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Years

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16-page Report!

JANUARY 2016

PUBLISHED SINCE 1985

## MESSAGE FROM JACK

### Weak Dollar May Be Gone For A Very Long Time

Ten years ago the U.S. trade deficit was large and growing. The rising price of oil, along with growing imports of consumer goods from China, led to big trade deficits which, in turn, put a lot of downward pressure on the greenback. Today it's a different story. The U.S. is close to becoming a net energy exporter, and the dollar value of the oil we import is shrinking. Also, as the world's largest exporter of services, we now have a large and fast-growing trade surplus in that segment. Most of it comes from royalties and license fees on software, media, and tech services.



Jack Bowers

Slowly but surely, we are closing our trade gap. Unofficially, we may already be close to surplus territory, as many finished goods counted as imports contain a lot of high-value U.S. components. This is great news except for one problem — we're now going where Germany and Japan have been.

Following World War II, both countries rebuilt and became so successful at manufacturing that their trade surpluses grew to exceed 25% of GDP. That led to sky-high currencies, which in some cases created some very negative side-effects. Fortunately, a strong dollar won't kill off our current expansion, because it's coming at a time when consumer spending (which accounts for 70% of U.S. GDP) is on the rise. Exports of basic materials and agricultural commodities might get hurt, but foreign sales of high-ticket capital goods and intellectual property payments shouldn't see much effect.

But a strong dollar does change the investment landscape. I've long been a staunch proponent of U.S. stocks. But good opportunities are being created in Europe and Japan, especially in finance and health care, where the regulatory overreach is no worse than here. Plus, Fidelity's research has improved overseas, and the added volatility that comes with foreign stocks has greatly diminished. So, in 2016, don't be surprised to see a higher foreign weighting in some of our portfolios.

Sincerely,

## 2016 MARKET OUTLOOK

### Modest Gains For Stocks Amid Heightened Volatility And Risk

In my *2015 Market Outlook*, I suggested high-single digit returns for stocks last year. Okay, so what went wrong?

Let me quickly summarize my arguments in building last year's forecast. I expected that the P/E ratio of the S&P 500 would remain about where it was at the end of 2014 (or tick up a bit), so any gains in stock prices would have to come from earnings growth. At the time, analysts were forecasting 2015 earnings growth of 12.3%. I noted that analysts are frequently too optimistic at the outset of the year, so I cut growth to 7.9%, based on similar reductions in past years. With no change in the P/E, you then get a 7.9% return, plus dividends.

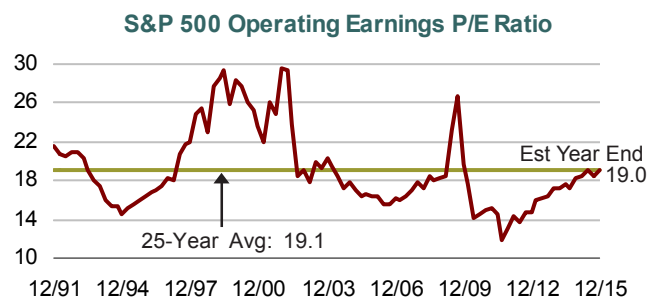
Well, if the fourth quarter comes in as expected (no sure thing even this close in time), actual earnings for 2015 will have *declined* 5.9%.

The culprit? In a word, oil.

With oil prices having already plunged 44% from June through December of 2014, I didn't anticipate a further 31% decline in 2015. Earnings from energy firms plunged. Outside of the energy sector, S&P 500 earnings are expected to be *up* 5.6% — not too far from my forecast. With that backdrop, let's look at 2016's outlook.

### Market Fairly Valued

The P/E on the S&P 500 rose slightly in 2015 to an estimated 19.0 at year's end, right on the 25-year average



of 19.1. While, of course, the P/E can go above average, conditions don't seem ripe for a further increase. For seven

2016 Outlook cont'd on page 3

**Unique Opportunities**

Target Risk: 1.20 (Current: 1.02)

Foreign Holdings: 16.9%

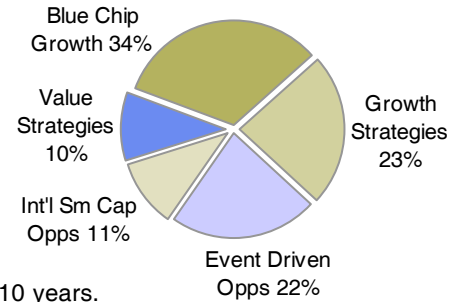
2015 Return: 1.3%

Stocks: 98.7% Bonds: 0.0% Cash: 1.4% Alternatives: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Blue Chip Growth	FBGRX	\$68.97	1,976.30	\$136,305	-0.7%
Growth Strategies	FDEGX	33.28	2,877.05	95,748	-1.7
Event Driven Opps	FARNX	11.00	8,394.85	92,343	-1.7
Int'l Sm Cap Opps	FSCOX	14.92	2,957.94	44,133	0.6
Value Strategies	FSLSX	41.52	1,033.46	42,909	-3.8

**Current Value (3/31/99 = \$100,000)** **\$411,439** **-1.5%**

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



**Select**

Target Risk: 1.20 (Current: 1.04)

Foreign Holdings: 11.4%

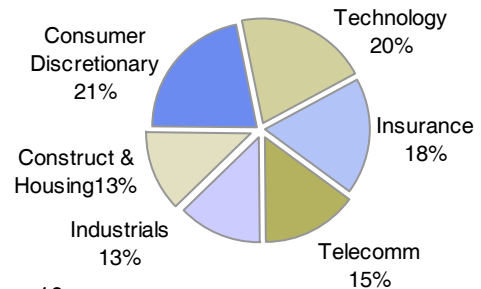
2015 Return: -2.1%

Stocks: 97.6% Bonds: 0.0% Cash: 2.4% Alternatives: 0.0% Yield: 0.5%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Consumer Discretionary	FSCPX	\$34.17	18,204.32	\$622,041	-3.1%
Technology	FSPTX	118.09	4,926.36	581,754	-1.7
Insurance	FSPCX	67.67	7,315.37	495,031	-2.8
Telecommunications	FSTCX	60.54	6,798.41	411,576	0.1
Industrials	FCYIX	29.21	12,295.15	359,141	-2.9
Construction & Housing	FSHOX	58.04	6,134.36	356,038	-3.0

**Current Value (12/31/88 = \$100,000)** **\$2,825,582** **-2.3%**

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



**Growth**

Target Risk: 1.00 (Current: 1.03)

Foreign Holdings: 9.6%

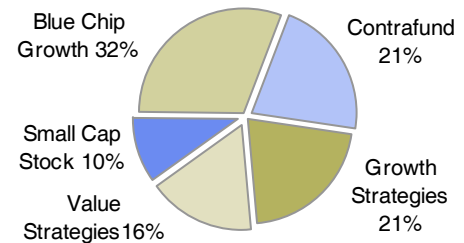
2015 Return: 1.6%

Stocks: 98.5% Bonds: 0.0% Cash: 1.5% Alternatives: 0.0% Yield: 0.4%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Blue Chip Growth	FBGRX	\$68.97	9,248.37	\$637,860	-0.7%
Contrafund	FCNTX	98.95	4,443.44	439,678	-1.3
Growth Strategies	FDEGX	33.28	13,035.84	433,833	-1.7
Value Strategies	FSLSX	41.52	7,878.88	327,131	-3.8
Small Cap Stock	FSLCX	17.37	12,208.44	212,061	-3.7

**Current Value (12/31/86 = \$100,000)** **\$2,050,563** **-1.9%**

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: 0.73)

Foreign Holdings: 7.7%

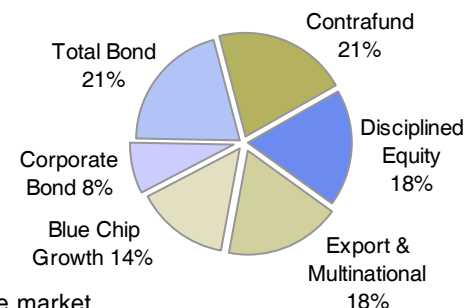
2015 Return: 0.8%

Stocks: 68.9% Bonds: 23.7% Cash: 3.1% Alternatives: 4.3% Yield: 1.5%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Total Bond	FTBFX	\$10.26	11,136.52	\$114,261	-1.0%
Contrafund	FCNTX	98.95	1,146.69	113,465	-1.3
Disciplined Equity	FDEQX	31.72	3,051.12	96,782	-2.1
Export & Multinational	FEXPX	20.16	4,700.70	94,766	-1.9
Blue Chip Growth	FBGRX	68.97	1,130.47	77,968	-0.7
Corporate Bond	FCBFX	10.94	4,007.59	43,843	-1.4

**Current Value (12/31/93 = \$100,000)** **\$541,085** **-1.4%**

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: 10.6%

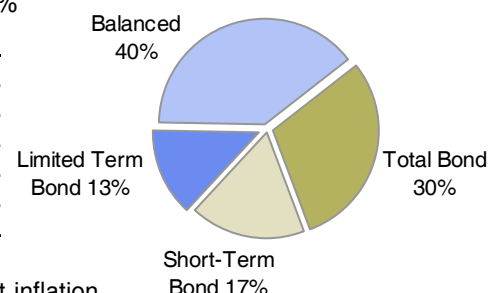
2015 Return: 0.1%

Stocks: 25.9% Bonds: 65.9% Cash: 2.4% Alternatives: 5.7% Yield: 2.1%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Balanced	FBALX	\$21.22	6,662.27	\$141,373	-1.5%
Total Bond	FTBFX	10.26	10,268.19	105,352	-1.0
Short-Term Bond	FSHBX	8.55	7,180.89	61,397	-0.2
Limited Term Bond	FJRLX	11.35	4,228.81	47,997	-0.5

**Current Value (12/31/91 = \$100,000)** **\$356,119** **-1.0%**

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

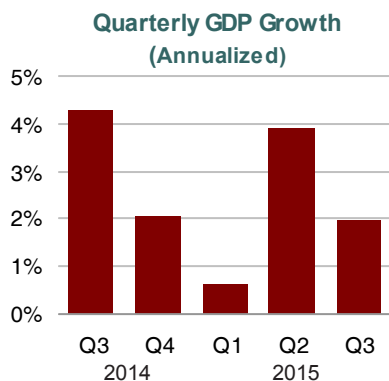


## 2016 Outlook *cont'd from page 1*

consecutive quarters now, at least 20% of the S&P 500 companies have reduced share counts by 4% or more. While these share buybacks served to boost earnings, that “growth” doesn’t deserve higher valuations the way organic growth in revenues and profits might. Moreover, we now have the Fed starting to hike interest rates which could also work against higher P/Es. In short, once again earnings growth will likely have to carry the day for better or for worse.

### Economy Stuck In Low Gear

We are still likely to see large volumes of buybacks in 2016, but “real” earnings growth will be largely driven by growth in the economy. While the Fed may have thought the economy was strong enough to begin raising rates, GDP growth remains stuck in



a 2.0-2.5% rut, with no indication it is ready to break out. Of late, every time we get a quarter’s growth in excess of 3.0%, the next quarter (or quarters) promptly slows down.

Part of the reason for lackluster growth the past two years has been the “uneven” effect of the decline in oil prices. While the impact on energy firms and their suppliers has been pronounced, the windfall from lower prices to consumers was supposed to offset that as consumers ramped up spending to match. That hasn’t happened. Consumer spending actually

### Model Portfolios Key:

<sup>1</sup>Alternative 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.

## FUNDS YOU SHOULD BUY NOW

**Growth:** For large-cap exposure ... **Blue Chip Growth** and **Growth Co.** are aggressive options. **Contrafund** and **Disciplined Equity** are more conservative. **Growth Strategies** and **Value Strategies** provide mid-cap exposure; **Event Driven Opp’s** and **Small Cap Stock** are smaller-cap options that enhance portfolio diversification.

**Growth & Income:** **Balanced** and **Puritan** use stocks and bonds to mitigate risk.

**Foreign:** **Int’l Small Cap Opportunities** is a mid-cap growth fund (mostly) in the developed markets; **Overseas** offers large-cap exposure to the same.

**Taxable Bond:** **Short-Term Bond** and **Limited Term Bond** limit interest-rate risk. **Investment Grade Bond** also limits credit risk but boosts yield via additional interest-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 less risky, nationally diversified **Muni Income** and **Tax-Free Bond**. ■

has been slowing down, from 3.2% in 2014 to 2.5% for the first 11 months of 2015. It’s consumer savings that have been on the rise. It could be that consumers are not convinced the drop in prices is here to stay. Typically they don’t spend what they consider a temporary “benefit.” If that is the case, then we may see a pick up in spending this year if oil prices stay where they are. In the past it has taken about three quarters for consumers to start spending such windfalls.

On the other hand, demographics may be at play. As the baby boomers continue to retire, they are now dependent on their investments for their

spending. The return on their stocks this year has been nil and what they can earn on their bonds is nil as well. And still scarred by the market carnage in 2007-08, they are reluctant to dig too deep into principal to fund their spending. That problem can’t be solved by cheap gas prices.

What has been really lacking in this recovery is business investment in new plants and equipment. But without stronger spending by consumers, there is little incentive for them to do so. So we remain stuck in a low-growth economy.

2016 Outlook *cont'd on page 4*

## MODEL PORTFOLIO TRADE

As announced on our December 24 Hotline, on Monday, December 28, we made the following Model Portfolio trade:

### Unique Opportunities Model:

We sold our entire position in **Export & Multinational** [ticker: FEXPX]. With the proceeds we bought **International Small Cap Opportunities** [ticker: FSCOX].

**Note:** Export & Multi has a 0.75% redemption fee on shares held 30 or fewer days, so you should consider postponing the trade if the fee applies to you.

