Fourth Quarter 2026

MarketView

HARTFORDFUNDS

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Bonds May Be Undervalued Relative to Stocks

Earnings yield is a way to compare the relative value of stocks and bonds, measuring the most recent 12-month earnings divided by the current market price.

The 10-year Treasury yield recently surpassed the S&P 500 Index's earnings yield. This may indicate bonds are undervalued relative to stocks.

S&P 500 Index Earnings Yield and 10-Year Treasury Yield (%)

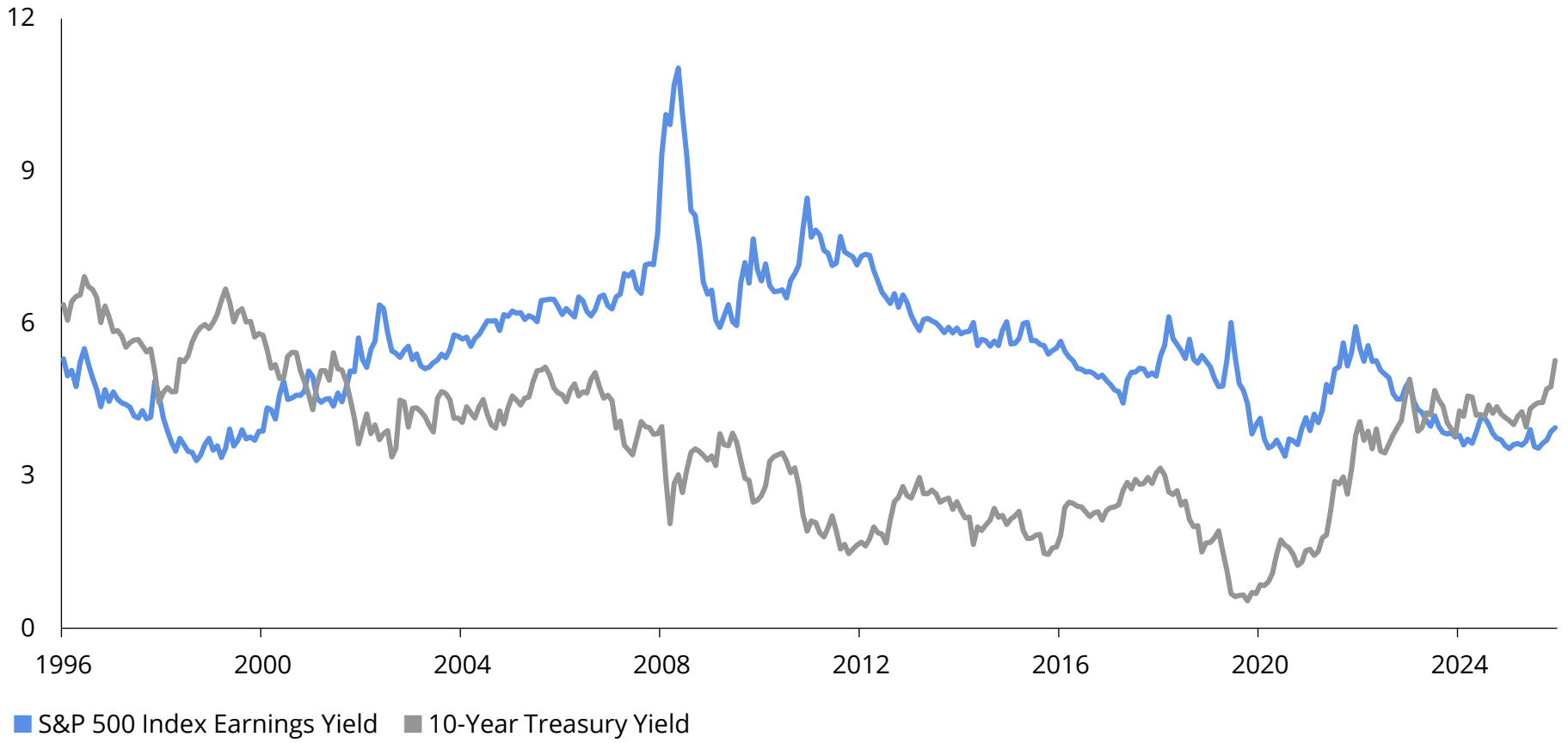


Chart Data: 10/31/96-9/30/26. **Past performance does not guarantee future results.** Indices are unmanaged and not available for direct investment. Source: FactSet and Hartford Funds, 10/26.

The Sources of Returns in Fixed Income Have Grown More Volatile

Bond returns are typically made up of two main components: coupon returns and price returns.

Most investors focus on coupon returns, but price returns—both positive and negative—have been a larger driver of returns in recent years.

Bloomberg US Aggregate Bond Index Quarterly Sources of Total Return (%)

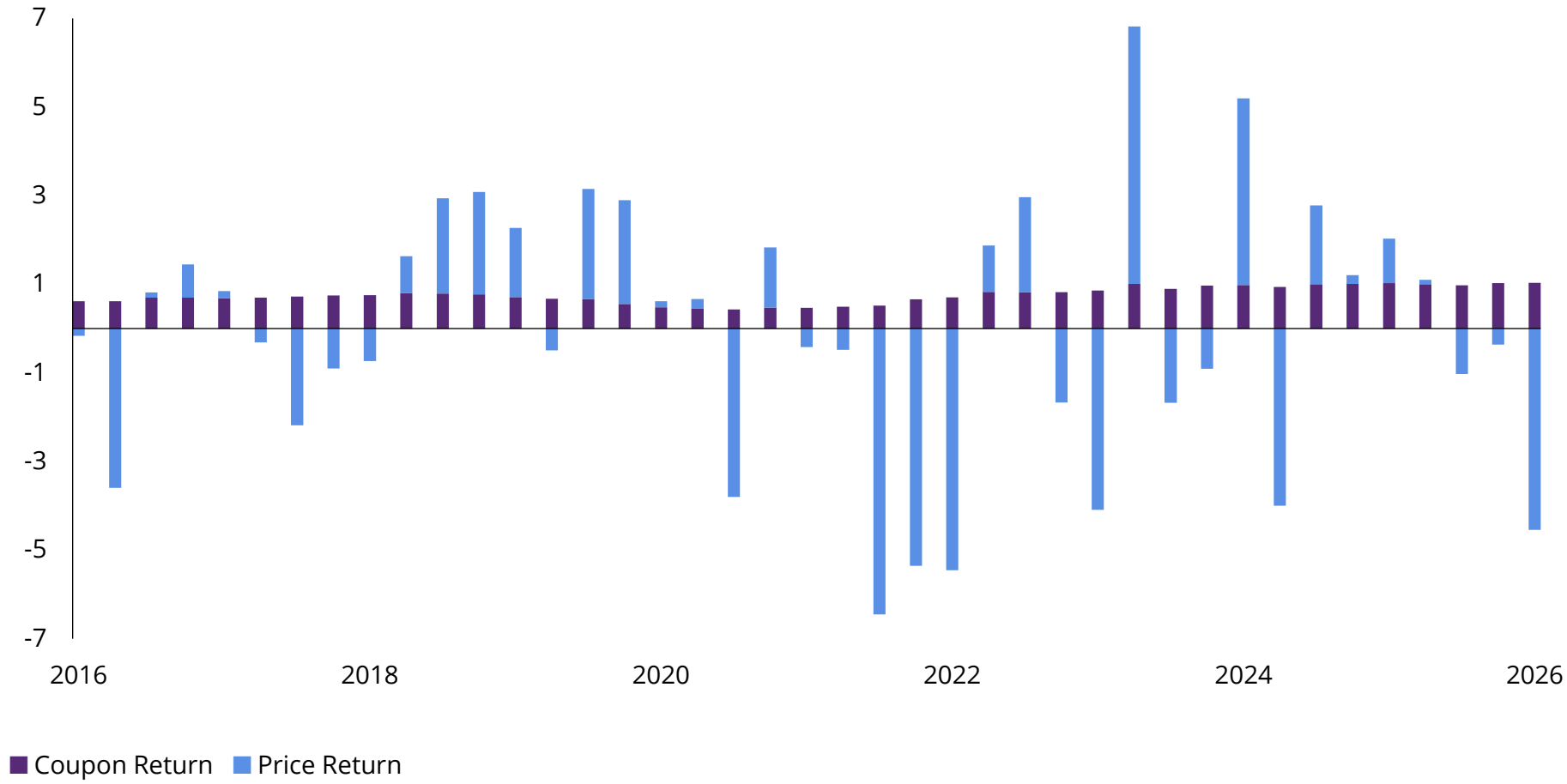


Chart Data: 9/30/16-9/30/26 **Past performance does not guarantee future results.** Source: Morningstar and Hartford Funds, 10/26.

A Discount on Bond Prices Now Could Mean Attractive Returns Later

The average bond price is near its lowest point since the 1980s. Since bonds typically mature at face value barring any defaults, the current average price creates an opportunity for total return.

Average Bond Price of the Bloomberg US Aggregate Bond Index

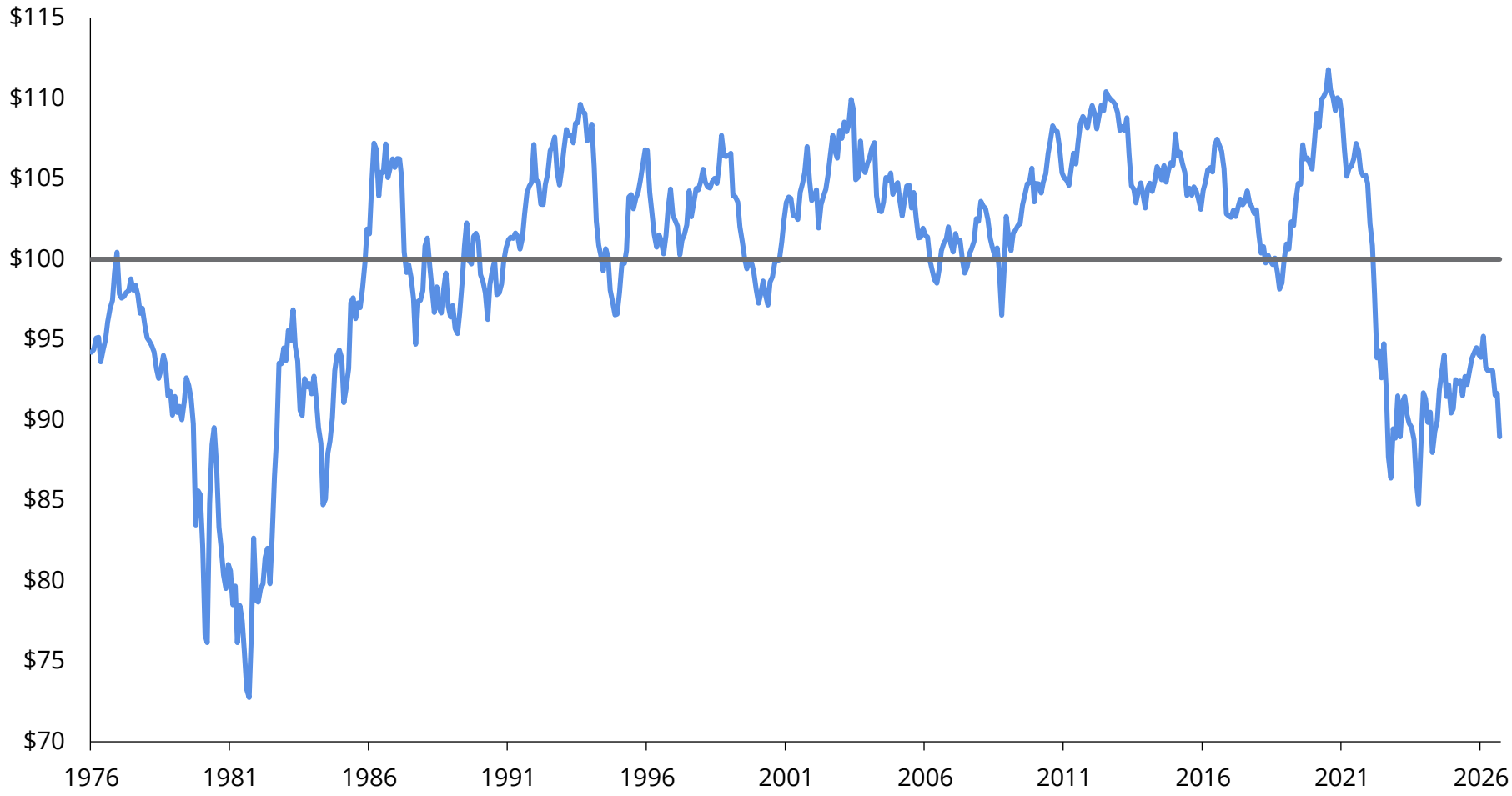
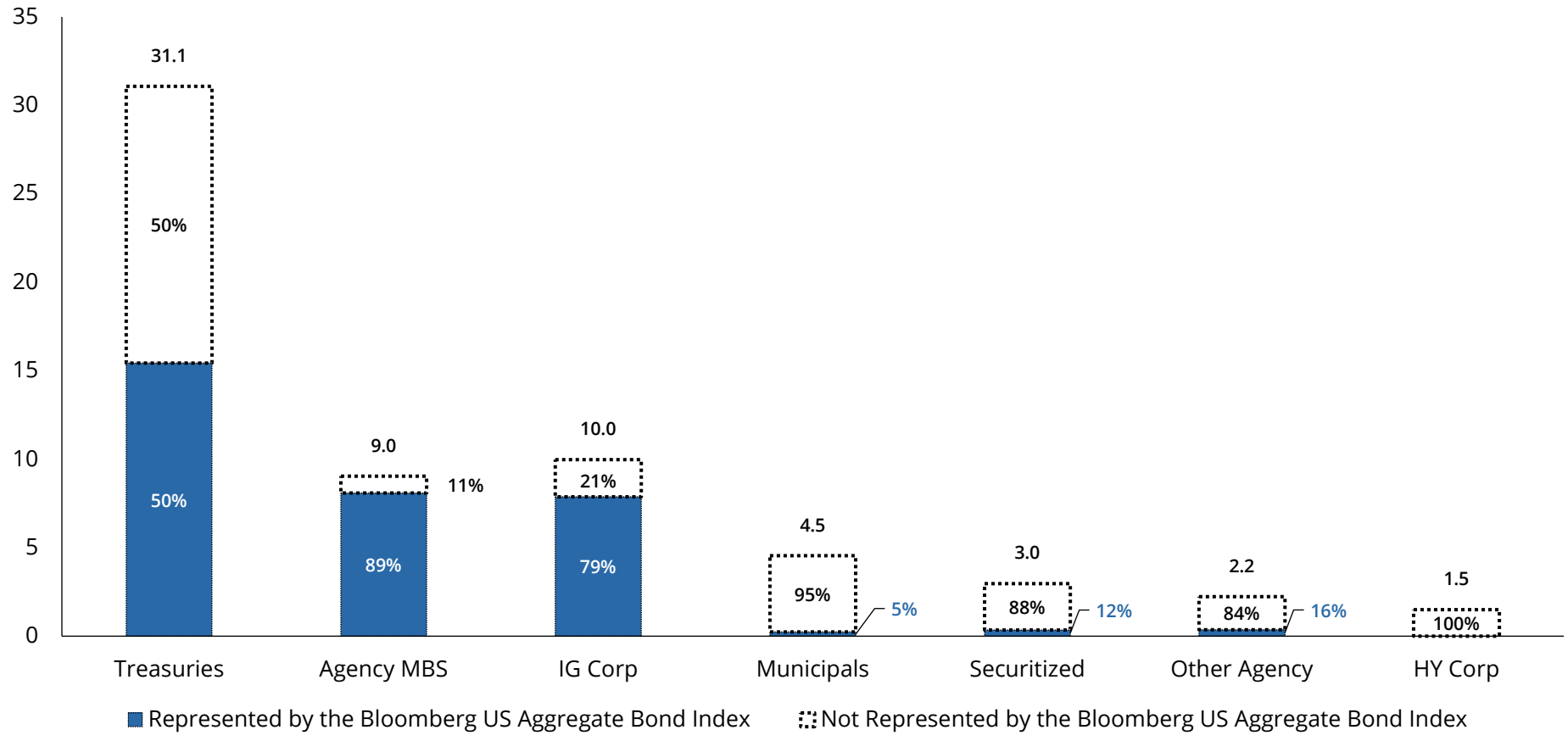


Chart Data: 1/31/76-9/30/26. **Past performance does not guarantee future results.** Source: Bloomberg, 10/26.

The Fixed-Income Universe Is Much Broader Than the Benchmark

Investors that use the Bloomberg US Aggregate Bond Index as their fixed-income benchmark may be missing out on many fixed-income opportunites.

Fixed-Income Investable Universe vs. the Bloomberg US Aggregate Bond Index ($ Trillions)

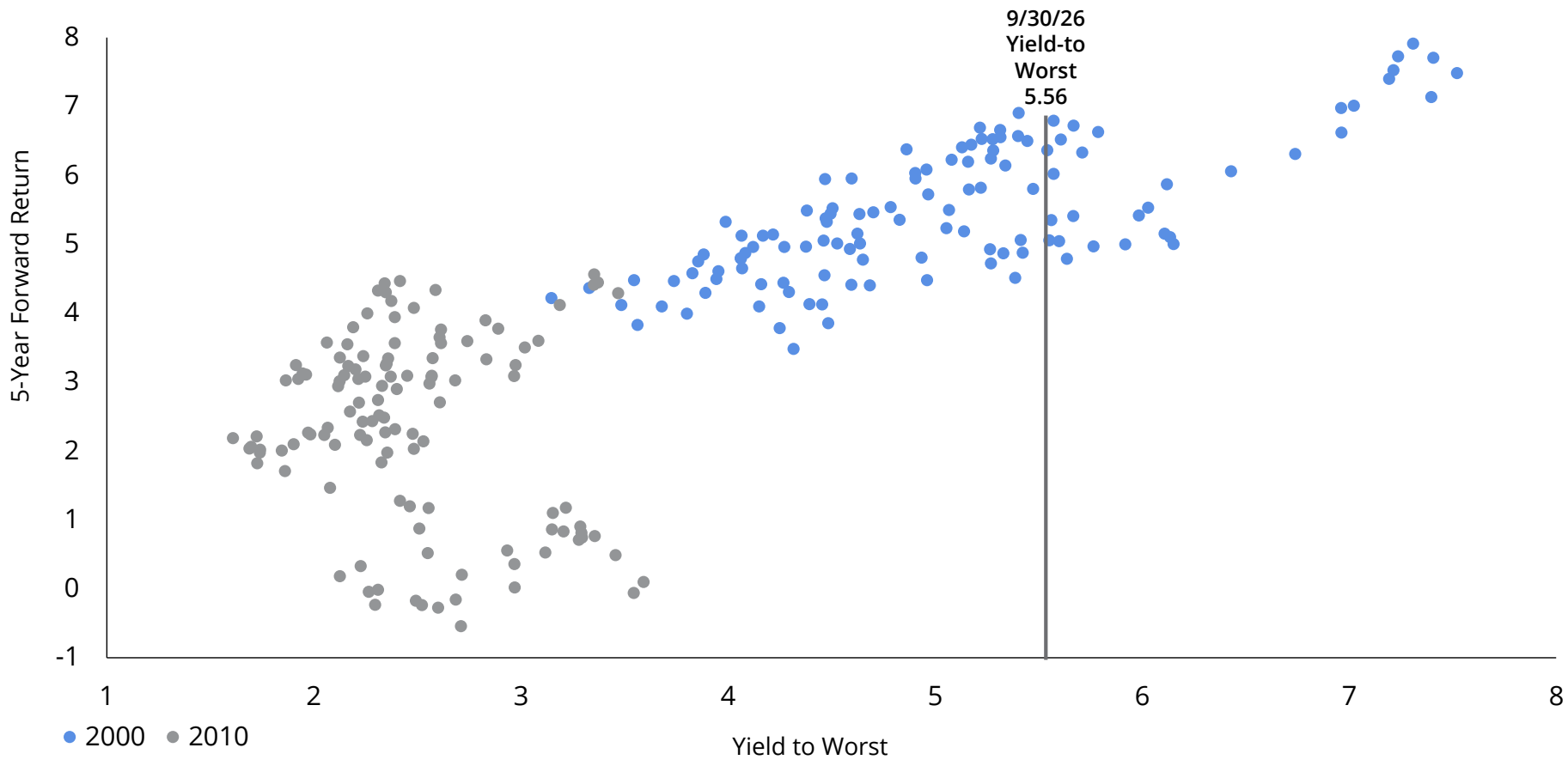


As of 9/30/26. **Past performance does not guarantee future results.** Source: SIFMA, Bank of America, FactSet, and Hartford Funds, 10/26.

Yields Suggest Future Returns Could Be Attractive

Higher yields have historically led to higher total returns for fixed-income investors. Today's starting yields may suggest attractive returns over the next five years.

Bloomberg US Aggregate Bond Index Yield-to-Worst and Forward 5-Year Returns (%)



As of 9/30/26. **Past performance does not guarantee future results.** Yield to worst is the minimum yield that can be received on a bond assuming the issuer doesn't default on any of its payments. 5-Year Forward Return is the 5-year return after the yield-to-worst date. Source: Morningstar, FactSet, and Hartford Funds, 10/26.

What Happens When the Fed Starts Hiking?

The Fed has started hiking rates after a prolonged pause. Higher-yielding fixed-income investments have historically outperformed lower-yielding investments after rate hikes began.

