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Years

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FIDELITY MONITOR & INSIGHT

Incorporating Fidelity Monitor and Fidelity Insight

MARCH 2014

PUBLISHED SINCE 1985

MESSAGE FROM JACK

Rise In Household Debt Is Good News For the US

After contracting for nearly five years, US consumer debt bottomed a year ago and has now logged four quarters of robust gains. This marks the end of a deflationary drag that has held back GDP growth since mid-2008. Now with confidence rising and overly-restrictive lending standards eased, those with good credit scores have once again become willing and able to borrow.



Jack Bowers

Why is this good news? In effect, the US has managed to restructure its financial sector and clean up its mortgage mess in just five years. In comparison, Japan took over 20 years to deal with bad debts from its real estate bust in 1990, and Europe is likely to remain stalled for at least another decade as it absorbs the tough austerity measures designed to hold the Eurozone together.

The rebound in household debt complicates the Fed's job. Committee members are now somewhat split over how fast easy money policies should be reined in. Bond-buying is almost certain to be tapered to zero this year, with little impact to the economy. A rate increase in 2014, on the other hand, would be premature. Inflation isn't a threat right now, nor is it likely to become one as the economy speeds up. That's because advancing technology is playing a growing role in holding down the cost of everyday goods. (For more on this topic, visit www.fmandi.com and read my blog titled "The Long View.")

From an investment standpoint, the return to a normal growth pattern for US consumer debt reinforces my conviction that US stocks are still the best all-around bet on the planet. Europe is stalled and lacks exposure to growth-oriented companies. (**Int'l Small Cap Opportunities** is our rare *Buy*-rated foreign fund partly because of its emphasis on faster-growing companies.) Japan is improving, but its recovery is fragile because of the yen's volatility. And most emerging countries face a multi-year struggle with inflation because fast-rising wages and the emergence of consumer lending leave central bankers with no choice but to raise interest rates or restrict borrowing activity.

Sincerely,

MARKET OUTLOOK

Credit Storm Eases, But Winter Weighs On Economy

Unlike winter's storms, at least there's no debate about whether the credit storm has ended. That greater indebtedness is a good thing may seem counterintuitive to an economic recovery (see Jack's facing "Message"), especially in the wake of the massive mortgage/credit meltdown unleashed six years ago.

However, lending standards are loosening and an accompanying willingness by Americans to borrow for cars, home improvements and most other things necessary and unnecessary, are consistent with rising consumer confidence. At the same time, consumer spending has been



John Bonnanzio

Yearly historical model returns are on page 8.

brisk, though seemingly held back by real storms.

Of course, another barometer of confidence (though an imperfect one) is the stock market itself.

Because February was such a strong month for equities (and Fidelity's stock funds!), January is looking more like an aberration. At the very least, it's clear investors were culling 2013's profits that month; it was not a harbinger of another market apocalypse, this time triggered by a slowdown in China and the emerging markets.

Still, some will argue that the bulls have been charging with blinders on.

To that point, the last day of February brought news that fourth quarter (2013) GDP was revised down to 2.4%, from 3.2%. Though hardly cataclysmic, keep in mind that third quarter GDP was a far more impressive 4.1%. Although this slowing pace of growth had eventually come to be expected by economists, would the S&P 500 have gained 10 percentage points during that same quarter were it known that GDP growth would only be clocked at 2.4%?

And, what are we to make of 2014's growth expectations now that the momentum we were counting upon may have been optimistic? Moreover, with much of the US buried in snow and chilled by temperatures not seen in a generation, will this winter (which will redirect billions of dollars away from consumer spending and towards such

Market Outlook *cont'd on page 3*

MODEL PORTFOLIOS

See Model Portfolios Key on p. 3

FEBRUARY 28, 2014

Unique Opportunities

Target Risk: 1.20 (Current: 1.11)

Foreign Holdings: 7.4%

YTD Return: 2.7%

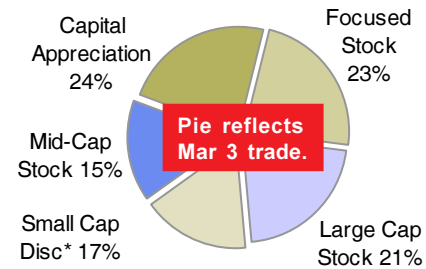
Stocks: 98.3% Bonds: 0.0% Cash: 1.7% Alternatives: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Feb Ret
Capital Appreciation	FDCAX	\$37.64	2,482.45	\$93,439	5.1%
Focused Stock	FTQGX	21.11	4,319.47	91,184	6.1
Large Cap Stock	FLCSX	27.81	3,050.87	84,845	4.8
Small Cap Discovery*	FSCRX	30.88	2,126.43	65,664	4.0
Value Strategies	FLSX	40.92	1,495.66	61,202	3.6

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

Current Value (3/31/99 = \$100,000) \$396,335 4.8%

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



Select

Target Risk: 1.20 (Current: 1.17)

Foreign Holdings: 19.8%

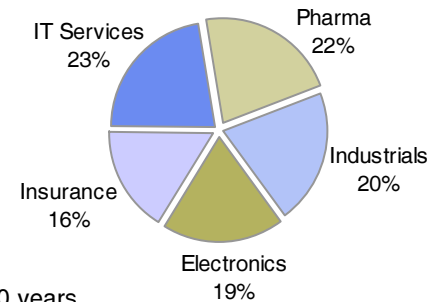
YTD Return: 2.5%

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

Holdings	Ticker	NAV	Shares	Value	Feb Ret
IT Services	FBSOX	\$37.86	15,291.64	\$578,941	5.7%
Pharmaceuticals	FPHAX	21.39	26,640.54	569,841	9.5
Industrials	FCYIX	33.69	15,425.70	519,692	3.7
Electronics	FSELX	68.32	7,218.26	493,152	7.6
Insurance	FSPCX	66.08	6,347.62	419,451	3.7

Current Value (12/31/88 = \$100,000) \$2,581,077 6.1%

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



Growth

Target Risk: 1.00 (Current: 1.11)

Foreign Holdings: 6.0%

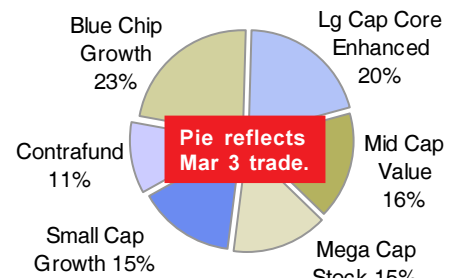
YTD Return: 2.2%

Stocks: 98.5% Bonds: 0.0% Cash: 1.5% Alternatives: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Feb Ret
Lg Cap Core Enhanced	FLCEX	\$11.30	33,950.81	\$383,644	4.1%
Mega Cap Stock	FGRTX	15.43	24,240.91	374,037	4.5
Blue Chip Growth	FBGRX	66.59	5,043.46	335,844	6.7
Mid Cap Value	FSMVX	23.01	13,152.70	302,644	4.8
Small Cap Growth	FCPGX	20.02	13,682.67	273,927	4.5
Contrafund	FCNTX	98.20	2,145.47	210,686	5.6

Current Value (12/31/86 = \$100,000) \$1,880,781 5.0%

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: 0.76)

Foreign Holdings: 16.1%

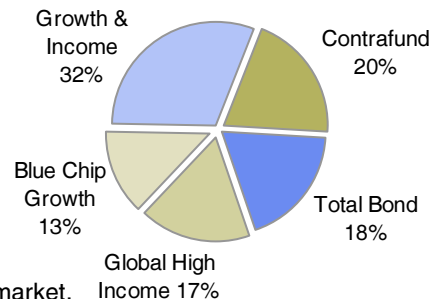
YTD Return: 1.9%

Stocks: 64.5% Bonds: 16.9% Cash: 2.4% Alternatives: 16.2% Yield: 2.0%

Holdings	Ticker	NAV	Shares	Value	Feb Ret
Growth & Income	FGRIX	\$27.72	5,673.18	\$157,261	4.0%
Contrafund	FCNTX	98.20	1,021.98	100,359	5.6
Total Bond	FTBFX	10.62	8,413.30	89,349	0.8
Global High Income	FGHNX	10.20	8,469.76	86,392	2.4
Blue Chip Growth	FBGRX	66.59	1,010.13	67,265	6.7

Current Value (12/31/93 = \$100,000) \$500,625 3.8%

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



Income

Target Risk: 0.33 (Current: 0.41)

Foreign Holdings: 10.4%

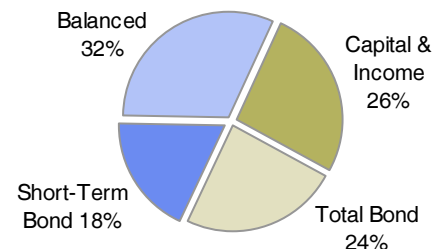
YTD Return: 2.2%

Stocks: 28.0% Bonds: 48.5% Cash: 3.9% Alternatives: 19.7% Yield: 2.2%

Holdings	Ticker	NAV	Shares	Value	Feb Ret
Balanced	FBALX	\$23.26	4,615.32	\$107,352	3.8%
Capital & Income	FAGIX	10.10	9,163.53	92,552	3.1
Total Bond	FTBFX	10.62	7,436.03	78,971	0.8
Short-Term Bond	FSHBX	8.61	7,053.28	60,729	0.2

Current Value (12/31/91 = \$100,000) \$339,603 2.2%

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



Market Outlook *cont'd from page 1*

necessities as heating bills) further cool the economy?

