

Fidelity Viewpoints[®]: **Market Sense**

The latest headlines, the current market conditions,
and what it all means for you.



Fidelity Viewpoints[®]: **Market Sense**

The latest headlines, the current market conditions,
and what it all means for you.



Views and opinions expressed in this webcast are those of the speakers. This discussion is for educational purposes and should not be considered investment advice. Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice.

Our Speakers

Host



Colleen Rolph

Squad Leader, Learning, Content & Offering, Fidelity Investments

Colleen Rolph assumed her current position as vice president of Learning Content & Offering for Fidelity's Personal Investing division in 2017. In this role, she leads the learning program, which includes strategic planning, programming, and development of workplace educational solutions. Colleen joined Fidelity in 2002. Prior to her current role, she was vice president of Women Investors in Fidelity's Personal Investing unit.

Special guest panelists



Jurrien Timmer

Director of Global Macro, Fidelity Investments

Jurrien Timmer is the director of Global Macro at Fidelity Investments. In this role, he is part of Fidelity's Global Asset Allocation group, where he specializes in asset allocation and global macro strategy. Additionally, he is responsible for analyzing market trends and synthesizing investment perspectives across Asset Management to generate market strategy insights for the media as well as for Fidelity's clients.

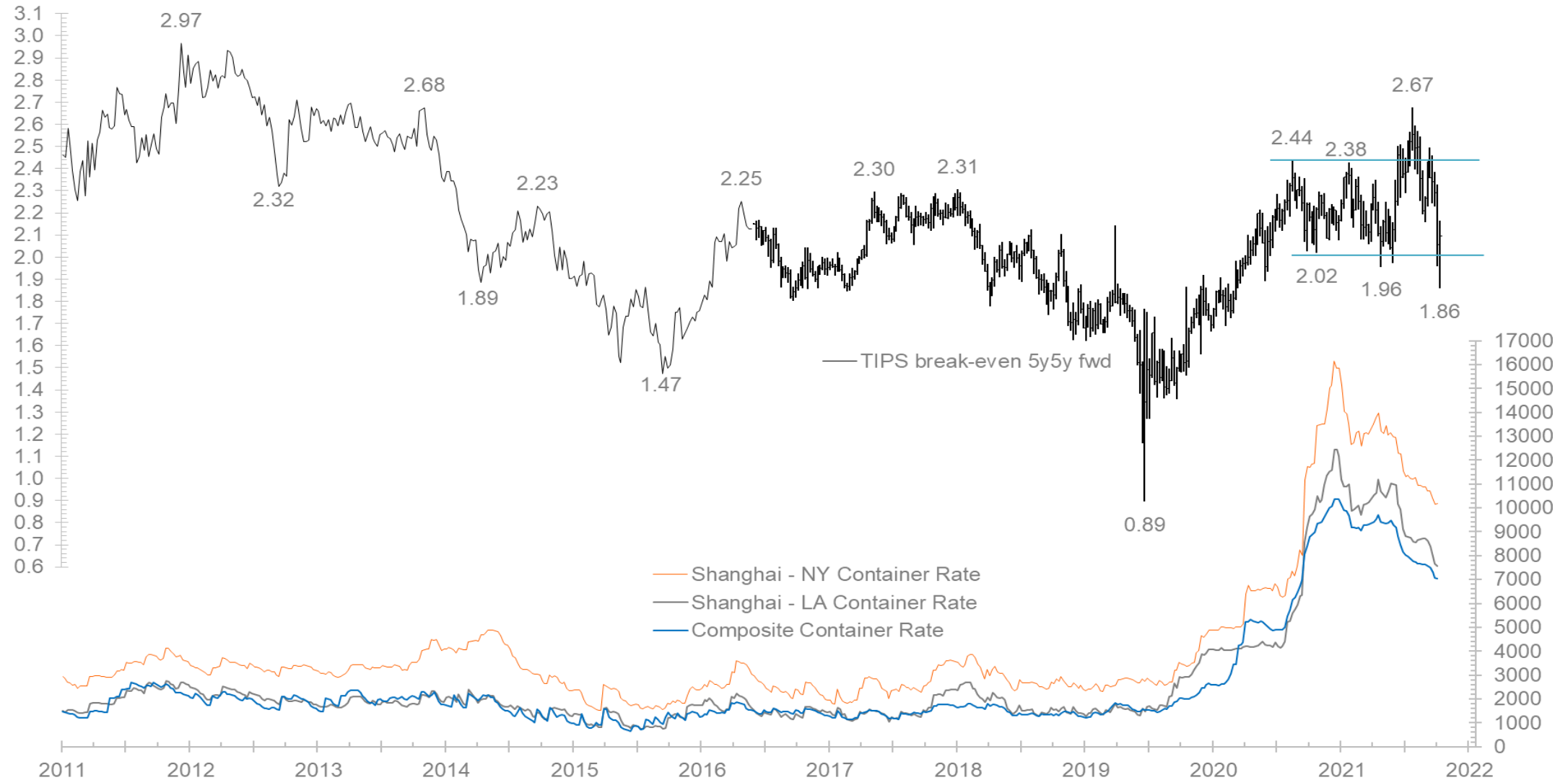


Leanna Devinney, CFP®

Vice President, Branch Leader, Fidelity Investments

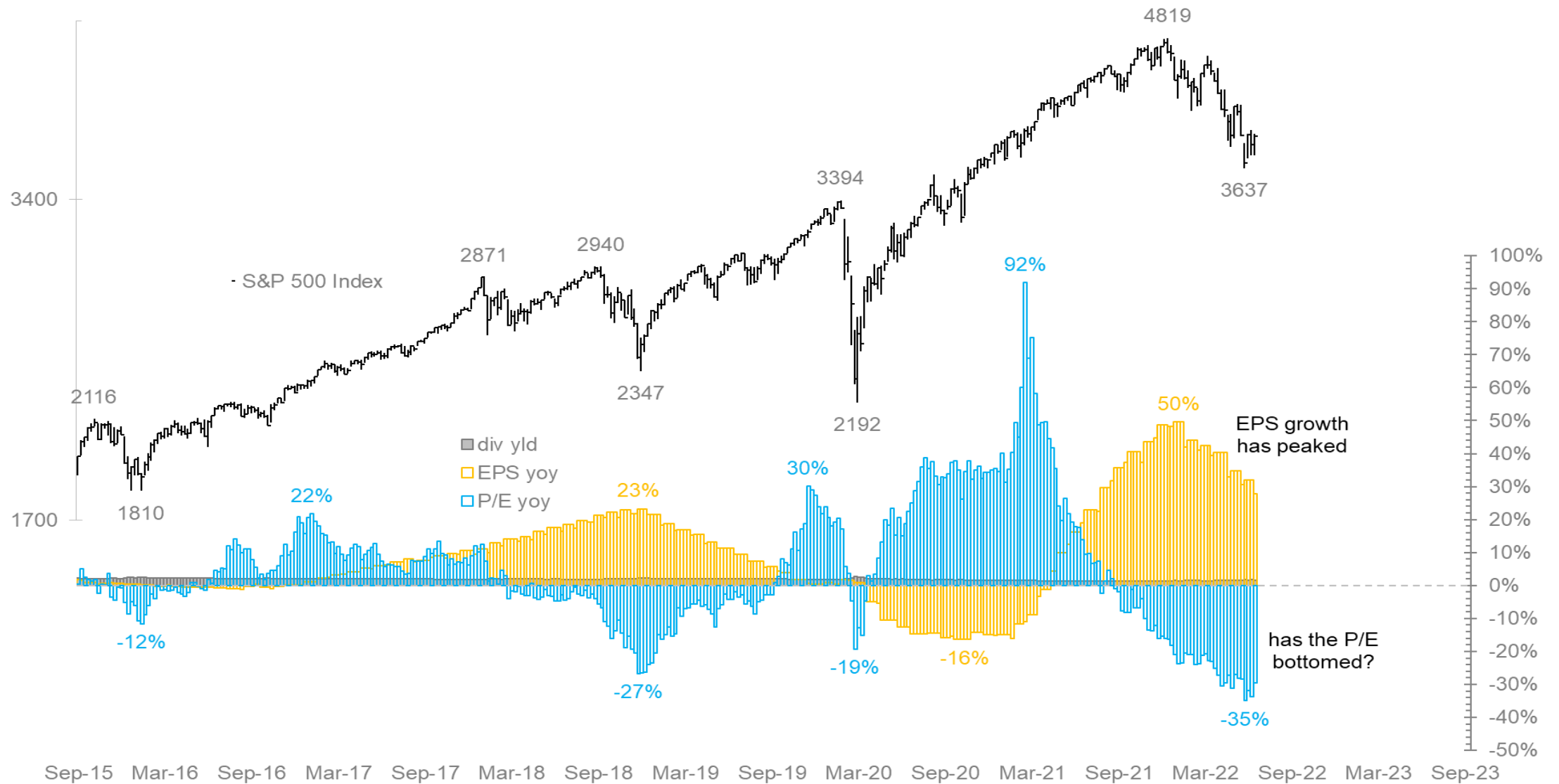
Leanna Devinney is responsible for leading one of Fidelity's Investor Centers. In this role, she offers our clients financial and investment guidance, including one-on-one retirement planning, wealth management, income strategies, and college planning services as well as integrated employer benefits solutions.

