

FIDELITY MONITOR & INSIGHT

FEBRUARY 2023

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MESSAGE FROM JACK

2022's Losers Might Become 2023's Winners



Jack Bowers

Last year it took dramatic action by the Fed to rein in rising prices, which came with major consequences for investors. But the inflation battle may be largely won at this stage. The CPI's year-over-year increase was 6.5% at the end of 2022, and I think it will drop below 4% by the end of this year. The biggest remaining concern — wage inflation — is likely to get resolved with the increasingly widespread white-collar layoffs, which could boost productivity (reducing the impact of rising wages on overall inflation) while also slowing the rate of salary increases.

With the Fed now in a more flexible position that allows it to tighten in smaller increments as it waits for inflation to return to 2%, a soft landing for the economy has become more likely. Assuming that scenario comes to pass, January recovery could be a harbinger of what's to come later this year.

Scorecard Fund Rating Changes

Changed outlook impacts 29 funds (see p. 5).

As is often the case when the market comes off a bearish period, many of the stocks that took the biggest hit during the selloff enjoy greater upside potential as recovery takes hold. I can see this happening with technology and other large-cap growth stocks in 2023.

To some degree we've been anticipating a rotation of this kind; in recent months our fund ratings were adjusted as inflation data painted an increasingly favorable picture. As for our model portfolios, they've been positioned for a growth-stock rebound since the middle of last year. So our latest changes (see p. 3) are just modest adjustments aimed at making the *Growth* and *Select* portfolios (and their annuity model counterparts) slightly more growth-oriented, while reducing exposure to funds that are more defensive than usual.

Last year, when inflation was rising, many defensive stocks outperformed (this included the energy, consumer

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

MARKET OUTLOOK

U.S. Economy Resilient Even As Yield Curve Flashes Red

Let's be honest: There's a certain amount of satisfaction to be had when professional predictors are completely wrong. And I'm not talking about those who perennially call for the end of the world. Pundits who regularly predict the next market crash (they're all eventually right!) and/or depression, never go away. However, when 70% of economists in a *Wall Street Journal* poll call for recession this year, one must take note.

Then again, that poll was taken way back in late December — before they knew that many of their assumptions were already wrong! But even if their own economic models are incorrect, their most trusted predictive tool has been nearly infallible: the inverted yield curve.

Then again, maybe not this time.

Some Perspective

Less we forget, last year, the U.S. economy was in recession. But you had to look carefully to notice: it shrunk -1.6% and -0.6% in the first and second quarters, respectively. Of course, with stocks down 20% through those same six months, and inflation at 9%, most people were too preoccupied to have noticed. And, by the time anyone did know, the economy was no longer contracting: In the second half of 2022 the U.S. economy expanded at an annual rate of 3.2% in Q3, followed by 2.9% growth (which is an early estimate) in the fourth.

For the full year (2022), U.S. GDP rose 2.1%. Granted, that was far less than 2021's nearly 6% growth. But that year the U.S. was starting to recover from a pandemic that put many of the world's economies in lockdown.

On that note, China's lockdown has recently ended. And, rather predictably, its economy is expected to grow more than 5% this year, up from consensus estimates of "only" 3% before the country was reopened.

Because China's economy is almost the size of ours, its resuscitation breathes life into the rest of the globe.

Though the U.S. government and corporate America are ostensibly committed to lessening the country's de-

Market Outlook *cont'd on page 3*

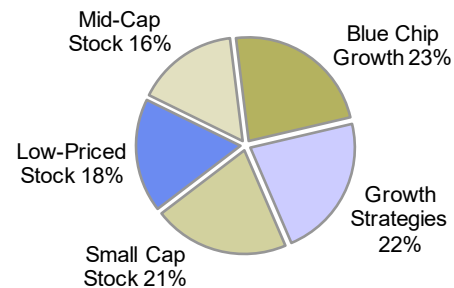
Unique Opportunities Target Risk: 1.20 (Current: 1.12) Foreign Holdings: 11.0% **YTD Return: 8.6%**

Stocks: 96.9% Bonds: 0.0% Cash: 3.1% Alternatives*: 0.0% Yield: 0.3%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Blue Chip Growth	FBGRX	\$126.83	1,694.34	\$214,893	12.8%
Growth Strategies	FDEGX	49.69	4,136.17	205,526	6.4
Small Cap Stock	FSLCX	15.88	12,216.42	193,997	10.4
Low-Priced Stock	FLPSX	48.65	3,364.30	163,673	5.3
Mid-Cap Stock	FMCSX	40.09	3,629.53	145,508	7.0

Current Value (3/31/99 = \$100,000) **\$923,597** **8.6%**

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



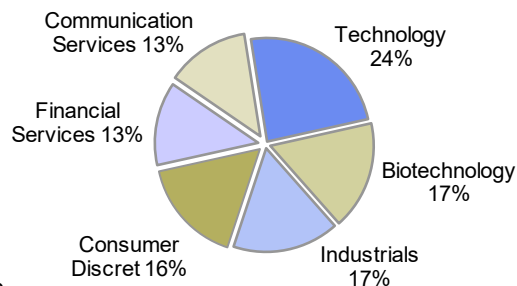
Select Target Risk: 1.20 (Current: 1.11) Foreign Holdings: 4.0% **YTD Return: 9.8%**

Stocks: 99.7% Bonds: 0.0% Cash: 0.3% Alternatives*: 0.0% Yield: 0.0%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Technology	FSPTX	\$20.10	78,626.61	\$1,580,395	12.7%
Biotechnology	FBIOX	16.80	66,355.06	1,114,765	3.2
Industrials	FCYIX	30.95	35,401.98	1,095,691	5.0
Consumer Discret	FSCPX	49.17	21,993.42	1,081,417	15.9
Financial Services	FIDSX	11.77	72,727.00	855,997	9.6
Communication Services	FBMPX	64.81	13,152.35	852,404	15.7

Current Value (12/31/88 = \$100,000) **\$6,580,668** **9.8%**

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



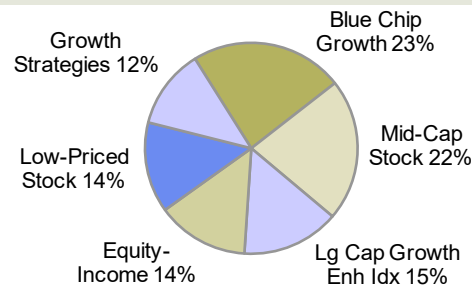
Growth Target Risk: 1.00 (Current: 1.04) Foreign Holdings: 12.5% **YTD Return: 7.6%**

Stocks: 97.3% Bonds: 0.0% Cash: 2.7% Alternatives*: 0.0% Yield: 0.7%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Blue Chip Growth	FBGRX	\$126.83	8,472.03	\$1,074,508	12.8%
Mid-Cap Stock	FMCSX	40.09	25,048.77	1,004,205	7.0
Lg Cap Growth Enh Idx	FLGEX	24.64	27,834.62	685,845	7.6
Equity-Income	FEQIX	66.16	9,779.04	646,981	3.8
Low-Priced Stock	FLPSX	48.65	13,167.23	640,586	5.3
Growth Strategies	FDEGX	49.69	11,287.83	560,892	6.4

Current Value (12/31/86 = \$100,000) **\$4,613,017** **7.6%**

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



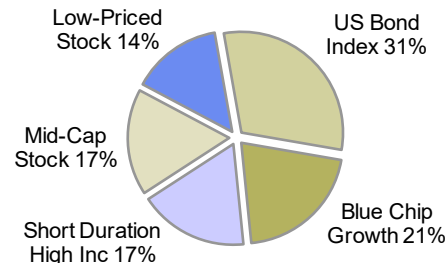
Growth & Income Target Risk: 0.66 (Current: 0.67) Foreign Holdings: 14.8% **YTD Return: 5.9%**

