

# FIDELITY MONITOR & INSIGHT

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**MESSAGE FROM JACK**

## What To Expect In The Coming Age Of AI

We've all heard the doomsday scenarios. But as Artificial Intelligence (AI) goes mainstream over the next 20 years, it has the potential to unlock a period of prosperity and abundance as it disrupts the job market. I know that predicting the future is a nearly impossible task. Still, the impacts of the industrial era, electricity, radio, television, semiconductors, computers, mobile phones and the Internet are well-known. Over time, advancing technology has a way of taking ideas that are impossible or expensive, and making them relatively cheap and affordable. By progressively automating a greater share of human activities, it has boosted corporate profitability. And by creating new ways to do things it has already put downward pressure on inflation.



Jack Bowers

AI will do more of the same, but its effects will likely be more intense than past disruptions. For example, up until now advancing technology has usually tended to create more jobs than it displaces. But this time around, with the potential for fast adoption and the likelihood of rapidly-growing capabilities, it may be a different story. Some CEOs have speculated that many of today's white-collar jobs will eventually disappear, and some have openly questioned what humans will do as AI becomes ever more capable.

Most likely we are headed for an economy where anyone with intellectual property or a physical asset (property, vehicle, computer, robot, or dedicated machine) can generate an income stream from it. The very nature of employment will probably see a big impact, and it's within the realm of possibilities that anyone who wants to work will either need to become a proprietor or join the "gig" economy (much as Airbnb hosts are doing today).

With all this in mind, what should investors expect as AI technology goes mainstream?

### Robust Productivity And Reduced Inflation Risk

We already know that AI can write software, and its

Jack's Message *cont'd on page 11*

**MARKET OUTLOOK**

## For Stocks, The "Micro" Looks Better Than The "Macro"

For the purpose of this discussion, let's define the "micro" environment for stocks as being things to which the C-suite can largely control: sales and earnings growth, productivity, CapEx and financial engineering such as share repurchases.



John Bonnanzio

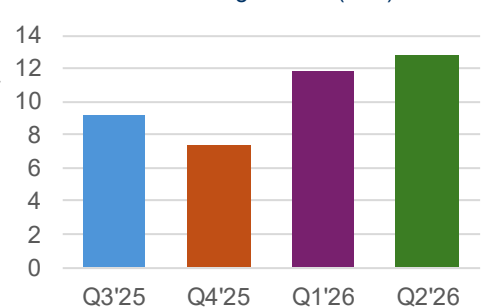
That differs greatly from "macro" factors to which most companies have little- to no control including tariffs, government regulations, trade, monetary and fiscal policies.

With that in mind, let's revisit the headline: as measured by sales and earnings growth, the bull market for stocks has largely been justified, though the larger forces at play make today's premium stock valuations look optimistic and perhaps even risky.

To that end, the really good news is that in the aggregate, America's captains of industry are successfully navigating the economy's macro headwinds and providing their shareholders with higher sales and earnings growth.

Indeed, reported third-quarter earnings are better than expected. Reports FactSet: "The percentage of S&P 500 companies reporting positive earnings surprises and the magnitude of earnings surprises are above their 10-year averages." In fact, with each passing week last month,

**Forecasted Earnings Growth**  
Q3'25 through Q2'26 (in%)



Source: FactSet

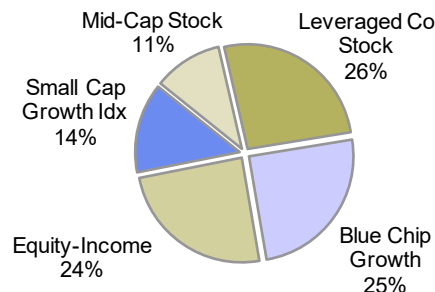
earnings results improved — a relief against the (macro) backdrop of the Trump Administration's new and sometimes heightened tariffs. On that score, there's still a lack of clarity as to the extent to which exporters, importers, the consumer, or some combination thereof, are footing the bill. And, of course, it's still unclear, says Fed Chair

Market Outlook *cont'd on page 3*

**Unique Opportunities** Target Risk: 1.20 (Current: 1.22) Foreign Holdings: 7.9% **YTD Return: 16.7%**

Stocks: 99.5% Bonds: 0.0% Cash: 0.5% Alternatives\*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Oct Ret
Leveraged Co Stock	FLVCX	\$46.28	8,453.11	\$391,210	2.7%
Blue Chip Growth	FBGRX	267.67	1,394.88	373,367	3.8
Equity-Income	FEQIX	83.37	4,429.90	369,321	0.2
Small Cap Growth Idx	FECGX	31.90	6,525.00	208,148	3.2
Mid-Cap Stock	FMCSX	45.18	3,536.88	159,796	-0.1



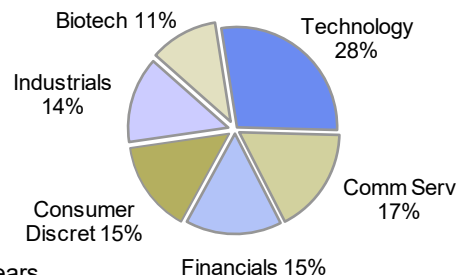
**Current Value (3/31/99 = \$100,000)** **\$1,501,841** **2.1%**

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

**Select** Target Risk: 1.20 (Current: 1.28) Foreign Holdings: 6.5% **YTD Return: 21.8%**

Stocks: 99.3% Bonds: 0.0% Cash: 0.7% Alternatives\*: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Oct Ret
Technology	FSPTX	\$46.48	71,323.50	\$3,315,116	6.8%
Communication Svcs	FBMPX	144.28	14,037.00	2,025,259	0.5
Financials	FIDSX	15.68	117,402.52	1,840,871	-3.3
Consumer Discret	FSCPX	71.53	24,456.37	1,749,364	0.9
Industrials	FIDRX	61.87	26,516.21	1,640,558	1.5
Biotech	FBIOX	23.92	54,505.64	1,303,775	7.4



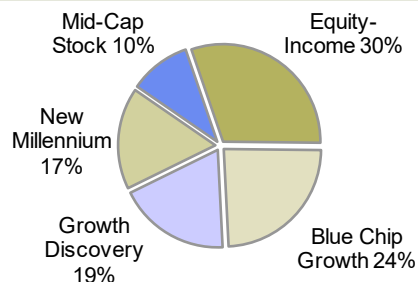
**Current Value (12/31/88 = \$100,000)** **\$11,874,944** **2.5%**

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: 8.7% **YTD Return: 16.7%**

Stocks: 99.3% Bonds: 0.0% Cash: 0.7% Alternatives\*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Oct Ret
Equity-Income	FEQIX	\$83.37	28,375.72	\$2,365,684	0.2%
Blue Chip Growth	FBGRX	267.67	6,974.68	1,866,914	3.8
Growth Discovery	FDSVX	71.29	20,206.26	1,440,504	3.0
New Millennium	FMLX	69.45	18,829.30	1,307,695	2.3
Mid-Cap Stock	FMCSX	45.18	17,441.64	788,013	-0.1



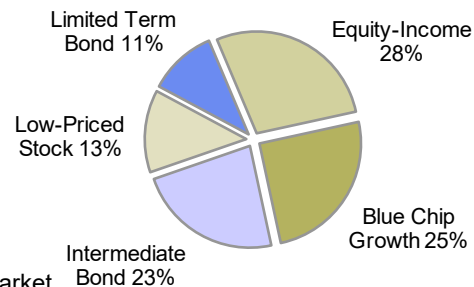
**Current Value (12/31/86 = \$100,000)** **\$7,768,810** **1.9%**

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: 12.2% **YTD Return: 12.3%**

Stocks: 65.5% Bonds: 32.2% Cash: 1.2% Alternatives\*: 1.1% Yield: 1.8%

Holdings	Ticker	NAV	Shares	Value	Oct Ret
Equity-Income	FEQIX	\$83.37	4,741.89	\$395,331	0.2%
Blue Chip Growth	FBGRX	267.67	1,321.83	353,813	3.8
Intermediate Bond	FTHR X	10.38	31,459.30	326,547	0.4
Low-Priced Stock	FLPSX	40.91	4,520.48	184,933	-2.0
Limited Term Bond	FJRLX	11.64	13,120.56	152,723	0.4



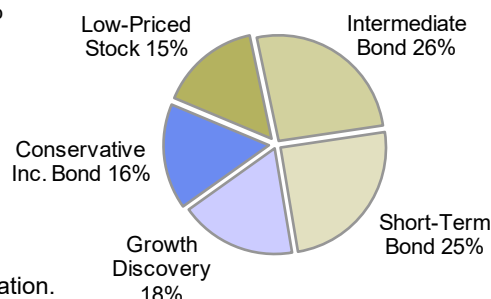
**Current Value (12/31/93 = \$100,000)** **\$1,413,347** **0.8%**

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: 21.4% **YTD Return: 7.9%**

Stocks: 32.9% Bonds: 64.3% Cash: 2.6% Alternatives\*: 0.2% Yield: 2.8%

Holdings	Ticker	NAV	Shares	Value	Oct Ret
Intermediate Bond	FTHR X	\$10.38	14,664.70	\$152,220	0.4%
Short-Term Bond	FSHBX	8.53	16,964.43	144,707	0.4
Growth Discovery	FDSVX	71.29	1,463.29	104,318	3.0
Conservative Inc. Bond	FCNVX	10.07	9,382.97	94,486	0.3
Low-Priced Stock	FLPSX	40.91	2,201.27	90,054	-2.0



**Current Value (12/31/91 = \$100,000)** **\$585,784** **0.4%**

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

Powell, whether these tariffs will be inflationary (though that's a topic for another day).

In the meantime, the literal bottom line is that S&P 500 earnings have now grown for nine consecutive quarters, while revenue has enjoyed similar improvement with both having easily surpassed analysts' expectations.

Point of interest: Although some accuse the Fed of imposing monetary policy that has been restricting GDP growth, the soaring federal budget deficit has helped to fuel the economy, but may also be contributing to inflation.

