, clients of HIMCO (and investors in private funds sponsored by or advised by HIMCO) should be aware that conflicts will not necessarily be resolved in favor of their interests, and that there can be no assurance that any actual or potential conflicts of interests will not result in a particular client of HIMCO receiving less favorable investment terms in certain investments than if such conflicts did not exist.

ITEM 12: BROKERAGE PRACTICES

A. Factors HIMCO Considers in Selecting or Recommending Broker-Dealers for Client Transactions and Determining the Reasonableness of their Compensation

HIMCO fulfills its best execution duty by placing transactions on behalf of a client with the goal of maximizing value for the client under the particular circumstances at the time of the transaction. HIMCO will seek, on behalf of its clients, the most favorable execution under the circumstances for every transaction and that often includes seeking the best price. However, HIMCO not only measures best execution by the circumstances surrounding a single transaction but also seeks best execution over time across multiple transactions for all client portfolios.

Traders are not necessarily required to choose the counterparty offering the best price if, in their reasonable judgment, based on the consideration of factors such as those listed below, there is a material risk that the total qualitative level of execution provided by such counterparty might be less favorable than may be obtained elsewhere. Moreover, traders may or may not elect to solicit competitive bids or offers for a particular transaction based on their judgment of the potential benefit or harm to the execution of that transaction.

In general, in selecting counterparties to execute a trade, HIMCO will consider in addition to price, factors that are transaction and counterparty specific. It is understood that different factors will have different levels of importance with each order, as each order is unique. HIMCO will evaluate each order and assess which competing markets, market makers, or electronic communication networks (ECNs) offer the most favorable execution.

When making the best execution determination, HIMCO will, depending on the circumstances consider multiple factors when choosing a counterparty such as (but not limited to):

- Price (including commission rates or spreads);
- Size and difficulty of the order;
- Execution speed relative to other markets;
- Trading characteristics of the security involved;
- Availability of accurate information to assess execution quality vis-à-vis other market centers;
- Ability to access other markets, and the cost and difficulty associated with achieving such access;
- Level of anonymity available through a particular counterparty;
- Liquidity of the market for the security in question;
- Ability to limit market impact;
- Block trading and arbitrage capabilities of a particular counterparty;
- The reputation, integrity and execution quality of a particular counterparty;
- A counterparty's track record for errors and its willingness to correct errors for which it was at fault;
- The ability and willingness of a counterparty to commit capital;
- The overall responsiveness of a counterparty to HIMCO's needs and willingness to work with HIMCO;
- A counterparty's participation in a given offering or underwriting; and/or
- Research generated by or provided by the counterparty.

It is understood that best execution practices may vary depending on the type of security or loan being transacted, the type of transaction being executed, the size of the trade, and the prevailing market conditions, and that different factors will have different levels of importance with each order.

Trades may only be executed with counterparties that have been placed on HIMCO's list of approved counterparties. Approved counterparties are included in the trade order management applications and

are reviewed periodically. HIMCO uses counterparties with demonstrated service capabilities (e.g., market knowledge and presence, financial strength and stability, ability and willingness to position trades, block trading coverage, effective settlement processing, and research), and monitors its counterparty relationships, market conditions, and the quality of trade execution and services.

From time to time, HIMCO may use a bid wanted platform when soliciting bids for bonds being sold in the over-the-counter market. In general, using a bid wanted platform expands the number of counterparties alerted to and responding to a bid wanted and helps to ensure receipt of an acceptable bid. While we generally execute a transaction at the highest bid level received, from time to time qualitative factors may cause us to accept a lower bid than initially offered but always higher than the second highest bid.

HIMCO's relationships with counterparties, and in particular with those counterparties who are affiliated with large financial services organizations, may be complex. In addition to HIMCO's trading relationships with such counterparties, HIMCO may also have other relationships with them, including without limitation: (a) investing client assets in securities issued by counterparties or their affiliates; (b) providing investment advisory services to certain counterparties or their affiliates; (c) utilizing such counterparties or their affiliates as counterparties for derivatives transactions; and (d) utilizing certain counterparties or their affiliates as prime brokers.

