

# FIDELITY MONITOR & INSIGHT

FEBRUARY 2018

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## MESSAGE FROM JACK

### **Oil Prices Are Up, But It May Not Last**

Venezuela's oil output is in free fall. Four months ago the country's state oil company reported daily production of just over 2 million barrels. Today it's about a third lower, and by the end of this year it could fall to a few hundred thousand.



Jack Bowers

This story is nearly 20 years in the making. It started with Venezuela's embrace of Cuban-style communism, marked by the election of Hugo Chavez in 1998. Over the next decade, tens of thousands of skilled oil workers were fired from the state oil company for lack of loyalty. Many moved to Canada to find work. By 2009, a shortage of skilled workers, along with capital controls limiting spare parts, made it difficult to replace lost oil output from neglected wells. The knock-out punch arrived about three months ago: some 70 senior managers have been jailed on graft charges; they've been replaced by military generals with no oil industry knowledge.

The loss of Venezuelan crude is likely to be cushioned by increased production among OPEC's other members, who can now boost output and still comply with the cartel's production caps. Problem is, it may take 2-3 months for other OPEC members to first realize how much they can expand production, then another 2-3 months to actually do it. Venezuela's output is falling so fast the supply gap may persist for much of this year.

No surprise, oil prices have climbed from \$50 to \$65 in recent months. We might see some additional upward pressure, although the domestic shale industry is now engaged too, and can likely respond with new supply faster than OPEC members can. The situation is playing out quickly. By the end of this year, Venezuelan exports could fall to near-zero levels, ending its 100-year run as a global oil producer.

We've upgraded our energy sector ratings to *Hold* to reflect a robust earnings picture for 2018. But our longer-term view on this industry group remains negative, so it's unlikely we'll be making any energy-related moves in our Model Portfolios.

## MARKET OUTLOOK

### **Earnings And Sentiment Driving Stocks Higher, But Risk Rising**

The stock market delivered an historic start to 2018, with the S&P 500 notching new record highs on each of the first six trading days this year — something it hasn't done in over 50 years, way back in 1964. For the full month, the S&P 500 hit 14 all-time highs — the most in a month since 1955. Moreover, according to Ryan Detrick, senior market strategist at LPL Financial, the 2.8% gain in the first five trading days of 2018 bodes well for the rest of the year. He notes that since 1950, there have been 15 prior years where the S&P has gained at least 2.0% in the first five trading days. In each of those years the market ended the year higher with an average gain of 18.6%.



John M. Boyd

### **Economic Backdrop Strongly Favorable**

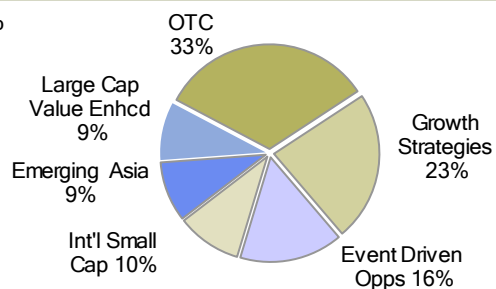
That the market is up is not surprising given the extremely favorable economic backdrop. We are in the midst of a rare period of globally synchronized growth combined with minimal inflationary pressures. Eurozone growth was stronger than our own in 2017 and is looking stronger for 2018. China grew 6.9% last year and Japan has now registered seven straight quarters of GDP growth. While the first estimate of U.S. GDP for the fourth quarter of last year came in at "just" 2.6%, the details paint a much stronger picture. The drag on GDP came from an increase in the trade deficit (exports rose a solid 6.9% but imports rose an even higher 13.9%) and a reduction in inventories. Final sales to domestic buyers, which excludes those two factors, rose a quite robust 4.3%. And, assuming sales growth continues to be strong, lower inventories could provide a boost to future quarters as firms move to re-stock their pipelines.

At the same time, inflation remains quiescent. In December, the Federal Reserve's favorite inflation gauge, the Personal Consumption Expenditures Index (PCE), was up just 1.7% over the past year, down from 1.8% in November — and below the Fed's target of 2.0%. The core PCE Index (ex food and energy) is up just 1.5% over the past year.

**Unique Opportunities** Target Risk: 1.20 (Current: 1.14) Foreign Holdings: 25.5% **YTD Return: 6.3%**

Stocks: 98.4% Bonds: 0.0% Cash: 1.6% Alternatives\*: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
OTC	FOCPX	\$118.91	1,610.00	\$191,445	8.3%
Growth Strategies	FDEGX	43.51	3,086.93	134,312	5.8
Event Driven Opps	FARNX	14.67	6,275.54	92,062	5.1
International Small Cap	FISMX	31.33	1,837.47	57,568	4.8
Emerging Asia	FSEAX	47.87	1,126.90	53,944	6.3
Large Cap Value Enhcd	FLVEX	13.75	3,786.85	52,069	4.2
<b>Current Value (3/31/99 = \$100,000)</b>				<b>\$581,401</b>	<b>6.3%</b>

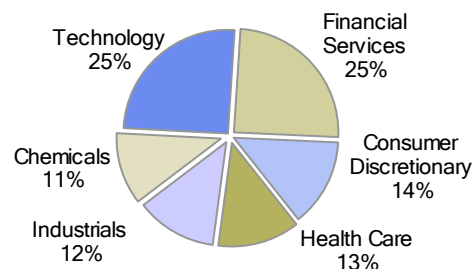


For aggressive members who have no need for income or principal for more than 10 years,

**Select** Target Risk: 1.20 (Current: 1.21) Foreign Holdings: 11.0% **YTD Return: 7.2%**

Stocks: 98.9% Bonds: 0.0% Cash: 1.1% Alternatives\*: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Technology	FSPTX	\$195.00	5,460.16	\$1,064,731	9.1%
Financial Services	FIDSX	121.27	8,609.56	1,044,081	6.2
Consumer Discretionary	FSCPX	45.35	12,744.69	577,972	9.4
Health Care	FSPHX	243.06	2,205.98	536,186	8.6
Industrials	FCYIX	38.53	13,746.69	529,660	4.7
Chemicals	FSCHX	186.10	2,548.74	474,321	4.4
<b>Current Value (12/31/88 = \$100,000)</b>				<b>\$4,226,951</b>	<b>7.2%</b>

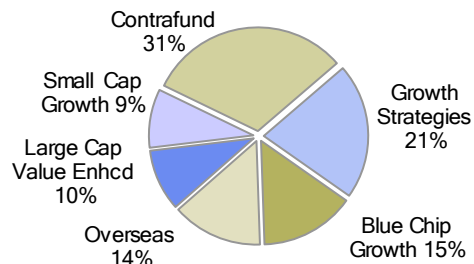


For aggressive members who have no need for income or principal for more than 10 years.

**Growth** Target Risk: 1.00 (Current: 1.03) Foreign Holdings: 17.9% **YTD Return: 7.0%**

Stocks: 98.6% Bonds: 0.0% Cash: 1.4% Alternatives\*: 0.0% Yield: 0.5%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Contrafund	FCNTX	\$133.83	6,802.54	\$910,384	9.3%
Growth Strategies	FDEGX	43.51	14,070.41	612,204	5.8
Blue Chip Growth	FBGRX	95.28	4,465.05	425,430	8.6
Overseas	FOSFX	53.23	7,621.76	405,706	5.0
Large Cap Value Enhcd	FLVEX	13.75	20,248.20	278,413	4.2
Small Cap Growth	FPCGX	26.16	10,113.14	264,560	5.8
<b>Current Value (12/31/86 = \$100,000)</b>				<b>\$2,896,696</b>	<b>7.0%</b>

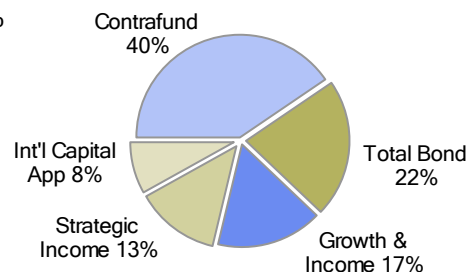


For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years.

**Growth & Income** Target Risk: 0.66 (Current: 0.73) Foreign Holdings: 17.2% **YTD Return: 4.8%**

Stocks: 64.3% Bonds: 21.5% Cash: 1.9% Alternatives\*: 12.4% Yield: 1.2%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Contrafund	FCNTX	\$133.83	2,169.26	\$290,312	9.3%
Total Bond	FTBFX	10.54	14,788.50	155,871	-0.7
Growth & Income	FGRIX	39.78	2,987.08	118,826	5.0
Strategic Income	FSICX	11.10	8,508.54	94,445	0.7
Int'l Capital App	FIVFX	22.24	2,623.10	58,338	5.6
<b>Current Value (12/31/93 = \$100,000)</b>				<b>\$717,792</b>	<b>4.8%</b>

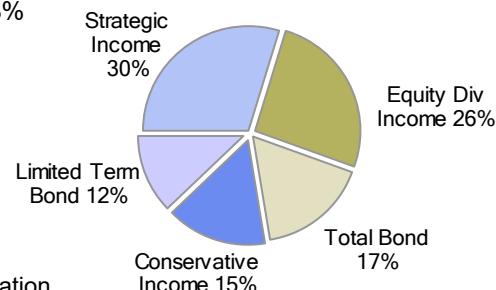


A good choice for members retiring in 5-10 years looking for less volatility than the market.

**Income** Target Risk: 0.33 (Current: 0.35) Foreign Holdings: 20.7% **YTD Return: 1.1%**

Stocks: 25.6% Bonds: 48.6% Cash: 2.6% Alternatives\*: 23.2% Yield: 2.3%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Strategic Income	FSICX	\$11.10	10,972.89	\$121,799	0.7%
Equity Dividend Income	FEQTX	28.98	3,653.28	105,872	4.4
Total Bond	FTBFX	10.54	6,561.84	69,162	-0.7
Conservative Income	FCONX	10.04	6,294.07	63,192	0.1
Limited Term Bond	FJRLX	11.39	4,381.58	49,906	-0.4
<b>Current Value (12/31/91 = \$100,000)</b>				<b>\$409,932</b>	<b>1.1%</b>



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

### Earnings Estimates Rising

That the market is up so much is, in large part, due to increasing estimates for corporate earnings, as analysts start to calculate the impact of tax reform. Since the end of last November, estimates for 2018 earnings have increased 5.5% and are still rising. Currently, 2018 full year earnings per share are forecasted to jump a robust 22.5% over 2017. If those estimates hold, the market could rise 20% this year and the market's P/E ratio (price/earnings) would actually be slightly less than it was at the start of the year.

