Fidelity Viewpoints®:

Market Sense

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

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Fidelity INVESTMENTS®

Our Speakers

Host

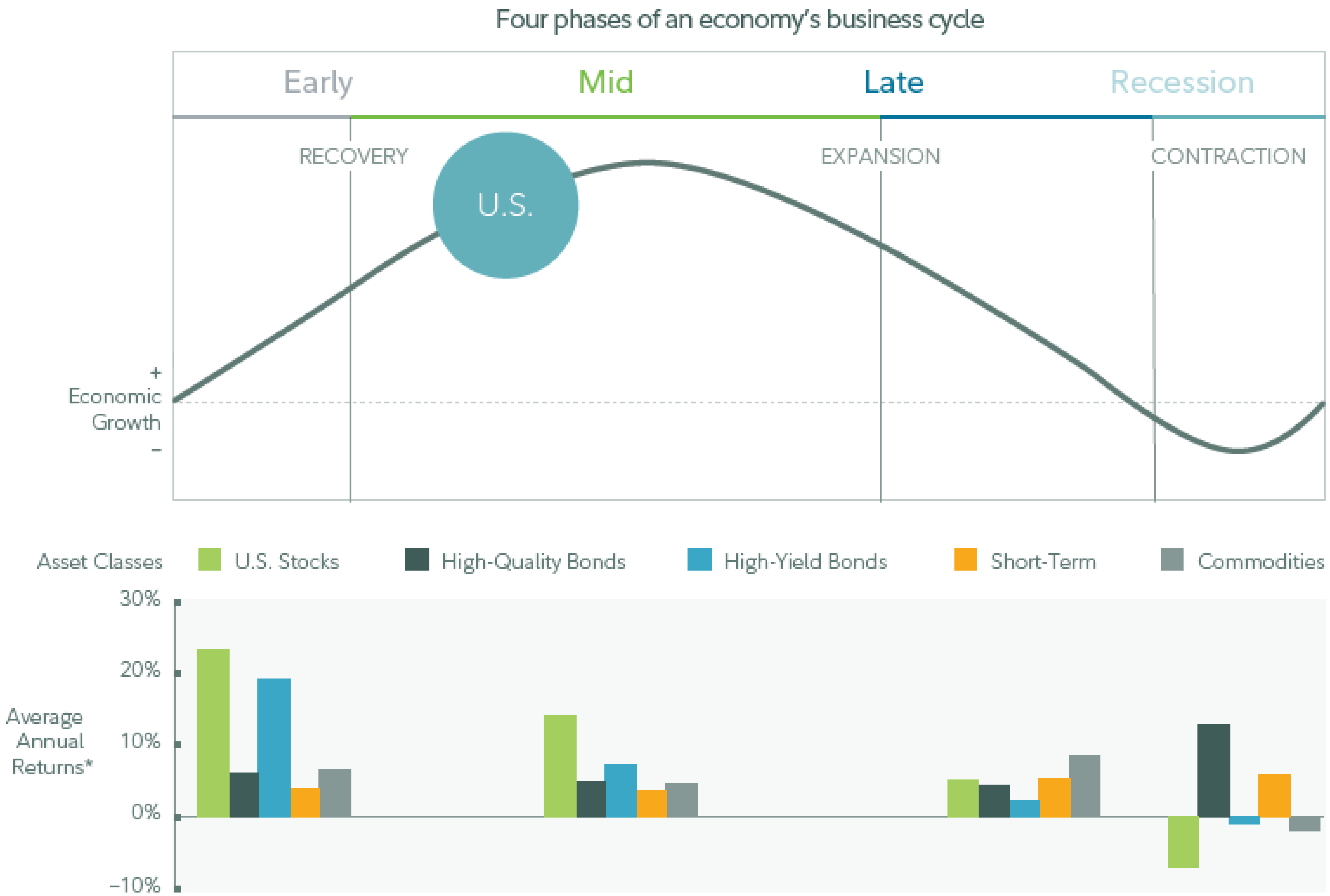
Jim Armstrong
Marketing Director, Fidelity Investments
Jim Armstrong is a marketing director in Fidelity's Personal Investing division. In this position, he creates educational content for workplace participants to help with retirement planning and other financial wellness topics. Formerly, Jim distinguished himself as an Emmy-winning journalist, spending 17 years as a television reporter for network affiliates around the country.

