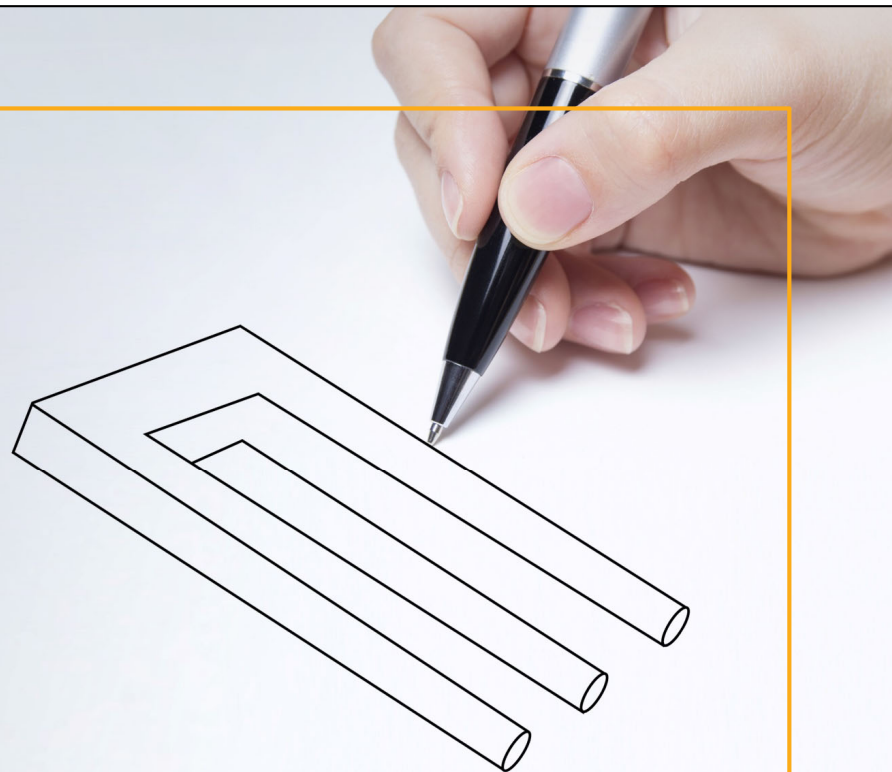


# Beyond Investment Illusions



HF

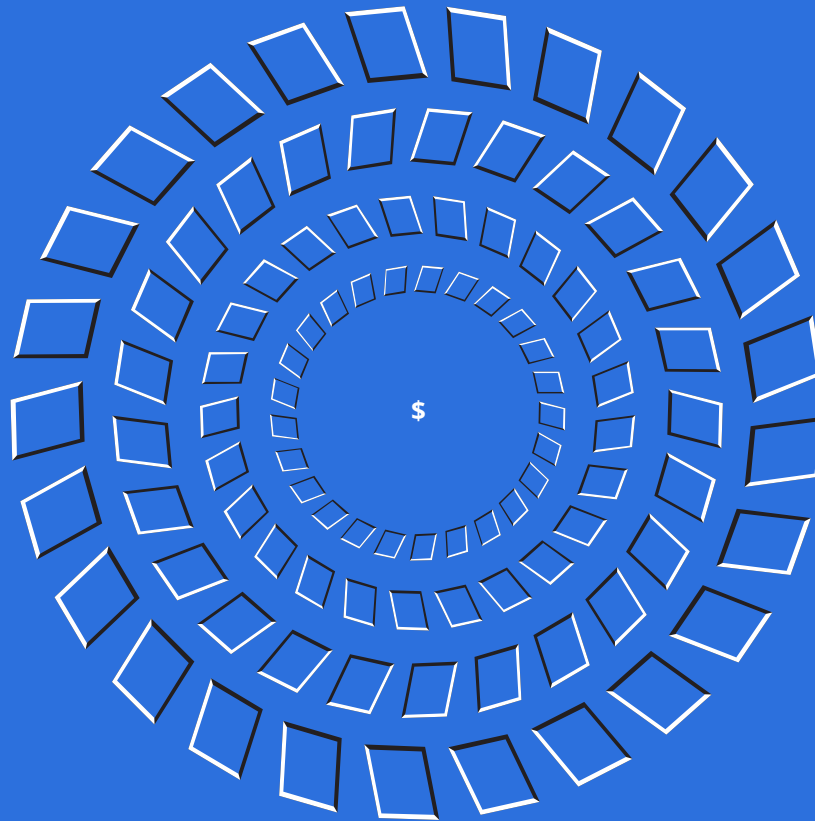
NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

