

FIDELITY MONITOR & INSIGHT

JULY 2023

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MESSAGE FROM JACK

Japan: Seeing Some Light At The End Of The Tunnel

It's been a rough ride for the Japanese economy over the last several decades. Surging exports of autos and consumer goods in the 1980s led to an asset bubble in real estate and stocks that peaked around 1989-1990, then popped in the early 1990s. After that, inconsistent central bank policy, combined with inaction on non-performing loans, set the stage for what might be described as a modern depression.



Jack Bowers

With trade surpluses being largely absorbed to service bad debts, the yen surged to record levels in 1985, making most Japanese goods too expensive to export. Japanese automakers and consumer goods manufacturers responded by moving production abroad, which in turn caused unemployment to surge and wages to stagnate in the late 1990s. At the same time, social welfare costs for the country's aging population, along with central bank currency interventions (aimed at bringing the yen down to more competitive levels) resulted in skyrocketing levels of government debt, which limited any significant efforts to stimulate the economy. The country entered a deflationary cycle where wages and prices went down more often than up. GDP growth fell essentially to zero.

The Japanese government spent the next 25 years trying to free their economy from deflation's grip. Negative interest rates were introduced in 1999. Quantitative easing was tried from 2001-2006. Prime Minister Shinzo Abe added bold fiscal stimulus and structural reform to the mix in 2013 — a plan that was later dubbed "Abenomics." While some of these measures enjoyed modest success, the effects remained temporary, with the economy ultimately returning to its deflationary backdrop.

Then came the pandemic and its disruptive impact on global supply chains. This created a lot of inflation everywhere. Unlike most central banks, the Bank of Japan saw rising prices as somewhat of a blessing, and decided to stand pat — keeping short-term interest rates at near-zero levels as they had done since

Jack's Message cont'd on page 12

MID-YEAR REPORT

Markets Soar As Inflation And Other Concerns Wane

"Market Outlook" and "Fund Commentary" have been combined this month to provide a more seamless overview of the markets and Fidelity's fund performance at mid-year.



John Bonnanzio

In stark contrast to the first half of 2022, a period that saw most areas of the stock and bond markets dripping in red ink, this year's rebound has been a tremendous relief.

At last-year's mid-point, the S&P 500 had cratered 20% (its worst start since 1970). So far this year, it's up 16.9%. Even more dramatically, a year ago, the tech-rich Nasdaq Composite had shed 29.2% of its value; this year it's up 32.3%!

Perhaps just as surprising has been the market's comparatively steady pace of gains. Over the past six months, only February saw the S&P 500 lose ground (down 2.4%). Granted, the CBOE Volatility Index (the VIX) rose in the first quarter, but overall, volatility has been declining. Through the past dramatic 36 months, the "fear index" has averaged 21.8 versus the current 13.5. To some market technicians, this low read is a harbinger of bad things to come — a reversion to the mean.

But if there's anything to be learned from the financial markets since the pandemic began, some tried and

Stock Volatility Drops (VIX Index '23 YTD)



true investment "rules" have gone by the wayside. For example, had investors strictly adhered more closely to the signals sent by the inverted yield curve (see p. 5)

and the Conference Board's Leading Economic Indicators, the U.S. would be in recession and stocks would once again be in the tank. Granted, the second half of 2023 may wind up being dramatically different from the first. But whoever has embraced the prophets of doom,

Mid-Year Report cont'd on page 3

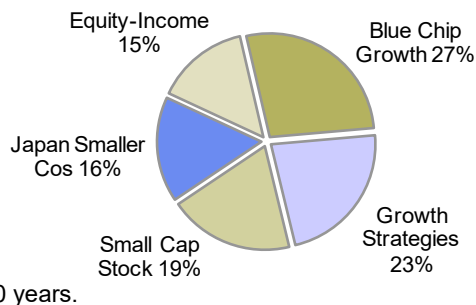
Unique Opportunities Target Risk: 1.20 (Current: 1.02) Foreign Holdings: 20.8% **YTD Return: 14.5%**

Stocks: 98.0% Bonds: 0.0% Cash: 2.0% Alternatives*: 0.0% Yield: 0.5%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Blue Chip Growth	FBGRX	\$156.42	1,694.34	\$265,028	7.7%
Growth Strategies	FDEGX	53.30	4,136.17	220,458	7.5
Small Cap Stock	FSLCX	15.39	12,216.42	188,011	7.4
Japan Smaller Cos	FJSCX	14.84	10,775.84	159,913	3.4
Equity-Income	FEQIX	65.84	2,133.30	140,457	5.2

Current Value (3/31/99 = \$100,000) **\$973,867** **7.0%**

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



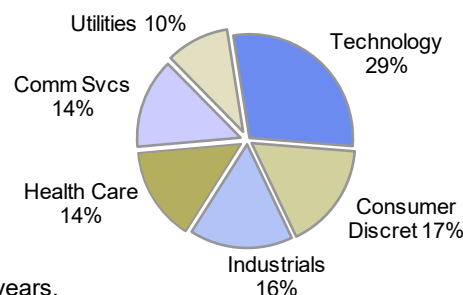
Select Target Risk: 1.20 (Current: 1.08) Foreign Holdings: 4.1% **YTD Return: 20.2%**

Stocks: 98.9% Bonds: 0.0% Cash: 1.1% Alternatives*: 0.0% Yield: 1.1%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Technology	FSPTX	\$26.34	78,637.41	\$2,071,309	6.9%
Consumer Discret	FSCPX	53.74	22,293.31	1,198,043	11.3
Industrials	FCYIX	32.49	35,709.78	1,160,211	12.2
Health Care	FSPHX	28.51	36,850.59	1,050,610	2.6
Communication Svcs	FBMPX	76.73	13,152.35	1,009,180	5.7
Utilities	FSUTX	100.62	7,072.15	711,599	2.6

Current Value (12/31/88 = \$100,000) **\$7,200,952** **7.2%**

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



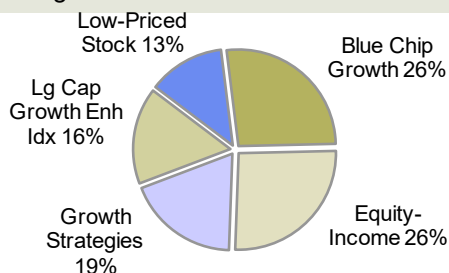
Growth Target Risk: 1.00 (Current: 1.04) Foreign Holdings: 10.2% **YTD Return: 16.3%**

Stocks: 98.5% Bonds: 0.0% Cash: 1.5% Alternatives*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
Blue Chip Growth	FBGRX	\$156.42	8,472.03	\$1,325,195	7.7%
Equity-Income	FEQIX	65.84	19,643.74	1,293,344	5.2
Growth Strategies	FDEGX	53.30	17,436.59	929,370	7.5
Lg Cap Growth Enh Idx	FLGEX	28.95	27,834.62	805,812	6.7
Low-Priced Stock	FLPSX	48.08	13,167.23	633,080	5.7

Current Value (12/31/86 = \$100,000) **\$4,986,802** **6.9%**

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



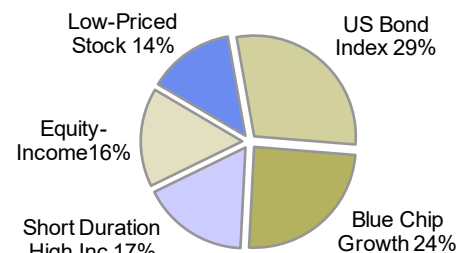
Growth & Income Target Risk: 0.66 (Current: 0.66) Foreign Holdings: 13.2% **YTD Return: 10.2%**

Stocks: 53.3% Bonds: 30.2% Cash: 0.7% Alternatives*: 15.9% Yield: 2.9%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
US Bond Index	FXNAX	\$10.26	29,026.80	\$297,815	-0.3%
Blue Chip Growth	FBGRX	156.42	1,605.61	251,149	7.7
Short Duration High Inc	FSAHX	8.63	20,116.52	173,606	1.5
Equity-Income	FEQIX	65.84	2,459.27	161,918	5.2
Low-Priced Stock	FLPSX	48.08	2,917.02	140,250	5.7

Current Value (12/31/93 = \$100,000) **\$1,024,738** **3.8%**

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



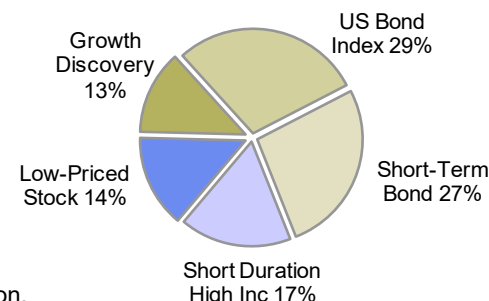
Income Target Risk: 0.33 (Current: 0.38) Foreign Holdings: 17.6% **YTD Return: 4.9%**

Stocks: 27.0% Bonds: 56.2% Cash: 0.9% Alternatives*: 16.0% Yield: 3.8%

Holdings	Ticker	NAV	Shares	Value	Jun Ret
US Bond Index	FXNAX	\$10.26	13,530.79	\$138,826	-0.3%
Short-Term Bond	FSHBX	8.24	15,458.21	127,376	-0.3
Short Duration High Inc	FSAHX	8.63	9,472.77	81,750	1.5
Low-Priced Stock	FLPSX	48.08	1,420.45	68,295	5.7
Growth Discovery	FDSVX	50.18	1,231.45	61,794	6.7

Current Value (12/31/91 = \$100,000) **\$478,041** **1.7%**

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



Mid-Year Report *cont'd from page 1*

they would have missed the S&P 500's and Nasdaq Composite's rallies of nearly 25% and 30%, respectively, since October 2022.

