

FIDELITY MONITOR & INSIGHTS

JANUARY 2026

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MESSAGE FROM JACK

Why A Major Federal Debt Crisis Is Probably A Long Way Off

With the federal government spending like there's no tomorrow, many investors fear a day of reckoning. But it's hard to know when that might occur. If Congress can eventually bring annual federal deficits down from today's 6-7% of GDP to something around 3%, such an event might be entirely avoidable. If not, Treasury bond investors will demand sharply higher yields at some point — it's just a question of when.

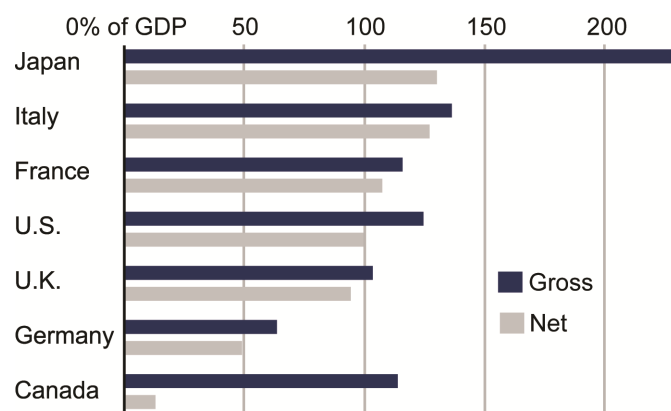


Jack Bowers

Fortunately, the U.S. is in a favorable economic situation that is buying us time. Some European countries with debt-to-GDP ratios similar to the U.S. (near the 100% level for *net debt*) are already being forced into making tough choices where taxes and spending are concerned. (Net debt shows the U.S. balance sheet in a more favorable light as it accounts for inter-governmental loans that offset total indebtedness.) But here at home, the dollar is still relatively strong and the 10-year Treasury yield is in the 4-5% range. Following are the reasons why the global markets appear to be granting us a hall pass.

Awash In Debt

Government Debt, G7 Countries



Among major western economies, Japan's gross national debt is unsurpassed, ultimately weighing on its economic growth, social services and defense. While America's own profligate spending is troublesome, its net debt is lower owing to its vast loan portfolio, which includes money owed by state and local governments.

Source: International Monetary Fund, 2025 projection

Jack's Message *cont'd on page 3*

2026 MARKET OUTLOOK

Stock Investors Must Rely On Tech For A Fourth Year Of Gains

For three years running, tech stocks have made double-digit market-gains possible. Semiconductors have done the bulk of the heavy lifting (think Nvidia), while its six Magnificent customers (Meta Platforms, Amazon, Alphabet, Apple, Microsoft and Tesla) have been in the enviable positions of seeing their share prices soar because of their unrivaled and unprecedented capex spending spree. In many respects, they are operating in a virtuous cycle whereby the more they spend on Nvidia's chips and other infrastructure, the more their share prices seem to rise.

For those investors who are monitoring tech's valuations, there's been only a modest return on investment at this point. And some are worried. The counter to that concern is history: FedEx and Amazon took years building their respective infrastructures before they made a dime. Of course, the AI investors' gambit is that history will repeat.

Nevertheless, twice last year (and once in 2024) investors did get cold feet, and the word "bubble" was whispered. For some, that stirred recollections of the 2000 - 2002 dot.com bust that lopped off about 80% of the Nasdaq Composite's value and took over a decade to fully recover. Still, it's an unworthy comparison.

At the turn of this century, many Nasdaq-listed companies had essentially infinite price-to-earnings ratios (P/Es) because they had no earnings. Today's tech giants print money. Granted, their AI billions have weighed on their balance sheets. But the Magnificent 7 gained over 25% last year, while their earnings kept their P/Es somewhat in check. (For its part, Alphabet fared great in 2025 having risen 65%, versus 17.9% for the S&P 500.)

Even with those returns, or perhaps because of them, there was profit-taking: jittery investors appropriately diversified into other industry sectors dipping their toes into value stocks, small-caps and foreign equities — areas where valuations are less "optimistic" than U.S. tech.

(See 2025 Fund Commentary on p. 5.)

Market Outlook *cont'd on page 3*

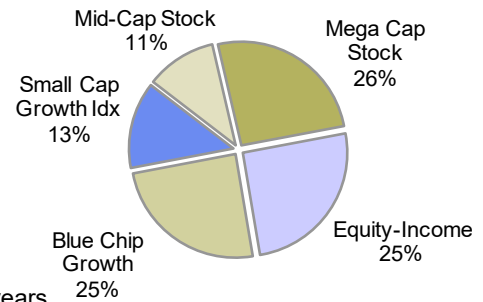
Unique Opportunities Target Risk: 1.20 (Current: 1.10) Foreign Holdings: 11.3% **2025 Return: 17.5%**

Stocks: 97.7% Bonds: 0.0% Cash: 2.3% Alternatives*: 0.0% Yield: 0.8%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Mega Cap Stock	FGRTX	\$31.25	12,400.56	\$387,518	2.3%
Equity-Income	FEQIX	83.61	4,585.38	383,383	1.4
Blue Chip Growth	FBGRX	267.04	1,394.88	372,488	1.3
Small Cap Growth Idx	FECSX	31.15	6,552.54	204,112	-1.3
Mid-Cap Stock	FMCSX	46.46	3,549.52	164,911	0.9

Current Value (3/31/99 = \$100,000) **\$1,512,412** **1.1%**

For aggressive members who have no need for income or principal for more than 10 years.



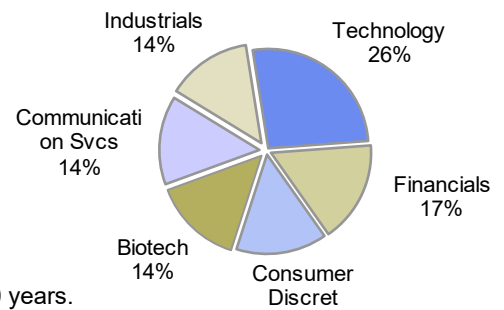
Select Target Risk: 1.20 (Current: 1.29) Foreign Holdings: 5.7% **2025 Return: 23.1%**

Stocks: 99.4% Bonds: 0.0% Cash: 0.6% Alternatives*: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Technology	FSPTX	\$41.43	76,234.66	\$3,158,402	1.2%
Financials	FIDSX	15.97	123,694.26	1,975,397	4.4
Consumer Discret	FSCPX	69.12	25,459.28	1,759,745	1.0
Biotech	FBIOX	25.13	68,988.28	1,733,676	-0.8
Communication Svcs	FBMPX	139.54	12,383.48	1,727,991	1.6
Industrials	FIDRX	61.10	26,933.32	1,645,626	1.0

Current Value (12/31/88 = \$100,000) **\$12,000,837** **1.4%**

For aggressive members who have no need for income or principal for more than 10 years.



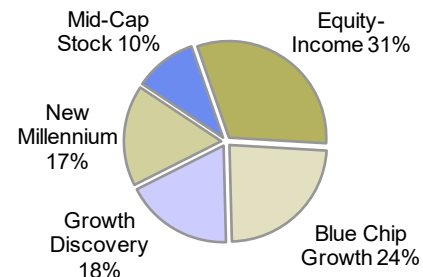
Growth Target Risk: 1.00 (Current: 1.05) Foreign Holdings: 8.8% **2025 Return: 18.2%**

Stocks: 99.0% Bonds: 0.0% Cash: 0.9% Alternatives*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Equity-Income	FEQIX	\$83.61	29,371.62	\$2,455,761	1.4%
Blue Chip Growth	FBGRX	267.04	6,974.68	1,862,520	1.3
Growth Discovery	FDSVX	69.81	20,206.26	1,410,599	-0.7
New Millennium	FMILX	67.08	19,782.68	1,327,022	1.7
Mid-Cap Stock	FMCSX	46.46	17,504.00	813,236	0.9

Current Value (12/31/86 = \$100,000) **\$7,869,137** **1.0%**

For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years.



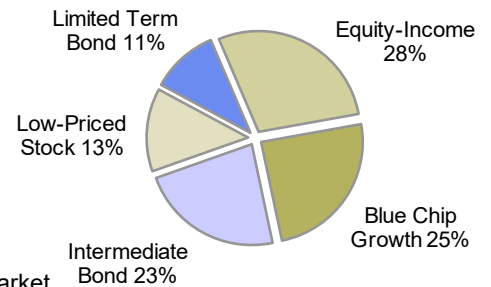
Growth & Income Target Risk: 0.66 (Current: 0.72) Foreign Holdings: 12.5% **2025 Return: 14.2%**

Stocks: 65.5% Bonds: 31.7% Cash: 1.7% Alternatives*: 1.1% Yield: 1.8%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Equity-Income	FEQIX	\$83.61	4,908.31	\$410,384	1.4%
Blue Chip Growth	FBGRX	267.04	1,321.83	352,980	1.3
Intermediate Bond	FTHRFX	10.38	31,662.92	328,661	0.0
Low-Priced Stock	FLPSX	41.23	4,650.44	191,737	1.6
Limited Term Bond	FJRLX	11.65	13,218.56	153,996	0.3

Current Value (12/31/93 = \$100,000) **\$1,437,759** **0.9%**

A good choice for members retiring in 5-10 years looking for less volatility than the market.



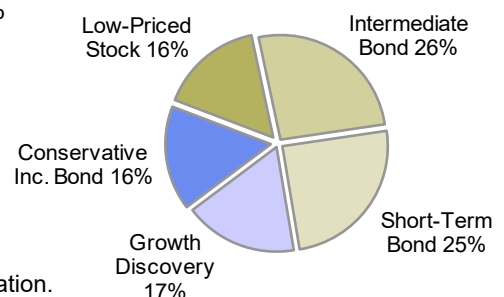
Income Target Risk: 0.33 (Current: 0.40) Foreign Holdings: 23.0% **2025 Return: 8.7%**

Stocks: 32.9% Bonds: 63.3% Cash: 3.7% Alternatives*: 0.2% Yield: 2.9%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Intermediate Bond	FTHRFX	\$10.38	14,759.62	\$153,205	0.0%
Short-Term Bond	FSHBX	8.53	17,094.48	145,816	0.3
Growth Discovery	FDSVX	69.81	1,463.29	102,152	-0.7
Conservative Inc. Bond	FCNVX	10.07	9,446.32	95,124	0.3
Low-Priced Stock	FLPSX	41.23	2,264.55	93,367	1.6

Current Value (12/31/91 = \$100,000) **\$589,665** **0.3%**

For members needing income and protection of their purchasing power against inflation.



Higher GDP Growth

The AI revolution is largely a domestic one, and it is benefiting U.S. GDP in two ways. First, with big potential to boost service-sector productivity, it has catalyzed a capital spending boom focused on data center construction and power generation. Assuming that non-farm productivity remains elevated between now and 2030, it is hard to see a scenario where GDP growth does not remain above 2%. This would be significantly higher than other developed nations, and it would likely boost tax revenue by 4-5% annually, making it easier to service the federal debt.

Low Percentage Of GDP Taxed

The U.S. does not have a value-added tax like Europe, Japan and Canada, so U.S. federal tax revenue runs well below its potential. In other words, our high deficits are a pro-growth choice, not because the U.S. is out of options and would risk economic harm trying to increase tax revenue (like much of Europe and Japan). In a pinch, an unpopular 5% federal GST (similar to what Canada has) could allow for servicing the federal debt in almost any scenario, with relatively little negative impact on the economy.

Increasingly, Treasury Debt Is Domestically Owned

Despite high levels of debt, Japan has largely avoided a crisis because its federal debt is owned almost entirely by its citizens. With over 70% (and climbing) of U.S. Treasury's owned domestically, we are headed in a similar direction. In some ways we have the BRICS nations to thank for this. By trying

Jack's Message *cont'd on page 16*

FUNDS YOU SHOULD BUY NOW

Growth: Blue Chip Growth and **Growth Company** are aggressive, volatile large-cap picks. (**Mid-Cap Stock** is our preferred play on smaller-cap issues.) **Contrafund**, **Growth Discovery** and **New Millennium** are more conservatively positioned, whereas **Mega Cap Stock** has only been as volatile as the S&P 500 itself.

Growth & Income: Equity-Income and **Equity Dividend Income** hold attractively valued, dividend-producing stocks that may be an attractive counter to more richly valued growth/tech stocks.

Taxable Bond: Conservative Income Bond is a money market alternative. **Short-Term Bond** holds higher-yielding corporates while limiting interest-rate-risk. For those willing to assume more rate-risk consider **Limited Term Bond** and **Intermediate Bond**.

Muni Bond Funds: Conservative Income Muni is a tax-free alternative to a muni money market fund. ■

Market Outlook *cont'd from page 1*

Just how expensive is tech versus the broader market of stocks? There are several ways to value stocks, but we'll stick with P/Es.

Keeping in mind that prices are always in flux and that earnings (trailing and forward) can be accounting fiction, the Mag 7's collective trailing P/E is currently about 28. That's considerably higher than the S&P 500's P/E of 22. But that 22, of course, includes Big Tech.

So what if one strips out the Mag 7 from the S&P and only considers the index's remaining 493 stocks?

