

FIDELITY MONITOR & INSIGHT

JULY 2018

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MESSAGE FROM JACK

Stocks: Long-Term Expectations

Ben Graham once said, "In the short run the stock market is a voting machine, but in the long run, it is a weighing machine." Even today, stocks get pushed around day-to-day by emotions, false perceptions and trading schemes.

But over a decade or more, it's all about earnings and shareholder compensation, which tend to grow at steady rates. Here's what to expect in the years ahead:



Jack Bowers

- **Earnings growth.** Historically, this factor has accounted for about half of the stock market's total return. Growing numbers of big technology disruptors may boost the market's rate of earnings growth, given these firms' robust revenue growth and greater tendency to acquire. But depending on how much market share is lost by traditional firms (both foreign and domestic), this favorable effect may be partially, fully, or even more than offset by reduced earnings growth at disrupted firms (as well as a lower inflation rate for the general economy). Historically we've seen 6-7% growth on this front; going forward a conservative expectation is 5%.

- **Shareholder compensation.** Thanks in part to tax reform, dividends and stock buybacks have remained strong even in today's fully-valued market (at the end of 2017, the S&P 500's dividend plus buyback yield was just over 4%). Going forward, profitable companies on the losing end of tech disruption may boost shareholder compensation to help support their stock. Also, mature technology disruptors seem likely to become big dividend payers as they reach a level where their profits are no longer needed for expansion (some already are). I think this factor will continue to add around four percentage points to future stock returns.

Bottom line, a long-term annual growth rate of 9% is a reasonable expectation for the U.S. stock market (while the S&P 500's current ten-year return is higher, it includes some modest P/E expansion). Historically, stocks have exceeded inflation by seven percentage points per year. I think they will do at least that well going forward.

MARKET OUTLOOK

Will A Trade War Sink Stocks?

Last month, the reigning fear was rising interest rates and the potential for more aggressive rate hikes from the Fed. But in June, those worries were forgotten as dismay over a looming trade war took center stage, rattling the markets. Those fears are not misplaced. An all-out trade war would most likely lead to a recession and a bear market for stocks. Importantly, however, those concerns may be premature. We are not in a trade war, yet. The two main components of a trade war are tit-for-tat tariffs or other restrictions on trade and, critically, an unwillingness to negotiate. We are certainly seeing tit-for-tat tariffs, both actual and threatened, but there is still ample room for negotiation. Indeed, I would argue that the whole point of the recent tariffs



John M. Boyd

"Model Portfolio Trades" and "Funds You Should Buy Now" appear this month on page 4

imposed by President Trump is to bring about serious negotiations with our trading partners. In fact, his stated goal is to eliminate all duties.

Will It Work?

Will this strategy eventually bring our trading partners to the negotiating table, rather than ignite a full-blown trade war? Only time will tell, but there are two factors in our favor. One is that we are far less dependent on exports than other countries. According to the European Central Bank, goods and services exports are 12% for the U.S. versus 27% in the euro-area and 21% for China. Remove services (which have not been targeted for tariffs yet) and the gap is even wider. That means tariffs will inflict more pain on Europe and China than on us. For example, China exported about \$500 billion of goods to the U.S. in 2017, but we exported only \$130 billion to China. China clearly has more to lose.

The second factor is the strength of the U.S. economy relative to the rest of the world. China's stock market is already in a bear market, down over 20% from its January highs. The expected improvement in the euro-zone economy has not materialized and, in fact, it appears to be slowing. Meanwhile, U.S. second-quarter GDP is ex-

MODEL PORTFOLIOS See Model Portfolios Key on p. 4

JUNE 30, 2018

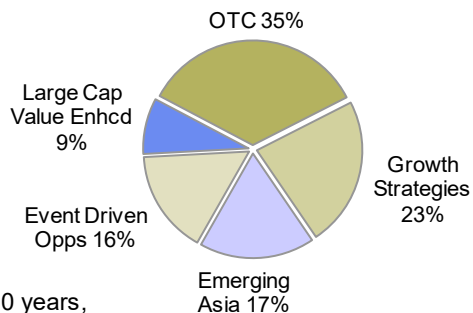
Unique Opportunities Target Risk: 1.20 (Current: 1.17) Foreign Holdings: 23.6% **YTD Return: 4.7%**

Stocks: 99.1% Bonds: 0.0% Cash: 0.9% Alternatives*: 0.0% Yield: 0.5%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
OTC	FOCPX	\$12.34	16,099.96	\$198,674	1.4%
Growth Strategies	FDEGX	42.78	3,086.93	132,059	-0.1
Emerging Asia	FSEAX	42.96	2,356.16	101,221	-3.8
Event Driven Opps	FARNX	14.23	6,421.19	91,374	0.1
Large Cap Value Enhcd	FLVEX	13.06	3,786.85	49,456	-0.2

Current Value (3/31/99 = \$100,000) **\$572,783** **-0.2%**

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



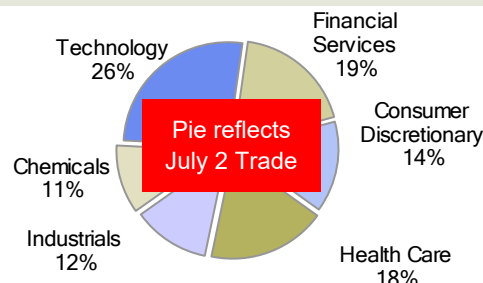
Select Target Risk: 1.20 (Current: 1.22) Foreign Holdings: 11.3% **YTD Return: 3.9%**

Stocks: 98.9% Bonds: 0.0% Cash: 1.2% Alternatives*: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Technology	FSPTX	\$178.91	6,041.31	\$1,080,851	-0.8%
Financial Services	FIDSX	107.42	8,824.11	947,886	-2.1
Consumer Discretionary	FSCPX	44.86	12,954.15	581,123	2.9
Health Care	FSPHX	245.05	2,287.45	560,540	0.9
Industrials	FCYIX	34.00	14,349.11	487,870	-2.4
Chemicals	FSCHX	160.88	2,717.19	437,141	-0.9

Current Value (12/31/88 = \$100,000) **\$4,095,411** **-0.6%**

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



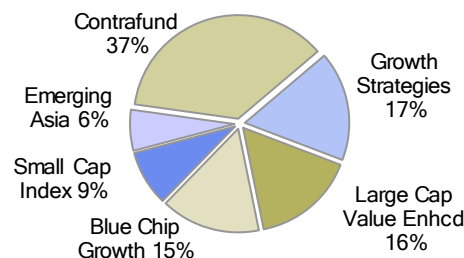
Growth Target Risk: 1.00 (Current: 1.03) Foreign Holdings: 10.2% **YTD Return: 5.8%**

Stocks: 98.6% Bonds: 0.1% Cash: 1.4% Alternatives*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Contrafund	FCNTX	\$132.07	7,923.75	\$1,046,490	0.9%
Growth Strategies	FDEGX	42.78	11,426.98	488,846	-0.1
Large Cap Value Enhcd	FLVEX	13.06	35,091.98	458,301	-0.2
Blue Chip Growth	FBGRX	98.74	4,465.05	440,879	2.5
Small Cap Index	FSSPX	21.73	11,382.97	247,352	0.7
Emerging Asia	FSEAX	42.96	4,246.83	182,444	-3.8

Current Value (12/31/86 = \$100,000) **\$2,864,312** **0.5%**

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



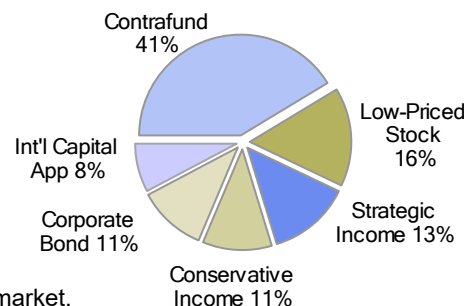
Growth & Income Target Risk: 0.66 (Current: 0.69) Foreign Holdings: 24.6% **YTD Return: 2.8%**

Stocks: 62.3% Bonds: 24.8% Cash: 3.9% Alternatives*: 8.9% Yield: 1.2%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Contrafund	FCNTX	\$132.07	2,202.26	\$290,852	0.9%
Low-Priced Stock	FLPSX	55.00	2,025.41	111,398	0.6
Strategic Income	FADMX	12.17	7,636.27	92,933	-0.2
Conservative Income	FCONX	10.03	7,726.95	77,501	0.1
Corporate Bond	FCBFX	11.14	6,892.57	76,783	-0.3
Int'l Capital App	FIVFX	20.89	2,623.10	54,797	-1.3

Current Value (12/31/93 = \$100,000) **\$704,264** **0.3%**

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



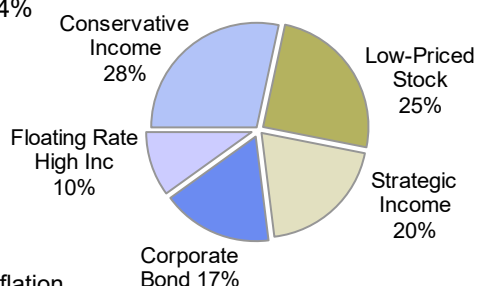
Income Target Risk: 0.33 (Current: 0.32) Foreign Holdings: 28.5% **YTD Return: -1.1%**

Stocks: 22.7% Bonds: 48.9% Cash: 5.8% Alternatives*: 22.6% Yield: 2.4%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Conservative Income	FCONX	\$10.03	11,335.09	\$113,691	0.1%
Low-Priced Stock	FLPSX	55.00	1,804.99	99,274	0.6
Strategic Income	FADMX	12.17	6,567.39	79,925	-0.2
Corporate Bond	FCBFX	11.14	6,105.56	68,016	-0.3
Floating Rate High Inc	FFRHX	9.59	4,172.26	40,012	0.1

Current Value (12/31/91 = \$100,000) **\$400,918** **0.1%**

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



Unique Opportunities

Down fractionally in June, the model gained 4.7% through the first half of the year. The biggest contributor to performance has been the tech- and bio-tech-rich **OTC**. Expertly managed by Sonu Kalra, OTC accounts for more than a third of the model's assets (its biggest holding), and the fund itself has been its best-performing position (up 12.3%). Two others have also helped to push the model ahead of the S&P 500's 2.6% return: they are **Growth Strategies** (up 4.0%) and **Event Driven Opportunities** (up 4.3%). In the first case, Manager Jean Park has also staked out significant bets in tech and health care, though her focus is on mid-sized growth stocks — not the big-caps that dominate OTC. Elsewhere, Event Driven and its manager, Arvind Navaratnam, also bet with tech, but that's about the only thing this eclectic, "go-anywhere" fund has in common with its peers.

