

# FIDELITY MONITOR & INSIGHT

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## MESSAGE FROM JACK

### The Tariff Threat Is Overstated

The popular view that the Great Depression was caused by the 1929 Stock Market Crash, followed by the Smoot-Hawley Tariff Act of 1930, is perhaps the main reason investors have been over-reacting to today's tariff threat. While tariffs might have made a bad thing worse in the 1930s, they can hardly be blamed for the Great Depression itself. Here's my take on what really happened, and why we don't have much to fear this time around.



Jack Bowers

The stage was set for a major economic contraction as far back as 1921, when rural bank failures first jumped over 500 per year. Coming off World War I, agricultural prices were high as the U.S. pulled out the stops to help Europe, which was struggling with a severe post-war shortage of food. But by 1920, U.S. prices for crops and farmland began to plunge as European production recovered. At the



Horse meets tractor in Jasper County, Iowa  
— Photo by John Vachon, 1940

time, about one in four U.S. jobs were farm-related. But most would disappear over the next 14 years, as a surge in agricultural and transportation productivity weighed on farm commodities, even in the face of worsening drought conditions, which normally cause prices to rise. (Drought, high temperatures and poor farming practices contributed to the Dust Bowl and deepened the depression itself.)

The tractor displaced draft animals on the farm, while autos replaced the horse and buggy system as the dominant form of short-range transportation.

The introduction of electricity in rural areas made food processing more efficient. Since work animals had been consuming as much as a third of the nation's agricultural output, the switch to oil-based fuels left the agricultural markets massively oversupplied.

Meanwhile, most of the world (including the U.S.)

Message cont'd on page 12

## MARKET OUTLOOK

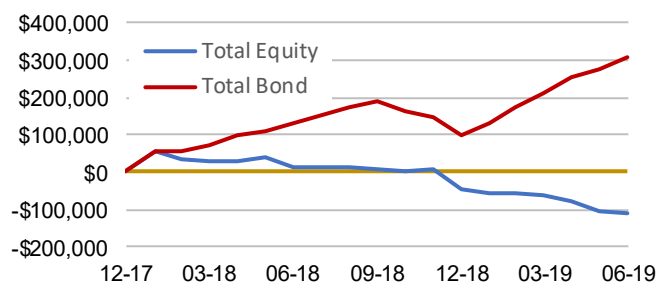
### Investors' Love Affair With Bonds Is Good For Stocks

Last month I discussed how, despite the fact that bonds were unattractively valued versus stocks, professional fund managers had the lowest allocation to stocks versus bonds since the current bull market began. This is even more true for individual investors. In just the last year and a half, investors in mutual funds and ETFs have pulled an estimated \$108 billion out of equities while pouring \$309 billion into bonds (see p. 11). And that trend has clearly accelerated this year as shown in the graph below.



John M. Boyd

Cumulative Fund Flows (in millions)  
Mutual Funds +ETF Net Issuance (since 12/17)



Source: Investment Company Institute

If you think that such a large gap in flows seems very unusual, you're right. According to the investment firm AllianceBernstein, so far this year, the difference between flows into equity funds versus bond funds is three standard deviations below normal and is the lowest level in the 15 years they have been tracking this data series. (For the non-statisticians out there, only 0.26% of all values in a normal distribution fall more than three standard deviations higher or lower than the mean or average!)

Why is this note-worthy? Well, over those 15 years, there were five prior occasions when the gap was two or more standard deviations below normal. In all those cases, the stock market was higher over the next six and 12 months with average gains of 10% and 17% respectively. This is not surprising as investment markets

Market Outlook cont'd on page 3

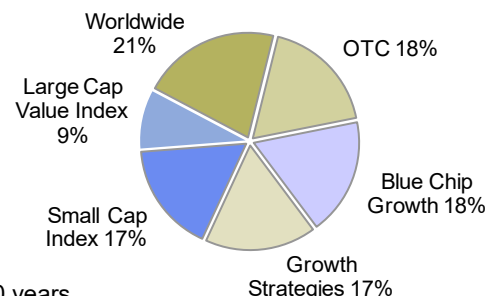
**Unique Opportunities** Target Risk: 1.20 (Current: 1.08) Foreign Holdings: 11.8% **YTD Return: 22.3%**

Stocks: 99.0% Bonds: 0.0% Cash: 1.0% Alternatives\*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Jul Ret
Worldwide	FWWFX	\$27.62	4,539.80	\$125,389	0.8%
OTC	FOCPX	12.45	8,601.69	107,091	2.6
Blue Chip Growth	FBGRX	103.05	1,038.16	106,983	2.0
Growth Strategies	FDEGX	48.83	2,073.63	101,255	2.7
Small Cap Index	FSSNX	20.22	4,975.42	100,603	0.6
Large Cap Value Index	FLCOX	12.61	4,253.55	53,637	0.8

**Current Value (3/31/99 = \$100,000) \$594,959 1.6%**

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



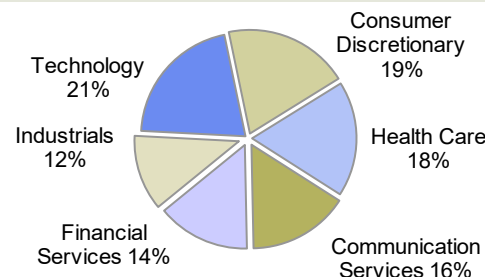
**Select** Target Risk: 1.20 (Current: 1.11) Foreign Holdings: 6.2% **YTD Return: 22.5%**

Stocks: 99.4% Bonds: 0.0% Cash: 0.7% Alternatives\*: 0.0% Yield: 0.4%

Holdings	Ticker	NAV	Shares	Value	Jul Ret
Technology	FSPTX	\$17.66	53,066.26	\$937,150	2.9%
Consumer Discretionary	FSCPX	47.17	18,391.66	867,535	0.8
Health Care	FSPHX	25.00	32,192.14	804,804	0.0
Communication Services	FBMPX	63.91	10,934.15	698,801	3.2
Financial Services	FIDSX	10.39	62,010.61	644,290	2.7
Industrials	FCYIX	35.29	14,946.14	527,449	-0.9

**Current Value (12/31/88 = \$100,000) \$4,480,029 1.5%**

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



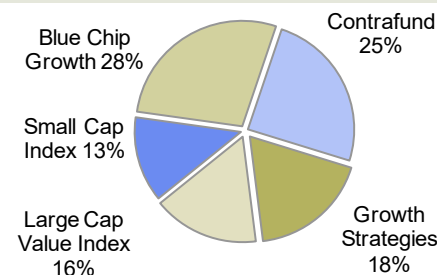
**Growth** Target Risk: 1.00 (Current: 1.07) Foreign Holdings: 4.7% **YTD Return: 21.4%**

Stocks: 99.4% Bonds: 0.0% Cash: 0.6% Alternatives\*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Jul Ret
Blue Chip Growth	FBGRX	\$103.05	8,356.01	\$861,087	2.0%
Contrafund	FCNTX	13.30	57,128.71	759,812	0.9
Growth Strategies	FDEGX	48.83	11,514.05	562,231	2.7
Large Cap Value Index	FLCOX	12.61	39,416.86	497,047	0.8
Small Cap Index	FSSNX	20.22	19,949.44	403,378	0.6

**Current Value (12/31/86 = \$100,000) \$3,083,554 1.5%**

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



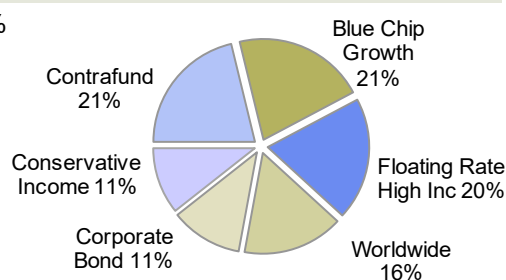
**Growth & Income** Target Risk: 0.66 (Current: 0.68) Foreign Holdings: 21.2% **YTD Return: 14.3%**

Stocks: 57.7% Bonds: 21.6% Cash: 2.0% Alternatives\*: 18.8% Yield: 1.7%

Holdings	Ticker	NAV	Shares	Value	Jul Ret
Contrafund	FCNTX	\$13.30	11,908.38	\$158,381	0.9%
Blue Chip Growth	FBGRX	103.05	1,517.94	156,424	2.0
Floating Rate High Inc	FFRHX	9.51	15,419.71	146,641	0.8
Worldwide	FWWFX	27.62	4,329.01	119,567	0.8
Corporate Bond	FCBFX	11.90	7,170.35	85,327	0.5
Conservative Income	FCONX	10.04	7,933.73	79,655	0.2

**Current Value (12/31/93 = \$100,000) \$745,995 1.0%**

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



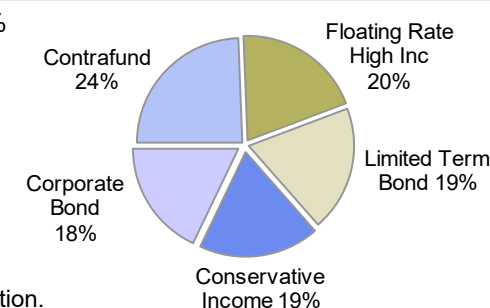
**Income** Target Risk: 0.33 (Current: 0.34) Foreign Holdings: 22.9% **YTD Return: 9.3%**

Stocks: 24.2% Bonds: 53.7% Cash: 2.6% Alternatives\*: 19.5% Yield: 2.5%

Holdings	Ticker	NAV	Shares	Value	Jul Ret
Contrafund	FCNTX	\$13.30	7,731.81	\$102,833	0.9%
Floating Rate High Inc	FFRHX	9.51	8,787.66	83,571	0.8
Limited Term Bond	FJRLX	11.60	7,036.35	81,622	0.0
Conservative Income	FCONX	10.04	7,765.44	77,965	0.2
Corporate Bond	FCBFX	11.90	6,351.62	75,584	0.5

**Current Value (12/31/91 = \$100,000) \$421,575 0.5%**

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



are generally “mean-reverting,” which simply means that when something gets significantly higher or lower than its long-term average it tends to “correct” back towards that average. And if that happens with fund flows and money starts to move out of bonds and into stocks, that would provide additional fuel to propel stocks higher.