Inflation Expectations



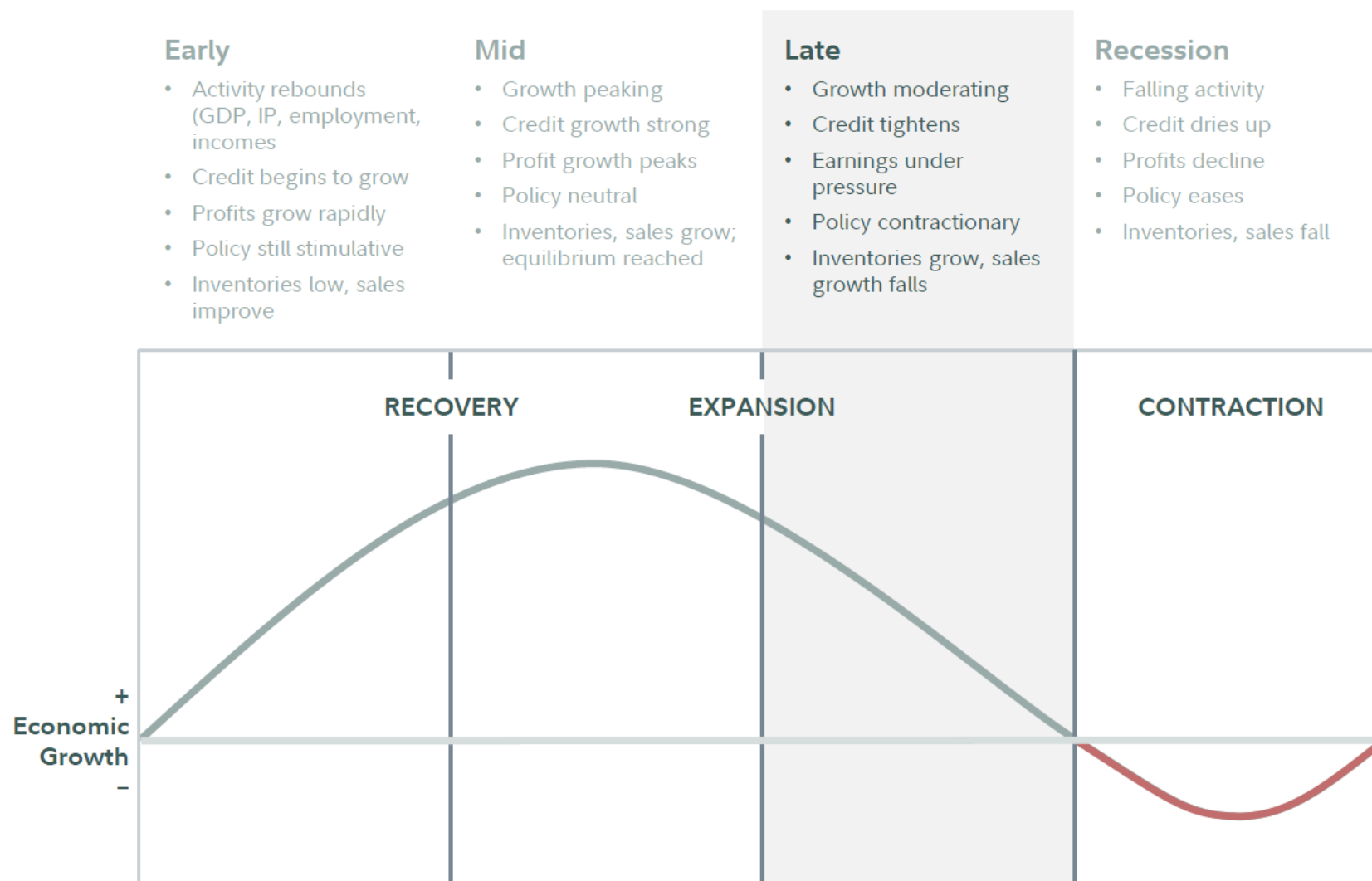
For illustrative purposes only. **Past performance is no guarantee of future results.**
Data source: FMRCo, Bloomberg. Haver Analytics, FactSet. Data as of July 11, 2022.