On the downside, **Emerging Asia** (down 4.6%) is yet to bear fruit this year as emerging markets suffered at the hand of a strong dollar and trade disputes. Separately, **Large Cap Value Enhanced Index** (down 1.1%) was hobbled by its 25% stake in financials.

Select

Amid rapid sector rotations in the first half, there were no Select Model portfolio trades. As with our other portfolios, this model's particularly hot performance in January (up 7.2%) provided enough insulation for it to weather the chill that beset equities over the next three months. As May brought renewal, **Technology** rebounded 6.2% (it's up 10.8% for the year), and other Select positions, save **Financial Services** also bounced back. Elsewhere, investors' appetite for growth stocks benefited **Health Care**. Up 13.6% this year, its manager, Eddie Yoon, continued to demonstrate his stock-picking acumen, training his savvy eye on opportunities in biotech and medical tech. Meanwhile, the less glamorous **Consumer Discretionary** (up 10.0% year-to-date) benefited from an economy that grew 2.0% in the first quarter, and seems likely to have accelerated in the second quarter. Despite the model's 3.9% rise so far this year, there were other laggards: **Chemicals** (down 3.8%) struggled amid rising oil prices, **Industrials** (down 3.5%) was hobbled by trade concerns, and **Financial Services** (down 3.6%) struggled amid the specter of rising interest rates.

Growth

Essentially no more risky than the market itself, the Growth Model (up 5.8%) more than doubled the S&P 500's year-to-date return of 2.6%. Much of the credit goes to a familiar name: Sonu Kalra. Yes, he manages OTC. But he also runs the considerably less volatile **Blue Chip Growth** (up 12.5%) for this portfolio. As with its close cousin, Blue Chip's bread and butter sectors are tech, consumer discretionary and health care. Combined, they account for three-quarters of the fund's considerable assets. Then there's another familiar name: Will Danoff. He, of course, is the long-standing maestro behind **Contrafund**. Because of its more conservative positioning, Contra gained "only" 9.5% in the first half. However, as it's the model's biggest position at 37%, much of the portfolio's success this year falls squarely on Will's fund. Also warranting a nod is **Growth Strategies** (up 4.0%).

Finally, while **Large Cap Value Enhanced Index** provided portfolio diversification, it was bereft of capital appreciation. (It's down 1.1%). However, the newest model entrant (as of May 29) **Small Cap Index**, has gained 1.3% since its inclusion.

Growth & Income

Almost a third less risky than the S&P 500, this model (up 2.8%) still managed to modestly outpace the widely followed index. As was the case with the Growth Model, the muscular performance of **Contrafund** (up 9.5%) gets the lion's share of credit for the this model's positive result. It has also been helpful that Contra accounts for 42% of its assets; overall, 62% of total portfolio assets are in stocks. Separately, the ultra-diversified mid-cap **Low-Priced Stock** fund (up 0.9%) has hardly been a barn-burner, but one can't overlook that it's 13% less risky than the market. Another bright spot: **Conservative Income Bond's** seemingly modest 0.8% return. With almost no risk (just a bit more than a prime money market fund), Conservative Income showed its usefulness in a market environment that dragged down **U.S. Bond Index** (a proxy for that market) almost 2% through the first half of this year.

On the other hand, the long-duration, interest-rate-sensitive **Corporate Bond** slumped 2.9% as bond yields rose (prices fell). Likewise, **Strategic Income** (down 1.0%) was saddled by its U.S. and emerging market bond exposures.

Income

Today's rising interest-rate environment is an obvious challenge for a model whose main objective is income, and whose bread-and-butter holdings are lower-risk bonds. To help thwart this problem, the low-volatility stock fund, **Low-Priced Stock**, has provided the Income Model with some much-needed capital appreciation. Accounting for a quarter of its assets, the fund's year-to-date return of 0.9% provides essential diversification. Another tactic to address rising rates has been the recent addition of **Floating Rate High Income**. Much like high-yield (junk) bond funds, this offering (up 0.1% since its May 7 purchase) tends to be more GDP-sensitive than it is interest-rate-sensitive. So, for example, when inflation concerns in May drove the 10-year Treasury yield above 3%, bonds stumbled, but Floating Rate (whose coupons adjust upward or downward with interest rates) was a safer harbor.

Against the backdrop of **U.S. Bond Index** fund retreating 1.7% this year, this model fell 1.1%. Its biggest detractor was **Corporate Bond** (down 2.9%). The credit-quality of its holdings weren't an issue, but their high interest-rate-sensitivity was problematic.

pected to increase sharply from the first-quarter's 2.0%, to as much as 4.5% according to the Atlanta Fed's forecast. I am skeptical that it will be that robust, but a reading above 3% would still be a significant acceleration. And that gives us room to absorb the few tenths of a percentage slowdown that most economists expect if the trade fight is protracted.

In sum, the odds favor some resolution of these trade issues rather than an all-out "war." But it may not happen soon as our trading partners could decide to wait and see if mid-term elections return the House and/or Senate to the democrats.

Expect More Volatility

That said, the longer these disputes drag on, the more secondary effects could matter. As noted, economists think the direct impact of the tariffs, imposed and threatened, would only knock off a few tenths of a percentage point from GDP. But, the uncertainty surrounding trade could cause businesses to delay spending on plant and equipment. That could potentially reduce future growth. And, of course, uncertainty is not something the stock market likes, either. So until these trade disputes are finally resolved, expect stocks to zig and zag as prospects for resolution wax and wane.

However, long-term investors need not fret. The outlook for the U.S. economy remains solid, earnings growth remains robust, and valuations have become more favorable. As I have often noted, if you can't stomach the volatility don't dump all your stocks, but consider one of our less aggressive models. ■

— John M. Boyd

FUNDS YOU SHOULD BUY NOW

Growth: **Blue Chip Growth**, **Growth Company** and **OTC** are aggressive large-cap options; **Contrafund** is more conservatively positioned. **Growth Strategies** provides mid-cap exposure. Style-agnostic, **Event Driven Opportunities** often "leans" towards mid-cap growth while the diversified **Low-Priced Stock** is more value-oriented. **Small Cap Index** provides low-cost exposure to nearly 2,000 smaller-cap stocks.

Growth & Income: **Large Cap Value Enhanced** provides exposure to attractively valued financials and health care, which also helps to boost its yield well above the S&P 500 (2.8% vs. 2.0%).

International: **Int'l Cap App** is a lower-risk approach to developed (and some developing) equity markets; **Emerging Asia** offers faster growth in industry "disruptors," but with much higher risk

High-Yield: **Strategic Income** moderates high-yield bond risk via diversification in multiple asset classes; **Floating Rate High Income** should benefit from rising short-term interest rates.

Taxable Bond: **Conservative Income Bond** limits interest-rate risk with its extremely short duration; **Corporate Bond** boosts its yield with lower-credit and more interest-rate-sensitive bonds.

Muni Bond: Our preferred choice is **Conservative Income Muni**. ■

MODEL PORTFOLIO TRADES

As announced on our Hotline message of Friday June 29, on Monday July 2 we made the following model portfolio trades:

Select Model:

We sold one-fifth of our position in **Select Financial Services** [FIDSX] reducing its weight from 23% of the model down to about 19%, and added the proceeds to **Select Health Care** [ticker: FSPHX] increasing that stake to about 18%, up from 14%.

Annuity Sector Model:

We sold one-fifth of our position in **VIP Financial Services** [FONNC] reducing its weight from 24% of the model down to about 19%, and added the proceeds to **VIP Health Care** [ticker: FPDRC] increasing that stake to about 16%, up from 11%.

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

Model Trade Rationales and Notes:

The modest repositioning of the models' sector exposures are driven by two unrelated factors. In the first case, we continue to hold financials because the U.S. economy is healthy: Demand for everything from home loans to capital for M&A activity remains robust. Moreover, spreads (the difference between what a bank pays to use its depositors' money versus what it gets from borrowers), is narrow, but still profitable. That said, we are trimming financials, as recent government "stress tests" for banks were mostly successful, but did remove the opportunity for upside surprises.

In turn, we have added to health care, in part, because this sector has not been targeted — at least so far — for tariffs by either U.S. or foreign trade representatives. One reason why the sector may continue to fly under the radar is that governments understand that "taxing" health care products (such as drugs) often hit the consumer's pocketbooks directly. At the same time, health care services are largely immune from tariffs as they are neither exportable or importable. Other long-term positives include a streamlined FDA process for getting new drug therapies (including advances in gene therapies) to patients faster. ■

Model Portfolios Key:

¹Alternative investments include such areas as high-yield bonds, commodities, real estate. Portfolio trades and total returns do not take taxes into account. Some percentage figures may not sum to 100 due to rounding. Dividends are reinvested. Consider the tax implications of trades before you decide to buy or sell any fund. Any trades are detailed on p. 4 and are announced on regularly scheduled Friday evening Hotline updates via telephone, e-mail, and web (see p. 12). **Annuity Model Portfolios** are on p. 10.

FUND COMMENTARY

Markets Struggle Amid Trade Concerns

With malice toward none, there's little question that President Trump's rhetoric on trade, coupled with the tariffs he's imposed on imported steel, aluminum, and even washing machines, has many investors worried about an impending trade war. However, as John Bonnanzio explains in his *Outlook*, the sky is not falling and investors need not fret. Though clearly, not everyone is convinced.



John Bonnanzio

John Boyd explains in his *Outlook*, the sky is not falling and investors need not fret. Though clearly, not everyone is convinced.