**Second-Quarter GDP Solid**

The first estimate of second-quarter GDP growth came in slightly ahead of forecasts at 2.1%. While this is down from the first-quarter’s 3.1% growth, the internals of the report are more encouraging. The main reason for the drop off was a large reduction in inventories, i.e., sales for the quarter were greater than new production. In fact, if inventories had simply stayed level in the second-quarter, growth would have nearly matched the first-quarter at 3.0%.

Another bright spot was personal consumption which rose a robust 4.3% up from just 1.1% in the first-quarter and the fastest rate in a year and a half. If sales keep up, with inventories down, we could see a pick-up in production that would be a positive for the third-quarter. Also important was that the PCE index (which the Fed favors as an inflation gauge) rose just 1.4% year-over-year, well below their 2.0% inflation target.

On the negative side was a 0.8% drop in business fixed investment, the largest decline in three and a half years. Given all the uncertainty around trade this is not surprising and investment will likely to continue to be lackluster until there is more clarity around trade, especially with China. Overall, this is a solid

**FUNDS YOU SHOULD BUY NOW**

**Growth: Blue Chip Growth, Growth Co.** and **OTC** are aggressive (risky) large-cap options; **Contrafund** is more conservatively positioned. **Growth Strategies** (see p. 4) provides mid-cap exposure. **Small Cap Index** offers low-cost exposure to roughly 2,000 smaller-cap stocks.

**Growth & Income: Large Cap Value Index** holds attractively valued stocks such as financials and health care, which also help to boost its yield (2.6%) above the S&P 500 (2.0%).

**International: Worldwide** holds mostly (61%) U.S. large-caps with “only” 36% foreign (5% in emerging markets), whereas **International Cap App** is 82% invested abroad while maintaining similar risk (see p. 4).

**High-Yield: Floating Rate High Income’s** lower-quality bank loans drive its 5.41% yield.

**Taxable Bond: Conservative Income Bond** limits interest-rate risk with its extremely short duration; **Limited-Term Bond** reaches a bit further for yield with more rate-risk, while **Corporate Bond** boosts its yield with lower-credit and more interest-rate-sensitive bonds.

**Muni Funds:** Tax-equivalent yields are currently attractive (see p. 11). ■

report for stocks. Of course, all this comes with the caveat that it is only the first estimate and there will be two more estimates to come which could mean some revisions.

**Earnings Comps To Get Easier**

Standard & Poor’s estimates that second-quarter earnings for the S&P 500 will grow just 2.1%. This includes the effects of stock buy-backs which remain strong. And the third-quarter projection is for just 1.3% growth.

However, starting with the fourth-quarter of 2019 and through 2020, estimates pick back up to double digits. Why?

Because, as shown below, in the fourth-quarter of 2017 through the

third-quarter of 2018, earnings received a one-time boost from the tax-cuts, with gains of over 20% in each of those quarters. This makes for tough comparisons in 2018-19. Now, after four quarters of low-single-digit gains, comparisons will be much easier moving forward. Of course, that’s no guarantee of better earnings growth, but the bar will definitely be lower.

**Fed Cuts Rates As Expected**

As widely expected, the Fed cut rates by 25 basis points (0.25%) at the end of July. The immediate impact on the stock market may not be that great given that it was largely “priced-in.” But according to LPL Financial, the longer-term outlook for stocks when the Fed cuts rates — outside of a recession — is quite good. The last five times they did so (1984, 1987, 1989, 1995 and 1998) the S&P 500 was up an average of 11% over the next six months and 16% over the next year. ■

— John M. Boyd

**S&P 500 Earnings Growth**

	2017 Q4- 2018 Q3	2018 Q4- 2019 Q3	2019 Q4- 2020 Q3
Q4	21.3%	3.5%	23.6%
Q1	26.8%	4.0%	10.6%
Q2	26.7%	2.1%	13.9%
Q3	32.1%	1.3%	12.2%

Actual; Current estimates

**Model Portfolios Key:**

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

FUND PROFILES

## Worlds Apart: Funds For Home & Abroad

This month we highlight two stock funds that literally operate in different hemispheres: the U.S.-focused **Growth Strategies** and **International Capital Appreciation**. But in spite of their different geographic mandates and benchmarks, their managers' investment styles bear some resemblance. In the current investment climate, their nods to valuations help to explain why they've been successful in achieving a good balance between risk and reward.

### Growth Strategies

Manager Jean Park came aboard this fund six years ago. Relative to her Russell Midcap Growth benchmark (which she mimics only in terms of sector weightings) her first three years were her best owing to superior stock-picking.



Jean Park

Among Fidelity's mid-cap options, by far and away, the Harvard and Wharton-educated manager has the best absolute record — one that looks even better when viewed on a risk-adjusted basis. That's important to us, especially in portfolio construction. So it's one of several reasons why **Growth Strategies** is held in both our *Unique Opportunities* and *Growth Model* portfolios. (Jean is also co-manager with Will Danoff on **VIP Contrafund** — a mainstay in our *Annuity Growth & Income* and *Income* models.)

In terms of investment strategy, Jean says her "focus is on owning higher-quality stocks with below-

average valuations ... emphasizing companies with high relative free-cash-flow." In other words, Growth Strategies has a value component which, at times, has been a hindrance given the market's appetite for growth — regardless of price.

Nonetheless, stock picking improved last quarter, helping to drive Growth Strategies up 28.6% for the year-to-date. Patience and tweaking the fund's edges helped, including a tiny increase in tech, all while adhering to her discipline of holding mid- to large-cap stocks with sound fundamentals and whose shares are selling at a reasonable price.

We rate Growth Strategies *Buy*.

### International Cap App

Let's put our cards on the table: it's hard for us to get too excited about foreign funds. In fact, of Fidelity's 31 options, only two are rated *Buy*. The first is portfolio holding **Worldwide**. We like its 61% stake in U.S. stocks (it's managed by Stephen DuFour in the same fashion as his domestic charge, the *Buy*-rated **Focused Stock**.)

That brings us to **International Capital Appreciation** and its annuity twin **VIP Int'l Cap App** (we've upgraded both this month).

Expertly managed by Sammy Simnegar since 2008, it ranks among the top 2% of international stock funds. Over the past 10 calendar years, the fund has beaten its benchmark as often as it has trailed



Sammy Simnegar

it. But sticking with the fund is important because his bounce back years have tended to provide 4-5 percentage points of alpha, or outperformance. In other words, sell at your own peril!

While hardly a pedal-to-the-metal growth investor, relative to his benchmark, Sammy's tech overweighting (17.2% vs. 8.5%) certainly shows he isn't timid. And if he were not mindful of valuations, he'd likely own more. Perceptively, he's bought little energy (2%) as Sammy's keeping a wary eye on slowing global growth. With that in mind, he's made a significant (15%) and profitable out-of-benchmark wager in U.S. stocks for the same reason we're also sticking close to home: "[It's] a plentiful source," says the veteran manager, "of high-quality companies."

We agree, and now rate International Capital Appreciation *Buy*. ■

— John Bonnanzio

Growth Strategies			
Ticker	FDEGX	Top-5 Stocks (%)	
Exp Ratio (%)	0.59	Total Sys Svcs	4.2
Correl. To S&P 500	0.92	Verisign	3.6
Turnover (%)	52	Roper Technologies	2.8
Active Share (%)	66.5	Fiserv	2.5
Total # of Holdings	97	Wellcare Health Plar	2.4
Top-5 Sectors (%)		Characteristics	
Info Tech	35.0	Style: Mid-Large Cap Growth	
Industrials	16.6	P/E (1-yr Forecast)	23.6
Health Care	15.0	P/E Trailing	28.7
Consumer Disc.	14.4	Med Mkt Cap (\$bil)	20.8
Financials	7.0	Dividend Yield (%)	0.7

International Capital Appreciation			
Ticker	FIVFX	Top-5 Regions (%)	
Exp Ratio (%)	1.06	Europe	49.5
Correl. To S&P 500	0.76	Emerging Mkts	19.6
Turnover (%)	154	U.S.	15.5
Active Share (5)	83.8	Canada	5.7
Total # of Holdings	104	Japan	5.3
Top-5 Sectors (%)		Characteristics	
Info Tech	17.2	Style: Large Cap Growth	
Industrials	16.7	P/E (1-yr Forecast)	24.4
Consumer Disc.	16.4	P/E Trailing	29.9
Financials	14.1	Med Mkt Cap (\$bil)	40.8
Consumer Staples	9.8	Dividend Yield (%)	1.3

FUND COMMENTARY

## Led By Tech, Stocks Cautiously Advance

Despite a myriad of concerns, share prices set new record highs in July. With seven of the S&P 500's 11 sectors advancing, last month's gains were propelled by a series of expected, and not-so-expected, developments, including: 1. Second-quarter earnings so far beating modest expectations; 2. Respectable (but otherwise slowing) GDP growth, and; 3. A correctly anticipated change in Fed policy and one unanticipated change.



John Bonnanzio

On point #3, the central bank reversed course on July 31 and trimmed interest rates for the first time in a decade. And while not an especially big deal, it unexpectedly ended its quantitative tightening program two months early.

One risk arising from the Fed's rate-cut decision is the perception that it has bowed to President Trump's campaign for lower rates. Critics charge that this could compromise its independence. Regardless, the old adage to "buy on the rumor, sell on the news," seemed like sage advice as stocks retreated about 1% immediately after the Fed's announcement, thereby trimming the month's solid gains.

Elsewhere, GDP growth slowed to an annualized rate of 2.1% in the second quarter, down from 3.1% in the first. A drop in foreign business investment may be America's "canary in a coal mine," portending worsening trade conditions. Notably, one contributor to the weaker GDP read was a drop in exports.

Finally, investors shrugged off a deepening desire by E.U. regulators, Congress and President Trump, to reign in some of America's fastest-growing tech companies. Even so, Fidelity's diversified **Select Technology** gained 2.9% for the month.

### Market Indexes

So it followed that the tech-rich **Nasdaq Composite Index** fund (which is 32% weighted in tech) rose 2.2% in July, whereas **500 Index** (a S&P proxy with 21% in tech) gained a more modest 1.4%. And though it briefly breached the 27000 level for the first time mid-month, the Dow Industrials revealed its shortcoming as a narrow 30-stock gauge as a handful of its constituents (including Boeing and 3M) saddled its performance. Still, the Dow managed a 1.1% monthly gain thanks, in no small part, to the high-flying performances of Cisco and Microsoft — tech giants that aren't yet, as far as we know, on any regulator's radar.

