HARTFORDFUNDS

Our benchmark is the investor.®

Volatility

Resource Kit

Stocks Have Bounced Back Quickly Once They Reach a Bottom

10 Worst S&P 500 Index Declines (1960-2024)

Cause	Max Drawdown	# of Months To Hit Bottom	# of Months To Break Even	Returns (%) After Reaching Bottom: After 6 Months	After 1 Year	After 3 Years
Kennedy Slide/Flash Crash (1961–1962)	-27.97	6	14	20.45	32.66	16.65
Vietnam Worries (1968–1970)	-36.06	18	21	22.80	43.73	15.92
Nixon Shock (1973–1974)	-48.15	21	69	29.74	39.36	15.49
Rate Hikes to Fight Inflation (1980–1982)	-27.11	20	3	44.14	58.33	22.35
Black Monday (1987)	-33.51	3	20	19.26	22.78	13.69
Iraq Invaded Kuwait (1990)	-19.92	3	4	27.81	29.10	15.97
Dot-com Bubble Burst (2000–2002)	-49.15	31	56	11.49	33.73	15.47
Global Financial Crisis (2007–2009)	-56.78	17	49	52.75	68.57	26.54
COVID-19 Pandemic (2020)	-33.93	1	5	44.67	74.78	20.86
Inflation Returns (2022)	-25.30	9	15	15.48	22.06	--
Average	**-35.79**	**13**	**26**	**28.86**	**42.51**	**18.11**

6 months after hitting a low, stocks have **returned**

29%

on average

As of 3/17/25. **Past performance does not guarantee future results.** A drawdown measures a peak-to-trough decline in the market. Returns for less than one year are not annualized. Indices are unmanaged and not available for direct investment. Data shown is for the S&P 500 Index, a market capitalization-weighted price index composed of 500 widely held common stocks, and does not include the reinvestment of dividend payments. Data Sources: Morningstar and Hartford Funds, 3/25.

Don’t Let Single-Day Losses Obscure Potential Long-Term Results

10 Worst S&P 500 Index One-Day Declines (1981-2025)

Date	Cause	One-Day Decline (%)	# Days To Reach Previous High	Annualized (%)		
				Return After 1 Year	Return After 3 Years	Return After 5 Years
1. October 19, 1987	Black Monday	-20.47	264	23.19	11.59	13.03
2. March 16, 2020	COVID-19 Pandemic	-11.98	19	66.07	18.41	18.77
3. March 12, 2020	COVID-19 Pandemic	-9.51	20	58.96	15.91	17.69
4. October 15, 2008	Global Financial Crisis	-9.03	15	20.79	10.50	13.34
5. December 1, 2008	Global Financial Crisis	-8.93	6	35.85	15.11	17.22
6. September 29, 2008	Global Financial Crisis	-8.79	410	-4.14	1.60	8.87
7. October 26, 1987	Black Monday 2.0	-8.28	5	23.59	10.20	12.92
8. October 9, 2008	Global Financial Crisis	-7.62	3	17.76	8.30	12.73
9. March 9, 2020	COVID-19 Pandemic	-7.60	57	41.10	12.58	16.01
10. October 27, 1997	Asian Financial Crisis	-6.87	8	21.48	16.30	0.47

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Policy Shifts That Caused Market Disruption

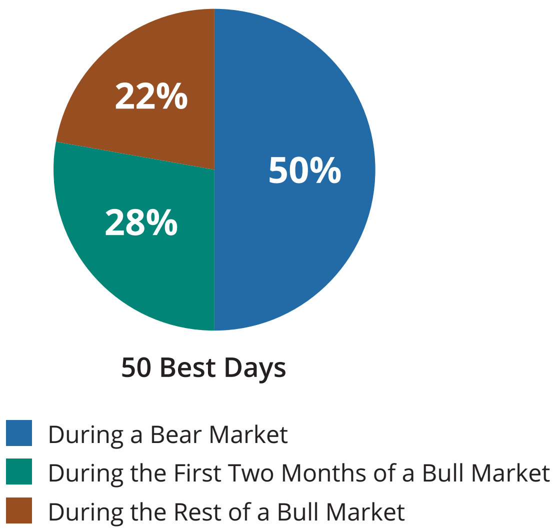
10 Policy Decisions That Caused Market Turmoil

