

Media Replay



There's No Way Out of this Unemployment Crunch

U.S. News and World Report
March 14, 1983
Dow Jones: 1,114

Exploding Federal Debt—Why so Dangerous?

U.S. News & World Report
October 22, 1984
Dow Jones: 1,217

Warning: Further—and Maybe Bigger—Federal Bailouts Ahead

Time
December 18, 1989
Dow Jones: 2,698

The Economy's High Blood Pressure

New York Times
July 9, 1978
Dow Jones: 817

Social Security's Coming Crisis

The Washington Post
September 1, 1974
Dow Jones: 679

Is the US Going Broke

Time
March 13, 1972
Dow Jones: 929

Is the Recession Over?

The New York Times
March 22, 1992
Dow Jones: 3,276

Retirement Rip-Off

Forbes
November 25, 2006
Dow Jones: 12,280

World Economy Shudders as Coronavirus Threatens Global Supply Chains

The Wall Street Journal
February 24, 2020
Dow Jones: 27,960

Joblessness Is Here to Stay

Newsweek
December 21, 2009
Dow Jones: 10,414

Coming Soon: "Invasion of the Walking Debt"

New York Times
July 31, 2011
Dow Jones: 12,132

Market Selloff: Is the Plunge in Stocks Signaling a Recession in 2019?

USA Today
December 23, 2018
Dow Jones: 21,792

How Donald Trump Could Create a Financial Crisis

The Washington Post
January 9, 2017
Dow Jones: 19,887

A New Economic Era for China Goes Off the Rails

New York Times
January 7, 2016
Dow Jones: 16,514

Oil's Drop and Economic Fears in Europe Hammer Stocks

The Wall Street Journal
January 5, 2015
Dow Jones: 17,501

Data Source: Google Finance, 2/20
See back cover for index descriptions

Déjà News

Crisis of Today...or Yesterday?

Today's headlines may seem scary—so scary that “playing it safe” and not losing your money may seem like the only rational strategy. However, these headlines aren't exactly “new” news. In the past few decades, we have seen repeating patterns of crises including unemployment, economic downturns, and national debt concerns.

Yet, despite all these crises, the Dow Jones Industrial Average rose from 900 points in 1972 to over 29,000 in February 2020. In fact, long-term investors who stayed the course and did not lose sight of their financial goals have been rewarded.

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The news is here, there, and everywhere. In today's 24/7 news cycle, it's easy to get caught up in the “Crisis Du Jour.”

Mistakes 8

What we hear in the media can impact how we invest, resulting in costly mistakes that impact our financial future.

Solutions 16

Negative headlines and volatile markets can test the resolve of many investors. It's imperative to stay focused and not lose sight of long-term financial goals.

Please see back cover for source information.



The Daily Media Storm



We're exposed to an abundance of news, particularly economic news, via more outlets than ever before. Fifty-four percent of Americans now get their news, either sometimes or often, on social media.¹ At times, it may feel overwhelming, as though we're caught in a media whirlwind.

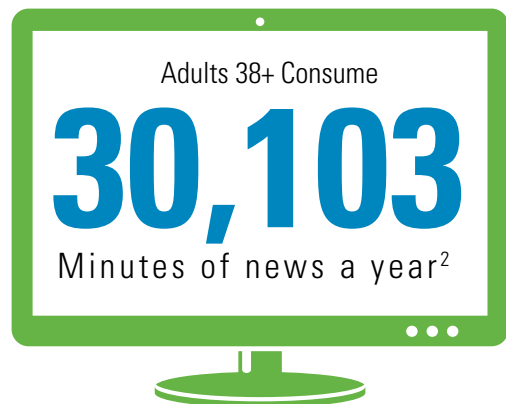
This 24-hour news cycle provides an almost immediate record of what's happening throughout the world. Everyone loves a good story—the more dramatic or sensational, the better it sells.

However, this constant onslaught of news may make it difficult for people to digest this information or gain the appropriate perspective on what they read, see, and hear.

In reality, it's not all bad news—it's just that bad news can be easier to remember.

How Much News Do We Consume?

You may be surprised to learn just how much time we devote to staying informed. For example, a Nielsen study revealed that people 38 and older watch **30,103** minutes of news a year.²



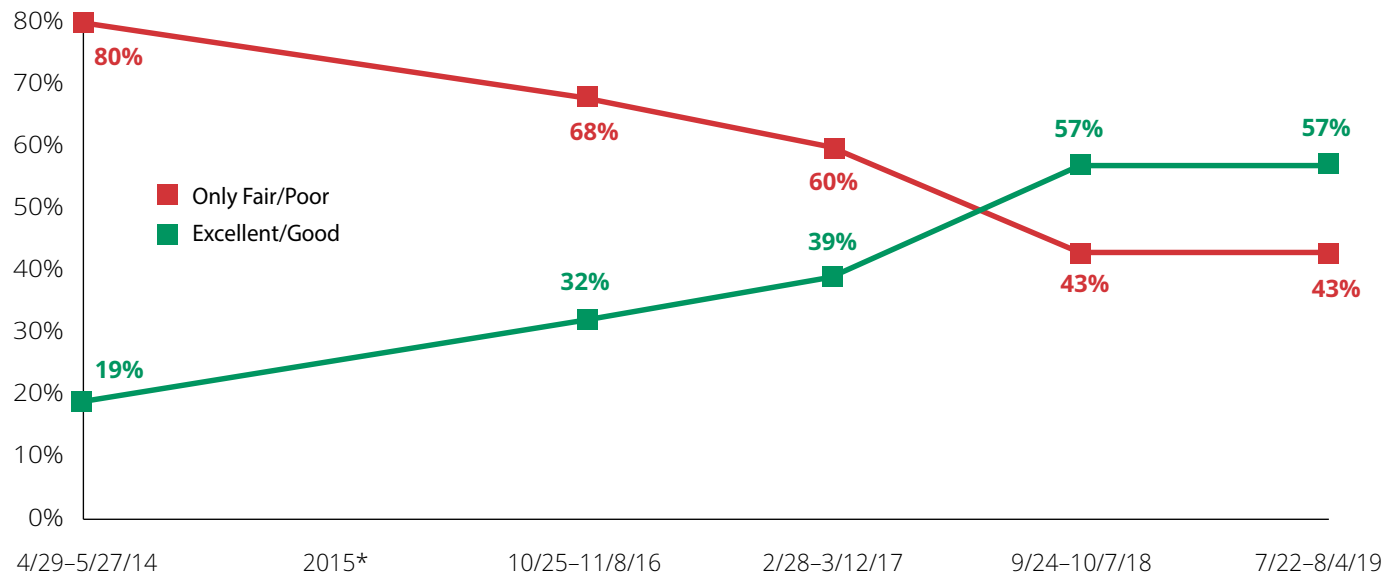
We're Finally Starting to Feel Better About Our Economic Situation

