

FIDELITY MONITOR & INSIGHT

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MESSAGE FROM JACK

Artificial Intelligence Software Emboldens Tech Disruptors

Good software, the kind that improves the consumer experience in the real world, is not very common. Bad software, on the other hand, is everywhere — just think about the last time you struggled through a self-checkout line or a phone system that used voice recognition.



Jack Bowers

Fortunately, there exists a small number of disruptor firms whose success (and very survival) depends on good software. This list includes Tesla, along with the so-called FANG stocks (Facebook, Amazon, Netflix and Google parent Alphabet) — see table below. Some would include Apple in the list, but they're more an innovator than a disruptor, because Apple moves too slowly to be a threat to established firms.

% Exposures to Tech Disruptors*				
	Model Portfolio Fund Positions			Fidelity
	B.C. Growth	Contra	Sel. Tech	Ownership
Alphabet	6.5	7.2	10.3	11.4
Amazon	6.1	4.6	1.4	4.0
Facebook	4.3	6.9	6.0	5.6
Netflix	0.7	1.1	0.001	4.9
Tesla	3.6	1.2	3.4	14.9

*Positions include all share classes, different holding periods.

Now that the age of Artificial Intelligence (AI) is upon us, good software is suddenly becoming great.

In a recent development, an AI system developed by Oxford was trained to lip-read by watching 5,000 hours of TV footage. It then recognized 50% of words spoken — a four-fold improvement over a human lip reader.

AI software has already enabled performance leaps in dynamic pricing, advertising, delivery fulfillment, and inventory management. And while few have experienced it themselves, self-driving automobile software has rapidly advanced. Anywhere that software can learn by processing large amounts of data, breakthroughs can be realized. In theory, all businesses should benefit. But in reality, the disruptors are deploying it years ahead of their low-tech competition.

Message cont'd on page 4

MARKET OUTLOOK

Market's Biggest Risk May Be The Fed — But Not For A While

As widely expected, the Federal Reserve raised the Fed Funds rate another 25 basis points on June 14th. In addition, the Fed sketched out its plans for gradually reducing its holdings of Treasuries (albeit without giving a start date), by letting some bonds “roll off” their balance sheet without reinvesting the proceeds in new bonds.



John M. Boyd

What was somewhat surprising, however, was their indication that they were still on track for another hike before the year is out. With inflation running stubbornly below their 2.0% target (they actually reduced their forecast of inflation for 2017 to 1.6%, down sharply from their March forecast of 1.9%) and recent economic data on the weak side, prior to the meeting, the futures markets were suggesting only a 35% chance of another move this year.

So why continue to tighten?

Two reasons. One, they want to get rates back up to “normal” (around 3.0% according to one Fed governor) before the next recession hits so they will have some room to cut rates to combat it. And two, they are concerned about the level of risk-taking they see in the stock and bond markets and would like to slowly let some “air escape” from a potential bubble.

The first is certainly a reasonable objective, though I am less enthused about the second. But whatever we think about the merits of their reasons, hiking rates just enough to accomplish their objectives without pushing us over into recession is a delicate task and, the Fed's track record on that is, to be kind, less than stellar.

Economy Should Handle More Modest Hikes

The good news is that rates are still so low (the Fed Funds target rate is now just 1.00% - 1.25%) that the economy should be able to absorb several more modest hikes before I would be concerned about a potential recession. While recent weakness in several pieces of economic data has garnered some worrisome headlines, the longer-term trends are generally still positive. For

Market Outlook cont'd on page 3

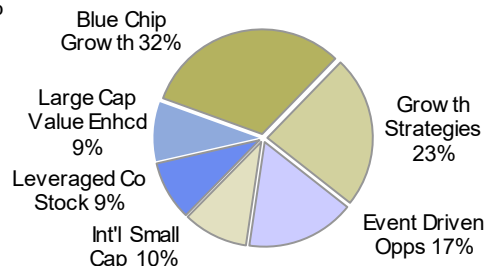
Unique Opportunities Target Risk: 1.20 (Current: 1.08) Foreign Holdings: 16.2% **YTD Return: 10.4%**

Stocks: 98.8% Bonds: 0.0% Cash: 1.2% Alternatives*: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Blue Chip Growth	FBGRX	\$80.44	1,933.28	\$155,513	-0.6%
Growth Strategies	FDEGX	37.53	3,073.70	115,356	0.0
Event Driven Opps	FARNX	14.11	5,803.60	81,889	2.9
International Small Cap	FISMX	27.60	1,774.23	48,969	1.8
Leveraged Co Stock	FLVCX	36.07	1,244.86	44,902	-0.1
Large Cap Value Enhcd	FLVEX	12.36	3,631.57	44,886	1.5

Current Value (3/31/99 = \$100,000) \$491,514 0.6%

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



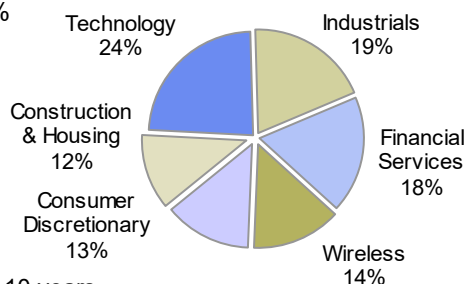
Select Target Risk: 1.20 (Current: 1.13) Foreign Holdings: 12.6% **YTD Return: 10.3%**

Stocks: 97.9% Bonds: 0.1% Cash: 2.1% Alternatives*: 0.0% Yield: 0.4%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Technology	FSPTX	\$160.98	5,171.53	\$832,512	-2.0%
Industrials	FCYIX	33.55	19,905.27	667,822	0.2
Financial Services	FIDSX	102.66	6,221.71	638,721	6.3
Wireless	FWRLX	9.47	51,225.56	485,106	-3.6
Consumer Discretionary	FSCPX	38.57	12,244.66	472,276	-1.9
Construction & Housing	FSHOX	62.83	6,555.39	411,875	1.6

Current Value (12/31/88 = \$100,000) \$3,508,313 -0.4%

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



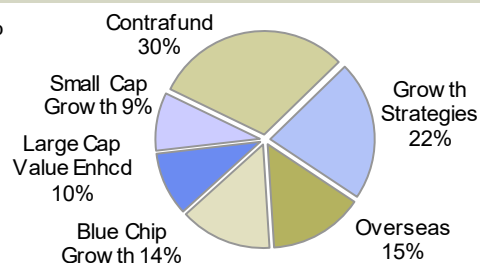
Growth Target Risk: 1.00 (Current: 1.00) Foreign Holdings: 18.7% **YTD Return: 10.5%**

Stocks: 99.0% Bonds: 0.0% Cash: 1.1% Alternatives*: 0.0% Yield: 0.5%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Contrafund	FCNTX	\$114.24	6,439.36	\$735,632	-0.4%
Growth Strategies	FDEGX	37.53	14,010.10	525,799	0.0
Overseas	FOSFX	46.90	7,538.15	353,539	-0.4
Blue Chip Growth	FBGRX	80.44	4,275.41	343,914	-0.6
Large Cap Value Enhcd	FLVEX	12.36	19,417.91	240,005	1.5
Small Cap Growth	FCPGX	23.26	9,415.47	219,004	2.4

Current Value (12/31/86 = \$100,000) \$2,417,894 0.1%

For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years.



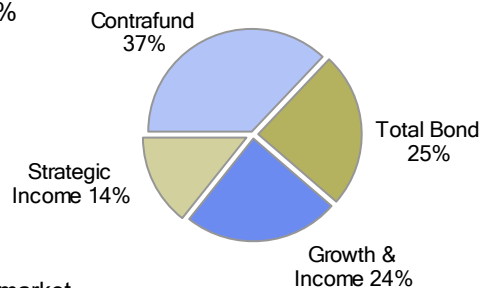
Growth & Income Target Risk: 0.66 (Current: 0.68) Foreign Holdings: 12.2% **YTD Return: 8.2%**

Stocks: 60.8% Bonds: 24.0% Cash: 1.2% Alternatives*: 14.1% Yield: 1.6%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Contrafund	FCNTX	\$114.24	2,053.44	\$234,585	-0.4%
Total Bond	FTBFX	10.66	14,511.30	154,690	-0.2
Growth & Income	FGRIX	34.78	4,421.13	153,767	1.7
Strategic Income	FSICX	10.99	8,278.59	90,982	0.2

Current Value (12/31/93 = \$100,000) \$634,025 0.2%

A good choice for members retiring in 5-10 years looking for less volatility than the market.



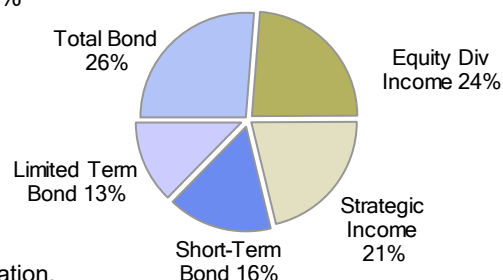
Income Target Risk: 0.33 (Current: 0.34) Foreign Holdings: 16.9% **YTD Return: 3.2%**

Stocks: 23.5% Bonds: 55.2% Cash: 1.7% Alternatives*: 19.6% Yield: 2.3%

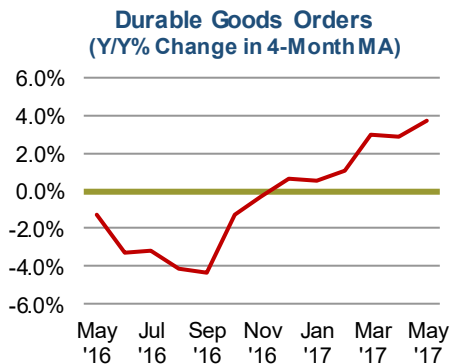
Holdings	Ticker	NAV	Shares	Value	Jun Ret
Total Bond	FTBFX	\$10.66	9,649.48	\$102,863	-0.2%
Equity Dividend Income	FEQTX	27.88	3,332.72	92,916	1.2
Strategic Income	FSICX	10.99	7,602.64	83,553	0.2
Short-Term Bond	FSHBX	8.62	7,291.21	62,850	0.0
Limited Term Bond	FJRLX	11.52	4,333.61	49,923	0.0

Current Value (12/31/91 = \$100,000) \$392,106 0.3%

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



example, much was made of the 1.1% decline in durable goods orders for May. But this is a very volatile series best smoothed out by using a 4-month moving average of the data. Looking at that on a year-over-year basis shows a steadily



increasing trend as shown above. This same pattern can be observed in many other economic series, with results moving back and forth between good and bad months but with the overall trend positive if gradual. This is to be expected in a slow-growth economy. On that score, second quarter GDP should improve somewhat from the recently revised 1.4% growth in the first quarter. Current estimates range from 1.9% to 3.0%, but the lower end of that range seems more probable. In short, while growth may not be robust, the risk of recession in the near term remains very low.

