

FIDELITY MONITOR & INSIGHT

MARCH 2019

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MESSAGE FROM JACK

Crashing Out Of The E.U. Wouldn't Be So Bad

The mainstream press keeps reminding us that Brexit uncertainty is taking a toll on the U.K. economy. But it may only be a short-term problem. Here's my contrarian take on the matter.



Jack Bowers

Great Britain is leaving the current 28-nation European Union because it can. The U.K. currently runs a significant trade deficit with the E.U., meaning that any new tariffs and trade restrictions resulting from a hard Brexit could cost the E.U. more than the U.K.

(Germany, in particular, could see a sizable decline in auto exports as British luxury buyers embrace non-E.U. brands.) U.K. exports to non-E.U. countries are more than 50% of its total, and should grow faster as new trade agreements get signed in coming months.

Granted, there will be some amount of disruption in the unlikely event that the U.K. crashes out at 11 p.m. (London time) on March 29. But U.K. firms have been preparing for a hard Brexit for months, so predictions of chaos are exaggerated, just as they were in 1999 as the Y2K deadline approached. The U.K. banking system is in good shape and most major E.U. countries are planning to allow U.K. financial firms to operate beyond the end of this month if there is no formal Brexit agreement.

Looking past the media's sensationalism, U.K. and E.U. agencies will likely forge reasonable temporary processes in a no-deal scenario, suggesting the main economic consequence would be small tariffs on autos and parts, aerospace components, and food products. Animal products, sugar and dairy products would get hit harder and may face regulatory and customs barriers as well, but they are only a tiny fraction of total goods and services exports, so the broad impact would be small.

All things considered, the U.K. might see a brief recession that ends as exports to non-E.U. countries begin to grow faster. Stocks around the world have already discounted something worse than that, so we might even see a modest relief rally as a clear plan emerges.

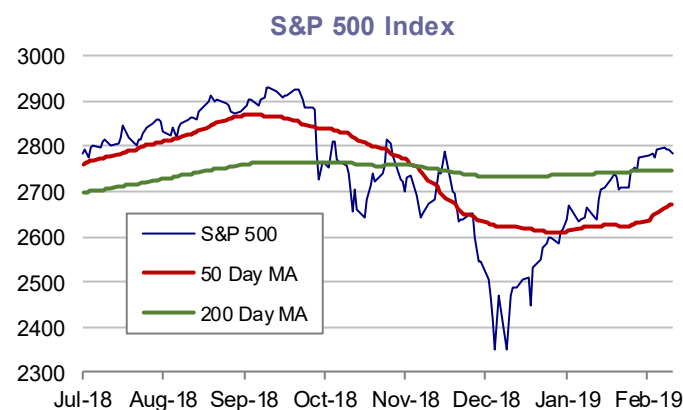
MARKET OUTLOOK

Conflicting Signals From Markets And The Economy

If we look at the performances of the major indexes this year, the future looks bright for stocks. Through Feb 22, the Nasdaq had been up for nine straight weeks. According to Fundamental Capital, historically that has led to positive returns over the next year 83% of the time for both the Nasdaq and the S&P 500. The action in small-cap stocks has similarly suggested good news ahead. The Russell 2000 recently closed above its 200-day moving average after being 20% below that level within the past three months. This scenario has led to positive returns for that index over the next year 80% of the time. The S&P 500 fell 19% from its September 2018 high to its December low and has now rallied back above its 200-day moving average and has stayed there for nine consecutive sessions as of Feb. 25. Since the 1950s there have been 10 similar cases and in each instance the S&P 500 was higher a year later with an average return of 17.1%.



John M. Boyd



Importantly, the rise in the S&P 500 since its Dec. 24 low has been remarkably consistent. During that time the index has risen more than 15% while suffering only two days with losses of more than 1%. This pattern has resulted in positive one year returns 89% of the time.

Lastly, the so-called market internals are strong. The advance/decline line for the New York Stock Exchange (which tracks the cumulative number of advancing

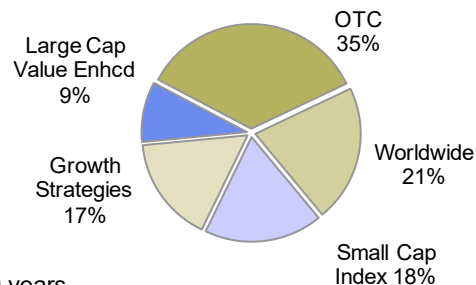
Unique Opportunities Target Risk: 1.20 (Current: 1.13) Foreign Holdings: 11.5% **YTD Return: 13.3%**

Stocks: 98.6% Bonds: 0.0% Cash: 1.5% Alternatives*: 0.0% Yield: 0.7%

Holdings	Ticker	NAV	Shares	Value	Feb Ret
OTC	FOCPX	\$11.26	17,203.39	\$193,710	3.1%
Worldwide	FWWFX	25.66	4,539.80	116,491	3.9
Small Cap Index	FSSNX	20.17	4,957.80	99,999	5.2
Growth Strategies	FDEGX	43.41	2,073.63	90,016	4.8
Large Cap Value Enhcd	FLVEX	12.64	4,050.85	51,203	2.7

Current Value (3/31/99 = \$100,000) \$551,419 3.9%

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



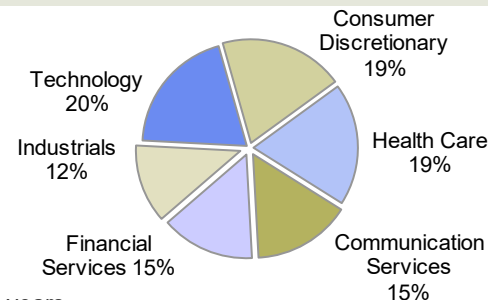
Select Target Risk: 1.20 (Current: 1.14) Foreign Holdings: 5.5% **YTD Return: 13.2%**

Stocks: 99.5% Bonds: 0.0% Cash: 0.7% Alternatives*: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Feb Ret
Technology	FSPTX	\$15.45	53,066.26	\$819,874	7.3%
Consumer Discretionary	FSCPX	44.32	18,012.17	798,299	1.4
Health Care	FSPHX	24.48	32,192.14	788,064	0.8
Communication Services	FBMPX	74.87	8,388.24	628,027	0.7
Financial Services	FIDSX	9.65	62,010.61	598,402	3.0
Industrials	FCYIX	33.84	14,946.14	505,777	6.6

Current Value (12/31/88 = \$100,000) \$4,138,444 3.1%

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



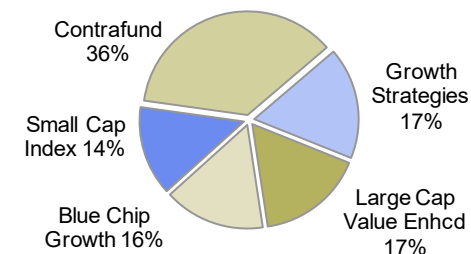
Growth Target Risk: 1.00 (Current: 1.08) Foreign Holdings: 5.2% **YTD Return: 13.1%**

Stocks: 97.7% Bonds: 0.0% Cash: 2.3% Alternatives*: 0.0% Yield: 0.7%

Holdings	Ticker	NAV	Shares	Value	Feb Ret
Contrafund	FCNTX	\$12.23	85,693.07	\$1,048,026	2.4%
Growth Strategies	FDEGX	43.41	11,514.05	499,825	4.8
Large Cap Value Enhcd	FLVEX	12.64	37,538.40	474,485	2.7
Blue Chip Growth	FBGRX	95.31	4,714.97	449,383	3.4
Small Cap Index	FSSNX	20.17	19,878.77	400,955	5.2

Current Value (12/31/86 = \$100,000) \$2,872,675 3.4%

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



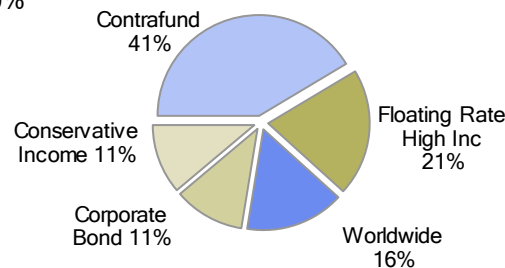
Growth & Income Target Risk: 0.66 (Current: 0.69) Foreign Holdings: 24.3% **YTD Return: 7.8%**

Stocks: 54.4% Bonds: 22.3% Cash: 4.0% Alternatives*: 19.4% Yield: 2.0%

Holdings	Ticker	NAV	Shares	Value	Feb Ret
Contrafund	FCNTX	\$12.23	23,816.76	\$291,279	2.4%
Floating Rate High Inc	FFRHX	9.52	15,089.25	143,650	1.6
Worldwide	FWWFX	25.66	4,329.01	111,082	3.9
Corporate Bond	FCBFX	11.22	7,066.65	79,288	0.5
Conservative Income	FCONX	10.03	7,850.53	78,741	0.3

Current Value (12/31/93 = \$100,000) \$704,040 2.0%

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



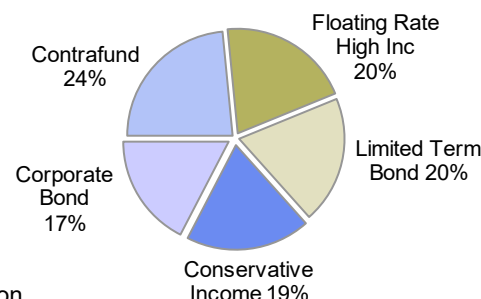
Income Target Risk: 0.33 (Current: 0.35) Foreign Holdings: 26.1% **YTD Return: 4.4%**

Stocks: 22.3% Bonds: 53.9% Cash: 3.9% Alternatives*: 19.9% Yield: 2.9%

Holdings	Ticker	NAV	Shares	Value	Feb Ret
Contrafund	FCNTX	\$12.23	7,731.81	\$94,560	2.4%
Floating Rate High Inc	FFRHX	9.52	8,599.33	81,866	1.6
Limited Term Bond	FJRLX	11.38	6,963.43	79,244	0.4
Conservative Income	FCONX	10.03	7,684.01	77,071	0.3
Corporate Bond	FCBFX	11.22	6,259.76	70,235	0.5

Current Value (12/31/91 = \$100,000) \$402,975 1.1%

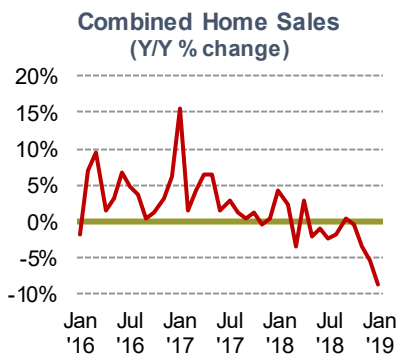
For members needing income and protection of their purchasing power against inflation.