### FOMO May Be Another Factor

What in the heck is FOMO? It's an acronym for "Fear Of Missing Out." One of the more remarkable characteristics of this long bull market has been the persistent "distrust" in it by most investors. That may be changing. After pulling \$14 billion out of stock funds and ETFs at the very beginning of the year (week ending 1/3), investors plowed \$57 billion back in over the next two weeks. Sentiment indicators for both institutional and individual investors are strongly bullish. And short interest in the S&P 500 (bets that stocks will fall) fell 27% in the last two weeks of December.

### Correction Risk Rising

All this suggests that the risk of a correction is rising. According to Bespoke Investment Group, we have now gone a record 451 days without as much as a 3% correction in stocks, and are about two weeks short of a record since the last 5% drop. Does that mean we are destined to have a correction soon?

In a word, No. But the conditions are in place.

## FUNDS YOU SHOULD BUY NOW

**Growth:** OTC and Growth Company are aggressive large-cap options; **Contrafund** is more conservatively positioned. **Large Cap Value Enhanced** provides exposure to attractively valued financials; **Growth Strategies** and **Small Cap Growth** lower market-cap exposure. Style-agnostic, **Event Driven Opportunities** provides smaller-cap portfolio diversification.

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

**International:** **Overseas**, **Int'l Cap App** and **Int'l Small Cap** are lower-risk approaches to developed (and some developing) equity markets; **Emerging Asia** offers faster growth but much higher risk.

**High-Yield:** **Strategic Income** limits high-yield bond risk.

**Taxable Bond:** **Conservative Income Bond** limits interest-rate risk with its extremely short duration (in many ways it is a money market substitute); **Limited Term Bond** has a bit more interest-rate risk, but should "earn" its yield. **Total Bond** provides the broadest diversification boosting its yield through well-managed credit risk.

**Muni Bond:** Having "survived" the tax reform legislation with their federal income tax exemption intact, most funds are rated *OK to Buy*. But our favorite remains the *Buy*-rated and (very) short-maturity **Conservative Income Muni**. ■

### If We Get One, Stay The Course

If we do get a correction soon, stay the course. The conditions for a new bear are not in place. The favorable market conditions referred to earlier — improving growth worldwide with low inflation — remain the main driver of stocks. And I believe that tax reform will have a greater impact on future economic growth than the market now expects. Just recently, specialty drug-maker, Amicus Therapeutics, decided to spend as much as \$200 million on a new plant in the U.S. rather than Europe. In fact, companies from every sphere are reevaluating capital spending projects. Kimberly-Clark's board is voting next month on a U.S. factory retooling costing hundreds of millions of dollars. CEO Tom Falk noted the new tax law gives the firm an extra incentive to invest, particularly here in the U.S.

While investors are no doubt looking on stocks with more enthusiasm, in my view we are still a long way from the kind of euphoria we typically see at market tops. There has already been a bit of a pullback from the bullish sentiment at the start of the year. S&P 500 short interest has reversed course, rising 14% since then. While still above average, bullishness among individual investors has backed off quite a bit recently. And virtually every article I read these days is warning of the dangers to stocks. That's a long way from euphoria!

Lastly, while we may be "overdue" for a modest correction, the current bull market is only the ninth longest without at least a 10% pullback. We would have to go another five years without one to tie that particular record. ■

— John M. Boyd

### Model Portfolios Key:

\*Alternative investments include such areas as high-yield bonds, commodities, real estate. Portfolio trades and total returns do not take taxes into account. 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.

## Who Works Hardest For Your Money? Active Share & Turnover Hold Some Clues

With the vast majority of Fidelity fund assets in actively managed funds (not passive funds, such as **500 Index**), most investors appreciate that the “active” portfolio manager’s goal is to maximize returns — that is, to add alpha. (A

Stock Funds	Active Share % <sup>2</sup>	Turnover Rate % <sup>3</sup>
<b>500 Index (S&amp;P 500)</b>	<b>0</b>	<b>6</b>
Blue Chip Growth	54	43
Blue Chip Value	82	32
Capital Appreciation	73	129
Contrafund	58	29
Disciplined Equity	62	184
Dividend Growth	65	43
Equity Dividend Income	69	52
Equity-Income	68	14
Event Driven Opps <sup>1</sup>	99	113
Export and Multinational Fidelity Fund	66	109
Focused Stock	63	28
Growth & Income	78	121
Growth Company	61	37
Growth Discovery	54	15
Growth Strategies	66	65
Independence	70	73
Large Cap Stock	66	62
Low-Priced Stock	62	25
Lrge Cap Core Enhcd Idx	96	8
Lrge Cap Gr Enhcd Idx	47	88
Lrge Cap Val Enhcd Idx	45	110
Magellan	45	93
Mega Cap Stock	64	43
Mid Cap Enhcd Idx	50	25
Mid Cap Value	67	94
Mid-Cap Stock	80	180
New Millennium	91	24
OTC	86	31
Small Cap Discovery	54	71
Small Cap Enhcd Idx	97	40
Small Cap Growth	72	86
Small Cap Stock	83	140
Small Cap Value	95	56
Stock Sel Large Cap Val	95	26
Stock Sel Small Cap	61	89
Stock Selector All Cap	86	62
Stock Selector Mid Cap	52	9
Trend	78	84
Value	54	125
Value Discovery	80	73
Value Strategies	75	32
	93	46

<sup>1</sup>Classified in our Scorecard as a Specialty fund, Fidelity calls it a portfolio “Diversifier”; <sup>2</sup>As of 12/31/17; <sup>3</sup>Various reporting periods.

return in excess of the fund’s benchmark.) Of course, funds may have secondary objectives including income generation, tax efficiency, risk management, and keeping expenses competitive.

While a fund’s total return (capital appreciation plus dividends) relative to its benchmark makes it crystal clear as to whether or not a manager has added value, what is often less clear (quantifiable) are the steps they’ve taken to try and beat their benchmark.

Keeping in mind that the only way to beat a benchmark is to deviate from it (otherwise it would simply be an index fund), a metric called “active share” attempts to quantify just how far a manager is willing to depart from a benchmark in order to beat it.

Simply stated, an active share value of 0% suggests that a fund’s holdings are identical to its benchmark (such as with an index fund), whereas an active share value of 100% means that there is essentially no overlap between a fund’s holdings and its benchmark.

Turning to the facing table of Fidelity’s 42 actively managed U.S. stock funds, their average active share is 71%.

Not surprisingly, Fidelity’s three large-cap “Enhanced” index funds have the lowest active share percentages of about 46% because, by prospectus, they are not expected to deviate far from their benchmarks. However, **Small Cap Enhanced** (72%) and **Mid Cap Enhanced** (67%) deviate more significantly from their respective benchmarks.

At the other extreme is the style-agnostic, “go-anywhere” fund, **Event Driven Opportunities**. With an active share of 99%, its manager pays no heed to his Russell 3000 benchmark. (At least one academic study has shown that, over time, funds with high active share values tend to outperform their benchmarks net of costs.)

Fidelity’s five other go-anywhere funds (**Capital Appreciation, Contrafund, Independence, Magellan** and **New Millennium**) have an average active share value of 69%. So, even though their managers have wide investment latitude (which they do avail themselves to), they are no more or less willing than their peers at Fidelity to bet against their benchmarks.

While all of Fidelity’s active funds (except their Enhanced offerings) make significant bets away from their benchmarks, it’s their small- and mid-cap funds that actually deviate the furthest: active share values are 89% and 80%, respectively, versus a more modest 63% for their large-cap funds.

Finally, the facing table includes turnover rates as it’s another — though different — measure of a manager’s trading activity. Funds with a 100% turnover means that the manager replaced all of the fund’s holdings in the course of a year; a 25% turnover suggests that, overall, stocks are held for an average of four years. As a point of reference, 500 Index fund has a turnover of 6% (reflecting changes to the index itself) versus an average of 67% for Fidelity’s 42 active stock funds. ■

— John Bonnanzio

## FUND COMMENTARY

### Stocks Pop, Bonds Flop

With share prices making an almost uninterrupted sprint higher in January, retail investors jumped feet-first into stocks. In just the first 18 trading days, the S&P 500 soared 7.5% — and more record highs were set.



John Bonnanzio

A combination of positive factors fueled this most recent leg of the bull market, which is now in its tenth calendar year. The massive tax cut that was signed into law late in 2017 spurred another wave of buying, as did talk of higher corporate earnings and massive reinvestment in the U.S. economy. Unemployment is at record-low levels and wages are finally rising.

In Davos, the word from the world's political and business elites was this: expect faster growth from abroad, too.

In fact, about the only dark cloud over the markets last month was concern that the U.S. was ready to impose harsher trade tariffs and sanctions. Said President Trump in his State of the Union address, "The era of economic surrender is over."

### Market Indexes

While stocks did slump on January 30, and rising bond yields took some steam out of their recovery the next day, overall, January's gains were still quite impressive.

The large-cap Dow Industrials and S&P 500 jumped 5.9% and 5.7%, respectively, whereas mid-caps rose 3.8% and small-caps gained 2.6%. For its part, the tech- and biotech-rich Nasdaq Composite gained an impressive 7.4%.

### Stock Funds

Growth-oriented funds, especially those with the largest exposures to biotech, consumer discre-

tionary and, of course, tech, were last month's performance leaders. While **Growth Company** popped 10.0%, **Focused Stock** and **Contrast** fund enjoyed gains in excess of 9%, whereas **Trend** and **Blue Chip Growth**, **OTC**, **Growth Discovery** and **Independence** (all large-cap growth funds) each gained in excess of 8%. On the other hand, smaller-cap funds and more value-oriented offerings were relative laggards. For example, **Small Cap Value** and **Mid Cap Value** managed gains of only 1.5% and 1.4%, respectively.