Valuation vs. Earnings



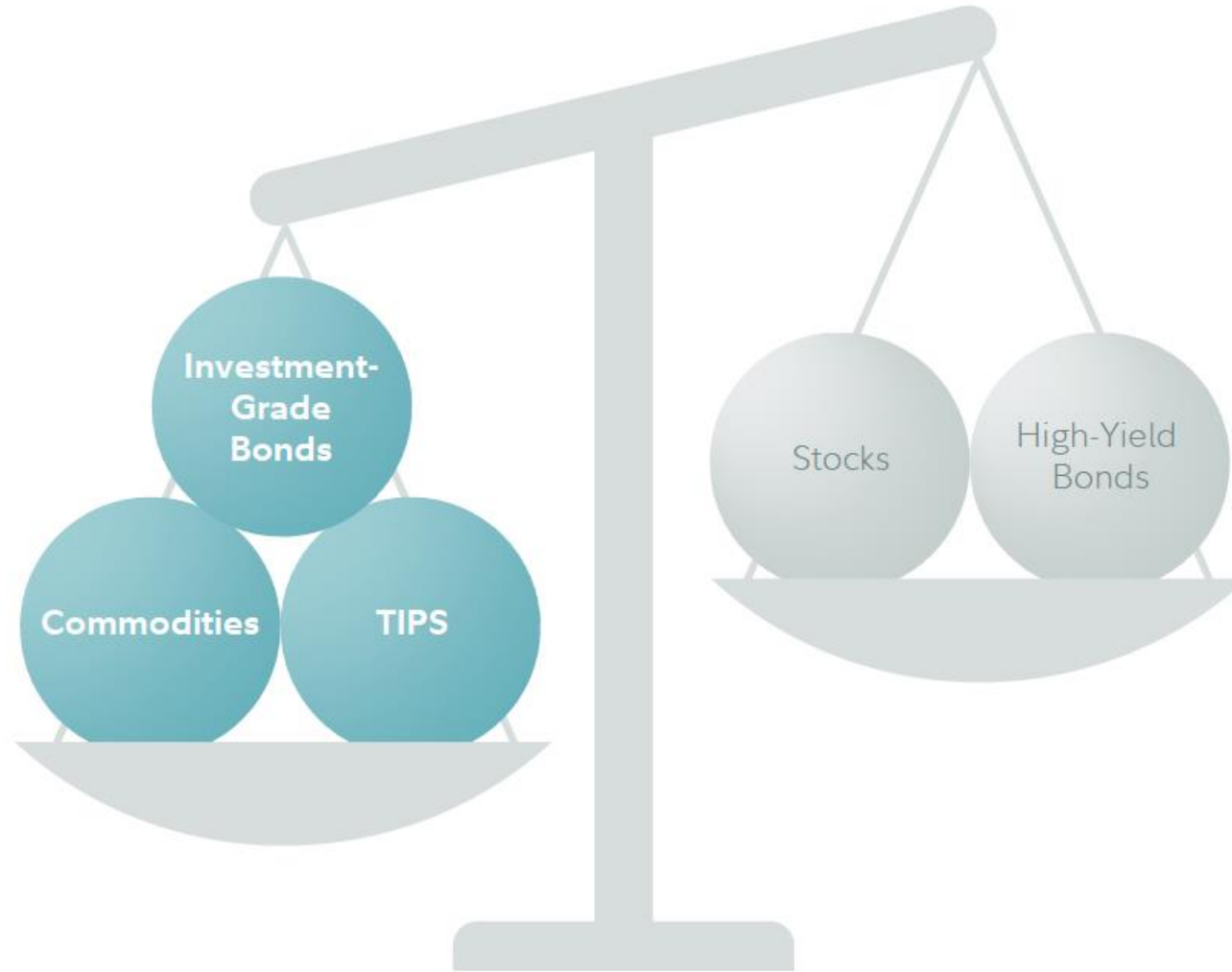
For illustrative purposes only. **Past performance is no guarantee of future results.**
Data source: FMRCo, Bloomberg. Haver Analytics, FactSet. Data as of July 11, 2022.

