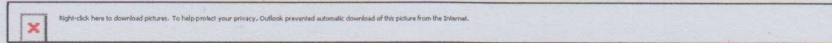


ERIC

Emile & Diane Fournier

From: Fidelity Monitor & Insight <hotline@fmandi.com>
Sent: Wednesday, November 25, 2020 5:07 PM
To: efourn@comcast.net
Subject: Fidelity Monitor & Insight Hotline Update 11/25/20 (Switches)



This is John Bonnanzio with a Fidelity Monitor & Insight Hotline update for Wednesday evening November 25.

On Monday November 30, we will make the following Model Portfolio trades (to match the models, place your trades after the market closes on Friday).

In our Growth Model, we will sell our entire position in Growth Strategies [ticker: FDEGX] and with the proceeds purchase Low-Priced Stock [ticker: FLPSX].

In our Growth & Income Model, we will sell our entire position in Contrafund [ticker: FCNTX] and with the proceeds purchase Low-Priced Stock [ticker: FLPSX].

In our Income Model, we will sell our entire position in Contrafund [ticker: FCNTX] and with the proceeds purchase Low-Priced Stock [ticker: FLPSX]. In addition, we will sell our entire position in Conservative Income Bond [ticker: FCONX] and with the proceeds purchase Mortgage Securities [ticker: FMSFX].

In our Annuity Growth Model, we will sell our entire position in VIP Mid Cap [ticker: FNBSC] and with the proceeds purchase VIP Value Strategies [ticker: FRBSC].

In our Annuity Growth & Income Model, we will sell our entire position in VIP Contrafund [ticker: FPDFC] and with the proceeds purchase VIP Value Strategies [ticker: FRBSC].

In our Annuity Income Model, we will sell our entire position in VIP Contrafund [ticker: FPDFC] and with the proceeds purchase VIP Value Strategies [ticker: FRBSC].

There are no other model portfolio trades advised.

While we'll have more to say about these trades in the December newsletter, as a general rule, small- and mid-cap value stock exposures have been increased at the expense of larger-cap growth. On the fixed-income front, Mortgage Securities yields a bit more than Conservative Income Bond, and its negative correlation to stocks helps keep risk low in the Income Model.

As we have been reminding, many funds will be going ex-dividend next month – including some funds we're purchasing. Although this is only a concern in taxable accounts, you may want to delay putting cash to work in stock funds until after they have gone ex-dividend.

[Click [HERE](#) for estimated year-end distributions.]

Of course, delaying your trades into 2021 runs the risk of being too heavy in growth stocks at a time when value stocks may be leading the market. Where do we stand on this? Long-term capital gains rates remain attractive, and the positions we are selling with substantial unrealized gains have all been held for more than a year. In other words, we don't want to let the tax tail wag the investment dog!

One last note about the trades. Fidelity's annuities have multiple share classes whose tickers differ from the VIP personal retirement annuities we use. However, fund names are typically the same.

Turning to the financial markets, share prices rose on Monday and Tuesday but were mixed on Wednesday. At home, the Dow Jones Industrials reached a record high on Tuesday as investors continued to look past the terrible toll Covid-19 is exacting on people and businesses. They instead focused their gaze on several vaccines which will soon be deployed to beat back this scourge.

Separately, some investors are heartened that Mr. Biden's transition to the White House has begun in earnest. On Tuesday, for example, he indicated that former Federal Reserve chair, Janet Yellen, will be the next Treasury Secretary.

In the holiday-shortened week through Wednesday, the Dow Industrials rose 2.1%, and both the S&P 500 and the Nasdaq Composite advanced 2.0%. Moving down in market cap, the Russell's small-cap gauge jumped 3.3% and their mid-cap barometer was up 2.3%.

In the fixed-income market, Treasury yields backed up as investors grew more comfortable with risk assets: the benchmark 10-year Note jumped 6 basis points closing Wednesday with a yield of 0.89%.

With U.S. markets closed on Thursday for Thanksgiving and the New York Stock Exchange closing at 1:00 pm on Friday, our next regularly scheduled Hotline update is Friday evening December 4. (In the meantime, we will email and post weekly index and model portfolio performance figures Friday evening November 27.)

On Tuesday evening December 1, the December newsletter will be posted on our website.

Finally, we know that this Thanksgiving finds many of our readers unable to enjoy this uniquely American holiday without the company of their family and friends. But it needn't be a depressing day. This Thanksgiving it's not enough to acknowledge our own good fortune, it's even more important to recognize and thank the legions of health care workers (many of whom will be working) for their dedication, sacrifices and big hearts.

Happy Thanksgiving.

Comments/Questions: Please send comments or questions to: [Membership Services](#). If you would like to change your email address, please [enter it here](#). Opting out of these emails is not recommended as it can restrict Fidelity Monitor & Insight Web site access.

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