HIMCO is mindful of the potential conflicts of interest that may exist when executing client transactions and has set forth the following prohibited practices: trades may not be directed to counterparties in return for covering the cost of error corrections, trades may not be directed in return for suggested preferential treatment in new issues, IPOs, or other placements, trades may not be directed in return for gifts and entertainment, trades may not be directed in return or recognition of client referrals, and trades may not be influenced by any personal conflict such as a family relationship with an employee or owner of a counterparty. Although HIMCO has affiliated broker-dealers, pursuant to HIMCO's Prohibited Brokerage Arrangements Policy HIMCO will execute transactions on behalf of its advisory clients only through brokers-dealers or other financial intermediaries that are not affiliated with HIMCO.

HIMCO periodically and systematically monitors its trade execution to assess its effectiveness in obtaining best execution. The analysis includes, but is not limited to, trade cost analysis, counterparty volume and ranking reviews and trader activity review. Where available, HIMCO may use third party vendor analysis.

It is HIMCO's policy to treat its clients fairly and equitably. In accordance with its Trade Error Correction Policy, HIMCO will assess and determine when a trade error has occurred. For each trade error, HIMCO may net the realized gains and losses experienced by each impacted client and will reimburse net losses in a timely manner. The amount and methodology used to calculate reimbursements may be based on a variety of factors including but not limited to benchmarks and other market factors. Please note HIMCO does not reimburse certain affiliated clients for net losses stemming from trade errors. Pursuant to HIMCO's Trade Error Correction Policy all trade errors must be reported and documented as soon as practicable after discovery of the error and corrective action must be taken in a timely and prudent manner.

1. Research and Other Soft Dollar Benefits:

A broker-dealer will often provide products and services to investment advisers in order to give the adviser additional incentives to direct client brokerage transactions to the broker-dealer. These arrangements are often referred to as "soft dollar" arrangements. The SEC defines soft dollar practices as "arrangements under which products or services other than execution of securities transactions are obtained by an adviser from or through a broker-dealer in exchange for the direction of client brokerage

transactions to the broker-dealer.”¹ Typically, an adviser receives brokerage or research products or services (“brokerage or research”) from a broker-dealer and “pays” for the brokerage or research with commissions from transactions for advisory accounts. The commissions used to pay for the brokerage or research are referred to as soft dollars. Advisers may also receive brokerage or research which is provided on a “bundled” basis with trade execution. Even if an adviser does not pay a separately identifiable fee for the “bundled” brokerage or research, the receipt of “bundled” brokerage or research may under certain circumstances be characterized as a soft dollar arrangement.

When an investment adviser uses client commissions to pay for brokerage or research, the adviser receives a benefit because it does not need to produce or pay for the brokerage or research itself. Moreover, the brokerage or research received may not necessarily benefit the client whose commissions were used to pay for it – it may instead exclusively benefit other clients. Additionally, when transactions involving soft dollars involve the adviser paying higher commission rates (sometimes referred to as “paying up”), advisers using soft dollars face a conflict of interest between their need to obtain brokerage or research and their requirement to seek the best possible execution for their clients. As such, the use of client commissions and client transactions to pay for brokerage or research presents advisers with significant conflicts of interest by creating an incentive for advisers to disregard their best execution obligations when directing orders in order to obtain brokerage and research, as well as to trade client securities inappropriately in order to earn credits for such brokerage and research.

Other than Commission Sharing Arrangements (“CSAs”) approved by HIMCO’s Brokerage Review Committee, HIMCO’s Investment Personnel (as such term is defined in HIMCO’s Code of Ethics) are prohibited from entering into formal soft dollar arrangements on HIMCO’s behalf (in this context, the term “formal soft dollar arrangement” is defined as any agreement with a broker-dealer, either oral or written, whereby soft dollar credits or brokerage or research are provided to HIMCO in exchange for directing client brokerage transactions to the broker-dealer).

“Bundled Products and Services”

HIMCO receives brokerage and research products and services from some of its approved broker-dealers, which are often “bundled” with the trade execution services provided by the broker-dealers. Such products and services are referred to as “Bundled Products and Services”.

Use of Proprietary Bundled Products and Services Permitted

So long as they are proprietary in nature (e.g., have been produced by the broker-dealer providing them and not by a third-party other than such broker-dealer), then HIMCO’s Investment Personnel may utilize such Bundled Products and Services (“Proprietary Bundled Products and Services”) without restriction.