We've been experiencing the longest bull market ever.³ And we're finally feeling better about the economy. Even though in February 2020 the S&P 500 reached a level five times higher than the low in March 2009, news headlines

consistently portrayed this bull market as a slow-growth, jobless recovery. In 2019, 43% of Americans still consider economic conditions as only fair or poor.⁴

Until a Few Years Ago, Americans Viewed Our Economy as Mostly Bad⁴

% who say that economic conditions in the country are...

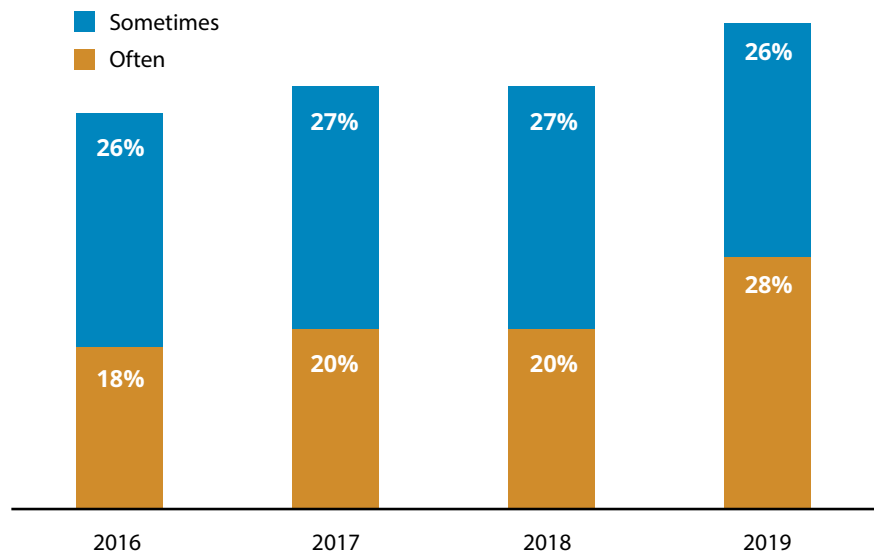


*Survey data not available

We're Getting More News From Social Media¹

% of US adults who get news on social media sites

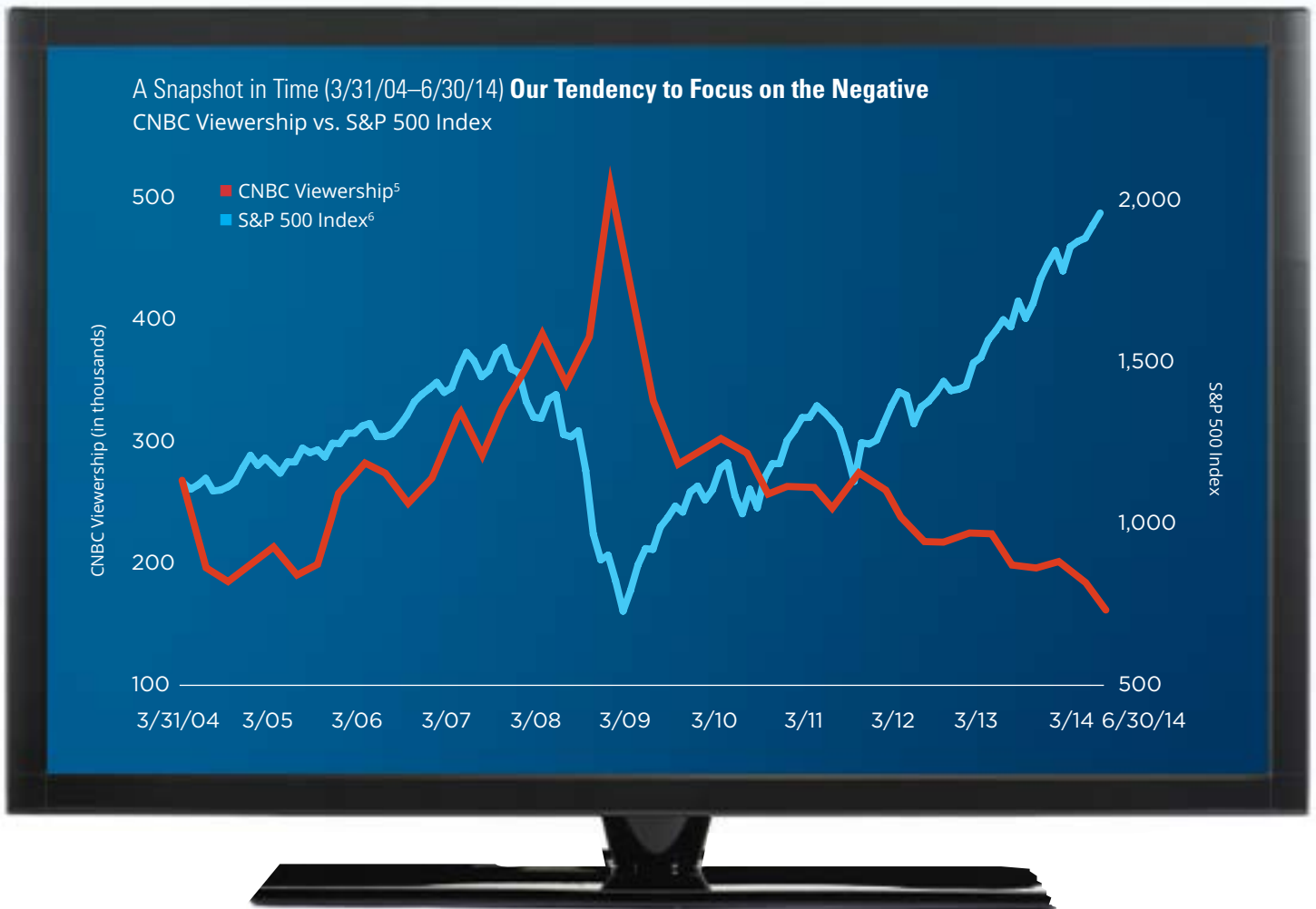
Facebook is far and away the social media site Americans use most commonly for news. About half (52%) of all US adults get news there.¹