We think not. Yes, common sense tells us that home construction and even car purchases have been slowed for builders who can't frame houses when it's zero degrees, and for salesmen who can't show cars buried in snow. And, yes, Americans always seem undaunted in their resolve to reach malls regardless of snow, rain, heat or gloom of night. While fourth-quarter consumer spending has been revised down to 2.6% from 3.3%, that's still the fastest increase in seven quarters.

Also, businesses are spending more on equipment, and US exports rose 9.4%. Related to both, we learned at month-end that while largely unchanged in February, the Chicago PMI business barometer remains positive as purchasing managers noted double-digit gains in employment. Importantly, this occurred even as new orders, production and backlogs fell, though some managers cite the winter as contributing to the recent slowdown.

The Fed Signals

Ongoing confidence in stocks has not only been drawn from largely positive economic indicators, but also from the Fed and its new Chair, Janet Yellen.

From the very start of her tenure, the former Ben Bernanke lieutenant has made it clear that the central bank's policies would be continued. In a nutshell, that means that interest rates will remain low and "accommodative" as the economy recovers, and that bond tapering will be flexible. The latter means that if the economy continues to recover, the Fed will keep tapering. If not, it would stop. If windows could open on Wall Street, such remarks might earn Yellen a ticker

FUNDS YOU SHOULD BUY NOW

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

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

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

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

tape parade in the canyons of lower Manhattan. Instead, the markets celebrated last month by sending the Dow up 632 points, or 4.2%.

Eye On Earnings

While the state of the economy is important, investors are becoming less worried about the big picture as they focus increasingly on earnings while digging deep to understand the underlying quality of profit growth. No surprise, companies that beat estimates in this demanding environment are not always rewarded as they might have been in the past. Those getting profit growth from reserve account

adjustments or cost-cutting moves are in some cases taking a hit even as they exceed expectations. Earnings per share improvement driven by stock buyback activity is viewed more favorably. But the most prized result is good earnings that stem from solid revenue growth. For the fourth quarter, the market was basically unmoved that 63% of companies finished ahead of their estimates. But among growth stocks, the number of companies booking revenue growth appears to be rising. This should lend support to growth stocks as the year progresses. ■

— John Bonnanzio

(John Boyd was down with the flu this month.)

MODEL PORTFOLIO TRADES

As announced on our February 28 Hotline, on Monday March 3, we will make trades in two Model Portfolios.

Unique Opportunities Model:

We will sell (exchange) our entire position in **Value Strategies** [ticker: FLSX] and establish a new position in **Mid-Cap Stock** [ticker: FMCSX].

Growth Model:

We will reduce our position in **Mega Cap Stock** [ticker: FGRTX] by a quarter to approximately 15% of the model's assets, down from 20%. With the proceeds, we will add to our existing position in **Blue Chip Growth** [ticker: FBGRX], increasing it to about 23% of the model's assets, up from 18%. **(NOTE: Longtime members who own Growth Company instead of Blue Chip, should add to Growth Company.)**

With investors presently enamored with companies that are growing their revenues (with the hope that greater income will follow), there's been a bias for growth stocks (such as technology) over certain value stocks (such as financials). These modest rebalancings of our models will negligibly alter the models' volatilities (risk). See p. 4 for profiles on the affected funds. ■

Model Portfolios Key:

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

Modest Rebalance Favors Growth Stocks

This month's trades (see p. 3) involve some very familiar funds and their talented managers. In the case of the Growth Model, we are modestly rebalancing our style exposures to emphasize the "growthier" stocks held in **Blue Chip Growth**. That comes at the expense of another well-run fund called Mega Cap Stock, which holds a "blender" mix of value and growth. With this trade, its relative volatility stands essentially unchanged at 1.11. This means it's 11% higher than its long-term target of 1.00 — which is also the S&P 500's relative volatility.

Our desire to slightly deemphasize value stocks has also played out in our Unique Opportunities Model. There, the shift meant selling the mid-cap value-oriented **Value Strategies for Mid-Cap Stock**, which leans towards growth. In this case, that actually lowers the model's relative volatility to 1.11 as Value Strategies' unique focus made it quite volatile.

Here's a look at each fund, whose commentaries we've edited from our *2014 Independent Guide to Fidelity Funds* (which is in the mail).

Blue Chip Growth

Unless his fund implodes over the next few months, Sonu Kalra will look back over his 5-year tenure on this large-cap growth fund and likely boast that he has beaten around 90% of his peers.

Beating his Russell 1000 Growth benchmark in four of the past five years, his success is no secret: he's an outstanding stock picker. And, he's pretty darn good at making the right sector allocations, too. In the case of the former, he added 5 percentage points of value via astute stock selection, whereas sector allocations gained the fund's shareholders almost a full



Sonu Kalra

percentage point. And here's what we especially like right now: though underweighted in tech, strong stockpicking in that arena was a top performance-driver.

Mega Cap Stock

All of Matt Fruhan's funds are really, really large cap. **Growth & Income** and **Large Cap Stock** have market caps of \$75 and \$61 billion, respectively. But Mega Cap's name is quite appropriate. At \$120 billion, in market cap, this is Fidelity's "largest" fund. (Its top holdings include such giants as Apple and Google on the growth side, and JP Morgan on the value side.)



Matt Fruhan

But alas, bigger is not always better — at least not in this market, as accelerating revenue and/or earnings growth are the most sought-after firm characteristics. To that end, Mega Cap is comparatively "blendy," especially relative to Blue Chip Growth. For example, Mega Cap's trailing P/E is just 16.8 versus 25.4 for Blue Chip Growth. As for one-year forecasted P/E's: 14.1 versus 19.0. This is no indictment of Matt, whose record, after all, is simply stellar. So, with no malice toward Mega Cap, we hope to capture more tailwind with Blue Chip Growth.

Mid-Cap Stock

True to its name and mission, Manager John Roth looks for mid-cap

firms where his fundamental analysis projects a future earnings power greater than the market currently expects. (Whereas his S&P MidCap 400 benchmark sports a trailing 1-year P/E of 22, this fund clocks in at a more aggressive 28.) He places his largest bets where he has the greatest conviction, but manages risk by keeping the size of positions modest and the number of positions large. He has nearly 200 holdings and the top-10 names make up just 13% of the fund.



John Roth

John served his shareholders well last year with top picks like Tesla Motors, a significant performance driver. John believes that Tesla is refashioning the car business and, if successful in ramping up production (it is planning a \$5 billion "Gigafactory" to make the lithium-ion batteries that power its cars), it could deliver earnings that are significantly ahead of expectations.

Unlike its mid-cap peer Value Strategies (whose valuation discipline keeps it away from pricey biotech), John's Mid-Cap Stock has some exposure there. Even so, this is hardly a shoot-the-lights-out growth fund as volatility is below all his mid-cap peers (1.11 vs 1.27) and especially Value Strategies' 1.33. To that end, this trade actually tempers risk while increasing growth exposure. ■

— John Bonnanzio

FUND PROFILES

	Blue Chip Growth	Mega Cap Stock	Mid-Cap Stock
Top Holdings	Google Apple Gilead Sciences Amazon Facebook	Apple JPMorgan Chase General Electric Microsoft Google	Tesla Motors Henry Schein United Rentals Gartner Kansas City South
Top Sectors	Technology (30%) Cons. Disc. (23%) Health Care (14%)	Technology (23%) Financials (19%) Energy (12%)	Financials (17%) Technology (17%) Cons. Disc. (16%)
Mkt Cap Price/Earnings Style	\$59.4 billion 25.4 Large Growth	\$120 billion 16.8 Large Blend	\$6.9 billion 27.6 Mid-Growth

FUND COMMENTARY

Stocks And Bonds Turn Hot In February

Although Mother Nature once again gave Americans a lot to complain about last month, the red-hot stock and bond markets provided much-needed relief from the winter.



John Bonnanzio

February was also a respite from January's market drubbing. As you may recall, 2014 started out with a 5.2% drop for the Dow Industrials and a 3.5% decline for the S&P 500.

And suddenly it was spring!

February saw the Dow rebound 4.2% while the S&P surged 4.6%. Though that wasn't enough to pull every Fidelity stock fund into the black on a year-to-date basis, 33 of their 39 actively managed equity offerings are now in positive territory, whereas only four were a month earlier.

Here's where the equity indexes now stand: the Dow is off 1.2% for the year, but the more important (meaning broader) S&P is up 1.0%. As measured by the Russell 2000 (up 4.8% in February and 1.9% for the year), small-caps are faring better than large-caps. And better than all others has been the Nasdaq Composite. Down a comparatively modest 1.7% in January, the tech- and biotech-rich barometer then blossomed 5.1% last month. Year-to-date, the growth-oriented index is up an impressive 3.4%.

We are mindful that these gains have been made amid heightened volatility. As such, our model portfolio trades, which modestly increase growth exposure (see pgs. 2 and 3), were also designed with equity risk in mind.

Stock Funds

As you'll read throughout this report, growth stocks have been the market's primary performance-driver. The average large-cap Fidelity growth

fund returned 5.9% in February, followed by 5.3% for mid-cap growth and 4.5% for small-cap growth.

Across that universe, **Independence** (up 7.5%) and **Growth Discovery** (up 7.4%) funds were the top-performers. Both benefited from a growth focus. Independence made hay with certain of its consumer discretionary stocks, but mostly with its health care/biotech holdings. Growth Discovery was boosted by those sectors and played technology well, too.

