

FIDELITY MONITOR & INSIGHT

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MESSAGE FROM JACK

Damage From A Trade War Would Be Limited

The Twitter dialog that played out between President Trump and Elon Musk was telling. Musk could have complained about the tariffs, which impact Tesla in a significant way, given the large amount of aluminum used in the automaker's batteries, battery packs, and car bodies. But instead he complained about China's 25% tariff on Tesla vehicles (which Tesla pays and passes along), and a restriction that prevents Tesla from being a majority owner of a Chinese mainland factory. He likened his role in the playing field to that of an Olympic athlete wearing lead shoes, and pointedly asked if Trump thought the U.S. should have the same rules for Chinese automakers who are setting up shop in the U.S. (there are several with high-performance electric ambitions).



Jack Bowers

The exchange suggests something that might seem counter-intuitive to many investors: Countries that are running large trade surpluses might have more to lose from a trade war than countries (like the U.S.) that run large trade deficits. Put more bluntly, trade-surplus countries need our dollars more than we need their stuff.

Even where that isn't true, the burden of a trade war would fall largely on U.S. companies that are privately-held. Publicly-traded firms tend to have significant operations in foreign countries, giving them more flexibility to side-step any escalation in tariffs that might play out.

Furthermore, it's also worth noting that much of the U.S. market capitalization considered at risk in a trade war would center around high-value exports for which there is no easy substitute. So while China might want to slap a large tariff on imports of Boeing aircraft, by doing so they would likely do more damage to their own domestic airlines than to Boeing, which has a multi-year backlog of aircraft orders.

Bottom line, this is not the 1930s, so don't be surprised if the impending "trade war" turns out to be mostly a war of words. And don't make any radical adjustments to your portfolio.

MARKET OUTLOOK

Don't Panic. If You Are Nervous, Consider A Lower Risk Model

The stock market faced a slew of bad news last month — particularly within the tech sector that has been the market leader during this long bull run. From Facebook's lack of oversight of data misuse, to a fatal accident involving a self-driving car, to the tweets showing that President Trump has Amazon in his crosshairs, the news has been almost unrelentingly bad. Oh yes, throw in fears of a damaging trade war (see *Message From Jack*), and a perception of a more hawkish Fed, and it's not surprising that stocks slumped badly in March. There is definitely a whiff of panic in the air, with several analysts claiming we are already in the early stages of a new bear market.

Not so fast! I know I have pounded this drum before, but it is no less true — lost among the headline worries of the day are some very strong fundamental data.

■ **Employment:** Initial claims for unemployment continue to plumb the depths, hitting a 45-year low at the end of March. New job openings jumped 11% in January and importantly, new openings remain far in excess of new hires. When that changes, and there are more hires in a given month than new openings, a recession is typically on the near horizon.

■ **Economic Growth:** Last year's fourth-quarter GDP was just revised up to 2.9% from 2.5%, and excluding inventories and exports, so called final sales were up a robust 4.5%. We may see a slowdown in the first quarter of this year (forecasts range from about 1.8% to 3.1%), but the underlying indicators of economic strength are mostly quite positive. Durable goods orders (up 8.9%), industrial production (up 4.4%) and retail sales (up 4.0%) all had strong year-over-year gains in February. The Conference Board's Leading Economic Index rose 0.6% last month, despite the weak stock market (one of 10 components in the index). And my favorite overall indicator, the Chicago Fed National Activity Index hit a five-month high in February.

■ **Earnings:** S&P 500 earnings for the fourth quarter of last year jumped 21% from a year earlier, as 75%



John M. Boyd

MODEL PORTFOLIOS See Model Portfolios Key on p. 3

MARCH 31, 2018

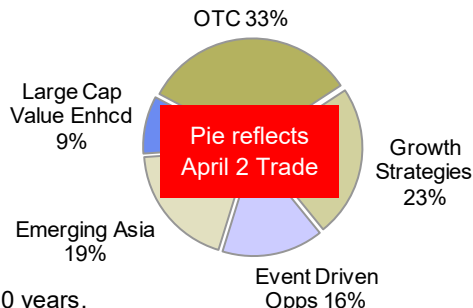
Unique Opportunities Target Risk: 1.20 (Current: 1.12) Foreign Holdings: 26.0% **YTD Return: 1.1%**

Stocks: 99.3% Bonds: 0.0% Cash: 0.6% Alternatives*: 0.0% Yield: 0.4%

Holdings	Ticker	NAV	Shares	Value	Mar Ret
OTC	FOCPX	\$113.18	1,610.00	\$182,219	-3.2%
Growth Strategies	FDEGX	42.03	3,086.93	129,743	-1.0
Event Driven Opps	FARNX	13.71	6,275.54	86,038	-4.2
International Small Cap	FISMX	29.98	1,837.47	55,087	-0.7
Emerging Asia	FSEAX	45.10	1,126.90	50,823	-0.1
Large Cap Value Enhcd	FLVEX	12.96	3,786.85	49,078	-1.3

Current Value (3/31/99 = \$100,000) **\$552,988** **-2.2%**

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



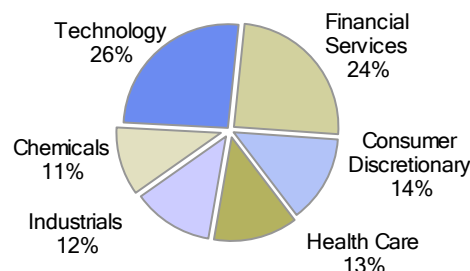
Select Target Risk: 1.20 (Current: 1.20) Foreign Holdings: 11.1% **YTD Return: 1.3%**

Stocks: 98.6% Bonds: 0.0% Cash: 1.4% Alternatives*: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Mar Ret
Technology	FSPTX	\$188.71	5,460.16	\$1,030,386	-2.5%
Financial Services	FIDSX	113.56	8,609.56	977,702	-2.7
Consumer Discretionary	FSCPX	42.58	12,744.69	542,669	-2.5
Health Care	FSPHX	235.48	2,205.98	519,465	0.0
Industrials	FCYIX	36.23	13,746.69	498,043	-2.0
Chemicals	FSCHX	166.88	2,548.74	425,334	-3.8

Current Value (12/31/88 = \$100,000) **\$3,993,599** **-2.3%**

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



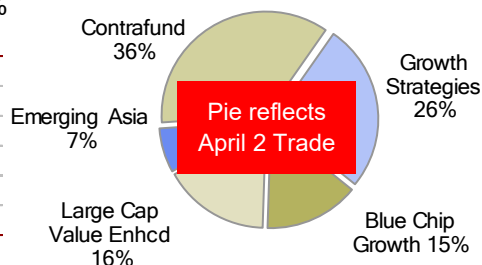
Growth Target Risk: 1.00 (Current: 1.01) Foreign Holdings: 11.3% **YTD Return: 1.7%**

Stocks: 99.0% Bonds: 0.1% Cash: 0.9% Alternatives*: 0.0% Yield: 0.5%

Holdings	Ticker	NAV	Shares	Value	Mar Ret
Contrafund	FCNTX	\$124.27	7,923.75	\$984,685	-3.5%
Growth Strategies	FDEGX	42.03	17,140.47	720,414	-1.0
Blue Chip Growth	FBGRX	90.41	4,465.05	403,685	-2.9
Overseas	FOSFX	50.03	7,621.76	381,317	-1.2
Large Cap Value Enhcd	FLVEX	12.96	20,248.20	262,417	-1.3

Current Value (12/31/86 = \$100,000) **\$2,752,517** **-2.3%**

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: 0.69) Foreign Holdings: 24.9% **YTD Return: 0.3%**

Stocks: 61.8% Bonds: 24.9% Cash: 3.8% Alternatives*: 9.5% Yield: 1.5%

Holdings	Ticker	NAV	Shares	Value	Mar Ret
Contrafund	FCNTX	\$124.27	2,202.26	\$273,674	-3.5%
Equity Dividend Income	FEQTX	26.75	4,099.41	109,659	-2.7
Strategic Income	FSICX	10.94	8,556.08	93,603	0.1
Corporate Bond	FCBFX	11.34	6,833.28	77,489	0.3
Conservative Income	FCONX	10.03	7,686.54	77,096	0.1
Int'l Capital App	FIVFX	21.06	2,623.10	55,242	-0.5

Current Value (12/31/93 = \$100,000) **\$686,765** **-1.9%**

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



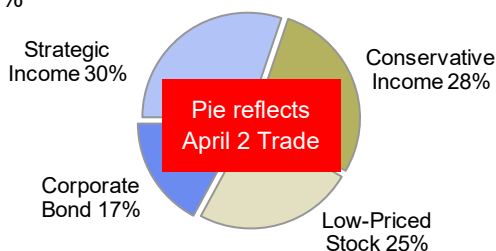
Income Target Risk: 0.33 (Current: 0.36) Foreign Holdings: 30.0% **YTD Return: -1.3%**

Stocks: 22.5% Bonds: 51.5% Cash: 5.4% Alternatives*: 20.6% Yield: 2.7%

Holdings	Ticker	NAV	Shares	Value	Mar Ret
Strategic Income	FSICX	\$10.94	11,034.19	\$120,714	0.1%
Conservative Income	FCONX	10.03	11,275.80	113,096	0.1
Equity Dividend Income	FEQTX	26.75	3,653.28	97,725	-2.7
Corporate Bond	FCBFX	11.34	6,053.04	68,641	0.3

Current Value (12/31/91 = \$100,000) **\$400,177** **-0.6%**

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



of firms beat their earnings estimates and 76% beat their sales targets. The forecasts for this year's quarters are similarly robust: 24%, 26%, 28% and 24%! And critically, those forecasts have been holding steady — no significant markdowns as more data comes in.

■ **Inflation:** Inflation fears remain just that — fears. The PCE index for February (the Fed's preferred measure of inflation) was 1.7%, just 0.1% higher than January and still below the Fed's 2.0% target.

