

## TRANSCRIPT

### Maximizing Fidelity's research capabilities

**Michael McCrary:** Welcome everyone. Thanks for taking time to join us today. My name's Michael McCrary. I am a regional brokerage consultant covering 14 branches throughout the southeast and I'm one of about 25 regional brokerage consultants throughout the country who work with our self-directed clients locally and we're available to discuss a wide variety of training related and investing related topics such as stock selection, portfolio construction, risk management, fundamental and technical analysis, ETFs, fixed income, and options. So, a lot of topics that we cover, but regardless of the conversation, all of those discussions will come back to the tools and research available on Fidelity.com to help you make more informed decisions.

And for the next hour, we're gonna dive into some of the research tools in more detail. We're gonna cover some of the macro-research capabilities, sector research and sector weighting recommendations, stock research and dashboards, and then option research. So this is a lot of information to cover. There will be some things that we discuss that you might already be using, but I hope to provide you with some of the hidden gems that most clients don't know about. In fact, my concern is that after today's seminar, I might just need to join the witness protection program because my colleagues— my fellow regional brokerage consultants — they may get a little bit peeved that I'm giving away all the secrets and they'll see their appointments start to fall off in the local branch. But, if there are some things that you have questions about that we don't cover today, you can always call your local branch and

they'll be able to put you in contact with your local regional brokerage consultant to have a meeting there in the office or over the phone and then we also have a number of other resources in the Learning Center that can help you highlight some of the topics that we discuss today — kind of revisit some of the topics we discuss today or maybe revisit some of the things that we didn't get around to covering. With that being said, we definitely have a lot to cover. There's a lot of content and just a short amount of time. I'm gonna move through this rather quickly.

We're gonna go ahead and get started — kind of jump right in. So, at this point, my screen — let me go ahead and pull this up. So, we're gonna start with some of the macro research and one of the first things that I always direct clients to — that's gonna be Fidelity's quarterly market update. And you can get to Fidelity's quarterly market update. Just simply type in "Fidelity.com/qmu" — that's quarterly market update. And from here you'll see some of the key takeaways we have from the past quarter and the current quarter going forward that we need to be thinking about from a macro level and then you'll see a short video from, in this case, Dirk Hofschie. He's coming in and giving you some commentary on Fidelity's viewpoints as to what we see in the past quarter and the current quarter going forward and, as you scroll down, you get a lot more topics and viewpoints around that.

Now, what's typically overlooked is this interactive presentation. So, if you click on this interactive presentation, this really takes you into a lot more research and you can see these slides on the left hand side — there's probably about forty to fifty slides here that you can kind of go through, but they are color-coded so you'll notice the

slides that are colored green, those are focused on market summary and as you scroll down, you'll see the colors change on the slide. That changes to gray. That's the economic backdrop. And then you'll see it change to gold. So you kind of get the idea here as to how these slides are focused on certain topics and one of the things that clients overlook — obviously, you'll see some of the, you know, key takeaways that we have here and they'll go through a number of different charts and talking points to support some of the data here, but we do get into the business cycle and we'll talk about this a little bit more whenever we get into some of the sector research, but this is a really neat, interactive page that shows you how the US has evolved over the past quarter.

So, if I were to look at US, notice how it's showing us move into — from Q3 to Q4 to Q1 to Q2. We're not more dead center in the late cycle versus, if we were to look at something like China — and that's in the new these days with some of the trade concerns and still negotiations underway — but you can see that they have moved from Q3, Q4, Q1 to Q2, so they are in more the contraction phase and in the recession, so that might leave... our administration thought we have a little bit of leverage in terms of trying to kind of push through some of the items to really come to a deal that's favorable for our terms. But, as we scroll down the page — a couple of other things that we wanted to touch on... If we get into the gold — and we said we're in the late cycle, so I think this is informative because it's helping you get a better idea — let me change this zoom. Bear with me just a moment just to get this screen — there we go. OK, so, from here, this shows you how stocks — this blue bar represents stocks. The green is high yield. The yellow or gold is commodities. And

then, I guess, this turquoise color is gonna be investment-grade bonds. So, this shows you how those different asset classes perform in the mid-cycle and you can see stocks had a very clear outperforming in the mid-cycle, but as you move into the late cycle, you know, broadly speaking, they're not in the top-performing asset class. You start to see more strength in commodities. So now that w—[break in audio] an interest in commodities and some of those asset classes that tend to show a little bit more strength in that late cycle. So these are some things that you can take away as you are trying to manage your own portfolio and make some of the decisions around how those allocations are made.