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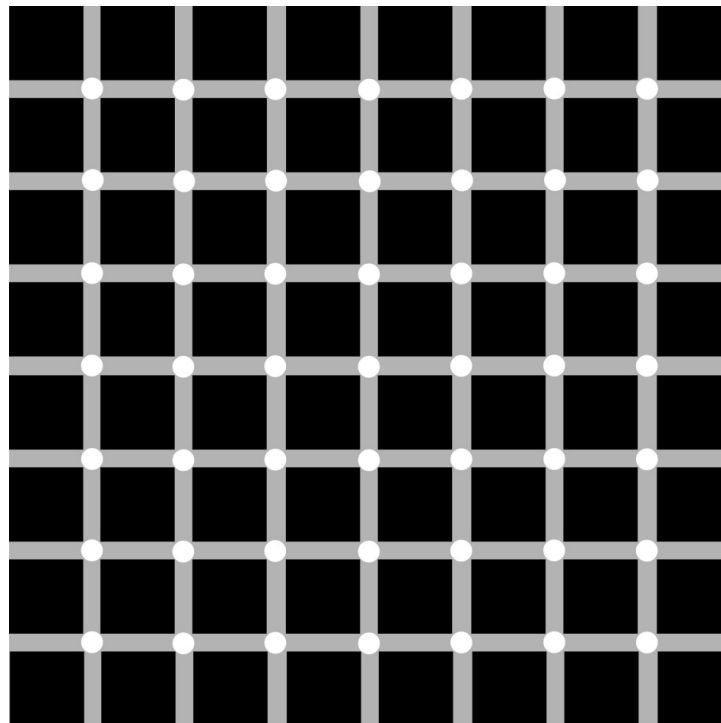
**HARTFORDFUNDS**

Our benchmark is the investor.®

## INVESTMENT ILLUSION VS. INVESTMENT REALITY

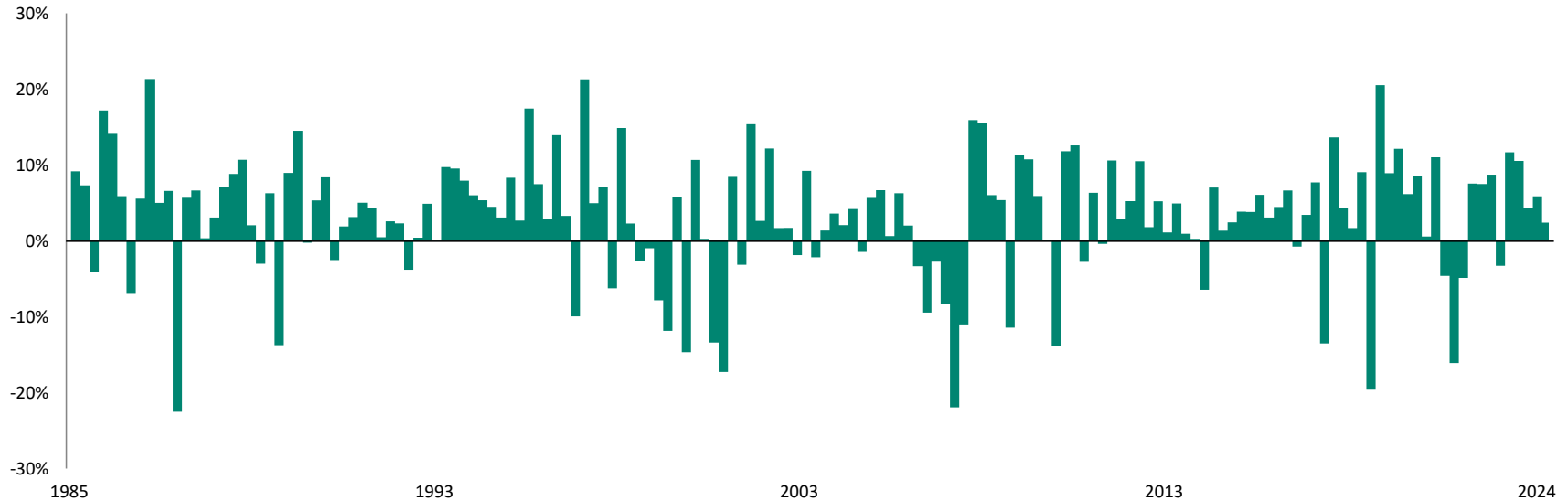


## Looking For What's Not Really There?



# Volatility Must Be Feared

Short-Term Volatility: S&P 500 Index Quarterly Returns % (1985–2024)