Average Returns (%) 3 Years After First Fed First Rate Hike

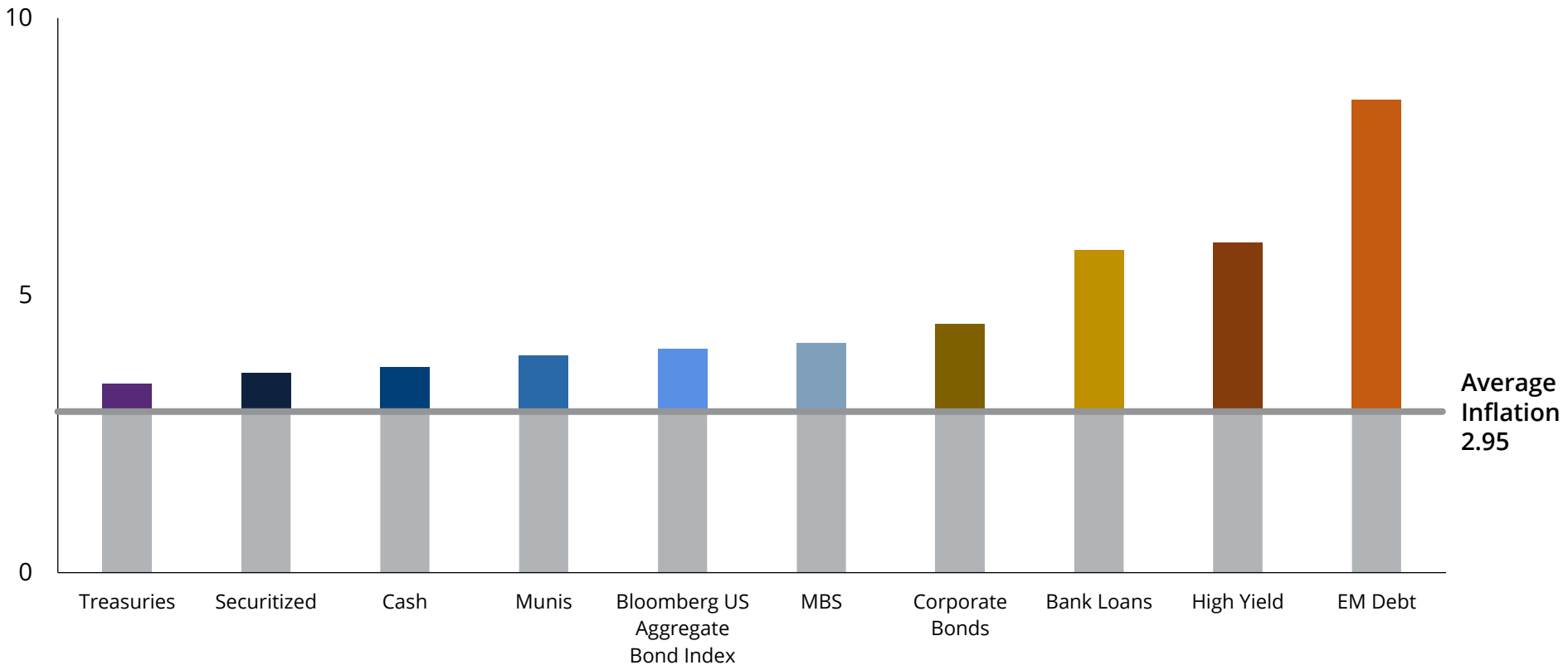


Chart Data: 2/1/94-9/30/26. **Past performance does not guarantee future results.** Data shown is the 3-year average returns of time periods after rate hike scenarios, which happened on 2/5/94, 7/1/99, 7/1/04, 12/17/15, and 3/17/22; it excludes the current interest-rate cutting cycle that began in September 2026. Asset classes are represented by the following indices: Treasuries (Bloomberg US Treasury Index), Securitized (Bloomberg US Securitized Index), Cash (Bloomberg US Treasury Bill 1-3 Month Index), Munis (Bloomberg Municipal Bond Index), MBS or Mortgage-Backed Securities (Bloomberg US MBS Index), Corporate Bonds (Bloomberg US Corporate Bond Index), Bank Loans (Morningstar LSTA US Leveraged Loan Index), High Yield (Bloomberg US Corporate High Yield Bond Index), EM or Emerging Markets Debt (Bloomberg Emerging Markets Aggregate Bond Index). Source: FRED, Morningstar, Factset, and Hartford Funds, 10/26.

Interest Rate Predictions Tend To Be Wrong

Even experts consistently get the direction and magnitude of interest-rate movements wrong, making it difficult for investors to anticipate the direction of interest rates.

10-Year Treasury Yield (%) vs. Predicted Movements

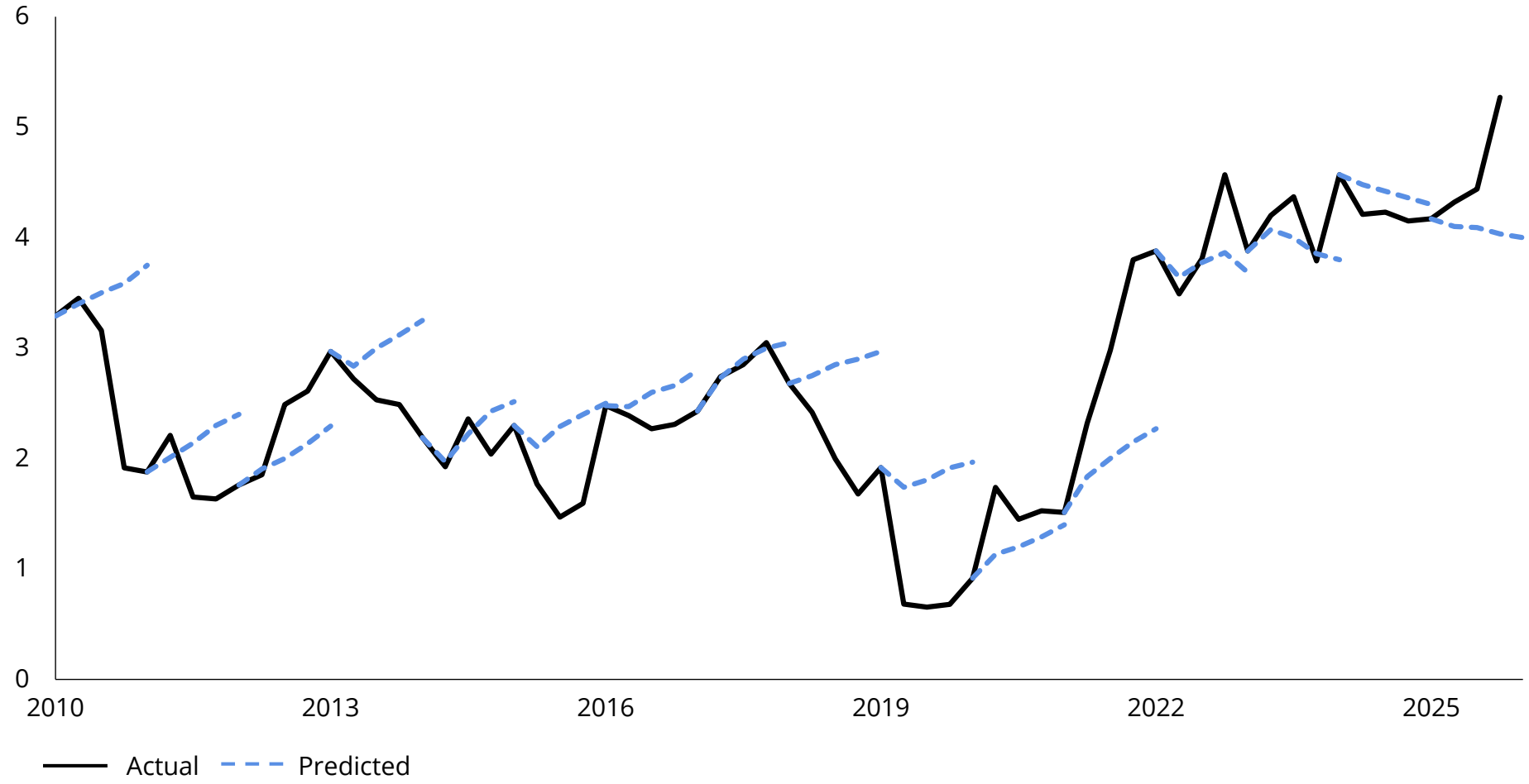
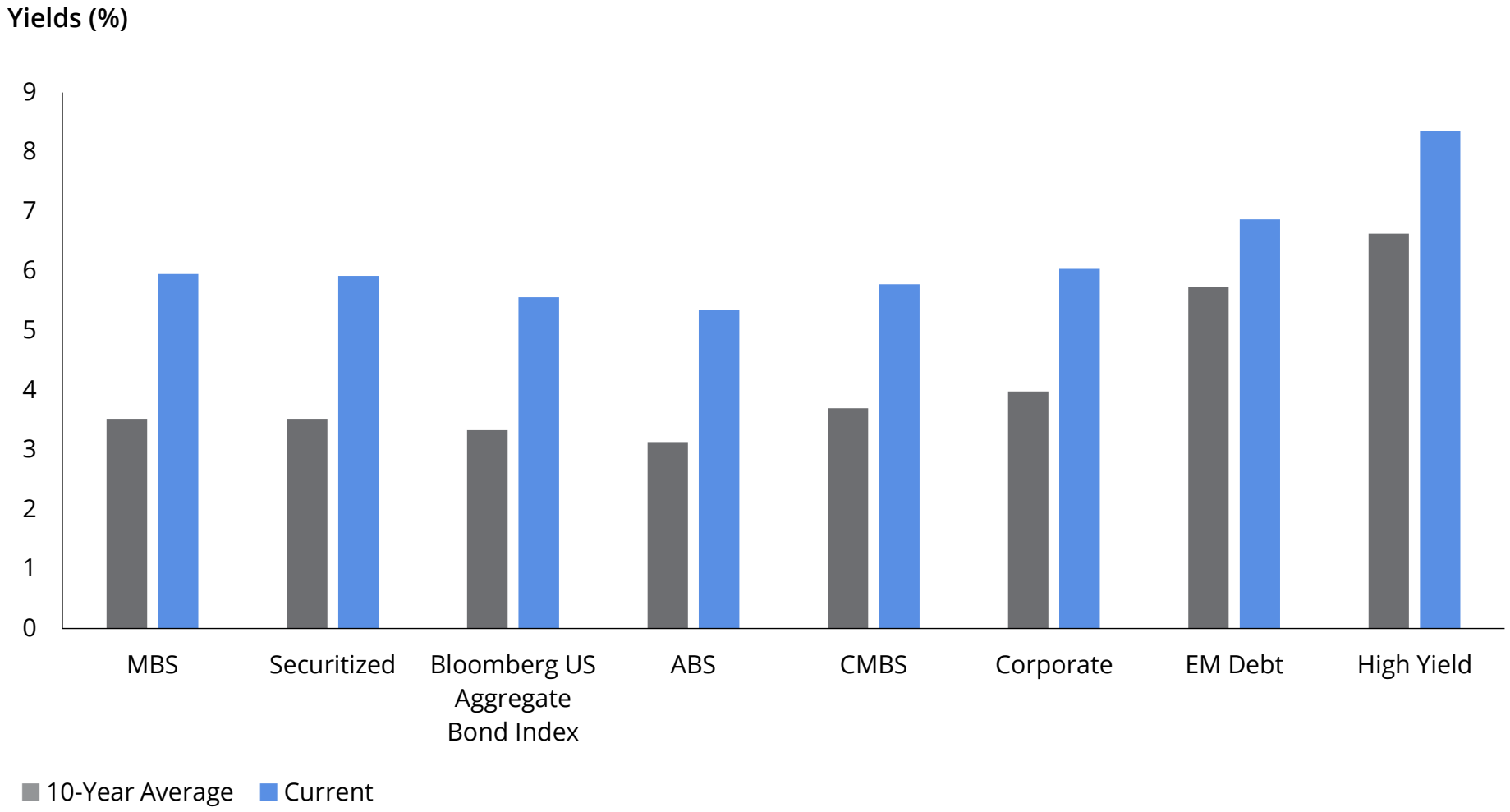


Chart Data: 12/31/10-9/30/26. **Past performance does not guarantee future results.** The dotted lines indicate the median estimate of interest-rate movement by economists at the beginning of each year. Source: Philadelphia Federal Reserve, FactSet, and Hartford Funds, 10/26.

Yields Are Attractive Compared to Their Long-Term Averages

Fixed-income sectors are yielding more than their long-term averages, which may make this an attractive entry point.



As of 9/30/26. **Past performance does not guarantee future results.** Asset classes are represented by: MBS or Mortgage-Backed Securities (Bloomberg US MBS Index), Securitized (Bloomberg US Securitized Index), ABS or Asset-Backed Securities (Bloomberg US ABS Index), CMBS or Commercial Mortgage-Backed Securities (Bloomberg US CMBS Investment Grade Index), Corporate Bonds (Bloomberg US Corporate Bond Index), EM or Emerging Markets Debt (Bloomberg Emerging Markets Aggregate Bond Index), High Yield (Bloomberg US Corporate High Yield Bond Index). Source: Bloomberg and Hartford Funds, 10/26.

Record Levels of Cash Are Sitting on the Sidelines

The record level of cash on the sidelines continues to grow.

Money Market Assets ($ in Trillions)

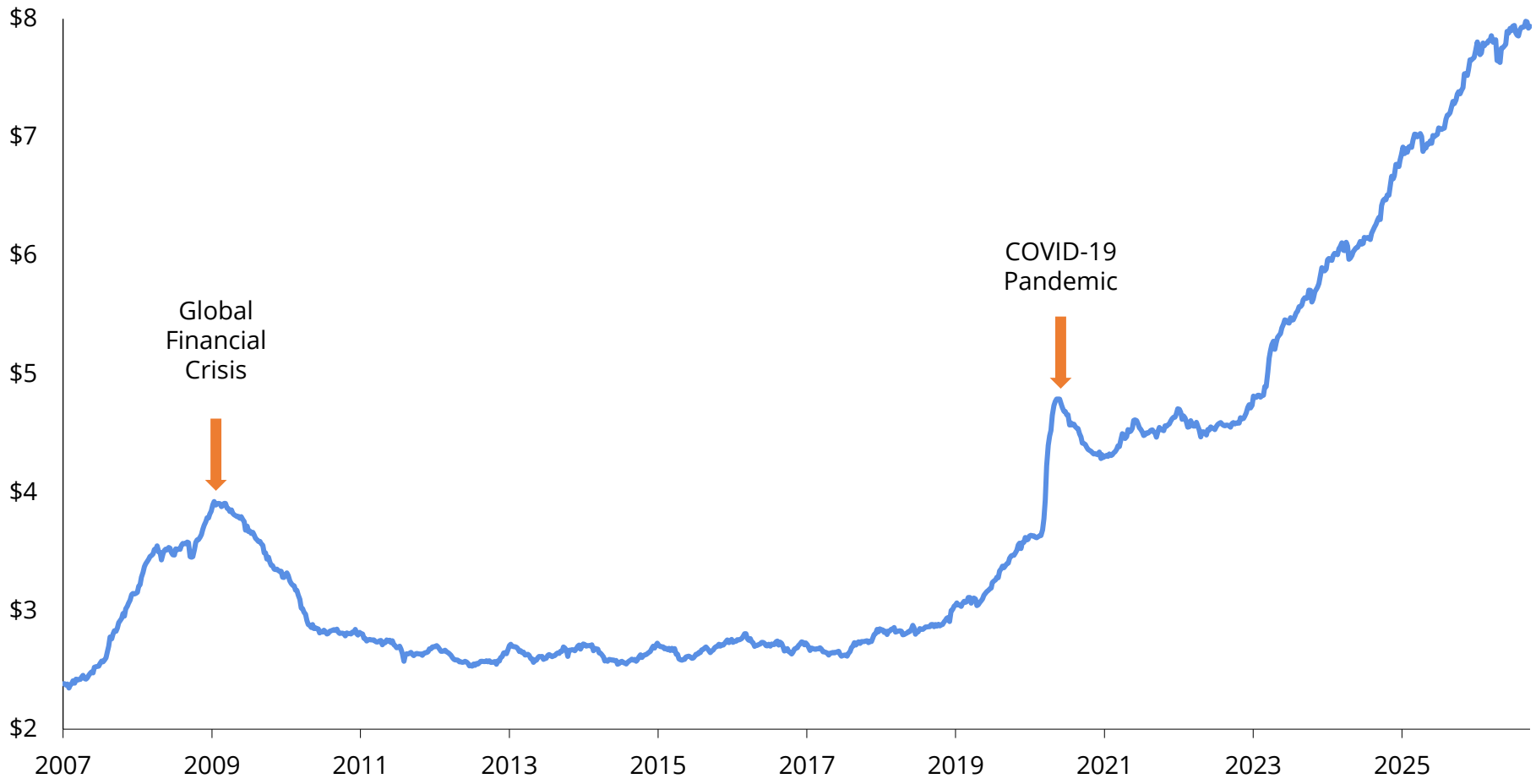


Chart Data: 1/3/07-9/23/26. **Past performance does not guarantee future results.** Source: ICI, 10/26.

Returns From High CD Rates May Be Too Good to Last

When 1-year CD rates peaked in the past, their returns were outpaced by most asset classes during the following year.

1-Year Return (%) After CD Rate Peaks

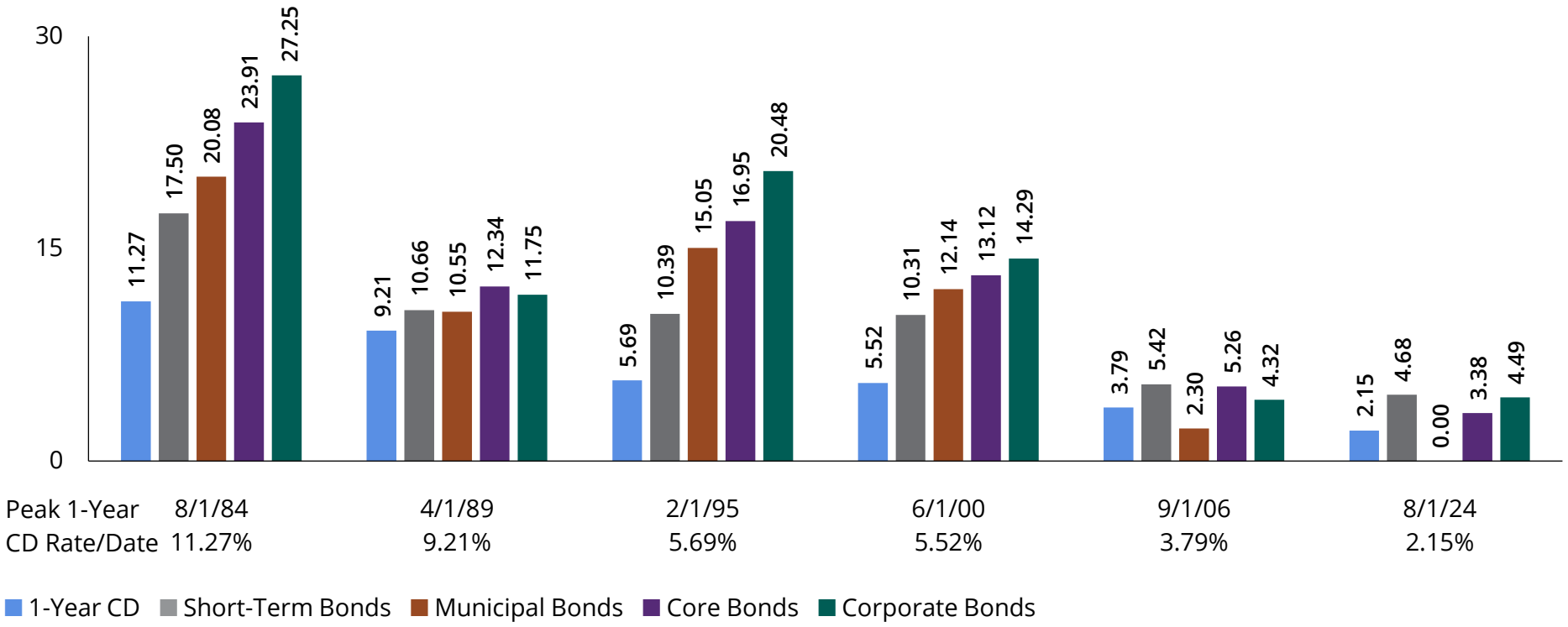


Chart Data: 8/1/84-9/30/26. **Past performance does not guarantee future results.** Asset classes are represented by: 1-Year CD rates (Bankrate's 12-month CD national average), Short-Term Bonds (Bloomberg 1-3 Year US Government/Credit Index), Core Bonds (Bloomberg US Aggregate Bond Index), Corporate Bonds (Bloomberg US Corporate Bond Index), Municipal Bonds (Bloomberg Municipal Bond Index). Source: Morningstar, Bankrate, and Hartford Funds, 10/26.

Bonds Outperformed Cash After Factoring in Inflation

Cash may feel like a safe investment, but after factoring in inflation's effect on returns, bonds have been a more attractive alternative.

