

Fidelity Viewpoints[®]: Market Sense

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TRANSCRIPT

SPEAKERS:

Heather Hegedus Jurrien Timmer Asher Anolic

HEATHER HEGEDUS: Hi there everybody. Thank you so much for making the time to join us for another episode of *Market Sense*. I'm Heather Hegedus with Fidelity. With oil prices on the rise and bond yields reaching levels that we haven't seen in decades, pressure is mounting on the stock market. And that is causing concerns about whether this might be marking a fundamental shift where higher rates are the norm. But, at the same time, I think it is really important to note, and I really want to emphasize this for our audience today, that we shouldn't lose sight of the fact that we are still in a period of very strong earnings and economic growth.

So joining us today to talk about all that, how to think about these things as an investor and the potential implications, as he often does almost every week, is Jurrien Timmer, Fidelity's Director of Global Macro. We are also just delighted today to welcome to the show Asher Anolic, who is a portfolio manager here at Fidelity and co-manages Fidelity Contrafund. And that's one of the world's largest actively managed stock mutual funds, with assets totaling around \$170 billion. And today, we're going to be talking to Asher about his team's overall approach to finding both growth and value and to hear about how they're thinking about some of the most prevalent themes in the market today.

And we're even going to be talking to him about what it's been like working with the legendary Will Danoff, who, of course, is the longtime Contrafund portfolio manager. So this is just going to be a really exciting conversation. I'm thrilled to have you both here today. And, Asher, welcome to *Market Sense* for the first time.

ASHER ANOLIC: Thanks for having me, Heather. It's great to be here. It's great to be here with Jurrien. I've been a longtime fan of Jurrien's work and an avid reader of the report he puts out every Sunday evening for the 18 years I've been at Fidelity.

JURRIEN TIMMER: Well, it's great to be here. And I'm really looking forward to this conversation because it's going to be a good one.

HEATHER: I have been looking forward to this show for months. I want to dive right in here, Jurrien. And I'm excited to hear from you and from Asher today. Let's start quickly with the economic picture here. So today is Tuesday, September 29.

We are heading into the final days of the month. Just let's set the scene with the macro and market backdrop for folks, Jurrien. So, bond yields are rising. That's caused some stock market volatility. Energy prices continue to go up. The market seems like it might be treading water a bit and waiting for things to happen or there's a lot of uncertainty right now—that seems to have been a main theme. What is really happening, though? What do you see under the hood that's catching your attention right now?

JURRIEN: Well, there is so much going on in terms of crosscurrents, even though when you look at the S&P 500, it has barely moved since early June. So that's almost four months now. It's about a percent or two off the high. But it really hasn't made a lot of progress either. And you would think, OK, quiet, summer doldrums. Everyone's gone away on vacation. There's nothing much to see here. But there's a lot to see.

There's a lot of crosscurrents under the hood, if you will, in the market itself when you look at what we call the internals—so how many stocks are going up versus down. And right now, the S&P cap weighted, so the capitalization weighted index, which is heavily influenced by the very large multi-trillion dollar stocks, is doing pretty well, because the Magnificent Seven have picked up the leadership here over the last few weeks.

But under the hood, only 27% of the stocks in the S&P are in short term uptrends above their 50-day moving average. And only 49% are above their 200-day moving average. So there's quite a bit of churn going on as the market rotates. And a lot of this has to do with interest rates.

The Fed, of course, raised rates just recently. And the market expects it to raise rates a few more times in the coming months—basically, taking back what we call the insurance rate cuts from 2025 when we thought AI was going to take away all the jobs, et cetera. And, instead, the economy has been very strong, the jobs market has been very strong. We're going to get that number on Friday.

So the Fed is back into tightening mode. And long yields are rising accordingly. The 30-year yield, I'm just peeking at my screen, is at 5.6% now. And the 10-year yield is close to 5.3%. And that is causing some understandable consternation in the stock market. And you might think, why do interest rates matter when it comes to stocks?

They matter when what we call the risk free rate or the risk free asset, so treasuries, when their valuation becomes so attractive as they are now, it puts pressure on the stock market to compete with that. And so that, all else being equal, can lower the PE ratio, the price that investors are willing to pay for earnings. And then it's a question of to what degree does that get offset by rising earnings, something that Asher, of course, knows all too well about because that's what they're looking for.

