

# 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**

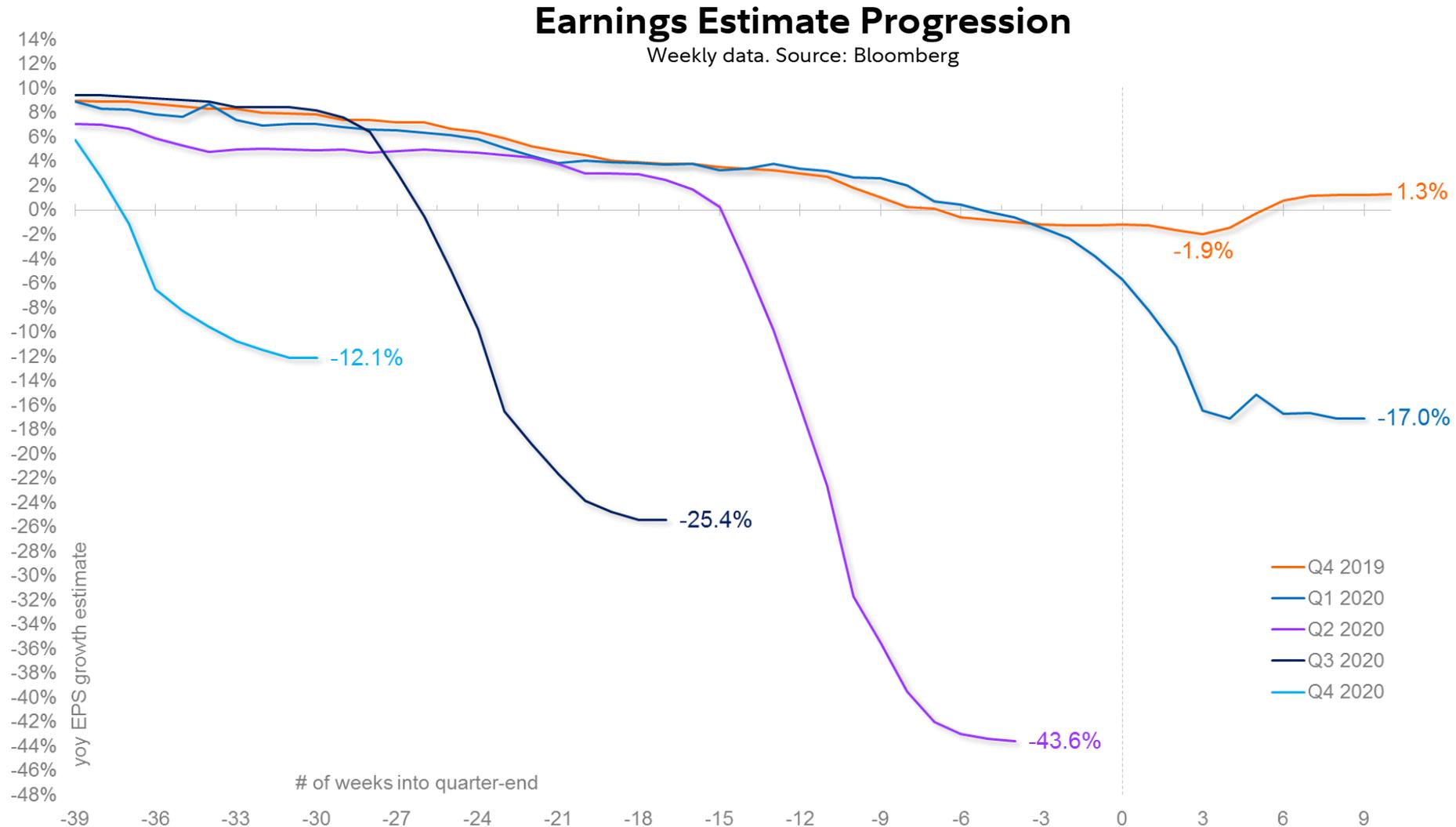
Jurrien Timmer is the director of Global Macro at Fidelity Investments. In this role, he is part of Fidelity's Global Asset Allocation group, where he specializes in asset allocation and global macro strategy. Additionally, he is responsible for analyzing market trends and synthesizing investment perspectives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

