

Maintaining Perspective in Uncertain Times






- Multidisciplinary research program that works with business, government, and non-government organizations
- Seeks to understand longevity challenges and opportunities
- Invents solutions enabling people to do more throughout their lives
- Aims to improve quality of life for older people and those who care for them



Agenda

- Stress, Anxiety, and Crises
- Instinctual Behavior
- Maintaining Perspective





Stress,
Anxiety,
and Crises

Stress: Anything that disrupts homeostasis

Fear: Clear or present danger

Anxiety: Anticipation of a clear or present danger,
whether real or not

STRESS, ANXIETY, AND CRISES

The New York Times
STOCKS PLUNGE 508 POINTS, A DROP OF 22.6%; 604 MILLION VOLUME NEARLY DOUBLES RECORD

The Washington Post
Stock Market Suffers Largest Loss Since 1929 as Dow Industrial Average Drops

The Times
Dow Jones crashes 508 points: City wipes £50bn off shares
Wall Street's blackest hours

STOCKS SHRINK 10 BILLIONS

Trump Extends 'Liberation Day' Tariff Delay As He Rolls Out New Rates On 14 Countries

Oil Closes Below \$50, Lowest Price Since May 2005

Russia-Ukraine War: Russian Attacks Intensify in East, Ukraine Says

SELLING SWAMPS STOCK MARKET

13 Die As Lake Steamer Sinks Off Wisconsin Shore

Fed Under Pressure as Inflation Expectations Surge

Flattening the Coronavirus Curve: One chart explains why slowing the spread of the infection is nearly as important as stopping it.

CRISIS!

Home Sales Fell Sharply in November

U.S. War Planes and Helicopters Kick Off Battle to Reopen Hormuz

What if a Slowdown Is a Never-Ending Story?

The Dot-Com Bubble Bursts

Saudi Arabia Sees a Spike to \$180 Oil if Energy Shock Persists Past April

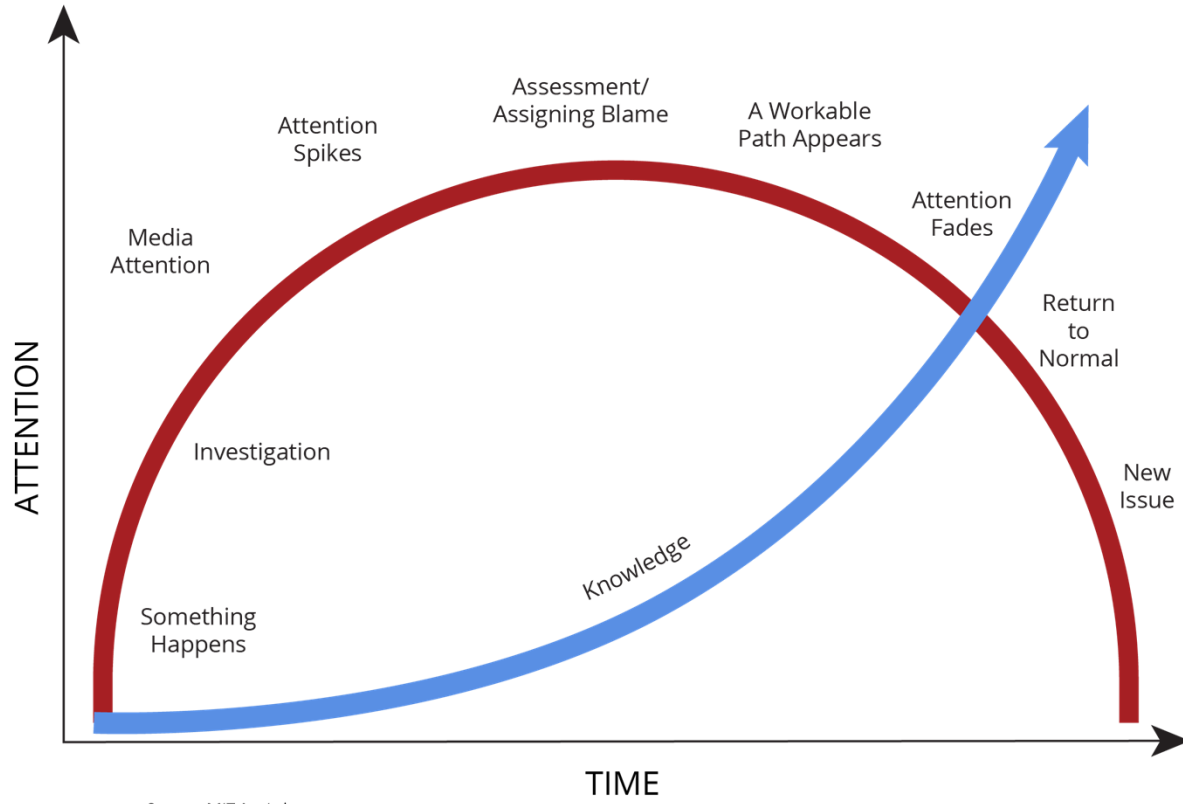
And You Thought 1931 Was Bad for the Market