Use of Third-Party Bundled Products and Services Prohibited Unless Obtained Through a CSA or Otherwise Approved

HIMCO’s Investment Personnel may not accept Bundled Products and Services from a broker-dealer if those Bundled Products and services are produced by an entity other than such broker-dealer (“Third Party Bundled Products and Services”) unless:

- (1) Such Third Party Bundled Products and Services are obtained through a CSA that has been approved by HIMCO’s Brokerage Review Committee; or

¹ See Office of Compliance, Inspections and Examinations, SEC, Inspection Report on the Soft Dollar Practices of Broker-Dealers, Investment Advisers and Mutual Funds § II.B. (September 22, 1998) (“1998 Soft Dollar Study”).

(2) Such Third Party Bundled Products and Services have been disclosed to and pre-approved by the Chief Compliance Officer and the Chief Legal Officer (or their respective designees).

- a. To the extent HIMCO does utilize client brokerage commissions (or markups or markdowns) to obtain research or other product or services, HIMCO benefits because we do not have to produce or pay for such research, products or services.
- b. HIMCO may have an incentive to select or recommend a broker-dealer based on its interest in receiving research or other products or services rather than based on our Client's interest in receiving most favorable execution. Since the broker-dealer selected may not be the lowest cost, HIMCO may be deemed to be "paying up."
- c. As noted above, HIMCO may enter into CSAs approved by HIMCO's Brokerage Review Committee. Under those CSAs, HIMCO may pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits.
- d. HIMCO uses soft dollar benefits to service all of its clients' accounts and not just those that paid for the benefits. HIMCO does not seek to allocate soft dollar benefits proportionately; rather, the benefit of these bundled services are used to service all of HIMCO's clients' accounts and is not limited to the client accounts whose brokerage gave rise to the receipt of the bundled services.
- e. As noted above, HIMCO may enter into CSAs approved by HIMCO's Brokerage Review Committee, and may also receive bundled services from some of its approved broker-dealers. The bundled services typically received include items such as: (i) access to research reports; (ii) access to research analysts; (iii) access to issuer management; (iv) access to algorithmic trading software; (v) access to analytical tools (such as modeling tools); (vi) access to research websites; (vii) advice on order execution; (viii) access to on-site research presentations; (ix) access to seminars and conferences; and (x) access to relationship building events. Unless otherwise approved by HIMCO's Brokerage Review Committee, items received under CSAs shall be limited to research that qualifies as "brokerage and research services" under Section 28(e) of the Securities Act of 1934.
- f. As noted above, HIMCO may enter into CSAs approved by HIMCO's Brokerage Review Committee, and may also receive bundled services from some of its approved broker-dealers.

2. Brokerage for Client Referrals

As noted above, HIMCO's Prohibited Brokerage Arrangements Policy prohibits HIMCO from agreeing, in an express or implied manner, to select a counterparty for a portfolio transaction to compensate it for recommending HIMCO as an investment adviser to prospective or existing clients.

3. Client Directed Brokerage

- a. HIMCO generally selects broker-dealers to execute securities transactions. HIMCO does not recommend, request or require that a client direct HIMCO to execute transactions through a specified broker-dealer.
- b. From time to time and in limited instances, clients may direct HIMCO to use particular broker-dealers to execute their securities transactions. Additionally : (1) specific jurisdictions may mandate by statute that investment advisers use certain types of broker-dealers when executing transactions for certain types of accounts domiciled in specific jurisdictions; and (2) governmental clients may mandate that advisers direct a certain proportion of trades for their accounts to broker-dealers owned by minorities, women, veterans and other groups.

Normally, HIMCO will select broker-dealers based on its assessment of the execution capabilities and quality of such broker-dealers and its obligation to seek most favorable execution under the circumstances for each transaction. HIMCO will consider selecting broker-dealers identified by the client if such request is supported by a written request. HIMCO may advise clients that directing it to use a particular broker-dealer to execute transactions for their accounts may result in: (1) higher transaction costs for the client; (2) reduce HIMCO's flexibility in securing most favorable execution; (3) that a client who directs HIMCO to use a specific broker may forego any benefits from savings on execution costs that HIMCO could obtain for its clients through negotiating volume discounts on batched transactions; (4) that a client who directs HIMCO to use a specific broker may not be able to participate in a new issue if that new issue is provided by another broker; (5) HIMCO may not begin to execute client securities transactions with broker-dealers which have been directed by clients until all non-directed brokerage orders are completed; and (6) the accounts of clients directing broker-dealers may not generate returns equal to clients that do not direct broker-dealers.

HIMCO will not direct trades to any broker-dealer as compensation for or in recognition of any promotion or sale of shares of or interests in mutual funds, unregistered funds, or separately managed accounts.