How Often Each Asset Class Outperformed Inflation Based on Rolling Time Periods

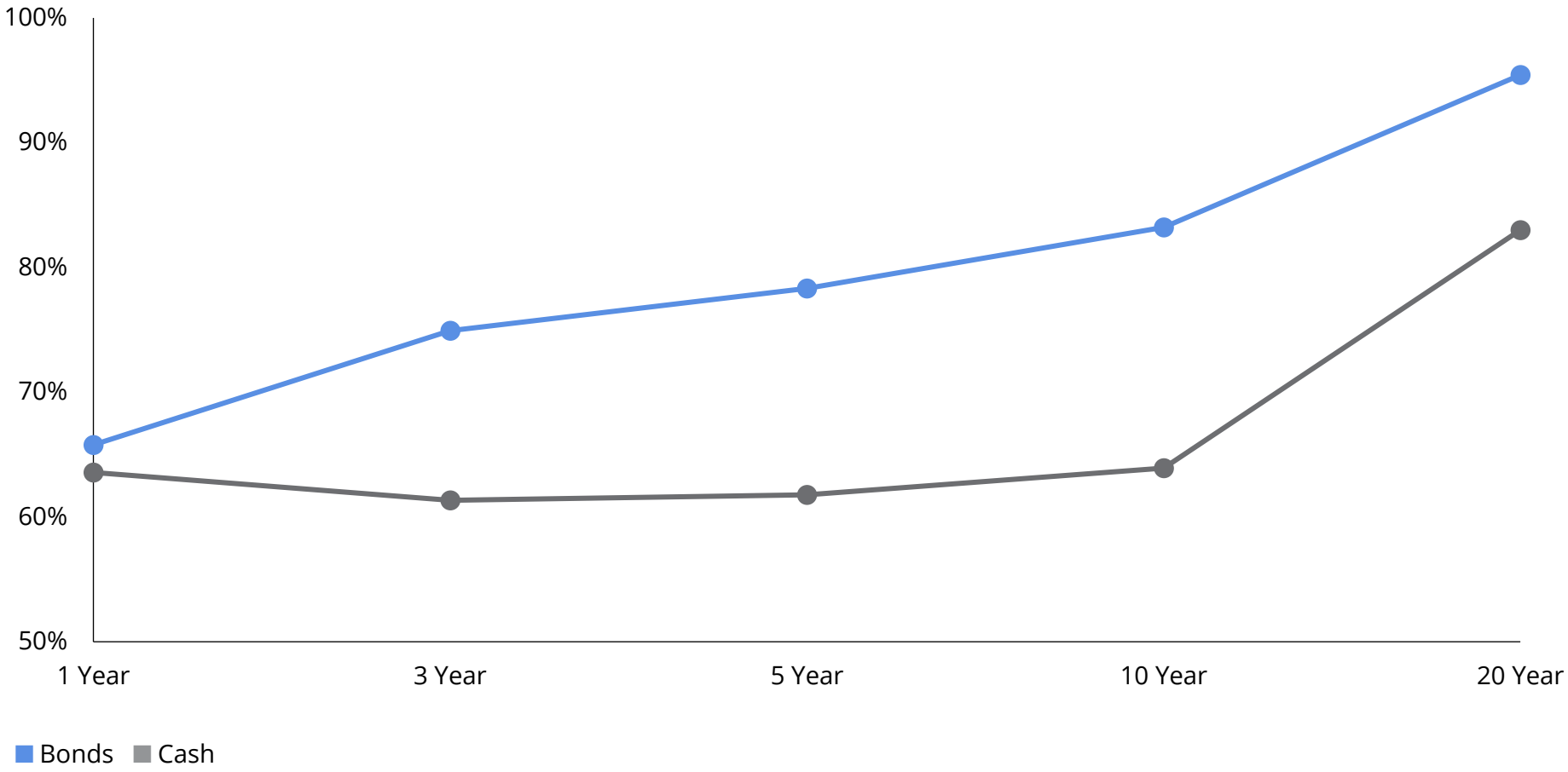
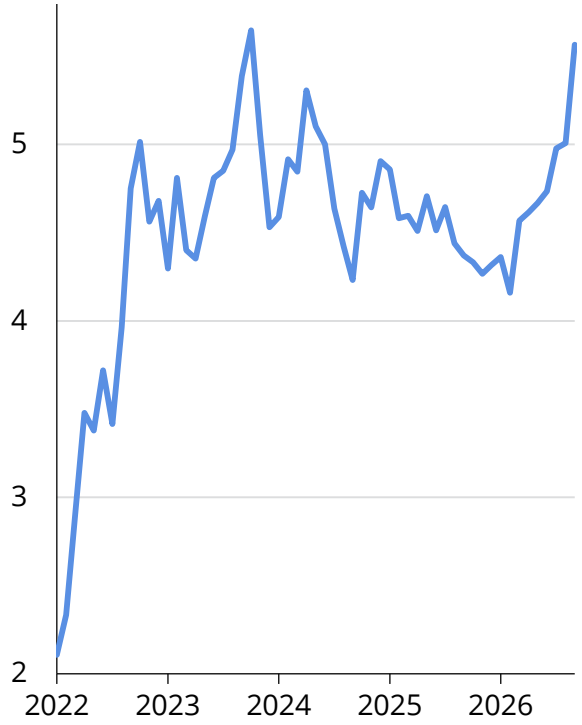


Chart Data: 1/1/50-9/30/26. **Past performance does not guarantee future results.** Bonds (IA SBBI LT Gov Index 1/50-12/74, Bloomberg US Aggregate Bond Index 1/75-present) and Cash (IA SBBI US 30 Day T-Bill Index until 11/91 and then Bloomberg US Treasury Bill 1-3 Month Index 12/91-present) Source: Morningstar, Factset, and Hartford Funds, 10/26.

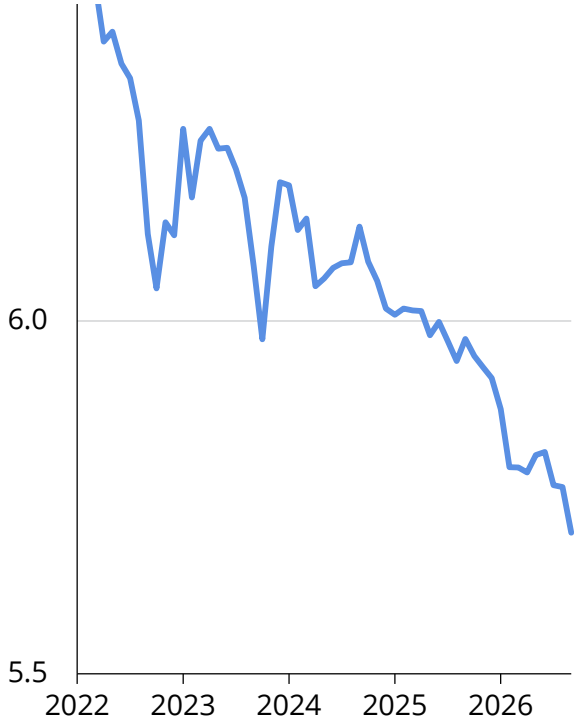
2026 Isn’t the Same as 2022 for Bonds

2026 has been a hard year for bond investors, but things aren’t quite as bad as they were in 2022, when the Bloomberg US Aggregate Bond Index fell more than 13%.

Higher Starting Yields
Yield-to-Worst (%)



Less Sensitive to Rate Changes
Duration (years)



Fed Can Both Raise and Lower Rates
Fed Funds Rate (%)

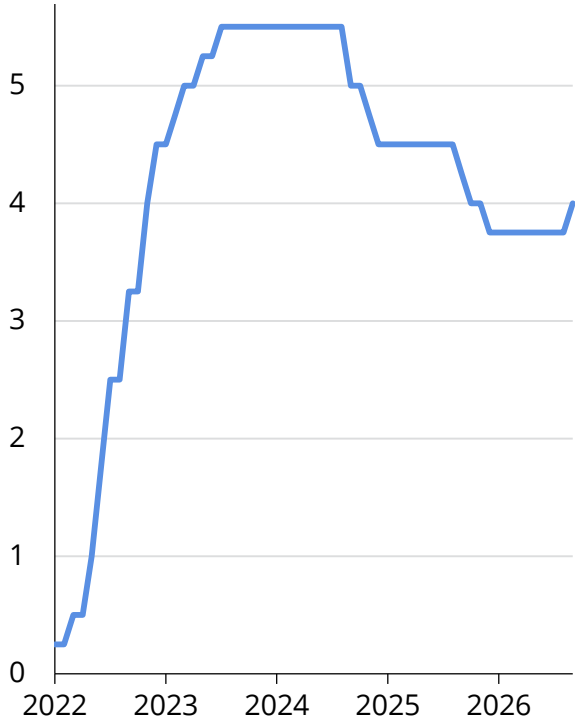


Chart Data: 1/1/22-9/30/26. **Past performance does not guarantee future results.** Duration is a measure of the sensitivity of an investment’s price to changes in interest rates. Data reflects Bloomberg US Aggregate Bond Index. Source: Bloomberg, Factset, and Hartford Funds, 10/26.

How Changing Interest Rates Affect Bond Prices

Rising and falling interest rates can have a significant impact on US Treasuries.

The Hypothetical Impact of Rising and Falling Rates on Treasuries (%)

	+300bps	+250bps	+200bps	+150bps	+100bps	+50bps	Current Yield	-50bps	-100bps	-150bps	-200bps	-250bps	-300bps
2 Year US Treasury	1.98	2.43	2.89	3.34	3.80	4.27	4.73	5.20	5.67	6.14	6.62	7.09	7.57
3 Year US Treasury	-0.42	0.45	1.31	2.19	3.07	3.95	4.85	5.75	6.65	7.57	8.49	9.42	10.35
5 Year US Treasury	-5.06	-3.45	-1.81	-0.16	1.52	3.21	4.93	6.67	8.44	10.22	12.03	13.86	15.71
7 Year US Treasury	-9.01	-6.77	-4.49	-2.17	0.19	2.60	5.05	7.54	10.08	12.67	15.30	17.98	20.71
10 Year US Treasury	-13.97	-10.99	-7.92	-4.78	-1.55	1.76	5.15	8.64	12.21	15.87	19.63	23.49	27.45
20 Year US Treasury	-23.49	-19.25	-14.78	-10.08	-5.14	0.07	5.55	11.32	17.39	23.78	30.51	37.59	45.05
30 Year US Treasury	-28.14	-23.48	-18.49	-13.13	-7.36	-1.16	5.51	12.69	20.42	28.76	37.74	47.43	57.88

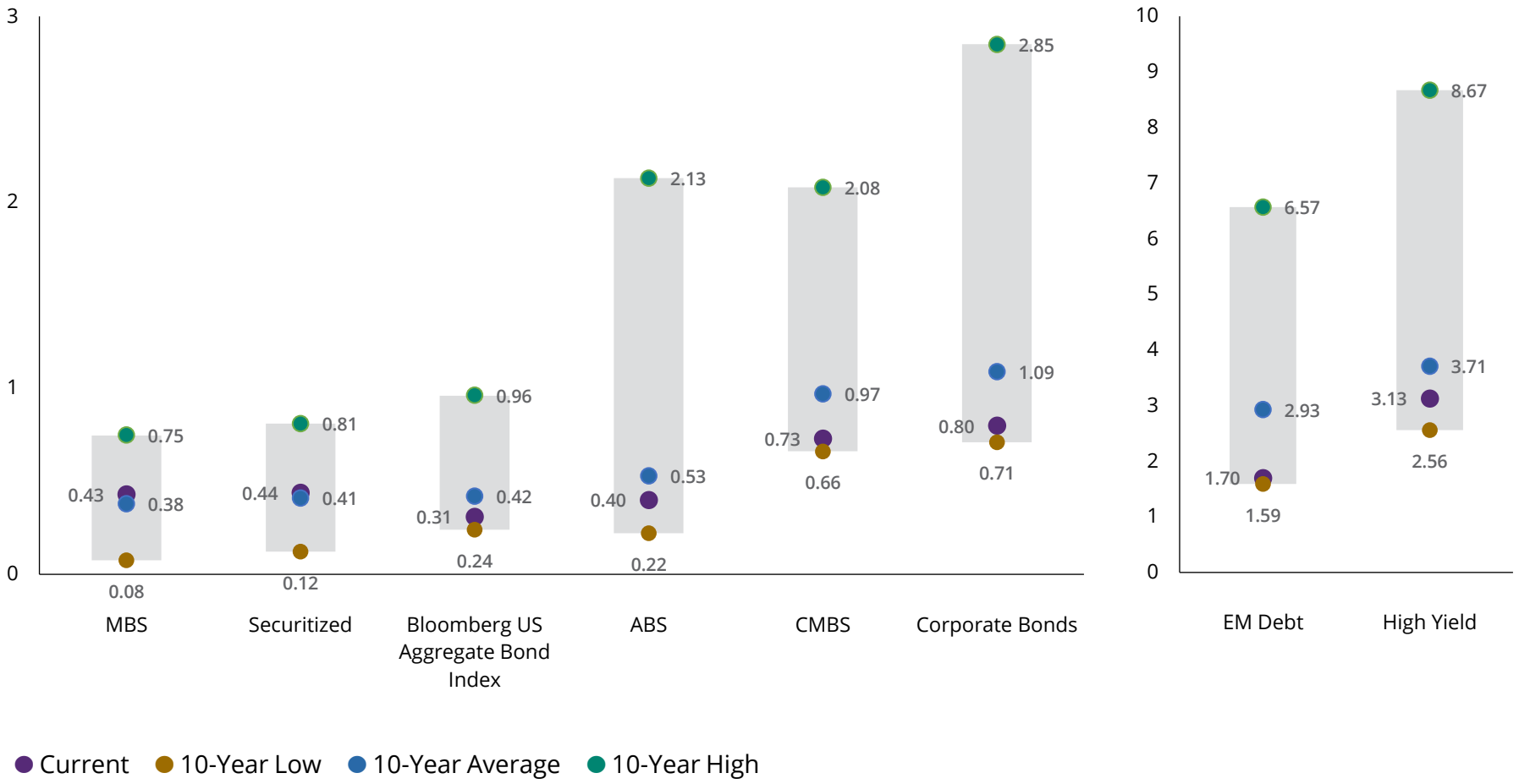
As of 9/30/26. **Past performance does not guarantee future results.** A basis point (bps) is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument's value. The basis point is commonly used for calculating changes in interest rates, equity indices and the yield of a fixed-income security. For example, +100 bps is the equivalent of a 1% increase in interest rates. Changes to hypothetical return are based on the security's duration and convexity effect on potential returns. Convexity is a measure of how a bond's duration can change based on the magnitude of an interest rate change. Sources: Bloomberg and Hartford Funds, 10/26.

Spreads Are Near Long-Term Lows

While yields on fixed-income investments are attractive, spreads, especially spreads in higher-yield sectors, are near long-term lows.

If spreads widen even slightly, it may create opportunities for actively managed fixed-income portfolios.

10-Year Yield (%) Spread Range



As of 9/30/26. **Past performance does not guarantee future results.** Spreads are the difference in yields between two fixed-income securities with the same maturity but originating from different investment sectors. Asset classes are represented by: MBS (Bloomberg US MBS Index), Securitized (Bloomberg US Securitized Index), ABS (Bloomberg US ABS Index), CMBS (Bloomberg US CMBS Investment Grade Index), Corporate Bonds (Bloomberg US Corporate Bond Index), EM Debt (Bloomberg Emerging Markets Aggregate Bond Index), High Yield (Bloomberg US Corporate High Yield Bond Index). Source: Bloomberg and Hartford Funds, 10/26.

Yields Have Been Increasing Across the Globe

Higher rates aren't just a consideration for domestic investors. Yields have been climbing across the world, creating both volatility and opportunities for active managers.

Yields (%) on 30-Year Government Debt

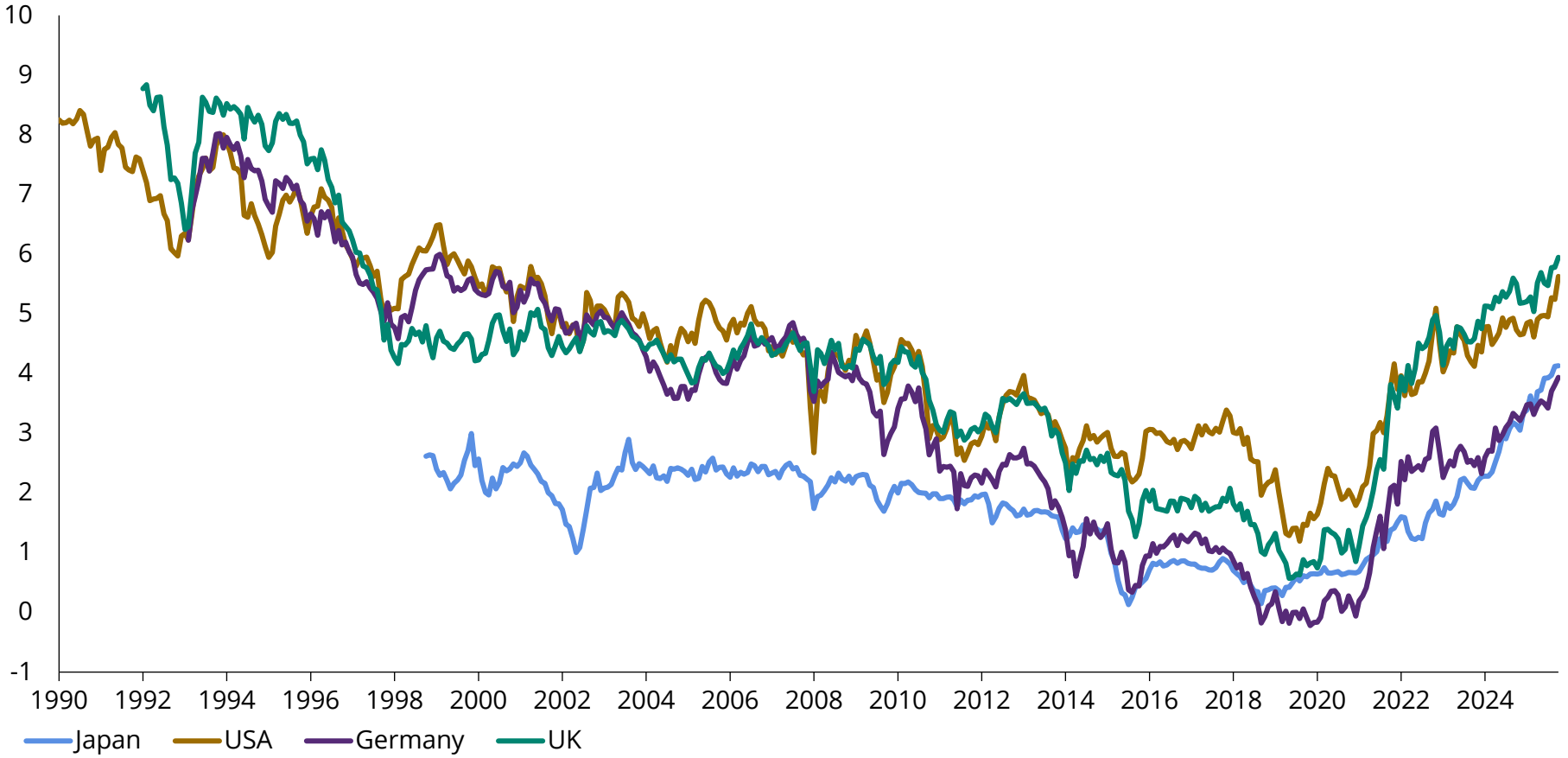


Chart Data: 12/31/90-9/30/26. **Past performance does not guarantee future results.** Source: Bloomberg, 10/26.

Municipal Bond Yields Are Spiking

Municipal bond yields have been on the rise, with tax-equivalent yields over 7%, making them an attractive investment for investors in high federal tax brackets.

Yield-to-Worst (%)

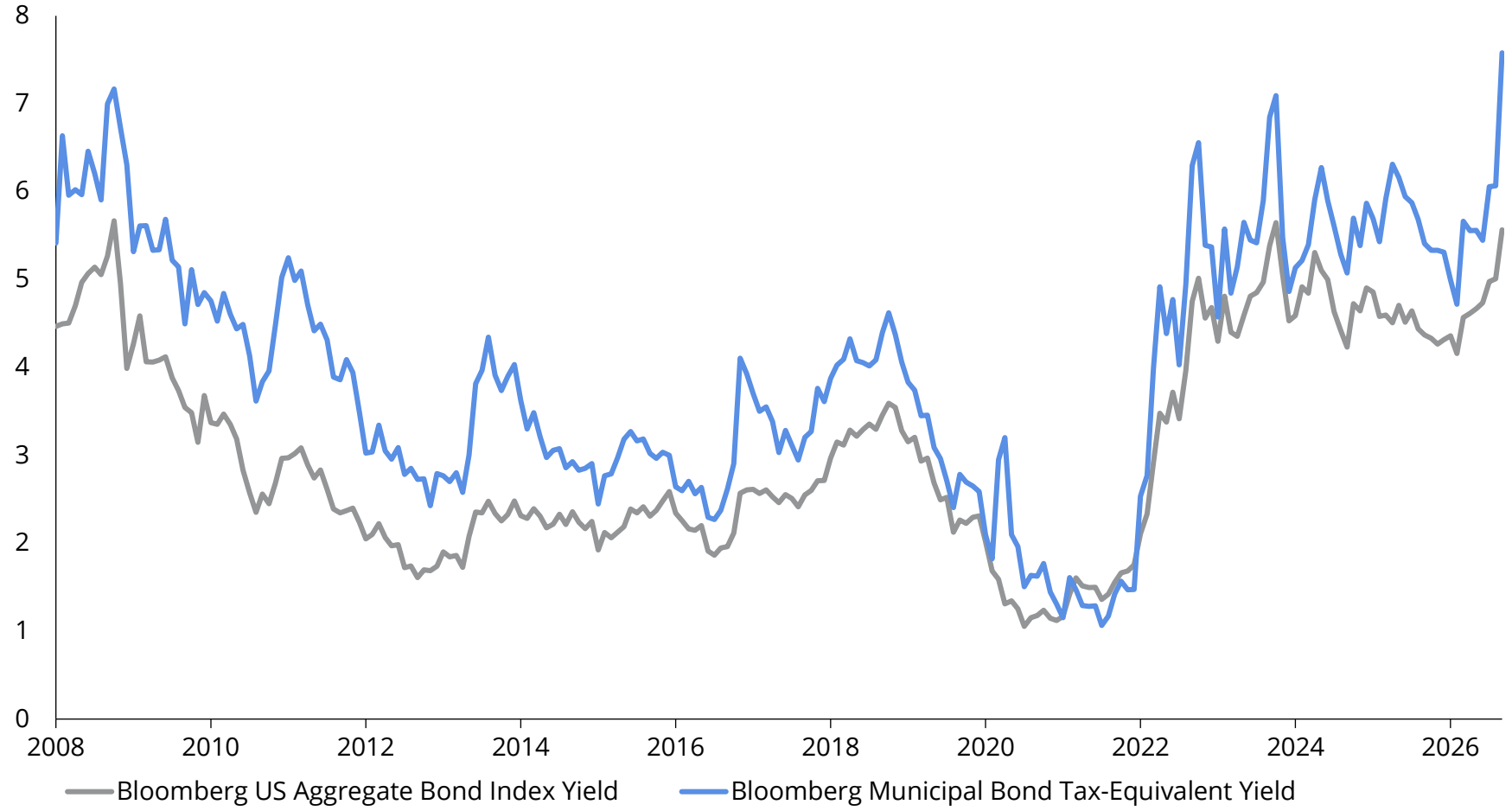
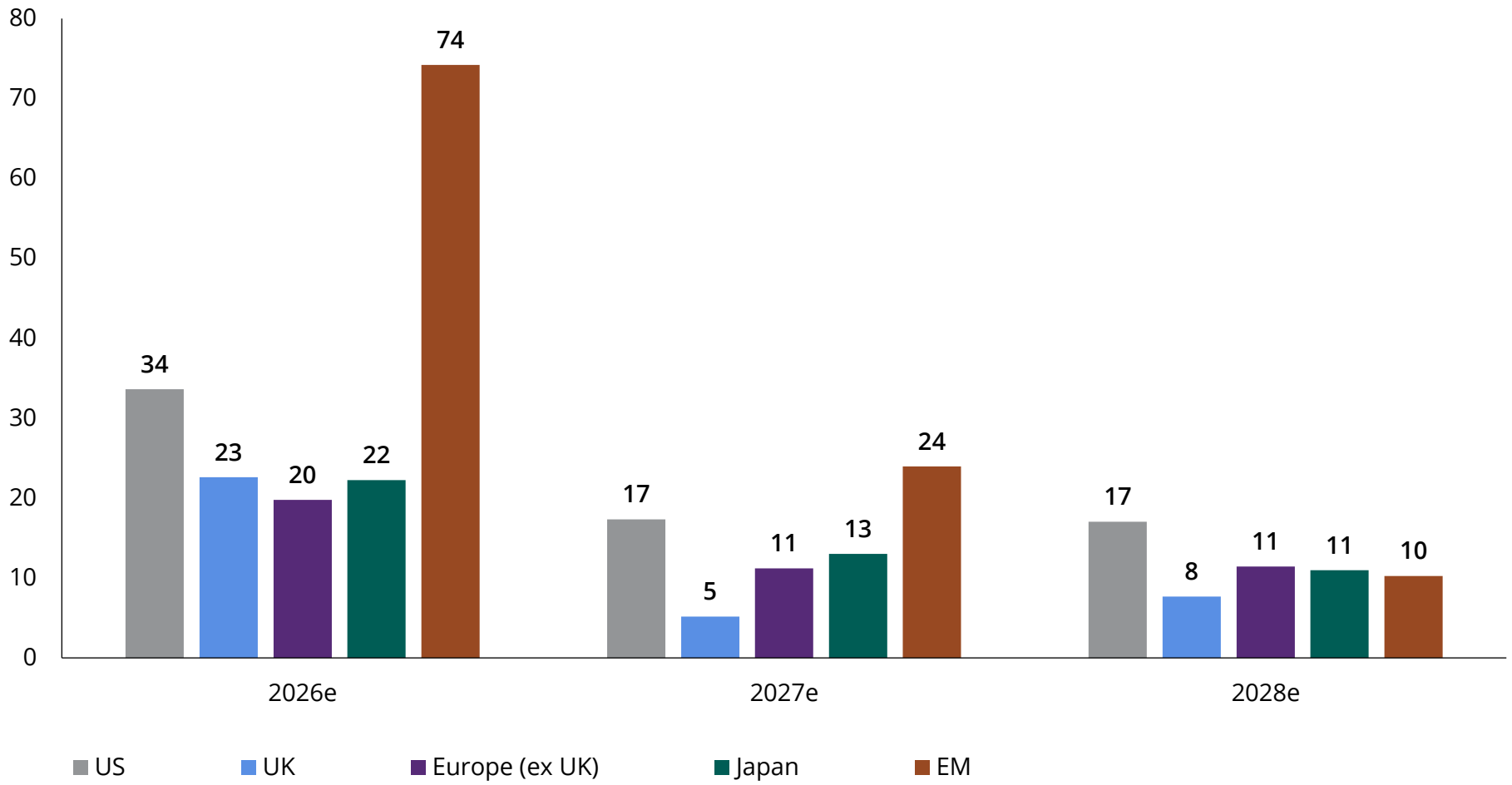