And then down just a little bit further — I always point out this. This is just kind of like a quilt, as we call it, for some of these different categories. And I think the biggest takeaway here is that there's really not a good consistency in terms of the performance. You can see that these different classes — they move around. You know, large cap stocks might be good, you know, in one particular year — 2013, it's good in 2014, but you can see they do start to pull back a little bit. In 2018 they're down 4%. So I think this speaks to the reasons behind having a well-diversified portfolio because there's gonna be some years where — if you're overconcentrated in any one area, it does work to your favor, but there's gonna be — if you stay overconcentrated and you're not rebalancing in those situations then that's gonna pull back and you might take it on the chin a little bit harder in the years that it does go negative. So, the QMU this is quarterly market update and, for those of you that don't want to get involved in the weeds, you know, on a short term basis, I think this is really useful to give you some of the information on more of a macro level.

But let's just say you're wanting to go in and look at something on a more frequent basis... I'm gonna take you back to the website, so Fidelity.com, and if you can just go to News and Research and then you come down to Stocks. So, this is the page that we're on, this is the Stock Research Center. On the left-hand side — and you can click on Research Firms. And this will give you a long list of the various research providers that you have access to at Fidelity. And we're not gonna go through all of these, but I will highlight a couple of them.

You know, Argus, at the top, and Zack's at the bottom. Always frame these — think of these as your "A" and "Z" bookends. You got Argus at the top, you got "Z" for Zack's at the bottom and if you click on Zack's Investment Research, or any one of these third-party research providers, this is gonna give you a list of some of the other research reports that you get access to. And I think these are some of the things that many clients don't even know exist. So, what we're doing is trying to take you a little bit further and a few layers deeper into some of the research content that's available on Fidelity.com. And the one report — this one right here — the market strategy. This one's actually really good. This is actually pulled up monthly and if you want something that's a little bit more frequent — I'm gonna open this. Here we go. All right. And everyone can still see this Zack's report, so let me reduce the size here. All right. So you can see, this is about a 47-page document. So, this is really good at giving you a little bit more information on the macro environment from a third party. So you know where to go to get the information from Fidelity and hear our viewpoints, but I think I think it's also resourceful to see other third-party opinions as well that might validate and back up Fidelity's opinion or it might even have a

viewpoint that's contrary in certain areas. But you can see here they've the commentary on the equity markets, they talk about the Fed, they have a forecast, they give you a top down Zack's ranking, and then asset allocation. So there's a lot more content here.

I'm gonna jump in just a couple of pages just to give you some insight. So if I got 14, Zack's Forecast at a Glance. They give you the top down S&P 500 2019 year-end targets, so you're seeing some of those, but then they're also talking about the trade war. You know, who wins from a US-China trade war? And they're going through and giving you their thoughts on, you know, where you might be best positioned in order to really kind of work through this trade war — this volatility that we're seeing in the market based on some of the news events that happen on a day to day basis. So, that's one page that you can get to and this isn't updated every day. They change this content on a month to month basis, but the idea behind this is it's always topical based on current events. This just happens to focus on some of the trade war. But, if we look at the next page I want to jump to here is page 33. Zack's S&P 500 Sector Picks — and we'll get into some of the more sector topics here and research and weighting recommendations in just a moment, but while we're on this report, I thought it made sense to discuss and see what Zack's had to say because here you can see their outlook on some of these various sectors. Healthcare moved up one notch to "very attractive" from "attractive" with strong demographics. That's why they are favorable on healthcare. Scrolling down the page a little bit more, you will get into some of the industries. So, if you're in Consumer Staples, they have certain industries that they find very attractive. They also have some that they find

unattractive — whether it be agrobusiness or tobacco. So, at least if you want to gain some exposure in consumer staples, there are certain industries within that sector that you can concentrate on more heavily than others based on some of this input.

And, you know, for those that are interested in targets — I mean, if you look here on 41, as you're scrolling down, they'll give you some S&P 500 year-end targets. Now, I'm not a big fan of targets, quite frankly, because there's a lot of news events that's gonna come out throughout the year that's gonna influence where the S&P ends up at the end of this year and what you'll find is that many of these analysts, they're gonna go in and adjust their S&P 500 targets throughout the year as these news events do come out. But, nevertheless, I do think it's still valuable at just kind of getting an idea of what the consensus may be from the broader market and analyst community as to where they feel the S&P 500's gonna be. Are we slated to have a positive year or neutral flat year or are we expected to see some sort of pullback? This is a place to go where you can capture that.

