Fidelity Viewpoints®

market sense

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

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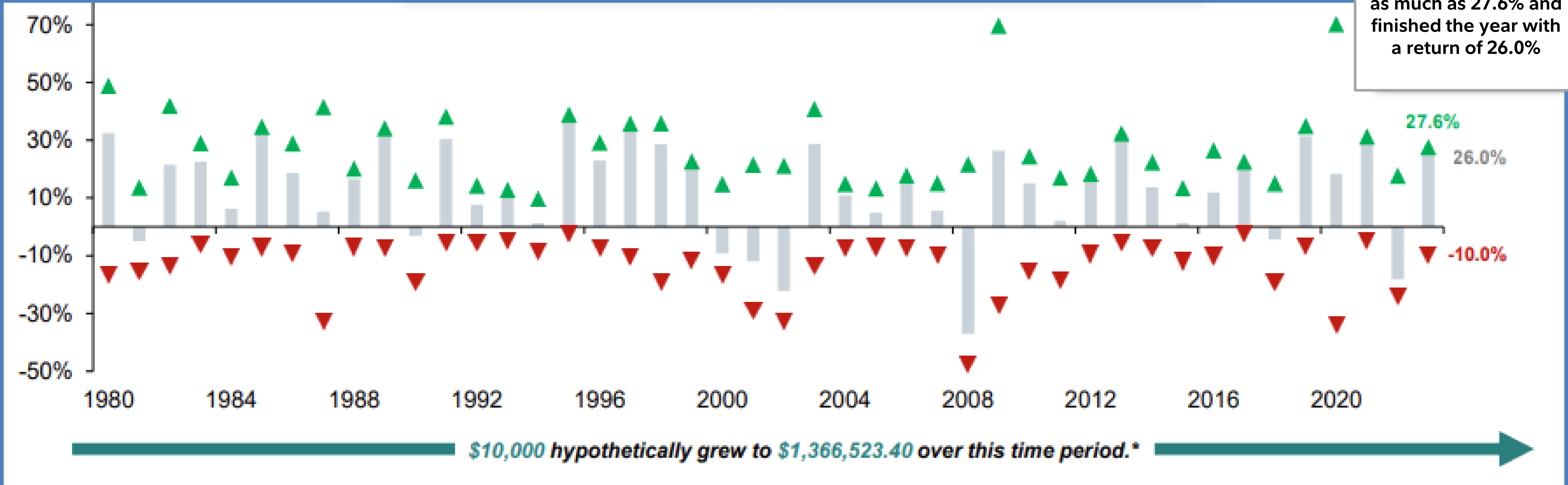
Market Volatility Is Normal

S&P 500 INDEX ANNUAL TOTAL RETURNS & INTRA-YEAR SWINGS: 1980-2023

	Annual Return	▲ Biggest Rally	▼ Biggest Drop
Average	13.2%	27.0%	-13.7%

For example:
In 2023, stocks fell as much as 10.0%, rallied as much as 27.6% and finished the year with a return of 26.0%



Past performance is no guarantee of future results. Indexes are unmanaged. It is not possible to invest directly in an index. Returns are based on index price appreciation and dividends. Intra-year drops refer to the largest index drop from a peak to a trough during the year. *The hypothetical example assumes an investment that tracks the returns of a S&P 500® Index and includes dividend reinvestment but does not reflect the impact of taxes, which would lower this figure. There is volatility in the market and a sale at any point in time could result in a gain or loss. Your own investment experience will differ, including the possibility of losing money. For illustrative purposes only. Data as of 12/31/23. Source: Standard & Poor's, Bloomberg Finance L.P.

