

# FIDELITY MONITOR & INSIGHT

JUNE 2020

PUBLISHED SINCE 1985

## MESSAGE FROM JACK

### Recent Shift In Sector Mix Is Long-Term Trend

In a short amount of time, technology, communications services, health care, and internet retailing have grown to account for nearly 60% of the S&P 500's market cap.



Jack Bowers

Meanwhile, hotels, restaurants, leisure, autos, airlines, and energy have shrunk to about 5% — roughly the value of Microsoft stock. It seems a little crazy, but then again Microsoft reported two years' worth of digital transformation growth in the first quarter.

Throughout its 200-year history, the U.S. stock market has seen some rather dramatic shifts in sector mix.

Before the Civil War, financial stocks were more than 90% of the market cap. By the 1880s the railroads had largely displaced them, rising to around 70% (they are less than 1% today). By the early 1920s oil company valuations had climbed above 25% — a feat that would briefly repeat in 1980. Led by IBM, information technology took off in the 1960s. Despite a major crash and long recovery cycle following Y2K, it's now back above 25%. And, of course, health care: over the last century, it grew (rather steadily) from zero to 15%.

The S&P 500's increased exposure to technology, along with tech disruptors in other sectors, now gives it a composition similar to the NASDAQ Composite in the late 1980s. (The NASDAQ started out as a small-cap index in the 1970s, looking much like the Russell 2000 does today, but over time it came to be dominated by successful startups.)

In a world stricken by Covid-19, technology's role has suddenly been elevated, with firms that sell their products and services on the internet enjoying a strong tailwind. In most cases, their less-tech-savvy competitors have hit hard times, allowing them to gain market share more rapidly than before. Consider Doc-u-sign, whose main competition is paper contracts and physical meetings, often at bars or restaurants. Without Covid-19 it might have taken another five years to get where they are today.

With those thoughts in mind, we are looking only at

**Large Growth** *cont'd on page 4*

## MARKET OUTLOOK

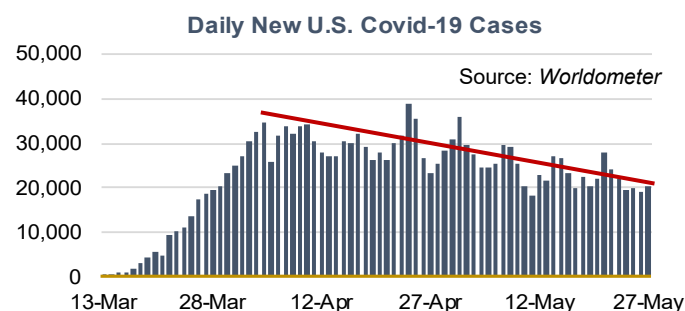
### As States Start To Reopen, The Economy Is Starting To Recover

Last month, to explain the disconnect between truly horrendous current economic data and a robust rally in stocks, I suggested that the market was essentially looking past 2020 to 2021. I argued that investors should focus on progress against Covid-19, how soon restrictions may be lifted and businesses allowed to reopen, and importantly, on how consumers embrace them when they do, and how that effects new cases.



John M. Boyd

We are now starting to get some clarity on these issues. Since the beginning of April, daily new cases of Covid-19 in the U.S. have been in a fairly steady decline (with a few spikes) as shown below.



A month ago, only a handful of states had begun to ease restrictions. Today all 50 have to some degree or another begun to reopen. Critically, among those states that have gone farthest in easing, there have been some increases in new cases of Covid-19 (as was to be expected), but no major spikes (at least as yet). For example, in the month since Georgia took some of the earliest and most extensive steps to reopen parts of its economy, Covid-19 cases have largely flattened in the state, albeit with a very modest uptick in recent days.

And, as states have begun to ease, we have seen some green shoots of economic improvement (from a deeply depressed base). The travel/hospitality industry has been among the hardest hit, but air travel is slowly starting to turn for the better. The number of travelers passing through TSA airport checkpoints more than tripled from a low-point of 87,534 on April 14, to 267,451

**Market Outlook** *cont'd on page 3*

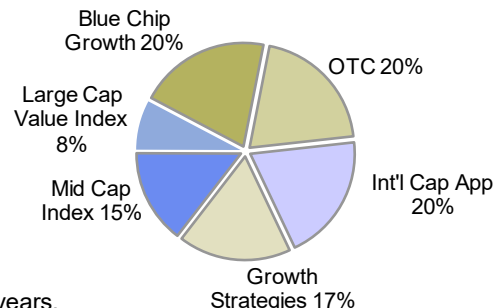
**Unique Opportunities** Target Risk: 1.20 (Current: 1.04) Foreign Holdings: 21.0% **YTD Return: -0.8%**

Stocks: 99.3% Bonds: 0.0% Cash: 0.7% Alternatives\*: 0.0% Yield: 0.8%

Holdings	Ticker	NAV	Shares	Value	May Ret
Blue Chip Growth	FBGRX	\$118.76	1,080.15	\$128,279	9.2%
OTC	FOCPX	13.68	9,316.01	\$127,443	7.2
Int'l Cap App	FIVFX	21.56	5,792.35	124,883	5.8
Growth Strategies	FDEGX	51.24	2,149.23	110,126	8.8
Mid Cap Index	FSMDX	21.10	4,383.95	92,501	7.1
Large Cap Value Index	FLCOX	11.14	4,383.84	48,836	3.4

**Current Value (3/31/99 = \$100,000) \$632,069 7.3%**

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



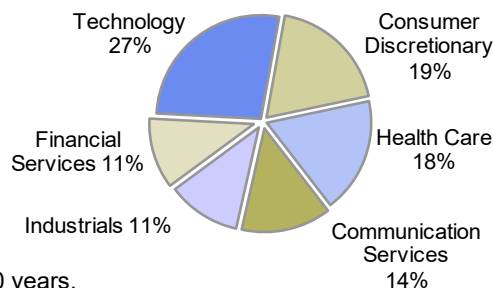
**Select** Target Risk: 1.20 (Current: 1.11) Foreign Holdings: 6.2% **YTD Return: -1.0%**

Stocks: 99.1% Bonds: 0.0% Cash: 0.9% Alternatives\*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	May Ret
Technology	FSPTX	\$21.18	62,035.85	\$1,313,919	8.8%
Consumer Discretionary	FSCPX	49.75	18,437.50	917,266	7.2
Health Care	FSPHX	29.67	29,424.45	873,024	5.5
Communication Services	FBMPX	65.09	10,402.54	677,101	9.2
Industrials	FCYIX	29.09	18,980.09	552,131	7.5
Financial Services	FIDSX	7.72	69,364.34	535,493	3.6

**Current Value (12/31/88 = \$100,000) \$4,868,933 7.2%**

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



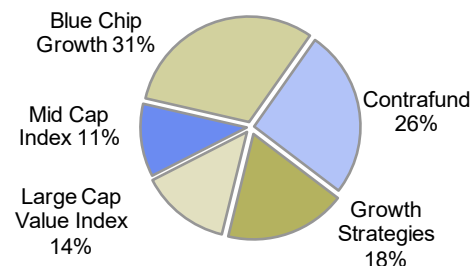
**Growth** Target Risk: 1.00 (Current: 1.07) Foreign Holdings: 4.3% **YTD Return: 0.7%**

Stocks: 99.3% Bonds: 0.0% Cash: 0.7% Alternatives\*: 0.0% Yield: 0.8%

Holdings	Ticker	NAV	Shares	Value	May Ret
Blue Chip Growth	FBGRX	\$118.76	8,693.94	\$1,032,493	9.2%
Contrafund	FCNTX	14.34	59,506.54	853,324	6.5
Growth Strategies	FDEGX	51.24	11,933.81	611,488	8.8
Large Cap Value Index	FLCOX	11.14	40,624.16	452,553	3.4
Mid Cap Index	FSMDX	21.10	17,577.87	370,893	7.1

**Current Value (12/31/86 = \$100,000) \$3,320,751 7.3%**

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



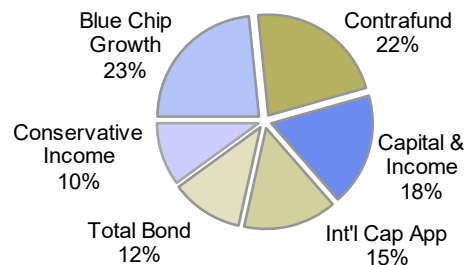
**Growth & Income** Target Risk: 0.66 (Current: 0.75) Foreign Holdings: 25.4% **YTD Return: 2.3%**

Stocks: 63.8% Bonds: 20.2% Cash: 2.2% Alternatives\*: 13.9% Yield: 1.3%

Holdings	Ticker	NAV	Shares	Value	May Ret
Blue Chip Growth	FBGRX	\$118.76	1,579.33	\$187,561	9.2%
Contrafund	FCNTX	14.34	12,404.03	177,874	6.5
Capital & Income	FAGIX	9.39	15,402.98	144,634	5.6
Int'l Cap App	FIVFX	21.56	5,523.40	119,085	5.8
Total Bond	FTBFX	11.21	8,185.56	91,760	1.6
Conservative Income	FCONX	10.04	8,053.62	80,858	0.4

**Current Value (12/31/93 = \$100,000) \$801,772 5.6%**

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



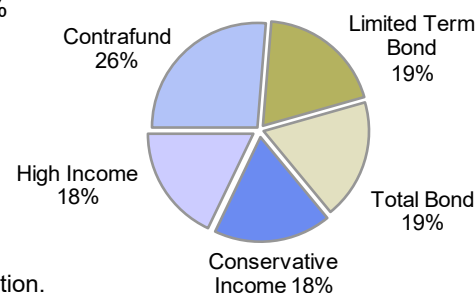
**Income** Target Risk: 0.33 (Current: 0.41) Foreign Holdings: 20.2% **YTD Return: 1.1%**

Stocks: 26.0% Bonds: 50.1% Cash: 3.6% Alternatives\*: 20.3% Yield: 1.6%

Holdings	Ticker	NAV	Shares	Value	May Ret
Contrafund	FCNTX	\$14.34	8,053.62	\$115,489	6.5%
Limited Term Bond	FJRLX	11.82	7,175.82	84,818	1.2
Total Bond	FTBFX	11.21	7,250.92	81,283	1.6
Conservative Income	FCONX	10.04	7,882.79	79,143	0.4
High Income	SPHIX	8.21	9,597.00	78,791	4.0

**Current Value (12/31/91 = \$100,000) \$439,525 3.0%**

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

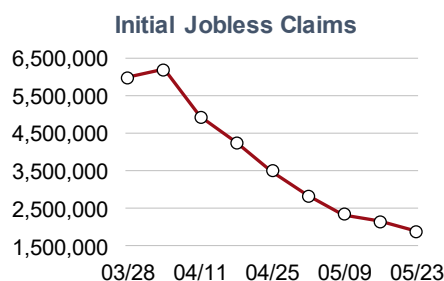


on May 24. (To put things in perspective — lest we get too carried away — that is still off 87% from that day a year ago!)

