

# Waking Up to the Future

How 125 Years of Innovation  
Prepare Us for the Age of AI



# We've Been Here Before

We've identified five inflection points that dramatically shaped our nation:

**Phase 1:** The Age of Industrialization and World Wars (1900–1945)

**Phase 2:** Postwar Prosperity and Social Transformation (1946–1973)

**Phase 3:** Globalization, Technology, and Social Change (1974–2000)

**Phase 4:** The Digital and Information Age (2001–2020)

**Phase 5:** The Era of Uncertainty and Transformation (2021–Present)





## A Historical Lens: The Rip Van Winkle Effect

To help put today's changes in context, we'll use the Rip Van Winkle Effect—a metaphor for waking up after decades asleep and finding the world transformed.





## Time Asleep: 1900-1945

# The Age of Industrialization and World Wars

- Rapid progress
- Automated manufacturing
- Interconnected world

# Major Inventions and Their Impact



**Automobile**



**Radio**



**Airplane**



**Telephone**



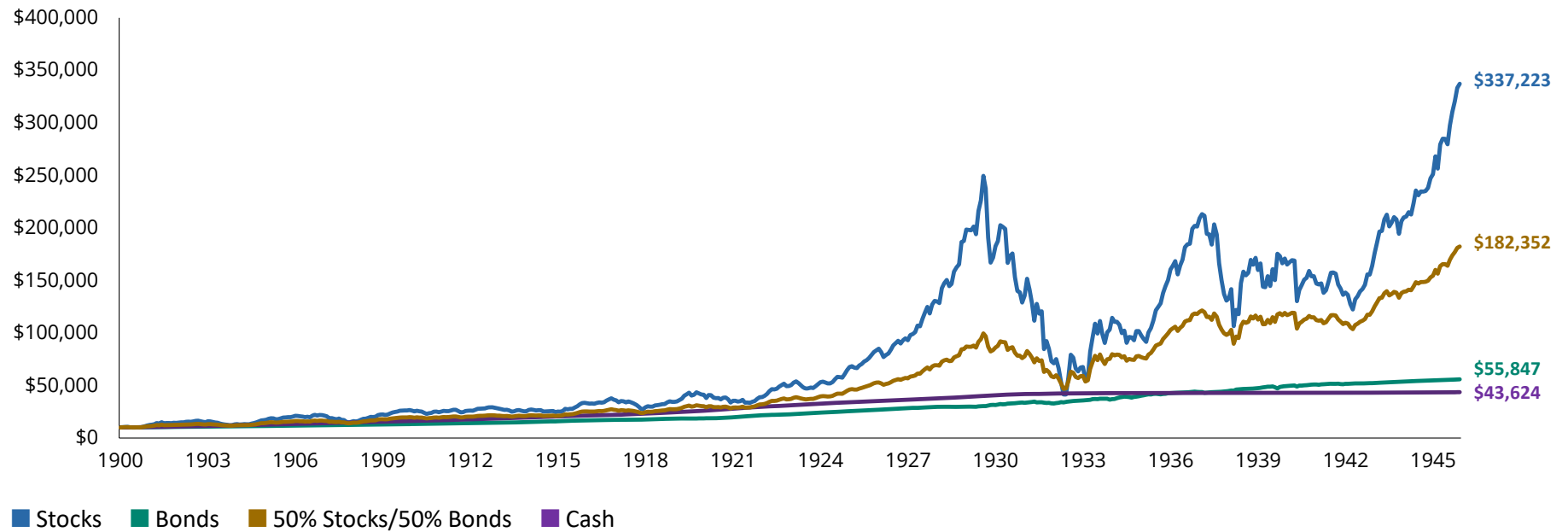
**Assembly Line**

## Innovation Predictions: What Experts Got Right and Wrong

What They Got Right	What They Got Wrong
“Automobiles will replace horse travel.” – John Elfreth Watkins, civil engineer, 1900	“The automobile is only a novelty—a fad.” – Michigan Savings Bank president, 1903
“We will have hot and cold air from spigots.” – Watkins, 1900	“Recorded music will destroy all musical ability.” – John Philip Sousa, 1906
“Live performances will be broadcast remotely.” – Hildebrand “Life in 2000” postcard, 1900	“Everything will be made of steel.” – Thomas Edison, 1911
“Trains will reach speeds of 150 mph.” – Watkins, 1900	“Brains can’t keep up with cars going 80 mph.” – The New York Times, 1904

## PHASE 1: The Age of Industrialization and World Wars

### Growth of \$10,000: Stocks, Bonds, 50/50 Portfolio, and Cash (1900-1945)



**Past performance does not guarantee future results.** The performance shown is index performance and is not indicative of any Hartford Funds product. Indices are unmanaged and not available for direct investment. Stock returns prior to 1926 are based on the Cowles Commission Composite Index of US common stocks as compiled by Robert Shiller and by Ibbotson data thereafter. Bond returns prior to 1926 are based on the Shiller Long-Term US Government Bond Proxy and by IA SBBI LT Government Index thereafter. Cash returns prior to 1926 are represented by bank deposit rates and by IA SBBI US 30 Day T-Bill Index thereafter. See slide 29 for index definitions. For illustrative purposes only. Data Sources: NBER and Morningstar, 1/26.



