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Years

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# FIDELITY MONITOR & INSIGHT

Incorporating Fidelity Monitor and Fidelity Insight

DECEMBER 2014

PUBLISHED SINCE 1985

## MESSAGE FROM JACK

### **An Off Year For Active Management**

Barring an unlikely catch-up period for the Russell 2000, it appears that our stock-oriented models, along with most Fidelity stock funds, will trail the S&P 500 as 2014 draws to a close.



Jack Bowers

Last year, the small-cap Russell 2000 was one of the strongest performing benchmarks, making it a banner year for Fidelity funds. But this year the index has been unusually weak, lagging the large-cap S&P 500 by more than nine percentage points. As Fidelity performance headwinds go, 2014 has

been a gale.

Fidelity's advantage in stock research stems partly from outsized bets on smaller firms that are gaining market share from established players — a strategy that has long-term benefits. So in a year like this one, when the market “thumbs its nose” at everything that isn't part of the S&P 500, good research just doesn't stand a chance.

What's unusual is that smaller stocks normally perform well in an environment where the US economy is picking up steam as foreign economies slow or contract. Such conditions usually favor smaller firms that book most of their sales here at home.

But that consideration has been lost on investors refusing to buy anything other than the S&P 500. The current situation is not without precedent — the Index Mania of 1998 created excessive large-cap valuations that took five years to unwind. At the end of it all (3/31/04), our Unique Opportunities Model had a 5-year return of 10.0% per year, versus a 1.2% annual loss for the S&P 500. Our Growth and Select Models were less aggressive but still beat the S&P by nearly 8 percentage points per year.

So don't read too much into Fidelity's trailing returns for 2014, as lagging years are the exception, not the rule. And don't be too quick to give up on active management, either. As passive strategies become entrenched by those who consider them “too smart to fail,” it actually sets the stage for active managers to outperform by a wider margin. (The market always tends to disappoint the majority!)

Sincerely,

## MARKET OUTLOOK

### **Stock Backdrop Still Favorable**

Despite worries about slowing global growth, coming Fed rate hikes, and high stock valuations, the environment is still favorable for US stock prices. Let's take a look at each of these three concerns.

#### **Global Slowdown**

Yes, the outlook for growth outside the US is weak. Japan is in recession, Europe is teetering on the brink of one, and China's economy is slowing (although at over 7% we should have such problems). And if Europe does fall into recession, growth at home will suffer — but not that much as I outlined in last month's *Outlook* (exports only account for 13% of our GDP). The US is still likely to offer the best growth among developed economies and that should continue to attract funds into our stock market. Moreover, to combat their slowing economies, China recently announced a surprise rate cut, Japan increased its money supply and ECB president Mario Draghi has made it clear that they will take further easing steps, if needed.

Thus global liquidity should remain abundant even as the US has ended its quantitative easing. And much of that excess liquidity should find its way into US stocks.

#### **Fed Rate Hikes**

I wrote about the impact of the Fed beginning to raise interest rates in the September report (“Don't Fear The Fed”) but it bears repeating: “... **the start of tightening does not mean that good times for stocks are over.**”

There are several points to keep in mind here. First, while there may be a knee-jerk selloff in response to the Fed's first hike, the market can continue to flourish long after that initial increase. Let's look at the last two tightening cycles beginning in February of 1994 and June of 2004. In March of 1994 the S&P 500 dropped 4.3% but over the subsequent 36 months, it gained 82.8%. In July of 2004 the market fell 3.3% but rose 39.5% over the next 36 months. Not too shabby.

Second, when the Fed does begin to raise rates, it won't be because inflation is getting out of control and they have



John M. Boyd

Market Outlook *cont'd on page 3*

**Unique Opportunities**

Target Risk: 1.20 (Current: 1.21)

Foreign Holdings: 8.9%

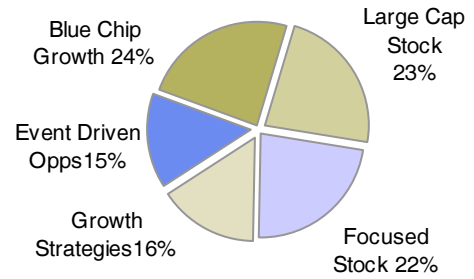
YTD Return: 5.7%

Stocks: 98.4% Bonds: 0.0% Cash: 1.6% Alternatives: 0.0% Yield: 0.4%

Holdings	Ticker	NAV	Shares	Value	Nov Ret
Blue Chip Growth	FBGRX	\$69.40	1,438.06	\$99,802	3.0%
Large Cap Stock	FLCSX	29.19	3,158.97	92,210	1.4
Focused Stock	FTQGX	20.99	4,319.47	90,666	1.2
Growth Strategies	FDEGX	32.44	1,976.37	64,114	4.0
Event Driven Opps	FARNX	10.86	5,607.84	60,901	2.8

**Current Value (3/31/99 = \$100,000)** **\$407,692** **2.3%**

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



**Select**

Target Risk: 1.20 (Current: 1.24)

Foreign Holdings: 11.9%

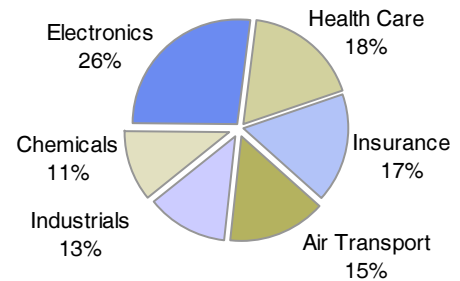
YTD Return: 12.7%

Stocks: 98.3% Bonds: 0.0% Cash: 1.7% Alternatives: 0.0% Yield: 0.0%

Holdings	Ticker	NAV	Shares	Value	Nov Ret
Electronics	FSELX	\$83.86	9,187.66	\$770,477	4.9%
Health Care	FSPHX	236.08	2,143.37	506,006	3.2
Insurance	FSPCX	70.16	6,731.28	472,267	2.4
Air Transportation	FSAIX	74.15	5,667.89	420,274	9.8
Industrials	FCYIX	33.54	10,880.91	364,946	2.4
Chemicals	FSCHX	149.42	2,037.00	304,369	0.3

**Current Value (12/31/88 = \$100,000)** **\$2,838,339** **3.9%**

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



**Growth**

Target Risk: 1.00 (Current: 1.13)

Foreign Holdings: 8.9%

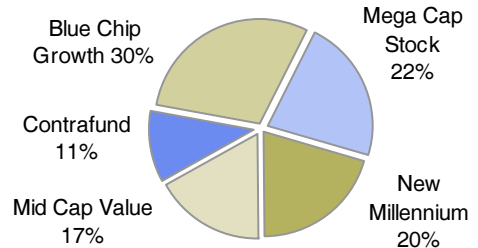
YTD Return: 10.0%

Stocks: 97.3% Bonds: 0.0% Cash: 2.7% Alternatives: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Nov Ret
Blue Chip Growth	FBGRX	\$69.40	8,694.35	\$603,388	3.0%
Mega Cap Stock	FGRTX	16.86	26,427.72	445,571	2.3
New Millennium	FMLX	42.10	9,681.35	407,585	1.0
Mid Cap Value	FSMVX	25.45	13,459.42	342,542	2.5
Contrafund	FCNTX	104.81	2,145.47	224,867	2.2

**Current Value (12/31/86 = \$100,000)** **\$2,023,954** **2.3%**

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: 0.77)

Foreign Holdings: 10.6%

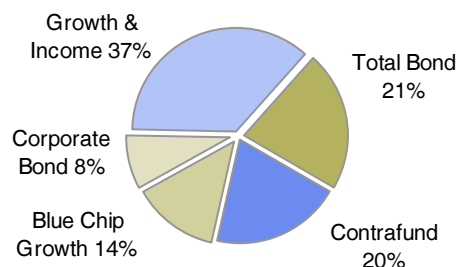
YTD Return: 9.9%

Stocks: 69.4% Bonds: 25.7% Cash: 2.0% Alternatives: 2.8% Yield: 1.5%

Holdings	Ticker	NAV	Shares	Value	Nov Ret
Growth & Income	FGRIX	\$30.61	6,510.10	\$199,274	2.2%
Total Bond	FTBFX	10.76	10,702.57	115,160	0.6
Contrafund	FCNTX	104.81	1,021.98	107,114	2.2
Blue Chip Growth	FBGRX	69.40	1,062.75	73,755	3.0
Corporate Bond	FCBFX	11.50	3,868.68	44,490	0.7

**Current Value (12/31/93 = \$100,000)** **\$539,792** **1.8%**

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



**Income**

Target Risk: 0.33 (Current: 0.37)

Foreign Holdings: 9.4%

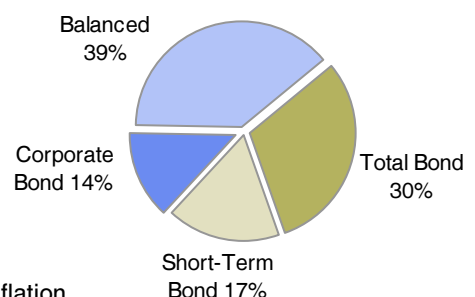
YTD Return: 7.4%

Stocks: 28.5% Bonds: 65.2% Cash: 2.1% Alternatives: 4.2% Yield: 1.8%

Holdings	Ticker	NAV	Shares	Value	Nov Ret
Balanced	FBALX	\$23.37	6,041.79	\$141,197	1.6%
Total Bond	FTBFX	10.76	9,868.09	106,181	0.6
Short-Term Bond	FSHBX	8.61	7,102.69	61,154	0.2
Corporate Bond	FCBFX	11.50	4,202.19	48,325	0.7

**Current Value (12/31/91 = \$100,000)** **\$356,857** **0.9%**

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



to cool the economy to get inflation back down. In fact, they would like to see inflation *rise* to 2.0%-plus before they start to hike. They will instead be trying to normalize abnormally low rates. Importantly, the real Fed Funds rate today (nominal rate less inflation) is negative, ranging from -1.8% to -2.48% depending on different forecasts for inflation. So even when the Fed starts to raise the nominal Fed Funds rate, the real rate will likely remain negative — and therefore still stimulative and supportive of risk assets like stocks — for quite some time to come.

