

# FIDELITY MONITOR & INSIGHT

FEBRUARY 2026

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## MESSAGE FROM JACK

### *Income Investing In The Age Of AI*

The backdrop is becoming more favorable for investors who prefer income streams over equities. Over the last 25 years it has been tough to stay ahead of inflation with a bond portfolio, but going forward it is likely to get easier. Third-quarter productivity figures are giving us an early peek at what things might be like in the coming AI era. At an annualized 4.9% rate, the neutral rate of interest is likely headed higher. In other words, real interest rates (which until 2023 had been near-zero or negative for most of the current century) are likely to edge up along with GDP and productivity as AI technology goes mainstream.



Jack Bowers

And hard as it may be to believe at a time when the media is overly-focused on tariffs, some of the gain in real interest rates could come from lower inflation as well. The 10-year breakeven rate (which is derived from the difference in yields between inflation-protected Treasuries and regular Treasuries) shows that investors expect inflation to average 2.3% over the next decade. While this number does move around in response to economic news, over the last year it has remained in a tight range between 2.2% and 2.5%, fluctuating more in response to oil prices than anything on the tariff front.

The key takeaway from all this is that going forward, it should not be hard for a taxable bond portfolio to outperform inflation by two percentage points on a pre-tax basis. Throw in some modest exposure to stocks, as our *Income Model* does, and 3-4% real returns become possible.

### *Guarding Against Deflation*

While the most likely scenario for the AI age involves GDP and productivity climbing to robust levels in similar proportion, there's an outside chance that a big increase in productivity alone could lead to deflation, higher unemployment, or some combination of the two. In that situation, bonds would likely shine, with the stock market succumbing to uncertainty surrounding the economy and earnings. Commodities and inflation hedges could see large declines.

**Jack's Message** *cont'd on page 4*

## MARKET OUTLOOK

### *Gold Volatility And Dollar Weakness May Speak To Underlying Concerns*

Is it possible that the post-World War II geopolitical world started to unravel last month? While I suspect not, there were changes in market behavior that clearly unsettled pockets of investors here and abroad.



John Bonnanzio

At first blush, markets mostly appeared unflustered in January as one unsettling headline replaced the next. Investors, of course, have a knack for looking past that which appears to be an unquantifiable short-term disruption to the norm. On the other hand, they rarely pass on the opportunity to punish a stock over an earnings miss. One reason why is that you can plug the latter into a trading algorithm though not the former.

### *Seeing The Forest For The Trees*

That idiom came to mind last month (and probably for others) as I weighed rising dollar and gold volatility. On a few unsettling days, stock volatility soared as we glanced at the overnight news on our phones and thought, "Wait. What are we doing where?" This brings to mind American exceptionalism in its many forms, which is ultimately the underpinning for the full faith

### *Danoff To Depart Contrafund (Details on p. 11)*

investors put in the U.S. dollar and Treasuries. Indeed, U.S. credit and equity markets derive their long-term strength and stability from the country's high moral purposefulness — its rule of law, fairmindedness and accountability.

With that lofty view on the table, this is a good time to consider the stock market's meteoric recovery since the end of Covid. It's also a good time to think about any downside risk that could become just as disruptive to our lives, the economy and the financial markets, as was that virus a short time ago.

### *Trade As A Big Stick*

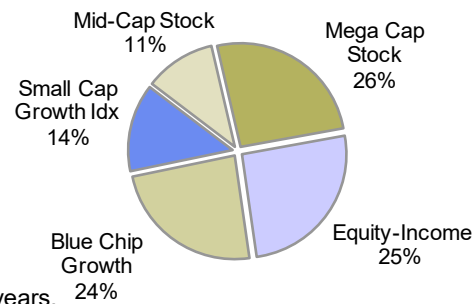
1. Last year's April 2, 2025, "Liberation Day" tariffs signaled that generations of Free Trade agreements will

**Market Outlook** *cont'd on page 3*

**Unique Opportunities** Target Risk: 1.20 (Current: 1.08) Foreign Holdings: 11.3% **YTD Return: 2.6%**

Stocks: 97.4% Bonds: 0.0% Cash: 2.6% Alternatives\*: 0.0% Yield: 0.8%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Mega Cap Stock	FGRTX	\$32.21	12,400.56	\$399,422	3.1%
Equity-Income	FEQIX	86.69	4,585.38	397,506	3.7
Blue Chip Growth	FBGRX	266.81	1,394.88	372,167	-0.1
Small Cap Growth Idx	FECGX	32.39	6,552.54	212,237	4.0
Mid-Cap Stock	FMCSX	48.04	3,549.52	170,519	3.4



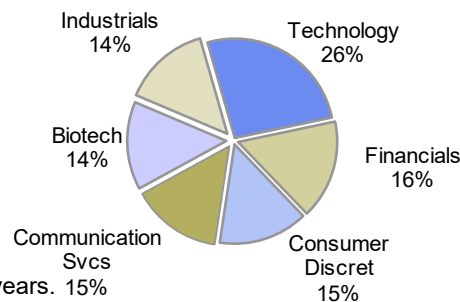
**Current Value (3/31/99 = \$100,000)** **\$1,551,852** **2.6%**

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

**Select** Target Risk: 1.20 (Current: 1.25) Foreign Holdings: 6.0% **YTD Return: 2.4%**

Stocks: 99.3% Bonds: 0.0% Cash: 0.7% Alternatives\*: 0.0% Yield: 0.2%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Technology	FSPTX	\$42.14	76,234.66	\$3,212,528	1.7%
Financials	FIDSX	16.01	123,694.26	1,980,345	0.3
Consumer Discret	FSCPX	70.33	25,459.28	1,790,551	1.8
Communication Svcs	FBMPX	145.76	12,383.48	1,805,017	4.5
Biotech	FBIOX	25.50	68,988.28	1,759,201	1.5
Industrials	FIDRX	64.74	26,933.32	1,743,663	6.0



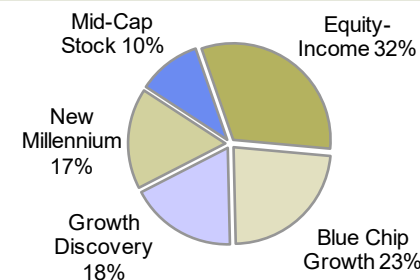
**Current Value (12/31/88 = \$100,000)** **\$12,291,305** **2.4%**

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

**Growth** Target Risk: 1.00 (Current: 1.04) Foreign Holdings: 9.0% **YTD Return: 2.0%**

Stocks: 98.8% Bonds: 0.0% Cash: 1.1% Alternatives\*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Equity-Income	FEQIX	\$86.69	29,371.62	\$2,546,225	3.7%
Blue Chip Growth	FBGRX	266.81	6,974.68	1,860,916	-0.1
Growth Discovery	FDSVX	70.54	20,206.26	1,425,349	1.1
New Millennium	FMLX	68.30	19,782.68	1,351,157	1.8
Mid-Cap Stock	FMCSX	48.04	17,504.00	840,892	3.4



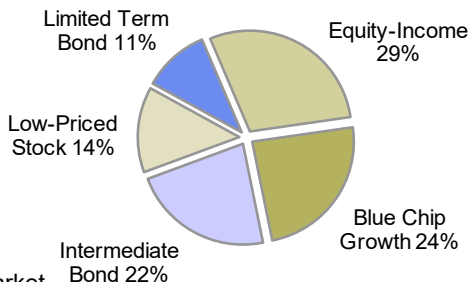
**Current Value (12/31/86 = \$100,000)** **\$8,024,539** **2.0%**

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: 0.70) Foreign Holdings: 12.1% **YTD Return: 1.7%**

Stocks: 65.8% Bonds: 31.4% Cash: 1.8% Alternatives\*: 1.1% Yield: 1.7%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Equity-Income	FEQIX	\$86.69	4,908.31	\$425,501	3.7%
Blue Chip Growth	FBGRX	266.81	1,321.83	352,676	-0.1
Intermediate Bond	FTHRXL	10.36	31,760.10	329,035	0.1
Low-Priced Stock	FLPSX	43.08	4,650.44	200,341	4.5
Limited Term Bond	FJRLX	11.65	13,262.79	154,512	0.3



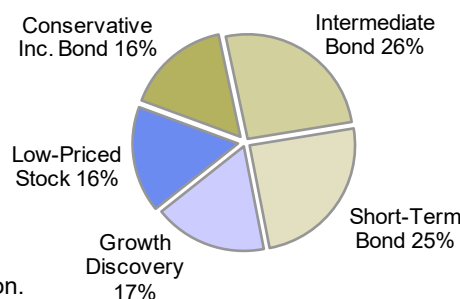
**Current Value (12/31/93 = \$100,000)** **\$1,462,064** **1.7%**

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: 20.5% **YTD Return: 1.1%**

Stocks: 33.4% Bonds: 64.9% Cash: 1.5% Alternatives\*: 0.2% Yield: 2.9%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Intermediate Bond	FTHRXL	\$10.36	14,804.92	\$153,379	0.1%
Short-Term Bond	FSHBX	8.53	17,151.93	146,306	0.3
Growth Discovery	FDSVX	70.54	1,463.29	103,221	1.1
Low-Priced Stock	FLPSX	43.08	2,264.55	97,557	4.5
Conservative Inc. Bond	FCNVX	10.07	9,477.36	95,437	0.3



**Current Value (12/31/91 = \$100,000)** **\$595,899** **1.1%**

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

be discarded or replaced. In the latter case, new agreements must favor U.S. economic (and sometimes military) interests which may or may not stand the test of time.

2. Since last April, big business has pushed back under the cover of darkness, and some of the most onerous tariffs have been walked back. The good news: The White House sometimes listens to business leaders and it certainly pays close attention to financial markets.

3. Nearby and distant friends, allies and trading partners are looking at us differently, while various words and deeds from last month run the risk of turning nascent concern into deep mistrust. Granted, that's difficult to quantify. Then again, we all have a neighbor we trust with our house key, and some we don't. Trust is foundational.