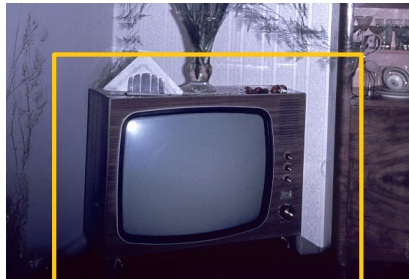
## Time Asleep: 1946-1973

# Postwar Prosperity and Social Transformation

- Strong economic growth
- GI Bill
- Suburbs thrive

## PHASE 2: Postwar Prosperity and Social Transformation

### Major Inventions and Their Impact



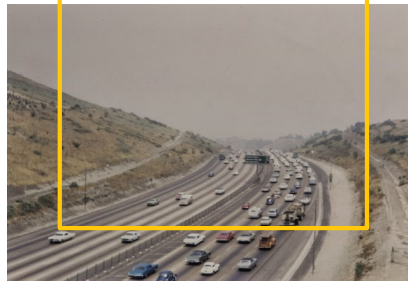
**Television**



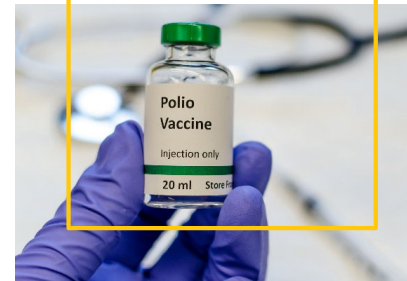
**Commercial Jet**



**Home Appliances**



**Interstate Highway**



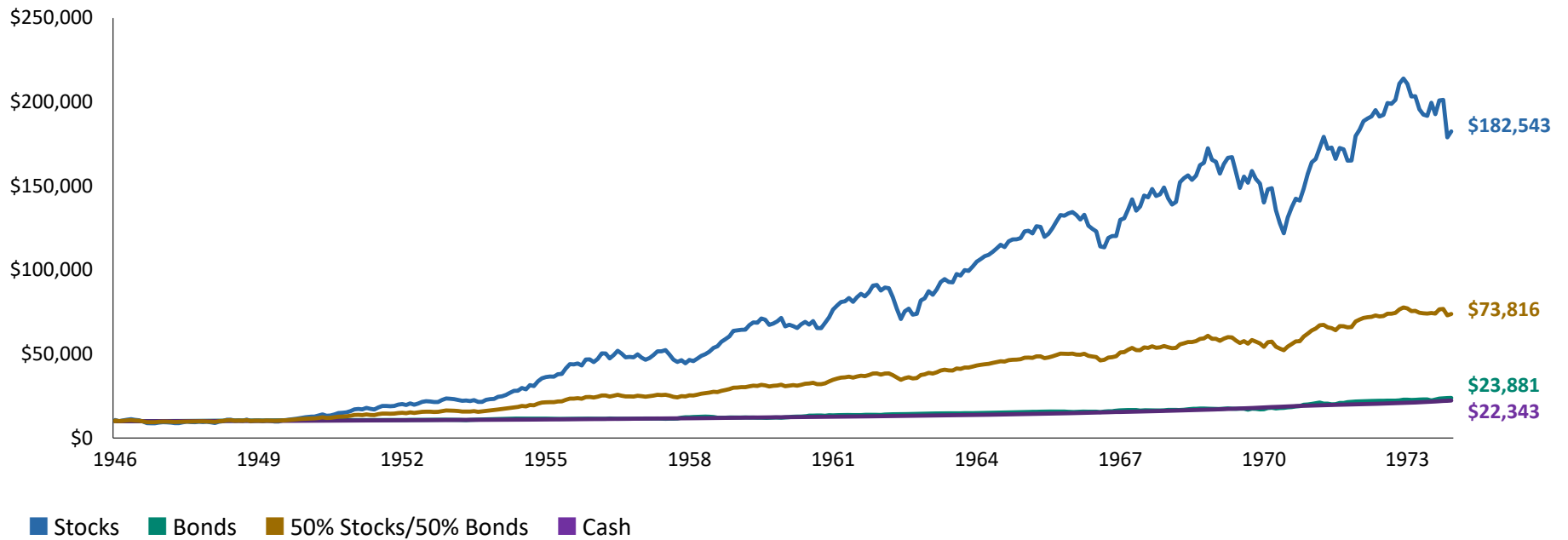
**Polio Vaccine**

## Innovation Predictions: What Experts Got Right and Wrong

What They Got Right	What They Got Wrong
<p>“Television is a medium which lends itself to manipulation, exploitation, and gimmicks. It can be abused by demagogues, by appeals to emotion and prejudice and ignorance.” – Senator John F. Kennedy, 1959</p>	<p>On the cost of nuclear power: “It is not too much to expect that our children will enjoy in their homes electrical energy too cheap to meter.” – Lewis Strauss, chair of the US Atomic Energy Commission, 1954</p>
<p>“Suburbia is becoming the most important single market in the country ... All suburbs are not alike, but they are more alike than they are different.” – William H. Whyte, sociologist and journalist, 1956</p>	<p>“Machines will be capable within 20 years of doing any work a man can do.” – Herbert Simon, Nobel Prize Winner, 1956</p>
<p>The US space program is “America’s greatest generator of new ideas in science and technology.” – Wernher von Braun, aerospace engineer, 1958</p>	<p>“I’m convinced that before the year 2000 is over, the first child will have been born on the moon.” – Wernher von Braun, aerospace engineer, 1972</p>

## PHASE 2: Postwar Prosperity and Social Transformation

### Growth of \$10,000: Stocks, Bonds, 50/50 Portfolio, and Cash (1946-1973)



**Past performance does not guarantee future results.** Stocks are represented by the Ibbotson Large Company Stock Index from 1957 until February 1970 using the S&P 500 Composite Index and its historical predecessor series, the S&P 90 Index, prior to this, and by the S&P 500 Index thereafter. Bonds are represented by the IA SBBI LT Government Index. Cash returns are represented by the IA SBBI US 30 Day T-Bill Index. See slide 29 index definitions. For illustrative purposes only. Data Source: Morningstar, 1/26.

