

FIDELITY MONITOR & INSIGHT

SEPTEMBER 2019

PUBLISHED SINCE 1985

MESSAGE FROM JACK

Yield Curve's Inversion Shouldn't Alter Your Investment Plan

The market's dramatic reaction to the Treasury yield curve inversion (2/10-year) is rooted in history. Since June 1976 there have been five significant yield inversion periods, and in each case a recession followed. The theory behind this seemingly reliable indicator is that banks have no incentive to lend in this kind of environment, which crimps business expansion and consumer spending, leading to job losses and economic contraction.



Jack Bowers

But there's more to it than that. Each of those five historical periods involved a spike in oil prices that drove the price of crude up by more than double. It was the Fed's response to the inflation threat that actually caused the inversion.

The economic impact of an oil price spike is more potent than a U.S. yield curve inversion, because it affects the entire world, not just U.S. bank lending. Odds are, those oil price spikes were the main cause of past recessions. The inversions might have made things worse, but were probably not the primary cause.

So where does this leave us today, in an age of energy abundance and remarkably stable oil prices despite supply disruptions and acts of war? Can a yield curve inversion that affects only U.S. and U.K. bank lending really cause a U.S. recession?

I think not. Corporations are less dependent on banks these days, and consumers borrow from a wide range of non-bank lenders. The labor shortage means we're unlikely to see a surge in job losses. Tariffs pose some risk, but as I explained last month, the worst we should see is a modest slowdown. Even with an inversion on top of that, consumer spending and exports probably won't change much, and neither will corporate earnings.

So at the risk of sounding like a broken record, stick with your long-term investing plan. The market's misplaced faith in the yield curve indicator will create opportunities, and we may be able to benefit.

MARKET OUTLOOK

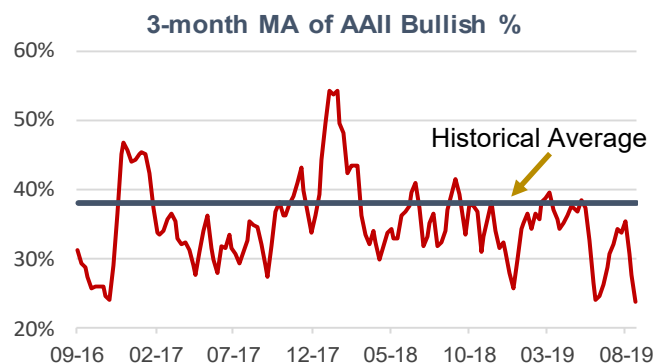
Current Sentiment More Typical Of Market Bottoms Than Tops

An old Wall Street saying is that a bull market climbs a "wall of worry." Well there are certainly no shortage of worries at the moment: trade wars, a slumping manufacturing sector, and an inverted yield curve (see Jack's *Message* opposite) to name a few. And of course, all of the above lead to the biggest worry of them all — a recession.

Well, if we are going to get a recession soon (soon is the key word since know we will get one eventually), it will be perhaps the most widely expected in history. Google searches for "recession" spiked dramatically in August. August also saw a large spike in equity "put" buying. A put gives one the opportunity (not the obligation) over a certain period of time to sell a stock or index at a set price. High put buying indicates investors are expecting stock prices to fall significantly. Bullish sentiment among members of the American Association of Individual Investors remains well below its historical average (see chart below). And the CNN Money Fear and Greed Index is registering extreme fear.



John M. Boyd



In fact, the current level of negative sentiment is more typically seen at market bottoms — not tops.

This is not to minimize the list of worries as there are real reasons to be cautious. Growth is slowing abroad, with Germany possibly entering recession after its GDP contracted by 0.1% in the second quarter. And its manufacturing sector is doing even worse, buffeted by the tariff wars and its auto industry's poor response to new emissions standards.

Market Outlook *cont'd on page 3*

MODEL PORTFOLIOS

See Model Portfolios Key on p. 3

AUGUST 31, 2019

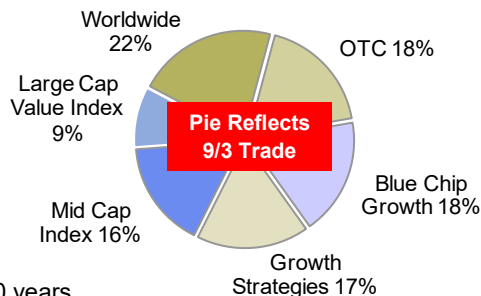
Unique Opportunities Target Risk: 1.20 (Current: 1.06) Foreign Holdings: 11.7% **YTD Return: 19.6%**

Stocks: 99.3% Bonds: 0.0% Cash: 0.7% Alternatives*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Worldwide	FWWFX	\$27.37	4,539.80	\$124,254	-0.9%
OTC	FOCPX	12.22	8,601.69	105,113	-1.9
Blue Chip Growth	FBGRX	100.76	1,038.16	104,605	-2.2
Growth Strategies	FDEGX	48.22	2,073.63	99,991	-1.3
Small Cap Index	FSSNX	19.23	4,975.42	95,677	-4.9
Large Cap Value Index	FLCOX	12.24	4,253.55	52,064	-2.9

Current Value (3/31/99 = \$100,000) \$581,704 -2.2%

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



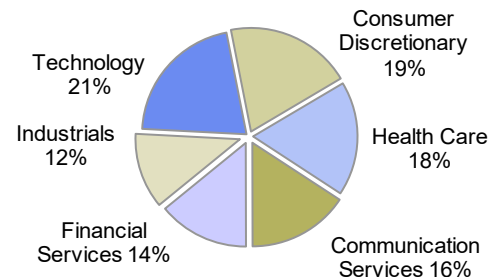
Select Target Risk: 1.20 (Current: 1.12) Foreign Holdings: 6.7% **YTD Return: 20.2%**

Stocks: 99.0% Bonds: 0.0% Cash: 1.1% Alternatives*: 0.0% Yield: 0.4%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Technology	FSPTX	\$17.46	53,066.26	\$926,537	-1.1%
Consumer Discretionary	FSCPX	46.65	18,391.66	857,971	-1.1
Health Care	FSPHX	24.32	32,192.14	782,913	-2.7
Communication Services	FBMPX	63.11	10,934.15	690,054	-1.3
Financial Services	FIDSX	9.99	62,010.61	619,486	-3.9
Industrials	FCYIX	34.61	14,946.14	517,286	-1.9

Current Value (12/31/88 = \$100,000) \$4,394,247 -1.9%

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



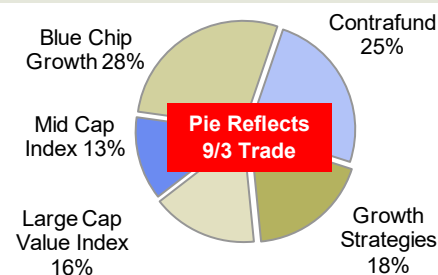
Growth Target Risk: 1.00 (Current: 1.05) Foreign Holdings: 4.5% **YTD Return: 18.5%**

Stocks: 99.6% Bonds: 0.0% Cash: 0.4% Alternatives*: 0.0% Yield: 0.7%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Blue Chip Growth	FBGRX	\$100.76	8,356.01	\$841,951	-2.2%
Contrafund	FCNTX	13.06	57,128.71	746,101	-1.8
Growth Strategies	FDEGX	48.22	11,514.05	555,208	-1.3
Large Cap Value Index	FLCOX	12.24	39,416.86	482,462	-2.9
Small Cap Index	FSSNX	19.23	19,949.44	383,628	-4.9

Current Value (12/31/86 = \$100,000) \$3,009,350 -2.4%

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



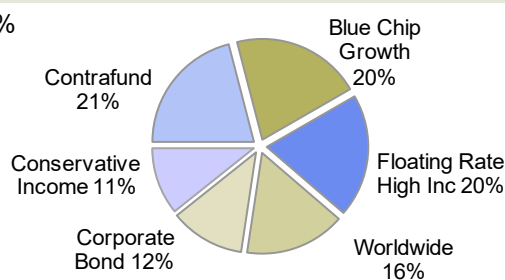
Growth & Income Target Risk: 0.66 (Current: 0.67) Foreign Holdings: 20.9% **YTD Return: 13.5%**

Stocks: 57.3% Bonds: 22.2% Cash: 1.8% Alternatives*: 18.7% Yield: 1.7%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Contrafund	FCNTX	\$13.06	11,908.38	\$155,523	-1.8%
Blue Chip Growth	FBGRX	100.76	1,517.94	152,947	-2.2
Floating Rate High Inc	FFRHX	9.44	15,486.38	146,191	-0.3
Worldwide	FWWFX	27.37	4,329.01	118,485	-0.9
Corporate Bond	FCBFX	12.23	7,189.79	87,931	3.1
Conservative Income	FCONX	10.04	7,949.22	79,810	0.2

Current Value (12/31/93 = \$100,000) \$740,889 -0.7%

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



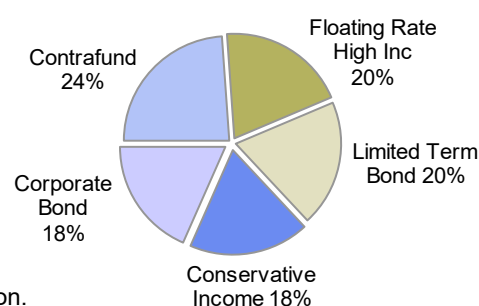
Income Target Risk: 0.33 (Current: 0.33) Foreign Holdings: 22.4% **YTD Return: 9.6%**

Stocks: 23.8% Bonds: 54.2% Cash: 2.7% Alternatives*: 19.2% Yield: 2.3%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Contrafund	FCNTX	\$13.06	7,731.81	\$100,977	-1.8%
Floating Rate High Inc	FFRHX	9.44	8,825.66	83,314	-0.3
Limited Term Bond	FJRLX	11.70	7,050.91	82,496	1.1
Conservative Income	FCONX	10.04	7,780.61	78,117	0.2
Corporate Bond	FCBFX	12.23	6,368.84	77,891	3.1

Current Value (12/31/91 = \$100,000) \$422,796 0.3%

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



However, one economy stands out from the rest and that is our own. The Conference Board's Leading Economic Index (LEI) rose 0.5% in July to a new high. We have never had a recession without the LEI beginning to decline. And over the last four recessions the average lead time from a decline in the LEI to a recession was 15 months.