Special guest panelists

Denise Chisholm
Sector Strategist, Fidelity Investments
Denise Chisholm is a sector strategist in the Equity and High Income division at Fidelity Investments. In this role, Denise is responsible for the research of portfolio construction strategies combining sector-based mutual funds and exchange-traded funds (ETFs). Prior to assuming her current responsibilities in April 2013, Denise held multiple roles within Fidelity, including research analyst on the megacap research team, research analyst on the international team, and sector specialist.

Leanna Devinney, CFP®
Vice President, Branch Leader, 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 benefits solutions.

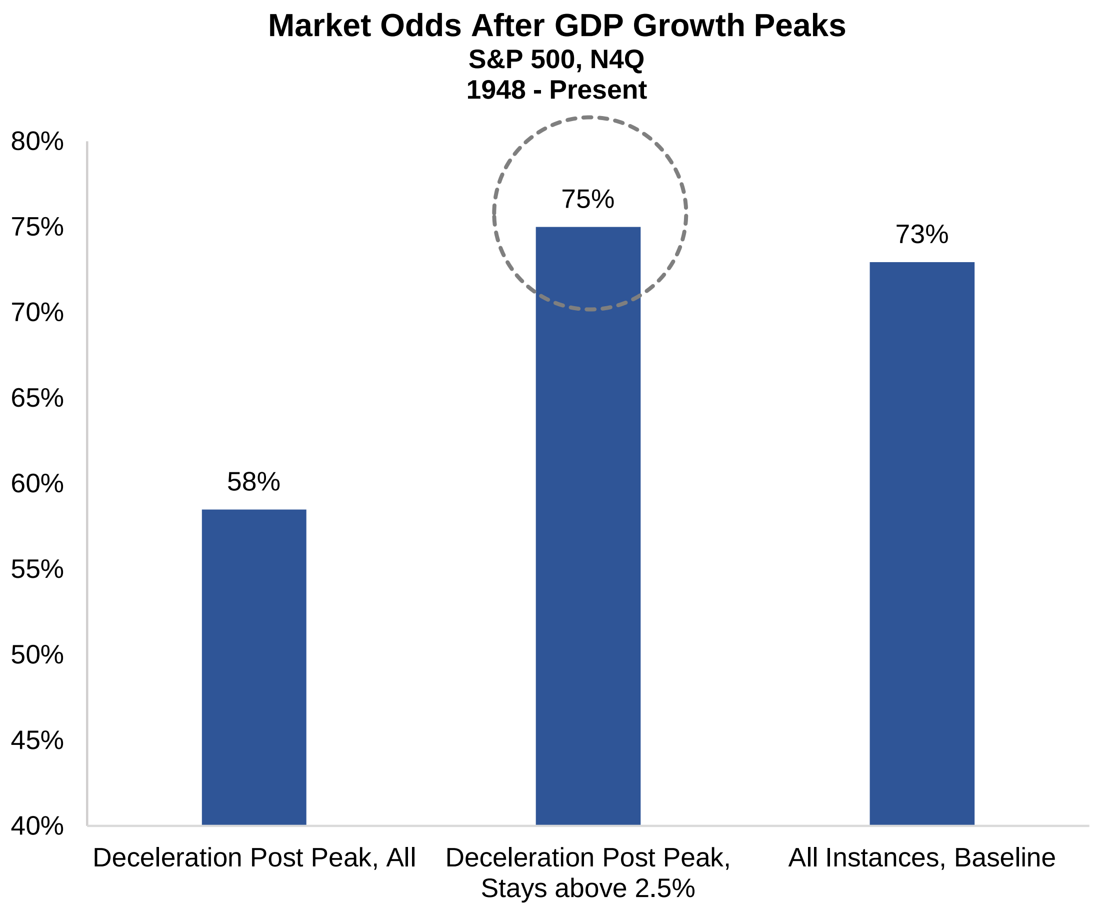
U.S. Economy Has Entered Mid-Cycle Expansion