A Correction In The Cards?

While I don't see the economy suffering from the Fed's rate hikes this year, the market is a bit of a different story. An old traders adage is "don't fight the Fed." And the Fed's latest actions and comments suggest they are serious about pulling back from their extremely accommodative monetary policy. If traders view this as a sea-change in Fed policy, they could sell first and ask ques-

FUNDS YOU SHOULD BUY NOW

Growth: **Blue Chip Growth** and **Growth Company** are aggressive large-cap options; **Contrafund** is more conservatively positioned. **Large Cap Value Enhanced** offers financial exposure; **Growth Strategies** and **Small Cap Growth** lower market-cap exposure. Style-agnostic, **Event Driven Opportunities** provides portfolio diversification.

Growth & Income: **Growth & Income** and **Equity Dividend Income** hold higher-yielding large-cap value stocks.

International: **Overseas** and **Int'l Small Cap** are lower-risk approaches to developed equity markets (but dabble in emerging markets, too).

High-Yield: **Strategic Income** limits high-yield bond risk; **Leveraged Co. Stock** is a Specialty fund playing high-yield via a company's equity.

Taxable Bond: **Limited Term Bond** and especially **Short-Term Bond** limit interest-rate risk. **Investment Grade Bond** limits credit risk but boosts yield via additional rate-risk; **Total Bond** provides the greatest bond diversification boosting its yield through well-managed credit risk.

Muni Bond: More highly taxed investors should consider muni funds. We prefer the short-maturity **Conservative Income Muni**. ■

tions later, sparking a correction — particularly in the area that has been the best performer — technology.

If it happens, don't panic, it would be just that, a correction, not the end of this bull market. In fact, a correction now would be healthy and could serve to extend the bull market even further. The focus is on the Fed now, but eventually the fun-

damentals will take center stage again, and those fundamentals are solid. We have a modestly growing economy with low inflation and (still) low interest rates. Corporate profits this year are expected to increase 20% over 2016. The Fed may cause the market to stumble, but won't sink it, at least not yet. ■

— John M. Boyd

MODEL PORTFOLIO TRADES

As announced on our Hotline update of Friday, June 23, on Monday, June 26, we made the following model portfolio trade:

Select Model:

We sold our position in **Select Insurance** [FSPCX] and used the proceeds to purchase **Select Financial Services** [FDSX].

Trade Rationale:

Insurance has performed well since we first purchased it. But there are growing signs that it's time to broaden our bet on other financial stocks (see p. 12). Banks and brokerages are seeing good success on the cost-cutting front. That's partly owing to AI software (see p. 1) which is allowing the automation of trading activities, loan approvals, and other back-office operations that, in the past, have required humans.

In contrast, most insurance carriers have lagged in modernizing their risk-management systems, and there's an increased threat of disruption at a time when claims costs are rising.

Note: Select Insurance has a 0.75% redemption fee on shares held fewer than 30 days. As such, you may wish to delay the trade until the fee no longer applies. Separately, the *Annuity Sector Model* already holds the more diversified VIP Financial Services fund, so there's no need for a trade.

Model Portfolios Key:

¹Alternative investments include such areas as high-yield bonds, commodities, real estate. Portfolio trades and total returns do not take taxes into account, however, redemption and exchange fees are included. Some percentage figures may not sum to 100 due to rounding. Dividends are reinvested. Consider the tax implications of trades before you decide to buy or sell any fund. Any trades are detailed on p. 3 and are announced on Friday evening Hotline updates via telephone, e-mail, and web (see p. 12). **Annuity Model Portfolios** are on p. 10.

Message cont'd from page 1

No surprise, the disruptors stand to gain a lot of market share (and some stock valuation) while the rest of the world catches up. They know they have a window of opportunity, and they're not about to waste it. Before making an offer for Whole Foods, Amazon execs

likely reasoned that, owing to their AI pricing/inventory software and automated warehouses, they could boost earnings and growth at any grocery chain they chose to buy. In the end, they picked one with loyal upscale customers and locations ideal for delivering fresh food.

With the occasional interruption, this year's stock market con-

tinues to reward the disruptors, and some believe prices have reached irrational levels. But unlike the Y2K tech bubble, AI is changing the game in permanent ways. **Blue Chip Growth** and **Select Technology** have big bets on disruptor firms; that's why we continue to hold them in our stock-oriented models. ■

— Jack Bowers

An Uber-sized Problem

One industry “disruptor” that's been a problem for about a dozen Fidelity funds is Uber Technologies. Though still the world's most valuable private, venture-backed company, its problems have recently been, well, uber-sized!

With five large-cap growth funds alone investing at least \$750 million (see table) in the global ride-hailing service (overall Fidelity ownership is estimated at just under 2% of the firm, or roughly \$1.4 billion), Uber's toxic management culture had become self-destructive. While Fidelity's usual *modus operandi* is to simply sell its investment in any mismanaged public company, Uber's ownership structure creates problems that are not unique to Fidelity's other early-stage investments: 1. Uber is privately held; 2. There are dual share classes, and; 3. Insiders control voting shares.

So, selling Uber's illiquid shares isn't easy, and it could be costly. And, amid ongoing bad news, valuing Uber shares daily (and thus calculating the NAVs for the funds that own them) could be problematic.

As a result, Fidelity and several other institutional owners of Uber took the highly unusual step last month of effectively forcing its CEO, Travis Kalanick, to leave the company he co-founded just eight years earlier.

While Fidelity's overall Uber exposure is small potatoes, the stakes are large. With its private equity value thought to be \$68 billion, a successful IPO of that much, and perhaps more, would give several funds a boost. Such was the case with Facebook and Twitter. More importantly, with other private-equity investments also in the IPO pipeline (while Blue Apron is looking like a bust, Airbnb, Pinterest and WeWork still look promising), Fidelity certainly doesn't need any more Uber-sized problems. ■ — John Bonnanzio

Fidelity's Pre-IPO Disruptors (in \$000s)¹

	Blue Chip Growth	Contrafund	Growth Company	Magellan	OTC
Airbnb		101,606			
AppNexus	16,810		24,012		39,201
Blue Apron ²	11,760	59,705	10,858		13,061
CloudFlare	4,349	20,357	8,907	3,087	2,046
Dropbox	9,084	22,610	14,057		4,098
Meituan	12,291				
MongoDB			16,742		
Pinterest		518,312			1,153
SpaceX	21,802	82,717	16,753		6,765
Uber	257,484	237,468	242,856	47,159	117,357
WeWork		304,827			14,260
23andMe		5,898			15,537
Total Value (\$000s)	333,580	1,353,500	334,185	50,246	213,478
Fund assets (\$000s)	16,362,000	82,408,000	22,249,000	13,732,000	11,438,000
% of fund assets	2.0	1.6	1.5	0.4	1.9

¹ Positions include all share classes; different holding periods; ² \$10 per share IPO on 6/29.

INCOME INVESTING

Bonds Still Have Room To Rise

That may seem crazy for a few reasons, not the least of which is that the Fed is hell-bent on raising short-term interest rates (see John Boyd's *Market Outlook*). Notwithstanding Janet Yellen's thinking (and more importantly, the central bank's “tightening”), there's nary a whiff of inflation on the horizon.

Advancing technology is one of the primary reasons for keeping the lid on the price of just about everything, and so is cheap energy. For example, on an inflation-adjusted basis, 10 years ago, a gallon of gasoline was \$3.31 — today it's about \$2.37, a decline of 28%! Cheap energy not only keeps the cost of your summer road trip lower, it impacts everything from the price of your groceries to the plastic bag used to carry them.

Partly for these reasons, we have downgraded **Strategic Real Return** (see p. 5). Simply put, the inflation it's designed to protect against, still isn't significant.

That hasn't been lost on investors who have driven the yield on the 10-year Treasury down 15 basis points this year to 2.30%. This has helped to drive **U.S. Bond Index** up 2.2%. As for our preferences: Well-diversified taxable funds like **Total Bond** and **Investment Grade** strike the right balance between interest-rate-risk and credit-risk. (See the *Scorecard* for other options.) ■

FUND COMMENTARY

Investor Enthusiasm Wanes In June

June looked quite a bit different from the first five months of the year. While stocks and bonds were both higher in the first quarter and again in the second quarter, **500 Index** fund (a proxy for the S&P 500) only managed a 0.6% rise whereas **U.S. Bond Index** fund fell 0.1%. While hardly a disaster, the shift in sentiment (which could well be transitory) was brought about by a confluence of unrelated factors.



John Bonnanzio

Among them is political polarization in the U.S., which has stalled health care and tax reform, while also pushing back any plans to improve the nation's infrastructure. Then there's the monetary: the Fed is pushing forward with its plans to raise interest rates and to disgorge much of its \$4.5 trillion in bonds; the European Central Bank will eventually follow suit.

