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JANUARY 2014

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MESSAGE FROM JACK

Bitcoin's Success Could Be Bad News For Gold

Gold and gold stocks have tumbled from their peak, and some pundits now think they're a buying opportunity. Don't listen to them! Inflation is nowhere to be found, central banks are no longer net buyers of the precious metal, and India, the world's biggest jewelry consuming nation, is being reined in by a tax on gold jewelry that isn't going to go away. But the biggest threat of all is a brand new one: the Bitcoin.



Jack Bowers

Briefly, the Bitcoin is an attempt to create a digital reserve currency that's recognized and accepted globally. In contrast to gold, the Bitcoin has no industrial uses, nor can it be made into jewelry. But since the total supply of Bitcoins is designed to be relatively fixed, the currency could appreciate against paper currencies much like gold has over long periods.

The main challenge in creating a widely accepted digital currency is making sure it can't be counterfeited or controlled by any single entity or government. As a payment system, it also has to have low transaction costs. Bitcoin is not perfect, and its success is hardly guaranteed. But after four years it meets these tests well enough that some of the redemption pressures on gold metal ETFs can be attributed to it. As an asset class, Bitcoins have potential to become as widely recognized as gold, and as a payment system they could become as popular as wire transfers. Bitcoins might still end up worthless some day, but even with that risk some money managers consider them to be worthy of a 1% portfolio allocation (a Bitcoin ETF is in the works).

If Bitcoin does ultimately succeed, the price of gold might decline to a level where jewelry supply and demand sets its price. That would suggest a range of \$500-750 per ounce. Given that possibility, I'm not planning to change my *Sell* rating on **Select Gold** anytime soon. If you are still holding precious metal hedges in your portfolio, consider cutting them to less than 5% of your assets.

Sincerely,

2014 MARKET OUTLOOK

Expect Another Positive Year For Stocks — Just Not As Positive

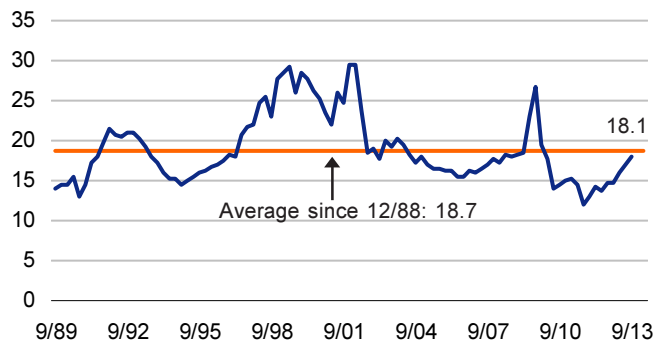
Having just closed the books on the best year for stock investors since 1997, it is unlikely that we will see a repeat performance in 2014. Coming on the heels of a 32% gain, what can we expect for 2014?

As I noted last month, stock prices have risen much faster than earnings, so the P/E ratio of the S&P 500 has risen from 14.2 to 18.1 over the past year. While still a bit below the average P/E of 18.7 over the past 25 years, it suggests that further P/E expansion is likely to be harder to come by.



John M. Boyd

S&P 500 Operating Earnings P/E Ratio



This means that corporate earnings growth will likely be the bigger determining factor in what stocks return. And with corporate profit margins at or very near all-time highs, the prospect of even fatter margins boosting earnings is unlikely. So sales growth will be the likely driver of earnings and that, in turn, depends on the strength of the economy.

Economic Growth The Key

In 2011 and 2012, GDP grew only about 2%. The recent trend in the quarterly numbers for this year is encouraging, with the third quarter just revised up to 4.1%. The biggest reason for that jump, however, was a buildup in inventories. If sales in the fourth quarter don't "follow through," that could be a drag on that quarter's GDP. But even if growth in that quarter falls back to 2.3%, growth for the full year of 2013 would be 2.5%; still weak, but the first sign of an acceleration in the pace of the recovery.

Market Outlook *cont'd* on page 3

Unique Opportunities Target Risk: 1.20 (Current: 1.17) Foreign Holdings: 7.7% **2013 Return: 36.3%**

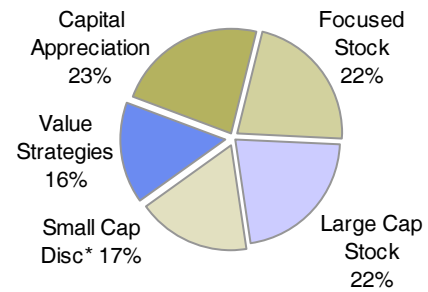
Stocks: 97.8% Bonds: 0.1% Cash: 2.1% Alternatives: 0.0% Yield: 0.5%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Capital Appreciation	FDCAX	\$36.18	2,482.45	\$89,815	2.7%
Focused Stock	FTQGX	19.74	4,319.47	85,266	3.5
Large Cap Stock	FLCSX	27.23	3,050.87	83,075	3.0
Small Cap Discovery*	FSCRX	31.26	2,126.43	66,472	0.2
Value Strategies	FSLSX	40.95	1,495.66	61,247	2.5

* Closed: new investors use Small Cap Enhanced Index or Mid Cap Value.

Current Value (3/31/99 = \$100,000) \$385,876 2.5%

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



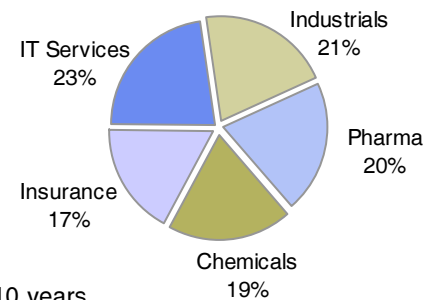
Select Target Risk: 1.20 (Current: 1.18) Foreign Holdings: 19.5% **2013 Return: 37.5%**

Stocks: 98.1% Bonds: 0.0% Cash: 1.9% Alternatives: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
IT Services	FB SOX	\$37.43	15,291.64	\$572,366	5.9%
Industrials	FCYIX	33.67	15,425.70	519,383	4.4
Pharmaceuticals	FPHAX	19.21	26,640.54	511,765	2.1
Chemicals	F SCHX	145.87	3,293.07	480,361	4.1
Insurance	FSPCX	68.58	6,347.62	435,320	1.8

Current Value (12/31/88 = \$100,000) \$2,519,195 3.7%

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



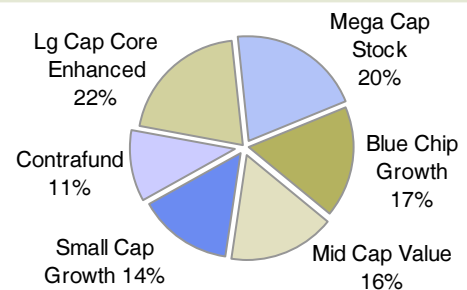
Growth Target Risk: 1.00 (Current: 1.11) Foreign Holdings: 5.7% **2013 Return: 26.5%**

Stocks: 98.9% Bonds: 0.0% Cash: 1.1% Alternatives: 0.0% Yield: 0.7%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Lg Cap Core Enhanced	FLCEX	\$11.25	33,950.81	\$381,947	2.6%
Mega Cap Stock	FGRTX	15.42	24,240.91	373,795	2.2
Blue Chip Growth	FBGRX	63.37	5,043.46	319,604	3.2
Mid Cap Value	FSMVX	22.60	13,152.70	297,251	3.7
Small Cap Growth	FCPGX	19.27	13,682.67	263,665	2.8
Contrafund	FCNTX	96.14	2,123.61	204,164	2.5

Current Value (12/31/86 = \$100,000) \$1,840,425 2.5%

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



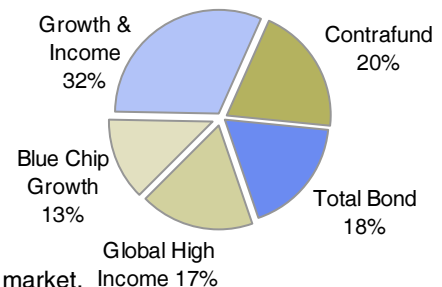
Growth & Income Target Risk: 0.66 (Current: 0.77) Foreign Holdings: 15.8% **2013 Return: 20.3%**

Stocks: 64.5% Bonds: 15.5% Cash: 3.9% Alternatives: 16.1% Yield: 2.0%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Growth & Income	FGRIX	\$27.86	5,673.18	\$158,055	2.1%
Contrafund	FCNTX	96.14	1,011.57	97,252	2.5
Total Bond	FTBFX	10.44	8,373.51	87,419	-0.4
Global High Income	FGHNX	10.04	8,400.41	84,340	0.7
Blue Chip Growth	FBGRX	63.37	1,010.13	64,012	3.2

Current Value (12/31/93 = \$100,000) \$491,078 1.6%

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



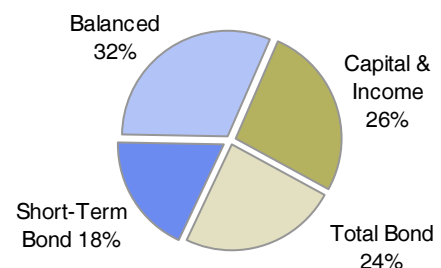
Income Target Risk: 0.33 (Current: 0.42) Foreign Holdings: 10.4% **2013 Return: 2.9%**

Stocks: 27.4% Bonds: 47.4% Cash: 4.7% Alternatives: 20.6% Yield: 2.3%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Balanced	FBALX	\$22.75	4,615.32	\$104,999	1.9%
Capital & Income	FAGIX	9.86	9,098.23	89,709	1.1
Total Bond	FTBFX	10.44	7,400.86	77,265	-0.4
Short-Term Bond	FSHBX	8.58	7,042.81	60,427	-0.2

Current Value (12/31/91 = \$100,000) \$332,399 0.8%

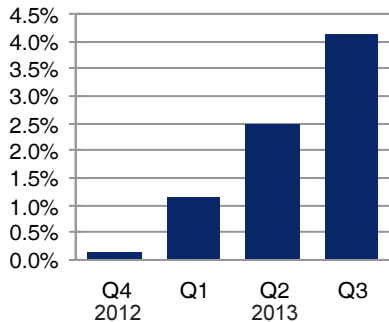
For members needing income and protection of their purchasing power against inflation.



An Optimistic Fed

The Federal Reserve is forecasting a further acceleration in GDP growth to 2.8%-3.2% for 2014. And they announced they would begin to

Quarterly GDP Growth Annualized



taper their monthly bond purchases, something they have consistently said they would not do unless the economy was on solid enough ground. On the other hand, the Fed has also been consistently too optimistic on their forecasts for GDP in this recovery and most private economists are less sanguine, expecting only about 2.5%.

I lean more towards the Fed's view for a number of reasons. The budget deal eases the spending cuts we would have faced. Consumer deleveraging has about run its course and sentiment is rising. This is reflected in consumer spending which just rose the most in nearly six months. And a 3% jump in productivity figures was the biggest gain in nearly four years.

But let's use the 2.5% figure. This GDP figure is "real" growth, meaning with inflation taken out, so we need to add that back in to get the likely sales growth. Using an estimated inflation rate of 1.5% gives us a 4.0% increase in sales. That figure assumes no boost from foreign sales as European growth is expected to improve only slightly and Chinese growth is expected to ease up a bit. Assuming no change in profit margins that means a 4.0% increase in corporate earnings.

FUNDS YOU SHOULD BUY NOW

Growth: Blue Chip Growth, Cap App and Growth Company for large-cap growth; **Contrafund** is a more conservative approach to growth. Our favored alternatives to the closed **Small Cap Discovery** are **Small Cap Growth, Small Cap Enhanced Index** and **Mid Cap Value**.

Growth & Income: Growth & Income, Large Cap Core Enhanced Index and **Mega Cap Stock** all seek growth and yield from larger-cap stocks.

Bond: Short-Term Bond and **Intermediate Bond** limit interest-rate risk. **Total Bond** provides the greatest bond diversification holding US government debt, corporates, mortgages, high-yield and foreign debt, too.

High Yield: More risky than investment-grade bond funds, but less risky than stock funds, **Capital & Income** boosts portfolio yield even as its secondary objective is growth. ■

MODEL PORTFOLIO TRADES

As announced on our December 27 Hotline, on Monday December 30, we made trades in several Model Portfolios.

Growth Model:

We sold **Equity-Income** [FEQIX] and bought **Large Cap Core Enhanced Index** [FLCXX]. We sold **Leveraged Co Stock** [FLVCX] and bought **Small Cap Growth** [FCPGX]. We sold **Corporate Bond** [FCBFX] and bought **Contrafund** [FCNTX].

NOTE: If you have owned **Leverage Co Stock** for close to a year in a taxable account, you may want to wait until a year is up to make the capital gain a long-term one. In addition, **Leveraged Company Stock** has a redemption fee of 1.50% for 90 days and you may wish to delay that trade until the fee no longer applies.

Growth & Income Model:

We sold all of **Corporate Bond** [FCBFX] and bought **Total Bond** [FTBFX].

Income Model:

We sold all of **Corporate Bond** [FCBFX] and bought **Short-Term Bond** [FSHBX].

Annuity Growth Model:

We sold **VIP Equity-Inc** [FLOLC] and bought **VIP Growth & Income** [FLFNC]. We sold **VIP Value Strategies** [FRBSC] and bought **VIP Disciplined Small Cap** [FPRGC]. We sold **VIP Investment Grade** [FTLKC] and bought **VIP Growth Stock** [FPVDC].