Moving down in market cap, the Russell Midcap slightly beat the mega-cap Dow (up 1.4%). Meanwhile, the small-cap Russell 2000 rallied late in the month, but only mustered a gain of 0.6%. Against the backdrop of the Russell 2000 trading at about 10% below its August 2018 high, Fidelity launched two small-cap index funds.

Please see p. 11 for details.

### Stock Funds

There's little surprise in this news: most of last month's top-performing diversified stock funds are heavily exposed to growth stocks generally, and tech shares in particular. Topping July's performance chart was mid-cap portfolio holding **Growth Strategies** (2.7%), which we profile on the facing page. Overall, however, large-cap growth funds fared better with an average gain of 1.8%. The top-three performers in that category each returned 2.6%: **OTC**, **Focused Stock** and **Fidelity Fund** — the latter having the same manager (Jean Park) as Growth Strategies.

Among Fidelity's more popular and actively managed funds by assets, **Contrafund** gained 0.9% in July (though it's still ahead of the S&P 500 for the year with its gain of 21.9%), **Growth Company** fared a bit better (up 1.7%), tech-rich **Blue Chip Growth** advanced 2.0% while the mid-cap-value-oriented **Low-Priced Stock** gained 0.9% (it's up 13.0% for the year).

Fund Commentary *cont'd on page 11*

### August Scorecard Rating Changes

Fund	Ratings			Comments
	Old	New		
Convertible Securities	H	B	↑	Security selection is adding value in specialized area.
International Cap App	B	<b>B</b>	↑	Manager making well-timed bets globally -- see p. 4.
Low -Priced Stock	<b>B</b>	B	↓	Value- and small-cap orientation are weighing on returns.
Mid Cap Growth Index	--	B		New fund launch; see story on p. 11 for details.
Mid Cap Value Index	--	S		New fund launch; see story on p. 11 for details.
Municipal Bond Index	--	B		New fund launch; see story on p. 11 for details.
Small Cap Growth Idx	--	<b>B</b>		New fund launch; see story on p. 11 for details.
Small Cap Value Idx	--	S		New fund launch; see story on p. 11 for details.
VIP Int'l Cap App	B	<b>B</b>	↑	Manager making well-timed bets globally -- see p.4.
<b>MSCI Sector ETFs</b>				
Commun's Svcs	H	B	↑	While actively managed Select funds are generally performing better this year, several passive Sector ETFs have been slightly under-rated. This month we are modestly upgrading four ETF ratings. However, MSCI Health Care is being downgraded a notch as we prefer Select Health Care. Expertly managed by Eddie Yoon since 2008, the fund's higher expenses are more than justified. (The fund is an 18% position in our Select Model portfolio.)
Consumer Discret	B	<b>B</b>	↑	
Health Care	<b>B</b>	B	↓	
Information Tech	B	<b>B</b>	↑	
Materials	S	H	↑	
<b>B</b> = Buy; <b>B</b> = OK to Buy; H = Hold; S = OK to Sell; <b>S</b> = Sell; N/C = No Change; NR = No Rating (↑) Rating upgraded; (↓) Rating downgraded.				

# FIDELITY SCORECARD

JULY 31, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) <sup>1</sup>
					Jul	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	
Comparative Indexes		S&P 500	2980.4		1.4	20.2	1.7	8.0	13.4	11.3	14.0	9.1	1.00
		Nasdaq Composite	8175.4		2.2	24.0	1.3	7.8	17.9	14.7	16.6	11.4	1.18
		Dow Jones Industrials	26864.3		1.1	16.7	1.7	8.2	16.1	12.9	14.2	9.4	1.02
		Russell 2000 (Small Caps)	1574.6		0.6	17.7	-0.7	-4.4	10.4	8.5	12.5	8.7	1.39
		Barclays Aggregate Bond*			0.3	6.3	3.3	8.2	2.1	3.0	3.7	2.6	0.25
Model Portfolios		Unique Opportunities			1.6	22.3	1.4	2.3	12.1	8.8	12.3	9.2	1.08
		Select			1.5	22.5	2.0	6.2	13.6	11.2	14.4	10.6	1.11
		Growth			1.5	21.4	1.6	5.4	13.6	10.2	12.7	8.4	1.07
		Growth & Income			1.0	14.3	1.2	4.6	9.6	7.8	9.9	7.3	0.68
		Income			0.5	9.3	1.7	4.4	4.2	4.0	6.0	4.5	0.34
											Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
<b>LARGE CAP GROWTH</b>					<b>Average</b>	<b>1.8</b>	<b>22.9</b>	<b>1.8</b>	<b>7.5</b>	<b>16.3</b>	<b>12.6</b>	<b>15.1</b>	<b>1.13</b>
312	FBGRX	Blue Chip Growth	103.05	Buy	2.0	22.7	0.4	9.1	19.4	14.7	16.9	1.18	\$23,034
307	FDCAX	Capital Appreciation	35.77	Hold	0.9	20.5	2.0	5.3	13.3	9.7	14.2	1.05	4,756
22	FCNTX	Contrafund	13.30	Buy	0.9	21.9	1.5	6.8	16.5	13.1	14.9	1.13	95,333
3	FFIDX	Fidelity Fund	48.85	Hold	2.6	21.5	3.2	6.9	13.0	10.8	12.5	1.01	4,088
333	FTQGX	Focused Stock	25.84	Buy	2.6	23.7	2.2	14.6	18.6	13.0	15.6	1.15	3,081
25	FDGRX	Growth Company (Closed)	19.93	Buy	1.7	24.4	0.8	5.2	19.1	15.5	17.2	1.32	28,731
339	FDSVX	Growth Discovery	38.16	Buy	1.1	22.8	1.3	8.5	17.8	13.3	15.9	1.11	1,726
73	FDFFX	Independence	37.94	Hold	1.8	23.0	2.7	5.3	14.0	8.3	13.3	1.10	3,485
1829	FLGEX	Lrge Cap Growth Enhcd Index	20.41	OK to Buy	2.0	21.0	1.6	7.3	14.8	12.3	14.7	1.07	1,127
2826	FSPGX	Lrge Cap Growth Index	16.07	Buy	2.2	24.2	2.4	10.7	17.1	--	--	1.10	2,474
21	FMAGX	Magellan	10.87	Hold	1.9	22.5	2.8	6.1	14.6	11.7	12.5	1.07	15,407
1282	FNCMX	Nasdaq Composite Index	106.72	OK to Buy	2.2	24.0	1.2	7.6	17.6	14.5	16.4	1.18	6,842
93	FOCPX	OTC	12.45	Buy	2.6	25.1	0.7	6.4	19.2	16.3	17.8	1.27	13,166
320	FDSSX	Stock Selector All Cap	46.59	OK to Sell	1.2	21.2	1.4	3.0	12.8	9.9	13.1	1.09	8,627
5	FTRNX	Trend	107.82	Buy	1.4	24.5	3.7	9.3	16.4	13.3	15.8	1.12	1,968
<b>LARGE CAP BLEND</b>					<b>Average</b>	<b>1.3</b>	<b>18.9</b>	<b>1.1</b>	<b>5.2</b>	<b>11.7</b>	<b>9.3</b>	<b>12.9</b>	<b>1.02</b>
2328	FXAIX	500 Index	103.66	Hold	1.4	20.3	1.7	8.0	13.3	11.3	14.0	1.00	203,204
315	FDEQX	Disciplined Equity	37.21	OK to Buy	1.9	22.0	3.2	6.2	10.9	8.8	11.5	1.01	1,206
330	FDGFX	Dividend Growth	29.59	OK to Buy	0.9	16.9	-0.1	5.4	10.6	8.3	12.3	1.02	5,731
332	FEXPX	Export and Multinational	21.04	OK to Buy	0.9	16.3	-0.1	5.1	10.4	9.2	11.0	1.03	1,390
3336	FIFNX	Founders Fund	11.01	OK to Buy	0.7	10.1p	1.4	--	--	--	--	--	17
27	FGRIX	Growth & Income	38.98	Hold	1.2	17.5	-0.3	2.3	10.9	8.3	12.5	1.07	5,928
1827	FLCEX	Lrge Cap Core Enhcd Index	15.44	OK to Buy	1.2	17.0	0.9	5.7	12.7	10.3	13.4	0.99	848
338	FLCSX	Large Cap Stock	31.14	Hold	1.0	18.3	-0.6	1.8	11.6	8.5	13.6	1.13	2,676
361	FGRTX	Mega Cap Stock	15.88	Hold	1.1	17.5	-0.1	3.5	11.5	8.7	13.0	1.02	1,479
300	FMLX	New Millennium	37.01	Hold	0.3	18.6	1.9	3.2	12.2	8.7	13.4	0.95	3,012
2361	FSKAX	Total Market Index	84.64	OK to Buy	1.5	20.4	1.6	6.9	13.1	10.9	14.0	1.03	48,088
2941	FITLX	U.S. Sustainability Index	12.86	NA	1.9	20.3	2.1	9.4	--	--	--	--	170
3396	FWOMX	Woman's Leadership	10.40	NA	2.6	4.0p	--	--	--	--	--	--	9
3231	FNILX	Zero Large Cap Index	10.40	OK to Buy	1.6	20.5	1.9	--	--	--	--	--	894
3227	FZROX	Zero Total Market Index	10.57	OK to Buy	1.4	20.4	1.5	--	--	--	--	--	3,710
<b>LARGE CAP VALUE</b>					<b>Average</b>	<b>0.9</b>	<b>15.3</b>	<b>0.7</b>	<b>3.3</b>	<b>8.9</b>	<b>7.3</b>	<b>11.1</b>	<b>0.96</b>
1271	FBCVX	Blue Chip Value	19.71	Hold	1.7	12.2	1.2	1.0	8.3	6.9	9.9	0.93	478
319	FEQTX	Equity Dividend Income	25.09	OK to Buy	0.6	15.7	0.0	2.1	8.2	7.5	10.8	0.97	4,767
23	FEQIX	Equity-Income	58.39	OK to Buy	0.5	16.8	0.6	4.9	9.3	7.1	10.8	0.95	5,254
1828	FLVEX	Lrge Cap Value Enhcd Index	13.07	OK to Buy	0.7	14.6	0.2	3.3	9.9	8.2	12.4	1.00	3,742
2830	FLCOX	Lrge Cap Value Index	12.61	Buy	0.8	17.2	1.1	5.2	9.4	--	--	0.99	2,289
708	FSLVX	Stock Sel Large Cap Value	20.38	Hold	0.6	16.1	0.3	3.6	8.3	6.9	11.0	0.99	827
832	FVDFX	Value Discovery	28.85	OK to Buy	1.6	14.7	1.6	2.9	8.7	6.9	11.6	0.89	2,409
<b>MID-CAP GROWTH</b>					<b>Average</b>	<b>2.7</b>	<b>28.6</b>	<b>6.0</b>	<b>11.5</b>	<b>13.0</b>	<b>11.2</b>	<b>13.6</b>	<b>1.04</b>
324	FDEGX	Growth Strategies	48.83	Buy	2.7	28.6	6.0	11.5	13.0	11.2	13.6	1.04	2,691
3403	FMDGX	Mid Cap Growth Index	20.02	OK to Buy	--	--	--	--	--	--	--	--	4
<b>MID-CAP BLEND</b>					<b>Average</b>	<b>1.2</b>	<b>20.6</b>	<b>1.1</b>	<b>4.0</b>	<b>11.2</b>	<b>9.0</b>	<b>13.5</b>	<b>1.11</b>
2365	FSMAX	Extended Market Index	63.49	Buy	1.6	21.4	1.0	2.0	11.8	9.2	13.9	1.24	24,448
2012	FMEIX	Mid Cap Enhanced Index	15.04	OK to Buy	1.1	19.8	0.7	3.3	9.8	8.6	13.7	1.12	1,296
2352	FSMDX	Mid Cap Index	22.85	OK to Buy	1.4	23.1	1.8	6.8	11.0	9.6	--	1.10	10,823
337	FMCSX	Mid-Cap Stock	35.61	OK to Buy	1.1	18.8	2.6	4.9	11.4	8.8	13.6	0.91	5,367
2412	FSSMX	Stock Selector Mid Cap	36.56	OK to Buy	0.6	21.3	0.6	3.1	12.2	8.9	12.8	1.17	549
3230	FZIPX	Zero Extended Market Index	9.70	OK to Buy	1.2	19.3	0.0	--	--	--	--	--	418