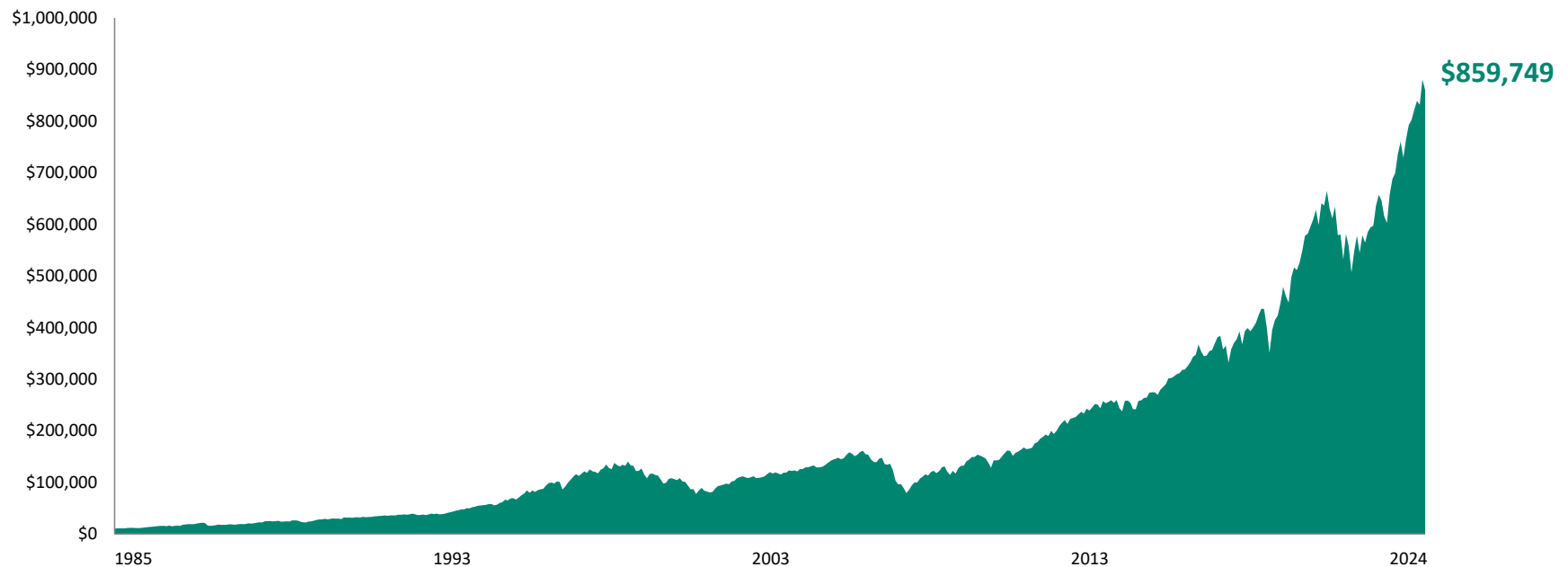
The S&P 500 Index is a composite of 500 leading companies in the United States.

**Past performance does not guarantee future results.** For illustrative purposes only. Indices are unmanaged and not available for direct investment.

Data Sources: Morningstar and Hartford Funds, 2/25.

# Volatility Should Be Expected

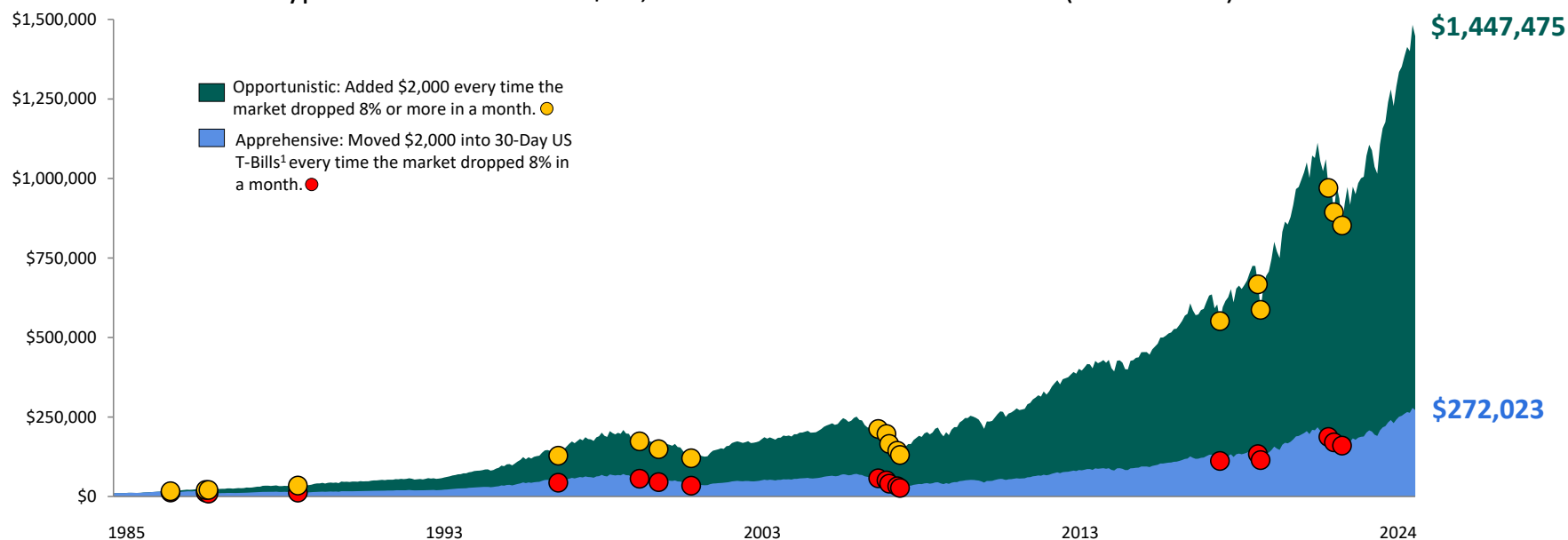
**Long-Term Growth:** Hypothetical Growth of a \$10,000 Investment in S&P 500 Index (1985–2024)



