

Eric Kobren's

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FIDELITY INSIGHT

THE INDEPENDENT REPORT ON FIDELITY FUNDS

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ERIC'S OUTLOOK

Defense Is Still Our Best Offense In A Market Full Of Surprises

Consumer confidence is at a 28-year low, inflation expectations are at a 21-year high, and oil prices are as elevated as they've ever been. But if you're looking to me to make you feel even worse about things, you've come to the wrong place.



Eric M. Kobren

While I'm hardly whistling "Happy Days Are Here Again" (I'm aware of how the markets are struggling, and that it just cost me \$87 to fill my gas tank), I think there's a fair amount of hysteria out there, especially with respect to oil and inflation.

So as I look out over the long term, I actually see the table being set for some opportunities, but we're not yet past the tough stuff.

Regardless of your investment goals, mine is to not have you step on any land mines. The risks I want you to take should be measured. For example, on page 10, we review a new international stock fund. It may seem appealing, but it is not what it appears to be at first glance. And while we like its long-term prospects, we can't recommend it today.

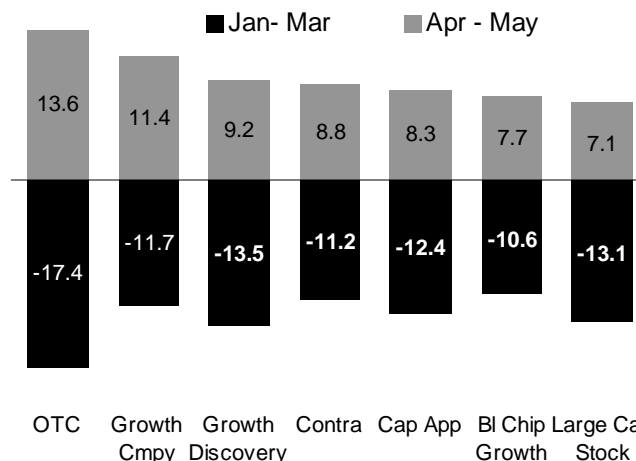
So I'll save my usual sermon on the importance of diversification until later in this *Outlook*. For now, let's walk through all those things that are keeping you and me awake at night, and perhaps we'll see that they're less menacing than you thought.

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TURNAROUND IN LARGE GROWTH

% Return of Buy-Rated Large Cap Growth Funds



During the first quarter of this year, large-cap growth funds took it on the chin, as technology, the largest sector weighting in 12 of Fidelity's 16 large-cap growth funds, was hard hit. Thanks largely to a strong rebound in that same sector over the past two months, our Buy-rated large-cap growth funds have rebounded sharply as well. (Although all still remain in negative territory for the year.)

Oil: Nearing The Top?

Few of us are thinking about home heating oil right now, but before you know it, maple trees will be turning orange and the thermostat will be turned up. At \$4.00 per gallon, a standard 275 gallon tank now costs \$1,100 to fill. That's almost double from a year ago. As for gasoline, the average price per gallon over the Memorial Day weekend was \$3.94. That's up 23% since last year. Diesel is up 64%. This is all real money. And for the less affluent, it consumes a significantly larger portion of their disposable income, and it is hurting the retail sector.

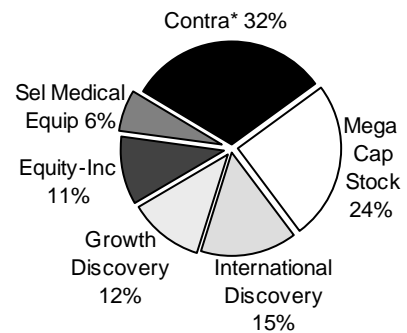
With India and China still growing rapidly, there's little question that the long-term demand for oil looks strong. Demand for other commodities will also stay strong as the emerging markets grow. Still, we wouldn't be surprised to see a near-term pullback in most commodity prices.

Why? The same kind of speculative behavior that drove tech stocks to irrational highs in the late 1990s may now be at work in the futures market. This is especially true

Eric's Outlook cont'd on page 3

FIDELITY INSIGHT MODEL PORTFOLIOS - MAY 31, 2008

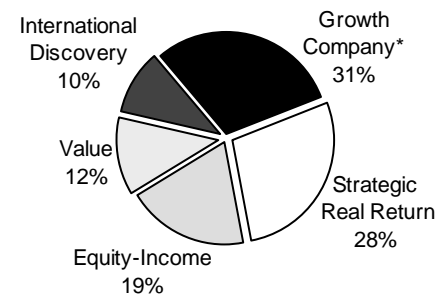
Aggressive Growth Model		Rel Vol: 0.94	Est. Yield: 0.9%	YTD Return: -6.6%		
Current Asset Allocation		Stocks 95.9%	Bonds 0.0%	Cash 3.9%	Alternative ¹ 0.3%	Foreign 28.4%
Holdings	Ticker	Alloc	NAV	Shares	Value	May. Ret
Contrafund*	FCNTX	32%	\$69.90	837.40	\$58,534	3.3%
Mega Cap Stock	FGRTX	24	10.89	4,015.74	43,731	0.3
International Discovery	FIGRX	15	40.92	654.39	26,778	1.9
Growth Discovery	FDSVX	12	15.36	1,367.15	20,999	3.7
Equity-Income	FEQIX	11	51.46	386.00	19,863	-0.3
Select Medical Equip	FSMEX	6	24.36	466.43	11,362	1.5
Current Value (4/7/99 = \$100,000)					\$181,267	1.9%



*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.

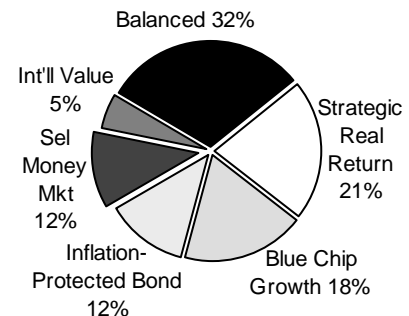
Growth Model		Rel Vol: 0.77	Est. Yield: 1.6%	YTD Return: -1.1%		
Current Asset Allocation		Stocks 70.7%	Bonds 7.7%	Cash 2.9%	Alternative ¹ 18.7%	Foreign 18.0%
Holdings	Ticker	Alloc	NAV	Shares	Value	May. Ret
Growth Company*	FDGRX	31%	\$81.64	4,419.37	\$360,797	3.3%
Strategic Real Return	FSRRX	28	10.45	31,637.40	330,611	1.2
Equity-Income	FEQIX	19	51.46	4,433.58	228,152	-0.3
Value	FDVLX	12	73.79	2,008.08	148,177	2.5
International Discovery	FIGRX	10	40.92	3,030.42	124,005	1.9
Current Value (1/1/87 = \$100,000)					\$1,191,742	1.8%



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

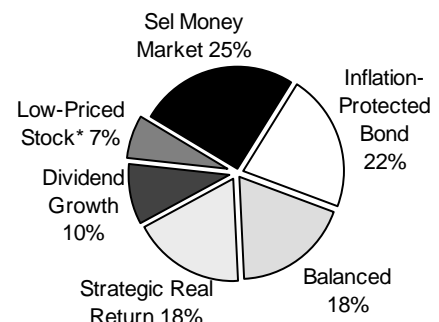
For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years. Target volatility range: 0.50-1.00.

Growth & Income Model		Rel Vol: 0.44	Est. Yield: 2.0%	YTD Return: 0.3%		
Current Asset Allocation		Stocks 43.3%	Bonds 28.3%	Cash 14.4%	Alternative ¹ 14.0%	Foreign 11.3%
Holdings	Ticker	Alloc	NAV	Shares	Value	May. Ret
Balanced	FBALX	32%	\$19.36	14,424.40	\$279,256	2.3%
Strategic Real Return	FSRRX	21	10.45	18,101.66	189,162	1.2
Blue Chip Growth	FBGRX	18	42.44	3,878.58	164,607	2.3
Inflation-Protected Bond	FINPX	12	11.27	9,908.14	111,665	0.2
Select Money Market	FSLXX	12	1.00	106,547.15	106,547	0.2
International Value	FIVLX	5	11.22	4,160.96	46,686	1.0
Current Value (1/1/87 = \$100,000)					\$897,923	1.5%



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: 0.28	Est. Yield: 2.0%	YTD Return: 1.0%		
Current Asset Allocation		Stocks 26.9%	Bonds 31.3%	Cash 30.0%	Alternative ¹ 11.7%	Foreign 4.7%
Holdings	Ticker	Alloc	NAV	Shares	Value	May. Ret
Select Money Market	FSLXX	25%	\$1.00	138,292.79	\$138,293	0.2%
Inflation-Protected Bond	FINPX	22	11.27	10,272.25	115,768	0.2
Balanced	FBALX	18	19.36	5,103.75	98,809	2.3
Strategic Real Return	FSRRX	18	10.45	9,041.16	94,480	1.2
Dividend Growth	FDGFX	10	27.90	1,900.78	53,032	0.4
Low-Priced Stock*	FLPSX	7	41.32	856.20	35,378	3.5
Current Value (1/1/87 = \$100,000)					\$535,760	1.0%



*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.

Eric's Outlook *cont'd from page 1*

with oil — a key ingredient (along with cheap labor) of growth throughout the developing world.

But here's the silver lining: In April, U.S. gas consumption retreated 4%. And there's evidence that inventories are rising as driving wanes. So, look for further price resistance, especially if gas stays above \$4 per gallon.

Of course, we blame oil for most of our economic woes — especially inflation. While inflation is running about 4% annually, consumer prices rose just 0.2% in April; that was down from 0.3% in March. Yes, this may seem counterintuitive, but high commodity prices (especially for petrochemicals) may be slowing the economy. And it's that slowdown that should help keep inflation contained.

