Quarterly Market Perspective

December 2025

The following pages provide greater detail into some of the themes discussed in the Quarterly Market Perspective video:

1. **MARKET SUMMARY**
International stocks outpaced strong U.S. stock returns, while bonds outperformed cash for the first time since 2020.

2. **BUSINESS CYCLE**
Driven by consumer spending, the U.S. economy remained in expansion, but job growth and sentiment have been challenged.

3. **INVESTMENT STRATEGY**
Client portfolios remain broadly diversified, which benefitted from outsized returns by international stocks.

4. **DIVERSIFICATION**
The durability of client portfolios helped temper market volatility, inflation, and geopolitical events.

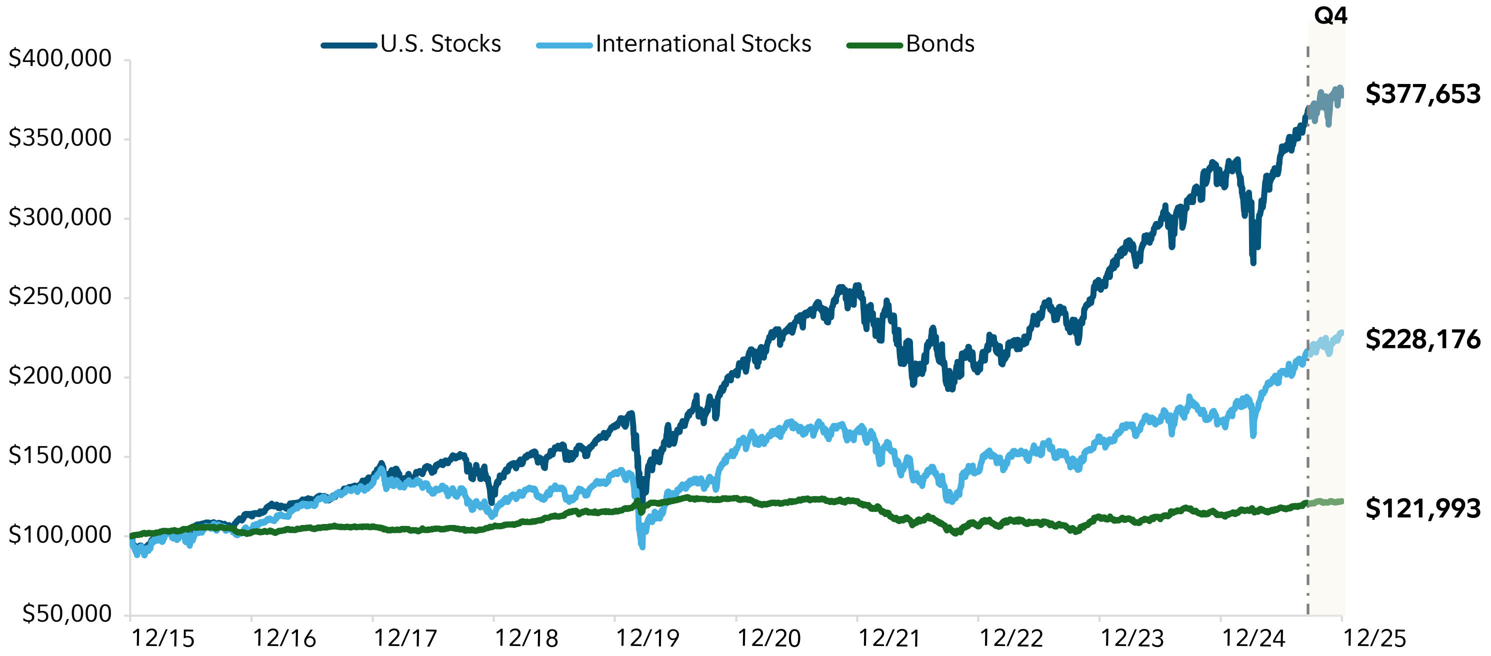
5. **STAYING INVESTED**
We believe that by remaining disciplined over the long-term, investors will be best positioned to achieve their financial goals.

For the year, global stocks and bonds rose on economic and corporate profit growth

- U.S. stocks posted solid gains as the economy grew, corporate profits rose, and tariff uncertainty continued to drop.
- International stocks moved sharply higher, largely benefitting from corporate profit growth and stabilizing economic backdrops.
- Bonds returns moved higher due to strong coupon income and price appreciation driven by lower interest rates.
- Over the last 10 years, investors have seen gains in all three asset classes, with a diversified portfolio often providing stability during periods of stock market volatility.

Stock and bond returns were positive for 2025

Hypothetical growth of $100,000, 12/31/2015–12/31/2025



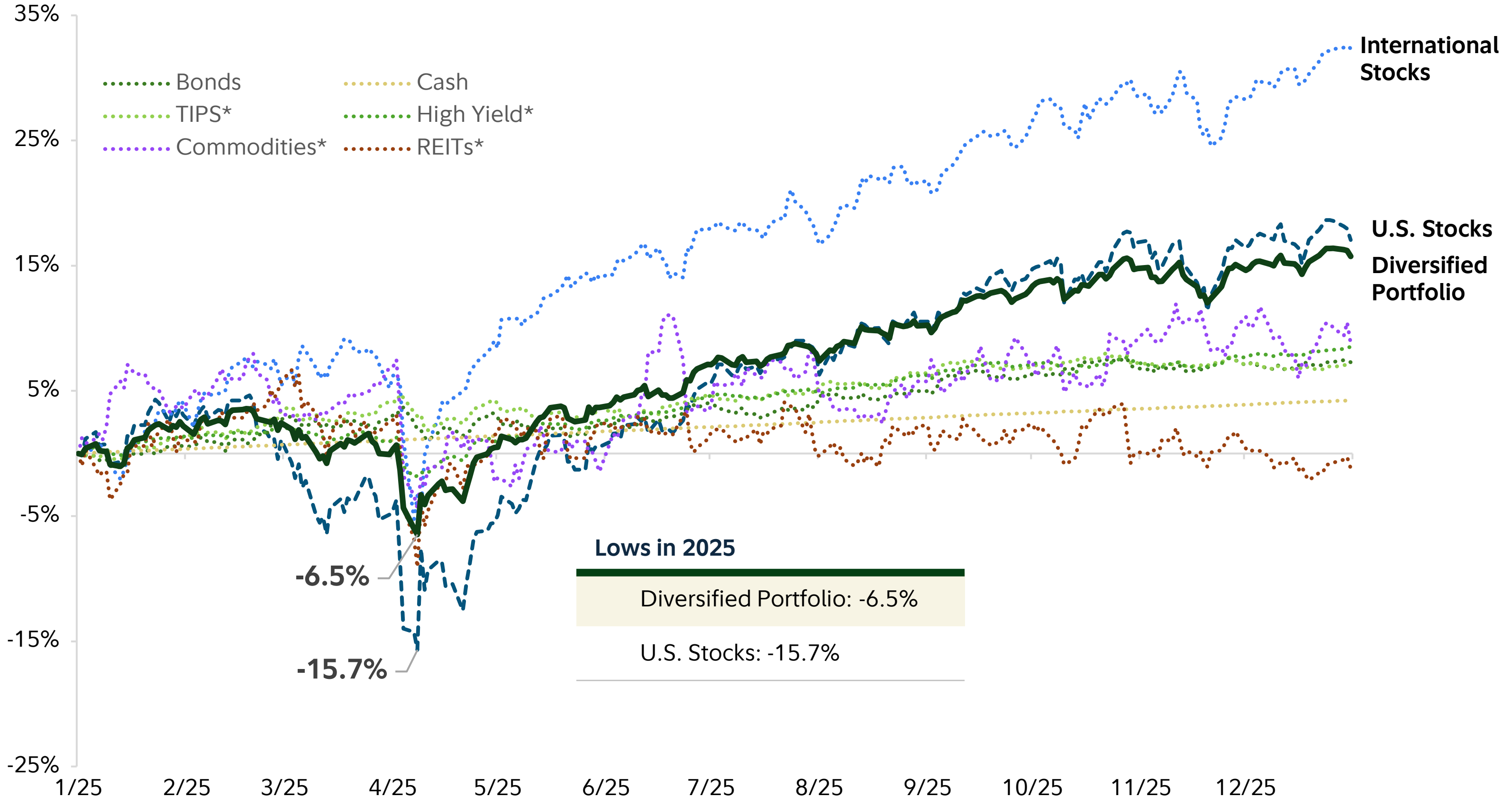
This chart illustrates the performance of a hypothetical $100,000 investment made in the asset classes noted below.

