

FIDELITY MONITOR & INSIGHT

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MESSAGE FROM JACK

Should You Index When Holding Bond Funds?

Last month, I extolled the virtues of actively run small- and mid-cap funds over their passively managed (index) counterparts. Now I'm detailing how the active bond fund manager's role differs significantly from the active stock fund manager.



Jack Bowers

In a stock fund, the major risk factor is earnings, whereas on the bond side it's credit risk. Active stock fund managers generally focus on companies that have potential to exceed earnings expectations, whereas active bond

fund managers try to avoid firms that might run into problems with servicing their debt or paying their bills.

In some ways, the odds favor active bond fund managers over active stock fund managers, because credit risk is opaque and it often goes unrecognized by the market until it becomes a serious problem. In addition, as firms increasingly adopt disclosure overkill tactics to eliminate the possibility of running afoul of securities regulations, it adds to the confusion. When too many healthy companies are saying "we may not be able to pay our bills," it creates a situation where firms disclosing real problems sound like they are crying wolf.

Fortunately, an active bond manager backed by in-house research can add a lot of value, especially at a time like this. Over the last 12 months, all of Fidelity's non-government taxable bond funds have outperformed their benchmarks, with many (such as **Total Bond**) widening their long-term lead over the benchmarks they compete against.

Nevertheless, there is still a place in the bond market where indexing works better, and it occurs where credit risk is not a factor: in the securities that are issued or backed by the federal government. In this segment an active manager can only add value by taking advantage of market mis-pricing or by betting on the direction of interest rates (by varying the fund's duration). And while that does sometimes work for a period of time, it's tough to overcome the costs of active management. Case in point: it's probably not a coincidence that all of Fidelity's taxable government funds have lagged their bench-

MARKET OUTLOOK

Despite Strong Gains, At Mid-Year, Stocks Still Look Attractive

Through the first half of the year, the S&P 500 had a robust return of 15.2%, which would be an excellent year all by itself. But, even with that very strong performance, I still believe that stocks remain an attractive investment for the second half. That is not to say that there aren't concerns, there are (hello inflation), but I believe we are in the midst of a classic bull market climbing a wall of worry. Let's take a look.



John M. Boyd

Earnings, Earnings, Earnings

You are probably sick of my emphasis on the earnings story that is underpinning this market — but I believe this is the most significant factor in favor of stocks, and one that still gets little attention.

Mid-Year Fund Commentary

Begins on p. 5

As they did in April, and again in May, analysts continued to raise their earnings estimates across the board in June (with 97% of firms now reporting there was a small dip in this year's first quarter — but it's still up 22% since March). In the long-run, stocks go where earnings take them.

Economy, Not Buybacks, Driving Earnings

In recent pre-pandemic years, stock buybacks were a significant factor in higher earnings-per-share (EPS). For example, in the first-quarter of 2019, fully a quarter of all S&P 500 firms reported at least 4% fewer shares outstanding (providing a 4% or greater boost to EPS). Contrast that with the first-quarter of this year, where only 6% of firms reported 4% or more fewer shares. The real driver now is a much-better-than-expected economic performance. Remember all the talk last year about the "shape" of the recovery. Few thought that a "V-shaped" recovery was in the cards — but rather a more "U-shaped," or "W-shaped," or even "Square-root-shaped!" Well from today's vantage point the recovery looks pretty "V-shaped" to me.

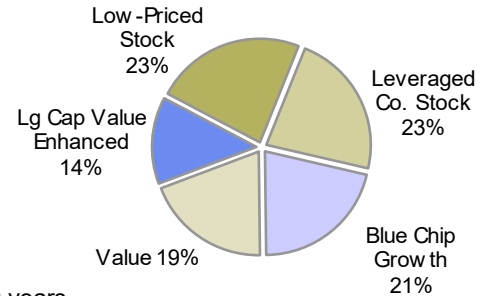
Unique Opportunities Target Risk: 1.20 (Current: 1.24) Foreign Holdings: 14.7% **YTD Return: 15.6%**

Stocks: 98.1% Bonds: 0.0% Cash: 1.9% Alternatives*: 0.0% Yield: 0.4%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Low-Priced Stock	FLPSX	\$58.11	4,086.43	\$237,462	-1.3%
Leveraged Co. Stock	FLVCX	48.45	4,763.71	230,802	1.4
Blue Chip Growth	FBGRX	186.74	1,157.55	216,162	6.7
Value	FDVLX	15.26	12,997.51	198,342	-1.2
Lg Cap Value Enhanced	FLVEX	16.80	8,228.40	138,237	-1.0

Current Value (3/31/99 = \$100,000) **\$1,021,005** **1.0%**

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



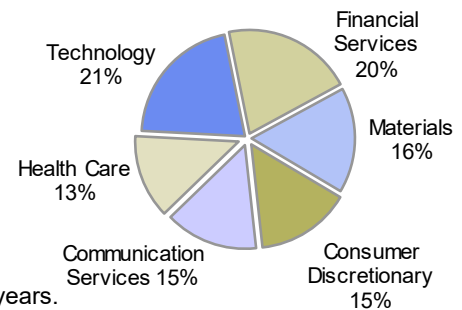
Select Target Risk: 1.20 (Current: 1.11) Foreign Holdings: 6.1% **YTD Return: 13.3%**

Stocks: 99.0% Bonds: 0.0% Cash: 1.0% Alternatives*: 0.0% Yield: 0.4%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Technology	FSPTX	\$28.20	55,056.20	\$1,552,585	7.1%
Financial Services	FIDSX	12.73	117,900.38	1,500,872	-3.8
Materials	FSDPX	97.94	12,398.82	1,214,340	-5.2
Consumer Discretionary	FSCPX	71.35	15,306.16	1,092,095	2.6
Communication Services	FBMPX	97.20	11,047.15	1,073,783	2.8
Health Care	FSPHX	33.35	28,970.46	966,165	3.2

Current Value (12/31/88 = \$100,000) **\$7,399,839** **0.9%**

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



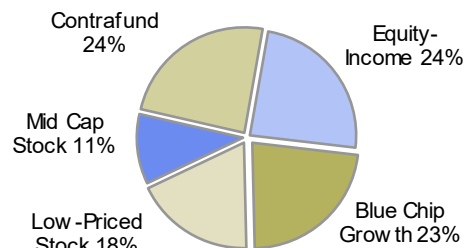
Growth Target Risk: 1.00 (Current: 1.03) Foreign Holdings: 15.8% **YTD Return: 15.6%**

Stocks: 97.7% Bonds: 0.0% Cash: 2.3% Alternatives*: 0.0% Yield: 0.5%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Contrafund	FCNTX	\$18.76	65,544.40	\$1,229,613	4.1%
Equity-Income	FEQIX	71.13	17,257.08	1,227,496	-0.5
Blue Chip Growth	FBGRX	186.74	6,211.30	1,159,897	6.7
Low-Priced Stock	FLPSX	58.11	15,993.52	929,384	-1.3
Mid Cap Stock	FMCSX	41.44	13,174.58	545,955	-1.7

Current Value (12/31/86 = \$100,000) **\$5,092,344** **1.9%**

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



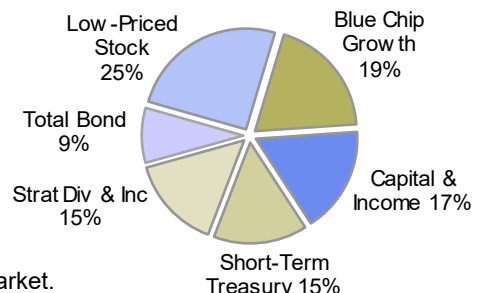
Growth & Income Target Risk: 0.66 (Current: 0.71) Foreign Holdings: 17.7% **YTD Return: 9.1%**

Stocks: 54.0% Bonds: 24.7% Cash: 1.8% Alternatives*: 19.5% Yield: 0.8%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Low-Priced Stock	FLPSX	\$58.11	4,724.18	\$274,522	-1.3%
Blue Chip Growth	FBGRX	186.74	1,128.33	210,704	6.7
Capital & Income	FAGIX	11.27	16,429.17	185,157	1.6
Short-Term Treasury	FUMBX	10.69	15,214.30	162,641	-0.2
Strat Div & Inc	FSDIX	17.96	9,023.23	162,057	0.9
Total Bond	FTBFX	11.15	8,619.46	96,107	1.0

Current Value (12/31/93 = \$100,000) **\$1,091,188** **1.3%**

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



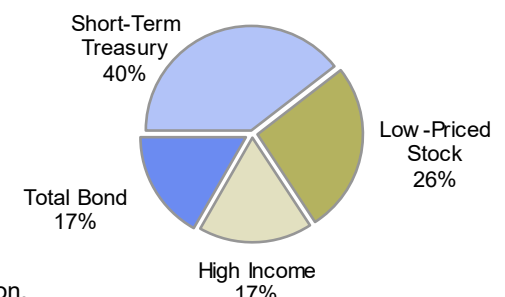
Income Target Risk: 0.33 (Current: 0.36) Foreign Holdings: 13.6% **YTD Return: 4.6%**

Stocks: 25.1% Bonds: 52.4% Cash: 2.6% Alternatives*: 19.9% Yield: 1.1%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Short-Term Treasury	FUMBX	\$10.69	18,749.85	\$200,436	-0.2%
Low-Priced Stock	FLPSX	58.11	2,300.47	133,680	-1.3
High Income	SPHIX	8.79	10,066.85	88,488	1.6
Total Bond	FTBFX	11.15	7,635.27	85,133	1.0

Current Value (12/31/91 = \$100,000) **\$507,737** **0.1%**

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



Inflation A New Risk?

Thanks to two rounds of stimulus checks, extra unemployment benefits, and a relative paucity of brick and mortar options for spending that extra money during the lock-downs, there seemed to be a lot of pent-up demand just waiting to be released when the economy started to reopen. That, along with low inventories and supply-chain disruptions, would in turn cause inflation to rise.

