

25
Years

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FIDELITY MONITOR & INSIGHT

Incorporating Fidelity Monitor and Fidelity Insight

AUGUST 2015

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MESSAGE FROM JACK

Consumers To Benefit From Energy Disruption

There will almost certainly come a day when renewable electricity powers the planet. But in the meantime, the U.S. shale industry has a good shot at reducing OPEC to a “bit player” over the next 15 years. Saudi Arabia is already on a path of rising domestic consumption, one that could wipe out its export capacity by the year 2030. Other OPEC members could find themselves in a similar pickle if they are unable to spend development money to offset dwindling output.



Jack Bowers

It's been about a year since the oil bust took hold, and the U.S. shale industry is anything but down and out.

A July report shows U.S. production has barely dipped, even with some 60% of drilling rigs idled over the last 12 months. Output per rig has surged, especially in the largest and most productive shale fields. U.S. operators are continuing to innovate and compete with each other, much as Silicon Valley does. It's almost certain this group will prevent the price of crude from recovering much, and it should be no surprise if U.S. natural gas prices continue to slide.

None of this is good news for the energy sector, which may see margin pressures for many years to come. Similarly, the rise of user-generated renewable power represents a significant long-term threat for many electric utilities.

But for the consumer sector, cheap energy is good news. Retail spending and vehicle sales should be helped by lower gasoline prices, which may be here to stay (except in California, where insufficient refining capacity is a continuing problem). And the falling cost of building materials (one of the many effects of lower energy costs) is making new home construction increasingly affordable at a time when rents are climbing faster than inflation.

With these thoughts in mind, we've increased our exposure to **Select Consumer Discretionary** in our *Select Model* (and its VIP/annuity counterpart). The consumer sector is still seeing its own competitive pressures, but the major players have solid business models and room to grow.

Sincerely,

MARKET OUTLOOK

China's Plunge May Not Be Over, But It Shouldn't Derail U.S. Stocks

In just three weeks beginning in mid-June, the Shanghai Composite Index lost 30% of its value. Then after some (ill-conceived) Chinese government intervention it rebounded modestly, only to plunge 8.5% again on July 27 — its largest single day loss in over eight years. This caused U.S. investors to fear this might trigger a global sell-off. Stock prices in China have stabilized since then, but we could well see further declines ahead (governmental actions trying to artificially pump up stock prices generally end badly).



John M. Boyd

However, China's market troubles should have limited impact on its own economy. First, according to China economic research firm PRC Macro, less than 5% of household savings in that country are invested in the stock market. Second, only about 5% of private sector business funding comes from the stock market there, so firms are insulated from the market's volatility. In short, the fluctuations in the Shanghai Composite have very little to do with the direction of the Chinese economy.

It is certainly true that the Chinese economy is slowing (and likely by more than the official government estimates), but that should not have a major effect on U.S. firms as a whole. If U.S. exports to China fell in half, that would only reduce our GDP by about 25 basis points (0.25%). Obviously, there are firms with greater exposure to China, such as Caterpillar, that have more to lose (and which have already seen their stock price battered). In total, the correlation between China's economy and our own is a very low 15%. The huge boom in Chinese stock prices (up 164% over the past couple of years) did little to help U.S. stocks, and a pullback shouldn't do any lasting damage either.

Fear Is The Market's Best Friend

China's woes are just another in a long list of things that have investors worried, and that's a good thing! Measures of investor fear are now at extremes typically seen at market bottoms — not market tops. The 8-week moving average of bullishness in the weekly AAII investor sentiment survey reached a low of around 26% (the long-

Market Outlook *cont'd on page 3*

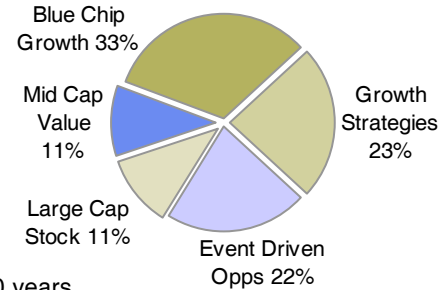
Unique Opportunities Target Risk: 1.20 (Current: 1.11) Foreign Holdings: 9.0% YTD Return: 5.4%

Stocks: 99.3% Bonds: 0.0% Cash: 0.7% Alternatives: 0.0% Yield: 0.2%

Holdings	Ticker	NAV	Shares	Value	Jul Ret
Blue Chip Growth	FBGRX	\$75.15	1,874.44	\$140,864	3.7%
Growth Strategies	FDEGX	34.94	2,873.22	100,390	1.7
Event Driven Opps	FARNX	11.11	8,360.34	92,883	-1.4
Large Cap Stock	FLCSX	28.66	1,649.80	47,283	0.7
Mid Cap Value	FSMVX	25.07	1,861.10	46,658	0.0

Current Value (3/31/99 = \$100,000) **\$428,079** **1.4%**

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



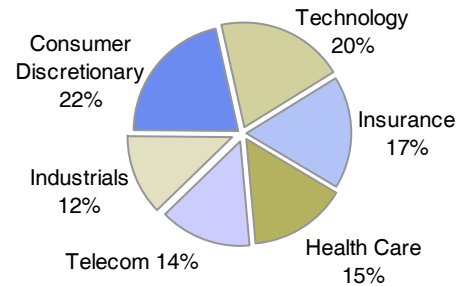
Select Target Risk: 1.20 (Current: 1.04) Foreign Holdings: 16.2% YTD Return: 2.7%

Stocks: 99.0% Bonds: 0.0% Cash: 1.0% Alternatives: 0.0% Yield: 0.5%

Holdings	Ticker	NAV	Shares	Value	Jul Ret
Consumer Discretionary	FSCPX	\$36.04	17,911.25	\$645,522	3.7%
Technology	FSPTX	120.49	4,792.96	577,503	-0.3
Insurance	FSPCX	71.49	7,151.69	511,274	5.4
Health Care	FSPHX	245.85	1,818.93	447,183	3.8
Telecommunications	FSTCX	62.30	6,668.20	415,429	-0.4
Industrials	FCYIX	31.49	11,653.81	366,978	0.1

Current Value (12/31/88 = \$100,000) **\$2,963,889** **0.6%**

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



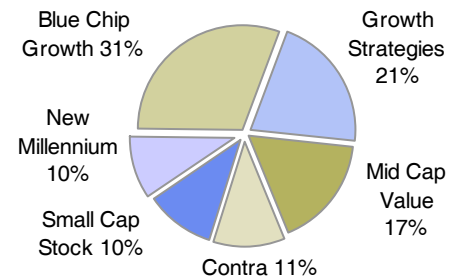
Growth Target Risk: 1.00 (Current: 1.09) Foreign Holdings: 9.0% YTD Return: 6.3%

Stocks: 98.6% Bonds: 0.0% Cash: 1.4% Alternatives: 0.0% Yield: 0.2%

Holdings	Ticker	NAV	Shares	Value	Jul Ret
Blue Chip Growth	FBGRX	\$75.15	8,771.74	\$659,196	3.7%
Growth Strategies	FDEGX	34.94	13,018.47	454,865	1.7
Mid Cap Value	FSMVX	25.07	14,188.56	355,707	0.0
Contrafund	FCNTX	105.50	2,305.27	243,206	3.5
Small Cap Stock	FSLCX	19.08	11,737.25	223,947	-0.5
New Millennium	FMLIX	40.05	5,231.02	209,502	0.6

Current Value (12/31/86 = \$100,000) **\$2,146,424** **1.9%**

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



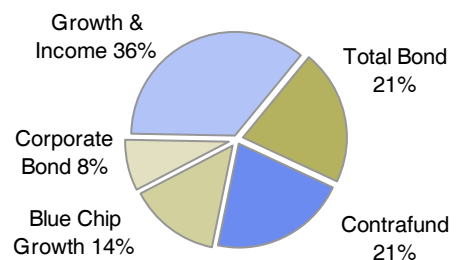
Growth & Income Target Risk: 0.66 (Current: 0.75) Foreign Holdings: 11.1% YTD Return: 4.4%

Stocks: 70.9% Bonds: 24.7% Cash: 1.1% Alternatives: 3.3% Yield: 1.6%

Holdings	Ticker	NAV	Shares	Value	Jul Ret
Growth & Income	FGRIX	\$30.85	6,596.69	\$203,508	1.2%
Total Bond	FTBFX	10.62	10,921.46	115,986	0.6
Contrafund	FCNTX	105.50	1,098.10	115,849	3.5
Blue Chip Growth	FBGRX	75.15	1,072.21	80,576	3.7
Corporate Bond	FCBFX	11.25	3,950.52	44,443	0.6

Current Value (12/31/93 = \$100,000) **\$560,363** **1.9%**

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



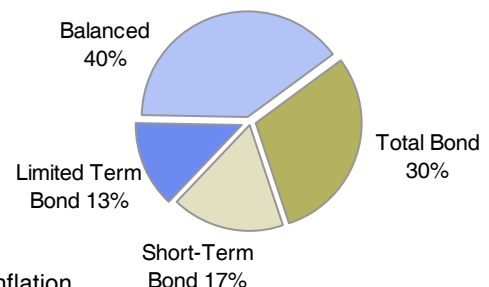
Income Target Risk: 0.33 (Current: 0.34) Foreign Holdings: 10.0% YTD Return: 1.7%

Stocks: 27.0% Bonds: 67.3% Cash: 1.5% Alternatives: 4.2% Yield: 1.9%

Holdings	Ticker	NAV	Shares	Value	Jul Ret
Balanced	FBALX	\$23.36	6,230.61	\$145,547	1.0%
Total Bond	FTBFX	10.62	10,069.91	106,942	0.6
Short-Term Bond	FSHBX	8.59	7,149.09	61,411	0.1
Limited Term Bond	FJRLX	11.49	4,193.23	48,180	0.2

Current Value (12/31/91 = \$100,000) **\$362,080** **0.6%**

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



Market Outlook *cont'd from page 1*

term average is 39%) at the end of June, a level seen only twice since 1995 — early 2003 and early 2009. The market seemed to do pretty well following those periods as I recall.

Other indications of extreme caution abound. Investors Intelligence US Advisors Sentiment report, which measures what more than 100 newsletter advisors are thinking, recently showed more than 40% expecting a correction — a rare occurrence. (It didn't touch 40% from 1983 until mid-2012.) That doesn't mean we can't have a correction, but when everyone expects one it is actually less likely.