So why have the markets been so optimistic? Allow me touch on a few important reasons:

- Inflationary pressures have fallen from just over 9% last summer to around 4% today;

- The cooling that investors observed in the Consumer Price Index and the Fed's closely watched core personal-consumption expenditures index (which rose 3.8% in May — its lowest read in two years) set the stage for June's pause in rate-hikes;

- At 3.7%, U.S. unemployment remains at historically low levels;

- Widespread layoffs in the tech sector (much of it due to Covid-era over-hiring) was certainly painful for those directly affected. But for shareholders, "right-sizing" portends higher earnings;

- There may be a bit of hype and hypochondria regarding artificial intelligence (AI), but it's already been a boon to certain chip and software companies, while also holding the promise of greater productivity across many industries;

- Amid much volatility, oil was about \$100 a barrel this time last year. Its price has since retreated 30% to around \$70;

- While supply-chain disruptions (at least in the U.S.) have largely disappeared, a chip shortage continues to hamper production of some higher-end cars (read on ...);

- Consumer spending has recently slowed, but is at a two-year high. Personal balance sheets are strong owing to the tight labor market and an easing in the price of food and

Mid-Year Report *cont'd on page 4*

Model Portfolios Key:

*Alternative investments include such areas as high-yield bonds, commodities, real estate; asset allocations and yields are approximate based on most current data available. 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.

FUNDS YOU SHOULD BUY NOW

Growth: Blue Chip Growth, Growth Company and Large Cap Growth Enhanced Index are aggressive, volatile large-cap options; **Growth Discovery** is somewhat more conservatively positioned resulting in lower risk; **Low-Priced Stock** is a smaller, value-oriented alternative.

Growth & Income: Equity-Income and Equity-Dividend Income hold attractively valued, dividend-producing stocks.

Taxable Bond: Conservative Income Bond is a money market alternative. **Short-Term Bond** holds higher-yielding corporates while limiting interest-rate-risk. For those willing to assume more interest-rate risk consider **Investment Grade Bond**. Finally, **U.S. Bond Index** provides diversified exposure (mostly corporates and government bonds).

High Yield Funds: Short Duration High Income has only limited interest-rate risk, but boosts its yield through lower-rated bonds whose overall credit risk is not substantial (relative to the broader junk bond market).

Muni Bond Funds: Conservative Income Muni is a tax-free alternative to a muni money market fund. **Limited Term Muni Income** is our preferred nationally-diversified fund for tax-free bond income. ■

MODEL PORTFOLIO TRADES

As announced on our Hotline message of Friday, June 23, on Monday, June 26, we made the model portfolio trades below.

Unique Opportunities Model: We sold our entire position in **Mid Cap Stock** [FMCSX] and purchased **Equity-Income** [FEQIX]. We also sold our entire position in **Low-Priced Stock** [FLPSX] and purchased **Japan Smaller Cos.** [FJSCX].

Growth Model: We sold our entire position in **Mid Cap Stock** [FMCSX]. With two-thirds of the proceeds we increased our position in **Equity-Income** [FEQIX] to 26%; the remaining third was added to **Growth Strategies** [FDEGX] increasing it to 19%.

Growth & Income Model: We sold our entire position in **Mid Cap Stock** [FMCSX] and with the proceeds purchased **Equity-Income** [FEQIX].

VIP Growth Model: We sold our entire position in **VIP Mid Cap Stock** [FNBSC]. With two-thirds of the proceeds we increased our position in **VIP Equity-Income** [FLOLC] to 35%; the remaining third was added to **VIP Growth** [FMNDC] increasing it to 33%.

VIP Growth & Income Model: We sold our entire position in **VIP Mid Cap Stock** [FNBSC] and with the proceeds purchased **VIP Total Market Index** [FTMJC].

VIP Income Model: We sold our entire position in **VIP Mid Cap Stock** [FNBSC] and with the proceeds purchased **VIP Equity-Income** [FLOLC].

Trade Rationale: In rebalancing the models, we eliminate their direct exposure to under-performing "smid-cap" stock funds while also slightly increasing market cap and growth-stock exposure — all with little change to portfolio risk. (Please see "Message From Jack" on page 1 for our outlook on Japan.)

NOTE: In addition to model portfolio trades being announced on Friday Hotlines, they are also posted on our website (click on a model's "Trades" tab). ■

Mid-Year Report *cont'd from page 3*

shelter (although the October resumption of college student loan payments for over 2 million young adults may weigh on spending).

And, speaking of the consumer, first-quarter GDP was just revised higher to 2%, up from the prior estimate of 1.3%. Credit a 7.8% jump in exports and higher consumer spending.

Of course, not everything with the U.S. economy is Hunky Dory. For starters, some of the recovery is the result of pent-up demand for goods and services. That suggests an eventual waning of demand. And, while inflation has retreated, it's nowhere near the Fed's long-term 2% target. As such, more rate-hikes may be in the offing — perhaps resuming in July.

And, there's the not-insignificant matter of interest rates. Near-double-digit mortgages (and record-high prices) have sidelined first-time homebuyers and others. In turn, new home construction is suffering in some areas. Building permits, a harbinger of future building, are 13% lower from a year ago.

On the other hand, housing starts are up nearly 6% from last year. But that may be an aberration: much of that increase is attributable to multi-family projects that have long been in the pipeline and a dearth of inventory in existing homes sales. Plus, tighter credit has made it more difficult for buyers of big-ticket items, including cars and trucks.

On that note, May's retail sales fell for the first time in five months. Its 3.5% decline was largely the result of falling vehicle sales. As with housing, vehicle manufacturing is an important "driver" of the economy and warrants close monitoring.

Last, but hardly least, is the outlook for third-quarter earnings.

Earnings aggregator FactSet has a number of barometers to gauge analysts' sentiment; one of them is the proportion of their Buy/Sell/Hold recommendations.

Of the nearly 11,000 stock ratings tracked, 54.8% are Buy. While that's down from nearly 57% a year ago, it's above the five-year average of 54.2%. Among the sectors where optimism is especially high are

Market Indexes

Simply put, June's equity gains were stupendous. For the Dow Jones Industrial Average, its surge lifted the blue-chip gauge out of the basement (it was up 0.2% through May's close) and onto the first floor. For the year-to-date (including dividends) it's up 4.7%. Still, it was a laggard. The S&P 500, for example, soared 6.6% last month and is up 16.9% for the year. (It rose 8.7% in the second quarter.)

As impressive as that is, the Nasdaq Composite has so far been the hands-down performance leader this year. Thanks to tech-stocks generally, and a handful of companies that may stand to benefit a lot from AI (especially chip makers), the over-the-counter index gained 6.7% in June. With its six-month gains fairly evenly divided in the first and second quarters, the Nasdaq is so far up 32.3% this year.

June was also generous to small- and mid-cap stocks. Using Fidelity funds as proxies (see chart), they soared over 8%. But with the first five months of 2023 volatile, small- and mid-cap stocks gained "only" 8.2% and 9.0% in the first half.

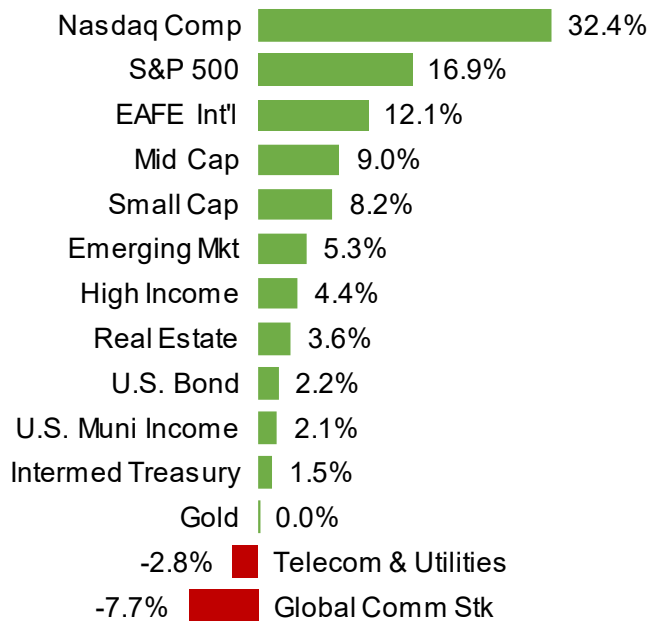
Stock Funds

Fidelity's 59 stock funds returned an average of 7.1% in June and 13.9% for the first half.

Six-month returns ranged from 39.1% for **Blue Chip Growth** to -0.4% for **Blue Chip Value**.

Generally speaking, large-cap growth funds far outperformed all other investment styles. While big-tech propelled the former group, big banks, energy, telecom and utilities weighed on large-cap value funds: the former rose an average of 25.8%

BEST & WORST FUNDS BY ASSET CLASS*



*2023 YTD Fidelity Fund Returns (in%)

communication services and technology — two areas well-represented in our *Select Model*. (As buy- and sell-side analysts are shorter-term oriented, energy and real estate are also favored.)

With the above in mind, stocks were up substantially last quarter even as Wall Street projected that, once tallied, earnings growth will falter. That's because it expects profits in the second half of the year to accelerate: first from a modest 0.8% in the third quarter to 8.2% in the fourth. Such a high level of growth, says FactSet, "will mark the highest year-over-year earnings growth rate reported by the index since Q1 2022 (9.4%)."

Mid-Year Report *cont'd on page 5*

Mid-Year Report *cont'd from page 4*

through June 30, whereas the latter, on average, returned just 3.3%.

Among Fidelity's most widely held, actively managed stock funds, **Contrafund** rose 25.2% in the first half, the more tech-rich **Growth Company** gained 34.4%, **Magellan** rose 18.6%, while **OTC** modestly trailed its Nasdaq benchmark while returning 29.9%.

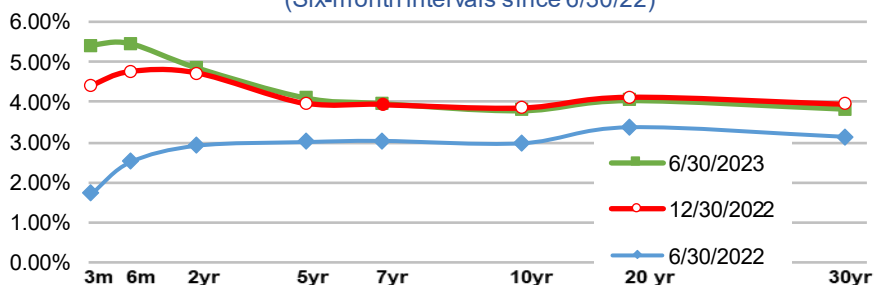
As for **Low-Priced Stock** (which was sold late last month from the *Unique Opportunities Model*), it rose 5.7% in June while gaining 4.1% year-to-date.

