

FIDELITY MONITOR & INSIGHT

SEPTEMBER 2020

PUBLISHED SINCE 1985

MESSAGE FROM JACK

Election Impact Could Be Limited

The market's reaction to the November election outcome stands to be muted at a time when economic headwinds from the pandemic matter far more than tax policy or trade friction. The future of corporate earnings is not so much in the hands of politicians these days. What matters far more is progress on a Covid vaccine, how soon consumers resume normal activities, and the Fed's actions. I'm not saying that taxes, regulations, health care, stimulus measures, and trade don't matter. It's just that regardless of who wins, the main focus will be restoring the economy.



Jack Bowers

Biden's tax plan would roll back some of Trump's corporate tax cuts, which in theory might trim the value of stocks 5% or so. But coming at a time when many firms have carryforward losses that could run for years, the practical impact would be limited. On the personal side, for those earning more than \$400k annually, Biden plans to restore the top personal bracket to 39.6% (up from its present 37%), while also adding Social Security taxes and reinstating deductions for wage-earners above that threshold. Such changes might have a small effect on real estate prices but it's hard to see much impact on consumer spending or stock prices.

Proposed changes to capital gains are more dramatic, but not necessarily market-moving. If long-term gains exceed \$1 million in any tax year, Biden would tax additional amounts as income — a tactic that would encourage investors to avoid additional selling once the threshold is reached. He would also roll back the estate tax exemption to 2017 levels and scrap the step-up in cost basis on inherited investments. Those proposals might prompt a rush to transfer assets to heirs (especially those in lower tax brackets), but not a mass liquidation.

Markets tend to rally on the removal of uncertainty, and right now the uncertainty caused by the pandemic is greater than the uncertainty caused by the election or tax policy. As such, try to avoid any major market timing moves before or after the election. Stick with your long-term investing plan, and you'll almost certainly be rewarded over the long run.

MARKET OUTLOOK

Optimism For Stocks Is On The Rise — And That Is Concerning

The S&P 500 racked up another big gain in August rising 7.2%. This makes it five straight months of gains since bottoming last March — and investors are starting to take notice. They are noticing, for example, that S&P 500 earnings estimates for the second quarter proved way too pessimistic. With 95% of firms now reporting, earnings are 18% higher than estimated just a month ago. And estimates were raised for five of the next six quarters as well (though by much smaller amounts ranging from 0.5% to 4.1%).



John M. Boyd

They are noticing that more and more sectors of the economy are showing signs of “v”-shaped recoveries. I noted new home sales and retail sales last month, and this month we can add industrial production, durable goods orders, and existing home sales. Also joining that list is one of my favorites indicators — the three-month moving average of the Chicago Fed National Activity Index, which includes 85 different economic variables.

Investors are also noticing that new cases of Covid-19 have been declining since late July and are now running at half what they were back then (though they still need to fall in half again to match where they were at the end of May). And they have seen progress towards a vaccine continue to show promising results.

In short, there is a lot to like about the current situation. As a result, investors who remained pessimistic after the Covid-crash, have seemed to finally embrace this rally. According to the Chicago Board of Exchange, the demand for put options (the right to *sell* a security at a pre-set price, which investors purchase when they are bearish) versus call options (the right to *buy* a security at a pre-set price) is the lowest in more than a decade. At 76 (on a scale of 0-100) the CNN Business Fear and Greed Index is registering extreme greed (a year ago it was just 18, or extreme fear). Other sentiment indicators are signaling similar optimism, and that is often a contrary indicator in the short-run as it means a lot of the “good news” is already baked into stock prices.

Market Outlook *cont'd on page 3*

MODEL PORTFOLIOS See Model Portfolios Key on p. 3

AUGUST 31, 2020

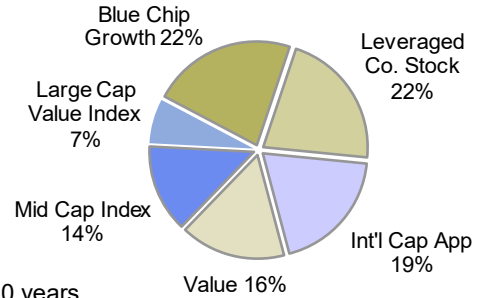
Unique Opportunities Target Risk: 1.20 (Current: 1.17) Foreign Holdings: 21.1% **YTD Return: 18.6%**

Stocks: 99.4% Bonds: 0.0% Cash: 0.6% Alternatives*: 0.0% Yield: 0.7%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Blue Chip Growth	FBGRX	\$156.14	1,080.15	\$168,655	13.1%
Leveraged Co. Stock	FLVCX	34.13	4,757.64	162,378	10.5
Int'l Cap App	FIVFX	25.21	5,792.35	146,025	4.0
Value	FDVLX	9.56	12,868.39	123,022	6.0
Mid Cap Index	FSMDX	23.40	4,409.14	103,174	3.5
Large Cap Value Index	FLCOX	11.88	4,419.23	52,500	4.1

Current Value (3/31/99 = \$100,000) \$755,754 7.2%

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



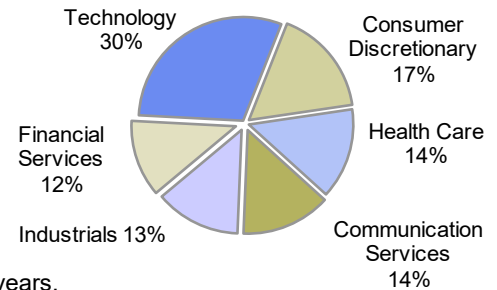
Select Target Risk: 1.20 (Current: 1.12) Foreign Holdings: 5.7% **YTD Return: 16.8%**

Stocks: 99.4% Bonds: 0.0% Cash: 0.6% Alternatives*: 0.0% Yield: 0.4%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Technology	FSPTX	\$27.87	62,035.85	\$1,728,939	12.4%
Consumer Discretionary	FSCPX	59.41	16,132.81	958,451	9.1
Health Care	FSPHX	31.51	25,746.40	811,269	2.1
Communication Services	FBMPX	76.46	10,402.54	795,378	7.9
Industrials	FCYIX	32.80	23,154.53	759,469	7.4
Financial Services	FIDSX	8.24	83,387.22	687,111	3.3

Current Value (12/31/88 = \$100,000) \$5,740,616 7.9%

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



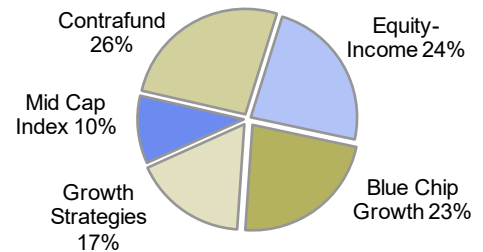
Growth Target Risk: 1.00 (Current: 1.03) Foreign Holdings: 3.8% **YTD Return: 20.9%**

Stocks: 99.5% Bonds: 0.0% Cash: 0.5% Alternatives*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Contrafund	FCNTX	\$17.53	59,506.54	\$1,043,150	9.6%
Equity-Income	FEQIX	56.77	16,540.46	939,002	3.8
Blue Chip Growth	FBGRX	156.14	5,795.96	904,982	13.1
Growth Strategies	FDEGX	57.24	11,933.81	683,091	2.4
Mid Cap Index	FSMDX	23.40	17,678.88	413,686	3.5

Current Value (12/31/86 = \$100,000) \$3,983,910 8.1%

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



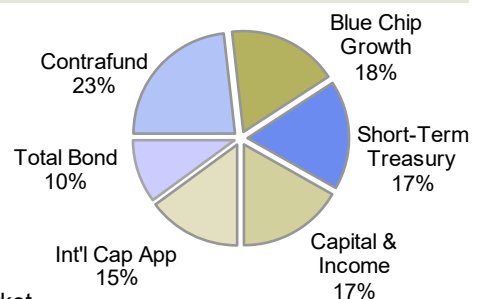
Growth & Income Target Risk: 0.66 (Current: 0.67) Foreign Holdings: 20.1% **YTD Return: 19.4%**

Stocks: 58.9% Bonds: 27.8% Cash: 0.8% Alternatives*: 12.5% Yield: 0.9%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Contrafund	FCNTX	\$17.53	12,404.03	\$217,443	9.6%
Blue Chip Growth	FBGRX	156.14	1,052.88	164,397	13.1
Short-Term Treasury	FUMBX	10.88	15,020.67	163,425	-0.1
Capital & Income	FAGIX	10.07	15,592.67	157,018	2.5
Int'l Cap App	FIVFX	25.21	5,523.40	139,245	4.0
Total Bond	FTBFX	11.52	8,235.11	94,868	-0.2

Current Value (12/31/93 = \$100,000) \$936,397 6.4%

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



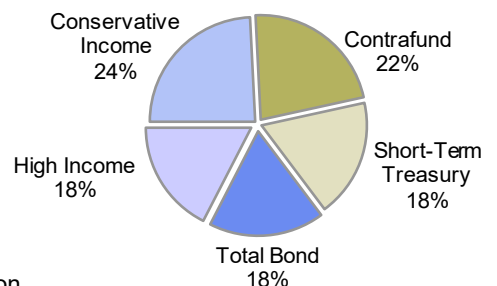
Income Target Risk: 0.33 (Current: 0.34) Foreign Holdings: 18.5% **YTD Return: 9.0%**

Stocks: 22.2% Bonds: 55.4% Cash: 3.0% Alternatives*: 19.3% Yield: 1.1%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Conservative Income	FCONX	\$10.07	11,400.03	\$114,798	0.0%
Contrafund	FCNTX	17.53	6,040.22	105,885	9.6
Short-Term Treasury	FUMBX	10.88	7,951.67	86,514	-0.1
Total Bond	FTBFX	11.52	7,294.81	84,036	-0.2
High Income	SPHIX	8.54	9,706.71	82,895	0.7

Current Value (12/31/91 = \$100,000) \$474,129 2.8%

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



This turn in sentiment, along with the outstanding returns our model portfolios have so far enjoyed this year, prompted us to review their risk levels. We entered the year overweighted in large-cap growth funds, dominated by tech. Unless you've been living under a rock, you know tech has been the runaway best performing sector this year. As a result, growth funds became an even higher portion of our models, resulting in an increase in risk that's above our targets in some models — especially more conservative ones. So these trades (facing box) rebalance our models to better align them with their risk targets. In most cases, that meant a reduction in risk.