The Housing/Credit Mess

When it comes to putting the consumer in a hapless mood, few things can do that more effectively than telling folks that the value of their house is declining. Never mind that the vast majority of Americans are in homes that have appreciated almost non-stop for two decades.

News that home prices in 20 major U.S. metropolitan areas have dropped a record 14.4% in the past year is a jaw-dropper. Inventories of unsold homes are through the roof — a 23-year high. A housing correction is more painful than a market correction. But it's just as necessary, in the same way that companies and individuals cleaning up their balance sheets is a necessary first step before health is restored.

So is the housing mess near an end? It's clearly getting closer, but we won't have a full recovery until the credit markets are on a sound footing. (This is an argument for the Fed

WHICH FUNDS SHOULD YOU BUY NOW!

Equity Funds: **Mega Cap Stock** (p.11) provides exposure to very large, "mega-cap" stocks. **Growth Discovery** looks for companies of all market capitalizations that exhibit high growth potential.

Specialty Funds: **Strategic Real Return** (p.12), with its mix of sectors, affords inflation protection and portfolio diversification.

Fixed-Income Funds: **Inflation-Protected Bond**, as its name implies, has inflation-protection features. **Select Money Market** and **Cash Reserves** are our preferred funds in this interest-rate environment.

International Funds: Emerging markets remain volatile. We favor developed-market funds with some emerging-market exposure such as **International Discovery**. ■

keeping rates unchanged for awhile.) Again, I believe that the worst is over. However, I wouldn't be surprised to see more write-downs in subprime loan portfolios, especially if the economy slows considerably (i.e., unemployment perks up). And once the air clears in the credit markets, banks and others will be more comfortable selling mortgages, making car loans, and extending credit.

Action Recommendation

So where does all this economic news leave our investment portfolios?

Earlier, I warned you that a sermon on diversification was forthcoming, but allow me to also plug my defensive tactics.

There's still plenty of "unwinding" that has to happen: financial institutions need to clean up their books; the number of unsold homes needs to dwindle; their prices have to stay contracted; and we need to have oil prices moderate — if only long enough to allow everyone time to adjust their budgets. We also need the Fed to allow the economy time to recover with low interest rates because, as I suggested, slow economic growth will do the Fed's work by keeping inflation better contained.

In this environment, more-conser-

vative investors still want to own **Inflation-Protected Bond** fund, whose TIPS holdings have been a profitable insurance policy against both credit risk and inflation. **Strategic Real Return** (see p. 12) is an excellent portfolio diversifier, offering exposure to floating-rate debt, commodities and real estate along with TIPS. (TIPS and commodities have both had great runs, and it would be unwise at this point to overload your portfolios with them.) Importantly, we're also recommending that our risk-averse members hold cash and plenty of bonds — both are defensive relative to stock funds.

As for members with longer investment time horizons (those who can handle more risk), again, our strategy is somewhat defensive.

In terms of stocks, we prefer the comparative safety of larger-cap funds. **Mega Cap Stock** (see p. 11), **Blue Chip Growth** and **Equity-Income** are among Fidelity's biggest-cap funds, while **Value** (and to less of an extent), **Growth Company** and **Growth Discovery** ply the large- and mid-cap markets. We like these stock funds for several reasons, but their underlying holdings are export-dependent. This will remain helpful, especially if the dollar stays weak. ■

ANNUAL MODEL PORTFOLIO RETURNS (%)																					
Model	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	
Aggr Growth													31.4	-8.4	-20.9	-15.8	36.6	14.8	17.9	14.2	14.5
Growth	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	
Growth & Inc	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	
Inc & Pres	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	

Another Good Month For Fidelity Funds

For the second month in a row, almost all of Fidelity's stock funds were positive in May, with growth funds leading the way. Several equity funds, in fact, reported gains of 3% to 4% or more for the month. But, again, for the second month in a row, most of the firm's bond funds were in negative territory, particularly those that are investing in longer-term securities.

In April, several of Fidelity's stock funds were able to capitalize on rising energy prices to record gains of 8% or 9%. While still solid, gains were less robust in May as oil prices slipped below \$130 in the last week of the month. April's rebound in financials, which helped many value funds, proved short-lived as in May it appeared they still have a long way to go before they see signs of a real recovery.

Tech Takes The Spotlight

That has left technology stocks to step into the spotlight. Apparently feeling that tech stocks would be among the first to benefit from an economic recovery — whenever it comes — investors have been moving into this sector in a big way for several weeks. In April, for example, the tech-rich Nasdaq jumped almost 6%; that was followed by a 4.7% gain in May.

Also, as was the case in April, a number of tech companies issued quarterly reports that beat Wall Street expectations. Dell, for example, saw its first-quarter profit increase \$784 million, or 4% in the first quarter, thanks to strong sales of servers, desktop and notebook computers.

Technology's strength was reflected in the returns of such tech-heavy funds as **Mid-Cap Stock** (up 7.3% in May), **Growth Company** (up 3.3%), **OTC** (up 4.0%), **Blue Chip Growth** (up 2.3%) and **Small Cap Stock** (up 4.2%).

While technology did well in May, as noted, energy did well, too, in spite of slippage in the last few days of the month. This led to nice gains for funds with big energy stakes, such as **Leveraged Company Stock** (up 8.8%) and **Focused Stock** (up 4.9%).

Financial services, meanwhile, continued to drag down value-oriented funds that tend to have large exposures to that sector. **Blue Chip Value**, for example, which has nearly 29% in financials, was down 0.6% in May, while **Growth & Income** (31% in financials) declined 2.6%.

Most — but not all — major stock indexes were in the black in May. The exception was the Dow Industrials, which slipped 1.1%. As for the rest, the S&P 500 was ahead 1.3%, the small-cap Russell 2000 jumped 4.6% and, as noted, the Nasdaq gained 4.7%. For the year, the indexes are still negative, with the Dow Industrials down 3.7%, the S&P 500 off 3.8%, the Russell 2000 down 1.8% and the Nasdaq off 4.5%.

Select Funds

For the most part, Fidelity's technology and energy-related Select funds led the way in May. However, one of the best performers for the month was **Paper & Forest** (up 8.4%). This may indicate investor optimism about the long-term outlook for the economy, as many of the companies in this fund make the boxes that

are used for shipping and selling many products. At the same time, the cheap dollar has helped U.S. exporters, who also need crates and boxes.

Otherwise, the month saw gains from tech funds such as **Networking & Infrastructure** (up 9.9%) **Computers** (up 5.8%) and **Technology** (up 5.6%). Meanwhile, **Energy Service** and **Natural Resources** were both up 8.5% and **Energy** was up 7.7%.

Foreign Stock Funds

Higher prices for energy and other natural resources also gave a boost to Fidelity's international funds that focus on resource-rich regions, such as **Canada** (up 8.3%) and **Latin America** (up 8.2%). After jumping more than 8% in April, **Emerging Markets** cooled a bit, but still gained 3.5% in May. Among more-globally diversified funds, **International Discovery** rose 1.9%.

Bond Funds

As mentioned earlier, May wasn't kind to most of Fidelity's taxable investment-grade bond funds, especially the longer-term variety. **Spartan Long-Term Treasury Index** was down 2.1%. However, **Inflation-Protected Bond** (up 0.2%) fared much better thanks to its inflation-indexing feature. **Ultra-Short Bond**, (up 0.4%) may finally be extricating itself from its subprime problems, notching its first positive month in 2008. Fidelity's high yield funds generally continued their rebound with **Capital & Income** up 1.2%. Muni funds also did well, with **Muni Income** up 0.7%.

The yield on **Cash Reserves** ended the month at 2.61%, down from 2.74% in April. ■

Scorecard Changes

Fund	Style	Prior	New	Comments
Credit Suisse Int'l Focus	International	N/A	OK to Sell	New VIP int'l fund added to Scorecard (p. 12)
Emg Eur, MidEast, Africa	International	N/A	Hold	New international fund added to Scorecard (p. 10)
Japan	International	OK to Sell	Hold	Fund benefiting from strong Asian growth.
Sel Computers	Sector	Hold	OK to Buy	An increase in capital spending could be helpful.
Sel Insurance	Sector	Hold	OK to Sell	Companies' earnings may fall if interest rates rise.
VIP Funds Manager 60	Asset Allocation	N/A	Hold	New VIP fund added to Scorecard (p. 12).
VIP Emerging Markets	International	N/A	Buy	New VIP int'l fund added to Scorecard (p. 12).