Past performance is no guarantee of future results. Index returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. This chart is not intended to imply any future performance of the investment product. It is not possible to invest directly in an index. All indexes are unmanaged. Please see Important Information for index definitions. Source: Fidelity Investments, as of 12/31/2025. U.S. stocks—Dow Jones U.S. Total Stock Market Index; international stocks—MSCI All Country World ex USA Index (Net MA); bonds—Bloomberg US Aggregate Bond Index.

Diversification played a key role in delivering a smoother investment experience

- For 2025, the diversified portfolio generated meaningful growth that was very similar to U.S. stocks, primarily driven by the significant outperformance of international stocks.
- Positive returns from a variety of asset classes helped dampen significant turbulence earlier in the year, delivering a smoother experience than owning just U.S. stocks alone.
- We believe in using various investment components to diversify a portfolio, which can help reduce volatility so that investors stay more comfortable and stick with their investment plan.

Returns of a diversified portfolio, stocks, bonds, and other investments, 2025



*Opportunistic asset classes.

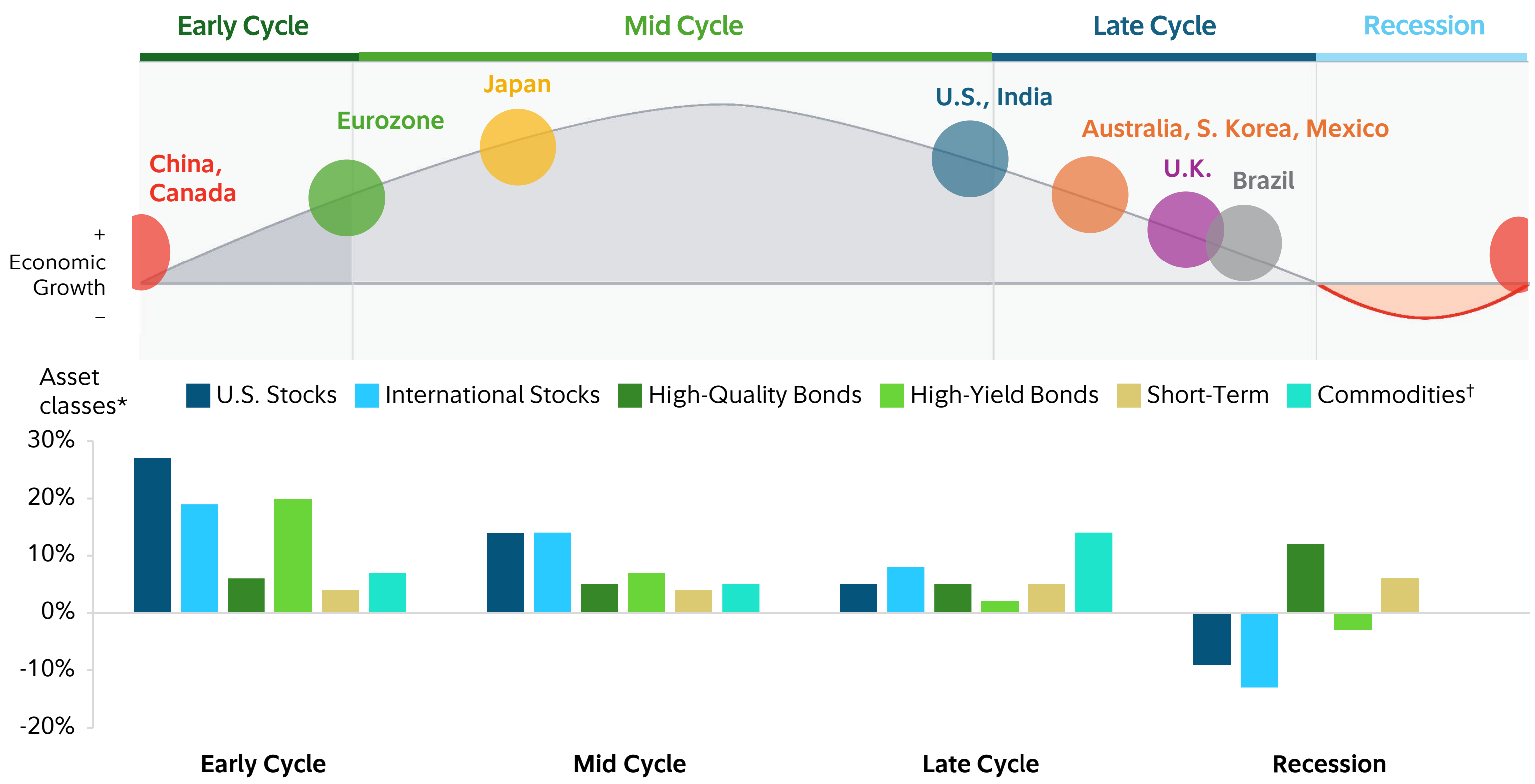
Past performance is no guarantee of future results. Diversification does not ensure a profit or guarantee against loss. It is not possible to invest directly in an index. All indexes are unmanaged. Please see Important Information for index definitions. Diversified portfolio—42% Dow Jones U.S. Total Stock Market Index, 18% MSCI All Country World Index ex USA Index (Net MA) (International Stocks), 35% Bloomberg US Aggregate Bond Index, 5% Bloomberg 3-Month Treasury Bill Index; U.S. Stocks—Dow Jones U.S. Total Stock Market Index; International Stocks—18% MSCI ACWI All Country World Index ex USA Index (Net MA); Bonds—Bloomberg US Aggregate Bond Index; Real Estate Income Trust stocks (REITs)—National Association of Real Estate Investment Trusts (NAREIT) Index; High-Yield Bonds—ICE BofA US High Yield Constrained Index; Commodities—Bloomberg Commodity Index; Cash—Bloomberg US 3-Month Treasury Bellwether Index; Treasury Inflation-Protected Securities (TIPS)—Bloomberg US Treasury US TIPS Index.