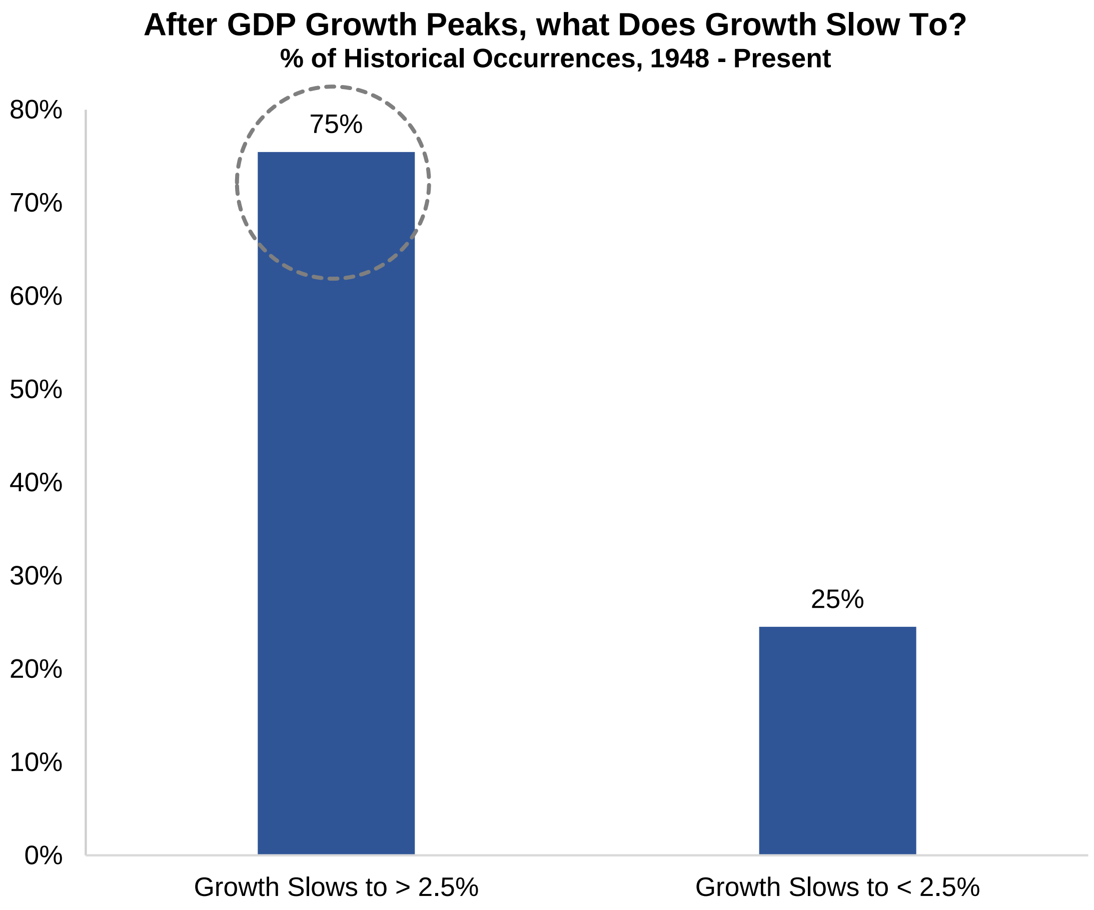


Please see Important Information for the Business Cycle Framework methodology. Note: This is a hypothetical illustration of a typical business cycle. There is not always a chronological progression in this order, and there have been cycles when the economy has skipped a phase or retraced an earlier one. **Past performance is no guarantee of future results.**

*Asset class total returns are represented by indexes from the following sources: Fidelity Investments, Morningstar, and Bloomberg Barclays. Fidelity Investments source: a proprietary analysis of historical asset class performance, which is not indicative of future performance. From 1950–2020, as of 10/31/20. Source: Fidelity Investments (AART), as of 6/30/2021.

