Fidelity Viewpoints®:

Market Sense

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

Fidelity INVESTMENTS

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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

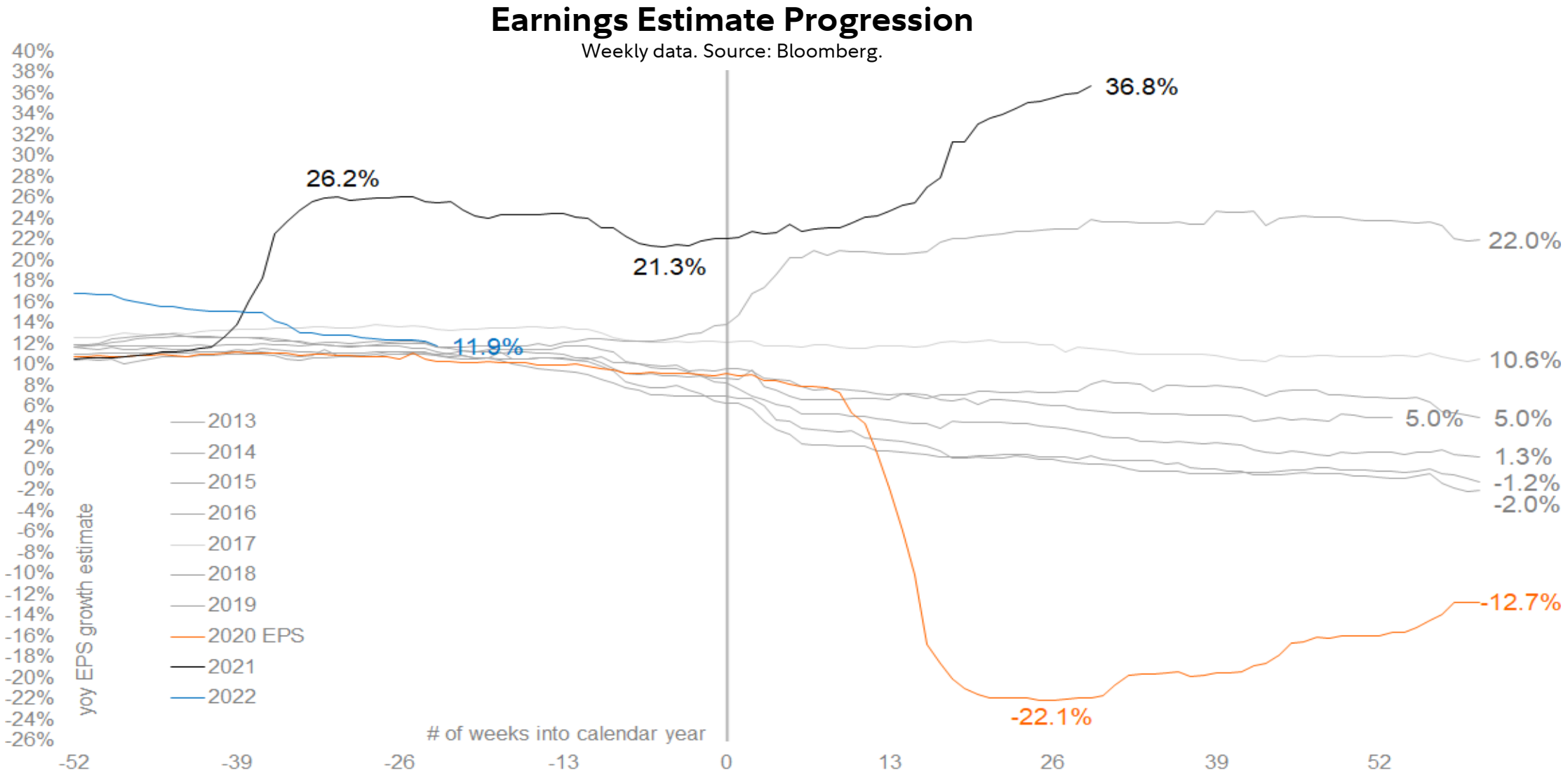
Jurrien Timmer
Director of Global Macro, Fidelity Investments
Jurrien Timmer is the director of Global Macro at Fidelity Investments. In this role, he is part of Fidelity's Global Asset Allocation group, where he specializes in asset allocation and global macro strategy. Additionally, he is responsible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

Randelle Lenoir
Vice President, Branch Leader, Fidelity Investments
Randelle Lenoir is an Investor Center leader in the Chicago area. She spends her days at Fidelity coaching and inspiring a team of financial planning professionals to deliver essential support to customers in need of financial planning and investment management. She's spent her career working with people from all walks of life, helping them solve problems and achieve goals. She believes that solid financial planning relationships can changes lives and communities for the better.

