

FIDELITY MONITOR & INSIGHT

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MESSAGE FROM JACK

Oil Supply And Demand Is Back In Balance

Excess oil supply has disappeared, thanks to a number of short-term bottlenecks among foreign producers. And by this time next year, declining output from U.S. shale fields will provide a long-term solution. Say goodbye to Doomsday oil scenarios.



Jack Bowers

U.S. shale oil producers are unique in their ability to respond to pricing changes. Because the output of a newly fracked shale well declines sharply in

its early years, drilling slowdowns alone can lead to reduced output in less than a year. Likewise, if prices go up, shale producers can respond in just a few months by selling their “untapped” oil production into the futures market, then fracking their “inventory” of pre-drilled wells to meet delivery commitments.

In effect, U.S shale operators have displaced OPEC as the world’s swing producers. Because they can cut back or ramp up faster than their competitors, they have become the new central bankers of oil. Saudi Arabia gets it; that’s why they are shrugging off calls to limit supplies. OPEC has lost — probably for all time — its ability to set the global price of oil.

Outside of the U.S., most of the world still hunts and gathers for oil, a slow costly process. In contrast, shale oil “farmers” enjoy high returns on capital and are able to drive down costs by optimizing for each oil field’s characteristics. What happens next? The price of oil settles out below the \$50 threshold and trades in a tighter range. The economics of demand (which has mostly prevailed since the 1973 Arab Oil Embargo) gives way to the economics of supply.

For stocks and high-yield bonds, this development is long-term bullish. Predictable low energy costs will hold down global inflation while boosting consumer spending and reducing credit risk. (Notably, **High Income** is up 8.5% since we bought it for our *Growth & Income* and *Income Models* a month ago.) And because large spikes in the price of oil may now be a thing of the past, the risk of future recessions has been greatly reduced.

Jack

MARKET OUTLOOK

Taking Stock: Looking At Five Factors That Drive The Market

“It’s tough to make predictions, especially about the future.” — Yogi Berra

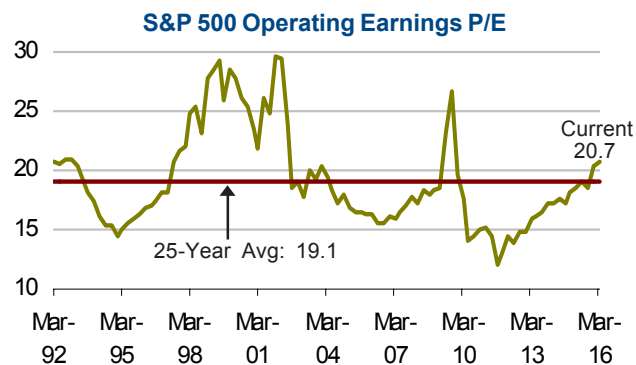
No one can consistently predict where the stock market is headed. That said, there are five key drivers of stock returns that we look at to give us a read on the balance of the odds for stocks.



John M. Boyd

Valuations

Since the beginning of 2015, the S&P 500 has managed to gain 3.1%, while corporate earnings have declined. As a result, the price earnings ratio (P/E) has risen from a below average 18.2, to an above average 20.7 today. A



look at the chart shows that P/Es could still go higher, but suffice to say, stocks are not cheap. *Reading: Negative.*

Earnings

As noted above, operating earnings of the S&P 500 have been in decline for several quarters with the last three quarters of 2015 suffering double-digit drops. While the first quarter of this year is expected to be down as well, the decline should be less than 2.0%. Earnings are currently expected to begin rising again after that: 10% in the second quarter and over 20% in the third. The problem is that earnings estimates continue to be marked down. For example, last August, earnings for this year’s first quarter were projected to grow 18%! And as late as January were expected to rise 9%.

Market Outlook cont'd on page 3

MODEL PORTFOLIOS

See Model Portfolios Key on p. 3

APRIL 30, 2016

Unique Opportunities

Target Risk: 1.20 (Current: 1.01)

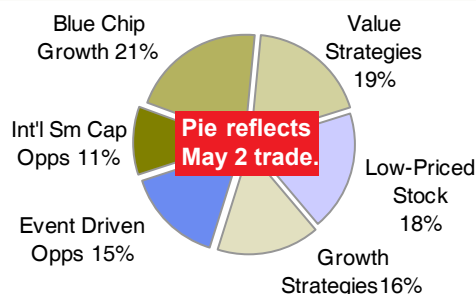
Foreign Holdings: 22.0%

YTD Return: -1.6%

Stocks: 95.2% Bonds: 0.8% Cash: 3.9% Alternatives: 0.0% Yield: 0.5%

Holdings	Ticker	NAV	Shares	Value	Apr Ret
Growth Strategies	FDEGX	\$32.96	2,877.05	\$94,828	-0.4%
Blue Chip Growth	FBGRX	65.56	1,317.53	86,377	-0.3
Low-Priced Stock	FLPSX	48.07	1,536.56	73,863	-0.3
Event Driven Opps	FARNX	11.04	5,596.57	61,786	1.9
Int'l Sm Cap Opps	FSCOX	14.92	2,957.94	44,133	0.1
Value Strategies	FSLSX	42.63	1,033.46	44,057	3.2
Current Value (3/31/99 = \$100,000)				\$405,043	0.5%

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



Select

Target Risk: 1.20 (Current: 1.06)

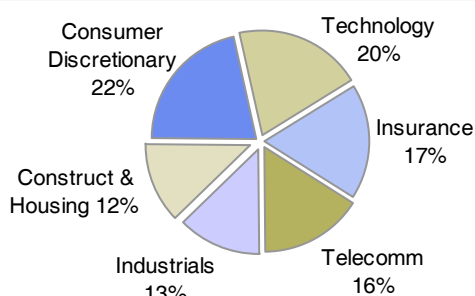
Foreign Holdings: 10.5%

YTD Return: 1.8%

Stocks: 96.7% Bonds: 0.0% Cash: 3.3% Alternatives: 0.0% Yield: 0.1%

Holdings	Ticker	NAV	Shares	Value	Apr Ret
Consumer Discretionary	FSCPX	\$34.37	18,222.82	\$626,318	0.3%
Technology	FSPTX	114.47	4,926.36	563,920	-2.3
Insurance	FSPCX	67.23	7,463.14	501,747	1.4
Telecommunications	FSTCX	66.51	6,810.59	452,972	0.3
Industrials	FCYIX	30.49	12,295.15	374,879	0.8
Construction & Housing	FSHOX	58.02	6,134.36	355,916	-1.4
Current Value (12/31/88 = \$100,000)				\$2,875,753	-0.2%

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



Growth

Target Risk: 1.00 (Current: 1.02)

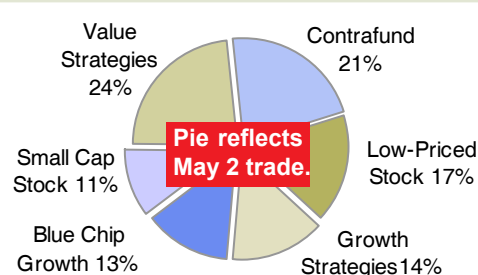
Foreign Holdings: 14.7%

YTD Return: -1.4%

Stocks: 94.9% Bonds: 1.1% Cash: 4.0% Alternatives: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Apr Ret
Contrafund	FCNTX	\$96.90	4,475.56	\$433,681	0.3%
Growth Strategies	FDEGX	32.96	13,035.84	429,661	-0.4
Blue Chip Growth	FBGRX	65.56	6,165.58	404,216	-0.3
Value Strategies	FSLSX	42.63	7,878.88	335,877	3.2
Small Cap Stock	FSLCX	17.48	12,208.44	213,403	0.1
Low-Priced Stock	FLPSX	48.07	4,256.33	204,602	-0.3
Current Value (12/31/86 = \$100,000)				\$2,021,440	0.5%

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: 0.67)

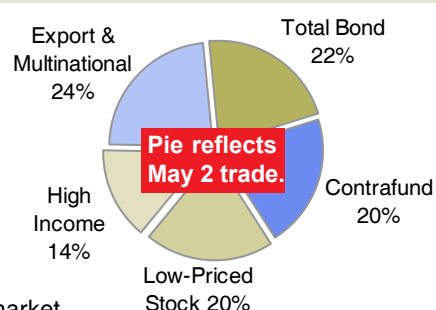
Foreign Holdings: 14.9%

YTD Return: 1.1%

Stocks: 59.2% Bonds: 17.4% Cash: 5.8% Alternatives: 17.6% Yield: 2.2%

Holdings	Ticker	NAV	Shares	Value	Apr Ret
Total Bond	FTBFX	\$10.62	11,248.75	\$119,462	1.3%
Contrafund	FCNTX	96.90	1,154.98	111,918	0.3
Export & Multinational	FEXPX	20.69	4,700.70	97,257	-0.2
Disciplined Equity	FDEQX	31.69	3,051.12	96,690	-0.7
Low-Priced Stock	FLPSX	48.07	1,560.81	75,028	-0.3
High Income	SPHIX	8.31	5,643.70	46,899	3.7
Current Value (12/31/93 = \$100,000)				\$547,254	0.6%

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



Income

Target Risk: 0.33 (Current: 0.36)

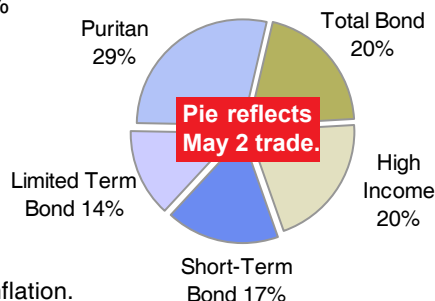
Foreign Holdings: 14.3%

YTD Return: 1.9%

Stocks: 18.6% Bonds: 51.5% Cash: 3.9% Alternatives: 25.9% Yield: 2.8%

Holdings	Ticker	NAV	Shares	Value	Apr Ret
Puritan	FPURX	\$20.22	6,966.07	\$140,854	0.7%
Total Bond	FTBFX	10.62	6,915.52	73,443	1.3
Short-Term Bond	FSHBX	8.62	7,202.33	62,084	0.2
Limited Term Bond	FJRLX	11.53	4,253.10	49,038	0.5
High Income	SPHIX	8.31	4,514.38	37,514	3.7
Current Value (12/31/91 = \$100,000)				\$362,934	1.0%