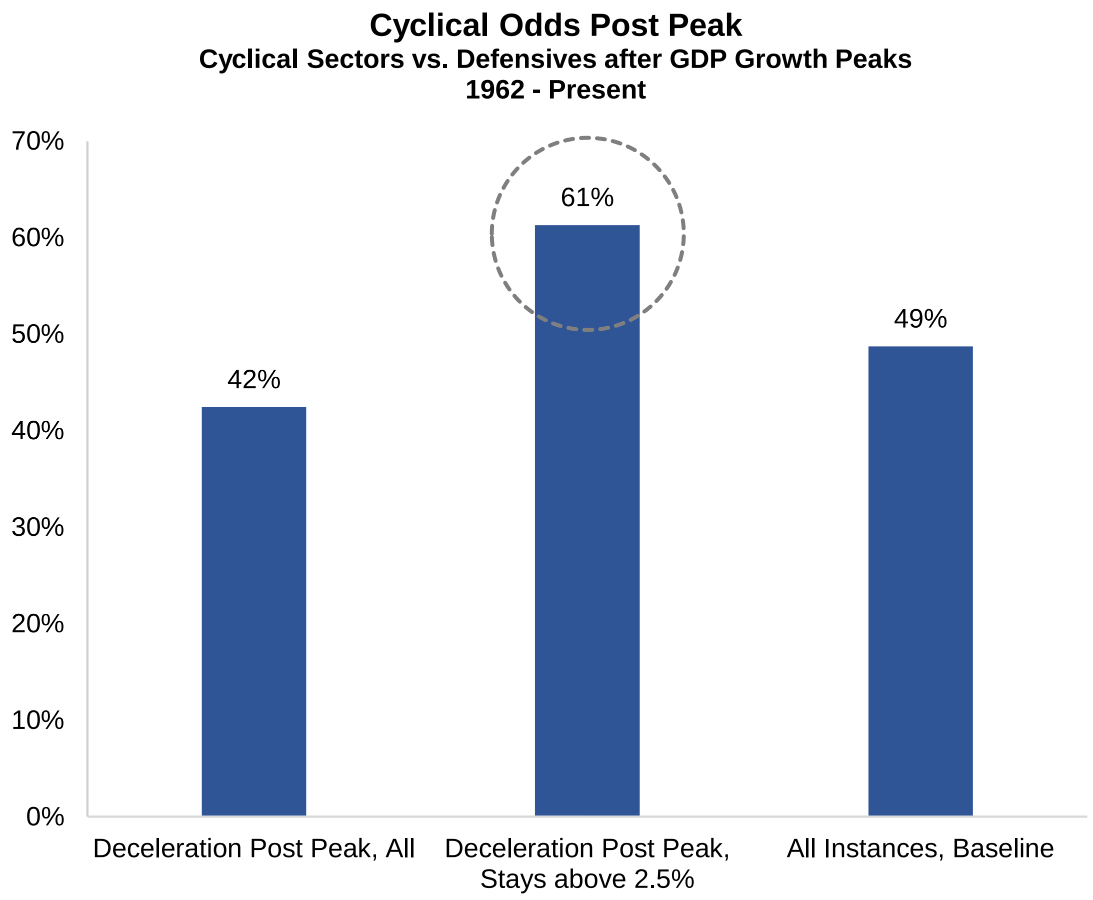
Peak Everything?