4. One of those nascent signs of distrust — and one that could easily be dismissed — is news that a Danish pension fund is selling its \$100 million stake in U.S. Treasuries. Why? It didn't appreciate U.S. saber-rattling in its territory, Greenland. Separately, Sweden has sold \$8 billion in Treasuries citing America's deteriorating credit quality and more recently, "reduced predictability" in policy.

5. Eight NATO allies (including Britain, France and Germany), warned of a "dangerous downward spiral" in U.S. relations should President Trump impose tariffs (of up to 25%) if they openly oppose his desire to annex Greenland.

### Words Matter

6. America's relationship with its second-largest trading partner, Canada, probably hasn't been this fractured since 1812. Prime Minister

## 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** (see p. 11), **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. ■

Carney has warned of a "rupture" between Ottawa and Washington which has far-reaching implications for our respective aerospace industries, commodities, hydroelectric power, oil, automobiles, tourism, and even the world's most peaceful 4,000-mile border.

7. Apart from a materially inconsequential Treasury sale, the dollar and gold may actually be the proverbial canaries in the coal mine to a "Sell America" sentiment that hopefully will not turn into a contagion.

For months, foreign investors have increased their hedging of U.S. dollar exposure (stocks and bonds), and there are reasons to suspect it's accelerating.

### Independence Lost

8. Friday's selection of a new Fed chair suggests to some that the president is intent on lowering short-term borrowing costs even at the risk of higher inflation. (I think the market got it all wrong last week.)

In response, gold prices plunged 10%, though it can't be overlooked that the precious metal scored another record high earlier on. Indeed, gold's brief ascent past \$5,000 a

troy ounce points to investors desiring a safe harbor asset that is not a U.S. promissory note.

### Much Ado About Nothing?

Needless-to-say, financial markets observe all these policy changes, and perhaps they're actually fine with them, or are farsighted enough to wait for Congress or the next administration to deal with them. It's impossible to know.

In the meantime, Apple's blockbuster results in sales and earnings were, in large part, owing to better-than-expected growth in China. That was the result of President Trump's decision to exempt Apple from reciprocal tariffs which were estimated by Morgan Stanley to reduce its annualized tariff burden to \$7 billion from \$44 billion. At the same time, Canada's mistrust of the U.S. has prompted it to form closer economic ties with China, and Europe is expected to follow suit.

Tariffs and other actions have consequences, and so do words. The world is listening and watching, and it's starting to respond. American exceptionalism may be on the line. ■

— John Bonanzio

### 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.

## Jack's Message *cont'd from page 1*

A portfolio heavily weighted in bonds has the potential to outperform inflation in either situation, making it ideal for retired investors who are using their portfolio to cover most of their living expenses.

### Is There Any Role For Inflation Hedges In An Income Portfolio?

While some strategists would say it makes sense to include gold, inflation-protected bonds or real estate in an income portfolio, I'm not sure it's a good idea in the coming AI era, because we are likely heading into a period where real interest rates move higher. Gold is inversely correlated with real interest rates, and inflation-protected bonds tend to underperform when the rate of inflation declines faster than bond yields. As for real estate, AI could lead to significant re-pricing if robots lower the cost of construction, or if self-driving taxis turn commute time into work time.

Rather than hedging against inflation in what is probably going to be a disinflationary era, the better bet is to simply allocate one-third of an income portfolio to stocks, as we do in our *Income Model*. Stocks will likely exceed inflation by at least 7 percentage points per year over the next two decades. In combination with bonds that deliver modest real returns, it becomes possible to out-

perform inflation by 3-4 percentage points annually.

### Muni Bond Risks Could Rise

Even with rising GDP, the federal government faces a long and ongoing effort to rein in spending, with the states likely paying for a greater share of benefit programs. While many states can raise taxes to service their general obligation debts, the options for higher-tax states may be more limited given retirement migration trends. AI could add to regional risks by repricing real estate, reshaping transportation (reducing the revenue from auto licensing, public transportation and gas taxes), and weakening the job market in states that are heavily reliant on service-sector employment (while strengthening it in areas that embrace manufacturing).

Presumably, yields would rise in places where default risk becomes a bigger concern, allowing municipal bonds to remain an attractive alternative for investors in the top federal bracket who don't mind the added risk. But for everyone else, taxable bonds are likely a better place to be. After all, the whole point of a bond portfolio is to keep portfolio risk as low as possible while staying ahead of inflation. And with pre-tax returns 3-4 percentage points greater than inflation, odds are you'll stay ahead of inflation on an after-tax basis regardless of where you live.

## Indexing Advantage Limited

Unlike stocks, where market capitalization increases in direct proportion to a firm's long-term earnings potential, bond market capitalization does not tell you whether an issuer with a lot of debt is good at managing it.

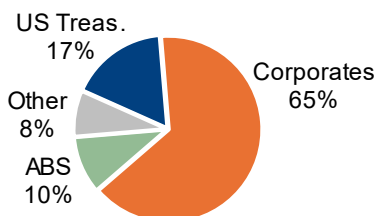
Case in point, the federal government accounts for the biggest slice of the U.S. bond market. For this reason, bond indexing has not become the panacea that stock indexing has. In other words, while you might get away with firing the stock-picker and relying on the combined talent of executives that run the most successful U.S. companies, firing the bond-picker could be somewhat penny-wise and pound-foolish in a non-Treasury fund (especially at Fidelity, where active bond funds often outperform their benchmarks). Given the sometimes pathetic state of the credit-rating agencies, there's just no substitute for doing timely and savvy credit analysis, and if anything, AI is likely to strengthen Fidelity's ability to do so.

What all this suggests, is that a bond portfolio focused on active Fidelity funds that hold a mix of government and corporate debt (including some high yield exposure) is probably the best bet (least likely to disappoint) for the age of AI.

Jack's Message *cont'd on page 12*

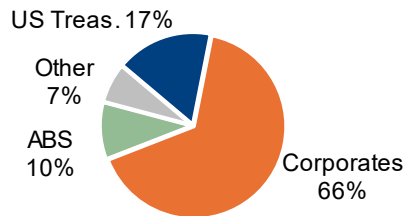
## BOND FUNDS FOR LONG-TERM INCOME

Total Bond\*



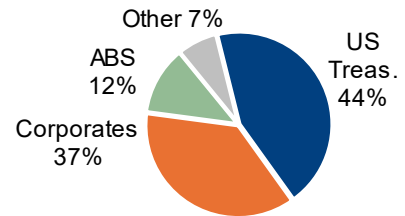
\*Benchmark: Bloomberg 1-5 year Gov't/Credit

Limited Term Bond Fund\*



\*Benchmark: Bloomberg 1-5 year Gov't/Credit

Intermediate Bond\*



\*Benchmark: Bloomberg Interm. Gov't/Credit

These three bond funds could form the backbone of an income-oriented portfolio which would presently yield about 3.2% (see p. 12). While their allocations to government bonds and corporates appear to overlap, the funds differ by credit quality and interest-rate risk. For example, Limited Term Bond has a 22% foreign stake, while Total Bond boosts its yield via a 10% position in high-yield and a sprinkling of emerging-market debt. Note that our long-term recommendation is to hold these three bond funds in addition to a 30% stake in Total Market Index — a stock fund that provides exposure to the entire U.S. equity market.

**FUND COMMENTARY**

## Earnings & Economy Pull Indexes Higher

Though major stock gauges closed out January on a down note, for the month as a whole, the S&P 500 and others performed much like they did the year before, and for the two years before that!

There were, however, some important differences.

Though in late 2025 there were some harbingers that not all Magnificent 7 stocks were destined to rise forever higher, January saw further differences among them. While all have been making massive investments in AI infrastructure, it's becoming evident that their returns on investments will be different in terms of timing and probably magnitude. Given the vast sums invested, investors are growing antsy that earnings growth from capex has been tepid.

A related change to earnings are expectations. By most conventional measures, Microsoft continues to print money. But with fourth-quarter earnings ever-so-slightly below expectations, Wall Street took its stock to the woodshed; shares fell around 10% in a single day.

That said, while companies that beat street expectations saw their share prices rise, with valuations already extended, they likely didn't

get supercharged the way the C-suite and Wall Street would have liked. Nevertheless, earnings growth seems on track to grow above 10% this year, and so the mood on Wall Street was upbeat even as the White House continued to beat the drum for more punitive tariffs (see *Market Outlook* on p. 1).

On the economic front, there were all the usual "let's keep an eye on this barely improving data," but there was nothing that caused any alarm. First-time claims for unemployment remain range-bound, inflation is still hovering around 3.0% (about a percentage point higher than the Fed would like), unemployment is holding steady, there are modest productivity gains, consumers are spending though cranky that food and shelter hasn't gotten any cheaper.

### Market Indexes

Despite occasional market volatility, especially around tech, the Nasdaq Composite ended January up 1.0%. At the same time, the more economically sensitive Dow Industrials managed to gain 1.8% whereas the S&P 500 advanced 1.4%.

Far better results were generated by mid- and small-sized companies which lack the higher valuations of large-caps. (They are also benefiting from solid economic growth and the prospect of two rate-cuts sometime

this year.) To that end, Russell's mid-cap stock gauge rose 3.0% in January while the small-cap Russell 2000 popped 5.4%.

### Stock Funds

Across all investment mandates, 54 Fidelity funds averaged a return of 2.9% last month. By and large, value- and smaller-cap oriented funds fared better than more widely held large-cap growth funds. So when combined, **Value Strategies** (up 8.3%) and **Small Cap Value Index** (up 6.8%) had some extra wind to their backs and so were the month's two top-performing funds.

In sharp contrast to those returns were many of the most familiar funds. Against the backdrop of **Large Cap Growth Index** retreating 1.5% in January, the actively managed **Blue Chip Growth** (down 0.1%), **Growth Strategies** (up 0.1%) and **Trend** (up 0.4%) struggled against widespread selling among certain Big Tech names.

