

# FIDELITY MONITOR & INSIGHT

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## MESSAGE FROM JACK

### Lower Inflation Is Good News For Smaller-Cap Stocks

Throughout the pandemic period, M2 money supply growth trends have done a pretty good job of predicting what core inflation will do 13 months down the road. If



Jack Bowers

this continues to hold true, we could see core inflation drop below 3% by early next year. That would be a favorable development, not only for bonds and large-cap growth stocks, but also for mid-caps and small-caps.

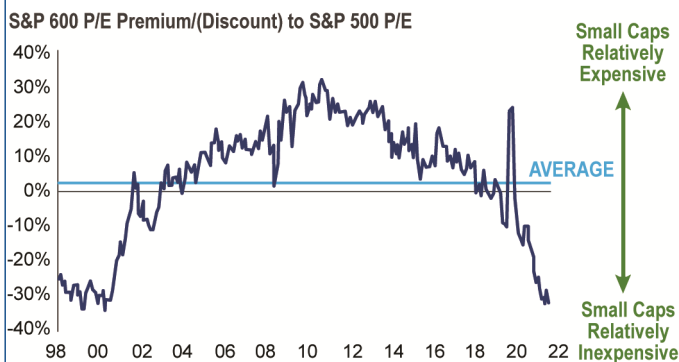
Normally, smaller stocks get hit harder than large-caps whenever the economy is slowing, but there are several reasons why small-caps and mid-caps could perform at least as well as large-caps going forward:

- A less hawkish Fed would make capital easier to obtain. In contrast with larger firms that issue bonds, smaller firms tend to borrow at the bank (or from private equity firms) more often, making their cost of capital higher, while limiting financing options. As such, any relief on the central bank front improves the situation much more for smaller firms than for large-caps.

- Labor shortages and supply-chain constraints are easing in tandem with inflation. These particular pandemic effects had an outsized negative impact on smaller

Jack's Message *cont'd on page 12*

### The Case For Small Caps



Small-cap stocks are now cheap relative to large-caps. This is based on the small-cap S&P 600's price-to-earnings ratio versus the large-cap S&P 500's P/E. While small-caps were comparatively expensive just a few years ago, today, they are about a third less pricey than they've been. That suggests above-average upside potential.

## MARKET OUTLOOK

### Persistent Market Volatility Is Poor Excuse To Abandon Stocks

It's risky in this line of work to make investment decisions based on anecdotal evidence. Then again, former **Magellan** manager Peter Lynch initially observed his family's spending rituals and wound up buying multibaggers like Hanes, Taco Bell, Pier 1 and Dunkin' Donuts.



John Bonnanzio

With that in mind, a Cape Cod real estate broker told me this week that in her four decades of selling, she has never before seen such an abrupt change to the market.

Until very recently, open houses elicited a half-dozen above-asking offers. Today, homes are more likely to generate a single bid — and one that's below asking. Most properties, she said, now sit for weeks without any offers. In other words, housing is returning to normal.

No surprise there. With 30-year fixed-rate mortgages at 5.55% (up from 2.87% a year ago), the monthly payment on a \$400,000 loan has risen by \$625 to \$2,284. And the pain doesn't stop there. Around these parts, home heating oil has risen 65% in the past 12 months to \$4.69 a gallon. So if a homeowner burns 100 gallons monthly, they'll need an additional \$185 in their budget — not counting the added cost of commuting and eating.

While that's not the only worrisome news I can offer up on the economy (for example, credit card defaults are creeping higher and according to Macy's and Nordstrom, consumer spending is slowing), there are at least two reasons (neither being anecdotal) for guarded optimism. They are jobs and corporate earnings.

As to the former, there are now as many Americans working as there were at the start of the pandemic 27 months ago. With 528,000 jobs created in July, 22 million people have joined or re-joined the workforce. Today's 3.5% unemployment rate is back to its pre-pandemic level (the lowest in a half century).

But the jobs report did little, at least initially, to lift share prices. That's because the markets understood that the Fed must keep applying the economic brakes (in the form of still-higher rates). That was later confirmed with the release of the Fed's July minutes.

Market Outlook *cont'd on page 3*

**Unique Opportunities** Target Risk: 1.20 (Current: 1.13) Foreign Holdings: 8.7% **YTD Return: -18.6%**

Stocks: 97.9% Bonds: 0.0% Cash: 2.0% Alternatives\*: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Blue Chip Growth	FBGRX	\$127.60	1,686.15	\$215,152	-4.0%
Growth Strategies	FDEGX	47.39	4,136.17	196,013	-4.0
Small Cap Stock	FSLCX	15.19	12,216.42	185,567	-3.4
Low-Priced Stock	FLPSX	48.36	3,066.97	148,319	-2.1
Large Cap Core Enh Idx	FLCEX	18.48	7,301.02	134,923	-4.1



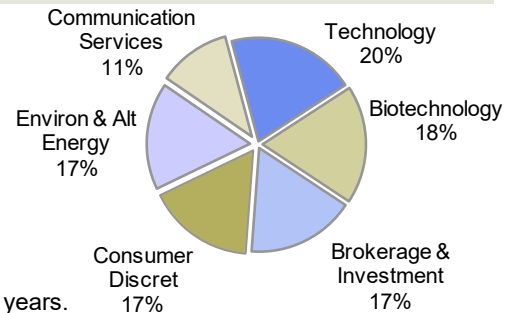
**Current Value (3/31/99 = \$100,000)** **\$879,974** **-3.6%**

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

**Select** Target Risk: 1.20 (Current: 1.16) Foreign Holdings: 4.9% **YTD Return: -18.7%**

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

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Technology	FSPTX	\$19.84	63,915.92	\$1,268,092	-5.5%
Biotechnology	FBIOX	15.83	73,727.84	1,167,112	4.7
Brokerage & Investment	FSLBX	106.61	10,041.18	1,070,490	-2.0
Consumer Discret	FSCPX	48.11	21,982.32	1,057,569	-4.2
Environ & Alt Energy	FSLEX	28.22	37,427.92	1,056,216	-5.4
Communication Services	FBMPX	63.59	11,248.73	715,307	-2.0



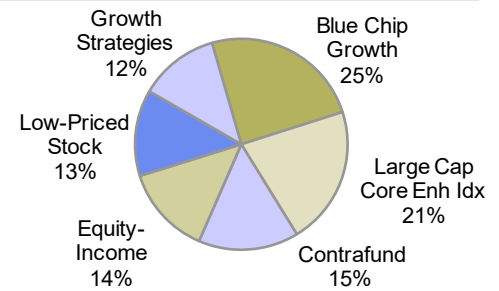
**Current Value (12/31/88 = \$100,000)** **\$6,334,786** **-2.5%**

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

**Growth** Target Risk: 1.00 (Current: 1.04) Foreign Holdings: 9.9% **YTD Return: -19.1%**

Stocks: 98.2% Bonds: 0.0% Cash: 1.8% Alternatives\*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Blue Chip Growth	FBGRX	\$127.60	8,431.08	\$1,075,806	-4.0%
Large Cap Core Enh Idx	FLCEX	18.48	50,387.10	931,154	-4.1
Contrafund	FCNTX	13.93	48,092.81	669,933	-4.0
Equity-Income	FEQIX	63.55	9,429.37	599,236	-2.8
Low-Priced Stock	FLPSX	48.36	12,003.55	580,491	-2.1
Growth Strategies	FDEGX	47.39	11,287.83	534,930	-4.0



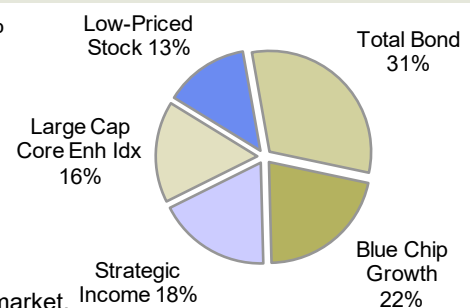
**Current Value (12/31/86 = \$100,000)** **\$4,391,550** **-3.5%**

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

**Growth & Income** Target Risk: 0.66 (Current: 0.69) Foreign Holdings: 14.2% **YTD Return: -14.7%**

Stocks: 50.2% Bonds: 29.3% Cash: 1.1% Alternatives\*: 19.4% Yield: 2.4%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Total Bond	FTBFX	\$9.69	30,810.48	\$298,554	-2.3%
Blue Chip Growth	FBGRX	127.60	1,597.85	203,885	-4.0
Strategic Income	FADMX	11.17	15,461.44	172,704	-1.8
Large Cap Core Enh Idx	FLCEX	18.48	8,416.61	155,539	-4.1
Low-Priced Stock	FLPSX	48.36	2,659.22	128,600	-2.1



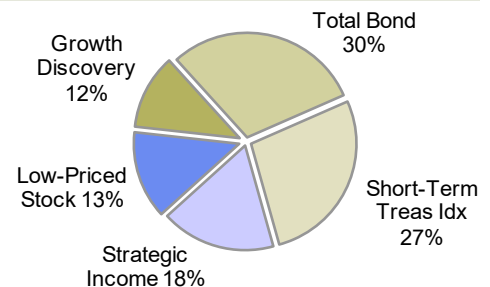
**Current Value (12/31/93 = \$100,000)** **\$959,281** **-2.8%**

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

**Income** Target Risk: 0.33 (Current: 0.39) Foreign Holdings: 14.4% **YTD Return: -9.3%**

Stocks: 24.2% Bonds: 55.6% Cash: 1.4% Alternatives\*: 18.8% Yield: 3.0%

Holdings	Ticker	NAV	Shares	Value	Aug Ret
Total Bond	FTBFX	\$9.69	14,362.24	\$139,170	-2.3%
Short-Term Treas Idx	FUMBX	9.99	12,652.60	126,400	-1.4
Strategic Income	FADMX	11.17	7,280.70	81,325	-1.8
Low-Priced Stock	FLPSX	48.36	1,294.92	62,622	-2.1
Growth Discovery	FDSVX	43.52	1,231.14	53,579	-4.1



**Current Value (12/31/91 = \$100,000)** **\$463,097** **-2.2%**

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

Regardless of inflation, more people working is better than fewer people working. But by weakening the jobs market, wage pressures also ease. So the Fed's actual goal is a "soft landing," whereby the economy is slowed without killing jobs.

With few people unemployed at a time when the economy has contracted for two consecutive quarters, it challenges the conventional definition of recession. In fact, by most other measures, the U.S. is not in recession. Notably, U.S. job openings outnumber unemployed workers by a factor of two to one!

### An Earnings Surprise?

At the risk of sounding Pollyanna, corporate earnings growth may keep surprising to the upside. That possibility exists because people are working, and still spending trillions in stimulus money. Yes, profit margins are being squeezed by inflation and higher wages. (So-called margin resilience is a bigger problem in resource-poor Europe than here.) But analysts are already ratcheting down earnings expectations. And while the Fed is getting all the blame, investors have also been responding to lowered earnings guidance.