Russia Attacks Ukraine: Putin's Forces Attack Ukraine

Healthcare system capacity: Without protective measures vs. with protective measures.

HF

Issue Lifecycle



Source: MIT AgeLab

Instinctual Behavior



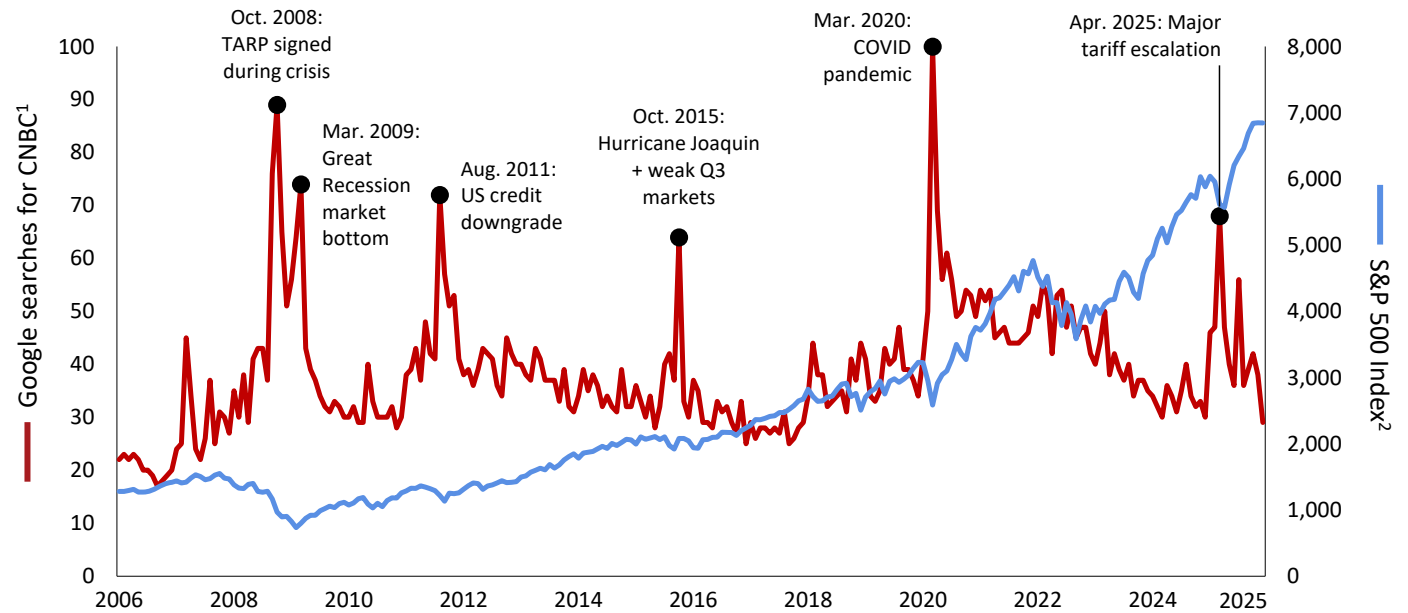


Anxiety's Impact on Behavior

- Investing attention in the negative
- If it's not clear, it must be bad
- Risk aversion: "Just don't lose it!"

