

AI-03786 NetBenefits Step by Step

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What is Netbenefit? What is the basic structure of the investment? Where my dollar being invested? Do I have a choice right from the start of investment choices? What are the investment choices? List the best fund choices. Give me a checklist on how to cleanup the many investment default chosen for me so that i can setup a one fund of my choice. What is the Fidelity Brokerage Link? How do I sign up? What can I do in Brokerage Link that I can't do in Netbenefits? Do I need to be in BrokerageLink if it is available in my Company? I already have an investment selected in Netbenefits and I want to change to a large cap portfolio, create a step by step procedure to execute the turning off of the old selection and choosing the new one. Also show how and where to sort and identify investment by performance.

You're basically asking how to take control of a workplace retirement plan that's been running on autopilot. Good instinct—default allocations are usually "good enough," not optimized.

Let's break this down cleanly and practically.

1) What is Fidelity NetBenefits?

It's Fidelity's **employer retirement portal** (401(k), 403(b), etc.).

- This is where your company plan lives
- Contributions come from your paycheck
- Investments are held in a tax-advantaged account
- You log in here to manage allocations, performance, and changes

Think of it as the **control panel**, not the investment itself.

2) Basic Structure of Your Investment

Your dollar flows like this:

1. **Paycheck deduction**
2. Goes into your **401(k)/retirement account**
3. Automatically invested into **funds you selected (or defaulted into)**
4. Grows (or fluctuates) based on market performance

So your money is NOT sitting as cash—it's inside **mutual funds / target-date funds / index funds**.

3) Where Is Your Money Actually Invested?

Typically in one or more of:

- Target Date Funds (default in many plans)
- U.S. Stock Funds (Large Cap, Mid Cap, Small Cap)
- International Funds
- Bond Funds
- Stable Value / Money Market

To see exactly:

- NetBenefits → **Investments tab** → **"Positions"** or **"Investment Performance"**
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4) Do You Have a Choice From the Start?

Yes—but most people don't use it.

If you didn't choose:

- You were auto-enrolled into a **Target Date Fund**

Example:

- "Fidelity Freedom 2045 Fund" = auto diversified portfolio
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5) What Are Typical Investment Choices?

Inside NetBenefits you'll see categories like:

Core Options

- Large Cap (e.g. S&P 500 Index fund)
- Mid Cap
- Small Cap
- International
- Bonds

Prebuilt

- Target Date Funds (set-it-and-forget-it)

Specialty (sometimes)

- Sector funds (tech, healthcare)
 - Company stock (be careful)
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6) "Best" Fund Choices (Reality Check)

There is no universal "best," but if your goal is:

| Simple, high-growth, low-cost

Then the strongest candidates are:

Option A (Simplest)

- Target Date Fund (auto-balanced)

Option B (Most popular among experienced investors)

- **S&P 500 Index Fund** (low cost, high exposure to U.S. growth)

Option C (Slightly more advanced)

- 80–100% Large Cap Index + optional International

Why these:

- Low fees (critical)
 - Broad diversification
 - Historically strong long-term returns
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7) Checklist: Clean Up Default Investments → One-Fund Strategy

Here's your "ruthless cleanup" system:

Step 1: Audit

- Go to **Investments** → **Positions**
- List ALL funds you own

Step 2: Identify clutter

- Too many funds (5+ = clutter)
- Overlapping funds (multiple large-cap funds)

Step 3: Choose ONE target

Example:

- S&P 500 Index OR Target Date Fund

Step 4: Turn OFF future contributions to old funds

- "Change Investments"
- Set **future contributions = 0%** for all unwanted funds

Step 5: Redirect to your chosen fund

- Assign **100%** to your chosen fund

Step 6: Move existing money

- "Exchange" or "Rebalance"
- Sell old funds → Buy new fund

Step 7: Confirm

- You now hold **ONE fund only**
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8) What is Fidelity BrokerageLink?

It's a **self-directed brokerage account inside your 401(k)**.

Think:

- NetBenefits = limited menu
 - BrokerageLink = almost full market access
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9) How to Sign Up

Inside NetBenefits:

1. Go to **Investments**
 2. Find **BrokerageLink**
 3. Click "Open Account"
 4. Agree to terms
 5. Transfer money into it
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10) What Can BrokerageLink Do That NetBenefits Can't?

NetBenefits

- Limited menu (10–30 funds)
- Pre-selected by employer

BrokerageLink

- Buy:
 - Individual stocks
 - ETFs (like VOO)
 - Thousands of funds

So:

- More flexibility
 - More control
 - More responsibility
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11) Do You Need BrokerageLink?

Short answer:

No.

Only use it if:

- You want ETFs or stocks not available
- You understand investing reasonably well

Otherwise:

- A low-cost index fund in NetBenefits is enough
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12) Step-by-Step: Switch to Large Cap Portfolio

Here's the exact execution flow:

A. Stop old allocation

1. NetBenefits → **Change Investments**
2. Set current funds → **0%**

B. Set new allocation

1. Choose Large Cap Fund (e.g. S&P 500)
2. Set to **100%**

C. Move existing money

1. Go to **Exchange**
2. Select all old funds
3. Move 100% → new fund

D. Confirm

1. Review
 2. Submit
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13) How to Sort & Identify Investments by Performance

Inside NetBenefits:

Go to:

- **Investments** → **Performance & Research**

Then:

- Sort by:
 - 1-year return
 - 5-year return (more important)
 - Expense ratio (VERY important)

What to prioritize:

1. Low expense ratio (under 0.10% ideal)
2. Strong long-term (5–10 yr) performance
3. Broad diversification

Avoid:

- High-fee funds
 - "Hot" short-term performers
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Bottom Line (Your Situation)

Given your mindset (you've already said you're not conservative and not legacy-focused):

A very rational setup is:

- **100% S&P 500 Index Fund**
- OR
- **Target Date Fund (if you want autopilot)**

BrokerageLink is optional—not required.

If you want, I can:

- Look at your exact fund lineup (you can paste it)
- Identify the single best fund in *your specific plan*
- Or design a 2–3 fund optimized portfolio instead of one-fund simplicity