In short, the fundamental picture remains solid and the next recession is still a ways off, and so is the next bear market in my view. That opinion is backed up by analysts at Bank of America Merrill Lynch. They compiled a list of 19 indicators that preceded bear markets. When 80% of them have been tripped a bear market is usually on the horizon. Right now we are at 68% — which sounds high, but that level in the past has typically been reached about two years before stocks have peaked.

Stay The Course

Last month, I noted that the correction was not yet over and we could retest the lows of February before it had run its course. We did retest those lows in March (and fell a bit below). I suspect that the correction is still not fully resolved, so look for more volatility ahead as we work our way back. I do believe stocks will end the year higher so my advice remains to stay with your investments. If you just can't stomach your worries, then consider moving to one of our more conservative models, rather than just unloading your stocks. ■

— John M. Boyd

FUNDS YOU SHOULD BUY NOW

Growth: OTC and Growth Company are aggressive large-cap options; **Contrafund** is more conservatively positioned. **Growth Strategies** provides lower market-cap exposure. Style-agnostic, **Event Driven Opportunities** presently “leans” towards mid-cap growth while the diversified **Low-Priced Stock** (see p. 4) is more value-oriented.

Growth & Income: **Large Cap Value Enhanced** provides exposure to attractively valued financials and health care, which also helps to boost its yield a bit above the S&P 500.

International: **Int'l Cap App** is a lower-risk approach to developed (and some developing) equity markets; **Emerging Asia** offers faster growth in industry “disruptors,” but with 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; **Corporate Bond** boosts its yield with lower-credit and more interest-rate-sensitive bonds.

Muni Bond: Our preferred choice remains the extremely short-maturity **Conservative Income Muni**. ■

MODEL PORTFOLIO TRADES

As announced on our Hotline update of Thursday evening March 29, on Monday, April 2, we made the following model portfolio trades:

Unique Opportunities Model:

We sold **International Small Cap** [FISM] and added the proceeds to **Emerging Asia** [FSEAX], bringing it up to about 19% of the model.

Growth Model:

We sold **Overseas** [FOSFX] and added half of the proceeds to **Large Cap Value Enhanced Index** [FLVEX], bringing it up to about 16% of the model. With the other half we established a new, roughly 7% position in **Emerging Asia** [FSEAX].

Growth & Income Model:

We sold **Equity Dividend Income** [FEQTX], and purchased **Low-Priced Stock** [FLPSX].

Income Model:

We sold **Equity Dividend Income** [FEQTX], and purchased **Low-Priced Stock** [FLPSX].

Annuity Growth Model:

We sold **VIP Overseas** [FEMMC] and added half of the proceeds to **VIP Equity Income** [FLOLC] bringing it up to about 18% of the model. With the other half, we established a new, roughly 7% position in **VIP Emerging Markets** [FEMAC].

Remember that fund tickers differ among versions of Fidelity's annuity offerings, so the above tickers may not match yours, but the underlying funds are the same.

Trade Rational:

The emerging markets offer exposure to newer companies that are competitive threats to more established ones. Moreover, we had room to take on the additional risk of Emerging Asia in the *Unique Opportunities Model*, and in the *Growth Model* we balanced that extra risk by adding to Large Cap Enhanced, so that the overall risk there remains about the same. Among large cap value funds, Equity Dividend Income's performance has lagged. In its place, the mid-cap value-oriented Low-Priced Stock fund offers the opportunity for better returns with lower risk. With the trades, the risk levels of both the *Growth & Income* and *Income Models* decline closer to their targets.

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. 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 regularly scheduled Friday evening Hotline updates via telephone, e-mail, and web (see p. 12). **Annuity Model Portfolios** are on p. 10.

LOW-PRICED STOCK

Buy Cheap, Then Hold On, And On ...

In an age when “star managers” are dismissed as relics of a bygone era, and index funds are celebrated like Super Bowl MVPs, **Low-Priced Stock** (LPS) fund’s Joel Tillinghast (and the 7-person team supporting him) personifies just how little the business press appreciates the value of active portfolio management.

Launched in 1989 and having grown to \$37 billion in assets, LPS defies the conventional wisdom that



Joel Tillinghast

successful funds inevitably grow assets to a level of chronic underperformance. Yes,

there have been periods when it has trailed its Russell 2000 small-cap

benchmark (not the best measure for how the fund performs anyway). And, yes, we’ve avoided the fund when our outlook for small- and mid-cap value stocks was not positive.

But this is not one of those times.

Actually, we’ve purchased LPS in two models this month (see p. 3), for several reasons. Among them is Joel’s buy-and-hold approach to value investing. (Turnover is extremely low at 9%.)

As we’ve seen in recent market blow-offs, companies with sustainable cash flows and low price-to-earnings tend to fare better (though not great) than stocks with elevated valuations. While investing in stocks that hold the promise of accelerating sales and earnings certainly has merit (we have plenty of exposure to them through **Blue Chip Growth**, **Contrafund**, **OTC** and other large-cap growth funds), ratcheting down risk in our more conservative models is appealing.

On that score, LPS is 11% less risky than **Equity Dividend Income** — the fund it’s replacing. Its relative volatility score of 0.86 means

that it’s 14% less risky than the S&P 500 and, far more remarkably, about 37% less risky than its Russell benchmark!

Of course, investing isn’t only about mitigating risk, it’s primarily about making money. On that score, some things stand out:

1. Since the start of the bear market in 2000 through this February — including the Financial Crisis in between — LPS was Fidelity’s #1-performing domestic stock fund with a total return of 636% versus 157% for the S&P 500;

2. Should past be prologue (and we’ll allow that it often isn’t), it’s notable that during the tech collapse of 2000 to 2002 (which wiped away about 80% of the Nasdaq’s value!), LPS gained 28%.

As already noted, uncovering undervalued shares of companies with otherwise solid business models, and then waiting for them to realize their full value, has been elevated by Joel to an art form in his eclectic fund. (He details his stock-buying prowess — along with his mistakes — in his 2017 book “Big Money Thinks Small.”)

With nearly 1,000 holdings spread across about two dozen countries (37% of assets are overseas, including a 7% stake in the emerging markets), LPS is simply not like any other fund — anywhere! And while so many holdings suggests that its managers have no shortage of ideas, late in 2017, its investment universe was expanded to include stocks that have an earnings yield at or above the median earnings yield of the Russell 2000. (The higher a stock’s earnings yield the better its relative value.) It’s possible that this change will allow LPS to reduce its 10% stake in cash, which did hold back performance in 2016.

While there’s no such thing as a “fund for all seasons,” in its nearly 30-year existence under Joel’s leadership, Low-Priced Stock continues to turn conventional investment wisdom on its head. ■

— John Bonnanzio

INCOME INVESTING

Money Market Yields Rising

For the sixth time since Dec. 2015, the Fed raised its top target for short-term interest rates in March, to 1.75%. This is up from only 0.25% during the Financial Crisis. Along the way, yields have risen on short-term bonds, CDs, and money market funds.

But against the backdrop of low rates, banks have been loath to increase yields on CDs, creating a widening gap between them and money market funds that basically adjust (with some lag) to the Fed. Of course, banks much prefer to “borrow low” from CD purchasers and “lend high” to borrowers. But competition from within the banking sector, and now from outside it — by money market funds — are starting to push CD rates up.

Money markets usually yield less than CDs because they must invest in higher-quality, highly liquid, shorter-term paper, whereas CDs lock up investors’ money from as little as three months to five years. But because money markets are constantly reinvesting their holdings — they’re replacing older, lower-yielding securities with today’s higher-yielding ones — they move more in sync with the Federal Funds rate. Case in point, prior to the first rate hike in Dec. 2015, most money market funds yielded just 0.1%. Today, Fidelity’s prime **Money Market** [SPRXX] fund yields 1.53%. **Gov’t Cash Reserves**, their largest fund, yields 1.29%.

By comparison, Fidelity’s brokered CDs are now yielding 1.65% for 3 months to 2.90% for 5 years — and most are FDIC insured. However, if rates climb higher, selling your CD in the secondary market means that its value will likely decline. That should never happen to your money market fund. ■

FUND COMMENTARY

Tariff's & Tech Trigger March Madness

Never mind Fed rate hikes, inflation fears, budget impasses, White House musical chairs, North Korean A-bombs, or Russian nerve agents deployed in London. What really rattled investors last month was President's Trump's tariffs on steel imports, followed by his related pledge to play hardball with the Chinese on \$60 billion worth of goods — especially technology.



John Bonnanzio

After about two weeks of market convulsions, the White House eventually walked back some of its trade rhetoric and things appeared to settle down. (Though he again tweeted over the weekend about this matter.) Then came the Facebook/tech debacle (see p. 11) later in the month, and volatility resumed.

Market Indexes

With investors surmising that bigger, more export-dependent companies are the most vulnerable to a trade war (with Boeing sitting atop that list), the Dow Industrials retreated 3.6% in March, leaving it down 2.0% for the first quarter. The S&P 500 fared somewhat better: It retreated 2.5% and is down 0.8% for the quarter. As for less trade-reliant small caps, the Russell 2000 actually gained 1.2% in March and is essentially unchanged (down 0.1%) for the quarter.

As for the tech-rich Nasdaq Composite, it declined 2.8% last month, but thanks to its prior strength, is up 2.6% for the year.

Stock Funds

So-called FAANG stocks (Facebook, Amazon, Apple, Netflix and Alphabet's Google), of which Fidelity's large-cap growth funds are heavily invested (see p. 11), took

a drubbing late in March. On average, they retreated 2.5%. However, a few funds with especially significant tech exposures fell in excess of 3%. They were **Contrafund** (down 3.5%), **Fidelity** fund and **OTC**. The latter two declined 3.2%.

Elsewhere, **Blue Chip Growth** fell 2.9%, **Growth Company** was off 2.5%, and **Magellan** declined 2.7%. The silver lining: each of these funds remains in positive territory so far this year.

Other large-cap funds (blended and value-oriented) also bled red in March, especially if they were holding very large-cap companies. Notably, **Mega Cap Stock** and **Export & Multinational** each tumbled 2.8% in March.