Lastly, while the betting is that the first hike will come around mid-year, there is a better than even chance it comes later in the year. Recent economic data has been mixed (more on that in a bit) and inflation is low and likely to remain so as sharply lower oil prices ripple through the economy. This combination could well give the Fed latitude to wait.

### Valuations

There is plenty of concern that after (surprisingly) strong gains in 2014, the stock market is overvalued. At the end of the current quarter for which earnings are available (9/30/14), the 12-month trailing operating earnings P/E of the S&P 500 stood at 17.2. The P/E at the end of 2013? 17.2.

The market has not gotten more expensive this year because earnings growth has matched price gains (or more accurately the price gains have matched the growth in earnings).

Okay, so the market hasn't become more expensive this year, but what about versus historical P/Es? You often see P/E comparisons that go way back to the early 1900s or even late 1800s! I'm all for completeness, but the modern economy bears little resemblance to that distant past. I pre-

## FUNDS YOU SHOULD BUY NOW

**Growth:** **Blue Chip Growth**, **Growth Company** and **Large Cap Stock** take more aggressive approaches to growth, while **Contrafund** takes a more conservative one. **Growth Strategies** is our pick for mid-growth; **Event Driven Opp's** is a smaller-cap option offering portfolio diversification.

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

**Taxable Bond:** **Short-Term Bond** and **Intermediate Bond** limit interest-rate risk. **Total Bond** provides the greatest bond diversification. **Investment-grade Bond** limits credit risk but boosts yield via additional interest-rate risk, while **Corporate Bond** steps up risk on both fronts.

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

fer to look at more recent data for comparison. Over the past 25 years, the average 12-month trailing operating earnings P/E of the S&P 500 is 19.0, so we are currently comfortably below that.

Depending upon fourth quarter earnings and where the S&P closes at the end of the year, the P/E could move up a bit, but should still remain below the average. Moreover, in periods where inflation has been as low as it is today, the average P/E was even higher.

And compared to bonds, stocks are very cheap. The earnings yield on the S&P or E/P (using reported earnings here because that is what you really get) is 5.38%. That compares to a 10-year Treasury yield of just 2.17%. You are getting nearly 2.5 times more yield in stocks than bonds compared to an historical average of 1.1 times.

### Recent Economic Data Mixed

On the plus side, third quarter GDP was revised up from 3.5% to 3.9%. Combined with second quarter growth of 4.6%, this marks the fastest six months of growth in 11 years. And most of the increase came from “good” sources: higher consumer spending and higher business investment. Less good was a higher rate of

inventory accumulation. If fourth quarter sales are strong, that won't be a problem. But if they are weaker than expected, that could translate into a lower contribution from inventories ahead. In any event, that data is not market-moving because it is in the past.

On the down side, there have also been a slew of “not so hot” economic reports in the past two weeks: Jobless claims have inched back up over 300,000 for the first time since early September, consumer confidence unexpectedly fell; durable goods orders (ex-transportation) declined; a purchasing managers index (PMI) fell from 66.2 to 60.8 (though any reading over 50.0 means expansion), and industrial production slipped.

In fact, economists are calling for a slowdown in fourth quarter GDP growth to 2.6%. Regardless, the US economy is nowhere near a recession that could seriously threaten stocks.

Just remember that nothing is ever perfect for the market (if it is it's time to sell!) and I expect stocks to continue to climb the wall of these worries. But if you are more concerned than I am, consider following one of our more conservative models rather than getting out of the stock market altogether. ■

— John M. Boyd

### 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, however, redemption and exchange fees are included. Some percentage figures may not sum to 100 due to rounding. Dividends are reinvested. Consider the tax implications of trades before you decide to buy or sell any fund. Any trades are detailed on p. 3 and are announced on Friday evening Hotline updates via telephone, e-mail, and web (see p. 12). **Annuity Model Portfolios** are on p. 10.

## TAXES

### Year-End Distributions May Spark Big Taxes

As we've been warning in our November Hotline messages, the potential fallout from six continuous years of market gains (as measured by the S&P 500) may be considerable year-end taxable gains.

If a fund you own in a taxable account (and only in a taxable account) has been making you money, and there are no longer losses in that fund to offset its gains, then the positive difference between the two will be returned to shareholders in the form of a year-end distribution.

Here's an example. The volatile **Select Biotechnology** lost 11.4% in 2008, but has piled on huge gains every year since. Although its earlier losses have offset a bit of its gains, the fund's distribution will be nearly 11% of its NAV, or \$25.31 per share. As this happens to be entirely long-term cap gains, shareholders will typically have to pay 15% to Uncle Sam. (Of course, there may also be state income taxes, and another 3.8% to fund ObamaCare.)

[Note: On our website, we show that year-end distributions are often a combination of capital gains and income, which may be taxed at different rates. Fidelity's 1099-DIV also breaks this out for you.]

To be clear (and a bit redundant), **you can never make money from "buying" a cap gains distribution because the fund's NAV declines by the same amount as the distribution itself.**

So, if you are in the market to buy a fund in a taxable account this month, go to our distribution table, and then check to see if the fund is about to go "ex." If it is, then wait for it to pay its distribution.

How long should you wait?

Our rule of thumb is if the percentage distribution is more than the number of weeks before it goes ex-dividend, hold off buying the fund until after its ex-date.

Consider, for example, **Focused Stock**, which we hold in our Growth Model. Its ex-date is Dec. 5 and its estimated distribution is currently 10% of its NAV. Given that, you will definitely want to wait until the fund goes ex-dividend before buying.

On the other hand, many funds will pay less than 1%, so it's really a toss-up as to whether you want to wait.

### Avoiding Distributions

We generally don't allow our investment decisions to be driven by taxes, but here's a rough rule of thumb. If the gain you would realize by selling the fund is greater than the fund's distribution amount, and if you still like the fund, then it may be wise to simply stay the course and hold it.

However, if your potential gain in the fund is less than its distribution (or you have a loss), you have two choices:

1. If you don't really like the fund anymore, then sell it before the end of the tax year;
2. If you still favor the fund, then consider a tax swap: selling the fund before its ex-date, swap into a similar fund that is not paying a distribution for 31 days (to avoid a "wash sale" or roundtrip violation), then switch back to your original fund.

Of course, these two rules do not make any assumptions about whether your gains and the funds' distributions are long- or short-term in nature. ■

— John Bonnanzio

## SECTOR INVESTING

### 2015 Energy Outlook

Last month's trade out of **Select Natural Gas** (and into **Chemicals** in our Select Model) prompted a few readers to ask some broader questions about our outlook for the energy sector. With relative volatilities that can be twice as great as the S&P 500, keep in mind that this industry is especially susceptible to rapidly changing geopolitical crosswinds. Some examples: still-declining oil prices (amid OPEC's recent decision to maintain their high output) and, closer to home, the still-Democratically controlled Senate rejecting by a single vote the Keystone Pipeline. So, much like any commodity investment, it helps to be nimble and comfortable with risk when investing in any of Fidelity's four energy-related funds.

**Energy (Hold):** The US shale boom continues to be driven by innovation, and is now disrupting the global oil markets.

As the leader of the OPEC cartel, Saudi Arabia used to act as the "central bank" of oil. But with hundreds of operators in Bakken and Eagle Ford having re-established the US as the world's largest producer, the global oil markets are now ruled by competition. And the price of oil may keep falling because the output from each well is still climbing at a healthy clip as drillers fine-tune the fracking process. This is great news for consumers (and most other industry groups), but like prior gluts it could be rough on oil stocks.

**Energy Service (OK to Sell):** This fund invests in firms that provide exploration and development services.

Until now, deep-water drilling had offered the highest potential payoff of all drilling activities, so most of the revenue in this group has been derived from activities that support it. But thanks to a surge in drilling productivity, the return on investment in some shale fields now rivals that of deep water. With oil prices falling, many deep water projects may now get shelved. While new projects in Mexico and growth in shale fields may partially offset deep water revenue losses, overall earnings could shrink for a long time.

**Natural Gas (Hold):** Here the focus is producers, pipeline operators and drillers. With demand increasing from utilities, industrial producers and exporters, the fundamentals for natural

**Energy Outlook** *cont'd on page 8*

FUND COMMENTARY

## Large Caps Keep Making New Highs

\$102. That's what it cost to buy a barrel of oil back in June. Today? It's a bargain at just \$65 — a 36% discount in just five months!

Underlying this dramatic plunge are a few things, including economic slowdowns in China, Europe and Japan, who together account for roughly 40% of the world's GDP (versus 20% for the US alone). Another big contributor to the falloff is OPEC, who in the face of declining oil revenues, decided to maintain their output. This resulted in a 17% decline during Thanksgiving week!

While we have additional thoughts on the fast-changing energy sector on the facing page, there are clearly many other US industries whose prospects must also be reconsidered as the cost of producing most things has declined, while the ability of Americans to buy them has very suddenly improved (see Ratings Change box).