Stocks: 50.6% Bonds: 31.0% Cash: 3.5% Alternatives*: 15.0% Yield: 2.6%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
US Bond Index	FXNAX	\$10.48	28,687.98	\$300,650	3.2%
Blue Chip Growth	FBGRX	126.83	1,605.61	203,639	12.8
Short Duration High Inc	FSAHX	8.70	19,668.91	171,119	2.6
Mid-Cap Stock	FMCSX	40.09	4,184.12	167,741	7.0
Low-Priced Stock	FLPSX	48.65	2,917.02	141,913	5.3

Current Value (12/31/93 = \$100,000) **\$985,063** **5.9%**

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



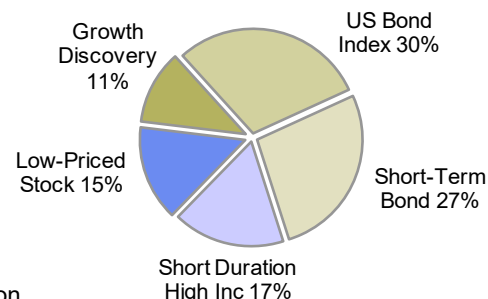
Income Target Risk: 0.33 (Current: 0.38) Foreign Holdings: 18.1% **YTD Return: 3.2%**

Stocks: 25.2% Bonds: 55.7% Cash: 3.0% Alternatives*: 16.1% Yield: 3.5%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
US Bond Index	FXNAX	\$10.48	13,372.85	\$140,147	3.2%
Short-Term Bond	FSHBX	8.29	15,292.16	126,772	1.1
Short Duration High Inc	FSAHX	8.70	9,261.98	80,579	2.6
Low-Priced Stock	FLPSX	48.65	1,420.45	69,105	5.3
Growth Discovery	FDSVX	43.53	1,231.45	53,605	6.6

Current Value (12/31/91 = \$100,000) **\$470,209** **3.2%**

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



Market Outlook *cont'd from page 1*

pendence on Chinese-made goods, the IMF predicts that U.S. GDP will expand this year by 0.4 percentage points to 1.4% owing to China's reopening. (With China and India expected to account for half of the world's GDP growth this year, and overall emerging market growth rising slightly to 4%, we have upgraded a dozen emerging market funds — see p. 5.)

Growth's Downside

Of course, now that most of the world's economies are expanding in a period when the pandemic has morphed into an endemic, there's the risk that inflation reignites.

As we went to press on Feb. 1, the Fed raised interest rates a quarter point to a range of 4.50% to 4.75%. Assuming that actions speak louder than words, that's an acknowledgment that its war on rising prices is being won, but certainly isn't over. Remember, inflation itself can slow real GDP growth.

That brings us back to the inverted yield curve. Granted, it has been a reliable predictor of recessions since the 1950s. And while it's certainly flashing red now, quite suddenly, inflation expectations have fallen dramatically. For that reason, says economist Campbell Harvey (who "discovered" the inversion's predictive ability), bond yields may now be sending a false signal.

But even if they aren't, it's also worth noting that recessions sometimes occur as much as two years after yield inversions. And, in case you are wondering, stocks often perform well during such periods. So the smart bet for stock investors now is to place their bets on a soft landing. ■

— John Bonnanzio

FUNDS YOU SHOULD BUY NOW

Growth: Blue Chip Growth, Growth Company and Large Cap Growth Enhanced Index (see p. 4) are aggressive, volatile large-cap options; **Contrafund** and **Growth Discovery** are somewhat more conservatively positioned resulting in lower risk. **Low-Priced Stock** and **Mid Cap Stock** have lower market caps and hold companies that are less pricey.

Growth & Income: Equity-Income and **Equity-Dividend Income** hold attractively valued, dividend-producing stocks.

Taxable Bond: Conservative Income Bond is your alternative to a money fund. **Short-Term Bond** holds higher-yielding corporates while limiting interest-rate-risk. For those willing to assume more interest-rate risk consider **Investment Grade Bond**. Finally, **U.S. Bond Index** provides diversified exposure (mostly corporates and government bonds).

High Yield Funds: Short Duration High Income has only limited interest-rate risk, but boosts its yield through lower-rated bonds whose overall credit risk is not substantial (relative to the broader junk bond market)..

Muni Bond Funds: Conservative Income Muni is your tax-free alternative to a muni money market fund. **Limited Term Muni Income** is our preferred nationally-diversified fund for tax-free bond income. ■

MODEL PORTFOLIO TRADES

As announced on our Hotline message of Friday, January 27, on Monday, January 30, we made the model portfolio trades below.

Growth Model:

We sold all of **Contrafund** [FCNTX] (15%) and bought **Large Cap Growth Enhanced Index** [FLGEX] with the proceeds.

Select Model:

We sold one-tenth of **Select Biotechnology** [FBIOX] (to 17%, down from 19%) and added the proceeds into **Select Communication Services** [FBMPX] (increasing that stake to 13%, up from 11%).

Annuity Growth Model:

We sold all of **VIP Contrafund** [FPDFC] (22%) and bought **VIP Growth** [FMNDC] with the proceeds.

Annuity Sector Model:

We sold one-tenth of **VIP Health Care** [FPDRC] (to 17%, down from 19%) and added the proceeds into **VIP Communication Services** [FVTAC] (increasing that stake to 14%, up from 12%).

Trade Rationales: With the economy seemingly headed for a soft landing, and many technology-oriented companies boosting their productivity and earnings with widespread layoffs, we have made modest reductions to funds with overly-defensive positioning. Please see "Message From Jack" on page one.

NOTE: In addition to model portfolio trades being announced on Friday Hotlines, they are also posted on our website (click on a model's "Trades" tab). Separately, fund tickers differ among versions of Fidelity's annuity offerings, so the above VIP tickers may not match yours, but the underlying funds are the same. ■

Model Portfolios Key:

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

HIGH-YIELD FUNDS

Better Fundamentals For High Yield

High-yield bond funds can be a “chicken” way to play stocks.

Highly correlated, high-yield funds have relative volatilities (risk) that fall between bond and stock funds. For example, **High Income** fund has a correlation of 85 to **500 Index** (a proxy for the S&P) versus just 48 for **U.S. Bond Index**. (We express a perfect correlation coefficient as 1.00 in the *Scorecard*, though our website’s Correlation Tool expresses it as 100.)

So it follows that Fidelity’s lineup of eight high-yield offerings are about twice as risky as investment-grade bonds: High Income’s three-year relative volatility is 0.53 versus 0.28 for U.S. Bond Index and, of course, 1.00 for 500 Index.

As high-yield funds are more economically (credit) sensitive than they are interest-rate sensitive, investors’ new-found appetite for risk has been beneficial. Last month, High Income popped 3.6%.

Of course, favorable tailwinds are driving interest in the asset class: better-than-expected GDP growth and lower-than-anticipated borrowing costs (falling interest rates) are expected to keep credit defaults rare (in the range of 1% to 3%). And, from a technical standpoint, the yield spread (which is the premium

investors are willing to pay to own riskier junk bonds over much safer Treasuries) has slightly narrowed. (See chart below.)

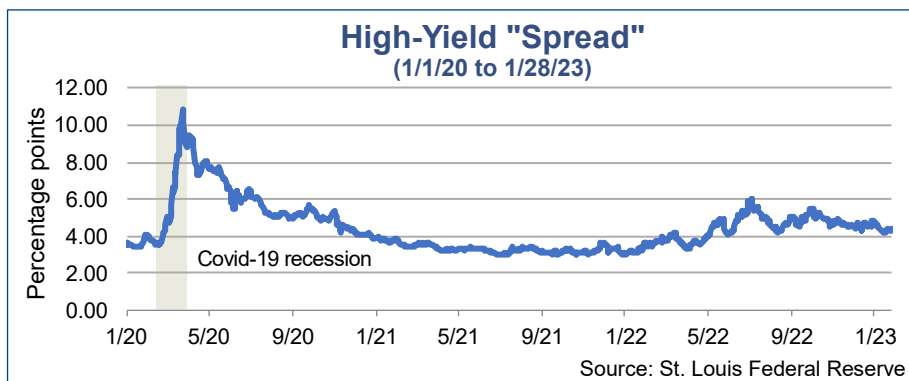
Action Recommendation

That high-yield funds have some wind to their backs right now (versus last year) does not yet warrant our wholesale endorsement of all high-yield funds. That’s because there are significant differences (in terms of credit- and interest rate-risk) between their fund offerings. (See our ratings on p. 9.)