Hotel occupancy rates have risen for five straight weeks now. For the week ended May 16, occupancy stood at 32.4% — or 11 million room-nights versus 21% or just 1 million room-nights for the week ended April 11. Of course, that is still only about half of the occupancy rate in early March of 61.8%.

Similarly, Open Table, the restaurant booking service, reports reservations in those states where in-restaurant dining has been allowed to restart have been rising for several weeks. For example, in South Carolina, Texas and Florida, bookings have gone from down 100% during the lockdown to “just” down in the mid-60% range today.

And since surging at the end of March, weekly new claims for unemployment (while still very elevated) have moved steadily lower.



Beth Ann Bovino, U.S. chief economist at S&P Global Ratings, summed all of this up thusly: “If this is the only wave [of the virus], it looks like we’ve bottomed out and the normalization process has begun.” We concur, and if a second wave occurs, we don’t think it will be handled by revisiting broad-based lockdowns. Now that we have more testing capacity, we can quarantine the sick rather than damaging

## FUNDS YOU SHOULD BUY NOW

**Growth:** **Blue Chip Growth**, **Growth Co.** and **OTC** are aggressive large-cap options; **Contrafund** is more conservatively positioned. **Growth Strategies** provides active mid-cap exposure. **Mid Cap Index** is a lower-cost way to hold companies with market caps of \$2-10 billion.

**Growth & Income:** **Large Cap Value Index** holds attractively valued stocks such as financials (21%) and health care (16%), which also help to boost its dividend yield (3.5%) above the S&P 500 (2.4%).

**International:** **International Cap App** invests about three-quarters of its assets in developed foreign markets; the balance is in emerging markets.

**High-Yield:** **High Income** and **Capital & Income** (which holds some stocks) are the best ways to benefit from a rebound in this asset class.

**Taxable Bond:** **Conservative Income Bond** limits interest-rate risk with its extremely short duration; **Limited-Term Bond** reaches further for yield with more rate-risk. **Total Bond** provides the broadest exposure to the bond market, including some high-yield and emerging market debt.

**Muni Bond Funds:** The shutdown of the U.S. economy has thrown budgets — at all government levels — into disarray. (See p. 4.) The only fund recommended at this time is the safest: **Conservative Income Muni**. ■

the economy further with a quarantine of the healthy. China met a recent resurgence in Wuhan by testing 8-9 million residents and quarantining the 180 that had Covid-19. The only thing they shut down this time around were gyms and bars.

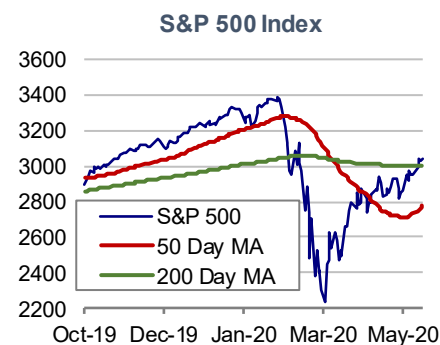
### A Vaccine By 2021?

A return to “fully normal” consumer behavior will take some time and may require a vaccine before people (at least those who are not already partying at Lake of the Ozarks!) feel comfortable in large crowds. The good news is that there is a massive push to find a vaccine with at least 100 labs involved, some of which have shown encouraging initial promise. Moreover, a number of firms are gearing up to produce their vaccine candidates in quantity so that they can be rolled out quickly if approved. We like the odds that at least one will succeed by late this year or early next. We also expect improved forms of treat-

ment for those who do get the virus.

### Individuals Remain Bearish

In March investors pulled an astounding \$341 billion out of equity mutual funds and ETFs, and they remain quite bearish. “Smart Money” filled the breach powering the advance since March. In the last few days, the S&P 500 broke above its



200-day moving average (in green above) which had been serving as upward resistance. Taking all these factors into account, we expect this rally to continue. ■

— John M. Boyd

### Model Portfolios Key:

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

## Large Growth *cont'd from page 1*

modest changes to our model portfolios in the months ahead. As shown in the pies below, our equity models are significantly underweighted in value stocks, which include energy and other economi-

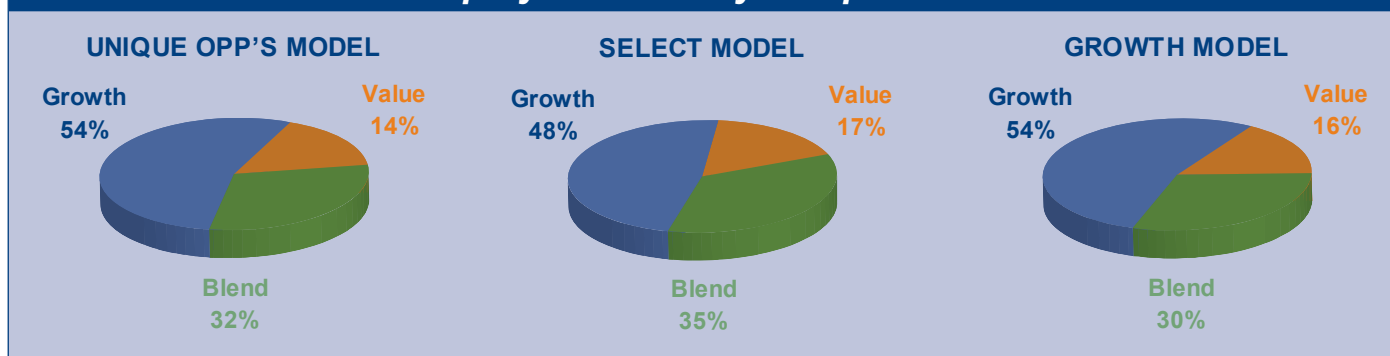
cally sensitive cyclicals. Under normal conditions it would be a “no-brainer” to lighten up on growth stocks in favor of value. But these are not normal times. Needless-to-say, there’s a large amount of uncertainty surrounding the economy’s recovery, especially in instances that

were struggling prior to Covid-19. We also expect to see volatility remain high among beaten-down stocks.

As such, it makes sense to remain cautious when it comes to bargain-hunting for value stocks. ■

— Jack Bowers

## Equity Models' Style Exposures



From a style perspective, about 1/3 of the S&P 500’s assets are considered growth-oriented (that’s in line with the broader Russell 3000 Index). As for our three equity-oriented models, they each overweight growth stocks generally, and large-cap growth, in particular.

As the pie charts above show, the models’ combined small-, mid- and large-cap growth exposures range from 48% for the *Select Model* to 54% for both

the *Unique Opportunities* and *Growth Models*. Within the growth-stock arena, large-caps dominate (as they do in the index) accounting for 35% to 42% of assets. That leaves plenty of room for mid-caps, though the models have virtually no small-cap exposure. While the models’ relative lack of small-cap stocks held back performance in May, that was more than offset by their overweighted stakes in strong-performing large-cap tech. ■

## BOND FUNDS

### Keeping A Wary Eye On Muni Funds

Among the many anomalies that have occurred this year in the financial markets was the breakdown in the relationship between stocks and bonds. Within the former, the usual safe-haven status of the \$3 trillion municipal bond market crumbled. In effect, munis suddenly became a risk-asset as the fear of mounting credit downgrades and defaults dried up liquidity. In March and April, **Muni Bond Index** fund (a proxy for this diverse market) dropped 8%. That’s a bruising decline for the normally staid asset class.

In the midst of the crisis, new muni supply quickly exceeded demand. Prices cratered (yields skyrocketed). Soon it was clear that without the Fed’s support, muni yields would rise further, thereby

raising borrowing costs at the worst possible time. In addition, tax-filing extensions deprived local governments of much-needed cashflow.

By March 20, and continuing into April, the central bank threw its first lifeline to state and local governments. Using a combination of loan guarantees and eventually direct bond purchases, the muni market finally stabilized.

Though Fidelity’s muni funds still bled red in April, May saw a significant reversal in fortunes: on average, their six nationally diversified funds popped 2.5%. That erased most of their declines sustained in the prior three months. Notably, Muni Bond Index is down just 0.5% for the year whereas **Limited Term Muni Income** is up 0.7%.

This begs the question: Were we too harsh to downgrade all but **Conservative Income Muni** fund last month to *OK to Sell*, or will our

rating changes prove prescient?

For all our sakes, we hope the muni market improves. (If it doesn’t, bigger problems likely persist!) However, stress fractures are still present below the surface. State and local budgets are now way out of balance. This suggests an increase in credit downgrades and probably some defaults. Finding off-balance sheet expenses related to Covid-19 is essential. While Fidelity’s muni analysts are talented at mitigating credit risk, it’s impossible to avoid it entirely. Already, rapid transit systems in New York and elsewhere are struggling, and revenue bonds may yet be squeezed by lackluster economic activity.

In this vacuum are alternatives, including taxable corporate bonds and even high-yield. Our preferred funds are shown on p. 3: “Funds You Should Buy Now.” ■

— John Bonnanzio

FUND COMMENTARY

## Markets Anticipate Recovery + Vaccine

A month ago, I noted that in the U.S. there had so far been “over 61,000 Covid-related deaths, a million infections and 30 million lost jobs.” Against that bleak backdrop I also noted that April saw the biggest one-month gains since recovering from 1987’s Black Monday crash: the S&P 500 soared 12.8%!



John Bonnanzio

Fast-forward 31 days and Covid has now claimed over 100,000 U.S. souls, infected 1.8 million and has sidelined 40 million workers.

But once again last month, the financial markets exhibited resilience and optimism. While stock gains were far more muted in May, investors’ eyes were focused on a combination of waning business lockdowns and the prospect of Covid vaccines and/or treatments being developed at breakneck speeds.

With that forward thinking, areas of the market that had been lagging suddenly sprung to life. That list includes economically sensitive cyclicals, financials, energy and even airlines. Style-wise, small- and mid-cap shares also got a lift (see box).

### Market Indexes

With technology stocks once again leading the charge higher, the Nasdaq Composite continued to outpace other closely watched stock gauges. Up 6.9% in May, that was enough to push it back into positive territory for the year (up 6.2%). Other large-cap barometers also fared well: the S&P 500 rose 4.8% last month but is down 5.0% for the year. For its part, Dow Industrials rose a similar 4.7% in May, but owing to its reliance on more economically sensitive cyclicals (including

energy and aerospace which have been especially hard hit this year), the blue-chip index is down 10.1% for the year.