To that end, stockpicking mattered, and it may become even more important if last month's market rotation continues. For example, **OTC** rose 2.3% partly owing to its modest overweight in Nvidia while also underweighting Microsoft (which tumbled more than 10% over an earnings miss).

**Fund Commentary** *cont'd on page 11*

## February Scorecard Rating Changes

Mutual Funds	Ticker	Ratings			Comments
		Old	New		
Blue Chip Value	FBCVX	S	H	↑	Performing better relative to its benchmark.
Founders Fund	FIFNX	<b>B</b>	B	↓	Diverging performances among Magnificent 7 increases importance of good stockpicking.
Sel. Enterprise Tech Svcs	FBSOX	H	S	↓	AI software tools are becoming powerful and disruptive fostering more competition.
Sel. FinTech	FSVLX	H	S	↓	AI software tools are becoming powerful and disruptive fostering more competition.
Sel. Insurance	FSPCX	H	S	↓	AI software tools are becoming powerful and disruptive fostering more competition.
Sel. Software & IT Svcs	FSCSX	H	S	↓	AI software tools are becoming powerful and disruptive fostering more competition.
Small Cap Value IDX	FISVX	H	B	↑	Undervalued small caps are starting to show potential for earnings growth.
Stock Sel Small Cap	FDSCX	H	B	↑	Undervalued small caps are starting to show potential for earnings growth.
U.S. Low Volatility	FULVX	H	S	↓	Fund likely to be merged into an ETF later this year. (We prefer low-volatility Equity-Income.)
Value Discovery	FVDFX	H	B	↑	Performing better relative to its benchmark.
VIP Disciplined Small Cap	FPRGC	H	B	↑	Undervalued small caps are starting to show potential for earnings growth.
Zero Extended Mkt IDX	FZIPX	H	B	↑	Fidelity's proprietary mid-cap benchmark has an attractive value orientation.

**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

JANUARY 31, 2026

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) <sup>1</sup>
					Jan	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	
Comparative Indexes		S&P 500	6939.0		1.4	1.4	1.8	16.3	21.1	15.0	15.6	14.0	1.00
		Nasdaq Composite	23461.8		1.0	1.0	-0.9	20.3	27.5	13.2	18.7	16.7	1.30
		Dow Jones Industrials	48892.5		1.8	1.8	3.2	11.6	14.9	12.4	13.9	12.4	1.03
		Russell 2000 (Small Caps)	2613.7		5.4	5.4	5.7	15.8	12.2	6.2	11.2	9.9	1.67
		Bloomberg Barclays Agg Bond*			0.2	0.2	0.6	6.8	3.6	-0.2	1.9	1.0	0.50
Model Portfolios		Unique Opportunities			2.6	2.6	3.3	16.7	18.9	11.9	15.0	12.5	1.08
		Select			2.4	2.4	3.5	21.7	23.2	13.6	16.5	14.7	1.25
		Growth			2.0	2.0	3.3	16.9	20.3	12.7	15.4	12.8	1.04
		Growth & Income			1.7	1.7	3.5	13.7	14.1	7.8	10.9	9.6	0.70
		Income			1.1	1.1	1.7	8.7	8.2	4.1	5.4	5.2	0.40
											Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
<b>LARGE CAP GROWTH</b>					<b>Average</b>	<b>1.4</b>	<b>1.4</b>	<b>0.7</b>	<b>16.6</b>	<b>26.4</b>	<b>14.3</b>	<b>18.0</b>	<b>1.28</b>
312	FBGRX	Blue Chip Growth	266.81	Buy	-0.1	-0.1	-0.3	17.2	32.2	14.2	20.6	1.46	\$72,498
307	FDCAX	Capital Appreciation	48.01	OK to Buy	4.0	4.0	5.0	18.7	23.1	14.0	16.2	1.12	7,091
22	FCNTX	Contrafund	24.77	Buy	1.9	1.9	3.5	17.7	29.9	16.2	17.8	1.12	162,109
3	FFIDX	Fidelity Fund	113.53	OK to Buy	1.1	1.1	2.5	17.0	24.0	15.0	15.9	1.12	8,849
333	FTQGX	Focused Stock	39.71	Hold	3.5	3.5	2.0	13.0	25.5	14.9	17.8	1.45	4,187
3336	FIFNX	Founders Fund	26.64	OK to Buy ↓	0.6	0.6	0.2	10.8	23.4	12.5	--	1.40	143
25	FDGRX	Growth Company (closed)	49.00	Buy	2.5	2.5	1.7	25.7	32.5	15.6	22.3	1.42	75,203
339	FDSVX	Growth Discovery	70.54	Buy	1.0	1.0	-1.1	13.5	24.4	13.6	18.2	1.22	5,602
2826	FSPGX	Lg Cap Growth Index	45.57	OK to Buy	-1.5	-1.5	-3.9	14.5	27.0	15.1	--	1.26	42,818
21	FMAGX	Magellan	15.02	Hold	0.5	0.5	-2.2	6.6	20.3	12.2	14.6	1.16	26,773
1282	FNCMX	Nasdaq Composite Index	297.77	OK to Buy	1.0	1.0	-1.0	20.3	27.6	13.4	18.7	1.29	23,421
93	FOCPX	OTC	24.83	Buy	2.3	2.3	2.4	22.4	30.1	15.2	20.8	1.29	26,729
320	FDSSX	Stock Selector All Cap	92.21	Hold	2.7	2.7	3.6	19.1	19.9	13.1	15.1	1.08	3,107
5	FTRNX	Trend	199.44	OK to Buy	0.4	0.4	-2.9	16.3	29.5	14.9	18.6	1.55	4,542
<b>LARGE CAP BLEND</b>					<b>Average</b>	<b>2.1</b>	<b>2.1</b>	<b>3.2</b>	<b>17.3</b>	<b>20.1</b>	<b>14.9</b>	<b>15.4</b>	<b>1.04</b>
2328	FXAIX	500 Index	241.16	OK to Buy	1.4	1.4	1.8	16.3	21.1	15.0	15.6	1.00	752,970
315	FDEQX	Disciplined Equity	73.77	Hold	1.9	1.9	0.8	14.4	23.0	13.5	14.5	1.19	2,146
330	FDGFX	Dividend Growth	44.66	Buy	4.9	4.9	7.9	24.0	22.8	17.0	13.8	1.06	8,461
27	FGRIX	Growth & Income	70.24	OK to Buy	2.9	2.9	5.7	20.6	19.2	16.9	15.0	0.95	11,263
338	FLCSX	Large Cap Stock	66.96	OK to Buy	3.2	3.2	6.4	26.2	23.9	19.0	16.6	1.00	7,125
361	FGRTX	Mega Cap Stock	32.21	Buy	3.1	3.1	5.6	25.5	24.4	19.3	16.7	0.96	3,620
300	FMLX	New Millennium	68.30	Buy	1.8	1.8	3.3	16.6	22.1	19.1	15.8	1.08	5,461
6391	FSEBX	Sustainable U.S. Equity	15.45	OK to Sell	1.6	1.6	1.9	14.3	17.5	--	--	1.17	28
2361	FSKAX	Total Market Index	189.75	Buy	1.6	1.6	1.7	15.3	20.2	13.5	15.1	1.05	125,065
5029	FULVX	U.S. Low Volatility Equity	11.75	OK to Sell ↓	0.5	0.5	1.5	2.0	8.3	6.7	--	0.80	21
2941	FITLX	U.S. Sustainability Index	30.93	Hold	1.5	1.5	1.9	18.4	21.8	15.3	--	1.08	5,218
3396	FWOMX	Women's Leadership	19.37	Hold	1.7	1.7	3.7	16.8	15.5	9.9	--	1.16	124
3231	FNILX	Zero Large Cap Index	24.69	OK to Buy	1.2	1.2	1.3	15.8	21.4	14.5	--	1.02	16,504
3227	FZROX	Zero Total Market Index	24.00	OK to Buy	1.5	1.5	1.8	15.5	20.3	13.7	--	1.05	33,489
<b>LARGE CAP VALUE</b>					<b>Average</b>	<b>3.8</b>	<b>3.8</b>	<b>8.4</b>	<b>15.9</b>	<b>12.3</b>	<b>12.3</b>	<b>11.0</b>	<b>0.98</b>
1271	FBCVX	Blue Chip Value	26.76	Hold ↑	3.7	3.7	9.1	14.1	8.1	10.6	8.8	0.98	574
319	FEQTX	Equity Dividend Income	30.83	OK to Buy	3.8	3.8	8.8	14.8	11.9	12.6	11.2	0.98	5,748
23	FEQIX	Equity-Income	86.69	Buy	3.7	3.7	7.6	18.2	14.9	13.4	12.5	0.90	10,035
2830	FLCOX	Lg Cap Value Index	21.64	Hold	4.5	4.5	8.0	15.8	13.7	12.5	--	1.07	12,560
708	FSLVX	Stock Sel Large Cap Value	30.09	Buy	3.2	3.2	7.4	14.0	14.8	14.0	11.9	1.03	633
832	FVDFX	Value Discovery	40.18	OK to Buy ↑	3.8	3.8	9.2	18.5	10.5	10.8	10.6	0.92	3,256
<b>MID-CAP GROWTH</b>					<b>Average</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-4.2</b>	<b>3.7</b>	<b>16.2</b>	<b>8.0</b>	<b>12.9</b>	<b>1.53</b>
324	FDEGX	Growth Strategies	68.34	OK to Buy	0.1	0.1	-4.1	6.1	17.5	9.5	12.9	1.57	3,751
3403	FMDGX	Mid Cap Growth Index	34.76	OK to Buy	-0.9	-0.9	-4.3	1.2	15.0	6.5	--	1.49	3,622
<b>MID-CAP BLEND</b>					<b>Average</b>	<b>3.6</b>	<b>3.6</b>	<b>5.2</b>	<b>10.3</b>	<b>12.4</b>	<b>9.3</b>	<b>12.3</b>	<b>1.40</b>
2365	FSMAX	Extended Market Index	103.09	OK to Buy	2.4	2.4	1.4	8.7	14.7	6.1	12.3	1.55	40,627
2352	FSMDX	Mid Cap Index	38.06	Hold	3.1	3.1	4.1	9.3	12.5	9.4	12.1	1.28	46,866
337	FMCSX	Mid-Cap Stock	48.04	Buy	3.4	3.4	6.7	10.6	11.2	12.2	12.9	1.27	7,180
2412	FSSMX	Stock Selector Mid Cap	48.18	Hold	4.5	4.5	7.4	9.5	11.3	10.0	12.0	1.38	333
3230	FZIPIX	Zero Extended Market Index	15.84	OK to Buy ↑	4.7	4.7	6.3	13.4	12.5	8.5	--	1.51	2,183