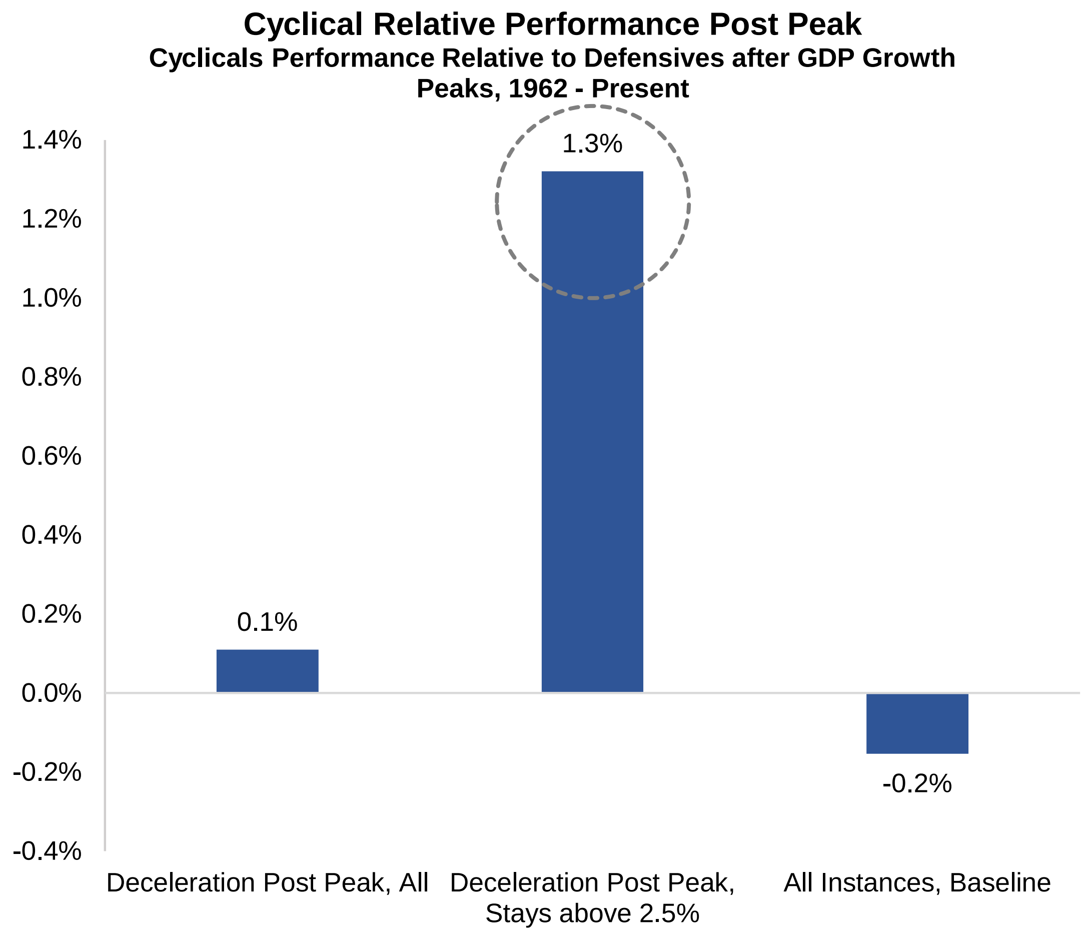




Source: Haver, Factset. Fidelity