	Risk Target	Pre-Trade ¹	Post-Trade ²
Model Portfolios			
Unique	1.20	1.05	1.17
Select	1.20	1.12	1.12
Growth	1.00	1.08	1.03
G&I	0.66	0.78	0.67
Income	0.33	0.43	0.34
Annuity Models			
Sector	1.20	1.11	1.11
Growth	1.00	1.10	1.06
G&I	0.66	0.76	0.67
Income	0.33	0.41	0.35

¹As of 7/31/20; ²As of 8/31/20

Importantly, I remain positive on the longer-term outlook. But I think that aligning risk closer to our targets makes sense. In the process of rebalancing, we have modestly increased our position in unloved value stocks (see **Equity-Income** on p. 4.) We may give up some return going forward if tech continues to dominate, but it is worth noting that the difference in valuations between growth and value stocks has, by a couple of measures, risen back to the extreme levels we last saw back in 2000. ■

— John M. Boyd

MODEL PORTFOLIO TRADES

As announced on our Hotline message of Friday August 28, on Monday August 31 we made the following model portfolio trades:

Unique Opportunities Model:

We sold our entire position in **OTC** [FOCPX] and with the proceeds established a 22% stake in **Leveraged Company Stock** [FLVCX]. We also sold all of **Growth Strategies** [FDEGX] and used the proceeds to buy a 16% stake in **Value** [FDVLX].

Select Model:

We sold 1/8 of our position in **Consumer Discretionary** [FSCPX], bringing it down to 17% of the model and added the proceeds to **Industrials** [FCYIX], bringing it up to 13% of the model.

Growth Model:

We sold our entire position in **Large Cap Value Index** [FLCOX] and used the proceeds to buy **Equity-Income** [FEQIX]. We also sold 1/3 of our position in **Blue Chip Growth** [FBGRX], bringing it down to 23% of the model and added the proceeds to **Equity-Income** [FEQIX], bringing the total there to 24% of the model.

Growth & Income Model:

We sold our entire position in **Conservative Income** [FCONX] and used the proceeds to buy **Short-Term Treasury Index** [FUMBX]. We also sold 1/3 of our position in **Blue Chip Growth** [FBGRX], bringing it down to 18% of the model and added the proceeds to **Short-Term Treasury Index** [FUMBX], bringing the total position there to 17% of the model.

Income Model:

We sold our entire position in **Limited Term Bond** [FJRLX] and used the proceeds to buy **Short-Term Treasury Index** [FUMBX]. We also sold 1/4 of our position in **Contrafund** [FCNTX], bringing it down to 22% of the model, and added the proceeds to **Conservative Income Bond** [FCONX], bringing the total position there to 24% of the model.

Annuity Sector Model:

We sold 1/12 of our position in **VIP Consumer Discretionary** [FVHAC] bringing it down to 17% of the model and added the proceeds to our existing position in **VIP Industrials** [FBALC], bringing it up to 13% of the model.

Annuity Growth Model:

We sold our entire position in **VIP Extended Market Index** [FEMJC] and used the proceeds to establish a 21% position in **VIP Mid Cap** [FNBSJC]. We also sold 1/3 of **VIP Growth Opportunities** [FIDPC], bringing it down to 24% of the model, and added the proceeds to our existing position in **VIP Equity-Income** [FLOLC], bringing it up to 26% of the model.

Annuity Growth & Income Model:

We sold our entire position in **PIMCO VIT Low Duration** [FPMBC] and used the proceeds to buy **Franklin Templeton U.S. Government Securities** [FFMEC]. We also sold 1/3 of **VIP Growth Opportunities** [FIDPC], bringing it down to 17% of the model, and added the proceeds to **Franklin Templeton U.S. Government Securities** [FFMEC], bringing the total position there to 17% of the model.

Annuity Income Model:

We sold our entire position in **PIMCO VIT Low Duration** [FPMBC] and used the proceeds to establish a 31% stake in **Franklin Templeton U.S. Government Securities** [FFMEC]. We also sold 1/4 of **VIP Contrafund** [FPDFC], bringing it down to 24% of the model, and added the proceeds to our existing position in **VIP Investment Grade Bond** [FTLKC], bringing it up to 28% of the model.

Model Portfolios Key:

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

PORTFOLIO TRADES

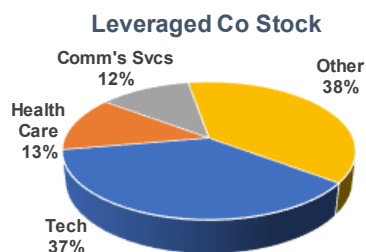
Profiles Of New Fund Additions

As detailed on page 3 and as discussed in Market Outlook, all nine model portfolios have been re-balanced this month. While risk was increased for the Unique Opportunities Model it was flat or down everywhere else. Here we review the models' newest fund additions.

— John Bonnanzio

Leveraged Company Stock

This fund mostly invests in the equity of businesses with distressed balance sheets. However, with the flexibility that its prospectus affords, its two managers are not averse from holding stocks whose balance sheets are just fine, thank you. Microsoft and Facebook come to mind.



Co-managed by Mark Notkin and more recently Brian Chang, high yield is very familiar territory for both. In fact, they also run **Capital & Income** which prioritizes the bonds of distressed companies. As such, the bonds, stocks or both are sometimes found in the two funds.

With respect to the Unique Opportunities trade, **Leveraged Company's** relative volatility (the measure we use to gauge risk over the past 36 months) is substantially higher than OTC's, the fund it's replacing: 1.42 vs. 1.17. Part of its elevated risk comes from Leveraged Company's 37% stake in tech. More broadly, its risk is a function of its focus on companies that are in the process of repairing their balance sheets (i.e., paying down their debt). That debt could be the result of M&A activity or something more ominous like declining business fun-

damentals. Either way, Fidelity has the research chops to understand any company's capital structure, though that doesn't make this fund any less volatile. But with interest rates likely to stay low and the economy crawling its way toward recovery, the fund has solid upside potential.

Short-Term Treasury Index

At the risk of stating the obvious, this fund is not about capital appreciation. Nor, in the era of historically low interest rates (which Fed Chair Jerome Powell basically said last week will remain low for a very long time! — see p. 11), is it about income.

So this begs the question: Why own it? The short answer: Unlike the funds it's replacing (**Conservative Income Bond** and **Limited Term Bond**), **Short-Term Treasury Index** is negatively correlated to stocks. This helps to reduce risk. And, it's much less risky than **Blue Chip Growth** and **Contrafund** — stock funds we've trimmed in favor of Treasuries.

As to its composition, and as the fund's name implies, it's 99.6% in U.S. Treasuries. Theoretically, that means zero credit risk. And, with a duration of only 2.7 years, that suggests that a one percentage point rise

How We Measure Risk

The statistical measure of relative volatility (Rel Vol) used in this newsletter shows a fund's historical "risk" versus the S&P 500.

For the mathematically inclined, it's the standard deviation of a fund's monthly returns over the past 36-months divided by the standard deviation of the monthly returns of the S&P over the same period.

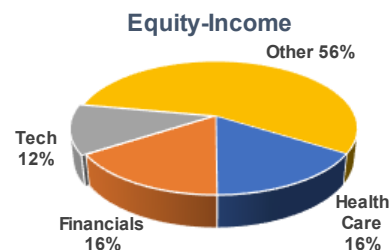
By definition, the S&P has a relative volatility of 1.00. So, a fund (or a portfolio — see p. 3) with a Rel Vol of 1.10 is 10% riskier (more volatile) than that index, whereas a fund with a Rel Vol of 0.90 is 10% less risky. ■

or fall in interest rates would, respectively, cause the fund to fall or rise in value by 2.7%.

With the yield on the 2-year Treasury Note falling 144 basis points this year to just 0.14% (the fund's yield has correspondingly fallen from 1.65% to 0.15% as well), **Short-Term Treasury** has returned an impressive 4.3%. While we don't expect bonds to keep rallying over the next eight months, the economy's slow growth combined with the current lack of inflation makes this fund a safe parking space for your money.

Equity-Income

With its yield of 2.1% (versus 1.8% for the S&P 500), this is one of Fidelity's better yielding stock funds. The "extra" dividend income comes, in large part, from its double-digit stakes in health care (16.3%) and financials (15.7%) — though the latter is actually a three percentage point underweight relative to its Russell 3000 Value benchmark.



With an eye always trained on risk-adjusted returns and downside protection, it's not unusual during "robust market conditions," says Manager Ramona Persaud, for **Equity-Income** to trail its large-cap value benchmark. On the other hand, it has been keeping pace with it owing — at least in part — to its modest overweight in highflying technology stocks (12.3%) and its underweights in energy and especially real estate investment trusts. That **Equity-Income** largely avoids REITs is a tradeoff: While the high-yielding asset class would help to increase its yield, it would have

Fund Additions *cont'd on page 11*

FUND COMMENTARY

Stocks Surge Amid Hope Of Covid Cure

If the U.S. stock market is a bellwether for the nation's mood, then one might reasonably conclude that things are just hunky dory. After all, some of the most closely watched stock gauges have now recouped their prior losses — and then some. In fact, only small caps and value stocks are still under water this year, but even they have been working their way back towards positive territory.



John Bonnanzio

There are plenty of good reasons for last month's gains, and John Boyd touches on a few in his *Market Outlook*. The two I'll reiterate are these: Covid infection rates are ever-so-slightly falling while clinical trials for various vaccines are steadily advancing.

As parts of the country reopen, economic activity is filling the void. Various surveys of August consumer sentiment seem to confirm as much. But let's not kid ourselves: initial unemployment claims are range-bound at a million a week, and tens of millions of Americans are without jobs. Moreover, the Paycheck Protection Program is finished and Congress can't agree on further unemployment assistance.