Year	Event	What Happened	Max Drawdown (%)	# of Months to Break Even	Growth of $10,000 From Year in Column 1*
1971	Nixon Shock	President Nixon suspends the gold standard, implements wage/price controls	-13.9	2	$638,267
1987	Black Monday	Uncoordinated monetary policy among global central banks	-33.5	20	$242,872
1994	Bond-Market Crisis	Fed doubles the federal funds rate from 3% to 6% in one year	-8.9	11	$126,093
2000	Dot-com Bubble	Fed raises interest rates to curb inflation	-49.1	56	$40,031
2008	Global Financial Crisis	Regulatory failures and the Fed's reluctance to lower interest rates	-53.9	47	$40,056
2011	Debt-Ceiling Crisis	Political gridlock in the US Congress over raising the debt ceiling	-19.4	5	$46,767
2013	Taper Tantrum	Fed announces tapering of the quantitative easing program	-5.8	1	$41,240
2018	China Trade War	President Trump imposes tariffs on Chinese goods	-19.8	4	$21,999
2020	COVID-19 Pandemic	Delayed responses and mixed messaging from government agencies	-33.9	5	$18,205
2025	Escalating Trade War	President Trump intensifies tariffs and trade war	???	???	???

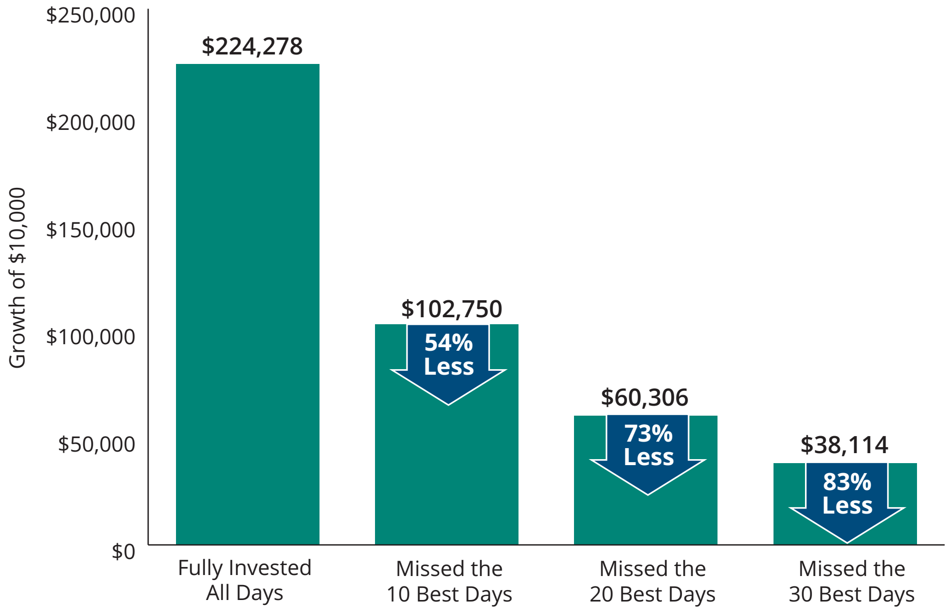
Data shown is for the S&P 500 Index as of 12/31/24 and does not include the reinvestment of dividend payments. **Past performance does not guarantee future results.** Indices are unmanaged and not available for direct investment.
* Beginning 1/1 of the year in column 1 through 12/31/24. Maximum drawdown is the largest percentage drop from a peak to a trough in the value of an investment portfolio.
Data Sources: Morningstar, Ned Davis Research, and Hartford Funds.

Many of the Market's Best Days Happen During the Worst Times

Good Days Happen in Bad Markets
S&P 500 Index Best Days: 1995–2024



Missing the Market's Best Days Has Been Costly
S&P 500 Index Average Annual Total Returns: 1995–2024



As of 12/31/24. **Past performance does not guarantee future results.** Indices are unmanaged and not available for direct investment. For illustrative purposes only. A bear market begins when the closing price for a stock index drops at least 20% from its most recent high. A new bull market begins when the closing price for a stock index gains 20% from its low. Data Sources: Ned Davis Research, Morningstar, and Hartford Funds, 1/25.