While our manufacturing sector is also weak, a healthy consumer (about 70% of the economy) continues to drive our GDP higher. Current forecasts for third-quarter GDP growth average about 2.0%, the same as the (just revised) second quarter's gain.

The consumer has been bolstered by an employment picture that continues to be very positive. There are still many more job openings than hires and initial claims for unemployment remain historically low. This has driven a steady rise in personal incomes of between 4.5% and 5% this year. Retail sales through July, while bumpier, are 3% ahead of a year ago. The personal savings rate has been steady and solid at 8% or more all year. As long as we have a healthy consumer sector, I don't see a recession as a near-term concern. We will, however, be watching the employment picture closely for any signs of deterioration.

Given the increased volatility of late, we have modestly trimmed risk in some of our model portfolios (see trade box). But we think recession fears are overblown. Another Wall Street saying is that the market tends to move in the direction that causes the most pain. Today, with many dumping their stocks preparing for the worst, the most pain would be for stocks to move higher. ■

— John M. Boyd

FUNDS YOU SHOULD BUY NOW

Growth: Blue Chip Growth, Growth Co. and **OTC** are aggressive large-cap options; **Contrafund** is more conservatively positioned. **Growth Strategies** provides active mid-cap exposure while **Mid Cap Index** is a lower-cost way to hold companies with market caps of \$2-10 billion.

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 (62%) U.S. large-caps with "only" 36% foreign (5% in emerging markets), whereas **International Cap App** is 84% invested abroad while maintaining similar risk.

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. ■

MODEL PORTFOLIO TRADES

As announced on our Hotline message of Friday August 30, on Tuesday Sept. 3 we made the following model portfolio trades:

Unique Opportunities Model:

We sold our entire position in **Small Cap Index** [FSSNX] and with the proceeds established an approximately 16% stake in **Mid Cap Index** [FSMDX].

Growth Model:

We sold our entire position in **Small Cap Index** [FSSNX] and with the proceeds established an approximately 13% stake in **Mid Cap Index** [FSMDX].

Annuity Growth Model:

We sold our entire position in **VIP Growth** [FMNDC] and with the proceeds established an approximately 29% stake in **VIP Contrafund** [FPDFC]. We also sold our entire stake in both **VIP Disciplined Small Cap** [FPRGC] and **VIP Mid Cap** [FNBSIC]. With the proceeds, we established an approximately 26% stake in **VIP Extended Market Index** [FEMJC].

Note: Fidelity sets trading limits on its funds, and members following our models with large sums may encounter these. If you are affected, we suggest staggering this trade over multiple trading days. Your total return may end up being slightly better or worse than that of our model portfolio, but the performance difference should be very small.

Trade Rationales: The thematic reason for all our trades is modest and calibrated risk reduction. Small-caps are typically riskier than their larger-cap counterparts. For example, Small Cap Index has a relative volatility of 1.41; which means it's 41% riskier than the large-cap S&P 500 and 28% riskier than Mid Cap Index. With that in mind (and as shown in the *Rating Changes* box on p. 5), we have downgraded several small-cap funds while upgrading some mid-cap offerings. In the *Annuity Growth Model*, our trade into **VIP Contrafund** better aligns it with our "regular" *Growth Model* where we own **Contrafund** (both funds are overseen by legendary manager Will Danoff). Finally, we prefer the passively run **VIP Extended Market Index** to the actively managed **VIP Mid Cap**.

Model Portfolios Key:

¹Alternative investments include such areas as high-yield bonds, commodities, real estate. Portfolio trades and total returns do not take taxes into account. Some percentage figures may not sum to 100 due to rounding. Dividends are reinvested. Consider the tax implications of trades before you decide to buy or sell any fund. Any trades are detailed on p. 3 and are announced on regularly scheduled Friday evening Hotline updates via e-mail and web (see p. 8). **Annuity Model Portfolios** are on p. 10.

WOMAN'S LEADERSHIP

Fund Seeks To Do Well By Doing Good

In many respects, the above philosophy sits at the epicenter of what many call socially conscious investing. The three pillars of “ESG” investing are environmental, social and ethical governance. The last two are the cornerstones of Fidelity’s recently introduced **Woman’s Leadership** [FWOMX] stock fund.

Launched in May, it arrives on the heels of three new Sustainability index funds, bringing Fidelity’s ESG offerings to five (including **Select Environment & Alternative Energy** [FSLEX]). While it’s easy to dismiss ESG funds as politically correct investing, it does make good business sense: ESG funds attracted \$8.4 billion in assets during the first half of the year, versus \$5.4 billion in all of 2018. Besides, Fidelity contends that they have the data to prove that investors can do well by also doing good.

As with other funds, fundamental and quantitative stock analysis drive this fund’s investment process. Plus there’s the ESG overlay. Notably, its manager, Nicole Connolly, heads Fidelity’s ESG research team.

Last month, 181 of America’s top CEO’s on the Business Roundtable signed a resolution declaring that “the purpose of a corporation” is to serve the needs of “all” its stakeholders — employees, suppliers and “the communities in which we work” — not just its shareholders.

Its signatories include many of the CEOs who run Fidelity’s top holdings: Amazon, Apple, Bank of America, Boeing, Morgan Stanley, Salesforce, Visa, to name a few.

Whether the CEOs had realized it or not, they basically pledged to abide by ESG principles: To “protect the environment by embracing sustainable practices across our business ... and foster diversity and inclusion, dignity and respect.” Notably, “Generating long-term value for shareholders,” was last on the CEOs’ checklist!

While it remains to be seen just how closely these new-found values are practiced, corporate America appears to be listening to a new generation of investors. And, in adding **Woman’s Leadership** to its lineup of socially responsible funds, it’s clear that Fidelity has also been listening. ■

While its investible universe encompasses 3,000 U.S. stocks, its charter (to invest “primarily in companies that prioritize and advance women’s leadership and gender diversity” goals) pares that to 700, though it currently holds just 106.

So here’s the question: Is the fund’s social screen more likely to add or detract from its returns?

While back-testing has limitations, during the 10-year period Fidelity studied (ending June 2018), the kinds of stocks that Woman’s Leadership might have held is said to have outperformed its Russell 3000 benchmark by 0.99% annually.

As for the fund’s gender diversity mandate, women had to account for at least a third of a company’s board and/or it had to have workplace policies that attract and retain female employees.

A similar study of 1,875 companies by Morgan Stanley also found share-price outperformance in line with Fidelity’s findings. That was the case for U.S. and Canadian firms, as well as for gender-diverse companies throughout Asia and Europe, too (see box).

While some might look to Woman’s Leadership fund as a nod to political correctness, a former fund manager named Abigail Johnson likely supports its mission. After all, she is Fidelity’s “chairman.”

With Fidelity capping this large-cap blend fund’s expenses at 1.0%, we rate it *OK to Buy*. ■

— John Bonnanzio

SELECT GOLD

For Now, At Least, All That Glitters Is Gold

Last month gold prices breached their six-year high. Finishing August at \$1,529.20, the precious metal has skyrocketed 19% this year as worried investors see it as a safe haven from stocks since gold is negatively correlated to them. Gold is also faring well as inflation-adjusted interest rates are low and geopolitical tensions are high.

While we recognize gold’s storied allure, the truth is that it’s just a commodity like any other metal — albeit a somewhat rare and beautiful one. But as far as safety is concerned, it’s no long-

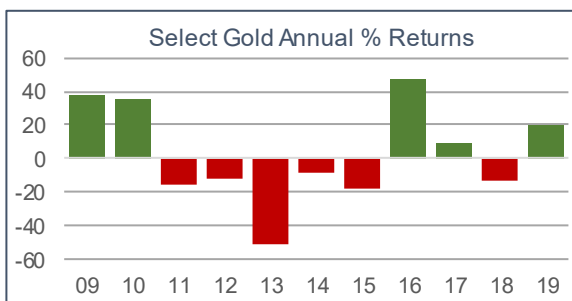
er a backstop for the U.S. dollar (though it’s still held in reserves by most central banks, including ours). Moreover, gold has no dividend yield and there’s a practical risk and expense in hoarding the stuff. And, as far as using gold or gold stocks as a safe haven, let’s consider volatility.

Using **Select Gold** [FSAGX] as a proxy for the metal, the fund principally holds shares in Canadian,

Australian and U.S. companies that mine, process and deal in gold. As such, it’s about twice as volatile as the S&P 500 and eight times riskier than U.S. **Bond Index** [FXNAX]. And, just like gold itself, Select Gold has no dividend yield.

Granted, shares of gold producers (and thus the fund) are more volatile than the metal itself. That’s because their earnings are also sensitive to gold prices. Nevertheless, you should focus on the five-year period (2011 to 2015) when Select Gold lost an average of 23% a year (and gold bullion lost a quarter of its value)! As this isn’t our idea of a safe haven, we continue to rate the fund *Sell*. ■

— John Bonnanzio



FUND COMMENTARY

Fear Jolts Stocks, But Buoy Bonds

Once again, August has lived up to its reputation as a good time to take a vacation from stocks. (For the record, September has been the worst month to own them.)



John Bonnanzio

Indeed, last month's backdrop was eerily reminiscent of last year's fourth quarter when fear of a full-blown trade war and slowing global

growth sent stocks reeling. Once again, the occasional 3% share price contraction punctuated seemingly daily 1% market swings.

Market Indexes

Thanks to their strong finish in the last week of August, market declines were bad, but not terrible. The hardest-hit groups were small-caps as the Russell 2000 retreated 4.9%; mid-caps were off 2.8%. Faring a bit better was the tech-rich Nasdaq Composite whose monthly decline was chopped in half during the last few days of the month. Still, it fell 2.5%. As for the large-cap S&P 500 and Dow Industrials, their August declines were 1.6% and 1.3%, respectively. Again, hardly a disaster, but worrisome nonetheless.