FIDELITY SCORECARD - MAY 31, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						May	YTD	2007	1 Year	3 Year	5 Year				
		S&P 500 (Large Cap)		1400.4		1.3	-3.8	5.5	-6.7	7.6	9.8	1.00			
		Dow Industrials (Blue Chip)		12638.3		-1.1	-3.7	8.9	-5.0	10.9	11.0	0.91			
		Nasdaq Composite (OTC)		2522.7		4.7	-4.5	10.7	-2.3	7.3	10.1	1.10			
		Russell 2000 (Small Cap)		748.3		4.6	-1.8	-1.6	-10.5	6.7	15.1	1.24			
LARGE CAP GROWTH FUNDS						Category Averages			3.3	-4.0	16.3	1.3	10.8	11.6	1.1
312	FBGRX	Blue Chip Growth		42.44	Buy	2.3	-3.7	11.8	0.2	6.4	7.4	0.99			
307	FDCAX	Capital Appreciation		25.38	Buy	2.8	-5.2	6.9	-8.4	8.1	11.4	1.14			
22	FCNTX	Contrafund (closed)		69.90	Buy	3.3	-3.4	19.8	5.9	13.9	15.5	0.92			
332	FEXPX	Export and Multinational	0.75%/30 days	24.55	OK to Buy	2.6	-4.6	15.3	-0.7	11.0	13.0	1.11			
500	FFTYX	Fifty		20.98	Hold	4.1	-3.8	12.6	-3.0	11.2	9.2	1.12			
25	FDGRX	Growth Company (closed)		81.64	Buy	3.3	-1.6	19.9	8.0	13.7	14.5	1.08			
339	FDSVX	Growth Discovery		15.36	Buy	3.7	-5.5	26.8	8.7	14.1	11.5	1.01			
73	FDFFX	Independence		28.91	OK to Buy	4.7	4.5	29.5	19.7	19.6	16.2	1.34			
763	FSLGX	Large Cap Growth		10.13	OK to Sell	5.4	-5.4	2.1	-9.4	3.8	8.4	0.96			
1829	FLGEX	Large Cap Growth Enhcd Index		9.97	Hold	4.0	-3.0	2.1p	-4.1	--	--	0.94			
338	FLCSX	Large Cap Stock		17.99	Buy	0.5	-6.9	13.1	-5.3	9.6	9.3	1.11			
21	FMAGX	Magellan		87.39	OK to Buy	3.0	-3.8	18.8	2.7	9.7	9.8	1.12			
1282	FNCMX	Nasdaq Composite Index	0.75%/90 days	33.52	Hold	4.7	-4.5	10.5	-2.5	7.5	--	1.10			
93	FOCPX	OTC		48.97	Buy	4.0	-6.1	26.1	7.8	12.5	13.5	1.21			
320	FDSSX	Stock Selector		28.15	Hold	1.5	-4.6	11.8	-2.6	9.7	10.8	0.99			
5	FTRNX	Trend		66.66	OK to Buy	3.4	-5.7	18.9	4.3	11.2	11.7	1.12			
LARGE CAP BLEND FUNDS						Category Averages			1.5	-4.3	8.8	-5.9	8.8	10.4	1.0
1271	FBCVX	Blue Chip Value		13.82	OK to Buy	-0.6	-5.3	4.4	-11.2	8.0	--	1.11			
315	FDEQX	Disciplined Equity		28.03	Buy	3.0	-5.0	10.8	-6.1	9.5	11.6	0.99			
330	FDGFX	Dividend Growth		27.90	Buy	0.4	-5.1	1.1	-11.4	5.4	6.4	0.95			
3	FFIDX	Fidelity Fund		38.01	OK to Buy	2.1	-4.3	16.8	1.4	11.0	11.4	0.99			
333	FTQGX	Focused Stock		13.57	Hold	4.9	2.1	17.0	6.2	12.4	14.5	1.17			
27	FGRIX	Growth & Income		24.97	OK to Sell	-2.6	-8.2	0.7	-13.8	2.2	5.1	1.17			
1827	FLCEX	Large Cap Core Enhcd Index		9.71	Hold	1.6	-4.2	1.0p	-6.5	--	--	0.98			
361	FGRTX	Mega Cap Stock		10.89	Buy	0.3	-6.7	11.1	-5.3	9.3	8.1	0.98			
317	FSMKX	Spartan 500 Index ⁴		97.44	Hold	1.3	-3.8	5.4	-6.7	7.5	9.7	1.00			
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90 days	39.55	Hold	2.1	-3.0	5.6	-6.3	8.3	10.8	1.00			
343	FTXMX	Tax Managed Stock	1.00%/2 years	15.65	OK to Buy	5.1	-2.6	14.2	-3.2	11.3	13.0	0.99			
832	FVDFX	Value Discovery		16.97	Buy	0.4	-5.4	9.7	-7.8	11.7	13.9	1.09			
LARGE CAP VALUE FUNDS						Category Averages			0.0	-5.4	3.2	-11.7	7.4	10.2	1.1
23	FEQIX	Equity-Income		51.46	Buy	-0.3	-4.6	1.4	-12.0	7.8	10.2	1.07			
319	FEQTX	Equity-Income II		21.43	OK to Sell	-0.6	-5.6	4.5	-10.3	6.1	8.7	1.06			
708	FSLVX	Large Cap Value		13.61	Hold	1.2	-6.1	3.7	-11.5	8.2	11.8	1.06			
1828	FLVEX	Large Cap Value Enhcd Index		8.93	Hold	0.0	-5.2	-5.1p	-13.0	--	--	1.06			

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.

FIXED INCOME

Muni Funds Weather Market Turbulence

Municipal bond funds are not supposed to be a source of volatility. They're supposed to quietly provide nice, steady streams of income that's exempt from federal taxes and, for state-specific funds, state income taxes.

But this year, the muni bond market has been anything but quiet. As the credit crisis spread to the muni market, especially this past winter, yields on municipal bonds rose sharply as their prices fell. The sell-off was sparked, in part by an uncertain out-

look for bond insurers, whose credit quality was questioned because of their guarantees on subprime mortgages. February was the worst month, as the Lehman Brothers Municipal Bond index fell more than 4%. In our view, much of this was unwarranted. (At one point, high-quality insured munis were priced lower than uninsured munis!)

Since then, the muni market has rebounded nicely, as the credit quality of municipal bonds continues to be high, compared to corporate bonds, with significantly lower default rates.

Also, municipal funds are still a great way to diversify a portfolio —

even better than corporate bonds — because their revenue streams are not tied to publicly traded stocks.

Meanwhile, some semblance of normalcy has returned to the municipal market, as states and cities still need to issue bonds for things like infrastructure improvements, schools and short-term budget requirements.

We currently favor Fidelity's shorter-term, broadly diversified funds: Both **Intermediate Muni Income** and **Short-Intermediate Muni Income** are rated *Buy*. But, you might also consider state-specific funds which can provide an additional break from state income taxes. ■