**Past performance does not guarantee future results.** For illustrative purposes only. Indices are unmanaged and not available for direct investment.  
Data Sources: Morningstar and Hartford Funds, 2/25.

## Two Approaches To Volatility

Hypothetical Growth of \$10,000 invested in S&P 500 Index (1985–2024)



<sup>1</sup>T-Bills are guaranteed as to the timely payment of principal and interest by the U.S. Government and generally have lower risk-and-return than bonds and equity. Equity investments are subject to market volatility and have greater risk than T-Bills and other cash investments.

**Past performance does not guarantee future results.** For illustrative purposes only. Investors cannot invest directly in an index. Data Source: Morningstar and Hartford Funds, 2/25.

## Slide 6

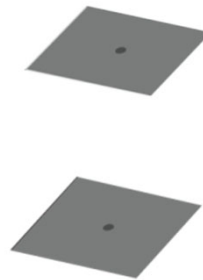
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**SM0**

Same question re: increments.

Miller, Stephanie J (Hartford F, 2025-02-20T20:10:08.945

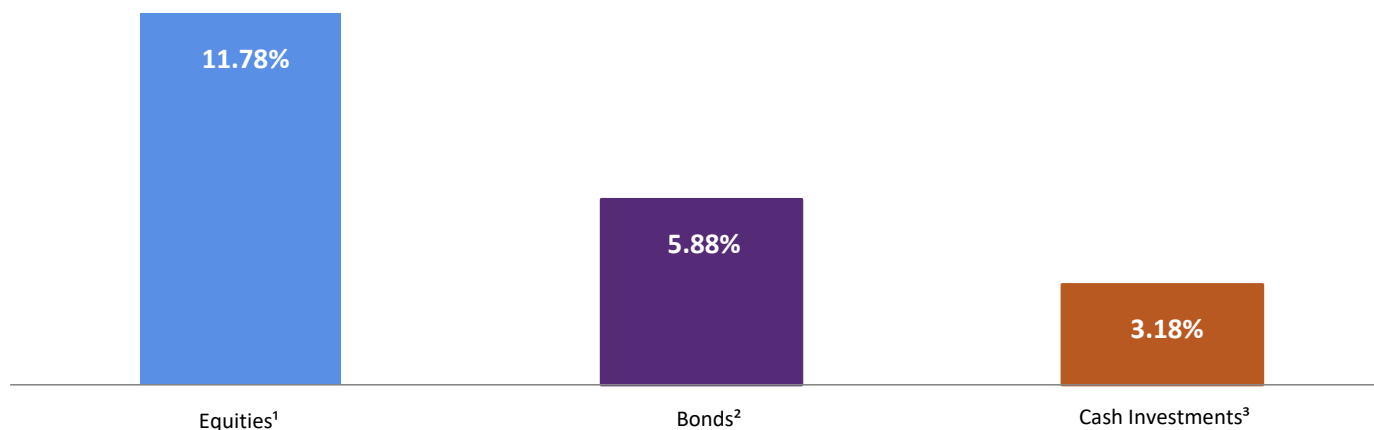
## Sometimes Things Aren't as They Appear





## Investors Believe Fixed Investments Are Risk-Free

Average Annual Returns (1985-2024)



<sup>1</sup>Equities are represented by the S&P 500 Index.

<sup>2</sup>Bonds are represented by the Bloomberg U.S. Aggregate Bond Index, which includes U.S. Government, corporate, and mortgage-backed securities with maturities up to 30 years. Bonds, if held to maturity, provide a fixed rate of return and a fixed principal value. Bond funds will fluctuate, and when redeemed, may be worth more or less than their original cost.