More immediately, investors looked at this development and concluded that many stocks are now worth more, thereby pushing both the large-cap S&P 500 and Dow Jones Industrials deeper into record territory. (The former rose 2.7% in November while the latter gained 2.8%.)

Elsewhere, the Nasdaq Composite jumped 3.6% — chip makers and other electronics firms helped to fuel its gains, while investors once again bid up shares of biotech companies. Unfortunately, this enthusiasm did not flow through to small-cap stocks. With the Russell 2000 up only 0.1% last month, it's clear that there may still be some harvesting of gains going on. But at the same time, smaller firms tend to be less sensitive to changes in energy costs as this area of the market is far more service-oriented and payroll-dependent.



John Bonnanzio

## Equity Funds

With consumer discretionary stocks soaring last month (lower gas prices should put more money into shoppers' hands) along with solid gains among industrials, tech and health care, **Growth Strategies** (up 4.0%) was Fidelity's strongest-performing actively run stock fund. Not far behind it was **Nasdaq Composite Index** (up 3.7%) which rose in line with its tech-rich benchmark, while **Blue Chip Value** overcame its energy stake and gained 3.1% thanks to big allocations to financials, health care, tech and consumer stocks.

And, while small-caps were asleep in November, **Event Driven Opportunities** (up 2.8%) benefited from its big overweights in industrials and consumer discretionary stocks. (While classified as mid-cap blend, this unique, go-anywhere fund currently has more of a small-cap focus.)

While falling energy prices hit energy-related Selects hard, investors understood that behind cascading oil prices is a slowdown in global growth. So, while chemicals and other industrials may seem poised to benefit from cheaper oil, longer-term, fewer exports may weigh on their balance sheets. To that end, some value-oriented funds with energy and industrials saw their performances hobbled.

## International Funds

Overseas, not all economic woes were problems for US investors. For example, **Europe** fund gained 2.6% as some believe that the EU's central bank will provide the requisite monetary stimuli to turn things around. Meanwhile, **China Region** gained 1.3% partly because there's optimism that the tightly controlled economy will pull off a "soft landing" whereby a recession is avoided even as growth slows considerably. Not to be overlooked: 30% of China Region's assets are in tech, which enjoyed solid gains. As for **Japan** and **Japan Smaller Cos**, they fell 2.7% and 5.0%, respectively. But there may be a silver lining: With the US dollar appreciating versus the yen, Japan's export-driven economy may get a boost.

## Bond Funds

With inflation fears evaporating, the 10-year Treasury yield fell 17 basis points to finish at 2.17%. As a result, virtually all taxable and muni bonds funds gained ground. However, high-yield funds struggled (all but **Floating Rate High Income** lost ground) as investors worried about a global slowdown. **Int'l Bond** fell 1.0% as a stronger dollar means lower returns for US investors. ■

— John Bonnanzio

## DECEMBER SCORECARD RATING CHANGES

Fund	Ratings			Comments
	Old	New		
Em Eur MidEast Af	H	S	↓	Too much energy and exposure to hot spots.
Export & Multinat'l	S	H	↑	New manager turning around performance.
Sel. Automotive	B	H	↓	Sales slowing abroad and recalls expensive.
Sel. Brokerage	B	H	↓	Regulations and competition weighing on sector.
Sel. Computers	S	H	↑	Stocks cheap and replacement cycle is a positive.
Sel. Energy Service	H	S	↓	See "2015 Energy Outlook" beginning on p. 4.
Sel. Envir & Alt Eng	S	H	↑	Alternative energy component a plus for fund.
Sel. Indust Equip	H	B	↑	Exports of capital goods holding up.
Sel. IT Services	B	H	↓	Competition intensifying in tech services.
Sel. Multimedia	B	H	↓	Ad revenue increasingly moving to internet.
Sel. Natural Res.	H	S	↓	See "2015 Energy Outlook" beginning on p. 4.
Sel. Software & CS	B	B	↓	High risk owing to reliance on internet firms.
Sel. Utilities	S	S	↑	Good stock selection in an unattractive sector.
VIP Utilities	S	S	↑	Good stock selection in an unattractive sector.

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

# FIDELITY SCORECARD

NOVEMBER 30, 2014

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>		
						Nov	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr			
Comparative Indexes		S&P 500		2067.6		2.7	14.0	3.8	16.9	20.9	16.0	8.1	1.00		
		Nasdaq Composite		4791.6		3.6	15.9	4.9	19.4	23.8	18.8	9.7	1.27		
		Dow Jones Industrials		17828.2		2.8	9.8	4.8	13.3	16.8	14.4	8.3	1.01		
		Russell 2000 (Small Caps)		1173.2		0.1	2.0	0.3	4.1	18.4	16.7	7.8	1.47		
		Barclays Aggregate Bond*				0.7	5.8	1.0	5.1	2.8	3.9	4.4	0.31		
Model Portfolios		Unique Opportunities				2.3	5.7	0.8	8.3	18.6	14.9	8.5	1.21		
		Select				3.9	12.7	3.1	16.9	22.4	17.5	10.2	1.24		
		Growth				2.3	10.0	2.3	12.7	17.5	14.4	7.3	1.13		
		Growth & Income				1.8	9.9	2.3	11.7	14.3	11.3	6.7	0.77		
		Income				0.9	7.4	1.1	8.2	7.2	7.2	4.9	0.37		
												Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)		
<b>LARGE CAP GROWTH</b>						<b>Category Averages</b>			<b>2.0</b>	<b>11.8</b>	<b>2.4</b>	<b>15.1</b>	<b>20.9</b>	<b>16.5</b>	<b>1.23</b>
312	FBGRX	Blue Chip Growth		69.40	Buy	3.0	15.2	4.0	18.9	23.2	18.3	1.34	\$13,376		
307	FDCAX	Capital Appreciation		40.55	Buy	1.8	12.1	3.2	15.1	23.1	18.2	1.11	6,263		
22	FCNTX	Contrafund		104.81	Buy	2.2	10.1	2.5	12.9	19.3	15.6	1.09	77,083		
332	FEXPX	Export and Multinational	0.75%/30d	21.73	Hold↑	2.9	9.8	3.6	12.3	17.2	12.1	1.00	1,650		
3	FFIDX	Fidelity Fund		44.64	OK to Sell	2.6	12.5	3.4	14.9	19.1	14.1	1.09	4,836		
500	FFTYX	Fifty (Closed)		29.68	Buy	1.3	6.6	0.9	10.2	19.5	15.3	1.24	764		
333	FTQGX	Focused Stock		20.99	Buy	1.2	6.3	0.8	10.1	19.5	16.8	1.26	1,805		
25	FDGRX	Growth Company (Closed)		136.14	Buy	2.5	14.2	4.4	17.5	22.3	18.9	1.43	24,102		
339	FDSVX	Growth Discovery		23.92	OK to Buy	0.7	12.7	0.7	16.2	20.3	18.0	1.24	1,090		
73	FDFFX	Independence		40.89	Hold	1.5	12.9	-1.5	16.9	22.6	16.7	1.47	4,252		
21	FMAGX	Magellan		98.97	OK to Buy	2.3	14.2	3.6	17.0	22.1	13.6	1.16	14,253		
300	FMLX	New Millennium		42.10	Buy	1.0	7.5	0.1	11.3	19.8	16.9	1.13	4,265		
93	FOCPX	OTC		83.67	OK to Buy	2.9	17.2	4.7	22.1	23.1	19.8	1.61	8,554		
320	FDSX	Stock Selector All Cap		39.68	OK to Buy	1.8	11.5	1.7	15.0	20.6	15.8	1.11	4,393		
5	FTRNX	Trend		96.04	Buy	2.8	13.4	4.1	16.8	21.3	17.4	1.18	1,503		
<b>LARGE CAP BLEND</b>						<b>Category Averages</b>			<b>2.3</b>	<b>11.9</b>	<b>3.0</b>	<b>14.7</b>	<b>21.9</b>	<b>15.8</b>	<b>1.10</b>
315	FDEQX	Disciplined Equity		36.26	Hold	3.1	12.2	3.2	15.4	21.4	13.8	1.11	1,270		
330	FDGFX	Dividend Growth		34.67	OK to Buy	2.6	12.6	3.3	15.1	20.6	15.4	1.18	6,699		
27	FGRIX	Growth & Income		30.61	Buy	2.2	11.4	3.1	13.7	21.8	16.2	1.02	6,807		
338	FLCSX	Large Cap Stock		29.19	Buy	1.4	11.0	2.0	14.4	23.8	17.3	1.14	3,218		
361	FGRTX	Mega Cap Stock		16.86	Buy	2.3	12.5	3.3	14.9	22.1	16.2	1.06	3,348		
<b>LARGE CAP VALUE</b>						<b>Category Averages</b>			<b>2.4</b>	<b>12.0</b>	<b>2.5</b>	<b>14.8</b>	<b>20.4</b>	<b>13.7</b>	<b>1.02</b>
1271	FBCVX	Blue Chip Value		16.19	OK to Buy	3.1	11.7	3.7	15.4	20.7	12.3	1.18	345		
319	FEQTX	Equity Dividend Income		26.99	OK to Buy	2.4	11.7	3.4	14.6	19.4	13.1	0.95	5,254		
23	FEQIX	Equity-Income		63.12	OK to Buy	1.7	9.4	0.6	11.7	18.7	12.8	0.94	7,138		
708	FSLVX	Stock Sel Large Cap Value		17.29	OK to Buy	1.9	13.4	2.0	15.7	21.0	14.1	1.00	807		
832	FVDFX	Value Discovery		24.58	OK to Buy	2.6	13.7	2.9	16.5	22.4	16.2	1.04	899		
<b>MID-CAP GROWTH</b>						<b>Category Averages</b>			<b>2.3</b>	<b>9.9</b>	<b>2.2</b>	<b>13.6</b>	<b>19.4</b>	<b>16.4</b>	<b>1.22</b>
324	FDEGX	Growth Strategies	1.50%/90d	32.44	Buy	4.0	13.8	5.6	17.5	19.7	16.4	1.26	1,835		
337	FMCSX	Mid-Cap Stock	0.75%/30d	39.40	Buy	1.3	7.0	-0.2	11.0	19.3	16.9	1.24	5,893		
2412	FSSMX	Stock Selector Mid Cap		33.14	Hold	1.7	8.8	1.2	12.4	19.3	15.8	1.17	553		
<b>MID-CAP BLEND</b>						<b>Category Averages</b>			<b>1.5</b>	<b>6.2</b>	<b>-2.1</b>	<b>8.5</b>	<b>20.7</b>	<b>16.4</b>	<b>1.18</b>
2624	FARNX	Event Driven Opportunities		10.86	Buy	2.8	6.9	-1.3	--	--	--	--	164		
122	FLVCX	Leveraged Company Stock	1.50%/90d	44.99	OK to Buy	-0.1	4.4	-5.7	7.4	22.2	16.4	1.28	3,977		
316	FLPSX	Low-Priced Stock	1.50%/90d	50.64	Hold	1.5	7.3	0.5	9.1	19.4	16.5	1.13	30,590		
14	FSLSX	Value Strategies		43.56	OK to Buy	1.7	6.4	-1.8	9.1	20.6	16.4	1.14	785		
<b>MID-CAP VALUE</b>						<b>Category Averages</b>			<b>2.2</b>	<b>13.2</b>	<b>1.8</b>	<b>17.2</b>	<b>23.7</b>	<b>18.4</b>	<b>1.18</b>
762	FSMVX	Mid Cap Value	0.75%/30d	25.45	Buy	2.5	15.2	3.4	19.5	24.4	19.3	1.17	2,213		
39	FDVLX	Value		115.10	Buy	1.9	11.1	0.3	14.8	23.1	17.4	1.19	8,116		
<b>SMALL CAP GROWTH</b>						<b>Category Averages</b>			<b>1.7</b>	<b>0.7</b>	<b>1.2</b>	<b>3.5</b>	<b>18.4</b>	<b>17.0</b>	<b>1.43</b>
1388	FCPGX	Small Cap Growth	1.50%/90d	18.20	Hold	1.7	0.7	1.2	3.5	18.4	17.0	1.43	888		
<b>SMALL CAP BLEND</b>						<b>Category Averages</b>			<b>1.1</b>	<b>3.7</b>	<b>0.8</b>	<b>5.8</b>	<b>17.8</b>	<b>16.6</b>	<b>1.37</b>
384	FSCRX	Small Cap Discovery (Closed)	1.50%/90d	31.15	Hold	1.4	4.2	1.4	4.4	21.8	21.0	1.38	6,037		
340	FSLCX	Small Cap Stock	2.00%/90d	20.05	Hold	0.6	5.6	1.2	8.7	15.6	12.0	1.33	1,815		
336	FDSCX	Stock Selector Small Cap	1.50%/90d	26.49	Hold	1.3	1.2	-0.1	4.2	15.8	16.9	1.39	1,408		
<b>SMALL CAP VALUE</b>						<b>Category Averages</b>			<b>1.7</b>	<b>3.5</b>	<b>1.3</b>	<b>5.2</b>	<b>20.1</b>	<b>17.4</b>	<b>1.40</b>
1389	FCPVX	Small Cap Value (Closed)	1.50%/90d	18.70	Hold	1.7	3.5	1.3	5.2	20.1	17.4	1.40	2,038		