Stock Funds

Virtually all of Fidelity's diversified stock funds — actively managed and passively indexed — lost ground last month. On average, their 59 offerings retreated 2.5%.

Among the hardest-hit were value-oriented funds and especially those with smaller market caps. While they also benefited from a late-in-the-month bounce, funds like **Small Cap Value Index** and the mid-cap-oriented **Value** (which both dropped 5.6% in August) suffered at the hand of economically sensitive cyclical — such as energy, materi-

als and transportation stocks. (See trade box below.) However, dividend-paying utilities and Big Pharma were helpful to value funds as a whole.

As for last month's "winner," that distinction belongs to Manager Jeff Feingold. His lower-risk, large-cap growth oriented funds, **Independence** and **Magellan**, managed to gain 0.6% apiece. (No surprise here: despite the latter having considerably more in assets, the funds are effectively clones.)

Select Funds

The average Select fund retreated 2.6% in August. Apart from **Select Gold** soaring 10.5% (see facing page), a few other defensive and/or higher yielding sectors found favor among investors. As previously mentioned, **Utilities** (up 3.5%), **Defense & Aerospace** (up 3.1%) and **Pharmaceuticals** (up 0.7%) were among the handful of sector offerings with gains. (Falling interest rates also provided a lift to REITs and the real estate funds holding these securities along with real estate bonds. Notably, **Real Estate Investment** gained 3.3% for the month.)

Elsewhere, with rates low and consumers still confidently spending, **Construction & Housing** (up 3.6%) and **Retailing** (up 0.4%) also rose. On the other hand, fear of a slowdown and tightening spreads on loans weighed on **Banking** (down 7.3%).

And with crude oil prices retreating 6% in August, **Energy Service** (down 18.3%) led other energy-related Selects lower. It was Fidelity's worst-performing fund for the month, though **Natural Gas** (down 9.8%) and **Energy** (down 8.5%) also fell hard.

Among technology funds, trade concerns weighed heavily on **Communications Equipment** (down 9.6%), whereas **Semiconductors** fell 3.7%. But the more diversified **Technology** lost a modest 1.1%.

Bonds

Fidelity's 20 taxable funds were all in positive territory in August as were their 12 state-specific muni funds and their six nationally diversified offerings.

Amid continued strong demand for bonds of every variety (except

Fund Commentary *cont'd on page 12*

September Scorecard Rating Changes

Fund	Ratings			Comments
	Old	New		
Dividend Growth	B	H	↓	Fund too dependent on old-line cyclicals like G.E.
Export & Multinational	B	H	↓	Fund too dependent on old-line cyclicals like G.E.
Mid Cap Growth Idx	B	B	↑	See Models' Trade Rationales in trade box on p. 3.
Mid Cap Index	B	B	↑	See Models' Trade Rationales in trade box on p. 3.
Woman's Leadership	NA	B		See fund profile on page 4.
Zero Extend Mkt Idx	B	H	↓	Non-Zero version provides more growth-stock exposure.
Small Cap Funds				
Int'l Small Cap	B	H	↓	Small-cap stocks have historically held some advantages over their larger-cap peers, including their ability to grow sales and earnings faster. But we're presently disinclined to directly own small cap funds (we have indirect exposure via other positions) partly because their risk-return premium is unappealing, and also because certain larger-cap growth stocks (especially within tech) presently provide even higher rates of growth with less downside risk.
Small Cap Growth Idx	B	B	↓	
Small Cap Discovery	B	H	↓	
Small Cap Enh Idx	B	H	↓	
Small Cap Idx	B	H	↓	
Small Cap Stock	B	B	↓	
Stock Sel Small Cap	B	B	↓	
VIP Disc Small Cap	B	H	↓	
B = Buy; B = OK to Buy; H = Hold; S = OK to Sell; S = Sell; N/C = No Change; NR = No Rating (↑) Rating upgraded; (↓) Rating downgraded.				

FIDELITY SCORECARD

AUGUST 31, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) ¹
					Aug	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	
Comparative Indexes		S&P 500	2926.5		-1.6	18.3	6.9	2.9	12.7	10.1	13.4	9.0	1.00
		Nasdaq Composite	7962.9		-2.5	20.9	7.1	-0.7	16.4	13.0	16.1	11.4	1.19
		Dow Jones Industrials	26403.3		-1.3	15.1	7.1	4.1	15.5	11.8	13.6	9.3	1.02
		Russell 2000 (Small Caps)	1494.8		-4.9	11.9	2.4	-12.9	7.9	6.4	11.6	8.4	1.41
		Barclays Aggregate Bond*			2.6	9.1	4.1	10.3	3.1	3.3	3.9	2.6	0.27
Model Portfolios		Unique Opportunities			-2.2	19.6	6.1	-2.4	11.0	7.5	11.6	9.1	1.06
		Select Growth			-1.9	20.2	6.5	0.6	12.7	9.8	13.8	10.5	1.12
		Growth & Income			-2.4	18.5	6.1	-0.6	12.4	8.8	12.1	8.2	1.05
		Income			-0.7	13.5	4.3	1.7	9.1	7.0	9.6	7.2	0.67
											Rel Vol (Risk) ¹	Assets (\$Mil)	
LARGE CAP GROWTH					Average	-1.1	21.5	7.3	1.2	15.7	11.2	14.6	1.13
312	FBGRX	Blue Chip Growth	100.76	Buy	-2.2	20.0	6.9	0.8	18.2	13.0	16.2	1.18	\$22,443
307	FDCAX	Capital Appreciation	35.33	Hold	-1.2	19.0	6.3	-0.4	12.9	8.5	13.6	1.05	4,643
22	FCNTX	Contrafund	13.06	Buy	-1.8	19.7	5.7	0.4	15.6	11.7	14.4	1.13	92,923
3	FFIDX	Fidelity Fund	47.05	Hold	-0.2	21.3	9.3	3.0	13.1	9.8	12.1	1.00	4,035
333	FTQGX	Focused Stock	25.40	Buy	-1.7	21.6	6.6	5.6	18.1	11.8	15.1	1.14	3,014
25	FDGRX	Growth Company (Closed)	19.67	Buy	-1.3	22.8	7.4	-3.5	18.5	13.9	16.8	1.32	28,312
339	FDSVX	Growth Discovery	36.46	Buy	-1.3	21.3	6.4	2.4	17.2	11.8	15.6	1.11	1,689
73	FDFFX	Independence	38.18	Hold	0.6	23.8	8.5	2.8	13.9	7.1	12.9	1.09	3,478
1829	FLGEX	Lrge Cap Growth Enhcd Index	20.24	OK to Buy	-0.8	20.0	7.7	1.3	14.7	11.1	14.3	1.07	1,107
2826	FSPGX	Lrge Cap Growth Index	15.95	Buy	-0.8	23.3	8.4	4.2	17.0	--	--	1.09	2,523
21	FMAGX	Magellan	10.93	Hold	0.6	23.2	8.5	3.1	14.6	10.8	12.3	1.06	15,386
1282	FNCMX	Nasdaq Composite Index	104.06	OK to Buy	-2.5	20.9	7.1	-0.8	16.2	12.8	15.9	1.19	6,629
93	FOCPX	OTC	12.22	Buy	-1.9	22.8	7.6	-2.0	18.2	14.4	17.4	1.27	12,784
320	FDSSX	Stock Selector All Cap	45.60	OK to Sell	-2.1	18.7	6.1	-2.1	11.7	8.6	12.5	1.10	8,297
5	FTRNX	Trend	107.09	Buy	-0.7	23.7	7.3	2.4	16.1	12.1	15.5	1.11	1,945
LARGE CAP BLEND					Average	-2.5	15.8	5.5	-0.1	10.4	7.9	12.1	1.04
2328	FXAIX	500 Index	102.02	Hold	-1.6	18.3	6.9	2.9	12.7	10.1	13.4	1.00	202,582
315	FDEQX	Disciplined Equity	36.75	OK to Buy	-1.2	20.5	7.6	1.6	10.5	7.6	11.0	1.01	1,181
330	FDGFX	Dividend Growth	27.94	Hold	-5.6	10.4	2.4	-2.4	8.3	6.3	11.1	1.05	5,300
332	FEXPX	Export and Multinational	19.87	Hold	-5.6	9.8	2.4	-2.8	8.3	7.1	10.2	1.07	1,299
3336	FIFNX	Founders Fund	10.93	OK to Buy	-0.7	9.3p	6.4	--	--	--	--	--	17
27	FGRIX	Growth & Income	37.80	Hold	-3.0	14.0	4.6	-2.8	9.2	7.1	11.7	1.08	5,707
1827	FLCEX	Lrge Cap Core Enhcd Index	15.21	OK to Buy	-1.5	15.2	6.4	0.7	12.2	9.0	12.9	0.99	834
338	FLCSX	Large Cap Stock	30.11	Hold	-3.3	14.4	4.4	-3.6	9.7	7.0	12.6	1.14	2,560
361	FGRTX	Mega Cap Stock	14.23	Hold	-2.4	14.8	5.1	-0.9	10.2	7.6	12.3	1.03	1,389
300	FMLX	New Millennium	35.81	Hold	-3.2	14.7	3.1	-2.2	10.3	7.3	12.6	0.97	2,878
2361	FSKAX	Total Market Index	82.94	OK to Buy	-2.0	18.0	6.4	1.3	12.2	9.6	13.4	1.03	46,498
2941	FITLX	U.S. Sustainability Index	12.72	NA	-1.1	19.0	7.3	5.7	--	--	--	--	179
3396	FWOMX	Woman's Leadership	10.19	OK to Buy	-2.0	1.9p	6.9	--	--	--	--	--	13
3231	FNILX	Zero Large Cap Index	10.23	OK to Buy	-1.6	18.5	6.9	--	--	--	--	--	958
3227	FZROX	Zero Total Market Index	10.36	OK to Buy	-2.0	18.0	6.5	1.3	--	--	--	--	3,782
LARGE CAP VALUE					Average	-2.5	12.5	4.3	-0.7	7.6	6.0	10.2	0.97
1271	FBCVX	Blue Chip Value	19.12	Hold	-3.0	8.9	3.0	-2.8	6.3	5.5	8.9	0.93	466
319	FEQTX	Equity Dividend Income	24.52	OK to Buy	-2.3	13.1	4.1	-1.6	7.3	6.3	9.9	0.98	4,617
23	FEQIX	Equity-Income	57.86	OK to Buy	-0.9	15.8	5.5	2.4	8.5	6.3	10.1	0.95	5,153
1828	FLVEX	Lrge Cap Value Enhcd Index	12.81	OK to Buy	-2.0	12.3	5.2	-0.8	9.0	6.8	11.7	1.01	3,757
2830	FLCOX	Lrge Cap Value Index	12.24	Buy	-2.9	13.7	4.9	0.6	8.1	--	--	1.00	2,328
708	FSLVX	Stock Sel Large Cap Value	19.72	Hold	-3.2	12.3	3.8	-1.2	6.8	5.5	10.1	1.00	775
832	FVDFX	Value Discovery	28.00	OK to Buy	-3.0	11.3	3.6	-1.4	7.1	5.6	10.7	0.90	2,358
MID-CAP GROWTH					Average	-1.5	27.0	9.1	7.8	12.7	9.9	13.1	1.03
324	FDEGX	Growth Strategies	48.22	Buy	-1.3	27.0	9.1	7.8	12.7	9.9	13.1	1.03	2,725
3403	FMDGX	Mid Cap Growth Index	19.66	Buy	-1.8	-1.7p	--	--	--	--	--	--	6
MID-CAP BLEND					Average	-3.4	16.6	4.4	-2.4	9.8	7.3	12.6	1.11
2365	FSMAX	Extended Market Index	60.85	Buy	-4.2	16.4	4.0	-6.4	10.0	7.2	13.0	1.26	23,280
2012	FMEIX	Mid Cap Enhanced Index	14.59	OK to Buy	-3.0	16.3	5.0	-2.2	8.8	6.8	12.8	1.12	1,264
2352	FSMDX	Mid Cap Index	22.20	Buy	-2.8	19.6	5.3	0.6	10.0	7.9	--	1.10	10,590
337	FMCSX	Mid-Cap Stock	34.74	OK to Buy	-2.4	15.9	4.1	-0.4	9.9	7.5	12.6	0.91	5,198
2412	FSSMX	Stock Selector Mid Cap	35.34	OK to Buy	-3.3	17.3	4.2	-3.8	10.4	7.2	11.9	1.18	343
3230	FZIPX	Zero Extended Market Index	9.27	Hold	-4.4	14.0	3.6	--	--	--	--	--	417

