

# **Lattice Strategies LLC**

## **Form ADV Part 2A**

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This brochure provides information about the qualifications and business practices of Lattice Strategies LLC. If you have any questions about the contents of this brochure, please contact Nancy Davis Scholz at 610-386-7374 or via email at [nancy.scholz@hartfordfunds.com](mailto:nancy.scholz@hartfordfunds.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Lattice Strategies LLC is an SEC registered investment adviser; registration alone does not imply a certain level of skill or training. Additional information about Lattice Strategies LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This item only identifies and discusses material changes to Form ADV Part 2A. There have been no material changes to its organization or investment business since March 26, 2021.

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#### **Item 4 – Advisory Business**

Lattice Strategies LLC (“Lattice”) is an SEC registered investment adviser and a wholly owned subsidiary of Hartford Funds Management Company, LLC (“HFMC”), also an SEC registered investment adviser. HFMC is an indirect subsidiary of The Hartford Financial Services Group, Inc. (“The Hartford”). Lattice associates are employees of Hartford Funds Management Group, (“Hartford Funds”) which is the doing business name for HFMC, Lattice and its direct affiliates that service mutual funds and other exchange traded products. Employees provide services on behalf of both Lattice and HFMC.

Lattice provides discretionary investment advisory services to the Hartford multifactor exchange-traded funds (“Multifactor ETFs” or “Hartford ETFs”) which are registered investment companies organized under the Investment Company Act of 1940.

Lattice develops the investment strategy in the form of indexes, and sponsors and oversees the management of these Multifactor ETFs, as an affiliated index provider. However, the day to day index calculation is conducted by non-affiliated service providers and the day to day investment management is done by Mellon Investments Corporation (“Mellon”), acting as sub-adviser (the “Sub-Adviser”). HFMC includes certain of the Multifactor ETFs in its asset allocation funds.

As of December 31, 2021, Lattice had approximately \$2.4 billion in discretionary assets under management.

#### **Item 5 – Fees and Compensation**

Lattice receives fees for its services to the Multifactor ETFs, which are negotiated and approved by the Board of Trustees and subject to review and approval on an annual basis. A unitary fee is charged for the Multifactor ETFs, with most expenses of the Fund paid by the adviser, with limited exceptions such as brokerage expenses.

These stated percentages may be subject to an expense waiver or reimbursement arrangement for each Multifactor ETF, as agreed upon by Lattice. The current fee schedule for each Multifactor ETF is disclosed in the registration statement and on [hartfordfunds.com](http://hartfordfunds.com).

Fees calculated for a period of time that are less than a month are calculated at the annual rates provided in the Hartford Funds’ fee schedule. The fees are pro-rated for the number of days elapsed in the month in question as a percentage of the total number of days in such month, based upon the average of that Hartford Fund’s daily net asset value for the period in question, and paid within a reasonable time after the close of such period.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Lattice does not charge any performance based fees. Consequently, Lattice does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee.

## **Item 7 – Types of Clients**

Lattice serves as the investment adviser to the Multifactor ETFs. Lattice retains and is responsible for overseeing the Sub-adviser to the Multifactor ETFs (for a discussion on Lattice’s advisory business, see Item 4). Each of the Multifactor ETFs independently impose a minimum account amount on shareholder investment into the ETFs.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Lattice uses its proprietary investment, allocation, and risk management methodologies to create indexes that are applied to the Multifactor ETFs. The indexes are generally comprised of underlying equities and the indexes are subject to reconstitution and rebalancing semi-annually.

With respect to the Multifactor ETFs, Lattice hires, and is responsible for managing, the Sub-Adviser that provides portfolio management services. The Investment Advisory Group (“IAG”) is responsible for sub-adviser oversight, and has adopted procedures to monitor sub-adviser trading and execution. On at least a semi-annual basis, on-site or telephonic due diligence reviews are conducted, and quarterly, Lattice receives various commission and trade reports which are reviewed for activity, directed brokerage issues, and potential conflicts.

