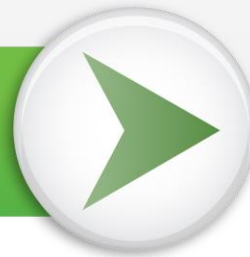


Market Update: What's Behind the Volatility



Today's Agenda

What's Happening in the Markets and Why

What Market Volatility Means for Your Portfolio

Dos And Don'ts during Volatile Times

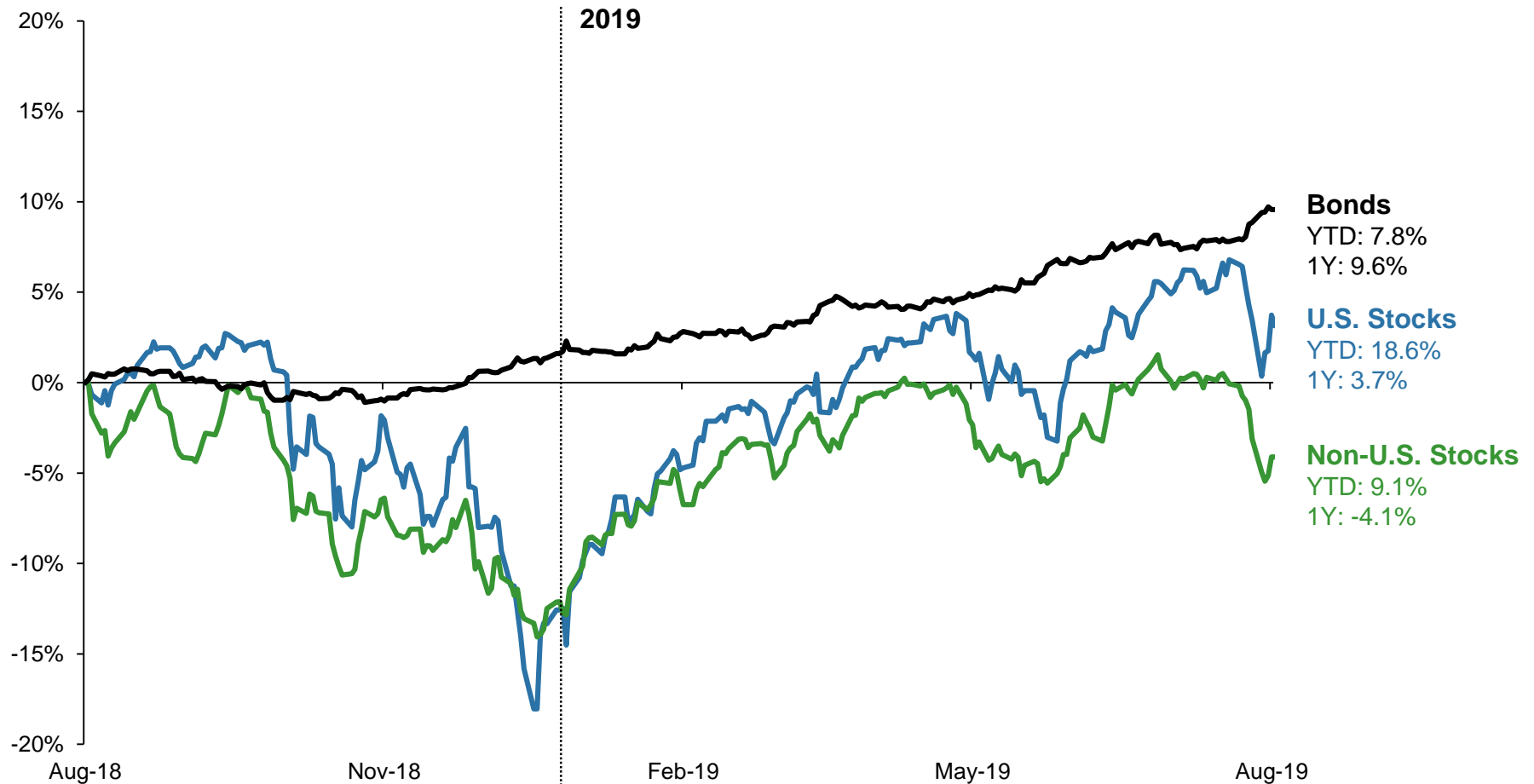
Next Steps



What's Happening—and Why

One-Year Returns Are Mixed, with Bonds Leading

Mature economic growth and ongoing trade tensions have periodically weighed on stocks



Past performance is no guarantee of future results. Source: Fidelity Investments, Bloomberg as of 8/8/19. U.S. Equity = Dow Jones U.S. Total Stock Market Index; Non-U.S. Equity = Morgan Stanley Capital International (MSCI) All Country World Index ex US (Net MA); Bonds = Barclays U.S. Aggregate Bond Index.