**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. <sup>1</sup>Relative Volatility (Rel Vol) versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. <sup>2</sup>Duration is a measure of interest rate sensitivity. <sup>3</sup>Stated yield is actual distributed yield over prior 12 months. <sup>4</sup>Almost a Specialty fund with 30%+ typically in foreign stocks. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

# FIDELITY SCORECARD

JANUARY 31, 2026

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
					Jan	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
<b>MID-CAP VALUE</b>					<b>Average</b>	<b>5.8</b>	<b>5.8</b>	<b>10.4</b>	<b>14.6</b>	<b>12.2</b>	<b>12.8</b>	<b>11.9</b>	<b>1.37</b>	
316	FLPSX	Low-Priced Stock <sup>5</sup>	43.08	Buy	4.5	4.5	8.3	16.5	11.7	11.1	11.3	1.05	\$21,806	
762	FSMVX	Mid Cap Value	33.10	Hold	5.8	5.8	11.9	15.5	14.9	14.8	11.2	1.51	1,373	
3404	FIMVX	Mid Cap Value Index	30.64	Hold	4.3	4.3	6.8	11.8	10.9	10.8	--	1.30	1,893	
39	FDVLX	Value	14.61	Hold	6.0	6.0	12.3	14.7	11.8	13.7	12.6	1.50	8,256	
14	FSLSX	Value Strategies	59.37	Hold	8.3	8.3	12.8	14.8	11.8	13.5	12.6	1.50	654	
<b>SMALL CAP GROWTH</b>					<b>Average</b>	<b>3.9</b>	<b>3.9</b>	<b>2.8</b>	<b>12.5</b>	<b>14.2</b>	<b>4.6</b>	<b>14.4</b>	<b>1.63</b>	
1388	FCPGX	Small Cap Growth (closed)	36.33	Hold	3.9	3.9	3.7	11.0	14.9	6.1	14.4	1.56	3,071	
3405	FECCX	Small Cap Growth Index	32.39	Buy	4.0	4.0	2.0	13.9	13.5	3.1	--	1.69	1,187	
<b>SMALL CAP BLEND</b>					<b>Average</b>	<b>4.7</b>	<b>4.7</b>	<b>8.0</b>	<b>14.5</b>	<b>12.2</b>	<b>8.6</b>	<b>11.2</b>	<b>1.56</b>	
384	FSCRX	Small Cap Discovery	24.17	Hold	3.8	3.8	9.3	9.9	9.2	9.9	10.2	1.51	2,220	
2358	FSSNX	Small Cap Index	32.59	Hold	5.4	5.4	5.8	15.9	12.3	6.3	11.4	1.67	29,726	
340	FSLCX	Small Cap Stock	19.16	Hold	3.8	3.8	7.1	15.1	12.3	7.4	10.0	1.52	1,243	
336	FDSCX	Stock Selector Small Cap	44.72	OK to Buy↑	5.6	5.6	9.9	17.2	14.8	10.7	13.1	1.53	2,907	
<b>SMALL CAP VALUE</b>					<b>Average</b>	<b>5.9</b>	<b>5.9</b>	<b>9.5</b>	<b>13.4</b>	<b>10.4</b>	<b>10.2</b>	<b>11.0</b>	<b>1.65</b>	
1389	FCPVX	Small Cap Value	20.98	Hold	4.9	4.9	9.0	8.9	9.9	11.1	11.0	1.60	2,555	
3406	FISVX	Small Cap Value Index	30.13	OK to Buy↑	6.8	6.8	10.1	18.0	10.9	9.3	--	1.70	1,775	
<b>REAL ESTATE</b>														
1368	FIREX	International Real Estate	11.04	Hold	4.2	4.2	7.5	25.5	4.5	0.0	5.2	1.25	167	
833	FRIFX	Real Estate Income	12.30	Hold	0.8	0.8	1.8	7.0	6.3	5.2	6.1	0.58	1,266	
2355	FSRNX	Real Estate Index	16.57	Hold	2.6	2.6	2.8	4.0	4.0	5.2	4.5	1.40	2,985	
303	FRESX	Real Estate Investment	39.08	Hold	3.3	3.3	3.2	4.3	3.9	6.2	5.6	1.33	2,872	
<b>ASSET ALLOCATION</b>														
328	FASIX	Asset Manager 20%	14.55	Hold	1.3	1.3	1.9	9.7	6.9	3.4	4.6	0.44	3,023	
1957	FTANX	Asset Manager 30%	12.99	Hold	1.6	1.6	2.3	11.6	8.3	4.3	5.8	0.52	1,337	
1958	FFANX	Asset Manager 40%	14.35	Hold	2.0	2.0	2.8	13.4	9.7	5.3	7.0	0.59	1,760	
314	FASMX	Asset Manager 50%	22.33	Hold	2.3	2.3	3.2	15.3	11.1	6.3	8.0	0.67	7,471	
1959	FSANX	Asset Manager 60%	17.52	Hold	2.6	2.6	3.6	17.0	12.4	7.2	9.0	0.74	2,525	
321	FASGX	Asset Manager 70%	31.00	Hold	3.0	3.0	4.0	18.7	13.9	8.4	10.1	0.80	4,802	
347	FAMRX	Asset Manager 85%	31.35	Hold	3.6	3.6	4.7	21.5	16.0	10.0	11.7	0.90	2,870	
304	FBALX	Balanced	32.71	Buy	1.8	1.8	2.5	15.1	15.9	10.0	11.8	0.77	43,660	
3083	FMSDX	Multi-Asset Income	15.98	Hold	3.4	3.4	0.8	15.1	11.0	8.1	9.6	0.73	1,328	
355	FFNOX	Multi-Asset Index	68.61	Hold	2.9	2.9	3.7	19.9	15.9	10.0	11.4	0.89	9,953	
4	FPURX	Puritan	26.58	Buy	2.0	2.0	2.7	11.3	15.7	10.1	11.4	0.82	29,303	
6477	FYMRX	Sustainable Multi-Asset	12.17	Hold	2.9	2.9	3.5	19.8	14.1	--	--	0.81	70	
<b>INTERNATIONAL</b>					<b>Average</b>	<b>5.9</b>	<b>5.9</b>	<b>7.7</b>	<b>33.3</b>	<b>16.5</b>	<b>8.3</b>	<b>10.7</b>	<b>1.10</b>	
309	FICDX	Canada	78.17	Hold	-0.0	-0.0	6.8	23.2	13.4	13.9	11.6	1.04	1,022	
352	FHKCX	China Region	60.38	Hold	10.8	10.8	9.4	55.2	19.5	3.7	13.4	1.58	1,568	
325	FDIVX	Diversified International	51.23	Hold	5.3	5.3	7.9	28.2	15.8	8.1	9.5	1.00	12,813	
351	FSEAX	Emerging Asia	72.13	Hold	8.9	8.9	7.7	49.4	22.2	2.6	14.3	1.37	1,699	
322	FEMKX	Emerging Markets	53.22	Hold	6.7	6.7	5.6	37.9	15.8	4.3	11.5	1.18	6,086	
2374	FEDDX	Emerging Mkts Discovery	20.87	Hold	8.7	8.7	11.7	43.2	15.7	9.1	11.2	1.12	447	
2344	FPADX	Emerging Markets Index	14.80	Hold	8.2	8.2	8.8	42.5	16.0	5.0	9.8	1.14	13,607	
5031	FEOPX	Enduring Opportunities												
301	FIEUX	Europe	48.61	Hold	4.2	4.2	8.5	34.4	16.5	7.8	8.8	1.06	969	
2406	FGILX	Global Equity Income	25.44	Buy	2.3	2.3	4.8	24.1	16.8	12.3	11.9	0.86	320	
2348	FSGGX	Global ex U.S. Index	19.70	Hold	5.6	5.6	8.6	35.2	16.4	9.2	9.7	0.98	17,512	
7615	FICQX	International Cap App	37.38	Hold	4.6	4.6	4.5	18.7	16.0	7.3	10.7	1.07	4,222	
305	FIGRX	International Discovery	60.84	Hold	6.5	6.5	6.7	30.3	17.1	7.7	9.4	1.06	4,725	
1979	FIGFX	International Growth	23.95	Hold	5.4	5.4	4.6	16.6	12.9	7.3	9.9	1.14	1,748	
2363	FSPSX	International Index	63.84	Hold	5.0	5.0	8.7	32.0	16.1	10.5	9.6	1.02	78,428	
818	FISMX	International Small Cap	38.46	Hold	4.5	4.5	8.3	28.3	13.1	8.1	9.7	0.96	1,771	
1504	FSCOX	Int'l Small Cap Opps	22.47	Hold	3.0	3.0	6.4	24.8	13.5	5.9	9.5	1.16	890	
2988	FNIDX	International Sustainability Idx	16.02	Hold	5.0	5.0	7.0	31.8	14.8	7.4	--	0.99	727	
1597	FIVLX	International Value	14.83	OK to Buy	5.0	5.0	11.1	43.5	20.7	15.4	9.8	1.00	2,152	
350	FJPNX	Japan	21.32	Hold	7.8	7.8	6.9	40.1	17.9	7.5	10.4	1.14	268	
360	FJSCX	Japan Smaller Companies	17.80	Hold	6.1	6.1	8.7	35.5	16.4	7.9	8.8	1.07	395	
342	FNORX	Nordic	70.78	Hold	7.9	7.9	12.9	29.3	14.7	7.7	10.5	1.22	361	
94	FOSFX	Overseas	74.50	Hold	3.4	3.4	3.3	18.0	13.5	7.9	9.4	1.06	5,800	
302	FPBFX	Pacific Basin	42.24	Hold	9.0	9.0	7.5	44.2	18.6	7.3	12.3	1.23	1,071	
6468	FSYJX	Sustainable Emerg Mkts Eqty	12.87	Hold	9.3	9.3	9.6	49.1	17.4	--	--	1.25	19	
6462	FSYRX	Sustainable Int'l Equity	12.20	Hold	5.4	5.4	7.1	28.9	14.9	--	--	0.99	21	
1978	FTIEX	Total International Equity	15.83	Hold	6.3	6.3	8.8	34.8	17.1	10.1	10.9	0.99	1,308	
2834	FTIHX	Total International Index	18.30	Hold	5.7	5.7	8.8	35.4	16.1	9.0	--	0.98	21,792	
318	FWWFX	Worldwide	37.57	Hold	3.5	3.5	3.1	16.3	21.9	11.6	14.2	1.22	3,104	
3228	FZILX	Zero International Index	15.59	OK to Buy	5.8	5.8	8.9	35.9	16.8	9.5	--	0.99	9,294	