B. Order Aggregation

HIMCO may aggregate portfolio management orders into a single order (absent specific client direction to the contrary) when it determines that it is consistent with best execution and in the best interests of the clients. It is the policy of HIMCO that when a decision is made to aggregate transactions on behalf of more than one account, such transactions will be allocated to all participating client accounts in a fair and equitable manner. Such combined or "batched" trades may be used to facilitate best execution including negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall transactions costs. HIMCO may include affiliated accounts in such aggregated trades. Equity trades will carry the average dollar weighted execution price. Due to the nature of the over-the-counter ("OTC") fixed income market (with limited liquidity among different counterparties and no centralized exchange), the concept of average dollar weighted execution price does not apply to fixed income trades. HIMCO will not receive additional compensation or remuneration as a result of block transactions.

Generally, before entering an order, HIMCO portfolio managers will prepare a written statement specifying the participating client accounts and how the order is intended to be allocated. There may be times where the order and execution occur at the same time, and requiring pre-trade documentation may prevent the ability to participate in a batched order. In those instances, the written order must be completed immediately after the transaction is completed. If the order is filled in its entirety, it will be

allocated between or among client accounts in accordance with the allocation statement. If the traders cannot completely fill the order, then, subject to certain documented exceptions, the order will be allocated pro rata between or among client accounts based on the allocation statement, rounded to take into consideration the minimum trade size and trade increments associated with the particular security.

There may also be instances where Hartford Investors will regularly receive an investment allocation in advance of other HIMCO clients. Such instances include situations where HIMCO clients require Hartford Investor co-investment or where the nuances of a specific market, such as that for commercial mortgage loans, dictate such co-investment.

Exceptions

An inflexible policy may not be appropriate in all circumstances, and may not always result in the fair and equitable treatment of all clients. Other allocation methods may be utilized if a partial fill scenario arises for a particular bunched order and investment personnel determine that pro-rata allocation is not appropriate for that transaction. Certain exception types are documented in HIMCO's Trade Allocation Policy and require investment personnel to follow a specific allocation process (also documented in the Trade Allocation Policy). Exceptions other than those spelled out in the Trade Allocation Policy require the approval of HIMCO's Chief Compliance Officer (or his/her designee). Once trades are executed, they may be reallocated only in limited circumstances and, other than for certain documented exceptions set out in the Trade Allocation Policy, only upon review and approval by senior management and the Chief Compliance Officer (or his/her designee).

ITEM 13: REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

HIMCO periodically reviews client accounts. Each investment advisory account is assigned to a portfolio manager who has overall responsibility for ensuring that transactions and holdings within client accounts are in compliance with investment guidelines and regulatory requirements. Compliance assists and supports the portfolio manager's efforts by conducting transactional, periodic, and forensic surveillance activities to monitor and assess such adherence.

HIMCO compliance monitoring activities function at both the pre-trade and post-trade level. These applications generally allow the automation of concentration limits and security attributes. As part of new account set up and on an as-needed basis thereafter, Compliance reviews the accounts' controlling documents with the Portfolio Management and Legal teams and codes the client and statutory constraints into the appropriate applications.

Automated reports provide timely notification to Compliance and Portfolio Management should a trade or holding approach or exceed an account's investment guideline and/or regulatory requirement (manual testing is used for those constraints which cannot be tested in an automated fashion).

Compliance is responsible for researching and determining the validity of each violation notification. If validated, Compliance informs Portfolio Management of the violation and documents each breach. At the client's request, Compliance also provides certifications of compliance on a stated frequency. Breaches are noted in such certifications.

Client guideline compliance and review is an ongoing process and the team will tailor client accounts on a customized basis if there are areas within the general guidelines that are not suitable for a given client. Compliance has designed and implemented compliance tests which run pre-trade and post-trade. These tests generally address whether holdings are appropriate for a particular portfolio based upon the portfolio's constraints as identified in a prospectus, statement of additional information, or investment management agreement. Pre-trade tests provide a means for investment personnel to ensure an asset is appropriate for a portfolio prior to trade execution.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

Factors which may prompt review of client accounts on an other than periodic basis include: (1) regulatory changes that may impact the management of an account; (2) the occurrence of a trade error (which may trigger an investigation of the relevant client guidelines in order to confirm whether a particular security was eligible to be held in the account); (3) changes to client guidelines (in terms of reviewing the impact of the change on the investible universe of securities for the account); (4) the evolution of new security types in the marketplace (in terms of the investigation that would be done to see whether those new security types are included in the guidelines' definition of the eligible universe for that account); (5) enhanced functionality in the trade order management system (in terms of creating or adjusting systems based compliance rules to more efficiently monitor compliance with regulatory requirements or client guidelines); (6) trade allocation review (in terms of determining whether a given account would have been eligible to participate in a given order); and (7) performance dispersion review (in terms of the review undertaken to determine causation following the occurrence of a material amount of performance dispersion between an account and other accounts with the same investment strategy).