Annuity Growth & Income Model:

We sold **VIP Strategic Income** [FGDQC] and bought **VIP High Income** [FBBLC]. We sold **VIP Equity-Income** [FLOLC] and bought **VIP Growth & Income** [FLFNC].

Annuity Income Model:

We sold **VIP Strategic Income** [FGDQC] and used 2/3 of the proceeds to buy **Pimco Low Duration** [FPMBC] making it 20% of the model. With the remaining 1/3 of the proceeds, we added to our stake in **VIP High Income** [FBBLC] bringing it up to 33%.

See **Market Outlook** on page 4 for a discussion of the trades. ■

Buybacks Boost Earnings

On top of that, however, we must add in the effect of stock buybacks. About 80% of the S&P 500 companies are currently buying back their shares and that directly boosts EPS (earnings per share) by reducing the

number of shares outstanding. That is expected to boost EPS growth by another 2.4%. In total (with compounding) we would then expect EPS growth of about 6.5%.

Market Outlook *cont'd on page 4*

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. 16). **Annuity Model Portfolios** are on p. 10.

Adding It All Up

If the P/E stays the same, add in 2.0% from dividends and you get a 2014 return for stocks of 8.5%.

This is roughly consistent with Standard & Poor's top-down analysts (they work down from the macro economic level as we just did) who project a 5.3% increase in EPS.

In fact, the consensus view from the majority of macro forecasters is pretty much in this ball park — which means, of course, that it is actually unlikely to happen!

The question is which way will it be wrong — for better or for worse?

Other than from a surprise macro event (say Europe's credit crisis boils over), I think for us to have a weak or down year we would have to see the economy actually take a step backward with growth of less than 2.0%. While that could happen if interest rates rise fast enough and high enough to cripple housing and autos — two areas that have driven growth up to now — I don't feel that is likely. Rates have not spiked in reaction to the Fed's tapering as they did at its hint last May. We expect longer-term rates to move higher, but in a modest orderly fashion as economic growth improves.

What about bigger gains in the range of 15-20%? Well, in contrast to the top-down analysts, the EPS forecast from the bottom-up S&P analysts (who calculate earnings working up from the individual company level) is a robust 13.8%. Add in P/E expansion up to the historical average of 18.7 along with dividends and you are right about at 20%.

Yes, the bottom-up analysts have tended to be too optimistic at the outset of recent years, steadily reducing their forecasts as the year progressed. But that was in large part due to the economy tending to disappoint — I don't think we will see that this time around. Interestingly, a recent study by AllianceBernstein suggests that economic growth should begin to accelerate about now. They found that

in traditional inventory-driven downturns, the first half of the recovery was stronger than the second half. But in recessions caused by a financial or credit crisis, like our current one, the second half was the stronger.

Summary & Recommendations

We continue to see US stocks as one of the most attractive investment areas. While our view of foreign markets improved over the course of last year, we do not yet see the need for dedicated international funds in our models. We get sufficient exposure to overseas markets from foreign holdings inside domestic stock funds and also from US large-cap firms who derive nearly 50% of their sales from foreign markets.

From a price versus earnings growth perspective, large-cap growth stocks offer the best value, while mid- and small growth stocks are not far behind. Value stocks as a whole are less attractively priced. Among industry sectors, consumer discretionary, and technology offer the best combination of growth expectations and price. Some of our favorite growth funds to play these areas include **Capital Appreciation** which has over 34% in consumer discretionary stocks, along with **Blue Chip Growth**, **Small Cap Growth** and **Trend**, all of which have over 45% in those two sectors. For a more conservative approach to growth, **Contrafund**, **Growth & Income** and **Mega Cap Stock** fit the bill nicely.

We don't look for gains like last year, but returns in the high single digits seems a reasonable view. If there is a surprise though, we think it will be that the economy grows faster than most assume. If that is the case, stocks could deliver surprisingly strong gains again.

We remain wary about the outlook for bond funds, based on our view that the economy will continue to get healthier with growth accelerating this year. This will put upward pressure on longer-term interest rates. In announcing its decision to taper, the Fed

also pledged to keep short-term rates low until "well after" the unemployment rate falls to 6.5%, which should mean at least all of 2014. Therefore, we favor bonds of shorter duration such as **Short-Term Bond**, and those that take on credit risk such as the high-yield fund **Capital & Income**. While the yield advantage offered by high-yield funds over investment-grade funds has narrowed, the default rates on high-yield have fallen as well. **Total Bond**, which has about 15% in high-yield, is a less risky option.

Model Portfolio Trades

In our Growth Model, we swapped the value-focused **Equity-Income** for **Large Cap Core Enhanced Index**, a blend of growth and value that has delivered better returns with less volatility. We also sold **Corporate Bond** for **Contrafund**. While Corporate Bond takes on more credit risk than a Treasury or government fund, it is still investment-grade with a fairly long duration of 6.7 years. To keep the risk of the model from rising too much, we traded **Leveraged Company Stock** with its high relative volatility of 1.52 for **Small Cap Growth** and its more modest relative volatility of 1.40.

In our Growth & Income Model, we sold Corporate Bond for Total Bond. Although Total Bond has a slightly lower yield (2.85% vs. 2.95%) it has both a shorter duration (5.1 years), and as noted above, has roughly 15% in high-yield debt.

In our Income Model, we sold Corporate Bond for Short-Term Bond. While we don't expect much in the way of returns from Short-Term, it is a less risky option. We made trades in our Annuity Models with similar themes (see page 3).

While we do expect another good year for stocks, we also expect more volatility. 2013 had only two negative months and we are overdue for a correction of at least 10%. Doesn't mean we will have one, but if so, remain calm and stick to your long-term investment plan. ■

— John M. Boyd

FUND COMMENTARY

Stocks Make New Highs; Bonds Retreat

Thanks to the success of the Fed’s aggressive monetary stimuli, 2013 was a great year for stocks. (Not so much for bonds, but we’ll get to that later.) Granted, a midyear miscue briefly



John Bonnanzio

tripped up stocks and hobbled bonds. Still the Fed’s ongoing help in the form of low interest rates and bond purchases were a powerful combination that helped boost home values and create jobs without inflationary side-effects. That made it easy for consumers with good credit scores to replace their aging cars and buy first-time homes. Other factors helped, too. The shale boom created jobs while helping keep a lid on US energy costs, while technology-driven growth opportunities prompted increases in business spending across multiple industries.

Cheap and more abundant money benefited corporate and government borrowers alike. Both are cleaning up their balance sheets, and the former has beefed up capital spending, buying more efficient plant and equipment. Many companies have also used cheap money for share repurchases (see “Buybacks Boost Earnings” in *Market Outlook* on p. 3).

On the other hand, the fiscal side of things was a drag on the market. Higher taxes and lower spending (via sequestration) helped to reduce the deficit, but cut economic growth. The debt ceiling imbroglio, and the ensuing two-week government “shutdown” took a bite out of investor confidence. But near the end of the year, a bipartisan budget deal sidestepped deeper sequestration cuts in 2014, and gave rise to the hope of avoiding another showdown over the debt ceiling in March.

On the world scene, investors largely ignored Iranian, North Korean, and Chinese saber rattling, plus the

usual assortment of Mideast tumult.

All-in-all, with the Fed keeping the Fed Funds rate near zero, there were few opportunities to make money other than in stocks. While individual investors remained wary, the pros abided by the old wisdom of “don’t fight the Fed,” and drove stocks to record highs in 2013.

Market Indexes

Against that backdrop, stock investors enjoyed huge gains last year. What you owned didn’t much matter. Big-caps, small-caps, growth and value all went up, with only a few hiccups along the way. In fact, large-caps only lost ground in June and August; in the other 10 months they prospered. The S&P 500 leapt 32.4% in 2013, while the Dow Jones 30 Industrials jumped 29.7%. And with 2008’s bloodcurdling losses now a distant memory, the five-year average annual returns for these large-cap barometers are impressive: the S&P has averaged 17.9% per year and the Dow 16.7%.

Even more impressive were gains scored last year by the Nasdaq Composite (up 40.1%) and the small-cap Russell 2000 (up 38.8%). Over the prior five-year period, their average annual returns are an impressive 22.9% and 20.1%, respectively.

Equity Funds

Of course, Fidelity’s vast bench of actively run funds reflect the performances of these indexes.

At the top was OTC (up 46.5%). Having underperformed its benchmark by more than six percentage points in 2012, Manager Gavin Baker made up for that deficit last year. The fund’s primary performance driver was, of course, technology, which accounts for just over half its assets. But, as it turns out, top holding Apple (which accounts for 10% of OTC’s \$7-plus billion in assets) weighed on its performance, gaining a woeful 5% as competition from Samsung and others mounted. However, other tech holdings fared much better. Positions #2 and #4, Google (up 50%) and Facebook (up 106%), together account for another 10% of assets. Elsewhere, health care stocks also enriched OTC’s returns (and many other growth-oriented stock funds), but more specifically, biotech was the top subsector. Likewise, **Blue Chip Growth** (up 39.8%) was a beneficiary of tech and biotech, but smart stockpicking in consumer discretionary stocks was also a big plus.

Against that backdrop, mid- and small-cap funds benefited the most from the market’s bias for faster-

Fund Commentary cont’d on page 12

JANUARY SCORECARD RATING CHANGES

Fund	Ratings			Comments
	Old	New		
Equity-Income	B	B	↓	Prefer growth-oriented large-cap funds.
L Cap Core Enhcd	B	B	↑	Stock selection outperforms S&P with less risk.
L Cap Grow Enhcd	H	B	↑	Good returns with only market risk.
Nordic	B	B	↑	Concentrated fund has risk, but best of Europe.
OTC	H	B	↑	Large-cap tech has attractive valuations.
Sel Consumer Disc	B	B	↑	Sector will benefit from improving economy.
Sel Electronics	B	B	↑	Technology valuations are attractive.
Sel Technology	H	B	↑	Technology valuations are attractive.
Small Cap Growth	B	B	↑	Growth in this area remains strongest.
Sp Real EstateIdx	H	S	↓	REITs richly valued and interest rates on the rise.
Trend	H	B	↑	Tech & consumer discret. poised to outperform.
VIP Equity-Income	B	B	↓	High dividend stocks less attractively valued.
VIP Growth Stock	H	B	↑	Clone of Trend.
VIP Technology	H	B	↑	Technology valuations are attractive.