Notes: *Fidelity's U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. ¹Relative Volatility (Rel Vol) versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. ²Duration is a measure of interest rate sensitivity. ³Stated yield is actual distributed yield over prior 12 months. ⁴Almost a Specialty fund with 30%+ typically in foreign stocks. ⁵Formerly Multimedia ⁶Formerly VIP Telecommunications. ⁷Formerly MSCI Telecom Services. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD

AUGUST 31, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	Assets (\$Mil)	
					Aug	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
MID-CAP VALUE					Average	-4.6	12.4	2.7	-7.2	5.3	4.0	10.9	1.16	
316	FLPSX	Low-Priced Stock ⁵	46.78	OK to Buy	-4.6	7.8	1.1	-6.4	6.6	4.9	11.0	0.94	\$22,685	
762	FSMVX	Mid Cap Value	20.81	OK to Sell	-5.2	9.1	3.1	-9.9	3.2	3.1	11.1	1.20	1,238	
3404	FIMVX	Mid Cap Value Index	19.31	OK to Sell	-3.6	-3.5p	--	--	--	--	--	--	4	
39	FDVLX	Value	9.96	OK to Buy	-5.6	14.5	3.2	-8.1	4.9	3.7	10.7	1.29	5,789	
14	FSLSX	Value Strategies	35.79	Hold	-4.2	18.2	3.2	-4.5	6.3	4.4	10.9	1.21	309	
SMALL CAP GROWTH					Average	-2.7	27.3	7.2	-2.5	17.4	13.9	15.6	1.31	
1388	FCPGX	Small Cap Growth (Closed)	26.99	Buy	-1.0	27.3	7.2	-2.5	17.4	13.9	15.6	1.31	2,825	
3405	FECCX	Small Cap Growth Index	19.37	OK to Buy	-4.4	-3.2p	--	--	--	--	--	--	9	
SMALL CAP BLEND					Average	-3.5	15.2	4.2	-8.4	7.5	6.2	11.4	1.34	
384	FSCRX	Small Cap Discovery (Closed)	21.94	Hold	-2.5	14.8	4.9	-4.9	5.5	4.7	12.3	1.27	2,769	
2011	FCPEX	Small Cap Enhanced Index	11.93	Hold	-4.9	11.8	4.3	-13.2	5.8	5.3	11.6	1.49	602	
2358	FSSNX	Small Cap Index	19.23	Hold	-4.9	11.9	2.4	-12.8	8.1	6.6	--	1.41	9,092	
340	FSLCX	Small Cap Stock	16.73	OK to Buy	-2.2	19.2	3.6	-5.0	8.6	7.3	9.9	1.23	1,448	
336	FDSCX	Stock Selector Small Cap	23.60	OK to Buy	-3.0	18.1	5.8	-6.3	9.4	7.3	11.8	1.28	1,051	
SMALL CAP VALUE					Average	-4.7	9.1	2.4	-11.6	4.8	5.3	11.1	1.20	
1389	FCPVX	Small Cap Value	14.33	OK to Sell	-4.7	9.1	2.4	-11.6	4.8	5.3	11.1	1.20	1,476	
3406	FISVX	Small Cap Value Index	19.07	OK to Sell	-5.6	-4.7p	--	--	--	--	--	--	13	
REAL ESTATE														
1368	FIREX	International Real Estate	12.50	Hold	1.5	16.5	3.5	9.0	9.1	5.9	8.4	0.79	239	
833	FRIFX	Real Estate Income	12.67	Hold	1.4	14.5	4.4	10.2	6.6	6.9	10.1	0.43	2,621	
2355	FSRNX	Real Estate Index	17.21	Hold	2.3	21.3	5.4	10.1	4.8	7.8	--	1.05	2,281	
303	FRESX	Real Estate Investment	47.12	Hold	3.3	23.5	6.5	12.9	5.6	8.7	13.9	1.02	4,362	
ASSET ALLOCATION														
328	FASIX	Asset Manager 20%	13.55	Hold	1.0	8.1	3.2	4.9	4.1	3.5	5.0	0.25	4,965	
1957	FTANX	Asset Manager 30%	11.23	Hold	0.7	9.5	3.7	4.4	5.0	4.1	6.0	0.34	1,631	
1958	FFANX	Asset Manager 40%	11.77	Hold	0.3	10.6	4.0	3.6	5.8	4.6	6.8	0.43	1,693	
314	FASMX	Asset Manager 50%	18.20	Hold	0.0	11.7	4.2	2.6	6.5	5.0	7.6	0.53	9,021	
1959	FSANX	Asset Manager 60%	12.66	Hold	-0.4	12.7	4.5	1.7	7.2	5.3	8.2	0.63	2,710	
321	FASGX	Asset Manager 70%	22.06	Hold	-0.8	13.4	4.6	0.5	7.8	5.6	8.8	0.73	4,871	
347	FAMRX	Asset Manager 85%	19.27	Hold	-1.4	14.8	4.9	-1.0	8.9	6.2	9.7	0.88	2,277	
304	FBALX	Balanced	23.55	Buy	-0.7	15.0	5.2	2.7	9.1	7.1	10.0	0.73	24,980	
355	FFNOX	Four-in-One Index	45.99	Hold	-1.4	14.6	4.9	1.5	9.3	6.7	9.9	0.81	6,230	
3083	FMSDX	Multi-Asset Income	11.08	OK to Buy	0.5	15.2	6.6	10.0	6.1	--	--	0.50	35	
4	FPURX	Puritan	22.17	Buy	-0.1	14.0	5.4	1.2	9.2	7.1	10.1	0.71	21,328	
INTERNATIONAL					Average	-2.0	12.1	2.6	-0.3	7.1	3.6	6.9	1.06	
309	FICDX	Canada	51.78	Hold	-1.1	18.3	3.7	2.4	6.0	0.5	4.9	0.97	879	
352	FHKCX	China Region	34.32	Hold	-1.5	16.5	8.2	3.7	11.3	5.8	8.6	1.48	1,056	
325	FDIVX	Diversified International	36.62	OK to Buy	-0.7	15.7	4.5	-0.6	6.1	3.4	6.2	0.95	8,914	
351	FSEAX	Emerging Asia	42.33	Hold	-1.7	14.4	3.1	4.3	10.1	5.9	8.0	1.21	999	
2053	FEMEX	Emerg Europe, MidEast, Africa	9.50	Hold	-5.3	8.5	-0.8	4.7	8.6	1.7	5.1	1.19	71	
322	FEMKX	Emerging Markets	31.35	Hold	-2.1	17.7	4.1	5.0	9.8	4.2	6.0	1.19	3,601	
2374	FEDDX	Emerging Mkts Discovery	13.19	Hold	-3.4	7.9	1.4	-1.3	4.8	1.4	--	1.08	205	
2344	FPADX	Emerging Markets Index	9.89	Hold	-4.2	3.7	-0.3	-4.6	5.6	0.4	--	1.17	2,638	
301	FIEUX	Europe	34.05	OK to Buy	-2.7	8.4	-1.4	-8.0	3.0	1.4	5.0	1.13	804	
2406	FGILX	Global Equity-Income	13.93	OK to Buy	-0.4	15.5	5.1	2.0	8.0	5.8	--	0.83	65	
2348	FSGGX	Global ex U.S. Index	12.34	Hold	-2.5	8.6	1.4	-3.1	5.8	1.4	--	0.94	5,811	
335	FIVFX	International Cap App	21.91	Buy	0.1	22.9	5.5	6.6	10.7	7.4	9.7	1.01	3,081	
305	FIGRX	International Discovery	41.73	Hold	-0.6	14.4	3.5	-2.3	6.4	3.3	6.1	0.97	6,469	
2010	FIENX	International Enhanced Index	8.98	Hold	-2.7	6.3	0.1	-6.5	5.3	2.1	5.5	0.94	1,508	
1979	FIGFX	International Growth	14.37	OK to Buy	-0.6	19.7	6.1	4.7	9.1	5.9	8.9	0.98	948	
2363	FSPSX	International Index	39.79	Hold	-2.0	9.7	1.8	-3.0	6.0	2.0	5.1	0.90	26,518	
818	FISMX	International Small Cap	25.28	Hold	-4.2	6.7	-0.6	-7.0	5.7	5.2	9.0	0.90	1,134	
1504	FSCOX	Int'l Small Cap Opps (Closed)	18.12	OK to Buy	-1.1	12.3	1.6	-3.1	8.1	6.0	10.5	0.97	974	
2988	FNIDX	International Sustainability Idx	10.22	NA	-2.0	9.0	1.8	-3.0	--	--	--	--	60	
1597	FIVLX	International Value	7.69	Hold	-2.7	5.8	0.4	-8.2	1.7	-0.7	2.9	0.97	414	
350	FJPNX	Japan	14.80	Hold	-0.5	12.9	4.5	-4.6	7.5	5.5	4.8	0.98	376	
360	FJSCX	Japan Smaller Companies	16.36	Hold	-0.9	8.1	2.8	-4.1	8.3	7.3	9.0	0.87	642	
349	FLATX	Latin America	25.57	OK to Sell	-4.9	19.3	4.9	27.3	8.8	-2.7	0.5	1.86	476	
342	FNORX	Nordic	44.46	OK to Sell	-0.7	4.2	0.3	-7.9	2.4	2.8	8.9	1.18	253	
94	FOSFX	Overseas	47.36	OK to Buy	-1.1	15.9	3.3	-0.9	7.7	5.6	6.8	0.96	6,475	
302	FPBFX	Pacific Basin	30.74	OK to Buy	-0.8	16.8	4.7	1.2	8.2	6.6	10.4	1.11	851	
2369	FTEMX	Total Emerging Markets	12.26	Hold	-4.2	8.0	0.6	3.0	5.3	2.3	--	0.95	193	
1978	FTIEX	Total International Equity	8.89	Hold	-2.1	13.7	2.8	-0.6	6.6	3.4	6.2	0.98	67	
2834	FTIHX	Total International Index	11.40	Hold	-2.4	8.6	1.4	-3.8	5.6	--	--	0.94	2,886	
318	FWWFX	Worldwide	27.37	Buy	-0.9	18.4	5.4	1.6	12.9	8.1	10.9	1.01	2,240	
3228	FZILX	Zero International Index	9.54	Hold	-2.3	8.8	1.6	-2.9	--	--	--	--	1,116	