The CNNMoney Fear & Greed Index (scale of 0 fear to 100 greed) is 21 as I write this — in the extreme fear range of 0-25% — and has been as low as 7% in the past month.

Professional money managers are showing caution as well. Bank of America Merrill Lynch recently reported that asset manager cash levels have jumped to 5.5%, which has been historically consistent with extreme fear. They note that when cash has reached these levels in the past, the market has been up an average of 16.8% one year later.

Growth Tepid, But Improving

The first estimate of GDP growth for the second quarter came in at a none-too-robust 2.3%. That was still an improvement from the first quarter, which was revised up from a decline of 0.2% to an increase of 0.6%. Overall, the economy has expanded at an annual rate of just 1.5% in the first half of this year compared to 1.9% in 2014's first half. There were some bright spots, however. Despite the rising dollar, exports rose by 5.3% in the quarter versus a decline of 6% in the first. And consumer spending increased to 2.9% from 1.8%.

While the slow pace of economic

FUNDS YOU SHOULD BUY NOW

Growth: For large-cap exposure... **Blue Chip Growth**, **Growth Company** and **Large Cap Stock** take more aggressive approaches to growth, while **Contrafund** is more conservative. **Growth Strategies** and **Mid-Cap Value** provide mid-cap exposure; **Event Driven Opportunities** and **Small Cap Stock** are smaller-cap options that enhance portfolio diversification.

Growth & Income: **Growth & Income** and **Mega Cap Stock** seek growth and yield from large-caps; **Balanced** (see p. 12) and **Puritan** use a mix of stocks and bonds to mitigate risk.

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

Muni Bond: More highly taxed investors should consider muni funds. We prefer the less risky, nationally diversified variety. (See p. 4.) ■

growth may not thrill investors, there is no sign of a recession on the horizon that typically coincides with a bear market. In fact, this recovery could go on for quite a while longer. We are currently 72 months into this expansion which, at first blush, seems overextended compared to the average of 39 months since the 1800's. But Cullen Roche of Orcam Financial points out that the average of the last

three expansions in the modern era is a full 94 months. Moreover, since the last recession was extremely deep there was more slack in the economy, which means a longer recovery period before the slack gets taken up.

With investors clearly jittery, we may continue to see unsettled markets, but successful investors know to buy fear and sell greed. ■

— John M. Boyd

MODEL PORTFOLIO TRADES

As announced on our July 24 Hotline, on Monday July 27, we made the following Model Portfolio trades:

Select Model:

We sold our entire position in **Select Electronics** [ticker: FSELX]. We added 1/4 of the proceeds to **Select Consumer Discretionary** [ticker: FSCPX], bringing it up from 15% of the model to 22%. With the remaining 3/4 of the proceeds we bought **Select Technology** [ticker: FSPTX] making it 20% of the model.

Annuity Sector Model:

We sold 1/5 of **VIP Technology** [ticker: FYENC] bringing it down from 25% of the model to 20%. We added the proceeds to **VIP Consumer Discretionary** [ticker: FVHAC], bringing it up from 16% of the model to 21%.

Note: Select funds have a 0.75% short-term trading fee on shares held less than 30 days and VIP sector funds a 1.00% fee on shares held less than 60 days. You may wish to delay your trades until the fee(s) no longer apply.

Trade Rationale:

The move from Select Electronics to the broader Technology fund reflects the fact that earnings leadership in the tech group is shifting away from the PC industry and more toward web-based and cloud-based applications and services. The impact of that shift on the chipmakers (in Electronics) has been more negative than we expected.

The additions to Consumer Discretionary funds are driven by our belief that lower energy costs should help boost retail spending and auto sales as lower gasoline prices may be here to stay.

Model Portfolios Key:

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

BOND INVESTING

Munis Still Make Sense For Some

Like all bond funds, Fidelity’s 17 tax-free municipal offerings face several headwinds:

1. Prospect of rising interest rates;
2. Slack demand by retail investors;
3. Growing supply by higher-quality issuers (including towns, cities, states and other bonding authorities);
4. Risk of default contagion owing to perceived problems in Puerto Rico and especially Chicago.

Because of the above (coupled with last year’s strong, equity-like returns), munis are merely trading water this year. Notably, Fidelity’s two biggest offerings by assets, **Tax-Free Bond** and **Muni Income**, are up just 0.6% and 0.7%, respectively. Last year, they gained about 11% apiece.

So, are the past seven months prologue for munis, or are there reasons to believe that today’s headwinds will shift into tailwinds?

We’ll begin by noting that all five nationally diversified munis (plus **California Limited Term Tax-Free**) are rated *Buy*, whereas 11 state-specific munis are *OK to Buy*. (More geographically concentrated funds are riskier.) And, on p. 3, we’ve been stating that “More highly taxed investors should consider muni funds.” Here are the reasons we like munis with today’s headwinds:

1. Given today’s higher tax rates (including the 3.8% ACA surcharge levied on the nation’s highest earners), muni funds’ tax-equivalent yields surpass comparable taxables;
2. We don’t know of many investors who will be truly surprised by the Fed’s first rate-hikes, so it’s possible that their initial move higher will be greeted by a big yawn. Moreover, we believe that the pace of future hikes will be muted as slow global growth keeps inflation in check;
3. Unlike any other asset class, munis are predominately owned by individuals, while specific issues can be less liquid. This can make munis *more* volatile. However, muni investors tend to buy and hold, helping to make them *less*

TAX-EQUIVALENT MUNI YIELDS						
	SEC % Yield	Federal Tax Bracket				
		25%	28%	33%	35%	39.6%
Arizona Muni Inc	1.85	2.47	2.57	2.76	3.02	3.27
Calif Ltd-Term T-F	0.98	1.31	1.36	1.46	1.60	1.73
California Muni Inc	1.88	2.51	2.61	2.81	3.07	3.32
Connecticut Muni Inc	2.04	2.72	2.83	3.04	3.33	3.60
Conserv Inc Muni	0.28	0.37	0.39	0.42	0.46	0.49
Interm Municipal Inc	1.59	2.12	2.21	2.37	2.60	2.81
Lmtd-Term Muni Inc	0.82	1.09	1.14	1.22	1.34	1.45
Maryland Muni Inc	1.91	2.55	2.65	2.85	3.12	3.37
Mass Muni Inc	2.04	2.72	2.83	3.04	3.33	3.60
Michigan Muni Inc	1.76	2.35	2.44	2.63	2.88	3.11
Minnesota Muni Inc	1.65	2.20	2.29	2.46	2.70	2.92
Municipal Inc	2.04	2.72	2.83	3.04	3.33	3.60
New Jersey Muni Inc	2.33	3.11	3.24	3.48	3.81	4.12
New York Muni Inc	1.86	2.48	2.58	2.78	3.04	3.29
Ohio Muni Inc	2.14	2.85	2.97	3.19	3.50	3.78
Pennsylvania Muni Inc	1.94	2.59	2.69	2.90	3.17	3.43
Tax-Free Bond	2.13	2.84	2.96	3.18	3.48	3.76

*Top-two brackets add 3.8% for "ACA" tax; National funds in **Bold**.*

volatile during periods of stress — especially relative to corporates;

4. The current unfavorable supply/demand imbalance is showing signs of improvement. Despite healthier balance sheets, muni issuers are cautious (even in California!), and will remain that way until tax receipts and other important economic metrics substantially improve. As for demand, once investors lose their fear of the Fed and inflation (which is running well below the Fed’s target of 2%), their appetite for munis should pick up (especially if certain presidential candidates are talking-up further tax hikes!);

5. As you’ll read below, debt contagion is overblown;
6. Muni funds remain good portfolio diversifiers as they are a distinct asset class.

Bottom line: Despite headwinds, muni funds still make sense for tax-sensitive, income-oriented investors. ■

— John Bonnanzio

Muni Contagion?

Our July conversation with Manager Jamie Pagliocco covered many topics (above), including “contagion.”

A muni veteran who oversees several portfolios (including its biggest, **Municipal Income**), he’s sanguine about Puerto Rico (if they’re allowed to restructure, “we don’t think there will be contagion”). However, he acknowledges that Chicago’s woes will continue to cause volatility.

Most importantly, Fidelity’s muni funds have no exposure to Puerto

Rico (haven’t for awhile), and none is planned. Indeed, apart from non-Fidelity funds that may still have legacy positions in the U.S. territory, their junk-bond status means that hedge funds are the most likely owners.

Returning to Chicago, its indebtedness is a bigger contagion concern. In May, the Illinois Supreme Court said that the city can’t unilaterally alter its onerous pension obligations. Credit agencies responded by slashing Chicago’s rating to junk, triggering a political imbroglio. Voters have no appetite for higher taxes, and the

state’s Republican governor isn’t stepping in with a bailout. Noting that Fidelity has two analysts covering Chicago and another assigned to Illinois, Jamie would say only this: “There are opportunities in Chicago.”

That optimism, coupled with active portfolio management (minimizing exposure to shorter- and longer-maturity bonds while favoring intermediates), plus Jamie’s own record of beating about two-thirds of his industry peers, should help Fidelity’s muni funds through this uncertain period. ■

FUND COMMENTARY

Greek Drama Ends; China On Center Stage

Investors shifted their attention to China from Greece last month, as the former barely avoided financial collapse and the latter experienced a very sharp downturn in share prices. Despite an agreement that breathes new financial life into Greece, the final scene of this drama will reveal whether it will make good on its voluminous debt repayments.



John Bonnanzio

As for China, its economy is still growing nicely, thank you. However, the pace of that growth continues to slow. So, much like the Y2K bubble that popped here in 2000, all-too-rosy corporate sales and earnings growth projections have finally run into a starker reality, that few things (especially company earnings) grow exponentially for long. One reflection of that: **China Region** fund fell 13.6% in July and is now down 17.2% over the past three-month period.

As with any contagion, other risky and tangentially related securities become vulnerable when investors are seeking safer harbors. As such, all of Fidelity's emerging market equity and debt funds were in the red for July.