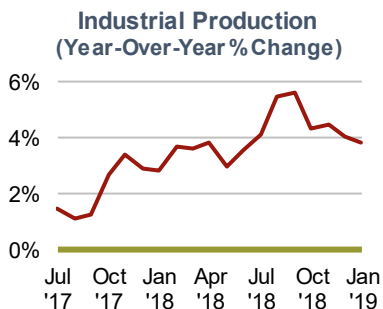
stocks less declining stocks, showing the “breadth” of the market’s advance) recently made a new all-time high. Another breadth indicator, the ratio of stocks making new highs to those making new lows has been similarly in a strong uptrend. After President Trump announced a delay in the March 1 deadline for a trade deal with China, citing real progress in the negotiations, that ratio hit a lofty 15:1, indicating strong demand for stocks.

But Economic Data Softens

However, while the market action points toward further gains in stocks, the economic picture is showing some cracks. Orders for non-defense capital goods (ex-aircraft) — a proxy for business investment — have fallen in five of the past six months. Home sales have been in a downtrend for some



time and combined sales of new and existing homes in January were 9% lower than a year ago. Industrial production fell in January for the



FUNDS YOU SHOULD BUY NOW

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

Growth & Income: **Large Cap Value Enhanced** holds attractively valued stocks, such as financials and health care, which also helps to boost its yield well above the S&P 500 (3.1% vs. 2.2%).

International: **Worldwide** provides mostly (58%) large-cap U.S. exposure. As for the remainder, 38% is foreign equities with most of that (26%) in European equities, including about 8% in the U.K. (See p. 1.)

High-Yield: **Floating Rate High Income**’s portfolio of lower-quality bank loans drive its 5.5% yield, however, credit risk is substantial.

Taxable Bond: **Conservative Income Bond** limits interest-rate risk with its extremely short duration; **Limited-Term Bond** reaches a bit further for yield with more rate-risk, while **Corporate Bond** boosts its yield with lower-credit and more interest-rate-sensitive bonds. (See p. 4.)

Muni Funds: Tax-equivalent yields are currently attractive. ■

first time in eight months and the year/year change has been slowing for several months. Retail sales (ex-autos) fell a sharp 1.8% in December, the biggest monthly decline in 10 years. Last but not least, the 3-month moving average of the Chicago Fed National Activity Index, composed of 85 different economic indicators, slipped over into negative territory in January for the first time in 16 months.

Indeed, GDP for the fourth-quarter of 2018 came in at 2.6%, down from the 3rd-quarter’s 3.4%. And the first-quarter of 2019 is expected to slow further. As a result, corporate earnings forecasts for 2019 continue to be reduced at a quickening pace.

Who Is Telling The Right Story?

So are the markets telling us the right story, that stocks will continue to move higher this year? Or is the recent economic slowdown signaling a coming recession and a bear market?

Put me on the side of the markets. Yes we are in the midst of an economic slowdown, but I don’t see it morphing into a recession this year. The employment picture remains strong, consumer confidence rebounded in February as the markets recovered and the government shutdown ended. And business investment, which has been hampered by trade uncertainties, should pick up if a deal with China is reached.

In fact, I would argue that we should probably welcome the slowdown as it could serve to keep the Fed on the sidelines and the expansion continuing further.

That said, do not be complacent. A quiescent Fed and a positive resolution on trade are likely largely baked-in to current prices, so the risk of a near-term paring of this year’s gains is not insignificant. But, unless that is accompanied by worsening economic news — particularly around employment — be prepared to ride it out. ■

— John M. Boyd

Model Portfolios Key:

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

BOND FUNDS

Waning Inflation Fears Aid Bonds

Until this past week, upward pressure on interest rates this year was modest. That's the good news. The bad news is why: slowing global growth is easing inflationary pressures. In the U.S., where the economy is still robust, Fed chief Jerome Powell acknowledges that the economy is sending "conflicting signals." So in the interest of doing the economy no harm, the Fed has put the brakes on further rate hikes and has altered its plans to shed its roughly \$4 trillion bond portfolio.

Here's what's so perplexing: With the economy in the late stages of recovery, low employment and rising wages go hand-in-hand with that healthy consumer backdrop.

However, U.S. inflation is a relatively tame 1.6% (for the 12 months ending January 2019), That's its lowest read since June 2017. And it's well below the Fed's long-term target of 2% inflation.

Hypotheses abound as to how this can be. Some cite monetary policy, others the emergence of low-cost frontier markets, and still others credit technology and the ability to create abundance out of scarcity.

Granted, there are data warranting concern (such as a 3.1% rise in hourly compensation which is pushing home-construction costs higher). Whatever the reasons, low U.S. inflation and fourth-quarter GDP growth of 2.6% don't typically go hand-in-hand!

While the benchmark 10-year Treasury yield jumped 10 basis points in February to 2.73%, most of that occurred in the final two days of the month amid better-than-expected (though slowing) GDP growth. Otherwise, its yield is up a more tepid 4 basis points this year.

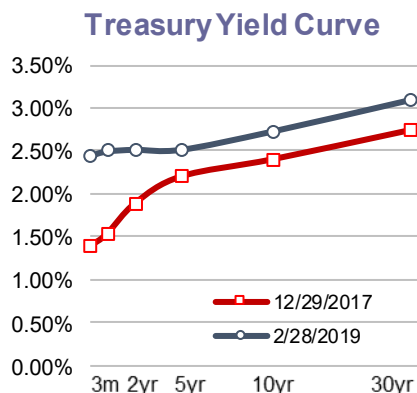
In turn, **Intermediate Treasury Index** rose 0.2% this year while **U.S. Bond Index** (a proxy for the bond market whose holdings include

governments, corporates and mortgages) is up 0.9%.

How To "Play" Bonds

As noted, slowing GDP growth is a powerful deflationary force. Nevertheless, Newton's Third Law (for every action, there is an equal and opposite reaction) is alive and well. And it suggests that after years of stagnation, real (inflation-adjusted) wage growth may finally be at hand.

A tight labor market gets most of the credit. But changing political currents (the view that rising economic tides have not lifted all "boats" equally) also plays a role. For example, minimum wage work-



ers have been securing significant salary increases, and in the private sector, paid family leave has gained traction. Even millions of contract workers are making strides in winning labor rights. Should this lead to higher overall inflation, and perhaps an unanticipated hike in rates, our bond outlook (and our fund ratings) would change. But for now, here's our take on bonds — see *Scorecard* on p. 9 for fund ratings.

Gov't vs Credits

U.S. government bonds, including Treasuries, yield less than corporates (credits) because there's less default risk. This is also the case with most municipal bonds. But with the U.S. economy strong and interest rates low, there's unlikely to be a significant increase in corporate defaults this year. As such, in comparing funds of similar interest-rate

risk (the measure we use is duration), we prefer credits over government bonds. Here's an example: **Limited Term Gov't** and **Limited Term Bond** have very similar rate-risk (durations are 2.6 and 2.4 years, respectively). However, the former yields 2.16% whereas the latter yields 2.89%.

And, while we're on the subject, **Limited Term Muni Income's** duration is 2.8 years and yields 1.62%. However, because the fund's income is federally tax-free (and in some places, may be partially free of state and local taxes, too), its tax-equivalent yield is substantially higher: roughly 2.1% for investors in the 22% tax bracket but as much as 2.74% for top (37%) bracket investors.

Short vs Longer-Term

As noted, interest-rate-risk may be transient this year. On the shorter-end of the yield curve, it's clear for the time-being that the Fed has no plans to raise rates until such time that it can do so without fear that it (with the help of the global slowdown) will throw the U.S. economy into a recession. As such, the very short **Conservative Income** is rated *Buy*. **Short-Term Bond** and other moderately low-duration funds are rated *OK to Buy*. As well, we're pretty comfortable with intermediate funds such as those mentioned above, and for those who can handle more rate-risk, **Intermediate Bond** and the like will also serve you well.

Where we are apprehensive is with Fidelity's **Inflation-Protected Index** (it may make sense in the future, but not right now), whereas **Long-Term Treasury Index** is almost as volatile (risky) as a stock fund with far less upside potential.

Finally, high-yield funds (which hold credit-challenged corporates and sovereign debt) pose their own unique challenges for investors. We'll cover them in next month's newsletter. ■

— John Bonnanzio

FUND COMMENTARY

Stocks, Bonds Head North For Winter

It all began in the last week of December: U.S. share prices started to recover after skittish investors had sent some indexes into correction territory during the preceding two-month period. Since bottoming on December 24, many equity benchmarks have since moved closer to wiping away last year's declines. Notably, it's been the strongest start for stocks since 1987.

That said, the most bullish investors haven't been "mom and pops," pension funds or even mutual funds. The biggest bulls are corporations who, last year, repurchased nearly \$1 trillion worth of their own stock.

Thanks to 2018's strong earnings (aided by tax cuts), companies are still flush with cash. And while some is being reinvested (to fuel future growth), in February, Bernie Sanders and Marco Rubio made for strange political bedfellows as they both took aim at buybacks — a practice that provides preferential tax treatment to shareholders.