The Fed's view was that any spike in inflation from these factors would be temporary (we happen to agree), and, in any case, they had been adamant that they would let inflation run hot for some time (years?) before even thinking about raising rates. In fact, no rate hikes were expected until 2024.

But in their June meeting, after the first signs of rising inflation appeared, the Fed suddenly brought up the possibility of rate hikes sooner. In fact, several Fed members now expect two rate hikes before the end of 2022. What gives?

Well, given the magnitude of the jump in inflation — a 4.9% year-over-year increase in the CPI for May — I think the Fed simply wanted to reassure the markets that they were paying attention to inflation and not blindly moving down a pre-determined path for rates. And that reassurance appears to have worked. While short-term rates ticked higher on the possibility of tightening sooner, longer-term bond yields fell, as the perceived risk of future inflation was lowered. And, after some early wobbles, stocks recovered by the end of the month with the Nasdaq and S&P 500 hitting new highs.

In short, don't expect another 15% in the second half, but stocks still offer the best risk/reward tradeoff.

FUNDS YOU SHOULD BUY NOW

Growth: **Blue Chip Growth**, **Growth Co.** and **OTC** are aggressive large-cap options; **Growth Discovery** and **Contrafund** are somewhat more conservatively positioned resulting in lower risk. **Value**, **Low-Priced Stock** and **Mid Cap Stock** have lower market caps and hold companies that are significantly less pricey.

Growth & Income: **Equity-Income** holds attractively valued, dividend-producing stocks, whereas **Strategic Dividend & Income** emphasizes income over capital appreciation.

High-Yield: **High Income** and **Capital & Income** (which holds some stocks) are the best ways to benefit from a rebound in this asset class. **Leveraged Company Stock** plays the distressed market via equities.

Taxable Bond: **Short-Term Treasury Index** effectively eliminates credit risk and has only limited interest-rate-risk. (See trade box below, *Jack's Message* on p. 1 and *Fund Profile* on p. 11.) **Total Bond** provides broad bond market exposure (mostly corporates and U.S. bonds) as well as some high-yield and emerging-market bonds.

Muni Bond Funds: **Conservative Income Muni** remains our favorite fund for tax-free bond income. ■

MODEL PORTFOLIO TRADES

As announced on our Hotline message of Friday, June 25, on Monday, June 28 we made the following model portfolio trades:

Income Model:

We sold our entire position in **Mortgage Securities** [FMSFX] and added the proceeds to our position in **Short-Term Treasury Index** [FUMBX], making it about 40% of the model.

VIP Income Model:

We sold 1/5 of our position in **VIP Value Strategies** [FRBSC], bringing it down to about 23% of the model, and added the proceeds to our position in **Franklin Templeton U.S. Government Bond** [FFMEC], bringing it up to about 34% of the model.

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.

Trade Rationale: The main theme of the trades is to bring risk down a bit closer to our target in our two most conservative models. In the case of Mortgage Securities, there is also the issue of increasing pre-payments of mortgages (through mortgage re-financings) which has reduced its income stream (see p. 11). ■

Adieu

As the saying goes, "all good things must come to an end." And my column must come to an end as well. This June I reached my bright line, turning 70, and I am stepping down from day-to-day responsibilities at FM&I. So this is my last *Outlook*. I have greatly enjoyed writing this column for you each month, and

I am especially gratified that so many of you have written in over the years to let me know how the investment advice in FM&I (not just in my column, but throughout the newsletter) has helped you all to build a very solid nest egg for your retirement. There is no greater reward for what we do than that. ■

— John M. Boyd

Model Portfolios Key:

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

Market Rotations Briefly Challenge Large-Cap Growth Funds

Market volatility has so far been low this year (no large daily swings up or down). But there has been considerable market rotation which actually got started late in 2020.

In the first quarter of 2021, Fidelity's large-cap value funds easily outpaced their pricier growth-stock counterparts with an average return of 10.8% versus 2.6%, respectively. An even wider gulf of about 18 percentage points appeared between small- and large-cap funds. And so it followed, of course, that small-cap value funds left large-cap growth offerings in the dust.

The second quarter was differ-

ent. Once again, tech, health care and communication shares propelled growth funds ahead of value funds in April and June (though they lagged a bit in May).

Investors' on-again, off-again interest in smaller, value-oriented stocks reflects their optimism that a post-pandemic economy may be especially beneficial to economically sensitive cyclicals including energy, airlines, and consumer stocks. And while growth stocks don't stand to lose ground because sales and earnings are supportive of their share prices, their decade-plus dominance has made them more expen-

sive relative to value stocks. As a consequence, this year we've modestly increased our model portfolios' exposures (and raised our fund ratings) to both value stocks and mid- to small-caps.

Of course, with the market vacillating from month-to-month (and sometimes week-to-week!) between growth and value stocks, we're glad to have maintained our positions in **Blue Chip Growth** and **Contrafund**. (Together, they account for almost half the *Growth Model's* assets.) Granted, shifting investor sentiment has made stock picking more challenging for their managers. But as we saw with June's rebound, there's no good reason to abandon this area of the stock market. Below we update both funds. ■

Blue Chip Growth

Last year, Fidelity gave this top-performing fund more room to maneuver (and grow). It did so by lowering its initial purchasing threshold to stocks with a \$1 billion market cap. While there aren't too many "blue chips" that small, there are enough well-run, fast-growing ones to compel ace manager Sonu Kalra to snap them up for his increasingly large (asset-wise) stock portfolio.

Before the expansion of its investible universe, **Blue Chip Growth** was mostly bereft of small- and mid-sized companies; now they account for about 20% of its assets. While impossible to quantify, they appear to have provided the fund with some welcome diversity during those periods when large-cap growth stocks took a breather. To that end, Sonu's bet on a cyclical recovery instigated overweights in industrials, materials and energy — hardly the hunting ground of a large-cap growth investor! Then again, the fund is outpacing its Russell 1000 Growth benchmark this year, so we're not complaining.

June	+6.7%
Q2	+11.1%
YTD	+14.5%

to compel ace manager Sonu Kalra to snap them up for his increasingly large

Contrafund

There have been the occasional times this year when we wondered if **Contrafund's** astounding 30-plus-year average annual return of 14% would become a record we might one day recount while bouncing grandkids on our knees.

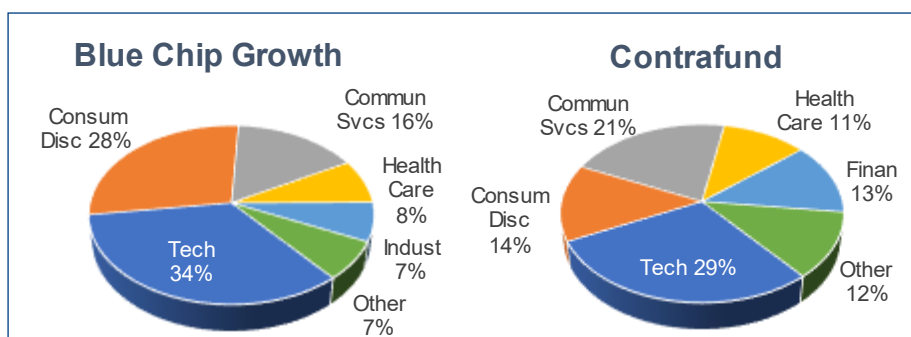
With legendary Manager Will Danoff at the fund's helm since 1990, was the market's flirtation with value stocks a marker that Will's best days at Contra are behind him?

However, another Boston legend comes to mind: Ted Williams. In 21 seasons with the Red Sox, "The Splendid Splinter" batted over .300 every year save one: 1959. Though his career ended in 1960, his legend only grew: He bat-

ted .316 that year, while his very last at-bat was a homerun!

For the record, we haven't heard of any plans that Will is set to retire (he's 61). Nor do we think he's having trouble eyeing "best of breed" growth stocks. Last year for example, Contra gained 32.5% versus 18.4% for the S&P 500. And while slightly trailing his benchmark this year, the fund's comparatively low risk of 1.03 is the result of Will investing almost 40% of Contra's assets in value (7%) and blend (29%) stocks at the expense of growth. Should growth stocks continue to wax and wane, Contra could wind up performing better than its more pedal-to-the-metal large-cap growth peers like **OTC** and **Growth Company**. ■

— John Bonnanzio



MID-YEAR COMMENTARY

Markets Rally As Inflation Woes Wane

Last month, investors looked past the government's latest inflation read and bid up prices of stocks and longer-maturity bonds.



John Bonnanzio

With the Consumer Price Index rising to 4.9% year-over-year (through May), markets initially stumbled. But investors soon shook off their concerns having

decided the worrisome price increases are transitory. With everything from supply-chain disruptions to labor shortages and higher commodity prices (food and energy prices rose 3.8% these past 12 months), the inflation measure may remain elevated for perhaps a year or two.

Market Indexes

With investors seemingly convinced that long-term inflation is overestimated (and that given the breadth and pace of the U.S. recovery, corporate earnings may be underestimated), the S&P 500 scored nearly three dozen new record closes in the first half.

Up 2.3% in June, the large-cap barometer has gained 15.2% for the year-to-date. (Through June 30 of last year, the S&P was down 3.1% but finished 2020 up 33.7%.)

Other large-cap stock gauges produced very different results in June. For example, with growth stocks (and especially tech) back in favor, the Nasdaq Composite jumped 5.6%. However, the Dow Jones Industrials wound up flat for the month as banks and various cyclical sectors took a breather. As for small- and mid-sized company shares, Russell's 2000 gauge gained 1.9% and their mid-cap barometer rose a more modest 1.5% for the month.

Year-to-date returns provide quite a different picture.

Owing to significant gains earlier in the year, Russell's small- and mid-cap barometers (up 17.5% and 16.3%, respectively) were the best performers for the first six months of the year. As for larger-cap fare, the Dow and Nasdaq did pretty well (up 13.8% and 12.9%, respectively), while the S&P 500 (up 15.2%) finished the period with a modest lead over both.

Stock Funds

The average Fidelity stock fund (including active and passive offer-

tech certainly helped to propel growth funds last month, health care/biotech and communications were also important contributors. On average, Fidelity's 15 large-cap growth funds returned 5.0%.

