Fidelity Viewpoints®:
Market Sense

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

Fidelity INVESTMENTS

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Fidelity INVESTMENTS

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.

Jenn Sirois, CFP®
Vice President, Financial Consultant, Fidelity Investments
Jenn Sirois is a vice president, financial consultant at Fidelity's Investor Center in Shrewsbury, Massachusetts. Since joining Fidelity in 2006, Jenn has helped families develop actionable financial plans to achieve their vision of financial security both in the short and long term.

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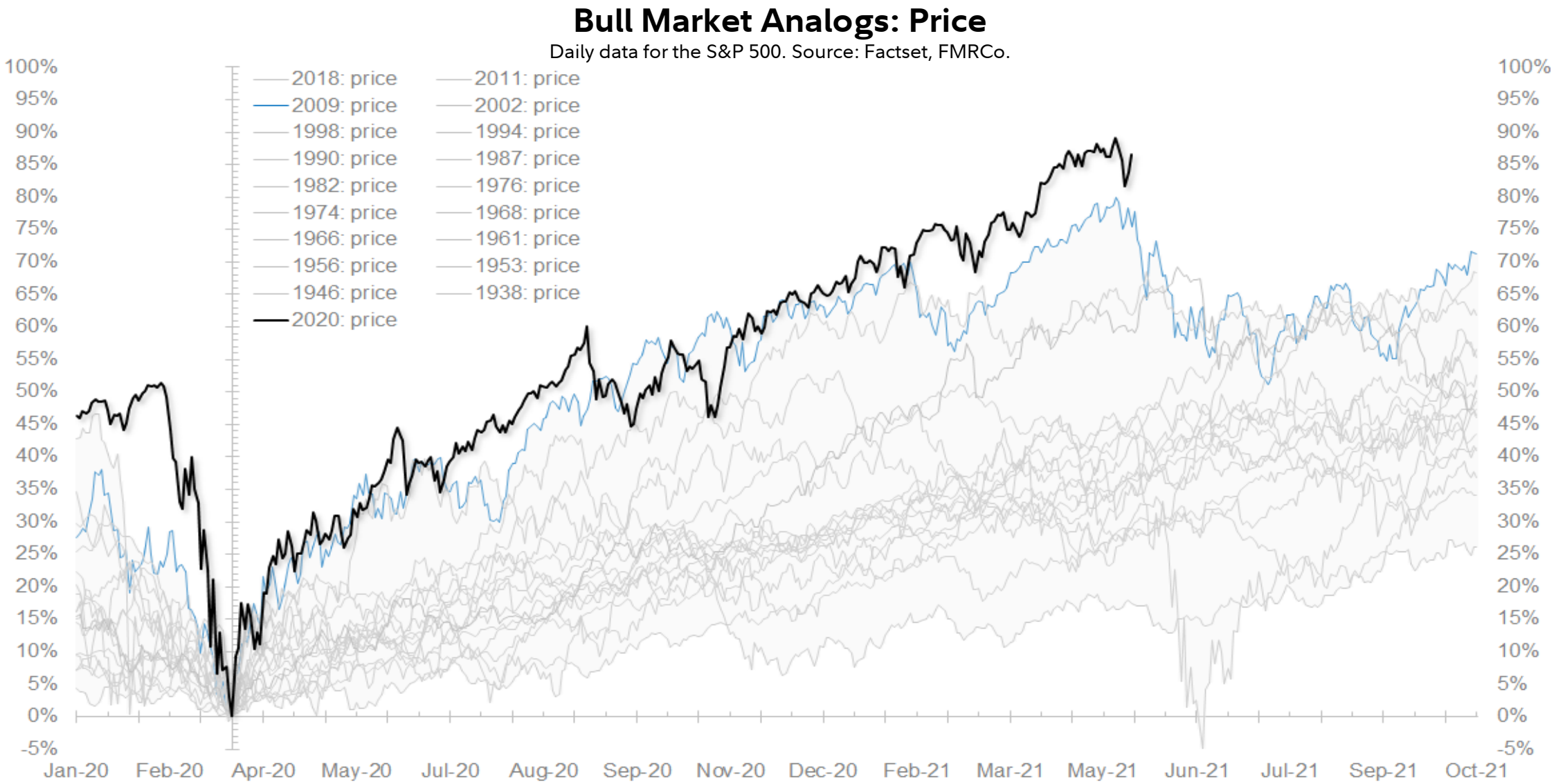
Time for a Pause?