Other key points about earnings:

1. As of Oct. 24, 87% of reporting S&P 500 companies have surpassed EPS estimates;

2. That's above the 5-year average of 78% and above the 10-year average of 75%;

3. If 87% is the final number for the third quarter, it will mark the largest percentage of S&P 500 companies reporting a positive EPS surprise for a quarter since Q2 2021 (also 87%);

4. In aggregate, corporate earnings are on track for a 7.3% gain.

Conversely, sectors reporting year-over-year earning declines have weighed on **Select Energy** (up 8.3%) and **Health Care** (up 8.9%) which have dramatically trailed the market's 17.5% year-to-date gain.

### Tacking Into The Wind

No matter how gifted the sailor, it's impossible to sail a boat directly into the wind. Much the same is true for corporate chieftains. Fortunately, they've actually had some tailwind in the form of 3.8% GDP growth in the second quarter. However (and forecasts vary), the fourth quarter

## 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.

**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. ■

may see the economy decelerate to a rate of 1.5% to 2.0% — but still growing. And despite fears over AI and recent mass layoffs, the economy is still enjoying “full employment” while second-quarter productivity rose 2.4% (up from a 1.8% decline in the first quarter).

While it's always worth remembering that Wall Street is not the U.S. economy, investors are forward-looking. So, yes, they collectively understand that inflation is too high (certainly higher than the Fed would

like), and that given the economy's lackluster growth, interest rates are arguably too high.

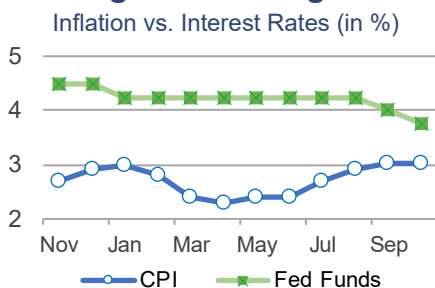
Then there are the uncertainties brought by tariffs, new trade agreements, the government shutdown, the growing federal budget deficit and the lack of security felt by white - and blue-collar workers that AI is poised to upend their lives. Americans are also concerned about geopolitical changes, and quite simply, some don't believe the government's inflation data.

Enter the Conference Board's Consumer Confidence Index and something called the “vibecession” — the disconnect between solid economic fundamentals and pessimistic public sentiment. Not surprisingly, the “spread” between the two has widened, though the measure has no predictive use for calling bull or bear markets. It does, however, help to explain consumer spending, and in that way it's worth watching.

While the country's macro economic outlook remains cloudy, Wall Street is appropriately focused on earnings. As that goes, share prices will continue to follow. ■

— John Bonnanzio

### Higher For Longer?



At last month's Fed meeting, Chairman Powell called into question a December rate cut. That's probably because inflation recently ticked higher, and because the effects of tariffs on consumer and producer prices remain unclear. In response to his warning, stocks dipped and the 10-year Treasury yield popped.

### 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.

## Estimated Year-End Distributions

Year-end distributions for Fidelity funds are scheduled to occur as soon as Friday, December 5. To that end, we have provided on our website estimated dollar amounts (and percentages of a fund's NAV as of Oct. 31).

As per current estimates, there are a number of funds whose distributions may be sizeable (in the range of 5% to nearly 10% of their NAV), meaning that you should avoid purchasing their shares until they go "ex dividend." Of course, that tax-avoidance strategy only applies to funds that are held in taxable accounts, otherwise it's a non-event.

As for funds that are most likely to distribute the largest short- and long-term year-end capital gains, a number of large-cap growth funds with significant exposures to tech so far top the list. (As of month-end, Fidelity's large-cap growth funds have returned an average of 19.4% year-to-date.)

**Focused Stock**, for example, is slated to distribute \$4.10 in gains per share, or 9.4% of its \$43.78 NAV as of Oct. 31.

Similarly, **Capital Appreciation** and **Contrafund** are slated to distribute, respectively, 7.1% and 4.2% of their month-end NAVs in December. Not surprisingly, **Select Software & IT Services** is poised to distribute more than 9% of its Oct. 31 NAV of \$29.90, or \$2.74.

A weaker dollar has often translated into stronger gains for Fidelity's unhedged foreign funds. That's the good news. The potential downside is cap gains taxes for **Diversified Int'l**, **Japan** and others.

Remember, as with any fund, year-end estimates are ALWAYS subject to revisions.

*Note: We will update distribution estimates in early December.*

Go to: [FMANDI.com](http://FMANDI.com)

## QUESTIONS & ANSWERS FOR JACK

### Why Small Caps, Etc., Are Lagging

**Q:** *Why haven't small caps done well in this latest rally? **Low-Priced Stock**, **MidCap Stock**, **Value** and **Select Construction & Housing** (a mid-cap fund) seem to be lagging.*

**A:** Much like large-cap value stocks, small-caps are not as profitable, and are being held back in part by the Fed's go-slow approach to bringing short-term interest rates down in-line with the rest of the yield curve. Last week, in particular, they were hurt by a Wells Fargo study asserting that most of the labor efficiency benefits of ChatGPT are flowing to large-cap firms, which Wells Fargo believes are better able to effectively deploy AI technology.

I suspect this situation will change as real-world AI solutions (such as self-driving cars and robots with human-level intelligence) scale up, leveling the labor-efficiency gap between large and small companies. But for now, investors remain skeptical of the potential for small-stocks to grow (much as they have been for the last 15 years). One exception is the biotech sector, which has been showing signs of life in recent months.

**Q:** *There appears to be a discrepancy between the correlation figures you showed in the October newsletter for **Blue Chip Growth** and **Equity-Income**. In the October newsletter they were correlated at 61 over the past three years, versus 55 on your website.*

**A:** The correlation matrix in last month's newsletter was calculated on 36 months of values through August 2025. The website uses the same formula, however its 36-month period was through September — a bit more timely given the ease of digital "publishing." As the beginning and end dates were off by a full month (now two months), the correlation figures differ, though not significantly.

**Q:** *I remember the days when you provided a Special Hotline update whenever the Dow Industrials finished the day up or down 50 or more points. I miss that service.*

**A:** My colleague, John Bonnanzio, who's been writing Hotline messages since 1991, reminds me that in those days a 50-point move by the Dow was a roughly 1.6% swing. Today, we provide Special Hotlines with 1,000-point moves in the Dow, or roughly 2%. In that regard, not much has changed. ■

### Inside Fidelity

**Fund Merger – Select Industrials** (a *Select Model* holding), has been merged. Assets were reinvested into a different share class of the fund with a modified name but same investment universe. Formerly called Advisor Industrials, its new ticker is FIDRX. As for how we've dealt with these changes in the model portfolio, we have adjusted for the "new" fund's NAV, share amount and value.

**Fund Liquidation – Global Credit** [ticker: FGBFX] was liquidated in October; its assets have been absorbed by Global Multi-Asset Credit. As the latter is not available to investors in retail accounts, we have removed Global Credit from the *Scorecard*. ■

FUND COMMENTARY

## Earnings And AI Lift Stocks To New Highs

Large-cap stock gauges scored a series of record highs in October as corporate earnings growth and the promise of AI-generated efficiencies (and therefore earnings growth) combined to further excite investors.

As if to underscore that expectation, late-month news of massive layoffs by Amazon and others fueled optimism that companies will be able to do much more, and better, with fewer people.

But a bit of reality punched through on Wednesday Oct. 29. Indeed, the bull market was interrupted (probably only briefly) by news that the Fed may be done cutting rates this year. (One more quarter-point cut had been expected in December.) Regardless of that day's hiccup, the bull market gained momentum in October with many of the biggest stock gains scored by companies that may benefit the most from their billion-dollar investments in the anticipated AI revolution ( see chart on p. 11).

Within Big Tech, Microsoft exceeded earnings expectations, though in after-market trading its share price slipped as it failed to beat "whisper" estimates. Similarly,

Alphabet surpassed earnings. While its share price was initially static, it later surged.

A separate way to gauge investors' appetite for AI is through Nvidia. It made market history as the first company whose market value topped \$5 trillion — a sum that happens to match Germany's GDP!

On that note, a number of large strategic acquisitions in the AI sector helped to reawaken an otherwise sleepy year for M&A activity. Also, consolidation in the energy and pharma sectors (the latter to bolster drug pipelines) buttressed an already positive backdrop for stocks.

### Market Indexes

Propelled chiefly by tech, the Nasdaq Composite easily outpaced its large-cap peers last month. Up 4.7%, the S&P and Dow Industrials paled in comparison with gains of 2.3% and 2.6%, respectively. For its part, the Russell 2000 gained a comparatively lackluster 1.8% whereas mid-caps retreated 0.8%. (See p. 4.)

### Stock Funds

The average of all 54 Fidelity stock funds rose 1.4% in October. Large-cap growth offerings fared the best, including **Growth Co.** (up 5.6%), **OTC** (up 5.4%) and **Blue Chip Growth** (up 3.7%). Mid- and

small-cap funds were stand-out laggards with declines for most with value orientations. The month's biggest loser was **Small Cap Discovery** (down 3.0%) while **Small Cap Value** and **U.S. Low Volatility Equity** both retreated 2.2%.

### Select Funds

October's returns for Fidelity's actively managed Selects ranged from 10.0% for **Semiconductors** to -8.3% for **Insurance**. While tech-related funds were among the top performers, **Pharmaceuticals** and **Biotechnology** (up 9.1% and 7.4%, respectively) soared on an improved outlook.

Separately, **Utilities** and **Industrials** (up 3.7% and 1.6%, respectively) continue to benefit from the growing electricity demand and infrastructure requirements for the AI sector (see pgs. 1 and 11).

### High Yield Funds

Highly correlated to stocks and typically beneficiaries of "risk-on" market sentiment, Fidelity's seven funds in this asset class rose last month. Among U.S. offerings, **Capital & Income** (up 1.2%) fared best. It has a small stake in stocks with distressed balance sheets.