Chart Data: 1/31/08-9/30/26. **Past performance does not guarantee future results.** Tax-equivalent yield is the return investors would need to match the yield on a tax-free investment. Tax-equivalent yields for municipal bonds is based on yield to worst and assumes the highest federal tax rate of 40.8%. Source: Bloomberg, Hartford Funds, 10.26.

Strong Earnings Growth Expectations Over the Next Few Years

Strong earnings growth is projected to continue through 2028 for both US and international equities, creating opportunities for investors.

Earnings-Per-Share Growth Rate Forecasts (%)

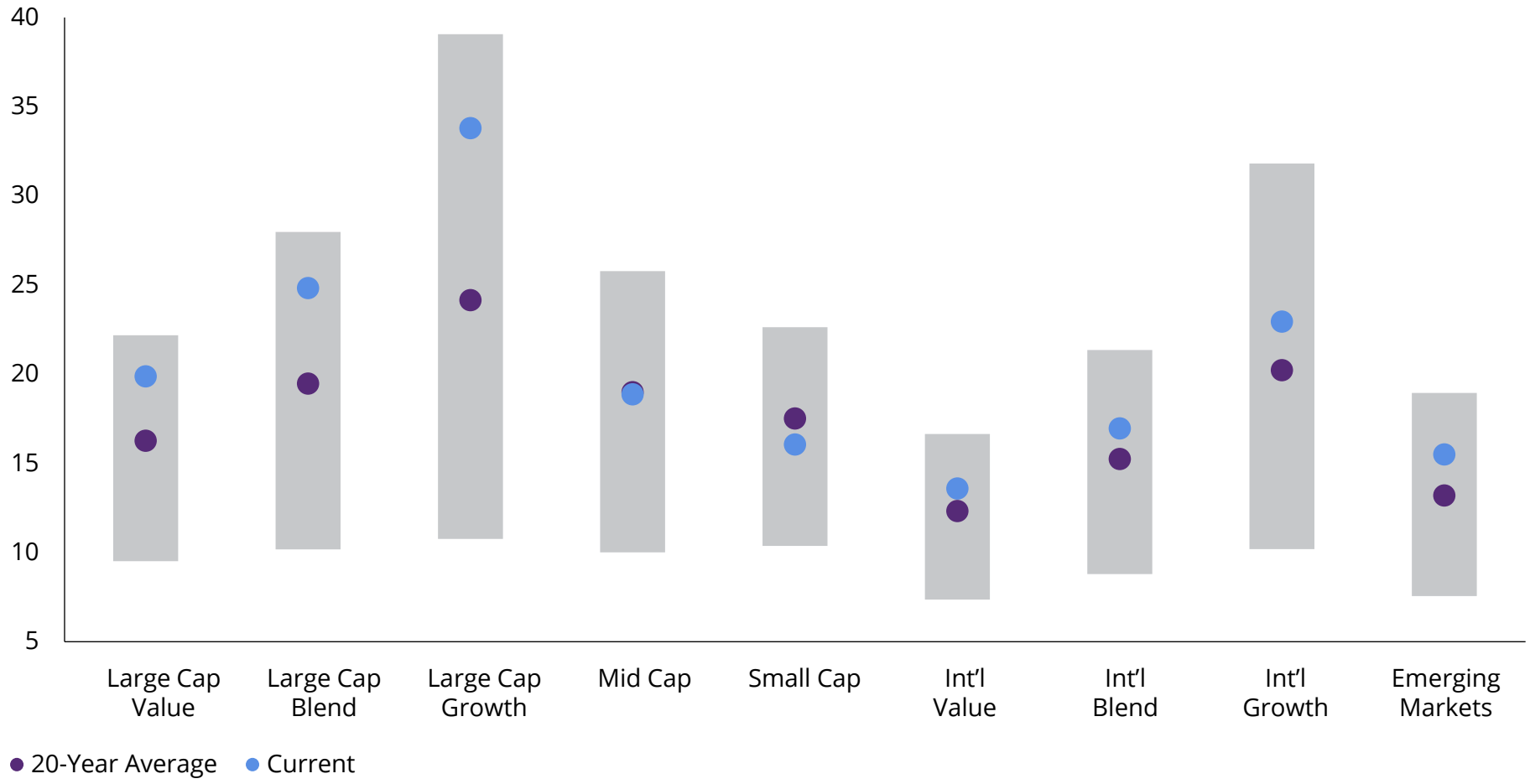


As of 9/30/26. **Past performance does not guarantee future results.** Asset classes are represented by: US (MSCI USA Index), UK (MSCI United Kingdom Index), Europe (ex UK) (MSCI Europe ex UK Index), Japan (MSCI Japan Index), EM (MSCI Emerging Markets Index). Source: LSEG and Schroders, 10/26.

Valuations Remain Elevated but Are Below Long-Term Highs

After several years of strong market performance, equity valuations are higher than their historical averages, but they're still well below peak valuations.

20-Year Price-to-Earnings Range



As of 9/30/26. **Past performance does not guarantee future results.** The price-to-earnings (P/E) ratio measures a company's share price relative to its earnings-per-share and helps assess the relative value of a company's stock. Based on the following indices: Large Cap Value (Russell 1000 Value Index), Large Cap Blend (Russell 1000 Index), Large Cap Growth (Russell 1000 Growth Index), Mid Cap (Russell Mid Cap Index), Small Cap (Russell 2000 Index), Int'l Value (MSCI EAFE Value Index), Int'l Blend (MSCI EAFE Index), Int'l Growth (MSCI EAFE Growth Index), Emerging Markets (MSCI Emerging Markets Index). Source: Factset and Hartford Funds, 10/26.

The Potential Benefits of Combining Domestic and International Equities

Domestic and international equities have historically experienced different risk-and-return characteristics. Combining them together over the long term may help increase returns and/or lower portfolio volatility.

Return (%) and Standard Deviation (%) by Equity Allocation Breakdown

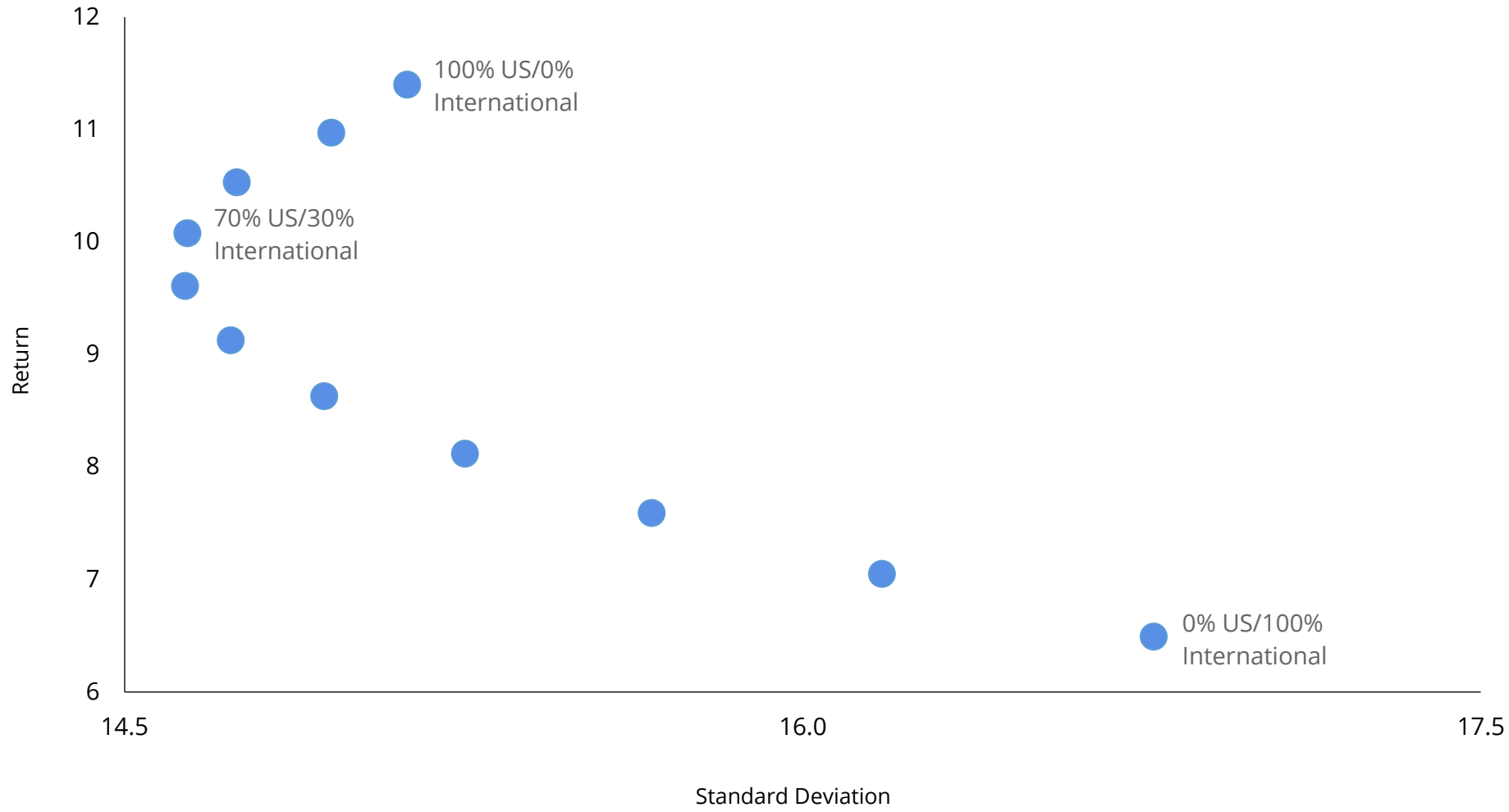


Chart Data: 1/1/87-9/30/26. **Past performance does not guarantee future results.** International Stocks are represented by MSCI EAFE Index; US Stocks are represented by the S&P 500 Index. Standard deviation measures the variability around an average. A higher standard deviation indicates greater historical variability. Source: Morningstar, 10/26.

Which Equity Style Is Winning Internationally and Domestically?

While growth has been outperforming value domestically for many years, value has been outpacing growth dramatically in international equities since mid-2020.

Ratio of Value to Growth Performance

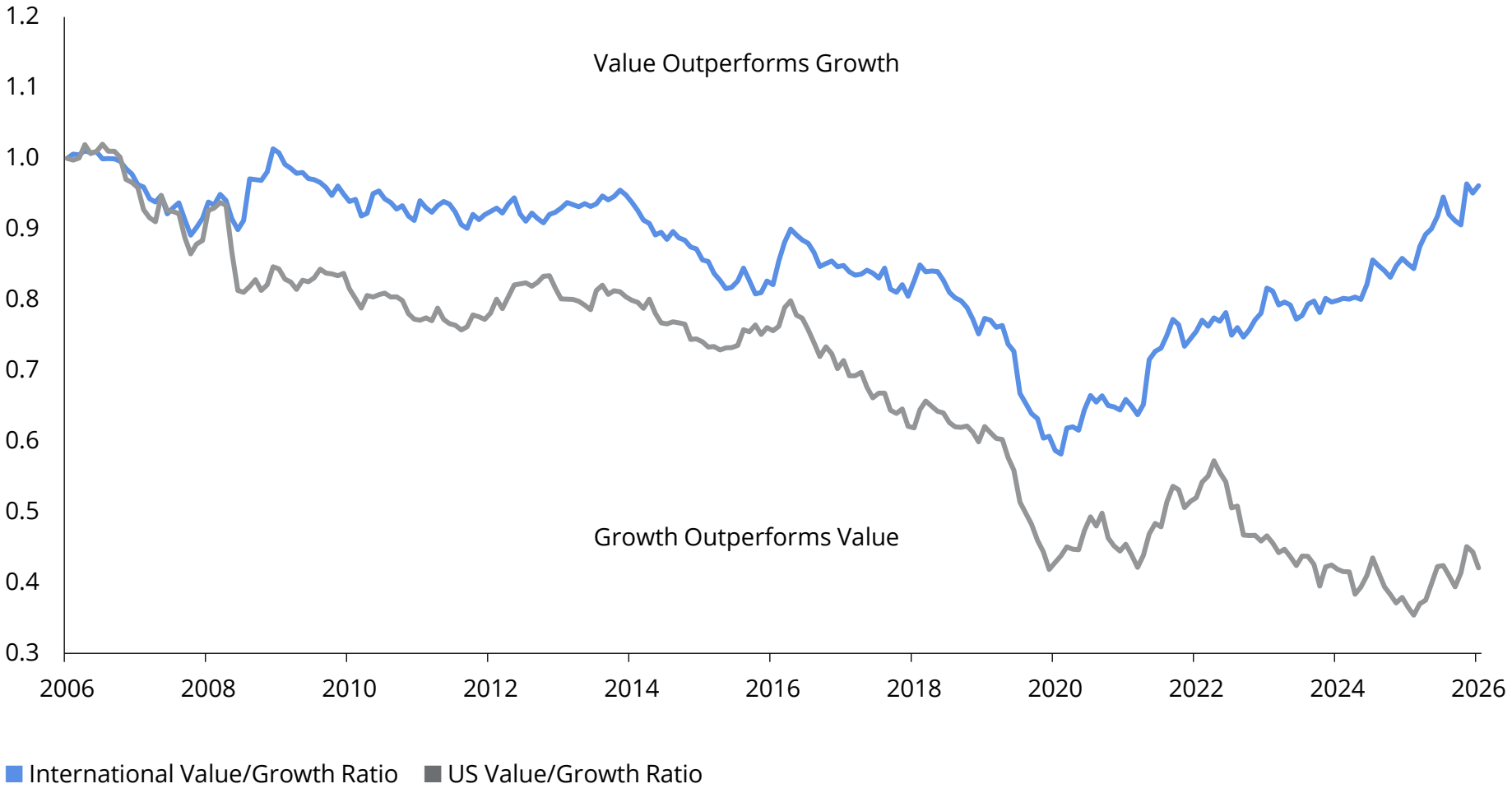
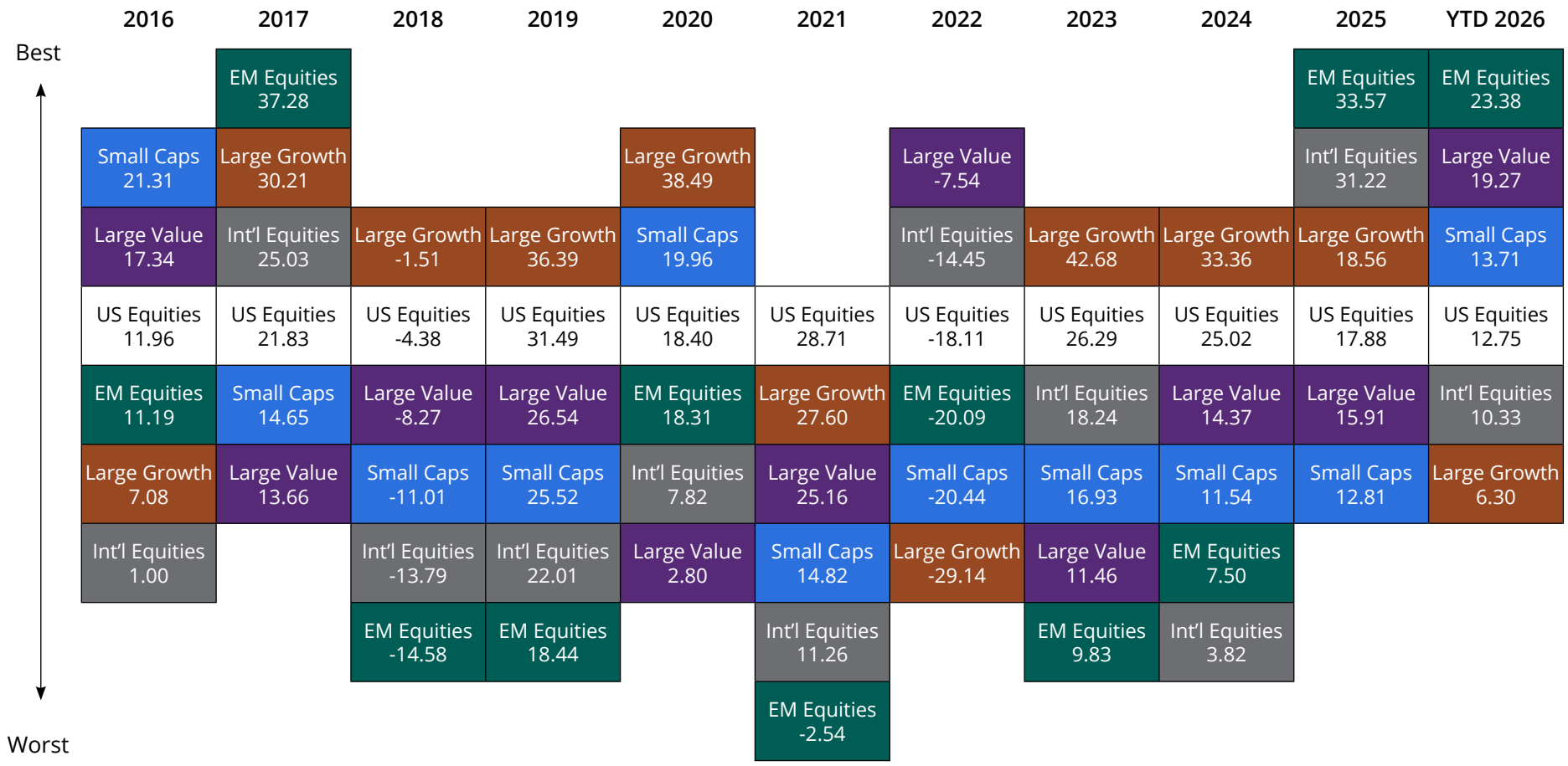


Chart Data: 9/30/06-9/30/26. **Past performance does not guarantee future results.** International Value/Growth Ratio is based on MSCI ACWI ex USA Value Index and MSCI ACWI ex USA Growth Index; US Value/Growth Ratio is based on Russell 1000 Value Index and Russell 1000 Growth Index. Sources: Morningstar and Hartford Funds, 10/26.

Equity Returns Across Calendar Years

While US equities have experienced strong performance over the last decade, there have been years when other equity asset classes have outperformed, highlighting the potential benefits of diversification.

Calendar Year Returns (%)



As of 9/30/26. **Past performance does not guarantee future results.** Asset classes are represented by: US Equities (S&P 500 Index), Large Growth (Russell 1000 Growth Index), Large Value (Russell 1000 Value Index), Small Caps (Russell 2000 Index), Int'l Equities (MSCI EAFE Index), and EM Equities (MSCI Emerging Markets Index). Diversification does not ensure a profit or protect against a loss in a declining market. Sources: Morningstar and Hartford Funds, 10/26.

US and International Stocks Have Traded Periods of Outperformance

The current cycle of US outperformance has well exceeded the historical average.