Back in 2009, We Couldn't Look Away

Evolutionary psychologists and neuroscientists would argue that humans ordinarily seek out news of dramatic, negative events. These experts say that our brains evolved in a hunter-gatherer environment in which anything perceived as threatening had to be attended to

immediately for survival. Despite the fact that depressing headlines can make us feel uncomfortable, there appears to be a strong correlation between negative market performance and our curiosity about the news.



This is a study of CNBC viewership compared with S&P 500 Index performance. The blue line represents the S&P 500 Index and the red line represents CNBC viewership. Do you see a pattern? There's a correlation between poor market performance and CNBC ratings.

On September 29, 2008, when the markets faced their worst single-session point drop since the crash of 1987, CNBC had its best ratings day ever.

See back cover for index descriptions.

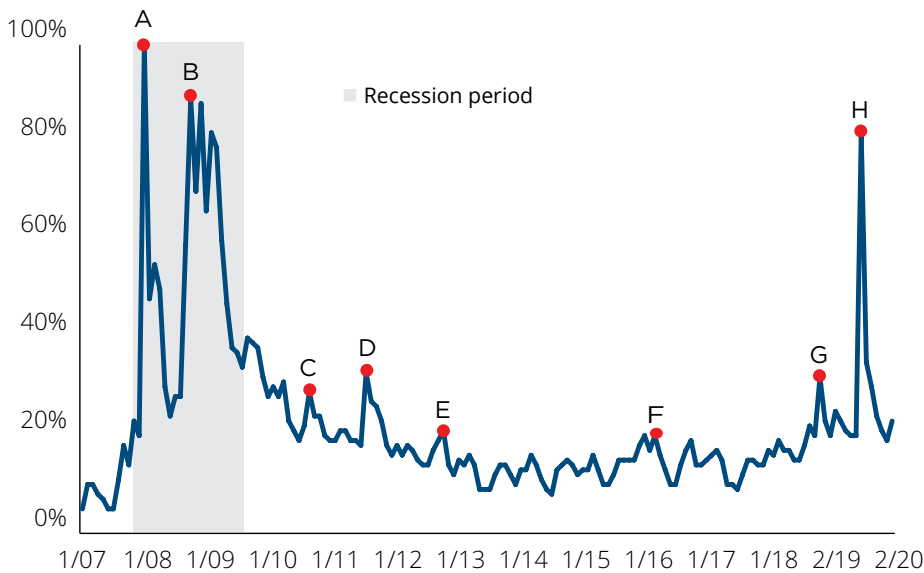
For illustrative purposes only. The performance shown is index performance and is not indicative of any Hartford Fund. Investors cannot invest directly in an index.

Did You Google It?

The term “recession” has been a popular search term over the past few years. Similar to CNBC viewership, the number of Google searches for “recession” increased during the turbulent time frame between 2008 and 2009.

Google Trends⁷

Results for the Search Term “Recession” in the US



- A. 1/22/08 After the plunge in markets around the world, the Fed cuts interest rates by 0.75%—the largest single-day reduction in the Fed’s history
- B. 12/1/08 Dow plunges in response to a report that the economy is in recession
- C. 9/20/10 Unemployment rises to 9.6%; 54,000 jobs lost
- D. 8/5/11 Congress debates the federal debt limit. Standard & Poor’s downgrades the US government’s credit rating
- E. 11/29/12 The US economy approaches possible fiscal cliff
- F. 1/18/16 Oil prices fall below \$28 a barrel from a record peak of \$145 in 2008
- G. 12/24/18 December stock market swoon reaches its peak on Christmas Eve as stocks experience their worst December ever
- H. 8/1/19 President Trump announces 10% tariffs on \$300 billion worth of Chinese imports, after two days of talks with no progress

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.



The Anxiety Effect

Insights from Dr. Joseph Coughlin, Founder and Director of MIT AgeLab

The MIT AgeLab provides insights to Hartford Funds about consumer behavior and decision-making, and trends in demographics, technology, and lifestyle. These trends impact the way people do business with financial-services providers and how they use financial advice.