And, as already noted, small-to-mid-cap funds escaped much of March's madness: the mid-cap **Extended Market Index** managed to gain 0.7% whereas the now-closed **Small Cap Growth** was Fidelity's top-performing stock fund with a gain of 2.0%. (It's up an impressive 6.8% for the year!)

International Funds

Most foreign stock funds finished March in the red, but their declines were muted compared with their U.S. counterparts. **International Index** slipped only 0.7% last month. With China in the president's crosshairs, **Europe** fund (down 1.7%) and **Japan** (down

0.8%) managed to do okay. Perhaps more surprisingly, and despite trade fears, even **China Region** and **Emerging Asia** fared "well" through the maelstrom: both slipped just 0.1%.

Select Funds

With oil prices rising over 5% in March, **Select Energy** (up 4.1%) was among Fidelity's top sector funds. On the other hand, **Software & IT Services** (down 3.5%) and the broader **Technology** (down 2.5%) were caught in the undertow that was exacerbated by Facebook.

Bond Funds

Bonds lived up to their "safe harbor" reputation last month as frightened investors streamed out of their stock funds and purchased bond funds.

Demand for their perceived safety was so great that the yield on the 10-year Treasury fell 13 basis points to end March at 2.74%. The broad-based **U.S. Bond Index** fund rose 0.6% for the month; **Short-Term Treasury Index** rose 0.3%, and Fidelity's most interest-rate-sensitive (and volatile) bond fund offering, **Long-Term Treasury Index**, jumped 2.8%! (Munis were also beneficiaries of last month's flight to safety.)

Finally, for an update on Fidelity's money market funds and their yields, see p. 4. ■

— John Bonnanzio

April Scorecard Rating Changes

Fund	Ratings		Comments
	Old	New	
Balanced	B	B ↑	Risk/reward characteristics are attractive.
Equity Dividend Inc	B	B ↓	Low-Priced Stock offers better risk-adjusted potential.
Equity Income	B	B ↓	Low-Priced Stock offers better risk-adjusted potential.
Overseas	B	B ↓	Large exposure to Europe weighing on returns.
Puritan	B	B ↑	Risk/reward characteristics are attractive.
Strategic Div & Inc	B	H ↓	Large exposure to REITs (see p.11) is a negative.
VIP Balanced	B	B ↑	Risk/reward characteristics are attractive.
VIP Emerging Markets	B	B ↑	Best option for increasing Asia exposure (see p. 3).
VIP Overseas	B	B ↓	Large exposure to Europe weighing on returns.

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

FIDELITY SCORECARD

MARCH 31, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) ¹
					Mar	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	
Comparative Indexes		S&P 500	2640.9		-2.5	-0.8	-0.8	14.0	10.8	13.3	9.5	10.1	1.00
		Nasdaq Composite	7063.4		-2.8	2.6	2.6	20.8	14.3	18.1	13.2	12.8	1.23
		Dow Jones Industrials	24103.1		-3.6	-2.0	-2.0	19.4	13.5	13.3	9.9	10.4	1.10
		Russell 2000 (Small Caps)	1529.4		1.2	-0.1	-0.1	11.8	8.4	11.5	9.8	11.5	1.35
		Barclays Aggregate Bond*			0.6	-1.5	-1.5	0.9	1.0	1.6	3.4	1.9	0.27
Model Portfolios		Unique Opportunities			-2.2	1.1	1.1	16.8	9.3	11.9	8.2	11.9	1.12
		Select Growth			-2.3	1.3	1.3	18.0	10.6	14.6	10.1	12.1	1.20
		Growth & Income			-2.3	1.7	1.7	18.5	9.5	11.8	8.1	10.4	1.01
		Income			-1.9	0.3	0.3	12.0	7.8	9.8	6.8	8.6	0.69
											Rel Vol (Risk) ¹	Assets (\$Mil)	
LARGE CAP GROWTH					Average	-2.5	2.3	2.3	21.8	11.6	15.2	10.7	1.18
312	FBGRX	Blue Chip Growth	90.41	Buy	-2.9	3.0	3.0	25.4	12.8	17.3	12.7	1.24	\$18,602
307	FDCAX	Capital Appreciation	36.07	Hold	-1.9	2.5	2.5	18.4	8.5	12.7	10.1	1.19	5,120
22	FCNTX	Contrafund	124.27	Buy	-3.5	3.1	3.1	23.8	12.9	15.1	10.6	1.09	91,654
3	FFIDX	Fidelity Fund	45.80	Hold	-3.2	1.3	1.3	18.2	9.5	12.5	8.2	1.02	4,120
333	FTQGX	Focused Stock	23.66	OK to Buy	-1.8	4.5	4.5	28.1	11.1	13.4	10.9	1.17	1,885
25	FDGRX	Growth Company (Closed)	187.99	Buy	-2.5	5.2	5.2	30.5	16.2	19.0	13.4	1.36	25,804
339	FDSVX	Growth Discovery	33.69	Buy	-2.1	3.5	3.5	24.3	12.8	16.1	10.0	1.13	1,423
73	FDFFX	Independence	37.90	Hold	-2.5	1.7	1.7	20.1	6.0	12.5	7.6	1.34	3,517
1829	FLGEX	Lrge Cap Growth Enhcd Index	19.07	OK to Buy	-2.8	0.7	0.7	19.1	11.5	14.8	11.1	1.06	1,033
2823	FSUIX	Lrge Cap Growth Index ⁴	13.57	OK to Buy	-2.8	1.3	1.3	21.0	--	--	--	--	18
21	FMAGX	Magellan	105.82	Hold	-2.7	1.2	1.2	20.3	10.9	14.7	7.5	1.12	14,929
1282	FNCMX	Nasdaq Composite Index	92.81	OK to Buy	-2.8	2.4	2.4	20.3	14.0	17.8	13.0	1.23	5,424
300	FMLX	New Millennium	39.74	OK to Sell	-0.8	-0.1	-0.1	14.5	9.6	11.9	10.4	1.05	3,168
93	FOCPX	OTC	113.18	Buy	-3.2	3.0	3.0	26.4	15.9	21.1	14.7	1.50	14,728
320	FDSSX	Stock Selector All Cap	44.39	OK to Sell	-1.3	1.0	1.0	17.2	10.2	13.5	8.8	1.07	8,034
5	FTRNX	Trend	100.01	OK to Buy	-2.7	2.8	2.8	22.0	12.1	15.6	11.4	1.14	1,803
LARGE CAP BLEND					Average	-2.4	-1.7	-1.7	11.9	8.9	12.0	8.5	1.04
650	FUSEX	500 Index ⁴	92.71	Hold	-2.5	-0.8	-0.8	13.9	10.7	13.2	9.4	1.00	3,753
315	FDEQX	Disciplined Equity	38.09	Hold	-2.2	-1.8	-1.8	12.1	7.4	11.7	7.0	0.99	1,231
330	FDGFX	Dividend Growth	32.16	Hold	-2.4	-2.0	-2.0	12.2	7.7	11.2	8.9	0.96	5,954
332	FEXPX	Export and Multinational	21.63	Hold	-2.8	-2.6	-2.6	10.8	8.3	10.5	7.4	0.96	1,471
27	FGRIX	Growth & Income	36.57	Hold	-2.8	-3.4	-3.4	8.9	8.4	11.3	5.8	1.14	5,986
1827	FLCEX	Lrge Cap Core Enhcd Index	14.65	Buy	-2.4	-0.1	-0.1	15.3	9.9	13.1	9.3	1.00	639
338	FLCSX	Large Cap Stock	32.56	Hold	-2.8	-2.7	-2.7	10.2	8.7	12.4	9.8	1.21	5,081
361	FGRTX	Mega Cap Stock	16.91	Hold	-2.8	-3.0	-3.0	9.7	8.7	11.7	8.9	1.12	1,784
397	FSTMX	Total Market Index ⁴	75.90	OK to Buy	-2.0	-0.6	-0.6	13.8	10.1	12.9	9.6	1.01	772
2939	FENSX	U.S. Sustainability Index	11.18	NA	-1.5	-0.4	-0.4	--	--	--	--	--	7
LARGE CAP VALUE					Average	-2.3	-3.5	-3.5	6.5	6.7	10.2	6.8	1.03
1271	FBCVX	Blue Chip Value	18.93	OK to Buy	-3.2	-3.4	-3.4	5.2	5.7	10.5	5.2	1.07	389
319	FEQTX	Equity Dividend Income	26.75	OK to Buy ↓	-2.7	-3.7	-3.7	7.2	7.4	9.9	6.5	0.97	5,276
23	FEQIX	Equity-Income	56.76	OK to Buy ↓	-3.1	-4.5	-4.5	5.0	7.0	9.0	6.3	1.01	5,332
1828	FLVEX	Lrge Cap Value Enhcd Index	12.96	Buy	-1.3	-1.8	-1.8	10.1	8.6	11.7	8.1	1.03	3,622
2827	FLCDX	Lrge Cap Value Index ⁴	11.82	Hold	-1.8	-2.9	-2.9	6.9	--	--	--	--	8
708	FSLVX	Stock Sel Large Cap Value	19.93	Hold	-1.6	-3.8	-3.8	4.8	6.3	10.0	6.1	0.97	906
832	FVDFX	Value Discovery	28.02	Buy	-2.4	-3.2	-3.2	5.9	6.3	11.3	7.5	0.96	3,555
14	FSLSX	Value Strategies	40.08	OK to Sell	-2.2	-4.8	-4.8	6.9	5.6	9.2	8.1	1.17	383
MID-CAP GROWTH					Average	-1.0	2.2	2.2	15.0	7.3	13.0	8.9	0.92
324	FDEGX	Growth Strategies	42.03	Buy	-1.0	2.2	2.2	15.0	7.3	13.0	8.9	0.92	2,561
MID-CAP BLEND					Average	0.2	-0.1	-0.1	12.7	7.8	11.8	9.7	1.07
398	FSEMEX	Extended Market Index ⁴	62.14	Hold	0.7	0.2	0.2	13.2	8.0	11.8	10.4	1.19	650
2012	FMEIX	Mid Cap Enhanced Index	15.49	OK to Buy	-0.5	-1.0	-1.0	12.0	7.5	12.5	10.5	1.05	1,268
2349	FSCLX	Mid Cap Index ⁴	20.85	OK to Buy	0.1	-0.5	-0.5	12.0	7.8	11.9	--	1.03	71
337	FMCSX	Mid-Cap Stock	38.19	OK to Buy	0.3	-0.1	-0.1	13.2	8.2	11.7	9.8	0.98	5,632
2412	FSSMX	Stock Selector Mid Cap	40.31	OK to Buy	0.4	0.9	0.9	13.1	7.4	11.1	8.0	1.09	540
MID-CAP VALUE					Average	-0.8	-3.1	-3.1	9.3	6.4	10.7	9.2	1.01
316	FLPSX	Low-Priced Stock ⁵	53.94	Buy	-0.8	-1.1	-1.1	14.5	8.3	11.1	9.9	0.86	29,528
762	FSMVX	Mid Cap Value	24.43	Hold	0.0	-3.9	-3.9	7.9	5.5	10.9	9.8	1.06	2,137
39	FDVLX	Value	115.98	Hold	-1.5	-4.3	-4.3	5.7	5.3	10.2	8.1	1.11	6,916