Fund Commentary *cont'd from page 12*

## November Scorecard Rating Changes

Mutual Funds	Ticker	Ratings		Comments	
		Old	New		
Extended Mkt IDX	FSMAX	H	B	↑	Fund is benefiting from stocks that are not yet qualified for S&P 500 inclusion.
Global Credit	FGBFX	H	H	N/C	Shares of original fund merged into unavailable fund (see <i>Inside Fidelity</i> on p.4).
Magellan	FMAGX	B	H	↓	Prefer Contrafund for low-risk large-cap exposure.
Nasdaq Comp IDX	FNCMX	H	B	↑	A passive approach to fast-moving "Mag-7" stocks might outperform most active managers.
Worldwide	FWWFX	B	B	↓	Current global environment favors cheap stocks over pricey ones.
Zero Int'l IDX	FZILX	H	B	↑	Best choice for broad international stock exposure (including emerging mkts).
<b>Selects, Sector ETFs and (VIP) Annuities</b>					
Frk! Temp Glob Bond	FTMEC	S	H	↑	Fund remains riskier than other options but may be warranted if global interest rates fall.
Sel. Leisure	FDSLX	B	H	↓	Consumers beginning to resist post-pandemic price increases for hotels and restaurants.
Sel. Env. & Alt Energy	FSLEX	H	B	↑	AI power demand may benefit stocks in this fund more than traditional utilities.
Sel. Industrials	FCYIX	B	B	N/C	Shares of original fund merged into new share class (see <i>Inside Fidelity</i> - p. 4).
VIP Extended Mkt IDX	FEMJC	H	B	↑	Fund is benefiting from stocks that are not yet qualified for S&P 500 inclusion (see p. 4).

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

OCTOBER 31, 2025

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) <sup>1</sup>
					Oct	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	
Comparative Indexes		S&P 500	6840.2		2.3	17.5	8.2	21.5	22.7	17.6	14.6	14.5	1.00
		Nasdaq Composite	23725.0		4.7	23.5	12.5	32.0	30.3	17.7	17.8	17.3	1.32
		Dow Jones Industrials	47562.9		2.6	13.3	8.2	15.8	15.5	14.6	12.9	12.7	0.99
		Russell 2000 (Small Caps)	2479.4		1.8	12.4	12.5	14.4	11.9	11.5	9.4	10.3	1.59
		Bloomberg Barclays Agg Bond*			0.7	6.8	3.0	6.2	5.6	-0.2	1.9	0.9	0.50
Model Portfolios		Unique Opportunities			2.1	16.7	7.2	19.6	20.3	15.5	13.7	13.0	1.22
		Select			2.5	21.8	9.2	28.2	25.1	16.7	15.2	15.0	1.28
		Growth			1.9	16.7	6.4	19.6	21.7	15.5	14.1	13.3	1.05
		Growth & Income			0.8	12.3	4.8	14.0	15.2	9.4	9.9	9.7	0.72
		Income			0.4	7.9	2.7	8.8	9.4	4.8	5.0	5.1	0.40
											Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
<b>LARGE CAP GROWTH</b>					<b>Average</b>	<b>3.0</b>	<b>19.4</b>	<b>8.3</b>	<b>25.4</b>	<b>28.7</b>	<b>17.3</b>	<b>17.0</b>	<b>1.26</b>
312	FBGRX	Blue Chip Growth	267.67	Buy	3.7	20.2	10.3	30.4	35.4	18.9	19.6	1.50	\$73,541
307	FDCAX	Capital Appreciation	49.36	OK to Buy	2.4	17.1	7.2	18.9	23.7	16.2	14.5	1.09	7,011
22	FCNTX	Contrafund	25.01	Buy	1.0	19.9	3.9	24.6	31.1	17.8	16.6	1.11	163,058
3	FFIDX	Fidelity Fund	111.83	OK to Buy	2.7	18.4	7.2	21.6	25.0	16.8	15.0	1.10	8,838
333	FTQGX	Focused Stock	43.78	Hold	3.3	15.6	7.6	17.0	26.0	16.7	16.8	1.36	4,311
3336	FIFNX	Founders Fund	26.60	Buy	-0.3	16.8	4.6	23.4	26.1	15.2	--	1.36	148
25	FDGRX	Growth Company (closed)	50.52	Buy	5.6	25.2	14.6	33.6	34.3	19.4	20.9	1.42	73,097
339	FDSVX	Growth Discovery	71.29	Buy	3.0	17.6	6.8	20.9	27.0	17.2	17.6	1.18	5,995
2826	FSPGX	Lg Cap Growth Index	47.59	OK to Buy	3.6	21.5	10.4	30.5	30.7	19.2	--	1.23	44,031
21	FMAGX	Magellan	16.06	Hold↓	-0.2	13.6	0.1	16.1	23.7	14.5	14.0	1.15	28,355
1282	FNCMX	Nasdaq Composite Index	302.26	OK to Buy↑	4.7	23.5	12.5	32.0	30.3	17.8	17.7	1.32	23,646
93	FOCPX	OTC	25.11	Buy	5.4	22.2	12.8	31.9	32.1	18.4	19.3	1.30	26,626
320	FDSSX	Stock Selector All Cap	93.20	Hold	3.1	17.8	9.0	21.7	21.2	15.9	13.8	1.07	2,970
5	FTRNX	Trend	215.52	Buy	3.4	22.7	8.9	32.3	34.6	18.8	18.3	1.51	4,702
<b>LARGE CAP BLEND</b>					<b>Average</b>	<b>2.1</b>	<b>17.4</b>	<b>6.8</b>	<b>20.4</b>	<b>21.5</b>	<b>17.7</b>	<b>14.0</b>	<b>1.03</b>
2328	FXAIX	500 Index	237.72	OK to Buy	2.3	17.5	8.2	21.4	22.7	17.7	14.7	1.00	736,939
315	FDEQX	Disciplined Equity	79.15	Hold	2.7	17.9	5.6	21.9	24.9	15.7	13.5	1.17	2,200
330	FDGFX	Dividend Growth	42.45	Buy	2.2	19.1	6.8	22.1	22.1	19.3	12.2	1.01	7,945
27	FGRIX	Growth & Income	67.82	OK to Buy	1.0	18.4	4.7	19.8	20.1	19.9	13.3	0.96	10,781
338	FLCSX	Large Cap Stock	65.81	OK to Buy	1.8	23.7	6.5	26.3	24.8	22.3	14.7	1.01	6,533
361	FGRTX	Mega Cap Stock	30.93	OK to Buy	2.3	23.8	7.2	26.5	25.9	22.7	15.1	0.99	3,054
300	FMLX	New Millennium	69.45	Buy	2.3	17.0	6.1	21.3	23.9	22.8	14.3	1.05	5,439
6391	FSEBX	Sustainable U.S. Equity	15.16	OK to Sell	3.5	15.1	7.4	17.9	20.4	--	--	1.18	27
2361	FSKAX	Total Market Index	188.34	Buy	2.2	16.9	8.1	20.9	21.8	16.7	14.1	1.05	122,543
5029	FULVX	U.S. Low Volatility Equity	11.80	Hold	-2.2	4.3	1.1	3.9	8.8	8.0	--	0.75	35
2941	FITLX	U.S. Sustainability Index	30.68	Hold	3.4	18.3	9.1	21.7	23.7	17.9	--	1.08	4,947
3396	FWOMX	Women's Leadership	19.14	OK to Sell	3.3	16.8	8.6	18.8	17.4	12.8	--	1.16	120
3231	FNILX	Zero Large Cap Index	24.63	OK to Buy	2.4	17.7	8.2	22.0	23.2	17.4	--	1.01	15,786
3227	FZROX	Zero Total Market Index	23.82	OK to Buy	2.2	16.9	8.1	21.0	21.9	16.9	--	1.05	31,744
<b>LARGE CAP VALUE</b>					<b>Average</b>	<b>0.7</b>	<b>10.6</b>	<b>5.0</b>	<b>8.9</b>	<b>11.8</b>	<b>14.2</b>	<b>9.4</b>	<b>0.94</b>
1271	FBCVX	Blue Chip Value	25.09	OK to Sell	1.7	5.6	5.5	2.3	6.7	12.2	7.2	0.90	562
319	FEQTX	Equity Dividend Income	30.07	OK to Buy	0.2	8.6	4.2	6.6	12.0	14.5	9.6	0.95	5,418
23	FEQIX	Equity-Income	83.37	Buy	0.2	14.6	4.4	12.9	14.2	15.3	11.0	0.87	9,177
2830	FLCOX	Lg Cap Value Index	20.24	Hold	0.4	12.1	5.2	11.2	13.4	14.3	--	1.03	12,225
708	FSLVX	Stock Sel Large Cap Value	29.87	Buy	0.6	11.4	5.1	11.5	15.4	16.2	10.3	1.01	577
832	FVDFX	Value Discovery	37.93	Hold	1.3	11.2	5.9	9.1	8.9	12.5	9.0	0.86	3,100
<b>MID-CAP GROWTH</b>					<b>Average</b>	<b>0.3</b>	<b>15.0</b>	<b>1.4</b>	<b>21.8</b>	<b>20.4</b>	<b>12.2</b>	<b>12.6</b>	<b>1.45</b>
324	FDEGX	Growth Strategies	78.05	OK to Buy	0.8	17.6	2.4	24.0	21.3	13.2	12.6	1.48	4,018
3403	FMDGX	Mid Cap Growth Index	36.41	OK to Buy	-0.3	12.5	0.5	19.5	19.6	11.1	--	1.42	3,537
<b>MID-CAP BLEND</b>					<b>Average</b>	<b>0.3</b>	<b>9.7</b>	<b>4.9</b>	<b>11.9</b>	<b>13.6</b>	<b>12.9</b>	<b>10.7</b>	<b>1.36</b>
2365	FSMAX	Extended Market Index	102.27	OK to Buy↑	1.2	12.5	7.4	17.1	16.9	11.6	10.9	1.51	41,461
2352	FSMDX	Mid Cap Index	36.88	Hold	-0.8	9.5	2.6	10.7	14.1	12.4	10.7	1.26	45,027
337	FMCSX	Mid-Cap Stock	45.18	Buy	-0.1	8.3	3.3	10.0	11.4	14.7	11.0	1.21	6,876
2412	FSSMX	Stock Selector Mid Cap	48.44	Hold	0.5	7.5	3.2	9.0	12.7	13.0	10.1	1.35	315
3230	FZIPIX	Zero Extended Market Index	15.08	Hold	0.6	10.8	7.8	12.8	13.0	12.7	--	1.46	2,001