Then again, smaller-cap funds, generally, and smaller-cap value offerings in particular, have so far fared better this year. For example, **Small Cap Value** soared 28.8% in the past six months while its mid-cap counterpart, **Value**, gained 27.4%. On the other hand, **Small Cap Growth Index** performed quite well in absolute terms (up 9.0%) through June, though it trailed virtually all of its equity-fund peers.

Among some of Fidelity's more popular, actively run funds (by assets), **Magellan** rose 4.9% in June and was up 11.4% through the first half. **OTC** gained 6.3% and 15.2% for the month and year, whereas **Low-Priced Stock** retreated 1.3% in June, but rose an impressive 19.5% through the first two quarters of the year. (See **Contrafund** and **Blue Chip Growth** on the facing page.)

Fund Commentary *cont'd on p. 11*



ings) returned 1.9% in June. But the performance dispersion therein was wide ranging from 7.4% for the large-cap **Growth Company** to -3.3% for **Small Cap Value**. While

July Scorecard Rating Changes				
Fund	Ratings			Comments
	Old	New		
China Region	H	S	↓	Rising credit risk and asset bubble heighten risk.
Climate Action		NR		New fund in Specialty section; see p. 12.
Emerging Asia	B	H	↓	Though underweight China, country risk rising.
Environmental Bond		NR		New fund in Taxable Bond section; see p. 12.
Founders Fund	B	H	↓	Sometimes deviates from charter; better alternatives.
Global High Income	B	B	↑	Credit risk easing in US and abroad.
International Growth	H	B	↑	Manager making good stock picks in tough landscape.
Int'l Real Estate	S	H	↑	Rising construction costs benefit existing properties.
Long-Term Treas Idx	S	S	↑	Inflation expectations may have topped out.
Real Estate Income	S	H	↑	Rising construction costs benefit existing properties.
Real Estate Invest	H	B	↑	Rising construction costs benefit existing properties.
Sel Air Transportation	H	B	↑	Passenger traffic approaching pre-pandemic level.
Sel Defense & Aero	H	B	↑	Passenger traffic approaching pre-pandemic level.
Sel Health Care Svcs	B	B	↑	"Obamacare" uncertainty removed.
Strategic Real Return	H	B	↑	Holds 24% in real estate debt and equity; yields 2.5%.
Sustain U.S. Equity		NR		New fund in Large Cap Blend section; see p. 12.
VIP Real Estate	H	B	↑	Rising construction costs benefit existing properties.

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

FIDELITY SCORECARD

JUNE 30, 2021

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	4297.5		2.3	15.2	8.5	40.8	18.7	17.6	14.8	10.7	1.00
		Nasdaq Composite	14504.0		5.6	12.9	9.7	45.2	25.7	25.8	19.3	14.7	1.12
		Dow Jones Industrials	34502.5		0.0	13.8	5.1	36.3	15.0	16.7	13.5	10.6	1.02
		Russell 2000 (Small Caps)	2310.6		1.9	17.5	4.3	62.0	13.5	16.5	12.3	9.5	1.38
		Bloomberg Barclays Agg Bond*			0.8	-1.7	1.8	-0.5	5.4	3.0	3.4	2.9	0.19
Model Portfolios		Unique Opportunities			1.0	15.6	7.3	54.8	21.3	20.4	14.1	10.3	1.24
		Select			0.9	13.3	6.2	46.7	21.8	20.4	16.0	12.3	1.11
		Grow th			1.9	15.6	8.2	47.5	21.1	20.3	14.2	10.1	1.03
		Grow th & Income			1.3	9.1	5.0	31.0	15.7	14.6	11.2	8.4	0.71
		Income			0.1	4.6	2.2	13.7	8.2	6.7	6.0	5.3	0.36
											Rel Vol (Risk) ¹	Assets (\$Mil)	
LARGE CAP GROWTH					Average	5.0	13.8	10.8	43.6	24.1	23.7	17.2	1.07
312	FBGRX	Blue Chip Grow th	186.74	Buy	6.7	14.5	11.1	56.2	30.6	29.7	20.3	1.21	\$42,745
307	FDCAX	Capital Appreciation	47.51	OK to Buy	3.0	13.8	8.7	43.5	20.4	20.4	15.3	1.00	5,821
22	FCNTX	Contrafund	18.76	Buy	4.1	14.4	11.7	38.5	20.8	21.7	16.5	1.03	111,261
3	FFIDX	Fidelity Fund	72.20	Hold	4.8	15.8	11.7	36.9	21.3	19.1	14.4	0.94	5,092
333	FTQGX	Focused Stock	35.91	OK to Buy	6.0	15.4	12.6	41.1	24.1	23.1	16.3	1.04	3,367
3336	FIFNX	Founders Fund	18.34	Hold	3.2	12.2	8.5	39.4	--	--	--	--	89
25	FDGRX	Grow th Company (Closed)	38.03	Buy	7.4	15.7	12.9	56.4	32.0	31.3	21.2	1.26	44,313
339	FDSVX	Grow th Discovery	58.70	Buy	4.3	13.5	10.3	43.1	25.5	24.9	17.6	1.03	2,675
1829	FLGEX	Lrge Cap Grow th Enhcd Index	32.37	OK to Buy	5.9	16.1	11.7	44.0	23.8	22.3	17.0	1.03	1,514
2826	FSPGX	Lrge Cap Grow th Index	26.82	OK to Buy	6.3	13.0	11.9	42.4	25.1	23.6	--	1.07	6,592
21	F MAGX	Magellan	13.88	Hold	4.9	11.4	11.0	33.6	18.9	19.1	14.5	0.99	21,004
1282	FNCMX	Nasdaq Composite Index	182.60	OK to Buy	5.5	12.9	9.7	45.1	25.5	25.5	19.1	1.12	11,578
93	FOCPX	OTC	20.18	Buy	6.3	15.2	11.4	49.3	26.6	28.4	20.2	1.15	19,574
320	FDSSX	Stock Selector All Cap	65.21	Hold	2.1	14.7	8.0	43.4	18.3	18.5	14.2	1.09	6,876
5	FTRNX	Trend	161.24	Buy	5.4	9.0	10.5	41.2	25.1	23.8	17.4	1.07	3,281
LARGE CAP BLEND					Average	1.6	16.5	8.1	42.9	17.1	16.4	13.7	1.06
2328	FXAIX	500 Index	149.59	OK to Buy	2.3	15.3	8.5	40.8	18.7	17.7	14.8	1.00	308,434
315	FDEQX	Disciplined Equity	59.12	Hold	3.9	13.9	10.5	40.1	20.6	17.8	13.9	1.01	1,769
330	FDGFX	Dividend Grow th	36.39	OK to Buy	0.8	17.3	8.0	44.6	13.3	13.0	11.0	1.15	5,658
27	FGRIX	Grow th & Income	52.20	OK to Buy	-0.2	19.5	7.3	45.5	15.1	15.4	13.2	1.08	6,785
1827	FLCEX	Lrge Cap Core Enhcd Index	22.34	OK to Buy	2.3	17.6	8.9	42.8	18.5	17.7	14.6	0.98	1,266
338	FLCSX	Large Cap Stock	41.40	OK to Buy	-0.1	20.2	7.2	48.9	15.7	16.4	13.8	1.14	2,849
361	FGRTX	Mega Cap Stock	19.36	OK to Buy	-0.3	20.2	7.4	50.0	18.0	17.1	14.3	1.08	978
300	FMLX	New Millennium	44.36	OK to Buy	-0.7	21.3	6.4	51.1	13.0	15.0	12.6	1.14	2,679
2361	FSKAX	Total Market Index	124.01	Buy	2.5	15.3	8.3	44.3	18.7	17.9	14.7	1.05	62,566
5029	FULVX	U.S. Low Volatility Equity	11.66	Hold	0.7	8.9	6.6	21.6	--	--	--	--	337
6391	FSEBX	Sustainability U.S. Equity	10.10	NR	--	--	--	--	--	--	--	--	--
2941	FITLX	U.S. Sustainability Index	18.95	OK to Buy	2.6	16.4	8.8	40.8	19.8	--	--	0.97	981
3396	FWOMX	Women's Leadership	15.54	OK to Buy	3.0	15.2	7.5	45.4	--	--	--	--	88
3231	FNILX	Zero Large Cap Index	15.39	OK to Buy	2.8	14.4	8.9	41.4	--	--	--	--	3,532
3227	FZROX	Zero Total Market Index	15.54	Buy	2.5	15.2	8.4	44.0	--	--	--	--	8,877
LARGE CAP VALUE					Average	-1.3	17.1	5.7	43.1	12.1	11.8	10.8	1.06
1271	FBCVX	Blue Chip Value	22.82	Buy	-1.7	15.5	5.4	36.8	7.6	9.5	8.9	1.07	516
319	FEQTX	Equity Dividend Income	29.53	Buy	-1.1	16.4	5.8	38.6	11.5	11.1	10.4	1.09	4,891
23	FEQIX	Equity-Income	71.13	Buy	-0.5	16.3	6.6	41.5	14.3	13.0	10.7	0.95	6,575
1828	FLVEX	Lrge Cap Value Enhcd Index	16.80	Buy	-1.0	19.4	5.9	47.8	13.1	13.1	12.3	1.07	5,295
2830	FLCOX	Lrge Cap Value Index	15.47	OK to Buy	-1.2	17.0	5.2	43.6	12.4	11.9	--	1.08	3,449
708	FSLVX	Stock Sel Large Cap Value	25.91	OK to Buy	-1.6	18.1	5.7	47.6	12.4	11.4	11.1	1.14	421
832	FVDFX	Value Discovery	37.60	Buy	-2.0	16.9	5.4	45.5	13.1	12.7	11.6	1.03	2,885
MID-CAP GROWTH					Average	6.6	10.8	11.0	40.6	20.7	17.8	13.6	1.03
324	FDEGX	Grow th Strategies	66.33	OK to Buy	6.3	11.1	10.8	37.6	20.7	17.8	13.6	1.03	2,942
3403	FMDGX	Mid Cap Grow th Index	31.08	OK to Buy	6.8	10.5	11.1	43.7	--	--	--	--	586
MID-CAP BLEND					Average	0.6	17.7	6.0	55.2	15.8	16.1	12.9	1.25
2365	FSMAX	Extended Market Index	90.76	OK to Buy	3.5	15.4	7.1	61.6	18.6	18.8	14.0	1.37	37,529
2012	FMEIX	Mid Cap Enhanced Index	20.15	Buy	1.0	17.4	7.1	49.9	15.0	14.9	12.8	1.19	1,789
2352	FSMDX	Mid Cap Index	31.28	OK to Buy	1.4	16.2	7.5	49.8	16.5	15.6	--	1.19	20,644
337	FMC SX	Mid-Cap Stock	41.44	Buy	-1.7	20.1	4.5	54.2	14.8	15.2	12.5	1.17	5,777
2412	FSSMX	Stock Selector Mid Cap	48.79	OK to Buy	-1.4	17.7	4.3	55.1	14.3	15.8	12.2	1.33	386
3230	FZIPX	Zero Extended Market Index	13.77	OK to Buy	0.6	19.5	5.3	60.9	--	--	--	--	1,059