Not to be confused in this melee, **Latin America** (down 8.4%) also took a drubbing. But this particular emerging market fund's problems are different. Its biggest country weight is Brazil (46%), which is suffering from a combination of political dysfunction, fiscal mismanagement and perhaps most of all, falling commodity prices. (In July, **Global Commodity Stock** lost 8.7%, **Select Materials** declined 2.4%, whereas **Select Gold** tumbled 17.4%.)

Market Indexes

Back in the U.S., the economic/market picture was comparatively brighter, but hardly picturesque. Fall-

ing oil prices are certainly bolstering the consumer component of the economy again — which is vital. On the other hand, GDP growth for the first half of this year has so far clocked in at 1.5%, which is below expectations. But modest growth is keeping inflation in check, and perhaps even the Fed on the sidelines for a bit longer (see p. 4). This helped to boost investors' interest in U.S. stocks and bonds.

To that end, the large-cap S&P 500 gained a healthy 2.1% in July, though it's now up just 3.4% for the year. Even more meager was the 0.5% return on the Dow Jones Industrials last month. As is its 0.6% return for the year-to-date.

Somewhat surprisingly, small-cap stocks retreated (the Russell 2000 fell 1.1%). One possible culprit: The bi-annual rejiggering in June of the Russell's components. Small cap stocks that have done very well may have become "too big" for the index and are removed for smaller fare. Still, small-caps are up 3.6% for the year.

Finally, the tech-rich Nasdaq Composite (up 2.9%) was especially strong last month even as it was saddled by semiconductor stocks (**Select Electronics** fell 4.5%.) Through July, that barometer has advanced 9.0%.

Equity Funds

Almost all of Fidelity's small- and mid-cap funds fell (or were up only fractionally) in July. However, all their large-cap offerings enjoyed gains ranging from 4.5% for **OTC** (which benefited from the twin characteristics of a high market cap and a big tech exposure) to a more modest 0.4% for **Stock Selector Large Cap Value**. It, like most value-oriented funds, holds little in the way of tech, but a fair amount of energy and materials, which held it back.

As for some of Fidelity's most widely held funds, **Contra** gained 3.5% in July, the mid-cap-value positioned **Low-Priced Stock** rose fractionally (up 0.4%), and the closed **Growth Company** gained 3.7%.

Fixed-Income

Skittishness in the emerging markets led some investors to exit another risky asset class, high yield, though declines were modest. Whereas **Capital & Income** was unchanged for the month (it has a healthy stake in equities), the pure bond play, **High Income**, slipped 0.3% for July. Overseas, **International Bond** (down

Fund Commentary cont'd on page 8

AUGUST SCORECARD RATING CHANGES

Fund	Ratings			Comments
	Old	New		
China Region	H	S	↓	Real estate bubble/slow growth major negatives.
Emerging Asia	B	H	↓	China and weak commodity prices risk contagion.
Emerging Mkts	B	H	↓	China and weak commodity prices risk contagion.
Europe	H	B	↑	Passing Greek debt problem lifts major concern.
Global Commod Stk	H	S	↓	Supply/demand imbalances will keep prices down.
MSCI Consum Stpls	H	B	↑	Falling fuel prices increases consumer spending.
MSCI Inform Tech	B	B	↑	More diversified approach to high-growth sector.
Nordic	S	H	↑	Passing Greek debt problem lifts major concern.
Overseas	B	B	↑	Passing Greek debt problem lifts major concern.
Sel Consumer Stpls	H	B	↑	Falling fuel prices increases consumer spending.
Sel Electronics	B	H	↓	Chipmakers too dependent on PC market (p. 12).
Sel Technology	B	B	↑	More diversified approach to high-growth sector.
Stk Sel All Cap	B	H	↓	Prefer US stock funds with less foreign exposure.
Telecom & Utilities	B	H	↓	Weak natural gas prices hurting certain utilities.
Total Int'l Equity	B	H	↓	Significant exposure to emerging markets.
VIP Consumer Stpls	H	B	↑	Falling fuel prices increases consumer spending.
VIP Emerging Mkts	B	H	↓	China and weak commodity prices risk contagion.

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

FIDELITY SCORECARD

JULY 31, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹		
						Jul	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr			
Comparative Indexes		S&P 500		2103.8		2.1	3.4	1.4	11.2	17.6	16.2	7.7	1.00		
		Nasdaq Composite		5128.3		2.9	9.0	4.1	18.7	21.9	19.2	10.0	1.18		
		Dow Jones Industrials		17689.9		0.5	0.6	-0.2	9.3	13.5	13.9	8.0	1.07		
		Russell 2000 (Small Caps)		1238.7		-1.1	3.6	1.9	12.1	17.9	15.3	7.6	1.46		
		Barclays Aggregate Bond*				0.9	0.6	-0.6	2.9	1.4	3.1	4.3	0.35		
Model Portfolios		Unique Opportunities				1.4	5.4	1.9	9.7	17.8	14.4	7.8	1.11		
		Select				0.6	2.7	1.2	12.3	20.3	16.9	9.6	1.04		
		Growth				1.9	6.3	2.6	12.9	15.7	14.5	6.7	1.09		
		Growth & Income				1.9	4.4	1.5	9.3	12.9	11.0	6.4	0.75		
		Income				0.6	1.7	-0.2	4.6	5.3	6.2	4.8	0.34		
												Rel Vol (Risk) ¹	Assets (\$Mil)		
LARGE CAP GROWTH						Category Averages			2.8	7.5	3.8	14.9	19.8	17.2	1.15
312	FBGRX	Blue Chip Growth		75.15	Buy	3.7	9.8	5.1	19.6	22.9	19.5	1.19	\$14,615		
307	FDCAX	Capital Appreciation		38.63	OK to Buy	1.7	7.2	3.9	14.6	19.9	16.8	1.08	6,284		
22	FCNTX	Contrafund		105.50	Buy	3.5	8.7	5.4	15.8	18.5	16.8	1.06	77,097		
332	FEXPX	Export and Multinational	0.75%/30d	22.57	Hold	2.5	6.0	2.3	13.9	15.0	13.6	0.98	1,555		
3	FFIDX	Fidelity Fund		45.90	OK to Sell	2.7	7.1	3.9	16.1	17.4	15.8	1.05	4,144		
500	FFTYX	Fifty				Merged into Focused Stock									
333	FTQGX	Focused Stock		20.21	OK to Buy	2.8	7.8	5.7	10.8	18.2	17.9	1.25	1,357		
25	FDGRX	Growth Company (Closed)		145.06	Buy	3.7	10.2	4.9	21.7	21.9	20.1	1.27	23,206		
339	FDSVX	Growth Discovery		25.74	OK to Buy	3.3	9.0	5.5	14.4	19.3	18.4	1.15	1,079		
73	FDFFX	Independence		41.53	OK to Sell	2.5	8.3	4.1	12.0	23.2	17.1	1.32	4,237		
21	FMAGX	Magellan		95.69	OK to Buy	2.7	6.8	3.6	15.9	20.3	15.0	1.07	14,106		
300	FMILX	New Millennium		40.05	Buy	0.6	3.4	0.3	6.3	17.2	15.9	1.08	3,803		
93	FOCPX	OTC		86.95	OK to Buy	4.5	9.3	3.5	21.3	25.4	20.3	1.47	9,282		
320	FDSX	Stock Selector All Cap		36.92	Hold	0.9	4.5	0.5	10.4	18.3	15.7	1.02	4,779		
5	FTRNX	Trend		90.45	OK to Buy	4.0	7.1	4.0	15.8	19.8	18.2	1.12	1,485		
LARGE CAP BLEND						Category Averages			1.3	3.2	0.5	9.2	18.3	15.9	1.06
315	FDEQX	Disciplined Equity		34.85	Buy	1.2	3.6	1.6	11.4	18.8	14.6	1.01	1,245		
330	FDGFX	Dividend Growth		34.46	OK to Buy	1.9	3.1	0.9	9.5	17.7	14.7	1.03	6,393		
27	FGRIX	Growth & Income		30.85	Buy	1.2	3.0	-0.0	8.2	17.5	16.4	1.06	6,521		
338	FLCSX	Large Cap Stock		28.66	Buy	0.7	3.4	-0.3	8.1	19.9	17.2	1.13	3,236		
361	FGRTX	Mega Cap Stock		16.98	Buy	1.6	2.9	0.4	8.7	17.8	16.6	1.09	3,305		
LARGE CAP VALUE						Category Averages			1.1	1.9	-0.2	8.2	17.1	13.8	1.00
1271	FBCVX	Blue Chip Value		16.88	OK to Buy	1.8	3.6	0.8	12.5	19.9	13.2	1.07	387		
319	FEQTX	Equity Dividend Income		26.78	Hold	1.6	1.3	0.4	8.0	14.7	13.2	0.98	5,006		
23	FEQIX	Equity-Income		57.76	Hold	0.8	2.2	-0.2	5.0	14.5	12.7	0.94	6,779		
708	FSLVX	Stock Sel Large Cap Value		17.33	OK to Buy	0.4	1.1	-1.3	7.0	17.5	14.4	1.02	741		
832	FVDFX	Value Discovery		24.99	OK to Buy	1.0	1.4	-0.6	8.7	18.7	15.7	1.01	1,168		
MID-CAP GROWTH						Category Averages			0.6	5.4	1.0	13.0	19.3	15.7	1.12
324	FDEGX	Growth Strategies	1.50%/90d	34.94	Buy	1.7	8.2	2.9	19.6	22.0	15.8	1.11	2,573		
337	FMCSX	Mid-Cap Stock	0.75%/30d	37.14	OK to Buy	-0.1	4.5	0.0	8.6	18.3	15.8	1.13	5,787		
2412	FSSMX	Stock Selector Mid Cap		34.64	OK to Buy	0.2	3.6	0.0	11.0	17.7	15.5	1.12	569		
MID-CAP BLEND						Category Averages			-1.6	2.3	-1.9	4.2	19.2	15.6	1.18
2624	FARNX	Event Driven Opportunities		11.11	Buy	-1.4	1.2	-1.7	5.2	--	--	--	219		
122	FLVCX	Leveraged Company Stock	1.50%/90d	46.90	Hold	-1.8	3.5	-2.1	3.1	19.2	15.6	1.18	3,854		
MID-CAP VALUE						Category Averages			-0.1	3.8	0.1	9.3	19.7	16.1	1.08
316	FLPSX	Low-Priced Stock	1.50%/90d	52.65	OK to Buy	0.4	4.8	0.8	9.3	18.5	15.9	1.01	30,461		
762	FSMVX	Mid Cap Value	0.75%/30d	25.07	Buy	0.0	2.6	0.1	12.2	22.0	17.4	1.13	3,271		
39	FDVLX	Value		116.17	Buy	-0.4	2.6	-0.9	8.1	20.2	16.0	1.12	8,010		
14	FSLSX	Value Strategies		45.49	OK to Buy	-0.3	5.4	0.3	7.8	18.0	15.0	1.06	706		
SMALL CAP GROWTH						Category Averages			1.9	15.2	8.3	24.9	21.8	18.4	1.47
1388	FCPGX	Small Cap Growth	1.50%/90d	21.20	Buy	1.9	15.2	8.3	24.9	21.8	18.4	1.47	1,211		
SMALL CAP BLEND						Category Averages			-0.4	5.5	1.6	13.3	18.1	15.1	1.34
384	FSCRX	Small Cap Discovery (Closed)	1.50%/90d	29.22	OK to Buy	-0.9	1.7	-0.0	10.3	19.9	18.1	1.39	6,008		
340	FSLCX	Small Cap Stock	2.00%/90d	19.08	Buy	-0.5	8.1	2.0	15.7	17.3	11.6	1.26	1,973		
336	FDSCX	Stock Selector Small Cap	1.50%/90d	26.29	OK to Buy	0.3	6.5	2.7	14.0	17.1	15.5	1.37	1,422		
SMALL CAP VALUE						Category Averages			0.5	2.7	1.7	12.1	18.8	15.2	1.40
1389	FCPVX	Small Cap Value (Closed)	1.50%/90d	19.44	OK to Buy	0.5	2.7	1.7	12.1	18.8	15.2	1.40	2,051		