0.70

Correlation Between International Outperformance and a Falling US Dollar—International Equities Have Tended to Outperform When the Dollar Falls

Monthly Rolling 5-Year Relative Returns (%)

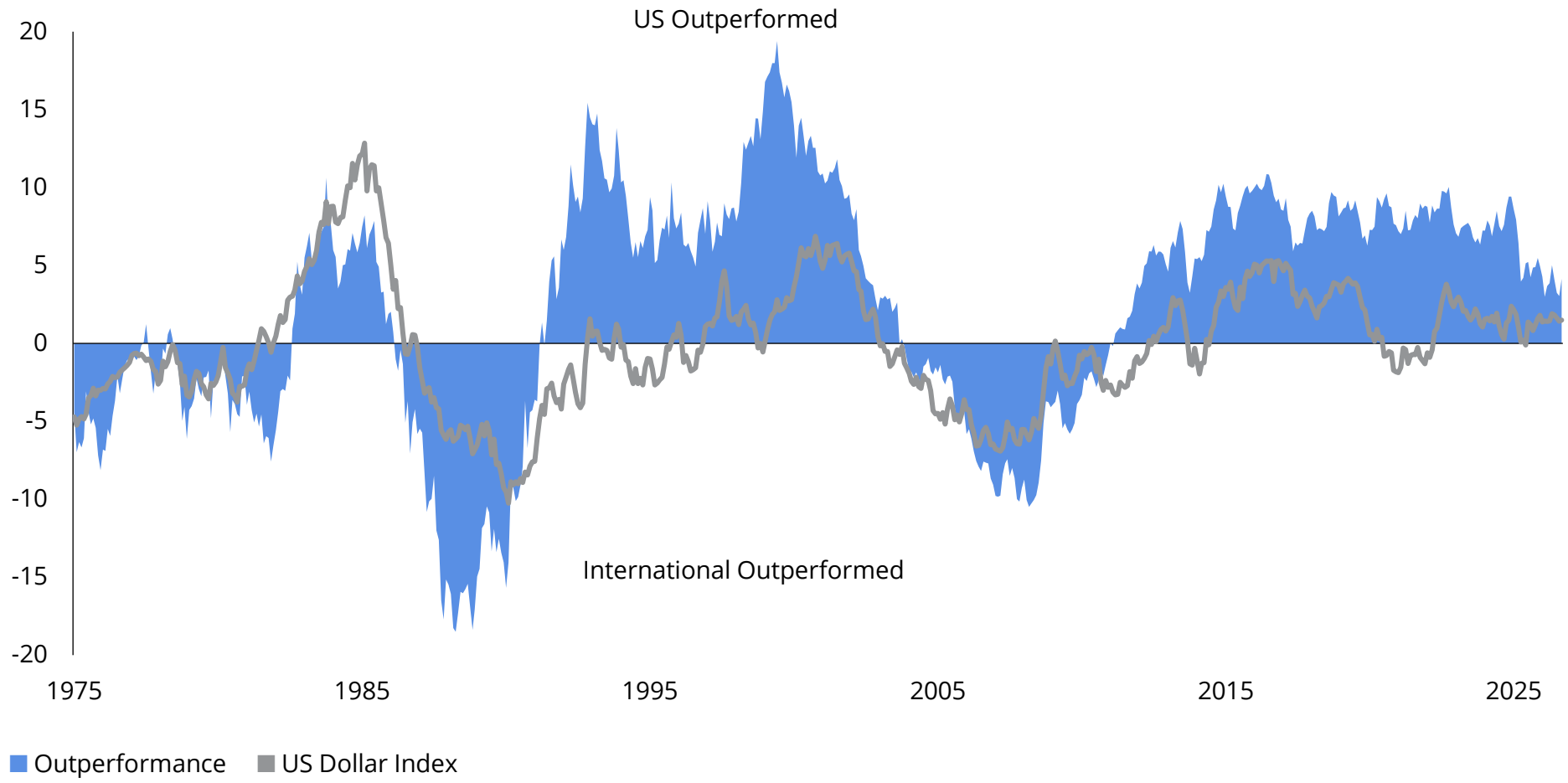


Chart Data: 1/31/75-9/30/26. **Past performance does not guarantee future results.** US equities are represented by the S&P 500 Index; International equites are represented by the MSCI World ex USA Index. A correlation of 1.0 indicates the investments have historically moved in the same direction; -1.0 means the investments have historically moved in opposite directions.
Sources: Morningstar, Bloomberg, and Hartford Funds, 10/26.

Equity Valuations Vary Widely

There are meaningful differences in equity valuations by size and style, but international valuations look especially attractive when compared to their domestic counterparts.

Current P/E and 20-Year Average P/E

	Value	Blend	Growth
Large	19.9 / 16.3	24.8 / 19.5	33.8 / 24.1
Mid	17.0 / 16.8	18.9 / 19.0	30.7 / 24.3
Small	13.1 / 14.9	16.1 / 17.5	21.7 / 21.7

Int'l Value	Int'l Blend	Int'l Growth
13.6 / 12.3	17.0 / 15.2	22.9 / 20.2

Current P/E Relative to 20-Year Average P/E (%)

	Value	Blend	Growth
Large	122	127	140
Mid	101	99	127
Small	88	92	100

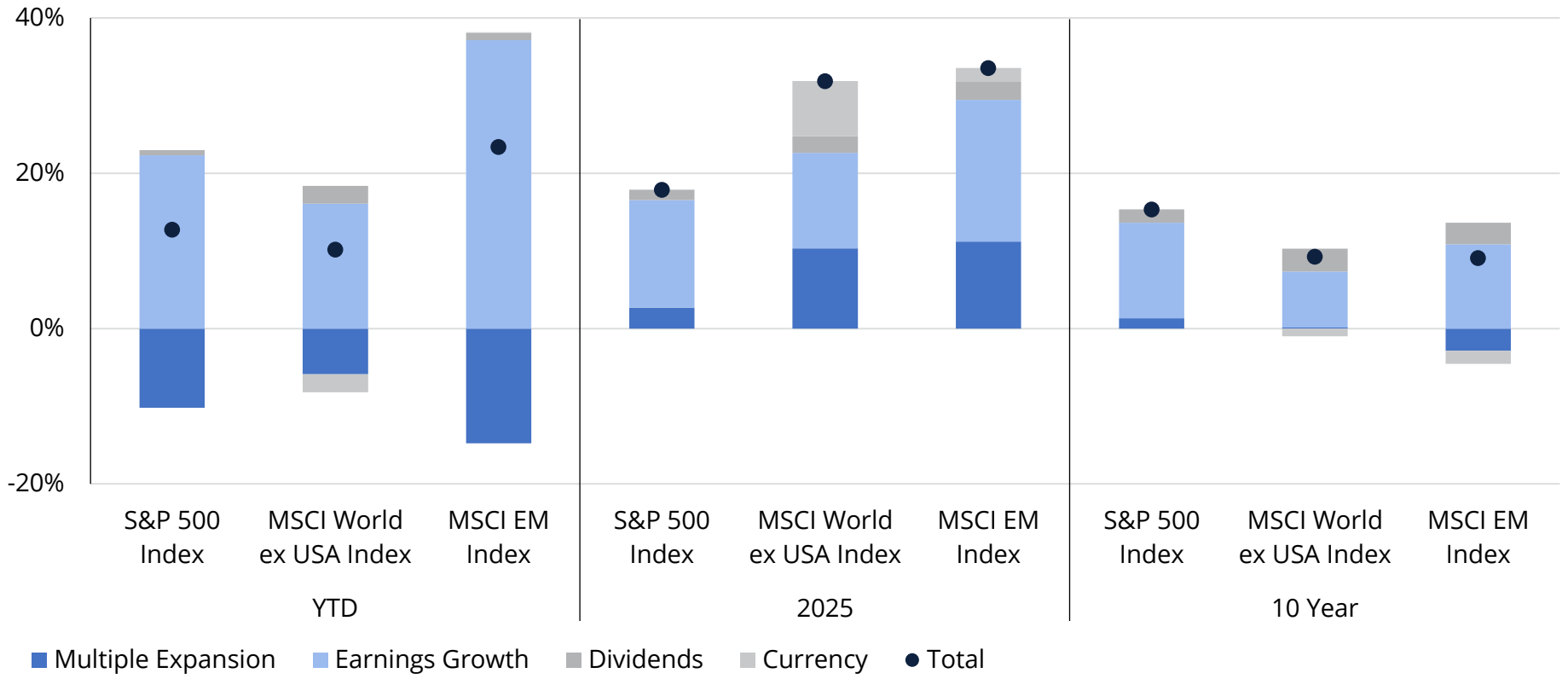
Int'l Value	Int'l Blend	Int'l Growth
110	111	114

As of 9/30/26. **Past performance does not guarantee future results.** Based on the following indices: Large Cap Value (Russell 1000 Value Index), Large Cap Blend (Russell 1000 Index), Large Cap Growth (Russell 1000 Growth Index), Mid Cap Value (Russell Mid Cap Value Index), Mid Cap Blend (Russell Mid Cap Index), Mid Cap Growth (Russell Mid Cap Growth Index), Small Cap Value (Russell 2000 Value Index), Small Cap Blend (Russell 2000 Index), Small Cap Growth (Russell 2000 Growth Index), International Value (MSCI EAFE Value Index), International Blend (MSCI EAFE Index), International Growth (MSCI EAFE Growth Index). Source: FactSet, Hartford Funds, 10/26.

International Outperformance Has Been Driven by Earnings, Not Valuations

International equity returns, including emerging markets, have been mostly driven by earnings growth, meaning the attractive valuations relative to domestic equities could still drive further outperformance.

Source of Return (%)



As of 9/30/26. **Past performance does not guarantee future results.** Source: Factset and Hartford Funds, 10/26.

Share Buybacks Are Growing Internationally

Share buybacks have been a strategy used extensively by US companies. International companies are now starting to pursue the same strategy.

Percentage of Large Companies Who Bought Back at Least 1% of Their Shares Over the Previous 12 Months

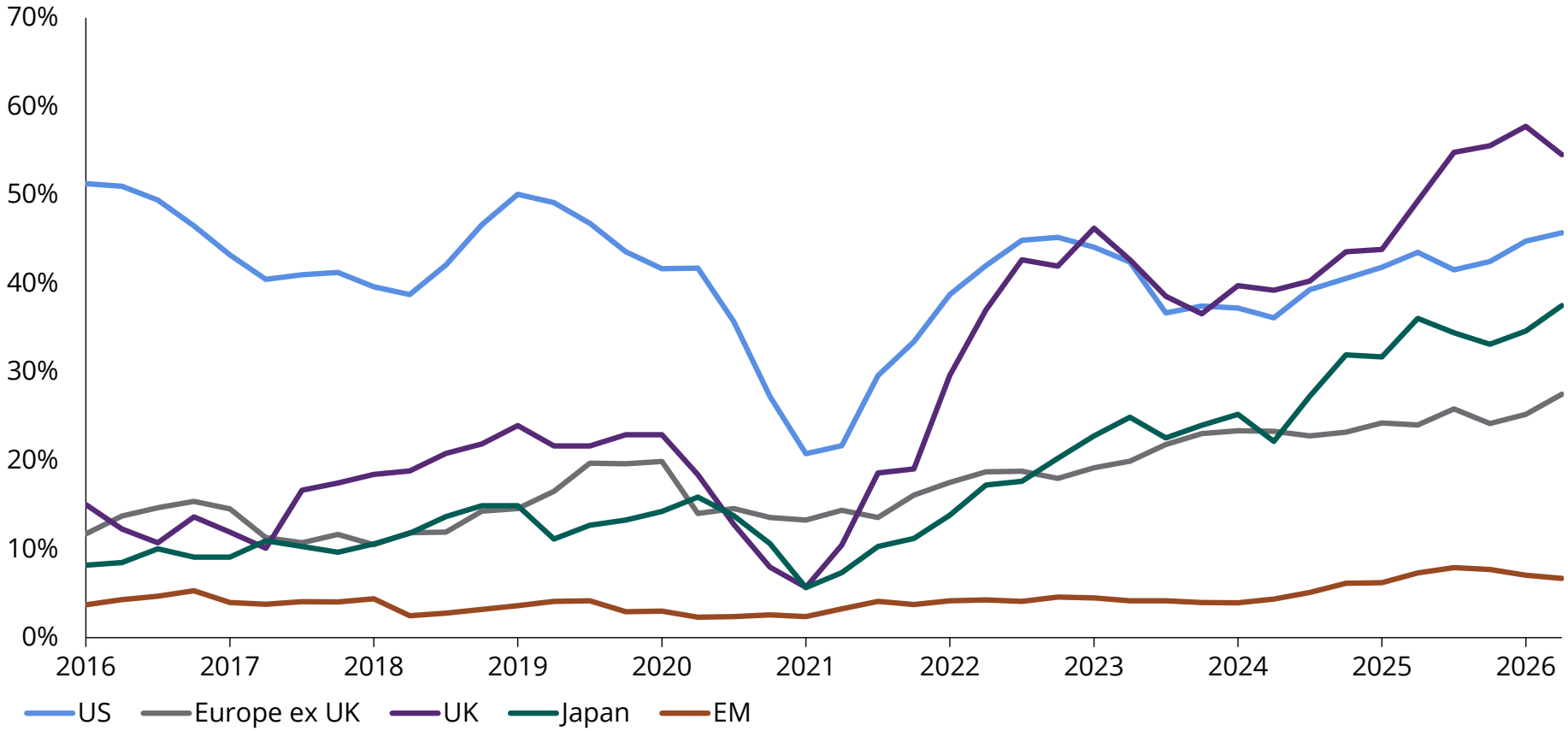


Chart Data: 3/31/16-6/30/26. **Past performance does not guarantee future results.** Share buybacks are when a company uses cash to buy its own stock to reduce the number of shares available on the market, hoping to increase the prices of available shares.Analysis based on MSCI USA Index, MSCI Europe ex UK Index, MSCI United Kingdom Index, MSCI Japan Index, MSCI Emerging Markets Index. Source: LSEG Datastream, MSCI and Schroders, 10/26..

US Valuation May Be Stretched Compared to the Rest of the World

US equity valuations have continued to grow relative to international equities, making US equities look less attractive in the future.

Cyclically Adjusted Price-to-Earnings Ratio

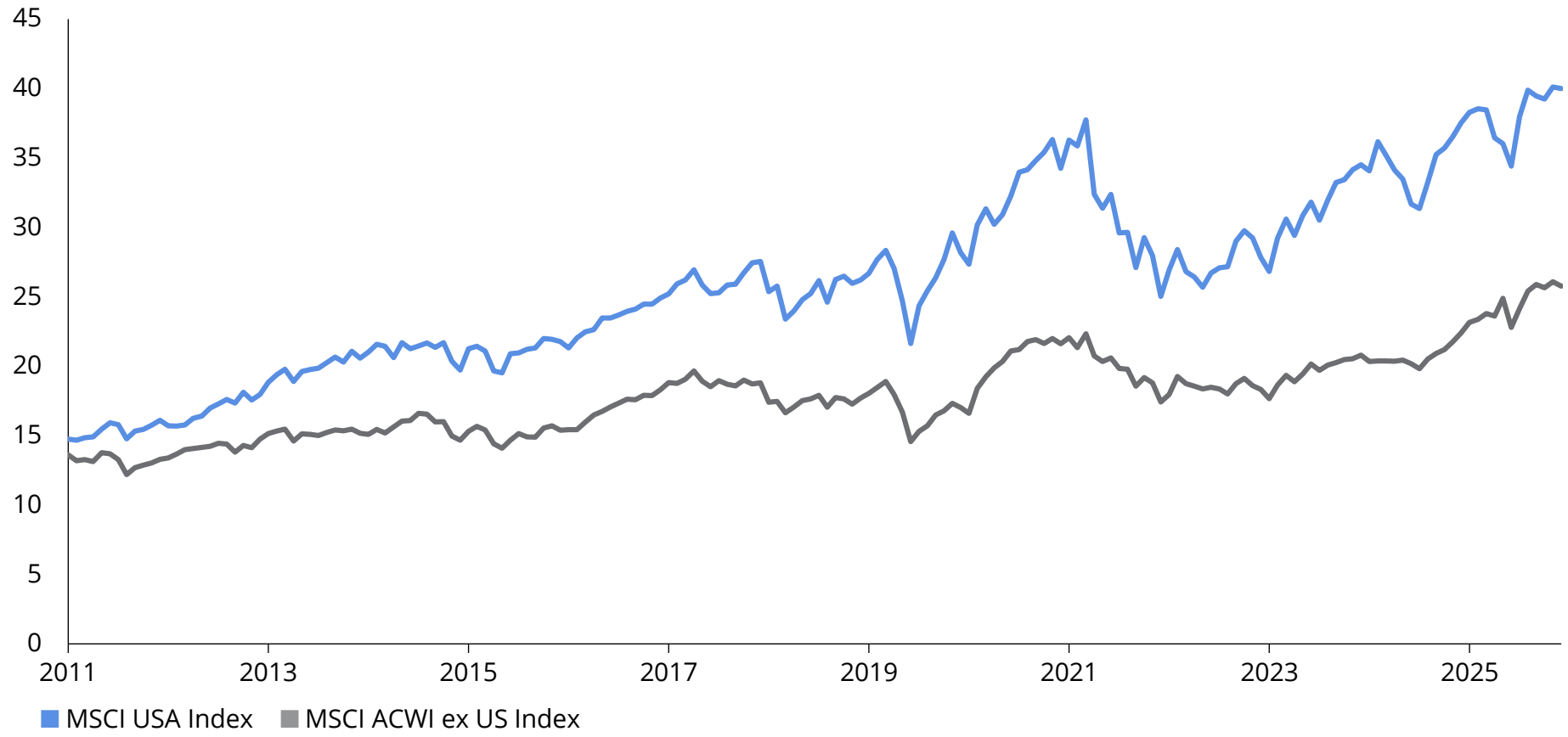


Chart Data: 1/1/11-9/30/26. **Past performance does not guarantee future results.** Cyclically adjusted price-to-earnings ratio is a valuation metric that compares an equity market's current price to its inflation adjusted average earnings over the last 10 years. It is designed to smooth out the business cycle so it is not overly influenced by one unusually good or bad year. Source: Bloomberg, and Hartford Funds, 10/26.

International Valuations Are Attractive

Although international equities typically trade at a discount compared to US equities, they currently offer a more compelling starting point than we've seen in the past two decades.

International Equity Valuation Discount/Premium Relative to Domestic Equities

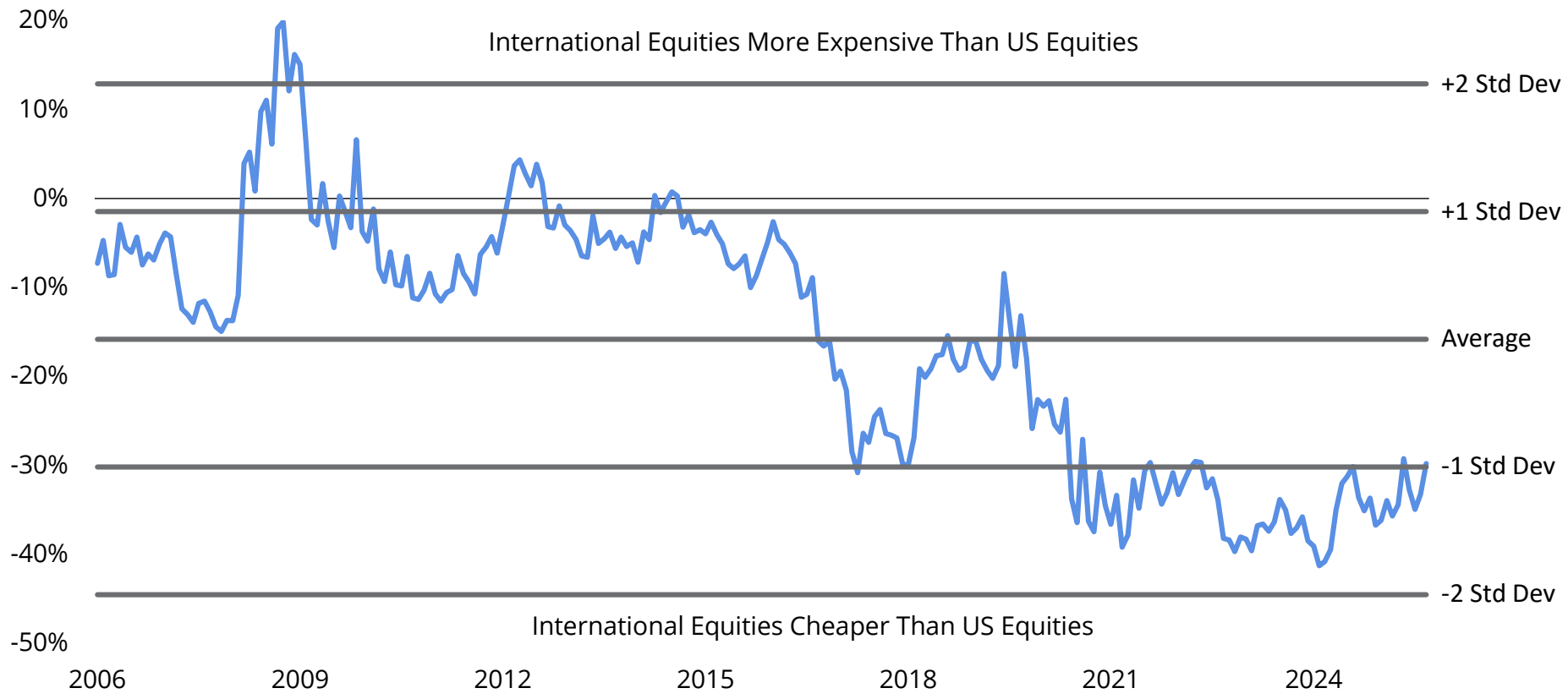
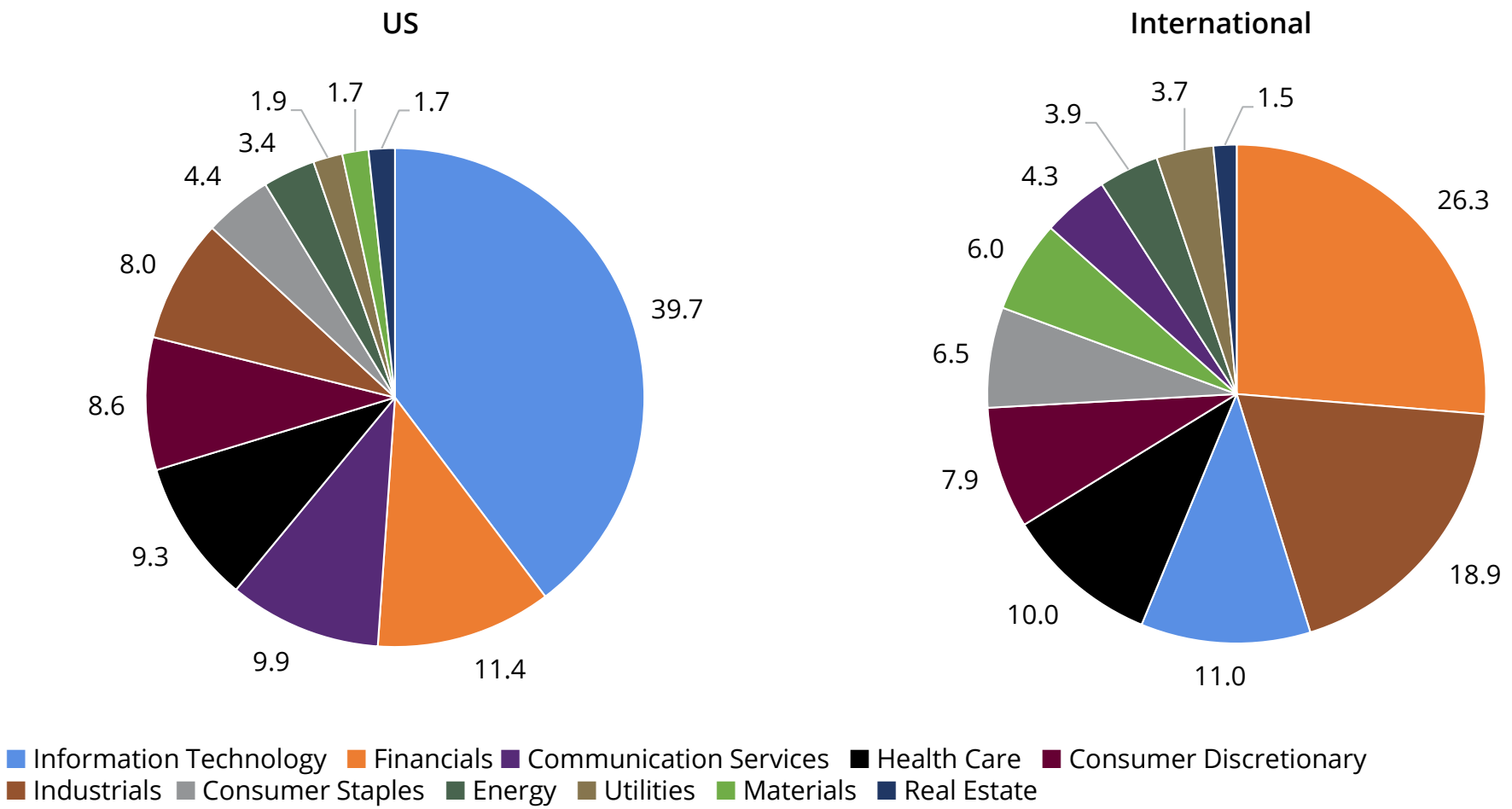