Market Indexes

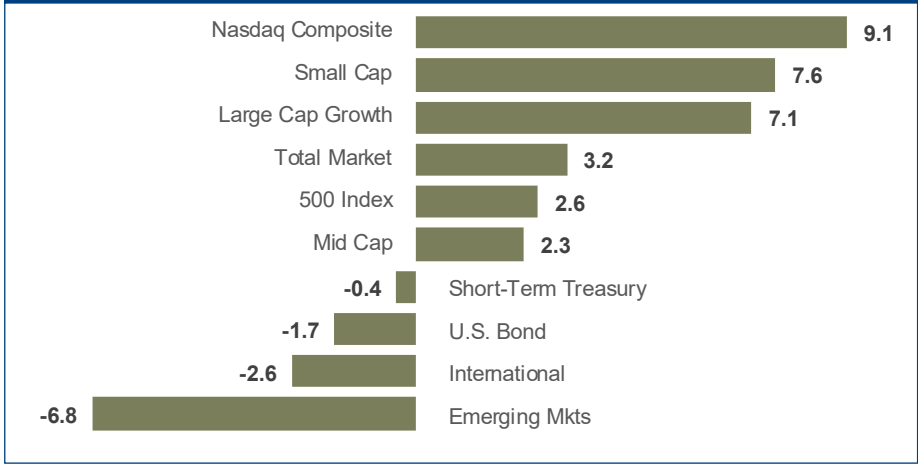
Against that backdrop, U.S. stocks were almost universally lower during the last week of June, and were a mixed bag for the entire month.

With venerable old GE being booted from the Dow Jones Industrials Average (it was replaced by the venerable old Walgreens), the closely watched blue-chip gauge slipped 0.5% last month. Meanwhile, the far more diversified S&P 500 (whose fortunes are generally less susceptible to trade tariffs), managed to gain 0.6% in June. For the year, the S&P has risen 2.6% versus a decline of 0.7% for the Dow.

Moving down in market cap, the Russell Midcap continues to languish. Fractionally higher in June (up 0.7%), and up a modest 2.3% for the year, that index is bereft of the biggest growth stocks that have led the market higher. In addition, its significant exposures to financials, materials and industrials also held back returns. (Real estate, on the other hand, was a net positive.)

The small-cap Russell 2000 lost some of its mojo in June. Investors recalibrated their exposures to this more risky corner of the equity market on the heels of the 8.4% jump they

MARKET INDEX FUNDS (YTD RETURNS IN %)



made between March and May. Still, the Russell 2000 was one of the top gainers in June (up 0.7%) and, year-to-date, it's up an impressive 7.7%.

Finally, the Nasdaq Composite Index (not the fund) also saw some rocky days in June. But when the dust had settled it had risen 1.0%. For the year, it's up 9.4%.

Now for some perspective. A year ago at this time, the Nasdaq was up 14.7%, and it would fare even better than that in the back half of 2017. The point? While

we are still overweight large-cap growth stocks in our models, the pace of gains achieved over the past 5- and 10-years (average annual returns of over 18% and 13%, respectively!) can't be sustained indefinitely.

Stock Funds

June was a month whereby top-performing funds were a jumble of value and growth, big-cap and small-

Fund Commentary *cont'd on page 11*

July Scorecard Rating Changes

Fund	Ratings		Comments
	Old	New	
Global ex U.S. Index	B	H ↓	Strong dollar and trade risks lessen fund's appeal.
High Yield Factor		H	New fund; see p. 12 for details.
Int'l Discovery	B	H ↓	Strong dollar and trade risks lessen fund's appeal.
Int'l Enhanced Index	B	H ↓	Strong dollar and trade risks lessen fund's appeal.
Int'l Small Cap	B	B ↓	Strong dollar and trade risks lessen fund's appeal.
Int'l Small Cap Opps	B	B ↓	Strong dollar and trade risks lessen fund's appeal.
Japan	B	B ↓	Strong dollar and trade risks lessen fund's appeal.
Japan Smaller Cos	B	B ↓	Strong dollar and trade risks lessen fund's appeal.
Low Dur Bond Factor		B	New fund; see p. 12 for details.
Sel Def & Aerospace	B	B ↑	Pickup in air freight bodes well for manufacturers.
Sel Env & Alt Enrgy	B	H ↓	Too little exposure to renewable energy sources.
Sel Insurance	H	S ↓	Ride sharing and autonomous cars threaten profits.
Sel Med Tech & Dev	B	B ↑	Tariff-free sector (so far!) ups relative attractiveness.
Sustain Bond Idx		NR	New fund; see p. 12 for details.
Value Strategies	S	H ↑	Comparatively higher risk is starting to pay off.
VIP Bond Index		H	New fund; see p. 12 for details.
VIP Extended Mkt Idx		B	New fund; see p. 12 for details.
VIP International Idx		H	New fund; see p. 12 for details.
VIP Total Market Idx		B	New fund; see p. 12 for details.
VIP Value Strategies	S	H ↑	Comparatively higher risk is starting to pay off.

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

FIDELITY SCORECARD

JUNE 30, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) ¹
					Jun	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	
Comparative Indexes		S&P 500	2718.4		0.6	2.6	3.4	14.4	11.9	13.4	10.2	9.3	1.00
		Nasdaq Composite	7510.3		1.0	9.4	6.6	23.6	15.9	18.5	13.9	11.8	1.25
		Dow Jones Industrials	24271.4		-0.5	-0.7	1.3	16.3	14.1	13.0	10.8	9.6	1.10
		Russell 2000 (Small Caps)	1643.1		0.7	7.7	7.7	17.6	11.0	12.5	10.6	10.5	1.38
		Barclays Aggregate Bond*			0.0	-1.7	-0.2	-0.6	1.6	2.1	3.5	1.9	0.27
Model Portfolios		Unique Opportunities			-0.2	4.7	3.6	16.5	10.7	12.2	7.8	10.7	1.17
		Select Growth			-0.6	3.9	2.5	16.7	11.6	14.6	9.4	10.9	1.22
		Growth & Income			0.5	5.8	4.1	18.5	10.8	12.3	8.4	9.3	1.03
		Income			0.3	2.8	2.6	11.1	8.6	10.1	7.0	7.8	0.69
											Rel Vol (Risk) ¹	Assets (\$Mil)	
LARGE CAP GROWTH					Average	0.6	8.0	5.5	22.6	13.4	15.7	10.9	1.19
312	FBGRX	Blue Chip Growth	98.74	Buy	2.5	12.5	9.2	28.2	16.0	18.5	13.6	1.26	\$19,867
307	FDCAX	Capital Appreciation	37.95	OK to Buy	0.2	7.8	5.2	21.9	10.0	13.4	10.3	1.21	5,299
22	FCNTX	Contrafund	132.07	Buy	0.9	9.5	6.3	24.0	14.9	16.0	10.9	1.10	96,072
3	FFIDX	Fidelity Fund	46.86	Hold	-0.5	3.6	2.3	17.5	10.0	12.7	8.3	1.03	4,181
333	FTQGX	Focused Stock	25.23	OK to Buy	0.6	11.4	6.6	30.0	13.4	14.5	10.6	1.18	2,048
25	FDGRX	Growth Company (Closed)	198.84	Buy	0.2	11.3	5.8	28.0	17.9	19.4	13.3	1.39	27,580
339	FDSVX	Growth Discovery	35.75	Buy	0.8	9.8	6.1	22.9	14.8	16.7	10.3	1.15	1,520
73	FDFFX	Independence	39.43	Hold	0.3	5.8	4.0	19.5	7.9	12.9	6.3	1.34	3,592
1829	FLGEX	Lrge Cap Growth Enhcd Index	19.91	OK to Buy	0.3	5.2	4.4	21.5	13.1	15.3	11.3	1.07	1,070
2823	FSUIX	Lrge Cap Growth Index ⁴	14.29	OK to Buy	0.9	7.1	5.7	22.2	--	--	--	--	17
21	FMAGX	Magellan	105.24	Hold	0.4	5.5	4.3	20.3	12.0	15.0	7.9	1.13	15,304
1282	FNCMX	Nasdaq Composite Index	98.91	OK to Buy	0.9	9.1	6.6	23.1	15.7	18.3	13.7	1.25	5,818
300	FMLX	New Millennium	41.48	OK to Sell	1.2	4.3	4.4	16.8	10.7	12.2	10.9	1.06	3,238
93	FOCPX	OTC	12.34	Buy	1.4	12.3	9.0	26.0	19.4	21.2	15.0	1.53	12,711
320	FDSSX	Stock Selector All Cap	46.01	OK to Sell	0.2	4.7	3.7	16.7	11.5	13.6	9.3	1.07	9,040
5	FTRNX	Trend	105.05	OK to Buy	-0.0	8.0	5.0	22.4	14.3	16.3	11.7	1.15	1,877
LARGE CAP BLEND					Average	0.6	1.0	2.8	12.5	9.7	12.0	9.0	1.04
650	FUSEX	500 Index ⁴	95.37	Hold	0.6	2.6	3.4	14.3	11.8	13.3	10.1	1.00	3,761
315	FDEQX	Disciplined Equity	38.83	Hold	0.0	0.1	1.9	11.7	8.1	11.6	7.1	0.99	1,239
330	FDGFX	Dividend Growth	32.36	Hold	0.8	-1.4	0.6	10.3	7.9	11.0	9.3	0.96	5,856
332	FEXPX	Export and Multinational	21.87	Hold	1.0	-1.5	1.1	10.0	8.5	10.6	7.0	0.95	1,448
27	FGRIX	Growth & Income	37.88	Hold	1.0	0.3	3.9	10.7	9.3	11.1	7.3	1.14	6,045
1827	FLCXX	Lrge Cap Core Enhcd Index	15.10	Buy	-0.1	3.0	3.1	16.7	11.1	13.0	9.8	1.00	671
338	FLCSX	Large Cap Stock	32.05	Hold	0.8	1.2	4.0	12.1	9.6	12.3	10.8	1.21	3,194
361	FGRTX	Mega Cap Stock	17.52	Hold	0.6	0.5	3.6	10.9	9.4	11.5	9.7	1.12	1,731
397	FSTMX	Total Market Index ⁴	78.55	OK to Buy	0.6	3.2	3.8	14.7	11.5	13.2	10.2	1.01	795
2939	FENSX	U.S. Sustainability Index	11.46	NA	0.5	2.1	2.5	13.4	--	--	--	--	7
LARGE CAP VALUE					Average	0.7	-1.7	1.9	6.9	7.4	10.0	7.5	1.02
1271	FBCVX	Blue Chip Value	19.24	OK to Buy	1.4	-1.8	1.6	6.1	6.5	10.1	6.1	1.08	385
319	FEQTX	Equity Dividend Income	27.12	OK to Buy	1.2	-1.8	1.9	7.2	8.2	9.8	7.3	0.97	4,963
23	FEQIX	Equity-Income	57.59	OK to Buy	0.9	-2.5	2.0	5.6	7.3	8.7	7.0	1.01	5,302
1828	FLVEX	Lrge Cap Value Enhcd Index	13.06	Buy	-0.2	-1.1	0.8	10.2	9.0	11.2	8.6	1.02	3,778
2827	FLCDX	Lrge Cap Value Index ⁴	11.89	Hold	0.2	-1.8	1.1	6.7	--	--	--	--	7
708	FSLVX	Stock Sel Large Cap Value	20.33	Hold	0.1	-1.9	2.0	6.2	6.9	9.7	6.6	0.96	906
832	FVDFX	Value Discovery	28.38	Buy	0.9	-1.9	1.3	5.4	7.0	10.6	8.1	0.96	2,322
14	FSLSX	Value Strategies	41.74	Hold [↑]	1.5	-0.8	4.1	8.1	6.7	9.6	9.0	1.18	376
MID-CAP GROWTH					Average	-0.1	4.0	1.8	14.5	8.0	12.6	8.3	0.93
324	FDEGX	Growth Strategies	42.78	Buy	-0.1	4.0	1.8	14.5	8.0	12.6	8.3	0.93	2,526
MID-CAP BLEND					Average	0.7	3.5	3.6	14.0	9.4	12.1	9.5	1.07
398	FSEMXX	Extended Market Index ⁴	65.79	OK to Buy	0.9	6.1	6.0	16.8	10.3	12.6	10.8	1.21	633
2012	FMEIX	Mid Cap Enhanced Index	15.67	OK to Buy	-0.1	0.1	1.2	11.5	8.5	12.3	10.2	1.04	1,277
2349	FSCLX	Mid Cap Index ⁴	21.28	OK to Buy	0.7	2.3	2.7	12.1	9.4	12.0	--	1.03	75
337	FMCSX	Mid-Cap Stock	37.96	OK to Buy	0.7	3.5	3.6	13.7	9.4	11.9	9.0	0.99	5,725
2412	FSSMX	Stock Selector Mid Cap	42.23	OK to Buy	1.1	5.7	4.8	16.0	9.5	11.7	7.9	1.10	556
MID-CAP VALUE					Average	0.6	-1.4	1.8	8.7	6.7	10.4	9.5	1.01
316	FLPSX	Low-Priced Stock ⁵	55.00	Buy	0.6	0.9	2.0	13.0	8.1	10.6	10.2	0.87	28,626
762	FSMVX	Mid Cap Value	24.34	Hold	-0.3	-4.3	-0.4	6.1	5.4	10.4	9.6	1.05	2,056
39	FDVLX	Value	12.03	Hold	1.4	-0.7	3.7	7.1	6.6	10.3	8.7	1.11	6,931