Apart from a handful of short-sellers on Wall Street, the only person who seems concerned is Fed Chairman Jerome Powell (see p. 11). But heck, he's a bond guy, and they're Nervous Nellies anyway. In the meantime, unemployment is falling, interest rates are low, cars and trucks are selling, new home construction is rising and, yes, there's progress on Covid-19 vaccines. So, if August is prologue, the market's direction may be determined by how much progress is being made in battling the coronavirus pandemic.

Market Indexes

For now, let's overlook the fact that the Dow Jones 30 Industrials Average was refashioned on August 31, and that tech has been reduced. (It's even more value-oriented and less growth-oriented than before.) Of more immediate interest to followers of the iconic gauge is that August was one of its strongest performances ever. Up 7.9%, that was a bit better than the S&P 500 (up 7.2%). However, both were once again bested by the tech-rich Nasdaq Composite (up 9.7%) whose star performers were Tesla (up 74%) and Apple (up 21%).

For the year, the Nasdaq is up 32.1% versus 9.7% for the S&P and 1.3% for the Dow.

Elsewhere, small caps rebounded 5.6% and mid-caps rose a substantial 3.4%, but neither move was enough to push their Russell gauges into positive territory for the year.

Stock Funds

Once again, large-cap growth funds (all rich in tech exposure) led the way higher in August.

(However, all 60 stock funds — regardless of investment style — were in the black last month.)

Double-digit gainers were most of the usual suspects: **Blue Chip Growth** (up 13.1%), **Growth Company** (up 12.6%) and **OTC** (up 11.7%). Among some of the biggest funds, **Contrafund** gained 9.6% in August, **Magellan** gained 7.4% and **Low-Priced Stock** rose 4.6%.

Select Funds

While **Select Tech** (up 12.4%) was among the top-performers in August, it kept company with a handful of economically sensitive cyclicals including **Automotive** (up 19.5%), **Air Transportation** (up 12.3%) and **Environment & Alt Energy** (up 10.5%). Another high-achiever was **Leisure** (up 14.2%) which rebounded over optimism that the worst may be over for that industry. In contrast to that optimism, "safe harbor" **Gold** slipped 1.1% as the precious metal retreated 1% in August to \$1,973.90 a troy ounce.

Fund Commentary *cont'd on page 12*

September Scorecard Rating Changes

Fund	Ratings		Comments	
	Old	New		
Blue Chip Value	S	H	↑	Value, cyclicals/industrials gaining traction (pg 1 and 11).
Disruptors	NR	B		Holds a mix of six other Disruptor/Megatrend funds.
Dividend Growth	S	H	↑	Portfolio changes are helping performance.
Frank Temp US Gov't	H	B	↑	US gov't bonds are useful for risk mitigation - see p. 4.
Global Eqty Income	B	B	↑	Half of assets in large-cap US stocks.
International Disc	H	B	↑	Stock selection has improved.
Int'l Real Estate	H	S	↓	Most foreign mkts in same leaking boat as the US.
Japan	H	B	↑	Weaker yen and resurgent China to boost export growth.
Japan Small Cos	S	H	↑	Weaker yen and resurgent China to boost export growth.
Select Automotive	H	B	↑	Pent-up demand and low interest rates are positives.
Sel Defense & Aero	B	B	↓	Airline industry is contracting.
Short-Term Treas IDX	B	B	↑	Treasury fund is useful for risk mitigation - see p. 4.
Sm Cap Growth IDX	B	B	↑	Equity market is warming to overlooked areas.
Small Cap IDX	H	B	↑	Equity market is warming to overlooked areas.
Telecom & Utilities	H	S	↓	Old-world technologies & legacy costs are negatives.
US Low Volat Equity	H	S	↓	Prefer other funds in the large-cap blend space.
Value	H	B	↑	Value, cyclicals/industrials gaining traction (pg 1 and 11).
Value Strategies	H	B	↑	Value, cyclicals/industrials gaining traction (pg 1 and 11).
VIP Value Strategies	H	B	↑	Value, cyclicals/industrials gaining traction (pg 1 and 11).

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, 2020

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	3500.3		7.2	9.7	15.5	21.9	14.5	14.5	15.2	9.5	1.00
		Nasdaq Composite	11775.5		9.7	32.1	24.3	49.3	23.6	21.1	20.1	13.2	1.12
		Dow Jones Industrials	28430.1		7.9	1.3	12.6	10.3	11.6	14.2	13.8	9.6	1.01
		Russell 2000 (Small Caps)	1561.9		5.6	-5.5	12.4	6.0	5.0	7.7	11.5	7.3	1.32
		Bloomberg Barclays Agg Bond*			-0.9	7.1	1.2	6.5	5.2	4.3	3.6	3.2	0.19
Model Portfolios		Unique Opportunities			7.2	18.6	19.6	29.9	14.5	13.5	13.8	9.1	1.17
		Select Growth			7.9	16.8	17.9	30.4	17.0	15.7	16.2	11.1	1.12
		Growth & Income			8.1	20.9	20.0	32.4	16.8	14.5	14.5	8.9	1.03
		Income			6.4	19.4	16.8	26.4	12.9	11.9	11.1	7.8	0.67

												Rel Vol (Risk) ¹	Assets (\$Mil)
--	--	--	--	--	--	--	--	--	--	--	--	-----------------------------	----------------

LARGE CAP GROWTH Average **9.4 30.4 22.8 43.3 22.1 18.8 18.1 1.08**

312	FBGRX	Blue Chip Growth	156.14	Buy	13.1	44.9	31.5	61.2	28.4	22.8	21.0	1.21	\$35,577
307	FDCAX	Capital Appreciation	41.28	Hold	7.6	21.9	20.0	33.1	17.6	14.4	15.7	1.03	5,312
22	FCNTX	Contrafund	17.53	Buy	9.6	28.7	22.3	39.8	20.8	18.4	17.2	1.07	114,544
3	FFIDX	Fidelity Fund	61.73	OK to Buy	7.3	22.0	17.6	34.3	18.9	15.8	15.5	0.96	4,980
333	FTQGX	Focused Stock	33.28	Buy	9.7	27.7	21.9	37.9	24.3	19.6	18.2	1.06	3,399
3336	FIFNX	Founders Fund	15.77	OK to Buy	7.9	36.1	21.5	44.4	--	--	--	--	60
25	FDGRX	Growth Company (Closed)	32.23	Buy	12.6	50.9	31.2	70.1	29.3	24.9	22.0	1.28	41,347
339	FDSVX	Growth Discovery	50.66	Buy	8.9	32.6	23.5	46.3	23.4	20.3	19.1	1.06	2,456
73	FDFFX	Independence	45.20	OK to Buy	7.4	23.5	18.3	31.7	18.2	13.9	15.3	1.02	4,108
1829	FLGEX	Lrge Cap Growth Enhcd Index	27.80	OK to Buy	10.1	29.4	22.9	41.7	22.1	18.5	18.0	1.03	1,418
2826	FSPGX	Lrge Cap Growth Index	22.63	Buy	10.3	30.5	23.9	44.3	24.1	--	--	1.06	5,572
21	FMAGX	Magellan	12.60	OK to Buy	7.4	23.5	18.3	31.5	18.7	16.2	15.5	1.01	20,589
1282	FNCMX	Nasdaq Composite Index	148.62	OK to Buy	9.7	31.9	24.4	49.1	23.4	20.9	19.9	1.12	10,190
93	FOCPX	OTC	17.43	Buy	11.7	36.3	27.4	54.5	25.1	23.4	21.7	1.17	18,810
320	FDSSX	Stock Selector All Cap	53.65	OK to Sell	6.7	12.0	15.5	24.8	13.6	13.8	14.5	1.08	9,472
5	FTRNX	Trend	144.52	Buy	10.7	35.1	24.3	48.4	24.2	20.5	19.0	1.08	2,813

LARGE CAP BLEND Average **6.2 3.5 13.1 16.0 10.4 10.8 13.2 1.04**

2328	FXAIX	500 Index	121.69	OK to Buy	7.2	9.7	15.5	21.9	14.5	14.5	15.2	1.00	259,216
315	FDEQX	Disciplined Equity	48.45	OK to Buy	7.5	21.1	17.0	32.6	15.8	13.7	14.3	1.01	1,529
330	FDGFX	Dividend Growth	27.57	Hold	4.5	-11.0	8.7	3.8	5.4	7.2	10.9	1.13	4,837
332	FEXPX	Export and Multinational	19.35	OK to Sell	7.5	-11.5	12.2	3.1	5.0	7.2	10.2	1.17	1,116
27	FGRIX	Growth & Income	40.05	Hold	5.0	-4.0	10.4	9.6	7.7	9.5	12.7	1.01	5,677
1827	FLCEX	Lrge Cap Core Enhcd Index	18.12	OK to Buy	7.2	10.1	15.2	22.0	14.5	13.8	14.9	0.97	1,086
338	FLCSX	Large Cap Stock	31.38	Hold	5.9	-4.6	11.0	9.7	7.7	9.6	13.2	1.08	2,412
361	FGRTX	Mega Cap Stock	14.67	Hold	6.1	-0.9	12.6	13.2	9.4	10.7	13.5	1.00	814
300	FMLX	New Millennium	34.03	Hold	3.0	-9.5	7.8	-0.5	5.3	7.8	11.8	1.07	2,225
2361	FSKAX	Total Market Index	98.68	OK to Buy	7.2	9.3	15.9	21.2	13.9	13.8	14.9	1.04	51,716
5029	FULVX	U.S. Low Volatility Equity	10.51	OK to Sell	2.9	1.1	8.4	--	--	--	--	--	326
2941	FITLX	U.S. Sustainability Index	15.23	OK to Buy	7.6	9.9	13.9	21.5	15.0	--	--	0.97	471
3396	FWOMX	Women's Leadership	12.16	Hold	6.2	11.5	15.1	19.8	--	--	--	--	39
3231	FNILX	Zero Large Cap Index	12.55	Buy	7.6	11.7	16.4	24.1	--	--	--	--	2,422
3227	FZROX	Zero Total Market Index	12.38	OK to Buy	7.2	9.2	15.9	21.3	--	--	--	--	6,165