Though estimates vary widely, their forward P/E (not their trailing 12-month cited above), was thought to be 20 at mid-year versus around 30 for the full index. That's a significant difference, though one that has likely narrowed in recent months.

One reason for that narrowing is the market's appetite for cheaper stocks that also have good growth prospects. After all, with the U.S. economy expanding at an upwardly revised annualized rate of 4.3% in

the third quarter, other industries stand to grow their earnings, too.

Economically sensitive cyclicals have been increasing sales and earnings, and small-caps have stood to benefit from lower interest rates. (It's still unclear, however, if tariffs will harm their bottom line.)

And with the White House moving to develop more federal lands (including offshore parcels for oil and gas extraction), relaxing EPA water and emission standards, reinvigorating the coal sector, and protecting a variety of manufacturers with tariffs, new investment opportunities have arisen.

Even in the small corner of the health care sector, **Select Biotechnology** soared 36.4% last year — less owing to government policy than to the promise that AI should accelerate drug discovery.

AI even woke up the sleepy utilities sector; the need to power hyperscale data centers may triple demand growth over the next decade, which explains **Select Utilities** 14.2% return last year.

Note: On p. 5 we show four utili-

Market Outlook *cont'd on page 4*

Model Portfolios Key:

*Alternative investments include such areas as high-yield bonds, commodities, real estate; asset allocations and yields are approximate based on most current data available. Portfolio trades and total returns do not take taxes into account. Some percentage figures may not sum to 100 due to rounding. Dividends are reinvested. Consider the tax implications of trades before you decide to buy or sell any fund. Any trades are detailed on p. 3 and are announced on regularly scheduled Friday evening Hotline updates via e-mail and web. **Annuity Model Portfolios** are on p. 10.

Market Outlook *cont'd from page 3*

ty funds we've downgraded to *Hold*. While traditional electric utilities stand to benefit from AI growth, their likely inability to meet higher demand has already forced large-scale generative AI centers to find alternative energy sources. Natural gas turbines and batteries are already sidestepping long lead times while being fast to install and perhaps more reliable than a utility.

Diversify, Diversify

That the Mag 7 has grown to represent almost 40% of the S&P 500 is, itself, a risk. Add to that their premium valuations and you have all the reasons you need to consider diversifying away from tech.

That's especially true if you're risk-averse or have a truncated investment time horizon (let's call it five years) that makes it harder for you to get back to "even" after a correction or worse (Since 2000, the S&P 500 has lost 10%+ on a dozen occasions; in 2022 it plunged almost 20%.)

For the all-stock investor, the simple addition of a value fund is perhaps your easiest first step. **Equity-Income** and **Equity Dividend Income** are large-cap value funds with only modest tech exposure of around 10% (versus as much as 50%

for **Blue Chip Growth**).

In place of tech are financial services, health care and industrials whose total portfolio weights are around 45%. Moreover, these funds' less aggressive sector weights result in less risk — they're about a third less volatile than Fidelity's typical large-cap growth fund. To that end, **Equity-Income** is the largest holding (28%) in the *Growth & Income Model*.

Another approach to risk reduction would be the addition of a small- or mid-cap stock fund. While **Mid-Cap Stock's** volatility of 1.26 tells us that it's considerably more volatile than the S&P 500 (which is 1.00), when combined with funds that are not highly correlated to it, the "magic" of combining them is that the broader portfolio's risk is reduced.

If unconvinced, you might consider a stake in **Low-Priced Stock**. About as volatile as the market (1.04), this mid-cap value fund mostly holds over 500 small- and mid-sized stocks that you likely don't know from countries you may not have visited. Their common trait: by most metrics, they are comparatively inexpensive.

Needless-to-say, there are many other ways to reduce tech and/or portfolio risk including a shift in

asset allocation (increase your bond allocation, hold a dividend-paying REIT fund, or consider buying an international stock fund.)

As to the latter, frankly, we're not fans. The interconnectedness of the world's economies and financial markets means that correlations between the U.S. and international stock funds is high. In fact, S&P 500 companies derive 40% of their revenue from abroad. Further, a trade war would likely produce no short-term winners. Nevertheless, holding **Global Equity Income** might provide some risk reduction over the longer term.

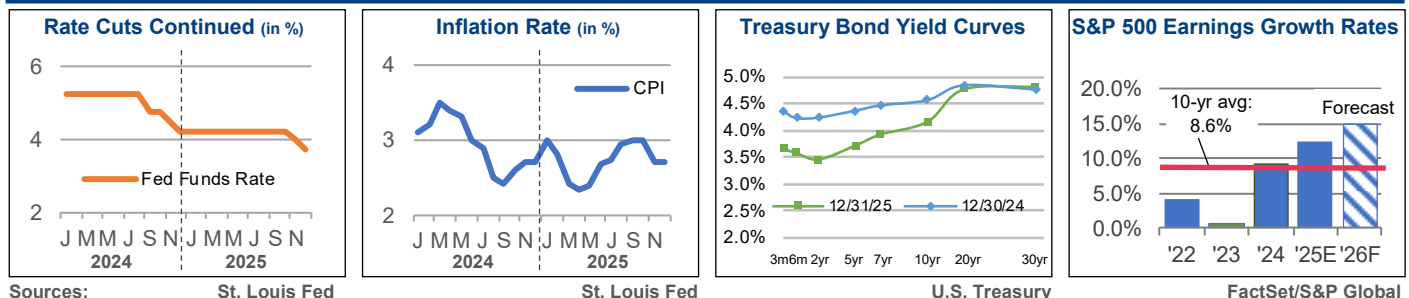
Ahead To 2026

It's very rare for stocks to deliver five consecutive years of double digit returns. Though it last happened in 1995 - 1999, that didn't end well (as they often don't) with the dot.com bust. That said, I believe we can all agree on this: we're living in unprecedented times — both politically and economically.

Here's what I find worrisome: consensus expectations for the market are exceptionally high — higher than warranted even for the economic and corporate earnings growth than many on Wall Street have factored into their models.

Market Outlook *cont'd on page 16*

FORECASTED EARNINGS GROWTH BODES WELL FOR STOCKS



The Fed started cutting interest rates in Sept. 2024. This was later than expected, and the financial markets were hungry for more. The same can be said of investors (and the president!) in 2025. Ultimately, however, three more cuts were made bringing the Fed rate to a range of 3.50% to 3.75%.

Inflation briefly bottomed in Sept. 2024 at 2.4%, rose, then revisited that level in April of 2025. By summer, it kissed 3%, thereby prompting the Fed to sit on its hands. That said, the two most recent cuts in November and December were mostly driven by weakness in the job market, not inflation.

Following two years of rate cuts by the Fed, 3-month Treasury yields fell a full percentage point in 2024 and three-quarters of a percentage point in 2025. The benchmark 10-year note saw its yield fall a modest 40 basis points last year to 4.18%, though the long bond rose slightly.

2025's consensus earnings forecast seem likely to be beaten with a gain of 12.3%. The good news is that corporate earnings growth should continue into 2026 at a year-over-year pace of 15.0%. As we said last year, higher earnings portend share price appreciation beyond the tech sector.

2025 FUND COMMENTARY

Stocks Climb A Wall Of Worry

With apologies to Franklin Delano Roosevelt, as it turns out, the only thing for stock investors to fear in 2025, was fear itself.

Following Mr. Trump’s second presidential win in the fall of 2024, stock prices continued their journey higher. They did so for all the same reasons they had been appreciating for the past two years: the post-pandemic economy was recovering, inflation was slowing, job growth was recovering, the Fed was lowering interest rates, and AI was propelling tech investing.

Moreover, another Trump term was thought to be good for Corporate America (profits and thus share prices) as he campaigned for lower taxes, deregulation, a smaller federal workforce, and lower spending.

Turn the page to 2025 and the country got that and much more of what he discussed, including tariffs.

Suffice it to say, few applauded the highest imposed tariffs since the Great Depression. But the good news there is that the president did what he so rarely does: capitulate. Corporate chieftains across an array of industrials quietly let their dis-

pleasures known, while farmers and business trade groups were less vocal but persistent in their opposition. Although many tariffs remain in place, and the president appears ready to impose more once the Supreme Court weighs in, the truth of

fense contractors. (**Select Defense & Aerospace** jumped 50.0%.)

The “wealth effect” remained alive and well, too. Rising stock and home prices continue to prompt older, wealthier Americans to spend more on themselves while also financially helping their children and grandchildren. As is so often cited, Americans in the top-10% by income are now responsible for 50% of consumer spending.

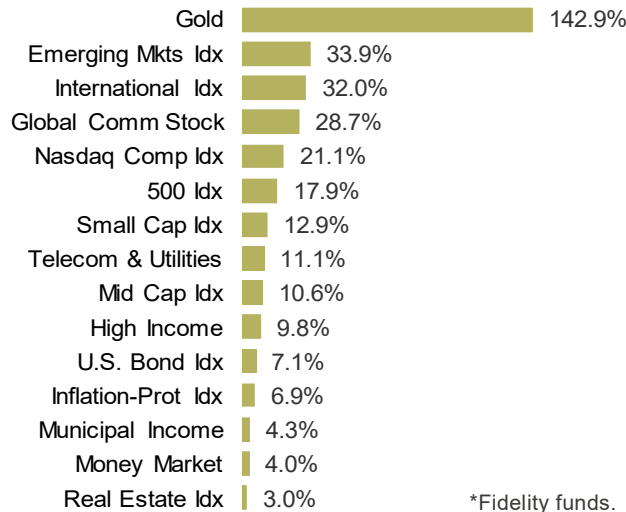
Although the country’s politics grew more divisive last year, few found any benefit to the 35-day shutdown of the federal government. At the very least, important economic data could not be collected, so the Fed’s November rate-setting meeting went on as usual in an untimely information vacuum. Fed Chairman Jerome Powell cajoled his fellow members into

cutting interest rates for the second of what would become three “easings,” and as far as the shutdown was concerned, stock investors barely took notice.

Market Indexes

Notwithstanding tariffs, Fed independence, the government taking stakes in five public companies

2025's Best & Worst Funds* (By Asset Class - Returns in %)



*Fidelity funds.

the matter is that they are not as onerous as initially feared.

Other things benefited stocks. While the Fed openly worried about tariffs and their possible effect on inflation (which went largely unchanged last year), they eventually lowered interest rates three times to a range of 3.50 - 3.75%. And, as it turns out, larger deficit spending helped boost GDP. Defense spending soared, and so did shares of de-

Fund Commentary *cont'd on 11*

January Scorecard Rating Changes

Mutual Funds	Ticker	Ratings		Comments	
		Old	New		
China Region	FHKCX	B	H	↓	Intensifying competition for global exports.
International Bond IDX	FBIIX	B	H	↓	Latest inflation data suggests that the U.S. is faring better than Europe on that front.
International Value	FIVLX	H	B	↑	Risk-adjusted performance is among the very best in its category.
Trend	FTRNX	B	B	↓	Fund's high volatility of 1.57 is high relative to potential returns.
Women's Leadership	FWOMX	S	H	↑	Less emphasis on social investing and market broadening have benefited performance.
Worldwide	FWWFX	B	H	↓	In relative terms, the fund's substantial AI exposure is now weighing on its returns.
Utility Funds					
MSCI Utilities	FUTY	B	H	↓	Sector's potential market-share loss comes at a time when stock prices are relatively high.
Select Utilities	FSUTX	B	H	↓	Sector's potential market-share loss comes at a time when stock prices are relatively high.
Telecom & Utilities	FIUIX	B	H	↓	Sector's potential market-share loss comes at a time when stock prices are relatively high.
VIP Utilities	FXRRC	B	H	↓	Sector's potential market-share loss comes at a time when stock prices are relatively high.
B = Buy; B = OK to Buy; H = Hold; S = OK to Sell; S = Sell; N/C = No Change; NR = No Rating (↑) Rating upgraded; (↓) Rating downgraded.					