Among more widely held funds (asset-wise), **Contra** outpaced the S&P 500 last month with its 5.6% return, **Blue Chip Growth** fared even better as it soared 6.7%, while both the closed **Growth Company** and open-to-all **OTC** funds gained 6.5%. **Low-Priced Stock** (see p. 11) rose a solid 4.4%.

Holding up the rear were value-oriented funds of various market caps. For example, **Small Cap Value**, **Value Strategies** (a mid-cap) and **Blue Chip Value** were all up about 3.6% for the month. Notably, each of their performances were held back by investment strategies which ultimately meant holding comparatively cheaper and/or slower-growing firms.

Lastly, our *Hold* rating on the brand-new **Event Driven Opportunities** fund is looking a bit too conservative. Up 7.8% in February and 4.9% for the year, this suggests that this mid-cap blend fund (which is benchmarked against the Russell 3000) has a manager who is heavily favoring growth. Once we see its holdings, an upgrade may be in the offing!

International Funds

As Jack notes on page 1, international stock funds may do okay this year, but the domestic variety remain the focus of our interest. Still, the average such offering gained 4.6% last month, as Fidelity's Europe-centric funds returned almost 8% in February — just as they are about to be merged (see p. 12). On the other hand, Japan-oriented funds continue to be laggards, and so they've been downgraded (see below).

Bond Funds

Although the yield on the 10-year Treasury finished February about where it started (2.67%), encouraging signals from the Fed on our monetary policies, coupled with tepid inflation data, provided an attractive market to own bonds. Indeed, all taxable and muni bond funds were in the black last month. So were overseas offerings such as **Int'l Bond** (up 2.4%) and **Global Bond** (up 1.8%), and especially **New Markets Income** (up 3.5%). The latter holds credit-challenged emerging market sovereign debt and, increasingly, corporate debt, too. "Credit" an improved outlook for China as the primary driver for their recent reversal.

Solid gains were also scored by all state- and national muni bond funds. With all the bad news now out about Detroit and Puerto Rico, prior jitters have subsided. Indeed, funds taking the biggest interest-rate-risk fared best — many rose one percentage point or more. ■

— John Bonnanzio

MARCH SCORECARD RATING CHANGES

Fund	Ratings			Comments
	Old	New		
Japan	B	H	↓	New manager and stimulative efforts fading (p 12).
Japan Smaller Cos	B	H	↓	New manager and stimulative efforts fading (p 12).
Leveraged Co Stk	B	B	↓	"Distressed" stocks have lost a bit of appeal.
Pacific Basin	B	H	↓	More than a third of fund assets are in Japan.
Value Strategies	B	B	↓	Markets favoring revenue growth over value.
VIP Val Strategies	B	B	↓	Markets favoring revenue growth over value.
Worldwide	H	B	↑	Winning combination of US and foreign stocks.

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

FIDELITY SCORECARD

FEBRUARY 28, 2014

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹		
						Feb	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr			
Comparative Indexes		S&P 500		1859.5		4.6	1.0	3.5	25.4	14.4	23.0	7.2	1.00		
		Nasdaq Composite		4308.1		5.1	3.4	6.4	38.1	17.1	27.0	8.8	1.12		
		Dow Jones Industrials		16321.7		4.2	-1.2	2.0	18.9	13.0	21.4	7.1	0.94		
		Russell 2000 (Small Caps)		1183.0		4.8	1.9	3.9	31.7	14.5	26.7	8.7	1.34		
		Barclays Aggregate Bond*				0.4	2.1	1.4	-0.2	3.6	4.9	4.2	0.24		
Model Portfolios		Unique Opportunities				4.8	2.7	5.2	31.4	13.0	25.6	9.5	1.11		
		Select				6.1	2.5	6.3	32.5	16.4	24.7	9.2	1.17		
		Growth				5.0	2.2	4.7	23.1	11.5	22.1	6.9	1.11		
		Growth & Income				3.8	1.9	3.6	18.9	10.1	16.9	6.4	0.76		
		Income				2.2	2.2	3.0	5.0	6.8	10.3	4.6	0.41		
												Rel Vol (Risk) ¹	Assets (\$Mil)		
LARGE CAP GROWTH						Category Averages			5.9	5.1	8.3	35.7	15.5	25.3	1.14
312	FBGRX	Blue Chip Growth		66.59	Buy	6.7	5.1	8.4	39.0	16.9	27.4	1.21	\$11,203		
307	FDCAX	Capital Appreciation		37.64	Buy	5.1	4.0	6.8	34.4	17.2	26.6	1.08	6,167		
22	FCNTX	Contrafund		98.20	Buy	5.6	3.2	5.7	31.5	15.3	22.7	0.99	73,330		
332	FEXPX	Export and Multinational	0.75%/30d	24.51	OK to Sell	4.3	0.7	2.9	21.1	10.6	20.1	1.00	1,681		
3	FFIDX	Fidelity Fund		43.98	OK to Sell	5.8	3.1	5.3	25.6	12.4	21.4	1.03	4,647		
500	FFTYX	Fifty (Closed)		29.80	Buy	6.2	6.9	10.5	38.5	17.4	25.6	1.05	776		
333	FTQGX	Focused Stock		21.11	Buy	6.1	6.9	10.7	38.8	17.0	25.9	1.09	1,740		
25	FDGRX	Growth Company (Closed)		126.78	Buy	6.5	6.4	9.4	40.2	18.1	27.2	1.23	23,249		
339	FDSVX	Growth Discovery		22.89	OK to Buy	7.4	7.8	11.2	40.8	16.5	25.8	1.13	961		
73	FDFFX	Independence		39.56	OK to Sell	7.5	9.2	13.1	43.3	16.0	27.2	1.51	3,940		
21	FMAGX	Magellan		95.34	OK to Buy	5.2	3.2	5.8	32.0	11.3	22.0	1.22	13,202		
300	FMILX	New Millennium		40.96	Buy	5.6	4.6	8.2	34.3	17.0	27.5	0.99	3,000		
93	FOCPX	OTC		83.63	OK to Buy	6.5	8.1	12.6	52.0	17.4	29.9	1.32	7,806		
320	FDSX	Stock Selector All Cap		36.68	OK to Buy	5.3	3.1	6.3	29.9	13.6	23.1	1.15	3,233		
5	FTRNX	Trend		88.18	Buy	5.5	4.1	7.3	34.4	15.9	26.5	1.13	1,377		
LARGE CAP BLEND						Category Averages			4.3	0.7	3.2	27.5	14.3	24.5	1.14
315	FDEQX	Disciplined Equity		32.72	Hold	4.2	1.2	4.1	28.2	13.8	19.7	1.16	1,202		
330	FDGFX	Dividend Growth		35.61	Hold	4.1	0.6	2.8	25.1	10.8	26.1	1.32	6,540		
27	FGRIX	Growth & Income		27.72	Buy	4.0	-0.5	1.5	24.6	15.1	23.1	1.03	6,179		
338	FLCSX	Large Cap Stock		27.81	Buy	4.8	2.1	5.2	33.4	16.6	29.1	1.15	2,477		
361	FGRTX	Mega Cap Stock		15.43	Buy	4.5	0.1	2.3	26.1	15.3	24.3	1.06	2,528		
LARGE CAP VALUE						Category Averages			3.9	0.1	2.6	22.1	11.2	21.1	1.11
1271	FBCVX	Blue Chip Value		14.52	OK to Buy	3.6	-0.6	2.7	24.9	10.3	20.4	1.21	342		
319	FEQTX	Equity Dividend Income		24.49	OK to Buy	4.0	-0.6	2.0	19.8	10.5	21.3	1.08	4,813		
23	FEQIX	Equity-Income		58.85	OK to Buy	3.8	0.3	2.3	19.8	10.5	22.2	1.08	6,843		
708	FSLVX	Stock Sel Large Cap Value		15.44	Hold	4.3	1.3	3.3	23.8	13.6	20.7	1.08	519		
832	FVDFX	Value Discovery		21.96	OK to Buy	4.4	0.8	3.3	28.4	13.8	23.7	1.11	486		
MID-CAP GROWTH						Category Averages			5.3	3.2	6.8	30.3	14.1	25.6	1.21
324	FDEGX	Growth Strategies	1.50%/90d	29.09	Hold	5.4	2.1	5.4	30.3	11.3	23.1	1.34	1,614		
337	FMCSX	Mid-Cap Stock	0.75%/30d	41.22	Buy	5.7	4.3	8.2	33.8	16.0	28.3	1.11	5,617		
2412	FSSMX	Stock Selector Mid Cap		31.46	Hold	4.8	3.3	6.7	26.8	15.1	25.6	1.17	226		
MID-CAP BLEND						Category Averages			4.9	1.6	2.9	26.4	13.8	28.9	1.31
2624	FARNX	Event Driven Opportunities		10.31	Hold	7.8	4.9	--	--	--	--	--	28		
122	FLVCX	Leveraged Company Stock	1.50%/90d	43.53	OK to Buy	3.7	0.7	3.6	26.9	13.5	30.2	1.48	4,096		
316	FLPSX	Low-Priced Stock	1.50%/90d	49.89	OK to Buy	4.4	0.9	2.6	28.6	15.2	26.0	1.11	30,008		
14	FSLSX	Value Strategies		40.92	OK to Buy	3.6	-0.1	2.4	23.9	12.8	30.5	1.33	672		
MID-CAP VALUE						Category Averages			4.8	2.4	6.0	28.6	15.0	28.8	1.22
762	FSMVX	Mid Cap Value	0.75%/30d	23.01	Buy	4.8	1.8	5.6	27.6	15.2	28.3	1.21	1,398		
39	FDVLX	Value		106.68	Buy	4.8	3.0	6.4	29.6	14.7	29.3	1.24	7,313		
SMALL CAP GROWTH						Category Averages			4.5	3.9	6.7	38.3	16.5	28.4	1.36
1388	FCPGX	Small Cap Growth	1.50%/90d	20.02	Buy	4.5	3.9	6.7	38.3	16.5	28.4	1.36	1,133		
SMALL CAP BLEND						Category Averages			4.5	0.8	2.9	26.7	11.8	28.5	1.41
384	FSCRX	Small Cap Discovery (Closed)	1.50%/90d	30.88	Buy	4.0	-1.2	-1.0	23.7	16.8	33.2	1.34	6,578		
340	FSLCX	Small Cap Stock	2.00%/90d	21.17	OK to Sell	4.9	1.1	4.1	24.5	5.5	25.0	1.55	2,230		
336	FDSCX	Stock Selector Small Cap	1.50%/90d	26.85	OK to Buy	4.4	2.6	5.6	31.7	13.1	27.4	1.33	1,503		
SMALL CAP VALUE						Category Averages			3.6	-1.6	-0.1	21.9	14.1	28.0	1.28
1389	FCPVX	Small Cap Value (Closed)	1.50%/90d	19.72	Buy	3.6	-1.6	-0.1	21.9	14.1	28.0	1.28	2,098		