LARGE CAP VALUE Average **4.0 -9.3 7.5 1.0 3.9 6.6 10.3 1.02**

1271	FBCVX	Blue Chip Value	17.62	Hold	3.5	-16.0	6.3	-6.1	0.3	3.8	8.4	1.03	387
319	FEQTX	Equity Dividend Income	22.76	OK to Buy	2.8	-10.3	5.8	1.0	3.8	7.0	10.0	1.03	4,159
23	FEQIX	Equity-Income	56.77	Buy	3.8	-5.0	7.6	4.9	6.3	8.4	10.4	0.92	4,877
1828	FLVEX	Lrge Cap Value Enhcd Index	12.63	OK to Buy	4.6	-7.8	8.5	2.0	5.2	7.8	11.7	1.01	3,899
2830	FLCOX	Lrge Cap Value Index	11.88	Buy	4.1	-9.3	7.5	0.8	4.5	--	--	1.05	2,489
708	FSLVX	Stock Sel Large Cap Value	19.32	Hold	4.5	-9.8	7.6	0.1	3.0	6.1	10.1	1.09	354
832	FVDFX	Value Discovery	28.28	OK to Buy	4.8	-6.6	9.3	4.1	4.1	6.7	11.2	0.99	1,950

MID-CAP GROWTH Average **2.6 14.7 12.6 22.9 16.7 12.9 14.3 1.03**

324	FDEGX	Growth Strategies	57.24	Buy	2.4	14.4	11.7	23.0	16.7	12.9	14.3	1.03	3,139
3403	FMDGX	Mid Cap Growth Index	24.04	Buy	2.7	15.0	13.5	22.8	--	--	--	--	300

MID-CAP BLEND Average **4.4 -2.1 12.6 7.4 7.8 8.9 12.4 1.22**

2365	FSMAX	Extended Market Index	68.23	Buy	7.2	6.9	17.9	17.6	10.7	10.8	13.6	1.32	25,851
2012	FMEIX	Mid Cap Enhanced Index	15.16	OK to Buy	3.6	-1.5	11.1	7.9	7.2	8.2	12.7	1.18	1,184
2352	FSMDX	Mid Cap Index	23.40	Buy	3.5	-0.4	11.5	8.7	8.8	9.8	--	1.18	14,674
337	FMCSX	Mid-Cap Stock	32.96	Hold	3.6	-5.3	10.8	2.4	6.3	8.0	12.2	1.12	4,568
2412	FSSMX	Stock Selector Mid Cap	34.97	Hold	4.2	-6.8	11.8	3.0	5.9	7.8	11.2	1.30	312
3230	FZIPX	Zero Extended Market Index	9.55	Hold	4.5	-5.5	12.4	4.9	--	--	--	--	586

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

FIDELITY SCORECARD

AUGUST 31, 2020

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	4.8	-11.8	10.1	0.5	1.1	4.3	10.0	1.29	
316	FLPSX	Low-Priced Stock ⁵	46.86	Hold	4.6	-6.4	10.9	9.2	4.8	6.4	11.1	1.07	\$20,159	
762	FSMVX	Mid Cap Value	19.93	Hold	4.0	-13.9	7.5	-2.4	-1.5	2.4	9.6	1.27	862	
3404	FIMVX	Mid Cap Value Index	18.81	Hold	4.0	-11.0	9.9	-1.6	--	--	--	--	402	
39	FDVLX	Value	9.56	Buy↑	6.0	-13.6	12.6	-0.7	0.2	4.0	9.9	1.47	4,803	
14	FSLSX	Value Strategies	33.42	OK to Buy↑	5.2	-14.0	9.4	-2.1	0.8	4.6	9.6	1.35	257	
SMALL CAP GROWTH					Average	6.5	8.0	14.3	17.4	16.3	14.9	16.6	1.25	
1388	FCPGX	Small Cap Growth	30.07	Buy	7.1	9.9	14.9	17.7	16.3	14.9	16.6	1.25	3,082	
3405	FECGX	Small Cap Growth Index	22.45	Buy↑	5.9	6.0	13.7	17.2	--	--	--	--	67	
SMALL CAP BLEND					Average	4.7	-5.8	12.6	4.2	5.1	6.6	11.0	1.34	
384	FSCRX	Small Cap Discovery	20.63	Hold	3.1	-10.9	12.7	-1.2	2.0	4.0	11.2	1.40	2,305	
2011	FCPEX	Small Cap Enhanced Index	12.07	Hold	4.1	-7.7	12.3	2.1	2.8	5.4	11.1	1.33	477	
2358	FSSNX	Small Cap Index	19.84	OK to Buy↑	5.6	-5.5	12.5	6.2	5.2	7.9	--	1.32	12,268	
340	FSLCX	Small Cap Stock	17.62	OK to Buy	5.8	-2.8	14.8	5.7	7.2	7.4	9.8	1.42	1,303	
336	FDESCX	Stock Selector Small Cap	24.95	OK to Buy	4.7	-2.2	10.8	8.0	8.4	8.4	12.0	1.21	963	
SMALL CAP VALUE					Average	5.2	-15.6	11.2	-5.1	-0.5	3.7	9.7	1.23	
1389	FCPVX	Small Cap Value	13.27	Hold	5.0	-13.4	11.6	-4.0	-0.5	3.7	9.7	1.23	1,282	
3406	FISVX	Small Cap Value Index	17.65	Hold	5.4	-17.8	10.7	-6.3	--	--	--	--	161	
REAL ESTATE														
1368	FIREX	International Real Estate	12.38	OK to Sell↓	4.0	-4.8	9.0	4.5	6.8	7.5	8.6	0.80	237	
833	FRIFX	Real Estate Income	11.33	OK to Sell	2.2	-8.6	9.7	-5.8	2.5	5.3	7.3	0.95	2,223	
2355	FSRNX	Real Estate Index	13.67	OK to Sell	0.7	-18.9	5.9	-17.7	-0.7	3.3	--	1.08	2,087	
303	FRESX	Real Estate Investment	39.85	OK to Sell	-0.8	-11.1	7.0	-9.8	2.6	6.1	9.3	0.98	4,256	
ASSET ALLOCATION														
328	FASIX	Asset Manager 20%	14.13	Hold	0.8	4.6	4.4	7.1	5.0	5.0	4.8	0.29	5,385	
1957	FTANX	Asset Manager 30%	11.91	Hold	1.4	5.5	5.9	9.3	6.0	6.1	6.0	0.39	1,930	
1958	FFANX	Asset Manager 40%	12.63	Hold	2.0	6.1	7.2	11.1	6.8	7.0	7.1	0.48	1,930	
314	FASMX	Asset Manager 50%	19.71	Hold	2.7	6.5	8.7	12.8	7.4	7.8	8.0	0.58	9,539	
1959	FSANX	Asset Manager 60%	13.91	Hold	3.3	6.9	10.1	14.4	8.1	8.6	8.8	0.67	3,025	
321	FASGX	Asset Manager 70%	24.27	Hold	3.9	6.9	11.5	15.7	8.6	9.2	9.6	0.77	5,343	
347	FAMRX	Asset Manager 85%	21.55	Hold	4.9	7.3	13.6	18.0	9.5	10.4	10.8	0.90	2,588	
304	FBALX	Balanced	27.36	Buy	5.0	12.2	13.0	21.4	12.0	11.2	11.2	0.76	28,795	
355	FFNOX	Four-in-One Index	51.64	Hold	5.4	5.7	12.4	15.4	9.7	10.2	10.9	0.84	6,840	
3083	FMSDX	Multi-Asset Income	12.30	OK to Buy	3.6	7.9	9.6	15.3	9.9	--	--	0.54	123	
4	FPURX	Puritan	25.86	Buy	5.3	14.5	13.2	21.8	12.1	11.2	11.4	0.70	24,148	
INTERNATIONAL					Average	4.5	3.1	15.6	15.4	5.8	8.6	8.0	1.01	
309	FICDX	Canada	50.08	Hold	4.3	-5.0	11.9	1.1	2.9	5.2	3.8	1.04	684	
352	FHKCX	China Region	50.23	Hold	3.7	27.0	26.4	47.4	16.2	17.5	11.3	1.18	1,460	
325	FDIVX	Diversified International	43.50	OK to Buy	4.6	7.4	15.7	20.4	7.6	7.6	8.3	0.90	9,845	
351	FSEAX	Emerging Asia	61.47	Hold	4.9	35.3	31.4	54.7	18.4	18.8	11.2	1.11	1,452	
2053	FEMEX	Emerg Europe, MidEast, Africa	8.19	Hold	2.4	-19.6	7.5	-9.6	-2.2	4.3	2.7	1.31	44	
322	FEMKX	Emerging Markets	39.97	Hold	4.3	14.3	24.0	29.8	11.1	14.1	7.0	1.05	4,271	
2374	FEDDX	Emerging Mkts Discovery	14.37	Hold	2.5	-0.7	19.4	10.1	0.9	7.6	--	1.18	199	
2344	FPADX	Emerging Markets Index	11.02	Hold	2.3	0.4	18.9	14.5	2.7	8.3	--	1.09	3,287	
5031	FEOPX	Enduring Opportunities	12.25	OK to Buy	6.2	16.3	18.1	--	--	--	--	--	10	
301	FIEUX	Europe	37.87	OK to Buy	5.5	4.5	17.7	19.8	5.1	5.6	7.5	1.00	821	
2406	FGILX	Global Equity Income	16.15	Buy↑	4.7	4.2	13.0	17.5	9.5	9.4	--	0.85	73	
2348	FSGGX	Global ex U.S. Index	12.99	Hold	4.3	-3.0	13.4	8.4	2.6	5.8	--	0.93	5,800	
335	FIVFX	International Cap App	25.21	Buy	4.0	9.9	16.9	19.0	11.0	11.5	11.3	0.88	4,533	
305	FIGRX	International Discovery	48.63	OK to Buy↑	5.5	7.1	15.9	19.3	6.4	7.2	8.1	0.92	7,066	
2010	FIENX	International Enhanced Index	9.20	Hold	4.3	-5.2	10.4	5.6	0.5	4.4	6.3	0.89	1,183	
1979	FIGFX	International Growth	17.04	OK to Buy	5.1	7.0	14.2	19.8	10.4	9.9	10.0	0.86	1,364	
2363	FSPSX	International Index	41.03	Hold	5.0	-4.5	10.7	6.2	2.3	4.9	6.0	0.89	27,162	
818	FISMX	International Small Cap	25.92	OK to Sell	5.5	-7.7	12.3	5.0	0.5	6.3	8.8	1.01	1,129	
1504	FSCOX	Int'l Small Cap Opps (Closed)	21.01	OK to Buy	4.5	2.0	10.9	17.3	7.4	9.1	11.0	0.92	1,161	
2988	FNIDX	International Sustainability Idx	11.23	Hold	4.1	0.2	14.6	12.3	3.8	--	--	0.91	132	
1597	FIVLX	International Value	7.46	OK to Sell	4.6	-10.6	11.3	0.5	-2.5	0.5	3.4	1.02	435	
350	FJPNX	Japan	17.04	OK to Buy↑	6.5	4.6	9.8	16.5	7.4	8.7	7.2	0.88	291	
360	FJSCX	Japan Smaller Companies	16.42	Hold↑	6.5	-4.7	4.8	7.5	2.9	8.5	11.0	0.78	572	
349	FLATX	Latin America	19.43	OK to Sell	-2.9	-33.9	13.2	-22.1	-6.0	3.3	-4.1	1.93	328	
342	FNORX	Nordic	57.37	Hold	7.7	20.1	24.0	35.1	9.6	10.0	11.4	1.06	300	
94	FOSFX	Overseas	54.16	OK to Buy	4.4	4.6	13.5	15.9	6.8	8.2	9.5	0.89	6,547	
302	FPBFX	Pacific Basin	39.18	Hold	5.0	13.5	20.3	28.4	11.1	13.5	11.6	0.95	1,053	
2369	FTEMX	Total Emerging Markets	13.58	Hold	2.4	1.0	17.1	13.9	3.6	8.7	--	1.00	203	
1978	FTIEX	Total International Equity	9.98	OK to Buy	4.0	1.7	14.7	14.2	5.6	7.5	7.1	0.94	66	
2834	FTIHX	Total International Index	12.05	Hold	4.5	-3.0	13.6	8.6	2.5	--	--	0.95	4,778	
318	FWWFX	Worldwide	34.17	Buy	8.2	20.5	20.2	31.2	16.8	14.3	13.7	0.99	2,381	
3228	FZILX	Zero International Index	10.10	Hold	4.5	-3.1	12.9	8.4	--	--	--	--	1,656	