Though we are more confident that the economy will have a soft landing this year, a mild recession cannot be ruled out. To that end, any hint of a GDP slowdown or sign that insufficient progress is being made in taming inflation would almost certainly hurt the entire asset class.

Our caution is apparent in that most high-yield funds are rated *Hold* to *OK to Buy*. In the case of **Short Duration High Income**, its relative lack of interest-rate risk (duration is only 2.3 years) coupled with its exposure to corporate bonds that have been vetted by Fidelity’s in-house credit analysts (they don’t rely on third-party research) provides some comfort. Yielding 6.87% with the possibility of modest capital appreciation warrants its place in our *Growth & Income* and *Income Model Portfolios*. ■

— John Bonnanzio



The best time to hold high-yield funds is when the yield “spread” between high-yield bonds and U.S. Treasuries is narrowing. Since 2000, that spread has averaged 4.4% versus 4.2% today. Though this suggests that high yield is fairly valued, falling interest rates and better-than-expected GDP growth are positives for the asset class.

FUND PROFILE

Large Cap Growth Enhanced Index

This and Fidelity’s five other “Enhanced Index” stock funds are run by Geode Capital, a Fidelity spin-off that uses quantitative analysis (versus bottom-up analysis used by actively managed funds) in an effort to outperform specific indexes. In this case, the Russell 1000 Growth. One advantage Enhanced and “pure” index funds always have is lower expenses — in this case, 0.39% versus 0.81% for **Contrafund**, which we’ve just sold (see p. 3). On that score, Fidelity’s index, Enhanced index and actively run funds are highly cost-competitive throughout the fund industry.

Top Sector Weights (in %)

Technology	41.4%
Consumer Discretion	15.6
Health Care	12.7
Industrials	6.8
Consumer Staples	6.6

For **Large Cap Growth Enhanced Index** specifically, Geode’s computer models seem to have a more consistent performance edge in this corner of the style box, thanks to a more even-handed approach to dealing with this concentrated segment of the market which emphasizes technology disruptors. While Fidelity’s active managers often dramatically underweight or overweight firms like Apple, Microsoft, Alphabet, Amazon, Tesla, and Meta, Geode’s algorithms are dispassionate. After all, it’s human nature to be loyal to stocks that have contributed to your fund’s long-term success.

With **Large Cap Growth Enhanced Index** becoming a worthy challenger to **Contra** and other actively run large-cap growth funds, it is now a holding in our *Growth Model Portfolio*. ■

FUND COMMENTARY

Stocks & Bonds Start Year Strong As Investors Return To Risk Assets

Patience and perseverance aren't only good virtues to live by; last month's market performance strongly suggests that they're also smart investment strategies.

If you flip to p. 11, our chart shows January's dramatic turnaround for almost all asset classes of Fidelity funds. Many of the biggest swings occurred in some of the riskiest (volatile) areas of the market. Among the more notable, **Nasdaq Composite Index** fund lost nearly a third of its value last year, but was one of last month's top-performers:

it gained 10.7%.

Other areas of the U.S. equity market performed similarly, though perhaps less dramatically well.

Fidelity's S&P 500 fund (**500 Index**) dropped 18.1% in 2022, but returned 6.3% last month. **Small and Mid Cap Index** funds also rebounded with gains of 9.8% and 8.3%, respectively.

Such dramatic reversals in fortune occurred in most areas of the stock market, and in other asset classes. Last month's solid gains among taxable and municipal bond funds

helped to dull 2022's painful declines, while riskier asset classes like high-yield and emerging market bonds (and stocks) provided investors with strong one-month gains.

Investors' embrace of risk assets coincided with comforting economic news, though more questionable corporate earnings results. On that score, fourth-quarter earnings reports provided the usual mix of beats and misses. However, top and bottom-line growth eluded many a tech firm. More worrisome: corporate chieftains were not always optimistic about 2023. Nevertheless, tech and most other areas of the market rebounded.

Fund Commentary cont'd on p. 11

February Scorecard Rating Changes

Mutual Funds	Ticker	Ratings			Comments
		Old	New		
Blue Chip Value	FBCVX	B	B	↓	Market favoring more growth-oriented stocks (see "Message" on p. 1).
China Region	FHKCX	S	H	↑	Though Covid remains a wild card, reopening of China's economy is boosting regional trade.
Convertible Securities	FCV SX	H	B	↑	Lower borrowing costs are a plus; somewhat lower-risk bet on small-cap value stocks.
Emerging Asia	FSEAX	S	H	↑	China's reopening, lower interest rates, and weaker U.S. dollar bode well for developing mkts.
Emerging Markets	FEMKX	S	H	↑	China's reopening, lower interest rates, and weaker U.S. dollar bode well for developing mkts.
Emerging Mkts IDX	FPADX	S	H	↑	China's reopening, lower interest rates, and weaker U.S. dollar bode well for developing mkts.
Focused Stock	FTQGX	B	H	↓	Prefer more growth-oriented large-cap growth funds.
Int'l Real Estate	FIREX	S	H	↑	Global GDP may be better than previously forecasted; China shoring up housing sector.
Latin America	FLATX	S	H	↑	Lower interest rates, weaker U.S. dollar and steady commodity demand bode well for fund.
New Markets Income	FNMIX	H	B	↑	Weaker U.S. dollar, falling interest rates and stronger global growth are pluses.
Sel Consumer Staples	FD FAX	B	H	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
Sel Defense & Aero	FSDAX	B	H	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
Sel Health Care Svcs	FSHCX	B	B	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
Sel Insurance	FSPCX	B	B	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
Sel Pharmaceuticals	FPHAX	B	B	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
Sel Utilities	FSUTX	H	S	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
Sus. Emg Mkt Eqty	FSYJX	S	H	↑	China's reopening, lower interest rates, and weaker U.S. dollar bode well for developing mkts.
Total Emerging Mkts	FTEMX	S	H	↑	China's reopening, lower interest rates, and weaker U.S. dollar bode well for developing mkts.
U.S. Low Volatility Eqty	FULVX	B	H	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
Value Discovery	FVDFX	B	B	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
Sector ETFs (MSCI)					
Consumer Staples	FSTA	B	H	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
Health Care	FHLC	B	B	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
Utilities	FUTY	H	S	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
Annuities					
Laz Ret Emg Mkts	FPRLC	S	H	↑	China's reopening, lower interest rates, and weaker U.S. dollar bode well for developing mkts.
MS Emg Mkt Debt	FPRMC	S	H	↑	Weaker U.S. dollar, falling interest rates and stronger global growth are pluses.
MS Emg Mkt Eqty	FPRNC	S	H	↑	China's reopening, lower interest rates, and weaker U.S. dollar bode well for developing mkts.
VIP Consumer Staples	FCSAC	B	H	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
VIP Emerging Mkts	FEMAC	S	H	↑	China's reopening, lower interest rates, and weaker U.S. dollar bode well for developing mkts.
VIP Utilities	FXRRC	H	S	↓	Defensive stocks may be at a disadvantage in a soft landing (see "Message" on p. 1).
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