**Trade Rationale:** While there has already been some foreign exposure through the domestic funds in this model, it’s been a while since we’ve owned a foreign stock fund. This development reflects our improving view of international developed markets. Not only do we expect, of course, the fund to appreciate, it will help to further diversify the portfolio. To that end, we have upgraded Int’l Small Cap Opp’s and a number of other foreign funds. (See *Scorecard Rating Changes* on p. 5 and *Market Outlook* on p. 4.)

Through the first three quarters of the year, GDP growth is on the low end of that range at 2.2%. And as is perpetually the case these days, recent economic data are mixed. The industrial side of the economy continues to worsen, while the consumer side is holding its own. While the \$1.8 trillion spending and tax package recently passed by Congress should provide a boost, right now, it is hard to see that as the catalyst that could break us out of the 2.0-2.5% range for GDP growth in 2016.

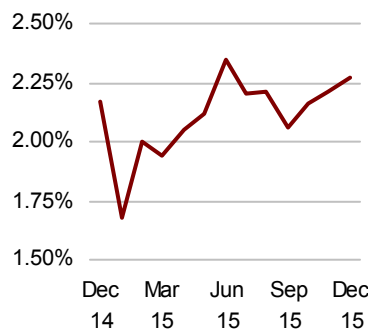
### Modest Earnings Growth

Right now, analysts are projecting 2016 earnings for the S&P 500 to grow by 18.1%! To put it mildly, it is hard to see that happening given our expectations for the economy. Let's assume for the moment that oil prices stabilize around current levels and energy sector earnings for 2016 are flat. (They could be a bit higher as energy firms have slashed capital expenditures — or lower as many firms sold their oil at higher than current prices under future contracts that will expire in 2016.) As noted, in 2015, earnings ex-energy are expected to be up about 5.6%. So for 2016, if economic growth is unchanged, 5.6% earnings growth for the rest of the S&P 500 seems reasonable again. With no growth from energy, that gives us a target of about 5.0% for overall growth. If the P/E remains the same, that plus dividends would deliver about a 7% expected return. (But see "Risks To The Forecast.")

### A Tough Year For Bonds

Last year we said that in the best case for bonds, they earn their yields. But if rates were to rise a bit they could suffer losses. Well rates did rise last year — even before the Fed finally hiked — and bonds did not earn their yields. Generally, shorter-term funds managed fractional gains, while longer-term funds suffered losses. Credit-sensitive corporate bonds suf-

10-year US Treasury Yield



ferred more than Treasuries.

This year could be even tougher as the Fed is expected to continue hiking rates. (The Fed is projecting 4 more hikes but the market expects only 2.) In this environment, we continue to favor shorter-term bonds that are less sensitive to increases in interest rates. We also lean a bit towards more credit-sensitive investment-grade corporates over similar duration Treasuries, as the yield spreads on investment-grade have widened. At the start of 2015, the spread between BBB corporates and Treasuries was below its long-term average of 207 basis points, but today it stands at 242.

As for high-yield bonds, we were leery last year as spreads were below average, and the energy sector (about 20% of the junk market) was a concern. That proved good advice as high-yield bonds suffered. Now, spreads have widened considerably to about 700 basis points (from 500 entering 2015), well above the long-term average of 562, so they look more attractive. However, we remain wary as defaults are on the rise and the worst for energy bonds may be yet to come. It is okay to have some junk exposure through a diversified fund like **Total Bond**, but we would advise against a pure high-yield fund despite their tempting yields. They may become a *Buy* later on, but for now the risk is not worth the reward.

### Developed Int'l Attractive

While the Fed is embarking on a tightening program, Europe and Japan are in easing mode. And while the oil price plunge has been a two-edged

sword here, in Europe and Japan it's a big win as they import most of their oil. Europe looks especially attractive as valuations on stocks there are well below their historic averages and cheaper than U.S. stocks. At the same time, the European economy is showing signs of gathering strength. In December, manufacturing output rose at the fastest rate in 20 months and the European PMI (Purchasing Managers Index) rose for a third straight month, coming in at 53.1, up from a final reading of 52.8 in November and much higher than market expectation of no change. In fact, overall, "surprise" indicators for Europe — which measures economic data versus expectations — have been nicely positive of late. The major risk to investing abroad is the strength of the U.S. dollar. A rising dollar reduces returns on foreign funds. However, we feel that foreign stocks will be strong enough to offset any dollar drag.

### Risks To The Forecast

The price of oil will be a key to watch this year. While some are projecting a gradual increase in prices, other forecasts call for oil to slump further to as low as \$20 per barrel (as Iranian production hits the market once sanctions are lifted). The latter could slow the economy further and have a negative impact on stocks. That would, however, likely benefit bonds, especially Treasuries. But, more economically sensitive corporate bonds might suffer and high-yield bonds definitely would. There are upside risks as well, principally that consumers finally start spending the oil price "dividend," and that economic growth is stronger-than-expected.

One thing very likely is a continuation of high volatility. This can make it hard for investors to stay with their investments when that volatility is to the downside. But, while our expectations for stocks are modest, and not without risk, we still see them as more attractive than bonds. ■

— John M. Boyd

## Litany Of Woes Weigh On U.S. Stocks

Last year, the world got even scarier than usual. Granted, a number of geopolitical events such as the Iran nuclear deal, the Trans-Pacific trade pact and even the climate accord provided some



John Bonnanzio

hope that diplomacy still has its place in the world. However, two terrorist attacks on Paris and another in California, the downing of a Russian passenger jet, ISIS expanding its territory into Syria, and a million refugees pouring into Europe, were a collective reminder that there's a thin line separating peace and prosperity from utter mayhem.

Apart from some exogenous tragedies, 2015 saw a number of surprises that, on occasion, whipsawed the markets. Several involved currencies. Among them were the Swiss removing the cap on the franc and the Chinese shocking everyone by devaluing the yuan.

In Europe, the ECB used more quantitative easing and rate cuts to such an extent that \$1.5 trillion in euro-bonds sported negative yields!

In contrast (even though they stayed on the sidelines for the first 11 months of the year), the expectation of the Fed's first rate hike in nine years was always the *topic du jour*.

The collective actions of the world's central banks helped push the dollar higher versus most foreign currencies. As a result, importers, exporters and even the foreign fund investor, each had to recalibrate their investment strategies. (More on that later on.)

With stocks delivering a three-year average annual return of 13.9% from 2012 to 2014, perhaps last year's "breather" should have been anticipated. But it wasn't. Not only has cheaper oil so far failed to spark an increase in consumer spending, few anticipated the negative impact that struggling energy firms would exert on

overall growth. In fact, growth slowed and inflation has been stubbornly below the Fed's 2% target, which had been central to its holding rates constant. And, even now, that threshold remains elusive.

It wasn't so much that interest rates might rise a lot. Instead, the hike would stand as the endpoint to a long and difficult era of financial convulsions that had been aggressively managed for nearly nine years by an activist Fed.

And there was more last year.

Suggesting that slow global growth makes it difficult to increase earnings in a meaningful way, 2015 marked the second consecutive year of binge M&A activity. From pharma to chip makers to consumer discretionary to energy, last year's deals are likely to top 2014's eye-popping \$1.5 trillion.

And, there was a related motivation behind these mergers: so-called tax inversions.

At 35%, the U.S. corporate tax rate is the world's highest. To mitigate that, big firms have been merging with smaller, less-taxed foreign rivals. Next they move their headquarters abroad. In the \$160 billion Pfizer-Allergan merger (potentially the biggest inversion on record), the combined firm's new home would be Ireland, where the corporate rate is 12.5%.

## Market Indexes

Right up to the last day of the year, many equity indexes teetered on finishing in the red. Based on price alone, the S&P 500 and Dow Jones Industrials closed 2015 in negative territory. (This is what is typically reported.) But when their dividend yields of about 2% are factored in, which is their *total return*, they actually finished the year in the black (up 1.4% and 0.3%, respectively). This marks their seventh consecutive annual gain.

Elsewhere (and thanks to double-digit gains scored by certain areas of tech and especially biotech), the Nasdaq Composite enjoyed a 7.0% return last year. Except for its hiccup in 2011 (down 0.8%), the Nasdaq has been higher every year since 2009.

Moving down the market cap scale, the Russell Mid Cap index fell 2.4%, while the Russell 2000 small-cap index fell even further (down 4.4%).

Beyond market cap, style also played a role last year: growth funds (which tend to be dominated by tech and are well represented by biotech, too) significantly outpaced value funds whose performances (which are more tied to financials, energy and industrials) struggled last year.

**Fund Commentary** *cont'd on page 12*

## JANUARY SCORECARD RATING CHANGES

Fund	Ratings		Comments
	Old	New	
China Region	S	H	↑ New regs provide fund direct access to China shares.
Convertible Sec's	H	S	↓ Investors are shunning troubled balance sheets.
Global Balanced	B	H	↓ Poor performance relative to index.
Int'l Discovery	H	B	↑ Better outlook for foreign developed market stocks.
Int'l Growth	B	<b>B</b>	↑ Manager is faring well in large-cap arena.
Int'l Small Cap Opp's	B	<b>B</b>	↑ Manager is faring well in small-cap arena.
Japan	S	H	↑ Cheap yen and oil are positives for export growth.
Japan Smaller Cos.	S	H	↑ Cheap yen and oil are positives for export growth.
Mid-Cap Stock	B	H	↓ Overweight in energy is holding back performance.
Nasdaq Comp Idx	H	B	↑ Positive outlook for growth generally, and tech stocks.
New Millennium	H	S	↓ Overweight in energy is holding back performance.
Strategic Div & Inc	B	H	↓ Holds converts & REITs, which are negatives.
Strategic Real Return	H	S	↓ Holds many hard assets in weak commodity market.
VIP Floating Rate HI	B	H	↓ Short end of the yield curve may hurt bank debt.
VIP Strategic Inc.	<b>B</b>	B	↓ Prefer to make our own asset allocation decisions.