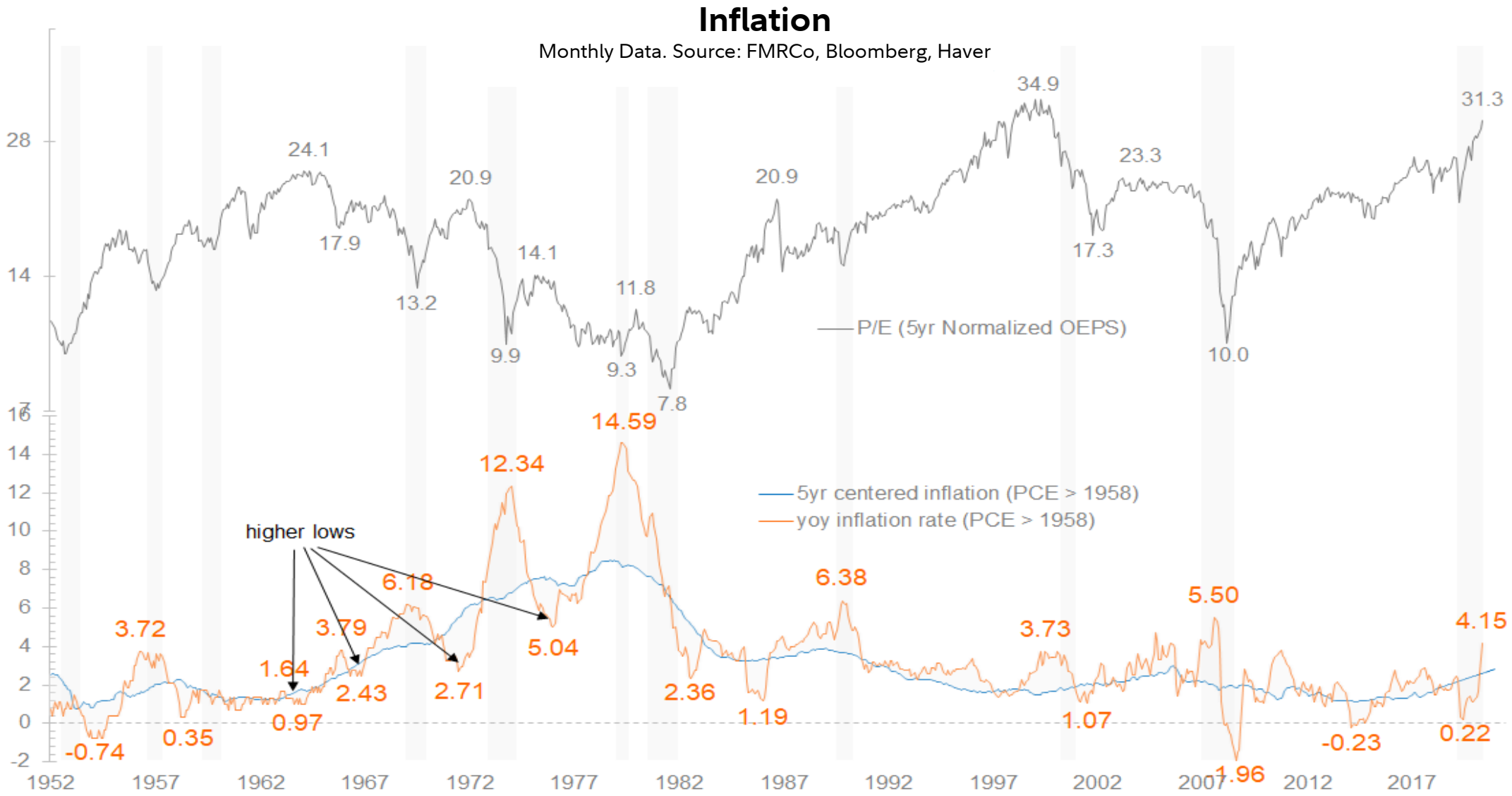
For illustrative purposes only. **Past performance is no guarantee of future results.**
Data source: FMRCo, Bloomberg, Global Financial Data (GFD). Coinmetrics, Haver Analytics, FactSet. Data as of May 18, 2021.