All this selling has made stocks relatively cheaper. Although large-caps are not cheap (as measured by price-to-earnings), they're slightly below their 3-year average. But as Jack details on p. 1, smaller-cap stocks are presently a better deal.

In today's transitioning economy, market volatility will persist, but will also create new investment opportunities. That's why longer-term investors shouldn't abandon stocks: they're still investors' best hope for keeping ahead of inflation. ■

— John Bonnanzio

## FUNDS YOU SHOULD BUY NOW

**Growth:** **Blue Chip Growth**, **Growth Company** and **OTC** are aggressive, volatile large-cap options; **Growth Discovery** and **Contrafund** are somewhat more conservatively positioned resulting in lower risk. **Large Cap Core Enhanced Index** is even less volatile owing partly to its smaller stake in tech. **Low-Priced Stock** and **Mid Cap Stock** have lower market caps; the former is value-oriented in that it holds less pricey stocks whereas the latter has a growth-stock bias.

**Growth & Income:** **Equity-Income** holds attractively valued, dividend-producing stocks.

**Taxable Bond:** **Short-Term Treasury Index** effectively eliminates credit risk and has only limited interest-rate-risk; **Intermediate Treasury Index** offers a bit more yield and interest-rate risk. For those willing to assume more credit- and rate-risk, **Corporate Bond** is a higher-yielding option. Finally, **Total Bond** provides diversified exposure (mostly corporates and U.S. bonds) while **Strategic Income** offers a bit more yield thanks to its mix of high-yield bonds, including emerging market debt.

**Muni Bond Funds:** **Limited Term Muni Income** is our preferred fund for tax-free bond income. (Please see p. 9 of the *Scorecard* for state-tax-free funds that have been upgraded.) ■

## MODEL PORTFOLIO TRADES

As announced on our Hotline message of Friday, August 19, on Monday, August 22, we made the following model portfolio trades:

**Unique Opportunities Model:** We sold our entire stake in **Fidelity Fund** [FFIDX]. With the proceeds, we established a 22% stake in **Growth Strategies** [FDEGX]. In addition, we sold all of **Global Equity Income** [FGILX] and with the proceeds we established a 21% stake in **Small Cap Stock** [FSLCX].

**Growth Model:** We sold our entire stake in **Mid Cap Stock** [FMCSX]. With the proceeds, we established a 12% stake in **Growth Strategies** [FDEGX].

**Annuity Growth Model:** We sold our entire stake in **VIP Value Strategies** [FRBSC]. With the proceeds, we established a 14% stake in **VIP Extended Market Index** [FEMJC].

**NOTE:** Percentages above reflect prices as of 8/22/22, and may differ from the facing pie charts. In addition to model portfolio trades being announced on Friday Hotlines, they are also posted on our website (click on a model's "Trades" tab). Separately, fund tickers differ among versions of Fidelity's annuity offerings, so the above VIP tickers may not match yours, but the underlying funds are the same.

**Trade Rationale:** These trades effectively reverse those made in January when we increased market capitalization and shifted slightly away from higher-priced growth stocks to become more defensive in a slowing economy. Since that time, there have been macro improvements to the U.S. economy (though progress outside the U.S. has been widely uneven). As such, we believe that smaller companies now have the potential to outperform as U.S. inflation declines, global supply chain constraints ease, and labor shortages moderate. ■

### Model Portfolios Key:

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

## Tax Q&A

**Q:** Given that stock buybacks are going to be taxed at a 1% rate, do you still think your increased emphasis on S&P 500 stocks (you have recently traded into **Large Cap Core Enhanced Index** fund), especially large-cap technology firms, is a sensible approach?

**A:** Yes. Because the new tax doesn't kick in until 1/1/23, there could be a surge in buyback activity in the fourth quarter as some firms accelerate repurchase activity ahead of the deadline. Furthermore, a 1% tax rate probably isn't high enough to have a meaningful impact on stock buyback activity. Even if it does, the most likely alternative for the stock buyback heavyweights (such as Apple and

Microsoft) would be to regularly boost dividend payouts, which would also have a favorable long-term impact on stock values.

**Q:** The old "Build Back Better" tax law (now the Inflation Reduction Act) restores a \$7,500 credit to buyers of new electric vehicles ("clean cars") and \$4,000 for used ones. I assume that this is beneficial to the many Fidelity funds that hold Tesla. But are there other winners?

**A:** I don't think EV subsidies are necessary, but the new law could be a significant win for electric vehicle manufacturers including Ford, Volkswagen and, of course, Tesla.

While the 200,000-vehicle per manufacturer cap is gone, there are other hurdles such as income-based qualifications on the tax incentives

plus mandates to use more U.S. parts.

However, most actively run Fidelity funds have long underweighted Tesla, and still do. As of 7/31, Tesla accounted for 2.1% of the S&P 500. But in aggregate, Fidelity funds held "only" 1.1% of Tesla's outstanding shares at mid-year (though many have investment mandates that effectively prohibit them from owning large-cap growth stocks like Tesla).

Of course, there are some notable exceptions. As of 7/31, **Blue Chip Growth** overweighted Tesla with 4.7% of its assets. **Trend** did so with 3.4%, and **Large Cap Growth Enh. Index** at 4.0%. (For the record, **Select Automotive** has a 12.5% stake in Tesla, **Environment & Alt Energy** has 10.8%, and **Consumer Discretionary** is 13.8%.) ■

— Jack Bowers

## TAX-FREE BONDS

### Tiptoeing Into Munis

States like Massachusetts have a good problem: what to do with a considerable budget surplus. In this case, the commonwealth has about \$5 billion more than it needs to pay its current operating expenses. Nationwide, Pew researchers estimate that for fiscal year 2021, total state surpluses soared by about 50% to \$37.7 billion. That cushion, plus prior ones, have ballooned to a record \$115 billion!

These revenue windfalls were entirely unexpected given two years of Covid-related lockdowns and often dramatic increases in state-funded health care expenses.

On the other hand, trillions in federal spending have helped to backfill anticipated revenue shortfalls — and some states have surely needed it. However, policymakers in only about three dozen statehouses are having to decide how much, if any, of this money should be returned to taxpayers.

In addition to federal largess, wealthier states like California, Illinois, Massachusetts and New York have grown their rainy day funds thanks to huge capital-gains bonanzas. (From 2019 to 2021, the S&P 500's average annual return was 26.1%.) That said, Idaho is among the biggest tax-revenue gainers (in percentage terms). Typically, states with larger work-from-home populations found it easier to maintain and often grow revenue relative to states like Alaska, where far fewer people work in their pajamas.

### Opportunity Knocks

So what's all this mean for the nation's \$4 trillion muni market?

Against the backdrop of the Fed aggressively tamping down inflation with successively higher interest-rate hikes, state tax-free bonds (and the Fidelity funds holding them) have fared a bit better than comparable taxable funds. With roughly the same credit- and interest-rate risk, **U.S. Bond Index** has retreated 11.5% over the past 12 months versus -9.5% for **Municipal Bond Index**.

(We'll dispense with their effective after-tax yields for now as any muni fund advantage over taxables is largely moot when all funds' total returns are negative.) Granted, that's not much to get excited about. But looking ahead, these developments bode well for munis: 1. There's a good chance that the bond market is about finished pricing-in future rate hikes, and; 2. While few have been paying attention (the muni market is still pretty much dominated by individual investors, not institutions), state and municipal balance sheets have grown quite robust. That means credit-risk has been reduced.

### Action Recommendation

While we have upgraded 11 state-specific muni funds this month to *OK to Buy* from *Hold* (plus two nationally diversified funds), there's no compelling reason to load up on bonds unless you're overweighted in stocks. If so, more highly taxed investors should consider **Limited Term Muni Income** for its middle-of-the-road risk. ■

— John Bonnanzio

FUND COMMENTARY

## Stocks Drop As Fed Turns Openly Hawkish

Perhaps taking a page from Teddy Roosevelt's "speak softly and carry a big stick" ideology, Fed Chair Jerome Powell seems to have finally found his voice, if not his stick.

In the aftermath of three rate hikes, two of which were super-sized at 0.75% apiece, the world's best-known central banker rattled

markets late last month when he used his bully pulpit to declare that inflation would be defeated even if the price is slower economic growth.

But his late-in-the-game bravado came after four consecutive weeks of big gains for the S&P 500. Between mid-July and mid-August, the large-cap stock gauge rebounded 15%. That roughly halved its year-to-date losses and, along the way, pulled stocks out of bear-market territory.

Market optimism had been fueled for substantially tangible reasons including better-than-expected second-quarter earnings, slight improvements to two inflation gauges (CPI and the PCE Price Index), falling oil prices, rehabilitated supply chains and continued strength in the labor market. In fact, investors collectively yawned over the passage of the Inflation Reduction Act which,

Fund Commentary *cont'd on p. 11*

### September Scorecard Rating Changes

Mutual Funds	Ticker	Ratings			Comments
		Old	New		
Blue Chip Value	FBCVX	B	B	↓	Large cap value stocks are now looking less attractive relative to their growthier counterparts.
Conservative Inc Bond	FCONX	H	B	↑	Fund's yield has now risen to 2.4%.
Disciplined Equity	FDEQX	S	H	↑	This growth-leaning stock fund has an attractive 35% stake in technology.
Disruptive Technology	FTEKX	H	B	↑	Has a large exposure to tech stocks, which should continue to outperform.
Disruptors	FGDFX	H	B	↑	Though it lacks consumer discretionary, the fund's overall growth balance is attractive.
Enduring Opportunities	FEOPX	B	B	↑	Stands to benefit on a relative basis compared with more value-oriented foreign stock funds.
Europe	FIEUX	H	S	↓	European energy crisis threatens industrials and overall consumer spending.
Extended Mkt Idx	FSMAX	H	B	↑	More favorable environment emerging for small-cap growth stocks.
Global Eqty Income	FGILX	B	B	↓	European energy crisis threatens industrials and overall consumer spending.
Growth Strategies	FDEGX	B	B	↑	Heavy tech weight (about 30%) is a potential positive going forward.
Healthy Future Fund	FAPHX	NR	B		This new large-cap growth fund holds lots of consumer discretionary and health care.
Inflation-Protected Idx	FIPDX	H	S	↓	Inflation expectations are falling.
Int'l Discovery	FIGRX	B	H	↓	European energy crisis threatens industrials and overall consumer spending.
Int'l Value	FIVLX	B	H	↓	European energy crisis threatens industrials and overall consumer spending.
Japan Smaller Cos	FJSCX	S	H	↑	Consumer spending rising from pent-up demand.
LC Value Enh Idx	FLVEX	B	B	↓	Large cap value stocks are now looking less attractive relative to their growthier counterparts.
Mid Cap Value	FSMVX	B	B	↓	Value-leaning funds are less attractive than growth-leaning ones in the mid-cap space.
Muni Bond Index	FMBIX	H	B	↑	State finances have improved with some enjoying surprisingly large surpluses (see p 9).
Sel Energy	FSENX	H	S	↓	Global oil market is no longer supply constrained.
Sel Nat Resources	FNARX	H	S	↓	Global oil market is no longer supply constrained.
Sel Retailing	FSRPX	H	B	↑	Consumer spending is holding up.
Sel Telecommunications	FSTCX	H	S	↓	Economic slowdown coupled with 5G rollout are impinging on corporate balance sheets.
Small Cap Enh Idx	FCPEX	H	B	↑	Easing inflationary headwinds stand to benefit the fund (see p. 1 "Message").
Small Cap Idx	FSSNX	H	B	↑	Easing inflationary headwinds stand to benefit the fund (see p. 1 "Message").
Small Cap Stock	FSLCX	B	B	↑	Easing inflationary headwinds stand to benefit the fund (see p. 1 and p. 3 Trade box).
<b>State Specific Munis</b>		H	B	↑	State finances have improved with many enjoying large surpluses (see p. 4).
Stock Sel Small Cap	FDSCX	H	B	↑	Easing inflationary headwinds stand to benefit the fund (see p. 1 "Message").
Strat Dividend & Inc	FSDIX	B	B	↓	Value-leaning stocks have become relatively more risky relative to their growthier counterparts.
Sus Interm Muni	FSIKX	H	B	↑	State finances have improved with some enjoying surprisingly large surpluses (see p. 9).
Sustainable Int'l Equity	FSYRX	NR	H		European energy crisis threatens industrials and overall consumer spending.
Total Int'l Equity	FTIEX	B	H	↓	European energy crisis threatens industrials and overall consumer spending.
<b>Sector ETFs (MSCI)</b>					
MSCI Energy	FENY	H	S	↓	Global oil market is no longer supply constrained.
<b>Annuities</b>					
Pimco Comm Real Ret	FPMEC	H	S	↓	Inflation expectations are falling.
Pimco VIT Real Return	FPNBC	H	S	↓	Inflation expectations are falling.
VIP Energy	FJLLC	H	S	↓	Global oil market is no longer supply constrained.
VIP Ext Mkt Idx	FEMJC	H	B	↑	More favorable environment emerging for small-cap growth stocks.