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

FIDELITY SCORECARD JUNE 30, 2021

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			
MID-CAP VALUE					Average	-1.6	22.5	5.7	60.9	13.0	13.1	11.4	1.34	
316	FLPSX	Low -Priced Stock ⁵	58.11	Buy	-1.3	19.5	5.0	52.3	13.2	13.9	11.7	1.10	\$28,418	
762	FSMVX	Mid Cap Value	28.00	Buy	-2.4	22.3	4.2	53.0	9.0	9.8	10.5	1.32	1,144	
3404	FIMVX	Mid Cap Value Index	26.19	OK to Buy	-1.2	19.4	5.6	52.8	--	--	--	--	908	
39	FDVLX	Value	15.26	Buy	-1.2	27.4	7.5	77.0	15.1	14.3	12.2	1.53	8,295	
14	FSLSX	Value Strategies	51.80	Buy	-2.0	24.2	6.3	69.2	14.6	14.3	11.3	1.41	535	
SMALL CAP GROWTH					Average	4.3	9.4	4.4	51.9	19.6	22.7	16.1	1.27	
1388	FCPGX	Small Cap Growth	37.39	Hold	4.0	9.8	4.9	52.4	19.6	22.7	16.1	1.27	4,590	
3405	FECGX	Small Cap Growth Index	30.90	Hold	4.7	9.0	3.9	51.3	--	--	--	--	337	
SMALL CAP BLEND					Average	0.9	19.1	5.1	60.4	13.9	14.9	11.5	1.37	
384	FSCRX	Small Cap Discovery	29.07	Hold	-0.9	24.5	6.7	60.8	12.9	12.7	11.8	1.46	3,198	
2011	FCPEX	Small Cap Enhanced Index	18.42	Hold	3.0	20.8	5.9	68.3	13.1	14.9	12.2	1.37	774	
2358	FSSNX	Small Cap Index	29.29	Hold	1.9	17.5	4.3	62.0	13.6	16.6	--	1.38	22,190	
340	FSLCX	Small Cap Stock	22.15	Hold	0.5	16.7	5.7	53.5	13.4	14.0	9.8	1.40	1,622	
336	FDSCX	Stock Selector Small Cap	35.52	Hold	0.3	16.1	3.2	57.6	16.4	16.5	12.0	1.26	1,588	
SMALL CAP VALUE					Average	-1.9	27.8	5.0	76.4	13.6	13.8	12.5	1.39	
1389	FCPVX	Small Cap Value	21.84	Buy	-3.3	28.8	5.5	79.7	13.6	13.8	12.5	1.39	2,870	
3406	FISVX	Small Cap Value Index	28.18	OK to Buy	-0.6	26.7	4.6	73.1	--	--	--	--	737	
REAL ESTATE														
1368	FIREX	International Real Estate	14.55	Hold↑	-0.3	7.9	6.9	29.2	10.9	11.0	8.7	0.81	345	
833	FRIFX	Real Estate Income	13.29	Hold↑	2.2	12.8	6.3	28.3	9.1	7.4	8.1	0.92	2,540	
2355	FSRNX	Real Estate Index	17.66	Hold	2.5	21.6	11.6	38.2	7.6	4.9	--	1.09	2,798	
303	FRESX	Real Estate Investment	48.00	OK to Buy↑	2.9	21.7	13.0	32.3	9.8	6.1	9.4	0.96	5,503	
ASSET ALLOCATION														
328	FASIX	Asset Manager 20%	14.78	Hold	0.9	2.5	2.9	9.4	6.6	5.5	4.7	0.29	6,143	
1957	FTANX	Asset Manager 30%	12.79	Hold	1.1	3.8	3.7	13.6	8.3	7.2	5.9	0.39	2,529	
1958	FFANX	Asset Manager 40%	13.89	Hold	1.2	5.2	4.4	17.7	9.6	8.6	6.9	0.48	2,305	
314	FASMX	Asset Manager 50%	22.16	Hold	1.2	6.5	5.0	21.7	10.8	10.0	7.8	0.58	11,176	
1959	FSANX	Asset Manager 60%	16.01	Hold	1.3	8.0	5.8	25.9	11.9	11.3	8.7	0.68	3,758	
321	FASGX	Asset Manager 70%	28.49	Hold	1.3	9.4	6.3	30.0	12.9	12.6	9.4	0.77	6,438	
347	FAMRX	Asset Manager 85%	26.21	Hold	1.4	11.5	7.2	36.5	14.5	14.6	10.7	0.91	3,399	
304	FBALX	Balanced	31.36	Buy	1.9	11.1	6.4	33.5	16.3	14.6	11.5	0.76	36,568	
355	FFNOX	Four-in-One Index	61.08	Hold	1.3	11.0	6.5	34.0	14.3	13.8	10.8	0.86	8,424	
3083	FMSDX	Multi-Asset Income	14.61	Buy	0.5	13.1	5.6	33.2	16.7	11.9	--	0.57	767	
4	FPURX	Puritan	29.02	Buy	1.8	11.8	7.0	29.8	15.0	14.1	11.2	0.69	28,363	
INTERNATIONAL					Average	0.2	8.4	5.9	37.2	12.7	13.1	8.2	1.00	
309	FICDX	Canada	64.48	OK to Buy	-0.4	20.2	9.3	45.4	11.7	10.3	4.6	1.11	809	
352	FHKCX	China Region	58.42	OK to Sell↓	1.1	5.0	-0.7	38.4	20.5	22.0	11.7	1.10	2,086	
325	FDIVX	Diversified International	50.88	OK to Buy	-0.3	6.7	6.8	29.5	12.7	12.4	7.8	0.90	11,050	
351	FSEAX	Emerging Asia	72.06	Hold↓	4.6	5.5	5.8	56.1	28.6	24.8	12.2	1.09	2,704	
322	FEMKX	Emerging Markets	49.09	Hold	1.7	7.5	5.5	42.3	18.6	17.5	7.4	0.98	6,933	
2374	FEDDX	Emerging Mkts Discovery	19.31	Hold	2.0	14.8	10.8	46.0	11.7	13.1	--	1.15	268	
2344	FPADX	Emerging Markets Index	13.68	Hold	1.2	7.4	4.4	39.9	11.1	12.8	--	1.01	5,861	
5031	FEOPX	Enduring Opportunities	15.43	OK to Buy	2.6	11.2	8.7	43.7	--	--	--	--	18	
301	FIEUX	Europe	46.68	OK to Buy	-1.3	10.2	6.5	40.9	11.9	11.9	7.1	1.03	996	
2406	FGILX	Global Equity Income	19.14	Buy	-0.1	11.0	6.2	34.4	14.7	13.3	--	0.87	89	
2348	FSGGX	Global ex U.S. Index	15.92	Hold	-0.6	9.3	5.4	35.3	9.5	11.0	--	0.95	8,558	
335	FIVFX	International Cap App	29.35	OK to Buy	0.2	6.0	6.2	31.4	14.9	14.3	10.5	0.85	5,453	
305	FIGRX	International Discovery	57.28	OK to Buy	-2.4	7.9	4.5	35.1	12.6	12.9	7.9	0.94	8,641	
2010	FIENX	International Enhanced Index	11.37	Hold	-1.5	10.7	5.4	33.8	7.4	10.2	6.4	0.97	1,603	
1979	FIGFX	International Growth	20.34	OK to Buy↑	0.8	9.3	8.8	31.4	15.2	13.9	9.4	0.86	1,651	
2363	FSPSX	International Index	49.58	Hold	-1.4	8.9	5.3	32.2	8.5	10.3	6.0	0.96	37,407	
818	FISMX	International Small Cap	34.27	Hold	-1.9	11.9	4.2	45.1	8.8	11.9	8.9	1.06	1,622	
1504	FSCOX	Int'l Small Cap Opps (Closed)	26.42	OK to Buy	-0.0	7.2	7.7	37.2	12.4	14.5	10.8	0.92	1,397	
2988	FNIDX	International Sustainability Idx	13.63	Hold	-0.1	8.9	5.0	34.1	10.5	--	--	0.91	366	
1597	FIVLX	International Value	9.32	OK to Buy	-3.2	10.0	2.6	35.1	5.5	7.0	3.7	1.16	605	
350	FJPNX	Japan	20.01	Hold	-0.3	-0.2	-0.7	29.4	10.4	12.6	8.0	0.87	159	
360	FJSCX	Japan Smaller Companies	17.89	OK to Sell	1.0	0.6	1.0	16.7	3.4	8.4	10.2	0.75	507	
349	FLATX	Latin America	23.87	OK to Sell	3.9	2.3	15.1	27.8	6.5	5.4	-3.8	1.90	347	
342	FNORX	Nordic	72.20	OK to Buy	-1.4	9.4	7.6	57.6	18.5	14.7	11.2	1.04	401	
94	FOSFX	Overseas	65.38	OK to Buy	-0.2	10.0	8.1	33.3	12.3	13.0	9.0	0.92	8,160	
302	FPBFX	Pacific Basin	45.93	OK to Buy	0.1	4.7	3.1	36.9	16.1	15.6	11.3	0.89	1,330	
2369	FTEMX	Total Emerging Markets	16.38	Hold	1.1	5.1	4.1	33.3	11.6	11.6	--	0.95	242	
1978	FTIEX	Total International Equity	12.38	OK to Buy	-0.7	9.8	5.5	39.2	13.2	12.9	7.4	0.96	81	
2834	FTIHX	Total International Index	14.88	Hold	-0.5	9.7	5.5	36.8	9.4	11.0	--	0.97	7,922	
318	FWWFX	Worldwide	38.21	OK to Buy	2.4	11.6	9.0	39.3	19.4	18.8	12.7	0.98	2,771	
3228	FZILX	Zero International Index	12.43	Hold	-0.4	9.2	5.4	35.5	--	--	--	--	2,923	