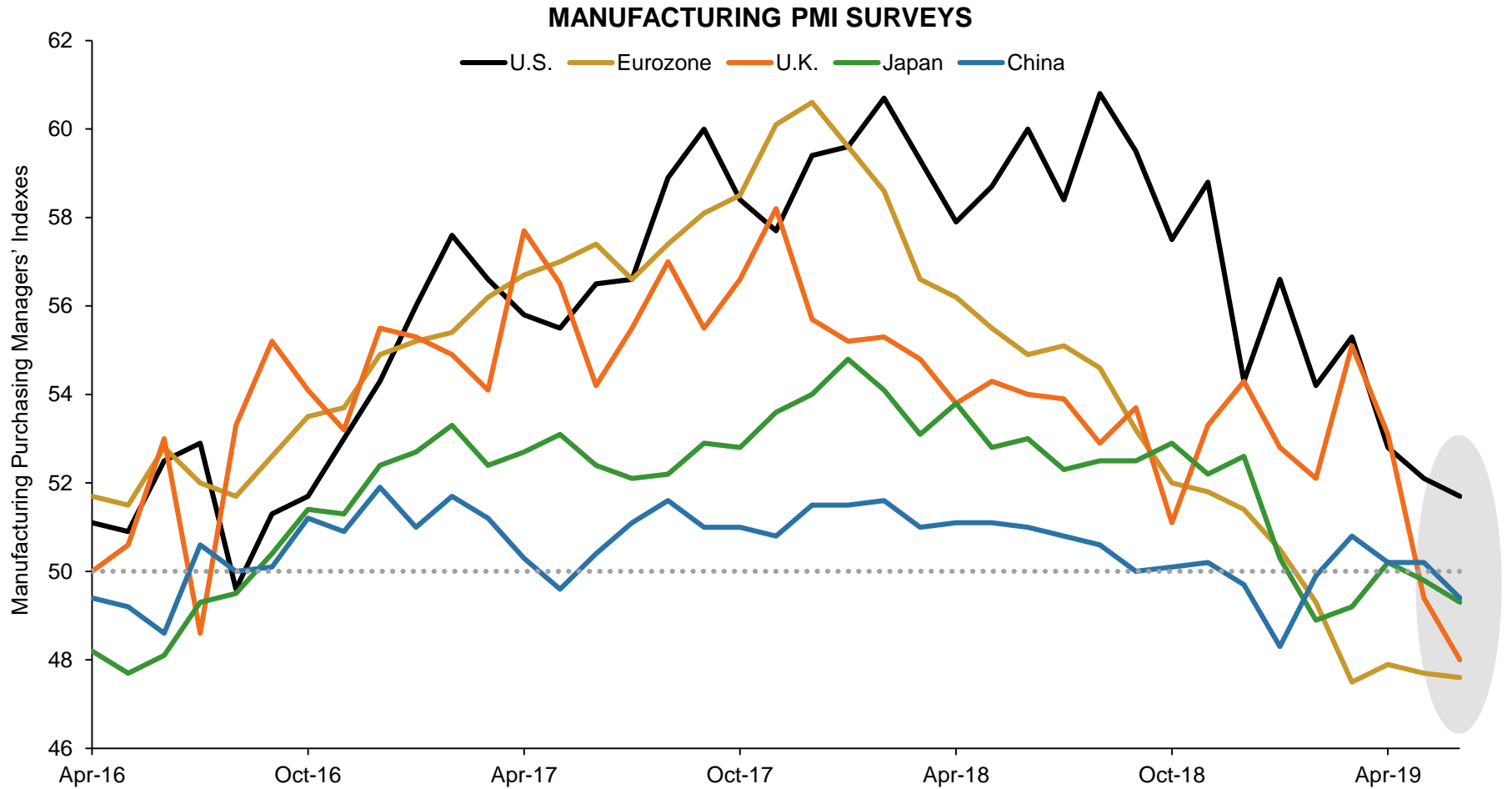


Bonds Have Benefited from Falling Interest Rates

10-YEAR U.S. TREASURY BOND YIELD

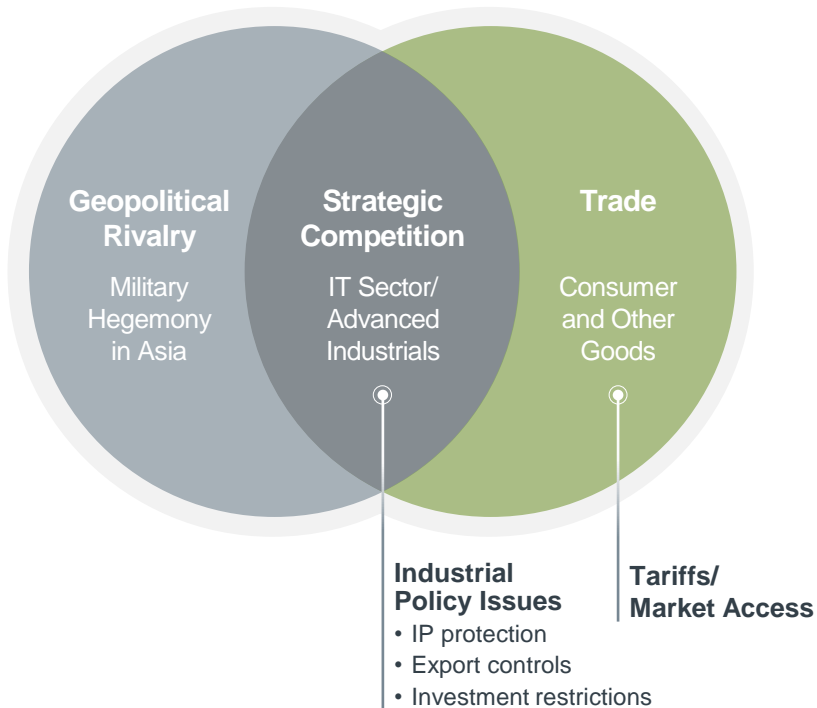


Global Manufacturing Has Continued to Slow

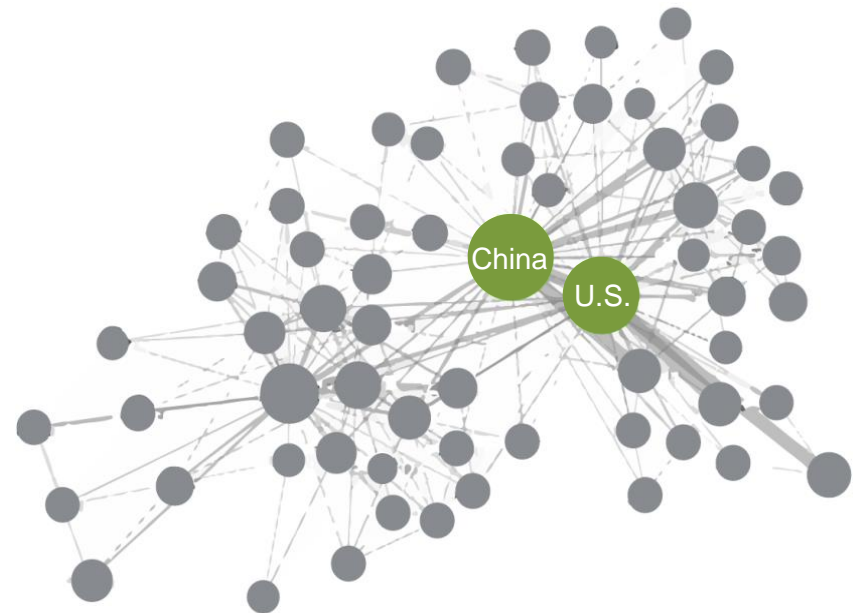


U.S.-China: Strategic Competition Intertwined with Trade

U.S.-CHINA RELATIONSHIP



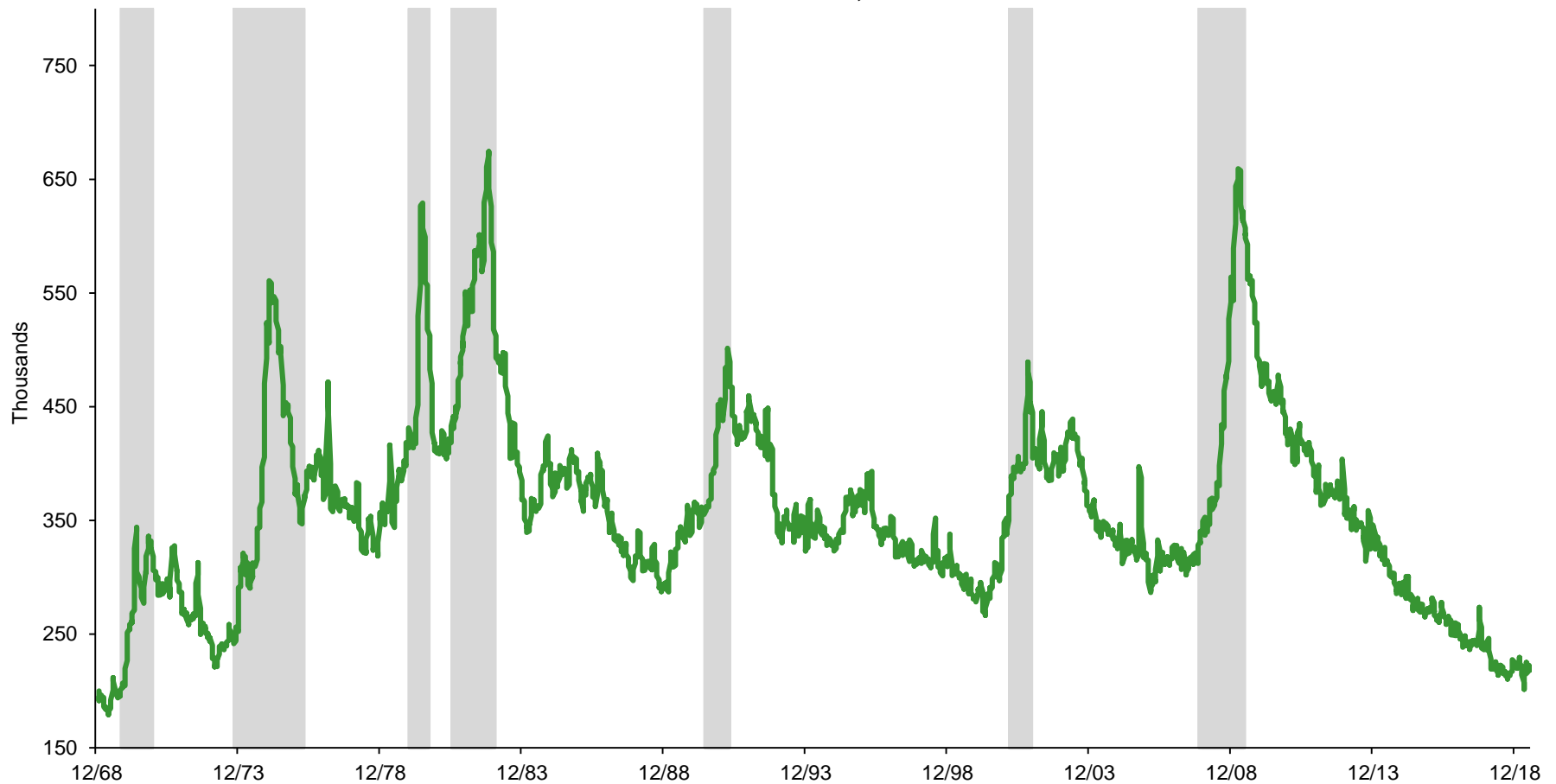
GLOBAL TRADE INTERDEPENDENCE



RIGHT: The size of the circles represents total trade. The thickness of lines represents the volume of trade flows. The size of the circle and proximity to other countries represent importance and interconnectedness. Gray circles represent other countries. Source: International Monetary Fund, Haver Analytics, Fidelity Investments (AART), as of 12/31/15.