Counter-Rotation

For illustrative purposes only. **Past performance is no guarantee of future results**. Indexes are unmanaged. It is not possible to invest directly in an index.
Data source: FMRCo, Bloomberg, Global Financial Data (GFD). Coinmetrics, Haver Analytics, FactSet. Data as of July 20, 2021.

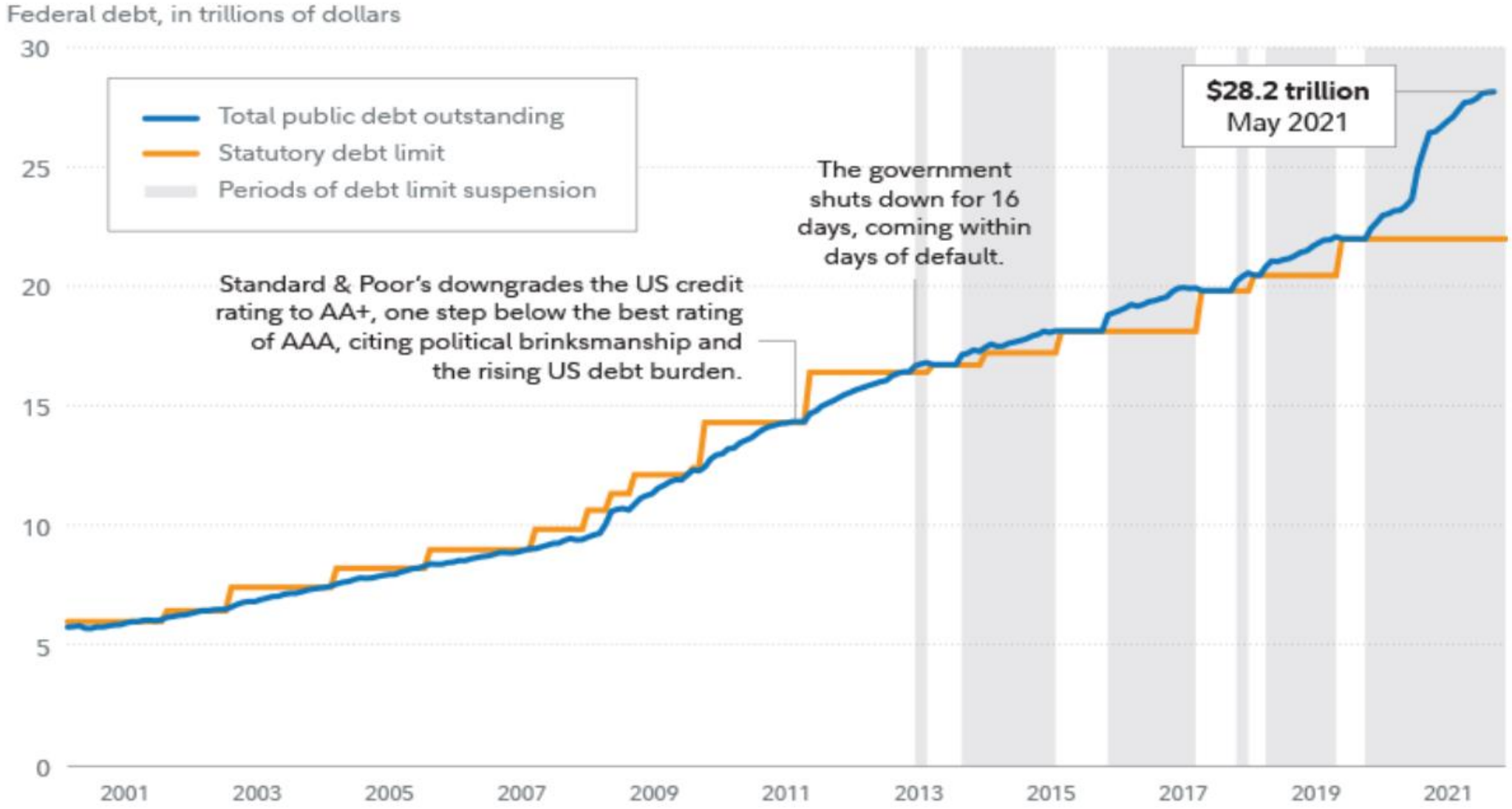
Earnings Season



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 July19, 2021.