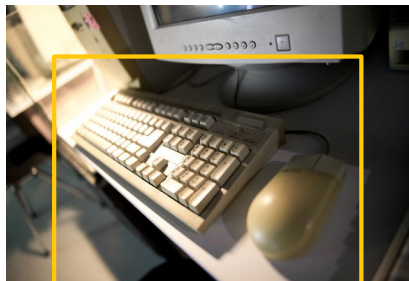


## Time Asleep: 1974-2000

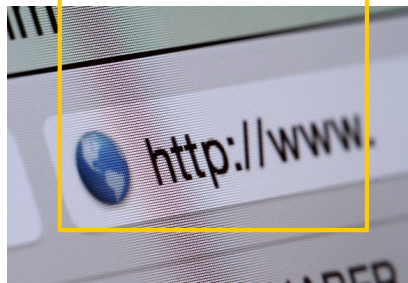
# Globalization, Technology, and Social Change

- Global integration
- Service economy
- Digital foundations

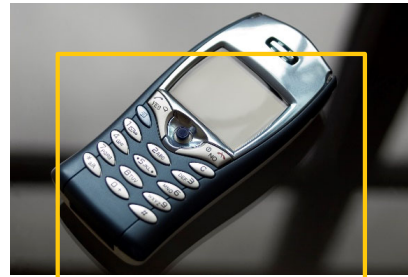
## Major Inventions and Their Impact



**Personal Computer**



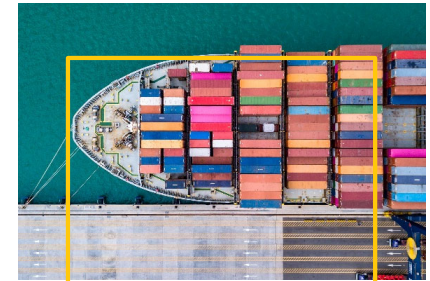
**Internet**



**Mobile Phone**



**ATM**



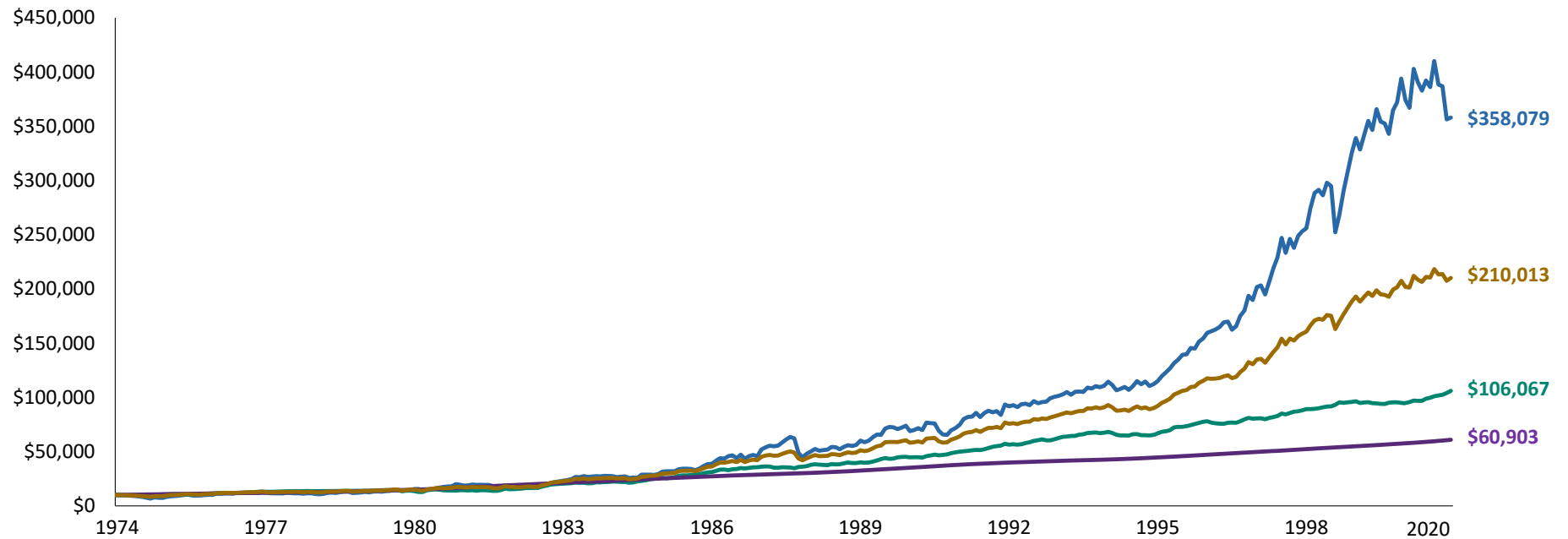
**Global Supply Chain**

## Innovation Predictions: What Experts Got Right and Wrong

What They Got Right	What They Got Wrong
<p>“Arguing against globalization is like arguing against the laws of gravity.” – Kofi Annan, 2000</p>	<p>“Somehow, the microcomputer industry has assumed that everyone would love to have a keyboard grafted on as an extension of their fingers. It just is not so.” – The New York Times, 1985</p>
<p>“Video conferencing bears a terrifying promise: Distance will no longer be an excuse for not attending meetings.” – Steve Steinberg of Wired Magazine, 1994</p>	<p>“The only people using [ATMs] were call girls and gamblers who didn’t want to deal with tellers face to face.” – Luther Simjian, inventor of the Bankograph, 1997</p>
<p>“The computer will increasingly replace the commuter.” – Gerald Celente, director of the Trends Research Institute, 1994</p>	<p>“The Y2K problem is the electronic equivalent of the El Niño, and there will be nasty surprises around the globe.” – John Hamre, US Deputy Secretary of Defense, 1999</p>