Notes: *Fidelity's Spartan U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. ¹Relative Volatility 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 before any inflation adjustment, your effective yield may be different. ⁴Also available in an Advantage share class with a minimum of \$10,000, but a lower expense ratio. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD

JULY 31, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)
						Jul	YTD	3 Mo.	1 Year	3 Year	5 Year		
SPECIALTY													
304	FBALX	Balanced		23.36	Buy	1.0	3.4	0.8	9.0	12.6	11.8	0.69	\$21,006
308	FCV SX	Convertible Securities		30.97	Hold	-0.6	-3.1	-2.9	-0.0	13.8	10.4	0.94	2,068
334	FGBLX	Global Balanced	1.00%/30d	23.46	OK to Buy	1.1	2.7	0.0	0.3	7.6	7.7	0.76	493
2120	FFGCX	Global Commodity Stock	1.00%/30d	11.09	OK to Sell↓	-8.7	-10.9	-13.9	-25.2	-5.5	-2.8	1.75	193
1960	FDYSX	Global Strategies		8.83	Hold	0.8	3.2	-0.7	3.0	6.1	6.8	0.67	109
1368	FIREX	International Real Estate	1.50%/90d	10.68	Hold	1.0	5.4	-3.5	2.0	13.7	10.4	1.31	330
4	FPURX	Puritan		22.05	Buy	1.6	4.0	1.6	9.6	13.0	12.1	0.71	19,375
833	FRIFX	Real Estate Income	0.75%/90d	11.71	OK to Buy	1.8	1.6	0.1	4.8	8.1	9.8	0.61	2,563
303	FRESX	Real Estate Investment	0.75%/90d	40.80	Hold	5.8	0.2	1.5	10.3	10.1	13.5	1.61	4,219
1329	FSDIX	Strategic Dividend & Income		14.33	OK to Buy	1.4	0.4	-0.9	5.2	11.5	12.5	0.73	3,118
1505	FSRRX	Strategic Real Return	0.75%/60d	8.79	Hold	-2.0	-2.3	-3.5	-6.3	-0.8	3.0	0.53	581
311	FIUIX	Telecom & Utilities		23.79	Hold↓	1.0	-0.8	-3.4	2.2	10.3	13.4	1.21	930
ASSET ALLOCATION													
328	FASIX	Asset Manager 20%		13.32	Hold	0.5	1.4	-0.5	2.7	4.2	5.0	0.31	4,923
1957	FTANX	Asset Manager 30%		10.61	Hold	0.5	1.9	-0.5	3.5	5.8	6.3	0.40	852
1958	FFANX	Asset Manager 40%		10.90	Hold	0.6	2.5	-0.4	4.1	7.3	7.5	0.49	952
314	FASMX	Asset Manager 50%		17.40	Hold	0.6	3.0	-0.4	4.7	8.8	8.6	0.58	8,058
1959	FSANX	Asset Manager 60%		11.44	Hold	0.6	3.3	-0.4	5.2	10.2	9.5	0.67	1,376
321	FASGX	Asset Manager 70%		20.51	Hold	0.6	3.9	-0.2	5.7	11.6	10.5	0.77	4,030
347	FAMRX	Asset Manager 85%		17.18	Hold	0.8	4.6	-0.1	6.6	13.8	11.9	0.90	1,458
EQUITY INDEX													
355	FFNOX	Four-in-One Index		38.56	Hold	1.5	4.2	0.4	7.0	13.9	12.2	0.86	4,299
2010	FIENX	International Enhanced Index	1.00%/30d	8.95	Hold	1.5	9.7	-0.3	1.4	13.7	9.2	1.21	145
1827	FLC EX	Large Cap Core Enhcd Index		12.04	OK to Buy	1.2	1.9	0.8	9.8	17.6	16.4	1.01	396
1829	FLG EX	Lrge Cap Growth Enhcd Index		15.36	OK to Buy	2.5	5.8	2.3	14.4	18.6	17.6	1.04	432
1828	FLV EX	Large Cap Value Enhcd Index		11.17	Hold	0.5	0.0	0.2	7.4	18.2	16.0	1.05	1,271
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30d	13.85	OK to Buy	0.3	3.0	0.3	12.3	21.0	17.5	1.13	781
1282	FNCMX	Nasdaq Composite Index	0.75%/90d	67.84	Hold	2.9	8.8	4.1	18.6	21.7	19.1	1.18	1,910
2011	FCPEX	Small Cap Enhanced Index	1.50%/90d	13.02	OK to Buy	-0.3	5.8	2.3	14.9	19.3	17.1	1.42	558
650	FUSEX	Spartan 500 Index ⁴		74.23	Hold	2.1	3.3	1.4	11.1	17.5	16.2	1.00	7,735
2341	FPEMX	Spartan Emerging Mkts Index ⁴	1.50%/90d	9.08	Hold	-6.8	-3.5	-12.2	-10.7	1.2	--	1.58	24
398	FSEMX	Spartan Extended Mkt Index ⁴	0.75%/90d	57.01	Buy	-0.1	4.7	1.0	11.1	19.3	16.5	1.26	1,848
2345	FSGUX	Spartan Global ex U.S. Index ⁴	1.00%/90d	11.98	Hold	-0.6	3.9	-4.6	-4.5	8.7	--	1.23	18
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90d	40.20	Hold	1.7	8.0	-1.3	-0.2	12.3	8.0	1.24	2,965
2349	FSCLX	Spartan Mid Cap Index ⁴	0.75%/30d	17.84	OK to Buy	0.7	3.0	0.1	10.5	19.2	--	1.09	31
2353	FRXIX	Spartan Real Estate Index ⁴	0.75%/90d	14.67	Hold	5.8	-0.2	1.1	11.0	9.9	--	1.63	29
2356	FSSPX	Spartan Small Cap Index ⁴	1.50%/90d	17.17	OK to Buy	-1.2	3.6	1.9	12.1	17.9	--	1.46	34
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90d	61.87	Hold	1.7	3.6	1.3	11.1	17.8	16.3	1.02	1,988
INTERNATIONAL						Category Averages	-0.9	5.8	-3.0	0.0	11.1	8.2	1.37
309	FICDX	Canada	1.50%/90d	48.01	OK to Sell	-2.8	-8.7	-9.0	-13.6	3.6	3.3	1.37	1,552
352	FHKCX	China Region	1.50%/90d	31.47	OK to Sell↓	-13.6	2.6	-17.2	4.3	15.8	8.7	1.96	1,852
325	FDIVX	Diversified International	1.00%/30d	38.30	OK to Buy	2.3	11.2	2.2	6.9	14.5	9.9	1.15	14,093
351	FSEAX	Emerging Asia	1.50%/90d	32.44	Hold↓	-6.7	-0.6	-12.8	-2.5	8.0	6.0	1.42	1,209
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	7.96	OK to Sell	-3.9	-0.4	-10.1	-14.3	0.2	1.7	1.59	79
322	FEMKX	Emerging Markets	1.50%/90d	23.51	Hold↓	-4.2	-3.3	-7.5	-8.1	4.3	1.7	1.39	2,960
2374	FEDDX	Emerging Mkts Discovery	2.00%/90d	11.53	Hold	-5.2	-1.0	-9.1	-9.6	3.7	--	1.39	73
301	FIEUX	Europe	1.00%/30d	38.94	OK to Buy↑	1.9	10.4	-0.1	3.9	14.6	9.6	1.35	1,471
2406	FGILX	Global Equity-Income	1.00%/30d	12.61	OK to Buy	1.3	6.3	0.9	7.8	14.4	--	0.94	72
335	FIVFX	International Cap App	1.00%/30d	17.55	Buy	2.2	7.3	1.3	7.7	14.9	11.8	1.14	1,325
305	FIGRX	International Discovery	1.00%/30d	42.24	Hold	2.6	11.2	1.9	6.4	14.2	9.5	1.21	7,411
1979	FIGFX	International Growth	1.00%/30d	11.86	OK to Buy	2.4	9.8	0.9	7.1	12.5	11.0	1.11	825
818	FISMX	International Small Cap	2.00%/90d	24.11	OK to Buy	0.2	11.4	0.0	4.8	17.4	12.1	1.24	832
1504	FSCOX	International Small Cap Opps	2.00%/90d	15.49	OK to Buy	1.1	13.2	2.6	7.7	16.8	13.3	1.08	659
1597	FIVLX	International Value	1.00%/30d	8.80	OK to Sell	2.8	9.3	0.5	1.5	12.1	6.7	1.31	187
350	FJPNX	Japan	1.50%/90d	12.40	Hold	1.7	13.4	0.4	4.0	11.5	6.2	1.43	500
360	FJSCX	Japan Smaller Companies	1.50%/90d	14.19	OK to Sell	0.8	15.3	3.4	5.8	20.7	13.5	2.14	502
349	FLATX	Latin America	1.50%/90d	20.19	OK to Sell	-8.4	-15.1	-14.1	-32.6	-14.9	-9.4	2.22	624
342	FNORX	Nordic	1.50%/90d	45.94	Hold↑	2.6	7.9	-1.2	-1.1	19.7	12.3	1.50	422
94	FOSFX	Overseas	1.00%/30d	43.29	Buy↑	2.2	13.5	1.9	8.7	16.3	11.0	1.15	3,425
302	FPBFX	Pacific Basin	1.50%/90d	28.35	OK to Buy	-1.3	8.8	-2.7	3.9	16.7	11.5	1.26	761
2369	FTEMX	Total Emerging Markets	1.50%/90d	10.63	Hold	-4.1	-0.9	-7.7	-10.0	2.8	--	1.30	36
1978	FTIEX	Total International Equity	1.00%/30d	8.21	Hold↓	1.1	7.3	-1.0	2.2	10.4	7.6	1.16	328
318	FWWFX	Worldwide	1.00%/30d	24.38	OK to Buy	2.4	9.3	3.7	9.4	16.5	13.9	1.12	1,593