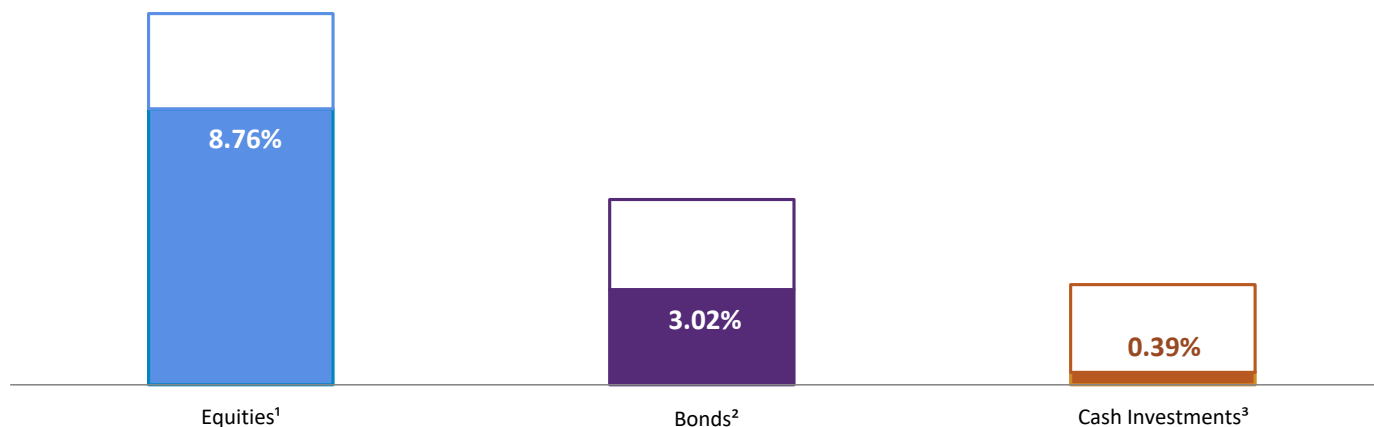
<sup>3</sup>Cash investments are represented by the Ibbotson SBBI U.S. 30 Day Treasury Bill Index, an unweighted index which measures the performance of one-month maturity U.S. Treasury Bills. Treasuries are issued and backed by the full faith and credit of the U.S. Government.

**Past performance does not guarantee future results.** For illustrative purposes only. Indices are unmanaged and not available for direct investment.

Data Sources: Morningstar and Hartford Funds, 2/25.

## Every Investment Carries Its Own Risk

Inflation-adjusted\* Average Annual Returns (1985-2024)  
 AVERAGE ANNUAL INFLATION (CPI) RATE WAS 2.78%



<sup>1</sup>Equities are represented by the S&P 500 Index.

<sup>2</sup>Bonds are represented by the Bloomberg U.S. Aggregate Bond Index, which includes U.S. Government, corporate, and mortgage-backed securities with maturities up to 30 years. Bonds, if held to maturity, provide a fixed rate of return and a fixed principal value. Bond funds will fluctuate, and when redeemed, may be worth more or less than their original cost.

<sup>3</sup>Cash investments are represented by the Ibbotson SBBI U.S. 30 Day Treasury Bill Index, an unweighted index which measures the performance of one-month maturity U.S. Treasury Bills. Treasuries are issued and backed by the full faith and credit of the U.S. Government.

\*Taxes are not taken into account. Had taxes been included, the performance figures would have been lower. The above indices are unmanaged and unavailable for direct investment. Consumer Price Index (CPI) is an index representing the rate of inflation of U.S. consumer prices as determined by the U.S. Bureau of Labor Statistics based on the cost of a variety of goods and services.

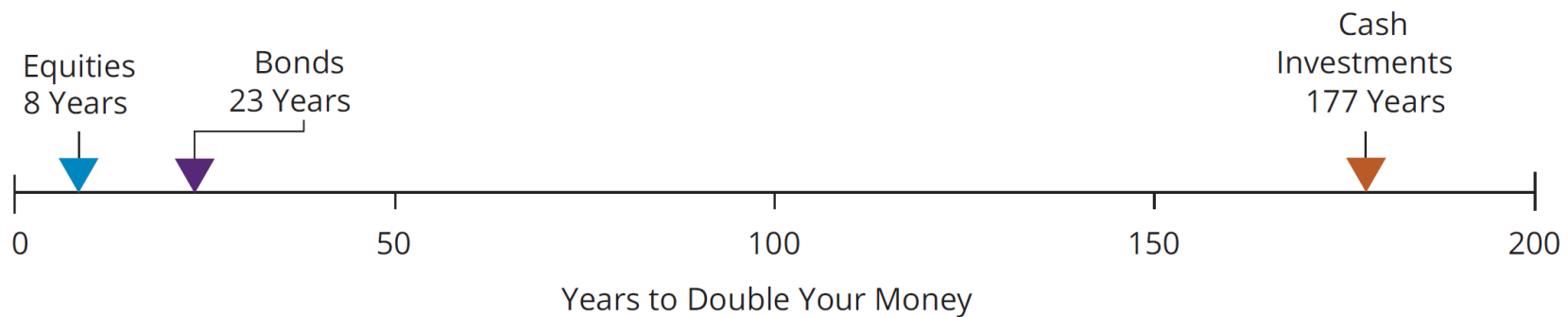
**Past performance does not guarantee future results.** For illustrative purposes only. Indices are unmanaged and not available for direct investment.