JANUARY 31, 2023

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)					Rel Vol (Risk) ¹	
					Jan	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr		
Comparative Indexes		S&P 500	4076.6		6.3	6.3	5.8	-8.2	9.9	9.5	12.7	9.7	1.00	
		Nasdaq Composite	11584.6		10.7	10.7	5.7	-17.9	9.0	10.3	15.1	12.3	1.16	
		Dow Jones Industrials	34086.0		2.9	2.9	4.7	-0.9	8.7	7.8	12.0	9.5	1.00	
		Russell 2000 (Small Caps)	1931.9		9.7	9.7	5.0	-3.4	7.5	5.5	9.4	8.3	1.25	
		Bloomberg Barclays Agg Bond*			3.2	3.2	6.4	-8.4	-2.4	0.8	1.4	2.0	0.28	
Model Portfolios		Unique Opportunities			8.6	8.6	7.1	-9.4	12.8	9.7	11.9	8.9	1.12	
		Select			9.8	9.8	8.6	-6.7	10.0	9.3	13.0	10.3	1.11	
		Growth			7.6	7.6	6.9	-9.2	11.4	9.8	11.8	8.7	1.04	
		Growth & Income			5.9	5.9	6.5	-8.0	7.4	6.5	8.9	6.9	0.67	
		Income			3.2	3.2	5.0	-5.4	2.3	2.8	3.8	4.3	0.38	
											Rel Vol (Risk) ¹	Assets (\$Mil)		
LARGE CAP GROWTH					Average	8.5	8.5	6.0	-14.8	9.9	10.3	14.0	1.11	
312	FBGRX	Blue Chip Growth	126.83	Buy	12.8	12.8	7.2	-21.7	10.2	11.4	15.4	1.32	\$34,976	
307	FDCAX	Capital Appreciation	33.94	Hold	6.4	6.4	6.7	-8.8	11.3	10.0	12.5	1.01	4,992	
22	FCNTX	Contrafund	12.97	Buy	7.3	7.3	6.5	-16.2	7.5	8.1	12.8	1.04	87,364	
3	FFIDX	Fidelity Fund	61.73	Buy	5.9	5.9	4.9	-14.3	8.9	9.3	12.0	1.01	5,538	
333	FTQGX	Focused Stock	24.91	Hold	5.4	5.4	3.2	-14.3	8.9	10.5	13.1	1.04	2,561	
3336	FIFNX	Founders Fund	15.04	Hold	10.3	10.3	6.9	-12.1	11.0	--	--	1.06	62	
25	FDGRX	Growth Company (Closed)	24.90	Buy	10.6	10.6	5.8	-17.5	13.6	12.6	16.7	1.29	34,859	
339	FDSVX	Growth Discovery	43.53	Buy	6.6	6.6	5.3	-12.1	11.5	11.9	15.0	1.05	2,577	
1829	FLGEX	Lrge Cap Growth Enhcd Index	24.64	Buy	7.6	7.6	4.2	-15.0	10.9	10.5	13.9	1.07	2,019	
2826	FSPGX	Lrge Cap Growth Index	22.56	OK to Buy	8.4	8.4	4.6	-16.0	9.9	11.2	--	1.13	11,309	
21	F MAGX	Magellan	11.43	OK to Buy	6.9	6.9	6.3	-12.7	7.3	7.8	12.3	1.08	24,111	
1282	FN CMX	Nasdaq Composite Index	146.02	OK to Buy	10.7	10.7	5.6	-17.8	9.1	10.3	15.0	1.16	10,590	
93	FOCPX	OTC	14.02	OK to Buy	9.3	9.3	7.3	-18.0	9.9	11.1	16.9	1.14	15,649	
320	FDS SX	Stock Selector All Cap	59.96	Hold	7.8	7.8	7.0	-7.9	10.0	8.7	12.1	1.03	1,364	
5	FTRNX	Trend	120.66	OK to Buy	11.1	11.1	9.0	-17.5	8.8	10.1	13.9	1.21	2,283	
LARGE CAP BLEND					Average	6.5	6.5	6.8	-5.2	9.6	9.0	11.8	1.02	
2328	FXAIX	500 Index	141.48	OK to Buy	6.3	6.3	5.7	-8.2	9.9	9.5	12.7	1.00	373,803	
315	FDEQX	Disciplined Equity	48.88	Hold	7.0	7.0	5.3	-15.0	7.7	7.7	11.0	1.07	1,456	
330	FDGFX	Dividend Growth	30.31	Buy	4.3	4.3	6.2	-2.2	7.7	6.6	10.0	1.03	5,553	
27	FGR IX	Growth & Income	50.94	OK to Buy	7.0	7.0	8.1	1.2	12.3	9.3	11.8	1.02	7,804	
1827	FLCEX	Lrge Cap Core Enhcd Index	18.82	OK to Buy	5.4	5.4	4.9	-8.1	10.8	9.6	12.5	0.96	1,905	
338	FLCSX	Large Cap Stock	40.58	OK to Buy	8.0	8.0	8.8	-0.8	11.9	9.1	12.2	1.07	2,946	
361	FGRTX	Mega Cap Stock	18.29	OK to Buy	8.2	8.2	9.4	-1.8	12.8	10.1	12.3	1.08	973	
300	F MILX	New Millennium	42.37	OK to Buy	7.1	7.1	7.9	6.2	12.1	8.9	11.7	1.07	2,739	
2361	FSKAX	Total Market Index	113.38	Buy	7.0	7.0	6.0	-8.4	9.4	9.0	12.2	1.03	68,423	
5029	FULVX	U.S. Low Volatility Equity	10.35	Hold	1.4	1.4	2.9	-2.4	3.1	--	--	0.82	284	
6391	FSEBX	Sustainability U.S. Equity	9.60	Hold	8.4	8.4	9.6	-6.9	--	--	--	--	16	
2941	FITLX	U.S. Sustainability Index	17.74	OK to Buy	6.5	6.5	6.8	-9.5	9.6	9.9	--	1.01	2,132	
3396	FWOMX	Women's Leadership	13.68	Hold	8.2	8.2	8.9	-5.0	8.6	--	--	1.11	100	
3231	FNILX	Zero Large Cap Index	14.27	OK to Buy	6.5	6.5	5.8	-9.1	9.6	--	--	1.01	5,689	
3227	FZROX	Zero Total Market Index	14.28	Buy	7.0	7.0	6.1	-8.2	9.6	--	--	1.03	13,287	
LARGE CAP VALUE					Average	4.3	4.3	6.6	1.1	10.1	7.2	10.2	0.98	
1271	FBCVX	Blue Chip Value	24.73	OK to Buy	2.5	2.5	5.1	4.5	9.5	5.7	9.5	0.98	835	
319	FEQTX	Equity Dividend Income	27.11	Buy	5.9	5.9	9.0	3.4	10.6	7.5	10.2	0.99	5,255	
23	FEQIX	Equity-Income	66.16	Buy	3.8	3.8	5.7	0.1	10.1	8.0	10.0	0.89	6,700	
1828	FLVEX	Lrge Cap Value Enhcd Index	14.90	OK to Buy	4.0	4.0	5.7	-1.3	10.0	7.5	10.9	0.99	5,729	
2830	FLCOX	Lrge Cap Value Index	15.56	OK to Buy	5.1	5.1	7.2	-0.5	8.5	7.0	--	1.01	5,796	
708	FSLVX	Stock Sel Large Cap Value	24.42	OK to Buy	5.9	5.9	9.0	1.4	10.2	7.5	10.1	1.07	406	
832	FVDFX	Value Discovery	36.17	OK to Buy	2.9	2.9	4.8	0.5	11.7	7.6	10.7	0.96	2,985	
MID-CAP GROWTH					Average	7.6	7.6	6.6	-8.5	6.4	8.1	11.5	1.16	
324	FDEGX	Growth Strategies	49.69	Buy	6.4	6.4	5.4	-8.5	6.5	8.1	11.5	1.13	2,746	
3403	FMDGX	Mid Cap Growth Index	23.56	Hold	8.7	8.7	7.7	-8.5	6.3	--	--	1.19	580	
MID-CAP BLEND					Average	9.0	9.0	8.3	-1.6	9.9	8.1	11.0	1.19	
2365	FSMAX	Extended Market Index	69.85	Buy	10.8	10.8	7.3	-9.3	6.8	6.4	10.0	1.29	32,841	
2012	FMEIX	Mid Cap Enhanced Index	16.59	OK to Buy	7.4	7.4	7.1	-1.5	10.3	7.4	11.1	1.12	1,858	
2352	FSMDX	Mid Cap Index	28.07	OK to Buy	8.3	8.3	8.6	-3.3	9.0	8.0	11.1	1.14	26,896	
337	F MCSX	Mid-Cap Stock	40.09	Buy	7.0	7.0	7.1	4.2	13.3	10.1	12.0	1.10	7,194	
2412	FSSMX	Stock Selector Mid Cap	39.19	OK to Buy	10.4	10.4	11.5	3.1	10.4	8.5	10.6	1.24	365	
3230	FZIPX	Zero Extended Market Index	11.58	Hold	10.1	10.1	8.0	-2.6	9.3	--	--	1.24	1,373	