FIDELITY SCORECARD - MAY 31, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						May	YTD	2007	1 Year	3 Year	5 Year				
MID-CAP GROWTH FUNDS						Category Averages			5.2	-3.1	11.5	-4.7	10.8	11.7	1.1
324	FDEGX	Aggressive Growth	1.50%/90 days	20.92	Hold	5.7	-9.1	18.8	-3.5	9.3	10.6	1.15			
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30 days		Hold	5.2	1.8p	--	--	--	--	--			
793	FSMGX	Mid Cap Growth	0.75%/30 days	13.11	Sell	5.1	-3.0	2.4	-8.9	6.4	11.4	1.18			
337	FMCSX	Mid-Cap Stock (closed)	0.75%/30 days	29.53	Hold	7.3	1.0	8.2	-5.7	14.0	13.5	1.11			
300	FMLIX	New Millennium		27.94	OK to Sell	2.8	-5.9	16.5	-0.7	13.6	11.5	1.04			
MID-CAP BLEND FUNDS						Category Averages			5.2	1.3	8.0	-4.7	12.2	17.1	1.1
122	FLVCX	Leveraged Company Stock	1.50%/90 days	35.16	Hold	8.8	8.8	17.9	6.2	19.8	25.2	1.19			
316	FLPSX	Low-Priced Stock (closed)	1.50%/90 days	41.32	Buy	3.5	0.5	3.2	-5.9	10.2	15.5	0.93			
398	FSEMXX	Spartan Extended Mkt Index ⁴	0.75%/90 days	37.67	Hold	4.8	-0.2	5.4	-5.5	10.6	14.5	1.01			
14	FSLSX	Value Strategies		27.67	Buy	3.6	-3.9	5.6	-13.6	8.3	13.4	1.13			
MID-CAP VALUE FUNDS						Category Averages			3.2	-2.6	2.4	-12.3	8.9	13.8	1.1
762	FSMVXX	Mid Cap Value	0.75%/30 days	15.70	OK to Sell	3.8	-3.6	2.7	-13.3	8.7	13.5	1.09			
39	FDVLX	Value		73.79	Buy	2.5	-1.6	2.2	-11.2	9.0	14.1	1.08			
SMALL CAP GROWTH						Category Averages			4.9	-7.3	12.1	-10.6	10.4	12.5	1.1
2011	FCPEX	Small Cap Enhanced Index	1.50%/90 days		Hold	5.1	0.4p	--	--	--	--	--			
1388	FCPGX	Small Cap Growth	1.50%/90 days	14.70	Buy	5.2	-6.8	16.8	-7.1	12.0	--	1.05			
336	FDSCX	Small Cap Independence	1.50%/90 days	18.37	Hold	4.7	-7.7	7.3	-14.0	8.8	12.5	1.08			
SMALL CAP BLEND						Category Averages			3.5	-4.8	4.4	-11.2	8.8	13.9	1.0
340	FSLCX	Small Cap Stock (closed)	2.00%/90 days	16.72	Hold	4.2	-4.1	7.7	-7.8	9.3	13.9	0.94			
1389	FCPVX	Small Cap Value	1.50%/90 days	12.85	OK to Sell	2.8	-5.5	1.1	-14.6	8.3	--	1.12			
SPECIALTY FUNDS															
2063	FOTTX	130/30 Large Cap			Hold	3.0	5.3p	--	--	--	--	--			
304	FBALX	Balanced		19.36	Buy	2.3	-0.8	9.0	-1.3	10.1	11.2	0.71			
308	FCVSX	Convertible Securities		29.29	Hold	4.8	5.2	16.2	6.8	16.1	13.1	0.84			
1960	FDYX	Dynamic Strategies		9.70	Hold	2.6	1.6	-2.2p	--	--	--	--			
1368	FIREX	International Real Estate	1.50%/90 days	12.44	Hold	-4.2	-7.2	-8.3	-18.7	12.6	--	1.23			
4	FPURX	Puritan		18.33	OK to Buy	1.1	-3.0	6.2	-3.8	7.7	8.9	0.64			
833	FRIFX	Real Estate Income	0.75%/90 days	9.97	OK to Sell	0.8	-2.4	-6.5	-10.9	1.8	5.6	0.34			
303	FRESX	Real Estate Investment	0.75%/90 days	28.59	Sell	-0.3	10.3	-21.3	-15.7	9.1	16.8	1.65			
1329	FSDIX	Strategic Dividend & Income		12.36	OK to Buy	1.1	-0.8	3.1	-6.5	8.6	--	0.88			
1505	FSRRX	Strategic Real Return	0.75%/60 days	10.45	Buy	1.2	5.7	3.8	6.3	--	--	0.28			
311	FIUIX	Utilities		19.71	Hold	3.6	-3.7	10.8	-8.8	14.6	14.7	0.98			
ASSET ALLOCATION FUNDS															
328	FASIX	Asset Manager 20%		12.23	Hold	0.3	-0.8	4.8	0.5	5.6	6.0	0.19			
1957	FTANX	Asset Manager 30%		9.61	Hold	0.6	-1.3	-1.9p	--	--	--	--			
1958	FFANX	Asset Manager 40%		9.51	Hold	0.8	-1.6	-2.6p	--	--	--	--			
314	FASMX	Asset Manager 50%		15.06	Hold	1.1	-2.3	6.3	-2.3	6.0	6.1	0.49			
1959	FSANX	Asset Manager 60%		9.34	Hold	1.2	-2.7	-3.5p	--	--	--	--			
321	FASGX	Asset Manager 70%		16.48	Hold	1.5	-3.0	7.2	-3.7	6.7	7.0	0.69			
347	FAMRX	Asset Manager 85%		13.67	Hold	1.8	-3.4	7.9	-4.8	9.1	11.7	0.83			
355	FFNOX	Four-in-One Index		29.67	Hold	1.4	-2.3	6.2	-4.2	8.8	10.9	0.81			
370	FFFBX	Freedom 2000		12.09	Hold	0.6	-0.2	5.3	0.8	5.0	5.0	0.25			
1312	FFVX	Freedom 2005		11.38	Hold	1.1	-1.1	7.3	-0.3	6.9	--	0.47			
371	FFFCX	Freedom 2010		14.25	Hold	1.1	-1.0	7.4	-0.1	7.1	7.6	0.48			
1313	FFVFX	Freedom 2015		11.98	Hold	1.2	-1.5	7.8	-0.9	7.9	--	0.53			
372	FFFDX	Freedom 2020		15.00	Hold	1.5	-1.9	8.5	-1.5	8.7	9.9	0.66			
1314	FFTWX	Freedom 2025		12.52	Hold	1.6	-2.1	8.6	-2.0	8.9	--	0.69			
373	FFFEX	Freedom 2030		15.45	Hold	1.8	-2.7	9.3	-2.8	9.5	10.9	0.81			
1315	FFTHX	Freedom 2035		12.85	Hold	1.9	-2.8	9.3	-3.0	9.6	--	0.82			
718	FFFFX	Freedom 2040		9.08	Hold	1.9	-2.9	9.3	-3.3	9.8	11.6	0.85			
1617	FFFGX	Freedom 2045		10.72	Hold	2.0	-3.0	9.5	-3.3	--	--	0.87			
1618	FFFHX	Freedom 2050		10.74	Hold	2.0	-3.3	9.8	-3.6	--	--	0.90			
369	FFFAX	Freedom Income		11.23	Hold	0.4	0.1	4.8	1.2	4.7	4.5	0.20			
1884	FIRJX	Income Replacement 2016		49.79	Hold	0.7	-0.8	0.4p	--	--	--	--			
1885	FIRKX	Income Replacement 2018		49.73	Hold	0.8	-1.1	0.4p	--	--	--	--			
1886	FIRLX	Income Replacement 2020		49.58	Hold	0.9	-1.3	0.2p	--	--	--	--			
1887	FIRMX	Income Replacement 2022		49.66	Hold	0.9	-1.4	0.2p	--	--	--	--			
1888	FIRNX	Income Replacement 2024		49.68	Hold	1.0	-1.6	0.4p	--	--	--	--			
1889	FIROX	Income Replacement 2026		49.54	Hold	1.0	-1.7	0.2p	--	--	--	--			
1890	FIRPX	Income Replacement 2028		49.68	Hold	1.0	-1.7	0.2p	--	--	--	--			
1891	FIRQX	Income Replacement 2030		49.53	Hold	1.0	-1.9	0.2p	--	--	--	--			
1892	FIRRX	Income Replacement 2032		49.54	Hold	1.1	-1.9	0.2p	--	--	--	--			
1893	FIRSX	Income Replacement 2034		49.53	Hold	1.1	-2.1	0.3p	--	--	--	--			
1894	FIRUX	Income Replacement 2036		49.63	Hold	1.1	-2.1	0.3p	--	--	--	--			
1995	FIRVX	Income Replacement 2038		48.54	Hold	1.2	-0.1p	--	--	--	--	--			
2009	FIRWX	Income Replacement 2040		48.54	Hold	1.2	-0.1p	--	--	--	--	--			
1996	FIXRX	Income Replacement 2042		48.54	Hold	1.2	-0.2p	--	--	--	--	--			