Data Sources: Morningstar and Hartford Funds, 2/25.

## Every Investment Carries Its Own Risk

Based on the inflation-adjusted rates on the previous slide, how many years will it take to reach your investment goals? How long will it take for \$100,000 to become \$200,000?

Cash Investments	177 Years
Bonds	23 Years
Equities	8 Years



This hypothetical illustration is based on a mathematical formula and not intended to predict or project the performance of any investment.  
Data Sources: Morningstar and Hartford Funds, 2/25.

Other types of risk  
beside volatility exist  
and have had a  
significant impact on  
many investors' goals

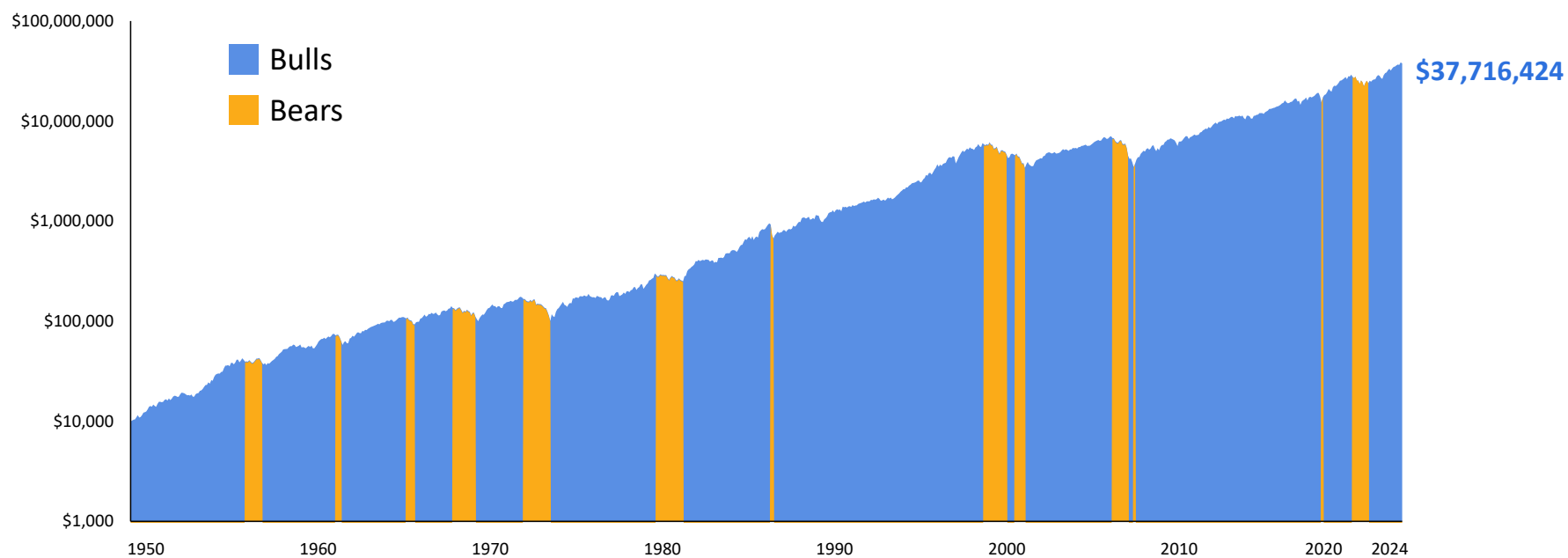
1. Inflation Risk
2. Tax Risk
3. Longevity Risk

Bulls and  
Bears Are  
Predictable



# Bulls and Bears Are Predictable

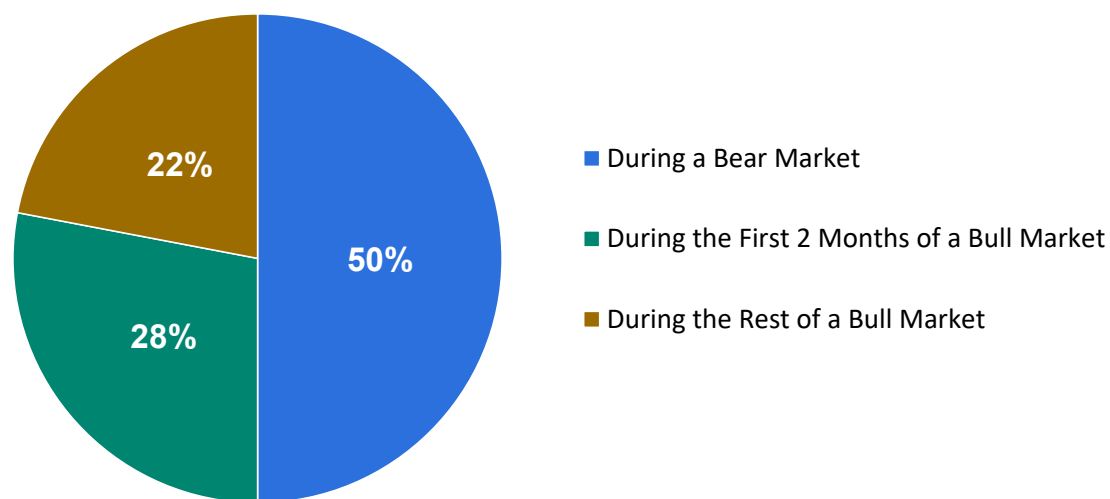
**Market Cycles:** Hypothetical Growth of \$10,000 Invested in S&P 500 Index (1950–2024)