**Notes:** \*Fidelity's U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. <sup>1</sup>Relative Volatility (Rel Vol) versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. <sup>2</sup>Duration is a measure of interest rate sensitivity. <sup>3</sup>Stated yield is actual distributed yield over prior 12 months. <sup>5</sup>Almost a Specialty fund with 30%+ typically in foreign stocks. <sup>6</sup>Formerly Multimedia <sup>7</sup>Formerly VIP Telecommunications. <sup>8</sup>Formerly MSCI Telecom Services. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

# FIDELITY SCORECARD

JULY 31, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
					Jul	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
<b>MID-CAP VALUE</b>					<b>Average</b>	<b>0.9</b>	<b>18.2</b>	<b>-0.4</b>	<b>-1.4</b>	<b>7.4</b>	<b>5.9</b>	<b>12.2</b>	<b>1.14</b>	
316	FLPSX	Low-Priced Stock <sup>5</sup>	49.03	OK to Buy ↓	0.9	13.0	0.0	-1.2	8.4	6.6	12.0	0.91	\$24,056	
762	FSMVX	Mid Cap Value	21.95	OK to Sell	0.7	15.0	-1.5	-4.4	5.2	5.1	12.6	1.18	1,331	
3404	FIMVX	Mid Cap Value Index	20.03	OK to Sell	--	--	--	--	--	--	--	--	3	
39	FDVLX	Value	10.55	OK to Buy	1.0	21.3	-0.5	-1.1	7.2	5.8	12.2	1.26	6,190	
14	FSLSX	Value Strategies	37.36	Hold	1.2	23.4	0.3	0.9	8.8	6.1	12.2	1.20	331	
<b>SMALL CAP GROWTH</b>					<b>Average</b>	<b>1.5</b>	<b>28.3</b>	<b>4.2</b>	<b>5.9</b>	<b>18.2</b>	<b>15.0</b>	<b>16.0</b>	<b>1.32</b>	
1388	FCPGX	Small Cap Growth (Closed)	27.19	Buy	1.5	28.3	4.2	5.9	18.2	15.0	16.0	1.32	2,880	
3405	FECCX	Small Cap Growth Index	20.25	Buy	--	--	--	--	--	--	--	--	5	
<b>SMALL CAP BLEND</b>					<b>Average</b>	<b>0.9</b>	<b>19.3</b>	<b>0.2</b>	<b>-1.2</b>	<b>9.1</b>	<b>8.0</b>	<b>12.2</b>	<b>1.33</b>	
384	FSCRX	Small Cap Discovery (Closed)	22.51	OK to Buy	1.1	17.8	-2.2	-0.5	6.6	6.1	13.1	1.27	2,904	
2011	FCPEX	Small Cap Enhanced Index	12.55	OK to Buy	1.1	17.6	0.7	-4.9	7.9	7.5	12.5	1.48	643	
2358	FSSNX	Small Cap Index	20.22	Buy	0.6	17.7	-0.7	-4.4	10.5	8.8	--	1.39	9,557	
340	FSLCX	Small Cap Stock	17.11	Buy	0.5	21.9	1.3	1.8	9.6	8.7	10.8	1.23	1,498	
336	FDSCX	Stock Selector Small Cap	24.32	Buy	1.1	21.7	1.8	2.0	10.7	8.9	12.6	1.28	1,117	
<b>SMALL CAP VALUE</b>					<b>Average</b>	<b>1.4</b>	<b>14.5</b>	<b>-1.1</b>	<b>-4.6</b>	<b>6.8</b>	<b>7.3</b>	<b>12.1</b>	<b>1.18</b>	
1389	FCPVX	Small Cap Value	15.04	OK to Sell	1.4	14.5	-1.1	-4.6	6.8	7.3	12.1	1.18	1,612	
3406	FISVX	Small Cap Value Index	20.21	OK to Sell	--	--	--	--	--	--	--	--	10	
<b>REAL ESTATE</b>														
1368	FIREX	International Real Estate	12.31	Hold	-1.4	14.7	2.8	6.5	8.4	5.7	8.4	0.80	252	
833	FRIFX	Real Estate Income	12.50	Hold	1.2	13.0	3.6	10.5	6.1	6.9	10.5	0.43	2,690	
2355	FSRNX	Real Estate Index	16.82	Hold	1.6	18.5	2.7	10.8	2.8	7.9	--	1.07	2,254	
303	FRESX	Real Estate Investment	45.62	Hold	1.5	19.6	2.9	12.3	3.3	8.5	15.4	1.03	4,305	
<b>ASSET ALLOCATION</b>														
328	FASIX	Asset Manager 20%	13.44	Hold	0.3	7.0	1.7	4.6	3.9	3.5	5.0	0.25	4,900	
1957	FTANX	Asset Manager 30%	11.17	Hold	0.4	8.8	1.8	4.6	4.9	4.3	6.1	0.34	1,606	
1958	FFANX	Asset Manager 40%	11.73	Hold	0.4	10.2	1.6	4.3	5.9	4.9	7.0	0.44	1,681	
314	FASMX	Asset Manager 50%	18.20	Hold	0.4	11.7	1.5	3.8	6.7	5.4	7.8	0.53	9,063	
1959	FSANX	Asset Manager 60%	12.71	Hold	0.5	13.2	1.4	3.3	7.5	5.9	8.5	0.63	2,747	
321	FASGX	Asset Manager 70%	22.24	Hold	0.4	14.3	1.0	2.6	8.4	6.3	9.2	0.73	4,963	
347	FAMRX	Asset Manager 85%	19.54	Hold	0.5	16.5	0.8	1.9	9.7	7.1	10.2	0.88	2,348	
304	FBALX	Balanced	23.72	Buy	1.0	15.8	1.3	5.4	9.5	8.0	10.3	0.73	25,229	
355	FFNOX	Four-in-One Index	46.63	Hold	0.5	16.2	1.2	4.6	9.9	7.6	10.4	0.81	6,332	
3083	FMSDX	Multi-Asset Income	11.05	OK to Buy	1.4	14.6	3.1	11.2	6.4	--	--	0.48	31	
4	FPURX	Puritan	22.19	Buy	0.7	14.1	1.4	3.8	9.4	7.9	10.4	0.72	21,492	
<b>INTERNATIONAL</b>					<b>Average</b>	<b>-1.2</b>	<b>14.4</b>	<b>-0.2</b>	<b>-0.4</b>	<b>8.0</b>	<b>4.3</b>	<b>7.4</b>	<b>1.06</b>	
309	FICDX	Canada	52.36	Hold	-0.3	19.6	2.0	3.2	6.3	1.3	4.8	0.97	919	
352	FHKCX	China Region	34.85	Hold	0.8	18.3	-2.9	0.5	13.1	6.4	8.0	1.49	1,139	
325	FDIVX	Diversified International	36.89	OK to Buy	-1.0	16.6	1.0	-0.6	6.7	3.6	6.6	0.96	8,984	
351	FSEAX	Emerging Asia	43.05	Hold	-1.8	16.4	-2.3	2.9	11.9	6.5	7.9	1.22	1,054	
2053	FEMEX	Emerg Europe, MidEast, Africa	10.03	Hold	-1.2	14.5	1.4	3.3	9.4	3.0	5.9	1.18	87	
322	FEMKX	Emerging Markets	32.02	Hold	-0.5	20.2	0.5	4.1	10.9	5.1	6.2	1.19	3,719	
2374	FEDDX	Emerging Mkts Discovery	13.65	Hold	-0.4	11.6	0.2	-3.0	6.8	2.7	--	1.08	228	
2344	FPADX	Emerging Markets Index	10.32	Hold	-2.3	8.2	-3.6	-3.2	7.9	2.0	--	1.16	2,727	
301	FIEUX	Europe	34.98	OK to Buy	-4.3	11.4	-4.2	-7.1	4.6	2.0	5.7	1.13	862	
2406	FGILX	Global Equity-Income	13.99	OK to Buy	0.0	16.0	0.4	2.8	8.2	6.3	--	0.84	69	
2348	FSGGX	Global ex U.S. Index	12.65	Hold	-1.9	11.4	-1.7	-3.0	7.0	2.1	--	0.93	5,922	
335	FIVFX	International Cap App	21.88	Buy ↑	-0.3	22.7	2.9	6.7	10.3	7.9	10.2	1.02	2,990	
305	FIGRX	International Discovery	41.98	Hold	-1.6	15.1	0.2	-3.2	6.7	3.5	6.5	0.97	6,515	
2010	FIENX	International Enhanced Index	9.23	Hold	-2.8	9.2	-2.3	-6.5	6.5	2.6	6.3	0.93	1,480	
1979	FIGFX	International Growth	14.45	OK to Buy	-0.3	20.3	1.9	5.7	9.1	6.2	9.2	0.98	1,185	
2363	FSPSX	International Index	40.59	Hold	-1.9	11.9	-1.2	-3.2	6.9	2.5	5.8	0.90	27,287	
818	FISMX	International Small Cap	26.40	OK to Buy	-0.8	11.4	0.2	-4.0	7.7	6.1	9.9	0.88	1,246	
1504	FSCOX	Int'l Small Cap Opps (Closed)	18.32	OK to Buy	-1.8	13.5	-1.9	-2.9	8.8	6.5	11.3	0.97	1,004	
2988	FNIDX	International Sustainability Idx	10.43	NA	-1.8	11.2	-1.6	-2.6	--	--	--	--	60	
1597	FIVLX	International Value	7.90	Hold	-2.6	8.7	-2.8	-8.2	2.9	-0.1	3.6	0.96	430	
350	FJPNX	Japan	14.87	Hold	0.2	13.4	0.3	-4.0	7.9	5.2	5.1	0.99	389	
360	FJSCX	Japan Smaller Companies	16.51	Hold	0.0	9.1	0.4	-4.7	6.9	7.2	9.6	0.91	656	
349	FLATX	Latin America	26.90	OK to Sell	2.8	25.5	13.0	21.1	10.8	-0.5	1.0	1.85	534	
342	FNORX	Nordic	44.76	OK to Sell	-5.2	4.9	-3.9	-10.7	2.9	2.7	9.6	1.19	256	
94	FOSFX	Overseas	47.88	OK to Buy	-1.7	17.1	1.1	-0.1	8.2	5.8	7.4	0.96	6,468	
302	FPBFX	Pacific Basin	31.00	OK to Buy	-0.8	17.8	-0.1	-0.1	8.4	7.1	10.9	1.12	864	
2369	FTEMX	Total Emerging Markets	12.80	Hold	-0.9	12.8	0.3	2.9	7.6	3.5	--	0.93	219	
1978	FTIEX	Total International Equity	9.08	Hold	-1.3	16.1	-0.4	-0.0	7.5	4.1	6.7	0.98	73	
2834	FTIHX	Total International Index	11.68	Hold	-1.9	11.2	-1.8	-3.6	6.7	--	--	0.93	2,876	
318	FWWFX	Worldwide	27.62	Buy	0.8	19.5	1.1	6.2	13.2	8.8	11.4	1.01	2,448	
3228	FZILX	Zero International Index	9.76	Hold	-1.8	11.3	-1.5	--	--	--	--	--	1,114	