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



Market Outlook *cont'd from page 1*

However, even if the estimates for the second and third quarters follow the same downward path as the first, that would still mean year-over-year growth of about 7% for each. *Reading: Negative now, but will become Positive if earnings pan out.*

Economic Growth

The initial estimate for first quarter GDP showed growth declining to 0.5% from 1.4% in last year's fourth quarter. The weak first quarter continues a pattern that has persisted since 2014 where the year starts off slowly before growth rebounds in the second quarter. Most economists expect growth to rebound again, largely because employment trends are still strong. In addition, they believe there is a lingering problem with the seasonal adjustments to GDP that understates growth in the first quarter and then overstates it in the second. We believe we will see growth rebound, as well, but there is certainly no guarantee. Even so, growth for the full year is likely to remain muted. *Reading: Neutral.*

Interest Rates

While the Fed raised short-term rates in December and has said it will likely raise them twice more this year, they stood pat in April. Moreover, longer-term rates, which matter far more in the economy, have actually declined so far this year. Rates may move modestly higher from here, but they should remain very low, which makes stocks more attractive than bonds and supports higher P/Es. *Reading: Positive*

Sentiment

Investor sentiment is a contrary indicator. When everyone is bullish it's

Market Outlook *cont'd on page 8*

FUNDS YOU SHOULD BUY NOW

Growth: For large-cap exposure ... **Blue Chip Growth** and **Growth Company** are aggressive options. **Contrafund** and **Disciplined Equity** are more conservative. **Growth Strategies** and **Value Strategies** (see p. 4) provide mid-cap exposure; **Low-Priced Stock** also does, but with less risk. **Event Driven Opportunities** and **Small Cap Stock** are smaller-cap choices that enhance portfolio diversification.

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

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

High-Yield Bond: **High Income's** yield compensates for its higher risk.

Taxable Bond: **Limited Term Bond** and especially **Short-Term Bond** limit interest-rate risk. **Investment Grade Bond** limits credit risk but boosts yield via additional interest-rate risk; **Total Bond** provides the greatest bond diversification boosting its yield through well-managed credit risk.

Muni Bond: More highly taxed investors should consider muni funds. We prefer the less risky, nationally diversified **Muni Income** and **Tax-Free Bond**. ■

MODEL PORTFOLIO TRADES

As announced on our April 29 Hotline, on Monday, May, 2 we will make the following Model Portfolio trades. (See pgs 2 and 10 for composition of models post-trade.)

Unique Opportunities Model:

We will sell one-third of **Growth Strategies** [FDEGX] and with the proceeds of the sale we will add to **Value Strategies** [FSLSX].

Growth Model:

We will sell one-third of **Growth Strategies** [FDEGX] and with the proceeds of the sale add to **Value Strategies** [FSLSX]. In addition, we will sell one-third of **Blue Chip Growth** [FBGRX] and with the proceeds add to **Low-Priced Stock** [FLPSX].

Growth & Income Model:

We will sell our entire position in **Disciplined Equity** [FDEQX]. Dividing the proceeds of the sale into thirds, we will add to our positions in **High Income** [SPHIX], **Low-Priced Stock** [FLPSX] and **Export & Multinational** [FEXPX].

Income Model:

We will sell one-quarter of **Puritan** [FPURX] and add to **High Income** [SPHIX].

Annuity Growth Model:

We will sell one-third of **VIP Mid Cap** [FNBSX] and with the proceeds add to **VIP Value Strategies** [FRBSC]. In addition, we will sell one-quarter of **VIP Growth Opportunities** [FIDPC] and add to **VIP Value** [FKMSC].

Annuity Growth & Income Model:

We will sell our entire position in **VIP Growth Opportunities** [FIDPC]. With the proceeds of the sale, we will add half to our positions in **VIP Value** [FKMSC] and the other half into **VIP High Income** [FBBLX].

Annuity Income Model

We will sell one-quarter of **VIP Balanced** [FJBAC] and with the proceeds add to our position in **VIP High Income** [FBBLX].

Trade Rationales: Trades are a continuation of last month's "themes" as we are increasing value- and/or smaller-cap-oriented equity exposures at the expense of growth- and larger-cap stocks. Bond-wise, we are increasing our income stream via high yield; added credit risk is generally offset by lightened equity exposures. **[Note: Growth Strategies has a 1.5% redemption fee on shares held 90 or fewer days; you may want to delay this trade until the fee no longer applies.]**

Model Portfolios Key:

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

MODEL PORTFOLIOS

Our Strategies On Value And Growth

On November 30, 2015, we bought *Value Strategies* for our Unique Opportunities and Growth Model portfolios; we did the same for their annuity model counterparts. For its part, *Growth Strategies* had already made its appearances in the same models in 2014 and early 2015, respectively.

In the case of the former, five months typically isn't enough time to measure the wisdom of any trade. But as we decided this month to increase our value-exposure at the expense of growth (we reviewed *Growth Strategies* in last month's newsletter), an update on *Value Strategies* is warranted.

Let's first talk performance: Over the past three years, *Growth Strategies* has delivered its shareholders an average annual return of 12.3%. As for *Value Strategies*, "just" 7.4%.

So why our shift to value?

Obviously, we're not chasing performance. However, we're beginning to see a move away from some of the market's more expensive sectors (such as biotech and tech) to those that are more reasonably priced (certain financials, health care services and economically sensitive cyclicals).

These sectors are considerably more prevalent in value-oriented funds generally, and *Value Strategies* in particular. Frankly, the sector breakouts below don't adequately tell this story

as the very nature of the stocks the two funds hold in the same sectors dramatically differ.

A better way to compare how their managers are investing is by examining valuation characteristics.

Value Strategies manager, Tom Soviero, is unwilling to pay much of a premium for a dollar's worth of earnings, or sales, etc, as his counterpart (Jean Park) has been willing to do at *Growth Strategies*.

For example, whereas Jean has essentially been willing to pay \$20.40 for stocks that have earned \$1.00 a year, Tom's been paying a comparatively modest \$13.30. Of course, Jean's willingness to pay up is based on her expectations that the pace of future

earnings will accelerate — that's less the case for "cheaper" value stocks. Viewed another way, *Growth Strategies* one-year forecasted P/E is 17.0 versus a more modest 13.4 for *Value Strategies*. And, as for one-year forecasted earnings-per-share growth, Jean's portfolio stands at 24.2 versus 13.7 for Tom's value fund.

Of course, value funds' holdings are typically less pricey than comparable growth funds. So while we don't anticipate any significant changes to their investment strategies, we believe that as growth stocks continue to disappoint on sales and earnings (think Apple, Intel and Microsoft in large-cap land), investors will gravitate to more attractively priced areas of the market. And, when they do, Tom's table is already set for them.

Here's what we mean: with a portfolio turnover of just 9%, Tom's been holding many of the same stocks for years. In fact, by this metric, about 10 years! Says the longtime manager: "I'm inclined to ride out short-term



Tom Soviero

ups and downs. If I believe in something and it goes down, I'll buy more." Not only does Tom employ this approach at *Value Strategies*, he does the same at *Convertible Securities* and *Leveraged Company Stock* (which we've upgraded this month) — two funds he's successfully run since 2005 and 2003, respectively.

Action Recommendation

Although our outlook for value-oriented funds has improved relative to growth, prudent risk management demands that we maintain exposure to both areas. As for *Growth Strategies*, unless the market truly turns against Manager Jean Park, her talents as a stockpicker are likely strong enough that she'll continue to do well for her shareholders — that's why we continue to rate her fund *Buy*, while also adding to *Value Strategies*. ■

— John Bonnanzio

VALUE STRATEGIES		
Fund Data		
Ticker:	FSLSX	
Total Fund Assets:	\$630 million	
Expense Ratio:	0.67%	
Turnover Rate:	9%	
Relative Volatility:	1.13	
Market Cap	\$21 billion	
Foreign Exposure	13.0%	
# of Holdings	74	
Top 5 Sectors		
	Fund	Index ¹
Consumer Discret.	19.6%	8.4%
Financials	17.7	33.0
Health Care	16.3	5.6
Materials	12.0	6.1
Industrials	8.3	9.8
¹ Russell Midcap Value		
Top 10 Holdings		
1. Lyodellbasell	6. GM	
2. Cott	7. Westrock	
3. Bank of America	8. Delphi Auto	
4. US Bancorp	9. Universal Health	
5. Citigroup	10. Boston Scientific	

GROWTH STRATEGIES		
Fund Data		
Ticker:	FDEGX	
Total Fund Assets:	\$2.4 billion	
Expense Ratio:	0.91%	
Turnover Rate:	40%	
Relative Volatility:	1.03	
Market Cap	\$15 billion	
Foreign Exposure	7.9%	
# of Holdings	107	
Top 5 Sectors		
	Fund	Index ¹
Consumer Discret.	23.2%	25.2%
Info Technology	23.1	19.1
Industrials	15.6	16.4
Health Care	14.8	12.5
Financials	9.6	12.2
¹ Russell Midcap Growth		
Top 10 Holdings		
1. Intuit	6. Equifax	
2. O'Reilly Auto	7. Wyndham World	
3. Autozone	8. Global Payments	
4. Electronic Arts	9. Broadcom	
5. Total Sys Svcs	10. Amerisourcebergen	

FUND COMMENTARY

April's Stock Gains Modest; Bonds Mixed

Stock investors are getting more discerning. At least that was the case last month as the fortunes of growth and value stocks parted company and, to a certain degree, so did large- and small-cap issues.