There Are Always Reasons Not to Invest

Negative Events, S&P 500 Index Returns, and Growth of $10,000 for Years Ending in 5 Since 1975

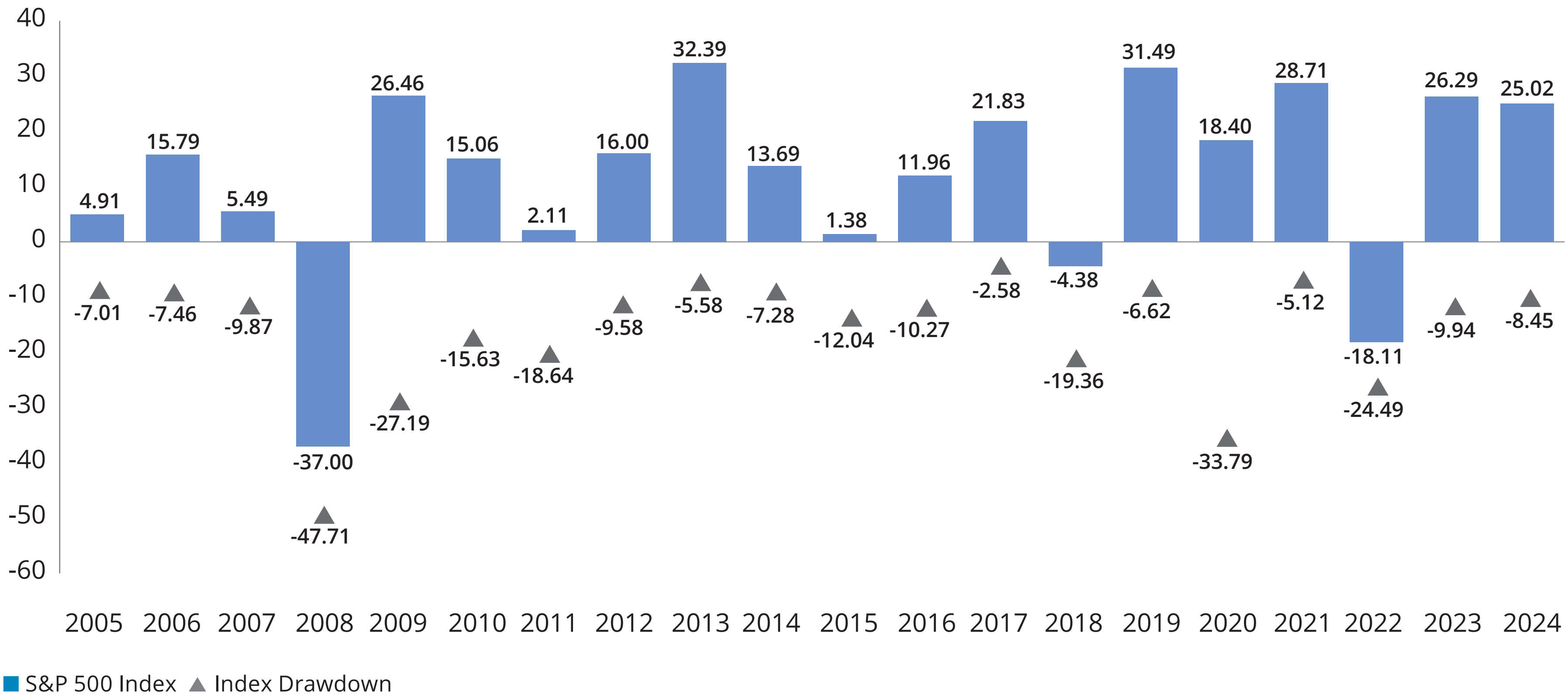
Year	Reasons Not to Invest	Stock Market Return for Calendar Year	Growth of $10,000 Investment From Date in Column 1* to 12/31/24
1975	Stagflation[1] OPEC hikes oil prices May Day sparks volatility	37.23%	$3,422,055
1985	Cold War Air India Flight 182 bombed Widespread famine in Ethiopia	31.73%	$859,749
1995	Oklahoma City bombing Tokyo subway sarin gas attack US government shuts down twice	37.58%	$224,278
2005	Hurricane Katrina London bombings Massive earthquake in Pakistan	4.91%	$71,750
2015	Syrian refugee crisis Paris terrorist attacks Greek debt crisis	1.38%	$34,254
2025	Trump tariffs Market volatility Middle East turmoil	???	???