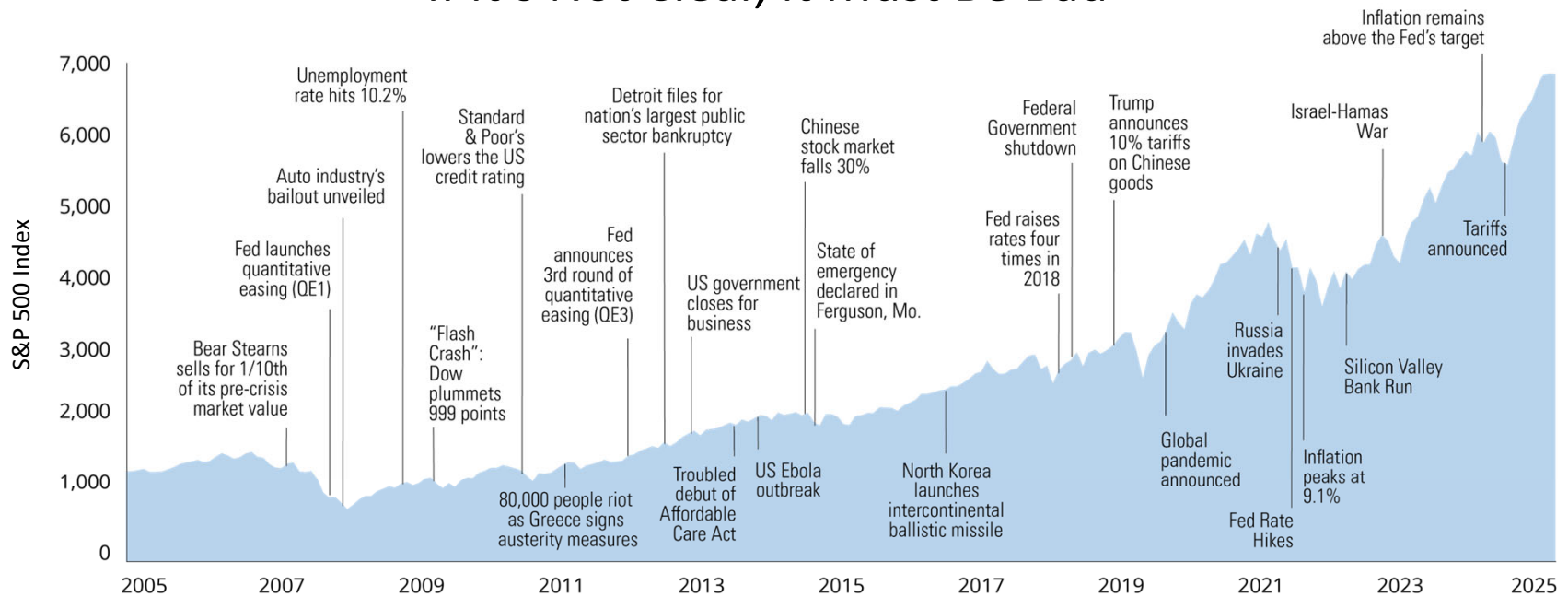
Investing Attention In The Negative

Google Searches for "CNBC" vs. S&P 500 Index



PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. Indices are unmanaged and not available for direct investment. For illustrative purposes only.
 Google Trends Methodology: Google Trends enables you to compare the world's interest in various internet topics; it shows how frequently topics have been searched on Google over time. The numbers on the graph reflect how many searches have been done for a particular term, relative to the total number of searches done on Google over time. They don't represent absolute search volume numbers, because the data is normalized and presented on a scale from 0-100. Each point on the graph is divided by the highest point, or 100. A rising line for a search term indicates a growth in the term's popularity.
¹Data Source: Google Trends, 2026; ²Data Source: FactSet, 2026. **Index descriptions are included on last slide.**