FIDELITY SCORECARD

AUGUST 31, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	Assets (\$Mil)
					Aug	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year		
SPECIALTY													
308	FCVFX	Convertible Securities	29.76	OK to Buy	-0.8	19.4	6.6	9.8	9.5	4.5	9.2	0.70	\$1,415
2624	FARNX	Event Driven Opportunities	10.22	Sell	-5.0	-2.6	-3.1	-24.2	1.8	2.6	--	1.27	137
2120	FFGCX	Global Commodity Stock	11.71	OK to Sell	-5.0	4.6	2.2	-10.1	5.1	-3.3	0.5	1.24	262
122	FLVCX	Leveraged Company Stock	28.82	OK to Buy	-3.7	20.4	3.9	-4.0	8.0	3.2	10.9	1.30	1,848
1329	FSDIX	Strategic Dividend & Income	15.36	Hold	0.1	15.2	5.2	5.5	7.9	7.0	10.9	0.67	3,013
1505	FSRRX	Strategic Real Return	8.39	OK to Sell	0.5	8.2	2.3	2.7	3.2	0.9	3.9	0.34	197
311	FIUIX	Telecom & Utilities	28.14	Hold	2.9	16.0	8.8	11.8	10.9	8.1	12.4	0.72	1,083
SELECT PORTFOLIOS					Average	-2.6	16.2	5.8	-1.6	9.6	6.7	11.8	1.41
34	FSAIX	Air Transportation	76.26	Hold	-1.5	17.0	9.3	-1.6	14.4	9.9	17.0	1.50	287
502	FSAVX	Automotive	32.81	OK to Sell	-2.9	10.3	9.1	-3.0	5.9	1.8	10.1	1.25	33
507	FSRBX	Banking	24.60	Hold	-7.3	13.3	2.7	-12.1	9.1	7.0	10.0	1.77	410
42	FBIOX	Biotechnology	19.35	Hold	-2.5	13.0	3.8	-13.6	7.1	4.6	16.4	1.92	6,465
68	FSLBX	Brokerage & Investment	73.26	Hold	-2.4	16.2	5.1	-0.8	12.5	5.0	7.9	1.25	310
69	FSCX	Chemicals	11.77	OK to Sell	-6.7	-0.5	1.5	-22.2	2.6	1.8	11.5	1.56	888
518	FSDCX	Communications Equipment	35.61	OK to Buy	-9.6	4.1	-4.0	-9.9	8.8	6.4	9.4	1.27	181
503	FBMPX	Communication Services ⁶	63.11	Buy	-1.3	23.1	6.2	11.5	13.2	8.5	16.7	1.20	604
7	FDCPX	Computers	71.80	Hold	-2.9	14.8	6.7	-7.4	15.4	8.3	13.1	1.32	464
511	FSHOX	Construction & Housing	61.02	Hold	3.6	32.9	13.4	12.5	12.2	10.9	14.8	1.27	275
517	FSCPX	Consumer Discretionary	46.65	Buy	-1.1	19.8	6.2	1.4	13.1	11.4	15.9	1.21	454
98	FSVLX	Consumer Finance	16.68	OK to Buy	-4.9	24.2	3.5	3.9	14.7	9.4	12.0	1.22	160
9	FDFAX	Consumer Staples	84.47	Hold	0.2	22.7	5.6	10.1	3.6	5.2	10.2	1.04	833
67	FSDAX	Defense & Aerospace	18.49	Buy	3.1	31.4	11.4	11.1	21.4	16.0	17.9	1.46	2,950
60	FSENX	Energy	32.98	OK to Sell	-8.5	-0.2	-3.2	-29.5	-6.9	-9.9	1.6	1.98	894
43	FSESX	Energy Service	21.11	OK to Sell	-18.3	-15.8	-12.9	-51.9	-20.1	-22.9	-6.2	2.74	190
516	FSLEX	Environment & Alt Energy	23.86	OK to Sell	-4.9	12.3	2.6	-2.5	9.4	6.8	9.0	1.32	159
66	FIDSX	Financial Services	9.99	Buy	-3.9	17.0	4.5	-2.9	11.2	7.2	8.2	1.31	499
41	FSAGX	Gold	24.65	Sell	10.5	36.4	32.0	52.4	2.2	1.9	-2.2	1.88	1,574
63	FSPHX	Health Care	24.32	Buy	-2.7	10.3	6.0	-5.3	10.6	8.7	17.2	1.36	6,806
505	FSHCX	Health Care Services	86.96	OK to Buy	-5.8	-0.8	3.1	-11.2	11.8	9.9	14.9	1.47	990
515	FCYIX	Industrials	34.61	Buy	-1.9	20.7	3.8	-0.5	9.5	7.7	13.2	1.35	586
45	FSPCX	Insurance	62.52	Hold	-2.3	21.8	4.5	9.8	11.0	9.9	12.7	1.01	258
353	FBSOX	IT Services	73.46	OK to Buy	-0.9	36.4	7.6	13.8	24.9	20.2	20.4	1.16	4,062
62	FDLSX	Leisure	16.51	OK to Buy	0.1	27.8	10.7	17.0	16.6	12.4	16.3	1.10	561
509	FSDPX	Materials	65.36	OK to Sell	-4.2	5.0	4.9	-17.1	1.4	-0.7	7.5	1.43	515
354	FSMEX	Medical Tech & Devices (closed)	55.93	Buy	-1.2	18.3	8.5	5.2	16.2	17.8	17.4	1.34	6,485
513	FSNGX	Natural Gas	16.94	OK to Sell	-9.8	-4.8	-10.0	-32.7	-11.3	-16.4	-3.7	2.02	154
514	FNARX	Natural Resources	24.46	OK to Sell	-4.2	8.8	1.5	-18.7	-3.8	-8.7	1.7	1.71	384
580	FPHAX	Pharmaceuticals	20.97	OK to Buy	0.7	11.8	8.0	2.2	5.6	4.7	13.5	1.12	694
46	FSRPX	Retailing	16.07	OK to Buy	0.4	20.1	8.6	-0.1	16.6	16.5	19.3	1.29	3,085
8	FSELX	Semiconductors	10.26	Buy	-3.7	30.5	16.2	4.7	19.5	18.0	17.7	1.87	3,237
28	FSCSX	Software & IT Services	18.69	OK to Buy	-0.6	27.0	6.5	8.6	22.4	18.7	20.3	1.14	7,326
64	FSPTX	Technology	17.46	Buy	-1.1	30.1	10.5	1.0	21.6	16.5	17.6	1.42	5,490
96	FSTCX	Telecommunications	59.45	Hold	-0.5	13.6	6.2	2.9	4.0	5.8	10.0	0.96	221
512	FSRFX	Transportation	89.98	Hold	-5.6	10.7	3.3	-8.1	11.7	7.3	15.2	1.55	398
65	FSUTX	Utilities	93.37	OK to Sell	3.5	16.5	7.1	14.1	14.4	9.4	12.3	0.75	1,207
963	FWRLX	Wireless	9.99	Hold	0.1	21.5	9.3	7.8	13.6	8.9	11.6	0.98	269
SECTOR ETFs					Average	-1.8	16.7	5.8	2.6	9.5	7.8	1.22	
	FCOM	MSCI Communication Services ⁶	33.28	OK to Buy	-3.2	17.4	4.2	10.3	7.4	8.0	--	1.14	436
	FDIS	MSCI Consumer Discretionary	45.45	Buy	-1.8	19.3	7.0	1.4	14.2	11.8	--	1.19	719
	FSTA	MSCI Consumer Staples	36.20	Hold	1.7	20.3	9.5	14.3	6.3	8.6	--	0.96	604
	FENY	MSCI Energy	15.29	OK to Sell	-9.0	-0.5	-3.3	-24.4	-4.8	-9.4	--	1.77	407
	FNCL	MSCI Financials	39.08	Buy	-5.1	14.4	3.7	-3.8	11.9	9.4	--	1.41	1,100
	FHLC	MSCI Health Care	43.94	OK to Buy	-1.1	7.1	4.6	-2.3	10.1	9.3	--	1.13	1,500
	FIDU	MSCI Industrials	38.86	Buy	-3.0	19.7	5.7	-0.4	10.4	8.7	--	1.38	431
	FTEC	MSCI Information Technology	63.07	Buy	-2.3	28.9	10.0	5.5	22.2	17.0	--	1.30	2,500
	FMAT	MSCI Materials	31.38	Hold	-3.9	11.6	7.1	-6.8	6.1	3.6	--	1.28	192
	FREL	MSCI Real Estate	27.59	Hold	3.7	25.7	7.2	14.6	7.8	--	--	1.02	905
	FUTY	MSCI Utilities	41.12	Sell	4.8	19.7	8.2	20.2	12.6	11.6	--	0.83	812