Notes: *Fidelity's U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. ¹Relative Volatility (Rel Vol) versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. ²Duration is a measure of interest rate sensitivity. ³Stated yield is actual distributed yield over prior 12 months. ⁴Also available in a Premium share class with a minimum of \$10,000, but a lower expense ratio. ⁵Almost an Asset Allocation fund with 30%+ typically in foreign stocks. ⁶Formerly Global Bond. ⁷Formerly Core Dividend. ⁸Formerly Medical Equipment & Systems. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD

MARCH 31, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	Assets (\$Mil)	
					Mar	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
SMALL CAP GROWTH					Average	2.0	6.8	6.8	26.9	14.1	16.2	12.1	1.17	
1388	FCPGX	Small Cap Growth (Closed)	26.41	Buy	2.0	6.8	6.8	26.9	14.1	16.2	12.1	1.17	\$2,955	
SMALL CAP BLEND					Average	1.0	-0.3	-0.3	9.1	6.9	10.5	9.8	1.23	
384	FSCRX	Small Cap Discovery (Closed)	29.49	Hold	-0.4	-1.4	-1.4	5.6	5.6	8.9	12.6	1.19	4,560	
2011	FCPEX	Small Cap Enhanced Index	14.00	OK to Sell	1.4	-0.1	-0.1	6.8	6.5	11.0	9.9	1.37	765	
2356	FSSPX	Small Cap Index ⁴	20.28	Hold	1.3	-0.1	-0.1	11.8	8.4	11.5	--	1.35	55	
340	FSLCX	Small Cap Stock	19.38	OK to Sell	1.0	-1.2	-1.2	10.0	6.7	10.6	8.2	1.08	1,608	
336	FDSCX	Stock Selector Small Cap	26.84	Hold	1.5	1.4	1.4	11.4	7.4	10.5	8.4	1.16	1,500	
SMALL CAP VALUE					Average	1.4	-1.4	-1.4	10.6	8.9	10.6	11.7	1.02	
1389	FCPVX	Small Cap Value (Closed)	20.04	Hold	1.4	-1.4	-1.4	10.6	8.9	10.6	11.7	1.02	2,639	
SPECIALTY														
308	FCVSX	Convertible Securities	28.05	Hold	-0.5	0.3	0.3	6.1	1.5	5.8	5.5	0.86	1,354	
2624	FARNX	Event Driven Opportunities	13.71	Buy	-4.2	-1.8	-1.8	9.1	10.8	--	--	1.43	444	
2120	FFGCX	Global Commodity Stock	12.93	Hold	-0.3	-1.9	-1.9	12.6	4.4	-0.3	--	1.80	402	
122	FLVCX	Leveraged Company Stock	33.26	Buy	-2.2	-0.6	-0.6	12.0	5.2	9.0	7.0	1.30	2,431	
1329	FSDIX	Strategic Dividend & Income	14.76	Hold	-0.9	-3.2	-3.2	4.8	6.2	8.2	7.0	0.74	2,990	
1505	FSRRX	Strategic Real Return	8.82	OK to Sell	0.8	-0.8	-0.8	2.7	1.4	0.3	2.2	0.43	378	
311	FIUIX	Telecom & Utilities	25.15	OK to Sell	3.6	-1.4	-1.4	5.0	6.8	8.7	7.1	1.03	924	
REAL ESTATE														
1368	FIREX	International Real Estate	11.64	Hold	1.3	-0.1	-0.1	20.4	6.3	7.0	3.5	1.04	244	
833	FRIFX	Real Estate Income	11.62	Hold	1.2	-3.0	-3.0	1.3	4.4	5.3	8.1	0.49	2,436	
2353	FRXIX	Real Estate Index ⁴	14.34	OK to Sell	3.8	-7.4	-7.4	-3.8	0.5	5.7	--	1.35	32	
303	FRESX	Real Estate Investment	38.84	OK to Sell	3.5	-7.0	-7.0	-2.6	2.0	6.4	6.7	1.33	3,708	
ASSET ALLOCATION														
328	FASIX	Asset Manager 20%	13.32	Hold	0.0	-0.6	-0.6	4.1	3.0	3.6	4.3	0.30	4,864	
1957	FTANX	Asset Manager 30%	11.01	Hold	-0.1	-0.6	-0.6	5.7	3.9	4.8	5.0	0.39	1,377	
1958	FFANX	Asset Manager 40%	11.64	Hold	-0.2	-0.5	-0.5	7.3	4.7	5.8	5.7	0.48	1,505	
314	FASMX	Asset Manager 50%	18.19	Hold	-0.4	-0.4	-0.4	8.9	5.4	6.8	6.3	0.58	8,806	
1959	FSANX	Asset Manager 60%	12.52	Hold	-0.6	-0.3	-0.3	10.5	6.2	7.8	6.8	0.67	2,114	
321	FASGX	Asset Manager 70%	22.38	Hold	-0.7	-0.1	-0.1	12.2	7.0	8.7	7.0	0.77	4,956	
347	FAMRX	Asset Manager 85%	19.55	Hold	-1.0	0.1	0.1	14.6	8.1	10.2	7.6	0.91	2,193	
304	FBALX	Balanced	23.76	Buy	-1.1	0.1	0.1	10.6	7.0	9.5	7.5	0.73	23,544	
355	FFNOX	Four-in-One Index	44.10	Hold	-1.2	-0.8	-0.8	12.2	7.7	9.6	7.2	0.85	5,876	
334	FGBLX	Global Balanced (closed)	25.59	Hold	-0.2	2.1	2.1	16.8	6.3	6.3	5.4	0.75	384	
1960	FDYSX	Global Strategies (closed)	9.34	Hold	-0.5	-0.1	-0.1	13.0	7.0	6.4	5.3	0.68	77	
4	FPURX	Puritan	23.35	Buy	-1.6	-0.3	-0.3	12.3	7.2	9.8	7.9	0.74	20,966	
INTERNATIONAL					Average	-0.9	0.3	0.3	21.1	8.8	8.0	4.4	1.26	
309	FICDX	Canada	51.14	OK to Sell	-0.5	-6.4	-6.4	5.0	2.9	2.8	1.6	1.18	1,006	
352	FHKCX	China Region	37.05	Hold	-0.1	3.0	3.0	35.6	10.0	12.5	8.2	2.21	1,462	
325	FDIVX	Diversified International	39.33	OK to Buy	-1.5	-1.7	-1.7	15.3	5.1	7.5	3.0	1.15	10,850	
351	FSEAX	Emerging Asia	45.10	Buy	-0.1	0.1	0.1	28.8	10.4	9.7	4.9	1.57	1,294	
2053	FEMEX	Emerg Europe, MidEast, Africa	10.69	Hold	-2.4	3.3	3.3	26.9	11.4	5.8	--	1.65	99	
322	FEMKX	Emerging Markets	32.97	OK to Buy	-0.8	0.7	0.7	30.9	10.3	7.4	2.2	1.39	4,404	
2374	FEDDX	Emerging Mkts Discovery	15.99	Hold	0.8	4.1	4.1	24.3	12.2	6.5	--	1.36	323	
2341	FPEMX	Emerging Markets Index ⁴	11.66	Hold	-0.3	2.2	2.2	25.3	8.7	5.2	--	1.58	41	
301	FIEUX	Europe	41.37	OK to Buy	-1.7	-2.3	-2.3	19.2	5.7	7.0	3.0	1.35	1,161	
2406	FGILX	Global Equity-Income	13.92	Hold	-2.9	-3.9	-3.9	11.1	6.5	9.1	--	0.91	78	
2345	FSGUX	Global ex U.S. Index ⁴	13.46	OK to Buy	-0.6	-0.6	-0.6	16.8	6.3	5.8	--	1.17	44	
335	FIVFX	International Cap App	21.06	Buy	-0.5	0.0	0.0	23.2	9.3	9.9	6.4	1.11	2,305	
305	FIGRX	International Discovery	45.03	OK to Buy	-1.7	-1.4	-1.4	19.6	6.6	7.5	3.6	1.15	7,298	
2010	FIENX	International Enhanced Index	10.05	OK to Buy	-0.9	-0.9	-0.9	16.5	7.3	8.1	3.2	1.13	1,140	
1979	FIGFX	International Growth	13.66	OK to Buy	-0.6	-0.2	-0.2	18.0	6.9	7.7	5.7	1.09	928	
399	FSIIX	International Index ⁴	42.76	Hold	-0.7	-1.0	-1.0	15.2	5.7	6.6	2.8	1.13	687	
818	FISMX	International Small Cap	29.98	Buy	-0.7	0.3	0.3	22.5	13.3	12.2	7.6	1.00	1,575	
1504	FSCOX	International Small Cap Opps	20.09	Buy	0.8	3.9	3.9	30.1	12.9	12.2	5.8	1.03	976	
2986	FNIYX	International Sustainability Idx	11.06	NA	-0.6	-0.8	-0.8	--	--	--	--	--	5	
1597	FIVLX	International Value	8.91	Hold	-1.4	-1.7	-1.7	11.2	3.8	4.9	1.0	1.08	506	
350	FJPNX	Japan	15.87	Buy	-0.8	2.7	2.7	24.5	10.8	8.6	3.6	1.14	194	
360	FJSCX	Japan Smaller Companies	19.34	Buy	-0.1	2.0	2.0	29.0	16.5	14.1	8.9	0.93	840	
349	FLATX	Latin America	27.05	OK to Sell	-0.9	10.5	10.5	25.4	10.1	-3.1	-2.5	2.18	625	
342	FNORX	Nordic	51.20	OK to Sell	-2.7	-3.9	-3.9	15.1	7.2	10.8	4.6	1.26	326	
94	FOSFX	Overseas	50.03	OK to Buy	-1.2	-1.3	-1.3	17.8	8.4	9.6	3.4	1.12	6,441	
302	FPBFX	Pacific Basin	35.40	OK to Buy	-0.9	-0.2	-0.2	27.3	12.2	12.0	8.1	1.15	1,042	
2369	FTEMX	Total Emerging Markets	13.70	OK to Buy	-1.0	1.1	1.1	18.6	10.3	6.5	--	1.13	327	
1978	FTIEX	Total International Equity	9.27	OK to Buy	-1.0	-0.4	-0.4	19.2	7.1	6.7	3.4	1.09	86	
2831	FTIGX	Total International Index ⁴	12.47	Hold	-0.6	-0.5	-0.5	17.3	--	--	--	--	17	
318	FWWFX	Worldwide	27.01	OK to Buy	-1.5	2.3	2.3	23.1	9.0	10.8	7.3	1.09	1,797	

