

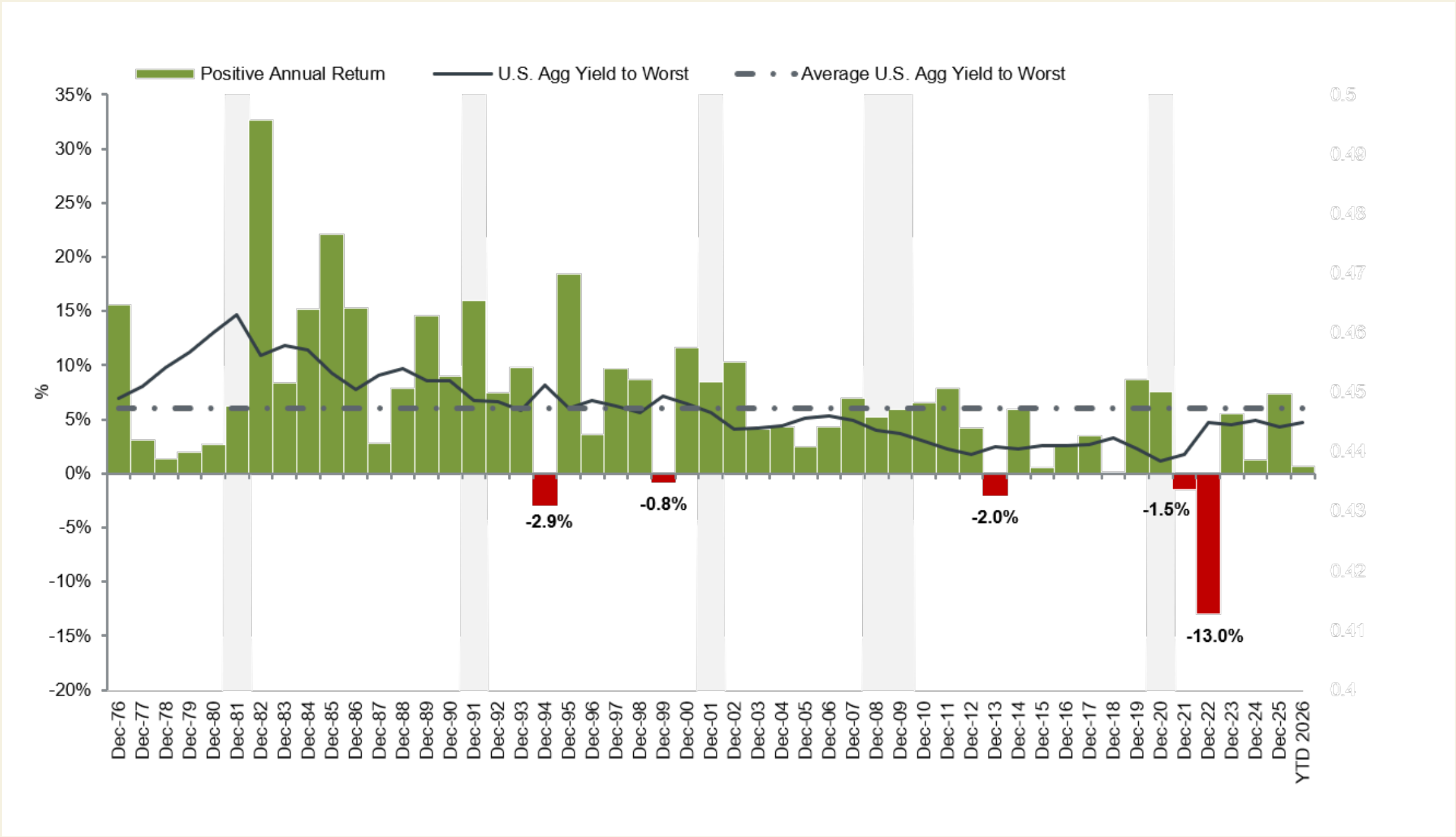
Fidelity Viewpoints®

market sense

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

Bond Returns vs. Yield to Worst (1976–2026)

Bond Market Annual Returns: 6.3%
Annual Real Return: 2.8%



Source: Bloomberg, as of 6/30/26. Bond Markets Annual Returns and Annual Real Return are as of 12/31/25.

Note: Bond returns are based on Bloomberg U.S. Aggregate Bond Index. Shaded gray bars represent periods in which the U.S. was in a recession.

Past performance is no guarantee of future results. It is not possible to invest directly in an index. All market indices are unmanaged. Index performance is not meant to represent that of any Fidelity mutual fund.

Task Force for Advancing Monetary Policy

"Each task force will serve an objective shared by everyone in the system ... a Federal Reserve that is clear-eyed about its mission, fit for purpose, and focused on the future."

-Chairman Kevin Warsh

5 task forces created to examine areas of monetary policy

1.

Communications

2.

Balance Sheet

3.

Data

4.

Productivity
and Jobs

5.

Inflation

Watch other Market Sense episodes



The Bloomberg US Aggregate Bond Index is a broad-based, flagship benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market.

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.

While it may seem appealing to look at bonds that offer higher yields, investors should consider those higher yields to be a sign of potentially greater risk.

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.

Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry, which may affect these types of funds.

The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.



Watch other Market Sense episodes



Fidelity does not provide legal or tax advice. The information herein is general and educational in nature and should not be considered legal or tax advice. Tax laws and regulations are complex and subject to change, which can materially impact investment results. Fidelity cannot guarantee that the information herein is accurate, complete, or timely. Fidelity makes no warranties with regard to such information or results obtained by its use and disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Consult an attorney or tax professional regarding your specific situation.

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.

To the extent any investment information in this material is deemed to be a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity and is not intended to be used as a primary basis for you or your clients' investment decisions. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in them and receive compensation, directly or indirectly, in connection with the management, distribution, or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services.

Investing involves risk, including risk of loss.

Past performance is no guarantee of future results.

Indexes are not illustrative of any particular investment, and it is not possible to invest directly in an index.

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

Personal and workplace investment products are provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917

© 2026 FMR LLC. All rights reserved.

1274135.1.0

