Financial Ratings Series

Weiss Ratings & Grey House Publishing

Financial Literacy:
How to Become an Investor

What Is Investing?

2023

GREY HOUSE PUBLISHING

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2023 Edition

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Grey House Publishing
4919 Route 22, PO Box 56
Amenia, NY 12501-0056
(800) 562-2139

Weiss Ratings
11780 US Highway 1, Suite 201
Palm Beach Gardens, FL 33408
(561) 627-3300

Published by Grey House Publishing, Inc., located at 4919 Route 22, Amenia, NY 12501; telephone 518-789-8700.

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Welcome!

Grey House Publishing and Weiss Ratings are proud to announce the second edition of our Financial Literacy series, ***How to Become an Investor***.

These guides are designed for anyone who wants to know more about investing but aren't sure where to start. The text breaks through the financial jargon to provide you with real-world information to help you learn about investing, determine how aggressive or conservative your investments should be, and find out which investments are right for your situation.

Written in an easy-to-follow, informative style, these guides walk you through the various types of investment options, providing sound guidance and need-to-know information along the way.

Each volume is devoted to a specific topic about investing. Combined, they provide a range of helpful information on a variety of investment options, their risks and rewards, and how to get started on your path towards investing.

Individual volumes cover the following topics:

- What is Investing?
- Brokerage Firms
- Financial Advisors
- All About Investment Fees
- What Type of Investor Are You?
- Alternative Investments
- Tax Consequences

These guides will help you conquer fears you may have about investing, help you determine what types of investments are right for your situation, help you choose investments based on your income and risk tolerance, and help you make informed decisions about your money and retirement planning.

All volumes end with a selection of recommended investments or institutions, helpful resources, a glossary of relevant terms, and other valuable information.

Financial Literacy: How to Become an Investor

What is Investing?

What is Investing?

When we consider investing, many of us automatically think we don't have enough money to invest. But that's not true, everyone can be an investor, even if they have modest income.

In very basic terms, investing is spending money and anticipating a profit. A simple savings account is a type of investment—a safe investment—but not a very profitable one. You put your money into a savings account and your bank pays you a very small amount of interest each year.

Investing is for everyone, but the nature and amount of your investment will change based on your circumstances and your investment goals. A strong knowledge base will help you determine the best investments for your needs.

If you are interested in investments that can be more profitable than the interest earned on your savings account, you have a variety of investments that you can choose from.

Typical methods of investing include:

- Stocks
- Bonds
- Mutual Funds
- 401(k) Retirement Savings Accounts
- Individual Retirement Accounts (IRAs)
- Properties/Real Estate
- Life Insurance
- Savings Accounts, Certificates of Deposit (CDs), Fixed Annuities, Treasury Bills (T-Bills)

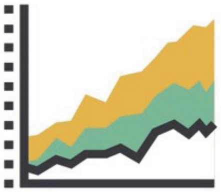
There are also a number of alternative, generally higher risk, investment types, including Exchange Traded Funds (ETFs), cryptocurrency, options, derivatives, futures, commodities, and online businesses.

There are a lot of choices when it comes to investments and each type of investment carries its own level of risk and reward.

These volumes provide information about the meaning and risks associated with each of these investments, so keep reading to find out more. We'll also learn more about the risks and returns, and the varied types of investors.

Remember, there is no right or wrong when it comes to investing, it's all a matter of your degree of risk tolerance versus the potential return on your investment.

Investing isn't only for a select few; it's for all of us. This series is designed to help you increase your investing knowledge base, find out the questions you may not know to ask, and get started on the path towards investing.



Investment Vehicles

Let's take a closer look at some of the different types of investments available to investors.

Stocks and Bonds

Both stocks and bonds are ways that a business can raise money to fund new projects or expand operations.

By selling stocks, the company sells a portion of its business to investors and receives cash in exchange.

A bond, on the other hand, becomes a liability or debt to the business to be paid back later with interest to the investor.

Stocks

With stocks, a successful business can go public by splitting the company into shares, which are then sold on the market during an initial public offering (IPO). By selling their equity to you, you own a portion of the business, the size of which is based on the number of shares offered to its investors. These shares become part of the company balance sheet as Stockholders' Equity. Assuming the company performs well, you can

expect the stock price to rise and increase the value of your ownership. The risk you accept upon purchase is that if the business does not perform well and the share price drops below your original investment, you lose money.

Example: If you purchased 100 shares of Amazon stock back in 1997 when it was first offered at $18 per share, you would have spent $1,800 plus any fees and commissions. Today, those 100 shares are worth $113.79 per share (October 2022) and your initial investment would be worth $11,379.

But, that doesn't count the stock splits that have taken place over the years. A stock split happens at the discretion of the company's Board of Directors when additional shares are granted to existing shareholders. For example, in a two for one split, an owner of 100 shares would receive an additional 100 shares, at no added cost to the shareholder. Usually, a company will consider a stock split when their stock price is so high that it might turn away new investors. Splits generally reduce the stock price temporarily.

If we go back to our Amazon example, Amazon has had four stock splits since 1997.

- 2-for-1 split in June 1998
- 3-for-1 split in January 1999
- 2-for-1 split in September 1999
- 20-for-1 split in June 2022

So that means that your 100 shares turned into 200 shares in 1998. Then, your 200 shares turned into 600 shares in January 1999. Your 600 shares turned into 1,200 shares in September 1999 and your 1,200 shares turned into 24,000 shares in June 2022. At a current stock price of $113.79 per share, your $1,800 investment is now worth $2,730,960. Wow!

Bonds

Another means of raising funds for the business is to issue bonds. The business borrows money from investors and pays them what is known as the par value, which is the selling price of the bond plus the coupon rate. The coupon rate is the amount of interest the investor will receive each year.

Example: You purchase a $2,000 bond with a 4% coupon rate. You can expect $80 interest per year (that's the coupon rate) until the maturity date when you also are repaid your initial $2,000 investment.

Bonds are generally considered a low-risk investment. While bonds can default if the business is not able to make the repayment, or declares bankruptcy, the likelihood of that happening is relatively low.

There are several types of bonds and issuers, so you have choices if you are interested in investing in bonds. When purchasing bonds, look for bonds that you can buy at a discount (where you

pay less than the face value). You might want to avoid bonds that are sold as a premium (where you pay more than the face value).

Examples of Stock and Bond Investments

Growth Stocks are investments in companies that are expected to grow at a significantly faster rate than the average market. These stocks usually do not pay a dividend because these companies want to reinvest their earnings to accelerate short term growth.

As an investor in growth stocks, you benefit via capital gains when you sell your shares.

Growth stocks are usually found in the technology and biotech industries and present some added risks because the company could suffer losses before you sell your shares. Most growth stocks offer a specialized product and, by reinvesting their dividends, try to stay ahead of the pack developing new technologies.

Blue Chip Stocks are investments in "blue chip" companies which are larger, older, and more stable. In order to qualify as blue chip, a company must be well-known and be a leader in its sector. The company must be well-established and they must pay dividends to their shareholders. Blue chip stocks tend to be stable and reliable, but they are usually more expensive to purchase. Apple, MasterCard and Nike are examples of blue chip stocks.

While the bankruptcy of large, reputable companies is still possible, like General Motors or Lehman Brothers during the 2008 recession, blue chips are generally perceived as safe investments.

The Dow Jones Industrial Average is made up of 30 blue chip stocks. (See page 29 for a list of these stocks along with their Weiss Overall Rating, Closing Price, 1-Year Total Return, and 5-Year Total Return.)

Municipal Bonds are investments in the form of loans made to local governments, cities, states, or counties. Most interest payments for municipal bonds are tax-free to the investor.

Within the municipal bond sector, there are general obligation bonds, which means the bonds are paid back using current tax revenues of the municipality, and revenue bonds, which are paid back from the revenues of a specific project like the construction of a toll highway. It's important to note that if the revenue source (the toll highway for example) fails to generate revenue, the municipality is not required to repay the issued bonds.

Since they are typically tax-free, municipal bonds usually offer a lower interest rate, and interest is normally paid twice per year. The bond amount (principal investment) is repaid at the end of the bond term, which can vary from three years to more than ten years.

Municipal bonds are a good investment for an investor who wants tax free income, particularly those investors in the highest income tax brackets.

Mutual Funds

A mutual fund is made up of a pool of money collected from many different investors. This pool of money is "mutually" invested in a variety of securities like stocks, bonds, and money market funds. Mutual funds are operated by money managers, who invest the fund's capital and attempt to produce income for the fund's investors.

So, when you invest in a mutual fund, you are really buying a portion of an existing portfolio. The portfolio is the collection of securities that the fund has invested in.

Your portion of a mutual fund is determined by its net asset value (NAV), which is the fund's price per share. You can calculate a fund's NAV by dividing the total value of all of the securities in its portfolio, less any liabilities, by the total number shares.

Unlike stock prices, which can vary throughout the business day, mutual funds are valued at the end of each business day.

If you put all your investment money into just one stock, if that company takes a loss, the value of your investment takes a big hit. If you invest in a larger number of companies in multiple industries, if just one of those stocks loses value, the total value of your portfolio won't be impacted as much. That's called diversification.

Mutual funds are a more diversified investment as compared to a single stock. Because mutual funds invest in many different securities, in different industries, if one stock or one industry takes a loss, other stocks or industries may experience gains. Having a well-diversified portfolio, across companies and industries, lowers the risk to investors. In addition, most mutual funds offer low prices and lower annual fees.

There are four basic types of mutual funds:

- Equity funds are mostly invested in stocks and can be further broken down by cap-size (the size of the company) and domestic versus international stocks.
- Fixed income funds are largely invested in municipal bonds and other debt instruments because they offer a fixed income stream.

- Index funds are created with a cost-sensitive investor focus and are built based on a major market index like the S&P 500 or the Dow Jones Industrial Average. Because less effort is required on the part of the fund manager, these are a less expensive fund investment.

- Balanced funds are a mix of stocks and bonds with a general goal of asset appreciation; while a loss can occur, they are considered lower risk.

There are a wide variety of mutual funds available to investors. When evaluating funds, pay attention to both the annual return (how much money the fund is making) and its operating expenses. Higher operating expenses means you'll pay a higher fee to hold the mutual fund.

Example: If you invest $10,000 in a mutual fund with a 10% annual return, after 20 years you would have earned about $50,000 if the fund's operating expenses were about 1.5%. Compare that to an operating expense of 0.5%, in which case your earnings would be $60,000. It seems like a small number, but the fees associated with operating expenses add up in the long run.

There are five main classes of mutual funds.

- Class A shares usually have a front load, meaning you pay the fee at the time of purchase. If you already have shares of that fund, or if you want to purchase a lot of shares, you can ask your broker about a fee discount. Funds in the A class may also have a lower 12b-1 fee, which is a fee permitted by federal regulations to pay for marketing and distribution of the fund.

- Class B shares have no front load fees, but you are likely to pay a fee when you sell your shares of the fund. If you hold your shares for five or more years, the selling fee may be waived. Expect higher maintenance and management fees as well as a higher 12b-1 fee.

- Class C shares vary by fund, so you may find no loads, front loads, fees at sale time as well as 12b-1 fees. Class C fees are often lower but rarely waived no matter how many or how long you've held the shares. This class is the suggested starting point for beginners or those who have a limited amount to invest.

- Class I shares are sold to institutional shareholders. Also called Y shares, these have different fees and do not charge traditional loads. The minimum initial investment required to purchase shares in the I class are usually very high.

- Class R shares, also known as K shares, are for retirement accounts, and R share class mutual funds are only available through employer-sponsored retirement plans. R share mutual funds do not have any loads, but they do have annual asset-based fees which typically range from 0.25% to 0.50%.

When evaluating which class of mutual fund is right for you:

- Assess the price variances between each class;
- Determine if any discounts apply and when they apply;
- When in doubt, consult your financial advisor.

401(k) Retirement Savings Accounts

Many employers offer 401(k) retirement savings plans. They are one of the most common ways that investors start building their retirement fund. If you aren't currently participating in your company-provided 401(k), start today.

Many employers will match your 401(k) investment, so if you contribute $50 per week, they will contribute another $50 to your fund, up to a certain percentage. It's like free money, so if your employer provides a 401(k) match, try to contribute at least as much as the company matches, otherwise you're leaving money on the table.

A 401(k) is a very good retirement savings tool as long as you remain employed. 401(k) plans are tax-qualified, which means that they offer certain tax benefits. Contributions to your 401(k) are automatically deducted from your paycheck BEFORE taxes are assessed (pre-tax), so you pay fewer taxes during your working years.

Generally, if you wait until the age of 59 or older to withdraw from your 401(k), you won't have penalties (fees) on your withdrawals.

In many cases, you can obtain a loan from your 401(k) if you run into a financial emergency.

You are not required to make withdrawals from the account until you reach the age of 70. Prior to age 70, withdrawals are subject to ordinary income taxes.

Example: Let's look at an employee who makes $75,000 annually. This employee is 30 years old now and expects to work to age 65. That means they will work for 35 years. We'll factor in a 2% salary increase each year.

This employee wants to contribute 10% of their paycheck to their retirement fund. That comes out to roughly $375,000 worth of contributions over those 35 years.

If their employer matches half of the employee's contribution, up to 6%, their employer will have added $112,500 to the employee's retirement fund by the time they turn 65.

So, that means that between the employee and their employer, the contributions to this fund total $487,500.

But, we haven't factored in interest yet. The expected rate of return for a 401(k) plan is between 5% and 8% each year. That means that each year your investment will increase by that amount. The longer your money is in your 401(k) plan, the longer it generates interest and grows in value.

At the end of 35 years, this employee's 401(k) plan will have generated $1,386,000 worth of interest, so the value of this employee's 401(k) plan will be $1,873,000 when they retire.

If you are not participating in a 401(k) now and one is offered at your place of employment, sign up today. The earlier you start saving, the more time your investments will have to earn interest and increase in value.

