



## ADVISER FUND UPDATE

Market Summary and Commentary for Individual Investors from Adviser Investments



November 18, 2016

### **Distribution Season Dawns**

As the leaves pile on the ground and we begin to contemplate what we're thankful for this year, investors must also prepare themselves for another annual tradition: Distribution season.

In December, most mutual funds will pay out any accumulated income, as they do every year. This income, along with any capital gains distributions you receive from funds held outside of a tax-advantaged retirement account, is taxable in the year it is received. Income or capital gains you receive this year will have to be included in your 2016 return when Uncle Sam comes calling in April.

If you are planning to purchase any additional fund shares before year-end, you should check when your funds are planning to make their year-end distributions. Why? Because if you buy shares of a fund prior to its "ex-dividend" date (the date on which the fund's price is reduced by the amount of the dividend or capital gain), you will be on the hook to pay taxes on distributions on those shares even though you didn't own the shares when that income was "earned." Buying shares just before the ex-dividend date is often referred to as "buying the distribution," and it's something we generally avoid for our clients.

To help you avoid this mistake with your Fidelity and Vanguard funds, we've compiled a list of those that are scheduled to pay out income and/or capital gains before the end of the year. Funds that do not appear on the list are not expected to make distributions this year, however, this information is subject to change (as are the distribution dates).

Note: Any shares you own on the fund's "record date" will be eligible for distributions. And note that ETFs distribute on a different schedule, with the ex-dividend date actually falling two business days *before* the record date.

Payouts usually come one day after the ex-dividend rate, and are then reinvested, deposited into investors' accounts or sent out as a check.

So, again, to avoid a larger tax bill just before the end of the tax-year, the investment rule of thumb is to not buy a fund—or additional shares in a fund—for taxable accounts until *after* the record date.

#### **Record Date: 11/25**

#### **Ex-Dividend Date: 11/28**

**Fidelity Funds:** California Limited Term Tax-Free Bond, Conservative Income Municipal Bond, Intermediate Municipal Income, Maryland Municipal Income, Massachusetts Municipal Income, Michigan Municipal Income, Minnesota Municipal Income, Municipal Income 2017, Municipal Income 2019, Municipal Income 2021, Municipal Income 2023, Municipal Income, New York Municipal Income, Ohio Municipal Income, Pennsylvania Municipal Income, Tax-Free Bond.

#### **Record Date: 12/1**

#### **Ex-Dividend Date: 12/2**

**Fidelity Funds:** Event Driven Opportunities, Export and Multinational, Intermediate Government Income, Intermediate Treasury Bond Index, Large Cap Stock, Leveraged Company Stock, Magellan, New Markets Income, SAI Long-Term Treasury Bond Index, SAI U.S. Quality Index, SAI U.S. Treasury Bond Index, Select Communications Equipment, Select Energy Service, Select Environment and Alternative Energy, Select Semiconductors, Select Technology, Select Utilities, Select Wireless, Short-Term Treasury Bond Index, Small Cap Discovery, Small Cap Growth, Small Cap Stock, Small Cap Value, SAI Multi-Manager, Telecom and Utilities.

**Record Date: 12/8**

**Ex-Dividend Date: 12/9**

**Fidelity Funds:** Balanced, Blue Chip Growth, Blue Chip Value, Canada, Capital Appreciation, China Region, Contrafund, Disciplined Equity, Diversified International, Dividend Growth, Emerging Asia, Emerging Europe/Middle East/Africa (EMEA), Emerging Markets, Emerging Markets Index, Equity-Income, Fidelity, Focused Stock, Global Balanced, Global Commodity Stock, Global ex. U.S. Index, Government Income, International Capital Appreciation, International Discovery, International Enhanced Index, International Growth, International Small Cap, International Small Cap Opportunities, International Value, Japan, Japan Smaller Companies, Large Cap Core Enhanced Index, Large Cap Growth Enhanced Index, Large Cap Value Enhanced Index, Latin America, Low-Priced Stock, Mega Cap Stock, Mid Cap Enhanced Index, Mid Cap Value, Mid-Cap Stock, Nordic, OTC, Puritan, Small Cap Enhanced Index, Stock Selector All Cap, Stock Selector Large Cap Value, Stock Selector Small Cap, Total Bond, Total International Equity, Value Discovery, Value, Worldwide.