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

FIDELITY SCORECARD

FEBRUARY 28, 2014

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Feb	YTD	3 Mo.	1 Year	3 Year	5 Year				
SPECIALTY															
304	FBALX	Balanced		23.26	Buy	3.8	2.2	4.2	18.9	10.8	18.1	0.68	\$17,731		
308	FCV SX	Convertible Securities		32.15	Buy	3.2	3.4	5.3	23.0	9.1	24.6	1.02	2,177		
334	FGBLX	Global Balanced	1.00%/30d	25.61	OK to Buy	4.1	3.5	4.9	17.5	7.8	15.4	0.75	562		
2120	FFGCX	Global Commodity Stock	1.00%/30d	14.18	Hold	5.7	0.4	2.5	-0.2	-6.8	--	1.73	247		
1960	FDYSX	Global Strategies		9.66	Sell	3.0	0.8	1.9	8.0	4.6	14.1	0.81	181		
1368	FIREX	International Real Estate	1.50%/90d	10.25	Hold	3.5	0.8	0.9	10.2	7.9	21.2	1.56	332		
4	FPURX	Puritan		21.88	Buy	3.9	3.1	4.7	19.5	10.8	17.9	0.71	17,127		
833	FRIFX	Real Estate Income	0.75%/90d	11.61	OK to Sell	2.6	4.8	5.1	5.0	9.3	19.4	0.50	2,448		
303	FRESX	Real Estate Investment	0.75%/90d	34.71	OK to Sell	5.1	8.7	9.7	5.5	9.3	30.8	1.37	3,429		
1329	FSDIX	Strategic Dividend & Income		14.25	OK to Buy	3.6	2.1	3.3	14.1	11.9	23.0	0.73	2,464		
1505	FSRRX	Strategic Real Return	0.75%/60d	9.51	OK to Sell	2.4	3.8	4.0	0.8	2.8	11.4	0.53	620		
311	FIUIX	Telecom & Utilities		22.73	OK to Sell	2.2	3.3	5.8	19.5	14.0	18.0	0.84	1,115		
ASSET ALLOCATION															
328	FASIX	Asset Manager 20%		13.54	Hold	1.7	1.8	2.1	5.8	4.9	9.4	0.28	4,727		
1957	FTANX	Asset Manager 30%		10.67	Hold	2.2	2.0	2.7	8.3	6.1	11.7	0.39	650		
1958	FFANX	Asset Manager 40%		10.89	Hold	2.7	2.1	3.1	10.9	7.0	13.5	0.50	607		
314	FASMX	Asset Manager 50%		17.94	Hold	3.2	2.2	3.6	13.4	7.8	15.6	0.61	7,661		
1959	FSANX	Asset Manager 60%		11.41	Hold	3.6	2.3	3.9	15.8	8.5	17.1	0.73	1,014		
321	FASGX	Asset Manager 70%		20.99	Hold	4.2	2.3	4.2	18.4	9.2	18.8	0.85	3,474		
347	FAMRX	Asset Manager 85%		17.52	Hold	4.9	2.4	4.8	22.6	10.2	20.9	1.03	1,279		
EQUITY INDEX															
355	FFNOX	Four-in-One Index		36.18	Hold	4.4	1.5	3.5	20.6	11.0	19.4	0.93	3,394		
2010	FIENX	International Enhanced Index	1.00%/30d	8.85	Hold	5.9	2.0	3.6	21.2	7.3	17.9	1.33	42		
1827	FLCEX	Large Cap Core Enhanced Index		11.30	Buy	4.1	0.4	3.0	26.4	15.1	22.2	0.98	416		
1829	FLGEX	Large Cap Growth Enhanced Index		14.22	OK to Buy	4.8	1.4	4.5	29.1	15.2	23.3	1.02	235		
1828	FLVEX	Large Cap Value Enhanced Index		10.21	OK to Buy	3.9	0.4	3.0	23.9	15.0	22.1	1.03	167		
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30d	13.60	OK to Buy	5.5	2.4	5.4	31.0	15.5	26.8	1.20	265		
1282	FNCMX	Nasdaq Composite Index	0.75%/90d	56.90	Hold	5.1	3.3	6.3	37.7	16.9	26.8	1.12	746		
2011	FCPEX	Small Cap Enhanced Index	1.50%/90d	12.74	Buy	3.8	0.3	2.1	29.4	15.6	26.4	1.37	401		
650	FUSEX	Spartan 500 Index ⁴		66.10	Hold	4.6	1.0	3.5	25.3	14.3	22.9	1.00	5,535		
2341	FPEMX	Spartan Emerging Mkts Index ⁴	1.50%/90d	9.16	Hold	3.0	-4.2	-5.2	-7.7	--	--	--	10		
398	FSEM X	Spartan Extended Mkt Index ⁴	0.75%/90d	55.29	Hold	5.5	3.5	6.6	32.4	15.4	28.0	1.28	1,708		
2345	FSGUX	Spartan Global ex U.S. Index ⁴	1.00%/90d	12.39	Hold	5.5	0.2	1.3	12.4	--	--	--	13		
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90d	41.19	Hold	6.0	1.3	3.0	19.7	6.6	17.9	1.35	2,463		
2349	FSCLX	Spartan Mid Cap Index ⁴	0.75%/30d	16.40	Hold	5.8	3.7	6.8	28.8	--	--	--	9		
2353	FRXIX	Spartan Real Estate Index ⁴	0.75%/90d	12.64	OK to Sell	5.1	9.3	9.8	6.0	--	--	--	10		
2356	FSSPX	Spartan Small Cap Index ⁴	1.50%/90d	16.82	Hold	4.7	1.8	3.8	31.5	--	--	--	20		
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90d	54.91	Hold	4.8	1.5	4.1	26.6	14.5	23.9	1.05	1,629		
INTERNATIONAL						Category Averages			4.6	-0.3	1.4	16.3	6.2	19.7	1.43
309	FICDX	Canada	1.50%/90d	58.67	Hold	4.1	0.6	2.1	10.0	-0.8	15.6	1.13	2,089		
352	FHKCX	China Region	1.50%/90d	33.85	Hold	3.7	0.3	1.5	18.9	7.3	21.1	1.53	1,414		
325	FDIVX	Diversified International	1.00%/30d	37.21	Hold	5.5	0.8	3.4	23.7	7.6	18.0	1.35	14,509		
351	FSEAX	Emerging Asia	1.50%/90d	30.38	Hold	4.4	-0.9	-1.0	1.1	2.9	15.5	1.53	1,047		
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	8.97	Hold	4.1	-2.4	-2.0	2.3	0.7	17.7	1.55	100		
322	FEMKX	Emerging Markets	1.50%/90d	23.69	Hold	5.7	-1.7	-2.1	0.4	-1.3	17.4	1.59	2,044		
2374	FEDDX	Emerging Mkts Discovery	2.00%/90d	11.48	Hold	2.3	-5.5	-5.4	-6.5	--	--	--	79		
301	FIEUX	Europe	1.00%/30d	40.24	OK to Buy	7.5	3.5	6.5	26.7	9.0	19.1	1.53	1,010		
341	FECAX	Europe Capital App (Closed)	1.00%/30d	24.40	Hold	7.7	3.6	6.6	27.4	9.0	19.1	1.55	362		
2406	FGILX	Global Equity-Income	1.00%/30d	12.58	OK to Buy	5.1	1.5	4.2	22.1	--	--	--	43		
335	FIVFX	International Cap App	1.00%/30d	16.96	Buy	6.1	1.3	4.0	18.1	9.8	24.6	1.48	934		
305	FIGRX	International Discovery	1.00%/30d	40.55	Hold	5.4	0.1	2.7	21.5	7.7	18.0	1.36	8,002		
1979	FIGFX	International Growth	1.00%/30d	11.21	OK to Buy	5.7	-0.3	2.4	16.9	9.3	20.5	1.25	469		
818	FISM X	International Small Cap	2.00%/90d	27.27	Hold	4.8	1.8	3.9	30.8	10.1	23.8	1.34	1,068		
1504	FSCOX	International Small Cap Opps	2.00%/90d	14.52	Buy	5.3	4.0	6.0	26.0	12.5	25.4	1.18	542		
1597	FIVLX	International Value	1.00%/30d	9.10	Hold	5.9	0.6	3.0	20.6	4.4	18.2	1.39	175		
350	FJPNX	Japan	1.50%/90d	11.64	Hold	1.0	-3.3	-3.4	12.7	1.5	12.7	1.24	459		
360	FJSCX	Japan Smaller Companies	1.50%/90d	12.66	Hold	-1.9	-5.8	-5.5	32.0	11.0	22.1	1.66	586		
349	FLATX	Latin America	1.50%/90d	28.46	Sell	1.3	-8.9	-10.5	-23.3	-11.8	9.4	1.68	988		
342	FNORX	Nordic	1.50%/90d	46.15	Buy	7.6	3.1	8.5	41.5	13.4	28.1	1.71	524		
94	FOSFX	Overseas	1.00%/30d	40.98	OK to Buy	5.8	1.8	4.8	24.9	9.4	17.5	1.51	2,090		
302	FPBFX	Pacific Basin	1.50%/90d	27.36	Hold	3.5	-1.1	-0.6	18.2	7.8	27.3	1.38	681		
2369	FTEMX	Total Emerging Markets	1.50%/90d	10.98	Hold	3.7	-2.4	-1.8	-1.5	--	--	--	42		
1978	FTIEX	Total International Equity	1.00%/30d	8.12	OK to Buy	5.2	-0.9	0.9	12.2	5.3	18.8	1.31	326		
318	FWWFX	Worldwide	1.00%/30d	25.56	OK to Buy	5.7	3.8	7.0	30.4	12.7	22.4	1.15	1,554		

