

FIDELITY MONITOR & INSIGHT

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MESSAGE FROM JACK

Is the Small Cap Headwind Real?

At a time when the U.S. economy is holding up much better than the rest of the world, the lagging performance of smaller stocks seems a bit of a disconnect.

The companies that comprise the Russell 2000 obtain 80-85% of their revenue here at home, which is higher than the 55-65% domestic sales content for the S&P 500. With less of a drag from foreign economies, you would expect the price-earnings ratio for small-caps (which are generally firms with market caps of less than \$2 billion) to run at a premium, as is usually the case for firms expected to deliver higher earnings growth. But there's no premium today; both groups have



Jack Bowers

Small Cap Index	
Ticker	FSSNX
Exp Ratio (%)	0.025
Correl. To S&P 500	0.79
Turnover (%)	27
Total # of Holdings	2,034
Top-5 Sectors (%)	
Financials	17.9
Health Care	15.4
Info Tech	15.2
Industrials	14.8
Consumer Disc.	12.1
Top-5 Stocks (%)	
Five Below	0.3
Etsy	0.3
Integrated Device	0.3
Loxo Oncology	0.3
HubSpot	0.3
Characteristics	
P/E (1-yr Forecast)	17.3
P/E Trailing	23.1
Med Mkt Cap (\$bil)	1.8
Dividend Yield (%)	1.6

forward P/Es of about 17. An even bigger difference exists on a price-to-sales basis, with small-caps trading near 1.2 — just over half of the S&P 500's 2.0. Why the disparity?

There are several possibilities:

1. The staggering popularity of passive investing is biased against small-caps. If sellers of active funds were truly going passive they would put about 5% in small-cap index vehicles. But instead investors have favored large-cap ETFs and the S&P 500, causing active funds to sell small-caps in a market where there are few passive buyers.

2. The recessionary risk of a yield curve teetering on inversion has prompted large market players to bet against small-caps, because in the past banks would

bet against small-caps, because in the past banks would

MARKET OUTLOOK

What To Make Of The Newly Inverted Yield Curve

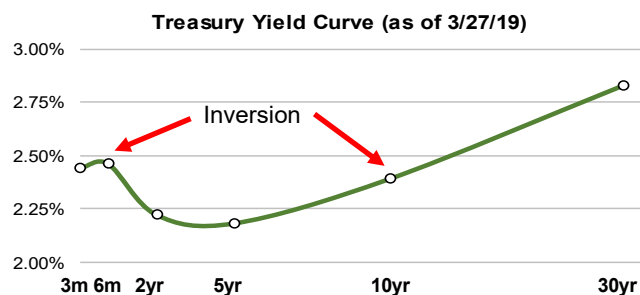
I first wrote about the potential for a yield curve inversion back in October. I said then that you should not be overly concerned. One reason for that stance, of course, was that an inversion had not yet occurred. Well, now we have one (by some, but not all, measures) and my advice remains the same. Let me go through the reasons.



John M. Boyd

Normally, the yield curve is positively sloped — that is longer-term rates are higher than shorter-term rates — reflecting the additional risk of having your money tied up for a longer period. An inversion of the yield curve occurs when short-term rates are higher than longer-term rates. Investors have been so focused on the inversion because each of the past seven recessions have been preceded by one.

But there isn't an agreement on what curve you should use to signal an inversion. The traditional curve — the 10-year Treasury yield minus the 2-year Treasury — has not inverted yet, though it is close at just 17 basis points apart. The curve that has received all the attention in the past week or so was the 10-year Treasury minus the 3-month T-Bill rate which inverted on March 22.



This version was popularized by the San Francisco Fed as a more accurate gauge of impending recession. But there are critics of that view as well. Prior to the last seven recessions, both of those curves inverted. In any case, regardless of your curve of choice, for a signal to be "valid" it has to persist for months, not weeks. So we are still a ways away from a definitive signal. (In fact, as we went to press, the curve was no longer inverted by a

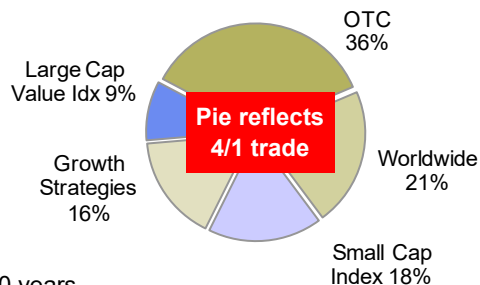
Unique Opportunities Target Risk: 1.20 (Current: 1.15) Foreign Holdings: 11.5% **YTD Return: 15.3%**

Stocks: 99.0% Bonds: 0.0% Cash: 1.1% Alternatives*: 0.0% Yield: 0.7%

Holdings	Ticker	NAV	Shares	Value	Mar Ret
OTC	FOCPX	\$11.67	17,203.39	\$200,764	3.6%
Worldwide	FWWFX	26.31	4,539.80	119,442	2.5
Small Cap Index	FSSNX	19.75	4,957.80	97,916	-2.1
Growth Strategies	FDEGX	44.18	2,073.63	91,613	1.8
Large Cap Value Enhcd	FLVEX	12.65	4,050.85	51,243	0.1

Current Value (3/31/99 = \$100,000) **\$560,978** **1.7%**

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



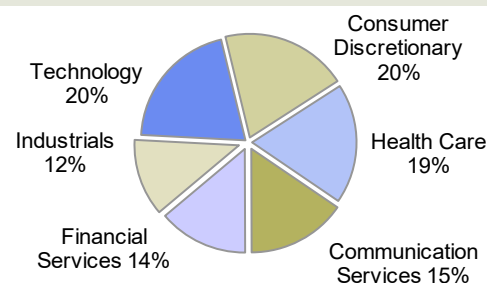
Select Target Risk: 1.20 (Current: 1.17) Foreign Holdings: 6.0% **YTD Return: 15.1%**

Stocks: 98.8% Bonds: 0.0% Cash: 1.4% Alternatives*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Mar Ret
Technology	FSPTX	\$16.19	53,066.26	\$859,143	4.8%
Consumer Discretionary	FSCPX	45.80	18,012.17	824,957	3.4
Health Care	FSPHX	24.46	32,192.14	787,420	-0.1
Communication Services	FBMPX	77.19	8,388.24	647,488	3.1
Financial Services	FIDSX	9.42	62,010.61	584,140	-2.4
Industrials	FCYIX	33.80	14,946.14	505,180	-0.1

Current Value (12/31/88 = \$100,000) **\$4,208,328** **1.7%**

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



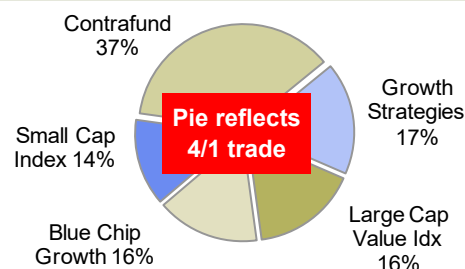
Growth Target Risk: 1.00 (Current: 1.09) Foreign Holdings: 4.7% **YTD Return: 14.5%**

Stocks: 98.6% Bonds: 0.0% Cash: 1.4% Alternatives*: 0.0% Yield: 0.7%

Holdings	Ticker	NAV	Shares	Value	Mar Ret
Contrafund	FCNTX	\$12.50	85,693.07	\$1,071,163	2.2%
Growth Strategies	FDEGX	44.18	11,514.05	508,691	1.8
Large Cap Value Enhcd	FLVEX	12.65	37,538.40	474,861	0.1
Blue Chip Growth	FBGRX	97.80	4,714.97	461,124	2.6
Small Cap Index	FSSNX	19.75	19,878.77	392,606	-2.1

Current Value (12/31/86 = \$100,000) **\$2,908,444** **1.2%**

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



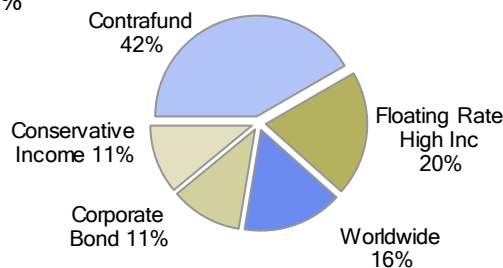
Growth & Income Target Risk: 0.66 (Current: 0.71) Foreign Holdings: 22.7% **YTD Return: 9.6%**

Stocks: 56.1% Bonds: 22.2% Cash: 2.7% Alternatives*: 19.0% Yield: 2.0%

Holdings	Ticker	NAV	Shares	Value	Mar Ret
Contrafund	FCNTX	\$12.50	23,816.76	\$297,709	2.2%
Floating Rate High Inc	FFRHX	9.46	15,155.62	143,372	-0.2
Worldwide	FWWFX	26.31	4,329.01	113,896	2.5
Corporate Bond	FCBFX	11.48	7,088.45	81,375	2.6
Conservative Income	FCONX	10.03	7,867.91	78,915	0.2

Current Value (12/31/93 = \$100,000) **\$715,268** **1.6%**

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



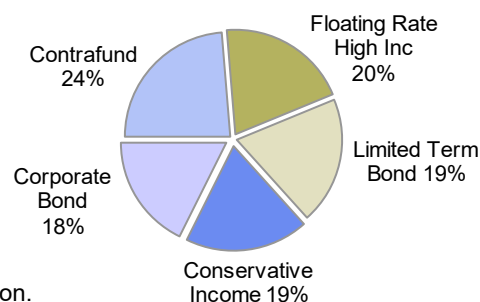
Income Target Risk: 0.33 (Current: 0.35) Foreign Holdings: 25.0% **YTD Return: 5.7%**

Stocks: 23.1% Bonds: 54.4% Cash: 2.9% Alternatives*: 19.6% Yield: 2.8%

Holdings	Ticker	NAV	Shares	Value	Mar Ret
Contrafund	FCNTX	\$12.50	7,731.81	\$96,648	2.2%
Floating Rate High Inc	FFRHX	9.46	8,637.16	81,708	-0.2
Limited Term Bond	FJRLX	11.47	6,977.97	80,037	1.0
Conservative Income	FCONX	10.03	7,701.01	77,241	0.2
Corporate Bond	FCBFX	11.48	6,279.07	72,084	2.6

Current Value (12/31/91 = \$100,000) **\$407,717** **1.2%**

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



slim 1 basis point). None-the-less, with the economy slowing (4th-quarter GDP growth was just revised down to 2.2% from an initial estimate of 2.6% — and well below the 3rd-quarter's 3.4%) investors are understandably nervous that it will worsen into recession.