**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, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>		
						Dec	2015	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr			
Comparative Indexes		S&P 500		2043.9		-1.6	1.4	7.0	1.4	15.1	12.6	7.3	1.00		
		Nasdaq Composite		5007.4		-1.9	7.0	8.7	7.0	19.9	14.9	9.7	1.13		
		Dow Jones Industrials		17425.0		-1.5	0.3	7.7	0.3	12.7	11.3	7.8	1.03		
		Russell 2000 (Small Caps)		1135.9		-5.1	-4.4	3.5	-4.4	11.6	9.2	6.8	1.33		
		Barclays Aggregate Bond*				-0.4	0.4	-0.6	0.4	1.3	3.1	4.1	0.29		
Model Portfolios		Unique Opportunities				-1.5	1.3	6.8	1.3	13.3	9.8	6.6	1.02		
		Select Growth				-2.3	-2.1	6.0	-2.1	15.5	13.2	8.4	1.04		
		Growth & Income				-1.9	1.6	5.3	1.6	12.1	10.0	5.9	1.03		
		Income				-1.4	0.8	3.9	0.8	9.9	8.4	5.6	0.73		
											Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)			
<b>LARGE CAP GROWTH</b>						<b>Category Averages</b>			<b>-1.1</b>	<b>4.0</b>	<b>7.6</b>	<b>4.0</b>	<b>16.7</b>	<b>12.6</b>	<b>1.11</b>
312	FBGRX	Blue Chip Growth		68.97	Buy	-0.7	6.3	7.4	6.3	19.4	14.3	1.10	\$15,479		
307	FDCAX	Capital Appreciation		32.39	OK to Buy	-0.7	1.6	7.0	1.6	15.3	12.8	1.10	5,821		
22	FCNTX	Contrafund		98.95	Buy	-1.3	6.5	6.3	6.5	16.1	12.7	0.98	79,066		
3	FFIDX	Fidelity Fund		42.01	Hold	-1.1	3.4	7.6	3.4	14.6	11.4	1.05	3,986		
333	FTQGX	Focused Stock		17.97	Hold	-1.6	1.5	5.5	1.5	13.6	11.4	1.17	1,898		
25	FDGRX	Growth Company (Closed)		136.94	Buy	-1.0	7.8	9.4	7.8	19.3	15.2	1.16	23,513		
339	FDSVX	Growth Discovery		25.27	OK to Buy	-0.1	7.2	8.6	7.2	17.7	13.4	1.06	1,080		
73	FDFFX	Independence		35.98	OK to Sell	-1.5	0.3	6.6	0.3	16.2	10.9	1.26	3,913		
21	FMAGX	Magellan		89.43	Buy	-1.8	4.1	8.3	4.1	17.1	10.9	1.07	13,898		
300	FMILX	New Millennium		33.46	OK to Sell↓	-3.8	-3.2	3.5	-3.2	12.4	11.0	1.05	3,317		
93	FOCPX	OTC		83.43	OK to Buy	1.5	10.9	13.3	10.9	23.7	16.0	1.29	9,669		
320	FDSSX	Stock Selector All Cap		33.54	Hold	-1.9	-0.1	7.0	-0.1	14.2	10.8	1.04	5,240		
5	FTRNX	Trend		84.63	OK to Buy	-0.7	5.3	8.8	5.3	16.9	13.5	1.07	1,494		
<b>LARGE CAP BLEND</b>						<b>Category Averages</b>			<b>-2.1</b>	<b>-1.1</b>	<b>5.7</b>	<b>-1.1</b>	<b>13.5</b>	<b>11.1</b>	<b>1.04</b>
315	FDEQX	Disciplined Equity		31.72	Buy	-2.1	0.1	6.2	0.1	15.3	11.5	1.01	1,403		
330	FDGFX	Dividend Growth		30.29	OK to Buy	-1.2	-0.6	6.4	-0.6	13.5	9.7	1.02	6,117		
332	FEXPX	Export and Multinational	0.75%/30d	20.16	Buy	-1.9	0.8	4.1	0.8	11.7	9.3	0.95	1,742		
27	FGRIX	Growth & Income		28.92	Hold	-2.5	-2.3	5.9	-2.3	12.9	11.7	1.07	5,779		
338	FLCSX	Large Cap Stock		26.13	Hold	-2.9	-3.2	5.2	-3.2	14.1	12.0	1.11	2,877		
361	FGRTX	Mega Cap Stock		15.62	Hold	-2.2	-1.4	6.3	-1.4	13.6	12.4	1.09	3,236		
<b>LARGE CAP VALUE</b>						<b>Category Averages</b>			<b>-1.7</b>	<b>-3.0</b>	<b>4.8</b>	<b>-3.0</b>	<b>12.9</b>	<b>9.9</b>	<b>0.98</b>
1271	FBCVX	Blue Chip Value		15.69	OK to Buy	-2.2	-2.0	4.4	-2.0	14.6	9.5	1.02	495		
319	FEQTX	Equity Dividend Income		24.60	Hold	-1.5	-2.5	5.4	-2.5	12.0	9.4	0.97	4,826		
23	FEQIX	Equity-Income		51.08	Hold	-1.2	-3.5	4.9	-3.5	10.2	8.4	0.95	6,318		
708	FSLVX	Stock Sel Large Cap Value		16.28	Hold	-2.0	-3.8	4.4	-3.8	13.0	10.8	0.98	707		
832	FVDFX	Value Discovery		23.10	OK to Buy	-1.6	-3.0	4.9	-3.0	14.7	11.5	0.98	1,417		
<b>MID-CAP GROWTH</b>						<b>Category Averages</b>			<b>-3.1</b>	<b>-1.1</b>	<b>3.2</b>	<b>-1.1</b>	<b>14.1</b>	<b>10.1</b>	<b>1.05</b>
324	FDEGX	Growth Strategies	1.50%/90d	33.28	Buy	-1.7	3.2	4.4	3.2	17.4	10.5	1.03	2,534		
337	FMCSX	Mid-Cap Stock	0.75%/30d	32.73	Hold↓	-4.5	-3.1	1.5	-3.1	13.0	10.1	1.04	5,394		
2412	FSSMX	Stock Selector Mid Cap		31.75	OK to Buy	-3.0	-3.3	3.8	-3.3	11.8	9.7	1.08	486		
<b>MID-CAP BLEND</b>						<b>Category Averages</b>			<b>-5.2</b>	<b>-6.1</b>	<b>2.4</b>	<b>-6.1</b>	<b>10.3</b>	<b>9.1</b>	<b>1.17</b>
122	FLVCX	Leveraged Company Stock	1.50%/90d	39.81	Hold	-5.2	-6.1	2.4	-6.1	10.3	9.1	1.17	3,425		
<b>MID-CAP VALUE</b>						<b>Category Averages</b>			<b>-3.3</b>	<b>-3.6</b>	<b>2.6</b>	<b>-3.6</b>	<b>13.0</b>	<b>10.7</b>	<b>1.04</b>
316	FLPSX	Low-Priced Stock	1.50%/90d	47.75	Buy	-2.7	-0.6	1.6	-0.6	12.9	11.2	0.90	28,962		
762	FSMVX	Mid Cap Value	0.75%/30d	22.34	OK to Buy	-2.7	-4.6	3.4	-4.6	15.7	12.0	1.10	3,097		
39	FVLX	Value		95.76	OK to Buy	-4.1	-6.5	1.6	-6.5	12.7	10.2	1.11	7,373		
14	FSLSX	Value Strategies		41.52	Buy	-3.8	-2.6	3.6	-2.6	10.6	9.3	1.08	589		
<b>SMALL CAP GROWTH</b>						<b>Category Averages</b>			<b>-3.3</b>	<b>5.8</b>	<b>2.3</b>	<b>5.8</b>	<b>16.7</b>	<b>11.8</b>	<b>1.29</b>
1388	FCPGX	Small Cap Growth	1.50%/90d	18.70	Buy	-3.3	5.8	2.3	5.8	16.7	11.8	1.29	1,542		
<b>SMALL CAP BLEND</b>						<b>Category Averages</b>			<b>-3.9</b>	<b>-0.9</b>	<b>5.0</b>	<b>-0.9</b>	<b>12.1</b>	<b>9.0</b>	<b>1.21</b>
2624	FARNX	Event Driven Opportunities		11.00	Buy	-1.7	0.6	12.0	0.6	--	--	--	207		
384	FSCRX	Small Cap Discovery (Closed)	1.50%/90d	26.42	OK to Buy	-5.9	-6.2	-0.3	-6.2	11.5	11.6	1.24	5,641		
340	FSLCX	Small Cap Stock	2.00%/90d	17.37	Buy	-3.7	2.4	4.1	2.4	12.5	6.3	1.16	2,123		
336	FDSCX	Stock Selector Small Cap	1.50%/90d	23.06	OK to Buy	-4.3	-0.2	4.2	-0.2	12.2	9.0	1.24	1,429		
<b>SMALL CAP VALUE</b>						<b>Category Averages</b>			<b>-4.9</b>	<b>-1.6</b>	<b>2.1</b>	<b>-1.6</b>	<b>12.9</b>	<b>10.7</b>	<b>1.24</b>
1389	FCPVX	Small Cap Value (Closed)	1.50%/90d	16.74	OK to Buy	-4.9	-1.6	2.1	-1.6	12.9	10.7	1.24	2,121		

**Notes:** \*Fidelity's Spartan U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. <sup>1</sup> Relative Volatility versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. <sup>2</sup> Duration is a measure of interest rate sensitivity. <sup>3</sup> Stated yield is before any inflation adjustment, your effective yield may be different. <sup>4</sup> Also available in an Advantage share class with a minimum of \$10,000, but a lower expense ratio. <sup>5</sup> Formerly Cash Reserves. <sup>6</sup> Formerly Retirement Money Market. <sup>7</sup> Formerly Select Medical Delivery. <sup>8</sup> Formerly Select Software and Computer Services. <sup>9</sup> Formerly VIP Money Market. <sup>10</sup> Formerly Tax-Free MM. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

# FIDELITY SCORECARD

DECEMBER 31, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)		
						Dec	2015	3 Mo.	1 Year	3 Year	5 Year				
<b>SPECIALTY</b>															
304	FBALX	Balanced		21.22	Buy	-1.5	0.4	4.3	0.4	10.1	8.9	0.71	\$20,699		
308	FCVFX	Convertible Securities		26.46	OK to Sell↓	-3.1	-9.4	1.4	-9.4	7.1	5.9	0.87	1,824		
334	FGBLX	Global Balanced	1.00%/30d	22.00	Hold↓	-0.4	-0.8	3.0	-0.8	4.5	4.5	0.69	451		
2120	FFGCX	Global Commodity Stock	1.00%/30d	8.79	Sell	-6.8	-27.5	-2.7	-27.5	-14.4	-11.2	1.61	148		
1960	FDYSX	Global Strategies		8.40	Hold	-1.1	-0.4	3.1	-0.4	3.7	3.5	0.66	97		
1368	FIREX	International Real Estate	1.50%/90d	10.02	Hold	0.3	1.8	1.7	1.8	6.1	6.0	1.06	332		
4	FPURX	Puritan		20.33	Buy	-1.2	1.8	5.2	1.8	10.7	9.2	0.72	19,431		
833	FRIFX	Real Estate Income	0.75%/90d	11.24	OK to Buy	-0.1	1.7	1.9	1.7	6.0	8.2	0.50	2,523		
303	FRESX	Real Estate Investment	0.75%/90d	40.58	Hold	2.2	6.0	8.9	6.0	11.9	12.3	1.37	4,445		
1329	FSDIX	Strategic Dividend & Income		13.61	Hold↓	-0.7	-1.1	4.6	-1.1	9.7	10.2	0.73	2,835		
1505	FSRRX	Strategic Real Return	0.75%/60d	8.23	OK to Sell↓	-1.3	-7.4	-3.0	-7.4	-2.9	0.2	0.44	520		
311	FIUIX	Telecom & Utilities		21.87	Hold	0.8	-5.5	3.5	-5.5	8.9	9.7	1.04	843		
<b>ASSET ALLOCATION</b>															
328	FASIX	Asset Manager 20%		12.70	Hold	-0.9	-0.3	0.9	-0.3	3.0	3.7	0.30	4,720		
1957	FTANX	Asset Manager 30%		10.11	Hold	-1.1	-0.3	1.4	-0.3	4.1	4.5	0.39	843		
1958	FFANX	Asset Manager 40%		10.37	Hold	-1.3	-0.3	2.1	-0.3	5.2	5.2	0.49	960		
314	FASMX	Asset Manager 50%		16.04	Hold	-1.5	-0.4	2.6	-0.4	6.2	5.8	0.58	7,771		
1959	FSANX	Asset Manager 60%		10.57	Hold	-1.6	-0.6	3.3	-0.6	7.1	6.3	0.67	1,342		
321	FASGX	Asset Manager 70%		18.59	Hold	-1.7	-0.6	4.0	-0.6	8.1	6.7	0.78	3,961		
347	FAMRX	Asset Manager 85%		15.57	Hold	-1.8	-0.6	5.0	-0.6	9.6	7.5	0.91	1,433		
<b>EQUITY INDEX</b>															
355	FFNOX	Four-in-One Index		36.18	Hold	-1.8	0.1	4.6	0.1	10.0	8.6	0.86	4,315		
2010	FIENX	International Enhanced Index	1.00%/30d	8.14	Hold	-1.7	1.5	4.6	1.5	6.3	4.7	1.16	153		
1827	FLCEX	Large Cap Core Enhanced Index		11.47	OK to Buy	-1.5	-0.5	6.1	-0.5	14.9	12.8	0.99	415		
1829	FLGEX	Large Cap Growth Enhanced Index		14.56	OK to Buy	-2.1	3.3	6.0	3.3	16.7	13.5	1.01	459		
1828	FLVEX	Large Cap Value Enhanced Index		10.50	Hold	-1.8	-3.5	5.0	-3.5	13.9	12.3	1.01	1,503		
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30d	12.59	OK to Buy	-2.7	-2.4	3.0	-2.4	15.6	12.1	1.04	837		
1282	FNCMX	Nasdaq Composite Index	0.75%/90d	65.58	OK to Buy↑	-1.9	6.8	8.7	6.8	19.6	14.7	1.13	2,071		
2011	FCPEX	Small Cap Enhanced Index	1.50%/90d	11.66	OK to Buy	-5.2	-1.9	2.7	-1.9	12.8	11.1	1.31	581		
650	FUSEX	Spartan 500 Index <sup>4</sup>		71.80	Hold	-1.6	1.3	7.0	1.3	15.0	12.5	1.00	7,701		
2341	FPEMX	Spartan Emerging Mkts Index <sup>4</sup>	1.50%/90d	7.72	Hold	-2.8	-16.0	-0.6	-16.0	-7.1	--	1.36	23		
398	FSEMEX	Spartan Extended Mkt Index <sup>4</sup>	0.75%/90d	50.20	Buy	-3.9	-3.4	3.1	-3.4	12.9	10.3	1.18	1,557		
2345	FSGUX	Spartan Global ex U.S. Index <sup>4</sup>	1.00%/90d	10.62	Hold	-2.3	-5.7	2.5	-5.7	0.9	--	1.14	18		
399	FSIIX	Spartan Int'l Index <sup>4</sup>	1.00%/90d	35.93	Hold	-1.9	-0.9	3.8	-0.9	4.5	3.5	1.16	2,833		
2349	FSCLX	Spartan Mid Cap Index <sup>4</sup>	0.75%/30d	16.31	OK to Buy	-2.7	-2.6	3.6	-2.6	14.0	--	1.04	34		
2353	FRXIX	Spartan Real Estate Index <sup>4</sup>	0.75%/90d	15.06	Hold	2.1	4.3	7.5	4.3	11.5	--	1.38	31		
2356	FSSPX	Spartan Small Cap Index <sup>4</sup>	1.50%/90d	15.45	OK to Buy	-5.0	-4.4	3.7	-4.4	11.7	--	1.33	37		
397	FSTMX	Spartan Total Mkt. Index <sup>4</sup>	0.50%/90d	58.67	Hold	-2.0	0.4	6.3	0.4	14.6	12.1	1.01	2,032		
<b>INTERNATIONAL</b>						<b>Category Averages</b>			<b>-1.2</b>	<b>-0.5</b>	<b>4.1</b>	<b>-0.5</b>	<b>4.9</b>	<b>3.4</b>	<b>1.22</b>
309	FICDX	Canada	1.50%/90d	41.37	OK to Sell	-5.8	-20.1	-4.4	-20.1	-3.0	-2.9	1.20	1,224		
352	FHKCX	China Region	1.50%/90d	25.42	Hold↑	0.8	-4.5	8.9	-4.5	6.8	3.6	1.84	1,221		
325	FDIVX	Diversified International	1.00%/30d	35.06	OK to Buy	-1.3	3.1	4.9	3.1	7.7	5.2	1.11	12,950		
351	FSEAX	Emerging Asia	1.50%/90d	30.01	Hold	-1.0	-7.7	4.0	-7.7	1.0	0.9	1.29	976		
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	6.61	OK to Sell	-6.8	-15.8	-6.1	-15.8	-8.7	-4.9	1.33	65		
322	FEMKX	Emerging Markets	1.50%/90d	21.75	Hold	-1.4	-10.1	4.3	-10.1	-1.7	-3.0	1.25	2,737		
2374	FEDDX	Emerging Mkts Discovery	2.00%/90d	10.51	Hold	-1.4	-9.0	0.3	-9.0	-4.4	--	1.12	60		
301	FIEUX	Europe	1.00%/30d	36.17	OK to Buy	-0.6	4.2	4.3	4.2	7.0	5.0	1.18	1,364		
2406	FGILX	Global Equity-Income	1.00%/30d	11.92	OK to Buy	-0.5	2.4	6.4	2.4	10.9	--	0.94	69		
335	FIVFX	International Cap App	1.00%/30d	16.61	Buy	-0.9	3.1	5.6	3.1	8.9	7.2	1.05	1,389		
305	FIGRX	International Discovery	1.00%/30d	39.41	OK to Buy↑	-0.6	4.8	4.7	4.8	7.3	5.0	1.10	7,202		
1979	FIGFX	International Growth	1.00%/30d	11.14	Buy↑	-1.0	3.9	4.7	3.9	7.2	6.1	1.04	944		
818	FISMEX	International Small Cap	2.00%/90d	22.12	OK to Buy	0.7	6.4	3.0	6.4	10.8	6.4	1.03	804		
1504	FSCOX	International Small Cap Opps	2.00%/90d	14.92	Buy↑	0.6	10.1	4.5	10.1	10.8	8.7	0.93	779		
1597	FIVLX	International Value	1.00%/30d	8.03	OK to Sell	-1.4	1.2	4.0	1.2	4.6	2.7	1.18	279		
350	FJPNX	Japan	1.50%/90d	11.81	Hold↑	-0.6	8.6	8.7	8.6	7.1	2.5	1.32	491		
360	FJSCX	Japan Smaller Companies	1.50%/90d	13.84	Hold↑	1.1	14.0	7.2	14.0	17.3	10.6	1.75	513		
349	FLATX	Latin America	1.50%/90d	16.33	OK to Sell	-5.1	-29.9	-2.9	-29.9	-21.4	-15.7	1.84	462		
342	FNORX	Nordic	1.50%/90d	46.87	OK to Buy	1.9	11.5	9.7	11.5	16.5	8.9	1.24	420		
94	FOSFX	Overseas	1.00%/30d	40.86	Buy	-1.1	8.3	5.3	8.3	9.8	6.8	1.06	4,028		
302	FPBFX	Pacific Basin	1.50%/90d	26.32	Hold	1.8	6.0	10.0	6.0	10.8	6.3	1.16	656		
2369	FTEMX	Total Emerging Markets	1.50%/90d	9.70	Hold	-2.9	-7.0	1.4	-7.0	-3.0	--	1.08	41		
1978	FTIEX	Total International Equity	1.00%/30d	7.59	Hold	-1.1	0.4	4.4	0.4	3.6	3.1	1.07	302		
318	FWWFX	Worldwide	1.00%/30d	22.21	OK to Buy	-0.9	3.5	5.7	3.5	11.0	8.7	1.07	1,553		