OK, so we've reviewed a quarterly report through Fidelity, we're reviewing a monthly report through Zack's, and now, if you want something that's even more frequent, I'm gonna take you back — we're gonna look at Argus. Take a step back and on the list of all of these research providers — I'm just gonna go through the top, we're gonna click on Argus, and Argus has, probably, the largest list of various reports that you can get access to. So, now that you know where all of these are, I would just encourage you to spend some time going through each of these to determine which one might be most appropriate for you and your needs and your interests. But they do have a

weekly staff report. This staff report, it can be quite large. So let me pull this up. I'm going to adjust the zoom. There we go. So it's 162 pages. Now, I'm not expecting anybody to read 162 pages every single week, but I think this is insightful. They break it down into sections, so section one — that's just basically the first 4 or 5 pages that's talking about the market environment and their commentary. So I think this is a very easy read, getting some perspective on a week to week basis as to what's driving the markets and what are some things that we should be looking out for? As you move further into this, let me just jump to — let's see. They do give you a technical commentary, so for those that do like technical analysis and are looking at charts to kind of identify, you know, support and resistance levels, this can be quite valuable as well. Jumping to page 22, this will start and give you a list of various stocks that they have either initiated coverage on or they changed coverage on and you can look through — once you find this particular page, it's not always page 22, of course — but once you find this particular page, you can get a list of these stocks and say, "Are any of these stocks positions that I own?," and then you can go through and just do a control-F and do a search for Apple, perhaps, and that'll take you right to the page on Apple that's giving you their specific updates and analysis on Apple. So, you can see this goes through a lot of this report is these stock reports from Argus and their updates on these various stocks. Now, the last thing that I'll point out here — I'm gonna jump to the very end, we're just gonna go to page 160 — is their economic trading calendar. And I think this is helpful because it's telling us what economic reports are being released this week that we need to be aware of.

And you can get this in a variety of locations. You can even find this — we have an economic calendar on Fidelity.com. But I think what this is does is this adds some perspective because you can see the charts in these different data that — the fundamental metrics, whether it be the Empire State index, industrial production, retail sales — you can see how that trend has been over the last year and that's insightful. So I think these are gonna be things that you're wanting to think about — you wanna consider as you're making some very broad analysis on the economy, on the global markets. This can help you make some of those decisions and, in some cases, we could probably just stop right here and call it a day because we covered so much already and there's a lot to dive into, but we're now just gonna transition into sectors because the sectors, you know, Fidelity, we're big believers in sector investing and we do believe that knowing where we are in a business cycle will help us determine which sectors are best positioned to demonstrate strength and which ones are best positioned for weakness, if you will. So, I'm gonna take you to News and Research on Fidelity.com — actually, before I do that, let's jump back. Remember we talked about the quarterly market update? Well there's also a quarterly sector update and the quarterly sector update — again, the easy way to find it is just Fidelity.com/qsu — that's quarterly sector update — and here you'll see a video discussing, you know, our viewpoints on the sectors, you'll see some of the sectors here — some of the strengths and some of the weaknesses that many of them are demonstrating based on longer term analysis or shorter term analysis, and then you'll see, on the far right hand side, Strategist View. So this would be the viewpoint from Fidelity as to whether or not you should over-weight, market-weight — which is

essentially a neutral opinion — or under-weight certain sectors. I think this gives you some of that direction. If you're looking at your portfolio and you happen to see you're over-weight in communication services, well, this might lead you to believe, "OK, there's an under-weight viewpoint here. Why is there and under-weight here and should I make any adjustments to my portfolio in order to benefit from that — or to best position my portfolio form the current environment that we're in." As you scroll down, you'll see a number of other key points — fundamentals, communication discretionary materials lead and then they give you data charts to back up and support all of these different talking points and metrics. So, I won't spend time going through each and every one of these. As you can see, there is a lot of information here. I think it's all relevant at helping you make more informed decisions — having a better understanding of what sectors you might wanna concentrate on more heavily than others. And it really comes back to — if we got to, let's see here, Fidelity.com, News and Research, and Markets and Sectors — and this is a page I do discuss with clients quite often. This is something that many of the financial consultants do discuss and I think it's quite valuable. So this might be something you've come across before, but here on the left-hand side, it's Sectors and Industries Overview. And, again, to get here, we went to News and Research first, came down to Markets and Sectors, and then, on the left-hand side, we're selecting Sectors and Industries Overview. And there's a variety of things that you can pull up here. This is just telling us a snapshot of the various sectors and how they're performing today, so this is positive. We're seeing all greens. That's great. So, today we're seeing some strength — trying to recoup some of the losses that we may have had earlier in the week on Monday.