C. Content and Frequency of Account Reports to Clients

Each client receives formal written reports at least annually but most accounts have monthly or quarterly reports. Reports normally include actual performance, performance against objectives, comments on

markets and strategy and any suggested changes in performance objectives. Due to the variety of managed accounts, reporting may be customized to meet client needs.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients

HIMCO may receive economic benefits from persons who are not clients in exchange for providing advisory services to our clients as follows: (1) through certain soft dollar benefits and “bundled services” described under [Item 12](#) “**Brokerage Practices**”; and (2) in the form of gifts and entertainment from counterparties through which HIMCO executes trades. Receiving gifts and business entertainment from a counterparty may create or appear to create a conflict with the interests of HIMCO’s clients and/or with HIMCO itself. This conflict is mitigated through HIMCO’s Gift and Business Entertainment Policy and Procedures which imposes limits on and surveillance around the receipt of gifts and entertainment from counterparties.

B. Compensation to Non-Supervised Persons for Client Referrals

From time to time, HIMCO or its affiliates may pay investment consultants or their parent or affiliated companies for certain services including industry data services, technology, operations, tax, or audit consulting services, and/or may pay such firms for HIMCO’s attendance at investment forums, conferences or seminars or for various studies, surveys, or access to databases. HIMCO or its affiliates may also provide investment advisory services to investment consultants and/or their affiliates.

HIMCO reserves the right to enter into arrangements pursuant to which certain unaffiliated persons and entities may be compensated, directly or indirectly, for referring clients to HIMCO. To the extent deemed applicable, such arrangements will be entered into in accordance with the terms and conditions of Rule 206(4)-3 under the Advisers Act.

ITEM 15: CUSTODY

HIMCO does not have custody of client funds or securities.

ITEM 16: INVESTMENT DISCRETION

HIMCO accepts discretionary authority to manage securities accounts on behalf of clients and may also provide investment advisory services to non-discretionary accounts as well. Please see [Item 4](#) “**Advisory Business.**”

ITEM 17: VOTING CLIENT SECURITIES

A. Policies and Procedures Relating to Voting Client Securities

HIMCO has authority to vote client securities and, accordingly, has adopted written proxy voting policies and procedures as required by Rule 206(4)-6 under the Advisers Act. These policies and procedures are designed to ensure that proxies are voted in the best economic interest of HIMCO's clients and in accordance with HIMCO's fiduciary duties. Please note that HIMCO will only vote those proxies for which it has proxy voting authority.

HIMCO has retained Glass Lewis to assist with and to facilitate the proxy voting process. Glass Lewis is an independent proxy voting firm that specializes in providing a variety of fiduciary-level proxy advisory and voting services. The services provided to HIMCO include in-depth research, analysis and voting recommendations as well as vote execution, reporting, auditing and consulting assistance for the handling of proxy voting responsibility and corporate governance-related efforts.

Under the arrangement with Glass Lewis, HIMCO generally has delegated the responsibility for effecting its advisory clients' proxy votes to Glass Lewis. HIMCO pays for the services of Glass Lewis and does not use soft dollars to pay for any portion of the proxy services.

Proxy voting is a rare event in fixed income investing and is typically limited to solicitation of consent to changes in features of debt securities, including but not limited to plans of reorganization, and waivers and consents under applicable indentures.

As a general matter, all proxy proposals are voted in accordance with Glass Lewis's recommendations unless a HIMCO portfolio manager objects thereto. In addition, if a HIMCO client who has authorized HIMCO to vote proxies on its behalf wishes for HIMCO to vote its proxy in a fashion different from Glass Lewis's recommendation with respect to such vote, HIMCO will vote the proxy in accordance with the client's written instructions. In addition, HIMCO's Proxy Committee has approved a change to the Exclusive Forum and the Fee-Shifting Bylaw Provisions portion of the Glass Lewis U.S. Proxy Voting Guidelines, and has directed Glass Lewis to in all cases vote in favor of those positions (rather than against them, as was Glass Lewis's default stance).