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

FIDELITY SCORECARD					JANUARY 31, 2023								
Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) ¹	Assets (\$Mil)
					Jan	YTD	3 Mo.	1 Year	3 Year	5 Year	10Year		
SPECIALTY													
6385	FCAEX	Climate Action	8.96	Hold	7.7	7.7	11.0	-10.1	--	--	--	--	\$20
308	FCVXX	Convertible Securities	31.07	OK to Buy	4.4	4.4	4.1	-6.0	11.2	11.3	9.2	0.84	1,526
2120	FFGCX	Global Commodity Stock	20.24	OK to Sell	5.1	5.1	5.4	20.5	22.6	10.5	5.1	1.30	913
6553	FAPHX	Healthy Future Fund	10.15	OK to Buy	6.4	6.4	7.2	--	--	--	--	--	3
6875	FEQHX	Hedged Equity	9.91	NR	4.2	4.2	2.5	--	--	--	--	--	47
3488	FNSTX	Infrastructure Fund	11.92	OK to Sell	4.0	4.0	6.9	-0.7	3.7	--	--	0.87	53
122	FLVCX	Leveraged Company Stock	33.98	Hold	8.9	8.9	6.4	-9.2	10.7	7.5	9.5	1.32	1,829
6519	FAQAX	Macro Opportunities	9.58	NR	0.5	0.5	0.4	--	--	--	--	--	1
6513	FAPXX	Risk Parity	9.63	NR	6.4	6.4	10.8	--	--	--	--	--	2
1329	FSDIX	Strategic Dividend & Income	16.09	OK to Buy	4.8	4.8	7.1	-2.3	7.9	7.5	8.9	0.75	3,098
1505	FSRRX	Strategic Real Return	8.68	Hold	3.3	3.3	4.3	-0.1	6.6	4.9	2.7	0.54	371
311	FIUIX	Telecom & Utilities	28.51	Hold	0.9	0.9	4.5	8.0	4.2	7.8	9.1	0.81	969
DISRUPTOR/MEGATREND FUNDS					Average	9.5	9.5	9.6	-10.8				
6041	FARMX	Agricultural Productivity	21.52	Hold	2.4	2.4	0.8	14.9	--	--	--	--	132
6036	FBOTX	Disruptive Automation	15.41	OK to Buy	12.7	12.7	18.8	-12.8	--	--	--	--	18
6037	FNETX	Disruptive Communications	11.31	OK to Buy	14.4	14.4	11.0	-21.8	--	--	--	--	4
6038	FNTXX	Disruptive Finance	14.71	Hold	9.9	9.9	10.3	-13.6	--	--	--	--	6
6039	FMEDX	Disruptive Medicine	11.25	OK to Buy	4.4	4.4	5.5	-4.2	--	--	--	--	6
6040	FTEKX	Disruptive Technology	11.44	OK to Buy	15.1	15.1	10.9	-29.8	--	--	--	--	21
6043	FGDFX	Disruptors	13.20	OK to Buy	11.3	11.3	11.5	-16.4	--	--	--	--	22
6042	FLOWX	Water Sustainability	14.36	OK to Buy	5.9	5.9	7.6	-2.9	--	--	--	--	90
SELECT PORTFOLIOS					Average	8.0	8.0	9.0	-2.6	10.1	8.3	11.4	1.25
502	FSAVX	Automotive	45.77	Hold	13.8	13.8	5.8	-21.8	13.8	9.3	11.1	1.52	100
507	FSRBX	Banking	26.61	OK to Buy	8.5	8.5	2.6	-9.0	7.3	3.7	10.1	1.49	442
42	FBIOX	Biotechnology	16.80	Buy	3.2	3.2	4.8	3.5	3.3	3.1	11.4	1.09	5,280
68	FSLBX	Brokerage & Investment	117.90	OK to Buy	10.4	10.4	11.3	-4.9	15.2	10.8	12.1	1.24	829
69	FSCHX	Chemicals	15.70	OK to Buy	7.8	7.8	11.0	0.4	16.5	3.1	8.8	1.19	695
503	FBMPX	Communication Services	64.81	Buy	15.7	15.7	14.7	-23.3	3.9	6.2	10.0	1.20	711
511	FSHOX	Construction & Housing	90.60	OK to Buy	9.4	9.4	14.0	-5.6	18.0	14.3	14.0	1.27	504
517	FSCPX	Consumer Discretionary	49.17	Buy	15.9	15.9	8.6	-15.5	6.9	7.0	11.7	1.34	424
9	FDFAX	Consumer Staples	95.18	Hold	1.1	1.1	5.4	0.7	9.2	6.9	8.3	0.83	901
67	FSDAX	Defense & Aerospace	15.94	Hold	2.5	2.5	9.7	12.8	0.8	3.7	12.4	1.34	1,581
60	FSENX	Energy	58.56	OK to Sell	4.4	4.4	1.1	43.8	26.5	7.7	4.3	2.09	3,260
516	FSLEX	Environment & Alt Energy	27.69	OK to Buy	5.6	5.6	5.1	-12.2	8.5	5.4	9.8	1.24	477
66	FIDSX	Financial Services	11.77	Buy	9.6	9.6	7.7	-2.4	11.6	7.6	11.3	1.31	747
98	FSVLX	FinTech	14.28	OK to Buy	12.0	12.0	7.3	-18.1	-1.0	2.6	8.0	1.57	113
41	FSAGX	Gold	24.99	Sell	11.4	11.4	33.3	3.4	3.0	5.1	-2.0	1.77	1,428
63	FSPHX	Health Care	28.34	Buy	2.6	2.6	3.8	3.3	7.9	10.0	15.0	0.85	8,542
505	FSHCX	Health Care Services	131.62	OK to Buy	-0.3	-0.3	-4.3	9.4	14.2	11.9	15.3	0.90	1,813
515	FCYIX	Industrials	30.95	Buy	5.0	5.0	8.8	2.8	7.0	5.0	9.7	1.19	456
45	FSPCX	Insurance	77.04	OK to Buy	4.0	4.0	7.6	12.1	13.2	10.0	13.2	1.10	492
353	FBSOX	IT Services	56.81	OK to Buy	8.1	8.1	5.7	-16.8	-0.4	7.2	13.9	1.25	2,166
62	FDLXX	Leisure	16.11	OK to Buy	12.2	12.2	11.3	0.3	11.1	9.4	12.9	1.43	570
509	FSDPX	Materials	104.28	OK to Buy	9.4	9.4	16.5	6.5	19.2	5.5	7.5	1.17	626
354	FSMEX	Medical Tech & Devices	63.59	OK to Buy	3.3	3.3	9.3	-9.6	7.8	11.6	16.3	1.04	7,191
514	FNARX	Natural Resources	41.79	OK to Sell	7.5	7.5	7.7	35.3	22.9	8.3	4.0	1.85	850
580	FPHAX	Pharmaceuticals	22.79	OK to Buy	0.0	0.0	3.6	6.8	8.1	10.6	11.1	0.69	810
46	FSRPX	Retailing	17.72	OK to Buy	11.5	11.5	10.2	-12.4	10.7	9.9	15.4	1.22	2,953
8	FSELX	Semiconductors	17.43	OK to Buy	19.3	19.3	26.7	-10.0	22.0	19.5	23.9	1.69	7,162
28	FSCSX	Software & IT Services	21.50	OK to Buy	9.3	9.3	7.7	-17.3	7.9	12.1	17.5	1.11	8,914
7	FDCPX	Tech Hardware	77.37	OK to Buy	8.5	8.5	7.8	-15.7	11.4	12.1	13.5	1.09	728
64	FSPTX	Technology	20.10	Buy	12.7	12.7	8.7	-21.1	10.8	12.4	17.6	1.29	8,454
96	FSTCX	Telecommunications	49.85	Hold	12.3	12.3	12.0	-4.5	3.4	3.5	6.6	0.89	183
512	FSRFX	Transportation	96.20	Hold	6.9	6.9	8.0	1.7	12.5	7.4	12.8	1.22	584
65	FSUTX	Utilities	103.20	OK to Sell	-2.3	-2.3	3.8	6.4	5.0	10.1	10.4	0.91	1,482
963	FWRLX	Wireless	10.49	Hold	10.5	10.5	6.9	-16.3	6.0	8.5	10.3	0.99	315
SECTOR ETFs					Average	6.7	6.7	6.8	-1.8	10.0	8.4	1.19	
	FCOM	MSCI Communication Services	35.75	OK to Buy	15.1	15.1	11.9	-25.2	0.7	4.0	--	1.18	457
	FDIS	MSCI Consumer Discretionary	65.51	Buy	15.6	15.6	5.4	-17.0	11.1	10.1	--	1.42	930
	FSTA	MSCI Consumer Staples	44.71	Hold	-0.2	-0.2	2.4	0.1	8.6	7.9	--	0.75	1,110
	FENY	MSCI Energy	24.54	OK to Sell	2.9	2.9	0.3	43.0	25.5	8.2	--	2.14	1,640
	FNCL	MSCI Financials	51.67	Buy	7.8	7.8	7.6	-5.0	8.6	6.1	--	1.24	1,510
	FHLC	MSCI Health Care	63.51	OK to Buy	-0.7	-0.7	1.6	1.8	11.1	9.9	--	0.79	3,160
	FIDU	MSCI Industrials	53.40	Buy	5.3	5.3	8.8	3.1	10.1	7.3	--	1.17	698
	FTEC	MSCI Information Technology	103.68	Buy	9.7	9.7	6.4	-16.2	12.3	15.2	--	1.20	4,930
	FMAT	MSCI Materials	47.85	OK to Buy	9.6	9.6	15.4	4.3	16.4	7.8	--	1.20	430
	FREL	MSCI Real Estate	27.40	Hold	10.4	10.4	11.3	-11.2	2.5	6.7	--	1.10	1,440
	FUTY	MSCI Utilities	44.85	OK to Sell	-1.6	-1.6	4.3	2.9	3.1	9.4	--	0.90	2,110