# FIDELITY SCORECARD

JULY 31, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)
					Jul	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year		
<b>SPECIALTY</b>													
308	FCV SX	Convertible Securities	30.00	OK to Buy ↑	1.9	20.4	3.9	13.8	10.0	5.2	9.8	0.70	\$1,445
2624	FARNX	Event Driven Opportunities	10.76	Sell	-0.7	2.6	-3.6	-20.1	3.4	4.3	--	1.26	\$151
2120	FFGCX	Global Commodity Stock	12.33	OK to Sell	-2.2	10.1	-0.6	-8.8	7.0	-2.1	1.1	1.22	\$376
122	FLVCX	Leveraged Company Stock	29.93	OK to Buy	2.4	25.0	-0.1	1.9	9.9	4.9	11.9	1.29	\$1,947
1329	FSDIX	Strategic Dividend & Income	15.35	Hold	0.9	15.1	1.7	7.3	7.6	7.6	11.6	0.68	\$3,060
1505	FSRRX	Strategic Real Return	8.35	OK to Sell	0.4	7.7	0.9	2.6	2.8	0.8	4.1	0.35	\$204
311	FIUIX	Telecom & Utilities	27.36	Hold	0.4	12.7	2.7	12.3	8.0	8.2	12.1	0.77	\$1,054
<b>SELECT PORTFOLIOS</b>					<b>Average</b>	<b>1.0</b>	<b>19.2</b>	<b>1.0</b>	<b>2.6</b>	<b>10.8</b>	<b>8.1</b>	<b>12.5</b>	<b>1.41</b>
34	FSAIX	Air Transportation	77.40	Hold	2.9	18.7	1.6	1.7	15.5	11.0	18.4	1.50	\$294
502	FSAVX	Automotive	33.80	OK to Sell	1.5	13.7	0.5	-2.0	7.2	2.8	10.2	1.24	35
507	FSRBX	Banking	26.53	Hold	2.8	22.2	0.5	-2.3	14.3	9.0	12.1	1.76	457
42	FBIOX	Biotechnology	19.85	Hold	-2.2	16.0	0.9	-6.3	6.9	7.8	16.6	1.94	6,752
68	FSLBX	Brokerage & Investment	75.02	Hold	2.7	19.0	1.6	2.0	15.2	6.4	9.0	1.27	322
69	FSCHX	Chemicals	12.61	OK to Sell	-3.2	6.6	-6.1	-16.8	5.8	4.2	12.5	1.53	981
518	FSDCX	Communications Equipment	39.38	OK to Buy	2.7	15.1	-5.4	8.0	13.4	9.1	10.5	1.17	204
503	FBM PX	Communication Services <sup>6</sup>	63.91	Buy	3.2	24.7	1.3	14.6	13.4	9.2	17.5	1.20	620
7	FDCPX	Computers	73.91	Hold	1.4	18.2	-1.9	2.7	17.5	9.8	14.1	1.31	485
511	FSHOX	Construction & Housing	58.89	Hold	1.3	28.3	2.8	11.2	9.6	12.1	15.1	1.29	269
517	FSCPX	Consumer Discretionary	47.17	Buy	0.8	21.1	-0.6	7.2	13.5	12.6	16.4	1.22	477
98	FSVLX	Consumer Finance	17.54	OK to Buy	3.6	30.6	3.5	14.8	17.9	11.2	13.1	1.19	171
9	FDFAX	Consumer Staples	84.34	Hold	1.4	22.5	1.1	9.4	3.2	6.2	10.4	1.05	863
67	FSDAX	Defense & Aerospace	17.94	Buy	0.5	27.5	4.1	7.2	20.3	16.4	18.2	1.47	2,866
60	FSENX	Energy	36.06	OK to Sell	-3.0	9.1	-8.2	-25.1	-2.5	-7.7	2.5	1.97	1,030
43	FSESX	Energy Service	25.83	OK to Sell	-3.2	3.1	-12.7	-42.6	-13.8	-19.5	-3.9	2.64	233
516	FSLEX	Environment & Alt Energy	25.08	OK to Sell	-1.9	18.0	-2.0	2.9	12.0	8.1	9.7	1.30	170
66	FIDSX	Financial Services	10.39	Buy	2.7	21.7	2.3	2.3	13.6	8.9	9.6	1.30	552
41	FSAGX	Gold	22.30	Sell	2.9	23.4	24.4	20.9	-6.2	0.3	-3.2	1.96	1,337
63	FSPHX	Health Care	25.00	Buy	-0.0	13.4	6.8	3.6	10.7	10.5	18.0	1.37	7,199
505	FSHCX	Health Care Services	92.32	OK to Buy	4.2	5.3	9.6	2.5	12.4	12.3	16.1	1.47	1,075
515	FCYIX	Industrials	35.29	Buy	-0.9	23.1	-0.7	2.4	10.4	8.9	13.9	1.35	625
45	FSPCX	Insurance	63.98	Hold	1.4	24.6	5.6	12.3	13.3	11.6	14.4	1.01	289
353	FBSOX	IT Services	74.11	OK to Buy	3.8	37.6	4.8	22.8	25.3	20.5	21.0	1.17	4,023
62	FDSLX	Leisure	16.50	OK to Buy	3.4	27.7	6.3	18.6	16.6	13.0	16.8	1.11	548
509	FSDPX	Materials	68.21	OK to Sell	-2.5	9.6	-4.2	-14.6	3.9	0.9	8.3	1.43	559
354	FSMEX	Medical Tech & Devices (closed)	56.60	Buy	0.2	19.7	8.5	14.4	16.9	18.5	18.0	1.35	6,657
513	FSNGX	Natural Gas	18.78	OK to Sell	-6.1	5.6	-13.1	-28.2	-7.0	-14.2	-2.6	2.00	170
514	FNARX	Natural Resources	25.53	OK to Sell	-2.7	13.5	-4.6	-18.7	-1.1	-7.4	2.1	1.72	410
580	FPHAX	Pharmaceuticals	20.82	OK to Buy	-1.4	11.0	3.9	5.5	3.7	5.4	13.7	1.15	697
46	FSRPX	Retailing	16.01	OK to Buy	1.1	19.7	-1.4	5.8	16.0	18.1	19.7	1.30	3,142
8	FSELX	Semiconductors	10.65	Buy	6.3	35.4	-0.6	11.0	23.3	20.1	18.6	1.88	3,396
28	FSCSX	Software & IT Services	18.80	OK to Buy	1.5	27.8	1.6	13.6	23.3	19.3	20.7	1.14	7,434
64	FSPTX	Technology	17.66	Buy	2.9	31.6	2.5	6.8	23.3	17.6	18.0	1.42	5,724
96	FSTCX	Telecommunications	59.72	Hold	2.2	14.1	3.9	8.1	2.9	5.9	9.8	0.98	229
512	FSRFX	Transportation	95.30	Hold	3.5	17.2	0.3	0.3	14.3	9.4	16.7	1.53	430
65	FSUTX	Utilities	90.20	OK to Sell	-0.5	12.6	0.9	12.5	11.0	9.8	12.2	0.82	1,175
963	FWRLX	Wireless	9.98	Hold	2.9	21.4	1.8	12.0	13.4	9.1	11.2	0.99	267
<b>SECTOR ETFs</b>					<b>Average</b>	<b>1.1</b>	<b>18.7</b>	<b>1.3</b>	<b>6.7</b>	<b>9.7</b>	<b>9.1</b>	<b>1.22</b>	
	FCOM	MSCI Communication Services <sup>8</sup>	34.38	OK to Buy ↑	3.7	21.3	1.6	21.0	6.4	8.6	--	1.18	340
	FDIS	MSCI Consumer Discretionary	46.28	Buy ↑	1.2	21.5	0.5	8.2	14.5	13.1	--	1.20	697
	FSTA	MSCI Consumer Staples	35.61	Hold	2.4	18.3	3.3	13.1	5.6	9.2	--	0.97	528
	FENY	MSCI Energy	16.81	OK to Sell	-2.2	9.4	-6.0	-19.3	-1.2	-7.2	--	1.74	528
	FNCL	MSCI Financials	41.20	Buy	2.7	20.6	1.7	2.8	15.2	11.4	--	1.39	1,100
	FHLC	MSCI Health Care	44.45	OK to Buy ↓	-1.2	8.3	3.0	3.8	9.4	10.7	--	1.15	1,600
	FIDU	MSCI Industrials	40.06	Buy	0.8	23.4	0.8	3.3	11.9	10.3	--	1.37	453
	FTEC	MSCI Information Technology	64.53	Buy ↑	3.6	31.9	2.6	15.9	24.1	18.5	--	1.29	2,400
	FMAT	MSCI Materials	32.66	Hold ↑	-0.4	16.2	1.1	-4.0	7.6	5.3	--	1.27	199
	FREL	MSCI Real Estate	26.60	Hold	1.6	21.1	3.5	13.3	5.2	--	--	1.03	811
	FUTY	MSCI Utilities	39.23	Sell	-0.1	14.2	2.3	16.0	8.7	11.6	--	0.87	727