Over to the right, you'll see the quarterly sector update in a PDF format and then the quarterly market update in a PDF format. So, this is where you can find both of those documents, but, again, the websites that we pointed you out to — Fidelity.com/qmu and qsu — will get you there as well. Performance, this shows you historical performance of the various sectors, how they performed over a given timeframe. So, year to date, where are we seeing strength? Well, it's information technology, it's communication services, and communication discretionary. Over the last one month, it's consumer staples, it's utilities, it's communication services. And, actually, the only one that's positive there is consumer staples. So, I think this might let you see where there might be some sector rotation plays in play — just to see where there's strength, where there's weakness over these given time frames. So there's definitely some high-level takeaways that you can glean from this particular performance, but at a higher level, we look at a business cycle and this takes you back to what we were referring to earlier in the correlated market update, where it shows Fidelity's viewpoint as the US economy being in the late phase of that economic business cycle. And if you wanted to read more about why we have that viewpoint, you can click on some of these business cycle analysis white papers out to the right or you can just select Business Cycle Outlook and that will pull up those reports. Now, as I scroll down a little bit further, you'll see a heat map and this heat map just shows you, historically, how these sectors have performed during these different phases of the economic business cycle. So, if you know we're in the late phase, you can see, historically, consumer discretionary and information technology — those sectors have shown that they've consistently underperformed. Where's you've seen strength more

so then other sectors is materials, healthcare, and energy that have consistently outperformed, and then consumer staples and utilities — they've outperformed there as well. Now, I always point out — this is past. This is historical data and y'all have been in the market long enough — you've heard it time and time again. Past performance is not guarantee of what? Exactly. I heard somebody say it. Past performance is no guarantee of future performance. That's the exact same thing with this particular heat map. It's just giving us some indication of historical data and how we might, you know, pay close attention to these sectors going forward. It's not actionable. I think what can be more actionable, as we scroll back up, are the weighting recommendations. So, we go into Weighting Recommendations, this gives you a pie chart and we'll come back to the pie chart — I think the table below gives us a little bit more insight and I'll explain why in just a moment — but here you'll see a list of the sectors. So we have eleven sectors and it shows their weighting with the S&P 500. So IT makes up just shy of 21.5% of the S&P 500, healthcare just shy of 14%, so on and so forth. And then to the right, you get three third party research firms' opinion as to what they feel you should be doing in each of these respective sectors. Over-weight just means you should have more than this number, market-weight means they feel you should have in line with this number, and then under-weight, they feel you should have less than this number out to the left. The hard part is — and that's why this pie chart is — it's predominantly orange most of the time because that orange is indicating that there is a disagreement among these three research firms. And, quite frankly, it's hard to get three research firms to agree on over-weight or under-weight on any single sector on a consistent basis, so it's a lot of orange. But,

if you look at this, in IT, for example, CFRA — they have it at over-weight. Ned Davis. They have it at market-weight. Argus. They have an opinion of over-weight. So 2 out of the 3 say over-weight and then the market-weight is kind of more of a neutral opinion. So this is still more of a favorable to neutral outlook as it pertains to information technology. Although there is a disagreement, that disagreement isn't drastic, like you say over-weight and I say under-weight and we're on polar opposite ends of that opinion. There is some consistent themes here. Two out of the 3 are over-weight. Now, you can click through each one of these and as you click on these they're gonna pop up and it's gonna give you some of their talking points. What's their rationale? Why does CFRA have an over-weight opinion on technology? So, as you read through these, theirs tends to be more quantitative in nature. You're gonna get a lot more fundamental metrics that back up and justify their opinion and their outlook and I think, a lot of times, look for a little bit more color commentary from an analyst. And you tend to get that more so through Ned Davis. If I click on the Ned Davis report. Here we go. Then you can see, they're gonna give you 3 to 4 bullet points here at the top. "We upgraded technology to market-weight on February 14<sup>th</sup>. Large caps produced large returns. Improvement in semi-conductors bodes well for the sector. What to watch for in 2019." They give you positives and then they give you negatives to look out for. So I think this is more of the narrative that a lot of clients — when they're thinking about sectors, this is the insight that they're looking for from an analyst. It gives them validation to stay in some of their positions or maybe to make some adjustments. And maybe they're pointing out some things that, as an individual investor, we were just not privy to — not aware of. And I think that