**Past performance does not guarantee future results.** For illustrative purposes only. Indices are unmanaged and not available for direct investment.  
Data Sources: Morningstar and Hartford Funds, 2/25.

## Trying to Avoid a Bear Market Can Hurt Returns

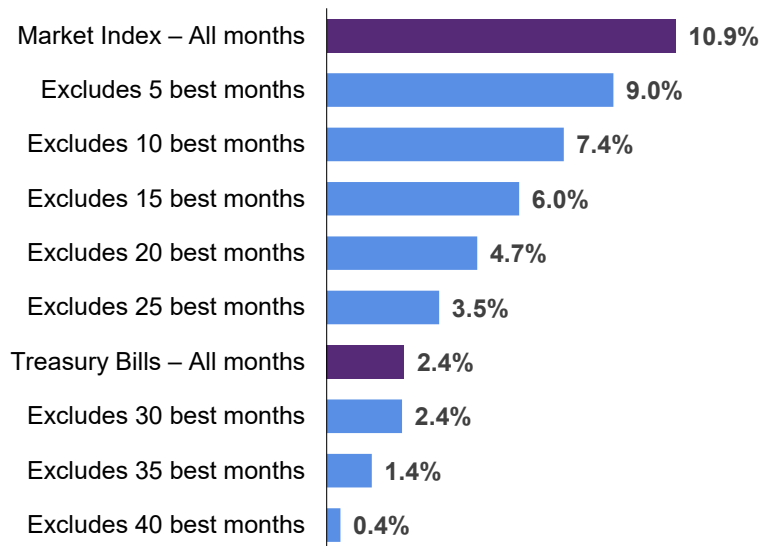
S&P 500 Index 50 Best Days: 1995-2024



# Timing the Market Is Impossible

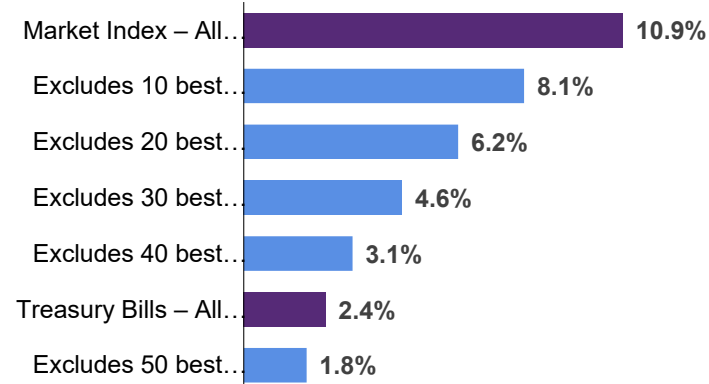
## Penalties of Missing the Market's Best Months

S&P 500 Index Average Annual Total Returns: 1995-2024



## Penalties of Missing the Market's Best Days

S&P 500 Index Average Annual Total Returns: 1995-2024



**Past performance does not guarantee future results.** For illustrative purposes only. Indices are unmanaged and not available for direct investment.  
Data Sources: Ned Davis Research and Hartford Funds, 2/25.



## GETTING BEYOND THE ILLUSIONS

### 1 Don't Go It Alone

An investment representative can help:

- Find investments for your financial goals
- Minimize the effects of “emotional investing”
- Educate you on the market and its history

### 2 Create A Strategy

- 5+ year strategy
- Goals and time frame
- Rate of return
- Income strategy
- Estate planning

## GETTING BEYOND THE ILLUSIONS

### 3 Asset Allocation<sup>1</sup>

Your investment representative can help you:

- Understand the advantages of diversification
- Learn how a well-diversified portfolio can help provide more balanced returns

