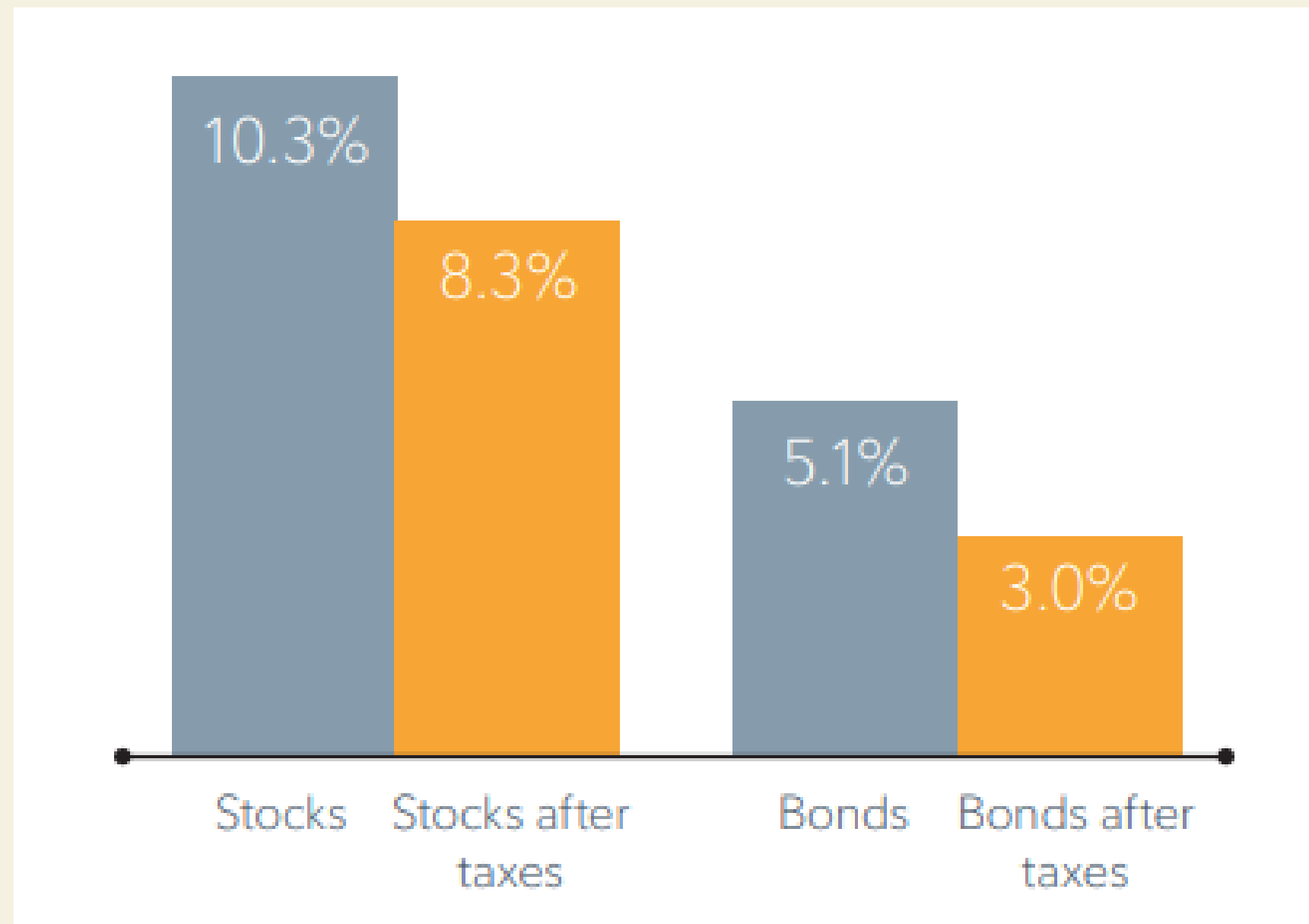


Fidelity Viewpoints®

market sense

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

Taxes Significantly Reduce Returns:



Taxes Can Significantly Reduce Returns data, Morningstar, Inc. The reproduction of this chart without prior consent from iGrad, LLC, is prohibited. All rights reserved.