If It's Not Clear, It Must Be Bad



Source: FactSet 2026

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS

For illustrative purposes only.

■ S&P 500 Index

Risk
Aversion:
Just Don't
Lose It



The frustration
losing money is

2 TO 3x

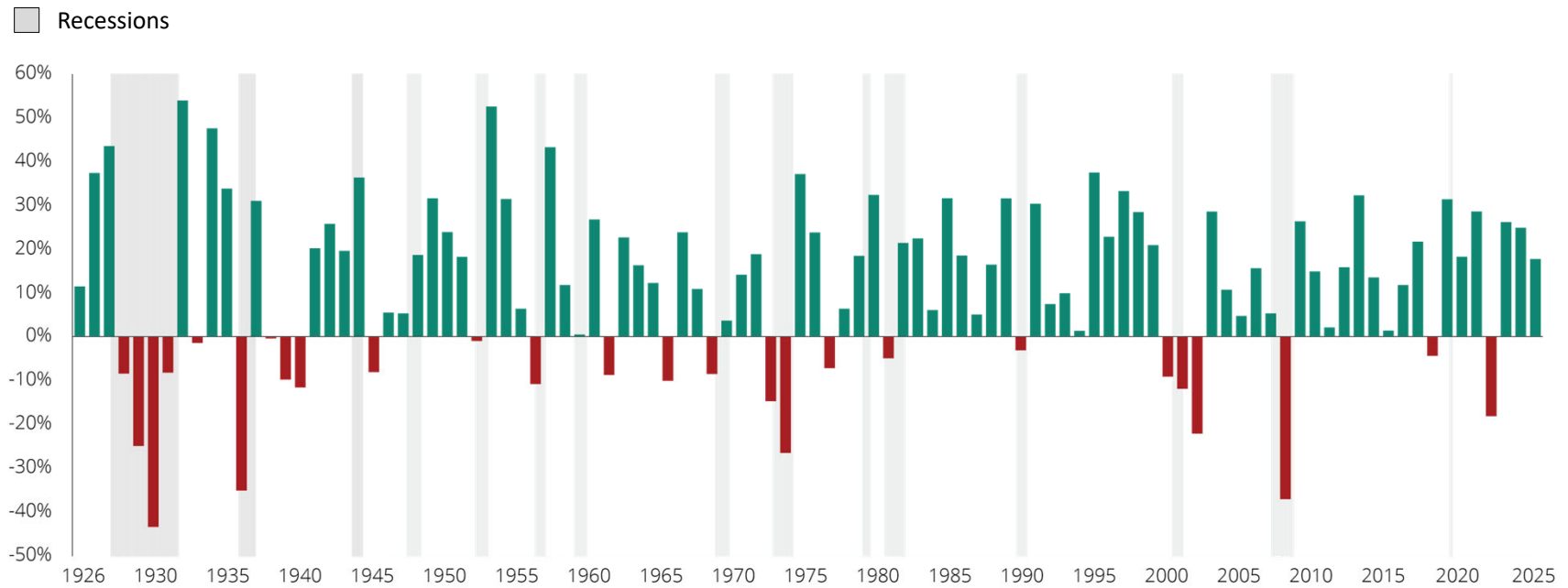


stronger than the
pleasure of gaining it

Source: Kahneman, D., Knetsch, J. L., & Thaler, R. H. (1991). "Loss Aversion in Riskless Choice: A Reference-Dependent Model." *Quarterly Journal of Economics*, 106(4), 1039–1061.