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, 2022

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) <sup>1</sup>
					Aug	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	
Comparative Indexes		S&P 500	3955.0		-4.1	-16.1	-3.9	-11.2	12.4	11.8	13.1	9.0	1.00
		Nasdaq Composite	11816.2		-4.5	-24.1	-2.0	-22.0	15.0	14.0	15.7	11.8	1.17
		Dow Jones Industrials	31510.4		-3.7	-12.0	-3.9	-9.1	8.3	9.9	11.8	8.6	0.96
		Russell 2000 (Small Caps)	1844.1		-2.1	-17.2	-0.7	-17.9	8.6	7.0	10.0	7.2	1.27
		Bloomberg Barclays Agg Bond*			-2.8	-10.7	-2.0	-11.5	-2.0	0.5	1.3	2.2	0.25
Model Portfolios		Unique Opportunities			-3.6	-18.6	-4.6	-16.1	14.8	11.8	12.5	8.3	1.13
		Select			-2.5	-18.7	1.5	-17.6	12.9	12.1	13.7	9.8	1.16
		Growth			-3.5	-19.1	-4.6	-17.0	13.4	11.9	11.9	7.9	1.04
		Growth & Income			-2.8	-14.7	-3.0	-13.9	9.0	8.1	9.2	6.5	0.69
		Income			-2.2	-9.3	-2.4	-9.5	3.1	3.2	4.0	4.1	0.39
											Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
<b>LARGE CAP GROWTH</b>					<b>Average</b>	<b>-4.4</b>	<b>-23.4</b>	<b>-2.8</b>	<b>-20.9</b>	<b>13.9</b>	<b>13.5</b>	<b>14.5</b>	<b>1.13</b>
312	FBGRX	Blue Chip Growth	127.60	Buy	-4.0	-30.5	-2.6	-29.0	15.4	15.1	16.1	1.34	\$35,186
307	FDCAX	Capital Appreciation	36.23	Hold	-4.5	-17.9	-2.2	-15.0	14.2	12.7	13.1	1.03	5,094
22	FCNTX	Contrafund	13.93	Buy	-4.0	-24.8	-4.5	-23.5	10.4	11.2	13.1	1.07	90,080
3	FFIDX	Fidelity Fund	61.16	Buy	-4.6	-22.5	-2.9	-18.1	12.8	12.4	12.7	1.03	5,661
333	FTQGX	Focused Stock	26.93	OK to Buy	-5.3	-22.4	-4.9	-19.6	12.4	14.6	14.1	1.07	2,837
3336	FIFNX	Founders Fund	14.72	Hold	-4.2	-21.4	-5.8	-20.0	13.5	--	--	1.08	61
25	FDGRX	Growth Company (Closed)	26.31	Buy	-3.5	-27.9	-1.3	-27.1	18.7	16.3	17.0	1.32	35,227
339	FDSVX	Growth Discovery	43.52	Buy	-4.1	-19.5	-1.6	-17.9	16.2	15.0	15.3	1.07	2,503
1829	FLGEX	Lrge Cap Growth Enhcd Index	24.82	Buy	-4.6	-20.9	-2.9	-16.7	15.1	14.4	14.4	1.08	1,627
2826	FSPGX	Lrge Cap Growth Index	22.72	OK to Buy	-4.7	-23.2	-1.7	-19.1	14.5	14.7	--	1.15	9,835
21	FMAGX	Magellan	11.42	OK to Buy	-6.3	-22.7	-1.7	-18.5	10.3	11.3	13.1	1.08	23,871
1282	FNCMX	Nasdaq Composite Index	149.57	OK to Buy	-4.5	-24.0	-2.0	-21.9	14.9	13.8	15.5	1.16	10,976
93	FOCPX	OTC	14.22	Buy	-3.5	-27.4	-2.7	-26.5	14.7	13.9	17.1	1.15	15,990
320	FDSX	Stock Selector All Cap	57.48	Hold	-3.1	-17.2	-2.7	-14.9	12.4	10.8	12.5	1.04	1,289
5	FTRNX	Trend	122.71	OK to Buy	-5.3	-28.1	-1.9	-25.0	12.6	13.0	14.2	1.22	2,418
<b>LARGE CAP BLEND</b>					<b>Average</b>	<b>-3.8</b>	<b>-14.8</b>	<b>-4.3</b>	<b>-11.3</b>	<b>11.8</b>	<b>10.7</b>	<b>12.0</b>	<b>1.04</b>
2328	FXAIX	500 Index	137.61	OK to Buy	-4.1	-16.2	-3.9	-11.2	12.4	11.8	13.1	1.00	358,286
315	FDEQX	Disciplined Equity	49.47	Hold <sup>↑</sup>	-5.5	-24.2	-4.0	-20.7	11.2	10.0	11.7	1.09	1,494
330	FDGFX	Dividend Growth	31.77	OK to Buy	-3.2	-12.8	-4.1	-7.2	10.0	8.5	10.4	1.07	5,456
27	FGRIX	Growth & Income	47.47	OK to Buy	-3.0	-7.7	-5.1	-3.9	12.7	10.3	11.7	1.00	7,146
1827	FLCEX	Lrge Cap Core Enhcd Index	18.48	Buy	-4.0	-14.4	-4.8	-9.4	13.4	12.4	13.0	0.97	2,462
338	FLCSX	Large Cap Stock	37.24	OK to Buy	-2.6	-9.6	-5.1	-6.4	12.6	10.2	12.3	1.06	2,705
361	FGRTX	Mega Cap Stock	16.60	OK to Buy	-3.6	-11.4	-5.9	-8.3	13.0	10.8	12.1	1.05	956
300	FMLX	New Millennium	39.83	OK to Buy	-2.0	-4.9	-5.0	-3.5	11.1	10.0	11.5	1.07	2,397
2361	FSKAX	Total Market Index	110.63	Buy	-3.8	-17.2	-3.6	-13.7	11.7	11.2	12.7	1.04	64,845
5029	FULVX	U.S. Low Volatility Equity	10.10	OK to Buy	-3.7	-12.2	-3.1	-9.0	--	--	--	--	331
6391	FSEBX	Sustainability U.S. Equity	8.98	Hold	-4.9	-19.0	-4.4	-16.1	--	--	--	--	15
2941	FITLX	U.S. Sustainability Index	17.25	OK to Buy	-5.0	-18.6	-4.7	-13.3	12.0	12.0	--	1.01	2,258
3396	FWOMX	Women's Leadership	12.69	Hold	-4.4	-20.0	-3.6	-19.9	8.8	--	--	1.10	97
3231	FNILX	Zero Large Cap Index	13.98	OK to Buy	-4.0	-17.1	-3.7	-13.0	12.2	--	--	1.02	5,341
3227	FZROX	Zero Total Market Index	13.93	Buy	-3.8	-17.0	-3.6	-13.3	11.9	--	--	1.04	12,198
<b>LARGE CAP VALUE</b>					<b>Average</b>	<b>-2.7</b>	<b>-7.6</b>	<b>-5.6</b>	<b>-4.0</b>	<b>9.9</b>	<b>8.1</b>	<b>10.4</b>	<b>1.00</b>
1271	FBCVX	Blue Chip Value	23.48	OK to Buy <sup>↓</sup>	-1.3	-3.7	-4.0	0.4	8.6	6.6	9.9	1.02	735
319	FEQTX	Equity Dividend Income	26.30	Buy	-3.7	-4.7	-6.4	-1.8	10.1	8.1	9.9	1.01	4,921
23	FEQIX	Equity-Income	63.55	Buy	-2.8	-8.7	-5.0	-5.4	10.2	8.9	10.1	0.88	6,336
1828	FLVEX	Lrge Cap Value Enhcd Index	14.55	OK to Buy <sup>↓</sup>	-3.0	-9.2	-6.7	-5.2	10.4	9.0	11.3	1.00	5,692
2830	FLCOX	Lrge Cap Value Index	14.65	OK to Buy	-3.0	-9.9	-5.6	-6.3	8.8	7.9	--	1.02	5,331
708	FSLVX	Stock Sel Large Cap Value	23.44	OK to Buy	-2.6	-8.6	-6.1	-5.2	9.9	7.7	10.2	1.07	389
832	FVDFX	Value Discovery	35.23	Buy	-2.4	-8.0	-5.4	-4.5	11.4	8.4	10.8	0.98	2,826
<b>MID-CAP GROWTH</b>					<b>Average</b>	<b>-3.6</b>	<b>-25.2</b>	<b>0.2</b>	<b>-25.7</b>	<b>7.4</b>	<b>10.2</b>	<b>12.0</b>	<b>1.19</b>
324	FDEGX	Growth Strategies	47.39	Buy <sup>↑</sup>	-4.0	-25.4	-0.1	-24.8	8.0	10.2	12.0	1.17	2,624
3403	FMDGX	Mid Cap Growth Index	22.24	Hold	-3.3	-25.0	0.4	-26.6	6.8	--	--	1.22	529
<b>MID-CAP BLEND</b>					<b>Average</b>	<b>-3.0</b>	<b>-15.2</b>	<b>-4.0</b>	<b>-13.7</b>	<b>10.0</b>	<b>9.1</b>	<b>11.3</b>	<b>1.21</b>
2365	FSMAX	Extended Market Index	67.45	Buy <sup>↑</sup>	-2.1	-22.3	-2.0	-24.9	8.3	7.9	10.8	1.32	31,056
2012	FMEIX	Mid Cap Enhanced Index	15.92	OK to Buy	-3.0	-14.5	-4.6	-12.4	10.3	8.9	11.6	1.14	1,655
2352	FSDMX	Mid Cap Index	26.49	OK to Buy	-3.1	-16.5	-4.2	-14.8	9.3	9.2	11.6	1.15	24,266
337	FMC SX	Mid-Cap Stock	37.17	Buy	-2.3	-7.8	-4.1	-3.2	12.6	10.9	12.0	1.13	5,845
2412	FSSMX	Stock Selector Mid Cap	38.75	OK to Buy	-4.9	-14.4	-6.3	-11.6	9.6	8.8	10.7	1.26	337
3230	FZIPX	Zero Extended Market Index	10.96	Hold	-2.8	-16.0	-2.8	-15.1	9.7	--	--	1.26	1,266