Investing Attention in the Negative

Anxious investors are more apt to devote their attention to information that is negative.

When faced with the choice between information that could potentially inspire optimism versus data that paints a dismal future, the anxious client will opt to focus on the latter.

If It’s Not Clear, It Must be Bad

To further complicate matters, anxious investors process ambiguous information differently. Data that isn’t crystal clear is more likely to be perceived as bad or even threatening, fueling their pessimism.

Risk Aversion: “Just Don’t Lose It!”

Today’s investor is more likely to say, “Just don’t lose it!” rather than, “How do we grow it?”

An anxious investor’s main objective is to reduce current risk—not plan ahead. Instead of making decisions based on long-term financial objectives, they will act upon how they feel in the moment.

There's Always a Reason to Panic

Since 1973, we've had seven bear markets (about one every five years), with an average decline of 32%. A bear market is typically defined as a downturn of 20% or more in the stock market over at least a two-month period.

How an investor chooses to respond to this turmoil can dramatically affect his or her long-term performance.

When the market is declining and the news is depressing, the urge to panic and "play it safe" can be intense.



Bear Markets

S&P 500 Index 1973–2019¹⁴



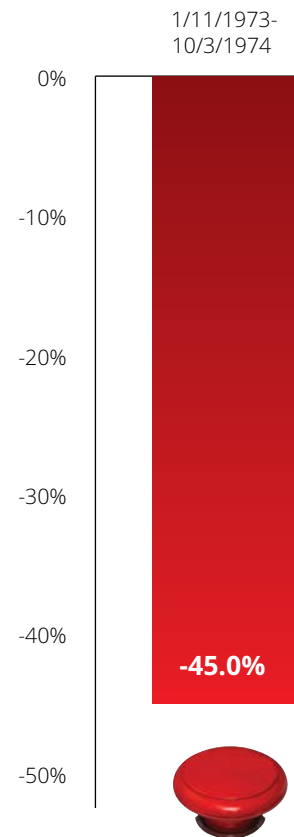
Bear Markets

Downturn of 20% or more in the stock market over at least a two-month period



Panic: 30%

The panic buttons represent periods in which the market dropped at least 30%. This could be considered a tipping point for investors who aren't comfortable with significant market declines and instead choose to look for "safer" investment choices.



See back cover for index descriptions.

Investors are more likely to find the courage to re-enter the market after things quiet down. Unfortunately, by this time, they've already missed much of the recovery.

During a 40-year career and a 30-year retirement, you can expect to experience 14 bear markets.

