

Eric Kobren's

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FIDELITY INSIGHT

THE INDEPENDENT REPORT ON FIDELITY FUNDS

DECEMBER 2008

VOLUME 24, NUMBER 12

ERIC'S OUTLOOK

Making Rational Investment Decisions in an Irrational World

Over the last few months, the daily gyrations in the stock market have been as severe as I can remember in the more than 20 years I have been writing this report. As you know, when the Dow moves by 300 or more points in a single day we issue a Special Hotline message. Since September, we have recorded 29 of them — out of only 60 trading days — on average a Special Hotline every other day!



Eric M. Kobren

With the market undergoing such violent extremes day-to-day, it's clear that we are not trading on fundamentals, but on fear

(we are headed for the next Great Depression), and rumors (this bank or that bank is going under). The value of the underlying stocks in the market simply doesn't change that much in a day. It is no wonder that this has left many members struggling to make sense of what is going on ... and more importantly, what to do.

When the market is behaving in such an irrational manner the key to making rational decisions is to step back, take a deep breath and calmly look at what we actually know about where we are. Only on that basis can we make some reasoned arguments about where we may be headed.

The Economy

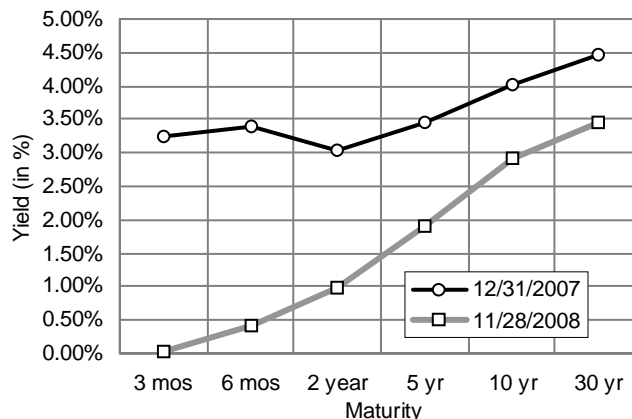
It is no secret to anyone that the economy is in trouble. We are in a recession that is likely to be more severe than

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THE PRICE OF SLEEP

Treasury Yields (12/31/07 vs. 11/28/08)



Treasury bond yields have fallen dramatically this year, resulting in a steepening of the curve. This often portends good economic times because investors are presumably being appropriately rewarded for risking their capital for extended periods of time. However, a 3-month bill now yields almost nothing (0.04%), and investors have to commit their money for two years to get a whopping 1% yield! What's behind investors' willingness to get paid nothing for lending money to the U.S. government? Fear. With stocks being punished this year, the price of a good night's sleep is apparently worth quite a bit. (To read more about our fixed-income strategies, see p. 10.)

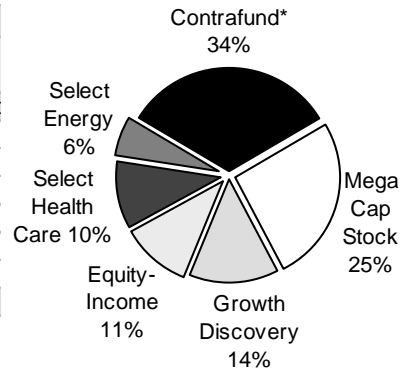
those of the recent past. I don't know whether we are in the early-, mid- or late-stages of this recession, but I do know that the economic figures coming down the pike are going to get worse before they get better. GDP down 0.5% in the third quarter is almost certain to decline at a faster rate in the fourth quarter. Unemployment, currently at 6.5%, is going higher, maybe as high as 8%-10%. And defaults on business and consumer loans of all types are headed higher as well.

Could we be headed for a depression? It is possible, of course, but I think it is a very remote possibility given the aggressive and unprecedented moves being made by the current administration (and promises for a new and larger stimulus package by President-elect Obama) to combat just such an eventuality.

But the bottom line is that we are unlikely to see any "good" news on the economic front for quite a while.

FIDELITY INSIGHT MODEL PORTFOLIOS - NOVEMBER 30, 2008

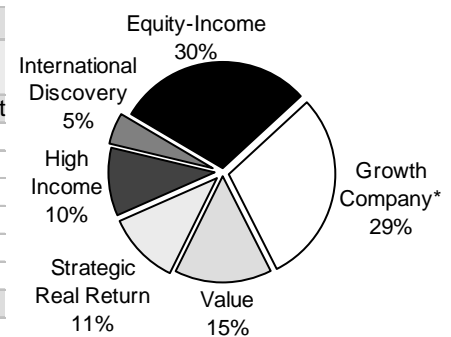
Aggressive Growth Model		Rel Vol: 0.90	Est. Yield: 1.1%	YTD Return: -42.6%		
Current Asset Allocation		Stocks 96.2%	Bonds 0.0%	Cash 3.5%	Alternative ¹ 0.3%	Foreign 15.5%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov. Ret
Contrafund*	FCNTX	34%	\$44.74	837.40	\$37,465	-7.0%
Mega Cap Stock	FGRTX	25	6.93	4,046.29	28,041	-7.6
Growth Discovery	FDSVX	14	8.65	1,783.63	15,428	-10.0
Equity-Income	FEQIX	11	30.58	391.06	11,958	-7.9
Select Health Care	FSPHX	10	76.54	152.04	11,637	-6.6
Select Energy	FSENX	6	31.87	217.11	6,919	-7.9
Current Value (4/7/99 = \$100,000)					\$111,449	-7.7%



*Closed; new members use **Blue Chip Growth** (FBGRX).

For aggressive members who have no need for income or principal for more than 10 years. Target volatility range: 0.50-1.50.

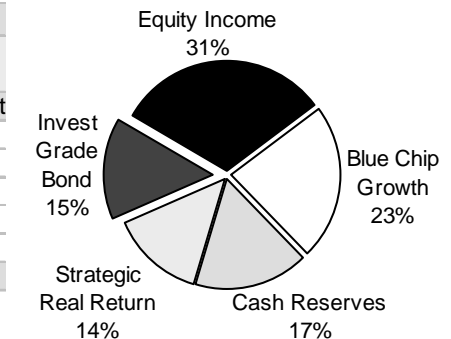
Growth Model		Rel Vol: 0.75	Est. Yield: 3.6%	YTD Return: -40.3%		
Current Asset Allocation		Stocks 76.2%	Bonds 3.4%	Cash 2.8%	Alternative ¹ 17.7%	Foreign 12.7%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov. Ret
Equity-Income	FEQIX	30%	\$30.58	7,086.29	\$216,699	-7.9%
Growth Company*	FDGRX	29	47.21	4,419.37	208,638	-11.1
Value	FDVLX	15	38.48	2,770.12	106,594	-12.1
Strategic Real Return	FSRRX	11	7.18	10,836.92	77,809	-7.4
High Income	SPHIX	10	5.81	12,985.25	75,444	-8.4
International Discovery	FIGRX	5	22.40	1,515.21	33,941	-6.2
Current Value (1/1/87 = \$100,000)					\$719,126	-9.5%



*Closed; new members use **Blue Chip Growth** (FBGRX).

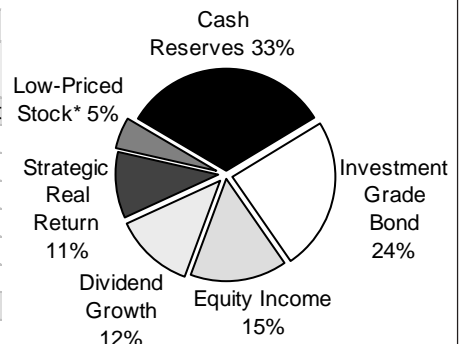
For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years. Target volatility range: 0.50-1.00.

Growth & Income Model		Rel Vol: 0.44	Est. Yield: 3.6%	YTD Return: -27.8%		
Current Asset Allocation		Stocks 52.2%	Bonds 17.5%	Cash 20.0%	Alternative ¹ 10.2%	Foreign 6.4%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov. Ret
Equity Income	FEQIX	31%	\$30.58	6,719.05	\$205,468	-7.9%
Blue Chip Growth	FBGRX	23	26.11	5,618.41	146,697	-8.5
Cash Reserves	FDRXX	17	1.00	107,931.78	107,932	0.2
Strategic Real Return	FSRRX	14	7.18	12,400.92	89,039	-7.4
Investment Grade Bond	FBNDX	15	6.21	15,708.55	97,550	-1.0
Current Value (1/1/87 = \$100,000)					\$646,686	-5.7%



A good choice for members retiring in five-10 years looking for less volatility than the market. Seeks a yield in excess of the S&P 500. Target volatility range: 0.25-0.75.

Income & Preservation Model		Rel Vol: 0.30	Est. Yield: 3.7%	YTD Return: -20.3%		
Current Asset Allocation		Stocks 30.5%	Bonds 24.7%	Cash 37.0%	Alternative ¹ 7.8%	Foreign 4.5%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov. Ret
Cash Reserves	FDRXX	33%	\$1.00	139,962.84	\$139,963	0.2%
Investment Grade Bond	FBNDX	24	6.21	16,325.07	101,379	-1.0
Equity Income	FEQIX	15	30.58	2,067.98	63,239	-7.9
Dividend Growth	FDGFX	12	15.23	3,428.21	52,212	-10.6
Strategic Real Return	FSRRX	11	7.18	6,193.84	44,472	-7.4
Low-Priced Stock*	FLPSX	5	21.31	998.09	21,269	-8.8
Current Value (1/1/87 = \$100,000)					\$422,533	-4.1%



*Closed; new members use **Small Cap Growth** (FCPGX).

For members needing income and protection of their purchasing power against inflation. Seeks a yield at least twice the S&P 500. Target volatility range: 0.10-0.50.

