

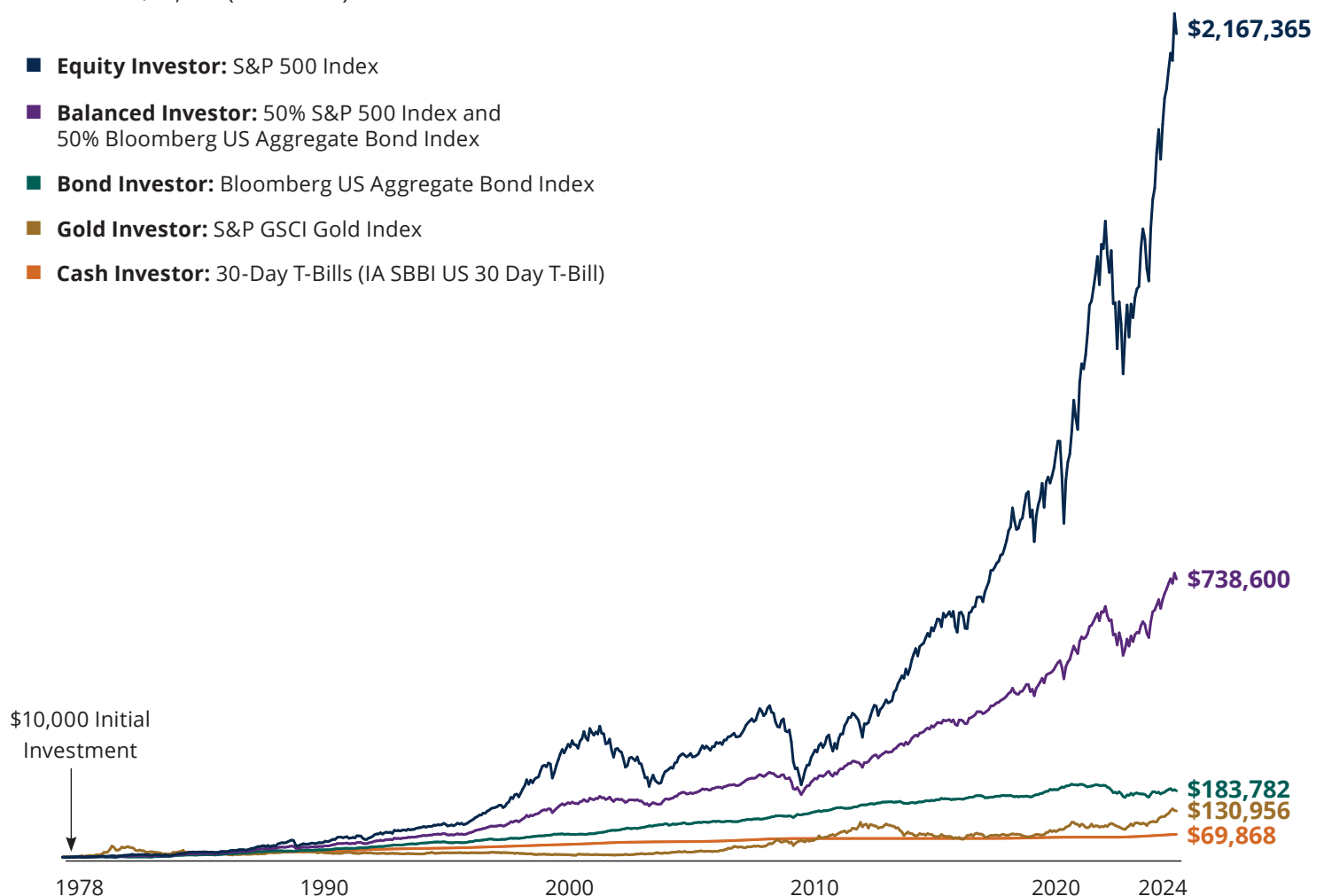
The Risk of Playing It Too Safe With Your Investments

“Safe” investments can be tempting, but may mean foregoing better returns over time.

Asset classes have often traded periods of outperformance as market conditions change. And while investors may appreciate the relative stability of investments such as gold and cash, their return potential has historically lagged equity and balanced investors over the long term. For investors worried about market turbulence, diversifying among asset classes may help provide a smoother ride without sacrificing growth potential.

Long-Term Returns for Different Asset Classes

Growth of \$10,000 (1978-2024)



As of 12/31/24. Past performance does not guarantee future results. Indices are unmanaged and not available for direct investment. 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. The 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. The Index is calculated by Morningstar and the raw data is from WSJ. S&P 500 Index is a market capitalization-weighted price index composed of 500 widely held common stocks. S&P GSCI Gold Index is a sub-index of the S&P GSCI that provides investors with a reliable and publicly available benchmark tracking the COMEX gold future. For illustrative purposes only. Data Source: Morningstar, 4/25.

Client Conversations

Historical Performance of Asset Classes

Average Annual Returns (as of 12/31/24)

	Stocks	50% Stock/ 50% Bonds	Bonds	Gold	Cash
Average Annual Total Returns (%)					
1 Year	25.02	13.14	1.25	26.62	5.37
5 Year	14.53	7.28	-0.33	10.42	2.42
10 Year	13.10	7.38	1.35	7.39	1.71
20 Year	10.35	7.06	3.01	8.46	1.56

Risk-and-Reward Trade-Off for Asset Classes

Rolling Returns (1978-2024)

	Stocks	50% Stock/ 50% Bonds	Bonds	Gold	Cash
Rolling 1-Year Return (%)					
Best	61.18	45.04	35.21	192.35	15.20
Worst	-43.32	-21.20	-15.68	-36.27	0.01
% Positive	82%	87%	86%	58%	100%
Rolling 5-Year Return (%)					
Best	29.63	22.78	20.28	22.64	11.13
Worst	-6.63	-0.69	-0.54	-15.96	0.03
% Positive	90%	99%	98%	65%	100%
Rolling 10-Year Return (%)					
Best	19.49	16.31	14.68	19.97	9.17
Worst	-3.43	1.75	0.74	-5.98	0.27
% Positive	95%	100%	100%	71%	100%
Rolling 20-Year Return (%)					
Best	18.26	14.63	11.16	9.51	7.29
Worst	4.79	5.46	2.81	-4.14	1.14
% Positive	100%	100%	100%	85%	100%

As of 12/31/24. Past performance does not guarantee future results. % Positive in the chart is the percentage of time each asset class had a positive return based on rolling monthly returns for the time periods shown; results may be rounded. For illustrative purposes only. Data Sources: Morningstar and Hartford Funds, 3/25.

Talk to your financial professional about how diversification can help you build a stronger portfolio.

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