International Funds

So far this year, few international funds have kept pace with their U.S. counterparts. Among a handful of exceptions was **Worldwide**. But it rose 17.3% in the first half thanks to its 65% weight in the U.S. equities and ample exposure to tech.

Emerging market funds were among the top-performers. Although falling oil prices weighed on crude exporters, easing inflation and interest rates, plus signs of a more accommodating Fed, were often beneficial. Highly volatile **Latin America**, for example, saw its NAV rocket nearly 12% in June, thereby providing the fund with a year-to-date gain of 15.7%.

Treasury Bond Yield Curve
(Six-month intervals since 6/30/22)



From year-ago levels, bond yields have risen in response to both the Fed hiking short-term interest rates and from market forces, including inflation and the debt ceiling crisis. But with inflation now moderating, the past six months have only seen shorter-term Treasury yields rise; there have been only negligible changes for bonds with maturities of five or more years.

On the other hand, with Europe's central bank raising interest rates in June (to battle inflation) and GDP growth at a standstill, **Europe** fund gained a modest 3.8% last month, but is up a respectable 10.5% for the year. (Please see p. 1 for our review on **Japan Smaller Companies** which rose 3.4% last month and 10.1% for the year-to-date.)

Real Estate Funds

With the above-mentioned divergence in economic conditions in the U.S. versus some overseas markets, **Real Estate Index** gained 5.5% in June versus a fractional decline of 0.2% for **International Real Estate**. Although REITs and related real estate securities hold the promise of capital gains, the pro-

spect of higher interest rates typically weighs on returns.

Select Funds

Select Gold (down 2.9%) was the lone sector fund to decline owing mostly to waning investor angst.

Although economically sensitive (cyclical) funds enjoyed double-digit returns last month, tech-related sector funds built on prior gains and, in the process, enjoyed returns that look like multi-year results.

Semiconductors and the more diversified **Technology** soared 66.1% and 47.7%, respectively, in the first half. That said, attractive valuations and optimism for higher demand resulted in a 29.9% gain for **Automotive**.

Mid-Year Report *cont'd on page 11*

July Scorecard Rating Changes

Mutual Funds	Ticker	Ratings		Comments	
		Old	New		
Magellan	FMAGX	B	H	↓	Prefer Large Cap Growth Enhanced Idx which provides similar risk.
Disciplined Equity	FDEQX	H	B	↑	Improved performance relative to S&P 500 benchmark.
Dividend Growth	FDGFX	B	H	↓	Fund has been trailing its S&P 500 benchmark this year.
Gov't Inc	FGOVX	B	B	↓	Now that the debt-ceiling crisis has ended, we prefer taxables with corporate bond exposure.
Interm Gov't Inc	FSTGX	B	B	↓	Now that the debt-ceiling crisis has ended, we prefer taxables with corporate bond exposure.
Interm Treas Index	FUAMX	B	B	↓	Now that the debt-ceiling crisis has ended, we prefer taxables with corporate bond exposure.
Mid-Cap Stock	FMCSX	B	B	↓	Fund has been trailing its benchmark (the S&P MidCap 400 Index) this year.
Sel Health Care Svcs	FSHCX	B	H	↓	Pent-up post-pandemic elective surgeries may weigh on earnings.
Sust Low Dur Bond	FAPGX	H	B	↑	Fund's interest- and credit-risk characteristics are similar to Conservative Income Bond.
U.S. Low Volatility Eqty	FULVX	H	S	↓	Defensive stocks may lag as inflation moderates.
Value Discovery	FVDFX	B	H	↓	Lagging in its Russell 3000 Value benchmark, we prefer Equity-Income.
Annuities					
VIP Mid Cap	FNBSX	B	B	↓	Prefer VIP Equity-Income as a lower-risk alternative.

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, 2023

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	4450.4		6.6	16.9	8.7	19.6	14.6	12.3	12.9	10.9	1.00	
		Nasdaq Composite	13787.9		6.7	32.3	13.1	26.2	11.9	13.9	16.2	13.9	1.23	
		Dow Jones Industrials	34407.6		4.7	4.9	4.0	14.2	12.3	9.6	11.3	10.4	0.98	
		Russell 2000 (Small Caps)	1888.7		8.1	8.1	5.2	12.3	10.8	4.2	8.3	8.4	1.20	
		Bloomberg Barclays Agg Bond*			-0.3	2.2	-0.8	-0.9	-4.1	0.8	1.5	1.9	0.34	
Model Portfolios		Unique Opportunities			7.0	14.5	6.6	16.3	13.9	11.2	11.7	8.9	1.02	
		Select			7.2	20.2	9.7	23.1	12.6	11.9	13.3	10.3	1.08	
		Growth			6.9	16.3	7.9	19.2	13.0	11.7	12.0	9.5	1.04	
		Growth & Income			3.8	10.2	4.3	10.3	7.2	7.8	8.9	7.3	0.66	
		Income			1.7	4.9	1.8	4.7	2.3	3.6	4.3	4.5	0.38	
											Rel Vol (Risk) ¹	Assets (\$Mil)		
LARGE CAP GROWTH					Average	6.6	25.8	11.9	24.5	12.2	13.5	14.8	1.15	
312	FBGRX	Blue Chip Growth	156.42	Buy	7.7	39.1	16.3	34.8	12.7	15.4	16.9	1.40	\$39,635	
307	FDCAX	Capital Appreciation	37.52	Hold	6.7	17.7	9.3	18.5	13.3	12.1	12.7	1.00	5,029	
22	FCNTX	Contrafund	14.92	Buy	6.0	25.2	12.3	25.1	10.6	11.4	13.7	1.07	93,696	
3	FFIDX	Fidelity Fund	69.85	Buy	5.6	19.8	9.5	21.1	11.8	12.8	12.8	1.07	5,822	
333	FTQGX	Focused Stock	28.38	Hold	7.5	20.1	13.6	16.9	11.1	13.1	13.8	1.09	2,635	
3336	FIFNX	Founders Fund	16.65	Hold	7.0	22.1	10.3	19.6	9.8	--	--	1.05	63	
25	FDGRX	Growth Company (Closed)	30.25	Buy	6.5	34.4	15.2	33.3	13.9	16.8	18.1	1.34	39,221	
339	FDSVX	Growth Discovery	50.18	Buy	6.7	22.9	11.6	21.5	12.9	14.8	15.8	1.06	2,839	
1829	FLGEX	Lrge Cap Growth Enhcd Index	28.95	Buy	6.7	26.4	11.8	24.3	14.2	14.4	14.8	1.13	2,297	
2826	FSPGX	Lrge Cap Growth Index	26.81	OK to Buy	6.8	29.0	12.8	27.1	13.7	15.1	--	1.19	14,371	
21	FMAGX	Magellan	11.33	Hold↓	6.6	18.6	9.3	17.6	9.6	10.6	12.8	1.14	24,653	
1282	FNCMX	Nasdaq Composite Index	174.56	OK to Buy	6.6	32.4	13.1	26.4	12.0	13.9	16.1	1.23	11,873	
93	FOCPX	OTC	16.66	OK to Buy	5.4	29.9	12.8	27.9	12.6	14.2	17.6	1.20	17,311	
320	FDSSX	Stock Selector All Cap	64.84	Hold	6.2	16.6	7.7	20.2	13.0	10.7	12.2	1.00	1,390	
5	FTRNX	Trend	143.00	Buy	7.4	32.8	12.9	33.1	11.9	14.2	15.3	1.31	2,546	
LARGE CAP BLEND					Average	6.3	14.5	7.4	18.9	14.5	11.5	11.7	1.01	
2328	FXAIX	500 Index	155.01	OK to Buy	6.6	16.9	8.7	19.6	14.6	12.3	12.9	1.00	392,028	
315	FDEQX	Disciplined Equity	55.36	OK to Buy↑	6.8	21.1	10.4	20.7	11.0	11.4	11.5	1.12	1,506	
330	FDGFX	Dividend Growth	31.27	Hold↓	5.9	7.9	5.8	13.0	14.5	8.6	9.8	0.93	5,277	
27	FGRIX	Growth & Income	52.60	OK to Buy	6.3	11.0	5.7	19.6	17.3	11.1	11.1	1.04	7,564	
1827	FLCEX	Lrge Cap Core Enhcd Index	20.70	OK to Buy	6.6	15.9	8.7	17.9	15.4	12.4	12.7	0.97	1,858	
338	FLCSX	Large Cap Stock	42.49	OK to Buy	6.1	13.8	6.8	22.1	17.8	11.1	11.7	1.08	2,955	
361	FGRTX	Mega Cap Stock	19.58	OK to Buy	5.7	15.9	7.5	24.5	18.4	12.7	12.1	1.11	1,096	
300	FMLX	New Millennium	45.74	Buy	7.0	15.7	8.2	25.5	20.7	10.9	11.6	0.99	2,897	
6391	FSEBX	Sustainable U.S. Equity	10.34	Hold	6.4	16.7	7.6	20.8	--	--	--	--	16	
2361	FSKAX	Total Market Index	122.98	Buy	6.9	16.3	8.4	18.9	13.7	11.3	12.3	1.02	70,418	
5029	FULVX	U.S. Low Volatility Equity	10.37	OK to Sell↓	3.9	1.8	1.8	4.8	6.3	--	--	0.77	199	
2941	FITLX	U.S. Sustainability Index	19.59	OK to Buy	6.6	17.6	8.8	18.6	14.3	12.8	--	1.02	2,153	
3396	FWOMX	Women's Leadership	14.24	Hold	6.5	12.8	5.3	18.4	10.9	--	--	1.07	114	
3231	FNILX	Zero Large Cap Index	15.73	OK to Buy	6.6	17.4	8.9	19.9	14.0	--	--	1.02	5,999	
3227	FZROX	Zero Total Market Index	15.53	Buy	6.9	16.3	8.5	19.1	14.0	--	--	1.02	14,070	
LARGE CAP VALUE					Average	5.6	3.3	3.5	10.0	14.8	8.3	9.2	0.93	
1271	FBCVX	Blue Chip Value	24.03	Buy	4.2	-0.4	3.3	8.8	14.4	6.4	8.3	0.89	720	
319	FEQTX	Equity Dividend Income	26.64	Buy	6.0	4.3	3.1	9.9	14.5	8.5	9.1	0.93	4,746	
23	FEQIX	Equity-Income	65.84	Buy	5.2	3.8	3.2	10.2	14.3	9.5	9.1	0.88	6,134	
1828	FLVEX	Lrge Cap Value Enhcd Index	14.94	OK to Buy	6.6	4.3	3.9	10.2	15.7	8.7	9.9	0.96	5,216	
2830	FLCOX	Lrge Cap Value Index	15.47	OK to Buy	6.6	5.1	4.0	11.5	14.2	8.1	--	0.96	6,105	
708	FSLVX	Stock Sel Large Cap Value	24.24	OK to Buy	6.7	5.6	4.2	12.8	16.1	8.5	9.1	1.00	372	
832	FVDFX	Value Discovery	35.22	Hold↓	4.2	0.2	2.7	6.6	14.4	8.3	9.4	0.90	2,731	
MID-CAP GROWTH					Average	7.6	15.0	5.9	23.0	7.8	10.0	11.3	1.17	
324	FDEGX	Growth Strategies	53.30	Buy	7.5	14.2	5.5	22.9	8.1	10.0	11.3	1.16	2,705	
3403	FMDGX	Mid Cap Growth Index	25.12	OK to Buy	7.8	15.9	6.2	23.1	7.6	--	--	1.17	639	
MID-CAP BLEND					Average	8.4	8.7	4.6	14.4	13.6	8.1	10.1	1.10	
2365	FSMAX	Extended Market Index	70.92	Hold	8.3	12.7	6.4	15.2	9.3	6.1	9.3	1.22	29,928	
2012	FMEIX	Mid Cap Enhanced Index	16.66	OK to Buy	8.5	7.8	4.0	14.9	13.6	8.3	10.2	1.06	1,688	
2352	FSMDX	Mid Cap Index	28.16	OK to Buy	8.3	9.0	4.7	15.0	12.5	8.5	10.4	1.06	25,943	
337	FMC SX	Mid-Cap Stock	38.94	OK to Buy↓	7.9	4.3	3.0	12.3	17.3	9.7	10.7	1.00	6,452	
2412	FSSMX	Stock Selector Mid Cap	38.83	OK to Buy	8.4	9.4	4.0	15.1	15.2	8.0	9.9	1.12	319	
3230	FZIPX	Zero Extended Market Index	11.48	Hold	8.8	9.1	5.4	14.1	13.5	--	--	1.13	1,279	

