

Fidelity Viewpoints®

market sense

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

Viewer Questions



"What is the outlook for AI?"
-Ralph

Viewer Questions



“What is the best way to invest in the entire AI structure, data centers power, cloud, memory, and industrial support?”

-Laura

Viewer Questions



"Are international stocks still outperforming the S&P 500[®] ?"

-Robert

Viewer Questions



“With all the volatility in the U.S. markets and recognizing that it ripples globally—does it make sense to keep a closer eye on my portfolio and shift a small percentage into international stocks or funds?”

-Carolina

Viewer Questions



"How to invest in current environment of market?"

-Pravin

Viewer Questions



"How do we deal with market volatility?"
-Lori

Viewer Questions



"Are we heading for a market correction?"
-Stephen

Viewer Questions



"At age 70, how much should a retiree have in cash or money market funds, and how much should be allocated to bonds, in percentage terms?"

-Kevin

Viewer Questions



"Stock/Bond mix at retirement. What is the recommended portfolio allocation?"

-Hal

Viewer Questions



" Inflation has remained above the Fed's 2% goal, the budget deficit is high and growing, and govt debt may be unsupportable. If these trends continue, what do you believe will be the impact on the USD and how should we position our investments?"

-Derek

Viewer Questions



"Do we expect interest rates to go down and when with new Fed Leader and impact of Powell staying on?"

-Steven

Viewer Questions



"At what point will the U.S. budget deficit need to be addressed? At what U.S credit rating will our currency be so debased that the U.S. dollar will lose its status as the world currency due to out-of-control debt and excessive dollar printing?"

-Jim

Viewer Questions



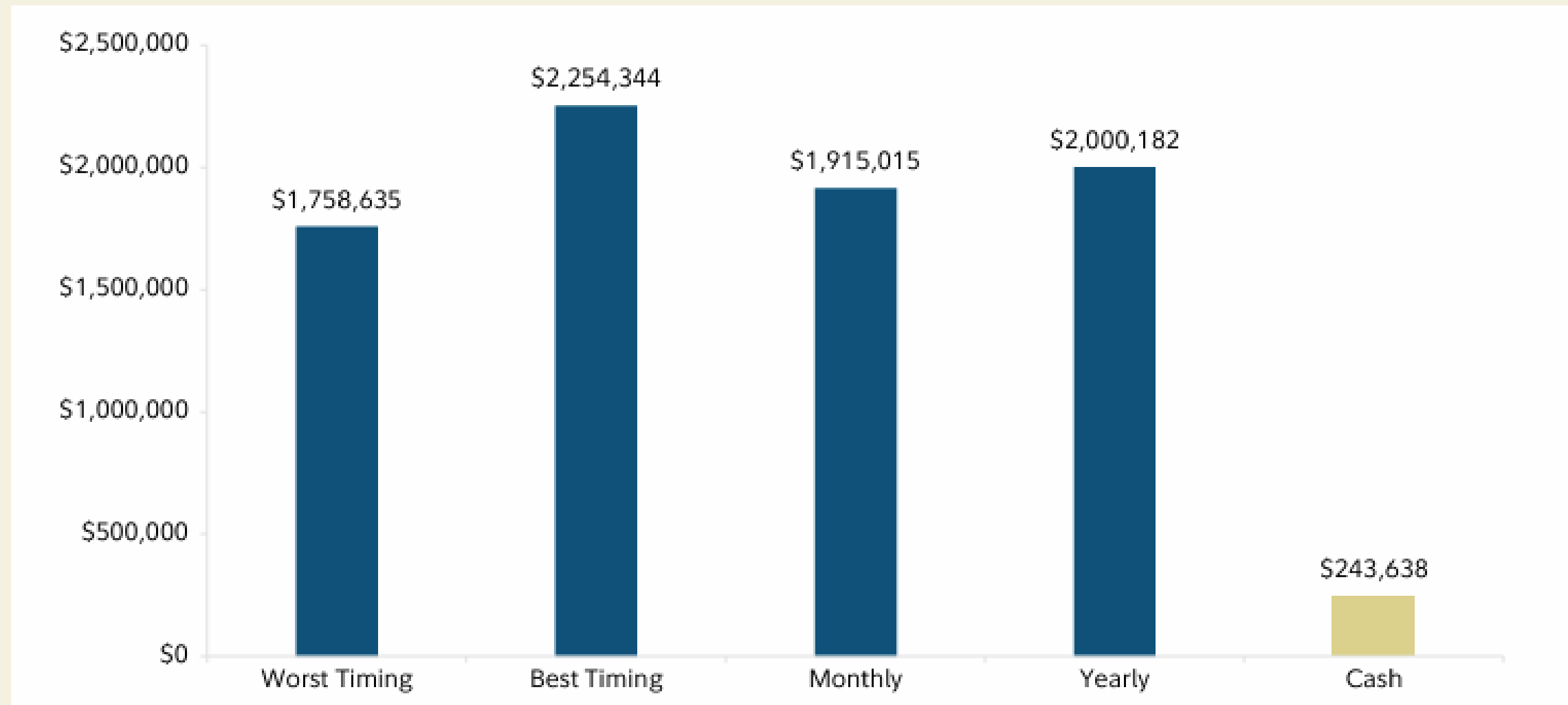
"What is the best place for uninvested cash right now?"

