MARKET INSIGHTS:
NEW DEVELOPMENTS, WHAT TO CONSIDER, AND TOP QUESTIONS ANSWERED
Our Speakers

Host

Jim Armstrong  
Marketing Director, Fidelity Investments  
Jim Armstrong is a Marketing Director in Fidelity’s Personal Investing division. In this position, he creates 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®  
Assistant Branch Manager, 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 benefit solutions.
Price Leads Earnings

Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of 02/28/2020.
Don’t Fight the Fed

Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of 02/28/2020.
How Yields and Risks of Popular Investment Choices Compare

For illustrative purposes only.
Source: Fidelity Investments. The chart above depicts general long-term directional and ranking relationships among a number of asset classes on the dimensions of yield and beta. Beta is estimated in comparison to U.S. common stocks as represented by the S&P 500® Index. The relationships and relative rankings among these asset classes will vary over time.
The Basics of Bonds

Reasons to consider individual bonds

- Diversification
- Regular income
- Potential tax benefits
- Preservation of principal

Two options

- Individual short-duration bonds
- Short-duration bond funds
Navigate Yields in the United States?

Interest Rates
Daily data. Source: FMRCo, Bloomberg, Haver.

Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of 02/28/2020.
Diversification Can Help Reduce Individual Asset Class Risk

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<td>39.8%</td>
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<td>Bloomberg Barclays 3-Month Treasury Bill Index</td>
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Past performance is no guarantee of future results. Diversification/asset allocation does not ensure a profit or guarantee against loss. It is not possible to invest directly in an index. All indexes are unmanaged. Please see Important Information for index definitions. Diversified Portfolio — 42% Dow Jones U.S. Total Stock Market Index, 18% MSCI EAFE Index, 35% Bloomberg Barclays US Aggregate Bond Index, 5% Bloomberg Barclays 3-Month Treasury Bill Index and is rebalanced monthly; Domestic Large Cap Stocks — S&P 500® Index; Domestic Small Cap Stocks — Russell 2000 Index; Domestic Growth Stocks — Russell 3000 Growth Index; Domestic Value Stocks — Russell 3000 Value Index; International Developed Stocks — MSCI EAFE Index (Net MA); Emerging Market Stocks — MSCI Emerging Markets Index (G); High Yield Bonds — BoA Merrill Lynch US High Yield Constrained Index; Investment Grade Bonds — Bloomberg Barclays US Aggregate Bond Index; Real Estate Income Stocks — FTSE NAREIT Equity-Only Index; Commodities — Bloomberg Commodity Index (Price Return). Diversified Portfolio Benchmark — PAS Growth with Income Composite comprised of allocations to Dow Jones U.S. Total Stock Market Index (Domestic Stocks), MSCI ACWI (All Country World Index) ex USA Index (Net MA) (International Stocks), Bloomberg Barclays US Aggregate Bond Index (Bonds), Bloomberg Barclays US 3-Month Treasury Bellwether Index (Short-Term). Note that prior to August 2009 the composite benchmark included the Bank of America High Yield Master Constrained Index. Source: Fidelity Investments, as of 12/31/19.
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investing involves risk, including risk of loss.

past performance is no guarantee of future results.

diversification does not ensure or guarantee against loss.

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.

interest earned from tax-exempt municipal securities generally is exempt from federal income tax and may also be exempt from state and local income taxes if you are a resident in the state of issuance. a portion of the income you receive may be subject to federal and state income taxes, including the federal alternative minimum tax. you may also be subject to tax on amounts recognized in connection with the sale of municipal bonds, including capital gains and "market discount" taxed at ordinary income rates. market discount arises when a bond is purchased on the secondary market for a price that is less than its stated redemption price by more than a statutory amount. before making any investment, you should review the relevant offering's official statement for additional tax and other considerations. the municipal market can be adversely affected by tax, legislative, or political changes, and by the financial condition of the issuers of municipal securities. investing in municipal bonds for the purpose of generating tax-exempt income may not be appropriate for investors in all tax brackets or for all account types. taxes are subject to change, and the preferential tax treatment of municipal bond interest income may be revoked or phased out for investors at certain income levels. you should consult your tax advisor regarding your specific situation.

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

interest income generated by treasury bonds and certain securities issued by u.s. territories, possessions, agencies, and instrumentalities is generally exempt from state income tax, but is generally subject to federal income and alternative minimum taxes and may be subject to state alternative minimum taxes.

stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic, or other developments. these risks may be magnified in foreign markets.

investment decisions should be based on an individual's own goals, time horizon, and tolerance for risk. nothing in this content should be considered to be legal or tax advice, and you are encouraged to consult your own lawyer, accountant, or other advisor before making any financial decision.

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.

target date funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. principal invested is not guaranteed.

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