There are quite a few 401(k) calculators online. We used https://www.calculator.net/401k-calculator.html to generate the example above.

403(b) Retirement Savings Accounts

Similar to the 401(k) retirement plans offered by for-profit employers, 403(b) retirement savings plans are offered by non-profit companies.

403(b) plans can only be offered by non-profit institutions, like public schools, colleges, universities, churches, or 501(c)(3) charities.

The investments offered in a 403(b) plan are limited to mutual funds and annuities. Investors with 401(k) plans have a few more options when it comes to selecting investments.

Individual Retirement Accounts (IRAs)

If your employer does not offer a 401(k) or a 403(b) retirement savings plan, you can set up an Individual Retirement Account (IRA). You can set up an IRA in addition to your existing 401(k) plan too.

There are two common types of IRAs; they differ in how the money in the account is taxed and how it is invested:

- Traditional IRA
- Roth IRA

Traditional IRAs are available to everyone. Roth IRAs, which were introduced in the late 1990s, are only fully available to people earning less than $153,000 per year in 2023.

IRAs are a powerful retirement savings tool because they are heavily tax-advantaged. For this reason, there are also limits to how much you can contribute to your IRA.

For 2023, for example, the combined annual contribution limit for both traditional and Roth IRAs is:

- Under age 50: $6,000
- Age 50 or older: $7,000

Traditional IRAs

IRAs were first introduced in 1974 with the passage of the Employee Retirement Income Security Act (ERISA). This legislation allowed taxpayers to contribute up to $1,500 each year to a special investment account and reduce their taxable income by the same amount.

The money was invested in a United States bond paying 6% interest. Over time, the rules and the monetary limits for IRAs have changed, but IRAs remain an important tool for anyone interested in retirement planning.

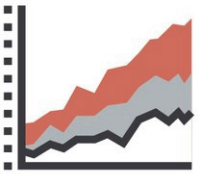
Your earnings can be deposited into an IRA tax-free. Further, contributions to the fund can be claimed as tax deductions, within income limits.

Money earned in the IRA is also tax-free. It is only when funds are withdrawn from a traditional IRA that they are taxed.

A traditional IRA can contain investments of any kind. In most IRAs you will be able to buy bonds and individual stocks, invest in mutual funds, and trade options.

Anyone with earned income can participate in a traditional IRA; there are no upper or lower limits based on earnings.

Note that traditional IRA contributions are state and federal tax deductible for the year you make the contribution, and withdrawals are taxable at the normal income tax rate.



Roth IRAs

The Roth IRA originated with the 1997 Taxpayer Relief Act and was named for William Roth, a Republican Senator from Delaware. They're tax-advantaged, too, but differently, and they generally have the same contribution limits as a traditional IRA.

- In a traditional IRA, money is contributed to the account pre-tax and only taxed upon withdrawal.
- A Roth IRA is the other way around: the account holder pays taxes on the money at the time of the contribution, but all earnings and withdrawals, within the terms of the plan, are tax-free.
- Money which is directly contributed into a Roth IRA (the principal, not including earned interest) can be withdrawn at any time without penalty.
- Earned interest in a Roth IRA can be freely withdrawn once the person is at least 59.5 years old, provided those interest funds have been in the account for at least five years.

There are income limits that affect your use of a Roth IRA. In 2023, an individual has to have a modified adjusted gross income under $154,000 a year in order to contribute anything at all to a Roth IRA. For a married couple filing jointly the modified adjusted gross income can't be higher than $218,000 in 2023 in order to contribute. Those income limits usually increase each year.

Roth IRAs do not permit contribution tax breaks, but both earnings and withdrawals are usually tax-free. The IRS defines what investments are allowable in this investment vehicle.

Self-Directed IRAs

The difference between a self-directed IRA and a traditional IRA is that a self-directed IRA offers you more investments options.

Traditionally, IRAs invest in stocks, bonds, and other more common investments. Most IRAs are managed by a brokerage house that makes the decision on where to invest money in the fund.

With a self-directed IRA (SDIRA), you can invest in anything from a private company to a horse breeding facility or a rental property, understanding that these are usually higher risk investments.

The rest is up to the performance of the chosen investment and, as a rule, a diverse portfolio is recommended. IRS rules govern IRAs, so be aware of prohibited transactions as well as tax implications for your unique circumstances.

Not all brokerage firms offer self-directed IRAs, so it may be challenging to find a brokerage firm that will offer this service.

Properties/ Real Estate

Investing in real estate can be a bit overwhelming, but knowledge is key.

We all live through a variety of life stages with goals that evolve as we age. The stages are (1) just starting out as young adults, working to provide ourselves with the basic needs of housing and food. By the next stage, we hopefully become (2) stable, then (3) savers, then (4) growers, and finally (5) financially independent.

If you are in stages one or two, and real estate investing is your goal, you can start to build your knowledge base about real estate now. You don't have to wait until you are in stages three or four.

Here are some things you can do to build your real estate knowledge base.

- You can rent a home or apartment, or master lease a residence and rent out bedrooms, reducing your monthly payments.
- Another option is to work with another real estate investor to help find deals and learn the process.
- By becoming a buying agent, you can learn the retail housing business by helping purchasers find homes.
- You can also be a leasing agent who matches properties managed by a landlord or property manager with potential tenants, to learn that side of the housing market.
- Finally, by overseeing remodeling projects for fellow investors you can gain insights into how to remodel in the most cost-effective manner.

When you reach life stages three and four, based on the knowledge you have already acquired, it would be smart to purchase your first home and flip it. Make improvements that add value and resell for a profit or keep it as a rental property. Charge rent based on your mortgage payment plus a profit for you.

As you move into the growth phase of life, buy more homes with either cash or by borrowing and paying down quicker than required with regular principal curtailments that are as large as you can afford.

As you become financially independent, keep your debt low and continue to pay it off quickly, or refinance with long term debt and low-interest rates. Sell off lower quality properties and keep investing in higher quality ones.

You can also make loans to beginning investors but make sure you are confident about the borrower's ability to repay in a timely manner and acquire the appropriate documentation to support the debt. You generally want to keep your debt-to-income ratio below 33%.

When you're ready to invest, consider where you want your investments to be located—close to your residence or in a different market. Start by researching Metropolitan Statistical Areas (MSA) and narrow your search down to a zip code(s). Some things to consider are school districts; crime experiences; proximity to shopping, parks, or recreation; public transportation; rent to price ratio; job availability; homeowner associations; and population growth statistics.

The next step is to determine your target market and criteria. For example, single-family homes with "X" number of bedrooms/baths, in the price range of $X, with or without a garage, yards, decks or patios, etc.

When considering home prices be sure to include all costs as well as any repairs or improvements you need to make before you can rent or resell.

If you opt to rent the home, most landlords charge between 1% to 2% of the home's value to rent a single-family home. A home valued at $250,000 will most likely be rented for $2,500 to $5,000 per month. When calculating rental costs, be sure to factor in your mortgage costs, taxes, and other fees associated with upkeep.

Determine your financing resources, like the Federal Housing Authority (FHA), the Veterans Administration (VA), private lenders, and banks or credit unions. The best-case scenario is seller financing, which is when the seller of the home has the equity to finance the sale on their own, which offers your more creative options for repayment. You can also use an IRA or 401(k) to pay for home purchases.

You can raise cash from your own savings, you can go into the deal with a partner, borrow on your own, or sell off existing properties at a profit.

Example: If you purchase a home for $250,000, resell that home for $500,000, you've made $250,000.

However, you must also consider the return on investment (ROI) when you invest in real estate. ROI is a calculation of how much profit you make as a percentage of your investment.

If you purchased the house for $250,000, spent an additional $50,000 to upgrade the kitchen and repair the roof, then sold it for $500,000, let's calculate your return on investment (ROI).

Use the following formula:

Net Profit ($500,000 - $250,000 - $50,000 = $200,000)
Divided by the Total Investment ($250,000 + $50,000 = $300,000)

= 66.6% ROI

The housing market has seen a number of changes in the past year, making investments in this sector trickier. Housing prices are still quite high, and the interest rate increases that we saw in 2022 might continue into 2023 and that would make borrowing for home purchases much more expensive. These interest rate increases are expected to bring down housing prices, so investors may be at risk if the price of their homes falls below their purchase price.

Life Insurance

If you are interested in investing in life insurance, you will want to consider a whole life policy rather than a term life policy.

A whole life policy never expires, and it also has a cash value portion. Part of a whole life policy premium is applied to the policy while another part goes toward an interest-bearing investment. The interest rate is fixed.

Whole life policies are more costly than term policies.

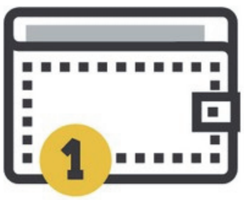
If you're already into your retirement years, this may not be the best investment option because you have fewer investment years left.

A term life insurance policy only offers a benefit upon your death, so the beneficiary(s) named on the policy will receive the funds. Terms vary from one to 30 years.

There are other types of life insurance (universal, variable, simplified, guaranteed issue, final expense, and group); however, from an investment perspective, we suggest the whole life category.

The cost of life insurance varies greatly. Several factors weigh on this calculation, like smoking, overall health, age, obesity, etc.

Example: A 30-year-old woman gets a $1,000,000, 20-year whole life policy that costs her $480 annually. If she dies at the age of 49, her 19 years of payments total $9,120; however, her beneficiaries will receive the full $1,000,000 payout. The less healthy she is, the higher her payments would be.



Savings Accounts, Certificates of Deposit (CDs), Fixed Annuities, Treasury Bills (T-Bills)

Savings accounts are the most common means of saving and have been around the longest. Unfortunately, the current interest rates are so low, your earnings will be low and slow.

On a more positive note, savings accounts are federally insured and if you don't make any withdrawals, your funds will add up in a safe, secure location. If necessary, your funds are available to you quickly and easily. Review bank rules to determine what, if any, fees apply and if minimum balances are required.

Certificates of Deposit (CDs) are also offered by banks; however, unlike the savings accounts we discussed earlier, deposits and withdrawals are more challenging. In a CD, you agree to leave the funds on deposit for a defined about of time, typically from three months to five years.

Based on the amount invested, other terms may also be available, particularly if you plan to invest $100,000 or more.

You are not permitted to access CD funds until maturity, without a penalty. Longer terms offer higher interest rates and early withdrawal penalties can be very high.

Statement savings accounts and CDs are currently low-earning investment vehicles because the interest rates are low. In today's market, statement savings aren't even paying 1%. You may be able to catch a CD special with a rate of 2% or 2.5% if you're lucky!

Fixed annuities are contractual obligations issued by insurance companies and offer a guaranteed rate of return with zero risk to your principal investment. Annuities are also normally tax-deferred, along with their earnings, until withdrawn or monthly annuity payouts begin. Other benefits of annuities are higher yields, guaranteed rates, and income payments.

There is a risk, with fixed annuities, that the issuing insurance company declares bankruptcy. Another risk is upon the annuitant's death, no further benefits are required to be paid out to a survivor. You can mitigate the death risk by opening a joint life annuity.

Fixed annuities also have online calculators that can answer your specific financial questions.

Example: A 65-year-old man who invests $100,000 can get a monthly annuity of about $550 or $6,750 per year. If you triple that and invest $300,000 your monthly checks will be $1,689 or about $20,000 per year. That is not a bad supplement to your social security income.

Treasury Bills (T-Bills) are issued by the federal government and usually have a short term of one year or less. They are issued like bonds to fund public projects and are considered safe and conservative investments since they are backed by the U.S. government.

T-Bills are usually issued by the U.S. Treasury in multiples of $1,000; however, they are typically offered at a discount to the purchaser. For example, a $1,000 (face amount or par value) T-Bill may be purchased for less than $1,000.

At maturity, the par value of the T-Bill is paid to the purchaser. While a T-Bill does pay interest, it is not paid until maturity. Interest earned is subject to federal taxes but not to state or local taxes. There is some degree of interest-rate risk in a rising rate world, as the T-Bill interest rate remains fixed for the life of the investment.

Example: At current rates, T-Bills are yielding about 4.5%. Consider that you purchase a $100,000 bill at a discount of $95,500; your earnings will be about $4,500 over a 52-week term.

Purchasers could earn more interest in a different investment vehicle. New issues of T-Bills are made at auctions held by the government on the TreasuryDirect site at www.treasurydirect.gov and previously issued T-Bills are sold on the secondary market via a broker.

Why is the Stock Market Important?

The stock market is important to all of our lives and plays a significant role in the economy. Businesses can raise money by selling their stocks and bonds. Individual investors can get into the action by buying shares of businesses and may gain or lose funds based on capital gains or losses and dividends.

The stock market also determines company values based on stock prices. As prices rise, it is an indication to investors that company earnings will likely increase. When prices fall, investor confidence is low and company profits are also expected to be low.

The stock market is not the same as the economy; the stock market is driven by our emotions. As investors, we buy and sell based on whether we think corporations will make more or less profits.

How Does the Stock Market Work?

The stock market is based on one of the major indexes, like the S&P 500 or the Dow Jones Industrial Average.

Their performance is considered representative of the entire market because tracking each individual stock—there are over 11,000 individual stocks—would be a huge challenge. When you hear the news that the market closed either up or down, it means that the stocks in one of the indexes closed at higher or lower prices.

The market's premise is to act as a place to allow buyers and sellers to trade stocks and negotiate prices.

The market, which can be the New York Stock Exchange (NYSE) or NASDAQ, then tracks all transactions as well as the stocks' supply and demand, both of which are contributors to the stock prices.

Buyers can bid on stocks offering the amount they are willing to pay, and the seller can accept or deny the bid, which is usually lower than the asking price. This variance is known as the bid-ask spread.

Originally, trades took place at the physical location of the market on Wall Street in New York City. Today, trades can take place electronically and prices move throughout the day based on politics, economics, and news reports.

Individuals conduct transactions through a brokerage account, which can be online.