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

FIDELITY SCORECARD

DECEMBER 31, 2013

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹		
						Dec	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr			
Comparative Indexes		S&P 500		1848.4		2.5	32.4	10.5	32.4	16.2	17.9	7.4	1.00		
		Nasdaq Composite		4176.6		3.0	40.1	11.1	40.1	17.7	22.9	8.6	1.14		
		Dow Jones Industrials		16576.7		3.2	29.7	10.3	29.7	15.7	16.7	7.4	0.92		
		Russell 2000 (Small Caps)		1163.6		1.9	38.8	8.7	38.8	15.7	20.1	9.1	1.38		
		Barclays Aggregate Bond*				-0.7	-2.4	-0.4	-2.4	3.0	4.4	4.2	0.23		
Model Portfolios		Unique Opportunities				2.5	36.3	10.1	36.3	14.4	21.1	9.8	1.17		
		Select				3.7	37.5	11.9	37.5	18.3	20.1	9.4	1.18		
		Growth				2.5	26.5	8.5	26.5	13.0	17.5	7.1	1.11		
		Growth & Income				1.6	20.3	7.2	20.3	10.8	14.3	6.6	0.77		
		Income				0.8	2.9	4.0	2.9	6.6	9.6	4.5	0.42		
												Rel Vol (Risk) ¹	Assets (\$Mil)		
LARGE CAP GROWTH						Category Averages			3.0	36.2	9.8	36.2	15.8	20.4	1.16
312	FBGRX	Blue Chip Growth		63.37	Buy	3.2	39.8	11.0	39.8	17.0	22.7	1.21	\$11,347		
307	FDCAX	Capital Appreciation		36.18	Buy	2.7	36.0	11.0	36.0	17.5	21.2	1.10	6,261		
22	FCNTX	Contrafund		96.14	Buy	2.5	34.2	10.5	34.2	15.9	18.7	1.00	75,076		
332	FEXPX	Export and Multinational	0.75%/30d	24.34	OK to Sell	2.2	26.1	9.5	26.1	12.1	16.7	1.00	1,769		
3	FFIDX	Fidelity Fund		42.65	OK to Sell	2.2	29.0	10.2	29.0	13.7	16.4	1.04	4,910		
500	FFTYX	Fifty (Closed)		27.87	Buy	3.4	38.0	9.6	38.0	16.7	20.8	1.06	775		
333	FTQGX	Focused Stock		19.74	Buy	3.5	38.1	9.9	38.1	17.4	20.3	1.12	1,722		
25	FDGRX	Growth Company (Closed)		119.88	Buy	2.9	37.6	8.0	37.6	18.0	22.8	1.25	23,381		
339	FDSVX	Growth Discovery		21.23	OK to Buy	3.1	36.5	8.1	36.5	16.2	20.3	1.14	954		
73	FDFFX	Independence		36.23	OK to Sell	3.5	40.2	11.6	40.2	14.5	20.7	1.53	3,880		
21	FMAGX	Magellan		92.37	OK to Buy	2.5	35.3	10.5	35.3	12.2	17.5	1.24	13,542		
300	FMILX	New Millennium		39.47	Buy	3.5	37.2	9.5	37.2	17.6	22.1	1.00	2,954		
93	FOCPX	OTC		77.39	OK to Buy↑	4.2	46.5	8.0	46.5	17.5	25.9	1.35	7,544		
320	FDSXX	Stock Selector All Cap		35.59	OK to Buy	3.2	34.1	9.2	34.1	14.5	18.2	1.16	3,264		
5	FTRNX	Trend		86.62	Buy↑	3.0	34.9	11.0	34.9	16.7	22.4	1.15	1,399		
LARGE CAP BLEND						Category Averages			2.5	34.9	10.6	34.9	16.1	19.2	1.15
315	FDEQX	Disciplined Equity		32.32	Hold	2.8	36.6	12.0	36.6	15.3	15.2	1.18	1,245		
330	FDGFX	Dividend Growth		35.39	Hold	2.2	31.6	9.7	31.6	12.6	21.2	1.34	6,864		
27	FGRIX	Growth & Income		27.86	Buy	2.1	33.4	9.3	33.4	17.2	17.8	1.03	6,471		
338	FLCSX	Large Cap Stock		27.23	Buy	3.0	39.2	11.2	39.2	18.3	24.1	1.16	2,315		
361	FGRTX	Mega Cap Stock		15.42	Buy	2.2	33.2	10.4	33.2	17.6	19.1	1.05	2,663		
832	FVDFX	Value Discovery		21.78	OK to Buy	2.4	35.5	11.1	35.5	15.7	17.9	1.12	499		
LARGE CAP VALUE						Category Averages			2.5	31.2	8.8	31.2	13.3	15.2	1.12
1271	FBCVX	Blue Chip Value		14.61	OK to Buy	3.3	35.6	11.0	35.6	12.4	14.8	1.22	357		
319	FEQTX	Equity Dividend Income		24.63	OK to Buy	2.6	29.1	9.1	29.1	12.9	15.4	1.09	5,079		
23	FEQIX	Equity-Income		58.70	OK to Buy↓	2.1	27.7	7.2	27.7	12.6	16.3	1.09	7,362		
708	FSLVX	Stock Sel Large Cap Value		15.25	Hold	2.1	32.2	7.6	32.2	15.3	14.2	1.09	541		
MID-CAP GROWTH						Category Averages			3.4	36.0	8.5	36.0	14.1	21.9	1.23
324	FDEGX	Growth Strategies	1.50%/90d	28.50	Hold	3.2	37.9	9.8	37.9	12.0	19.7	1.35	1,679		
337	FMCSX	Mid-Cap Stock	0.75%/30d	39.51	Buy	3.7	39.0	8.3	39.0	16.0	23.7	1.12	5,608		
2412	FSSMX	Stock Selector Mid Cap		30.45	Hold	3.3	31.2	7.5	31.2	14.3	22.3	--	231		
MID-CAP BLEND						Category Averages			2.4	33.3	8.6	33.3	15.7	23.9	1.33
2624	FARNX	Event Driven Opportunities		10.31	Hold	3.2p	3.2p	--	--	--	--	--	22		
122	FLVCX	Leveraged Company Stock	1.50%/90d	43.24	Buy	2.9	35.1	8.6	35.1	15.9	25.3	1.52	4,375		
316	FLPSX	Low-Priced Stock	1.50%/90d	49.46	OK to Buy	1.7	34.3	7.9	34.3	16.7	21.7	1.11	31,079		
14	FSLSX	Value Strategies		40.95	Buy	2.5	30.4	9.5	30.4	14.5	24.8	1.35	710		
MID-CAP VALUE						Category Averages			3.5	38.0	9.8	38.0	16.3	22.2	1.25
762	FSMVX	Mid Cap Value	0.75%/30d	22.60	Buy	3.7	39.0	10.3	39.0	16.6	21.9	1.23	1,418		
39	FDVLX	Value		103.58	Buy	3.3	37.1	9.3	37.1	16.0	22.4	1.26	7,360		
SMALL CAP GROWTH						Category Averages			2.8	44.5	8.8	44.5	16.7	23.5	1.40
1388	FCPGX	Small Cap Growth	1.50%/90d	19.27	Buy↑	2.8	44.5	8.8	44.5	16.7	23.5	1.40	974		
SMALL CAP BLEND						Category Averages			2.0	34.9	8.2	34.9	13.8	23.1	1.44
384	FSCRX	Small Cap Discovery (Closed)	1.50%/90d	31.26	Buy	0.2	38.2	8.3	38.2	19.8	28.0	1.36	6,985		
340	FSLCX	Small Cap Stock	2.00%/90d	20.94	OK to Sell	3.0	29.8	7.6	29.8	7.4	19.9	1.59	2,360		
336	FDSCX	Stock Selector Small Cap	1.50%/90d	26.18	OK to Buy	3.0	36.8	8.6	36.8	14.3	21.4	1.37	1,549		
SMALL CAP VALUE						Category Averages			1.6	37.1	9.4	37.1	16.6	22.1	1.29
1389	FCPVX	Small Cap Value (Closed)	1.50%/90d	20.04	Buy	1.6	37.1	9.4	37.1	16.6	22.1	1.29	2,203		

Notes: *Fidelity's Spartan U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. ¹ Relative Volatility versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. ² Duration is a measure of interest rate sensitivity. ³ Stated yield is before any inflation adjustment, your effective yield may be different. ⁴ Also available in an Advantage share class with a minimum of \$10,000, but a lower expense ratio. ⁵ Formerly California Short-Intermediate Tax-Free Bond. ⁶ Formerly Short-Intermediate Municipal Income. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD

DECEMBER 31, 2013

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Dec	YTD	3 Mo.	1 Year	3 Year	5 Year				
SPECIALTY															
304	FBALX	Balanced		22.75	Buy	1.9	20.5	7.3	20.5	11.4	15.0	0.68	\$17,916		
308	FCVXS	Convertible Securities		31.11	Buy	1.9	24.1	6.5	24.1	10.3	21.6	1.06	2,154		
334	FGBLX	Global Balanced	1.00%/30d	24.74	OK to Buy	1.4	15.5	4.6	15.5	8.1	11.7	0.76	559		
2120	FFGCX	Global Commodity Stock	1.00%/30d	14.13	Hold	2.1	-3.2	3.8	-3.2	-5.2	--	1.77	264		
1960	FDYSX	Global Strategies		9.58	Sell	1.0	9.0	4.0	9.0	5.1	11.4	0.82	188		
1368	FIREX	International Real Estate	1.50%/90d	10.17	Hold	0.1	12.6	-0.0	12.6	8.1	14.4	1.60	349		
4	FPURX	Puritan		21.23	Buy	1.6	20.3	7.0	20.3	11.3	14.8	0.72	17,308		
833	FRIFX	Real Estate Income	0.75%/90d	11.08	OK to Sell	0.3	4.1	1.1	4.1	9.0	17.7	0.51	2,433		
303	FRESX	Real Estate Investment	0.75%/90d	31.93	OK to Sell	1.0	1.5	-0.8	1.5	9.1	17.5	1.41	3,381		
1329	FSDIX	Strategic Dividend & Income		14.04	OK to Buy	1.2	17.8	5.3	17.8	13.2	17.8	0.75	2,593		
1505	FSRRX	Strategic Real Return	0.75%/60d	9.16	OK to Sell	0.1	-2.2	-0.2	-2.2	2.5	9.5	0.54	626		
311	FIUIX	Telecom & Utilities		22.01	OK to Sell	2.5	20.5	6.6	20.5	14.1	14.1	0.87	1,133		
ASSET ALLOCATION															
328	FASIX	Asset Manager 20%		13.32	Hold	0.4	5.2	1.8	5.2	4.9	8.5	0.28	4,752		
1957	FTANX	Asset Manager 30%		10.47	Hold	0.7	7.9	2.7	7.9	6.1	10.3	0.39	629		
1958	FFANX	Asset Manager 40%		10.67	Hold	1.0	11.1	3.6	11.1	7.2	11.7	0.51	580		
314	FASMX	Asset Manager 50%		17.55	Hold	1.3	14.0	4.3	14.0	8.0	13.4	0.62	7,725		
1959	FSANX	Asset Manager 60%		11.15	Hold	1.6	16.9	5.1	16.9	8.8	14.4	0.74	992		
321	FASGX	Asset Manager 70%		20.52	Hold	1.9	20.1	6.0	20.1	9.7	15.7	0.86	3,521		
347	FAMRX	Asset Manager 85%		17.11	Hold	2.4	25.2	7.3	25.2	10.9	17.1	1.03	1,247		
EQUITY INDEX															
355	FFNOX	Four-in-One Index		35.64	Hold	1.9	24.5	7.4	24.5	12.2	15.0	0.94	3,446		
2010	FIENX	International Enhanced Index	1.00%/30d	8.68	Hold	1.6	23.0	6.2	23.0	8.8	11.8	1.34	41		
1827	FLCEX	Large Cap Core Enhanced Index		11.25	Buy↑	2.6	34.3	12.0	34.3	17.3	17.4	0.99	268		
1829	FLGEX	Large Cap Growth Enhanced Index		14.02	OK to Buy↑	3.0	35.1	11.7	35.1	17.0	19.8	1.02	242		
1828	FLVEX	Large Cap Value Enhanced Index		10.17	OK to Buy	2.6	33.7	11.3	33.7	17.3	16.0	1.04	165		
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30d	13.28	OK to Buy	2.9	39.9	10.3	39.9	17.0	22.0	1.21	318		
1282	FNCMX	Nasdaq Composite Index	0.75%/90d	55.11	Hold	2.9	39.8	11.0	39.8	17.5	22.6	1.14	721		
2011	FCPEX	Small Cap Enhanced Index	1.50%/90d	12.70	Buy	1.8	38.7	9.9	38.7	17.9	20.6	1.41	403		
650	FUSEX	Spartan 500 Index ⁴		65.48	Hold	2.5	32.3	10.5	32.3	16.1	17.9	1.00	5,695		
2341	FPEMX	Spartan Emerging Mkts Index ⁴	1.50%/90d	9.56	Hold	-1.0	-4.8	1.5	-4.8	--	--	--	10		
398	FSEMEX	Spartan Extended Mkt Index ⁴	0.75%/90d	53.42	Hold	3.0	38.2	8.5	38.2	16.2	22.5	1.30	1,718		
2345	FSGUX	Spartan Global ex U.S. Index ⁴	1.00%/90d	12.37	Hold	1.1	14.1	4.7	14.1	--	--	--	12		
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90d	40.67	Hold	1.7	21.7	5.7	21.7	8.3	11.9	1.35	2,537		
2349	FSCLX	Spartan Mid Cap Index ⁴	0.75%/30d	15.81	Hold	3.0	34.5	8.3	34.5	--	--	--	8		
2353	FRXIX	Spartan Real Estate Index ⁴	0.75%/90d	11.57	OK to Sell↓	0.5	1.2	-1.1	1.2	--	--	--	8		
2356	FSSPX	Spartan Small Cap Index ⁴	1.50%/90d	16.52	Hold	1.9	38.7	8.7	38.7	--	--	--	19		
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90d	54.12	Hold	2.6	33.4	10.1	33.4	16.1	18.7	1.05	1,650		
INTERNATIONAL						Category Averages			1.6	20.2	5.9	20.2	7.1	15.3	1.45
309	FICDX	Canada	1.50%/90d	58.31	Hold	1.5	10.0	5.5	10.0	1.4	12.2	1.18	2,222		
352	FHKCX	China Region	1.50%/90d	33.76	OK to Buy	1.2	22.1	9.4	22.1	6.2	18.5	1.58	1,487		
325	FDIVX	Diversified International	1.00%/30d	36.91	Hold	2.5	25.2	8.3	25.2	8.8	13.3	1.36	14,907		
351	FSEAX	Emerging Asia	1.50%/90d	30.64	Hold	-0.2	3.8	5.0	3.8	1.7	12.5	1.56	1,140		
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	9.19	Hold	0.4	1.4	2.6	1.4	1.2	16.0	1.59	108		
322	FEMKX	Emerging Markets	1.50%/90d	24.09	Hold	-0.5	3.9	3.8	3.9	-2.0	14.4	1.59	2,215		
2374	FEDDX	Emerging Mkts Discovery	2.00%/90d	12.15	Hold	0.1	0.4	4.6	0.4	--	--	--	94		
301	FIEUX	Europe	1.00%/30d	38.89	OK to Buy	2.9	26.3	8.4	26.3	9.7	13.5	1.54	1,009		
341	FECAX	Europe Capital App (Closed)	1.00%/30d	23.55	Hold	2.9	25.8	8.5	25.8	9.6	13.5	1.55	371		
2406	FGILX	Global Equity-Income	1.00%/30d	12.40	OK to Buy	2.7	25.4	8.1	25.4	--	--	--	45		
335	FIVFX	International Cap App	1.00%/30d	16.75	Buy	2.8	21.7	8.1	21.7	10.1	19.2	1.49	971		
305	FIGRX	International Discovery	1.00%/30d	40.50	Hold	2.6	24.9	7.6	24.9	8.9	13.3	1.37	8,133		
1979	FIGFX	International Growth	1.00%/30d	11.24	OK to Buy	2.7	22.2	7.1	22.2	10.0	16.3	1.24	472		
818	FISMEX	International Small Cap	2.00%/90d	26.79	Buy	2.0	35.1	5.6	35.1	10.7	19.9	1.36	1,085		
1504	FSCOX	International Small Cap Opps	2.00%/90d	13.96	Buy	1.9	24.9	5.4	24.9	11.7	20.3	1.20	542		
1597	FIVLX	International Value	1.00%/30d	9.05	Hold	2.4	22.5	7.2	22.5	7.0	11.9	1.40	184		
350	FJPNX	Japan	1.50%/90d	12.04	OK to Buy	-0.1	23.7	0.7	23.7	4.4	8.5	1.28	480		
360	FJSCX	Japan Smaller Companies	1.50%/90d	13.44	OK to Buy	0.3	51.8	-2.5	51.8	15.9	15.6	1.70	629		
349	FLATX	Latin America	1.50%/90d	31.25	Sell	-1.7	-17.2	-2.9	-17.2	-10.1	10.1	1.69	1,156		
342	FNORX	Nordic	1.50%/90d	44.78	Buy↑	5.3	49.1	14.4	49.1	13.1	21.9	1.72	504		
94	FOSFX	Overseas	1.00%/30d	40.26	OK to Buy	2.9	26.8	8.3	26.8	10.0	12.2	1.53	1,945		
302	FPBFX	Pacific Basin	1.50%/90d	27.66	OK to Buy	0.5	27.4	3.8	27.4	8.3	21.9	1.40	723		
2369	FTEMX	Total Emerging Markets	1.50%/90d	11.25	Hold	0.6	1.0	4.8	1.0	--	--	--	48		
1978	FTIEX	Total International Equity	1.00%/30d	8.19	OK to Buy	1.8	16.0	5.9	16.0	6.8	14.1	1.30	344		
318	FWWFX	Worldwide	1.00%/30d	24.62	Hold	3.0	31.6	8.9	31.6	13.4	17.0	1.17	1,564		