# FIDELITY SCORECARD

JANUARY 31, 2026

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)
					Jan	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year		
<b>SPECIALTY</b>													
6041	FARMX	Agricultural Productivity	20.24	OK to Sell	11.8	11.8	14.7	12.0	-0.3	6.5	--	1.47	\$39
6385	FCAEX	Climate Action	15.40	Hold	3.5	3.5	4.1	21.3	19.8	--	--	1.24	42
308	FCV SX	Convertible Securities	38.30	OK to Buy	5.0	5.0	2.8	20.4	14.8	7.5	12.9	0.90	1,883
2120	FFGCX	Global Commodity Stock	25.32	OK to Sell	12.4	12.4	21.6	39.5	10.4	16.5	14.5	1.42	510
6553	FAPHX	Healthy Future Fund	14.19	OK to Buy	1.1	1.1	1.6	6.5	11.1	--	--	1.01	8
6875	FEQHX	Hedged Equity	15.06	OK to Sell	1.0	1.0	-0.0	13.2	15.7	--	--	0.80	282
3488	FNSTX	Infrastructure Fund	17.30	OK to Buy	3.1	3.1	1.0	28.3	16.2	10.5	--	1.09	132
122	FLVCX	Leveraged Company Stock	45.39	OK to Buy	3.3	3.3	0.7	18.4	22.2	14.0	14.8	1.54	2,474
6513	FAPSX	Risk Parity	11.54	OK to Sell	4.8	4.8	6.6	23.4	11.5	--	--	0.82	8
1329	FSDIX	Strategic Dividend & Income	18.29	OK to Buy	3.9	3.9	5.5	14.5	11.0	9.0	10.0	0.80	3,148
1505	FSRRX	Strategic Real Return	9.17	Hold	3.5	3.5	5.4	12.3	7.0	7.1	6.0	0.47	283
311	FIUIX	Telecom & Utilities	34.39	Hold	1.8	1.8	-1.8	11.6	14.8	11.7	11.0	1.13	1,409
6042	FLOWX	Water Sustainability	20.51	Hold	5.3	5.3	6.5	20.8	14.8	10.7	--	1.34	161
<b>SELECT PORTFOLIOS</b>					<b>Average</b>	<b>2.9</b>	<b>2.9</b>	<b>5.2</b>	<b>17.2</b>	<b>16.2</b>	<b>11.8</b>	<b>13.6</b>	<b>1.55</b>
502	FSAVX	Automotive	61.97	Hold	3.1	3.1	4.8	17.3	14.1	5.8	13.1	1.54	68
507	FSRBX	Banking	35.36	OK to Buy	4.1	4.1	13.9	16.6	17.3	15.7	12.7	2.25	480
42	FBIOX	Biotechnology	25.50	Buy	1.5	1.5	8.9	34.2	16.6	3.7	10.5	1.67	5,264
68	FSLBX	Brokerage & Investment	188.54	OK to Buy	-1.2	-1.2	1.1	-3.0	17.9	16.5	16.5	1.70	1,164
69	FSCHX	Chemicals	13.14	Hold	9.7	9.7	11.3	-4.8	-0.6	4.3	7.5	1.56	403
503	FBMPX	Communication Services	145.76	Buy	4.5	4.5	6.9	29.1	36.5	16.1	16.9	1.33	2,434
511	FSHOX	Construction & Housing	128.46	OK to Buy	6.8	6.8	3.5	7.4	15.4	14.8	16.1	1.78	717
517	FSCPX	Consumer Discretionary	70.33	Buy	1.8	1.8	2.4	4.4	18.3	8.3	13.1	1.57	509
9	FDFAX	Consumer Staples	88.95	Hold	6.9	6.9	9.1	4.5	3.7	6.0	6.4	0.98	669
67	FSDAX	Defense & Aerospace	27.45	OK to Buy	6.1	6.1	7.3	48.2	27.8	20.8	16.8	1.39	3,841
60	FSENX	Energy	70.58	Hold	14.7	14.7	17.0	23.3	8.5	26.6	9.6	1.64	2,035
353	FBSOX	Enterprise Technology Serv	44.82	OK to Sell	-7.0	-7.0	-8.0	-16.3	5.8	-0.0	10.5	1.34	1,149
516	FSLEX	Environment & Alt Energy	48.85	OK to Buy	3.3	3.3	1.9	20.5	21.3	12.7	14.6	1.40	620
66	FIDSX	Financials	16.01	Buy	0.3	0.3	7.6	8.6	17.0	16.8	14.4	1.56	1,047
98	FSVLX	FinTech	17.32	OK to Sell	-10.9	-10.9	-10.5	-16.0	6.6	3.5	8.6	1.62	92
41	FSAGX	Gold	64.67	Sell	10.6	10.6	33.3	137.5	40.3	20.2	18.6	2.62	4,145
63	FSPHX	Health Care	28.45	Buy	0.1	0.1	5.2	8.1	6.8	3.6	10.3	1.22	6,278
505	FSHCX	Health Care Services	98.25	Hold	-4.2	-4.2	-3.0	-10.9	-4.2	1.2	8.6	1.73	808
9108	FIDRX	Industrials (Advisor Industrials)	64.74	Buy	6.0	6.0	6.3	24.6	24.1	17.5	14.3	1.61	866
45	FSPCX	Insurance	88.82	OK to Sell	-1.6	-1.6	5.4	-0.7	12.4	16.4	13.1	1.32	685
62	FDSLX	Leisure	17.36	Hold	-2.3	-2.3	1.7	-4.9	11.2	10.8	12.3	1.39	556
509	FSDPX	Materials	99.68	Hold	8.6	8.6	15.1	15.1	4.8	8.8	9.6	1.49	462
354	FSMEX	Medical Tech & Devices	58.54	OK to Buy	-2.8	-2.8	-0.0	-5.3	2.9	0.1	11.8	1.42	3,910
514	FNARX	Natural Resources	58.72	Hold	11.8	11.8	17.5	40.6	13.9	25.7	11.6	1.48	826
580	FPHAX	Pharmaceuticals	31.59	OK to Buy	2.2	2.2	10.8	28.4	17.9	12.8	11.1	1.47	1,431
46	FSRPX	Retailing	18.56	OK to Buy	3.6	3.6	5.5	0.5	14.4	6.9	14.0	1.29	2,503
8	FSELX	Semiconductors	48.23	OK to Buy	11.5	11.5	8.7	62.7	50.6	32.7	33.1	2.46	32,527
28	FSCSX	Software & IT Services	21.61	OK to Sell	-14.3	-14.3	-19.1	-14.1	10.9	5.0	15.6	1.82	7,746
7	FDCPX	Tech Hardware	147.25	OK to Buy	9.0	9.0	5.9	46.8	31.9	16.9	21.9	1.23	1,629
64	FSPTX	Technology	42.14	Buy	1.7	1.7	-3.1	28.5	34.0	15.8	24.0	1.68	19,712
96	FSTCX	Telecommunications	64.32	OK to Buy	9.0	9.0	5.3	22.4	12.1	5.1	7.9	1.40	177
512	FSRFX	Transportation	113.63	Hold	3.0	3.0	7.6	8.6	10.8	11.8	12.6	1.47	482
65	FSUTX	Utilities	132.80	Hold	1.2	1.2	-3.1	13.7	14.6	12.9	12.3	1.32	2,236
963	FWRLX	Wireless	12.22	OK to Buy	2.7	2.7	0.5	9.6	13.7	5.7	12.7	1.06	295
<b>SECTOR ETFs</b>					<b>Average</b>	<b>4.0</b>	<b>4.0</b>	<b>5.6</b>	<b>13.1</b>	<b>14.5</b>	<b>12.2</b>	<b>12.4</b>	<b>1.36</b>
	FCOM	MSCI Communication Services	75.45	OK to Buy	3.0	3.0	7.0	20.8	29.5	11.7	12.9	1.17	1,920
	FDIS	MSCI Consumer Discretionary	103.56	Buy	1.4	1.4	1.0	3.1	17.5	8.0	14.8	1.56	1,970
	FSTA	MSCI Consumer Staples	52.86	Hold	7.5	7.5	9.5	7.6	8.3	8.8	8.4	0.96	1,320
	FENY	MSCI Energy	28.28	Hold	14.2	14.2	16.5	20.0	8.3	25.9	9.6	1.63	1,280
	FNCL	MSCI Financials	76.22	Buy	-2.0	-2.0	3.1	5.8	15.9	15.0	13.7	1.45	2,420
	FHLC	MSCI Health Care	74.13	Buy	-0.2	-0.2	6.9	7.8	6.9	6.1	10.6	1.16	2,830
	FIDU	MSCI Industrials	88.85	Buy	7.7	7.7	7.1	22.0	20.1	15.9	15.1	1.39	1,540
	FTEC	MSCI Information Technology	222.96	Buy	-0.8	-0.8	-5.6	22.1	29.9	17.3	23.0	1.55	16,670
	FMAT	MSCI Materials	57.66	Hold	8.6	8.6	15.8	16.0	8.3	10.0	12.3	1.49	451
	FREL	MSCI Real Estate	27.59	Hold	2.6	2.6	2.7	4.1	4.0	5.2	6.3	1.40	1,080
	FUTY	MSCI Utilities	56.07	Hold	1.5	1.5	-2.0	14.9	11.0	10.1	10.1	1.26	2,160