¹Alternative investments include such areas as high-yield bonds, commodities, real estate. Portfolio trades and total returns do not take taxes into account, however redemption and exchange fees are included. Figures may be rounded. 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 Friday evening Hotline updates via telephone, e-mail, and web (see p. 12). Use non-Spartan fund alternatives if Spartan minimums can't be met. **Annuity Model Portfolios** are on p. 9.

Corporate Earnings

The 12-month trailing earnings for the S&P 500 on an "As Reported" or GAAP accounting basis (no exclusions for "extraordinary events") peaked at \$84.92 in June of 2007. With 96% of companies reporting as of the third quarter of 2008, that figure has fallen to just \$46.13, a drop of 45.7%.

Believe it or not, that is good news, suggesting that while earnings may yet decline further, the worst may be behind us. This marks only the third time since 1937 that 12-month earnings have fallen by over 45%. In the previous two occurrences, the declines ended at 53-54%.

And in those cases, once earnings bottomed, they nearly tripled over the next four years!

Valuations

While the overall market still can't be considered cheap, it is more reasonably valued than it has been for some time. Based on expected full year 2008 earnings and the S&P 500 index level of 896 at the end of November, the market is selling for a P/E of 18. This is close to the long-term average P/E of roughly 16, and well below the average of 25 since 2000.

Within the broad market, however, there are some undervalued areas right now, most notably large-cap blue chip companies (which is why we continue to favor that sector).

Within the fixed-income markets there are also areas that are extremely undervalued (see pages 10 and 11), which we believe offer attractive opportunities. In fact, what is overvalued is "safety." The worst values right now are to be found in plain vanilla U.S. Treasuries, with the 10-year Treasury yielding only 2.92% and the 3-month T-Bill now yielding almost

WHICH FUNDS SHOULD YOU BUY NOW!

Equity Funds: **Mega Cap Stock** provides exposure to very large-cap growth and value stocks. **Equity-Income** is a tamer, more value-oriented alternative.

Bond Funds: **High Income** offers good values in lower-rated debt. **Capital & Income** is a more aggressive way to bet on "junk" bonds. **Investment Grade Bond** (see p. 10) is also a bet on "credits," but a much less risky approach.

Money Market Funds: **Cash Reserves** is our preferred money market fund. With the credit crisis easing and Fidelity still focused on safety, its higher yield is worth minimally higher risk.

International Funds: While we remain less enthusiastic about overseas markets, **International Discovery** is still a reasonable option for exposure outside of the U.S. ■

nothing at just 0.04%! (See chart on page 1.)

What To Do Now

I have said many, many times over the years in this space that I am not a market prognosticator, and I have not suddenly become one. I simply cannot tell you when the market is going to bottom, or whether the Dow will be up or down next year.

I know it is hard to even think about investing in the stock market, given the endless stream of bad news. *But what I also know is that the market will begin to move higher before there are any clear signs that things are appreciably better.* I firmly believe that at current depressed prices, an investment made today will be well rewarding over the next several years.

If you have been following one of our model portfolios appropriate to your financial situation and risk tolerance, just stay put and resist the temptation to dump all your stock funds now and move to money markets. When the market turns, it often moves up very sharply, very fast, and you risk missing out on the biggest gains.

But, and this is a very important

but, make *sure* you are following the appropriate model. If you are 65 years old and retired, you should not be following our Growth Model! Take some time to read the descriptions of each model on page 2 as a guide.

I have recently heard from members who have been unable to stick with our models and have gone all or mostly to cash, asking me when it will be "safe" to go back into the market.

That's the rub, isn't it? If you've been in money markets for a while, good for you, you've avoided some nasty losses. But if you don't get back in at the right time you will miss some tasty gains. I remember talking to members in the late-'90s who had been in cash since the crash of October of 1987 — missing some 8,000 Dow points!

As I said, I can't tell you when things will be "all clear." My best advice is to start slowly transitioning back into the model that is the best fit for your situation. I suggest "dollar cost averaging." Move 20% of your cash into the funds in the model on a pro-rated basis over each of the next five months. That is emotionally a lot easier to handle than an "all or nothing" decision. ■

ANNUAL MODEL PORTFOLIO RETURNS (%)

Model	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07
Ag Grth													31.4	-8.4	-20.9	-15.8	36.6	14.8	17.9	14.2	14.5
Growth	20.8	18.9	34.3	1.0	24.7	13.0	18.0	-0.1	23.9	13.8	17.2	3.3	30.7	-2.1	-2.7	-14.0	33.0	14.4	11.1	11.8	7.8
Gr & In	5.8	14.8	29.1	-1.3	24.6	14.2	18.2	-0.1	23.1	18.7	20.9	6.3	22.6	-2.1	-4.0	-9.7	27.1	11.5	5.2	10.2	7.3
In & Pr	1.3	10.2	17.7	0.8	20.9	11.4	16.7	-2.8	21.1	19.0	18.0	5.2	13.4	-1.4	-5.6	-6.8	18.9	7.0	3.5	7.2	5.2

Stocks Rally Late In Month, But End In Red

For the third straight month, stock prices fell, as November brought little good economic news to cheer investors. As November was nearing its close, the major stock indexes were looking at monthly losses ranging from 19% for the Dow to 28% for the Russell 2000 small cap index. However, a powerful rally over the last five days of the month trimmed those losses substantially. Even so, last month's losses were again sizeable.

The Dow Industrials fared better than most domestic stock barometers, but it was still down 4.9% for the month. The broader S&P 500 retreated 7.2%, while the Nasdaq Composite tumbled 10.6%. As for smaller-cap stocks, November was a particularly difficult month as the Russell 2000 plunged 11.8%.

For the year-to-date, stock market losses are historic in scope and scale. The Dow has lost 31.7% of its value in the past 11 months, and has retreated 35.6% from its October 2007 peak. Likewise, the S&P 500 is off 37.7% this year, the Nasdaq is down 41.6% and the Russell 2000 has declined 37.4%.

November began with great hope. On Election Day (Nov. 4), stocks rallied over 3% as investors correctly anticipated a decisive change in government. (See "Message to Members" on p. 12.) But no sooner were some people singing "Happy days are here again," when the Dow promptly fell 5% the next day.

While the economic news remained grim, investors did respond positively to aggressive government actions to address the ongoing credit crisis. In addition, the market seemed to approve of President-elect Obama's economic team.

The late-November rally was unfurled when Mr. Obama announced his choice for a new Treasury chief, while also moving quickly to put the rest of his economic think-tank in

place. Then when the government cobbled together a \$326 billion rescue package for Citigroup, not only did its stock soar 50%, the Dow jumped 5.0%, and many financials raced ahead 15% that day.

At that same time, the market also seemed to approve of the government's not handing out money "willy-nilly." When Detroit's Big Three auto execs and the UAW president came before Congress with their collective hats-in-hand, they faced a bitter cold reception. They were told to come back with some specific plans for the use of their requested \$25 billion bailout.

Stock Funds

Regardless of a fund's investment style, sector exposure, market capitalization or any other metrics that distinguish it from another fund, all 48 of Fidelity's diversified domestic stock funds (both actively managed and passive index-based offerings) are deep under water this year. And how a fund is positioned has mattered only slightly in relative terms.

With that in mind, style-wise, Fidelity's larger-cap funds have held a performance edge over smaller-cap funds. Despite being saddled by slightly bigger exposures to financials and energy, Fidelity's four large-cap value funds have, relatively speaking, been the "best" positioned: their average decline was 7.6% last month, and -40.4% for the year. However, the top-performing large-cap fund this year holds a mix of growth and value stocks, but its real secret weapon has been its 20% stake in cash. With just 50 holdings (10 stocks comprise 38% of its assets), **Focused Stock** is "only" down 33.2% this year.

As for Fidelity's mid- and small-cap funds, with few exceptions, they've lost about half their value this year. **Small Cap Value**, which fell 10.7% in November and is down 35.7% for the year, has actually been a performance leader (at least in relative terms!). Its slight edge has been the result of a negligible exposure to

energy and an underweight in financials (relative to its benchmark).

At the other extreme, **Leveraged Company Stock** had the toughest November as its near-40% stake in energy pushed its monthly return down 18.3%. (It's down 56.5% this year.) With oil prices retreating from a high of almost \$150 per barrel this year to just over \$50 recently, oil and gas stocks have sold off. (Though they rallied strongly at month-end.)

Among Fidelity's biggest funds asset-wise, the end-of-month rally slashed their losses, but their wounds were still deep. **Contrafund** fell 7.0%, **Growth Company** declined 11.1%, **Magellan** was off 11.3%, **Low-Priced Stock** dropped 8.8% and **Blue Chip Growth** was down 8.5%. For the year, here's how this same group falls out: **Magellan** (-51.8%), **Growth Co** (-43.1%), **Low-Priced Stock** (-41.2%), **Blue Chip Growth** (-39.4%) and **Contrafund** (-38.2%).

International Funds

Foreign stocks have offered no safe haven this year, as they have generally fared worse than U.S. stocks. As measured by **Spartan International Index** fund (which is a proxy for the EAFE, an index of developed market stocks), the collective misfortunes of Japan, Australia, the U.K. and continental Europe were down 6.0% in November and are off 46.0% for the year. Even so, declines are worse where economic growth has been the most robust in recent years. For example, **Emerging Markets** fund fell 9.7% last month and is down 63.4% this year, **China Region** slipped just 3.2% in November but has plunged 48.2% since January 1, while **Latin America** and **Southeast Asia** are down 56.8% and 55.0%, respectively, since the start of the year.