And then the price, which tends to be what we solve for the S&P index, actually is just the residual of those two moving parts. And right now, the two moving parts, the PE and the E, are going in opposite direction. And the price is left in the middle. And that's why the market is, essentially, going sideways.

So we're watching the bond market very closely. Real yields have been the driver. So you can buy a five or 10-year inflation protected security and lock in a real yield of about 2.5%, 3%. And those are levels we have not seen in 20 years. So there's a lot going on here.

HEATHER: Well, you made a nice segue there to talking to Asher, Jurrien, by explaining the relationship of these rates that we haven't seen in decades to what that might mean for the stock market. So, Asher, let's bring you in here. I'm so excited for our audience to get the chance to hear from you, hear about the Contrafund. And also, this is what we call a get in journalism. Like, this is just a treat for our audience to get to hear some of the thought leadership that we have here at Fidelity like you.

So, first of all, let's talk about the Contrafund and what it's all about. I know originally it was named "contra," as in "contrarian," but, through the years, that strategy has evolved a little bit. So how would you characterize the Contrafund's philosophy these days?

ASHER: Yeah. Awesome, Heather. Yeah. So the Contrafund philosophy is pretty simple—stocks follow earnings. And the corollary is that the companies that consistently grow earnings faster than the market over time, they tend to beat the market. So let me step back.

So I work with a co-manager Jason Winer. So he's a great investor. He's an all around good guy. And he's been at Fidelity for over 30 years. And we do all aspects of the job together.

And so what we like to do is find what we call best in breed companies. And those are companies with the best business models or moats. We also like to invest with management teams that think like owners. And, oftentimes, these are still founder-led companies. We meet with as many management teams as we can. We analyze fundamentals. We turn over a ton of rocks.

And we can't do this without the Fidelity research team. So one of the big tenets of the philosophy is we have this great research team. They're global. They come from everywhere in the world. They sit in key cities in the US, Europe, and Asia. And they're super, super

smart. They're super inquisitive. And we give them free rein to find as many opportunities for investments as possible. And just to bring it home, that global reach means, for example, that we're able to interrogate an entire supply chain in a given industry and find out where the best economics are, what the best companies are, and invest there.

HEATHER: Maybe this is a good place to ask you about your schedule, Asher. Because, Jurrien, he just came back from Canada. We know Jurrien is traveling all the time. But, to your point about turning over rocks, I know you're on the ground, meeting with companies, doing the research, as well as your team. So can you give us a sense of a typical day in the life of Asher for us?

ASHER: Yeah. The cliché is that every day is completely different. And I think that that's totally fair. But I can give you a little bit of a sense of what today's been like so far.

HEATHER: Yeah.

ASHER: So got in early. Jason was in early. We sat down, grabbed a cup of coffee, went over the news that came out overnight. There was some interesting news out of Taiwan. There was some really interesting news from one of the big AI labs—reviewed that. And then we had to run off to an early meeting with a software company that we hold that has a really interesting combination of hardware and software.

We came back, we sat down, grabbed a quick breath, and then it was off—there's a company in the agricultural space that's splitting up into two. So we sat down with both parts of the companies. In the middle of that, I stepped out to sit down to talk with the biotechnology company that has some interesting new drugs for cancer on the horizon, came back for the second half of the meeting. And then, Heather, I ran over here to talk with you and Jurrien.

HEATHER: We're honored.

ASHER: But next week, Will and I are going to go out to the Midwest, and we're going to see some industrial companies. And then we'll travel a little bit further later in the month. Tomorrow night, I've got a meeting with one of the big CEOs of one of the bigger tech companies, and so I'm excited for that.

So we get to see so many companies. We get to meet with so many really interesting people. And it's very hard to predict from day to day what's going to come up. But we're always constantly on the move. And it's one of the things that keeps me engaged and just excited about coming to work every day.

HEATHER: Yeah, I bet. You're learning something new every day, every day is different—sort of similar to being a journalist, or a former journalist—and Jason being your co-manager of the fund and Will being your predecessor, the manager of the Contrafund. Let's talk about where you guys are looking for opportunities these days since this AI buildout started.

Obviously, the backdrop has changed a lot since Will was the head of the fund. So you've been in asset management here for close to two decades. So you've really seen this situation evolve as well. I'm wondering, is there anything that gives you pause about where we find ourselves these days? I know lot of investors are asking, is this time different?