Notes: Fund yields, durations and assets are the most current available. *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. ⁴Almost a Specialty fund with 30%+ typically in foreign stocks. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD

JUNE 30, 2023

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	8.6	6.4	5.0	13.2	18.5	8.6	9.4	1.13	
316	FLPSX	Low-Priced Stock ⁵	48.08	Buy	5.7	4.1	2.9	13.4	15.9	8.2	9.4	0.94	\$23,225	
762	FSMVX	Mid Cap Value	26.13	OK to Buy	10.2	9.1	7.0	15.3	17.9	6.7	8.5	1.15	966	
3404	FIMVX	Mid Cap Value Index	23.93	OK to Buy	8.7	5.3	3.9	10.6	15.0	--	--	1.07	781	
39	FDVLX	Value	13.26	Hold	9.2	6.2	4.7	12.9	22.0	9.4	9.8	1.29	6,600	
14	FSLSX	Value Strategies	50.52	OK to Buy	9.1	7.5	6.2	13.8	21.8	10.0	9.8	1.21	502	
SMALL CAP GROWTH					Average	8.4	12.8	5.7	18.6	7.4	7.5	12.1	1.21	
1388	FCPGX	Small Cap Growth	26.46	OK to Buy	8.4	11.8	4.4	18.3	8.6	7.5	12.1	1.18	2,507	
3405	FECGX	Small Cap Growth Index	23.49	OK to Buy	8.3	13.7	7.1	18.8	6.2	--	--	1.24	467	
SMALL CAP BLEND					Average	8.2	8.9	4.6	13.9	13.4	6.1	8.7	1.15	
384	FSCRX	Small Cap Discovery	24.78	OK to Buy	8.3	9.3	3.8	14.0	17.0	7.4	8.4	1.13	2,594	
2011	FCPEX	Small Cap Enhanced Index	13.12	OK to Buy	8.7	10.3	5.6	15.5	14.8	5.4	8.6	1.16	532	
2358	FSSNX	Small Cap Index	23.39	OK to Buy	8.1	8.2	5.2	12.6	10.9	4.3	8.4	1.20	19,678	
340	FSLCX	Small Cap Stock	15.39	Buy	7.4	7.0	3.4	9.0	9.4	4.5	8.0	1.09	1,122	
336	FDSCX	Stock Selector Small Cap	30.77	Buy	8.6	9.8	5.0	18.6	15.1	8.8	10.0	1.15	1,319	
SMALL CAP VALUE					Average	8.0	4.1	3.4	8.1	18.1	7.6	9.3	1.25	
1389	FCPVX	Small Cap Value	18.73	OK to Buy	8.0	5.5	3.5	10.0	20.9	7.6	9.3	1.25	2,360	
3406	FISVX	Small Cap Value Index	22.00	Hold	8.0	2.6	3.2	6.1	15.4	--	--	1.25	830	
REAL ESTATE														
1368	FIREX	International Real Estate	9.89	Hold	-0.2	-1.9	-1.8	-9.6	-1.2	0.4	3.9	0.92	238	
833	FRIFX	Real Estate Income	11.48	Hold	2.3	4.1	2.0	0.8	6.4	4.0	5.3	0.55	1,284	
2355	FSRNX	Real Estate Index	14.96	Hold	5.5	3.6	1.7	-3.8	6.9	2.1	5.1	1.14	2,311	
303	FRESX	Real Estate Investment	38.70	Hold	4.7	4.0	0.9	-3.2	6.8	4.0	6.3	1.10	2,749	
ASSET ALLOCATION														
328	FASIX	Asset Manager 20%	13.10	Hold	1.0	4.0	0.8	3.5	1.2	2.8	3.4	0.34	3,574	
1957	FTANX	Asset Manager 30%	11.23	Hold	1.5	5.3	1.4	5.0	2.4	3.7	4.4	0.44	1,540	
1958	FFANX	Asset Manager 40%	12.09	Hold	2.0	6.5	1.9	6.6	3.6	4.5	5.3	0.52	1,493	
314	FASMX	Asset Manager 50%	18.99	Hold	2.5	7.6	2.4	8.3	4.7	5.1	6.1	0.60	7,263	
1959	FSANX	Asset Manager 60%	14.11	Hold	3.1	8.8	3.0	9.8	5.9	5.8	6.9	0.69	2,093	
321	FASGX	Asset Manager 70%	24.76	Hold	3.7	10.0	3.6	11.7	7.4	6.5	7.7	0.76	3,811	
347	FAMRX	Asset Manager 85%	23.10	Hold	4.5	11.8	4.5	14.2	9.2	7.5	8.9	0.88	1,898	
304	FBALX	Balanced	26.02	Buy	4.0	13.9	5.9	13.8	9.8	9.3	9.6	0.78	31,386	
3083	FMSDX	Multi-Asset Income	13.10	Hold	2.6	7.1	0.8	10.2	9.0	9.1	--	0.63	952	
355	FFNOX	Multi-Asset Index	52.72	Hold	5.0	12.0	4.9	13.8	9.1	7.6	8.7	0.88	7,297	
4	FPURX	Puritan	22.91	OK to Buy	4.1	12.2	6.3	12.4	8.7	8.5	9.4	0.73	22,964	
6477	FYMRX	Sustainable Multi-Asset	9.13	Hold	3.5	10.3	3.6	10.2	--	--	--	--	9	
INTERNATIONAL					Average	4.5	10.9	3.3	13.7	6.7	4.8	6.3	1.07	
309	FICDX	Canada	63.05	OK to Buy	5.8	8.3	3.5	9.6	16.0	8.4	6.5	1.03	822	
352	FHKCX	China Region	33.16	Hold	3.9	1.3	-5.5	-7.0	-4.2	2.2	6.7	1.53	915	
325	FDIVX	Diversified International	41.53	Hold	4.2	13.9	4.6	19.4	5.9	5.6	6.4	1.01	8,020	
351	FSEAX	Emerging Asia	37.90	Hold	4.6	7.7	-0.1	-0.8	-2.2	5.0	7.4	1.38	937	
322	FEMKX	Emerging Markets	34.92	Hold	4.6	11.1	2.5	7.2	2.7	4.9	6.0	1.11	4,205	
2374	FEDDX	Emerging Mkts Discovery	15.68	OK to Buy	6.4	12.8	7.2	18.3	10.5	5.2	5.5	0.88	339	
2344	FPADX	Emerging Markets Index	9.93	Hold	3.9	5.3	1.0	1.5	2.1	0.8	2.9	1.00	6,087	
5031	FEOPX	Enduring Opportunities	13.25	OK to Buy	5.8	17.2	6.9	19.2	8.2	--	--	1.09	12	
301	FIEUX	Europe	33.94	OK to Buy	3.8	10.5	2.0	17.3	6.2	3.5	5.0	1.09	587	
2406	FGILX	Global Equity Income	17.53	OK to Buy	4.8	10.2	4.0	13.2	11.9	9.4	9.3	0.86	165	
2348	FSGGX	Global ex U.S. Index	13.78	Hold	4.5	9.8	2.6	12.7	7.3	3.7	4.8	0.97	8,658	
335	FIVFX	International Cap App	24.75	Buy	4.2	18.6	4.3	23.6	6.7	6.9	8.6	1.15	4,411	
305	FIGRX	International Discovery	44.08	Hold	3.9	11.2	3.4	13.8	5.2	4.2	5.7	1.02	3,691	
2010	FIENX	International Enhanced Index	10.53	OK to Buy	4.9	12.5	3.2	18.7	9.2	3.8	5.8	1.02	1,621	
1979	FIGFX	International Growth	18.25	Buy	3.8	14.6	3.9	21.0	6.9	7.3	7.6	1.09	1,422	
2363	FSPSX	International Index	46.16	OK to Buy	4.5	12.1	3.2	18.9	9.1	4.6	5.6	1.04	40,480	
818	FISMX	International Small Cap	29.45	Hold	2.8	10.1	1.5	12.9	10.5	3.7	7.4	0.95	1,438	
1504	FSCOX	Int'l Small Cap Opps (Closed)	19.19	OK to Buy	1.4	8.1	0.5	13.5	5.0	3.7	7.4	1.11	724	
2988	FNIDX	International Sustainability Idx	11.53	Hold	4.2	10.0	2.2	11.5	5.8	3.6	--	0.99	378	
1597	FIVLX	International Value	9.23	OK to Buy	5.8	9.8	3.9	18.1	12.5	4.4	4.4	1.11	439	
350	FJPNX	Japan	16.15	OK to Buy	3.0	12.1	4.3	17.2	5.2	3.9	5.5	0.99	152	
360	FJSCX	Japan Smaller Companies	14.84	Buy	3.4	10.1	4.3	17.4	2.8	0.6	5.9	0.83	379	
349	FLATX	Latin America	20.56	Hold	11.9	15.7	17.3	22.2	7.3	3.1	-1.1	1.51	231	
342	FNORX	Nordic	56.78	OK to Buy	1.6	9.1	-0.7	21.4	12.8	8.7	9.8	1.22	321	
94	FOSFX	Overseas	58.05	OK to Buy	3.4	14.8	4.2	20.8	7.7	5.8	7.6	1.11	7,309	
302	FPBFX	Pacific Basin	30.15	OK to Buy	3.8	10.0	0.1	11.0	4.0	5.1	8.1	1.08	716	
6468	FSYJX	Sustainable Emerg Mkts Eqty	8.10	Hold	5.2	8.1	1.5	3.5	--	--	--	--	3	
6462	FSYRX	Sustainable Int'l Equity	8.73	Hold	2.8	9.9	2.5	14.5	--	--	--	--	6	
2369	FTEMX	Total Emerging Markets	11.65	Hold	4.2	6.6	3.0	5.8	-0.2	0.7	3.5	0.90	88	
1978	FTIEX	Total International Equity	10.37	OK to Buy	5.0	9.7	3.0	14.4	8.7	6.0	6.3	0.99	115	
2834	FTIHX	Total International Index	12.81	OK to Buy	4.3	9.4	2.5	12.4	7.4	3.5	--	0.97	9,635	
318	FWWFX	Worldwide	29.49	Hold	6.2	17.3	9.8	16.2	8.9	9.5	10.5	1.01	2,039	
3228	FZILX	Zero International Index	10.81	OK to Buy	4.5	10.2	2.9	13.8	7.5	--	--	0.98	3,237	