Late Phase of the Business Cycle



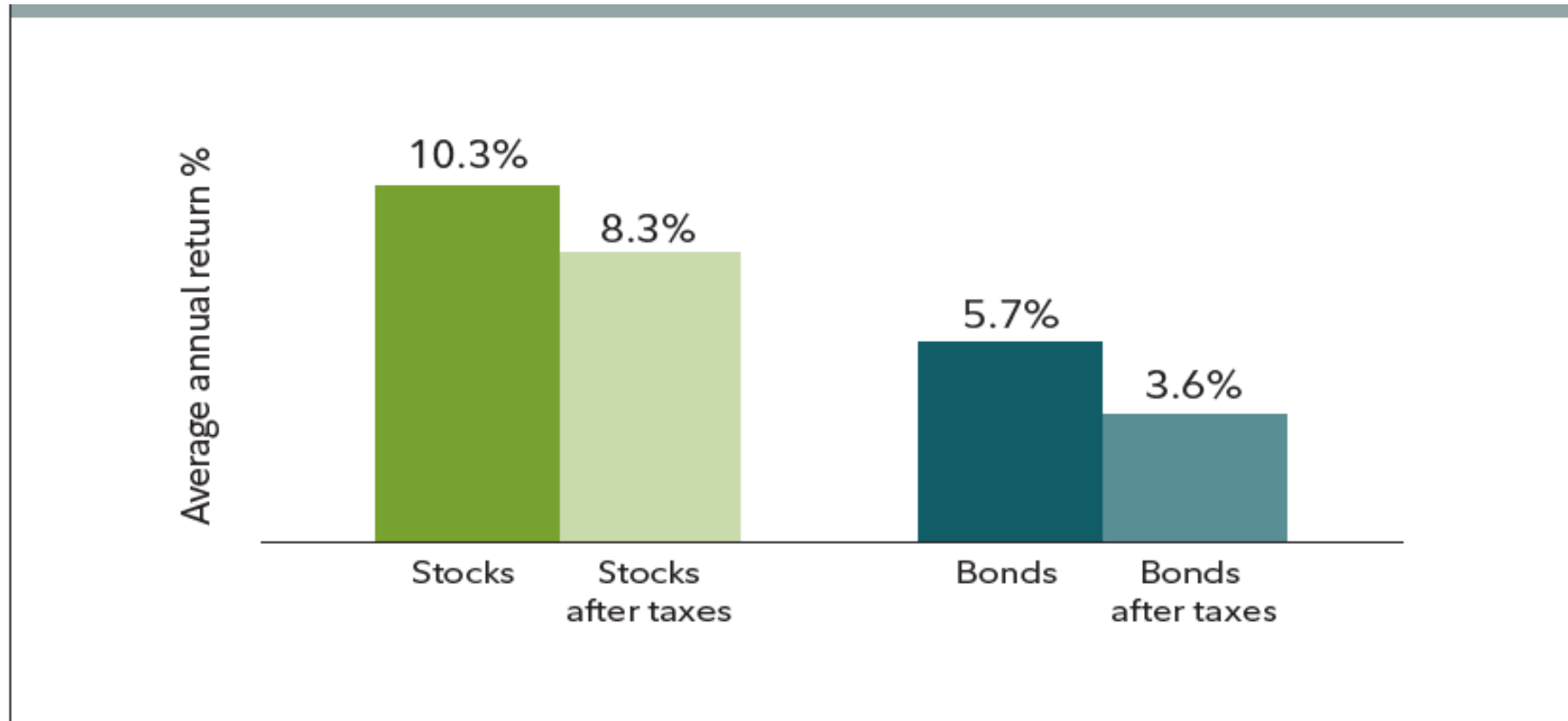
For illustrative purposes only. Business cycle above is a hypothetical illustration of a typical business cycle. There is not always a chronological progression in this order, and there have been cycles when the economy has skipped a phase or retraced an earlier one. Past performance is no guarantee of future results. Asset class total returns are represented by indexes from the following sources: Fidelity Investments, Morningstar, and Bloomberg. Fidelity Investments source: a proprietary analysis of historical asset class performance, which is not indicative of future performance.