Elsewhere, the small-cap Russell 2000 enjoyed its best performance of 2020 last month having rebounded 6.5%. Nonetheless, it’s down 15.9% on the year. Likewise, the Russell Midcap index jumped 7.1% last month but is down 10.7% for the year.

### Stock Funds

The average Fidelity stock fund (including passive index and actively run offerings) rose 6.0% in May (though they are down 7.6% for the year).

Style-wise, mid-cap growth funds performed the best (up 9.4%), but that universe consists of only two offerings: **Growth Strategies** (which we hold in our model portfolios) and **Mid Cap Growth Index**: they gained 8.8% and 10.0%, respectively. In both cases their primary performance-drivers were technology, which account for 35% and 41% of their assets, respectively. They also benefited from their health care stakes, which include a smattering of biotech.

Of course, the headline performers for yet another month were Fidelity’s 16 large-cap growth funds. Rising an average of 7.5%, all but one (**Stock Selector All Cap**) are in positive territory for the year.

The best of the lot was the closed **Growth Company**. Up 10.2% in May, longtime manager Steve Wymer continues to leverage a combination of astute stock pick-

	Value	Blend	Growth
Large	3.4% May	4.8% May	6.8% May
	-15.7% YTD	-5.0% YTD	5.3% YTD
Mid	4.7% May	7.1% May	10.0% May
	-19.0% YTD	-10.7% YTD	1.3% YTD
Small	2.9% May	6.5% May	9.5% May
	-25.7% YTD	-15.9% YTD	-6.8% YTD

Last month saw a significant rotation into those areas of the market that had been hit especially hard since the market selloff began in earnest in late March. In particular, small- and mid-cap stocks enjoyed significant gains in May. However, for the year, those investment styles and others still trail large-cap growth stocks.

Note: The returns above are for their respective Fidelity index funds, while the large-cap blend returns box above is their **500 Index fund**. ■

ing and sector bets to maintain its elite rank (top 1%) among the nation’s growth funds.

Not far behind Growth Co. last month were **Founders Fund** (up 9.3%) and **Blue Chip Growth** (up 9.2%). Not surprisingly, tech are both funds’ largest sector bets. And as for Fidelity’s biggest stock fund, **Contrafund** (up 6.5%) did what it often does in very strong updrafts — it modestly trailed its peers. That said, it’s outpacing its S&P 500 benchmark this year by 10 percentage points!

As for the group’s laggard, the value-oriented **Export & Multinational** gained just 2.4% in May.

Fund Commentary cont'd on page 12

June Scorecard Rating Changes				
Fund	Ratings			Comments
	Old	New		
China Region	B	H	↓	Mounting geopolitical risks - see p. 11.
Equity-Income	B	<b>B</b>	↑	Low risk and attractive dividend yield of 3.0%.
Internat'l Small Cap	H	S	↓	Fidelity has superior foreign options - see p. 11.
Nordic	S	H	↑	Region is holding up comparatively well - see p. 11.
Sel Construct & Hous	H	B	↑	Americans are fixing and upgrading their homes.
Select Gold	H	S	↓	The "uncertainty play" is waning as confidence builds.
<b>B</b> = Buy; <b>B</b> = OK to Buy; <b>H</b> = Hold; <b>S</b> = OK to Sell; <b>S</b> = Sell; <b>N/C</b> = No Change; <b>NR</b> = No Rating (↑) Rating upgraded; (↓) Rating downgraded.				

# FIDELITY SCORECARD

MAY 31, 2020

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) <sup>1</sup>
					May	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	
Comparative Indexes		S&P 500	3044.3		4.8	-5.0	3.6	12.8	10.2	9.9	13.2	8.7	1.00
		Nasdaq Composite	9489.9		6.9	6.2	11.1	28.6	16.5	14.6	16.8	11.9	1.10
		Dow Jones Industrials	25383.1		4.7	-10.1	0.5	4.8	9.1	9.8	12.4	8.8	1.01
		Russell 2000 (Small Caps)	1394.0		6.5	-15.9	-5.2	-3.4	2.0	3.7	9.2	7.0	1.35
		Bloomberg Barclays Agg Bond*			0.4	5.8	1.9	9.6	5.2	4.0	3.9	2.9	0.19
Model Portfolios		Unique Opportunities			7.3	-0.8	5.0	15.3	9.0	8.1	11.1	8.5	1.04
		Select Growth			7.2	-1.0	6.1	18.0	11.4	10.0	13.8	10.5	1.11
		Growth & Income			7.3	0.7	6.7	17.0	11.2	9.2	11.8	8.0	1.07
		Income			5.6	2.3	4.6	12.9	8.2	7.6	9.5	7.0	0.75
											Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
<b>LARGE CAP GROWTH</b>					<b>Average</b>	<b>7.5</b>	<b>6.1</b>	<b>10.5</b>	<b>25.0</b>	<b>15.9</b>	<b>12.8</b>	<b>15.0</b>	<b>1.06</b>
312	FBGRX	Blue Chip Growth	118.76	Buy	9.2	10.2	13.4	31.1	19.0	15.3	17.0	1.16	\$26,233
307	FDCAX	Capital Appreciation	34.40	Hold	7.4	1.6	6.1	18.0	12.4	9.1	12.9	1.02	4,549
22	FCNTX	Contrafund	14.34	Buy	6.5	5.3	9.6	20.9	14.7	13.1	14.7	1.05	96,378
3	FFIDX	Fidelity Fund	52.64	OK to Buy	6.4	3.8	9.1	24.9	14.3	10.9	13.1	0.95	4,296
333	FTQGX	Focused Stock	27.30	Buy	8.3	4.7	9.7	20.6	19.2	13.6	15.4	1.05	2,830
3336	FIFNX	Founders Fund	12.98	OK to Buy	9.3	12.0	14.1	26.5	--	--	--	--	30
25	FDGRX	Growth Company (Closed)	24.56	Buy	10.2	15.0	17.1	39.2	20.7	17.2	18.3	1.24	32,111
339	FDSVX	Growth Discovery	42.68	Buy	8.0	7.4	10.6	26.1	17.0	14.5	16.2	1.05	1,973
73	FDFFX	Independence	38.20	OK to Buy	7.0	4.4	9.1	20.8	13.7	8.6	12.7	1.01	3,552
1829	FLGEX	Lrge Cap Growth Enhcd Index	22.63	OK to Buy	6.0	5.3	10.8	24.3	15.3	12.4	15.0	1.00	1,167
2826	FSPGX	Lrge Cap Growth Index	18.44	Buy	6.8	5.3	10.5	26.3	17.2	--	--	1.04	4,392
21	FMAGX	Magellan	10.65	OK to Buy	7.0	4.4	9.1	20.7	14.1	11.3	12.7	1.00	17,662
1282	FNCMX	Nasdaq Composite Index	119.47	OK to Buy	6.9	6.0	11.1	28.4	16.2	14.4	16.6	1.10	7,773
93	FOCPX	OTC	13.68	Buy	7.2	7.0	11.1	30.4	17.6	16.2	17.9	1.13	14,835
320	FDSSX	Stock Selector All Cap	46.46	OK to Sell	6.5	-3.0	4.8	14.7	9.6	8.8	12.4	1.09	8,393
5	FTRNX	Trend	116.26	Buy	7.4	8.7	12.3	28.0	17.6	14.3	16.0	1.05	2,233
<b>LARGE CAP BLEND</b>					<b>Average</b>	<b>4.7</b>	<b>-8.6</b>	<b>0.5</b>	<b>7.8</b>	<b>7.1</b>	<b>6.7</b>	<b>11.3</b>	<b>1.05</b>
2328	FXAIX	500 Index	105.85	OK to Buy	4.8	-5.0	3.6	12.8	10.2	9.9	13.1	1.00	224,218
315	FDEQX	Disciplined Equity	41.41	OK to Buy	7.1	3.5	8.9	21.9	11.4	8.8	11.6	1.00	1,258
330	FDGFX	Dividend Growth	25.36	OK to Sell	3.1	-18.1	-5.4	-2.2	3.2	4.1	9.3	1.16	4,596
332	FEXPX	Export and Multinational	17.25	OK to Sell	2.4	-21.1	-8.4	-5.9	1.9	3.6	8.5	1.18	1,042
27	FGRIX	Growth & Income	36.51	Hold	3.4	-13.1	-2.1	3.8	5.0	5.7	11.0	1.03	5,256
1827	FLCEX	Lrge Cap Core Enhcd Index	15.73	OK to Buy	4.2	-4.4	4.2	12.6	10.3	9.0	12.8	0.97	961
338	FLCSX	Large Cap Stock	28.82	Hold	3.7	-14.1	-2.8	3.2	5.1	5.6	11.4	1.10	2,219
361	FGRTX	Mega Cap Stock	13.65	Hold	3.8	-12.0	-1.0	5.7	6.3	6.5	11.7	1.01	764
300	FMLX	New Millennium	31.57	Hold	4.7	-16.0	-6.5	-4.8	3.6	4.9	10.3	1.10	2,238
2361	FSKAX	Total Market Index	85.18	OK to Buy	5.4	-5.7	2.9	11.3	9.5	9.1	12.8	1.05	45,522
5029	FULVX	U.S. Low Volatility Equity	9.70	Hold	5.1	-6.7	--	--	--	--	--	--	308
2941	FITLX	U.S. Sustainability Index	13.37	OK to Buy	5.3	-3.5	3.5	14.5	11.1	--	--	0.97	324
3396	FWOMX	Women's Leadership	10.58	Hold	7.9	-3.1	3.3	11.3	--	--	--	--	25
3231	FNILX	Zero Large Cap Index	10.78	Buy	5.2	-4.1	4.3	14.0	--	--	--	--	1,943
3227	FZROX	Zero Total Market Index	10.68	OK to Buy	5.3	-5.8	2.9	11.5	--	--	--	--	5,276
<b>LARGE CAP VALUE</b>					<b>Average</b>	<b>3.3</b>	<b>-15.6</b>	<b>-4.0</b>	<b>-2.0</b>	<b>2.1</b>	<b>3.6</b>	<b>8.8</b>	<b>1.04</b>
1271	FBCVX	Blue Chip Value	16.58	OK to Sell	2.6	-21.0	-7.2	-9.0	-0.9	1.2	7.0	1.06	368
319	FEQTX	Equity Dividend Income	21.68	OK to Buy	3.3	-15.2	-3.4	-0.6	2.5	4.3	8.8	1.06	4,052
23	FEQIX	Equity-Income	52.99	Buy↑	3.8	-11.8	-1.6	2.8	4.2	5.2	9.0	0.93	4,635
1828	FLVEX	Lrge Cap Value Enhcd Index	11.64	OK to Buy	3.3	-15.0	-3.9	-1.2	3.3	4.5	10.3	1.03	3,511
2830	FLCOX	Lrge Cap Value Index	11.14	Buy	3.4	-15.7	-4.6	-1.7	2.6	--	--	1.07	2,340
708	FSLVX	Stock Sel Large Cap Value	17.96	Hold	3.2	-16.1	-5.1	-3.4	1.2	2.9	8.6	1.12	344
832	FVDFX	Value Discovery	25.87	Hold	3.3	-14.6	-2.2	-1.3	1.8	3.3	9.4	1.01	1,622
<b>MID-CAP GROWTH</b>					<b>Average</b>	<b>9.4</b>	<b>1.9</b>	<b>7.3</b>	<b>20.1</b>	<b>12.7</b>	<b>9.3</b>	<b>12.6</b>	<b>1.05</b>
324	FDEGX	Growth Strategies	51.24	Buy	8.8	2.4	6.8	20.1	12.7	9.3	12.6	1.05	2,858
3403	FMDGX	Mid Cap Growth Index	21.22	Buy	10.0	1.3	7.8	--	--	--	--	--	188
<b>MID-CAP BLEND</b>					<b>Average</b>	<b>6.8</b>	<b>-13.1</b>	<b>-3.6</b>	<b>-0.4</b>	<b>4.4</b>	<b>5.0</b>	<b>10.4</b>	<b>1.24</b>
2365	FSMAX	Extended Market Index	57.88	Buy	8.8	-9.3	-0.9	3.8	5.8	5.8	11.1	1.33	22,586
2012	FMEIX	Mid Cap Enhanced Index	13.65	OK to Buy	6.6	-11.3	-1.2	2.0	4.0	4.5	11.0	1.20	1,104
2352	FSMDX	Mid Cap Index	21.10	Buy	7.1	-10.7	-1.5	2.7	5.5	5.9	--	1.21	12,808
337	FMCSX	Mid-Cap Stock	30.59	Hold	5.6	-14.5	-6.2	-3.8	3.8	4.7	9.9	1.15	4,311
2412	FSSMX	Stock Selector Mid Cap	31.27	Hold	5.7	-16.7	-6.3	-4.1	3.1	3.9	9.8	1.33	288
3230	FZIPX	Zero Extended Market Index	8.50	Hold	6.9	-15.8	-5.4	-3.3	--	--	--	--	503