FIDELITY SCORECARD

JUNE 30, 2023

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													
6041	FARMX	Agricultural Productivity	19.24	Hold	6.8	-8.5	-6.0	5.6	21.3	--	--	1.22	83
6385	FCAEX	Climate Action	9.40	Hold	5.7	13.0	4.5	16.1	--	--	--	--	\$21
308	FCV SX	Convertible Securities	31.85	OK to Buy	4.6	7.4	3.3	13.0	10.4	11.6	8.9	0.86	1,456
2120	FFGCX	Global Commodity Stock	17.76	OK to Sell	6.9	-7.7	-2.5	4.0	22.2	8.0	5.9	1.37	615
6553	FAPHX	Healthy Future Fund	11.03	OK to Buy	6.3	15.7	6.6	14.8	--	--	--	--	4
6875	FEQHX	Hedged Equity	10.49	OK to Sell	4.7	10.4	5.9	--	--	--	--	--	51
3488	FNSTX	Infrastructure Fund	12.13	Hold	3.9	6.2	1.1	6.4	7.0	--	--	0.88	49
122	FLVCX	Leveraged Company Stock	36.26	Hold	10.5	16.2	8.3	19.2	16.3	9.6	9.3	1.22	1,708
6519	FAQAX	Macro Opportunities	9.21	Hold	-2.8	-3.4	-4.4	--	--	--	--	--	3
6513	FAPSX	Risk Parity	9.09	Hold	2.8	3.7	0.1	--	--	--	--	--	2
1329	FSDIX	Strategic Dividend & Income	15.97	OK to Buy	4.1	4.4	2.2	7.1	9.9	7.8	8.3	0.73	2,895
1505	FSRRX	Strategic Real Return	8.41	Hold	2.7	0.8	0.1	1.7	7.9	4.2	2.9	0.50	293
311	FIUIX	Telecom & Utilities	26.64	OK to Buy	2.6	-2.8	-1.8	1.2	7.9	6.4	8.2	0.83	876
6042	FLOWX	Water Sustainability	15.20	OK to Buy	9.1	12.1	6.3	21.7	13.8	--	--	1.10	84
SELECT PORTFOLIOS					Average	6.7	12.2	5.3	17.6	13.3	9.6	11.0	1.26
502	FSAVX	Automotive	52.24	Hold	15.5	29.9	12.1	17.7	20.0	13.6	10.5	1.54	99
507	FSRBX	Banking	19.96	Hold	6.3	-15.8	-1.5	-11.5	11.0	-0.1	6.1	1.48	325
42	FBIOX	Biotechnology	16.60	OK to Buy	0.3	2.0	6.2	14.6	-3.0	3.0	9.3	1.09	4,810
68	FSLBX	Brokerage & Investment	112.01	OK to Buy	7.2	4.9	3.7	16.9	15.1	11.1	10.5	1.30	681
69	FSCHX	Chemicals	15.34	OK to Buy	9.6	6.3	2.4	12.2	16.8	4.5	8.5	1.22	604
503	FBMPX	Communication Services	76.73	Buy	5.7	37.0	13.1	24.5	8.0	10.7	10.4	1.28	851
511	FSHOX	Construction & Housing	97.98	OK to Buy	13.0	18.3	12.6	32.8	22.4	17.4	14.3	1.22	491
517	FSCPX	Consumer Discretionary	53.74	Buy	11.3	28.4	11.1	28.7	9.4	9.1	11.5	1.37	418
9	FDFA X	Consumer Staples	96.60	OK to Buy	3.4	3.0	1.2	9.4	12.2	9.8	8.0	0.90	858
67	FSDAX	Defense & Aerospace	16.29	OK to Buy	7.5	5.6	2.4	20.5	13.2	5.3	11.2	1.23	1,459
60	FSENX	Energy	53.39	Hold	7.6	-4.8	-1.0	16.1	37.8	4.6	3.2	1.93	2,246
516	FSLEX	Environment & Alt Energy	31.11	Hold	9.6	18.7	8.3	18.7	16.5	10.3	10.4	1.30	465
66	FID SX	Financials	10.28	Hold	5.5	-2.9	3.1	5.3	15.8	7.1	9.2	1.26	503
98	FSVLX	FinTech	14.78	Hold	7.8	15.9	6.8	16.4	11.6	4.1	7.2	1.33	101
41	FSAGX	Gold	22.34	Sell	-2.9	0.0	-10.4	4.9	-7.9	4.8	2.7	1.73	1,329
63	FSPHX	Health Care	28.51	Buy	2.6	3.2	2.6	12.3	4.8	9.2	13.6	0.88	8,299
505	FSHCX	Health Care Services	128.29	Hold	4.4	-2.8	4.7	3.8	11.6	11.2	13.7	0.99	1,594
515	FCYIX	Industrials	32.49	Buy	12.2	11.2	8.4	26.8	15.0	7.9	9.5	1.14	421
45	FSPCX	Insurance	72.74	OK to Buy	6.5	2.1	5.9	16.1	20.2	12.0	11.5	1.04	383
353	FBSOX	IT Services	58.35	OK to Buy	6.0	11.0	3.9	15.1	0.4	6.7	13.2	1.29	1,973
62	FDLSX	Leisure	17.18	OK to Buy	7.2	20.3	6.1	34.7	20.7	12.3	12.6	1.32	593
509	FSDPX	Materials	96.87	OK to Buy	10.6	5.9	2.3	16.6	18.7	6.6	7.2	1.25	514
354	FSMEX	Medical Tech & Devices	65.42	OK to Buy	5.0	6.2	1.2	13.9	7.1	10.5	15.9	1.10	6,835
514	FNARX	Natural Resources	38.90	Hold	7.9	0.3	-1.2	20.5	30.8	6.3	3.5	1.58	618
580	FPHAX	Pharmaceuticals	23.37	OK to Buy	2.0	7.3	7.6	11.1	8.8	12.6	10.9	0.72	845
46	FSRPX	Retailing	18.06	Hold	7.2	14.0	6.6	21.8	7.3	9.2	14.5	1.23	2,685
8	FSELX	Semiconductors	24.21	Buy	8.7	66.1	19.6	73.0	33.1	27.4	26.8	1.99	9,710
28	FSCSX	Software & IT Services	25.50	OK to Buy	4.8	29.8	11.9	26.5	10.1	15.0	18.3	1.16	9,892
7	FDCPX	Tech Hardware	87.45	OK to Buy	4.9	22.6	6.9	22.5	16.3	14.4	14.1	1.22	793
64	FSPTX	Technology	26.34	Buy	6.9	47.7	17.5	42.6	15.5	18.3	20.1	1.42	10,485
96	FSTCX	Telecommunications	43.26	Hold	5.6	-1.2	-5.3	-12.1	-3.2	2.1	4.5	1.04	146
512	FSRFX	Transportation	100.88	Hold	11.0	12.6	6.2	17.8	19.7	9.6	12.2	1.25	541
65	FSUTX	Utilities	100.62	Buy	2.6	-3.1	0.1	3.0	11.8	8.3	9.8	0.93	1,381
963	FWRLX	Wireless	10.95	Hold	5.1	15.4	4.0	6.3	4.7	10.7	10.4	1.05	303
SECTOR ETFs					Average	6.8	10.3	5.1	13.8	14.3	9.5	1.21	
	FCOM	MSCI Communication Services	40.25	OK to Buy	4.8	30.1	10.2	14.1	5.3	8.3	--	1.23	697
	FDIS	MSCI Consumer Discretionary	73.32	Buy	11.9	30.0	12.2	25.7	13.0	12.4	--	1.42	1,090
	FSTA	MSCI Consumer Staples	45.42	OK to Buy	3.2	2.6	1.2	7.5	11.9	10.6	--	0.82	1,160
	FENY	MSCI Energy	22.16	Hold	7.5	-5.3	-0.4	18.6	36.1	5.5	--	1.94	1,350
	FNCL	MSCI Financials	47.07	Hold	7.1	-0.6	5.0	8.0	14.9	6.2	--	1.23	1,300
	FHLC	MSCI Health Care	63.12	OK to Buy	4.2	-0.6	3.1	5.5	9.7	10.4	--	0.82	2,940
	FIDU	MSCI Industrials	56.87	Buy	11.7	13.0	7.9	27.8	18.2	10.7	--	1.17	674
	FTEC	MSCI Information Technology	130.64	Buy	6.1	38.8	14.8	36.5	17.6	19.9	--	1.30	7,520
	FMAT	MSCI Materials	46.66	OK to Buy	11.1	7.9	2.8	16.0	16.9	8.9	--	1.24	415
	FREL	MSCI Real Estate	25.09	Hold	5.6	3.5	1.7	-4.0	5.9	4.3	--	1.11	1,010
	FUTY	MSCI Utilities	42.28	Buy	1.5	-5.8	-2.8	-3.5	8.2	7.5	--	0.96	1,960