Inflation Balance



TIPS: Treasury Inflation-Protected Securities. Past performance is no guarantee of future results. Asset class total returns are represented by indexes from the following sources: Fidelity Investments, Morningstar, and Bloomberg. Fidelity Investments source: a proprietary analysis of historical asset class performance, which is not indicative of future performance.

Impact of Taxes on Investment Returns—1926–2021



Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. Stocks are represented by the Ibbotson® Large Company Stock Index. Bonds are represented by the 20-year U.S. government bond. An investment cannot be made directly in an index. The data assumes reinvestment of income and does not account for transaction costs. © 2021 Morningstar, Inc. All rights reserved. 2/28/2021. For disclosures for additional information.

Bear Markets and Serious Corrections

top	botom	#mo	Δ nom SPX	Δ real SPX	P/E high	P/E low	Δ P/E	Δ CPI (ann)	Δ Fed	Δ nom EPS	Δ real EPS	next peak	#mo	nom %chg	prev high	#mo	NBER
Jun-1872	Jun-1877	61	-47%	-31%	12.4	9.4	-24%	-5%	-190	-30%	-13%	Jun-1881	49	+140%	Mar-1980	95	recession
Jun-1881	Jan-1885	44	-36%	-26%	14.1	13.8	-2%	-4%	+120	-37%	-26%	May-1887	28	+39%	Jan-1999	215	recession
May-1887	Aug-1896	113	-35%	-17%	17.2	17.1	-1%	-3%	+260	-39%	-25%	Jun-1901	75	+123%	Jan-1999	143	recession
Jun-1901	Nov-1903	29	-26%	-31%	17.3	11.7	-33%	+3%	+210	+7%	-5%	Jan-1906	27	+57%	May-1905	48	recession
Jan-1906	Nov-1907	22	-37%	-40%	14.6	9.4	-36%	+3%	+220	-8%	-9%	Nov-1909	24	+63%	Nov-1909	46	recession
Nov-1909	Dec-1914	62	-28%	-29%	13.7	14.1	+3%	+0%	-70	-24%	-29%	Nov-1919	60	+31%	Oct-1916	84	recession
Nov-1919	Aug-1921	22	-35%	-36%	10.1	13.6	+35%	+1%	+60	-52%	-87%	Sep-1929	98	+410%	Feb-1925	65	recession
Sep-1929	Jun-1932	33	-87%	-82%	20.5	8.6	-58%	-8%	-330	-73%	-64%	Mar-1937	58	+348%	Dec-1954	308	recession
Mar-1937	Apr-1942	63	-60%	-65%	16.8	7.3	-56%	+2%	-10	-20%	-30%	May-1946	50	+158%	Feb-1946	109	recession
May-1946	Jun-1949	37	-30%	-46%	22.4	5.6	-75%	+9%	+79	+172%	+110%	Aug-1956	87	+271%	May-1950	48	recession
Aug-1956	Oct-1957	15	-23%	-24%	14.3	11.8	-18%	+3%	+98	-8%	-12%	Dec-1961	50	+90%	Sep-1958	26	recession
Dec-1961	Jun-1962	7	-30%	-28%	21.6	14.0	-35%	+1%	+13	+10%	+9%	Feb-1966	44	+84%	Oct-1963	22	recession