**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

OCTOBER 31, 2025

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
					Oct	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
<b>MID-CAP VALUE</b>					<b>Average</b>	<b>-0.8</b>	<b>7.0</b>	<b>4.0</b>	<b>6.8</b>	<b>12.3</b>	<b>15.2</b>	<b>9.6</b>	<b>1.33</b>	
316	FLPSX	Low-Priced Stock <sup>5</sup>	40.91	Buy	-2.0	10.7	3.0	9.5	12.0	13.8	9.6	1.01	\$20,969	
762	FSMVX	Mid Cap Value	30.99	Hold	-0.7	6.8	4.3	6.7	14.8	16.5	8.8	1.47	1,230	
3404	FIMVX	Mid Cap Value Index	28.94	Hold	-1.0	8.4	3.3	7.8	11.7	13.2	--	1.26	1,749	
39	FDVLX	Value	14.31	Hold	-0.8	5.2	3.9	5.8	11.8	16.7	10.1	1.47	7,656	
14	FSLSX	Value Strategies	56.89	Hold	0.4	4.0	5.4	4.2	11.3	15.9	10.0	1.43	607	
<b>SMALL CAP GROWTH</b>					<b>Average</b>	<b>3.3</b>	<b>13.4</b>	<b>12.5</b>	<b>15.7</b>	<b>15.3</b>	<b>9.8</b>	<b>12.9</b>	<b>1.54</b>	
1388	FCPGX	Small Cap Growth (closed)	35.79	Hold	3.4	11.5	11.2	12.5	16.0	10.5	12.9	1.48	3,068	
3405	FECPX	Small Cap Growth Index	31.90	Buy	3.2	15.3	13.9	18.8	14.5	9.0	--	1.61	1,134	
<b>SMALL CAP BLEND</b>					<b>Average</b>	<b>-0.3</b>	<b>9.8</b>	<b>7.4</b>	<b>10.5</b>	<b>12.2</b>	<b>12.3</b>	<b>9.2</b>	<b>1.49</b>	
384	FSCRX	Small Cap Discovery	24.69	Hold	-3.0	5.3	2.3	5.8	10.2	12.9	8.0	1.45	2,305	
2358	FSSNX	Small Cap Index	31.14	Hold	1.8	12.5	12.5	14.6	12.1	11.6	9.5	1.58	29,031	
340	FSLCX	Small Cap Stock	19.73	Hold	-1.2	11.7	6.3	12.6	12.4	10.6	8.3	1.46	1,174	
336	FDSCX	Stock Selector Small Cap	40.96	Hold	1.2	9.9	8.7	9.2	14.0	14.0	11.0	1.45	2,597	
<b>SMALL CAP VALUE</b>					<b>Average</b>	<b>-1.0</b>	<b>6.8</b>	<b>7.8</b>	<b>7.9</b>	<b>9.9</b>	<b>14.8</b>	<b>9.2</b>	<b>1.56</b>	
1389	FCPVX	Small Cap Value	19.83	Hold	-2.2	4.2	4.7	5.8	10.4	15.8	9.2	1.52	2,401	
3406	FISVX	Small Cap Value Index	27.68	Hold	0.3	9.4	10.9	10.1	9.3	13.9	--	1.61	1,555	
<b>REAL ESTATE</b>														
1368	FIREX	International Real Estate	10.37	Hold	-1.0	19.1	4.5	11.0	6.2	1.2	3.6	1.18	157	
833	FRIFX	Real Estate Income	12.24	Hold	-0.0	6.1	2.0	5.1	8.4	6.9	5.7	0.60	1,250	
2355	FSRNX	Real Estate Index	16.35	Hold	-2.7	2.8	0.8	-1.6	6.8	7.8	4.0	1.38	2,757	
303	FRESX	Real Estate Investment	38.33	Hold	-0.7	2.7	0.6	-1.5	7.0	7.4	5.1	1.35	2,960	
<b>ASSET ALLOCATION</b>														
328	FASIX	Asset Manager 20%	14.42	Hold	0.9	8.8	3.8	8.9	8.1	4.0	4.2	0.44	3,022	
1957	FTANX	Asset Manager 30%	12.83	Hold	1.2	10.7	4.6	10.9	9.9	5.2	5.3	0.53	1,324	
1958	FFANX	Asset Manager 40%	14.27	Hold	1.3	12.3	5.3	12.6	11.4	6.4	6.3	0.61	1,652	
314	FASMX	Asset Manager 50%	22.93	Hold	1.6	14.0	6.0	14.3	12.9	7.6	7.2	0.68	7,387	
1959	FSANX	Asset Manager 60%	17.90	Hold	1.8	15.6	6.7	16.0	14.4	8.8	8.1	0.76	2,408	
321	FASGX	Asset Manager 70%	31.97	Hold	1.9	17.1	7.3	17.7	15.9	10.3	9.1	0.82	4,644	
347	FAMRX	Asset Manager 85%	31.59	Hold	2.2	19.5	8.3	20.3	18.2	12.2	10.5	0.93	2,693	
304	FBALX	Balanced	32.37	Buy	2.2	14.4	6.8	16.5	17.5	12.1	10.9	0.79	42,995	
3083	FMSDX	Multi-Asset Income	15.98	Hold	2.4	16.9	8.2	17.8	13.7	10.6	9.0	0.70	1,290	
355	FFNOX	Multi-Asset Index	67.59	Hold	1.9	19.2	7.9	19.8	18.7	12.3	10.3	0.93	9,587	
4	FPURX	Puritan	26.37	Buy	2.0	11.5	5.6	14.5	17.0	11.5	10.6	0.81	29,253	
6477	FYMRX	Sustainable Multi-Asset	12.19	Hold	2.5	18.2	8.0	18.0	16.8	--	--	0.85	48	
<b>INTERNATIONAL</b>					<b>Average</b>	<b>1.5</b>	<b>27.8</b>	<b>9.0</b>	<b>24.5</b>	<b>20.7</b>	<b>10.3</b>	<b>9.1</b>	<b>1.18</b>	
309	FICDX	Canada	77.41	Hold	-1.9	17.9	2.2	16.8	14.4	15.9	9.6	1.05	1,004	
352	FHKCX	China Region	56.19	OK to Buy	2.1	44.5	21.2	40.1	32.4	5.8	10.6	1.93	1,362	
325	FDIVX	Diversified International	52.63	Hold	2.0	24.8	7.3	21.5	19.4	9.3	7.8	1.08	12,056	
351	FSEAX	Emerging Asia	67.12	Hold	2.5	37.9	14.6	35.1	30.5	6.7	12.3	1.52	1,476	
322	FEMKX	Emerging Markets	50.40	Hold	5.1	32.4	16.8	27.3	22.9	6.7	9.9	1.36	5,779	
2374	FEDDX	Emerging Mkts Discovery	19.56	Hold	3.1	28.3	9.8	22.6	17.6	11.1	8.9	1.09	391	
2344	FPADX	Emerging Markets Index	13.93	Hold	4.0	33.2	13.5	28.4	20.7	7.1	7.6	1.24	11,764	
5031	FEOPX	Enduring Opportunities												
301	FIEUX	Europe	45.84	Hold	-0.7	32.2	5.2	28.8	20.4	10.0	6.9	1.12	877	
2406	FGILX	Global Equity Income	24.62	Buy	0.9	23.0	6.7	22.9	18.1	14.5	10.9	0.88	275	
2348	FSGGX	Global ex U.S. Index	18.63	Hold	1.9	29.2	10.0	25.4	20.5	11.3	7.8	1.09	15,318	
7615	FICQX	International Cap App	37.97	Hold	-0.1	19.1	1.9	17.3	20.6	9.1	9.6	1.18	4,227	
305	FIGRX	International Discovery	61.08	Hold	1.9	27.5	8.8	25.2	20.2	10.0	7.9	1.07	4,410	
1979	FIGFX	International Growth	23.69	Hold	1.0	18.8	7.0	16.8	17.4	9.0	8.7	1.21	1,726	
2363	FSPSX	International Index	60.59	Hold	1.0	27.5	8.3	23.6	20.4	12.5	7.8	1.12	70,635	
818	FISMX	International Small Cap	36.78	Hold	-1.9	20.2	2.6	17.8	16.6	10.7	8.2	1.00	1,657	
1504	FSCOX	Int'l Small Cap Opps	23.70	Hold	-1.7	21.1	2.2	21.0	16.7	7.6	8.3	1.21	854	
2988	FNIDX	International Sustainability Idx	15.40	Hold	1.5	27.4	10.2	23.9	20.0	9.6	--	1.14	626	
1597	FIVLX	International Value	13.67	Hold	-0.1	35.9	7.9	31.1	24.1	17.8	7.9	1.07	1,676	
350	FJPNX	Japan	21.92	Hold	4.2	32.9	14.5	31.2	21.4	9.0	9.0	1.16	243	
360	FJSCX	Japan Smaller Companies	19.27	Hold	-1.0	23.5	4.9	24.2	18.4	7.2	7.8	1.08	395	
342	FNORX	Nordic	68.28	Hold	1.7	20.3	7.2	10.2	16.1	8.9	9.1	1.18	329	
94	FOSFX	Overseas	75.79	Hold	0.5	21.1	3.7	18.1	18.9	10.1	8.3	1.14	5,965	
302	FPBFX	Pacific Basin	42.54	Hold	2.5	39.2	12.9	33.0	25.7	9.1	11.2	1.36	994	
6468	FSYJX	Sustainable Emerg Mkts Eqty	11.86	Hold	3.7	38.6	15.4	31.7	23.4	--	--	1.38	11	
6462	FSYRX	Sustainable Int'l Equity	11.65	Hold	3.7	24.3	9.6	21.7	19.0	--	--	1.08	16	
1978	FTIEX	Total International Equity	14.73	Hold	1.1	29.4	8.9	25.7	21.2	12.2	9.2	1.10	865	
2834	FTIHX	Total International Index	17.30	Hold	1.6	28.8	9.6	25.2	20.1	11.1	--	1.09	18,896	
318	FWWFX	Worldwide	40.70	OK to Buy ↓	2.3	17.0	7.1	19.0	23.8	13.8	13.0	1.16	3,107	
3228	FZILX	Zero International Index	14.70	OK to Buy ↑	1.9	29.7	10.0	26.1	20.8	11.6	--	1.09	7,428	