The Inflation Effect on Cash

0% return
– 3% inflation

–3% return (in purchasing power)

Inflation



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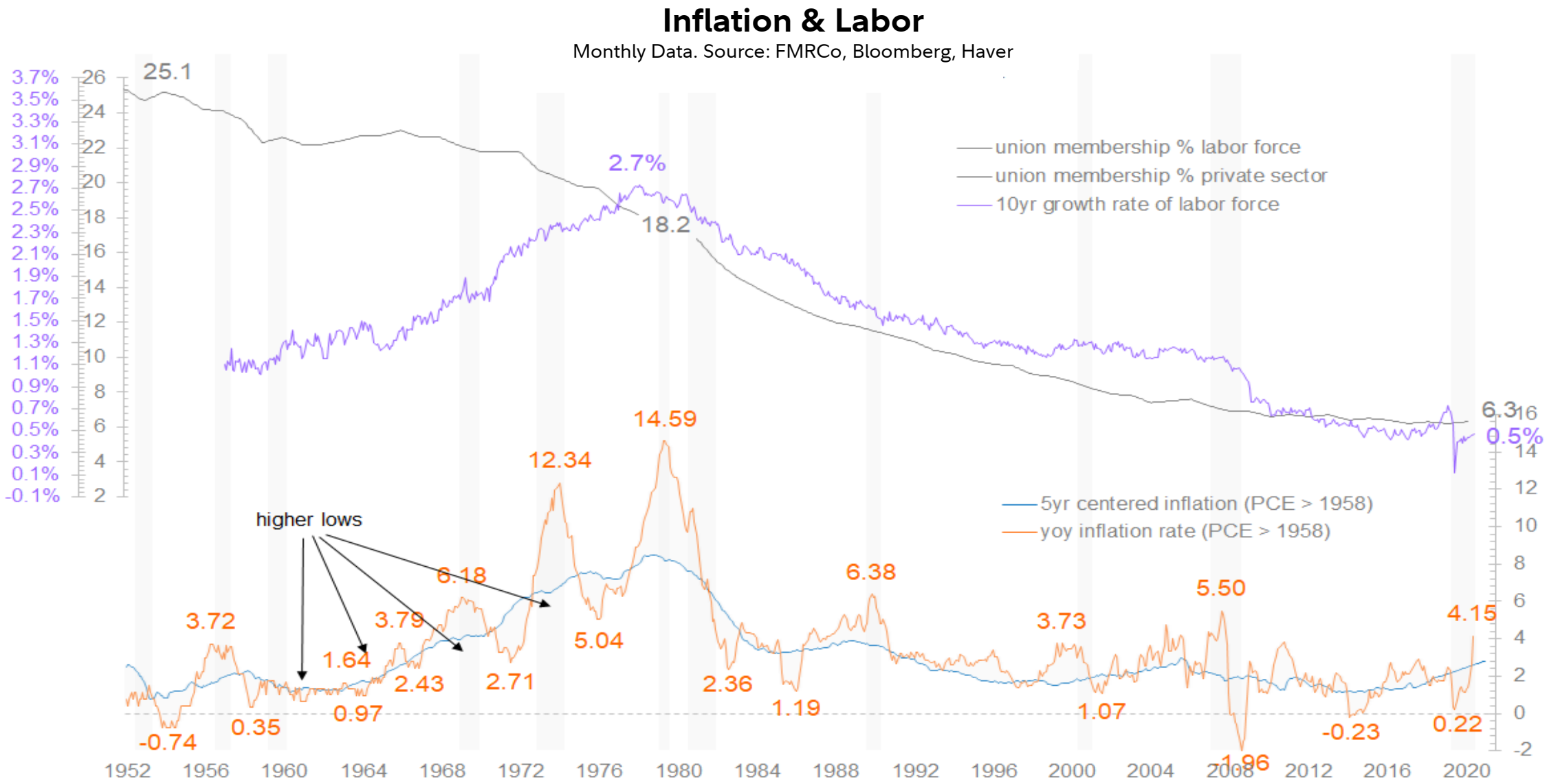
Inflation