Chart Data: 10/1/06-9/30/26. **Past performance does not guarantee future results.** International Equity Valuations are based on MSCI World ex USA Index, Domestic Equity Valuations are based on S&P 500 Index. Source: Factset and Hartford Funds, 10/26.

Finding Equity Sector Diversification Abroad

Because US indices have different sector allocations than international indices, investors may help reduce unintended sector biases by increasing their allocation to international equities.

Sector Allocation (%)

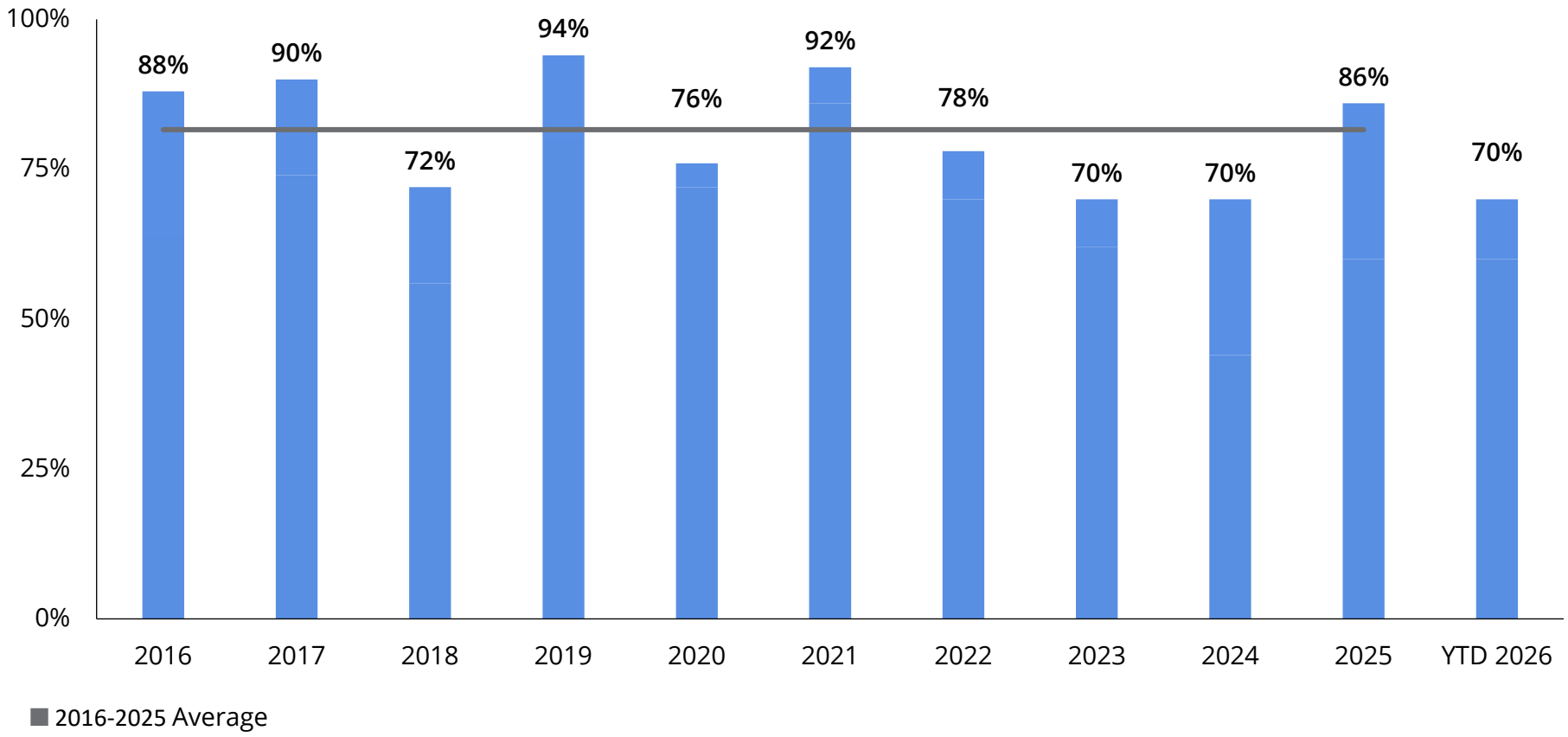


As of 9/30/26. **Past performance does not guarantee future results.** Sector exposures for the US are represented by the S&P 500 Index and for International by the MSCI EAFE Index.
Source: Factset, 10/26.

Most Top Performers Originate Outside of the US

US equities have outperformed international equities over the last decade, but most of the top-performing individual companies originate outside the US.

Percentage of the World's Top 50 Stocks That Are Non-US



As of 9/30/26. **Past performance does not guarantee future results.** Based on the annual calendar-year returns of 50 highest-performing stocks of the MSCI ACWI Index.
Sources: Factset and Hartford Funds, 10/26.

Skipping an Allocation to Emerging-Market Equities Has Been Costly

In times of volatility, it can be tempting to avoid allocating to areas of the market that are perceived as more volatile, such as emerging markets. But staying invested over the long term may help capture the full opportunity.

Performance of a $10,000 Investment in Emerging-Market Equities

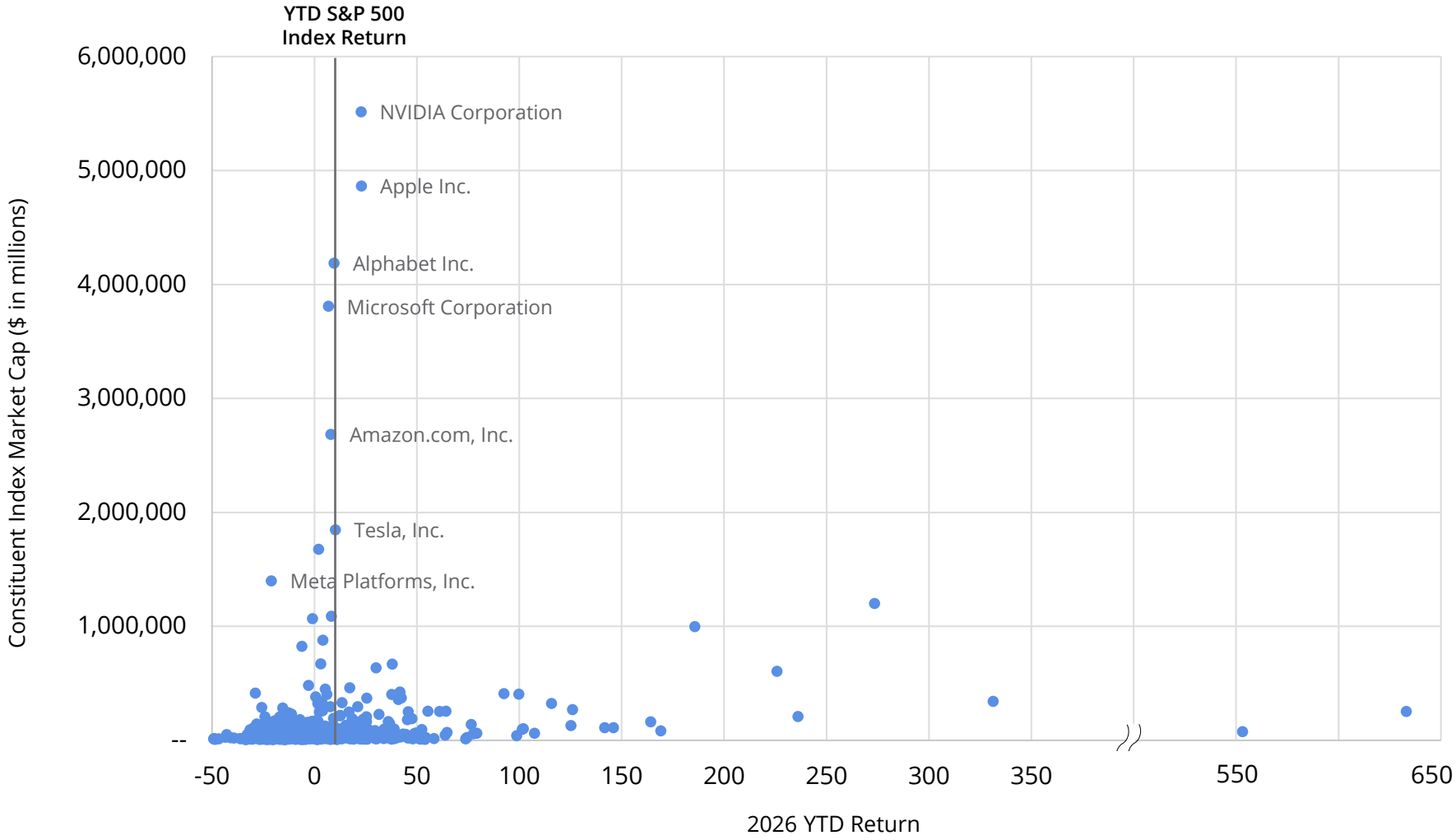
Chart Data: 1/1/01- 9/30/26. **Past performance does not guarantee future results.** Based on the MSCI Emerging Markets Index. Source: NDR and Hartford Funds, 10/26.

The Largest Companies Haven't Driven Returns This Year

Performance has broadened beyond the largest stocks this year, with more companies outperforming the S&P 500 Index vs. last year.

	2025	YTD 2026
% of stocks that outperformed the S&P 500 Index	30	33
% of stocks with flat to negative returns	36	46

S&P 500 Index YTD 2026 Returns (%) and Market Caps



As of 9/30/26. **Past performance does not guarantee future results.** Source: FactSet and Hartford Funds, 10/26.

All-Time Highs Don't Usually Signal the End of a Rally

Investors often view all-time highs as a signal that the market may be approaching volatility or a correction. However, history shows that equities frequently continue to rally beyond these levels.

S&P 500 Index Performance After All-Time Highs				
	1 Year	3 Year	5 Year	10 Year
Average Returns	14.09	12.79	11.77	8.80
% with Positive Returns	87	92	85	90

S&P 500 Index Price

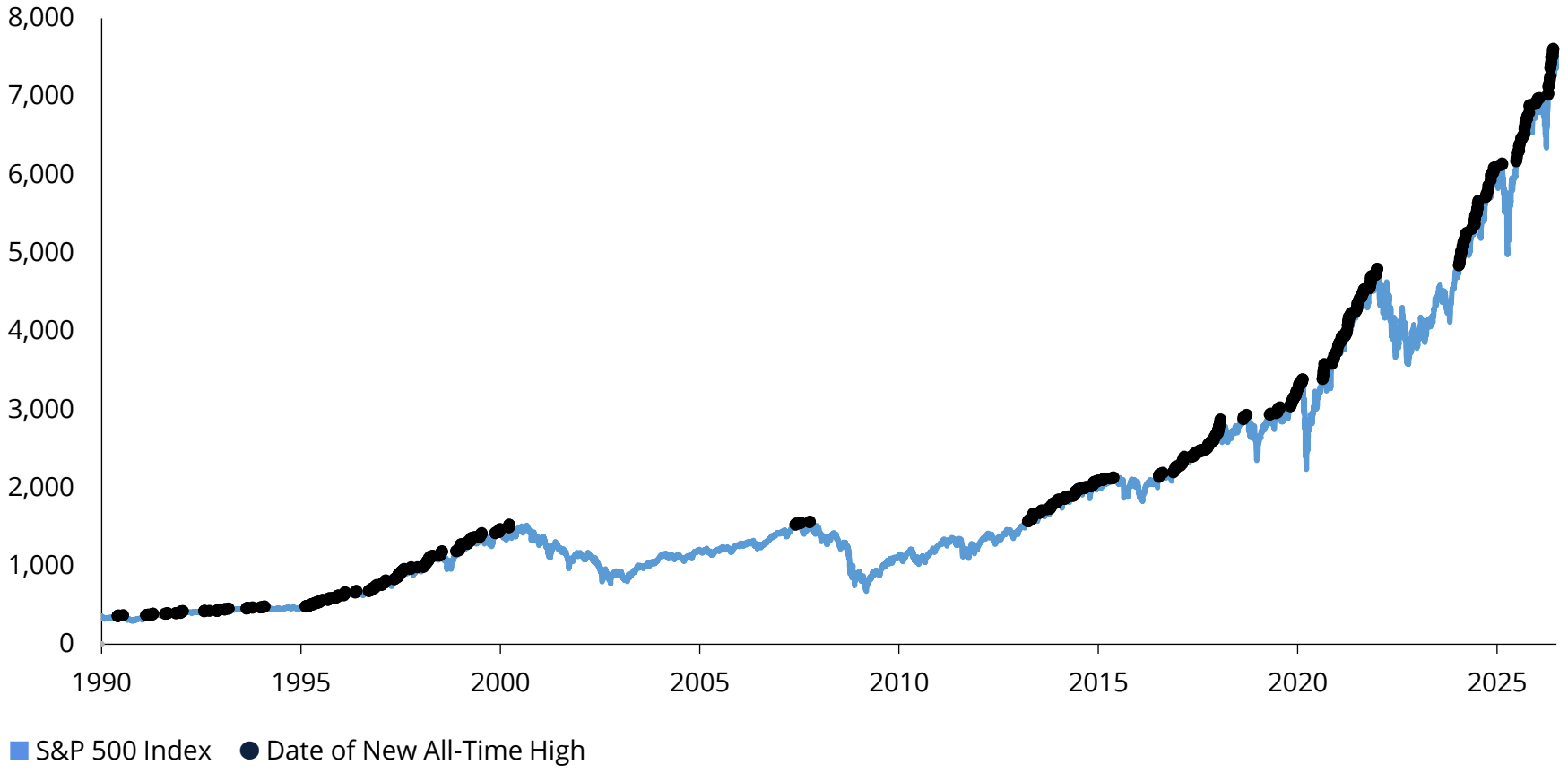
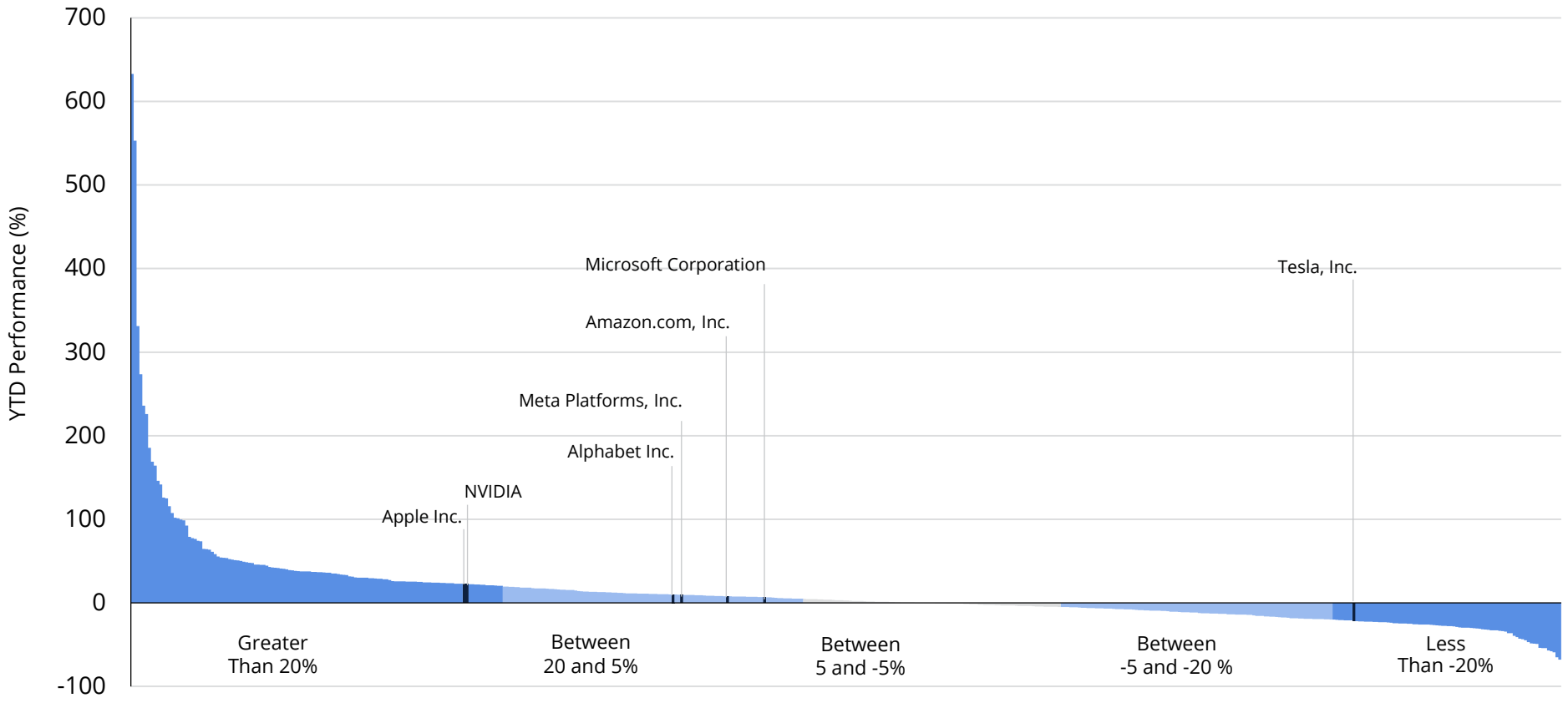


Chart data: 1/1/90-9/30/26. **Past performance does not guarantee future results.** Source: Ned Davis and Hartford Funds, 10/26.

US Equity Performance Has Broadened This Year

Although the S&P 500 Index has had volatile returns this year, many individual stocks have had strong positive performance.

YTD Distribution of Returns (%) for S&P 500 Index



As of 9/30/26. **Past performance does not guarantee future results.** Source: Factset and Hartford Funds, 10/26.

Opportunity Exists Beyond Tech

Large-cap tech has delivered strong performance the past few years, but there have been plenty of opportunities for active managers in other sectors.