Is Fear of Loss Keeping You From Growth Opportunities?

Average Annual Returns (S&P 500 Index 1926–2025)



PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. Source: Morningstar, 2026.

INSTINCTUAL BEHAVIOR

S&P 500 Index Stats (1926-2025)

POSITIVE		NEGATIVE	
Number of Positive Years:	74	Number of Negative Years:	26
Percentage of Positive Years:	74%	Percentage of Negative Years:	26%
Number of Years When Gains Were Greater Than 20%:	38	Number of Years When Losses Were Greater Than 20%:	6
AVERAGE ANNUAL RETURN: 10.5%			

Source: Morningstar, 2026

Maintaining Perspective





How to Maintain Perspective

- Don't overlook the positive
- Have a plan
- Volatility should be expected

Don't Overlook the Positive: The Power of Patience



Electric cars



iPhone



Video conferencing calls

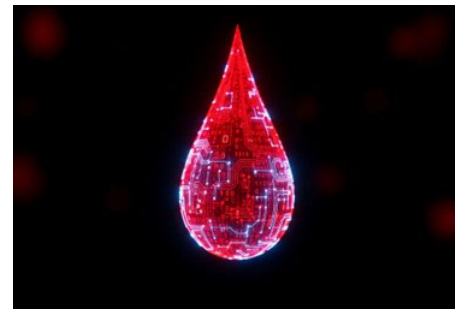


AI

Don't Overlook the Positive: Innovation Doesn't Stop



Scaling Up the Future of Air Travel



Blood Tests Catch Problems Earlier



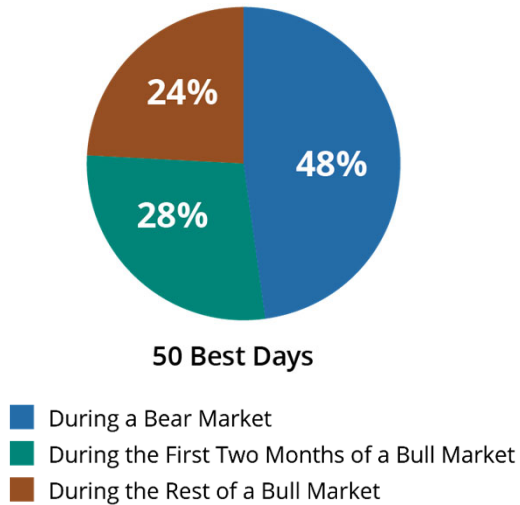
A Smarter Kind of Helper for the Home



AI Helpers That Make Everyday Life Easier

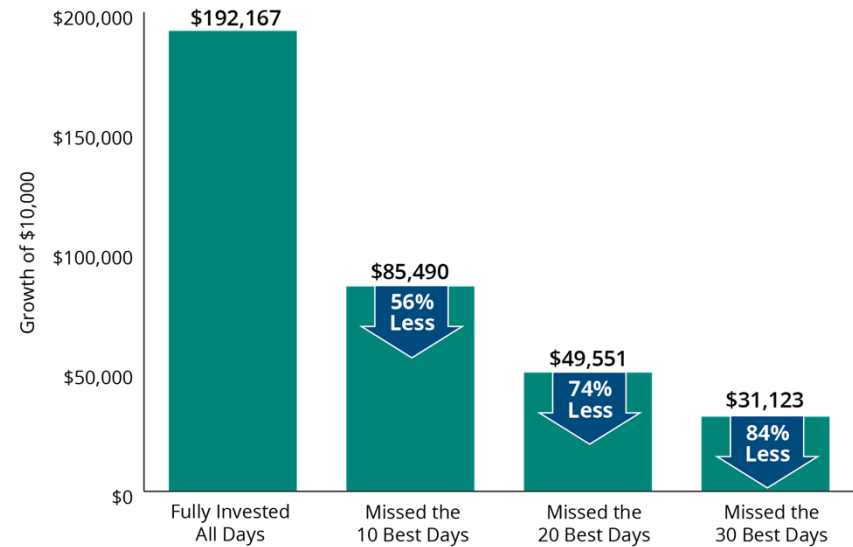
Have a Plan: Why Staying Invested Matters