## **Item 9 – Disciplinary Information**

There are no legal events, proceedings or disciplinary events related to affiliates of Lattice, including HFMC, with respect to their business as a registered investment adviser within the last 10 years.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Investment Advisers**

Lattice is a wholly owned subsidiary of HFMC, a registered investment adviser. HFMC provides investment advisory services to the Hartford Mutual Funds and Hartford Exchange Traded Funds, and two Cayman private funds (collectively, “Hartford Funds”). HFMC also serves as the program manager (the “Program Manager”) to certain 529 plans and provides investment advisory services to the 529 plans as well as provides non-discretionary investment advice through model portfolio delivery to non-affiliated program sponsors. Employees perform services on behalf of both HFMC and Lattice.

HFMC is an affiliate of Hartford Investment Management Company (“HIMCO”), both indirect subsidiaries of The Hartford. HIMCO provides investment advisory services primarily to

institutional clients (including affiliated and unaffiliated insurance companies, corporations and employee benefit and pension plans), as well as registered investment companies and private funds.

HIMCO has a separate management team and operates as a separate and distinct line of business from that of HFMC and Lattice.

Disclosures for HFMC and HIMCO can be found on its respective Form ADV Part 2A.

### **Affiliated Broker-Dealers**

Lattice is affiliated with one registered broker-dealer Hartford Funds Distributors, LLC (“HFD”). HFD serves as principal underwriter and distributor for the Hartford Mutual Funds and 529 Plans. Lattice does not execute client transactions through its affiliated broker-dealer. The Multifactor ETFs and Hartford ETFs are underwritten and distributed by ALPS Fund Services, Inc. a non-affiliated broker-dealer.

Certain Management Persons and employees are Registered Representatives of HFD, for the sole purpose of the distribution of the Hartford Funds.

### **Affiliated Index Provider**

Each Multifactor ETFs seeks to track the investment results of indexes that are sponsored by Lattice. As a result, Lattice is deemed to be an affiliated index provider. Lattice determines the composition and relative weightings of the securities in each index, however, in order to manage a potential conflict of interest, each index is calculated and distributed by its independent index calculation agent, either Solactive AG or S&P Opco LLC (a subsidiary of S&P Dow Jones Indices LLC).

Day to day portfolio management of the Multifactor ETFs has been delegated to the non-affiliated Sub-Adviser.

### **Commodity Pool Operator**

HFMC, Lattice’s parent, is registered with the CFTC as a commodity pool operator. Certain Management Persons may be registered as an Associated Person with the NFA.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Lattice has adopted a written Code of Ethics and Insider Trading Policy (the “Code”) based upon the principle that the officers, directors, and employees of Hartford Funds (all of which are designated persons “Access Persons”, “Investment Persons” or “Supervised Persons”) have a fiduciary duty to treat all clients fairly. Lattice has adopted and implemented policies and procedures that it believes are reasonably designed to address the conflicts associated with personal trading activities of Access Persons, prevent insider trading, and prevent the disclosure and misuse of its clients’ material nonpublic information.

Each employee of HFMC receives a copy of the Code upon employment and is required to complete initial training regarding the Code. Employees also are required to file a report of any reportable securities and or brokerage accounts held either directly or indirectly as well as report personal securities transactions at least quarterly. Exceptions may apply to accounts over which an employee does not have investment discretion. On an annual basis each Access Person must certify compliance with the Code and complete annual training. Pursuant to the Code, Access Persons must obtain prior written approval before purchasing initial public offerings and limited offerings or engaging in outside business activities. Individuals who have been designated as Investment Persons are subject to additional pre-clearance and holding requirements.

The Code also establishes policies and procedures to monitor Supervised Persons. Supervised Persons are individuals who do not, as part of their regular functions and duties with Lattice, make, participate in, or have information regarding the purchase or sale of securities by Lattice clients, or make recommendations about securities or investments to Lattice's clients.