FIDELITY SCORECARD

FEBRUARY 28, 2014

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Feb	YTD	3 Mo.	1 Year	3 Year	5 Year				
SELECT PORTFOLIOS						Category Averages			5.2	3.5	6.3	30.4	13.9	25.9	1.38
34	FSAIX	Air Transportation	0.75%/30d	61.02	Hold	2.5	2.9	3.8	42.3	19.5	33.6	1.16	\$419		
502	FSAVX	Automotive	0.75%/30d	56.94	OK to Buy	6.0	1.1	1.9	42.3	10.0	44.7	1.87	231		
507	FSRBX	Banking	0.75%/30d	26.10	Hold	3.1	-0.3	2.1	30.4	13.0	25.2	1.32	806		
42	FBIOX	Biotechnology	0.75%/30d	221.48	OK to Sell	7.8	21.9	23.6	84.3	47.6	34.2	1.55	9,641		
68	FSLBX	Brokerage & Investment	0.75%/30d	71.99	OK to Buy	2.1	-3.0	1.1	29.3	11.5	23.3	1.70	962		
69	FSCHX	Chemicals	0.75%/30d	148.22	Hold	7.0	1.6	5.8	27.8	17.7	32.1	1.55	1,364		
518	FSDCX	Communications Equipment	0.75%/30d	31.24	Hold	4.3	5.9	10.3	29.4	2.4	24.3	1.64	290		
7	FDCPX	Computers	0.75%/30d	75.46	Sell	4.2	1.8	5.2	27.1	11.2	28.5	1.47	663		
511	FSHOX	Construction & Housing	0.75%/30d	57.48	Hold	7.6	5.4	9.5	19.8	19.4	29.2	1.41	363		
517	FSCPX	Consumer Discretionary	0.75%/30d	33.30	Buy	6.9	0.5	3.1	32.2	18.3	29.1	1.16	551		
98	FSVLX	Consumer Finance	0.75%/30d	16.16	Buy	3.5	-1.2	1.6	24.3	18.3	20.4	1.06	256		
9	FDFAX	Consumer Staples	0.75%/30d	88.51	Hold	6.1	-1.9	-1.0	10.8	14.7	19.3	0.95	1,291		
67	FSDAX	Defense & Aerospace	0.75%/30d	122.55	OK to Buy	2.3	0.2	4.0	40.9	19.2	28.3	1.09	1,029		
8	FSELX	Electronics	0.75%/30d	68.32	Buy	7.6	8.2	15.3	38.0	9.0	27.0	1.62	1,079		
60	FSENX	Energy	0.75%/30d	56.25	OK to Buy	6.0	0.3	1.9	15.4	2.5	18.9	1.79	1,844		
43	FSESX	Energy Service	0.75%/30d	86.13	OK to Sell	7.7	1.5	1.9	16.6	0.2	20.6	2.21	946		
516	FSLEX	Environment & Alt Energy	0.75%/30d	23.36	Sell	5.9	2.3	5.7	30.0	7.8	17.4	1.31	101		
66	FIDSX	Financial Services	0.75%/30d	80.91	OK to Buy	3.0	-1.1	2.1	24.6	9.7	20.3	1.52	743		
41	FSAGX	Gold	0.75%/30d	22.41	Sell	11.6	24.7	20.6	-27.1	-22.9	-3.1	2.53	1,078		
63	FSPHX	Health Care	0.75%/30d	216.87	Hold	7.5	15.0	17.6	67.1	29.9	31.9	1.10	5,502		
510	FSCGX	Industrial Equipment	0.75%/30d	46.03	Hold	4.1	0.5	4.9	24.4	11.7	29.6	1.52	412		
515	FCYIX	Industrials	0.75%/30d	33.69	Buy	3.7	0.1	4.4	27.8	14.3	30.4	1.32	1,262		
45	FSPCX	Insurance	0.75%/30d	66.08	Buy	3.7	-3.7	-1.9	25.8	14.0	25.8	1.23	460		
353	FBSOX	IT Services	0.75%/30d	37.86	Buy	5.7	1.2	7.2	41.7	21.6	30.4	1.32	1,649		
62	FDSLX	Leisure	0.75%/30d	135.05	OK to Buy	6.1	1.4	3.3	34.7	19.2	27.6	1.28	544		
509	FSDPX	Materials	0.75%/30d	86.81	Hold	6.7	2.3	6.2	20.8	10.0	28.2	1.59	1,170		
505	FSHCX	Medical Delivery	0.75%/30d	75.55	Hold	2.2	3.6	4.6	34.2	15.3	27.2	1.13	723		
354	FSMEX	Medical Equipment	0.75%/30d	38.03	Buy	3.2	6.4	8.3	37.0	16.2	21.8	1.14	1,705		
503	FBMPX	Multimedia	0.75%/30d	81.74	OK to Buy	5.6	1.0	5.9	37.0	21.7	36.5	1.24	934		
513	FSNGX	Natural Gas	0.75%/30d	39.16	OK to Buy	6.4	3.6	4.5	21.3	3.6	16.4	1.56	667		
514	FNARX	Natural Resources	0.75%/30d	37.85	Hold	6.4	2.6	3.2	14.0	0.2	18.2	1.81	900		
580	FPHAX	Pharmaceuticals	0.75%/30d	21.39	Buy	9.5	11.4	13.6	46.8	25.6	28.2	0.95	1,436		
46	FSRPX	Retailing	0.75%/30d	88.40	Hold	7.5	1.0	2.0	35.8	23.2	32.6	1.17	1,080		
28	FSCSX	Software & Computer Svcs	0.75%/30d	124.38	Buy	4.9	4.8	11.7	48.2	22.2	31.2	1.27	3,571		
64	FSPTX	Technology	0.75%/30d	130.69	OK to Buy	5.9	6.2	12.1	36.2	11.5	30.7	1.33	2,218		
96	FSTCX	Telecommunications	0.75%/30d	58.93	OK to Buy	-0.6	-2.6	0.2	16.4	9.9	19.2	1.01	354		
512	FSRFX	Transportation	0.75%/30d	76.28	Hold	2.5	3.3	5.3	36.6	16.7	30.5	1.28	485		
65	FSUTX	Utilities	0.75%/30d	70.64	OK to Sell	3.1	6.1	8.9	18.7	14.2	17.8	0.86	554		
963	FWRLX	Wireless	0.75%/30d	10.57	OK to Buy	2.7	0.4	4.2	24.1	11.3	21.3	0.94	286		
SECTOR ETFs															
	FDIS	MSCI Consumer Discretionary		27.09	Buy	6.5	0.3	2.4	--	--	--	--	38		
	FSTA	MSCI Consumer Staples		25.60	Hold	3.7	-1.7	-1.5	--	--	--	--	32		
	FENY	MSCI Energy		25.44	Hold	5.4	-1.2	1.5	--	--	--	--	31		
	FNCL	MSCI Financials		26.06	OK to Buy	3.4	0.1	1.7	--	--	--	--	52		
	FHLC	MSCI Healthcare		28.64	OK to Buy	6.1	7.7	8.5	--	--	--	--	77		
	FIDU	MSCI Industrials		27.29	Buy	4.1	-0.5	3.4	--	--	--	--	51		
	FTEC	MSCI Information Technology		27.77	Hold	4.9	2.5	6.8	--	--	--	--	73		
	FMAT	MSCI Materials		27.01	Hold	6.8	2.1	6.3	--	--	--	--	32		
	FCOM	MSCI Telecomm Services		24.86	OK to Buy	-1.2	-3.4	-1.1	--	--	--	--	25		
	FUTY	MSCI Utilities		26.38	OK to Sell	3.3	6.0	6.5	--	--	--	--	26		