FIDELITY SCORECARD

JANUARY 31, 2023

Fund No.	Fund Ticker	Fund Name	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				SEC %Yield	Dur ² (Yrs)	Rel Vol (Risk) ¹	
					Jan	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr				
TAXABLE BOND					Average	2.7	2.7	5.1	-7.4	-1.8	1.0	1.2	4.14	5.2	0.27
2267	FCONX	Conservative Income Bond	10.02	Buy	0.7	0.7	1.5	1.8	0.9	1.4	1.1	4.41	0.2	0.06	
2208	FCBFX	Corporate Bond	10.48	OK to Buy	4.5	4.5	9.0	-9.8	-2.4	1.4	2.5	4.96	6.9	0.46	
6379	FFEBX	Environmental Bond	8.59	OK to Buy	3.5	3.5	7.0	-9.0	--	--	--	3.77	6.0	--	
2423	FGBFX	Global Credit	7.69	Hold	4.8	4.8	8.5	-14.0	-4.1	0.3	0.4	5.24	6.8	0.50	
15	FGMNX	GNMA (Ginnie Mae)	10.37	Hold	3.1	3.1	6.2	-7.3	-2.2	0.3	0.9	3.37	5.2	0.27	
54	FGOVX	Government Income	9.38	OK to Buy	2.9	2.9	5.5	-8.7	-2.8	0.4	0.8	3.41	6.1	0.27	
2418	FIPDX	Inflation-Protected Index	9.20	OK to Sell	2.0	2.0	2.7	-8.3	1.0	2.6	1.3	0.00	6.7	0.32	
32	FTHR	Intermediate Bond	10.06	OK to Buy	2.2	2.2	4.4	-5.4	-1.0	1.4	1.5	4.26	3.8	0.21	
452	FSTGX	Intermediate Gov't Income	9.72	OK to Buy	1.7	1.7	3.3	-5.7	-1.8	0.6	0.6	3.57	3.9	0.18	
3045	FUAMX	Intermediate Treasury Index	9.84	OK to Buy	2.9	2.9	5.0	-8.4	-2.6	1.0	1.1	3.61	6.2	0.29	
4506	FBIIX	International Bond Index	8.96	Hold	1.7	1.7	1.5	-8.2	-3.0	--	--	3.07	7.4	0.22	
26	FBNDX	Investment Grade Bond	7.30	Buy	3.7	3.7	6.7	-8.5	-1.4	1.5	1.9	4.54	6.3	0.30	
2622	FJRLX	Limited Term Bond	10.96	Buy	1.7	1.7	3.6	-3.3	-0.5	1.3	1.3	4.40	2.5	0.17	
662	FFXSX	Limited Term Government	9.47	OK to Buy	1.1	1.1	2.3	-4.2	-1.3	0.5	0.5	3.73	2.7	0.13	
3047	FNBGX	Long-Term Treasury Index	10.83	Hold	7.1	7.1	12.0	-21.5	-7.6	-0.3	1.5	3.77	16.2	0.68	
40	FMSFX	Mortgage Securities	10.10	Hold	3.2	3.2	7.1	-8.0	-2.4	0.3	1.1	3.38	6.0	0.29	
450	FSHBX	Short-Term Bond	8.29	Buy	1.1	1.1	2.4	-1.9	-0.1	1.2	1.0	4.17	1.7	0.11	
3041	FNSOX	Short-Term Bond Index	9.58	OK to Buy	1.3	1.3	2.7	-3.4	-0.6	1.1	--	4.33	2.6	0.12	
3049	FUMBX	Short-Term Treasury Index	9.96	OK to Buy	1.2	1.2	2.3	-3.5	-0.8	1.0	0.7	4.13	2.6	0.12	
3086	FNDX	Sustainability Bond Index	9.38	OK to Buy	3.1	3.1	6.1	-8.4	-2.5	--	--	3.87	6.0	0.28	
6541	FIAEX	Sustainable Core Plus Bond	9.41	OK to Buy	3.5	3.5	6.4	--	--	--	--	4.55	5.9	--	
6526	FAPGX	Sustainable Low Dur Bond	10.01	Hold	0.5	0.5	1.3	--	--	--	--	4.34	0.5	--	
6502	F BAGX	Tactical Bond	9.04	Hold	3.8	3.8	6.6	--	--	--	--	5.43	5.6	--	
820	FTBFX	Total Bond	9.64	Buy	3.7	3.7	6.8	-8.0	-1.1	1.6	2.2	5.16	5.9	0.31	
2326	FXNAX	U.S. Bond Index	10.48	Buy	3.2	3.2	6.4	-8.4	-2.4	0.8	1.4	3.94	6.1	0.28	
HIGH-YIELD BOND					Average	3.4	3.4	6.2	-4.5	0.7	1.9	3.4	6.84	3.7	0.51
38	FAGIX	Capital & Income	9.35	Hold	4.1	4.1	5.2	-3.5	4.8	4.8	6.1	6.35	3.7	0.66	
814	FFRHX	Floating Rate High Income	9.14	OK to Buy	2.4	2.4	4.1	1.8	3.0	3.4	3.4	8.56	0.2	0.41	
1366	FHIFX	Focused High Income	7.80	OK to Buy	3.1	3.1	4.3	-5.1	-0.4	2.1	3.2	6.03	4.4	0.46	
2297	FGHNX	Global High Income	8.48	OK to Buy	4.1	4.1	9.9	-4.7	0.4	1.6	3.5	6.94	3.6	0.58	
455	SPHIX	High Income	7.51	Hold	3.6	3.6	4.2	-6.1	-0.7	1.4	3.3	7.73	4.2	0.53	
331	FNMIX	New Markets Income	11.88	OK to Buy↑	3.7	3.7	12.4	-9.9	-3.8	-1.7	1.4	6.71	6.5	0.65	
2580	FSAHX	Short Duration High Income	8.70	Buy	2.6	2.6	3.3	-2.2	1.2	2.1	--	6.87	2.3	0.36	
3082	FADMX	Strategic Income	11.21	OK to Buy	3.4	3.4	6.1	-6.3	0.6	1.9	2.9	5.50	4.5	0.41	
MUNICIPAL BOND					Average	2.6	2.6	6.9	-3.2	-0.6	1.7	2.1	2.89	5.8	0.28
434	FSAZX	Arizona Muni Income	11.44	OK to Buy	2.8	2.8	7.4	-3.7	-0.8	1.7	2.2	2.73	6.5	0.29	
1534	FCSTX	Calif Limited Term Tax Free	10.30	Buy	1.5	1.5	3.9	-1.1	-0.3	1.1	1.2	2.43	2.7	0.17	
91	FCTFX	California Muni Income	12.18	OK to Buy	3.0	3.0	7.6	-3.5	-0.7	1.8	2.5	2.91	6.6	0.31	
407	FICNX	Connecticut Muni Income	10.96	OK to Buy	2.9	2.9	7.5	-3.3	-0.5	2.0	2.2	2.63	5.9	0.29	
2578	FCRD	Conservative Income Muni	10.00	Buy	0.5	0.5	1.2	0.9	0.4	0.9	--	2.73	0.5	0.04	
36	FLTMX	Interm Municipal Income	10.11	OK to Buy	2.3	2.3	6.1	-1.9	-0.1	2.0	2.0	2.86	4.5	0.25	
404	FSTFX	Limited Term Muni Income	10.29	Buy	1.5	1.5	3.9	-1.3	-0.1	1.2	1.1	2.72	2.5	0.16	
429	SMDMX	Maryland Muni Income	10.75	OK to Buy	2.9	2.9	7.6	-3.8	-0.9	1.6	2.0	2.76	6.5	0.30	
70	FDMMX	Mass Muni Income	11.40	OK to Buy	2.5	2.5	6.7	-4.2	-1.0	1.4	2.0	2.70	6.6	0.29	
81	FMHTX	Michigan Muni Income	11.49	OK to Buy	2.7	2.7	7.2	-4.3	-0.7	1.8	2.2	3.00	6.7	0.28	
82	FIMIX	Minnesota Muni Income	11.11	OK to Buy	2.3	2.3	6.5	-3.1	-0.6	1.7	1.9	2.62	5.9	0.26	
3469	FMBIX	Municipal Bond Index	18.59	OK to Buy	3.0	3.0	7.9	-4.2	-1.4	--	--	3.10	6.3	0.32	
37	FHIGX	Municipal Income	12.24	OK to Buy	3.4	3.4	8.9	-4.4	-0.7	2.1	2.6	3.30	7.5	0.36	
416	FNJHX	New Jersey Muni Income	11.49	OK to Buy	3.4	3.4	8.4	-3.2	-0.2	2.4	2.5	2.88	6.9	0.35	
71	FTFMX	New York Muni Income	12.29	OK to Buy	3.4	3.4	8.8	-4.4	-0.9	1.7	2.2	3.26	8.0	0.35	
88	FOHFX	Ohio Muni Income	11.42	OK to Buy	2.7	2.7	7.4	-3.7	-0.8	1.7	2.3	2.90	6.5	0.29	
402	FPXTX	Pennsylvania Muni Income	10.48	OK to Buy	2.8	2.8	7.7	-4.7	-0.9	1.7	2.3	3.20	7.0	0.31	
6532	FSIKX	Sustainable Intermed Muni	10.14	OK to Buy	2.5	2.5	6.6	--	--	--	--	2.70	4.9	--	
90	FTABX	Tax-Free Bond	10.96	OK to Buy	3.5	3.5	8.9	-4.4	-0.6	2.2	2.6	3.51	7.3	0.36	