FIDELITY SCORECARD - MAY 31, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						May	YTD	2007	1 Year	3 Year	5 Year				
INTERNATIONAL FUNDS						Category Averages			2.5	-2.2	20.0	4.6	21.1	23.3	1.1
335	FIVFX	Aggressive Int'l	1.00%/30 days	14.85	OK to Sell	3.8	-1.9	5.2	-7.2	11.9	13.9	0.96			
309	FICDX	Canada	1.50%/90 days	66.00	OK to Buy	8.3	7.5	35.0	20.0	28.2	27.8	1.12			
352	FHKCX	China Region	1.50%/90 days	29.22	OK to Sell	-0.3	-6.3	46.3	31.5	25.8	25.7	1.54			
325	FDIVX	Diversified International (closed)	1.50%/30 days	38.94	OK to Buy	2.0	-2.4	16.0	1.6	18.1	20.4	1.01			
2053	FEMEX	Emerging Europe, MidEast, Africa	1.00%/90 days	10.10	Hold	-0.4	-0.4p	--	--	--	--	--			
322	FEMKX	Emerging Markets	1.50%/90 days	32.91	Buy	3.5	-2.8	45.1	22.2	37.8	36.0	1.32			
301	FIEUX	Europe	1.00%/30 days	40.89	OK to Buy	3.1	-3.0	16.4	2.0	18.4	22.7	1.03			
341	FECAX	Europe Capital App	1.00%/30 days	25.40	OK to Buy	1.8	-4.5	14.8	-0.8	20.2	20.1	1.03			
334	FGBLX	Global Balanced	1.00%/30 days	22.59	Hold	1.5	0.5	13.8	7.1	12.5	14.4	0.58			
2010	FIENX	International Enchanted Index	1.00%/30 days	9.87	Hold	0.9	-3.2	--	--	--	--	--			
305	FIGRX	International Discovery	1.00%/30 days	40.92	Buy	1.9	-5.0	19.0	1.3	19.0	21.5	1.00			
1979	FIGFX	International Growth	1.00%/30 days	9.37	Hold	2.5	-2.0	-2.8p	--	--	--	--			
818	FISMX	Int'l Small Cap (closed)	2.00%/90 days	23.07	Hold	5.0	-0.1	13.2	-1.5	18.0	26.9	0.96			
1504	FSCOX	Int'l Small Cap Opportunities	2.00%/90 days	14.08	Hold	2.6	-2.4	3.0	-11.1	--	--	1.25			
1597	FIVLX	International Value	1.00%/30 days	11.22	Buy	1.0	-1.8	9.5	-2.7	--	--	1.07			
350	FJPNX	Japan	1.50%/90 days	14.64	Hold↑	2.9	2.1	-2.7	-4.9	12.5	16.0	1.09			
360	FJSCX	Japan Smaller Cos (closed)	1.50%/90 days	10.39	Sell	2.1	-5.8	-12.4	-13.0	-2.4	11.9	1.01			
349	FLATX	Latin America	1.50%/90 days	71.65	OK to Buy	8.2	15.5	43.7	36.8	51.6	49.1	1.81			
342	FNORX	Nordic	1.50%/90 days	44.67	OK to Buy	4.1	-1.5	23.2	4.4	24.4	26.9	1.28			
94	FOSFX	Overseas	1.00%/30 days	45.66	OK to Buy	1.3	-5.6	21.8	1.8	19.4	20.7	1.14			
302	FPBFX	Pacific Basin	1.50%/90 days	26.88	Hold	0.9	-11.0	25.2	-2.5	20.1	22.0	1.16			
351	FSEAX	Southeast Asia	1.50%/90 days	33.71	OK to Sell	-1.7	-15.0	55.4	9.2	31.7	31.7	1.43			
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90 days	46.12	Hold	1.0	-2.4	10.7	-2.3	16.8	19.1	0.99			
1978	FTIEX	Total International Equity	1.00%/30 days	9.27	OK to Buy	2.0	-1.9	-2.9p	--	--	--	--			
318	FWWFX	Worldwide	1.00%/30 days	21.00	Hold	3.2	-1.7	18.5	3.9	16.7	17.0	1.03			
SELECT PORTFOLIOS						Category Averages			3.1	-3.1	11.3	-2.8	11.4	13.6	1.2
34	FSAIX	Air Transportation	0.75%/30 days	31.25	OK to Sell	-4.5	-19.1	-1.9	-26.7	5.2	10.8	1.39			
502	FSAVX	Automotive	0.75%/30 days	35.48	OK to Sell	-5.4	-5.1	0.0	-15.9	4.4	8.6	1.39			
507	FSRBX	Banking	0.75%/30 days	21.64	Sell	-4.6	-11.0	-21.2	-30.4	-5.8	1.1	1.63			
42	FBIOX	Biotechnology	0.75%/30 days	65.14	Hold	4.4	-2.3	2.7	-3.0	6.4	6.5	0.97			
68	FSLBX	Brokerage & Investment	0.75%/30 days	58.85	Sell	2.0	-8.3	-0.2	-15.7	13.2	14.4	1.42			
69	FSCHX	Chemicals	0.75%/30 days	91.08	Buy	6.3	10.2	28.4	24.4	20.6	22.9	1.34			
518	FSDCX	Communications Equipment	0.75%/30 days	22.71	Hold	7.5	1.1	9.8	0.4	8.2	12.5	1.33			
7	FDCPX	Computers	0.75%/30 days	45.73	OK to Buy↑	5.8	-5.4	22.4	5.8	10.0	10.3	1.30			
511	FSHOX	Construction & Housing	0.75%/30 days	34.49	Hold	1.0	4.6	-13.9	-16.9	0.8	12.0	1.63			
517	FSCPX	Consumer Discretionary	0.75%/30 days	20.34	OK to Sell	1.6	-3.2	-8.3	-17.8	1.3	5.2	1.15			
9	FDFAX	Consumer Staples	0.75%/30 days	65.30	Buy	1.1	-1.8	21.5	8.3	14.5	14.7	0.65			
67	FSDAX	Defense & Aerospace	0.75%/30 days	78.01	OK to Buy	-0.5	-6.0	17.8	-1.4	13.5	20.2	1.01			
8	FSELX	Electronics	0.75%/30 days	42.75	Hold	5.7	-6.3	4.7	-10.3	2.9	6.2	1.31			
60	FSENX	Energy	0.75%/30 days	72.88	OK to Buy	7.7	11.5	45.5	33.2	34.5	32.8	1.47			
43	FSESX	Energy Service	0.75%/30 days	109.33	OK to Buy	8.5	12.1	55.2	39.4	37.8	29.9	1.61			
516	FSLEX	Environmental	0.75%/30 days	19.22	Hold	4.6	-0.7	12.4	6.2	11.0	11.5	0.99			
66	FIDSX	Financial Services	0.75%/30 days	81.86	OK to Sell	-5.2	-14.3	-13.6	-29.5	-1.0	3.9	1.51			
41	FSAGX	Gold	0.75%/30 days	41.54	Hold	7.3	4.6	24.9	32.5	37.8	23.7	1.69			
63	FSPHX	Health Care	0.75%/30 days	107.86	Hold	2.8	-10.3	12.5	-8.6	5.6	7.7	0.75			
98	FSVLX	Home Finance	0.75%/30 days	24.48	Sell	-3.1	-13.8	-38.0	-47.3	-14.5	-5.2	2.06			
510	FSCGX	Industrial Equipment	0.75%/30 days	34.26	Hold	2.3	-3.0	23.2	5.0	15.7	18.3	1.10			
515	FCYIX	Industrials	0.75%/30 days	22.28	Hold	2.6	0.4	17.7	4.6	15.3	19.5	1.09			
45	FSPCX	Insurance	0.75%/30 days	50.92	OK to Sell↓	-4.1	-19.1	-4.4	-26.8	-0.9	4.9	1.27			
353	FBSOX	IT Services	0.75%/30 days	17.31	Hold	5.4	3.6	11.5	0.0	14.6	13.6	1.07			
62	FDLSX	Leisure	0.75%/30 days	70.45	Hold	-0.9	-8.0	4.2	-10.4	6.9	10.5	1.07			
509	FSDPX	Materials	0.75%/30 days	63.45	Hold	6.4	8.5	29.2	17.8	26.9	25.9	1.39			
505	FSHCX	Medical Delivery	0.75%/30 days	42.61	Hold	4.8	-18.2	16.9	-16.3	3.0	17.8	0.84			
354	FSMEX	Medical Equipment	0.75%/30 days	24.36	Buy	1.5	1.1	17.9	10.1	8.9	12.4	0.76			
503	FBMPX	Multimedia	0.75%/30 days	35.90	OK to Sell	4.5	-2.1	-9.3	-15.6	3.6	6.3	0.98			
513	FSNGX	Natural Gas	0.75%/30 days	54.19	Buy	5.2	16.5	40.9	30.0	31.6	31.2	1.43			
514	FNARX	Natural Resources	0.75%/30 days	43.94	Buy	8.5	11.1	50.1	34.4	38.4	33.6	1.48			
912	FNINX	Networking & Infrastructure	0.75%/30 days	2.34	OK to Sell	9.9	-5.6	0.4	-9.3	3.0	4.3	1.28			
506	FSPFX	Paper & Forest	0.75%/30 days	29.34	Hold	8.4	-6.4	0.8	-16.4	5.0	5.4	1.27			
580	FPHAX	Pharmaceuticals	0.75%/30 days	10.33	Hold	2.2	-10.6	13.4	-10.4	8.6	6.8	0.84			
46	FSRPX	Retailing	0.75%/30 days	39.61	Hold	2.8	-3.2	-8.0	-19.3	2.4	9.0	1.37			
28	FSCSX	Software & Computer Svcs	0.75%/30 days	77.81	Hold	4.8	-4.2	23.9	9.4	16.1	14.1	1.16			
64	FSPTX	Technology	0.75%/30 days	77.29	Hold	5.6	-5.0	19.8	3.9	9.4	10.3	1.30			
96	FSTCX	Telecommunications	0.75%/30 days	45.85	OK to Sell	2.3	-11.7	8.2	-19.3	9.8	11.1	1.22			
512	FSRFX	Transportation	0.75%/30 days	46.40	OK to Buy	2.7	4.5	-0.6	-9.4	10.6	14.3	1.29			
65	FSUTX	Utilities Growth	0.75%/30 days	62.66	Hold	3.1	-2.5	18.1	-1.0	17.2	17.3	1.06			
963	FWRLX	Wireless	0.75%/30 days	7.87	Hold	4.4	-8.9	27.5	-1.5	13.1	23.0	1.37			