However, there are a number of reasons to utter that most scoffed at phrase — things may be different this time. Last October, I discussed the arguments for questioning the validity of an inversion leading to a recession and I won't repeat them. But, I will say that the past decade has certainly been unusual, with quantitative easing from the Fed, persistently low inflation, and only modest economic growth. In any case, if the inverted curve is supposed to mean the market is signaling an impending recession, we would also expect to see that show up in widening spreads between the yield on "junk" bonds (which are very sensitive to economic growth) and "credit-riskless" Treasury bonds. But, not only are spreads there below average, they have been narrowing recently, not widening.

There are also some early indications that the economic slowdown could be moderating rather than accelerating. Jobless claims, which began to move upward a bit early in the year (perhaps distorted by the government shutdown), are back down to where they were at the start of the year and once again below last year's levels. Housing, which was the first sector to retreat, is starting to show some improvement as mortgage rates have dropped sharply thanks to the fall in the 10-year Treasury yield. Existing home sales popped 12% in February and new home sales were up 5%. And

FUNDS YOU SHOULD BUY NOW

Growth: Blue Chip Growth, Growth Company and OTC are aggressive (risky) large-cap options; **Contrafund** is more conservatively positioned. **Growth Strategies** provides mid-cap exposure. **Small Cap Index** provides low-cost exposure to roughly 2,000 smaller-cap stocks (see pgs. 1 and 4).

Growth & Income: Large Cap Value Index holds attractively valued stocks, such as financials and health care, which also helps to boost its yield above the S&P 500 (2.9% vs. 2.2%).

International: Worldwide provides mostly (56%) large-cap U.S. exposure. As for the remainder, 37% is foreign equities with most of that (26%) in European equities, including 7% in the U.K.

High-Yield: Floating Rate High Income's portfolio of lower-quality bank loans drive its 5.5% yield, however, credit risk is substantial.

Taxable Bond: Conservative Income Bond limits interest-rate risk with its extremely short duration; **Limited-Term Bond** reaches a bit further for yield with more rate-risk, while **Corporate Bond** boosts its yield with lower-credit and more interest-rate-sensitive bonds. (see p. 11.)

Muni Funds: Tax-equivalent yields are currently attractive. ■

the Capital Spectator reports that the Economic Momentum and Economic Trend Indexes have recently stabilized after a precipitous fall. Lastly, it's a thin reed, but the slashing of corporate earnings forecasts earlier this year has begun to moderate.

What If The Curve Is "Right"?

Here is the real kicker, even if the yield curve is "right" in forecasting a coming recession, stocks would be likely to rise for some

time. Marko Kolanovic of J.P. Morgan notes that stocks produce some of their strongest returns in the months following an inversion. In fact, analyst James Kostohryz, looking at the past eight inversions/recessions, shows that the S&P 500 had a median rise of 16% over 11 months before the market topped. So while complacency may not be the order of the day — neither is fear. ■

— John M. Boyd

MODEL PORTFOLIO TRADES

As announced on our Hotline message of Friday, March 29, on Monday, April 1, we made the following model portfolio trades:

Unique Opportunities Model:

We sold our entire position in **Large Cap Value Enhanced Index** [FLVEX]. With the proceeds, we purchased **Large Cap Value Index** [FLCOX].

Growth Model:

We sold our entire position in **Large Cap Value Enhanced Index** [FLVEX]. With the proceeds, we purchased **Large Cap Value Index** [FLCOX].

Model Trades Rationale

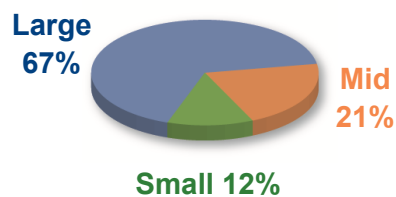
The "pure" index version of this fund (Large Cap Value Index) has lower expenses (0.035% vs. 0.39%) than its "enhanced" counterpart and has delivered better returns since its debut in June 2016. ■

Model Portfolios Key:

¹Alternative investments include such areas as high-yield bonds, commodities and 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.

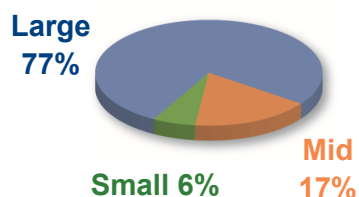
Models' Market Cap Exposures Versus "Total Market"

Growth Model

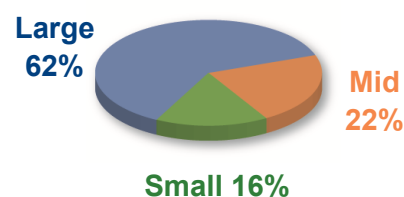


Total Model*

*Russell 3000 Index



Unique Model



Small Caps *cont'd from page 1*

stop lending and small firms would get starved of capital. It's a different world today, with venture capitalists, private equity lending, and floating-rate notes offering financing alternatives. The yield curve today is more bark than bite.

3. Technology disruption is creating new competition and reducing inflationary pressures, hurting the profits of smaller companies more than those of larger firms. Here again things are different today, with the small-cap universe under-

going its own high-tech transformation, following in the footsteps of the NASDAQ's morph some 35 years ago.

4. Successful small-cap disruptors don't stay in the small-cap universe (see story below). They either get bought out by large-caps or become mid-caps or large-caps themselves, resulting in a less robust small-cap population. This is probably the best explanation, given the increasing volatility of the small-cap universe. For the Russell 2000 this drag is made worse by the index's annual rebalancing.

Most likely, the lagging performance of small-caps is due to all four factors. But the first one is not a valid reason, and the second and third are only partially valid, suggesting that small-caps may have potential to outperform going forward. As such, we are sticking with our small-cap index bets for now (see our models above relative to the Russell 3000). If future earnings reports fail to confirm that small-caps are undervalued, we'll likely move up the market-cap scale, perhaps to the mid-cap segment. ■

— Jack Bowers

Fidelity Bets On Pre-IPO "Disruptors"

Just recently, Levi Strauss's IPO was enthusiastically received by investors: shares of the iconic jeans company (it was founded in 1873) leapt 32% above its offering price pegging its value at nearly \$9 billion. Now, a younger and faster-growing crop of "decacorns" (private companies valued at upward of \$10 billion) are staging their own IPOs. And once they do, a few large-cap growth funds with successful histories of making early-stage investments (including **Blue Chip Growth** and **Contrafund**, for example) stand to benefit.

Just a week ago, ride-hailing service Lyft was shuttled to the launch pad. Though it's yet to turn a profit, it's now worth \$26 billion! **Growth Co**, **Magellan** and **OTC** also have small stakes in Lyft. Much of that is in convertible preferred stock that

will become common, non-voting shares.

As for Lyft's much larger and more controversial competitor, Uber, its IPO will eclipse Lyft's with a projected valuation of at least \$100 billion! That, in particular, would make for a nice payday for all five funds mentioned, plus **Growth Discovery**. Notably, about two years ago, Fidelity funds had a quarter-billion-dollar stake in Uber, and they stuck with the stock through all its various controversies. The hope: its Uber shares, and its stable of other pre-IPO disruptors, will soon be worth significantly more.

Along with Lyft and Uber, their combined valuations along with a few other highly anticipated IPOs could top \$200 billion! Although Will Danoff's **Contrafund** has small stakes in Airbnb and Pinterest (he invested early in Facebook and other disruptors), his colleagues do not. Nor do they own any equity in Pal-

antir or Slack — all of which are expected to go public this year.

That Fidelity's funds have only modest exposures to these and other private, restricted securities is no accident. (Blue Chip has the most exposure with 4.4% of its assets versus 1.6% for **Contrafund**.) After all, the preponderance of a fund's assets must be in liquid, public companies whose values are determined every day by the market itself. (Illiquid stocks, including unlisted ones, can be no more than 10% of a fund's assets, while their values are determined by Fidelity's Fair Value Committee — not a fund's manager.)

Indeed, one of a manager's goals in holding pre-IPO shares is not just their upside potential, it's also in securing a clearer understanding of how disruptors are threatening the business models of larger, less flexible, less-innovative, and slower-growing competitors. ■

— John Bonnanzio

FUND COMMENTARY

Stocks, Bonds Soar In First Quarter

Granted, fund performance lost some of its mojo in March, but the first quarter of 2019 was still boffo for stocks, bonds and most things in between. In fact, double-digit gains were the norm for U.S. equity indexes (and Fidelity stock funds), including small-cap and mid-cap gauges which were buffeted by skittish investors last month.



John Bonnanzio

Market Indexes

The blue-chip Dow Industrials finished March flat (up 0.2%) but ended the first quarter with a gain of 11.8%. For its part, the S&P 500 rose 1.9% last month and advanced 13.6% for the quarter. Even better results were garnered by the tech-rich Nasdaq Composite. Up 2.7% in March, it soared 16.8% through the first quarter!

Elsewhere, mid-caps rose modestly in March (up 0.9%), though thanks to strong results in February and especially January, the Russell Midcap surged 16.5% for the quarter. As for small caps, the Russell 2000 retreated 2.1% last month amid concerns over a slowing economy (see p. 1), but like mid-caps, their soaring performance earlier this year resulted in a year-to-date return of 14.6%.