# FIDELITY SCORECARD

DECEMBER 31, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)
						Dec	2015	3 Mo.	1 Year	3 Year	5 Year		
<b>SELECT PORTFOLIOS</b>						<b>-3.1</b>	<b>-2.7</b>	<b>5.0</b>	<b>-2.7</b>	<b>12.5</b>	<b>9.8</b>	<b>1.41</b>	
<i>Category Averages</i>													
34	FSAIX	Air Transportation	0.75%/30d	62.29	OK to Buy	-2.8	-8.6	3.0	-8.6	20.8	14.6	1.29	\$382
502	FSAVX	Automotive	0.75%/30d	39.73	OK to Buy	-2.7	0.2	7.7	0.2	14.7	7.1	1.27	100
507	FSRBX	Banking	0.75%/30d	25.58	Hold	-4.6	0.7	4.3	0.7	14.7	9.9	1.25	723
42	FBIOX	Biotechnology	0.75%/30d	235.90	OK to Sell	-0.7	13.7	12.8	13.7	36.5	32.6	2.28	15,087
68	FSLBX	Brokerage & Investment	0.75%/30d	64.10	Hold	-5.9	-9.7	4.9	-9.7	12.3	7.0	1.49	438
69	FSCHX	Chemicals	0.75%/30d	130.80	Hold	-2.7	-5.1	12.9	-5.1	8.8	10.9	1.40	1,201
518	FSDCX	Communications Equipment	0.75%/30d	27.69	Hold	-1.4	-10.2	1.0	-10.2	9.8	3.2	1.35	183
7	FDCPX	Computers	0.75%/30d	68.23	Hold	-3.8	-13.8	2.4	-13.8	9.0	7.2	1.30	486
511	FSHOX	Construction & Housing	0.75%/30d	58.04	Buy	-3.0	6.9	4.5	6.9	14.5	16.3	1.23	545
517	FSCPX	Consumer Discretionary	0.75%/30d	34.17	Buy	-3.1	5.4	5.4	5.4	17.9	14.3	1.22	1,279
98	FSVLX	Consumer Finance	0.75%/30d	12.17	Hold	-4.2	-5.0	-0.8	-5.0	10.5	12.4	1.09	110
9	FDFAX	Consumer Staples	0.75%/30d	91.28	Hold	3.6	1.9	8.2	1.9	12.5	12.3	1.13	1,834
67	FSDAX	Defense & Aerospace	0.75%/30d	114.99	OK to Buy	-1.0	3.6	9.8	3.6	16.5	14.0	1.20	925
8	FSELX	Electronics	0.75%/30d	75.59	Hold	-2.4	2.2	11.7	2.2	25.3	13.3	1.37	1,574
60	FSENX	Energy	0.75%/30d	35.17	OK to Sell	-11.6	-20.5	-1.4	-20.5	-4.8	-3.0	1.82	2,005
43	FSESX	Energy Service	0.75%/30d	41.04	Sell	-11.8	-26.4	-2.9	-26.4	-10.7	-8.6	2.23	540
516	FSLEX	Environment & Alt Energy	0.75%/30d	18.93	Hold	-4.6	-4.6	6.7	-4.6	9.5	5.1	1.24	81
66	FIDSX	Financial Services	0.75%/30d	84.02	Hold	-2.5	-3.9	4.9	-3.9	12.5	7.7	1.13	1,292
41	FSAGX	Gold	0.75%/30d	13.50	Sell	1.6	-17.9	0.3	-17.9	-28.5	-23.2	3.35	703
63	FSPHX	Health Care	0.75%/30d	208.16	Hold	1.4	6.6	9.7	6.6	30.3	23.7	1.44	8,995
510	FSCGX	Industrial Equipment	0.75%/30d	36.48	Buy	-1.4	2.5	11.1	2.5	11.0	8.8	1.27	156
515	FCYIX	Industrials	0.75%/30d	29.21	Buy	-2.9	-2.0	8.3	-2.0	13.2	10.6	1.22	1,191
45	FSPCX	Insurance	0.75%/30d	67.67	Buy	-2.8	3.5	5.2	3.5	17.8	13.2	1.22	501
353	FBSOX	IT Services	0.75%/30d	39.97	OK to Buy	-3.4	13.1	5.2	13.1	22.6	17.7	1.32	2,094
62	FDLSX	Leisure	0.75%/30d	129.94	OK to Buy	-1.5	3.3	1.3	3.3	16.6	13.3	1.09	478
509	FSDPX	Materials	0.75%/30d	68.65	Hold	-4.7	-8.7	7.0	-8.7	3.6	4.2	1.32	881
505	FSHCX	Health Care Services <sup>7</sup>	0.75%/30d	84.42	OK to Buy	2.4	7.0	2.8	7.0	21.4	16.9	0.98	989
354	FSMEX	Medical Equipment	0.75%/30d	35.87	OK to Buy	1.0	7.1	9.6	7.1	24.2	16.5	1.24	2,015
503	FBMPX	Multimedia	0.75%/30d	73.32	Hold	-4.5	-2.2	3.2	-2.2	15.6	16.1	1.46	707
513	FSNGX	Natural Gas	0.75%/30d	20.06	Sell	-17.7	-36.8	-10.3	-36.8	-11.9	-8.4	2.23	341
514	FNARX	Natural Resources	0.75%/30d	23.64	OK to Sell	-11.6	-21.6	-1.8	-21.6	-6.9	-5.4	1.85	585
580	FPHAX	Pharmaceuticals	0.75%/30d	20.57	Hold	1.2	8.2	6.1	8.2	23.7	19.7	1.22	2,032
46	FSRPX	Retailing	0.75%/30d	105.21	OK to Buy	-1.7	18.4	7.9	18.4	24.1	19.8	1.25	1,894
28	FSCSX	Software & IT Services <sup>8</sup>	0.75%/30d	121.41	OK to Buy	-1.2	10.5	12.6	10.5	21.8	16.9	1.28	3,278
64	FSPTX	Technology	0.75%/30d	118.09	Buy	-1.7	7.4	10.7	7.4	16.1	10.7	1.18	3,117
96	FSTCX	Telecommunications	0.75%/30d	60.54	Buy	0.1	2.3	7.8	2.3	8.8	7.9	1.10	535
512	FSRFX	Transportation	0.75%/30d	72.95	Hold	-5.8	-18.5	-1.9	-18.5	17.5	11.3	1.31	477
65	FSUTX	Utilities	0.75%/30d	64.16	OK to Sell	0.6	-10.9	0.2	-10.9	9.4	9.6	1.21	672
963	FWRLX	Wireless	0.75%/30d	8.16	OK to Buy	-3.9	-3.1	3.6	-3.1	8.6	8.1	1.03	235

## SECTOR ETFs

FDIS	MSCI Consumer Discretionary	30.68	Buy	-2.7	6.3	4.4	6.3	--	--	--	--	313
FSTA	MSCI Consumer Staples	30.28	OK to Buy	2.6	5.9	7.4	5.9	--	--	--	--	236
FENY	MSCI Energy	17.09	OK to Sell	-11.1	-23.1	-1.0	-23.1	--	--	--	--	296
FNCL	MSCI Financials	28.30	Hold	-2.5	-0.7	5.4	-0.7	--	--	--	--	290
FHLC	MSCI Healthcare	34.53	Hold	1.4	7.1	8.9	7.1	--	--	--	--	726
FIDU	MSCI Industrials	27.21	Buy	-3.0	-3.7	7.1	-3.7	--	--	--	--	137
FTEC	MSCI Information Technology	32.84	Buy	-2.7	5.0	8.9	5.0	--	--	--	--	441
FMAT	MSCI Materials	24.28	Hold	-4.4	-10.0	8.9	-10.0	--	--	--	--	70
FREL	MSCI Real Estate	22.63	Hold	1.0	-4.0 p	7.2	--	--	--	--	--	39
FCOM	MSCI Telecomm Services	26.72	Buy	-0.3	3.3	8.2	3.3	--	--	--	--	72
FUTY	MSCI Utilities	27.89	OK to Sell	2.3	-4.7	2.1	-4.7	--	--	--	--	151

## MODEL PORTFOLIO HISTORICAL RETURNS

	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14
<b>Regular Models</b>																											
Un Opp												33.8	-20.5	1.6	-2.1	43.2	20.6	18.8	16.6	11.6	-47.6	45.8	19.3	-5.8	16.8	36.3	5.3
Select	23.4	31.3	35.3	20.4	25.9	-0.9	39.0	5.2	29.3	21.7	44.9	-14.9	-7.3	-14.7	38.4	7.4	15.0	13.6	15.6	-39.3	35.4	11.6	1.2	19.2	37.5	14.6	
Growth	26.0	30.4	-4.4	40.6	15.7	31.9	-2.1	27.2	19.2	25.5	9.9	29.0	-10.8	-6.4	-17.1	46.1	12.4	11.2	15.7	7.3	-42.7	31.8	17.7	-1.7	16.0	26.5	9.7
G&I							-3.7	21.6	15.8	18.7	11.1	12.2	2.7	1.3	-6.4	33.0	11.5	8.2	13.7	6.1	-33.5	28.1	12.2	-0.3	13.4	20.3	9.3
Income					10.1	11.3	-2.1	14.8	9.0	10.5	3.5	3.0	0.3	5.6	5.4	8.4	4.2	3.6	6.9	4.0	-18.2	20.0	9.1	6.3	10.7	2.9	7.1
<b>Annuity (VIP) Models</b>																											
Sector																57.5	6.3	14.0	17.7	11.2	-41.4	50.2	15.0	-5.0	18.1	36.2	10.0
Growth					20.6	4.6	36.1	16.1	23.5	22.6	22.1	-10.3	-14.0	-21.7	30.0	7.0	10.1	14.5	9.3	-45.5	25.1	17.7	-2.2	17.8	27.2	9.3	
G&I							26.4	12.8	21.4	15.1	6.1	-4.9	3.1	-9.4	20.8	6.3	4.5	11.6	7.7	-31.0	27.1	12.0	-1.0	13.9	17.8	9.1	
Income					12.3	-3.8	16.9	6.9	10.9	0.4	0.8	-2.4	-3.4	7.3	9.9	5.1	1.8	6.1	6.2	-18.3	22.9	7.3	7.4	10.0	1.2	5.7	