As for stocks, there's good and concerning news in this year's rally: share prices have more than tripled since bottoming in the financial crisis eight years ago. Whether real or imagined, this has raised the specter of valuation concerns, not only for share prices, but for bonds, too. (More on that in a bit.)

Market Indexes

Let's first look at June.

As noted, the large-cap S&P was only fractionally higher (the Dow Industrials rose 1.7%), whereas the small-cap Russell 2000 took a leadership role: it gained 3.5%. Cracks also appeared in the Nasdaq Composite (down 0.9%) which is flush with tech and biotech stocks.

Second-quarter and year-to-date returns paint a very different picture from June. With a robust 3.1% gain

in the second quarter, the S&P managed a 9.3% return for the first half of 2017. For its part, the Dow was up 4.0% and 9.3%, respectively, during the same periods.

As for the Nasdaq, it rose a solid 4.2% this past quarter, thus driving its year-to-date return of 14.7%. That bested its 2016 return of "only" 8.9%, and roughly matched its 2014 return. (See Jack's pg. 1 *Message* on tech.) Finally, the Russell 2000, last quarter it gained 2.5%, while its none-too-shabby 5.0% return for the first half made it a category laggard.

Stock Funds

Thanks to surging bank shares last month (and, conversely, retreating tech stocks), the average Fidelity large-cap value fund gained 1.7% versus a 0.2% return for their growth-oriented counterparts. And, had it not been for weakness in the energy sector, value funds would have fared even better. Naturally, their 10 large-cap blend offerings (many of which are benchmarked

against the S&P) finished between the two other categories with an average return of 1.1%.

But the real action last month was the stepped-up performances of small-caps. **Small Cap Index** (up 3.4%) led all others in June whereas **Small Cap Value** (up 2.9%) was a close second.

Returning to large-caps, **Nasdaq Composite Index** fund (down 0.9%) trailed all diversified equity funds, but it was also a disappointing month for **Blue Chip Growth** and **Contrafund** (down 0.6% and 0.4%, respectively).

Separately, **Event Driven Opportunities** (which we now classify among Specialty funds, and is held in our *Unique Opportunities Model*) gained 2.9% in June; it's up 10.9% for the year.

International Funds

The U.S. dollar's 1% loss in June and 5%-plus retreat for the

Fund Commentary *cont'd on page 8*

July Scorecard Rating Changes				
Fund	Ratings			Comments
	Old	New		
Emerging Asia	H	B	↑	Technology is driving economic growth.
Emerging Markets	H	B	↑	Technology is driving economic growth.
Global Credit		NA		Formally called Global Bond (see p. 12).
International Bond		NA		Fund closed; removed from <i>Scorecard</i> .
Magellan	B	H	↓	Prefer other large-cap growth fund options.
Mid-Cap Stock	B	H	↓	See New Millennium below (same manager).
Moment Factor ETF	S	H	↑	Not our preferred way to play tech, but still okay.
MS Emg Mkt Equity	H	B	↑	Technology is driving economic growth.
New Millennium	H	S	↓	Hurting at the hand of declining energy shares.
Nordic	S	H	↑	"Newish" manager's big bet in Sweden paying off.
Sel Air Transport	B	H	↓	Continued low fuel prices now factored into valuations.
Sel Automotive	H	S	↓	Technology disruption looms large.
Sel Brok & Invest	H	B	↑	Modest regulatory reforms may boost margins.
Sel Chemicals	B	B	↑	Cheap nat gas feedstock is lowering production costs.
Sel Insurance	B	B	↓	Autos claims costs are rising (see Financials on p. 12).
Stock Sel LC Value	B	H	↓	A laggard among other value-oriented laggards.
Strat Real Return	H	S	↓	No inflation risk + commodities make this a poor choice.
Value	B	B	↓	Struggling at the hand of declining energy shares.
Value Factor ETF	B	B	↓	Fund is loaded with volatile tech - not value stocks.
VIP Emerging Mkts	H	B	↑	Technology is driving economic growth.
VIP Value	B	B	↓	Struggling at the hand of declining energy shares.

B = Buy; **B** = OK to Buy; **H** = Hold; **S** = OK to Sell; **S** = Sell, **NC** = No change
 (↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD

JUNE 30, 2017

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	
						Jun	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr		
Comparative Indexes		S&P 500		2423.4		0.6	9.3	3.1	17.9	9.6	14.6	7.2	1.00	
		Nasdaq Composite		6140.4		-0.9	14.7	4.2	28.3	13.0	17.4	10.2	1.24	
		Dow Jones Industrials		21349.6		1.7	9.3	4.0	22.1	11.0	13.4	7.6	1.05	
		Russell 2000 (Small Caps)		1415.4		3.5	5.0	2.5	24.6	7.4	13.7	6.9	1.49	
		Barclays Aggregate Bond*				-0.1	2.2	1.4	-0.6	2.3	2.0	4.1	0.29	
Model Portfolios		Unique Opportunities				0.6	10.4	3.8	21.6	6.8	13.5	5.9	1.08	
		Select				-0.4	10.3	3.7	19.9	8.8	15.7	8.3	1.13	
		Growth				0.1	10.5	4.1	19.6	7.5	12.1	5.2	1.00	
		Growth & Income				0.2	8.2	3.4	14.9	6.9	10.4	5.3	0.68	
		Income				0.3	3.2	1.4	6.7	3.9	5.2	4.4	0.34	
											Rel Vol (Risk) ¹	Assets (\$Mil)		
LARGE CAP GROWTH						Category Averages	0.2	14.1	4.9	22.4	9.4	15.1	1.15	
312	FBGRX	Blue Chip Growth		80.44	Buy	-0.6	19.4	6.8	28.4	11.3	17.1	1.19	\$16,362	
307	FDCAX	Capital Appreciation		34.72	Hold	0.0	9.6	2.2	18.6	6.9	13.0	1.16	4,998	
22	FCNTX	Contrafund		114.24	Buy	-0.4	16.8	6.1	22.2	10.5	14.6	0.98	82,408	
3	FFIDX	Fidelity Fund		44.92	OK to Sell	0.3	9.2	2.9	14.3	7.8	12.6	1.01	3,898	
333	FTQGX	Focused Stock		20.64	OK to Sell	0.2	12.4	5.0	13.9	5.4	12.6	1.07	1,580	
25	FDGRX	Growth Company (Closed)		162.68	Buy	0.8	18.9	7.8	32.6	13.5	17.5	1.32	22,249	
339	FDSVX	Growth Discovery		30.58	OK to Buy	-0.1	20.3	7.3	25.1	10.0	15.4	1.09	1,155	
73	FDFFX	Independence		37.45	OK to Sell	1.0	11.9	4.5	19.9	3.7	13.6	1.32	3,352	
1829	FLGEX	Lrge Cap Growth Enhcd Index		16.97	OK to Buy	-0.3	10.1	2.4	18.5	9.8	14.5	1.03	914	
2823	FSUIX	Lrge Cap Growth Index ⁴		11.83	Hold	-0.3	13.9	4.7	20.2	--	--	--	8	
21	FMAGX	Magellan		95.73	Hold↓	0.7	10.9	4.2	18.5	9.1	14.9	1.08	13,732	
1282	FNCMX	Nasdaq Composite Index		80.93	OK to Buy	-0.9	14.6	4.1	28.0	12.9	17.2	1.24	4,315	
300	FMLX	New Millennium		38.62	OK to Sell↓	0.8	7.2	2.3	19.5	6.0	13.1	1.06	3,165	
93	FOCPX	OTC		102.92	OK to Buy	0.6	23.5	9.3	36.5	15.5	20.3	1.50	11,438	
320	FDSSX	Stock Selector All Cap		40.90	Hold	0.7	12.4	4.1	21.1	8.2	14.5	1.07	6,703	
5	FTRNX	Trend		94.67	OK to Buy	0.2	14.2	4.7	21.3	10.1	15.3	1.10	1,616	
LARGE CAP BLEND						Category Averages	1.1	7.7	2.4	18.1	7.9	13.9	1.05	
650	FUSEX	500 Index ⁴		85.12	Hold	0.6	9.3	3.1	17.8	9.5	14.5	1.00	3,829	
315	FDEQX	Disciplined Equity		36.18	Hold	0.8	8.9	2.3	15.6	7.0	13.7	1.00	1,207	
330	FDGFX	Dividend Growth		34.59	Hold	0.5	7.4	2.4	14.8	6.6	13.1	0.96	5,937	
332	FEXPX	Export and Multinational		22.57	Hold	1.2	8.3	1.9	14.6	8.1	11.9	0.95	1,508	
27	FGRIX	Growth & Income		34.78	Buy	1.7	5.9	2.2	21.3	7.6	13.9	1.13	6,229	
1827	FLCEX	Lrge Cap Core Enhcd Index		13.41	OK to Buy	0.5	7.4	1.9	16.5	8.1	13.9	0.99	536	
338	FLCSX	Large Cap Stock		30.91	Buy	2.0	6.7	2.2	23.1	7.6	15.3	1.21	4,642	
361	FGRTX	Mega Cap Stock		18.58	Buy	1.7	6.8	2.5	20.9	7.8	14.1	1.13	1,615	
397	FSTMX	Total Market Index ⁴		70.00	Hold	0.9	8.9	3.0	18.5	9.0	14.4	1.03	748	
2939	FENSX	U.S. Sustainability Index		10.18	NA	0.7	--	--	--	--	--	--	3	
LARGE CAP VALUE						Category Averages	1.7	5.4	1.5	16.8	6.8	13.4	1.0	
1271	FBCVX	Blue Chip Value		18.34	OK to Buy	2.5	6.3	0.7	19.0	7.4	14.0	1.04	408	
319	FEQTX	Equity Dividend Income		27.88	Buy	1.2	4.5	1.9	14.0	7.1	12.4	0.94	5,351	
23	FEQIX	Equity-Income		59.29	Buy	1.1	4.7	1.5	17.0	6.1	12.2	0.97	6,500	
1828	FLVEX	Lrge Cap Value Enhcd Index		12.36	Buy	1.5	4.1	0.7	16.3	7.3	14.3	1.04	2,890	
2827	FLCDX	Lrge Cap Value Index ⁴		11.40	Hold	1.6	4.6	1.4	15.3	--	--	--	3	
708	FSLVX	Stock Sel Large Cap Value		19.35	Hold↓	0.9	3.8	0.7	14.0	6.4	13.4	0.99	787	
832	FVDFX	Value Discovery		27.48	Buy	2.2	6.3	1.8	19.3	7.4	14.2	0.96	2,303	
14	FSLSX	Value Strategies		41.71	OK to Buy	2.4	9.4	3.0	19.7	6.0	13.3	1.19	438	
MID-CAP GROWTH						Category Averages	0.0	10.4	2.3	12.9	7.9	14.4	1.01	
324	FDEGX	Growth Strategies		37.53	Buy	0.0	10.4	2.3	12.9	7.9	14.4	1.01	2,337	
MID-CAP BLEND						Category Averages	1.4	7.8	2.4	18.8	7.0	14.1	1.12	
398	FSEMEX	Extended Market Index ⁴		58.90	Buy	2.3	7.3	2.7	21.5	6.9	14.2	1.28	771	
2012	FMEIX	Mid Cap Enhanced Index		14.91	OK to Buy	1.1	6.3	1.6	17.9	7.5	15.2	1.07	1,179	
2349	FCLX	Mid Cap Index ⁴		19.46	OK to Buy	0.9	7.8	2.7	16.3	7.5	14.5	1.08	67	
337	FMCSX	Mid-Cap Stock		36.51	Hold↓	1.4	8.0	3.1	17.8	6.4	13.6	1.03	5,605	
2412	FSSMX	Stock Selector Mid Cap		38.07	OK to Buy	1.2	9.4	2.1	20.5	6.5	13.0	1.17	364	
MID-CAP VALUE						Category Averages	1.1	6.9	2.3	17.5	6.3	14.3	1.04	
316	FLPSX	Low-Priced Stock ⁵		53.31	OK to Buy	0.6	7.7	3.3	16.8	6.2	13.2	0.89	28,085	
762	FSMVX	Mid Cap Value		26.15	OK to Buy	1.2	5.5	1.3	16.3	6.7	14.9	1.07	2,378	
39	FDVLX	Value		117.79	OK to Buy↓	1.3	7.3	2.4	19.4	6.0	14.9	1.17	7,319	