FIDELITY SCORECARD

AUGUST 31, 2020

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	FCV SX	Convertible Securities	37.79	Buy	7.4	22.3	18.8	31.7	16.9	11.8	11.0	0.78	\$1,650	
2120	FFGCX	Global Commodity Stock	11.43	Hold	4.7	-10.6	10.4	0.7	0.7	4.0	0.0	1.24	189	
3488	FNSTX	Infrastructure Fund	10.88	OK to Sell	1.1	3.5	8.0	--	--	--	--	--	13	
122	FLVCX	Leveraged Company Stock	34.13	Buy	10.5	5.2	18.4	18.6	9.0	8.5	12.2	1.42	1,784	
1329	FSDIX	Strategic Dividend & Income	15.59	Hold	3.4	2.1	9.1	8.5	7.8	9.3	10.7	0.73	2,698	
1505	FSRRX	Strategic Real Return	8.21	Hold	2.2	-1.4	7.7	0.7	2.2	2.7	2.7	0.52	163	
311	FIUIX	Telecom & Utilities	25.24	OK to Sell	-0.1	-7.3	0.8	-2.5	5.5	8.9	10.4	0.75	945	
DISRUPTOR / MEGATREND FUNDS					Average		6.8	17.1						
6041	FARMX	Agricultural Productivity	12.46	Hold	8.2	24.8p	14.4	--	--	--	--	--	6	
6036	FBOTX	Disruptive Automation	13.85	OK to Buy	6.8	38.5p	16.4	--	--	--	--	--	41	
6037	FNETX	Disruptive Communications	13.90	OK to Buy	6.8	39.0p	20.1	--	--	--	--	--	27	
6038	FNTEX	Disruptive Finance	13.50	OK to Buy	7.0	35.1p	13.9	--	--	--	--	--	22	
6039	FMEDX	Disruptive Medicine	11.85	OK to Buy	1.3	18.5p	7.1	--	--	--	--	--	26	
6040	FTEKX	Disruptive Technology	15.77	OK to Buy	13.7	57.7p	37.3	--	--	--	--	--	61	
6043	FGDFX	Disruptors	13.77	OK to Buy	7.2	37.7p	19.0	--	--	--	--	--	57	
6042	FLOWX	Water Sustainability	11.65	Hold	3.2	16.6p	8.5	--	--	--	--	--	12	
SELECT PORTFOLIOS					Average		5.5	2.4	12.6	13.1	8.5	9.6	12.0	1.35
34	FSAIX	Air Transportation	51.75	Hold	12.3	-26.9	16.2	-24.4	-4.4	3.3	10.6	1.58	277	
502	FSAVX	Automotive	42.31	OK to Buy	19.5	27.6	34.9	49.0	16.8	11.6	12.8	1.51	54	
507	FSRBX	Banking	17.19	Buy	3.7	-33.5	3.9	-20.4	-5.5	1.3	7.8	1.66	301	
42	FBIOX	Biotechnology	23.64	OK to Buy	3.0	13.1	3.1	36.0	10.2	5.8	20.5	1.40	7,457	
68	FSLBX	Brokerage & Investment	83.15	Buy	4.0	4.9	8.7	18.9	10.5	9.9	10.8	1.10	337	
69	FSCHX	Chemicals	12.28	Hold	4.2	-0.8	11.9	7.9	-2.3	6.7	11.0	1.37	660	
518	FSDCX	Communications Equipment	35.07	Hold	-2.2	0.1	7.2	2.0	5.7	7.8	8.3	1.07	151	
503	FBMPX	Communication Services	76.46	Buy	7.9	22.3	17.5	31.7	16.1	14.4	17.4	1.09	705	
7	FDCPX	Computers	92.69	OK to Buy	7.9	17.0	24.4	42.7	18.9	18.5	16.0	1.08	599	
511	FSHOX	Construction & Housing	67.33	OK to Buy	7.6	15.3	20.4	22.3	16.7	13.3	17.2	1.34	319	
517	FSCPX	Consumer Discretionary	59.41	Buy	9.1	20.4	19.4	27.7	19.3	14.8	17.0	1.25	487	
98	FSVLX	Consumer Finance	14.14	Hold	6.6	-19.8	12.2	-13.4	3.1	5.5	10.8	1.59	107	
9	FDFAX	Consumer Staples	90.57	OK to Buy	4.8	4.2	13.0	11.9	5.8	7.6	10.7	0.86	812	
67	FSDAX	Defense & Aerospace	14.09	OK to Buy	6.6	-21.1	0.8	-19.7	3.1	10.6	13.7	1.45	1,816	
60	FSENX	Energy	21.41	Hold	0.4	-39.6	-3.6	-33.5	-15.3	-10.1	-2.7	2.10	684	
43	FSESX	Energy Service	12.23	Hold	1.8	-50.0	6.4	-40.5	-30.9	-22.1	-11.0	2.83	162	
516	FSELEX	Environment & Alt Energy	25.12	OK to Sell	10.5	2.3	19.5	15.6	7.9	11.6	10.0	1.24	194	
66	FIDSX	Financial Services	8.24	Buy	3.3	-19.6	6.7	-7.7	1.3	5.7	8.5	1.32	415	
41	FSAGX	Gold	34.82	OK to Sell	-1.1	43.9	21.8	42.9	16.7	21.5	-1.7	1.88	2,129	
63	FSPHX	Health Care	31.51	Buy	2.1	13.6	6.2	34.1	17.0	12.0	20.4	1.06	9,277	
505	FSHCX	Health Care Services	109.31	OK to Buy	2.4	5.1	1.4	27.1	14.0	11.7	17.2	1.18	1,057	
515	FCYIX	Industrials	32.80	Buy	7.4	-3.1	12.8	2.8	6.0	9.0	12.0	1.31	492	
45	FSPCX	Insurance	52.71	Hold	1.0	-13.7	7.7	-7.9	2.2	7.0	11.4	1.09	173	
353	FBSOX	IT Services	89.75	OK to Buy	8.5	20.1	15.3	25.3	25.6	21.0	21.7	1.14	4,276	
62	FDLSX	Leisure	14.82	Buy	14.2	-2.1	15.3	-1.4	8.9	9.7	14.2	1.40	458	
509	FSDPX	Materials	70.60	Hold	4.0	2.1	14.0	9.4	-1.0	4.0	7.2	1.27	420	
354	FSMEX	Medical Tech & Devices	68.85	OK to Buy	0.4	17.2	13.8	28.2	21.0	19.9	20.6	1.08	7,336	
513	FSNGX	Natural Gas	9.91	Hold	0.0	-45.3	-3.5	-40.5	-22.0	-15.8	-8.1	2.17	90	
514	FNARX	Natural Resources	19.29	Hold	2.7	-27.1	5.0	-20.2	-7.4	-5.3	-1.2	1.99	260	
580	FPHAX	Pharmaceuticals	24.49	OK to Buy	1.9	8.2	4.2	27.5	14.2	6.4	14.9	0.87	901	
46	FSRPX	Retailing	21.81	OK to Buy	8.6	29.6	20.8	36.2	26.2	19.1	21.8	1.24	3,498	
8	FSELX	Semiconductors	13.51	Buy	7.2	15.7	18.3	45.9	25.0	26.9	22.9	1.50	4,245	
28	FSCSX	Software & IT Services	26.13	OK to Buy	10.4	35.9	20.8	48.6	29.3	27.0	23.6	1.08	11,611	
64	FSPTX	Technology	27.87	Buy	12.4	45.8	31.6	69.3	29.2	29.6	22.0	1.25	10,377	
96	FSTCX	Telecommunications	69.33	Hold	2.1	15.3	9.1	22.2	8.5	10.5	10.6	0.77	244	
512	FSRFX	Transportation	86.62	Hold	10.8	0.9	22.0	8.0	7.2	9.6	13.2	1.34	319	
65	FSUTX	Utilities	82.97	OK to Sell	-2.4	-11.0	-1.1	-6.3	5.3	9.7	10.5	0.81	941	
963	FWRLX	Wireless	12.93	OK to Buy	6.4	23.0	19.4	41.9	18.8	17.1	14.3	0.87	445	
SECTOR ETFs					Average		4.9	1.9	11.7	11.4	8.6	10.4	1.18	
	FCOM	MSCI Communication Services	40.94	OK to Buy	8.1	15.1	16.0	24.2	11.4	12.9	--	1.07	584	
	FDIS	MSCI Consumer Discretionary	64.86	Buy	13.2	35.2	32.3	44.4	23.8	18.1	--	1.35	1,100	
	FSTA	MSCI Consumer Staples	39.11	OK to Buy	4.9	5.3	12.0	11.1	9.0	9.4	--	0.79	720	
	FENY	MSCI Energy	9.42	Hold	-0.6	-39.5	-5.9	-33.7	-14.7	-9.8	--	2.10	449	
	FNCL	MSCI Financials	35.41	Buy	3.9	-18.9	7.3	-6.7	1.7	7.3	--	1.27	739	
	FHLC	MSCI Health Care	53.59	OK to Buy	2.4	8.8	5.9	23.9	12.9	11.1	--	0.93	2,100	
	FIDU	MSCI Industrials	40.60	Buy	8.2	-2.4	15.2	6.5	7.0	10.8	--	1.26	392	
	FTEC	MSCI Information Technology	97.03	Buy	11.2	34.9	26.3	55.8	29.9	27.3	--	1.17	4,800	
	FMAT	MSCI Materials	34.43	Hold	4.8	1.7	14.2	12.3	4.7	9.2	--	1.23	175	
	FREL	MSCI Real Estate	24.35	OK to Sell	0.5	-10.6	6.5	-8.3	3.9	7.0	--	1.01	1,100	
	FUTY	MSCI Utilities	38.11	OK to Sell	-2.6	-8.2	-0.6	-4.2	5.5	10.6	--	0.82	833	