So I'm wondering, because you've been doing this for such a long time, does this feel different for you this time? How are you viewing this unprecedented AI boom right now that we're in?

ASHER: Yeah, I think the joke is the most dangerous words in the market are "it's different this time."

HEATHER: Yeah.

ASHER: But I think this time, in some ways, it actually is a bit different, right? So when you think about the companies that are involved in the large portion of this AI build-out—I'm talking about the big hyperscalers that are driving a lot of the capex—those companies have real cash flow, and they have established businesses with significant moats. And if I think back to the dotcom era, many of the businesses there, they were new business models. A lot of them never got to cash flow positive. Some of them never even really got off the ground from a revenue standpoint.

But we do see similarities with the dotcom era. And it is in the sense that the underlying technologies, then, ended up everywhere. And the successful business models, those were the ones that were conceived later in the cycle using the internet or connectivity as a tool. So if you think back to the late '90s, it would have been really hard to conceive something like the App Store on the iPhone, which hadn't been invented yet, or being able to hail an Uber, or streaming your Netflix, or even SaaS software was in the infancy back then.

And so, now, we're probably not fully anticipating what game-changing businesses could emerge over the next 15 years, right? So we could be talking about the next form of tech that allows us to interact with AI in a different way—maybe that's the glasses that are evolved from the ones that we are familiar with today, or earbuds, or pins and pendants, or probably something completely different. But I think we're pretty certain that, over the next 20 years, AI proliferates more and gets infused more across all different parts of the economy.

And from an investment standpoint, the things we're wrestling with most actually have to do more with the shape of this initial S-curve, where we are on that trajectory, and how many S-curves are directly behind it. But I think, in my mind, it's indisputable that this technology is starting to diffuse globally. And the bigger questions for us is how fast, where, and who wins.

HEATHER: All right. Along those lines, I want to ask you about space investing too. You were just talking about, in the '90s, it would have been hard to have envisioned things like the App Store and Netflix, because these technologies build on one another, right? And now here we are looking at this space economy that is estimated will become \$1 trillion industry by, I think, 2035. And, of course, there was that SpaceX IPO last summer that sparked a lot of investor interest.

I'm just wondering from you, as a super respected PM, how do you view the space sector? Some of it might feel almost like science fiction to folks or might be hard for them to wrap their head around—just like in the '90s, how it might have been hard to wrap your head around some of these technologies that we take for granted now—do you think this is the next frontier for investors? And is this something that you have personally devoted a lot of focus to?

ASHER: Yeah. So we spent a lot of time on it. And I'll get into that in a little bit. And I think it's a real thing. Is it the next frontier? We can get into that a little bit in the next couple of minutes.

But, look, there's real uses for this space economy. There's real use cases for defense and satellite communications. There might be uses for data centers in space. And the government is throwing its support behind it. This administration's proposed a 77% increase in Space Force funding in its '27 budget. And companies are really trying to push the envelope here.

They're partnering with NASA. They're investing heavily in space opportunities. And you see it, right? So between '20 and '25, the number of objects that were launched into orbit, that includes satellites and rockets, that grew at an annualized rate of about 20%. And the number of active satellites in orbit more than quadrupled during that time.

And so, like I said, we've been eyeing the space really closely. We've actually been investors in space assets for a while. Contrafund's held shares in SpaceX for many years. That's a relationship we've built over more than a decade.

And, look, the Fidelity analyst team on a global basis is looking at all parts of this value chain. They're looking at everything from the infrastructure that sends rockets into space to the way the communications industry could change with faster and cheaper space based communication systems. We're looking at the defense industry. There's a lot going on. And a lot of it is really interesting. And some of it's starting to materialize.

HEATHER: Wow. Yeah. So real use cases for some of these technologies. So, in your opinion, what kinds of industries stand to benefit the most from this?

ASHER: Yeah. There's so many different places—just like AI, there's so many different places that this can touch. But let's boil it down to what's happening right now. So I think a lot of people have seen news feeds of companies trying to send rockets up into space—and not just American ones. So these companies are trying to build out the capabilities for rocket launches as a service. That's like providing a taxi ride for a satellite. And companies and governments need to get their satellites into space.

And so, once the satellites are in space, you have the satellite operators. And those are companies that are responsible for the constellations of satellites and their associated ground infrastructure. And what you can get off of that is communication. You can get Earth observation. You can get navigation from those. And that's happening today in real time.