**Notes:** \*Fidelity's U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. <sup>1</sup>Relative Volatility (Rel Vol) versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. <sup>2</sup>Duration is a measure of interest rate sensitivity. <sup>3</sup>Stated yield is actual distributed yield over prior 12 months. <sup>5</sup>Almost a Specialty fund with 30%+ typically in foreign stocks. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

# FIDELITY SCORECARD

MAY 31, 2020

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)
					May	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year		
<b>MID-CAP VALUE</b>					<b>Average</b>	<b>4.5</b>	<b>-19.8</b>	<b>-7.7</b>	<b>-5.9</b>	<b>-1.3</b>	<b>0.8</b>	<b>8.4</b>	<b>1.32</b>
316	FLPSX	Low-Priced Stock <sup>5</sup>	42.25	Hold	4.1	-15.6	-2.9	-0.5	2.2	3.3	9.6	1.08	\$18,894
762	FSMVX	Mid Cap Value	18.54	OK to Sell	3.9	-19.9	-7.4	-6.4	-3.4	-0.9	8.2	1.30	863
3404	FIMVX	Mid Cap Value Index	17.18	OK to Sell	4.7	-19.0	-8.4	--	--	--	--	--	180
39	FDVLX	Value	8.49	Hold	5.1	-23.3	-10.7	-9.0	-3.0	-0.2	7.9	1.50	4,456
14	FSLSX	Value Strategies	30.54	Hold	5.0	-21.4	-9.0	-7.7	-0.9	1.0	7.8	1.39	253
<b>SMALL CAP GROWTH</b>					<b>Average</b>	<b>9.7</b>	<b>-5.5</b>	<b>1.8</b>	<b>9.9</b>	<b>13.3</b>	<b>11.1</b>	<b>14.1</b>	<b>1.27</b>
1388	FCPGX	Small Cap Growth	26.18	Buy	9.9	-4.3	1.9	9.9	13.3	11.1	14.1	1.27	2,705
3405	FECGX	Small Cap Growth Index	19.90	OK to Buy	9.5	-6.8	1.6	--	--	--	--	--	50
<b>SMALL CAP BLEND</b>					<b>Average</b>	<b>7.4</b>	<b>-16.3</b>	<b>-5.5</b>	<b>-3.6</b>	<b>1.5</b>	<b>2.9</b>	<b>8.8</b>	<b>1.37</b>
384	FSCRX	Small Cap Discovery	18.31	OK to Sell	7.0	-20.9	-8.3	-8.0	-2.0	0.7	8.8	1.44	2,108
2011	FCPEX	Small Cap Enhanced Index	10.75	OK to Sell	5.7	-17.8	-5.0	-5.2	-1.0	1.5	9.0	1.36	454
2358	FSSNX	Small Cap Index	17.68	Hold	6.5	-15.9	-5.2	-3.3	2.1	3.9	--	1.35	10,659
340	FSLCX	Small Cap Stock	15.35	OK to Buy	9.6	-15.3	-6.8	-4.7	2.9	3.5	7.3	1.44	1,190
336	FSDCX	Stock Selector Small Cap	22.51	OK to Buy	8.0	-11.7	-2.2	3.1	5.5	4.9	10.1	1.24	894
<b>SMALL CAP VALUE</b>					<b>Average</b>	<b>3.0</b>	<b>-24.1</b>	<b>-12.5</b>	<b>-11.9</b>	<b>-3.6</b>	<b>1.0</b>	<b>7.6</b>	<b>1.25</b>
1389	FCPVX	Small Cap Value	11.89	OK to Sell	3.1	-22.4	-11.9	-11.9	-3.6	1.0	7.6	1.25	1,162
3406	FISVX	Small Cap Value Index	16.05	OK to Sell	2.9	-25.7	-13.1	--	--	--	--	--	132
<b>REAL ESTATE</b>													
1368	FIREX	International Real Estate	11.36	Hold	3.0	-12.7	-7.4	-0.8	5.4	4.4	8.6	0.81	212
833	FRIFX	Real Estate Income	10.41	OK to Sell	2.9	-16.7	-15.5	-10.4	0.2	2.9	6.6	0.96	1,665
2355	FSRNX	Real Estate Index	12.97	OK to Sell	-0.6	-23.4	-16.7	-18.1	-1.8	1.1	--	1.12	1,975
303	FRESX	Real Estate Investment	37.34	OK to Sell	1.0	-16.9	-11.0	-10.2	1.3	3.8	8.8	1.00	3,265
<b>ASSET ALLOCATION</b>													
328	FASIX	Asset Manager 20%	13.58	Hold	1.9	0.2	0.4	5.9	4.0	3.6	4.6	0.29	5,106
1957	FTANX	Asset Manager 30%	11.29	Hold	2.6	-0.4	0.8	7.1	4.6	4.2	5.6	0.39	1,751
1958	FFANX	Asset Manager 40%	11.83	Hold	3.2	-1.0	1.0	7.8	5.1	4.7	6.5	0.48	1,784
314	FASMX	Asset Manager 50%	18.21	Hold	3.7	-2.0	1.1	8.2	5.4	5.0	7.2	0.58	8,991
1959	FSANX	Asset Manager 60%	12.63	Hold	4.3	-2.9	1.2	8.5	5.6	5.3	7.8	0.68	2,785
321	FASGX	Asset Manager 70%	21.77	Hold	4.8	-4.1	1.2	8.6	5.8	5.5	8.4	0.77	4,851
347	FAMRX	Asset Manager 85%	18.97	Hold	5.4	-5.5	1.4	9.0	6.2	6.0	9.3	0.91	2,319
304	FBALX	Balanced	24.29	Buy	4.4	-0.7	3.4	13.0	8.4	7.4	9.8	0.76	25,557
355	FFNOX	Four-in-One Index	45.96	Hold	4.7	-5.9	1.1	7.7	6.5	6.3	9.6	0.84	6,226
3083	FMSDX	Multi-Asset Income	11.35	OK to Buy	3.4	-1.6	3.1	12.2	6.8	--	--	0.53	72
4	FPURX	Puritan	22.91	Buy	4.5	1.1	4.5	13.4	8.8	7.6	9.9	0.70	21,209
<b>INTERNATIONAL</b>					<b>Average</b>	<b>5.4</b>	<b>-11.0</b>	<b>-2.5</b>	<b>2.3</b>	<b>2.6</b>	<b>3.4</b>	<b>6.9</b>	<b>1.01</b>
309	FICDX	Canada	44.75	Hold	4.6	-15.1	-7.6	-6.3	1.3	0.9	2.8	1.06	642
352	FHKCX	China Region	39.73	Hold↓	2.2	0.5	3.4	26.1	11.4	4.2	9.4	1.14	1,152
325	FDIVX	Diversified International	37.61	OK to Buy	5.9	-7.1	0.3	8.8	3.5	3.0	7.1	0.90	8,530
351	FSEAX	Emerging Asia	46.77	OK to Buy	5.0	2.9	5.0	21.3	11.1	7.8	9.2	1.01	1,036
2053	FEMEX	Emerg Europe, MidEast, Africa	7.62	Hold	6.4	-25.2	-10.9	-16.6	-2.1	0.6	2.5	1.37	49
322	FEMKX	Emerging Markets	32.24	OK to Buy	4.3	-7.8	-1.6	8.9	6.8	6.3	5.3	1.01	3,145
2374	FEDDX	Emerging Mkts Discovery	12.04	Hold	5.1	-16.8	-9.1	-6.5	-2.6	0.6	--	1.16	168
2344	FPADX	Emerging Markets Index	9.27	Hold	2.0	-15.6	-6.9	-4.0	-0.1	0.7	--	1.08	2,702
5031	FEOPX	Enduring Opportunities	10.37	OK to Buy	7.0	-1.5	5.3	--	--	--	--	--	7
301	FIEUX	Europe	32.19	OK to Buy	5.8	-11.2	-1.8	0.4	-0.1	0.7	6.2	0.98	708
2406	FGILX	Global Equity Income	14.34	OK to Buy	4.3	-7.8	1.4	9.3	6.0	5.4	--	0.85	65
2348	FSGGX	Global ex U.S. Index	11.46	Hold	4.2	-14.4	-5.3	-3.1	-0.1	0.9	--	0.94	5,130
335	FIVFX	International Cap App	21.56	Buy	5.8	-6.0	-1.0	7.3	7.1	6.8	9.9	0.86	3,773
305	FIGRX	International Discovery	41.97	Hold	6.6	-7.6	0.8	6.6	2.9	2.8	6.9	0.92	6,532
2010	FIENX	International Enhanced Index	8.33	Hold	4.7	-14.1	-4.7	-4.3	-1.4	0.6	5.8	0.91	1,099
1979	FIGFX	International Growth	14.92	OK to Buy	5.4	-6.3	0.5	11.3	6.3	5.6	9.2	0.86	1,181
2363	FSPSX	International Index	37.05	Hold	5.2	-13.8	-4.1	-2.4	-0.1	1.0	5.5	0.90	24,657
818	FISMX	International Small Cap	23.08	OK to Sell↓	4.3	-17.8	-7.6	-7.1	-1.5	2.8	8.2	1.02	1,037
1504	FSCOX	Int'l Small Cap Opps (Closed)	18.94	OK to Buy	6.6	-8.1	2.9	7.4	4.9	6.0	10.4	0.93	1,025
2988	FNIDX	International Sustainability Idx	9.80	Hold	4.5	-12.6	-4.0	-0.2	0.7	--	--	0.92	92
1597	FIVLX	International Value	6.70	OK to Sell	5.5	-19.7	-9.0	-9.4	-5.3	-2.9	2.6	1.03	381
350	FJPNX	Japan	15.52	Hold	7.6	-4.7	6.1	10.9	5.3	5.6	5.9	0.88	336
360	FJSCX	Japan Smaller Companies	15.67	OK to Sell	7.3	-9.1	6.2	5.5	3.6	7.0	10.2	0.79	604
349	FLATX	Latin America	17.17	OK to Sell	5.2	-41.6	-29.5	-27.8	-5.5	-2.8	-4.3	1.98	303
342	FNORX	Nordic	46.26	Hold↑	9.1	-3.2	3.6	9.2	2.4	4.5	9.7	0.99	245
94	FOSFX	Overseas	47.73	OK to Buy	6.5	-7.8	-0.0	5.6	3.2	4.3	8.3	0.89	5,701
302	FPBFX	Pacific Basin	32.57	Hold	4.1	-5.7	1.8	11.8	6.9	7.0	10.2	0.93	873
2369	FTEMX	Total Emerging Markets	11.60	Hold	5.4	-13.7	-7.1	-2.2	0.5	3.0	--	0.99	180
1978	FTIEX	Total International Equity	8.70	OK to Buy	5.2	-11.3	-2.8	2.3	2.3	2.9	6.2	0.94	62
2834	FTIHX	Total International Index	10.61	Hold	4.4	-14.6	-5.2	-3.1	-0.2	--	--	0.95	3,936
318	FWWFX	Worldwide	28.42	Buy	8.0	0.2	6.9	15.0	11.8	8.9	11.6	0.98	1,971
3228	FZILX	Zero International Index	8.95	Hold	4.7	-14.1	-4.8	-2.4	--	--	--	--	1,402