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

FIDELITY SCORECARD

JUNE 30, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	Assets (\$Mil)	
					Jun	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
SMALL CAP GROWTH					Average	0.8	14.0	6.8	30.2	15.2	17.0	12.3	1.19	
1388	FCPGX	Small Cap Growth (Closed)	28.20	Buy	0.8	14.0	6.8	30.2	15.2	17.0	12.3	1.19	\$3,121	
SMALL CAP BLEND					Average	0.3	5.3	5.6	13.9	8.7	11.3	10.4	1.26	
384	FSCRX	Small Cap Discovery (Closed)	26.35	Hold	-0.6	1.5	3.0	7.4	6.4	9.4	13.5	1.21	4,571	
2011	FCPEX	Small Cap Enhanced Index	14.50	Buy	0.3	6.3	6.5	13.4	9.0	11.9	10.5	1.40	797	
2356	FSSPX	Small Cap Index ⁴	21.73	Buy	0.7	7.6	7.7	17.5	11.0	12.5	--	1.38	126	
340	FSLCX	Small Cap Stock	18.49	Hold	1.5	4.3	5.5	14.2	8.1	11.7	8.9	1.10	1,635	
336	FDSCX	Stock Selector Small Cap	28.28	Buy	-0.5	6.9	5.4	17.1	9.0	11.1	8.7	1.20	1,130	
SMALL CAP VALUE					Average	-0.4	0.3	1.6	9.6	9.5	11.0	12.4	1.03	
1389	FCPVX	Small Cap Value (Closed)	20.37	Hold	-0.4	0.3	1.6	9.6	9.5	11.0	12.4	1.03	2,259	
SPECIALTY														
308	FCVSV	Convertible Securities	29.02	Hold	0.3	4.6	4.2	9.2	4.1	6.2	4.9	0.87	1,372	
2624	FARNX	Event Driven Opportunities	14.23	Buy	0.1	4.3	6.2	11.6	13.3	--	--	1.45	482	
2120	FFGCX	Global Commodity Stock	13.66	Hold	-0.6	3.6	5.7	23.9	6.0	3.9	--	1.77	435	
122	FLVCX	Leveraged Company Stock	34.24	Buy	-1.8	2.3	3.0	14.3	5.8	9.0	5.6	1.34	2,467	
1329	FSDIX	Strategic Dividend & Income	15.17	Hold	1.3	0.1	3.3	6.7	8.1	8.8	7.6	0.73	2,952	
1505	FSRRX	Strategic Real Return	8.99	OK to Sell	0.1	1.2	2.0	5.0	2.2	1.6	2.0	0.43	296	
311	FIUIX	Telecom & Utilities	26.22	OK to Sell	4.1	3.3	4.8	9.8	9.2	10.0	7.3	1.00	918	
REAL ESTATE														
1368	FIREX	International Real Estate	11.68	Hold	-0.9	0.3	0.3	10.6	6.8	7.5	4.7	1.02	248	
833	FRIFX	Real Estate Income	11.96	Hold	1.8	0.8	4.0	2.6	6.7	6.5	8.5	0.48	2,481	
2353	FRXIX	Real Estate Index ⁴	15.66	OK to Sell	4.2	1.8	9.9	4.1	7.4	8.1	--	1.32	33	
303	FRESX	Real Estate Investment	42.27	OK to Sell	4.0	1.8	9.4	3.8	8.6	8.6	8.3	1.30	3,719	
ASSET ALLOCATION														
328	FASIX	Asset Manager 20%	13.35	Hold	0.1	0.0	0.7	3.3	3.5	3.9	4.4	0.29	4,829	
1957	FTANX	Asset Manager 30%	11.04	Hold	0.0	0.1	0.7	4.4	4.4	5.1	5.2	0.38	1,407	
1958	FFANX	Asset Manager 40%	11.71	Hold	0.0	0.4	0.9	5.7	5.2	6.1	5.8	0.48	1,529	
314	FASMX	Asset Manager 50%	18.33	Hold	-0.1	0.6	1.0	6.9	5.9	7.1	6.4	0.57	8,948	
1959	FSANX	Asset Manager 60%	12.66	Hold	-0.2	0.8	1.1	8.3	6.7	8.0	7.0	0.67	2,589	
321	FASGX	Asset Manager 70%	22.66	Hold	-0.2	1.2	1.3	9.7	7.4	8.9	7.2	0.77	5,001	
347	FAMRX	Asset Manager 85%	19.84	Hold	-0.3	1.6	1.5	11.8	8.5	10.3	7.8	0.91	2,260	
304	FBALX	Balanced	24.43	Buy	0.8	3.3	3.2	10.8	8.1	10.0	7.8	0.73	23,950	
355	FFNOX	Four-in-One Index	44.75	Hold	0.1	1.1	1.9	10.3	8.4	9.8	7.6	0.85	6,000	
334	FGBLX	Global Balanced (closed)												
1960	FDYSX	Global Strategies (closed)												
4	FPURX	Puritan	24.06	Buy	0.5	3.1	3.4	12.7	8.5	10.4	8.3	0.74	21,615	
INTERNATIONAL					Average	-2.1	-3.5	-3.6	8.5	6.6	7.6	4.0	1.26	
309	FICDX	Canada	53.01	OK to Sell	0.0	-3.0	3.7	7.6	4.3	4.5	0.8	1.10	1,021	
352	FHKCX	China Region	35.58	Hold	-4.5	-1.1	-4.0	18.9	4.6	11.4	8.0	2.05	1,428	
325	FDIVX	Diversified International	38.96	OK to Buy	-1.3	-2.7	-0.9	6.0	4.1	7.2	3.0	1.15	10,604	
351	FSEAX	Emerging Asia	42.96	Buy	-3.8	-4.6	-4.8	11.4	8.2	10.0	5.1	1.53	1,369	
2053	FEMEX	Emerg Europe, MidEast, Africa	9.59	Hold	-2.5	-7.3	-10.3	11.8	6.7	4.6	2.0	1.62	86	
322	FEMKX	Emerging Markets	30.63	OK to Buy	-3.7	-6.5	-7.1	10.6	8.3	7.2	1.3	1.42	4,113	
2374	FEDDX	Emerging Mkts Discovery	14.36	Hold	-5.2	-6.5	-10.2	6.2	7.3	5.7	--	1.37	305	
2341	FPEMX	Emerging Markets Index ⁴	10.63	Hold	-4.2	-6.8	-8.8	7.7	4.9	4.9	--	1.56	39	
301	FIEX	Europe	40.64	OK to Buy	-1.2	-4.0	-1.8	4.8	4.0	6.4	2.8	1.32	1,120	
2406	FGILX	Global Equity-Income	14.13	Hold	0.1	-2.3	1.7	8.2	6.3	9.2	--	0.91	75	
2345	FSGUX	Global ex U.S. Index ⁴	13.04	Hold	-1.9	-3.7	-3.1	6.9	4.9	5.8	--	1.15	37	
335	FIVFX	International Cap App	20.89	Buy	-1.3	-0.8	-0.8	11.8	8.7	10.3	6.3	1.12	2,355	
305	FIGRX	International Discovery	44.27	Hold	-1.9	-3.0	-1.7	8.2	5.2	7.2	3.4	1.15	7,340	
2010	FIENX	International Enhanced Index	9.85	Hold	-1.9	-2.9	-2.0	7.4	5.8	7.8	3.2	1.14	1,259	
1979	FIGFX	International Growth	13.58	OK to Buy	-0.3	-0.8	-0.6	7.7	6.4	7.9	5.5	1.08	933	
399	FSIIX	International Index ⁴	42.03	Hold	-1.3	-2.6	-1.6	6.5	4.8	6.4	2.9	1.12	676	
818	FISMX	International Small Cap	29.15	OK to Buy	-2.8	-2.5	-2.8	9.4	10.3	11.4	7.2	1.00	1,555	
1504	FSCOX	International Small Cap Opps	19.36	OK to Buy	-1.7	0.1	-3.6	12.8	9.7	11.3	5.7	1.05	1,059	
2986	FNIYX	International Sustainability Idx	10.67	NA	-1.6	-4.3	-3.5	6.0	--	--	--	--	5	
1597	FIVLX	International Value	8.64	Hold	-1.3	-4.6	-3.0	1.9	2.3	4.3	1.0	1.09	466	
350	FJPNX	Japan	15.37	OK to Buy	-1.9	-0.5	-3.2	12.0	9.0	7.2	3.0	1.15	188	
360	FJSCX	Japan Smaller Companies	18.52	OK to Buy	-2.9	-2.3	-4.2	14.8	12.9	11.5	8.9	0.98	866	
349	FLATX	Latin America	20.77	OK to Sell	-6.9	-15.2	-23.2	-3.1	0.1	-5.2	-6.1	2.34	496	
342	FNORX	Nordic	51.90	OK to Sell	0.9	-2.6	1.4	1.4	7.6	11.0	5.2	1.26	314	
94	FOSFX	Overseas	49.79	OK to Buy	-1.0	-1.8	-0.5	7.3	7.0	9.4	3.7	1.11	6,329	
302	FPBFX	Pacific Basin	34.23	OK to Buy	-3.4	-3.5	-3.3	12.7	10.2	11.3	8.3	1.19	1,018	
2369	FTEMX	Total Emerging Markets	12.55	OK to Buy	-3.2	-7.4	-8.4	4.1	6.7	6.3	--	1.15	301	
1978	FTIEX	Total International Equity	9.00	Hold	-1.5	-3.3	-2.9	7.2	5.8	6.7	3.2	1.09	84	
2831	FTIGX	Total International Index ⁴	12.10	Hold	-1.9	-3.4	-3.0	7.4	--	--	--	--	19	
318	FWWFX	Worldwide	27.95	OK to Buy	-0.1	5.8	3.5	19.9	9.7	11.4	7.2	1.09	1,885	