FIDELITY SCORECARD

JULY 31, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)
						Jul	YTD	3 Mo.	1 Year	3 Year	5 Year		
SELECT PORTFOLIOS						-0.4	2.5	-0.9	8.3	17.4	15.0	1.55	
<i>Category Averages</i>													
34	FSAIX	Air Transportation	0.75%/30d	69.12	OK to Buy	1.0	-6.7	-2.1	11.1	26.0	17.6	1.45	\$411
502	FSAVX	Automotive	0.75%/30d	45.01	Hold	-2.7	2.9	-3.4	2.7	24.0	14.0	1.47	124
507	FSRBX	Banking	0.75%/30d	27.88	Hold	0.8	6.4	7.4	14.0	18.4	13.1	1.37	693
42	FBIOX	Biotechnology	0.75%/30d	278.73	OK to Sell	2.7	29.0	17.7	63.7	44.2	39.6	2.51	16,382
68	FSLBX	Brokerage & Investment	0.75%/30d	75.61	Hold	-0.4	1.0	1.0	8.8	22.4	12.1	1.53	581
69	FSCHX	Chemicals	0.75%/30d	136.83	Hold	-5.4	-4.3	-7.4	-4.1	13.2	16.7	1.34	1,414
518	FSDCX	Communications Equipment	0.75%/30d	31.32	Hold	2.8	-1.3	-0.9	5.9	18.7	9.2	1.67	231
7	FDCPX	Computers	0.75%/30d	76.89	Hold	-0.9	-7.0	-4.8	-0.3	11.5	13.4	1.53	651
511	FSHOX	Construction & Housing	0.75%/30d	58.73	Buy	2.3	6.5	3.7	22.6	21.3	20.8	1.49	439
517	FSCPX	Consumer Discretionary	0.75%/30d	36.04	Buy	3.7	9.4	5.9	22.9	21.9	19.9	1.27	1,181
98	FVLX	Consumer Finance	0.75%/30d	13.93	OK to Buy	0.7	4.4	1.8	13.0	17.7	14.8	1.21	130
9	FDFA	Consumer Staples	0.75%/30d	96.73	OK to Buy↑	3.1	2.4	1.3	13.6	13.4	15.2	1.23	1,934
67	FSDAX	Defense & Aerospace	0.75%/30d	117.48	OK to Buy	-0.1	3.1	-2.9	13.2	20.0	16.5	1.26	918
8	FSELX	Electronics	0.75%/30d	77.58	Hold↓	-4.5	-3.2	-6.2	10.9	22.8	17.4	1.67	2,130
60	FSENX	Energy	0.75%/30d	40.26	OK to Sell	-9.0	-10.0	-17.3	-28.9	0.8	4.8	1.90	2,178
43	FSESX	Energy Service	0.75%/30d	48.30	Sell	-11.4	-14.2	-19.6	-42.6	-5.4	0.2	2.51	712
516	FSLEX	Environment & Alt Energy	0.75%/30d	19.73	Hold	-3.0	-1.2	-2.5	-0.9	14.9	8.6	1.27	85
66	FIDSX	Financial Services	0.75%/30d	91.09	OK to Buy	1.9	2.5	2.3	11.4	18.6	10.5	1.19	1,408
41	FSAGX	Gold	0.75%/30d	13.34	Sell	-17.4	-18.9	-24.6	-41.6	-27.5	-19.4	4.28	847
63	FSPHX	Health Care	0.75%/30d	245.85	Buy	3.8	17.4	7.5	34.7	38.0	30.9	1.45	10,623
510	FSCGX	Industrial Equipment	0.75%/30d	36.14	OK to Buy	-1.4	0.3	-1.1	4.0	13.7	12.9	1.36	119
515	FCYIX	Industrials	0.75%/30d	31.49	Buy	0.1	0.2	0.2	8.2	17.6	15.1	1.25	1,183
45	FSPCX	Insurance	0.75%/30d	71.49	Buy	5.4	6.9	8.2	18.4	23.3	16.4	1.34	406
353	FBSOX	IT Services	0.75%/30d	41.02	Hold	4.1	15.1	8.1	27.8	26.6	22.6	1.49	1,272
62	FDLSX	Leisure	0.75%/30d	146.98	Buy	5.0	12.8	6.8	23.3	24.5	19.7	1.23	454
509	FSDPX	Materials	0.75%/30d	75.86	Hold	-2.4	-1.5	-3.8	-4.7	10.1	11.2	1.27	993
505	FSHCX	Medical Delivery	0.75%/30d	92.29	Hold	-1.4	14.4	6.4	29.1	26.8	23.4	1.10	1,029
354	FSMEX	Medical Equipment	0.75%/30d	39.10	Buy	2.4	11.5	4.0	26.8	28.4	21.5	1.41	2,132
503	FBMPX	Multimedia	0.75%/30d	86.52	Hold	3.0	9.8	6.5	17.2	24.8	22.4	1.39	820
513	FSNGX	Natural Gas	0.75%/30d	26.35	OK to Sell	-13.8	-18.4	-25.0	-39.1	-4.2	0.1	2.29	471
514	FNARX	Natural Resources	0.75%/30d	27.39	OK to Sell	-9.6	-9.9	-18.3	-30.0	-0.5	2.7	1.95	704
580	FPHAX	Pharmaceuticals	0.75%/30d	24.92	OK to Buy	5.5	21.4	8.9	33.9	29.8	26.6	1.19	2,256
46	FSRPX	Retailing	0.75%/30d	101.04	Hold	6.8	13.6	8.6	33.8	24.9	24.4	1.51	961
28	FSCSX	Software & Computer Svcs	0.75%/30d	119.97	OK to Buy	5.5	6.0	3.8	13.8	22.5	21.0	1.41	2,796
64	FSPTX	Technology	0.75%/30d	120.49	Buy↑	-0.3	6.6	-0.0	11.1	17.5	15.8	1.28	2,870
96	FSTCX	Telecommunications	0.75%/30d	62.30	Buy	-0.4	3.3	-2.4	2.6	10.4	11.4	1.19	416
512	FSRFX	Transportation	0.75%/30d	86.06	OK to Buy	3.7	-9.9	-2.3	8.1	23.2	16.6	1.45	611
65	FSUTX	Utilities	0.75%/30d	69.31	OK to Sell	3.4	-6.0	-3.1	2.2	10.7	12.7	1.47	759
963	FWRLX	Wireless	0.75%/30d	9.29	OK to Buy	0.1	3.6	1.1	5.3	14.6	12.2	1.04	256
SECTOR ETFs													
	FDIS	MSCI Consumer Discretionary		32.11	Buy	4.0	10.5	6.1	22.0	--	--	--	295
	FSTA	MSCI Consumer Staples		30.31	OK to Buy↑	5.0	4.5	4.4	18.9	--	--	--	147
	FENY	MSCI Energy		19.71	OK to Sell	-8.6	-12.6	-16.5	-28.0	--	--	--	356
	FNCL	MSCI Financials		29.78	OK to Buy	2.8	3.2	4.5	13.9	--	--	--	327
	FHLC	MSCI Healthcare		37.19	OK to Buy	3.0	14.6	8.3	30.4	--	--	--	701
	FIDU	MSCI Industrials		28.03	Buy	-0.4	-1.8	-1.8	6.1	--	--	--	155
	FTEC	MSCI Information Technology		32.72	Buy↑	2.2	3.9	0.7	12.9	--	--	--	368
	FMAT	MSCI Materials		25.89	Hold	-5.1	-5.1	-8.1	-4.9	--	--	--	106
	FREL	MSCI Real Estate		22.57	Hold	4.7	-6.1p	--	--	--	--	--	24
	FCOM	MSCI Telecomm Services		26.86	Buy	-0.4	2.5	-3.3	2.6	--	--	--	85
	FUTY	MSCI Utilities		28.07	OK to Sell	5.4	-5.8	-0.5	9.0	--	--	--	103

Fund Commentary *cont'd from page 5*

0.5%) fell as money flowed out of bonds and into developed-market stocks in the aftermath of the Greek debt resolution. The riskier **Global High Income** dipped 0.3%.

As for taxable U.S. bond funds, they had modest gains across the board. Indeed, the 10-year Treasury yield ended July at 2.18%, down from 2.35%

just a month earlier. (Naturally, bond prices move in the opposite direction of their yields.)

As is almost always the case in such situations, Fidelity's most interest-rate-sensitive fund, **Spartan Long-Term Treasury Index**, fared better than its peers having jumped an impressive 4.2%. At the opposite side of the maturity scale, **Conservative Income Bond** was unchanged in July.

That said, a far better telling of July's broad bond market advance was the 0.9% return scored by **Spartan U.S. Bond Index**, which is a proxy for Barclays US Aggregate benchmark. At month-end, that fund yielded 2.05%, down from 2.08% a month ago.