FIDELITY SCORECARD

JUNE 30, 2021

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		
SPECIALTY													
6385	FCAEX	Climate Action	10.16	NR	--	--	--	--	--	--	--	--	--
308	FCVFX	Convertible Securities	43.10	OK to Buy	2.0	8.1	4.0	45.3	23.1	17.7	11.1	0.86	\$1,961
2120	FFGCX	Global Commodity Stock	16.08	OK to Buy	-2.3	20.5	6.8	56.7	8.0	11.6	1.1	1.31	551
3488	FNSTX	Infrastructure Fund	12.06	OK to Sell	-1.3	2.6	2.1	19.2	--	--	--	--	43
122	FLVCX	Leveraged Company Stock	48.45	Buy	1.4	18.0	7.7	64.6	18.3	17.7	12.4	1.44	2,540
1329	FSDIX	Strategic Dividend & Income	17.96	Buy	0.9	11.4	5.7	31.8	13.2	11.1	10.6	0.76	3,504
1505	FSRRX	Strategic Real Return	9.33	OK to Buy↑	1.1	9.9	6.1	22.4	6.1	4.9	3.0	0.52	225
311	FIUIX	Telecom & Utilities	27.87	Hold	-0.3	2.0	0.2	17.1	8.3	7.4	9.6	0.75	970
DISRUPTOR/MEGATREND FUNDS					Average	2.7	13.1	7.9	49.1				
6041	FARMX	Agricultural Productivity	18.15	OK to Buy	-3.9	18.8	-0.5	65.2	--	--	--	--	59
6036	FBOTX	Disruptive Automation	18.80	OK to Buy	2.8	9.9	6.9	55.8	--	--	--	--	105
6037	FNETX	Disruptive Communications	18.03	OK to Buy	5.9	17.5	12.4	51.1	--	--	--	--	37
6038	FNTEX	Disruptive Finance	18.28	Hold	0.4	17.0	8.6	54.8	--	--	--	--	47
6039	FMEDX	Disruptive Medicine	13.67	Hold	5.2	9.2	9.3	23.1	--	--	--	--	34
6040	FTEKX	Disruptive Technology	19.49	Hold	7.7	10.3	11.4	54.3	--	--	--	--	136
6043	FGDFX	Disruptors	17.63	OK to Buy	4.4	12.7	9.7	47.9	--	--	--	--	137
6042	FLOWX	Water Sustainability	14.68	Hold	-1.1	9.7	5.8	40.4	--	--	--	--	63
SELECT PORTFOLIOS					Average	0.7	16.7	7.3	47.7	14.5	15.2	12.0	1.37
34	FSAIX	Air Transportation (Closed)	70.60	OK to Buy↑	-5.1	11.5	0.5	51.8	3.6	10.2	11.8	1.70	382
502	FSAVX	Automotive	61.57	OK to Buy	5.3	17.9	9.6	94.1	28.6	23.9	13.4	1.52	203
507	FSRBX	Banking	28.66	Buy	-6.0	28.8	1.7	73.0	8.0	14.2	11.7	1.77	678
42	FBIOX	Biotechnology	22.62	OK to Buy	6.4	-3.1	1.5	17.7	14.4	16.5	18.6	1.36	8,095
68	FSLBX	Brokerage & Investment	118.42	Buy	1.9	25.2	12.8	57.1	20.3	22.6	13.6	1.16	578
69	FSCHX	Chemicals	16.85	OK to Buy	-4.7	17.1	5.8	54.2	6.4	11.2	10.4	1.38	798
518	FSDCX	Communications Equip (Closed)	45.47	OK to Sell	1.1	21.1	7.7	40.4	9.2	13.7	8.1	1.14	184
503	FBMPX	Communication Services	97.20	Buy	2.8	21.9	11.4	56.8	27.4	21.3	17.2	1.06	1,214
7	FDCPX	Computers	111.67	OK to Buy	1.2	10.7	3.9	60.7	26.0	27.5	16.0	1.12	783
511	FSHOX	Construction & Housing	90.00	OK to Buy	-0.3	26.5	6.1	60.9	25.1	19.5	18.0	1.29	556
517	FSCPX	Consumer Discretionary	71.35	Buy	2.6	12.3	5.6	47.4	20.4	19.6	16.4	1.22	660
98	FSVLX	Consumer Finance	22.76	Hold	-1.5	28.5	11.1	79.1	16.2	18.5	14.1	1.64	288
9	FDFAV	Consumer Staples	97.44	OK to Buy	-0.5	6.9	3.4	28.6	13.3	7.0	9.9	0.85	851
67	FSDAX	Defense & Aerospace	18.41	OK to Buy↑	-0.8	12.1	3.2	37.4	6.9	14.3	13.2	1.52	1,756
60	FSENX	Energy	33.24	Hold	4.8	43.8	13.0	56.0	-9.2	-2.2	-2.1	2.26	1,268
43	FSESX	Energy Service (Closed)	21.40	Hold	3.1	41.5	15.5	89.2	-20.2	-11.1	-10.0	3.06	334
516	FSLEX	Environment & Alt Energy	33.64	OK to Buy	-1.1	13.8	4.5	57.4	17.5	17.0	10.4	1.26	502
66	FIDSX	Financial Services	12.73	Buy	-3.8	25.3	5.9	63.6	14.0	16.1	12.1	1.43	878
41	FSAGX	Gold	28.13	Sell	-12.1	-4.7	8.7	-4.0	15.8	3.6	-4.0	1.92	1,479
63	FSPHX	Health Care	33.35	Buy	3.2	8.7	6.9	24.6	18.9	17.9	18.2	0.99	10,810
505	FSHCX	Health Care Services	135.47	Buy↑	-1.6	12.9	6.0	33.2	17.7	17.0	15.1	1.11	1,268
515	FCYIX	Industrials	36.67	Hold	-2.7	6.6	2.0	39.1	10.2	11.5	10.7	1.31	422
45	FSPCX	Insurance	64.33	Hold	-4.5	15.4	5.1	40.7	12.7	12.0	12.8	1.16	204
353	FBSOX	IT Services	98.99	OK to Buy	5.4	9.3	10.2	36.7	23.1	25.1	20.1	1.26	4,307
62	FDSLX	Leisure	18.80	Buy	-2.2	10.2	1.7	56.5	16.6	16.7	14.1	1.46	750
509	FSDPX	Materials	97.94	Buy	-5.2	17.2	6.2	55.8	8.6	11.2	7.3	1.28	909
354	FSMEX	Medical Tech & Devices	79.11	OK to Buy	6.3	14.0	10.7	40.8	23.7	22.2	19.2	1.02	9,555
513	FSNGX	Natural Gas (Closed)	14.90	Hold	5.8	44.2	18.7	56.7	-14.8	-7.8	-6.4	2.24	142
514	FNARX	Natural Resources	27.35	Hold	-0.4	32.9	14.5	50.9	-2.9	1.3	-1.4	1.98	405
580	FPHAX	Pharmaceuticals	25.30	Hold	3.9	10.4	9.6	17.2	18.2	11.4	13.0	0.84	872
46	FSRPX	Retailing	24.98	OK to Buy	4.1	15.7	6.8	50.4	23.7	23.7	20.9	1.22	4,615
8	FSELX	Semiconductors	19.24	Buy	7.7	23.3	12.2	69.7	34.2	34.8	23.5	1.43	6,682
28	FSCSX	Software & IT Services	30.10	OK to Buy	5.7	12.7	12.0	38.2	27.8	29.3	22.2	1.08	12,921
64	FSPTX	Technology	28.20	Buy	7.1	11.1	8.6	50.5	31.3	33.5	21.1	1.22	12,303
96	FSTCX	Telecommunications	70.62	Hold	-0.4	6.7	3.1	21.3	14.1	8.8	9.1	0.77	252
512	FSRFX	Transportation	108.30	OK to Buy	-3.3	16.3	4.5	54.5	12.5	16.0	13.3	1.33	427
65	FSUTX	Utilities	93.98	OK to Sell	-0.7	2.4	-0.3	19.2	8.3	8.7	10.3	0.82	963
963	FVRLX	Wireless	14.51	OK to Buy	3.6	9.3	8.5	34.5	24.8	20.7	13.8	0.90	481
SECTOR ETFs					Average	1.1	17.6	7.3	44.0	15.3	13.8	1.20	
	FCOM	MSCI Communication Services	54.49	OK to Buy	3.8	20.1	10.7	55.3	25.5	14.8	--	1.06	786
	FDIS	MSCI Consumer Discretionary	81.09	Buy	3.1	13.7	6.4	56.7	25.0	23.0	--	1.33	1,500
	FSTA	MSCI Consumer Staples	42.60	OK to Buy	-0.7	6.0	3.0	25.3	13.9	8.1	--	0.74	796
	FENY	MSCI Energy	14.75	Hold	5.0	48.1	12.3	55.2	-6.9	-1.4	--	2.29	936
	FNCL	MSCI Financials	52.36	Buy	-2.9	25.1	7.4	61.3	12.9	16.2	--	1.36	1,800
	FHLC	MSCI Health Care	63.74	OK to Buy	3.3	11.1	8.4	29.8	17.2	15.3	--	0.89	2,600
	FIDU	MSCI Industrials	54.23	OK to Buy	-1.8	16.0	4.4	52.9	15.4	15.3	--	1.29	888
	FTEC	MSCI Information Technology	117.79	OK to Buy	7.3	13.1	11.5	44.3	30.1	30.9	--	1.17	5,600
	FMAT	MSCI Materials	46.21	Buy	-5.2	16.1	4.8	52.4	13.4	14.2	--	1.26	596
	FREL	MSCI Real Estate	30.43	Hold	2.5	21.6	11.4	34.6	11.9	8.3	--	1.00	1,600
	FUTY	MSCI Utilities	41.03	OK to Sell	-1.9	2.7	-0.4	16.1	9.6	7.3	--	0.81	1,000