**Notes:** \*Fidelity's Spartan U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. <sup>1</sup>Relative Volatility 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 before any inflation adjustment, your effective yield may be different. <sup>4</sup>Also available in an Advantage share class with a minimum of \$10,000, but a lower expense ratio. <sup>5</sup>Formerly California Short-Intermediate Tax-Free Bond. <sup>6</sup>Formerly Short-Intermediate Municipal Income. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

# FIDELITY SCORECARD

NOVEMBER 30, 2014

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)		
						Nov	YTD	3 Mo.	1 Year	3 Year	5 Year				
<b>SPECIALTY</b>															
304	FBALX	Balanced		23.37	Buy	1.6	10.7	2.4	12.8	14.8	12.2	0.72	\$20,060		
308	FCV SX	Convertible Securities		33.57	Buy	2.7	9.2	0.7	11.3	16.8	13.0	0.97	2,308		
334	FGBLX	Global Balanced	1.00%/30d	24.99	Hold	0.5	1.0	-2.4	2.4	9.3	7.4	0.81	549		
2120	FFGCX	Global Commodity Stock	1.00%/30d	12.97	Hold	-2.6	-8.2	-14.5	-6.3	-3.3	-1.1	1.79	215		
1960	FDYSX	Global Strategies		9.73	OK to Sell	0.6	4.3	-0.8	5.4	7.7	7.1	0.72	126		
1368	FIREX	International Real Estate	1.50%/90d	10.46	OK to Sell	-0.8	4.8	-3.5	4.9	17.6	9.0	1.58	326		
4	FPURX	Puritan		21.85	Buy	1.8	11.0	2.0	12.8	15.2	12.1	0.75	18,764		
833	FRIFX	Real Estate Income	0.75%/90d	11.95	Hold	0.8	12.3	1.6	12.6	12.4	12.2	0.58	2,671		
303	FRESX	Real Estate Investment	0.75%/90d	40.75	Hold	1.8	28.6	6.0	29.8	17.2	18.3	1.48	4,484		
1329	FSDIX	Strategic Dividend & Income		15.54	OK to Buy	2.0	13.6	2.2	14.9	16.4	14.5	0.74	2,921		
1505	FSRRX	Strategic Real Return	0.75%/60d	9.34	OK to Sell	-0.4	3.5	-2.1	3.7	3.1	5.3	0.55	656		
311	FIUIX	Telecom & Utilities		24.69	Hold	0.4	15.3	1.2	18.1	16.4	16.4	1.16	1,020		
<b>ASSET ALLOCATION</b>															
328	FASIX	Asset Manager 20%		13.75	Hold	0.6	4.5	0.4	4.9	5.7	5.7	0.31	4,957		
1957	FTANX	Asset Manager 30%		10.88	Hold	0.8	5.3	0.4	6.0	7.5	7.0	0.42	781		
1958	FFANX	Asset Manager 40%		11.15	Hold	0.9	5.8	0.4	6.8	9.1	8.1	0.52	817		
314	FASMX	Asset Manager 50%		18.43	Hold	1.0	6.3	0.4	7.7	10.6	9.1	0.62	8,055		
1959	FSANX	Asset Manager 60%		11.88	Hold	1.1	6.6	0.3	8.2	12.0	9.9	0.73	1,256		
321	FASGX	Asset Manager 70%		21.87	Hold	1.2	6.6	0.2	8.6	13.4	10.8	0.84	3,850		
347	FAMRX	Asset Manager 85%		18.31	Hold	1.3	7.0	0.2	9.6	15.5	11.9	1.00	1,352		
<b>EQUITY INDEX</b>															
355	FFNOX	Four-in-One Index		38.30	Hold	1.7	7.7	0.8	9.8	15.6	12.0	0.94	4,043		
2010	FIENX	International Enhanced Index	1.00%/30d	8.59	Hold	0.9	-0.4	-4.1	1.2	12.8	7.1	1.43	84		
1827	FLCEX	Large Cap Core Enhanced Index		12.65	Buy	2.7	14.2	3.6	17.1	21.3	16.1	1.01	357		
1829	FLGEX	Large Cap Growth Enhanced Index		15.75	OK to Buy	3.2	15.1	4.4	18.6	21.0	16.7	1.06	335		
1828	FLVEX	Large Cap Value Enhanced Index		11.46	OK to Buy	2.4	14.3	2.8	17.3	22.5	16.2	1.03	873		
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30d	14.13	OK to Buy	3.1	12.8	3.1	16.1	22.4	18.4	1.17	422		
1282	FNCMX	Nasdaq Composite Index	0.75%/90d	63.84	Hold	3.7	15.9	5.0	19.3	23.7	18.6	1.27	1,254		
2011	FCPEX	Small Cap Enhanced Index	1.50%/90d	12.69	Hold	0.0	3.3	1.0	5.1	19.6	18.0	1.44	419		
650	FUSEX	Spartan 500 Index <sup>4</sup>		73.58	Hold	2.7	13.9	3.7	16.8	20.8	15.9	1.00	7,256		
2341	FPEMX	Spartan Emerging Mkts Index <sup>4</sup>	1.50%/90d	10.07	Hold	-0.9	5.3	-6.1	4.2	4.7	--	1.69	16		
398	FSEMX	Spartan Extended Mkt Index <sup>4</sup>	0.75%/90d	56.04	OK to Buy	1.3	6.6	0.1	9.8	20.2	18.1	1.32	1,966		
2345	FSGUX	Spartan Global ex U.S. Index <sup>4</sup>	1.00%/90d	12.29	Hold	0.1	-0.7	-5.2	0.5	9.2	--	1.42	15		
399	FSIIX	Spartan Int'l Index <sup>4</sup>	1.00%/90d	39.69	Hold	0.5	-1.8	-4.1	-0.1	11.6	6.4	1.44	2,858		
2349	FSCLX	Spartan Mid Cap Index <sup>4</sup>	0.75%/30d	17.75	Hold	2.5	12.8	2.2	16.1	21.0	--	1.14	26		
2353	FRXIX	Spartan Real Estate Index <sup>4</sup>	0.75%/90d	14.71	Hold	2.1	29.2	6.4	29.8	16.8	--	1.49	27		
2356	FSSPX	Spartan Small Cap Index <sup>4</sup>	1.50%/90d	16.75	Hold	0.1	2.1	0.3	4.1	18.3	--	1.47	24		
397	FSTMX	Spartan Total Mkt. Index <sup>4</sup>	0.50%/90d	60.69	Hold	2.4	12.4	3.0	15.4	20.7	16.3	1.04	1,850		
<b>INTERNATIONAL</b>						<b>Category Averages</b>			<b>-0.1</b>	<b>-0.3</b>	<b>-4.2</b>	<b>1.3</b>	<b>11.3</b>	<b>7.7</b>	<b>1.50</b>
309	FICDX	Canada	1.50%/90d	61.58	Hold	1.0	5.6	-6.1	7.1	7.2	6.5	1.15	2,054		
352	FHKCX	China Region	1.50%/90d	34.96	OK to Buy	1.3	3.6	-0.8	4.8	15.0	8.3	1.57	1,362		
325	FDIVX	Diversified International	1.00%/30d	36.70	Hold	1.3	-0.6	-1.7	1.9	13.1	7.4	1.35	13,875		
351	FSEAX	Emerging Asia	1.50%/90d	33.06	Hold	0.1	7.9	-3.1	7.7	9.2	7.8	1.54	1,105		
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	8.85	OK to Sell	-2.5	-3.7	-8.1	-3.3	4.0	5.2	1.64	93		
322	FEMKX	Emerging Markets	1.50%/90d	25.51	Hold	0.3	5.9	-3.1	5.4	6.4	4.1	1.62	2,380		
2374	FEDDX	Emerging Mkts Discovery	2.00%/90d	12.06	Hold	-1.2	-0.7	-7.8	-0.6	9.8	--	1.49	77		
301	FIEX	Europe	1.00%/30d	37.27	Hold	2.6	-4.2	-3.3	-1.4	14.2	6.7	1.53	1,246		
2406	FGILX	Global Equity-Income	1.00%/30d	13.09	OK to Buy	1.8	7.5	0.9	10.4	--	--	--	54		
335	FIVFX	International Cap App	1.00%/30d	17.54	Buy	1.9	4.7	-0.1	7.6	15.8	10.8	1.41	1,186		
305	FIGRX	International Discovery	1.00%/30d	39.42	Hold	1.0	-2.7	-1.5	-0.2	13.2	7.4	1.38	7,521		
1979	FIGFX	International Growth	1.00%/30d	11.21	OK to Buy	1.0	-0.3	-0.5	2.4	12.9	9.9	1.25	645		
818	FISMX	International Small Cap	2.00%/90d	25.31	Hold	-0.1	-5.5	-6.1	-3.6	13.7	10.1	1.50	804		
1504	FSCOX	International Small Cap Opps	2.00%/90d	13.75	Hold	-0.4	-1.5	-6.3	0.4	14.5	12.1	1.26	556		
1597	FIVLX	International Value	1.00%/30d	8.69	Hold	0.6	-4.0	-3.9	-1.7	11.8	4.6	1.43	194		
350	FJPNX	Japan	1.50%/90d	11.38	OK to Sell	-2.7	-5.5	-3.3	-5.6	8.0	4.8	1.52	403		
360	FJSCX	Japan Smaller Companies	1.50%/90d	12.45	OK to Sell	-5.0	-7.4	-7.9	-7.1	14.6	10.5	2.17	389		
349	FLATX	Latin America	1.50%/90d	28.81	OK to Sell	-5.0	-7.8	-18.2	-9.4	-7.5	-4.7	2.04	867		
342	FNORX	Nordic	1.50%/90d	43.72	Hold	0.8	-2.4	-5.1	2.8	19.9	12.4	1.81	488		
94	FOSFX	Overseas	1.00%/30d	39.63	Hold	1.6	-1.6	-2.1	1.3	14.4	7.1	1.41	2,775		
302	FPBFX	Pacific Basin	1.50%/90d	28.28	Hold	-2.2	2.2	-4.5	2.8	14.5	12.4	1.47	675		
2369	FTEMX	Total Emerging Markets	1.50%/90d	11.44	Hold	-1.4	1.7	-6.6	2.3	6.6	--	1.41	43		
1978	FTIEX	Total International Equity	1.00%/30d	8.08	OK to Buy	0.6	-1.3	-2.7	0.5	11.1	6.7	1.31	324		
318	FWWFX	Worldwide	1.00%/30d	25.23	OK to Buy	1.2	2.5	-0.2	5.6	16.6	12.4	1.25	1,547		