U.S. Job Market Remains Quite Strong

U.S. INITIAL JOBLESS CLAIMS, 4 WEEK AVERAGE



Helping Keep U.S. Consumer Confidence High

CONFERENCE BOARD CONSUMER CONFIDENCE, 1985=100

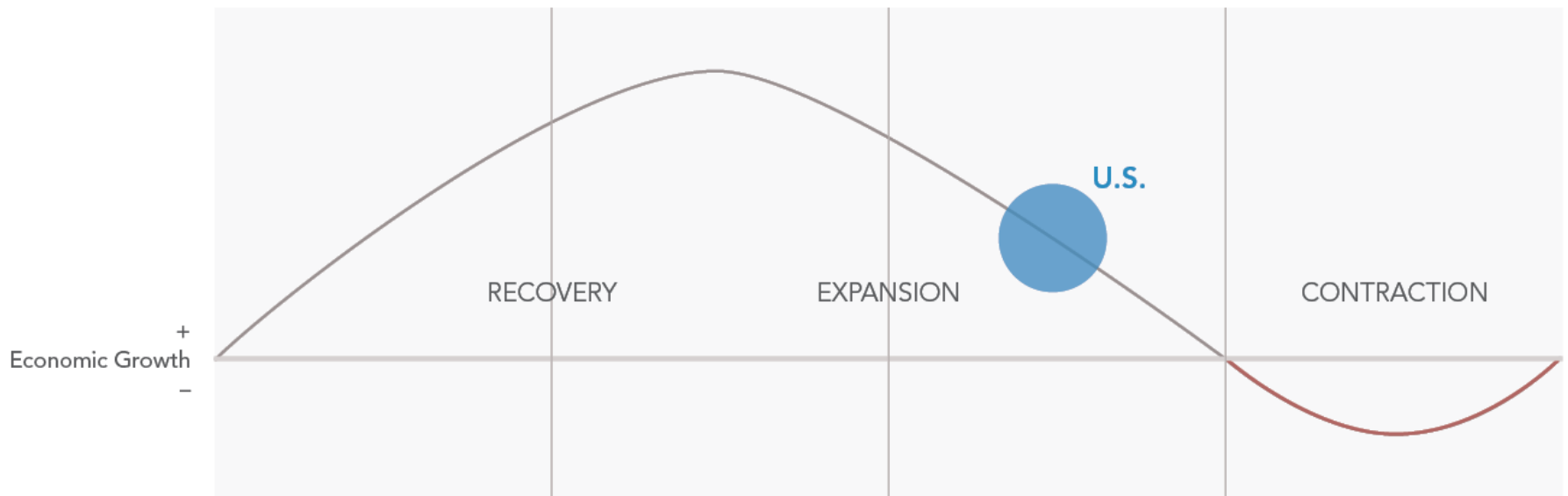




What Does This Mean for My Portfolio?