FIDELITY SCORECARD

JUNE 30, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	Assets (\$Mil)		
					Jun	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year				
SELECT PORTFOLIOS					Average			0.0	2.9	3.5	14.4	9.5	11.8	9.8	1.59
34	FSAIX	Air Transportation	75.58	Hold	-3.5	-5.0	-1.1	8.8	11.9	16.0	16.3	1.35	\$329		
502	FSAVX	Automotive	35.79	OK to Sell	-1.8	0.3	2.8	15.9	3.5	7.5	10.6	1.71	49		
507	FSRBX	Banking	32.60	OK to Buy	-1.9	-0.3	-0.9	10.4	10.7	12.7	9.9	1.82	699		
42	F BIOX	Biotechnology	228.53	Hold	0.0	8.6	5.4	14.5	-1.4	15.9	17.1	2.78	8,766		
68	FSLBX	Brokerage & Investment	76.68	OK to Buy	-3.5	-1.5	-3.2	14.5	6.8	9.9	7.7	1.82	421		
69	FSCHX	Chemicals	160.88	Buy	-0.9	-3.8	2.8	12.8	11.9	12.6	11.2	1.64	1,663		
518	FSDCX	Communications Equipment	37.58	Hold	1.8	11.1	4.1	18.3	11.6	12.6	8.8	1.33	237		
7	FDCPX	Computers	94.22	Hold	0.5	6.4	3.6	22.1	14.8	13.9	12.4	1.54	529		
511	FSHOX	Construction & Housing	59.66	Hold	1.5	-3.3	3.5	10.7	9.6	11.4	12.6	1.36	285		
517	FSCPX	Consumer Discretionary	44.86	Buy	2.9	10.0	7.1	23.0	11.9	14.0	14.3	1.19	386		
98	FSVLX	Consumer Finance	15.60	OK to Buy	0.3	0.6	2.0	16.8	9.1	10.6	5.4	1.34	100		
9	FDFAV	Consumer Staples	78.99	Hold	3.7	-9.0	-3.3	-8.8	2.6	6.1	8.5	1.10	890		
67	FSDAX	Defense & Aerospace	170.63	Buy↑	-2.7	5.2	-1.9	27.5	18.7	17.5	14.0	1.31	2,964		
60	FSENX	Energy	47.87	Hold	-0.9	7.1	12.2	26.1	3.9	1.9	-1.9	2.23	1,909		
43	FSESX	Energy Service	45.25	Hold	-3.3	-0.2	7.4	10.3	-3.3	-5.6	-7.1	2.63	452		
516	FSLEX	Environment & Alt Energy	24.01	Hold↓	-2.3	-6.8	-5.2	2.7	9.7	10.5	6.5	1.29	158		
66	FIDSX	Financial Services	107.42	Buy	-2.1	-3.6	-3.0	10.4	9.7	11.5	6.6	1.37	765		
41	FSAGX	Gold	19.08	Sell	-0.9	-8.1	0.3	-5.8	7.1	0.6	-6.1	3.46	1,041		
63	FSPHX	Health Care	245.05	Buy	0.9	13.6	7.9	16.0	5.8	18.1	16.0	1.59	6,804		
505	FSHCX	Health Care Services	92.52	Hold	3.3	8.8	10.6	14.9	8.4	16.4	14.6	1.37	825		
515	FCYIX	Industrials	34.00	Buy	-2.4	-3.5	-2.0	9.6	9.5	11.2	10.3	1.29	740		
45	FSPCX	Insurance	64.85	OK to Sell↓	-2.0	-7.0	-4.6	-0.2	8.9	11.1	10.1	1.14	261		
353	FBSOX	IT Services	61.28	Buy	2.4	14.3	7.4	34.7	18.2	20.0	16.8	1.21	2,461		
62	FDLSX	Leisure	154.30	Hold	-3.3	-1.7	-0.7	9.7	9.1	12.8	14.3	1.15	504		
509	FSDPX	Materials	82.56	OK to Buy	-1.3	-4.5	1.5	9.6	6.9	7.8	6.6	1.57	867		
354	FSMEX	Medical Technology & Devices	49.56	Buy↑	3.0	17.9	11.8	18.2	16.9	21.5	14.8	1.44	4,565		
503	FBMPX	Multimedia	76.85	Hold	7.5	2.5	6.6	5.9	5.1	10.1	13.7	1.51	424		
513	FSNGX	Natural Gas	25.49	Hold	2.4	7.0	16.0	14.4	-3.6	-3.0	-6.4	2.71	277		
514	FNARX	Natural Resources	31.24	Hold	0.1	3.8	10.9	21.8	2.0	0.9	-2.4	2.13	1,069		
580	FPHAX	Pharmaceuticals	19.08	Hold	0.7	3.4	0.8	2.0	-3.4	9.2	11.9	1.33	722		
46	FSRPX	Retailing	15.39	OK to Buy	4.1	16.5	10.6	34.9	19.5	20.0	19.8	1.19	2,567		
8	FSELX	Semiconductors	11.24	OK to Buy	-4.4	6.6	2.0	30.2	24.3	26.1	16.4	1.73	3,760		
28	FSCSX	Software & IT Services	18.46	Buy	0.9	13.6	9.1	32.6	24.0	21.7	17.1	1.41	5,914		
64	FSPTX	Technology	178.91	Buy	-0.8	10.8	4.9	29.8	23.1	22.0	15.8	1.54	6,286		
96	FSTCX	Telecommunications	55.62	Hold	4.1	-4.2	2.3	-0.5	5.7	6.9	7.7	1.10	237		
512	FSRFX	Transportation	95.84	OK to Sell	-3.4	-3.3	1.2	10.5	11.8	14.8	13.2	1.52	480		
65	FSUTX	Utilities	85.81	OK to Sell	2.9	8.1	6.6	14.2	12.5	11.4	6.8	1.11	667		
963	FWRLX	Wireless	9.84	Hold	0.1	-1.8	-0.6	8.3	8.2	10.1	8.6	1.15	244		
SECTOR ETFs					Average			1.4	1.0	4.0	10.4	9.9	1.36		
	FDIS	MSCI Consumer Discretionary	42.84	OK to Buy	3.7	10.1	8.0	21.9	13.0	--	--	1.17	601		
	FSTA	MSCI Consumer Staples	31.21	Hold	4.5	-7.7	-0.9	-2.9	5.3	--	--	1.07	257		
	FENY	MSCI Energy	21.25	Hold	0.6	7.3	14.3	21.8	2.3	--	--	1.99	652		
	FNCL	MSCI Financials	39.20	Buy	-2.0	-2.9	-2.5	9.9	12.8	--	--	1.46	1,520		
	FHLC	MSCI Health Care	41.30	Buy	1.7	4.0	4.1	9.4	6.0	--	--	1.34	1,160		
	FIDU	MSCI Industrials	37.08	Buy	-2.4	-3.4	-1.6	8.4	11.6	--	--	1.24	448		
	FTEC	MSCI Information Technology	55.27	OK to Buy	-0.2	11.1	6.8	30.7	21.4	--	--	1.40	2,100		
	FMAT	MSCI Materials	33.70	Buy	-0.2	-2.9	2.7	9.7	9.3	--	--	1.62	241		
	FREL	MSCI Real Estate	24.54	OK to Sell	4.1	1.5	8.3	5.3	8.5	--	--	1.23	471		
	FCOM	MSCI Telecomm Services	28.46	Hold	2.8	-6.5	0.6	-4.2	6.1	--	--	1.26	115		
	FUTY	MSCI Utilities	34.25	Sell	2.5	0.9	4.5	4.7	12.3	--	--	1.20	300		
FACTOR ETFs					Average			-0.7	2.2	0.6	12.1				
	FDRR	Dividend for Rising Rates	30.30	OK to Buy	-0.1	0.3	2.2	10.5	--	--	--	--	330		
	FDVV	High Dividend	29.29	Hold	1.1	4.1	5.0	13.7	--	--	--	--	152		
	FDHY	High Yield Factor	49.99	OK to Buy	NA	NA	NA						12		
	FIDI	International High Dividend	22.13	OK to Sell	-1.5	-11.1p	-1.9	--	--	--	--	--	15		
	FIVA	International Value	22.61	Hold	-2.5	-9.2p	-3.0	--	--	--	--	--	14		
	FLDR	Low Duration Bond Factor	50.08	OK to Buy	NA	NA	NA						10		
	FDLO	Low Volatility Factor	31.07	Hold	1.1	2.4	3.5	13.8			--	--	59		
	FDMO	Momentum Factor	32.87	OK to Buy	-0.9	5.7	4.3	19.1	--	--	--	--	95		
	FQAL	Quality Factor	32.40	Hold	0.6	2.8	3.2	15.1	--	--	--	--	66		
	FVAL	Value Factor	32.90	OK to Buy	1.1	1.0	3.0	14.8			--	--	82		