FIDELITY SCORECARD

AUGUST 31, 2020

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	-0.5	6.4	1.4	6.1	4.7	3.9	3.4	0.82	5.0	0.22
2267	FCONX	Conservative Income Bond	10.07	Buy	0.0	1.0	0.5	1.8	2.0	1.6	--	0.10	0.5	0.06	
2208	FCBFX	Corporate Bond	12.86	Buy	-1.1	7.9	4.1	8.1	6.7	6.4	5.7	1.50	8.3	0.41	
2423	FGBFX	Global Credit	9.97	Hold	-0.5	5.0	4.2	5.8	5.7	5.1	--	1.89	7.8	0.43	
15	FGMNX	GNMA (Ginnie Mae)	11.81	OK to Buy	0.2	3.5	0.2	4.2	3.2	2.7	2.9	1.15	-0.1	0.11	
54	FGOVX	Government Income	11.15	Hold	-1.0	7.3	-0.0	5.9	4.5	3.4	2.9	0.36	5.4	0.21	
2418	FIPDX	Inflation-Protected Index ³	11.02	OK to Buy	0.9	9.6	4.3	8.9	5.6	4.5	--	0.32*	5.6	0.21	
32	FTHRXX	Intermediate Bond	11.58	Buy	0.0	6.2	2.3	6.2	4.4	3.7	3.2	0.92	4.1	0.18	
452	FSTGX	Intermediate Gov't Income	11.15	OK to Buy	-0.3	5.8	0.1	5.1	3.6	2.7	2.2	-0.05	3.8	0.15	
3045	FUAMX	Intermediate Treasury Index	12.02	Hold	-0.6	9.8	0.3	7.8	5.5	4.3	3.7	0.40	6.5	0.26	
4506	FBIIX	International Bond Index	10.08	Hold	-0.6	2.5	0.9	--	--	--	--	0.51	8.4	--	
26	FBNDX	Investment Grade Bond	8.77	Buy	-0.8	8.6	2.6	8.6	5.9	5.1	4.3	1.24	5.8	0.21	
2622	FJRLX	Limited Term Bond	12.00	Buy	0.1	4.3	2.0	4.9	3.6	3.0	2.8	0.70	2.8	0.16	
662	FFXSX	Limited Term Government	10.36	OK to Buy	-0.1	4.1	0.1	3.9	2.7	2.0	1.5	-0.10	2.7	0.10	
3047	FNBGX	Long-Term Treasury Index	16.77	Sell	-4.8	20.6	-0.5	12.2	10.7	8.3	6.8	1.24	19.5	0.72	
40	FMSFX	Mortgage Securities	11.69	OK to Buy	0.3	4.1	0.7	4.8	3.7	3.2	3.2	1.39	0.1	0.12	
450	FSHBX	Short-Term Bond	8.88	OK to Buy	0.1	3.3	1.2	3.8	2.8	2.3	1.8	0.52	2.1	0.09	
3041	FNSOX	Short-Term Bond Index	10.40	OK to Buy	0.0	4.4	0.6	4.6	--	--	--	0.32	2.7	--	
3049	FUMBX	Short-Term Treasury Index	10.88	Buy↑	-0.1	4.3	0.1	4.4	3.1	2.3	1.7	0.15	2.7	0.11	
3086	FNDX	Sustainability Bond Index	11.11	Hold	-0.8	7.1	1.2	6.5	--	--	--	1.01	5.5	--	
820	FTBFX	Total Bond	11.52	Buy	-0.2	7.4	3.4	7.6	5.5	5.1	4.5	2.07	5.5	0.23	
2326	FXNAX	U.S. Bond Index	12.57	Hold	-0.9	7.1	1.2	6.5	5.1	4.3	3.6	1.16	5.6	0.19	
HIGH-YIELD BOND					Average	1.1	0.4	5.6	3.1	3.5	5.0	5.4	3.65	3.1	0.51
38	FAGIX	Capital & Income	10.07	Buy	2.5	1.2	8.6	5.8	5.3	6.4	7.5	3.52	3.9	0.71	
814	FFRHX	Floating Rate High Income	8.98	OK to Buy	1.4	-2.7	3.8	-0.4	2.4	3.3	3.5	4.52	0.2	0.48	
1366	FHIFX	Focused High Income	8.81	Buy	0.3	1.5	4.7	4.0	4.9	5.5	5.7	2.99	3.0	0.41	
2297	FGHNX	Global High Income	9.34	OK to Buy	1.3	0.4	7.4	3.8	3.4	5.4	--	4.23	3.1	0.60	
455	SPHIX	High Income	8.54	Buy	0.7	-1.5	5.2	1.4	3.9	5.5	6.0	3.85	2.8	0.52	
331	FNMIX	New Markets Income	14.62	Hold	1.3	-0.1	6.7	3.3	0.9	5.1	5.1	4.32	5.7	0.65	
2580	FSAHX	Short Duration High Income	9.34	Buy	0.6	1.3	3.3	2.6	3.4	3.9	--	2.90	1.8	0.36	
3082	FADMXX	Strategic Income	12.59	OK to Buy	0.8	2.8	5.0	4.7	3.9	5.1	4.8	2.88	4.7	0.38	
MUNICIPAL BOND					Average	-0.3	2.3	2.3	2.0	3.4	3.4	3.5	0.96	5.0	0.22
434	FSAZX	Arizona Muni Income	12.53	OK to Sell	-0.5	2.6	1.7	2.3	3.6	3.6	3.9	0.79	5.6	0.23	
1534	FCSTX	Calif Limited Term Tax Free	10.87	OK to Sell	-0.1	2.2	1.1	2.3	2.2	2.0	2.0	0.43	3.0	0.13	
91	FCFX	California Muni Income	13.35	OK to Sell	-0.4	2.6	2.2	2.2	3.8	3.7	4.3	0.99	5.7	0.25	
407	FICNX	Connecticut Muni Income	11.89	OK to Sell	-0.1	2.5	2.6	2.4	3.9	3.5	3.4	1.13	5.4	0.23	
2578	FCRDXX	Conservative Income Muni	10.05	Buy	0.0	0.7	0.6	1.0	1.3	1.1	--	0.30	0.4	0.04	
36	FLTMX	Interm Municipal Income	10.77	OK to Sell	-0.1	2.8	2.4	2.6	3.5	3.4	3.2	0.88	4.6	0.21	
404	FSTFX	Limited Term Muni Income	10.84	OK to Sell	0.1	2.5	1.8	2.6	2.4	2.1	1.9	0.57	2.8	0.13	
429	SMDMX	Maryland Muni Income	11.69	OK to Sell	-0.4	1.7	2.2	1.5	3.2	3.4	3.3	0.95	5.5	0.24	
70	FDMMX	Mass Muni Income	12.53	OK to Sell	-0.5	2.5	2.0	2.2	3.5	3.4	3.7	0.91	5.5	0.23	
81	FMHTX	Michigan Muni Income	12.70	OK to Sell	-0.3	3.5	1.8	3.1	4.1	3.8	3.8	0.83	5.3	0.21	
82	FIMIX	Minnesota Muni Income	12.10	OK to Sell	-0.4	3.1	1.5	2.7	3.6	3.4	3.3	0.75	5.3	0.22	
3469	FMBIX	Municipal Bond Index	20.14	OK to Sell	-0.3	1.4	1.9	1.0	--	--	--	1.15	5.4	--	
37	FHIGX	Municipal Income	13.44	OK to Sell	-0.2	2.2	3.7	2.0	4.0	4.1	4.2	1.40	6.2	0.30	
416	FNJHX	New Jersey Muni Income	12.31	OK to Sell	-0.4	2.0	4.6	1.5	4.2	4.5	3.8	1.25	5.9	0.29	
71	FTFMX	New York Muni Income	13.47	OK to Sell	-0.4	1.6	2.3	1.0	3.3	3.5	3.6	1.26	6.2	0.27	
88	FOHFX	Ohio Muni Income	12.47	OK to Sell	-0.2	2.4	2.3	2.1	3.5	3.7	3.9	1.03	5.6	0.23	
402	FPXTX	Pennsylvania Muni Income	11.45	OK to Sell	-0.3	2.3	2.2	1.9	3.8	3.7	3.9	1.22	5.8	0.24	
90	FTABX	Tax-Free Bond	11.98	OK to Sell	-0.2	2.5	3.8	2.2	4.2	4.2	4.3	1.46	6.1	0.30	