FIDELITY SCORECARD JUNE 30, 2021

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	0.6	-1.2	1.5	0.1	4.9	2.8	3.0	0.81	5.3	0.20
2267	FCONX	Conservative Income Bond	10.05	Hold	-0.1	0.0	0.0	0.3	1.6	1.5	1.0	-0.05	0.4	0.06	
2208	FCBFX	Corporate Bond	12.66	Hold	1.6	-1.3	3.4	3.2	7.9	5.3	5.5	1.79	8.0	0.40	
6379	FFBFX	Environmental Bond	10.01	NR	--	--	--	--	--	--	--	--	--	--	
2423	FGBFX	Global Credit	9.88	Hold	1.2	-0.7	2.6	4.7	7.2	4.5	--	1.26	7.3	0.42	
15	FGMNX	GNMA (Ginnie Mae)	11.71	Buy	-0.1	-0.3	0.1	0.2	3.6	2.1	2.5	0.85	2.5	0.09	
54	FGOVX	Government Income	10.67	Hold	0.7	-2.0	1.5	-2.6	4.3	2.0	2.6	0.55	5.9	0.21	
2418	FIPDX	Inflation-Protected Index	11.23	Hold	0.7	1.7	3.3	6.3	6.5	4.1	--	0.10*	5.4	0.20	
32	FTHRX	Intermediate Bond	11.20	Buy	0.2	-0.7	1.1	1.4	5.0	2.9	3.0	0.85	4.1	0.16	
452	FSTGX	Intermediate Gov't Income	10.73	Hold	0.1	-1.3	0.6	-1.6	3.6	1.7	2.0	0.13	4.0	0.14	
3045	FUAMX	Intermediate Treasury Index	11.27	Hold	0.5	-2.6	1.8	-3.2	5.5	2.3	3.4	1.18	6.8	0.25	
4506	FBIX	International Bond Index	10.04	Hold	0.3	-1.6	0.2	0.6	--	--	--	0.86	7.9	--	
26	FBNDX	Investment Grade Bond	8.42	Buy	1.1	-1.1	2.2	1.1	6.5	4.1	4.0	1.25	6.3	0.21	
2622	FJRLX	Limited Term Bond	11.84	Buy	-0.1	-0.5	0.6	1.3	4.0	2.5	2.6	0.56	2.8	0.15	
662	FFXSX	Limited Term Government	10.19	Hold	-0.2	-0.7	0.1	-0.9	2.8	1.4	1.3	-0.11	2.8	0.09	
3047	FNBGX	Long-Term Treasury Index	14.51	OK to Sell↑	4.0	-7.7	6.6	-10.6	8.0	3.1	6.6	2.07	18.6	0.73	
40	FMSFX	Mortgage Securities	11.48	Buy	0.1	-0.7	0.3	0.2	4.0	2.3	2.9	0.50	3.5	0.10	
450	FSHBX	Short-Term Bond	8.72	Buy	-0.2	-0.2	0.1	0.7	3.0	2.0	1.7	0.24	1.9	0.09	
3041	FNSOX	Short-Term Bond Index	10.26	OK to Buy	-0.2	-0.4	0.2	0.2	3.6	--	--	0.47	2.7	0.08	
3049	FUMBX	Short-Term Treasury Index	10.69	Buy	-0.2	-0.6	0.1	-0.4	3.3	1.7	1.5	0.35	2.7	0.09	
3086	FNDX	Sustainability Bond Index	10.78	Hold	0.8	-1.8	1.7	-0.9	5.2	--	--	1.10	6.0	0.18	
820	FTBFX	Total Bond	11.15	Buy	1.0	-0.5	2.3	3.3	6.4	4.3	4.2	1.75	6.0	0.22	
2326	FXNAX	U.S. Bond Index	12.13	Hold	0.8	-1.7	1.8	-0.5	5.4	3.0	3.4	1.32	6.2	0.19	
HIGH-YIELD BOND					Average	1.0	3.1	2.7	13.0	5.9	6.0	5.4	2.96	3.4	0.50
38	FAGIX	Capital & Income	11.27	Buy	1.6	8.2	4.1	26.5	9.9	10.0	7.6	2.53	3.4	0.70	
814	FFRHX	Floating Rate High Income	9.45	OK to Buy	0.2	3.6	1.5	11.8	4.0	4.6	3.7	2.91	0.2	0.46	
1366	FHIFX	Focused High Income	8.94	OK to Buy	1.5	1.7	2.6	9.4	6.5	6.1	5.4	3.00	4.4	0.40	
2297	FGHIX	Global High Income	9.88	Buy↑	0.8	4.3	2.8	15.5	6.6	6.7	5.7	3.21	3.0	0.58	
455	SPHIX	High Income	8.79	Buy	1.6	2.7	2.7	12.1	5.2	6.5	5.6	3.72	3.7	0.50	
331	FNMI	New Markets Income	14.71	Hold	0.5	-0.6	3.7	8.3	4.2	3.7	5.0	3.56	5.9	0.63	
2580	FSAHX	Short Duration High Income	9.54	Buy	0.7	2.4	1.5	8.6	4.5	4.9	--	2.74	1.9	0.35	
3082	FADMX	Strategic Income	12.93	Buy	1.1	2.7	2.7	11.6	6.4	5.7	4.8	2.00	4.5	0.38	
MUNICIPAL BOND					Average	0.2	1.2	1.5	4.3	4.5	2.8	3.9	0.59	5.0	0.21
434	FSAZX	Arizona Muni Income	12.62	Hold	0.2	0.9	1.6	3.9	4.7	2.8	4.3	0.52	5.5	0.21	
1534	FCSTX	Calif Limited Term Tax Free	10.83	OK to Buy	0.0	0.2	0.4	1.7	2.7	1.7	2.0	0.23	2.9	0.12	
91	FCTFX	California Muni Income	13.43	Hold	0.2	1.1	1.6	4.2	4.8	2.9	4.6	0.68	5.8	0.23	
407	FICNX	Connecticut Muni Income	11.98	Hold	0.3	1.3	1.6	4.3	5.0	2.7	3.8	0.67	4.9	0.21	
2578	FCRD	Conservative Income Muni	10.05	Buy	-0.1	0.1	0.0	0.4	1.1	1.0	--	-0.03	0.5	0.03	
36	FLTMX	Interm Municipal Income	10.88	Hold	0.2	1.0	1.3	4.1	4.5	2.8	3.5	0.53	4.3	0.20	
404	FSTFX	Limited Term Muni Income	10.85	OK to Buy	0.1	0.5	0.5	2.3	3.0	1.9	1.9	0.19	2.6	0.12	
429	SMDMX	Maryland Muni Income	11.85	Hold	0.2	1.4	1.9	4.7	4.5	2.7	3.8	0.56	5.6	0.22	
70	FDMMX	Mass Muni Income	12.64	Hold	0.2	1.0	1.6	4.1	4.5	2.6	4.1	0.61	5.6	0.22	
81	FMHTX	Michigan Muni Income	12.79	Hold	0.2	1.2	1.5	4.0	5.0	3.1	4.1	0.58	5.7	0.20	
82	FIMIX	Minnesota Muni Income	12.12	Hold	0.2	0.5	1.3	3.1	4.5	2.7	3.5	0.58	5.4	0.20	
3469	FMBIX	Municipal Bond Index	20.39	Hold	0.2	0.9	1.4	3.7	--	--	--	0.90	5.5	--	
37	FHIGX	Municipal Income	13.76	Hold	0.5	2.4	2.3	6.8	5.7	3.6	4.7	0.81	6.0	0.28	
416	FNJHX	New Jersey Muni Income	12.68	Hold	0.4	2.0	2.0	7.8	5.8	3.9	4.5	0.66	5.7	0.29	
71	FTFMX	New York Muni Income	13.81	Hold	0.5	2.3	2.5	6.0	5.1	3.0	4.2	0.80	6.3	0.26	
88	FOHFX	Ohio Muni Income	12.56	Hold	0.3	1.3	1.7	4.7	4.7	2.8	4.3	0.71	5.5	0.21	
402	FPXTX	Pennsylvania Muni Income	11.67	Hold	0.3	1.8	2.0	5.2	5.1	3.2	4.3	0.72	5.8	0.23	
90	FTABX	Tax-Free Bond	12.28	Hold	0.4	2.2	2.2	6.8	5.8	3.6	4.9	0.95	6.0	0.28	

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	
		Jun	YTD	%Yield	
55	FDRXX	Gov't Cash Reserves	0.00	0.00	0.01
458	SPAXX	Government MM	0.00	0.00	0.01
2742	FZFX	Treasury MM	0.00	0.00	0.01
415	FDLXX	Treasury Only MM (closed)	0.00	0.00	0.01
PRIME MONEY MARKETS					
454	SPRXX	Money Market*	0.00	0.00	0.01
*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	0.00	0.00	0.01
275	FMOXX	Tax-Exempt MM	0.00	0.00	0.01