# FIDELITY SCORECARD

NOVEMBER 30, 2014

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)
						Nov	YTD	3 Mo.	1 Year	3 Year	5 Year		
<b>SELECT PORTFOLIOS</b>						<b>1.9</b>	<b>9.6</b>	<b>0.6</b>	<b>12.6</b>	<b>19.5</b>	<b>16.0</b>	<b>1.54</b>	
<i>Category Averages</i>													
34	FSAIX	Air Transportation	0.75%/30d	74.15	Buy	9.8	25.8	12.6	26.8	31.2	27.1	1.41	\$545
502	FSAVX	Automotive	0.75%/30d	52.94	Hold↓	3.9	3.5	-1.4	4.3	24.3	17.3	1.73	142
507	FSRBX	Banking	0.75%/30d	26.70	Hold	0.5	5.3	2.9	7.9	23.0	13.4	1.23	617
42	FBIOX	Biotechnology	0.75%/30d	239.90	Hold	2.5	32.0	9.5	33.8	45.6	32.8	2.36	10,453
68	FSLBX	Brokerage & Investment	0.75%/30d	76.43	Hold↓	1.7	3.3	1.3	7.7	24.9	11.4	1.68	605
69	FSCHX	Chemicals	0.75%/30d	149.42	Buy	0.3	4.8	-3.9	9.1	21.0	18.9	1.41	1,646
518	FSDCX	Communications Equipment	0.75%/30d	33.45	Hold	3.3	13.5	3.3	18.2	14.1	11.8	1.75	257
7	FDCPX	Computers	0.75%/30d	84.81	Hold↑	3.8	14.6	3.4	18.4	18.9	17.1	1.64	783
511	FSHOX	Construction & Housing	0.75%/30d	59.37	OK to Sell	3.5	14.1	4.1	18.5	25.6	20.4	1.55	363
517	FSCPX	Consumer Discretionary	0.75%/30d	34.26	Buy	5.0	8.8	6.3	11.6	23.0	20.2	1.26	952
98	FSVLX	Consumer Finance	0.75%/30d	16.57	OK to Buy	2.2	8.3	6.4	11.4	25.0	16.5	1.20	152
9	FDFAX	Consumer Staples	0.75%/30d	102.23	Hold	5.2	17.2	8.2	18.3	18.8	15.7	1.23	2,052
67	FSDAX	Defense & Aerospace	0.75%/30d	120.71	OK to Buy	3.7	3.0	4.7	6.9	20.2	18.8	1.24	833
8	FSELX	Electronics	0.75%/30d	83.86	Buy	4.9	32.9	4.2	41.7	23.4	18.5	1.86	1,985
60	FSENX	Energy	0.75%/30d	47.01	Hold	-10.9	-12.0	-22.6	-10.5	3.4	6.3	1.92	1,923
43	FSESX	Energy Service	0.75%/30d	66.38	OK to Sell↓	-14.2	-19.0	-29.5	-18.8	-0.1	4.3	2.31	749
516	FSLEX	Environment & Alt Energy	0.75%/30d	23.25	Hold↑	2.5	2.0	-0.9	5.4	15.3	10.1	1.27	90
66	FIDSX	Financial Services	0.75%/30d	90.29	OK to Buy	2.8	10.6	4.3	14.1	23.6	10.3	1.36	1,298
41	FSAGX	Gold	0.75%/30d	16.39	Sell	5.0	-8.8	-29.9	-11.8	-30.7	-16.5	3.84	877
63	FSPHX	Health Care	0.75%/30d	236.08	Buy	3.2	32.4	8.0	35.4	36.8	26.9	1.38	8,395
510	FSCGX	Industrial Equipment	0.75%/30d	42.07	OK to Buy↑	1.6	0.5	-0.7	4.9	16.3	15.4	1.48	254
515	FCYIX	Industrials	0.75%/30d	33.54	Buy	2.4	5.4	3.5	10.0	20.8	18.0	1.31	1,148
45	FSPCX	Insurance	0.75%/30d	70.16	Buy	2.4	8.5	3.6	10.5	23.3	16.6	1.20	401
353	FBSOX	IT Services	0.75%/30d	39.11	Hold↓	3.7	5.0	9.3	11.2	23.7	19.7	1.56	904
62	FDSLX	Leisure	0.75%/30d	139.70	Buy	5.5	8.4	6.6	10.4	20.2	20.6	1.41	420
509	FSDPX	Materials	0.75%/30d	82.91	OK to Buy	0.6	0.6	-6.1	4.5	12.8	12.3	1.39	1,126
505	FSHCX	Medical Delivery	0.75%/30d	85.18	Hold	2.1	21.5	5.6	22.8	21.7	19.6	1.27	789
354	FSMEX	Medical Equipment	0.75%/30d	42.17	Buy	3.8	24.7	10.1	26.9	26.9	18.2	1.48	1,864
503	FBMPX	Multimedia	0.75%/30d	85.90	Hold↓	3.4	8.0	4.2	13.3	29.3	23.5	1.24	861
513	FSNGX	Natural Gas	0.75%/30d	34.17	Hold	-8.1	-9.4	-24.2	-8.7	3.8	3.8	1.81	629
514	FNARX	Natural Resources	0.75%/30d	32.52	OK to Sell↓	-9.5	-11.4	-23.9	-10.8	0.6	4.5	1.99	760
580	FPHAX	Pharmaceuticals	0.75%/30d	22.95	OK to Buy	3.6	26.3	8.3	28.9	28.4	22.6	1.13	1,765
46	FSRPX	Retailing	0.75%/30d	91.46	Hold	5.7	9.2	7.2	10.2	24.1	22.1	1.56	810
28	FSCSX	Software & Computer Svcs	0.75%/30d	123.60	OK to Buy↓	2.5	7.4	4.8	14.4	23.7	19.7	1.46	3,043
64	FSPTX	Technology	0.75%/30d	126.28	OK to Buy	2.1	12.1	1.5	18.2	18.7	16.5	1.49	2,748
96	FSTCX	Telecommunications	0.75%/30d	62.97	OK to Buy	1.5	6.4	2.2	9.5	15.9	12.9	1.12	397
512	FSRFX	Transportation	0.75%/30d	96.22	Buy	7.4	32.3	13.7	34.8	29.8	26.0	1.24	1,060
65	FSUTX	Utilities	0.75%/30d	78.31	OK to Sell↑	0.7	20.7	2.4	24.0	17.0	15.7	1.33	1,026
963	FWRLX	Wireless	0.75%/30d	9.77	OK to Buy	2.2	5.0	2.8	9.0	16.0	13.6	1.06	274
<b>SECTOR ETFs</b>													
	FDIS	MSCI Consumer Discretionary		29.09	Buy	5.7	8.5	5.1	11.1	--	--	--	77
	FSTA	MSCI Consumer Staples		29.87	Hold	5.5	16.7	9.7	17.6	--	--	--	182
	FENY	MSCI Energy		23.03	Hold	-9.0	-9.5	-19.4	-6.7	--	--	--	132
	FNCL	MSCI Financials		28.72	OK to Buy	1.8	11.9	4.4	14.1	--	--	--	189
	FHLC	MSCI Healthcare		33.24	OK to Buy	3.3	26.0	9.0	27.2	--	--	--	298
	FIDU	MSCI Industrials		28.90	Buy	2.2	6.6	3.4	11.0	--	--	--	133
	FTEC	MSCI Information Technology		32.15	OK to Buy	4.8	19.6	5.5	24.9	--	--	--	273
	FMAT	MSCI Materials		27.70	OK to Buy	1.0	6.0	-3.6	10.7	--	--	--	82
	FCOM	MSCI Telecomm Services		27.61	OK to Buy	1.5	9.6	3.2	12.5	--	--	--	78
	FUTY	MSCI Utilities		29.69	Sell	0.7	22.5	6.2	24.0	--	--	--	116