Source: Fidelity Investments as of 12/31/2025.

U.S. economy remains in expansion, while the rest of the globe is growing at various paces

- U.S. economic activity picked up in the fourth quarter, extending its expansion amid some areas of continued weakness in areas such as housing and labor.
- Economic growth typically moderates in late cycle, which can last many months or years. Still, there can be sustained periods of economic growth and stock market gains.
- Most major economies across the globe are in economic expansion with Europe and Canada exhibiting early signs of strengthening while China is displaying a less consistent growth pattern.

Four phases of an economy's business cycle



*Asset class total returns are represented by indexes from the following sources: Fidelity Investments, Morningstar, and Bloomberg. Fidelity Investments source: a proprietary analysis of historical asset class performance, which is not indicative of future performance. From 1950 to 2025, as of 12/31/2025. **Past performance is no guarantee of future results.** This is for illustrative purposes only and not indicative of any investment.

†Commodities are zero weighted during the recession part of the business cycle. Please see Important Information for index definitions.

A growth recession is a significant decline in activity relative to a country's long-term economic potential. Note: The diagram above is a hypothetical illustration of the business cycle—the pattern of cyclical fluctuations in an economy over a few years that can influence asset returns over an intermediate-term horizon. There is not always a chronological, linear progression among the phases of the business cycle, and there have been cycles when the economy has skipped a phase or retraced an earlier one. Source: Fidelity Investments (AART), as of 12/31/2025.

U.S. stocks—Dow Jones U.S. Total Stock Market Index; international stocks—MSCI All Country World ex USA Index (Net MA); high-quality bonds—Bloomberg US Aggregate Bond Index; high-yield bonds—ICE BofA US High Yield Index; short-term investments—Bloomberg 3–6 Month US Treasury Bill Index; commodities—Bloomberg Commodity Index.

The U.S. economy continued to expand, but several key indicators remain mixed

Summary of economic and market indicators
December 31, 2025

Favorable | Mixed | Unfavorable

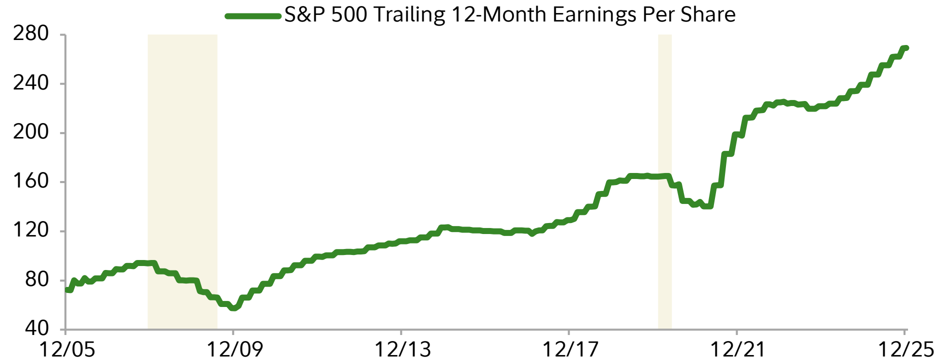
Indicator	Current View	Notes
Economic Growth	Mixed	U.S. economic growth accelerated in recent quarters despite softness in the jobs market.
Corporate Profits	Favorable	Corporate profits have grown at an above-average pace and consensus estimates are positive for 2026.
Borrowing/Credit	Mixed	Interest rates generally remain elevated, which may limit loan demand from consumers and businesses.
Inventory	Favorable	Inventory levels have held steady as consumers continue to spend.
Federal Reserve	Favorable	The Fed cut interest rates to support the economy and market expectations suggest more may occur in 2026.
Government Spending	Favorable ↑	The tax and spending package passed in 2025 should provide stimulus in the form of tax reductions to some businesses and individuals in 2026.
Inflation	Mixed	Inflation remains above the Fed's long-term target and may edge higher due to tariffs.
Consumer	Mixed	Consumer spending remains resilient despite a cooling labor market.
Manufacturing Activity	Mixed	Manufacturing activity is mixed as many businesses continue to be challenged by tariff impacts.
International Developed Markets	Favorable	Earnings outlook and valuations continue to be attractive, as regions and markets adjust to shifting trade conditions.
Emerging Markets	Favorable	Compelling earnings outlook and valuations benefitting from increased global investment in AI.

↑↓ **Represent directional change from last quarter**

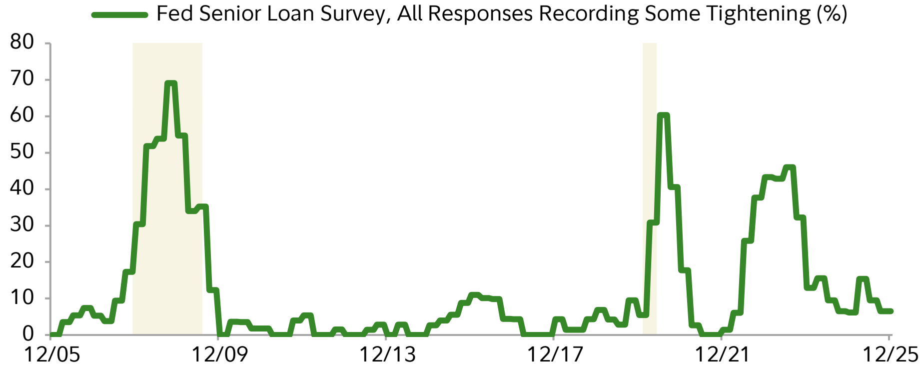
Sources: Fidelity Investments (AART), Strategic Advisers LLC, Bloomberg Finance L.P., as of 12/31/2025.