FIDELITY SCORECARD

DECEMBER 31, 2013

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)
						Dec	YTD	3 Mo.	1 Year	3 Year	5 Year		
SELECT PORTFOLIOS						2.7	34.7	8.7	34.7	14.7	21.2	1.40	
<i>Category Averages</i>													
34	FSAIX	Air Transportation	0.75%/30d	59.30	Hold	0.9	50.7	14.6	50.7	19.0	22.4	1.20	\$366
502	FSAVX	Automotive	0.75%/30d	56.33	OK to Buy	0.8	46.7	5.4	46.7	11.0	34.7	1.90	333
507	FSRBX	Banking	0.75%/30d	26.17	Hold	2.4	39.4	12.0	39.4	13.9	13.5	1.34	817
42	FBIOX	Biotechnology	0.75%/30d	181.73	OK to Sell	1.4	65.7	3.8	65.7	38.8	27.0	1.52	7,959
68	FSLBX	Brokerage & Investment	0.75%/30d	74.25	OK to Buy	4.3	48.9	16.1	48.9	13.8	19.8	1.73	921
69	FSCHX	Chemicals	0.75%/30d	145.87	Buy	4.1	29.9	10.4	29.9	19.2	29.6	1.55	1,484
518	FSDCX	Communications Equipment	0.75%/30d	29.50	Hold	4.1	28.2	7.2	28.2	4.2	21.2	1.72	256
7	FDCPX	Computers	0.75%/30d	74.12	Sell	3.3	31.1	10.9	31.1	12.7	26.5	1.51	703
511	FSHOX	Construction & Housing	0.75%/30d	54.52	Hold	3.8	21.3	6.0	21.3	19.9	20.8	1.42	401
517	FSCPX	Consumer Discretionary	0.75%/30d	33.12	Buy↑	2.6	41.0	9.1	41.0	18.9	24.9	1.13	627
98	FVLX	Consumer Finance	0.75%/30d	16.36	Buy	2.9	32.6	7.6	32.6	20.9	13.8	1.05	251
9	FDFAX	Consumer Staples	0.75%/30d	90.21	Hold	1.0	21.6	6.6	21.6	15.2	16.3	0.87	1,475
67	FSDAX	Defense & Aerospace	0.75%/30d	122.36	OK to Buy	3.8	48.1	13.0	48.1	21.8	22.4	1.12	1,005
8	FSELX	Electronics	0.75%/30d	63.13	Buy↑	6.6	39.2	8.9	39.2	9.7	23.3	1.68	980
60	FSENX	Energy	0.75%/30d	56.11	OK to Buy	1.7	24.2	3.3	24.2	7.3	16.7	1.86	2,008
43	FSESX	Energy Service	0.75%/30d	84.85	OK to Sell	0.3	27.5	2.3	27.5	4.6	18.8	2.28	1,052
516	FSLEX	Environment & Alt Energy	0.75%/30d	22.83	Sell	3.3	35.0	9.3	35.0	9.7	12.2	1.33	95
66	FIDSX	Financial Services	0.75%/30d	81.78	OK to Buy	3.2	33.7	11.3	33.7	10.8	12.8	1.55	746
41	FSAGX	Gold	0.75%/30d	17.97	Sell	-3.3	-51.4	-15.8	-51.4	-29.1	-7.9	2.53	942
63	FSPHX	Health Care	0.75%/30d	188.51	Hold	2.3	56.3	13.2	56.3	26.9	25.9	1.08	4,883
510	FSCGX	Industrial Equipment	0.75%/30d	45.82	Hold	4.4	32.8	11.5	32.8	13.9	22.4	1.55	427
515	FCYIX	Industrials	0.75%/30d	33.67	Buy	4.4	39.9	11.7	39.9	16.8	23.7	1.35	1,321
45	FSPCX	Insurance	0.75%/30d	68.58	Buy	1.8	43.8	10.8	43.8	17.7	19.0	1.20	655
353	FBSOX	IT Services	0.75%/30d	37.43	Buy	5.9	53.1	13.8	53.1	23.3	28.7	1.31	1,497
62	FDSLX	Leisure	0.75%/30d	133.18	OK to Buy	1.9	41.7	11.8	41.7	18.7	23.4	1.29	584
509	FSDPX	Materials	0.75%/30d	84.89	Hold	3.9	21.9	8.5	21.9	10.4	25.2	1.60	1,230
505	FSHCX	Medical Delivery	0.75%/30d	72.95	Hold	1.0	35.3	10.4	35.3	18.1	23.2	1.20	736
354	FSMEX	Medical Equipment	0.75%/30d	35.74	Buy	1.8	41.3	11.3	41.3	16.4	18.7	1.18	1,653
503	FBMPX	Multimedia	0.75%/30d	80.97	OK to Buy	4.9	45.7	10.8	45.7	25.8	31.1	1.30	1,012
513	FSNGX	Natural Gas	0.75%/30d	37.79	OK to Buy	0.8	24.7	4.3	24.7	5.7	14.4	1.61	696
514	FNARX	Natural Resources	0.75%/30d	36.90	Hold	0.6	17.5	0.9	17.5	3.3	15.5	1.87	953
580	FPHAX	Pharmaceuticals	0.75%/30d	19.21	Buy	2.1	41.4	12.3	41.4	22.5	21.8	0.91	1,374
46	FSRPX	Retailing	0.75%/30d	87.49	Hold	0.9	43.9	9.9	43.9	22.9	30.3	1.14	1,197
28	FSCSX	Software & Computer Svcs	0.75%/30d	118.66	Buy	6.5	51.1	14.1	51.1	22.2	28.5	1.30	3,395
64	FSPTX	Technology	0.75%/30d	123.04	OK to Buy↑	5.5	31.8	9.1	31.8	11.8	27.5	1.37	2,232
96	FSTCX	Telecommunications	0.75%/30d	60.49	OK to Buy	2.9	21.5	6.4	21.5	11.4	19.9	1.04	379
512	FSRFX	Transportation	0.75%/30d	73.85	Hold	1.9	48.4	13.6	48.4	16.0	22.2	1.33	483
65	FSUTX	Utilities	0.75%/30d	66.61	OK to Sell	2.7	20.6	5.3	20.6	13.4	13.1	0.88	514
963	FWRLX	Wireless	0.75%/30d	10.53	OK to Buy	3.8	28.3	9.6	28.3	13.9	22.0	0.97	293
SECTOR ETFs													
	FDIS	MSCI Consumer Discretionary		26.45	Buy	2.4	--	--	--	--	--	--	25
	FSTA	MSCI Consumer Staples		25.98	Hold	0.7	--	--	--	--	--	--	21
	FENY	MSCI Energy		25.07	Hold	3.1	--	--	--	--	--	--	20
	FNCL	MSCI Financials		25.63	OK to Buy	2.0	--	--	--	--	--	--	24
	FHLC	MSCI Healthcare		26.40	OK to Buy	0.9	--	--	--	--	--	--	24
	FIDU	MSCI Industrials		26.40	Buy	4.2	--	--	--	--	--	--	21
	FTEC	MSCI Information Technology		25.99	Hold	4.4	--	--	--	--	--	--	23
	FMAT	MSCI Materials		25.41	Hold	4.5	--	--	--	--	--	--	20
	FCOM	MSCI Telecomm Services		25.13	OK to Buy	2.6	--	--	--	--	--	--	20
	FUTY	MSCI Utilities		24.78	OK to Sell	1.3	--	--	--	--	--	--	20

Disciplined Equity Turns Around

A year ago, the quantitatively run **Disciplined Equity** had just booked its fifth consecutive year of trailing the S&P 500. Assets had dwindled to less than \$2 billion, down from over \$12 billion at the end of 2007. Fidelity finally said “enough,” and assigned Alex Devereaux to co-manage the

fund alongside Keith Quinton, who’s now off the fund. Although still quant-driven (its models screen for growth at a reasonable price) with some fundamental stockpicking, it also remains largely sector-neutral. However, much has changed: holdings have been slashed to 85 from 120 (smaller, high-volatility positions that were “slipping” were jettisoned), and foreign positions have mostly been eliminated. Value was

added last year with worthwhile bets in consumer discretionary and staples, plus health care. And while its out-of-benchmark bet in Facebook wasn’t a large holding, last year’s surging share price (up 106%) contributed to the fund’s outperformance.

Because this large-cap blend fund sits in a space with other strong contenders, our *Hold* rating stands. But, an upgrade may be in the offing. ■