FIDELITY SCORECARD JUNE 30, 2023

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			-0.3	2.1	-0.5	-0.3	-3.2	0.9	1.3	4.49	5.2	0.30
2268	FCNVX	Conservative Income Bond	10.01	Buy	0.4	2.6	1.4	4.2	1.4	1.8	1.3	5.27	0.3	0.04			
2208	FCBFX	Corporate Bond	10.22	OK to Buy	0.4	3.5	-0.0	1.5	-3.7	1.7	2.7	5.36	7.1	0.45			
6379	FFEBX	Environmental Bond	8.40	OK to Buy	-0.2	2.3	-0.7	-0.5	--	--	--	3.99	6.5	--			
2423	FGBFX	Global Credit	7.32	OK to Sell	-0.1	0.8	0.0	-2.2	-5.4	-0.1	0.5	5.73	6.4	0.46			
15	FGMNX	GNMA (Ginnie Mae)	10.09	Hold	-0.6	1.8	-0.9	-1.4	-3.4	-0.0	1.0	3.63	5.2	0.33			
54	FGOVX	Government Income	9.18	OK to Buy	-0.7	1.7	-1.2	-2.2	-4.8	0.1	0.8	3.71	6.2	0.32			
2418	FIPDX	Inflation-Protected Index	9.20	OK to Sell	-0.3	2.0	-1.4	-1.4	-0.2	2.4	2.0	0.03*	6.8	0.38			
32	FTHRFX	Intermediate Bond	9.90	OK to Buy	-0.7	1.7	-0.6	0.2	-2.2	1.3	1.6	4.60	3.8	0.23			
452	FSTGX	Intermediate Gov't Income	9.58	OK to Buy	-1.0	1.0	-1.3	-1.4	-3.4	0.4	0.7	3.86	3.8	0.22			
3045	FUAMX	Intermediate Treasury Index	9.63	OK to Buy	-1.4	1.5	-1.8	-2.5	-5.1	0.7	1.2	3.85	6.2	0.35			
4506	FBIIX	International Bond Index	9.02	Hold	0.1	3.2	0.6	0.9	-2.6	--	--	3.19	7.0	0.25			
26	FBNDX	Investment Grade Bond	7.14	Buy	-0.1	2.9	-0.5	-0.2	-3.4	1.5	2.0	4.77	6.3	0.35			
2622	FJRLX	Limited Term Bond	10.88	Buy	-0.3	1.9	0.1	1.4	-1.2	1.4	1.4	5.19	2.5	0.16			
662	FFXSX	Limited Term Government	9.37	OK to Buy	-0.8	0.9	-1.0	-0.9	-2.3	0.4	0.5	4.30	2.8	0.15			
3047	FNBGX	Long-Term Treasury Index	10.42	Hold	-0.0	4.3	-2.3	-6.9	-12.1	-0.9	1.7	3.96	16.1	0.76			
40	FMSFX	Mortgage Securities	9.81	Hold	-0.4	1.6	-0.8	-1.9	-3.8	-0.0	1.1	3.55	5.7	0.35			
450	FSHFX	Short-Term Bond	8.24	Buy	-0.2	1.6	0.1	1.5	-0.6	1.2	1.1	4.74	1.7	0.11			
3041	FNSOX	Short-Term Bond Index	9.52	OK to Buy	-0.6	1.3	-0.6	0.2	-1.6	1.1	--	4.74	2.6	0.15			
3049	FUMBX	Short-Term Treasury Index	9.89	OK to Buy	-0.8	1.1	-0.9	-0.3	-1.9	0.9	0.8	4.48	2.6	0.15			
3086	FNDSX	Sustainability Bond Index	9.19	OK to Buy	-0.4	2.1	-0.8	-1.0	-4.2	--	--	4.19	6.1	0.33			
6541	FIAEX	Sustainable Core Plus Bond	9.22	OK to Buy	-0.0	2.8	-0.4	0.2	--	--	--	4.85	6.0	--			
6526	FAPGX	Sustainable Low Dur Bond	10.08	Buy	0.3	2.1	1.0	3.3	--	--	--	5.12	0.6	--			
6502	FBAGX	Tactical Bond	8.86	Hold	0.2	3.4	-0.3	2.9	--	--	--	5.12	6.5	--			
820	FTBFX	Total Bond	9.43	Buy	0.1	3.1	-0.1	1.3	-2.3	1.7	2.3	5.36	6.0	0.35			
2326	FXNAX	U.S. Bond Index	10.26	Buy	-0.3	2.2	-0.8	-0.9	-4.1	0.8	1.5	4.25	6.2	0.34			
HIGH-YIELD BOND					Average			1.8	4.4	1.5	8.1	2.5	3.7	7.20	3.6	0.43	
38	FAGIX	Capital & Income	9.31	Hold	2.1	5.9	2.0	10.1	7.3	5.4	6.2	6.67	3.4	0.54			
814	FFRHX	Floating Rate High Income	9.17	OK to Buy	2.4	6.3	3.1	11.2	6.5	4.0	3.7	9.47	0.3	0.23			
1366	FHIFX	Focused High Income	7.71	OK to Buy	0.9	3.8	0.4	7.7	0.8	2.5	3.4	6.26	4.2	0.45			
2297	FGHNX	Global High Income	8.30	OK to Buy	2.0	3.8	1.2	8.8	2.1	2.2	3.6	7.44	3.5	0.46			
455	SPHIX	High Income	7.40	Hold	1.8	4.4	1.5	7.3	1.5	1.7	3.4	7.96	3.8	0.48			
331	FNMI	New Markets Income	11.62	OK to Buy	3.1	3.5	2.0	7.3	-2.0	-0.3	2.2	6.76	7.0	0.57			
2580	FSAHX	Short Duration High Income	8.63	Buy	1.5	4.1	1.3	7.3	2.3	2.4	--	7.46	2.2	0.30			
3082	FADM	Strategic Income	11.07	OK to Buy	0.9	3.8	0.7	4.6	1.4	2.4	3.2	5.61	4.6	0.38			
MUNICIPAL BOND					Average			0.8	2.3	-0.1	2.6	-0.5	1.5	2.4	3.31	5.5	0.30
434	FSAZX	Arizona Muni Income	11.26	OK to Buy	0.9	2.2	-0.2	2.6	-1.0	1.4	2.6	3.16	6.2	0.32			
1534	FCSTX	Calif Limited Term Tax Free	10.16	Buy	0.5	0.8	-0.7	1.1	-0.6	0.9	1.3	2.93	2.6	0.19			
91	FCTFX	California Muni Income	11.99	OK to Buy	0.8	2.5	-0.2	3.2	-0.7	1.6	2.7	3.25	6.5	0.33			
407	FICNX	Connecticut Muni Income	10.77	OK to Buy	0.9	2.1	-0.3	2.5	-0.6	1.7	2.4	3.10	5.3	0.32			
2579	FMNDX	Conservative Income Muni	9.99	Buy	0.3	1.5	0.6	2.3	0.8	1.1	--	3.57	0.6	0.04			
36	FLTMX	Interm Municipal Income	9.99	OK to Buy	0.8	2.1	-0.3	2.7	-0.1	1.8	2.2	3.22	4.6	0.26			
404	FSTFX	Limited Term Muni Income	10.18	Buy	0.5	1.1	-0.3	1.1	-0.4	1.1	1.2	3.28	2.4	0.18			
429	SMDMX	Maryland Muni Income	10.58	OK to Buy	0.9	2.2	-0.2	2.9	-0.7	1.4	2.3	3.09	6.3	0.33			
70	FDMMX	Mass Muni Income	11.24	OK to Buy	0.7	2.1	-0.1	2.3	-1.0	1.2	2.3	3.24	6.5	0.32			
81	FMHTX	Michigan Muni Income	11.33	OK to Buy	0.8	2.3	0.1	2.2	-1.0	1.5	2.5	3.39	6.5	0.31			
82	FIMIX	Minnesota Muni Income	10.93	OK to Buy	0.6	1.6	-0.4	2.2	-1.0	1.5	2.1	3.01	5.7	0.28			
3469	FMBIX	Municipal Bond Index	18.32	OK to Buy	0.9	2.4	-0.3	2.6	-1.2	--	--	3.41	6.3	0.35			
7330	FMBAX	Municipal Core Plus	10.08	Buy	1.0	2.1p	0.5	--	--	--	--	3.58	--	--			
37	FHIGX	Municipal Income	12.06	OK to Buy	0.8	3.1	-0.0	3.3	-0.3	1.9	2.9	3.52	7.0	0.37			
416	FNJHX	New Jersey Muni Income	11.37	OK to Buy	0.9	3.5	0.1	4.1	0.6	2.2	2.9	3.32	6.3	0.37			
71	FTFMX	New York Muni Income	12.17	OK to Buy	1.0	3.5	0.3	3.6	-0.4	1.6	2.6	3.37	7.5	0.37			
88	FOHFX	Ohio Muni Income	11.24	OK to Buy	0.9	2.1	-0.3	2.5	-0.7	1.4	2.7	3.31	6.5	0.32			
402	FPXTX	Pennsylvania Muni Income	10.33	OK to Buy	0.9	2.4	-0.0	2.5	-0.7	1.5	2.5	3.50	6.9	0.34			
6532	FSIKX	Sustainable Intermed Muni	9.98	OK to Buy	0.7	2.0	-0.4	--	--	--	--	--	3.0	--			
90	FTABX	Tax-Free Bond	10.82	OK to Buy	0.9	3.4	0.2	3.6	-0.1	2.0	3.0	3.70	7.0	0.37			

Yields on municipal funds are not directly comparable to yields on taxable funds. In muni funds shareholders' effective yield will be higher as their tax-bracket increases. *12-month distributed yield; ¹Closed to new accounts; ²Name changed to Premium Class shares (formerly AMT).