## Hotline Advisory

Please note that we will eliminate our telephone Hotline message service at the end of this year. Of course, Hotlines will still be available to subscribers on our website: [www.fmandi.com](http://www.fmandi.com). In fact, all Hotlines, including those with model portfolio trades and other timely investment information, will continue to be emailed to members each Friday evening at their request. For questions, call Member Services at 800-444-6342

# FIDELITY SCORECARD

JULY 31, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				SEC %Yield	Dur <sup>2</sup> (Yrs)	Rel Vol (Risk) <sup>1</sup>	
					Jul	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr				
<b>TAXABLE BOND</b>					<b>Average</b>	<b>0.2</b>	<b>5.7</b>	<b>2.8</b>	<b>7.0</b>	<b>1.9</b>	<b>2.5</b>	<b>3.4</b>	<b>2.24</b>	<b>4.8</b>	<b>0.23</b>
2267	FCONX	Conservative Income Bond	10.04	Buy	0.2	1.9	0.6	2.5	1.8	1.3	--	2.29	0.3	0.02	
2208	FCBFX	Corporate Bond	11.90	Buy	0.5	10.7	4.3	10.1	4.0	4.3	--	2.94	7.2	0.31	
2423	FGBFX	Global Credit	9.55	Hold	1.2	10.9	4.4	9.6	3.2	2.0	--	1.98	7.0	0.36	
15	FGMNX	GNMA (Ginnie Mae)	11.51	OK to Buy	0.3	4.3	2.1	6.0	1.8	2.4	3.3	2.42	2.1	0.18	
54	FGOVX	Government Income	10.41	Hold	-0.0	4.9	2.9	7.1	1.3	2.3	2.9	2.01	5.3	0.25	
2418	FIPDX	Inflation-Protected Index <sup>3</sup>	10.08	OK to Sell	0.3	6.5	2.9	5.6	1.9	1.8	--	0.41*	5.5	0.25	
32	FTHRXL	Intermediate Bond	11.00	Buy	0.1	5.4	2.5	7.0	2.0	2.5	3.8	2.15	3.8	0.18	
452	FSTGX	Intermediate Gov't Income	10.60	OK to Buy	-0.2	3.8	2.2	6.1	1.2	1.7	2.2	1.73	3.7	0.18	
3045	FUAMX	Intermediate Treasury Index	11.03	OK to Buy	-0.1	5.8	3.7	9.4	1.2	3.0	3.8	1.92	6.4	0.34	
26	FBNDX	Investment Grade Bond	8.09	Buy	0.2	7.2	3.3	8.4	2.9	3.2	4.6	2.44	5.3	0.24	
2622	FJRLX	Limited Term Bond	11.60	Buy	0.0	4.3	1.6	5.4	2.0	2.1	3.6	2.21	2.6	0.11	
662	FFXSX	Limited Term Government	10.01	OK to Buy	-0.1	2.8	1.5	4.6	1.0	1.2	1.5	1.69	2.6	0.12	
3047	FNBGX	Long-Term Treasury Index	13.85	Hold	0.3	11.0	8.1	14.1	0.6	5.6	6.4	2.54	18.0	0.81	
40	FMSFX	Mortgage Securities	11.32	OK to Buy	0.3	4.7	2.4	6.8	2.1	2.7	3.7	2.51	2.7	0.20	
450	FSHBX	Short-Term Bond	8.67	OK to Buy	0.1	2.9	1.1	4.0	1.6	1.5	2.0	1.98	1.8	0.07	
3041	FNSOX	Short-Term Bond Index	10.05	OK to Buy	-0.1	3.5	1.6	5.1	--	--	--	2.03	2.6	--	
3049	FUMBX	Short-Term Treasury Index	10.49	OK to Buy	-0.1	3.0	1.6	4.9	1.2	1.5	1.6	1.83	2.6	0.13	
3086	FNDXS	Sustainability Bond Index	10.47	NA	0.2	6.2	3.2	7.9	--	--	--	2.48	5.4	--	
820	FTBFX	Total Bond	10.80	Buy	0.3	7.4	3.1	7.9	3.0	3.5	4.8	2.87	5.1	0.22	
2326	FXNAX	U.S. Bond Index	11.80	Hold	0.3	6.3	3.3	8.1	2.1	3.0	3.7	2.51	5.6	0.25	
<b>HIGH-YIELD BOND</b>					<b>Average</b>	<b>0.6</b>	<b>9.8</b>	<b>1.8</b>	<b>5.8</b>	<b>5.6</b>	<b>4.3</b>	<b>7.0</b>	<b>4.46</b>	<b>3.3</b>	<b>0.36</b>
38	FAGIX	Capital & Income	10.08	OK to Buy	1.1	14.2	1.4	6.0	7.7	5.8	9.4	4.08	3.8	0.54	
814	FFRHXL	Floating Rate High Income	9.51	Buy	0.8	6.5	0.7	3.9	4.7	3.5	4.4	5.41	0.2	0.23	
1366	FHIFX	Focused High Income	8.76	OK to Buy	0.5	11.5	2.4	8.7	6.0	4.6	6.9	3.86	3.5	0.33	
2297	FGHNXL	Global High Income	9.51	OK to Buy	0.2	9.6	1.6	5.4	5.9	4.3	--	4.91	3.1	0.37	
455	SPHIX	High Income	8.86	OK to Buy	0.4	10.6	1.7	6.1	7.2	4.9	7.8	4.92	3.3	0.38	
331	FNMIX	New Markets Income	15.29	OK to Buy	1.1	10.3	3.3	5.6	4.1	4.0	7.2	5.08	6.1	0.53	
2580	FSAHXL	Short Duration High Income	9.44	OK to Buy	0.5	7.5	1.1	4.7	4.9	3.2	--	4.01	1.7	0.25	
3082	FADMXL	Strategic Income	12.50	OK to Buy	0.5	8.6	2.4	6.1	4.6	3.8	5.9	3.40	4.3	0.28	
<b>MUNICIPAL BOND</b>					<b>Average</b>	<b>0.8</b>	<b>5.5</b>	<b>2.5</b>	<b>6.7</b>	<b>2.4</b>	<b>3.3</b>	<b>4.1</b>	<b>1.55</b>	<b>5.4</b>	<b>0.26</b>
434	FSAZXL	Arizona Muni Income	12.35	OK to Buy	0.9	5.8	2.6	7.0	2.4	3.8	4.6	1.38	5.9	0.29	
1534	FCSTXL	Calif Limited Term Tax Free	10.76	OK to Buy	0.7	3.4	1.9	4.2	1.5	1.8	2.3	1.13	3.2	0.16	
91	FCTFXL	California Muni Income	13.23	OK to Buy	0.8	6.2	2.8	7.4	2.6	3.9	5.1	1.55	6.3	0.30	
407	FICNXL	Connecticut Muni Income	11.75	OK to Buy	0.8	6.5	2.8	7.6	2.3	3.4	4.0	1.69	5.7	0.30	
2578	FCRDXL	Conservative Income Muni	10.06	Buy	0.2	1.3	0.7	2.0	1.2	0.9	--	1.26	0.6	0.04	
36	FLTMXL	Interm Municipal Income	10.64	Buy	0.8	5.4	2.6	6.6	2.5	3.0	3.7	1.55	4.9	0.24	
404	FSTFXL	Limited Term Muni Income	10.73	Buy	0.6	3.5	1.9	4.3	1.6	1.7	2.1	1.22	2.9	0.15	
429	SMDMXL	Maryland Muni Income	11.62	OK to Buy	0.8	5.6	2.6	6.9	2.3	3.5	4.0	1.45	6.0	0.29	
70	FDMMXL	Mass Muni Income	12.39	OK to Buy	0.7	5.7	2.5	6.7	2.1	3.5	4.4	1.58	6.1	0.30	
81	FMHTXL	Michigan Muni Income	12.47	OK to Buy	0.7	5.8	2.5	7.2	2.6	3.8	4.3	1.61	6.1	0.28	
82	FIMIXL	Minnesota Muni Income	11.89	OK to Buy	0.8	5.8	2.6	7.2	2.4	3.2	3.8	1.45	5.9	0.27	
37	FHIGXL	Municipal Income	13.39	OK to Buy	0.8	6.8	3.0	8.0	3.0	4.1	5.0	1.91	6.8	0.32	
3469	FMBIXL	Municipal Bond Index	19.99	OK to Buy	--	--	--	--	--	--	--	--	--	--	
416	FNJHXL	New Jersey Muni Income	12.32	OK to Buy	1.1	7.1	3.2	8.5	3.6	4.1	4.5	1.63	6.1	0.31	
71	FTFMXL	New York Muni Income	13.49	OK to Buy	0.7	6.4	2.7	7.5	2.5	3.7	4.5	1.55	6.3	0.30	
88	FOHFXL	Ohio Muni Income	12.37	OK to Buy	0.7	5.7	2.7	6.9	2.4	3.9	4.5	1.61	6.1	0.31	
402	FPXTXL	Pennsylvania Muni Income	11.41	OK to Buy	0.8	6.2	2.9	7.6	2.8	3.8	4.5	1.75	6.6	0.27	
90	FTABXL	Tax-Free Bond	11.88	OK to Buy	0.8	6.9	3.1	8.2	3.1	4.2	5.1	1.99	6.8	0.31	