**Notes:** Fund yields, durations and assets are the most current available. \*Fidelity's U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. <sup>1</sup>Relative Volatility (Rel Vol) versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. <sup>2</sup>Duration is a measure of interest rate sensitivity. <sup>3</sup>Stated yield is actual distributed yield over prior 12 months. <sup>4</sup>Almost a Specialty fund with 30%+ typically in foreign stocks. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

# FIDELITY SCORECARD

AUGUST 31, 2022

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)	
					Aug	YTD	3 Mo.	1 Year	3 Year	5 Year			10Year
<b>MID-CAP VALUE</b>					<b>Average</b>	<b>-3.1</b>	<b>-9.9</b>	<b>-6.5</b>	<b>-5.8</b>	<b>12.7</b>	<b>8.4</b>	<b>10.8</b>	<b>1.23</b>
316	FLPSX	Low -Priced Stock <sup>5</sup>	48.36	Buy	-2.1	-10.1	-6.9	-7.3	12.6	8.5	10.6	1.05	\$24,012
762	FSMVX	Mid Cap Value	25.79	OK to Buy↓	-3.6	-10.4	-5.7	-6.4	11.2	6.1	10.0	1.21	1,038
3404	FIMVX	Mid Cap Value Index	23.09	OK to Buy	-3.1	-11.8	-6.3	-7.9	9.4	--	--	1.19	785
39	FDVLX	Value	13.42	OK to Buy	-3.0	-8.6	-6.7	-3.8	15.8	9.5	11.7	1.41	7,418
14	FSLSX	Value Strategies	47.50	OK to Buy	-3.7	-8.3	-7.0	-3.4	14.6	9.5	11.0	1.31	535
<b>SMALL CAP GROWTH</b>					<b>Average</b>	<b>-1.0</b>	<b>-22.3</b>	<b>2.6</b>	<b>-25.4</b>	<b>6.9</b>	<b>10.8</b>	<b>13.4</b>	<b>1.27</b>
1388	FCPGX	Small Cap Growth	24.57	OK to Buy	-1.0	-22.5	1.7	-25.7	7.8	10.8	13.4	1.23	2,706
3405	FECGX	Small Cap Growth Index	21.93	OK to Buy	-0.9	-22.1	3.4	-25.1	6.0	--	--	1.30	340
<b>SMALL CAP BLEND</b>					<b>Average</b>	<b>-2.8</b>	<b>-17.0</b>	<b>-1.8</b>	<b>-15.5</b>	<b>9.4</b>	<b>7.9</b>	<b>10.1</b>	<b>1.28</b>
384	FCSCRX	Small Cap Discovery	23.72	OK to Buy	-4.9	-16.4	-4.9	-12.4	10.4	7.6	10.3	1.36	2,982
2011	FCPEX	Small Cap Enhanced Index	12.29	OK to Buy↑	-2.0	-16.4	-2.1	-15.7	9.7	7.0	10.0	1.24	573
2358	FSSNX	Small Cap Index	22.87	OK to Buy↑	-2.0	-17.0	-0.7	-17.8	8.7	7.1	10.2	1.27	18,751
340	FSLCX	Small Cap Stock	15.19	Buy↑	-3.4	-18.2	-0.7	-17.9	6.7	7.3	9.2	1.32	1,263
336	FDSCX	Stock Selector Small Cap	28.39	OK to Buy↑	-1.8	-17.3	-0.4	-13.8	11.6	10.4	10.9	1.18	1,354
<b>SMALL CAP VALUE</b>					<b>Average</b>	<b>-3.9</b>	<b>-12.7</b>	<b>-5.6</b>	<b>-9.5</b>	<b>12.1</b>	<b>8.7</b>	<b>11.3</b>	<b>1.32</b>
1389	FCPVX	Small Cap Value	18.76	OK to Buy	-4.7	-13.2	-7.0	-8.9	13.9	8.7	11.3	1.31	2,566
3406	FISVX	Small Cap Value Index	22.30	OK to Buy	-3.2	-12.1	-4.3	-10.2	10.3	--	--	1.33	842
<b>REAL ESTATE</b>													
1368	FIREX	International Real Estate	11.17	OK to Sell	-7.4	-22.0	-10.1	-23.4	0.4	3.4	6.8	0.88	294
833	FRIFX	Real Estate Income	12.29	Hold	-2.3	-10.0	-2.9	-7.8	2.9	4.5	6.2	0.91	1,676
2355	FSRNX	Real Estate Index	16.38	Hold	-6.0	-18.7	-5.5	-11.8	0.9	4.1	6.3	1.16	2,617
303	FRESX	Real Estate Investment	44.72	Hold	-5.8	-17.2	-5.8	-10.1	3.2	5.7	7.5	1.05	4,428
<b>ASSET ALLOCATION</b>													
328	FASIX	Asset Manager 20%	13.40	Hold	-1.8	-8.9	-1.8	-8.7	1.8	2.7	3.3	0.33	3,986
1957	FTANX	Asset Manager 30%	11.38	Hold	-2.3	-10.9	-2.3	-10.5	2.9	3.5	4.4	0.42	1,752
1958	FFANX	Asset Manager 40%	12.18	Hold	-2.5	-12.2	-2.7	-11.7	3.9	4.2	5.3	0.51	1,627
314	FASMX	Asset Manager 50%	19.10	Hold	-2.7	-13.7	-3.1	-13.0	4.8	4.8	6.1	0.60	7,663
1959	FSANX	Asset Manager 60%	13.76	Hold	-3.0	-15.0	-3.6	-14.1	5.7	5.5	7.0	0.69	2,106
321	FASGX	Asset Manager 70%	24.33	Hold	-3.1	-15.8	-3.9	-14.8	6.8	6.2	7.8	0.77	3,841
347	FAMRX	Asset Manager 85%	21.98	Hold	-3.4	-17.6	-4.5	-16.3	8.2	7.1	9.0	0.89	1,870
304	FBALX	Balanced	25.49	Buy	-3.7	-15.6	-3.6	-12.8	9.7	8.9	9.5	0.78	31,653
3083	FMSDX	Multi-Asset Income	12.78	Hold	-1.2	-12.3	-2.4	-9.9	8.8	8.2	--	0.62	952
355	FFNOX	Multi-Asset Index	48.88	Hold	-3.8	-17.5	-5.2	-15.9	7.0	7.0	8.9	0.85	7,213
4	FPURX	Puritan	22.76	Buy	-3.4	-15.7	-4.7	-12.3	8.7	8.3	9.3	0.71	23,525
6477	FYMRX	Sustainable Multi-Asset	8.52	Hold	-4.1	-14.8	-5.3	--	--	--	--	--	3
<b>INTERNATIONAL</b>					<b>Average</b>	<b>-4.1</b>	<b>-21.2</b>	<b>-7.8</b>	<b>-22.6</b>	<b>3.9</b>	<b>2.9</b>	<b>6.3</b>	<b>1.00</b>
309	FICDX	Canada	60.34	Hold	-4.1	-6.5	-8.7	-1.2	9.6	7.2	5.6	1.09	843
352	FHKCX	China Region	33.63	OK to Sell	-0.8	-22.6	-4.5	-28.3	4.7	4.1	8.8	0.98	1,012
325	FDIVX	Diversified International	35.34	Hold	-5.9	-27.1	-9.6	-27.1	3.1	2.5	5.9	0.95	7,623
351	FSEAX	Emerging Asia	36.25	OK to Sell	-2.6	-29.2	-2.3	-37.4	6.1	5.1	7.6	1.16	1,034
322	FEMKX	Emerging Markets	33.00	OK to Sell	-0.7	-24.4	-5.4	-26.6	4.9	4.0	6.0	0.93	4,149
2374	FEDDX	Emerging Mkts Discovery	13.96	Hold	0.8	-12.9	-5.2	-18.9	6.4	2.4	5.0	1.07	261
2344	FPADX	Emerging Markets Index	9.93	OK to Sell	-0.4	-17.9	-6.8	-22.2	2.3	0.3	2.8	0.92	6,246
5031	FEOPX	Enduring Opportunities	11.61	Buy↑	-4.9	-28.0	-4.4	-27.2	--	--	--	--	14
301	FIEX	Europe	28.46	OK to Sell↓	-7.2	-26.5	-10.0	-29.7	2.1	0.7	4.8	1.03	553
2406	FGILX	Global Equity Income	15.78	OK to Buy↓	-4.2	-13.4	-6.3	-9.9	10.0	8.2	9.4	0.84	153
2348	FSGGX	Global ex U.S. Index	12.44	Hold	-4.1	-18.6	-9.0	-19.8	2.8	1.6	4.4	0.90	7,928
335	FIVFX	International Cap App	20.58	Buy	-7.9	-27.5	-7.1	-27.2	2.5	4.3	8.1	1.00	4,146
305	FIGRX	International Discovery	38.91	Hold↓	-5.4	-26.5	-10.0	-27.9	3.4	2.2	5.8	0.98	3,603
2010	FIENX	International Enhanced Index	8.96	Hold	-5.3	-19.6	-10.6	-20.3	2.4	0.6	5.3	0.94	1,306
1979	FIGFX	International Growth	15.54	Buy	-7.3	-26.2	-7.6	-25.9	3.7	4.6	6.9	0.95	1,284
2363	FSPSX	International Index	39.47	Hold	-5.7	-19.9	-9.9	-20.2	2.4	1.7	5.1	0.95	34,562
818	FISMX	International Small Cap	25.77	Hold	-4.8	-20.2	-10.8	-21.3	4.2	1.8	8.1	1.03	1,173
1504	FSCOX	Int'l Small Cap Opps (Closed)	18.23	Hold	-7.9	-31.3	-9.3	-31.5	3.6	3.3	7.9	1.07	747
2988	FNIDX	International Sustainability Idx	10.41	Hold	-4.7	-21.3	-9.5	-22.6	2.4	1.4	--	0.88	374
1597	FVLX	International Value	7.78	Hold↓	-4.4	-16.4	-12.9	-14.6	3.7	0.6	3.8	1.11	406
350	FJPNX	Japan	14.30	Hold	-3.2	-22.8	-5.9	-23.4	3.6	3.4	6.6	0.88	121
360	FJSCX	Japan Smaller Companies	13.22	Hold↑	-2.3	-16.1	-2.9	-18.1	-0.4	0.0	8.3	0.77	397
349	FLATX	Latin America	19.93	OK to Sell	1.5	4.2	-7.0	-8.1	-6.3	-2.6	-3.4	1.86	249
342	FNORX	Nordic	47.32	Hold	-7.8	-26.6	-8.6	-28.0	10.1	5.4	9.7	1.14	277
94	FOSFX	Overseas	48.61	OK to Buy	-7.5	-28.2	-10.1	-27.4	3.1	2.8	7.3	1.03	6,397
302	FPBFX	Pacific Basin	29.70	Hold	-2.7	-23.9	-5.8	-24.8	5.5	4.6	9.3	0.84	778
6468	FSYJX	Sustainable Emerg Mkts Eqty	7.75	OK to Sell	-0.8	-22.5	-7.3	--	--	--	--	--	2
6462	FSYRX	Sustainable Int'l Equity	7.72	Hold	-5.9	-22.8	-9.1	--	--	--	--	--	3
2369	FTEMX	Total Emerging Markets	11.37	OK to Sell	-0.4	-21.5	-6.4	-26.3	-0.5	-0.8	3.0	0.93	110
1978	FTIEX	Total International Equity	9.16	Hold↓	-4.0	-20.4	-8.5	-20.3	5.4	3.9	6.0	0.92	92
2834	FTHX	Total International Index	11.63	Hold	-4.0	-18.9	-8.9	-20.1	3.0	1.7	--	0.92	8,331
318	FWWFX	Worldwide	27.43	OK to Buy	-5.4	-23.7	-6.4	-22.8	8.9	9.4	10.6	1.02	2,024
3228	FZILX	Zero International Index	9.72	Hold	-4.0	-18.9	-9.0	-20.1	2.9	--	--	0.92	2,785