Major economic indicators continued to reflect a healthy U.S. economy

Corporate Profits: Profits continue to grow
Rising corporate profits generally reflect positive economic growth.

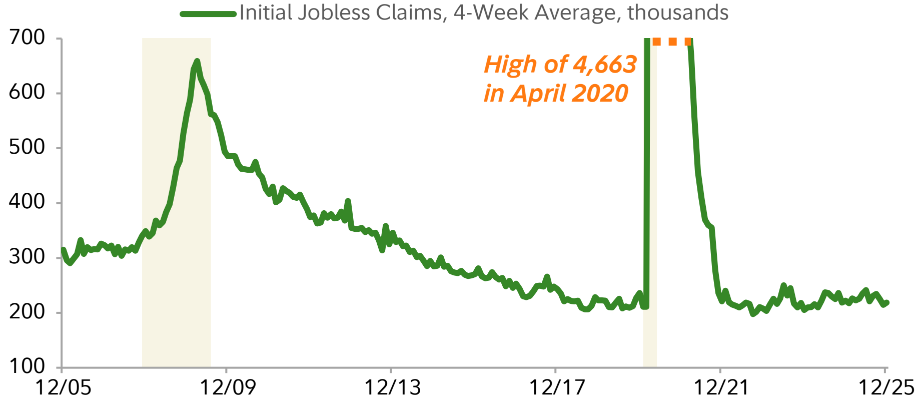


Borrowing/Credit: Banks still willing to lend
Bank lending standards remain relatively accommodative.



Inventories: Remain at manageable levels
Consumer spending remains healthy, keeping inventory levels from significantly rising.

Jobless Claims: Still historically low despite recent increase
Despite government job cuts and other layoffs, job market remains healthy.

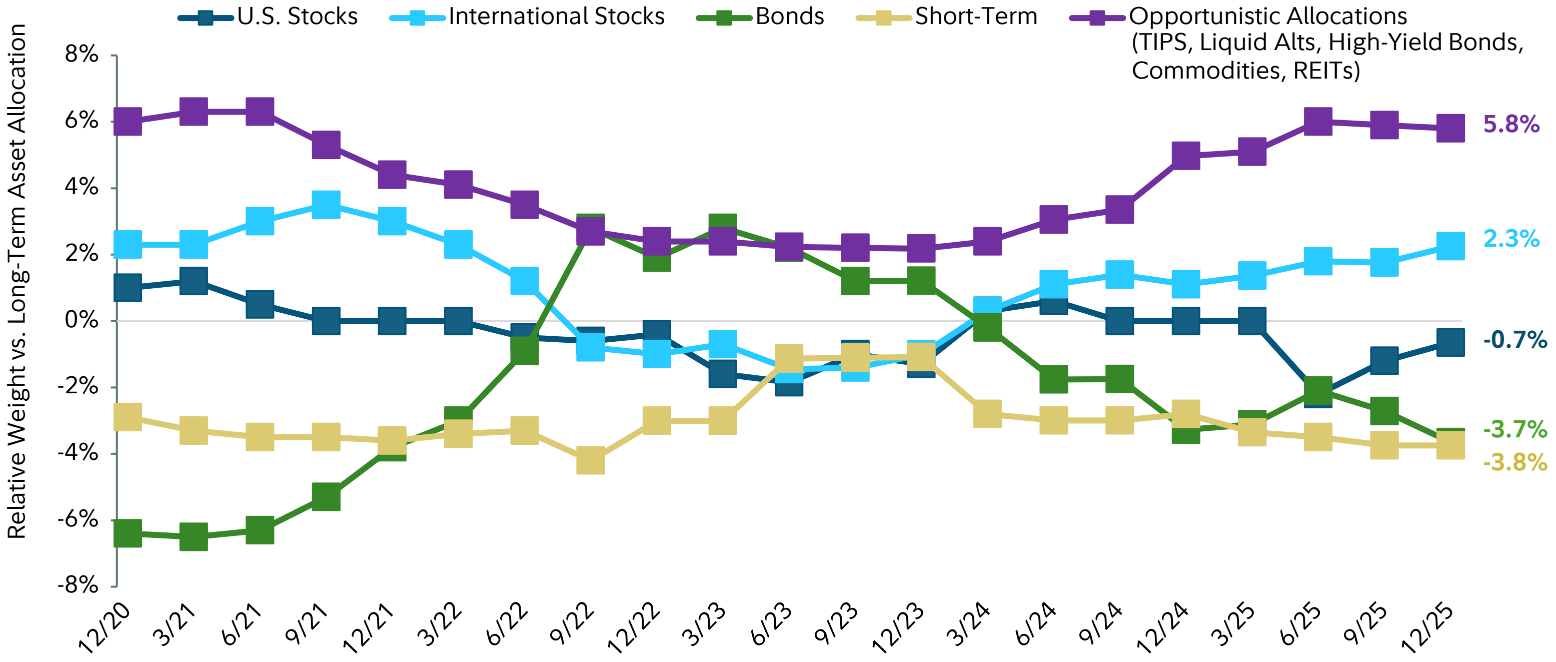


Sources: Bloomberg Finance L.P., U.S. Federal Reserve, Institute for Supply Management, U.S. Department of Labor, as of 12/31/2025.
Shaded columns represent National Bureau of Economic Research (NBER) recession dates.

We increased allocations to stocks and portfolio diversifiers to enhance durability

- In the most recent quarter, we increased the allocation to U.S. and international stocks as economic and corporate profit growth have been resilient.
- To enhance risk management, we maintained diversified positions in areas such as commodities, REITs, and TIPS (i.e., "Opportunistic Allocations"), which can help temper stock market volatility and provide some protection from inflation.
- We believe this positioning can help clients benefit from rising markets while improving portfolio durability as the economy continues to expand but with continued bouts of volatility.