[1] Stagflation is an economic cycle characterized by slow growth and a high unemployment rate accompanied by inflation.

As of 12/31/24. **Past performance does not guarantee future results.** * Assumes an initial investment of $10,000 in stocks beginning on January 1 of the year in column 1 through December 31, 2024, 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. Indices are unmanaged and not available for direct investment. For illustrative purposes only. Data Sources: Morningstar and Hartford Funds, 1/25.

The S&P 500 Index Frequently Experienced Significant Dips

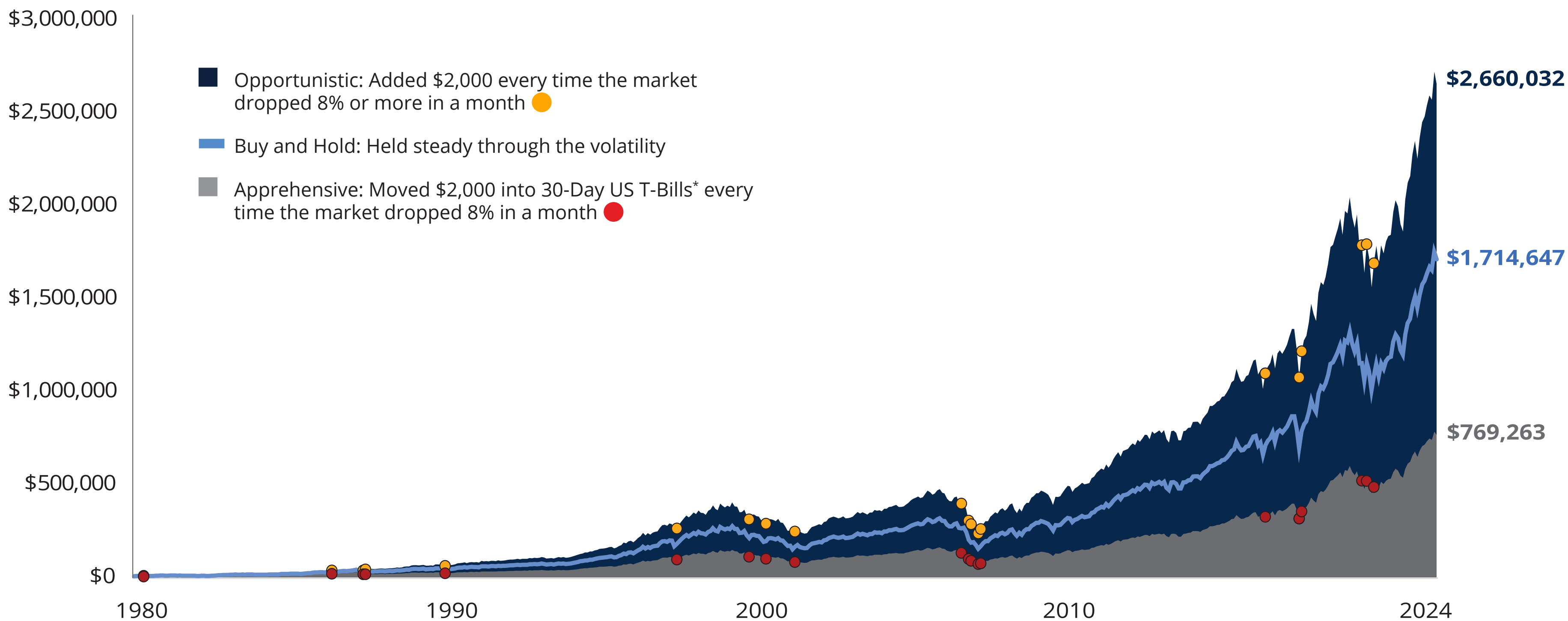
S&P 500 Index Annual Returns and Maximum Drawdowns (%) (2005-2024)



As of 12/31/24. **Past performance does not guarantee future results.** Indices are unmanaged and not available for direct reinvestment. Assumes reinvestment of capital gains and dividends and no taxes. Drawdown refers to the largest market drop from peak to trough during the calendar year. Data Sources: Morningstar and Hartford Funds, 2/25.