Hotline Advisory

Please keep in mind that we post Special Hotline updates whenever the Dow Industrials rises or falls by 750 points or more in a single day of trading. (That's about 3% at today's level.) Also, we are eliminating telephone Hotline messages at the end of this year. Of course, Hotlines will still be available to members by email and on our website: www.fmandi.com. For questions, call Member Services at 800-444-6342.

FIDELITY SCORECARD

AUGUST 31, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				SEC %Yield	Dur ² (Yrs)	Rel Vol (Risk) ¹	
					Aug	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr				
TAXABLE BOND					Average	2.2	8.1	3.5	8.9	2.8	2.8	3.5	1.99	4.8	0.25
2267	FCONX	Conservative Income Bond	10.04	Buy	0.2	2.1	0.6	2.5	1.8	1.3	--	2.15	0.3	0.02	
2208	FCBFX	Corporate Bond	12.23	Buy	3.1	14.1	6.0	13.0	4.9	4.6	--	2.64	7.2	0.33	
2423	FGBFX	Global Credit	9.80	Hold	2.6	13.8	5.8	12.3	4.1	2.4	--	1.89	7.1	0.37	
15	FGMNX	GNMA (Ginnie Mae)	11.56	OK to Buy	0.6	5.0	1.6	6.3	2.0	2.3	3.3	2.35	2.9	0.18	
54	FGOVX	Government Income	10.68	Hold	2.8	7.8	3.5	9.3	2.3	2.7	3.0	1.74	5.4	0.28	
2418	FIPDX	Inflation-Protected Index ³	10.31	OK to Sell	2.3	8.9	3.4	7.4	2.8	2.1	--	0.38*	5.3	0.26	
32	FTHRXX	Intermediate Bond	11.16	Buy	1.7	7.2	2.8	8.2	2.7	2.7	3.8	1.89	3.9	0.19	
452	FSTGX	Intermediate Gov't Income	10.77	OK to Buy	1.7	5.6	2.4	7.3	1.9	2.0	2.3	1.45	3.7	0.19	
3045	FUAMX	Intermediate Treasury Index	11.36	OK to Buy	3.2	9.2	4.3	11.8	2.6	3.3	4.0	1.54	6.3	0.36	
26	FBNDX	Investment Grade Bond	8.26	Buy	2.3	9.7	4.1	10.5	3.5	3.5	4.7	2.18	5.4	0.26	
2622	FJRLX	Limited Term Bond	11.70	Buy	1.1	5.4	2.0	6.0	2.4	2.2	3.5	2.02	2.6	0.12	
662	FFXSX	Limited Term Government	10.11	OK to Buy	1.2	4.0	1.6	5.3	1.5	1.4	1.5	1.43	2.6	0.13	
3047	FNBGX	Long-Term Treasury Index	15.29	Hold	10.6	22.8	12.1	24.7	4.4	6.8	7.3	2.03	17.9	0.94	
40	FMSFX	Mortgage Securities	11.40	OK to Buy	0.9	5.7	1.9	7.2	2.4	2.7	3.7	2.37	2.8	0.20	
450	FSHBX	Short-Term Bond	8.72	OK to Buy	0.8	3.6	1.3	4.5	1.9	1.6	2.0	1.80	1.8	0.07	
3041	FNSOX	Short-Term Bond Index	10.15	OK to Buy	1.2	4.7	1.9	6.0	--	--	--	1.78	2.6	--	
3049	FUMBX	Short-Term Treasury Index	10.59	OK to Buy	1.1	4.1	1.6	5.6	1.7	1.6	1.7	1.57	2.6	0.13	
3086	FNSDX	Sustainability Bond Index	10.71	NA	2.5	8.8	4.0	10.0	--	--	--	2.19	5.4	--	
820	FTBFX	Total Bond	11.00	Buy	2.1	9.7	3.9	9.7	3.6	3.7	4.9	2.55	5.2	0.24	
2326	FXNAX	U.S. Bond Index	12.08	Hold	2.6	9.1	4.1	10.3	3.0	3.3	3.9	2.25	5.6	0.27	
HIGH-YIELD BOND					Average	-0.2	9.6	2.5	5.6	5.0	4.0	6.7	4.43	3.1	0.36
38	FAGIX	Capital & Income	10.01	OK to Buy	-0.4	13.8	3.6	4.7	6.9	5.2	9.1	4.07	3.6	0.54	
814	FFRHXX	Floating Rate High Income	9.44	Buy	-0.3	6.2	0.8	3.3	4.3	3.4	4.3	5.41	0.2	0.22	
1366	FHIFX	Focused High Income	8.82	OK to Buy	1.0	12.7	4.2	8.8	5.8	4.5	7.0	3.73	3.2	0.33	
2297	FGHNX	Global High Income	9.43	OK to Buy	-0.4	9.1	2.2	5.2	4.9	4.0	--	4.90	3.1	0.36	
455	SPHIX	High Income	8.86	OK to Buy	0.4	11.0	3.3	5.7	6.4	4.6	7.8	4.84	3.0	0.37	
331	FNMIX	New Markets Income	14.81	OK to Buy	-2.8	7.2	0.6	6.2	2.5	3.3	6.6	5.37	6.0	0.54	
2580	FSAHX	Short Duration High Income	9.45	OK to Buy	0.4	7.9	2.4	4.8	4.6	3.1	--	3.73	1.9	0.24	
3082	FADMXX	Strategic Income	12.52	OK to Buy	0.4	9.0	2.9	6.5	4.4	3.7	5.8	3.36	4.1	0.27	
MUNICIPAL BOND					Average	1.4	7.1	2.6	8.1	2.8	3.4	4.2	1.31	5.4	0.27
434	FSAZX	Arizona Muni Income	12.52	OK to Buy	1.6	7.5	2.8	8.6	2.9	3.8	4.6	1.14	5.9	0.30	
1534	FCSTX	Calif Limited Term Tax Free	10.80	OK to Buy	0.5	4.0	1.6	4.7	1.7	1.8	2.3	0.94	3.1	0.16	
91	FCTFX	California Muni Income	13.43	OK to Buy	1.7	8.1	3.0	9.0	3.1	4.0	5.1	1.32	6.4	0.31	
407	FICNX	Connecticut Muni Income	11.91	OK to Buy	1.6	8.2	2.9	9.1	2.7	3.5	4.0	1.41	5.6	0.30	
2578	FCRDXX	Conservative Income Muni	10.06	Buy	0.1	1.5	0.6	2.0	1.2	0.9	--	1.18	0.5	0.04	
36	FLTMXX	Interm Municipal Income	10.75	Buy	1.2	6.7	2.4	7.8	2.9	3.1	3.7	1.32	4.9	0.24	
404	FSTFX	Limited Term Muni Income	10.77	Buy	0.5	4.1	1.6	4.8	1.8	1.7	2.1	1.00	2.9	0.15	
429	SMDMXX	Maryland Muni Income	11.78	OK to Buy	1.6	7.3	2.8	8.5	2.8	3.6	4.0	1.20	5.9	0.30	
70	FDMMXX	Mass Muni Income	12.57	OK to Buy	1.7	7.4	2.9	8.4	2.7	3.6	4.4	1.32	6.1	0.30	
81	FMHTX	Michigan Muni Income	12.65	OK to Buy	1.7	7.5	2.8	8.7	3.2	3.8	4.3	1.37	6.2	0.29	
82	FIMIX	Minnesota Muni Income	12.05	OK to Buy	1.6	7.5	2.8	8.7	2.9	3.4	3.9	1.20	5.9	0.27	
37	FHIGX	Municipal Income	13.60	OK to Buy	1.8	8.7	3.1	9.8	3.6	4.2	5.0	1.64	6.8	0.33	
3469	FMBIX	Municipal Bond Index	20.27	OK to Buy	1.5	1.6p	--	--	--	--	--	--	--	--	
416	FNJHXX	New Jersey Muni Income	12.50	OK to Buy	1.7	8.9	3.2	10.1	4.0	4.2	4.5	1.39	6.0	0.32	
71	FTFMXX	New York Muni Income	13.72	OK to Buy	1.9	8.4	3.0	9.5	3.1	3.9	4.5	1.28	6.3	0.31	
88	FOHFX	Ohio Muni Income	12.54	OK to Buy	1.6	7.4	2.9	8.5	2.9	4.0	4.6	1.39	6.0	0.31	
402	FPXTX	Pennsylvania Muni Income	11.59	OK to Buy	1.8	8.2	3.1	9.3	3.3	3.9	4.5	1.49	6.5	0.28	
90	FTABX	Tax-Free Bond	12.07	OK to Buy	1.8	8.8	3.2	10.0	3.6	4.3	5.1	1.71	6.7	0.32	