Since 1980

5% or more market drops in 93% of calendar years

10% or more market drops in 47% of calendar years

13.3% average calendar year returns during this same period DESPITE market drops

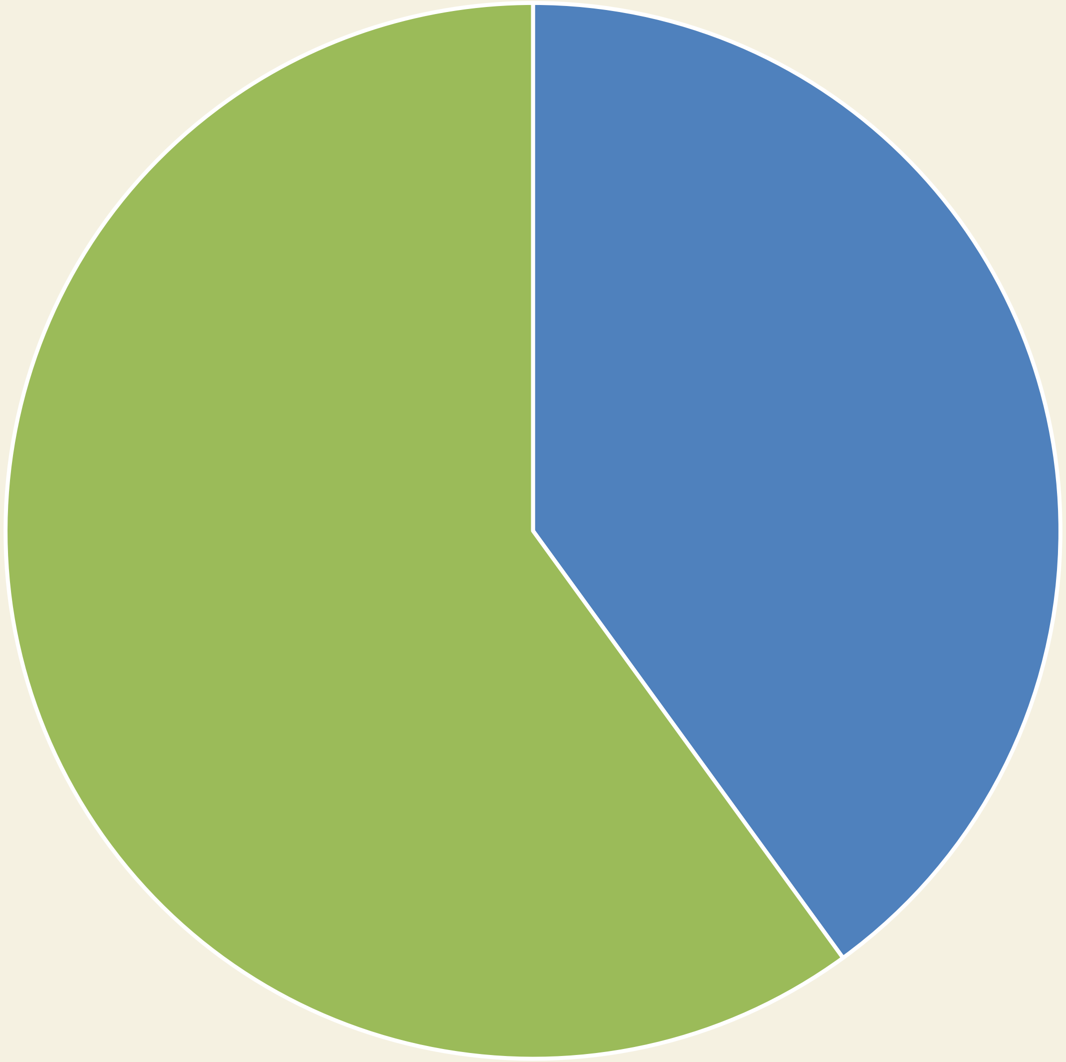
Source: Standard & Poor's, Bloomberg Finance L.P.

Defensive Investment Strategies In 60/40 Portfolios

60

- ✓ High-quality dividend stock
- ✓ Low volatility stock
- ✓ Defensive Sectors

Healthcare/Utilities/Consumer staples



40

- ✓ High-quality bonds
- ✓ Treasuries

The purpose of the 60/40 portfolio is to show how target asset mixes may be created with different risk and return characteristics to help meet a participant's goals. You should choose your own investments based on your particular objectives and situation. Remember, you may change how your account is invested. Be sure to review your decisions periodically to make sure they are still consistent with your goals.

Original Market Sense Hosts

March 2020

Fidelity.com/Marketvolatility

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1. Bloomberg, March 7, 2025: https://www.bloomberg.com/news/articles/2025-03-07/us-hiring-rises-at-solid-pace-unemployment-unexpectedly-higher?srnd=homepage-americas
2. Standard & Poor's, Bloomberg Finance L.P.
3. Bloomberg, March 6, 2025: https://www.bloomberg.com/news/articles/2025-03-06/trump-likely-to-defer-tariffs-on-goods-services-under-usmca?srnd=homepage-americas

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.

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.

Fixed income investments entail interest rate risk (as interest rates rise bond prices usually fall), the risk of issuer or counterparty default, issuer credit risk and inflation risk. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks all of which are magnified in emerging markets.

It is not possible to invest directly in an index.

Fidelity Wealth Services provides non-discretionary financial planning and discretionary investment management through one or more Portfolio Advisory Services accounts for a fee.

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Lower yields - Treasury securities typically pay less interest than other securities in exchange for lower default or credit risk. **Interest rate 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. **Call risk -** Some Treasury securities carry call provisions that allow the bonds to be retired prior to stated maturity. This typically occurs when rates fall. **Inflation risk -** With relatively low yields, income produced by Treasuries may be lower than the rate of inflation. This does not apply to TIPS, which are inflation protected. **Credit or default risk -** Investors need to be aware that all bonds have the risk of default. Investors should monitor current events, as well as the ratio of national debt to gross domestic product, Treasury yields, credit ratings, and the weaknesses of the dollar for signs that default risk may be rising.

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