Finally, muni bond funds also enjoyed fractional gains in July. Please see our muni updates on p. 4. ■

— John Bonnanzio

FIDELITY SCORECARD

JULY 31, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			SEC %Yield	Dur ² (Yrs)	Rel Vol (Risk) ¹			
						Jul	YTD	3 Mo.	1 Yr	3 Yr	5 Yr						
TAXABLE BOND						Category Averages			0.6	0.2	-0.9	1.1	0.7	3.2	1.85	5.1	0.39
2267	FCONX	Conservative Income Bond		10.03	Buy	0.0	0.2	0.1	0.3	0.5	--	0.37	0.2	0.02			
2208	FCBFX	Corporate Bond		11.25	Buy	0.6	-0.1	-1.6	1.9	2.7	5.8	3.31	6.9	0.50			
2423	FGBFX	Global Bond		8.99	OK to Sell	0.2	-2.9	-2.8	-6.6	-1.6	--	2.48	6.8	0.51			
15	FGMNX	GNMA (Ginnie Mae)		11.63	Hold	0.7	0.8	-0.3	3.1	1.7	3.2	1.92	3.5	0.32			
54	FGOVX	Government Income		10.51	Hold	0.9	0.8	-0.3	3.1	1.2	2.7	1.40	5.0	0.32			
794	FINPX	Inflation-Protected Bond ³		11.98	Hold	0.5	0.3	-1.5	-1.8	-1.7	2.9	0.24*	5.7	0.61			
32	FTHRX	Intermediate Bond		10.90	Buy	0.4	1.1	-0.4	2.0	1.6	3.1	1.95	3.9	0.25			
452	FSTGX	Intermediate Gov't Income		10.73	Hold	0.4	1.2	-0.1	2.2	0.9	2.0	1.15	3.6	0.23			
2428	FINUX	International Bond		8.48	OK to Sell	-0.5	-5.5	-4.2	-12.5	-3.3	--	2.13	7.0	0.70			
26	FBNDX	Investment Grade Bond		7.82	Buy	0.5	0.3	-1.1	2.2	1.8	3.9	2.70	5.6	0.35			
2622	FJRLX	Limited Term Bond		11.49	Buy	0.2	1.1	-0.2	1.4	1.4	2.9	1.68	2.7	0.16			
662	FFXSX	Limited Term Government		10.08	OK to Buy	0.3	1.0	0.1	1.5	0.7	1.1	0.68	2.5	0.13			
40	FMSFX	Mortgage Securities		11.34	Hold	0.7	1.2	-0.1	3.7	2.1	3.4	2.13	4.0	0.29			
450	FSHXB	Short-Term Bond		8.59	Buy	0.1	0.7	0.0	1.0	1.0	1.4	1.03	1.8	0.08			
2415	FSIQX	Sotn Inflation-Protect Index ⁴		9.62	Hold	0.5	0.5	-1.5	-1.5	-1.5	--	0.00*	5.7	0.61			
1561	FIBIX	Sotn Inter Term Treas Index ⁴		10.97	Hold	1.2	1.6	-0.3	4.5	0.8	3.5	1.83	6.5	0.53			
1562	FLBIX	Sotn Lng-Term Treas Index ⁴		12.97	Hold	4.2	-1.2	-1.8	9.7	1.0	6.8	2.73	17.1	1.31			
1560	FSBIX	Sotn Sht-Term Treas Index ⁴		10.48	Hold	0.3	1.0	0.2	1.6	0.6	1.1	0.73	2.6	0.14			
651	FBIDX	Sotn U.S. Bond Index		11.65	Hold	0.9	0.6	-0.6	2.9	1.4	3.1	2.05	5.4	0.35			
820	FTBFX	Total Bond		10.62	Buy	0.6	1.1	-0.8	2.6	2.3	4.2	3.02	5.3	0.35			
HIGH-YIELD BOND						Category Averages			-0.1	2.5	-1.2	0.7	4.7	6.1	4.71	3.7	0.52
38	FAGIX	Capital & Income	1.00%/90d	9.79	Hold	0.0	4.2	-0.5	4.5	8.8	8.9	3.99	4.3	0.56			
814	FFRHX	Floating Rate High Income	1.00%/60d	9.62	Hold	-0.3	2.2	-0.8	0.9	3.1	3.9	3.76	0.3	0.24			
1366	FHIFX	Focused High Income	1.00%/90d	8.54	Hold	0.0	2.5	-1.1	1.8	4.4	6.3	4.78	4.1	0.47			
2297	FGHNX	Global High Income	1.00%/90d	9.37	Hold	-0.3	2.9	-1.1	0.1	5.9	--	5.34	4.2	0.56			
455	SPHIX	High Income	1.00%/90d	8.79	Hold	-0.3	1.9	-1.4	0.7	5.2	6.9	5.99	3.5	0.51			
331	FNMIX	New Markets Income	1.00%/90d	15.15	Hold	-0.0	2.2	-2.4	-3.4	2.1	5.8	5.30	6.3	0.84			
2580	FSAHX	Short Duration High Income	1.00%/90d	9.68	Hold	-0.2	2.6	-0.7	0.8	--	--	4.96	2.5	--			
368	FSICX	Strategic Income		10.63	OK to Buy	0.0	1.5	-1.4	0.2	3.3	5.0	3.56	4.8	0.43			
MUNICIPAL BOND						Category Averages			0.6	0.7	0.3	3.2	2.6	4.0	1.72	5.8	0.40
434	FSAZX	Arizona Muni Income	0.50%/30d	12.13	OK to Buy	0.8	1.1	0.4	4.5	3.2	4.6	1.85	6.7	0.46			
1534	FCSTX	Calif Limited Term Tax Free	0.50%/30d	10.69	Buy	0.3	0.7	0.3	1.4	1.6	2.1	0.98	3.3	0.19			
91	FCTFX	California Muni Income	0.50%/30d	12.96	OK to Buy	0.8	0.9	0.3	4.3	3.8	5.2	1.88	6.4	0.45			
407	FICNX	Connecticut Muni Income	0.50%/30d	11.64	OK to Buy	0.7	0.7	0.3	3.1	2.3	3.8	2.04	6.5	0.42			
2578	FCRDY	Conservative Income Muni		10.04	Buy	0.1	0.2	0.1	0.2	--	--	0.28	0.9	--			
36	FLTMX	Interm Municipal Income	0.50%/30d	10.43	Buy	0.6	0.4	0.1	2.3	2.2	3.4	1.59	4.9	0.32			
404	FSTFX	Limited Term Muni Income	0.50%/30d	10.62	Buy	0.3	0.3	0.0	0.7	1.0	1.8	0.82	2.8	0.16			
429	SMDMX	Maryland Muni Income	0.50%/30d	11.39	OK to Buy	0.8	0.8	0.3	3.5	2.2	3.7	1.91	7.2	0.43			
70	FDMMX	Mass Muni Income	0.50%/30d	12.39	OK to Buy	0.8	0.8	0.5	4.0	2.8	4.4	2.04	7.1	0.47			
81	FMHTX	Michigan Muni Income	0.50%/30d	12.22	OK to Buy	0.5	1.0	0.3	4.2	2.8	4.2	1.76	5.6	0.39			
82	FIMIX	Minnesota Muni Income	0.50%/30d	11.69	OK to Buy	0.7	0.9	0.5	3.1	2.2	3.6	1.65	5.6	0.35			
37	FHIGX	Municipal Income	0.50%/30d	13.35	Buy	0.8	0.7	0.1	3.9	3.2	4.8	2.04	6.9	0.47			
416	FNJHX	New Jersey Muni Income	0.50%/30d	11.73	OK to Buy	0.7	-0.8	-0.3	2.1	1.9	3.7	2.33	7.2	0.45			
71	FTFMX	New York Muni Income	0.50%/30d	13.48	OK to Buy	0.7	1.3	0.6	4.0	2.9	4.2	1.86	7.0	0.45			
88	FOHFX	Ohio Muni Income	0.50%/30d	12.20	OK to Buy	0.9	1.3	0.5	4.6	3.3	4.5	2.14	7.4	0.48			
402	FPXTX	Pennsylvania Muni Income	0.50%/30d	11.24	OK to Buy	0.7	1.1	0.5	3.9	3.0	4.5	1.94	6.3	0.43			
90	FTABX	Tax-Free Bond	0.50%/30d	11.55	Buy	0.8	0.6	0.1	3.9	3.3	4.9	2.13	6.9	0.47			

Note: 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. AMT Tax-Free has been merged into a fund with a \$100,000 minimum which won't be covered. *12 month distributed yield

TAXABLE MONEY MARKET FUNDS			Total Return (%)		SEC %Yield	MUNICIPAL MONEY MARKET FUNDS			Total Return (%)		SEC %Yield
			Jul	YTD					Jul	YTD	
55	FDRXX	Cash Reserves	0.00	0.01	0.01	457	FSPXX	California AMT Tax-Free	0.00	0.01	0.01
458	SPAXX	Government MM	0.00	0.01	0.01	418	FCMXX	Connecticut Muni MM	0.00	0.01	0.01
454	SPRXX	Money Market	0.00	0.01	0.01	426	FMSXX	Mass AMT Tax-Free	0.00	0.01	0.01
631	FGMXX	Retirement Gov't MM	0.00	0.01	0.01	74	FDMXX	Massachusetts Muni MM	0.00	0.01	0.01
630	FRTXX	Retirement MM	0.00	0.01	0.01	420	FMIXX	Michigan Muni MM	0.00	0.01	0.01
85	FSLXX	Select MM	0.00	0.01	0.01	10	FTEXX	Municipal Money Market	0.00	0.01	0.01
2742	FZFXX	Treasury Fund	0.00	0.01	0.01	417	FNJXX	New Jersey Muni MM	0.00	0.01	0.01
415	FDLXX	Treasury Only MM	0.00	0.01	0.01	423	FSJXX	New Jersey AMT Tax-Free	0.00	0.01	0.01
50	FGRXX	U.S. Gov't Reserves	0.00	0.01	0.01	92	FNYYX	New York Muni MM	0.00	0.01	0.01
MUNICIPAL MONEY MARKET FUNDS						422	FSNXX	New York AMT Tax-Free	0.00	0.01	0.01
460	FIMXX	AMT Tax-Free (Closed)	(merged see note above)			419	FOMXX	Ohio Muni MM	0.00	0.01	0.01
433	FSAXX	Arizona Muni MM	0.00	0.01	0.01	401	FPTXX	Pennsylvania Muni MM	0.00	0.01	0.01
97	FCFX	California Muni MM	0.00	0.01	0.01	275	FMOXX	Tax-Free Money Market	0.00	0.01	0.01