FIDELITY SCORECARD - MAY 31, 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						
						May	YTD	2007									
TAXABLE BOND FUNDS						Category Averages			-0.5	0.2	5.1	4.3	3.81				
15	FGMN	Ginnie Mae		10.89	OK to Buy	-0.5	1.7	6.8	3.4	4.97							
54	FGOV	Government Income		10.37	OK to Buy	-0.8	1.8	7.9	4.7	3.67							
794	FINPX	Inflation-Protected Bond ³		11.27	Buy	0.2	2.5	9.1	6.5	0.95							
32	FTHR	Intermediate Bond		9.94	OK to Buy	-0.4	-0.3	4.0	3.9	4.48							
452	FSTGX	Intermediate Gov't Income		10.31	Buy	-0.7	1.8	7.9	3.4	3.26							
26	FBNDX	Investment Grade Bond		6.99	Hold	-0.3	-0.9	2.6	4.5	4.85							
40	FMSFX	Mortgage Securities		10.13	Hold	-0.1	-1.0	-0.4	3.4	5.13							
450	FSHBX	Short-Term Bond		8.35	OK to Sell	0.3	-1.2	1.7	1.6	4.10							
1561	FIBIX	Sptn Interm Treas Index ⁵		10.32	OK to Buy	-1.7	1.7	10.1	6.1	3.41							
1562	FLBIX	Sptn Lng-Term Treas Index ⁵		10.03	Hold	-2.1	-0.3	9.5	11.4	4.33							
1560	FSBIX	Sptn Sht-Term Treas Index ⁵		10.30	Buy	-0.6	1.8	7.9	2.4	2.42							
820	FTBFX	Total Bond		10.19	Buy	-0.4	0.7	4.2	4.4	5.05							
651	FBIDX	U.S. Bond Index		10.77	Hold	-0.8	0.8	5.4	4.4	4.60							
812	FUSFX	Ultra-Short Bond	0.25%/60 days	8.29	OK to Sell	0.4	-6.8	-5.1	0.4	2.08							
HIGH-YIELD BOND FUNDS						Category Averages			0.4	1.5	3.8	6.45					
38	FAGIX	Capital & Income	1.00%/90 days	8.58	Hold	1.2	1.4	3.8	--	7.18							
814	FFRHX	Floating Rate High Income	1.00%/60 days	9.44	OK to Buy	0.5	0.8	2.7	--	5.18							
1366	FHIFX	Focused High Income	1.00%/90 days	9.70	Hold	-0.2	0.8	3.1	--	6.90							
455	SPHIX	High Income	1.00%/90 days	8.58	Hold	0.5	2.6	2.4	--	7.94							
331	FNMI	New Markets Income	1.00%/90 days	14.59	Hold	0.5	2.0	5.7	--	5.90							
368	FSICX	Strategic Income		10.35	Buy	-0.2	1.5	5.4	--	5.58							
MUNICIPAL BOND						Category Averages			0.5	1.3	3.7	6.0	3.50	25%	28%	33%	35%
36	FLTMX	Interm Municipal Income	0.50%/30 days	9.95	Buy	0.5	1.5	4.0	5.4	3.38	4.5	4.7	5.0	5.2			
37	FHIGX	Municipal Income	0.50%/30 days	12.44	OK to Buy	0.7	0.7	3.1	7.9	3.91	5.2	5.4	5.8	6.0			
404	FSTFX	Short-Int Municipal Income	0.50%/30 days	10.38	Buy	0.4	2.0	4.4	2.9	2.74	3.7	3.8	4.1	4.2			
90	FTABX	Tax-Free Bond	0.50%/30 days	10.61	OK to Buy	0.6	1.0	3.2	7.8	3.96	5.3	5.5	5.9	6.1			
STATE-SPECIFIC MUNICIPAL BOND						Category Averages			0.5	1.0	3.4	6.8	3.50				
434	FSAZX	Arizona Muni Income	0.50%/30 days	11.14	OK to Buy	0.8	0.8	2.6	7.7	3.68	4.9	5.1	5.5	5.7			
91	FCTFX	California Muni Income	0.50%/30 days	12.01	OK to Buy	0.6	0.6	2.9	7.4	3.78	5.0	5.3	5.6	5.8			
1534	FCSTX	Calif Short-Interm Tax Free	0.50%/30 days	10.19	OK to Buy	0.3	1.8	4.3	3.1	2.69	3.6	3.7	4.0	4.1			
407	FICNX	Connecticut Muni Income	0.50%/30 days	11.24	OK to Buy	0.4	1.2	3.8	7.0	3.47	4.6	4.8	5.2	5.3			
429	SMDMX	Maryland Muni Income	0.50%/30 days	10.70	OK to Buy	0.4	1.0	3.0	7.5	3.56	4.7	4.9	5.3	5.5			
70	FDMMX	Mass Muni Income	0.50%/30 days	11.66	OK to Buy	0.6	0.8	3.3	7.4	3.72	5.0	5.2	5.6	5.7			
81	FMHTX	Michigan Muni Income	0.50%/30 days	11.70	Hold	0.5	1.2	3.7	6.4	3.39	4.5	4.7	5.1	5.2			
82	FIMIX	Minnesota Muni Income	0.50%/30 days	11.17	OK to Buy	0.6	1.4	3.2	6.3	3.38	4.5	4.7	5.0	5.2			
416	FNJHX	New Jersey Muni Income	0.50%/30 days	11.39	OK to Buy	0.5	0.8	3.7	7.2	3.52	4.7	4.9	5.3	5.4			
71	FTFMX	New York Muni Income	0.50%/30 days	12.62	OK to Buy	0.6	1.0	3.3	7.9	3.72	5.0	5.2	5.6	5.7			
88	FHFXX	Ohio Muni Income	0.50%/30 days	11.43	OK to Buy	0.5	1.0	3.6	7.5	3.57	4.8	5.0	5.3	5.5			
402	FPXTX	Pennsylvania Muni Income	0.50%/30 days	10.64	OK to Buy	0.6	0.8	3.9	6.1	3.52	4.7	4.9	5.3	5.4			
TAXABLE MONEY MARKET						Category Averages			0.2	1.3	4.9	2.30					
55	FDRXX	Cash Reserves		1.00	--	0.22	1.42	5.06	na	2.61							
631	FGMXX	Retirement Government MM		1.00	--	0.18	1.25	4.93	na	2.18							
630	FRTXX	Retirement MM		1.00	--	0.22	1.38	5.12	na	2.52							
458	SPAXX	Government MM		1.00	--	0.18	1.23	4.90	na	2.15							
454	SPRXX	Money Market		1.00	--	0.22	1.39	5.09	na	2.55							
85	FSLXX	Select MM		1.00	--	0.23	1.45	5.14	na	2.71							
50	FGRXX	U.S. Gov't Reserves		1.00	--	0.19	1.29	4.97	na	2.29							
415	FDLXX	US Treasury MM		1.00	--	0.12	0.90	4.38	na	1.39							
MUNICIPAL MONEY MARKET						Category Averages			0.2	0.9	3.4	1.55					
460	FIMXX	AMT Tax-Free Money Fnd		1.00	--	0.16	0.91	3.43	na	1.62	2.2	2.3	2.4	2.5			
10	FTEXX	Municipal Money Market		1.00	--	0.16	0.90	3.34	na	1.59	2.1	2.2	2.4	2.4			
275	FMOXX	Tax-Free Money Market		1.00	--	0.15	0.87	3.30	na	1.43	1.9	2.0	2.1	2.2			
STATE MUNICIPAL MONEY MARKET						Category Averages			0.2	0.9	3.3	1.46					
433	FSAXX	Arizona		1.00	--	0.15	0.84	3.26	na	1.46	1.9	2.0	2.2	2.2			
457	FSPXX	California AMT Tax-Free		1.00	--	0.17	0.94	3.39	na	1.68	2.2	2.3	2.5	2.6			
97	FCFXX	California		1.00	--	0.15	0.85	3.20	na	1.49	2.0	2.1	2.2	2.3			
418	FCMXX	Connecticut		1.00	--	0.16	0.89	3.25	na	1.45	1.9	2.0	2.2	2.2			
426	FMSXX	Mass AMT Tax-Free		1.00	--	0.16	0.89	3.39	na	1.52	2.0	2.1	2.3	2.3			
74	FDMXX	Massachusetts		1.00	--	0.14	0.85	3.20	na	1.33	1.8	1.8	2.0	2.0			
420	FMIXX	Michigan		1.00	--	0.14	0.83	3.21	na	1.32	1.8	1.8	2.0	2.0			
423	FSJXX	New Jersey AMT Tax-Free		1.00	--	0.16	0.92	3.41	na	1.61	2.1	2.2	2.4	2.5			
417	FNJXX	New Jersey		1.00	--	0.15	0.85	3.23	na	1.49	2.0	2.1	2.2	2.3			
422	FSNXX	New York AMT Tax-Free		1.00	--	0.16	0.91	3.39	na	1.49	2.0	2.1	2.2	2.3			
92	FNYXX	New York		1.00	--	0.13	0.80	3.22	na	1.24	1.7	1.7	1.9	1.9			
419	FOMXX	Ohio		1.00	--	0.14	0.83	3.22	na	1.42	1.9	2.0	2.1	2.2			
401	FPTXX	Pennsylvania		1.00	--	0.15	0.90	3.25	na	1.53	2.0	2.1	2.3	2.4			