U.S. Remains Firmly in Late-Cycle Expansion

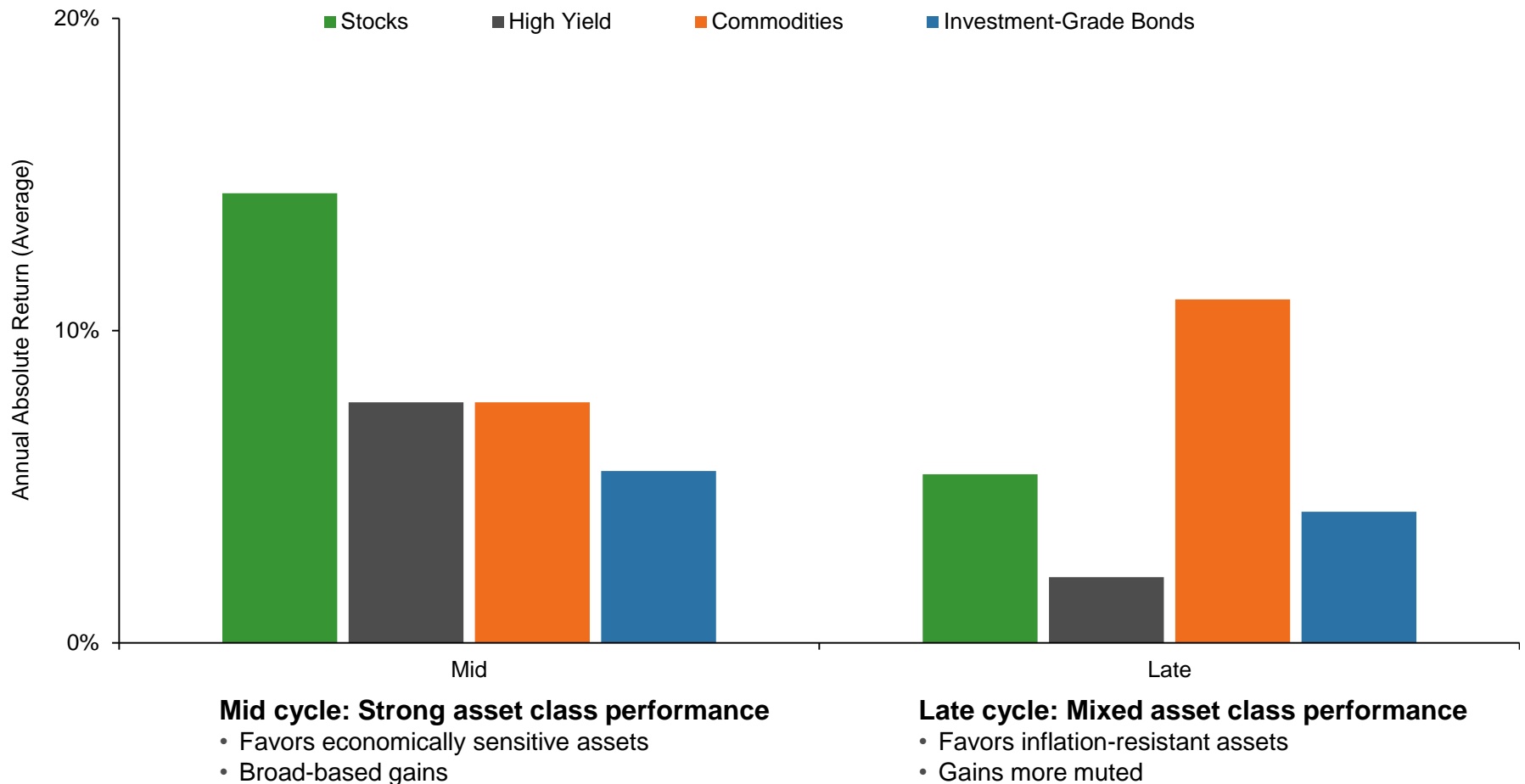
Cycle Phases	EARLY	MID	LATE	RECESSION
	<ul style="list-style-type: none"> • Activity rebounds (GDP, IP, employment, incomes) • Credit begins to grow • Profits grow rapidly • Policy still stimulative • Inventories low; sales improve 	<ul style="list-style-type: none"> • Growth peaking • Credit growth strong • Profit growth peaks • Policy neutral • Inventories, sales grow; equilibrium reached 	<ul style="list-style-type: none"> • Growth moderating • Credit tightens • Earnings under pressure • Policy contractionary • Inventories grow; sales growth falls 	<ul style="list-style-type: none"> • Falling activity • Credit dries up • Profits decline • Policy eases • Inventories, sales fall



Note: The diagram above is a hypothetical illustration of the business cycle. There is not always a chronological, linear progression among the phases of the business cycle, and there have been cycles when the economy has skipped a phase or retraced an earlier one. We use the classic definition of recession, involving an outright contraction in economic activity, for developed economies. Source: Fidelity Investments (AART), as of 06/30/19.

Asset Classes: Performance Often Shifts across Cycles

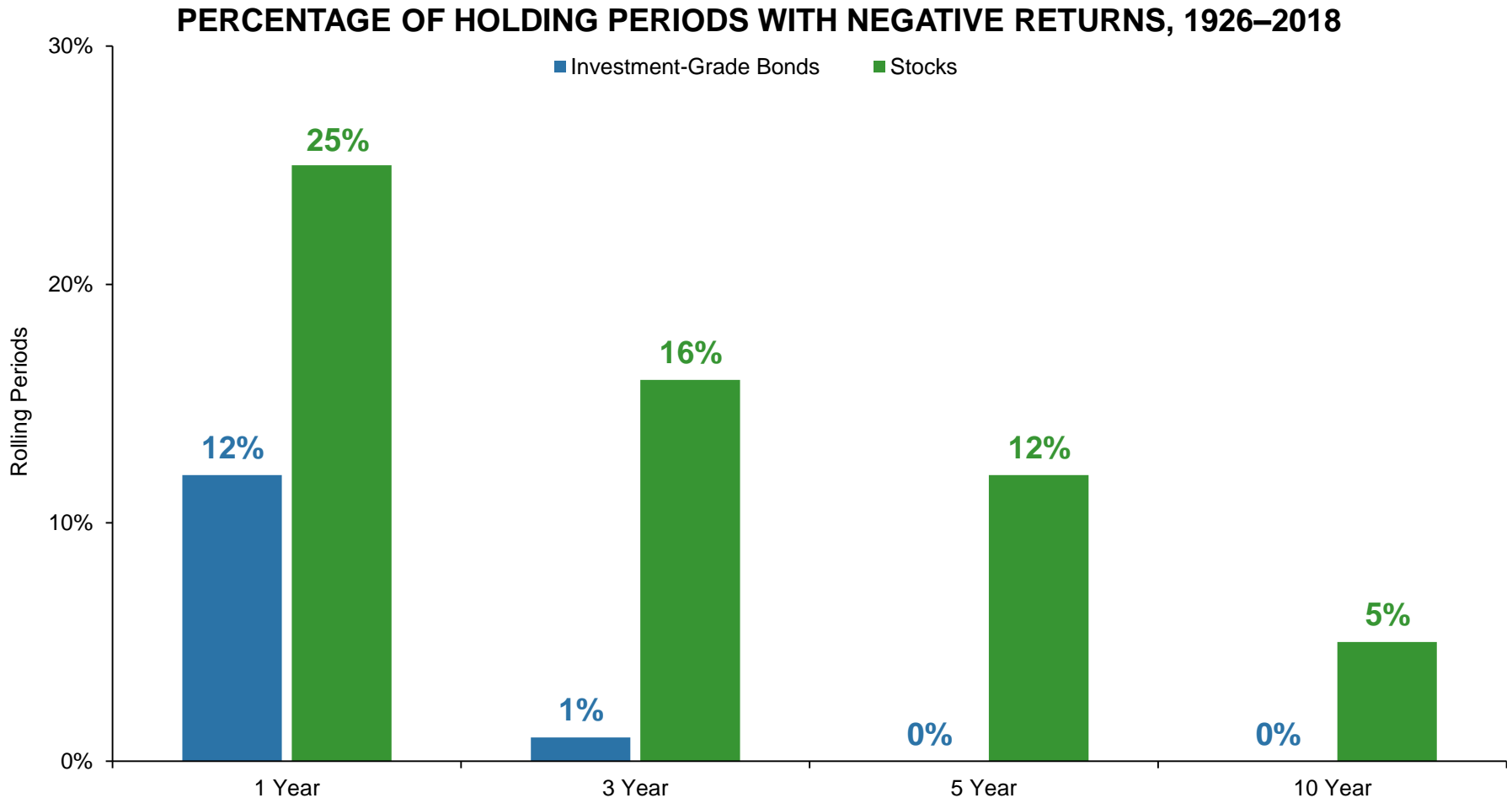
Asset class performance in mid- and late-cycle phases (1950–2010)