FIDELITY SCORECARD

DECEMBER 31, 2013

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						
						Dec	YTD	3 Mo.	1 Yr	3 Yr	5 Yr									
TAXABLE BOND						Category Averages						-0.7	-2.7	-0.4	-2.7	3.0	4.1	1.68	4.8	0.27
2267	FCONX	Conservative Income Bond		10.04	Buy	0.0	0.6	0.1	0.6	--	--	0.27	0.4	--						
2208	FCBFX	Corporate Bond		10.94	Buy	-0.3	-1.7	1.0	-1.7	6.3	--	2.95	6.7	0.38						
2423	FGBFX	Global Bond		9.56	OK to Sell	-0.2	-3.5	-0.4	-3.5	--	--	2.76	5.8	--						
15	FGMNX	GNMA (Ginnie Mae)		11.21	Hold	-0.8	-2.2	-0.7	-2.2	2.8	4.5	2.43	5.0	0.22						
54	FGOVX	Government Income		10.16	Hold	-1.0	-2.6	-0.6	-2.6	2.6	2.8	1.78	4.7	0.23						
794	FINPX	Inflation-Protected Bond ³		11.90	OK to Sell	-1.6	-9.1	-2.2	-9.1	3.1	4.9	0.02	5.7	0.45						
32	FTHRFX	Intermediate Bond		10.83	Buy	-0.6	-0.6	0.2	-0.6	3.4	6.9	1.86	3.8	0.19						
452	FSTGX	Intermediate Gov't Income		10.54	Hold	-0.8	-1.3	-0.3	-1.3	2.1	2.4	1.20	3.5	0.17						
2428	FINUX	International Bond		9.63	OK to Sell	-0.1	-3.4	-0.5	-3.4	--	--	2.41	5.8	--						
26	FBNDX	Investment Grade Bond		7.68	Buy	-0.4	-1.7	0.3	-1.7	4.1	7.2	2.53	5.2	0.24						
2622	FJRLX	Limited Term Bond		11.47	Buy	-0.4	-0.4	1.8	-0.4	3.5	7.0	1.66	3.0	--						
662	FFXSX	Limited Term Government		9.99	OK to Buy	-0.5	-0.3	-0.0	-0.3	1.2	1.7	0.61	2.5	0.09						
40	FMSFX	Mortgage Securities		10.95	Hold	-0.8	-1.8	-0.6	-1.8	2.9	5.1	2.70	4.7	0.20						
450	FSHBX	Short-Term Bond		8.58	Buy	-0.2	0.6	0.2	0.6	1.6	3.2	0.69	1.8	0.07						
2415	FSIQX	Sptn Inflation-Protect Index ⁴		9.34	OK to Sell	-1.5	-8.8	-2.1	-8.8	--	--	0.26	5.7	--						
1561	FIBIX	Sptn Interm Treas Index ⁴		10.56	OK to Sell	-1.9	-4.8	-1.7	-4.8	3.6	2.7	2.07	6.6	0.41						
1562	FLBIX	Sptn Lng-Term Treas Index ⁴		10.97	OK to Sell	-2.4	-12.9	-3.4	-12.9	5.2	1.9	3.57	16.2	1.04						
1560	FSBIX	Sptn Sht-Term Treas Index ⁴		10.43	Hold	-0.5	-0.4	-0.2	-0.4	1.2	1.4	0.45	2.5	0.10						
651	FBIDX	Sptn US Bond Index		11.36	Hold	-0.7	-2.4	-0.4	-2.4	3.0	4.4	2.09	5.3	0.24						
820	FTBFX	Total Bond		10.44	Buy	-0.4	-0.9	0.5	-0.9	4.3	8.1	2.85	5.1	0.24						
812	FYSFX	Ultra-Short Bond (Closed)	0.25%/60d	8.25	Hold	0.0	0.4	0.1	0.4	0.7	0.8	0.15	0.4	0.04						
HIGH-YIELD BOND						Category Averages						0.5	3.5	2.7	3.5	6.5	14.2	4.10	3.7	0.50
38	FAGIX	Capital & Income	1.00%/90d	9.86	Buy	1.1	9.7	5.2	9.7	7.8	20.4	4.11	4.2	0.69						
814	FFRHX	Floating Rate High Income	1.00%/60d	9.96	Buy	0.3	3.9	1.6	3.9	4.1	9.4	2.59	0.3	0.27						
1366	FHIFX	Focused High Income	1.00%/90d	9.00	Buy	0.5	4.4	2.9	4.4	7.3	13.3	3.96	3.6	0.43						
2297	FGHNX	Global High Income	1.00%/90d	10.04	Buy	0.7	5.6	3.7	5.6	--	--	4.85	3.7	--						
455	SPHIX	High Income	1.00%/90d	9.37	Buy	0.6	6.7	3.5	6.7	8.2	16.9	4.54	3.0	0.57						
331	FNMIX	New Markets Income	1.00%/90d	15.59	Hold	0.6	-6.4	0.5	-6.4	6.6	14.2	5.09	6.0	0.63						
2580	FSAHX	Short Duration High Income	1.00%/90d	10.00	Buy	0.2	0.3p	--	--	--	--	na	na	--						
368	FSICX	Strategic Income		10.85	Buy	-0.1	0.4	1.5	0.4	5.2	11.0	3.57	4.8	0.38						
MUNICIPAL BOND						Category Averages						-0.2	-2.3	0.3	-2.3	4.2	5.1	2.67	7.0	0.30
434	FSAZX	Arizona Muni Income	0.50%/30d	11.44	Hold	-0.3	-3.2	0.1	-3.2	4.6	5.9	3.12	8.0	0.35						
1534	FCSTX	Calif Limited Term Tax Free ⁶	0.50%/30d	10.59	OK to Buy	-0.1	0.3	0.3	0.3	2.5	3.2	1.19	3.2	0.14						
91	FCTFX	California Muni Income	0.50%/30d	12.27	Hold	-0.2	-1.7	0.4	-1.7	5.8	6.4	3.08	8.0	0.35						
407	FICNX	Connecticut Muni Income	0.50%/30d	11.21	Hold	-0.2	-2.6	0.2	-2.6	3.9	4.9	2.83	7.3	0.32						
2578	FCRDY	Conservative Income Muni		10.02	OK to Buy	0.0	0.2p	--	--	--	--	na	na	--						
36	FLTMM	Interm Municipal Income	0.50%/30d	10.17	OK to Buy	-0.2	-1.5	0.2	-1.5	3.7	4.5	2.14	5.5	0.24						
404	FSTFX	Limited Term Muni Income ⁷	0.50%/30d	10.66	OK to Buy	-0.1	0.1	0.3	0.1	2.2	2.9	0.87	2.8	0.12						
429	SMDMX	Maryland Muni Income	0.50%/30d	10.88	Hold	-0.2	-3.2	0.3	-3.2	3.6	5.3	2.76	7.7	0.32						
70	FDMMX	Mass Muni Income	0.50%/30d	11.79	Hold	-0.2	-3.5	0.2	-3.5	4.5	5.7	3.00	8.4	0.32						
81	FMHTX	Michigan Muni Income	0.50%/30d	11.70	Hold	-0.2	-2.8	0.2	-2.8	4.1	4.8	3.06	6.9	0.29						
82	FIMIX	Minnesota Muni Income	0.50%/30d	11.39	Hold	-0.2	-1.9	0.0	-1.9	3.9	4.8	2.26	6.2	0.27						
37	FHIGX	Municipal Income	0.50%/30d	12.68	OK to Buy	-0.1	-2.9	0.4	-2.9	5.0	6.1	3.16	8.4	0.35						
416	FNJHX	New Jersey Muni Income	0.50%/30d	11.44	Hold	-0.4	-2.9	0.2	-2.9	4.3	5.3	2.79	7.5	0.34						
71	FTFMX	New York Muni Income	0.50%/30d	12.83	Hold	-0.1	-3.0	0.5	-3.0	4.2	5.4	3.04	8.4	0.35						
88	FOHFX	Ohio Muni Income	0.50%/30d	11.48	Hold	-0.3	-3.2	0.0	-3.2	4.4	5.2	3.12	8.4	0.34						
402	FPXTX	Pennsylvania Muni Income	0.50%/30d	10.77	Hold	-0.2	-2.5	0.4	-2.5	4.7	5.1	2.98	7.5	0.33						
90	FTABX	Tax-Free Bond	0.50%/30d	10.97	OK to Buy	-0.1	-2.8	0.3	-2.8	5.2	6.2	3.28	8.6	0.36						

Note: Yields on municipal bond and money market funds are not directly comparable to yields on taxable funds. In muni funds your effective yield will be higher as your tax-bracket increases.

TAXABLE MONEY MARKET FUNDS			Total Return (%)		SEC %Yield	MUNICIPAL MONEY MARKET FUNDS			Total Return (%)		SEC %Yield
			Nov	YTD					Nov	YTD	
55	FDRXX	Cash Reserves	0.00	0.01	0.01	457	FSPXX	California AMT Tax-Free	0.00	0.01	0.01
631	FGMXX	Retirement Gov't MM	0.00	0.01	0.01	418	FCMXX	Connecticut Muni MM	0.00	0.01	0.01
630	FRTXX	Retirement MM	0.00	0.01	0.01	426	FMSXX	Mass AMT Tax-Free	0.00	0.02	0.01
458	SPAXX	Government MM	0.00	0.01	0.01	74	FDMXX	Massachusetts Muni MM	0.00	0.01	0.01
454	SPRXX	Money Market	0.00	0.01	0.01	420	FMIXX	Michigan Muni MM	0.00	0.02	0.01
85	FSLXX	Select MM	0.00	0.01	0.01	10	FTEXX	Municipal Money Market	0.00	0.01	0.01
50	FGRXX	U.S. Gov't Reserves	0.00	0.01	0.01	417	FNJXX	New Jersey Muni MM	0.00	0.01	0.01
415	FDLXX	Treasury Only MM	0.00	0.01	0.01	423	FSJXX	New Jersey AMT Tax-Free	0.00	0.01	0.01
MUNICIPAL MONEY MARKET FUNDS						92	FNYYX	New York Muni MM	0.00	0.01	0.01
460	FIMXX	AMT Tax-Free Money Fnd	0.00	0.03	0.01	422	FSNXX	New York AMT Tax-Free	0.00	0.02	0.01
433	FSAXX	Arizona Muni MM	0.00	0.01	0.01	419	FOMXX	Ohio Muni MM	0.00	0.01	0.01
97	FCFXX	California Muni MM	0.00	0.01	0.01	401	FPTXX	Pennsylvania Muni MM	0.00	0.01	0.01
						275	FMOXX	Tax-Free Money Market	0.00	0.01	0.01

FIDELITY SCORECARD

DECEMBER 31, 2013

Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	SPrice (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
							Dec	YTD	3 Mo.	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
Model Portfolios	Annuity Sector Model						3.2	36.2	10.8	36.2	15.2	21.4	1.21
	Annuity Growth Model						2.3	27.2	7.6	27.2	13.6	16.6	1.13
	Annuity Growth & Income Model						1.5	17.8	4.8	17.8	9.9	13.6	0.79
	Annuity Income Model						0.2	1.2	2.5	1.2	6.1	9.5	0.39
9067	FLRQC	Fid VIP Asset Manager	Allocation		16.43	Hold	1.4	15.3	5.1	15.3	7.9	13.0	0.75
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation		16.66	Hold	2.0	22.0	7.0	22.0	9.5	15.0	1.03
9069	FJBAC	Fid VIP Balanced	Allocation		17.72	Buy	1.3	19.2	6.5	19.2	9.5	16.4	0.93
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	20.47	Buy	2.6	40.7	9.1	40.7	18.6	24.7	1.13
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	18.14	Hold	0.9	21.4	6.5	21.4	14.6	15.8	0.86
9065	FPDFC	Fid VIP Contrafund	Large Growth		18.58	Hold	2.8	30.8	10.0	30.8	13.8	18.4	1.06
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Growth		15.97	Buy	1.7	37.8	9.7	37.8	17.2	19.6	1.40
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		20.34	Buy	2.6	38.2	12.1	38.2	17.9	21.3	1.12
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	1.00%/60d	8.50	Hold	-0.6	3.5	3.7	3.5	-2.4	13.8	1.58
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	18.18	OK to Buy	1.7	24.0	3.2	24.0	7.1	16.6	1.86
9061	FLOLC	Fid VIP Equity-Income	Large Value		15.88	OK to Buy	2.1	27.7	7.2	27.7	14.5	17.5	0.98
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	9.78	Buy	3.3	33.4	11.3	33.4	10.7	13.0	1.54
9157	FMPAC	Fid VIP FundsManager 20	Allocation		13.52	Hold	0.4	5.4	2.0	5.4	4.2	6.0	0.27
9158	FMPBC	Fid VIP FundsManager 50	Allocation		14.47	Hold	1.3	14.7	4.5	14.7	7.7	10.6	0.59
9197	FMPPC	Fid VIP FundsManager 60	Allocation		13.40	Hold	1.6	18.3	5.6	18.3	8.8	12.2	0.70
9159	FMPCC	Fid VIP FundsManager 70	Allocation		14.64	Hold	1.9	21.5	6.2	21.5	9.9	13.5	0.83
9160	FMPDC	Fid VIP FundsManager 85	Allocation		14.55	Hold	2.4	27.4	7.5	27.4	11.1	15.3	1.00
9062	FMNDC	Fid VIP Growth	Large Growth		17.86	OK to Buy	3.1	35.9	8.2	35.9	15.8	19.7	1.17
9070	FLFNC	Fid VIP Growth & Income	Large Blend		17.75	Buy	2.0	33.2	9.3	33.2	16.8	18.3	1.02
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		18.38	Buy	3.0	37.5	6.6	37.5	18.7	24.5	1.26
9078	FPVDC	Fid VIP Growth Stock	Large Growth		19.27	Buy	2.9	34.4	10.9	34.4	16.8	22.4	1.12
9077	FQBRC	Fid VIP Growth Strategies	Mid Growth		15.94	Hold	3.0	36.6	9.4	36.6	11.4	19.1	1.35
9084	FPDRC	Fid VIP Health Care	Sector	1.00%/60d	25.47	Buy	2.2	55.6	12.9	55.6	26.5	25.6	1.08
9060	FBBLC	Fid VIP High Income	High-Yield Bond		17.50	Buy	0.4	5.7	3.2	5.7	7.6	15.3	0.52
9064	FXVLT	Fid VIP Index 500	Large Blend		17.47	Hold	2.5	31.9	10.4	31.9	15.8	17.6	1.00
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	24.65	Buy	4.3	39.4	11.6	39.4	16.5	23.6	1.34
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	1.00%/60d	15.04	Buy	2.6	21.2	7.9	21.2	9.9	18.9	1.48
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		14.42	Buy	-0.6	-2.0	-0.1	-2.0	3.4	6.6	0.24
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	18.30	Buy	3.9	21.8	8.5	21.8	10.1	24.9	1.60
9071	FNBSC	Fid VIP Mid Cap	Mid Growth		20.68	OK to Buy	3.8	35.8	10.1	35.8	11.4	19.9	1.20
9059	FTNJC	Fid VIP Money Market	Money Mkt		11.39	--	-0.1	-0.3	-0.1	-0.3	-0.2	-0.0	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	1.00%/60d	15.68	OK to Buy	3.2	30.1	8.6	30.1	8.9	12.9	1.50
9072	FFWKC	Fid VIP Real Estate	Sector		16.12	OK to Sell	0.6	1.6	-0.6	1.6	8.9	18.2	1.42
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		16.68	Buy	-0.1	0.0	1.5	0.0	4.8	10.3	0.37
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	21.87	OK to Buy	4.9	27.4	8.5	27.4	10.3	27.3	1.36
9173	FVTAC	Fid VIP Telecommunications	Sector	1.00%/60d	12.71	OK to Buy	2.9	21.0	6.4	21.0	12.3	19.6	1.01
9087	FXRRC	Fid VIP Utilities	Sector	1.00%/60d	18.85	OK to Sell	2.7	20.7	5.1	20.7	13.4	13.2	0.87
9079	FKMSC	Fid VIP Value	Mid Value		16.45	Buy	2.2	32.1	8.2	32.1	15.7	20.9	1.12
9080	FUEBC	Fid VIP Value Leaders	Large Value		13.50	OK to Buy	3.2	34.7	11.0	34.7	12.0	14.4	1.22
9073	FRBSC	Fid VIP Value Strategies	Mid Value		18.14	Buy	2.5	30.1	9.4	30.1	14.5	24.4	1.35
9347	FBMEC	Black Rock Global Allocation	Global Allocation		11.62	OK to Sell	1.2	14.3	5.0	14.3	6.5	9.8	0.80
9349	FTMEC	Franklin Templeton Gobl Bond	Global Bond		10.93	Buy	1.1	1.4	2.3	1.4	4.8	9.2	0.75
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't		9.89	Hold	-0.5	-2.6	-0.5	-2.6	1.5	2.4	0.17
9285	FIGXC	Invesco Global Core Eqty	Global Stock		11.14	OK to Sell	1.6	22.1	7.6	22.1	7.2	9.6	1.26
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts		15.55	Hold	-0.7	-1.3	1.5	-1.3	-0.4	15.5	1.57
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		15.89	Hold	0.4	-9.0	0.4	-9.0	4.6	10.2	0.70
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts		13.15	Hold	-1.5	-1.3	1.7	-1.3	-1.2	14.2	1.40
9146	FPRPC	Morgan Stanley Gbl Tactical Alloc	Diversified Int'l		12.17	Hold	0.9	15.7	5.1	15.7	8.1	12.0	0.85
9346	FPMEC	Pimco Commodity Real Return	Commodities		8.68	OK to Sell	0.0	-14.9	-2.4	-14.9	-6.2	7.7	1.38
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond		11.32	Buy	-0.4	-0.4	0.5	-0.4	2.0	--	0.21
9277	FPNBC	Pimco VIT Real Return	TIPS		12.15	OK to Sell	-1.6	-9.5	-2.3	-9.5	3.0	--	0.48
9278	FPOBC	Pimco VIT Total Return	Intermed Bond		12.07	Buy	-1.0	-2.3	-0.1	-2.3	3.4	--	0.30