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

FIDELITY SCORECARD - MAY 31, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
						May	YTD	2007	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS												
9077	FQBRC	Fid VIP Aggressive Growth		11.79	OK to Buy	5.7	-9.6	17.1	-5.2	--	--	1.20
9067	FLRQC	Fid VIP Asset Manager		12.85	Hold	2.3	2.2	15.1	8.4	8.8	7.6	0.65
9066	FAEFC	Fid VIP Asset Manager: Growth		13.23	Hold	3.0	2.4	18.5	9.5	10.0	8.8	0.89
9069	FJBAC	Fid VIP Balanced		12.48	Buy	2.1	-1.0	8.6	-2.0	7.8	6.7	0.72
9081	FVHAC	Fid VIP Consumer Discretionary	1.00%/60 days	10.02	OK to Sell	1.8	-3.1	-8.5	-17.7	-0.7	3.7	1.25
9171	FCSAC	Fid VIP Consumer Staples	1.00%/60 days	10.91	Buy	0.9	-1.9	11.6p	7.8	--	--	--
9065	FPDFC	Fid VIP Contrafund		13.25	Hold	1.9	-4.8	17.2	1.4	11.3	13.8	0.99
9148	FPRGC	Fid VIP Disciplined Small Cap		9.58	Buy	5.1	-3.0	-2.7	-13.9	--	--	1.36
9074	FZAMC	Fid VIP Dynamic Capital App		12.49	Buy	2.7	-5.6	6.6	-9.5	9.6	--	1.21
9198	FEMAC	Fid VIP Emerging Markets	1.00%/60 days	10.30	Buy	3.0	3.0	--	--	--	--	--
9085	FJLLC	Fid VIP Energy	1.00%/60 days	20.53	OK to Buy	7.7	11.0	45.5	29.4	33.9	30.7	1.47
9061	FLOLC	Fid VIP Equity-Income		11.84	Buy	-0.4	-4.7	1.1	-12.5	6.7	9.3	1.13
9083	FONNC	Fid VIP Financial Services	1.00%/60 days	9.25	OK to Sell	-5.1	-13.5	-13.8	-28.7	-1.1	3.6	1.54
9157	FMPAC	Fid VIP FundsManager 20		11.05	Hold	0.2	0.0	5.8	1.5	--	--	0.19
9158	FMPBC	Fid VIP FundsManager 50		11.08	Hold	0.5	-2.0	6.8	-2.1	--	--	0.50
9197	FMPPC	Fid VIP FundsManager 60		10.07	Hold	0.7	0.7	--	--	--	--	--
9159	FMPCC	Fid VIP FundsManager 70		11.10	Hold	0.9	-3.3	7.5	-4.5	--	--	0.74
9160	FMPDC	Fid VIP FundsManager 85		11.09	Hold	1.1	-4.4	8.4	-6.1	--	--	0.92
9062	FMNDC	Fid VIP Growth		13.05	Buy	3.7	-5.6	26.5	6.6	10.1	9.4	1.08
9070	FLFNC	Fid VIP Growth & Income		12.62	Hold	1.6	-4.5	11.8	-3.0	9.4	7.9	1.03
9068	FIDPC	Fid VIP Growth Opportunities		13.02	OK to Sell	4.3	-4.9	22.7	1.5	8.0	8.7	1.38
9078	FPVDC	Fid VIP Growth Stock		11.97	OK to Buy	3.6	-5.7	22.1	3.5	--	--	1.16
9084	FPDRC	Fid VIP Health Care	1.00%/60 days	10.81	Hold	2.5	-10.4	9.7	-9.3	3.5	6.2	0.77
9060	FBBLC	Fid VIP High Income		11.67	OK to Sell	0.5	1.6	2.3	-0.5	6.0	7.1	0.18
9064	FXVLT	Fid VIP Index 500		11.87	Hold	1.3	-3.9	5.2	-7.1	6.3	8.5	1.04
9082	FBALC	Fid VIP Industrials	1.00%/60 days	14.26	Hold	2.5	0.1	17.8	3.3	14.2	18.5	1.21
9076	FVJIC	Fid VIP Int'l Capital App	1.00%/60 days	12.63	Hold	3.8	-1.8	4.8	-8.9	--	--	0.98
9090	FBKQT	Fid VIP Investor Freedom 2005		11.96	Hold	0.9	-1.4	8.3	0.0	--	--	0.45
9091	FCRJT	Fid VIP Investor Freedom 2010		11.96	Hold	0.9	-1.5	8.4	-0.1	--	--	0.46
9092	FTCMT	Fid VIP Investor Freedom 2015		12.22	Hold	1.0	-1.8	9.0	-0.7	--	--	0.53
9093	FTEMT	Fid VIP Investor Freedom 2020		12.42	Hold	1.3	-2.3	9.9	-1.5	--	--	0.67
9094	FVIIT	Fid VIP Investor Freedom 2025		12.50	Hold	1.4	-2.5	10.1	-1.7	--	--	0.70
9095	FXJLT	Fid VIP Investor Freedom 2030		12.67	Hold	1.7	-3.0	11.0	-2.5	--	--	0.83
9089	FBXOT	Fid VIP Investor Freedom Income		11.42	Hold	0.4	-0.1	5.8	1.9	--	--	0.18
9063	FTLKC	Fid VIP Investment Grade Bond		10.89	Buy	-0.6	0.1	4.0	2.7	2.5	2.5	0.28
9172	FVMAC	Fid VIP Materials	1.00%/60 days	12.40	Hold	6.2	8.8	14.7p	16.8	--	--	--
9071	FNBSB	Fid VIP Mid Cap		13.55	Buy	3.7	-1.8	15.2	0.0	13.3	18.3	1.02
9059	FTNJC	Fid VIP Money Market		11.25	--	0.2	1.3	4.9	4.2	3.9	2.6	0.02
9088	FEMMC	Fid VIP Overseas	1.00%/60 days	14.82	Hold	2.5	-2.8	16.9	-0.2	16.7	--	1.07
9072	FFWKC	Fid VIP Real Estate		12.77	Sell	0.0	9.5	-18.0	-12.3	8.6	--	1.73
9075	FGDQC	Fid VIP Strategic Income		11.59	Buy	-0.3	1.4	5.3	4.1	5.2	--	0.14
9086	FYENC	Fid VIP Technology	1.00%/60 days	12.59	Hold	5.5	-5.7	14.9	-0.7	9.1	9.8	1.49
9173	FVTAC	Fid VIP Telecommunications	1.00%/60 days	8.72	OK to Sell	2.2	-12.1	-1.1p	-21.0	--	--	--
9087	FXRRC	Fid VIP Utilities	1.00%/60 days	15.45	Hold	3.4	-2.3	20.2	0.3	16.9	16.8	1.05
9079	FKMSC	Fid VIP Value		11.73	Buy	2.4	-1.8	1.7	-11.9	--	--	1.18
9080	FUEBC	Fid VIP Value Leaders		11.79	Buy	-0.6	-5.4	4.2	-11.5	--	--	1.15
9073	FRBSC	Fid VIP Value Strategies		12.03	Buy	3.6	-4.0	5.3	-14.4	6.6	--	1.24
9199	FCIFC	Credit Suisse Int'l Focus		10.15	OK to Sell	1.5	1.5	--	--	--	--	--
9147	FPRLC	Lazard Retirement Emerging Mkts		14.85	Hold	-0.1	0.9	33.3	15.5	--	--	1.18
9143	FPRMC	Morgan Stanley Emerg Mkt Debt		11.65	Hold	0.2	1.1	6.3	2.7	7.8	9.0	0.24
9144	FPRNC	Morgan Stanley Emerg Mkt Equity		14.90	Buy	2.0	-5.0	40.1	17.2	32.4	32.2	1.43
9145	FPROC	Morgan Stanley Gbl Value Equity		11.12	OK to Buy	0.6	-5.9	6.4	-10.1	8.1	11.4	0.99
9146	FPRPC	Morgan Stanley Int'l Magnum		12.30	Buy	2.2	-1.8	14.3	0.6	15.7	16.7	1.08
9174	FMCCC	Strategic Advisors Mid Cap Value		9.28	Hold	3.7	-1.2	-6.3p	-10.6	--	--	--
9175	FSCCC	Strategic Advisors Small Cap		9.04	Hold	5.2	-1.5	-8.5p	-13.7	--	--	--

Annuity Growth Model

Fund	Allocation
Fidelity VIP Growth	28%
Fidelity VIP Strategic Income	26
Fidelity VIP Value Leaders	18
Morgan Stanley Int'l Magnum	13
Fidelity VIP Value Strategies	10
Fidelity VIP Energy	6
Total Returns: May: 1.9% YTD: -2.3%	

Annuity Growth & Income Model

Fund	Allocation
Fidelity VIP Growth	29%
Fidelity VIP Investment Grade	25
Fidelity VIP Strategic Income	22
Fidelity VIP Value Leaders	11
Fidelity VIP Value Strategies	8
Morgan Stanley Int'l Magnum	5
Total Returns: May: 1.2% YTD: -2.7%	

Annuity Income & Preservation Model

Fund	Allocation
Fidelity VIP Investment Grade	30%
Fidelity VIP Money Market	21
Fidelity VIP Strategic Income	17
Fidelity VIP Value Leaders	16
Fidelity VIP Growth	10
Fidelity VIP Value Strategies	6
Total Returns: May: 0.3% YTD: -1.2%	

FOREIGN INVESTING

New Emerging Market Fund Not For The Meek

Emerging markets have been one of the hottest investment areas of the past several years. A combination of high growth rates, low valuations and more stable (i.e., less risky) conditions powered gains of over 30% per year for the past five years in such markets such as China, India, Argentina, and Brazil. These well-known emerging market countries still sport high GDP growth rates relative to developed markets, but after years of stock market gains, their valuations are no longer the bargains they once were; much of the low-hanging fruit has already been picked.

Rather than invest in the well-worn path of Asian and Latin American emerging markets, Fidelity's newest international offering, **Emerging Europe, Middle East, Africa (EMEA) Fund** [ticker: FEMEX] seeks to invest in the over 80 countries of the EMEA region.

Drawing on the collective experience of Fidelity's emerging markets research team, EMEA is run from London by Adam Kutas, who co-managed **Latin America** for two years.

The appeal for the fund would seem clear: the chance for the same kind of explosive growth that the more established emerging markets enjoyed as they grew into "adulthood." Of the 124 countries whose economic growth blew past 4% last year — 30 are in Africa alone. Even faster growth is expected in Poland, the Czech Republic and Egypt.

So while much of the investment public's attention remains on China and India, there are at least one billion more citizens in EMEA who are also eager to improve their standard of living, while their economies are in the earliest stages of development.

However, the fund may be less (or at least less different) than it would seem at first glance. While the fund

is too new for Fidelity to post any composition data, we reviewed the holdings of a similar fund offered to foreign investors out of Fidelity International's London office and what we learned is quite instructive.

That fund (which carries the same name as the domestic version) follows the MSCI EM EMEA Index of just

Countries in EMEA Index	Country Weight (in %)	Est. 2008 GDP Growth	Country Risk	Correlation To S&P 500
South Africa	35	4.1	Low	0.88
Russia	30	7.1	Medium	0.85
Israel	10	3.6	Low	0.94
Poland	7	5.1	Low	0.93
Turkey	6	4.1	Medium	0.82
Hungary	4	2.4	Low	0.88
Czech Republic	3	4.7	Low	0.94
Egypt	3	7.0	Medium	0.60
Jordan	1	4.8	Medium	-0.75
Morocco	1	5.3	Medium	0.74
U.S.A.	NA	1.2	None	1.00

10 countries shown in the table above. You will also note that just two countries, South Africa and Russia, make up 65% of the index and as of October 2007, the fund actually held over 76% in those two countries!

While the fund will likely have some investments in less well-traveled markets such as Poland, Turkey, Hungary, the Czech Republic and Egypt, and may also invest outside the index, it is not really the "frontier" emerging market fund that many investors suspect.

Given what we expect to be this fund's country focus, rather than a frontier or "newer" emerging market fund, we expect EMEA fund to be essentially a play on the booming market for commodities and natural resources.

Russia, for example, is largely a play on oil. Slow to diversify its economic good fortunes, President Medvedev was once Gazprom's chairman. And South Africa is rich in precious metals and other industrial materials.

Of the 80 or so countries this fund might invest in, South Africa and Russia are among the most developed, so in that sense, the fund's risk-taking is

restrained. However, with such a concentration in just two countries — both fairly dependent on commodities — sector risk is likely to be quite high.

In addition, while Russia and South Africa may be more well-developed than frontier markets, they are not without political risk. Notably, Russian security forces twice raided

the offices of TNK-BP, Gazprom's chief rival. This has fed speculation that the government ultimately wants BP out of its country.

And while South Africa may be the largest economy in Africa, it remains racially bifurcated with extreme poverty and wealth — a recipe for civil unrest. In fact, South African violence has recently shuttered a gold

mine: something not seen since apartheid ended. These developments are a reminder of the risks that are largely absent in developed markets.