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
Regular Models																										
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
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
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
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
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
Annuity (VIP) Models																										
Sector																57.5	6.3	14.0	17.7	11.2	-41.4	50.2	15.0	-5.0	18.1	36.2
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	
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	
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	

FIDELITY SCORECARD

FEBRUARY 28, 2014

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			SEC %Yield	Dur ² (Yrs)	Rel Vol (Risk) ¹			
						Feb	YTD	3 Mo.	1 Yr	3 Yr	5 Yr						
TAXABLE BOND						Category Averages			0.5	2.0	1.3	-0.5	3.6	4.7	1.52	4.7	0.27
2267	FCONX	Conservative Income Bond		10.04	Buy	0.0	0.1	0.1	0.5	--	--	0.15	0.4	--			
2208	FCBFX	Corporate Bond		11.24	Buy	1.1	3.3	3.0	1.7	6.8	--	2.80	6.8	0.37			
2423	FGBFX	Global Bond		9.76	OK to Sell	1.8	2.3	2.1	0.8	--	--	2.24	5.5	--			
15	FGMNX	GNMA (Ginnie Mae)		11.44	Hold	0.3	2.4	1.6	0.2	3.5	4.7	2.28	4.5	0.23			
54	FGOVX	Government Income		10.32	Hold	0.3	1.9	0.9	-0.6	3.2	3.5	1.64	4.8	0.23			
794	FINPX	Inflation-Protected Bond ³		12.19	OK to Sell	0.3	2.5	0.8	-6.2	3.6	5.7	-0.15	5.5	0.45			
32	FTHRFX	Intermediate Bond		10.95	Buy	0.5	1.5	0.9	0.7	3.7	7.0	1.78	3.8	0.19			
452	FSTGX	Intermediate Gov't Income		10.64	Hold	0.2	1.2	0.4	-0.3	2.5	2.8	1.07	3.5	0.17			
2428	FINUX	International Bond		9.84	OK to Sell	2.4	2.4	2.3	1.9	--	--	1.85	5.5	--			
26	FBNDX	Investment Grade Bond		7.82	Buy	0.9	2.3	1.8	0.7	4.5	7.7	2.43	5.3	0.24			
2622	FJRLX	Limited Term Bond		11.56	Buy	0.4	1.1	1.8	0.6	3.6	7.1	1.63	2.9	--			
662	FFXSX	Limited Term Government		10.04	OK to Buy	0.1	0.6	0.1	0.1	1.3	1.9	0.57	2.5	0.09			
40	FMSFX	Mortgage Securities		11.13	Hold	0.3	2.1	1.2	0.3	3.5	5.4	2.55	4.5	0.20			
450	FSHBX	Short-Term Bond		8.61	Buy	0.2	0.5	0.3	0.9	1.6	3.2	0.64	1.9	0.07			
2415	FSIQX	Sptn Inflation-Protect Index ⁴		9.57	OK to Sell	0.3	2.5	0.9	-6.0	--	--	0.11	5.5	--			
1561	FIBIX	Sptn Interm Treas Index ⁴		10.80	OK to Sell	0.2	2.6	0.6	-2.3	4.5	4.1	1.89	6.5	0.40			
1562	FLBIX	Sptn Lng-Term Treas Index ⁴		11.66	OK to Sell	0.6	6.9	4.3	-5.1	7.9	5.5	3.26	16.4	1.03			
1560	FSBIX	Sptn Sht-Term Treas Index ⁴		10.48	Hold	0.2	0.6	0.1	0.1	1.3	1.7	0.41	2.5	0.09			
651	FBIDX	Sptn US Bond Index		11.55	Hold	0.5	2.1	1.4	-0.2	3.6	4.9	1.98	5.2	0.24			
820	FTBFX	Total Bond		10.62	Buy	0.8	2.2	1.8	1.1	4.7	8.3	2.68	5.1	0.24			
812	FUSFX	Ultra-Short Bond (Closed)	0.25%/60d	8.26	Hold	0.1	0.2	0.2	0.5	0.6	0.9	0.08	0.4	0.03			
HIGH-YIELD BOND						Category Averages			2.0	2.1	2.6	4.7	6.4	14.1	3.87	3.6	0.48
38	FAGIX	Capital & Income	1.00%/90d	10.10	Buy	3.1	3.2	4.3	10.7	7.2	21.0	3.78	4.0	0.66			
814	FFRHX	Floating Rate High Income	1.00%/60d	9.98	Buy	0.3	0.7	1.1	3.8	3.9	8.1	2.39	0.3	0.26			
1366	FHIFX	Focused High Income	1.00%/90d	9.13	Buy	1.8	2.2	2.7	5.7	7.1	12.7	3.69	3.7	0.42			
2297	FGHNX	Global High Income	1.00%/90d	10.20	Buy	2.4	2.4	3.2	7.0	--	--	4.61	3.6	--			
455	SPHIX	High Income	1.00%/90d	9.50	Buy	1.8	2.3	2.9	7.1	7.7	16.6	4.46	3.1	0.55			
331	FNMIX	New Markets Income	1.00%/90d	15.75	Hold	3.5	1.8	2.5	-3.9	7.5	14.6	5.43	6.6	0.63			
2580	FSAHX	Short Duration High Income	1.00%/90d	10.10	Buy	1.1	1.5	1.7	--	--	--	3.13	2.3	--			
368	FSICX	Strategic Income		11.04	Buy	1.9	2.4	2.3	2.8	5.3	11.7	3.43	4.8	0.37			
MUNICIPAL BOND						Category Averages			0.9	2.6	2.6	-0.2	4.9	4.9	2.18	6.5	0.29
434	FSAZX	Arizona Muni Income	0.50%/30d	11.73	Hold	1.0	3.1	2.8	-0.6	5.4	5.6	2.74	7.8	0.34			
1534	FCSTX	Calif Limited Term Tax Free ⁶	0.50%/30d	10.71	OK to Buy	0.5	1.5	1.4	1.3	2.9	3.1	1.03	3.2	0.14			
91	FCTFX	California Muni Income	0.50%/30d	12.62	Hold	1.2	3.5	3.3	0.8	6.8	6.3	2.67	7.7	0.34			
407	FICNX	Connecticut Muni Income	0.50%/30d	11.46	Hold	0.9	2.7	2.5	-0.4	4.5	4.6	2.43	7.1	0.31			
2578	FCRDXX	Conservative Income Muni		10.03	OK to Buy	0.0	0.1	--	--	--	--	0.09	0.5	--			
36	FLTXX	Interm Municipal Income	0.50%/30d	10.37	OK to Buy	0.9	2.5	2.3	0.4	4.3	4.5	1.86	5.4	0.24			
404	FSTFX	Limited Term Muni Income ⁷	0.50%/30d	10.75	OK to Buy	0.5	1.2	1.2	0.9	2.6	2.8	0.68	2.7	0.12			
429	SMDMX	Maryland Muni Income	0.50%/30d	11.10	Hold	0.9	2.5	2.3	-1.3	4.2	4.8	2.44	7.6	0.31			
70	FDMMX	Mass Muni Income	0.50%/30d	12.08	Hold	0.9	3.0	2.8	-1.0	5.3	5.4	2.70	8.2	0.31			
81	FMHTX	Michigan Muni Income	0.50%/30d	11.93	Hold	1.0	2.7	2.5	-0.7	4.7	4.8	2.69	6.7	0.29			
82	FIMIX	Minnesota Muni Income	0.50%/30d	11.58	Hold	0.8	2.3	2.1	-0.1	4.3	4.4	1.95	6.1	0.26			
37	FHIGX	Municipal Income	0.50%/30d	13.03	OK to Buy	1.2	3.4	3.3	-0.4	6.0	5.9	2.75	8.1	0.34			
416	FNJHX	New Jersey Muni Income	0.50%/30d	11.74	Hold	1.0	3.2	2.9	-0.7	5.3	5.0	2.40	7.6	0.33			
71	FTFMX	New York Muni Income	0.50%/30d	13.12	Hold	1.0	2.8	2.7	-0.7	5.1	5.1	2.52	8.0	0.34			
88	FOHFX	Ohio Muni Income	0.50%/30d	11.78	Hold	1.0	3.2	2.9	-0.6	5.2	5.1	2.71	8.3	0.34			
402	FPXTX	Pennsylvania Muni Income	0.50%/30d	10.99	Hold	1.0	2.9	2.8	-0.0	5.4	5.1	2.57	7.2	0.32			
90	FTABX	Tax-Free Bond	0.50%/30d	11.27	OK to Buy	1.1	3.4	3.3	-0.2	6.2	6.0	2.91	8.2	0.35			