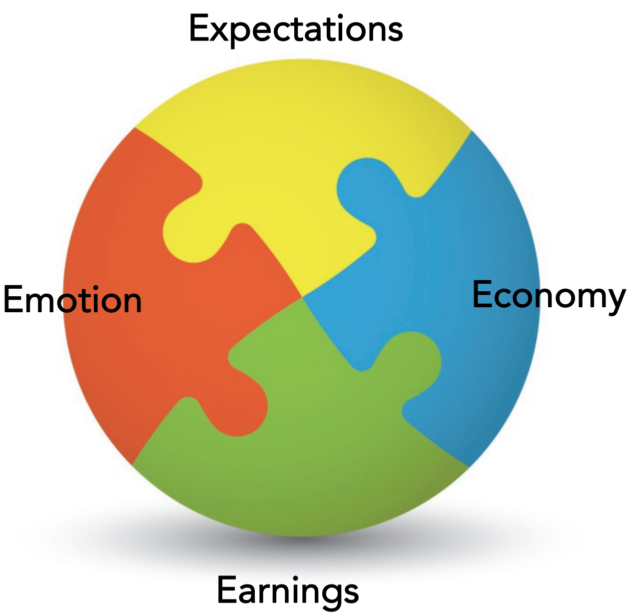
The Coronavirus Market Crash

In early 2020, as COVID-19 cases began appearing around the globe, the stock market saw three of its largest drops in history. On March 9, the Dow Jones fell by 7.79%. On March 12, it nosedived by 9.99%—the sixth worst percentage drop in history and the largest single-day drop since Black Monday in 1987. Finally, on March 16, the Dow plunged by a staggering 12.9%. The NYSE suspended trading more than once during this time in an attempt to stop the market prices from lowering even more. This is just one example of how world news can affect the stock market.

The Four E's of Investing

There are four primary factors that can drive demand and therefore, affect stock prices: expectations; emotion; earnings; and economy.

Let's take a deeper dive into each!



Expectations

When it comes to expectations and the stock market, it's important to look ahead at least six months, and often beyond.

Some questions to consider include the anticipated income of the company compared to cost of goods, and possible election results.

Thankfully, we have research analysts who spend their days analyzing information of this nature, and publish directional information regarding stock prices and what may be expected in future quarterly earnings reports. If you're considering international company stocks, global markets also play a role in anticipated revenue generation.

Emotion

Many of us fail to appreciate the significance of human emotions such as greed or fear when it comes to stock prices. Let's say you hear a rumor that company XYZ is experiencing high leadership turnover and that sales are in a deep decline. Fear of monetary loss may cause you and others to quickly sell off your shares, which can affect the stock price.

Experienced investors have trained themselves to take such "market tantrums" as routine because they know that long term pricing trends are more telling and that both industry and business fundamentals will prevail.

Earnings

Assuming you've bought stocks in a publicly traded organization (rather than a private entity), you can expect quarterly earnings reports three to four weeks following the end of each quarter. Generally, stock prices go up with organizations that meet or exceed their earnings projections, which is also often an indicator of future quarters.

Most investors are willing to pay a higher stock price for companies who perform well; however, if the opposite is true, investors can be most unforgiving and stock prices can be cut by 50 percent or more when businesses fail to meet their projections.

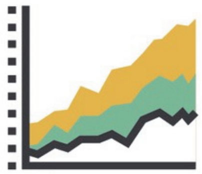
Economy

This includes everything from unemployment to interest rates to foreign currencies, imports and exports. It sounds frightening, but it isn't as hard to sift through as it sounds.

You hear on the news when the Federal Reserve Bank (FRB) has raised (or lowered) short term interest rates. These actions affect inflation. When borrowing, money costs more (based on higher interest rates), consumers tend to spend less, and businesses tend to make cutbacks to lessen their costs. That will normally lower the stock prices. If the FRB lowers interest rates, they intend to stimulate spending, increase income, profits and thus, stock prices.

On an international scale, when our American dollars weaken as compared to foreign currencies, American goods are less expensive and exporting companies tend to thrive. At the same time, importing companies have greater costs, which are passed along to us as consumers.

When the shoe is on the other foot and the American dollar is strong, imports are less expensive, and exports are more costly.



Market Indexes: The Dow, S&P 500 & NASDAQ

The Dow, S&P 500, and the NASDAQ are simply market indexes or summaries based on the performance of a few of the best stocks in each market.

- **The Dow Jones Industrial Average** (DJIA) is perhaps the most well-known index and it was named for a journalist by the name of Charles Dow. In 1896, he discovered that he could trace the general movement of the market by averaging the top 12 stock prices. Today, this is the leading index and indicator of the market's health. And the average has grown to the top 30 largest American businesses like McDonalds, Coca-Cola or Johnson and Johnson.

- **Standards and Poor's (S&P) 500** index follows the 500 largest American companies over assorted industries, which represent about 70% of all stocks, publicly traded. Some companies can and will be listed in more than one index. Poor's Publishing was formed in 1860 by Henry Varnum Poor and they published railroad industry investor information. Mr. Poor merged with Standard Statistics Company in 1941 to form Standard and Poor's. In March 1957 the index expanded to the current 500 companies we know of today and the S&P 500 was officially born.

- The **NASDAQ** is both an index and a place where people can physically go to trade stocks. Many stocks, like Apple or Google, are tech-related stocks. But the NASDAQ is not limited to tech companies. You will also find 1-800-Flowers, Angi and Starbucks here along with some banking stocks. The NASDAQ is considered an indicator of how different sized tech and other innovative companies are performing. You will find about 3,000 companies trading here. NASDAQ was founded in 1971 by the National Association of Securities Dealers (NASD) and the NASDAQ acronym stands for the National Association of Securities Dealers Automated Quotations. The NASD today has changed its name to the Financial Industry Regulatory Authority (FINRA).

See pages 29-41 for a listing of which stocks are included in the Dow Jones Industrial Average and the NASDAQ-100 index.

What Drives the Markets?

As investors, when we consider what issues or events drive the stock market, the answer should be easy. When we hear good news from the government or the business sector, we respond positively and tend to be generous with our investment trends.

In positive environments, the government expects lower interest rates that encourage businesses to grow and expand under related monetary policies. Businesses expect higher profits and those profits drive the stock prices up.

The answer isn't always that easy. What about investor psychology? If there is a dip in the market, nervous investors may jump and dump their stocks, while cool cucumbers may think, "it's all part of the long-term game, I'm here for the long haul," and they take no action at all.

The decision everyone makes today could easily change in the very next minute. It doesn't make any single investor right or wrong, we're all just different.

Then there's economic policy, valuation, inflation, and interest rates.

- Relative values in the market compare stocks to other investment options like commodities. Absolute values compare the stock to its own history and forecasted earnings.
- As interest rates increase, loans are made at higher interest rates. Businesses delay expansion plans and earnings stay flat. But deposits are appealing and that 0.1% we've been earning on our savings account goes up, so maybe we make more frequent and larger deposits.
- Higher interest rates bring inflation, so money flow slows, the price of goods rise and stock market investments decline.

Before You Get Started

Here are some things to consider before you start investing:

- Make sure you have an emergency fund in your savings account before you start investing.
- Set your financial goals.
- Bank interest rates will never keep up with inflation.
- Don't copy someone else's investment strategy.
- Constant cash flow is the key to a solid investment foundation.
- Portfolio growth as a whole is more important than individual stock growth.
- Time is more important than timing. Timing the market is hard, time-consuming, and frustrating. Think long term investing rather than trying to predict the right moment to invest.
- Never invest in something you don't fully understand. It isn't worth the risk.

Diversification

Diversification means investing in multiple types of companies, investment vehicles, and industries. Having a well-diversified portfolio is important and it reduces your risk. It provides some protection should one particular industry that you invest in suffer a fall.

For example, if you invest all your funds in the utility industry and the industry does not perform well, your entire portfolio will sustain a loss. Investing in multiple industries is usually the safer option.

Advice From the Pros

These tips from some of the savviest investors can help you get closer to your investing goals:

- Know your fees; skilled investors tend to look for low turnover portfolios.
- Don't use your time looking for the next big thing. Many skilled investors buy inexpensive stocks, in the ballpark of $20 or less. There is a greater chance for returns and less money to risk.
- Know your risk tolerance. There is no need to increase anxiety by watching market changes daily. Remember that you're investing for the long haul. While more risk might yield greater returns, it doesn't matter if you're not comfortable.
- Just because a company is in the headlines doesn't make them a good bet. Stick with a healthy company that can be identified by the current, quick ratios and working capital calculations.
- Never panic. This is easier said than done. Think through your investment decisions before proceeding. Consult a financial planner before making big moves if you're not sure how to proceed.

Solid Investor Skills

There are skills that you can develop and grow as an investor.

- Never stop learning. Books and articles on behavioral investing or long-term investing will build your knowledge base.
- Underpriced assets or discount assets are fine if you're in it for the long haul. This is referred to as value investing and

requires vision. For example, walking through a muddy or weed-eaten piece of property might make it hard to envision a large commercial property filled with income producing buildings.

- You don't have to move with the herd. Remember the dotcom industry when it first started back in the 1990s? The herd was buying, some became wealthy, and some did not. It's okay to be the skeptic or to play the devil's advocate.

- Keep up with the news but be cautious about following its advice. For example, if the Federal Reserve Bank raises interest rates, bank stocks are more likely to rise. If interest rates decline, bank stocks are more likely to fall. Be aware that a change in interest rates does not impact all industry stocks.

- While you are on vacation or otherwise out of town, you or someone you designate should keep an eye on your portfolio in the event immediate action needs to be taken.

- Have an analytical mind. When you see or hear financial information, be sure it makes reasonable and logical sense to you. A degree of financial savvy will help you think through the financial records clearly.

Where to Go for Advice

As you introduce yourself to the investment community, you will come across an assortment of terms like broker, financial advisor, financial planner, brokerage firm and more.

The following is a brief description of each role; however, you aren't required to have planners or advisors if you decide to make your own decisions and work with an online company that allows you to buy and sell investments.

If you are new to investing, it may be a good idea to have one of more of the following:

- **Financial Advisors** execute trades in the market on your behalf, create financial plans that will help you reach your investment goals and may provide guidance about tax strategies and savings. Advisors also touch base with you periodically to assess the condition of your portfolio and your current and future needs. An advisor is also licensed.

- **Financial Planners** may not be licensed; however, they can create financial plans for you, which can include retirement and investment planning, tax and estate planning, risk management and cash flow management. A planner does not execute trades, purchases or sales.

- A **Stockbroker** manages your financial portfolio and uses the advice of investment analysts to determine what to buy and sell to best meet your investment goals. A broker will discuss the options with you, sharing insights from the investment analysts. Stockbrokers are now largely referred to as financial advisors.

- A **Brokerage Firm** is a financial institution that manages assets and employs financial advisors (also known as financial consultants). Many brokerage firms also have full staffs that include investment analysts who provide insightful data to the advisors.

You'll find more in-depth information about brokerage firms and financial advisors in the other guides in this series, *Brokerage Firms* and *Financial Advisors*.

Summary

In short, your investment portfolio is a diversified mix of items based on your investment goals, your age, your time frame, and your level of risk tolerance.

There aren't any secrets to picking the right investments. Getting rich overnight is a rarity, but with consistency and patience, you can grow your financial portfolio. Remember, never stop learning and keep an open mind.

Starting to save money as early as possible will enhance your life in the long term. Getting investment insights from a professional financial advisor is a good idea. It's also important to find an advisor who can meet your needs and financial objectives. This should not be a difficult and there is much to be said for trusting your own instincts.

Entering the investment world for the first time can be intimidating, just like most things in life. Persevere and stay focused and educated, and you are likely to find the investing industry challenging and rewarding. Know the risks and make thoughtful decisions regarding how they impact your personal portfolio and how you can meet your goals.

When you experience large gains, like bonuses, tax refunds, or monetary gifts, fight the urge to spend them on things you don't really need. In the long term, you are likely to be much happier and more financially sound if you stash those rare and wonderful windfalls into saving for your future.

We've covered a lot of information, and believe it or not, we still have a few more fine points to share with you.

Saving vs. Investing

There are times to save and times to invest, and the answer to that question really starts with where you are in your life. Saving and investing both add value, but if you're looking for long term growth, investing is the more likely answer for you.

If you're saving your money for a large purchase or a down payment on a home, then a savings account or a money market account may be the most reasonable option because these accounts earn interest and offer you easier, less complicated access to your money.

When to save:

- Always keep a three to six-month emergency stash in a savings account. You never know what might happen tomorrow. This emergency fund will carry you through in the event of a job loss or an unexpected financial emergency.

- If a big purchase is down the road, invested funds could mess with your plans if the market takes an unexpected downturn. Also, it may not be the best time to sell investments when you're ready to act on that big purchase.

When to invest:

- Don't invest your emergency savings.

- As soon as you become employed, jump you're your company's 401(k) plan as soon as you can. At the very minimum, invest the full percentage allowed that your company matches, and more if it's possible. If you don't invest the full matching possible, you're leaving cash on the table.

- After you have your emergency savings nailed down, go ahead and dip your toes into investing. And remember, it doesn't have to be either invest or save, it can be both at the same time.

Let's Invest

Now that we know what investing is and a little about how the investing world functions, let's start thinking about what to do next.

We suggest you get started by shopping for a broker. You'll find more information about that process in the next guide in this series, *Brokerage Firms*.

Remember, you may not need a broker if you just want to invest in a savings account or a certificate of deposit. Those are things you can do yourself at your favorite bank or credit union.

Just a hint: If you qualify for membership at a local credit union, they usually pay a slightly higher percentage on savings products than a commercial bank. Membership requirements vary and can include things as specific as your employer or as general as the community where you reside.

At either a credit union or a bank, you don't need a broker or a financial advisor to sign up for a savings account, a money market account, or a CD; a teller or customer service representative can help you with these services.