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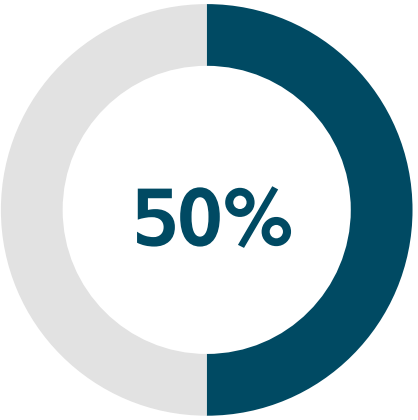
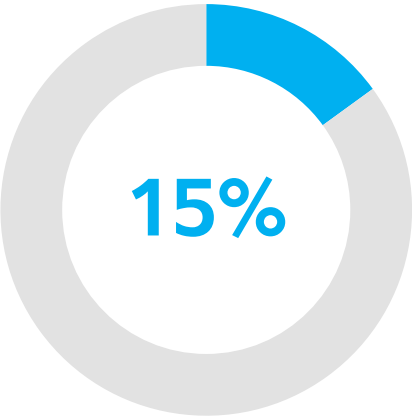
The Principles of Budgeting and Saving

A simple equation:

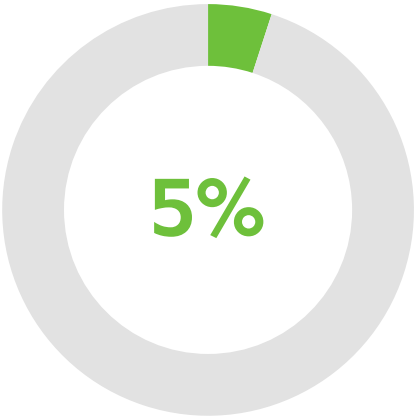


Essential Expenses



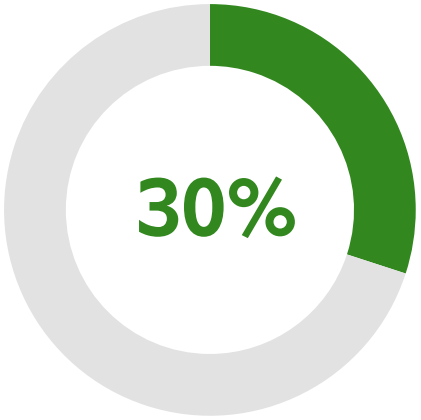
Retirement Savings

(Employer and Individual Contributions)