# FIDELITY SCORECARD JANUARY 31, 2026

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				SEC %Yield	Dur <sup>2</sup> (Yrs)	Rel Vol (Risk) <sup>1</sup>			
					Jan	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr						
<b>TAXABLE BOND</b>					<i>Average</i>			<b>0.2</b>	<b>0.2</b>	<b>0.6</b>	<b>6.1</b>	<b>3.9</b>	<b>0.3</b>	<b>1.9</b>	<b>3.93</b>	<b>4.9</b>	<b>0.40</b>
2268	FCNVX	Conservative Income Bond	10.07	Buy	0.3	0.3	1.0	4.4	5.2	3.5	2.6	3.81	0.3	0.03			
2208	FCBFX	Corporate Bond	10.76	Hold	0.3	0.3	0.6	7.4	5.0	0.2	3.5	4.55	6.8	0.57			
6379	FFEBX	Environmental Bond	8.59	Hold	0.2	0.2	0.4	6.4	3.5	--	--	3.83	5.9	0.50			
2423	FGBFX	Global Credit															
<b>LIQUIDATED</b>																	
15	FGMNX	GNMA (Ginnie Mae)	10.42	Hold	0.7	0.7	1.3	7.9	3.9	0.3	1.4	3.64	4.7	0.55			
54	FGOVX	Government Income	9.24	Hold	0.0	0.0	0.3	6.1	2.8	-0.8	1.0	3.67	5.7	0.49			
2418	FIPDX	Inflation-Protected Index	9.16	Hold	0.5	0.5	0.1	6.1	3.7	1.1	2.9	4.18*	6.5	0.38			
32	FTHRXX	Intermediate Bond	10.36	Buy	0.1	0.1	0.8	6.4	4.5	1.0	2.4	3.81	3.7	0.31			
452	FSTGX	Intermediate Gov't Income	9.91	Hold	0.1	0.1	0.6	5.6	3.4	0.2	1.3	3.32	3.6	0.33			
3045	FUAMX	Intermediate Treasury Index	9.81	Hold	-0.1	-0.1	0.2	7.1	3.1	-0.8	1.3	4.00	6.1	0.53			
4506	FBIIIX	International Bond Index	9.22	Hold	0.5	0.5	-0.1	2.8	4.5	0.4	--	2.99	6.9	0.29			
26	FBNDX	Investment Grade Bond	7.29	OK to Buy	0.0	0.0	0.3	6.7	3.9	0.1	2.7	4.16	6.0	0.50			
2622	FJRLX	Limited Term Bond	11.65	Buy	0.3	0.3	1.2	6.3	5.5	2.1	2.7	4.16	2.5	0.20			
662	FFXSX	Limited Term Government	9.76	OK to Buy	0.2	0.2	0.9	5.3	4.0	1.0	1.4	3.39	2.6	0.24			
3047	FNBGX	Long-Term Treasury Index	9.25	OK to Sell	-0.1	-0.1	-1.8	4.6	-1.7	-6.7	-0.6	4.84	14.6	1.11			
40	FMSFX	Mortgage Securities	10.04	Hold	0.5	0.5	1.1	8.2	3.8	0.0	1.4	3.89	5.3	0.59			
450	FSHBX	Short-Term Bond	8.53	Buy	0.3	0.3	1.1	5.3	4.9	2.2	2.2	3.74	1.8	0.14			
3041	FNSOX	Short-Term Bond Index	10.11	OK to Buy	0.2	0.2	0.9	5.6	4.5	1.6	--	3.77	2.5	0.22			
3049	FUMBX	Short-Term Treasury Index	10.36	OK to Buy	0.2	0.2	1.0	5.5	4.1	1.3	1.7	3.62	2.5	0.23			
3086	FNDSX	Sustainability Bond Index	9.40	Hold	0.3	0.3	0.6	6.8	3.6	-0.3	--	4.11	5.7	0.49			
6541	FIAEX	Sustainable Core Plus Bond	9.41	Hold	0.2	0.2	0.5	6.7	4.0	--	--	4.13	5.8	0.50			
6526	FAPGX	Sustainable Low Dur Bond	10.21	Buy	0.4	0.4	1.0	4.5	5.0	--	--	3.80	0.5	0.03			
6502	FBAGX	Tactical Bond	8.92	Hold	0.3	0.3	0.4	7.3	4.2	--	--	4.57	6.3	0.49			
820	FTBFX	Total Bond	9.66	OK to Buy	0.2	0.2	0.5	7.0	4.5	0.7	3.0	4.41	5.9	0.48			
2326	FXNAX	U.S. Bond Index	10.55	OK to Buy	0.2	0.2	0.6	6.8	3.6	-0.2	1.9	4.13	5.8	0.50			
<b>HIGH-YIELD BOND</b>					<i>Average</i>			<b>0.9</b>	<b>0.9</b>	<b>1.8</b>	<b>9.2</b>	<b>8.9</b>	<b>4.7</b>	<b>5.8</b>	<b>5.39</b>	<b>2.6</b>	<b>0.38</b>
38	FAGIX	Capital & Income	11.00	OK to Buy	1.6	1.6	2.2	12.0	11.1	7.3	8.5	4.16	1.7	0.47			
814	FFRHXX	Floating Rate High Income	9.06	OK to Buy	0.1	0.1	1.1	4.9	8.0	6.1	5.6	6.43	0.2	0.18			
1366	FHIFX	Focused High Income	8.33	OK to Buy	0.6	0.6	1.8	8.2	7.5	3.4	5.2	5.38	2.5	0.37			
455	SPHIX	High Income	8.13	OK to Buy	0.8	0.8	2.1	9.2	9.1	4.4	6.1	6.34	2.6	0.40			
331	FNMIX	New Markets Income	13.93	OK to Buy	1.5	1.5	2.7	14.1	11.0	3.6	4.9	5.35	5.6	0.56			
2580	FSAHX	Short Duration High Income	8.99	OK to Buy	0.7	0.7	1.8	7.3	8.1	4.6	5.3	5.92	1.5	0.25			
3082	FADMXX	Strategic Income	12.13	OK to Buy	0.7	0.7	1.0	8.5	7.2	3.3	5.0	4.13	4.1	0.41			
<b>MUNICIPAL BOND</b>					<i>Average</i>			<b>0.7</b>	<b>0.7</b>	<b>1.3</b>	<b>4.9</b>	<b>3.4</b>	<b>1.1</b>	<b>2.1</b>	<b>2.85</b>	<b>5.6</b>	<b>0.42</b>
434	FSAZX	Arizona Muni Income	11.63	Hold	0.6	0.6	1.1	4.4	3.2	0.8	2.0	2.88	6.0	0.44			
1534	FCSTX	Calif Limited Term Tax Free	10.61	Hold	0.9	0.9	1.3	4.8	3.0	1.2	1.5	2.29	3.1	0.26			
91	FCTFX	California Muni Income	12.44	Hold	0.9	0.9	1.2	5.4	3.6	1.1	2.3	3.01	7.4	0.48			
407	FICNX	Connecticut Muni Income	11.17	Hold	0.8	0.8	1.4	5.2	3.3	1.0	2.1	2.56	5.1	0.46			
2579	FMNDX	Conservative Income Muni	10.08	Buy	0.3	0.3	0.9	3.2	3.4	2.2	1.7	2.21	0.6	0.05			
36	FLTMX	Interm Municipal Income	10.34	Hold	0.9	0.9	1.4	5.5	3.5	1.3	2.3	2.77	5.1	0.37			
404	FSTFX	Limited Term Muni Income	10.67	OK to Buy	0.7	0.7	1.3	4.6	3.3	1.3	1.7	2.50	2.6	0.22			
429	SMDMX	Maryland Muni Income	11.02	Hold	0.8	0.8	1.4	5.4	3.4	1.0	2.1	2.79	6.1	0.49			
70	FDMMX	Mass Muni Income	11.55	Hold	0.7	0.7	1.3	4.6	3.1	0.6	1.9	2.97	6.9	0.44			
81	FMHTX	Michigan Muni Income	11.69	Hold	0.5	0.5	1.1	4.6	3.3	0.8	2.1	3.15	6.7	0.47			
82	FIMIX	Minnesota Muni Income	11.28	Hold	0.7	0.7	1.4	5.2	3.1	0.8	2.0	2.65	5.7	0.44			
37	FHIGX	Municipal Income	12.39	Hold	0.7	0.7	1.1	4.7	3.5	0.9	2.5	3.24	7.1	0.51			
416	FNJHX	New Jersey Muni Income	11.82	Hold	1.0	1.0	1.4	5.5	3.9	1.3	2.9	2.83	6.2	0.49			
71	FTFMX	New York Muni Income	12.50	Hold	0.7	0.7	1.2	4.6	3.4	0.9	2.1	3.26	8.0	0.54			
88	FOHFX	Ohio Muni Income	11.60	Hold	0.7	0.7	1.3	4.9	3.3	0.9	2.1	2.95	6.2	0.45			
402	FPXTX	Pennsylvania Muni Income	10.61	Hold	0.6	0.6	1.1	4.3	3.3	0.8	2.2	3.05	6.5	0.48			
6532	FSIKX	Sustainable Intermed Muni	10.34	Hold	0.8	0.8	1.3	5.6	3.7	--	--	--	5.0	0.41			
90	FTABX	Tax-Free Bond	11.13	Hold	0.8	0.8	1.2	5.0	3.7	1.0	2.6	3.30	7.1	0.51			

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. \* 12-month distributed yield; <sup>1</sup>Closed to new accounts; <sup>2</sup>Name changed to Premium Class shares (formerly AMT). <sup>3</sup>IT Services has been renamed **Enterprise Technology Services**.