## Energy Outlook *cont'd on page 8*

gas are currently in good shape. However, the distinction between oil companies and gas companies has blurred so much it isn't really possible to make a bet on domestic natural gas producers. In effect, this is just another energy fund that moves up and down with global oil prices.

Another problem is that output per

well is still climbing rapidly in the Marcellus shale. That means domestic gas prices could still weaken as pipelines get built and drilling expands.

**Natural Resources (OK to Sell):** Most of this fund's holdings are similar to Energy or Energy Services, but it also includes a 10-20% allocation to metals and mining. Unfortunately, much of it is in gold stocks, which in

the next few years may see even more price weakness than oil. As commodity plays goes, this fund doesn't offer much more diversification than an energy fund, and there's little to be gained risk-wise by mixing in a small allocation of precious metals. Select Chemicals is a better commodities bet; it emphasizes firms that benefit from lower energy and/or feedstock costs, as well as agricultural commodities. ■

# FIDELITY SCORECARD

NOVEMBER 30, 2014

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			SEC %Yield	Dur <sup>2</sup> (Yrs)	Rel Vol (Risk) <sup>1</sup>			
						Nov	YTD	3 Mo.	1 Yr	3 Yr	5 Yr						
<b>TAXABLE BOND</b>						<b>Category Averages</b>			<b>0.5</b>	<b>4.7</b>	<b>0.2</b>	<b>3.9</b>	<b>2.5</b>	<b>3.8</b>	<b>1.55</b>	<b>4.9</b>	<b>0.33</b>
2267	FCONX	Conservative Income Bond		10.04	Buy	0.0	0.3	0.1	0.3	0.8	--	0.18	0.2	0.03			
2208	FCBFX	Corporate Bond		11.50	Buy	0.7	8.1	0.5	7.8	6.2	--	2.78	6.9	0.49			
2423	FGBFX	Global Bond		9.51	OK to Sell	-0.3	1.4	-3.2	1.2	--	--	1.98	6.2	--			
15	FGMNX	GNMA (Ginnie Mae)		11.68	Hold	0.6	6.3	1.5	5.4	2.5	4.0	2.12	3.3	0.30			
54	FGOVX	Government Income		10.53	Hold	0.8	5.3	1.3	4.4	2.1	3.2	1.47	4.7	0.28			
794	FINPX	Inflation-Protected Bond <sup>3</sup>		12.35	OK to Sell	0.4	4.7	-1.4	3.0	0.5	3.5	-0.14	5.7	0.58			
32	FTHRFX	Intermediate Bond		10.99	Buy	0.5	3.7	0.6	3.0	3.0	4.1	1.76	3.8	0.24			
452	FSTGX	Intermediate Gov't Income		10.73	Hold	0.5	3.0	0.8	2.2	1.4	2.4	1.07	3.5	0.20			
2428	FINUX	International Bond		9.31	OK to Sell	-1.0	-1.7	-5.7	-1.8	--	--	1.76	6.5	--			
26	FBNDX	Investment Grade Bond		7.94	Buy	0.6	5.8	0.6	5.4	3.8	5.1	2.56	5.4	0.33			
2622	FJRLX	Limited Term Bond		11.54	Buy	0.3	2.4	0.3	2.1	2.7	4.0	1.40	2.8	--			
662	FFXSX	Limited Term Government		10.09	OK to Buy	0.3	1.6	0.6	1.1	0.8	1.4	0.76	2.5	0.10			
40	FMSFX	Mortgage Securities		11.36	Hold	0.6	6.2	1.4	5.3	3.1	4.2	2.56	3.6	0.27			
450	FSHXB	Short-Term Bond		8.61	Buy	0.2	1.2	0.3	1.0	1.5	1.9	0.83	1.9	0.08			
2415	FSIQX	Sotn Inflation-Protect Index <sup>4</sup>		9.79	OK to Sell	0.4	4.8	-1.4	3.3	--	--	0.10	5.6	--			
1561	FIBIX	Sotn Inter Term Treas Index <sup>4</sup>		11.03	OK to Sell	1.1	6.5	1.5	4.4	2.0	4.3	1.78	6.4	0.48			
1562	FLBIX	Sotn Lnc-Term Treas Index <sup>4</sup>		12.97	OK to Sell	2.7	21.7	3.4	18.8	4.1	7.9	2.68	16.8	1.15			
1560	FSBIX	Sotn Sht-Term Treas Index <sup>4</sup>		10.49	Hold	0.3	1.4	0.6	0.9	0.6	1.4	0.61	2.5	0.11			
651	FBIDX	Sotn US Bond Index		11.76	Hold	0.7	5.8	1.0	5.1	2.8	3.9	1.97	5.2	0.31			
820	FTBFX	Total Bond		10.76	Buy	0.6	5.9	0.8	5.5	4.2	5.4	2.68	5.1	0.32			
<b>HIGH-YIELD BOND</b>						<b>Category Averages</b>			<b>-0.5</b>	<b>4.2</b>	<b>-1.4</b>	<b>4.7</b>	<b>7.8</b>	<b>7.8</b>	<b>4.50</b>	<b>3.8</b>	<b>0.52</b>
38	FAGIX	Capital & Income	1.00%/90d	10.04	Hold	-0.0	7.1	-0.9	8.3	11.6	10.5	3.91	4.1	0.59			
814	FFRHX	Floating Rate High Income	1.00%/60d	9.83	Hold	0.3	1.9	-0.2	2.2	4.4	4.9	3.87	0.3	0.20			
1366	FHIFX	Focused High Income	1.00%/90d	8.86	Hold	-0.5	3.7	-0.8	4.2	7.3	8.1	4.42	3.8	0.46			
2297	FGHNX	Global High Income	1.00%/90d	9.90	Hold	-0.7	3.6	-2.0	4.3	9.0	--	5.24	4.0	0.57			
455	SPHIX	High Income	1.00%/90d	9.19	Hold	-0.5	3.1	-1.3	3.7	9.1	9.0	5.27	3.3	0.53			
331	FNMIX	New Markets Income	1.00%/90d	16.14	Hold	-1.2	8.1	-2.9	8.8	7.2	7.8	5.05	7.3	0.84			
2580	FSAHX	Short Duration High Income	1.00%/90d	9.80	Hold	-0.8	1.1	-1.7	1.4	--	--	4.80	2.5	--			
368	FSICX	Strategic Income		11.02	OK to Buy	-0.2	5.0	-1.0	5.0	5.8	6.2	3.40	4.9	0.44			
<b>MUNICIPAL BOND</b>						<b>Category Averages</b>			<b>0.1</b>	<b>7.5</b>	<b>0.9</b>	<b>7.3</b>	<b>4.4</b>	<b>4.6</b>	<b>1.58</b>	<b>5.8</b>	<b>0.39</b>
434	FSAZX	Arizona Muni Income	0.50%/30d	12.16	OK to Buy	0.3	9.6	1.3	9.3	5.2	5.2	1.84	6.6	0.45			
1534	FCSTX	Calif Limited Term Tax Free <sup>6</sup>	0.50%/30d	10.75	Buy	0.1	3.3	0.2	3.2	2.3	2.6	0.76	3.1	0.18			
91	FCTFX	California Muni Income	0.50%/30d	13.05	OK to Buy	0.2	9.9	1.4	9.8	6.1	6.2	1.76	6.4	0.45			
407	FICNX	Connecticut Muni Income	0.50%/30d	11.78	OK to Buy	-0.0	7.9	0.6	7.7	3.9	4.3	1.80	6.6	0.42			
2578	FCRD	Conservative Income Muni		10.05	Buy	0.0	0.4	0.1	0.5	--	--	0.11	0.8	--			
36	FLTMX	Interm Municipal Income	0.50%/30d	10.54	Buy	0.1	6.3	0.7	6.2	3.7	4.0	1.40	4.9	0.31			
404	FSTFX	Limited Term Muni Income <sup>7</sup>	0.50%/30d	10.73	Buy	0.0	2.4	0.2	2.3	1.9	2.2	0.63	2.8	0.15			
429	SMDMX	Maryland Muni Income	0.50%/30d	11.43	OK to Buy	0.2	8.0	0.9	7.8	3.8	4.2	1.63	6.6	0.41			
70	FDMMX	Mass Muni Income	0.50%/30d	12.47	OK to Buy	0.3	9.2	1.1	9.0	4.8	5.1	1.99	7.2	0.48			
81	FMHTX	Michigan Muni Income	0.50%/30d	12.29	OK to Buy	0.2	8.6	1.2	8.3	4.5	4.7	1.72	5.8	0.39			
82	FIMIX	Minnesota Muni Income	0.50%/30d	11.78	OK to Buy	0.1	6.3	0.7	6.1	3.6	4.1	1.54	5.6	0.34			
37	FHIGX	Municipal Income	0.50%/30d	13.47	Buy	0.1	9.8	1.2	9.7	5.4	5.6	1.94	6.9	0.45			
416	FNJHX	New Jersey Muni Income	0.50%/30d	12.00	OK to Buy	0.1	8.1	0.7	7.7	4.5	4.7	1.99	7.3	0.44			
71	FTFMX	New York Muni Income	0.50%/30d	13.56	OK to Buy	0.1	9.0	1.0	8.9	4.6	4.9	1.77	7.0	0.45			
88	FOHFX	Ohio Muni Income	0.50%/30d	12.19	OK to Buy	0.2	9.3	1.0	9.1	4.9	4.9	2.02	7.2	0.46			
402	FPXTX	Pennsylvania Muni Income	0.50%/30d	11.32	OK to Buy	0.1	8.7	1.0	8.5	4.9	5.0	1.95	6.3	0.43			
90	FTABX	Tax-Free Bond	0.50%/30d	11.66	Buy	0.2	9.9	1.2	9.8	5.6	5.6	2.02	6.9	0.46			