### International Funds

While they lost considerable momentum in the last few days of January, most foreign markets did move higher. **Emerging Markets Index** fared especially well having

gained 8.2%, but the less diversified and more risky **Latin America** fund (up 12.8%) did even better. (Higher oil prices provided some support.) For its part, **China Region** popped 8.2%.

Most diversified developed market funds rose about 5-6% for the month, but some of that was the result of a weaker U.S. dollar (down 1.2%), which provided a boost to Fidelity's unhedged foreign funds. **International Index**, which is a proxy for developed market stocks, gained 5.1% last month.

### Fixed Income Funds

While equity investors celebrated the S&P's sprint past the 2800 level, bond investors grew skittish. It didn't help that on the last day of

*Commentary cont'd on page 11*

## February Scorecard Rating Changes

Fund	Ratings		Comments	
	Old	New		
Blue Chip Value	H	B	↑	Conservatively positioned with large bet in financials.
Canada	H	S	↓	NAFTA and bank exposure are downward pressures.
Extended Market Idx	B	H	↓	Risk/reward unfavorable relative to other index funds.
Focused Stock	H	B	↑	Large bets in tech and financials bode well for fund.
Int'l High Dividend	na	S		New "Factor" ETF stock fund lacks tech (and record).
Int'l Real Estate	S	H	↑	Lower-risk approach to diversifying abroad.
Int'l Value	na	H		New "Factor" ETF stock fund lack tech (and record).
Low-Priced Stock	B	B	↑	An eclectic fund with a team of talented value investors.
Mid Cap Value	B	H	↓	Big stakes in rate-sensitive real estate and utilities.
Momentum Factor	H	B	↑	Market momentum favoring this fund's tech exposure.
MSCI Energy	S	H	↑	Supply disruptions and cold weather lifting fuel prices.
MSCI Real Estate	H	S	↓	Large exposure to interest-rate-sensitive real estate.
OTC	B	B	↑	New manager also expertly runs Blue Chip Growth.
Real Estate Income	B	H	↓	Least volatile of realty funds; provides decent yield.
Real Estate Index	H	S	↓	Large exposure to interest-rate-sensitive real estate.
Real Estate Invest	H	S	↓	Large exposure to interest-rate-sensitive real estate.
Sel Energy	S	H	↑	Supply disruptions and cold weather lifting fuel prices.
Sel Energy Service	S	H	↑	Supply disruptions and cold weather lifting fuel prices.
Sel Nat'l Resources	S	H	↑	Supply disruptions and cold weather lifting fuel prices.
Sel Natural Gas	S	H	↑	Supply disruptions and cold weather lifting fuel prices.
Small Cap Stock	H	S	↓	Record may or may not improve with new co-manager.
Telecom & Utilities	H	S	↓	Large exposures to interest-rate-sensitive sectors.
Total Market Idx	H	B	↑	3,400 stocks capture full breadth of market.
VIP Energy	S	H	↑	Supply disruptions and cold weather lifting fuel prices.
VIP Real Estate	H	S	↓	Large exposure to interest-rate-sensitive real estate.

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

# FIDELITY SCORECARD

JANUARY 31, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) <sup>1</sup>	
					Jan	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr		
Comparative Indexes		S&P 500	2823.8		5.7	5.7	10.2	26.4	14.7	15.9	9.8	10.5	1.00	
		Nasdaq Composite	7411.5		7.4	7.4	10.5	33.4	18.3	20.2	13.2	12.4	1.26	
		Dow Jones Industrials	26149.4		5.9	5.9	12.5	34.8	18.0	16.4	10.4	10.9	1.08	
		Russell 2000 (Small Caps)	1575.0		2.6	2.6	5.2	17.2	12.1	13.3	9.8	11.6	1.37	
		Barclays Aggregate Bond*			-1.2	-1.2	-0.8	1.9	0.9	1.8	3.5	2.1	0.27	
Model Portfolios		Unique Opportunities			6.3	6.3	10.1	27.4	13.5	14.2	8.6	12.1	1.14	
		Select Growth			7.2	7.2	10.6	29.2	14.6	16.9	10.9	12.5	1.21	
		Growth & Income			7.0	7.0	10.0	29.6	13.7	13.8	8.2	10.8	1.03	
		Income			4.8	4.8	7.0	20.6	10.7	11.4	7.1	9.0	0.73	
											Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)		
<b>LARGE CAP GROWTH</b>					<b>Average</b>	<b>7.9</b>	<b>7.9</b>	<b>11.0</b>	<b>34.7</b>	<b>15.7</b>	<b>17.5</b>	<b>10.9</b>	<b>1.20</b>	
312	FBGRX	Blue Chip Growth	95.28	Buy	8.6	8.6	11.5	40.9	17.1	19.6	13.1	1.25	\$19,559	
307	FDCAX	Capital Appreciation	37.71	Hold	7.1	7.1	11.0	28.7	11.9	15.0	9.9	1.21	5,495	
22	FCNTX	Contrafund	133.83	Buy	9.3	9.3	11.4	38.5	17.3	17.6	11.0	1.09	98,055	
3	FFIDX	Fidelity Fund	48.42	Hold	7.1	7.1	10.4	29.1	13.6	14.7	8.4	1.04	4,415	
333	FTQGX	Focused Stock	24.86	OK to Buy ↑	9.8	9.8	12.6	39.3	15.5	15.6	11.2	1.19	1,977	
25	FDGRX	Growth Company (Closed)	196.55	Buy	10.0	10.0	12.9	44.3	20.0	21.1	13.6	1.39	27,497	
339	FDSVX	Growth Discovery	35.24	Buy	8.2	8.2	9.3	38.2	16.5	18.1	10.0	1.14	1,484	
73	FDFFX	Independence	40.34	Hold	8.2	8.2	11.5	33.2	10.8	14.8	8.2	1.35	3,807	
1829	FLGEX	Lrge Cap Growth Enhcd Index	20.17	OK to Buy	6.6	6.6	11.5	32.2	15.4	17.4	11.2	1.07	1,098	
2823	FSUIX	Lrge Cap Growth Index <sup>4</sup>	14.33	OK to Buy	7.0	7.0	11.1	34.5	--	--	--	--	17	
21	FMAGX	Magellan	112.82	Hold	7.9	7.9	11.5	33.3	15.3	17.0	7.8	1.13	16,097	
1282	FNCMX	Nasdaq Composite Index	97.27	OK to Buy	7.3	7.3	10.2	33.0	18.1	19.9	13.1	1.26	5,596	
300	FMLIX	New Millennium	42.02	OK to Sell	5.6	5.6	9.8	25.0	13.7	14.5	10.5	1.05	3,423	
93	FOCPX	OTC	118.91	Buy ↑	8.3	8.3	10.5	41.9	19.8	23.1	14.8	1.52	15,486	
320	FDSSX	Stock Selector All Cap	46.69	Hold	6.3	6.3	9.8	28.8	14.1	15.5	8.9	1.08	8,134	
5	FTRNX	Trend	108.24	OK to Buy	8.7	8.7	11.5	34.9	16.5	17.8	11.6	1.16	1,928	
<b>LARGE CAP BLEND</b>					<b>Average</b>	<b>5.3</b>	<b>5.3</b>	<b>10.6</b>	<b>24.4</b>	<b>13.3</b>	<b>14.7</b>	<b>8.7</b>	<b>1.05</b>	
650	FUSEX	500 Index <sup>4</sup>	98.78	Hold	5.7	5.7	10.1	26.3	14.6	15.8	9.7	1.00	4,075	
315	FDEQX	Disciplined Equity	40.60	Hold	4.7	4.7	8.5	24.4	11.5	14.5	7.2	0.99	1,337	
330	FDGFX	Dividend Growth	34.40	Hold	4.8	4.8	11.0	24.7	11.7	13.6	9.1	0.97	6,466	
332	FEXPX	Export and Multinational	23.32	Hold	5.0	5.0	11.9	23.8	13.2	13.4	7.7	0.95	1,617	
27	FGRIX	Growth & Income	39.78	Buy	5.0	5.0	10.8	21.6	13.4	14.3	6.0	1.14	6,826	
1827	FLCEX	Lrge Cap Core Enhcd Index	15.52	Buy	5.9	5.9	11.1	27.1	13.5	15.6	9.5	1.01	668	
338	FLCSX	Large Cap Stock	35.34	Buy	5.6	5.6	11.1	23.0	13.9	15.4	10.0	1.22	5,587	
361	FGRTX	Mega Cap Stock	18.40	Buy	5.6	5.6	10.7	23.4	13.6	14.6	9.2	1.13	2,076	
397	FSTMX	Total Market Index <sup>4</sup>	80.42	OK to Buy ↑	5.3	5.3	9.6	25.1	14.0	15.4	9.9	1.01	834	
2939	FENSX	U.S. Sustainability Index	11.82	NA	5.3	5.3	9.3	--	--	--	--	--	6	
<b>LARGE CAP VALUE</b>					<b>Average</b>	<b>3.9</b>	<b>3.9</b>	<b>8.8</b>	<b>17.7</b>	<b>11.1</b>	<b>13.0</b>	<b>7.1</b>	<b>1.01</b>	
1271	FBCVX	Blue Chip Value	20.52	OK to Buy ↑	4.7	4.7	10.1	16.8	10.5	13.5	5.6	1.05	419	
319	FEQTX	Equity Dividend Income	28.98	Buy	4.4	4.4	9.2	19.0	11.6	12.9	6.8	0.93	5,591	
23	FEQIX	Equity-Income	63.45	Buy	4.5	4.5	8.8	17.6	11.6	12.0	6.7	0.96	5,923	
1828	FLVEX	Lrge Cap Value Enhcd Index	13.75	Buy	4.2	4.2	9.9	20.4	12.2	14.3	8.2	1.02	3,618	
2827	FLCDX	Lrge Cap Value Index <sup>4</sup>	12.63	Hold	3.8	3.8	8.5	17.1	--	--	--	--	6	
708	FSLVX	Stock Sel Large Cap Value	21.41	Hold	3.3	3.3	8.1	15.4	10.4	12.7	6.3	0.96	990	
832	FVDFX	Value Discovery	30.03	Buy	3.8	3.8	8.6	16.4	10.4	13.9	7.7	0.96	3,754	
14	FSLSX	Value Strategies	43.28	OK to Buy	2.8	2.8	7.2	19.3	10.8	11.9	8.5	1.18	436	
<b>MID-CAP GROWTH</b>					<b>Average</b>	<b>5.8</b>	<b>5.8</b>	<b>9.8</b>	<b>24.1</b>	<b>11.6</b>	<b>15.0</b>	<b>8.3</b>	<b>0.98</b>	
324	FDEGX	Growth Strategies	43.51	Buy	5.8	5.8	9.8	24.1	11.6	15.0	8.3	0.98	2,607	
<b>MID-CAP BLEND</b>					<b>Average</b>	<b>3.9</b>	<b>3.9</b>	<b>7.9</b>	<b>20.8</b>	<b>11.4</b>	<b>13.9</b>	<b>9.7</b>	<b>1.08</b>	
398	FSEMEX	Extended Market Index <sup>4</sup>	64.13	Hold ↓	3.3	3.3	6.9	19.6	11.8	13.8	10.3	1.20	730	
2012	FMEIX	Mid Cap Enhanced Index	16.28	OK to Buy	4.0	4.0	9.6	21.1	11.2	15.0	10.6	1.05	1,339	
2349	FSCXL	Mid Cap Index <sup>4</sup>	21.74	OK to Buy	3.8	3.8	8.2	19.9	11.3	14.1	--	1.04	75	
337	FMCSX	Mid-Cap Stock	39.74	OK to Buy	4.0	4.0	7.0	21.4	11.8	14.0	9.7	0.98	5,959	
2412	FSSMX	Stock Selector Mid Cap	41.68	OK to Buy	4.3	4.3	7.6	22.0	11.1	12.8	8.2	1.11	569	
<b>MID-CAP VALUE</b>					<b>Average</b>	<b>2.8</b>	<b>2.8</b>	<b>7.9</b>	<b>19.1</b>	<b>10.3</b>	<b>13.3</b>	<b>9.5</b>	<b>1.00</b>	
316	FLPSX	Low-Priced Stock <sup>5</sup>	56.89	Buy ↑	4.3	4.3	9.4	24.5	12.0	13.4	10.1	0.87	31,537	
762	FSMVX	Mid Cap Value	26.99	Hold ↓	1.4	1.4	7.6	16.5	9.1	13.6	9.9	1.04	2,333	
39	FDVLX	Value	124.18	Hold	2.5	2.5	6.8	16.4	9.7	13.0	8.4	1.11	7,569	