STATE MUNICIPAL MONEY MARKETS			Total Return (%)		SEC
			Jun	YTD	%Yield
433	FSAXX	Arizona Muni MM	0.00	0.00	0.01
97	FCFXX	California Muni MM	0.00	0.00	0.01
457	FSPXX	California AMT Tax-Free	0.00	0.00	0.01
418	FCMXX	Connecticut Muni MM	0.00	0.00	0.01
426	FMSXX	Mass AMT Tax-Free	0.00	0.00	0.01
74	FDMXX	Massachusetts Muni MM	0.05	0.05	0.01
420	FMXX	Michigan Muni MM	0.00	0.04	0.01
417	FNJXX	New Jersey Muni MM	0.00	0.00	0.01
423	FSJXX	New Jersey AMT Tax-Free	0.00	0.00	0.01
92	FNYYX	New York Muni MM	0.00	0.00	0.01
422	FSNXX	New York AMT Tax-Free	0.00	0.00	0.01
419	FOMXX	Ohio Muni MM	0.00	0.00	0.01
401	FPTXX	Pennsylvania Muni MM	0.00	0.07	0.01

FIDELITY SCORECARD JUNE 30, 2021

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					1.0	13.3	7.0	46.5	21.5	20.4	15.4	1.11
	Annuity Growth Model					2.1	16.6	8.7	49.5	21.5	20.2	14.3	1.08
	Annuity Growth & Income Model					1.0	9.1	5.3	30.2	15.8	13.4	10.2	0.81
	Annuity Income Model					-0.1	5.8	2.7	15.1	9.0	7.1	5.9	0.42
9067	FLRQC	Fid VIP Asset Manager	Allocation	27.36	Hold	1.2	6.4	4.9	21.4	10.5	9.6	7.2	0.58
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation	30.50	Hold	1.3	9.2	6.2	29.7	12.5	12.2	8.7	0.77
9069	FJBAC	Fid VIP Balanced	Allocation	38.86	Buy	1.8	11.0	6.3	33.1	15.9	14.2	10.8	0.76
9461	FBIQC	Fid VIP Bond Index	Bond	11.59	Hold	0.9	-1.9	1.8	-1.0	4.9	--	--	0.19
9173	FVTAC	Fid VIP Communication Services	Sector	34.24	Buy	2.8	21.6	11.2	56.5	29.1	17.0	13.5	1.07
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	56.65	Buy	2.6	12.0	5.5	46.7	20.0	19.3	16.1	1.22
9171	FCSAC	Fid VIP Consumer Staples	Sector	35.34	OK to Buy	-0.5	6.7	3.3	27.8	13.0	7.1	10.7	0.84
9065	FPDFC	Fid VIP Contrafund	Large Growth	49.24	Buy	4.2	13.7	11.3	35.6	20.7	18.7	14.1	0.99
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	32.48	OK to Buy	3.0	20.6	5.8	67.6	12.8	14.5	11.7	1.37
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	53.54	OK to Buy	3.0	13.8	8.7	42.8	20.1	19.9	15.2	0.99
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	17.35	Hold	0.1	7.9	4.0	48.0	16.9	16.3	6.7	1.05
9085	FJLLC	Fid VIP Energy	Sector	12.92	Hold	4.8	43.7	12.8	55.6	-9.5	-2.4	-2.3	2.26
9061	FLOLC	Fid VIP Equity-Income	Large Value	31.33	Buy	-0.5	16.4	6.7	41.5	13.8	12.6	10.8	0.95
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	14.66	OK to Buy	0.5	19.2	5.1	59.8	14.2	--	--	1.36
9083	FONNC	Fid VIP Financial Services	Sector	20.95	Buy	-3.8	25.1	5.9	62.8	13.6	15.7	11.9	1.43
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	12.74	OK to Buy	0.3	3.1	1.4	10.9	4.0	4.3	--	0.44
9157	FMPAC	Fid VIP FundsManager 20	Allocation	18.25	Hold	0.6	1.8	2.7	7.6	6.0	4.9	4.1	0.25
9158	FMPBC	Fid VIP FundsManager 50	Allocation	24.14	Hold	0.8	6.2	4.8	19.9	10.2	9.3	7.3	0.54
9197	FMPPC	Fid VIP FundsManager 60	Allocation	23.88	Hold	0.8	7.7	5.4	24.2	11.3	10.7	8.3	0.65
9159	FMPCC	Fid VIP FundsManager 70	Allocation	27.35	Hold	0.8	9.2	6.0	28.4	12.2	11.9	9.1	0.75
9160	FMPDC	Fid VIP FundsManager 85	Allocation	29.57	Hold	0.7	11.3	6.8	34.9	13.7	13.8	10.3	0.90
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	11.73	--	-0.0	-0.1	-0.1	-0.2	0.8	0.7	0.3	0.01
9062	FMNDC	Fid VIP Growth	Large Growth	62.04	Buy	4.3	13.4	10.2	43.0	25.4	24.8	17.4	1.04
9070	FLFNC	Fid VIP Growth & Income	Large Blend	38.70	OK to Buy	-0.3	19.3	7.2	44.9	14.6	15.0	12.8	1.08
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	86.77	Buy	7.0	13.1	10.5	56.6	36.9	33.5	21.8	1.26
9084	FPDRC	Fid VIP Health Care	Sector	71.88	Buy	3.1	8.4	6.8	22.3	16.7	16.7	17.4	0.98
9060	FBBLC	Fid VIP High Income	High-Yield Bond	24.15	Buy	1.7	3.2	2.8	12.6	5.5	6.0	5.2	0.51
9064	FXVLT	Fid VIP Index 500	Large Blend	45.90	OK to Buy	2.3	15.1	8.4	40.3	18.2	17.2	14.5	1.00
9082	FBALC	Fid VIP Industrials	Sector	45.42	Hold	-2.7	6.4	2.0	38.8	10.1	11.3	10.6	1.31
9473	FFIQC	Fid VIP International Index	Diversified Int'l	12.57	Hold	-0.4	8.7	5.3	34.4	9.0	--	--	0.95
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	31.15	OK to Buy	0.2	5.9	6.1	31.1	14.6	14.1	10.2	0.85
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	19.18	Buy	0.9	-1.0	2.0	2.0	6.0	3.7	3.7	0.22
9172	FVMAC	Fid VIP Materials	Sector	28.86	Buy	-5.2	18.7	6.2	61.1	9.1	11.3	7.2	1.28
9071	FNBSC	Fid VIP Mid Cap	Mid Blend	41.32	Buy	-0.8	15.4	4.0	55.7	11.5	13.7	10.6	1.28
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	24.99	OK to Buy	-0.2	10.0	8.2	33.3	11.9	12.6	7.0	0.93
9072	FFWKC	Fid VIP Real Estate	Sector	30.23	OK to Buy	2.4	19.7	11.2	30.5	8.0	4.8	8.2	0.94
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	23.13	Buy	1.0	2.4	2.5	10.8	6.0	5.3	4.4	0.36
9086	FYENC	Fid VIP Technology	Sector	109.97	Buy	8.1	11.8	12.3	52.0	31.8	34.3	20.7	1.26
9465	FTMJC	Fid VIP Total Market Index	Large Blend	16.17	Buy	2.5	14.8	8.2	43.2	18.0	--	--	1.05
9087	FXRRC	Fid VIP Utilities	Sector	36.76	OK to Sell	-0.7	2.0	-0.3	18.1	7.8	8.3	10.1	0.83
9079	FKMSC	Fid VIP Value	Large Value	34.08	OK to Buy	-1.5	22.4	6.9	61.4	13.8	13.1	11.8	1.35
9073	FRBSC	Fid VIP Value Strategies	Mid Value	35.90	Buy	-2.0	24.1	6.2	68.8	14.3	14.0	10.9	1.40
9347	FBMEC	Black Rock Global Allocation	Global Allocation	19.12	Hold	-0.1	6.4	4.8	27.9	12.3	10.3	6.8	0.65
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	10.50	Hold	-0.9	-2.9	0.1	-3.0	-1.5	0.2	0.5	0.29
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	11.15	Buy	-0.1	-1.3	-0.0	-1.1	2.8	1.3	1.4	0.10
9285	FIGXC	Invesco Global Core Eqty	Global Stock	19.45	Hold	1.4	13.6	8.7	41.4	11.7	12.0	7.5	1.09
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	19.25	Hold	-0.7	10.8	5.5	40.5	6.2	7.3	2.1	1.14
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	21.47	Hold	0.5	-0.8	3.9	8.6	5.8	3.9	4.0	0.63
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	19.50	Hold	1.1	8.7	6.4	41.4	10.4	10.4	3.7	1.05
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	18.28	Hold	-1.3	6.8	3.9	26.0	9.5	9.0	6.2	0.70
9346	FPMEC	Pimco Commodity Real Return	Commodities	7.35	Hold	1.6	24.7	14.9	56.2	6.4	3.9	-3.7	0.98
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	12.39	Buy	-0.4	-0.3	-0.1	0.4	2.3	1.5	1.4	0.08
9277	FPNBC	Pimco VIT Real Return	TIPS	15.72	Hold	0.4	1.7	3.2	7.1	6.3	4.1	3.0	0.23
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	15.47	Hold	0.8	-1.3	1.9	0.9	5.3	3.4	3.3	0.19

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Financial Services	20%	VIP Contrafund	27%	VIP Value Strategies	25%	Frkln Temp U.S. Gov't	34%
VIP Technology	20	VIP Equity-Income	26	VIP Growth Opps	19	VIP Investment Grade	26
VIP Materials	16	VIP Value Strategies	24	VIP Equity-Income	19	VIP Value Strategies	23
VIP Comm Services	16	VIP Growth Opps	23	VIP High Income	15	VIP High Income	17
VIP Cons Discretionary	15			Frkln Temp U.S. Gov't	14		
VIP Health Care	13			VIP Investment Grade	8		
Total Return:		Total Return:		Total Return:		Total Return:	
Jun: 1.0% YTD: 13.3%		Jun: 2.1% YTD: 16.6%		Jun: 1.0% YTD: 9.1%		Jun: -0.1% YTD: 5.8%	

FUND PROFILE

Short-Term Treasury Index Mitigates Risk

This is likely the first (and last!) time this fund is being profiled in these pages. That's because it's a pretty straight-forward, plain-vanilla offering. But because many of our readers follow the *Income Model*, the June 28 weighting increase (see p. 3) warrants a brief discussion.