# FIDELITY SCORECARD

MAY 31, 2020

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
					May	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
<b>SPECIALTY</b>														
308	FCVFX	Convertible Securities	31.99	OK to Buy	5.8	3.0	6.2	18.2	10.9	6.4	9.0	0.74	\$1,405	
2624	FARNX	Event Driven Opps (Closed)	8.56	Sell	4.4	-22.7	-10.8	-18.9	-10.1	-1.9	--	1.16	62	
2120	FFGCX	Global Commodity Stock	10.35	Hold	5.1	-19.1	-2.3	-6.9	-0.4	-2.0	-0.6	1.28	170	
3488	FNSTX	Infrastructure Fund	10.07	OK to Sell	6.9	-4.2	-2.7	--	--	--	--	--	10	
122	FLVCX	Leveraged Company Stock	28.82	Buy	8.9	-11.1	-1.0	4.0	4.0	2.9	9.1	1.42	1,578	
1329	FSDIX	Strategic Dividend & Income	14.34	Hold	3.3	-6.5	0.1	4.6	5.3	6.1	9.5	0.74	2,589	
1505	FSRRX	Strategic Real Return	7.66	Hold	2.8	-8.5	-5.3	-4.4	0.2	0.3	2.3	0.51	157	
311	FIUIX	Telecom & Utilities	25.24	Hold	4.9	-8.0	-2.6	5.3	6.5	6.8	11.1	0.77	981	
<b>DISRUPTOR / MEGATREND FUNDS</b>					<b>Average</b>			<b>7.9</b>						
6041	FARMX	Agricultural Productivity	10.91	na	3.6	9.1p	--	--	--	--	--	--	3	
6036	FBOTX	Disruptive Automation	11.91	na	9.8	19.1p	--	--	--	--	--	--	9	
6037	FNETX	Disruptive Communications	11.58	na	9.4	15.8p	--	--	--	--	--	--	7	
6038	FNTEX	Disruptive Finance	11.86	na	9.2	18.6p	--	--	--	--	--	--	6	
6039	FMEDX	Disruptive Medicine	11.05	na	7.1	10.5p	--	--	--	--	--	--	9	
6040	FTEKX	Disruptive Technology	11.49	na	10.3	14.9p	--	--	--	--	--	--	10	
6043	FGDFX	Disruptors	11.57	na	9.1	15.7p	--	--	--	--	--	--	19	
6042	FLOWX	Water Sustainability	10.75	na	5.1	7.5p	--	--	--	--	--	--	4	
<b>SELECT PORTFOLIOS</b>					<b>Average</b>			<b>6.2 -9.6 -0.3 6.4 5.2 5.3 10.2 1.37</b>						
34	FSAIX	Air Transportation	44.52	OK to Buy	4.0	-37.1	-24.4	-28.9	-7.8	-0.8	8.5	1.58	223	
502	FSAVX	Automotive	31.37	Hold	8.7	-5.4	0.2	20.5	6.8	2.6	9.4	1.41	34	
507	FSRBX	Banking	16.54	OK to Buy	-0.5	-36.0	-22.4	-21.4	-5.8	0.1	5.5	1.72	289	
42	FBIOX	Biotechnology	22.92	OK to Buy	11.2	9.6	15.2	36.9	15.9	3.8	19.8	1.48	7,432	
68	FSLBX	Brokerage & Investment	76.53	OK to Buy	7.1	-3.4	4.0	15.0	10.1	6.0	8.8	1.15	309	
69	FSCHX	Chemicals	10.97	Hold	8.5	-11.4	4.8	-2.2	-3.5	1.1	10.2	1.40	636	
518	FSDCX	Communications Equipment	32.71	Hold	5.9	-6.7	5.0	-8.7	3.0	3.8	7.2	1.06	146	
503	FBMPX	Communication Services	65.09	Buy	9.2	4.1	9.8	19.1	10.6	8.9	15.2	1.10	602	
7	FDCPX	Computers	74.52	OK to Buy	4.4	-5.9	0.2	22.5	11.3	10.7	12.8	1.07	494	
511	FSHOX	Construction & Housing	55.92	OK to Buy	11.6	-4.3	1.4	15.2	9.9	9.0	13.4	1.35	265	
517	FSCPX	Consumer Discretionary	49.75	Buy	7.2	0.8	9.2	13.6	11.7	10.4	14.2	1.26	405	
98	FSVLX	Consumer Finance	12.60	Hold	6.0	-28.6	-22.0	-20.1	1.6	2.2	7.9	1.63	108	
9	FDFAX	Consumer Staples	80.18	OK to Buy	2.6	-7.8	1.2	4.6	0.1	3.6	9.6	0.85	757	
67	FSDAX	Defense & Aerospace	13.98	Buy	8.0	-21.7	-13.5	-11.2	5.6	8.3	13.0	1.48	2,055	
60	FSENX	Energy	22.21	Hold	2.1	-37.4	-16.5	-33.2	-16.0	-12.3	-2.6	2.18	735	
43	FSESX	Energy Service	11.49	Hold	8.0	-53.0	-32.9	-51.3	-34.6	-25.6	-11.6	2.93	144	
516	FSLEX	Environment & Alt Energy	21.02	OK to Sell	5.3	-14.4	-3.7	-0.8	1.6	5.5	8.1	1.22	160	
66	FIDSX	Financial Services	7.72	Buy	3.6	-24.7	-13.8	-9.7	1.2	2.9	6.3	1.38	391	
41	FSAGX	Gold	28.59	OK to Sell	5.1	18.2	29.0	55.0	12.5	11.7	-2.8	1.88	1,677	
63	FSPHX	Health Care	29.67	Buy	5.5	6.9	15.3	35.1	18.0	9.1	18.9	1.11	8,733	
505	FSHCX	Health Care Services	107.85	OK to Buy	6.3	3.7	14.8	29.3	15.3	10.5	15.8	1.22	1,112	
515	FCYIX	Industrials	29.09	Buy	7.5	-14.0	-5.0	-5.4	2.0	4.6	10.2	1.32	460	
45	FSPCX	Insurance	48.95	Hold	7.0	-19.9	-11.4	-10.6	0.5	5.3	10.4	1.13	176	
353	FBSOX	IT Services	77.85	OK to Buy	9.6	4.2	6.5	16.9	22.0	17.3	19.7	1.16	4,021	
62	FDSLX	Leisure	12.85	Buy	6.2	-15.1	-4.5	-5.4	3.5	6.1	11.9	1.38	408	
509	FSDPX	Materials	61.92	Hold	6.1	-10.4	3.8	0.6	-3.4	-0.9	5.9	1.29	390	
354	FSMEX	Medical Tech & Devices	60.52	OK to Buy	4.7	3.0	11.0	22.4	17.9	15.7	18.0	1.08	6,490	
513	FSNGX	Natural Gas	10.27	Hold	1.7	-43.3	-23.7	-44.5	-23.0	-19.3	-8.1	2.26	94	
514	FNARX	Natural Resources	18.37	Hold	1.7	-30.5	-10.7	-22.9	-10.4	-9.3	-1.9	2.06	285	
580	FPHAX	Pharmaceuticals	23.51	Buy	3.0	3.9	11.6	32.1	13.4	4.5	14.8	0.90	904	
46	FSRPX	Retailing	18.05	OK to Buy	8.7	7.2	15.0	22.4	17.1	16.0	18.1	1.25	2,835	
8	FSELX	Semiconductors	11.42	Buy	6.8	-2.2	6.8	43.3	18.5	18.7	18.9	1.54	3,773	
28	FSCSX	Software & IT Services	21.64	OK to Buy	9.2	12.6	12.1	31.0	23.2	21.8	21.2	1.08	9,309	
64	FSPTX	Technology	21.18	Buy	8.8	10.8	12.2	42.2	20.6	20.1	18.5	1.21	7,461	
96	FSTCX	Telecommunications	63.53	Hold	6.1	5.6	6.0	18.9	6.1	7.4	10.0	0.78	238	
512	FSRFX	Transportation	71.03	Hold	7.1	-17.3	-4.0	-8.6	1.1	4.2	10.4	1.33	272	
65	FSUTX	Utilities	83.92	OK to Sell	4.6	-10.0	-5.2	1.5	7.8	8.1	11.5	0.82	1,041	
963	FWRLX	Wireless	10.83	OK to Buy	7.0	3.1	8.1	29.9	13.0	11.2	12.5	0.87	360	
<b>SECTOR ETFs</b>					<b>Average</b>			<b>4.6 -9.5 -0.4 4.8 5.4 6.5 1.19</b>						
	FCOM	MSCI Communication Services	35.37	OK to Buy	6.8	-0.8	4.5	11.6	6.2	8.4	--	1.05	514	
	FDIS	MSCI Consumer Discretionary	49.09	Buy	6.8	2.2	9.0	16.8	12.5	11.2	--	1.30	693	
	FSTA	MSCI Consumer Staples	35.15	OK to Buy	1.7	-6.0	2.3	8.6	3.9	6.3	--	0.78	644	
	FENY	MSCI Energy	10.13	Hold	1.9	-35.7	-14.7	-31.9	-14.1	-11.6	--	2.18	461	
	FNCL	MSCI Financials	33.23	Buy	2.8	-24.4	-12.7	-9.9	1.2	5.0	--	1.32	716	
	FHLC	MSCI Health Care	50.77	OK to Buy	4.3	2.7	12.3	22.4	13.5	8.7	--	0.95	2,000	
	FIDU	MSCI Industrials	35.39	Buy	6.2	-15.3	-6.5	-2.3	2.9	6.1	--	1.27	311	
	FTEC	MSCI Information Technology	77.03	Buy	7.7	6.8	11.0	35.8	22.0	19.7	--	1.16	3,800	
	FMAT	MSCI Materials	30.30	Hold	7.0	-10.9	4.7	5.4	1.7	3.3	--	1.24	140	
	FREL	MSCI Real Estate	23.03	OK to Sell	1.8	-16.0	-10.7	-7.7	3.0	4.5	--	1.04	925	
	FUTY	MSCI Utilities	38.64	OK to Sell	4.2	-7.7	-3.2	4.3	6.8	9.8	--	0.80	836	