Share repurchases also improve a company's financials by decreasing outstanding shares (boosting its earnings-per-share) and ultimately exerts upward pressure on its own share price. With that in mind, there's ample evidence that arm-chair investors are returning to the market. And, for those who have, they've got plenty to crow about.

Market Indexes

For starters, small-cap stocks outpaced their larger-cap cousins for a second month in a row. As measured by the Russell 2000, they gained 5.2% in February versus 4.0% for the Dow Industrials and 3.2% for the S&P 500. The Russell Midcap was also a strong performer



John Bonnanzio

having gained 4.3%.

Elsewhere, the tech-rich Nasdaq Composite continued to plough ahead in February with a gain of 3.6%; it's now up 13.7% for the year. Still, that's a bit less than small caps which have surged 17.0% this year, versus more "modest" gains of 11.6% and 11.5%, respectively, for the Dow and S&P 500.

Stock Funds

Echoing the performance of their respective benchmarks, Fidelity's small- and mid-cap funds were typically February's best performers: four of the top five were small caps gaining in excess of 5% apiece. **Growth Strategies** and **Stock Selector Mid Cap** were also among last month's elite as both mid-cap funds gained 4.8%.

As for Fidelity's biggest equity funds, the tech-rich (and closed) **Growth Company** rose 5.2% in February and leads its large-cap growth peers with a year-to-date gain of 16.4%. **Contrafund** (up 2.4%) trailed the S&P 500 last month, but it's beating its benchmark for the year-to-date (up 12.1% vs 11.5%). For its part, the eclectic **Low-Priced Stock** gained 2.3% last month and is now up 10.9% for the year.

As we went to press, *The Wall St. Journal* is reporting that an "obscure fee" charged by Fidelity to third-party fund companies for the right to distribute their offerings on Fidelity's FundsNetwork platform, has caught the attention of federal regulators. Of central concern is whether a purported fee of 0.15% is being absorbed by the fund companies themselves, or if it's being passed to fund shareholders in the form of higher, undisclosed fees. Note: This matter does not affect Fidelity funds. ■

Select Funds

Waning concerns over a global supply glut propelled oil prices up over 6% last month (and 25% for the year), though **Select Energy Service** rose a more modest 3.7%.

With the U.S. dollar strengthening 1% in February, dollar-denominated gold was pulled lower in overseas markets; it ended the month at \$1,314 an ounce (a decline of 1.3%). **Select Gold** followed suit slipping 0.8%.

Bond Funds

The benchmark 10-year Treasury finished February yielding 2.73%, up from 2.63% a month earlier (see facing page). ■

— John Bonnanzio

March Scorecard Rating Changes

Fund	Ratings		Comments
	Old	New	
Founders Fund	--	B	See new fund profile beginning on p. 11.
Gblal Commodity Stk	S	H ↑	Commodity prices rising amid US-China trade optimism.
Global Credit	S	H ↑	Low-to-falling interest rates improve sector's prospects.
Int'l Real Estate	S	H ↑	Low-to-falling interest rates improve sector's prospects.
Lazard Ret EM Equity	S	H ↑	Downward pressure has abated amid dollar weakness.
Mid Cap Value	S	H ↑	Improving outlook for this area of market.
MS Emg Mkt Debt	S	H ↑	Downward pressure has abated amid dollar weakness.
MSCI Real Estate	S	H ↑	Low-to-falling interest rates improve sector's prospects.
New Markets Income	S	H ↑	Downward pressure has abated amid dollar weakness.
Pimco Commod RR	S	H ↑	Commodity prices rising amid US-China trade optimism.
Real Estate Index	S	H ↑	Low-to-falling interest rates improve sector's prospects.
Real Estate Invest	S	H ↑	Low-to-falling interest rates improve sector's prospects.
Value	H	B ↑	Improving outlook for this area of market.
VIP Real Estate	S	H ↑	Low-to-falling interest rates improve sector's prospects.

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

FEBRUARY 28, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) ¹
					Feb	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	
Comparative Indexes		S&P 500	2784.5		3.2	11.5	1.4	4.7	15.3	10.7	16.7	8.3	1.00
		Nasdaq Composite	7532.5		3.6	13.7	3.1	4.7	19.6	13.1	19.9	10.2	1.22
		Dow Jones Industrials	25916.0		4.0	11.6	2.0	6.0	19.0	12.4	16.8	8.9	1.02
		Russell 2000 (Small Caps)	1575.6		5.2	17.0	3.1	5.6	16.7	7.4	16.6	8.3	1.45
		Barclays Aggregate Bond*			-0.1	0.9	2.8	3.1	1.6	2.3	3.6	1.9	0.25
Model Portfolios		Unique Opportunities			3.9	13.3	3.3	-2.5	13.1	6.8	15.8	8.6	1.13
		Select			3.1	13.2	2.5	1.2	15.6	9.9	17.1	9.5	1.14
		Growth			3.4	13.1	3.4	2.0	14.9	8.8	15.3	7.5	1.08
		Growth & Income			2.0	7.8	2.8	0.6	10.7	7.1	11.9	6.6	0.69
		Income			1.1	4.4	2.4	0.1	4.8	3.5	6.8	4.2	0.35
											Rel Vol (Risk) ¹	Assets (\$Mil)	
LARGE CAP GROWTH					Average	3.3	12.6	3.0	3.7	17.4	10.4	17.7	1.17
312	FBGRX	Blue Chip Growth	95.31	Buy	3.4	13.5	6.8	8.1	20.9	12.9	20.0	1.20	\$20,804
307	FDCAX	Capital Appreciation	33.06	Hold	3.7	11.4	1.8	1.4	13.6	8.0	16.9	1.12	4,625
22	FCNTX	Contrafund	12.23	Buy	2.4	12.1	3.3	2.7	17.2	11.1	16.8	1.15	91,254
3	FFIDX	Fidelity Fund	44.28	Hold	2.6	10.1	0.6	-0.3	13.4	8.9	15.0	1.00	3,865
333	FTQGX	Focused Stock	23.47	Buy	4.4	12.4	3.6	11.3	19.7	9.7	17.5	1.18	2,659
25	FDGRX	Growth Company (Closed)	18.64	Buy	5.2	16.4	5.6	2.9	22.2	13.3	20.1	1.39	27,284
339	FDSVX	Growth Discovery	35.05	Buy	3.9	12.8	3.7	6.4	18.8	11.1	18.2	1.13	1,581
73	FDFFX	Independence	34.53	Hold	3.0	12.0	1.5	0.2	14.1	6.0	16.1	1.17	3,295
1829	FLGEX	Lrge Cap Growth Enhcd Index	18.95	OK to Buy	2.9	12.3	2.7	4.2	16.0	11.5	17.3	1.11	1,073
2826	FSPGX	Lrge Cap Growth Index	14.66	OK to Buy	3.6	12.9	3.2	6.6	--	--	--	--	1,840
21	FMAGX	Magellan	10.02	Hold	2.9	11.7	1.5	1.4	15.1	10.1	15.9	1.12	14,506
1282	FNCMX	Nasdaq Composite Index	97.91	OK to Buy	3.7	13.8	3.1	4.5	19.3	12.9	19.6	1.22	6,187
300	FMLX	New Millennium	34.75	Hold	2.5	11.3	1.7	2.8	15.1	7.2	16.9	1.03	3,147
93	FOCPX	OTC	11.26	Buy	3.1	13.2	3.9	2.9	22.4	13.4	21.3	1.35	12,144
320	FDSX	Stock Selector All Cap	43.51	OK to Sell	3.3	13.2	2.2	1.1	15.3	8.9	15.8	1.11	8,264
5	FTRNX	Trend	97.36	OK to Buy	3.1	12.4	2.7	3.3	17.1	10.9	18.5	1.18	1,809
LARGE CAP BLEND					Average	3.2	11.7	1.0	3.5	13.9	8.9	16.0	1.03
2328	FXAIX	500 Index	97.10	Hold	3.2	11.5	1.4	4.7	15.3	10.7	16.7	1.00	179,240
315	FDEQX	Disciplined Equity	33.81	Hold	2.5	10.9	-0.4	-0.6	10.9	7.4	13.4	1.03	1,136
330	FDGFX	Dividend Growth	28.18	OK to Buy	2.4	11.3	0.3	3.0	12.3	8.2	16.8	0.95	5,686
332	FEXPX	Export and Multinational	20.08	OK to Buy	2.2	11.0	0.1	2.7	12.1	8.5	14.1	0.98	1,393
3336	FIFNX	Founders Fund		OK to Buy	--	--	--	--	--	--	--	--	8
27	FGRIX	Growth & Income	37.58	Hold	3.6	12.3	0.8	3.0	14.2	8.5	15.6	1.08	5,843
1827	FLCEX	Lrge Cap Core Enhcd Index	14.63	Buy	2.9	10.8	1.1	4.6	15.0	10.2	16.0	0.99	804
338	FLCSX	Large Cap Stock	30.58	Hold	3.8	13.3	1.1	2.8	15.6	8.2	18.2	1.16	2,725
361	FGRTX	Mega Cap Stock	15.03	Hold	3.3	11.3	0.4	3.4	14.2	8.7	16.3	1.03	1,509
2361	FSKAX	Total Market Index	79.36	OK to Buy	3.5	12.4	2.0	5.0	15.5	10.1	16.8	1.04	43,888
2941	FITLX	U.S. Sustainability Index	11.92	NA	3.7	11.5	2.0	6.6	--	--	--	--	107
3231	FNILX	Zero Large Cap Index	9.63	Hold	3.2	11.6	1.6	--	--	--	--	--	420
3227	FZROX	Zero Total Market Index	9.87	OK to Buy	3.6	12.4	2.0	--	--	--	--	--	2,471
LARGE CAP VALUE					Average	2.5	10.9	0.5	1.2	11.4	7.2	14.8	1.03
1271	FBCVX	Blue Chip Value	18.93	Hold	1.0	7.8	-1.7	-1.3	9.8	7.0	13.5	1.01	479
319	FEQTX	Equity Dividend Income	24.26	OK to Buy	2.3	10.6	0.3	0.8	11.3	7.6	14.3	0.98	4,727
23	FEQIX	Equity-Income	56.26	OK to Buy	2.8	10.4	0.6	2.6	12.1	7.1	14.4	0.99	5,125
1828	FLVEX	Lrge Cap Value Enhcd Index	12.64	Buy	2.7	10.8	0.2	3.0	13.4	8.7	15.2	1.01	3,741
2830	FLCOX	Lrge Cap Value Index	12.07	Hold	3.3	11.2	0.6	3.2	--	--	--	--	1,618
708	FSLVX	Stock Sel Large Cap Value	19.46	Hold	2.8	10.8	0.6	2.9	11.0	7.2	13.7	0.99	826
832	FVDFX	Value Discovery	27.48	OK to Buy	1.8	9.2	-0.2	-0.2	10.3	7.2	15.1	0.94	2,223
14	FSLSX	Value Strategies	35.16	OK to Sell	3.4	16.1	3.3	-1.5	11.5	5.7	17.4	1.26	328
MID-CAP GROWTH					Average	4.8	14.3	4.4	3.0	12.0	8.8	15.7	1.05
324	FDEGX	Growth Strategies	43.41	Buy	4.8	14.3	4.4	3.0	12.0	8.8	15.7	1.05	2,398
MID-CAP BLEND					Average	4.2	15.4	3.8	5.1	14.8	7.9	17.1	1.16
2365	FSMAX	Extended Market Index	62.22	Buy	5.0	17.1	4.6	6.8	16.7	8.0	17.6	1.30	22,973
2012	FMEIX	Mid Cap Enhanced Index	14.44	OK to Buy	3.6	15.1	4.4	2.1	12.8	8.0	17.0	1.15	1,170
2352	FSMDX	Mid Cap Index	21.53	OK to Buy	4.3	15.6	4.2	5.7	14.5	8.6	--	1.15	8,628
337	FMCSX	Mid-Cap Stock	34.00	OK to Buy	2.8	11.6	1.9	4.7	14.7	7.2	17.3	0.99	5,264
2412	FSSMX	Stock Selector Mid Cap	35.13	OK to Buy	4.8	16.6	3.9	6.1	15.3	7.9	16.4	1.21	573
3230	FZIPX	Zero Extended Market Index	9.47	Buy	4.9	16.5	3.7	--	--	--	--	--	254
MID-CAP VALUE					Average	3.0	14.0	2.4	-1.7	10.3	6.1	16.4	1.13
316	FLPSX	Low-Priced Stock ⁵	48.11	Buy	2.3	10.9	1.8	-0.8	10.9	6.6	15.9	0.95	25,178
762	FSMVX	Mid Cap Value	21.82	Hold↑	2.8	14.4	2.2	-3.4	9.1	5.9	16.6	1.15	1,464
39	FDVLX	Value	10.15	OK to Buy↑	3.9	16.7	3.2	-0.8	11.0	5.6	16.9	1.28	6,230