# FIDELITY SCORECARD

AUGUST 31, 2022

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)		
					Aug	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year				
<b>SPECIALTY</b>															
6385	FCAEX	Climate Action	8.44	Hold	-5.8	-24.2	-5.2	-22.2	--	--	--	--	\$19		
308	FCV SX	Convertible Securities	31.59	Hold	1.9	-12.9	1.2	-12.4	13.8	12.3	10.4	0.88	1,563		
2120	FFGCX	Global Commodity Stock	18.98	OK to Sell	1.8	16.9	-10.0	25.8	20.7	12.3	5.2	1.36	862		
6553	FAPHX	Healthy Future Fund	9.91	OK to Buy	-5.4	-0.9	-2.9	--	--	--	--	--	2		
3488	FNSTX	Infrastructure Fund	11.96	OK to Sell	-2.3	-4.6	-5.1	-2.7	--	--	--	--	48		
122	FLVCX	Leveraged Company Stock	38.47	Hold	-3.0	-19.2	-5.1	-16.7	13.3	9.7	10.8	1.36	1,865		
1329	FSDIX	Strategic Dividend & Income	15.79	OK to Buy ↓	-2.9	-10.3	-3.6	-7.2	8.1	7.8	9.0	0.75	3,062		
1505	FSRRX	Strategic Real Return	9.16	Hold	-0.9	-0.7	-3.3	2.6	6.8	5.2	2.8	0.55	425		
311	FIUIX	Telecom & Utilities	29.26	Hold	0.4	6.1	-0.3	9.0	6.9	8.1	9.7	0.82	1,009		
<b>DISRUPTOR/MEGATREND FUNDS</b>					<b>Average</b>			<b>-3.3</b>	<b>-23.7</b>	<b>-2.5</b>	<b>-23.9</b>				
6041	FARMX	Agricultural Productivity	20.71	Hold	4.3	11.1	-3.8	15.7	--	--	--	--	126		
6036	FBOTX	Disruptive Automation	13.81	OK to Buy	-8.4	-31.8	-7.5	-29.2	--	--	--	--	29		
6037	FNETX	Disruptive Communications	11.07	Hold	-3.7	-32.0	-4.7	-36.1	--	--	--	--	7		
6038	FNTEX	Disruptive Finance	13.65	Hold	-2.6	-23.3	-4.8	-23.7	--	--	--	--	15		
6039	FMEDX	Disruptive Medicine	10.63	Buy	-1.9	-22.8	6.7	-25.2	--	--	--	--	12		
6040	FTEKX	Disruptive Technology	11.56	OK to Buy ↑	-4.6	-38.9	-0.9	-42.3	--	--	--	--	36		
6043	FGDFX	Disruptors	12.50	OK to Buy ↑	-4.3	-29.8	-2.3	-31.3	--	--	--	--	41		
6042	FLOWX	Water Sustainability	13.15	OK to Buy	-5.6	-22.4	-2.9	-18.9	--	--	--	--	93		
<b>SELECT PORTFOLIOS</b>					<b>Average</b>			<b>-2.9</b>	<b>-14.2</b>	<b>-3.5</b>	<b>-10.3</b>	<b>10.7</b>	<b>9.7</b>	<b>11.7</b>	<b>1.28</b>
502	FSAVX	Automotive	47.05	Hold	-4.7	-27.3	-0.6	-17.1	21.2	13.7	13.4	1.51	126		
507	FSRBX	Banking	25.99	OK to Buy	-1.4	-10.8	-3.8	-6.3	9.1	6.6	10.1	1.59	482		
42	FBIOX	Biotechnology	15.83	Buy	4.7	-18.2	18.0	-28.7	6.1	3.2	11.9	1.29	5,222		
68	FSLBX	Brokerage & Investment	106.61	Buy	-2.0	-18.9	-1.9	-15.4	16.5	12.4	13.1	1.25	905		
69	FSCHX	Chemicals	15.33	Hold	-2.5	-15.3	-12.0	-6.2	12.6	4.3	9.2	1.23	678		
503	FBMPX	Communication Services	63.59	Buy	-2.0	-30.0	-6.0	-36.5	5.8	7.0	11.2	1.15	716		
511	FSHOX	Construction & Housing	80.46	OK to Buy	-3.8	-25.5	-3.0	-12.2	16.1	15.3	14.7	1.33	487		
517	FSCPX	Consumer Discretionary	48.11	Buy	-4.2	-26.1	0.2	-22.7	8.2	11.0	12.5	1.34	434		
9	FDFAX	Consumer Staples	91.10	OK to Buy	-2.5	-4.8	-2.0	0.4	9.3	6.7	8.5	0.80	889		
67	FSDAX	Defense & Aerospace	14.05	OK to Buy	-2.5	-3.8	0.4	-6.7	-1.9	5.2	11.9	1.34	1,374		
60	FSENX	Energy	52.95	OK to Sell ↓	3.2	50.2	-6.8	78.6	20.2	9.6	4.0	2.22	2,766		
516	FSLEX	Environment & Alt Energy	28.22	Buy	-5.4	-20.9	-2.1	-15.3	12.2	8.9	11.5	1.30	671		
66	FIDSX	Financial Services	11.12	OK to Buy	-1.2	-10.0	-4.6	-8.3	11.6	9.4	11.6	1.35	597		
98	FVLX	FinTech	13.71	OK to Buy	-4.1	-24.5	-5.8	-31.4	0.7	5.3	8.8	1.63	124		
41	FSAGX	Gold	18.75	Sell	-8.1	-27.7	-24.7	-29.4	-6.6	-1.9	-5.9	1.90	907		
63	FSPHX	Health Care	26.65	Buy	-3.0	-15.9	4.3	-16.6	11.3	10.5	15.4	0.98	8,272		
505	FSHCX	Health Care Services	132.85	Buy	-2.7	0.8	4.3	9.6	20.2	15.1	15.9	1.05	1,590		
515	FCYIX	Industrials	27.78	OK to Buy	-2.9	-15.7	0.1	-11.5	5.3	6.3	9.9	1.22	301		
45	FSPCX	Insurance	67.03	Hold	-0.1	-3.2	-4.5	1.2	10.1	9.1	13.0	1.12	285		
353	FBSOX	IT Services	55.04	OK to Buy	-2.9	-25.5	-1.0	-31.3	1.6	10.6	15.0	1.28	2,287		
62	FDSLX	Leisure	14.11	OK to Buy	-1.9	-17.0	-3.9	-11.2	6.4	9.5	12.7	1.45	529		
509	FSDPX	Materials	93.55	Hold	-1.9	-14.4	-10.9	-6.8	13.7	5.5	7.1	1.17	550		
354	FSMEX	Medical Tech & Devices	59.33	OK to Buy	-6.3	-27.6	-2.1	-28.5	8.6	12.1	17.0	1.12	7,075		
514	FNARX	Natural Resources	35.89	OK to Sell ↓	1.2	27.7	-10.8	43.3	15.5	8.9	3.1	1.93	690		
580	FPHAX	Pharmaceuticals	22.05	Buy	-5.8	-6.1	-2.5	-7.6	11.2	9.9	11.3	0.76	807		
46	FSRPX	Retailing	16.43	OK to Buy ↑	-3.7	-27.3	-0.6	-26.5	9.2	14.0	15.4	1.25	2,865		
8	FSELX	Semiconductors	15.70	OK to Buy	-9.0	-31.6	-10.6	-15.6	25.5	21.5	22.8	1.60	6,536		
28	FSCSX	Software & IT Services	21.87	OK to Buy	-4.8	-24.4	-3.8	-25.3	12.4	15.6	17.9	1.12	9,168		
7	FDCPX	Tech Hardware	74.83	OK to Buy	-4.3	-25.6	-5.5	-18.6	17.9	14.0	13.1	1.05	734		
64	FSPTX	Technology	19.84	Buy	-5.5	-29.8	-4.0	-26.5	17.6	15.7	17.4	1.28	8,702		
96	FSTCX	Telecommunications	47.76	OK to Sell ↓	-6.0	-13.9	-11.9	-21.2	2.3	2.2	6.4	0.76	174		
512	FSRFX	Transportation	98.82	OK to Buy	-0.3	-6.5	0.5	1.3	12.8	10.4	14.1	1.21	620		
65	FSUTX	Utilities	109.82	Hold	1.5	7.2	1.8	16.0	10.1	10.7	11.7	0.95	1,555		
963	FWRLX	Wireless	11.07	Hold	-4.0	-19.3	-5.1	-18.7	11.6	10.4	11.5	0.94	345		
<b>SECTOR ETFs</b>					<b>Average</b>			<b>-2.8</b>	<b>-9.3</b>	<b>-3.9</b>	<b>-3.6</b>	<b>11.0</b>	<b>9.7</b>	<b>1.20</b>	
	FCOM	MSCI Communication Services	35.70	OK to Buy	-3.3	-30.2	-8.7	-36.6	3.3	4.1	--	1.14	553		
	FDIS	MSCI Consumer Discretionary	66.51	Buy	-4.3	-24.3	0.4	-19.1	14.5	14.5	--	1.43	1,100		
	FSTA	MSCI Consumer Staples	44.08	OK to Buy	-1.5	-4.4	-0.8	3.0	9.5	8.9	--	0.71	1,100		
	FENY	MSCI Energy	22.16	OK to Sell ↓	3.2	48.8	-5.4	74.1	19.3	9.7	--	2.28	1,500		
	FNCL	MSCI Financials	47.05	OK to Buy	-1.9	-14.9	-6.0	-12.4	8.9	7.8	--	1.28	1,500		
	FHLC	MSCI Health Care	59.73	Buy	-5.3	-12.4	-3.7	-10.5	12.4	10.5	--	0.85	2,800		
	FIDU	MSCI Industrials	48.71	OK to Buy	-2.6	-12.7	-0.3	-10.4	9.5	8.6	--	1.17	691		
	FTEC	MSCI Information Technology	103.31	Buy	-5.6	-23.4	-3.1	-17.4	19.0	18.8	--	1.20	5,500		
	FMAT	MSCI Materials	42.53	Hold	-3.1	-14.6	-11.1	-9.4	12.9	8.0	--	1.20	438		
	FREL	MSCI Real Estate	27.75	Hold	-6.1	-18.7	-5.4	-11.9	3.7	6.4	--	1.08	1,700		
	FUTY	MSCI Utilities	47.86	Hold	0.3	4.8	0.7	11.3	8.5	9.4	--	0.93	2,200		