# FIDELITY SCORECARD

DECEMBER 31, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			SEC %Yield	Dur <sup>2</sup> (Yrs)	Rel Vol (Risk) <sup>1</sup>			
						Dec	2015	3 Mo.	1 Yr	3 Yr	5 Yr						
<b>TAXABLE BOND</b>						<b>Category Averages</b>			<b>-0.5</b>	<b>-0.6</b>	<b>-0.8</b>	<b>-0.6</b>	<b>0.3</b>	<b>3.0</b>	<b>2.08</b>	<b>5.1</b>	<b>0.32</b>
2267	FCONX	Conservative Income Bond		10.02	Buy	0.1	0.4	0.2	0.4	0.4	--	0.67	0.2	0.02			
2208	FCBFX	Corporate Bond		10.94	Buy	-1.4	-1.4	-0.6	-1.4	1.6	5.1	3.49	6.8	0.42			
2423	FGBFX	Global Bond		8.69	OK to Sell	-0.2	-4.9	-1.0	-4.9	-2.7	--	2.86	6.8	0.42			
15	FGMNX	GNMA (Ginnie Mae)		11.52	OK to Buy	-0.0	1.2	-0.1	1.2	1.7	3.2	2.17	3.1	0.26			
54	FGOVX	Government Income		10.30	Hold	-0.3	0.5	-0.8	0.5	1.1	2.7	1.58	5.1	0.26			
794	FINPX	Inflation-Protected Bond <sup>3</sup>		11.63	Hold	-1.1	-2.2	-1.0	-2.2	-2.7	2.1	0.24*	5.7	0.49			
32	FTHRX	Intermediate Bond		10.73	Buy	-0.6	0.7	-0.7	0.7	1.1	2.9	2.17	3.9	0.21			
452	FSTGX	Intermediate Gov't Income		10.57	Hold	-0.4	0.8	-1.0	0.8	0.7	1.9	1.16	3.6	0.19			
2428	FINUX	International Bond		8.22	OK to Sell	0.2	-7.2	-1.1	-7.2	-4.7	--	2.60	7.3	0.57			
26	FBNDX	Investment Grade Bond		7.58	Buy	-1.1	-1.6	-1.2	-1.6	0.8	3.3	2.99	5.5	0.29			
2622	FJRLX	Limited Term Bond		11.35	Buy	-0.5	0.7	-0.5	0.7	0.9	2.7	2.02	2.6	0.14			
662	FFXSX	Limited Term Government		9.99	OK to Buy	-0.3	0.5	-0.9	0.5	0.5	1.1	0.92	2.5	0.11			
40	FMSFX	Mortgage Securities		11.25	OK to Buy	-0.2	1.5	-0.3	1.5	2.0	3.3	2.42	3.7	0.24			
450	FSHBX	Short-Term Bond		8.55	Buy	-0.2	0.7	-0.2	0.7	0.7	1.3	1.18	1.7	0.07			
2415	FSIQX	Sotn Inflation-Protect Index <sup>4</sup>		9.38	Hold	-1.0	-1.9	-0.9	-1.9	-2.5	--	0.00*	5.7	0.50			
1561	FIBIX	Sotn Interim Treas Index <sup>4</sup>		10.86	Hold	-0.3	1.6	-1.4	1.6	0.9	3.7	1.84	6.4	0.43			
1562	FLBIX	Sotn Lng-Term Treas Index <sup>4</sup>		12.76	Hold	-0.4	-1.7	-1.7	-1.7	2.4	7.5	2.69	17.3	1.04			
1560	FSBIX	Sotn Sht-Term Treas Index <sup>4</sup>		10.40	Hold	-0.2	0.7	-0.7	0.7	0.5	1.1	1.03	2.6	0.12			
651	FBIDX	Sotn U.S. Bond Index		11.49	Hold	-0.4	0.4	-0.6	0.4	1.3	3.1	2.35	5.4	0.29			
820	FTBFX	Total Bond		10.26	Buy	-1.0	-0.4	-0.8	-0.4	1.4	3.6	3.35	5.3	0.29			
<b>HIGH-YIELD BOND</b>						<b>Category Averages</b>			<b>-2.1</b>	<b>-2.0</b>	<b>-1.0</b>	<b>-2.0</b>	<b>1.4</b>	<b>4.1</b>	<b>5.83</b>	<b>3.8</b>	<b>0.48</b>
38	FAGIX	Capital & Income	1.00%/90d	9.15	Hold	-2.0	-0.9	0.0	-0.9	4.9	5.7	4.42	4.3	0.55			
814	FFRHX	Floating Rate High Income	1.00%/60d	9.13	Hold	-1.0	-1.2	-1.9	-1.2	1.0	2.3	5.05	0.3	0.22			
1366	FHIFX	Focused High Income	1.00%/90d	8.01	Hold	-2.5	-1.9	-0.4	-1.9	1.6	4.4	5.80	4.2	0.48			
2297	FGHNX	Global High Income	1.00%/90d	8.70	Hold	-2.2	-2.3	-1.0	-2.3	1.6	--	6.32	4.1	0.51			
455	SPHIX	High Income	1.00%/90d	7.95	Hold	-2.6	-5.4	-2.5	-5.4	0.8	4.0	7.61	3.6	0.52			
331	FNMIX	New Markets Income	1.00%/90d	14.52	Hold	-2.7	0.2	1.3	0.2	-0.7	4.9	6.40	7.0	0.72			
2580	FSAHX	Short Duration High Income	1.00%/90d	8.94	Hold	-2.6	-3.3	-2.8	-3.3	--	--	7.00	2.5	--			
368	FSICX	Strategic Income		10.15	OK to Buy	-1.4	-1.6	-0.6	-1.6	0.8	3.5	4.05	4.8	0.38			
<b>MUNICIPAL BOND</b>						<b>Category Averages</b>			<b>0.6</b>	<b>2.9</b>	<b>1.4</b>	<b>2.9</b>	<b>3.0</b>	<b>4.8</b>	<b>1.58</b>	<b>5.7</b>	<b>0.31</b>
434	FSAZX	Arizona Muni Income	0.50%/30d	12.16	OK to Buy	0.7	3.5	1.5	3.5	3.5	5.5	1.69	6.7	0.36			
1534	FCSTX	Calif Limited Term Tax Free	0.50%/30d	10.72	Buy	0.2	1.7	0.4	1.7	1.7	2.5	0.84	3.1	0.14			
91	FCTFX	California Muni Income	0.50%/30d	13.11	OK to Buy	0.8	3.5	1.6	3.5	4.0	6.3	1.62	6.2	0.34			
407	FICNX	Connecticut Muni Income	0.50%/30d	11.75	OK to Buy	0.8	3.4	1.6	3.4	3.0	4.7	1.83	6.5	0.33			
2578	FCRDY	Conservative Income Muni		10.04	Buy	0.0	0.3	0.1	0.3	--	--	0.38	0.8	--			
36	FLTMX	Interm Municipal Income	0.50%/30d	10.51	Buy	0.5	2.2	1.2	2.2	2.4	4.0	1.50	4.9	0.25			
404	FSTFX	Limited Term Muni Income	0.50%/30d	10.63	Buy	0.2	1.2	0.4	1.2	1.2	2.0	0.88	2.8	0.12			
429	SMDMX	Maryland Muni Income	0.50%/30d	11.39	OK to Buy	0.8	3.3	1.4	3.3	2.9	4.5	1.73	7.0	0.33			
70	FDMMX	Mass Muni Income	0.50%/30d	12.50	OK to Buy	0.7	3.4	1.4	3.4	3.1	5.4	1.74	7.0	0.36			
81	FMHTX	Michigan Muni Income	0.50%/30d	12.38	OK to Buy	0.7	3.6	1.6	3.6	3.3	5.0	1.59	5.7	0.30			
82	FIMIX	Minnesota Muni Income	0.50%/30d	11.75	OK to Buy	0.6	3.0	1.2	3.0	2.6	4.3	1.51	5.6	0.27			
37	FHIGX	Municipal Income	0.50%/30d	13.44	Buy	0.7	3.3	1.7	3.3	3.5	5.8	1.91	6.8	0.36			
416	FNJHX	New Jersey Muni Income	0.50%/30d	11.88	OK to Sell	1.2	2.0	2.5	2.0	2.6	4.7	2.18	6.9	0.36			
71	FTFMX	New York Muni Income	0.50%/30d	13.51	OK to Buy	0.7	3.7	1.5	3.7	3.3	5.2	1.71	6.8	0.34			
88	FOHFX	Ohio Muni Income	0.50%/30d	12.29	OK to Buy	0.9	4.2	1.7	4.2	3.6	5.5	1.85	7.4	0.37			
402	FPXTX	Pennsylvania Muni Income	0.50%/30d	11.31	OK to Buy	0.7	3.3	1.4	3.3	3.3	5.3	1.86	6.5	0.33			
90	FTABX	Tax-Free Bond	0.50%/30d	11.66	Buy	0.7	3.2	1.7	3.2	3.6	5.9	2.09	7.0	0.36			

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. (Note: Merged into funds with a \$100,000 minimum which will not be covered.) \*12 month distributed yield

TAXABLE MONEY MARKET FUNDS			Total Return (%)		SEC %Yield	MUNICIPAL MONEY MARKET FUNDS			Total Return (%)		SEC %Yield
			Dec	YTD					Dec	YTD	
55	FDRXX	Gov't Cash Reserves <sup>5</sup>	0.00	0.01	0.01	418	FCMXX	Connecticut Muni MM	0.00	0.01	0.01
458	SPAXX	Government MM	0.00	0.01	0.01	426	FMSXX	Mass AMT Tax-Free	0.00	0.06	0.01
454	SPRXX	Money Market	0.01	0.01	0.13	74	FDMXX	Massachusetts Muni MM	0.00	0.02	0.01
631	FGMXX	Retirement Gov't MM	0.00	0.01	0.01	420	FMIXX	Michigan Muni MM	0.00	0.01	0.01
630	FRTXX	Retirement Gov't MM II <sup>6</sup>	0.00	0.02	0.01	10	FTEXX	Municipal Money Market	0.00	0.01	0.01
85	FSLXX	Select MM	(merged see note above)			417	FNJXX	New Jersey Muni MM	0.00	0.01	0.01
2742	FZFX	Treasury Fund	0.00	0.01	0.01	423	FSJXX	New Jersey AMT Tax-Free	0.00	0.01	0.01
415	FDLXX	Treasury Only MM	0.00	0.01	0.01	92	FNXX	New York Muni MM	0.00	0.01	0.01
50	FGRXX	U.S. Gov't Reserves	(merged see note above)			422	FSNXX	New York AMT Tax-Free	0.00	0.04	0.01
<b>MUNICIPAL MONEY MARKET FUNDS</b>						419	FOMXX	Ohio Muni MM	0.00	0.01	0.01
433	FSAXX	Arizona Muni MM	0.00	0.01	0.01	401	FPTXX	Pennsylvania Muni MM	0.00	0.01	0.01
97	FCFXX	California Muni MM	0.00	0.01	0.01	275	FMOXX	Tax-Exempt MM <sup>10</sup>	0.00	0.01	0.01
457	FSPXX	California AMT Tax-Free	0.00	0.01	0.01						

# FIDELITY SCORECARD

DECEMBER 31, 2015

Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) <sup>1</sup>
							Dec	2015	3 Mo.	1 Year	3 Year	5 Year	
<b>FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS</b>													
Model Portfolios	Annuity Sector Model						-2.0	1.6	7.0	1.6	15.0	11.3	1.00
	Annuity Growth Model						-2.5	0.2	5.7	0.2	11.7	9.9	1.07
	Annuity Growth & Income Model						-1.8	0.4	4.4	0.4	8.9	7.8	0.77
	Annuity Income Model						-1.0	-0.2	1.6	-0.2	2.2	4.7	0.36
9067	FLRQC	Fid VIP Asset Manager	Allocation		17.30	Hold	-1.3	-0.2	2.6	-0.2	6.7	5.7	0.67
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation		17.54	Hold	-1.5	-0.2	3.8	-0.2	8.7	6.7	0.87
9069	FJBAC	Fid VIP Balanced	Allocation		19.53	Buy	-1.6	0.3	4.4	0.3	9.5	7.7	0.71
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	23.36	Buy	-2.9	4.4	4.6	4.4	17.1	13.8	1.21
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	22.82	OK to Buy	4.7	9.1	10.1	9.1	15.2	13.6	1.13
9065	FPDFC	Fid VIP Contrafund	Large Growth		20.80	Buy	-1.9	0.3	6.8	0.3	13.6	10.5	1.00
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Growth		16.38	OK to Buy	-5.1	-2.2	2.7	-2.2	12.2	10.5	1.30
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		22.70	Buy	-1.0	1.0	6.8	1.0	15.5	12.8	1.13
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	1.00%/60d	7.71	Hold	-1.4	-10.2	4.2	-10.2	-2.1	-3.4	1.23
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	12.55	OK to Sell	-11.6	-20.8	-1.3	-20.8	-5.0	-3.2	1.82
9061	FLOLC	Fid VIP Equity-Income	Large Value		16.47	Hold	-1.5	-4.3	4.5	-4.3	9.8	9.3	0.95
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	10.38	Hold	-2.4	-3.9	5.0	-3.9	12.3	7.5	1.13
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond		9.90	Hold	-0.7	-0.3	-2.0	--	--	--	--
9157	FMPAC	Fid VIP FundsManager 20	Allocation		14.00	Hold	-0.7	-0.3	0.9	-0.3	3.0	3.2	0.30
9158	FMPBC	Fid VIP FundsManager 50	Allocation		15.15	Hold	-1.0	-0.1	2.8	-0.1	6.3	5.5	0.58
9197	FMPPC	Fid VIP FundsManager 60	Allocation		14.12	Hold	-1.3	0.2	3.5	0.2	7.6	6.3	0.67
9159	FMPCC	Fid VIP FundsManager 70	Allocation		15.39	Hold	-1.4	0.3	4.1	0.3	8.5	6.9	0.76
9160	FMPDC	Fid VIP FundsManager 85	Allocation		15.31	Hold	-1.6	0.2	5.1	0.2	10.3	7.6	0.91
9062	FMNDC	Fid VIP Growth	Large Growth		21.16	OK to Buy	-0.1	6.8	8.6	6.8	17.2	12.9	1.07
9070	FLFNC	Fid VIP Growth & Income	Large Blend		19.04	Hold	-2.5	-2.6	5.9	-2.6	12.6	11.3	1.07
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		21.63	Buy	-1.0	5.3	9.0	5.3	17.4	14.5	1.22
9084	FPDRC	Fid VIP Health Care	Sector	1.00%/60d	35.75	Hold	1.3	6.0	9.1	6.0	29.7	23.2	1.44
9060	FBBLC	Fid VIP High Income	High-Yield Bond		16.96	Hold	-3.3	-4.0	-2.8	-4.0	0.8	3.9	0.51
9064	FXVLT	Fid VIP Index 500	Large Blend		20.00	Hold	-1.6	1.1	7.0	1.1	14.7	12.2	1.00
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	25.52	Buy	-2.8	-2.2	8.3	-2.2	13.0	10.4	1.22
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	1.00%/60d	15.88	Buy	-1.1	2.9	5.4	2.9	8.6	7.0	1.05
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		15.08	Buy	-1.0	-1.0	-0.5	-1.0	0.8	3.0	0.30
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	16.61	Hold	-4.7	-9.3	6.7	-9.3	3.4	3.9	1.32
9071	FNBSB	Fid VIP Mid Cap	Mid Growth		21.53	Buy	-4.1	-1.7	2.9	-1.7	12.2	7.6	1.15
9059	FTNJ	Fid VIP Gov't Money Market <sup>9</sup>	Money Mkt		11.34	--	0.0	-0.3	-0.1	-0.3	-0.2	-0.2	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	1.00%/60d	14.83	OK to Buy	-1.0	3.3	5.3	3.3	7.2	4.1	1.16
9072	FFWKC	Fid VIP Real Estate	Sector		21.61	Hold	1.5	3.4	7.5	3.4	10.8	11.6	1.35
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		16.90	OK to Buy	-1.3	-1.9	-0.6	-1.9	0.4	3.1	0.38
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	25.82	Buy	-2.0	5.8	10.3	5.8	14.6	9.6	1.14
9173	FVTAC	Fid VIP Telecommunications	Sector	1.00%/60d	13.39	Buy	0.0	2.1	7.7	2.1	8.4	8.3	1.11
9087	FXRRC	Fid VIP Utilities	Sector	1.00%/60d	20.35	OK to Sell	0.5	-11.0	0.2	-11.0	9.2	9.5	1.21
9079	FKMSC	Fid VIP Value	Large Value		18.07	OK to Buy	-3.2	-1.0	4.5	-1.0	13.2	11.2	1.02
9073	FRBSC	Fid VIP Value Strategies	Mid Value		18.66	Buy	-4.3	-3.3	3.0	-3.3	10.2	9.1	1.08
9347	FBMEC	Black Rock Global Allocation	Global Allocation		11.69	Hold	-0.9	-1.1	2.8	-1.1	4.8	4.0	0.63
9349	FTMEC	Franklin Templeton Global Bond	Global Bond		10.60	OK to Sell	-2.4	-4.5	1.8	-4.5	-0.6	2.2	0.52
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't		10.23	Hold	-0.2	0.3	-0.4	0.3	0.3	1.6	0.19
9285	FIGXC	Invesco Global Core Eqty	Global Stock		11.00	Hold	-2.1	-1.7	3.4	-1.7	6.4	4.0	1.01
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts		11.85	Hold	-4.5	-20.1	-0.4	-20.1	-9.0	-5.5	1.49
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		16.09	Hold	-2.0	-1.4	1.4	-1.4	-2.7	3.0	0.73
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts		11.16	Hold	-2.4	-10.9	-0.7	-10.9	-5.7	-3.9	1.15
9146	FPRPC	Morgan Stanley Global Strategist <sup>5</sup>	Diversified Int'l		11.58	Hold	-1.6	-6.6	1.9	-6.6	3.3	3.7	0.70
9346	FPMEC	Pimco Commodity Real Return	Commodities		5.24	Sell	-3.5	-25.9	-10.6	-25.9	-19.9	-13.0	1.34
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond		11.39	Buy	-0.3	0.1	0.2	0.1	0.1	1.3	0.16
9277	FPNBC	Pimco VIT Real Return	TIPS		12.12	Hold	-1.2	-3.0	-0.9	-3.0	-3.3	1.8	0.56
9278	FPOBC	Pimco VIT Total Return	Intermed Bond		12.58	Hold	-0.5	0.2	0.2	0.2	0.6	2.9	0.34