Notes: *Fidelity's U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. ¹Relative Volatility (Rel Vol) versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. ²Duration is a measure of interest rate sensitivity. ³Stated yield is actual distributed yield over prior 12 months. ⁴Also available in a Premium share class with a minimum of \$10,000, but a lower expense ratio. ⁵Almost an Asset Allocation fund with 30%+ typically in foreign stocks. ⁶Formerly Global Bond. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD

JUNE 30, 2017

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Jun	YTD	3 Mo.	1 Year	3 Year	5 Year				
SMALL CAP GROWTH						Category Averages			2.4	13.0	4.1	24.8	10.7	15.8	1.29
1388	FCPGX	Small Cap Growth	1.50%/90d	23.26	Buy	2.4	13.0	4.1	24.8	10.7	15.8	1.29	\$2,281		
SMALL CAP BLEND						Category Averages			2.6	2.7	1.2	19.2	6.8	13.3	1.35
384	FSCRX	Small Cap Discovery (Closed)	1.50%/90d	31.02	OK to Buy	2.6	2.1	1.3	17.6	5.8	14.3	1.33	5,408		
2011	FCPEX	Small Cap Enhanced Index		13.91	OK to Buy	2.8	0.6	0.3	22.0	7.7	14.3	1.46	946		
2356	FSSPX	Small Cap Index ⁴		19.06	OK to Buy	3.4	5.0	2.5	24.6	7.4	13.7	1.48	41		
340	FSLCX	Small Cap Stock	2.00%/90d	18.99	Hold	2.5	4.0	1.7	15.6	7.1	12.3	1.19	1,725		
336	FDSCX	Stock Selector Small Cap	1.50%/90d	26.69	OK to Buy	1.7	2.0	0.2	16.0	5.7	12.0	1.30	1,448		
SMALL CAP VALUE						Category Averages			2.9	2.7	2.5	18.6	8.0	14.6	1.17
1389	FCPVX	Small Cap Value (Closed)	1.50%/90d	19.31	OK to Buy	2.9	2.7	2.5	18.6	8.0	14.6	1.17	2,595		
SPECIALTY															
2624	FARNX	Event Driven Opportunities		14.11	Buy	2.9	10.9	3.8	30.4	10.1	--	1.48	368		
308	FCVSX	Convertible Securities		27.85	Hold	0.3	5.0	1.3	11.0	1.0	8.7	0.92	1,458		
2120	FFGCX	Global Commodity Stock	1.00%/30d	11.18	OK to Sell	0.0	-1.0	-4.0	10.9	-8.1	-2.1	1.80	251		
122	FLVCX	Leveraged Company Stock		36.07	Buy	-0.1	8.4	0.9	19.2	2.5	12.3	1.34	2,623		
1329	FSDIX	Strategic Dividend & Income		15.29	OK to Buy	0.0	5.3	1.6	9.4	6.7	10.6	0.73	3,341		
1505	FSTRX	Strategic Real Return		8.76	OK to Sell	0.0	0.3	-0.2	1.3	-1.4	0.8	0.47	496		
311	FIUIX	Telecom & Utilities		25.88	Hold	-2.0	5.4	0.2	2.4	5.0	10.3	0.98	1,008		
REAL ESTATE															
1368	FIREX	International Real Estate	1.50%/90d	10.90	OK to Sell	1.3	14.9	9.2	11.7	3.5	10.8	1.04	224		
833	FRIFX	Real Estate Income	0.75%/90d	12.26	OK to Buy	1.1	5.4	2.7	7.6	6.7	8.4	0.50	2,575		
2353	FRXIX	Real Estate Index ⁴	0.75%/90d	15.54	Hold	2.4	1.2	1.6	-2.6	7.8	8.7	1.46	32		
303	FRESX	Real Estate Investment		42.42	Hold	1.9	2.2	2.6	-2.1	8.9	9.6	1.45	4,333		
ASSET ALLOCATION															
328	FASIX	Asset Manager 20%		13.41	Hold	0.0	3.6	1.5	4.6	2.8	4.1	0.30	4,821		
1957	FTANX	Asset Manager 30%		10.92	Hold	0.1	4.9	2.0	6.7	3.5	5.3	0.39	1,037		
1958	FFANX	Asset Manager 40%		11.42	Hold	0.2	6.1	2.4	8.7	4.0	6.5	0.48	1,259		
314	FASMX	Asset Manager 50%		17.89	Hold	0.3	7.2	2.8	10.5	4.4	7.5	0.58	7,979		
1959	FSANX	Asset Manager 60%		12.04	Hold	0.3	8.4	3.2	12.5	4.8	8.5	0.67	1,700		
321	FASGX	Asset Manager 70%		21.46	Hold	0.4	9.4	3.5	14.6	5.2	9.6	0.77	4,446		
347	FAMRX	Asset Manager 85%		18.34	Hold	0.6	11.1	4.1	17.5	5.7	11.1	0.91	1,716		
304	FBALX	Balanced		23.82	OK to Buy	0.2	8.6	2.9	13.5	6.6	10.3	0.73	22,411		
355	FFNOX	Four-in-One Index		41.54	Hold	0.6	9.3	3.6	15.9	6.1	11.1	0.86	5,082		
334	FGBLX	Global Balanced		24.35	OK to Sell	0.1	10.2	5.1	7.5	1.7	6.2	0.73	380		
1960	FDYSX	Global Strategies		9.50	Hold	1.1	9.9	4.2	12.9	4.5	6.3	0.67	80		
4	FPURX	Puritan		22.29	OK to Buy	0.4	8.7	3.1	12.9	6.5	10.3	0.72	19,625		
INTERNATIONAL						Category Averages			0.7	16.8	7.3	19.2	3.3	9.1	1.25
309	FICDX	Canada	1.50%/90d	50.44	Hold	2.4	3.2	1.2	8.8	-2.4	4.0	1.27	1,158		
352	FHKCX	China Region	1.50%/90d	30.06	Hold	2.5	26.4	9.6	29.8	6.1	11.5	2.13	1,061		
325	FDIVX	Diversified International		38.72	OK to Buy	-0.4	16.3	7.7	18.0	2.7	9.5	1.12	11,050		
351	FSEAX	Emerging Asia	1.50%/90d	38.92	OK to Buy	2.5	25.4	10.1	27.5	6.9	9.3	1.47	1,005		
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	8.73	Hold	-1.7	3.8	1.9	16.5	-1.2	2.9	1.63	81		
322	FEMKX	Emerging Markets	1.50%/90d	27.85	OK to Buy	1.8	24.8	9.9	21.1	3.3	6.6	1.34	3,382		
2374	FEDDX	Emerging Mkts Discovery	2.00%/90d	13.84	Hold	0.9	21.2	5.2	25.0	3.5	6.9	1.32	179		
2341	FPEMX	Emerging Markets Index ⁴	1.50%/90d	10.04	Hold	0.9	18.7	6.0	22.7	1.3	3.7	1.54	29		
301	FIEUX	Europe		39.78	Buy	-0.2	18.3	11.7	19.4	1.3	9.9	1.34	1,241		
2406	FGILX	Global Equity-Income	1.00%/30d	13.41	Hold	0.6	10.3	4.5	14.2	5.2	10.9	0.86	78		
2345	FSGUX	Global ex U.S. Index ⁴		12.47	OK to Buy	0.5	14.6	5.9	19.8	0.8	7.0	1.15	40		
335	FIVFX	International Cap App		19.31	OK to Buy	0.0	20.8	9.3	15.2	6.0	11.6	1.09	1,938		
305	FIGRX	International Discovery		43.05	OK to Buy	-0.0	18.0	8.7	18.6	2.7	9.6	1.12	6,925		
2010	FIENX	International Enhanced Index	1.00%/30d	9.32	OK to Buy	0.0	15.4	6.3	22.1	2.6	10.1	1.13	411		
1979	FIGFX	International Growth		12.70	OK to Buy	-0.2	19.4	8.9	16.4	4.5	9.5	1.07	859		
399	FSIIX	International Index ⁴		40.44	Hold	0.1	14.5	6.4	19.9	1.2	8.7	1.13	701		
818	FISMX	International Small Cap	2.00%/90d	27.60	Buy	1.8	18.5	8.9	24.6	7.7	14.6	1.04	1,231		
1504	FSCOX	International Small Cap Opps	2.00%/90d	17.52	OK to Buy	0.3	20.4	11.2	22.6	6.7	13.2	1.04	847		
2986	FNIYX	International Sustainability Idx		10.19	NA	0.4	--	--	--	--	--	--	5		
1597	FIVLX	International Value	1.00%/30d	8.62	Hold	0.3	11.9	5.8	17.2	0.2	7.8	1.06	339		
350	FJPNX	Japan	1.50%/90d	13.85	OK to Buy	1.7	15.6	7.7	19.8	5.3	8.7	1.14	231		
360	FJSCX	Japan Smaller Companies	1.50%/90d	16.92	OK to Buy	1.4	15.5	7.6	17.7	9.7	16.7	0.97	643		
349	FLATX	Latin America	1.50%/90d	21.76	OK to Sell	0.3	14.2	-0.6	11.1	-8.7	-7.0	2.26	544		
342	FNORX	Nordic	1.50%/90d	53.32	Hold	2.5	18.7	15.0	17.5	4.0	16.1	1.23	372		
94	FOSFX	Overseas		46.90	Buy	-0.4	18.6	9.2	21.0	5.5	12.3	1.13	6,109		
302	FPBFX	Pacific Basin	1.50%/90d	31.72	OK to Buy	2.1	19.9	9.2	17.1	7.7	13.6	1.13	828		
2369	FTEMX	Total Emerging Markets	1.50%/90d	12.38	OK to Buy	0.2	15.3	4.4	19.5	3.1	6.1	1.10	213		
1978	FTIEX	Total International Equity	1.00%/30d	8.74	OK to Buy	0.5	17.5	7.9	18.1	3.0	8.3	1.07	76		
2831	FTIGX	Total International Index ⁴	1.00%/90d	11.46	Hold	0.5	14.6	5.9	19.5	--	--	--	9		
318	FWWFX	Worldwide		24.93	OK to Buy	-0.1	14.3	6.2	16.3	4.4	11.4	1.03	1,513		