This example reflects a 98-year period from 1926 to 2023 and is based on the following data: stocks at 10.3%, stocks after taxes at 8.3%, bonds at 5.1%, and bonds after taxes at 3.0%.

Past performance is no guarantee of future results. This chart is for illustrative purposes only and does not represent actual or future performance of any investment option.

Stocks after taxes assumes that the stocks purchased were held for five years, then sold, and the capital gains realized. The net proceeds from the sale were invested. Dividends were taxed when earned and reinvested. Bonds were turned over 28 times within the 98-year period. Capital gains were realized at the time of sale and reinvested. Market indexes are included for informational purposes and for context with respect to market conditions. All indexes are unmanaged, and performance of the indexes includes reinvestment of dividends and interest income, unless otherwise noted. Securities indices are not subject to fees and expenses typically associated with managed accounts or investment funds. Review the definitions of indexes for more information. Please note that an investor cannot invest directly into an index. Federal income tax is calculated using the historical marginal and capital gains rates for a single taxpayer earning \$130,000 in 2020 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.

Stocks are represented by the IA SBBI U.S. Large Stock Total Return Index. Government bonds are represented by the 20-year U.S. government bond index. The data assumes reinvestment of income and does not account for transaction costs. The IA SBBI U.S. Large Stock Total Return Index tracks the monthly return of the S&P 500. The historical data from 1926 to 1969 is calculated by Ibbotson.

The S&P 500 Index is an unmanaged index that is widely regarded as the standard for measuring large-cap U.S. stock market performance

Tax-Smart Investing



*Personalized Portfolios accounts are discretionary investment management accounts offered through Fidelity® Wealth Services for a fee.

†Asset location is available for certain qualifying goals. Please see the Fidelity Wealth Services Program Fundamentals for additional information about the service levels offered and the tax-smart investing techniques available to be used

Asset Location & Taxes



Taxable Accounts

Brokerage account



Tax-Deferred Accounts

401(k), 403(b), Annuities, IRAs



Tax-Exempt Accounts

Roth IRAs, Roth 401(K), Roth 403(b)

Why Asset Location Matters

	Individual brokerage account	Rollover IRA	Roth IRA
Municipal bond funds	✓ ✓ ✓	✗	✗
Stock funds held for long-term growth	✓ ✓ ✓	✓ ✓	✓ ✓ ✓
Stock index funds	✓ ✓ ✓	✓ ✓	✗
Separately managed accounts	✓ ✓ ✓	✓ ✓	✗
High-turnover stock funds	✗	✓ ✓ ✓	✓ ✓
High-yielding stock funds	✗	✓ ✓ ✓	✓ ✓
Corporate bond funds	✗	✓ ✓ ✓	✓ ✓
Investments used for cyclical exposure	✗	✓ ✓	✓ ✓ ✓

More appropriate
 Appropriate
 Less appropriate

Chart is for illustrative purposes only. There are no guarantees as to the use or effectiveness of the tax-smart investing techniques, including the coordinated use of different account types and investments, in an effort to reduce a client's overall tax liabilities.

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1. S&P Index: www.spglobal.com/spdji/en/indices/equity/sp-500/#overview
2. www.macrotrends.net/2526/sp-500-historical-annual-returns
3. Fidelity Viewpoints, July 12, 2024: www.fidelity.com/learning-center/wealth-management-insights/asset-location-minimize-taxes
4. Investopedia, June 20, 2024: www.investopedia.com/terms/c/capitalgainsdistribution.asp#:~:text=Generally,%20a%20mutual%20fund%20or%20ETF%20makes%20a%20capital
5. New York Times, January 7, 2023: www.nytimes.com/2023/01/27/business/investments-markets-taxes.html
6. Fidelity Viewpoints, October 4, 2024: www.fidelity.com/learning-center/wealth-management-insights/mutual-fund-distribution-taxes

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.

Fixed income investments entail interest rate risk (as interest rates rise bond prices usually fall), the risk of issuer or counterparty default, issuer credit risk and inflation risk. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks all of which are magnified in emerging markets.

It is not possible to invest directly in an index.

Exchange-traded products (ETPs) are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments.

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



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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.

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