Stocks Funds

The average Fidelity stock fund skyrocketed 14.1% in the first quarter. March's result were more down-to-earth with gains averaging "just" 0.9% — if not for "smid-cap" funds, March's performance would have been much stronger.

Owing mostly to their large tech exposures, model portfolio holdings **OTC** (up 3.6%) and **Blue Chip Growth** (up 2.6%) were top-

performers, although **Contrafund** (which is 28% invested in tech), was no slouch performer, either, as it returned 2.2%.

At the other end of last month's performance spectrum, **Small Cap Enhanced** retreated 3.6% while **Small Cap Index** and **Small Cap Stock** fared better with their declines of 2.1% and 1.9%, respectively. As an aside, **Event Driven Opportunities** (a small-cap Specialty fund) fell 5.0% last month.

International Funds

With some notable exceptions, developed- and emerging-market funds climbed a wall of worry in March, producing gains that sometimes eclipsed those in the U.S.

With rumors of progress on trade talks between China and the U.S. (coupled with China's own side deal with Italy), **China Region** (up 3.1%) was among last month's top international funds. For its part, Fidelity's biggest foreign fund by assets, **International Index** (which has no emerging-market exposure) rose a modest 0.8%.

Elsewhere, the once red-hot **Japan, Canada, and Latin America** funds cooled in March, with the latter two posting losses. (Generally speaking, these countries come out on the losing end of a U.S.-China pact.) Volatile Latin America fell 3.6% in March, though it's up 8.9% for the quarter. For its part, the large-cap, U.S.-oriented **Worldwide** (held in two models) gained 2.5% last month.

Select Funds

Fidelity's 38 sector funds rose an average of 14.2% in the first quarter. Of the five Selects with 20%-plus returns, three were tech-oriented (**IT Services, Semiconductors and Technology**), whereas **Energy Service** popped 21.4% as Russia and OPEC orchestrated a 30% rise in crude prices last quarter.

Likewise, March's top Selects included tech-focused funds, though it's unusual that the most diversified of that six-fund group, **Technology**, led the way with its 4.8% gain.

And despite concerns over slower growth, consumer-oriented funds shined in March: **Retailing** (up 4.3%), **Consumer Staples** (up 3.9%) and **Construction & Housing** (up 3.8%) each benefited from falling interest rates.

Fixed Income Funds

On that score, the yield on the 10-year Treasury plunged 32 basis points to finish March at 2.41%. As detailed elsewhere, the yield curve briefly inverted last month, and may yet again. With bond prices moving in the opposite direction of their yields, all taxable and muni bond funds rallied in March (and all are up through the first quarter, too).

Note: Please see "Strategies For Falling Bond Yields" on p. 11.

U.S. Bond Index jumped 2.0% in March and is up 2.9% this year.

Finally, at 2.25%, prime **Money Market** fund's yield is unchanged since the year began. ■

— John Bonnanzio

April Scorecard Rating Changes				
Fund	Ratings			Comments
	Old	New		
Lrg Cap Growth Idx	B	B	↑	One of the better long-term choices among passive funds.
Leveraged Co Stock	H	B	↑	Borrowing headwind easing for heavily-indebted firms.
Lrg Cap Value Idx	H	B	↑	Performance potential in the value area looking attractive.
Lrg Cap Core Enh Idx	B	B	↓	Going fully passive may be a slight advantage in this area.
Lrg Cap Value Enh Idx	B	B	↓	Going fully passive may be a slight advantage in this area.
Zero Large Cap Idx	H	B	↑	May benefit by ignoring S&P 500 stock qualification rules.
Zero Extended Mkt Idx	B	B	↓	May be hampered by ignoring S&P stk qualification rules.

B = Buy; **B** = OK to Buy; **H** = Hold; **S** = OK to Sell; **S** = Sell; **N/C** = No Change; **NR** = No Rating
 (↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD

MARCH 31, 2019

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	2834.4		1.9	13.6	13.6	9.5	13.5	10.9	15.9	8.6	1.00
		Nasdaq Composite	7729.3		2.7	16.8	16.8	10.6	18.0	14.3	18.9	10.6	1.24
		Dow Jones Industrials	25928.7		0.2	11.8	11.8	10.1	16.4	12.2	16.0	9.0	1.03
		Russell 2000 (Small Caps)	1539.7		-2.1	14.6	14.6	2.1	12.9	7.1	15.4	8.0	1.48
		Barclays Aggregate Bond*			2.0	2.9	2.9	4.6	2.0	2.7	3.7	2.1	0.28
Model Portfolios		Unique Opportunities			1.7	15.3	15.3	1.4	11.7	7.5	14.9	8.7	1.15
		Select			1.7	15.1	15.1	5.4	13.5	10.4	16.3	9.7	1.17
		Growth			1.2	14.5	14.5	5.7	13.1	9.3	14.6	7.7	1.09
		Growth & Income			1.6	9.6	9.6	4.1	9.6	7.5	11.5	6.7	0.71
		Income			1.2	5.7	5.7	1.9	4.3	3.7	6.8	4.3	0.35
											Rel Vol (Risk) ¹	Assets (\$Mil)	
LARGE CAP GROWTH					Average	2.4	15.3	15.3	8.9	15.9	11.5	17.0	1.19
312	FBGRX	Blue Chip Growth	97.80	Buy	2.6	16.4	16.4	14.2	19.5	14.2	19.2	1.23	\$21,450
307	FDCAX	Capital Appreciation	33.70	Hold	1.9	13.5	13.5	5.4	12.2	9.1	16.0	1.14	4,672
22	FCNTX	Contrafund	12.50	Buy	2.2	14.5	14.5	8.8	15.9	12.2	16.2	1.18	92,537
3	FFIDX	Fidelity Fund	45.39	Hold	2.5	12.9	12.9	5.6	12.3	9.7	14.3	1.02	3,935
333	FTQGX	Focused Stock	24.13	Buy	2.8	15.5	15.5	16.5	18.2	11.4	17.2	1.20	2,720
25	FDGRX	Growth Company (Closed)	19.15	Buy	2.7	19.5	19.5	8.5	20.6	14.8	19.3	1.43	27,910
339	FDSVX	Growth Discovery	36.14	Buy	3.1	16.3	16.3	12.1	18.0	12.5	17.7	1.17	1,632
73	FDFFX	Independence	35.36	Hold	2.4	14.7	14.7	5.3	12.6	7.3	15.5	1.20	3,347
1829	FLGEX	Lrge Cap Growth Enhcd Index	19.26	OK to Buy	1.6	14.2	14.2	9.1	14.2	12.0	16.5	1.12	1,086
2826	FSPGX	Lrge Cap Growth Index	15.07	Buy↑	2.8	16.1	16.1	12.6	--	--	--	--	1,993
21	FMAGX	Magellan	10.23	Hold	2.1	14.1	14.1	6.5	13.6	10.8	14.6	1.14	14,735
1282	FNCMX	Nasdaq Composite Index	100.42	OK to Buy	2.6	16.7	16.7	10.3	17.6	14.1	18.7	1.24	6,377
300	FMLX	New Millennium	35.19	Hold	1.3	12.8	12.8	5.0	12.8	7.5	16.0	1.02	3,017
93	FOCPX	OTC	11.67	Buy	3.6	17.3	17.3	10.2	21.1	15.2	20.4	1.38	12,521
320	FDSX	Stock Selector All Cap	44.18	OK to Sell	1.5	15.0	15.0	4.0	13.4	9.3	14.9	1.12	8,239
5	FTRNX	Trend	100.12	OK to Buy	2.8	15.6	15.6	9.2	16.0	12.1	17.8	1.22	1,846
LARGE CAP BLEND					Average	1.3	13.1	13.1	7.3	11.9	9.0	15.1	1.03
2328	FXAIX	500 Index	98.99	Hold	2.0	13.6	13.6	9.5	13.5	10.9	15.9	1.00	185,588
315	FDEQX	Disciplined Equity	34.60	Hold	2.3	13.5	13.5	3.9	9.4	7.7	12.9	1.04	1,152
330	FDGFX	Dividend Growth	28.28	OK to Buy	0.3	11.7	11.7	5.8	10.4	8.1	15.6	0.96	5,661
332	FEXPX	Export and Multinational	20.15	OK to Buy	0.3	11.4	11.4	6.1	10.1	8.6	13.2	0.99	1,388
3336	FIFNX	Founders Fund	10.47	OK to Buy	2.4	4.7p	--	--	--	--	--	--	7
27	FGRIX	Growth & Income	37.75	Hold	0.4	12.8	12.8	6.4	11.9	8.3	14.5	1.09	5,838
1827	FLCEX	Lrge Cap Core Enhcd Index	14.80	OK to Buy↓	1.2	12.1	12.1	8.4	13.0	10.2	15.3	0.99	815
338	FLCSX	Large Cap Stock	30.76	Hold	0.6	14.0	14.0	6.4	13.1	8.2	16.9	1.16	2,718
361	FGRTX	Mega Cap Stock	15.20	Hold	1.1	12.5	12.5	7.6	12.1	8.6	15.4	1.03	1,499
2361	FSKAX	Total Market Index	80.50	OK to Buy	1.4	14.0	14.0	8.7	13.5	10.3	16.0	1.04	45,051
2941	FITLX	U.S. Sustainability Index	12.14	NA	1.9	13.6	13.6	10.1	--	--	--	--	116
3231	FNILX	Zero Large Cap Index	9.81	OK to Buy↑	1.9	13.7	13.7	--	--	--	--	--	526
3227	FZROX	Zero Total Market Index	10.01	OK to Buy	1.4	14.0	14.0	--	--	--	--	--	2,742
LARGE CAP VALUE					Average	0.7	11.6	11.6	4.2	9.2	6.9	13.9	1.02
1271	FBCVX	Blue Chip Value	19.00	Hold	0.4	8.2	8.2	2.3	7.8	6.6	12.5	1.01	477
319	FEQTX	Equity Dividend Income	24.47	OK to Buy	0.9	11.6	11.6	4.6	9.4	7.4	13.2	0.99	4,736
23	FEQIX	Equity-Income	56.54	OK to Buy	1.5	12.1	12.1	7.5	10.3	7.0	13.4	0.98	5,169
1828	FLVEX	Lrge Cap Value Enhcd Index	12.65	OK to Buy↓	0.1	10.9	10.9	4.4	11.0	8.1	14.4	1.01	3,772
2830	FLCOX	Lrge Cap Value Index	12.15	Buy↑	0.7	12.0	12.0	5.8	--	--	--	--	1,735
708	FSLVX	Stock Sel Large Cap Value	19.46	Hold	0.0	10.8	10.8	4.6	8.6	6.7	12.9	0.98	816
832	FVDFX	Value Discovery	27.61	OK to Buy	0.5	9.7	9.7	2.8	8.4	6.7	14.2	0.94	2,252
14	FSLSX	Value Strategies	35.62	OK to Sell	1.3	17.6	17.6	2.0	9.0	5.8	16.3	1.25	329
MID-CAP GROWTH					Average	1.8	16.4	16.4	5.9	10.8	9.4	14.8	1.07
324	FDEGX	Growth Strategies	44.18	Buy	1.8	16.4	16.4	5.9	10.8	9.4	14.8	1.07	2,436
MID-CAP BLEND					Average	-0.2	15.2	15.2	4.9	11.9	8.0	16.1	1.15
2365	FSMAX	Extended Market Index	61.60	Buy	-1.0	16.0	16.0	4.9	13.3	7.9	16.5	1.31	23,171
2012	FMEIX	Mid Cap Enhanced Index	14.47	OK to Buy	0.2	15.3	15.3	2.8	10.3	8.0	16.2	1.15	1,178
2352	FSMDX	Mid Cap Index	21.71	OK to Buy	0.8	16.5	16.5	6.5	11.8	8.8	--	1.13	8,962
337	FMCSX	Mid-Cap Stock	34.18	OK to Buy	0.5	12.1	12.1	5.0	11.9	7.4	16.4	0.97	5,248
2412	FSSMX	Stock Selector Mid Cap	34.95	OK to Buy	-0.5	16.0	16.0	5.1	12.3	7.8	15.6	1.21	564
3230	FZIPX	Zero Extended Market Index	9.37	OK to Buy↓	-1.1	15.3	15.3	--	--	--	--	--	299
MID-CAP VALUE					Average	-0.6	13.3	13.3	-1.5	7.6	5.7	15.4	1.12
316	FLPSX	Low-Priced Stock ⁵	47.91	Buy	-0.4	10.4	10.4	-0.4	8.6	6.3	14.9	0.95	24,897
762	FSMVX	Mid Cap Value	21.56	Hold	-1.2	13.0	13.0	-4.6	6.2	5.4	15.6	1.15	1,423
39	FDVLX	Value	10.13	OK to Buy	-0.2	16.4	16.4	0.5	8.0	5.4	15.8	1.27	6,170