FIDELITY SCORECARD

JUNE 30, 2017

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Jun	YTD	3 Mo.	1 Year	3 Year	5 Year				
SELECT PORTFOLIOS						Category Averages			0.8	8.3	2.0	19.1	6.3	13.2	1.58
34	FSAIX	Air Transportation	0.75%/30d	79.55	Hold↓	2.9	8.5	8.5	34.6	11.2	19.8	1.40	\$386		
502	FSAVX	Automotive	0.75%/30d	35.07	OK to Sell↓	0.1	7.4	1.3	18.6	-0.6	12.8	1.69	50		
507	FSRBX	Banking	0.75%/30d	32.74	OK to Buy	6.5	1.7	1.5	39.8	10.5	15.3	1.81	1,007		
42	FBIOX	Biotechnology		211.11	OK to Sell	10.9	21.3	4.8	25.0	8.8	20.2	2.86	8,552		
68	FSLBX	Brokerage & Investment	0.75%/30d	74.19	OK to Buy↑	6.3	11.8	7.5	38.8	4.7	14.4	1.83	390		
69	FSCHX	Chemicals		159.23	Buy↑	2.6	12.4	0.2	25.0	7.0	14.0	1.59	1,591		
518	FSDCX	Communications Equipment	0.75%/30d	34.20	Hold	-0.3	4.9	-0.1	23.2	5.8	13.5	1.52	193		
7	FDCPX	Computers	0.75%/30d	84.68	Hold	-3.2	16.5	0.5	37.7	8.1	12.0	1.63	565		
511	FSHOX	Construction & Housing	0.75%/30d	62.83	Buy	1.6	10.1	3.1	12.4	11.2	15.3	1.38	417		
517	FSCPX	Consumer Discretionary		38.57	Buy	-1.9	9.1	2.3	14.0	9.2	14.7	1.16	776		
98	FSVLX	Consumer Finance	0.75%/30d	14.17	Hold	5.0	6.0	3.8	27.7	6.6	12.9	1.41	92		
9	FDFAX	Consumer Staples		98.98	OK to Buy	-2.2	11.9	2.4	5.9	8.2	11.6	1.02	1,724		
67	FSDAX	Defense & Aerospace		142.01	Buy	-0.6	10.8	5.5	25.1	11.9	17.4	1.29	1,793		
60	FSENX	Energy		38.58	Hold	-2.4	-17.3	-11.6	-4.9	-12.7	1.0	2.11	1,927		
43	FSESX	Energy Service	0.75%/30d	44.09	Hold	-3.8	-21.0	-17.4	-0.8	-20.5	-2.9	2.48	533		
516	FSLEX	Environment & Alt Energy	0.75%/30d	24.82	OK to Buy	1.2	13.7	5.8	31.4	7.9	15.0	1.27	156		
66	FIDSX	Financial Services		102.66	Buy	6.3	5.5	3.8	28.7	8.9	14.6	1.34	898		
41	FSAGX	Gold		20.25	OK to Sell	-0.4	5.9	-3.5	-18.4	-3.6	-10.1	3.87	1,200		
63	FSPHX	Health Care		224.43	Hold	6.6	21.4	8.1	16.7	9.8	20.8	1.58	6,406		
505	FSHCX	Health Care Services	0.75%/30d	92.38	Hold	5.7	17.8	9.6	16.9	14.1	16.4	1.27	756		
510	FSCGX	Industrial Equipment	0.75%/30d	39.83	Buy	-0.5	5.9	2.4	13.9	6.3	12.3	1.29	165		
515	FCYIX	Industrials		33.55	Buy	0.2	5.7	2.6	17.4	6.9	14.3	1.30	912		
45	FSPCX	Insurance	0.75%/30d	82.93	OK to Buy↓	2.2	7.5	4.5	23.6	11.9	18.2	1.20	585		
353	FBSOX	IT Services		47.34	OK to Buy	-0.4	13.9	6.1	22.3	13.7	18.8	1.26	1,736		
62	FDSLX	Leisure	0.75%/30d	158.08	Hold	-2.0	15.6	8.0	24.6	10.2	15.2	1.10	524		
509	FSDPX	Materials		82.75	Hold	2.2	10.0	2.2	20.9	1.7	8.9	1.56	842		
354	FSMEX	Medical Equipment		46.27	Hold	5.3	26.3	10.1	22.0	18.2	21.8	1.40	3,705		
503	FBMPX	Multimedia	0.75%/30d	80.17	OK to Buy	-2.0	9.0	-1.6	20.2	7.1	16.0	1.42	661		
513	FSNGX	Natural Gas	0.75%/30d	23.25	Hold	-2.8	-21.1	-15.2	-5.9	-19.4	-3.4	2.73	305		
514	FNARX	Natural Resources	0.75%/30d	26.02	Hold	-2.1	-14.8	-10.2	-4.3	-13.6	-0.2	2.08	836		
580	FPHAX	Pharmaceuticals		19.11	OK to Buy	2.1	12.3	5.1	1.8	3.0	13.3	1.36	956		
46	FSRPX	Retailing		119.29	Buy	-2.0	8.7	1.4	13.5	15.9	18.4	1.13	1,968		
8	FSELX	Semiconductors	0.75%/30d	101.94	OK to Buy	-4.1	10.5	0.9	41.2	18.8	23.1	1.67	3,242		
28	FSCSX	Software & IT Services		148.88	Buy	-1.6	18.7	6.7	30.6	15.3	19.8	1.38	4,346		
64	FSPTX	Technology		160.98	Buy	-2.0	27.8	8.9	44.5	16.5	18.4	1.43	5,504		
96	FSTCX	Telecommunications		66.75	Buy	-1.8	-2.1	-2.2	2.9	7.1	10.9	1.06	494		
512	FSRFX	Transportation	0.75%/30d	95.46	OK to Sell	3.7	6.9	7.3	33.3	8.8	17.3	1.52	542		
65	FSUTX	Utilities		79.59	Sell	-1.0	11.7	3.2	4.9	4.8	10.8	1.18	703		
963	FWRLX	Wireless	0.75%/30d	9.47	Buy	-3.6	13.3	1.0	21.4	6.8	12.7	1.16	330		
SECTOR ETFs															
	FDIS	MSCI Consumer Discretionary		35.50	Buy	-0.3	11.0	2.7	18.3	10.9	--	1.16	304		
	FSTA	MSCI Consumer Staples		33.03	OK to Buy	-2.3	7.2	1.2	2.7	9.7	--	0.97	304		
	FENY	MSCI Energy		17.98	Hold	-0.5	-14.0	-7.8	-5.0	-12.6	--	1.85	420		
	FNCL	MSCI Financials		36.34	Buy	6.2	6.0	3.9	34.4	12.7	--	1.42	856		
	FHLC	MSCI Health Care		38.29	Hold	5.0	17.2	7.6	14.9	11.3	--	1.33	773		
	FIDU	MSCI Industrials		34.79	Buy	1.6	8.9	4.0	22.1	9.2	--	1.26	351		
	FTEC	MSCI Information Technology		42.72	Buy	-2.6	16.4	4.1	33.4	15.0	--	1.39	964		
	FMAT	MSCI Materials		31.23	Hold	2.4	9.2	2.7	21.2	5.2	--	1.65	217		
	FREL	MSCI Real Estate		24.22	Hold	2.1	5.0	2.4	1.0	--	--	--	289		
	FCOM	MSCI Telecomm Services		31.94	Buy	-1.8	1.1	5.2	5.0	9.0	--	1.23	112		
	FUTY	MSCI Utilities		33.77	Sell	-2.4	8.5	2.2	3.0	9.3	--	1.33	304		
FACTOR ETFs															
	FDVW	Core Dividend		26.79	OK to Buy	1.0	4.3	1.0	--	--	--	--	55		
	FDRR	Dividend for Rising Rates		28.26	OK to Buy	1.4	8.3	2.3	--	--	--	--	127		
	FDLO	Low Volatility Factor		27.77	Hold	0.3	8.3	3.4	--	--	--	--	29		
	FDMO	Momentum Factor		27.91	Hold↑	0.4	10.0	2.9	--	--	--	--	31		
	FQAL	Quality Factor		28.64	Hold	1.5	9.8	3.0	--	--	--	--	27		
	FVAL	Value Factor		29.17	OK to Buy↓	2.2	7.7	2.3	--	--	--	--	36		