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Industrials	24%	VIP Growth Opps	23%	VIP Growth Opps	27%	VIP High Income	33%
VIP Health Care	23	VIP Growth & Income	20	VIP High Income	22	VIP Investment Grade	25
VIP Cons Discretionary	22	VIP Value	19	VIP Value	20	VIP Balanced	22
VIP Materials	16	VIP Disciplined Sm Cap	16	VIP Growth & Income	16	Pimco VIT Low Duration	20
VIP Financial Services	15	VIP Dynamic Cap App	13	VIP Investment Grade	15		
		VIP Growth Stock	9				
Total Return:		Total Return:		Total Return:		Total Return:	
Dec: 3.2% 2013: 36.2%		Dec: 2.3% 2013: 27.2%		Dec: 1.5% 2013: 17.8%		Dec: 0.2% 2013: 1.2%	

2013 YEAR-END DISTRIBUTIONS

Over the past few years, stock funds have used their tax-loss carry forward (garnered from the 2008 correction) to offset gains incurred during four of the past five years. So, while year-end distributions were heavy in 2012, 2013's gains mean another good year for Uncle Sam (and for investors holding taxable accounts, because we'd all rather pay taxes

on gains than pay nothing on losses, right?).

Bond funds have had a different experience. Until 2013, most hadn't experienced a loss in over a decade. As a result, they've seen year-end distributions all along. Therefore, even with bond funds down last year, those that have gone "ex" paid small capital gains in 2013. Of course, the least fortunate

scenario is when a fund is down considerably and new shareholders must pay taxes on someone else's prior gains. Consider **Latin America**. Down 17.2% in 2013, its 5-year average annual return is 10.1%. With not enough losses to offset its gains, 2013's distribution amounts to over 20% of the fund's NAV! ■

Fund	Ex-Date	Dist\$	NAV\$
Air Transportation	12/20	0.943	59.02
Arizona Muni Income	12/6	0.031	11.45
Asset Manager 20%	12/13	0.337	13.19
Asset Manager 30%	12/13	0.211	10.32
Asset Manager 40%	12/13	0.315	10.46
Asset Manager 50%	12/13	0.976	17.13
Asset Manager 60%	12/13	0.626	10.84
Asset Manager 70%	12/13	0.299	19.83
Asset Manager 85%	12/13	0.588	16.42
Automotive	12/20	0.881	55.21
Balanced	12/13	0.362	22.08
Banking	12/20	0.687	25.83
Biotechnology	12/6	0.405	178.44
Blue Chip Growth	12/13	1.381	60.75
Blue Chip Value	12/13	0.067	14.01
Brokerage & Invest	12/20	0.404	73.08
Calif Sht-Int Tax Free	12/6	0.021	10.60
Canada	12/6	0.559	56.73
Capital & Income	12/6	0.063	9.77
Capital Appreciation	12/6	3.641	35.00
Chemicals	12/20	6.112	141.82
China Region	12/6	3.685	33.76
Comm Equip	12/6	0.200	28.48
Computers	12/20	0.487	72.58
Conn Muni Income	12/20	0.127	11.22
Cons Discretionary	12/20	2.642	32.46
Const & Housing	12/20	4.146	52.85
Consumer Finance	12/20	1.654	16.10
Consumer Staples	12/20	4.562	88.70
Contrafund	12/13	6.715	92.57
Convertible Securities	12/13	0.167	30.72
Convertible Securities	12/30	0.205	30.93
Defense & Aero	12/20	5.483	120.30
Disciplined Equity	12/6	0.957	31.56
Diversified Int'l	12/6	0.552	35.60
Dividend Growth	12/13	0.962	33.94
Electronics	12/6	0.320	60.08
Electronics	12/30	0.064	62.69
EMEA	12/6	0.133	8.99
Emerg Mkts Disc	12/6	0.385	12.17
Emerging Asia	12/6	0.387	30.63
Emerging Markets	12/6	0.004	23.92
Emerging Markets	12/26	0.015	23.79
Energy	12/20	6.751	55.13
Energy Service	12/6	0.166	84.20
Energy Service	12/26	0.010	84.34
Environment & Alt Ergy	12/6	0.143	21.97
Equity Dividend Inc	12/13	0.140	23.61
Equity-Income	12/13	0.445	56.46
Europe	12/6	0.544	37.22
Europe Capital App	12/6	0.366	22.53
Event Driven Opps	12/27	0.007	10.27
Export and Multi	12/6	0.410	23.82
Fidelity Fund	12/13	1.163	41.03
Financial Services	12/20	0.677	80.58
Floating Rate High Inc	12/6	0.036	9.95
Focused High Income	12/6	0.207	8.99
Focused Stock	12/6	1.134	18.97
Four-in-One Index	12/27	0.719	35.50

Fund	Ex-Date	Dist\$	NAV\$
Glb Commod Stk	12/6	0.201	13.71
Global Balanced	12/13	2.226	24.05
Global Eqty-Inc	12/6	0.305	11.99
Global High Inc	12/6	0.098	10.01
Global Strategies	12/27	0.469	9.54
Government Income	12/13	0.007	10.22
Growth & Income	12/13	0.129	26.77
Growth Company	12/6	8.170	116.52
Growth Strategies	12/13	0.051	27.29
Health Care	12/20	16.000	185.24
High Income	12/6	0.064	9.36
Independence	12/13	0.110	34.68
Industrial Equipment	12/20	3.057	44.92
Industrials	12/20	1.197	33.09
Inflation-Protected	12/20	0.240	11.97
Insurance	12/20	3.862	67.58
Interm Gov't Inc	12/20	0.006	10.57
Interm Muni Income	12/20	0.019	10.19
International Growth	12/6	0.059	10.83
International Value	12/6	0.211	8.70
Int'l Cap App	12/6	0.119	16.16
Int'l Discovery	12/6	0.784	38.85
Int'l Enchanced	12/13	0.144	8.26
Int'l Real Estate	12/13	0.193	9.86
Int'l Small Cap	12/6	0.689	26.15
Int'l Small Cap Opps	12/6	0.170	13.54
IT Services	12/20	0.938	36.62
Japan	12/6	0.114	11.91
Japan Smaller Cos	12/6	0.328	13.34
L Cap Core Enhcd	12/13	1.410	10.81
L Cap Growth Enhcd	12/13	0.658	13.44
L Cap Value Enhcd	12/13	0.548	9.76
Large Cap Stock	12/6	0.542	26.34
Latin America	12/6	6.911	30.78
Latin America	12/26	0.050	30.81
Leisure	12/20	5.960	131.37
Leveraged Co Stock	12/6	0.117	41.96
Low-Priced Stock	12/13	1.038	47.79
Ltd Term Gov't	12/20	0.036	10.00
Magellan	12/6	6.139	90.01
Maryland Muni Inc	12/6	0.017	10.88
Mass Muni Income	12/6	0.010	11.79
Materials	12/20	2.002	82.69
Medical Delivery	12/20	3.199	71.77
Medical Equipment	12/20	3.099	35.14
Mega Cap Stock	12/13	0.307	14.81
Michigan Muni Inc	12/20	0.056	11.70
Mid Cap Enhanced	12/13	0.504	12.77
Mid Cap Value	12/13	2.041	21.60
Mid-Cap Stock	12/13	0.907	37.71
Minnesota Muni Inc	12/20	0.016	11.40
Multimedia	12/20	2.482	78.42
Municipal Income	12/20	0.018	12.68
Nasdaq Comp Index	12/13	0.889	52.78
Natural Gas	12/20	0.315	37.34
Natural Gas	12/30	0.324	37.46
Natural Resources	12/20	0.972	36.26
New Jersey Muni Inc	12/20	0.063	11.44

Fund	Ex-Date	Dist\$	NAV\$
New Markets Income	12/20	0.214	15.61
New Millennium	12/13	2.000	37.60
New York Muni Inc	12/6	0.011	12.82
Nordic	12/6	2.626	42.29
Ohio Muni Income	12/20	0.117	11.49
OTC	12/13	3.736	73.19
Overseas	12/6	0.689	38.61
Pacific Basin	12/6	4.090	27.44
Pacific Basin	12/26	0.021	27.33
Penn Muni Income	12/20	0.040	10.78
Pharmaceuticals	12/20	1.669	18.84
Puritan	12/13	0.453	20.65
Real Estate Income	12/13	0.300	10.98
Real Estate Invest	12/13	0.304	31.23
Real Estate Invest	12/26	0.003	32.01
Retailing	12/20	1.940	86.41
S Cap Enhanced	12/13	0.565	12.10
Short-Int Muni Income	12/20	0.007	10.67
Sm Cap Discvry	12/6	0.857	30.96
Small Cap Growth	12/6	1.038	18.70
Small Cap Stock	12/6	1.153	20.27
Small Cap Value	12/6	0.704	19.62
Software	12/20	5.604	116.72
Spartan 500 Index	12/13	0.333	62.85
Spartan Int'l Index	12/13	0.995	38.64
Sptn EM Index	12/13	0.183	9.42
Sptn EM Index	12/26	0.002	9.46
Sptn Ext Mkt Index	12/13	1.296	51.03
Sptn Gbl ex-US	12/13	0.209	11.85
Sptn Gbl ex-US	12/26	0.001	12.23
Sptn Infla-Prot	12/27	0.048	9.34
Sptn Interm Treas	12/20	0.019	10.64
Sptn Mid Cap Index	12/13	0.201	15.18
Sptn Real Estate Idx	12/13	0.124	11.35
Sptn Sht-Term Treas	12/20	0.021	10.44
Sptn Small Cap Index	12/13	0.216	15.71
Sptn Total Mkt. Index	12/13	0.678	51.89
Stk Sel All Cap	12/13	2.260	34.04
Stk Sel Mid Cap	12/13	0.070	29.15
Stk Sel Small Cap	12/6	1.265	25.33
Stl Sel Lge Cap Value	12/13	0.225	14.66
Strategic Divi & Inc	12/13	0.207	13.67
Strategic Income	12/13	0.138	10.87
Strategic Real Return	12/13	0.123	9.15
Technology	12/6	8.888	117.79
Telecom & Utilities	12/6	0.106	21.63
Telecommunications	12/20	1.080	58.98
Total Emerg Mkts	12/6	0.197	11.09
Total Int'l Equity	12/6	0.303	7.96
Transportation	12/20	1.827	72.91
Trend	12/20	11.797	85.27
Ultra-Short Bond	12/20	0.001	8.25
Utilities	12/6	1.691	65.67
Value	12/6	1.028	100.37
Value Discovery	12/13	0.114	20.87
Value Strategies	12/13	0.329	39.41
Wireless	12/6	0.099	10.14
Worldwide	12/6	2.066	23.65

growing and riskier fare. Whereas the average active large-cap fund advanced 35.1% last year (a figure skewed higher because 60% are growth-oriented), mid-caps gained 35.5% and small-caps 37.3%. And when a small-cap play was flavored with tech and biotech, the result was truly impressive: **Small Cap Growth** skyrocketed 44.5%!

Needless-to-say, all of Fidelity's stock funds were in the black last year, and all exceeded their prior year's gains, too.

Looking at the most widely held funds, the \$74 billion **Contrafund**, finished ahead of its S&P 500 benchmark with a return of 34.2%, and with the lowest risk (1.00) among his peers.

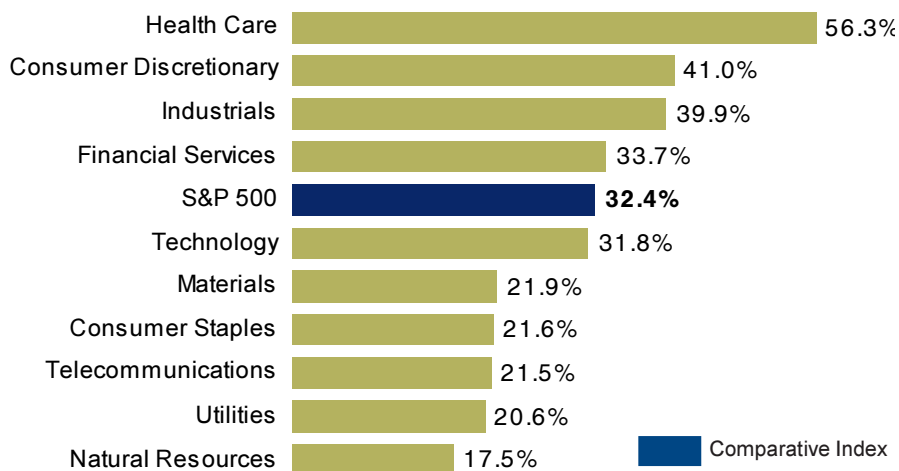
As an aside, Contra's Will Danoff got a little indirect help late in 2013 when up-and-coming star John Roth (**New Millennium** and **Mid-Cap Stock** — up 37.2% and 39.0%, respectively) became co-manager of Will's Advisor New Insights fund. Does this move make John heir-apparent to Contra? We'd say yes.