can be insightful as you're making some of these decisions. The third one, Argus — and we've added Argus. Argus is probably our newest addition to the third-party research providers that we have access to — we give you access to on Fidelity.com, but this particular report, a lot of clients have found value in this one. Let me click Over-weight and here's the report. I'm gonna click on this. OK. The value that they have in this report is, not only are they giving you their overview and their outlook on the broader market — so you get the simple 1-page report here that's talking about their outlook on the broader market — but, as you scroll down, each page is devoted to a sector. So, basic materials. And the good thing about this one that clients find valuable here is, as you can see, they're giving you stock ideas. So if you're looking for stock ideas, this is a great place to go to find stocks that have, you know — most of these are gonna be buy opinions from Argus and then you could do further due diligence to see, do you feel like you should own any one of these companies. And they'll even take it a little bit further to determine what type of portfolio that stock might be most appropriate for. So, they have a growth equity and income and then growth and income. So, if you're just looking for income, notice there's one stock that's checked on this particular sector and this happens to be Ashland Global Holdings, so that would be more of an income dividend paying focus, whereas if you just wanted growth, then there's another stock here that's in the growth category that — EcoLab might be more appropriate for a growth portfolio. So, knowing how your portfolio currently comes together and where you might have some gaps — maybe you're light on value or you're light on growth and this is a way that you can add growth to the portfolio using this sector analysis. And you can see they're giving you

other topics and bullet points within the industry trends — mining companies, commodity producers. This is a lot of good content and, you know, hopefully these are things that you haven't come across before and these are some things that are new to you, but if these are things that you've been using for some time, hopefully it's just validating how you're using them and giving you a little bit more to work with. And, as you can see, I mean, sectors are pretty critical — they're a pretty critical component to a top-down approach to stock selecting, should say. Just knowing which sectors are best positioned for strength — that'll just help you know where to focus your stock research. So as we get done with sectors, let's go ahead and let's jump into stock research. So as I go into Fidelity.com, we're gonna go to News and Research and we're gonna go to Stocks — simple as that. All right. So you don't really have to go much further than here — if we're kind of keeping that sector theme in mind, you can just go to Top Rated by Sector and this will display the eleven sectors and the top-rated stock in each of these sectors. So, if we're looking at healthcare, you can see Merck — MRK — pops up. That's the top-rated stock based on the equity summary score, which we'll get to in just a moment. Now maybe you already own Merck and you are just looking for something else in the healthcare space. Well, I can look out to the right and I can see there are 28 other stocks in this sector that have a very bullish opinion. And I've kind of always gauged this as kind of a litmus test to see — the sectors here that tend to have the most number — the highest number of very bullish opinions, tend to be the sectors that analysts are more favorable of at this given point in time. So that would lead me to see, maybe, technology, healthcare, financials, and then consumer discretionary. Those are the sectors that currently have

the highest number of variable of stocks. But if we wanted to dive deeper, I'd just click on Twenty-Eight Stocks and it's gonna give me the list of those various stocks within that sector that have a very bullish opinion. So this kind of gets us into the stock screener itself and, before we go into the stock research page for any one these individual stocks, I wanna take a step back because on that news and research page for stocks, this is where you'll also see, on the left-hand side, the stock screener. And many of you have probably used the stock screener in some way, shape, or form, but I'll always encourage clients to start with the pre-set expert strategies. And the pre-set expert strategies, it's gonna take you to the Stock Research Center here. So, this will take us to a place where there are expert strategies that are already designed, based on certain categories, or there are themes and the themes are something we've introduced within the last year — the last couple years, I would say — because there's a lot of times come in, they sit down and say, "You know what? I'd like to find stocks that have exposure to artificial intelligence. How do I find that?" There's really not a big — artificial intelligence doesn't fall under a sector or an industry, as it's deemed by the GICS — the Global Industry Classification Standards — so what they've done is they've taken some of these different themes that clients are interested in, and they've made it very easy for you to find stocks in these specific areas. So if it's artificial intelligence or mobile payments or pharmaceuticals or natural foods — this is a quick place for you to go to find some of these types of stocks to add to your portfolio. But the strategies themselves, these come in handy because there's a lot of times I sit down with clients and clients have a general idea of what it is that they're wanting to look for. Maybe they want growth within their portfolio, but if you