**Record Date: 12/15**

**Ex-Dividend Date: 12/16**

**Fidelity Funds:** 500 Index, Emerging Markets Discovery, Europe, Extended Market Index, all Income Replacement funds, International Index, International Real Estate, Mid Cap Index, Overseas, Pacific Basin, Real Estate Income, Real Estate Index, Real Estate Investment, SAI Emerging Markets, SAI International Index, SAI International Minimum Volatility Index, SAI U.S. Minimum Volatility Index, Select Air Transportation, Select Automotive, Select Banking, Select Brokerage and Investment Management, Select Chemicals, Select Computers, Select Construction and Housing, Select Consumer Finance, Select Consumer Staples, Select Defense and Aerospace, Select Energy, Select Financial Services, Select Gold, Select Health Care, Select Health Care Services, Select Industrial Equipment, Select Industrials, Select Insurance, Select IT Services, Select Leisure, Select Materials, Select Medical Equipment and Systems, Select Multimedia, Select Natural Gas, Select Natural Resources, Select Pharmaceuticals, Select Retailing, Select Software and IT Services, Select Telecommunications, Select Transportation, Small Cap Index, Strategic Advisers Core Multi-Manager, Strategic Advisers Growth Multi-Manager, Strategic Advisers Small-Mid Cap Multi-Manager, Strategic Advisers Value Multi-Manager, Total Emerging Markets, Total International Index, Total Market Index, Trend.

**Record Date: 12/20**

**Ex-Dividend Date: 12/21**

**Vanguard Funds:** Core Bond, Intermediate-Term Bond Index, Intermediate-Term Government Bond Index, Long-Term Bond Index, Mortgage-Backed Securities Index, Short-Term Bond Index, Short-Term Government Bond Index, Total Bond Market Index.

**Record Date: 12/22**

**Ex-Dividend Date: 12/23**

**Fidelity Funds:** All Asset Manager funds, Inflation-Protected Bond, Inflation-Protected Bond Index, International Bond, Large Cap Growth Index, Large Cap Value Index, SAI Real Estate Index, SAI Small-Mid Cap 500 Index, SAI U.S. Large Cap Index, Strategic Income.

**Vanguard Funds:** Capital Opportunity, Dividend Growth, Equity Income, Explorer, Explorer Value, GNMA, Growth and Income, Health Care, Inflation-Protected Securities, Intermediate-Term Investment-Grade, Intermediate-Term Treasury, Long-Term Investment-Grade, Long-Term Tax-Exempt, Long-Term Treasury, Massachusetts Tax-Exempt, Morgan Growth, New Jersey Long-Term Tax-Exempt, New York Long-Term Tax-Exempt, Ohio Long-Term Tax-Exempt, Pennsylvania Long-Term Tax-Exempt, PRIMECAP, PRIMECAP Core, Selected Value,

Short-Term Federal, Short-Term Treasury, Strategic Equity, U.S. Growth, U.S. Value, Wellesley Income, Wellington, Windsor, Windsor II.

**Record Date: 12/23**

**Ex-Dividend Date: 12/27**

**Fidelity Funds:** Connecticut Municipal Income, Convertible Securities, Equity Dividend Income, Growth Company, Independence, Limited Term Government, Nasdaq Composite Index, New Jersey Municipal Income, Stock Selector Mid Cap, Strategic Dividend & Income, Value Strategies.

**Record Date: 12/27**

**Ex-Dividend Date: 12/22**

**Vanguard Funds:** Intermediate-Term Bond ETF, Intermediate-Term Government Bond ETF, Long-Term Bond ETF, Mortgage-Backed Securities ETF, Short-Term Bond ETF, Short-Term Corporate Bond ETF, Short-Term Government Bond ETF, Total Bond Market ETF.

**Record Date: 12/27**

**Ex-Dividend Date: 12/28**

**Fidelity Funds:** Four-in-One Index, all Freedom funds, all Freedom Index funds, Global Strategies, Growth Strategies, Strategic Advisers Core, Strategic Advisers Core Income, Strategic Advisers Emerging Markets, Strategic Advisers Growth, Strategic Advisers International, Strategic Advisers Small-Mid Cap, Strategic Advisers Value.

**Vanguard Funds:** Diversified Equity, all LifeStrategy funds, STAR, all Target Retirement funds.

**Record Date: 12/28**

**Ex-Dividend Date: 12/29**

**Fidelity Funds:** All Multi-Manager funds.

### **About Adviser Investments**

Adviser Investments and its subsidiaries operate as an independent, professional money management firm with particular expertise in Fidelity and Vanguard mutual funds. We advise more than 2,500 clients and have over \$3 billion under management. Our investment professionals focus on helping individual investors, trusts, foundations and institutions meet their investment goals. Our minimum account size is \$350,000. In 2016, Adviser Investments was named to *Barron's* list of the top 100 independent financial advisers nationwide and its list of the top advisory firms in Massachusetts for the fourth consecutive year. We have also been recognized on the *Financial Times* 300 Top Registered Investment Advisers list in 2014, 2015 and 2016.

For more information, please visit [www.adviserinvestments.com](http://www.adviserinvestments.com) or call 800-492-6868.

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