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
			Aug	YTD	%Yield
55	FDRXX	Gov't Cash Reserves	0.16	1.38	1.83
458	SPAXX	Government MM	0.15	1.35	1.77
2742	FZFXX	Treasury MM	0.15	1.35	1.78
415	FDLXX	Treasury Only MM	0.15	1.31	1.72
PRIME MONEY MARKETS					
454	SPRXX	Money Market*	0.16	1.45	1.89
*Available in premium class shares (FZDXX) with a \$100,000 minimum (\$10,000 for certain Fidelity retirement accounts) and lower expenses.					
PRIME MONEY MARKETS					
10	FTEXX	Municipal Money Market	0.09	0.85	1.07
275	FMOXX	Tax-Exempt MM	0.09	0.80	1.00

STATE MUNICIPAL MONEY MARKETS			Total Return (%)		SEC
			Aug	YTD	%Yield
433	FSAXX	Arizona Muni MM	0.08	0.76	0.94
97	FCFXX	California Muni MM	0.08	0.75	0.94
457	FSPXX	California AMT Tax-Free	0.09	0.82	1.05
418	FCMXX	Connecticut Muni MM	0.08	0.87	0.99
426	FMSXX	Mass AMT Tax-Free	0.09	0.86	1.11
74	FDMXX	Massachusetts Muni MM	0.08	0.84	0.96
420	FMIXX	Michigan Muni MM	0.07	0.71	0.88
417	FNJXX	New Jersey Muni MM	0.12	0.80	0.97
423	FSJXX	New Jersey AMT Tax-Free	0.09	0.85	1.08
92	FNYXX	New York Muni MM	0.08	0.77	0.95
422	FSNXX	New York AMT Tax-Free	0.09	0.87	1.10
419	FOMXX	Ohio Muni MM	0.09	0.86	1.00
401	FPTXX	Pennsylvania Muni MM	0.08	0.75	0.94

FIDELITY SCORECARD						AUGUST 31, 2019							
Fund No.	Fund Ticker	Fund Name	Style	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹
						Aug	YTD	3 Mo.	1 Year	3 Year	5 Year	10 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
Model Portfolios	Annuity Sector Model					-1.9	20.4	6.5	1.0	13.2	10.4	13.7	1.09
	Annuity Growth Model					-2.2	18.6	5.7	-0.2	12.0	8.5	11.9	1.02
	Annuity Growth & Income Model					-0.4	13.2	4.7	1.8	7.2	5.8	8.6	0.63
	Annuity Income Model					0.5	9.3	3.2	4.2	4.0	3.7	5.4	0.31
9067	FLRQC	Fid VIP Asset Manager	Allocation	21.24	Hold	-0.0	11.4	4.2	2.3	6.0	3.7	7.2	0.53
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation	22.09	Hold	-0.9	13.2	4.5	0.2	7.4	4.1	8.3	0.73
9069	FJBAC	Fid VIP Balanced	Allocation	26.54	Buy	-0.8	14.8	5.1	2.1	8.7	6.8	9.7	0.74
9461	FBIQC	Fid VIP Bond Index	Bond	11.08	Hold	2.5	8.8	3.9	9.9	--	--	--	--
9173	FVTAC	Fid VIP Communication Services ⁷	Sector	19.35	Buy	-1.4	23.1	5.8	14.7	7.7	7.9	11.3	1.08
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	35.16	Buy	-1.2	19.6	6.1	1.0	12.7	11.1	15.5	1.21
9171	FCSAC	Fid VIP Consumer Staples	Sector	27.74	Hold	0.1	22.7	5.4	10.1	3.4	7.3	11.0	1.05
9065	FPDFC	Fid VIP Contrafund	Large Growth	30.66	Buy	-1.0	20.8	7.1	1.9	11.9	8.7	12.1	1.05
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	20.65	Hold	-4.9	11.6	4.2	-13.4	5.4	4.9	11.0	1.49
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	32.35	Hold	-1.2	18.8	6.3	-0.7	12.5	7.9	13.4	1.04
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	10.83	Hold	-3.9	13.7	0.7	1.5	8.3	3.2	5.2	1.19
9085	FJLLC	Fid VIP Energy	Sector	12.19	OK to Sell	-8.5	-0.3	-3.2	-29.4	-6.9	-10.0	1.4	1.97
9061	FLOLC	Fid VIP Equity-Income	Large Value	23.00	Buy	-0.9	15.4	5.6	2.0	8.1	5.9	10.4	0.95
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	9.58	Buy	-4.5	13.6	3.4	-7.9	--	--	--	--
9083	FONNC	Fid VIP Financial Services	Sector	14.54	Buy	-3.9	16.7	4.4	-3.2	10.9	7.0	8.0	1.30
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	11.79	Buy	-0.2	6.2	0.8	3.2	3.9	3.2	--	0.22
9157	FMPAC	Fid VIP FundsManager 20	Allocation	16.30	Hold	1.2	8.1	3.4	4.9	3.8	3.1	4.2	0.25
9158	FMPBC	Fid VIP FundsManager 50	Allocation	18.99	Hold	0.3	11.7	4.3	2.7	6.2	4.6	6.8	0.52
9197	FMPCC	Fid VIP FundsManager 60	Allocation	18.14	Hold	-0.0	12.9	4.7	2.0	7.0	5.2	7.7	0.62
9159	FMPDC	Fid VIP FundsManager 70	Allocation	20.10	Hold	-0.4	13.7	4.7	0.7	7.6	5.5	8.4	0.71
9160	FMPDC	Fid VIP FundsManager 85	Allocation	20.71	Hold	-1.0	15.0	5.0	-0.7	8.8	6.2	9.4	0.86
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	11.68	--	0.1	1.3	0.5	1.8	1.0	0.5	0.2	0.02
9062	FMNDC	Fid VIP Growth	Large Growth	34.54	Buy	-1.3	21.2	6.4	2.1	17.0	11.6	15.2	1.12
9070	FLFNC	Fid VIP Growth & Income	Large Blend	26.45	Hold	-3.0	13.6	4.5	-3.2	8.8	6.7	11.4	1.07
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	41.13	Buy	-1.5	26.5	7.7	12.4	23.9	15.9	18.0	1.17
9084	FPDRC	Fid VIP Health Care	Sector	46.90	Buy	-2.7	9.7	6.2	-5.8	10.5	8.5	17.0	1.37
9060	FBBLC	Fid VIP High Income	High-Yield Bond	22.21	OK to Buy	0.5	11.5	3.3	6.1	5.4	3.9	7.1	0.36
9064	FXVLT	Fid VIP Index 500	Large Blend	30.47	Hold	-1.6	18.1	6.8	2.6	12.3	9.7	13.1	1.00
9082	FBALC	Fid VIP Industrials	Sector	35.98	Buy	-1.9	20.5	3.8	-0.8	9.2	7.5	13.0	1.34
9473	FFIQC	Fid VIP International Index	Diversified Int'l	9.38	Hold	-2.3	8.6	1.5	-3.3	--	--	--	--
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	22.33	Buy	0.1	22.8	5.5	6.5	10.5	7.3	9.4	1.01
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	17.76	Buy	2.2	9.3	3.9	9.6	3.2	3.3	4.2	0.26
9172	FVMAC	Fid VIP Materials	Sector	18.62	OK to Sell	-4.2	4.8	4.8	-17.3	1.1	-1.1	7.2	1.43
9071	FNBSC	Fid VIP Mid Cap	Mid Blend	27.56	Buy	-4.6	11.6	1.8	-10.9	6.2	4.7	10.2	1.21
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	17.79	OK to Buy	-1.1	15.0	3.0	-1.5	7.0	3.1	5.9	0.97
9072	FFWKC	Fid VIP Real Estate	Sector	27.09	Hold	2.9	22.8	6.4	10.0	4.3	6.8	12.7	1.06
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	20.74	OK to Buy	0.4	8.9	2.9	6.2	4.0	3.3	5.2	0.27
9086	FYENC	Fid VIP Technology	Sector	51.59	Buy	-1.1	30.1	10.5	1.2	22.3	16.2	17.1	1.42
9465	FTMJC	Fid VIP Total Market Index	Large Blend	10.59	OK to Buy	-2.0	17.6	6.3	0.9	--	--	--	--
9087	FXRRC	Fid VIP Utilities	Sector	34.39	OK to Sell	3.7	16.6	7.1	14.0	14.3	9.2	12.1	0.76
9079	FKMSC	Fid VIP Value	Large Value	22.91	OK to Buy	-3.9	14.8	2.9	-4.8	6.3	5.0	10.7	1.12
9073	FRBSC	Fid VIP Value Strategies	Mid Value	23.53	Hold	-4.3	17.7	3.0	-4.9	5.9	3.7	10.5	1.20
9347	FBMEC	Black Rock Global Allocation	Global Allocation	13.97	Hold	-0.0	10.1	3.7	1.4	5.0	2.9	5.4	0.56
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	11.23	Hold	-4.5	-0.2	-2.0	2.9	2.7	-0.2	3.7	0.50
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	10.92	Hold	1.2	5.1	2.1	6.2	1.5	1.5	2.0	0.18
9285	FIGXC	Invesco Global Core Eqty	Global Stock	13.57	Hold	-2.8	11.8	3.4	-4.8	5.1	3.1	5.8	1.07
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	15.25	Hold	-5.2	2.3	-2.4	-2.8	2.0	-2.7	3.2	1.19
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	20.24	OK to Buy	-0.3	12.3	4.3	12.2	3.2	3.2	5.5	0.52
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	13.89	Hold	-3.5	5.3	0.9	-3.4	3.0	-0.5	3.5	1.11
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	14.44	Hold	-1.2	9.6	3.0	2.5	5.6	2.5	5.5	0.58
9346	FPMEC	Pimco Commodity Real Return	Commodities	5.50	Hold	-2.6	4.7	-0.3	-6.2	-0.9	-9.3	-2.9	0.74
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	12.07	Buy	1.0	3.5	1.3	4.1	1.6	1.1	--	0.09
9277	FPNBC	Pimco VIT Real Return	TIPS	13.91	OK to Sell	1.8	8.4	2.7	6.2	2.5	1.4	--	0.25
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	14.56	Hold	2.7	8.8	3.8	9.3	3.3	3.1	--	0.26

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	22%	VIP Contrafund	29%	VIP Contrafund	20%	Pimco VIT Low Duration	34%
VIP Cons Discretionary	19	VIP Growth Opps	28	VIP Floating Rate Hi Inc	20	VIP Contrafund	26
VIP Comm Services	17	VIP Extended Mkt Index	26	VIP Growth Opps	20	VIP Investment Grade	21
VIP Health Care	15	VIP Equity-Income	17	VIP Equity-Income	20	VIP Floating Rate Hi Inc	19
VIP Financial Services	14			VIP Investment Grade	10		
VIP Industrials	13			Pimco VIT Low Dur	10		
Total Return:		Total Return:		Total Return:		Total Return:	
Aug: -1.9% YTD: 20.4%		Aug: -2.2% YTD: 18.6%		Aug: -0.4% YTD: 13.2%		Aug: 0.5% YTD: 9.3%	

Fidelity Moves Overseas For Better Value

This caught our attention: Fidelity's target-date funds are deemphasizing U.S. stocks. The change will occur gradually throughout their extensive suite of strategic allocation offerings (including Target Timeline and Freedom funds). These funds and other comingled accounts collectively hold more than \$200 billion in assets for several million people in company sponsored retirement plans.