FIDELITY SCORECARD

JUNE 30, 2018

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				SEC %Yield	Dur ² (Yrs)	Rel Vol (Risk) ¹		
					Jun	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr					
TAXABLE BOND					Average	0.1	-1.1	0.1	-0.1	1.5	1.5	1.8	3.3	2.74	5.1	0.26
2267	FCONX	Conservative Income Bond	10.03	Buy	0.1	0.8	0.5	1.5	1.1	0.8	--	2.11	0.2	0.02		
2208	FCBFX	Corporate Bond	11.14	Buy	-0.3	-2.9	-0.9	-0.5	3.1	3.7	--	3.80	6.9			
2423	FGBFX	Global Credit	8.90	Hold	-0.3	-2.6	-0.9	-0.4	2.2	1.1	--	2.96	6.2	0.48		
15	FGMNX	GNMA (Ginnie Mae)	11.14	OK to Buy	0.2	-1.0	0.2	-0.3	1.1	2.1	3.7	2.50	4.5	0.17		
54	FGOVX	Government Income	9.99	Hold	0.1	-1.2	0.1	-0.8	0.9	1.5	3.0	2.36	5.7	0.27		
794	FINPX	Inflation-Prot Bond (closed) ³	11.85	OK to Sell	0.5	-0.3	0.8	1.7	1.6	1.3	2.6	0.22*	5.5	0.30		
2415	FSIQX	Inflation-Protected Index ^{3,4}	9.82	OK to Sell	0.6	-0.1	0.9	2.0	1.9	1.5	--	0.08*	5.5	0.31		
32	FTHRX	Intermediate Bond	10.56	Buy	0.0	-1.0	0.1	-0.7	1.3	1.8	3.6	2.91	3.9	0.20		
452	FSTGX	Intermediate Gov't Income	10.23	Hold	-0.0	-0.8	-0.0	-0.9	0.4	0.9	2.4	2.26	3.7	0.20		
1561	FIBIX	Intermediate Treasury Index ⁴	10.38	Hold	0.1	-1.7	-0.1	-1.8	0.8	1.5	3.5	2.71	6.3	0.40		
26	FBNDX	Investment Grade Bond	7.70	Buy	0.1	-1.7	-0.2	-0.3	2.0	2.5	4.1	3.22	5.8	0.28		
2622	FJRLX	Limited Term Bond	11.27	Buy	-0.1	-0.6	0.2	-0.2	1.2	1.6	3.5	2.89	2.6	0.13		
662	FFXSX	Limited Term Government	9.77	OK to Buy	0.0	-0.4	0.1	-0.6	0.2	0.6	1.7	2.14	2.6	0.13		
1562	FLBIX	Long-Term Treasury Index ⁴	12.70	Hold	0.7	-3.0	0.4	-0.4	3.3	4.3	5.8	2.85	17.1	0.91		
40	FMSFX	Mortgage Securities	10.91	OK to Buy	0.0	-1.1	0.1	-0.2	1.4	2.3	3.8	2.57	4.9	0.19		
450	FSHBX	Short-Term Bond	8.51	OK to Buy	0.0	-0.0	0.4	0.2	0.9	1.0	1.7	2.45	1.7	0.07		
3038	FNSJX	Short-Term Bond Index ⁴	9.82	OK to Buy	0.1	-0.5	0.2	--	--	--	--	2.68	--	--		
1560	FSBIX	Short-Term Treasury Index ⁴	10.21	Hold	0.0	-0.4	0.1	-0.5	0.3	0.6	1.6	2.46	2.6	0.14		
3084	FNASX	Sustainability Bond Index ⁴	10.00	NA	--	--	--	--	--	--	--	--	--	--		
820	FTBFX	Total Bond	10.36	Buy	0.0	-1.3	-0.2	0.1	2.5	3.0	4.7	3.45	5.6	0.27		
651	FBIDX	U.S. Bond Index	11.25	Hold	0.0	-1.7	-0.2	-0.6	1.6	2.1	3.5	3.00	5.9	0.27		
HIGH-YIELD BOND					Average	-0.3	-0.8	-0.4	2.3	4.5	4.8	6.5	4.61	3.6	0.48	
38	FAGIX	Capital & Income	10.02	OK to Buy	-0.2	0.6	1.4	5.7	5.8	7.1	8.6	4.00	3.9	0.56		
814	FFRHX	Floating Rate High Income	9.59	Buy	0.1	1.8	0.6	3.8	3.9	3.4	4.1	4.11	0.2	0.28		
1366	FHIFX	Focused High Income	8.41	OK to Buy	0.1	-1.4	0.1	1.2	3.9	4.2	5.9	4.53	4.2	0.46		
2297	FGHNX	Global High Income	9.39	Hold	-0.5	-1.8	-1.4	2.1	4.8	5.0	--	5.26	3.8	0.54		
455	SPHIX	High Income	8.79	OK to Buy	0.3	0.7	1.1	4.1	5.4	5.2	7.3	5.68	3.8	0.56		
331	FNMIX	New Markets Income	14.90	Hold	-1.9	-6.1	-5.0	-3.0	5.2	4.7	7.0	5.24	6.0	0.66		
2580	FSAHX	Short Duration High Income	9.39	OK to Buy	0.1	0.6	0.8	2.5	3.2	--	--	4.60	2.4	0.43		
3082	FADMX	Strategic Income	12.17	Buy	-0.2	-1.0	-0.8	2.2	4.1	4.0	5.9	3.4	4.2	0.37		
MUNICIPAL BOND					Average	0.1	-0.5	0.7	1.3	2.4	3.2	3.9	2.19	5.7	0.30	
434	FSAZX	Arizona Muni Income	11.83	OK to Buy	0.0	-0.7	0.8	1.0	2.6	3.7	4.3	2.19	6.6	0.34		
1534	FCSTX	Calif Limited Term Tax Free	10.50	OK to Buy	0.2	0.3	0.6	0.3	1.1	1.6	2.5	1.58	2.9	0.18		
91	FCTFX	California Muni Income	12.70	OK to Buy	0.0	-0.6	0.9	1.5	2.8	3.9	4.5	2.15	6.4	0.35		
407	FICNX	Connecticut Muni Income	11.19	OK to Buy	0.0	-0.4	0.8	1.1	2.2	3.1	3.8	2.54	6.4	0.35		
2578	FCRDY	Conservative Income Muni	10.02	Buy	0.2	0.7	0.4	1.0	0.7	--	--	1.35	0.7	0.05		
36	FLTMY	Interm Municipal Income	10.23	OK to Buy	0.1	-0.2	0.7	1.5	2.2	2.7	3.6	2.17	4.8	0.27		
404	FSTFX	Limited Term Muni Income	10.45	OK to Buy	0.2	0.2	0.5	0.6	1.1	1.3	2.2	1.67	2.7	0.16		
429	SMDMX	Maryland Muni Income	11.12	OK to Buy	-0.1	-1.1	0.6	0.7	2.6	3.3	3.8	2.26	6.8	0.34		
70	FDMMX	Mass Muni Income	11.95	OK to Buy	-0.0	-0.8	0.6	1.4	2.6	3.5	4.2	2.31	6.7	0.35		
81	FMHTX	Michigan Muni Income	11.97	OK to Buy	0.1	-0.7	0.8	1.5	2.6	3.4	4.1	2.24	6.3	0.33		
82	FIMIX	Minnesota Muni Income	11.40	OK to Buy	0.0	-0.7	0.6	0.8	2.2	2.8	3.7	2.04	5.8	0.30		
37	FHIGX	Municipal Income	12.77	OK to Buy	0.1	-0.6	1.1	2.3	3.1	3.9	4.5	2.61	6.9	0.36		
416	FNJHX	New Jersey Muni Income	11.67	OK to Buy	0.3	-0.2	1.1	3.3	3.5	3.5	4.1	2.48	6.2	0.37		
71	FTFMX	New York Muni Income	12.93	OK to Buy	0.1	-0.7	0.8	1.1	2.6	3.7	4.2	2.27	6.6	0.34		
88	FOHFX	Ohio Muni Income	11.89	OK to Buy	-0.0	-1.0	0.7	1.2	3.0	3.9	4.4	2.36	7.2	0.36		
402	FPXTX	Pennsylvania Muni Income	10.94	OK to Buy	-0.0	-0.6	0.7	1.5	2.7	3.6	4.2	2.38	6.5	0.30		
90	FTABX	Tax-Free Bond	11.31	OK to Buy	0.1	-0.7	0.9	2.1	3.1	4.0	4.7	2.64	6.8	0.36		