The Debt Ceiling

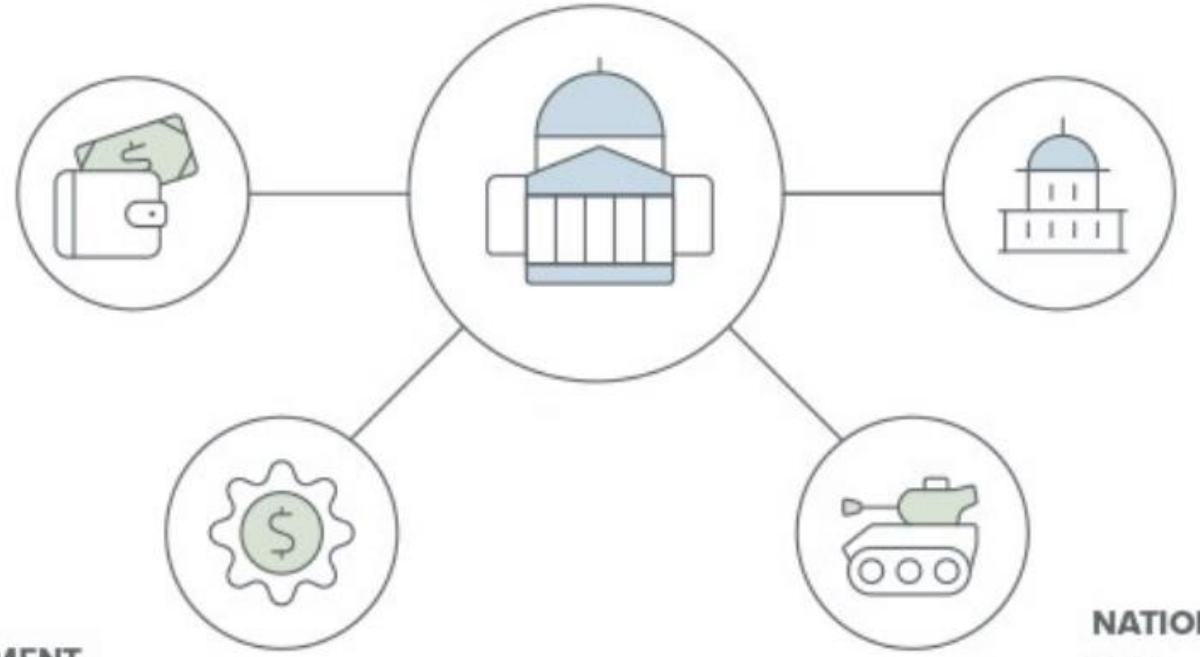
After two unnerving showdowns, suspending the debt limit has become a common solution.



Source: Congressional Research Service, Congressional Budget Office, and the Treasury Department. Data as of 05/01/2021.