Among Fidelity's more geographically mixed international stock funds, the large-cap-oriented **Diversified International** fell 7.9% in November and is down 49.3% this year, while

Fund Commentary *cont'd on page 5*

FIDELITY SCORECARD - NOVEMBER 30, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Nov	YTD	2007	1 Year	3 Year	5 Year				
		S&P 500 (Large Cap)		896.24		-7.2	-37.7	5.5	-38.1	-8.7	-1.4	1.00			
		Dow Industrials (Blue Chip)		8829.04		-4.9	-31.7	8.9	-32.1	-4.2	0.3	0.93			
		Nasdaq Composite (OTC)		1535.57		-10.6	-41.6	10.7	-41.8	-11.3	-4.3	1.00			
		Russell 2000 (Small Cap)		473.14		-11.8	-37.4	-1.6	-37.5	-10.1	-1.7	1.09			
LARGE CAP GROWTH FUNDS						Category Averages			-9.5	-44.5	16.3	-44.5	-10.8	-2.5	1.01
312	FBGRX	Blue Chip Growth		26.11	Buy	-8.5	-39.4	11.8	-39.1	-10.5	-3.8	0.92			
307	FDCAX	Capital Appreciation		15.17	OK to Buy	-9.1	-43.3	6.9	-46.0	-11.4	-3.3	1.00			
22	FCNTX	Contrafund (closed)		44.74	Buy	-7.0	-38.2	19.8	-38.0	-5.8	2.6	0.84			
332	FEXPX	Export and Multinational	0.75%/30 days	14.07	OK to Buy	-10.5	-44.7	15.3	-44.3	-11.3	-0.7	0.98			
500	FFTYX	Fifty		10.73	Hold	-10.7	-50.7	12.6	-51.0	-14.5	-5.2	1.03			
25	FDGRX	Growth Company (closed)		47.21	Buy	-11.1	-43.1	19.9	-43.2	-8.7	-0.7	0.99			
339	FDSVX	Growth Discovery		8.65	Buy	-10.0	-46.6	26.8	-46.3	-8.1	-1.5	0.91			
73	FDFFX	Independence		14.15	OK to Buy	-8.7	-48.8	29.5	-47.3	-9.0	-0.8	1.30			
763	FSLGX	Large Cap Growth		6.36	OK to Sell	-7.0	-40.6	2.1	-40.7	-13.7	-3.1	0.98			
1829	FLGEX	Large Cap Growth Enhcd Index		6.34	Hold	-7.6	-38.3	-2.1p	-38.9	--	--	0.93			
338	FLCSX	Large Cap Stock		9.82	Hold	-11.2	-49.1	13.1	-48.9	-13.2	-4.9	1.13			
21	FMAGX	Magellan		43.83	OK to Buy	-11.3	-51.8	18.8	-51.6	-14.4	-5.9	1.09			
1282	FNCMX	Nasdaq Composite Index	0.75%/90 days	20.47	Hold	-10.7	-41.7	10.5	-41.9	-11.2	-4.3	1.00			
93	FOCPX	OTC		27.10	Buy	-12.2	-48.1	26.1	-47.9	-10.4	-2.9	1.06			
320	FDSSX	Stock Selector		17.08	Hold	-9.1	-42.1	11.8	-42.2	-9.9	-1.6	0.99			
5	FTRNX	Trend		38.31	OK to Buy	-8.2	-45.8	18.9	-45.2	-9.9	-1.9	0.98			
LARGE CAP BLEND FUNDS						Category Averages			-8.8	-41.6	8.8	-41.6	-10.5	-1.9	1.02
1271	FBCVX	Blue Chip Value		7.81	OK to Buy	-8.9	-46.0	4.4	-46.0	-13.0	-2.7	1.14			
315	FDEQX	Disciplined Equity		17.24	Buy	-8.2	-41.6	10.8	-41.3	-9.6	-1.0	0.96			
330	FDGFX	Dividend Growth		15.23	Buy	-10.6	-45.6	1.1	-46.5	-14.1	-6.0	1.06			
3	FFIDX	Fidelity Fund		22.55	OK to Buy	-7.8	-41.2	16.8	-41.0	-7.6	-0.9	0.95			
333	FTQGX	Focused Stock		8.88	Hold	-9.6	-33.2	17.0	-31.8	-6.0	3.1	0.92			
27	FGRIX	Growth & Income		13.00	OK to Sell	-11.9	-51.7	0.7	-52.3	-18.7	-8.6	1.22			
1827	FLCEX	Large Cap Core Enhcd Index		6.43	Hold	-6.7	-36.6	-1.0p	-36.8	--	--	0.98			
361	FGRTX	Mega Cap Stock		6.93	Buy	-7.6	-40.2	11.1	-40.6	-9.2	-2.3	0.98			
317	FSMKX	Spartan 500 Index ⁴		62.75	Hold	-7.2	-37.7	5.4	-38.1	-8.7	-1.5	1.00			
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90 days	25.18	Hold	-8.0	-38.3	5.6	-38.6	-8.9	-1.2	0.99			
343	FTXMX	Tax Managed Stock	1.00%/2 years	8.95	OK to Buy	-9.9	-44.3	14.2	-43.5	-10.5	-1.1	0.95			
832	FVDFX	Value Discovery		10.22	Buy	-8.8	-42.6	9.7	-42.5	-9.4	1.0	1.07			
LARGE CAP VALUE FUNDS						Category Averages			-7.6	-40.4	3.2	-40.8	-10.9	-1.9	1.05
23	FEQIX	Equity-Income		30.58	Buy	-7.9	-42.6	1.4	-43.1	-11.2	-2.4	1.08			
319	FEQTX	Equity-Income II		13.32	Hold	-7.2	-40.7	4.5	-41.1	-10.9	-3.0	1.06			
708	FSLVX	Large Cap Value		8.50	OK to Buy	-8.5	-41.4	3.7	-41.6	-10.6	-0.3	1.02			
1828	FLVEX	Large Cap Value Enhcd Index		5.95	Hold	-6.9	-36.8	-5.1p	-37.5	--	--	1.05			

Notes: ¹ Relative Volatility of the fund versus the S&P 500 over the last 12 months; 1.50 means the fund has been 50% more volatile. ² Durations (a measure of interest rate sensitivity) reflect prior quarter figures. ³ Stated yield is before any inflation adjustment, your effective yield may be different. ⁴ Also available in an "Advantage" share class with a minimum of \$100,000, but a lower expense ratio of 0.07% (versus 0.10% for the existing class). ⁵ Also available in "Advantage" shares with a minimum of \$100,000, but a lower expense ratio of 0.10% (versus 0.20% for the investor class). (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

Fund Commentary *cont'd from page 4*

International Small Cap Opportunities has fallen 60.8%.

Fixed Income Funds

Investors' appetite for safety was unabated in November, and that meant the comparative safety of bonds over stocks. (See pgs. 10-11.) Within the former, that also meant Treasuries beat corporates. **Spartan Long-Term Treasury Index** fund was the big winner with a gain of 12.2%, while **Investment Grade Bond** fell 1.0%. And bond funds with even higher ex-

posure to credit-risk, such as **High Income** (down 8.4%), fell more. With inflation retreating a full percentage point in October, there was a willingness by some to assume more interest-rate-risk in November. That led to bigger gains in longer-term funds and only a fractional gain (+0.2%) for **Inflation-Protected Bond**. That fund invests in TIPS whose value is linked to inflation. With inflation receding and the prospect of deflation worrying investors, these bonds sold off. Nevertheless, they are now trading at very attractive levels.

Diversified- and state-specific mu-

nicipal bonds were almost universally higher last month, though concern about California's budget woes hurt **California Muni Income** (down 1.2%). By-the-way, more highly taxed investors are still enjoying greater tax-equivalent yields from muni funds — see. p. 8.

Finally, fears that the nation's money market funds may break a buck have eased (see "Correction" on p. 12). **Cash Reserves** is now yielding 2.17%, down from 3.00%. As we explained last month, October's 50 basis-point cut in rates by the Fed has lowered money market yields. ■