Past performance is no guarantee of future results. Asset class total returns are represented by indices from the following sources: Fidelity Investments, Morningstar, and Bloomberg Barclays. Fidelity Investments: proprietary analysis of historical asset class performance, which is not indicative of future performance.

Benefits of Diversification

Historically, bonds are less volatile than stocks



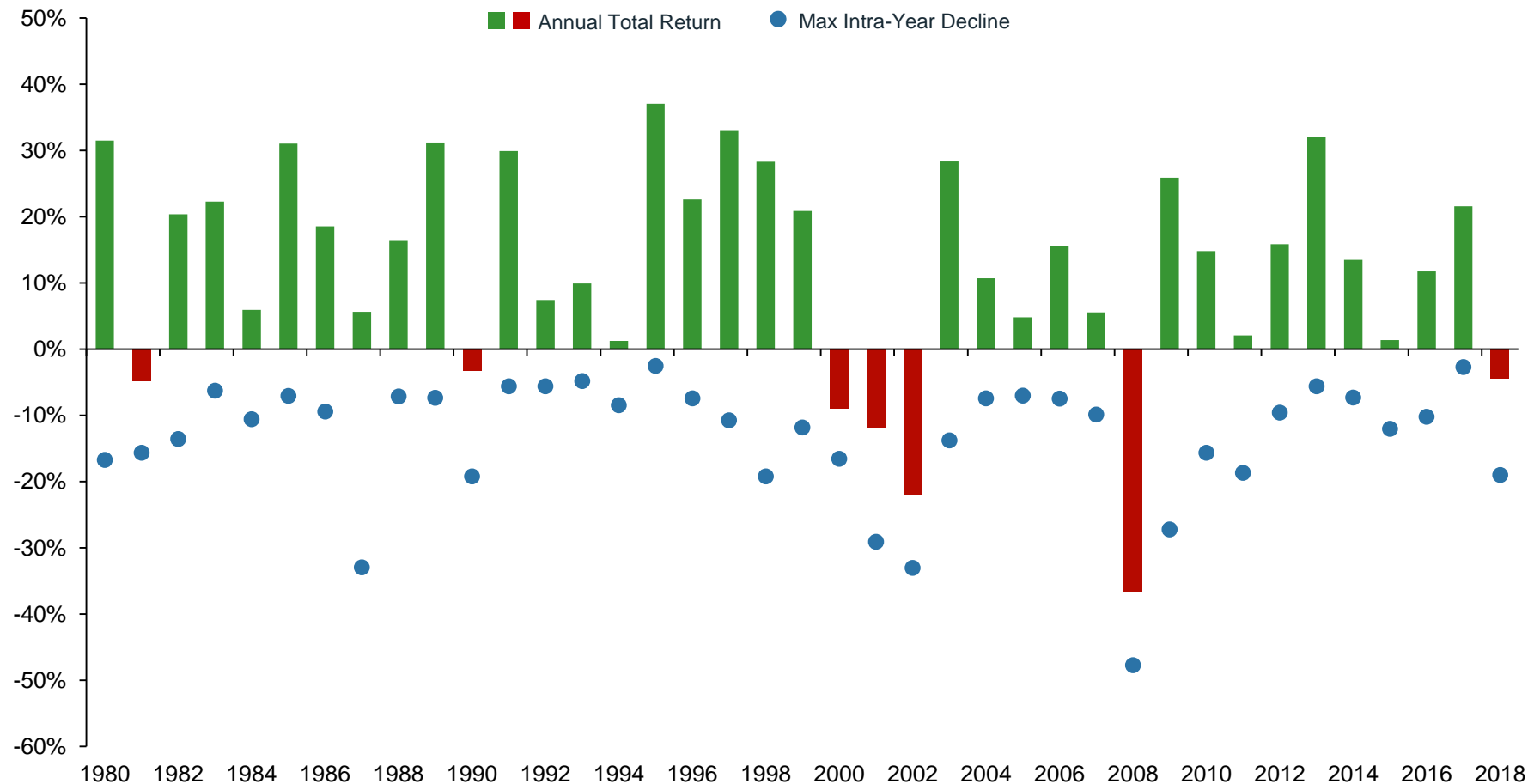
Based on rolling monthly holding periods. Past performance is no guarantee of future results. Asset class total returns are represented by indexes from Fidelity Investments, Morningstar, Standard & Poor's and Bloomberg Barclays. Fidelity Investments proprietary analysis of historical asset class performance, which is not indicative of future performance. Source: Fidelity Investments (AART) as of 12/31/18.