Yields on municipal funds are not directly comparable to yields on taxable funds. In muni funds shareholders' effective yield will be higher as their tax-bracket increases. ¹12-month distributed yield; ²Closed to new accounts; ³Name changed to Premium Class shares (formerly AMT).

TAXABLE GOV'T MONEY MARKETS			Total Return (%)		SEC %Yield
			Jan	YTD	
55	FDRXX	Gov't Cash Reserves	0.34	0.34	3.98
458	SPAXX	Government MM	0.33	0.33	3.95
2742	FZFXX	Treasury MM	0.33	0.33	3.96
415	F DLXX	Treasury Only MM (closed)	0.33	0.33	3.97
PRIME MONEY MARKETS					
454	SPRXX	Money Market	0.35	0.35	4.17
NOTE: SPRXX is available in premium class shares (ticker: FZDXX) with a \$100,000 minimum investment (\$10,000 for certain Fidelity retirement accounts and lower expenses).					

NATIONAL MUNICIPAL MONEY MKTS			Total Return (%)		SEC %Yield
			Jan	YTD	
10	FTEXX	Municipal Money Market	0.19	0.19	1.51
275	FMOXX	Tax-Exempt MM	0.17	0.17	1.38
STATE MUNICIPAL MONEY MARKETS					
433	FSAXX	Arizona Muni MM ¹	--	--	--
457	FSPXX	California Muni MM ²	0.17	0.17	1.45
418	FCMXX	Connecticut Muni MM ¹	--	--	--
426	FMSXX	Massachusetts Muni MM ²	0.17	0.17	1.44
420	FMIXX	Michigan Muni MM ¹	--	--	--
423	FSJXX	New Jersey Muni MM ²	0.17	0.17	1.47
422	FSNXX	New York Muni MM ²	0.18	0.18	1.40
419	FOMXX	Ohio Muni MM ¹	--	--	--
401	FPTXX	Pennsylvania Muni MM ¹	--	--	--

Market Indexes

At the risk of redundancy, all major U.S. stock indexes gained ground in January. For its part, the Dow Jones Industrials lagged its big-cap counterparts owing to a combination of factors including its relatively modest exposure to high-flying technology and, on the other hand, larger exposures to energy and more defensive health care stocks. Of course, under more ordinary circumstances the Dow's January gain of 2.9% would be considered quite strong.

Stock Funds

With tech shares faring particularly well last month, Fidelity's 15 large-cap growth funds popped, on average, 8.5%. **Blue Chip Growth** led the group higher (up 12.8%), but there were other double-digit gainers including **Trend** (up 11.1%) **Growth Company** (up 10.6%) and **Founders Fund** (up 10.3%). Not surprisingly, these were among last year's poorest-performing offerings.

As impressive as those returns are, small- and mid-cap funds enjoyed an even better January.

Leading January's rebound were **Small Cap Value** (up 10.1%) and **Small Cap Value Index** (9.6%). Last month's gains went a long way in helping to mitigate 2022's double-digit declines of 13.2% and 14.4%, respectively. The same was true for Fidelity's small-cap growth and small-cap blend funds which, on average, rose 9.7% and 9.8%, respectively, last month.

Among Fidelity's most widely held (biggest) domestic stock funds by assets, **OTC** jumped 9.3%, **Contrafund** gained 7.3%, **Magellan** rose 6.9%, and **Low-Priced Stock** (which is one-third invested overseas) was up 5.3%.

International Funds

With the U.S. dollar retreating almost 2% last month (a combination of factors contributed to this, including expectations that Fed rate-hikes will be more moderate this

the norm in other emerging markets: **Latin America** jumped 11.0% as demand for its commodities is expected to rise. For their part, **Japan** and **Japan Smaller Companies** (up 7.8% and 5.9%) benefited from a weaker yen and a rosier regional outlook. Indeed, **Pacific Basin** fund gained 11.9%. Closer to home, **Europe** gained 7.5%.