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

FIDELITY SCORECARD

FEBRUARY 28, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	Assets (\$Mil)	
					Feb	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
SMALL CAP GROWTH					Average	6.2	19.3	6.5	8.7	22.3	11.5	19.6	1.40	
1388	FCPGX	Small Cap Growth (Closed)	25.29	Buy	6.2	19.3	6.5	8.7	22.3	11.5	19.6	1.40	\$2,821	
SMALL CAP BLEND					Average	4.5	16.6	3.9	4.4	13.3	6.8	16.8	1.37	
384	FSCRX	Small Cap Discovery (Closed)	22.58	OK to Buy	3.0	15.3	4.1	0.4	10.4	5.6	18.6	1.29	3,025	
2011	FCPEX	Small Cap Enhanced Index	12.57	Buy	5.8	17.8	4.3	4.0	12.7	6.8	16.2	1.49	701	
2358	FSSNX	Small Cap Index	20.17	Buy	5.2	17.0	3.1	5.7	16.9	7.6	--	1.45	7,760	
340	FSLCX	Small Cap Stock	16.39	Buy	3.4	16.7	4.5	5.6	12.2	7.6	15.9	1.30	1,501	
336	FDSCX	Stock Selector Small Cap	23.19	Buy	5.0	16.1	3.8	6.3	14.2	6.6	16.5	1.32	1,046	
SMALL CAP VALUE					Average	3.7	12.8	0.3	-1.5	10.0	6.8	16.9	1.18	
1389	FCPVX	Small Cap Value	14.82	Hold	3.7	12.8	0.3	-1.5	10.0	6.8	16.9	1.18	1,656	
SPECIALTY														
308	FCVSV	Convertible Securities	27.86	Hold	2.9	11.0	5.6	8.5	11.1	4.0	13.8	0.72	1,345	
2624	FARNX	Event Driven Opportunities	11.63	Hold	4.4	10.9	-1.3	-12.6	10.5	6.0	--	1.32	238	
2120	FFGCX	Global Commodity Stock	12.41	Hold	1.5	10.8	4.8	-2.3	15.0	-0.8	--	1.35	383	
122	FLVCX	Leveraged Company Stock	28.44	Hold	4.3	18.8	7.1	-2.3	12.8	4.9	16.9	1.39	1,967	
1329	FSDIX	Strategic Dividend & Income	14.69	Hold	2.5	9.1	1.9	6.7	10.6	7.7	15.1	0.74	2,918	
1505	FSRRX	Strategic Real Return	8.25	OK to Sell	1.0	5.4	1.6	2.8	5.2	0.7	5.9	0.44	218	
311	FIUIX	Telecom & Utilities	26.08	Hold	2.7	6.2	0.6	15.2	11.5	8.3	13.1	0.89	1,003	
REAL ESTATE														
1368	FIREX	International Real Estate	11.69	Hold	0.1	8.9	6.7	3.7	10.9	6.1	13.4	0.96	236	
833	FRIFX	Real Estate Income	11.93	Hold	0.8	6.3	3.0	10.3	8.2	6.4	12.7	0.52	2,638	
2355	FSRNX	Real Estate Index	16.10	Hold	0.9	12.4	2.8	20.7	7.8	8.4	--	1.32	1,802	
303	FRESX	Real Estate Investment	43.22	Hold	1.1	12.5	3.0	20.3	8.1	9.0	19.4	1.30	4,010	
ASSET ALLOCATION														
328	FASIX	Asset Manager 20%	13.06	Hold	0.5	3.0	2.0	2.0	4.6	3.0	6.1	0.28	4,761	
1957	FTANX	Asset Manager 30%	10.80	Hold	0.8	4.3	2.4	1.7	5.9	3.7	7.6	0.37	1,476	
1958	FFANX	Asset Manager 40%	11.31	Hold	1.1	5.3	2.3	1.4	7.0	4.2	8.8	0.46	1,588	
314	FASMX	Asset Manager 50%	17.50	Hold	1.4	6.5	2.5	0.8	8.1	4.7	10.0	0.56	8,781	
1959	FSANX	Asset Manager 60%	12.09	Hold	1.7	7.7	2.5	0.3	9.2	5.1	10.9	0.66	2,645	
321	FASGX	Asset Manager 70%	21.16	Hold	2.0	8.8	2.5	-0.2	10.3	5.6	12.0	0.76	4,831	
347	FAMRX	Asset Manager 85%	18.54	Hold	2.4	10.5	2.5	-0.8	11.9	6.3	13.4	0.91	2,263	
304	FBALX	Balanced	22.52	Buy	2.3	9.1	2.5	3.4	11.0	7.2	12.5	0.74	23,788	
355	FFNOX	Four-in-One Index	44.37	Hold	2.7	9.9	2.7	2.2	11.9	6.9	13.0	0.82	5,988	
4	FPURX	Puritan	21.16	Buy	2.1	7.9	1.8	2.0	10.7	7.1	12.4	0.73	21,065	
INTERNATIONAL					Average	2.3	10.0	4.6	-7.0	11.3	4.2	11.5	1.16	
309	FICDX	Canada	50.18	Hold	3.3	14.6	6.4	4.4	10.3	2.1	8.7	1.13	922	
352	FHKCX	China Region	33.99	Hold	4.7	15.3	10.2	-7.6	18.2	6.4	13.5	1.51	1,124	
325	FDIVX	Diversified International	34.62	OK to Buy	3.6	9.4	3.3	-7.1	7.3	2.3	9.9	1.03	9,020	
351	FSEAX	Emerging Asia	40.94	Hold	3.6	10.7	8.2	-6.2	16.3	7.6	11.5	1.32	1,009	
2053	FEMEX	Emerg Europe, MidEast, Africa	9.36	Hold	-2.6	6.8	4.3	-12.5	14.9	2.8	10.0	1.48	94	
322	FEMKX	Emerging Markets	29.76	Hold	1.9	11.8	8.0	-9.8	14.7	5.3	11.2	1.30	3,231	
2374	FEDDX	Emerging Mkts Discovery	13.33	Hold	1.3	9.0	7.2	-14.4	12.7	4.3	--	1.27	207	
2344	FPADX	Emerging Markets Index	10.38	Hold	-0.3	8.8	5.8	-9.4	14.9	4.7	--	1.34	2,281	
301	FIEUX	Europe	34.77	OK to Buy	3.4	10.7	3.9	-7.6	6.9	0.9	9.6	1.23	914	
2406	FGILX	Global Equity-Income	13.38	Hold	3.7	9.8	1.8	-1.1	9.2	5.8	--	0.86	67	
2348	FSGGX	Global ex U.S. Index	12.43	Hold	1.8	9.4	4.5	-5.9	10.8	2.5	--	1.00	5,075	
335	FIVFX	International Cap App	19.91	OK to Buy	3.4	11.7	6.5	-3.2	11.1	6.1	15.0	1.11	2,442	
305	FIGRX	International Discovery	39.85	Hold	3.5	9.3	3.0	-9.7	7.4	2.1	9.8	1.05	6,442	
2010	FIENX	International Enhanced Index	9.22	Hold	1.9	9.1	4.3	-6.9	9.9	3.0	10.2	0.99	1,556	
1979	FIGFX	International Growth	13.29	OK to Buy	3.9	10.7	5.4	-2.4	9.9	4.4	12.2	1.00	845	
2363	FSPSX	International Index	39.67	Hold	2.5	9.1	3.8	-5.4	9.5	2.2	9.8	0.96	25,171	
818	FISMX	International Small Cap	25.81	OK to Buy	2.8	8.9	2.9	-9.4	11.8	5.4	14.2	1.00	1,296	
1504	FSCOX	International Small Cap Opps	17.74	OK to Buy	4.0	9.9	3.8	-8.4	10.5	5.8	15.2	1.06	995	
2988	FNIDX	International Sustainability Idx	10.23	NA	1.6	9.1	4.0	-6.0	--	--	--	--	48	
1597	FIVLX	International Value	7.90	Hold	2.3	8.7	2.1	-9.8	5.3	-0.3	8.5	1.00	441	
350	FJPNX	Japan	14.26	OK to Buy	2.2	8.8	0.2	-10.5	10.9	4.9	8.8	1.04	420	
360	FJSCX	Japan Smaller Companies	16.32	Hold	3.1	7.8	-0.8	-11.3	11.4	8.6	15.1	1.00	677	
349	FLATX	Latin America	24.20	OK to Buy	-3.8	12.9	11.2	-9.2	18.3	0.4	4.8	2.20	520	
342	FNORX	Nordic	45.29	OK to Sell	0.3	6.1	0.6	-4.9	5.5	3.1	14.9	1.25	277	
94	FOSFX	Overseas	45.02	OK to Buy	3.7	10.1	3.9	-5.9	9.4	4.3	10.7	1.05	6,104	
302	FPBFX	Pacific Basin	29.10	OK to Buy	3.6	10.6	4.0	-9.9	11.9	7.1	16.8	1.17	828	
2369	FTEMX	Total Emerging Markets	12.38	Hold	0.8	9.1	7.5	-8.4	12.3	4.8	--	1.04	205	
1978	FTIEX	Total International Equity	8.65	Hold	2.8	10.6	5.0	-6.7	9.8	3.3	10.8	1.02	72	
2834	FTIHX	Total International Index	11.49	Hold	1.8	9.4	4.3	-6.4	--	--	--	--	2,146	
318	FWWFX	Worldwide	25.66	Buy	3.9	11.0	3.0	2.3	14.2	6.5	14.2	1.06	2,289	
3228	FZILX	Zero International Index	9.58	Hold	1.7	9.2	4.2	--	--	--	--	--	804	