FIDELITY SCORECARD - NOVEMBER 30, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Nov	YTD	2007	1 Year	3 Year	5 Year				
MID-CAP GROWTH FUNDS						Category Averages			-9.2	-47.2	11.5	-48.3	-13.5	-4.6	1.01
324	FDEGX	Aggressive Growth	1.50%/90 days	11.28	Hold	-8.9	-51.0	18.8	-50.4	-13.6	-5.1	0.95			
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30 days	5.86	Hold	-9.6	-41.6	--	--	--	--	--			
793	FSMGX	Mid Cap Growth	0.75%/30 days	6.61	Sell	-10.4	-51.1	2.4	-51.3	-18.4	-6.4	1.07			
337	FMCSX	Mid-Cap Stock	0.75%/30 days	14.59	Hold	-9.8	-49.7	8.2	-49.4	-13.9	-4.3	1.03			
300	FMLIX	New Millennium		17.08	OK to Buy	-7.3	-42.5	16.5	-42.3	-8.0	-2.6	0.97			
MID-CAP BLEND FUNDS						Category Averages			-13.0	-48.2	8.0	-48.1	-13.1	-2.6	1.07
122	FLVCX	Leveraged Company Stock	1.50%/90 days	13.93	OK to Buy	-18.3	-56.5	17.9	-55.8	-15.0	-1.2	1.27			
316	FLPSX	Low-Priced Stock (closed)	1.50%/90 days	21.31	Buy	-8.8	-41.2	3.2	-40.9	-10.1	-0.4	0.86			
398	FSEMXX	Spartan Extended Mkt Index ⁴	0.75%/90 days	22.21	Hold	-11.3	-41.2	5.4	-41.4	-10.4	-1.1	0.99			
14	FSLSX	Value Strategies		13.21	Hold	-13.6	-54.1	5.6	-54.4	-17.0	-7.9	1.14			
MID-CAP VALUE FUNDS						Category Averages			-12.2	-46.9	2.4	-47.4	-14.1	-2.0	1.06
762	FSMVX	Mid Cap Value	0.75%/30 days	8.94	Hold	-12.4	-45.1	2.7	-45.1	-13.3	-1.6	1.04			
39	FDVLX	Value		38.48	Buy	-12.1	-48.7	2.2	-49.6	-15.0	-2.5	1.07			
SMALL CAP GROWTH						Category Averages			-9.5	-48.1	12.1	-48.0	-12.8	-4.0	0.99
2011	FCPEX	Small Cap Enhanced Index	1.50%/90 days	6.27	Hold	-12.2	-37.0	--	--	--	--	--			
1388	FPCGX	Small Cap Growth	1.50%/90 days	8.39	OK to Buy	-8.5	-46.8	16.8	-46.4	-11.4	--	0.98			
336	FDSCX	Small Cap Independence	1.50%/90 days	10.10	OK to Sell	-10.5	-49.3	7.3	-49.6	-14.2	-4.0	1.01			
SMALL CAP BLEND						Category Averages			-11.7	-41.6	4.4	-41.6	-11.3	-3.8	1.03
340	FSLCX	Small Cap Stock (closed)	2.00%/90 days	9.02	Hold	-12.8	-47.5	7.7	-47.4	-13.7	-3.8	0.99			
1389	FCPVX	Small Cap Value	1.50%/90 days	8.67	OK to Sell	-10.7	-35.7	1.1	-35.8	-8.8	--	1.07			
SPECIALTY FUNDS															
2063	FOTTX	130/30 Large Cap		6.40	OK to Buy	-9.1	-38.0p	--	--	--	--	--			
304	FBALX	Balanced		12.91	OK to Sell	-4.9	-32.8	9.0	-32.7	-6.0	0.8	0.64			
308	FCVSX	Convertible Securities		13.55	Buy	-12.2	-50.7	16.2	-50.1	-12.3	-4.5	0.84			
1960	FDYSX	Dynamic Strategies		6.65	Hold	-6.1	-30.4	2.2p	-30.4	--	--	0.57			
1368	FIREX	International Real Estate	1.50%/90 days	6.28	Hold	-9.3	-53.1	-8.3	-55.9	-12.8	--	1.16			
4	FPURX	Puritan		12.89	OK to Buy	-5.2	-30.7	6.2	-30.6	-5.3	0.4	0.59			
833	FRIFX	Real Estate Income	0.75%/90 days	6.70	OK to Sell	-12.0	-32.6	-6.5	-33.1	-10.9	-3.4	0.32			
303	FRESX	Real Estate Investment	0.75%/90 days	13.38	Sell	-24.3	-47.9	-21.3	-51.6	-18.0	-3.0	1.59			
1329	FSDIX	Strategic Dividend & Income		6.90	OK to Buy	-10.2	-43.7	3.1	-44.2	-12.6	--	0.91			
1505	FSRRX	Strategic Real Return	0.75%/60 days	7.18	Buy	-7.4	-25.4	3.8	-24.8	-6.3	--	0.28			
311	FIUIX	Utilities		13.22	Hold	4.7	-34.5	10.8	-33.9	-2.1	6.1	0.95			
ASSET ALLOCATION FUNDS															
328	FASIX	Asset Manager 20%		10.17	Hold	-2.6	-16.0	4.8	-16.0	-1.5	1.5	0.20			
1957	FTANX	Asset Manager 30%		7.52	Hold	-3.4	-21.4	-1.9p	-21.4	--	--	0.30			
1958	FFANX	Asset Manager 40%		7.16	Hold	-3.9	-24.9	-2.6p	-25.1	--	--	0.40			
314	FASMX	Asset Manager 50%		10.61	Hold	-5.0	-30.0	6.3	-30.2	-6.4	-1.5	0.50			
1959	FSANX	Asset Manager 60%		6.52	Hold	-5.0	-32.1	-3.5p	-32.3	--	--	0.60			
321	FASGX	Asset Manager 70%		10.68	Hold	-6.3	-37.1	7.2	-37.5	-9.1	-3.0	0.71			
347	FAMRX	Asset Manager 85%		8.37	Hold	-7.2	-40.9	7.9	-41.3	-10.0	-2.3	0.86			
355	FFNOX	Four-in-One Index		19.85	Hold	-6.2	-34.6	6.2	-35.2	-6.8	0.0	0.83			
370	FFFBX	Freedom 2000		10.23	Hold	-2.9	-15.5	5.3	-15.5	-1.5	1.0	0.24			
1312	FFVX	Freedom 2005		8.46	Hold	-4.7	-26.5	7.3	-26.6	-4.6	0.0	0.46			
371	FFFCX	Freedom 2010		10.43	Hold	-5.0	-27.5	7.4	-27.6	-4.9	-0.1	0.49			
1313	FFVFX	Freedom 2015		8.59	Hold	-5.3	-29.4	7.8	-29.5	-5.2	0.2	0.52			
372	FFFDX	Freedom 2020		10.05	Hold	-6.4	-34.3	8.5	-34.4	-6.9	-0.5	0.65			
1314	FFTWX	Freedom 2025		8.22	Hold	-6.8	-35.8	8.6	-35.9	-7.5	-0.7	0.69			
373	FFFEX	Freedom 2030		9.69	Hold	-7.5	-39.0	9.3	-39.2	-8.6	-1.2	0.79			
1315	FFTHX	Freedom 2035		7.96	Hold	-7.8	-39.8	9.3	-40.0	-9.0	-1.3	0.81			
718	FFFFX	Freedom 2040		5.54	Hold	-8.1	-40.8	9.3	-41.0	-9.3	-1.4	0.84			
1617	FFFGX	Freedom 2045		6.50	Hold	-8.3	-41.2	9.5	-41.5	--	--	0.85			
1618	FFFHX	Freedom 2050		6.37	Hold	-8.6	-42.6	9.8	-42.9	--	--	0.89			
369	FFAFX	Freedom Income		9.51	Hold	-2.7	-13.8	4.8	-13.6	-1.1	1.0	0.21			
1884	FIRJX	Income Replacement 2016		39.70	Hold	-3.1	-19.7	0.4p	-19.7	--	--	0.34			
1885	FIRKX	Income Replacement 2018		38.62	Hold	-3.5	-22.0	0.4p	-22.1	--	--	0.39			
1886	FIRLX	Income Replacement 2020		37.69	Hold	-3.9	-23.9	0.2p	-23.9	--	--	0.44			
1887	FIRMX	Income Replacement 2022		37.23	Hold	-4.1	-25.0	0.2p	-25.1	--	--	0.47			
1888	FIRNX	Income Replacement 2024		36.87	Hold	-4.2	-26.0	0.4p	-26.1	--	--	0.49			
1889	FIROX	Income Replacement 2026		36.18	Hold	-4.4	-26.8	0.2p	-26.9	--	--	0.51			
1890	FIRPX	Income Replacement 2028		36.25	Hold	-4.5	-27.5	0.2p	-27.6	--	--	0.52			
1891	FIRQX	Income Replacement 2030		35.61	Hold	-4.6	-28.1	0.2p	-28.2	--	--	0.54			
1892	FIRRX	Income Replacement 2032		35.23	Hold	-4.7	-28.9	0.2p	-29.0	--	--	0.56			
1893	FIRSX	Income Replacement 2034		34.92	Hold	-4.9	-29.8	0.3p	-29.9	--	--	0.57			
1894	FIRUX	Income Replacement 2036		34.81	Hold	-5.0	-30.6	0.3p	-30.8	--	--	0.60			
1995	FIRVX	Income Replacement 2038		33.63	Hold	-5.2	-31.6	--	--	--	--	--			
2009	FIRWX	Income Replacement 2040		33.43	Hold	-5.3	-32.0	--	--	--	--	--			
1996	FIXRX	Income Replacement 2042		33.34	Hold	-5.3	-32.2	--	--	--	--	--			