John Bonnanzio

Dragging on the returns of growth-stock benchmarks as well as large-cap barometers were the terrible performances posted by technology companies in two major areas: PC makers and chip manufacturers. Their problems are two sides of the same coin: Consumers are buying fewer desktop computers and even laptops, and are instead purchasing tablets and cellular phones (which, of course, are much more than merely phones). This is not good news for companies like Microsoft and Intel which, for example, saw their share prices fall last month by about 9% and 6%, respectively.

Market Indexes

These performances contributed to the Nasdaq Composite's April retreat of 1.9%. (It's down 4.3% YTD.)

At the other extreme, small caps added to the 7.9% gain they enjoyed in March having tacked on another 1.6% in April. (However, owing to earlier declines, the Russell 2000 is now only flat for the year.)

As for the large-cap Dow Jones Industrials and S&P 500, last month they returned 0.6% and 0.4%, respectively. And even though March was also good to them, January was not, so their year-to-date returns are only modest: the Dow is up 2.8% and the S&P has gained 1.7%.

Equity Funds

Because most Fidelity stock funds are actively managed, their returns do not necessarily align with the indices above. That's especially true of small-

cap funds whose gains ranged from 2.2% for **Small Cap Growth** to just 0.1% for **Small Cap Stock**.

On the other hand, large-cap growth funds muddled along in April gaining an average of 0.7%. Not surprisingly, **Blue Chip Growth** (down 0.3%) and **Growth Company** (down 0.2%) suffered at the hands of falling tech prices (though not biotech, which enjoyed its second straight monthly bounce).

Meanwhile, five large-cap value funds gained an average of 1.7% last month. Double-digit returns scored by energy stocks helped considerably. Health care and financials (especially banks) were also important performance contributors to **Equity Dividend Income** and **Stock Sel Large Cap Value**: both funds gained 2.3%.

Select Funds

The average Select fund gained 2.6% last month. As is often the case, that figure is distorted by Fidelity's lineup of offerings. Notably (and against the backdrop of oil rebounding in the direction of \$50 a barrel), there are four energy-related sector funds whose gains ranged from 16.3% for **Natural Gas** to 11.5% for **Natural Resources**. (Of course, nothing quite shined like **Gold** in April, as it soared 23.7%.

As touched upon, tech-related funds were laggards (**Computers** fell 7.3%), whereas as slack consumer spending translated into a 0.1% loss for **Retailing**. That disappointing per-

formance seems even worse when accounting for the fact that the fund's top holding, online retailer Amazon, surged 11.3% in April amid higher-than-expected earnings.

International Funds

Fidelity's 24 international funds gained an average of 1.5% in April. The biggest winners were those emerging market funds whose fortunes are most closely tied to oil prices. **Latin America** was the leader with its 7.4% return followed by **Emerging Europe, Middle East, Africa** fund, which popped 6.0%. (Its second-biggest country weight is oil-giant Russia, which accounts for almost a quarter of the fund's assets.) As for Fidelity's most widely held foreign stock fund, **Diversified Int'l** gained a modest 0.6% in April: Japanese stocks weighed on its performance.

Fixed Income

The yield on the 10-year Treasury rose about five basis points to close out April at 1.82%. As bond yields move in the opposite direction of their price, Treasuries and other U.S. government bonds lost some ground. However, with oil prices rising and default risk presumably easing across many areas of the country, credits outpaced government bonds. **Total Bond** jumped 1.3% last month, and **High Income** (which assumes the most credit risk, though less interest-risk) gained 3.7%. (For more on bond funds, see p. 11). ■

MAY SCORECARD RATING CHANGES

Fund	Ratings		Comments
	Old	New	
Disciplined Equity	B	B ↓	Prefer other funds for large-cap blend exposure.
Growth & Income	H	B ↑	Manager shifting fund to a value orientation.
Large Cap Stock	H	B ↑	Performance is picking up as market shifts to value.
Leveraged Co. Stock	H	B ↑	Improved energy sector helping indebted market.
New Millennium	S	H ↑	Like fund's conservative approach to growth stocks.
Select Chemicals	H	B ↑	Sector will benefit from low natural gas prices.
Select Consum Fin	H	B ↑	Borrowing for cars, homes, etc on the rise.
Select Electronics	H	S ↓	Chip makers are being hurt by shift away from PCs.
VIP Growth & Income	H	B ↑	Manager shifting fund to a value orientation.

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

FIDELITY SCORECARD

APRIL 30, 2016

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹			
						Apr	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr				
Comparative Indexes		S&P 500		2065.3		0.4	1.7	7.1	1.2	11.3	11.0	6.9	1.00			
		Nasdaq Composite		4775.4		-1.9	-4.3	3.8	-2.2	14.2	12.0	8.6	1.20			
		Dow Jones Industrials		17773.6		0.6	2.8	8.7	2.3	8.8	9.5	7.3	1.02			
		Russell 2000 (Small Caps)		1130.8		1.6	0.0	9.7	-4.4	7.5	7.0	5.4	1.35			
		Barclays Aggregate Bond*				0.5	3.5	2.1	2.7	2.1	3.4	4.6	0.28			
Model Portfolios		Unique Opportunities				0.5	-1.6	5.5	-3.6	8.3	7.3	5.2	1.01			
		Select Growth				-0.2	1.8	8.0	-1.8	12.4	10.9	7.6	1.06			
		Growth & Income				0.5	-1.4	5.9	-3.4	8.1	7.6	5.0	1.02			
		Income				0.6	1.1	5.4	-0.9	7.6	7.3	5.2	0.67			
												Rel Vol (Risk) ¹	Assets (\$Mil)			
LARGE CAP GROWTH						Category Averages			0.7	-2.5	5.6	-2.3	11.6	9.8	1.15	
312	FBGRX	Blue Chip Growth		65.56	Buy	-0.3	-4.9	3.6	-3.4	13.5	11.1	1.17	\$14,544			
307	FDCAX	Capital Appreciation		31.79	Hold	0.4	-1.9	6.9	-3.3	10.1	10.7	1.13	5,312			
22	FCNTX	Contrafund		96.90	Buy	0.3	-1.3	4.6	1.8	11.6	10.7	1.00	76,127			
3	FFIDX	Fidelity Fund		41.40	Hold	0.5	-1.5	4.1	-1.2	10.0	8.7	1.04	3,769			
333	FTQGX	Focused Stock		18.19	Hold	1.5	1.2	7.3	0.7	9.9	9.2	1.16	1,730			
25	FDGRX	Growth Company (Closed)		128.43	Buy	-0.2	-5.9	5.2	-3.4	12.9	11.1	1.28	21,661			
339	FDSVX	Growth Discovery		24.20	OK to Buy	0.1	-4.2	2.6	-0.7	12.4	10.0	1.09	1,026			
73	FDFFX	Independence		33.78	OK to Sell	0.3	-6.1	6.5	-9.5	9.5	7.5	1.35	3,447			
21	FMAGX	Magellan		88.47	Buy	1.1	-1.1	5.8	-0.1	13.0	8.9	1.10	12,950			
300	FMILX	New Millennium		34.37	Hold↑	2.5	3.2	9.5	-3.0	9.2	9.5	1.07	2,989			
93	FOCPX	OTC		76.09	Hold	-0.1	-8.8	4.5	-4.2	15.9	11.0	1.45	9,124			
320	FDSX	Stock Selector All Cap		33.62	Hold	1.3	0.2	7.3	-3.7	10.1	8.8	1.06	5,417			
5	FTRNX	Trend		82.80	OK to Buy	1.2	-1.6	5.3	0.6	12.9	10.7	1.10	1,416			
LARGE CAP BLEND						Category Averages			0.9	1.0	7.3	-2.8	9.6	9.4	1.05	
315	FDEQX	Disciplined Equity		31.69	OK to Buy↓	-0.7	-0.1	6.3	-1.9	10.5	9.2	1.02	1,360			
330	FDGFX	Dividend Growth		30.19	OK to Buy	-0.4	-0.3	4.9	-3.0	9.6	7.7	1.00	5,847			
332	FEXPX	Export and Multinational	0.75%/30d	20.69	Buy	-0.2	2.6	6.8	-0.1	9.0	8.1	0.94	1,692			
27	FGRIX	Growth & Income		29.20	OK to Buy↑	2.0	1.6	8.7	-3.7	8.7	10.3	1.09	5,393			
338	FLCSX	Large Cap Stock		26.62	OK to Buy↑	3.1	1.9	10.4	-4.8	10.2	10.6	1.16	2,536			
361	FGRTX	Mega Cap Stock		15.68	Hold	1.4	0.4	6.8	-3.5	9.4	10.7	1.11	3,055			
LARGE CAP VALUE						Category Averages			1.7	3.2	8.2	-1.9	9.4	8.7	0.95	
1271	FBCVX	Blue Chip Value		15.94	OK to Buy	0.8	1.6	6.4	-3.1	10.6	7.8	0.98	513			
319	FEQTX	Equity Dividend Income		25.43	OK to Buy	2.3	4.0	8.6	0.4	8.7	8.4	0.95	4,759			
23	FEQIX	Equity-Income		52.15	OK to Buy	1.9	3.9	9.2	-2.2	7.1	7.4	0.94	6,115			
708	FSLVX	Stock Sel Large Cap Value		17.03	OK to Buy	2.3	4.6	10.1	-1.7	9.8	9.8	0.96	697			
832	FVDFX	Value Discovery		23.56	OK to Buy	1.0	2.0	6.7	-3.1	10.8	9.9	0.95	1,621			
MID-CAP GROWTH						Category Averages			0.9	1.3	8.4	-4.1	9.9	8.5	1.06	
324	FDEGX	Growth Strategies	1.50%/90d	32.96	Buy	-0.4	-1.0	5.6	-2.8	12.3	8.4	1.03	2,365			
337	FMCSX	Mid-Cap Stock	0.75%/30d	34.07	Hold	2.0	4.1	11.0	-3.4	9.4	8.9	1.06	5,073			
2412	FSSMX	Stock Selector Mid Cap		31.91	Hold	1.1	0.7	8.5	-5.9	8.0	8.2	1.11	310			
MID-CAP BLEND						Category Averages			3.3	0.9	11.8	-10.4	6.2	7.0	1.25	
122	FLVCX	Leveraged Company Stock	1.50%/90d	40.15	OK to Buy↑	3.3	0.9	11.8	-10.4	6.2	7.0	1.25	2,947			
MID-CAP VALUE						Category Averages			1.6	2.6	9.9	-4.6	8.9	9.1	1.05	
316	FLPSX	Low-Priced Stock	1.50%/90d	48.07	Buy	-0.3	0.7	6.4	-3.7	8.4	9.1	0.88	28,100			
762	FSMVX	Mid Cap Value	0.75%/30d	22.87	OK to Buy	1.6	2.4	10.2	-4.7	10.3	10.4	1.06	2,496			
39	FDVLX	Value		100.29	Buy	2.0	4.7	12.1	-5.4	9.5	9.1	1.12	7,023			
14	FSLSX	Value Strategies		42.63	Buy	3.2	2.7	11.0	-4.8	7.4	7.8	1.13	630			
SMALL CAP GROWTH						Category Averages			2.2	-3.4	6.9	-3.9	10.4	8.2	1.30	
1388	FCPGX	Small Cap Growth	1.50%/90d	18.07	Buy	2.2	-3.4	6.9	-3.9	10.4	8.2	1.30	1,485			
SMALL CAP BLEND						Category Averages			1.0	1.4	8.1	-3.0	8.6	7.0	1.20	
2624	FARNX	Event Driven Opportunities		11.04	Buy	1.9	0.4	5.5	-1.9	--	--	--	185			
384	FSCRX	Small Cap Discovery (Closed)	1.50%/90d	27.81	OK to Buy	1.6	5.3	12.4	-2.9	8.6	10.3	1.20	5,279			
340	FSLCX	Small Cap Stock	2.00%/90d	17.48	Buy	0.1	0.6	7.0	-2.8	9.5	4.3	1.15	1,966			
336	FDSCX	Stock Selector Small Cap	1.50%/90d	22.94	OK to Buy	0.6	-0.5	7.6	-4.4	7.9	6.3	1.24	1,343			
SMALL CAP VALUE						Category Averages			1.3	5.1	9.6	2.4	9.5	10.3	1.13	
1389	FCPVX	Small Cap Value (Closed)	1.50%/90d	17.59	OK to Buy	1.3	5.1	9.6	2.4	9.5	10.3	1.13	2,320			

