My FTEC Investment Journey

From Sector Rotation to a Simple, Long-Term Strategy

A real journey. A logical process. A powerful outcome.

Discover → Explore → Understand → Decide → Hold → Grow

Not just luck.
A rational strategy for a brighter future.

1 Before 2018
In Healthcare (JAGLX)

- Invested in JAGLX (Healthcare sector)
- Modest gains
- Sector rotated, technology started to outperform
- Realized a good sector is not always a good investment at every time

2 Found an Opportunity
Used Fidelity's ETF Picker

ETF Picker

- Went to Fidelity
- Used the ETF picker tool
- FTEC appeared as a top candidate
- Saw strong performance and positive outlook

3 Did My Research
Looked Under the Hood

- Investigated what FTEC owns
- Learned it tracks an MSCI index
- Studied MSCI IMI methodology
- Read books from Bogle, Buffett, and Lynch
- Realized I don't have the time, skill, or interest to read company reports or stock-pick

4 Made the Decision
All In on FTEC (2018)

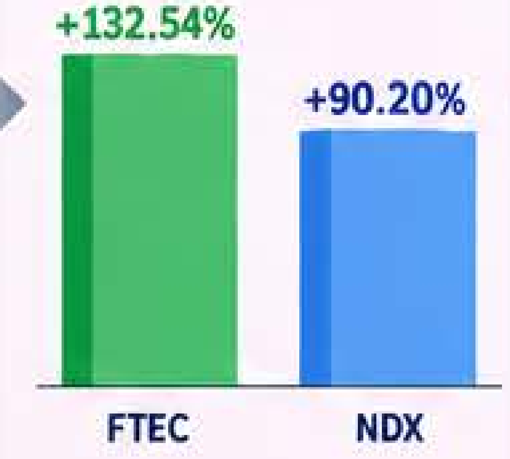
- Switched from JAGLX to FTEC
- Chose one ETF – FTEC
- Trusted MSCI to manage the company selection
- Simple, low-maintenance strategy
- Matched my time, skill, and temperament

5 Held Through the Years
Stayed the Course

2018 → 2026

- Kept investing and holding
- Ignored short-term noise
- Let the index rebalance and adapt
- Avoided unnecessary trading
- Focused on the long term

6 Strong Results
FTEC vs NASDAQ-100 (5-Year Performance)



5-Year Price Return (as of 2026)

7 Looking Ahead
Continue the Strategy

- Technology will continue producing winners
- Index will reallocate toward future leaders
- Not dependent on today's leaders
- Remain invested for 10–20+ years
- Stay disciplined

What is FTEC?

FTEC Fidelity MSCI Information Technology Index ETF

- Tracks the **MSCI USA IMI** Information Technology 25/50 Index
- Invests in U.S. technology companies (large, mid, and small cap)
- Market-cap weighted with concentration limits
- Low cost, transparent, rules-based
- Managed by Fidelity, indexed by MSCI

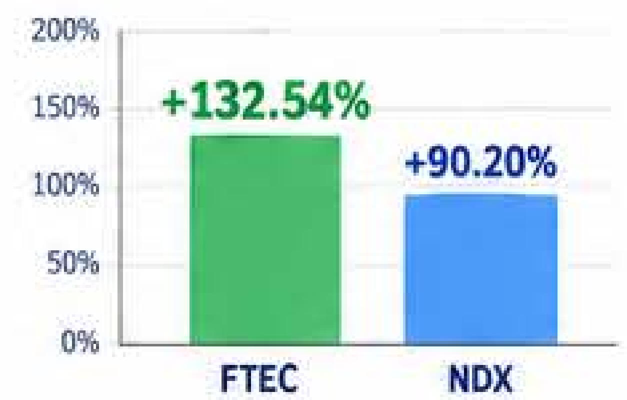
How the MSCI IMI Index Works

MSCI

Identify eligible companies (IT sector) → Include large, mid, and small cap stocks → Apply market-cap weighting (with 25/50 rules) → Periodic index review and rebalancing → Add new leaders, remove non-qualifiers

The index dynamically concentrates capital into the companies that become the sector's future leaders.
FTEC is not dependent on today's technology leaders remaining dominant.

FTEC vs NASDAQ-100 (5-Year Return)



FTEC	NDX
$289.02 (+164.73)	29,368.44 (+13,927.69)

FTEC outperformed NDX by **+42.34** percentage points over 5 years.

Past performance is not a guarantee of future results.

The "Best Horse" Analogy

Investors naturally place bets on the best horse. Others see it and follow (the herd mindset).

FTEC owns the field, but automatically allocates more to the strongest horses as the race evolves.

Lessons from the Investment Masters

Bogle
- Indexing works
- Low cost
- Broad diversification
- Long-term holding
- Capture the market's return

Buffett
- Understand businesses
- Focus on quality
- Competitive advantage
- Read company reports
- Long-term mindset

Lynch
- Find growth opportunities
- Use what you know
- Look for multi-baggers
- Understand the business
- Patience and research

My Synthesis
A strategy that fits my life:
- Index discipline (Bogle)
- Quality and growth focus (Buffett + Lynch)
- No need to stock-pick
- Use a systematic, rules-based index
- Simple, long-term, low-maintenance

Was It Luck or a Logical Decision?

What Was Luck / Serendipity?
- Discovered FTEC through Fidelity's tool
- Could not know technology would outperform by this much
- Could not predict AI and semiconductor boom
- Exact returns were uncertain

What Was Logical?
- Recognized sector rotation
- Did due diligence on the index
- Understood MSCI methodology
- Chose a low-cost, systematic approach
- Matched strategy to time, skill, and temperament
- Held through volatility
- Avoided unnecessary trading

Bottom Line
The outcome had luck, but the decision itself was logical, informed, and disciplined.

Key Strengths of the Strategy
Systematic and rules-based · Dynamic rebalancing · Concentrates on future leaders · Low cost · Transparent · Low maintenance · Long-term wealth potential

Risks to Be Aware Of
Sector drawdowns · U.S. concentration risk · Mega-cap concentration · Regulatory pressure · Technological disruption · Competition · Valuation risk

The Investment Thesis
"The technology sector will continue producing winners, and the index will continuously reallocate toward them."

It's not about today's winners.
It's about tomorrow's opportunities.

Innovative Companies → Economic Growth → Index Captures Winners → Your Wealth Grows → A Brighter Future

Stay Invested.
Stay Disciplined.
Let Innovation Work for You.

[hub.gravelcloud.com]
Rigel G Arcayan, 2026.