Being an Opportunistic Investor Has Historically Been Profitable

Hypothetical Growth of $10,000 Invested in S&P 500 Index (1980–2024)

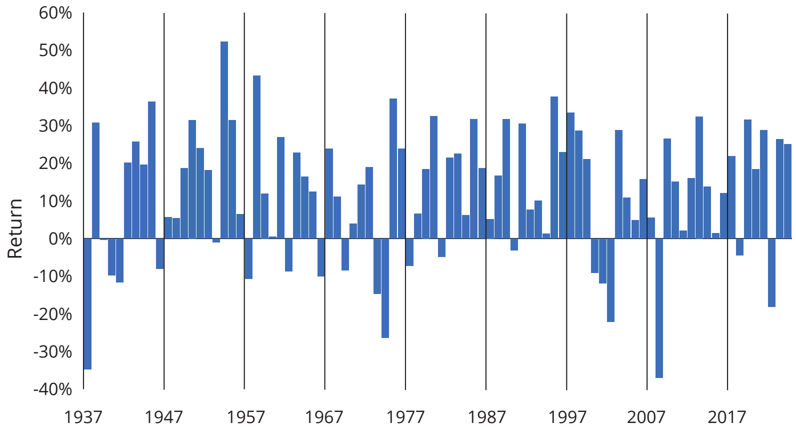


As of 12/31/24. **Past performance does not guarantee future results.** Indices are unmanaged and not available for direct investment. Assumes reinvestment of capital gains and dividends and no taxes. For illustrative purposes only. *T-Bills are guaranteed as to the timely payment of principal and interest by the US 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. Data Sources: Thomson Reuters and Hartford Funds, 2/25.

Stocks Can Become Less Volatile the Longer You Own Them

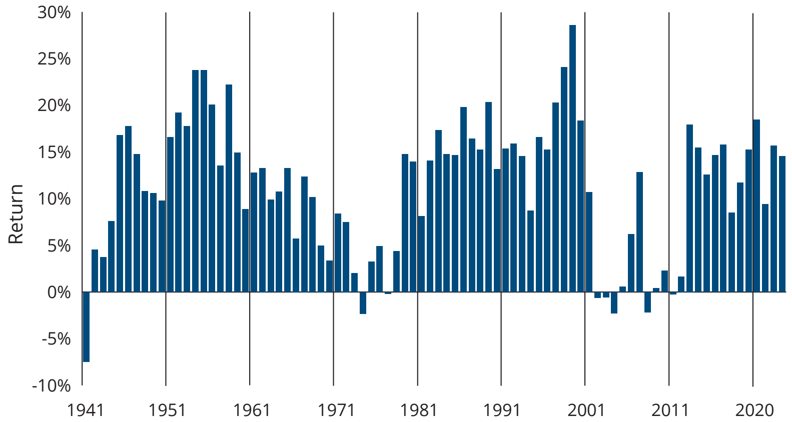
One-Year Holding Periods (1937–2024)

Stocks were up 76% of the time—67 up periods, 21 down



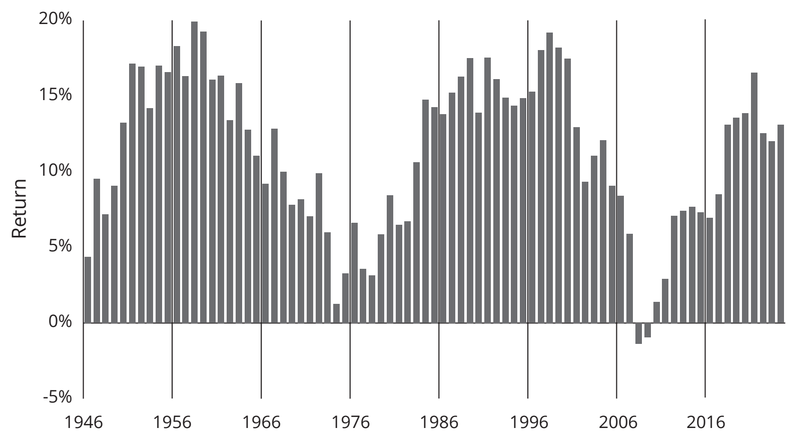
Five-Year Holding Periods (1937–2024)

Stocks were up 90% of the time—76 up periods, 8 down



Ten-Year Holding Periods (1937–2024)