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	0.00	0.27	0.01
458	SPAXX	Government MM	0.00	0.26	0.01
2742	FZFX	Treasury MM	0.00	0.25	0.01
415	FDLXX	Treasury Only MM (closed)	0.00	0.26	0.01
PRIME MONEY MARKETS					
454	SPRXX	Money Market*	0.00	0.36	0.01
*Available in premium class shares (FZDXX) with a \$100,000 minimum (\$10,000 for certain Fidelity retirement accounts) and lower expenses.					
NATIONAL MUNICIPAL MONEY MARKETS					
10	FTEXX	Municipal Money Market	0.00	0.38	0.01
275	FMOXX	Tax-Exempt MM	0.00	0.35	0.01

STATE MUNICIPAL MONEY MARKETS			Total Return (%)		SEC
			Aug	YTD	%Yield
433	FSAXX	Arizona Muni MM	0.00	0.32	0.01
97	FCFXX	California Muni MM	0.00	0.34	0.01
457	FSPXX	California AMT Tax-Free	0.00	0.33	0.01
418	FCMXX	Connecticut Muni MM	0.00	0.33	0.01
426	FMSXX	Mass AMT Tax-Free	0.00	0.37	0.01
74	FDMXX	Massachusetts Muni MM	0.00	0.37	0.01
420	FMIXX	Michigan Muni MM	0.00	0.33	0.01
417	FNJXX	New Jersey Muni MM	0.00	0.32	0.01
423	FSJXX	New Jersey AMT Tax-Free	0.00	0.36	0.01
92	FNYXX	New York Muni MM	0.00	0.36	0.01
422	FSNXX	New York AMT Tax-Free	0.00	0.39	0.01
419	FOMXX	Ohio Muni MM	0.00	0.32	0.01
401	FPTXX	Pennsylvania Muni MM	0.00	0.37	0.01

FIDELITY SCORECARD

AUGUST 31, 2020

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					7.8	15.9	17.5	29.1	16.6	16.1	15.5	1.11
	Annuity Growth Model					8.2	18.6	20.3	30.4	16.1	14.2	14.0	1.06
	Annuity Growth & Income Model					5.7	17.9	16.1	25.6	12.3	10.5	10.3	0.67
	Annuity Income Model					2.7	9.3	7.5	12.3	6.2	6.1	5.4	0.35
9067	FLRQC	Fid VIP Asset Manager	Allocation	23.91	Hold	2.7	6.4	8.7	12.6	7.1	6.7	7.6	0.57
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation	25.49	Hold	4.0	6.7	11.4	15.4	8.2	7.8	9.1	0.77
9069	FJBAC	Fid VIP Balanced	Allocation	32.14	Buy	5.0	12.0	13.0	21.1	11.6	10.8	11.0	0.76
9461	FBIQC	Fid VIP Bond Index	Bond	11.76	Hold	-1.0	6.8	1.0	6.1	--	--	--	--
9173	FVTAC	Fid VIP Communication Services	Sector	25.39	Buy	7.8	21.8	17.3	31.2	15.0	14.4	12.8	1.06
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	44.95	Buy	9.2	20.5	19.2	27.8	19.0	14.5	16.7	1.25
9171	FCSAC	Fid VIP Consumer Staples	Sector	31.03	OK to Buy	4.7	4.4	12.7	11.9	6.1	8.2	11.5	0.86
9065	FPDFC	Fid VIP Contrafund	Large Growth	42.06	Buy	8.6	26.4	19.9	37.2	18.1	15.7	15.2	1.01
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	21.03	Hold	4.2	-7.8	12.2	1.8	2.5	5.0	10.6	1.32
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	43.03	Hold	7.5	21.8	19.9	33.0	17.2	14.0	15.5	1.03
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	13.13	Hold	2.1	6.8	20.4	21.2	7.3	11.5	5.6	1.07
9085	FJLLC	Fid VIP Energy	Sector	8.06	Hold	0.5	-39.9	-3.5	-33.9	-15.5	-10.3	-2.9	2.10
9061	FLOLC	Fid VIP Equity-Income	Large Value	23.97	Buy	3.7	-5.3	7.6	4.2	5.8	8.0	10.7	0.91
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	10.01	Buy	4.6	-5.5	12.3	4.4	--	--	--	--
9083	FONNC	Fid VIP Financial Services	Sector	13.38	Buy	3.3	-19.8	6.8	-8.0	1.1	5.5	8.3	1.32
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	11.86	OK to Buy	1.3	-1.6	3.8	0.6	2.5	3.2	--	0.46
9157	FMPAC	Fid VIP FundsManager 20	Allocation	17.41	Hold	0.7	4.8	3.7	6.9	4.8	4.5	4.3	0.24
9158	FMPBC	Fid VIP FundsManager 50	Allocation	21.33	Hold	2.6	6.7	8.0	12.3	7.3	7.3	7.5	0.53
9197	FMPCC	Fid VIP FundsManager 60	Allocation	20.59	Hold	3.3	6.6	9.4	13.5	7.8	8.1	8.4	0.64
9159	FMPDC	Fid VIP FundsManager 70	Allocation	23.02	Hold	3.9	6.4	10.6	14.6	8.3	8.7	9.3	0.74
9160	FMPDC	Fid VIP FundsManager 85	Allocation	24.07	Hold	4.9	6.2	12.7	16.3	9.1	9.8	10.5	0.89
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	11.75	--	-0.0	0.1	-0.1	0.6	1.2	0.7	0.3	0.01
9062	FMNDC	Fid VIP Growth	Large Growth	50.57	Buy	8.9	32.6	23.5	46.4	23.3	20.2	18.9	1.07
9070	FLFNC	Fid VIP Growth & Income	Large Blend	28.86	Hold	4.9	-4.4	10.4	9.1	7.2	9.1	12.3	1.01
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	67.14	Buy	12.0	47.1	32.1	63.3	35.2	26.5	22.8	1.25
9084	FPDRC	Fid VIP Health Care	Sector	61.01	Buy	1.5	11.5	4.9	30.1	15.4	11.0	19.7	1.05
9060	FBBLC	Fid VIP High Income	High-Yield Bond	22.51	Buy	0.7	-1.5	5.1	1.3	3.3	4.6	5.5	0.53
9064	FXVLT	Fid VIP Index 500	Large Blend	37.02	OK to Buy	7.2	9.5	15.4	21.5	14.1	14.1	14.8	1.00
9082	FBALC	Fid VIP Industrials	Sector	37.06	Buy	7.4	-2.8	12.9	3.0	5.9	8.9	11.9	1.30
9473	FFIQC	Fid VIP International Index	Diversified Int'l	10.11	Hold	4.4	-3.4	12.7	7.8	--	--	--	--
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	26.45	Buy	4.0	9.6	16.9	18.5	10.7	11.2	11.1	0.88
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	19.11	Buy	-0.4	7.5	3.0	7.6	5.3	4.7	3.9	0.22
9172	FVMAC	Fid VIP Materials	Sector	19.64	Hold	3.1	-2.1	13.6	5.5	-2.4	2.9	6.6	1.26
9071	FNBSIC	Fid VIP Mid Cap	Mid Blend	29.89	Buy	6.4	-1.6	15.4	8.5	4.5	6.5	9.3	1.27
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	20.62	OK to Buy	4.5	4.6	13.8	15.9	6.4	6.9	7.7	0.89
9072	FFWKC	Fid VIP Real Estate	Sector	24.37	OK to Sell	-0.4	-10.1	6.1	-10.0	1.5	4.4	8.3	0.99
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	21.66	OK to Buy	0.8	2.8	4.8	4.4	3.6	4.7	4.4	0.37
9086	FYENC	Fid VIP Technology	Sector	87.48	Buy	12.5	46.2	31.7	69.6	29.7	29.6	21.5	1.24
9465	FTMJC	Fid VIP Total Market Index	Large Blend	12.78	OK to Buy	7.2	8.9	15.8	20.8	--	--	--	--
9087	FXRRC	Fid VIP Utilities	Sector	32.00	OK to Sell	-2.4	-11.6	-1.4	-7.0	5.0	9.4	10.2	0.83
9079	FKMSC	Fid VIP Value	Large Value	22.79	OK to Buy	5.1	-13.3	9.3	-0.5	1.7	4.8	10.1	1.30
9073	FRBSC	Fid VIP Value Strategies	Mid Value	23.03	OK to Buy	5.1	-14.0	9.5	-2.1	0.5	3.9	9.2	1.35
9347	FBMEC	Black Rock Global Allocation	Global Allocation	16.34	Hold	3.8	9.6	11.4	17.0	7.0	6.9	6.6	0.63
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	10.73	Hold	-0.7	-6.3	-1.4	-4.4	-1.1	0.2	1.7	0.33
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	11.29	Buy	-0.0	3.5	0.0	3.3	2.7	2.0	1.7	0.12
9285	FIGXC	Invesco Global Core Eqty	Global Stock	15.43	Hold	6.8	1.8	15.6	13.7	5.0	6.9	7.2	1.09
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	14.22	Hold	-1.2	-19.2	6.7	-6.8	-6.5	2.5	0.5	1.14
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	20.76	Hold	0.9	1.0	8.8	2.5	2.5	5.0	4.0	0.64
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	15.43	Hold	1.5	-1.9	20.6	11.1	0.4	6.1	2.9	1.12
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	15.70	Hold	3.7	1.5	10.8	8.8	5.2	6.1	6.6	0.68
9346	FPMEC	Pimco Commodity Real Return	Commodities	5.45	Hold	8.1	-6.6	19.8	-0.9	-2.4	-2.3	-4.2	0.93
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	12.40	Buy	0.3	2.5	0.9	2.7	2.0	1.7	1.6	0.08
9277	FPNBC	Pimco VIT Real Return	TIPS	15.22	OK to Buy	1.1	9.7	5.1	9.5	5.3	4.2	3.2	0.23
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	15.51	Hold	-0.2	7.2	2.3	6.5	4.6	4.2	3.5	0.20