**Notes:** \*Fidelity's U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. <sup>1</sup>Relative Volatility (Rel Vol) 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 actual distributed yield over prior 12 months. <sup>4</sup>Also available in a Premium share class with a minimum of \$10,000, but a lower expense ratio. <sup>5</sup>Almost an Asset Allocation fund with 30%+ typically in foreign stocks. <sup>6</sup>Formerly Global Bond. <sup>7</sup>Formerly Core Dividend. <sup>8</sup>Formerly Medical Equipment & Systems. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

# FIDELITY SCORECARD

JANUARY 31, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
					Jan	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
<b>SMALL CAP GROWTH</b>					<b>Average</b>	<b>5.8</b>	<b>5.8</b>	<b>7.7</b>	<b>31.9</b>	<b>17.6</b>	<b>17.5</b>	<b>11.1</b>	<b>1.22</b>	
1388	FCPGX	Small Cap Growth	26.16	Buy	5.8	5.8	7.7	31.9	17.6	17.5	11.1	1.22	\$3,061	
<b>SMALL CAP BLEND</b>					<b>Average</b>	<b>2.8</b>	<b>2.8</b>	<b>5.3</b>	<b>13.6</b>	<b>10.8</b>	<b>12.4</b>	<b>9.8</b>	<b>1.26</b>	
384	FSCRX	Small Cap Discovery (Closed)	30.45	Hold	1.8	1.8	3.8	9.3	8.7	11.2	12.8	1.21	4,881	
2011	FCPEX	Small Cap Enhanced Index	14.53	OK to Sell	3.6	3.6	5.8	11.6	11.1	12.9	9.9	1.39	817	
2356	FSSPX	Small Cap Index <sup>4</sup>	20.83	Hold	2.6	2.6	5.2	17.3	12.2	13.4	--	1.37	53	
340	FSLCX	Small Cap Stock	20.13	OK to Sell↓	2.7	2.7	6.5	15.5	11.5	12.3	8.3	1.12	1,723	
336	FDSCX	Stock Selector Small Cap	27.29	Hold	3.1	3.1	5.1	14.5	10.6	12.0	8.1	1.19	1,567	
<b>SMALL CAP VALUE</b>					<b>Average</b>	<b>1.5</b>	<b>1.5</b>	<b>5.2</b>	<b>13.7</b>	<b>11.9</b>	<b>13.0</b>	<b>11.4</b>	<b>1.01</b>	
1389	FCPVX	Small Cap Value (Closed)	20.62	Hold	1.5	1.5	5.2	13.7	11.9	13.0	11.4	1.01	2,772	
<b>SPECIALTY</b>														
308	FCVSV	Convertible Securities	28.78	Hold	2.9	2.9	3.9	11.0	3.5	7.1	5.8	0.91	1,427	
2624	FARNX	Event Driven Opportunities	14.67	Buy	5.1	5.1	8.9	18.9	15.8	--	--	1.45	468	
2120	FFGCX	Global Commodity Stock	13.86	Hold	5.2	5.2	11.7	18.5	6.1	0.0	--	1.85	435	
122	FLVCX	Leveraged Company Stock	35.34	Buy	5.6	5.6	8.8	22.8	10.1	11.4	7.7	1.34	2,658	
1329	FSDIX	Strategic Dividend & Income	15.56	OK to Buy	2.1	2.1	4.8	13.7	8.6	10.4	7.2	0.70	3,278	
1505	FSRRX	Strategic Real Return	8.90	OK to Sell	0.1	0.1	1.5	3.6	1.4	0.5	2.4	0.42	461	
311	FIUIX	Telecom & Utilities	26.24	OK to Sell↓	0.4	0.4	1.4	9.9	7.5	10.4	6.8	0.97	962	
<b>REAL ESTATE</b>														
1368	FIREX	International Real Estate	12.12	Hold↑	4.0	4.0	9.4	29.1	9.0	8.6	3.5	1.03	255	
833	FRIFX	Real Estate Income	11.73	Hold↓	-2.2	-2.2	-1.7	4.3	4.8	6.1	7.6	0.47	2,547	
2353	FRXIX	Real Estate Index <sup>4</sup>	14.96	OK to Sell↓	-3.9	-3.9	-1.0	0.4	1.2	7.3	--	1.30	33	
303	FRESX	Real Estate Investment	40.28	OK to Sell↓	-3.6	-3.6	-1.6	2.0	2.4	7.9	7.5	1.29	3,936	
<b>ASSET ALLOCATION</b>														
328	FASIX	Asset Manager 20%	13.52	Hold	0.7	0.7	1.7	6.7	3.8	4.1	4.3	0.29	4,962	
1957	FTANX	Asset Manager 30%	11.24	Hold	1.4	1.4	2.7	9.4	5.1	5.4	5.1	0.38	1,363	
1958	FFANX	Asset Manager 40%	11.93	Hold	2.0	2.0	3.6	12.2	6.3	6.6	5.7	0.47	1,533	
314	FASMX	Asset Manager 50%	18.75	Hold	2.6	2.6	4.6	14.9	7.4	7.8	6.3	0.57	9,060	
1959	FSANX	Asset Manager 60%	12.97	Hold	3.3	3.3	5.6	17.6	8.6	8.9	6.9	0.66	2,149	
321	FASGX	Asset Manager 70%	23.30	Hold	4.0	4.0	6.7	20.5	9.8	10.0	7.1	0.77	5,170	
347	FAMRX	Asset Manager 85%	20.52	Hold	5.1	5.1	8.2	24.8	11.5	11.7	7.8	0.91	2,279	
304	FBALX	Balanced	24.72	OK to Buy	4.2	4.2	6.5	19.0	9.7	11.0	7.6	0.73	24,700	
355	FFNOX	Four-in-One Index	46.34	Hold	4.3	4.3	7.4	21.9	10.9	11.4	7.4	0.85	6,134	
334	FGBLX	Global Balanced (closed)	26.37	Hold	5.2	5.2	7.7	23.4	8.3	7.3	5.8	0.75	403	
1960	FDYSX	Global Strategies (closed)	9.70	Hold	3.7	3.7	6.7	20.5	9.2	7.4	5.6	0.66	84	
4	FPURX	Puritan	24.43	OK to Buy	4.3	4.3	6.8	21.0	10.2	11.4	8.1	0.73	22,110	
<b>INTERNATIONAL</b>					<b>Average</b>	<b>6.0</b>	<b>6.0</b>	<b>9.5</b>	<b>33.8</b>	<b>12.3</b>	<b>9.5</b>	<b>4.9</b>	<b>1.26</b>	
309	FICDX	Canada	55.23	OK to Sell↓	1.0	1.0	3.9	11.9	6.6	4.5	2.3	1.17	1,119	
352	FHKCX	China Region	38.94	Hold	8.2	8.2	12.9	53.9	14.0	12.8	8.9	2.21	1,573	
325	FDIVX	Diversified International	42.19	OK to Buy	5.4	5.4	7.4	29.6	9.5	9.1	3.7	1.14	11,858	
351	FSEAX	Emerging Asia	47.87	Buy	6.3	6.3	9.9	46.8	14.0	10.6	5.2	1.54	1,518	
2053	FEMEX	Emerg Europe, MidEast, Africa	11.05	Hold	6.8	6.8	19.5	30.4	13.0	5.7	--	1.69	101	
322	FEMKX	Emerging Markets	34.96	OK to Buy	6.8	6.8	12.1	48.7	13.4	8.9	2.7	1.37	4,830	
2374	FEDDX	Emerging Mkts Discovery	16.42	Hold	6.9	6.9	11.1	38.5	13.9	7.0	--	1.35	346	
2341	FPEMX	Emerging Markets Index <sup>4</sup>	12.34	Hold	8.2	8.2	12.1	40.0	11.4	5.5	--	1.57	44	
301	FIEUX	Europe	44.95	OK to Buy	6.2	6.2	8.4	33.9	10.0	8.6	4.0	1.34	1,303	
2406	FGILX	Global Equity-Income	15.08	Hold	4.1	4.1	7.8	25.3	10.8	11.4	--	0.87	87	
2345	FSGUX	Global ex U.S. Index <sup>4</sup>	14.30	OK to Buy	5.6	5.6	8.5	29.4	9.8	7.0	--	1.16	48	
335	FIVFX	International Cap App	22.24	Buy	5.6	5.6	9.2	38.4	12.7	11.6	6.9	1.10	2,401	
305	FIGRX	International Discovery	48.23	OK to Buy	5.6	5.6	7.9	34.4	10.8	9.4	4.1	1.14	7,914	
2010	FIENX	International Enhanced Index	10.67	OK to Buy	5.2	5.2	7.1	29.5	11.0	9.5	3.8	1.13	1,179	
1979	FIGFX	International Growth	14.48	OK to Buy	5.8	5.8	8.4	31.4	10.9	9.3	6.3	1.08	1,088	
399	FSIIX	International Index <sup>4</sup>	45.40	Hold	5.1	5.1	7.5	27.6	9.4	7.8	3.4	1.13	738	
818	FISMX	International Small Cap	31.33	Buy	4.8	4.8	9.0	34.0	17.4	14.6	8.3	1.01	1,631	
1504	FSCOX	International Small Cap Opps	20.58	Buy	6.4	6.4	12.4	38.5	16.2	13.5	6.0	1.05	994	
2986	FNIYX	International Sustainability Idx	11.75	NA	5.4	5.4	8.5	--	--	--	--	--	5	
1597	FIVLX	International Value	9.57	Hold	5.6	5.6	7.1	23.6	7.6	6.5	1.7	1.07	561	
350	FJPNX	Japan	16.29	Buy	5.4	5.4	8.7	31.0	14.5	10.9	3.5	1.18	207	
360	FJSCX	Japan Smaller Companies	19.71	Buy	4.0	4.0	9.7	36.1	19.2	18.6	9.3	0.93	857	
349	FLATX	Latin America	27.60	OK to Sell	12.8	12.8	12.6	37.3	9.2	-3.6	-2.2	2.27	632	
342	FNORX	Nordic	56.73	OK to Sell	6.5	6.5	8.8	28.5	12.1	13.7	6.1	1.21	368	
94	FOSFX	Overseas	53.23	Buy	5.0	5.0	7.3	32.4	12.7	11.3	3.8	1.13	7,186	
302	FPBFX	Pacific Basin	37.11	OK to Buy	4.6	4.6	9.1	40.7	16.3	14.6	8.2	1.14	1,112	
2369	FTEMX	Total Emerging Markets	14.42	OK to Buy	6.4	6.4	9.1	31.8	13.0	6.9	--	1.11	340	
1978	FTIEX	Total International Equity	9.85	OK to Buy	5.8	5.8	9.1	32.8	11.0	8.1	4.0	1.08	90	
2831	FTIGX	Total International Index <sup>4</sup>	13.22	Hold	5.5	5.5	8.6	29.6	--	--	--	--	18	
318	FWWFX	Worldwide	28.46	OK to Buy	7.8	7.8	10.3	35.1	13.0	12.7	7.6	1.09	1,867	