FIDELITY SCORECARD

JULY 31, 2015

Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	SPrice (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
							Jul	YTD	3 Mo.	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
Model Portfolios	Annuity Sector Model						1.2	5.9	2.1	12.2	19.5	15.3	1.00
	Annuity Growth Model						1.8	5.7	2.2	12.7	16.1	14.5	1.07
	Annuity Growth & Income Model						1.8	4.0	1.1	9.7	11.9	10.6	0.77
	Annuity Income Model						0.6	1.6	0.0	4.0	4.0	5.5	0.36
9067	FLRQC	Fid VIP Asset Manager	Allocation		18.09	Hold	1.2	4.4	0.8	5.3	10.2	8.9	0.69
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation		18.57	Hold	1.4	5.6	1.3	6.2	13.5	10.9	0.90
9069	FJBAC	Fid VIP Balanced	Allocation		20.11	Buy	1.0	3.2	0.9	8.7	12.5	11.3	0.70
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	24.45	Buy	3.6	9.2	6.0	22.8	21.4	19.5	1.28
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	22.18	OK to Buy↑	4.5	6.1	4.0	20.6	14.9	15.7	1.29
9065	FPDFC	Fid VIP Contrafund	Large Growth		21.64	Hold	1.2	4.4	1.6	11.4	16.9	14.9	0.97
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Growth		17.68	OK to Buy	-0.3	5.6	2.1	14.3	18.6	16.4	1.41
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		24.01	Buy	1.6	6.8	3.6	13.7	20.3	16.8	1.12
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	1.00%/60d	8.30	Hold↓	-4.0	-3.4	-7.6	-8.3	3.9	1.3	1.37
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	14.23	OK to Sell	-9.0	-10.2	-17.4	-29.1	0.6	4.6	1.90
9061	FLOLC	Fid VIP Equity-Income	Large Value		17.49	Hold	0.7	1.6	-0.7	4.3	14.2	13.7	0.95
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	11.06	Buy	1.8	2.4	2.3	11.3	18.4	10.4	1.19
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond		10.20	OK to Buy	0.0	2.7	-0.3	--	--	--	--
9157	FMPAC	Fid VIP FundsManager 20	Allocation		14.24	Hold	0.7	1.4	-0.3	3.0	4.1	4.5	0.32
9158	FMPBC	Fid VIP FundsManager 50	Allocation		15.64	Hold	1.0	3.1	0.0	5.2	8.7	8.1	0.58
9197	FMPCC	Fid VIP FundsManager 60	Allocation		14.64	Hold	1.2	3.9	0.3	6.2	10.5	9.4	0.68
9159	FMPCC	Fid VIP FundsManager 70	Allocation		16.02	Hold	1.1	4.4	0.4	6.6	11.8	10.4	0.77
9160	FMPDC	Fid VIP FundsManager 85	Allocation		16.05	Hold	1.2	5.0	0.6	7.6	14.2	11.7	0.91
9062	FMNDC	Fid VIP Growth	Large Growth		21.53	OK to Buy	3.2	8.7	5.4	13.9	18.8	18.0	1.16
9070	FLFNC	Fid VIP Growth & Income	Large Blend		20.09	Buy	1.3	2.8	-0.1	7.8	16.9	16.0	1.06
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		22.24	Buy	3.5	8.2	4.5	19.7	20.2	19.9	1.35
9078	FPVDC	Fid VIP Growth Stock	Merged into VIP Growth Opportunities										
9077	FQBRC	Fid VIP Growth Strategies	Merged into VIP Mid Cap										
9084	FPDRC	Fid VIP Health Care	Sector	1.00%/60d	39.66	Buy	3.5	17.6	7.5	34.8	37.5	30.5	1.45
9060	FBBLC	Fid VIP High Income	High-Yield Bond		18.25	Hold	-0.4	3.3	-1.1	0.8	4.9	6.7	0.50
9064	FXLVT	Fid VIP Index 500	Large Blend		20.41	Hold	2.1	3.1	1.3	10.8	17.2	15.9	1.00
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	26.11	Buy	0.1	0.0	0.1	8.0	17.4	14.9	1.24
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	1.00%/60d	16.55	Buy	2.1	7.3	1.2	7.5	14.6	11.6	1.14
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		15.29	Buy	0.6	0.4	-0.9	2.3	1.5	3.4	0.35
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	17.99	Hold	-2.5	-1.7	-4.0	-4.9	10.0	11.0	1.27
9071	FNBSCL	Fid VIP Mid Cap	Mid Growth		23.20	Buy	0.8	5.9	2.3	10.4	17.5	13.6	1.22
9059	FTNJCL	Fid VIP Money Market	Money Mkt		11.35	--	0.0	-0.2	-0.1	-0.3	-0.2	-0.2	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	1.00%/60d	15.92	OK to Buy	1.5	10.9	1.3	5.1	14.0	9.2	1.24
9072	FFWKC	Fid VIP Real Estate	Sector		20.88	Hold	5.5	-0.1	0.4	9.8	10.0	13.2	1.59
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		17.44	Buy	0.0	1.2	-1.5	-0.1	2.8	4.5	0.43
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	25.72	Buy	-0.6	5.4	-0.6	9.9	16.2	14.9	1.24
9173	FVTACL	Fid VIP Telecommunications	Sector	1.00%/60d	13.54	Buy	-0.4	3.2	-2.4	2.4	10.2	11.8	1.19
9087	FXRRCL	Fid VIP Utilities	Sector	1.00%/60d	21.49	OK to Sell	3.3	-6.0	-3.2	2.1	10.5	12.6	1.47
9079	FKMSC	Fid VIP Value	Large Value		19.15	Buy	1.6	4.9	0.9	10.5	18.7	15.5	1.00
9080	FUEBCL	Fid VIP Value Leaders	Merged into VIP Value										
9073	FRBSC	Fid VIP Value Strategies	Mid Value		20.29	OK to Buy	-0.3	5.1	0.3	7.5	17.8	14.9	1.07
9347	FBMECL	Black Rock Global Allocation	Global Allocation		12.15	Hold	-0.1	2.8	-1.7	2.1	7.9	6.8	0.65
9349	FTMECL	Franklin Templeton Global Bond	Global Bond		10.99	OK to Sell	-0.6	-1.0	-2.0	-2.3	2.8	4.1	0.55
9348	FFMECL	Franklin Templeton US Gov't	Intermed Gov't		10.24	Hold	0.4	0.4	-0.4	1.5	0.2	1.5	0.23
9285	FIGXCL	Invesco Global Core Eqty	Global Stock		11.80	Hold	1.3	5.5	-0.2	3.4	13.3	8.0	1.04
9147	FPRLCL	Lazard Retirement Emerging Mkts	Emg Mkts		13.90	Hold	-5.3	-6.3	-10.7	-18.8	-0.6	0.2	1.72
9143	FPRMCL	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		16.54	Hold	-0.4	1.3	-3.4	-3.8	0.2	3.7	0.86
9144	FPRNCL	Morgan Stanley Emerg Mkt Equity	Emg Mkts		12.52	Hold	-4.4	-0.1	-7.8	-9.0	1.6	1.2	1.33
9146	FPRPCL	Morgan Stanley Global Strategist ⁵	Diversified Int'l		12.23	Hold	0.5	-1.4	-3.2	-2.9	7.6	7.3	0.73
9346	FPMECL	Pimco Commodity Real Return	Commodities		6.25	OK to Sell	-10.7	-11.6	-12.0	-30.8	-15.6	-6.0	1.65
9276	FPMBCL	Pimco VIT Low Duration	Shrt-Term Bond		11.45	Buy	0.0	0.6	-0.1	0.5	0.8	1.7	0.19
9277	FPNBCL	Pimco VIT Real Return	TIPS		12.55	Hold	0.6	0.5	-1.6	-2.9	-1.7	2.9	0.69
9278	FPOBCL	Pimco VIT Total Return	Intermed Bond		12.72	Hold	1.2	1.3	-0.2	2.7	1.7	3.3	0.42

Annuity Sector	
Fund	Allocation
VIP Cons Discretionary	21%
VIP Technology	20
VIP Telecom	16
VIP Health Care	15
VIP Financial Services	14
VIP Industrials	14
Total Return:	
Jul: 1.2% YTD: 5.9%	

Annuity Growth	
Fund	Allocation
VIP Growth Opps	24%
VIP Mid Cap	24
VIP Growth & Income	20
VIP Value	19
VIP Dynamic Cap App	13
Total Return:	
Jul: 1.8% YTD: 5.7%	

Annuity Growth & Income	
Fund	Allocation
VIP Investment Grade	30%
VIP Growth Opps	29
VIP Growth & Income	21
VIP Value	20
Total Return:	
Jul: 1.8% YTD: 4.0%	

Annuity Income	
Fund	Allocation
VIP Balanced	40%
VIP Investment Grade	33
Pimco VIT Low Duration	27
Total Return:	
Jul: 0.6% YTD: 1.6%	

ANNUITY INVESTING

Most VIPs Similar To “Regular” Versions

While we don’t have the space to comment frequently on Fidelity’s VIP annuity fund options, most are quite similar (and many are virtual clones) to their “regular” retail counterparts.

In the table below we show Fidelity’s VIP funds and their closest match in their regular fund lineup. We also give a brief description of the 12 non-Fidelity funds offered.

In building our Annuity Models, we try to match our regular models as closely as possible. But given the more limited options with the VIP funds, a perfect match is not always possible.

That is also the reason why some VIP funds that are, in fact, clones of regular funds may be rated differently. For example, in the *Select Model* we prefer the *Buy*-rated **Select Insurance** over the broader **Select Financial Services** (which we rate *OK to Buy*). But there is no VIP Insurance option, so in the *Annuity Sector Model* we own

VIP Financial Services in its place, and so we rate it a *Buy*.

