

# *Fidelity Viewpoints*<sup>®</sup>: **Market Sense**

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



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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



**Jim Armstrong**  
**Director, Fidelity Investments**

Jim Armstrong is a director with Fidelity's Client Solutions Business team. Prior to this role, he was a marketing director, focused on creating educational content for workplace participants to help with retirement planning and other financial wellness topics. Formerly, Jim distinguished himself as an Emmy-winning journalist, spending 17 years as a television reporter for network affiliates around the country.

## 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**

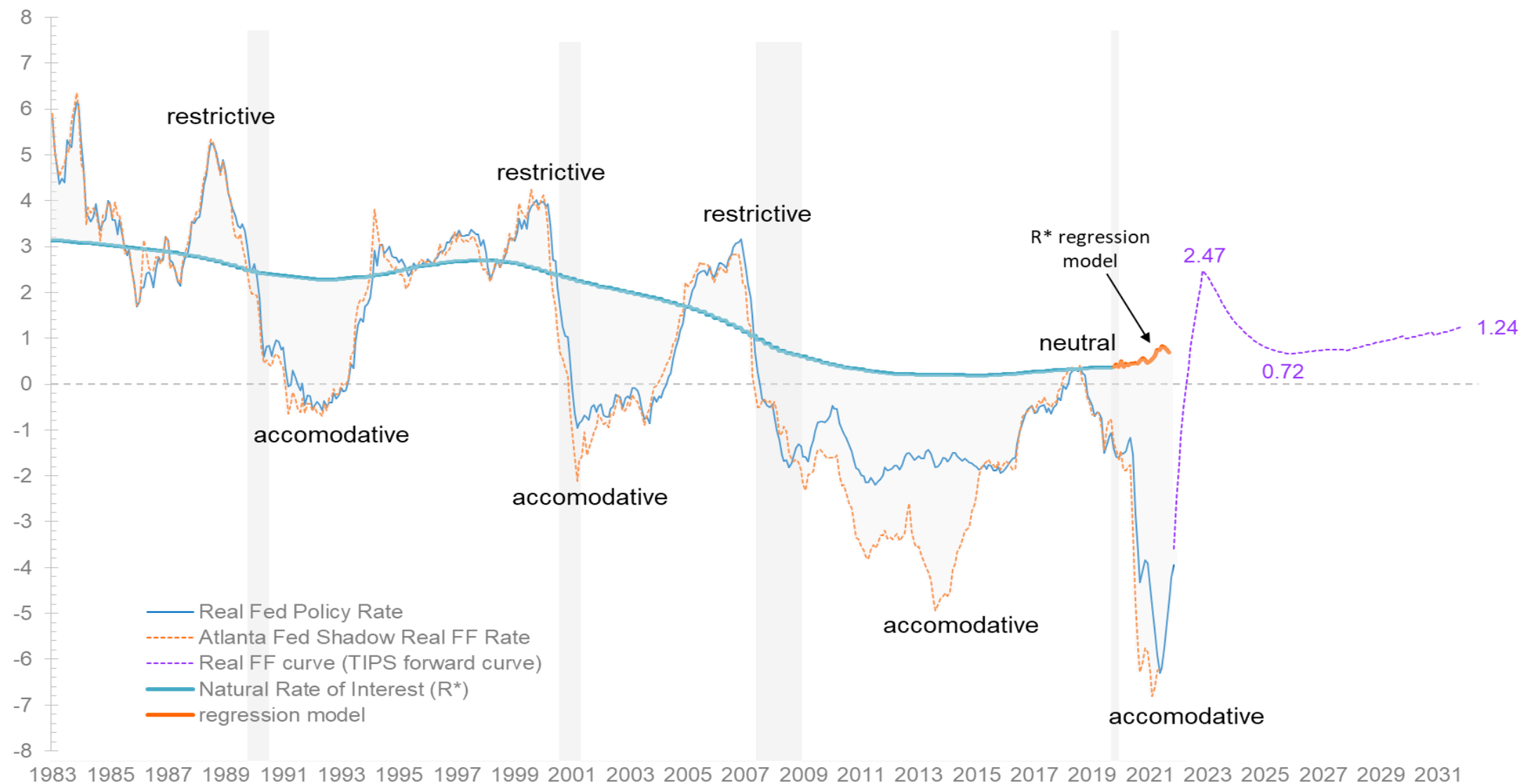
Leanna Devinney is responsible for leading one of Fidelity's Investor Centers. In this role, she offers our clients financial and investment guidance, including one-on-one retirement planning, wealth management, income strategies, and college planning services as well as integrated employer benefits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

# Global Monetary Policy



For illustrative purposes only. **Past performance is no guarantee of future results.**  
Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of October 10, 2022.

# U.S. Monetary Policy



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Data source: FMRCo, Bloomberg. Haver Analytics, FactSet. Data as of October 10, 2022.

# Don't Limit Growth Potential with Cash

- **Cash has its limitations**

We often think of cash and short-term investments as being safe. But moving your investments to cash limits your ability to grow your money over time.

- **Performance matters**

As you can see in the chart to the right, stocks and bonds have historically outperformed cash.