# FIDELITY SCORECARD

JANUARY 31, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
					Jan	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
<b>SELECT PORTFOLIOS</b>					<b>Average</b>	<b>5.2</b>	<b>5.2</b>	<b>10.0</b>	<b>23.5</b>	<b>12.3</b>	<b>13.8</b>	<b>9.4</b>	<b>1.60</b>	
34	FSAIX	Air Transportation	86.82	Hold	3.0	3.0	11.0	29.1	13.5	20.5	13.3	1.30	\$414	
502	FSAVX	Automotive	39.47	OK to Sell	6.4	6.4	8.7	25.1	8.2	12.8	8.6	1.71	63	
507	FSRBX	Banking	37.75	OK to Buy	6.7	6.7	11.4	19.4	19.0	16.9	6.7	1.82	853	
42	FBIOX	Biotechnology	240.38	Hold	9.6	9.6	11.3	31.8	4.4	20.4	17.3	2.85	9,303	
68	FSLBX	Brokerage & Investment	85.89	OK to Buy	5.1	5.1	13.4	34.1	12.6	13.4	6.4	1.84	478	
69	FSCHX	Chemicals	186.10	Buy	4.4	4.4	5.4	30.2	16.3	14.9	13.3	1.61	1,964	
518	FSDCX	Communications Equipment	37.49	Hold	4.1	4.1	9.8	19.1	10.1	11.8	8.1	1.51	193	
7	FDCPX	Computers	92.65	Hold	4.3	4.3	6.0	33.6	13.8	14.9	12.6	1.64	546	
511	FSHOX	Construction & Housing	66.36	Hold	2.3	2.3	9.8	27.2	13.3	13.6	11.6	1.29	385	
517	FSCPX	Consumer Discretionary	45.35	Buy	9.4	9.4	18.1	29.1	14.9	16.6	12.6	1.21	832	
98	FSVLX	Consumer Finance	16.90	OK to Buy	4.3	4.3	9.6	27.9	14.6	13.7	1.5	1.35	110	
9	FDFAX	Consumer Staples	94.37	Hold	2.0	2.0	7.7	10.9	6.0	9.6	9.3	0.98	1,452	
67	FSDAX	Defense & Aerospace	183.78	OK to Buy	10.1	10.1	14.8	47.2	21.1	21.8	12.6	1.36	2,888	
60	FSENX	Energy	45.37	Hold↑	1.5	1.5	11.8	0.4	2.6	1.1	0.3	2.15	2,002	
43	FSESX	Energy Service	47.98	Hold↑	5.8	5.8	18.4	-9.1	0.5	-4.3	-2.9	2.59	484	
516	FSLEX	Environment & Alt Energy	27.56	OK to Buy	4.3	4.3	7.6	27.3	15.9	14.4	7.6	1.24	196	
66	FIDSX	Financial Services	121.27	Buy	6.2	6.2	11.9	27.9	15.9	15.2	4.3	1.35	1,347	
41	FSAGX	Gold	20.95	Sell	0.9	0.9	4.5	-3.3	4.2	-8.6	-5.1	3.55	1,126	
63	FSPHX	Health Care	243.06	Buy	8.6	8.6	8.9	27.8	7.9	20.1	14.6	1.63	7,212	
505	FSHCX	Health Care Services	97.04	Hold	7.9	7.9	14.4	29.6	13.6	18.8	11.8	1.34	894	
510	FSCGX	Industrial Equipment			<b>Merged Into Industrials</b>									
515	FCYIX	Industrials	38.53	Buy	4.7	4.7	11.7	23.5	13.6	14.6	10.9	1.27	1,136	
45	FSPCX	Insurance	82.57	OK to Buy	3.9	3.9	4.8	19.6	16.4	16.6	8.1	1.10	368	
353	FBSOX	IT Services	59.19	Buy	8.6	8.6	12.4	44.0	21.6	21.0	17.1	1.29	2,308	
62	FDLSX	Leisure	173.24	Hold	4.4	4.4	10.9	32.8	13.9	16.6	13.1	1.11	559	
509	FSDPX	Materials	94.61	OK to Buy	4.0	4.0	6.4	24.6	11.2	9.5	8.7	1.56	1,127	
354	FSMEX	Medical Technology & Devices <sup>8</sup>	47.96	OK to Buy	9.3	9.3	8.7	29.3	16.7	21.3	14.1	1.45	4,295	
503	FBMPX	Multimedia	84.80	Hold	6.7	6.7	12.4	11.3	11.3	13.9	13.4	1.47	554	
513	FSNGX	Natural Gas	24.02	Hold↑	0.3	0.3	5.0	-14.5	-5.6	-4.5	-4.5	2.76	280	
514	FNARX	Natural Resources	30.51	Hold↑	1.4	1.4	11.4	2.0	1.3	-0.0	-0.1	2.09	1,023	
580	FPHAX	Pharmaceuticals	19.58	Hold	5.5	5.5	7.1	17.7	1.3	11.7	11.4	1.38	795	
46	FSRPX	Retailing	147.40	OK to Buy	10.7	10.7	21.3	35.9	20.7	21.2	18.0	1.21	2,342	
8	FSELX	Semiconductors	118.13	OK to Buy	5.7	5.7	8.6	39.5	25.3	28.5	16.3	1.72	3,767	
28	FSCSX	Software & IT Services	180.68	Buy	9.0	9.0	11.3	42.4	24.8	23.2	16.7	1.44	5,590	
64	FSPTX	Technology	195.00	Buy	9.1	9.1	8.4	52.5	25.8	23.0	15.8	1.53	7,253	
96	FSTCX	Telecommunications	60.10	Hold	2.0	2.0	5.8	1.8	9.8	9.8	7.1	1.07	348	
512	FSRFX	Transportation	106.09	OK to Sell	1.7	1.7	10.8	22.8	10.8	18.5	12.8	1.50	570	
65	FSUTX	Utilities	80.05	OK to Sell	0.3	0.3	-1.2	15.4	6.2	10.8	6.5	1.14	757	
963	FWRLX	Wireless	10.54	Hold	4.2	4.2	8.9	26.0	12.2	12.1	8.5	1.21	283	
<b>SECTOR ETFs</b>					<b>Average</b>	<b>3.4</b>	<b>3.4</b>	<b>7.4</b>	<b>18.9</b>	<b>12.2</b>		<b>1.36</b>		
	FDIS	MSCI Consumer Discretionary	42.41	OK to Buy	8.4	8.4	16.5	28.3	15.9	--	--	1.19	481	
	FSTA	MSCI Consumer Staples	34.87	Hold	1.6	1.6	9.8	13.0	9.1	--	--	0.94	361	
	FENY	MSCI Energy	20.66	Hold↑	3.0	3.0	10.8	4.1	1.1	--	--	1.90	582	
	FNCL	MSCI Financials	43.09	Buy	5.7	5.7	11.0	26.6	18.5	--	--	1.43	1,520	
	FHLC	MSCI Health Care	42.71	Buy	6.8	6.8	9.4	28.3	10.3	--	--	1.35	1,150	
	FIDU	MSCI Industrials	40.63	Buy	5.0	5.0	10.7	26.2	15.8	--	--	1.21	594	
	FTEC	MSCI Information Technology	53.74	OK to Buy	7.5	7.5	8.7	41.3	22.2	--	--	1.44	1,780	
	FMAT	MSCI Materials	36.33	Buy	3.7	3.7	6.7	22.3	12.8	--	--	1.65	368	
	FREL	MSCI Real Estate	23.97	OK to Sell↓	-3.0	-3.0	-0.7	5.7	--	--	--	--	419	
	FCOM	MSCI Telecomm Services	31.33	Hold	1.3	1.3	4.6	4.7	10.8	--	--	1.25	127	
	FUTY	MSCI Utilities	33.38	Sell	-3.3	-3.3	-6.4	7.5	6.0	--	--	1.27	279	
<b>FACTOR ETFs</b>					<b>Average</b>	<b>4.8</b>	<b>4.8</b>	<b>9.8</b>	<b>24.3</b>					
	FDVV	High Dividend <sup>7</sup>	29.83	Hold	4.0	4.0	9.5	17.6	--	--	--	--	109	
	FDRR	Dividend for Rising Rates	32.01	OK to Buy	4.4	4.4	9.7	22.8	--	--	--	--	264	
	FDLO	Low Volatility Factor	31.92	Hold	4.3	4.3	8.9	24.6	--	--	--	--	49	
	FDMO	Momentum Factor	33.24	OK to Buy↑	6.3	6.3	9.2	28.5	--	--	--	--	68	
	FQAL	Quality Factor	33.34	Hold	4.9	4.9	10.1	26.2	--	--	--	--	57	
	FVAL	Value Factor	34.41	OK to Buy	4.7	4.7	11.4	25.9	--	--	--	--	76	
	FIDI	International High Dividend	25.05	OK to Sell	--	--	--	--	--	--	--	--	10	
	FIVA	International Value	25.00	Hold	--	--	--	--	--	--	--	--	12	