Investments

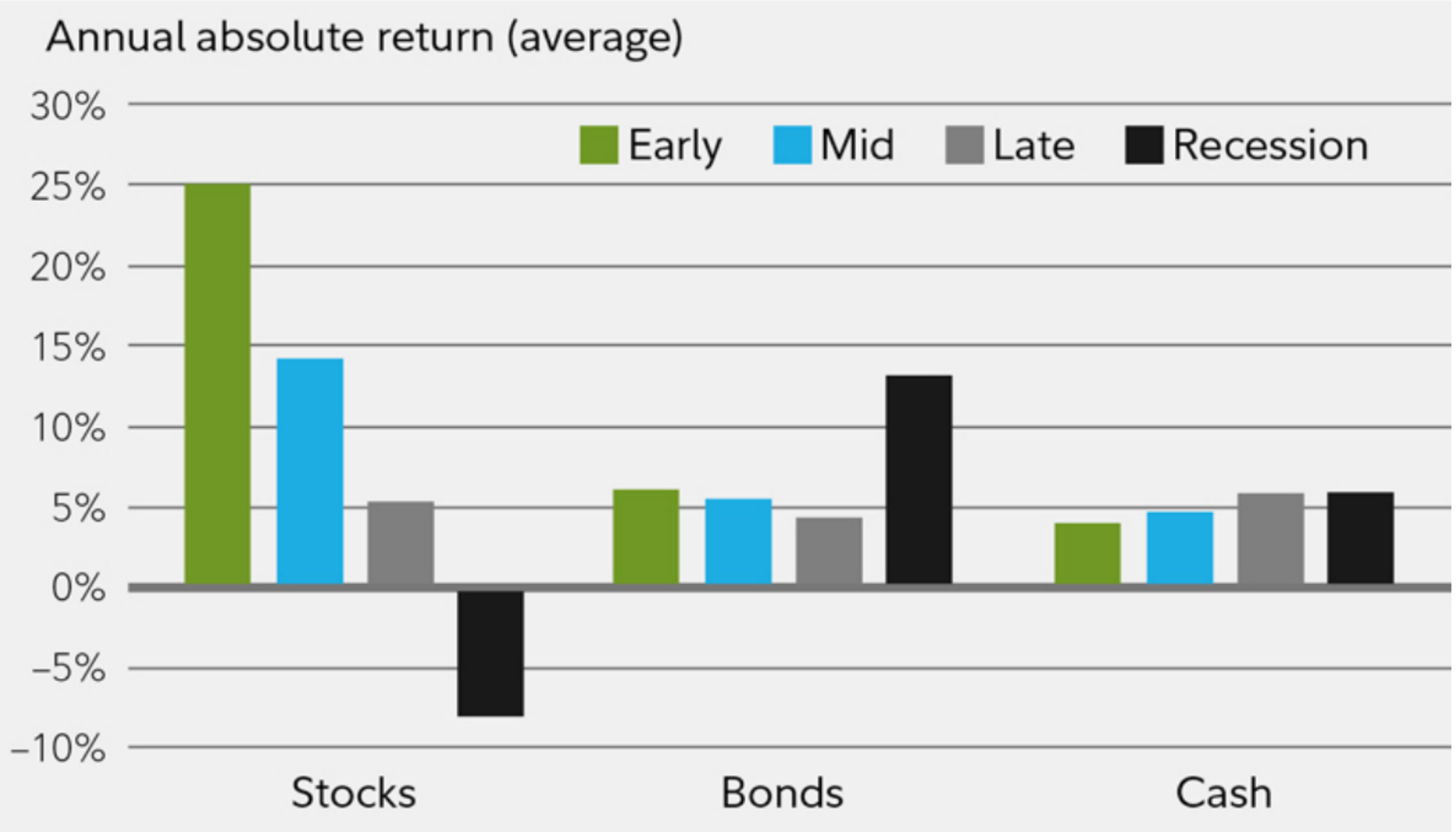
Peak Everything?