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

TAXABLE GOV'T MONEY MARKETS		Total Return (%)		SEC	
		Jul	YTD	%Yield	
55	FDRXX	Gov't Cash Reserves	0.17	1.22	2.01
458	SPAXX	Government MM	0.17	1.19	1.96
2742	FZFXL	Treasury MM	0.17	1.19	2.01
415	FDLXX	Treasury Only MM	0.16	1.16	1.82
<b>PRIME MONEY MARKETS</b>					
454	SPRXX	Money Market*	0.18	1.29	2.08
*Available in premium class shares (FZDXX) with a \$100,000 minimum (\$10,000 for certain Fidelity retirement accounts) and lower expenses.					
<b>PRIME MONEY MARKETS</b>					
10	FTEXX	Municipal Money Market	0.10	0.76	1.14
275	FMOXX	Tax-Exempt MM	0.09	0.72	1.06

STATE MUNICIPAL MONEY MARKETS		Total Return (%)		SEC	
		Jul	YTD	%Yield	
433	FSAXX	Arizona Muni MM	0.08	0.68	1.03
97	FCFXL	California Muni MM	0.08	0.66	0.99
457	FSPXX	California AMT Tax-Free	0.09	0.74	1.10
418	FCMXL	Connecticut Muni MM	0.09	0.78	1.06
426	FMSXX	Mass AMT Tax-Free	0.10	0.76	1.17
74	FDMXX	Massachusetts Muni MM	0.08	0.75	1.01
420	FMIXX	Michigan Muni MM	0.08	0.64	0.94
417	FNJXX	New Jersey Muni MM	0.09	0.68	1.05
423	FSJXX	New Jersey AMT Tax-Free	0.10	0.76	1.17
92	FNYYX	New York Muni MM	0.08	0.69	0.99
422	FSNXX	New York AMT Tax-Free	0.10	0.78	1.15
419	FOMXX	Ohio Muni MM	0.09	0.77	1.06
401	FPTXX	Pennsylvania Muni MM	0.08	0.67	0.98

# FIDELITY SCORECARD

JULY 31, 2019

Fund No.	Fund Ticker	Fund Name	Style	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>
						Jul	YTD	3 Mo.	1 Year	3 Year	5 Year	10 Year	
<b>FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS</b>													
Model Portfolios	Annuity Sector Model					1.6	22.8	1.8	6.9	14.0	11.7	14.3	1.09
	Annuity Growth Model					1.0	21.3	0.7	5.6	13.2	9.9	12.4	1.08
	Annuity Growth & Income Model					1.0	13.7	1.4	4.3	7.8	6.6	8.9	0.64
	Annuity Income Model					0.6	8.8	1.7	4.2	4.1	3.9	5.5	0.32
9067	FLRQC	Fid VIP Asset Manager	Allocation	21.24	Hold	0.4	11.4	1.3	3.4	6.2	4.3	7.5	0.53
9066	FAECC	Fid VIP Asset Manager: Growth	Allocation	22.28	Hold	0.4	14.2	1.0	2.3	8.0	5.0	8.8	0.73
9069	FJBAC	Fid VIP Balanced	Allocation	26.76	Buy	1.0	15.7	1.3	4.9	9.1	7.7	10.2	0.74
9461	FBIQC	Fid VIP Bond Index	Bond	10.81	Hold	0.3	6.1	3.1	7.7	--	--	--	--
9173	FVTAC	Fid VIP Communication Services <sup>7</sup>	Sector	19.63	Buy	3.2	24.8	1.1	21.7	6.9	8.2	11.1	1.11
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	35.59	Buy	0.7	21.0	-0.6	6.9	13.2	12.3	16.0	1.21
9171	FCSAC	Fid VIP Consumer Staples	Sector	27.71	Hold	1.4	22.6	1.0	9.4	3.3	8.5	11.2	1.05
9065	FPDFC	Fid VIP Contrafund	Large Growth	30.97	Buy	1.6	22.0	2.3	7.5	12.5	9.8	12.6	1.05
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	21.72	Buy	1.0	17.4	0.6	-5.2	7.5	7.0	11.9	1.47
9074	FZAMC	Fid VIP Emerging Capital App	Large Growth	32.76	Hold	0.9	20.3	1.9	4.8	12.8	9.2	14.0	1.05
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	11.26	Hold	-1.3	18.3	-0.9	2.5	10.0	4.5	5.6	1.18
9085	FJLLC	Fid VIP Energy	Sector	13.32	OK to Sell	-3.0	9.0	-8.2	-25.1	-2.6	-7.9	2.3	1.96
9061	FLOLC	Fid VIP Equity-Income	Large Value	23.20	Buy	0.5	16.5	0.6	4.4	8.9	6.7	11.1	0.95
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	10.03	Buy	1.1	19.0	-0.1	0.3	--	--	--	--
9083	FONNC	Fid VIP Financial Services	Sector	15.14	Buy	2.8	21.5	2.3	2.1	13.4	8.8	9.4	1.29
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	11.81	Buy	0.8	6.5	0.6	3.6	4.2	3.3	--	0.23
9157	FMPAC	Fid VIP FundsManager 20	Allocation	16.11	Hold	0.3	6.8	1.8	4.4	3.4	3.1	4.2	0.25
9158	FMPBC	Fid VIP FundsManager 50	Allocation	18.93	Hold	0.3	11.3	1.6	3.6	6.2	5.0	7.0	0.52
9197	FMPCC	Fid VIP FundsManager 60	Allocation	18.14	Hold	0.3	12.9	1.5	3.2	7.1	5.7	8.0	0.62
9159	FMPDC	Fid VIP FundsManager 70	Allocation	20.19	Hold	0.3	14.2	1.2	2.6	7.9	6.1	8.7	0.71
9160	FMPDC	Fid VIP FundsManager 85	Allocation	20.91	Hold	0.2	16.1	0.9	1.9	9.3	7.0	9.9	0.86
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	11.66	--	0.2	1.1	0.5	1.8	0.9	0.5	0.2	0.02
9062	FMNDC	Fid VIP Growth	Large Growth	34.99	Buy	1.1	22.8	1.1	8.2	17.6	13.1	15.6	1.12
9070	FLFNC	Fid VIP Growth & Income	Large Blend	27.27	Hold	1.1	17.1	-0.3	1.7	10.5	7.9	12.1	1.06
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	41.76	Buy	2.0	28.4	1.6	21.8	24.4	17.6	18.5	1.17
9084	FPDRC	Fid VIP Health Care	Sector	48.18	Buy	0.0	12.7	6.7	2.9	10.7	10.4	17.7	1.38
9060	FBBLC	Fid VIP High Income	High-Yield Bond	22.09	OK to Buy	0.3	10.9	1.6	6.3	6.0	4.0	7.1	0.37
9064	FXVLT	Fid VIP Index 500	Large Blend	30.97	Hold	1.4	20.0	1.6	7.6	12.9	11.0	13.7	1.00
9082	FBALC	Fid VIP Industrials	Sector	36.69	Buy	-0.9	22.9	-0.7	2.2	10.1	8.7	13.7	1.35
9473	FFIQC	Fid VIP International Index	Diversified Int'l	9.59	Hold	-1.9	11.1	-1.7	-3.3	--	--	--	--
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	22.29	Buy↑	-0.3	22.7	2.9	6.6	10.1	7.7	10.0	1.02
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	17.38	Buy	0.4	7.0	3.1	7.7	2.5	3.1	4.1	0.24
9172	FVMAC	Fid VIP Materials	Sector	19.44	OK to Sell	-2.5	9.4	-4.3	-14.8	3.6	0.5	8.0	1.43
9071	FNBSK	Fid VIP Mid Cap	Mid Growth	28.90	Buy	-0.2	17.0	-1.5	-5.1	8.1	6.6	10.9	1.19
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	18.00	OK to Buy	-1.9	16.3	0.5	-0.9	7.6	3.5	6.4	0.98
9072	FFWKC	Fid VIP Real Estate	Sector	26.33	Hold	1.8	19.3	2.7	9.7	2.1	6.7	14.3	1.07
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	20.65	OK to Buy	0.4	8.4	2.3	5.7	4.2	3.4	5.4	0.27
9086	FYENC	Fid VIP Technology	Sector	52.18	Buy	2.9	31.5	2.5	7.2	24.0	17.4	17.5	1.42
9465	FTMJC	Fid VIP Total Market Index	Large Blend	10.80	OK to Buy	1.4	20.0	1.4	6.4	--	--	--	--
9087	FXRRC	Fid VIP Utilities	Sector	33.17	OK to Sell	-0.4	12.5	0.9	12.3	10.7	9.5	12.0	0.82
9079	FKMSC	Fid VIP Value	Large Value	23.83	OK to Buy	0.6	19.4	-0.1	0.1	7.9	6.6	11.9	1.11
9073	FRBSC	Fid VIP Value Strategies	Mid Value	24.58	Hold	1.1	22.9	0.2	0.5	8.4	5.4	11.8	1.19
9347	FBMEC	Black Rock Global Allocation	Global Allocation	13.97	Hold	-0.3	10.1	0.9	1.5	5.1	3.3	5.7	0.57
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	11.76	Hold	1.5	4.5	1.1	4.1	4.5	0.9	4.1	0.45
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	10.80	Hold	0.2	3.9	2.1	5.4	1.1	1.4	1.9	0.17
9285	FIGXC	Invesco Global Core Eqty	Global Stock	13.97	Hold	-0.0	15.1	-1.8	-3.2	6.5	4.1	6.5	1.07
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	16.10	Hold	-2.1	8.0	-1.6	-2.8	4.3	-1.2	3.9	1.17
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	20.30	OK to Buy	1.2	12.6	4.9	9.6	4.0	3.4	5.8	0.52
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	14.39	Hold	-0.8	9.2	-1.2	-2.6	4.9	0.9	3.8	1.10
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	14.61	Hold	-0.4	10.9	1.1	3.2	6.2	3.0	6.0	0.58
9346	FPMEC	Pimco Commodity Real Return	Commodities	5.64	Hold	-0.7	7.4	-1.4	-5.3	-0.7	-9.0	-2.5	0.74
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	11.95	Buy	-0.2	2.5	1.0	2.9	1.3	1.0	--	0.08
9277	FPNBC	Pimco VIT Real Return	TIPS	13.67	OK to Sell	0.3	6.5	2.6	4.7	1.8	1.1	--	0.24
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	14.18	Hold	-0.0	6.0	2.8	6.9	2.3	2.8	--	0.23