Investment Ratings & Financial Strength Ratings

Each of the guides in the *How to Become an Investor* series include several lists of investments that might interest you. The index below will direct you to the lists of investments that are included in this guide, along with the lists of investments that are included in the other guides in this series.

The Dow Jones Industrial Average

The following pages list the 30 stocks that make up the Dow Jones Industrial Average.

Ticker Symbol An arrangement of characters (usually letters) representing a particular security listed on an exchange or otherwise traded publicly. When a company issues securities to the public marketplace, it selects an available ticker symbol for its securities which investors use to place trade orders. Every listed security has a unique ticker symbol, facilitating the vast array of trade orders that flow through the financial markets every day.

Company Name Legal name of a firm, the title by which a formally organized or incorporated firm is known as a legal entity or artificial-person. Shown on the certificate of incorporation (firm's 'birth certificate'), it must be displayed clearly at the firm's legal or registered office, and disclosed on all formal documents such as agreements, checks, and official stationery. Also known as corporate name.

Weiss Overall Rating The Weiss rating measured on a scale from A to F based on each stock's performance and risk. (See "What Our Ratings Mean" for a definition of each letter grade rating).

Closing Price The last price at which a stock is traded on a regular trading day. For many U.S. markets, regular trading sessions run from 9:30 a.m. to 4:00 p.m. Eastern Time. The closing price represents the most up-to-date valuation of a stock until trading commences again on the next trading day.

1-Year Total Return (%) The rate of return on an investment over a one-year period that includes interest, capital gains, dividends and distributions realized.

5-Year Total Return (%) The rate of return on an investment over a five-year period that includes interest, capital gains, dividends and distributions realized.

The following list of stocks contains data and ratings as of September 30, 2022. Visit https://greyhouse.weissratings.com to check the latest rating of these stocks.

The Dow Jones Industrial Average

Ticker Symbol	Overall Rating	Company Name	Closing Price	1-Year Total Return %	5-Year Total Return %
MMM	C-	3M Company	$ 110.50	-35.04%	-38.93%
AXP	C	American Express Company	$ 134.91	-21.54%	60.01%
AMGN	B-	Amgen Inc.	$ 225.40	8.86%	39.59%
AAPL	B	Apple Inc.	$ 138.20	-2.58%	278.69%
BA	D	The Boeing Company	$ 121.08	-46.42%	-50.10%
CAT	C+	Caterpillar Inc.	$ 164.08	-13.68%	48.77%
CVX	B-	Chevron Corporation	$ 143.67	43.21%	52.59%
CSCO	C	Cisco Systems, Inc.	$ 40.00	-25.37%	37.80%
KO	B	The Coca-Cola Company	$ 56.02	8.86%	46.76%
DOW	C	Dow Inc.	$ 43.93	-21.34%	

Ticker Symbol	Overall Rating	Company Name	Closing Price	1-Year Total Return %	5-Year Total Return %
GS	C+	The Goldman Sachs Group, Inc.	$ 293.05	-20.95%	34.30%
HD	C+	The Home Depot, Inc.	$ 275.94	-14.40%	89.13%
HON	C	Honeywell International Inc.	$ 166.97	-21.02%	35.19%
INTC	D+	Intel Corporation	$ 25.77	-50.58%	-24.75%
IBM	C	International Business Machines Corporation	$ 118.81	-8.78%	7.58%
JNJ	B	Johnson & Johnson	$ 163.36	4.49%	42.04%
JPM	C	JPMorgan Chase & Co.	$ 104.50	-35.69%	24.36%
MCD	B-	McDonald's Corporation	$ 230.74	-2.90%	65.52%
MRK	B	Merck & Co., Inc.	$ 86.12	9.51%	63.79%
MSFT	B-	Microsoft Corporation	$ 232.90	-18.76%	232.21%
NKE	C	Nike, Inc.	$ 83.12	-42.94%	68.41%

Ticker Symbol	Overall Rating	Company Name	Closing Price	1-Year Total Return %	5-Year Total Return %
PG	B-	The Procter & Gamble Company	$ 126.25	-7.39%	57.70%
CRM	D+	Salesforce, Inc.	$ 143.84	-47.74%	53.12%
TRV	B-	The Travelers Companies, Inc.	$ 153.20	2.74%	39.66%
UNH	A	UnitedHealth Group Incorporated	$ 505.04	30.37%	175.29%
VZ	C-	Verizon Communications Inc.	$ 37.97	-26.61%	-3.82%
V	C	Visa Inc.	$ 177.65	-22.37%	74.03%
WBA	C-	Walgreens Boots Alliance, Inc.	$ 31.40	-29.95%	-51.19%
WMT	C	Walmart Inc.	$ 129.70	-3.85%	81.43%
DIS	C-	The Walt Disney Company	$ 94.33	-46.41%	-2.09%

The Nasdaq-100 Index

The following pages list the 102 stocks that make up the Nasdaq-100 Stock Market Index. This index includes 102 of the largest domestic and international non-financial companies listed on the Nasdaq Stock Market.

Ticker Symbol

An arrangement of characters (usually letters) representing a particular security listed on an exchange or otherwise traded publicly. When a company issues securities to the public marketplace, it selects an available ticker symbol for its securities which investors use to place trade orders. Every listed security has a unique ticker symbol, facilitating the vast array of trade orders that flow through the financial markets every day.

Company Name

Legal name of a firm, the title by which a formally organized or incorporated firm is known as a legal entity or artificial-person. Shown on the certificate of incorporation (firm's 'birth certificate'), it must be displayed clearly at the firm's legal or registered office, and disclosed on all formal documents such as agreements, checks, and official stationery. Also known as corporate name.

Weiss Overall Rating

The Weiss rating measured on a scale from A to F based on each stock's performance and risk. (See "What Our Ratings Mean" for a definition of each letter grade rating).

Industry

A classification of companies based on their primary business activities.

Closing Price

The last price at which a stock is traded on a regular trading day. For many U.S. markets, regular trading sessions run from 9:30 a.m. to 4:00 p.m. Eastern Time. The closing price represents the most up-to-date valuation of a stock until trading commences again on the next trading day.

1-Year Total Return (%)

The rate of return on an investment over a one-year period that includes interest, capital gains, dividends and distributions realized.

5-Year Total Return (%)

The rate of return on an investment over a five-year period that includes interest, capital gains, dividends and distributions realized.

The following list of stocks contains data and ratings as of September 30, 2022. Visit https://greyhouse.weissratings.com to check the latest rating of these stocks.

The Nasdaq-100

Ticker Symbol	Overall Rating	Company Name	Closing Price	1-Year Total Return %	5-Year Total Return %
ATVI	C	Activision Blizzard, Inc.	$ 74.34	-4.77%	20.90%
ADBE	C	Adobe Inc.	$ 275.20	-52.34%	86.02%
AMD	C	Advanced Micro Devices, Inc.	$ 63.36	-38.16%	398.51%
ABNB	D+	Airbnb, Inc.	$ 105.04	-39.29%	
ALGN	C-	Align Technology, Inc.	$ 207.11	-68.72%	10.62%
GOOGL	C+	Alphabet Inc. (Class A)	$ 95.65	-29.95%	97.73%
GOOG	C+	Alphabet Inc. (Class C)	$ 96.15	-29.54%	101.73%
AMZN	C-	Amazon.com, Inc.	$ 113.00	-31.17%	135.62%
AEP	B-	American Electric Power Company, Inc.	$ 86.45	9.87%	45.26%
AMGN	B-	Amgen Inc.	$ 225.40	8.86%	39.59%
ADI	C+	Analog Devices, Inc.	$ 139.34	-15.22%	78.90%
ANSS	C	Ansys, Inc.	$ 221.70	-35.69%	79.11%
AAPL	B	Apple Inc.	$ 138.20	-2.58%	278.69%
AMAT	C+	Applied Materials, Inc.	$ 81.93	-36.02%	67.57%

Ticker Symbol	Overall Rating	Company Name	Closing Price	1-Year Total Return %	5-Year Total Return %
ASML	C+	ASML Holding N.V.	$ 415.35	-43.44%	153.47%
AZN	C	AstraZeneca PLC	$ 54.84	-5.98%	85.54%
TEAM	D	Atlassian Corporation Plc	$ 210.59	-46.31%	480.94%
ADSK	C	Autodesk, Inc.	$ 186.80	-34.24%	66.09%
ADP	B	Automatic Data Processing, Inc.	$ 226.19	14.06%	129.50%
BIDU	D+	Baidu, Inc.	$ 117.49	-22.49%	-52.75%
BIIB	C	Biogen Inc.	$ 267.00	-5.97%	-15.55%
BMRN	C-	BioMarin Pharmaceutical Inc.	$ 84.77	9.86%	-9.56%
BKNG	C	Booking Holdings Inc.	$ 1,643.21	-33.09%	-11.54%
AVGO	B	Broadcom Inc.	$ 444.01	-6.14%	119.60%
CDNS	B	Cadence Design Systems, Inc.	$ 163.43	6.81%	311.66%
CHTR	C-	Charter Communications, Inc.	$ 303.35	-58.90%	-16.69%
CTAS	B	Cintas Corporation	$ 388.19	1.23%	183.19%
CSCO	C	Cisco Systems, Inc.	$ 40.00	-25.37%	37.80%
CTSH	C	Cognizant Technology Solutions Corporation	$ 57.44	-22.63%	-15.65%
CMCSA	C-	Comcast Corporation	$ 29.33	-47.61%	-14.41%

Ticker Symbol	Overall Rating	Company Name	Closing Price	1-Year Total Return %	5-Year Total Return %
CPRT	C+	Copart, Inc.	$ 106.40	-23.96%	207.96%
COST	B	Costco Wholesale Corporation	$ 472.27	6.02%	205.32%
CRWD	D	CrowdStrike Holdings, Inc.	$ 164.81	-33.88%	
CSX	C+	CSX Corporation	$ 26.64	-11.15%	61.51%
DDOG	D	Datadog, Inc.	$ 88.78	-38.64%	
DXCM	C-	DexCom, Inc.	$ 80.54	-41.42%	548.73%
DOCU	D	DocuSign, Inc.	$ 53.47	-79.26%	
DLTR	C+	Dollar Tree, Inc.	$ 136.10	38.91%	57.40%
EBAY	C-	eBay Inc.	$ 36.81	-46.49%	0.31%
EA	C+	Electronic Arts Inc.	$ 115.71	-18.97%	-0.87%
EXC	C	Exelon Corporation	$ 37.46	13.25%	62.60%
FAST	C+	Fastenal Company	$ 46.04	-8.90%	129.97%
FISV	C	Fiserv, Inc.	$ 93.57	-14.77%	45.22%
FTNT	C+	Fortinet, Inc.	$ 49.13	-17.57%	575.79%
GILD	C	Gilead Sciences, Inc.	$ 61.69	-5.74%	-10.34%
HON	C	Honeywell International Inc.	$ 166.97	-21.02%	35.19%

Ticker Symbol	Overall Rating	Company Name	Closing Price	1-Year Total Return %	5-Year Total Return %
IDXX	C	IDEXX Laboratories, Inc.	$ 325.80	-47.79%	107.29%
ILMN	D	Illumina, Inc.	$ 190.79	-51.68%	-5.66%
INTC	D+	Intel Corporation	$ 25.77	-50.58%	-24.75%
INTU	C	Intuit Inc.	$ 387.32	-28.41%	183.45%
ISRG	C	Intuitive Surgical, Inc.	$ 187.44	-44.30%	59.08%
JD	D+	JD.com, Inc.	$ 50.30	-26.38%	31.84%
KDP	B	Keurig Dr Pepper Inc.	$ 35.82	10.15%	
KLAC	B	KLA Corporation	$ 302.63	-8.57%	217.45%
KHC	C+	The Kraft Heinz Company	$ 33.35	-5.16%	-46.06%
LRCX	C+	Lam Research Corporation	$ 366.00	-34.94%	113.55%
LCID	D	Lucid Group, Inc.	$ 13.97	-43.23%	
LULU	C	Lululemon Athletica Inc.	$ 279.56	-30.35%	344.95%
MAR	C+	Marriott International, Inc.	$ 140.14	-9.82%	31.51%
MRVL	D+	Marvell Technology, Inc.	$ 42.91	-28.00%	143.27%
MTCH	D+	Match Group, Inc.	$ 47.75	-69.90%	
MELI	C-	Mercadolibre, Inc.	$ 827.78	-50.36%	214.12%

Ticker Symbol	Overall Rating	Company Name	Closing Price	1-Year Total Return %	5-Year Total Return %
META	D+	Meta Platforms, Inc.	$ 135.68	-60.44%	-19.94%
MCHP	C+	Microchip Technology Incorporated	$ 61.03	-18.88%	45.30%
MU	C	Micron Technology, Inc.	$ 50.10	-29.12%	25.95%
MSFT	B-	Microsoft Corporation	$ 232.90	-18.76%	232.21%
MRNA	C	Moderna, Inc.	$ 118.25	-65.33%	
MDLZ	C+	Mondelez International, Inc.	$ 54.83	-3.60%	49.03%
MNST	C+	Monster Beverage Corporation	$ 86.96	-3.25%	57.71%
NTES	C+	NetEase, Inc.	$ 75.60	-8.53%	52.49%
NFLX	D+	Netflix, Inc.	$ 235.44	-61.60%	33.01%
NVDA	C+	NVIDIA Corporation	$ 121.39	-41.43%	174.15%
NXPI	C+	NXP Semiconductors N.V.	$ 147.51	-22.16%	38.04%
OKTA	D	Okta, Inc.	$ 56.87	-76.11%	105.68%
ODFL	B	Old Dominion Freight Line, Inc.	$ 248.77	-12.55%	246.58%
ORLY	B+	O'Reilly Automotive, Inc.	$ 703.35	16.36%	226.53%
PCAR	B-	PACCAR Inc	$ 83.69	8.78%	38.30%
PANW	D	Palo Alto Networks, Inc.	$ 163.79	1.00%	239.81%