FIDELITY SCORECARD

MARCH 31, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	Assets (\$Mil)	
					Mar	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
SELECT PORTFOLIOS					Average	-1.2	-0.7	-0.7	12.8	8.3	11.6	9.3	1.58	
34	FSAIX	Air Transportation	80.96	Hold	-2.0	-4.0	-4.0	19.4	10.1	16.5	14.3	1.34	\$370	
502	FSAVX	Automotive	36.22	OK to Sell	-3.5	-2.4	-2.4	14.2	2.5	9.8	8.3	1.69	49	
507	FSRBX	Banking	35.58	OK to Buy	-3.4	0.6	0.6	13.2	13.9	14.5	7.4	1.80	806	
42	FBIOX	Biotechnology	226.14	Hold	-3.6	3.1	3.1	13.8	-0.5	16.3	17.3	2.82	8,561	
68	FSLBX	Brokerage & Investment	83.25	OK to Buy	-1.4	1.8	1.8	27.2	8.9	12.3	6.9	1.79	454	
69	FSCHX	Chemicals	166.88	Buy	-3.8	-6.4	-6.4	10.0	11.2	12.3	12.0	1.62	1,694	
518	FSDCX	Communications Equipment	38.43	Hold	-1.8	6.8	6.8	13.5	8.9	12.4	8.8	1.39	209	
7	FDCPX	Computers	91.24	Hold	-1.7	2.7	2.7	18.4	12.8	13.2	12.3	1.57	526	
511	FSHOX	Construction & Housing	60.58	Hold	1.2	-6.6	-6.6	10.3	6.8	11.1	11.2	1.37	323	
517	FSCPX	Consumer Discretionary	42.58	Buy	-2.5	2.7	2.7	17.5	9.8	14.0	12.6	1.17	795	
98	FSVLX	Consumer Finance	15.99	OK to Buy	-1.8	-1.4	-1.4	18.9	9.4	11.1	2.5	1.32	100	
9	FDFAX	Consumer Staples	87.12	Hold	-0.8	-5.8	-5.8	-3.4	2.9	6.7	8.0	1.03	1,293	
67	FSDAX	Defense & Aerospace	179.06	OK to Buy	-3.0	7.3	7.3	37.1	17.0	19.2	13.1	1.32	3,048	
60	FSENX	Energy	42.67	Hold	4.1	-4.5	-4.5	-0.7	-0.8	-0.7	-0.9	2.20	1,828	
43	FSESX	Energy Service	42.12	Hold	0.2	-7.1	-7.1	-15.2	-4.7	-6.8	-5.2	2.64	406	
516	FSLEX	Environment & Alt Energy	25.98	OK to Buy	-1.3	-1.7	-1.7	14.6	11.6	12.3	7.2	1.24	165	
66	FIDSX	Financial Services	113.56	Buy	-2.7	-0.6	-0.6	18.3	11.1	13.6	4.9	1.35	1,263	
41	FSAGX	Gold	19.03	Sell	1.3	-8.4	-8.4	-9.3	6.8	-8.4	-5.7	3.48	1,025	
63	FSPHX	Health Care	235.48	Buy	-0.0	5.2	5.2	16.2	3.6	17.6	15.3	1.59	6,901	
505	FSHCX	Health Care Services	88.47	Hold	-4.1	-1.6	-1.6	13.9	6.8	15.8	13.4	1.35	779	
515	FCYIX	Industrials	36.23	Buy	-2.0	-1.5	-1.5	14.8	9.6	12.0	10.2	1.26	1,035	
45	FSPCX	Insurance	77.48	OK to Buy	-1.3	-2.5	-2.5	9.3	11.4	13.6	8.7	1.11	330	
353	FBSOX	IT Services	57.95	Buy	-1.3	6.4	6.4	33.1	17.1	19.2	17.1	1.21	2,265	
62	FDLSX	Leisure	164.39	Hold	-0.8	-1.0	-1.0	19.3	10.1	13.8	13.3	1.11	525	
509	FSDPX	Materials	85.58	OK to Buy	-3.7	-5.9	-5.9	10.2	6.4	6.9	7.4	1.55	990	
354	FSMEX	Medical Technology & Devices ⁸	46.26	OK to Buy	0.4	5.4	5.4	16.3	11.9	19.6	13.9	1.44	4,068	
503	FBMPX	Multimedia	76.50	Hold	-4.0	-3.8	-3.8	-2.2	4.3	9.9	12.6	1.43	481	
513	FSNGX	Natural Gas	22.10	Hold	2.3	-7.8	-7.8	-16.4	-8.8	-6.5	-6.1	2.77	240	
514	FNARX	Natural Resources	28.18	Hold	2.4	-6.4	-6.4	-1.4	-2.2	-2.0	-1.3	2.14	952	
580	FPHAX	Pharmaceuticals	19.05	Hold	1.2	2.6	2.6	6.4	-2.4	9.8	12.0	1.34	741	
46	FSRPX	Retailing	140.28	OK to Buy	-2.3	5.3	5.3	23.6	15.7	19.6	18.4	1.17	2,296	
8	FSELX	Semiconductors	116.67	OK to Buy	-0.9	4.4	4.4	28.8	22.7	26.8	16.5	1.67	3,615	
28	FSCSX	Software & IT Services	172.62	Buy	-3.5	4.2	4.2	29.7	20.3	21.2	16.8	1.40	5,390	
64	FSPTX	Technology	188.71	Buy	-2.5	5.6	5.6	34.8	21.8	21.5	15.6	1.51	7,122	
96	FSTCX	Telecommunications	55.18	Hold	-1.3	-6.3	-6.3	-4.9	5.3	7.4	7.3	1.08	313	
512	FSRFX	Transportation	99.64	OK to Sell	0.6	-4.4	-4.4	17.1	8.1	15.0	12.6	1.52	500	
65	FSUTX	Utilities	80.88	OK to Sell	5.4	1.4	1.4	10.6	7.7	9.3	7.0	1.17	754	
963	FWRLX	Wireless	9.99	Hold	-2.9	-1.3	-1.3	10.1	9.0	10.3	8.7	1.16	252	
SECTOR ETFs					Average	-1.0	-2.9	-2.9	8.8	8.6		1.36		
	FDIS	MSCI Consumer Discretionary	39.76	OK to Buy	-2.3	1.9	1.9	15.9	10.6	--	--	1.15	487	
	FSTA	MSCI Consumer Staples	31.72	Hold	-0.7	-6.9	-6.9	-0.9	5.1	--	--	1.02	274	
	FENY	MSCI Energy	18.70	Hold	2.1	-6.2	-6.2	-1.7	-2.9	--	--	1.96	482	
	FNCL	MSCI Financials	40.39	Buy	-3.2	-0.5	-0.5	17.0	14.3	--	--	1.44	1,540	
	FHLC	MSCI Health Care	39.82	Buy	-2.3	-0.1	-0.1	13.1	5.7	--	--	1.36	1,100	
	FIDU	MSCI Industrials	37.83	Buy	-2.2	-1.9	-1.9	14.6	11.5	--	--	1.20	590	
	FTEC	MSCI Information Technology	51.87	OK to Buy	-3.4	4.0	4.0	27.4	18.8	--	--	1.38	1,880	
	FMAT	MSCI Materials	32.96	Buy	-3.8	-5.5	-5.5	9.8	8.0	--	--	1.62	330	
	FREL	MSCI Real Estate	22.88	OK to Sell	3.5	-6.3	-6.3	-0.5	--	--	--	--	317	
	FCOM	MSCI Telecomm Services	28.51	Hold	-2.9	-7.0	-7.0	0.3	6.4	--	--	1.25	110	
	FUTY	MSCI Utilities	33.06	Sell	4.2	-3.4	-3.4	2.4	8.3	--	--	1.25	299	
FACTOR ETFs					Average	-2.1	-0.8	-0.8	13.3					
	FDVV	High Dividend ⁷	28.19	Hold	-1.8	-0.9	-0.9	9.4	--	--	--	--	117	
	FDRR	Dividend for Rising Rates	29.87	OK to Buy	-3.0	-1.8	-1.8	10.6	--	--	--	--	274	
	FDLO	Low Volatility Factor	30.15	Hold	-1.5	-1.1	-1.1	13.7	--	--	--	--	56	
	FDMO	Momentum Factor	31.61	OK to Buy	-1.6	1.4	1.4	17.5	--	--	--	--	71	
	FQAL	Quality Factor	31.52	Hold	-2.3	-0.5	-0.5	14.8	--	--	--	--	63	
	FVAL	Value Factor	32.08	OK to Buy	-2.4	-2.0	-2.0	14.1	--	--	--	--	74	
	FIDI	International High Dividend	22.85	OK to Sell	-2.1	-9.4p	--	--	--	--	--	--	11	
	FIVA	International Value	23.59	Hold	-1.5	-5.3p	--	--	--	--	--	--	12	