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

FIDELITY SCORECARD

APRIL 30, 2016

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)
						Apr	YTD	3 Mo.	1 Year	3 Year	5 Year		
SPECIALTY													
304	FBALX	Balanced		21.41	Buy	1.2	1.3	5.8	-0.8	8.1	7.8	0.73	\$19,950
308	FCV SX	Convertible Securities		26.03	Hold	1.1	-1.0	8.0	-10.1	3.9	3.8	0.94	1,570
334	FGBLX	Global Balanced	1.00%/30d	22.66	Hold	1.5	3.0	7.2	-0.5	3.7	3.5	0.72	434
2120	FFGCX	Global Commodity Stock	1.00%/30d	10.44	OK to Sell	10.7	18.8	27.8	-16.8	-7.0	-9.5	1.74	159
1960	FDYSX	Global Strategies		8.59	Hold	0.6	2.3	5.1	-2.0	2.7	2.5	0.66	89
1368	FIREX	International Real Estate	1.50%/90d	10.37	OK to Sell	1.7	3.5	9.9	-3.6	2.5	6.2	1.04	337
4	FPURX	Puritan		20.22	Buy	0.7	-0.1	4.1	-0.6	8.2	7.6	0.74	19,314
833	FRIFX	Real Estate Income	0.75%/90d	11.60	OK to Buy	0.5	3.6	5.5	3.8	4.6	7.8	0.50	2,564
303	FRESX	Real Estate Investment	0.75%/90d	41.72	Hold	-3.2	2.9	6.3	10.5	7.9	10.4	1.37	4,822
1329	FSDIX	Strategic Dividend & Income		14.07	Hold	0.9	4.2	7.0	1.7	7.1	8.9	0.71	2,801
1505	FSRRX	Strategic Real Return	0.75%/60d	8.62	OK to Sell	2.4	5.0	6.0	-4.0	-2.1	-0.0	0.47	493
311	FIUIX	Telecom & Utilities		24.39	Hold	0.2	12.1	9.9	3.2	7.6	10.2	0.97	1,009
ASSET ALLOCATION													
328	FASIX	Asset Manager 20%		12.97	Hold	0.9	2.6	3.5	0.4	2.9	3.5	0.31	4,639
1957	FTANX	Asset Manager 30%		10.33	Hold	1.1	2.6	4.2	-0.2	3.7	4.2	0.40	864
1958	FFANX	Asset Manager 40%		10.58	Hold	1.1	2.4	4.7	-0.7	4.4	4.7	0.50	983
314	FASMX	Asset Manager 50%		16.34	Hold	1.2	2.2	5.2	-1.5	5.0	5.1	0.60	7,415
1959	FSANX	Asset Manager 60%		10.77	Hold	1.2	1.9	5.6	-2.3	5.5	5.3	0.68	1,353
321	FASGX	Asset Manager 70%		18.87	Hold	1.2	1.5	6.0	-3.0	6.0	5.6	0.79	3,909
347	FAMRX	Asset Manager 85%		15.71	Hold	1.2	0.9	6.5	-4.1	6.8	6.0	0.93	1,413
EQUITY INDEX													
355	FFNOX	Four-in-One Index		36.52	Hold	1.0	1.4	6.4	-2.3	7.0	7.2	0.87	4,275
2010	FIENX	International Enhanced Index	1.00%/30d	8.06	Hold	2.0	-0.9	5.2	-8.6	2.7	2.6	1.14	164
1827	FLCEX	Large Cap Core Enhcd Index		11.58	OK to Buy	-0.1	1.1	7.0	-0.5	10.6	10.9	1.00	452
1829	FLGEX	Lrge Cap Growth Enhcd Index		14.59	OK to Buy	-1.2	0.2	6.1	0.1	12.2	11.3	1.03	513
1828	FLVEX	Large Cap Value Enhcd Index		10.76	OK to Buy	1.5	2.7	9.0	-0.8	9.9	10.7	1.00	1,710
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30d	12.87	OK to Buy	0.2	2.2	9.9	-2.9	11.2	10.1	1.05	885
1282	FNCMX	Nasdaq Composite Index	0.75%/90d	62.76	Hold	-1.8	-4.2	3.9	-2.2	14.0	11.9	1.20	2,270
2011	FCPEX	Small Cap Enhanced Index	1.50%/90d	11.61	Buy	-0.3	-0.4	7.6	-5.6	8.7	8.6	1.28	566
650	FUSEX	Spartan 500 Index ⁴		72.66	Hold	0.4	1.7	7.0	1.1	11.2	10.9	1.00	7,784
2341	FPEMX	Spartan Emerging Mkts Index ⁴	1.50%/90d	8.26	Hold	1.0	7.0	13.5	-18.3	-4.6	--	1.47	25
398	FSEMX	Spartan Extended Mkt Index ⁴	0.75%/90d	50.15	Buy	1.7	0.8	10.5	-6.0	8.4	8.2	1.22	1,506
2345	FSGUX	Spartan Global ex U.S. Index ⁴	1.00%/90d	10.82	Hold	2.2	1.9	8.0	-11.8	-0.4	--	1.17	24
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90d	35.69	Hold	2.3	-0.5	5.6	-9.9	1.2	1.5	1.15	2,832
2349	FSCLX	Spartan Mid Cap Index ⁴	0.75%/30d	16.84	OK to Buy	1.0	3.3	10.5	-2.3	10.2	--	1.05	43
2353	FRXIX	Spartan Real Estate Index ⁴	0.75%/90d	15.33	Hold	-2.9	1.9	6.2	7.7	7.3	--	1.38	38
2356	FSSPX	Spartan Small Cap Index ⁴	1.50%/90d	15.46	OK to Buy	1.6	0.1	9.7	-5.9	7.6	--	1.35	41
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90d	59.29	Hold	0.6	1.5	7.6	-0.3	10.6	10.4	1.02	2,090
INTERNATIONAL						Category Averages	1.5	2.2	8.6	-7.1	2.3	2.3	1.22
309	FICDX	Canada	1.50%/90d	47.92	OK to Sell	5.7	15.8	19.1	-7.8	0.9	-1.7	1.26	1,146
352	FHKCX	China Region	1.50%/90d	23.05	Hold	-1.7	-9.3	5.5	-30.1	1.6	0.8	1.94	1,034
325	FDIVX	Diversified International	1.00%/30d	34.24	OK to Buy	0.6	-2.3	4.2	-7.4	3.7	2.9	1.10	11,888
351	FSEAX	Emerging Asia	1.50%/90d	30.30	Hold	-0.9	1.0	8.2	-18.2	0.5	-0.3	1.37	933
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	7.82	OK to Sell	6.0	18.3	22.6	-10.0	-2.3	-3.3	1.48	65
322	FEMKX	Emerging Markets	1.50%/90d	22.49	Hold	1.1	3.4	9.6	-11.1	-1.9	-3.4	1.32	2,766
2374	FEDDX	Emerging Mkts Discovery	2.00%/90d	11.11	Hold	2.0	5.7	13.3	-11.7	-3.3	--	1.24	58
301	FIEUX	Europe	1.00%/30d	35.96	OK to Buy	1.1	-0.6	8.4	-6.3	4.1	2.6	1.21	1,241
2406	FGILX	Global Equity-Income	1.00%/90d	11.95	OK to Buy	-0.1	0.3	4.8	-2.5	7.3	--	0.92	75
335	FIVFX	International Cap App	1.00%/30d	16.72	Buy	0.7	0.7	6.2	-2.0	6.2	5.6	1.06	1,501
305	FIGRX	International Discovery	1.00%/30d	37.99	OK to Buy	0.4	-3.6	3.5	-7.4	2.6	2.6	1.10	6,801
1979	FIGFX	International Growth	1.00%/30d	11.03	Buy	1.2	-1.0	4.9	-5.4	3.6	4.1	1.04	977
818	FISMX	International Small Cap	2.00%/90d	22.83	Buy	1.1	3.2	9.9	-1.4	6.6	5.3	1.04	819
1504	FSCOX	International Small Cap Opps	2.00%/90d	14.92	Buy	0.1	0.0	6.1	-0.2	6.8	6.9	0.94	960
1597	FIVLX	International Value	1.00%/30d	7.85	OK to Sell	2.2	-2.2	3.3	-9.1	0.3	0.2	1.13	300
350	FJPNX	Japan	1.50%/90d	11.37	Hold	0.3	-3.7	1.6	-7.4	-0.7	2.6	1.21	377
360	FJSCX	Japan Smaller Companies	1.50%/90d	14.09	Hold	-0.4	1.8	4.9	4.1	4.1	11.0	1.25	565
349	FLATX	Latin America	1.50%/90d	19.23	OK to Sell	7.4	17.8	26.6	-16.4	-16.4	-13.2	1.98	466
342	FNORX	Nordic	1.50%/90d	48.76	OK to Buy	1.4	4.0	10.2	6.2	13.2	7.2	1.20	463
94	FOSFX	Overseas	1.00%/30d	40.59	Buy	1.6	-0.7	6.1	-3.4	6.0	4.8	1.07	4,387
302	FPBFX	Pacific Basin	1.50%/90d	26.58	Hold	1.0	1.0	6.3	-4.2	5.2	5.7	1.12	640
2369	FTEMX	Total Emerging Markets	1.50%/90d	10.29	Hold	2.3	6.1	11.0	-8.1	-0.8	--	1.11	42
1978	FTIEX	Total International Equity	1.00%/30d	7.57	Hold	1.5	-0.3	5.4	-7.6	1.0	1.3	1.08	286
318	FWWFX	Worldwide	1.00%/30d	21.80	OK to Buy	1.0	-1.9	5.2	-3.6	6.6	6.2	1.09	1,494