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

TAXABLE MONEY MARKET FUNDS			Total Return (%)		SEC %Yield	MUNICIPAL MONEY MARKET FUNDS			Total Return (%)		SEC %Yield
			Feb	YTD					Feb	YTD	
55	FDRXX	Cash Reserves	0.00	0.00	0.01	457	FSPXX	California AMT Tax-Free	0.00	0.00	0.01
458	SPAXX	Government MM	0.00	0.00	0.01	418	FCMXX	Connecticut Muni MM	0.00	0.00	0.01
454	SPRXX	Money Market	0.00	0.00	0.01	426	FMSXX	Mass AMT Tax-Free	0.00	0.00	0.01
631	FGMXX	Retirement Gov't MM	0.00	0.00	0.01	74	FDMXX	Massachusetts Muni MM	0.00	0.00	0.01
630	FRTXX	Retirement MM	0.00	0.00	0.01	420	FMIXX	Michigan Muni MM	0.00	0.00	0.01
85	FSLXX	Select MM	0.00	0.00	0.01	10	FTEXX	Municipal Money Market	0.00	0.00	0.01
2543	FLTXX	Treasury MM	0.00	0.00	0.01	417	FNJXX	New Jersey Muni MM	0.00	0.00	0.01
415	FDLXX	Treasury Only MM	0.00	0.00	0.01	423	FSJXX	New Jersey AMT Tax-Free	0.00	0.00	0.01
50	FGRXX	U.S. Gov't Reserves	0.00	0.00	0.01	92	FNXX	New York Muni MM	0.00	0.00	0.01
MUNICIPAL MONEY MARKET FUNDS						422	FSNXX	New York AMT Tax-Free	0.00	0.00	0.01
460	FIMXX	AMT Tax-Free Money Fnd	0.00	0.00	0.01	419	FOMXX	Ohio Muni MM	0.00	0.00	0.01
433	FSAXX	Arizona Muni MM	0.00	0.00	0.01	401	FPTXX	Pennsylvania Muni MM	0.00	0.00	0.01
97	FCFXX	California Muni MM	0.00	0.00	0.01	275	FMOXX	Tax-Free Money Market	0.00	0.00	0.01

FIDELITY SCORECARD

FEBRUARY 28, 2014

Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
							Feb	YTD	3 Mo.	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
Model Portfolios	Annuity Sector Model						5.6	3.9	7.2	34.3	14.6	25.9	1.15
	Annuity Growth Model						5.0	2.6	4.9	24.9	12.7	21.8	1.12
	Annuity Growth & Income Model						3.8	2.8	4.4	17.5	9.6	16.5	0.79
	Annuity Income Model						1.6	1.9	2.1	3.1	6.4	10.1	0.37
9067	FLRQC	Fid VIP Asset Manager	Allocation		17.14	Hold	4.0	4.3	5.7	17.1	8.4	15.8	0.74
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation		17.51	Hold	5.3	5.1	7.2	23.5	10.1	19.1	1.02
9069	FJBAC	Fid VIP Balanced	Allocation		18.08	Buy	3.6	2.0	3.4	17.2	8.7	19.6	0.92
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	20.57	Buy	6.9	0.5	3.1	31.9	18.1	28.9	1.17
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	17.79	Hold	6.1	-1.9	-1.0	10.6	14.1	18.8	0.94
9065	FDPFC	Fid VIP Contrafund	Large Growth		18.98	Hold	4.9	2.2	5.0	26.9	12.5	23.3	1.05
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Growth		16.00	Buy	3.7	0.2	1.9	28.5	14.9	25.4	1.36
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		21.21	Buy	5.5	4.3	7.0	37.0	17.7	26.9	1.11
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	1.00%/60d	8.35	Hold	5.6	-1.8	-2.3	0.1	-1.7	16.6	1.58
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	18.23	OK to Buy	6.0	0.3	2.0	15.4	2.3	18.9	1.78
9061	FLOLC	Fid VIP Equity-Income	Large Value		15.90	OK to Buy	3.8	0.1	2.2	19.6	12.3	23.3	0.98
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	9.66	Buy	2.9	-1.2	2.0	24.3	9.5	21.0	1.51
9157	FMPAC	Fid VIP FundsManager 20	Allocation		13.72	Hold	1.6	1.5	1.9	5.6	4.2	7.1	0.27
9158	FMPBC	Fid VIP FundsManager 50	Allocation		14.74	Hold	3.1	1.9	3.2	13.6	7.4	13.1	0.59
9197	FMPPC	Fid VIP FundsManager 60	Allocation		13.67	Hold	3.6	2.0	3.6	16.7	8.3	15.2	0.70
9159	FMPCC	Fid VIP FundsManager 70	Allocation		14.93	Hold	4.2	2.0	4.0	19.2	9.2	16.9	0.82
9160	FMPDC	Fid VIP FundsManager 85	Allocation		14.85	Hold	4.7	2.1	4.5	23.8	10.3	19.5	0.99
9062	FMNDC	Fid VIP Growth	Large Growth		19.27	OK to Buy	7.5	7.9	11.3	40.3	16.0	25.1	1.16
9070	FLFNC	Fid VIP Growth & Income	Large Blend		17.66	Buy	4.0	-0.5	1.5	24.4	14.7	22.4	1.03
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		19.57	Buy	6.3	6.5	9.7	40.1	18.9	28.7	1.24
9078	FPVDC	Fid VIP Growth Stock	Large Growth		20.06	Buy	5.5	4.1	7.2	34.0	16.0	26.5	1.10
9077	FQBRC	Fid VIP Growth Strategies	Mid Growth		16.27	Hold	5.4	2.1	5.2	29.4	10.7	22.4	1.34
9084	FPDRC	Fid VIP Health Care	Sector	1.00%/60d	29.30	Buy	7.5	15.0	17.5	66.4	29.4	31.6	1.10
9060	FBBLC	Fid VIP High Income	High-Yield Bond		17.92	Buy	1.9	2.4	2.8	6.7	7.4	14.5	0.50
9064	FXVLT	Fid VIP Index 500	Large Blend		17.62	Hold	4.5	0.9	3.4	24.9	14.0	22.6	1.00
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	24.65	Buy	3.7	0.0	4.3	27.3	14.1	30.3	1.32
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	1.00%/60d	15.22	Buy	6.1	1.2	3.8	17.8	9.5	24.3	1.48
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		14.74	Buy	0.5	2.2	1.6	0.2	3.9	6.9	0.24
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	18.69	Hold	6.6	2.1	6.1	20.5	9.7	27.8	1.59
9071	FNBSC	Fid VIP Mid Cap	Mid Growth		21.04	OK to Buy	5.2	1.7	5.6	29.6	10.6	23.4	1.19
9059	FTNJC	Fid VIP Money Market	Money Mkt		11.39	--	0.0	0.0	-0.1	-0.3	-0.2	-0.1	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	1.00%/60d	15.67	OK to Buy	5.3	-0.1	3.1	26.3	7.1	18.1	1.49
9072	FFWKC	Fid VIP Real Estate	Sector		17.55	OK to Sell	4.9	8.9	9.5	5.5	8.9	31.6	1.37
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		17.06	Buy	1.9	2.3	2.2	2.3	4.9	10.9	0.36
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	23.46	Buy	6.3	7.3	12.6	34.6	10.4	30.6	1.33
9173	FVTAC	Fid VIP Telecommunications	Sector	1.00%/60d	12.37	OK to Buy	-0.6	-2.7	0.2	15.8	10.8	19.0	0.99
9087	FXRRC	Fid VIP Utilities	Sector	1.00%/60d	19.99	OK to Sell	3.0	6.0	8.9	18.7	14.2	17.8	0.85
9079	FKMSC	Fid VIP Value	Mid Value		16.69	Buy	4.7	1.5	3.7	25.5	14.1	27.3	1.11
9080	FUEBC	Fid VIP Value Leaders	Large Value		13.42	OK to Buy	3.6	-0.6	2.6	24.1	9.9	20.0	1.21
9073	FRBSC	Fid VIP Value Strategies	Mid Value		18.12	OK to Buy	3.7	-0.1	2.4	23.6	12.8	30.1	1.33
9347	FBMEC	Black Rock Global Allocation	Global Allocation		11.72	OK to Sell	2.9	0.9	2.1	12.4	5.6	12.4	0.79
9349	FTMEC	Franklin Templeton Gobl Bond	Global Bond		10.85	Buy	1.9	-0.7	0.4	-0.5	4.4	10.3	0.74
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't		10.03	Hold	0.2	1.4	0.9	-0.8	1.8	2.7	0.18
9285	FIGXC	Invesco Global Core Eqty	Global Stock		11.13	OK to Sell	4.5	-0.1	1.6	18.0	5.6	13.3	1.25
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts		14.62	Hold	2.2	-6.0	-6.6	-8.2	-0.4	17.7	1.55
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		16.25	Hold	3.6	2.3	2.7	-5.6	5.6	10.9	0.70
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts		12.89	Hold	4.3	-2.0	-3.4	-3.7	0.1	17.4	1.38
9146	FPRPC	Morgan Stanley Gbl Tactical Alloc	Diversified Int'l		12.39	Hold	3.8	1.8	2.7	16.1	7.5	17.6	0.85
9346	FPMEC	Pimco Commodity Real Return	Commodities		9.35	OK to Sell	6.9	7.7	7.7	-7.1	-5.2	11.0	1.38
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond		11.40	Buy	0.4	0.7	0.4	0.3	2.0	--	0.21
9277	FPNBC	Pimco VIT Real Return	TIPS		12.48	OK to Sell	0.5	2.7	1.1	-6.7	3.7	--	0.47
9278	FPOBC	Pimco VIT Total Return	Intermed Bond		12.30	Buy	0.6	1.9	0.9	-0.6	3.8	--	0.30

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Health Care	25%	VIP Growth Opps	23%	VIP Growth Opps	28%	VIP High Income	33%
VIP Industrials	23	VIP Growth & Income	19	VIP High Income	22	VIP Investment Grade	25
VIP Cons Discretionary	22	VIP Value	19	VIP Value	20	VIP Balanced	22
VIP Technology	16	VIP Disciplined Sm Cap	16	VIP Growth & Income	15	Pimco VIT Low Duration	20
VIP Financial Services	14	VIP Dynamic Cap App	14	VIP Investment Grade	15		
		VIP Growth Stock	9				
Total Return:		Total Return:		Total Return:		Total Return:	
Feb: 5.6% YTD: 3.9%		Feb: 5.0% YTD: 2.6%		Feb: 3.8% YTD: 2.8%		Feb: 1.6% YTD: 1.9%	

Performance Puffs Fidelity's Profits

Relatively speaking, outflows from Fidelity's managed products — including their all-important mutual funds — have slowed to a trickle.