# FIDELITY SCORECARD

MAY 31, 2020

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				SEC %Yield	Dur <sup>2</sup> (Yrs)	Rel Vol (Risk) <sup>1</sup>	
					May	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr				
<b>TAXABLE BOND</b>					<b>Average</b>	<b>0.6</b>	<b>4.9</b>	<b>1.5</b>	<b>8.3</b>	<b>4.5</b>	<b>3.5</b>	<b>3.7</b>	<b>1.31</b>	<b>4.9</b>	<b>0.22</b>
2267	FCONX	Conservative Income Bond	10.04	Buy	0.4	0.5	0.2	1.9	2.0	1.5	--	1.03	0.3	0.07	
2208	FCBFX	Corporate Bond	12.43	Buy	2.0	3.6	-0.4	10.1	6.0	5.1	6.0	2.45	7.8	0.41	
2423	FGBFX	Global Credit	9.62	Hold	1.8	0.7	-2.7	7.4	4.8	4.0	--	3.05	7.1	0.44	
15	FGMNX	GNMA (Ginnie Mae)	11.83	OK to Buy	0.5	3.3	2.0	5.7	3.3	2.6	3.2	1.83	0.1	0.12	
54	FGOVX	Government Income	11.18	Hold	-0.2	7.3	2.9	9.7	4.8	3.4	3.3	0.55	5.5	0.21	
2418	FIPDX	Inflation-Protected Index <sup>3</sup>	10.57	OK to Buy	0.6	5.0	1.7	8.0	4.3	3.3	--	0.39*	5.7	0.21	
32	FTHRXX	Intermediate Bond	11.38	Buy	1.2	3.8	0.8	6.8	3.9	3.1	3.4	1.58	4.0	0.18	
452	FSTGX	Intermediate Gov't Income	11.17	OK to Buy	0.2	5.8	2.6	7.5	3.8	2.6	2.5	0.11	3.8	0.15	
3045	FUAMX	Intermediate Treasury Index	12.03	Hold	0.3	9.5	3.8	12.2	5.8	4.2	4.3	0.48	6.5	0.27	
4506	FBII	International Bond Index	10.00	Hold	0.4	1.6	-0.8	--	--	--	--	0.70	8.0	--	
26	FBNDX	Investment Grade Bond	8.59	Buy	1.4	5.8	2.3	10.2	5.5	4.3	4.5	1.86	5.8	0.21	
2622	FJRLX	Limited Term Bond	11.82	Buy	1.2	2.2	0.4	4.9	3.1	2.6	3.0	1.82	2.7	0.16	
662	FFXSX	Limited Term Government	10.37	OK to Buy	0.1	4.0	1.9	5.4	2.8	1.9	1.7	-0.03	2.8	0.11	
3047	FNBGX	Long-Term Treasury Index	16.93	Sell	-1.9	21.2	5.7	26.3	12.1	8.4	8.1	1.27	19.2	0.72	
40	FMSFX	Mortgage Securities	11.65	OK to Buy	0.2	3.4	1.7	6.1	3.7	3.0	3.4	1.95	0.4	0.13	
450	FSHBX	Short-Term Bond	8.81	OK to Buy	0.7	2.1	0.7	4.0	2.6	2.0	1.8	1.35	2.0	0.10	
3041	FNSOX	Short-Term Bond Index	10.37	OK to Buy	0.5	3.8	1.7	5.9	--	--	--	0.60	2.6	--	
3049	FUMBX	Short-Term Treasury Index	10.90	OK to Buy	0.2	4.2	2.1	6.0	3.2	2.2	1.9	0.20	2.6	0.11	
3086	FNDX	Sustainability Bond Index	11.03	Hold	0.4	5.8	2.0	9.5	--	--	--	1.34	5.4	--	
820	FTBFX	Total Bond	11.21	Buy	1.6	3.9	0.8	8.1	4.7	4.1	4.5	2.48	5.5	0.23	
2326	FXNAX	U.S. Bond Index	12.48	Hold	0.4	5.8	1.9	9.6	5.1	4.0	3.9	1.50	5.5	0.19	
<b>HIGH-YIELD BOND</b>					<b>Average</b>	<b>4.4</b>	<b>-4.9</b>	<b>-3.6</b>	<b>0.1</b>	<b>2.2</b>	<b>3.3</b>	<b>5.3</b>	<b>5.16</b>	<b>3.6</b>	<b>0.52</b>
38	FAGIX	Capital & Income	9.39	Buy	5.6	-6.8	-3.3	0.9	3.2	3.9	6.9	4.69	4.8	0.71	
814	FFRHXX	Floating Rate High Income	8.73	OK to Buy	4.2	-6.2	-4.8	-3.4	1.3	2.2	3.3	5.84	0.3	0.49	
1366	FHIFX	Focused High Income	8.49	Buy	2.9	-3.1	-1.8	3.4	3.7	3.9	5.8	4.41	3.7	0.41	
2297	FGHXX	Global High Income	8.79	OK to Buy	5.3	-6.6	-4.8	-1.2	1.8	3.2	--	6.17	3.8	0.61	
455	SPHIX	High Income	8.21	Buy	4.0	-6.3	-4.4	-0.5	2.5	3.7	5.9	5.51	3.6	0.52	
331	FNMX	New Markets Income	13.84	Hold	7.1	-6.4	-6.6	-2.6	-0.5	3.2	5.2	6.31	5.4	0.66	
2580	FSAHX	Short Duration High Income	9.12	Buy	3.1	-1.9	-1.2	1.6	2.5	2.7	--	4.60	2.3	0.37	
3082	FADMXX	Strategic Income	12.07	OK to Buy	3.4	-2.0	-1.9	2.7	3.0	3.6	4.8	3.74	4.9	0.38	
<b>MUNICIPAL BOND</b>					<b>Average</b>	<b>2.7</b>	<b>0.0</b>	<b>-2.7</b>	<b>2.4</b>	<b>3.0</b>	<b>3.0</b>	<b>3.6</b>	<b>1.68</b>	<b>5.6</b>	<b>0.22</b>
434	FSAZX	Arizona Muni Income	12.39	OK to Sell	3.0	0.9	-2.0	3.5	3.4	3.4	4.1	1.38	6.1	0.23	
1534	FCSTX	Calif Limited Term Tax Free	10.79	OK to Sell	2.2	1.1	-0.3	2.7	2.1	1.9	2.1	1.01	3.1	0.13	
91	FCFTX	California Muni Income	13.15	OK to Sell	3.2	0.5	-2.7	3.0	3.5	3.5	4.4	1.66	6.5	0.25	
407	FICNX	Connecticut Muni Income	11.66	OK to Sell	2.9	-0.1	-2.9	2.7	3.3	3.1	3.5	1.84	6.0	0.23	
2578	FCRDXX	Conservative Income Muni	10.01	Buy	0.6	0.1	-0.3	1.1	1.2	1.0	--	1.10	0.6	0.04	
36	FLTMXX	Interm Municipal Income	10.57	OK to Sell	2.8	0.4	-2.3	2.6	3.1	3.0	3.3	1.64	4.9	0.22	
404	FSTFX	Limited Term Muni Income	10.69	OK to Sell	2.0	0.7	-0.8	2.3	2.1	1.8	1.9	1.40	2.8	0.14	
429	SMDMX	Maryland Muni Income	11.50	OK to Sell	2.8	-0.5	-3.5	2.1	2.8	3.1	3.4	1.66	6.2	0.24	
70	FDMXX	Mass Muni Income	12.36	OK to Sell	3.0	0.5	-2.5	3.1	3.2	3.2	3.9	1.57	6.3	0.23	
81	FMHTX	Michigan Muni Income	12.54	OK to Sell	3.0	1.6	-1.5	4.1	3.8	3.6	4.0	1.48	6.3	0.22	
82	FIMIX	Minnesota Muni Income	11.98	OK to Sell	3.3	1.5	-1.2	4.1	3.5	3.3	3.5	1.31	5.9	0.22	
3469	FMBIX	Municipal Bond Index	19.84	OK to Sell	3.2	-0.5	-3.2	--	--	--	--	1.82	5.9	--	
37	FHIGX	Municipal Income	13.04	OK to Sell	3.2	-1.5	-5.1	1.3	3.4	3.5	4.2	2.33	7.1	0.30	
416	FNJHXX	New Jersey Muni Income	11.84	OK to Sell	2.4	-2.5	-5.7	0.2	3.5	3.6	3.7	2.33	6.5	0.29	
71	FTFMXX	New York Muni Income	13.25	OK to Sell	3.2	-0.7	-4.0	1.7	3.0	3.2	3.7	1.91	7.1	0.27	
88	FOHFX	Ohio Muni Income	12.26	OK to Sell	2.8	0.1	-2.9	2.7	3.1	3.4	4.0	1.68	6.2	0.24	
402	FPXTX	Pennsylvania Muni Income	11.27	OK to Sell	2.9	0.1	-3.1	2.7	3.4	3.4	4.0	1.70	6.7	0.24	
90	FTABX	Tax-Free Bond	11.62	OK to Sell	3.3	-1.3	-4.8	1.7	3.5	3.6	4.3	2.34	6.9	0.30	