FIDELITY SCORECARD

MARCH 31, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				SEC %Yield	Dur ² (Yrs)	Rel Vol (Risk) ¹
					Mar	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr			
TAXABLE BOND														
Average					0.5	-1.1	-1.1	0.9	0.9	1.2	3.2	2.57	5.1	0.27
2267	FCONX	Conservative Income Bond	10.03	Buy	0.1	0.3	0.3	1.3	0.9	0.7	--	1.70	0.2	0.02
2208	FCBFX	Corporate Bond	11.34	Buy	0.3	-2.0	-2.0	3.2	2.4	3.2	--	3.37	6.9	0.38
2423	FGBFX	Global Credit ⁶	9.03	Hold	-0.1	-1.7	-1.7	4.2	1.9	0.7	--	2.68	6.5	0.50
15	FGMNX	GNMA (Ginnie Mae)	11.17	OK to Buy	0.6	-1.2	-1.2	0.2	0.8	1.4	3.7	2.44	4.7	0.17
54	FGOVX	Government Income	10.03	Hold	0.7	-1.3	-1.3	0.3	0.3	1.0	2.9	2.24	5.7	0.26
794	FINPX	Inflation-Prot Bond (closed) ³	11.82	OK to Sell	0.9	-1.0	-1.0	0.4	0.8	-0.4	2.4	0.20*	5.3	0.31
2415	FSIQX	Inflation-Protected Index ^{3,4}	9.74	OK to Sell	0.9	-1.0	-1.0	0.6	1.1	-0.2	--	0.03*	5.3	0.32
32	FTHRFX	Intermediate Bond	10.62	Buy	0.3	-1.1	-1.1	0.3	1.0	1.4	3.5	2.70	3.9	0.20
452	FSTGX	Intermediate Gov't Income	10.28	Hold	0.4	-0.7	-0.7	-0.3	0.2	0.6	2.2	2.14	3.7	0.19
1561	FIBIX	Intermediate Treasury Index ⁴	10.44	Hold	0.9	-1.6	-1.6	-0.5	0.2	0.8	3.2	2.62	6.3	0.39
26	FBNDX	Investment Grade Bond	7.76	Buy	0.4	-1.5	-1.5	1.3	1.5	2.0	4.0	3.17	5.8	0.29
2622	FJRLX	Limited Term Bond	11.31	Buy	0.0	-0.8	-0.8	0.4	1.0	1.1	3.3	2.66	2.6	0.13
662	FFXSX	Limited Term Government	9.79	OK to Buy	0.3	-0.5	-0.5	-0.3	0.1	0.4	1.6	1.98	2.6	0.13
1562	FLBIX	Long-Term Treasury Index ⁴	12.74	Hold	2.8	-3.4	-3.4	3.2	0.1	3.0	5.5	2.89	17.1	0.95
40	FMSFX	Mortgage Securities	10.97	OK to Buy	0.6	-1.2	-1.2	0.7	1.1	1.8	3.8	2.50	5.0	0.19
450	FSHBX	Short-Term Bond	8.51	OK to Buy	0.0	-0.4	-0.4	0.2	0.8	0.8	1.7	2.24	1.7	0.07
3038	FNSJX	Short-Term Bond Index ⁴	9.84	OK to Buy	0.3	-0.6	-0.6	--	--	--	--	2.48	--	--
1560	FSBIX	Short-Term Treasury Index ⁴	10.24	Hold	0.3	-0.4	-0.4	-0.2	0.2	0.4	1.4	2.25	2.6	0.13
820	FTBFX	Total Bond	10.45	Buy	0.5	-1.2	-1.2	1.6	2.1	2.5	4.7	3.30	5.6	0.28
651	FBIDX	U.S. Bond Index	11.34	Hold	0.6	-1.5	-1.5	0.9	1.0	1.6	3.4	2.86	6.0	0.27
HIGH-YIELD BOND														
Average					-0.3	-0.4	-0.4	4.7	4.8	4.5	6.7	4.35	3.5	0.49
38	FAGIX	Capital & Income	10.13	OK to Buy	-1.0	-0.7	-0.7	6.5	5.3	6.4	8.8	4.13	3.4	0.56
814	FFRHX	Floating Rate High Income	9.64	OK to Buy	0.2	1.2	1.2	4.1	3.8	3.3	4.5	3.62	0.2	0.28
1366	FHIFX	Focused High Income	8.49	OK to Buy	-0.4	-1.5	-1.5	2.9	3.7	3.8	5.9	4.36	4.1	0.47
2297	FGHNX	Global High Income	9.66	OK to Buy	-0.4	-0.5	-0.5	6.9	5.8	4.9	--	4.55	3.4	0.54
455	SPHIX	High Income	8.81	OK to Buy	-0.4	-0.4	-0.4	4.7	5.1	4.6	7.4	5.73	3.5	0.57
331	FNMIX	New Markets Income	15.86	OK to Buy	0.2	-1.2	-1.2	4.1	7.5	4.5	7.6	4.64	6.4	0.66
2580	FSAHX	Short Duration High Income	9.41	OK to Buy	-0.3	-0.3	-0.3	3.0	3.0	--	--	4.46	2.3	0.43
368	FSICX	Strategic Income	10.94	Buy	0.1	-0.2	-0.2	5.3	4.2	3.7	5.9	3.32	4.4	0.38
MUNICIPAL BOND														
Average					0.4	-1.2	-1.2	2.4	1.8	2.5	3.9	2.19	5.8	0.29
434	FSAZX	Arizona Muni Income	11.81	OK to Buy	0.6	-1.5	-1.5	2.4	2.0	2.8	4.3	2.25	6.9	0.34
1534	FCSTX	Calif Limited Term Tax Free	10.48	OK to Buy	0.1	-0.3	-0.3	0.7	0.8	1.2	2.5	1.52	3.0	0.17
91	FCTFX	California Muni Income	12.68	OK to Buy	0.4	-1.5	-1.5	2.7	2.1	3.1	4.5	2.21	6.6	0.34
407	FICNX	Connecticut Muni Income	11.17	OK to Buy	0.4	-1.2	-1.2	1.9	1.6	2.3	3.8	2.54	6.6	0.34
2578	FCRDY	Conservative Income Muni	10.01	Buy	0.0	0.3	0.3	0.8	0.6	--	--	1.29	0.7	0.00
36	FLTMX	Interm Municipal Income	10.22	OK to Buy	0.3	-0.9	-0.9	2.3	1.6	2.1	3.5	2.16	4.9	0.26
404	FSTFX	Limited Term Muni Income	10.44	OK to Buy	0.0	-0.3	-0.3	0.9	0.8	0.9	2.1	1.62	2.7	0.16
429	SMDMX	Maryland Muni Income	11.12	OK to Buy	0.5	-1.7	-1.7	2.4	2.0	2.4	3.8	2.24	7.0	0.34
70	FDMMX	Mass Muni Income	11.96	OK to Buy	0.5	-1.4	-1.4	2.9	2.0	2.7	4.2	2.37	7.0	0.34
81	FMHTX	Michigan Muni Income	11.96	OK to Buy	0.4	-1.4	-1.4	2.8	2.1	2.6	4.0	2.30	6.5	0.32
82	FIMIX	Minnesota Muni Income	11.40	OK to Buy	0.4	-1.3	-1.3	1.9	1.8	2.2	3.7	2.04	5.9	0.29
37	FHIGX	Municipal Income	12.73	OK to Buy	0.4	-1.7	-1.7	3.4	2.3	3.0	4.5	2.61	7.1	0.36
416	FNJHX	New Jersey Muni Income	11.63	OK to Buy	0.4	-1.3	-1.3	4.3	2.5	2.6	4.0	2.45	6.2	0.37
71	FTFMX	New York Muni Income	12.91	OK to Buy	0.3	-1.5	-1.5	2.2	2.1	2.7	4.2	2.26	6.7	0.33
88	FOHFX	Ohio Muni Income	11.89	OK to Buy	0.5	-1.6	-1.6	3.0	2.4	3.1	4.3	2.42	7.3	0.36
402	FPXTX	Pennsylvania Muni Income	10.94	OK to Buy	0.4	-1.3	-1.3	2.8	2.1	2.8	4.2	2.35	6.5	0.30
90	FTABX	Tax-Free Bond	11.30	OK to Buy	0.5	-1.5	-1.5	3.5	2.4	3.1	4.7	2.67	7.0	0.35

TAXABLE GOV'T MONEY MARKETS			Total Return (%)		SEC
			Mar	YTD	%Yield
55	FDRXX	Gov't Cash Reserves	0.10	0.26	1.29
458	SPAXX	Government MM	0.10	0.25	1.24
631	FGMXX	Retirement Gov't MM	Merged into SPAXX		
630	FRTXX	Retirement Gov't MM II			
2742	FZFXX	Treasury MM	0.10	0.26	1.26
415	FDLXX	Treasury Only MM	0.10	0.25	1.20
PRIME MONEY MARKETS					
454	SPRXX	Money Market	0.12	0.33	1.53
NATIONAL MUNICIPAL MONEY MARKETS					
10	FTEXX	Municipal Money Market	0.08	0.22	1.05
275	FMOXX	Tax-Exempt MM	0.07	0.20	0.98