# FIDELITY SCORECARD

OCTOBER 31, 2025

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)
					Oct	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year		
<b>SPECIALTY</b>													
6041	FARMX	Agricultural Productivity	17.84	OK to Sell	-3.5	5.3	-7.6	1.7	-4.5	8.5	--	1.26	\$39
6385	FCAEX	Climate Action	14.79	Hold	5.9	20.5	14.1	22.6	22.4	--	--	1.25	40
308	FCV SX	Convertible Securities	40.65	OK to Buy	3.4	21.0	10.7	24.8	15.2	11.7	11.2	0.82	1,863
2120	FFGCX	Global Commodity Stock	21.36	OK to Sell	-1.2	19.0	8.7	14.5	5.2	17.3	10.2	1.23	381
6553	FAPHX	Healthy Future Fund	14.08	Hold	2.3	7.1	8.1	7.9	11.1	--	--	1.02	7
6875	FEQHX	Hedged Equity	15.13	OK to Sell	2.0	14.8	7.1	18.2	--	--	--	0.80	235
3488	FNSTX	Infrastructure Fund	17.71	OK to Buy	4.5	30.2	8.6	29.8	18.4	12.8	--	1.05	114
122	FLVCX	Leveraged Company Stock	46.28	Buy	2.7	23.4	6.3	26.5	24.4	19.1	13.0	1.48	2,674
6513	FAPSX	Risk Parity	11.21	OK to Sell	1.5	19.0	9.0	17.2	12.8	--	--	0.83	6
1329	FSDIX	Strategic Dividend & Income	18.40	OK to Buy	0.8	11.4	4.9	10.1	11.6	10.8	9.0	0.78	3,110
1505	FSRRX	Strategic Real Return	8.83	Hold	0.4	8.5	3.9	7.9	6.6	7.5	5.0	0.45	277
311	FIUIX	Telecom & Utilities	37.10	OK to Buy	0.9	15.3	2.8	12.9	17.2	13.6	11.3	1.02	1,558
6042	FLOWX	Water Sustainability	19.50	Hold	-0.1	16.8	3.0	14.5	15.3	11.8	--	1.26	142
<b>SELECT PORTFOLIOS</b>					<b>Average</b>	<b>0.5</b>	<b>15.6</b>	<b>6.9</b>	<b>16.1</b>	<b>17.7</b>	<b>14.4</b>	<b>12.0</b>	<b>1.47</b>
502	FSAVX	Automotive	63.75	Hold	-3.6	14.6	9.5	22.3	14.5	11.0	10.6	1.66	74
507	FSRBX	Banking	33.35	OK to Buy	-3.1	9.1	4.1	13.8	13.3	19.0	9.9	2.09	428
42	FBIOX	Biotechnology	23.92	Buy	7.4	27.0	22.7	14.2	15.1	6.0	6.7	1.49	4,843
68	FSLBX	Brokerage & Investment	187.59	OK to Buy	-4.7	3.3	-7.8	9.3	21.8	20.6	14.5	1.65	1,281
69	FSCHX	Chemicals	11.95	Hold	-6.3	-10.2	-4.9	-18.5	-0.7	5.1	5.1	1.47	385
503	FBMPX	Communication Services	144.28	Buy	0.5	31.7	8.9	38.2	39.7	18.4	14.8	1.42	2,219
511	FSHOX	Construction & Housing	127.20	OK to Buy	-1.8	7.7	4.6	4.0	19.2	17.3	14.7	1.67	739
517	FSCPX	Consumer Discretionary	71.53	Buy	0.9	6.1	7.9	21.1	20.7	11.5	11.9	1.65	509
9	FDFAX	Consumer Staples	82.94	Hold	-0.1	-5.0	-2.9	-5.5	2.5	5.8	5.6	0.88	631
67	FSDAX	Defense & Aerospace	26.07	OK to Buy	1.4	48.3	7.5	51.0	28.8	22.9	15.1	1.20	3,398
60	FSENX	Energy	61.37	Hold	-0.7	8.3	3.4	7.1	3.4	31.3	6.3	1.36	1,768
353	FBSOX	Enterprise Technology Serv	52.17	Hold	0.2	-1.9	-2.7	4.4	10.8	4.4	10.4	1.24	1,402
516	FSLEX	Environment & Alt Energy	48.10	OK to Buy↑	2.0	22.1	9.8	27.2	22.5	17.2	13.3	1.36	612
66	FIDSX	Financials	15.68	Buy	-3.3	7.3	-0.6	12.4	17.1	20.5	12.5	1.50	1,003
98	FSVLX	FinTech	19.35	Hold	-0.8	-0.2	-2.6	7.7	13.3	10.9	8.1	1.48	95
41	FSAGX	Gold	49.57	Sell	-6.6	101.7	31.5	76.4	40.4	11.9	14.8	2.41	2,833
63	FSPHX	Health Care	29.00	OK to Buy	5.7	8.9	13.9	4.0	6.4	5.2	8.9	1.06	6,216
505	FSHCX	Health Care Services	102.01	Hold	0.0	2.5	17.5	-5.6	-4.7	4.7	8.3	1.55	899
9108	FIDRX	Industrials (Advisor Industrials)	61.87	Buy	1.6	24.3	2.2	23.7	25.0	18.5	12.7	1.47	834
45	FSPCX	Insurance	86.63	Hold	-8.3	-3.4	-3.2	-3.4	13.2	18.3	11.7	1.21	752
62	FDLSX	Leisure	19.05	Hold↓	-6.3	-3.1	-9.4	0.2	14.6	14.0	11.3	1.42	597
509	FSDPX	Materials	88.24	Hold	-6.1	5.0	-0.5	-3.6	5.2	8.8	6.3	1.48	407
354	FSMEX	Medical Tech & Devices	61.51	Hold	5.0	1.9	5.0	3.1	6.0	2.8	11.4	1.29	4,159
514	FNARX	Natural Resources	50.83	Hold	-1.7	22.4	7.3	14.6	10.6	26.9	8.0	1.30	656
580	FPHAX	Pharmaceuticals	29.34	OK to Buy	9.1	20.2	23.3	9.5	15.3	13.0	9.3	1.29	1,204
46	FSRPX	Retailing	19.82	OK to Buy	-0.5	1.2	0.3	9.2	16.1	9.4	12.6	1.34	2,573
8	FSELX	Semiconductors	46.45	OK to Buy	10.0	46.6	24.7	52.4	58.5	36.6	30.9	2.50	29,350
28	FSCSX	Software & IT Services	29.90	Hold	3.8	11.0	3.4	20.2	22.0	12.7	17.4	1.51	10,446
7	FDCPX	Tech Hardware	142.01	OK to Buy	7.4	43.7	25.1	51.5	32.7	21.4	19.3	1.21	1,464
64	FSPTX	Technology	46.48	Buy	6.8	29.5	15.2	39.1	39.3	21.1	23.3	1.62	20,847
96	FSTCX	Telecommunications	61.41	OK to Buy	2.1	15.6	2.9	15.5	14.4	6.3	7.2	1.32	181
512	FSRFX	Transportation	107.11	Hold	1.0	6.7	5.7	5.0	11.0	12.1	10.2	1.44	467
65	FSUTX	Utilities	140.41	OK to Buy	3.7	19.3	6.6	16.6	17.3	14.9	12.8	1.20	2,295
963	FWRLX	Wireless	12.78	OK to Buy	1.2	9.6	6.2	11.9	16.0	8.8	11.7	1.12	307
<b>SECTOR ETFs</b>					<b>Average</b>	<b>-0.0</b>	<b>11.4</b>	<b>4.6</b>	<b>12.1</b>	<b>15.1</b>	<b>14.5</b>	<b>11.1</b>	<b>1.30</b>
	FCOM	MSCI Communication Services	70.65	OK to Buy	-0.5	21.3	6.8	27.0	31.4	13.7	12.2	1.29	1,820
	FDIS	MSCI Consumer Discretionary	102.69	Buy	-0.2	6.0	7.2	19.5	19.1	12.1	13.6	1.64	1,930
	FSTA	MSCI Consumer Staples	48.59	Hold	-2.5	-0.0	-3.1	0.2	5.9	8.0	7.6	0.85	1,290
	FENY	MSCI Energy	24.47	Hold	-1.0	5.2	2.4	3.9	3.0	30.8	6.2	1.35	1,430
	FNCL	MSCI Financials	74.18	Buy	-2.8	9.3	0.2	14.7	17.6	19.1	12.3	1.39	2,390
	FHLC	MSCI Health Care	69.63	OK to Buy	4.1	7.8	12.4	1.6	5.1	7.8	9.0	1.00	2,500
	FIDU	MSCI Industrials	83.12	Buy	1.4	19.3	3.7	18.1	20.8	17.6	13.4	1.28	1,530
	FTEC	MSCI Information Technology	236.46	Buy	6.4	28.4	15.1	37.3	35.2	22.7	22.7	1.47	16,150
	FMAT	MSCI Materials	49.98	Hold	-4.7	5.1	0.6	-3.7	8.1	9.7	9.1	1.46	427
	FREL	MSCI Real Estate	27.08	Hold	-2.6	3.0	0.9	-1.5	6.8	7.2	5.7	1.38	1,080
	FUTY	MSCI Utilities	57.57	OK to Buy	1.9	20.6	4.9	15.7	13.4	10.9	10.8	1.15	2,060