# FIDELITY SCORECARD AUGUST 31, 2022

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				SEC %Yield	Dur <sup>2</sup> (Yrs)	Rel Vol (Risk) <sup>1</sup>	
					Aug	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr				
<b>TAXABLE BOND</b>					<b>Average</b>	<b>-2.2</b>	<b>-8.5</b>	<b>-1.8</b>	<b>-9.8</b>	<b>-1.4</b>	<b>0.7</b>	<b>1.2</b>	<b>3.18</b>	<b>5.5</b>	<b>0.25</b>
2267	FCONX	Conservative Income Bond	9.99	OK to Buy↑	0.3	0.1	0.3	-0.1	0.6	1.2	0.9	2.43	0.1	0.06	
2208	FCBFX	Corporate Bond	10.41	Buy	-2.9	-14.6	-2.8	-15.5	-2.2	1.0	2.4	4.38	7.4	0.45	
6379	FFEBX	Environmental Bond	8.71	OK to Buy	-2.6	-11.5	-2.5	-12.6	--	--	--	3.02	--	--	
2423	FGBFX	Global Credit	8.00	Hold	-3.1	-16.2	-4.4	-17.3	-3.1	0.3	0.4	4.45	7.1	0.49	
15	FGMNX	GNMA (Ginnie Mae)	10.51	Hold	-3.0	-8.4	-1.9	-9.0	-1.7	-0.0	0.9	2.43	4.2	0.21	
54	FGOVX	Government Income	9.49	OK to Buy	-2.8	-9.9	-2.0	-10.8	-2.4	0.0	0.7	2.58	6.2	0.24	
2418	FIPDX	Inflation-Protected Index	10.31	OK to Sell↓	-2.6	-7.6	-1.7	-6.1	2.6	3.1	1.7	0.00*	7.1	0.29	
32	FTHR	Intermediate Bond	10.09	OK to Buy	-1.9	-7.4	-1.4	-8.6	-0.7	0.9	1.5	3.40	3.9	0.20	
452	FSTGX	Intermediate Gov't Income	9.78	OK to Buy	-2.2	-6.9	-1.7	-8.2	-1.6	0.2	0.6	2.67	3.8	0.17	
3045	FUAMX	Intermediate Treasury Index	9.94	OK to Buy	-3.4	-10.0	-1.9	-11.5	-2.2	0.4	0.9	3.00	6.4	0.29	
4506	FBIIX	International Bond Index	9.08	Hold	-2.8	-8.6	-1.4	-9.8	--	--	--	2.21	7.5	--	
26	FBNDX	Investment Grade Bond	7.35	Buy	-2.4	-10.9	-2.0	-11.5	-1.0	1.2	1.9	3.76	6.4	0.27	
2622	FJRLX	Limited Term Bond	10.93	Buy	-1.1	-5.4	-1.0	-6.5	-0.4	0.9	1.3	3.50	2.5	0.17	
662	FFXSX	Limited Term Government	9.54	OK to Buy	-1.4	-5.1	-1.3	-6.0	-1.0	0.2	0.5	2.27	2.6	0.12	
3047	FNBGX	Long-Term Treasury Index	11.25	Hold	-4.5	-22.5	-3.4	-22.7	-6.9	-0.5	1.1	3.36	17.4	0.67	
40	FMSFX	Mortgage Securities	10.22	Hold	-3.4	-9.3	-2.0	-10.1	-1.9	0.1	1.1	2.20	5.5	0.22	
450	FSHBX	Short-Term Bond	8.27	Buy	-0.6	-3.4	-0.7	-4.2	-0.0	0.9	1.0	3.18	1.7	0.11	
3041	FNSOX	Short-Term Bond Index	9.58	OK to Buy	-1.3	-4.8	-1.1	-5.8	-0.4	--	--	3.42	2.6	0.11	
3049	FUMBX	Short-Term Treasury Index	9.99	Buy	-1.4	-4.8	-1.2	-5.7	-0.6	0.6	0.7	3.20	2.6	0.12	
3086	FNDX	Sustainability Bond Index	9.45	OK to Buy	-2.8	-10.5	-2.0	-11.4	-2.1	--	--	3.27	6.2	0.24	
6541	FIAEX	Sustainable Core Plus Bond	9.51	OK to Buy	-2.5	-4.9	-2.2	--	--	--	--	3.41	6.3	--	
6526	FAPGX	Sustainable Low Dur Bond	9.96	Hold	0.2	-0.4	0.1	--	--	--	--	2.24	0.3	--	
6502	FBAGX	Tactical Bond	9.15	Hold	-1.4	-8.5	-1.8	--	--	--	--	4.42	5.5	--	
820	FTBFX	Total Bond	9.69	Buy	-2.2	-10.8	-2.0	-11.4	-0.8	1.3	2.1	4.22	6.3	0.28	
2326	FXNAX	U.S. Bond Index	10.55	OK to Buy	-2.8	-10.7	-2.0	-11.5	-2.0	0.5	1.3	3.35	6.4	0.25	
<b>HIGH-YIELD BOND</b>					<b>Average</b>	<b>-1.0</b>	<b>-9.8</b>	<b>-2.7</b>	<b>-9.8</b>	<b>0.4</b>	<b>1.7</b>	<b>3.5</b>	<b>6.05</b>	<b>3.8</b>	<b>0.52</b>
38	FAGIX	Capital & Income	9.30	OK to Buy	-1.7	-10.2	-2.7	-9.1	4.9	5.0	6.4	5.55	3.9	0.69	
814	FFRHX	Floating Rate High Income	9.15	Hold	1.7	-0.9	1.6	0.5	2.9	3.2	3.3	6.25	0.2	0.44	
1366	FHIFX	Focused High Income	7.69	Hold	-2.4	-11.3	-3.6	-11.1	-0.7	1.7	3.3	5.46	4.5	0.48	
2297	FGHIX	Global High Income	8.17	Hold	-0.4	-12.2	-4.2	-13.5	-0.4	1.1	3.6	6.57	3.9	0.60	
455	SPHIX	High Income	7.50	Hold	-1.7	-11.0	-3.7	-10.6	-0.7	1.6	3.6	6.92	4.3	0.55	
331	FNMIX	New Markets Income	11.52	OK to Sell	-0.8	-16.7	-5.1	-18.8	-4.0	-2.5	1.3	6.85	6.4	0.64	
2580	FSAHX	Short Duration High Income	8.66	Hold	-0.9	-6.1	-2.0	-5.7	0.7	2.0	--	6.11	2.4	0.37	
3082	FADMX	Strategic Income	11.17	Buy	-1.8	-10.2	-2.3	-10.2	0.7	1.8	3.0	4.67	4.8	0.41	
<b>MUNICIPAL BOND</b>					<b>Average</b>	<b>-2.0</b>	<b>-7.7</b>	<b>-1.2</b>	<b>-8.1</b>	<b>-1.0</b>	<b>1.0</b>	<b>2.0</b>	<b>2.62</b>	<b>5.6</b>	<b>0.26</b>
434	FSAZX	Arizona Muni Income	11.21	OK to Buy↑	-2.2	-8.9	-1.3	-9.1	-1.3	0.8	2.1	2.62	6.3	0.26	
1534	FCSTX	Calif Limited Term Tax Free	10.18	Buy	-1.4	-4.7	-0.2	-5.0	-0.5	0.6	1.1	2.06	2.8	0.16	
91	FCTFX	California Muni Income	11.94	OK to Buy↑	-2.2	-9.0	-1.1	-8.9	-1.2	1.1	2.4	2.72	6.5	0.29	
407	FICNX	Connecticut Muni Income	10.74	OK to Buy↑	-2.3	-8.4	-1.4	-8.4	-0.9	1.2	1.9	2.58	5.8	0.26	
2578	FCRD	Conservative Income Muni	9.96	OK to Buy	-0.2	-0.5	0.1	-0.6	0.2	0.7	--	1.78	0.5	0.04	
36	FLTMX	Interm Municipal Income	9.94	OK to Buy	-1.7	-6.6	-0.7	-6.9	-0.5	1.3	1.9	2.55	4.5	0.24	
404	FSTFX	Limited Term Muni Income	10.18	Buy	-1.4	-4.7	-0.4	-5.0	-0.3	0.7	1.0	2.21	2.6	0.16	
429	SMDMX	Maryland Muni Income	10.53	OK to Buy↑	-2.2	-9.1	-1.4	-9.1	-1.4	0.8	1.8	2.64	6.5	0.28	
70	FDMMX	Mass Muni Income	11.24	OK to Buy↑	-2.3	-8.9	-1.3	-8.8	-1.3	0.9	2.0	2.63	6.6	0.28	
81	FMHTX	Michigan Muni Income	11.32	OK to Buy↑	-2.1	-9.0	-1.6	-9.1	-1.1	1.1	2.1	2.72	6.4	0.26	
82	FIMIX	Minnesota Muni Income	10.92	OK to Buy↑	-1.9	-7.8	-1.2	-8.0	-1.1	1.0	1.8	2.50	5.8	0.24	
3469	FMBIX	Municipal Bond Index	18.21	OK to Buy↑	-2.5	-9.5	-1.9	-9.5	-2.0	--	--	2.92	6.3	0.29	
37	FHIGX	Municipal Income	12.00	OK to Buy	-2.5	-10.1	-1.5	-10.1	-1.1	1.3	2.5	3.03	7.1	0.33	
416	FNJHX	New Jersey Muni Income	11.20	OK to Buy↑	-2.4	-9.4	-1.4	-9.5	-0.9	1.6	2.3	2.70	6.5	0.34	
71	FTFMX	New York Muni Income	12.03	OK to Buy↑	-2.5	-10.3	-1.8	-10.2	-1.6	0.8	2.0	3.04	7.5	0.32	
88	FOHFX	Ohio Muni Income	11.21	OK to Buy↑	-2.1	-8.7	-1.2	-8.8	-1.2	0.9	2.3	2.70	6.3	0.27	
402	FPXTX	Pennsylvania Muni Income	10.30	OK to Buy↑	-2.3	-9.7	-1.8	-9.6	-1.4	1.0	2.2	2.88	6.7	0.28	
6532	FSIKX	Sustainable Intermed Muni	9.94	OK to Buy↑	-1.9	-0.6	-0.9	--	--	--	--	2.30	4.9	--	
90	FTABX	Tax-Free Bond	10.75	OK to Buy	-2.4	-9.9	-1.5	-9.9	-1.1	1.4	2.5	3.23	7.1	0.33	

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. <sup>1</sup>Closed to new investors.