FIDELITY SCORECARD - NOVEMBER 30, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Nov	YTD	2007	1 Year	3 Year	5 Year				
INTERNATIONAL FUNDS						<i>Category Averages</i>			-6.7	-49.7	20.0	-50.6	-8.5	3.0	1.06
335	FIVFX	Aggressive Int'l	1.00%/30 days	6.91	OK to Sell	-6.9	-54.3	5.2	-55.4	-16.2	-5.6	1.17			
309	FICDX	Canada	1.50%/90 days	34.06	Hold	-11.2	-44.5	35.0	-43.0	-3.4	7.6	1.12			
352	FHKCX	China Region	1.50%/90 days	16.15	OK to Sell	-3.2	-48.2	46.3	-49.5	0.8	5.7	1.19			
325	FDIVX	Diversified International (closed)	1.00%/30 days	20.23	OK to Buy	-7.9	-49.3	16.0	-49.9	-8.8	1.6	1.04			
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90 days	4.49	Sell	-5.7	-55.7p	--	--	--	--	--			
322	FEMKX	Emerging Markets	1.50%/90 days	12.38	OK to Buy	-9.7	-63.4	45.1	-63.1	-8.7	6.3	1.26			
301	FIEUX	Europe	1.00%/30 days	21.95	OK to Buy	-6.9	-47.9	16.4	-48.4	-7.1	3.7	0.99			
341	FECAX	Europe Capital App	1.00%/30 days	13.30	OK to Buy	-6.8	-50.0	14.8	-50.3	-6.5	2.4	1.04			
334	FGBLX	Global Balanced	1.00%/30 days	16.39	Hold	-3.3	-27.1	13.8	-27.2	-1.3	4.2	0.48			
2010	FIENX	International Enchanted Index	1.00%/30 days	5.35	Hold	-5.6	-47.7	--	--	--	--	--			
305	FIGRX	International Discovery	1.00%/30 days	22.40	Buy	-6.2	-48.0	19.0	-48.6	-6.6	3.1	1.00			
1979	FIGFX	International Growth	1.00%/30 days	5.17	Hold	-5.7	-45.9	-2.8p	-46.6	--	--	0.99			
818	FISMX	Int'l Small Cap (closed)	2.00%/90 days	11.48	Hold	-4.6	-50.3	13.2	-51.7	-11.4	2.9	0.80			
1504	FSCOX	Int'l Small Cap Opportunities	2.00%/90 days	5.65	Hold	-10.0	-60.8	3.0	-62.6	-17.4	--	1.20			
1597	FIVLX	International Value	1.00%/30 days	5.60	Buy	-5.9	-51.0	9.5	-52.3	--	--	1.19			
350	FJPNX	Japan	1.50%/90 days	8.26	Hold	-8.5	-42.4	-2.7	-45.7	-15.3	-2.0	1.07			
360	FJSCX	Japan Smaller Cos (closed)	1.50%/90 days	6.64	Sell	-5.0	-39.8	-12.4	-44.3	-21.1	-5.2	0.73			
349	FLATX	Latin America	1.50%/90 days	26.78	Hold	-6.7	-56.8	43.7	-56.4	-2.9	16.7	1.65			
342	FNORX	Nordic	1.50%/90 days	18.70	OK to Buy	-9.9	-58.8	23.2	-59.1	-9.8	2.7	1.20			
94	FOSFX	Overseas	1.00%/30 days	23.83	Hold	-6.3	-50.8	21.8	-51.5	-8.3	0.9	1.07			
302	FPBFX	Pacific Basin	1.50%/90 days	11.86	Hold	-7.6	-60.7	25.2	-61.2	-14.5	-1.7	1.02			
351	FSEAX	Southeast Asia	1.50%/90 days	17.83	OK to Sell	-3.6	-55.0	55.4	-56.0	1.0	9.5	1.05			
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90 days	25.51	Hold	-6.0	-46.0	10.7	-47.4	-7.5	2.0	1.06			
1978	FTIEX	Total International Equity	1.00%/30 days	4.59	Hold	-6.5	-51.4	-2.9p	-52.3	--	--	1.10			
318	FWWFX	Worldwide	1.00%/30 days	12.31	Hold	-8.1	-42.4	18.5	-42.3	-6.0	1.6	0.95			
SELECT PORTFOLIOS						<i>Category Averages</i>			-8.1	-43.4	11.3	-43.9	-10.9	-1.2	1.18
34	FSAIX	Air Transportation	0.75%/30 days	23.22	Hold	-12.3	-39.9	-1.9	-45.0	-9.2	0.1	1.32			
502	FSAVX	Automotive	0.75%/30 days	14.67	OK to Sell	-9.4	-60.8	0.0	-63.1	-22.7	-13.3	1.27			
507	FSRBX	Banking	0.75%/30 days	15.45	Buy	-14.1	-36.5	-21.2	-40.5	-17.4	-8.2	1.63			
42	FBIOX	Biotechnology	0.75%/30 days	54.48	Buy	-8.5	-18.3	2.7	-23.8	-3.9	1.8	0.84			
68	FSLBX	Brokerage & Investment	0.75%/30 days	30.31	Hold	-13.5	-52.8	-0.2	-53.3	-16.5	-2.4	1.37			
69	FSCHX	Chemicals	0.75%/30 days	48.28	Hold	-13.8	-41.6	28.4	-40.8	-3.2	5.3	1.27			
518	FSDCX	Communications Equipment	0.75%/30 days	11.15	Hold	-13.4	-50.4	9.8	-51.1	-17.3	-7.8	1.04			
7	FDCPX	Computers	0.75%/30 days	25.21	Hold	-13.4	-47.9	22.4	-47.7	-11.5	-7.2	0.95			
511	FSHOX	Construction & Housing	0.75%/30 days	22.48	Hold	-5.1	-31.8	-13.9	-32.8	-14.2	-2.2	1.33			
517	FSCPX	Consumer Discretionary	0.75%/30 days	12.96	OK to Buy	-10.5	-38.3	-8.3	-41.3	-13.9	-5.9	1.05			
9	FDFAX	Consumer Staples	0.75%/30 days	50.16	Buy	-0.2	-24.6	21.5	-25.1	3.6	6.6	0.71			
67	FSDAX	Defense & Aerospace	0.75%/30 days	45.95	OK to Sell	-12.0	-44.7	17.8	-46.3	-6.8	3.4	0.96			
8	FSELX	Electronics	0.75%/30 days	21.72	Hold	-16.0	-52.4	4.7	-52.3	-20.6	-12.3	1.09			
60	FSENX	Energy	0.75%/30 days	31.87	Buy ^á	-7.9	-51.3	45.5	-46.9	-6.0	12.7	1.74			
43	FSESX	Energy Service	0.75%/30 days	40.67	Buy	-12.7	-58.3	55.2	-55.6	-10.1	10.4	1.68			
516	FSLEX	Environmental	0.75%/30 days	12.79	Hold	-4.3	-33.9	12.4	-33.0	-6.0	-0.3	0.97			
66	FIDSX	Financial Services	0.75%/30 days	46.67	Hold	-14.4	-51.1	-13.6	-53.2	-20.9	-9.3	1.45			
41	FSAGX	Gold	0.75%/30 days	24.87	Hold	24.0	-37.4	24.9	-37.3	2.2	4.0	1.74			
63	FSPHX	Health Care	0.75%/30 days	76.54	Buy	-6.6	-36.4	12.5	-37.2	-8.8	0.1	0.75			
98	FSVLX	Home Finance	0.75%/30 days	11.67	Sell	-7.8	-58.9	-38.0	-60.5	-34.0	-21.0	1.65			
510	FSCGX	Industrial Equipment	0.75%/30 days	18.18	Hold	-6.7	-48.5	23.2	-47.9	-9.3	-0.4	1.05			
515	FCYIX	Industrials	0.75%/30 days	12.68	Hold	-6.8	-42.8	17.7	-42.8	-7.7	2.9	1.00			
45	FSPCX	Insurance	0.75%/30 days	30.39	OK to Sell	-2.7	-51.7	-4.4	-52.4	-20.1	-7.1	1.37			
353	FBSOX	IT Services	0.75%/30 days	10.77	Hold	-6.5	-35.6	11.5	-33.0	-6.2	0.7	0.99			
62	FDLSX	Leisure	0.75%/30 days	48.99	Hold	-5.8	-36.1	4.2	-38.2	-7.8	-0.3	0.96			
509	FSDPX	Materials	0.75%/30 days	29.73	Hold	-8.4	-49.2	29.2	-48.2	-6.6	2.2	1.29			
505	FSHCX	Medical Delivery	0.75%/30 days	26.21	OK to Buy	-8.4	-49.7	16.9	-48.7	-16.1	2.2	0.92			
354	FSMEX	Medical Equipment	0.75%/30 days	17.56	Buy	-13.5	-27.1	17.9	-26.3	-4.1	3.0	0.75			
503	FBMPX	Multimedia	0.75%/30 days	21.09	OK to Sell	-9.6	-42.5	-9.3	-44.6	-16.0	-7.0	1.08			
513	FSNGX	Natural Gas	0.75%/30 days	21.24	Buy	-13.4	-54.4	40.9	-50.6	-11.1	9.0	1.82			
514	FNARX	Natural Resources	0.75%/30 days	19.19	OK to Buy	-6.3	-51.5	50.1	-47.4	-3.5	11.8	1.70			
912	FNINX	Networking & Infrastructure	0.75%/30 days	1.20	OK to Buy	-9.8	-51.6	0.4	-53.1	-19.8	-12.9	1.01			
506	FSPFX	Paper & Forest	0.75%/30 days	15.84	Hold	-10.8	-49.4	0.8	-49.8	-16.3	-9.0	1.16			
580	FPHAX	Pharmaceuticals	0.75%/30 days	8.43	OK to Buy	-3.7	-27.0	13.4	-28.9	-1.6	2.5	0.74			
46	FSRPX	Retailing	0.75%/30 days	26.68	Hold	-10.8	-34.8	-8.0	-37.5	-11.7	-3.1	1.11			
28	FSCSX	Software & Computer Svcs	0.75%/30 days	46.29	Hold	-8.1	-43.0	23.9	-40.8	-3.7	-0.6	1.06			
64	FSPTX	Technology	0.75%/30 days	37.98	Hold	-13.2	-53.3	19.8	-53.6	-15.9	-8.8	1.08			
96	FSTCX	Telecommunications	0.75%/30 days	26.27	OK to Sell	1.6	-49.4	8.2	-50.3	-11.7	-1.7	1.20			
512	FSRFX	Transportation	0.75%/30 days	32.32	Hold	-11.8	-27.2	-0.6	-31.2	-7.3	2.8	1.04			
65	FSUTX	Utilities Growth	0.75%/30 days	42.02	Hold	4.3	-34.6	18.1	-34.5	-0.1	7.6	0.97			
963	FWRLX	Wireless	0.75%/30 days	4.14	Hold	-8.6	-52.1	27.5	-53.1	-12.8	2.9	1.17			