# FIDELITY SCORECARD OCTOBER 31, 2025

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>			
					Oct	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr						
<b>TAXABLE BOND</b>					<b>Average</b>			<b>0.6</b>	<b>6.2</b>	<b>2.5</b>	<b>5.8</b>	<b>5.4</b>	<b>0.3</b>	<b>1.9</b>	<b>3.94</b>	<b>5.0</b>	<b>0.40</b>
2268	FCNVX	Conservative Income Bond	10.07	Buy	0.3	3.8	1.2	4.6	5.4	3.3	2.5	4.09	0.3	0.02			
2208	FCBFX	Corporate Bond	10.81	Hold	0.4	7.5	2.9	6.8	7.8	0.5	3.2	4.44	6.9	0.58			
6379	FFEBX	Environmental Bond	8.65	Hold	0.6	6.7	2.8	5.9	5.7	--	--	3.74	6.0	0.50			
2423	FGBFX	Global Credit															
<b>LIQUIDATED</b>																	
15	FGMNX	GNMA (Ginnie Mae)	10.38	Hold	0.7	7.3	3.3	6.9	5.6	0.2	1.4	3.74	4.8	0.54			
54	FGOVX	Government Income	9.29	Hold	0.6	6.2	2.7	5.5	4.5	-0.9	1.1	3.68	5.8	0.48			
2418	FIPDX	Inflation-Protected Index	9.34	Hold	0.4	7.2	2.3	6.0	4.6	1.6	3.0	3.51*	6.6	0.36			
32	FTHRXX	Intermediate Bond	10.38	Buy	0.4	6.2	2.1	6.1	5.7	1.0	2.3	3.80	3.7	0.31			
452	FSTGX	Intermediate Gov't Income	9.94	Hold	0.5	5.5	1.9	5.4	4.4	0.1	1.3	3.32	3.6	0.31			
3045	FUAMX	Intermediate Treasury Index	9.90	Hold	0.6	7.7	2.7	6.6	4.7	-0.9	1.5	3.85	6.1	0.51			
4506	FBIIIX	International Bond Index	9.45	OK to Buy	1.1	3.3	1.5	4.7	5.0	0.5	--	2.79	6.9	0.29			
26	FBNDX	Investment Grade Bond	7.34	OK to Buy	0.6	7.1	2.8	6.3	6.0	0.2	2.5	4.14	6.1	0.50			
2622	FJRLX	Limited Term Bond	11.64	Buy	0.4	5.8	1.9	6.3	6.3	2.0	2.5	4.22	2.6	0.20			
662	FFXSX	Limited Term Government	9.76	OK to Buy	0.3	4.8	1.6	5.1	4.4	0.8	1.3	3.44	2.6	0.22			
3047	FNBGX	Long-Term Treasury Index	9.51	OK to Sell	1.3	7.1	4.7	3.0	2.7	-6.9	0.0	4.63	14.8	1.10			
40	FMSFX	Mortgage Securities	10.02	Hold	0.8	7.6	3.7	7.1	5.7	-0.1	1.4	3.99	5.4	0.57			
450	FSHBX	Short-Term Bond	8.53	Buy	0.4	4.7	1.5	5.3	5.4	2.1	2.1	3.81	1.8	0.13			
3041	FNSOX	Short-Term Bond Index	10.15	OK to Buy	0.3	5.2	1.7	5.6	5.1	1.5	--	3.74	2.6	0.21			
3049	FUMBX	Short-Term Treasury Index	10.42	OK to Buy	0.3	5.0	1.6	5.2	4.6	1.2	1.7	3.58	2.5	0.21			
3086	FNDSX	Sustainability Bond Index	9.44	Hold	0.6	6.7	2.9	6.0	5.4	-0.4	--	4.06	5.8	0.49			
6541	FIAEX	Sustainable Core Plus Bond	9.48	Hold	0.6	7.0	2.9	6.3	6.0	--	--	4.18	5.9	0.50			
6526	FAPGX	Sustainable Low Dur Bond	10.34	Buy	0.3	3.8	1.2	4.7	5.1	--	--	3.99	0.6	0.03			
6502	FBAGX	Tactical Bond	9.02	Hold	0.8	7.6	3.2	6.6	6.3	--	--	4.72	6.4	0.49			
820	FTBFX	Total Bond	9.72	OK to Buy	0.7	7.2	3.0	6.6	6.7	1.0	2.9	4.50	6.0	0.48			
2326	FXNAX	U.S. Bond Index	10.59	Hold	0.7	6.8	3.0	6.2	5.6	-0.2	1.9	4.06	5.9	0.50			
<b>HIGH-YIELD BOND</b>					<b>Average</b>			<b>0.9</b>	<b>8.7</b>	<b>3.3</b>	<b>9.4</b>	<b>10.2</b>	<b>5.4</b>	<b>5.1</b>	<b>5.78</b>	<b>2.7</b>	<b>0.38</b>
38	FAGIX	Capital & Income	10.93	OK to Buy	1.2	11.7	4.1	12.8	12.2	9.0	7.6	4.54	1.9	0.46			
814	FFRHXX	Floating Rate High Income	9.13	OK to Buy	0.3	4.4	1.5	6.0	9.0	6.9	5.2	7.54	0.2	0.18			
1366	FHIFX	Focused High Income	8.33	OK to Buy	0.6	7.6	2.7	7.8	8.3	3.7	4.4	5.59	2.6	0.36			
455	SPHIX	High Income	8.13	OK to Buy	0.2	8.5	2.9	9.4	9.9	4.9	5.2	6.56	2.6	0.40			
331	FNMIX	New Markets Income	13.76	OK to Buy	2.5	13.5	6.1	13.4	14.4	4.3	4.3	5.57	5.8	0.61			
2580	FSAHX	Short Duration High Income	9.09	OK to Buy	0.4	6.5	2.7	7.7	8.6	4.9	4.4	6.28	1.7	0.25			
3082	FADMXX	Strategic Income	12.18	OK to Buy	1.0	8.6	3.3	8.8	9.0	4.2	4.5	4.37	4.0	0.41			
<b>MUNICIPAL BOND</b>					<b>Average</b>			<b>1.0</b>	<b>4.0</b>	<b>3.8</b>	<b>4.3</b>	<b>5.2</b>	<b>1.3</b>	<b>2.2</b>	<b>3.07</b>	<b>6.2</b>	<b>0.42</b>
434	FSAZX	Arizona Muni Income	11.58	Hold	1.2	3.5	4.1	3.8	5.3	1.1	2.2	3.03	6.8	0.45			
1534	FCSTX	Calif Limited Term Tax Free	10.53	Hold	0.1	4.0	1.3	4.2	3.9	1.1	1.5	2.43	3.2	0.25			
91	FCTFX	California Muni Income	12.39	Hold	1.4	4.5	5.0	4.8	5.8	1.4	2.4	3.17	7.9	0.49			
407	FICNX	Connecticut Muni Income	11.08	Hold	0.9	4.3	3.6	4.5	5.3	1.2	2.2	2.84	5.7	0.47			
2579	FMNDX	Conservative Income Muni	10.06	Buy	0.1	2.7	0.6	3.1	3.5	2.0	1.6	2.80	0.7	0.05			
36	FLTMX	Interm Municipal Income	10.27	Hold	0.9	4.5	3.4	4.9	5.1	1.5	2.3	2.99	5.6	0.38			
404	FSTFX	Limited Term Muni Income	10.60	OK to Buy	0.0	4.0	1.1	4.2	4.2	1.3	1.7	2.72	2.8	0.22			
429	SMDMX	Maryland Muni Income	10.94	Hold	1.3	4.3	4.6	4.7	5.5	1.3	2.2	2.98	6.7	0.49			
70	FDMMX	Mass Muni Income	11.48	Hold	1.2	3.7	4.2	3.8	4.9	0.9	2.0	3.20	7.6	0.45			
81	FMHTX	Michigan Muni Income	11.65	Hold	1.2	3.8	4.4	4.2	5.4	1.0	2.3	3.33	7.3	0.48			
82	FIMIX	Minnesota Muni Income	11.20	Hold	1.1	4.2	4.1	4.3	4.8	0.9	2.1	2.92	6.2	0.44			
37	FHIGX	Municipal Income	12.35	Hold	1.3	3.9	4.8	4.1	6.0	1.4	2.6	3.41	7.9	0.53			
416	FNJHX	New Jersey Muni Income	11.74	Hold	1.2	4.4	4.3	4.8	6.3	2.0	3.0	3.10	7.1	0.50			
71	FTFMX	New York Muni Income	12.45	Hold	1.4	3.7	5.1	3.8	6.0	1.4	2.3	3.37	8.6	0.55			
88	FOHFX	Ohio Muni Income	11.53	Hold	1.3	3.9	4.4	4.3	5.3	1.1	2.3	3.19	6.9	0.46			
402	FPXTX	Pennsylvania Muni Income	10.57	Hold	1.3	3.5	4.4	3.9	5.5	1.2	2.3	3.28	7.3	0.49			
6532	FSIKX	Sustainable Intermed Muni	10.29	Hold	0.9	4.9	3.6	5.2	5.5	--	--	--	5.6	0.41			
90	FTABX	Tax-Free Bond	11.09	Hold	1.3	4.1	4.8	4.4	6.2	1.5	2.7	3.50	7.8	0.53			