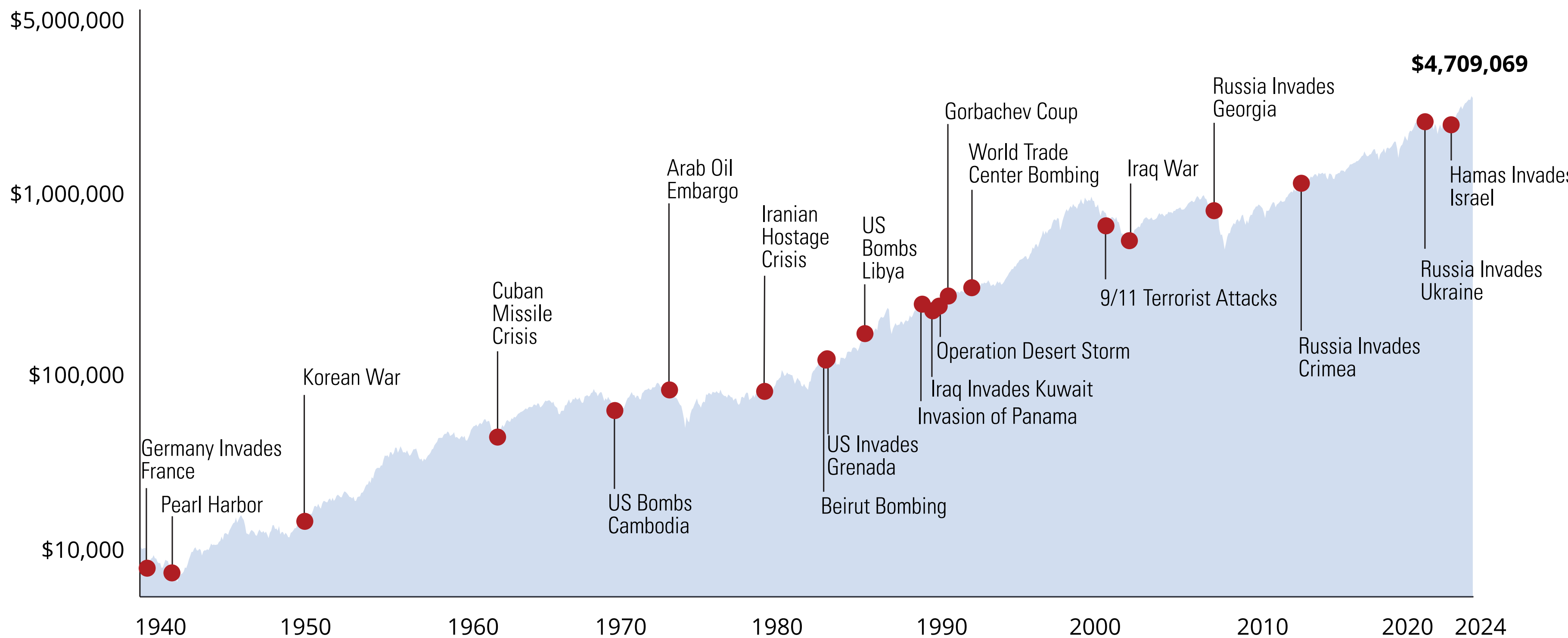
Stocks were up 97% of the time—77 up periods, 2 down



As of 12/31/24. **Past performance does not guarantee future results.** Equities are represented by the S&P 500 Index. Data Sources: Morningstar and Hartford Funds,