Ticker Symbol	Overall Rating	Company Name	Closing Price	1-Year Total Return %	5-Year Total Return %
PAYX	B	Paychex, Inc.	$ 112.21	-0.19%	117.43%
PYPL	C-	PayPal Holdings, Inc.	$ 86.07	-67.48%	34.11%
PEP	B	Pepsico, Inc.	$ 163.26	11.11%	73.22%
PDD	C	Pinduoduo Inc.	$ 62.58	-29.01%	
QCOM	C+	QUALCOMM Incorporated	$ 112.98	-10.56%	151.01%
REGN	B-	Regeneron Pharmaceuticals, Inc.	$ 688.87	20.69%	49.03%
ROST	C-	Ross Stores, Inc.	$ 84.27	-23.12%	36.45%
SGEN	D+	Seagen Inc.	$ 136.83	-21.00%	133.02%
SIRI	C+	Sirius XM Holdings Inc.	$ 5.71	-1.85%	12.90%
SWKS	C	Skyworks Solutions, Inc.	$ 85.27	-46.98%	-9.54%
SPLK	D	Splunk Inc.	$ 75.20	-48.19%	13.25%
SBUX	C	Starbucks Corporation	$ 84.26	-23.72%	73.29%
SNPS	B	Synopsys, Inc.	$ 305.51	1.00%	276.34%
TSLA	C	Tesla, Inc.	$ 265.25	2.65%	1064.98%
TXN	B-	Texas Instruments Incorporated	$ 154.78	-18.02%	96.98%
TMUS	C-	T-Mobile US, Inc.	$ 134.17	5.85%	118.50%

Ticker Symbol	Overall Rating	Company Name	Closing Price	1-Year Total Return %	5-Year Total Return %
VRSN	C-	VeriSign, Inc.	$ 173.70	-15.96%	63.11%
VRSK	C	Verisk Analytics, Inc.	$ 170.53	-14.17%	109.27%
VRTX	B	Vertex Pharmaceuticals Incorporated	$ 289.54	60.54%	90.20%
WBA	C-	Walgreens Boots Alliance, Inc.	$ 31.40	-29.95%	-51.19%
WDAY	D-	Workday, Inc.	$ 152.22	-40.20%	47.37%
XEL	B	Xcel Energy Inc.	$ 64.00	5.27%	55.75%
ZM	C	Zoom Video Communications, Inc.	$ 73.59	-72.49%	
ZS	D	Zscaler, Inc.	$ 164.37	-37.54%	

Appendices

Reading Investment Analysis Reports

There are many different tools available to help you research investments you might be interested in. Whether you are using a tool provided to you by your brokerage firm or your financial advisor, or tools you might find on the internet, many of them collect a wealth of data on a particular investment to help you better understand historic performance and make judgements on whether they will be a good fit for your portfolio.

This section breaks down two Weiss Ratings investment research reports as an example of what you might find while evaluating stocks and mutual funds.

Stocks

This section outlines the many data points included in a Stock Investment Analysis report from Weiss Ratings. All photos and figures are from the Microsoft Corporation stock, based on data collected through October 18, 2022, downloaded from https://greyhouse.weissratings.com on October 19, 2022. We'll go into each section in detail.

Additional data points available in the Weiss Ratings Investment Analysis report include a Business Profile, Key Statistics, Ratings History, Technical Chart, Price History, Dividend History, Similar Stocks, Comparison Tools by Stock, Sector and Industry, Income Statement, Balance Sheet, and Cash Flow. All terms are defined in the Glossary available on the Weiss Ratings site at https://greyhouse.weissratings.com.

Microsoft Corporation

MSFT - NASDAQ **$236.75** -$1.75 (-0.73%) Volume: **9,077,066** 10/19/2022 12:34PM EDT Quotes delayed

BUY B-

Prev Close	Avg Vol (3M)	Market Cap	Dividend & Yield	52-Week Range	P/E (TTM)	EPS (TTM)
$238.50	26,381,064	1.78T	$2.48 (1.04%)	$219.13 - $349.67	24.72	$9.65

Report

Summary
Profile
Key Statistics
Rating History
Technical Chart
Price History
Dividend History
Similar Stocks
Comparison
Sector Comparison
Industry Comparison
Income Statement
Balance Sheet
Cash Flow
Glossary

MSFT - Summary

Rating

Reward	B+	Good
Risk	C	Fair

Rating Factors

Growth	Excellent
Efficiency	Excellent
Solvency	Excellent
Total Return	Fair
Volatility	Fair
Dividend	Weak

Headlines

Microsoft Stock Is a Buy Even If Earnings Disappoint, Analyst Says
10/19/2022 - MarketWatch.com

TikTok, New York Times, Charlatans & the Nobel Prizes
10/19/2022 - Om Malik

Netflix partners with Microsoft for rollout of its new ad tier
10/19/2022 - CNBC Television-YouTube

$100 Invested In Microsoft 5 Years Ago Would Be Worth This Much Today
10/19/2022 - Benzinga

Income Statement

Total Revenue (TTM)	198.27B
EBITDA (TTM)	97.98B
EBIT (TTM)	83.38B
Net Income (TTM)	72.74B

Balance Sheet

Total Assets (Q)	364.84B
Total Debt (Q)	78.40B
Total Liabilities (Q)	198.30B
Book Value Per Share (Q)	22.31

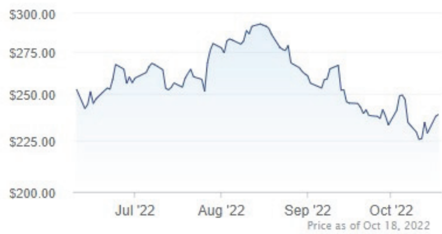
Cash Flow

Cash from Operations (TTM)	89.04B
Cash from Investing (TTM)	-30.31B
Cash from Financing (TTM)	-58.88B
Net Change in Cash (TTM)	-293.00M

Filings

Filing Date	Thu, Jul 28, 2022
Period Date	June 30, 2022
Next Filing	Week of Oct 24 and 28 (est)

Prices



Beta	1.16
1-Month Total Return	-2.46%
3-Month Total Return	-7.91%
6-Month Total Return	-16.03%
Year to Date Total Return	-28.29%
1-Year Total Return	-21.97%
2-Year Total Return	13.30%
3-Year Total Return	77.32%
5-Year Total Return	225.78%
52-Week Low	Oct 13, 2022 - $219.13
52-Week High	Nov 22, 2021 - $349.67

Valuation

Market Cap	1.78T - Mega Cap
Enterprise Value	1.75T
Price/Sales (TTM)	9.03
Price/Book (Q)	10.69

Dividends and Shares

Shares Outstanding	7.51B
Enterprise Value	1.75T
Dividend Per Share (Most Recent)	$0.62
Dividend Per Share (TTM)	$2.48

Corporate Info

Website	www.microsoft.com
Phone Number	425 882 8080
Address	One Microsoft Way Redmond, WA 98052-6399
Country	United States
Year Founded	1975

Business Description

Sector	Information Technology
Industry	Software and Services

Microsoft Corporation develops, licenses, and supports software, services, devices, and solutions worldwide. The company operates in three segments: Productivity and Business Processes... more

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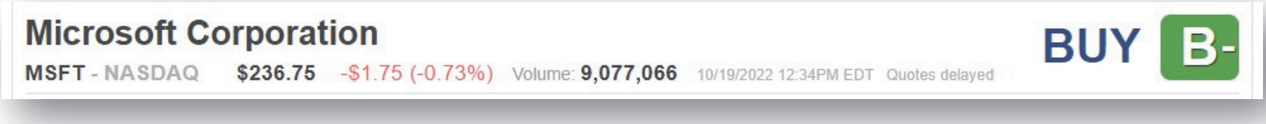
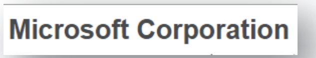
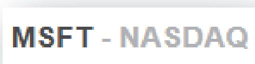




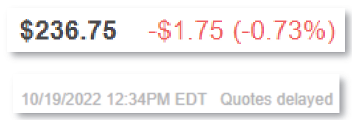
Company Name
Legal name of a firm, the title by which a formally organized or incorporated firm is known as a legal entity or artificial-person. Shown on the certificate of incorporation (firm's 'birth certificate'), it must be displayed clearly at the firm's legal or registered office, and disclosed on all formal documents such as agreements, checks, and official stationery. Also known as corporate name.



Ticker
An arrangement of characters (usually letters) representing a particular security listed on an exchange or otherwise traded publicly. When a company issues securities to the public marketplace, it selects an available ticker symbol for its securities which investors use to place trade orders. Every listed security has a unique ticker symbol, facilitating the vast array of trade orders that flow through the financial markets every day.

Exchange
The stock exchange on which the company is listed. The core function of a stock exchange is to ensure fair and orderly trading, as well as efficient dissemination of price information.

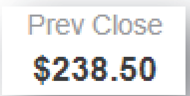
Exchanges such as NYSE (New York Stock Exchange), AMEX (American Stock Exchange), NNM (NASDAQ National Market), and NASQ (NASDAQ Small Cap) give companies, governments and other groups a platform to sell securities to the investing public.



Stock Price
The price at which a stock is traded on a regular trading day.

Price Change
The difference in stock price from one period to another. In this report, the change from the current stock price compared to the previous close is reported. Prices are delayed. The date and the time of the stock price is also reported.

Overall Rating
The Weiss rating measured on a scale from A to F based on each stock's performance and risk. See the section at the end of this guide, "What Our Ratings Mean," for an explanation of each letter grade rating.



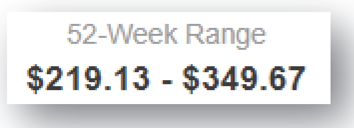
Closing Price
The last price at which a stock is traded on a regular trading day. For many U.S. markets, regular trading sessions run from 9:30 a.m. to 4:00 p.m. Eastern Time. The closing price represents the most up-to-date valuation of a stock until trading commences again on the next trading day.

Volume Average
The average number of individual securities traded in a day or over a specified period of time. High average volume means that a stock can be easily traded and has high liquidity. When this number is low, a stock is generally less expensive and less desired by traders.

Market Cap Size
A term used by the investment community to identify companies based on their market capitalization value.

Dividend
A dividend is defined as a payment made by a corporation to its shareholders. Usually these payouts are made in cash (cash dividends), but sometimes companies will also distribute stock dividends, whereby additional stock shares are distributed to shareholders.

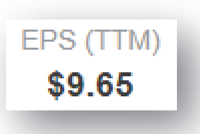
Dividend Yield
Dividends paid out each year relative to the share price. These are expressed as a percentage and measure how much cash flow an investor is getting for each invested dollar. This is a TTM (Trailing Twelve Months) figure.



52-Week Low
The lowest price that a stock has achieved during the previous 52 weeks.

52-Week High
The highest price that a stock has achieved during the previous 52 weeks.

Price/Earnings
A ratio that measures the value of a company by comparing its current share price to its earnings per share. A high P/E ratio suggests that investors are expecting higher earnings growth.



Earnings Per Share (Earnings/Share)
The amount of a company's profit that can be allocated to one share of its stock and does not include dilutive effects on convertibles.

BUY B+

The Weiss Rating measured on a scale from A to F based on each fund's risk and performance.

Rating		
Reward	B+	Good
Risk	C	Fair

Reward Rating

This is based on the total return over a period of up to five years, including net asset value and price growth. The total return figure is stated net of the expenses and fees charged by the fund. Based on proprietary modeling the individual components of the risk and reward ratings are calculated and weighted and the final rating is generated.

Risk Rating

This includes the risk ratings of component stocks where applicable and also includes the financial stability of the fund, turnover where applicable, together with the level of volatility as measured by the fund's daily returns over a period of up to five years.

Funds with greater stability are considered less risky and receive a higher risk rating. Funds with greater volatility are considered riskier, and will receive a lower risk rating. In addition to considering the fund's volatility, the risk rating also considers an assessment of the valuation and quality of a fund's holdings.

Rating Factors	
Growth	Excellent
Efficiency	Excellent
Solvency	Excellent
Total Return	Fair
Volatility	Fair
Dividend	Weak

Growth Rating Factor

Evaluates each stock based on components including sales growth, change in cash flow and measures of growth in earnings.

Efficiency Rating Factor

Screens for operational efficiency when the price of a stock is in line with the cost it takes to provide them.

Solvency Rating Factor

Measures each stock by traditional balance sheet quality and solvency ratios including debt-to-equity and financial strength.

Total Return Rating Factor

Measures the value an investor earns from a security over a specific period when all dividends are reinvested.

Volatility Rating Factor

Evaluates the gain/loss performance of each stock over various timeframes by measuring profit potential compared to downside risk.

Dividend Rating Factor

Measures each stock by its dividend-paying ability to reward stocks with higher total return potential.

Prices Chart

Charts changes to the stock price over the past four months.

Beta	1.16
1-Month Total Return	-2.46%
3-Month Total Return	-7.91%
6-Month Total Return	-16.03%
Year to Date Total Return	-28.29%
1-Year Total Return	-21.97%
2-Year Total Return	13.30%
3-Year Total Return	77.32%
5-Year Total Return	225.78%
52-Week Low	Oct 13, 2022 - $219.13
52-Week High	Nov 22, 2021 - $349.67

Beta

A three-year measure of volatility, or systematic risk, of a security in comparison to the market as a whole. A beta of less than 1 means that the security will be less volatile than the market, a beta larger than 1 means more volatility. Beta value cannot be calculated if less than 24 months of pricing is available.

Total Return
The rate of return on an investment over a period of time that includes interest, capital gains, dividends and distributions realized.

52-Week Low
The lowest price that a stock has achieved during the previous 52 weeks.

52-Week Low (Date)
The date at which a stock has achieved its lowest price during the previous 52 weeks.

52-Week High
The highest price that a stock has achieved during the previous 52 weeks.

52-Week High (Date)
The date at which a stock has achieved its highest price during the previous 52 weeks.