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Cons Discretionary	28%	VIP Growth Opps	25%	VIP Investment Grade	30%	VIP Balanced	40%
VIP Technology	27	VIP Mid Cap	23	VIP Growth Opps	29	VIP Investment Grade	33
VIP Telecom	24	VIP Contrafund	20	VIP Contrafund	21	Pimco VIT Low Duration	27
VIP Industrials	21	VIP Value Strategies	19	VIP Value Strategies	20		
		VIP Dynamic Cap App	13				
<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>	
Dec: -2.0% 2015: 1.6%		Dec: -2.5% 2015: 0.2%		Dec: -1.8% 2015: 0.4%		Dec: -1.0% 2015: -0.2%	

## 2015 YEAR-END DISTRIBUTIONS/DIVIDEND UPDATE

First, the good news: Year-end distributions were generally smaller in 2015 than they were in 2014. In fact, the average distribution size (expressed as a percent of a fund's NAV) was almost one full percentage point lower (2.55% versus 3.39%).

Of course, the bad news is that you may be paying less in taxes because your fund didn't fare as well in 2015.

Year-end fund distributions consist

of gains from sold securities, plus any income (dividends) paid to the fund via all its holdings. In the years immediately following the 2008 market crash, distributions were small because fund managers offset their gains with losses. But that's a distant memory: many funds no longer have losses to offset more recent gains. If your fund went "ex-dividend" in December (paid you), you likely noticed

that its NAV (net asset value) declined. Because it fell by the same amount as the distribution itself you were no worse off than before except, however, in taxable accounts only, the distribution is subject to taxes.

While we don't believe in putting the tax "cart" before the investment "horse," being strategic about taxes will help you to keep more of your nestegg. ■

Fund	Ex-Date	Dist\$	NAV\$
Air Transportation	12/18	5.349	61.38
Asset Manager 20%	12/11	0.317	12.68
Asset Manager 30%	12/11	0.204	10.07
Asset Manager 40%	12/11	0.190	10.31
Asset Manager 50%	12/11	0.706	15.92
Asset Manager 60%	12/11	0.435	10.46
Asset Manager 70%	12/11	1.038	18.35
Asset Manager 85%	12/11	0.752	15.31
Automotive	12/18	4.010	38.99
AZ Muni Income	12/4	0.016	12.10
Balanced	12/11	0.137	21.06
Banking	12/18	0.781	25.25
Biotechnology	12/4	9.557	233.13
Blue Chip Growth	12/11	0.187	67.62
Blue Chip Value	12/11	0.109	15.47
Brokerage & Invest	12/18	3.428	62.46
CA Muni Income	12/4	0.001	13.04
Canada	12/4	0.673	43.56
Capital Appreciation	12/4	4.275	32.72
Chemicals	12/18	4.729	126.63
China Region	12/4	3.933	25.83
Comm Equip	12/4	0.825	28.51
Computers	12/18	3.004	67.01
Cons Discretionary	12/18	0.555	33.92
Cons Income Muni	12/23	0.001	10.04
Conservative Inc	12/18	0.001	10.02
Const & Housing	12/18	0.915	56.87
Consumer Finance	12/18	0.500	12.02
Consumer Staples	12/18	4.900	89.54
Contrafund	12/11	4.321	97.64
Convertible Securities	12/11	2.249	26.22
CT Muni Income	12/18	0.063	11.74
CT Muni MM	12/18	0.000	1.00
Defense & Aero	12/18	2.945	111.96
Disciplined Equity	12/4	2.005	32.61
Diversified Int'l	12/4	0.473	35.61
Dividend Growth	12/11	0.370	29.83
Electronics	12/4	6.612	78.81
EMEA	12/4	0.128	6.94
Emerg Mkts Discovery	12/4	0.085	10.71
Emerging Asia	12/4	0.132	30.62
Emerging Markets	12/4	0.110	22.13
Energy	12/18	0.365	34.35
Energy Service	12/4	0.381	44.69
Energy Service	12/28	0.018	41.12
Environment & Alt Ergy	12/4	0.120	19.75
Equity Dividend Inc	12/11	0.994	24.08
Equity-Income	12/11	3.056	49.96
Europe	12/4	0.579	36.59
Event Driven Opps	12/4	0.044	11.15
Event Driven Opps	12/28	0.002	11.06
Export and Multi	12/4	0.181	20.62
Fidelity Fund	12/11	0.453	41.12
Financial Services	12/18	1.367	82.47
Focused Stock	12/4	1.062	18.30
Four-in-One Index	12/29	0.870	36.69
Global Balanced	12/11	0.653	21.77

Fund	Ex-Date	Dist\$	NAV\$
Global Commod Stk	12/4	0.251	9.29
Global Eqty-Inc	12/4	0.199	12.06
Global Strategies	12/29	0.127	8.47
Government Income	12/11	0.013	10.39
Growth & Income	12/11	0.177	28.41
Growth Company	12/4	5.155	139.83
Growth Discovery	12/11	0.015	24.65
Growth Strategies	12/11	0.044	32.99
Health Care	12/18	14.621	203.37
Independence	12/11	2.457	35.22
Industrial Equipment	12/18	0.438	35.62
Industrials	12/18	1.569	28.51
Inflation-Protected	12/23	0.047	11.63
Insurance	12/18	1.509	65.93
Interm Gov't Income	12/18	0.013	10.60
International Growth	12/4	0.086	11.30
International Value	12/4	0.116	8.15
Int'l Cap App	12/4	0.260	16.82
Int'l Discovery	12/4	0.414	39.85
Int'l Enhanced Indx	12/11	0.141	8.00
Int'l Real Estate	12/18	0.038	9.97
Int'l Small Cap	12/4	0.913	22.22
Int'l Small Cap Opps	12/4	0.145	15.00
IT Services	12/18	0.355	39.43
Japan	12/4	0.075	11.94
Japan Smaller Cos	12/4	0.198	13.80
L Cap Core Enhcd	12/11	0.274	11.32
L Cap Growth Enhcd	12/11	0.432	14.43
L Cap Value Enhcd	12/11	0.272	10.32
Large Cap Stock	12/4	0.743	26.96
Latin America	12/4	0.347	17.33
Latin America	12/28	0.028	16.52
Leisure	12/18	4.597	127.74
Leveraged Co Stock	12/4	1.000	41.86
Low-Priced Stock	12/11	0.388	47.47
Ltd Term Gov't	12/18	0.009	10.01
Ltd Term Muni Inc	12/23	0.017	10.62
MA Muni Income	12/4	0.042	12.45
Magellan	12/4	3.917	91.78
Materials	12/18	1.626	66.66
MD Muni Income	12/4	0.013	11.33
Medical Delivery*	12/18	1.835	82.68
Medical Equipment	12/18	1.670	35.23
Mega Cap Stock	12/11	0.260	15.39
Mid Cap Enhd Indx	12/11	0.523	12.44
Mid Cap Value	12/11	0.966	21.90
Mid-Cap Stock	12/11	1.697	32.45
MN Muni Income	12/23	0.045	11.74
Mortgage Securities	12/18	0.006	11.29
Multimedia	12/18	3.765	73.05
Municipal Income	12/23	0.067	13.43
Nasdaq Comp Index	12/11	0.963	64.60
Nasdaq Comp Index	12/28	0.022	66.01
Natural Gas	12/18	0.323	18.84
Natural Gas	12/28	0.005	19.90
Natural Resources	12/18	0.184	23.01
New Millennium	12/11	4.013	33.07

Fund	Ex-Date	Dist\$	NAV\$
NJ Muni Inc	12/18	0.017	11.88
Nordic	12/4	0.617	46.99
NY Muni Income	12/4	0.121	13.45
OH Muni Income	12/23	0.109	12.29
OTC	12/11	0.644	81.12
Overseas	12/4	0.434	41.45
PA Muni Income	12/23	0.026	11.31
Pacific Basin	12/4	1.313	26.17
Pharmaceuticals	12/18	1.619	20.27
Puritan	12/11	0.075	20.12
Real Estate Income	12/18	0.254	11.13
Real Estate Invest	12/18	0.762	39.70
Retailing	12/18	0.081	104.49
Short Duration High Inc	12/31	0.002	8.94
Sm Cap Discovery	12/4	0.524	27.74
Sm Cap Discovery	12/28	0.031	26.63
Sm Cap Enhanced Indx	12/11	0.413	11.60
Small Cap Growth	12/4	0.023	19.33
Small Cap Stock	12/4	0.725	18.06
Small Cap Value	12/4	0.296	17.39
Software & Comp Svcs**	12/18	3.539	119.37
Spartan 500 Index	12/18	0.604	70.41
Spartan Int'l Index	12/18	0.951	35.34
Sptn Emerg Mkt Index	12/11	0.170	7.45
Sptn Emerg Mkt Index	12/30	0.004	7.71
Sptn Extd Mkt Index	12/18	2.401	49.31
Sptn Gbl ex-US	12/11	0.246	10.39
Sptn Inflation-Protect	12/23	0.012	9.38
Sptn Interm Treas	12/18	0.023	10.92
Sptn Mid Cap Index	12/18	0.546	15.96
Sptn Real Estate Idx	12/18	0.152	14.74
Sptn Real Estate Idx	12/31	0.010	15.06
Sptn Sht-Term Treas	12/18	0.011	10.42
Sptn Small Cap Index	12/18	0.402	15.23
Sptn Total Mkt Index	12/18	1.264	57.56
Sptn U.S. Bond Index	12/18	0.007	11.54
Stk Sel All Cap	12/11	1.731	32.96
Stk Sel Lge Cap Value	12/11	0.202	15.98
Stk Sel Mid Cap	12/18	0.585	31.19
Stk Sel Small Cap	12/4	1.627	24.02
Strategic Div & Inc	12/11	0.399	13.34
Strategic Real Return	12/11	0.032	8.21
Tax-Free Bond	12/4	0.016	11.61
Technology	12/4	3.387	121.69
Telecom & Utilities	12/4	0.580	21.47
Telecommunications	12/18	1.156	59.20
Total Emerg Mkts	12/4	0.290	9.93
Total Int'l Equity	12/4	0.095	7.70
Transportation	12/18	4.851	71.96
Trend	12/18	4.272	83.33
Utilities	12/4	1.502	62.11
Value	12/4	10.505	99.32
Value Discovery	12/11	0.183	22.70
Value Strategies	12/18	0.523	40.75
Wireless	12/4	0.557	8.54
Worldwide	12/4	0.886	22.52

\*Now Health Services \*\* Now Software & IT Services

### Domestic Stock Funds

With the aforementioned in mind, it should be no surprise that with over 50% in tech and a good slug of biotech, **OTC** (up 10.9%) was Fidelity's top-performing offering last year (and the only one with a double-digit return). Naturally, other large-cap growth funds like the long-closed **Growth Company** (up 7.8%), **Growth Discovery** (up 7.2%) and **Blue Chip Growth** (up 6.3%) were also performance leaders (though none are as volatile as OTC). And, as for **Contrafund** (up 6.5%), it also enjoyed a great year considering that its legendary manager, Will Danoff, takes less risk than the market itself.