FIDELITY SCORECARD

DECEMBER 31, 2025

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) ¹
					Dec	2025	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	
Comparative Indexes		S&P 500	6845.5		0.1	17.9	2.7	17.9	23.0	14.4	14.8	14.1	1.00
		Nasdaq Composite	23242.0		-0.5	21.1	2.7	21.1	31.4	13.4	17.6	16.7	1.33
		Dow Jones Industrials	48063.3		0.9	14.9	4.0	14.9	15.4	11.6	13.1	12.5	1.00
		Russell 2000 (Small Caps)	2481.9		-0.6	12.8	2.2	12.8	13.7	6.1	9.6	9.5	1.67
		Bloomberg Barclays Agg Bond*			-0.3	7.1	1.0	7.1	4.6	-0.4	2.0	0.9	0.51
Model Portfolios		Unique Opportunities			1.1	17.5	2.8	17.5	21.1	11.4	13.9	12.5	1.10
		Select			1.4	23.1	3.6	23.1	26.1	12.9	15.6	14.8	1.29
		Growth			1.0	18.2	3.2	18.2	22.4	12.3	14.4	12.9	1.05
		Growth & Income			0.9	14.2	2.6	14.2	15.6	7.5	10.3	9.6	0.72
		Income			0.3	8.7	1.1	8.7	9.0	4.0	5.2	5.2	0.40
											Rel Vol (Risk) ¹	Assets (\$Mil)	
LARGE CAP GROWTH					Average	0.2	18.6	2.2	18.6	29.3	13.9	16.9	1.29
312	FBGRX	Blue Chip Growth	267.04	Buy	1.3	19.9	3.5	19.9	37.6	14.5	19.5	1.51	\$72,807
307	FDCAX	Capital Appreciation	46.15	OK to Buy	0.6	18.2	3.4	18.2	24.0	13.3	14.7	1.11	6,884
22	FCNTX	Contrafund	24.30	Buy	1.7	21.8	2.6	21.8	32.1	15.5	16.8	1.12	163,186
3	FFIDX	Fidelity Fund	112.31	OK to Buy	0.5	20.0	4.1	20.0	25.9	14.6	15.1	1.11	8,809
333	FTQGX	Focused Stock	38.38	Hold	-0.4	14.0	1.9	14.0	26.3	13.4	16.7	1.42	4,116
3336	FIFNX	Founders Fund	26.49	Buy	0.5	16.4	-0.7	16.4	27.2	12.4	--	1.42	143
25	FDGRX	Growth Company (closed)	47.82	Buy	1.2	24.3	4.8	24.3	35.9	15.3	20.7	1.44	73,180
339	FDSVX	Growth Discovery	69.81	Buy	-0.7	15.2	0.8	15.2	26.7	13.6	17.2	1.21	5,723
2826	FSPGX	Lg Cap Growth Index	46.27	OK to Buy	-0.6	18.5	1.1	18.5	31.1	15.3	--	1.25	43,321
21	FMAGX	Magellan	14.95	Hold	-1.1	10.6	-2.9	10.6	22.8	11.4	13.8	1.16	26,817
1282	FNCMX	Nasdaq Composite Index	294.94	OK to Buy	-0.5	21.1	2.7	21.1	31.5	13.5	17.6	1.32	23,137
93	FOCPX	OTC	24.28	Buy	1.1	22.3	5.5	22.3	32.9	14.8	18.9	1.30	26,235
320	FDSSX	Stock Selector All Cap	89.81	Hold	0.4	18.9	4.1	18.9	21.9	12.4	14.0	1.09	2,944
5	FTRNX	Trend	198.70	OK to Buy ↓	-0.7	18.7	0.0	18.7	33.9	14.4	17.8	1.57	4,473
LARGE CAP BLEND					Average	0.6	18.7	3.2	18.7	21.9	14.2	14.4	1.04
2328	FXAIX	500 Index	237.72	OK to Buy	0.1	17.9	2.6	17.9	23.0	14.4	14.9	1.00	740,015
315	FDEQX	Disciplined Equity	72.39	Hold	-0.6	16.6	1.6	16.6	25.0	12.4	13.6	1.19	2,124
330	FDGFX	Dividend Growth	42.56	Buy	1.4	22.5	5.1	22.5	22.5	15.8	12.7	1.03	8,095
27	FGRIX	Growth & Income	68.25	OK to Buy	1.9	21.6	3.7	21.6	20.8	16.0	13.8	0.96	10,960
338	FLCSX	Large Cap Stock	64.89	OK to Buy	2.2	27.6	5.0	27.6	25.8	18.2	15.3	1.01	6,761
361	FGRTX	Mega Cap Stock	31.25	Buy	2.2	26.9	4.8	26.9	26.4	18.4	15.6	0.98	3,371
300	FMILX	New Millennium	67.08	Buy	1.7	18.7	3.8	18.7	24.2	18.5	14.9	1.09	5,399
6391	FSEBX	Sustainable U.S. Equity	15.20	OK to Sell	0.1	15.4	3.8	15.4	20.0	--	--	1.19	27
2361	FSKAX	Total Market Index	186.84	Buy	-0.0	17.0	2.4	17.0	22.3	13.1	14.3	1.06	122,833
5029	FULVX	U.S. Low Volatility Equity	11.69	Hold	-1.9	5.3	-1.3	5.3	8.6	6.2	--	0.78	22
2941	FITLX	U.S. Sustainability Index	30.47	Hold	0.8	18.8	3.8	18.8	23.7	14.8	--	1.07	5,087
3396	FWOMX	Women's Leadership	19.05	Hold ↑	0.7	19.2	5.4	19.2	18.0	9.5	--	1.18	121
3231	FNILX	Zero Large Cap Index	24.40	OK to Buy	0.0	17.8	2.5	17.8	23.5	14.0	--	1.02	16,102
3227	FZROX	Zero Total Market Index	23.64	OK to Buy	0.0	17.2	2.5	17.2	22.4	13.3	--	1.05	32,427
LARGE CAP VALUE					Average	1.5	15.5	5.2	15.5	12.5	11.3	10.1	0.96
1271	FBCVX	Blue Chip Value	25.81	OK to Sell	1.7	11.1	7.1	11.1	7.7	9.6	7.9	0.95	557
319	FEQTX	Equity Dividend Income	29.71	OK to Buy	1.7	13.9	5.1	13.9	12.7	11.6	10.3	0.97	5,568
23	FEQIX	Equity-Income	83.61	Buy	1.4	19.0	4.0	19.0	14.9	12.4	11.5	0.88	9,665
2830	FLCOX	Lg Cap Value Index	20.70	Hold	0.7	15.9	3.8	15.9	13.9	11.4	--	1.05	12,201
708	FSLVX	Stock Sel Large Cap Value	29.17	Buy	1.5	15.9	4.7	15.9	15.8	13.1	11.0	1.03	608
832	FVDFX	Value Discovery	38.70	Hold	1.8	17.0	6.5	17.0	10.1	9.9	9.7	0.89	3,093
MID-CAP GROWTH					Average	-1.3	10.6	-3.6	10.6	19.2	7.8	12.2	1.52
324	FDEGX	Growth Strategies	68.28	OK to Buy	-1.3	12.6	-3.4	12.6	19.9	9.0	12.2	1.55	3,780
3403	FMDGX	Mid Cap Growth Index	35.07	OK to Buy	-1.3	8.6	-3.7	8.6	18.6	6.6	--	1.49	3,578
MID-CAP BLEND					Average	0.0	11.4	1.8	11.4	14.5	8.7	11.1	1.42
2365	FSMAX	Extended Market Index	100.67	OK to Buy	-0.5	11.4	0.1	11.4	17.8	6.2	11.0	1.58	40,061
2352	FSMDX	Mid Cap Index	36.93	Hold	-0.3	10.6	0.2	10.6	14.3	8.7	11.0	1.30	45,794
337	FMCSX	Mid-Cap Stock	46.46	Buy	0.9	11.8	3.1	11.8	12.5	11.4	11.8	1.26	6,980
2412	FSSMX	Stock Selector Mid Cap	46.11	Hold	-0.0	10.5	3.2	10.5	13.3	9.1	10.6	1.41	321
3230	FZIPX	Zero Extended Market Index	15.13	Hold	-0.0	12.5	2.2	12.5	14.3	8.3	--	1.53	2,054

Notes: Fund yields, durations and assets are the most current available. *Fidelity's U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. ¹Relative Volatility (Rel Vol) versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. ²Duration is a measure of interest rate sensitivity. ³Stated yield is actual distributed yield over prior 12 months. ⁴Almost a Specialty fund with 30%+ typically in foreign stocks. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD					DECEMBER 31, 2025									
Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	Assets (\$Mil)	
					Dec	2025	3 Mo.	1 Year	3 Year	5 Year	10Year			
MID-CAP VALUE					Average	1.4	11.7	3.6	11.7	13.4	11.7	10.5	1.38	
316	FLPSX	Low-Priced Stock ⁵	41.23	Buy	1.6	14.8	1.6	14.8	12.0	10.5	10.3	1.04	\$21,097	
762	FSMVX	Mid Cap Value	31.30	Hold	1.4	13.0	5.1	13.0	16.6	13.7	9.7	1.53	1,282	
3404	FIMVX	Mid Cap Value Index	29.38	Hold	0.1	11.0	1.4	11.0	12.3	9.8	--	1.30	1,813	
39	FDVLX	Value	13.78	Hold	2.0	11.4	5.0	11.4	13.7	12.6	11.2	1.53	7,827	
14	FSLSX	Value Strategies	54.84	Hold	1.8	8.3	4.6	8.3	12.6	12.0	10.9	1.49	610	
SMALL CAP GROWTH					Average	-1.9	12.2	2.2	12.2	16.3	4.5	12.8	1.63	
1388	FCPGX	Small Cap Growth (closed)	34.96	Hold	-2.4	11.3	3.2	11.3	16.9	5.7	12.8	1.56	2,983	
3405	FECGX	Small Cap Growth Index	31.15	Buy	-1.3	13.0	1.2	13.0	15.7	3.3	--	1.70	1,121	
SMALL CAP BLEND					Average	-0.1	13.3	2.9	13.3	14.0	8.1	9.9	1.57	
384	FSCRX	Small Cap Discovery	23.29	Hold	1.2	10.9	2.2	10.9	11.4	9.4	9.1	1.54	2,195	
2358	FSSNX	Small Cap Index	30.93	Hold	-0.6	12.9	2.2	12.9	13.9	6.2	9.8	1.67	28,599	
340	FSLCX	Small Cap Stock	18.45	Hold	-0.1	15.2	2.0	15.2	14.6	7.0	8.9	1.54	1,201	
336	FDSCX	Stock Selector Small Cap	42.33	Hold	-0.9	14.3	5.3	14.3	16.1	9.8	11.6	1.53	2,710	
SMALL CAP VALUE					Average	-0.4	10.5	2.4	10.5	11.8	9.9	10.0	1.65	
1389	FCPVX	Small Cap Value	20.00	Hold	-1.1	8.2	1.6	8.2	11.7	10.8	10.0	1.61	2,440	
3406	FISVX	Small Cap Value Index	28.20	Hold	0.2	12.7	3.3	12.7	11.8	8.9	--	1.69	1,637	
REAL ESTATE														
1368	FIREX	International Real Estate	10.59	Hold	0.8	22.8	2.1	22.8	5.0	-1.0	4.1	1.23	161	
833	FRIFX	Real Estate Income	12.20	Hold	0.1	7.2	1.0	7.2	8.1	5.1	5.8	0.62	1,261	
2355	FSRNX	Real Estate Index	16.15	Hold	-2.2	3.0	-2.5	3.0	6.6	4.7	3.8	1.44	2,894	
303	FRESX	Real Estate Investment	37.82	Hold	-2.0	2.5	-0.8	2.5	6.3	5.3	4.9	1.39	2,812	
ASSET ALLOCATION														
328	FASIX	Asset Manager 20%	14.37	Hold	0.3	9.6	1.6	9.6	7.6	3.1	4.4	0.44	3,009	
1957	FTANX	Asset Manager 30%	12.79	Hold	0.4	11.5	1.9	11.5	9.2	3.9	5.5	0.54	1,312	
1958	FFANX	Asset Manager 40%	14.07	Hold	0.5	13.2	2.1	13.2	10.7	4.8	6.5	0.61	1,705	
314	FASMX	Asset Manager 50%	21.82	Hold	0.6	15.0	2.4	15.0	12.2	5.7	7.5	0.68	7,337	
1959	FSANX	Asset Manager 60%	17.07	Hold	0.7	16.6	2.7	16.6	13.6	6.5	8.4	0.76	2,450	
321	FASGX	Asset Manager 70%	30.09	Hold	0.9	18.2	3.0	18.2	15.2	7.7	9.3	0.82	4,652	
347	FAMRX	Asset Manager 85%	30.27	Hold	1.1	20.9	3.4	20.9	17.4	9.1	10.7	0.92	2,753	
304	FBALX	Balanced	32.13	Buy	0.1	15.2	3.0	15.2	17.6	9.5	11.1	0.78	43,036	
3083	FMSDX	Multi-Asset Income	15.49	Hold	-0.9	14.0	-0.2	14.0	11.9	7.5	8.9	0.74	1,279	
355	FFNOX	Multi-Asset Index	66.69	Hold	0.8	20.1	2.7	20.1	17.5	9.2	10.6	0.91	9,632	
4	FPURX	Puritan	26.05	Buy	0.4	12.3	2.7	12.3	17.1	9.6	10.7	0.83	28,943	
6477	FYMRX	Sustainable Multi-Asset	11.83	Hold	1.0	19.0	3.2	19.0	15.3	--	--	0.83	59	
INTERNATIONAL					Average	2.4	30.0	3.2	30.0	17.4	7.1	9.4	1.11	
309	FICDX	Canada	78.18	Hold	3.2	25.9	4.8	25.9	16.4	13.4	11.2	1.07	1,037	
352	FHKCX	China Region	54.48	Hold↓	2.8	42.6	0.8	42.6	20.5	2.9	10.6	1.58	1,342	
325	FDIVX	Diversified International	48.63	Hold	2.9	27.9	4.5	27.9	17.1	6.6	8.2	1.02	12,159	
351	FSEAX	Emerging Asia	66.24	Hold	3.6	36.4	1.4	36.4	23.6	2.1	12.6	1.39	1,503	
322	FEMKX	Emerging Markets	49.87	Hold	2.4	31.0	4.1	31.0	17.4	3.5	10.2	1.22	5,738	
2374	FEDDX	Emerging Mkts Discovery	19.20	Hold	1.5	31.9	5.9	31.9	15.3	7.6	9.5	1.08	399	
2344	FPADX	Emerging Markets Index	13.68	Hold	2.7	33.9	4.6	33.9	16.1	4.0	8.3	1.12	12,449	
5031	FEOPX	Enduring Opportunities												
301	FIEUX	Europe	46.64	Hold	3.5	37.6	3.4	37.6	17.7	6.7	7.5	1.07	909	
2406	FGILX	Global Equity Income	24.87	Buy	1.0	26.0	3.3	26.0	18.0	11.5	11.2	0.86	294	
2348	FSGGX	Global ex U.S. Index	18.66	Hold	2.8	33.0	4.8	33.0	17.4	8.0	8.5	1.00	16,312	
7615	FICQX	International Cap App	35.73	Hold	2.3	18.8	-0.2	18.8	17.9	6.2	9.7	1.11	4,035	
305	FIGRX	International Discovery	57.14	Hold	2.6	27.7	2.0	27.7	17.4	6.2	8.0	1.04	4,412	
1979	FIGFX	International Growth	22.73	Hold	1.9	17.9	0.3	17.9	14.4	5.8	8.7	1.16	1,681	
2363	FSPSX	International Index	60.80	Hold	2.9	32.0	4.6	32.0	17.4	9.1	8.4	1.04	74,057	
818	FISMX	International Small Cap	36.82	Hold	1.6	24.7	1.7	24.7	14.3	7.1	8.6	0.98	1,686	
1504	FSCOX	Int'l Small Cap Opps	21.81	Hold	2.1	25.1	1.5	25.1	15.0	5.0	8.5	1.17	866	
2988	FNIDX	International Sustainability Idx	15.26	Hold	2.1	29.8	3.5	29.8	16.3	6.5	--	1.02	679	
1597	FIVLX	International Value	14.12	OK to Buy↑	4.2	43.7	5.7	43.7	21.8	13.8	8.6	1.01	1,909	
350	FJPNX	Japan	19.77	Hold	-0.0	31.8	3.3	31.8	17.9	5.6	9.0	1.11	243	
360	FJSCX	Japan Smaller Companies	16.78	Hold	-0.5	26.6	1.4	26.6	16.4	6.0	7.8	1.04	372	
342	FNORX	Nordic	65.60	Hold	5.2	25.9	6.4	25.9	13.3	5.8	9.0	1.15	334	
94	FOSFX	Overseas	72.03	Hold	1.9	20.9	0.4	20.9	15.3	6.6	8.3	1.09	5,883	
302	FPBFX	Pacific Basin	38.74	Hold	2.9	37.3	1.1	37.3	19.6	6.0	10.8	1.25	961	
6468	FSYJX	Sustainable Emerg Mkts Eqty	11.77	Hold	2.9	38.9	3.9	38.9	17.9	--	--	1.25	14	
6462	FSYRX	Sustainable Int'l Equity	11.57	Hold	2.2	26.3	5.4	26.3	15.6	--	--	0.99	18	
1978	FTIEX	Total International Equity	14.89	Hold	2.8	32.5	3.5	32.5	18.0	8.7	9.6	1.00	1,148	
2834	FTIHX	Total International Index	17.32	Hold	2.7	32.6	4.6	32.6	17.2	7.9	--	1.00	19,995	
318	FWWFX	Worldwide	36.30	Hold↓	-0.0	16.4	1.8	16.4	22.9	10.4	13.0	1.20	3,038	
3228	FZILX	Zero International Index	14.73	OK to Buy	2.8	33.5	4.9	33.5	17.8	8.3	--	1.00	8,199	