Valuation	
Market Cap	1.78T - Mega Cap
Enterprise Value	1.75T
Price/Sales (TTM)	9.03
Price/Book (Q)	10.69

Market Capitalization
The total market value of all outstanding shares used to determine the company's size. It is calculated by multiplying the number of shares outstanding by the current market price of one share.

Market Cap Size
A term used by the investment community to identify companies based on their market capitalization value.

Enterprise Value
A measure of a company's total value, often used as a more comprehensive alternative to market capitalization. It includes the company's debt in its calculation and is very important in takeover valuations.

Price/Sales
A ratio that measures value placed on each dollar of a company's sales or revenues. Generally, a stock with lower P/S ratio is a better investment since the investor pays less for each unit of sales.

Price/Book
Price to book ratio compares a stock's market daily value to its quarterly book value. This ratio indicates how much shareholders are paying for the net assets of a company tells how many times a company's stock is trading per share compared to the company's book value per share. A lower P/B could mean that the stock is undervalued and may have a potential for future growth, however, other valuation measures should be considered before investing. Generally, a P/B ratio of 1.0 or less is viewed as good.

Income Statement	
Total Revenue (TTM)	198.27B
EBITDA (TTM)	97.98B
EBIT (TTM)	83.38B
Net Income (TTM)	72.74B

Total Revenue
The total amount of money received from normal business activities, usually from the sale of goods and services to customers.

EBITDA
Earnings before interest, taxes, depreciation, and amortization is used when assessing a company's financial performance. It allows for a profitability comparison without effects of financing and accounting. It is not a GAAP metric.

EBIT
Earnings before interest and taxes is a measure of a company's profit with focus on earnings from operations. It is not a GAAP metric.

Net Income
The net profit or loss recorded by a company. This figure includes the company's operating profit (income from lending, investing, and fees less interest and overhead expenses) as well as non-operating items such as capital gains on the sale of securities, income taxes, and extraordinary items.

Balance Sheet	
Total Assets (Q)	364.84B
Total Debt (Q)	78.40B
Total Liabilities (Q)	198.30B
Book Value Per Share (Q)	22.31

Total Assets
The total of all assets listed on the institution's balance sheet. This figure primarily consists of loans, investments, and fixed assets.

Total Debt
All debts listed on a company's balance sheet. These may include long-term obligations such as financing or leasing agreements and short-term loans taken out by the company.

Total Liabilities
All liabilities, current and long-term, reported on a company's balance sheet.

Book Value Per Share
Measures the minimum value of a company's equity, in other words, it calculates the amount of money that a common share holder would get for one share if a company were to liquidate. The term "Book Value" is assets minus liabilities and may also be referred to as common stockholder's equity; this figure is further divided by the total number of common shares outstanding to determine the minimum value.

Cash Flow	
Cash from Operations (TTM)	89.04B
Cash from Investing (TTM)	-30.31B
Cash from Financing (TTM)	-58.88B
Net Change in Cash (TTM)	-293.00M

Cash from Operations
Cash flow generated by a company's normal business operations. It indicates whether a company is able to produce positive cash flow to maintain and grow its operations.

Cash from Investing
Cash flow generated from investments in the financial markets. It can be a source of cash that offsets any positive or negative cash flow amounts from operations.

Cash from Financing
Cash flow generated from activities such as: sale of stock, repurchase of company's stock, issuance of debt, repayment of debt, etc. It can be a source of cash that offsets any positive or negative cash flow amounts from operations.

Net Change in Cash

The amount of cash that went into or out of a company over a period of time and is calculated by adding all cash positions from the statement of cash flows.

Dividends and Shares

Shares Outstanding	7.51B
Enterprise Value	1.75T
Dividend Per Share (Most Recent)	$0.62
Dividend Per Share (TTM)	$2.48

Shares Outstanding (Basic)

The average number of shares that have been authorized, issued and purchased by investors including institutional investors and restricted shares owned by the company's officers and insiders.

Enterprise Value

A measure of a company's total value, often used as a more comprehensive alternative to market capitalization. It includes the company's debt in its calculation and is very important in takeover valuations.

Dividend Per Share

The dividends paid out over a period of time divided by the number of outstanding shares. Values are provided for the most recent Dividend per Share and the last twelve months (TTM).

Business Description

Sector	Information Technology
Industry	Software and Services

Microsoft Corporation develops, licenses, and supports software, services, devices, and solutions worldwide. The company operates in three segments: Productivity and Business Processes... more

Sector

An industry or market sharing common characteristics. Investors use sectors to place stocks and other investments into categories like technology, health care, energy, utilities and telecommunications. Each sector has unique characteristics and a different risk profile.

Industry

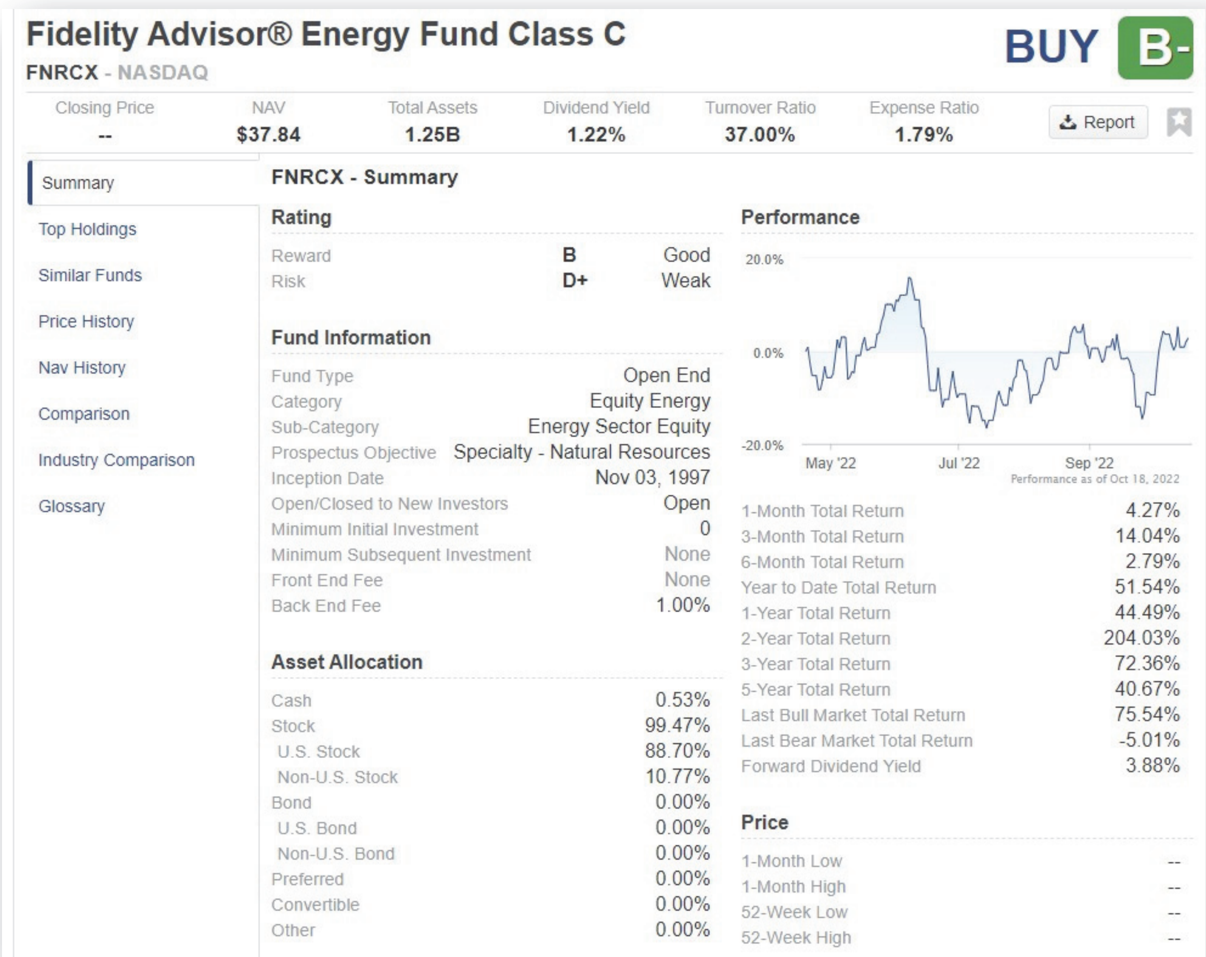
A classification of companies based on their primary business activities.

Reading Investment Charts & Analysis:

Mutual Funds

This section outlines the many data points included in a Mutual Fund Investment Analysis report from Weiss Ratings. All photos and figures are from the Fidelity Advisor ® Energy Fund Class C, based on data collected through October 18, 2022, downloaded from https://greyhouse.weissratings.com on October 19, 2022. We'll go into each section in detail below.

Additional data points available in the Weiss Ratings Investment Analysis report include Top Holdings, Similar Funds, NAV History, a Comparison Tool, and an Industry Comparison. All terms are defined in the Glossary available on the Weiss Ratings site at https://greyhouse.weissratings.com.



Fidelity Advisor® Energy Fund Class C BUY B-

FNRCX - NASDAQ

Closing Price	NAV	Total Assets	Dividend Yield	Turnover Ratio	Expense Ratio
--	$37.84	1.25B	1.22%	37.00%	1.79%

Report

Summary
Top Holdings
Similar Funds
Price History
Nav History
Comparison
Industry Comparison
Glossary

FNRCX - Summary

Rating

Reward	B	Good
Risk	D+	Weak

Fund Information

Fund Type	Open End
Category	Equity Energy
Sub-Category	Energy Sector Equity
Prospectus Objective	Specialty - Natural Resources
Inception Date	Nov 03, 1997
Open/Closed to New Investors	Open
Minimum Initial Investment	0
Minimum Subsequent Investment	None
Front End Fee	None
Back End Fee	1.00%

Asset Allocation

Cash	0.53%
Stock	99.47%
U.S. Stock	88.70%
Non-U.S. Stock	10.77%
Bond	0.00%
U.S. Bond	0.00%
Non-U.S. Bond	0.00%
Preferred	0.00%
Convertible	0.00%
Other	0.00%

Performance

1-Month Total Return	4.27%
3-Month Total Return	14.04%
6-Month Total Return	2.79%
Year to Date Total Return	51.54%
1-Year Total Return	44.49%
2-Year Total Return	204.03%
3-Year Total Return	72.36%
5-Year Total Return	40.67%
Last Bull Market Total Return	75.54%
Last Bear Market Total Return	-5.01%
Forward Dividend Yield	3.88%

Price

1-Month Low	--
1-Month High	--
52-Week Low	--
52-Week High	--

Services Offered

Systematic Withdrawal Plan, Automatic Investment Plan, Qualified Investment, Wire Redemption

Top Holdings

B	Exxon Mobil Corp XOM - NYSE	
--	Chevron Corp	
U	ConocoPhillips COP - CNSX	
B-	Cenovus Energy Inc CVE - NYSE	
B-	Hess Corp HES - NYSE	

more »

Similar Funds

C	Vanguard Energy Index Fund Admiral Shares VENAX - NASDAQ	
C+	Vanguard Energy Fund Admiral Shares VGELX - NASDAQ	
C+	Vanguard Energy Fund Investor Shares VGENX - NASDAQ	
B-	Fidelity® Select Energy Portfolio FSENX - NASDAQ	
C	JNL/Mellon Energy Sector Fund Class I	

more »

NAV

1-Month Low	$31.44
1-Month High	$38.71
52-Week Low	Dec 20, 2021 - $23.72
52-Week High	Jun 07, 2022 - $42.65

Beta / Standard Deviation

Beta	1.34
Standard Deviation	43.67

Company Information

Provider	Fidelity Investments
Manager/Tenure (Years)	Maurice FitzMaurice (2)
Website	http://www.institutional.fidelity.com
Address	Fidelity Investments 82 Devonshire Street Boston, MA 2109
Country	United States
Phone Number	617-563-7000

Investment Strategy

The investment seeks capital appreciation. The fund normally invests primarily in common stocks. It normally invests at least 80% of assets in securities of companies principally engaged in the energy field including the conventional areas of oil, gas, electricity and coal, and newer sources of energy such as nuclear, geothermal, oil shale, and solar power. The fund invests in domestic and foreign issuers. It uses fundamental analysis of factors such as each issuer's financial condition and industry position, as well as market and economic conditions, to select investments. The fund is non-diversified.

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Fidelity Advisor® Energy Fund Class C

Fund Name
Describes the fund's assets, regions of investments and investment strategies. Many funds have similar names, so you want to make sure the fund you look up is really the one you are interested in evaluating.

Class A
This class of Mutual Fund typically has a front-end sales load and a loaded fee structure. Although the fees for Class A may typically be lower, because they normally charge front-end fees, your initial amount invested will be lower and your overall return will be affected. An annual asset based fee may well be levied, although this is typically lower than other classes.

Class B
This class of shares, instead of a front-end or back-end sales load normally charges fees called a contingent deferred sales charge (CDSC). This fee is paid if you sell the shares within a certain period of time and may well decline after each year. An annual asset based fee is likely to be levied. Often a Class B share will convert to Class A within a couple of years of reaching the end of the CDSC expiry at which point Class A fees will be initiated.

Class C
A C-share is a class of mutual fund with a level load. They typically don't have front-end loads, but do sometimes have back-end loads. They are usually around 1% but are sometimes eliminated after the shares are held for over a year. Annual asset based fees are normal for this class of share.

Class I
This class is sold to institutional shareholders. Also called Y-Shares, these have different fees and do not charge traditional loads.

Class R
R share funds, also known as K shares, are for retirement accounts, and the R share class mutual funds are only available through employer-sponsored retirement plans. R share mutual funds do not have any loads, but they do have annual asset based fees typically of around 0.25% to 0.50%.