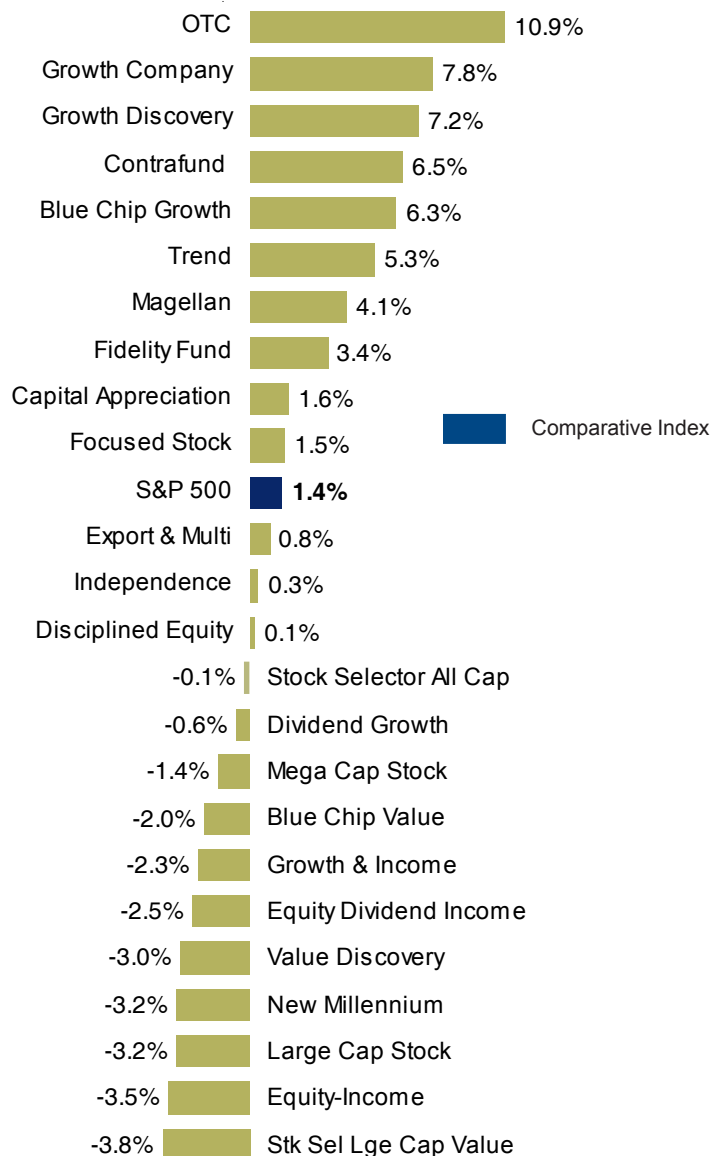
But if you are starting to think that success in this business is only the result of which "style box" a fund must "stand" in (versus how well a manager can pick stocks), think again.

While small- and mid-cap funds struggled last year, **Small Cap Growth's** Patrick Venanzi made mincemeat of his Russell 2000 Growth Index. He did so through excellent stock selection (it gained 5.8%). Similarly, Jean Park's **Growth Strategies** parlayed both strong stock and sector selection into a gain of 3.2%, soundly trumping her Russell Midcap Growth benchmark (down 0.2%).

Among large cap laggards, none fared worse than **Stock Selector Large Cap Value**. Down 3.8% for the year, near-market-weights in financials (29%) and energy (13%) made it impossible for the fund's talented team to cull from its investible universe a positive return. Add to that burden another 10% in industrials and nearly 3% in materials, and it's a wonder that it didn't fare far worse.

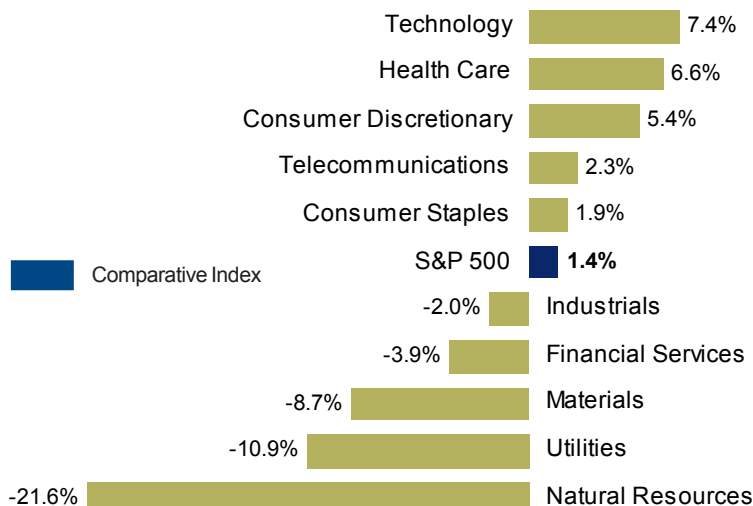
Among Fidelity's most widely owned funds (that we haven't mentioned), **Low-Priced Stock** slipped 0.6%, **Magellan** gained 4.1% (see p. 16), **Value** declined 6.5% and **Equity-Income** was off 3.5%.

## 2015 LARGE-CAP STOCK FUND RETURNS



## 2015 BROAD SELECT FUND RETURNS

These 10 broad-based Select funds represent the major industry segments of the S&P 500. Fund returns for 29 Select subsets and 11 sector ETFs are shown on page 8 of the Scorecard.



### Select Funds

The average return last year for Fidelity's 39 Select funds was -2.7%. While they represent all 10 broad industry segments of the market (which correspond to the 10 Selects on the p. 12 chart), the figure is skewed by the disproportionate number of funds in certain sectors.

Among these 10 broader sector offerings, **Technology** (up 7.4%) was last year's top-performer. However, within that broad area, **IT Services** and **Software and IT Services** (formerly Software & Computer Services — see p. 16) were the best-performers. They gained 13.1% and 10.5%, respectively.

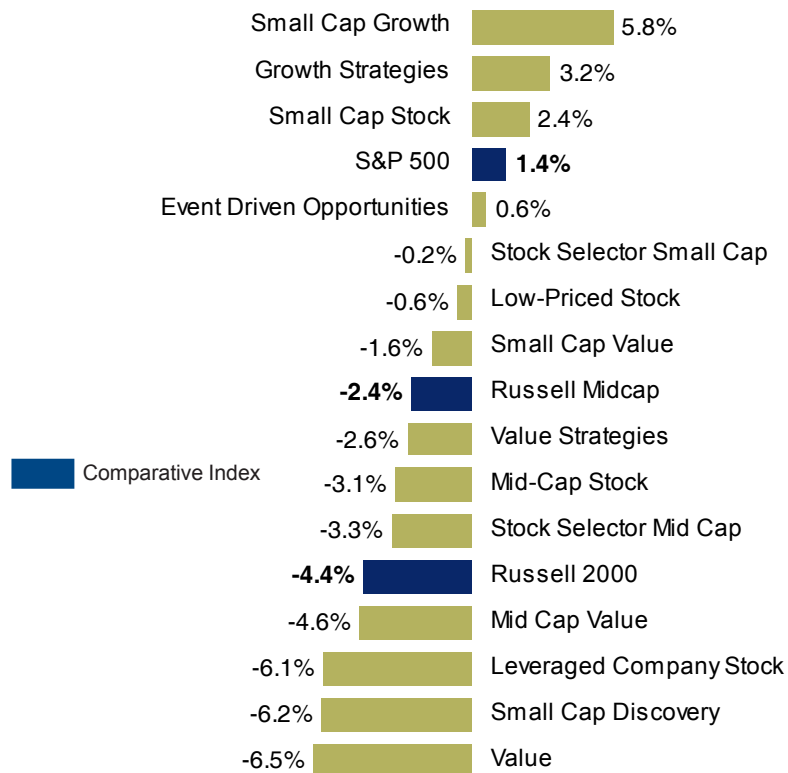
Immediately behind Technology was **Health Care** (up 6.6%). Two of its constituent subsectors performed especially well in 2015: **Biotechnology** soared 13.7% and **Pharmaceuticals** gained 8.2%. And, while the economy's growth didn't reach expectations last year, declining unemployment and initial unemployment claims, coupled with stronger housing starts and rising home values, contributed to **Consumer Discretionary's** 5.4% return. Within that area, **Retailing** was Fidelity's top-returning fund overall having rung up a gain of 18.4%. (Part of its success was its large stake in Amazon, which more than doubled in value.) **Construction & Housing** (up 6.9%) was yet another winner within the consumer group.

Of course, with oil prices plunging about 31% last year and gold off almost 10%, **Natural Resources** (down 21.6%) was one of the worst-performing Selects. As painful as that was, you could have fared even worse: **Energy Service** plunged 26.4% and **Natural Gas** imploded having lost more than a third of its value (down 36.8%).

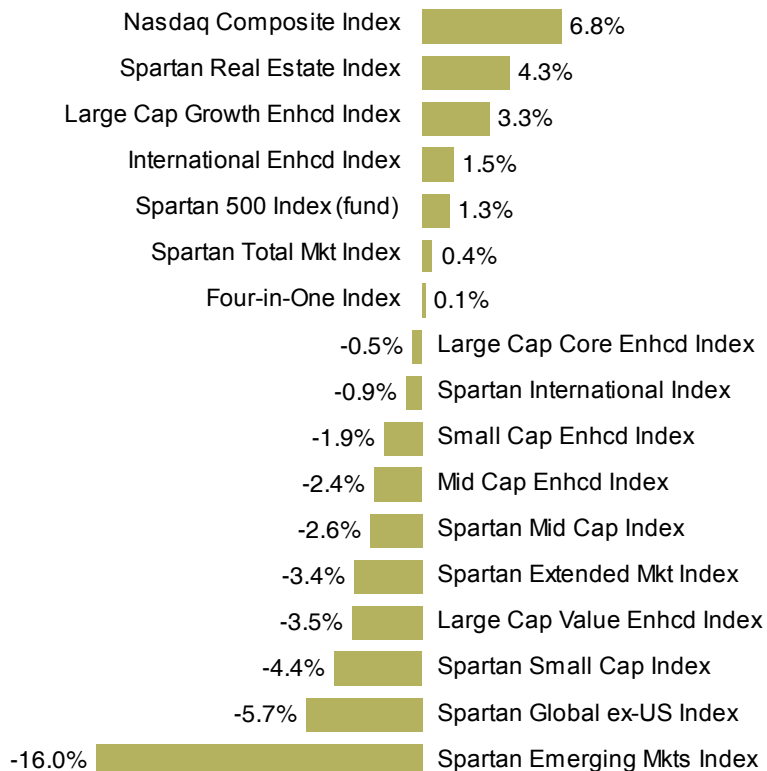
### Specialty Funds

By way of comparison to energy (see chart on next page), **Global Commodity Stock** plunged 27.5% last year. And, illustrating that problems

## 2015 MID- AND SMALL-CAP STOCK FUND RETURNS



## 2015 EQUITY INDEX FUND RETURNS



in one market often spill into others, **Convertible Securities** (down 9.4%) suffered amid concern that energy firms and others with distressed balance sheets had grown unacceptably risky.

Elsewhere, **Real Estate Investment** (up 6.0%) scored its seventh consecutive year of gains as investors sought out this distinctively different

asset class for its income (the fund yields just over 2%), potential for capital gains and for portfolio diversification.

Elsewhere, **Puritan** enjoyed a solid performance edge over **Balanced** last year, as they returned 1.8% and 0.4%, respectively. Part of Puritan's advantage was its slightly larger allocation to cash, and a bit more tech on the equity side. On the other hand, its larger stake in high yield (18% versus 9%) weighed on its performance.

### International Funds

Easy money policies — not fundamentals like corporate earnings growth — lifted share prices across many overseas markets. In fact, gains would have been more pronounced for most international funds if not for the fact that Fidelity does not hedge its currency exposures. (Weaker currencies abroad diminish fund returns when translated into dollars.)

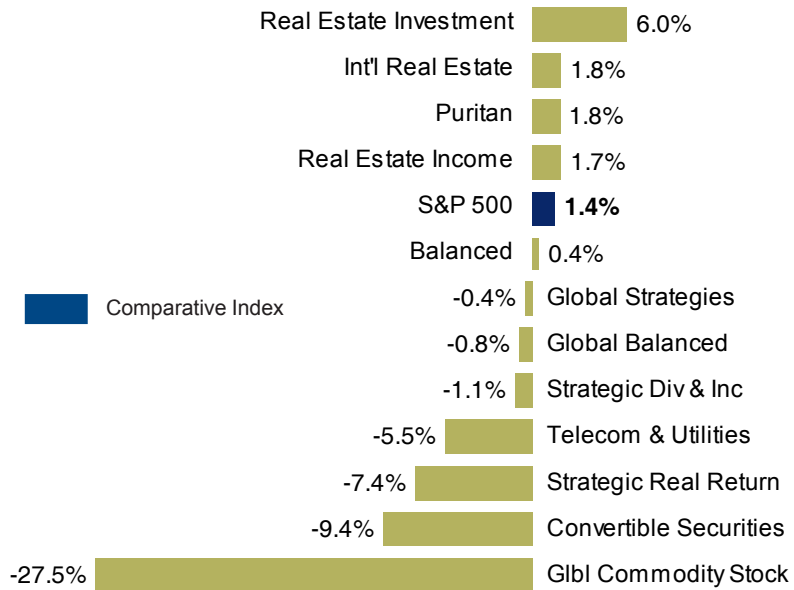
Nevertheless, a number of international funds fared better than the domestic variety. **Japan Smaller Companies** led the way rising 14.0% while **Europe** gained a strong 4.2%, well ahead of its benchmark. And, using **Spartan Int'l Index** (down 0.9%) as a proxy for their common benchmark, **Diversified Int'l** (up 3.1%), **Int'l Discovery** (up 4.8%) and **Overseas** (up 8.3%) were strong.