Next after Contra in assets is Joel Tillinghast's \$30 billion **Low-Priced Stock**. Though benchmarked against the small-cap Russell 2000, it is really a mid-cap fund. Its 34.3% return lagged the 38.8% for its official benchmark, but was close to the Russell Midcap's gain of 34.8%. Holding back performance was its 13% foreign stake, and underweights in health care, industrials and certain financials.

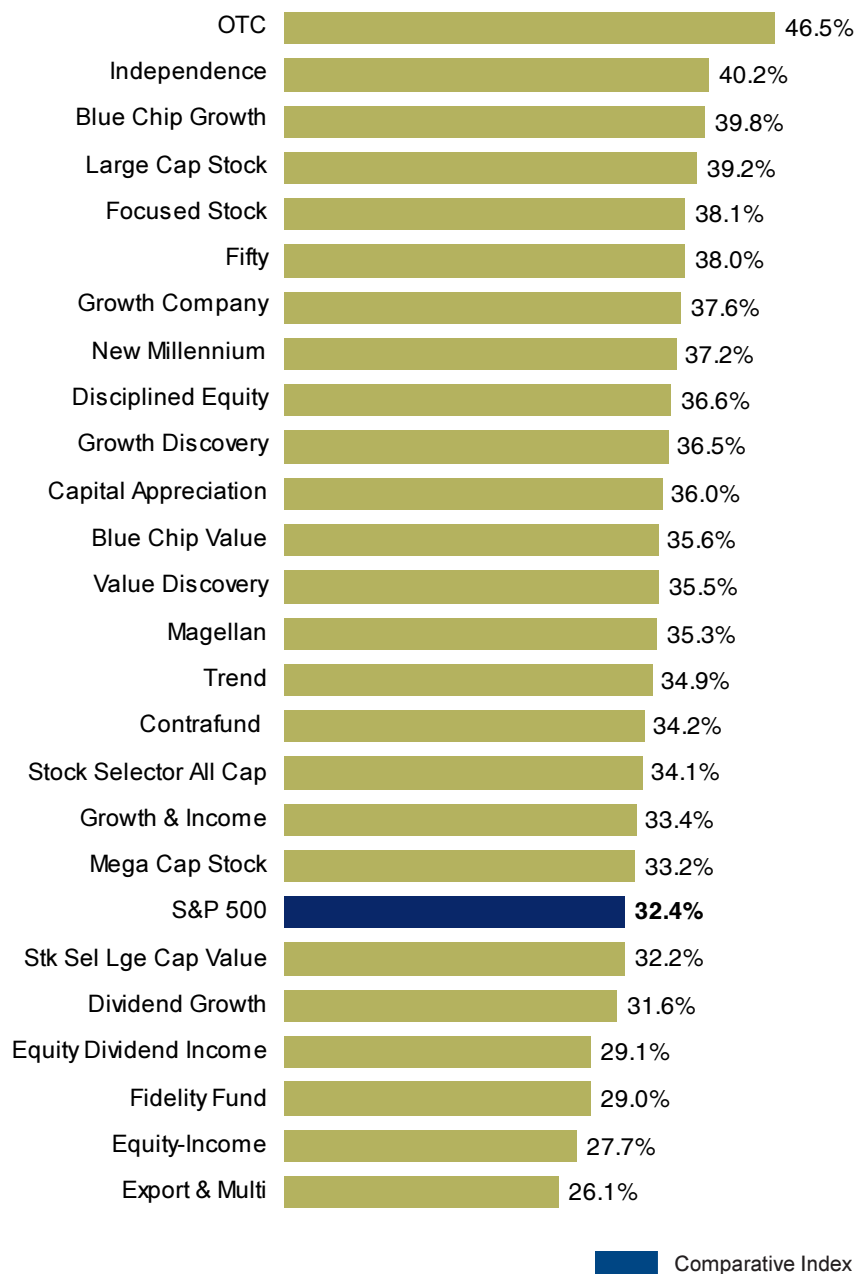
The perennially closed **Growth Company** (\$23 billion) surpassed its Russell 3000 Growth benchmark last year by 3.4 percentage points as it gained 37.6%. Of course, given Manager Steve Wymer's 16-year record, that's no surprise.

As for sentimental favorite **Magellan** (\$13 billion), Manager Jeff Feingold completed his second year of beating the S&P 500 with a gain of 35.3%. While hardly a shoot-the-

2013 BROAD SELECT FUND RETURNS



2013 LARGE-CAP STOCK FUND RETURNS



lights-out performance, he's certainly earning his paycheck.

At the bottom of the performance chart are a number of dividend-rich funds. While **Equity Dividend Income**, **Equity-Income** and **Growth & Income** did fine in absolute terms (gaining 29.1% and 27.7% and 33.4%, respectively), rising bond yields made the dividends from their underlying stocks somewhat less attractive. And, because they tend to hold very large, stable companies (as well as higher yielding telecoms and utilities), the market's bias for faster earnings growth worked against them.

Select Funds

On the facing page, we show the returns for Fidelity's 10 major industry funds. While all of them were positive in 2013, it's valuable to drill deeper into their respective subsectors to get a better feel of the market's biases.

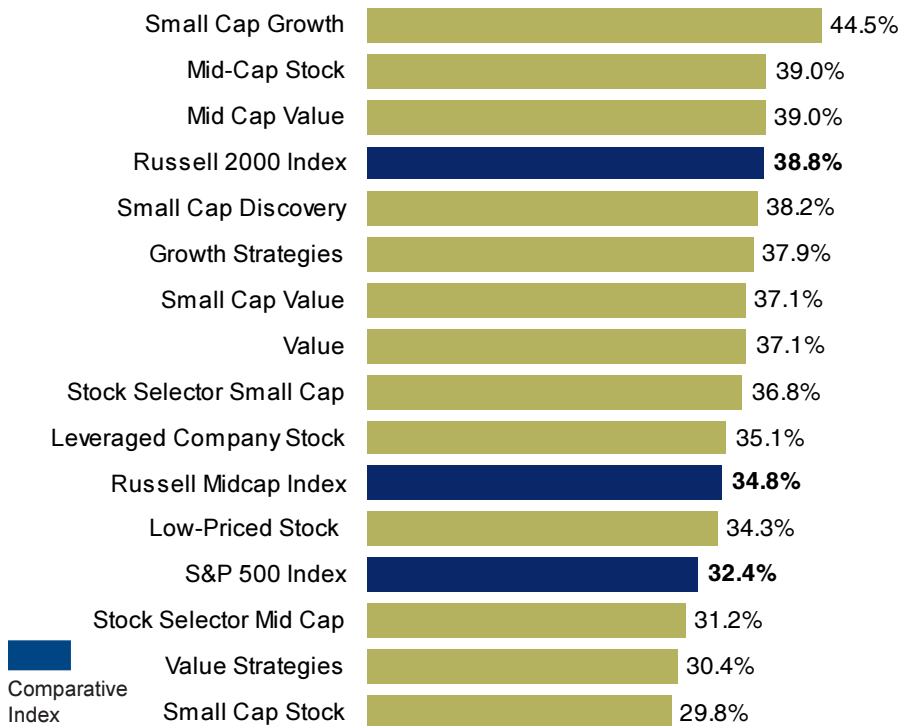
For example, **Materials** gained 21.9%, in part because the chemicals subsector fared substantially better than its other component, gold. Indeed, **Chemicals** gained 29.9% last year while **Gold** lost half its value. (The "safe-harbor" commodity lost almost a third of its value as inflation fears and worries about the dollar dissipated.)

On a more positive note, health care was the top performer because biotech surged. Notably, **Biotech** outperformed all other Selects with its 65.7% return. (For the record, this is the fund's fifth straight year of gains and in our view it has grown "frothy.")

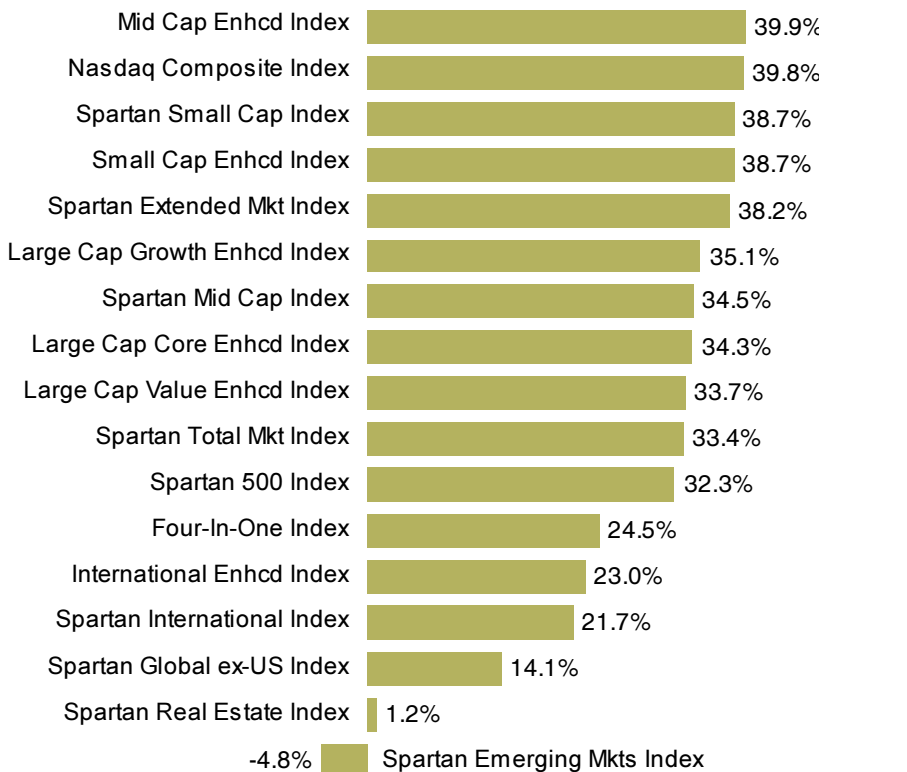
A big winner we're more comfortable with for 2014 is **Consumer Discretionary** (up 41.0%), a beneficiary of improving economic conditions. Among its subsectors, **Leisure** (up 41.7%), **Multimedia** (up 45.7%) and **Automotive** (up 46.7%) reflect the fund's strong underpinnings.

Switching to **Technology** (up 31.8%), few could quibble with last year's gains, but the more narrow **IT Svcs** and **Software & Computer Svcs** (up 53.1% and 51.1%, respec-

2013 MID- AND SMALL-CAP STOCK FUND RETURNS



2013 EQUITY INDEX FUND RETURNS



tively) fared much better. Likewise, **Industrials** (up 39.9%) was a great place to park your assets. But cyclicals like **Air Transportation** (up 50.7%) and **Transportation** (up 48.4%) provided a better ride.

Fidelity's 39 Selects returned an

average of 34.7% last year — 62% beat the S&P 500. That makes Selects fertile ground for maximizing returns, though their elevated risk must be considered. (Our Select Model

Fund Commentary *cont'd on page 14*

gained 37.5% last year — see p. 2).

International Funds

In September 2012, the new and permanent European Stability Mechanism (ESM) supplanted an alphabet soup of prior bailout programs that were also meant to address the global financial crisis which erupted three years earlier. Although European stocks had already rallied smartly in 2012, the ESM's commitment of 700 billion euros in AAA-rated bonds now stood at the ready to stabilize the balance sheets of Eurozone countries.

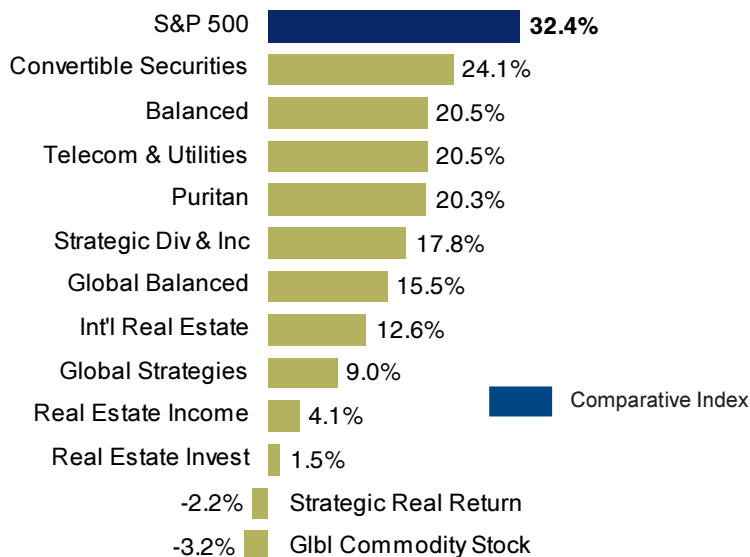
The political and economic highwire act worked. With only minimal GDP growth across the continent, stocks nonetheless soared: Fidelity's **Europe** fund and its soon-to-be-merged clone, **Europe Cap App**, gained 26.3% and 25.8%, respectively. (Almost a third of their assets were invested in weaker-performing U.K. stocks.)