Geopolitical Conflicts Had Minimal Impact on Long-Term Stock Performance

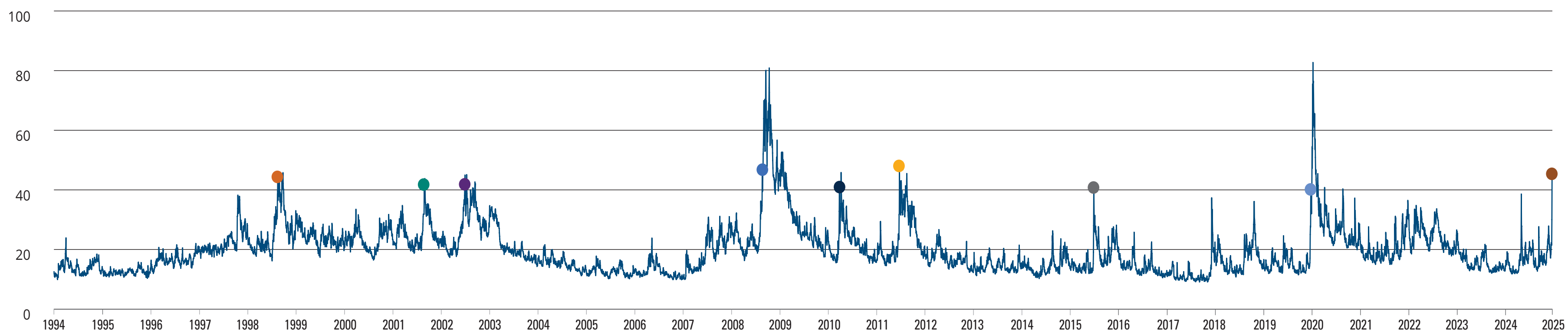
Growth of $10,000 in the S&P 500 Index (1940–2024)



As of 12/31/24. **Past performance does not guarantee future results.** Indices are unmanaged and not available for direct investment. Data shown does not include the reinvestment of dividend payments. Data Sources: Morningstar, Ned Davis Research, and Hartford Funds, 3/25.

Buying Stocks When Fear Runs High Has Historically Been Profitable

Chicago Board of Options Exchange (CBOE) Volatility Index (VIX) Levels of 40 or Higher Indicate Extremely High Levels of Fear (1994-2025)



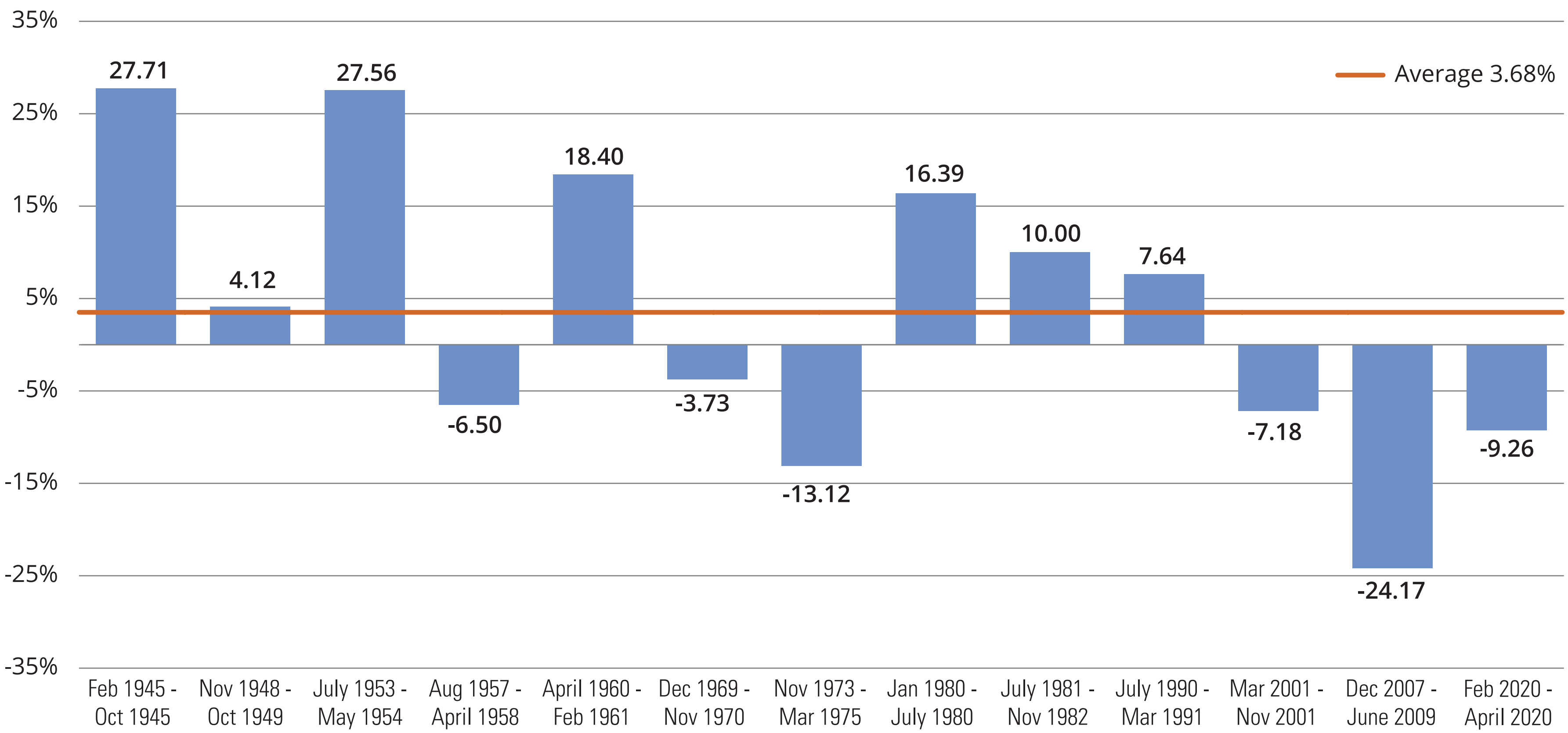
S&P 500 Index Returns (%) When VIX >40 Since 1994