## PHASE 3: Globalization, Technology, and Social Change

### Growth of \$10,000: Stocks, Bonds, 50/50 Portfolio, and Cash (1974-2000)



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## Time Asleep: 2001-2020

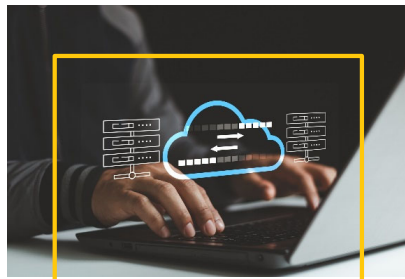
# The Digital and Information Age

- Mobile-first culture
- Smartphones
- Data drives analytics

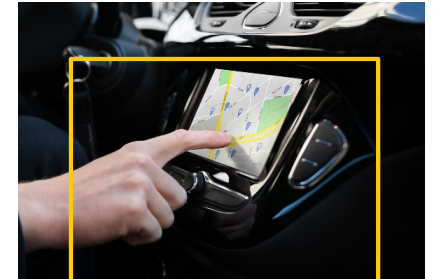
## Major Inventions and Their Impact



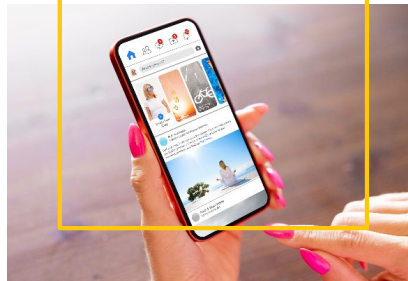
**Smartphones**



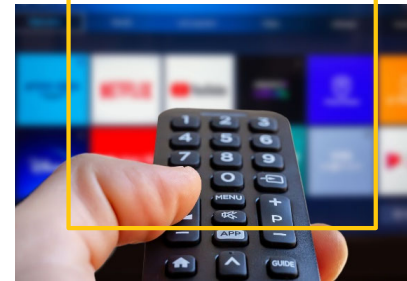
**Cloud Computing**



**GPS Navigation**



**Social Media**



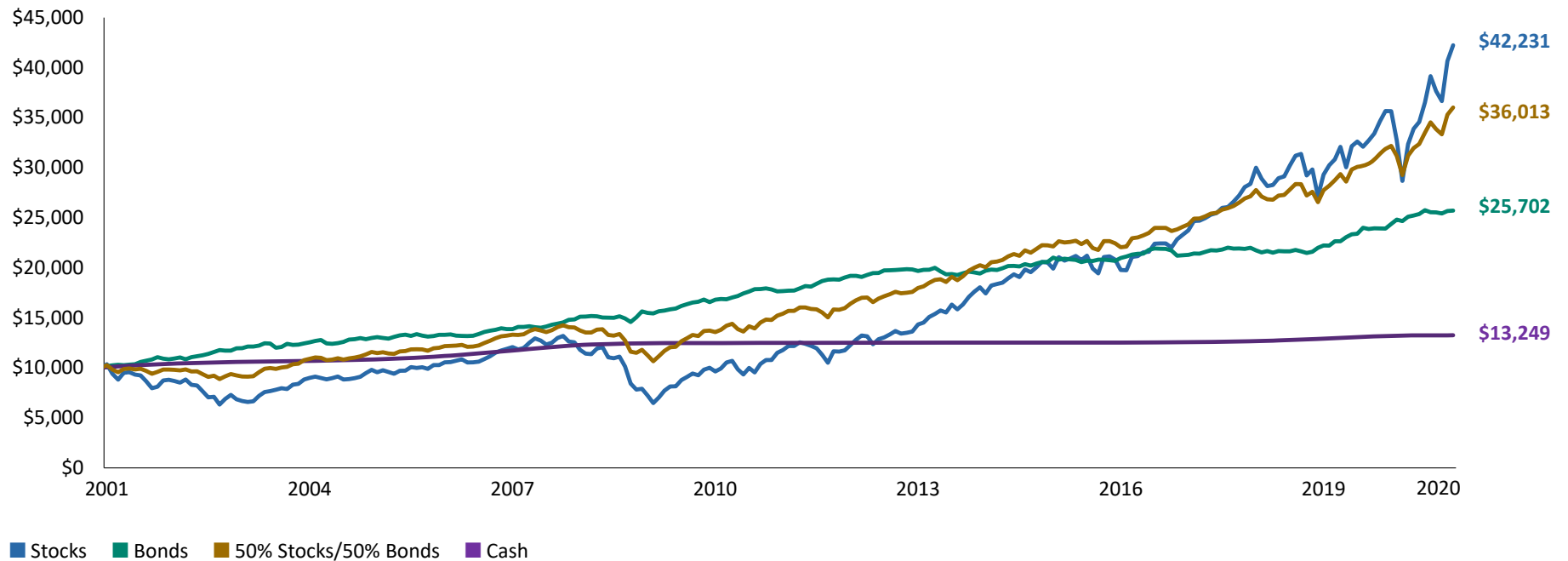
**Streaming Services**

## Innovation Predictions: What Experts Got Right and Wrong

What They Got Right	What They Got Wrong
<p>“Digital cameras will be ubiquitous, with just about everyone using computers to edit photos and digital video.” – Michael J. Miller, CIO at Ziff Brothers Investments, 2001</p>	<p>“People don’t want to buy their music as a subscription. They bought 45s, LPs, cassettes, 8-tracks, and CDs. They’re going to want to buy downloads.” – Steve Jobs, former Apple CEO, 2003</p>
<p>“Social media isn’t a fad, it’s a fundamental shift in the way we communicate.” – Erik Qualman, author of Socialnomics, 2009</p>	<p>“Flying cars will break the bonds of road and traffic.” – Steven Crow, NASA-affiliated researcher [Frequently cited in 2000s transportation discourse]</p>
<p>“Data is the new oil.” – Clive Humby, British data scientist, 2006</p>	<p>“Cities will be built around this device (the Segway).” – John Doerr, venture capitalist, 2001</p>