ask further, you know, "What does that mean to you? What does growth mean to you? What type of metrics are you looking for to help you identify stocks that are growth?" they're very limited as to what those next metrics are. And this really does a lot of the heavy lifting for you. If you know you're growth oriented, this gives you a list of some pre-built expert screens that are concentrating on growth. So you don't have to reinvent the wheel. You could just say, "OK." Look through some of these and take a peek at whatever looks interesting to you. So we're gonna look at this one, Earnings Growth, Rating Upgrades, and Positive Surprises. So we'll just click on this and it's gonna give us — here at the top, you'll see a description of what this particular screen is focusing on — the strategy, what are some things you need to look out for in the overall summary — but over here on the left hand side, it's defining every single one of the criteria that they're using to find stocks that match this criteria. So, you don't have to reinvent the wheel. This is just you working from their recipe, if you will, to get you to a short list of stocks. That's the idea behind it — a screener, you plug in your criteria, you get to a very short, manageable list of stocks that you can then do further research on. So, as you look through this list, some of these stocks are gonna stand out more than others. Let's just look at Best Buy. I enjoy going to Best Buy, my wife — not so much — because she knows every time we go into Best Buy, it's probably about an hour that I'm gonna spend in there just kind of browsing and seeing what new technology I feel we need for the house. I'm sure some of you may feel the same way. But, needless to say, this is where you can go and you can get the more specific research on Best Buy. And, as you scroll down, a lot of this information — this is a page that many of you are probably familiar with — but it really brings

together all of the information on one particular page. So you can see that there are charts, there's gonna be news, there's gonna be information on dividends, the strength of their dividends, earnings, the company profile, the competitors — we could probably do an hour just on this particular page alone, going through each one of these different categories and explaining some of that, but I would say that's where the learning center comes in. There's a lot of great videos on here. You'll also see here — and in a lot of these different little bricklettes or pods, as we call them — it says "How to interpret this data." So you can get more insight into Recognia's technical analysis. And you'll notice a lot of these have this more feature in the top right-hand corner. If you click on More, then that just takes you to a more detailed page of that particular category of fundamental analysis. In this case, it's giving you the fundamental metrics that they're using to determine that, from a valuation perspective, they feel like this stock is undervalued versus its peers. On the quality side, it's on the higher end of the quality range. Growth stability is high as well. Financial health. It's on the healthier side versus some of its peers. So this will give you a good bit of insight on the fundamentals and technicals and just information that you want to know, but I think the equity summary score — by clicking on More here — this is really, in my opinion, what separates Fidelity from many of our competitors in terms of the third-party research. This equity summary score, it's not a Fidelity opinion. This is, a lot of times, misinterpreted as Fidelity's opinion. We actually partner with a third party called Starmine, and what Starmine does is they take a look at each of these research firms. They're identifying which of these research firms are the most accurate in Best Buy's sector — not at how accurate they are at picking by-

seller hold on Best Buy alone, but more so the sector as a whole — and they're ranking them based on accuracy. So McLean Capital Management, they're more accurate. Argus — they're at the top — and Zack's. They're at the top as well. So it makes sense. Now that we know that they're opinions — their calls — in this sector have been more accurate, historically, they're gonna put a heavier emphasis or a heavier weighting within the opinion, in this case, on Best Buy. So it ultimately gives clients a very simple score on a scale of 0 to 10 — 8.9. So, this is bullish — just on the verge of being very bullish and just kind of simplifies a lot of the data — the fundamental metrics that clients might have to go through. This just gives you a very clean, simple score using a variety of these research firms' opinion. Now, if you wanted to dive deeper, you can scroll down and there's various other research firms' opinions here. You'll even see some of the bigger wirehouse names here. You'll see Merrill Lynch, you'll see Morgan Stanley, you'll see Wells Fargo, but, nonetheless, they're not gonna give us access to their research. They're gonna keep that for their clients that are paying them hundreds of dollars to place trades to buy and sell, but you can at least see how their opinion may have changed over the last one year. So, here we've got a one-year history and I can see that Morgan Stanley, they've maintained a neutral opinion over the last twelve months versus Merrill Lynch. They were at very bullish and then they came down to an underperform and then they bumped it up to neutral within the last couple of months. But if you wanted to dive deeper into some of the analyst commentary, again, think Argus and Zack's — those are the two that are gonna be analyst driven. So if you click on the date of the report, this is gonna give you a good bit of commentary from the analysts. What's their