			Total Return (%)		SEC %Yield
			Aug	YTD	
<b>TAXABLE GOV'T MONEY MARKETS</b>					
55	FDRXX	Gov't Cash Reserves	0.15	0.36	1.84
458	SPAXX	Government MM	0.15	0.33	1.79
2742	FZFX	Treasury MM	0.15	0.34	1.85
415	FDLXX	Treasury Only MM (closed)	0.14	0.31	1.80
<b>PRIME MONEY MARKETS</b>					
454	SPRXX	Money Market	0.18	0.41	2.08
NOTE: Available in premium class shares (FZDXX) with a \$100,000 min. (\$10,000 for certain Fidelity retirement accounts) and lower expenses.					
<b>NATIONAL MUNICIPAL MONEY MARKETS</b>					
10	FTEXX	Municipal Money Market	0.12	0.25	1.35
275	FMOXX	Tax-Exempt MM	0.11	0.22	1.27

			Total Return (%)		SEC %Yield
			Aug	YTD	
<b>STATE MUNICIPAL MONEY MARKETS</b>					
433	FSAXX	Arizona Muni MM <sup>1</sup>	0.10	0.18	1.13
97	FCFXX	California Muni MM	0.13	0.23	1.18
457	FSPXX	California AMT Tax-Free	0.12	0.27	1.26
418	FCMXX	Connecticut Muni MM	0.10	0.24	1.14
426	FMSXX	Mass AMT Tax-Free	0.11	0.25	1.15
74	FDMXX	Massachusetts Muni MM	0.10	0.19	1.10
420	FMIXX	Michigan Muni MM <sup>1</sup>	0.10	0.18	1.12
417	FNJXX	New Jersey Muni MM	0.11	0.20	1.20
423	FSJXX	New Jersey AMT Tax-Free	0.12	0.28	1.27
92	FNYXX	New York Muni MM	0.11	0.20	1.22
422	FSNXX	New York AMT Tax-Free	0.12	0.28	1.31
419	FOMXX	Ohio Muni MM	0.10	0.18	1.13
401	FPTXX	Pennsylvania Muni MM	0.11	0.20	1.15

# FIDELITY SCORECARD

AUGUST 31, 2022

Fund No.	Fund Ticker	Fund Name	Style	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>
						Aug	YTD	3 Mo.	1 Year	3 Year	5 Year	10 Year	
<b>FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS</b>													
Model Portfolios	Annuity Sector Model					-3.4	-19.4	-1.5	-18.2	12.3	11.7	13.5	1.11
	Annuity Growth Model					-3.4	-19.3	-4.6	-18.1	13.1	11.7	11.8	1.06
	Annuity Growth & Income Model					-2.5	-14.4	-3.7	-14.5	8.5	7.5	8.1	0.70
	Annuity Income Model					-2.8	-10.2	-2.6	-10.2	3.4	3.4	3.7	0.42
9067	FLRQC	Fid VIP Asset Manager	Allocation	24.27	Hold	-2.8	-13.9	-3.2	-13.2	4.5	4.5	5.8	0.60
9066	FAECC	Fid VIP Asset Manager: Growth	Allocation	26.65	Hold	-3.1	-16.0	-4.0	-15.0	6.5	5.8	7.4	0.76
9069	FJBAC	Fid VIP Balanced	Allocation	34.80	Buy	-3.7	-15.7	-3.7	-13.0	9.5	8.5	9.2	0.77
9461	FBIQC	Fid VIP Bond Index	Bond	10.29	OK to Buy	-2.9	-10.9	-2.1	-12.0	-2.4	--	--	0.25
9173	FVTAC	Fid VIP Communication Services	Sector	22.72	Buy	-2.1	-30.0	-6.2	-36.6	5.5	6.4	8.4	1.16
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	44.50	Buy	-4.2	-26.1	0.1	-22.6	8.2	10.8	12.2	1.33
9171	FCSAC	Fid VIP Consumer Staples	Sector	35.85	OK to Buy	-2.5	-4.9	-2.1	0.0	8.9	6.7	9.4	0.79
9065	FPDFC	Fid VIP Contrafund	Large Growth	42.04	Buy	-4.4	-23.8	-3.9	-20.8	11.1	10.5	11.7	1.04
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	27.03	OK to Buy	-2.1	-16.6	-2.1	-15.9	9.4	6.7	9.5	1.24
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	48.01	Hold	-4.4	-17.8	-2.2	-14.9	14.1	12.4	12.9	1.02
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	12.43	OK to Sell	0.7	-20.7	-5.5	-24.3	4.7	3.2	5.4	1.00
9085	FJLLC	Fid VIP Energy	Sector	20.90	OK to Sell	3.1	50.2	-6.5	78.2	19.7	9.4	3.8	2.22
9061	FLOLC	Fid VIP Equity-Income	Large Value	30.49	Buy	-2.7	-9.0	-5.2	-5.7	9.9	8.5	9.8	0.89
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	12.46	Buy	-2.8	-16.2	-3.0	-15.4	9.1	--	--	1.26
9083	FONNC	Fid VIP Financial Services	Sector	19.94	OK to Buy	-1.2	-10.3	-4.5	-8.7	11.1	9.0	11.4	1.35
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	12.79	OK to Buy	1.6	-1.2	1.3	0.1	2.8	3.0	--	0.43
9157	FMPAC	Fid VIP FundsManager 20	Allocation	16.94	Hold	-1.7	-8.6	-1.8	-8.4	1.3	2.3	2.9	0.29
9158	FMPBC	Fid VIP FundsManager 50	Allocation	21.70	Hold	-2.6	-13.0	-3.3	-12.3	4.5	4.7	5.8	0.57
9197	FMPCC	Fid VIP FundsManager 60	Allocation	21.28	Hold	-2.9	-14.4	-3.9	-13.4	5.5	5.3	6.8	0.67
9159	FMPDC	Fid VIP FundsManager 70	Allocation	24.28	Hold	-3.0	-15.2	-4.3	-13.9	6.5	6.0	7.6	0.75
9160	FMPDC	Fid VIP FundsManager 85	Allocation	25.97	Hold	-3.3	-16.8	-5.0	-15.3	7.8	7.0	9.0	0.88
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	11.74	--	0.2	0.2	0.3	0.2	0.2	0.7	0.3	0.01
9062	FMNDC	Fid VIP Growth	Large Growth	54.01	Buy	-4.1	-19.6	-1.6	-18.1	16.1	14.9	15.1	1.07
9070	FLFNC	Fid VIP Growth & Income	Large Blend	37.44	OK to Buy	-2.9	-8.0	-5.2	-4.3	12.3	9.8	11.2	1.00
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	59.31	Buy	-1.7	-30.7	-3.2	-34.2	13.0	16.9	16.1	1.39
9084	FPDRC	Fid VIP Health Care	Sector	62.19	Buy	-3.0	-15.8	4.2	-16.5	9.9	9.4	14.7	0.96
9060	FBBLC	Fid VIP High Income	High-Yield Bond	21.87	Hold	-1.3	-10.5	-3.4	-10.1	-0.5	1.4	3.2	0.55
9064	FXVLT	Fid VIP Index 500	Large Blend	42.79	OK to Buy	-4.1	-16.4	-4.0	-11.6	12.0	11.4	12.7	1.00
9082	FBALC	Fid VIP Industrials	Sector	41.96	OK to Buy	-2.9	-15.8	0.1	-11.7	5.3	6.1	9.7	1.21
9473	FFIQC	Fid VIP International Index	Diversified Int'l	10.05	Hold	-4.1	-19.1	-9.1	-20.5	2.3	--	--	0.91
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	23.84	Buy	-7.9	-27.6	-7.2	-27.3	2.2	4.1	7.8	1.01
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	17.12	Buy	-2.6	-10.9	-2.1	-11.6	-1.2	0.9	1.6	0.28
9172	FVMAC	Fid VIP Materials	Sector	27.68	Hold	-1.9	-14.4	-10.9	-7.0	14.1	5.6	7.1	1.18
9071	FNBSC	Fid VIP Mid Cap	Mid Blend	37.75	Buy	-3.0	-15.8	-3.0	-11.6	11.1	7.6	9.9	1.20
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	19.49	OK to Buy	-7.5	-28.1	-10.0	-27.3	3.1	2.6	5.8	1.03
9072	FFWKC	Fid VIP Real Estate	Sector	28.02	Hold	-7.3	-19.9	-6.8	-14.0	1.1	3.7	5.9	1.04
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	20.93	Buy	-1.9	-10.5	-2.5	-10.6	0.3	1.4	2.6	0.40
9086	FYENC	Fid VIP Technology	Sector	89.02	Buy	-5.4	-29.2	-3.8	-24.2	19.9	17.3	17.7	1.31
9465	FTMJC	Fid VIP Total Market Index	Large Blend	14.64	Buy	-3.8	-17.1	-3.6	-13.5	11.4	--	--	1.03
9087	FXRRC	Fid VIP Utilities	Sector	45.22	Hold	1.4	7.2	1.9	15.9	9.6	10.4	11.4	0.96
9079	FKMSC	Fid VIP Value	Large Value	34.34	OK to Buy	-3.3	-4.9	-5.7	-0.8	14.4	9.6	11.3	1.25
9073	FRBSC	Fid VIP Value Strategies	Mid Value	35.34	OK to Buy	-3.7	-8.2	-7.1	-3.4	14.5	9.3	10.6	1.31
9347	FBMEC	Black Rock Global Allocation	Global Allocation	16.16	Hold	-3.1	-15.4	-4.8	-16.2	5.0	3.9	5.1	0.68
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	9.49	Hold	-2.7	-7.4	-5.8	-9.5	-5.5	-3.1	-0.7	0.23
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	10.23	Buy	-2.6	-7.5	-1.7	-8.5	-2.2	-0.4	0.0	0.17
9285	FIGXC	Invesco Global Core Eqty	Global Stock	15.60	Hold	-4.5	-21.2	-6.0	-21.2	4.7	3.2	6.4	1.00
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	15.50	OK to Sell	-1.2	-15.5	-9.8	-18.3	0.5	-2.3	0.9	1.06
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	16.93	OK to Sell	-0.4	-19.9	-5.7	-22.3	-5.8	-2.6	0.2	0.68
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	13.73	OK to Sell	-1.6	-25.5	-8.5	-29.0	-0.4	-2.1	1.4	1.07
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	15.28	Hold	-4.4	-17.4	-8.2	-17.4	1.9	2.6	4.3	0.74
9346	FPMEC	Pimco Commodity Real Return	Commodities	9.37	OK to Sell	-2.2	19.4	-9.3	24.2	19.5	9.9	-1.2	1.05
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	11.65	Buy	-0.6	-5.1	-1.5	-6.0	-1.2	-0.0	0.4	0.11
9277	FPNBC	Pimco VIT Real Return	TIPS	15.01	OK to Sell	-2.7	-7.9	-1.8	-6.6	2.6	2.8	1.3	0.31
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	13.59	Hold	-2.5	-12.0	-2.6	-12.9	-2.3	0.1	1.1	0.26