Asset class positioning for Personalized Portfolios Total Return approach
12/31/2020–12/31/2025
Relative weight vs. long-term asset allocation mix



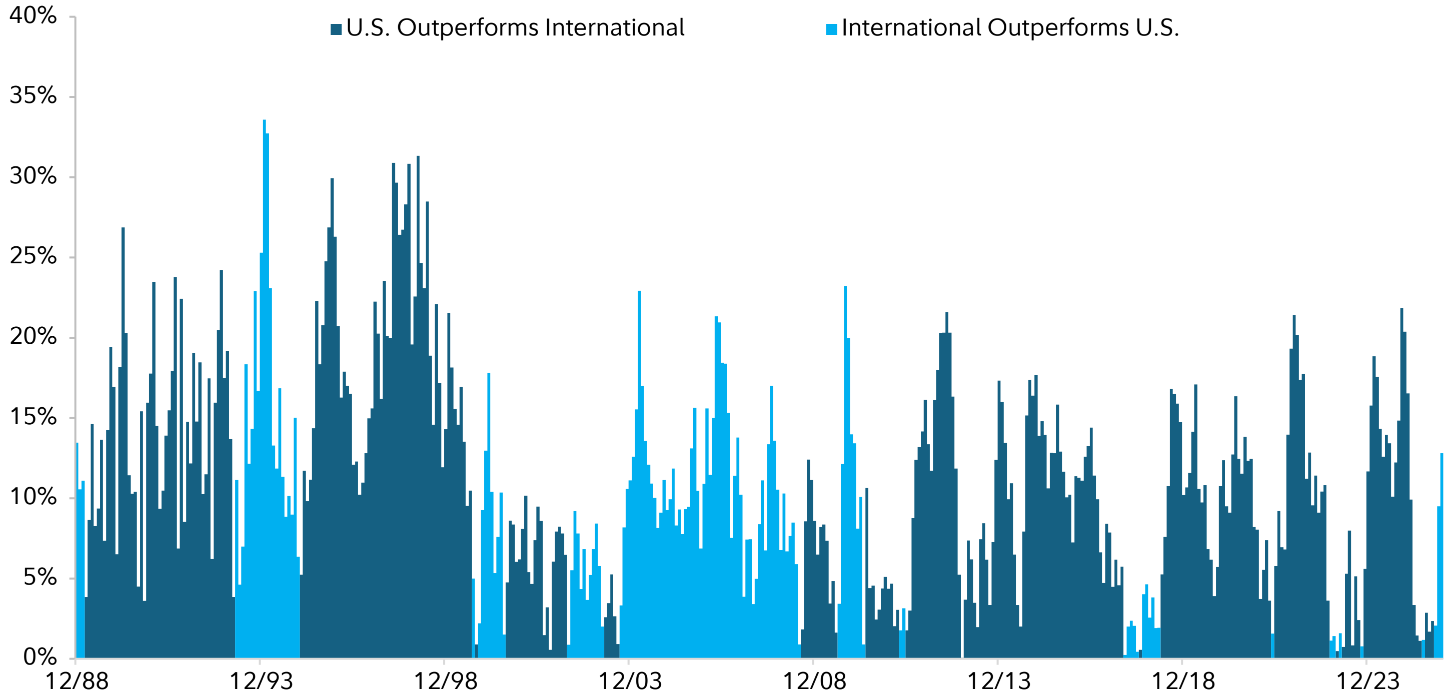
Diversification does not ensure a profit or guarantee against loss. This chart represents the relative asset class weights over time vs. the long-term asset allocation mix of a Personalized Portfolios Total Return Growth with Income Blended preference. Stocks reference both U.S. and international stock allocations. Bonds represent investment-grade bond allocations. Short-term investments include money market fund and short-duration bond fund allocations. Opportunistic allocations refer to allocations to funds not within traditional stock, investment-grade bond, and short-term investment categories, including high-yield bond, commodity, and alternative investment allocations. The Growth with Income strategy has a long-term asset allocation mix of 42% U.S. stocks (Dow Jones U.S. Total Stock Market Index), 18% international stocks (MSCI All Country World ex USA Index [Net MA]), 35% bonds (Bloomberg US Aggregate Bond Index), and 5% short-term investments (Bloomberg 3–6 Month US Treasury Bill Index), as of 12/31/2025. Please speak with your Fidelity representative for information about the performance of other strategy characteristics available through the program. Current composition may differ, perhaps significantly.

International stocks provided a significant boost to the diversified portfolio's return in 2025

- Historically, both U.S. and international stocks have experienced extended periods of stronger performance relative to one another.
- Over the past several years, U.S. stock market outperformance has been driven by a relatively small number of very large technology companies, which generally raises the risk profile of the asset class.
- We believe that proper risk management entails a modest allocation to international stocks, which in 2025, provided strong returns along with a smoother investment experience than investing in just U.S. stocks.

U.S. Stocks vs. International Stocks

12-month rolling returns, 12/31/1988–12/31/2025



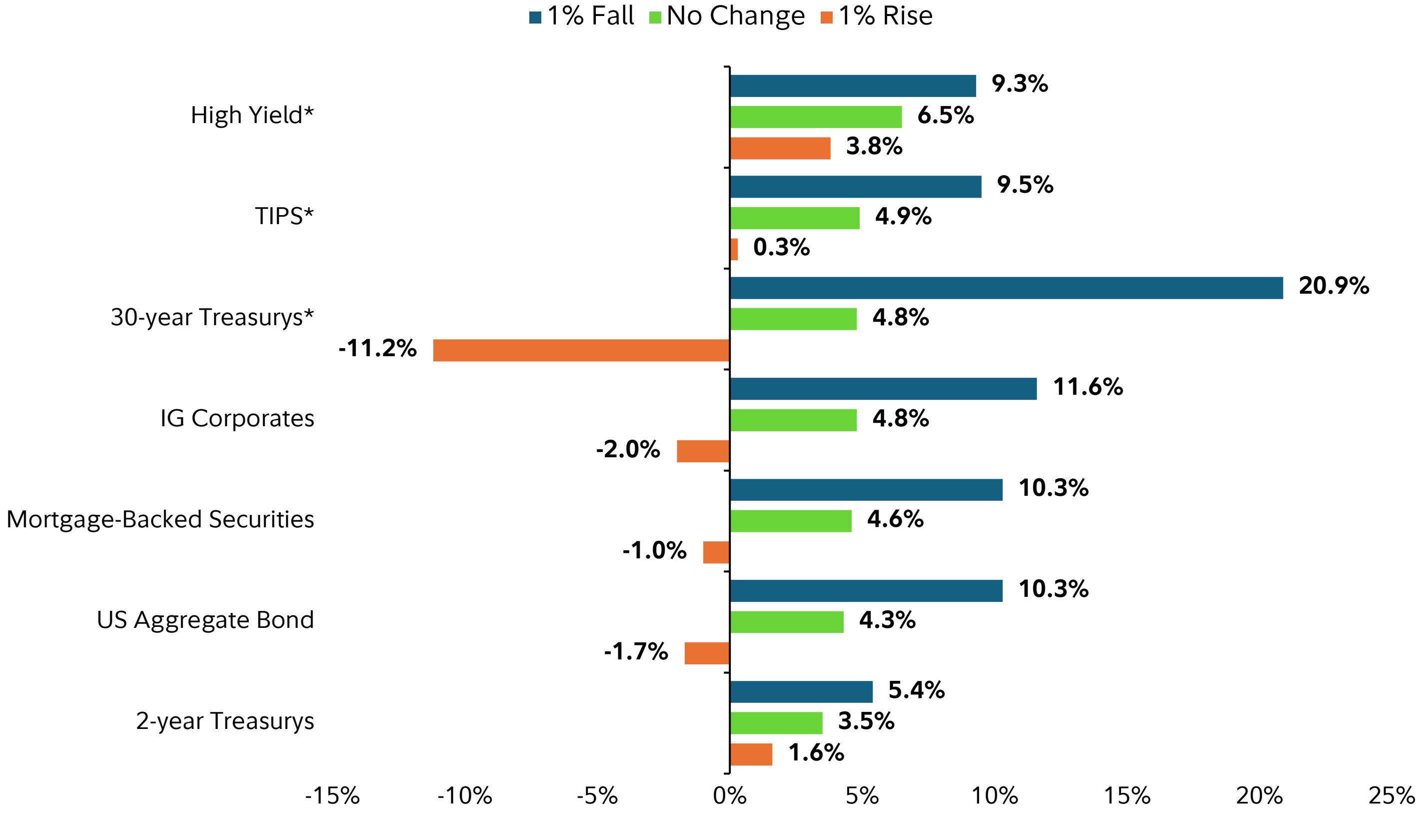
Past performance is no guarantee of future result. Source: Fidelity Investments and Morningstar Direct, as of 12/31/2025. The 12-month rolling returns chart, with time periods December 31, 1988–December 31, 2025, uses the S&P 500® Index for U.S. stocks and MSCI All Country World Index ex USA Index (Net MA) for international stocks. Index total returns are historical and include changes in share price and reinvestment of dividends and capital gains, if any. They do not reflect any fees and expenses typically associated with managed accounts. It is not possible to invest directly in an index. All indexes are unmanaged. Please see Important Information for index definitions.