And then so there's a big demand for growth there, right? The growth is driven by demand for global connectivity, real time data, and also analytics. And the profit and loss statements of the companies that are involved in the satellites, they should benefit over time from declining costs for satellite production, as well as more launches. And as you get more launches, hopefully you do get some reduction in cost there.

Starlink, which is owned by SpaceX, they've generated strong demand for their connectivity services. So they are profitable, and they become more and more integrated into everyday life. And so I don't know how many people have flown domestically recently, but there is an airline that is actually offering Starlink service on a commercial domestic airline flight. That's really cool.

So, now, there's also interest in standing up data centers in space. And I think this is the really fun part and the imaginative part of the space economy you talked about. There's a whole bunch of other really cool projects going on as well. But data centers in space, they're using solar as the energy to power them rather than hooking up to the terrestrial grid.

And this is one of those things where, conceptually, this is really enticing. But the engineering specifics probably still need to get ironed out in the meantime. And, Heather, the thing about space is that there is risk there, right, because of the technical difficulties there. And so I would say it goes without saying it's a highly capex intensive industry. And we've seen with a couple of companies is that a single mistake can result in a multi-year setback. And so there is a balancing act here, and there is a fair amount of risk. But I'm pretty excited by some of the earlier things that we're seeing in space.

HEATHER: So data centers, connectivity—and you even said taxi service for some of these satellites. Sort of wild to think of it that way—like Ubers for satellites someday, maybe. Let's switch gears a little bit, because AI has been a major theme of this market, but I know you have another theme on your mind and on your radar that I'd love to hear a little bit more from you about. And that's what you call the post-COVID theme.

I think this is a pretty interesting strategy that you have here and way of viewing things. So it's been six years since the pandemic already. It feels like it was just yesterday, in some sense. But I know you still see some opportunities out of this so-called COVID reordering. Can you talk about that and what that's all about?

ASHER: Yeah. It's completely different than what we've been talking about so far. But one of the things that Jason and I do a lot of is we try and see around corners. It's all about finding these high quality, best in breed growth companies, but those where the market's worried that growth is impaired. And in my team's view, right, the post-COVID world has disrupted enough stuff that there are some real opportunities. And so I think it's helpful to step back here for a second and just talk about the big picture was that these excesses from COVID, they created a ton of demand in the 2020-21 time frame.

And the demand was so great and supply was so constrained because COVID messed up a ton of production across key supply chains that it made companies and customers order just way more than it needed to make sure they had supply. That, in turn, made the sales rise artificially high. And that led to a whole bunch of excess inventory.

And after COVID, once everything returned to more of a normal environment, demand for all those products sharply dropped. And there was this valley that has been taking way longer to work out than many expected because that initial overconsumption inventory overhang was just so high.

And so we think that demand is now likely to normalize in a lot of these areas. And some of the best companies in these areas were especially punished by the market. And there's potential opportunities. And I mentioned housing and health care.

When I say "health care," I'm talking about the companies across like the labs, diagnostics equipment, the scientific instruments, or those that manufacture the medical products for the biopharma and biomedical research. And so if you think back to 2021, these companies were spending massive amounts on trying to ramp COVID vaccine production. And that went all the way up and down the supply chain—mass spectrometers, pipettes, cell culture media, everything.

And then once the cadence of vaccination wanes, the demand for the entire value chain, with this incredible peak, to a much lower level. And now, six years later, we're finally getting back to a normal cadence of business. And because the market thinks all these companies are stuck in the mud, they appear, to me, to have attractive valuations. So that's health care. And then another category is remodeling and the housing companies—like home improvement retailers, paint companies, and building material manufacturers.

HEATHER: Yeah. And, Asher, I'm glad you hit on housing, because we just saw last week mortgage rates hit to 7% and above 7% for the first time in a really long time. So is it possible with these mortgage rates now being where they are, that people are staying in their homes longer and they're looking at remodeling instead of getting a new mortgage when they were able to get a very low mortgage during the pandemic or refinance during the pandemic? Does that create some of that opportunity that you're looking at right now in this post-COVID reordering?

ASHER: Yeah. Mortgage rates are on everybody's mind. Jurrien brought it up earlier, and it's one of those things that's I think people are thinking a lot about in this market, the interest rates not just affecting the overall market, but how people live their lives on a day to day basis. And I'm guilty, right?