FIDELITY SCORECARD

FEBRUARY 28, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	Assets (\$Mil)	
					Feb	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year			
SELECT PORTFOLIOS					Average	3.6	13.4	2.8	2.0	14.2	7.3	16.1	1.50	
34	FSAIX	Air Transportation	76.52	OK to Buy	5.4	16.2	-0.0	3.8	16.0	11.6	22.1	1.54	\$307	
502	FSAVX	Automotive	33.29	OK to Sell	1.5	11.5	1.9	-4.7	9.9	2.8	21.9	1.35	41	
507	FSRBX	Banking	26.42	Hold	5.3	19.0	1.1	-6.6	17.9	8.6	16.6	1.81	515	
42	FBIOX	Biotechnology	21.14	Hold	5.6	19.2	5.2	-0.5	14.8	5.5	19.0	2.17	7,584	
68	FSLBX	Brokerage & Investment	71.71	Hold	3.2	11.8	2.5	-8.0	15.6	5.2	13.9	1.44	327	
69	FSCHX	Chemicals	13.57	OK to Sell	4.0	11.1	2.5	-11.1	12.6	5.6	18.1	1.38	1,154	
518	FSDCX	Communications Equipment	40.36	OK to Buy	8.5	16.2	9.2	11.1	18.8	9.5	16.7	1.17	216	
503	FBMPX	Communication Services ⁶	74.87	Buy	0.7	12.1	3.9	8.1	12.6	7.0	20.9	1.23	562	
7	FDCPX	Computers	75.87	Hold	1.1	11.6	2.8	0.6	21.1	9.6	18.7	1.43	492	
511	FSHOX	Construction & Housing	54.23	Hold	4.1	13.8	6.1	4.1	11.6	8.4	18.3	1.40	226	
517	FSCPX	Consumer Discretionary	44.32	Buy	1.4	11.4	1.9	4.8	14.1	10.2	19.3	1.22	433	
98	FSVLX	Consumer Finance	15.80	OK to Buy	5.1	17.6	5.7	4.8	18.2	8.9	14.5	1.32	102	
9	FDFAX	Consumer Staples	77.63	Hold	3.7	12.8	1.3	-0.0	3.4	5.5	12.2	1.12	814	
67	FSDAX	Defense & Aerospace	17.27	Buy	9.0	22.7	10.5	3.6	24.4	14.0	21.0	1.50	2,790	
60	FSENX	Energy	37.50	Hold	0.9	13.3	-2.0	-7.3	6.1	-5.2	6.2	2.10	1,153	
43	FSESX	Energy Service	30.61	Hold	3.7	22.1	-5.0	-26.4	-3.8	-14.8	1.3	2.80	303	
516	FSLEX	Environment & Alt Energy	24.92	OK to Sell	5.6	15.5	5.5	0.4	16.3	7.5	12.3	1.28	161	
66	FIDSX	Financial Services	9.65	Buy	3.0	13.0	0.4	-6.9	15.2	8.0	14.0	1.32	559	
41	FSAGX	Gold	19.07	Sell	-0.8	5.5	17.4	1.5	3.0	-2.4	-2.8	2.68	1,040	
63	FSPHX	Health Care	24.48	Buy	0.8	11.0	-0.5	13.3	15.1	10.2	20.6	1.43	7,452	
505	FSHCX	Health Care Services	89.28	OK to Buy	-6.8	1.8	-11.8	9.6	15.4	12.8	19.8	1.55	1,349	
515	FCYIX	Industrials	33.84	Buy	6.6	18.0	5.4	-0.4	13.0	7.5	18.4	1.40	633	
45	FSPCX	Insurance	59.27	Hold	3.6	10.9	3.0	-0.3	12.9	9.6	17.4	1.09	223	
353	FBSOX	IT Services	64.96	OK to Buy	7.9	20.0	10.0	16.0	23.8	16.0	23.0	1.31	2,860	
62	FDSLX	Leisure	14.53	Hold	4.3	12.4	2.4	4.5	13.2	9.6	18.3	1.15	473	
509	FSDPX	Materials	69.84	OK to Sell	4.3	12.2	3.6	-12.4	9.6	1.6	14.1	1.32	627	
354	FSMEX	Medical Technology & Devices	52.91	Buy	3.0	11.9	2.5	23.8	23.9	17.9	19.8	1.43	6,784	
513	FSNGX	Natural Gas	20.45	Hold	1.8	14.9	-2.0	-4.8	6.5	-10.7	2.0	2.36	201	
514	FNARX	Natural Resources	25.55	Hold	1.8	13.3	1.2	-6.1	6.6	-5.6	5.6	1.90	424	
580	FPHAX	Pharmaceuticals	21.07	OK to Buy	5.6	9.4	0.6	14.1	6.6	5.2	16.1	1.17	749	
46	FSRPX	Retailing	15.01	Buy	0.5	10.0	1.8	6.8	17.2	14.7	23.3	1.28	3,035	
8	FSELX	Semiconductors	9.41	OK to Buy	6.4	19.6	9.9	0.2	26.8	19.8	23.4	1.72	3,051	
28	FSCSX	Software & IT Services	18.71	Buy	6.7	14.9	5.9	10.9	26.0	15.9	23.3	1.27	6,541	
64	FSPTX	Technology	15.45	Buy	7.3	15.1	5.0	-3.0	24.5	14.5	22.4	1.49	5,124	
96	FSTCX	Telecommunications	56.04	Hold	0.4	6.6	-4.8	3.4	5.8	5.9	12.4	1.09	227	
512	FSRFX	Transportation	95.41	OK to Buy	3.2	14.0	-2.6	6.8	15.9	10.6	20.1	1.62	451	
65	FSUTX	Utilities	85.32	OK to Sell	3.5	6.5	2.9	20.2	14.3	9.7	13.7	0.97	1,041	
963	FWRLX	Wireless	8.93	Hold	3.4	8.6	1.3	0.2	13.4	6.9	13.9	1.00	237	
SECTOR ETFs					Average	3.0	11.9	1.8	6.2	12.9	8.7	1.29		
	FCOM	MSCI Communication Services ⁶	31.48	Hold	0.4	10.5	1.7	9.2	7.8	8.7	--	1.25	304	
	FDIS	MSCI Consumer Discretionary	42.80	OK to Buy	1.4	11.7	1.8	6.2	15.0	10.9	--	1.20	663	
	FSTA	MSCI Consumer Staples	32.83	Hold	2.1	7.6	-2.1	5.0	5.3	7.9	--	1.02	456	
	FENY	MSCI Energy	17.81	Hold	2.1	14.0	-1.2	-0.7	6.3	-4.5	--	1.84	496	
	FNCL	MSCI Financials	38.96	Buy	3.2	12.7	0.1	-5.1	17.9	10.6	--	1.40	1,200	
	FHLC	MSCI Health Care	44.52	Buy	1.7	7.7	-2.2	11.2	14.6	11.0	--	1.20	1,600	
	FIDU	MSCI Industrials	38.87	Buy	6.5	18.7	6.1	1.9	15.7	9.2	--	1.40	450	
	FTEC	MSCI Information Technology	57.16	OK to Buy	7.3	16.1	6.2	7.4	24.6	16.9	--	1.36	2,100	
	FMAT	MSCI Materials	31.60	OK to Sell	3.7	11.3	2.7	-6.3	12.8	5.1	--	1.25	181	
	FREL	MSCI Real Estate	25.19	Hold ↑	0.7	12.5	3.6	18.7	9.8	--	--	1.26	707	
	FUTY	MSCI Utilities	37.56	Sell	3.8	7.7	3.4	21.2	11.7	11.1	--	1.07	596	
FACTOR ETFs					Average	2.2	9.3	1.9	2.8					
	FDRR	Dividend for Rising Rates	31.46	OK to Buy	2.9	9.7	0.5	4.6	--	--	--	--	369	
	FDVV	High Dividend	29.74	OK to Buy	1.2	9.0	-0.2	6.7	--	--	--	--	290	
	FDHY	High Yield Factor	50.34	OK to Buy	1.0	5.7	3.6	--	--	--	--	--	20	
	FIDI	International High Dividend	21.41	OK to Sell	2.1	9.5	3.4	-5.4	--	--	--	--	30	
	FIVA	International Value Factor	21.88	Hold	1.8	10.1	4.4	-6.6	--	--	--	--	13	
	FLDR	Low Duration Bond Factor	50.15	Buy	0.3	1.2	1.1	--	--	--	--	--	51	
	FDLO	Low Volatility Factor	33.38	Hold	3.7	11.2	1.9	10.4	--	--	--	--	143	
	FDMO	Momentum Factor	33.40	OK to Buy	3.6	12.6	2.8	4.8	--	--	--	--	112	
	FQAL	Quality Factor	33.43	Hold	3.4	11.7	1.9	4.9	--	--	--	--	132	
	FVAL	Value Factor	33.23	OK to Buy	2.4	11.8	-0.0	2.6	--	--	--	--	120	