## PHASE 4: The Digital and Information Age

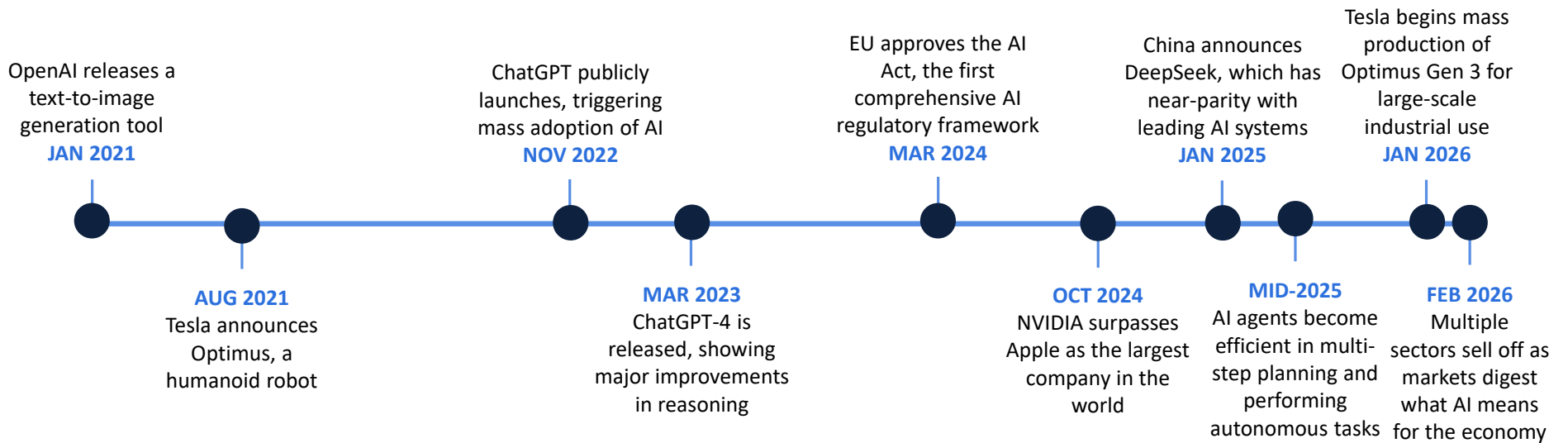
### Growth of \$10,000: Stocks, Bonds, 50/50 Portfolio, and Cash (2001-2020)



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## PHASE 5: The Era of Uncertainty and Transformation (2021-PRESENT)

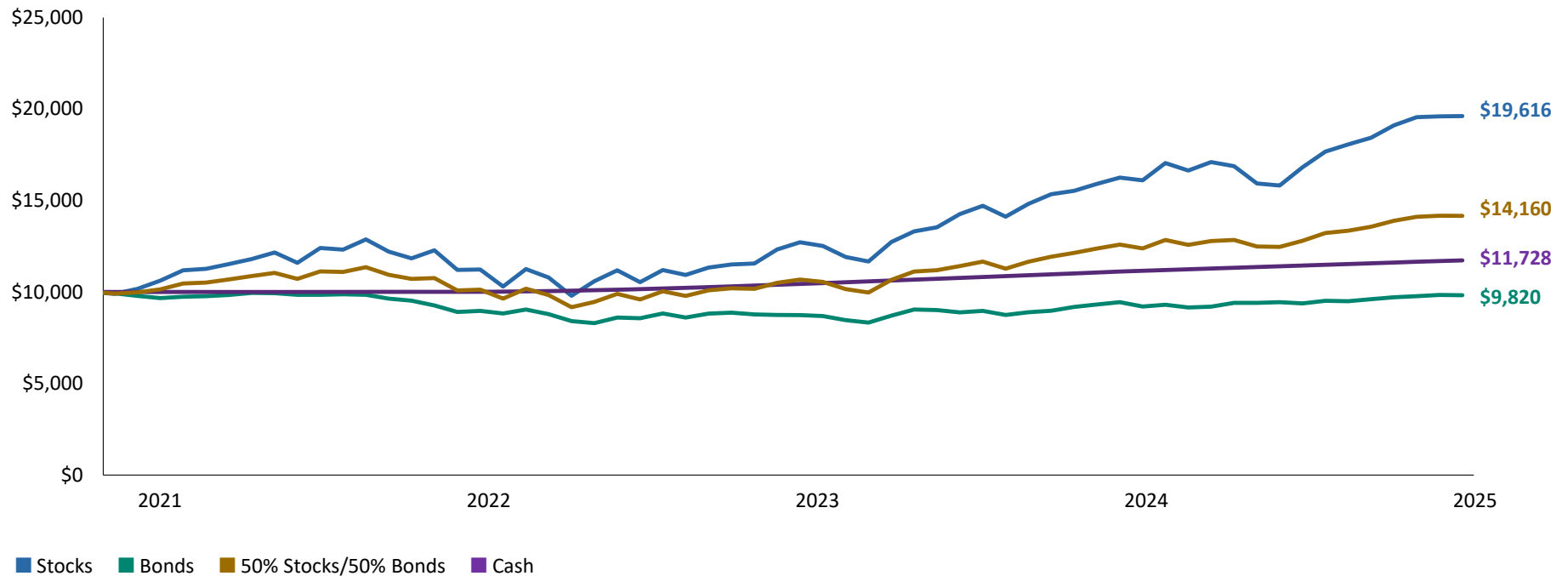
### Timeline of Select AI Milestones



Hartford Mutual Funds may or may not be invested in the companies referenced herein; however, no particular endorsement of any product or service is being made.