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
			May	YTD	
55	FDRXX	Gov't Cash Reserves	0.00	0.27	0.01
458	SPAXX	Government MM	0.00	0.25	0.01
2742	FZFX	Treasury MM	0.00	0.25	0.01
415	FDLXX	Treasury Only MM (closed)	0.00	0.25	0.01
PRIME MONEY MARKETS					
454	SPRXX	Money Market*	0.01	0.36	0.06
*Available in premium class shares (FZDXX) with a \$100,000 minimum (\$10,000 for certain Fidelity retirement accounts) and lower expenses.					
NATIONAL MUNICIPAL MONEY MARKETS					
10	FTEXX	Municipal Money Market	0.01	0.38	0.03
275	FMOXX	Tax-Exempt MM	0.00	0.34	0.01

STATE MUNICIPAL MONEY MARKETS			Total Return (%)		SEC %Yield
			May	YTD	
433	FSAXX	Arizona Muni MM	0.00	0.32	0.01
97	FCFXX	California Muni MM	0.00	0.34	0.01
457	FSPXX	California AMT Tax-Free	0.01	0.33	0.03
418	FCMXX	Connecticut Muni MM	0.00	0.32	0.01
426	FMSXX	Mass AMT Tax-Free	0.01	0.36	0.11
74	FDMXX	Massachusetts Muni MM	0.00	0.37	0.01
420	FMIXX	Michigan Muni MM	0.00	0.33	0.01
417	FNJXX	New Jersey Muni MM	0.00	0.32	0.01
423	FSJXX	New Jersey AMT Tax-Free	0.01	0.35	0.14
92	FNYXX	New York Muni MM	0.04	0.35	0.01
422	FSNXX	New York AMT Tax-Free	0.01	0.38	0.15
419	FOMXX	Ohio Muni MM	0.00	0.31	0.01
401	FPTXX	Pennsylvania Muni MM	0.00	0.34	0.01

# FIDELITY SCORECARD

MAY 31, 2020

Fund No.	Fund Ticker	Fund Name	Style	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>
						May	YTD	3 Mo.	1 Year	3 Year	5 Year	10 Year	
<b>FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS</b>													
Model Portfolios	Annuity Sector Model					7.4	-1.4	5.8	16.9	11.2	10.8	13.3	1.11
	Annuity Growth Model					7.2	-1.4	5.3	14.5	10.3	8.7	11.6	1.10
	Annuity Growth & Income Model					5.6	1.5	3.7	13.3	7.5	6.3	8.5	0.73
	Annuity Income Model					3.0	1.7	1.9	7.8	4.2	4.0	5.1	0.39
9067	FLRQC	Fid VIP Asset Manager	Allocation	22.00	Hold	3.6	-2.1	1.1	7.9	5.0	3.9	6.7	0.58
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation	22.87	Hold	4.7	-4.2	1.1	8.2	5.4	4.2	7.8	0.77
9069	FJBAC	Fid VIP Balanced	Allocation	28.45	Buy	4.3	-0.8	3.3	12.7	8.0	7.1	9.4	0.75
9461	FBIQC	Fid VIP Bond Index	Bond	11.64	Hold	0.4	5.7	1.9	9.2	--	--	--	--
9173	FVTAC	Fid VIP Communication Services	Sector	21.64	Buy	9.1	3.8	9.5	18.4	9.8	9.5	11.3	1.06
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	37.70	Buy	8.0	1.1	9.5	13.8	11.5	10.2	13.9	1.26
9171	FCSAC	Fid VIP Consumer Staples	Sector	27.54	OK to Buy	2.5	-7.3	1.4	4.6	1.1	5.1	10.5	0.85
9065	FPDFC	Fid VIP Contrafund	Large Growth	35.07	Buy	6.6	5.4	9.5	22.6	12.2	10.1	12.7	0.99
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	18.74	OK to Sell	5.6	-17.8	-5.1	-5.5	-1.4	1.0	8.5	1.36
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	35.88	Hold	7.4	1.6	6.0	17.9	12.1	8.6	12.7	1.02
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	10.90	OK to Buy	3.1	-11.3	-3.4	1.4	4.0	4.4	4.2	1.05
9085	FJLLC	Fid VIP Energy	Sector	8.35	Hold	2.1	-37.7	-16.9	-33.6	-16.2	-12.5	-2.8	2.18
9061	FLOLC	Fid VIP Equity-Income	Large Value	22.27	Buy	3.7	-12.0	-1.8	2.2	3.7	4.7	9.3	0.93
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	8.91	Buy	7.0	-15.8	-5.2	-3.8	--	--	--	--
9083	FONNC	Fid VIP Financial Services	Sector	12.54	Buy	3.5	-24.9	-13.9	-10.0	1.0	2.7	6.2	1.38
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	11.42	OK to Buy	4.0	-5.2	-3.9	-2.3	1.4	2.2	--	0.47
9157	FMPAC	Fid VIP FundsManager 20	Allocation	16.80	Hold	1.4	1.1	1.3	6.6	4.1	3.3	4.1	0.24
9158	FMPBC	Fid VIP FundsManager 50	Allocation	19.75	Hold	3.3	-1.3	2.1	8.5	5.4	4.7	6.7	0.54
9197	FMPCC	Fid VIP FundsManager 60	Allocation	18.82	Hold	3.8	-2.6	2.0	8.6	5.6	5.1	7.5	0.64
9159	FMPDC	Fid VIP FundsManager 70	Allocation	20.81	Hold	4.5	-3.8	2.0	8.5	5.7	5.2	8.1	0.74
9160	FMPDC	Fid VIP FundsManager 85	Allocation	21.35	Hold	5.3	-5.8	1.9	8.3	6.0	5.7	9.1	0.89
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	11.76	--	-0.0	0.2	0.0	1.1	1.2	0.7	0.3	0.01
9062	FMNDC	Fid VIP Growth	Large Growth	40.96	Buy	8.0	7.4	10.5	26.2	17.0	14.4	15.9	1.05
9070	FLFNC	Fid VIP Growth & Income	Large Blend	26.14	Hold	3.3	-13.4	-2.4	3.2	4.5	5.3	10.6	1.03
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	50.81	Buy	9.6	11.3	13.9	33.1	25.7	18.5	18.9	1.21
9084	FPDRC	Fid VIP Health Care	Sector	58.15	Buy	5.7	6.3	15.3	31.6	17.0	8.3	18.4	1.10
9060	FBBLC	Fid VIP High Income	High-Yield Bond	21.41	Buy	4.1	-6.2	-4.4	-0.4	1.9	2.9	5.4	0.53
9064	FXVLT	Fid VIP Index 500	Large Blend	32.08	OK to Buy	4.7	-5.1	3.5	12.4	9.8	9.5	12.8	1.00
9082	FBALC	Fid VIP Industrials	Sector	32.82	Buy	7.4	-13.9	-5.0	-5.3	1.8	4.4	10.0	1.32
9473	FFIQC	Fid VIP International Index	Diversified Int'l	8.97	Hold	4.6	-14.3	-5.0	-2.9	--	--	--	--
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	22.62	Buy	5.9	-6.3	-1.2	6.9	6.8	6.6	9.6	0.87
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	18.55	Buy	1.2	4.4	1.2	8.5	4.7	3.8	4.0	0.22
9172	FVMAC	Fid VIP Materials	Sector	17.29	Hold	5.2	-13.8	-1.0	-2.7	-4.7	-1.9	5.3	1.28
9071	FNBS C	Fid VIP Mid Cap	Mid Blend	25.91	Buy	6.8	-14.8	-4.1	-4.3	0.4	2.2	7.8	1.28
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	18.12	OK to Buy	6.4	-8.1	-0.1	4.9	2.8	2.6	6.7	0.89
9072	FFWKC	Fid VIP Real Estate	Sector	22.98	OK to Sell	2.8	-15.2	-9.6	-9.7	0.2	2.1	7.9	1.00
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	20.68	OK to Buy	3.2	-1.9	-1.9	2.5	2.7	3.2	4.4	0.37
9086	FYENC	Fid VIP Technology	Sector	66.43	Buy	8.9	11.0	12.1	42.3	21.0	20.1	18.1	1.21
9465	FTMJC	Fid VIP Total Market Index	Large Blend	11.04	OK to Buy	5.3	-6.0	2.7	10.8	--	--	--	--
9087	FXRRC	Fid VIP Utilities	Sector	32.45	OK to Sell	4.6	-10.4	-5.3	1.1	7.6	7.8	11.3	0.83
9079	FKMSC	Fid VIP Value	Large Value	20.84	OK to Buy	4.6	-20.7	-8.7	-6.4	-0.3	1.7	8.3	1.33
9073	FRBSC	Fid VIP Value Strategies	Mid Value	21.03	Hold	4.8	-21.5	-9.1	-7.9	-1.1	0.4	7.4	1.38
9347	FBMEC	Black Rock Global Allocation	Global Allocation	14.66	Hold	3.9	-1.7	2.4	8.8	4.1	3.4	5.6	0.62
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	10.89	Hold	-0.1	-4.9	-3.8	-5.0	-0.7	-0.6	2.3	0.34
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	11.28	Hold	0.1	3.5	1.7	5.5	2.8	1.9	1.9	0.12
9285	FIGXC	Invesco Global Core Eqty	Global Stock	13.35	Hold	5.5	-12.0	-1.1	1.7	1.4	2.3	5.8	1.09
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	13.33	Hold	2.0	-24.3	-13.3	-14.7	-6.4	-2.3	0.7	1.18
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	19.08	Hold	6.4	-7.1	-7.5	-1.7	0.3	2.3	4.0	0.64
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	12.80	Hold	3.1	-18.6	-10.1	-7.0	-3.2	-0.6	1.8	1.08
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	14.17	Hold	3.1	-8.4	-1.1	1.1	2.5	2.6	6.0	0.67
9346	FPMEC	Pimco Commodity Real Return	Commodities	4.55	Hold	6.1	-22.0	-11.4	-17.5	-7.3	-8.0	-5.3	0.88
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	12.28	Buy	0.6	1.5	0.3	3.0	2.0	1.4	1.7	0.09
9277	FPNBC	Pimco VIT Real Return	TIPS	14.49	OK to Buy	0.6	4.4	1.3	6.9	3.7	2.8	3.1	0.22
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	15.16	Hold	0.9	4.8	1.1	8.0	4.5	3.6	3.7	0.20