FIDELITY SCORECARD

APRIL 30, 2016

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)
						Apr	YTD	3 Mo.	1 Year	3 Year	5 Year		
SELECT PORTFOLIOS						2.6	3.3	11.1	-3.6	9.3	8.1	1.45	
<i>Category Averages</i>													
34	FSAIX	Air Transportation	0.75%/30d	63.48	Hold	-1.9	1.9	11.6	-2.3	15.4	13.9	1.31	\$358
502	FSAVX	Automotive	0.75%/30d	36.69	OK to Buy	-0.6	-6.4	11.2	-11.9	7.7	5.3	1.54	75
507	FSRBX	Banking	0.75%/30d	24.85	Hold	6.7	-2.9	9.3	-1.3	10.1	9.3	1.40	597
42	FBIOX	Biotechnology	0.75%/30d	171.64	OK to Sell	5.1	-24.8	3.7	-22.0	14.5	21.2	2.61	9,958
68	FSLBX	Brokerage & Investment	0.75%/30d	59.84	Hold	0.8	-6.7	7.5	-15.7	4.0	5.1	1.54	336
69	FSCHX	Chemicals	0.75%/30d	137.88	OK to Buy↑	3.7	5.4	16.9	-3.2	8.3	8.8	1.47	1,144
518	FSDCX	Communications Equipment	0.75%/30d	27.54	Hold	-2.2	-0.3	9.7	-10.2	8.7	0.4	1.38	180
7	FDCPX	Computers	0.75%/30d	63.79	OK to Sell	-7.3	-6.3	3.6	-17.4	4.1	3.8	1.43	421
511	FSHOX	Construction & Housing	0.75%/30d	58.02	Buy	-1.4	-0.0	9.2	4.1	10.7	14.6	1.30	494
517	FSCPX	Consumer Discretionary	0.75%/30d	34.37	Buy	0.3	0.7	6.0	2.8	12.6	13.1	1.17	1,180
98	FVLX	Consumer Finance	0.75%/30d	11.86	OK to Buy↑	4.3	0.0	12.7	-7.3	6.6	10.6	1.21	90
9	FDFA	Consumer Staples	0.75%/30d	94.86	Hold	-0.2	4.7	5.7	5.6	8.9	11.8	1.04	2,118
67	FSDAX	Defense & Aerospace	0.75%/30d	116.25	OK to Buy	3.7	1.8	10.3	-0.7	13.2	11.7	1.20	923
8	FSELX	Electronics	0.75%/30d	70.63	OK to Sell↓	-4.0	-3.3	7.1	-4.2	20.1	10.0	1.46	1,474
60	FSENX	Energy	0.75%/30d	40.51	OK to Sell	11.8	15.5	18.2	-15.7	-3.2	-3.5	1.87	2,174
43	FSESX	Energy Service	0.75%/30d	46.75	OK to Sell	12.0	13.9	20.3	-21.5	-10.1	-9.1	2.19	494
516	FSLEX	Environment & Alt Energy	0.75%/30d	20.19	Hold	2.9	6.9	14.0	0.6	8.5	3.8	1.25	80
66	FIDSX	Financial Services	0.75%/30d	81.64	Hold	1.8	-2.8	6.4	-6.8	7.4	6.7	1.17	1,099
41	FSAGX	Gold	0.75%/30d	23.29	Sell	23.7	74.5	68.4	33.2	-1.8	-14.7	3.59	1,173
63	FSPHX	Health Care	0.75%/30d	189.24	OK to Sell	4.1	-8.7	2.8	-10.8	19.4	18.0	1.49	7,394
505	FSHCX	Health Care Services ⁷	0.75%/30d	84.29	OK to Buy	2.9	0.8	8.9	0.4	18.0	12.9	1.04	873
510	FSCGX	Industrial Equipment	0.75%/30d	38.25	Buy	1.6	4.9	11.5	6.0	10.6	7.5	1.25	178
515	FCYIX	Industrials	0.75%/30d	30.49	Buy	0.8	4.4	12.1	2.3	11.2	8.9	1.22	1,074
45	FSPCX	Insurance	0.75%/30d	67.23	Buy	1.4	1.4	7.5	6.1	12.1	11.8	1.19	499
353	FBSOX	IT Services	0.75%/30d	39.93	OK to Buy	-0.2	-0.1	6.0	6.2	17.7	15.0	1.27	2,037
62	FDLSX	Leisure	0.75%/30d	128.39	OK to Buy	-3.7	-1.2	2.2	-3.3	10.7	12.2	1.03	440
509	FSDPX	Materials	0.75%/30d	70.98	Hold	3.6	3.4	17.3	-7.8	3.1	2.9	1.46	774
354	FSMEX	Medical Equipment	0.75%/30d	37.19	OK to Buy	6.7	4.5	12.2	4.4	21.1	14.3	1.19	1,994
503	FBMPX	Multimedia	0.75%/30d	71.33	Hold	1.0	0.1	6.2	-5.0	9.8	12.8	1.39	597
513	FSNGX	Natural Gas	0.75%/30d	24.49	OK to Sell	16.3	22.4	28.2	-28.9	-8.4	-6.7	2.45	312
514	FNARX	Natural Resources	0.75%/30d	27.04	OK to Sell	11.5	14.8	18.7	-18.4	-4.5	-5.6	1.92	620
580	FPHAX	Pharmaceuticals	0.75%/30d	18.71	Hold	2.9	-9.0	-2.1	-11.7	13.6	14.4	1.23	1,615
46	FSRPX	Retailing	0.75%/30d	104.78	OK to Buy	-0.1	-0.4	5.3	12.7	19.3	17.9	1.23	2,053
28	FSCSX	Software & IT Services ⁸	0.75%/30d	118.22	OK to Buy	-0.8	-2.0	4.2	6.0	17.0	14.3	1.30	3,214
64	FSPTX	Technology	0.75%/30d	114.47	Buy	-2.3	-3.1	5.5	-2.4	13.6	8.0	1.28	2,998
96	FSTCX	Telecommunications	0.75%/30d	66.51	Buy	0.3	10.1	10.0	6.4	7.7	8.3	0.99	811
512	FSRFX	Transportation	0.75%/30d	76.74	Hold	-1.7	5.2	13.2	-7.0	12.8	11.0	1.30	449
65	FSUTX	Utilities	0.75%/30d	71.56	OK to Sell	-0.9	11.7	8.5	2.6	6.8	10.3	1.11	960
963	FWRLX	Wireless	0.75%/30d	8.13	OK to Buy	-3.0	-0.4	4.1	-5.8	5.0	5.8	1.03	220
SECTOR ETFs													
	FDIS	MSCI Consumer Discretionary		31.01	Buy	-0.1	1.5	7.7	3.6	--	--	--	258
	FSTA	MSCI Consumer Staples		31.28	OK to Buy	-1.2	3.9	3.8	9.9	--	--	--	283
	FENY	MSCI Energy		19.20	OK to Sell	9.3	13.2	17.4	-16.9	--	--	--	334
	FNCL	MSCI Financials		27.74	Hold	2.9	-1.3	7.8	-0.8	--	--	--	223
	FHLC	MSCI Healthcare		32.95	OK to Sell	3.0	-4.2	5.6	-3.1	--	--	--	571
	FIDU	MSCI Industrials		28.88	Buy	1.6	6.5	13.6	2.6	--	--	--	142
	FTEC	MSCI Information Technology		31.64	Buy	-4.7	-3.3	2.7	-1.5	--	--	--	380
	FMAT	MSCI Materials		26.54	Hold	5.4	9.9	22.6	-4.2	--	--	--	50
	FREL	MSCI Real Estate		23.08	Hold	-1.6	3.2	7.6	5.6	--	--	--	54
	FCOM	MSCI Telecomm Services		29.89	Buy	-0.0	12.3	10.7	9.4	--	--	--	152
	FUTY	MSCI Utilities		31.20	OK to Sell	-2.0	12.7	7.9	13.4	--	--	--	256

Market Outlook *cont'd from page 3*

time to watch out and when everyone is bearish it's usually a good time to buy. On that score, the latest "Big Money" poll of professional money managers in *Barron's* revealed that only 38% are bullish, down from 55% last fall, and one of the least bullish readings on record. Individual investors are showing below average

bullishness as well. This is not what you typically see at market tops.