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
			Oct	YTD	
55	FDRXX	Gov't Cash Reserves	0.33	3.39	3.84
458	SPAXX	Government MM	0.32	3.34	3.77
2742	FZFX	Treasury MM	0.32	3.32	3.69
415	FDLXX	Treasury Only MM	0.31	3.29	3.66
<b>PRIME MONEY MARKETS</b>					
454	SPRXX	Money Market	0.33	3.38	3.82
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 MKT</b>			Total Return (%)		SEC %Yield
			Oct	YTD	
10	FTEXX	Municipal Money Market	0.20	2.06	2.60
275	FMOXX	Tax-Exempt MM	0.20	1.97	2.55
<b>STATE MUNICIPAL MONEY MARKETS</b>					
457	FSPXX	California Muni MM <sup>2</sup>	0.19	1.86	2.40
426	FMSXX	Massachusetts Muni MM <sup>2</sup>	0.20	1.98	2.60
423	FSJXX	New Jersey Muni MM <sup>2</sup>	0.19	1.99	2.49
422	FSNXX	New York Muni MM <sup>2</sup>	0.21	2.08	2.75
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 OCTOBER 31, 2025

Fund No.	Fund Ticker	Fund Name	Style	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>
						Oct	YTD	3 Mo.	1 Year	3 Year	5 Year	10 Year	
<b>FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS</b>													
Model Portfolios	Annuity Sector Model					2.3	20.1	8.2	27.0	24.8	17.0	15.5	1.25
	Annuity Growth Model					1.7	17.7	5.9	20.6	22.4	16.1	14.2	1.08
	Annuity Growth & Income Model					1.2	13.4	5.0	14.9	15.3	9.4	9.3	0.77
	Annuity Income Model					0.8	8.2	3.1	8.5	9.0	4.5	4.9	0.43
9067	FLRQC	Fid VIP Asset Manager	Allocation	33.07	Hold	1.5	13.7	5.9	13.9	12.5	7.3	6.6	0.68
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation	39.30	Hold	1.9	16.8	7.2	17.3	15.5	9.9	8.3	0.82
9069	FJBAC	Fid VIP Balanced	Allocation	53.91	Buy	2.3	14.1	6.8	16.2	17.1	11.7	10.6	0.79
9461	FBIQC	Fid VIP Bond Index	Bond	11.31	Hold	0.7	6.5	2.9	5.8	5.2	-0.6	--	0.49
9173	FVTAC	Fid VIP Communication Services	Sector	55.14	Buy	0.3	31.4	8.7	37.7	39.8	18.4	15.1	1.43
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	73.04	Buy	0.9	5.8	7.7	20.8	20.4	11.2	11.7	1.65
9171	FCSAC	Fid VIP Consumer Staples	Sector	38.26	Hold	-0.2	-5.3	-3.1	-5.9	2.2	5.3	5.7	0.88
9065	FPDFC	Fid VIP Contrafund	Large Growth	86.34	Buy	1.9	20.1	5.6	24.5	28.3	17.3	15.2	1.09
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	42.74	Hold	2.0	15.2	14.4	18.0	16.5	15.2	9.8	1.58
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	86.96	OK to Buy	2.4	17.3	7.2	19.1	23.7	16.1	14.2	1.09
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	20.58	Hold	3.4	37.6	14.3	32.1	24.5	9.1	10.0	1.40
9085	FJLLC	Fid VIP Energy	Sector	25.61	Hold	-0.8	8.1	3.3	6.9	3.1	31.0	6.0	1.36
9061	FLOLC	Fid VIP Equity-Income	Large Value	46.01	Buy	0.1	14.3	4.4	12.6	13.9	15.1	10.6	0.88
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	17.59	OK to Buy	0.6	10.3	7.7	12.2	12.4	12.1	--	1.46
9083	FONNC	Fid VIP Financials	Sector	32.90	Buy	-3.3	7.0	-0.7	12.1	16.7	20.1	12.2	1.49
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	16.17	OK to Buy	0.2	4.1	1.3	5.5	8.5	6.3	4.9	0.18
9157	FMPAC	Fid VIP FundsManager 20	Allocation	20.56	Hold	0.9	8.3	3.6	8.5	7.9	3.7	3.8	0.43
9158	FMPBC	Fid VIP FundsManager 50	Allocation	29.55	Hold	1.5	13.1	5.8	13.5	12.3	7.4	6.8	0.69
9197	FMPPC	Fid VIP FundsManager 60	Allocation	30.04	Hold	1.7	14.6	6.3	14.9	13.7	8.6	7.7	0.76
9159	FMPCC	Fid VIP FundsManager 70	Allocation	35.63	Hold	1.8	15.9	6.9	16.4	15.1	10.0	8.6	0.82
9160	FMPDC	Fid VIP FundsManager 85	Allocation	40.17	Hold	2.1	18.1	7.9	18.7	17.1	11.9	10.0	0.93
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	13.42	--	0.3	3.2	1.0	4.0	4.4	2.7	1.7	0.01
9062	FMNDC	Fid VIP Growth	Large Growth	104.49	Buy	2.9	17.0	6.7	20.4	26.8	16.9	17.4	1.18
9070	FLFNC	Fid VIP Growth & Income	Large Blend	65.60	OK to Buy	0.9	17.9	4.6	19.2	19.8	19.6	13.0	0.96
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	131.01	Buy	2.9	23.5	7.9	31.1	33.1	15.7	19.8	1.49
9084	FPDRC	Fid VIP Health Care	Sector	76.12	OK to Buy	5.7	8.4	13.8	3.4	6.1	4.9	8.2	1.06
9060	FBBLC	Fid VIP High Income	High-Yield Bond	28.08	OK to Buy	0.4	8.8	3.0	9.6	9.3	4.7	4.6	0.38
9064	FXVLT	Fid VIP Index 500	Large Blend	76.71	OK to Buy	2.3	17.2	8.1	21.0	22.3	17.2	14.2	1.00
9082	FBALC	Fid VIP Industrials	Sector	83.47	Buy	1.5	23.8	2.1	23.3	24.7	18.2	12.5	1.47
9473	FFIQC	Fid VIP International Index	Diversified Int'l	16.32	Hold	1.9	29.1	9.9	25.4	20.3	11.0	--	1.09
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	39.27	Hold	-0.1	18.6	1.7	16.6	20.3	8.8	9.4	1.18
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	19.12	OK to Buy	0.6	6.7	2.8	5.9	5.7	0.1	2.3	0.50
9172	FVMAC	Fid VIP Materials	Sector	31.77	Hold	-6.1	4.8	-0.6	-3.9	5.1	9.2	6.3	1.48
9071	FNBSC	Fid VIP Mid Cap	Mid Blend	54.76	Buy	-0.0	7.0	4.3	8.0	13.4	13.3	9.5	1.35
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	30.90	Hold	0.5	20.4	3.6	17.4	18.3	9.8	7.5	1.14
9072	FFWKC	Fid VIP Real Estate	Sector	30.47	Hold	-1.0	2.5	1.5	-0.9	7.1	5.6	3.7	1.38
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	25.82	OK to Buy	0.9	8.2	3.3	8.4	8.6	3.8	4.1	0.41
9086	FYENC	Fid VIP Technology	Sector	220.05	Buy	6.6	28.4	14.8	37.6	38.3	22.5	23.9	1.61
9465	FTMJC	Fid VIP Total Market Index	Large Blend	25.75	Buy	2.2	16.6	8.1	20.5	21.5	16.4	--	1.04
9087	FXRRC	Fid VIP Utilities	Sector	66.85	OK to Buy	3.7	18.9	6.5	16.2	17.0	14.6	12.4	1.20
9079	FKMSC	Fid VIP Value	Large Value	48.73	OK to Buy	-0.0	6.5	4.1	6.6	12.5	16.6	10.1	1.26
9073	FRBSC	Fid VIP Value Strategies	Mid Value	48.51	Hold	0.4	3.5	5.2	3.6	11.0	15.7	9.6	1.43
9347	FBMEC	Black Rock Global Allocation	Global Allocation	22.88	Hold	1.3	17.0	6.3	17.4	13.7	7.7	6.8	0.76
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	10.08	Hold	-0.6	14.3	3.5	8.0	4.0	-1.4	-0.6	0.89
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	11.11	Hold	0.7	5.9	2.8	5.7	4.6	-0.3	0.8	0.42
9285	FIGXC	Invesco Global Core Eqty	Global Stock	25.21	Hold	1.0	15.4	5.7	16.3	19.7	11.5	8.2	1.04
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	27.81	Hold	5.8	36.1	12.3	31.3	25.6	14.8	8.2	1.10
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	23.87	OK to Buy	2.1	12.5	5.5	13.3	15.4	3.2	3.8	0.68
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	21.56	Hold	5.2	30.3	14.5	25.9	19.9	7.1	6.3	1.18
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	21.72	Hold	1.3	16.1	5.9	15.6	14.3	7.5	6.2	0.80
9346	FPMEC	Pimco Commodity Real Return	Commodities	9.42	OK to Sell	2.8	16.1	8.6	16.7	3.4	12.2	4.8	0.82
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	13.16	Buy	0.3	4.4	1.6	5.1	4.9	1.2	1.4	0.15
9277	FPNBC	Pimco VIT Real Return	TIPS	16.28	Hold	0.5	7.9	2.6	6.8	4.7	1.6	2.8	0.37
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	15.43	Hold	1.1	8.2	3.8	7.8	6.6	-0.0	2.0	0.50

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	28%	VIP Equity-Income	27%	VIP Equity-Income	28%	VIP Invest Grade Bond	31%
VIP Comm Services	17	VIP Growth Opps	23	VIP Growth Opps	22	PIMCO VIT Low Durat.	22
VIP Financials	16	VIP Growth	23	VIP Invest Grade Bond	22	VIP Growth	16
VIP Consumer Discret	15	VIP Contrafund	16	VIP Total Market	16	VIP Gvt Money Market	16
VIP Industrials	13	VIP Mid Cap	11	PIMCO VIT Low Durat.	12	VIP Equity-Income	15
VIP Health Care	11						
<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>	
<b>Oct: 2.3% YTD: 20.1%</b>		<b>Oct: 1.7% YTD: 17.7%</b>		<b>Oct: 1.2% YTD: 13.4%</b>		<b>Oct: 0.8% YTD: 8.2%</b>	

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

capability for doing so is rapidly improving. That alone should be enough to create a noticeable improvement in service-sector productivity. As AI's capabilities improve, allowing other types of white-collar job functions to become more automated, service-sector productivity could approach that of manufacturing. A scenario like that would put significant downward pressure on inflation, because rising wages could be fully absorbed by existing corporations, and new service-sector startups would put downward pressure on prices.