Note: Yields on municipal bond and money market funds are not directly comparable to yields on taxable funds. In muni funds your effective yield will be higher as your tax-bracket increases.

TAXABLE MONEY MARKET FUNDS			Total Return (%)		SEC %Yield	MUNICIPAL MONEY MARKET FUNDS			Total Return (%)		SEC %Yield
			Nov	YTD					Nov	YTD	
55	FDRXX	Cash Reserves	0.00	0.01	0.01	457	FSPXX	California AMT Tax-Free	0.01	0.02	0.01
458	SPAXX	Government MM	0.00	0.01	0.01	418	FCMXX	Connecticut Muni MM	0.00	0.01	0.01
454	SPRXX	Money Market	0.00	0.01	0.01	426	FMSXX	Mass AMT Tax-Free	0.03	0.04	0.01
631	FGMXX	Retirement Gov't MM	0.00	0.01	0.01	74	FDMXX	Massachusetts Muni MM	0.01	0.02	0.01
630	FRTXX	Retirement MM	0.00	0.01	0.01	420	FMIXX	Michigan Muni MM	0.00	0.01	0.01
85	FSLXX	Select MM	0.00	0.02	0.01	10	FTEXX	Municipal Money Market	0.01	0.02	0.01
2543	FLTXX	Treasury MM	0.00	0.01	0.01	417	FNJXX	New Jersey Muni MM	0.00	0.01	0.01
415	FDLXX	Treasury Only MM	0.00	0.01	0.01	423	FSJXX	New Jersey AMT Tax-Free	0.00	0.01	0.01
50	FGRXX	U.S. Gov't Reserves	0.00	0.01	0.01	92	FNXX	New York Muni MM	0.00	0.01	0.01
<b>MUNICIPAL MONEY MARKET FUNDS</b>						422	FSNXX	New York AMT Tax-Free	0.05	0.06	0.01
460	FIMXX	AMT Tax-Free Money Fnd	0.10	0.10	0.01	419	FOMXX	Ohio Muni MM	0.01	0.02	0.01
433	FSAXX	Arizona Muni MM	0.00	0.01	0.01	401	FPTXX	Pennsylvania Muni MM	0.00	0.01	0.01
97	FCFX	California Muni MM	0.00	0.01	0.01	275	FMOXX	Tax-Free Money Market	0.01	0.02	0.01

# FIDELITY SCORECARD

NOVEMBER 30, 2014

Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	SPrice (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) <sup>1</sup>
							Nov	YTD	3 Mo.	1 Year	3 Year	5 Year	
<b>FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS</b>													
Model Portfolios	Annuity Sector Model						2.5	10.1	1.8	13.7	20.3	15.6	1.17
	Annuity Growth Model						2.3	9.9	2.6	12.4	18.0	14.5	1.11
	Annuity Growth & Income Model						1.8	9.4	2.4	11.0	13.9	10.6	0.81
	Annuity Income Model						0.8	6.1	1.1	6.3	6.0	6.2	0.39
9067	FLRQC	Fid VIP Asset Manager	Allocation		17.51	Hold	0.9	6.6	-0.9	8.0	11.0	9.1	0.74
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation		17.82	Hold	1.0	7.0	-1.5	9.1	14.0	10.8	1.01
9069	FJBAC	Fid VIP Balanced	Allocation		19.55	Buy	1.5	10.3	2.2	11.8	14.8	12.0	0.84
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	22.09	Buy	5.1	7.9	6.3	10.7	22.6	19.8	1.26
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	21.22	Hold	4.9	17.0	9.0	18.1	18.5	15.2	1.25
9065	FPDFC	Fid VIP Contrafund	Large Growth		20.81	Hold	2.0	12.0	2.9	15.2	19.4	14.9	1.05
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Growth		16.43	Hold	0.1	2.9	0.9	4.6	19.0	17.3	1.44
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		22.73	Buy	1.6	11.8	2.8	14.7	23.5	18.3	1.14
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	1.00%/60d	8.95	Hold	0.2	5.3	-3.2	4.7	5.9	3.6	1.61
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	15.98	Hold	-10.9	-12.1	-22.7	-10.6	3.3	6.2	1.91
9061	FLOLC	Fid VIP Equity-Income	Large Value		17.33	OK to Buy	1.7	9.1	0.4	11.4	18.5	13.8	0.94
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	10.79	Buy	2.9	10.3	4.4	13.9	23.5	10.2	1.36
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond		10.07	OK to Buy	0.3	0.4p	-0.1	--	--	--	--
9157	FMPAC	Fid VIP FundsManager 20	Allocation		14.06	Hold	0.7	4.0	0.5	4.5	5.0	4.8	0.32
9158	FMPBC	Fid VIP FundsManager 50	Allocation		15.24	Hold	1.2	5.3	0.6	6.7	9.8	8.2	0.63
9197	FMPPC	Fid VIP FundsManager 60	Allocation		14.16	Hold	1.3	5.7	0.6	7.4	11.5	9.3	0.73
9159	FMPCC	Fid VIP FundsManager 70	Allocation		15.47	Hold	1.5	5.7	0.6	7.7	13.0	10.3	0.85
9160	FMPDC	Fid VIP FundsManager 85	Allocation		15.41	Hold	1.7	5.9	0.6	8.4	15.1	11.5	1.00
9062	FMNDC	Fid VIP Growth	Large Growth		20.05	OK to Buy	0.7	12.3	0.6	15.8	19.9	17.5	1.25
9070	FIDNC	Fid VIP Growth & Income	Large Blend		19.71	Buy	2.1	11.0	2.9	13.3	21.3	15.8	1.02
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		20.63	Buy	3.0	12.2	5.1	15.6	21.9	19.5	1.49
9078	FPVDC	Fid VIP Growth Stock	Large Growth		21.81	Buy	2.7	13.2	4.1	16.5	20.9	17.4	1.17
9077	FQBRC	Fid VIP Growth Strategies	Mid Growth		18.09	Buy	3.9	13.5	5.5	16.9	19.0	15.8	1.26
9084	FPDRC	Fid VIP Health Care	Sector	1.00%/60d	33.62	Buy	3.2	32.0	7.9	34.9	36.1	26.5	1.38
9060	FBBLC	Fid VIP High Income	High-Yield Bond		18.01	Hold	-0.7	2.9	-1.7	3.3	8.2	8.5	0.49
9064	FXLVT	Fid VIP Index 500	Large Blend		19.84	Hold	2.6	13.6	3.6	16.4	20.5	15.6	1.00
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	26.01	Buy	2.4	5.5	3.6	10.1	20.6	17.8	1.31
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	1.00%/60d	15.71	Buy	1.9	4.5	-0.1	7.2	15.4	10.5	1.41
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		15.24	Buy	0.5	5.7	0.8	5.0	3.4	4.5	0.33
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	18.41	Buy	0.4	0.6	-6.2	4.5	12.6	12.2	1.39
9071	FNBSJ	Fid VIP Mid Cap	Mid Growth		21.86	OK to Buy	2.8	5.7	-0.4	9.7	16.8	13.8	1.30
9059	FTNJJ	Fid VIP Money Market	Money Mkt		11.37	--	0.0	-0.2	-0.1	-0.3	-0.2	-0.2	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	1.00%/60d	14.84	Hold	1.2	-5.4	-3.0	-2.4	12.7	7.0	1.49
9072	FFWKC	Fid VIP Real Estate	Sector		20.59	Hold	1.8	27.7	5.8	28.4	17.2	18.2	1.46
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		17.43	Buy	-0.2	4.5	-1.1	4.4	5.3	5.7	0.43
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	24.78	Buy	1.8	13.3	1.9	18.9	18.0	15.9	1.45
9173	FVTAC	Fid VIP Telecommunications	Sector	1.00%/60d	13.48	OK to Buy	1.5	6.1	2.0	9.1	16.2	13.1	1.13
9087	FXRRC	Fid VIP Utilities	Sector	1.00%/60d	22.68	OK to Sell↑	0.6	20.3	2.3	23.5	16.8	15.6	1.33
9079	FKMSC	Fid VIP Value	Mid Value		18.18	Buy	1.6	10.5	1.1	12.9	21.4	16.1	1.09
9080	FUEBC	Fid VIP Value Leaders	Large Value		15.02	OK to Buy	3.0	11.3	3.5	14.8	20.1	11.9	1.18
9073	FRBSC	Fid VIP Value Strategies	Mid Value		19.31	OK to Buy	1.6	6.4	-1.8	9.2	20.5	16.4	1.15
9347	FBMEC	Black Rock Global Allocation	Global Allocation		12.01	OK to Sell	1.2	3.4	-1.0	4.6	8.5	6.5	0.78
9349	FTMEC	Franklin Templeton Gobl Bond	Global Bond		11.30	Buy	-0.4	3.4	-0.4	4.5	6.4	6.5	0.74
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't		10.21	Hold	0.3	3.2	0.8	2.7	0.9	2.1	0.22
9285	FIGXC	Invesco Global Core Eqty	Global Stock		11.43	OK to Sell	1.3	2.6	-2.0	4.3	12.0	7.5	1.24
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts		16.06	Hold	-1.7	3.3	-8.0	2.6	6.1	5.4	1.86
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		16.81	Hold	-1.2	5.8	-2.7	6.3	4.7	5.9	0.87
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts		13.20	Hold	-1.4	0.4	-7.3	-1.1	4.6	3.3	1.49
9146	FPRPC	Morgan Stanley Glb Tactical Alloc	Diversified Int'l		12.61	Hold	0.5	3.6	-1.0	4.6	10.6	7.0	0.79
9346	FPMEC	Pimco Commodity Real Return	Commodities		7.84	OK to Sell	-4.5	-9.7	-12.2	-9.7	-7.9	-1.4	1.50
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond		11.47	Buy	0.3	1.3	0.3	1.0	2.3	2.5	0.25
9277	FPNBC	Pimco VIT Real Return	TIPS		12.76	OK to Sell	0.3	5.0	-1.7	3.3	1.2	4.0	0.65
9278	FPOBC	Pimco VIT Total Return	Intermed Bond		12.63	Hold	1.0	4.6	1.0	3.6	4.4	4.3	0.39