- **Keep your goals in sight**

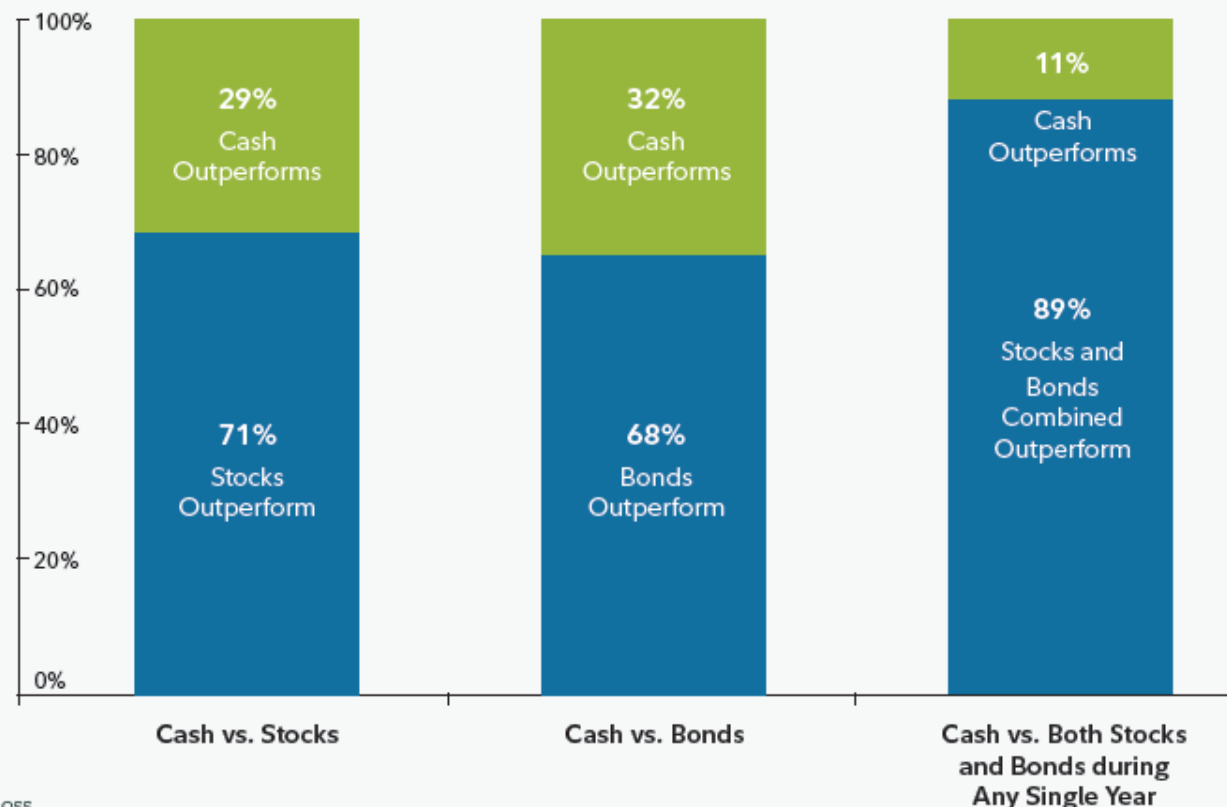
While it may be tempting to move all your investments to cash during a down market, you could be missing out on significant long-term opportunity.

- **The bottom line**

Diversification is key in any market.

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

**Frequency rate of outperformance for cash vs. stocks and bonds over one-year periods (1926–2021)**



**Past performance is no guarantee of future results.**

Chart shows the frequency rate of outperformance among cash, investment-grade bonds, and large-cap stocks over rolling one-year periods on a monthly basis from 1926–2021. All indexes are unmanaged, and performance of the indexes includes reinvestment of dividends and interest income. Cash is represented by the Ibbotson Associates (IA) 30-Day T-Bill. Stocks are represented by the S&P 500® Index. Bonds are represented by the Bloomberg U.S. Aggregate Bond Index for 1976–2021, and by a weighted composite of the IA Long-Term Corporate Bond Index (33%) and the IA Intermediate-Term Government Bond Index (67%) for 1926–1975. It is not possible to invest directly in an index. All indexes are unmanaged. 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.



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

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.

The municipal market can be affected by adverse tax, legislative, or political changes, and by the financial condition of the issuers of municipal securities. Interest rate increases can cause the price of a money market security to decrease.

High yield/non-investment grade bonds involve greater price volatility and risk of default than investment grade bonds.

Annuity guarantees are subject to the claims-paying ability of the issuing insurance company.

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.

Fidelity government including U.S. Treasury funds: You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund’s sponsor, have no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. Fidelity’s government and U.S. Treasury money market funds will not impose a fee upon the sale of your shares, nor temporarily suspend your ability to sell shares if the fund’s weekly liquid assets fall below 30% of its total assets because of market conditions or other factors.

Fidelity retail prime and retail municipal funds (limited to accounts beneficially owned by natural persons, as determined by the fund): You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund’s liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund’s sponsor, have no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

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.

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