

## STAYING INVESTED DESPITE BAD NEWS

There will always be negative news that will make investors wary.

The table below, courtesy of Hartford Funds, shows standout news events over the past half-century. Since we are in 2021, we highlighted events from each year including 2020. Disciplined investors who tuned out the noise and stayed invested in stocks were rewarded in the long term.

Year	Reasons Not to Invest	Stock Market Returns	Value of \$10k Investment Today*
1971	Bomb explodes at the US Capitol Vietnam War escalates Pentagon Papers released	14.30%	\$1,754,643
1981	Bomb explodes at the US Capitol Vietnam War escalates Pentagon Papers released	-4.92%	\$777,649
1991	First Iraq War Rodney King beating Recession	30.47%	\$211,063
2001	9/11 terrorist attacks Dot.com bubble fallout Record bankruptcies	-11.89%	\$42,231
2011	US bonds lose AAA status Middle East turmoil Oil prices spike	2.11%	\$36,700
2020	Worst pandemic in 100 years Presidential impeachment Double-digit unemployment	18.40%	\$11,840
2021	US Capitol riot Vaccine deployment challenges Texas energy crisis	???	???

\*Assumes an initial investment of \$10,000 in stocks beginning on January 1 of the date in column 1 through December 31, 2020. Assumes 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. Past performance does not guarantee future results. The index is unmanaged and not available for direct investment. For illustrative purposes only. Sources: Morningstar and Hartford Funds, 2/21.

Perhaps nothing illustrates the resilience of US financial markets more than the confluence of historic events in 2020. And while stocks initially sold off sharply due to COVID-19, they recovered by the end of the year. What will 2021 bring? Even if it is a down year for stocks like 1981 or 2001, history suggests the market is likely to be resilient and reward investors over time.



**Matt Jones, JD, CFP**  
President



**David Trent**  
Managing Principal