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. ⁵Almost an Asset Allocation fund with 30%+ typically in foreign stocks. ⁶Formerly Multimedia ⁷Formerly VIP Telecommunications. ⁸Formerly MSCI Telecom Services. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD

MARCH 31, 2019

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			0.4	19.8	19.8	7.0	20.0	12.3	18.7	1.45
1388	FCPGX	Small Cap Growth (Closed)	25.39	Buy	0.4	19.8	19.8	7.0	20.0	12.3	18.7	1.45	\$2,807		
SMALL CAP BLEND					Average			-1.6	14.7	14.7	1.7	10.0	6.5	15.5	1.40
384	FSCRX	Small Cap Discovery (Closed)	22.48	OK to Buy	-0.4	14.8	14.8	0.4	7.4	5.1	17.3	1.30	2,950		
2011	FCPEX	Small Cap Enhanced Index	12.12	Buy	-3.6	13.6	13.6	-1.1	9.2	6.0	15.0	1.55	671		
2358	FSSNX	Small Cap Index	19.75	Buy	-2.1	14.6	14.6	2.2	13.1	7.3	--	1.48	7,969		
340	FSLCX	Small Cap Stock	16.08	Buy	-1.9	14.5	14.5	2.5	9.0	7.3	14.0	1.33	1,464		
336	FDSCX	Stock Selector Small Cap	23.18	Buy	-0.0	16.0	16.0	4.7	11.4	6.9	15.8	1.34	1,041		
SMALL CAP VALUE					Average			-1.8	10.8	10.8	-4.5	7.3	6.1	15.3	1.21
1389	FCPVX	Small Cap Value	14.56	Hold	-1.8	10.8	10.8	-4.5	7.3	6.1	15.3	1.21	1,615		
SPECIALTY															
308	FCVSV	Convertible Securities	27.99	Hold	0.5	11.6	11.6	9.5	9.2	4.4	13.1	0.70	1,361		
2624	FARNX	Event Driven Opportunities	11.05	Hold	-5.0	5.3	5.3	-13.3	7.2	4.8	--	1.40	213		
2120	FFGCX	Global Commodity Stock	12.44	Hold	0.2	11.1	11.1	-1.7	11.5	-0.9	4.2	1.33	382		
122	FLVCX	Leveraged Company Stock	28.49	OK to Buy↑	0.2	19.0	19.0	0.1	9.8	4.8	16.2	1.39	1,954		
1329	FSDIX	Strategic Dividend & Income	14.98	Hold	2.0	11.3	11.3	9.8	9.2	7.8	14.6	0.72	2,972		
1505	FSRRX	Strategic Real Return	8.32	OK to Sell	0.9	6.3	6.3	2.8	4.1	0.8	5.6	0.42	217		
311	FIUIX	Telecom & Utilities	26.72	Hold	2.5	8.8	8.8	14.0	9.6	8.3	12.9	0.85	1,031		
REAL ESTATE															
1368	FIREX	International Real Estate	12.10	Hold	3.5	12.8	12.8	5.9	9.1	6.6	12.5	0.91	256		
833	FRIFX	Real Estate Income	12.13	Hold	2.0	8.4	8.4	11.1	7.3	6.7	12.7	0.51	2,731		
2355	FSRNX	Real Estate Index	16.55	Hold	2.9	15.7	15.7	19.6	5.3	8.9	--	1.28	1,912		
303	FRESX	Real Estate Investment	44.41	Hold	2.8	15.7	15.7	19.4	5.5	9.5	19.5	1.25	4,127		
ASSET ALLOCATION															
328	FASIX	Asset Manager 20%	13.21	Hold	1.3	4.4	4.4	3.3	4.2	3.3	6.0	0.27	4,814		
1957	FTANX	Asset Manager 30%	10.93	Hold	1.3	5.7	5.7	3.2	5.3	4.0	7.4	0.36	1,511		
1958	FFANX	Asset Manager 40%	11.47	Hold	1.4	6.8	6.8	3.0	6.2	4.6	8.5	0.45	1,621		
314	FASMX	Asset Manager 50%	17.74	Hold	1.4	8.0	8.0	2.6	7.1	5.0	9.6	0.55	8,902		
1959	FSANX	Asset Manager 60%	12.26	Hold	1.4	9.2	9.2	2.3	8.0	5.5	10.5	0.65	2,676		
321	FASGX	Asset Manager 70%	21.44	Hold	1.3	10.2	10.2	1.9	8.9	5.9	11.4	0.75	4,881		
347	FAMRX	Asset Manager 85%	18.79	Hold	1.4	12.0	12.0	1.5	10.2	6.6	12.7	0.90	2,292		
304	FBALX	Balanced	22.85	Buy	1.5	10.6	10.6	6.1	9.8	7.5	12.0	0.74	24,163		
355	FFNOX	Four-in-One Index	44.95	Hold	1.3	11.4	11.4	4.9	10.2	7.2	12.3	0.82	6,061		
4	FPURX	Puritan	21.49	Buy	1.5	9.6	9.6	5.3	9.7	7.6	11.9	0.74	21,238		
INTERNATIONAL					Average			1.0	11.1	11.1	-5.1	8.8	4.4	10.7	1.15
309	FICDX	Canada	49.64	Hold	-1.1	13.4	13.4	3.9	6.8	1.8	7.7	1.10	903		
352	FHKCX	China Region	35.05	Hold	3.1	18.9	18.9	-4.6	15.3	7.9	12.7	1.49	1,158		
325	FDIVX	Diversified International	35.21	OK to Buy	1.7	11.3	11.3	-4.1	5.8	3.0	9.3	1.04	9,071		
351	FSEAX	Emerging Asia	42.93	Hold	4.9	16.1	16.1	-1.5	14.1	8.6	11.0	1.29	1,064		
2053	FEMEX	Emerg Europe, MidEast, Africa	9.34	Hold	-0.2	6.6	6.6	-10.5	10.1	2.3	8.7	1.39	92		
322	FEMKX	Emerging Markets	30.79	Hold	3.5	15.6	15.6	-5.8	12.2	5.7	10.3	1.26	3,474		
2374	FEDDX	Emerging Mkts Discovery	13.53	Hold	1.5	10.6	10.6	-13.8	9.5	4.1	--	1.21	237		
2344	FPADX	Emerging Markets Index	10.47	Hold	0.9	9.8	9.8	-8.3	10.6	4.1	--	1.23	2,396		
301	FIEUX	Europe	34.85	OK to Buy	0.2	11.0	11.0	-5.8	4.5	1.3	9.0	1.23	909		
2406	FGILX	Global Equity-Income	13.67	Hold	2.2	12.1	12.1	4.1	7.9	6.0	--	0.86	68		
2348	FSGGX	Global ex U.S. Index	12.52	Hold	0.7	10.2	10.2	-4.6	8.2	2.6	--	0.97	5,257		
335	FIVFX	International Cap App	20.52	OK to Buy	3.1	15.1	15.1	0.3	9.8	7.0	14.0	1.11	2,575		
305	FIGRX	International Discovery	40.76	Hold	2.3	11.8	11.8	-6.1	6.2	2.9	9.4	1.07	6,544		
2010	FIENX	International Enhanced Index	9.24	Hold	0.2	9.4	9.4	-5.9	7.7	3.2	9.6	0.98	1,535		
1979	FIGFX	International Growth	13.56	OK to Buy	2.0	12.9	12.9	0.1	8.6	5.0	11.7	1.01	944		
2363	FSPSX	International Index	39.99	Hold	0.8	10.0	10.0	-4.0	7.5	2.4	9.1	0.95	25,555		
818	FISMX	International Small Cap	25.74	OK to Buy	-0.3	8.6	8.6	-9.0	8.7	5.7	13.8	0.96	1,267		
1504	FSCOX	International Small Cap Opps	17.87	OK to Buy	0.7	10.7	10.7	-8.4	8.5	5.8	14.5	1.06	984		
2988	FNIDX	International Sustainability Idx	10.29	NA	0.6	9.7	9.7	-5.0	--	--	--	--	49		
1597	FIVLX	International Value	7.85	Hold	-0.6	8.0	8.0	-9.0	3.3	-0.1	7.2	1.01	441		
350	FJPNX	Japan	14.35	OK to Buy	0.6	9.5	9.5	-9.3	9.1	5.6	7.7	1.06	390		
360	FJSCX	Japan Smaller Companies	16.22	Hold	-0.6	7.1	7.1	-11.7	9.2	8.7	13.8	1.02	659		
349	FLATX	Latin America	23.33	OK to Buy	-3.6	8.9	8.9	-11.7	11.6	-1.8	3.5	2.19	489		
342	FNORX	Nordic	44.65	OK to Sell	-1.4	4.6	4.6	-3.6	2.8	2.8	13.8	1.27	270		
94	FOSFX	Overseas	45.45	OK to Buy	1.0	11.2	11.2	-3.9	7.5	4.7	10.2	1.05	6,157		
302	FPBFX	Pacific Basin	30.01	OK to Buy	3.1	14.0	14.0	-6.2	10.5	7.7	15.5	1.17	850		
2369	FTEMX	Total Emerging Markets	12.57	Hold	1.5	10.8	10.8	-6.0	10.1	4.8	--	1.01	207		
1978	FTIEX	Total International Equity	8.77	Hold	1.4	12.1	12.1	-4.5	7.8	3.6	9.9	1.01	72		
2834	FTIHX	Total International Index	11.57	Hold	0.7	10.2	10.2	-5.3	--	--	--	--	2,369		
318	FWWFX	Worldwide	26.31	Buy	2.5	13.9	13.9	6.5	13.0	7.8	13.8	1.07	2,352		
3228	FZILX	Zero International Index	9.65	Hold	0.7	10.0	10.0	--	--	--	--	--	888		