TAXABLE GOV'T MONEY MARKETS			Total Return (%)		SEC %Yield
			Jun	YTD	
55	FDRXX	Gov't Cash Reserves	0.39	2.21	4.77
458	SPAXX	Government MM	0.39	2.20	4.75
2742	FZFX	Treasury MM	0.39	2.20	4.75
415	FDLXX	Treasury Only MM (closed)	0.38	2.08	4.65
PRIME MONEY MARKETS					
454	SPRXX	Money Market	0.39	2.25	4.82
NOTE: SPRXX is available in premium class shares (ticker: FZDXX) with a \$100,000 minimum investment (\$10,000 for certain Fidelity retirement accounts and lower expenses).					

NATIONAL MUNICIPAL MONEY MKTS			Total Return (%)		SEC %Yield
			Jun	YTD	
10	FTEXX	Municipal Money Market	0.26	1.39	3.69
275	FMOXX	Tax-Exempt MM	0.25	1.35	3.61
STATE MUNICIPAL MONEY MARKETS					
457	FSPXX	California Muni MM ²	0.23	1.27	3.24
426	FMSXX	Massachusetts Muni MM ²	0.24	1.31	3.30
423	FSJXX	New Jersey Muni MM ²	0.24	1.31	3.22
422	FSNXX	New York Muni MM ²	0.26	1.39	3.68
Funds removed due to insufficient data available at the time of close: AZ Muni MM [FSAXX], CT Muni MM [FCMXX], MI Muni MM [FMIXX], OH Muni MM [FOMXX], PA Muni MM [FPTXX].					

FIDELITY SCORECARD

JUNE 30, 2023

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					6.9	20.6	9.3	24.5	13.2	12.2	13.5	1.08
	Annuity Growth Model					6.5	14.1	7.5	16.4	12.4	11.3	11.6	1.00
	Annuity Growth & Income Model					3.5	8.6	3.8	9.4	6.4	7.5	7.8	0.71
	Annuity Income Model					1.6	4.9	1.3	3.6	2.2	3.7	4.0	0.42
9067	FLRQC	Fid VIP Asset Manager	Allocation	25.65	Hold	2.5	7.3	2.3	7.9	4.4	4.8	5.7	0.60
9066	FAECC	Fid VIP Asset Manager: Growth	Allocation	28.84	Hold	3.6	9.7	3.5	11.3	7.0	6.1	7.2	0.76
9069	FJBAC	Fid VIP Balanced	Allocation	38.37	Buy	4.0	13.7	5.8	13.5	9.5	9.0	9.3	0.78
9461	FBIQC	Fid VIP Bond Index	Bond	10.21	Buy	-0.3	2.1	-0.9	-1.2	-4.5	--	--	0.34
9173	FVTAC	Fid VIP Communication Services	Sector	27.44	Buy	5.7	37.0	13.1	24.6	7.8	11.5	9.0	1.28
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	50.31	Buy	11.3	28.3	10.9	28.3	9.2	9.0	11.2	1.36
9171	FCSAC	Fid VIP Consumer Staples	Sector	38.45	OK to Buy	3.4	2.9	1.1	9.0	11.6	9.5	8.8	0.89
9065	FPDFC	Fid VIP Contrafund	Large Growth	48.98	Buy	5.8	20.8	10.5	22.0	10.5	11.8	12.0	1.05
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	29.06	OK to Buy	8.6	10.1	5.5	15.2	14.5	5.1	8.2	1.16
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	54.23	Hold	6.8	17.6	9.4	18.5	13.1	11.9	12.5	1.00
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	13.17	Hold	5.6	5.6	1.5	5.3	3.9	3.9	5.3	1.15
9085	FJLLC	Fid VIP Energy	Sector	21.53	Hold	7.6	-4.9	-1.0	16.0	37.4	4.3	3.0	1.93
9061	FLOLC	Fid VIP Equity-Income	Large Value	32.92	Buy	5.2	3.7	3.2	10.2	14.1	9.1	8.7	0.88
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	13.18	Hold	8.7	8.5	4.9	13.2	12.8	--	--	1.13
9083	FONNC	Fid VIP Financials	Sector	19.73	Hold	5.6	-2.9	3.1	5.1	15.3	6.6	9.0	1.26
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	13.64	OK to Buy	2.5	6.2	3.1	10.9	5.9	3.8	--	0.23
9157	FMPAC	Fid VIP FundsManager 20	Allocation	17.37	Hold	0.9	3.9	0.6	3.8	0.8	2.5	3.0	0.35
9158	FMPBC	Fid VIP FundsManager 50	Allocation	22.97	Hold	2.5	7.2	2.1	8.4	4.5	4.9	5.7	0.60
9197	FMPPC	Fid VIP FundsManager 60	Allocation	22.76	Hold	3.1	8.1	2.7	9.7	5.8	5.6	6.6	0.69
9159	FMPCC	Fid VIP FundsManager 70	Allocation	26.28	Hold	3.5	9.1	3.1	11.4	7.3	6.3	7.4	0.76
9160	FMPDC	Fid VIP FundsManager 85	Allocation	28.53	Hold	4.3	10.5	3.9	13.5	9.2	7.2	8.6	0.88
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	12.10	--	0.3	2.1	1.1	3.3	1.0	1.1	0.6	0.03
9062	FMNDC	Fid VIP Growth	Large Growth	62.22	Buy	6.6	23.0	11.7	21.4	12.8	14.6	15.6	1.06
9070	FLFNC	Fid VIP Growth & Income	Large Blend	42.73	OK to Buy	6.3	10.8	5.7	19.4	17.0	10.7	10.7	1.03
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	68.56	Buy	5.9	29.9	13.5	26.0	7.4	15.2	16.2	1.37
9084	FPDRC	Fid VIP Health Care	Sector	66.56	Buy	2.6	3.3	2.6	12.4	4.2	8.1	12.9	0.87
9060	FBBLC	Fid VIP High Income	High-Yield Bond	22.45	Hold	1.8	4.0	1.3	6.9	1.5	1.8	3.0	0.47
9064	FXVLT	Fid VIP Index 500	Large Blend	48.71	OK to Buy	6.6	16.7	8.6	19.2	14.2	11.9	12.5	1.00
9082	FBALC	Fid VIP Industrials	Sector	49.46	Buy	12.2	11.1	8.3	26.5	14.8	7.8	9.4	1.14
9473	FFIQC	Fid VIP International Index	Diversified Int'l	11.44	OK to Buy	4.5	9.9	2.7	13.4	6.9	--	--	0.97
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	28.60	Buy	4.1	18.4	4.2	23.1	6.4	6.7	8.4	1.15
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	17.10	Buy	-0.1	2.6	-0.6	-0.3	-3.1	1.2	1.8	0.35
9172	FVMAC	Fid VIP Materials	Sector	30.79	OK to Buy	10.6	5.9	2.2	16.4	19.8	6.7	7.1	1.25
9071	FNBSC	Fid VIP Mid Cap	Mid Blend	41.11	OK to Buy	8.5	7.9	4.6	16.5	15.7	6.6	9.2	1.08
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	23.39	OK to Buy	3.4	14.7	4.1	20.5	7.6	5.6	6.3	1.11
9072	FFWKC	Fid VIP Real Estate	Sector	26.32	Hold	4.6	4.1	1.4	-5.3	4.4	1.9	4.6	1.11
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	21.42	OK to Buy	0.8	3.6	0.5	4.1	0.9	2.0	2.8	0.37
9086	FYENC	Fid VIP Technology	Sector	117.53	Buy	6.7	46.2	16.9	42.2	17.5	19.6	20.6	1.46
9465	FTMJC	Fid VIP Total Market Index	Large Blend	16.53	Buy	6.9	16.1	8.4	18.9	13.5	--	--	1.02
9087	FXRRC	Fid VIP Utilities	Sector	42.88	Buy	2.6	-3.3	0.1	2.7	11.3	7.9	9.5	0.93
9079	FKMSC	Fid VIP Value	Large Value	37.03	OK to Buy	7.8	7.2	6.0	12.6	20.6	9.9	10.0	1.14
9073	FRBSC	Fid VIP Value Strategies	Mid Value	38.35	OK to Buy	9.1	7.5	6.1	13.7	21.7	9.8	9.4	1.21
9347	FBMEC	Black Rock Global Allocation	Global Allocation	17.11	Hold	3.4	6.9	3.0	7.4	4.6	4.8	4.9	0.70
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	9.63	Hold	0.5	-1.0	-2.1	-0.1	-3.8	-2.6	-0.9	0.40
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	10.11	Buy	-0.3	1.5	-0.6	-1.5	-3.6	-0.3	0.2	0.27
9285	FIGXC	Invesco Global Core Eqty	Global Stock	17.54	Hold	5.1	13.7	4.3	11.1	8.4	4.7	6.1	1.00
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	17.61	Hold	6.3	13.2	4.9	13.5	8.7	1.8	2.0	1.03
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	17.85	Hold	3.3	4.1	3.1	8.1	-3.4	-0.3	1.2	0.66
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	14.66	Hold	5.1	6.4	3.7	8.1	2.1	0.3	1.6	1.07
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	16.46	Hold	3.8	7.4	2.4	7.7	4.3	3.4	4.1	0.76
9346	FPMEC	Pimco Commodity Real Return	Commodities	7.75	OK to Sell	3.3	-8.8	-4.6	-14.0	18.1	4.9	-1.0	1.03
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	11.64	Buy	-0.6	0.8	-0.7	-0.3	-1.9	0.1	0.4	0.13
9277	FPNBC	Pimco VIT Real Return	TIPS	14.52	OK to Sell	-0.3	1.5	-1.5	-1.6	-0.4	2.1	1.7	0.39
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	13.44	Hold	-0.4	1.8	-0.8	-1.4	-4.3	0.3	1.2	0.34

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	27%	VIP Equity-Income	34%	VIP Bond Index	27%	VIP Bond Index	33%
VIP Consumer Discret	17	VIP Growth	33	VIP Growth Opps	22	Frkln Temp U.S. Gov't	25
VIP Health Care	16	VIP Growth Opps	20	VIP Equity-Income	22	VIP Strategic Income	17
VIP Industrials	15	VIP Total Market Index	13	VIP Strategic Income	15	VIP Equity-Income	13
VIP Comm Services	15			VIP Total Market	14	VIP Growth	12
VIP Utilities	10						
Total Return:		Total Return:		Total Return:		Total Return:	
Jun: 6.9% YTD: 20.6%		Jun: 6.5% YTD: 14.1%		Jun: 3.5% YTD: 8.6%		Jun: 1.6% YTD: 4.9%	

As for laggards, three bank im-plosions and the prospect of larger loan reserves contributed to **Banking's** 15.8% decline. And, as mentioned, more defensive sectors, were laggards: **Utilities** and **Health Care Services** fell 3.1% and 2.8%, respectively.