FIDELITY SCORECARD

DECEMBER 31, 2025

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	Assets (\$Mil)
					Dec	2025	3 Mo.	1 Year	3 Year	5 Year	10Year		
SPECIALTY													
6041	FARMX	Agricultural Productivity	18.10	OK to Sell	0.2	8.0	-1.0	8.0	-3.2	5.0	--	1.32	\$36
6385	FCAEX	Climate Action	14.88	Hold	-0.1	21.3	6.6	21.3	21.4	--	--	1.24	40
308	FCV SX	Convertible Securities	36.47	OK to Buy	-0.6	18.4	1.2	18.4	14.5	7.0	11.4	0.87	1,799
2120	FFGCX	Global Commodity Stock	22.52	OK to Sell	3.1	28.7	6.8	28.7	7.9	13.9	12.3	1.28	417
6553	FAPHX	Healthy Future Fund	14.03	OK to Buy	-0.5	7.5	2.7	7.5	11.1	--	--	1.02	8
6875	FEQHX	Hedged Equity	14.91	OK to Sell	-0.6	13.6	0.9	13.6	16.9	--	--	0.80	278
3488	FNSTX	Infrastructure Fund	16.78	OK to Buy	-2.2	27.5	2.4	27.5	16.5	9.5	--	1.06	124
122	FLVCX	Leveraged Company Stock	43.94	OK to Buy	-0.3	20.3	0.1	20.3	24.3	13.3	13.3	1.54	2,425
6513	FAPSX	Risk Parity	11.01	OK to Sell	0.6	21.1	3.3	21.1	12.0	--	--	0.82	6
1329	FSDIX	Strategic Dividend & Income	17.60	OK to Buy	0.1	13.0	2.3	13.0	11.3	8.2	9.3	0.79	3,067
1505	FSRRX	Strategic Real Return	8.86	Hold	0.4	10.5	2.2	10.5	6.9	6.5	5.5	0.46	274
311	FIUIX	Telecom & Utilities	33.77	Hold↓	-4.8	11.1	-2.7	11.1	14.4	11.0	11.0	1.10	1,437
6042	FLOWX	Water Sustainability	19.47	Hold	-0.6	18.0	1.0	18.0	15.0	9.4	--	1.32	148
SELECT PORTFOLIOS					Average	0.8	18.5	2.6	18.5	18.1	10.9	12.4	1.53
502	FSAVX	Automotive	60.11	Hold	0.8	16.5	-2.0	16.5	17.9	5.8	10.8	1.62	73
507	FSRBX	Banking	33.97	OK to Buy	5.1	19.3	5.9	19.3	19.0	15.3	11.0	2.22	459
42	FBIOX	Biotechnology	25.13	Buy	-0.8	36.4	15.3	36.4	17.2	3.5	6.9	1.63	5,225
68	FSLBX	Brokerage & Investment	190.90	OK to Buy	2.4	5.8	-2.4	5.8	22.4	16.3	15.0	1.71	1,210
69	FSCHX	Chemicals	11.98	Hold	-0.2	-8.9	-5.0	-8.9	-1.2	1.9	5.4	1.49	376
503	FBMPX	Communication Services	139.54	Buy	1.5	34.9	2.9	34.9	41.2	15.0	15.7	1.44	2,267
511	FSHOX	Construction & Housing	120.32	OK to Buy	-2.6	4.4	-4.8	4.4	16.4	13.9	14.3	1.76	681
517	FSCPX	Consumer Discretionary	69.12	Buy	1.0	6.7	1.5	6.7	23.5	7.9	12.3	1.68	501
9	FDFAX	Consumer Staples	83.22	Hold	-1.7	-2.9	2.0	-2.9	1.8	3.8	5.6	0.90	632
67	FSDAX	Defense & Aerospace	25.87	OK to Buy	5.6	50.0	2.6	50.0	26.4	17.8	15.2	1.34	3,348
60	FSENX	Energy	61.56	Hold	-1.1	10.5	1.3	10.5	5.2	24.1	7.9	1.45	1,769
353	FBSOX	Enterprise Technology Serv	48.19	Hold	1.9	-3.0	-0.9	-3.0	11.2	0.1	10.7	1.30	1,292
516	FSLEX	Environment & Alt Energy	47.27	OK to Buy	-0.0	20.4	0.6	20.4	22.2	12.0	13.5	1.38	597
66	FIDSX	Financials	15.97	Buy	4.4	15.2	3.8	15.2	20.5	16.5	13.4	1.57	1,049
98	FSVLX	FinTech	19.43	Hold	2.7	0.3	-0.4	0.3	15.1	5.6	8.5	1.57	105
41	FSAGX	Gold	58.46	Sell	3.8	142.9	12.6	142.9	40.6	16.6	17.8	2.56	3,524
63	FSPHX	Health Care	28.43	Buy	-3.0	14.4	11.1	14.4	7.7	4.0	9.0	1.20	6,359
505	FSHCX	Health Care Services	102.61	Hold	-2.3	3.8	1.4	3.8	-2.9	2.1	8.3	1.68	866
9108	FIDRX	Industrials (Advisor Industrials)	61.10	Buy	1.0	24.7	1.9	24.7	23.7	14.7	12.8	1.57	819
45	FSPCX	Insurance	90.28	Hold	2.4	3.4	-1.7	3.4	14.5	15.9	12.6	1.29	736
62	FDLSX	Leisure	17.76	Hold	3.6	0.8	-2.5	0.8	16.4	10.2	12.2	1.45	592
509	FSDPX	Materials	91.80	Hold	2.5	11.3	-0.4	11.3	5.1	6.6	7.4	1.46	421
354	FSMEX	Medical Tech & Devices	60.25	OK to Buy	-2.8	4.8	8.0	4.8	5.0	1.6	11.3	1.38	4,114
514	FNARX	Natural Resources	52.51	Hold	0.1	28.7	3.3	28.7	12.4	22.8	10.0	1.39	707
580	FPHAX	Pharmaceuticals	30.91	OK to Buy	-1.4	30.3	18.2	30.3	17.1	12.6	10.0	1.44	1,352
46	FSRPX	Retailing	17.92	OK to Buy	0.5	3.1	1.4	3.1	17.3	6.1	12.9	1.35	2,491
8	FSELX	Semiconductors	43.24	OK to Buy	1.5	42.9	7.2	42.9	54.0	30.4	30.3	2.49	28,694
28	FSCSX	Software & IT Services	25.23	Hold	2.2	4.8	-2.0	4.8	20.3	7.8	16.7	1.64	9,414
7	FDCPX	Tech Hardware	135.15	OK to Buy	0.1	39.7	4.4	39.7	31.7	15.1	19.6	1.20	1,459
64	FSPTX	Technology	41.43	Buy	1.2	23.4	1.8	23.4	38.7	15.5	22.8	1.71	19,534
96	FSTCX	Telecommunications	59.02	OK to Buy	0.4	11.6	-1.4	11.6	13.2	3.2	6.9	1.41	165
512	FSRFX	Transportation	110.36	Hold	3.0	11.4	5.5	11.4	12.2	10.1	11.4	1.46	474
65	FSUTX	Utilities	131.26	Hold↓	-5.5	14.2	-0.7	14.2	13.3	12.5	12.5	1.30	2,239
963	FWRLX	Wireless	11.90	OK to Buy	-0.3	7.2	-1.0	7.2	16.5	5.1	11.9	1.12	291
SECTOR ETFs					Average	-0.2	13.0	1.5	13.0	15.7	11.3	11.5	1.35
	FCOM	MSCI Communication Services	73.28	OK to Buy	1.6	26.1	3.5	26.1	34.4	11.0	12.7	1.30	1,870
	FDIS	MSCI Consumer Discretionary	102.16	Buy	1.0	5.7	-0.5	5.7	22.7	8.2	13.9	1.66	1,930
	FSTA	MSCI Consumer Staples	49.19	Hold	-1.7	1.8	-0.7	1.8	5.7	6.4	7.6	0.87	1,330
	FENY	MSCI Energy	24.77	Hold	-0.5	7.3	1.0	7.3	4.6	23.8	7.7	1.45	1,310
	FNCL	MSCI Financials	77.74	Buy	3.2	14.9	2.2	14.9	19.6	15.2	13.0	1.43	2,360
	FHLC	MSCI Health Care	74.28	Buy	-1.7	15.4	11.5	15.4	6.7	6.6	9.6	1.14	2,880
	FIDU	MSCI Industrials	82.48	Buy	0.8	18.6	0.8	18.6	19.2	13.4	13.5	1.34	1,500
	FTEC	MSCI Information Technology	224.67	Buy	0.3	22.1	1.2	22.1	34.3	17.3	22.3	1.54	16,660
	FMAT	MSCI Materials	53.11	Hold	2.5	12.1	1.7	12.1	8.6	7.6	10.2	1.47	437
	FREL	MSCI Real Estate	26.89	Hold	-2.2	3.1	-2.5	3.1	6.6	4.7	5.6	1.44	1,100
	FUTY	MSCI Utilities	55.22	Hold↓	-5.1	16.4	-1.6	16.4	9.9	9.6	10.4	1.23	2,250