FIDELITY SCORECARD

MARCH 31, 2019

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	0.7	14.2	14.2	4.0	11.8	7.5	15.2	1.52	
34	FSAIX	Air Transportation	73.74	OK to Buy	-3.6	12.0	12.0	2.1	12.1	10.6	21.0	1.60	\$293	
502	FSAVX	Automotive	32.48	OK to Sell	-2.4	8.8	8.8	-3.6	5.2	2.5	19.3	1.31	37	
507	FSRBX	Banking	24.83	Hold	-6.0	11.9	11.9	-9.1	12.8	6.3	14.9	1.90	466	
42	FBIOX	Biotechnology	21.29	Hold	0.7	20.0	20.0	4.0	13.5	8.4	18.5	2.27	7,578	
68	FSLBX	Brokerage & Investment	69.38	Hold	-3.3	8.2	8.2	-9.7	11.2	4.4	12.9	1.47	305	
69	FSCHX	Chemicals	13.33	OK to Sell	-1.8	9.2	9.2	-9.2	9.1	5.0	16.4	1.40	1,115	
518	FSDCX	Communications Equipment	40.59	OK to Buy	0.6	16.8	16.8	13.8	16.9	9.7	15.2	1.20	234	
503	FBMPX	Communication Services ⁶	77.19	Buy	3.1	15.5	15.5	16.1	11.6	8.4	20.2	1.26	580	
7	FDCPX	Computers	76.29	Hold	0.6	12.2	12.2	2.9	17.4	9.3	17.1	1.42	501	
511	FSHOX	Construction & Housing	56.29	Hold	3.8	18.1	18.1	6.8	9.2	9.6	17.1	1.38	231	
517	FSCPX	Consumer Discretionary	45.80	Buy	3.4	15.2	15.2	11.1	13.1	11.1	18.2	1.25	443	
98	FSVLX	Consumer Finance	15.89	OK to Buy	0.6	18.2	18.2	7.4	15.9	8.8	13.8	1.35	113	
9	FDFAV	Consumer Staples	80.68	Hold	3.9	17.2	17.2	4.8	2.8	5.8	12.2	1.15	837	
67	FSDAX	Defense & Aerospace	16.49	Buy	-4.5	17.2	17.2	1.9	20.8	13.1	19.8	1.60	2,661	
60	FSENX	Energy	38.25	Hold	2.0	15.6	15.6	-9.1	3.1	-5.2	6.0	2.12	1,164	
43	FSESX	Energy Service	30.41	Hold	-0.6	21.4	21.4	-27.0	-7.3	-15.4	0.8	2.86	298	
516	FSLEX	Environment & Alt Energy	24.96	OK to Sell	0.2	15.7	15.7	1.8	13.4	7.4	12.3	1.29	189	
66	FIDSX	Financial Services	9.42	Buy	-2.4	10.3	10.3	-6.7	11.8	7.0	12.8	1.35	535	
41	FSAGX	Gold	19.18	Sell	0.6	6.1	6.1	0.8	1.6	-0.6	-3.7	2.78	1,034	
63	FSPHX	Health Care	24.46	Buy	-0.1	10.9	10.9	13.3	14.6	11.2	19.6	1.49	7,402	
505	FSHCX	Health Care Services	86.86	OK to Buy	-2.7	-1.0	-1.0	11.1	12.4	11.8	19.1	1.62	1,212	
515	FCYIX	Industrials	33.80	Buy	-0.1	17.9	17.9	1.4	10.2	7.5	17.2	1.42	621	
45	FSPCX	Insurance	59.26	Hold	-0.0	10.9	10.9	1.0	10.3	9.2	16.0	1.09	214	
353	FBSOX	IT Services	67.94	OK to Buy	4.6	25.5	25.5	22.9	22.6	18.0	22.7	1.34	3,095	
62	FDLSX	Leisure	14.76	Hold	1.6	14.1	14.1	7.0	12.3	10.0	17.4	1.19	469	
509	FSDPX	Materials	69.05	OK to Sell	-1.1	10.9	10.9	-10.0	6.3	1.2	12.5	1.32	610	
354	FSMEX	Medical Tech & Devices (closed)	53.75	Buy	1.6	13.7	13.7	25.3	22.9	18.1	19.2	1.49	6,994	
513	FSNGX	Natural Gas	21.00	Hold	2.7	18.0	18.0	-4.5	1.6	-10.7	1.7	2.27	203	
514	FNARX	Natural Resources	26.08	Hold	2.1	15.6	15.6	-6.4	3.5	-5.5	5.2	1.89	428	
580	FPHAX	Pharmaceuticals	21.38	OK to Buy	1.5	11.0	11.0	14.4	7.2	6.1	15.1	1.22	757	
46	FSRPX	Retailing	15.65	Buy	4.3	14.7	14.7	13.9	16.5	16.6	21.7	1.32	3,110	
8	FSELX	Semiconductors	9.62	OK to Buy	2.2	22.2	22.2	3.3	24.2	19.5	21.8	1.75	3,146	
28	FSCSX	Software & IT Services	19.29	Buy	3.1	18.5	18.5	18.5	24.1	17.4	22.6	1.29	6,760	
64	FSPTX	Technology	16.19	Buy	4.8	20.6	20.6	4.2	23.0	16.6	21.4	1.52	5,358	
96	FSTCX	Telecommunications	57.21	Hold	2.1	8.8	8.8	6.9	4.4	5.8	11.6	1.10	225	
512	FSRFX	Transportation	94.75	OK to Buy	-0.7	13.2	13.2	5.5	13.2	9.8	19.3	1.67	440	
65	FSUTX	Utilities	88.01	OK to Sell	3.2	9.9	9.9	17.6	12.5	9.5	13.8	0.94	1,131	
963	FWRLX	Wireless	9.25	Hold	3.6	12.5	12.5	6.9	12.3	7.7	13.2	1.01	249	
SECTOR ETFs					Average	1.6	13.6	13.6	9.1	10.8	8.7	1.31		
	FCOM	MSCI Communication Services ⁸	31.96	Hold	1.8	12.5	12.5	14.5	6.5	8.0	--	1.28	311	
	FDIS	MSCI Consumer Discretionary	43.87	OK to Buy	2.8	14.8	14.8	11.7	13.6	12.1	--	1.22	656	
	FSTA	MSCI Consumer Staples	33.86	Hold	3.8	11.8	11.8	9.8	5.0	8.2	--	1.05	474	
	FENY	MSCI Energy	18.08	Hold	2.3	16.6	16.6	-0.5	3.8	-4.5	--	1.86	527	
	FNCL	MSCI Financials	37.52	Buy	-3.1	9.2	9.2	-5.0	13.9	9.3	--	1.44	1,100	
	FHLC	MSCI Health Care	44.50	Buy	0.3	8.1	8.1	14.2	13.5	11.5	--	1.25	1,600	
	FIDU	MSCI Industrials	38.20	Buy	-1.3	17.1	17.1	2.9	12.4	8.8	--	1.42	443	
	FTEC	MSCI Information Technology	59.28	OK to Buy	4.0	20.8	20.8	15.7	22.7	17.9	--	1.38	2,200	
	FMAT	MSCI Materials	31.50	OK to Sell	0.1	11.4	11.4	-2.6	9.7	4.9	--	1.23	218	
	FREL	MSCI Real Estate	25.97	Hold	4.2	17.2	17.2	19.5	7.8	--	--	1.22	734	
	FUTY	MSCI Utilities	38.30	Sell	2.8	10.7	10.7	19.6	9.8	11.0	--	1.05	638	
FACTOR ETFs					Average	1.0	10.3	10.3	5.9					
	FDRR	Dividend for Rising Rates	31.58	OK to Buy	1.4	11.2	11.2	9.2	--	--	--	--	370	
	FDVV	High Dividend	29.96	OK to Buy	2.0	11.2	11.2	10.8	--	--	--	--	306	
	FDHY	High Yield Factor	51.01	OK to Buy	1.7	7.5	7.5	--	--	--	--	--	28	
	FIDI	International High Dividend	20.75	OK to Sell	-1.9	7.5	7.5	-5.3	--	--	--	--	29	
	FIVA	International Value Factor	21.66	Hold	-0.1	10.0	10.0	-5.2	--	--	--	--	13	
	FLDR	Low Duration Bond Factor	50.35	Buy	0.7	1.9	1.9	--	--	--	--	--	60	
	FDLO	Low Volatility Factor	34.05	Hold	2.5	14.0	14.0	15.0	--	--	--	--	160	
	FDMO	Momentum Factor	33.81	OK to Buy	1.5	14.4	14.4	8.1	--	--	--	--	112	
	FQAL	Quality Factor	33.81	Hold	1.6	13.5	13.5	9.0	--	--	--	--	137	
	FVAL	Value Factor	33.16	OK to Buy	0.3	12.2	12.2	5.4	--	--	--	--	125	