investment thesis? If they do have a target price, you'll see a target price here. Not all analysts offer a target price, but, you know, Argus is one that will on occasion and you'll see it listed there. They go through a good bit more information on recent developments maybe based on a recent earnings announcement and quarterly call. If they pay a dividend, they'll get into the strength of the dividend. So you can see there is a lot of information here. I just encourage you — before you go out and you buy or sell stock — this is a really good place to start in terms of the online research — to get more insight as to whether or not you should continue to hold it, buy more of it or maybe start unwinding some of that position. Zack's is the other one. They give you kind of a little bit different perspective. If you click on their report — as you're scrolling down, you get a summary, you'll see some fundamental metrics here at the top and, as you get into — past the overview, really on page three — this is where you start to get into some of the meat of their report — Reasons to Buy. And they give you a number of different bullet points here as to why you should buy Best Buy and then they'll also give you a counter-argument that says Reasons to Sell. This is usually if they have a hold opinion on a stock — they'll give you both sides of the coin. But if they have a buy opinion, they will typically just give you the reasons to buy and then maybe some potential risk that they foresee. So these are the reports that are gonna give you a good bit of insight and perspective on the fundamentals and, really, what's going on with that company, within its industry, and maybe even how competitors might be impacting that company as a whole. The last one here that I'm gonna touch on — I did a webinar a couple of months ago and this got a lot of traction. I had a lot of folks from our phone sites call me and ask me about this. So, clients had called in

after the fact — how do they find this? But, Trading Central. Trading Central is a third-party research firm and they provide their outlooks on a stock based strictly on technical analysis. And if you're interested in charts, this is gonna be a report that you can open up and it's gonna give you a good bit of technical commentary. So, here, it's saying "Best Buy. ST." That's short term. They say it's "below its lower Bollinger band," so the short-term view, it's in a limited decline; medium term view, it's range bound; and then here they'll give you other topics around MACD and RSI and I won't get into all the nuances of those indicators specifically. If you wanna learn more, the learning center's got a lot of great recorded videos that are archived. You can go online, you can learn about those particular technical indicators, but more importantly, here, they're gonna define support and resistance levels for you. So, the day that they ran this report — this \$71.73, that would've been the last price of Best Buy as of the day that they ran this report and that each price noted above — \$73.80 — that's their next level of resistance that they would expect the stock to encounter. So if it runs up to \$73.80, they're expecting it to pull back a little bit. If it breaks through \$73.80 and it goes up to \$74.60, that's their next resistance level, but if it breaks above \$74.60, it goes up to \$76.50 — that would be their target. So these are giving you some technical upside resistance levels that you wanna take into consideration and they're also giving you some of the lower levels of support. So, \$68.40. If we break below \$68.40 then they feel it could fall to \$67.30, so on and so forth. So technical — we'll always say that fundamentals do a really good job of helping you determining what companies are solid quality companies from the inside out, but technicals can do a really good job of helping you to determine the timing of

when to buy and, just as importantly, when to sell. And I think this is a report that gives you some of those key price levels. Maybe you go in, you set an alert to notify you once one of these particular targets are met, either to the upside or to the downside. So, these technicals can also be — well, they're also useful when selecting strike prices on options. So, we've kind of — getting close to the end of time, I wanna make sure we do address some of the resources on options in the time we have remaining and I would say that as we transition to options, please know options aren't for everyone. They definitely can be used in a very conservative manner to help clients hedge a portfolio or to generate income and, again, if you'd like to learn more about how you can use options — you can just find them in our learning center. News and Research — Learning Center. There's a great deal of information there specific to options. You can just click here on options and you can start with some of the beginner courses. But if you're looking for some of the research to help you find some ideas, News and Research, Options is the place to go. And I would say — forgotten to mention our strategy desk. They're gonna be a great resource for you as well. If you're trying to get a better understanding of option strategies and you want somebody that's a sounding board, our strategy desk does a really good job of helping clients with option strategies and also with technical analysis and just helping you better understand how their strategies might be appropriate. So we're gonna touch on a couple of quick resources and then we're gonna jump into Q & A. So, from the Option Research page, we are going to jump right over to Market Overview. So instead of going into the option chain, I'm just gonna click on Market Overview. And here you've got some ideas presented by Argus — mainly covered calls and