I'm sitting here. I bought a home in 2019. And to move now would be really, really expensive. So we're hunkering down, and we're staying in our place. And what happened during the pandemic, to return to that theme, is a lot of people were sitting in their place. And that's all they could do was sit in their houses. And things really bugged them.

So what do you do when you're sitting in your house all day and things bug you is you optimize your house. So people spent tons of money remodeling, making improvements. For example, a lot of people built decks in '20 and '21. They don't need to build more. And they didn't build any in '23, '24, '25.

But now there's a bunch of people that are sitting their houses, with these six-year-old decks, and they're sitting there. And maybe they need to fix them a little bit. Maybe the paint is starting to chip here. Maybe the deck is starting to sag a little bit there, right? And so we're starting to bounce around the bottom in terms of just the minimal sustainable amount that people can do to keep their houses in the shape that they want them.

Also, just to step back again, it's a fact of life—people get married, they get divorced, they have kids, they lose their jobs. They get new jobs in new places. They get older. They want to downsize. And so all these life events happen and they catalyze a home sale, which, every time that happens, a buyer repaints. They remodel. They buy new beds. They spend time at home improvement stores.

But with rates rising and the shock that we have in the housing stock that's below market interest rates on their mortgages, that hasn't happened. We've had this huge logjam. Existing home sales are hovering around the same level they were during the GFC. And so—

HEATHER: The global financial crisis, for those of us who don't call it that.

ASHER: Yes, exactly. What we're starting to see is there's starting to be, even at these interest rates, we're starting to see just a little bit of demand uptick for these repair and remodel services. And that's kind of bouncing along the bottom.

And there's these really good companies that are in these spaces that service these industries that are trading at what we think are attractive valuations. And so I don't think you're getting paid to take the bet that maybe rates do come down and all the pent up demand gets released. But, at the same time, I do think that just this natural order of things starts to drag demand higher. And I think that you can have a rebound even without rates going down.

HEATHER: Gosh, that makes so much sense, Asher. And it's like you've been over my house recently, because my deck does need a new coat of paint. And it is starting to sag a little bit. And things are starting to bug me. And we're not moving—not moving with these mortgage rates.

Jurrien, Asher just touched on a very wide ranging spectrum of investing themes. He talked about space. He talked about decks. What does that tell you about this bull market that it's so wide ranging right now? And what does it tell you about the economy?

JURRIEN: Well, as the old saying goes, there's always a bull market in something. And I think, actually, I think it's a very constructive period that we're in, even though we do get these headwinds from rising rates and the market does have some concentration risk where 10 companies make up 40% of the index.

But we've come a long way from even two years ago, or five years ago, or more, where, if you were not in those 10 companies or the Mag Seven, as we called them, or some of them, you were really left behind and you were not participating in the market, you were not earning a good beta, as we call it, which is the market return—Asher and Jason are focused on the alpha, mostly. And so the beta was very driven by a handful of companies, but that has really changed over the last couple of years.

And it's now a global market. Globally, other parts of the world are really competitive. Their earnings are growing. The payout of those earnings are growing. And there's a lot of rotation between AI and the non-AI space—Asher just gave a few examples of that.

And it's interesting that the half of the S&P that is AI related is negatively correlated to the half that is not AI related. And that creates a lot of opportunity for diversification. And that's a good thing as we enter month 46 of this bull market.

HEATHER: Negatively correlated meaning one is going down and the other is going up, so that creates a little bit of diversification opportunity?

JURRIEN: Yes.

HEATHER: All right. Asher, I let you run over a little bit because you're just such a fascinating person to talk to. And we're going to have to wrap this conversation soon, but I didn't want to let you go without asking you about Fidelity's legendary portfolio manager, Will Danoff.

It sounds like he's one of your mentors, I think it's safe to say. You've worked alongside him for years. I know he's transitioning off of his portfolio management responsibilities after 35 years at Fidelity, but you still mentioned you're traveling with him. You still work very closely with him. So I'm wondering if you could just talk about what sets Will apart as an investor. And what are some of the takeaways that you had working alongside him all those years?

ASHER: Yeah. Heather, Will's amazing. I've been working with him since literally my first day at Fidelity. And that sets him apart from a lot of people because Will makes it a priority to meet all the analysts when they start.