FIDELITY SCORECARD

MARCH 31, 2019

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	1.7	2.7	2.7	4.0	1.8	2.3	3.4	2.69	4.9	0.26
2267	FCONX	Conservative Income Bond	10.03	Buy	0.2	0.9	0.9	2.4	1.6	1.1	--	2.58	0.2	0.03									
2208	FCBFX	Corporate Bond	11.48	Buy	2.6	5.6	5.6	5.0	4.3	3.8	--	3.62	6.8	0.36									
2423	FGBFX	Global Credit	9.18	Hold	2.3	5.5	5.5	4.4	2.8	1.3	--	2.34	6.3	0.42									
15	FGMNX	GNMA (Ginnie Mae)	11.37	OK to Buy	1.3	2.2	2.2	4.1	1.5	2.3	3.3	2.69	4.0	0.20									
54	FGOVX	Government Income	10.21	Hold	1.8	2.1	2.1	4.0	1.1	2.0	2.5	2.38	5.6	0.28									
2418	FIPDX	Inflation-Protected Index ³	9.79	OK to Sell	1.9	3.3	3.3	2.8	1.7	1.9	--	0.32*	5.2	0.29									
32	FTHRFX	Intermediate Bond	10.80	Buy	1.4	2.6	2.6	4.3	1.9	2.2	4.4	2.69	3.8	0.20									
452	FSTGX	Intermediate Gov't Income	10.43	OK to Buy	1.3	1.5	1.5	3.4	0.8	1.4	1.9	2.17	3.7	0.20									
3045	FUAMX	Intermediate Treasury Index	10.75	OK to Buy	2.2	2.4	2.4	5.3	0.9	2.6	3.0	2.45	6.3	0.38									
26	FBNDX	Investment Grade Bond	7.89	Buy	1.9	3.6	3.6	4.8	3.1	2.9	5.1	2.94	5.6	0.28									
2622	FJRLX	Limited Term Bond	11.47	Buy	1.0	2.3	2.3	3.9	1.9	1.9	4.3	2.76	2.4	0.13									
662	FFXSX	Limited Term Government	9.92	OK to Buy	0.9	1.2	1.2	2.9	0.7	1.0	1.3	2.10	2.6	0.13									
3047	FNBGX	Long-Term Treasury Index	13.18	Hold	5.4	4.7	4.7	6.6	1.5	5.4	5.1	2.84	17.3	0.91									
40	FMSFX	Mortgage Securities	11.14	OK to Buy	1.5	2.3	2.3	4.3	1.8	2.6	3.9	2.73	4.4	0.21									
450	FSHBX	Short-Term Bond	8.61	OK to Buy	0.6	1.5	1.5	3.1	1.4	1.3	2.2	2.47	1.7	0.08									
3041	FNSOX	Short-Term Bond Index	9.95	OK to Buy	0.9	1.6	1.6	3.4	--	--	--	2.61	2.6	--									
3049	FUMBX	Short-Term Treasury Index	10.38	OK to Buy	0.9	1.3	1.3	3.2	0.9	1.2	1.4	2.40	2.6	0.14									
3086	FNDSX	Sustainability Bond Index	10.25	NA	1.9	2.9	2.9	--	--	--	--	2.94	5.7	--									
820	FTBFX	Total Bond	10.55	Buy	1.8	3.8	3.8	4.3	3.3	3.2	5.6	3.37	5.3	0.26									
2326	FXNAX	U.S. Bond Index	11.53	Hold	2.0	2.9	2.9	4.6	2.0	2.7	3.7	2.98	5.8	0.28									
HIGH-YIELD BOND													Average	0.6	6.6	6.6	3.4	6.7	4.0	8.8	5.04	3.3	0.42
38	FAGIX	Capital & Income	9.88	Hold	0.7	10.1	10.1	4.5	8.4	5.5	12.6	4.62	3.8	0.59									
814	FFRHX	Floating Rate High Income	9.46	Buy	-0.2	4.1	4.1	3.0	5.4	3.2	5.5	5.51	0.2	0.27									
1366	FHIFX	Focused High Income	8.58	OK to Buy	1.1	7.7	7.7	6.1	6.6	4.0	8.1	4.56	3.9	0.38									
2297	FGHNX	Global High Income	9.38	Hold	0.8	6.3	6.3	2.5	7.0	4.1	--	5.74	3.2	0.43									
455	SPHIX	High Income	8.74	Hold	0.6	7.2	7.2	5.0	8.6	4.3	10.1	5.54	3.5	0.45									
331	FNMIX	New Markets Income	15.05	Hold	0.4	6.8	6.8	-0.4	6.0	4.7	9.1	5.62	6.2	0.66									
2580	FSAHX	Short Duration High Income	9.39	OK to Buy	0.6	5.4	5.4	4.3	6.1	2.8	--	4.77	1.8	0.30									
3082	FADMX	Strategic Income	12.22	OK to Buy	0.9	5.2	5.2	2.6	5.3	3.6	7.4	3.96	4.1	0.32									
MUNICIPAL BOND													Average	1.4	2.6	2.6	4.7	2.3	3.3	4.2	2.00	5.5	0.30
434	FSAZX	Arizona Muni Income	12.09	OK to Buy	1.4	2.8	2.8	5.0	2.3	3.8	4.7	1.83	6.0	0.34									
1534	FCSTX	Calif Limited Term Tax Free	10.62	OK to Buy	0.5	1.5	1.5	3.1	1.3	1.7	2.3	1.48	3.0	0.18									
91	FCTFX	California Muni Income	12.94	OK to Buy	1.7	3.0	3.0	5.2	2.5	3.9	5.2	2.00	6.5	0.35									
407	FICNX	Connecticut Muni Income	11.47	OK to Buy	1.5	3.1	3.1	5.3	2.0	3.3	4.0	2.21	5.8	0.34									
2578	FCRDY	Conservative Income Muni	10.04	Buy	0.2	0.6	0.6	1.8	1.0	0.8	--	1.61	0.6	0.00									
36	FLTMX	Interm Municipal Income	10.44	Buy	1.3	2.6	2.6	4.8	2.3	2.9	3.7	1.97	4.8	0.27									
404	FSTFX	Limited Term Muni Income	10.59	Buy	0.6	1.6	1.6	3.2	1.4	1.5	2.0	1.62	2.8	0.16									
429	SMDMX	Maryland Muni Income	11.38	OK to Buy	1.4	2.7	2.7	4.7	2.3	3.5	4.2	1.91	6.1	0.34									
70	FDMMX	Mass Muni Income	12.15	OK to Buy	1.6	2.7	2.7	4.4	2.2	3.6	4.5	2.07	6.3	0.34									
81	FMHTX	Michigan Muni Income	12.22	OK to Buy	1.5	2.8	2.8	5.2	2.5	3.8	4.3	2.08	6.3	0.32									
82	FIMIX	Minnesota Muni Income	11.65	OK to Buy	1.6	2.9	2.9	4.9	2.2	3.2	3.7	1.88	6.2	0.31									
37	FHIGX	Municipal Income	13.07	OK to Buy	1.9	3.2	3.2	5.8	3.0	4.1	5.1	2.39	6.9	0.37									
416	FNJHX	New Jersey Muni Income	11.99	OK to Buy	1.8	3.3	3.3	6.2	3.4	3.9	4.5	2.20	6.5	0.36									
71	FTFMX	New York Muni Income	13.18	OK to Buy	1.7	3.0	3.0	5.2	2.4	3.7	4.5	2.06	6.6	0.34									
88	FOHFX	Ohio Muni Income	12.12	OK to Buy	1.4	2.6	2.6	4.7	2.4	4.0	4.6	2.06	6.2	0.35									
402	FPXTX	Pennsylvania Muni Income	11.16	OK to Buy	1.6	3.0	3.0	5.2	2.7	3.7	4.4	2.21	6.6	0.31									
90	FTABX	Tax-Free Bond	11.59	OK to Buy	1.8	3.2	3.2	5.7	3.0	4.1	5.1	2.48	6.9	0.36									

Yields on municipal funds are not directly comparable to yields on taxable funds. In muni funds your effective yield will be higher as your tax-bracket increases. *12 month distributed yield.