The Fed cut rates in 2025, and the market expects more, which could be good for bonds

- U.S. investment-grade bonds outperformed cash for the first time since 2020, driven by higher coupons and falling short- and intermediate-term yields.
- We generally use bonds as a portfolio stabilizer to help temper bouts of market volatility and to provide a stable source of returns, but we also hold certain types (TIPS, etc.) to provide durability.
- With an average yield above 4% and the Fed expected to cut rates again in 2026, investment-grade bonds may be poised to once again contribute significantly to well-diversified portfolios.

Potential Returns of Various Bond Types in Different Rate Scenarios

(Estimated Total Return)



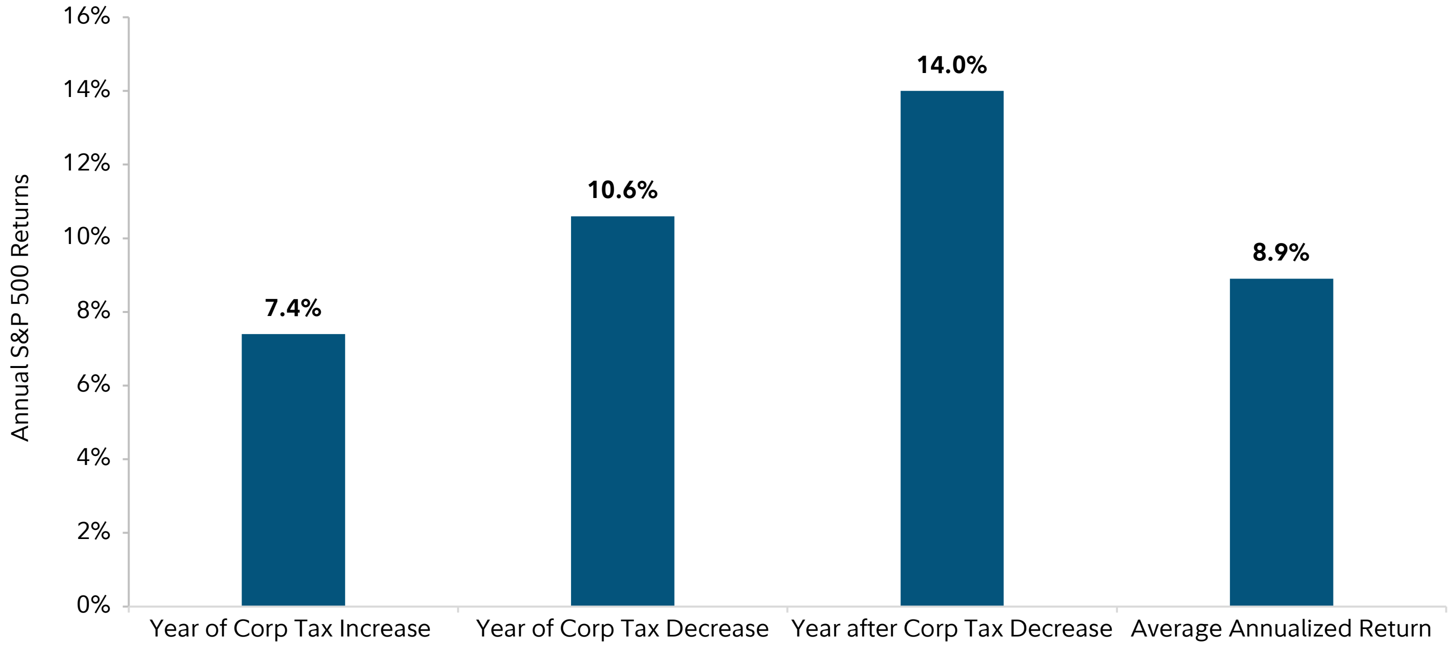
*Opportunistic asset classes.
Source: J.P. Morgan Asset Management, "Guide to the Markets," as of December 31, 2025. Assumes a parallel shift in the U.S. Treasury yield curve.

The corporate tax changes in 2025 may provide a tailwind to U.S. stock returns this year

- Last year's changes in the tax code (e.g., full deduction of capital expenditures) could reduce the *effective* corporate tax rate by as much as 7%, which represents about one-third of the full tax rate.[1]
- Since passing the tax and spending package on July 4, 2025, the S&P 500 has gained 20.4% through year-end.
- Historically, the S&P 500 has generated better-than-average returns both during the year in which the tax changes occurred as well as in the following calendar year.

S&P 500 Annualized Returns Following a Change in Corporate Taxes

(1962 to 2024)



Past performance is no guarantee of future results. All data gathered and analyzed annually from January 1962 to 2024. Sources: Haver Analytics and Fidelity Investments, as of 12/31/2024. All indexes are unmanaged. You cannot directly invest in an index. Analysis is based on the S&P 500 Index. Data represents calendar years between 1962 and 2024.