The proxy voting policies and procedures are designed to prevent material conflicts of interest from affecting the manner in which HIMCO votes its clients' proxies. In order to ensure that all material conflicts of interest are addressed appropriately while carrying out its obligation to vote proxies, HIMCO's Proxy Committee is responsible for addressing how HIMCO resolves such material conflicts of interest with its clients.

As noted above, all proxy proposals are voted in accordance with Glass Lewis's recommendations unless a HIMCO portfolio manager objects thereto or a HIMCO client who has authorized HIMCO to vote proxies on its behalf wishes for HIMCO to vote its proxy in a fashion different from Glass Lewis's recommendation with respect to such vote. In the case of an objecting portfolio manager, the portfolio manager must submit a written proposal to the Proxy Committee supporting his or her objection. Chief Compliance Officer (or designee) will then conduct an investigation to determine whether any conflicts of interest exist between HIMCO or the portfolio manager and any of the clients holding the security in question and will report its findings to the Proxy Committee. The Proxy Committee will then determine whether or not a material conflict exists and, if not, the portfolio manager will be permitted to override Glass Lewis' voting recommendations. If a material conflict of interest is found to exist, the Proxy Committee will reject the portfolio manager's objection and vote the proxy in accordance with Glass Lewis' recommendation. From time to time, Glass Lewis may not cover certain issuers, most commonly certain foreign-based issuers. With respect to any proxy proposal where Glass Lewis has no recommendation, HIMCO can either

request that Glass Lewis perform sufficient research to enable it to render a recommendation or the proxy will be voted by the portfolio manager or referred to the client whose account holds the securities.

Glass Lewis has implemented Conflict Management Procedures in order to help prevent conflicts of interest from arising between an issuer and Glass Lewis. Under these Conflict Management Procedures, Glass Lewis has implemented procedures, including that: (a) Glass Lewis does not provide consulting services to corporate issuers, directors, dissident shareholders and/or shareholder proposal proponents. (b) Glass Lewis maintains its independence by excluding its owners from any involvement in the formulation and implementation of the Glass Lewis proxy voting policies and guidelines, and in the determination of voting recommendations for specific shareholder meetings. Glass Lewis' owners are also excluded from membership to the Research Advisory Council and they do not participate in the selection of its members. (c) In addition, all employees and independent contractors of Glass Lewis, and its subsidiaries, as well as all members of Glass Lewis' Research Advisory Council and Strategic Committee must disclose whether they serve as an executive or director of a corporate issuer. Any employee who serves as an executive or director of a corporate issuer (or has a relative that serves as an executive or director of a corporate issuer) is prohibited from any involvement in the research, analysis or making of any vote recommendations for such company.

Copies of the proxy voting policies and procedures as they may be updated from time to time are available to clients upon request. Clients may also obtain information on how their proxies were voted by HIMCO. Clients can call their client service representative to obtain copies of these reports. The proxy records for investment companies are disclosed to shareholders via publicly-available annual filings.

Class Actions and Similar Matters

HIMCO may (but is generally not obligated to) advise or act for its clients in any legal proceedings, including bankruptcies or class actions, involving securities or other assets held in their accounts or issuers of those securities. In this regard, HIMCO may notify custodians or clients of shareholder class action lawsuits and similar matters pertaining to securities or other assets held or that were held in advisory accounts. However, unless contractually obligated, HIMCO is not responsible for any failure to make any such filings or (if it elects in its sole discretion to make such filings) to make such filings in a timely manner. With respect to bankruptcies or workouts involving issuers of securities held in advisory accounts, HIMCO may in its discretion elect to participate in bankruptcy proceedings and join creditors' committees on behalf of some or all of its clients, and/or elect to participate in workout negotiations and join formal or informal steering committees on behalf of some or all of its clients, but has no obligation to do so and is not responsible for any failure to do so.

ITEM 18: FINANCIAL INFORMATION

A. Balance Sheet

HIMCO does not require or solicit prepayment of client fees.

B. Financial Conditions Likely to Impair Ability to Meet Contractual Commitments to Clients

HIMCO is not aware of any financial condition that is reasonably likely to impair HIMCO's ability to meet contractual commitments to clients.

C. Bankruptcy Filings

HIMCO has not been the subject of a bankruptcy petition at any time during the past ten years.