## PHASE 5: The Era of Uncertainty and Transformation (2021-PRESENT)







### Growth of \$10,000: Stocks, Bonds, 50/50 Portfolio, and Cash (2021-Present)



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## PHASE 5: The Era of Uncertainty and Transformation (2021-PRESENT)

### Innovation Predictions: Who Will Be Right & Wrong?

 <b>Investing</b>	<p>“Some of the largest technology companies will likely emerge as winners, but newer companies will also succeed. It’s possible the company that comes to define success in the AI era hasn’t even been founded yet.” – Strategists at Wellington Management</p>
 <b>Manufacturing</b>	<p>“AI will reduce the cost of most manufactured goods to a small increment over the cost of materials.” – Kai-Fu Lee, AI Expert and CEO of Sinovation Ventures</p>
 <b>The Workplace</b>	<p>“The future isn’t AI vs. humans. It’s AI and humans, and the leaders who make these shifts will define what comes next.” – Erica Orange, futurist and author of AI + The New Human Frontier</p>
 <b>Digital Assistants</b>	<p>“Everyone will have one—or several—digital aides, working tirelessly even while we sleep. Our agents will negotiate with other agents, creating an economy of “bot-to-bot” interactions.” – Kevin Kelly, Best-selling author and founding executive editor of Wired Magazine</p>
 <b>Healthcare</b>	<p>“Early cancer warnings will come from our smart toilets, forcing the word tumor out of our language.” – Dr. Michio Kaku, professor of theoretical physics at The City College of NY</p>
 <b>Longevity</b>	<p>“Advanced regenerative medicine could make a 90-year old have the biological vitality of a 50-year old.” – INAIR, a spatial computing company founded by XR and AI experts</p>

## PHASE 5: The Era of Uncertainty and Transformation (2021-PRESENT)

### Innovation Predictions: Who Will Be Right & Wrong?

 <b>Driverless Cars</b>	<p>“Most people won’t bother buying cars and will lose driving skills ... By 2050, the year 2000 will look as quaintly old-fashioned as the horse-drawn era of 1900 did to people in 1950.” – Dr. Steve Mackay, Founder of the Engineering Institute of Technology</p>
 <b>Food</b>	<p>“Food will be grown locally in aquaponic farms that allow fish and produce to be produced at scale in city centers.” – Imperial TechForesight, a thought-leadership group at Imperial College London</p>
 <b>Smart Glasses</b>	<p>“By 2049, smartphones will be largely replaced by lightweight smart glasses that overlay digital information onto the physical world.” – Kevin Kelly</p>
 <b>Memories</b>	<p>“We will see the gradual transition from an internet to a brain-net, in which thoughts, emotions, feelings, and memories might be transmitted instantly across the planet.” – Ray Kurzweil, futurist and inventor</p>
 <b>Relationships</b>	<p>“You won’t know if the person you’re talking to is real. And you won’t care ... Half of [your friends and mentors] will be AI. And they’ll be indistinguishable.” – Simon Villani, PhD, Lead AI Engineer at ANZ</p>
 <b>(AI) Life After Death</b>	<p>“It will be common to leave behind an AI chatbot that will talk like you, know the story of your life, and comfort your family when you die.” – Dr. Steve Mackay</p>



# Enduring Strategies for a Changing World

## Enduring Strategies for a Changing World

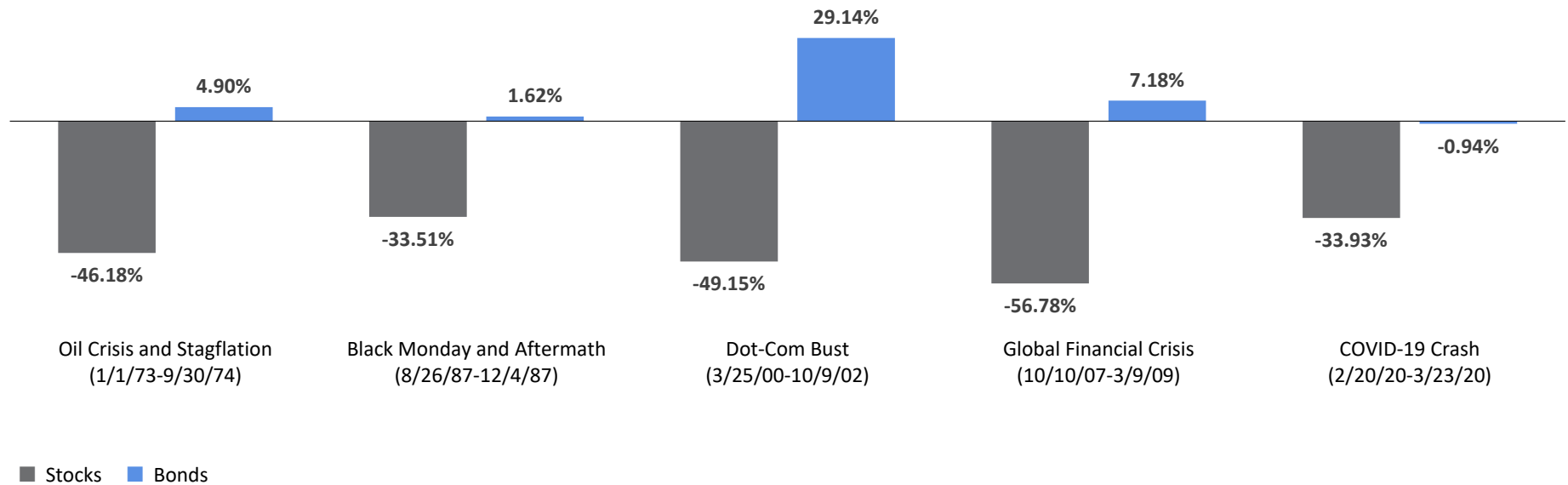
### Diversification Never Goes Out of Favor