### **Steeper Yield Curve; Reduced Recession Risk**

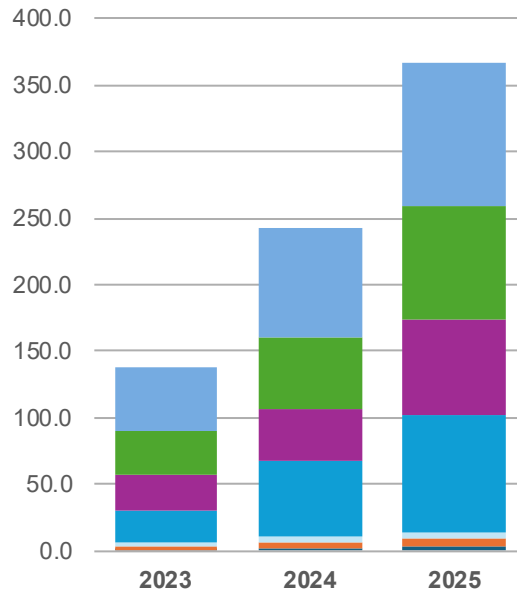
Periods of elevated productivity tend to push up borrowing demand, because companies make larger-than-usual capital investments when they see potential for a high return on investment. That, in turn, tends to pull up the long end of the yield curve if it's happening globally. At the same time, the reduced threat of domestic inflation (due to the deflationary impact of AI technology) allows for the Fed to reduce short-term interest rates to low levels. In turn, a steeper yield curve in combination with heavy business spending and continuing tariffs (which discourage imports) could reduce the risk of a recession (GDP contraction for two quarters in a row). In other words, the economy could remain reasonably robust, even in the face of an unusually weak job market.

### **Disappearing White-Collar Jobs**

Some technology corporations that employ hundreds (or thousands) of software developers have begun modest layoffs in recent years. It's not because of weak business conditions. Rather, it's the realization that more projects can be done with fewer workers thanks to AI. As this becomes the norm in other types of

white-collar job functions, it will likely spread to other industry groups, as is currently happening in the automotive sector. White-collar job losses have occurred in the past (such as during and after the 1990-1991 recession), but this time

**Magnificent 7's CapEx On AI**  
(Figures estimated in billions)



Appearing bottom to top:

■ NVIDIA ■ Apple ■ Tesla ■ Microsoft  
■ Meta ■ Alphabet ■ Amazon

*Shown here are estimates for the recent growth in capital expenditures (CapEx) by Magnificent Seven companies for AI. In some cases, total CapEx is even higher, though AI is often siphoning off capital from other endeavors. But more important than actual dollar amounts (which are often obscured in balance sheets for strategic reasons), is the growth of the industry's projected investments in AI.*

*In the case of Amazon, its AI investments are expected to have doubled this year to \$108 billion, up from \$48 billion in 2023. During the same period, Microsoft is likely to have more than tripled to \$88 billion.*

*As for NVIDIA (the world's most valuable company by market cap — nearly \$5 trillion), though it's the world's biggest beneficiary of AI spending, its CapEx remains focused on research and development — not building AI infrastructure (such as data centers and even power plants). A so-called "fabless" chip maker, it largely outsources manufacturing to foreign entities including Taiwan Semiconductor, Samsung, Global Foundries and United Microelectronics.*

around it could turn into a persistent situation.

As for blue-collar jobs, most will probably be less impacted because of the expected high capital cost of real-world AI (such as self-driving cars and robots with human-level intelligence), which suggests such technology will initially be deployed where human labor is scarce or simply unavailable. Eventually, the capital cost of real-world AI should decline, displacing a larger proportion of existing jobs. But as this happens, an explosion of new services will likely create new blue-collar jobs. In this respect, the employment impact of AI is probably more similar to that of past technology disruptions.

### **Higher P/E Ratios Driven By Rising Profit Margins And Tech Dominance**

If corporations are able to accommodate revenue growth without having to do as much hiring, profit margins may continue to trend upward, much as they have since the early 2000s. In turn, that could result in P/E ratios that climb into a higher range as well. Alarm bells may ring in the minds of some investors in a scenario where the S&P 500's technology weighting grows to resemble the impact of the railroads in the early 1880s (they accounted for some 70% of U.S. market capitalization at the time). But in a situation like this, a high multiple for the stock market would not necessarily spell trouble — it would simply reflect the increased margins and growing business opportunities that AI technology makes possible.

### **Renaissance For Active Management?**

Over the last year, some of Fidelity's active sector funds have shown improved performance relative to their benchmarks, especially

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### Fixed Income Funds

In the immediate aftermath of Fed Chair Powell throwing cold water on the market's assumption that interest rates would be cut again in December, the yield on the benchmark 10-year Treasury note rose. Suffice to say, October's rate cut may have been a nod to the country's labor market which is showing more strain. Lest we forget, the Fed actually has two jobs: fighting inflation and supporting the labor market. Recently overlooked, however, is the impact on labor owing to tar-

iffs and ever-evolving trade pacts.

Against that backdrop, the yield curve did manage to steepen slightly in October, with short-term bond yields falling and longer-dated bond yields largely static. (The effect of the government's shutdown on Treasuries has so far been muted.) However, should it continue, it's

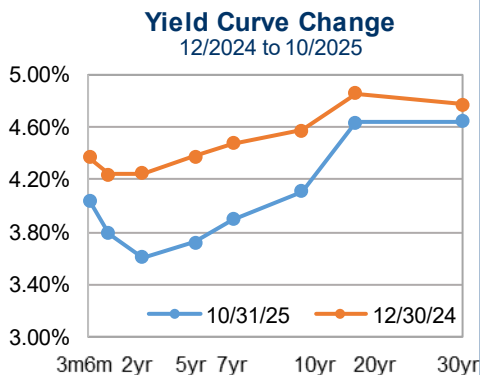
possible that yields will rise (prices fall) should foreign buyers — who hold about 30% of government bonds — lose confidence in the U.S.

The yield on the 3-month T-bill fell 13 basis points last month to 3.89% as investors anticipated the Fed trimming rates. Over the same period, the 10-year Treasury note fell 5 basis points, ending October at 4.11%. (See adjacent chart.)

Against that backdrop, money market yields are poised to ease, whereas bond funds gained ground as prices move inversely to their yields.

In practical terms, **Gov't Cash Reserves'** yield was 3.84%, unchanged from the month before. For its part, **U.S. Bond Index** (a proxy for the entire bond market) rose 0.7% last month. As for Fidelity's most interest-rate sensitive fund, **Long-Term Treasury Index**, it popped 1.3%. ■

— John Bonnanzio



While short-term Treasury yields have fallen this year, longer-dated 10-, 20- and 30-year bonds have only modestly fallen, keeping mortgage rates and other borrowing costs high.

### DIVIDEND UPDATE

Other than monthly dividends on bond and money market funds, and Asset Mgr: 20%/30%, no funds are expected to pay dividends and/or capital gains in November.

The final distributions for October were as follows:

Fund	Ex-Date	\$ Amt	NAV
500 Index	10/3	0.672	233.28
Asset Mgr 40%	10/3	0.090	14.15
Asset Mgr 50%	10/3	0.124	22.72
Balanced	10/10	1.087	31.34
Cons. Inc. Bond	10/10	0.008	10.07
Consumer Staples	10/3	0.390	83.38
Convertible Sec	10/3	0.326	40.02
Dividend Growth	10/3	0.250	41.77
Equity Div Inc	10/3	0.168	30.31
Equity-Income	10/3	0.317	83.71
Global Credit	10/3	0.086	8.19
Global Equity Inc	10/3	0.041	24.64
Growth & Income	10/3	0.285	67.50
Industrials (FCYIX)	10/14	0.756	48.24
Infl-Protected Idx	10/3	0.084	9.31
Infrastructure	10/3	0.038	17.21
Int'l Bond Index	10/3	0.044	9.36
Puritan	10/10	1.061	25.52
Real Estate Inc	10/3	0.148	12.27
Strat Div & Inc	10/3	0.121	18.42
Strategic Real Ret	10/3	0.135	8.82
Sus. Low Durat.	10/10	0.009	10.34
Telecom & Util	10/3	0.235	37.37
Telecomm	10/3	0.641	61.13
Utilities	10/3	0.549	138.72

### Jack's Message *cont'd from page 11*

in industry groups where AI is creating significant potential for revenue growth and/or cost reduction. This may be due in part to divergences within analyst projections. In an environment where there is less consensus about what the future will bring, the market may be slow to recognize emerging trends, creating new opportunities for savvy active managers. Fidelity, in particular, has a proven ability to capitalize on the impact of disruptive technology, often getting the story right more often than the broader analyst community.

As always, big periods of change often come with unique risks that are not easily anticipated. It is almost impossible to know what will

cause the next bear market. It's probably not going to be what many investors are worried about, such as a repeat of the 2000-2002 tech-bust, a dollar crisis due to excessive government debt, or a shortage of electricity. But it could result from some other problem that is not currently on the radar — such as deflationary pressures due to the widespread adoption of AI technology, intensifying competition in the service sector, or higher corporate taxes. However, given the potential for AI to usher in a long period where overall corporate earnings grow at above-average rates, it seems to me that the stock market of the next 20 years is a risk worth taking — even if there are big economic issues looming along the way. ■

— Jack Bowers

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