11/28/1980-
8/12/1982

-20.2%

8/25/1987-
10/19/1987

-33.0%



9/1/2000-
9/21/2001

-35.6%



3/19/2002-
10/9/2002

-33.0%



10/9/2007-
11/20/2008

-50.7%



1/6/2009-
3/9/2009

-27.2%

February 17, 2020



August 15, 2011



January 22, 2018



March 26, 2001



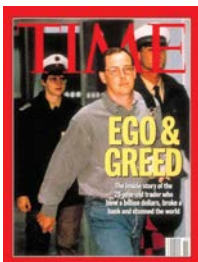
September 17, 2012



May 26, 2008



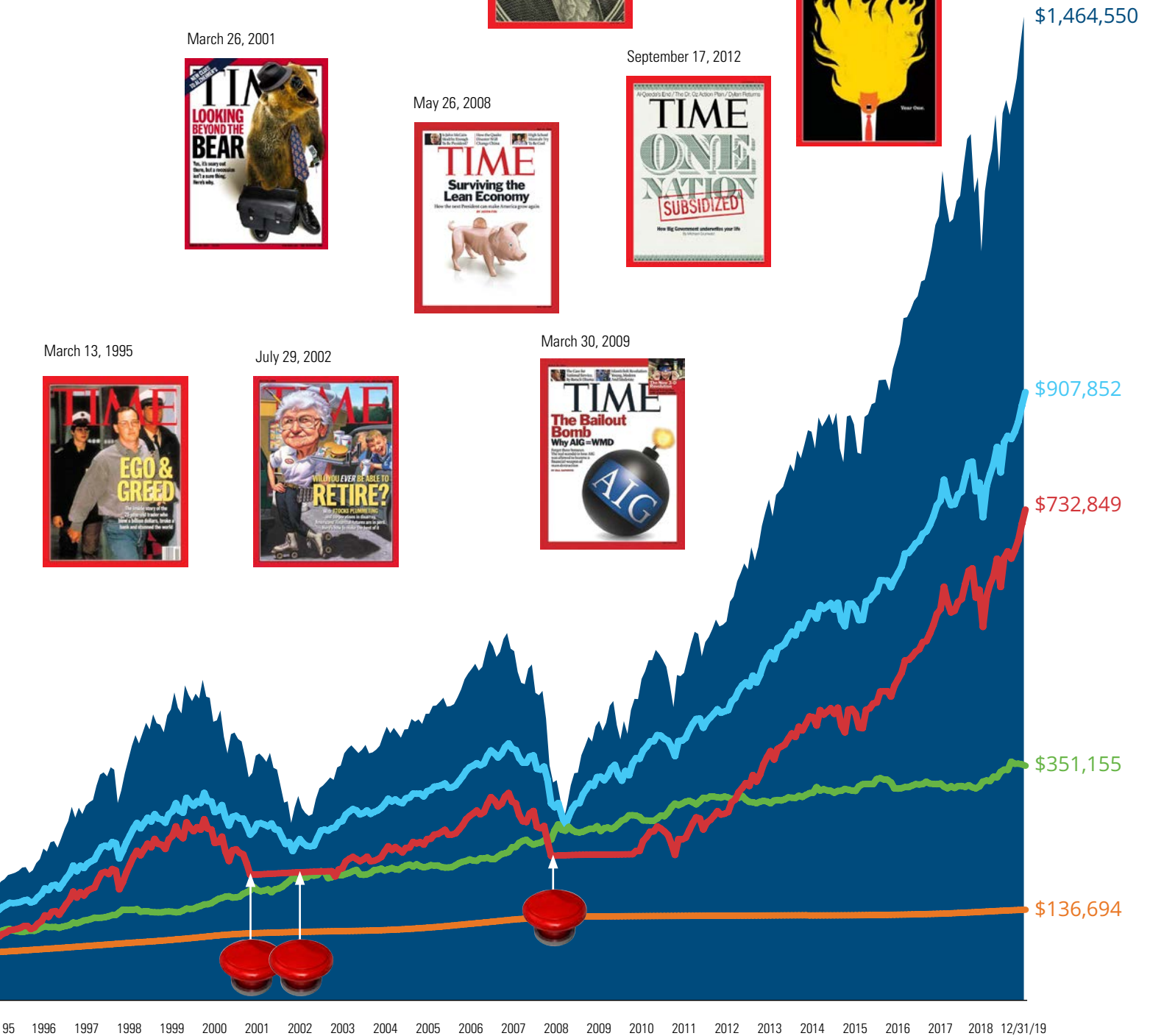
March 13, 1995



July 29, 2002



March 30, 2009



The Dow: 28,538
S&P 500: 3,230

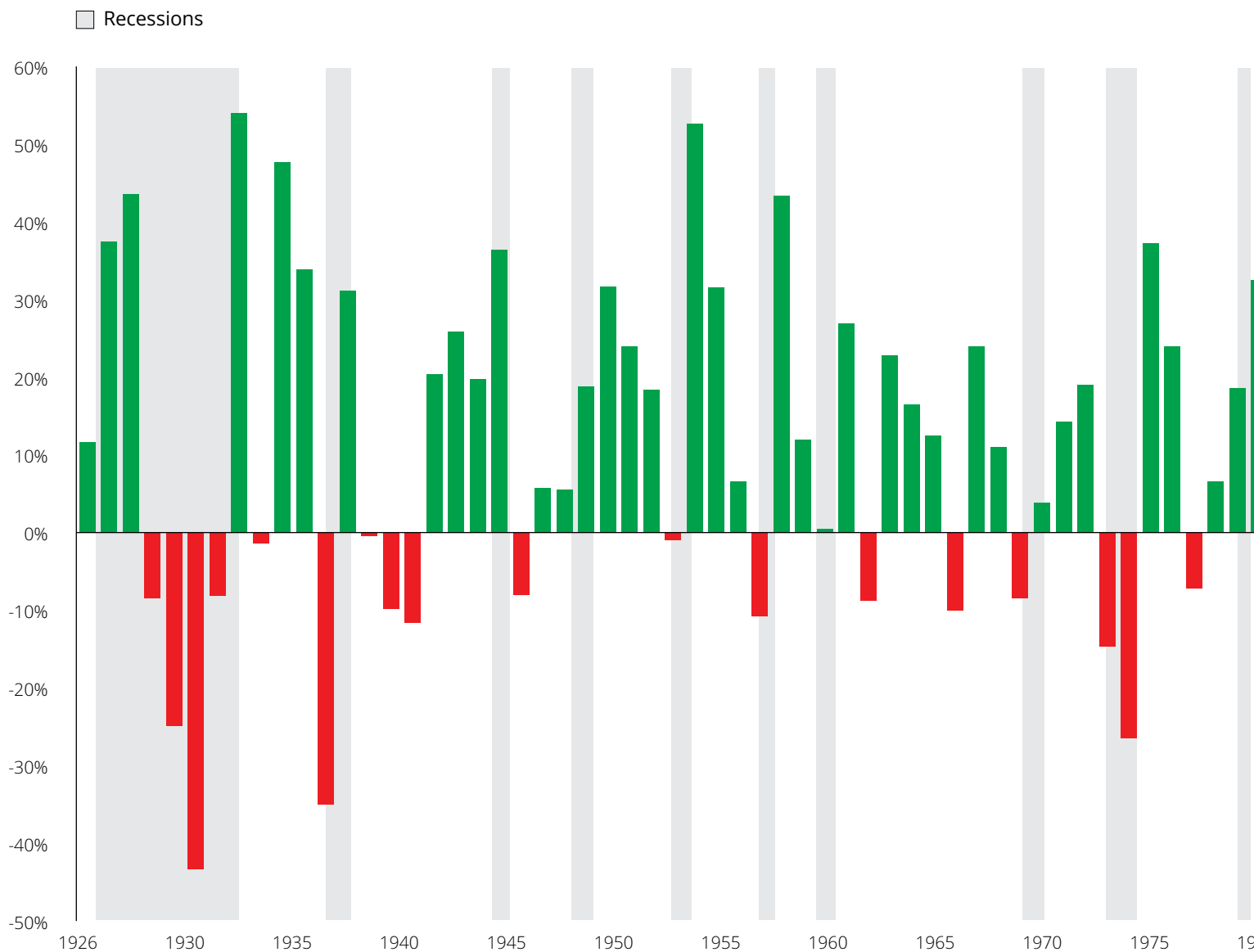
Is Fear of Loss Blinding You From Growth Op

The theory of “loss aversion” suggests that people strongly prefer avoiding losses to acquiring gains. Todd Feldman, assistant finance professor at San Francisco State University, states that “loss-averse investors are investors more impacted by losses than gains. For example, when loss-averse investors experience losses, they may sell as

the stock market is plummeting. When the stock market starts to rebound, it takes the loss-averse investor a long time to re-enter the market after experiencing significant losses.”¹³

This fear of loss in the down years can cause investors to overlook the potential for growth in the positive years.