<b>TAXABLE GOV'T MONEY MARKETS</b>			Total Return (%)		SEC %Yield
			Jan	YTD	
55	FDRXX	Gov't Cash Reserves	0.29	0.29	3.41
458	SPAXX	Government MM	0.28	0.28	3.33
2742	FZFXX	Treasury MM	0.28	0.28	3.34
415	FDLXX	Treasury Only MM	0.29	0.29	3.34
<b>PRIME MONEY MARKETS</b>					
454	SPRXX	Money Market	0.29	0.29	3.39
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).					

<b>NATIONAL MUNICIPAL MONEY MKTS</b>			Total Return (%)		SEC %Yield
			Jan	YTD	
10	FTEXX	Municipal Money Market	0.13	0.13	1.53
275	FMOXX	Tax-Exempt MM	0.12	0.12	1.42
<b>STATE MUNICIPAL MONEY MARKETS</b>					
457	FSPXX	California Muni MM <sup>2</sup>	0.11	0.11	1.40
426	FMSXX	Massachusetts Muni MM <sup>2</sup>	0.12	0.12	1.55
423	FSJXX	New Jersey Muni MM <sup>2</sup>	0.12	0.12	1.54
422	FSNXX	New York Muni MM <sup>2</sup>	0.12	0.12	1.52
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

JANUARY 31, 2026

Fund No.	Fund Ticker	Fund Name	Style	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>
						Jan	YTD	3 Mo.	1 Year	3 Year	5 Year	10 Year	
<b>FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS</b>													
Model Portfolios	Annuity Sector Model					2.1	2.1	2.8	19.3	22.6	13.8	16.5	1.21
	Annuity Growth Model					1.8	1.8	2.5	16.6	20.7	12.9	15.6	1.09
	Annuity Growth & Income Model					1.1	1.1	2.0	12.6	13.7	7.5	10.3	0.76
	Annuity Income Model					0.9	0.9	1.4	8.1	7.3	3.8	5.3	0.43
9067	FLRQC	Fid VIP Asset Manager	Allocation	34.11	Hold	2.3	2.3	3.2	14.9	10.6	5.9	7.5	0.67
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation	40.87	Hold	3.0	3.0	4.0	18.3	13.4	8.0	9.6	0.80
9069	FJBAC	Fid VIP Balanced	Allocation	55.22	Buy	1.8	1.8	2.4	14.8	15.5	9.7	11.4	0.77
9461	FBIQC	Fid VIP Bond Index	Bond	11.36	OK to Buy	0.2	0.2	0.4	6.4	3.2	-0.6	--	0.50
9173	FVTAC	Fid VIP Communication Services	Sector	58.73	Buy	4.5	4.5	6.5	28.3	36.4	15.9	15.9	1.34
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	74.73	Buy	1.7	1.7	2.3	4.1	18.0	8.2	12.9	1.58
9171	FCSAC	Fid VIP Consumer Staples	Sector	41.75	Hold	6.8	6.8	9.1	4.1	3.4	5.6	6.3	0.98
9065	FPDFC	Fid VIP Contrafund	Large Growth	88.46	Buy	1.6	1.6	2.4	17.7	27.2	15.6	16.4	1.11
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	45.54	OK to Buy	5.0	5.0	6.6	19.2	16.5	10.2	11.6	1.67
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	91.31	OK to Buy	4.0	4.0	5.0	18.8	23.0	13.9	15.9	1.11
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	23.28	Hold	10.7	10.7	13.1	53.1	19.5	6.9	12.4	1.33
9085	FJLLC	Fid VIP Energy	Sector	29.92	Hold	14.6	14.6	16.8	23.0	8.2	26.2	9.3	1.64
9061	FLOLC	Fid VIP Equity-Income	Large Value	49.49	Buy	3.7	3.7	7.6	17.9	14.5	13.2	12.2	0.91
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	18.69	OK to Buy	4.6	4.6	6.3	12.9	11.8	8.0	--	1.52
9083	FONNC	Fid VIP Financials	Sector	35.37	Buy	0.2	0.2	7.5	8.3	16.7	16.4	14.1	1.56
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	16.34	OK to Buy	0.1	0.1	1.1	4.4	7.5	5.5	5.2	0.18
9157	FMPAC	Fid VIP FundsManager 20	Allocation	20.90	Hold	1.1	1.1	1.6	8.9	6.5	3.2	4.2	0.43
9158	FMPBC	Fid VIP FundsManager 50	Allocation	30.40	Hold	2.2	2.2	2.9	14.3	10.4	6.1	7.5	0.67
9197	FMPCC	Fid VIP FundsManager 60	Allocation	31.02	Hold	2.5	2.5	3.3	15.8	11.6	7.1	8.6	0.74
9159	FMPDC	Fid VIP FundsManager 70	Allocation	36.95	Hold	2.9	2.9	3.7	17.3	13.0	8.2	9.7	0.80
9160	FMPDC	Fid VIP FundsManager 85	Allocation	41.93	Hold	3.4	3.4	4.4	19.9	14.9	9.8	11.2	0.90
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	13.53	--	0.3	0.3	0.9	3.8	4.4	2.9	1.8	0.01
9062	FMNDC	Fid VIP Growth	Large Growth	103.27	Buy	1.0	1.0	-1.2	12.8	24.2	13.3	18.0	1.23
9070	FLFNC	Fid VIP Growth & Income	Large Blend	69.25	OK to Buy	2.8	2.8	5.6	19.9	18.8	16.5	14.6	0.95
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	127.36	Buy	-1.2	-1.2	-2.8	15.7	29.6	10.2	20.6	1.51
9084	FPDRC	Fid VIP Health Care	Sector	80.08	Buy	0.1	0.1	5.2	7.7	6.6	3.5	9.7	1.22
9060	FBBLC	Fid VIP High Income	High-Yield Bond	28.62	OK to Buy	0.6	0.6	1.9	9.4	8.7	4.1	5.5	0.38
9064	FXVLT	Fid VIP Index 500	Large Blend	77.99	OK to Buy	1.4	1.4	1.7	16.0	20.7	14.6	15.2	1.00
9082	FBALC	Fid VIP Industrials	Sector	88.61	Buy	5.9	5.9	6.2	24.0	23.7	17.2	14.1	1.61
9473	FFIQC	Fid VIP International Index	Diversified Int'l	17.76	Hold	5.8	5.8	8.8	35.3	16.3	9.0	--	0.99
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	40.96	Hold	4.6	4.6	4.3	18.2	15.6	7.0	10.5	1.06
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	19.19	OK to Buy	0.2	0.2	0.4	6.5	3.6	-0.1	2.4	0.50
9172	FVMAC	Fid VIP Materials	Sector	36.49	Hold	8.4	8.4	14.9	14.6	4.7	8.6	9.6	1.49
9071	FNBSB	Fid VIP Mid Cap	Mid Blend	59.83	Buy	5.0	5.0	9.3	11.5	13.1	10.7	11.6	1.40
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	31.84	Hold	3.4	3.4	3.1	17.2	12.9	7.6	8.8	1.06
9072	FFWKC	Fid VIP Real Estate	Sector	31.28	Hold	2.3	2.3	2.6	2.9	3.8	4.5	4.2	1.39
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	26.05	OK to Buy	0.6	0.6	0.9	8.0	6.9	2.9	4.5	0.41
9086	FYENC	Fid VIP Technology	Sector	212.99	Buy	1.6	1.6	-3.2	27.2	33.0	17.0	24.6	1.65
9465	FTMJC	Fid VIP Total Market Index	Large Blend	26.19	Buy	1.5	1.5	1.7	15.1	19.8	13.3	--	1.05
9087	FXRRC	Fid VIP Utilities	Sector	64.75	Hold	1.2	1.2	-3.1	13.4	14.4	12.6	11.9	1.32
9079	FKMSC	Fid VIP Value	Large Value	53.41	OK to Buy	5.3	5.3	9.6	12.7	12.3	14.0	12.2	1.28
9073	FRBSC	Fid VIP Value Strategies	Mid Value	54.55	Hold	8.1	8.1	12.5	13.9	11.4	13.3	12.3	1.50
9347	FBMEC	Black Rock Global Allocation	Global Allocation	23.98	Hold	2.8	2.8	4.8	19.4	12.5	6.1	7.8	0.76
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	10.47	Hold	2.8	2.8	3.8	15.9	1.6	-0.5	-0.0	0.94
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	11.22	Hold	0.5	0.5	1.0	6.5	3.2	-0.1	0.8	0.42
9285	FIGXC	Invesco Global Core Eqty	Global Stock	25.67	Hold	1.9	1.9	1.8	13.1	15.3	8.7	9.6	0.97
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	31.71	Hold	9.5	9.5	14.0	48.7	23.2	12.8	10.7	1.04
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	24.89	OK to Buy	2.0	2.0	4.3	14.7	11.6	3.1	4.6	0.60
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	23.76	Hold	8.2	8.2	10.2	41.9	16.7	5.2	8.5	1.10
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	22.48	Hold	2.7	2.7	3.5	17.4	11.3	5.7	7.2	0.77
9346	FPMEC	Pimco Commodity Real Return	Commodities	10.49	OK to Sell	9.0	9.0	11.3	24.0	7.3	11.4	7.4	0.99
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	13.29	Buy	0.2	0.2	1.0	4.8	4.4	1.3	1.5	0.16
9277	FPNBC	Pimco VIT Real Return	TIPS	16.26	Hold	0.2	0.2	-0.1	6.3	3.7	0.9	2.9	0.40
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	15.55	Hold	0.4	0.4	0.8	8.4	4.5	-0.1	2.0	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	29%	VIP Equity-Income	30%	VIP Invest Grade Bond	30%
VIP Financials	16	VIP Growth Opps	22	VIP Growth Opps	21	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	16
VIP Industrials	14						
<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>	
<b>Jan: 2.1% YTD: 2.1%</b>		<b>Jan: 1.8% YTD: 1.8%</b>		<b>Jan: 1.1% YTD: 1.1%</b>		<b>Jan: 0.9% YTD: 0.9%</b>	

## MARKET OUTLOOK

### Danoff To Depart Contrafund

As we went to press last month, we learned that **Contrafund's** long-time manager, Will Danoff, would end his 35-year-long charge at year-end. We regret our not having the space to say more.