diagonal spreads. We're just gonna look at covered calls. We're not gonna get into any complexities of the strategies at all, but they're presenting you with ten of your ideas, but if you click See More, this is gonna take you into a list of various covered call ideas that you can take into consideration. Some of these might be stocks that you already own. Some of these might be stocks that you're interested in buying. I think, first and foremost, whenever you're thinking about a covered call, the first thing you gotta ask yourself is, "Am I ready to sell my stock?" because that's a position that you're putting yourself in. You're collecting a little bit of income, but you're obligated to sell your stocks, you've got limited upside and — say, for example, Walmart. So if we look at Walmart example — stocks just shy of 100. The trade here is to sell the May — May 24<sup>th</sup>, so we're looking around only about 8 days, so next week. Sell the May 101 call. You're bringing in 165 and this is before the earnings announcement this morning, but, nonetheless, your breakeven is \$98.23, so you've got some downside protection of about 1.65% and your signed rate of return is just shy of giving you some astronomical number that I don't think anybody would complain about, but the question is, do you wanna own Walmart and are you prepared to have that stock called away from you at 101. And, at this case, the stock's trading up today — closer to around 103 — so, had this been a trade that you put on, you'd have achieved your maximum gain on this particular trade. But they also have a PDF here. If you click on the PDF, this does go into a little bit more insight and perspective from Argus on this particular strategy. So you could read through their rationale and it just gives a little bit more data points and understanding what the risk associated with it is. So, covered call — this one's showing it's got five keys. That's their lowest, relative

risk assessment on a strategy, so that would put you in what they believe as a very low risk alternative. So, that is one of the ways that you can use the option research tools to find some ideas. The other one that I will point out — let's go into Intra-Day Trade Ideas. So, under Trading Ideas, we're gonna go into Intra-Day Trade Ideas. Looks like now — let's go here. Let's go to Wednesday — see what they got. So we don't have anything yet for Thursday, but if you go to Wednesday, you can see what they're posting. So yesterday, they had three different trades and most of these are gonna be covered calls. So here — MCO. That's Moody's. And then here, this would've been Under Armour, so here they give you, you know — buy Under Armour, sell the June \$20 call. You collect about 2 bucks off of that and your net debit on this is \$19.57. So the question is, "Do you want your stock called away from you at 20 bucks?" That's a question that you're asking yourself. So these are really insightful. If you wanna learn more about how these particular research tools can be used in your own strategies, I would just say, you know, feel free to reach out to your local branch — any regional brokerage consultant that supports your local branch will be happy to sit down with you and talk through some of these ideas in a bit more detail with you and we also have the strategy desk and they have some of their coaching sessions. Those can be found — News and Research. And in the Learning Center. And then down here — Strategy Desk Coaching Sessions here. This'll give you a list of some of their upcoming topics and, again, they tend to focus on options strategies, on technical analysis. These tend to be a little bit more intermediate to advanced topics, so I would say that if you're more at the beginner phase, take some of the prerecorded, on-demand sessions first before maybe jumping into some of these. So

I know we've covered a lot in a short timeframe. I mean, if you're still with us, thank you, first and foremost, because I know this can be a lot of information coming to you at a very rapid pace. Hopefully this has been something that's been insightful for you as well and there's some things that you've been able to take away that you were not aware of previously that you could start incorporating into your own, you know, research process. And I think, at the end of the day, if this is overwhelming for you and this is, like, far too much and far too time consuming for what you'd care to do then I'd really challenge whether or not you have the interest in really managing the portfolio on your own because, if you're gonna manage the portfolio on your own, these are the things that you really should be thinking about as you're trying to make some of the adjustments and make some of the rebalancing decisions within the portfolio and this research is really good at giving you the information you need to make those decisions. Just know that at Fidelity, our managed account — this is the research that they're looking at as they're trying to make some of the decisions within the managed accounts to make some of those decisions for clients who don't want to be as hands-on with that process. So, if that's a topic you're interested in and seeing how Fidelity can use some of this research to better manage your assets on your behalf then, by all means, reach out to your local financial consultant in the local investment center and they will be able to expand on that in greater detail.

END OF AUDIO FILE