The Debt Ceiling

Some of the payments made by the federal government



PAYMENTS TO INDIVIDUALS

- Social Security, Medicare and Veterans' benefits
- Tax refunds

PAYMENTS TO STATES

- Unemployment benefits
- Medicaid payments

RUNNING THE GOVERNMENT

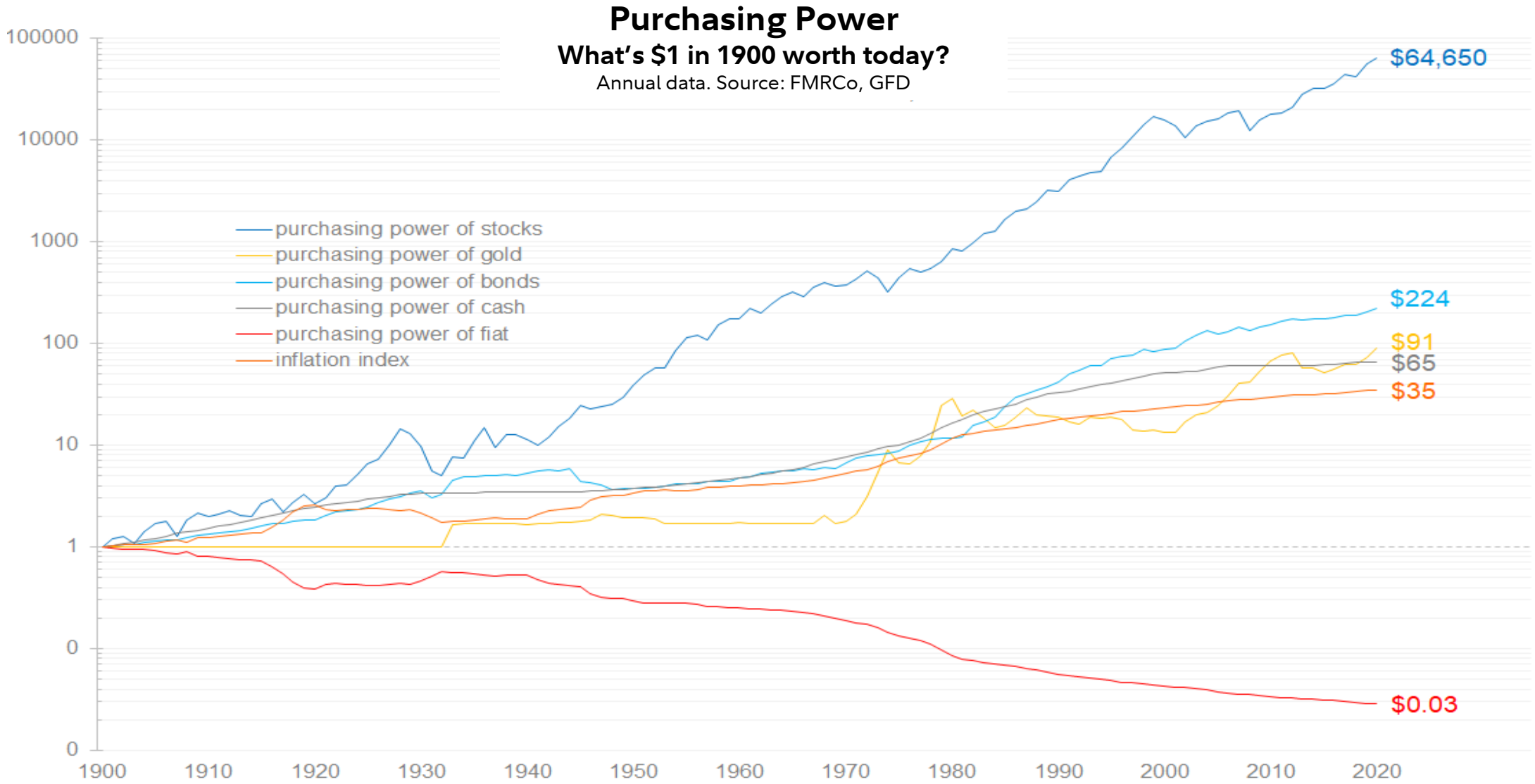
- Federal worker salaries and retirement benefits
- Interest and principal payments on Treasury bonds and other securities
- Operating expenses

NATIONAL DEFENSE

- Operating expenses
- Military salaries and retirement benefits
- Vendor payments

Source: Fidelity Investments, July 2021.

Purchasing Power



For illustrative purposes only. **Past performance is no guarantee of future results**. Indexes are unmanaged. It is not possible to invest directly in an index.
The purchasing power data just shows $1 invested at the beginning of the period (1900) compounded over time at the prevailing index level. Please see disclosures for additional information.
Data source: FMRCo, Bloomberg, Global Financial Data (GFD). Coinmetrics, Haver Analytics, FactSet. Data as of July 19, 2021.

Principles of Investing

Principled investing is a process that requires research at every step.

1 **Asset Allocation**

Drives the variability in returns

2 **Economy**

Influences returns over time

3 **Maintenance**

Helps contribute to long-term potential for success

Past performance is no guarantee of future results. Asset allocation does not ensure a profit or protect against loss.

Information provided in this document is for informational and educational purposes only.

Information presented herein is for discussion and illustrative purposes only and is not a recommendation or an offer or solicitation to buy or sell any securities. Views expressed are as of the date indicated, based on the information available at that time, and may change based on market and other conditions. Unless otherwise noted, the opinions provided are those of the speakers and not necessarily those of Fidelity Investments or its affiliates. Fidelity does not assume any duty to update any of the information.

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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 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.

Russell 1000 Growth Index is a market capitalization–weighted index designed to measure the performance of the large-cap growth segment of the US equity market. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth rates.

Russell 1000 Value Index is a market capitalization–weighted index designed to measure the performance of the large-cap value segment of the US equity market. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth rates.

Russell 2000 Growth Index is a market capitalization-weighted index designed to measure the performance of the small-cap growth segment of the US equity market. It includes those Russell 2000 Index companies with higher price-to-book ratios and higher forecasted growth rates.

Russell 2000 Value Index is a market capitalization-weighted index designed to measure the performance of the small-cap value segment of the US equity market. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth rates.

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.

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.

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

Floating-rate loans generally are subject to restrictions on resale. They sometimes trade infrequently in the secondary market, so may be more difficult to value, buy, or sell. A floating-rate loan might not be fully collateralized, which may cause it to decline significantly in value.

Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry.

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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