# Earnings Estimates



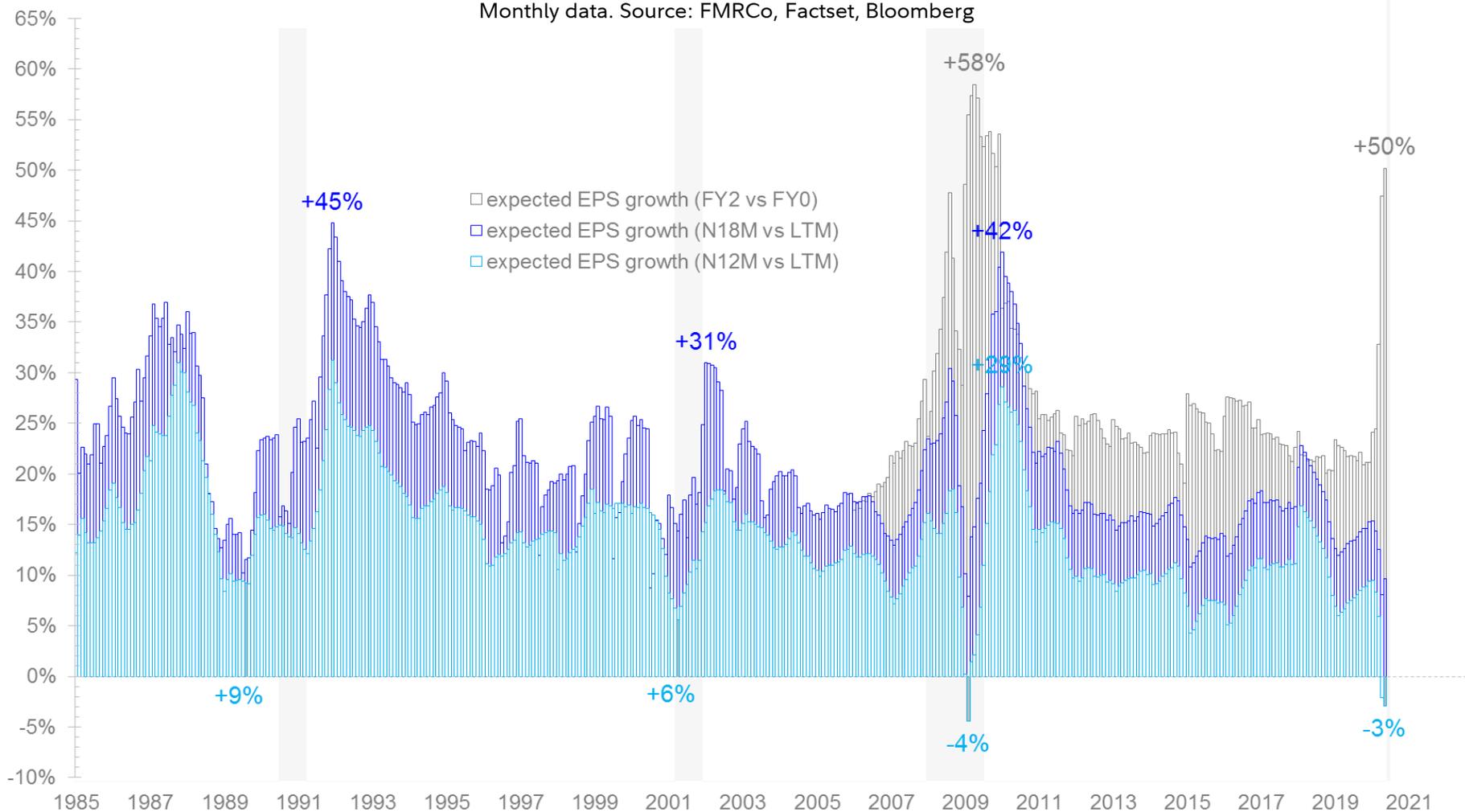
Past performance is no guarantee of future results.

Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of June 2, 2020.