STATE MUNICIPAL MONEY MARKETS			Total Return (%)		SEC
			Mar	YTD	%Yield
433	FSAXX	Arizona Muni MM	0.07	0.19	0.99
97	FCFXX	California Muni MM	0.07	0.19	0.93
457	FSPXX	California AMT Tax-Free	0.08	0.23	1.08
418	FCMXX	Connecticut Muni MM	0.07	0.20	0.96
426	FMSXX	Mass AMT Tax-Free	0.08	0.22	1.09
74	FDMXX	Massachusetts Muni MM	0.07	0.19	0.92
420	FMIXX	Michigan Muni MM	0.06	0.17	0.88
417	FNJXX	New Jersey Muni MM	0.07	0.18	0.92
423	FSJXX	New Jersey AMT Tax-Free	0.08	0.23	1.11
92	FNYYX	New York Muni MM	0.07	0.19	0.92
422	FSNXX	New York AMT Tax-Free	0.09	0.23	1.09
419	FOMXX	Ohio Muni MM	0.07	0.18	0.92
401	FPTXX	Pennsylvania Muni MM	0.07	0.18	0.93

FIDELITY SCORECARD						MARCH 31, 2018							
Fund No.	Fund Ticker	Fund Name	Style	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹
						Mar	YTD	3 Mo.	1 Year	3 Year	5 Year	10 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
Model Portfolios	Annuity Sector Model					-2.4	1.2	1.2	18.9	12.1	15.0	15.0	1.21
	Annuity Growth Model					-2.0	0.9	0.9	14.9	9.0	11.2	11.2	1.08
	Annuity Growth & Income Model					-1.3	-0.7	-0.7	7.5	5.6	7.9	7.9	0.70
	Annuity Income Model					-0.6	-1.6	-1.6	2.7	3.3	3.6	3.6	0.37
9067	FLRQC	Fid VIP Asset Manager	Allocation	20.10	Hold	-0.4	-0.5	-0.5	8.5	3.7	6.3	5.4	0.63
9066	FAECC	Fid VIP Asset Manager: Growth	Allocation	21.15	Hold	-0.7	-0.2	-0.2	11.8	4.7	8.0	5.8	0.85
9069	FJBAC	Fid VIP Balanced	Allocation	24.22	Buy↑	-1.1	0.0	-0.0	10.1	6.8	9.0	7.6	0.74
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	30.61	Buy	-2.5	2.6	2.6	17.3	9.5	13.5	12.4	1.15
9171	FCSAC	Fid VIP Consumer Staples	Sector	25.37	Hold	-0.9	-5.9	-5.9	-0.8	5.8	8.7	8.9	1.02
9065	FPDFC	Fid VIP Contrafund	Large Growth	27.29	OK to Buy	-1.8	0.3	0.3	13.4	8.7	12.1	8.3	1.06
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	21.29	OK to Sell	1.4	-0.3	-0.3	6.3	6.0	10.4	9.2	1.37
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	29.42	Hold	-1.9	2.4	2.4	17.8	8.0	12.6	9.9	1.20
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	11.71	Buy↑	-0.9	0.6	0.6	30.3	9.9	7.0	--	1.39
9085	FJLLC	Fid VIP Energy	Sector	15.53	Hold	4.0	-4.5	-4.6	-0.9	-1.0	-0.9	-1.1	2.20
9061	FLOLC	Fid VIP Equity-Income	Large Value	20.83	Buy	-3.1	-4.5	-4.4	4.6	6.5	8.6	6.4	1.01
9083	FONNC	Fid VIP Financial Services	Sector	14.74	Buy	-2.7	-0.6	-0.6	18.2	11.0	13.4	4.8	1.35
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	11.27	OK to Buy	0.3	1.1	1.1	3.7	3.6	--	--	0.25
9157	FMPAC	Fid VIP FundsManager 20	Allocation	15.26	Hold	0.1	-0.8	-0.8	4.1	2.3	3.1	3.5	0.28
9158	FMPBC	Fid VIP FundsManager 50	Allocation	17.86	Hold	-0.5	-0.7	-0.7	8.7	4.7	6.3	5.3	0.56
9197	FMPPC	Fid VIP FundsManager 60	Allocation	17.11	Hold	-0.8	-0.6	-0.6	10.4	5.7	7.5	--	0.67
9159	FMPCC	Fid VIP FundsManager 70	Allocation	19.08	Hold	-0.9	-0.4	-0.4	12.0	6.4	8.3	6.1	0.76
9160	FMPDC	Fid VIP FundsManager 85	Allocation	19.78	Hold	-1.2	-0.2	-0.2	14.8	7.7	9.9	6.6	0.91
9062	FMNDC	Fid VIP Growth	Large Growth	29.61	Buy	-2.2	3.4	3.4	24.4	12.6	15.8	9.5	1.14
9070	FLFNC	Fid VIP Growth & Income	Large Blend	24.76	Hold	-2.8	-3.5	-3.5	8.6	8.1	10.9	7.7	1.14
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	29.92	Buy	-2.6	3.2	3.2	23.9	12.3	15.5	10.3	1.26
9084	FPDRC	Fid VIP Health Care	Sector	41.91	Buy	-0.2	5.3	5.3	16.8	3.6	17.4	15.2	1.59
9060	FBBLC	Fid VIP High Income	High-Yield Bond	20.45	OK to Buy	-0.6	-1.2	-1.2	3.0	3.9	3.8	6.2	0.54
9064	FXVLT	Fid VIP Index 500	Large Blend	26.87	Hold	-2.6	-0.8	-0.8	13.6	10.4	12.9	9.2	1.00
9082	FBALC	Fid VIP Industrials	Sector	34.72	Buy	-2.0	-1.6	-1.6	14.5	9.4	11.8	10.1	1.26
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	20.88	Buy	-0.5	-0.1	-0.1	22.9	9.1	9.7	6.2	1.10
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	16.13	Buy	0.5	-1.5	-1.5	1.2	1.4	1.8	3.9	0.28
9172	FVMAC	Fid VIP Materials	Sector	21.92	Buy	-3.8	-6.1	-6.1	9.7	6.0	6.6	7.2	1.54
9071	FNBSC	Fid VIP Mid Cap	Mid Growth	29.08	Buy	-1.3	0.3	0.3	14.6	8.1	11.5	8.9	1.14
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	11.40	--	0.1	0.2	0.2	0.6	0.1	-0.0	0.2	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	17.95	OK to Buy↓	-1.2	-1.5	-1.5	17.9	6.0	7.3	2.7	1.21
9072	FFWKC	Fid VIP Real Estate	Sector	21.93	OK to Sell	3.8	-7.2	-7.2	-4.1	-0.2	5.1	6.2	1.32
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	19.57	Buy	0.1	-0.2	-0.2	4.8	3.8	3.2	5.4	0.37
9086	FYENC	Fid VIP Technology	Sector	45.64	Buy	-2.4	6.0	6.0	34.6	21.5	20.7	15.6	1.51
9173	FVTAC	Fid VIP Telecommunications	Sector	15.58	Hold	-1.3	-6.5	-6.5	-5.1	5.0	7.1	7.0	1.08
9087	FXRRC	Fid VIP Utilities	Sector	27.58	OK to Sell	5.4	1.4	1.4	10.3	7.4	9.1	6.9	1.18
9079	FKMSC	Fid VIP Value	Large Value	22.41	OK to Buy	-2.0	-3.6	-3.6	7.0	6.3	10.2	7.5	1.07
9073	FRBSC	Fid VIP Value Strategies	Mid Value	23.12	OK to Sell	-2.2	-4.7	-4.7	6.8	4.7	8.6	7.7	1.18
9347	FBMEC	Black Rock Global Allocation	Global Allocation	13.68	Hold	-0.9	-0.5	-0.5	8.0	4.1	5.2	4.4	0.65
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	11.22	OK to Sell	0.8	1.4	1.4	-1.0	0.3	0.5	4.7	0.55
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	10.25	Hold	0.4	-1.3	-1.3	-0.5	-0.0	0.3	2.0	0.16
9285	FIGXC	Invesco Global Core Eqty	Global Stock	14.16	Hold	-1.8	-1.5	-1.5	14.3	7.0	8.2	3.0	1.07
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	18.64	Hold	-1.4	1.9	1.9	17.6	8.6	3.7	3.1	1.60
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	19.03	OK to Buy	0.1	-2.0	-2.0	3.3	4.5	2.2	5.2	0.62
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	16.29	OK to Buy	-0.7	1.7	1.7	23.1	8.1	4.0	1.9	1.42
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	14.14	Hold	-0.3	0.1	0.1	11.1	4.4	5.4	2.1	0.74
9346	FPMEC	Pimco Commodity Real Return	Commodities	6.10	OK to Sell	-0.1	-0.5	-0.5	3.4	-3.1	-9.7	-6.7	1.26
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	11.62	Buy	0.1	-0.2	-0.2	0.6	0.4	0.4	--	0.09
9277	FPNBC	Pimco VIT Real Return	TIPS	13.02	OK to Sell	0.8	-1.0	-1.0	0.6	0.8	-0.6	--	0.33
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	13.31	Hold	0.3	-1.3	-1.3	1.8	1.3	1.4	--	0.28

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	27%	VIP Growth	34%	VIP Growth	34%	VIP Strategic Income	29%
VIP Financial Services	25	VIP Mid Cap	24	VIP Equity-Income	19	Pimco VIT Low Duration	25
VIP Industrials	13	VIP Equity-Income	18	VIP Strategic Income	17	VIP Equity Income	25
VIP Cons Discretionary	13	VIP Growth Opps	17	VIP Investment Grade	10	VIP Investment Grade	21
VIP Materials	12	VIP Emerging Markets	7	PIMCO VIT Low Dur	10		
VIP Health Care	10			VIP Int'l Cap App	10		
Total Return:		Total Return:		Total Return:		Total Return:	
Mar: -2.4% YTD: 1.2%		Mar: -2.0% YTD: 0.9%		Mar: -1.3% YTD: -0.7%		Mar: -0.6% YTD: -1.6%	

INCOME INVESTING

Rising Rates Are Headwind For REITs

Following nine consecutive years of gains, and not withstanding March's "pop," year number 10 has so far been a downer for U.S. REITs — regardless of whether they invest in the stocks or the bonds of real estate investment trusts.