Good Days Happen in Bad Markets
S&P 500 Index Best Days (1996–2025)



For illustrative purposes only. Data sources: Ned Davis Research, 2026

Missing the Market's Best Days Has Been Costly
S&P 500 Index Average Annual Total Returns (1996–2025)



Past performance does not guarantee future results. For illustrative purposes only.
Data Sources: Ned Davis Research and Morningstar, 2026

MAINTAINING PERSPECTIVE

Have a Plan:

Annual Percentage Returns by Asset Class (%) (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

As of 12/31/25. Past performance does not guarantee future results. Indices are unmanaged and not available for direct investment. Diversification does not ensure a profit or protect against a loss. Source: Morningstar, 2026. See last slide for representative indices and their definitions. □

Volatility Should Be Expected: Resist the Temptation to Panic

30%+ Drops in the S&P 500 Index (1960–2025)



-36.1%

11/29/68-
5/26/70

- Interest rates rose above 9%
- Vietnam War



-48.2%

1/11/73-
10/3/74

- Middle East oil embargo
- Watergate



-33.5%

8/25/87-
12/4/87

- Black Monday: the Dow Jones Industrial Average dropped 22% in a single day



-36.8%

3/24/00-
9/21/01

- Dot-com bubble
- Accounting scandals
- 9/11



-33.8%

1/4/02-
10/9/02

- WorldCom collapse
- Tyco executives indicted
- Ford closes five plants



-56.8%

10/9/07-
3/9/09

- Housing bubble
- Financial crisis



-33.9%

2/19/20-
3/23/20

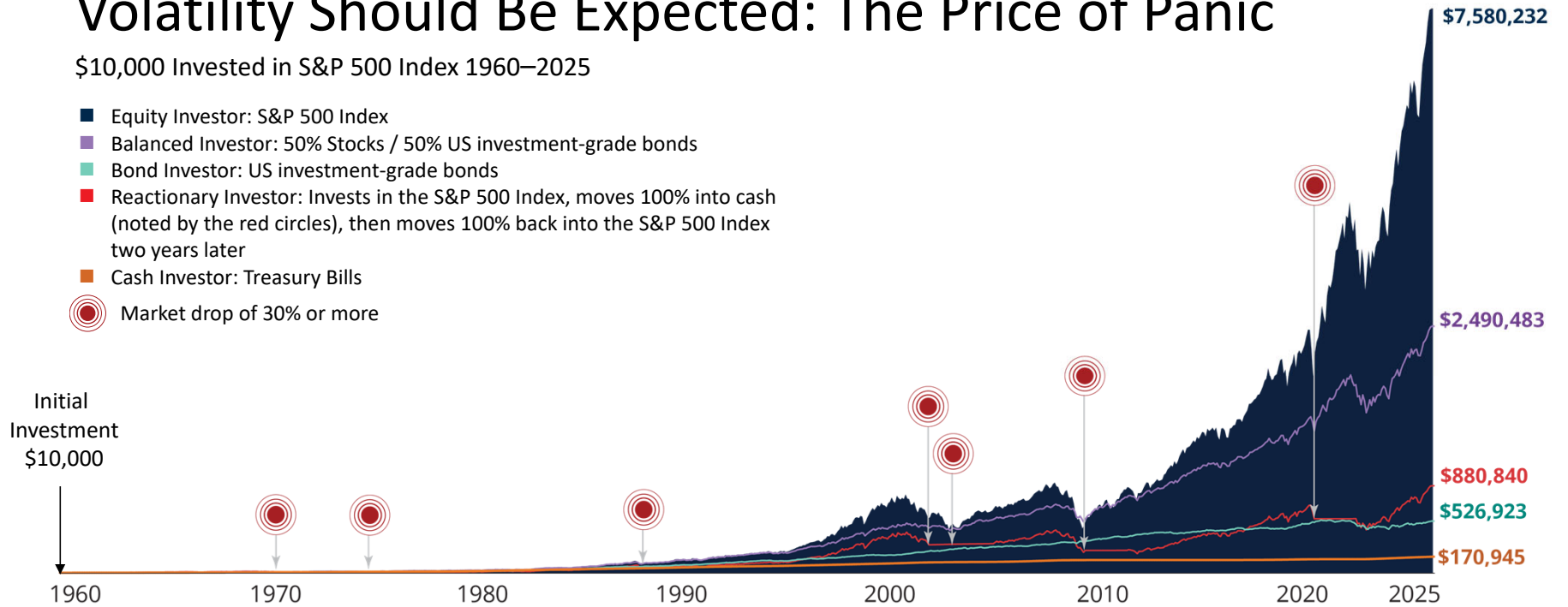
- Global pandemic

Source: Ned Davis Research, 2026

Volatility Should Be Expected: The Price of Panic

\$10,000 Invested in S&P 500 Index 1960–2025

- Equity Investor: S&P 500 Index
- Balanced Investor: 50% Stocks / 50% US investment-grade bonds
- Bond Investor: US investment-grade bonds
- Reactionary Investor: Invests in the S&P 500 Index, moves 100% into cash (noted by the red circles), then moves 100% back into the S&P 500 Index two years later
- Cash Investor: Treasury Bills
- 🌀 Market drop of 30% or more



PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. Indices are unmanaged and not available for direct investment. For illustrative purposes only. Unmanaged index returns do not reflect any fees, expenses, or sales charges. US Treasury securities are backed by the full faith and credit of the US Government. Equities and bonds are subject to risks and may not be in the best interest of all investors. Indices Represented for Each Asset Class: Equity: S&P 500 Index; Bonds: IA SBBI Long Term Government Index through 12/31/75, Bloomberg US Aggregate Bond Index thereafter; Cash: IA SBBI US 30 Day T-Bill Index through 11/30/91 and the Bloomberg 1-3 Month US Treasury Bill Index thereafter. Data Source: Ned Davis Research and Morningstar, 2026