Range of S&P 500 Index Company Returns (%) Over the Last Year and Sector Returns

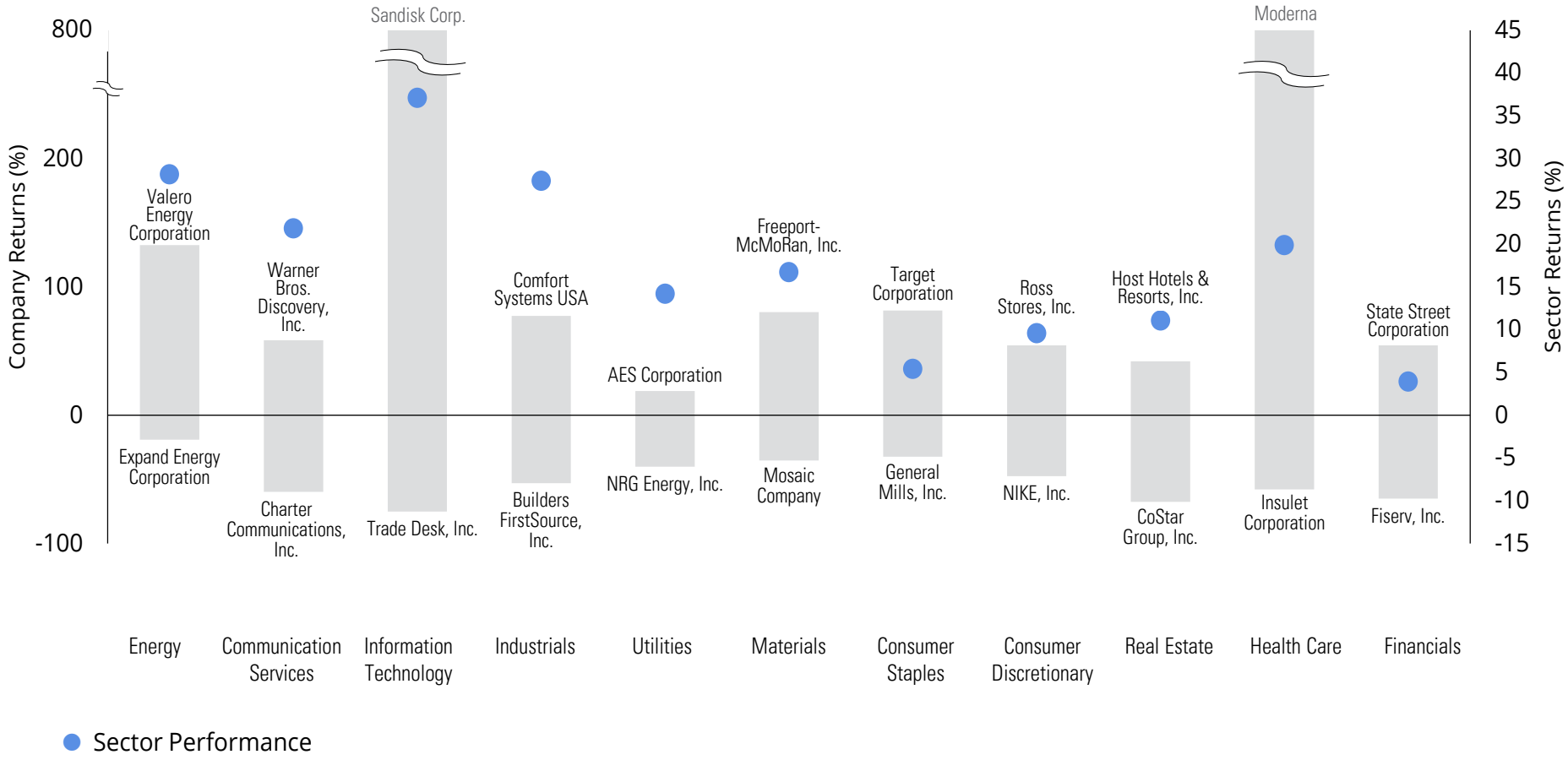


Chart Data: 9/30/25-9/30/26. **Past performance does not guarantee future results.** Source: FactSet and Hartford Funds, 10/26.

What Happened After a Stock Hit the Top 10 in the S&P 500 Index?

Much of the US equity returns in 2025 were driven by the biggest names in the S&P 500 Index. But the performance that got a company into the top 10 hasn't tended to last.

Top 10 Holdings Excess Annual Returns (%) Before and After Joining the S&P 500 Index

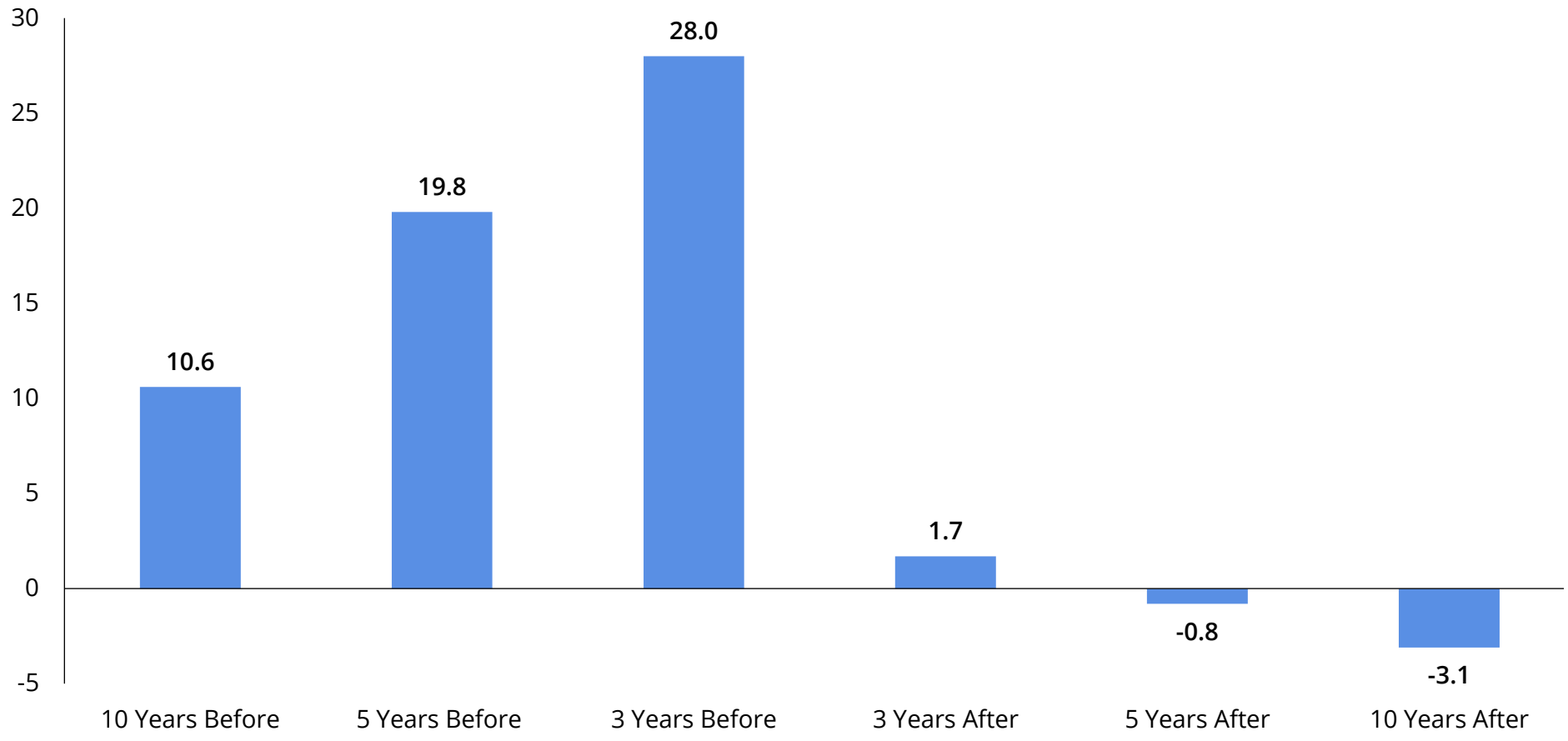


Chart Data: 1/1/85-12/31/25. **Past performance does not guarantee future results.** Companies are sorted every January by beginning-of-month market capitalization to identify first-time entrants into the top 10. Source: FactSet, Morningstar, and Hartford Funds, 1/26.

The Evolution of Top US Holdings

The largest US companies change over time, and today's biggest and best-performing names may not be tomorrow's.

Top Five US Companies by Market Cap

December 2000	
GE	$476 billion
Exxon Mobil	$301 billion
Pfizer	$290 billion
Cisco Systems	$275 billion
Citigroup	$256 billion

December 2005	
GE	$367 billion
Exxon Mobil	$344 billion
Microsoft	$272 billion
Citigroup	$242 billion
Walmart	$195 billion

December 2010	
Exxon Mobil	$364 billion
Apple	$297 billion
Microsoft	$235 billion
Berkshire Hathaway	$198 billion
GE	$194 billion

December 2015	
Apple	$584 billion
Alphabet	$528 billion
Microsoft	$440 billion
Berkshire Hathaway	$325 billion
Exxon Mobil	$324 billion

December 2020	
Apple	$2.2 trillion
Microsoft	$1.7 trillion
Amazon	$1.6 trillion
Alphabet	$1.2 trillion
Meta Platforms	$778 billion

September 2026	
NVIDIA	$5.5 trillion
Apple	$4.9 trillion
Alphabet	$4.2 trillion
Microsoft	$3.8 trillion
Amazon	$2.7 trillion

Chart Data: 12/31/00-9/30/26. Source: Factset and Hartford Funds, 10/26.

Strong Long-Term Performance Regardless of Market Volatility Range

When the VIX, a measure of volatility in US equities, increases, it can cause short-term underperformance but has historically been followed by strong long-term average performance.

S&P 500 Index Returns (%) by VIX Range

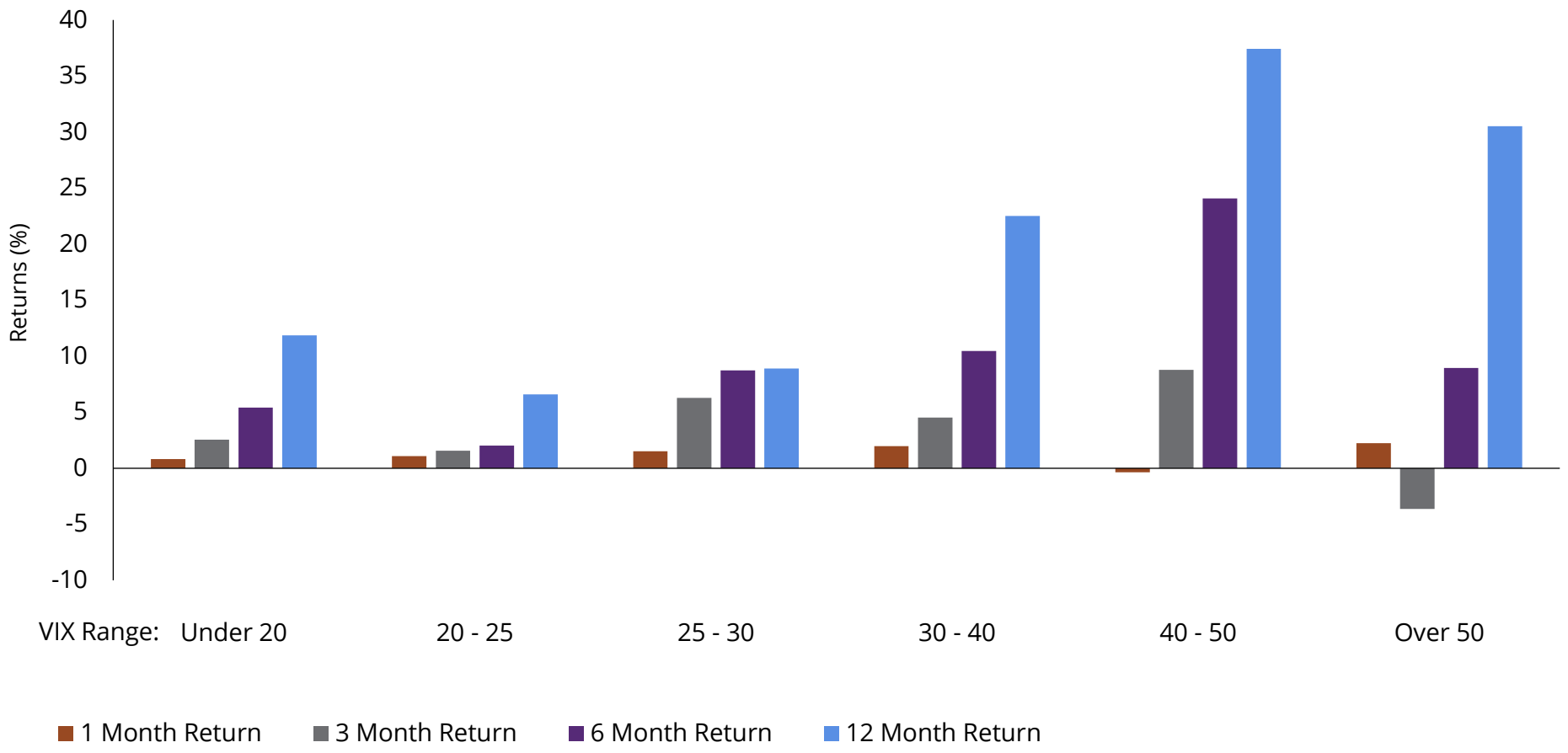


Chart Data: 9/30/06-9/30/26. **Past performance does not guarantee future results.** Source: FactSet and Hartford Funds, 10/26.

Equity Returns Have Historically Been Strong Regardless of Fixed-Income Yields

Median equity returns tend to be strong regardless of what Treasuries are yielding. Equities could be an attractive alternative for investors worried about fixed-income volatility.

Median 1-Year S&P 500 Index Return (%) Based on 10-Year Treasury Yield Range

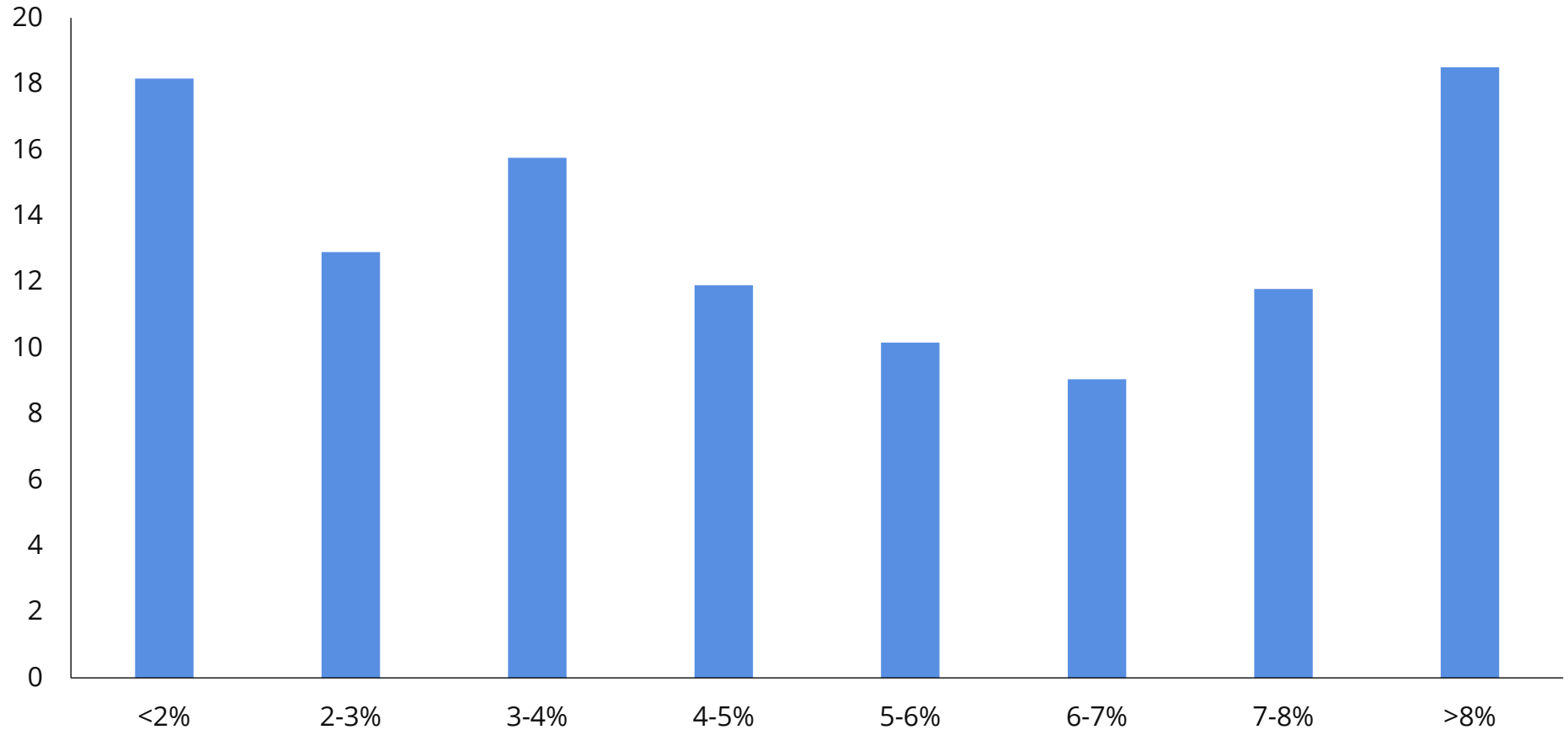


Chart Data: 1/30/70-9/30/26. **Past performance does not guarantee future results.** Source: Morningstar, Factset, and Hartford Funds, 10/26

The Average US Stock May Not Be as Expensive as It Seems

Valuations on a stock-by-stock level look much more attractive for an equal-weighted index than a market-cap weighted index, a sign that broad market valuations are being inflated by the biggest names in the S&P 500 Index.

Price-to-Earnings Ratio of S&P 500 Index vs. S&P 500 Equal Weighted Index

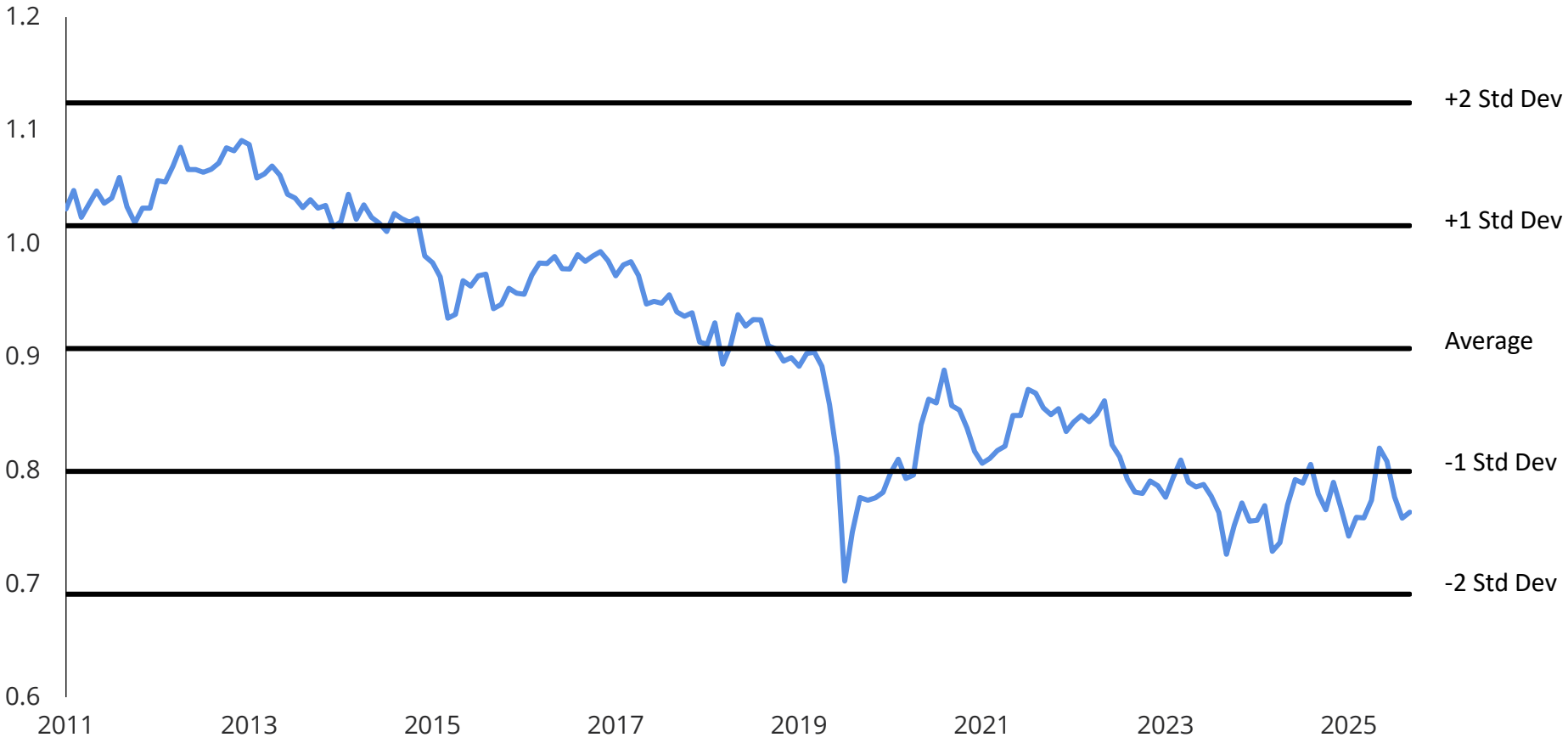
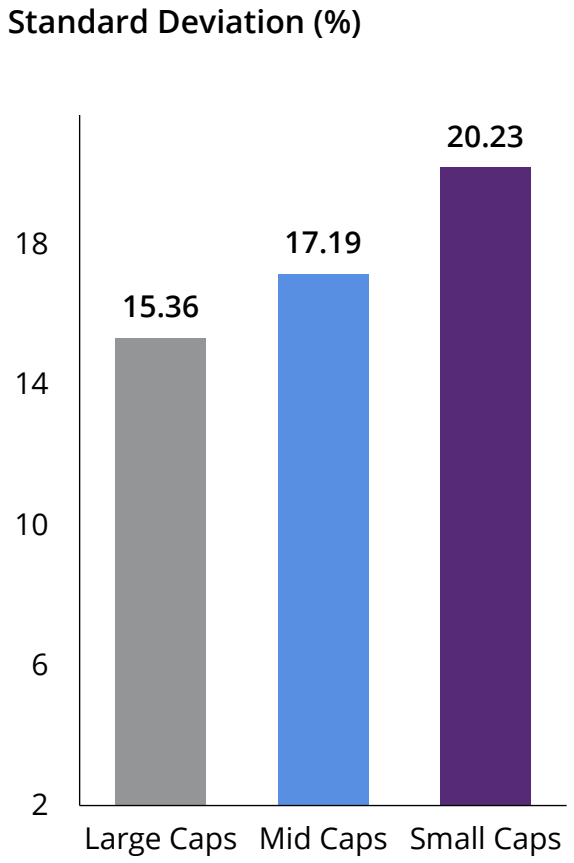
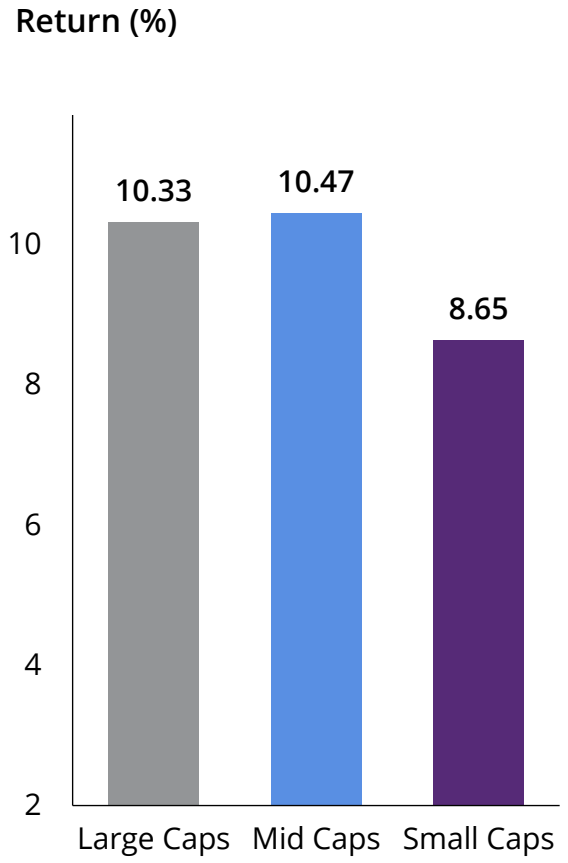


Chart Data: 10/30/11-9/30/26. **Past performance does not guarantee future results.** Source: Morningstar, Factset, and Hartford Funds, 10/26.