And my first assignment at Fidelity as an analyst was regional banks. And this was 2008. So I was not what you would call a popular, in-demand analyst. But Will wanted to know what I thought. And I kept coming back and bothering him because he was one of the only people that really wanted to talk to me.

And so eventually, I covered consumer staples, and I covered health care, and I had companies he was heavily invested in, and we ended up working really closely together. And I think that's the story for a lot of analysts and fund managers here with Will, right?

He's just super accessible. He's super generous. He's generous with his time, his contacts, his investment advice, his general life advice. And I've learned a ton from him.

But you want to know what made him such a special investor—and it's hard, but let me try a little bit. So the first thing you should know is Will's this quintessential turn over of the rocks guy. He's always calling a company or industry contact. We'll be on a trip, it'll be, like, this tight connection for a flight—I get really nervous about tight connections on flights—but Will is going to try and squeeze in one more meeting. He's going to wake up early to have breakfast with a company or industry contact—or he'll stay late for dinner, even if that means it's a red eye back into another early morning meeting in Boston. So he's just always pushing.

And then the second thing to know about Will is that he really cares who he's working for, and he knows who he's working for. And so in his office, it's this big, messy office, but he's got all these letters hanging on the wall from shareholders who he's helped over the years.

First, they wrote him real letters. And now it's emails that he prints out and puts on the wall. And he keeps them around because they're a reminder that, at Fidelity, there's real lives behind the funds that we're trying to make better if we do our job well, if we call one more company, if we take one more meeting. And that's what Will's embodied to me over the years.

HEATHER: We have the opportunities and the power to change lives every day in these jobs. We're so fortunate. Jurrien, how about you? I know you worked alongside Will as well. Anything to add to that?

JURRIEN: I'll sum—so we all know how brilliant he is and that he's the hardest working person on the planet. But I'll give you a one-word summary that, for me, really makes him stick out. And that is "humble" or "humility."

Whenever I see him in the elevator or on the street, whatever, he always takes the moment just to say hi. And he usually, in the elevator,, he says, Jurrien, up or down? And it's just wonderful to see someone that smart, that prominent just make time for people.

And it's been a real life lesson for me is to, no matter how important you are, you got to be nice to people, and treat them with respect, and be humble. And Will personifies that. And that also personifies, I think, the culture at Fidelity. And we see that with Asher right now as well.

HEATHER: Yeah. I was going to say, I think both of you, Jurrien and Asher, personify that as well. I love that letters on the wall—it's a real thing, but that analogy too, for just how we really are helping people every day in these jobs.

And Asher and Jurrien, you're both parents, I'm sure that thinking about ensuring that the financial future and stability of the world, and this nation, and your kids is probably a driving force for you guys as well. All right. We are out of time.

We like to end the show, though, with Timmer's Take to hear what's on Jurrien's mind. I mean, Jurrien, you can just give us an up or down like you would with Will Danoff. But how are you thinking about things? What are you thinking about this week as we look ahead to the rest of the week here?

JURRIEN: It's all about rates. Like I said, earnings are not only going up, but they're expanding at an accelerating rate of change. But PEs are coming down because investors don't want to pay for peak earnings. And rising rates drives down equity multiples. And it's a matter of who wins that race—where does price go, which side is stronger. And so as real rates move, we got a payroll report on Friday—that's kind of what we're solving for.

HEATHER: We're out of time, but I could have talked to you guys all day. Really appreciate you guys taking time out of your packed schedules, as we heard Asher tell us about his typical day. We do like to leave our audience with a resource.

So before we go, if you would like to hear about what else might be on our brilliant portfolio managers' minds, just like Asher, you might want to check out [Fidelity.com/PMInsights](https://www.fidelity.com/PMInsights). That's PM, for portfolio manager. It's on your screen right there if you're watching us as a video.

And on that page, you'll find videos and articles about some of the trends that our PMs are watching right now, and the opportunities, and the risks that they're assessing, just like Asher talked about today. On behalf of Asher and Jurrien, thank you so much for the pleasure of your time. We hope to see you back here next Tuesday right here at 2:00 Eastern, where we're going to be talking about the midterm elections with one of our vice presidents from Washington, from our government relations team, as well as Denise Chisholm about some of her midterm election research. Have a great rest of the week, everybody.

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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.

Fidelity® Contrafund® held 4.3% of SpaceX as of August 31, 2026.

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