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	22%	VIP Growth	29%	VIP Contrafund	21%	Pimco VIT Low Duration	34%
VIP Cons Discretionary	18	VIP Growth Opps	28	VIP Growth Opps	20	VIP Contrafund	26
VIP Comm Services	17	VIP Equity-Income	17	VIP Floating Rate Hi Inc	20	VIP Investment Grade	21
VIP Health Care	15	VIP Mid Cap	14	VIP Equity-Income	20	VIP Floating Rate Hi Inc	19
VIP Financial Services	15	VIP Disciplined Sm Cap	12	VIP Investment Grade	10		
VIP Industrials	13			Pimco VIT Low Dur	9		
<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>	
Jul: 1.6% YTD: 22.8%		Jul: 1.0% YTD: 21.3%		Jul: 1.0% YTD: 13.7%		Jul: 0.6% YTD: 8.8%	

## Muni Fund Yields Fall Amid High Demand

Strong demand for bonds generally, and for municipal bonds in particular, has helped suppress their yields to multi-year lows. In the case of the nationally diversified **Municipal Income**, its yield has fallen to 1.91%, down from 2.76% at the start of the year. Of course, as bond prices move inversely to their yields, the fund's shareholders have been rewarded with a year-to-date return of 6.8%. That means munis (like all bonds — especially longer-maturity Treasuries) have become more expensive. And at a time when muni supply has been curtailed (more on that shortly), demand hasn't waived.

One reason for the latter is a quirk in the 2017 federal tax overhaul: It diminished the so-called advanced refunding benefits that the gargantuan muni market (about \$4 trillion in size!) previously enjoyed.

Back on the supply side, the strong economy has helped to shore up municipal balance sheets; local governments have less need to borrow for projects. Notably, muni issuance was 25% lower in 2018 than from the year before. This year, the rate of new issuance hasn't yet picked up.

Against the backdrop of demand outstripping supply, munis' tax-advantaged dividends remain relatively alluring — especially now that tax reform has stripped away many deductions that higher-earners once enjoyed. (Unlike Treasury bonds, individuals buy more munis — often through mutual funds — than do institutions.) And as long as investors have few inflation fears (and some concerns over elevated share prices), muni bonds still have plenty of price support.

Nevertheless, we'd resist the temptation to grab that last bit of yield offered by Fidelity's highest duration (most interest-rate-sensitive) funds. So we prefer **Intermediate Muni Income** and **Limited Term Muni**. As for **Conservative Muni Income**, it's a slightly riskier alternative to muni money market funds, though in that regard, it's a risk well-worth considering. ■

— John Bonnanzio

### Fund Commentary *cont'd from p. 5*

#### International Funds

Significant declines in the waning days of July weighed heavily on the monthly returns of Fidelity's foreign stock funds. Almost all finished the month in the red with an average decline of 1.2%. (For the year, however, they're collectively up 14.4%.)

**Europe** (down 4.3%) fared the worst. Recession fears (which central bankers are trying to counter with interest-rate cuts and quantitative easing) and the growing prospect of a no-deal Brexit sent some investors running for cover.

One of the only bright spots abroad was **Latin America** (up 2.8%). With 74% of its assets in Brazil, its new pro-business government has been central to that market's rebound.

#### Fixed Income

The yield on the benchmark 10-year Treasury backed up a bit in July to 2.02%, from 2.00%. While saddling a few taxable bond funds with fractional losses for the month (the promise of a larger budget deficit and so more Treasury bond supply also weighed on prices), very short- and longer-term yields actually fell. That, of course, results in rising bond prices. **U.S. Bond Index** gained 0.3% for the month and is now up 6.3% for the year on a total return basis.

As for money markets, the July 31 rate cut will further trim yields in the weeks ahead. But in anticipation of that cut, **Gov't Cash Reserves** has already seen its yield fall to 2.01% from 2.05% a month earlier. (It was 2.08% on Dec. 31, 2018.) ■

— John Bonnanzio

## Five New Index Funds Rolled Out

Fidelity remains the industry powerhouse in offering the widest selection and best-managed funds. And while it's arguably a leader in offering the least expensive index funds, too, it's still playing catchup in terms of index fund offerings.

Enter four new stock index funds whose razor-thin expense ratios of 0.05% will catch the attention of cost-conscious index investors and, undoubtedly, Fidelity's rivals. Also, **Municipal Bond Index** expands their lineup of nationally diversified munis, though this is their only muni index fund. Here's an overview of each:

**Mid Cap Growth Index** — *OK to Buy* — This index fund is an alternative to **Growth Strategies** (see p. 4), which had been Fidelity's only option in this area. We expect this fund to be a bit "growthier" than is Growth Strategies, and to sidestep larger-cap stocks.

**Mid Cap Value Index** — *OK to Sell* — The largely sector-neutral, and actively run **Mid Cap Value** fund competes with the Russell benchmark both funds follow, though this index offering isn't as committed to the deeper-value stocks favored by its actively run counterpart. Regardless, this isn't currently our favorite area of the market.

**Small Cap Growth Index** — *Buy* — As the only alternative to the long-closed (though expertly managed) **Small Cap Growth**, this is a welcome addition. That said, except in terms of cost, it's hard for us to imagine that this index fund will compare favorably to its counterpart which has one of the industry's best records.

**Small Cap Value Index** — *OK to Sell* — This fund provides an alternative to its sole active counter-

*Inside Fidelity cont'd on page 12*

part, **Small Cap Value**. But that team-run fund has a lengthy middle-of-the-road record that might be beaten by this index offering if, for no other reason, it has an expense advantage of nearly one full percentage point. For now, we'd avoid the area.

**Muni Bond Index** — *OK to Buy* — The closest cousin to this fund is the active **Intermediate Muni Income**. That means “medium” credit quality on par with **Muni Income**, but with less interest-rate-sensitivity. While we like this choice, Fidelity muni bond analysts are quite good at adding value and managing risk. ■

*[Note: These new funds have triggered modest layout changes to our Scorecard. For example, the Specialty funds are now found at the top of page 8.]*

## 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.

Fund	Ex-Date	\$ Amt	NAV
500 Index	7/5	0.480	103.92
Asset Mgr 40%	7/5	0.070	11.73
Asset Mgr 50%	7/5	0.105	18.22
Balanced	7/5	0.105	23.73
Convert Sec	7/5	0.117	29.81
Equity Div Inc	7/5	0.164	25.34
Equity-Inc	7/5	0.244	58.89
Global Credit	7/5	0.042	9.48
Global Equity Inc	7/5	0.095	14.14
Growth & Inc	7/5	0.127	39.03
Puritan	7/5	0.089	22.26
Strat Div & Inc	7/5	0.074	15.42
Strat Real Return	7/5	0.076	8.32
Telecom and Util	7/5	0.189	27.75

was on the gold standard, which left no room to soften the monetary blow of a massive productivity boom. Real interest rates on long-term corporate bonds surged in 1926-27, hitting 10%. The resulting high borrowing costs weighed on the manufacturing booms in autos and home appliances, leaving nothing to offset job losses in the farm belt. Consumers continued to take on debt that had become too expensive to service.

It all ended when the 1929 stock market crash revealed a banking system that had become a house of cards.

Tariffs on U.S. imports had been high throughout the 1920s, starting with the 1922 Fordney-McCumber Tariff. Many European countries retaliated with tariffs on U.S. autos ranging from 40-100%. The impact on trade was limited, which is why Smoot-Hawley became law in 1930. It didn't make things a whole lot worse, it just happened at a time when things were going to get worse regardless.

What the U.S. economy really needed was to exit the gold standard so that interest rates could be cut. But that wouldn't happen until 1933 — almost two years after Britain's economy showed a clear benefit from doing so. Smoot-Hawley remained in force and didn't stop the economy from recovering in the late 1930s. It wasn't until 1947 that the U.S. put a major new tariff framework in place.

### Is The Past Prologue?

So much for history; let's now get real on today's tariff threat.

U.S. exports are only 12% of GDP, and imports are only 15%.

Most of what we export is high value and difficult to replicate, whereas most of what we import is low value and easily made elsewhere. Consider a Chinese consumer buying a domestically-produced laptop containing U.S. chips. A 25% tariff on U.S. semiconductors probably means this consumer has to work roughly five extra wage-hours to cover the laptop's increased cost. Contrast that with a U.S. consumer buying a Chinese-made coffee-maker or pair of slacks, where the same 25% tariff might translate to 15 minutes extra wage-hours.

Now consider that China buys a trickle of our high-value exports, whereas we import a flood of their low-value goods. In a heavy tariff situation on both sides, there can really only be one outcome — one where the production of low-value U.S. imports moves to countries other than China. Recession? Maybe in China, but here at home it's hard to see anything more than a modest slowdown.

It doesn't make sense to overreact to the trade threat. After all, we are talking about tariffs on *stuff*, not *services* (most of the stock market's capitalization revolves around the latter). Granted, foreign countries can still tax and regulate services, and Europe is now looking to do just that to America's biggest tech players. But as France's President Macron was just reminded by President Trump, they can only do so within their own jurisdictions — meaning any impact on earnings is likely to be limited.

So stick with your long-term investing plan. If you need to sleep better at night, consider turning off the investment news channel during the daytime. ■

— Jack Bowers

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