On the other hand, the emerging markets were once again trouble. This time, declines were triggered by falling commodity prices and were sustained by an aversion to liquidity risk and political upheaval. (Think **Latin America**, which plunged 29.9%). As such, the more diversified **Emerging Markets** (down 10.1%) never stood a chance. (See p. 4 of "Market Outlook" for our take on foreign investing.)

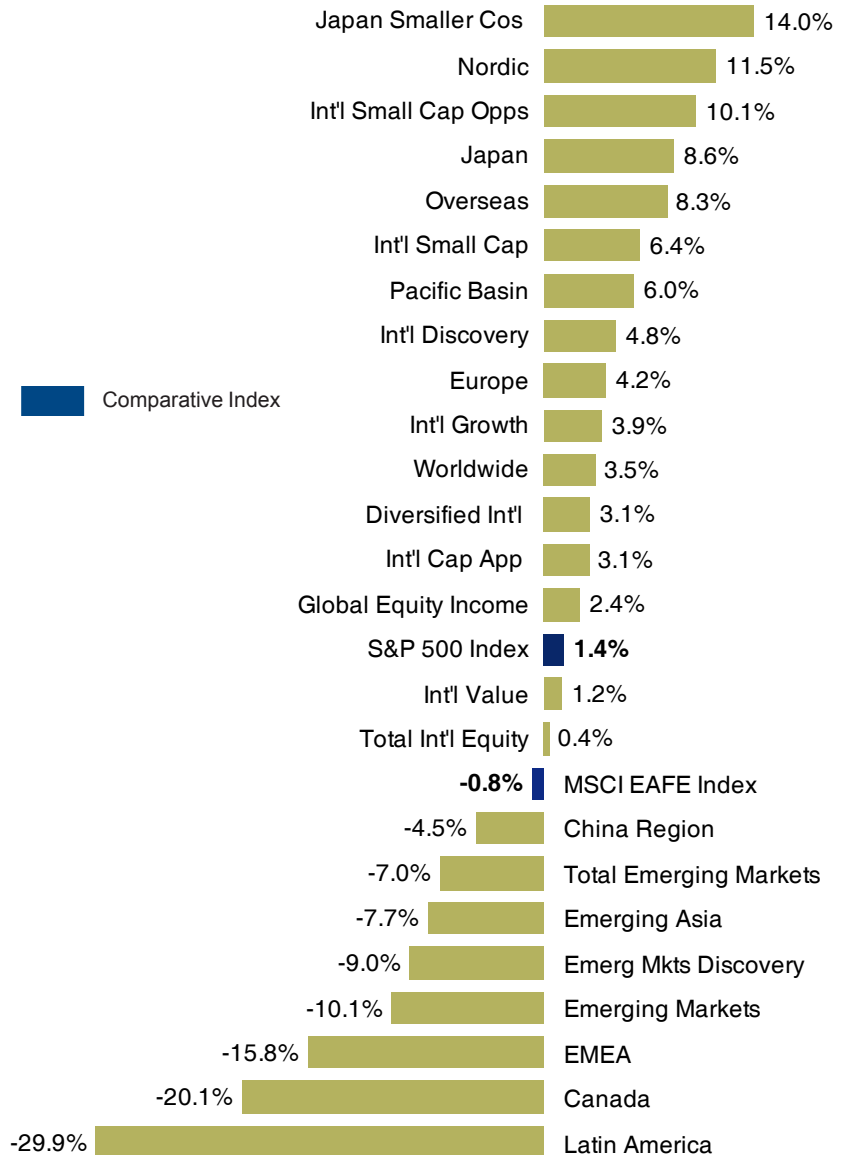
### High Yield Bond Funds

A number of problems conspired against high yield (junk) bonds last year. More economically sensitive

## 2015 SPECIALTY FUND RETURNS



## 2015 INTERNATIONAL FUND RETURNS



than they are interest-rate sensitive, concerns over slowing global growth exerted downward pressure on the asset class. In addition, the energy sector is about 12% of the high yield market, and so fleeing investors drove these less liquid securities even lower.

Reflecting these troubles, **High Income** fell 5.4%. On the other hand, the group's most risky offering, **Capital & Income** (down 0.9%), was the best performer partly because the fund typically holds equities. (**New Markets Income** gained 0.2%, but it's an emerging market fund, not a "junk" fund *per se*.)

### Muni Bond Funds

Like taxables, muni funds can also be very interest-rate-sensitive. But last year they demonstrated that they're actually a distinct asset class from their taxable bond fund counterparts in that they all gained some modest ground.

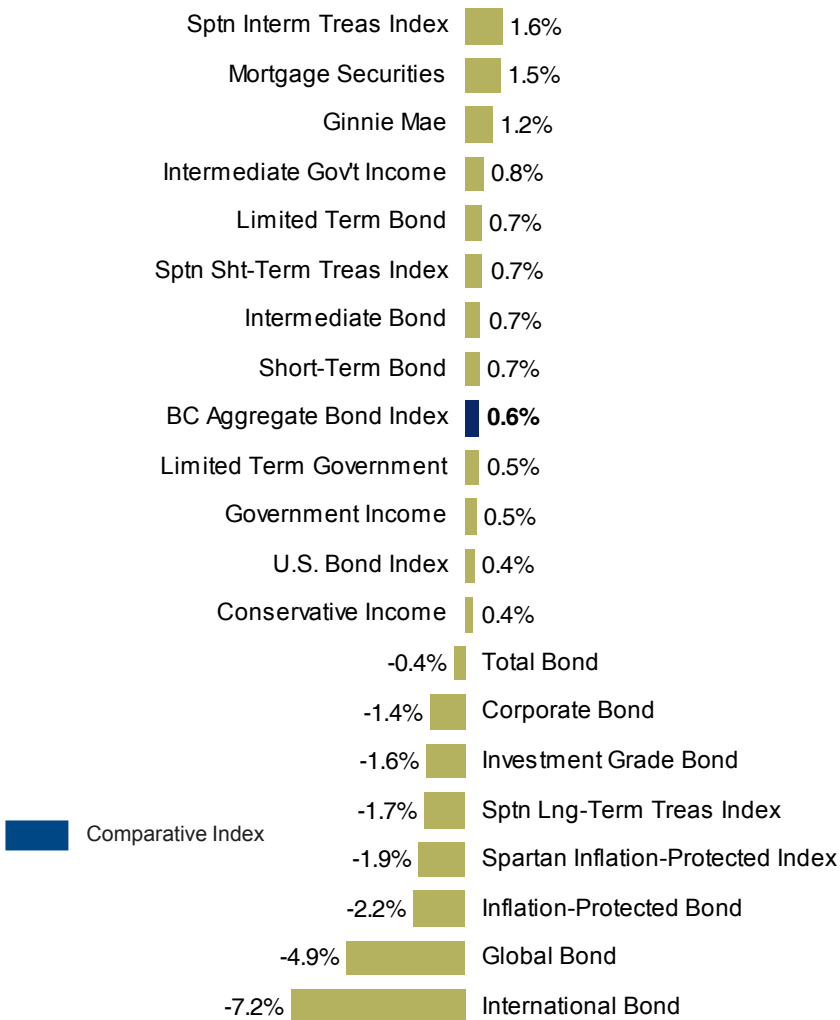
The key to their success is their tax-free income. The only asset class that is dominated by the individual investor rather than by institutions, the demand for munis by highly taxed investors remained strong in 2015 (even while issuance was a bit muted). As a result, some of Fidelity's state-specific munis (such as **Ohio Muni Income**, up 4.2%) performed especially well. High state taxes pushed some funds' tax-equivalent yields close to 4%! Which is not to suggest that Fidelity's nationally diversified offerings suffered — they did not. In fact, **Muni Income** and **Tax-Free Bond** returned 3.3% and 3.2%, respectively.

### Money Market Funds

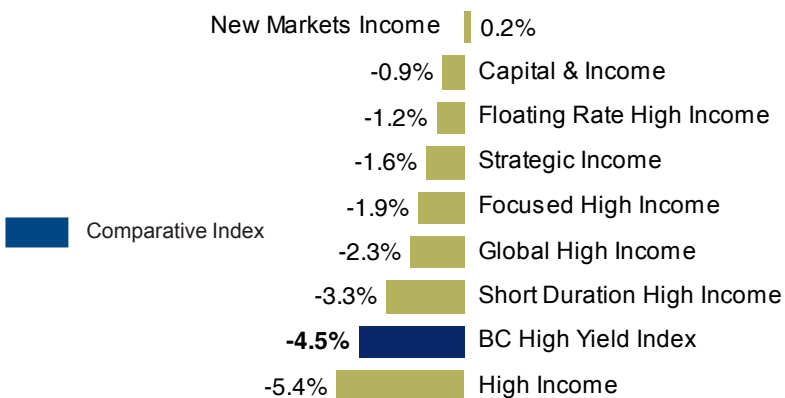
The Fed's quarter basis-point rate hike in December has yet to be reflected in money market yields, but it eventually will — if you carry your decimal point an extra digit! The yield on **Gov't Cash Reserves** (formerly Cash Reserves, and no longer a prime fund) finished the year at 0.01% — precisely where it started! ■

— John Bonnanzio

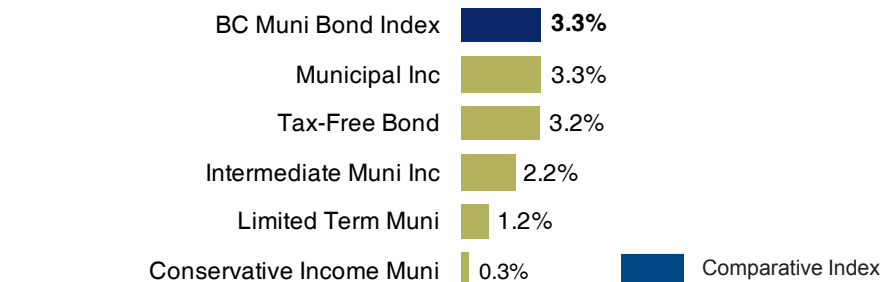
## 2015 TAXABLE BOND FUND RETURNS



## 2015 HIGH-YIELD BOND FUND RETURNS



## 2015 MUNICIPAL BOND FUND RETURNS



## Inside Fidelity

**Name Changes** — Effective January 1, the former Select Software and Computer Services fund [ticker: FSCSX] became **Select Software and IT Services**. (The fund's investment policies will not change. And its manager, Ali Khan, will continue to favor software companies over hardware because he believes the former "tend to grow faster than IT, are more resilient and are often highly profitable." Presently, he focuses on companies that stand to benefit from the transition to cloud computing.

Elsewhere, Select Medical Delivery is now called **Select Health Care Services** [ticker: FSHCX]. Likewise, this fund's investment charter is unchanged; Manager Steven Bullock has generally positioned the fund to benefit from opportunities created at the hand of the Affordable Care Act — meaning high-quality companies that are less-regulated and/or a low government reimbursement risk.

**Money Fund Changes** — As we've reported they would, several money market funds changed their names last month, while their investment pa-

### 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 2016:*

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.*

rameters had already been modified. Cash Reserves is now called **Gov't Cash Reserves**. Retirement Money Market is now called **Retirement Gov't MM II** and VIP MM has been renamed **VIP Gov't MM**.

All three offerings had been managed as "prime" funds holding a combination of government and slightly riskier commercial paper. With this change, they are officially government-only funds. This means they are restricted to holding only the highest-quality government securities, and/or repurchase agreements that are fully collateralized by government debt. Theoretically, this change makes the funds even safer than they have already been. Of course, all things being equal, it's likely that the funds' yields will decline very modestly from where they might otherwise have been as the price for safety (even in the ultra-safe world of money funds) is return.

**Manager Changes** — Peter Dixon is now a co-manager overseeing the consumer discretionary sleeve of several funds including the annuities **VIP Contrafund** and **VIP Balanced**, plus the retail version **Balanced**. He replaced Peter Saperstone. With this appointment, Peter joins lead portfolio manager Bob Stansky (formerly of **Magellan** — see facing column) and a team of managers responsible for focusing on specific industry sectors.

**Expense Caps** — Expenses on **Conservative Income Muni Bond** have been capped at 0.35% for the Retail Class and 0.25% for the Institutional; they expire on 2/28/17. Likewise, **Conservative Income Bond's** have been capped at 0.35% for Retail and 0.25% for Institutional shares. They are set to expire this year, on October 31. In all cases, temporary caps save shareholders 0.05%. ■

## Magellan News

The *Wall St. Journal* has noted that it's now been 25 years since legendary manager Peter Lynch commanded the once-mighty **Magellan**. So successful was Peter during his tenure (1977-1990), claims Fidelity, that one in every 100 Americans had owned its shares!

The attraction was obvious: With its average annual return of 29.2%, Magellan had more than doubled the performance of the S&P 500. Along the way, assets grew from a mere \$18 million to \$14 billion by 1990.

Unfortunately, many of the subsequent years were unkind to shareholders. Performance floundered relative to the bull market, and Magellan was closed to new investors late in 1997. Even so, in 1999 Magellan had become the country's first fund to top \$100 billion (while providing Fidelity nearly a billion dollars in fees!). Today, however, assets have retreated to where Peter had left them: \$14 billion.

The good news: Since September 2011, Jeff Feingold has quietly built both a market- and peer-beating record of his own. That should come as little surprise. After all, when Jeff came aboard Magellan from **Trend and Large Cap Growth**, we immediately upgraded the fund's rating to *Hold* from *OK to Sell* based principally on his index-beating performances. (Today we rate Magellan *Buy*.)

Despite a challenging investment landscape that includes a dramatic rise in "passive" index investing, Fidelity reports that 77% of its 49 equity fund managers with five-plus years on the same fund (through Sept. 30) have beaten their respective benchmarks. ■

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