As its name implies, **Short-Term Treasury Index** [FUMBX] has very little interest-rate risk. Fidelity assesses it as "limited," and we agree. With a duration of 2.7 years, a one percentage point rise in interest rates might send the value of the fund down 2.7%. But with 6-month Treasury Notes yielding 0.06%, that's a very long way to rise. Nonetheless, its rate-risk is certainly not zero.

As for credit risk, that's a theoretical zero because the U.S. has never had a bond default — and presumably never will. Indeed, a Treasury default would have financial consequences beyond the losses you would incur from holding this fund.

Yielding just 0.35%, Treasury Index is actually a higher-yielding alternative to a money market fund. (**Conservative Income Bond** once served that role, but with rates so low, its yield is negative.) And, like the fund it replaced in the *Income Model* (**Mortgage Securities**), it reduces portfolio risk as it's negatively correlated to stocks.

Note: In the *Annuity Income Model*, adding to **Franklin Templeton U.S. Gov't** [FFMEC] at the expense of **VIP Value Strategies** lightens its value-stock exposure and thusly its risk (bonds are less volatile than stocks.) Indeed, the Franklin fund is a bit different from Fidelity's Treasury Index fund in that both its interest-rate and credit risks are slightly higher. ■

Fund Commentary *cont'd from p. 5*

Select Funds

In another sign that investors embraced risk assets in June, a variety of volatile funds fared particularly well. For example, while **Select Technology** gained 7.1%, the even riskier **Semiconductors** fund fared a bit better (up 7.7%). Other subsectors within tech fared pretty well, too, including **Software & IT Services** (up 5.7%) and **IT Services** (up 5.4%).

On the other hand, with "safe harbor" gold falling almost 7% last month (to \$1776.20 a troy ounce), gold mining stocks (which are effectively leveraged to bullion prices), dropped precipitously. Notably, **Select Gold** retreated 12.1% in June and is now down 4.7% for the year.

As for black gold, meaning oil, a global pickup in demand drove crude prices up 3% last month, and more than 50% since the start of the year. In turn, Fidelity's energy-related funds were all higher in June, while their year-to-date gains (in excess of 40%) hoisted them to the very top of the performance charts. **Natural Gas** and **Energy**, for example, gained a nearly identical 44.2% and 43.8%, respectively, while **Energy Service** is up 41.5% this year.

High Yield

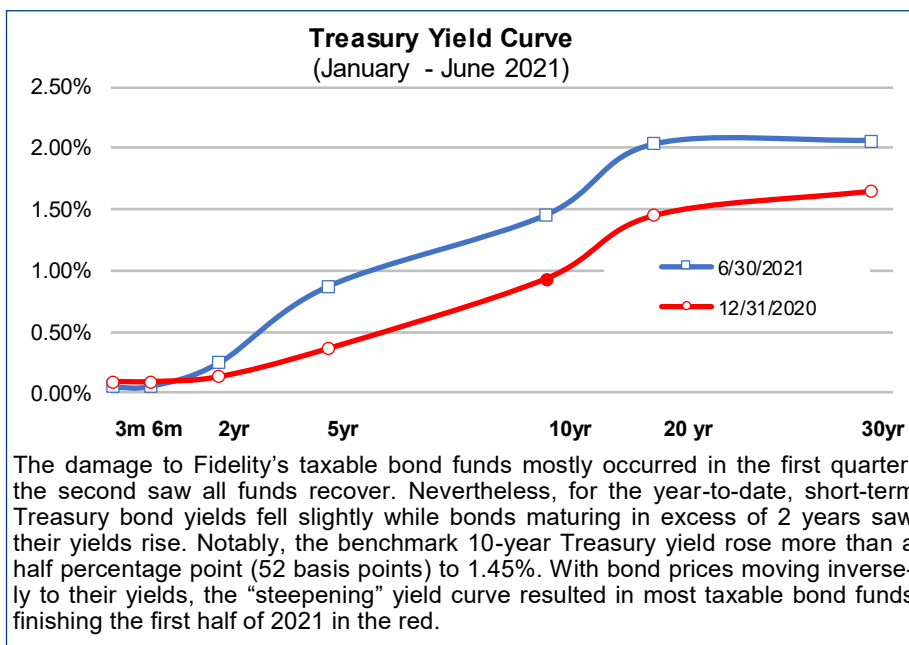
An improving economy, federal largess, waning Covid infections and low interest rates convinced the junk bond market that corporate default rates would fall. That set the stage for most of Fidelity's high-yield bond funds to prosper. With all offerings gaining ground in June, **Capital & Income** (which also holds stocks) has so far fared best for the year-to-date (up 8.2%).

Separately, rising U.S. Treasury yields, Covid, and a variety of other trouble in Latin America combined to undermine the first-quarter performance of **New Markets Income**. But with conditions better in the second, the emerging-market bond fund finished the first half of 2021 fractionally lower (down 0.6%).

Bond Funds

Amid rising interest rates (in the first quarter), muni bonds ultimately benefited from a strengthening economy, healthier budgets and a Democratic-controlled Washington. On the other hand, taxable funds suffered declines early on, but recovered in the second quarter amid falling Treasury yields. **U.S. Bond Index** gained 0.8% in June though it's down 1.7% for the year-to-date. (See chart below.) ■

— John Bonnanzio



Inside Fidelity

New Funds — Last month, Fidelity increased its lineup of social impact funds, or ESGs (Environment, So-

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, Agricultural Productivity, Asset Mgr 40%, Asset Mgr 50%, Balanced, Convertible Secs, Disruptive Automation, Disruptive Communications, Disruptive Finance, Disruptive Medicine, Disruptive Tech, Disruptors, Equity Dividend Inc, Equity-Inc, Global Credit, Global Equity Inc, Growth & Inc, Int'l Bond Index, Puritan, Strategic Dividend & Inc, Strategic Real Ret, Telecom & Utilities, Water Sustainability.

The final distributions for June were as follows:

Fund	Ex-Date	\$ Amt	NAV
Capital & Inc	6/4	0.155	11.17
Founders Fund	6/4	0.788	17.92
Large Cap Stock	6/4	0.766	41.74
Lge Cap Grow Idx	6/4	0.036	25.32
Lge Cap Value Idx	6/4	0.055	15.77
Mid Cap Index	6/4	0.112	30.98
Mid-Cap Stock	6/4	3.265	42.53
MSCI Comm Svcs	6/18	0.088	53.39
MSCI Consum Disc	6/18	0.110	79.41
MSCI Consum Stap	6/18	0.242	42.21
MSCI Energy	6/18	0.128	14.81
MSCI Financials	6/18	0.226	51.39
MSCI Health Care	6/18	0.183	63.07
MSCI Industrials	6/18	0.153	53.62
MSCI Info Tech	6/18	0.198	114.79
MSCI Materials	6/18	0.178	46.16
MSCI Real Estate	6/18	0.203	30.75
MSCI Utilities	6/18	0.317	41.67
Real Estate Idx	6/4	0.001	17.67
Real Estate Inc	6/4	0.001	13.14
Real Estate Invest	6/4	0.001	48.05
Small Cap Dscrvy	6/4	0.892	29.31
Small Cap Index	6/4	0.068	28.96
Small Cap Stock	6/4	1.919	22.15
U.S. Low Vol Eq	6/4	0.026	11.59
Women's Lead	6/4	0.177	15.10

cial and Governance) from six to 11. Among the new offerings are two actively managed “Sustainability” funds that are alternatives to their existing index products of the same name.

June’s launch consists of three active stocks funds: **Climate Action**, **Sustainability U.S. Equity** (and the latter’s ETF counterpart), and **Environmental Bond** fund, which is an alternative to Fidelity’s existing **Sustainability Bond Index**. And, lastly, there’s now an ETF version of the actively run **Women’s Leadership** fund.

As for Climate Action fund, it will invest at least 80% of its assets in the stocks of global companies that Fidelity has determined to be “climate-aware.” To that end, many funds and fund companies employ third parties to determine precisely which companies are “socially conscious,” and which are not. Fidelity brings that judgment call in-house.

Separately, Preferred Securities & Income ETF was also launched in June. Investing in preferred stocks and bonds with credit ratings of at least BB, this is effectively a multi-asset growth and income fund somewhat like **Strategic Dividend & Income**. Over time, Preferred Securities should deliver a yield that’s higher than investment-grade bond funds and equity-income funds.

With the fund’s launch, Fidelity expands its lineup of actively managed and passively run index ETFs to 42.

As for how we rate these new offerings, that must wait until their holdings and other metrics are available for us to analyze. In the meantime, we have included them in the *Scorecard*; it will be several weeks until they appear in our online *Scorecard*. ■

Message *cont’d from page 1*

marks over their life-spans. (It’s also no coincidence that Fidelity eliminated its actively managed TIPS fund in favor of its lower-cost **Inflation-Protected Index** fund.)

As such, for the *Income Model* we have increased our passive position in **Short-Term Treasury Index**, a fund with characteristics similar to **Mortgage Securities** (which we recently sold). Mortgage Securities was added to our *Income Model* six months ago because its short duration and inverse correlation with risk assets allowed a greater emphasis on stocks and high-yield bonds than would otherwise have been possible in a model with a relatively low risk target. For the time we held it, it was one of the better-performing taxable bonds, but pre-payment effects are now weighing on its income stream, and its duration has increased to 3.5 years, up from 2.7 at the start of the year.

A side benefit of this move: all the readers who strenuously objected to Mortgage Securities will likely be okay with Short-Term Treasury Index. Despite Mortgage Securities’ low-risk profile (it has very little interest-rate risk, no credit risk to speak of, and was unaffected by the 2008-2009 Financial Crisis), some readers were convinced it was a house of cards — a mass-media instilled myth that I was unable to debunk through one-on-one email conversations. I find this somewhat surprising. As a long-time Tesla stock investor, I’m well-acquainted with mass-media FUD (Fear, Uncertainty, Doubt). But I would not have guessed those tactics would be employed to make people fearful of low-risk bond funds. ■

— Jack Bowers

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