Generally speaking, the greater opportunity set among regular funds means the Annuity Models are likely to underperform the regular models over time (they also have a 0.25% annuity charge to overcome). That’s true for three of the four Annuity Models this year. The big exception is the *Annuity Sector Model* where **VIP Technology** had bettered the narrower **Select Electronics** formerly owned in the *Select Model*. ■

Annuity Fund	Retail Counterpart	Comments
VIP Asset Manager	Asset Manager 50%	Same 50/50 stock bond mix, but greater health care and cons disc in VIP fund.
VIP Asset Manager: Growth	Asset Manager 70%	Same 70/30 stock bond mix, but greater health care and cons disc in VIP fund.
VIP Balanced	Balanced	Two different teams run funds, but they are extremely similar - almost clones.
VIP Consumer Discretionary	Sel Cons Disc	Clone with same manager and holdings.
VIP Consumer Staples	Sel Cons Staples	Different managers share 5 of top-10 holdings. Foreign higher in retail version.
VIP Contrafund	Contrafund	Different managers share only 2 of top-10 holdings. VIP version more S&P like.
VIP Disciplined Small Cap	Sm Cap Enhcd Indx	Very similar with same subadvisor, but share only 4 of top-10 holdings.
VIP Dynamic Capital App	Capital Appreciation	Clone with same manager and top-10 holdings.
VIP Emerging Markets	Emerging Markets	Clone with same manager, country weights, and top-10 holdings.
VIP Energy	Sel Energy	Clone with same manager and top-10 holdings.
VIP Equity-Income	Equity-Income	Near clone share 9 of top-10 holdings. VIP has lower yield (2.20% vs 2.39%).
VIP Financial Services	Sel Financial Services	Virtual clone with same manager and top-10 holdings.
VIP Floating Rate High Income	Floating Rate High Inc	Very similar, but retail version has slightly lower credit risk but a bit more yield.
VIP FundsManager 20	Asset Manager 20%	Same "neutral" asset mix for stocks, bonds and short-term or money market in each case. However, the VIP funds have specific targets for international exposure within the equity portion. In practice though, the foreign holdings are similar. The biggest difference is that instead of individual securities, the VIP funds hold only other Fidelity funds. Performance, however, has been fairly similar.
VIP FundsManager 50	Asset Manager 50%	
VIP FundsManager 60	Asset Manager 60%	
VIP FundsManager 70	Asset Manager 70%	
VIP FundsManager 85	Asset Manager 85%	
VIP Growth	Growth Discovery	Very similar with same manager, 8 of top-10 holdings.
VIP Growth & Income	Growth & Income	Clone as Matt Fruhan has run both with same top-10 holdings and performance
VIP Growth Opportunities	Growth Company	Very similar, but Growth Co's Steve Wymer has a co-manager on VIP version.
VIP Health Care	Sel Health Care	Clone with same manager, same top-10 holdings, and strong performance.
VIP High Income	High Income	Similar. VIP fund has slightly lower credit risk, but a bit more interest rate risk.
VIP Index 500	Spartan 500 Index	Clone: Both funds track the performance of the large-cap S&P 500 Index.
VIP Industrials	Sel Industrials	Clone with same manager and top-10 holdings.
VIP Int'l Capital App	Int'l Cap App	Clone with same manager, same top-10 holdings, and strong performance.
VIP Investment Grade Bond	Investment Grade	Similar. Retail fund has a bit less credit risk, but slightly more interest-rate risk.
VIP Materials	Sel Materials	Near clone with same manager and top-10 holdings.
VIP Mid Cap	Growth Strategies	Nothing very similar, but Growth Strategies is closest in terms of industry weights.
VIP Overseas	Overseas	Very different. VIP has large consumer discretionary bet and low financial weight.
VIP Real Estate	Real Estate Invest	Similar. VIP version a bit "growthier," but returns have been quite similar.
VIP Strategic Income	Strategic Income	Very similar with same management team. Retail version owns more high-yield.
VIP Technology	Sel Technology	Very similar with same manager but only share 6 of top-10 names.
VIP Telecommunications	Sel Telecom	Near-clone with same manager and 8 of top-10 holdings the same.
VIP Utilities	Sel Utilities	Virtual clone with same manager and same top-10 names (in different order).
VIP Value	Stock Sel Lg Cap Val	Not very similar, but Matt Friedman runs VIP and leads team on SSLCV.
Non-Fidelity Funds		Comments
Black Rock Global Allocation	A smorgasbord of mostly (52%) US, but also foreign stocks, bonds and nearly 20% cash currently.	
Franklin Templeton Global Bond	A very short-term bond fund with nearly 60% in cash currently. 16% of bonds are below investment-grade.	
Franklin Templeton US Gov't	A high-quality short- intermediate-term fund holding mostly domestic mortgage bonds (primarily GNMA's).	
Invesco Global Core Eqty	A 50/50 mix of US and foreign (mostly European) stocks. Weak performance vs. MSCI World benchmark.	
Lazard Retirement Emerging Mkts	Invests in the emerging markets for total return; management has a bias towards value stocks.	
Morgan Stanley Emerg Mkt Debt	Holds mostly lower-quality EM gov't bonds (48% below investment-grade) with significant interest-rate risk.	
Morgan Stanley Emerg Mkt Equity	Asian tilt including about 20% in developed Asia. Performance in line with MSCI Emerging Markets Index.	
Morgan Stanley Glb Strategist	Holds a mix of US and foreign stocks and bonds. Performance vs MSCI World Index underwhelming.	
Pimco Commodity Real Return	Invests in commodity-linked derivatives backed by a portfolio of inflation-indexed securities.	
Pimco VIT Low Duration	Short-term bond fund that invests in a mix of government, corporate, mortgage-backed bonds and cash.	
Pimco VIT Real Return	Seeks income beyond inflation largely through TIPS and some foreign inflation-adjusted securities.	
Pimco VIT Total Return	Seeks high total return via broad mix of US and foreign bonds.	

Inside Fidelity

Manager Changes — Pramod Atluri has left Fidelity. If this name doesn't ring familiar, that's because he only joined the funds' investment grade teams at **Balanced**, **VIP Balanced** and **Investment Grade Bond** in February of this year. (Though he's been at **Puritan** since 2012.) While we won't speculate as to the "whys" of his departure, Pramod had been Fidelity's chief economist, which is quite a different role from the more hands-on life of researching and trading individual securities. Regardless of the circumstances, as one of a handful of individuals who already oversee the investment-grade portions of multiple funds, Pramod's departure is not a great concern because of the group's deep bench.

Nonetheless, his departure has triggered several other changes: Michael Plage of **Corporate Bond** and **Short**

Duration High Income replaces Pramod on **Puritan** whereas Ford O'Neil of **Total Bond** (and elsewhere) replaces him on **VIP Balanced**. Elsewhere, Pramod's departure leaves Jeff Moore as the sole manager on **Investment Grade Bond**.

Separately, Chris Sharpe became the sole portfolio manager on the Specialty offering **Global Strategies** (formerly **Dynamic Strategies**) on July 30. Former co-manager Ruben Calderon has left the fund, but continues as Lead Manager on the team-run **Global Balanced** (which is an international version of **Balanced** — though there is no overlap in their personnel).

We continue to rate **Global Strate-**

gies Hold as we prefer to make our own asset allocation decisions.

Mergers — On July 24 **Fifty** fund had a tax-free merger into its former clone **Focused Stock**. The combined fund remains rated *OK to Buy*.

Last month **AMT Tax-Free MM** [ticker FIMXX] was merged into **Tax-Exempt - Premium Class** [FZEXX]. Shareholders who do not meet Tax-Exempt's \$100,000 minimum were grandfathered into the fund (which we are not covering in our *Scorecard* because it fails to meet our standard for a retail fund). Plus, **Treasury MM** [FLTXX] has merged into **Treasury Fund** [FZFXX]. ■

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 August.

Fidelity Fund, Growth Discovery, and Mega Cap Stock.

The final distributions for July were as follows:

Fund	Ex-Date	\$ Amt	NAV
Asset Mgr 40%	7/1	0.053	10.85
Asset Mgr 50%	7/1	0.086	17.32
Balanced	7/1	0.079	23.20
Convert Sec	7/1	0.173	31.14
Equity Div Inc	7/1	0.143	26.60
Equity-Inc	7/1	0.480	57.77
Glb Equity Inc	7/1	0.059	12.52
Global Strategies	7/10	0.112	8.76
Growth & Inc	7/1	0.140	30.68
Puritan	7/1	0.207	21.80
Spartan 500 Index	7/1	0.436	73.23
Strat Real Return	7/1	0.041	8.96
Strategic Div & Inc	7/1	0.093	14.20
Telecom and Util	7/1	0.063	23.63

QUESTION & ANSWER

Not Happy With Select Model Strategy

Q: *I can't believe you have been sitting in **Electronics** this year while **Biotechnology** continues to rack up great returns.* R.L. — via phone

A: Let me respond to this in two parts — a defense for holding **Electronics** as long as I did, followed by my thoughts on why buying **Biotech** (at this stage in the game) would be a really bad idea.

Electronics was purchased in the *Select Model* during the first quarter of 2014 for an adjusted cost per share of \$59.03, and was recently sold for \$76.43. That's a gain of 29.5% during the time we held it — roughly double that of the S&P 500. It also outperformed the broad tech sector and the *Select Model* itself. I was attracted to chip stocks because I felt the value side of the technology group was misunderstood (to some degree it still is). But ultimately it made sense to sell because the sector's earnings are still too dependent on the PC group, which dollar for dollar consumes a lot more chips than the mobile devices that are displacing it. I thought the chipmakers had largely outgrown their PC dependencies, but second-quarter earnings proved otherwise.

Now let's shift from cheap and out-of-favor to high-priced and popular. **Select Biotechnology** has attracted a lot of hot money in recent years, and now has an asset base of \$18 billion — some 25% of the entire *Select* family! That sort of situation, which has happened before with hot trends in the energy, gold, and technology groups, has always had an unhappy ending. In effect, this is 1999 for biotech stocks. The only question is whether the bubble will burst like it did for tech stocks after Y2K spending dried up, or if there will be enough new blockbuster drugs to meet today's high expectations. Either way, there's a strong likelihood that biotech stocks will underperform for at least the next three years. ■ — Jack Bowers

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Editorial Questions: editorial@mfi.com **Subscription Questions:** memberservices@mfi.com or 1-800-444-6342 **Hotline:** 800-520-4630