Annual Returns of Asset Classes (2012-2025)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Average Return For All Periods
BEST ↑	18.22 Emerging Markets	38.82 Small-Cap Stocks	13.45 Large-Cap Value	5.67 Large-Cap Growth	21.31 Small-Cap Stocks	37.28 Emerging Markets	1.82 Cash	36.39 Large-Cap Growth	38.49 Large-Cap Growth	27.60 Large-Cap Growth	1.52 Cash	42.68 Large-Cap Growth	33.36 Large-Cap Growth	33.57 Emerging Markets	19.37 Large-Cap Growth
	17.51 Large-Cap Value	34.76 Mid-Cap Stocks	13.22 Mid-Cap Stocks	0.65 Short Duration	17.34 Large-Cap Value	30.21 Large-Cap Growth	1.60 Short Duration	30.54 Mid-Cap Stocks	19.96 Small-Cap Stocks	25.16 Large-Cap Value	-3.69 Short Duration	18.24 Int'l Equities	15.34 Mid-Cap Stocks	31.22 Int'l Equities	13.01 Mid-Cap Stocks
	17.32 Int'l Equities	33.48 Large-Cap Growth	13.05 Large-Cap Growth	0.55 Core Bonds	13.80 Mid-Cap Stocks	25.03 Int'l Equities	0.01 Core Bonds	26.54 Large-Cap Value	18.31 Emerging Markets	22.58 Mid-Cap Stocks	-7.54 Large-Cap Value	17.23 Mid-Cap Stocks	14.37 Large-Cap Value	18.56 Large-Cap Growth	12.22 Large-Cap Value
	17.28 Mid-Cap Stocks	32.53 Large-Cap Value	5.97 Core Bonds	0.03 Cash	11.19 Emerging Markets	18.52 Mid-Cap Stocks	-1.51 Large-Cap Growth	25.52 Small-Cap Stocks	17.10 Mid-Cap Stocks	14.82 Small-Cap Stocks	-13.01 Core Bonds	16.93 Small-Cap Stocks	11.54 Small-Cap Stocks	16.91 Diversified Portfolio	11.55 Small-Cap Stocks
	16.35 Small-Cap Stocks	22.78 Int'l Equities	5.53 Diversified Portfolio	-0.81 Int'l Equities	9.46 Diversified Portfolio	17.97 Diversified Portfolio	-7.08 Diversified Portfolio	22.01 Int'l Equities	14.41 Diversified Portfolio	12.11 Diversified Portfolio	-14.45 Int'l Equities	15.81 Diversified Portfolio	11.44 Diversified Portfolio	15.91 Large-Cap Value	9.51 Diversified Portfolio
	15.26 Large-Cap Growth	19.80 Diversified Portfolio	4.89 Small-Cap Stocks	-2.44 Diversified Portfolio	7.08 Large-Cap Growth	14.65 Small-Cap Stocks	-8.27 Large-Cap Value	21.52 Diversified Portfolio	7.82 Int'l Equities	11.26 Int'l Equities	-15.71 Diversified Portfolio	11.46 Large-Cap Value	7.50 Emerging Markets	12.81 Small-Cap Stocks	9.04 Int'l Equities
	13.43 Diversified Portfolio	0.64 Short Duration	0.77 Short Duration	-2.44 Mid-Cap Stocks	2.65 Core Bonds	13.66 Large-Cap Value	-9.06 Mid-Cap Stocks	18.44 Emerging Markets	7.51 Core Bonds	0.04 Cash	-17.32 Mid-Cap Stocks	9.83 Emerging Markets	5.32 Cash	10.60 Mid-Cap Stocks	6.96 Emerging Markets
	4.21 Core Bonds	0.05 Cash	0.02 Cash	-3.83 Large-Cap Value	1.28 Short Duration	3.54 Core Bonds	-11.01 Small-Cap Stocks	8.72 Core Bonds	3.33 Short Duration	-0.47 Short Duration	-20.09 Emerging Markets	5.53 Core Bonds	4.36 Short Duration	7.30 Core Bonds	2.19 Core Bonds
	1.26 Short Duration	-2.02 Core Bonds	-2.19 Emerging Markets	-4.41 Small-Cap Stocks	1.00 Int'l Equities	0.84 Short Duration	-13.79 Int'l Equities	4.03 Short Duration	2.80 Large-Cap Value	-1.54 Core Bonds	-20.44 Small-Cap Stocks	5.14 Cash	3.82 Int'l Equities	5.35 Short Duration	1.76 Short Duration
WORST ↓	0.08 Cash	-2.60 Emerging Markets	-4.90 Int'l Equities	-14.92 Emerging Markets	0.26 Cash	0.82 Cash	-14.58 Emerging Markets	2.21 Cash	0.54 Cash	-2.54 Emerging Markets	-29.14 Large-Cap Growth	4.61 Short Duration	1.25 Core Bonds	4.29 Cash	1.58 Cash