# FIDELITY SCORECARD

JANUARY 31, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				SEC %Yield	Dur <sup>2</sup> (Yrs)	Rel Vol (Risk) <sup>1</sup>	
					Jan	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr				
<b>TAXABLE BOND</b>					<b>Average</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-0.7</b>	<b>1.7</b>	<b>0.8</b>	<b>1.3</b>	<b>3.2</b>	<b>2.24</b>	<b>5.1</b>	<b>0.28</b>
2267	FCONX	Conservative Income Bond	10.04	Buy	0.1	0.1	0.4	1.4	0.9	0.7	--	1.39	0.2	0.02	
2208	FCBFX	Corporate Bond	11.55	Buy	-0.8	-0.8	-0.0	5.5	2.7	3.6	--	3.14	7.1	0.37	
2423	FGBFX	Global Credit <sup>6</sup>	9.14	Hold	-0.5	-0.5	-0.1	6.6	1.8	0.6	--	2.21	6.6	0.51	
15	FGMNX	GNMA (Ginnie Mae)	11.22	OK to Buy	-1.2	-1.2	-1.2	0.6	0.9	1.5	3.7	2.24	3.8	0.17	
54	FGOVX	Government Income	10.06	Hold	-1.3	-1.3	-1.2	0.6	0.1	1.2	3.0	2.05	5.6	0.27	
794	FINPX	Inflation-Prot Bond (closed) <sup>3</sup>	11.84	OK to Sell	-0.9	-0.9	0.1	0.9	0.2	-0.3	2.5	0.22*	5.5	0.32	
2415	FSIQX	Inflation-Protected Index <sup>3,4</sup>	9.75	OK to Sell	-0.9	-0.9	0.2	1.1	0.5	-0.1	--	0.02*	5.5	0.33	
32	FTHRZ	Intermediate Bond	10.69	Buy	-0.8	-0.8	-1.0	1.1	1.1	1.6	3.5	2.33	4.0	0.20	
452	FSTGX	Intermediate Gov't Income	10.29	Hold	-0.9	-0.9	-1.2	-0.2	0.1	0.7	2.4	1.91	3.8	0.20	
1561	FIBIX	Intermediate Treasury Index <sup>4</sup>	10.45	Hold	-1.8	-1.8	-2.1	-0.1	-0.2	1.0	3.5	2.37	6.4	0.41	
26	FBNDX	Investment Grade Bond	7.83	Buy	-0.9	-0.9	-0.6	2.5	1.6	2.2	3.9	2.31	5.6	0.29	
2622	FJRLX	Limited Term Bond	11.39	Buy	-0.4	-0.4	-0.6	1.2	1.2	1.4	3.3	2.21	2.6	0.13	
662	FFXSX	Limited Term Government	9.80	OK to Buy	-0.6	-0.6	-0.9	-0.2	0.0	0.4	1.7	1.77	2.6	0.13	
1562	FLBIX	Long-Term Treasury Index <sup>4</sup>	12.83	Hold	-3.2	-3.2	-0.9	4.4	-1.5	3.3	5.7	2.74	17.7	0.99	
40	FMSFX	Mortgage Securities	11.02	OK to Buy	-1.1	-1.1	-1.0	1.2	1.2	1.9	3.6	2.32	4.2	0.19	
450	FSHBX	Short-Term Bond	8.54	OK to Buy	-0.3	-0.3	-0.4	0.7	0.8	0.9	1.5	1.86	1.7	0.07	
3038	FNSJX	Short-Term Bond Index <sup>4</sup>	9.99	OK to Buy	-0.6	-0.6	-0.8	--	--	--	--	--	--	--	
1560	FSBIX	Short-Term Treasury Index <sup>4</sup>	10.24	Hold	-0.7	-0.7	-0.9	-0.3	0.1	0.4	1.5	1.98	2.7	0.14	
820	FTBFX	Total Bond	10.54	Buy	-0.7	-0.7	-0.4	2.9	2.3	2.7	4.7	2.58	5.5	0.28	
651	FBIDX	U.S. Bond Index	11.43	Hold	-1.2	-1.2	-0.8	1.9	0.9	1.8	3.5	2.59	5.8	0.27	
<b>HIGH-YIELD BOND</b>					<b>Average</b>	<b>0.9</b>	<b>0.9</b>	<b>1.3</b>	<b>7.6</b>	<b>5.9</b>	<b>4.9</b>	<b>6.8</b>	<b>3.91</b>	<b>3.4</b>	<b>0.49</b>
38	FAGIX	Capital & Income	10.46	OK to Buy	1.9	1.9	2.4	11.1	7.3	7.4	8.9	3.57	3.4	0.56	
814	FFRHX	Floating Rate High Income	9.68	OK to Buy	1.0	1.0	1.5	4.5	4.4	3.4	4.5	3.60	0.2	0.29	
1366	FHIFX	Focused High Income	8.69	OK to Buy	0.1	0.1	0.1	5.8	4.9	4.4	6.0	3.94	4.0	0.48	
2297	FGHNX	Global High Income	9.88	OK to Buy	1.1	1.1	1.9	9.8	6.9	5.3	--	3.80	3.1	0.55	
455	SPHIX	High Income	9.03	OK to Buy	1.2	1.2	1.7	8.3	6.3	5.2	7.6	5.15	3.3	0.58	
331	FNMIX	New Markets Income	16.29	OK to Buy	0.8	0.8	1.1	8.9	8.6	4.6	7.7	4.42	6.5	0.65	
2580	FSAHX	Short Duration High Income	9.55	OK to Buy	0.6	0.6	0.7	4.7	4.2	--	--	3.95	2.2	0.46	
368	FSICX	Strategic Income	11.10	Buy	0.7	0.7	1.3	7.3	4.9	3.9	6.0	2.88	4.2	0.38	
<b>MUNICIPAL BOND</b>					<b>Average</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-0.6</b>	<b>3.3</b>	<b>1.6</b>	<b>2.5</b>	<b>3.7</b>	<b>1.96</b>	<b>5.7</b>	<b>0.30</b>
434	FSAZX	Arizona Muni Income	11.86	OK to Buy	-1.5	-1.5	-0.8	3.2	1.8	2.8	4.1	1.99	6.7	0.35	
1534	FCSTX	Calif Limited Term Tax Free	10.52	OK to Buy	-0.2	-0.2	-0.7	1.4	0.8	1.3	2.4	1.40	3.2	0.18	
91	FCTFX	California Muni Income	12.76	OK to Buy	-1.3	-1.3	-0.8	3.9	1.9	3.1	4.3	1.95	6.6	0.35	
407	FICNX	Connecticut Muni Income	11.23	OK to Buy	-1.1	-1.1	-0.7	2.7	1.3	2.3	3.6	2.25	6.4	0.35	
2578	FCRDZ	Conservative Income Muni	10.02	Buy	0.2	0.2	0.1	0.9	0.5	--	--	1.31	0.7	0.04	
36	FLTMX	Interm Municipal Income	10.28	OK to Buy	-0.9	-0.9	-0.6	3.2	1.4	2.1	3.4	1.95	4.9	0.27	
404	FSTFX	Limited Term Muni Income	10.48	OK to Buy	-0.2	-0.2	-0.5	1.6	0.6	1.0	2.1	1.47	2.7	0.16	
429	SMDMX	Maryland Muni Income	11.17	OK to Buy	-1.6	-1.6	-0.8	3.6	1.8	2.5	3.6	1.93	6.6	0.35	
70	FDMMX	Mass Muni Income	12.07	OK to Buy	-1.3	-1.3	-0.4	3.8	1.8	2.6	4.0	2.09	6.9	0.35	
81	FMHTX	Michigan Muni Income	12.02	OK to Buy	-1.4	-1.4	-0.6	3.8	1.9	2.7	3.9	2.05	6.4	0.33	
82	FIMIX	Minnesota Muni Income	11.47	OK to Buy	-1.3	-1.3	-0.8	2.7	1.6	2.2	3.5	1.79	5.8	0.30	
37	FHIGX	Municipal Income	12.89	OK to Buy	-1.5	-1.5	-0.6	4.6	2.1	3.0	4.3	2.35	7.0	0.37	
416	FNJHX	New Jersey Muni Income	11.70	OK to Buy	-1.2	-1.2	-0.5	5.5	2.1	2.6	3.9	2.17	6.1	0.38	
71	FTFMX	New York Muni Income	13.03	OK to Buy	-1.2	-1.2	-0.8	3.4	2.0	2.7	4.0	2.01	6.6	0.34	
88	FOHFX	Ohio Muni Income	11.98	OK to Buy	-1.6	-1.6	-0.7	3.9	2.1	3.0	4.2	2.14	7.3	0.37	
402	FPXTX	Pennsylvania Muni Income	11.02	OK to Buy	-1.2	-1.2	-0.5	3.7	2.0	2.8	4.0	2.11	6.5	0.31	
90	FTABX	Tax-Free Bond	11.39	OK to Buy	-1.4	-1.4	-0.5	4.4	2.2	3.1	4.5	2.37	6.8	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. \*12 month distributed yield.

