

There Are Always Reasons Not to Invest

WHETHER THE HEADLINE COMES FROM A NEWSPAPER OR A PUSH NOTIFICATION, there will always be negative news that will make investors wary.

The table below shows standout news events over the past half century. Since we're in 2021, we highlighted events from each year ending in one along with ever-tumultuous 2020. Disciplined investors who tuned out the noise and stayed invested in stocks were rewarded in the long term.

Staying Invested Despite Negative News

Year	Reasons Not to Invest	Stock Market Return	Value of \$10k Investment Today*
1971	Bomb explodes at the US Capitol	14.30%	\$1,754,643
	Vietnam War escalates		
	Pentagon Papers released		
1981	President Reagan shot	-4.92%	\$777,649
	Severe recession		
	HIV/AIDS enters public awareness		
1991	First Iraq War	30.47%	\$211,063
	Rodney King beating		
	Recession		
2001	9/11 terrorist attacks	-11.89%	\$42,231
	Dot.com bubble fallout		
	Record bankruptcies		
2011	US bonds lose AAA status	2.11%	\$36,700
	Middle East turmoil		
	Oil prices spike		
2020	Worst pandemic in 100 years	18.40%	\$11,840
	Presidential impeachment		
	Double-digit unemployment		
2021	US Capitol riot	???	???
	Vaccine deployment challenges		
	Texas energy crisis		

Perhaps nothing illustrates the resilience of US financial markets more than the confluence of historic events in 2020. And while stocks initially sold off sharply due to COVID-19, they recovered by the end of the year.

What will 2021 bring? Even if it's a down year for stocks like 1981 or 2001, history suggests the market is likely to be resilient and reward investors over time.



*Assumes an initial investment of \$10,000 in stocks beginning on January 1 of the date in column 1 through December 31, 2020. Assumes reinvestment of dividends and capital gains and no taxes or transaction costs. Stocks are represented by the S&P 500 Index, which is a market capitalization-weighted price index composed of 500 widely held common stocks. **Past performance does not guarantee future results.** The index is unmanaged and not available for direct investment. For illustrative purposes only. Sources: Morningstar and Hartford Funds, 2/21.

Your financial professional can help you create a plan
so you can be a confident and disciplined investor.

Investing involves risk, including the possible loss of principal. Individual investor's circumstances may vary. Before investing, consider your personal goals, risk tolerance, and time horizon. While diversification does not ensure a profit or protect against a loss in a declining market, it may be prudent to diversify among equity and fixed-income investments.

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