Ticker Symbol

An arrangement of characters (usually letters) representing a particular security listed on an exchange or otherwise traded publicly. When a company issues securities to the public marketplace, it selects an available ticker symbol for its securities which investors use to place trade orders. Every listed security has a unique ticker symbol, facilitating the vast array of trade orders that flow through the financial markets every day.

Traded On (Exchange)

The stock exchange on which the fund is listed. The core function of a stock exchange is to ensure fair and orderly trading, as well as efficient dissemination of price information. Exchanges such as: NYSE (New York Stock Exchange), AMEX (American Stock Exchange), NNM (NASDAQ National Market), and NASQ (NASDAQ Small Cap) give companies, governments and other groups a platform to sell securities to the investing public.

Overall Rating

The Weiss rating measured on a scale from A to E based on each fund's risk and performance. See the section at the end of this guide, "What Our Ratings Mean," for an explanation of each letter grade rating.

Net Asset Value (NAV)

A fund's price per share. The value is calculated by dividing the total value of all the securities in the portfolio, less any liabilities, by the number of fund shares outstanding.

Total Assets

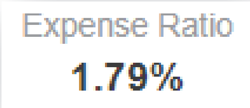
The total of all assets listed on the institution's balance sheet. This figure primarily consists of loans, investments, and fixed assets.

Dividend Yield

Trailing twelve months (a representation of a company's financial performance over the most recent 12 months) dividends paid out relative to the share price. Expressed as a percentage and measures how much cash flow an investor is getting for each invested dollar.

Turnover Ratio

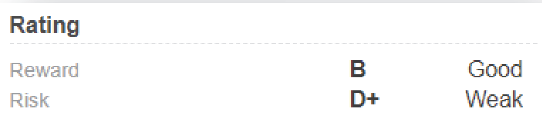
The percentage of a mutual fund or other investment vehicle's holdings that have been replaced with other holdings in a given year. Generally, low turnover ratio is favorable, because high turnover equates to higher brokerage transaction fees, which reduce fund returns.



Expense Ratio

A measure of what it costs an investment company to operate a mutual fund. An expense ratio is determined through an annual calculation, where a fund's operating expenses are divided by the average dollar value of its assets under management. Operating expenses may include money spent on administration and management of the fund, advertising, etc. An expense ratio of 1 percent per annum means that each year 1 percent of the fund's total assets will be used to cover expenses.

The Weiss rating measured on a scale from A to F based on each fund's risk and performance.



Reward Rating

This is based on the total return over a period of up to five years, including net asset value and price growth. The total return figure is stated net of the expenses and fees charged by the fund. Based on proprietary modeling the individual components of the risk and reward ratings are calculated and weighted and the final rating is generated.

Risk Rating

This is includes the risk ratings of component stocks where applicable and also includes the financial stability of the fund, turnover where applicable, together with the level of volatility as measured by the fund's daily returns over a period of up to five years. Funds with greater stability are considered less risky and receive a higher risk rating. Funds with greater volatility are considered riskier, and will receive a lower risk rating. In addition to considering the fund's volatility, the risk rating also considers an assessment of the valuation and quality of a fund's holdings.

Fund Information

Fund Type	Open End
Category	Equity Energy
Sub-Category	Energy Sector Equity
Prospectus Objective	Specialty - Natural Resources
Inception Date	Nov 03, 1997
Open/Closed to New Investors	Open
Minimum Initial Investment	0
Minimum Subsequent Investment	None
Front End Fee	None
Back End Fee	1.00%

Fund Type

Describes the fund's assets, regions of investments and investment strategies.

Category

Identifies funds according to their actual investment styles as measured by their portfolio holdings. This categorization allows investors to spread their money around in a mix of funds with a variety of risk and return characteristics.

Sub-Category

A subdivision of funds, usually with common characteristics as the category.

Prospectus Objective

Gives a general idea of a fund's overall investment approach and goals.

Inception Date

The date on which the fund began its operations. The commencement date indicates when a fund began investing in the market. Many investors prefer funds with longer operating histories. Funds with longer histories have longer track records and can thereby provide investors with a more long-standing picture of their performance.

Open/Closed To New Investors

Indicates whether the fund accepts investments from those who are not existing investors. The fund may be closed to new investors because the fund's asset base is getting too large to effectively execute its investing style. Although, the fund may be closed, in most cases, existing investors are able to add to their holdings.

Minimum Initial Investment

The smallest investment amount a fund will accept to establish a new account. This amount could be $0 or any other number set by the fund.

Minimum Subsequent Investment

The smallest additional investment amount a fund will accept in an existing account.

Front End Fee

A commission or sales charge applied at the time of the initial purchase of an investment. The fee percentage is generally based on the amount of the investment. Larger investments, both initial and cumulative, generally receive percentage discounts based on the dollar value invested.

Back End Fee

A fee that investors pay when withdrawing money from an investment within a specified number of years, usually five to 10 years. The back-end load is designed to discourage withdrawals and typically declines for each year that a shareholder remains in a fund. The fee is a percentage of the value of the share being sold.

Asset Allocation	
Cash	0.53%
Stock	99.47%
U.S. Stock	88.70%
Non-U.S. Stock	10.77%
Bond	0.00%
U.S. Bond	0.00%
Non-U.S. Bond	0.00%
Preferred	0.00%
Convertible	0.00%
Other	0.00%

Asset Allocation

Indicates the percentage of assets in each category. Used as an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame.

Cash

The percentage of the fund's assets invested in short-term obligations, usually less than 90 days, that provide a return in the form of interest payments. This type of investment generally offers a low return compared to other investments but has a low risk level.

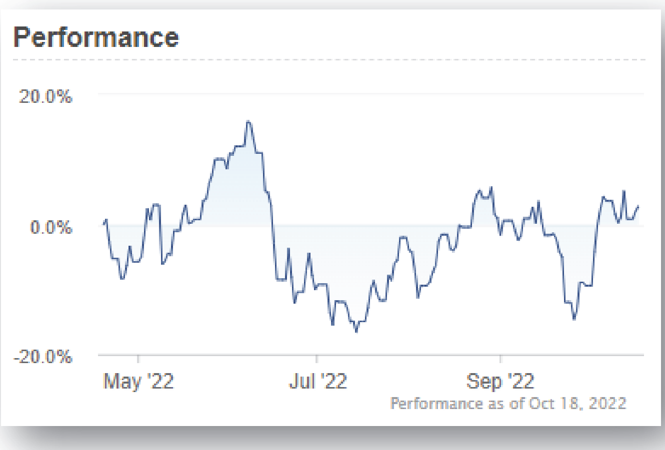
Stock
The percentage of the fund’s assets invested in stock.

Bond
The percentage of the fund’s assets invested in bonds. A bond is an unsecured debt security issued by companies, municipalities, states and sovereign governments to raise funds. When a company issues a bond it borrows money from the bondholder to boost the business, in exchange the bondholder receives the principal amount back plus the interest on the determined maturity date.

Preferred
The percentage of the fund's assets invested in preferred stocks.

Convertible
The percentage of the fund’s assets invested convertible securities. Convertible securities are bonds or preferred shares that can be converted into common stock, generally adding value for the security holder.

Other
The percentage of the fund's assets invested in other financial instruments.



Performance Chart
A graphical representation of the fund’s total returns over the past three months.

1-Month Total Return	4.27%
3-Month Total Return	14.04%
6-Month Total Return	2.79%
Year to Date Total Return	51.54%
1-Year Total Return	44.49%
2-Year Total Return	204.03%
3-Year Total Return	72.36%
5-Year Total Return	40.67%
Last Bull Market Total Return	75.54%
Last Bear Market Total Return	-5.01%
Forward Dividend Yield	3.88%

Total Return
The rate of return on an investment over a period of time that includes interest, capital gains, dividends and distributions realized.

Bull Market
A financial market condition in which prices are rising or are expected to rise. Bull markets are characterized by optimism, investor confidence and expectations that strong results will continue.

Bear Market
A financial market condition in which the prices of securities are falling, investors anticipate losses, and selling of securities increases.

Forward Dividend Yield
An estimation of a year's dividend expressed as a percentage of current stock price. The year's projected dividend is measured by taking a stock's most recent actual dividend payment and annualizing it.

Services Offered

Systematic Withdrawal Plan, Automatic Investment Plan, Qualified Investment, Wire Redemption

Services Offered
Services offered by the fund provider. Such services can include:

Systematic Withdrawal Plan
A plan offered by mutual funds that pays specific amounts to shareholders at predetermined intervals.

Institutional Only
This indicates if the fund is offered to institutional clients only (pension funds, mutual funds, money managers, insurance companies, investment banks, commercial trusts, endowment funds, hedge funds, and some hedge fund investors).

Phone Exchange
This indicates that investors can move money between different funds within the same fund family over the phone.

Wire Redemption
This indicates whether or not investors can redeem electronically.

Qualified Investment
Under a qualified plan, an investor may invest in the variable annuity with pretax dollars through an employee pension plan, such as a 401(k) or 403(b). Money builds up on a tax-deferred basis, and when the qualified investor makes a withdrawal or annuitizes, all contributions received are taxable income.

Top Holdings
The highest amount of publicly traded assets held by a fund. These publicly traded assets may include company stock, mutual funds or other investment vehicles.

Similar Funds
Displays the Overall Weiss Rating, Fund Name, Ticker Symbol and Exchange for a grouping of funds similar to the fund you are reviewing.

Beta / Standard Deviation	
Beta	1.34
Standard Deviation	43.67

Beta

A three-year measure of volatility, or systematic risk, of a security in comparison to the market as a whole. A beta of less than 1 means that the security will be less volatile than the market, a beta larger than 1 means more volatility. Beta value cannot be calculated if less than 24 months of pricing is available.

Standard Deviation

A statistical measurement of dispersion about an average, which depicts how widely the returns varied over the past three years. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility. Standard deviation is most appropriate for measuring risk if it is for a fund that is an investor's only holding. The figure cannot be combined for more than one fund because the standard deviation for a portfolio of multiple funds is a function of not only the individual standard deviations, but also of the degree of correlation among the funds' returns. If a fund's returns follow a normal distribution, then approximately 68 percent of the time they will fall within one standard deviation of the mean return for the fund, and 95 percent of the time within two standard deviations.

Company Information	
Provider	Fidelity Investments
Manager/Tenure (Years)	Maurice FitzMaurice (2)
Website	http://www.institutional.fidelity.com
Address	Fidelity Investments 82 Devonshire Street Boston, MA 2109
Country	United States
Phone Number	617-563-7000

Company Information

Displays the Provider, the Fund Manager and Tenure, the Provider Website and Address, Country and Phone Number.

Investment Strategy

The investment seeks capital appreciation. The fund normally invests primarily in common stocks. It normally invests at least 80% of assets in securities of companies principally engaged in the energy field including the conventional areas of oil, gas, electricity and coal, and newer sources of energy such as nuclear, geothermal, oil shale, and solar power. The fund invests in domestic and foreign issuers. It uses fundamental analysis of factors such as each issuer's financial condition and industry position, as well as market and economic conditions, to select investments. The fund is non-diversified.

Investment Strategy

A set of rules, behaviors or procedures, designed to guide an investor's selection of an investment portfolio. Individuals have different profit objectives, and their individual skills make different tactics and strategies appropriate.

Investing History

1600s

- In its earliest form, investing in the 1600s involved merchant banks and acceptance houses, who built funds for overseas, long term investment. This helped the financing of foreign trade.

1700s

- A century later in 1792, The New York Stock Exchange (NYSE) was born, and it continues to be home to the best known and largest companies in the world.

1800s

- The 1800s brought us investment banking firms like Fidelity, Schwab, and Goldman Sachs (founded by Marcus Goldman and Samuel Sachs both of whom were German Jewish immigrants), to name a few.

- Merchant banks in Paris and London started financing projects in the United States like the Transcontinental Railroad in the 1850s.

- Henry Varnum Poor, the founder of Standard & Poor's (S&P) stock index published a financial history of businesses involved in digging canals and laying track in 1860.

- In order to finance the Civil War during the 1860s, banking houses sold bonds. And mass-market security sales were born. The same practice helped to expand the Transcontinental Railroad.

- Abandonment of the silver standard by both the United States and Europe caused The Panic of 1873.

- A finance journalist by the name of Charles H. Dow began what is now known as the Dow Jones Transportation Average in 1884. Mr. Dow revealed the Dow Jones Industrial Average, which was the initial stock index in 1896. At the time, railroads and steel mills populated most of the top 12 stocks. Still used today with a more diversified list of industries, the Dow's first index was 40.94 points. We'll talk more about the index later.

1900s

- The Panic of 1907 resulted from an attempt to corner the market of United Copper Company stock, which caused a near 50% drop in the NYSE. This led to runs on banks, who later ended in bankruptcy.

- Congress levied income taxes via the Sixteenth Amendment in 1913.

- In 1913, the Federal Reserve System was established as the United States central banking system. The Federal Reserve Act permitted currency and Federal Reserve Bank Notes as legal tender.

- The NYSE crashed in 1929 (Black Thursday), wreaking havoc as thousands of investors lost entire portfolios. Less than a week later, the Dow dropped by 12% on Black Tuesday and triggered the decade long, Great Depression known for years of unemployment, hunger, poverty, and political strife.

- The Glass-Steagall Act of 1933 required banks to separate commercial and investment operational divisions. The failure of many commercial banks created this act, which was in force until 1999 when portions were repealed by the Clinton administration.
- The Securities Act of 1933 was the result of the market crash and was created to regulate security sales.

- The Securities Act of 1934 added more regulation and established the Securities and Exchange Commission, who was charged with federal security law enforcement.

- S&P's index was raised to 500 (from 30) companies with hourly updates, thanks to the IBM punch card computer in 1946. The same year saw the birth of the first two venture capital firms.

- The Small Business Act of 1958 regulated by the Small Business Administration (SBA), aided entrepreneurs who started up small businesses.