Average Annual Returns: S&P 500 Index 1926–2019¹⁵



PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. See back cover for index descriptions.

For illustrative purposes only. The performance shown is index performance and is not indicative of any Hartford Fund. Investors cannot invest directly in an index.

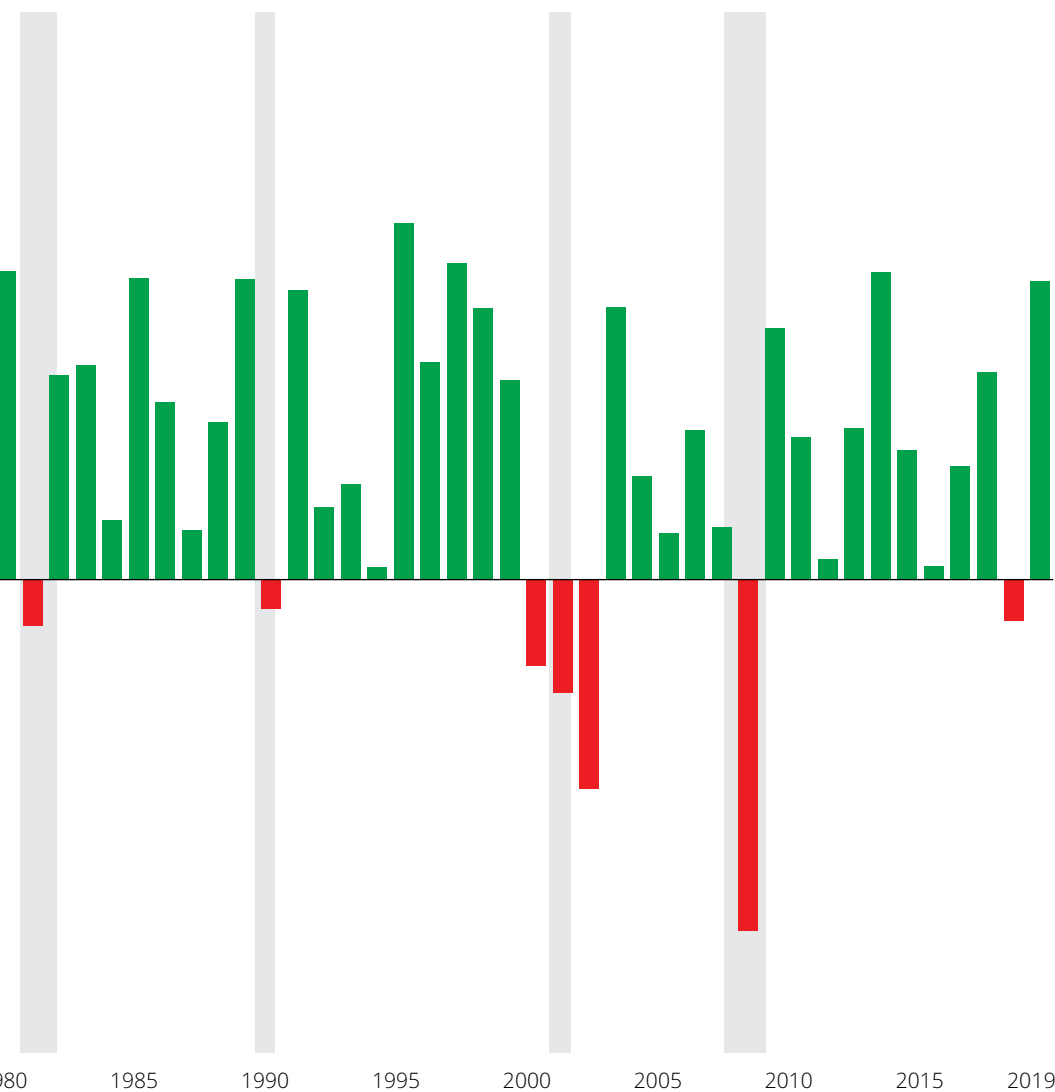
Unmanaged index returns do not reflect any fees, expenses or sales charges.

portunities?

Since 1926, the S&P 500 Index has had 69 positive years—nearly three times the number of negative years.

Many investors also tend to put more emphasis on recent market conditions when making decisions about the future. This is known as “recency bias.”¹⁴

An investor prone to recency bias who experiences a financial crisis would forecast a continued decline in stock prices and overlook the market’s “up” years.



S&P 500 Index Stats

Number of positive years:	69
Number of negative years:	25
Percentage of positive years:	73%
Percentage of negative years:	27%
Average Annual Return:	10.20%
Number of years when gains were greater than 20%:	35
Number of years when losses were greater than 20%:	6

Headlines You'll Probably Never See

While the media may be trumpeting the "Crisis Du Jour," chances are there are positive news stories that just aren't getting much media attention. The future trends shown here could positively impact the economy, despite their lack of coverage in the media.



MedWand

MedWand puts 10 medical devices in the palm of your hands. For example, it can take your temperature, measure blood oxygen levels, and listen to your heart and lungs. Your doctor can examine you through a computer no matter where you are in the world.

A Mood Ring for Your Dog

The device monitors, records, and analyzes your dog's emotional states, using an algorithm based on how a dog's heart rate spikes when they're stressed or anxious. The LED light on the device displays messages in real time about your dog such as relaxed, nervous, interested, and stressed.



No, It's Not a Transformer

The Guardian XO exoskeleton can help employees lift much heavier loads easier than they normally would. The battery-powered wearable robot can help you safely lift up to 200 pounds.