Select Funds

Market rotation was in clear view for Fidelity's 34 sector-specific funds. With a group average gain of 8.0% for the month, **Select Semiconductors** (up 19.3%) led the way higher. That was despite forecasts that slack demand for consumer electronics will, in turn, slow demand for certain semiconductors. (The chip sector was also oversold last year, with the fund plunging 35.2%.)

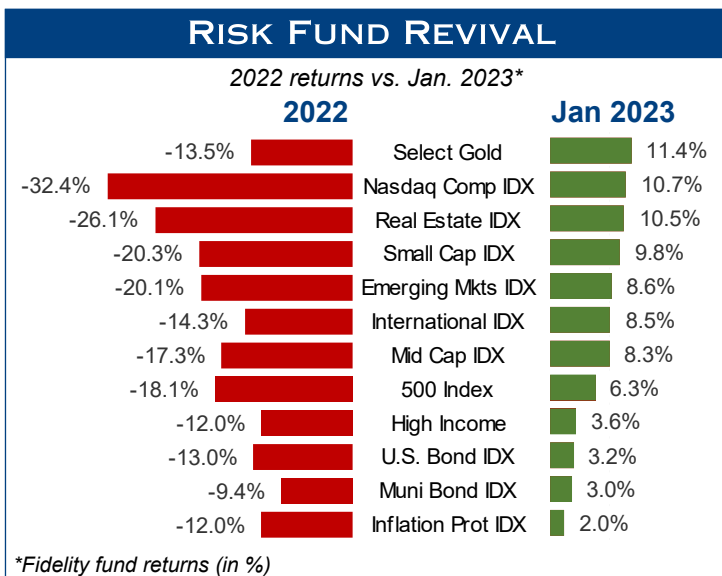
On the flip side, one of last year's "winners," **Health Care Services** (which had gained 0.8%), was January's sole loser with a fractional decline of 0.3%. Lastly, **Consumer Discretionary** (up 15.9%) benefited from Tesla's 35% gain and signs that the economy may be stronger than expected (though there are signs that consumer spending is waning).

Fixed Income Funds

All taxable and muni bond funds rose last month. They did so amid waning inflation is and the prospect that the Fed now has the flexibility to hike interest rates at a more modest pace. With the yield on the benchmark 10-year Treasury falling 36 basis points to 3.52%, **U.S. Bond Index** rose 3.2% in January; **Municipal Income** rose 3.4%.

As for Fidelity's prime **Money Market**, it now yields 4.17% versus 3.98% for their biggest fund by assets, **Gov't Cash Reserves**. ■

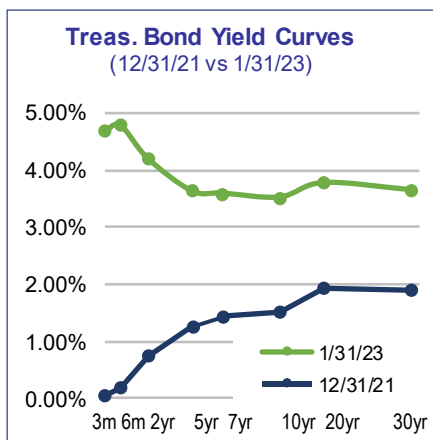
—John Bonnanzio



year), Fidelity's unhedged foreign stock funds got an additional lift from rebounding equity markets.

International Index and **Global ex U.S. Index** both generated gains of 8.5% (surpassing the S&P by 2.2 percentage points).

China Region fared best of all in January (up 13.6%), followed closely by **Emerging Asia** (up 12.8%). Similarly strong gains were



In anticipation of further Fed tightening, the yield on the 3-month T-bill rose 28 basis points last month to 4.70%. At the same time, yields fell for Treasury's maturing in 5+ years. Relative to 13 months ago, the yield curve is significantly inverted, portending to many a coming recession.

Message *cont'd from page 1*

staples, defense, health care services, and utilities groups). But going forward they might turn into laggards as investor capital migrates back to companies with proven potential to deliver long-term growth exceeding that of the broad economy. To reflect that growing possibility, our list of ratings downgrades (p. 5) is longer than usual. Defensive stocks could still hold up well this year if we get a deep recession, but that's looking less likely at this point.

It's also worth noting that downgrades are always a bit tricky because unexpected events are more often bullish than bearish. Case in point, we downgraded energy stocks last year, but they have continued to outperform on China's sudden reopening of its economy and transit system.

On that score, we're leaving our *OK to Sell* ratings on energy where they are. There's nothing wrong

with taking profits after a big runup, especially when energy prices remain at risk longer-term as global supplies catch up with demand.

Finally, as I have mentioned in recent months, smaller stocks (as defined by the S&P 400 and S&P 600 indexes) continue to trade at

money. As a result, **Zero Large-Cap** has a larger percentage of growth stocks than the S&P 500, and **Zero Extended** has a much smaller weighting in growth. In a year where growth stocks got clobbered, and value stocks not so much, the differences in returns were much more pronounced than usual.

Models By Investment Styles					
	Unique	Select	Growth	S&P 500	R3000
L/C Value	3	12	7	16	14
L/C Blend	8	14	16	28	25
L/C Growth	25	29	31	40	32
M/C Value	8	6	9	5	6
M/C Blend	13	8	15	8	9
M/C Growth	15	13	10	3	5
S/C Value	8	5	5	0	3
S/C Blend	11	8	5	0	4
S/C Growth	9	5	2	0	2

With 40% of the S&P 500's style broadly considered large-cap growth stocks, almost all consists of Big Tech names like Microsoft, Apple, etc. To that end, our stock-focused models underweight those areas relative to that large-cap benchmark, but not to the broader market as measured by the Russell 3000 (an index which includes higher mid- and small-cap exposures).

substantial discounts to the large-cap S&P 500. A soft landing would be bullish for "smid-caps" of all stripes. That's why we are maintaining an increased emphasis on smaller stocks (which currently account for 46% to 64% of holdings) in our model portfolios. ■

—Jack Bowers

Q: *Does FM&I track ETFs? And are there ETF equivalents to follow your model portfolios?*

A: ETFs don't have any significant advantages over mutual funds in our view. They can sometimes have slightly lower expenses, but that's offset by paying more than net asset value when you buy them, and getting less than net asset value when you sell them. Taxable distributions can sometimes be lower with ETFs, but once sold there is no significant difference in taxes paid. And while you can trade ETFs during market hours, that often means locking in the lowest price of the day when you sell.

With that mind, we have a strong preference for mutual funds over ETFs, as they are easier to track and everyone gets the same price when we announce a trade.

If you still want to use ETFs, you can follow our *VIP Sector Model* using Fidelity's MSCI sector ETFs as substitutes for the annuity sectors. But be aware that most ETFs are passive large-cap index funds, and may not perform as well as actively managed sectors going forward, because mid-caps and small-caps are now selling at deep discounts (as opposed to the significant premiums they sold for a decade ago). In other words, what happened over the last 10 years is likely to reverse in the decade ahead. ■

DIVIDEND UPDATE

Other than monthly dividends on bond and money market funds, and Asset Mgr: 20%/30%, the following funds are scheduled for a distribution (if any) in February:

Contrafund, Global Credit, Inflation-Protected Index, Intermed Muni, Limited Term Muni, Municipal Inc, MI, MN, OH, and PA Muni Income, Multi-Asset Inc, New Markets Inc, Strategic Inc, Trend

No funds made distributions in January.

Questions For Jack

Q: *Why did **Extended Market Index** (-26.4%) do so much worse than **Zero Extended Market Index** (-18.0%) last year? Same question for all **Zero index funds** — shouldn't they all be about equal to their counterparts?*

A: Rather than pay S&P to use their benchmarks, Zero funds use Fidelity's proprietary benchmarks to save

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