TAXABLE GOV'T MONEY MARKETS			Total Return (%)		SEC %Yield	STATE MUNICIPAL MONEY MARKETS			Total Return (%)		SEC %Yield
			Jan	YTD					Jan	YTD	
55	FDRXX	Gov't Cash Reserves	0.09	0.09	1.04	433	FSAXX	Arizona Muni MM	0.07	0.07	0.71
458	SPAXX	Government MM	0.08	0.08	0.98	97	FCFXX	California Muni MM	0.07	0.07	0.73
631	FGMXX	Retirement Gov't MM	Merged into SPAXX			457	FSPXX	California AMT Tax-Free	0.08	0.08	0.86
630	FRTXX	Retirement Gov't MM II				418	FCMXX	Connecticut Muni MM	0.07	0.07	0.74
2742	FZFXX	Treasury MM	0.08	0.08	0.97	426	FMSXX	Mass AMT Tax-Free	0.08	0.08	0.83
415	FDLXX	Treasury Only MM	0.08	0.08	0.96	74	FDMXX	Massachusetts Muni MM	0.07	0.07	0.71
<b>PRIME MONEY MARKETS</b>						420	FMIXX	Michigan Muni MM	0.07	0.07	0.67
454	SPRXX	Money Market	0.11	0.11	1.28	417	FNJXX	New Jersey Muni MM	0.07	0.07	0.69
<b>NATIONAL MUNICIPAL MONEY MARKETS</b>						423	FSJXX	New Jersey AMT Tax-Free	0.09	0.09	0.86
10	FTEXX	Municipal Money Market	0.08	0.08	0.86	92	FNYYX	New York Muni MM	0.07	0.07	0.72
275	FMOXX	Tax-Exempt MM	0.08	0.08	0.77	422	FSNXX	New York AMT Tax-Free	0.08	0.08	0.85
						419	FOMXX	Ohio Muni MM	0.07	0.07	0.73
						401	FPTXX	Pennsylvania Muni MM	0.07	0.07	0.71

# FIDELITY SCORECARD

JANUARY 31, 2018

Fund No.	Fund Ticker	Fund Name	Style	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>
						Jan	YTD	3 Mo.	1 Year	3 Year	5 Year	10 Year	
<b>FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS</b>													
Model Portfolios	Annuity Sector Model					7.1	7.1	10.7	30.0	16.6	17.3	11.5	1.22
	Annuity Growth Model					6.5	6.5	9.6	25.0	12.8	13.3	7.1	1.11
	Annuity Growth & Income Model					3.8	3.8	6.3	15.0	8.3	9.4	6.4	0.70
	Annuity Income Model					1.1	1.1	2.3	6.6	4.6	4.2	4.8	0.37
9067	FLRQC	Fid VIP Asset Manager	Allocation	20.73	Hold	2.6	2.6	4.5	14.5	5.9	7.2	5.6	0.63
9066	FAEFC	Fid VIP Asset Manager: Growth	Allocation	22.05	Hold	4.0	4.0	6.6	20.1	7.7	9.2	6.2	0.85
9069	FJBAC	Fid VIP Balanced	Allocation	25.23	OK to Buy	4.2	4.2	6.4	18.5	9.4	10.5	7.7	0.73
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	32.59	Buy	9.3	9.3	17.9	28.6	14.5	16.2	12.4	1.18
9171	FCSAC	Fid VIP Consumer Staples	Sector	27.48	Hold	2.0	2.0	8.4	13.4	9.9	11.7	10.1	0.99
9065	FPDFC	Fid VIP Contrafund	Large Growth	28.88	Buy	6.1	6.1	9.1	25.5	12.6	14.2	8.5	1.07
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	22.12	OK to Sell	3.6	3.6	5.7	11.0	10.5	12.4	9.2	1.39
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	30.78	Hold	7.1	7.1	10.8	28.2	11.5	14.9	9.5	1.23
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	12.43	OK to Buy	6.8	6.8	12.1	48.0	13.0	8.4	--	1.37
9085	FJLLC	Fid VIP Energy	Sector	16.51	Hold↑	1.5	1.5	11.8	0.1	2.3	0.8	0.0	2.15
9061	FLOLC	Fid VIP Equity-Income	Large Value	22.79	Buy	4.5	4.5	8.9	16.8	11.1	11.6	6.8	0.97
9083	FONNC	Fid VIP Financial Services	Sector	15.74	Buy	6.1	6.1	11.8	27.9	15.8	15.0	4.2	1.35
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	11.24	OK to Buy	0.8	0.8	1.2	4.0	4.1	--	--	0.25
9157	FMPAC	Fid VIP FundsManager 20	Allocation	15.48	Hold	0.7	0.7	1.6	6.8	3.1	3.6	3.5	0.27
9158	FMPBC	Fid VIP FundsManager 50	Allocation	18.46	Hold	2.7	2.7	4.5	15.1	6.8	7.4	5.4	0.55
9197	FMPPC	Fid VIP FundsManager 60	Allocation	17.78	Hold	3.3	3.3	5.3	18.0	8.2	8.8	--	0.66
9159	FMPCC	Fid VIP FundsManager 70	Allocation	19.92	Hold	4.0	4.0	6.4	20.7	9.3	9.8	6.3	0.75
9160	FMPDC	Fid VIP FundsManager 85	Allocation	20.81	Hold	5.0	5.0	7.9	25.3	11.3	11.8	6.8	0.92
9062	FMNDC	Fid VIP Growth	Large Growth	31.00	Buy	8.3	8.3	9.4	38.3	16.3	17.8	9.5	1.15
9070	FLFNC	Fid VIP Growth & Income	Large Blend	26.94	Buy	5.0	5.0	10.6	21.2	13.0	14.0	8.2	1.14
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	31.24	Buy	7.7	7.7	10.3	38.4	15.3	17.4	10.3	1.29
9084	FPDRC	Fid VIP Health Care	Sector	43.27	Buy	8.7	8.7	9.4	28.4	7.9	19.9	14.4	1.63
9060	FBBLC	Fid VIP High Income	High-Yield Bond	20.80	OK to Buy	0.5	0.5	0.7	6.1	5.5	4.5	6.3	0.56
9064	FXVLT	Fid VIP Index 500	Large Blend	28.64	Hold	5.7	5.7	10.1	26.0	14.3	15.5	9.5	1.00
9082	FBALC	Fid VIP Industrials	Sector	36.95	Buy	4.7	4.7	11.6	23.2	13.3	14.4	10.9	1.26
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	22.05	Buy	5.5	5.5	9.1	38.1	12.5	11.4	6.7	1.10
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	16.21	Buy	-1.0	-1.0	-0.7	2.3	1.5	2.1	3.9	0.28
9172	FVMAC	Fid VIP Materials	Sector	24.24	Buy	3.9	3.9	6.2	24.1	10.7	9.2	8.5	1.56
9071	FNBSCL	Fid VIP Mid Cap	Mid Growth	30.58	Buy	5.4	5.4	10.3	23.7	12.7	13.6	9.2	1.16
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	11.39	--	0.1	0.1	0.2	0.5	0.1	-0.1	0.2	0.02
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	19.12	Buy	4.9	4.9	7.3	32.5	10.0	8.7	3.3	1.22
9072	FFWKC	Fid VIP Real Estate	Sector	22.74	OK to Sell↓	-3.7	-3.7	-1.1	0.9	0.5	6.7	6.9	1.27
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	19.74	Buy	0.7	0.7	1.0	6.8	4.4	3.4	5.6	0.36
9086	FYENC	Fid VIP Technology	Sector	47.06	Buy	9.2	9.2	8.6	52.8	25.3	22.0	15.7	1.54
9173	FVTAC	Fid VIP Telecommunications	Sector	17.00	Hold	2.0	2.0	5.7	1.9	9.7	9.5	6.9	1.07
9087	FXRRC	Fid VIP Utilities	Sector	27.28	OK to Sell	0.3	0.3	-1.4	15.0	5.9	10.5	6.4	1.15
9079	FKMSC	Fid VIP Value	Large Value	24.19	OK to Buy	4.1	4.1	8.7	18.6	11.0	12.9	7.9	1.06
9073	FRBSC	Fid VIP Value Strategies	Mid Value	24.94	OK to Buy	2.8	2.8	7.0	19.0	9.7	11.2	8.0	1.20
9347	FBMEC	Black Rock Global Allocation	Global Allocation	14.25	Hold	3.6	3.6	5.4	15.6	6.4	6.4	4.8	0.64
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	11.18	OK to Sell	1.0	1.0	-0.2	2.9	0.4	0.6	5.0	0.56
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	10.28	Hold	-1.0	-1.0	-1.0	0.1	0.1	0.4	2.1	0.15
9285	FIGXC	Invesco Global Core Eqty	Global Stock	15.13	Hold	5.3	5.3	9.1	25.2	11.2	9.8	3.4	1.08
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	19.78	Hold	8.1	8.1	12.1	31.4	10.3	4.5	3.7	1.60
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	19.40	OK to Buy	-0.1	-0.1	0.1	8.1	6.0	2.4	5.2	0.62
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	17.28	OK to Buy	7.9	7.9	11.6	38.0	10.9	5.1	2.3	1.40
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	14.60	Hold	3.4	3.4	5.8	17.8	5.9	6.3	2.6	0.75
9346	FPMEC	Pimco Commodity Real Return	Commodities	6.24	OK to Sell	1.8	1.8	4.2	3.1	-3.4	-9.8	-6.0	1.32
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	11.62	Buy	-0.3	-0.3	-0.3	0.8	0.6	0.5	--	0.10
9277	FPNBC	Pimco VIT Real Return	TIPS	13.05	OK to Sell	-0.8	-0.8	0.2	1.5	0.3	-0.5	--	0.34
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	13.36	Hold	-1.0	-1.0	-0.7	3.0	1.2	1.7	--	0.28