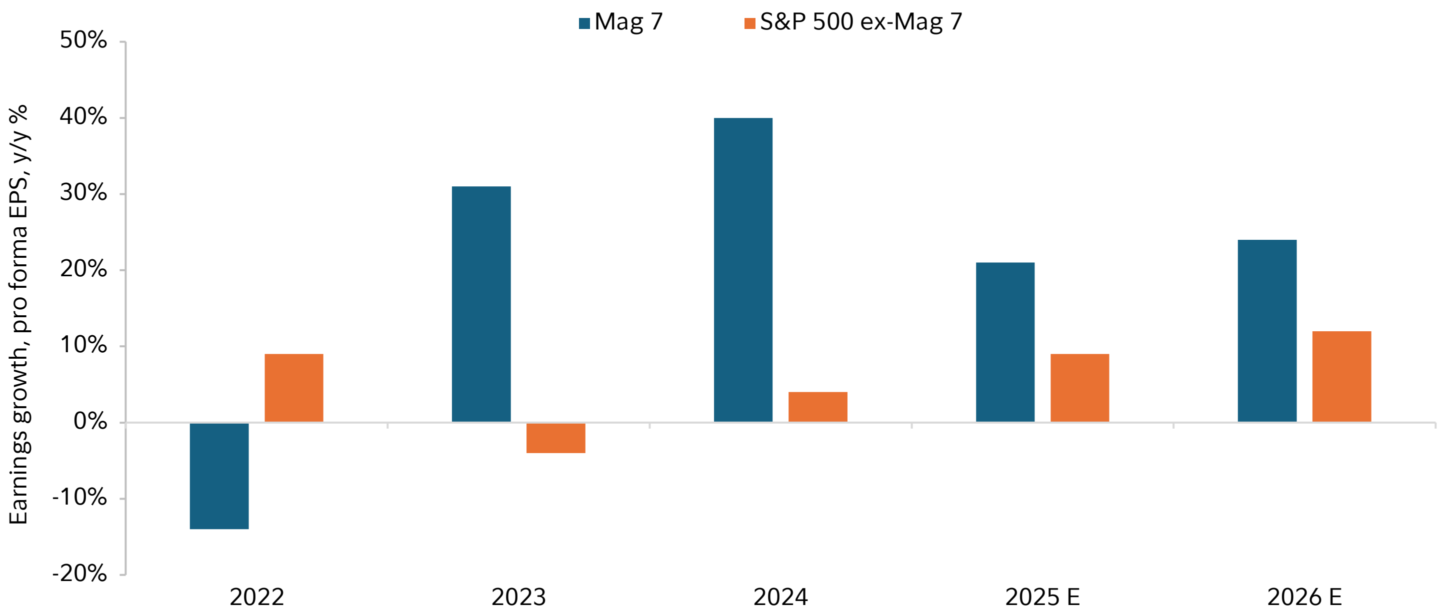
[1]The corporate federal income tax rate is currently 21%.

Broadening corporate profit growth could support returns for a wider range of stocks

- The seven largest companies in the S&P 500 (the Magnificent Seven, or Mag 7) have experienced exceptional earnings growth since 2023, while the rest of the market has trailed.
- However, the gap in earnings growth narrowed considerably in 2025, and is expected to further tighten in 2026, likely influenced by hundreds of billions of dollars being spent on AI capital expenditures.
- This broadening of earnings growth may help bolster returns of a wider range of stocks in the coming years.

S&P 500 Index Earnings Per Share, Year-over-Year %

2022 to 2026 (E = Estimated)



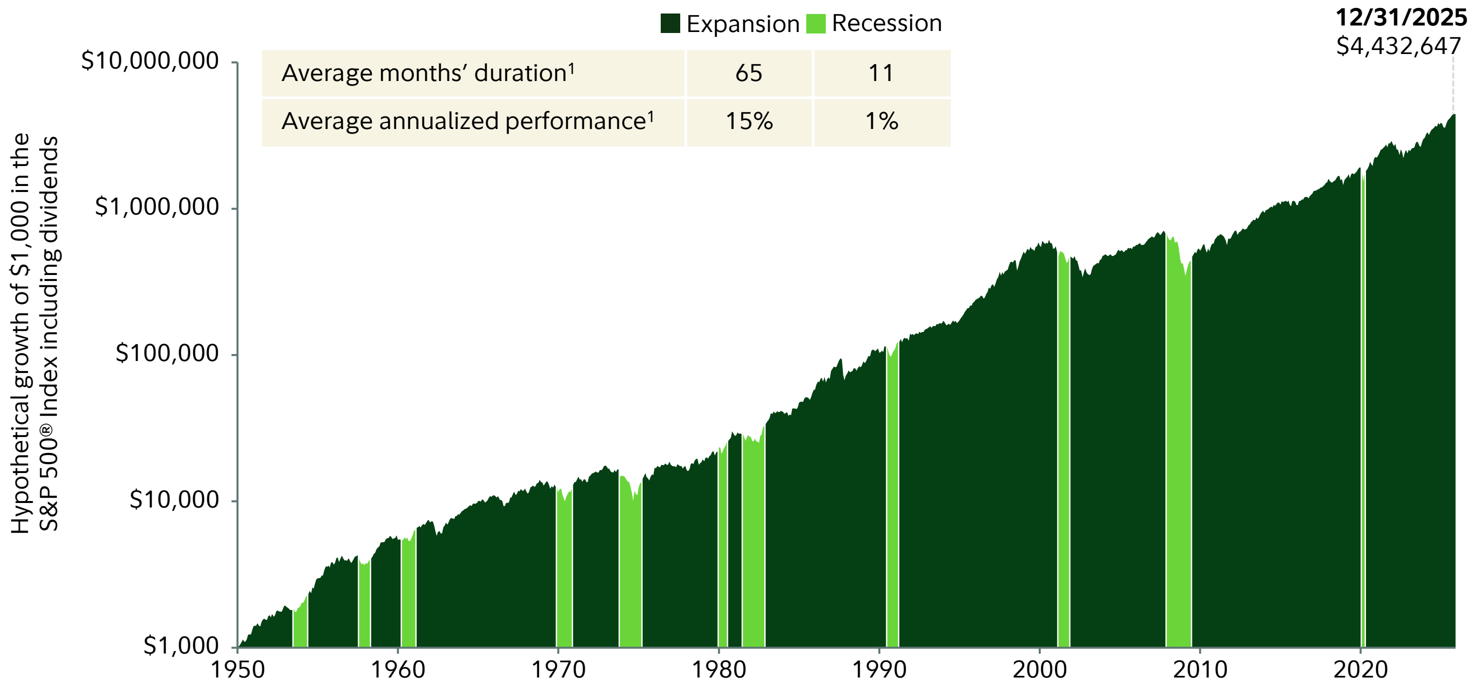
Past performance is no guarantee of future results. This chart is not intended to imply any future performance of an investment product. It is not possible to invest directly in an index. All indexes are unmanaged. Please see Important Information for index definitions.
This chart represents pro forma earnings per share (EPS). Pro forma EPS is a calculation that estimates the net earnings per share a company will have after a mergers and/or acquisition (M&A).
Source: J.P. Morgan Asset Management, "Guide to Markets," 12/31/2025; FactSet; and Standard & Poor's. The companies in the Mag 7 are AAPL, AMZN, GOOG/GOOGL, META, MSFT, NVDA, and TSLA. Specific securities mentioned are for illustrative purposes only and must not be considered an investment recommendation or advice. Earnings estimates for 2025 and 2026 are forecasts based on consensus analyst expectations.