Why Working With a Financial Professional Matters



Don't Go It Alone

Guidance to stay calm and avoid panic moves



Set Your Allocation

Mix tailored to goals and risk comfort



Make Your Money Last

Plan withdrawals and investing so savings last

Summary

- Stress, Anxiety, and Crises
- Instinctual Behavior
- Maintaining Perspective





The Bottom Line

How many times does the end of the world as we know it need to arrive before we realize that it's not the end of the world as we know it?

Michael Lewis

Author of "The Big Short"

Next steps

1. Remember America's recovery record
2. If you're feeling uneasy about the markets, call your financial professional
3. Get a copy of our *Maintaining Perspective in Uncertain Times* brochure



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Index Definitions

Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

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

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 1-3 Month US Treasury Bill 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.

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.

Indices on Slide 25:

Large-Cap Growth Stocks are represented by the Russell 1000 Growth Index, which measures the performance of those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values. **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. **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. **Diversified Portfolio** is represented by an equal portion of each asset class, excluding cash.

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. • US Treasury securities are backed by the full faith and credit of the US government as to the timely payment of principal and interest • The securities of large market capitalization companies may underperform other segments of the market. • Small- and mid-cap securities can have greater risks, including liquidity risk, and volatility than large-cap securities. • 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. • Different investment styles may go in and out of favor, which may cause underperformance relative to the broader stock market.

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