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

TAXABLE GOV'T MONEY MARKETS			Total Return (%)		SEC	STATE MUNICIPAL MONEY MARKETS			Total Return (%)		SEC
			Jun	YTD	%Yield				Jun	YTD	%Yield
55	FDRXX	Gov't Cash Reserves	0.12	0.62	1.56	433	FSAXX	Arizona Muni MM	0.07	0.45	1.06
458	SPAXX	Government MM	0.12	0.60	1.53	97	FCFXX	California Muni MM	0.07	0.44	0.98
631	FGMXX	Retirement Gov't MM	Merged into SPAXX			457	FSPXX	California AMT Tax-Free	0.08	0.52	1.16
630	FRTXX	Retirement Gov't MM II				418	FCMXX	Connecticut Muni MM	0.07	0.46	1.07
2742	FZFXX	Treasury MM	0.12	0.60	1.52	426	FMSXX	Mass AMT Tax-Free	0.08	0.51	1.19
415	FDLXX	Treasury Only MM	0.12	0.60	1.49	74	FDMXX	Massachusetts Muni MM	0.07	0.43	1.01
PRIME MONEY MARKETS						420	FMIXX	Michigan Muni MM	0.15	0.50	1.00
454	SPRXX	Money Market	0.15	0.76	1.85	417	FNJXX	New Jersey Muni MM	0.07	0.43	1.00
NATIONAL MUNICIPAL MONEY MARKETS						423	FSJXX	New Jersey AMT Tax-Free	0.09	0.52	1.19
10	FTEXX	Municipal Money Market	0.08	0.50	1.15	92	FNYYX	New York Muni MM	0.07	0.44	1.03
275	FMOXX	Tax-Exempt MM	0.08	0.47	1.10	422	FSNXX	New York AMT Tax-Free	0.09	0.53	1.20
						419	FOMXX	Ohio Muni MM	0.07	0.43	1.03
						401	FPTXX	Pennsylvania Muni MM	0.07	0.43	1.03

FIDELITY SCORECARD							JUNE 30, 2018						
Fund No.	Fund Ticker	Fund Name	Style	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹
						Jun	YTD	3 Mo.	1 Year	3 Year	5 Year	10 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
Model Portfolios	Annuity Sector Model					-0.7	3.5	2.2	17.0	12.6	14.7	10.3	1.22
	Annuity Growth Model					1.2	5.8	4.8	15.9	10.3	11.9	7.3	1.07
	Annuity Growth & Income Model					0.3	1.5	2.2	7.7	6.3	8.1	6.3	0.71
	Annuity Income Model					0.2	-1.4	0.2	1.7	3.5	4.3	4.7	0.35
9067	FLRQC	Fid VIP Asset Manager	Allocation	20.28	Hold	-0.2	0.4	0.9	6.6	4.3	6.6	4.6	0.63
9066	FAECC	Fid VIP Asset Manager: Growth	Allocation	21.41	Hold	-0.2	1.0	1.2	9.4	5.3	8.3	5.0	0.85
9069	FJBAC	Fid VIP Balanced	Allocation	24.97	Buy	0.9	3.1	3.1	10.4	7.8	9.6	7.8	0.74
9461	FBIQC	Fid VIP Bond Index	Bond	10.04	Hold	--	--	--	--	--	--	--	--
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	32.75	Buy	2.9	9.8	7.0	22.7	11.5	13.6	14.1	1.16
9171	FCSAC	Fid VIP Consumer Staples	Sector	24.46	Hold	3.5	-9.3	-3.6	-6.3	4.9	8.1	9.3	1.10
9065	FPDFC	Fid VIP Contrafund	Large Growth	28.04	OK to Buy	0.2	3.0	2.7	12.4	9.4	12.2	8.7	1.06
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	22.65	Buy	0.2	6.1	6.4	12.9	8.5	11.4	9.8	1.40
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	30.89	OK to Buy	0.2	7.5	5.0	21.2	9.3	13.1	10.0	1.22
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	10.86	Buy	-3.7	-6.7	-7.2	10.1	7.9	6.7	1.5	1.42
9085	FJLLC	Fid VIP Energy	Sector	17.42	Hold	-0.9	7.1	12.2	26.1	3.7	1.6	-2.0	2.23
9061	FLOLC	Fid VIP Equity-Income	Large Value	21.26	Buy	0.9	-2.5	2.1	5.5	7.0	8.4	7.2	1.01
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	9.84	OK to Buy	--	--	--	--	--	--	--	--
9083	FONNC	Fid VIP Financial Services	Sector	14.30	Buy	-2.1	-3.6	-3.0	10.3	9.6	11.3	6.4	1.37
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	11.32	Buy	-0.0	1.6	0.4	3.3	3.5	--	--	0.24
9157	FMPAC	Fid VIP FundsManager 20	Allocation	15.33	Hold	-0.0	-0.3	0.5	2.8	2.7	3.4	3.5	0.28
9158	FMPBC	Fid VIP FundsManager 50	Allocation	18.05	Hold	-0.1	0.4	1.1	6.6	5.2	6.5	5.5	0.56
9197	FMPPC	Fid VIP FundsManager 60	Allocation	17.32	Hold	-0.2	0.6	1.2	7.8	6.2	7.6	6.1	0.67
9159	FMPCC	Fid VIP FundsManager 70	Allocation	19.35	Hold	-0.2	1.0	1.4	9.2	6.9	8.4	6.4	0.75
9160	FMPDC	Fid VIP FundsManager 85	Allocation	20.12	Hold	-0.2	1.6	1.7	11.4	8.2	10.0	7.0	0.91
9062	FMNDC	Fid VIP Growth	Large Growth	31.43	Buy	0.7	9.8	6.1	23.0	14.6	16.5	9.8	1.15
9070	FLFNC	Fid VIP Growth & Income	Large Blend	25.72	Hold	0.9	0.2	3.9	10.5	9.0	10.8	8.3	1.13
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	33.81	Buy	5.7	16.6	13.0	30.5	16.3	17.2	10.4	1.31
9084	FPDRC	Fid VIP Health Care	Sector	45.19	Buy	0.9	13.6	7.8	16.4	5.7	17.9	15.9	1.59
9060	FBBLC	Fid VIP High Income	High-Yield Bond	20.55	OK to Buy	-0.0	-0.7	0.5	1.5	3.9	4.3	6.0	0.54
9064	FXVLT	Fid VIP Index 500	Large Blend	27.76	Hold	0.6	2.5	3.3	14.0	11.5	13.0	9.8	1.00
9082	FBALC	Fid VIP Industrials	Sector	34.01	Buy	-2.5	-3.6	-2.1	9.3	9.2	11.0	10.2	1.29
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	20.71	Buy	-1.3	-0.9	-0.8	11.6	8.5	10.1	6.0	1.11
9473	FFIQC	Fid VIP International Index	Diversified Int'l	9.70	Hold	--	--	--	--	--	--	--	--
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	16.11	Buy	0.1	-1.6	-0.1	-0.2	2.0	2.4	4.0	0.28
9172	FVMAC	Fid VIP Materials	Sector	22.24	Buy	-1.4	-4.7	1.5	9.0	6.4	7.5	6.3	1.56
9071	FNBSC	Fid VIP Mid Cap	Mid Growth	29.81	Buy	0.3	2.8	2.5	13.8	9.0	11.8	8.8	1.14
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	11.44	--	0.1	0.5	0.3	0.8	0.2	0.1	0.1	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	17.85	OK to Buy	-1.1	-2.1	-0.6	7.1	4.4	7.0	2.8	1.20
9072	FFWKC	Fid VIP Real Estate	Sector	23.97	OK to Sell	4.4	1.5	9.3	3.2	6.6	7.5	7.8	1.29
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	19.41	Buy	-0.3	-1.0	-0.8	1.7	3.6	3.6	5.4	0.36
9086	FYENC	Fid VIP Technology	Sector	48.00	Buy	-0.7	11.4	5.2	30.8	22.9	21.6	15.7	1.54
9173	FVTAC	Fid VIP Telecommunications	Sector	15.93	Hold	4.0	-4.4	2.2	-0.7	5.4	6.6	7.5	1.11
9465	FTMJC	Fid Total Market Index	Large Blend	9.83	OK to Buy	--	--	--	--	--	--	--	--
9087	FXRRC	Fid VIP Utilities	Sector	29.38	OK to Sell	2.8	8.0	6.5	14.0	12.2	11.2	6.7	1.12
9079	FKMSC	Fid VIP Value	Large Value	23.12	OK to Buy	0.8	-0.5	3.2	7.5	7.1	10.1	8.2	1.07
9073	FRBSC	Fid VIP Value Strategies	Mid Value	24.04	Hold	1.5	-0.9	4.0	7.8	5.7	9.0	8.5	1.19
9347	FBMEC	Black Rock Global Allocation	Global Allocation	13.51	Hold	-0.6	-1.7	-1.2	3.6	3.6	5.0	4.3	0.64
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	10.97	OK to Sell	-0.6	-0.9	-2.2	-1.9	-0.3	0.7	5.0	0.57
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	10.26	Hold	0.1	-1.1	0.1	-0.7	0.2	0.8	2.2	0.16
9285	FIGXC	Invesco Global Core Eqty	Global Stock	13.95	Hold	-1.4	-2.9	-1.5	7.3	6.2	7.6	3.4	1.07
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	16.09	Hold	-4.6	-12.1	-13.7	-0.6	3.1	2.2	1.7	1.64
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	18.10	Hold	-1.6	-6.8	-4.9	-3.8	2.9	2.7	4.7	0.62
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	14.48	OK to Buy	-3.8	-9.6	-11.1	1.8	3.4	2.9	0.9	1.46
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	13.92	Hold	-0.3	-1.5	-1.6	5.3	4.6	4.8	2.2	0.72
9346	FPMEC	Pimco Commodity Real Return	Commodities	6.11	OK to Sell	-3.4	-0.4	0.1	7.7	-4.4	-6.6	-8.0	1.23
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	11.59	Buy	-0.1	-0.5	-0.3	0.0	0.4	0.7	--	0.10
9277	FPNBC	Pimco VIT Real Return	TIPS	13.09	OK to Sell	0.5	-0.5	0.6	1.7	1.6	1.2	--	0.32
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	13.24	Hold	0.0	-1.8	-0.5	-0.4	1.7	2.0	--	0.27

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	28%	VIP Growth	34%	VIP Growth	35%	VIP Equity Income	25%
VIP Financial Services	19	VIP Growth Opps	19	VIP Equity-Income	19	Pimco VIT Low Duration	25
VIP Health Care	16	VIP Equity-Income	17	VIP Strategic Income	16	VIP Investment Grade	21
VIP Cons Discretionary	13	VIP Mid Cap	16	VIP Int'l Cap App	10	VIP Strategic Income	19
VIP Industrials	13	VIP Disciplined Sm Cap	8	VIP Investment Grade	10	VIP Floating Rate HI	10
VIP Materials	11	VIP Emerging Markets	6	PIMCO VIT Low Dur	10		
Total Return:		Total Return:		Total Return:		Total Return:	
Jun: -0.7% YTD: 3.5%		Jun: 1.2% YTD: 5.8%		Jun: 0.3% YTD: 1.5%		Jun: 0.2% YTD: -1.4%	

cap. On a year-to-date basis, Fidelity's top-performing funds continue to be all the usual suspects: those whose portfolios are stuffed with growth stocks, especially tech, biotech, and consumer discretionary.