What Should Investors Understand When Markets Move?

Stock market declines are normal

S&P 500[®] Index annual total returns and intra-year declines (1980–2018)

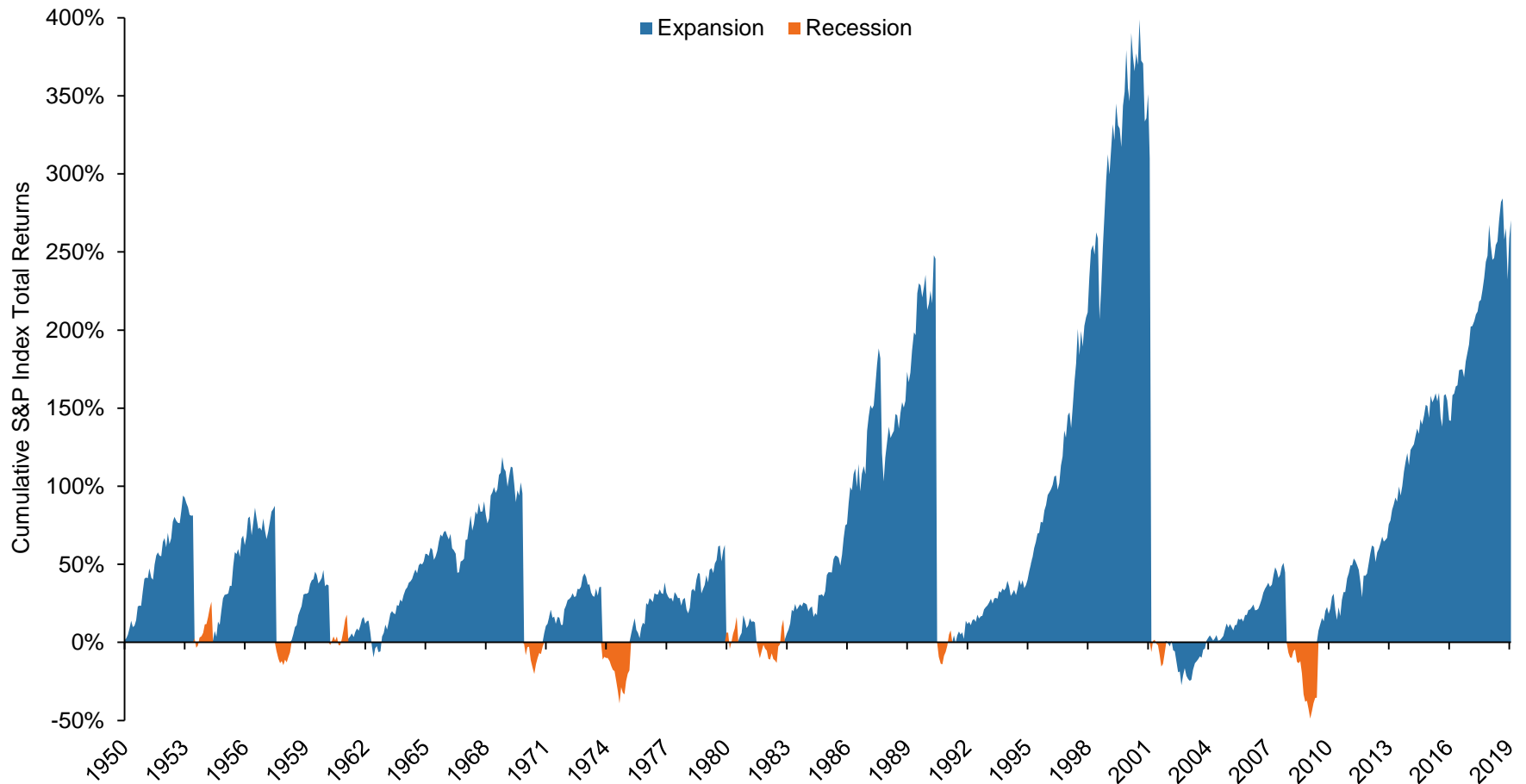


Past performance is no guarantee of future results. It is not possible to invest directly in an index. Returns are based on index price appreciation and dividends. Intra-year drops refer to the largest index drop from a peak to a trough during the year. For illustrative purposes only. Data as of 12/31/2018.

15 Source: Standard & Poor's, Bloomberg Finance LP



Gains in Expansions Have Far Outpaced Losses Suffered in Recessions





What Should I Consider with My Advisor?

Schedule Time to Talk with Us If...



...you haven't asked your advisor how your accounts may weather changing market conditions



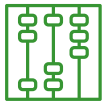
...you're worried that market volatility will make it harder to reach your financial goals



...it's been more than a year since your last financial checkup



...you have had a big change in your employment, health, or family



...you're looking for opportunities to potentially take advantage of uncertain markets



...you're considering having more of your assets professionally managed

Important Information

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

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.