FIDELITY SCORECARD

FEBRUARY 28, 2019

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				SEC %Yield	Dur ² (Yrs)	Rel Vol (Risk) ¹									
					Feb	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr												
TAXABLE BOND													Average	0.0	1.0	2.4	2.8	1.6	1.9	3.4	2.81	4.9	0.25
2267	FCONX	Conservative Income Bond	10.03	Buy	0.3	0.7	0.7	2.2	1.5	1.0	--	2.62	0.2	0.02									
2208	FCBFX	Corporate Bond	11.22	Buy	0.5	2.9	4.1	2.6	4.4	3.3	--	3.85	6.8	0.35									
2423	FGBFX	Global Credit	8.97	Hold↑	0.8	3.1	3.7	1.9	3.4	0.9	--	2.50	6.0	0.44									
15	FGMNX	GNMA (Ginnie Mae)	11.25	OK to Buy	0.1	0.9	2.4	3.3	1.2	2.0	3.3	2.93	4.0	0.18									
54	FGOVX	Government Income	10.05	Hold	-0.2	0.3	2.2	2.9	0.6	1.6	2.5	2.53	5.6	0.25									
2418	FIPDX	Inflation-Protected Index ³	9.61	OK to Sell	-0.1	1.3	1.8	1.9	1.6	1.4	--	0.32*	5.1	0.28									
32	FTHRX	Intermediate Bond	10.67	Buy	0.2	1.2	2.4	3.1	1.8	1.8	4.4	2.80	3.8	0.18									
452	FSTGX	Intermediate Gov't Income	10.32	OK to Buy	-0.1	0.2	1.7	2.6	0.4	1.1	1.9	2.28	3.7	0.18									
3045	FUAMX	Intermediate Treasury Index	10.54	OK to Buy	-0.4	0.2	2.6	4.0	0.2	2.0	3.1	2.57	6.3	0.35									
26	FBNDX	Investment Grade Bond	7.76	Buy	0.1	1.6	3.2	3.3	3.1	2.5	5.0	3.04	5.6	0.26									
2622	FJRLX	Limited Term Bond	11.38	Buy	0.4	1.3	2.1	2.8	1.9	1.6	4.4	2.89	2.4	0.12									
662	FFXSX	Limited Term Government	9.85	OK to Buy	-0.1	0.3	1.3	2.3	0.4	0.8	1.3	2.16	2.6	0.12									
3047	FNBGX	Long-Term Treasury Index	12.53	Hold	-1.3	-0.7	4.7	3.9	-0.3	4.4	5.0	2.98	17.4	0.82									
40	FMSFX	Mortgage Securities	11.00	OK to Buy	-0.0	0.7	2.5	3.3	1.4	2.3	3.8	2.98	4.5	0.19									
450	FSHBX	Short-Term Bond	8.57	OK to Buy	0.3	0.8	1.4	2.5	1.4	1.1	2.2	2.54	1.6	0.07									
3041	FNSOX	Short-Term Bond Index	9.87	OK to Buy	0.1	0.6	1.7	2.6	--	--	--	2.72	2.6	--									
3049	FUMBX	Short-Term Treasury Index	10.30	OK to Buy	-0.1	0.3	1.4	2.5	0.7	0.9	1.4	2.49	2.6	0.12									
3086	FNDX	Sustainability Bond Index	10.08	NA	-0.1	1.0	2.8	--	--	--	--	3.13	5.8	--									
820	FTBFX	Total Bond	10.39	Buy	0.3	2.0	3.1	3.0	3.4	2.8	5.5	3.32	5.4	0.26									
2326	FXNAX	U.S. Bond Index	11.33	Hold	-0.1	0.9	2.8	3.1	1.6	2.3	3.6	3.15	5.8	0.26									
HIGH-YIELD BOND													Average	1.4	6.0	4.2	2.6	7.8	4.0	9.0	5.04	3.4	0.44
38	FAGIX	Capital & Income	9.85	Hold	2.3	9.3	5.0	2.7	9.6	5.4	12.9	4.50	4.0	0.59									
814	FFRHX	Floating Rate High Income	9.52	Buy	1.6	4.3	1.9	3.4	6.5	3.3	5.7	5.52	0.2	0.28									
1366	FHIFX	Focused High Income	8.52	OK to Buy	1.7	6.5	4.5	4.5	7.4	3.8	8.2	4.72	4.2	0.39									
2297	FGHNX	Global High Income	9.35	Hold	1.4	5.5	4.2	1.3	8.4	4.0	--	5.53	3.4	0.46									
455	SPHIX	High Income	8.73	Hold	1.8	6.6	4.1	3.9	10.1	4.2	10.3	5.64	3.8	0.48									
331	FNMIX	New Markets Income	15.05	Hold↑	0.6	6.3	7.1	-0.6	7.2	4.9	9.7	5.56	5.5	0.65									
2580	FSAHX	Short Duration High Income	9.37	OK to Buy	1.3	4.7	2.8	3.4	7.1	2.8	--	4.88	1.9	0.33									
3082	FADMX	Strategic Income	12.15	OK to Buy	0.9	4.3	3.6	1.8	6.1	3.5	7.6	3.94	4.1	0.34									
MUNICIPAL BOND													Average	0.5	1.2	2.3	3.7	1.9	3.0	4.0	2.07	5.6	0.28
434	FSAZX	Arizona Muni Income	11.95	OK to Buy	0.5	1.3	2.5	4.1	2.0	3.6	4.6	1.88	6.1	0.32									
1534	FCSTX	Calif Limited Term Tax Free	10.58	OK to Buy	0.3	1.0	1.7	2.6	1.0	1.5	2.3	1.54	3.0	0.17									
91	FCTFX	California Muni Income	12.76	OK to Buy	0.5	1.3	2.6	3.9	2.0	3.6	4.9	2.06	6.5	0.32									
407	FICNX	Connecticut Muni Income	11.33	OK to Buy	0.6	1.6	2.7	4.2	1.6	3.0	3.8	2.29	5.9	0.32									
2578	FCRD	Conservative Income Muni	10.03	Buy	0.1	0.3	0.6	1.5	0.9	0.7	--	1.64	0.6	0.04									
36	FLTXX	Interm Municipal Income	10.33	Buy	0.5	1.3	2.3	3.8	2.0	2.7	3.5	2.04	4.9	0.25									
404	FSTFX	Limited Term Muni Income	10.54	Buy	0.3	1.0	1.6	2.6	1.1	1.3	2.0	1.62	2.8	0.16									
429	SMDMX	Maryland Muni Income	11.25	OK to Buy	0.4	1.3	2.6	3.8	2.0	3.3	4.1	1.97	6.2	0.32									
70	FDMMX	Mass Muni Income	11.99	OK to Buy	0.5	1.1	2.3	3.3	1.8	3.3	4.4	2.16	6.4	0.32									
81	FMHTX	Michigan Muni Income	12.07	OK to Buy	0.5	1.3	2.5	4.1	2.1	3.5	4.2	2.12	6.4	0.30									
82	FIMIX	Minnesota Muni Income	11.49	OK to Buy	0.5	1.2	2.4	3.7	1.8	2.8	3.6	1.96	6.2	0.28									
37	FHIGX	Municipal Income	12.86	OK to Buy	0.5	1.3	2.7	4.3	2.5	3.8	4.9	2.47	7.0	0.34									
416	FNJHX	New Jersey Muni Income	11.81	OK to Buy	0.6	1.5	2.9	4.8	3.0	3.5	4.3	2.29	6.6	0.33									
71	FTFMX	New York Muni Income	13.01	OK to Buy	0.6	1.4	2.7	3.8	1.9	3.5	4.3	2.15	6.8	0.32									
88	FOHFX	Ohio Muni Income	11.98	OK to Buy	0.5	1.2	2.4	3.8	2.1	3.8	4.4	2.08	6.3	0.33									
402	FPXTX	Pennsylvania Muni Income	11.01	OK to Buy	0.5	1.3	2.6	3.9	2.2	3.5	4.3	2.26	6.6	0.29									
90	FTABX	Tax-Free Bond	11.41	OK to Buy	0.6	1.4	2.7	4.3	2.5	3.8	4.9	2.62	7.0	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.