FIDELITY SCORECARD

DECEMBER 31, 2025

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				SEC %Yield	Dur ² (Yrs)	Rel Vol (Risk) ¹	
					Dec	2025	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr				
TAXABLE BOND															
Average					-0.2	6.5	0.9	6.5	4.7	0.2	2.0	3.94	5.0	0.41	
2268	FCNVX	Conservative Income Bond	10.07	Buy	0.3	4.5	1.0	4.5	5.3	3.4	2.5	3.92	0.3	0.03	
2208	FCBFX	Corporate Bond	10.77	Hold	-0.3	7.8	0.8	7.8	6.5	-0.1	3.4	4.53	6.9	0.59	
6379	FFEBX	Environmental Bond	8.60	Hold	-0.4	6.9	0.8	6.9	4.6	--	--	3.81	6.1	0.51	
2423	FGBFX	Global Credit													
LIQUIDATED															
15	FGMNX	GNMA (Ginnie Mae)	10.38	Hold	-0.0	7.9	1.3	7.9	4.7	0.2	1.4	3.68	4.8	0.55	
54	FGOVX	Government Income	9.26	Hold	-0.3	6.6	0.9	6.6	3.8	-0.9	1.2	3.67	5.7	0.50	
2418	FIPDX	Inflation-Protected Index	9.12	Hold	-0.5	6.9	0.0	6.9	4.2	1.1	3.1	3.59*	6.5	0.38	
32	FTHRXX	Intermediate Bond	10.38	Buy	-0.0	6.9	1.0	6.9	5.2	1.0	2.4	3.78	3.7	0.32	
452	FSTGX	Intermediate Gov't Income	9.93	Hold	-0.0	6.0	1.0	6.0	4.0	0.2	1.4	3.31	3.6	0.32	
3045	FUAMX	Intermediate Treasury Index	9.85	Hold	-0.6	8.0	0.9	8.0	4.1	-0.9	1.6	3.91	6.0	0.53	
4506	FBIIX	International Bond Index	9.17	Hold	-0.4	2.7	0.5	2.7	4.9	0.2	--	3.06	6.8	0.29	
26	FBNDX	Investment Grade Bond	7.31	OK to Buy	-0.3	7.4	0.9	7.4	5.1	-0.1	2.7	4.13	6.0	0.52	
2622	FJRLX	Limited Term Bond	11.65	Buy	0.3	6.7	1.3	6.7	6.0	2.0	2.7	4.20	2.6	0.21	
662	FFXSX	Limited Term Government	9.77	OK to Buy	0.2	5.6	1.0	5.6	4.3	1.0	1.5	3.41	2.6	0.23	
3047	FNBGX	Long-Term Treasury Index	9.29	OK to Sell	-2.1	5.3	-0.4	5.3	0.6	-7.3	-0.0	4.79	14.7	1.14	
40	FMSFX	Mortgage Securities	10.02	Hold	0.0	8.3	1.5	8.3	4.7	-0.1	1.5	3.97	5.3	0.59	
450	FSHBX	Short-Term Bond	8.53	Buy	0.3	5.5	1.1	5.5	5.2	2.2	2.3	3.75	1.8	0.14	
3041	FNSOX	Short-Term Bond Index	10.12	OK to Buy	0.3	6.0	1.1	6.0	4.9	1.5	--	3.75	2.5	0.22	
3049	FUMBX	Short-Term Treasury Index	10.37	OK to Buy	0.2	5.8	1.1	5.8	4.5	1.3	1.8	3.59	2.5	0.23	
3086	FNDSX	Sustainability Bond Index	9.40	Hold	-0.3	7.0	1.0	7.0	4.5	-0.5	--	4.08	5.8	0.50	
6541	FIAEX	Sustainable Core Plus Bond	9.42	Hold	-0.3	7.3	0.9	7.3	5.1	--	--	4.16	6.0	0.51	
6526	FAPGX	Sustainable Low Dur Bond	10.20	Buy	0.3	4.6	1.0	4.5	5.0	--	--	3.88	0.5	0.03	
6502	FBAGX	Tactical Bond	8.92	Hold	-0.4	7.7	0.8	7.7	5.3	--	--	4.62	6.4	0.50	
820	FTBFX	Tactical Bond	9.67	OK to Buy	-0.4	7.5	0.9	7.5	5.7	0.6	3.1	4.42	6.0	0.49	
2326	FXNAX	U.S. Bond Index	10.56	OK to Buy	-0.3	7.1	1.0	7.1	4.6	-0.4	2.0	4.09	5.9	0.51	
HIGH-YIELD BOND					Average	0.7	9.7	1.8	9.7	9.7	4.5	5.5	5.62	2.7	0.39
38	FAGIX	Capital & Income	10.86	OK to Buy	1.1	12.4	1.7	12.4	12.0	7.0	7.9	4.45	1.9	0.48	
814	FFRHX	Floating Rate High Income	9.10	OK to Buy	0.6	5.4	1.3	5.4	8.8	6.3	5.5	6.88	0.2	0.19	
1366	FHIFX	Focused High Income	8.32	OK to Buy	0.7	8.9	1.8	8.9	8.4	3.2	5.0	5.52	2.6	0.38	
455	SPHIX	High Income	8.10	OK to Buy	0.9	9.8	1.5	9.8	10.1	4.1	5.8	6.56	2.7	0.41	
331	FNMIXX	New Markets Income	13.78	OK to Buy	0.7	14.8	3.7	14.8	11.8	3.1	4.6	5.38	5.8	0.56	
2580	FSAHX	Short Duration High Income	8.97	OK to Buy	0.6	7.7	1.5	7.7	8.7	4.5	5.0	6.28	1.7	0.26	
3082	FADMXX	Strategic Income	12.09	OK to Buy	0.3	9.0	1.4	9.0	8.2	3.2	4.8	4.25	4.1	0.42	
MUNICIPAL BOND					Average	0.2	4.5	1.5	4.5	4.0	1.0	2.2	3.07	5.8	0.42
434	FSAZX	Arizona Muni Income	11.59	Hold	0.1	4.1	1.7	4.1	4.0	0.7	2.1	3.01	6.4	0.45	
1534	FCSTX	Calif Limited Term Tax Free	10.54	Hold	0.3	4.5	0.6	4.5	3.2	1.1	1.5	2.50	3.2	0.26	
91	FCTFX	California Muni Income	12.36	Hold	0.0	4.7	1.7	4.7	4.4	1.1	2.3	3.17	7.5	0.49	
407	FICNX	Connecticut Muni Income	11.10	Hold	0.2	4.9	1.6	4.9	4.0	1.0	2.2	2.78	5.3	0.46	
2579	FMNDX	Conservative Income Muni	10.07	Buy	0.4	3.3	0.7	3.3	3.4	2.1	1.6	2.87	0.7	0.05	
36	FLTMX	Interm Municipal Income	10.27	Hold	0.3	5.0	1.4	5.0	4.0	1.3	2.3	3.01	5.3	0.37	
404	FSTFX	Limited Term Muni Income	10.62	OK to Buy	0.4	4.6	0.6	4.6	3.6	1.3	1.7	2.77	2.8	0.23	
429	SMDMX	Maryland Muni Income	10.96	Hold	0.2	4.9	2.0	4.9	4.1	1.0	2.1	2.92	6.3	0.49	
70	FDMMX	Mass Muni Income	11.50	Hold	0.3	4.3	1.9	4.3	3.8	0.6	2.0	3.22	7.1	0.44	
81	FMHTX	Michigan Muni Income	11.66	Hold	0.3	4.4	1.8	4.4	4.1	0.8	2.2	3.28	6.7	0.48	
82	FIMIX	Minnesota Muni Income	11.22	Hold	0.3	4.8	1.8	4.8	3.7	0.8	2.1	2.90	6.0	0.44	
37	FHIGX	Municipal Income	12.33	Hold	0.1	4.3	1.7	4.3	4.3	1.0	2.5	3.43	7.5	0.52	
416	FNJHX	New Jersey Muni Income	11.73	Hold	0.3	4.8	1.6	4.8	4.8	1.3	2.9	3.06	6.6	0.50	
71	FTFMX	New York Muni Income	12.44	Hold	0.1	4.1	1.8	4.1	4.3	0.9	2.2	3.39	8.1	0.54	
88	FOHFX	Ohio Muni Income	11.55	Hold	0.2	4.6	2.0	4.6	4.0	0.9	2.2	3.18	6.3	0.45	
402	FPXTX	Pennsylvania Muni Income	10.57	Hold	0.3	4.0	1.8	4.0	4.0	0.8	2.2	3.26	6.7	0.48	
6532	FSIKX	Sustainable Intermed Muni	10.28	Hold	0.3	5.3	1.4	5.3	4.3	--	--	--	5.1	0.42	
90	FTABX	Tax-Free Bond	11.07	Hold	0.1	4.5	1.7	4.5	4.6	1.1	2.6	3.52	7.3	0.52	

Yields on municipal funds are not directly comparable to yields on taxable funds. In muni funds shareholders' effective yield will be higher as their tax-bracket increases. ¹12-month distributed yield; ²Closed to new accounts; ³Name changed to Premium Class shares (formerly AMT). ³IT Services has been renamed Enterprise Technology Services.

TAXABLE GOV'T MONEY MARKETS			Total Return (%)		SEC %Yield	NATIONAL MUNICIPAL MONEY MKTS			Total Return (%)		SEC %Yield
			Dec	2025					Dec	2025	
55	FDRXX	Gov't Cash Reserves	0.30	4.01	3.50	10	FTEXX	Municipal Money Market	0.22	2.49	2.92
458	SPAXX	Government MM	0.29	3.95	3.42	275	FMOXX	Tax-Exempt MM	0.21	2.39	2.76
2742	FZFXX	Treasury MM	0.29	3.93	3.42	STATE MUNICIPAL MONEY MARKETS					
415	FDLXX	Treasury Only MM	0.29	3.90	3.43	457	FSPXX	California Muni MM ²	0.20	2.25	2.52
PRIME MONEY MARKETS						426	FMSXX	Massachusetts Muni MM ²	0.21	2.39	2.69
454	SPRXX	Money Market	0.30	4.00	3.47	423	FSJXX	New Jersey Muni MM ²	0.21	2.40	2.63
NOTE: SPRXX is available in premium class shares (ticker: FZDXX) with a \$100,000 minimum investment (\$10,000 for certain Fidelity retirement accounts and lower expenses).						422	FSNXX	New York Muni MM ²	0.22	2.52	2.87
						Funds removed due to insufficient data available at the time of close: AZ Muni MM [FSAXX], CT Muni MM [FCMXX], MI Muni MM [FMIXX], OH Muni MM [FOMXX], PA Muni MM [FPTXX].					