You must make your own determination whether an investment in any particular security or securities is consistent with your own investment objectives, risk tolerance, financial situation, and evaluation of the security.

Past performance is no guarantee of future results.

Diversification and asset allocation do not ensure a profit or guarantee a loss.

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

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 and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so holding them until maturity to avoid losses caused by price volatility is not possible. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

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.

The Dow Jones Industrial Average is an indicator of U.S. stock market prices, based on the share values of 30 blue-chip stocks listed on the New York Stock Exchange.

MSCI All-Country World Index (ex-US) is a free float-adjusted market capitalization-weighted index designed to measure the equity market performance of developed and emerging markets, excluding the US.

A Purchasing Managers' Index (PMI) is a survey of purchasing managers in a certain economic sector. A PMI over 50 represents expansion of the sector compared to the previous month, while a reading under 50 represents a contraction, and a reading of 50 indicates no change. The Institute for Supply Management[®] reports the U.S. manufacturing PMI[®].

Markit compiles non-U.S. PMIs. The Consumer Price Index (CPI) is a monthly inflation indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation.

Votes are submitted voluntarily by individuals and reflect their own opinion of the article's helpfulness. A percentage value for helpfulness will display once a sufficient number of votes have been submitted.

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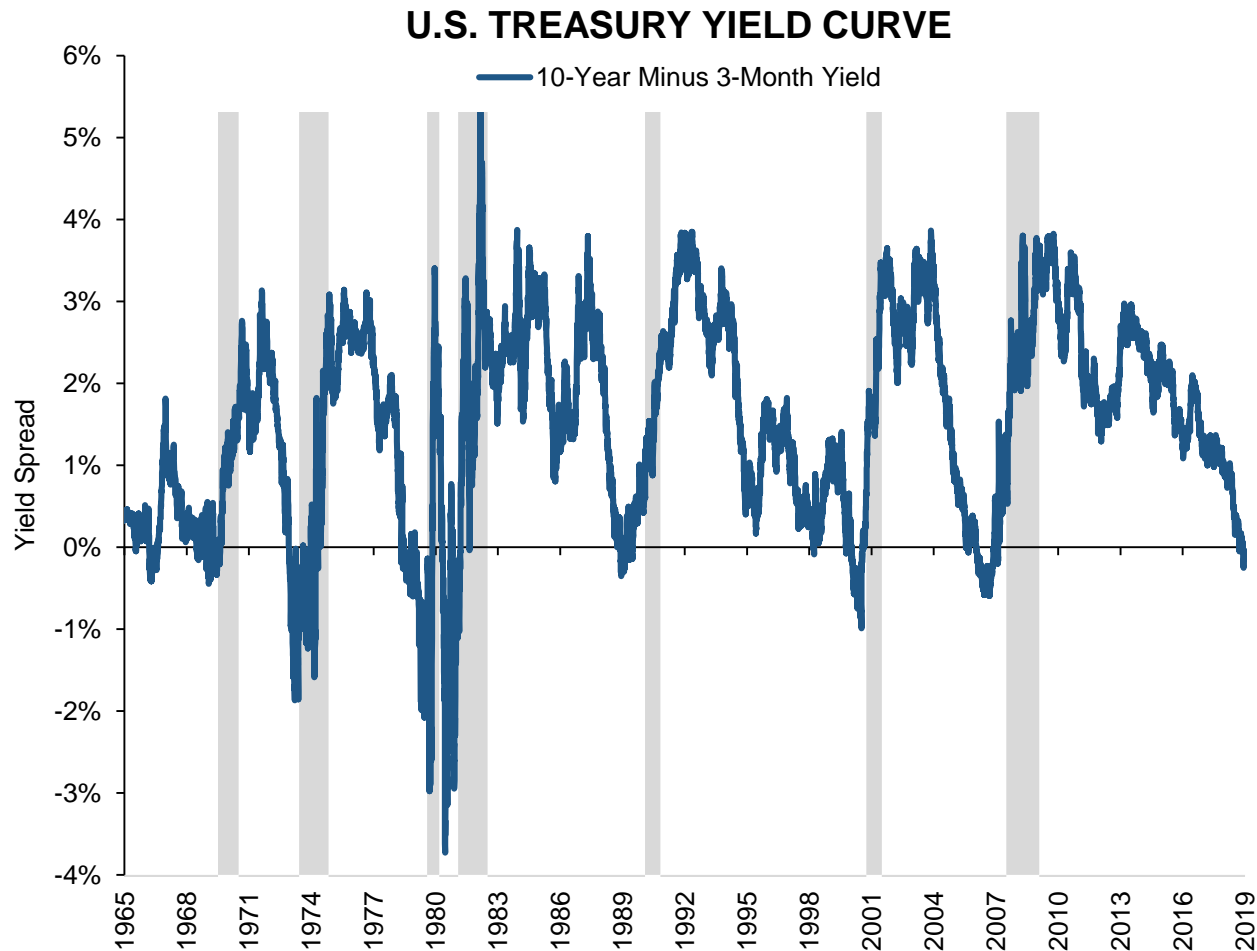
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Appendix

Yield Curve Inversion Typical during Late Cycle



Yield Curve Inversions

- Occurred before the last 7 recessions
- Occurred twice without a recession (1966, 1998)
- Recessions started 4 to 21 months after inversion
- Un-inversions often occurred prior to recession

Over Time, Stocks Generally Follow Earnings

S&P 500 INDEX VS. OPERATING EARNINGS (LOG SCALE)