TAXABLE GOV'T MONEY MARKETS			Total Return (%)		SEC	STATE MUNICIPAL MONEY MARKETS			Total Return (%)		SEC
			Mar	YTD	%Yield				Mar	YTD	%Yield
55	FDRXX	Gov't Cash Reserves	0.18	0.52	2.12	433	FSAXX	Arizona Muni MM	0.10	0.28	1.12
458	SPAXX	Government MM	0.17	0.51	2.07	97	FCFXX	California Muni MM	0.10	0.27	1.07
2742	FZFX	Treasury MM	0.17	0.50	2.07	457	FSPXX	California AMT Tax-Free	0.11	0.31	1.25
415	FDLXX	Treasury Only MM	0.17	0.50	2.05	418	FCMXX	Connecticut Muni MM	0.11	0.37	1.16
PRIME MONEY MARKETS						426	FMSXX	Mass AMT Tax-Free	0.11	0.32	1.25
454	SPRXX	Money Market*	0.19	0.56	2.25	74	FDMXX	Massachusetts Muni MM	0.10	0.36	1.11
*Available in premium class shares (FZDXX) with a \$100,000 minimum (\$10,000 for certain Fidelity retirement accounts) and lower expenses.						420	FMIXX	Michigan Muni MM	0.09	0.26	1.01
NATIONAL MUNICIPAL MONEY MARKETS						417	FNJXX	New Jersey Muni MM	0.10	0.28	1.14
10	FTEXX	Municipal Money Market	0.11	0.32	1.26	423	FSJXX	New Jersey AMT Tax-Free	0.11	0.31	1.25
275	FMOXX	Tax-Exempt MM	0.11	0.30	1.17	92	FNYYX	New York Muni MM	0.10	0.29	1.15
						422	FSNXX	New York AMT Tax-Free	0.11	0.32	1.26
						419	FOMXX	Ohio Muni MM	0.10	0.37	1.14
						401	FPTXX	Pennsylvania Muni MM	0.10	0.27	1.08

FIDELITY SCORECARD

MARCH 31, 2019

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					1.7	15.2	15.2	5.4	13.9	10.7	16.7	1.13
	Annuity Growth Model					1.4	16.0	16.0	8.5	13.6	9.2	14.6	1.12
	Annuity Growth & Income Model					1.3	9.2	9.2	4.5	8.1	6.1	10.6	0.66
	Annuity Income Model					1.0	5.4	5.4	2.6	4.4	3.5	6.6	0.33
9067	FLRQC	Fid VIP Asset Manager	Allocation	20.57	Hold	1.3	7.9	7.9	2.3	6.3	4.1	9.1	0.56
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation	21.49	Hold	1.3	10.2	10.2	1.6	7.9	4.6	10.8	0.77
9069	FJBAC	Fid VIP Balanced	Allocation	25.59	Buy	1.4	10.6	10.6	5.6	9.4	7.2	12.5	0.75
9461	FBIQC	Fid VIP Bond Index	Bond	10.48	Hold	1.9	2.9	2.9	--	--	--	--	--
9173	FVTAC	Fid VIP Communication Services ⁷	Sector	18.23	Buy	3.1	15.9	15.9	17.0	7.5	7.5	13.2	1.16
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	33.85	Buy	3.3	15.1	15.1	10.6	12.9	10.7	17.9	1.24
9171	FCSAC	Fid VIP Consumer Staples	Sector	26.56	Hold	3.9	17.5	17.5	4.7	3.2	8.0	13.1	1.16
9065	FPDFC	Fid VIP Contrafund	Large Growth	29.09	Buy	2.1	14.6	14.6	6.6	12.4	9.0	14.9	1.10
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	21.01	Buy	-3.5	13.5	13.5	-1.3	8.8	5.5	14.3	1.55
9074	FZAMC	Fid VIP Emerging Capital App	Large Growth	30.89	Hold	1.9	13.5	13.5	5.0	11.7	8.4	15.8	1.14
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	10.99	Hold	3.5	15.5	15.5	-6.1	11.8	5.3	9.7	1.26
9085	FJLLC	Fid VIP Energy	Sector	14.12	Hold	2.0	15.5	15.4	-9.1	2.9	-5.4	5.9	2.11
9061	FLOLC	Fid VIP Equity-Income	Large Value	22.27	Buy	1.4	11.8	11.8	6.9	9.8	6.5	13.7	0.98
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	9.71	Buy	-1.1	15.1	15.1	--	--	--	--	--
9083	FONNC	Fid VIP Financial Services	Sector	13.73	Buy	-2.4	10.2	10.2	-6.9	11.5	6.8	12.7	1.35
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	11.55	Buy	-0.2	4.1	4.1	2.5	4.9	--	--	0.26
9157	FMPAC	Fid VIP FundsManager 20	Allocation	15.71	Hold	1.4	4.2	4.2	3.0	3.5	2.8	4.7	0.26
9158	FMPBC	Fid VIP FundsManager 50	Allocation	18.30	Hold	1.5	7.6	7.6	2.5	6.4	4.6	8.2	0.54
9197	FMPCC	Fid VIP FundsManager 60	Allocation	17.49	Hold	1.4	8.8	8.8	2.2	7.4	5.2	9.5	0.64
9159	FMPDC	Fid VIP FundsManager 70	Allocation	19.42	Hold	1.3	9.8	9.8	1.8	8.2	5.5	10.4	0.74
9160	FMPDC	Fid VIP FundsManager 85	Allocation	20.09	Hold	1.3	11.5	11.5	1.5	9.8	6.4	12.0	0.89
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	11.59	--	0.2	0.5	0.5	1.6	0.7	0.4	0.2	0.02
9062	FMNDC	Fid VIP Growth	Large Growth	33.20	Buy	3.1	16.5	16.5	12.1	17.9	12.3	17.4	1.18
9070	FLFNC	Fid VIP Growth & Income	Large Blend	26.21	Hold	0.4	12.6	12.6	5.9	11.4	7.9	14.1	1.08
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	39.45	Buy	2.8	21.3	21.3	31.9	24.1	16.1	20.5	1.25
9084	FPDRC	Fid VIP Health Care	Sector	47.28	Buy	-0.3	10.6	10.6	12.8	14.6	11.1	19.4	1.50
9060	FBBLC	Fid VIP High Income	High-Yield Bond	21.42	Hold	0.7	7.5	7.5	4.7	7.2	3.6	8.9	0.43
9064	FXVLT	Fid VIP Index 500	Large Blend	29.31	Hold	1.9	13.5	13.5	9.1	13.1	10.5	15.6	1.00
9082	FBALC	Fid VIP Industrials	Sector	35.18	Buy	-0.1	17.9	17.9	1.3	10.0	7.4	15.7	1.42
9473	FFIQC	Fid VIP International Index	Diversified Int'l	9.50	Hold	0.7	10.0	10.0	--	--	--	--	--
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	20.90	OK to Buy	3.1	15.0	15.0	0.1	9.6	6.8	13.7	1.11
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	16.82	Buy	2.0	3.6	3.6	4.3	2.7	2.7	4.6	0.28
9172	FVMAC	Fid VIP Materials	Sector	19.71	OK to Sell	-1.1	10.9	10.9	-10.1	6.0	0.9	12.2	1.31
9071	FNBSC	Fid VIP Mid Cap	Mid Growth	28.30	Buy	-0.4	14.6	14.6	-2.7	9.7	6.2	13.5	1.25
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	17.19	OK to Buy	0.9	11.1	11.1	-4.3	6.4	2.5	9.1	1.08
9072	FFWKC	Fid VIP Real Estate	Sector	25.63	Hold	2.7	16.1	16.1	16.9	4.1	7.7	18.6	1.27
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	20.01	OK to Buy	0.8	5.1	5.1	2.3	4.8	3.2	6.7	0.32
9086	FYENC	Fid VIP Technology	Sector	47.83	Buy	4.9	20.6	20.6	4.8	23.5	16.2	20.9	1.53
9465	FTMJC	Fid VIP Total Market Index	Large Blend	10.25	OK to Buy	1.3	13.8	13.8	--	--	--	--	--
9087	FXRRC	Fid VIP Utilities	Sector	32.36	OK to Sell	3.0	9.7	9.7	17.3	12.2	9.3	13.7	0.95
9079	FKMSC	Fid VIP Value	Large Value	22.84	OK to Buy	0.7	14.4	14.4	1.9	7.9	6.3	15.4	1.14
9073	FRBSC	Fid VIP Value Strategies	Mid Value	23.47	OK to Sell	1.3	17.4	17.4	1.5	9.5	5.1	15.9	1.25
9347	FBMEC	Black Rock Global Allocation	Global Allocation	13.63	Hold	1.0	7.4	7.4	-0.4	5.5	3.1	7.1	0.60
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	11.45	Hold	-1.4	1.8	1.8	2.1	2.9	0.8	5.0	0.49
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	10.59	Hold	1.2	1.9	1.9	3.2	0.7	1.2	1.8	0.19
9285	FIGXC	Invesco Global Core Eqty	Global Stock	13.68	Hold	0.3	12.7	12.7	-3.4	7.5	3.9	8.2	1.09
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	16.00	Hold	-0.6	7.3	7.3	-14.2	7.4	0.7	8.1	1.34
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	19.39	Hold	1.4	7.6	7.6	1.9	4.8	3.4	6.7	0.61
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	14.15	Hold	0.6	7.4	7.4	-13.1	6.6	1.6	8.0	1.19
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	14.19	Hold	1.1	7.8	7.8	0.4	6.3	2.7	9.1	0.60
9346	FPMEC	Pimco Commodity Real Return	Commodities	5.72	Hold	0.4	8.9	8.9	-6.3	2.3	-9.4	-0.5	1.00
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	11.80	Buy	0.3	1.2	1.2	1.6	1.1	0.8	2.6	0.08
9277	FPNBC	Pimco VIT Real Return	TIPS	13.28	OK to Sell	1.8	3.5	3.5	2.1	1.7	1.4	3.9	0.29
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	13.77	Hold	1.4	2.9	2.9	3.4	2.4	2.4	4.2	0.26