Chair on Wheels

Segway's S-Pod (concept) is a two-wheeled self-balancing vehicle that can hit speeds of up to 24 miles per hour. It's outfitted with smart safety features like automatic braking on turns and exterior lights that double as turn signals.



An Inkjet Printer for Your Face

The Opte handheld printer searches for dark spots on your skin and deposits tiny droplets of a facial serum with pigment to treat or cover them.

Screen Protector That Kills Germs

New screen protectors from OtterBox and Corning will have EPA-registered antimicrobial technology infused into the glass that will keep you and bacteria far away from each other as you text. It kills up to 99.99% of common microbes found on display surfaces.



Getting Your Portfolio off the “Media-Go-Round”

The repeating patterns of crises in the media can make it easy for investors to get mired in the present and lose sight of their long-term financial goals. Sensational breaking news stories coupled with uncertainty in the market can test the resolve of even the most seasoned long-term investors.

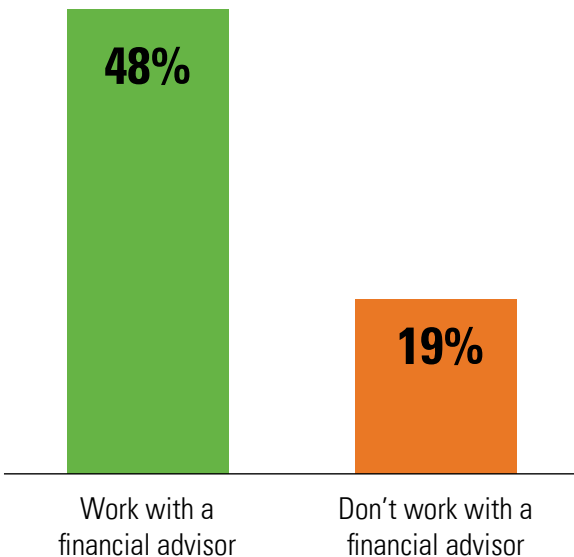
The investment world can be complex, with multiple asset classes within equities and fixed income, as well as a wide variety of investment vehicles and choices. Plus, history shows that asset classes move in and out of favor over time. You could have a better chance of reaching your financial goals if you choose a diversified strategy and work with a financial advisor.

1 Don't Go It Alone

Although many investors are tempted to “go it alone,” working with a trusted financial advisor can help you sort through what you see and hear in the news and distinguish between valuable information and media noise.

Your financial advisor has the expertise required to help you set financial goals, establish an investment plan, and provide guidance during all types of economic and market environments. Plus, investors who work with advisors are more confident that their money will last in retirement than those who don't.

Confident Retirement Savings Will Last Until Age 90¹⁶



2 Start with a Plan

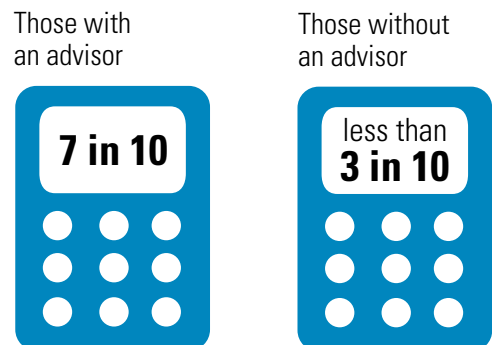
What are the necessary components of a comprehensive financial plan?

- Investment time horizon of five years or longer
- Specific dollar amount and target date for each financial goal
- Realistic assumed rate of return for your investments
- Income distribution plan that lasts for life
- Estate planning to ensure maximum wealth transfer to your heirs

Your financial advisor can help you design a plan to fit your goals and preferences.

Boomers Who Worked With an Advisor Were More Likely to Calculate Savings Needed for Retirement¹⁶

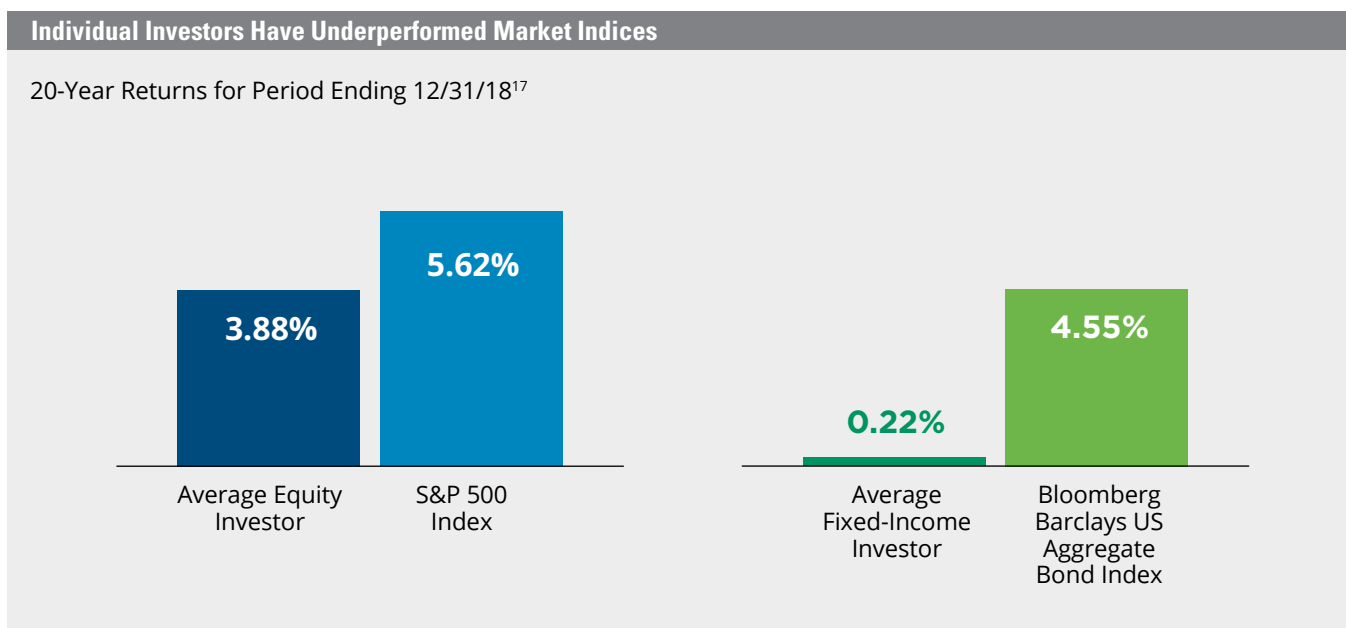
Percentage of Baby Boomers who have calculated the savings they will need to live comfortably in retirement