Reading: Positive.

Balance Of The Odds

On balance these five factors add up to a mildly positive view for stocks. But there are some significant question marks: Will the economy, in fact, rebound in the second quarter and will earnings similarly begin to show

growth? Members should be prepared for an increase in market volatility as we move forward and data either supporting or conflicting with a positive resolution of those two questions start to come out. Add in speculation about whether or not the Fed will raise interest rates at their June meeting and we could well have a bumpy summer. Stay calm and stay invested. ■

— John M. Boyd

FIDELITY SCORECARD

APRIL 30, 2016

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			SEC %Yield	Dur ² (Yrs)	Rel Vol (Risk) ¹			
						Apr	YTD	3 Mo.	1 Yr	3 Yr	5 Yr						
TAXABLE BOND						Category Averages			0.4	3.6	2.5	1.9	1.2	3.1	1.72	5.1	0.31
2267	FCONX	Conservative Income Bond		10.03	Buy	0.2	0.4	0.4	0.6	0.4	0.6	0.75	0.2	0.02			
2208	FCBFX	Corporate Bond		11.34	Buy	1.6	4.8	5.0	1.7	2.5	5.3	3.26	7.0	0.41			
2423	FGBFX	Global Bond		9.23	OK to Sell	1.4	7.0	6.7	1.8	-0.5	--	2.05	6.8	0.44			
15	FGMNX	GNMA (Ginnie Mae)		11.64	OK to Buy	0.2	1.8	0.8	1.9	2.0	3.1	2.00	3.0	0.25			
54	FGOVX	Government Income		10.52	Hold	-0.1	2.7	0.9	2.0	1.8	3.0	1.32	5.1	0.26			
794	FINPX	Inflation-Protected Bond ³		12.17	Hold	0.2	4.7	3.0	0.6	-1.4	2.1	0.21*	5.8	0.48			
32	FTHRX	Intermediate Bond		10.96	Buy	0.5	2.9	2.0	2.1	1.7	3.0	1.67	4.0	0.20			
452	FSTGX	Intermediate Gov't Income		10.76	Hold	-0.0	2.2	0.7	1.7	1.2	2.2	0.92	3.7	0.19			
2428	FINUX	International Bond		8.93	OK to Sell	1.9	9.3	9.7	2.7	-1.6	--	1.62	7.0	0.62			
26	FBNDX	Investment Grade Bond		7.84	Buy	1.1	4.4	3.7	1.3	1.9	3.6	2.62	5.7	0.29			
2622	FJRLX	Limited Term Bond		11.53	Buy	0.5	2.2	1.7	1.6	1.2	2.7	1.56	2.5	0.14			
662	FFXSX	Limited Term Government		10.10	OK to Buy	-0.1	1.4	0.4	1.0	0.8	1.2	0.64	2.6	0.12			
40	FMSFX	Mortgage Securities		11.40	OK to Buy	0.3	2.2	0.9	2.4	2.5	3.4	2.27	3.0	0.23			
450	FSHBX	Short-Term Bond		8.62	Buy	0.2	1.1	0.7	1.1	1.0	1.3	0.89	1.7	0.07			
2415	FSIQX	Sotn Inflation-Protect Index ⁴		9.81	Hold	0.2	4.8	3.1	0.8	-1.1	--	0.00*	5.8	0.48			
1561	FIBIX	Sotn Intermed Treas Index ⁴		11.16	Hold	-0.1	3.9	1.0	3.7	1.8	4.2	1.36	6.6	0.42			
1562	FLBIX	Sotn Lng-Term Treas Index ⁴		13.62	Hold	-0.6	7.7	2.2	5.1	4.3	8.9	2.31	18.0	0.99			
1560	FSBIX	Sotn Sht-Term Treas Index ⁴		10.52	Hold	-0.1	1.4	0.4	1.3	0.8	1.2	0.72	2.7	0.12			
651	FBIDX	Sotn U.S. Bond Index		11.80	Hold	0.4	3.5	2.1	2.7	2.1	3.4	1.97	5.4	0.28			
820	FTBFX	Total Bond		10.62	Buy	1.3	4.6	4.0	2.2	2.4	4.0	2.99	5.3	0.29			
HIGH-YIELD BOND						Category Averages			2.5	5.0	6.8	-0.9	2.1	4.3	5.24	3.7	0.51
38	FAGIX	Capital & Income	1.00%/90d	9.24	OK to Buy	1.8	2.4	5.8	-3.1	3.8	4.7	4.61	4.2	0.57			
814	FFRHX	Floating Rate High Income	1.00%/60d	9.35	Hold	2.3	3.8	4.8	-0.4	1.6	2.7	4.65	0.3	0.27			
1366	FHIFX	Focused High Income	1.00%/90d	8.22	Hold	1.9	4.3	5.9	-1.3	1.9	4.4	4.97	4.1	0.49			
2297	FGHNX	Global High Income	1.00%/90d	9.07	OK to Buy	2.9	6.0	8.0	-0.4	2.3	--	5.90	4.0	0.55			
455	SPHIX	High Income	1.00%/90d	8.31	Buy	3.7	6.6	8.2	-2.5	1.5	4.3	6.74	3.6	0.56			
331	FNMIX	New Markets Income	1.00%/90d	15.36	Hold	3.2	7.8	9.3	3.2	1.7	5.9	5.94	6.3	0.72			
2580	FSAHX	Short Duration High Income	1.00%/90d	9.15	Hold	2.7	4.0	6.2	-2.7	--	--	5.33	2.3	--			
368	FSICX	Strategic Income		10.52	OK to Buy	1.8	4.9	5.9	0.2	1.7	3.6	3.77	4.7	0.40			
MUNICIPAL BOND						Category Averages			0.7	2.1	1.0	4.6	3.3	4.9	1.33	5.5	0.29
434	FSAZX	Arizona Muni Income	0.50%/30d	12.36	OK to Buy	0.8	2.6	1.2	5.5	3.9	5.6	1.34	6.2	0.33			
1534	FCSTX	Calif Limited Term Tax Free	0.50%/30d	10.79	Buy	0.4	1.2	0.4	2.5	1.8	2.5	0.68	3.0	0.14			
91	FCTFX	California Muni Income	0.50%/30d	13.30	OK to Buy	0.7	2.5	1.2	5.5	4.2	6.4	1.27	5.9	0.32			
407	FICNX	Connecticut Muni Income	0.50%/30d	11.93	OK to Buy	0.7	2.6	1.1	5.6	3.4	4.7	1.48	6.1	0.31			
2578	FCRDX	Conservative Income Muni		10.05	Buy	0.1	0.3	0.1	0.5	--	--	0.50	0.7	--			
36	FLTMX	Interm Municipal Income	0.50%/30d	10.61	Buy	0.6	1.8	0.9	3.8	2.6	4.0	1.35	4.7	0.23			
404	FSTFX	Limited Term Muni Income	0.50%/30d	10.68	Buy	0.3	1.0	0.3	1.9	1.2	2.0	0.74	2.6	0.12			
429	SMDMX	Maryland Muni Income	0.50%/30d	11.58	OK to Buy	0.7	2.5	1.3	5.4	3.3	4.7	1.41	6.6	0.31			
70	FDMMX	Mass Muni Income	0.50%/30d	12.66	OK to Buy	0.7	2.4	1.3	5.5	3.5	5.4	1.43	6.6	0.33			
81	FMHTX	Michigan Muni Income	0.50%/30d	12.52	OK to Buy	0.6	2.1	0.9	5.1	3.5	5.1	1.45	6.0	0.28			
82	FIMIX	Minnesota Muni Income	0.50%/30d	11.89	OK to Buy	0.6	2.1	1.0	4.7	2.9	4.3	1.19	5.5	0.25			
37	FHIGX	Municipal Income	0.50%/30d	13.62	Buy	0.8	2.5	1.4	5.3	3.8	5.9	1.70	6.5	0.33			
416	FNJHX	New Jersey Muni Income	0.50%/30d	12.09	OK to Sell	1.0	2.8	1.3	5.3	2.9	5.0	1.85	6.5	0.34			
71	FTFMX	New York Muni Income	0.50%/30d	13.72	OK to Buy	0.8	2.7	1.3	5.8	3.7	5.3	1.36	6.3	0.32			
88	FOHFX	Ohio Muni Income	0.50%/30d	12.50	OK to Buy	0.8	2.7	1.3	6.2	4.1	5.6	1.51	7.0	0.34			
402	FPXTX	Pennsylvania Muni Income	0.50%/30d	11.44	OK to Buy	0.7	2.2	1.1	4.9	3.6	5.3	1.55	5.9	0.30			
90	FTABX	Tax-Free Bond	0.50%/30d	11.84	Buy	0.9	2.7	1.4	5.4	3.9	6.0	1.77	6.6	0.34			