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	26%	VIP Growth Opps	32%	VIP Growth Opps	23%	Pimco VIT Low Duration	33%
VIP Cons Discretionary	18	VIP Contrafund	30	VIP Contrafund	21	VIP Contrafund	28
VIP Health Care	17	VIP Extended Market	22	VIP Int'l Cap App	19	VIP Investment Grade	21
VIP Comm Services	15	VIP Equity-Income	16	VIP High Income	18	VIP High Income	18
VIP Industrials	13			VIP Investment Grade	10		
VIP Financial Services	11			Pimco VIT Low Dur	9		
<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>	
<b>May: 7.4% YTD: -1.4%</b>		<b>May: 7.2% YTD: -1.4%</b>		<b>May: 5.6% YTD: 1.5%</b>		<b>May: 3.0% YTD: 1.7%</b>	

## INTERNATIONAL FUNDS

### Healthier Portfolios Keep Close To Home

*Covid-19, and even more recently, political and economic uncertainty, have lead to a sudden alteration to the international investment landscape. While we've changed only a handful of fund ratings this month (see p. 5), there can be elevated and difficult-to-quantify risks to venturing abroad with your money.*

*With that in mind, our models have only limited direct exposure to overseas stocks (most of it is the result of U.S. stock funds holding foreign domiciled companies). And regardless of the asset class, the current investment environment compels us to advise income-oriented and growth-oriented investors alike, to stick closer to home.*

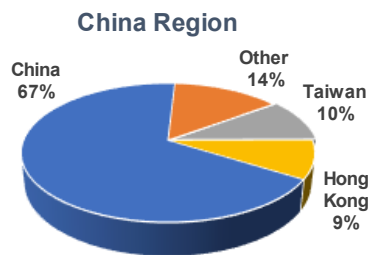
*With that in mind, below are several foreign funds which we're watching with particular interest.*

#### China Region

China is reporting only a smattering of new Covid infections. While we'll take them at their word, this much is certain: its economy was clobbered during the first quarter. And though this export-dependent country may be recovering, as long as the rest of the world is struggling, so will China.

Then there's the matter of Hong Kong. Once again, Beijing is cracking down on its freedom movement. This led to the Hang Sheng market's worst one-day drop in five years. And there will certainly be more fallout from the U.S. should President Xi further tighten the screws on this formerly self-governing city.

Should China move more forcefully against Hong Kong or otherwise stretch its military muscle in the region, a reignited trade war be-



tween Washington and Beijing may be the least that investors have to fear. And there's more.

If a unanimously passed U.S. Senate bill becomes law, it could delist many Chinese companies from U.S. exchanges. The bill's goal is to force Chinese-listed companies (known as ADRs or American Depository Receipts) to abide by the same accounting and transparency standards as other U.S.-listed stocks.

So where does this leave **China Region** [FHKCX] fund? Though it's only one of two foreign funds that's actually up for the year (0.5%), its nearer-term performance lies not in the hands of investors, but rather Beijing's Communist Party officials and Washington. That alone warrants the fund's downgrade to a generous *Hold* from *OK to Buy*.

#### Latin America Fund

Even as the coronavirus contagion has eased in the U.S. and most of the developed West (new infections in Japan are down sharply, minor outbreaks keep popping up in Germany, the Netherlands and elsewhere), it's still a growing menace in much of the developing world — especially Latin America.

In that region, reliable data is hard to find. And, worse, medical care is often scarce. While many countries in the region have been slow or other-

wise incapable of enforcing social-distancing conventions, the spreading contagion is wreaking havoc.

In Argentina, the pandemic's economic toll has forced its government to default on a \$500 million interest payment.

While **Latin America** [FLATX] is a stock fund with only a 3% expo-

sure to Argentina, this default (its third in 20 years) does not bode well for the fund. Nor does the fact that Mexico and others in the region are moving to reopen their economies even as infections rise.

With Brazil's Bovespa index gaining ground in May, Latin America fund benefited from its 66% stake in that country: it gained 5.2% in May but is still down 41.6% for the year. Given all the risks (the fund is twice as volatile as the average foreign stock fund!), we're maintaining our *OK to Sell* rating.

#### New Markets Income

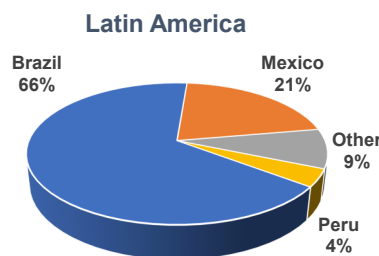
Turning back to the debt markets, **New Markets Income** [FNMIX] is 28% invested in Latin America. However, there's also a 12% stake in Africa and 7% in Russia — locales that disclose questionable infection data, but are otherwise known to be struggling. In both

instances, their economies are export-dependent, relying heavily on outside demand for their oil, gas, gold and other natural resources.

Owing to the same optimism that lifted other risk assets in May, New Markets and other high-yield funds rebounded (it rose 7.1%). Regardless, as the fund's tempting 6.31% yield may not fully compensate investors for its risk, U.S.-oriented high-yield funds such as **High Income, Focused High Income** and even **Capital & Income** (which holds some stocks) seem likely to deliver better risk-adjusted total returns (yield plus capital appreciation). As such, we continue to rate New Markets Income *Hold*.

#### Nordic Fund

We've upgraded **Nordic** [FNORX] to *Hold*, but that's hardly



**International** *cont'd on page 12*

## International *cont'd from page 11*

an enthusiastic endorsement. Arguably a subset of the far more diversified (and higher-rated) **Europe** fund, 42% of its assets are in Sweden, a country where Covid infection rates have been four-times greater than the combined totals of its neighbors. (Controversially, Sweden avoided “hard” lockdowns in its

domestic economy.) As a result, the fund’s performance has been better than most of its peers this year.

### International Small Cap

In a perfect world we could steer investors to **International Small Cap Opportunities**. But as it’s closed to new investors, and as we’ve just downgraded its close cousin **International Small Cap** to

*OK to Sell* from *Hold*, **International Capital Appreciation** remains our top choice. (It’s the only foreign stock fund we hold in our model portfolios.) As for why we’ve downgraded Int’l Small Cap, our decision comes down to its modest allocation to growth stocks generally, and its small technology exposure (just 8%), in particular. ■

— John Bonnanzio

## Fund Commentary *cont'd from page 5*

### Select Funds

The average sector-focused fund in this group rose 6.2% in May. With mortgage interest rates at all-time lows, combined with shuttered American homeowners finding the need to fix things up, **Select Construction & Housing** outran all others last month with a gain of 11.6%. A close second was **Biotechnology** (up 11.2%). Against the backdrop of biotech companies racing around the globe to address the Covid-19 pandemic, investor interest in the sector spiked. Tech-related Selects were, of course, big winners. The diversified **Technology** gained 8.8%, whereas **IT Services** and **Software & IT Services** fared even better with gains of 9.6% and 9.2%, respectively. But not far behind was **Retailing** (up 8.7%). It benefited from home improvement stores, internet retailers, and even brick and mortar retailers.

On the other hand, **Banking** (down 0.5%) trailed all other Selects as falling fee income, credit card defaults and tighter lending spreads are expected to weigh on earnings.

### High Yield Bond Funds

Highly correlated to stocks, this

asset class tends to benefit from economic expansion. While there are only glimpses of recovery yet to appear in economists’ data, investors set aside their concerns last month and put their money behind firms with risky balance sheets. The top domestic performer is also the riskiest offering: **Capital & Income** jumped 5.6% due, in part to its 21% weight in distressed stocks.

### Bond Funds

With the yield on the benchmark 10-year Treasury largely unchanged in May at 0.65%, taxable and muni bond funds alike enjoyed solid gains.

For its part, **U.S. Bond Index** fund rose 0.4% and is now up an impressive 5.8% for the year.

With investors embracing risk, corporates outperformed government and U.S. Treasury bonds. For example, **Limited Term Bond** gained 1.2% whereas **Limited Term Gov’t** rose just 0.1%.

And, in yet another sign that investors were feeling more optimistic about the economy, the high-flying **Long-Term Treasury Index** retreated 1.9% as its yield rose 10 basis points to 1.27%.

Note: Muni bond funds are reviewed on p. 4. ■

— John Bonnanzio

## Inside Fidelity

President Trump’s “Great American Economic Revival Industry Groups” has tapped the expertise of 200 business leaders for their advice on how best to steer the nation’s economy through the Covid-19 lockdown. One name that jumped out for us was that of Abigail Johnson, the Chairman and CEO of Fidelity Investments. Notably, the president’s list also includes the heads of Apple, Facebook and Alphabet/Google — all top holdings in Fidelity’s large-cap growth funds! ■

### Special Hotline Updates

Relative to the late-February/early-March selloff, stock market volatility has greatly subsided. Still, it’s worth a reminder that whenever the Dow Jones Industrials rise or fall by 850 points or more in a day (about 3.4% at today’s level), we continue to post on our website and email a Special Hotline update. (Apart from our usual Friday updates, we have kept readers up-to-date with our analysis and investment advice on an unprecedented 13 separate occasions!)

If you’d like to receive all Hotline updates emailed to you, go to our website (“Hotline Opt-in”) or call: 800-444-6342

*Fidelity Monitor & Insight* (ISSN 0892-2934) is published monthly for \$249 per year by **Independent Fidelity Investors Inc (IFI)**.

**Executive Editor:** Jack Bowers **Editors:** John Boyd, John Bonnanzio **Production & Design:** Kim Dowgos, Sherraden Marston **Webmaster:** Kim Dowgos. All material presented is compiled from sources believed reliable, but accuracy cannot be guaranteed. Before buying any mutual fund, you should read its prospectus carefully. IFI does not render legal, accounting or tax advice. Copyright ©2020. Reproductions in whole or in part are prohibited except by permission. Send address changes to *Fidelity Monitor & Insight* P.O. Box 19189 Reno, NV 89511.

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