-Gary

Anytime Can Be A Good Time To Enter The Market

Comparison of the growth of a hypothetical annual \$5,000 investment

All stock portfolio under best and worst timing each year, at the start of every year, and monthly, versus cash
1990 to 2025



Best timing scenario is defined as investing \$5,000 at a market bottom each year. Worst timing scenario is defined as investing \$5,000 at a market top each year. The start of every year is defined as investing \$5,000 in January of each year. Monthly figures reflect investing about \$417/month. Cash figures reflect holding a cash-only portfolio. **Past performance is no guarantee of future results.** Source: Fidelity and U.S. Department of the Treasury, as of 12/31/2025. Stocks—S&P 500® Index. Cash—3M U.S. Treasury yields. It is not possible to invest directly in an index. All indexes are unmanaged. Please see Important Information for index definitions. 3M Treasury yield. Analysis based on growth of an annual hypothetical \$5,000 investment in stocks, represented by the S&P 500® during a best timing year (defined as investing \$5,000 at a market bottom each year), during a worst timing year (defined as investing \$5,000 at a market top each year), at the start of every year (\$5,000 in January of each year), divided monthly (about \$417/month), and in a cash-only portfolio.

The S&P 500® Index is an unmanaged, market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to present U.S. equity performance.

Bloomberg U.S. Aggregate Bond Index is a broad-based, market-value-weighted benchmark that measures the performance of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. Sectors in the index include Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS.

The Bloomberg 1-3 Month U.S. Treasury Bill Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months.

The Dow Jones U.S. Total Stock Market Index is an all-inclusive measure composed of all U.S. equity securities with readily available prices. This broad index is sliced according to stock-size segment, style, and sector to create distinct sub-indexes that track every major segment of the market.

The Bloomberg US Treasury Bellwether 3-Month Index is a benchmark that tracks the performance of the most recently issued three-month U.S. Treasury bill.

The MSCI All Country World Ex-USA Index (Net MA) is a market capitalization-weighted index designed to measure the investable equity market performance for global investors of large- and mid-cap stocks in developed and emerging markets, excluding the United States.

Viewer Questions



“What to do with leftover 529 when there are no future beneficiaries expected? When is it OK to take the 10% tax penalty on earnings?”

-Jenna

Watch other Market Sense episodes



The Chartered Financial Analyst designation is offered by the CFA Institute. To obtain the CFA charter, candidates must pass three exams demonstrating their competence, integrity, and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management, and security analysis, and must also have at least 4,000 hours of qualifying work experience completed in a minimum of 36 months, among other requirements. CFA is a trademark owned by the CFA Institute.

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.

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.

The technology industries can be significantly affected by obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants, and general economic condition.

Watch other Market Sense episodes

Beginning January 2024, the Secure 2.0 Act of 2022 (the "Act") provides that you may transfer assets from your 529 account to a Roth IRA established for the Designated Beneficiary of a 529 account under the following conditions: (i) the 529 account must be maintained for the Designated Beneficiary for at least 15 years, (ii) the transfer amount must come from contributions made to the 529 account at least five years prior to the 529-to-Roth IRA transfer date, (iii) the Roth IRA must be established in the name of the Designated Beneficiary of the 529 account, (iv) the amount transferred to a Roth IRA is limited to the annual Roth IRA contribution limit, and (v) the aggregate amount transferred from a 529 account to a Roth IRA may not exceed \$35,000 per individual. It is your responsibility to maintain adequate records and documentation on your accounts to ensure you comply with the 529-to-Roth IRA transfer requirements set forth in the Internal Revenue Code. However, the Internal Revenue Service ("IRS") has provided some information on 529-to-Roth IRA transfers in the 2025 IRS Publication 590-A. It is anticipated the IRS may provide additional guidance on 529-to-Roth IRA transfers, which could result in changes or modifications to some 529-to-Roth IRA transfer requirements. Please consult a financial or tax professional regarding your specific circumstances before making any investment decision.

In order for an accelerated transfer to a 529 plan (for a given beneficiary) of \$95,000 (or \$190,000 combined for spouses who gift split) to result in no federal transfer tax and no use of any portion of the applicable federal transfer tax exemption and/or credit amounts, no further annual exclusion gifts and/or generation-skipping transfers to the same beneficiary may be made over the 5-year period, and the transfer must be reported as a series of 5 equal annual transfers on IRS Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return. If the donor dies within the 5-year period, a portion of the transferred amount will be included in the donor's estate for estate tax purposes.

The Roth contribution limit is the lesser of the annual contribution limit or the 529 beneficiary's income for the year. However, under SECURE 2.0 this phase out is adjusted for the 529 rollover but may not permit a full contribution in all cases. You should consult a tax advisor regarding your specific situation. Important to know: IRA contributions require sufficient earned income. At this time, it is unclear if sufficient earned income would be applicable for 529 conversions to Roth IRAs.

Units of the portfolios are municipal securities and may be subject to market volatility and fluctuation.

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