Fund Commentary *cont'd from page 5*

year has actually helped Fidelity's unhedged foreign stock funds. But whereas developed market funds such as **Overseas** (see p. 11.) and **Diversified Int'l** both lost 0.4%,

more export-dependent offerings like **Emerging Asia** (up 2.5%) and **Japan** (up 1.7%) pressed ahead.

Bond Funds

With bond yields rising in June, most taxable and muni bond funds

lost some ground (see p. 4). However, the most and least interest-rate-sensitive funds fared best: **Long-Term Treasury Index** gained 0.7% whereas **Conservative Income Bond** eked out a 0.1% gain. ■

— John Bonnanzio

FIDELITY SCORECARD

JUNE 30, 2017

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			SEC %Yield	Dur ² (Yrs)	Rel Vol (Risk) ¹			
						Jun	YTD	3 Mo.	1 Yr	3 Yr	5 Yr						
TAXABLE BOND						Category Averages			-0.1	2.1	1.1	-0.3	1.8	1.5	1.91	5.1	0.30
2267	FCONX	Conservative Income Bond		10.04	Buy	0.1	0.6	0.3	1.1	0.7	0.6	1.05	0.2	0.02			
2208	FCBFX	Corporate Bond		11.57	Buy	0.4	4.2	2.7	3.7	3.6	4.0	2.76	7.0	0.41			
2423	FGBFX	Global Credit ⁶		9.13	OK to Sell	0.2	6.5	3.6	1.4	-0.3	0.6	2.00	6.8	0.53			
15	FGMNX	GNMA (Ginnie Mae)		11.42	OK to Buy	-0.3	1.0	0.6	-0.1	1.9	1.8	2.26	3.4	0.16			
54	FGOVX	Government Income		10.26	Hold	-0.1	1.8	1.1	-1.7	1.8	1.4	1.74	5.5	0.28			
794	FINPX	Inflation-Prot Bond (closed) ³		11.92	Hold	-0.9	0.7	-0.5	-1.1	0.2	-0.2	0.16*	5.7	0.38			
2415	FSIQX	Inflation-Protected Index ^{3,4}		9.75	Hold	-0.9	0.7	-0.5	-0.9	0.5	0.1	0.01*	5.7	0.39			
32	FTHRXX	Intermediate Bond		10.88	Buy	-0.1	1.9	1.0	0.4	2.0	2.0	1.82	4.0	0.21			
452	FSTGX	Intermediate Gov't Income		10.50	Hold	-0.3	1.1	0.6	-1.3	1.2	1.0	1.47	3.8	0.21			
1561	FIBIX	Intermediate Treasury Index ⁴		10.77	Hold	-0.5	2.2	1.2	-3.2	2.4	1.3	1.82	6.5	0.44			
26	FBNDX	Investment Grade Bond		7.90	Buy	-0.1	2.4	1.4	1.5	2.5	2.6	2.32	5.6	0.30			
2622	FJRLX	Limited Term Bond		11.52	Buy	-0.0	1.5	0.8	0.9	1.6	1.8	1.69	2.6	0.14			
662	FFXSX	Limited Term Government		9.95	OK to Buy	-0.1	0.8	0.4	-0.7	0.7	0.7	1.20	2.7	0.14			
1562	FLBIX	Long-Term Treasury Index ⁴		13.11	Hold	0.7	5.7	4.0	-7.6	5.4	2.5	2.55	17.6	1.11			
40	FMSFX	Mortgage Securities		11.24	OK to Buy	-0.3	1.4	0.9	0.1	2.3	2.2	2.32	4.0	0.19			
450	FSHBX	Short-Term Bond		8.62	Buy	-0.0	0.9	0.4	0.6	1.0	1.1	1.26	1.7	0.07			
1560	FSBIX	Short-Term Treasury Index ⁴		10.40	Hold	-0.2	0.7	0.4	-0.8	0.9	0.6	1.30	2.7	0.14			
820	FTBFX	Total Bond		10.66	Buy	-0.2	2.7	1.3	2.3	3.0	3.1	2.66	5.3	0.30			
651	FBIDX	U.S. Bond Index		11.61	Hold	-0.1	2.2	1.4	-0.6	2.3	2.0	2.30	5.7	0.29			
HIGH-YIELD BOND						Category Averages			-0.0	4.8	1.9	10.1	3.7	5.6	3.93	3.4	0.52
38	FAGIX	Capital & Income	1.00%/90d	10.02	OK to Buy	0.1	6.3	2.1	14.4	4.9	8.0	3.76	3.5	0.59			
814	FFRHX	Floating Rate High Income	1.00%/60d	9.64	OK to Buy	-0.0	1.9	0.8	7.2	2.9	3.6	3.17	0.2	0.31			
1366	FHIFX	Focused High Income	1.00%/90d	8.67	OK to Buy	0.1	4.3	1.9	9.9	3.7	5.1	3.67	3.6	0.51			
2297	FGHNX	Global High Income	1.00%/90d	9.64	OK to Buy	0.4	6.4	3.3	11.6	3.8	6.4	4.00	3.2	0.58			
455	SPHIX	High Income	1.00%/90d	8.92	Buy	-0.4	5.0	1.7	13.1	3.9	6.0	5.19	3.4	0.61			
331	FNMIX	New Markets Income	1.00%/90d	16.21	OK to Buy	-0.4	6.7	2.0	9.3	5.0	5.9	4.98	6.7	0.71			
2580	FSAHX	Short Duration High Income	1.00%/90d	9.55	OK to Buy	-0.2	2.9	1.3	8.4	2.3	--	3.81	2.0	0.48			
368	FSICX	Strategic Income		10.99	Buy	0.2	4.8	2.3	7.3	3.2	4.4	2.88	4.8	0.41			
MUNICIPAL BOND						Category Averages			-0.3	3.1	1.8	-0.9	2.9	2.9	1.71	5.8	0.30
434	FSAZX	Arizona Muni Income		12.09	Hold	-0.2	3.6	2.2	-0.9	3.6	3.5	1.67	6.8	0.34			
1534	FCSTX	Calif Limited Term Tax Free		10.64	OK to Buy	-0.2	2.2	1.1	-0.0	1.5	1.6	0.95	2.9	0.17			
91	FCTFX	California Muni Income		12.94	Hold	-0.2	3.7	2.2	-1.2	3.6	3.8	1.72	6.5	0.35			
407	FICNX	Connecticut Muni Income		11.41	Hold	-0.5	2.6	1.6	-2.1	2.8	2.6	2.02	6.8	0.35			
2578	FCRDXX	Conservative Income Muni		10.03	Buy	-0.0	0.7	0.2	0.5	0.4	--	0.85	0.6	0.05			
36	FLTMX	Interm Municipal Income		10.35	Hold	-0.4	2.7	1.5	-0.7	2.4	2.4	1.68	4.9	0.26			
404	FSTFX	Limited Term Muni Income		10.56	OK to Buy	-0.3	2.0	0.9	-0.0	1.0	1.2	1.07	2.6	0.16			
429	SMDMX	Maryland Muni Income		11.38	Hold	-0.2	4.0	2.2	-0.7	3.4	2.9	1.65	6.8	0.34			
70	FDMMX	Mass Muni Income		12.17	Hold	-0.2	3.2	2.1	-1.6	3.3	3.1	1.91	7.3	0.35			
81	FMHTX	Michigan Muni Income		12.17	Hold	-0.3	3.4	2.1	-0.9	3.4	3.1	1.83	6.5	0.32			
82	FIMIX	Minnesota Muni Income		11.61	Hold	-0.3	3.0	1.8	-0.8	2.8	2.6	1.53	6.0	0.29			
37	FHIGX	Municipal Income		13.10	Hold	-0.4	3.7	2.2	-1.3	3.5	3.5	2.11	7.1	0.36			
416	FNJHX	New Jersey Muni Income		11.70	Hold	-0.2	3.3	2.2	-1.2	2.8	2.8	2.30	6.4	0.37			
71	FTFMX	New York Muni Income		13.25	Hold	-0.3	3.4	1.9	-1.2	3.5	3.3	1.71	6.8	0.33			
88	FOHFX	Ohio Muni Income		12.16	Hold	-0.3	3.7	2.5	-1.2	3.9	3.7	1.93	7.6	0.37			
402	FPXTX	Pennsylvania Muni Income		11.14	Hold	-0.2	3.3	2.0	-0.6	3.4	3.3	1.85	6.5	0.30			
90	FTABX	Tax-Free Bond		11.46	Hold	-0.3	3.6	2.2	-1.2	3.6	3.6	2.22	7.0	0.35			

Yields on municipal funds are not directly comparable to yields on taxable funds. In muni funds your effective yield will be higher as your tax-bracket increases. *12 month distributed yield.