3 Long-Term Behavior

Over the past 20 years, we've witnessed repeating patterns of market volatility. This has led many investors to move their investments onto the sidelines in a flight to safety or to make decisions in an attempt to time the market.

Short investment holding periods are the primary reason why investors have underperformed the market.



Performance data for indices represents a lump sum investment in January 1999 to December 2018 with no withdrawals. Stocks are represented by the S&P 500 Index. Bonds are represented by the Bloomberg Barclays US Aggregate Bond Index. Indices are unmanaged, unavailable for direct investment, and do not reflect fees, expenses, or sales charges.

Unmanaged index returns do not reflect any fees, expenses, or sales charges.

Index performance is not indicative of any Hartford fund.

See back cover for index descriptions.

Dalbar's Quantitative Analysis of Investor Behavior Methodology - Dalbar's Quantitative Analysis of Investor Behavior uses data from the Investment Company Institute (ICI), Standard & Poor's, and Barclays Index Products to compare mutual fund investor returns to an appropriate set of benchmarks. Covering the period from January 1, 1999 to December 31, 2018, the study utilizes mutual fund sales, redemptions and exchanges each month as the measure of investor behavior. These behaviors reflect the "average investor." Based on this behavior, the analysis calculates the "average investor return" for various periods. These results are then compared to the returns of respective indices.

Average equity investor and average bond investor performance results are calculated using data supplied by the Investment Company Institute. Investor returns are represented by the change in total mutual fund assets after excluding sales, redemptions, and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses, and any other costs. After calculating investor returns in dollar terms, two percentages are calculated for the period examined: total investor return rate and annualized investor return rate. Total investor return rate is determined by calculating the investor return dollars as a percentage of the net of the sales, redemptions, and exchanges for each period.



John Diehl
Senior Vice President
Applied Insights Team
Hartford Funds

Perspectives from The Great Recession

On September 29, 2008, the Dow Jones Industrial Average dropped 777 points, in the midst of the financial crisis. The next day the headlines read “Worst Day Ever for the Dow.” While this was true based on how many points the Dow dropped, the day barely made the top 20 worst days on a percentage basis.

On September 30, the very next day, the Dow was up 485 points. Do you remember reading the headline, “Dow Has Third Best Day Ever?” Probably not. It wasn’t written because negative news is what sells.

Many people don’t realize that March 2020 will be the eleventh anniversary of the bull market. Had you been able to ignore the media hype since the Dow’s low of 6,547 on March 9, 2009 and focus clearly on market returns, by the end of 2019 you would have watched the Dow Jones Industrial Average more than triple and rise an average of 17.9% annually¹⁸. How unfortunate for those on the sidelines.

Index Descriptions

Indices are unmanaged, and unavailable for direct investment, and do not represent the performance of any Hartford Funds.

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 an unmanaged list of 500 widely held US common stocks frequently used as a measure of US stock market performance.

Bloomberg Barclays US Aggregate Bond Index is comprised of government securities, mortgage-backed securities, asset-backed securities, and corporate securities to simulate the universe of bonds in the market.

Bloomberg Barclays US Long Treasury Total Return Index includes all publicly issued, US Treasury securities that have a remaining maturity of 10 or more years, are rated investment grade, and have \$250 million or more of outstanding face value.

¹ Source: *Americans Are Wary of the Role Social Media Sites Play in Delivering the News*, Pew Research Center, 10/2/19

² Source: *Millennials on Millennials: TV and Digital News Consumption*, Nielsen, 2018.

³ Source: *Stocks are at an all-time high. Here’s what stopped the last 12 bull runs*, CNN, 4/23/19

⁴ Data Source: *Most Americans Say the Current Economy Is Helping the Rich, Hurting the Poor and Middle Class*, Pew Research Center, 12/11/19

⁵ Source: Nielsen Media Research/Zero Hedge, June 2014

⁶ Source: Yahoo Finance, 6/30/14

⁷ Source: Google Trends, 2/20

⁸ Source: Factset, 12/19

⁹ Source: Investment Company Institute, 12/19

¹⁰ Source: Board of Governors of the Federal Reserve System (US), 2019

¹¹ Source: Bloomberg, Bankrate.com 1-Year CDs National Average, 12/19

¹² Source: Ned Davis Research, 12/19

¹³ Source: The Journal of Investing, Summer 2012

¹⁴ Source: *How “Recency Bias” Can Make You a Lazy Investor*, Medium, 9/6/19

¹⁵ Source: Morningstar, 12/19.

¹⁶ Source: *Boomer Expectations for Retirement 2019*, Insured Retirement Institute (IRI), 2019

¹⁷ Source: DALBAR’s Annual Quantitative Analysis of Investor Behavior (QAIB), 2019

¹⁸ Source: Factset, Morningstar 12/19

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