As a practical matter, this shift overseas doesn't alter Fidelity's "target date glidepath" whereby funds automatically ratchet down their risk (lower their equity exposure) over time. But, while overall equity exposure isn't changing, the U.S./foreign composition is. This change in strategy is a potentially very big deal (even if you don't hold these particular funds), as it speaks to Fidelity's overall international outlook.

Why The Change?

Over time, Fidelity's asset allocation strategies have resulted in certain funds trailing their benchmarks.

Fidelity also cites demographics (longer life expectancies), corporate earnings growth rates and inflation expectations as driving some of these moves. Plus there are regulatory changes afoot (both at home and abroad) that they have considered.

But there's something just as fundamental that Fidelity sees: A growing list of equity opportunities developing abroad — most likely in Asia and perhaps even Africa, which are experiencing the fastest rates of growth.

The New Mix

While the majority of equity assets in the target-date funds will remain in the U.S., "neutral" international stock allocations will rise significantly by mid-2020. For example, a fund that currently allocates 30% to foreign stocks will see that exposure rise to 40%. Corre-

spondingly, U.S. stock exposures will decline to 60% from 70%.

In addition to the aforementioned reasons for the change, shorter-term, Fidelity sees U.S. stocks as having higher valuations, while corporate profit margins are "near-peak."

Such is the view of Brett Sumsion, one of three portfolio managers in Fidelity's Global Asset Allocation Group. In a shareholder report he provides some hints as to Fidelity's long-term strategy:

"Within equities, we continue to view emerging-markets (EM) stocks as having inexpensive optionality. As such, our positioning emphasizes this category based on improving fundamentals and stronger growth prospects than stocks in developed-market (DM) economies. EM equities remain favorably valued and less exposed to late-cycle risks relative to U.S. equities."

Action Recommendation

Fidelity's fine-tuning of their target-date funds' asset allocations is nothing new, and there's no guarantee that it's a wise move, either. As recently as last year, for example, income-oriented target-date funds saw their exposures to long-term Treasury bonds and Treasury Inflation-Protected Securities TIPS increased. That move hurt last year, but so far this year, these particular exposures have been beneficial.

As for our investment strategy, with U.S. companies already deriving 42% of their sales from abroad (tech companies are at 58%!), and Asian-derived sales now on par with Europe (about 8% apiece), our model portfolios are already benefiting from their considerable international operations. Not to be overlooked: U.S. companies are often the world's most innovative. Our investments in them should help us to optimize our long-term risk-adjusted returns. ■

— John Bonnanzio

Dollar's Strength Saps Foreign Funds

With China letting the yuan slide last month in response to U.S. tariffs, and the U.S. dollar appreciating about 2% this year (against a basket of trade-weighted currencies), shareholders in most foreign funds are paying the price.

For example, **International Index** [FSPSX] is up 9.7% this year. But if not for the dollar's rise, it might otherwise be up about two percentage points more.

Of course, the greenback's impact on any foreign stock fund is mostly the result of its specific currency exposures. Sticking with International Index (a proxy for developed market stocks), almost a third of its assets are in euro investments, which have weakened over 4%. At the same time its 23% Japan exposure has been helped by the yen's 3% increase. And with Brexit uncertainty rattling the U.K., the pound has depreciated nearly 5%. Fortunately, the fund's U.K. exposure is a modest 17%. However, **Europe** [FIEUX] fund has twice the pound exposure at 35%!

Long ago, Fidelity's foreign stock fund managers had the discretion to hedge their currency exposures. Not any more.

One reason is hedging's exorbitant cost. Another is that currencies are nearly impossible to accurately forecast. (Get it wrong, and you may get hurt even more.)

But there's another important reason for Fidelity's hands-off approach: Over long periods (decades), foreign currency exposure is responsible for a significant portion of the diversification benefit you get from owning overseas investments. But with the dollar a safe-harbor currency in these turbulent times, it's another reason we're sticking close to home. ■

Inside Fidelity

Manager Change — Bill Bower, the longtime manager of **Diversified International** [FDIVX] has briefly teamed up with existing manager Tom Allen in running Advisor Global Capital Appreciation. But this union will only last until the end of September. At that time, Tom will step down from the fund, leaving Bill to oversee both it and Diversified International.

While we don't cover advisor-sold funds, this move warrants our attention as Bill already has his hands full running \$13 billion in foreign stock assets. Nevertheless, we continue to rate Diversified Int'l *OK to Buy*.

Security — Everyone knows that strong passwords are the best first

line of defense in helping to safeguard everything from your email to your life's savings. But there are other security measures Fidelity employs behind the scenes and overtly to help its customers ward off fraud. Here are the most important:

1. Two-factor authentication. When you log in to your account, you can get a security code sent to you by text or via an automated call.

2. Money Transfer Lockdown allows you to lock down your eligible accounts instantly, preventing money and assets from being transferred out of them without your permission. You remain in control, turning the feature on and off whenever you desire.

3. Security text alerts. Don't ignore them; Fidelity texts them to you to alert you to various transactions and/or updates made to your account, such as a change made to your address.

4. MyVoice recognition sounds a bit creepy, but this security feature is sophisticated voice recognition technology that helps to verify who you are when you call.

Finally, Fidelity's Customer Protection Guarantee program reimburses customers "for losses from unauthorized activity in covered accounts through no fault of your own." Call Fidelity for details.

Fee Reductions — Although we don't follow Fidelity's series of **Freedom Index** funds, for those who may own shares, their expenses have been pared to 0.12% down from 0.14%. The same reduction will take place for investors in the "entry-level" share class of FIAM Index Target Date funds.

Paper Reduction — With the SEC's blessing, beginning on January 1, 2021, investors who wish to continue receiving printed shareholder reports by mail will have to notify Fidelity. Otherwise, they will simply notify you by email (as they do for investors who have already opted out of paper mailings) that a fund's latest filings have been posted on their website. Call 1-800-343-3548 or go online at:

[fidelity.com/mailpreferences](https://www.fidelity.com/mailpreferences)

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 September:

Blue Chip Growth, Blue Chip Value, Dividend Growth, GNMA, Gov't Inc, Interm Gov't Inc, Int'l Real Estate, Leveraged Company Stock, Low-Priced Stock, MSCI Cons Discret, MSCI Cons Staples, MSCI Energy, MSCI Financials, MSCI Healthcare, MSCI Industrials, MSCI Info Tech, MSCI Materials, MSCI Real Estate, MSCI Telecomm, MSCI Utilities, OTC, Real Estate Inc, Real Estate Index, Real Estate Investment, Small Cap Growth, Value Discovery.

The final distributions for August were as follows:

Fund	Ex-Date	\$ Amt	NAV
Fidelity Fund	8/9	1.689	46.57
Growth Discovery	8/9	1.214	36.35
Mega Cap Stock	8/9	1.276	14.22
NJ Muni MMkt	8/2	0.000	1.00

Fund Commentary *cont'd from page 5*

for more credit-challenged high-yield bonds), falling interest rates lifted all boats.

On August 28, the benchmark 10-year Treasury yield settled at 1.45% — its lowest close since 2016. (It ended the month at 1.50%, as did the 2-year Note.) Though technically not inverted, all government bonds maturing earlier than two years are yielding more.

Among Fidelity's most popular bond offerings by assets, **U.S. Bond Index** rose 2.6% in August whereas **Muni Bond Index** gained 1.5%.

As for the long (30-year) bond,

its yield plunged to 1.96% by month-end from 2.44% at the start of August. With bond yields moving in the opposite direction of their price, Fidelity's most rate-sensitive bond fund, **Long-Term Treasury Index**, soared 10.6%, and for the year-to-date it's up 22.8%. (Despite its Treasury holdings, note that the fund's long duration makes it almost as volatile as the S&P 500!)

Finally, the Fed's July rate cut has caught up with **Government Cash Reserves** (and other money market funds) — its SEC yield at month end was 1.83%, down from 2.01% a month ago. ■

— John Bonnanzio

Fidelity Monitor & Insight (ISSN 0892-2934) is published monthly for \$249 per year by **Independent Fidelity Investors Inc (IFI)**.

Executive Editor: Jack Bowers **Editors:** John Boyd, John Bonnanzio **Production & Design:** Kim Dowgos, Sherraden Marston **Webmaster:** Kim Dowgos. All material presented is compiled from sources believed reliable, but accuracy cannot be guaranteed. Before buying any mutual fund, you should read its prospectus carefully. IFI does not render legal, accounting or tax advice. Copyright ©2019. Reproductions in whole or in part are prohibited except by permission. Send address changes to *Fidelity Monitor & Insight* P.O. Box 19189 Reno, NV 89511.

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