Each Supervised Person receives a copy of and training on the Code upon determination of his/her status as a Supervised Person and is required on an annual basis, to: 1) acknowledge receipt and certify compliance with the Code; and 2) certify that there have been no changes in his/her regular functions and duties in regard to Lattice's clients.

The Sub-adviser to the Multifactor ETFs has also adopted its own Code of Ethics. Lattice reviews the adequacy of the Sub-Adviser's Code of Ethics and requires the Sub-Adviser to certify compliance with its Code of Ethics on a quarterly and annual basis.

A copy of the Code can be obtained by contacting Nancy Davis Scholz at 610-386-7374 or by email at [nancy.scholz@hartfordfunds.com](mailto:nancy.scholz@hartfordfunds.com).

## **Item 12 – Brokerage Practices**

With respect to the Multifactor ETFs, the Sub-Adviser is responsible for making determinations concerning the selection of brokers and assessing the reasonableness of the compensation charged. Lattice has adopted procedures to monitor Sub-Adviser trading and execution.

## **Item 13 – Review of Accounts**

Lattice has appointed a Sub-Adviser, Mellon, to manage the day to day portfolio management of the Multifactor ETFs. Lattice develops and provides the index to the index calculator and administrator, who then provides the index to the sub-adviser. IAG is responsible for monitoring the investment activity of the sub-adviser.

IAG reviews and evaluates the performance of the Multifactor ETFs, as well as the performance of the Sub-Adviser, on a quarterly basis, based upon such factors as portfolio characteristics, market analysis, portfolio position and outlook. IAG also conducts due diligence meetings at least semi-annually with each portfolio manager and provides a quarterly written report and analysis about each Multifactor ETF to the Investment Committee of the Hartford Funds' Board of Directors / Trustees.

In addition, the Investment Product Oversight Committee (“IPOC”) led by Lattice’s Senior Vice President – Investments, reviews the performance of the Multifactor Funds and the performance of the portfolio managers managing the Multifactor ETFs. In addition to fund performance, IPOC evaluates product ideas, new funds, mergers, and changes to fund strategies.

#### **Item 14 – Client Referrals and Other Compensation**

Lattice does not receive any economic benefit directly or indirectly from persons who are not clients for providing investment advice or other advisory services to its clients. Lattice does not actively solicit clients, does not utilize solicitors and does not enter into arrangements for the purpose of client referrals.

#### **Item 15 – Custody**

Lattice does not take custody of its clients’ assets or securities.

#### **Item 16 – Investment Discretion**

Lattice employs a Sub-Adviser for each of the Multifactor ETFs. As Sub-Adviser, Mellon performs certain investment management services to the Multifactor ETFs. IAG monitors and supervises the activities the Sub-Adviser and may terminate the services of any sub-adviser at any time, subject to the notice periods set forth in the applicable sub-advisory agreement.

#### **Item 17 – Voting Client Securities**

Pursuant to the Hartford Funds’ Proxy Voting Policy, the Sub-Adviser has been delegated the authority to vote all proxies related to the Multifactor ETFs’ portfolio holdings. The exercise of the delegated proxy voting authority is subject to oversight by Lattice. The Sub-Adviser has a duty to vote or not vote such proxies in the best interest of each Multifactor ETF and to avoid conflicts of interest.

The proxy voting policies and procedures, together with information concerning Lattice's proxy votes are available to clients, without charge, upon request. A copy of Lattice’s Proxy Voting Policy can be obtained by contacting Nancy Davis Scholz @ 610-386-7374 or by email at [nancy.scholz@hartfordfunds.com](mailto:nancy.scholz@hartfordfunds.com)

#### **Item 18 – Financial Information**

Lattice has no financial conditions that are likely to materially impair its ability to meet contractual commitments to its clients. Lattice has not been the subject of a bankruptcy proceeding in the past 10 years.