More broadly, **Diversified Int'l** rose 25.2% as it benefited from its own Euro-bias. Moreover, its large slug in Japan (about 20%) hardly held it back. Notably, **Japan** fund gained 23.7% last year and **Japan Smaller Companies** skyrocketed 51.8%. (A weaker yen translated into smaller gains for US investors, though it helped Japanese exports. Moreover stimulative spending via "Abenomics" spurred GDP growth.)

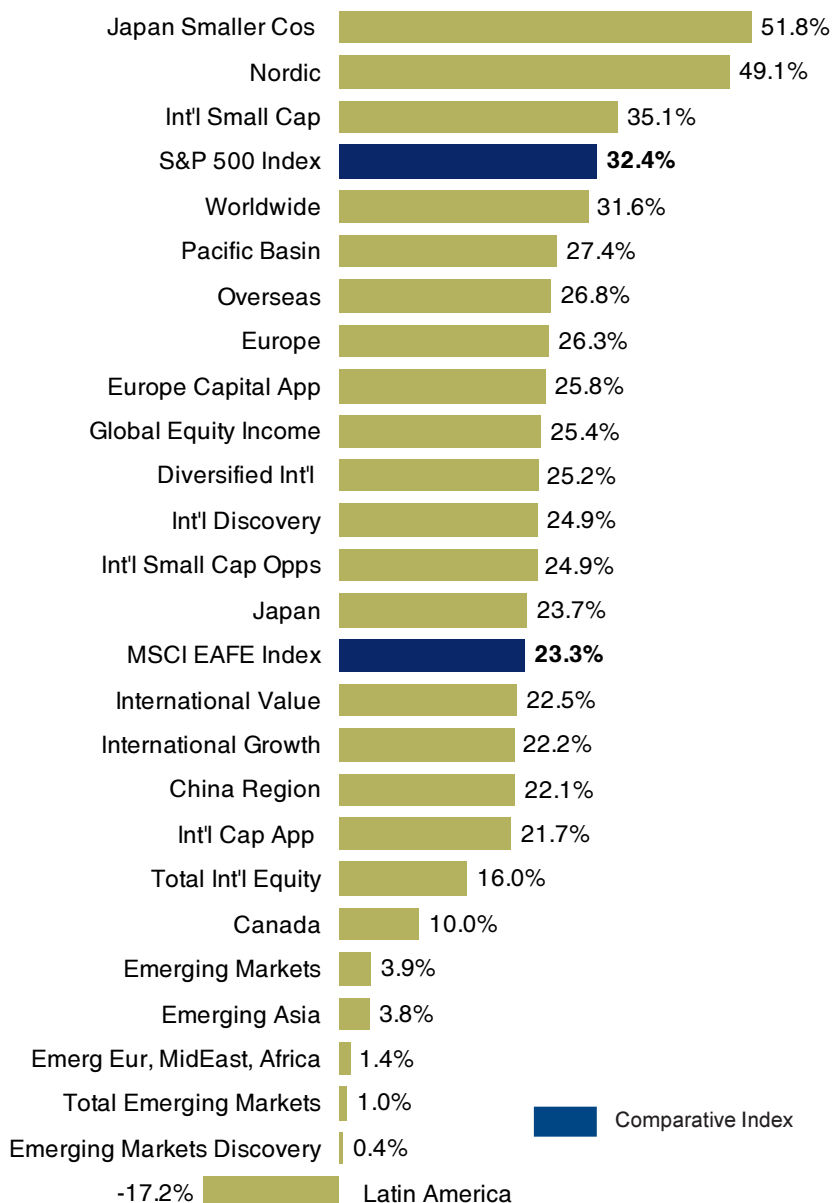
Elsewhere in Asia, **China Region** got off to a slow start in 2013 amid concerns of slowing growth, but it rallied to a year-end gain of 22.1% as smart stock selection added value.

Most emerging markets, however, struggled. Fears that the US and other central banks would alter their accommodative monetary policies pushed US interest rates higher and EM currencies lower against the dollar. Amid slow global growth, commodity prices also fell. The latter even weighed on **Canada** fund which gained just 10%.

2013 SPECIALTY FUND RETURNS



2013 INTERNATIONAL FUND RETURNS



Fixed Income Funds

The mere thought of the Fed “tapering” (and perhaps tweaking interest rates higher) was all that it took to send interest rates higher and end the four-year-old bond rally. With rates on the rise, the longer a bond fund’s duration (a measure of its interest-rate sensitivity), the more it fell.

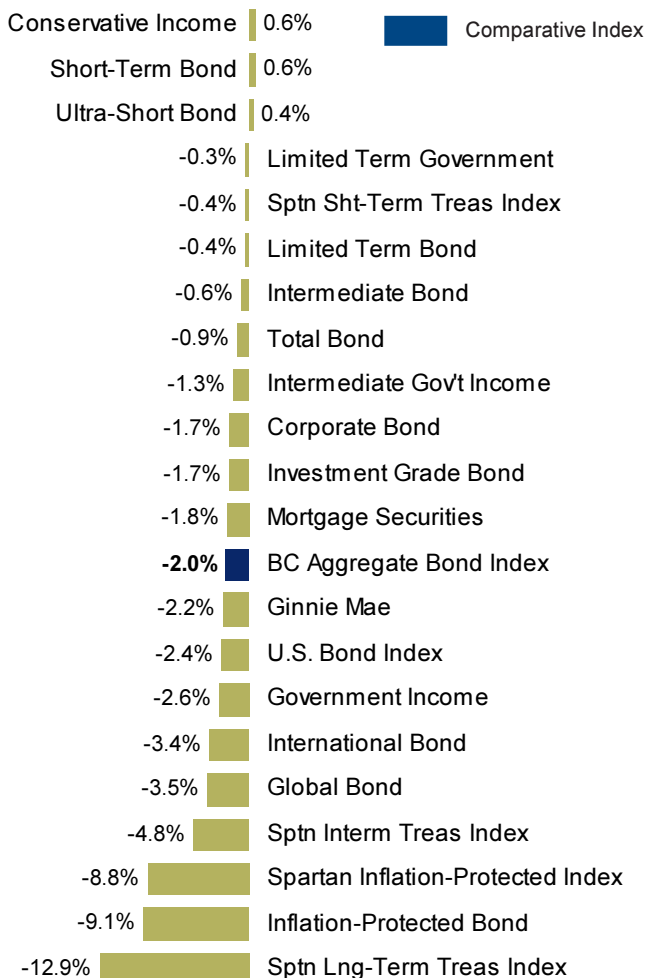
The worst of the lot was **Spartan Long-Term Treasury Index** whose 16 year duration translated into a decline of 12.9%. At the other end of the spectrum, **Short-Term Bond** and the closed **Ultra-Short Bond** were among three funds to manage fractional gains. Among munis, the story was much the same as only funds with the shortest of maturities (see *Score-card*) were able to squeeze out minuscule gains.

Of course, the high-yield market was (and is) an altogether different animal. More economically sensitive than they are interest-rate-sensitive, the improving economy more than made up for the rise in rates, as firms continued their balance sheet repair and default rates declined. So it followed that Fidelity’s all-bond **High Income** fund gained a solid 6.7%. Supercharged with a stake in stocks that jumped from 8% at the start of the year to 18% by year-end, **Capital & Income** gained 9.7%. **New Markets Income** (down 6.4%) suffered as investors who had embraced emerging market bonds in search of higher yields, fled those markets once US interest rates began to climb.

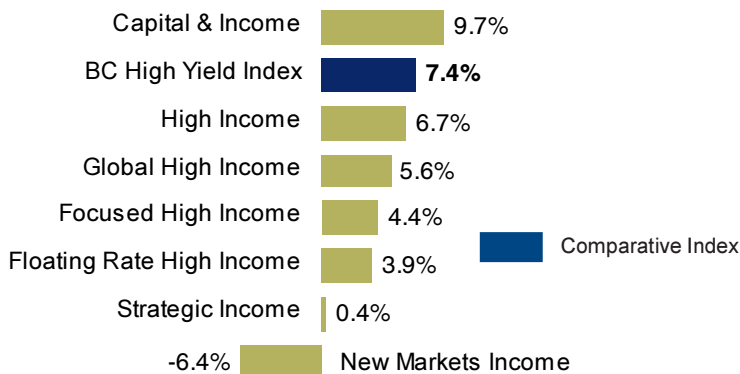
Finally, the only real news about money market funds (apart from the fact that they still yield essentially nothing) is that the SEC continues to propose that certain varieties have floating NAVs rather than a fixed \$1.00 NAV, and that liquidity and redemption fees be imposed. If approved, such changes are likely a year or more away. In the meantime, Fidelity’s money funds continue to provide safety and liquidity for your cash. ■

— John Bonnanzio

2013 TAXABLE BOND FUND RETURNS

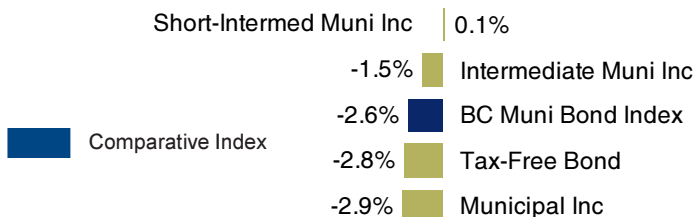


2013 HIGH-YIELD BOND FUND RETURNS



Short Duration High Income not shown due to partial year returns.

2013 MUNICIPAL BOND FUND RETURNS



Conservative Income Muni not shown due to partial year returns.

Inside Fidelity

Manager Changes — At the end of most years, Fidelity rearranges the responsibilities of its fund managers, especially those running Selects. Although sector-specific career paths have been created for analysts and managers, Selects remain a training ground for those who may one day run more diversified equity funds.

Of course, manager jobs also open up because of retirements, new responsibilities (inside or outside Fidelity), or the manager being pushed aside. In the closing days of 2013, a few of these scenarios played out:

Dividend Growth — Larry Rakers, who has run this fund for five years, plus **Convertible Securities**, several balanced funds and an array of sector funds before that, is being “kicked upstairs.” That’s no euphemism. Said Larry’s boss to us, “we’re parting ways in a positive fashion.” Indeed, Larry’s moving to Fidelity’s asset allocation division where he’ll help manage \$130 billion in assets.

As a consequence of that move, **Global Equity Income’s** Ramona Persaud now runs Dividend Growth.

While it’s uncommon at Fidelity

DIVIDEND UPDATE

In addition to monthly dividends paid by bond and money market funds and Asset Mgr: 20%/30%, the following funds are scheduled for a distribution (if any) in January 2014:

Convert Secs, CT Muni Inc, Equity Div Inc, Growth Co, Growth Strategies, Independence, Ltd Term Gov’t, Muni Inc, Nasdaq Comp Index, NJ Muni Inc, New Millennium, Stock Selector Mid Cap, Strategic Dividend & Income.

The final year-end distributions for December are shown on page 11.

for a manager to oversee a foreign and domestic stock fund, Ramona tells us that such a crossover makes plenty of sense. The funds’ investment objectives mix income and growth, and both funds’ strategies entail owning large, high-quality dividend-paying companies that should provide the shareholder with reduced portfolio volatility and downside protection.

A colleague of Rakers for 10 years, Ramona has been working with him to modestly reduce Dividend Growth’s risk profile. With over a third of Global Equity Income’s assets in US stocks, we expect to see some overlap.

We continue to rate “Global” *OK to Buy* while Dividend Growth remains a *Hold*.

Disciplined Equity — With malice toward none, it’s taken Fidelity too long to formalize its correct decision to promote co-manager Alex Devereaux to lead this long-suffering fund. (See our update on page 8.)

VIP Balanced — Fidelity’s Stock Selector Large Cap Team, which has been successfully led by Bob Stansky (formally of **Magellan**), and which has had oversight of **Balanced** fund and **VIP Contrafund**, now oversees its counterpart the heretofore more volatile VIP Balanced fund. This move was instigated by Larry Raker’s departure as lead manager. With this change, we anticipate VIP Balanced becoming less risky.

Advisor Capital Development — Normally, we wouldn’t comment on this advisor-sold fund. However, because one of Fidelity’s best managers (and a personal favorite of ours) has been assigned to run it, it’s worthy of this comment: we’re concerned that Matt Fruhan is being stretched too thin. Granted, this and his other charges (including **Mega Cap Stock**, **Large Cap Stock**, **Growth & In-**

OPPORTUNITY KNOCKS?

The just-launched **Event Driven Opportunities** [ticker: FARNX] is Fidelity’s only fund that is benchmarked against the broad Russell 3000 index. It is managed by an academic and relative Fidelity newcomer Arvind Navaratnam who has broad (event-driven) investment latitude that may find him “playing” anything from corporate reorgs to changes in a company’s balance sheet. (While the *Wall St. Journal* has characterized it as treading into the space of hedge funds, that’s untrue as it will neither use leverage or short stocks, and just like any open-end fund, it must report its holdings and meet shareholders’ redemptions.)

While this is a potentially exciting fund that may provide portfolio diversification, new funds are not like over-subscribed IPOs. Indeed, it’s better to wait and see how the manager actually invests your money. For now, we rate it a *Hold*. ■

come and their various clones) have a great deal in common. But despite Fidelity’s assurances that his sprawling portfolio is “not a problem,” another fund further parses this talented manager’s attention. For now, no rating changes are advised.

Fund Merger — **Europe** and the closed **Europe Cap App** have asked shareholders to combine. Ahead of that move, European finance analyst Stefan Lindblad joins Ristead Hogan in managing the funds; the expectation is that they will continue to run the merged fund, which may occur as soon as February.

Separately, Ristead joins Doug Lober on **Canada** fund where performance has been decidedly cool, though stock selection hot. ■

— John Bonnanzio

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