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

TAXABLE GOV'T MONEY MARKETS			Total Return (%)		SEC %Yield	STATE MUNICIPAL MONEY MARKETS			Total Return (%)		SEC %Yield
			Apr	YTD					Apr	YTD	
55	FDRXX	Gov't Cash Reserves ⁵	0.01	0.01	0.05	433	FSAXX	Arizona Muni MM	0.00	0.00	0.01
458	SPAXX	Government MM	0.00	0.00	0.02	97	FCFXX	California Muni MM	0.02	0.02	0.01
631	FGMXX	Retirement Gov't MM	0.00	0.00	0.02	457	FSPXX	California AMT Tax-Free	0.01	0.02	0.08
630	FRTXX	Retirement Gov't MM II ⁶	0.00	0.00	0.01	418	FCMXX	Connecticut Muni MM	0.00	0.00	0.01
2742	FZFXX	Treasury MM	0.00	0.00	0.01	426	FMSXX	Mass AMT Tax-Free	0.00	0.06	0.08
415	FDLXX	Treasury Only MM	0.00	0.00	0.01	74	FDMXX	Massachusetts Muni MM	0.00	0.01	0.01
PRIME MONEY MARKETS						420	FMIXX	Michigan Muni MM	0.00	0.00	0.01
454	SPRXX	Money Market	0.02	0.08	0.27	417	FNJXX	New Jersey Muni MM	0.00	0.00	0.01
NATIONAL MUNICIPAL MONEY MARKETS						423	FSJXX	New Jersey AMT Tax-Free	0.01	0.01	0.11
10	FTEXX	Municipal Money Market	0.00	0.00	0.01	92	FNYYX	New York Muni MM	0.00	0.00	0.01
275	FMOXX	Tax-Exempt MM ¹⁰	0.00	0.00	0.01	422	FSNXX	New York AMT Tax-Free	0.01	0.01	0.09
						419	FOMXX	Ohio Muni MM	0.00	0.01	0.01
						401	FPTXX	Pennsylvania Muni MM	0.00	0.00	0.01

FIDELITY SCORECARD								APRIL 30, 2016					
Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	SPrice (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
							Apr	YTD	3 Mo.	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
Model Portfolios	Annuity Sector Model						-0.3	2.5	7.9	0.3	12.3	9.6	1.01
	Annuity Growth Model						1.4	-0.5	8.2	-3.6	7.8	8.0	1.09
	Annuity Growth & Income Model						1.7	0.6	6.6	-1.8	6.5	6.5	0.72
	Annuity Income Model						1.2	2.2	3.7	0.5	2.3	4.7	0.38
9067	FLRQC	Fid VIP Asset Manager	Allocation		17.30	Hold	0.9	0.0	4.8	-3.6	4.8	4.5	0.69
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation		17.27	Hold	0.8	-1.5	5.4	-5.8	5.6	4.8	0.91
9069	FJBAC	Fid VIP Balanced	Allocation		19.77	Buy	1.3	1.2	5.8	-0.9	7.4	6.5	0.74
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	23.61	Buy	0.4	1.1	6.0	2.4	12.0	12.7	1.16
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	24.15	OK to Buy	-0.1	5.8	6.9	13.3	11.9	13.4	1.05
9065	FPDFC	Fid VIP Contrafund	Large Growth		20.76	Buy	1.2	-0.2	7.1	-2.5	10.0	8.5	1.04
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend		16.26	Buy	-0.4	-0.7	7.4	-6.1	8.0	8.0	1.28
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		22.22	Hold	0.3	-2.1	6.7	-4.1	10.3	10.7	1.16
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	1.00%/60d	7.95	Hold	1.0	3.1	9.4	-11.5	-2.2	-3.8	1.31
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	14.47	OK to Sell	11.7	15.3	18.0	-16.0	-3.5	-3.7	1.87
9061	FLOLC	Fid VIP Equity-Income	Large Value		17.13	OK to Buy	1.9	4.0	9.2	-2.7	6.8	8.1	0.94
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	10.08	Hold	1.8	-2.9	6.2	-6.8	7.2	6.6	1.17
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond		10.23	Hold	2.1	3.3	4.2	0.0	--	--	--
9157	FMPAC	Fid VIP FundsManager 20	Allocation		14.23	Hold	0.4	1.6	2.5	-0.4	2.5	3.0	0.29
9158	FMPBC	Fid VIP FundsManager 50	Allocation		15.31	Hold	0.7	1.1	4.2	-2.1	4.5	4.6	0.58
9197	FMPPC	Fid VIP FundsManager 60	Allocation		14.24	Hold	0.9	0.8	4.8	-2.4	5.4	5.2	0.68
9159	FMPCC	Fid VIP FundsManager 70	Allocation		15.47	Hold	0.9	0.5	5.2	-3.1	5.8	5.5	0.77
9160	FMPDC	Fid VIP FundsManager 85	Allocation		15.33	Hold	1.1	0.1	6.1	-3.9	6.9	6.0	0.93
9062	FMNDC	Fid VIP Growth	Large Growth		20.27	OK to Buy	0.1	-4.2	2.7	-0.8	12.0	9.6	1.10
9070	FLFNC	Fid VIP Growth & Income	Large Blend		19.32	OK to Buy↑	2.0	1.5	8.7	-4.0	8.5	9.9	1.09
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		20.67	Buy	0.2	-4.4	5.3	-2.9	11.3	10.7	1.27
9084	FIDRC	Fid VIP Health Care	Sector	1.00%/60d	32.67	OK to Sell	4.1	-8.6	2.7	-11.5	19.0	17.6	1.48
9060	FBBLC	Fid VIP High Income	High-Yield Bond		17.91	Buy	3.1	5.6	7.3	-3.0	1.3	4.0	0.56
9064	FXVLT	Fid VIP Index 500	Large Blend		20.33	Hold	0.4	1.7	7.0	0.9	10.9	10.6	1.00
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	26.67	Buy	0.8	4.5	12.1	2.2	11.0	8.8	1.21
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	1.00%/60d	15.99	Buy	0.7	0.7	6.1	-2.3	5.9	5.3	1.06
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		15.70	Buy	1.1	4.1	3.4	1.7	1.8	3.3	0.29
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	17.14	Hold	3.6	3.2	17.2	-8.5	2.7	2.6	1.45
9071	FNBSAC	Fid VIP Mid Cap	Mid Growth		21.74	Buy	1.4	1.0	9.2	-4.1	8.9	6.3	1.17
9059	FTNJAC	Fid VIP Gov't Money Market ⁹	Money Mkt		11.34	--	0.0	0.0	0.0	-0.2	-0.2	-0.2	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	1.00%/60d	14.43	OK to Buy	1.3	-2.7	5.0	-8.1	3.2	1.6	1.17
9072	FFWKC	Fid VIP Real Estate	Sector		22.11	Hold	-2.8	2.3	6.8	6.3	7.0	9.4	1.37
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		17.69	OK to Buy	1.7	4.7	5.7	-0.1	1.3	3.2	0.39
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	24.77	Buy	-2.4	-4.1	4.6	-4.3	12.3	6.7	1.24
9173	FVTAC	Fid VIP Telecommunications	Sector	1.00%/60d	14.73	Buy	0.3	10.0	10.0	6.2	7.3	8.8	1.00
9087	FXRRC	Fid VIP Utilities	Sector	1.00%/60d	22.73	OK to Sell	-0.8	11.7	8.6	2.4	6.7	10.2	1.11
9079	FKMSC	Fid VIP Value	Large Value		18.58	Buy	2.2	2.8	9.7	-2.1	9.7	9.9	1.04
9073	FRBSC	Fid VIP Value Strategies	Mid Value		18.90	Buy	2.8	1.3	10.5	-6.6	6.5	7.3	1.15
9347	FBMEC	Black Rock Global Allocation	Global Allocation		11.75	Hold	1.1	0.5	4.2	-4.9	2.8	2.7	0.64
9349	FTMEC	Franklin Templeton Global Bond	Global Bond		10.46	OK to Sell	-0.5	-1.3	-0.5	-6.8	-2.1	0.9	0.52
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't		10.37	Hold	0.0	1.4	0.4	0.9	0.7	1.6	0.18
9285	FIGXC	Invesco Global Core Eqty	Global Stock		11.14	Hold	1.2	1.3	8.2	-5.8	4.1	2.6	1.04
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts		13.31	Hold	3.1	12.3	15.4	-14.5	-5.4	-3.8	1.60
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		17.25	Hold	2.4	7.2	8.4	0.8	-0.4	3.9	0.71
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts		11.68	Hold	-0.1	4.7	11.2	-14.0	-5.1	-3.5	1.28
9146	FPRPC	Morgan Stanley Global Strategist ⁵	Diversified Int'l		12.05	Hold	2.0	4.1	7.5	-4.6	2.6	3.1	0.72
9346	FPMEC	Pimco Commodity Real Return	Commodities		5.81	OK to Sell	8.8	10.9	12.8	-18.2	-16.3	-13.3	1.39
9276	FPMBC	Pimco VIT Low Duration	Sht-Term Bond		11.46	Buy	0.3	0.6	0.4	0.0	0.0	1.1	0.15
9277	FPNBC	Pimco VIT Real Return	TIPS		12.69	Hold	0.5	4.7	3.4	-0.5	-2.1	1.8	0.55
9278	FPOBC	Pimco VIT Total Return	Intermed Bond		12.89	Hold	0.5	2.5	1.4	1.1	0.9	2.9	0.33

Annuity Sector	
Fund	Allocation
VIP Cons Discretionary	27%
VIP Technology	26
VIP Telecom	25
VIP Industrials	22
Total Return:	
Apr: -0.3% YTD: 2.5%	

Annuity Growth	
Fund	Allocation
VIP Value Strategies	27%
VIP Contrafund	20
VIP Mid Cap	16
VIP Disciplined Sm Cap	13
VIP Value	12
VIP Growth Opps	12
Total Return:	
Apr: 1.4% YTD: -0.5%	

Annuity Growth & Income	
Fund	Allocation
VIP Investment Grade	23%
VIP Contrafund	21
VIP Value Strategies	20
VIP Value	19
VIP High Income	17
Total Return:	
Apr: 1.7% YTD: 0.6%	

Annuity Income	
Fund	Allocation
VIP Balanced	30%
Pimco VIT Low Duration	27
VIP Investment Grade	22
VIP High Income	21
Total Return:	
Apr: 1.2% YTD: 2.2%	

COMMODITIES

Commodities Manager To Make Asset Allocation Funds A Bit More Active

While it sometimes seems like the entire investing world is still beating a hasty path to indexing, Fidelity is bucking that trend in yet another area: commodities. To that end, a number of their funds will no longer try to merely match an obscure commodity index, they will instead try to beat it.