Short-Term Savings

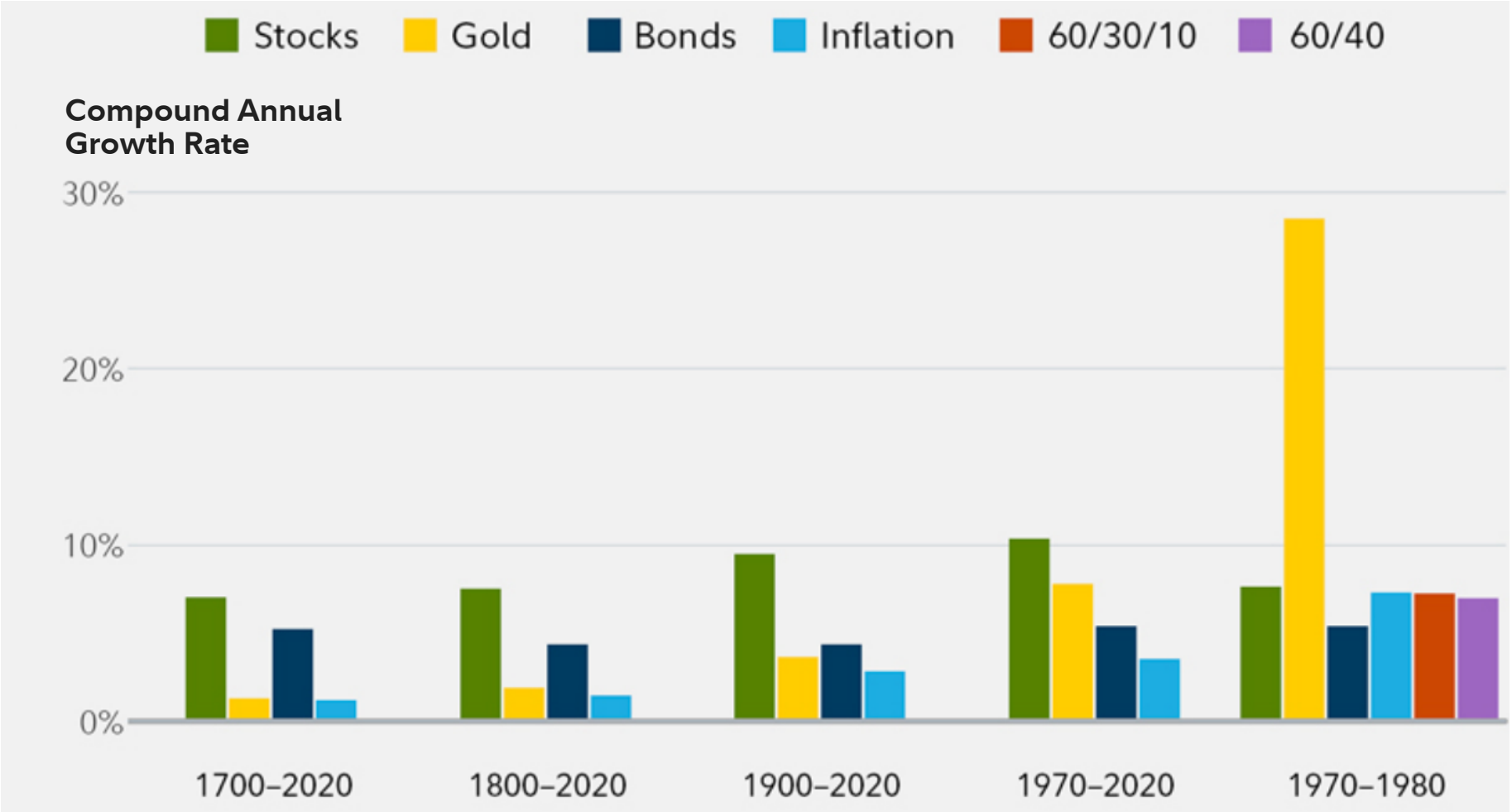
(Emergency Fund)