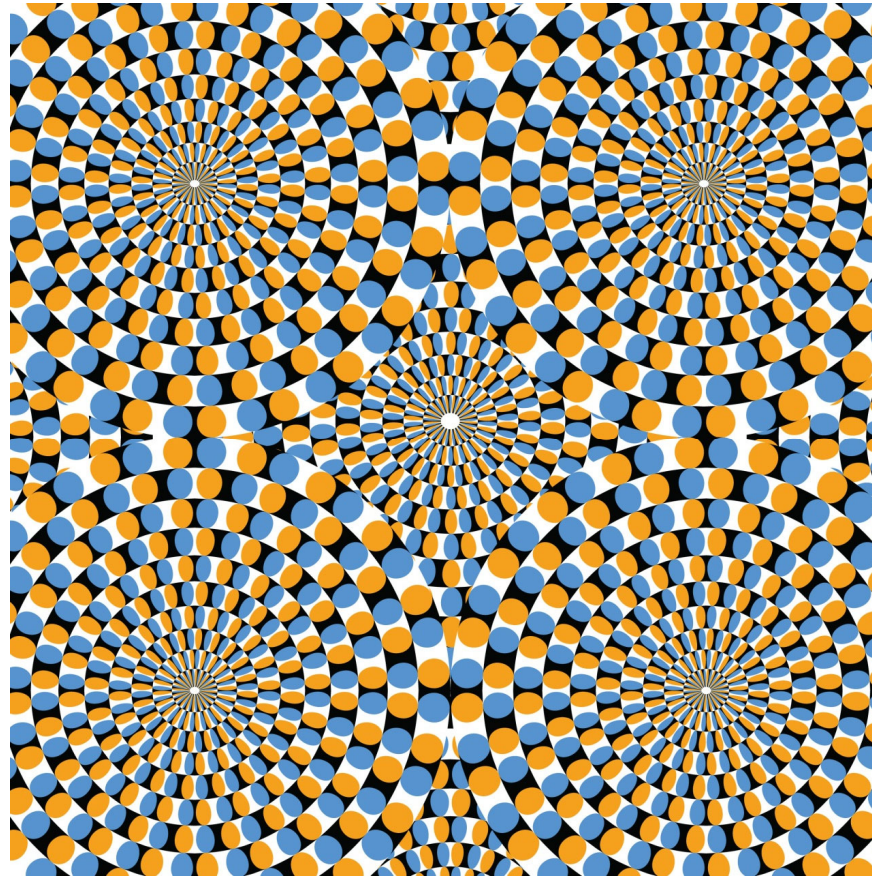
### 4 Systematic Investing<sup>2</sup>

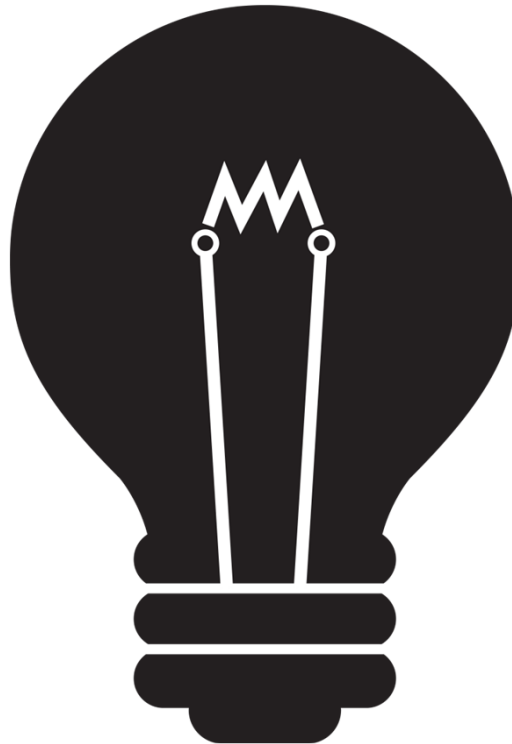
- Takes advantage of normal shifts in the market
- Strengthens your investment discipline

<sup>1</sup>Asset allocation does not assure or guarantee better performance and cannot eliminate the risk of investment loss.

<sup>2</sup>Continuous or periodic investment plans neither assure a profit nor protect against loss in declining markets. Because systematic investing involves continuous investing regardless of fluctuating price levels, you should carefully consider your financial ability to continue investing through periods of fluctuating prices.

## A CLEARER PERSPECTIVE





**The after-effects of your  
investment decisions:**  
Stare at the picture  
unwaveringly for 30 seconds . . .



**Index Descriptions:**

**Bloomberg U.S. Treasury Bill (1-3 Months) Index** tracks the performance of all outstanding 0-3 month outstanding Treasury Bills issued by the US government.

**Bloomberg U.S. Aggregate Bond Index** is comprised of government securities, mortgage-backed securities, asset backed securities, and corporate securities to simulate the universe of bonds in the market.

**Ibbotson SBBI U.S. 30-Day Treasury Bill Index** is an unweighted index which measures the performance of one-month maturity U.S. Treasury Bills.

**S&P 500 Index** is an unmanaged list of 500 widely held U.S. common stocks frequently used as a measure of U.S. stock market performance.

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Investing involves risk, including the possible loss of principal.

Fixed income security risks include credit, liquidity, call, duration, and interest-rate risk. As interest rates rise, bond prices generally fall.

Diversification does not ensure a profit or protect against a loss in a declining market.

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