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	29%	VIP Contrafund	30%	VIP Contrafund	22%	Frkln Temple U.S. Gov't	31%
VIP Cons Discretionary	17	VIP Equity-Income	26	VIP Int'l Cap App	19	VIP Investment Grade	28
VIP Comm Services	15	VIP Growth Opps	24	VIP Growth Opps	17	VIP Contrafund	24
VIP Health Care	14	VIP Mid Cap	21	Frkln Temple U.S. Gov't	17	VIP High Income	17
VIP Industrials	13			VIP High Income	16		
VIP Financial Services	12			VIP Investment Grade	9		
Total Return:		Total Return:		Total Return:		Total Return:	
Aug: 7.8% YTD: 15.9%		Aug: 8.2% YTD: 18.6%		Aug: 5.7% YTD: 17.9%		Aug: 2.7% YTD: 9.3%	

Fund Additions *cont'd from page 4*

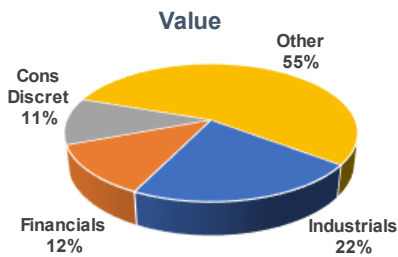
weighed on returns as **Real Estate Index** fund, for example, is down nearly 19% this year.

And there's an important point not to overlook. In an age when index funds are "all that" and actively managed funds are considered fundamentally flawed, Equity-Income not only has superior 1- and 3-year records over the fund it's replacing in the *Growth Model (Large Cap Value Index)*, it's also significantly less risky.

Frankly, the model would have been better served by Equity-Income's superior absolute- and risk-adjusted returns. Looking ahead, the fund is better positioned to serve the model's investment objectives.

Value Fund

In the *Unique Opportunities Model*, our trade into **Value** fund from **Growth Strategies** helps to accomplish three goals: 1. It *increases* portfolio risk to 1.17, which is closer to its long-term target of



1.20 (Value's relative volatility is 1.47 versus 1.03 for Growth Strategies); 2. It decreases the model's reliance on growth stocks generally, and tech in particular, and; 3. It increases exposure to mid-sized companies. (Note upgrades on p. 5 to various value-oriented funds.)

To the second point, Value has a 5% weight in technology, which is only about half of its Russell Midcap Value benchmark exposure. By comparison, Growth Strategies is 35% weighted in technology.

Of all the trades we're recommending, we suspect many will find this one the most difficult to accept as Growth Strategies has risen 14.4% this year while Value's return

is -13.6%! But with Value we are gaining exposure to cyclicals and other hard-hit areas of the market.

Led by Matt Friedman and backed by three other team members (all of whom have 10 years experience with value investing), they've positioned the portfolio to benefit from the economy's recovery. They also favor companies that are built for the long-term and whose balance sheets are generally healthy.

Of course, as a value fund, they prefer stocks that are inexpensively priced on either an absolute or relative basis. For example, Value's trailing price-to-earnings ratio (P/E) is 16.7; Growth Strategies' P/E is more than twice as high as that.

While owning expensive, high-growth stocks has greatly benefited the *Unique Opportunities Model* this year (with significantly less risk than the S&P 500) it has outpaced it with a gain of 18.6% versus 9.7%), we believe it's prudent to harvest some gains and to prepare the soil, as it were, for the next harvest. ■

— John Bonnanzio

BOND FUNDS

Historic Fed Decision Sows Confusion

In the closing days of August, Federal Reserve Chair Jerome Powell sent the bond market into disarray. He announced that the central bank had abandoned its longstanding policy goal of preempting inflation when it neared 2%; it will now accept a long-term average of 2%. The change is not inconsequential because it implies that the Fed will allow for inflation of 3% or higher, as long as it can be corralled back to an average of 2%.

With inflation at 1.0% for the past 12 months through June, the policy change (which, by the way, can be altered by a future Fed) seems moot. But, over the next two days, Treasury yields fluctuated widely as investors extrapolated the potential implications. That includes

the prospect that "interest rates may stay low for a very long time to address the new reality," said Powell, "of a quite difficult macroeconomic context of low interest rates, low inflation, relatively low productivity, slow growth."

While one might have expected bonds to rally and for stocks to fall on that bleak outlook, just the opposite occurred. Bond investors seemed to surmise that with inflation well under 2%, the Fed's new "framework" is to allow more inflation, and therefore interest rates may rise from current levels. That, of course, would be bad for bonds.

The Fed announcement also laid out a separate goal of "maximum employment," which "reflects [its] appreciation for the benefits of a strong labor market, particularly for many in low- and moderate-income communities." Pre-pandemic, of course, the nation's unemployment

rate fell to a 50-year low, with the obvious social benefit of historically disenfranchised workers finding jobs. While low unemployment has tended to push wages and inflation higher, in recent years, that has not occurred.

Action Recommendations

For all of the excitement, the Fed's "framework revision" means little in the short term because Covid has also infected the country with high unemployment, a recession, and effectively no inflation. Besides, the Fed has already signaled that rates aren't rising any time soon. So while longer-term bond yields have recently backed up (their prices fell), the only change to your bond fund exposures we recommend is in the context of equity-risk reduction, which we discuss throughout this newsletter. ■

— John Bonnanzio

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, Small Cap Value, Value Discovery.

The final distributions for August were as follows:

Fund	Ex-Date	\$ Amt	NAV
Fidelity Fund	8/7	0.154	58.57
Growth Discovery	8/7	1.904	47.52
Mega Cap Stock	8/7	0.679	14.30
Mid Cap Gr Idx	8/7	0.036	23.44
Mid Cap Val Idx	8/7	0.076	18.65
Sm Cap Gr Idx	8/7	0.176	22.36
Sm Cap Val Idx	8/7	0.117	17.86

Fund Commentary *cont'd from page 5*

International Funds

International Index returned 5% in August. That was enough to make it one of Fidelity's top-performers as its 24% exposure to Japanese equities lifted it ahead of its peers. In turn, **Japan** and **Japan Smaller Companies** both rose 6.5%. Both got help from Warren Buffett's Berkshire Hathaway which invested in three "sogo shoshas" — trading firms that supply a range of commodities to the resource-poor industrialized nation.

Elsewhere, Euro stocks didn't fare nearly as well last month partly because Covid cases are rising, especially in Spain. However, U.K.

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 whereas **Value** has a lower market cap and holds companies that are significantly less pricey (see p. 11).

Growth & Income: **Equity-Income** holds attractively valued stocks such as health care and financials which also help to boost its dividend yield (2.1%) above the S&P 500 (1.8%).

International: **Int'l Cap App** invests about three-quarters of its assets in developed foreign markets; the balance is in emerging markets.

High-Yield: **High Income** and **Capital & Income** (which holds some stocks) are the best ways to benefit from a rebound in this asset class. **Leveraged Co. Stock** plays the distressed market via equities (see p. 4).

Taxable Bond: **Conservative Income Bond** limits interest-rate risk with its extremely short duration; **Short-Term Treasury Index** (see p. 4) effectively eliminates credit risk and has only limited rate-risk. **Total Bond** provides the broadest exposure to the bond market.

Muni Bond Funds: With state and local budgets in disarray, the only fund recommended at this time is the safest: **Conservative Income Muni**. ■

shares were also weak as Britain continues to grapple with Brexit. Nonetheless, **Europe** fund managed an August gain of 5.5%, though it was outdone by the far more diversified **Worldwide** (up 8.2%). The latter was the strongest international offering owing to its 61% stake in higher-performing U.S. stocks.

Lastly, emerging market funds were last month's laggards. **China Region** (up 3.7%) fared okay, but **Latin America** (down 2.9%) was emblematic of trouble in Brazil. Its major market barometer, the Bovespa, retreated 3.6%. Brazil, and other countries in the southern hemisphere, are reeling from rampant Covid infections and slack demand for their raw materials.

Bond Funds

Most of the trouble for the bonds came in the closing days of the month (see p. 11). But Treasury yields rose across the maturity spec-

trum in early August (which means that their prices fell) because the government went to market with a huge new supply of debt.

The benchmark 10-year Treasury yield ended August at 0.72% — a substantial 17 basis points rise. As such, Fidelity's three Treasury-only bond funds lost ground; the hardest-hit was **Long-Term Treasury Index** (down 4.8%). For its part, **U.S. Bond Index** (which holds government and corporate bonds) slipped 0.9%. At the other extreme, **Inflation-Protected Index** fund gained 0.9% as July's consumer prices (CPI) jumped a higher-than-expected 0.6%.

As for muni bond funds, most turned slightly red in August as investors embraced risk assets (stocks). **Muni Bond Index** fell 0.3%.

Finally, money market yields remain uniformly stuck at 0.01%; Fidelity continues to reimburse fund expenses to keep yields positive. ■

— 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 ©2020. 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.

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