Other Goals

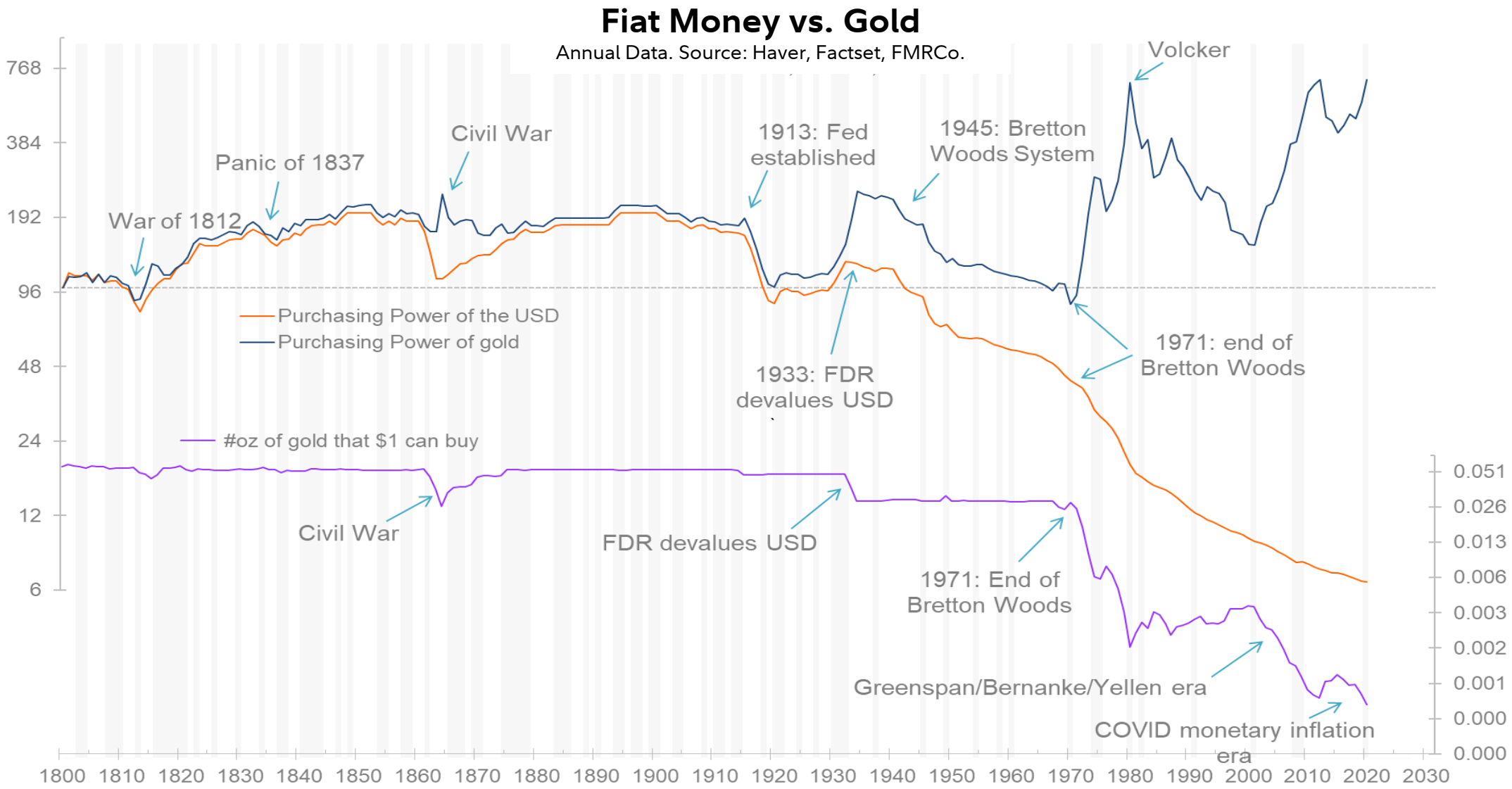
Best Investment Returns over Time

Asset class returns for various horizons



Indexes used for this illustration were created by Global Financial Data (GFD). GFD has used proprietary research on global stock markets and individual securities to create the most extensive set of total return series for stocks, bonds, bills, and commodities for all major countries. GFD's extensive historical database on hundreds of sovereign bonds has been used to create bond indexes that begin in 1700. GFD data also has been used to create commodity indexes that follow the path of energy, agricultural, and non-agricultural commodities over the past millennium. **Past performance is no guarantee of future results.** Source: Bloomberg Finance LP., Global Financial Data, Fidelity Investments; annual data, 1700–2020.

Gold as Inflation Hedge



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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.

The securities of smaller, less-well-known companies can be more volatile than those of larger companies.

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.

Indexes are unmanaged. It is not possible to invest directly in an index.

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.

The gold industry can be significantly affected by international monetary and political developments such as currency devaluations or revaluations, central bank movements, economic and social conditions within a country, trade imbalances, or trade or currency restrictions between countries.
Fluctuations in the price of gold often dramatically affect the profitability of companies in the gold sector.
Changes in the political or economic climate, especially in gold producing countries such as South Africa and the former Soviet Union, may have a direct impact on the price of gold worldwide.
The gold industry is extremely volatile and investing directly in physical gold may not be appropriate for most investors.
Bullion and coin investments in FBS accounts are not covered by either the SIPC or insurance "in excess of SIPC" coverage of FBS or NFS.

Treasury securities typically pay less interest than other securities in exchange for lower default or credit risk. Treasuries are susceptible to fluctuations in interest rates, with the degree of volatility increasing with the amount of time until maturity. As rates rise, prices will typically decline.

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.

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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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