TAXABLE GOV'T MONEY MARKETS			Total Return (%)		SEC %Yield	STATE MUNICIPAL MONEY MARKETS			Total Return (%)		SEC %Yield
			Jun	YTD					Jun	YTD	
55	FDRXX	Gov't Cash Reserves	0.04	0.19	0.62	433	FSAXX	Arizona Muni MM	0.03	0.17	0.44
458	SPAXX	Government MM	0.04	0.16	0.58	97	FCFXX	California Muni MM	0.03	0.16	0.43
631	FGMXX	Retirement Gov't MM	0.04	0.16	0.56	457	FSPXX	California AMT Tax-Free	0.04	0.24	0.57
630	FRTXX	Retirement Gov't MM II	0.04	0.17	0.57	418	FCMXX	Connecticut Muni MM	0.03	0.17	0.46
2742	FZFX	Treasury MM	0.04	0.15	0.59	426	FMSXX	Mass AMT Tax-Free	0.04	0.24	0.60
415	FDLXX	Treasury Only MM	0.04	0.13	0.53	74	FDMXX	Massachusetts Muni MM	0.03	0.24	0.45
PRIME MONEY MARKETS						420	FMIXX	Michigan Muni MM	0.03	0.14	0.39
454	SPRXX	Money Market	0.07	0.38	0.94	417	FNJXX	New Jersey Muni MM	0.03	0.17	0.45
NATIONAL MUNICIPAL MONEY MARKETS						423	FSJXX	New Jersey AMT Tax-Free	0.04	0.25	0.60
10	FTEXX	Municipal Money Market	0.04	0.22	0.55	92	FNYYX	New York Muni MM	0.03	0.22	0.45
275	FMOXX	Tax-Exempt MM	0.03	0.18	0.49	422	FSNXX	New York AMT Tax-Free	0.04	0.25	0.61
						419	FOMXX	Ohio Muni MM	0.03	0.17	0.45
						401	FPTXX	Pennsylvania Muni MM	0.03	0.15	0.43

FIDELITY SCORECARD

JUNE 30, 2017

Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
							Jun	YTD	3 Mo.	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
Model Portfolios	Annuity Sector Model						-0.6	11.4	3.9	20.8	9.7	15.5	1.11
	Annuity Growth Model						1.0	8.9	4.0	20.7	7.7	12.5	1.09
	Annuity Growth & Income Model						0.6	5.6	2.0	12.3	5.7	9.2	0.70
	Annuity Income Model						0.3	2.8	1.2	6.8	3.8	4.3	0.36
9067	FLRQC	Fid VIP Asset Manager	Allocation		19.03	Hold	0.3	7.1	2.7	10.2	2.9	7.2	0.65
9066	FAECC	Fid VIP Asset Manager: Growth	Allocation		19.57	Hold	0.4	9.3	3.4	14.3	3.1	9.1	0.86
9069	FJBAC	Fid VIP Balanced	Allocation		22.61	OK to Buy	0.1	8.3	2.8	13.2	6.4	10.2	0.73
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	26.69	Buy	-1.8	8.9	2.3	13.9	8.8	14.3	1.14
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	26.11	OK to Buy	-2.1	10.6	2.1	4.3	11.0	13.0	1.05
9065	FPDFC	Fid VIP Contrafund	Large Growth		24.93	Buy	0.3	11.3	3.5	19.2	8.0	13.3	1.05
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend		20.06	Buy	2.8	0.2	0.2	21.4	7.1	13.7	1.46
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		25.48	Hold	0.0	9.5	2.0	18.1	6.3	13.0	1.18
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts		9.86	OK to Buy↑	1.8	24.5	9.7	20.7	2.9	6.1	1.34
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	13.82	Hold	-2.5	-17.4	-11.7	-5.1	-13.0	0.8	2.10
9061	FLOLC	Fid VIP Equity-Income	Large Value		20.15	Buy	1.1	4.0	1.2	16.2	5.6	11.9	0.97
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	12.96	Buy	6.4	5.6	3.9	28.4	8.8	14.4	1.34
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond		10.96	OK to Buy	0.0	1.7	0.8	6.3	2.8	--	0.27
9157	FMPAC	Fid VIP FundsManager 20	Allocation		14.92	Hold	0.1	3.9	1.8	3.7	2.3	3.6	0.29
9158	FMPBC	Fid VIP FundsManager 50	Allocation		16.94	Hold	0.3	7.6	3.2	9.6	3.9	7.0	0.56
9197	FMPPC	Fid VIP FundsManager 60	Allocation		16.06	Hold	0.4	8.8	3.7	11.8	4.6	8.4	0.67
9159	FMPCC	Fid VIP FundsManager 70	Allocation		17.71	Hold	0.4	9.9	3.9	13.6	4.9	9.3	0.75
9160	FMPDC	Fid VIP FundsManager 85	Allocation		18.07	Hold	0.7	12.0	4.9	16.9	5.8	11.1	0.91
9062	FMNDC	Fid VIP Growth	Large Growth		25.55	OK to Buy	-0.1	20.2	7.4	24.8	9.7	15.0	1.09
9070	FLFNC	Fid VIP Growth & Income	Large Blend		23.28	Buy	1.6	5.7	2.1	20.7	7.3	13.5	1.13
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		25.91	Buy	1.2	19.8	7.3	26.7	10.6	15.3	1.28
9084	FPDRC	Fid VIP Health Care	Sector	1.00%/60d	38.81	Hold	6.8	21.6	8.2	16.9	9.6	20.4	1.57
9060	FBBLC	Fid VIP High Income	High-Yield Bond		20.24	Buy	0.1	4.3	1.9	11.9	3.4	5.4	0.59
9064	FXVLT	Fid VIP Index 500	Large Blend		24.36	Hold	0.6	9.1	3.0	17.5	9.3	14.2	1.00
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	31.12	Buy	0.2	5.6	2.6	17.0	6.7	14.1	1.30
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l		18.55	OK to Buy	0.0	20.7	9.2	14.9	5.8	11.3	1.09
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		16.15	Buy	-0.1	2.5	1.3	1.2	2.5	2.3	0.30
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	20.40	Hold	2.1	9.9	2.1	20.6	1.3	8.7	1.55
9071	FNBSB	Fid VIP Mid Cap	Mid Growth		26.19	Buy	2.3	8.8	3.2	20.4	6.5	13.0	1.18
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt		11.34	--	0.0	0.1	0.0	0.1	-0.1	-0.2	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l		16.67	Buy	-0.2	18.8	9.5	20.6	2.4	9.3	1.21
9072	FFWKC	Fid VIP Real Estate	Sector		23.23	Hold	1.8	2.0	1.6	-2.7	7.0	8.6	1.44
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		19.09	Buy	0.2	4.7	2.2	6.7	2.7	3.9	0.39
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	36.70	Buy	-2.1	28.0	8.3	45.8	15.8	17.3	1.43
9173	FVTAC	Fid VIP Telecommunications	Sector	1.00%/60d	16.04	Buy	-1.8	-2.1	-2.3	2.8	6.8	10.8	1.06
9087	FXRRC	Fid VIP Utilities	Sector	1.00%/60d	25.78	Sell	-1.1	11.4	3.1	4.5	4.5	10.6	1.19
9079	FKMSC	Fid VIP Value	Large Value		21.51	OK to Buy↓	2.2	6.6	2.7	16.9	6.8	13.9	1.07
9073	FRBSC	Fid VIP Value Strategies	Mid Value		22.31	OK to Buy	2.4	9.4	3.0	19.5	5.1	12.6	1.21
9347	FBMEC	Black Rock Global Allocation	Global Allocation		13.04	Hold	0.2	7.6	3.0	11.5	2.8	6.4	0.63
9349	FTMEC	Franklin Templeton Global Bond	Global Bond		11.19	OK to Sell	0.5	2.8	-1.3	7.7	-0.2	2.5	0.55
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't		10.33	Hold	-0.5	0.6	0.3	-1.1	0.7	0.5	0.15
9285	FIGXC	Invesco Global Core Eqty	Global Stock		13.01	Hold	1.8	11.0	5.0	18.0	3.7	9.9	1.06
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts		16.18	Hold	-0.5	13.0	2.0	19.5	-1.5	3.0	1.63
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		18.82	OK to Buy	-0.4	6.0	2.2	6.0	3.1	3.5	0.66
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts		14.22	OK to Buy↑	0.7	19.7	7.5	19.6	0.8	3.9	1.38
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l		13.22	Hold	0.5	8.4	3.8	11.5	1.2	6.3	0.72
9346	FPMEC	Pimco Commodity Real Return	Commodities		5.67	OK to Sell	-0.9	-5.7	-3.9	-6.4	-15.9	-10.1	1.44
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond		11.58	Buy	0.0	0.5	0.3	0.8	0.4	0.9	0.11
9277	FPNBC	Pimco VIT Real Return	TIPS		12.88	Hold	-0.8	1.3	-0.5	0.2	-0.1	-0.2	0.43
9278	FPOBC	Pimco VIT Total Return	Intermed Bond		13.30	Hold	0.1	3.2	1.7	1.6	2.3	2.3	0.31

Annuity Sector	
Fund	Allocation
VIP Technology	31%
VIP Cons Discretionary	25
VIP Industrials	21
VIP Financial Services	12
VIP Telecom	11
Total Return:	
Jun: -0.6%	YTD: 11.4%

Annuity Growth	
Fund	Allocation
VIP Contrafund	26%
VIP Growth Opps	25
VIP Mid Cap	16
VIP Overseas	14
VIP Equity-Income	11
VIP Disciplined Sm Cap	8
Total Return:	
Jun: 1.0%	YTD: 8.9%

Annuity Growth & Income	
Fund	Allocation
VIP Contrafund	22%
VIP Investment Grade	21
VIP Equity-Income	20
VIP Growth & Income	20
VIP Strategic Income	17
Total Return:	
Jun: 0.6%	YTD: 5.6%

Annuity Income	
Fund	Allocation
VIP Investment Grade	28%
Pimco VIT Low Duration	25
VIP Equity Income	25
VIP Strategic Income	22
Total Return:	
Jun: 0.3%	YTD: 2.8%

Large Cap Growth Stocks And Bonds Shine

All three of our equity-oriented model portfolios kept a small step ahead of the S&P 500 during the first half of this year.