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	24%	VIP Total Market Index	28%	VIP Investment Grade	29%	VIP Investment Grade	34%
VIP Health Care	19	VIP Contrafund	22	VIP Equity-Income	21	Frkln Temp U.S. Gov't	26
VIP Financial Services	18	VIP Growth Opps	19	VIP Growth Opps	20	VIP Strategic Income	17
VIP Consumer Discret	17	VIP Equity-Income	17	VIP Strategic Income	16	VIP Value Strategies	13
VIP Comm Services	12	VIP Extended Mkt. Index	14	VIP Total Market Index	14	VIP Growth	10
VIP Industrials	10						
<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>		<b>Total Return:</b>	
<b>Aug: -3.4% YTD: -19.4%</b>		<b>Aug: -3.4% YTD: -19.3%</b>		<b>Aug: -2.5% YTD: -14.4%</b>		<b>Aug: -2.8% YTD: -10.2%</b>	

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

after all, is unlikely to move the needle on inflation.

Then on August 17, the Fed's July 26-27 minutes were released. It reminded investors about an ugly truth: that historically high inflation at that point was more than six percentage points above its long-term target. Moreover, the Fed had telegraphed that it won't risk losing any more ground to inflation.

Nine days later, the market's mood darkened further.

At its annual Jackson Hole confab, Mr. Powell's words were few, but resolute. "Without price stability," he said, "the economy does not work for anyone."

As I detailed in a recent Hotline message, "[He] had two main points that unnerved investors: 1. Reducing inflation is likely to require 'a sustained period of below-trend growth,' and 2. Though [it] has been aggressively hiking rates to address a 40-year spike in CPI, [the Fed] will likely raise rates above historically 'neutral levels' to achieve [its] long-term inflation target of 2%."

That the Fed has admitted that it must tame inflation at the possible cost of recession (yes, technically speaking the U.S. is already in one) shouldn't be surprising as price stability is a central responsibility. Still, it struck a nerve with the markets as virtually all stock and bond funds ended August in the red.

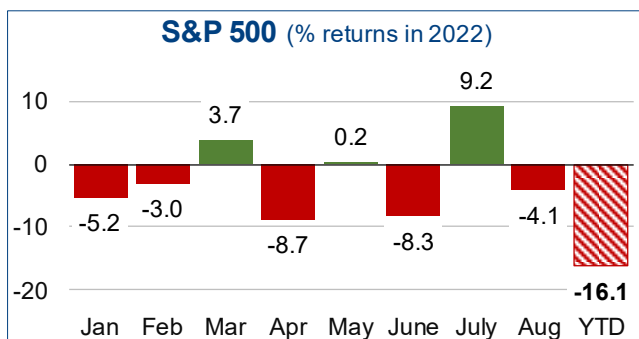
### Market Indexes

In just five late-August days, the Dow Industrials lost nearly 1,800 points, or 5.4%. (That wiped away much of July's gains of 6.8%.) Fortunately, the first few weeks of the month were better, and the blue-chip gauge had a month-to-date decline of "only" 3.7%. Similarly, the large-cap S&P 500 fell 4.1% whereas the tech-rich Nasdaq Composite was off 4.5%. Stock gauges with lower mar-

ket caps fared much better: the Russell Midcap fell 3.1% versus -2.1% for Russell's small-cap gauge.

### Stock Funds

August wasn't kind to stock funds. On average, 60 different offerings declined 3.5%. Returns ranged from a modest -0.9% for **Small Cap Growth Index** to -6.3% for the large-cap growth fund **Magellan**. Suffice it to say, smaller-cap funds typically finished ahead of bigger-cap funds, whereas value-oriented funds often enjoyed a per-



formance lead over growth-oriented funds. As for some better-known funds, **Blue Chip Growth** and **Contrafund** fell 4.0%, while **Growth Company** (down 3.5%) didn't distinguish itself, either.

### Select Funds

As noted, large-cap growth funds struggled in August. Some of that was at the hand of computer chipmakers and other types of tech. Notably, **Select Semiconductors** tumbled 9.0% in August as companies like Micron and Nvidia lowered their revenue guidance owing to slower demand and supply-chain bottlenecks. In turn, the much more diversified **Technology** fund declined 5.5%.

The health care sector also took it on the chin, in part, because of the newly passed Inflation Reduction Act. **Pharmaceuticals** and **Medical Tech & Devices** dropped 5.8% and -6.3%, respectively. As for biotech, more attractive valuations, coupled with a reasonably healthy pipeline of forthcoming products, makes the sector a prime takeover target. In

turn, **Biotechnology** rose 4.7% in August.

### International Funds

In many parts of the world, inflation is a bigger problem than it is here. Organized labor is often a force for bigger wage gains, and in most of Western Europe, and certainly Japan, the lack of natural resources puts them at the mercy of the OPEC cartel and worse, Russia.

Against that backdrop and the U.S. dollar appreciating 12% this year (which reduces returns for Fidelity's unhedged foreign funds), **International Index** (a broad proxy for developed-market equity performance) fell 5.7%. For its part, **Europe** retreated 7.2%, though **Japan** fared much better (down 3.2%). Elsewhere in Asia, **China Region** (down 0.8%) remains ham-

strung by slow growth, deepening problems in China's real estate market, and more Beijing-directed Covid lockdowns.

### Bond Funds

The yield on the 2-year Treasury note popped 56 basis points to 3.45% last month as bond investors anticipated further rate hikes from the Fed. Indeed, the futures market is essentially predicting that the fed-funds rate will peak between 3.75% to 4.00%, up from the current target range of 2.25 to 2.50%.

While Fidelity's shortest-maturity bond funds were beneficiaries of last month's expected increase (**Conservative Income Bond** and **Sustainable Low Duration Bond** rose 0.3% and 0.2%, respectively), their most rate-sensitive offerings paid the biggest price: **Long-Term Treasury Index** plunged 4.5% and **Mortgage Securities** dropped 3.4%. As for **U.S. Bond Index**, it retreated 2.8% in the face of the benchmark 10-year Treasury jumping 48 basis points to 3.15%. ■

— John Bonnanzio

corporations, which have lower profit margins and lower labor-efficiency compared with larger firms. So any relief on this front should also have a favorable impact.

• A stronger job market than is typical for an economic slowdown suggests that consumer spending will remain relatively strong here at home, while foreign economies deal with a more adverse slowdown with unemployment following a more typical recession pattern. This may benefit smaller domestic firms, which tend to derive a greater share of revenue from domestic sales com-

pared with larger firms.

• The premium on smaller-stock valuations has turned into a substantial discount over the last ten years. There are many reasons for this, which include the growing prominence of large-cap technology disruptors, Dodd-Frank (which made IPOs less practical for firms that wouldn't debut in the large-cap segment), stagnant profit margins, an investor stampede into passive large-cap index funds, faster economic growth in foreign economies (where larger domestic firms often operate), and heightened recession anxieties that manifested prior to the pandemic. But at this stage smaller stocks generally offer greater potential earnings growth than large-caps, and they do so at a cheaper price.

Of course, any increase in small-cap exposure means greater portfolio risk, regardless of whether

*"... at this stage smaller stocks generally offer greater potential earnings growth than large-caps, and they do so at a cheaper price."*

— Jack Bowers

a recession is expected. Relative volatility scores make this obvious. Fidelity's large-cap blend funds average 1.04, versus 1.21 for mid-cap blend and 1.28 for small-cap blend. Over the last ten years that additional risk was not rewarded, but going forward it may be a different story.

As such, I think the extra risk of smaller stocks is now worth taking, especially in our *Unique Opportunities Model*, which normally has a significant stake in smaller stocks but has been in a relatively defensive position since late January. Our recent trades increased this model's overall risk score to 1.13, up from 1.01. At the same time, exposure to foreign value stocks (which represented about a quarter of the mod-

el's holdings) was reduced by about two-thirds.

We aren't looking to boost small-cap exposure in our other mutual fund models, as smaller stocks are already well-represented.

But in our *Growth Model*, where both of our mid-cap fund positions have been value-leaning, we've replaced **Mid-Cap Stock** with **Growth Strategies** to boost growth-stock exposure. (For the *VIP Growth Model* we are making a similar shift by replacing **VIP Value Strategies** with **VIP Extended Market Index**.)

One final point regarding smaller-cap stocks and Fidelity's actively managed stock funds: Outside of the domestic large-cap growth segment, Fidelity's performance has not been much to write home about during the past decade. And the main reason for this has been the

unusually strong headwind experienced by smaller stocks and foreign issues.

Fidelity has long relied on its substantial research commitment in mid-cap, small-cap, and foreign stocks to drive performance in its actively managed funds. Unfortunately, over the last 10 years, that approach mainly drove active-fund shareholders into passive funds (in a trend that was somewhat self-reinforcing, no less).

If, in fact, we do return to a time when money spent on stock research has a decent payback, almost all of Fidelity's actively managed funds would be likely to benefit to some degree. ■

— Jack Bowers

## 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 Comm Svs, 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	8/5	0.163	64.40
Growth Discovery	8/5	1.479	46.07
Mega Cap Stock	8/5	0.578	17.07
Mid Cap Gr Idx	8/5	0.085	23.54
Mid Cap Val Idx	8/5	0.331	23.76
Sm Cap Gr Idx	8/5	0.043	22.80
Sm Cap Val Idx	8/5	0.517	23.24

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