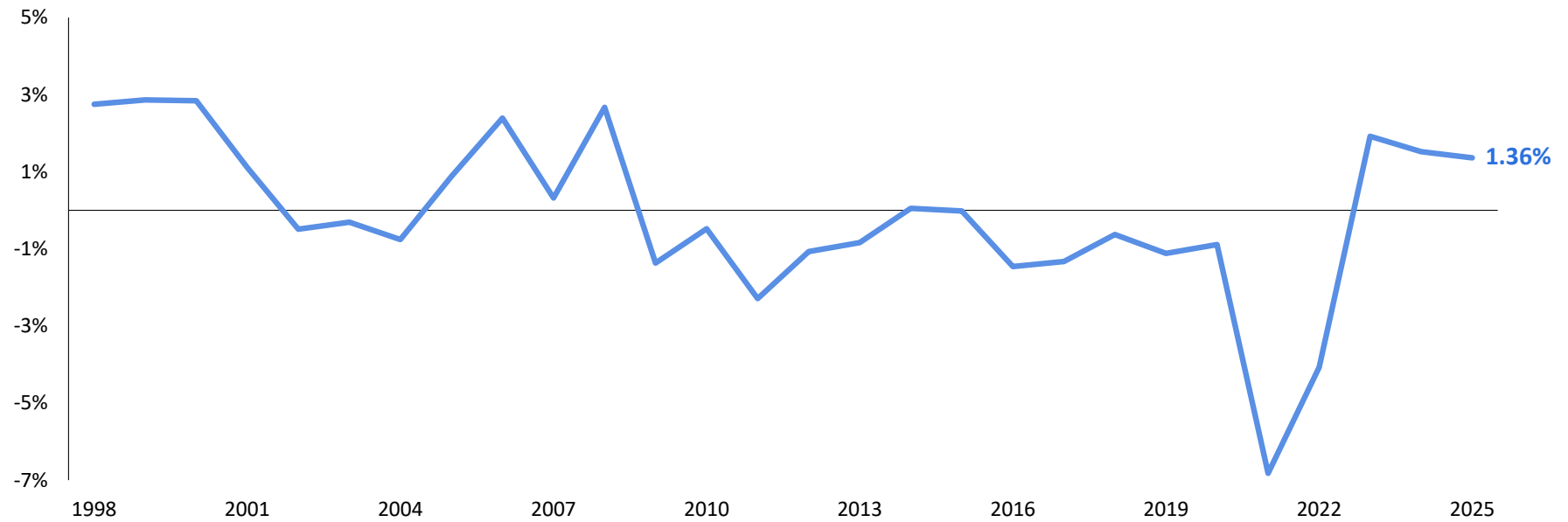
**Past performance does not guarantee future results.** Diversification does not ensure a profit or protect against a loss. Indices are unmanaged and not available for direct investment and are not representative of any Hartford Fund's performance. Please see Index definitions on slide 30.

## Bonds Helped Counterbalance Stocks in Turbulent Markets



As of 12/31/25. **Past performance does not guarantee future results.** For illustrative purposes only. Time periods are based on data from Ned Davis Research. Stocks are represented by the S&P 500 Index, and Bonds are represented by the IA SBBI LT Government Index until 1975 and by the Bloomberg US Aggregate Bond Index thereafter. See slide 29 for index definitions. Data Source: Ned Davis Research, 2/26.

## Consider the Real Return on CDs



■ 1-Year CDs Minus Inflation

As of 12/31/25. **Past performance does not guarantee future results.** CD rates are proxied by Bankrate's 12-month CD national average. Inflation rates are based on the Consumer Price Index (CPI), a measure of change in consumer prices as determined by the US Bureau of Labor Statistics. Cash investments are subject to risk. CDs are insured by the FDIC up to \$250,000, offer a fixed rate of return, and are generally designed for short-term savings needs. Data Sources: Bloomberg and Bankrate.com, 2/26.

A photograph of a person wearing a hat sitting on the ground under a large, leafy tree in a field. The sun is low on the horizon, creating a warm, golden glow and lens flare. The person is looking towards the camera.

## Navigating Change with Confidence

- Stay Curious
- Learn to Adapt
- Diversify Your Portfolio

**HARTFORDFUNDS**

Our benchmark is the investor.®

## Index Definitions

**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 Treasury Bill 1–3 Month Index** is designed to measure the performance of public obligations of the US Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months.

**Cowles Commission Composite Index** is a value-weighted index of major US common stocks compiled by the Cowles Commission, commonly used as a proxy for US stock-market performance prior to 1926.

**IA SBBI US 30 Day T-Bill Index** measures the performance of a single issue of outstanding Treasury bill which matures closest to, but not beyond, one month from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue.

**IA SBBI LT Government Index** measures the performance of a single issue of outstanding US Treasury note with a maturity term of around 5.5 years.

**Ibbotson Large Company Stock Index** represents the total return of US large capitalization stocks using the S&P 500 Composite Index from 1957 to February 1970 and its predecessor, the S&P 90 Index, for earlier periods.

**S&P 90 Index** was a market capitalization-weighted index introduced in 1926 that tracked 50 industrial, 20 rail, and 20 utility stocks.

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

**Shiller Long-Term US Government Bond Proxy** measures long-term US government bonds using the 10-year US Treasury yield, based on Robert Shiller's historical interest-rate series.

#### Indices on Slide 25:

**Large-Cap Growth Stocks** are represented by the Russell 1000 Growth Index, which measures the performance of the large-cap growth segment of the US equity universe. **Large-Cap Value Stocks** are represented by Russell 1000 Value Index, which measures the performance of Russell 1000 Index companies with lower price-to-book ratios (the ratio of a stock's price to its book value per share) and lower forecasted growth values. **Mid-Cap Stocks** are represented by the Russell Midcap Index, which measures the performance of the mid-cap segment of the US equity universe. **Small-Cap Stocks** are represented by the Russell 2000 Index, which measures the performance of the small-cap segment of the US equity universe. **International Stocks** are represented by the MSCI EAFE Index, which measures developed market equity performance, excluding the US and Canada. **Emerging Markets Stocks** are represented by the MSCI Emerging Markets Index, which measures equity market performance in the global emerging markets. **Core Bonds** are represented by the Bloomberg US Aggregate Bond Index, which 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. **Short Duration Bonds** are represented by the Bloomberg 1-3 Year Gov't/Credit Index, which is comprised of the US Gov't/Credit component of the Bloomberg US Aggregate Bond Index. **Cash Investments** are represented by the Bloomberg 1-3 Month US Treasury Bill Index which tracks the market for Treasury bills with 1 to 2.9999 months to maturity issued by the US government. **Diversified Portfolio** is represented by an equal portion (12.5%) of each asset class, excluding cash.

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. • US Treasury securities are backed by the full faith and credit of the US government as to the timely payment of principal and interest. • Small- and mid-cap securities can have greater risks, including liquidity risk, and volatility than large-cap securities. • Different investment styles may go in and out of favor, which may cause underperformance to the broader stock market. • 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. • Value investing style may go in and out of favor, which may cause underperformance to different investing styles. • The securities of large market capitalization companies may underperform other segments of the market. Diversification does not ensure a profit or protect against a loss in a declining market.

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