They did so partly as a result of their tilt towards large-cap growth stocks generally, and tech stocks in particular. Not to be overlooked was the value-added provided by the funds' managers themselves: for most, their stock-picking skills were apparent.

Against the backdrop of the large-cap S&P 500 gaining 9.3% through the first half of the year, and small-caps rising 5.0%, our *Unique Opportunities Model* rose 10.4%, the *Select Model* gained 10.3%, and the *Growth Model* was up 10.5%.

As for our more conservative portfolios, the *Growth & Income Model's* dual objectives proved particularly fortuitous as, on the one hand, **Contrafund** more than made up for **Growth & Income's** disappointing start, whereas its bond positions appropriately rewarded shareholders for their modest risk. In that regard, the model's 8.2% return almost matched the S&P, though it did so with nearly a third less risk!

Finally, with some help from **Equity Dividend Income**, the *Income Model* (up 3.2%) beat **U.S. Bond Index** (up 2.2%), though the primary performance-driver was initially **High Income** (up 5.0%), and later on **Strategic Income** (up 4.8%). With its exposures to five varieties of bonds, all but its small 9% stake in floating-rate high-yield were beneficial.

Below, are the performance highlights of several model portfolio holdings. ■

Blue Chip Growth

Once again, as goes tech, so goes **Blue Chip Growth** (BCG). Like **Contra** below, 43% of its assets are in tech. However, the remaining 58% is significantly different, which is why Manager Sonu Kalra's portfolio is 21% more volatile. In turn, shareholders received almost three percentage points more in the way of returns.

Another volatile sector in this fund is health care. Though significantly underweighted relative to its Russell 1000 Growth benchmark, (10% vs 16%), beneath the surface are five dozen biotech companies that together comprise two-thirds of BCG's health care exposure. Using **Select Biotechnology** (up 21.3%) as a proxy for that sector's performance this year, it's fair to say that most of BCG's good fortune rests on biotech and tech.

Contrafund

Because we remarked on this fund last month, we'll keep things brief here: Manager Will Danoff has steered his fund to a 16.8% return this year in no small part owing to his significant stake in the so-called "FANG" stocks detailed in our page 1 *Message From Jack*. Until Thursday June 29 came along (when the Nasdaq Composite lost

1.4%), a handful of Contra's top holdings were enjoying 30%-plus gains on the year. More broadly, tech shares comprise 43% of assets (almost a double-weight relative to the S&P). So whatever that sector's fortunes, so goes Contra.

Large Cap Value Enhanced

In absolute terms, gaining 4.1% in six months is okay, but the fund has so far failed to beat its benchmark this year — if just by a smidge. Either way, our small positions in the fund were hampered by troubles in "value land." Namely, declining oil prices weighed heavily on energy shares, which account for nearly 10% of assets. And, other value areas such as real estate, telecom and banks (the latter got a nice pop at the end of June when Bank of America and others signaled an increase in their dividends) simply played second-fiddle to growth stocks.

Overseas

Not much to dislike here: This foreign stock fund gained 18.6% during the past six months. While both Europe and Japan enjoyed solid single-digit returns in local currency terms (combined, they are 84% of the fund's assets), **Overseas's** tiny emerging markets exposure and

even its 5% weight in U.S. stocks, went a long way in propping up year-to-date results. Finally, with 88% of the fund's currency exposure outside the U.S., a roughly 5% decline in the greenback's value put that much more wind in the sails of this unhedged fund.

Total Bond

As its name suggests, this team-managed fund holds a little bit of just about every kind of fixed-income instrument. Broadly speaking, a third of its assets are in U.S. Government debt, with an equal amount in corporates. Credit-wise, 81% of assets are rated investment-grade. As for the remainder, much of that powered **Total Bond's** 2.7% return. Specifically, its 5% slug in lower-quality, higher-yielding emerging market bonds was beneficial, and even more so was its 12% stake in high-yield junk bonds.

While weakness in the energy sector often despoils the junk bond market (which is what happened last year), it appears that much of that damage has already been priced in. Meanwhile, a generally favorable economic environment proved itself even more valuable to the health of junk bonds. ■

— John Bonnanzio

Inside Fidelity

Manager Changes — Jason Weiner will take a six-month leave from **Growth Discovery** and **VIP Growth** beginning on January 1, 2018. During that time Asher Anolic, who has been named co-manager (he's been a global pharmaceuticals analyst at Fidelity), will serve as interim portfolio manager.

Separately, longtime manager Lionel Harris will leave **Small Cap Stock** a year from now. Small-cap analyst Kip Johann-Berkel has been named the fund's co-manager for now, and will assume the lead-manager role next year.

Name Change — Global Bond is now called **Global Credit**. While that move appears modest, it belies significant changes.

The first is a new benchmark called the Bloomberg Barclays

Index Fund Returns

In response to our readers, we have added a feature to our online **Scorecard** — a new Index fund category, consisting of all 26 such funds. Selecting this group in the **Scorecard** dropdown menu makes it easier for you to track an index fund's returns (on a daily, weekly, monthly, quarterly and year-to-date basis) without having to hunt-and-peck through the 12 other investment categories. Go to: www.fmandi.com

Global Aggregate Credit Index Hedged (USD). This shift provides Global Credit with the latitude to hedge away its foreign currency risk. (As of Dec. 31, 2016, 55% of its currency exposure was non-U.S. dollar-denominated.) While there's certainly no guarantee that the fund's use of forward foreign currency exchange contracts will add value (they may even lose the fund money, because there's a cost to buying the contracts), potentially,

it's a very useful tool. Last year, for example, returns were impeded by its overweighting to the Mexican peso. Hedging could have helped.

Income-oriented investors should note that Global Credit no longer pays dividends monthly, but rather quarterly in April, July, October and December. ■

FUND PROFILE

Financial Services

In selling the "narrower" **Select Insurance** for the more diversified **Financial Services**, our *Select Model* is actually assuming incrementally more risk. (It's risen from 1.12 to 1.13, meaning that it's now 13% more volatile than the S&P 500.)

That's largely because brokerage and bank stocks are considerably more volatile than insurance shares. And, with roughly half of Financial's assets in just these two subsectors (along with a healthy slug in consumer finance), the fund's relative volatility winds up being 14% higher than Insurance's risk (1.34 vs. 1.20).

On the other hand, given our positive outlook for these areas (which should benefit from a healthy economy and even rising interest/loan rates), we favor Financial Services's upside potential. ■

DIVIDEND UPDATE

In addition to regular monthly dividends paid by bond and money market funds and Asset Mgr: 20%/30%, the following funds may make a dividend or cap gain distribution in July:

500 Index, Asset Mgr 40%, Asset Mgr 50%, Balanced, Convertible Secs, Equity Dividend Inc, Equity-Inc, Global Equity Inc, Global Strategies, Growth & Inc, Puritan, Strategic Dividend & Inc, Strategic Real Ret, Telecom & Utilities

The final distributions for June were as follows:

Fund	Ex-Date	\$ Amt	NAV
Capital & Inc	6/9	0.107	10.06
Core Dividend	6/16	0.240	26.83
Div for Rising Rts	6/16	0.220	28.25
Event Driven Opp	6/9	0.245	13.84
Large Cap Stock	6/9	0.401	30.82
Lge Cap Grow Idx	6/9	0.037	11.88
Lge Cap Value Idx	6/9	0.056	11.41
Lge Cap Value Idx	6/9	0.056	11.41
Low Vol Factor	6/16	0.127	27.97
Mid Cap Index	6/9	0.115	19.45
Mid-Cap Stock	6/9	0.889	36.50
Momentum Factor	6/16	0.098	28.13
MSCI Cons Discr	6/16	0.114	35.44
MSCI Cons Staples	6/16	0.250	33.63
MSCI Energy	6/16	0.124	17.75
MSCI Financials	6/16	0.163	35.70

Fund	Ex-Date	\$ Amt	NAV
MSCI Healthcare	6/16	0.137	38.37
MSCI Industrials	6/16	0.130	34.70
MSCI Info Tech	6/16	0.122	43.54
MSCI Materials	6/16	0.135	31.06
MSCI Real Estate	6/16	0.223	24.32
MSCI Telecom	6/16	0.288	32.22
MSCI Utilities	6/16	0.272	34.80
Quality Factor	6/16	0.131	28.71
Real Estate Inc	6/2	0.131	12.20
Real Estate Index	6/2	0.084	15.38
Real Estate Invest	6/2	0.115	42.23
Small Cap Dscvry	6/9	1.277	31.11
Small Cap Index	6/9	0.202	19.12
Small Cap Stock	6/9	0.601	18.91
Value Factor	6/16	0.133	29.07

Sel. Financial Svcs

Top-5 Subsectors (%)

Diversified Banks	21.3
Regional Banks	19.0
P&C Casualty	11.6
Inv. Banking & Brok.	9.1
Consumer Finance	8.2

Top-5 Holdings (%)

Berkshire Hathaway CL B	6.0
Capital One Financial	5.3
Citigroup	5.0
Bank of America	5.1
Wells Fargo	5.0

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