Lasting economic expansions have powered investors through relatively infrequent recessions

- Recessions and swift market declines are stressful, but contractions are often much shorter than expansions.
- Each of the past recessions (light green areas) on the chart likely felt challenging in the moment, but they pale in comparison with expansions (dark green areas), when stocks experienced significant growth.
- After every past recession, the markets and the economy have eventually stabilized, and an expansion has followed.

Stocks have experienced significant gains through economic expansions while recessions have been relatively near-term detractors from performance

	Expansion	Recession
Average months' duration[1]	65	11
Average annualized performance[1]	15%	1%



[1] Analysis of average month's duration and average annualized performance is as of 12/31/2024.
This chart illustrates the cumulative return of a hypothetical investment made in the noted index during periods of economic expansions and recessions. Index returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. This chart is not intended to imply any future performance of the investment product. **Past performance is no guarantee of future results.** It is not possible to invest directly in an index. All indexes are unmanaged. Source: FactSet, S&P 500® Index total return for 12/31/1949 to 12/31/2025; recession and expansion dates defined by the National Bureau of Economic Research (NBER). The S&P 500® Index was created in 1957; however, returns have been reported since 1926, and the index has been reconstructed for years prior to 1957. Please see Important Information for index definitions.

1. Global stocks and bonds generated strong returns in 2025, and the diversified portfolio grew significantly while delivering a smoother investment experience than holding just U.S. stocks.
2. U.S. economic expansion accelerated in the latter half of 2025 but softness in areas such as housing and labor remain a drag.
3. Throughout the year we made allocation adjustments to U.S. and international stocks, investment-grade bonds, TIPS, and long-term U.S. Treasurys to enhance the durability of client portfolios to better weather market volatility and the risk of higher inflation.

For more information, please call your Fidelity associate

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Important Information

The Business Cycle Framework depicts the general pattern of economic cycles throughout history, though each cycle is different; specific commentary on the current stage is provided in the main body of the text. In general, the typical business cycle demonstrates the following: During the typical early-cycle phase, the economy bottoms out and picks up steam until it exits recession, then begins the recovery as activity accelerates. Inflationary pressures are typically low, monetary policy is accommodative, and the yield curve is steep. Economically sensitive asset classes, such as stocks, tend to experience their best performance of the cycle. During the typical mid-cycle phase, the economy exits recovery and enters into expansion, characterized by broader and more self-sustaining economic momentum but with a more moderate pace of growth. Inflationary pressures typically begin to rise, monetary policy becomes tighter, and the yield curve experiences some flattening. Economically sensitive asset classes tend to continue benefiting from a growing economy, but their relative advantage narrows. During the typical late-cycle phase, the economic expansion matures, inflationary pressures continue to rise, and the yield curve may eventually become flat or inverted. Eventually, the economy contracts and enters recession, with monetary policy shifting from tightening to easing. Less economically sensitive asset categories tend to hold up better, particularly right before and upon entering recession.

Neither asset allocation nor diversification ensures a profit or protects against loss.

Past performance does not guarantee future results.

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Foreign markets can be more volatile than U.S. markets due to increased risks of adverse issuer, political, market, or economic developments, all of which are magnified in emerging markets.

In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so avoiding losses caused by price volatility by holding them until maturity is not possible.

The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

Important Information—index definitions

The Dow Jones U.S. Total Stock Market Index is an all-inclusive measure composed of all U.S. equity securities with readily available prices. This broad index is sliced according to stock-size segment, style, and sector to create distinct subindexes that track every major segment of the market.

The MSCI All Country World ex USA Index (Net MA) is a market capitalization–weighted index designed to measure the investable equity market performance for global investors of large- and mid-cap stocks in developed and emerging markets, excluding the United States.

The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar–denominated, fixed-rate, taxable bond market. The index includes Treasurys, government-related and corporate securities, mortgage-backed securities (agency fixed-rate pass-throughs), asset-backed securities, and collateralized mortgage-backed securities (agency and nonagency).

The S&P 500® Index is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

The Bloomberg 3–6 Month US Treasury Bill Index is a market capitalization–weighted index of investment-grade, fixed-rate public obligations of the U.S. Treasury with remaining maturities from three up to (but not including) six months, excluding zero-coupon STRIPS.

The Bloomberg US Treasury Bellwether 3-Month Index is a benchmark that tracks the performance of the most recently issued three-month U.S. Treasury bill.

The ICE BofA US High Yield Index is a market capitalization–weighted index and is designed to measure the performance of U.S. dollar–denominated, below-investment-grade (commonly referred to as "junk") corporate debt, publicly issued in the U.S. domestic market.

The ICE BofA U.S. High Yield Constrained Index tracks USD-denominated, below-investment-grade corporate bonds with shorter maturities (often under 5 years, or specific ranges like 1-3 years), focusing on taxable bonds like fixed-to-floating, callable, 144A, and zero-coupon issues, representing a broad but **constrained** segment of the high-yield market, differing from broader indexes by maturity or rating buckets, serving as a key benchmark for funds like ETFs.

The Bloomberg Commodity Index measures the performance of the commodities market. It consists of exchange-traded futures contracts on physical commodities that are weighted to account for the economic significance and market liquidity of each commodity.

The Bloomberg U.S. Treasury U.S. TIPS Index measures the performance of rules-based, market value-weighted, inflation- protected securities issued by the U.S. Treasury.

NAREIT Equity-Only Index is the unmanaged National Association of Real Estate Investment Trusts (NAREIT) Equity Index, a market-value-weighted index based upon the last closing price of the month for tax-qualified REITs listed on the NYSE.

The IA SBBI US Large Stock Index tracks the monthly return of S&P 500®. The history data from 1926 to 1969 is calculated by Ibbotson.

The MSCI World Index captures large- and mid-cap representation across 23 developed markets (DM) countries. With 1,480 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Important Information

Views expressed are as of December 31, 2025, and are subject to change at any time based on market or other conditions. Data is unaudited. Information may not be representative of current or future holdings.

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All indexes are unmanaged, and performance of the indexes includes reinvestment of dividends and interest income unless otherwise noted. Indexes are not illustrative of any particular investment, and it is not possible to invest directly in an index.

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