Mid Caps Have Provided Strong Returns Over Time

Mid-cap companies have provided attractive long-term risk-adjusted returns relative to large caps and small caps. This highlights their potential diversification benefits.





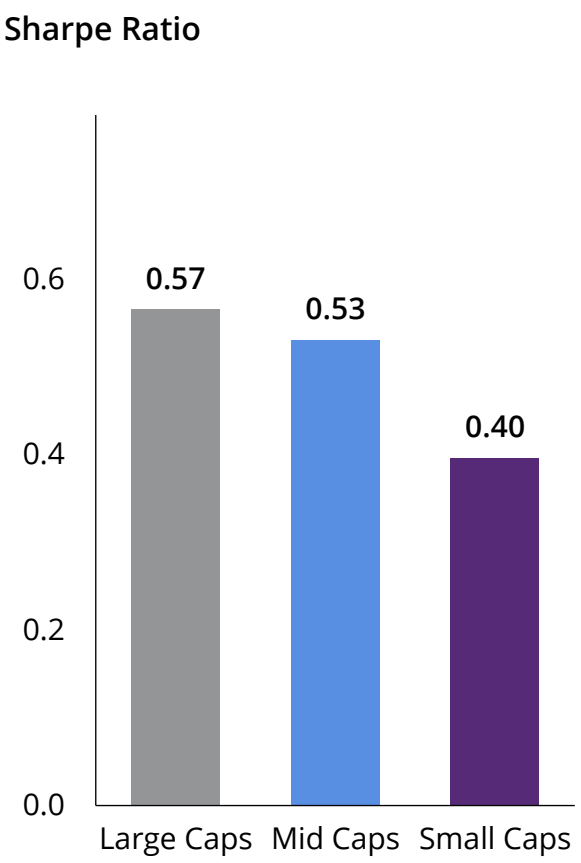


Chart Data: 10/1/96- 9/30/26. **Past performance does not guarantee future results.** Sharpe Ratio is a measure of the excess fund returns per unit of risk, as measured by standard deviation. Large Caps are represented by S&P 500 Index; Mid Caps are represented by Russell Mid Cap Index; Small Caps are represented by Russell 2000 Index. Data Source: Morningstar, and Hartford Funds, 10/26.

Growth and Value Stocks Have Traded Periods of Outperformance

Growth stocks have outpeformed value stocks in recent years, but history shows that value stocks typically rebound after long stretches of underperformance.

Monthly Rolling 5-Year Relative Returns (%)

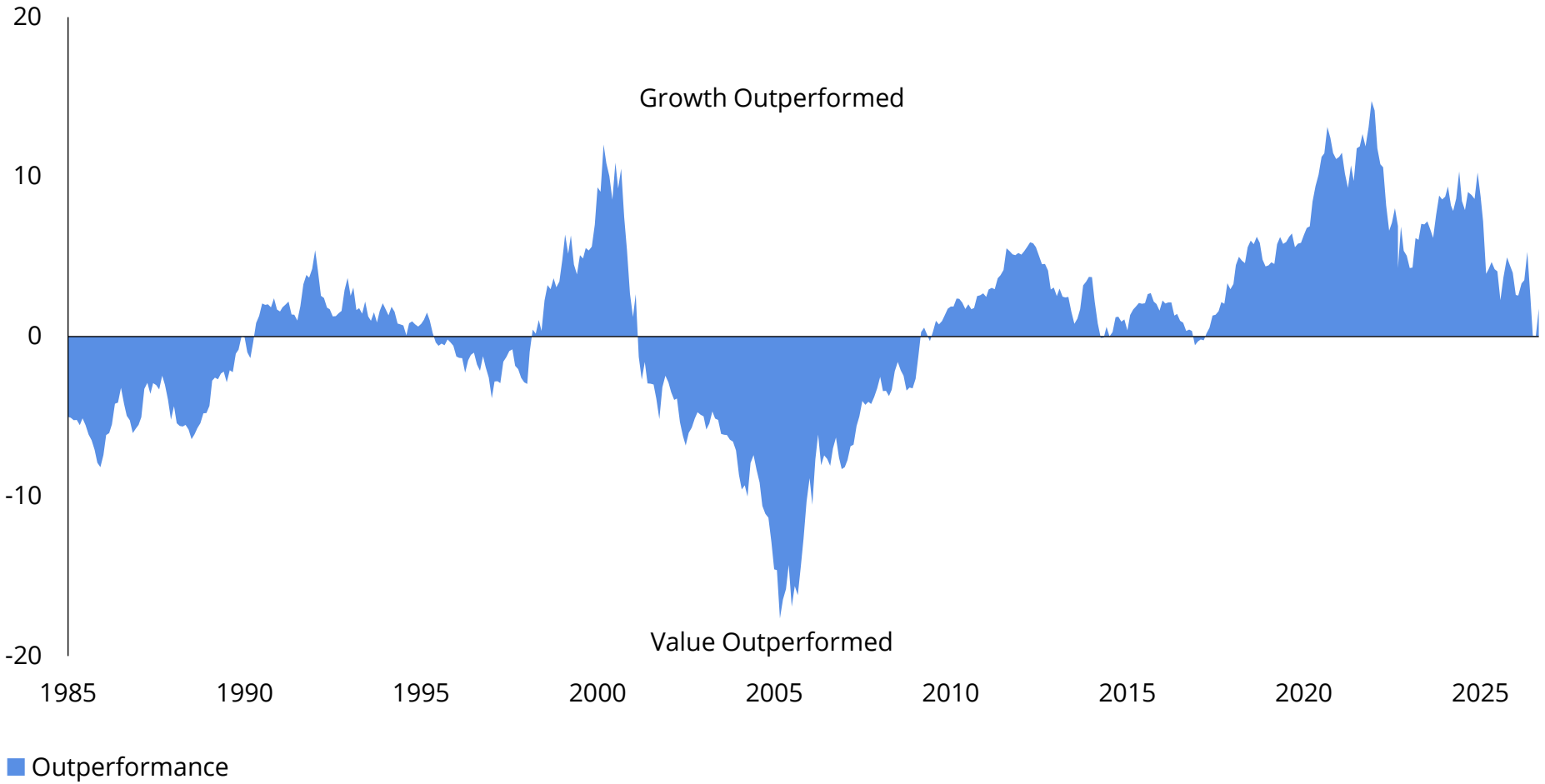
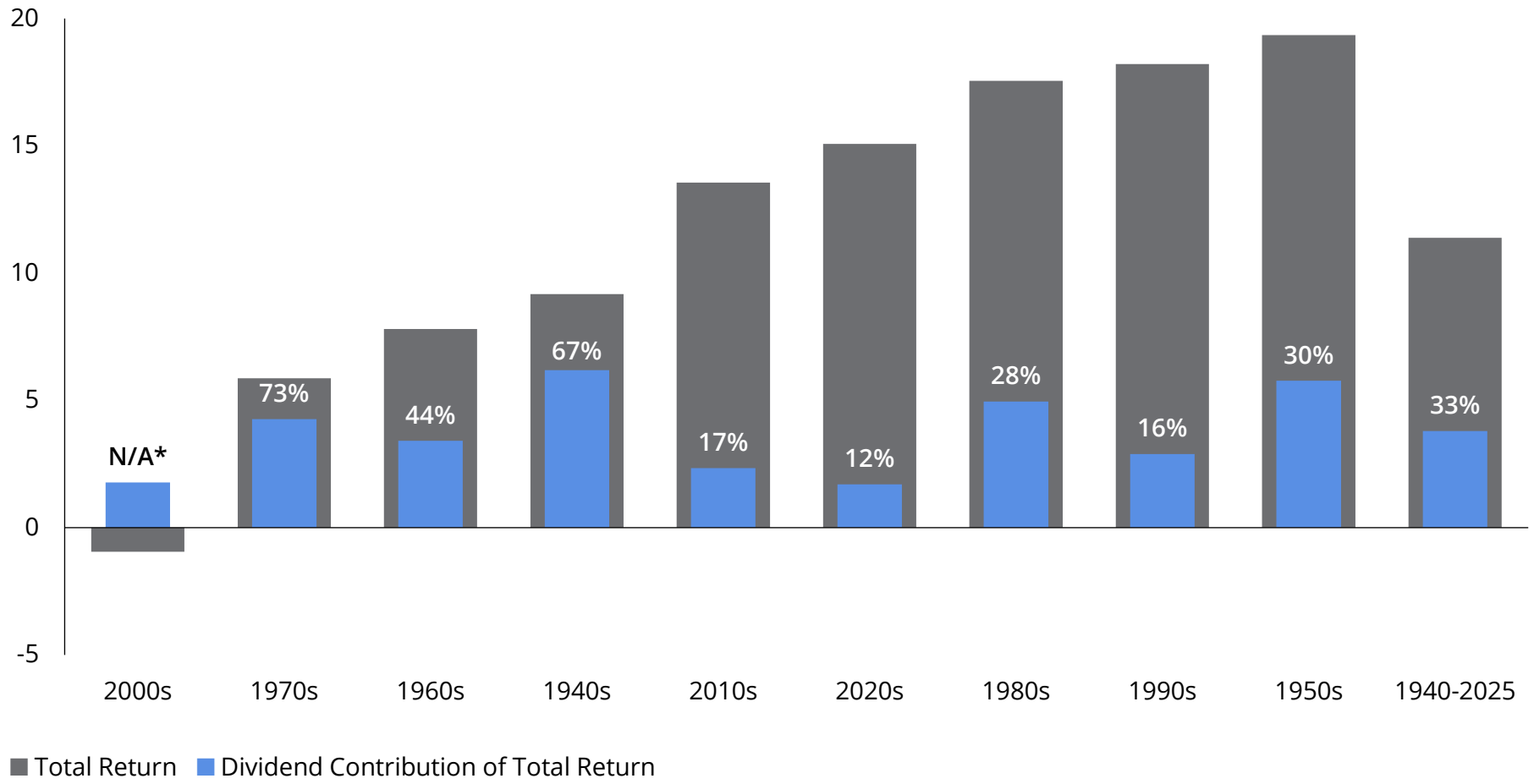


Chart Data: 1/1/85-9/30/26. **Past performance does not guarantee future results.** Growth is represented by the Russell 1000 Growth Index, Value is represented by the Russell 1000 Value Index. Source: Morningstar and Hartford Funds, 10/26.

Dividends Have Had the Biggest Impact When Total Returns Were Low

In decades when S&P 500 Index returns were lower than 10%, dividends made up a significant portion of the total return.

S&P 500 Index Annualized Total Return (%) Ascending by Decade



As of 12/31/25. **Past performance does not guarantee future results.** *Total return for the S&P 500 Index was negative for the 2000s. Dividends provided a 1.8% annualized return over the decade. For illustrative purposes only. Source: Morningstar and Hartford Funds, 1/26.

The Importance of Growing Dividends

Companies that initiate or grow dividends have delivered the highest returns among dividend payers—with lower overall risk.

Return and Risk of S&P 500 Stocks by Dividend Policy (%)

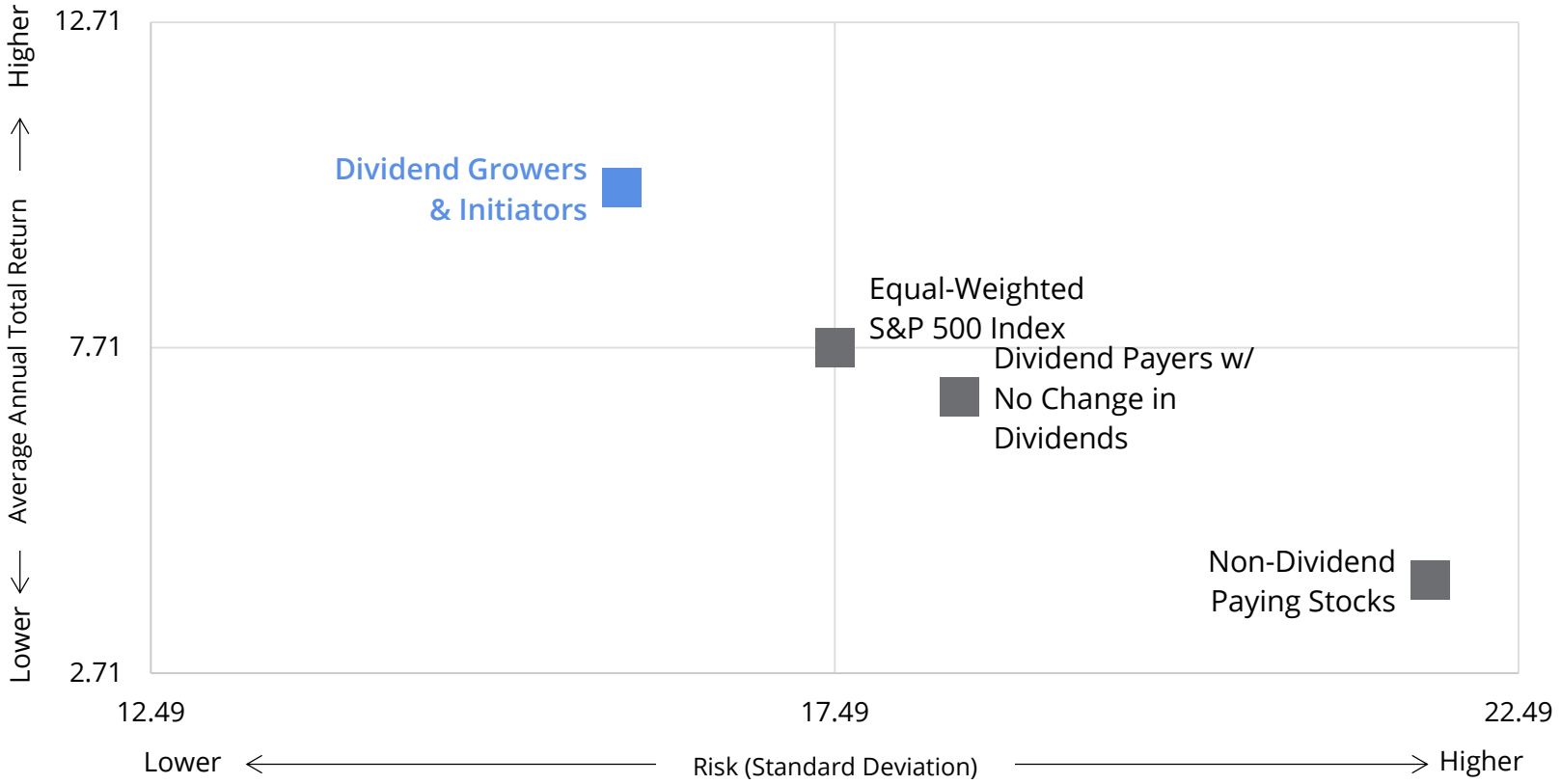


Chart Data: 1/1/73-9/30/26. **Past performance does not guarantee future results.** Ned Davis Research conducted a study in which they divided companies into two groups based on whether they paid a dividend during the previous 12 months: dividend-paying stocks or non-dividend paying stocks. The dividend-paying stocks were then divided into groups based on their dividend payout behavior during the previous 12 months. Dividend Growers and Initiators include stocks that increased their dividend anytime in the last 12 months. Once an increase occurs, it remains classified as a grower for 12 months or until another change in dividend policy. Dividend Payers with No Change stocks include stocks that maintained their existing indicated annual dividend for the last 12 months. Source: Ned Davis Research and Hartford Funds, 10/26.

Index definitions

Bloomberg Emerging Markets Aggregate Bond Index measures USD-denominated debt from sovereign, quasi-sovereign, and corporate emerging-market issuers.

Bloomberg Global Government Index refers to a category of indices tracking various segments of the global government debt market

Bloomberg Municipal Bond Index is designed to cover the USD-denominated long-term tax-exempt bond market.

Bloomberg 1-3 Year U.S. Government/Credit Index is an unmanaged index comprised of the U.S. Government/Credit component of the Bloomberg U.S. Aggregate Bond Index.

Bloomberg US ABS Index tracks the ABS component of the Bloomberg US Aggregate Bond Index.

Bloomberg US Aggregate Bond Index is composed of securities that cover the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Bloomberg US CMBS Investment Grade Index measures the performance of U.S. investment-grade, fixed-rate, taxable Commercial Mortgage-Backed Securities (CMBS).

Bloomberg US Corporate High Yield Bond Index is an unmanaged broad-based market-value-weighted index that tracks the total return performance of non-investment grade, fixed-rate, publicly placed, dollar denominated and nonconvertible debt registered with the Securities and Exchange Commission.

Bloomberg US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market.

Bloomberg US MBS Index tracks fixed-rate agency mortgage backed pass-through securities guaranteed by Ginnie Mae, Fannie Mae, and Freddie Mac.

Bloomberg US Securitized Index is a market-value-weighted index that tracks the performance of investment-grade, U.S. dollar-denominated securitized debt, including agency mortgage-backed securities (MBS), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS).

Bloomberg US Treasury Bill 1-3 Month Index measures the performance of public obligations of the US Treasury that have a remaining maturity of 1-3 months.

Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury.

IA SBBI US 30 Day T-Bill Index is a total return benchmark that measures the performance of a single issue of outstanding U.S. Treasury Bills with approximately one month to maturity.

IA SBBI US LT Gov Index is a total return index that measures the historical performance of long-term U.S. government bonds.

Morningstar LSTA US Leveraged Loan Index is a market-value-weighted index that is designed to measure the performance of the US leveraged loan market based upon market weightings, spreads and interest payments.

MSCI ACWI Index is a free float-adjusted market capitalization index that measures equity market performance in the global developed and emerging markets, consisting of developed and emerging market country indices.

MSCI ACWI ex USA Growth Index is a free-float adjusted market-cap weighted index designed to capture large- and mid-cap securities that exhibit overall growth style characteristics across developed and emerging market countries, excluding the US MSCI index performance.

MSCI ACWI ex USA Value Index is a free-float adjusted market-cap weighted index designed to capture large- and mid-cap securities that exhibit overall value style characteristics across developed and emerging market countries, excluding the US MSCI index performance.

MSCI EAFE Index measures equity from developed-market countries in Europe, Australasia, and the Far East.

MSCI EAFE Growth Index is a free-float weighted index. The Index represents the securities classified as “growth” securities by MSCI that are members of the MSCI EAFE Index.

MSCI EAFE Value Index is a free-float weighted index. The Index represents the securities classified as “value” securities by MSCI that are members of the MSCI EAFE Index.

MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index that is designed to measure equity market performance in the global emerging markets.

MSCI Europe ex UK Index captures large and mid-cap representation across developed countries in Europe, excluding the United Kingdom

MSCI Japan Index measures the performance of large and mid-cap equity segments within Japan.

MSCI United Kingdom Index is designed to measure the performance of large and mid-cap equity securities across the UK market

MSCI USA Index is a market capitalization index that measures the performance of large and mid-cap stocks in the United States.

MSCI World ex USA Index is a free float-adjusted market capitalization index that captures large and mid cap representation across developed markets countries excluding the United States.

Russell 1000 Growth Index is an unmanaged index which measures the performance of those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe.

Russell 1000 Value Index is an unmanaged index measuring the performance of those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index is an unmanaged index of those Russell 2000 Index growth companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe.

Russell 2000 Value Index measures the performance of small-cap value segment of the US equity universe. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

Russell Mid Cap Growth Index measures the performance of the mid-cap growth segment of the US equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values.

Russell Mid Cap Index measures the performance of the mid-cap segment of the US equity universe.

Russell Mid Cap Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Index is a market capitalization-weighted price index composed of 500 widely held common stocks.

S&P 500 Equal Weighted Index is the equal-weighted version of the S&P 500 Index.

U.S. Dollar Index is a measure of the value of the United States dollar relative to a basket of foreign currencies.

This presentation is for illustrative purposes only and should not be construed as investment advice. They are based on available information and are subject to change without notice.

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Important Risks: 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. • Investments in high-yield ("junk") bonds are considered speculative, involve heightened credit risk and greater risk of price volatility, illiquidity, and default than investment grade bonds • Municipal securities may be adversely impacted by state/local, political, economic, or market conditions. Although municipal securities are exempt from federal income taxes, investors may be subject to the federal Alternative Minimum Tax as well as state and local income taxes. Capital gains, if any, are taxable. • The risks associated with mortgage-related and asset-backed securities as well as collateralized loan obligations (CLOs) include credit, interest-rate, prepayment, liquidity, default and extension risk. • Foreign investments may be more volatile and less liquid than US investments and are subject to the risk of currency fluctuations and adverse political, economic and regulatory developments. These risks may be greater, and include additional risks, for investments in emerging markets. • Small-and mid-cap securities can have greater risks and volatility than large-cap securities.

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