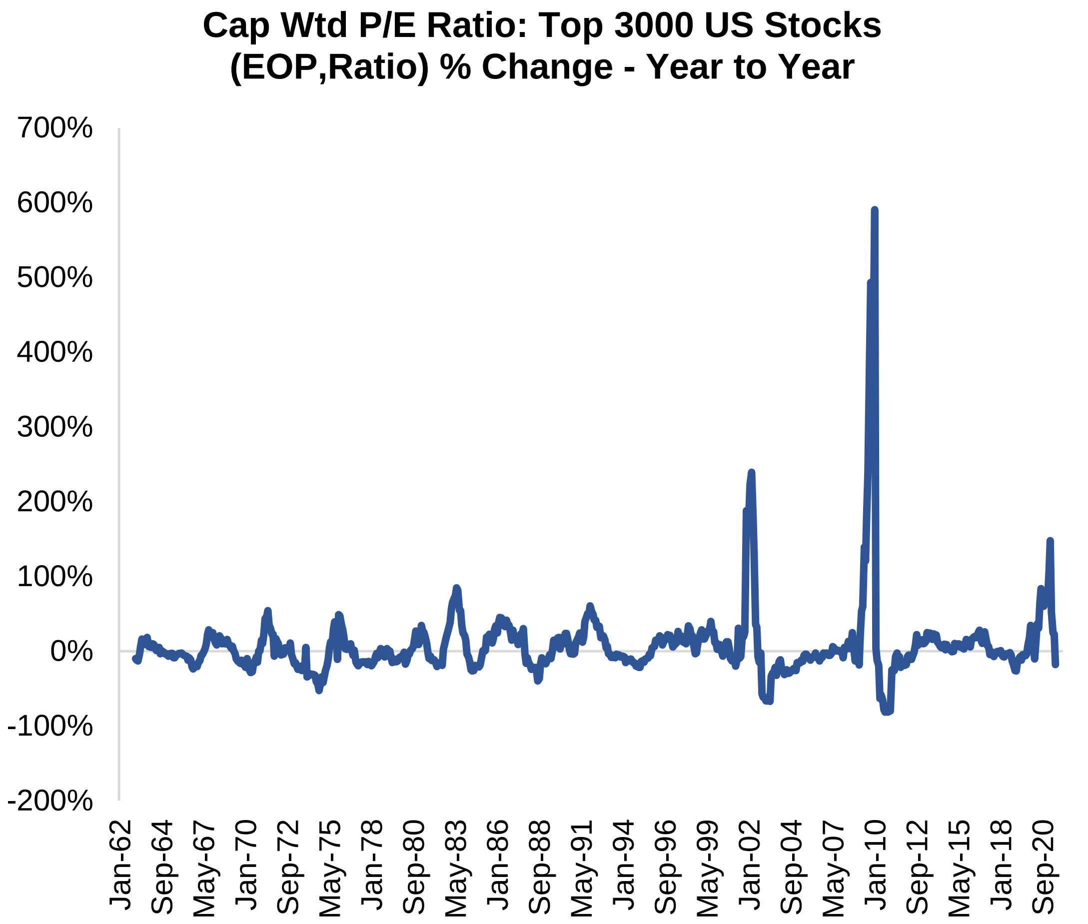
Source: Haver, Factset. Fidelity Investments