As for Will's record, few can match it. Contra has delivered a 14.1% average annual return versus 11.3% for the S&P 500. Significantly, that outperformance was often achieved with less risk than the market.

A growth-at-a-reasonable price investor, the dot.com bubble and other manias sometimes left the fund trailing the market and more aggressively positioned large-cap growth funds. But quite often, Will's discipline delivered relative outperformance in down markets — a feat often overlooked and underappreciated.

Through the years, I've had many opportunities to speak with Will by phone and in his office; he's always been generous with his time. And like his mentor Peter Lynch, his desk was often strewn with piles of annual reports and other papers, though he could speak in the greatest detail on any of the hundreds of stocks he and his team of analysts had either purchased or sold. And perhaps most tellingly, his office walls were plastered by letters from grateful shareholders whose lives were made better because his stockpicking talent ultimately made college, a home or retirement possible.

As for Will's replacements, we've held Asher Anolic's (**OTC**) and Jason Weiner's (**Capital Appreciation** and **VIP Growth**) funds in our models because they're also talented stock-pickers. There's no reason to think that will change at Contrafund. ■

— John Bonnanzio

## Fund Commentary *cont'd from p. 5*

### Select Funds

Helping to propel value and smaller-cap funds higher in January were the stellar performances of certain sectors, including economically sensitive sectors such as energy, chemicals/materials and transportation. While an upwardly revised GDP figure was helpful in that regard, these sectors have caught the attention for their earnings growth potential and especially their lower valuations.

At the same time, geopolitical concerns have played a role, too, especially for energy and gold shares.

As to the former, the forced early retirement of Venezuela's president to a federal lockup in Brooklyn, coupled with violent street protests in Iran, pushed oil prices up nearly 15% last month. So it followed that **Select Energy** was the top-performing sector offering (up 14.7%), while **Natural Resources** was a close second (up 11.8%).

As for tech, Fidelity's Selects reveal January's divergence.

With the world's appetite for AI-capable semiconductors all but insatiable, **Semiconductors** added to last year's 43% return with a January gain of 11.5%. However, certain software companies (whose products may be usurped by AI) took a back seat to hardware makers. That resulted in **Enterprise Technology Services**, **FinTech** and **Software & IT Services** falling 7.0%, 10.9% and 14.3%, respectively.

As for **Gold**, it reminded investors that both the commodity and the Select fund that invests in miners and processors of the metal, is extraordinarily volatile.

Apart from the fund's 2025 gain of 143%, at one point in January, it had surged another 20%, only to see that sliced in half on the last day of the month. Nevertheless, the fund rose a none-too-shabby 10.6% versus gold's gain of 13.3% for the month.

### Specialty Funds

Closely related to those sector funds is **Global Commodity Stock** (up 12.4%) which has a 40% weight in metals and a 31% position in energy. (The balance is in agriculture.) Notably, 60% of its assets are outside the U.S., including Canada (29%) and the emerging markets (12%). Right behind that was **Agricultural Productivity**. With the dollar falling to a four-year low and demand high from international buyers, the fund soared 11.8% in January.

### High Yield Bond

With the final revision to third-quarter GDP growth showing the economy expanding at a robust annualized rate of 4.4%, economically sensitive high-yield bonds were beneficiaries. (A strong economy provides a positive backdrop for companies looking to repair their balance sheets, as default risk generally falls.)

**Capital & Income** fared best having risen 1.6%. Moreover, its nearly 22% stake in stocks also proved helpful, though it should be noted that two of its top-3 holdings include Nvidia and Meta Platforms — out of benchmark holdings — fueled its double-digit returns last year, and this year's gains, too.

That said, **High Income** is a more mainstream player of junk bonds and it managed a monthly gain of 0.8%. Further afield, **New Markets Income** rose 1.5% as its dollar-denominated debt allows corporate and government issuers in emerging markets to shore up their balance sheets thanks to lower borrowing costs.

### International Funds

As with emerging market bonds, emerging market equity funds continue to benefit from dollar weakness and supportive global GDP growth. **Emerging Markets Index** was among last month's top per-

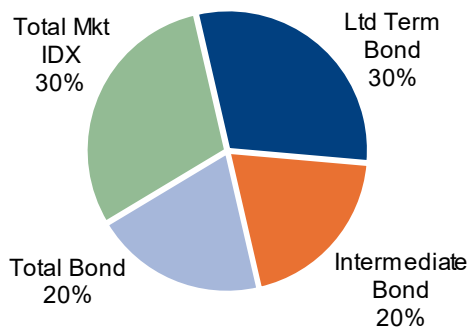
Fund Commentary *cont'd on p. 12*

## Investing For Income In 2027 And Beyond

Currently, our *Income Model's* 67% position in bonds is heavily focused on the short end of the yield curve. Given elevated volatility scores for most bond funds (for example, **Total Bond's** risk score is 0.48 versus 0.31 three years ago), this approach has been a practical way to keep overall portfolio volatility reasonable close to target without reducing the model's stock allocation (currently 33%). For now, the resulting tradeoff in yield is relatively small thanks to foreign bond exposure, but that may not be the case in the years ahead. Likewise, our stock allocation has an outsized allocation to value-oriented smaller stocks (including some foreign exposure), which makes sense given the discounted valuations for those groups. But again, this may not be ideal long-term positioning as AI goes mainstream, boosting domestic productivity and GDP.

A more suitable long-term ap-

### Fund Allocations For Long-Term Income



*In addition to the three bond funds on p. 4, income-oriented investors should maintain a 30% stake in Total Market Index. Notwithstanding its current shortcoming (see "Inside Fidelity" below), its 3,700 holdings assure exposure to all areas of the U.S. equity market (including small- and mid-cap stocks). It will also increase portfolio diversification.*

proach for the bond allocation would involve increased exposure to domestic bonds (especially corporate issues) over a wider swath of the yield curve. As for the stock allocation, a broad bet on the U.S. market is likely to provide superior returns over the next 15 years, just as it has over the last 15 years.

Consider moving toward the following mix: 30% **Limited Term Bond**, 20% **Intermediate Bond**, 20% **Total Bond**, 30% **Total Market Index**. Rebalancing would need to be done annually at a minimum; quarterly is more ideal. In a scenario where inflation slowly declines to 2%, a reasonable long-term performance expectation for this mix would be 5-6% annualized returns.

While adopting the above mix today would result in a risk score of about 0.50 (using monthly data from the last three years), it probably won't stay that high. At some point, the S&P 500's standard deviation will increase from today's below-average level, and bond fund volatility could decline, returning closer to pre-pandemic levels. Expectations of a long-term risk score of 0.33 might be too optimistic, but still within the range of possibilities.

*NOTE: "Lessons Learned" is a continuing series of articles in advance of this newsletter's final issue in January 2027. ■*

— Jack Bowers

## Fund Commentary *cont'd from p. 11*

formers with its gain of 8.2% (it rose nearly 34% in 2025).

For Japan, its new prime minister has injected optimism into its moribund economy by pledging to use monetary and fiscal stimuli to accelerate growth from an estimated 0.9% last year to 1.0% this year. (Yes, you read that right.) One headwind, however, is U.S. tariffs.

### DIVIDEND UPDATE

*Other than monthly dividends on bond and money market funds, and Asset: 20%/30%, the following funds are scheduled for a distribution in February:*

Contrafund, Global Credit, Inflation-Protected Index, Intermed Muni, Int'l Bond, Limited Term Muni, Multi-Asset Inc, Muni Inc, MI, MN, OH, and PA Muni Income, New Mkts Inc, Strategic Inc, Trend.

*No funds made distributions in January.*

Nevertheless, **Japan** rose 7.8%.

### Bond Funds

On the last day of the month, bond yields dipped a bit as the president announced his choice for the next Fed chair. Called a "curious choice" by some and an "odd choice" by others, Kevin Warsh has known to be a hawk on inflation though the president has not been shy to say that he wants an inflation dove (meaning lower interest rates).

With the Fed passing on rate cuts in the closing days of January and rate-setters no longer fretting over the health of the job market, Treasury yields rose slightly amid the prospect that, overall, the economy is growing while inflation is range-bond.

With the yield on the benchmark 10-year Treasury rising eight basis points to 4.26%, **U.S. Bond Index** rose 0.2%. ■

— John Bonnanzio

## Inside Fidelity

According to *The New York Times*, Fidelity sent letters to shareholders in **500 Index** and **Total Market Index** cautioning that they are now holding "nondiversified funds." (We could not confirm these letters at press time.)

That would be not be Fidelity's fault as the funds' respective benchmarks (the S&P 500 and Dow Jones US Total Market Index) are heavily weighted in a handful of stocks. As of Oct. 31, four of the Magnificent 7 stocks accounted for more than a quarter of the S&P 500: Nvidia (7.8%) Apple (6.9%) Microsoft (6.2%) and Alphabet (5.6%).

Although these weights change daily, Fidelity's point has merit, which is why our all-equity models also have exposure to small- and mid-sized U.S. stocks, and indirectly to foreign companies, too. ■