# Great Expectations

## Earnings: Expected vs Realized

Monthly data. Source: FMRCo, Factset, Bloomberg



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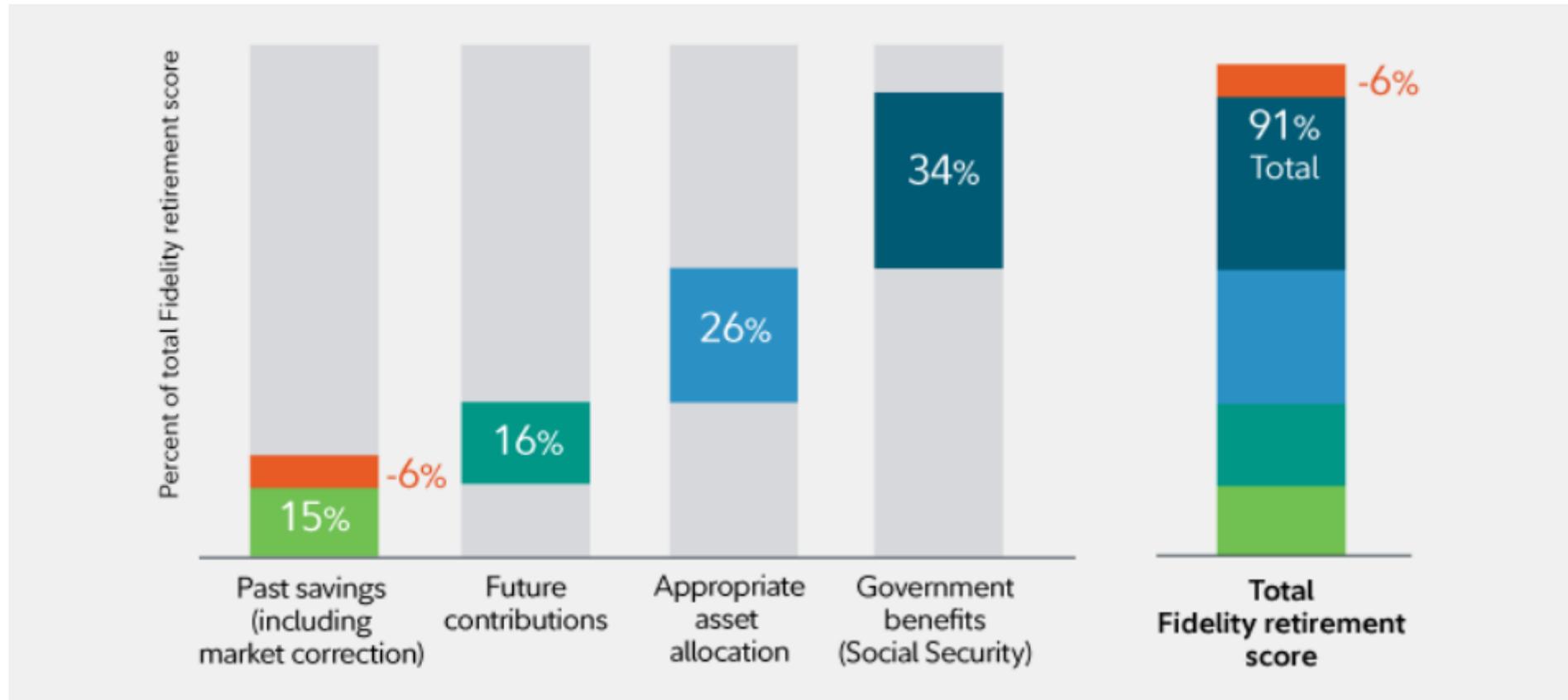
# Are You on Track for Retirement?



**IMPORTANT:** The projections or other information generated by the Planning & Guidance Center's Retirement Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Your results may vary with each use and over time.

This graphic is presented for illustrative purposes only. Fidelity Investments reserves the right to eliminate or modify any aspect of this functionality at any time in its discretion.

# The Estimated Impact of a 25% Market Downturn on a Retirement Score



Past performance is no guarantee of future results.

**IMPORTANT:** The projections or other information generated by Fidelity Retirement Score regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary with each use and over time. The Fidelity Retirement Score is a hypothetical illustration and does not represent your individual situation or the investment results of any particular investment or investment strategy and is not a guarantee of future results. Your score does not consider the composition of current savings and other factors.

The first 4 columns represent the factors that make up the current retirement score, in the fifth column. The red bar indicates the impact of the market downturn on that portion of the current retirement score.

\*Please see important additional information related to this estimate.

# Price Leads Earnings

## Price vs Earnings

Daily data. Source: FMRCo, Bloomberg



Past performance is no guarantee of future results.

Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of June 2, 2020.

# Three Components of a Plan Built for Growth & Income

- ▶ Guaranteed sources to cover core expenses
- ▶ Growth potential to meet long-term needs
- ▶ Flexibility to refine your plan over time

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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.

**Guarantees** are subject to the claims-paying ability of the issuing insurance company.

\*This hypothetical illustration assumes investor Suzie is 45-years old and working. She makes \$100,000 a year and contributes 15% (including employer match) to her retirement. She plans to retire at age 65. The estimated annual retirement expenses are assumed to be \$70,000 (based on income replacement rate; she lives in MA; uses single as tax filing status; and is considering FICA in pre-retirement income. Rounding down to the nearest \$5,000, her expenses are assumed to adjust annually with a 2.5% rate of inflation during retirement. The value of her retirement savings is \$400,000 in a 401(k) account and the pre-tax value of Social Security benefits is \$27,000 (assuming she is single and claims at age 62, rounding down to nearest \$1,000, 70% taxable, adjusted annually with 2.5% inflation during retirement). Her savings are invested in 70% stocks, 25% bonds, and 5% cash. And a 16% total effective tax rate is assumed during her retirement.

Market drawdown is assumed to be 25% drop in the stock market. Portfolio drawdown is a product of market drawdown and stock allocation of the portfolio, rounding down to nearest 1%.

The Fidelity retirement score estimates the percentage of a retirement income goal that a user or household is estimated to replace in underperforming market conditions. View the complete [Retirement Analysis Methodology \(PDF\)](#). **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.**

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Generally, among asset classes, stocks are more volatile than bonds or short-term instruments and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Although the bond market is also volatile, lower-quality debt securities, including leveraged loans, generally offer higher yields compared with investment-grade securities, but also involve greater risk of default or price changes. 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.

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.

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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.

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