With year-to-date declines ranging from -0.1% for **International Real Estate** to -7.4% for **Real Estate Index**, the asset class did manage to shrug off news that a strip-mall operator, Wheeler, had halted its dividend payment — completely!

That's a big deal because REITs are required to distribute at least 90% of their taxable income as dividends. It's their primary allure, especially in the low-interest-rate-environment of the past decade.

But with Wheeler's dividend gone, REIT investors have been left to wonder if this was an isolated event, or a harbinger of broader and deeper problems.

Not held by Fidelity, and not a REIT index component, Wheeler shares are off 29% in March, whereas Real Estate Index rose 3.8%. That stark difference suggests that, despite the headlines, there's little to worry about, right?

Well, not so fast!

The defensive characteristics of REITs are typically less appealing when stocks are surging (1998-1999, 2013 and 2017 come to mind). And, as we've seen this year, they lose some appeal when their dividends (now about 3%) are on par with the "risk-free" 10-year Treasury yields (2.74%).

While REITs may be a "safe harbor" asset class, their fundamentals are not all that attractive. We rate **Real Estate Index** and **Real Estate Investment** *OK to Sell*. However, we're a bit more optimistic about **Int'l Real Estate** and the lower-risk **Real Estate Income** (which is half in bonds and cash). ■

STOCK FUNDS

Will Fidelity Harvest Facebook Shares?

Back when Facebook went public in 2012, about two dozen Fidelity funds got in on the action early, in



one of the largest and most over-subscribed public offerings in market history. With Fidelity funds acquiring about \$200 million in pre-IPO shares at \$25 to \$35, Facebook's \$38 IPO was, to say the least, disappointing.

(Though company founder Mark Zuckerberg suddenly found himself running a \$104 billion behemoth!)

As for Fidelity and other Class A shareholders, things would soon get worse: Stock in the world's largest social networking site fell to \$18 that year. Suddenly it seemed that Fidelity's vaunted tech-savvy managers had stumbled.

Patience Pays

But, of course, patience is often a virtue when investing, and, in this case, it proved highly profitable: Fast-forward to February 2018, and Facebook shares reached a high of \$195. Vindication!

But last month may have been another watershed moment for the 14-year-old media goliath. Facebook's intraday share price slid as

Facebook Exposure	
As of Jan 31 Fund	% of Assets
500 Index	1.8
Balanced	1.3
Blue Chip Growth	4.1
Contrafund	6.9
Disciplined Equity	2.4
Fidelity Fund	3.0
Growth Company	3.2
Growth Discovery	3.0
Independence	2.4
Large Cap Growth Idx	3.2
LC Core Enh'd Idx	2.3
LC Growth Enh'd Idx	3.6
Magellan	2.3
Nasdaq Comp Idx	3.8
OTC Trend	4.3
Puritan	1.8
Sel Computers	4.8
Sel Multimedia	3.4
Sel Soft & IT Svcs	11.1
Select Technology	2.7
Total Mkt Idx	1.5
Trend	3.2

Strategic Income Update

Strategic Income will likely be merged into Advisor Strategic Income fund next month in a tax-free transaction. After that, the larger combined fund (whose investment objective, policies and benchmark will remain unchanged) will launch a retail share class. Existing shareholders need not do anything while Fidelity makes these changes. ■

much as 22% on news that 50 million of its users' personal data had been compromised. That again laid bare the company's conflicted business model: Its income relies partly on compromising the privacy of its 2.2 billion active users. Indeed, even Wall Street seemed surprised by the extent of this corporate malfeasance.

As Fidelity is still likely the third-biggest Facebook shareholder behind the indexers at Vanguard and BlackRock (at year-end, Fidelity's 5.1% stake was worth \$19.4 billion — that's basically unchanged three

months later), March's volatility was unnerving. Notably, Facebook has been a top-10 holding in 13 of Fidelity's 16 large-cap growth funds, and some Selects. Viewed another way, whereas Facebook accounted for about 1.8% of the S&P 500's market cap and 3.8% of the Nasdaq Composite (as of January 31), Fidelity's 5.1% stake in the company is considerable. Though a notable exception, Contrafund alone has held 2% of Facebook's outstanding shares!

Still, on an individual fund basis, shareholder's risk-exposure to the stock is not especially significant: Even with 6.9% of Contra's assets in Facebook shares, its March decline of 10% only trimmed the fund's return by about 0.7%.

While it will be interesting to see if Fidelity managers use the Facebook selloff to double-down, or as an opportunity to harvest gains (and in the process increase unrealized capital gains), Facebook's woes are a valuable reminder as to why we invest in mutual funds in the first place: diversification equals risk reduction. ■

— 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 April:

500 Index, Asst Mgr 40% and 50%, Balanced, CA Ltd Term Tax Free, CA Muni Inc, Convertible Secs, Equity Div Inc, Equity-Inc, Extended Mkt Index, Four-in-One Index, Global Credit, Global Equity Inc, Growth & Inc, Interm Treas Index, Int'l Enhcd Index, Int'l Index, Lg Cap Core Enhcd Index, Lg Cap Growth Enhcd Index, Lg Cap Val Enhcd Index, Long-Term Treas Index, Mid Cap Enhcd Index, Puritan, Short-Term Treas Index, Small Cap Enhcd Index, Strat Div & Inc, Strat Real Ret, Telecom & Utilities, Total Market Index, and all Select funds.

The final distributions for March are shown below.

Fund	Ex-Date	\$ Amt	NAV
Equity-Inc	3/9	1.289	59.64
MA Municipal Inc	3/9	0.044	11.91
Mid Cap Value	3/9	1.168	25.07
NY Municipal Inc	3/9	0.018	12.90
Real Estate Inc	3/2	0.006	11.45
Real Estate Index	3/2	0.073	13.85
Real Estate Invest	3/2	0.051	37.51
Tax-Free Bond	3/9	0.023	11.27
Telecom and Util	3/9	0.617	24.96
MSCI Cons Disc	3/16	0.113	40.92
MSCI Cons Staple	3/16	0.231	31.69
MSCI Energy	3/16	0.115	18.55
MSCI Financials	3/16	0.191	42.05
MSCI Healthcare	3/16	0.134	41.11
MSCI Industrials	3/16	0.156	38.87
MSCI Info Tech	3/16	0.119	54.18
MSCI Materials	3/16	0.144	33.81
MSCI Telecomm	3/16	0.248	29.34
MSCI Utilities	3/16	0.269	32.49
MSCI Real Estate	3/16	0.261	22.79
High Dividend	3/16	0.253	28.72
Div Rising Rates	3/16	0.219	30.50
Low Vol Factor	3/16	0.119	30.72
Momentum Factor	3/16	0.098	32.75
Quality Factor	3/16	0.129	32.29
Value Factor	3/16	0.137	32.78
Int'l High Div	3/16	0.212	23.07
Int'l Value Factor	3/16	0.143	23.51

Inside Fidelity

Manager Changes — Matt Conti of **Focused High Income, Short Duration High Income, VIP High Income** and the co-manager on **Total Bond** and various short-duration junk funds, will retire at year-end.

Having joined Fidelity 23 years ago, Conti's record appears average, in part, because Fidelity's high-yield group tends to run their funds more conservatively than their industry peers. Over the past five years, they've beaten 58% of their competitors (on an asset-weighted basis). However, last year, they outperformed an impressive 73%.

Taking the reigns for Matt on VIP High Income is Mike Weaver, himself a longtime Fidelity analyst with experience in high yield, collateralized loan obligations and equity research. (He ran **Select Automotive** from 2009 to 2013.)

Fidelity will announce Matt's replacement on Focused High Income in the third quarter.

Separately, and for the rest of the year, veteran fixed-income analyst Kevin Nielsen joins co-managers Conti and Matt Bartlett on Short Duration's management team.

No rating changes are advised.

New Funds — Fidelity's first Factor-based (quantitatively driven) bond ETFs should launch in June. **Low Duration Bond** will invest in a blend of U.S. corporate floating-rate notes with less than 5 years maturities and U.S. Treasury Notes with 7 to 10 year maturities. Duration is expected to be less than one year. For its part, **High Yield** will invest in below-investment-grade bonds (rated BB or B) using Bank of America's US HY Constrained Index as a guide in structuring its portfolio. ■

Cutting Costs At Index Funds

Q: I was surprised to learn that my index funds may have a less-costly share class. How do I check which funds do?

A: Our footnote #4 in the *Scorecard* (shown in Notes on p. 6) shows if the Investor share class of a fund also offers lower-cost Premium shares. Investor shares typically require a \$500 minimum in most retirement accounts, and \$2,500 in non-retirement accounts. Premium shares usually require \$10,000 minimums whether they are in tax-deferred accounts or not.

The advantage of holding Premium shares is, of course, their lower cost. Over time, that savings compounds into a modestly higher return. (Read on ...)

Whereas the expense ratio on Investor shares of **500 Index** is 0.09% (\$0.90 per \$1,000), Premium shares charge just 0.035% (\$0.35 per \$1,000). That's actually 65 basis points *less* than the comparable iShares that are available commission-free through Fidelity.

We calculated how much more a \$10,000 investment would have grown in Premium rather than Investor shares of 500 Index fund over the past decade. Answer: \$99! (\$24,703 vs. \$24,604)

With that in mind, Fidelity claims to automatically move investors into Premium shares once minimums are met (and providing they're available in your account). While the savings are clearly modest (Fidelity's fees are already among the very lowest in the industry), it's still worth checking to see if lower-cost Premium shares might be an option. ■

— John Bonnanzio

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