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	26%	VIP Growth Opps	25%	VIP Growth	24%	VIP Strategic Income	29%
VIP Financial Services	25	VIP Growth	21	VIP Equity-Income	20	VIP Equity Income	27
VIP Industrials	14	VIP Mid Cap	16	VIP Investment Grade	20	Pimco VIT Low Duration	24
VIP Cons Discretionary	13	VIP Overseas	14	VIP Strategic Income	16	VIP Investment Grade	20
VIP Materials	12	VIP Contrafund	13	VIP Growth & Income	10		
VIP Health Care	10	VIP Equity-Income	11	VIP Int'l Cap App	10		
<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>	
Jan: 7.1% YTD: 7.1%		Jan: 6.5% YTD: 6.5%		Jan: 3.8% YTD: 3.8%		Jan: 1.1% YTD: 1.1%	

## REPORT CARD

# 2017: A Good Year For Fidelity's Active Managers

There's no question about it: With U.S. stocks enjoying their ninth consecutive year of gains in 2017, Fidelity investors should be feeling pretty good. Indeed, the average return for the company's U.S. stock funds (encompassing all investment styles, including active and passive index funds) was 21.1%, whereas the large-cap S&P 500 advanced 21.8% and the small-cap Russell 2000 rose 14.7%. (**Extended Market Index**, which holds smaller-cap stocks, returned 18.1%.)

Of course, rising tides, as they say, lift all boats. But just how well did Fidelity's managers do?

We crunched the numbers.

The good news is that 24 of their 41 actively run funds (59%) beat their respective benchmarks last year. (That includes Enhanced index funds, but excludes several funds that we categorize as "Specialty.")

Where their funds fared best was in the all-important arena of large-cap growth investing.

It's especially important for Fidelity to do well in that space as it's where they hold the preponderance of their shareholders' assets. Notably, at \$98 billion, **Contrafund's** assets are almost as much as the next five largest stock funds combined! (And four of those funds are also in the large-cap growth space.) As for their performance, 11 of their 14 large-growth funds (79%) beat various benchmarks including the S&P 500, and the Russell's 1000 and 3000 Growth indexes. Their average return: 29.4%!

The group's biggest outperformer was **Contrafund** (it outpaced the S&P by almost 11 percentage points). At the other end, **Large Cap Growth Enhanced Index** trailed its bogey by 3.1 percentage points.

## 2018 Guide Independent Guide

The 32nd Edition of our *Independent Guide to Fidelity Funds* is on press and will soon be mailed!

The perfect companion to your monthly newsletter, the *Guide* contains in-depth analysis and timely information on over 200 retail funds in our *Scorecard* whose combined assets top \$900 billion! To receive your free copy, you need only to renew your subscription. Call 800-444-6342 or renew online at:

[www.fmandi.com/guide2018](http://www.fmandi.com/guide2018)

While Fidelity fared well last year betting on the future growth prospects of the so-called FANGs (Facebook, Apple, Netflix and Alphabet's Google), plus many others, they were also adept in value investing. Of their 11 value funds, 10 (or 91%) beat their bogey.

Having been crushed by its Russell 2000 benchmark in 2016, Joel Tillinghast's mid-cap **Low-Priced Stock** sprinted past that benchmark with a gain of 20.7% versus 14.7%. Another low-turnover fund, **Value Strategies**, also fared well by sticking to its knitting and gaining 19.2% while its mid-cap benchmark returned 13.3%.

In terms of market-cap, Fidelity actually met its greatest success last year with its mid-cap funds: an impressive 71% outperformed. Elsewhere, 17 of their 28 large-cap funds (or 61%) beat their bogeys. However, small-caps struggled: Only a third beat their benchmark in 2017 — and not a single one of their four "blend" funds managed to get the job done.

On that latter stage, Fidelity encountered great difficulties in staring down the big-cap S&P 500. There are 15 funds that are benchmarked against the popular index. The "okay" news is that seven (47%) beat that gauge in 2017. But, on a much happier note, that's up considerably from only four funds in 2016 and five in 2015. ■

— John Bonnanzio

## Commentary *cont'd from page 5*

January, the Fed pointed to a likely uptick in inflation (even as it left rates unchanged). And with Walmart raising hourly wages for its massive in-store workforce, concerns rose that it may only be a matter of time until overall inflation picks up steam.

These concerns, and the (still-unlikely) prospect that the Fed might accelerate its plans for hiking short-term rates, sent the 2-year Treasury note yield to a nine-year high of 2.14%. In fact, bond yields rose across the entire maturity spectrum: the 10-year rose 32 basis points (0.32%) ending January at 2.72%, and the 30-year saw its yield back up to 2.95%. That's an increase of 136 basis points, or 1.36%.

Of course, as bond yields move in the opposite direction of their price, Fidelity's bond funds bled red. (The exceptions were **Conservative Income Bond** (up 0.1%) and **Conservative Income Muni** (up 0.2%); both have little interest-rate-sensitivity as they are close cousins to money markets.) Their most rate-sensitive fund was hit hardest: **Long-Term Treasury Index** lost 3.2%, whereas **U.S. Bond Index** (a proxy for the U.S. market) fell 1.2%.

Finally, high yield funds rose on positive economic news. ■

— John Bonnanzio

## Special Hotline Change

With the Dow Jones Industrials ending last month at just over 26000, it is time to revise our standard of a 500 point daily move as the trigger for a Special Hotline, as that now represents just a 1.9% change. Historically, the trigger has been 3%. So now, should the blue-chip indicator rise or fall by 750 points in a single day (a 2.9% move), a Special Update will be provided after 7:45 PM Eastern time

If you are not currently receiving Hotline messages via email, you can sign up in the "Hotline Opt-in" section on our homepage:

[www.fmandi.com](http://www.fmandi.com)

## Inside Fidelity

**Fund Merger** — **Select Industrial Equipment** was merged into **Select Industrials** last month. (Other than a large distribution just prior to the merger, the transaction is not expected to create any tax liability.) We continue to rate the newly combined fund *Buy*.

**Tax Prep** — Fidelity reports that it has now mailed its 2017 tax forms to shareholders, though this information can also be downloaded from its website.

Apart from their many online tax-prep and planning tools, Fidelity investors (and even visitors to their site!) can receive \$20 off Intuit's federal TurboTax products (online and desktop versions).

**Correction & Amplification** — **Telecommunications ETF** made a large short-term capital gain in December, which unfortunately wasn't available at press-time. As such, the fund's correct return in December 2017 was 0.3% and its 2017 return was 3.7%. We regret any inconvenience. ■

### DIVIDEND UPDATE

*Other than monthly dividends on bond and money market funds, and Asset Mgr: 20%/30%, the following funds are scheduled for a distribution (if any) in February:*

Contrafund, Global Credit, Global Strategies, Inflation-Protected Index, Intermed Muni, Limited Term Muni, MI, MN, OH, and PA Muni Income, New Markets Inc, Strategic Inc, Trend

*The final distributions for January were as follows:*

Fund	Ex-Date	\$ Amt	NAV
Industrial Equip	1/23	5.556	40.71

## Two New ETF Funds

*Last month, Fidelity added two international funds to its lineup of six U.S. large-cap, factor-based ETFs. They all correspond to the performances of their proprietary indexes with corresponding names.*

### Int'l High Dividend

This is the foreign counterpart to **High Dividend ETF**: It invests in the foreign stocks of mostly large-cap companies with high dividend yields, low dividend payout ratios and high dividend growth. (As of this writing, the fund's 30-day SEC yield was unavailable.)

Although 60% of assets are presently in Europe, its two largest country bets are the U.K. and Japan at 17% apiece. (Asia is about a third of the fund.) Notably, 8% is in Canada, which is often absent from foreign stock funds as the country is not a part of the EAFE index.

Given the fund's dividend orientation, 44% of assets are in financials (32%) and energy (12%).

While foreign stock funds typically have tech exposures that are smaller than comparable U.S. funds, this fund has no tech at all, which will likely lead to its trailing more

growth-oriented fare. We rate the fund *OK to Sell*.

### International Value

This fund mimics **Value Factor ETF** but with a foreign twist. It holds the stocks of companies with high free-cash-flow yield, low enterprise value to EBITDA (earnings before interest, taxes, depreciation and amortization), low price to tangible book value and low price to future earnings.

Regionally, the fund is 57% weighted in Europe, followed by Asia (32%) and, just like Int'l High Dividend ETF, Canada (8%). Japan is the biggest country bet at 24%.

Sector-wise, this fund is more diversified as it holds some real estate and some technology, and financials are 24% of assets.

Keeping in mind that we prefer to keep the preponderance of our investible assets in U.S. stocks, we like this fund's financial exposure, and having 6% in tech is better than having none. Still, there are far more attractive international alternatives, but at the end of the day, we rate this ETF no differently than Fidelity's actively run **Int'l Value** — that is, *Hold*. ■

— John Bonnanzio

### Nuts & Bolts Of Factor ETFs

As with Fidelity's Enhanced offerings (which are also sub-advised by Fidelity's quantitative research affiliate Geode Capital), factor funds are frequently called "smart beta" funds. Not quite index funds and not quite actively managed either, they nonetheless try to "outsmart" their designated benchmark by emphasizing key investment characteristics.

And, as for those indexes, they're not what you typically encounter (such as with the S&P 500). For one thing, they can be rebalanced twice a year. Moreover, they were designed by Fidelity for the specific needs of their Factor funds. Not to be overlooked, ETFs are ultimately trading vehicles for active investors.

Finally, the new international Factor ETFs have expense ratios of 0.39% versus 0.29% for their domestic counterparts; they are also available online commission-free to investors with Fidelity brokerage accounts. ■

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