TAXABLE GOV'T MONEY MARKETS					Total Return (%)		SEC
					Feb	YTD	%Yield
55	FDRXX	Gov't Cash Reserves	0.16	0.34	2.08		
458	SPAXX	Government MM	0.16	0.33	2.05		
2742	FZFX	Treasury MM	0.16	0.33	2.04		
415	FDLXX	Treasury Only MM	0.15	0.32	1.99		
PRIME MONEY MARKETS							
454	SPRXX	Money Market*	0.17	0.37	2.26		
*Available in premium class shares (FZDXX) with a \$100,000 minimum (\$10,000 for certain Fidelity retirement accounts) and lower expenses.							
NATIONAL MUNICIPAL MONEY MARKETS							
10	FTEXX	Municipal Money Market	0.10	0.20	1.39		
275	FMOXX	Tax-Exempt MM	0.10	0.19	1.36		

STATE MUNICIPAL MONEY MARKETS							Total Return (%)		SEC
							Feb	YTD	%Yield
433	FSAXX	Arizona Muni MM	0.09	0.18	1.28				
97	FCFXX	California Muni MM	0.09	0.17	1.24				
457	FSPXX	California AMT Tax-Free	0.10	0.20	1.38				
418	FCMXX	Connecticut Muni MM	0.17	0.26	1.37				
426	FMSXX	Mass AMT Tax-Free	0.10	0.20	1.44				
74	FDMXX	Massachusetts Muni MM	0.17	0.26	1.26				
420	FMIXX	Michigan Muni MM	0.09	0.16	1.25				
417	FNJXX	New Jersey Muni MM	0.09	0.18	1.24				
423	FSJXX	New Jersey AMT Tax-Free	0.10	0.20	1.39				
92	FNYYX	New York Muni MM	0.09	0.18	1.29				
422	FSNXX	New York AMT Tax-Free	0.10	0.20	1.46				
419	FOMXX	Ohio Muni MM	0.17	0.26	1.31				
401	FPTXX	Pennsylvania Muni MM	0.09	0.17	1.26				

FIDELITY SCORECARD

FEBRUARY 28, 2019

Fund No.	Fund Ticker	Fund Name	Style	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹
						Feb	YTD	3 Mo.	1 Year	3 Year	5 Year	10 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
Model Portfolios	Annuity Sector Model					3.2	13.3	2.5	1.2	15.8	9.9	17.6	1.11
	Annuity Growth Model					4.3	14.4	4.7	4.9	15.7	8.7	15.0	1.10
	Annuity Growth & Income Model					1.9	7.8	1.9	1.9	9.5	5.6	10.9	0.66
	Annuity Income Model					1.1	4.3	2.0	0.9	5.0	3.3	6.7	0.34
9067	FLRQC	Fid VIP Asset Manager	Allocation	20.30	Hold	1.4	6.5	2.4	0.5	7.3	3.4	9.5	0.57
9066	FAECC	Fid VIP Asset Manager: Growth	Allocation	21.23	Hold	2.0	8.8	2.5	-0.4	9.2	3.9	11.3	0.77
9069	FJBAC	Fid VIP Balanced	Allocation	25.23	Buy	2.3	9.1	2.4	3.0	10.7	6.9	13.1	0.75
9461	FBIQC	Fid VIP Bond Index	Bond	10.28	Hold	-0.1	1.0	2.7	--	--	--	--	--
9173	FVTAC	Fid VIP Communication Services ⁷	Sector	17.67	Buy	0.8	12.4	3.3	11.9	8.5	7.4	13.2	1.13
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	32.77	Buy	1.3	11.4	1.8	4.4	13.9	9.8	18.9	1.21
9171	FCSAC	Fid VIP Consumer Staples	Sector	25.56	Hold	3.6	13.1	1.6	-0.1	3.9	7.5	13.0	1.13
9065	FPDFC	Fid VIP Contrafund	Large Growth	28.49	Buy	2.6	12.3	2.6	2.5	14.0	8.5	15.7	1.09
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Blend	21.78	Buy	5.8	17.7	4.1	3.7	12.2	6.4	15.5	1.49
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth	30.30	Hold	3.6	11.3	2.1	1.0	13.2	7.4	16.7	1.12
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	10.62	Hold	1.8	11.6	8.0	-10.1	14.2	5.0	10.6	1.29
9085	FJLLC	Fid VIP Energy	Sector	13.84	Hold	0.8	13.2	-2.1	-7.3	6.0	-5.4	6.1	2.10
9061	FLOLC	Fid VIP Equity-Income	Large Value	21.96	Buy	2.8	10.2	0.4	2.2	11.7	6.7	14.7	0.99
9469	FEMJC	Fid VIP Extended Market Index	Mid Blend	9.82	Buy	4.8	16.4	3.6	--	--	--	--	--
9083	FONNC	Fid VIP Financial Services	Sector	14.07	Buy	3.1	13.0	0.4	-7.1	15.0	7.8	14.2	1.31
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond	11.58	Buy	1.6	4.4	1.9	3.0	5.8	--	--	0.27
9157	FMPAC	Fid VIP FundsManager 20	Allocation	15.50	Hold	0.4	2.8	1.9	1.6	3.7	2.5	4.8	0.26
9158	FMPBC	Fid VIP FundsManager 50	Allocation	18.03	Hold	1.4	6.1	2.2	0.4	7.2	4.1	8.5	0.54
9197	FMPCC	Fid VIP FundsManager 60	Allocation	17.25	Hold	1.8	7.3	2.3	0.0	8.4	4.8	9.9	0.64
9159	FMPDC	Fid VIP FundsManager 70	Allocation	19.17	Hold	2.1	8.4	2.2	-0.5	9.4	5.1	10.9	0.74
9160	FMPDC	Fid VIP FundsManager 85	Allocation	19.83	Hold	2.7	10.1	2.3	-0.9	11.4	6.0	12.6	0.89
9059	FTNJC	Fid VIP Gov't Money Market	Money Mkt	11.57	--	0.1	0.3	0.5	1.5	0.7	0.3	0.2	0.02
9062	FMNDC	Fid VIP Growth	Large Growth	32.20	Buy	4.0	13.0	3.8	6.4	18.7	10.8	17.8	1.14
9070	FLFNC	Fid VIP Growth & Income	Large Blend	26.09	Hold	3.5	12.1	0.4	2.4	13.8	8.1	15.1	1.08
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth	38.36	Buy	5.2	18.0	12.9	24.9	25.7	14.4	21.3	1.22
9084	FPDRC	Fid VIP Health Care	Sector	47.41	Buy	0.8	10.9	-0.7	12.9	15.1	10.1	20.4	1.43
9060	FBBLC	Fid VIP High Income	High-Yield Bond	21.26	Hold	1.8	6.7	4.1	3.3	8.6	3.5	8.9	0.46
9064	FXVLT	Fid VIP Index 500	Large Blend	28.76	Hold	3.2	11.4	1.3	4.3	14.9	10.3	16.3	1.00
9082	FBALC	Fid VIP Industrials	Sector	35.22	Buy	6.6	18.0	5.3	-0.6	12.8	7.4	15.7	1.40
9473	FFIQC	Fid VIP International Index	Diversified Int'l	9.43	Hold	1.6	9.2	4.0	--	--	--	--	--
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	20.28	OK to Buy	3.3	11.6	6.4	-3.4	10.9	5.9	14.8	1.10
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond	16.49	Buy	0.0	1.5	2.9	2.7	2.6	2.3	4.6	0.26
9172	FVMAC	Fid VIP Materials	Sector	19.93	OK to Sell	4.3	12.2	3.6	-12.5	9.3	1.3	13.8	1.32
9071	FNBSC	Fid VIP Mid Cap	Mid Growth	28.41	Buy	4.6	15.0	2.2	-3.5	12.5	6.2	14.5	1.24
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	17.04	OK to Buy	3.7	10.1	3.9	-6.2	8.2	1.7	9.6	1.07
9072	FFWKC	Fid VIP Real Estate	Sector	24.96	Hold	1.3	13.1	2.6	18.1	6.7	7.3	18.8	1.32
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond	19.86	OK to Buy	0.9	4.3	3.5	1.6	5.5	3.1	6.9	0.33
9086	FYENC	Fid VIP Technology	Sector	45.62	Buy	7.2	15.0	5.0	-2.5	24.9	14.2	20.9	1.49
9465	FTMJC	Fid VIP Total Market Index	Large Blend	10.11	OK to Buy	3.6	12.3	1.8	--	--	--	--	--
9087	FXRRC	Fid VIP Utilities	Sector	31.43	OK to Sell	3.5	6.6	3.0	20.2	14.0	9.5	13.6	0.97
9079	FKMSC	Fid VIP Value	Large Value	22.68	OK to Buy	3.5	13.6	2.0	-0.8	10.2	6.3	16.3	1.14
9073	FRBSC	Fid VIP Value Strategies	Mid Value	23.18	OK to Sell	3.4	15.9	3.2	-1.9	9.5	5.0	16.9	1.25
9347	FBMEC	Black Rock Global Allocation	Global Allocation	13.49	Hold	1.1	6.3	1.9	-2.3	6.5	2.8	7.5	0.60
9349	FTMEC	Franklin Templeton Global Bond	Global Bond	11.62	Hold	1.0	3.2	2.5	4.4	4.4	1.4	5.7	0.48
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't	10.46	Hold	-0.1	0.6	2.1	2.4	0.3	0.8	1.8	0.17
9285	FIGXC	Invesco Global Core Eqty	Global Stock	13.65	Hold	3.2	12.4	2.7	-5.3	9.8	4.2	8.6	1.08
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts	16.09	Hold	-3.1	7.9	4.1	-14.8	12.5	1.9	9.5	1.45
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond	19.12	Hold	0.7	6.0	7.4	0.6	5.6	3.3	7.0	0.60
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts	14.08	Hold	-1.0	6.8	3.8	-14.2	10.5	1.8	9.3	1.29
9146	FPRPC	Morgan Stanley Global Strategist	Diversified Int'l	14.03	Hold	1.0	6.6	3.1	-1.0	8.0	2.5	9.8	0.64
9346	FPMEC	Pimco Commodity Real Return	Commodities	5.69	Hold	1.7	8.4	0.9	-6.8	4.0	-9.5	0.2	1.00
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond	11.76	Buy	0.3	0.9	1.1	1.3	1.2	0.6	2.6	0.08
9277	FPNBC	Pimco VIT Real Return	TIPS	13.05	OK to Sell	-0.1	1.7	1.9	1.0	1.9	0.9	3.9	0.29
9278	FPOBC	Pimco VIT Total Return	Intermed Bond	13.58	Hold	0.1	1.5	2.7	2.4	2.4	2.0	4.2	0.24