Conversely, more value-oriented funds have found themselves floundering this year, and some (including all large-caps) are even in the red owing to their stakes in consumer staples, telecom and materials. (As for materials, "safe harbor" gold has lost only 4% of its value this year, but shares of mining companies have pulled **Select Gold** down 8.1%!)

Through the first six months of 2018, Fidelity's average large-cap growth fund returned 8.0% versus -1.7% for their value counterparts. That same disconnect also occurred at the mid- and small-cap levels.

With the above in mind, the best-performing diversified stock fund this year was not, for a change, **Blue Chip Growth** (up 12.5%) or **OTC** (up 12.3%). Rather, the recently-closed **Small Cap Growth** (up 14.0%) took top honors. However, it was something of an outlier as the next-best small-cap fund, **Small Cap Index**, gained a comparatively modest 7.6% as it holds far fewer growth stocks

As for other of Fidelity's most popular funds (by assets), **Growth Company** rallied 11.3% through the first half of 2018. **Contrafund** and **Magellan** also stayed steps ahead of the **500 Index** fund's 2.6% return: Contra returned 9.5% and Magellan was up 5.5%.

As for **Low-Priced Stock**, its Manager Joel Tillinghast is, of course, a value investor, so that orientation certainly didn't help. And while the fund nominally benefited from its small caps (about half the fund), with over a third of its assets in weaker-performing foreign stocks (including 7% in emerging markets), it gained only 0.9%.

International Funds

If you want to get an idea as to who may win, or who may lose, in a trade war, consider this: Whereas the S&P 500 rose 3.4% last quarter (about the time things started to heat up), **Int'l Index** (a proxy for developed markets) fell 1.6%, **China Region** was off 4.0% and **Europe** dropped 1.8%. A stronger dollar also hampered returns. For the year-to-date, Int'l Index is down 2.6%, China Region is off 1.1% and Europe is down 4.0%. (We have downgraded several foreign funds — see p. 5.)

Bond Funds

The yield curve further flattened in June when the Fed hiked its target range a quarter percentage point to 1.75% - 2.00%. It also signaled an increased likelihood of two more hikes this year, for a total of four. (Three had been expected.)

While these actions might ordinarily trigger high anxiety in the bond market, much of it was taken in stride as other global forces (such as the stronger dollar and faltering GDP growth abroad), helped the appeal of Treasuries and even U.S. high-yield securities. (Though foreign bonds have been slammed.)

Indeed, the yield on the 10-year Treasury wound up little changed in June ending the month at 2.85%. As a result, most taxable funds finished the month in the black. However, as short- to long-term bond yields are higher since the start of the year, all taxable funds (except **Conservative Income Bond**, which has risen 0.8%) are in the red so far this year. (Since January, **U.S. Bond Index** has retreated 1.7%.) And, despite the fact that government balance sheets are benefiting from the strong economy, muni bond funds were almost all in the red, too.

As for money markets, they continued to trend higher. At the end of June, **Gov't Cash Reserves'** yield stood at 1.56%, up from 0.95% at the start of the year. ■

— John Bonnanzio

CRYPTOCURRENCIES

Is A Bitcoin Fund In Your Future?

Not for now. But Fidelity continues to take baby steps in that direction.

As we've been reporting, their chair, Abby Johnson, is a vocal public supporter and early promoter of digital currencies. In addition, the firm's bitcoin mining operation Fidelity Labs (its research arm), has gone so far as to allow its employees to buy lunches in the company cafeteria using their Coinbase "wallets."

Now Fidelity's "blockchain incubator" (as they call it) is moving even further ahead on the cryptocurrency frontier.

Their recently-trademarked affiliate, Digital Asset Services, is staffing up having launched an internal search for several systems engineers. Their job description? "To help engineer, create, and deploy a Digital Asset Exchange to both a public and private cloud."

If you want to view the value of your Bitcoin, Ethereum or Litecoin "currencies" in your Coinbase account, and then link that to your Fidelity account, this video will help. Simply type the link below to your web browser:

www.youtube.com/watch?v=zh69_jruVzQ

Notwithstanding this recent step forward, Fidelity is yet to jump into the crypto world with both feet. Simply put, with its \$2.4 trillion in custodied assets, a Fidelity crypto market — one that would allow their clients to hold bitcoins directly — will have to be as secure as Fort Knox before risking its own reputation. Be they rogue techies operating in their mothers' basements or sovereign operatives like North Korea, the reality is that hackers and other bad actors have been successful in stealing billions of dollars in digital coins. So, as for a future Bitcoin fund from Fidelity, well, patience is advised. ■

Inside Fidelity

New Funds — Fidelity has launched several funds, including factor-based ETFs, another “socially conscious” index fund, and four new options for annuity investors. (See shaded box.)

As for the Factor ETFs, which are sometimes called “smart beta” funds, **Low Duration Bond Factor ETF** minimizes interest-rate-risk with a short duration of 0.9 years (which falls between the ultra-short **Conservative Income Bond** and **Short-Term Bond**). Holding U.S. investment-grade floating-rate notes and Treasuries, we rate it *OK to Buy*.

High Yield Factor ETF’s objective is to achieve a high level of income via its positions in junk bonds (securities rated below investment grade). Its average maturity of about 7 years is on par with **Intermediate Treasury Index**, although credit

risk will be far greater — akin to **High Income**. We rate it *OK to Buy*.

Finally, the new “socially conscious” **Sustainability Bond Index** joins their **U.S. Sustainability** and **Int’l Sustainability** equity offerings. All such funds are guided by environmental, social and governance scores (“ESG”). But as those factors don’t always line-up with return potential, we do not rate them; the *Scorecard* shows them as “NA.”

Manager Changes — As we went to press, we learned of changes at several funds, including **China Region**, **Total Emerging Markets**, **Emerging Markets Discovery** and **Puritan**. There, current manager Ramin Arani isn’t leaving until year-end. In the meantime, **Trend’s** Dan Kelly will take over. While we’ll have more to say in August, for now, no rating changes are advised. ■

New Annuity (VIP) Funds

Fidelity’s four new VIP funds are close cousins to their retail counterparts of the same name. But rather than use widely accepted third-party benchmarks for these products, they’ve opted to use their proprietary benchmarks which essentially provide the same exposures. (See table on p. 5 for fund ratings.)

VIP Total Mkt Index — Mimics the performance of Fidelity’s U.S. Total Investable Market Index which is a version of the Dow Jones Total US stock market index. While its median market cap is \$61 billion, it also holds mid- and even some small-cap stocks.

VIP Extended Mkt Index — Mimics Fidelity’s proprietary U.S. Extended Investable Market Index. In turn, that is a close cousin to the so-called Dow “Completion” Index. That’s essentially the Dow Jones Total U.S. Index detailed above, *minus* the entire S&P 500. That deletion creates a mirror of the former: mostly mid- and small-cap stocks, and a sprinkling of large caps. Indeed, its market cap is only \$4.2 billion.

VIP Int’l Index — Mimics Fidelity’s proprietary Global ex U.S. Index. That means it holds both developed and emerging market stocks. With positions across all market caps, it’s decidedly big-cap at \$35 billion.

VIP Bond Index — As with its retail cousin, this fund mimics the Bloomberg Barclays U.S. Aggregate (the “Agg”) Bond Index. Treasuries are approximately 40% of that expansive index, followed by mortgages (28%) and corporate bonds at 24%. ■

DIVIDEND UPDATE

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

500 Index, Asset Mgr 40%, Asset Mgr 50%, Balanced, Convertible Secs, Equity Dividend Inc, Equity-Inc, Global Credit, Global Equity Inc, Global Strategies, Growth & Inc, Puritan, Strategic Dividend & Inc, Strategic Real Ret, Telecom & Utilities.

The final distributions for June were as follows:

Fund	Ex-Date	\$ Amt	NAV
Capital & Inc	6/8	0.156	10.15
Div Rising Rates	6/15	0.238	30.76
Event Driven Opp	6/8	0.337	14.52
Global High Inc	6/8	0.026	9.49
High Dividend	6/15	0.316	29.31
Int’l High Div	6/15	0.284	22.25
Int’l Value Factor	6/15	0.293	22.93
Large Cap Stock	6/8	1.850	32.70
Lge Cap Grow Idx	6/8	0.051	14.60
Lge Cap Value Idx	6/8	0.066	12.16
Low Vol Factor	6/15	0.138	31.36
Mid Cap Index	6/8	0.145	21.71
Mid-Cap Stock	6/8	1.617	38.44
Momentum Factor	6/15	0.084	33.61
MSCI Cons Disc	6/15	0.111	43.64
MSCI Cons Staple	6/15	0.228	30.93
MSCI Energy	6/15	0.125	20.82

Fund	Ex-Date	\$ Amt	NAV
MSCI Financials	6/15	0.198	40.37
MSCI Healthcare	6/15	0.146	41.98
MSCI Industrials	6/15	0.161	37.88
MSCI Info Tech	6/15	0.142	56.86
MSCI Materials	6/15	0.159	33.82
MSCI Real Estate	6/15	0.239	23.82
MSCI Telecomm	6/15	0.212	28.88
MSCI Utilities	6/15	0.291	33.09
Quality Factor	6/15	0.146	32.82
Real Est Inc	6/1	0.122	11.76
Real Estate Index	6/1	0.100	15.11
Real Estate Invest	6/1	0.196	40.83
Small Cap Dscvry	6/8	4.125	27.02
Small Cap Index	6/8	0.121	22.10
Small Cap Stock	6/8	1.995	18.78
Value Factor	6/15	0.149	33.18

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