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	21%	VIP Growth	35%	VIP Contrafund	40%	Pimco VIT Low Duration	34%
VIP Cons Discretionary	19	VIP Growth Opps	21	VIP Floating Rate Hi Inc	20	VIP Contrafund	26
VIP Comm Services	17	VIP Equity-Income	17	VIP Equity-Income	20	VIP Investment Grade	21
VIP Health Care	16	VIP Mid Cap	15	VIP Investment Grade	10	VIP Floating Rate Hi Inc	19
VIP Financial Services	14	VIP Disciplined Sm Cap	12	Pimco VIT Low Dur	10		
VIP Industrials	13						
Total Return:		Total Return:		Total Return:		Total Return:	
Mar: 1.7% YTD: 15.2%		Mar: 1.4% YTD: 16.0%		Mar: 1.3% YTD: 9.2%		Mar: 1.0% YTD: 5.4%	

BOND FUNDS

Strategies For Falling Bond Yields

In our page 1 *Market Outlook*, John Boyd discusses last month’s briefly inverted yield curve and what that portends for stocks. Here we delve into what falling interest rates mean for your taxable and muni bond funds, and Fidelity’s high-yield offerings, too.

For starters, our table is a graphic representation of each bond fund’s relative credit- and interest-rate-risk. Though there are many variables that affect a fund’s performance, over time, these are the two most important.

Needless-to-say, the riskier the fund, the higher its yield and, possibly, its return. (The converse is also true.)

For example, while **New Markets Income’s** interest-rate-risk is on par with **U.S. Bond Index**, the former yields 5.62% and the latter a more modest 2.98%. The difference is explained by New Market’s higher credit risk.

As for **Long-Term Treasury Index**, it yields 2.84% owing to its long duration of 17.3 years (the highest of any Fidelity bond fund). So with the yield on the 30-year “long bond” plunging to 2.81% from 3.13% last month, the fund soared 5.4%!

In a different example, **Floating Rate High Income** fell 0.2% under selling pressure as the very short-term, lower-rated bank notes it holds were starting to reset lower. While this fund is on our radar (we hold it in our income-oriented models), the generally strong economy and low interest rates should come to pro-

vide some price support once the mania over an inverted yield curve subsides.

Granted, a slower-growing economy makes it more challenging for some companies to make full and timely payments on their higher-coupon bonds. So it hasn’t escaped our notice that **Leverage Co. Stock (the alter-ego of the junk bond fund Capital & Income)** rose a paltry 0.2% in March and the latter rose 0.7%. Still, there are few signs that

With that in mind, if corporate credits make you uneasy, avoid high-yield bond funds (shown in red.) Your less-risky alternatives are Treasury and other government bond funds (shown in blue). Moreover, you may also want to pull back on interest-rate-risk (though it’s hard for us to see any inflationary pressures building). As such, **Intermediate- and Short-Term Treasury** are relative safe havens, but we’re currently quite comforta-

BOND OFFERINGS BY RISK					
		Lower	Credit Risk	Higher	
Higher	Interest-Rate Risk	Long-Term Treas Idx 2.8%	This chart approximates the credit- and interest-rate risk characteristics of Fidelity’s 33 national bond funds. For perspective, Long-Term Treasury Index (top left box) is almost three-times more interest-rate sensitive than Intermediate Treasury Index . Conversely, Treasury Only Money Market fund (bottom left box) is essentially credit- and rate-risk free, so it yields the least. In noting that yields typically rise as overall risk increases, muni funds’ tax-equivalent yields are often higher for more highly taxed investors.		
		Intermediate Treas Idx 2.5%	Muni Inc 2.4% Tax-Free Bond 2.5%	Corporate Bond 3.6% Global Credit 2.3%	
Lower	Interest-Rate Risk	U.S. Bond Idx 3.0% ¹ Gov’t Inc 2.4% Inflation-Prot Idx 0.32% ³	Total Bond 3.4% Sustain Bond Idx 2.9% Invest Grade 2.9% Intermediate Muni 2.0%		New Mkts Inc 5.6%
		Mortgage Secs 2.7% GNMA 2.7% Interm Gov’t Inc 2.2% Short-Term Treas Idx 2.4% Ltd Term Gov’t 2.1%	Intermediate Bond 2.7% Limited-Term Muni 1.6%	Strategic Inc 4.0% Ltd Term Bond 2.8%	High Income 5.5% Global High Inc 5.7% Short Dur High Inc 4.8% Focused High Inc 4.6% Capital & Inc 4.6% ²
		Lower	Credit Risk	Higher	
Lower	Interest-Rate Risk	Treasury Only Money Mkt 2.1% ⁴	Short-Term Bond 2.5% Short-Term Bond Index 2.6%	Conservative Inc Muni 1.6% Conservative Inc 2.6%	Floating Rate High Inc 5.5%

¹Fund is a proxy for the Bloomberg Barclays US Aggregate Index, a broad benchmark of U.S. bond performance; ²With 21% of the fund invested in stocks, equity-risk is a subjective consideration. ³12-month distributed yield; ⁴Not a bond fund, but rather a “risk-free” money fund used for comparative purposes.

credit defaults are rising much. Moreover, most high-yield funds gained modest ground last month as the spread (the yield gap between junk bonds and 10-year Treasuries) slightly narrowed. Of course, we’re watching that gauge closely.

ble recommending **Limited Term Bond** as a good compromise between risk and reward. Of course, for the final word on our bond outlook, please see the fund ratings on p. 9 of the *Scorecard*. ■

— John Bonnanzio

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www.fmandi.com

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 Index, Long-Term Treas 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
Div for Rising Rate	3/15	0.307	32.19
Equity-Inc	3/8	0.556	55.23
High Dividend	3/15	0.368	30.46
Int'l High Dividend	3/15	0.269	22.34
Int'l Value Factor	3/15	0.200	23.16
Low Vol Factor	3/15	0.154	33.62
Momentum Factor	3/15	0.099	35.20
MSCI Comm Svs	3/15	0.076	31.05
MSCI Cons Discr	3/15	0.137	45.40
MSCI Cons Staple	3/15	0.218	32.56
MSCI Energy	3/15	0.138	21.24
MSCI Financials	3/15	0.240	40.79
MSCI Healthcare	3/15	0.159	46.40
MSCI Industrials	3/15	0.186	40.14
MSCI Info Tech	3/15	0.179	59.72
MSCI Materials	3/15	0.128	33.99
MSCI Real Estate	3/15	0.266	23.66
MSCI Utilities	3/15	0.301	33.97
NY Municipal Inc	3/8	0.017	13.03
Quality Factor	3/15	0.141	34.51
Real Estate Inc	3/8	0.033	11.90
Real Estate Idx	3/8	0.021	16.01
Real Estate Invest	3/8	0.020	43.08

Inside Fidelity

Manager Changes — As we indicated last month, international fund manager Sammy Simnegar is transitioning to take over **Magellan** and **Independence** near year-end (when current co-manager Jeff Feingold retires). Since that time we've learned that Sam Polyak is, in turn, transitioning onto Simnegar's portfolios. These include **VIP Emerging Markets** and a sleeve of **Total International Equity** (about 25% of the latter is emerging market stocks).

On a related note, in February, John Dance had already assumed the role of co-manager on Simnegar's **Emerging Markets** fund. We expect a full transitioning of the above changes to occur by October 1.

Elsewhere, Bill Maclay has joined Mark Snyderman as **Real Estate Income's** co-manager, and he's joined the now seven-person team on **Strategic Real Return**.

With 42% of Real Estate Income in bonds (the remainder is in equity REITs), and 13% of the Strategic fund in real estate debt, Maclay, a longtime fixed-income analyst, is a welcome addition to both funds.

Soft Close — While existing investors may buy additional shares of **Select Medical Technology & Devices**, owing to rising assets (hot money), new investors are now barred from the fund. Consider the more diversified **Health Care** instead.

Expense Caps — Fidelity has extended the temporary expense caps on several funds. **Four-in-One Index** remains at 0.11% until 6/30/20, **Tax-Free Bond** remains at 0.25% until 5/31/20, and **VIP Floating Rate High Income** stays capped at 0.76% until 4/30/20. ■

3 New Factor-Based Funds Rolled Out

As we went to press last month, Fidelity introduced three "smart beta" ETFs: **Targeted Emerging Markets**, **Targeted International** and **Small-Mid Factor** ETF.

Their rollout increases Fidelity's factor-based offerings to 13. Note: We will consider adding the three new ETFs to our *Scorecard* on p. 8 (including fund ratings) in next month's newsletter.

Not quite index funds and not quite actively run, the ETFs are managed by Fidelity affiliate Geode Capital. (They share all these attributes with Fidelity's six-deep lineup of "Enhanced" funds.)

Their investment objectives are straightforward and familiar: They are designed to outperform their respective proprietary benchmarks by emphasizing certain key investment characteristics which (owing to extensive back-testing) are believed to add value over time.

Owing to their still-short track records, the jury remains out with regard to how well they are likely to fare. We are more certain about this: Because no single "factor" works well all the time, holding a combination of these lower-cost offerings is likely to yield less risk and better long-term returns.

As for the Factor ETFs' expense ratios, they range from 0.29% to 0.45%. While that's considerably below Fidelity's actively run funds, they are also much higher than their index funds and their four Zero index funds. However, expenses are in line with their suite of Enhanced index funds (see p. 3 trade box). ■

— John Bonnanzio

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Editorial Questions: editorial@fmandi.com **Subscription Questions:** memberservices@fmandi.com or 800-444-6342 **Hotline:** 800-290-4848