Annuity Sector		Annuity Growth		Annuity Growth & Income		Annuity Income	
Fund	Allocation	Fund	Allocation	Fund	Allocation	Fund	Allocation
VIP Technology	21%	VIP Growth	34%	VIP Contrafund	40%	Pimco VIT Low Duration	34%
VIP Cons Discretionary	18	VIP Growth Opps	21	VIP Floating Rate Hi Inc	21	VIP Contrafund	25
VIP Comm Services	17	VIP Equity-Income	17	VIP Equity-Income	19	VIP Investment Grade	21
VIP Health Care	16	VIP Mid Cap	15	VIP Investment Grade	10	VIP Floating Rate Hi Inc	20
VIP Financial Services	15	VIP Disciplined Sm Cap	13	Pimco VIT Low Dur	10		
VIP Industrials	13						
Total Return:		Total Return:		Total Return:		Total Return:	
Feb: 3.2% YTD: 13.3%		Feb: 4.3% YTD: 14.4%		Feb: 1.9% YTD: 7.8%		Feb: 1.1% YTD: 4.3%	

New Founders Fund Seeks Disruptors

After years of mostly introducing passively managed index funds, the diversified all-stock **Founders Fund** [ticker: FIFNX] was launched last month. It combines quantitative analysis with fundamental research. As to the former, computer algorithms screen for a stock's growth potential and a variety of valuation metrics. It also assesses a stock's liquidity while attempting to gauge investment risk.

As for fundamentals, gum-shoe stock research falls to veteran manager Dan Kelley. From 2012 until this month, he ran **Trend**, an in-

creasingly volatile large-cap growth fund. customers. With its emphasis on U.S. stocks (90%), Fidelity describes it as “a core equity strategy focused on harnessing the entrepreneurial spirit of founder-led companies” — and thus its name. In that spirit, Founders' has a bias for companies whose business plans include an element of industry “disruption.”

To that end, top-holding Amazon is an example of a company whose founder (Jeff Bezos) is still central to their firms' management while also being a major shareholder with considerable voting rights. (Though his recent marital woes

suggest a 50% diminution in his shares!) While founders remain important at other holdings (such as Facebook, Alibaba and Tesla), the fund's Russell 3000 benchmark allows it to hold mid- and small-cap stocks, and it can even hold private placements which are typically pre-IPO shares.

Still, as the facing table shows, Founders will skew large-cap. Moreover, it may also resemble Dan's Trend fund, which happens to resemble his Canadian Founders fund. Indeed, Fidelity confirms that the U.S. version of Founders will look very much like Founders-

Canada. Notably, six of their top-10 holdings are the same (although their portfolio weights differ). Sector-wise, tech stocks are both funds' largest concentration (at over 30%). Significantly, those figures represent significant overweights to their respective benchmarks. (Trend uses the S&P 500.)

Founders Fund *cont'd on page 12*

Founders ¹ vs Trend		
Top 5 Sectors (in %)		
	Founders	Trend
Information Tech	33.9	33.3
Health Care	14.2	19.6
Consumer Disc.	14.2	15.1
Financials	10.8	1.7
Communication Svcs.	10.5	12.0
Shared Top Holdings (in %) ²		
Microsoft	6.3	8.0
Amazon	6.3	5.8
Alphabet ³	6.1	6.7
Adobe	4.1	1.8
Salesforce	3.8	2.0
UnitedHealth	3.8	3.7
Investment Metrics		
Benchmark	Russell 3000	S&P 500
Style	Large Blend	Large Growth

¹Canadian share class; ²Six of both funds' top-10 holdings are the same, although their allocations differ; ³Funds hold different share classes.

creasingly volatile large-cap growth fund.

On a related note, in August of last year, Shilpa Mehra joined Trend as his co-manager; he's now its lead manager.

With the above in mind, Founders is not exactly a new fund. In April of last year, a fund of the same name (and with Dan also at its helm) was offered to Fidelity's Canadian

66% Of Fidelity Funds Beat Peers

Two-thirds of Fidelity's actively managed funds outperformed their peers in 2018. But owing to the market's steep decline in the fourth quarter, overall performance was not strong: 66% of their funds beat their peers last year versus 78% in 2017. (Figures are on an asset-weighted basis.) On a trailing 3- and 5-year basis, however, their funds beat 72% and 76% of their peers, respectively.

A prime contributor to 2018's setback was Fidelity's stock funds: 58% beat their peers, down from 78% in 2017. Again, November and December weighed on the relative and absolute performances of their asset-rich large-cap growth funds. Ditto for their high-income funds. Relative to their peers, they were Fidelity's worst-performing asset-class: only 43% beat their competitors versus an impressive 73% in 2017.

Elsewhere relative performance was stronger. Sixty-nine percent of Fidelity's muni bond funds outperformed last year as did 62% of their investment-grade bond offerings. And, in a year that saw money market yields rise substantially, an impressive 81% of their money funds beat their peers in 2018 — the same wide margin as in 2017.

While relative fund performance remained healthy last year, so did the financial health of the privately owned company. Amid revenue growth of 11.5% (to \$20.4 billion), 2018's income reached \$6.3 billion — an increase of 18.6% over 2017. While record revenue and operating income were achieved through a variety of means, Fidelity's growing customer base helped to offset a modest decline in their overall assets under management — mostly attributed to the market's selloff. ■

Action Recommendation

If our assumptions regarding the composition of Founders are correct (we know from SEC filings and its Canadian sibling how it will be managed), this U.S. version could, as we've pointed out, wind up resembling Trend as it's presently positioned. With that in mind, Trend's performance has picked up of late, although its risk is commensurately higher, too.

While it remains to be seen just how different Founders will be from Trend (it's probably not a good idea to own both funds even as we categorize Founders as large-cap blend, whereas Trend is large-cap growth),

we're hoping that there's an emphasis on industry disruptors — whether they are in early stages of development or are already “category killers” like Tesla, Netflix and Amazon. After all, that's where the above-average sales and earnings growth is most likely to be found.

As for fund expenses, a temporary fee waiver (which can be lifted at any time) of 0.13% caps Founders expenses at 1.00%. Although this is

higher than their average stock fund, it's in line with both smaller funds (asset-wise) like **Event Driven Opportunities** (which lacks the advantage of scale), and smaller-cap funds with less liquid holdings (where trading costs can be higher).

With the above in mind, we rate Founders *OK to Buy* though we will carefully monitor how it is positioned. ■

— John Bonnanzio

Inside Fidelity

New Funds — **Founders Fund** was launched on Feb. 20. It's the company's first actively managed offering since 2013 — see p. 11.

Separately, on Feb 26, three new Factor ETFs were introduced increasing the number of such offerings to 13. For the most part, their names describe each of the Factor funds' investment universe: **Targeted Emerging Markets**, **Targeted International** and **Small-Mid Factor ETF**. (We'll have more to say about them in next month's report.)

Manager Changes — At the end of the year, Jeff Feingold, the longtime manager of both **Magellan** (since 2011) and of the similarly run **Independence** (since 2016) fund, will retire. Until that time, international manager Sammy Simnagar will transition into his new assignments as both funds' co-manager.

On a related note, Kwasi Dadzie-Yeboah is a longtime quantitative analyst at Fidelity whose contributions as “portfolio influencer” has now been formalized at Magellan and Independence. In a related move, Kwasi has also joined Alex Deveraux as co-manager at the quantitatively-driven **Disciplined Equity** fund.

While we expect this to change, for the time being, Sammy also remains at the helm of **Int'l Capital Appreciation**, **Emerging Markets**, **VIP Emerging Markets** and share classes of similar funds.

While this is the first time that the storied Magellan will be run by an international fund manager, Sammy has over 20 years experience as an equity analyst and manager. Most significantly, his 10-year track record at Int'l Cap App has been exemplary.

We continue to rate **Disciplined Equity**, **Magellan** and **Independence** *Hold*.

Given the above, changes are also afoot at the team-run **Total Int'l Equity**. There, Sammy is handing the emerging-market sleeve of its portfolio to Sam Polyak, who becomes one of its three co-managers. Part of the team running **Total Emerging Markets**, he joined Fidelity in 2010 as a portfolio manager, however, his experience in the investment industry dates back to 1998. We continue to rate **Total Int'l Equity** *Hold*.

Turning back to U.S. stock funds, Shilpa Mehra is the new manager of **Trend** (see p. 11), having been its co-manager with Daniel Kelley since August 2018. We continue to rate **Trend** *OK to Buy*. ■

DIVIDEND UPDATE

Other than monthly dividends on bond and money market funds, and Asset Mgr: 20%/30%, the following funds are expected to pay dividends and/or capital gains (if any) in March:

Div for Rising Rates, Equity-Income, High Dividend, Int'l High Dividend, Int'l Value Factor, Low Volatility Factor, MA Municipal Income, Mid Cap Value, Momentum Factor, 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 Utilities, NY Municipal Inc, Quality Factor, Real Estate Inc, Real Estate Indx, Real Estate Inv, Stk Sel Large Cap Value, Tax-Free Bond, Telecom & Utilities, Value Factor

The final distributions for February were as follows:

Fund	Ex-Date	\$ Amt	NAV
Contrafund	2/8	0.106	11.94
MN Municipal Inc	2/8	0.016	11.49
OH Municipal Inc	2/8	0.003	11.97
PA Municipal Inc	2/8	0.003	11.00
Trend	2/8	0.907	94.50

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