Feb-1966	Oct-1966	8	-24%	-24%	18.2	12.3	-33%	+4%	+70	+2%	+0%	Nov-1968	26	+51%	Nov-1968	34	
Nov-1968	May-1970	18	-37%	-41%	18.0	12.3	-32%	+6%	+139	-7%	-12%	Jan-1973	32	+77%	Nov-1972	48	recession
Jan-1973	Oct-1974	21	-50%	-57%	19.9	6.7	-66%	+11%	+205	+27%	+2%	Sep-1976	24	+78%	Dec-1982	121	recession
Sep-1976	Mar-1978	18	-20%	-27%	11.8	8.0	-32%	+7%	+121	+2%	+5%	Nov-1980	33	+64%	Apr-1981	55	recession
Nov-1980	Aug-1982	21	-29%	-36%	9.1	6.3	-31%	+8%	-473	-8%	-20%	Aug-1987	61	+233%	Oct-1982	23	recession
Aug-1987	Oct-1987	2	-36%	-36%	24.0	14.3	-40%	+5%	+12	+11%	+10%	Jul-1990	33	+71%	Jul-1989	23	
Jul-1990	Oct-1990	3	-20%	-22%	16.0	13.4	-16%	+10%	-47	-32%	-35%	Jan-1994	40	+64%	Feb-1991	7	recession
Jan-1994	Nov-1994	9	-8%	-10%	22.8	14.8	-35%	+3%	+272	+41%	+38%	Jul-1998	45	+169%	Feb-1995	13	
Jul-1998	Oct-1998	3	-22%	-23%	27.1	21.1	-22%	+2%	-102	-0%	-1%	Mar-2000	17	+68%	Dec-1998	5	
Mar-2000	Oct-2002	31	-51%	-53%	30.0	16.8	-44%	+2%	-425	-24%	-26%	Oct-2007	61	+105%	Jul-2007	89	recession
Oct-2007	Mar-2009	17	-58%	-58%	17.6	12.1	-31%	+1%	-378	-50%	-51%	May-2011	26	+105%	Apr-2013	67	recession
May-2011	Oct-2011	5	-21%	-22%	15.8	12.0	-24%	+3%	-4	+7%	+6%	Sep-2018	85	+174%	Feb-2012	10	
Sep-2018	Dec-2018	3	-20%	-20%	20.0	15.6	-22%	+0%	+24	+8%	+8%	Feb-2020	14	+45%	Apr-2019	7	
Feb-2020	Mar-2020	1	-35%	-35%	21.9	15.0	-32%	-3%	-124	-17%	-17%	Jan-2022	22	+120%	Aug-2020	6	recession
Jan-2022	?	6	-25%	-27%	24.8	18.0	-27%	+7%	+84	+4%	+1%				Jan-2022		
median - all cycles			-33%	-31%	17.5	12.3	-32%	+3%	+19	-8%	-12%		42	+87%		48	
median - recession			-35%	-36%	17.0	11.9	-32%	+3%	+42	-18%	-19%		46	+97%		60	
median - non-recessi			-22%	-22%	21.4	14.6	-28%	+3%	+18	+8%	+7%		30	+70%		11	

For illustrative purposes only. **Past performance is no guarantee of future results.**

Data source: FMRCo, Bloomberg. Haver Analytics, FactSet. Data as of July 11, 2022.



Visit Fidelity.com/webcasts or scan the QR code.

Additional Information for **Impact of Taxes on Investment Returns:**

Taxes Can Significantly Reduce Returns data, Morningstar, Inc., 2021. This example reflects a 95-year period from 1926 to 2020 and is based on the following data: stocks at 10.3%, stocks after taxes at 8.3%; bonds at 5.7%, and bonds after taxes at 3.6%.