FIDELITY SCORECARD - NOVEMBER 30, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Duration (Years) ²	30-Day Yld. (%)	Tax-Equivalent Yield Federal Tax Bracket						
						Nov	YTD	2007									
TAXABLE BOND FUNDS						Category Averages			2.2	0.4	5.1	4.6	4.18				
15	FGMNX	Ginnie Mae		11.04	OK to Buy	3.5	5.5	6.8	5.4	4.88							
54	FGOVX	Government Income		10.68	OK to Buy	4.3	7.6	7.9	4.9	3.58							
794	FINPX	Inflation-Protected Bond ⁶		9.95	Hold	0.2	-7.9	9.1	6.0	3.28							
32	FTHRXX	Intermediate Bond		8.91	OK to Buy	-1.3	-8.6	4.0	3.9	6.43							
452	FSTGX	Intermediate Gov't Income		10.70	Buy	3.1	7.3	7.9	3.5	2.59							
26	FBNDX	Investment Grade Bond		6.21	Buy	-1.0	-9.8	2.6	5.0	6.67							
40	FMSFX	Mortgage Securities		9.97	OK to Buy	1.3	-0.1	-0.4	4.9	5.43							
450	FSHBX	Short-Term Bond		7.94	OK to Sell	-1.8	-4.2	1.7	1.6	4.25							
1561	FIBIX	Sptn Interm Treas Index ⁵		11.12	OK to Buy	6.9	11.6	10.1	6.2	2.81							
1562	FLBIX	Sptn Lng-Term Treas Index ⁵		11.20	OK to Buy	12.2	13.6	9.5	11.1	3.84							
1560	FSBIX	Sptn Sht-Term Treas Index ⁵		10.74	Buy	2.0	7.6	7.9	2.5	1.24							
820	FTBFX	Total Bond		8.94	Hold	-0.8	-8.7	4.2	4.8	7.27							
651	FBIDX	U.S. Bond Index		10.48	Hold	2.5	0.3	5.4	4.9	4.90							
812	FUSFX	Ultra-Short Bond	0.25%/60 days	8.11	Hold	-1.0	-8.0	-5.1	0.1	1.32							
HIGH-YIELD BOND FUNDS						Category Averages			-5.0	-23.6	3.8	11.68					
38	FAGIX	Capital & Income	1.00%/90 days	5.41	OK to Buy	-10.8	-33.4	3.8	--	13.50							
814	FFRHX	Floating Rate High Income	1.00%/60 days	7.56	OK to Buy	-5.0	-17.3	2.7	--	10.46							
1366	FHIFX	Focused High Income	1.00%/90 days	7.01	Buy	-5.0	-24.5	3.1	--	12.68							
455	SPHIX	High Income	1.00%/90 days	5.81	Buy	-8.4	-27.5	2.4	--	14.56							
331	FNMIXX	New Markets Income	1.00%/90 days	10.52	Hold	0.8	-24.0	5.7	--	10.74							
368	FSICX	Strategic Income		8.44	Buy	-1.4	-14.9	5.4	--	8.13							
MUNICIPAL BOND						Category Averages			0.2	-2.1	3.7	6.0	4.04	25%	28%	33%	35%
36	FLTMX	Interm Municipal Income	0.50%/30 days	9.58	Buy	0.5	-0.4	4.0	5.3	3.89	5.2	5.4	5.8	6.0			
37	FHIGX	Municipal Income	0.50%/30 days	11.38	OK to Buy	-0.7	-5.9	3.1	8.0	4.78	6.4	6.6	7.1	7.4			
404	FSTFX	Short-Int Municipal Income	0.50%/30 days	10.29	Buy	1.0	2.7	4.4	2.8	2.89	3.9	4.0	4.3	4.4			
90	FTABX	Tax-Free Bond	0.50%/30 days	9.80	OK to Buy	-0.2	-4.7	3.2	7.7	4.61	6.1	6.4	6.9	7.1			
STATE-SPECIFIC MUNICIPAL BOND						Category Averages			0.3	-3.0	3.4	7.1	4.22				
434	FSAZX	Arizona Muni Income	0.50%/30 days	10.25	OK to Buy	0.1	-5.1	2.6	8.4	4.66	6.2	6.5	7.0	7.2			
91	FCTFX	California Muni Income	0.50%/30 days	10.95	OK to Buy	-1.2	-6.3	2.9	7.5	4.63	6.2	6.4	6.9	7.1			
1534	FCSTX	Calif Short-Interm Tax Free	0.50%/30 days	10.16	OK to Buy	1.3	3.0	4.3	3.3	2.75	3.7	3.8	4.1	4.2			
407	FICNX	Connecticut Muni Income	0.50%/30 days	10.64	OK to Buy	0.2	-2.3	3.8	7.2	4.19	5.6	5.8	6.3	6.4			
429	SMDMX	Maryland Muni Income	0.50%/30 days	9.93	OK to Buy	0.2	-4.3	3.0	8.1	4.49	6.0	6.2	6.7	6.9			
70	FDMMX	Mass Muni Income	0.50%/30 days	10.81	OK to Buy	0.1	-4.6	3.3	7.7	4.47	6.0	6.2	6.7	6.9			
81	FMHTX	Michigan Muni Income	0.50%/30 days	11.15	Hold	0.6	-1.7	3.7	6.6	4.00	5.3	5.6	6.0	6.2			
82	FIMIX	Minnesota Muni Income	0.50%/30 days	10.61	OK to Buy	0.4	-1.8	3.2	6.3	4.03	5.4	5.6	6.0	6.2			
416	FNJHX	New Jersey Muni Income	0.50%/30 days	10.71	OK to Buy	0.7	-3.3	3.7	7.3	4.23	5.6	5.9	6.3	6.5			
71	FTFMX	New York Muni Income	0.50%/30 days	11.72	OK to Buy	-0.3	-4.3	3.3	8.4	4.66	6.2	6.5	7.0	7.2			
88	FOHFX	Ohio Muni Income	0.50%/30 days	10.68	OK to Buy	0.4	-3.7	3.6	7.5	4.31	5.7	6.0	6.4	6.6			
402	FPXTX	Pennsylvania Muni Income	0.50%/30 days	10.18	OK to Buy	0.6	-1.6	3.9	6.7	4.18	5.6	5.8	6.2	6.4			
TAXABLE MONEY MARKET						Category Averages			0.2	2.4	4.9	1.81					
55	FDRXX	Cash Reserves		1.00	--	0.20	2.71	5.06	na	2.17							
631	FGMXX	Retirement Government MM		1.00	--	0.13	2.26	4.93	na	1.49							
630	FRTXX	Retirement MM		1.00	--	0.22	2.74	5.12	na	2.45							
458	SPAXX	Government MM		1.00	--	0.13	2.20	4.90	na	1.46							
454	SPRXX	Money Market		1.00	--	0.22	2.72	5.09	na	2.40							
85	FSLXX	Select MM		1.00	--	0.22	2.78	5.14	na	2.40							
50	FGRXX	U.S. Gov't Reserves		1.00	--	0.14	2.33	4.97	na	1.51							
415	FDLXX	US Treasury MM		1.00	--	0.05	1.45	4.38	na	0.58							
MUNICIPAL MONEY MARKET						Category Averages			0.1	1.8	3.4	0.66					
460	FIMXX	AMT Tax-Free Money Fnd		1.00	--	0.10	1.81	3.43	na	0.75	1.0	1.0	1.1	1.2			
10	FTEXX	Municipal Money Market		1.00	--	0.07	1.85	3.34	na	0.70	0.9	1.0	1.0	1.1			
275	FMOXX	Tax-Free Money Market		1.00	--	0.05	1.66	3.30	na	0.54	0.7	0.8	0.8	0.8			
STATE MUNICIPAL MONEY MARKET						Category Averages			0.1	1.7	3.3	0.57					
433	FSAXX	Arizona		1.00	--	0.05	1.70	3.26	na	0.56	0.7	0.8	0.8	0.9			
457	FSPXX	California AMT Tax-Free		1.00	--	0.06	1.81	3.39	na	0.59	0.8	0.8	0.9	0.9			
97	FCFXX	California		1.00	--	0.04	1.64	3.20	na	0.38	0.5	0.5	0.6	0.6			
418	FCMXX	Connecticut		1.00	--	0.04	1.68	3.25	na	0.46	0.6	0.6	0.7	0.7			
426	FMSXX	Mass AMT Tax-Free		1.00	--	0.07	1.80	3.39	na	0.71	0.9	1.0	1.1	1.1			
74	FDMXX	Massachusetts		1.00	--	0.04	1.63	3.20	na	0.46	0.6	0.6	0.7	0.7			
420	FMIXX	Michigan		1.00	--	0.03	1.65	3.21	na	0.26	0.3	0.4	0.4	0.4			
423	FSJXX	New Jersey AMT Tax-Free		1.00	--	0.07	1.82	3.41	na	0.87	1.2	1.2	1.3	1.3			
417	FNJXX	New Jersey		1.00	--	0.04	1.63	3.23	na	0.51	0.7	0.7	0.8	0.8			
422	FSNXX	New York AMT Tax-Free		1.00	--	0.07	1.80	3.39	na	0.75	1.0	1.0	1.1	1.2			
92	FNYXX	New York		1.00	--	0.06	1.63	3.22	na	0.60	0.8	0.8	0.9	0.9			
419	FOMXX	Ohio		1.00	--	0.06	1.71	3.22	na	0.71	0.9	1.0	1.1	1.1			
401	FPTXX	Pennsylvania		1.00	--	0.06	1.80	3.25	na	0.60	0.8	0.8	0.9	0.9			

Tax-equivalent yields for state funds assume top state (and city) tax level for that federal bracket, and itemized deductions.