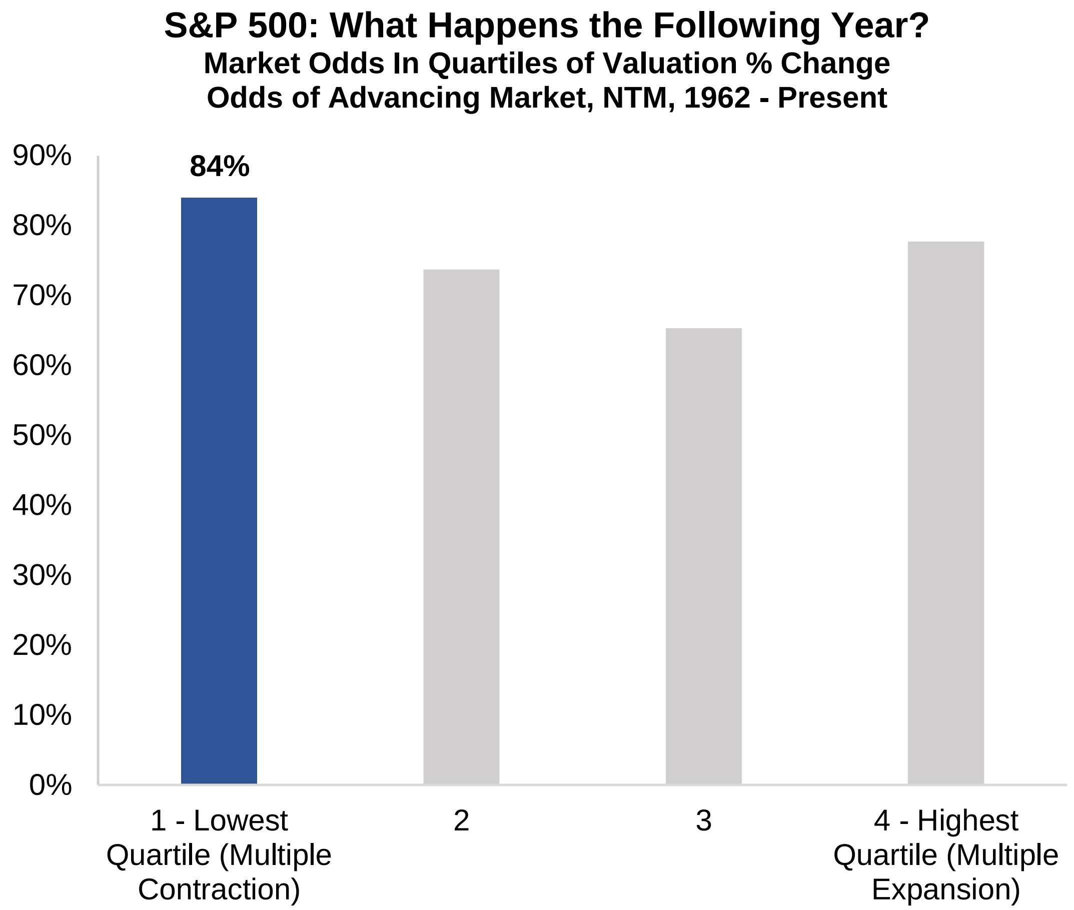
Historically, Performance of Stocks and Bonds Has Been Heavily Influenced by the Business Cycle



Past performance is no guarantee of future results. Asset class total returns are represented by indexes from the following sources: Fidelity Investments, Ibbotson Associates, Barclays, as of July 31, 2014. Source: Fidelity Investments proprietary analysis of historical asset class performance, which is not indicative of future performance.

Market Backdrop





Source: Haver, Factset. Fidelity Investments

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Past performance is no guarantee of future results.

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Additional information on Business Cycle Framework:

> The Business Cycle Framework depicts the general pattern of economic cycles throughout history, though each cycle is different; specific commentary on the current stage is provided in the main body of the text. In general, the typical business cycle demonstrates the following: During the typical early-cycle phase, the economy bottoms out and picks up steam until it exits recession, then begins the recovery as activity accelerates. Inflationary pressures are typically low, monetary policy is accommodative, and the yield curve is steep. Economically sensitive asset classes, such as stocks, tend to experience their best performance of the cycle. During the typical mid-cycle phase, the economy exits recovery and enters into expansion, characterized by broader and more self-sustaining economic momentum but a more moderate pace of growth. Inflationary pressures typically begin to rise, monetary policy becomes tighter, and the yield curve experiences some flattening. Economically sensitive asset classes tend to continue benefiting from a growing economy, but their relative advantage narrows. During the typical late-cycle phase, the economic expansion matures, inflationary pressures continue to rise, and the yield curve may eventually become flat or inverted. Eventually, the economy contracts and enters recession, with monetary policy shifting from tightening to easing. Less economically sensitive asset categories tend to hold up better, particularly right before and upon entering recession.

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.

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.

Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies.

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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