Annuity Sector	
Fund	Allocation
VIP Technology	25%
VIP Health Care	18
VIP Industrials	15
VIP Financial Services	15
VIP Cons Discretionary	14
VIP Materials	13
<b>Total Return:</b>	
<b>Nov: 2.5% YTD: 10.1%</b>	

Annuity Growth	
Fund	Allocation
VIP Growth Stock	24%
VIP Growth Opps	23
VIP Growth & Income	20
VIP Value	19
VIP Dynamic Cap App	14
<b>Total Return:</b>	
<b>Nov: 2.3% YTD: 9.9%</b>	

Annuity Growth & Income	
Fund	Allocation
VIP Investment Grade	30%
VIP Growth Opps	28
VIP Growth & Income	22
VIP Value	20
<b>Total Return:</b>	
<b>Nov: 1.8% YTD: 9.4%</b>	

Annuity Income	
Fund	Allocation
VIP Balanced	40%
VIP Investment Grade	33
Pimco VIT Low Duration	27
<b>Total Return:</b>	
<b>Nov: 0.8% YTD: 6.1%</b>	



**FUND UPDATES**

**Equity-Income Funds**

Three years ago, Fidelity made a long-overdue decision to shake up its fleet of equity-income offerings. Under the lead of one of their longest-surviving managers, the credit and housing-market meltdowns wreaked havoc on both the nation's largest financials and these value-oriented big-cap funds. As banks, brokers, etc. are roughly 25% of the

Russell 3000 Value Index (their benchmark), returns were crippled.

Over on Equity-Income, James Morrow led his team, while Scott Offen was made sole manager of

**Equity Dividend Income.** (It was then called Equity-Income II, and was previously a clone of the former).

The changes that were to take place at these funds would echo those already started earlier that year at **Growth & Income.** Under new Manager Matt Fruhan, the new, low

in part, by putting an even greater emphasis on holding higher-quality stocks, especially among the all-important financials sector.) And while not mandated, turnover was also expected to decline thereby mitigating expenses and perhaps increasing yields. As for measuring success, if

THREE-YEAR REPORT CARD									
	Div Yield (%)		Exp Ratio (%)		Rel Vol		Turnover (%)		3-Yr Avg
	2011	2014	2011	2014	2011	2014	2011	2014	Ann Ret (%)
Equity Dividend Inc	3.2	2.9	0.76	0.63	1.18	0.95	28	47	19.4
Equity-Income	3.3	3.2	0.73	0.63	1.18	0.95	36	33	18.7
Growth & Income	2.9	2.5	0.65	0.65	1.10	1.03	129	41	21.8
<b>Russell 3000 Val</b>	<b>1.8</b>	<b>2.3</b>	-	-	<b>1.04</b>	<b>1.04</b>	-	-	<b>21.2</b>
<b>S&amp;P 500</b>	<b>2.2</b>	<b>2.0</b>	-	-	<b>1.00</b>	<b>1.00</b>	-	-	<b>20.9</b>

2011 figures based on most appropriate reporting period. Values based on these funds: <sup>1</sup>Spartan 500 Index and <sup>2</sup>Large Cap Value Enhanced Index.

you only consider the funds' absolute returns, the results have been so-so (see chart). However, on a risk-adjusted basis, things have improved dramatically as their

interest-rate environment demanded that the funds' investment objectives be modified, including placing a higher premium on dividend income and risk reduction. (This would be achieved,

relative volatilities (risk) have fallen (in two cases, by almost 25%!) while their 3-year average annual returns are close to key benchmarks. ■

— John Bonnanzio

**DIVIDEND UPDATE**

All funds are eligible for year-end dividends and/or capital gains in December. As we note on page 4, many stock funds are expected to have fairly large year-end distributions (a concern only for investors holding taxable accounts).

On our members-only website ([www.fmandi.com](http://www.fmandi.com)) you'll find a complete list of Fidelity's estimated year-end distributions, some of which go "ex" as soon as December 5.

The final distributions for November were as follows:

Fund	Ex-Date	\$ Amt	NAV
Muni MM	11/26	0.0001	1.00
MA Muni MM	11/26	0.0001	1.00
Tax-Free MM	11/26	0.0001	1.00
OH Muni MMkt	11/26	0.0001	1.00
NY AMT Tx-F MM	11/26	0.0005	1.00
MA AMT Tx-F MM	11/26	0.0003	1.00
CA AMT Tx-F MM	11/26	0.0001	1.00
AMT Tx-F MM	11/26	0.0010	1.00
Fidelity Fifty	11/26	0.0170	29.75

**Inside Fidelity**

**Manager Changes** — On January 1, 2015, Derek Janssen will become **Small Cap Value** fund's lead manager; Chuck Myers will continue as the closed fund's co-manager. Subsequently, Janssen will assume sole portfolio management responsibility for Small Cap Value with Myers transitioning off of it on January 1, 2016.

While this change may not seem especially significant, it is.

Small-cap stocks are now struggling mightily relative to large-caps. (The Russell 2000 is up just 2.0% versus 14.0% for the large-cap S&P 500.) This means that Fidelity's small-cap team of analysts will have to up their game in order to provide shareholders with superior performance.

To that end, Chuck Myers will continue to lead his **Small Cap Discovery** fund, which was also

closed as assets skyrocketed from \$128 million to nearly \$7 billion, owing to its extraordinary five-year string of returns (2009 through 2013).

While we hold the view that Fidelity's small-cap managers and analysts have long been among the industry's most talented, it's still hard to swim upstream. That's why we currently rate all five of their small-cap offerings **Hold**.

Separately, Kevin Walenta, a former utilities, industrials and energy analyst, is the new manager of **Select Environment & Alternative Energy**. Kevin replaces Anna Davydova who will remain on Fidelity's energy and utilities research team. Coincidentally (or not) Environment & Alt Energy is finally living up to its name, with alternative energy holdings rising from 14% to 86% over the last six months. (See Ratings box on p. 5.) ■

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