FIDELITY SCORECARD DECEMBER 31, 2025

Fund No.	Fund Ticker	Fund Name	Style	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹
						Dec	2025	3 Mo.	1 Year	3 Year	5 Year	10 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
Model Portfolios	Annuity Sector Model					1.0	20.9	3.0	20.9	25.6	13.0	15.7	1.26
	Annuity Growth Model					0.7	18.6	2.4	18.6	23.0	12.6	14.5	1.09
	Annuity Growth & Income Model					0.5	14.4	2.1	14.4	15.4	7.4	9.5	0.77
	Annuity Income Model					0.1	8.8	1.4	8.8	8.5	3.6	5.1	0.44
9067	FLRQC	Fid VIP Asset Manager	Allocation	33.34	Hold	0.6	14.6	2.3	14.6	11.7	5.3	6.8	0.68
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation	39.67	Hold	0.9	17.9	2.9	17.9	14.7	7.3	8.5	0.81
9069	FJBAC	Fid VIP Balanced	Allocation	54.25	Buy	0.0	14.9	2.9	14.9	17.1	9.2	10.8	0.78
9461	FBIQC	Fid VIP Bond Index	Bond	11.34	OK to Buy	-0.3	6.7	0.9	6.7	4.3	-0.8	--	0.51
9173	FVTAC	Fid VIP Communication Services	Sector	56.20	Buy	1.4	34.0	2.3	34.0	41.1	14.8	15.4	1.45
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	73.46	Buy	1.0	6.4	1.5	6.4	23.3	7.7	12.1	1.69
9171	FCSAC	Fid VIP Consumer Staples	Sector	39.07	Hold	-1.7	-3.3	1.9	-3.3	1.5	3.4	5.5	0.90
9065	FPDFC	Fid VIP Contrafund	Large Growth	87.08	Buy	1.3	21.1	2.7	21.1	29.0	15.0	15.4	1.10
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	43.38	Hold	-0.2	17.0	3.5	17.0	18.0	10.0	10.2	1.66
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	87.79	OK to Buy	0.6	18.4	3.4	18.4	24.0	13.3	14.5	1.10
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	21.04	Hold	3.3	40.7	5.7	40.7	19.0	5.5	10.6	1.27
9085	FJLLC	Fid VIP Energy	Sector	26.12	Hold	-1.2	10.2	1.2	10.2	4.9	23.8	7.6	1.45
9061	FLOLC	Fid VIP Equity-Income	Large Value	47.75	Buy	1.4	18.6	3.9	18.6	14.6	12.2	11.2	0.89
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	17.86	OK to Buy	-0.0	12.0	2.1	12.0	13.7	7.7	--	1.53
9083	FONNC	Fid VIP Financials	Sector	35.31	Buy	4.4	14.8	3.8	14.8	20.2	16.1	13.0	1.56
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	16.33	OK to Buy	0.7	5.1	1.2	5.1	8.3	5.7	5.1	0.19
9157	FMPAC	Fid VIP FundsManager 20	Allocation	20.66	Hold	0.2	8.9	1.4	8.9	7.3	2.9	4.0	0.44
9158	FMPBC	Fid VIP FundsManager 50	Allocation	29.74	Hold	0.4	13.8	2.1	13.8	11.6	5.5	7.0	0.69
9197	FMPPC	Fid VIP FundsManager 60	Allocation	30.26	Hold	0.6	15.4	2.4	15.4	12.8	6.4	7.9	0.75
9159	FMPCC	Fid VIP FundsManager 70	Allocation	35.91	Hold	0.8	16.8	2.7	16.8	14.3	7.5	8.8	0.82
9160	FMPDC	Fid VIP FundsManager 85	Allocation	40.54	Hold	0.9	19.2	3.0	19.2	16.2	8.8	10.2	0.92
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	13.49	--	0.3	3.8	0.9	3.8	4.4	2.8	1.7	0.01
9062	FMNDC	Fid VIP Growth	Large Growth	102.25	Buy	-0.7	14.5	0.7	14.5	26.4	13.3	17.1	1.22
9070	FLFNC	Fid VIP Growth & Income	Large Blend	67.35	OK to Buy	1.9	21.1	3.7	21.1	20.4	15.7	13.5	0.97
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	128.93	Buy	0.9	21.6	1.3	21.6	34.7	10.9	19.5	1.52
9084	FPDRC	Fid VIP Health Care	Sector	80.04	Buy	-3.0	14.0	11.1	14.0	7.5	3.8	8.4	1.20
9060	FBBLC	Fid VIP High Income	High-Yield Bond	28.44	OK to Buy	0.9	10.2	1.7	10.2	9.7	4.0	5.3	0.40
9064	FXVLT	Fid VIP Index 500	Large Blend	76.90	OK to Buy	0.0	17.5	2.6	17.5	22.6	14.0	14.4	1.00
9082	FBALC	Fid VIP Industrials	Sector	83.68	Buy	1.0	24.1	1.8	24.1	23.4	14.4	12.6	1.57
9473	FFIQC	Fid VIP International Index	Diversified Int'l	16.79	Hold	2.8	32.8	4.8	32.8	17.3	7.7	--	1.00
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	39.17	Hold	2.3	18.3	-0.3	18.3	17.5	5.9	9.4	1.10
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	19.16	OK to Buy	-0.5	7.0	0.8	7.0	4.7	-0.2	2.4	0.51
9172	FVMAC	Fid VIP Materials	Sector	33.65	Hold	2.4	11.0	-0.6	11.0	5.0	6.7	7.3	1.46
9071	FNBSC	Fid VIP Mid Cap	Mid Blend	57.00	Buy	0.6	11.4	4.1	11.4	14.4	9.7	10.2	1.40
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	30.79	Hold	1.9	20.0	0.2	20.0	14.7	6.3	7.6	1.09
9072	FFWKC	Fid VIP Real Estate	Sector	30.57	Hold	-1.3	2.8	-0.7	2.8	6.5	3.9	3.5	1.44
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	25.90	OK to Buy	0.3	8.6	1.3	8.6	7.8	2.8	4.4	0.42
9086	FYENC	Fid VIP Technology	Sector	209.73	Buy	1.1	22.4	1.6	22.4	37.7	16.3	23.3	1.68
9465	FTMJC	Fid VIP Total Market Index	Large Blend	25.79	Buy	-0.0	16.8	2.4	16.8	21.9	12.9	--	1.05
9087	FXRRC	Fid VIP Utilities	Sector	63.97	Hold	-5.5	13.7	-0.8	13.7	13.0	12.2	12.1	1.30
9079	FKMSC	Fid VIP Value	Large Value	50.73	OK to Buy	1.8	10.9	4.1	10.9	13.7	12.7	10.9	1.29
9073	FRBSC	Fid VIP Value Strategies	Mid Value	50.46	Hold	1.8	7.6	4.4	7.6	12.2	11.8	10.5	1.49
9347	FBMEC	Black Rock Global Allocation	Global Allocation	23.32	Hold	1.4	19.2	3.3	19.2	13.4	5.4	7.2	0.77
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	10.18	Hold	0.5	15.4	0.3	15.4	1.5	-1.2	-0.4	0.91
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	11.17	Hold	0.1	6.4	1.2	6.4	3.9	-0.2	0.9	0.43
9285	FIGXC	Invesco Global Core Eqty	Global Stock	25.18	Hold	0.4	15.3	0.9	15.3	17.7	8.0	8.6	1.01
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	28.97	Hold	2.9	41.8	10.2	41.8	23.0	10.8	9.4	1.01
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	24.40	OK to Buy	1.1	15.0	4.4	15.0	12.5	2.4	4.3	0.61
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	21.95	Hold	3.0	32.6	7.1	32.6	16.8	4.1	7.0	1.08
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	21.90	Hold	0.8	17.1	2.1	17.1	12.6	5.0	6.6	0.79
9346	FPMEC	Pimco Commodity Real Return	Commodities	9.62	OK to Sell	-0.5	18.5	5.0	18.5	4.2	10.3	6.3	0.87
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	13.27	Buy	0.4	5.3	1.1	5.3	4.7	1.3	1.5	0.16
9277	FPNBC	Pimco VIT Real Return	TIPS	16.22	Hold	-0.6	7.6	0.1	7.6	4.3	1.0	3.0	0.39
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	15.49	Hold	-0.2	8.6	1.5	8.6	5.5	-0.2	2.1	0.51

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	27%	VIP Equity-Income	28%	VIP Equity-Income	29%	VIP Invest Grade Bond	31%
VIP Financials	17	VIP Growth Opps	23	VIP Growth Opps	22	PIMCO VIT Low Durat.	22
VIP Consumer Discret	15	VIP Growth	22	VIP Invest Grade Bond	21	VIP Growth	16
VIP Health Care	14	VIP Contrafund	16	VIP Total Market	16	VIP Gvt Money Market	16
VIP Comm Services	14	VIP Mid Cap	11	PIMCO VIT Low Durat.	12	VIP Equity-Income	15
VIP Industrials	13						
Total Return:		Total Return:		Total Return:		Total Return:	
Dec: 1.0% 2025: 20.9%		Dec: 0.7% 2025: 18.6%		Dec: 0.5% 2025: 14.4%		Dec: 0.1% 2025: 8.8%	

Fund Commentary *cont'd from page 5*

(including a \$9 billion position in Intel, making Uncle Sam its largest shareholder), all eyes seemed firmly affixed on the Mag 7, how much they were spending, how much they were earning, and how much they may come to earn.

Thus it should come as no surprise that the tech-rich Nasdaq Composite (up 21.1%) outpaced its U.S. counterparts last year. That said, solid performances by the S&P 500 (up 17.9%) and especially the Dow Industrials (up 14.9%), indicate a broadening interest in non-tech sectors.

Stock Funds

Last year, Fidelity's 54 stock funds returned an average of 15.8%. Thanks to their large exposures to tech and typically the Mag 7, large-cap growth funds returned, on average, 18.6%. (**Magellan's** 10.6% return weighed on that average as Manager Sammy Simnegar's stock selection floundered, especially as he avoided high-flying Alphabet.)

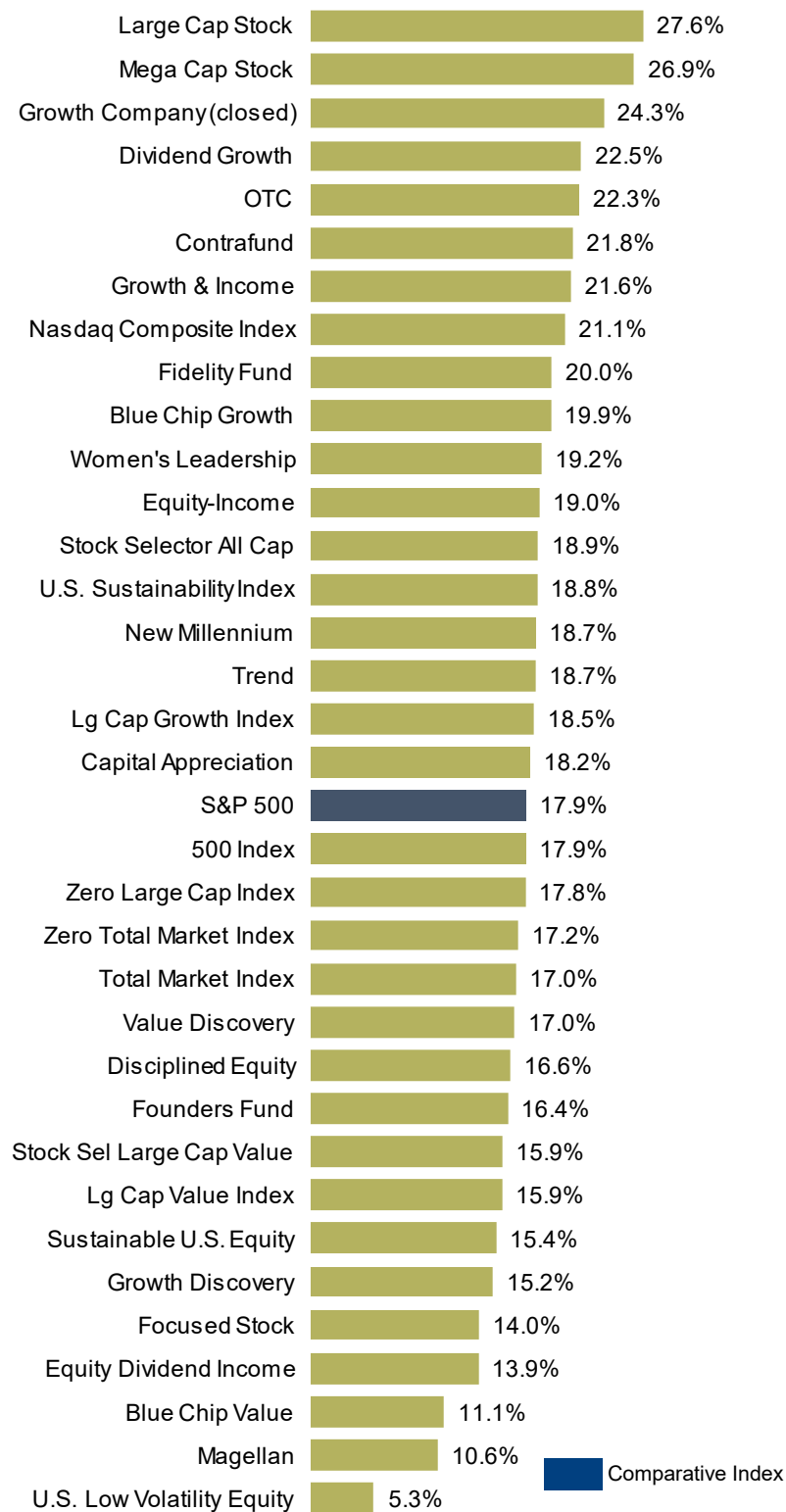
Within the large-cap arena, 20%-plus returns were the norm: **Growth Company** and **OTC** fared best with gains of 24.3% and 22.3%, respectively. As for the popular (widely held) **Blue Chip Growth** and **Contrafund**, they topped the group average with gains of 19.9% and 21.8%, respectively.

As for large-cap value funds, they largely kept pace with the Dow, while top-performing **Equity-Income** (up 19.0%) outran the S&P 500. Their strong absolute and relative performances were typically driven by large bank stocks, industrials and Big Pharma.

As for small- and mid-cap stock funds, almost all enjoyed double-digit gains. Their best periods were often in the weeks leading up to anticipated interest-rate cuts and those rare occasions when the Mag 7 took a breather.

Fund Commentary *cont'd on page 12*

2025 LARGE-CAP STOCK RETURNS



More Changes Afoot At Contra

Last summer, two co-managers officially joined Will Danoff on **Contrafund**, a portfolio he had run on his own (excluding a huge team of analysts) since 1990. One of the most successful stock fund managers of all time, the addition of his longtime colleagues portends Will's exit from Contra, and a promising future for the fund's shareholders. Indeed, with Jason Weiner (**OTC**) and Asher Anolic (**Capital Appreciation** and **VIP Growth**) co-managing the fund, we continue to rate *Contra Buy*. ■

Small-cap funds also faced an unexpected headwind in the form of tariffs (thus the Chamber of Commerce’s muted displeasure), though it remains unclear as to any real impact.

Among the year’s top performers were the mid-cap value-oriented **Low-Priced Stock** fund (up 14.8%) and **Stock Selector Small Cap** (up 14.3%). Though they have the same benchmark, only the latter has investment characteristics that resemble the Russell 2000. Low-Priced, as noted earlier, has roughly a third of its assets invested abroad.

Specialty Funds

The only two things this group has in common with others is that they are stock funds and that their investment charters and portfolios are unique. Nevertheless, their performances can provide some perspective as to how investors are navigating the market.