FIDELITY SCORECARD - NOVEMBER 30, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
						Nov	YTD	2007	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS												
9077	FQBRC	Fid VIP Aggressive Growth		6.43	Hold	-8.7	-50.7	17.1	-50.1	-14.1	--	0.96
9067	FLRQC	Fid VIP Asset Manager		8.73	Hold	-4.4	-30.6	15.1	-29.6	-4.9	-0.9	0.61
9066	FAEFC	Fid VIP Asset Manager: Growth		8.08	Hold	-6.0	-37.4	18.5	-36.3	-7.3	-2.1	0.83
9069	FJBAC	Fid VIP Balanced		7.97	OK to Sell	-7.2	-36.8	8.6	-36.8	-8.1	-2.9	0.70
9081	FVHAC	Fid VIP Consumer Discretionary	1.00%/60 days	6.43	OK to Buy	-10.3	-37.8	-8.5	-40.8	-14.0	-6.2	1.08
9171	FCSAC	Fid VIP Consumer Staples	1.00%/60 days	8.47	Buy	0.0	-23.8	11.6p	-24.3	--	--	0.71
9065	FPDFC	Fid VIP Contrafund		7.85	Hold	-7.4	-43.6	17.2	-43.3	-9.4	0.0	1.00
9148	FPRGC	Fid VIP Disciplined Small Cap		6.18	Buy	-12.4	-37.3	-2.7	-37.5	--	--	1.08
9074	FZAMC	Fid VIP Dynamic Capital App		7.38	OK to Buy	-9.2	-44.2	6.6	-46.9	-12.0	-3.4	1.03
9198	FEMAC	Fid VIP Emerging Markets	1.00%/60 days	4.17	Buy	-9.2	-59.6	--	--	--	--	--
9085	FJLLC	Fid VIP Energy	1.00%/60 days	8.94	Buy	-8.3	-51.7	45.5	-47.4	-5.4	10.2	1.75
9061	FLOLC	Fid VIP Equity-Income		6.98	Buy	-8.4	-43.8	1.1	-44.4	-12.0	-3.2	1.12
9083	FONNC	Fid VIP Financial Services	1.00%/60 days	5.18	Hold	-15.0	-51.6	-13.8	-53.6	-21.3	-9.8	1.50
9157	FMPAC	Fid VIP FundsManager 20		9.88	Hold	-0.3	-10.6	5.8	-10.5	--	--	0.17
9158	FMPBC	Fid VIP FundsManager 50		8.46	Hold	-3.3	-25.2	6.8	-25.2	--	--	0.45
9197	FMPPC	Fid VIP FundsManager 60		7.25	Hold	-3.9	-28.0	--	--	--	--	--
9159	FMPCC	Fid VIP FundsManager 70		7.53	Hold	-5.2	-34.4	7.5	-34.6	--	--	0.67
9160	FMPDC	Fid VIP FundsManager 85		6.90	Hold	-6.8	-40.5	8.4	-40.7	--	--	0.84
9062	FMNDC	Fid VIP Growth		7.30	Buy	-10.1	-47.2	26.5	-46.9	-10.8	-4.7	0.93
9070	FLFNC	Fid VIP Growth & Income		7.63	Hold	-9.0	-42.3	11.8	-42.4	-10.2	-3.3	0.99
9068	FIDPC	Fid VIP Growth Opportunities		6.16	OK to Sell	-10.1	-55.0	22.7	-54.5	-16.7	-7.0	1.29
9078	FPVDC	Fid VIP Growth Stock		6.85	OK to Buy	-8.6	-46.0	22.1	-45.5	-12.3	--	1.01
9084	FPDRC	Fid VIP Health Care	1.00%/60 days	7.68	Buy	-6.5	-36.4	9.7	-37.2	-9.3	-0.5	0.75
9060	FBBLC	Fid VIP High Income		8.35	Buy	-6.9	-27.3	2.3	-26.8	-6.1	-1.4	0.21
9064	FXVLT	Fid VIP Index 500		7.68	Hold	-7.2	-37.8	5.2	-38.3	-9.1	-2.0	1.01
9082	FBALC	Fid VIP Industrials	1.00%/60 days	8.14	Hold	-6.7	-42.8	17.8	-42.7	-7.6	2.8	1.04
9076	FVJIC	Fid VIP Int'l Capital App	1.00%/60 days	5.87	Hold	-6.7	-54.4	4.8	-55.4	-16.7	--	1.18
9090	FBKQT	Fid VIP Investor Freedom 2005		8.97	Hold	-3.8	-26.1	8.3	-26.3	-4.1	--	0.45
9091	FCRJT	Fid VIP Investor Freedom 2010		8.83	Hold	-4.0	-27.2	8.4	-27.4	-4.6	--	0.47
9092	FTCMT	Fid VIP Investor Freedom 2015		8.79	Hold	-4.4	-29.3	9.0	-29.5	-4.9	--	0.52
9093	FTEMT	Fid VIP Investor Freedom 2020		8.29	Hold	-5.7	-34.8	9.9	-34.9	-6.9	--	0.65
9094	FVIIT	Fid VIP Investor Freedom 2025		8.17	Hold	-6.2	-36.3	10.1	-36.5	-7.4	--	0.69
9095	FXJLT	Fid VIP Investor Freedom 2030		7.83	Hold	-7.3	-40.1	11.0	-40.3	-8.8	--	0.80
9089	FBXOT	Fid VIP Investor Freedom Income		10.02	Hold	-1.6	-12.4	5.8	-12.2	-0.3	--	0.19
9063	FTLKC	Fid VIP Investment Grade Bond		10.15	Buy	-0.2	-6.8	4.0	-6.7	0.5	1.3	0.18
9172	FVMAC	Fid VIP Materials	1.00%/60 days	5.85	Hold	-8.5	-48.7	14.7p	-47.8	--	--	1.30
9071	FNBSCL	Fid VIP Mid Cap		7.97	Buy	-7.2	-42.2	15.2	-42.1	-8.4	2.4	0.91
9059	FTNJC	Fid VIP Money Market		11.39	--	0.2	2.6	4.9	3.0	4.0	2.9	0.01
9088	FEMMC	Fid VIP Overseas	1.00%/60 days	8.00	Hold	-7.3	-47.5	16.9	-48.3	-8.4	--	1.05
9072	FFWKC	Fid VIP Real Estate		5.84	Sell	-24.7	-50.0	-18.0	-52.7	-17.4	-2.8	1.63
9075	FGDQC	Fid VIP Strategic Income		9.83	Buy	-0.9	-14.1	5.3	-13.8	-0.7	--	0.15
9086	FYENC	Fid VIP Technology	1.00%/60 days	6.27	Hold	-12.6	-53.1	14.9	-53.6	-16.4	-8.8	1.14
9173	FVTAC	Fid VIP Telecommunications	1.00%/60 days	5.04	OK to Sell	2.1	-49.2	-1.1p	-50.2	--	--	1.23
9087	FXRRC	Fid VIP Utilities	1.00%/60 days	10.38	Hold	4.4	-34.4	20.2	-34.2	0.8	8.0	0.97
9079	FKMSC	Fid VIP Value		6.12	Buy	-12.0	-48.7	1.7	-49.7	-15.8	--	1.10
9080	FUEBC	Fid VIP Value Leaders		6.74	Buy	-8.9	-45.9	4.2	-46.0	-13.3	--	1.15
9073	FRBSC	Fid VIP Value Strategies		5.74	Hold	-13.7	-54.2	5.3	-54.4	-17.2	-8.5	1.18
9199	FCIFC	Credit Suisse Int'l Focus		5.70	OK to Sell	-4.8	-43.8	--	--	--	--	--
9147	FPRLC	Lazard Retirement Emerging Mkts		7.00	Hold	-9.4	-52.5	33.3	-51.9	--	--	1.13
9143	FPRMC	Morgan Stanley Emerg Mkt Debt		9.16	Hold	1.1	-20.5	6.3	-20.0	-1.9	3.1	0.33
9144	FPRNC	Morgan Stanley Emerg Mkt Equity		6.33	OK to Buy	-8.5	-59.6	40.1	-60.0	-6.7	6.2	1.26
9145	FPROC	Morgan Stanley Gbl Value Equity		6.77	OK to Buy	-7.5	-42.8	6.4	-43.4	-9.1	-1.5	0.96
9146	FPRPC	Morgan Stanley Int'l Magnum		6.43	Buy	-5.5	-48.7	14.3	-49.6	-8.7	0.0	1.01
9174	FMCCC	Strategic Advisors Mid Cap Value		5.75	Hold	-8.3	-38.8	-6.3p	-39.5	--	--	1.01
9175	FSCCC	Strategic Advisors Small Cap		5.25	Hold	-13.8	-42.8	-8.5p	-43.2	--	--	1.08

Annuity Growth Model	
Fund	Allocation
Fidelity VIP Strategic Income	34%
Fidelity VIP Growth	24
Fidelity VIP Value Leaders	25
Morgan Stanley Int'l Magnum	5
Fidelity VIP Equity Income	6
Fidelity VIP Health Care	6
Total Return: Nov: -6.3% YTD: -37.7%	

Annuity Growth & Income Model	
Fund	Allocation
Fidelity VIP Investment Grade	32%
Fidelity VIP Strategic Income	25
Fidelity VIP Growth	23
Fidelity VIP Value Leaders	15
Fidelity VIP Equity Income	4
Total Return: Nov: -13.7% YTD: -30.3%	

Annuity Income & Preservation Model	
Fund	Allocation
Fidelity VIP Investment Grade	34%
Fidelity VIP Money Market	27
Fidelity VIP Strategic Income	17
Fidelity VIP Value Leaders	11
Fidelity VIP Growth	11
Total Return: Nov: -10.5% YTD: -19.3%	

FUND UPDATE

Should You Still Own Magellan?

Under former Manager Bob Stansky, **Magellan** was called a “closet index fund,” as its sector allocations hewed fairly close to the S&P 500. That wasn’t entirely true, but when Harry Lange took over late in 2005, that perception vanished.

Within a few months, he more than doubled Magellan’s foreign exposure, while adding to energy, financials and health care. These shifts contributed to underperformance in 2006 when value outperformed growth. But in 2007, when the markets favored growth and tech, Harry’s new direction paid off.

This year, Magellan’s biggest challenge has come from the very sector upon which Harry built his reputation: technology. At 29.3% of assets, tech is Magellan’s biggest sector bet, eclipsing the S&P 500’s 16.0% weight. And even while underweighting financials, misplaced confidence in AAA-rated AIG and others also hurt performance.

Earlier this year, Fidelity reopened Magellan to new investors as assets were streaming out of the fund. At the time, Harry told us that it’s simply easier to run a fund with steady inflows.

As for those outflows, they were the result of Magellan’s lackluster long-term performance. In December 1999, Magellan was the first equity fund in history to surpass \$100 billion in assets. Then along came the tech collapse and bear market of 2000, several years of underperformance by Stansky, and the steep declines of this year. Today, Magellan’s assets have shrunk to only \$21.6 billion — a level it last saw in 1992 when Jeff Vinik was running the fund.