Past performance is no guarantee of future results. This data is for illustrative purposes only and does not represent actual or future performance of any investment option. Returns include the reinvestment of dividends and other earnings. Stocks are represented by the Ibbotson® Large Company Stock Index. Government bonds are represented by the 20-year U.S. government bond, cash by the 30-day U.S. Treasury bill, and inflation by the Consumer Price Index. The data assumes reinvestment of income and does not account for transaction costs. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index.

Federal income tax is calculated using the historical marginal and capital gains tax rates for a single taxpayer earning \$120,000 in 2015 dollars every year. This annual income is adjusted using the Consumer Price Index in order to obtain the corresponding income level for each year. Income is taxed at the appropriate federal income tax rate as it occurs. When realized, capital gains are calculated assuming the appropriate capital gains rates. The holding period for capital gains tax calculation is assumed to be five years for stocks, while government bonds are held until replaced in the index. No state income taxes are included. © 2021 Morningstar, Inc. All rights reserved.

Information presented herein is for discussion and illustrative purposes only and is not a recommendation or an offer or solicitation to buy or sell any securities. Views expressed are as of the date indicated, based on the information available at that time, and may change based on market and other conditions. Unless otherwise noted, the opinions provided are those of the speakers and not necessarily those of Fidelity Investments or its affiliates. Fidelity does not assume any duty to update any of the information.

To the extent any investment information in this material is deemed to be a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity and is not intended to be used as a primary basis for you or your clients' investment decisions. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in them and receive compensation, directly or indirectly, in connection with the management, distribution, or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services.

Investing involves risk, including risk of loss.

Past performance is no guarantee of future results.

All indexes are unmanaged, and performance of the indexes includes reinvestment of dividends and interest income, unless otherwise noted. Indexes are not illustrative of any particular investment, and it is not possible to invest directly in an index.

The S&P 500® Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. S&P and S&P 500 are registered service marks of Standard & Poor's Financial Services LLC. You cannot invest directly in an index.

Diversification and/or asset allocation do not ensure a profit or protect against loss.

Stock markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. Investing in stock involves risks, including the loss of principal.

Foreign markets can be more volatile than U.S. markets due to increased risks of adverse issuer, political, market, or economic developments, all of which are magnified in emerging markets. These risks are particularly significant for investments that focus on a single country or region.

In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities). Fixed-income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. Lower-quality fixed-income securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Foreign investments involve greater risks than U.S. investments, and can decline significantly in response to adverse issuer, political, regulatory, market, and economic risks. Any fixed-income security sold or redeemed prior to maturity may be subject to loss.

Dollar-cost averaging does not assure a profit or protect against loss in declining markets. For the strategy to be effective, you must continue to purchase shares in both market ups and downs.

The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

The CFP® certification is offered by the Certified Financial Planner Board of Standards Inc. ("CFP Board"). To obtain the CFP® certification, candidates must pass the comprehensive CFP® Certification examination, pass the CFP® Board's fitness standards for candidates and registrants, agree to abide by the CFP Board's Code of Ethics and Professional Responsibility, and have at least three years of qualifying work experience, among other requirements. The CFP Board owns the certification mark CFP® in the United States.

Fidelity Wealth Services provides non-discretionary financial planning and discretionary investment management through one or more Portfolio Advisory Services accounts for a fee.

Advisory services offered by Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser. Discretionary portfolio management services provided by Strategic Advisers LLC (Strategic Advisers), a registered investment adviser. Brokerage services provided by Fidelity Brokerage Services LLC (FBS), and custodial and related services provided by National Financial Services LLC (NFS), each a member NYSE and SIPC. FPWA, FBS, and NFS are Fidelity Investments companies.

Fidelity does not provide legal or tax advice. The information herein is general and educational in nature and should not be considered legal or tax advice. Tax laws and regulations are complex and subject to change, which can materially impact investment results. Fidelity cannot guarantee that the information herein is accurate, complete, or timely. Fidelity makes no warranties with regard to such information or results obtained by its use and disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Consult an attorney or tax professional regarding your specific situation.

Before investing in any mutual fund or exchange-traded fund, you should consider its investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus, an offering circular, or, if available, a summary prospectus containing this information. Read it carefully.

Personal and workplace investment products are provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917

© 2022 FMR LLC. All rights reserved.

923295.156.0