- Many high-tech stocks found a home in 1971 when the first electronic stock market in the world was formed. Today, the Nasdaq quotes and trades on over 5,000 over the counter stocks. In 1985, to compete with the S&P 500, Nasdaq introduced the Nasdaq 100.

- The Employee Retirement Income Security Act (ERISA) of 1977 prevented the holding of defined risky investments in corporate pension funds.

- Junk bonds became popular in 1980 with financier Michael Milken, and this fed hostile takeovers and leveraged buyouts in corporate America. This market failed in 1989 and 1990.

- The highest capital gains tax rate was reduced from 28% to 20% when President Ronald Reagan signed the Economic Recovery Tax Act of 1981 (ERTA). This encouraged higher risk investments and is also known as the Kemp-Roth bill.

- The Gramm-Leach-Bliley (GLB) Act of 1999 further repealed some Glass-Steagall Act provisions. By removing the division of investment banks and depository banks, it is believed that GLB was a contributor to the 2007-2010 financial crisis.

2000s

- The NYSE became a public entity in 2005.

- A credit crisis in 2007 and 2008 caused a lack of consumer confidence when several investment banks either failed, were acquired or simply left the industry claiming financial issues. Further major lenders suffered large credit losses, and the mortgage industry was in turmoil. The Troubled Asset Relief Program (TARP) of 2008 became law to help salvage the financial industry by using as much as $700 billion of federal government funding.

- Wealthfront and Betterment were founded in 2008. These companies were at the forefront of the RoboAdvisor, a fully or partially automated financial advisor. RoboAdvisors continue to grow in popularity.

2010s

- Known as the Flash Crash of 2010, the Dow Jones Industrial Average dropped by 998.5 points on May 6, 2010. In under 40 minutes, the DOW dropped by nearly 9%, losing roughly $1 trillion. The market quickly recovered. Because of the Flash Crash, new "circuit breakers" were installed to immediately halt trading on stocks that gain or lose 10% of their value within 5 minutes.

- Facebook's IPO launched on May 15, 2012. It raised more than $16 billion, the largest tech IPO in history. Shares were priced at $38 for the IPO, they are worth $235.53 today.

- The 2010s had the longest bull market in history, running for more than 10 years.

2020s

- The longest bull market in history ended in March 2020. The DOW dropped 1,465 points on March 11, 2020, ending the day down by nearly 6%. The economic downturn caused by COVID-19 led us into a bear market.

- The market recovered very quickly, with only a 33-day bear market, the fastest ever for the S&P 500. That lasted until September 2020, when the market corrected and we were back to a bull market again.

- In January 2021, GameStop stock was caught up in an epic battle between hedge fund managers and an army of social media users on Reddit. The hedge funds were betting that GameStop would continue its decline in value, so they shorted the position of its stock. Thousands of Reddit users bought shares of the stock on the discount brokerage platform Robinhood, causing the stock to increase in value sharply. The hedge funds then had to cover the shorted shares at a much higher value, losing millions of dollars. It was the beginning of the meme-stock trend.

- Cryptocurrencies crashed in the summer of 2022, losing approximately $1 trillion in value worldwide. Bitcoin peaked in November 2021, at a price of $67,549. It dropped to a low of $17,600 in June 2022, a 73% decrease in 7 months.

Helpful Resources

Annual Credit Report:
https://www.annualcreditreport.com

Association for Financial Counseling and Planning Education (AFCPE):
https://www.afcpe.org/find-an-afcpe-certified-professional/

Federal Deposit Insurance Corporation
https://www.fdic.gov

Financial Industry Regulatory Authority (FINRA):
https://www.finra.org

Financial Ratings Series Online by Grey House Publishing & Weiss Ratings
https://greyhouse.weissratings.com

FINRA BrokerCheck
https://brokercheck.finra.org/

Government Medical Insurance Coverage:
https://www.healthcare.gov

Independent Advisor Learning Center:
https://www.findyourindependentadvisor.com/FindAdvisor

Investor.gov
https://www.investor.gov

IRS
https://www.irs.gov

Let's Make a Plan:
https://www.letsmakeaplan.org

National Association for Personal Financial Advisors (NAPFA):
https://www.napfa.org/find-an-advisor

National Credit Union Administration
https://www.ncua.gov

Securities Investors Protection Corporation
https://www.sipc.org

U.S. Securities & Exchange Commission
https://www.sec.gov

TreasuryDirect
https://treasurydirect.gov

Weiss Cryptocurrency Ratings
https://weisscrypto.com/

Glossary

This glossary contains the most important terms used in this publication.

Blue Chip Stocks	Larger, older and more stable companies that are customarily larger than most and more stable. They are also more expensive stocks, for example, IBM, and Coca-Cola. Blue chips are perceived as safer investments.
Certificates of Deposit (CDs)	A savings account in which you agree to leave the funds on deposit for a defined amount of time, typically from three months to five years.
Fixed Annuities	Contractual obligations issued by insurance companies and offer a guaranteed rate of return with zero risk to your principal investment.
Growth Stocks	Stocks that are expected to grow at a significantly faster rate than the average market and usually do not pay a dividend.
Health Savings Accounts (HSAs)	Can be opened by individuals who are enrolled in high deductible health plans (HDHP); Offers a tax advantage because contributions are not subject to federal income tax.
Municipal Bonds	Loans made to local governments, cities, states, or counties.
Small Cap Funds	Can be defined differently by brokerage firms; however, most tend to be companies with asset values between $300,000,000 and $2,000,000,000

Treasury Bills (T-Bills)

Issued like bonds to fund public projects and are considered safe and conservative since they are backed by the US government; usually issued by the US Treasury in multiples of $1,000.

About Weiss Investment Ratings

Weiss Investment Ratings of stocks, ETFs and mutual funds are in the same realm as "buy," "sell" and "hold" ratings. They are designed to help investors make more informed decisions with the goal of maximizing gains and minimizing risk. Safety is also an important consideration. The higher the rating, the more likely the investment will be profitable. But when using our investment ratings, you should always remember that, by definition, all investments involve some element of risk.

A	Strong Buy
B	Buy
C	Hold or Avoid
D	Sell
E	Strong Sell

Our Overall Rating is measured on a scale from A to E based on each investment's risk and performance. The investments are analyzed using the latest daily data available and the quarterly filings with the SEC. Weiss takes thousands of pieces of investment data and, based on its own model, balances reward against the amount of risk to assign a rating. The results provide a simple and understandable opinion as to whether we think the investment is a BUY, SELL, or HOLD.

Our Reward Rating is based on the total return over a period of up to five years, including net asset value and price growth. The total return figure is stated net of the expenses and fees charged by the investment. Based on proprietary modeling the individual components of the risk and reward ratings are calculated and weighted and the final rating is generated.

Our Risk Rating includes the risk ratings of component investments where applicable and also includes the financial stability of the investment, turnover where applicable, together with the level of volatility as measured by the investment's daily returns over a period of up to five years. Investments with greater stability are considered less risky and receive a higher risk rating. Investments with greater volatility are considered riskier, and will receive a lower risk rating. In addition to considering the investment's volatility, the risk rating also considers an assessment of the valuation and quality of an investment's holdings.

In order to help guarantee our objectivity, we reserve the right to publish ratings expressing our opinion of an investment reward and risk based exclusively on publicly available data and our own proprietary standards for safety. But when using our investment ratings, you should always remember that, by definition, all investments involve some element of risk.

Weiss Ratings: What Our Ratings Mean

Stock Investment Ratings

Weiss Stock Ratings represent a completely independent, unbiased opinion of stocks — now, and in the future. The stocks are analyzed using the latest daily data available and the quarterly filings with the SEC. Weiss takes thousands of pieces of stock data and, based on its own model, balances reward against the amount of risk to assign a rating. The results provide a simple and understandable opinion as to whether we think the stock is a BUY, SELL, or HOLD.

In order to help guarantee our objectivity, we reserve the right to publish ratings expressing our opinion of an investment reward and risk based exclusively on publicly available data and our own proprietary standards for safety. But when using our investment ratings, you should always remember that, by definition, all investments involve some element of risk.

Strong Buy

A **Excellent.** The company's stock has an excellent track record for providing strong performance with lower-than-average risk, and it is trading at a price that represents good value relative to the company's earnings prospects. While past performance is no guarantee of future results, our opinion is that this stock is among the most likely to deliver superior performance relative to risk in the future. Of course, even the best stocks can decline in a down market. But our "A" rating can generally be considered the equivalent of a "Strong Buy".

Buy

B **Good.** The company's stock has a good track record for delivering a balance of performance and risk. While the risk-adjusted performance of any stock is subject to change, our opinion is that this stock is a good value, with good prospects for outperforming the market. Although even good investments can decline in a down market, our "B" rating is considered the equivalent of a "Buy".

Hold or Avoid

C **Fair.** In the trade-off between performance and risk, the prospects for the company's stock are about average based on its track record and current valuation. Thus, we feel it is neither a significantly better nor a significantly worse investment than most other common stocks. Although stocks can be driven higher or lower by general market trends, our "C" rating can generally be considered the equivalent of a "Hold" or “Avoid.”

Sell

D **Weak.** The company’s stock is an underperformer relative to other common stocks with a similar amount of risk. While the risk-adjusted performance of any common stock is subject to change, our opinion is that this stock represents a poor investment based on its current valuation and the company’s current financial position. Even weak stocks can rise in an up market. However, our "D" rating can generally be considered equivalent to a "Sell."

Strong Sell

E **Very Weak.** In our opinion, the prospects for the company’s stock are not favorable, with significant downside risks outweighing any upside potential. This opinion is based on the company’s current financial condition in combination with the stock’s historical risk-adjusted performance and current valuation. While the risk-adjusted performance of any stock is subject to change, our opinion is that this stock is a poor investment risk. Even some of the weakest stocks can rise in certain market conditions. However, our "E" rating can generally be considered the equivalent of a "Strong Sell."

+ The plus sign is an indication that the stock is in the upper third of the letter grade.

- The minus sign is an indication that the stock is in the lower third of the letter grade.

U **Unrated.** The stock is unrated for one or more of the following reasons: 1) It is too new to make a reliable assessment of its risk-adjusted performance. (Typically, a stock must have traded for at least one year before it is eligible to receive a Weiss Investment Rating.); 2) Quarterly reports filed with the SEC were either late or missing critical items that Weiss Ratings deems necessary for a thorough analysis; 3) Data anomalies exist that call into question either the accuracy or completeness of the information presently available to Weiss Ratings.

Weiss Ratings: What Our Ratings Mean

Mutual Fund & ETF Investment Ratings

Weiss Mutual Funds, Closed-End Funds, and Exchange Traded Funds Ratings represent a completely independent, unbiased opinion of funds—now, and in the future. The funds are analyzed using the latest daily data available and the quarterly filings with the SEC. Weiss takes thousands of pieces of fund data and, based on its own model, balances reward against the amount of risk to assign a rating. The results provide a simple and understandable opinion as to whether we think the fund is a BUY, SELL, or HOLD.

In order to help guarantee our objectivity, we reserve the right to publish ratings expressing our opinion of an investment reward and risk based exclusively on publicly available data and our own proprietary standards for safety. But when using our investment ratings, you should always remember that, by definition, all investments involve some element of risk.

Strong Buy

A **Excellent.** The fund has an excellent track record for maximizing performance while minimizing risk, thus delivering the best possible combination of total return on investment and reduced volatility. It has made the most of the recent economic environment to maximize risk-adjusted returns compared to other exchange-traded funds. Although even the best funds can decline in a down market, our “A” rating can generally be considered the equivalent of a "Strong Buy".

Buy

B **Good.** The fund has a good track record for balancing performance with risk. Compared to other exchange-traded funds, it has achieved above-average returns given the level of risk in its underlying investments. Although even good funds can decline in a down market, our “B” rating is considered the equivalent of a "Buy".

Hold or Avoid

C **Fair.** In the trade-off between performance and risk, the fund has a track record which is about average. It is neither significantly better nor significantly worse than most other funds. With some funds in this category, the total return may be better than average, but this can be misleading if the higher return was achieved with higher than average risk. With other funds, the risk may be lower than average, but the returns are also lower. Although funds can be driven higher or lower by general market trends, our "C" rating can generally be considered the equivalent of a "Hold" or “Avoid.”

Sell

D **Weak.** The fund has underperformed the universe of other funds given the level of risk in its underlying investments, resulting in a weak risk-adjusted performance. Thus, its investment strategy and/or management has not been attuned to capitalize on the recent economic environment. Even weak funds can rise in an up market. However, our "D" rating can generally be considered equivalent to a "Sell."

Strong Sell

E **Very Weak.** The fund has significantly underperformed most other funds given the level of risk in its underlying investments, resulting in a very weak risk-adjusted performance. Thus, its investment strategy and/or management has done just the opposite of what was needed to maximize returns in the recent economic environment. Even some of the weakest funds can rise in certain market conditions. However, our "E" rating can generally be considered the equivalent of a "Strong Sell."

\+ The plus sign is an indication that the fund is in the upper third of the letter grade.

\- The minus sign is an indication that the fund is in the lower third of the letter grade.

U **Unrated.** The fund is unrated because it is too new to make a reliable assessment of its risk-adjusted performance. Typically, a fund must be established for at least one year before it is eligible to receive a Weiss Investment Rating.

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Weiss Ratings' mission is to empower consumers, professionals, and institutions with high quality advisory information for selecting or monitoring a financial services company or financial investment. In doing so, Weiss Ratings will adhere to the highest ethical standards by maintaining our independent, unbiased outlook and approach to advising our customers.

Important Warnings & Cautions

1. A rating alone cannot tell the whole story. Please read the explanatory information contained here, and in the section introductions. It is provided in order to give you an understanding of our rating methodology as well as to paint a more complete picture of a stock or fund's strengths and weaknesses.

2. Investment ratings shown in this guide were current as of the publication date. In the meantime, the rating may have been updated based on more recent data. Weiss Ratings offers a notification service for ratings changes on companies that you specify. For more information visit https://greyhouse.weissratings.com

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