Date	1 Year	3 Year	5 Year	S&P 500 Daily Loss*	Event
8/31/1998	39.82	7.14	2.48	-6.80	Russia's economic crisis
9/17/2001	-14.64	4.55	6.76	-4.89	Trading resumes for the first time following the September 11 terrorist attacks
7/22/2002	22.73	16.64	15.43	-3.29	Accounting scandals highlighted by bankruptcies at Enron and WorldCom
9/29/2008	-1.54	3.90	11.32	-8.79	US House of Representatives rejects a proposed $700 billion bank bailout plan
5/7/2010	23.05	15.98	15.88	-1.53	"Flash Crash" causes stocks to decline rapidly with no apparent reason. Dow Jones Industrial Average falls 999 points intraday before recovering.
8/8/2011	28.09	22.59	16.76	-6.65	European debt crisis and S&P downgrades US government debt from AAA to AA+ for the first time in history
8/24/2015	17.48	17.34	14.94	-3.94	China currency devaluation sparks selloff
2/28/2020	31.29	12.15	16.85	-0.81	COVID-19 outbreak induces fear-based selling
4/4/2025	???	???	???	-5.96	Trump tariff increases raise trade-war and recession concerns

As of 4/7/25. **Past performance does not guarantee future results.** Assumes reinvestment of capital gains and dividends and no taxes. Indices are unmanaged and not available for direct investment. *This column shows the S&P 500 Index's one-day loss on the date shown in column 1. VIX, commonly referred to as the "Fear Index," is the ticker symbol for the Chicago Board Options Exchange (Cboe) Volatility Index and measures the market's expectation of 30-day volatility. VIX levels below 20 reflect complacency, while levels of 40 or higher reflect extremely high levels of volatility. Data Sources: Hartford Funds, Morningstar, and Factset, 4/25.

Stocks Posted Positive Returns During Recessions More Often Than Not

S&P 500 Index Performance During Recessions (1945-2024)



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Bonds Helped Counterbalance Stocks in a Diversified Portfolio

Cumulative Returns for Stocks, Bonds, and a Balanced Portfolio (2000-2024)

Years	Stocks	Bonds	Balanced	Investor Mindset
2000-2002	-37.6%	33.5%	-6.4%	"Why do I own stocks?"
2003-2007	82.9%	24.2%	51.8%	"Why do I own bonds?"
2008	-37.0%	5.2%	-15.9%	"Why do I own stocks?"
2009-2017	258.8%	40.7%	129.8%	"Why do I own bonds?"
2018	-4.4%	0.0%	-2.2%	"Why do I own stocks?"
2019-2024	159.1%	7.0%	70.6%	"Why do I own bonds?"
2000-2024	538.8%	162.6%	358.7%	
Growth of $100k	$638,756	$262,552	$458,660	

As of 12/31/24. **Past performance does not guarantee future results.** Indices are unmanaged and not available for direct investment. Stocks are represented by the S&P 500 Index. Bonds are represented by the Bloomberg US Aggregate Bond Index. Balanced Portfolio is represented by 50% S&P 500 Index and 50% 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. For illustrative purposes only. Data Sources: Morningstar and Hartford Funds, 2/25.

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