While this market has been painful for all stock funds, we still think Harry’s the right man to steer Magellan over the long term. We rate it *OK to Buy*. ■

BOND FUNDS

Investment Grade Bond Tempers Risk

A desire to minimize credit risk has ruled supreme in the bond market



Jeff Moore
Investment Grade

this year. Strong demand for government bonds has driven their yields lower and their prices (which move in the opposite direction of their yields) higher. As a

result of this “flight to safety,” Fidelity’s three Treasury-only bond funds — **Spartan Long-Term, Intermediate and Short-Term Treasury Index** — have been the top performers.

While we appreciate the attractiveness of Treasury bonds in terms of safety as much as anyone, (we had exposure to Treasuries through **Inflation-Protected Bond** for several years) recently there came a point when Treasury yields no longer made sense. The spread between the yields on high-quality corporate bonds and Treasuries had simply become too wide to ignore. Since 1996, the aver-

age spread of AA corporate bonds over Treasuries has been 1.0%, but today that spread has ballooned to nearly 4.0%.

To take advantage of this historic spread, on October 27, we sold Inflation-Protected Bond in our more conservative Growth & Income and Income & Preservation Model Portfolios in favor of **Investment Grade Bond**.

Investment Grade Bond invests in high-quality, investment-grade securities (those rated BBB or higher). These include U.S. Treasuries, mortgage-backed and asset-backed securities, as well as corporate bonds (see box below).

As investors have fled so-called “credits” in favor of Treasuries so far in 2008, the fund has predict-

ably suffered. The silver lining of this flight to quality, however, has been the aforementioned outsized yield spreads on investment-grade bonds over U.S. Treasuries.

With the U.S. government taking positive steps to address the credit crisis and conditions in the credit markets beginning to “thaw,” it’s our view that investment-grade corporate debt is an attractive, higher-yielding alternative to Treasuries.

As Jeff Moore, Investment Grade’s Manager recently told us: “Right now, you are buying Treasuries only for capital preservation. You can no longer shock the yield curve down. When there’s [almost] no yield, they can’t rally much.”

As a point of reference, at the end of November, **Spartan Intermediate Treasury Index** fund yielded 2.81% while **Investment Grade Bond’s** yield was 6.67%.

Jeff has responded by beginning to modestly overweight corporates in his fund to take advantage of the low double-digit yields that a growing num-

“[Today] you are buying Treasuries only for capital preservation ... When there is no yield, they can’t rally much.” — Jeff Moore

INVESTMENT GRADE

Composition (as of 9/30/2008)

MBS Passthrough	38.2%
Corporates	31.5
Treasury/Agency/Gov’t	12.0
Collateralized MBS	9.8
Cash	9.3
CMO	7.7
Asset-backed Securities	6.0
Net Other	-14.5

Quality

U.S. Government	53.2%
AAA	12.3
AA	7.0
A	9.8
BBB	18.3
BB	3.5
B	0.7
CCC & below	0.3

Invest Grade *cont’d on page 11*

High Income: A Bet On The Recovery

We have always liked managers who invest alongside their shareholders



Fred Hoff
High Income

Last month, we caught up with Fred Hoff who has been running **High Income** since June of 2000, and guess what he's been buying (as well as recommending to

his father!)? That's right, shares of his own fund.

High Income is a high-yielding "junk" bond fund. We recognize that that's a pretty scary notion at a time when the subprime mortgage collapse, faltering economy, and credit crisis are still very fresh in investors' minds.

Nonetheless, we believe that the pendulum has swung too far towards safety; it's time to lean in the other direction.

In October, we purchased an 11% stake in High Income for our Growth Model. It's not Fidelity's riskiest high-yield fund. In terms of credit risk it actually falls somewhere between **Capital & Income** (the riskiest) and **Focused High Income**. It's an opportunistic move for our more aggressive, growth-oriented members.

High Income is riskier than Focused High Income as it typically owns more low-quality junk bonds rated "CCC" and below, and less in the highest quality junk category "BB." As such, its yield is higher than Focused High Income's.

As we turn the page on 2008, High Income's yield advantage has increased to almost two percentage points (14% versus 12%) over Focused High Income, and almost a full percentage point higher than the riskier Capital & Income.

How can that be?

Capital & Income is riskier because it also owns stocks of junk bond issuers ranging from 10-20% of the portfolio (currently just 9%). But that lowers the fund's yield. A near 20% stake in cash has been a nice buffer for the fund, but that position has also lowered Capital & Income's yield.

However, owning the highest-yielding fund isn't always the best bet. Take last year, for example. We were leery of the high-yield market in 2007 because spreads versus Treasuries were narrow (i.e., you were not getting paid much in extra yield for taking on their extra risk). By mid-2007, with the subprime contagion fouling

the credit markets, the outlook for high-yield deteriorated further. Riskier debt of all kinds was hard-hit, and High Income ended up the worst performing "pure" high-yield fund at Fidelity, returning just 2.4%.

For most of 2008, we've favored high-quality bond funds over high-yield. But, as with the case of high-quality corporate bonds, as investors fled riskier assets, the yield spread on high-yield bonds relative to Treasuries has widened to an all-time record. By November, says Fred, that gulf was about 18 percentage points relative to comparable Treasuries, while high-yield bonds are selling at 60 cents on a dollar — an "all-time low."

Providing investors with so much additional yield tells us that the market assumes a tremendous amount of embedded risk: rising default rates and falling recovery rates.

Fred recognizes that 2009 will be a difficult year for corporate profits ("earnings for almost all companies will be down"), but he firmly believes that investor angst is overblown. "Most companies are not going to default." Further, he asserts that "at some point there will be a massive rally" for junk bonds. The math, he says, "is very compelling."

We agree. While High Income could find itself struggling alongside the equity market into 2009, the historic yield advantage is something that can't be overlooked. While not appropriate for all investors, those with longer-term investment time horizons should consider High Income fund for its capital appreciation potential. ■

HIGH INCOME

Composition

Corporates	82.5%
US \$-denom foreign debt	9.3
Cash Equivalents	6.3
Equities	1.0
U.S. Treasuries/Agencies	0.0

Quality

U.S. Government	0.0%
AAA	0.0
AA	0.0
A	0.0
BBB	2.4
BB	27.0
B	49.0
CCC & below	13.1
N/R	1.2
Other	7.3

Invest Grade *cont'd from page 10*

ber of high-quality bonds provide.

Still, Jeff is only making small bets (overweights) relative to his benchmark. "We try to take the long view," he says. "We don't own too much of anything. We have a nice balance."

Part of that balance and overall strategy of risk management is running a bond fund that's liquid. Again,

that's where government bonds play a role, including some TIPS.

Noting that the U.S. government runs a "fiat currency" (meaning that the dollar is not backed by anything other than good faith), it will continue to print money. And, it will do so for as long as it takes for the economy to be stimulated out of recession. Over the long term, that's inflationary, so Jeff owns some TIPS essentially as

an insurance hedge. And they are extremely cheap relative to conventional Treasuries. (We also own them through **Strategic Real Return**.)

As for our own investment strategy, it's to incrementally take more credit risk (via funds) where and when our members are being appropriately rewarded. Right now, Investment Grade Bond is a good way to implement that strategy. ■

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Inside Fidelity

Manager Changes — Melissa Reilly is the new manager of **Europe** fund. She succeeds Trygve Toraasen who has left the company. Reilly will continue to manage **Europe Capital Appreciation**, and co-manage **Global Balanced**, each of which she assumed responsibilities for in 2007.

Reilly joined Fidelity in 2004 as an analyst in the global research team and followed companies in the international food manufacturers, luxury goods and general retail sectors. In 2005, she assumed management of a global consumer fund available

DIVIDEND UPDATE

In addition to monthly dividends paid by bond and money market funds, as usual, Asset Mgr 20% and 30%, Freedom Income and Income Replacement, are expected to pay dividends and/or capital gains in December. But there are no other scheduled for this month.

Please note that year-end capital gains distributions will be made by funds in December.

exclusively to Canadian investors.

Prior to joining Fidelity, Reilly was a portfolio manager for Putnam Investments. Her responsibilities included managing several European portfolios as well as following a wide variety of European companies.

Separately, Ronald Port now runs **Nordic** fund, also succeeding Toraasen.

Port joined Fidelity as an analyst in 2002 following European companies in the support services industry. For the past year, Port has worked closely with Toraasen, assisting him with research on the Nordic region.

There are no rating changes recommended for either Nordic or Europe fund. (Both are rated *OK to Buy*.)

Correction — In the November report, we should have said that money market purchases made after Sept. 18 are not insured by the Treasury's new Temporary Loan Guarantee Program. As we went to press, the voluntary program provides insurance to Fidelity's money market funds through December 18. ■

Message To Members

Sometimes, as the saying goes, it's hard to see the forest for the trees.

I needn't remind members in this space that the bear market for stocks has exacted a painful toll on millions of investors around the globe.

The world has gotten smaller.

Of course, the added hardship of falling home values and rising joblessness in the U.S. make the misery all the worse for some of our friends and neighbors. There's no comfort in another proverb, "misery loves company," but perspective is important.

While this market retreat is already in the history books as one of the worst on record, historians will note something else that happened in November: the peaceful and uncontested election of America's 44th president, who happens to be this country's first African-American Commander-in-Chief.

Seamlessly switching presidents and even our legislative branch is something America has always done better than anyone else in the world. It's a leading indicator (as an economist might say) of a country that knows how to reinvent itself and eventually come out better on the other side. Whether "your guy" won the presidency last month or not, I am extremely confident that we Americans will once again come out better on the other side.

Sincerely,

Eric M. Kobren
ekobren@kobren.com

P.S. — Don't forget our Special Hotline messages whenever the Dow closes up or down by 300+ points.



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