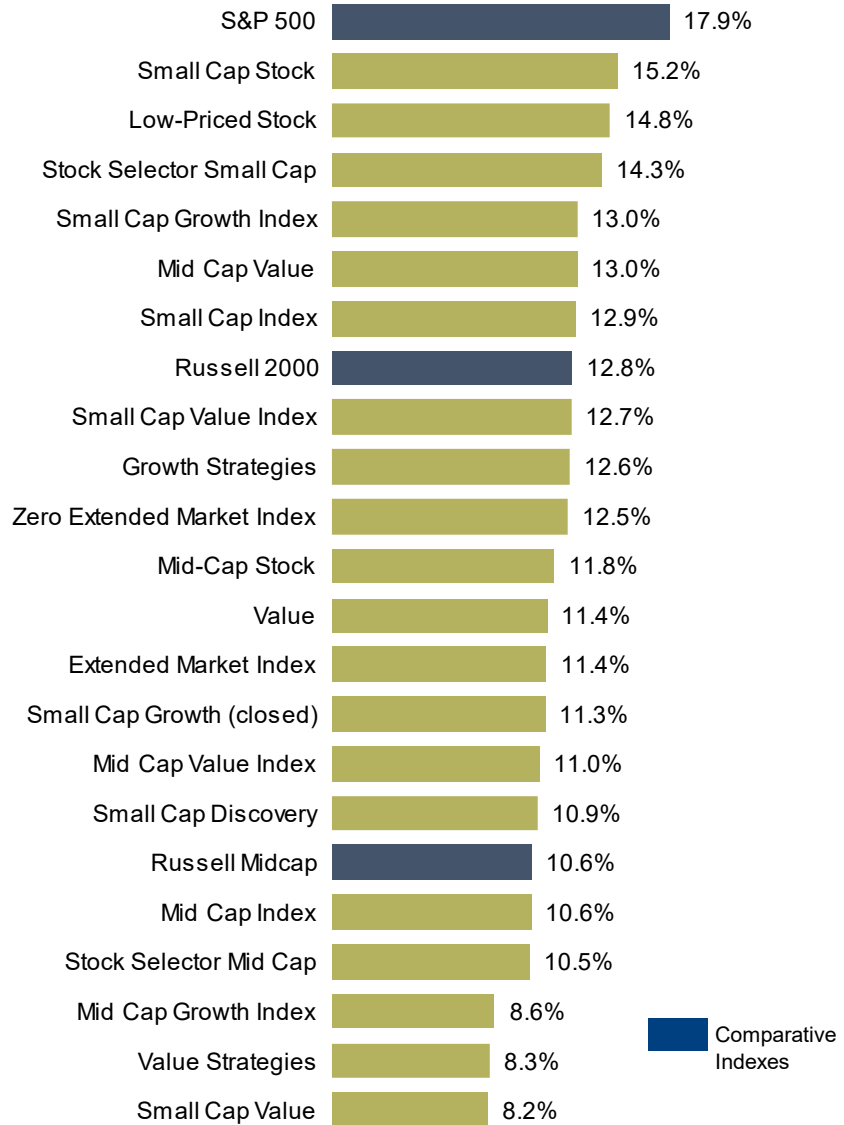
For starters, **Global Commodity Stock** (up 28.7%) performed best as its roughly 60% foreign equity stake benefited chiefly from rising gold prices. (More on that later.) At the same time, soaring demand for rare earth minerals (and more mundane commodities for fertilizer) helped fuel its performance.

A close second return-wise was **Infrastructure Fund**. Up 27.5%, its 30% stake in electric utilities and 18% weight in semiconductors was savvy positioning to play AI.

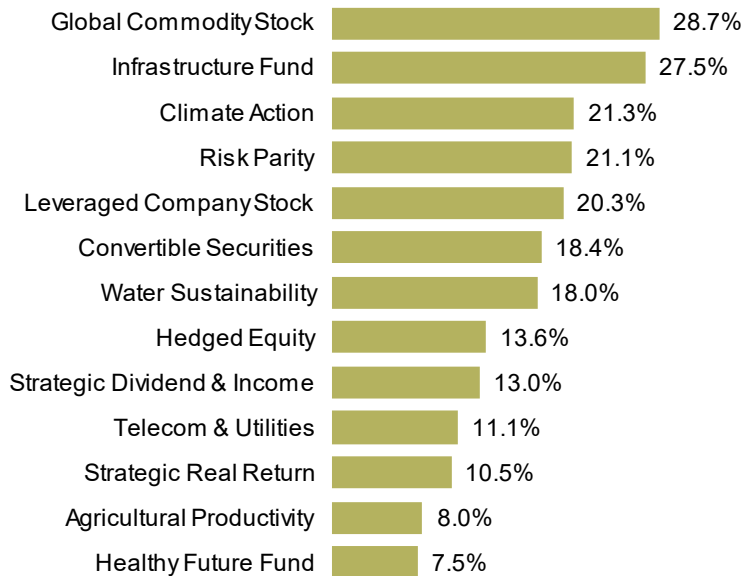
As for group-laggard **Healthy Future** (up 7.5%), its managers’ best bet was its out-of-benchmark play on Nvidia. Otherwise its portfolio of vaguely-related financials and consumer staples were out-of-step with the market’s desire for faster-growing everything.

As for **Leveraged Company Stock** (up 20.3%), lower interest rates and an incrementally stronger economy benefited stocks of companies whose leveraged and otherwise

2025 MID- AND SMALL-CAP STOCK RETURNS



2025 SPECIALTY RETURNS



less-attractive balance sheets are looked upon more favorably when there are economic tailwinds. (Highly correlated to high yield bonds, that group also fared well last year — see p. 14.)

Select & ETF Sector Funds

The main differences between these two groups is that sector ETFs are low-cost index funds, whereas Fidelity’s Selects cost a bit more to operate precisely because they are actively managed.

In a head-to-head matchup last year (excluding real estate), four out of 10 sector MSCI ETFs beat their corresponding Selects: **Utilities, Health Care, Materials** and **Consumer Staples**.

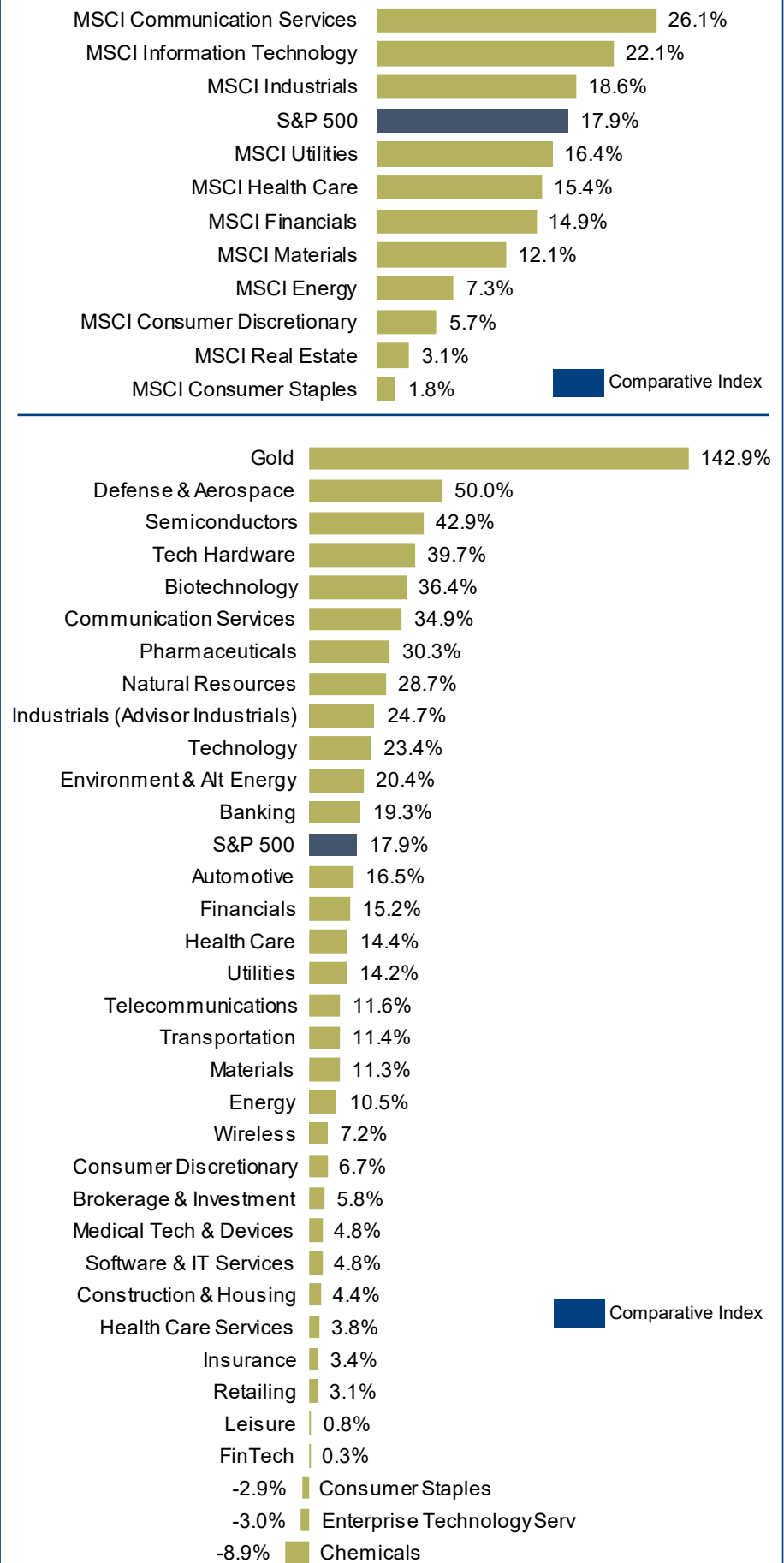
As for Fidelity’s 34 Select offerings, their average return was 18.5% — a performance that was pulled up four points by **Select Gold’s** 142.9% return. That the fund soared as it did speaks to the precious metal’s 64% price spike: from \$2,641 a troy ounce to a year-ending \$4,323. With a relative volatility that is two-and-a-half times greater than the S&P 500, the fund benefited from the fact that gold mining stocks are essentially leveraged to the metal itself. So, should gold prices retreat, the pain could be considerable.

Among last year’s top-performers were tech/AI-related funds including **Semiconductors** and **Tech Hardware** which gained 42.9% and 39.7%, respectively. While these performances are most assuredly eye-popping and alluring, early signs of market rotation are revealed in the double-digit returns provided by value-oriented Select funds including **Industrials** (up 24.7%), **Financials** (up 15.2%), **Health Care** (up 14.4%) and **Utilities** (up 14.2%).

As for **Retailing**, which only gained 3.1%, the combination of skittish consumers and the reconfig-

Fund Commentary *cont’d on page 14*

2025 ETF SECTOR & SELECT RETURNS



uring of supply chains owing to tariff turmoil, wreaked havoc on some brick and mortar chains. Even e-commerce giant Amazon struggled through the year.

International Funds

The average Fidelity international fund advanced 30% in 2025. Contributing somewhat to these gains was the U.S. dollar weakening 6.6% (on a trade-weighted basis) and the fact that Fidelity has long eschewed hedging currency risk.

Nevertheless, in local currency terms, gains were considerable and widespread. Consider the fact that while the Stoxx Europe 600 index appreciated 16.7% last year (excluding the reinvestment of any dividends), Fidelity's **Europe** fund rose 37.6%. Helping to lift returns was its thematic bet on value stocks generally, and industrials in particular. Within that arena, German defense contractors likely benefited from Ukraine sales and the country's higher defense spending.