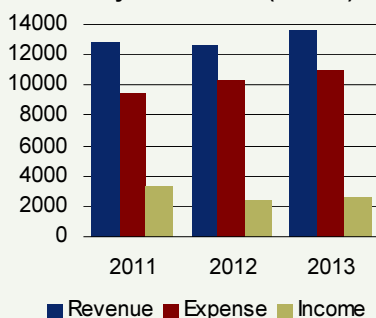
That's one of the biggest revelations from the privately held firm's 2013 annual report which was released to us last month.

Net outflows fell to \$1.1 billion last year. This is a decline of almost 80% from \$5.3 billion a year earlier. While these figures may seem large, here's some perspective: Fidelity's assets under management jumped 15% to end 2013 at a record \$1.94 trillion (about equal to Russia's GDP!). So, outflows were only 0.5% of assets.

Helping to stem outflows has been Fidelity's improving fund performances, which we detailed in our January report. Most notably, over 80% of their S&P 500 benchmarked funds (including the \$75 billion **Contrafund**) have beaten that index over the past two years. And, their funds are beating their peers, too: across all categories (on an asset-weighted basis) 74% have beaten their competitors over the last five years.

Naturally, this makes investors more inclined to stick with their funds. And, so Fidelity's private owners have benefitted. Indeed, on revenues of \$13.6 billion last year (up 8%), operating income jumped 13% to \$2.6 billion (though this is 20% below 2011's level). ■

Fidelity's Financials (in \$mil)



QUESTIONS & ANSWERS

Jack Bowers Fields Your Questions

*Q: I understand your **Select Chemicals** to **Select Electronics** switch [announced on January 27], but why are you keeping **Select Insurance**? Seems to me that problems with **ObamaCare** and weather-related payouts would dampen any profit potential.*

C.R. – via email

A: ObamaCare is not a factor for **Select Insurance**, because health care providers and medical insurance firms are held in **Select Medical Delivery**. But it is true that concerns about weather have been a drag for the auto and property/casualty firms held in **Select Insurance**. The media gives a lot of air time to pundits predicting weather-related doomsday scenarios, just as they gave a lot of air time to those predicting financial apocalypse. Conveniently ignored is the possibility that this winter's unusual jet-stream pattern may have been driven more by big differences in ocean temperatures than by a long-term warming trend.

At any rate, the weather-related valuation handicap may dissipate somewhat as spring takes hold and first-quarter earnings reports storm in. But if it doesn't, and **Select Insurance** continues to lag the broad market, we can always find another option for betting on a continuation of the domestic recovery in housing and autos.

*Q: Has Joel Tillinghast of **Low-Priced Stock** lost his touch?*

D. M. – via phone

A: Joel Tillinghast is still a great manager. However, his large foreign stock position (33%) might make it a little more difficult to outperform the Russell 2000 going forward. Moreover, Joel has been favoring Japan, and about 5% is held in emerging markets.

Apart from these things, growth stocks have been outpacing this fund's

value-oriented holdings. And, not to be overlooked is the fact that when US growth stocks are sprinting ahead, **Low-Priced** typically lags — especially because this fund keeps cash (and a lot of it) as a defensive cushion. At the start of the year, embedded in this giant fund's portfolio was a near-14% stake in cash. That's a big performance drag!

Finally, while some believe that the fund's troubles are the result of its size, it's not. Certainly there have been years of outperformance when assets have been greater than today's \$30 billion level. Instead, the fund's problem right now is a lack of wind to its back, and there's little that Joel can do about that.

*Q: In light of the recent strong performance for **Select Biotechnology**, why do you continue to rate the fund OK to Sell?*

R. C. – via phone

A: When a particular investment theme becomes too popular among individual investors, it often spells trouble. To wit, there's now \$10 billion in **Select Biotech**, versus \$48 billion for the entire **Select** family of 40 funds! That 20% allocation contrasts sharply with the biotech sector's 7% market-cap weighting in the **Wilshire 5000**. And, this isn't the first time the sector has experienced a euphoric runup.

Back in 1991, **Select Biotech** finished the year with a 99% gain. Then it quickly lost a quarter of its value and continued to erode for the next 36 months, putting it in last place among 34 other **Selects** with a 3-year history. Granted, that may not happen this time around, but why take the risk?

Instead, our bet on **Pharmaceuticals** is doing well, and it comes with only about 55% as much risk. At a time when even traditional drug stocks are getting a little expensive, it simply doesn't make sense to bet the farm on high-volatility health care stocks. ■

— Jack Bowers

Inside Fidelity

Fund Merger — Shareholders have voted to approve the mergers of the Advisor Europe Capital Appreciation and **Europe Capital Appreciation** funds into **Europe**. The merger is scheduled to be completed after close of business on March 21.

Fidelity tells us that they will launch Advisor share classes for Europe Fund shareholders to serve as a merger destination for the corresponding classes of the Advisor Europe Capital Appreciation Fund.

Manager Changes — As we noted last month, Fidelity is in the process of repatriating assets from its international affiliate (FIL predominantly handles foreign investors' assets) to FMR (see facing "Insider" box).

As a result, **Int'l Small Cap** now joins **Japan** and **Japan Smaller Companies** in having new managers run the portfolios. With experience at **Worldwide** and the Japan "sleeve"

of **Global Balanced** and other foreign growth funds, Kirk Neureiter now manages Japan fund in place of Rie Shigekawa.

And, unfortunately, Nick Price (who's been an outstanding manager over the past five years) is leaving Japan Smaller Cos. David Jenkins replaces him. While Dave has overseas experience as a small-cap stock analyst, he's still an untested manager.

Notably, these manager changes are coincidental to our downgrades (see p. 5) of the funds. While "Abenomics" led to big market gains last year, Japan's recovery may be losing steam. And, each time the yen strengthens — even a bit — Japanese equities get whacked.

Bottom line, your portfolio remains

best-positioned right now when anchored to US markets.

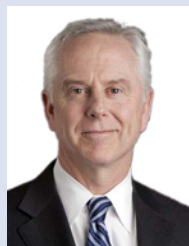
Corrections & Amplifications — In our weekly Hotline messages last month, a few astute readers took exception to some unrelated matters:

We mistakenly called the Federal Reserve's Janet Yellen "Chairwoman" rather than her preferred title "Chair," and; that the cost of using WhatsApp is 99 cents per year, not 99 cents per month.

Lastly, we noted unrest in "the Ukraine." However, "the" suggests that the region remains a satellite state of the former Soviet Union and not a country that's independent from today's Russia — a status that now appears in peril. ■

"INSIDER" TAKES HELM AT FIDELITY

Last month in this space, we noted the departure of Ron O'Hanley as head of Fidelity's asset management group. FMR, as it is called, oversees all the retail funds we cover (and many more) in our *Scorecard*.



Charlie Morrison

This month, we're happy to report that an old friend of these pages, Charlie Morrison, has taken Ron's place.

I've known Charlie since his days running various funds including **Short-Term Bond**. On several occasions, I've stopped in to see him in Merrimack, NH, where the company's fixed-income funds (bonds and money markets) are managed. (Equities and high yield funds are run from Boston, and foreign funds from multiple overseas locations.)

While Charlie is certainly up to the task (he predicted the transition will be "smooth"), there's no question that his responsibilities have grown. Whereas he once oversaw 50 bond and 35 money market funds with combined assets of about \$800 billion, his new purview encompasses 434 retail and institutional funds and almost \$2 trillion in assets!

of FMR funds and assets (in \$Bil)

Equity	327	\$956
High-income	20	82
Investment-grade bond	50	245
Money market	37	442
Other (trusts, etc)		210
Total Managed Assets	434	\$1,853

When the announcement was made on Feb. 20, we asked Charlie about his top priority, and he said precisely what we wanted to hear: "[Fund] performance is at the top of the list." Indeed, if Fidelity sticks to its knitting, investors' assets will climb, and so will the company's income (see p. 11). ■

— John Bonnanzio

DIVIDEND UPDATE

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

Equity-Inc, MA Muni Inc, Mid Cap Value, NY Muni Inc, Real Estate Inc, Real Estate Inv, Sptn Real Estate Index, Stk Sel Large Cap Value, Tax-Free Bond, Telecom & Utilities.

The final distributions for February are shown below.

Fund	Ex-Date	\$ Amt	NAV
Contrafund	2/7	0.970	94.21
Intmdt Muni Inc	2/14	0.001	10.31
Lmtd Trm Muni Inc	2/14	0.010	10.72
MI Municipal Inc	2/14	0.013	11.86
MN Municipal Inc	2/7	0.018	11.52
PA Municipal Inc	2/14	0.033	10.92
Trend	2/7	1.915	84.42

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