Action Recommendation

While 30%-plus stakes in Russia and South Africa are big bets with significant risks, unsatiated appetites for natural resources by India and China are a powerful force. (In terms of reserves, 97% of the world's platinum, 95% of its chromium and 83% of known oil reserves are in EMEA countries.)

EMEA Fund is best held by investors with a strong stomach for risk, a long time horizon, and the ability to hold through extreme market volatility. Generally high correlations between EMEA countries and the U.S. mean the fund may not be as much of a diversifier as you would expect. Additionally, investors with already significant exposures to natural resources will derive even less diversification benefit. With an expense ratio of 1.42%, we like this fund's long-term outlook. But given the risk of a pull-back in commodities, we rate EMEA a *Hold*. ■

FUND UPDATE

Growth Poses Test For Mega Cap Stock

When Fidelity gave Growth & Income II a new name — **Mega Cap Stock** — last December 1, they also gave the fund a new manager, a new benchmark and a new process for selecting stocks. That process was designed by Manager Rick Mace, who had previously run **Overseas** and a variety of foreign and Select funds.

The process, and the fund's focus on mega-cap stocks — 80% of assets are generally invested among the 200 biggest U.S. companies, which we viewed as historically cheap by most measures — was a major reason we gave it a *Buy* rating, and added it to our Aggressive Growth Model.

However, the fund has yet to find its footing. While Mega Cap, as well as its Russell Top 200 benchmark, and the S&P 500 are all negative since December 31 (down 5.7% and 3.8%, respectively), the fund has lost more than both indexes (down 6.7%).

On the other hand, since the end of March, things seem to have improved. With a return of 5.2% since March 30, the fund still trails the S&P 500 (up 6.2%), but has matched the Russell Top 200 index, which also is ahead 5.2% over the past two months.

High Cash Inflows

As it happens, the end of March was just about when Rick got the new portfolio where he wants it.

“We are there,” Rick said when we spoke with him most recently. “We’re still fine-tuning it, but by the end of March, the portfolio was just about where we wanted it to be.”

Part of the reason for the four-month transition, Rick says, was the rapid pace of money coming into the fund. Although it started with just over \$300 million in assets at the end of November, by the end of the year, that number had grown to \$550 million, then to \$690 million by the end of March and over \$730 million by the end of April.

That’s still small by Fidelity standards, but the rapid asset growth (in percentage terms) has meant that Rick and his team have had to spend much of their time looking for stocks to buy in a volatile market, rather than focusing on reshaping the portfolio.

As Rick said: “The big challenge was the asset flow. It makes you subject to the fluctuations of the market when you’re trying to invest five, ten or twenty percent of assets at a time.” As a result, he adds, “the net purchases were very large; the net sales were pretty small.”

Still, there have been sales and the fund has become more concentrated as the number of holdings has declined from almost 200 to less than 150.

Unique Investment Process

While it has yet to be tested in a variety of markets, the edge may come from the fund's unique investment process. Unlike the bottom-up, fundamental stockpicking discipline used by most Fidelity funds, Mega Cap Stock relies on four factors: technical, macroeconomic, quantitative, as well as fundamental analysis.

The importance of each factor varies by industry or sector. For tech stocks, for example, the fund may rely more heavily on quantitative or technical analysis. For financials, it may rely more on macroeconomic factors. According to Rick, each of these factors adds value, while combining all four should produce even better results.

Since its re-branding, Mega Cap Stock has achieved one goal: its market cap has jumped from the \$40 billion to \$50 billion range to over \$68 billion, giving it the largest market cap among all Fidelity funds.

That is the main reason we’re keeping Mega Cap Stock in the Aggressive Growth Model: Beyond the manager and his process, we believe mega-caps, which get much of their business from faster-growing overseas markets, are still attractively valued and should hold up better if the economy continues to weaken. ■

FUND UPDATE

Low-Priced Stock (Partially) Reopens

Fidelity is once again making **Low-Priced Stock** available in certain retirement accounts.

The fund, which is in our Income & Preservation Model, has been closed to all new investors since July 2004. But many 401(k) and 403(b) retirement plans have continued to offer it, and employees who invested before the closing could continue to do so. These plans can now offer this mid-cap blend fund to new employees and those who, until now, have been shut out of it. The fund is still closed to retail investors.

Why open it now? The simple reason is that Manager Joel Tillinghast (arguably, one of the most brilliant managers in the business) has seen net redemptions in his fund rise for almost two years. Investors appear to be selling shares because it is has not been faring as well as other mid-cap funds.

However, its official benchmark is the small-cap Russell 2000. And it outpaced that index last year by almost five percentage points. About a third of Low-Priced Stock's assets are in small caps, but owing to its rather large size, Joel has been forced to buy many larger-cap stocks. The bottom line is that assets have declined to \$31.7 billion, down from \$35.2 billion at the start of the year.

By continuously selling shares to meet redemptions, Joel has essentially been unable to buy beaten-down value stocks, which have been this fund's bread-and-butter. Indeed, we see this partial re-opening as a potential positive for the fund.

While most immediately, our preference is for members to own larger-cap funds, buying some shares in this fund now will get you a seat at the table, and when small- and mid-cap stocks shine, this fund sparkles. Moreover, when Joel's favorite area of the market heats up again, this fund will likely close its doors, once more. ■

SPECIALTY FUNDS

Strategic Real Return Helps Three Models

Rising energy prices may have made life difficult for many stock funds this year, but not for **Strategic Real Return**. Those very issues, in fact, have gone a long way toward helping the fund limit losses in one of our model portfolios, while contributing to positive returns for two other models.

While the Growth Model is down 1.1% for the year, the decline would have been greater without the 5.7% gain of Strategic Real Return. Meanwhile the Growth & Income Model is up 0.3% for the year and the Income & Preservation Model is ahead 1.0%. The S&P 500, by the way, is down 3.7%.

Not surprisingly, most of the fund's strength has come from its commodity-linked notes and inflation-protected securities, both of which have benefited from rising energy prices.

The fund uses a "neutral" mix of approximately 30% inflation-protected investments, or TIPS (Treasury Inflation Protected Securities); 25% commodity-linked notes; 25% floating rate bank loans, or shorter-term, lower-quality corporate debt; and 20% REITs and other real estate investments.

Most recently, the portfolio has been underweight all of these investment classes (27.6% in TIPS and 21.5% in commodities, for example), while holding almost 6% of its assets in cash. In the past few months, the fund's exposure to floating rate notes and REITs have increased as Manager Derek Young has found buying opportunities in these areas. That last move has paid off as REITs have outperformed TIPS this year.

Simply put this fund continues to demonstrate its importance as part of a diversified portfolio. ■

Inside Fidelity

Manager Changes — Chuck Myers has been named portfolio manager of **Small Cap Value**, succeeding Tom Hense. Chuck joined Fidelity's small-cap team in 1999, and co-managed **Small Cap Growth** from 2005 to 2006. He also worked as a research analyst in Fidelity's London office following European telecommunications operators. Small Cap Value's biggest sector weight is financials (as it is in the fund's Russell 2000 Value benchmark). Given the troubles of that industry, as well as our bias toward large-cap growth funds, we're keeping this fund's rating at *OK to Sell*.

Noriko Takahashi has been named co-manager of **Int'l Small Cap**, succeeding Tokuya Sano. Noriko will be responsible for the fund's investments in Japan.

DIVIDEND UPDATE

In addition to monthly dividends paid by bond and money market funds, Asset Mgr 20%, Freedom Income and Income Replacement, these funds are expected to pay dividends and/or capital gains in June:

Large Cap Stock, Mid-Cap Stock, R.E. Income, R.E. Investment, Small Cap Investment, Small Cap Independence, Small Cap Stock, Spartan 500 Index.

The final distributions for May were as follows:

Fund	ex-date	Amt (\$)	NAV
Freedom 2000	5/9	0.26	12.08
Freedom 2005	5/9	0.28	11.32
Freedom 2010	5/9	0.42	14.18
Freedom 2015	5/9	0.31	11.90
Freedom 2020	5/9	0.51	14.87
Freedom 2025	5/9	0.38	12.40
Freedom 2030	5/9	0.61	15.27
Freedom 2035	5/9	0.45	12.69
Freedom 2040	5/9	0.36	8.96
Freedom 2045	5/9	0.29	10.57
Freedom 2050	5/9	0.31	10.59
Magellan	5/2	2.87	86.42

New VIP Funds — Fidelity has added three new funds to its Personal Retirement Annuity (PRA) line-up, and they have been added to our *Scorecard*. The first is **VIP Emerging Markets**. It will be managed by Robert von Rekowsky, who has done a fine job on **Emerging Markets**. We rate it a *Buy*.

Next, **VIP Funds Manager 60**, will have a mix of stocks, bonds and money market funds, with a neutral stock exposure of 60%. As with the other VIP Funds Manager offerings, we rate this fund a *Hold*.

Finally, Fidelity has added **Credit Suisse International Focus**, a large-cap fund that, in some ways, is similar to **Morgan Stanley Int'l Magnum**, which is already a PRA option and is rated a *Buy*. However, the Morgan Stanley fund is more broadly diversified and its manager has been running the fund for 11 years compared to just a few months for the Credit Suisse manager. We rate this new fund *OK to Sell*. ■

Message To Members

For many years, our weekly Hotline messages, which are normally provided on Friday evening, have moved to Thursday during the summer between Memorial Day and Labor Day.

In the past couple of years, however, several members have said they prefer to have these messages on Friday, even in the summer.

Well, no one can say we're not responsive: From now on, the Hotline will be provided on Friday throughout the year. Have a great summer.

Sincerely,



Eric M. Kobren

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