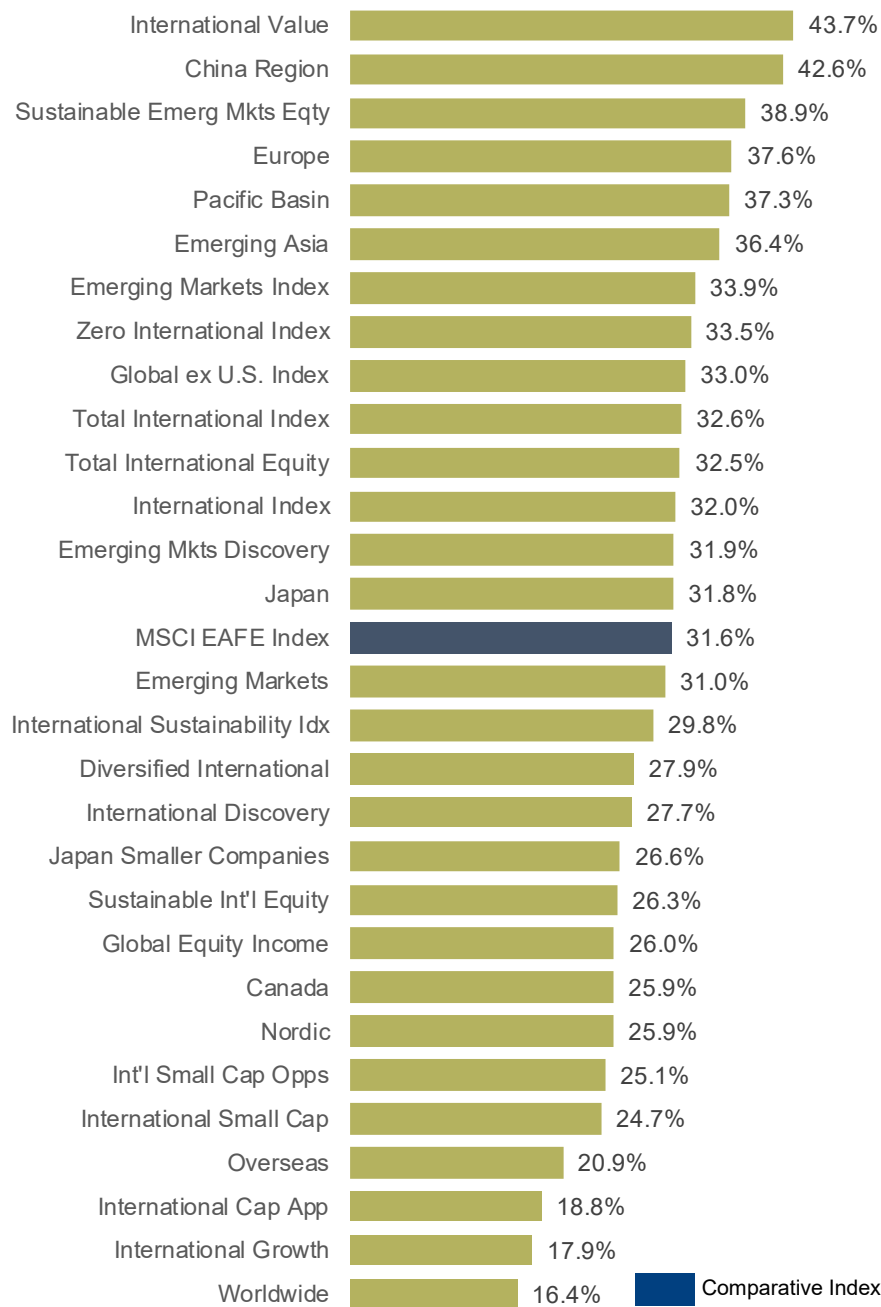
Other high-flyers were **China Region** (up 42.6%) and **Emerging Markets** (up 31.0%) — the latter having overlap with the former. As for **Japan** (up 31.8%), the combination of its central bank actively trying to stimulate its economy and a new government doing much the same has renewed investor optimism, but so did a new trade agreement with the U.S.

More broadly, **International Index** fund gained 32.0%, helped in part by U.S. investors seeking alternatives to more highly priced stocks at home.

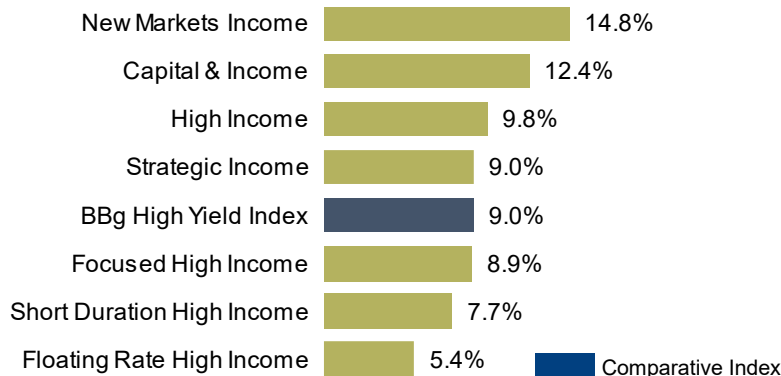
High Yield Funds

As mentioned earlier, high yield bonds (or less politely, junk bonds), can be risky investments as credit analysts must carefully navigate their way through a company's credit-challenged balance sheets. Fortunately, Fidelity has long been

2025 INTERNATIONAL RETURNS



2025 HIGH YIELD BOND RETURNS



proficient at that task which helped **Capital & Income** to gain 12.4% last year (it regularly gets an added push from holding some equity), whereas **New Markets Income** (up 14.8%) fared even better with its U.S. dollar-denominated stakes in Latin America, the Mideast and Africa.

Taxable Bonds

Bond investors benefited from a second year of three rate-cuts and the fact that inflation, though slightly elevated, was contained.

As the Treasury Bond Yield Curve chart on page 4 demonstrates, yields fell across a wide swath of maturities, reaching to the benchmark 10-year note.

With bond prices moving inversely to those yields, the adjacent bond chart shows exactly how beneficial that was to investors. And even though longer-maturity bond yields were largely unchanged, remember that a fund's total return captures the reinvestment of income. As such, even **Long-Term Treasury Index** gained 5.3% last year. (The far less interest-rate sensitive **Short-Term Bond** fared a bit better: up 5.5%.)

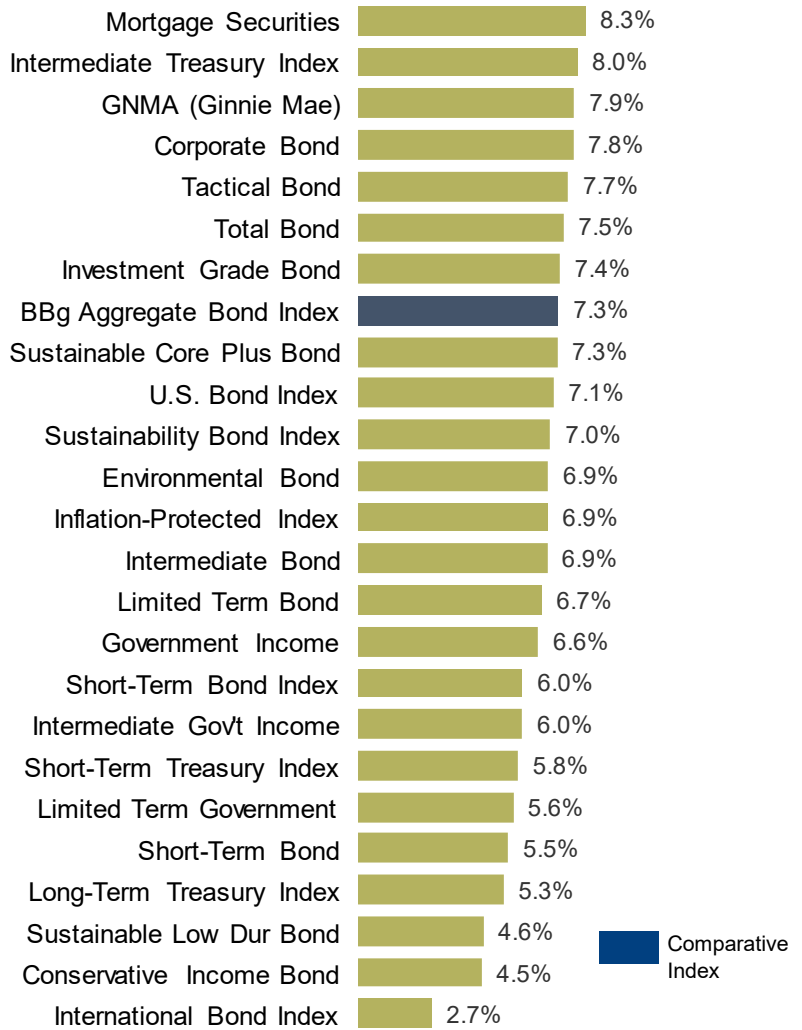
Capturing the performance of a broad range of Treasury, U.S. agency, mortgage and corporate bond performances, **U.S. Bond Index** (a solid proxy for the taxable market) gained 7.1%.

Municipal Bond Funds

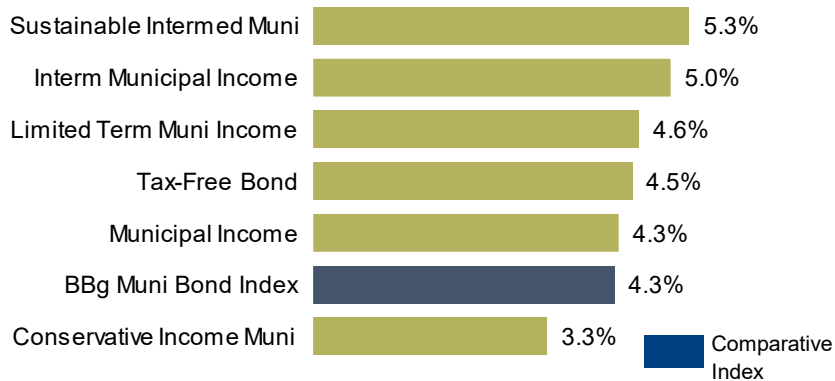
The very same dynamics that benefited taxable funds in 2025 helped tax-free munis. Healthier government coffers were another plus, though it remains to be seen how far the White House may go to deny states and local governments funding for failing to comply with its executive orders.

With that concern so far muted, wealthier Americans continued to show their appetite for tax-free income: while the muni bond index rose 4.3% for the year, Fidelity

2025 TAXABLE BOND RETURNS



2025 MUNICIPAL BOND RETURNS



managers tweaked their credit and interest-rate exposures to deliver a bit more value. For its part, **Conservative Income Muni** rose 3.3%.

Money Market Funds

About the only investors not applauding last year's three rate cuts were money market investors.

Though **Gov't Cash Reserves** returned 4.01% with essentially no risk, its yield fell slightly to 3.50% from 3.65% a year earlier. (That yield will fall further in the next few weeks as older securities are replaced with new, lower-yielding ones.) ■

— John Bonnanzio

Jack's Message *cont'd from page 3*

hard to replace the dollar as a reserve currency, they are bearing the risk of other alternatives and reducing their role in the Treasury market, which could mute any interest-rate spikes that might occur heading into a crisis scenario.

Tariffs Are Buying Time

By functioning somewhat like a corporate tax that encourages domestic manufacturing, and by generating a significant amount of tax revenue, tariffs are modestly reducing the federal deficit while encouraging a small amount GDP growth through reshoring. By doing this at a time when productivity is elevated, and when the economy is being boosted by heavy AI investment and the Wealth Effect, the inflation impact from tariffs has been relatively light, and the GDP headwind has been largely offset as well.

Dollar Is Backed By More Than Creditworthiness

The U.S. economy produces goods and services that other countries need (technology, oil and gas, machinery, pharmaceuticals, medical devices, aircraft, food commodities), so there's a limit to how far the dollar could fall if Treasuries were suddenly considered junk bonds. Furthermore, in any debt crisis there would likely be enough top-rated companies that corporate debt could serve as a stand-in for Treasuries.

Benefits Of Long-Term Investing Still Outweigh Risks

Most likely these factors will manage to avert a major crisis for more than 15 years, suggesting that those who continue their long-term investment strategy in the AI age will be rewarded. But investors should still be prepared for the possibility of ongoing mini-crises: progressively longer government shut-

downs, surprise interest rate surges when Treasury auctions don't go well, surprise tariff hikes, trade-related supply chain disruptions, and Fed interventions to stabilize the Treasury market. Even the upcoming Supreme Court decision on tariffs, which could happen anytime between now and summer, has potential to roil the markets.

The important thing to keep in perspective is that these events may be a necessary part of the process which ultimately leads to a long-term solution, and that the impact on inflation and corporate earnings will probably be limited. As long as you are maintaining an appropriate level of risk in your portfolio, and not panicking when you turn on the television or read the news reports, you'll be in a better position to stick with your long-term strategy and enjoy the benefits of long-term compounding. ■

— Jack Bowers

Market Outlook *cont'd from page 4*

Interest-rate assumptions may also be optimistic.

While President Trump will most assuredly choose a Fed Chairman he can control, he'll still be only one vote among a dozen. In the meantime, inflation is range-bound (CPI was 2.7% as of November), meaning that it's still too high. Raising the target rate to 3% would only be

DIVIDEND UPDATE

Apart from the monthly dividends paid by bond, money market funds, and Asset Mgr: 20%/30%, there are no other funds scheduled for a distribution in January 2026.

See our website for 2025's year-end distributions:

fmandi.com

a cosmetic "fix," and cutting rates may make it easier to finance the federal deficit. But both moves simply kick another problem down the road: organic growth at the expense of a bigger deficit. For too long the government has relied on fiscal and monetary stimuli to stabilize and energize the economy. To some degree, the One Big Beautiful Bill Act of 2025 is short-term stimulus financed largely by tariffs.

I'm also worried about another round of tariffs in 2026 and a new trade agreement with two critically important trade partners: Mexico and Canada. Tariffs carry a cost to either the seller, buyer or both. While there's only scant evidence at this point of their contributing to inflation or reshoring U.S. jobs, I've

never believed in magic bullets or simple fixes to difficult problems.

Regardless of my concerns, U.S. markets will again have the wind to their back in 2026 for reasons that include a global economy that is expected to grow 2.8% versus our own 2.6%. Credit China (4.8%) and India (6.7%) for more than lifting their own weight.

But with U.S. tech priced to perfection and their impact to our stock market critical, something as modest as a few earnings disappointments could trigger a disproportionately negative response by investors—some of whom may have leveraged their way to great success these years. To that end, my earlier advice stands: be cautiously optimistic. ■

— John Bonnanzio

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