Joe Wickwire

Heading that effort is veteran manager Joe Wickwire. With many years running **Select Gold** and **Global Commodity Stock**, his goal is to beat the Bloomberg Commodity Index Total Return benchmark. The fund he's now using to do that is one of Fidelity's proprietary central funds

called **Commodity Strategy Central**. In making the switch, Fidelity has abandoned indexing for Wickwire's deft hand.

Beyond the obvious step of Fidelity reaffirming its bona fides as a disciple of active portfolio management, on a more practical level, a handful of their funds have dedicated commodity exposures through this central fund.

The funds most affected by this change to active commodity exposure are Fidelity's nine **Asset Manager** funds (including VIPs) as well as **Global Balanced** and **Strategic Real Return**. But the most profoundly af-

Fund	Commodity Exposure
Asset Manager 20%	0.2%
Asset Manager 30%	0.2
Asset Manager 40%	0.2
Asset Manager 50%	0.2
Asset Manager 60%	0.2
Asset Manager 70%	0.2
Global Balanced	1.0
Strategic Real Return	24.5

ected fund is the latter, as its neutral allocation to commodities is 25%

At the individual security level, Wickwire will invest in commodity-related equities, which are the stocks of companies that utilize particular commodities such as oil and gas, gold and copper, grains and even livestock. This is a departure from the commodity-linked derivatives whose underlying values are typically tied to a particular commodity or even a basket of them.

Apart from the funds' move away from indexing, their switch to holding commodity stocks rather than the underlying commodities is also a palpable change.

For example, while an ounce of gold (which is the biggest constituent of the index at around 12%) rose a healthy 17% this year, **Select Gold** (which mostly owns mining stocks) has soared 75%! While this is a potential boon to the central commodity fund, the opposite scenario is now also possible.

Our *OK to Sell* rating remains in place on Strategic Real Return. ■

— John Bonnanzio

Central Funds (there are about two dozen) provide managers with fast, inexpensive and diversified exposure to narrow sleeves of the market. Only available to Fidelity managers, there are both actively managed and passive products. In one instance, **Stock Selector All Cap** is actually a fund-of-funds in that it exclusively uses 10 actively managed sector-specific Central Funds. Meanwhile, and unbeknownst to most fund shareholders, managers make use of Central Funds for many purposes ranging from cash management to gaining exposure to the emerging markets and even commodities. ■

INCOME INVESTING

Will Bonds Run Out Of Steam Again?

This year's bond market has started to look a lot like the last couple of years, in that a fast out-of-the-gate start eventually petered out.

Spartan U.S. Bond Index rose a robust 1.8% and 1.5% during the first quarters of 2014 and 2015, respectively. As for the first quarter of this year, it sprinted to an even faster gain of 3.1%.

Time to place a wager on bonds?

Well, if the prior two years are prologue (with the notable exception of long-term Treasuries in 2014), the very best of what taxable bonds have to offer this year may already be over.

For example, after its fast start in 2014, Spartan U.S. Bond Index ended the year with a return of 5.9%. Over the last nine months it averaged less than a half a percentage point a month. And in 2015, it *lost* ground over the remaining three quarters, returning only 0.4% for the full year.

As noted, bonds began this year hot — in fact, quite hot. But April's gains were all piled into the last few days of the month as stocks wavered. As John Boyd points out in his page one *Market Outlook*, soft economic activity during the nation's first quarter has been a hallmark of the past few years — which led to strong returns for bonds out of the gate — only to be followed by a pickup in economic activity in the second quarter and beyond, when stocks have gained at the

expense of bonds. As it happens, the S&P 500 rose 0.4% in April while bonds wound up a bit better.

Action Recommendation

We don't advocate making seasonal asset allocation bets, especially as the most apparent patterns never persist for long. That said, our slow-growth economy won't flame inflation (the ultimate threat to bonds) any time soon, and so there's still no need to fear a heavy-handed Fed. But "riskless" Treasury funds hold less appeal to us than less pricey corporate credits, which is why you'll find our models populated with **Short-Term Bond**, **Limited Term Bond**, **Total Bond**, and even the more credit-challenged **High Income**. ■

— John Bonnanzio

Inside Fidelity

Manager Change —Longtime muni bond fund manager Jamie Pagliocco has been bumped “upstairs.” Currently



Jamie Pagliocco

the lead manager of **Municipal Income** and co-manager on **Tax-Free Bond** and many state-specific offerings, his move to head of

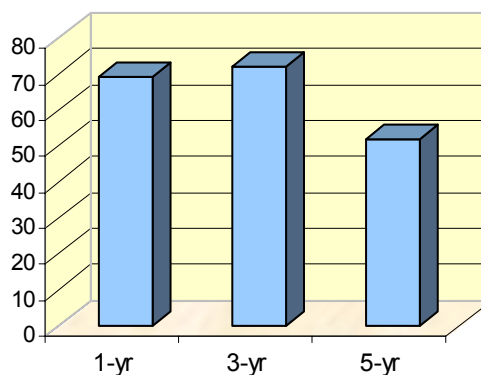
Global Bond Trading (replacing Alex Marx) is potentially significant as it affects 20 retail funds with assets of \$27 billion.

Having joined Fidelity in 2001 as a trader, five years later Jamie became a portfolio manager adding additional fund responsibilities over the next 10 years. Since 2010, he and his colleagues Kevin Ramundo and

Mark Sommer have essentially team-managed both of the aforementioned nationally diversified offerings and Fidelity’s series of four target-dated **Municipal Income** funds (2017, 2019, 2021 & 2023).

But given that overlap, shareholders should not have any concerns as their funds will still be run in a conservative fashion by an experienced team.

2015: Fidelity Muni Funds vs Peers
(% of Fidelity funds outperforming)



2015 was a very good year for Fidelity’s muni bond funds as they collectively beat (on an asset-weighted basis) 60% of their peers. But the three- and five-year rolling periods ranged from excellent (72% outperformed) to simply average (just 52% outperformed).

To that end, industry veteran Cormac Cullen has now joined Ramundo and Sommer on the investment team. Cormac has 15 years of experience in the muni industry (seven as a Fidelity research analyst. Cullen joined Fidelity in 2007 as a muni bond attorney, adding another dimension of insight

into the research-driven group. No rating changes are advised. ■

DIVIDEND UPDATE

In addition to monthly dividends paid by bond and money market funds and Asset Mgr: 20%/30%, the following funds may make a dividend or capital gain distribution in May: **Magellan and Inflation-Protected Bond**.

The final distributions for April were as follows:

Fund	Ex-Date	\$ Amt	NAV
Asset Mgr 40%	4/8	0.042	10.45
Asset Mgr 50%	4/8	0.059	16.12
Automotive	4/15	0.510	36.80
Balanced	4/8	0.085	21.10
Biotechnology	4/8	5.961	176.16
CA AMT Tx-F MM	4/8	0.0001	1.00
CA Muni MMkt	4/8	0.0002	1.00
Comm Equip	4/15	0.060	27.65
Computers	4/15	0.122	67.13
Consmr Disc	4/15	0.035	34.43
Consmr Fincl	4/15	0.307	11.61
Consmr Stpl	4/15	0.751	95.03
Convert Sec	4/8	0.173	25.49
Defense & Aero	4/15	0.805	114.94
Electronics	4/15	2.545	72.89
Energy	4/8	0.092	36.91
Energy Service	4/8	0.009	41.19
Envrn & Alt Engy	4/15	0.039	19.84
Equity Div Inc	4/8	0.120	24.71
Equity-Inc	4/8	0.243	50.59
Four-in-One Idx	4/15	0.159	36.61
Glb Equity Inc	4/8	0.011	11.87
Gold	4/15	0.234	20.61

Fund	Ex-Date	\$ Amt	NAV
Growth & Inc	4/8	0.164	28.36
Health Care	4/8	0.904	186.71
Insurance	4/15	1.356	67.13
Int'l Enh Idx	4/15	0.005	8.05
Lg Cap Core Enh	4/15	0.017	11.68
Lg Cap Val Enh	4/15	0.019	10.69
Health Care Svs	4/8	0.811	81.29
Medical Equip	4/8	0.295	35.65
Multimedia	4/15	2.049	70.88
Natural Gas	4/8	0.056	21.34
Natrl Resources	4/8	0.089	24.67
Puritan	4/8	0.098	20.04
Retailing	4/15	0.008	105.75
Software	4/15	0.751	120.51
Spartan 500 Index	4/15	0.368	73.19
Spartan Extd Mkt	4/15	0.459	50.10
Spartan Intl Index	4/15	0.050	35.59
Spartan Total Mkt	4/15	0.282	59.63
Sptn Intmdt Treas	4/15	0.061	11.21
Strat Real Return	4/8	0.020	8.42
Strategic Div & Inc	4/8	0.100	13.95
Telecom and Util	4/8	0.132	24.08
Telecomm	4/15	0.119	66.44
Utilities	4/8	0.078	70.95

Member Q&A

Q: After a recent trade, I received a warning letter from Fidelity regarding their policies on “round trips.” I don’t think they’re fair.

A: Fidelity discourages “excessive trading” because, under certain circumstances, the practice can disrupt the manager’s ability to move in and out of positions. This can get especially expensive if a manager has to sell shares into the worst-possible time — a falling market. Short-term redemption fees on certain funds are designed to reduce market-timing, especially where securities are less liquid. This list includes small-cap stocks, emerging markets and high-yield bonds.

Fidelity’s policies on excessive trading are meant to protect existing shareholders from transient market-timers. Each fund’s prospectus details these rules, and they’re also available on Fidelity’s website. ■

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