Bond Funds

With solid gains piling up for bonds through April, the debt ceiling imbroglio and an investor shift to risk assets set the stage for two months of selling. And, while inflation has waned, the Fed may resume hiking this July.

Against that backdrop, short-

term Treasury yields fell in June, but rose across most of the maturity spectrum (see p. 5). Though it's been the exact opposite this year: the yield on the 3-month T-bill jumped more than a percentage point while the benchmark 10-year Treasury yield dipped 7 basis points to 3.81%. (Bond prices move inversely to their yields.) Bottom line: the yield curve remains inverted as short-term Treasuries yield more than longer-dated bonds.

Through June, **Long-Term Treasury Index** rose 4.3% while Fidelity's least interest-rate-sensitive taxable fund, **Conservative Income Bond**, rose 2.6%.

For its part, **U.S. Bond Index** has gained 2.2% this year. ■

— John Bonnanzio

QUESTIONS & ANSWERS

Jack Tackles Readers' Questions

Q: *Your recommendation to swap Mid Cap Stock for Equity-Income may come with tax consequences because the latter will pay a dividend in July. As such, aren't we "buying a dividend" — a practice you have often warned against? Why not wait a few weeks until the ex-dividend date?*

A: Equity-Income pays quarterly dividends of about 0.5% which, from a tax standpoint, has relatively little significance. Where investors need to tread more carefully is with respect to year-end distributions which can be comprised of short-term income and capital gains. Of course, such distributions are only a concern in taxable accounts.

Q: *For Blue Chip Growth, do you think it is okay to use Fidelity's ETF version [FBCG] which is also managed by Sonu Kalra?*

A: I don't see a problem in the long term. The fee difference is very slight, and if you have held the mutual fund version for a while, you'll

pay a lot of capital gains by selling. On the other hand, if the fund position is entirely new, the long-term cap gains in the future will be about the same once the position is sold. The ETF just delays more of it to the point of sale.

Q: *To compare the performances (returns) of bond funds, do I simply add their SEC yields to their YTD returns?*

A: No, the income stream is already included in the total return figures, YTD and otherwise.

Q: *I see that your Growth Model no longer holds Contrafund; why does it remain Buy-rated?*

A: On January 30, we replaced Contrafund with **Large-Cap Growth Enhanced Index**. (See box.) While the *Growth Model* and others have been positioned for a growth-stock rebound since mid-2022, in the face of easing inflation, a less aggressive Fed might favor "growthier" funds over a somewhat defensive offering such as Contrafund. In any event, we see the trade as only a modest rebalancing. ■

— Jack Bowers

Inside Fidelity

Fund Conversions — Fidelity plans to convert its lineup of six "Enhanced" index mutual funds into ETFs. The change, which requires shareholder approval, would take place later this year.

The affected index funds are **Large Cap Value Enhanced**, **Large Cap Growth Enhanced** (which is held for the time being in our *Growth Model*), **Large Cap Core Enhanced**, **Mid Cap Enhanced**, **Int'l Enhanced** and **Small Cap Enhanced**. While this change effects only \$13 billion of the company's more than \$2 trillion in assets, these quantitatively managed funds have faced significant outflows. At the same time, the move is also consistent with other less-popular funds (meaning funds with comparatively small assets) being converted into ETFs. Most recently, Fidelity's five Disruptor funds were also converted into ETFs.

Crypto ETF? — Fidelity is doubling-down in its effort to offer its nearly 40 million brokerage customers a cryptocurrency fund. Having failed in 2021 in its initial effort to launch a Bitcoin ETF, it and other fund managers are once again petitioning the SEC, arguing that cryptocurrencies are now more widely held and traded through other channels.

If this sounds like the fund industry senses a change of heart by Washington regulators, that's likely not the case. Indeed, as we went to press, the *Wall Street Journal* reports that the SEC has already told Fidelity and others that their filings aren't "sufficiently clear and comprehensive."

Should Fidelity's crypto ETF launch, it intends to custodian the fund in-house (perhaps to save on expenses), whereas its competitor BlackRock plans to use Coinbase Global as its custodian. ■

Jack's Message *cont'd from page 1*

2016. The strategy worked pretty well, with Japanese inflation peaking at just above 4% (it's currently around 3.5%). Over the last two years, higher interest rates abroad drove the yen down more than 20% against the dollar and the eu-

DIVIDEND UPDATE

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

500 Index, Agricultural Prod, Asset Mgr 40%, Asset Mgr 50%, Balanced, Climate Action, Convertible Secs, Dividend Growth, Equity Dividend Inc, Equity-Inc, Global Credit, Global Equity Inc, Growth & Inc, Infrastructure, Int'l Bond Index, Puritan, Real Estate Income, Small Cap Growth, Strategic Dividend & Inc, Strategic Real Ret, Sustainable U.S. Equity, Telecom & Utilities, Water Sustainability.

The final distributions for June were as follows:

Fund	Ex-Date	\$ Amt	NAV
Disrup Automation	6/6	0.040	16.87
Disrupt. Finance	6/6	0.074	13.04
Healthy Future	6/9	0.008	10.68
Large Cap Stock	6/9	0.255	41.49
Lg Cap Grow Idx	6/23	0.052	26.24
Lg Cap Value Idx	6/23	0.081	15.04
Mid Cap Index	6/23	0.088	27.10
Mid-Cap Stock	6/9	0.110	37.80
MSCI Comm Svs	6/16	0.063	39.43
MSCI Cons Discr	6/16	0.146	71.62
MSCI Cons Stap	6/16	0.269	45.12
MSCI Energy	6/16	0.189	21.64
MSCI Financials	6/16	0.272	46.40
MSCI Health Care	6/16	0.229	62.81
MSCI Industrials	6/16	0.211	55.44
MSCI Info Tech	6/16	0.220	127.42
MSCI Materials	6/16	0.211	45.29
MSCI Real Estate	6/16	0.231	24.50
MSCI Utilities	6/16	0.317	42.78
Real Estate Idx	6/2	0.087	14.51
Real Estate Invest	6/2	0.115	37.83
Small Cap Dscvry	6/9	0.302	24.12
Small Cap Index	6/23	0.085	22.55
U.S. Low Vol Eq	6/9	0.026	10.18
Women's Lead	6/9	0.015	13.89

ro, making exports more competitive. The decline in the yen also drove a surge in retail spending after Japan re-opened to tourism.

On the investment front, Japanese firms (which have sometimes tended to view foreign shareholders as enemies) are now being called upon to become more shareholder-friendly. The Tokyo Exchange Group came up with a set of restructuring guidelines — one of which calls firms with a Price-to-Book ratio of less than one on the carpet, prodding them to defend the situation or take action under the threat of de-listing if the “problem” isn’t addressed by 2026. Partly as a result of this, dividends paid by Japanese firms have risen to a new high in each of the last three years. Stock buybacks have also been picked up and now account for more than a third of overall shareholder compensation. As you might expect, optimism among foreign investors is the main reason the Nikkei index is up nearly 30% this year.

Still, the Japanese economy is far from being out of the woods. Despite a more competitive level for the yen, exports remain weak because economic growth is slowing among Japan’s major trading partners (which include China/Hong Kong, the U.S. and South Korea). Wages remain low compared to other developed countries, and due to the age of the population (the oldest in world) labor shortages are a growing con-

cern (the country is in the process of opening the economy to foreign workers).

Finally, investment in new-age technologies (especially software and lithium batteries) has been lacking in recent decades, leaving the country’s automakers and consumer product companies at a competitive disadvantages to U.S. and Chinese firms. Time will tell whether the advantage of a weak currency, low inflation, and improving shareholder compensation will make up for the growth opportunities that Japanese exporters have missed out on. So far, robust consumer spending is a positive.

As for the best way to bet on Japanese stocks, our pick is **Japan Smaller Companies**. With a volatil-

JAPAN SMALLER COS.

Sectors	Weight (in %)
Industrials	21.3
Info Technology	21.1
Consum Discretionary	18.3
Financials	8.8
Materials	8.3
Consum Staples	5.9
Commun Services	5.0
Utilities	3.5
Energy	2.5
Real Estate	2.8
Health Care	1.3

ity score of 0.83, it’s the least risky fund in Fidelity’s international lineup, and the firms in its portfolio may have more upside potential than those in **Japan Fund** (which focuses more on exporters with global operations).

While we have replaced **Low-Priced Stock** with Japan Smaller Companies in our *Unique Opportunities Model* (see Trade Box on p. 3), in our other models we are sticking with Low-Priced Stock for now. Low-Priced has about 10% invested in Japanese stocks, with most of its assets invested in smaller domestic stocks with similarly cheap valuations. And like the Japanese firms, some of them are boosting shareholder compensation to improve their valuations. ■

— Jack Bowers

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